सत्यमेव जयते

Government of India

MINISTRY OF FINANCE

ANNUAL REPORT

2022-2023

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Introduction

The Ministry comprises of six Departments namely:—

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

1. Department of Economic Affairs

Economic Growth

The global economy was on the path of recovery after waning of the COVID-19 pandemic until the Russia-Ukraine conflict broke out in February 2022. The conflict further disrupted the global supply chains and led to a spike in prices of critical commodities, leading to uptick in inflationary pressures. To restrain the consequent inflation, major central banks around the world undertook monetary tightening resulting in tightening of financial conditions. As a result, increased borrowing costs and stubbornly high inflation is now getting reflected in multiple leading indicators of global economic activity. Global developments have posed downside risks to India's growth and overall macroeconomic stability as well. The impact was seen in the first half of 2022-23, in the widening of the current account deficit (CAD), uptick in retail inflation, the outflow of portfolio investments, and the appreciation of the US$ against the ₹. In the second half of 2022-23, retail inflation has fallen below the tolerance ceiling, portfolio investments have started to return, the ₹ has stabilized against the US$, but export growth has declined with the slowing of global growth. However, despite the unfavourable developments, as per the latest IMF World Economic Outlook estimates, the Indian economy continues to be one of the fastest-growing major economies in 2022-23, which is a reflection of India's underlying economic resilience and strong macroeconomic fundamentals.

As per the Second Advance Estimates of National Income, 2022-23 of the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), India's Real GDP and Nominal GDP are projected to grow by 7 per cent (YoY) and 15.9 per cent (YoY), respectively, in 2022-23. Persistently high inflation, tightening financial conditions, supply chain disruptions due to ongoing geopolitical tensions and a slowdown in China have resulted in a downward revision of the real GDP growth rate (as per SAE 2022-23) in comparison to the Real GDP growth rate forecasted in Economic Survey 2021-22.

On the demand side, private consumption has witnessed continued momentum. It is estimated to grow at 7.3 per cent in 2022-23 compared to 11.2 per cent in 2021-22, reflecting the rebound demand witnessed in the current year on account of the release of pent-up demand for contact-intensive services. Gross Fixed Capital Formation (GFCF) is estimated to grow at 11.2 per cent in 2022-23, supported by various reforms and measures taken by the Government leading to the reinvigoration of the capex cycle and crowding-in of private investment. The government has continued to support the investment activity with capital expenditure reaching Rs. 5.7 lakh crore during April-January 2023, which is 29 per cent higher than last year's corresponding period. Private investment also picked up in 2022-23, partially driven by increased public capex and because of the strengthening of the balance sheets of the corporates and the consequent increase in credit flow. Exports are estimated to grow at 11.5 per cent in 2022-23 despite sustained supply chain disruptions and an uncertain geopolitical environment. The share of exports in GDP (at 2011-12 prices) also increased to 23.1 per cent in 2022-23 compared to 22.1 per cent in 2021-22.

On the supply side, agriculture, forestry and fishing continues to lend unwavering support to economic growth and are expected to witness YoY growth of 3.3 per cent in 2022-23. The growth in the agriculture sector is likely to remain buoyant, supported by healthy progress in Rabi sowing. This has led to a recovery in the rural economy. The improvement in rural demand can be deduced from the robust domestic tractor, two and three-wheelers sales during Q3 of 2022-23. The industry sector is likely to witness modest growth of 3.6 per cent in 2022-23 compared to strong growth of 11.6 per cent in 2021-22, possibly because of input cost-push pressures, supply chain disruptions and China lockdown affecting the availability of essential inputs and slowing global economy. The services sector is expected to rebound with YoY growth of 9.4 per cent in 2022-23 compared to 8.8 per cent in 2021-22, driven by a recovery of the contact-intensive service sector (Trade, hotels, transport, communication and services related to broadcasting) which is likely to witness the highest growth of 14.2 per cent on account of the release of pent-up demand.

Industry

The performance of the industrial sectors based on the Index of Industrial Production (IIP) comprising mining, manufacturing and electricity sectors witnessed continued momentum during 2022-23 (April-December). According to the data on the IIP released by the National Statistical Office (NSO) under the Ministry of Statistics and Programme Implementation (MOSPI), the IIP based industrial growth during 2022-23 (April-December), was 5.4 per cent as compared to 15.3 per cent during the 2021-22 (April-December). The three broad sectors, mining, manufacturing and electricity sectors registered growth of 5.4 per cent, 4.8 per cent and 9.9 per cent respectively in 2022-23 (April-December) as against 16 per cent, 16.1 per cent and 9.4 per cent growth respectively during the corresponding period last year. In terms of used based grouping, except for Consumer Non-Durable Goods all subgroups witnessed positive growth during 2022-23 (April-December). The growth of different sectors and used based industrial group is given below.

Table: Growth of Index of Industrial Production (IIP) (in Per cent)

(Base 2011-12=100)

Industry group	Weight	2021-22	2021-22 (April-December)	2022-23 (April-December)
Mining	14.37	12.2	16	5.4
Manufacturing	77.63	11.8	16.1	4.8
Electricity	7.99	8.0	9.4	9.9
Growth by used-based industrial group				
Primary Goods	34.04	9.6	11.8	7.8
Capital Goods	8.22	17.0	24.3	14.1
Intermediate Goods	17.22	15.4	20.8	4.5
Infrastructure/Construction Goods	12.33	18.8	23.9	7.6
Consumer Durable Goods	12.83	12.4	20.6	3.4
Consumer Non-Durable Goods	15.32	3.2	5.4	-1.2
General Index	100	11.4	15.3	5.4

Source: NSO, MoSPI

The index for eight core industries comprising coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity with a combined weight of nearly 40 per cent in the IIP, registered growth of 7.9 per cent in 2022-23 (April-January) compared to 11.6 per cent in 2021-22 (April-January). The acceleration in ICI is mainly driven by double digit growth in coal, cement, electricity and fertiliser subsectors. Except for crude oil, all sub-sectors registered positive growth during 2022-23 (April-January).

	Weight	2021-22	2021-22 (Apr-Jan)	2022-23 (Apr-Jan)
Coal	10.33	8.5	10.3	16.1
Crude Oil	8.98	-2.6	-2.6	-1.3
Natural Gas	6.88	19.2	21.2	1.4
Petroleum Refinery Products	28.04	8.9	9.3	5.4
Fertilizers	2.63	0.7	-0.3	10.5
Steel	17.92	16.9	19.9	7.1
Cement	5.37	20.8	24.7	10.0
Electricity	19.85	8.0	8.5	10.1
Overall Growth Rate	100	10.4	11.6	7.9

Source: Office of the Economic Adviser, DPIIT (Ministry of Commerce & Industry)

Performance of the Banking Sector

Since the middle of the previous decade, RBI and the Government have made dedicated efforts in terms of calibrated policy measures like strengthening the regulatory and supervisory framework, implementation of 4R's approach of Recognition, Resolution, Recapitalisation and Reforms to clean and strengthen the balance sheet of the banking system. These continuous efforts over the years have culminated in the enhancement of risk absorption capacity and a healthier banking system balance sheet both in terms of asset quantity and quality over the years.

Consequently, the asset quality of Scheduled Commercial Banks (SCBs) has been improving steadily over the years across all major sectors. The Gross Non-Performing Assets (GNPA) ratio has decreased from 8.2 per cent in March 2020 to a seven-year low of 5.0 per cent in September 2022, while Net Non-Performing Assets (NNPA) have dropped to a ten-year low of 1.3 per cent of total assets. Lower slippages and the reduction in outstanding GNPAs through recoveries, upgrades and write-offs led to this decrease. Lower GNPAs, combined with high provisions accumulated in recent years, contributed to a decline in NNPA.

Moreover, with shrinking GNPAs, the Provisioning Coverage Ratio (PCR) has been increasing steadily since March 2021 and reached 71.6 per cent in September 2022. The Credit to Risk Weighted Asset Ratio (CRAR) of SCBs has been rising sequentially in the post-asset quality review period. With a pick-up in lending activity during H1:FY23, CRAR moderated in September 2022 because of an increase in risk-weighted assets (RWAs). However, it remains well above the minimum capital requirement, including Capital Conservation Buffer (CCB) requirements of 11.5 per cent.

During the first half of FY23, the profitability of SCBs, measured in terms of Return on Equity (ROE) and Return on Assets (ROA), improved to levels last observed in FY15. At the system level, Profit After Tax (PAT) witnessed a double-digit growth of 40.7 per cent in the quarter ending September 2022, led by strong growth in Net Interest Income (NII) and a significant lowering of provisions. Macro-stress tests conducted by RBI for credit risk reveal that SCBs are well-capitalised and that all banks would be able to comply with the minimum capital requirements even under adverse stress scenarios.

Credit Growth

The recovery in economic activity in FY22, along with the enhanced financial soundness of banks and corporates, has bolstered the expansion of non-food bank credit since June 2021.The YoY growth in non-food bank credit accelerated to 16.7 per cent as on 27th January 2023. This not only shows an acceleration in the growth of current economic activities but also an anticipation of continued momentum in economic activity in future.

Credit growth has been broad-based across sectors, with retail credit driving the growth primarily owing to rising demand for home loans. An increase in demand for housing induces greater investment which, in turn, sets off a virtuous cycle of growth and investment. Credit to agriculture and allied activities gained momentum supported by the Government's concessional institutional credit and higher agricultural credit target. Industrial credit growth has been buoyed by a pick-up in credit to MSMEs, assisted by the benefits accrued from the effective implementation of the Emergency Credit Line Guarantee Scheme (ECLGS) and the support provided by the government's production-linked incentive scheme and improvement in capacity utilisation. Credit growth in services was driven by a recovery in credit to NBFCs, commercial real estate and trade sectors.

With moderation in overseas issuances and lower investments by Private Equity (PE)/Venture Capital (VC), the financing needs of the corporate sector are being met through domestic resources. As funds raised from the primary segment of domestic equity markets declined during FY23, reliance on bank credit for funding regular operations and capacity expansion increased. Also, the Incremental Credit-Deposit ratio rose sharply both on an annual (122.0 per cent, YoY) and half-yearly basis (172.5 per cent; September 2022 over March 2022). The accumulation of deposits in the past few years has enabled banks to fund the growing credit demand. Here, the well-capitalised banking system with a low NPA ratio and more robust corporate sector fundamentals will continue to enhance the flow of bank credit into productive investment opportunities, notwithstanding the rising interest rates.

Monetary Developments

The Monetary Policy Committee (MPC) maintained a status quo on the policy repo rate between May 2020 and February 2022 after implementing a 115 basis points (bps) reduction between March 2020 and May 2020. Retail inflation crossed the upper limit of RBI's tolerance band since January 2022. Sensing a serious risk to price stability, RBI initiated the monetary tightening cycle. In its April 2022 meeting, the committee introduced the Standing Deposit Facility (SDF), which allowed for the deposit of excess funds by banks with the RBI without the necessity of collateral in the form of government securities, thereby allowing effective liquidity management in a collateral-free manner. The SDF, introduced at a rate of 3.75 per cent, replaced the reverse repo rate as the new floor of the Liquidity Adjustment Facility (LAF) corridor. The MPC also indicated a change in stance from 'Accommodative' to 'Accommodative and focused on the withdrawal of accommodation, while supporting growth' in this meeting, signalling the start of the monetary tightening cycle.

Recognising the sizeable upside risk imparted by adverse global developments, such as the generalised hardening of commodity prices and an increased likelihood of prolonged supply chain disruptions, the MPC convened an off-cycle meeting in May 2022. Members unanimously voted for an increase of 40 bps each in the policy repo rate, the SDF and the Marginal Standing Facility (MSF), and a 50-bps increase in the Cash Reserve Ratio (CRR). Between May 2022 and February 2023 and over six meetings, the MPC implemented a cumulative hike of 250 bps each in the policy repo rate, the SDF, the MSF and the bank rate. In the initial phases of the tightening cycle, the committee noted that commodity price-driven inflationary pressures, increased volatility and initial signs of a slowdown in output characterised the global outlook.

Liquidity Conditions and its Management

Surplus liquidity conditions that prevailed post-Covid-19 in response to the Reserve Bank's conventional and unconventional monetary measures moderated during FY23 in consonance with the changed monetary policy stance that focused on the withdrawal of accommodation. With the Marginal Standing Facility (MSF) rate retained at 25 bps above the policy repo rate, the Liquidity Adjustment Facility (LAF) corridor became symmetric around the policy repo rate - the corridor width was thus restored to 50 bps, the position that prevailed before the pandemic. The RBI's move to hike the Cash Reserve Ratio (CRR) by 50 bps resulted in a withdrawal of primary liquidity to the tune of ₹87,000 crore from the banking system.

The daily net liquidity absorption averaged ₹2.5 lakh crore during FY23 (up to 21 December 2022) as compared with ₹6.7 lakh crore in FY22. The Reserve Bank remained nimble and agile in liquidity management by conducting two-way operations. It injected liquidity to assuage transient liquidity tightness through two variable rate repo (VRR) auctions of ₹50,000 crore each of 3 days and overnight maturity on 26th July and 22nd September 2022, respectively. The gradual withdrawal of surplus liquidity pushed the weighted average call rate (WACR) - the operating target of monetary policy - closer to the policy repo rate, on an average basis. The WACR traded 6 bps above the policy repo rate, on an average, during H2 (up to 21 December 2022) compared to 28 bps below it during H1. Interest rates on various money market rates - 91-day Treasury Bills (T-Bills), 3-month certificates of deposit and commercial papers - gradually firmed up in line with the increase in the repo rate.

Lending and deposit rates of banks increased during FY23 in consonance with the policy repo rate changes. During FY23 (up to December 2022), external benchmark-based lending rate and 1-year median marginal cost of funds-based lending rate (MCLR) increased by 225 bps and 115 bps, respectively. Overall, the weighted average lending rate (WALR) on fresh and outstanding rupee loans rose by 105 bps and 61 bps, respectively, in FY23 (up to October 2022). On the deposit side, the weighted average domestic term deposit rate (WADTDR) on fresh term deposits increased by 141 bps in FY23 (up to October 2022).

An analysis of transmission across bank groups during FY23 (up to October 2022) indicates that the increase in the WALRs on fresh loans was higher in the case of public sector banks, while that of the WADTDR on outstanding deposits and WALR on outstanding loans was higher for private banks.

Developments in the G-Sec Markets

After remaining steady through 2020 and 2021, the yield on the 10-year government bond rose in 2022. The weighted average yield spike reflects the domestic bond market volatility stemming from uncertainty in crude prices, a hawkish stance of major central banks, a hardening of global bond yield and the pressure on the rupee. The monthly average yield on the 10-year government bond stood at 7.35 per cent in February 2023 after having peaked at 7.5 per cent in June 2022. Yields moderated in November and December 2022 following smaller rate hikes by major central banks and declining inflation. With the softening of yields, volatility also declined in the second half of 2022.

The trading volume in G-Secs (including T-Bills and SDLs) reached a two-year high of ₹27.7 lakh crore during Q2 FY23, registering a YoY growth of 6.3 per cent. The higher trading volume reflects the growing interest of market players/ traders in the government security market.

Private Sector Banks emerged as the dominant trading segment in the secondary market during the quarter under review, with a share of 25.0 per cent in "Buy" deals and 24.8 per cent in "Sell" deals in the total outright trading activity, followed by foreign banks, public sector banks, primary dealers and mutual fund. On a net basis, foreign banks and primary dealers were net sellers. In contrast, public sector banks, cooperative banks, financial institutions, insurance companies, mutual funds, private sector banks and 'others' were net buyers in the secondary market.

Services Sector

The Covid-19 pandemic hurt most sectors of the economy, with the effect particularly profound for contact-intensive services sectors like tourism, retail trade, hotel, entertainment, and recreation. On the other hand, non-contact services such as information, communication, financial, professional, and business services remained resilient. However, the services sector witnessed a swift rebound in FY22, growing Year-on-Year (YoY) at 8.8 per cent compared to a contraction of 8.2 per cent in the previous financial year. The improvement was driven by growth in the 'Trade, Hotel, Transport, Storage, Communication and Services related to broadcasting' sub-sector, which bore the maximum burden of the pandemic. The growth momentum has continued in FY23 as well. As per the Second Advance Estimates, Gross Value Added (GVA) in the services sector is estimated to grow at 9.4 per cent in FY23, driven by 14.2 per cent growth in the contact-intensive services sector.

Growth in the services sector in Q3 of 2022-23 is led by an increasing contribution of the contact-intensive services sector (trade, hotel, transport, communication and services related to broadcasting) to real GVA, as the removal of restrictions and near-universal vaccination coverage led to a shift in discretionary consumption towards contact-intensive services with the release of pent-up demand.

Bank credit to the services sector has witnessed significant growth since October 2021 with the improvement in vaccination coverage and recovery in the services sector. The credit to services sector saw a YoY growth of 21.5 per cent in January 2023 compared to a 5.7 per cent growth in January 2022.

The World Investment Report 2022 of UNCTAD places India as the seventh largest recipient of FDI in the top 20 host countries in 2021. In FY22 India received the highest-ever FDI inflows of US$ 84.8 billion including US$ 7.1 billion FDI equity inflows in the services sector. To facilitate investment, various measures have been undertaken by the Government, such as the launch of the National Single-Window system, a one-stop solution for approvals and clearances needed by investors, entrepreneurs, and businesses. To ensure the liberalization of investment in various industries, the Government has permitted 100 per cent foreign participation in telecommunication services, including all services and infrastructure providers, through the Automatic Route.

Services sector performance

	Share in GVA (per cent)	Growth				
Sector	**2022-23 (2nd AE)**	**2021-22 (1st RE)**	**2022-23 (2nd AE)**	**Q1**	**Q2**	**Q3**
Total Services (Excluding construction)	54.4	8.8	9.4	16.3	9.4	**6.2**
Trade, hotels, transport, communication & services related to broadcasting	19.1	13.8	14.2	25.7	15.6	**9.7**
Financial, real estate & professional services	22.5	4.7	6.9	8.6	7.1	**5.8**
Public administration, defence & other services*	12.8	9.7	7.1	21.3	5.6	**2.0**

Source: Ministry of Statistics and Programme Implementation

Share in GVA is at Current Prices and growth in GVA is at Constant 2011-12 Prices

Other services include Education, Health, Recreation and other personal services

PE: Provisional Estimates. AE: Advance Estimates

Agriculture and Food Management

The Indian agriculture sector grew by 3.0 per cent in 2021-22 compared to 3.3 per cent in 2020- 21. As per Fourth Advance Estimates for 2021-22, the production of Foodgrains in the country is estimated at 315.72 million tonnes which is higher by 4.98 million tonnes than the production of foodgrain during 2020-21. The production during 2021-22 is higher by 25 million tonnes than the previous five years' (2016-17 to 2020-21) average production of foodgrains. As per the First Advance Estimates for 2022-23 (Kharif only), total food grains production in the country is estimated at 149.9 million tonnes which is higher than the average Kharif food grain production of the previous five years (2016-17 to 2020-21). As per First Advance Estimates 2022-23 (kharif only) the paddy area was about 3.8 lakh hectares less than the sown area of 411.2 lakh hectare during 2021-22 (kharif season). Further, in the current rabi season the area under rabi paddy has expanded by 6.6 lakh hectares as compared to last year (Crop Weather Watch Group 12 January 2023). According to third advance estimates (2021-22), horticulture had a record production of 342.3 million tonnes in an area of 28.0 million hectares.

(Production in Million Tonnes)

Crops	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22***
Rice	112.76	116.48	118.87	124.37	130.29
Wheat	99.87	103.60	107.86	109.59	106.84
Nutri/Coarse Cereals	46.97	43.06	47.75	51.32	50.90
Total Pulses	25.42	22.08	23.03	25.46	27.69
Total Nine Oilseeds	31.46	31.52	33.22	35.95	37.70
Cotton #	32.81	28.04	36.07	35.25	31.20

Lakh bales of 170 kgs. Each
* 4th advance Estimates

Livestock Sector is an important subsector of agriculture in the Indian economy. It grew at a CAGR of 7.93 per cent during 2014-15 to 2020-21 (at constant prices). As per the estimates of National Accounts Statistics (NAS) 2020 for sector wise GVA of agriculture and allied sectors, the contribution of livestock in total agriculture and allied sector GVA (at constant prices) has increased from 24.32 per cent (2014-15) to 30.13 per cent (2020-21).

Dairy is the single largest agricultural commodity contributing 5 per cent of the national economy and employing more than 8 crore farmers directly. Milk production in the country has grown at a compound annual growth rate of about 6.2 per cent to reach 209.96 million tonnes in 2020-21 from 146.31 million tonnes in 2014-15. Egg production in the country has increased from 78.48 billion in 2014-15 to 122.05 billion Nos. in 2020-21. Meat production in the country has increased from 6.69 million tonnes in 2014-15 to 8.80 million tonnes in 2020-21. The Fisheries sector plays an important role in the national economy with an estimated Gross Value Added (GVA) at Rs. 1,37,716 Crores in 2020-2021. The sector has reached record fish production of 16.25 MMT in 2021-22 (provisional) and has immense potential to grow further.

Infrastructure

Infrastructure plays a vital role in national integration and regional development. This includes roads, railways, airports, ports, mass transport, waterways and telecommunications etc. Some of the achievements under infrastructure development in India are as follows:

- There has been an increase in the construction of National Highways (NHs)/roads over time, with 10,457 km of roads constructed in FY 22 as compared to 6,061 km in FY1 6. In FY 23 (until October 2022), 4,060 km of NHs/roads were constructed.
- During the current financial year, passenger rail traffic has seen strong growth with the number of originating passengers hitting 418.4 crore (up to November 2022). In the case of revenue-earning freight traffic, during FY 22-23 (up to November 2022), Indian Railways carried 976.8 million tonnes of revenue-earning freight traffic (excluding KRCL).
- In the case of the civil aviation sector, the total number of passengers carried in December 2022 stood at 150.1 lakh, which was 106.4 per cent of the pre-Covid level (average for 11 months from April 2019 to February 2020). During November 2022, total air cargo tonnage stood at 2.5 lakh MT, which is 89 per cent of the pre-Covid levels.
- The capacity of major ports, which was 871.5 Million Tonnes Per Annum (MTPA) at the end of March 2014, has increased to 1534.9 MTPA by the end of March 2022. Cumulatively they handled 720.1 MT traffic during FY 22.
- The total telephone subscriber base in India stands at 117 crore (as of November 2022). More than 97 per cent of the total subscribers are connected wirelessly (114.3 crore at the end of November 2022), and 83.7 crore have internet connections as of June 2022.

Social Sector

The Government's spending on social services[1] has shown a rising trend since FY16 with a focus on many aspects of the social well-being of citizens of the country. The share of expenditure on social services in the total expenditure of the Government has been around 25 per cent from FY18 to FY20. It increased to 26.6 per cent in FY23 (BE). The social services expenditure witnessed an increase of 8.4 per cent in FY21 over FY20 and another 31.4 per cent increase in FY22 over FY21, being the pandemic years, which required enhanced outlay, especially in the health[2] and education[3] sectors. While the social sector expenditure outlay of the Centre and State governments was ₹12.8 lakh crore in FY19, it has increased steadily to stand at ₹21.3 lakh crore in FY23 (BE).

Labour Market

As reported in annual PLFS[4], labour markets have recovered beyond pre-Covid levels, in both urban and rural areas, with unemployment rate (UR)[5] (person age 15 years and above, as per usual status[6]) falling from

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1 Social services include education, sports, art, and culture; medical and public health, family welfare; water supply and sanitation; housing; urban development; the welfare of SCs, STs and OBCs, labour and labour welfare; social security and welfare, nutrition, relief on account of natural calamities, etc.

2 Expenditure on 'Health' includes expenditure on 'Medical and Public Health', 'Family Welfare', and 'Water Supply and Sanitation.

3 Expenditure on 'Education' pertains to expenditure on 'Education, Sports, Arts, and culture.

4 PLFS Survey year corresponds to July-June, For example, data for 2020-21 refers to the period July 2020-June 2021.

5 UR is defined as the per centage of unemployed persons in the labour force.

6 For a person to be categorised as employed as per usual status (ps+ss), he/she must have pursued and economic activity for at least 30 days during the 365 days preceding the date of the survey.

5.8 per cent in 2018-19 to 4.1 per cent in 2021-22, rise in labour force participation rate (LFPR)[7] from 50.2 percent in 2018-29 to 52.9 per cent in 2021-22 and rise in worker population ration (WPR)[8] from 47.3 per cent in 2018-19 to 52.9 per cent in 2021-22. Notably, there has been a significant rise in female LFPR from 24.5 per cent in 2018-19 to 32.8 percent in 2021-22.

The quarterly PLFS for urban areas (available till October-December 2022) shows an improvement in all the key labour market indicators in the quarter ending December 2022 both sequentially and over the last year. The labour force participation rate increased to 48.2 per cent in October-December, 2022 from 47.3 per cent a year ago, while the worker-population ratio strengthened from 43.2 per cent to 44.7 per cent in the same period. The unemployment rate declined from 8.7 per cent in October-December 2021 to 7.2 per cent in October-December 2022. This trend highlights that labour markets have recovered from the Covid impact.

Quarterly Employment Indicators for age 15 years & above

Quarters	LFPR	WPR	UR
July-Sept, 2019	47.3	43.4	8.3
Oct-Dec, 2019	47.8	44.1	7.8
Jan-March, 2020	48.1	43.7	9.1
April-June, 2020	45.9	36.4	20.8
July-Sept, 2020	47.2	40.9	13.2
Oct-Dec, 2020	47.3	42.4	10.3
Jan-March, 2021	47.5	43.1	9.3
Apr-Jun 2021	46.8	40.9	12.6
July-Sept, 2021	46.9	42.3	9.8
Oct-Dec 2021	47.3	43.2	8.7
Jan-March, 2022	47.3	43.4	8.2
Apr-Jun 2022	47.5	43.9	7.6
July-Sept 2022	47.9	44.5	7.2
Oct-Dec 2022	48.2	44.7	7.2

Source: Quarterly PLFS reports

As per the Quarterly Employment Survey (QES) by the Labour Bureau, estimated total employment in the fourth round (Q4 FY22) in the nine major sectors stood at 3.2 crore in January to March 2022, which is nearly ten lakh higher than the estimated employment from the first round of QES (April-June 2021). The increase in estimates of workers from Q1FY22 to Q4FY22 was driven by rising employment in sectors such as IT/BPO (by 17.6 lakh), health (7.8 lakh), and education (1.7 lakh), due to rising digitisation and resurgence of services sector economy.

EPFO data indicates a consistent YoY increase in payroll addition, pointing towards improved formalisation as economic activities picked up. The net addition in EPF subscriptions during FY22 was 58.7 per cent higher than in FY21 and 55.7 per cent higher than that in the pre-pandemic year 2019. In FY23, net average monthly subscribers added under. EPFO increased from 9.8 lakh in April-December 2021 to 12.7 lakh in April-December 2022.

World Economic Development

As per the World Trade Organisation (WTO) statistics, the global trade volume grew by 4.8 per cent in

[7] According to the PLFS, LFPR is the percentage of working – age, population, engaged in work or making tangible efforts to seek 'work'or being available for ' work' if it is available. 'work' includes self-employment(subsistence, agriculture and collection of fire-wood, poultry, farming etc. for self-consumption), regular wage/salaried employment, and casual labour.

[8] WPR is defined as the percentage of employed persons in the total population.

H12022, on top of an impressive recovery of 9.7 per cent in 2021. The global merchandise trade in value terms rose YoY, by 22.2 per cent in 2021, reversing the deceleration observed in the previous three years. During the H1 of 2022, the trade-in value terms grew by 32 per cent compared to the corresponding period of 2019.[9]

As regards the future trade projections, according to the WTO, world trade is expected to lose momentum in H22022 and remain subdued in 2023. The organisation forecasts global trade to grow in 2023 by just 1 per cent, a sharp downward revision from the previous estimate of 3.4 per cent. The United Nations Conference on Trade and Development (UNCTAD), in its Global Trade update of December 2022 has also noted that the ongoing trade slowdown is expected to worsen for 2023 and further that while the outlook for global trade remains uncertain, negative factors appear to outweigh positive trends. International Monetary Fund (IMF) forecasts Global growth to slow from 6.0 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023. However, there is a high degree of uncertainty associated with the forecast due to shifting monetary policy in advanced economies and the unpredictable nature of the Russia-Ukraine conflict.

India's Merchandise Trade developments during 2020-21, 2021-22, 2021-22 (April-December) and 2022-23 (April-December)

As per the data of Department of Commerce, the developments in India's merchandise trade during 2020-21, 2021-22, 2021-22 (April-December) and 2022-23 (April-December) may be seen at Table 1.

Table: India's Merchandise Trade Performance

(Values in US$ billions)

	2020-21	2021-22	Change 2021-22 over 2020-21	2021-22 (Apr-Dec)	2022-23 (Apr-Dec) (P)	Change 2022-23 (Apr- Dec) over 2021-22 (Apr-Dec)
Total Exports	291.8	422.0	44.6	305.0	332.8	9.1
Total Imports	394.4	613.1	55.4	441.5	551.7	25.0
POL Imports	82.7	161.8	95.7	112.6	163.9	45.6
Non- POL Imports	311.8	451.2	44.7	328.9	387.8	17.9
Trade Balance	-102.6	-191.0	86.2	-136.5	-218.9	60.5

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

India's Merchandise Trade developments during 2020-21, 2021-22, 2021-22 (April-December) and 2022-23 (April-December)

As per the data of Department of Commerce, the developments in India's merchandise trade during 2020-21, 2021-22, 2021-22 (April-December) and 2022-23 (April-December) may be seen at Table 1.

It may be seen from table 1 above that the merchandise trade deficit had increased to US$ 191.0 billion in 2021-22 from US$ 102.6 billion in 2020-21. During 2022-23 (April-December), trade deficit increased to US$ 218.9 billion from US$ 136.5 billion in 2021-22 (April-December).

Developments in Balance of Payments during 2022 (April-September)

As per the Press Release of the Reserve Bank of India, the developments in India's Balance of Payments for 2021- 22 (April-September) and 2022-23 (April-September) may be seen in Table 2.

Table: Major Items of India's Balance of Payments

(US$ Billion)

Year / Item (Net)	2021-22 H1	2022-23 H1 (P)
A. Current Account	**-3.2**	**-54.6**
A 1 Merchandise Trade Balance	-75.2	-146.6
A 1 a Merchandise Exports	202.2	234.8
A 1b Merchandise Imports	277.4	381.4
A 2. Invisibles	72.1	92.0
A 2.a) Services	51.4	65.5
A 2.b) Transfers	38.0	47.6
A 2.c) Income	-17.3	-21.1
B) Capital Account	**65.0**	**29.0**
B.1) Foreign Investment	24.5	11.9
B.1.a) Foreign Direct Investment	20.3	20.0
B.1.b Foreign Portfolio Investment	4.3	-8.1
B.2) Loans	10.7	9.4

[9] WTO's press release, International Trade Statistics, 5 October 2022.

B.2.a) External Assistance	1.4	2.3
B.2.b) Commercial Borrowings (MT & LT)	5.0	-3.0
B.2.c) Short Term Credit to India	4.3	10.2
B.3) Banking Capital	4.4	10.6
B.4) Rupee Debt Service	-0.1	-0.1
B.5) Other Capital	25.4	-2.9
C) Errors and Omissions	**1.2**	**-0.2**
D) Overall Balance	**63.1**	**-25.8**
E) Foreign Exchange Reserves (Increase - /Decrease +)	**-63.1**	**25.8**

Source: RBI. P: Provisional.

(A) Current Account

India recorded a current account deficit of 3.3 per cent of GDP in H1:2022-23 on the back of a sharp increase in the merchandise trade deficit, as compared with 0.2 per cent in H1:2021-22. Net invisible receipts were higher in H1:2022-23 on a y-o-y basis on account of higher net receipts of services and private transfers.

(B) Capital/Financial Account

In H1: FY 23, net capital flows declined to US$ 29.0 billion as compared to US$ 65.0 billion in 2021-22 H1. Net FDI inflows at US$ 20.0 billion in H1:2022-23 were comparable with US$ 20.3 billion in H1:2021-22. Portfolio investment recorded a net outflow of US$ 8.1 billion in H1:2022-23 as against an inflow of US$ 4.3 billion a year ago. In H1:2022-23, there was a depletion of US$ 25.8 billion to the foreign exchange reserves (on a BoP basis).

Foreign Exchange Reserves

There was a decline in India's foreign exchange reserves during 2022-23. The forex reserves stood at US$ 562.7 billion as at end-December 2022, than US$ 607.3 billion as at end-March 2022. The import cover of India's foreign exchange reserves declined to 9.3 months at end-December 2022 from 11.8 months at end-March 2022 as merchandise imports increased with an increase in crude oil prices in the international market and a pick-up in domestic economic activity.

Exchange Rate

Indian rupee depreciated by 8.3 per cent (y-o-y basis) against US dollar during April-December 2022. Further, the INR appreciated against select major currencies barring the US dollar. The average exchange rate of INR against the Pound Sterling appreciated by 6.27 per cent in April -December 2022 over April - December 2021. This rate of appreciation was 12.5 per cent with respect to the Japanese Yen and 5.9 per cent against the Euro during April-December 2022 as compared to April-December 2021.

Climate Change and Finance

Performance and achievements under the key flagship programmes

India is deeply committed to climate action. Demonstrating higher ambition in its climate action, the Government of India updated its existing NDC on August 26, 2022. The updated NDC with enhanced targets translates the vision of the Hon'ble PM expressed through the "Panchamrit" at the UNFCCC Conference of Parties (COP 26) in Glasgow in November 2021. The vision mentions of sustainable lifestyles and climate justice to protect the poor and vulnerable from the adverse impacts of climate change. Aligning with this vision, the share of non-fossil fuel-based capacity in overall capacity has risen rapidly over time. Including the large hydro, the share of non-fossil sources in total installed electricity capacity is estimated to be about 40.4 per cent (on 31.09.2022) compared to 27.3 per cent in 2014-15. This period has seen a sizeable enhancement in the share of installed electricity capacity in solar and wind energy from 8.9 per cent in 2014-15 to 25.1 per cent in 2022-23 (April-Sept).

As India moves toward a carbon-neutral economy, mobilization of adequate resources at reasonable cost will be the key determinant. The order of financial flows required for climate action cannot be expected from domestic budgetary resources alone. In line with Article 4, paragraph 19 of Paris Agreement India submitted its Long Term Low Emission Development Strategy (LT-LEDS) to UNFCCC during COP27 on 14th November 2022. As per this strategy report the transition to the low-carbon development pathway will entail several costs pertaining to the development of new technologies, new infrastructure, and other transaction costs. While several estimates exist and vary across studies, overall, these are, in all cases, substantial and of the order of tens of trillions of dollars by 2050. The LT-LEDS is driven by the vision of LiFE, Lifestyle for the Environment that calls for a worldwide paradigm shift from mindless and destructive consumption to mindful and deliberate utilisation.

Among several issues, climate finance has been discussed during COP27 climate summit in Sharm el-Sheikh during November 2022. Officials from CCFU handled the matters related to climate finance during the negotiations. It may be recalled that an adhoc work programme from 2022 to 2024 was established in the Glasgow Conference with the objective of setting the New Collective Quantified Goal goal, prior to 2025. Deliberations during COP27 took into account the work carried out by the ad-hoc work program on the New Collective Quantified Goal (NCQG) and the 2022 High-Level Ministerial Dialogue on the goal.

COP27 decision acknowledged the need for substantive progress in the deliberations on the NCQG on climate finance which will take into account the needs and priorities of developing countries and include inter alia, quantity, quality, scope and access features, as well as sources of funding, of the goal and transparency arrangements. Further, the decision guided parties to make submissions on the 2023 work plan on themes to be discussed during upcoming Technical Expert Dialogues (TEDs) in 2023 under the ad-hoc work program.

Lastly, it was decided to establish new funding arrangements for assisting developing countries that are particularly vulnerable to the adverse effects of climate change, in responding to loss and damage, including with a focus on addressing loss and damage by providing and assisting in mobilizing new and additional resources. Establish a transitional committee on the operationalization of the new funding arrangements for responding to loss and damage and the fund.

e-Governance Activities

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

Prices

Retail inflation, measured by Consumer Price Index-Combined (CPI-C), showed a decline from 6.2 per cent in 2020-21 to 5.5 per cent in 2021-22 and stood at 6.8 per cent in 2022-23(April-December). In 2022-23(April-December), it has climbed sharply due to high food inflation. CPI-C inflation declined significantly from 7.8 per cent in April 2022 to 5.7 per cent in December, 2022. Food inflation based on Consumer Food Price Index (CFPI) declined from 8.3 per cent in April 2022 to 4.2 per cent in December 2022. Inflation measured in terms of Wholesale Price Index (WPI) increased from 1.3 per cent in 2022-21 to 13 per cent in 2021-22. WPI inflation averaged 11.5 per cent during 2022-23(April-December), declined from 15.4 per cent in April 2022 to 5.0 per cent in December 2022 (Table 1).

Table 1: Inflation in CPI and WPI (in per cent)

	CPI-C		WPI	
	Headline Inflation	Food (CFPI) Inflation	Headline Inflation	Food Inflation
Base Year	**2012=100**		**2011-12=100**	
Weight	**100.0**	**39.1**	**100.0**	**24.4**
2017-18	3.6	1.8	3.0	1.9
2018-19	3.4	0.1	4.3	0.6
2019-20	4.8	6.7	1.7	6.9
2020-21	6.2	7.7	1.3	4.0
2021-22	5.5	3.8	13.0	6.8
2021-22(Apr-Dec)	5.2	2.9	12.7	5.9
2022-23(Apr-Dec)	6.8	7.0	11.5	7.5
Apr-22	7.8	8.3	15.4	9.1
May-22	7.0	8.0	16.6	10.6
Jun-22	7.0	7.8	16.2	11.8
Jul-22	6.7	6.7	14.1	9.3
Aug-22	7.0	7.6	12.5	10.1
Sep-22	7.4	8.6	10.6	8.0
Oct-22	6.8	6.0	8.7	6.6
Nov-22	5.9	4.7	5.9	2.2
Dec-22	5.7	4.2	5.0	0.7

Source: NSO and DPIIT.

Notes: Notes: WPI inflation for December 2022 and is provisional.

2. Department of Expenditure

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

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

3. Department of Revenue

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

4. Department of Investment and Public Asset Management

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

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

5. Department of Financial Services

As per Allocation of Business Rules (AOBR), the functions of the Department of Financial Services (DFS) include legislative and administrative matters pertaining to financial services sectors of Banking, Insurance, and Pension. These include the administration of various acts related to financial services sector and monitoring the performance of public sector banks, insurance companies and other financial institutions in banking insurance.

All matters pertaining to three financial sector regulators, viz., Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) are processed through this Department. It also functions as administrative department for Debt Recovery Tribunals (DRT) / Debt Recovery Appellate Tribunals (DRAT).

The Department is responsible for appointment of key functionaries of the financial services sectorsuch as Governor / Deputy Governor of Reserve Bank of India, Chairman / Members of IRDAI and PFRDA, Chairman / Managing Director and Chief Executive Officers (MD & CEOs)/Executive Directors (EDs)/ Non-official Directorsto the Board of Public Sector banks/ insurance companies/ other financial institutions.

The Department of Financial Services (DFS) oversees several key programs / initiatives of the Government concerning the Banking Sector, the Insurance Sector and the Pension Sector in India. The key flagship schemes being currently managed by the Department include the Financial Inclusion scheme of Pradhan Mantri Jan Dhan Yojana (PMJDY), the social security schemes, namely Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Atal Pension Yojana (APY) & Pradhan Mantri Vaya Vandana Yojana (PMVVY) and the credit schemes namely Pradhan Mantri Mudra Yojana (PMMY) & Stand Up India (SUI).

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

Scheduled Commercial Banks (as on 31.12.2022)	
Public Sector Banks	12
Private Sector Banks	21
Small Finance Banks	12
Payment Banks	3
Regional Rural Banks	43
Foreign Banks	46
TOTAL	137

Source : RBI Website

	Insurance Companies in India (As on 31.03.2022)		
	Private Sector	Public Sector	Total No. of Insurers (Public & Private)
Life Insurers	23	1	24
General insurers	20	6	26
Stand-alone Health Insurers	5	0	5
Reinsurers	11	1	12
TOTAL	59	8	67

Financial Institutions (as on 31.12.2022)	
1	National Bank for Agriculture and Rural Development (NABARD)
2	India Infrastructure Finance Company Ltd. (IIFCL)
3	Export-Import Bank of India (EXIM)
4	Industrial Finance Corporation of India (IFCI)
5	Small Industrial Development Bank of India (SIDBI)
6	National Housing Bank (NHB)
7	National Bank for Financing Infrastructure and Development (NaBFID)

6. Department of Public Enterprises

1. Introduction : -

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

2. Functions:

The following subjects are being dealt by DPE:

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

2.2 Composition of Boards of CPSEs.

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

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

2.5 Wage policy & manpower rationalization of CPSEs.

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

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

2.8 Survey of Public Enterprises.

2.9 Counselling, training and rehabilitation of employees in Central Public Sector Undertakings under Voluntary Retirement Scheme.

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

2.11 Matters relating to Standing Conference of Public Enterprises.

2.12 Matters relating to International Center for Public Enterprises.

2.13 Identification of CPSEs under Non-Strategic sector for closure/ privatization and driving the closure process.

2.14 Monetization of Non-Core assets of CPSEs and other Government organizations.

3. Organizational Structure: -

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

3.1 Policy Division-I

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

3.2 Policy Division-II

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

3.3 Wage Cell

Wage Cell deals with the policy relating to pay revision of CPSE executives at Board as well as below Board level and non-unionized supervisors, and issues broad guidelines for wage settlement negotiations in case of workmen in CPSEs. Wage Cell also issues DA orders for both of IDA employees and CDA employees of the CPSEs.

3.4 MoU Division

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

3.5 Survey Division

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

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

3.6 Disinvestment Division

Disinvestment Division is responsible for the implementation of new PSE Policy in Non-Strategic Sector for identification of CPSEs for closure or privatisation in Non-Strategic Sector driving the closure process. Division also handles monetization of Non-Core assets of CPSEs and other Government organizations.

3.7 Administration and Coordination Division

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

Chapter - I

Department of Economic Affairs

1. Economic Division

The Economic Division tenders expert advice to the Government on important issues of economic policy. The Division monitors economic developments-domestic and external and advises on policy measures relating to macro management including agriculture, industry and infrastructure sectors of the economy. As part of its regular activities, the Economic Division brings out the Economic Survey annually, which is laid before both 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. It also analyses recent economic trends and provides an in-depth appraisal of policies. Over the years, the Economic Survey has acquired the status of an authoritative source and a useful compendium of the annual performance of the Indian economy. Further, the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 requires the Ministry of Finance to review every quarter the trends in Receipts and Expenditure in relation to the Budget and lay it before both the Houses of Parliament. In addition, at the end of first quarter and third quarter, a Macro-Economic backdrop statement is prepared and provided to the Budget Division for incorporating in the review of quarterly receipts and expenditure.

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

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 Committee and Working Groups set up by the Government. The officers of the Economic Division participate in consultations with various missions from international institutions with various missions from international institutions such as International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO) etc. The Division works in close cooperation with the Reserve Bank of India, the NITI Aayog, the Central Statistical Organisation, the Ministry of Commerce and Industry and the Economic and Statistical Wings of their Ministries. The Division also instituted an annual Arun Jaitley Memoral Lecture (AJML) as a tribute to the former Finance Minister. The inaugural lecture was delivered by the Hon’ble Senior Minister of Singapore, Shri Tharman Shanmugaratnam on 8th July, 2022.

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

- Macro, Industry, Services and Financial intermediation and Financial Markets
- Agriculture and Food Management
- Infrastructure
- Climate Change Finance and Agriculture
- Social Sector
- External Sector
- Prices
- IES Cadre Unit
- Coordination

Macro Unit

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

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

Public Finance Unit

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

Agriculture and Food Management Unit

Agriculture and Food Management unit is responsible for: (a) Providing policy advice on issues and matters related to Agriculture and Food Management; (b) Examining/ Appraising Cabinet/ CCEA/ CoS/ EFC and other policy notes on fixing Minimum Support Prices (MSPs) for major crops/crop insurance policy/ other agricultural policies including those related to change duty structure; (c) PreBudget 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; (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 Unit advises the Government on policy issues relating to Industry at both macro and sectoral levels. The unit regularly monitors and reviews industrial growth and policies related to public sector. The Unit is also responsible for monitoring trends in production of core infrastructure industries. It undertakes analysis of developments in infrastructure sector, renders advice on infrastructure sector policy issues

Social Sector

The unit is responsible for: (a) Providing policy advice on issues related to social infrastructure, employment and human development; (b) Analysis of labour issues, employment trends, health, education and other topics concerning social sector; (c) Examining/ Evaluating results of employment and unemployment surveys; (d) Examine/ Appraise Cabinet Notes/CoS/EFC/ SFC/PIB/ CEE notes on labour and skill development including various issues related to health, education, social empowerment, gender issues, rural development etc. those received from the other Divisions in DEA; (e) Participation/membership of Standing Committee on Labour Force Statistics; (f) Preparation of chapter on 'Social Infrastructure and Employment' for Annual Economic Survey; (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

(A) Trade & Balance of Payments

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

(B) External Debt Management Unit

(a) Publication of an Annual Status Report on India' External Debt, based on inputs from relevant stakeholders like Reserve Bank of India (RBI) Aid, Accounts & Audit Division, Ministry of Defence, SEBI, etc. (b)Publication of Quarterly Report on India's External Debt for the two quarters ending September and December, through collection and compilation of data from different stakeholders. The remaining two quarters' reports are published by RBI. (c)Collection, compilation and provision of inputs on India's External Debt data on quarterly basis to World Bank for its centralized database called, 'Quarterly External Debt Statistics (QEDS)', in compliance with IMF's Special Data Dissemination Standard (SDDS)requirements. (d) Dissemination of India's defence debt data on a quarterly basis to all relevant stakeholders.

(e) Monitoring and analyzing the developments in India's External debt and providing policy inputs/ briefs/ comments, etc., relating to same. (f) Analysis of recent trends and developments in India's external debt and incorporate a section on the same in the External Sector Chapter published in Economic Survey. (g)Issues relating to foreign exchange reserves and exchange rate (h) Policy inputs for Hon'ble FM, MOS, Secretary on: (i) Parliamentary debates and questions related to external debt (ii) Leading economic discussions at bilateral and multilateral forums such as G-20, World Bank, IMF, OECD, concerning India's external debt sustainability.

Services Unit

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

Prices Unit

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

Money and Banking Unit

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

Climate Change Finance Unit

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

The unit is actively engaged in the sustainable finance working group of the finance track in G20. One of the flagship priorities for the Indian presidency under the finance track is climate finance, work on which is being carried out in CCFU. CCFU's key responsibilities in G20 involve engagement with G20 member countries, invitees, international organisations, and domestic and international knowledge partners. A presidency input paper on the mechanisms for mobilisation of timely and adequate resources for climate finance with contributions from knowledge partners was prepared and circulated in G20 by this unit.

IES Cadre Unit

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

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 meeting and other meetings and workshops;(d) Coordination with all Units of Economic Division for publishing Economic Survey and laying them before Parliament; (e) Organizing Arun Jaitley Memorial Lecture, the annual International Conference on thematic issues; (f) Coordination of Parliament work, RTI matters, VIP references, public grievances etc;(g) All administrative matters of Economic Division viz. transfer/posting of Officers of Economic Division within Economic Division.

2. Budget Division

2.1 RESPONSIBILITIES

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

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

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

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

2.1.5 Union Budget 2023-24 was also delivered in paperless form as was done during 2022-23.

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, 1950 overall policy related to Central Government Guarantees and Statement of Annuity and making necessary disclosures thereof in the Budget Documents.

2.2.2 During the Financial year 2022-23, the First Batch of Supplementary Demands for Grants 2022-23 and connected Appropriation Bill was presented and passed by the Parliament. The Second Batch of Supplementary Demands for Grants 2022-23 will be laid in Parliament in the month of March, 2023.

2.2.3 During this year (till February, 2023), 8 new Guarantee proposals have been approved for a total amount of Rs. 66643.18 crore.

2.3 STATES SECTION:

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

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

2.4 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.

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

2.5 NATIONAL SAVINGS SECTION:

2.5.1. Small Savings Schemes:

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

- Post Office Savings Account
- National Savings Time Deposits (1,2,3 & 5 years)
- National Savings Recurring Deposits
- National Savings Monthly Income Scheme
- Senior Citizens Savings Scheme
- National Savings Certificate (VIII-Issue)
- Public Provident Fund
- Kisan Vikas Patra
- Sukanya Samriddhi Account.
- PM CARES for Children Scheme, 2021

2.5.2. Small Savings Collections:

The gross deposits under various small savings schemes during 2022-23 are estimated (RE) at Rs. 11,87,463.96 crore as against the deposit of Rs. 10,49,795.48 crore during 2021-22(provisional). An amount of Rs.14,635.65 crore (RE) is estimated to be transferred, as share of net small savings collections to Kerala, Madhya Pradesh and UT of Delhi during the current fiscal, as against the sum of Rs. 28,690.18 crore transferred to these states and UTs (with Legislature) during 2021-22.

2.5.3. National Small Savings Fund:

In order to account for all the monetary transactions under small savings schemes of the Central Government under one umbrella, the "National Small Savings Fund" (NSSF) was set up in the Public Account of India w.e.f. 1st April, 1999. The net accretions under the small savings schemes were being invested in the Special Securities of State Governments and U.T.s (with legislature). However, based on the recommendation of the Fourteenth Finance Commission, it has been decided to advance NSSF loans only to the willing States w.e.f. 01.04.2016. Accordingly, only three States, namely, Delhi, Kerala and Madhya Pradesh have opted for the NSSF loan. Besides, it has also been decided to invest NSSF corpus in various Public Agencies (National Highways Authority of India, Food Corporation of India, Air India etc.). During the current financial year, an amount of Rs.350 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 2022-23 is given below:

Rate of Interest in FY 2022-23 (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	6.6
2 Year Time Deposit	5.5	5.5	5.7	6.8
3 Year Time Deposit	5.5	5.5	5.8	6.9
5Year Time Deposit	6.7	6.7	6.7	7.0
5 Year Recurring Deposit	5.8	5.8	5.8	5.8
5 Year SCSS	7.4	7.4	7.6	8.0
5 Year MIS	6.6	6.6	6.7	7.1
5 Year NSC	6.8	6.8	6.8	7.0
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)	7.0 (will mature in 123 months)	7.2 (will mature in 120 months)

2.6 WAYS AND MEANS SECTION

2.6.1 Government Borrowings

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

2.6.1.2. During the financial year 2022-23, Government has planned to borrow Rs.14,21,000 crore through dated securities, out of which till Feb 13, 2023 borrowing to the extent of Rs.13,67,000 crore (gross) has been accomplished. The borrowing also includes Sovereign Green Bond issuance of Rs. 16,000 crore.

2.6.1.3. The weighted average yield and maturity of dated securities issued during 2022-23 (April 01, 2022 to Feb 13, 2023) were 7.32 % and 15.99 years respectively (including Sovereign Green Bonds), as compared to 6.28 % and 16.98 years in the corresponding period of the financial year 2021-22.

2.6.1.4. The Government debt is held predominantly (approx. 95%) in domestic currency. Outstanding external debt is financed by multilateral and bilateral agencies at concessional rates. Internal debt consists largely of marketable and non-marketable securities. A low roll-over risk is signified through debt maturing within the next 5 years. This accounted for about 30 per cent of total outstanding stock of G-Secs at end-Dec, 2022. Detailed analysis of existing debt and liabilities of the Government is brought out in the annual debt papers (available on https://dea.gov.in/public-debt-management).

2.7 FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT SECTION

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

2.7.2 During the period from January 1, 2022 to December 31, 2022 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 Budget 2022-23
   - a) Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement
   - b) Macro-Economic Framework Statement

B) Disclosure statements presented with Budget 2022-23:
   - 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 2021-22
   - b) First Half of the Financial Year 2022-23

2.7.3 Fiscal indicators in FY 2021-22 and targets for RE 2022-23 and BE 2023-24 are as below:

(as % of GDP)

Fiscal Indicator/ Year	2021-22	2022-23 (RE)	2023-24 (BE)
Fiscal Deficit	6.7	6.4	5.9
Central Government debt*	58.8	57.0	57.2

Note:

(i) *GDP for the FY 2021-22 is 236.65 Lakh crore and for FY 2022-23 is 273.08 Lakh crore issued by M/o Statistics & Programme Implementation on 06.01.2023.*

(ii) *The GDP for BE 2023-24 has been projected at 301.75 lakh crore assuming 10.5% growth over the estimated GDP of 273.08 Lakh crore for 2022-23 (RE).*

(iii) *GDP is the Gross Domestic Product at current market price.*

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

2.8 PUBLIC DEPOSITS SECTION

2.8.1 Public Deposits Section, 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 Defence Fund(NDF)
- h) Computer Advance

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

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 2022-2023 and Budget Estimates 2023-2024. 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, 2022 to 28th February, 2023, 42 Reports of the C&AG of India were laid before the Parliament and 28 proposals of entrustment/re-entrustment of audit of various bodies to the C&AG of India were dealt by this Division.

2.10 PUBLIC DEBT MANAGEMENT CELL:

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

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

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

2.10.4 Other major function undertaken by PDMC is dissemination of information on public debt through periodical reports. Towards ensuring the enhanced transparency in public debt management operations, the Government of India has been publishing a number of documents detailing overall debt position of the 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), Handbook of Statistics on Central Government Debt (since 2013) and Debt Management Strategy document (2015). Government has consolidated all these publications into a single report 'Status Paper on Government Debt' to bring complete Government Debt and its Management related information at one place. Status Paper on Government Debt for year 2019-20 and 2020-21 was released last on April 13, 2022. The work on Status Paper on Government Debt for year 2021-22 is in progress and the same will be released shortly. This report covers various facets of public debt including overall debt position of the country, assessment on aspects of debt sustainability, debt management strategy covering various risks, etc. This publication now brings all components of public debt under the Debt Management Strategy, thus widening its scope and acts as a guide to debt managers in carrying out day to day debt management. The PDMC also publishes quarterly report on Public Debt and is also responsible for uploading the public debt related data on National Summary Data Page.

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

2.10.6. PDMC was also involved in the Government of India's first ever Sovereign Green Bond Issuance. As announced in the Union Budget 2022-23, the Government of India, as part of its overall market borrowings, issued Sovereign Green Bonds (SGrBs) for an aggregate amount of Rs 16,000 crore in the second half of the fiscal year 2022-23, for mobilising resources for green infrastructure. The proceeds would be deployed in public sector projects which help in reducing the carbon intensity of the economy.

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 2022-23, the Budget Press contributed in preparation of paperless Union Budget 2023-24, which was successfully presented on 1st Feb, 2023 in the Parliament. This involved timely preparation & consolidation of total 24 documents (English/Hindi) in digital format for uploading in the Union Budget website/App. Apart from this, 176 various documents including 71 jobs of G-20 documents and 11 progress report of MOS office were executed in all with as many copies required during 1.4.2022 to 06.03.2023.

2.11.2 Apart from above, the Budget Press printed First Batch of Supplementary Demands for Grants for the year 2022-23, Detailed Demands for Grants for the year 2023-24, Action Taken Report, Cabinet Note (Hindi & English) and several Discussion Paper. The Annual Report 2022-23 and the Second Batch of Supplementary Demands for Grants for the year 2022-23 will also be printed during February-March, 2023.

2.12 HINDI BRANCH:

2.12.1 Official Language Activities

During the year, the progress of implementation of various programs under the Official Language Policy has been continuously reviewed.

All documents were presented bilingually in the Parliament. Section 3(3) of the Official Languages 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 complied with. During the year several steps were taken in the department to increase the use of Hindi in official work.

2.12.2 Hindi fortnight

Like other years, this year also “Hindi Fortnight” was organized in the Department of Economic Affairs from September 14, 2022 to September 30, 2022. In order to promote the use of Hindi in the department, various competitions were organized to create a conducive environment.

2.12.3 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.

2.12.4 Official Language Inspection

To ensure compliance of the Official Language Act, rules made thereunder and annual program and orders and instructions related to official language, etc., in the period from 27/04/2022 to 07/12/2022, a total of 18 inspections were carried out in the subordinate offices of the department i.e. SEBI, SPMCIL and NSI, including the Head Offices and their attached offices in which Director (O.L.), Deputy Director (O.L.), Assistant Director (O.L.) and the Translation Officers of the section participated.

2.12.5 Dispatch of Quarterly Progress Report

The Quarterly Progress Reports of the Ministry were collected from all the Sections/Divisions of the Department. The consolidated quarterly progress report was sent to the Department of Official Language, Ministry of Home Affairs.

2.12.6 Central Official Language Implementation Committee Meetings

During this financial year, two meetings of the Official Language Implementation Committee have been held so far, which have been held on February 18, 2022 and November 15, 2022, the remaining meetings are to be held before the end of the financial year.

2.12.7 Circulation of Annual Program

The Annual Program for the year 2022-23 issued by the Department of Official Language, Ministry of Home Affairs was circulated on 19th May, 2022 to all the Sections/ Divisions of the Ministry including the Subordinate Offices and put on the dash board in the e-office of the Ministry.

2.12.8 Projected Schemes

(i) Hindi Advisory Committee meeting is to be organized as soon as the works related to the budget and the economic review are completed, along with it is proposed to start an Official Language Shield scheme, under which the subordinate offices of the department will be encouraged for the remarkable work being done in the field of implementation of the official language and they will be provided shield and citation.

(ii) A Hindi workshop related to the official language will be organized for the purpose of spreading information about the rules and instructions related to the official language policy to all the sections.

(iii) Apart from this, there is also a proposal to organize a Hindi conference in the department, which can be done only after the budget session.

2.12.9 Translation Work

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, Reports on Public Statistics and Status Report of External Debt, FRBM Quarterly Reports which were laid before the Parliament.

The translation of the other official documents as envisaged in the official Language Act, 1963 and Rules made thereunder, 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.

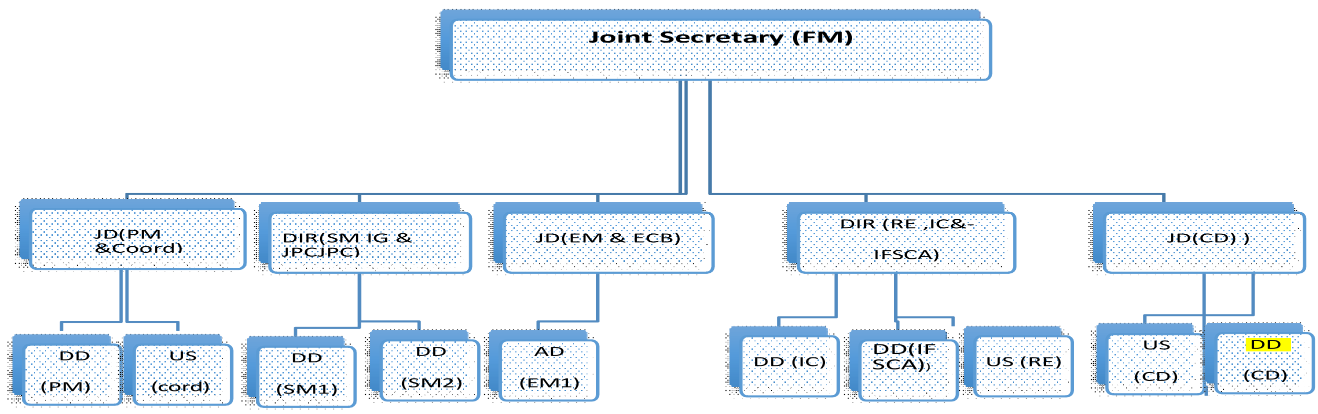
3. Financial Markets Division

3.1 Introduction

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

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

Organogram



3.2 Sections in Financial Market Division

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

I. Primary Markets (PM) Section

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

II. Secondary Markets Section

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

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

III. Commodity Markets Section

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

IV. External Markets (EM) Section

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

V. External Commercial Borrowings (ECB) Section

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

VI. International Financial Services Centres Authority (IFSCA)

1. Administration of the IFSCA Act, 2019 and framing of Subordinate Legislation under the Act
2. Policy formulation on issues related to IFSCA Act, 2019 and related rules and regulations
3. Facilitating overall development of core and niche

segment in the financial ecosystem of IFSC through inter departmental coordination on areas including–

- Aircraft Leasing and Financing
- Bullion Trading
- Fin Tech [Make it a bullet point]
- Insurance/Re-Insurance
- Banking
- Fund Management
- Global-In-House Centres
- Others

4. Preparation of Cabinet Notes for signing of bilateral and multilateral MoUs by IFSCA for strengthening mutual co-operation with overseas financial regulators/authorities
5. Facilitating international outreach by IFSCA and GIFT City
6. Enhancing inter regulatory coordination between SEBI, RBI, IRDAI, PFRDA to enable comprehensive regulations and new financial products/services in IFSC
7. Firming up of agenda items related to development of IFSC under various economic and financial dialogues

VII. Regulatory Establishment (RE) Section

1. Carrying out Board level appointments of Securities and Exchange Board of India(SEBI), appointment of Presiding Officer, Members and Registrar of Securities Appellate Tribunal (SAT) and administration of related Rules and Regulations
2. Constitution of the Financial Sector Regulatory Appointments Search Committee (FSRASC)
3. Establishment matters of SEBI like audit, appointment of CVO, etc.
4. Establishment matters of SAT like residential accommodation, grant of budget to SAT and related matters, grant of vehicle to the officers in SAT etc.
5. Strengthening of SAT - Creation of additional benches / creation of posts / creation of additional office space for SAT / implementation of e-Court in SAT, etc.
6. Administration of the Securities Appellate Tribunal (Salaries, Allowances And Other Terms And Conditions Of Presiding Officer And Other Members) Rules, 2003
7. Bilateral and multi-lateral MoUs between SEBI and securities market regulators of foreign countries.
8. Remittances from SEBI to the Consolidated Fund of India
9. Foreign visits of the Chairman of SEBI; hosting of meetings of foreign delegations - obtaining the necessary clearances

VIII. International Cooperation (IC) Section

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

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

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

X. Coordination Section

1. Internal Coordination within FM Division for providing periodical inputs /reports to various Departments /Ministries, submission of material for annual reports, economic survey etc.
2. Meeting on Senior Management Group (SMG) taken by Secretary (EA) to evaluate pending VIP reference, PMO reference and Parliamentary on Monday of every week. Management of e-Samiksha and portals in respect of FM Division related complaints, VIP/PMO references, cabinet notes, court cases, Senior Management Group Meetings etc.
3. Monthly summary in respect of activities, major

achievement and important policy decisions taken in DEA are sent to Cabinet Secretariat

4. Work management /allocation issues within FM Division
5. Website management in respect of FM Division matters
6. Internship Management within FM Division

3.3 Recent Developments

I. Primary Markets:

A. Public Issue

The year 2022-23 so far has been a good year for the primary markets with a boom in fund raising through IPOs in Small and Medium Enterprises (SME) segment with resource mobilization of Rs.1465 crores (upto 30th November 2022). Capital market, both debt and equity, has become increasingly important for India's growth story. On the equity side, the total funds of Rs. 1,14,360 crores have been raised through 448 issues including Initial Public Offering (IPO), Rights Issue, Preferential Issue and Qualified Institutional Placement till November, 30, 2022. On the debt side, the funds raised through corporate bonds this financial year till November, 30, 2022 are around Rs. 3,91,996 crores, which includes fund raising through both public issues and private placement.

B. Fund raising in Corporate Bonds Market

The Corporate Bond Market is one of the vital for financing the real sector, supporting alternate investment need apart from banks, diversifying risk and reducing financial markets fragility. The total debt amount consists of Public issue and Private Placement of Corporate Bonds which has been tabulated below:

Particular	Apr - Nov 2022	
	No. of Issues	Amount (₹ crore)
Debt	**962**	**3,91,036**
Public	17	5,663
Private Placement	945	3,85,373

The total resource mobilization in Primary Markets from April-November 2022 is Rs.5,06,356 crores with total 1415 issues.

C. Mutual Fund Activities

The Assets under Management (AUM) of mutual fund industry stood at Rs. 39,88,735 crores upto 31st December, 2022.During 2022, important initiatives like nomination facility has been made mandatory, SEBI regulations were amended to reduce the time allowed for payout of redemption and dividend to unitholders by AMCs, credit risk based single issuer limit for investment by actively managed mutual fund schemes in debt and money market instruments etc., have been undertaken.

B. Major highlights:

- Total number of demat accounts (NSDL+CDSL) in India crossed the 10 crore mark during the current financial year. At the end of November 2022, the number of demat accounts increased by 18.4 % (since March 2022) to stand at 10.6 crore.
- The AUM of mutual fund industry has increased by 8.1% to 40.5 lakh crore at the end November 2022 from 37.3 lakh crore at the end November 2021.

II. POLICY DEVELOPMENTS OF PRIMARY MARKET:

1. The investment guidelines for non-government provident funds, superannuation and gratuity funds have been amended, enabling them to invest up to 5 per cent in the units of Category I and Category II Alternative Investment Funds (AIFs), subject to certain conditions.

2. As part of overall objective to revitalize corporate bond market in India. The efforts are being made to develop Credit Default Swap market in India, in consultation with regulators like RBI, SEBI etc.

3. The provision of Finance Act 2021 (notified on 28 March 2021) has conferred power to the trusts registered with SEBI to issue debt security and the rights to lenders to enforce security interest underlying such debt in case of default. The law now clarifies that in case of default, lenders shall recover the defaulted amount and enforce security interest, if any, against the trust assets. Trustee will be proceeded against for recovery as per the terms and conditions provided in the facility documents. However, the trustee shall not be liable for and the trustee's assets shall not be utilized towards recovery of such debt. Whatever remains after paying the lenders shall be remitted to the unit holders. This benefit is already available to mutual funds (MFs), Alternate Investment Funds (AIFs), Business Trusts like REITS or INVITS etc.

4. Under Ease of Doing Business, automation of disclosure requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 was notified on March 7, 2022. The transactions undertaken in the depository system under certain regulations of Takeover Regulations do not require manual filing except in certain areas.

5. SEBI introduced the framework for conversion of private listed InVIT into the Public InVIT and conversion of unlisted InVIT into Private Listed InVIT in February 2022.

6. To instill confidence amongst the participants in the Corporate Bond Market during times of stress and to generally enhance secondary market liquidity, Union Budget 2021-22 proposed to create a permanent institutional framework to address the liquidity issue for lower rated yet investment grade bonds. It is essentially going to be a special purpose vehicle of permanent nature in the form of Backstop facility, to enhance secondary market liquidity in the Corporate Bond Market during the time of distress. The structure for setting up and operation of the Backstop facility has been finalized and is expected to be in operational soon.

7. Hon'ble Finance Minister in 2021 budget speech mentioned that the provisions of SEBI Act, 1992, Depositories Act, 1996, Securities Contracts (Regulation) Act, 1956 and Government Securities Act, 2007 is to be consolidated into a rationalized single **Securities Markets Code**. A committee was constituted with the representatives of DEA, DFS, Ministry of Corporate Affairs and Ministry of Law on 07.10.2021 to review the current provisions of the securities laws and to draft the proposed Code. The committee has submitted its report and is being examined.

8. The Skin-in-the-game requirement for AMCs and designated employees was proposed by SEBI in circular dated 29/11/2021 wherein **swing pricing framework** for open-ended debt mutual fund schemes was introduced to fairly allocate the costs.

9. Distributed ledger technology (DLT) based platform was launched for covenant monitoring of Debt Securities. This is first of its kind deployment of block chain technology in the corporate bond market in the world

10. A regulatory framework has been developed by SEBI for Online Bond Platforms (OBPs) offering debt securities to non-institutional investors. The circular dated 14/11/2022 for the framework provide an avenue for investors, particularly non-institutional investors to access the bond market.

11. Government is engaged in an ongoing intensive effort to reduce the compliance burden on businesses and citizens by way of rationalizing the laws, process etc. of regulatory bodies like SEBI and RBI. Overall, 62 items have already been identified in respect of Securities laws and FEMA related provisions on the Regulatory Compliance Portal out of which 56 are completed. In the second round, the action plan was made in two phases : Phase I to be completed by 31.03.2022 and Phase II by 15.08.2022. The 5 action items for Phase I are completed.

12. Details of Funds mobilized through Primary Market

Table 1: Details of Fund Mobilization during 2020-21 to 2022-23 (upto 30th November, 2022)

Year	Total		IPOs (Main Board)		IPOs-SME /IGP		Rights		QIP		Preferential issues	
	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount	No. of issues	Amount
2020-21	341	2,14,766	29	30,814	26	216	21	64,059	31	78,738	234	40,940
2021-22	541	2,31,017	51	1,11,609	69	943	43	26,327	29	31,441	349	60,697
2022-23	448	1,14,360	28	46,630	76	1,465	37	3,436	8	4,115	298	54,414

Table 2: Data on corporate bond issuance (2020-21 to 2022-23)

Issue Type	2020-21		2021-22		2022-23	
	No.	Amount (Rs Cr)	No.	Amount (Rs Cr)	No.	Amount (Rs Cr)
Public Issue (Debt)	18	10,588	28	11,589	22	6,624
Pvt. Placement of Corporate Bonds*	1995	7,71,840	1,405	5,88,037	945	3,85,373
Total Debt (Public & Pvt.)	2013	7,82,428	1,433	5,99,626	967	3,91,996

** Source: SEBI Bulletin (up to 30th November, 2022)*

Table 3 : Secondary Market Trading in Corporate Bonds

Year	No. of Trades	Traded Value (in Rs. Crore)
2020-21	1,38,754	18,72,718
2021-22	1,55,621	17,73,384
2022-23	**1,27,250**	**7,77,869**

** Source: SEBI Bulletin (up to 30th November, 2022)*

Table 4 : Asset under Management (AUM) by Mutual Funds (Rs. Crore)

Year	AUM of MFs
2020-21	31,20,695
2021-22	37,69,137
2022-23	39,88,735

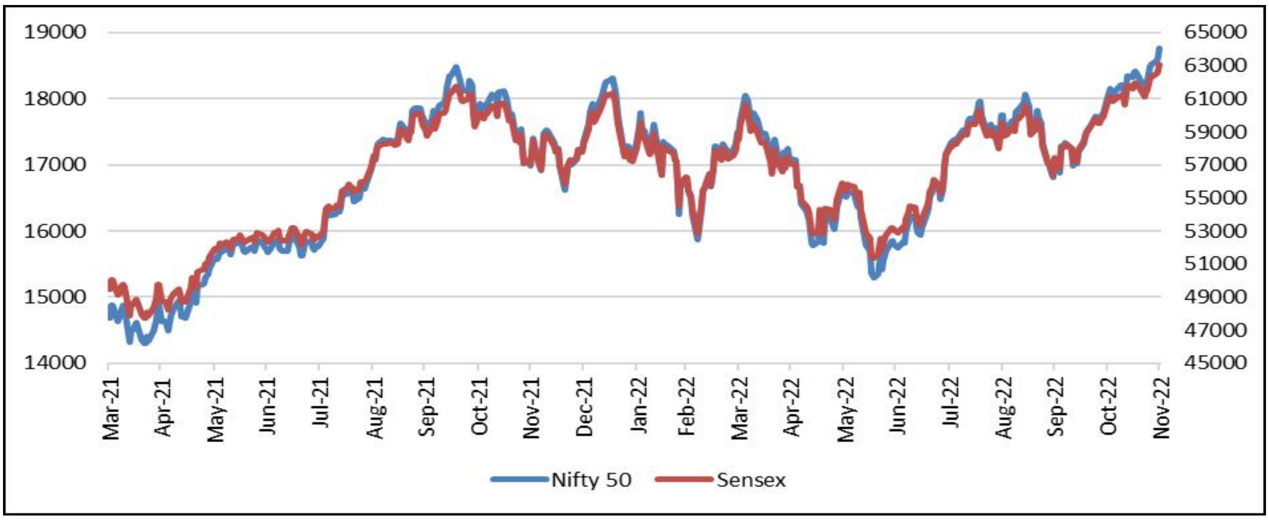
13. ** Source: SEBI Data (as on 31st December, 2022)*

II. Secondary Markets:

A. Stock Market Performance

During FY23 (April-November), stock markets across the world were on a declining trend. However, Indian market emerged as one of the best performers among major markets with a return of 7.4 per cent (Nifty 50) during FY23 (till November 2022). Given the depreciation in Indian Rupee against USD (7.2 per cent in FY23 so far), Nifty 50 – USD adjusted return stood at 0.2 per cent during FY23. As regards the U.S., Dow Jones Industrial Average index declined by 0.3 per cent, while Nasdaq Composite – heavily weighted (49 per cent) towards technology sector companies, declined by 19.4 per cent during FY23 (Apr-Nov). As at the end of November 2022, Sensex and Nifty 50 closed 7.7 per cent and 7.4 per cent higher, respectively, from their closing levels on March 31, 2022.

Figure 1: Movement of Indian Benchmark Indices



Among major emerging market economies, India outperformed its peers during FY23 (April-November). Among the select developed markets, Nasdaq and S&P 500 index, recorded strong gains and rose by 17.3 per cent and 15.0 per cent, respectively.

Table 2: Performance of Major Stock Market Indices across the World

Index	As on 31/03/2022	As on 30/11/2022	Change in FY22 (Apr-Nov)	Change in FY23 (Apr-Nov)
India				
Nifty 50	17,465	18,758	15.6%	7.4%
S&P BSE Sensex	58,569	63,100	15.3%	7.7%
Emerging Markets				
Shanghai Composite, China	3,252	3,151	3.5%	-3.1%
Brazil Ibovespa	1,19,999	1,12,486	-12.6%	-6.3%
FTSE, South Africa	75,497	74,828	6.0%	-0.9%
KOSPI, Korea	2,758	2,473	-7.3%	-10.3%
Taiwan Taiex	17,693	14,880	6.1%	-15.9%
Developed Markets				
Nasdaq, USA	14,221	11,468	17.3%	-19.4%
Dow Jones, USA	34,678	34,590	4.6%	-0.3%
CAC, France	6,660	6,739	10.8%	1.2%
DAX, Germany	14,415	14,397	0.6%	-0.1%
FTSE 100, UK	7,516	7,573	5.2%	0.8%
Hang Seng, Hong Kong	21,997	18,597	-17.3%	-15.5%
Nikkei, Japan	27,821	27,969	-4.7%	0.5%
Straits Times, Singapore	3,409	3,290	-3.9%	-3.5%
Nasdaq, USA	14,221	11,468	17.3%	-19.4%

Source: Refinitiv

Figure 2: Returns of Major World Indices during FY23 (April-November)

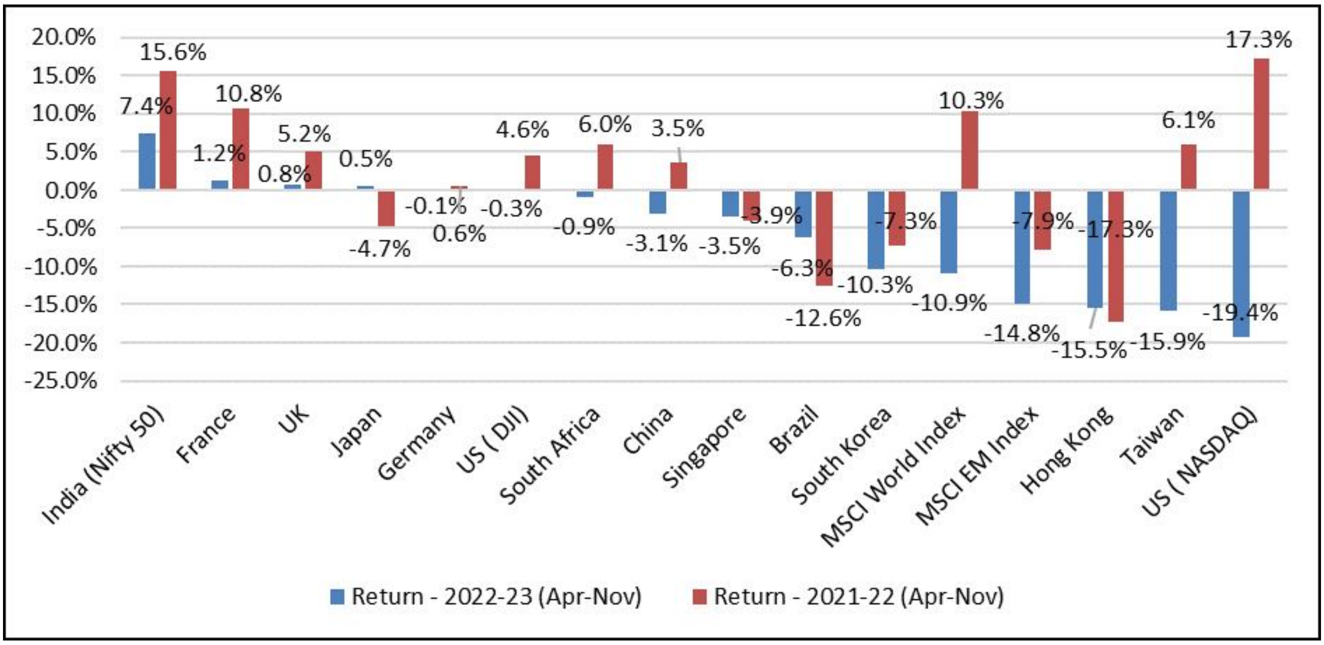
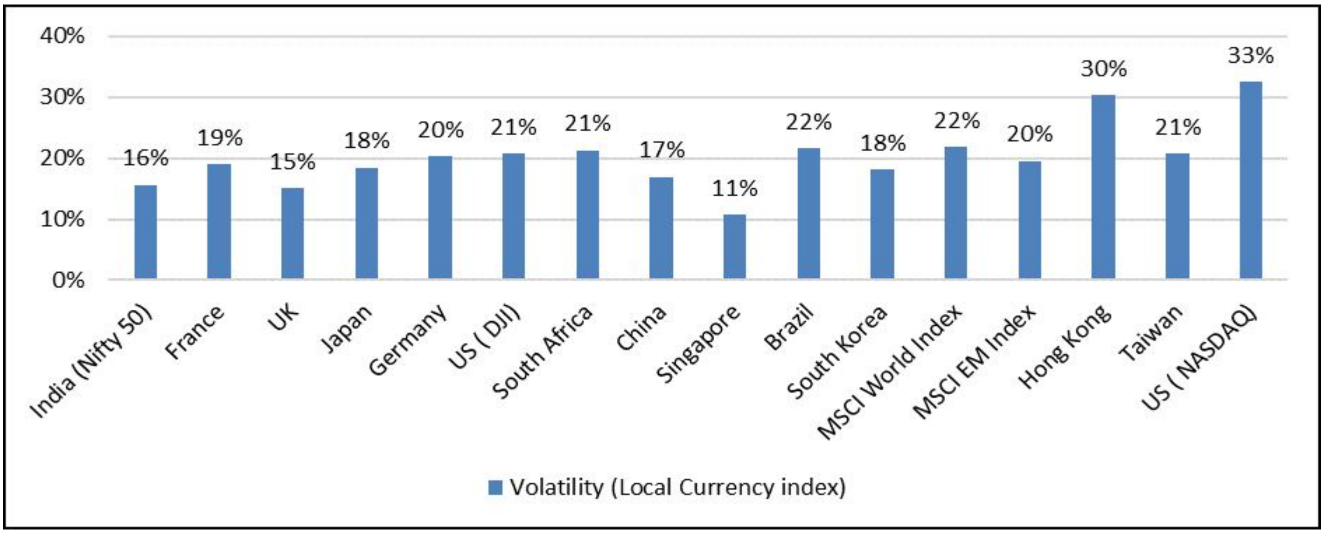
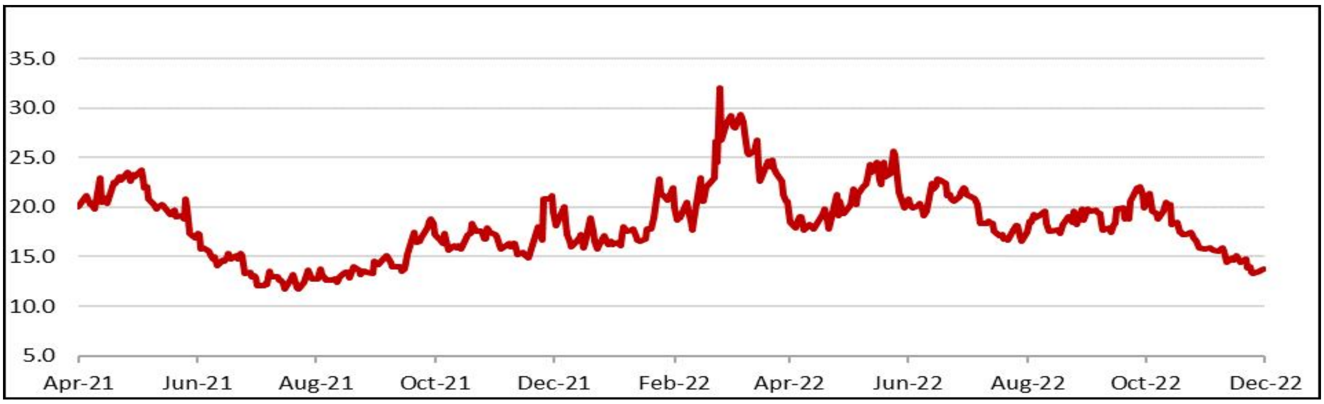


Figure 3: Annualized Volatility in Major World Indices during FY23 (April-November)



India VIX, which measures expected short term volatility in the stock market, increased to a high of 32.0 on February 24, 2022 as Russia invaded Ukraine. The geopolitical crisis weakened the market sentiments, which was reflected by downward movement in benchmark indices over couple of weeks following the outbreak of the war. However, Indian market showed resilience and recovered to end on positive note in March 2022. During April-November 2022, India VIX witnessed a declining trend and stood at 13.8 at end of November 2022, as compared to 20.6 as at end of March 2022.

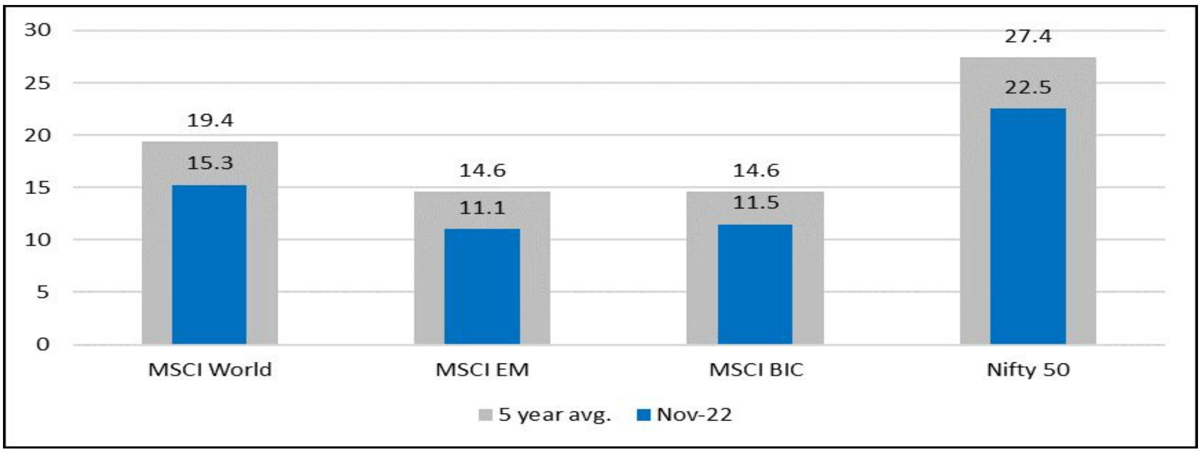
Figure 4: India VIX



B. Valuations (P/E Ratio)

Nifty, with its valuation at 22.5 times price-to-earnings on trailing basis ratio (P/E ratio) at the end of November 2022, stands expensive vis-à-vis the global markets. However, it is still low as compared to its own 5-year average.

Figure 5: Comparison of P/E Ratios of Major Indices with the Long Term (5-year) Average



C. Retail Participation in the Capital Market

The share of individual investors in cash segment has declined to 37.5 per cent during FY23 (April-November) as compared to 42.2 per cent over the same period during FY22.

Table 3: Share of Individual Investors in Equity Cash Segment Turnover (per cent)

Year	Share of Individual Investors (per cent)
2021-22	41.1%
2021-22#	42.2%
2022-23#	37.5%

Note:
1. # period – April to November
2. Individual investors includes individual domestic investors, NRIs, sole proprietorship firms and HUFs, Others: Partnership Firms/LLP, Trust / Society, Depository Receipts, Statutory Bodies, OCB, FNs, etc.
Source: NSE, BSE

Table 4: Demat Accounts (in lakh)

Year	Total No. of Demat Accounts	Accounts Added during the Period
2021-22*	890.3	344.8
2021-22@	766.1	220.7
2022-23#	1,061.7	171.5

*Note: * as at end of Mar-22, @ as at end of Nov-21, # as at end of Nov-22*

The number of demat accounts in India rose to 10.6 crore by the end of November 2022, 39 per cent rise from the total number of accounts as at the end of November 2021. However, incremental additions of demat accounts have been on a declining trend during FY23 relative to FY22. 171.5 lakh new accounts were added during FY23 (April-November), 22 per cent lower than the incremental additions over the corresponding period of FY22. The probable driving factors behind this declining trend are the secondary market volatility and subdued primary market, amid prevailing global headwinds during the current financial year.

D. Turnover Statistics

The cash segment turnover declined by 21 per cent during FY23 (till November 2022), as compared to the same period of FY22, while equity derivatives volumes recorded a huge jump of 113 per cent, showing individuals and proprietary traders' interests drifting away from equity cash segment to equity derivatives segment.

Table 5: Turnover Statistics (₹ crore)

Year	2021-22 (1)	2021-22# (2)	2022-23# (3)	% Change (3) over (2)
Cash Segment	1,79,04,483	1,24,26,578	98,15,896	-21%
Equity Derivatives	1,76,13,11,462	98,60,77,791	2,09,79,64,211	113%

 # period – April to November

Major highlights

i. SEBI has made changes to SEBI KRA Regulations, where KRA's shall continue to act as repository of KYC data in the securities market and will be responsible for storing, safeguarding and retrieving the KYC documents and submit to SEBI or any other statutory authority as and when required.

ii. To enable investors to lodge and follow up their complaints and track status of redressal of such complaints from anywhere, all recognized Stock Exchanges and Depositories have been advised to design and implement an online web based complaints redressal system of their own to facilitate investors to file complaints and escalate them for redressal.

iii. To prevent mis-selling by unregulated platforms offering algorithmic trading services/ strategies and to protect investors interests, SEBI has issued guidelines to stock brokers and stock exchanges. It has further cautioned investors not to be lured by such entities.

iv. SEBI came up with a detailed framework on the Social Stock Exchange (SSE). It stipulates minimum requirement to be met by Not for Profit Organisation (NPO), initial disclosure requirements for fund raising, annual disclosure, disclosure of annual impact report and statement of utilisation of funds in terms of LODR regulations.

v. SEBI, vide circular dated September 07, 2021, introduced the T+1 settlement cycle in the Indian capital markets after detailed consultations with stakeholders, viz., stock exchanges, clearing corporations and depositories. Stock exchanges have been given the option to launch T+1 rolling settlement in a phased manner starting from February 25, 2022. All the stocks will move to T+1 settlement cycle by around January 2023. India has become one of the very few large economies that switched from T+2 to T+1 settlement. The shorter settlement cycle (T+1) is in the interest of retail investor as it reduces the risk of non-payment or non-delivery of shares by the broker by one day, which is an improvement over the present system. Further, faster trade settlements lead to better efficiency levels and further protect investors.

III. Commodity Derivatives :

1. Setting up Gold Spot Exchanges: Union Budget Speech 2021-22 announced to launch Gold Spot Exchange in the country as the first electronic platform for spot trading of gold in dematerialized form. Towards the fulfillment of this Announcement, Department of Economic Affairs, notified "electronic gold receipts (EGR)" as 'securities' under Securities Contracts (Regulations) Act, 1956 on December 24, 2021. Subsequently, Securities and Exchange Board of India (SEBI) issued the framework for Gold Spot Exchange on 10 January 2022 and other necessary Regulations. BSE launched the Electronic Gold Receipt trading in its platform in October, 2022. EGRs will cater all kinds of market participants i.e. retail, commercial, institutional etc.

2. Notifying SEBI as regulator of Gold Spot Exchange

The Government of India vide Gazette notification S.O. 5401 (E) dated December 24, 2021, notified "electronic gold receipts (EGR) as 'securities' under section 2 (h) (iia) of SCRA, 1956. This will enable SEBI to regulate EGR.

3. Allowing FPIs to participate in Exchange Traded Commodity Derivatives market

The SEBI Board, after deliberations, approved the participation of Foreign Portfolio Investors (FPIs) in Exchange Traded Commodity Derivatives (ETCDs).

The salient features for participation of FPIs in ETCDs are as under:

a) The existing Eligible Foreign Entity (EFE) route, which required actual exposure to Indian physical commodities, has been discontinued vide Circular dated September 29, 2022 by SEBI. Any foreign investor desirous of participating in Indian ETCDs with or without actual exposure to Indian physical commodities can do so through FPI route.

b) FPIs will be allowed to trade in all non-agricultural commodity derivatives and select non-agricultural benchmark indices. To begin with, FPIs will be allowed only in cash-settled contracts.

c) FPIs will be allowed to participate in Indian ETCDs, subject to certain risk management measures.

d) The position limits for participation of FPIs in ETCDs are as under:

   i. The position limits for FPIs (other than individuals, family offices and corporate bodies) will be at par with those presently applicable for Mutual Fund schemes i.e. as a client.

   ii. FPIs belonging to categories viz. individuals, family offices and corporates will be allowed position limit of 20 per cent of the client level position limit in a particular commodity derivatives contract, similar to the position limits prescribed for currency derivatives. The participation of FPIs including individuals, family offices and corporates shall be subject to compliance with the provisions of SEBI (Foreign Portfolio Investors) Regulations, 2019, SEBI (Custodian) Regulations, 1996 and the applicable SEBI Circulars on ETCDs.

   iii. A Working Group comprising of representatives from SEBI and market participants has also been constituted to review/examine whether any additional risk management measures, are required to be prescribed for FPIs.

COMMODITY DERIVATIVES MARKET

The commodities eligible for derivatives trading are notified by DEA, MoF in consultation with SEBI. At present, major agricultural commodities trading on derivatives platforms include Barley, Castor Seed, Coriander, Cotton, Guar Seed, etc. Major non-agri commodities traded on commodity derivatives platforms in India are metals (Zinc, Aluminium, Copper, Gold, Silver) and energy commodities (Crude Oil, Natural Gas). The total turnover in the commodity derivatives segment is distributed across exchanges as follows:

Table 1: Market share of exchanges year wise

Total Turnover (in Rs. Crore)	2018-19	2019-20	2020-21	2021-22	**2022-23***	% variation of 2021-22 over 2020-21
All-India	7,377,943.89	9,224,839	9,222,927	1,00,27,900	**92,63,487**	**8.73%**
MCX	6,772,372.87	8689518	8,264,585	87,81,757	91,07,177	6.26%
NCDEX	531587.96	442009	318,814	4,57,186	1,36,424	43.40%
ICEX**	37,735.50	40,511.29	1,666	139	0	-91.68%
NSE	3,443.82	6,362.00	27839	19,744	**12,300**	-29.08%
BSE	32,803.75	46,438.72	610,023	7,69,075	**7,586**	26.07%

* Data as on 30 November 2022 **SEBI has withdrawn the recognition granted to the Indian Commodity Exchange Limited on May 18, 2022.

Source: SEBI Bulletin, December 2022

IV. Snapshot of External Market

FPI Investment Inflows in India from 2012-13 to 2022-23

Financial Year	INR Crores				
	Equity	**Debt**	**Debt - VRR**	**Hybrid**	**Total**
2012-13	1,40,031	28,334	0	0	1,68,365
2014-15	1,11,333	1,66,127	0	0	2,77,461
2015-16	-14,172	-4,004	0	0	-18,176
2016-17	55,703	-7,292	0	0	48,411
2017-18	25,635	1,19,036	0	11	1,44,682
2018-19	-88	-42,357	0	3,515	-38,930
2019-20	6,153	-48,710	7,331	7,698	-27,528
2020-21	2,74,032	-50,443	33,265	10,247	2,67,101
2021-22	-1,40,010	1,628	12,642	3,498	-1,22,242
2022-23*	-11,421	-12,400	8,662	-993	-16,153

Source: NSDL, *Up to 31st December 2022

FPI Investment Inflows by Month in India during 2022

Month	INR Crores				
	Equity	**Debt**	**Debt - VRR**	**Hybrid**	**Total**
January	-33,303	5,194	-2,114	1,697	-28,526
February	-35,592	-3,073	487	110	-38,068
March	-41,123	-5,632	-3,244	-68	-50,068
April	-17,144	-4,439	-1,175	69	-22,688
May	-39,993	-5,506	9,043	-62	-36,518
June	-50,203	-1,414	87	108	-51,422
July	4,989	-2,056	-785	-176	1,971
August	51,204	3,845	2,997	-1,525	56,521
September	-7,624	4,012	-1,455	1,112	-3,955
October	-8	-3,532	762	-301	-3,080
November	36,239	-1,637	-540	-214	33,847
December	11,119	-1,673	-272	-4	9,171
Total-2022	-1,21,439	-15,911	3,791	746	-1,32,815

- FPI flows were in the negative territory for the first six months of 2022. Thereafter, there were inflows in net FPI investment during second half of the year to the tune of Rs. 94,475 crore with August and November witnessing a combined inflow of Rs. 90,368 crore. FPIs made a net investment of Rs. -1,32,815 crore up to Dec 31st, 2022.
- 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.

A. External Commercial Borrowing in India:

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

USD Million

2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (Till Nov 2022)
2,305	13,180	29,399	4,248	12,888	(-)2,934

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

B. 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. 1802(E) dated 12th April, 2022 which is as under:

(i) Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2022: Regarding Press Note 1(2022 series) of DPIIT relating to review of FDI Policy for permitting foreign investment in LIC and other modifications.

V. International Financial Services Centres Authority (IFSCA):

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

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

In the recent years, GIFT-IFSC has witnessed substantial traction across the entire spectrum of financial services. It has played a pivotal role in onshoring financial services which had overtime migrated to attractive offshore jurisdictions. Presently, more than 390 entities are registered across traditional as well as niche segments in the IFSC. Significant gains have been made in kick starting experimental and innovative activities such as bullion trading, aircraft leasing, global-in house centres and Finech. The foundation has been laid for creating a thriving knowledge economy by allowing foreign universities to set up operations in IFSC. Simultaneously, external assistance is being mobilised for establishment of India's premiere Fintech Institute and Innovation Centre in GIFT City. The aspirational pursuit of integrating the Indian economy with the global financial ecosystem through India's maiden IFSC has been rich with achievements some of which are noted below –

1. Laying of the foundation stone for IFSCA HQ building was done by the Hon'ble PM on 29th July, 2022. The headquarter building will be a physical manifestation of the vision for GIFT IFSC and would symbolize the dreams and aspirations of a New and Atma Nirbhar Bharat. The work on the project has started in November 2022.
2. India first International Bullion Exchange was inaugurated by the Hon'ble Prime Minister of

India in GIFT IFSC on 29th July 2022. IIBX aims to offer a world-class bullion exchange ecosystem for bullion trading, investment in bullion financial products and vaulting facilities in IFSC.

3. In its endeavor to become a hub for sustainable finance IFSCA has notified ‘Sustainable Lending Framework’ for IFSC Banking Units and Finance Companies to encourage lending by banking/ financial sector to sustainable sectors.

4. Further, IFSCA also notified comprehensive Fund Management Regulations in April 2022 which has several provisions for enabling fund management activities for sustainable finance

5. A dedicated platform for listing of various categories of ESG related products such as Green Bonds, Social Bonds, Sustainable Bonds, Carbon Credits, Green Equity, Green and sustainable REITs, known as the International Sustainability Platform has been launched by NSE- IFSC on July 29, 2022.

6. To implement the Budget announcement of 2022-23 for setting up World Class Universities at GIFT-IFSC, Notification under Section 3 of the IFSCA Act 2019 enabling IFSCA to regulate select courses offered by foreign universities in GIFT-IFSC has been issued on May 23, 2022. Meanwhile, draft Notification under Section 31 of the Act to dis-apply provisions of University Grants Commission Act 1956 and All India Council for Technical Education Act 1987 for foreign universities/institutions based out of GIFT-IFSC has been tabled in both houses of the Parliament for approval. IFSCA after extensive consultation has notified regulations for Setting up and Operation of International Branch Campuses and Offshore Education Centres in October 2022. This path breaking initiative is expected to bring world class education & research facilities in GIFT IFSC and provide high end talent for financial institutions setting up presence in IFSC.

7. The Union Cabinet in its meeting on 13th July 2022 has approved signing of an MoU between IFSCA and Monetary Authority of Singapore (MAS) to facilitate mutual exchange of information and technical cooperation.

8. A revised “Framework for Aircraft Lease” was issued on May 18, 2022 to enable Aircraft operating lease in GIFT-IFSC including the leasing of Aircraft Ground Support Equipment. The revised framework consolidates the guidelines relating to business of operating and/ or financial lease of aircraft or helicopter and engines of aircraft or helicopter or any part thereof and/or Aircraft Ground Support Equipment by the aircraft leasing entities registered with the IFSCA.

9. The NSE IFSC-SGX Connect was launched in July 2022 to give impetus to the capital market ecosystem in GIFT IFSC. The Connect aims to bring together international financial institutions and participants based in GIFT-IFSC to create a bigger liquidity pool for derivative contracts with Indian indices as the underlying. The Connect would deepen liquidity in derivative instruments at NSE-IFSC, attracting more international participants and having a positive impact on the financial ecosystem in IFSC.

10. Four MoUs have been exchanged by IFSCA with 4 foreign regulators and Department of Space (DoS) to deepen mutual co-operation and facilitate technical cooperation.

11. To augment the FinTech Ecosystem at GIFT-IFSC, Circular putting in place a comprehensive FinTech Entity (FE) Regulatory Framework for FinTechs and TechFins in GIFT-IFSC has been issued by IFSCA on 27th April 2022. The first five authorizations to FinTech entities under the FinTech Entity Framework were granted on 29th July 2022, during the visit of the Hon’ble Prime Minister and Finance Minister to GIFT IFSC.

12. Deputy Prime Minister of Singapore visited GIFT IFSC on 18th September during which the Monetary Authority of Singapore (MAS) and the International Financial Services Centres Authority (IFSCA) signed a FinTech Co-operation Agreement (CA) to facilitate regulatory collaboration and partnership in FinTech.

VI. International Cooperation:

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

Rating Agency	Date of affirmation of ratings	Foreign Currency		Local Currency	
		Ratings	Outlook	Ratings	Outlook
Moody's	15.12.2022	Baa3	Stable	Baa3	Stable
Fitch	20.12.2022	BBB-	Stable	BBB-	Stable
S&P	13.07.2021	BBB-	Stable	BBB-	Stable
JCRA	13.05.2022	BBB+	Stable	BBB+	Stable
R&I	26.12.2022	BBB	Stable	No ratings were given	
DBRS	19.05.2022	BBB (low) R-2 (middle)	Stable	BBB (low) R-2 (middle)	Stable

VII. Regulatory Establishment

Securities Appellate Tribunal (SAT) is established under Section 15K of the Securities and Exchange Board of India Act, 1992, to exercise the jurisdiction, powers and authority conferred on the Tribunal by or under the SEBI Act1992, PFRDA Act 2013, Insurance Act 1938 and any other law for the time being in force.

It is also the designated Tribunal to hear appeal cases against the orders passed by International Financial Services Centres Authority (IFSCA) for matters related to securities, insurance, and pension under the Acts mentioned above.

As on 31.12.2022, 852 appeals are pending before SAT and its breakup is as follows:-

Category	Opening Balance as on 01.01.2022	Cases filed	Total Cases	Disposed Cases	Pending Cases
SEBI	807	1046	1853	1011	842
IRDA	15	05	20	10	10
PFRDA	00	00	00	00	00
TOTAL	822	1051	1873	1021	852

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 institutionalising the mechanism for, inter-alia, maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development. The Chairperson of the FSDC is the Finance Minister of India and Members include Ministers of State for Finance, the heads of the financial sector regulators and Secretaries of the relevant Ministries/ Departments of the Government of India.

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

4.1.3 Till 25th November 2022, FSDC held 26 meetings. In 2022-23, the 25th meeting was held on February 22, 2022 and 26th meeting was held on September 15, 2022. In the 25th meeting, the FSDC deliberated on the various mandates of the FSDC and major macro-financial challenges arising in view of global and domestic developments. The FSDC noted that the Government and all regulators need to maintain constant vigil on the financial conditions and functioning of important financial institutions, especially considering that it could expose financial vulnerabilities in the medium and long-term. The FSDC discussed measures required for further development of the financial sector and to achieve an inclusive economic growth with macroeconomic stability. The FSDC also discussed operational issues relating to currency management, particularly the issues of Fake Indian Currency Notes. In the 26th meeting, the FSDC, inter alia, deliberated on the Early Warning Indicators for the economy and our preparedness to deal with them, improving the efficiency of the existing Financial/Credit Information Systems, issues of governance and management in Systemically Important Financial Institutions including Financial Market Infrastructures, strengthening cyber security framework in financial sector, Common KYC for all financial Services and related matters, update on Account Aggregator and next steps, issues relating to financing of Power Sector, strategic role of GIFT IFSC in New Aatmanirbhar Bharat, inter-regulatory issues of GIFT-IFSC, and the need for utilisation of the services of Registered Valuers by all the Government Departments. It was noted that there is a need to monitor the financial sector risks, the financial conditions and market developments on a continuous basis by the Government and the regulators so that appropriate and timely action can be taken so as to mitigate any vulnerability and strengthen financial stability. The FSDC also took note of the preparation in respect of financial sector issues to be taken up during India's G20 Presidency in 2023.

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 Ministers of State for Finance), all members of the FSDC are also the members of the FSDC-SC. Additionally, all four Deputy Governors (DG) of RBI, and Secretary (FSDC), are also the members of the FSDC-SC. Executive Director of RBI, who is in-charge-of Financial Stability, is the Member Secretary, and the Financial Stability Unit (FSU) of RBI is the Secretariat for the FSDC-SC. The FSDC-SC has met 29 times so far.

4.2.2 During the year 2022-23, FSDC-SC held the 29th meeting on November 15, 2022. The Sub-Committee reviewed the major developments in the global and domestic economy as well as in various segments of the financial system. It discussed certain inter-regulatory issues. The Sub-Committee also reviewed the activities of various technical groups under its purview and the functioning of State Level Coordination Committees (SLCCs) in various States/ UTs. The members resolved to remain vigilant and proactive to ensure that financial markets and financial institutions remained resilient amidst the spillovers arising from evolving global macroeconomic situation.

4.3. Financial Stability Board (FSB)

4.3.1 The 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. The 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 the FSB and presents its views and comments as a Member.

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

4.3.4 During the year 2022-23, meetings of the FSB Plenary were held on 07th April 2022, 30th June 2022, 29th September, 2022, 04th November, 2022 and 05th-06th December 2022. SCSI virtual and hybrid meetings were held on 18th May, 2022, 07th September, 2022, 05th October, 2022 and 22nd November, 2022. Besides, two virtual meetings of the RCG Asia were held on 28th May, 2022 and 03rd November, 2022. FSB's Emerging Market and Developing Economies (EMDEs) Forum meeting was held on 05th December, 2022 to discuss issues of common interest across EMDEs and receive EMDEs' feedback on the FSB's work. All these meetings were attended by representatives of DEA at suitable levels.

4.3.5. As India has assumed G20 Presidency in 2023, several meetings were organised with FSB to decide upon the deliverables under financial sector issues under India's G20 Presidency. Further, continuous engagement was maintained through various virtual meetings / conference calls of Plenary, SCSI, RCG, etc. and inputs on surveys and reports circulated by FSB were provided in consultation with the regulators.

4.3.6 For 2023, it is also proposed to work towards developing a reporting framework for mitigating system-level vulnerabilities for the financial sector from cyber risks, especially through greater convergence in cyber incident reporting and coordination of relevant definitions and terminologies. As a member country, India has been actively participating in the FSB work to strengthen the financial sector's cyber resilience. The FSB, Basel Committee for Banking Supervision (BCBS), and Committee on Payments and Market Infrastructures (CPMI), among others, including the G20, have focused on developing a common lexicon (terminology) and approach to the regulation and supervision of cyber risk management in financial institutions.

4.4. Financial Sector Assessment Programme (FSAP)

4.4.1 FSAP is a quinquennial exercise jointly conducted by IMF and World Bank (WB) and involves a comprehensive and in-depth analysis of a country's financial sector to assess financial stability and financial sector development. India underwent its first FSAP exercise in 2011-12 and the second FSAP in 2017. Department of Economic Affairs, in close coordination with financial sector Regulators and Ministries/Departments concerned, facilitates and coordinates all matters related to FSAP undertaken for India, including following up on the recommendations of FSAP. Subsequent to the FSAP exercise in 2017, the IMF and the World Bank published their reports, including the Financial System Stability Assessment Report (FSSA)(along with IMF Press Release, Staff Supplement and Statement of India's Executive Director in IMF) and Financial Sector Assessment (FSA) report, respectively in December, 2017 on their respective websites, followed by a few Detailed Assessment Reports (DARs) and Technical Notes on selected topics. Department of Economic Affairs has been following up with the Ministries/ Departments/ Regulators concerned for examination and suitable implementation of the recommendations. The next FSAP exercise is tentatively planned to be held in 2024.

4.5. Macro Financial Monitoring Group (MFMG)

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

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

4.6.1 The Computer Security Incident Response Team-Finance Sector (CSIRT-Fin) has been set up on 15th May

2020 as a unit of the Indian Computer Emergency Response Team (CERT-In) within the Ministry of Electronics and Information Technology (MeitY). CSIRT-Fin is responsible for coordinating and supporting the response to cybersecurity events or incidents within the financial sector. CSIRT-Fin is the incident response force which focuses on mitigation processes, providing on-site awareness, expertise, and recovery oversight. CERT-In is providing the requisite leadership for the operations of CSIRT-Fin under its umbrella. The strategic direction is provided through a strategic advisory committee co-chaired by Secretary (DEA) and Secretary (MeitY) having representation from DEA, DFS, NSCS, CERT-IN, NCIIPC and financial sector regulators.

4.6.2. The 2nd Strategic Advisory Committee meeting of the CSIRT-Fin was held on 20th January 2022. In this meeting, the Strategic Advisory Committee deliberated on various mandates for CSIRT-Fin including governance oversight and decisions for effective coordination amongst stakeholders along with their roles and responsibilities. The Committee discussed on the strategic roadmap and milestones to be achieved in the next 6 months for CSIRT-Fin. The Committee was also informed on the cyber security posture of the financial sector.

4.7. Critical Information Infrastructure (CII) identification in Financial Sector

4.7.1 The FS&CS Division collaborates regularly with the National Critical Information Infrastructure Protection Centre (NCIIPC), and financial sector regulators/ departments to identify critical information infrastructure (CII) in the financial sector, the incapacitation or destruction of which shall have a debilitating impact on national security, economy, public health or safety. The Division also coordinates the declaration of systemic important CIIs as “protected systems”. In accordance with NCIIPC recommendations, the protected systems must apply a higher level of security measures to ensure that the CIIs are effectively secured.

4.7.2 During the year 2022-23, CIIs hosted by NPCI, SBI, LIC of India, HDFC, ICICI, Punjab National Bank, Bank of Baroda and Union Bank of India have been declared as “Protected Systems”. In addition, the identification procedure has been improved, and a sizeable number of information technology (IT) systems in the BFSI sector have been notified as CIIs. The process of CIIs identification in the financial sector, their declaration through Gazette notification and further assessment for validation of “Protected Systems” after every two years is ongoing. Further, continuous coordination with relevant agencies and the financial sector regulators was done through virtual meetings and onsite visits to strengthen the cyber resilience of the financial sector.

5. Financial Sector Reforms and Legislation Division

5.1 Introduction

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

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

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

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

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

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

5.2. Financial Sector Legislative Reforms Commission- Main recommendations

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

5.3. Recommendations on the Financial Regulatory Architecture

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

i. The RBI will continue to exist, although with modified functions;
ii. The existing SEBI, FMC, IRDA, and PFRDA will be merged into a new UFA;
iii. The existing SAT will be subsumed into the FSAT;
iv. The existing DICGC will be subsumed into the Resolution Corporation;
v. A new FRA will be created;
vi. A new PDMA will be created; and
vii. The existing FSDC will become a full-fledged statutory agency, with modified functions.

5.4. Implementation Status of the recommendations of the FSLRC

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

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

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

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

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

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

a. Financial Sector Appellate Tribunal:

The Securities and Exchange Board of India Act, 1992 was amended through the Finance Act 2017, for upgrading / enhancing the capacity of the Securities Appellate Tribunal (SAT) to hear appeals relating to the Insurance and Pension sectors also and for providing for multiple benches. FM Division, DEA, is assigned the task to undertake necessary steps for the setting up of PDMA.

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

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

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

c. Establishment of an independent Financial Data Management Centre:

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

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 in due course. Budget Division, DEA, is assigned the task to undertake necessary steps for the setting up of PDMA.

e. Institutionalised and Statutory Monetary Policy Framework:

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

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

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

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

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

a. Governor of the Bank—Chairperson, ex officio;
b. Deputy Governor of the Bank, in charge of Monetary Policy—Member, ex officio;
c. One officer of the Bank to be nominated by the Central Board—Member, ex officio;
d. Dr. Shashanka Bhide, Senior Advisor, Research Programmes, National Council of Applied Economic Research (NCAER), —Member
e. Dr. Ashima Goyal, Professor, Indira Gandhi Institute of Development Research (IGIDR), and Part Time Member, Prime Minister's Economic Advisory Council (PMEAC) — Member
f. Dr. Jayanth R. Verma, Professor, Indian Institute of Management (IIM), Ahmedabad — Member

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

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

6. Infrastructure Policy and Planning Division

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

Finance Unit (FU)

Policy & Planning Unit (PPU)

Capacity Building Unit (CBU)

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

1. Finance Unit (FU) :

1.1 Major Functions :

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

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

1.2 Major Policy Initiatives/ Achievements:

1.2.1 G20 Infrastructure Working Group (G20-IWG)

Infrastructure Working Group (IWG) is a working group under the G20 Finance Track that drives G20's infrastructure agenda. The IWG deliberates on various aspects of infrastructure investments including developing infrastructure as an asset class; promoting quality infrastructure investment; Infratech; and identifying innovative instruments for mobilizing financial resources for infrastructure investment. The working group is co-chaired by Australia and Brazil.

Under the 2022 Indonesian G20 Presidency, a total of 4 meetings were organized in 2022, out of which, two meetings were attended virtually, and the remaining were attended in- person. In the 2022 IWG meetings, Shri Peeyush Kumar, Joint Secretary, IPP Division, DEA represented Ministry of Finance as Head of the Indian Delegation and Shri Aman Garg, Director, IPP Division, DEA participated as a delegate.

As part of the 2021 Infrastructure Work Programme, the Indonesian G20 Presidency focussed its discussions on scaling up infrastructure investments to support sustainable development and digital transformation. The underlying principle for selection of these themes was to narrow the investment gap in sustainable and digital infrastructure and the 2022 IWG discussed approaches to address this challenge.

India mainly supported the workstreams, however, reflected its recommendations on the deliverables. India nominated itself to be a member of the Technical Working Group to design the flagship deliverable of "Framework to scale up private sector participation in sustainable infrastructure". India suggested relevant interventions to make the Framework outcome oriented. On the QII indicators, India submitted 14 recommendations, out of which 13 were accepted and accommodated by the IFC and Indonesian Presidency. India, in the fourth meeting of the Infrastructure Working Group, also reflected its proposed 2023 Infrastructure Agenda, and outlined how it is strategically aligned with the work done by previous presidencies.

First Infrastructure Working Group under Indian Presidency was held in Pune in January 2023. The meeting was attended 64 delegates from by 18 member countries, 8 guest countries and 8 international organisations.

1.2.2 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. Presently, there are 19 registered InvIT's with SEBI and 13 are operational InvITs. InvITs have raised cumulative funds of about INR 79,482.58 crores till date either through public issue, private placement, or rights issue. Similarly, total 3 REITs have raised cumulative funds of about INR 15,249.99 crores in the commercial real estate segment through public issue.

1.2.3 Infrastructure Debt Funds (IDFs)

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

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

1.2.4 Sovereign Green Bond Framework

In keeping with the ambition to significantly reduce the carbon intensity of the economy, the Union Budget 2022-23 announced the issue of Sovereign Green Bonds (para 103).

The budget para 103 is reproduced as below:

'As a part of the government's overall market borrowings in 2022-23, sovereign Green Bonds will be issued for mobilizing resources for green infrastructure. The proceeds will be deployed in public sector projects which help in reducing the carbon intensity of the economy.'

Towards this agenda, the Finance Unit worked on a Green Bond Framework that sets forth the obligations of the Government of India as a Green Bond issuer. The Framework applies to all sovereign Green Bonds issued by the Government of India. The framework is designed to comply with four components and key recommendations of the International Capital Market Association (ICMA) Green Bond Principles (2021). These principles recommend delineation of a clear process and disclosure by the issuer to enable the investors and banks and others to understand the characteristics of the green bond.

2. Policy & Planning Unit (PPU)

2.1 Major Functions:

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

2.2 Major Policy Initiatives/ Achievement:

2.2.1 Harmonized Master List of Infrastructure Sub-sectors

The HML was formulated in 2012 under the broad framework, developed by the committee chaired by Dr. C. Rangarajan. 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. In October, 2022, 2 sub-sectors i.e. "Data Centre" and "Energy Storage System" have been included in Harmonised Master List of Infrastructure Sub-sector. The updated HML list now includes 37 Infrastructure sub sectors under 5 categories i.e. 1. Transport and Logistics, 2. Energy, 3. Water and Sanitation, 4. Communication and 5. Social and Commercial Infrastructure.

2.2.2 National Infrastructure Pipeline (NIP)

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

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

NIP was launched with 6,835 projects worth around 111 Lakh Crore, which has expanded to over 8,900 projects covering 37 sub-sectors. NIP portal is being maintained and regularly updated by Invest India Grid (IIG) in consultation with the stakeholders. The same may be accessed at: https://indiainvestmentgrid.gov.in/national-infrastructure-pipeline.

2.2.3 Accelerating capital expenditure by Infrastructure Ministries

The government has stepped up its preparations to bring India among the top three global economies and inch closer to the status of a developed nation by the lOOth year of its Independence. As part ofindia's vision 2047, the Centre has stressed upon the importance of increasing capital expenditure to crowd-in private investments and enable extraordinary increase in the economic growth.

Regular meetings of the Council of Ministers have been conducted in September, October, and November 2022 to closely monitor capital expenditure progress of different ministries, departments, and states against their respective projected target for FY 2022-23. During these meetings, it was emphasized that the concerned ministries and CPSEs should ensure full utilization of the Capex outlays during the current year and plan well in advance for implementation during the next year.

The result of the efforts is visible in Ministries/ Departments capex spending till January 2023 in Current Financial Year (CFY), which has been Rs. 5.93 lakh crore (~79% achieved against the Budgeted Capex of 7.5 lakh crore) as against Rs. 4.42 lakh crore for the same period in FY 21-22 (i.e., till January 2022). The actual expenditure in CFY is also ~34% higher than the expenditure in FY 21-22 for the corresponding period.

2.2.4 Infrastructure Investment Proposals

A total of 90 DIB/SFC Memorandum, 9 PJB/EFC Memorandum, 11 proposals of M/o Shipping's Empowered Committee and 28 CCEA/Cabinet/GoM Notes received from line Ministries/Departments i.e. MoRTH, MoHUA, M/o Shipping, M/o Railways, DoT, MoCA and Dept. of Ports have been examined. All these Investment Proposals were related to a number of infrastructural projects, implementation of which would play an important role in improvement in the infrastructure and would automatically bring socio- economic growth in the region where the project would be implemented.

2.2.5 Workshops with States in Infrastructure development

DEA is conducting workshops with States to explore the progress in infrastructure development through existing required initiatives under Infra Financing, Infra Implementation and PPP encouragement. The workshop aims to deliberate on measures to attract private financing and understand ground issues faced . by implementing agencies in undertaking large infrastructure projects. During the year 2022, DEA has conducted 3 workshops i.e. on 22nd August, 2022 at Mumbai, 9th September, 2022 at Chandigarh and 30th September, 2022 at Varanasi.

Further, a workshop on Track 2 - "Private Investment in Manufacturing, Housing and Real Estate and Services" of Sub-Theme 2 - 'Infrastructure & Investments' under pillar 1 - 'Growth and Job Creation' in the run-up to the 2nd National Conference of Chief Secretaries, was organised on 1st December, 2022 at Guwahati, Assam by the track-lead State 'Assam' and the Policy & Plmming Unit of 'Department of Economic Affairs', Gol, and witnessed participation from 19 State Governments & Union Territories

3. Capacity Building Unit (CBU)

3.1 Major Functions:

Capacity Building Unit (CBU) CBU is entrusted with the work related to Capacity Building in Central Ministries/State Governments and other Agencies through trainings/workshops/seminars for project preparation, design and structuring, project appraisal, project financing, pre-project activities, procurement, implementation planning and management etc.

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

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

This Financial year (FY 2022-23), as on 7th February,2023, 26 training programs have been conducted by DEA in association with top Institutions like IIMs, ISB, AJNIFM, World Bank, IIBF etc. Total of 839 officers comprising of 528 officers from 22 Central Ministries and 15 CPSEs and 311 officers and from 29 State Governments and Union Territories from across the country have participated in these trainings. Over 1490 nominations have been received till date for these trainings this financial year.

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:

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

Foreign Exchange aspect related to Gold including Gold Monetisation Scheme, Indian Gold Coins etc.

To coordinate with Ministry of Steel, Ministry of Micro, Small & Medium Enterprises (MSME) , Ministry of Textiles, Ministry of Electronic and Information Technology, Department of Chemical and Petro Chemicals, Department of Investment and Public Asset Management (DIPAM), : Department for Promotion of Industry & Internal Trade (DPIIT), Department of Public Enterprises (DPE), Department of Commerce and Department of Heavy Industry on investment issues and also offering them comments / suggestions on various matters as per need of the Indian economy.

To negotiate and conclude Bilateral Investment Treaties (BITs) and Investment Chapter of FTAS/CECA/ CEPA with other countries on the basis of the revised Model Bilateral Investment Treaty (BIT)Text which was approved by the Cabinet on 16th December, 2015 and to also handle the Investor State Dispute Settlement (ISDS) notices/cases arising out from BITs/FTAs signed with Foreign countries as a nodal Department in GOI.

Matter related to equity investments from both domestic and international sources for infrastructure development in commercially viable projects, both greenfield and brownfield, including stalled projects through National Investment and Infrastructure Fund (NIIF).

7.2. SECTION.WISE ALLOCATION OF WORK

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

The main function of FDI Policy section is to provide policy support on Foreign Investment including new policy initiatives in Foreign Direct Investment (FDI) and 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. This section also publishes Overseas Direct Investment (ODI) outflows data across sectors and counties on DEA's website on monthly basis.

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 amended from time to time. Following FDI Policy reforms have inter-alia been undertaken by the Government across sectors in the recent past:

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

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

b. FDI in Insurance Sector

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

c. FDI in Petroleum and Natural Gas Sector

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

d. FDI in Telecom Sector

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

e. FDI in Life Insurance Corporation of India

The GoI vide Press Note 1 (2022) dated 14.03.22, Government has permitted 20% FDI in Life Insurance Corporation of India (LIC) under automatic route.

Consequently, India has recorded highest ever annual FDI inflow of USD 84.84 billion in the Financial Year 2021-22. The details of total FDI inflows reported during the last five financial years are given in table 1.

Overseas Investment Rules and Regulations Notified

The Government of India in consultation with the Reserve Bank undertook a comprehensive exercise to simplify these Overseas Investment Rules & Overseas Investment Regulations. Final Foreign Exchange Management (Overseas Investment) Rules and Foreign Exchange Management (Overseas Investment) Regulations, 2022 had been notified in the Gazette of India dated 22.08.2022. The copy of the notification laid on table of Lok Sabha and Rajya Sabha in Winter Session of parliament in December, 2022.The revised regulatory framework for overseas investment provides for simplification of the existing framework for overseas investment and has been aligned with the current business and economic dynamics. Clarity on Overseas Direct Investment and Overseas Portfolio Investment has been brought in and various overseas investment related transactions that were earlier under approval route are now under automatic route, significantly enhancing "Ease of Doing Business".

TABLE 1: TOTAL FDI INFLOWS DURING THE LAST FIVE FINANCIAL YEARS

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	2017-18	44.86	0.66	12.54	2.91	60.97
2	2018-19	44.37	0.69	13.67	3.27	62.00
3	2019-20	49.98	1.76	14.18	8.48	74.39
4	2020-21	59.64	1.45	16.94	3.95	81.97
5	2021-22(P)	58.77	0.91	19.35	5.81	84.84
6	2022-23 (P) (Up to September, 2022)	26.91	0.43	9.25	2.51	39.10
Cumulative FDI inflows in India since 2000 (up to September, 2022)		**618.20**	**20.01**	**199.83**	**49.73**	**887.76**

Source: DPIIT, P: - Figures are Provisional

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. This section also handles the Investor State Dispute Settlement (ISDS) notices/cases arising out from BIT/FTAs signed with foreign countries as a nodal department in GoI. The Model BIT text approved in 2015, 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 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:

3. India is currently discussing and negotiating Bilateral Investment Treaties at various stages with U.K, Canada, European Union, Australia, Iran, Morocco, UAE, Switzerland, Oman, Israel, Cambodia, Qatar, Tajikistan, Russia, Saudi Arabia, Mexico, Hong Kong, Mauritius, San Marino, Argentina, Armenia, Azerbaijan, Ethiopia, Bolivia, Cote d'Ivoire, Kuwait, Philippines, Zimbabwe, Egypt, Thailand, Turkmenistan and a Bilateral Investment Agreement with Taipei Economic and Cultural Centre (TECC).

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.	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
5.	**Uzbekistan:** Bilateral Investment Treaty	-	-	Negotiations concluded

4. In May 2022 India has also signed Investment Incentive Agreement with Government of USA.

C) FOREIGN TRADE & SERVICES (FT) SECTION

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

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

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

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

Till November 2022, approximately 27,530 kilograms of gold have been mobilised under GMS. The details are as under:

Details of Gold Mobilized under GMS (5th Nov, 2015 to 30 Nov, 2022)

Sl.No.	Types of Deposit	Deposited gold as on 30.11.2022 (in Kgs)
1	Cumulative Quantity of Gold (in Kgs)	**27,530**
a	Short Term Gold Deposit	7,366
b	Medium Term Gold Deposit	8,082
c	Long Term Gold Deposit	12,082
2	Number of participating Banks	10
3	Number of depositors	**4382**

3. Indian gold Coin

The Indian Gold Coin (IGC) is manufactured out of domestic gold (received under GMS) and is domestically manufactured (Make in India) standard gold coins/bars in different denominations. Till 31st August, 2021 265.3 Kgs of Indian Gold Coin has been sold out as per summary placed below. Thereafter, there were no sales in the month of September 2021. & onwards as the MMTC has no coins to sell.

IGC SALES Details (5th Nov 2015 to 31 August 2021)

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

D) DOMESTIC INVESTMENT& DIGITAL ECONOMY SECTION

A. National Investment and Infrastructure Fund (NIIF)

1. Background:

The establishment of the NIIF was announced vide para 47 of the Budget Speech on 28 February 2015 and approved by the Union Cabinet on 28 July 2015. It was envisaged that the NIIF would attract equity investments from domestic and international sources for infrastructure development in commercially viable greenfield and brownfield projects, including stalled projects. It could also consider other nationally important projects, for example, in manufacturing, if commercially viable. NIIF can also invest in the corpus created by Asset Management Companies (AMCs) for investing in private equity. Anchored by the GOI with a 49% stake, the mandate for NIIF is also to raise the balance 51% from international and domestic institutional investors over time.

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

Three funds, i.e. National Investment and Infrastructure Fund (Master Fund), NIIF Fund of Funds-I and National Investment and Infrastructure Fund-II (Strategic Opportunities Fund), have been established under the NIIF platform. The funds are registered with SEBI as Category II Alternative Investment Funds and managed on a day-to-day basis by National Investment and Infrastructure Fund Ltd. (“NIIF Ltd.”), a company registered under the Companies Act, 2013 and regulated by SEBI as a fund manager of these funds, with ~USD 4.3 billion in assets under management.

2. Investments

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

I. Master Fund

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

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

a. Hindustan Infralog Private Limited (HIPL) & Hindustan Ports Private Limited (HPPL): NIIF MF and DP World, Dubai, have set up a ports and logistics company, Hindustan Infralog Private Limited (HIPL), to consolidate and develop assets across the entire value chain from ports to inland logistics. Over three years, HIPL has become the country’s second-largest player in inland container logistics. HIPL’s portfolio consists of ICDs/PFTs, FTWZs, container freight stations, cold chain facilities, container trains and CTO licenses. NIIF MF has expanded its partnership with DP World. It announced an investment into HPPL, DP World’s wholly owned subsidiary, for a 22.5% stake. HPPL is one of India’s leading container terminal platforms and operates five container terminals in strategic growth locations.

b. Ayana Renewable Power Limited: NIIF MF, Green Growth Equity Fund (GGEF) and CDC, U.K. have invested jointly in this company focused on the renewable energy sector in India. The company currently has an operational capacity of approximately 1.3 GW and another 2.5 GW under development. Ayana has signed a Memorandum of Understanding with Greenstat Hydrogen India to accelerate hydrogen technology development and to collaborate to produce green hydrogen in India. They are currently executing a pilot project in Karnataka.

c. Athaang Infrastructure Private Limited: NIIF MF has incubated an in-house roads sector-focused company. The company has acquired four strategic road assets, including the Bangalore city airport connector, the toll road connecting Hyderabad to Nagpur and a highway and tunnel road that connect Jammu and Srinagar.

d. IntelliSmart Infrastructure Private Limited: NIIF MF and Energy Efficiency Services Limited (EESL) have set up this company jointly to implement and operate smart energy meters across the country. IntelliSmart is managing 2.5 million smart meters across the country. It had won the first competitive bid in the country for smart metering in the state of Assam for 0.6 million meters and has achieved Go-Live for the first phase of this project. In December 2022, IntelliSmart emerged as the preferred bidder to deploy 6.7 million smart meters in Western Uttar Pradesh (UP).

e. Digital Infrastructure Platform: In March 2022, NIIF MF created a platform focused on developing hyper-scale data centres across multiple metro cities in India.

f. Airports: In December 2022, NIIF MF announced a partnership with GMR Airports Limited (GAL) to fund equity capital for three airport projects in the country, including two greenfield airports which are part of the USD 1.5 trillion National Infrastructure Pipeline (NIP). NIIF MF is investing in the upcoming airport at Mopa, Goa which has a design capacity of handling up to 4.4 million passengers per annum, with an ultimate capacity of up to 40 million passengers per annum.

II. Fund of Funds

NIIF Fund of Funds (NIIF FoF) is one of the most significant India-dedicated Funds of Funds. It is focused on building a portfolio of funds across investment strategies and diversified sectors. NIIF FoF closed its fundraising in September 2021 at an INR equivalent of USD 600 million. Anchored by the GOI, it has received commitments from multilateral institutions, including Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB) and New Development Bank (NDB). The Fund's current portfolio consists of six portfolio funds:

a. Green Growth Equity Fund: NIIF FoF and Foreign Commonwealth and Development Office (FCDO) UK anchored GGEF, India's first climate-focused fund. It achieved a final close at ~USD 740 million (~INR5,000 crore), making it one of the most significant single-country climate-focused funds in emerging markets. EverSource Capital, a joint venture between Everstone Group and Lightsource BP, manages the Fund. GGEF invests in growth-oriented entities in the green infrastructure space in India and has invested in businesses in utility-scale renewables, commercial and industrial distributed energy, waste management, e-mobility, green finance and waste-water treatment. Its companies have invested in electric buses in UP, a water treatment project in West Bengal under the Namami Gange scheme, amongst other tasks.

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

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

d. Somerset Fund II: NIIF FoF has committed INR 125 crore to Somerset Indus Healthcare India Fund II (Somerset Fund II). The Fund focuses on providing growth capital to entrepreneurs of SME businesses operating in the affordable healthcare segment. NIIF has invested in hospitals in Tier 2 and 3 cities through this fund, pioneering innovative models using technology to provide access to high-quality healthcare solutions. For example, the fund has invested in 4 hospitals in Rajasthan, including Jaipur, Sawaimadhopur and Jhunujhunu.

e. Arpwood Partners Fund I: NIIF FoF is an anchor investor in Arpwood Partners' maiden fund and has committed approximately INR 600 crore to the Fund, which focuses on the mid-market buyout / control segment. The Fund has invested in one of the largest multi-speciality hospital chains in Gujarat with 6 hospitals and a focus on oncology and cardiac with 900+ beds.

f. YourNest Fund III: NIIF FoF is an anchor investor in YourNest Innovative Products VC Fund III, which invests in ventures across a spectrum of deep-tech domains and products built around emerging technologies with applications at scale.

III. Strategic Opportunities Fund

NIIF Strategic Opportunities Fund (SOF) is a growth equity fund focused on high-growth businesses in financial services, social infrastructure (healthcare, education, agriculture), technology and manufacturing. It is targeting to build a portfolio of domestic champions. The Fund is currently raising capital and is in discussion with select international and domestic investors. So far, the Fund has raised commitments from GOI and the State Bank of India (SBI). NIIF SOF has made four investments so far:

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

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

AIFL and NIIF IFL work complementarily to cover the full range of infrastrucsture debt financing in India. The total loan book size (across both NBFCs) is ~INR 26,000 crore, and there is no NPA position across the portfolios of both companies.

c. Manipal Hospitals: The Manipal Group has 27 hospitals across India, with a critical focus on tertiary and quaternary care. NIIF SOF's investment supported Manipal Hospitals' expansion plans and has grown from a regional healthcare company to the second largest hospital chain in India.

d. Ather Energy: NIIF SOF invested in Ather Energy, one of India's leading electric two-wheeler companies. Since SOF's investment, Ather Energy has increased its manufacturing capacity from 1,10,000 scooters per annum to 4,00,000.

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

I. Background:

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

The Government of India is the sponsor of the fund and has committed a fund infusion of up to INR 10,000 crore in the Special Window. Further investments will be brought in through institutional and private investors. The Fund has a target corpus of INR 12,500 crore with a greenshoe option of INR 12,500 crore. The Fund achieved a first closing with 14 investors and a capital commitment of INR 10,037.5 crore on December 06, 2019. The Fund has as on December 06, 2022 secured additional commitment of INR 5,000 crore from Government of India taking the aggregate Fund's commitment to INR 15,530 crore. This additional commitment is subject to approval by all investors.

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 crore in MMR, below INR 1.5 crore in NCR, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad and below INR 1.0 crore in Rest of India. The projects also have to be net-worth positive and at least 30% of the project costs has to be completed.

II. Investment strategy of the Fund:

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

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

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

III. CURRENT STATUS OF SWAMIH Investment Fund I

The Fund has made ten drawdowns as of November 30, 2022 and called for a total INR 4,651.16 crore and all investors have completed their capital contribution as required.

Commitments and Investments by ALL Investors (as on 30.11.2022)

Investor	Committed Amount (INR Cr)
Government of India	5,000(1)
State Bank of India	1,250(2)
Life Insurance Corporation	1,250(2)
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**

Note: (1) The Fund has as on December 06, 2022, secured additional commitment of INR 5,000 crore from Government of India taking the aggregate Fund's commitment to INR 15,530 crore. This additional commitment is subject to approval by all investors.
(2) Up to 10% of the Fund size or INR 1,250 crore whichever is lower.

IV. OTHER SIGNIFICANT DEVELOPMENTS

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

The Hon'ble Court has approved the funding of INR 650 crore in the 6 Identified site(s). The Court appointed Receiver has incorporated the Section 8 company - Amrapali Stressed Projects Investments and Resolution Establishment ("ASPIRE") for funding. The Fund has begun disbursements in the project and has funded Rs 245 crore as of November 30, 2022.

(b) **Fully exited nine projects and commenced partial exit in 12 projects:** The Fund has received full redemption proceeds of INR 363.3 crore of face value of NCDs invested in the 9 projects along with redemption premium at an IRR of 12% aggregating to INR 415.6 crore as of November 30, 2022. A total of ~INR 531.9 crore, that includes partial exits, has been distributed back by the Fund to all investors.

(c) **Handover of 19,572 houses achieved:** As of November 25, 2022, the Fund has delivered 19,572 homes in 41 projects which are in various phases of completion. Of these, Occupation Certificates ("**OC**") have been received for 11,532 houses and OCs has been applied for 8,040 houses.

C. NIIF Infrastructure Debt Financing Platform

The Cabinet in its meeting held on 25.11.2020, approved an equity infusion of Rs 6000 crores in NIIF Debt Platform, comprising of Assem Infrastructure Finance Limited (AIFL) and NIIF Infrastructure Finance Limited (NIIF-IFL).

NIIF investing INR 2,299 crores, set up specialised infrastructure financing institutions Aseem Infrastructure Finance Limited (AIFL), an NBFC-IFC and NIIF Infrastructure Finance Limited (NIIF IFL), an NBFC-IDF, together the NIIF Infrastructure Debt Platform (IDP). The IDP continues to have a pristine loan book with Nil NPAs with the AUM of INR 26,000+ crores from ~INR 4,200 crores at acquisition. The IDP has also been an active player in the bond market and has raised ~INR 18,000+ crores so far.

As part of Atmanirbhar Bharat 3.0, the Union Cabinet approved an additional commitment of INR 6,000 crores into the IDP. The IDP has drawndown INR 1,700 crores from GOI till November 2022. The GOI commitment and substantial capitalisation during the initial days enabled AIFL to get an AA+ rating within its first full year of operations and facilitated their early access to bond markets. For NIIF IFL, the capital commitment was instrumental in enabling the platform to take lead positions and enable larger loans while being an active player in the bond market. At the platform level, the GOI capital drawndown has been leveraged ~11x times already. Further, on the equity capital front, AIFL, has attracted Sumitomo Mitsui Banking Corporation (SMBC), one of Japan's megabanks to take a 10% stake.

Thus, the IDP has been tracking well on all the objectives set forth for the commitment: Scaling specialised infra financing institutions, catalysing international investors while being a significant player in infrastructure debt financing and acting as an intermediary in the Bond Market.

8. FB & ADB Division

8.1 Introduction

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

8.2 World Bank Group

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

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

8.3 World Bank India Portfolio

8.3.1 The World Bank's India portfolio as of November, 2022 comprises of 101 projects with a net commitment of USD 22.3 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 National Rural Livelihoods Project, Strengthening Teaching-Learning and Results for States Project, North Eastern Region Power System Improvement Project, Raising and Accelerating MSME Performance, National Ganga River Basin Project, Green National Highways Corridor Project, Atal Bhujal Yojana-National Groundwater Management Improvement, Catalyzing Private Financing for Sustainable Recovery and Growth etc.

8.4 Major activities pertaining to the World Bank in 2022-23

8.4.1 Loan Signed & Disbursement:

8.4.1.1 Six World Bank assisted projects were signed during April-November 2022, amounting to USD 1.99 billion of assistance. The projects signed during April-November 2022 included Raising and Accelerating MSME Performance, Public Service Capability Enhancement Project, Second Tamil Nadu Housing Sector Strengthening Program Development Policy Loan, RIGHTS: Inclusion, Accessibility and Opportunities for Persons with Disabilities in Tamil Nadu, Systems Reform Endeavours for Transformed Health Achievement in Gujarat (SRESTHA-G), Catalyzing Private Financing for Sustainable Recovery and Growth. Total Disbursement for the period April to November 2022 was approximately USD 1.34 billion.

8.4.2 Monitoring of the World Bank Portfolio:

8.4.2.1 Portfolio performance has improved over the years as a result of regular review meetings such as Tri-partite Review Meetings for ongoing projects and Pipeline Review Meetings for pipeline projects. The meetings are organized jointly by Government of India and World Bank and attended by officials from Department of Economic Affairs (DEA), World Bank and Implementing Agencies of World Bank assisted projects. Under the chairmanship of AS (MBC) during April - November, 2022, pipeline review meetings were held on August 30, 2022 and November 29, 2022 to review pipeline projects seeking assistance from the World Bank and Tripartite Portfolio Review Meetings was held on July 20-21, 2022 in Lucknow, UP and virtually on September 01, 2022 and September 16, 2022 for reviewing World Bank assisted ongoing projects of various sectors.

8.4.3 India as donor to IDA:

8.4.3.1 Since its founding in 1960, IDA has had 19 regular replenishments. In 2014 (IDA 17), India transitioned to being a confident donor. However, it continued to receive transition support during IDA17 (2014-17). India became a donor-only nation during IDA18. As a commitment to India's shared objective of eliminating extreme poverty,

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

reducing vulnerability and increasing resilience across countries, India decided to contribute USD 200 million to IDA 17 replenishment. In furtherance of its commitment towards the IDA countries, India announced a pledge of INR 12.25 billion as its contribution towards IDA 18 replenishment. During the IDA 19 replenishment, India committed INR 15.00 billion. For IDA 20 replenishment, India announced a pledge of INR 17.48 billion.

8.5 Meetings of Fund Bank

8.5.1 The Development Committee (DC) Meeting of World Bank Group (WBG) during Spring Meeting of WBG and IMF, 2022 was held on April 22, 2022 in Washington DC which was attended by Hon'ble Finance Minister as Indian Governor of the World Bank. The Development Committee Dinner meeting was held on April 21, 2022. Further, a Bilateral Meeting between Hon'ble FM and World Bank Group President was also held on April 22, 2022 in Washington DC.

8.5.2 The Development Committee (DC) Meeting of World Bank Group (WBG) during Annual Meeting was held on October 14, 2022 in Washington DC which was attended by Hon'ble FM as Indian Governor of the World Bank. The Development Committee Dinner meeting was held on October 13, 2022. Further, a Bilateral Meeting between Hon'ble FM and World Bank Group President was also held on October 15, 2022 in Washington DC.

8.5.3 IDA Day Meetings held during April-November 2022 are as follows: -

- Exceptional IDA-19 Meeting was held virtually on April 11, 2022 to discuss providing financial support to Ukraine and Moldova.
- IDA Day meeting was held virtually on May 16, 2022 to discuss the Impact of the Ukraine War on IDA Countries and the Bank's Response and closing IDA-19 and Getting Ready to Deliver IDA-20.
- IDA20 Launch event took place on September 12-13, 2022 in Tokyo, Japan.
- IDA Day meeting was held on October 17, 2022 to discuss Update on IDA20 Long-dated Market Bond Program and IDA Financial Outlook and review of IDA Operations.
- Exceptional IDA meeting on Sri Lanka was held virtually on November 03, 2022.

8.6 International Finance Corporation (IFC)

8.6.1 The 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 186 members. India is the founding member of IFC. IFC is an important development partner for India with its operations concentrated on financing and advising private sector in the country. India is IFC's sixth largest shareholder with 3.82% of total 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 25 billion (including mobilization) in India since the first investment in 1958. Currently, IFC investments are spread over 500 clients in India. As of November 2022, IFC's committed portfolio in India stood at approximately USD 5.4 billion, making India IFC's largest portfolio exposure which accounts for about 10% of its global portfolio. India is also one of IFC's largest advisory client, as well as the IFC regional hub for South Asia. IFC's investments in India are spread across priority sectors like infrastructure, manufacturing, financial markets, SMEs, affordable housing, renewable energy, low-income states, gender development and climate change. In line with the Country Partnership Strategy (CPS) of the World Bank Group, IFC uses its private sector expertise to support economic growth that is inclusive, productive and sustainable. IFC continued to deliver over USD 1.3 billion through own account and mobilization in FY22 (July 2021-June 2022) in India. During July 2021-June 2022, DEA approved a total of 28 Article III Notifications. Further, DEA granted approval for 8 advisory engagements of IFC between July 2021 and June 2022.

8.7 International Monetary Fund

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

8.7.2 Meetings of Board of Governors:

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

8.7.3 The **Spring Meetings** of the IMF/ World Bank, meetings of G-20, Bilateral and Investor were held in USA from April 18 to April 27, 2022. The Hon'ble Finance Minister, Chief Economic Adviser, Additional Secretary (MBC), Adviser (IER), Adviser (BC), Director (Investment), Director (WB) and DS (IMF) represented India in these meetings. Hon'ble FM discussed the current global economic outlook and risks in the context of recent macroeconomic and geopolitical developments. Hon'ble FM also recognized soaring food and energy prices, impending supply chain disruptions, tightening global financial conditions, rising debt and divergent prospects of recovery as key challenges. The economic and humanitarian repercussions of Russia's invasion of Ukraine were also extensively discussed. The 2023 Spring Meetings of the IMF/ World Bank are expected to be held in USA from April 11 to April 16, 2023.

8.7.4 The **Annual Meetings** of the IMF/ World Bank, meetings of G-20, Bilateral and Investor were held in USA from October 11 to October 16, 2022. The Hon'ble Finance Minister, Secretary, Department of Economic Affairs, Chief Economic Adviser, Additional Secretary (MBC), Advisers (IER), Director (IER), Jt. Director (IER), OSD (IER) and Media & Communication Officer, DEA represented India in these meetings in person. Honourable Finance Minister emphasized on the greater role of IMF in the post-pandemic period and the need for timely completion of 16th General Review of Quotas to address the under-representation of the Emerging and Developing Market economies and highlighted India's ambitious climate action path through the updated Nationally Determined Contributions for decoupling of economic growth from greenhouse gas emissions. Honourable Finance Minister also highlighted the significance of transfer of climate finance and low-cost technologies from developed to developing countries.

8.7.5 **India and IMF:**

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

a. ***Quotas:*** Primary source of financing for lending;
b. ***New Arrangements to Borrow (NAB)*** acts as the second line of defence i.e. after quota resources are exhausted substantially.
c. ***Bilateral Borrowing Agreements (BBAs)*** provide a third line of defence.

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

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

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

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

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

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

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

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

8.7.6.1 A Memorandum of Understanding was signed between India and International Monetary Fund for setting up of South Asia Regional Training and Technical

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

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

8.7.8 **Article IV Consultations :**

8.7.8.1 Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year, to review the economic status of the member countries. Article IV consultations are generally held in two phases. During this exercise the IMF mission holds discussions with the RBI and various line Ministries / Departments of Central Government. The Article IV Consultations are concluded with a meeting of IMF Executive Board at Washington DC which discusses the Article IV Report. The Annual Article IV Mission with International Monetary Fund was held during September 19-27, 2022. Discussions were held on the State of the Indian economy, climate change issues, reform initiatives and growth prospects and Secretary (EA) chaired the Wrap Up session with the IMF Mission Team on September 27, 2022. The outcome of these meetings in the form of the IMF India Article IV report was published on 23rd December 2022.

8.8 Asian Development Bank

8.8.1 **Membership of ADB:**

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

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

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

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

8.8.5 **Annual Meetings of BoG** are held in a designated member country in early May. Annual Meetings are occasions for the BoG to provide guidance on ADB administrative, financial, and operational directions. The meetings provide opportunities for member governments to interact with ADB staff, non-government organizations (NGOs), media, and representatives of observer countries, international organizations, think tanks, 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 55th Annual Meeting was held in two stages. The first stage was held virtually on 5 May 2022, and the second stage was a combination of virtual and physical events that took place from 26 to 30 September 2022 in Manila.

8.8.6 **ADB operations in India.** ADB's assistance to India commenced in 1986. The ongoing sovereign lending portfolio of ADB projects in India consists of 65 loans worth $15.15 billion. ADB's annual sovereign lending in India increased to an all-time high of $4.6 billion in the calendar year 2021, including a $1.5 billion loan under the Asia Pacific Vaccine Access Facility (APVAX), which supports the government's rapid vaccination rollout to contain the pandemic and help reduce the severity of a possible third wave. In the same year, ADB committed $273.4 million for its private sector investments in India. The 2022 regular program of assistance included projects in transport, human development, urban, agriculture, and public sector management sectors.

8.8.7 ADB support to India is in line with the government's development priorities, evolving focus areas, and flagship initiatives and emphasizes Finance Plus elements. 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. ADB's CPS, 2018-2022 for India was approved in September 2017. A new CPS for 2023-2027 is under preparation and is likely to be approved in early 2023.

8.8.8 ADB assistance to India has shifted from COVID-19 crisis response to the pursuit of medium and long-term development goals. They are aimed to accelerate the country's inclusive economic transformation and ADB's country program supports India's fast, green, and inclusive recovery in alignment with *Atmanirbhar Bharat Abhiyan* (Self-Reliant India), which envisages to make India a competitive, resilient, self-sustaining, and self-generating economy. To synchronize industry growth with well-managed urbanization and environmental sustainability, ADB operations adopt a multidisciplinary approach embodied in projects on multimodal logistics, industrial corridor development, and integrated urban planning. They also cover innovative initiatives such as transit-oriented development, value capture financing, and public-private partnership infrastructure financing. ADB also helps mobilize domestic resources to promote a sustainable recovery. ADB operations continue to assist in enhancing engagements in the social sectors through investments in education, health, and skills; support for micro, small, and medium enterprises development; and policy advice building on well-performing sustainable and quality infrastructure operations.

8.8.9 **ADB interventions** span six sectors of operation: transport; energy; urban infrastructure and services; finance; human development; and agriculture and natural resources.

- 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 focus on strengthening of power transmission and distribution networks in India. ADB supported initiatives aim to provide uninterrupted power supply to all, promoting smart grid technologies, and low-carbon solutions, including renewable energy and energy efficiency.
- The urban sector program supports expanding the coverage, quality, and continuity of basic services to improve the urban quality of life. The program aims to contribute to sustainable urban development by supporting policy reform, institutional development, and improved governance of urban services.
- The finance sector program endeavors to support leveraging of finance for infrastructure.
- The agriculture and natural resources sector interventions provide assistance in the key areas of water use efficiency, climate resilience, and coastal protection.
- The human development program encompasses interventions in the skills/education and health sectors. Skills/education interventions focus on improving employability of youth in the industries and services essential to growth through stronger industry engagement and increased focus on quality and outcomes. The health sector program aims to contribute to health sector development and reforms, health care finance, and health insurance and subsidized health programs.

8.8.10 **Non sovereign operations** strive for diversification with larger number of projects. Interventions facilitate inclusive access to finance, including microloans for women and agriculture, affordable housing, and small-scale investments in climate change projects. Private equity funds with focus on health, finance, education, agribusiness, and non-traditional sectors such as technology is supported. Innovative mechanisms like municipal finance and blended sovereign-non sovereign loans under the One ADB approach is being pursued. ADB also supports the government's priority to enhance private financing of infrastructure through continuing partnership to strengthen the PPP policy and institutional framework.

8.8.11 The Technical Assistance (TA) program has also evolved in line with the loan program. TA projects help DMCs enhance capacity, improve project preparedness and implementation, promote technology transfer, and undertake analytical studies. The TA program underpins strong knowledge work in priority areas. 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. The TA program adopts a coherent, principles-based, filtering framework for prioritization and allocation of scarce TASF resources across projects in India, while leveraging cofinancing.

8.8.12 Knowledge support is developed and prioritized to drive ADB operations-identifying transformative investment and reform opportunities to address complex developmental challenges that require more than financing. Strategic planning is being mainstreamed to establish long-term interventions that optimize development impact. Best practices and lessons will be disseminated, including through state-to-state project replication to maximize return on investment.

8.8.13 Portfolio performance has improved over the years as a result of regular review meetings such as tripartite portfolio review meetings (TPRM) for ongoing and pipeline projects. In 2021, three such TPRMs were held virtually under the pandemic environment. ADB continues to build strong pipelines, ensure quality and readiness at entry from overprogrammed pipelines, and apply high discipline in implementation.

8.8.14 SASEC Program. ADB program deepens its engagements in regional cooperation and integration under the South Asia Subregional Economic Cooperation (SASEC) and other regional forums. The 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 SASEC countries to build cross-border power connectivity, facilitate regional trade, and connect transport network for better movement of goods and people. ADB projects in the North Eastern Region (NER) aimed at helping develop economic corridors to be linked with neighbouring South Asian and Southeast Asian countries, as envisaged under India's Act East Policy will also be highlighted. Several project readiness financing projects are included to help accelerate project development and preparation.

8.8.15 New SASEC Institutional Mechanism. India hosted the SASEC Nodal Officials' Meeting on 20 June, which formally endorsed the new institutional mechanism covering (i) regularizing SASEC Finance Ministers Meetings, strengthening sub-regional and national institutional arrangements for SASEC, and establishing SASEC Secretariat in the subregion at ADB India Resident Mission (INRM); (ii) Strategic reorientation of the SASEC Vision includes a new operational priority; and (iii) Proposed new initiatives. ADB is expediting the setting up of the SASEC Secretariat in INRM for the development of cross border projects or projects that have regional significance for SASEC countries; knowledge and capacity building targeted towards upstream studies that are needed for development of cross border projects or projects that have regional significance; and administrative, logistic, knowledge and capacity support for convening of Working Group meetings and Senior Officials' meetings.

8.8.16 SASEC Operations. As of 15 October 2022, the SASEC portfolio consists of 77 committed projects with cumulative cost of $17.56 billion and ADB funding of about $10.31 billion since 2001 . The transport sector accounts for the highest number of projects (44 projects worth a cumulative $12.32 billion), followed by energy (16 projects worth $2.92 billion), economic corridor development/ multi-sector (eight projects worth $1.94 billion), trade facilitation (five projects worth $328.15 million), ICT (two projects worth $20.80 million) and health (two projects worth $25.92 million).

8.8.17 An additional $199.68 million in 143 technical assistance grants was also provided. India received ADB assistance for 21 SASEC projects (transport, economic corridor development, ICT and tourism) with total cost of about $6.36 billion, with cumulative ADB lending of $3.79 billion. The ADB firm SASEC pipeline for 2023-2025 comprises 33 projects. ADB's pipeline for India includes 11 projects with total prospective ADB funding of $2.57 billion. ADB is assisting Government of India in extending project development support through project readiness financing (PRF) loans along with knowledge support technical assistance to NER states. PRF enables quick response to continued demand for project development and finances project preparation and design activities for investments that are expected to be financed under one or more ensuing ADB-financed projects with quality project designs and a high level of implementation readiness.

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

8.8.19 Capacity Building. 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 Global Alliance for Vaccines and Immunizations (GAVI Alliance)

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

8.9.2 A proposal of MoHFW was received in 2020 for enhancement of India's contribution to the GAVI in the next replenishment cycle of five year i.e. 2021-25. It was decided with the approval of Hon'ble Finance Minister that the Govt. of India will make a contribution of US$ three million per annum to GAVI, i.e., a cumulative contribution of US$ 15 million for the next replenishment cycle of GAVI of five years. The Multi-Year Contribution Agreement towards the replenishment for the next five years (2021-25) was signed on 30th June, 2021 and second installment was made on 31st January, 2022.

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

8.10.1 The Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund / GFATM) is an international financing organization that aims to attract and disburse additional resources to prevent and treat HIV and AIDS, Tuberculosis and Malaria. The organization is public-private partnership with Secretariat at Geneva, Switzerland. The organization began operations in January 2002. GFATM supported programs have estimated to have saved 50 million lives since 2002.

8.10.2 As per the 'Multi-Year Contribution Agreement' signed between the Government of India and GFATM on 11th June, 2020, India committed USD 22 million to GFATM during the Sixth Voluntary Replenishment cycle (2020-22) as per following schedule (i) US$ 7 million in 2020 and 2021 each and (ii) US$ 8 million in 2022. India's third installment to the GFATM for 2022-23 (USD 8 million) was paid in July 2022.

8.10.3 India committed USD 25 million to GFATM during the Seventh Voluntary Replenishment cycle (2023-25) as per following schedule (i) US$ 8 million in 2023 and 2024 each and (ii) US$ 9 million in 2025.

8.11 Global Facility for Disaster Reduction and Recovery (GFDRR)

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

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

8.12 Multilateral Investment Guarantee Agency (MIGA)

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

8.13 Global Development Network (GDN)

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

Position of ATNs – IMF Section

(FB & ADB Division, DEA)

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

9. International Economic Relations Division

9.1. The International Economic Relations Division of the Department of Economic Affairs deals with economic and financial matters related to:

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

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

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

13. Sectoral Charge -

a) Ministry of Defence,

b) Ministry of Tribal Affairs

E- Governance:

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

I. G-20

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

The first G20 Summit was held in November 2008 in Washington DC under the shadow of the greatest financial crisis in the post-war era. This was followed by fourteen summits held in London (April, 2009), Pittsburg (September, 2009), Toronto (June, 2010), Seoul (November, 2010), Cannes (November, 2011), Los Cabos (June, 2012), St. Petersburg (September, 2013), Brisbane (November, 2014), Antalya (November, 2015), Hangzhou (September, 2016), Hamburg (2017) and Buenos Aires (2018), Osaka (2019), Riyadh (2020) and Rome (October, 2021). The 17th G20 Bali Summit was held under the Indonesian G20 Presidency in Bali, Indonesia on 15-16 November, 2022.

India assumed the G20 Presidency on 1st December, 2022 under the theme **"One Earth, One Family, One Future".** The Leaders' Summit under the Indian Presidency will be held in September 2023 in Delhi, India. The Presidency of G20 is usually held for a year with various meetings taking place (across a range of policy issues) culminating into the G20 Leaders' Summit.

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

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

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

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

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

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

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

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

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

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

Priorities of the G-20 in 2022 under Indonesian Presidency

Indonesia assumed the G20 Presidency on 1st December 2021 under the theme **"Recover together, Recover Stronger"**. Indonesia focused on three main pillars for its G20 2022 Presidency namely:

(i) **Global Health Architecture,**

(ii) **Sustainable Energy Transition and**

(iii) **Digital Transformation**

Through these pillars, Indonesia focused on ensuring equitable access to COVID-19 vaccines, promoting sustainable and inclusive economic development through MSMEs participation and digital economy.

The broad Finance track priorities under the Indonesian G20 Presidency in 2022 were as follows:

1. Coordination of exit strategies to support global recovery,
2. Efforts to deal with the effects of the pandemic (scaring effects) on the economy to support stronger growth in the future,
3. Strengthening payment systems in the digital era,
4. Development of sustainable finance
5. Improvement of an inclusive financial system
6. International Tax Agenda

Furthermore, G20 Indonesia also discussed several legacy issues that included:

1. Integrating pandemic and climate risks in global risk monitoring;
2. Strengthening the Global Financial Safety Net (GFSN);

3. Increased Capital Flow;
4. Continuing the Data Gap Initiatives;
5. Improving Financial Sector Regulatory Reform;
6. Strengthen debt management and transparency;
7. Accelerating the infrastructure agenda towards sustainable and inclusive development;
8. Optimizing financing support from multilateral development banks (MDBs);
9. Strengthen health system capacity in pandemic prevention, preparedness and response;
10. Continued support for attracting private sector investment in low-income countries, such as in the African region

Key Outcomes of Bali Summit, 2022 under the G20 Finance Track

1. **Reflections on war in Ukraine-**Leaders' recognized that war in Ukraine further adversely impacted the global economy. They reiterated their national positions as expressed in other fora, including the UN Security Council and the UN General Assembly, which, in Resolution No. ES-11/1 dated 2nd March 2022, as adopted by majority vote (141 votes for, 5 against, 35 abstentions, 12 absent) deplores in the strongest terms the aggression by the Russian Federation against Ukraine and demands its complete and unconditional withdrawal from the territory of Ukraine. Leaders condemned the war in Ukraine and stressed it is causing immense human suffering and exacerbating existing fragilities in the global economy - constraining growth, increasing inflation, disrupting supply chains, heightening energy and food insecurity, and elevating financial stability risks. They acknowledged that security issues can have significant consequences for the global economy.

2. **Reflections on Global Economy-** Leaders agreed that it is essential that the G20 undertakes tangible, precise, swift and necessary actions, using all available policy tools, to address common challenges, including through international macro policy cooperation and concrete collaborations. In doing so, they showed commitment to support developing countries, particularly the least developed and small island developing states, in responding to these global challenges and achieving the SDGs. They agreed to take coordinated actions to advance an agenda for a strong, inclusive and resilient global recovery and sustainable development that delivers jobs and growth.

3. **Global Health:** Leaders committed to promoting a healthy and sustainable recovery which builds towards achieving and sustaining Universal Health Coverage under the SDGs. They reaffirmed the importance of strengthening of national health systems by putting people at the centre of preparedness and equip them to respond effectively. They reaffirmed their commitment to strengthen global health governance, with the leading and coordination role of WHO and support from other international organizations. They welcomed the establishment of a new Financial Intermediary Fund for Pandemic PPR (the 'Pandemic Fund') hosted by the World Bank. They looked forward to the launch of the Pandemic Fund's first call for proposals as soon as possible and commended the pledges by current donors, amounting to over USD 1.4 billion, and encouraged additional voluntary pledges.

4. **SDR Channelling:** Leaders' committed to support all vulnerable countries to recover together, recover stronger. Leaders welcomed pledges amounting to USD 81.6 billion through the voluntary channelling of Special Drawing Rights (SDRs) or equivalent contributions. They also welcomed the operationalization of the Resilience and Sustainability Trust (RST) to help eligible low-income countries, small states and vulnerable middle-income countries address longer-term structural challenges that pose macroeconomic risks, including those stemming from pandemics and climate change. Leaders suggested exploring viable options for countries to voluntarily channel SDRs through Multilateral Development Banks (MDBs), while respecting national legal frameworks and the need to preserve the reserve assets status of SDRs.

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

6. **International Financial Architecture-** Leaders' committed to strengthening the long-term financial resilience of the international financial architecture, including by promoting sustainable capital flows, and developing local currency capital markets. They welcomed the IMF's revised Institutional View on Liberalization and Management of Capital Flows. They also reiterated their commitment to maintaining a strong and effective Global Financial Safety Net with a strong, quota-based and adequately resourced IMF at its centre.

They showed commitment to revisiting the adequacy of quotas and to continue the process of IMF governance reform under the 16th General Review of Quotas, including a new quota formula as a guide, by 15th December 2023.

7. **Infrastructure Investment -** Leaders recognized the importance of revitalizing infrastructure investment in a sustainable, inclusive, accessible, and affordable way. They endorsed the voluntary and non-binding G20/GI Hub Framework on How to Best Leverage Private Sector Participation to Scale up Sustainable Infrastructure Investment. Leaders endorsed the G20-OECD Policy Toolkit on Mobilizing Funding and Financing for Inclusive and Quality Infrastructure Investment and the InfraTracker 2.0. They also endorsed the Quality Infrastructure Investment (QII) Indicators and associated guidance note, developed for the G20 and welcomed the progress made towards developing a possible new governance model for the Global Infrastructure Hub (GI Hub) and asked that principles to guide the process be finalized as soon as possible.

8. **Sustainable Finance-** Leaders welcomed the progress made across the G20, international organizations, other international networks and initiatives, and the private sector in addressing the priorities of the G20 Sustainable Finance Roadmap and the establishment of the Sustainable Finance Working Group's online dashboard and repository of relevant work. They endorsed the 2022 G20 Sustainable Finance Report. Leaders also welcomed the valuable discussion during the Presidency's Forum on policy levers that incentivize financing and investment to support the transition.

9. **Globally fair, sustainable, and modern international tax system -** Leaders committed to the swift implementation of the OECD/G20 two-pillar international tax package and welcomed the progress on Pillar One. They also welcomed progress on Pillar Two Global Anti-Base Erosion (GloBE) Model Rules. They supported the progress made on implementing internationally agreed tax transparency standards, including regional efforts and welcome the signing of the Asia Initiative Bali Declaration in July 2022. They also welcomed the Crypto-Asset Reporting Framework and the amendments to the Common Reporting Standard.

10. **Financial Sector-** Leaders committed to sustaining global financial stability, including through continued coordination of policy measures and implementation of international standards. They welcomed the FSB's final report on financial sector exit strategies and scarring effects of COVID-19 and its conclusions regarding financial stability issues by the end of 2022. They strongly supported global policy actions to increase resilience, in particular against cross-border spillovers, including by addressing the identified structural vulnerabilities in non-bank financial intermediation (NBFI) from a systemic perspective. They also welcomed the FSB progress report on achieving consistent and comparable climate-related financial disclosures and the final report on supervisory and regulatory approaches to climate-related risks and the report by the FSB and the Network for Greening the Financial System (NGFS) on climate-scenario analysis by jurisdictions.

11. **Technological Innovation -** Leaders welcomed on-going work by the FSB and international standard setters to ensure that the crypto-assets ecosystem, including so-called stable coins, is closely monitored and subject to robust regulation, supervision, and oversight to mitigate potential risks to financial stability. They welcomed the FSB consultative report on the review of its high-level recommendations for the regulation, supervision and oversight of "global stable coin" arrangements.

12. **Combating money laundering and terrorist financing -** Leaders reaffirmed their commitment to delivering the strategic priorities of the Financial Action Task Force (FATF). They welcomed the initiative by the FATF to promote implementation of international standards on virtual assets, in particular the "travel rule", and transparency of beneficial ownership, and acknowledged their role in the fight against systemic corruption and environmental crimes, which gravely impact economies and societies. They supported the on-going work of the FATF to enhance global efforts to seize criminal proceeds and return funds to victims and states in line with domestic frameworks. They encouraged all G20 members to strengthen collaboration to adopt and effectively implement the FATF standards.

13. **Digital Financial Inclusion -** Leaders endorsed the G20 Financial Inclusion Framework on Harnessing Digitalization to Increase Productivity and Foster a Sustainable and Inclusive Economy for Women, Youth and MSMEs or Yogyakarta Financial Inclusion Framework guided by the G20 2020 Financial Inclusion Action Plan.

Contribution of India for the Summit

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

As a co-chair of the Framework Working Group (FWG), India along with UK and the G20 Presidency worked alongside the FWG membership in drafting and finalizing all deliverables/outcome documents of the FWG.

India also constructively engaged in the discussions for effective and swift implementation of the Common Framework to address debt sustainability issues of low-income countries and supported the Presidency's continued work towards enhancing debt transparency.

On climate related issues India constantly highlighted the need to mobilize climate finance commitments and technology transfer.

India supported the health agenda that aimed at enhancing dialogue and global cooperation on issues relating to pandemic PPR, promoting the exchange of experiences and best practices, developing coordination arrangements between Finance and Health Ministries, promoting collective action, assessing and addressing health emergencies with cross-border impact, and encouraging effective stewardship of resources for pandemic PPR, while adopting a One Health approach. India supported the establishment of a new Financial Intermediary Fund for Pandemic PPR (the 'Pandemic Fund') hosted by the World and contributed USD 10 million to the Pandemic Fund.

India joined other G20 members in supporting and implementing the work under the Indonesian Presidency to ensure stability of the financial system. Further, India has actively contributed its perspective through participation in the Financial Stability Board discussions.

Priorities of the G20 in 2023 under Indian Presidency

The theme of India's G20 Presidency - "Vasudhaiva Kutumbakam" or "One Earth One Family One Future" - is drawn from the ancient Sanskrit text of the Maha Upanishad. It manifests our firm belief in the power of unity and the value of interconnectedness.

Indian Presidency in 2023 offers India a unique opportunity to set the agenda that is globally relevant and at the same time mainstreams the perspectives of the Global South in the G20. People centricity of the issues is another important element that is reflected across all the priorities. Given the fact that till 2025, the Presidency of the G20 will be with an emerging market economy (Brazil in 2024 and South Africa in 2025), there is an opportunity to reflect the aspirations of large number of countries who are not members of the G20 but are considerably affected by the decisions emanating from the forum. Development financing, macroeconomic vulnerabilities and maximising the full potential of digital public infrastructure for achieving inclusive growth are the key tenets on which India's priorities have been hoisted.

The First meeting of the G20 Finance and Central Bank Deputies was held from (13-15) December 2022 in Bengaluru, thereby kick-starting the G20 Finance Track meetings under India's 2023 Presidency of G20.

II. BRICS

BRICS is the acronym for an association of five major emerging economies: Brazil, Russia, India, China and South Africa. The key objective of the BRICS group is to build south-south cooperation and evolve a coordinated approach to address common concerns of the developing countries, such as international taxation, climate financing, reforms in governance structure of international financial institutions (IFIs) etc.

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

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

The Chair ship of BRICS was taken over by China from India on 1st January 2022. The XIV BRICS Summit under the theme "Foster High-quality BRICS Partnership, Usher in a New Era for Global Development" was held in Beijing on 23-24 June 2022.

BRICS Financial Co-operation

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

BRICS 2022 Meetings & Outcomes

In 2022, under the Chinese Chairship, one meeting of the BRICS Finance and Central Bank Deputies and two meetings of the BRICS Finance Ministers and Central Bank Governors were held. Under BRICS Financial Cooperation, the following agenda items were discussed in 2022:

Ministry of Finance Issues

1. Macro Economic Outlook and Policy Coordination
2. Infrastructure Investment
3. New Development Bank
4. BRICS Think Tank Network for Finance

Central Bank Issues

1. Contingent Reserve Arrangement Issues
2. BRICS Local Currency Bond Fund Issues
3. Thematic Cooperation on Key Topics

The key outcomes under the Chinese Chair ship in 2022 are as follows:

a. Macroeconomic outlook and policy coordination

Macroeconomic outlook and policy coordination has been one of the core areas of discussion under the BRICS Finance. India's BRICS Chairmanship in 2021 introduced a BRICS Finance Ministers and Central Bank Governors Joint Statement under this agenda. A BRICS Finance Ministers and Central Bank Governors Joint Statement was brought out in 2022 during the Chinese BRICS Chairship.

The Joint Statement focused on current risks in global economic recovery and sustainable development and called on members to work together to address common challenges. It also emphasized the need to deepen cooperation among BRICS countries on infrastructure investment, the New Development Bank, Contingent Reserve Arrangement (CRA), the payment system and other financial areas, so as to deepen and consolidate cooperation among BRICS countries on finance.

b. Infrastructure Investment

Focus of this agenda was knowledge and experience sharing on the theme of PPP serving for sustainable development. A 'Technical Report on Public-Private Partnerships for Sustainable Development' was brought out as a deliverable for the year 2022 under infrastructure investment agenda through BRICS Task Force on PPP and Infrastructure. The Technical Report illustrates the progress, achievements, good practices and experience of BRICS countries with regards to PPP promoting sustainable development in terms of economy, society, and environment, collects corresponding PPP project case studies, and outlines future cooperation.

c. New Development Bank

On 19th May, 2022 the 2nd General Strategy (2022-2026) of New Development Bank (NDB) was approved at the Bank's 7th Annual Meeting of Board of Governors. Governors requested the Bank, in its new general strategy cycle to further crystallize its identity as an MDB set by EMDCs and for EMDCs, maintain the momentum of membership expansion, expand its non-sovereign operation, focus on mitigation and adaptation of climate change, catalyze private capital and strengthen co-financing with other MDBs, and try to pursue higher credit rating. The NDB also announced the launch of its Indian Regional Office (IRO) at Gujarat International Finance Tec-City (GIFT City) in Ahmedabad.

d. BRICS Think Tank Network for Finance

The BRICS Leaders endorsed the establishment of BRICS Think Tank Network for Finance at the Beijing Summit. The Think Tank Network will provide intellectual support, as and when tasked, for knowledge sharing, exchange of experiences and practices and cooperation on finance issues amongst BRICS countries.

e. Central Bank Issues

Under the BRICS Contingent Reserve Arrangement (CRA) the 5th CRA Test Run was conducted in 2022 by testing the Liquidity Instrument under the IMF-linked portion, without transfer of funds in alternative payment currency/currencies. Considerable progress was made on CRA amendment by the BRICS central banks and the third edition of the BRICS Economic Bulletin was produced under China Chair in 2022. The People's Bank of China (PBoC) conducted the surveys on transition finance and Central Bank Digital Currencies and the draft Stocktaking Reports were finalized in 2022. The cooperation under the existing work program of BRICS Rapid Information Security Channel (BRISC) was continued by PBoC, which included exchanging cyber incident information and best practices in information security, as well as an update to the e-booklet of information security regulations. Further, the BRICS Payments Task Force (BPTF) continued to act as a platform for knowledge and experience sharing through dialogues and discussions with a focus on payments and settlements regulations.

BRICS 2023

South Africa assumed the BRICS Chairship on 1st January 2023 and will host the XV BRICS Summit in August 2023 under the theme: "BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism."

III. G24

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

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

The last G-24 Ministers and Governors Meeting was held virtually on 11th October, 2022. It was chaired by Governor of the Bank of Guatemala and was followed by the adoption of a Communiqué. The discussions were focused under the theme of "Securing a Sustained Post-pandemic Recovery Under Uncertainty". The meeting aimed to discuss the key areas where the international community and international organisations like the IMF and World Bank Group need to increase their assistance to Emerging Market and Developing Economies (EMDEs). Key areas included ensuring food and energy security, availability of vaccines and treatments, financial access and stability, adequate liquidity support and development financing in the near- and medium- term.

IV. OECD

The Organization for Economic Cooperation and Development (OECD), founded in 1961, is a global think tank that works on a host of economic and development issues. Today, there are 37 OECD members[1] spanning from South America to Europe and Asia Pacific including several advanced economies and three emerging market economies (Mexico, Chile, Turkey). All OECD members are signatories to1960 Convention on the OECD and are committed to democracy and market economy.

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

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

V. SAARC & SDF:

Framework on Currency Swap Arrangement for SAARC Member Countries:

"Framework on Currency Swap Arrangement for SAARC Countries" was approved by the Government of India on 1st March, 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 ceiling of USD 400 million. Apart from the country specific limits, there is also a provision of 'Standby Swap' of USD 400 Million within the approved Framework to be operated from the unutilized balance available, within the overall size of the Facility of USD 2 billion.

Till date, the validity of the framework has been extended from time to time. The 'Framework on Currency Swap Arrangement for SAARC Countries' was last extended till 30th June, 2023. During FY 2022-23, the facility has been availed by Maldives, Bhutan and Sri Lanka.

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

VI. BIMSTEC:

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

10. Aid Accounts & Audit Division (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 2022-23 (as on 30th November, 2022)

10.2.1 Total of 1430 live loan/accounts are being handled by AAAD. Out of these, 405 loan/Grants accounts are in disbursement mode. Rest of the loans are live from debt servicing point of view.

10.2.2 External receipts of Loans on Government Account during financial year 2022-23 (upto 30th November, 2022) is ₹49286/- crore. In addition to loan receipts, a sum of ₹792 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 **30th November,2022** is as under.

In ₹ crore

Sl. No	Description	2021-22	2021-22 (as on 30th Nov., 2021)	2022-23 (as on 30th Nov., 2022)
1	Receipts (Loans and Grants)	77697	41267	50078
2	Payments (Principal and Interest)	42602	25926	28996
3.	**Net Transfer (1-2)**	**35095**	**15341**	**21082**

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 Project Implementing Authorities(PIAs). PIAs have been provided software support for processing the e-claims. Such software is being utilized by the PIAs to maximum extent. E-claims in the form of SOE/Interim unaudited Financial Report (IUFR) ensure faster disbursals. In case of World Bank, claims are processed in E-disbursement mode through the World Bank's software client connection from this Division to World Bank.

10.3.3 The customized software of this division i.e ICS has been upgraded and declared go live from 18th November 2022 with a Technical Assistance (TA) from Asian Development Bank (ADB). The system is being tested with a view to check functional suitability and user requirement.

10.4 Trainings & Facilitation

10.4.1 In order to familiarise the officers/staff of the PIAs, training on E-submissions organized by this Division. As a result of initiatives taken by this Division more claims are being received in e-claim forms.

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 the 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, Management Review Meeting (MRMs) are being held. In MRMs performance is critically reviewed. Methods/suggestions for maintenance/ improvement of the service delivery standards are discussed 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. Recertification of ISO Certification of this Division was carried out by URS on 30.06.2021. Latest ISO annual Surveillance Audit was conducted in 2022.

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 25 stations for promotion of Export. As a result of settlements a sum of ₹154 lakh has been recovered till 30th November, 2022 Now audit teams are being deputed regularly.

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 Annexure I & II respectively.

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 1.1.2022 to 31.12.2022 a total of 51 officials were nominated for the trainings of different levels, which were conducted by the Institute of Secretariat Training and Management (ISTM), New Delhi.

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 2022, 3346 fresh public grievance cases were received in the Department besides 214 brought forward from the previous year. Out of these 3560 cases, 3221 cases were disposed off during the year. Further, 194Appeals against the disposal of grievances were received and 177Appeals were disposed off. Adviser (Admin.) is functioning as the Nodal Officer for Public Grievances in Department of Economic Affairs.

11.6 Right To Information Act, 2005

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

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

(ii) In September 2022, the proactive disclosure page was uploaded on the Department's website (www.dea.gov.in) which contained information as required under 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, 2005.

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

(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 time for processing of RTI applications.

(vii) During the year 2022 from January 1, 2022 to December 31, 2022, 2453 RTI applications (including 337 physical applications) and 115 first appeals, were received in the Department. An amount of ₹1940 (Rupees one thousand nine hundred and forty only) was received as RTI fees and Documents' fees 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 bilingually in the Parliament. Section 3(3) of the Official Languages 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 complied with. During the year, several steps were taken in the department to increase the use of Hindi in official work.

11.7.3 The official language related activities initiated in the Department are as follows:

1. Hindi Fortnight

Like other years, this year also "Hindi Fortnight" was organized in the Department of Economic Affairs from September 14, 2022 to September 30, 2022. In order to promote the use of Hindi in the Department, various competitions were organized to create a conducive environment.

2. 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.

3. Official language inspection

To ensure compliance of the Official Language Act, rules made thereunder, annual program and orders/ instructions related to official language, etc., in the period from 27/04/2022 to 07/12/2022, a total of 18 inspections were carried out in the subordinate offices of the Department i.e. SEBI, SPMCIL and NSI, including the Head Offices and their attached offices in which Director (O.L.), Deputy Director (O.L.), Assistant Director (O.L.) and the Translation Officers of the section participated.

4. Dispatch of Quarterly Progress Report

The Quarterly Progress Reports of the Ministry were collected from all the Sections/Divisions of the Department. The consolidated quarterly progress report was sent to the Department of Official Language, Ministry of Home Affairs.

5. Central Official Language Implementation Committee Meetings

During this financial year, two meetings of the Official Language Implementation Committee have been held so far, which have been held on February 18, 2022 and November 15, 2022, the remaining meetings are to be held before the end of the financial year.

6. Circulation of Annual Program

The Annual Program for the year 2022-23 issued by the Department of Official Language, Ministry of Home Affairs was circulated on 19th May, 2022 to all the Sections/Divisions of the Department including the Subordinate Offices and put on the dash board in the e-office of the Department.

7. Projected Schemes

(i) Hindi Advisory Committee meeting is to be organized as soon as the works related to the budget and the economic review are completed, along with it is proposed to start an Official Language Shield scheme, under which the subordinate offices of the Department will be encouraged for the remarkable work being done in the field of implementation of official language and they will be provided shield and citation.

(ii) A Hindi workshop related to the official language will be organized for the purpose of spreading information about the rules and instructions related to the official language policy to all the sections.

(iii) Apart from this, there is also a proposal to organize a Hindi conference in the Department, which can be done only after the budget session.

8. Translation Work

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, Reports on Public Statistics and Status Report of External Debt, FRBM Quarterly Reports which were laid before the Parliament.

The translation of the other official documents as envisaged in the Official Language Act, 1963 and Rules made thereunder 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

11.8.1 Introduction

11.8.1.1 Finance Library & Publication Section was established in 1945. Finance Library functions as the Central Research and Reference Library in the Ministry and caters to the needs of Officials of all the Departments of the Ministry of Finance, Ad-hoc Committees and Commissions set from time to time and research scholars from the various Universities in India as well as abroad.

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

Finance Library has been categorized as Grade III Library on the basis of Department of Expenditure's O.M. No. 19(1)/IC/85 dated 24.07.1990. All the posts in the Library are ex cadre posts.

11.8.2 Collection

11.8.2.1 Finance 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, Bloomberg Terminal/Access Anywhere, CEIC portal, Grammarly, Caxin, Indiastat and access to e-journals and back-filed collection through JSTOR is also available.

11.8.3 Services

11.8.3.1 Finance Library provides different kinds of services viz. lending, interlibrary loan, consultation, reprographic, circulation of newspapers and magazines, reference service, current awareness service through "WEEKLY BULLETIN" as well as providing services through e-mail and also extended the services of e-governance.

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. 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.

11.8.4 Publications

11.8.4.1 Finance Library brings out two (print + online) publications i.e. "Weekly Bulletin" and "Current contents.

11.8.5 Digital record

11.8.5.1 Indian Official Documents relating to Economic and Finance Subject (Center and State since independence) and Ministry of Finance Gazette Notifications published in the Pt. 2 Sec. 3 Sub-section (i) (ordinary) for the year 1955 to 2010 has been digitized. So far around 02 TB Data has been digitized and available in digital format.

11.8.6 Computerisation

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

As far as accessibility of the online data is concerned, e-governance has been extended to the Ministry of Finance. A link from intranet site "finance.nic.in" is made available to access the library information.

11.8.7 Other works

i. The Library undertook modernization and infrastructure improvement and 97% work has been completed.

ii. The Finance Library also undertakes the work of reimbursement of newspapers and magazines of DEA.

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 and 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. **Concessional Credit through Lines of Credit (LoCs) extended by Government of India to partner countries under Indian Development and Economic Assistance Scheme (IDEAS) and 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-Japan Finance Dialogue
- India- Switzerland Financial Dialogue
- India-EU Macro-economic Dialogue
- India-China Financial Dialogue
- India-Australia Economic Policy Dialogue
- India-New Zealand Economic Policy Dialogue
- India-German Finance Ministry Senior Officers Meeting
- International Platform on Sustainable Finance
- India-Korea Working Group Meeting

d. **UNDP and Sustainable Finance**

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

A. Bilateral Official Development Assistance Policy

12.2 Bilateral Official Development Assistance Policy:

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

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

12.3 Bilateral Development Cooperation with Japan

12.3.1 Japan-Official Development Assistance:

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

12.3.1.2 Government of Japan has committed JPY 412.258 billion (₹26,945 crore approx) for 8 Project Proposals to India from January 1, 2022 to November 30, 2022. As on November 30, 2022, 67 loan projects are under implementation with Japanese loan assistance.

The loan amount committed for these projects is JPY 3,162.375 billion (₹1.94 lakh crore approx.). The cumulative commitment of ODA loan to India has reached JPY 7,023.63 billion on commitment basis till November 30, 2022.

12.3.1.3 The ODA loan disbursement to India from January 1, 2022 to November 30, 2022 was JPY 457.434 billion (₹27,849.89 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 four (4) ongoing Grant-in-Aid projects viz. (a) The Project for Implementation of Advanced Information and Management System in Core Bengaluru (b) Construction of the International Cooperation and Convention Centre in Varanasi (c) The Economic and Social Development Programme (Provision of Medical Equipment) and (d) Improvement of Power Supply in Andaman and Nicobar Islands.

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 15 ongoing projects under Technical Cooperation Programme.

12.3.4 JOCV Programme

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

12.3.4.2 During 1st January 2022 to 30th November 2022, 18 proposals were posed to Embassy of Japan and No-objection to 13 Volunteers were 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.

12.3.7 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.

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 for the assistance 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 Under bilateral development cooperation programme two annual meetings at the level of Joint Secretary/ Additional Secretary (Bilateral Cooperation) i.e. Indo-German Annual Consultations and Indo-German Annual Negotiations are held, generally during 2nd quarter and 4th quarter of the year respectively. In the Annual Consultations, apart from the policy issues, the discussion on ongoing projects and new projects and review of ongoing projects are made. In Annual Negotiations, the Government of Germany makes commitments of funds for new projects as well as for additional funding for ongoing projects. On an average Germany makes an annual commitment of Euro 1 billion. The Indo-German Annual Negotiation meeting 2022 was held in New Delhi on 28th November 2022. The total volume of funds committed by the German side for Technical and Financial Cooperation projects and programmes in 2022 amounts to EUR 982.97 (EUR 919.50 million FC and EUR 39.50 million TC). The cumulative volume of commitment made by the Germany for bilateral Technical and Financial Cooperation till 2022 amounts to EUR 22.93 billion.

12.4.5 Pursuant to the Joint Declaration of Intent signed between Hon'ble PM and German Chancellor Olaf Scholz in May, 2022 to commit additional at least Euro 10 billion under the Indo-German Partnership for Green and Sustainable Development, the German side has committed a total of Euro 1009.96 million till November 2022 which includes Euro 982.97 million committed during Indo-German Annual Negotiation Meeting held on 28.11.2022. In 2022, record volume of financing agreements aggregating Euro 1.64 billion were signed under Indo-German Bilateral Development Cooperation.

12.4.6 At present, there are 41 ongoing projects receiving external financing/loans from KFW aggregating Euro 5.66 billion from Germany.

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 financing by AFD amounts to EUR 2.5 billion. This financing was 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, Environment and Biodiversity sector.

12.5.5 At present, there are 11 ongoing loans for Euro 1.13 billion with financial assistance from AFD. Some of the major projects being financed by AFD are Ahmedabad Metro Phase II, Surat Metro, Smart City Programme.

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

12.6 Bilateral Development cooperation with Republic of Korea:

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

12.7 Development Cooperation between India and European Union

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

12.7.2 The closure/execution phase of technical assistance project, namely "Support to Renewable Energy, Clean Technologies and Energy Efficiency in India" is undergoing, which will end in April 01, 2024.

12.8 European Investment Bank (EIB)

12.8.1 External Financing in India by European Investment Bank (EIB)

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

12.8.2 EIB in India:

12.8.2.1 EIB's activities in India is anchored by the Joint Action Plan (JAP) of the Strategic Partnership between the EU and India. EIB aims 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.

EIB loan signed during 2022-2023

12.8.3 During the year, two Finance Contracts aggregating Euro 300 million loan were signed between DEA and EIB for the following two metro rail projects:

a. Bhopal Metro Rail Project

b. Pune Metro Rail Project.

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 the USA

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

12.10.1.1 The United States of America's bilateral development assistance to India started in1951 and it is mainly administered through USAID. Since its commencement, USAID has provided economic assistance of over US $ 17 billion to India in various sectors for over 555 projects. Currently, the following seven projects worth a total budget of US $ 750 million (approx.) is being implemented by USAID in partnership with GOI:

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.

12.10.2 United States Trade and Development Agency (USTDA)

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

12.10.3 International Development Research Centre (IDRC)

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

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

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

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

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

12.11. 3 With the approval of the Cabinet, the Indian Development and Economic Assistance Scheme (IDEAS) have been revamped and continued till 31 March, 2026, or till further review, whichever is earlier

12.11.4 As on November 30, 2022, 312 LOCs have been extended to 68 countries for an amount of USD 32.29 billion. Out of this, value of contracts covered under the LOC by Exim Bank is USD 14.33 billion and disbursements made are USD 10.54 billion. During FY 2022-23 (i.e. April, 2022 to November 30, 2022), 5 LOCs worth USD 659 million have been extended to developing countries".

12.12 Credit extended under Concessional Financing Scheme (CFS)

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

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

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

12.12.4 Two Projects agregating USD 2.6 billion are under implementation under the CFS providing concessional financing to the neighbouring countries Bangladesh and Sri Lanka.

12.12.5 The concessional credit extended under the CFS has been merged as a distinct component under Indian Development and Economic Assistance Scheme (IDEAS) 2022.

Azadi Ka Amrit Mahotsav

12.12.6 During the iconic week celebrations by Ministry of Finance under Azadi Ka Amrit Mahotsav , Hon'ble Finance Minister launched the New e-Tracking and Remote Administration (NETRA) website and Mobile App for Indian Development and Economic Assistance Scheme (IDEAS) on June 8, 2022.

12.13 MoU between EXIM Bank and Republic of Chad

12.13.1 A memorandum of understanding (MOU) is signed between the EXIM Bank of India, on behalf of India and the Republic of Chad in respect of their request for debt treatment under the G20 "Common Framework for Debt Treatments beyond the DSSI". The MoU seeks commitment from the Creditor Committee members to reconvene the meeting in future when the IMF-WBG Debt Sustainability Analysis (DSA) assesses that a financing gap has reappeared. The G20 members including India and the Paris Club endorsed the "Common Framework for Debt Treatments beyond the DSSI" in the G20 Finance Ministers and Central Bank Governors' (FMCBG) meeting held in November 2020. Under this framework, the debtor country requires signing of an MoU with participating creditors and seeks a treatment at least as favorable as the one agreed in the MoU (known as 'Comparability of Treatment' (COT) principle) from all its other official bilateral creditors and private creditors. Further, the debt treatment must be supported with the IMF program and need for debt treatment and the required restructuring financial envelope should be based on the DSA of IMF-WBG. The first request for debt relief under the Common Framework was received from the Republic of Chad in December 2020. A committee of creditors was formed with members from India, China, Saudi Arabia and France in April 2021. The signed MOU is the outcome of the series of technical and creditors committee meetings held so far to address the debt vulnerabilities of the Republic of Chad.

C. Economic Dialogues and Forums

14. During the year 2022-23, following dialogues/ meetings were held :

12.14.1 India-Japan Finance Dialogue:

12.14.1.1 The 1st India-Japan Finance Dialogue was held on 16th June, 2022 in New Delhi under the co-chairmanship of Secretary, Department of Economic Affairs, Ministry of Finance and Vice Minister of Finance for International Affairs, Japan. Both sides exchanged views on the macroeconomic situation, financial system, financial digitalization and investment environment and agreed to continue discussions for further promoting financial cooperation and strengthening bilateral relations.

12.14.2 India-Korea Working Group Meeting:

12.14.2.1 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 10th India-Korea WGM was held on July 07, 2022 in Seoul under the co-chairmanship of Deputy Director General, DEA from Indian side and Director, Ministry of Economy and Finance from Korean side.

12.14.3 India-US Economic & Financial Partnership (EFP) meeting

12.14.3.1 There is a mechanism of Economic & Financial Partnership Ministerial meetings between India and the U.S.A. in place since 2010. The last/ ninth ministerial meeting of the India-USA Economic & Financial Partnership was held on 11th November 2022 in New Delhi, India. The Indian delegation was led by Hon'ble Finance Minister, Smt. Nirmala Sitharaman and the U.S. delegation was led by the Secretary of the U.S. Treasury, Dr. Janet Yellen.

12.14.3.2 During the meeting, discussions were held on a range of subjects, including macroeconomic outlook, supply chain resilience, climate finance, multilateral engagement, global debt vulnerabilities, anti-money laundering, and combating the financing of terrorism. The meeting concluded with the adoption of a Joint Statement.

D. UNDP and Sustainable Finance

12.15 United Nations Development Programme

12.15.1 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. Projects implemented by UNDP in India are considered for clearance in DEA.

12.16 Global Environment Facility

12.16.1 Global Environment Facility (GEF) 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., USA. GEF provides grants for projects related to biodiversity, climate change, chemical waste, international waters and land degradation. The GEF connects 184 member countries with international institutions, civil society organizations (CSOs), and the private sector to address global environmental issues while supporting national sustainable development initiatives.

12.16.2 India is a founder member of GEF. The Executive Director of India in the World Bank Group represents the South Asian Constituency in the Council of GEF. The constituency members include Bangladesh, Bhutan, Maldives, Nepal and Sri Lanka. 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 and reviews project ideas, checks against eligibility criteria and ensures that new project ideas will not duplicate an existing project.

12.16.3 India is a donor as well as a recipient member of GEF. Being the PFP for GEF, DEA decides voluntary contribution to GEF. India has contributed around USD 96.75 million to GEF since its inception in 1991. This also includes committed voluntary contribution of USD 18.75 million under the current replenishment cycle i.e., GEF-8 that runs from 2022-2026. Under GEF-7 (2018-2022), India received a total allocation of USD 85.62 million.

12.17 International Platform on Sustainable Finance

12.17.1 International Platform on Sustainable Finance (IPSF) is a forum for dialogue between policymakers, with the overall aim of increasing the amount of private capital being invested in environmentally sustainable investments. IPSF, an initiative taken by the European Union, was launched on 18th October 2019 at Washington DC, USA with India as a founding member. This platform, designed as a member driven informal and inclusive entity, presently has 19 member countries representing 55% of greenhouse gas emissions, 51% of the world population and 55% of global GDP. Work of IPSF is informed by twelve observers which include the World Bank, IMF, UNDP, UNEP and OECD.

12.17.2 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 the crucial climate change management sector. The third IPSF Annual Report and IPSF Transition Finance report were published in November 2022 at the occasion of the IPSF Annual Event. These reports give an overview of the work of the IPSF during the year, such as the work on taxonomies, disclosures and transition finance.

12.18 Climate Finance Leadership Initiative (CFLI) India

12.18.1 The Climate Finance Leadership Initiative (CFLI) India partnership was launched at the 11th India-UK Economic and Financial Dialogue held on 2nd September 2021. CFLI is a group of leading financial institutions led by UN Special Envoy for Climate Ambition and Solutions, Mr Michael Bloomberg. CFLI India aims to work with financial institutions, corporates, and existing sustainable finance initiatives to accelerate efforts to mobilise capital into India for sustainable infrastructure projects in specific low-carbon sectors. N. Chandrasekaran, Chairman, Tata Sons and Shemara Wikramanayake, Managing Director and Chief Executive Officer, Macquarie Group are co-chairs of CFLI India.

E. Foreign Training Courses/Programmes

12.18.2 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 2022-23 (upto November, 2022) DEA has processed trainings for 134 Short Term Foreign Training Programmes (less than four weeks) from Singapore Cooperation Programme Training Award (SCPTA), Japan International Cooperation Agency (JICA) and Malaysian Government as received and suitable applicants have been recommended for the purpose.

13. Integrated Finance Division

13.1 The Division is responsible for the following functions:

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

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

(iii) The Division also administers two Detailed Demands for Grants i.e. Grant No.30-Department of Economic Affairs and Grant No.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 2022-23	RE 2022-23	BE 2023-24
30- Department of Economic Affairs	Revenue	6143.36	6803.80	6321.62
	Capital	8396.90	4944.07	4559.43
	Total	**14540.26**	**11747.87**	**10881.05**
32- Department of Financial Services	Revenue	1102.70	1366.42	1112.35
	Capital	4211.03	3536.00	212.29
	Total	**5313.73**	**4902.42**	**1324.64**

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 Ministries/Departments and their disposal status - as on **31.01.2023**

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

Sl. No.	No & Year of the Report	No. of Paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending.		
			No of ATN not sent by the Ministry even for the first time	No of ATNs Sent but returned with the observations & 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.	6 of 2021	...	...	...	1
2.	7 of 2021	11	...	2	...
3.	18 of 2022	...	...	1	...
4.	32 of 2022	...	1	...	...

Summary of Important Audit Observations:-

Report No. 31 of 2022 (Financial Audit) - Union Government Accounts of the Union Government for the year 2020-21

Tabled in the Parliament on: 21st December, 2022

The Report includes matters arising from test audit of the Finance Accounts and the Appropriation Accounts of the Union Government for the year ended March 2021.

Chapter 1: Introduction

The Annual Accounts of the Union Government presented to the Parliament consist of the Finance Accounts and the Appropriation Accounts. The Union Government Finance Accounts (UGFA) depict the receipts and payments from the Consolidated Fund of India (CFI), Contingency Fund and Public Account. The Union Government Appropriation Accounts compare expenditure with the allotments authorised by the Parliament and provide explanations for variations between the two beyond specified limits under each Grant/ Appropriation.

This Report of the Comptroller and Auditor General of India (CAG) on the finances of the Union Government analyses the financial performance of the Union Government and discusses the significant trends and structural profile of the Government's receipts and disbursements during the financial year 2020-21.

Chapter 2: Overview of Union Finances

The Gross Domestic Product (GDP) at the end of FY21 was ₹135,58,473 crore at Constant Prices (base year 2011-12) and ₹198,00,914 crore at Current Prices. In both cases there was a decline of 6.60 per cent and 1.36 per cent over the previous year respectively. This is against a GDP growth of 3.74 per cent at Constant Prices and a growth of 6.22 per cent at Current Prices during FY20. However, the prevailing scenario may be viewed in light of the fact that the economy suffered adversely during 2020-21 on account of Covid pandemic.

[Para 2.1]

During FY21, the Union Government had total resources of ₹135,36,878 crore through debt receipts (₹81,62,910 crore, 60.30 per cent), gross non-debt receipts (₹25,27,330 crore, 18.67 per cent) and gross receipts into public accounts (₹28,48,879 crore, 21.05 per cent). The application of total resources was ₹135,31,932 crore, on repayment of debt (₹61,84,635 crore, 45.69 per cent), discharge of liabilities on Public Account (₹28,44,653 crore, 21.01 per cent), actual expenditure (₹39,07,647 crore, 28.87 per cent) and States' share in Union taxes (₹5,94,997 crore, 4.40 per cent). Gross non-debt receipts of ₹25,27,330 crore comprise gross revenue receipts (₹24,59,510 crore) and Non-Debt Capital receipts (₹67,820 crore). The gross revenue receipts of ₹24,59,510 crore consist of gross tax receipts of

₹20,27,104 crore (includes States' share in Union taxes of ₹5,94,997 crore) and non-tax receipts of ₹4,32,406 crore.

[Para 2.3]

In gross tax receipts of ₹20,27,104 crore, direct taxes amounted to ₹9,45,117 crore (46.42 per cent) and indirect taxes to ₹10,81,987 crore (53.38 per cent). Further, cess collections at ₹3,99,949 crore constituted about one-fifth of the gross tax receipt in FY21.

[Para 2.3 and Para 2.3.1.1]

Total expenditure of the Union at ₹39,07,647 crore in FY21 increased by 28.20 per cent over the previous year. While revenue expenditure of ₹33,14,852 crore registered increase of 26.75 per cent, expenditure on loans and advances of ₹2,49,846 crore registered increase of 453.48 per cent from ₹45,141 crore, on account of enhanced loans and advances to State and UT Governments, and for economic services sector. However, capital expenditure of ₹3,42,949 crore decreased by 11.55 per cent compared to the previous year's figures of ₹3,87,744 crore.

[Paras 2.4 and 2.4.1]

Revenue expenditure of ₹33,14,852 crore include interest payments of ₹7,20,984 crore (21.75 per cent) in FY21 - on internal debt (₹6,44,829 crore), on Small Savings and Provident Fund, etc. (₹42,429 crore), on external debt (₹8,204 crore) and rest on other obligations (₹25,522 crore). As a proportion of revenue receipts, interest payments grew from 33.64 per cent in FY20 to 38.67 per cent in FY21.

[Para 2.4.2(A)]

Expenditure on subsidies in FY21 rose by 187.81 per cent to ₹7,54,936 crore over FY20, mainly on account of payment of arrears to Food Corporation of India in lieu of food subsidy. The annual growth on food subsidy in FY21 was 398.06 per cent. Due to this substantial increase, the expenditure on subsidies increased as a percentage of revenue expenditure from 10.03 per cent in FY20 to 22.77 per cent in FY21.

[Para 2.4.2(C)]

Grants-in-Aid (GiA) to States and UTs pertaining to Centrally Sponsored Schemes plateaued in the last four years and was ₹2,08,394.63 crore in FY21, while the Finance Commission Grants increased substantially from ₹93,703.58 crore to ₹1,84,062.50 crore in last two years. The Finance Commission Grants increased by 48.79 per cent in FY21 mainly on account of increase in 'post-devolution revenue deficit grant' by ₹46,026.50 crore. In respect of UTs with Legislature, the increase was on account of 'Special Assistance' to Jammu and Kashmir, amounting to ₹30,757 crore.

[Para 2.4.2(D)]

In FY21, the total liability as per UGFA was ₹122,85,644 crore. Total liabilities consistently increased by more than 10 per cent from FY18 onwards. The increase was 17.64 per cent in FY21, on account of increase in Public Debt (22.88 per cent).

[Para 2.5]

Fiscal deficit in FY21 was ₹19,75,314 crore. Fiscal deficit was financed mainly from the net internal debt with more than 90 per cent share. External debt for financing fiscal deficit also saw a consistent increase through FY17 from ₹17,997 crore to ₹89,223 crore in FY21. Fiscal Deficit of ₹19,75,314 crore in FY21 included borrowing of ₹1,10,208 crore by the Union Government on behalf of State Governments, which was transferred to them as back to back loan, to compensate for shortfall in GST Compensation Cess. Out of the fiscal deficit of ₹19,75,314 crore in FY21, ₹14,50,339 crore (73.42 per cent) was on revenue account, with an year on year increase of 8.71 per cent.

[Para 2.7]

Chapter 3: Quality of Accounts and Financial Reporting Practices

Audit of guarantees as depicted in Statement 4 of UGFA revealed instances of non-disclosure of guarantees given to public sector entities, variation between guarantees shown in UGFA and CPSEs records and non recovery of guarantee fees.

[Para 3.2]

UGFA Statement 11 shows the details of investments by the Union Government in Statutory Corporations, Companies, other Joint Stock Companies, Co-operative

Banks and Societies etc. There was mismatch of information relating to number of equity shares and percentage of Government shareholding in comparison with annual reports of the entities, non-depiction of investments in certain entities, shortfall in payment of dividend and non-depiction of dividend etc.

[Para 3.3]

Suspense heads depicted only net balances and did not disclose the outstanding amount separately as Credit and Debit balances under these heads. Resultantly, the balances varied by 91.64 per cent under Suspense Account (Civil) and 58.60 per cent under PSB Suspense. Accumulation of large suspense balances Impacts on the accuracy of receipt, expenditure and cash balance position as appearing in the accounts.

[Para 3.4.1 and 3.4.2]

There were instances of short/ non-transfer of collected amounts of cess/ levy to the designated reserve funds, non-opening/ non-operationalisation of reserve funds, dormant reserve funds without any transactions thereunder and deviation from approved accounting procedure in accounting the transactions under reserve funds.

[Para 3.6]

At the end of FY21, an amount of ₹5,58,394 crore is outstanding as loans and advances given by the Union Government to State/ UT Governments and other entities. Out of this, arrears in recovery (principal and interest) at the end of FY21 was amounting to ₹63,763 crore.

[Para 3.7]

During FY21, Specified Undertaking of UTI (SUUTI) remitted ₹3,124.86 crore (₹1,497.00 crore towards remittances to GoI out of interest and dividend income and ₹1,627.86 crore towards sale of strategic holding in Axis Bank) which was accounted for in the UGFA as 'Other receipts' (Minor Head 800) under Sub-Major Head-01 under MH 4000-Miscellaneous Capital Receipts, instead of treating as non-tax receipts.

[Para 3.8.3]

Chapter 4: Budgetary Management

Appropriation Accounts consisting of 101 Demands for FY21 had approved provisions aggregating to ₹119,04,054.99 crore, total expenditure thereon was ₹107,52,209.61 crore with overall savings of ₹11,51,845.38 crore.

[Para 4.1.1]

There was excess disbursement of ₹1,18,651.04 crore over authorization involving two Grants of Ministry of Defence and one Grant pertaining to Department of Food and Public Distribution. The main reason for excess of ₹1,18,648.60 crore in the Department of Food and Public Distribution was payment of subsidy to Food Corporation of India (FCI) and repayment of outstanding balance of NSSF loan to FCI. The Government stated that the excess would be regularized at appropriate time by obtaining Parliament's approval, in consultation with MoF.

[Para 4.2.1]

Total savings under all the Grants/ Appropriations were ₹11,51,845.38 crore, constituting 9.68 per cent of total authorisations. There were Savings of ₹100 crore or more in 113 segments of 77 Grants/ Appropriations amounting to ₹12,68,488.40 crore. Further, out of the 22 Grants/ Appropriations with savings of ₹5,000 crore or more in FY21, nine had substantial savings in FY19 and FY20 as well.

[Para 4.2.2 & 4.2.2.1]

Significant savings of ₹500 crore or more at minor-head/ sub-head level and savings of more than 25 per cent of allocations subject to a minimum of ₹100 crore were noticed in 324 cases of 69 Grants/ Appropriations out of 97 Civil grants/ Appropriations.

[Para 4.2.2.2]

In 11 Minor/ Sub-heads under eight Grants, supplementary provisions amounting to ₹1,680.17 crore were obtained during FY21 in anticipation of higher expenditure, but final expenditure of ₹10,219.33 crore was less than the original provisions of ₹13,017.06 crore.

[Para 4.3]

Excess expenditure over total authorisation aggregating to ₹7.58 crore, attracting limitations of New Service/ New Instruments of Service, occurred in five cases under two grants related to object head 'Grants-in-aid General' and 'Grants for Creation of Capital Assets' during FY21, without prior approval of the Parliament.

[Para 4.8]

14. Coin and Currency Division

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

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

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

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

14.2 Major achievements of the Division are given below:

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

14.2.2.1 The production of banknotes by BRBNMPL and SPMCIL is monitored by this Division. The meetings of Strategic Planning Group and Production Planning Committee are also held regularly to review the indent and production of banknotes and coins & their uninterrupted supply to public. The cumulative production of notes by the currency presses during 2022-23 up to 31.12.2022 is given below:

IV. Status of indent of notes by BRBNMPL and SPMCIL during 2022-23 up to 31.12.2022

Press	Total Indent allocated for 2022-23 (in mpcs)	Cumulative production 01.04.2022 to 31.12.2022 (in mpcs)	Production left for 2022-23 (in mpcs)
BRBNMPL	13,560	11,389	1247*
SPMCIL	9,040	6,551.6	2,488.4**
Face Value (Cr)			
BRBNMPL	3,68,760	3,12,401	36,446
SPMCIL	2,45,840	1,69,566.4	76,263.6

* *As per the advice of RBI, carry forwarded stock of 924mpcs is adjusted in the production for 2022-23. Supply indent is 13,560 mpcs only.*

** *250 mpcs packed stock and around 1500 mpcs of semi finish was also available at Presses on 31.12.2022.*

14.2.2.2 The trends in the Note In Circulation (NIC) are monitored. The Notes In Circulation (NIC) as on November 4, 2016 were ₹17,74,187 Cr. which have now increased to ₹32,52,070 Cr. as on 13th January, 2023.

14.2.3.1 New Series of Coins which are friendly to visually impaired people: This Department vide Gazette notification dated 6th March 2019, has notified new series coins of One Rupee, Two Rupees, Five Rupees, Ten Rupees and Twenty Rupees easily identifiable to the visually impaired. Hon'ble Prime Minister on 7th March 2019 released the new series coins. The new features incorporated in the new series of coins include pattern of increasing size (i.e. diameter) from lower to higher denominations and weight in increasing order from lower to higher denomination. The theme of new series coins is 'Agriculture', represented with crop grains on the reverse side of the coins. RBI has commenced distribution of new design coins among public.

14.2.3.2 Furthermore, this Department vide Gazette notification dated 08th November, 2021 has notified a special series of circulatory coins of One Rupee, Two Rupees, Five Rupees, Ten Rupees and Twenty Rupees to celebrate 75th years of India's Independence under the Azadi Ka Amrit Mahotsav (AKAM) celebrations. These coins are part of the action plan of Department under AKAM. This special Series of coin will retain other existing features, including all the visually-impaired friendly features of the New Series of Coins, 2019. These special coins were released by Hon'ble Prime Minister on 6th June, 2022.

14.2.3.3 The trends in Coins In Circulation (CnIC) are also monitored. As on 31.10.2022, the CnIC of ₹ 28468.72 crore. CnIC has risen to ₹1770.66 crore as compared to CnIC as on 31.10.2021.

14.2.4.1 As per the Coinage Act, 2011, commemorative coin means any coin stamped by the Government or any other authority empowered by the Government in this behalf to commemorate any specific occasion or event and expressed in Indian currency. Accordingly, the Government issues commemorative coins on eminent persons/ personalities/ institutions/ events/ programmes/ history, etc. that have a national or international nature and which have made a lasting contribution or impact. The contribution made by the individual/ organisation/ programme/ event should have transcended the barriers of partisan politics, region, community, language or religion. However, on an occasion to express sympathy/ grief/ exhibit respect for the sacrifice, Commiserative Coins' would be issued. The Guidelines in this regard has been issued on 29.09.2020.

14.2.4.2 During 2022-23 (Upto 11.01.2023), the Government issued Gazette Notifications for release of 9 Commemorative Coins viz. to mark the occasion of 400th Birth Anniversary of Guru Shri Tegh Bahadur Ji, to celebrate the Centenary Year of University of Delhi, Birth Centenary of Shri Jawaharlal Darda, 175 Years of IIT Roorkee, 250th Birth Anniversary of Raja Ram Mohan Roy, 90th Interpol General Assembly, 150th Birth Anniversary of Yugvir Jainacharya Srimad Vijay Vallabh Suri, 150th Birth Anniversary of Shri Ram Chandra Ji and 150th Birth Anniversary of Sri Aurobindo.

14.3 Security Printing and Minting Corporation of India Limited (SPMCIL):

14.3.1 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.

14.3.2 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, excise adhesive labels, certificates etc. for various customers. The Department of Economic Affairs (DEA), Ministry of Finance is the customer for circulation 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 Narmadapuram which manufactures Security Paper for use by Currency / Security Presses. The Company also has an Ink Factory at Dewas which manufactures Offset Ink, UV Ink and Quickset Intaglio Ink for use by the presses of SPMCIL.

14.3.3 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.

14.3.4 SPMCIL has produced 8008 million pieces of the Bank Notes and supplied 8900 million pieces of Bank Notes and 39 mpcs of Re.1 Currency Note to Reserve Bank of India (RBI) during the year 2021-22. This is 3.38% lower than the production of 8288 million pieces of the Bank Notes during the last year i.e. 2020-21 and this reduction in production is due to reduction in the indent of Bank Notes by Reserve Bank of India (RBI) during the year 2021-22. Production of the Bank Notes per employee has increased to 3.56 million pieces in 2021-22 as against 3.24 million pieces achieved during the last year 2020-21.

14.3.5 SPMCIL has produced 784 million pieces of the Circulation Coins and supplied 800 million pieces of the Circulation Coins to RBI during the year 2021-22. This is 71.56% lower than the production of 2757 million pieces of Circulation Coins achieved during the last year 2020-21. Production of Coins per Employee has decreased to 0.51 million pieces in 2021-22 as against 1.53 million pieces achieved in the last year 2020-21. The decrease in the production of Circulation Coins is mainly due to huge reduction in the indent of Circulation Coins by RBI during the year 2021-22.

14.3.6 During the year 2021-22, SPM, Narmadapuram (a unit of SPMCIL) has produced 7488 Metric Ton (MT) of Security Paper and supplied 7751 MT of Security Paper to the printing presses. This is 9% higher than the production of 6870 MT of Security Paper during the last year 2020-21. Production of Security Paper per Employee has increased to 8.49 MT in the year 2021-22 as against 7.35 MT achieved during the previous year 2020-21.

14.3.7 SPMCIL has produced 450 Metric Ton (MT) of Security Inks at Ink Factory, Dewas and supplied 547 Metric Ton Inks to printing presses during the year 2021-22. This is 25% lower than the production of 600 MT of Security Inks during the last year 2020-21. Production of Security Ink per Employee has decreased to 7.50 MT in the year 2021-22 as against 8.96 MT achieved during the previous year 2020-21.

14.3.8 SPMCIL has produced 8.30 million pieces of travel documents/passport booklets and supplied 8.44 million pieces travel documents/passport booklets to Ministry of External Affairs (MEA) during the year 2021-22. This is 35% higher than the production of 6.15 million pieces of travel documents/ passport booklets during the year 2020-21. SPMCIL has also produced 311.68 million pieces of Non-Judicial Stamp Papers (NJSPs) and supplied 303.22 million pieces NJSPs to various State Governments during the year 2021-22. This is 29.17% higher than the production of 241.29 million pieces of NJSPs during the year 2020-21.

14.3.9 The Revenue from Operations of the Company has decreased to ₹4086.63 crores in 2021-22 from ₹4712.57 crores in the previous year 2020-21. The decrease in revenue is due to reduction in indent of products by the customers. Total expenditure for the year 2021-22 is ₹3388.00 crores as compared to ₹4094.00 crores for the year 2020-21. Profit before Tax (PBT) from continuing operations for the year 2021-22 is ₹880.12 crores as compared to ₹789.74 crores for the year 2020-21. The Company has achieved a Total Comprehensive Income (TCI) of ₹707.77 crores in the year 2021- 22 as compared to ₹395.99 crores during the year 2020-21. The consolidated TCI after taking into account the 50% share of Joint Venture Company, Bank Note Paper Mill India Pvt. Ltd. (BNPMIPL) is ₹789.48 crores in the year 2021-22 as compared to the Consolidated TCI of ₹523.78 crores in the year 2020-21.

14.3.10 In accordance with the guidelines on Capital Restructuring of CPSEs issued by the Department of Investment and Public Asset Management (DIPAM), the Company has paid the dividend of ₹259.62 crores including the Interim Dividend of ₹240.00 crores paid on 25.03.2022 for the financial year 2021-22.

14.3.11 During the year 2021-22, the Company has taken-up many modernization and capacity augmentation initiatives. During the year 2021-22, two new state-of-the-art banknote printing and finishing lines comprising of Offset, Intaglio, Numbering, Finishing machines and WSRTP plant (one each at CNP & BNP) have been successfully commissioned and made operational at both Currency Presses of SPMCIL. Also, two additional Intaglio machines (one each at CNP & BNP) have been successfully commissioned and made operational at both Currency Presses. IGM, Hyderabad has installed & commissioned XRF spectrometer machine which is used for the determination of the chemical composition of materials including Gold & Silver. IGM, Noida has upgraded its electrical substation to ensure continuous and stable supply of electricity. IGM, Kolkata has successfully installed & commissioned Multi Colour Medal Press used for coloring different types of medal designs as per the requirement of the customer. ISP, Nashik has installed Sequential/Non-Sequential (Random) Numbering Machine. In this machine there are two numbering stations on which sequential and non-sequential (both types) numbering as well as printing of State name can be done on Non-Judicial Stamps and India Court Fee Stamps of different denominations of different States. SPP, Hyderabad has done Retrofitting of equipment for online post printing operations of Excise Adhesive Labels on Rotatek-III. SPP, Hyderabad has also installed 2 nos. Automatic programmable perforating machines to increase production of CPS and CFS stamps. As a part of e-Passport project, ISP, Nashik has manufactured and supplied the International Civil Aviation Organization (ICAO) standard compliant e-Passport sample booklets to MEA for testing and approval. SPM, Narmadapuram has installed indigenous Shredder & Briquetting Machine which is useful for conversion of Spoil CWBN paper into Paper Briquettes. The Paper briquettes manufactured are being sold through MSTC. This has resulted into protection of environment by avoiding burning of spoil paper.

14.3.12 The Corporate R&D Centre, Nashik has been certified for ISO 9001: 2015-Quality Management System. The Corporate R&D Centre, Nashik in collaboration with CSIR-National Chemical Laboratory has successfully developed varnish/ Coating formulation for post-printing treatment for anti-soiling Currency Notes. Initiatives are being taken for incorporating special treatment/technology offering antiviral, antibacterial and antifungal properties for Indian banknotes during paper manufacturing process. The Scanning Electron Microscope (SEM) has been successfully commissioned and made operational at Corporate R&D Centre, Nashik. SEM is high-end technology used for elemental Analysis for advanced forensic examination of banknotes and security features. The equipment is also being utilized for Research and Development activities related to all Units of SPMCIL. The Ink Factory, Dewas in collaboration with CSIR-National Physical Laboratory (NPL) has successfully developed 5 GM lab scale sample of Colour Shift Intaglio (CSI) Ink pigment used for printing of higher denomination of Banknotes. Further, facility for creation of mass scale production of CSI ink is under process. IGM, Kolkata has carried out the project for separation of cutting oil from water through salting out process. This has resulted into conservation of water and savings in cost of disposal of cutting oil through WBWML. The Company is collaborating with Government IITs/CSIR laboratories for latest technology up-gradation in currency, coins and security paper.

14.3.13 The Manpower Strength of the Company has come down to 6454 as on 31.03.2022 which includes 352 Executives, 940 Supervisors and 5162 Office staff & Workers working in 9 Units and Corporate Office in comparison to previous year's employee strength of 7234. 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.

14.3.14 SPMCIL has taken-up many CSR projects in the areas of education, healthcare, disaster management, protection of national heritage including restoration of historical building, measures for benefit of armed force veteran, war widows and their dependents etc. in the year 2022. Under the Gram Uday Scheme, BNP, Dewas had adopted Kawaria village and SPM, Narmadapuram had adopted Chatua village for implementing projects under CSR. As per the instructions of Department of Public Enterprises (DPE) for giving preference to aspirational districts, SPMCIL had adopted Barwani District of Madhya Pradesh as the aspirational District.

14.3.15 Indigenization: The Joint Venture Company, Bank Note Paper Mill India Private Limited(BNPMIPL) has produced 14110 MT of Security Paper during the year 2021-22.

14.4 Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)

14.4.1 Bharatiya Reserve Bank Note Mudran Pvt Ltd (BRBNMPL) was established by Reserve Bank of India as its wholly owned subsidiary on 3rd February 1995 with a view to augmenting the production of banknotes in India to enable RBI to bridge gap between supply and demand for bank notes in the country. The Company has its bank notes manufacturing units at Mysuru, Karnataka and Salboni, West Bengal and its Corporate Office at Bengaluru, Karnataka. The present total capacity for both the presses is 16 billion note pieces per year in a 2-shift operation.

14.4.2 Paper and Ink are the most critical raw materials used for banknote production. These two raw materials costs approximately 65% of the total production cost. In the global banknote production industry, most of the countries depend on external sources for paper and ink. But, the green field project initiated by BRBNMPL for setting up a new paper mill at Mysuru (Bank Note Paper Mill India Pvt Ltd (a Joint Venture between BRBNMPL and SPMCIL) and its brown field project of Varnika (in-house Ink Manufacturing Unit) at Mysuru has brought Indian Currency Printing Industry to its self-reliance and to stand ahead of global banknote printers.

14.4.3 Colour Shift Intaglio Ink (CSII), one of the security features used in the Indian banknotes earlier out-sourced, is now being manufactured at In-house Ink Manufacturing Unit of BRBNMPL at Mysuru. BRBNMPL is supplying entire requirement of CSII to both BRBNMPL and SPMCIL presses and this has put an end on our import dependency and huge cost efficiency.

14.4.4 Colour Shift Pigment (CSP), which is one of the raw materials required for manufacturing of CSII, was earlier procured from the foreign source. Presently CSP is being procured at a ratio of 50:50 from domestic and foreign sources finalized through tender. Further backward integration for Manufacturing of Colour Shift pigment has already been initiated, under Make-in-India initiative.

14.4.5 Indigenization - Status of Indigenization is as under:

Financial Year	2018-19	2019-20	2020-21	2021-22
	(in crores)			
Total Consumption – Imported (in crores)	797.06	388.64	287.42	146.93
Total Consumption - Indigenous (in crores)	1086.93	1411.33	1173.73	1180.08
Total consumption (Import+Indigenous) (in crores)	1883.99	1799.97	1461.15	1327.01
Import % in total consumption	42.31%	21.59%	19.67%	11.07%
Indigenous % in total consumption	57.69%	78.41%	80.33%	88.93%

14.4.6 BRBNMPL has increased direct remittance of banknotes to currency chests which enhances logistical efficiency and cost effectiveness to RBI. Number of direct remittances dispatched to Currency chest during the FY 2022-23 (as on 31/12/2022) is 53% (231 direct remittances out of total 439 remittances).

14.4.7 BRBNMPL is certified with ISO 45001:2018 Occupational Health and Safety Management System apart from ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System.

14.4.8 BRBNMPL is establishing a state-of-the-art Learning and Development Centre (LDC) at Mysuru to cater to the learning needs of all stakeholders in currency eco system and to carry out process related innovation.

14.4.9 A state-of-the-art facility is being established at Mysuru under the aegis of RBI for conducting cutting edge research to test the robustness of security features of banknotes and introduction of new security features.

14.5 Bank Note Paper Mill India Private Limited (BNPMIPL)

14.5.1 BNPMIPL was incorporated as a 50:50 Joint Venture Company between SPMCIL and BRBNMPL in the year 2010 at Mysuru to manufacture bank note paper (CWBN Paper) indigenously. The Company has installed two line of paper mills having an installed capacity of 12000 MT per year.

14.5.2 During the year 2021-22, BNPMIPL has produced 14110 MT of CWBN Paper (118% of the installed capacity) and supplied 13907 MT of CWBN Paper to all the four banknote printing presses to meet their entire requirement of paper to print Indian banknotes. The Company is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified for quality management, environment management and health and Safety management systems respectively. The Company has also implemented an ERP system for all accounting, inventory management and control on the movement of people.

14.5.3 The Company has been taking various initiatives to inculcate a culture of continuous improvement in its processes by adopting latest technology to reduce cost of manufacturing. Some of the important measures like power purchase from Indian Energy Exchange (IEX), Reducing and optimizing power demand, Upgradation of online quality monitoring system to reduce manual monitoring, upgrading water filtration system, improving washing and flushing system of process lines, developing special machine parts indigenously, developing Indian sources for security features, recycling of process water and achieving Zero effluent discharge etc., have contributed towards reduction of manufacturing cost. Due to efforts undertaken towards environmental protection BNPM has been able to recover recycle and reuse every drop of rain water/seepage water in the campus during the year 2021-22. The Company has also initiated steps towards research and Development with the support of ICARCIRCOT, Mumbai, SITRA, Coimbatore, and CPPRI Saharanpur to improve its processes. During the year the Company has received national awards for safety from National Safety Council, CII National award for Excellence in Water Management, Dasara award for Best Industrial Garden. The Company was awarded with two safety awards from Department of Factories & Boilers, Industrial safety and Health for best package Boilers and best Safe Industry (Large Scale industry category) in the previous year indicates commitment for continuous improvement culture.

14.5.4 Under the Corporate Social Responsibility (CSR), BNPMIPL has been contributing in the areas of rural education, women empowerment, rural health, supporting orphanage, protection of heritage, supporting physically challenged, wildlife conservation, disaster relief, public health and hygiene, supporting local bodies for urban sanitation, medical aids to the poor etc.

Annexure-I

Representation of SCs, STs, and OBCs

Groups	Representation of SCs/Sts/ OBCs (As on 31.12.2022)				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'	367	55	18	79	7	0	1	1	32	5	3	0	0	0	0
Group 'B'	944	147	77	193	65	6	4	17	69	9	2	2	2	0	0
Group 'C'	4736	924	432	825	75	10	1	28	540	95	45	25	9	2	8
Total	**6047**	**1126**	**527**	**1097**	**147**	**16**	**6**	**46**	**641**	**109**	**50**	**27**	**11**	**2**	**8**

Annexure-II

Representation of Persons With Disabilities

Groups	Representatiion (As on 31.12.2022)				Number of Appointments made during the previous calendar year: DIRECT RECRUITMENT: No. of Vacancies reserved			DIRECT RECRUITMENT: No. of Appointments made				PROMOTION: No. of Vacancies reserved			PROMOTION: 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	91	0	1	1	1	0	0	2	1	0	0	0	0	0	0	0	0	0
Group B	431	1	0	13	0	1	1	16	0	0	1	0	0	0	22	0	0	2
Group C	1779	15	39	87	3	0	0	26	1	0	0	0	0	0	170	2	8	4
Total	**2301**	**16**	**40**	**101**	**4**	**1**	**1**	**44**	**2**	**0**	**1**	**0**	**0**	**0**	**192**	**2**	**8**	**6**

15. Other Multilateral Institutions (OMI) Division

The Other Multilateral Institutions (OMI) Division was created in 2018. This Division has been assigned with the responsibility of eight (8) Multilateral Development Banks (MDBs) viz., Asian Infrastructure Investment Bank (AIIB), New Development Bank (NDB), International Fund for Agricultural Development (IFAD), European Bank for Reconstruction and Development (EBRD), African Development Bank (AfDB), Inter-American Development Bank (IDB), Caribbean Development Bank (CDB), and OPEC Fund for International Development (OFID).

In addition, the Division has been assigned with the sectoral charges of seven Ministries/Departments viz. Ministry of Women and Child Development, National Commission for Women, Ministry of Rural Development, Ministry of Panchayati Raj, Department of Water Resources, River Development and Ganga Rejuvenation, Department of Science and Technology and Council for Scientific and Industrial Research. The Division has also been assigned with the works related to four States namely, Punjab, Haryana, Rajasthan, and Goa.

15.1 International Fund for Agricultural Development (IFAD)

15.1.1 The IFAD is a specialized agency of the United Nations. It was set up as an international financial institution in 1977 to support agricultural development primarily for food production in developing countries. It has supported projects that have reached millions of people in the world including more than 6.34 million households in India. At present, IFAD has 177 member of Countries including India as a founder member.

15.1.2 India's Representation at IFAD:

15.1.2.1 IFAD is headed by the President elected by its member countries for a four-year term. It has two main governing bodies viz. the Governing Council and the Executive Board. India represents IFAD on the Governing Council by Secretary (EA) as Governor and Additional Secretary (OMI) as Alternate Governor. Director (OMI) represents India as the Director on the IFAD Executive Board.

15.1.3 IFAD Governing Bodies meetings in 2022-23:-

15.1.3.1 The 12th special session, 135th, 136th and 137th sessions of the IFAD Executive Board were held in February, April, September, and December 2022 respectively. India was represented in these sessions by the AS /Director (OMI) in the IFAD Executive Board. The 45th Governing Council meeting of IFAD was held on 16th February, 2022 in which AS (OMI) represented GoI who was the Alternate Governor from India in the IFAD GC.

15.1.4 India's contribution to IFAD:-

15.1.4.1 IFAD funds are derived from member contributions (made in replenishment cycles), investment incomes, and special funds. India has so far pledged USD 258 million to IFAD's Resources in various replenishment cycles including USD 47 million as a core grant in IFAD 12 (2022-24). Apart from this, India also pledged an amount of USD 20 million each as Concessional Partner Loan (CPL) in IFAD 11 and IFAD12.

15.1.5 IFAD's Investment Operation in India:

15.1.5.1 India has received funding from IFAD for projects in rural development, tribal development, women's empowerment, and micro-finance. Since 1979, IFAD has assisted in 32 projects in agriculture, rural development, tribal development, women's empowerment, natural resources' management, and rural finance sector with a commitment of USD 1,207.8 million (approx.). Out of these, 26 projects have already been closed. Presently, 6 projects with a total assistance of USD 366.35 million (approx.) in the States of Uttarakhand, Maharashtra, Odisha, Nagaland, Mizoram, Meghalaya & Chhattisgarh are under implementation.

15.2 Asian Infrastructure Investment Bank (AIIB)

15.2.1 The Asian Infrastructure Investment Bank (AIIB), an MDB headquartered in Beijing, China, began its operations in January 2016 with 57 founding Members focusing on investments in infrastructure to foster sustainable economic development in Asia and beyond. The bank has now grown to 106 members in seven years of operations, and became the world's second-largest MDB in terms of members.

AIIB Mission

- **Green Infrastructure:** AIIB intends to prioritize green infrastructure and support its members meet their environmental and related development goals by financing projects that deliver local environmental improvements and investments dedicated to climate action.
- **Connectivity and Regional Cooperation:** AIIB prioritizes projects that facilitate better domestic and cross-border infrastructure connectivity within Asia and beyond. The AIIB supported projects also complement cross-border infrastructure connectivity by generating direct measurable benefits across the countries.
- **Technology-enabled infrastructure:** AIIB supports projects where the application of technology delivers better value, quality, productivity, efficiency, resilience, sustainability, inclusion, transparency or better governance along the full project life cycle.
- **Private Capital Mobilization:** AIIB supports projects that directly or indirectly mobilize private financing into sectors within its mandate.

Shareholding in AIIB

The Authorized Capital Stock of the bank is USD100 billion, divided into 1 million shares of USD100,000 each. The paid-in capital of the bank is maintained at 20 percent (USD 20 billion), while the remaining 80 percent is the callable capital. Currently, the bank has subscribed 96.76 percent of its capital stock, which is allocated based on the size of each member country's economy.

The five largest shareholders in AIIB are China, India, Russia, Germany, and Republic of Korea. About 83 percent of shares are held by members rated investment grade and above. India is the second largest shareholder in AIIB with a subscribed capital of USD 8.37 billion (8.6 percent of the capital stock of AIIB)- paid-in capital amounts to 20 percent while the remaining 80 percent is callable capital. In terms of voting power, India stands second with 7.6 percent of voting power (85,745).

AIIB's Institutional Developments

- **Permanent Observer Status in UNGA:** AIIB has been granted Observer Status in the UN General Assembly on December 20, 2018. Granting of Observer status has put the Bank on a par with more than ninety other organizations which enjoy Observer status;
- **AAA credit rating:** The Bank has maintained the 'AAA' credit rating over the last three years from all the premier credit rating agencies including Standards and Poor, Moody's, and Fitch Ratings
- **Membership:** The AIIB has now grown to 106 members in seven years of operations, and became the world's second-largest MDB in terms of members.
- **Corporate Strategy:** The AIIB has completed its start-up phase, and developed its first Corporate Strategy targeting 50 percent of climate finance by 2025, 50 percent of private sector financing of its actual approved financing and financing 25-30 percent for cross-border connectivity projects by 2030.

AIIB's Lending Activities

The bank's Investments are based on sovereign and non-sovereign loans, equity participations and guarantees. AIIB's financing of sustainable infrastructure is demonstrated by its investment in projects related to the mitigation of the impact of climate change, climate adaptation, and other environmental objectives.

The AIIB has approved financings of USD 38.81 billion in 34 countries for 202 approved projects as of January, 2022. These financings cover sectors like energy, transport, water, urban, digital infrastructure and technology, rural infrastructure and agriculture development, education, economic resilience, COVID-19 response, public health, etc.

As of January, 2023, India is the AIIB's largest receiver of approved financing with 27 Sovereign projects amounting to USD 8.3 billion across various sectors viz. energy, transport, water, urban, public health, and education. This financing also includes 4 projects totaling USD 2.25 billion towards Economic Resilience and COVID-19 response.

India's Representation at AIIB

India plays a key role in the Board of Governors (BoG) and Board of Directors (BoD) in AIIB. The Finance Minister represents India as the Governor while the Secretary (EA) as the Alternate Governor on the BoG. Additional Secretary (OMI) represents India as Director while Director (OMI) as the Alternate Director on the BoD. During 2022-23, Indian representatives participated in more than 40 Board events including Board meetings by virtual means.

15.3 New Development Bank (NDB)

15.3.1 The New Development Bank (NDB) is an MDB established by Brazil, Russia, India, China, and South Africa in 2014 with the objective to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging market economies and developing countries (EMDCs), and started its operation in February, 2016.

Shareholding and Membership in NDB

The authorized capital of the Bank is up to USD 100 billion of which USD 50 billion were subscribed initially by founding members (BRICS). The ratio of the bank's paid-in to callable capital remains at 20:80. As on date, about 51.50 percent of NDB's total authorized capital has been subscribed.

With the admission of the UAE, Uruguay, Bangladesh, and Egypt as new members, the NDB has grown to nine members. Bangladesh and UAE deposited their instruments of accession by effecting their membership, while Uruguay and Egypt remained as prospective members of the bank. With the change in the bank's membership, each founding member has the shareholding of 19.42 percent, while Bangladesh and the UAE the newly joined members have 1.83 percent and 1.08 percent of shareholding, respectively. India has paid USD 2 billion as paid-in capital to NDB in seven installments.

NDB's Regional Office in India:

To strengthen its operations, NDB has established Regional Offices in South Africa, Brazil, and Russia, while the Indian Regional Office (IRO) has been full-fledged operational since December 2022 from Gujarat International Finance Tec-City (GIFT City) in Ahmedabad. The IRO is expected to be instrumental in effective and timely preparation and implementation of the projects in India.

India's Representation at NDB

India represents NDB at the BoG and BoD levels. The Finance Minister represents India as the Governor while the Secretary (EA) as the Alternate Governor on the BoG. Additional Secretary (OMI) represents India as the Director while Director (OMI) is the Alternate Director in the BoD. During 2022-23, India participated in more than 35 Board events including Board meetings by virtual means.

NDB's Investment operations in India

India is the second largest recipient of NDB financing. India has been received funding from NDB for projects in power, water, transport, public health, sustainable development, and the social sector. Since 2016, NDB has approved 24 projects in the amount of USD 7. 5 billion (approx.) of which 22 projects in the amount of USD 7.1 billion are sovereign-backed and 2 projects in the amount of USD 400 million are non-sovereign backed. This includes USD 2.00 billion in recoveries (of the USD 10 billion for all 5-member countries) of assistance to India towards COVID-19 support and economic resilience.

15.4 African Development Bank (AfDB)

15.4.1 The AfDB Group is a regional multilateral development finance institution established to contribute to the economic development and social progress of African countries that are the institution's Regional Member Countries (RMCs). The AfDB was founded following an agreement signed by member states on August 14, 1963, in Khartoum, Sudan, which became effective on September 10, 1964. The AfDB comprises three entities namely the African Development Bank (ADB), the African Development Fund (ADF), and the Nigeria Trust Fund (NTF). The AfDB headquarters is officially in Abidjan, Côte d'Ivoire.

i. The Bank comprises 54 African countries known as regional member countries (RMCs) and 27 Non-African countries known as non-regional member countries (NRMCs). To become an AfDB member, non-regional members must first accede to ADF membership. When the African Development Bank (AfDB) was established, only independent African countries were eligible to be shareholders of the Bank, and later in 1982, the memberships were opened to Non-African Countries.

ii. India joined the Bank on December 6, 1983. The Fund comprises, to date, 29 contributing countries (26 from NRMs and 3 from RMCs/State participants) and benefits 38 countries.

iii. The ADB group of financing bodies includes the African Development Fund, which grants interest-free loans to impoverished African countries, and the Nigeria Trust Fund. The ADB has five associated institutions through which public and private capital is channeled: the African Import-Export Bank, the Africa Reinsurance Corporation (Africa-Re), the Société Internationale Financière pour les Investissements et le Développement en Afrique (SIFIDA), the Association of African Development Finance Institutions (AADFI), and Shelter-Afrique.

iv. All 81 AfDB members (54, RMCs & 27, NRMCs) are grouped into 20 constituencies (13 regional and 7 non-regional). India had joined the Nordic Constituency comprising Norway, Sweden, Finland, Denmark, and Ireland.

v. India was allotted a total of 41,475 shares and holds 0.287 in AfDB and in ADF has 0.178 percent voting share. India participates in the BoG meetings which are held annually and raises concerns during the BoD meetings via our constituency. India is represented in the Board of Governors by Hon'ble Finance Minister of India and the Alternate Governor is the Secretary of the Department of Economic Affairs, Ministry of Finance.

- As of December 2022, India has pledged ₹601.9 crore (till ADF-15).
- ADF-16 India has pledged ₹152.64 crore, as pure grant. (₹3.69 crore as grant compensation)
- About ₹35.66 crore have been contributed towards the Multilateral Debt Relief Initiative (MDRI) of ADF.

15.5 European Bank for Reconstruction and Development (EBRD)

15.5.1 EBRD, headquartered in London was established in 1991 to help the erstwhile economies of Central and Eastern Europe reconstruct their economies in the post-Cold War era, evolve into open, market-oriented economies, committed to the principles of multiparty democracy and pluralism. EBRD works in more than 30 countries from Central Europe to Central Asia and Southern and Eastern Mediterranean. The EBRD is the only Bank among MDBs that focuses mainly on the non-sovereign operations EBRD has an explicitly political mandate: firstly, to support democracy-building activities. Second, the EBRD does not have a concessional loan window. To date, the Bank has 70-member countries, as well as the European Union and the European Investment Bank. India had joined the EBRD in July 2018 as its 69th shareholder and currently holds 0.033 percent shareholding in the Bank. India is part of the Portugal Constituency in EBRD, which comprises Portugal, Greece, and San Marino. India paid Euro 1.79 Million (14.74 Cr INR) towards its paid-up portion and has an initial subscription of 986 shares. India became a member of the Bank, comprising 179 paid-in shares and 807 callable shares. India is represented in the Board of Governors by Hon'ble Finance Minister of India and the Alternate Governor is the Secretary of the Department of Economic Affairs, Ministry of Finance.

16. Infrastructure Support and Development Division (ISD Division)

Introduction :

Infrastructure Support and Development Division, a part of Infrastructure Finance Secretariat in DEA, deals with initiatives for promotion of investment in infrastructure development in the country, creation of an enabling environment for private sector investment in infrastructure through Public Private Partnerships (PPPs), etc. The division is headed by a Joint Secretary. The Division has the following Units: Private Investment Unit, Energy Unit and NIP Facilitation Unit. Each Unit is headed by a Director/Deputy Secretary and assisted by Under Secretary/ Deputy Director.

Private Investment Unit (PIU)

Major Functions of PIU, inter alia, include the following:

1. Matters relating to appraisal and approval of Central sector PPP projects.
2. Matters and proposals relating to clearance by Public Private Partnership Appraisal Committee (PPPAC)
3. Matters and proposals relating to the scheme for Financial support to Public Private Partnerships in Infrastructure Viability Gap Funding (VGF) Scheme
4. Matters and proposals relating to the scheme for India Infrastructure Project Development Fund (IIPDF).
5. Developing Multi-pronged and innovative interventions and support mechanisms for facilitating PPPs in the country, including Technical Assistance and programmes from bilateral/multilateral agencies on mainstreaming PPPs and support to State and local governments.
6. Managing training programs, strategies, exposures for capacity building for PPPs and other matters relating to institution building for mainstreaming PPPs.
7. All International interfaces on PPPs & other matters concerning PPPs including BRICS Taskforce on PPP and Infrastructure.
8. Matters relating to management of PPP related information, including *www.pppinindia.gov.in* and *infrastructureindia.gov.in*.

Major Policy Initiatives/ Achievements of PIU

1. Financial support to Public Private Partnerships in Infrastructure (VGF Scheme)

The Department of Economic Affairs (DEA) launched the Viability Gap Funding (VGF) scheme for providing financial assistance to financially unviable but socially/ economically desirable PPP projects. Under this scheme, economic sector projects may get up to 40% of the Capex as VGF grant. The VGF Scheme includes higher provisions of VGF grant for social sectors i.e., Health, Education, Water Supply, Waste Water Treatment, Solid Waste Management, etc. Social sector projects may get up to 80% of the Capex and upto 50% of Opex for 5 years after Commercial Operation Date (CoD) as VGF grant. Social Sector projects get VGF grant under following two categories:

a) **Sub scheme -1** caters to Social Sectors such as Wastewater 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 Capex of the project as VGF and State Government/Sponsoring Central Ministry/Statutory Entity may provide additional support up to 30% of Capex.

b) **Sub scheme -2** supports demonstration/pilot social sectors projects. The projects may be from Health & Education sectors. The projects eligible under this category should have at least 50% Operational Cost recovery. The Central Government will provide a maximum of 40% of the Capex of the Project and a maximum of 25% of Opex of the project for first five years of commercial operations as VGF. The State Government/Sponsoring Central Ministry/ Statutory Entity may provide additional support up to 40% of the Capex of the Project and upto 25% of Opex of the project for first five years of commercial operations.

In the year 2022-23 (till December, 2022), under the Scheme for support to Public Private Partnerships in Infrastructure, 4 projects amounting to a TPC of ₹29,023.97 Crore were granted In-Principle Approval and 3 projects were granted final approval with a TPC of ₹11,574.59 Crore with a Viability Gap Funding approval of ₹2,050.25 Crore. The total amount of VGF disbursed under the scheme in the FY 2022-23 (till January 2023) by DEA is ₹9.41 Crores.

2. Public Private Partnership Appraisal Committee (PPPAC)

The Public Private Partnership Appraisal Committee (PPPAC) is the apex body for appraisal of PPP projects in the Central Sector. The streamlined appraisal mechanism for PPP projects ensures speedy appraisal of projects, eliminates delays, adopts international best practices and promotes uniformity in appraisal mechanism and guidelines. The PPPAC is chaired by Secretary, DEA with Secretaries of Department of Expenditure, Department of Legal Affairs, the Sponsoring Central Ministry/Department and CEO, NITI Aayog as members to consider and appraise the proposals for Central Sector PPP Projects. In the year 2022-23 (till January, 2023), Public Private Partnership Appraisal Committee has appraised 7 projects with a Total Project Cost of ₹14,026.45 Crore.

3. Financial Support for Project Development Expenses of PPP Projects (IIPDF Scheme)

The very success of PPP projects depends on how well the project is structured. Since PPP projects are complex in nature, conceiving a project demands expertise of experienced professionals in the field (Transaction Advisers). Generally, hiring of transaction advisers for project development involves substantial costs and many times Project Sponsoring Authorities (PSAs)face financial crunch in financing this cost. Thus, Department of Economic Affairs (DEA) has launched the IIPDF Scheme on 03.11.2022 as a Central Sector Scheme for funding such project development expenses.

IIPDF Scheme provides necessary support to the PSAs, both in the Centre and the State Governments, by extending financial assistance in meeting the cost of transaction advisory services engaged in the development of PPP projects. Funding under IIPDF Scheme can be for a maximum amount of ₹5 Crore for a single proposal. Any funding requirement over and above ₹5 Crore may be borne by the PSAs. Under this scheme, DEA has approved three proposals in the FY 2022-23 (till January, 2023) with total funding of ₹7.5 Cr.

4. Empanelment of Transaction Advisors

To create an enabling environment for stepping up of private investment in infrastructure and to cater to State Governments demand, DEA has empanelled 12 transaction advisors for PPP projects to provide necessary support to project sponsoring authorities in transaction of PPP projects. The objective of empanelling TAs is to provide access to quality advisory support for PPP projects. This would help the Project Sponsoring Authorities to appoint TAs without delay.

5. PPP Policy-related matters

In order to ensure smooth functioning of PPP projects, DEA is preparing various policy documents such as Model Concession Agreement (MCAs) for nascent sectors like Solid Waste Management, Sports etc., revising Model RFP, PPP Procurement Manual, revamping PPP structuring toolkits etc. A workshop with PPP Stakeholders –both public and private was also organised to share best practices and key learning and come up with solutions to the problems.

6. Handholding/Support initiatives

To handhold State Governments in PPP matters, two workshop were organised with State Governments and Transaction Advisers to disseminate knowledge on VGF Scheme. In addition, a hands-on workshop was organised with State Governments to help them understand PPP structuring toolkit.

Till December' 22, three chapters of state outreach workshops have been conducted at Mumbai, Chandigarh and Varanasi with participation from a total of 14 States and Union Territories (Uttar Pradesh, Bihar, Madhya Pradesh, Chattisgarh, Himachal Pradesh, Uttarakhand, Punjab, Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Chandigarh, Jammu & Kashmir, and Ladakh).

Energy Unit

Major functions of Energy Unit, inter alia, include the following:

1. All policy related issues pertaining to energy sector viz. Petroleum and Natural Gas, Coal, Atomic Energy and New & Renewable Energy.
2. Sectoral Charge of M/o Petroleum and Natural Gas, M/o New and Renewable Energy, M/o Coal, Dept. of Atomic Energy and Dept. of Space.
3. Examination of the investment proposals in energy sector requiring the approval of Cabinet/ CCI/CCEA/CoS/PIB/EFC for their viability and justification.
4. All matters relating to Power Sector (including Policy, Projects, DCNs/CCEA Notes/EFC/SFC, etc.).
5. Internal territorial charge of Chhattisgarh, Maharashtra, Gujarat and Madhya Pradesh.
6. External territorial charge of Iran, Iraq, Cyprus.
7. Examination of proposals for grant of viability gap funding under the National Clean Energy Fund (NCEF).

8. Matters relating to OPEC Fund for International Development (OFID).

9. Matters related to Committee on Allocation of Natural Resources (CANR).

Major Policy Initiatives/ Achievements:

1. Energy Unit is also acting as a 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). A periodic review and follow up is going on with concerned Ministries/ Department to ensure implementation of these recommendations.

2. In the year 2022, helped ECoS setup by M/o Coal regarding adoption of methodology for auction of coal and lignite mines/ blocks to approve 9 coal mines to be offered for sale of coal through auction.

3. Continuous engagement with Gulf countries (i.e., Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE and Iraq) or investment and other matters including liaison with various Sovereign Wealth Funds from Gulf countries (such as Public Investment Fund (Saudi Arabia), Abu Dhabi Investment Authority (ADIA) & Mubadala (UAE) & Qatar Investment Authority (QIA), Qatar. Public Investment Fund (Saudi Arabia), Qatar Holding LLC & INQ Holding LLC (two wholly owned subsidiaries of QIA) are notified as SWF under Section 10(23FE) of Income Tax Act.

4. During the year, Energy Unit had handled Six Cabinet/ CCEA notes from the line Ministries/ Departments. In addition, three PIB proposals, seven EFC proposals and one SFC proposal have been examined during the year. These were Cabinet/ CCEA Notes on such as Grant to PSU Oil Marketing Companies for under-recoveries in domestic LPG, Trusted Vendor System for Power Sector, equity investment by Coal India, listing of shares of Bharat Coking Coal Limited, etc. Energy Unit also handled PIB/EFC/SFC notes on Green Energy Corridor Phase-II-Inter State Transmission System in Ladakh, Sawalkot HE Project in J&K by NHPC Ltd, and providing Additional Financial Contribution to ISA.

5. Energy Unit helped line ministries/ departments in structuring various schemes such as PMUY, operationalisation of Power System Development Fund, VGF scheme for development of Battery Energy Storage Systems, PLI Scheme for Coal Gasification Projects of Government PSUs & Scheme of Exploration of Coal and Lignite over FFC Cycle.

NIP Facilitation Unit (NIP FU)

Major functions of NIP FU, inter alia, include the following:

- Engagement with States in the implementation of National Infrastructure pipeline (NIP)
- Handholding assistance to States for PPP project structuring and development.
- Putting process enablers of PPP in Infrastructure.
- Monitoring of performance of Ministries/ Departments on National Monetisation Pipeline (NMP);
- General reform Initiatives for creating an enabling eco system for increased private sector participation in infrastructure development;
- County Charge of West Asian Countries- Iran, Armenia, Azerbaijan, Cyprus, Georgia, Israel, Turkey, Jordan, Lebanon, Palestine, Syria, Yamen, etc.
- State charge of Maharashtra and Gujrat
- Co-ordination work within the Division, etc;

Major Policy Initiatives/ Achievements of NIP FU

1. National Infrastructure Pipeline (NIP)

NIP which had started with 6835 projects has since expanded to around 9000 projects. NIP projects showcase the infrastructure investment opportunities in the states/UTs to domestic and global investors. Continuous engagement with states/UTs were made to improve NIP performance in the States. Project status Snapshots of all states/UTs were prepared and shared with states/UTs for review and further improvement.

2. National Monetisation Pipeline (NMP)

In the year 2021-22, as against monetization target of 0.88 lakh crore, transactions with monetisation value of ₹0.97 lakh crore was achieved. For the year 2022-23, a target of ₹1.62 lakh crores is envisaged under the NMP. In order to ensure performance of NMP, regular review meetings on NMP are chaired by the finance minister and Cabinet Secretary.

3. Enabling Eco-system and process enablers

Various initiatives of enabling eco-system and process for PPP have been undertaken like preparation of Guidebook on Waterfall Framework for selection of project implementation mode, Post Award Contract Management (PACM) toolkits, revamping of project preparation toolkits, Project Renegotiation framework, etc.

Annexure-I

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of SCs, STs, and OBCs

Groups	Number of Employees				Number of appointments made during the previous year i.e. 2022									
					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	119	17	03	07	0	0	0	0	0	0	0	02	0	0
Group B	234	37	31	49	03	01	0	01	07	03	0	0	0	0
Group C	201	68	06	27	15	02	02	04	05	01	0	0	0	0
TOTAL	**554**	**122**	**40**	**83**	**18**	**03**	**02**	**05**	**12**	**04**	**0**	**02**	**0**	**0**

Annexure-II

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of Persons With Disabilities (PWD)

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group A	119	-	-	01	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	234	-	-	03	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	201	-	-	04	-	-	-	01	-	-	01	-	-	-	04	-	-	-
Total	**554**	**-**	**-**	**08**	**-**	**-**	**-**	**01**	**-**	**-**	**01**	**-**	**-**	**-**	**04**	**-**	**-**	**-**

Annexure-I

NATIONAL SAVINGS INSTITUTE

Representation of SCs, STs, and OBCs

Groups	Number of Employees				Number of appointments made during the previous calender 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	-	-	-	-	-	-	-	-	-	-	-	-
Group B	16	2	-	4	-	-	-	-	-	-	-	-	-	-
Group C	30	6	3	9	-	-	-	-	-	-	-	-	-	-
Group D (Excluding Safai Karamcharis)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group D (Safai Karamcharis)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**49**	**9**	**3**	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-II

NATIONAL SAVINGS INSTITUTE

Representation of Persons With Disabilities (PWD)

Group	Number of Employees				DIRECT RECRUITMENT: No. of Vacancies reserved			DIRECT RECRUITMENT: No. of Appointments made				PROMOTION: No. of Vacancies reserved			PROMOTION: 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	30	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**49**	**-**	**-**	**1**	**-**	**-**	**-**	-	**-**	**-**	-	**-**	**-**	**-**	-	**-**	**-**	**-**

Annexure-I

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of SCs, STs, and OBCs

Groups	Representation of SCs/STs/OBCs (As on 30.11.2022)				Number of appointments made during the previous calendar year: By Direct Recruitment				By Promotion			By other Methods (Internal Recruitment)			
	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'	06	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group 'B'	06	01	-	01	-	-	-	-	-	-	-	-	-	-	-
Group 'C'	11	02	-	03	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**23**	**03**	**-**	**04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-II

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of Persons With Disabilities (PWD)

Groups — **Number of appointments made during the previous calendar year**

Groups	Representation (AS on 30.11.2022)				DIRECT RECRUITMENT: No. of Vacancies reserved			DIRECT RECRUITMENT: No. of Appointments made				PROMOTION: No. of Vacancies reserved			PROMOTION: 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'	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group 'B'	06	-	-	01	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group 'C'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**23**	**-**	**-**	**01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-I

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED (SPMCIL)

Representation of SCs, STs, and OBCs

Groups	Number of Appointments made during the previous calender year														
	Representation of SCs/STs/OBCs (As on 30.11.2022)				By Direct Recruitment				By Promotion			By Other Methods (Internal Recruitment)			
	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'	367	55	18	79	7	0	1	1	32	5	3	0	0	0	0
Group 'B'	944	147	77	193	65	6	4	17	69	9	2	2	2	0	0
Group 'C'	4736	924	432	825	75	10	1	28	540	95	45	25	9	2	8
TOTAL	**6047**	**1126**	**527**	**1097**	**147**	**16**	**6**	**46**	**641**	**109**	**50**	**27**	**11**	**2**	**8**

Annexure-II

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED, (SPMCIL)

Representation of Persons with Disabilities (PWD)

Groups	Number of appointments made during the previous calendar year																	
					DIRECT RECRUITMENT							PROMOTION						
	Representation (AS on 30.11.2022)				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'	367	0	1	1	1	0	0	2	1	0	0	0	0	0	0	0	0	0
Group 'B'	944	1	0	13	0	1	1	16	0	0	1	0	0	0	22	0	0	2
Group 'C'	4736	15	39	87	3	0	0	26	1	0	0	0	0	0	170	2	8	4
Total	**6047**	**16**	**40**	**101**	**4**	**1**	**1**	**44**	**2**	**0**	**1**	**0**	**0**	**0**	**192**	**2**	**8**	**6**

Annexure-I

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Representation of SCs, STs and OBCs as on date (31.12.2022)

Groups	No. of employees in position				Appointment by Direct Recruitment				Appointment by Promotion			Appointment by other methods			
	Total	SC	ST	OBC	Total	SC	ST	OBC	Total	SC	ST	Total	SC	ST	OBC
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Officers	64	3	2	7	42	3	2	7	1	0	0	25	0	0	2
Executive Assistants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Tasking Staff	3	2	-	1	-	2	-	1	-	-	-	-	-	-	-
Total	**67**	**5**	**2**	**8**	**42**	**5**	**2**	**8**	**1**	**0**	**0**	**25**	**0**	**0**	**2**

Annexure-II

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Representation of Persons with Disability (PWD)

					By Direct Recruitment								BY Promotion							
Groups	No. of Employees				No. of Vacancies reserved				No. of Appointments made				No. of Vacancies reserved				No. of Appointments made			
	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**
Officers	64	1	0	0	1	1	0	0	42	01	0	0	0	0	0	0	0	0	0	0
Executive Assistants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Tasking Staff	3	-	-	-	-	-	-	-	-	01	-	-	-	-	-	-	-	-	-	-
Total	**67**	**1**	**0**	**0**	**1**	**1**	**0**	**0**	**42**	**01**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Annexure-I

Security and Exchange Board of India (SEBI)

Representation of SCs, STs, and OBCs

Groups	No. of employees in Position (as on 30.11.2022)				Appointment by Direct Recruitment				Appointment by Promotion				Appointment by other methods			
	Total	SC	ST	OBC	Total	SC	ST	OBC	Total	SC	ST	OBC	Total	SC	ST	OBC
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**
Officers	995	139	58	278	140	24	9	47	143	16	8	41	0	0	0	0
Secretaries	71	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0
Junior Asst.	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Messenger/ Cook	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**1069**	**140**	**58**	**281**	**140**	**24**	**9**	**47**	**143**	**16**	**8**	**41**	**0**	**0**	**0**	**0**

SEBI does not classify its employees into Groups A,B,C,D. The employees of the Board are classified as follows:

a) Officers (Grade A,B,C,D,E,F and Executive Directors)
b) Secretaries (Secretarial Staff, accounts assistants and Library Assistants (Grades A,B,C)
c) Junior Assistants
d) Messenger, Cook and Driver

Annexure-II

Security and Exchange Board of India (SEBI)

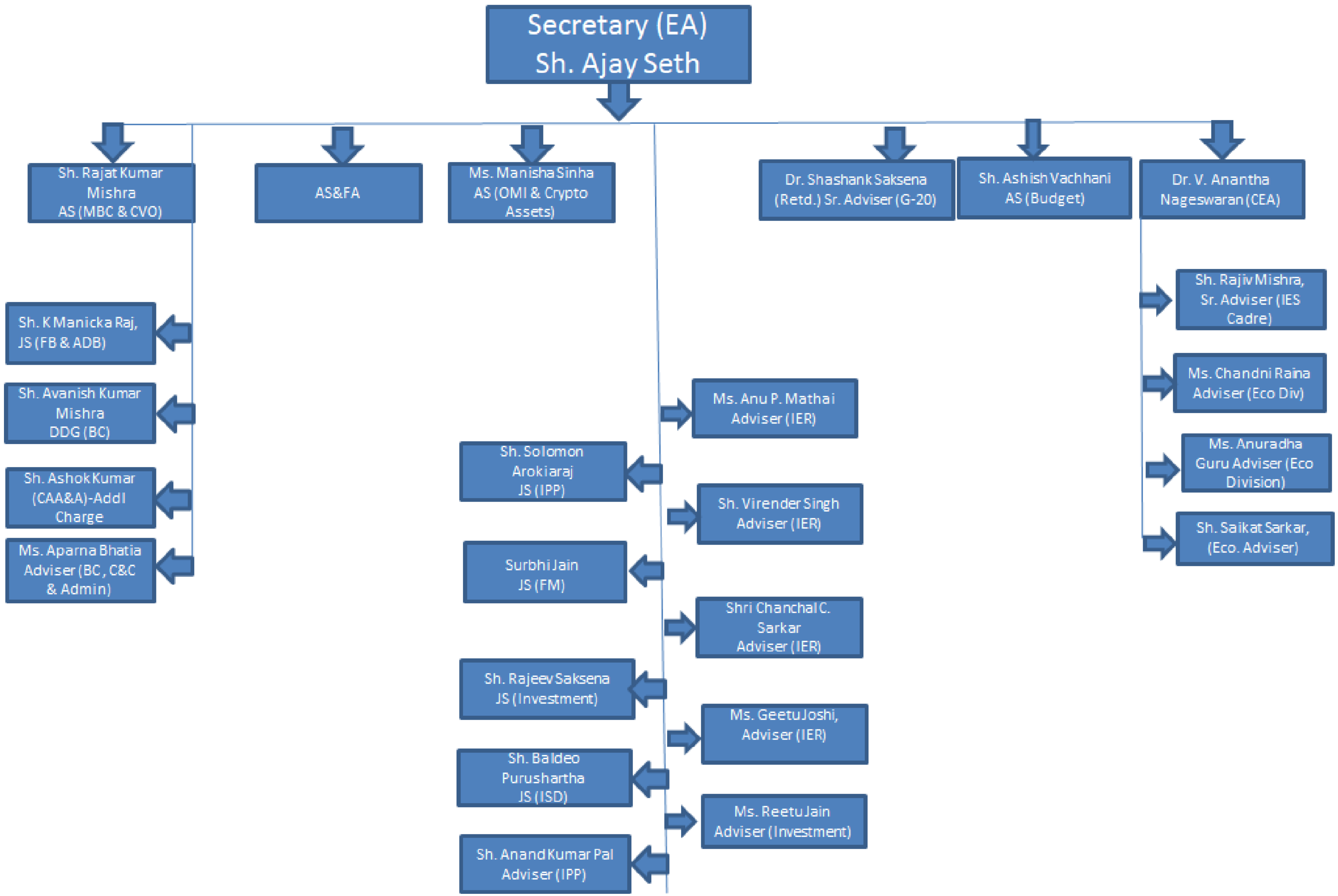
Representation of Persons with Disability(PWD)

					By Direct Recruitment								BY Promotion							
Groups	**No. of Employees**				**No. of Vacancies reserved**				**No. of Appointments made**				**No. of Vacancies reserved**				**No. of Appointments made**			
	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**
Officers	995	14	8	10	-	4	6	0	140	2	1	0	-	0	0	0	143	2	2	1
Secretaries	71	1	0	0	-	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0
Junior Asst.	1	0	0	0	-	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0
Messenger/ Cook	2	0	0	0	-	0	0	0	0	0	0	0	-	0	0	0	0	0	0	0
Total	**1069**	**15**	**8**	**10**	**-**	**4**	**6**	**0**	**140**	**2**	**1**	**0**	**-**	**0**	**0**	**0**	**143**	**2**	**2**	**1**

SEBI does not classify its employees into Groups A,B,C,D. The employees of the Board are classified as follows:

a) Officers (Grade A,B,C,D,E,F and Executive Directors)
b) Secretaries (Secretarial Staff, accounts assistants and Library Assistants (Grades A,B,C)
c) Junior Assistants
d) Messenger, Cook and Driver

ORGANIZATION CHART IN THE DEPARTMENT OF ECONOMIC AFFAIRS



Chapter - II

Department of Expenditure

1. PERSONNEL DIVISION

1.1 The Personnel Division works under the Special Secretary (Personnel) and is responsible for administration of various financial rules and regulations including those relating to personnel matters of Central Government Employees such as regulation of pay and allowances, policy matters on pension, and staffing of Government establishments by creation and upgradation of posts, as also cadre reviews.

1.2 The Division also deals with proposals seeking to alter service conditions and other benefits to Government employees with significant recurring financial implication. Broad instructions on Expenditure Management, including economy measures and measures for improving quality of expenditure such as through Utilisation Certificates (UC) are issued by the Personnel Division.

1.3 This Division administers the General Financial Rules and the Delegation of Financial Powers Rules including issue of clarifications/ amendments thereto, and coordinates with Financial Advisors of all Ministries/ Departments of the Central Government. All legislative proposals with general financial implications are scrutinized in the Personnel Division.

1.4 The Department of Expenditure (DoE), Ministry of Finance (MoF) receives Capital Acquisition/works proposals from Ministry of Defence pertaining to Army, Navy, Air Force, DRDO and Coast Guard. These proposals are received in MoF after tender evaluation and price negotiations are done by MoD. Ministry of Finance is not involved in the appraisal procedure of these proposals although the proposals have significant financial implications. The position of Ministry of Finance is also unique because a large number of proposals needing approval of CCS originating from Ministries like MEA and MHA are also examined in Ministry of Finance. It is the endeavor of Ministry of Finance to ensure that no duplication of assets are created for meeting similar security environment wherein MoD, MHA or any other Ministry is a stakeholder.

1.5 Service matters pertaining to the Indian Audit and Accounts Service(IA&AS), Indian Civil Accounts Service (ICAS) and Indian Cost Accounts Service (ICoAS) are dealt with by this Division. Administrative assistance to the Finance Ministers' Office is also provided by this Division.

1.6 The Division also handles the overall administration of the Department of Expenditure and also controls the cadre for all Central Secretariat Service(CSS)/ Central Secretariat Stenographer Service (CSSS)/ Central Secretariat Clerical Service (CSCS) upto the level of Section Officers/ Private Secretaries in the Ministry of Finance, apart from coordinating Parliament work as well as Right to Information Act (RTI) matters for the Ministry of Finance as a whole.

1.7 Pay Research Unit (PRU)

1.7.1 The Pay Research Unit was established in 1968 and is mainly responsible for collection, compilation and analysis of data on actual expenditure incurred on pay and various types of allowances as well as data pertaining to the strength of the Central Government Civilian Employees and employees of Union Territory Administration. This unit brings out an Annual Publication titled "Annual report on Pay & Allowances of Central Government Civilian Employees". The brochure provides statistical information regarding expenditure incurred by the different Ministries/ Departments of the Central Government on pay and various types of allowances such as Dearness Allowance, House Rent Allowance, Overtime Allowance, Compensatory Allowance etc. in respect of its regular civilian employees. It also provides information on Ministry-wise/ Department-wise and Group wise number of sanctioned posts and numbers of incumbents in position.

1.8 RTI Cell

1.8.1 The Right to information Act, 2005 is implemented in its true spirit and the information required to be disclosed under the Act has been uploaded on the website of this 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.

1.8.2 RTI Cell works in close coordination with Central Information Commission(CIC) and this Cell updates the quarterly report of this Department on the CIC portal in the matters of RTI and also receives hearing notices from CIC and prompt action is taken on it. During the year 2021-22 under the RTI Act-2005, 1202 RTI applications and 39 appeals received in physical form and 4146 RTI applications and 269 appeals received online were disposed off in a time-bound manner.

1.9 Legal Cell

1.9.1 Legal cell is the 'Nodal Section' of the Department of Expenditure in respect of all legal matters received from Central Registry of Hon'ble Supreme Court of India, various High Courts and Tribunals including other Ministries/Departments and also coordinate with the various branches/sections/divisions of Department of Expenditure and also Ministry of Law & Justice for all court cases. Legal cell also compile the information regarding pending court cases on monthly basis wherein Department of Expenditure is one of the respondent and submit the status report for the appraisal of Finance Secretary and Secretary (Expenditure). Legal Cell do overall supervision of all legal matters including monitoring of court cases on the LIMBS Portal for the updated entries made in LIMBS software by the concerned sections of the Department of Expenditure. The parliament questions received from Department of Legal affairs (DoLA) on legal matters are also being replied by the Legal cell in consultation with various sections of Department of Expenditure.

1.10 Staff Inspection unit (SIU)

1.10.1 The Staff Inspection Unit (SIU) was set up in 1964 with the objectives of securing economy in the staffing of Government organizations consistent with administrative efficiency and evolving performance standards and work norms in Government offices and institutions wholly or substantially dependent on Government Grants. The Scientific and Technical Organizations are not covered within the purview of the SIU but a Committee constituted by the Head of the respective Department, with a representative from SIU as a Core Member, conducts study of such organization.

1.10.2 The Financial Advisors (FAs) are main links between the SIU in the Department of Expenditure and the other Ministries / Departments / Offices / Organizations. All requests for staffing studies by the SIU are routed through the concerned FAs in the Departments. The study reports are issued after 'on the spot' work measurement study are conducted by the SIU Study team which includes discussion with the senior officials of the organization and finalization of the provision as assessment report of the SIU. The final report of the SIU is required to be implemented by the concerned organization within the stipulated period of three months as per the instructions in this regard.

2. PUBLIC FINANCE-STATES DIVISION

2.1 Scheme for Special Assistance to States for Capital Investment/Expenditure

2.1.1 Considering the fiscal environment faced by the State Governments during 2020-21 due to the shortfall in tax revenues arising from the COVID-19 pandemic, 'Scheme for Special Assistance to States for Capital Expenditure' with an allocation of Rs. 12,000 crore, was launched in October, 2020 to assist the States in boosting capital expenditure, which has a higher multiplier effect and enhances the productive capacity of the economy.

2.1.2 Out of special assistance in the form of 50-year interest free loan amounting to Rs. 11,830 crore provided to 27 States except the State of Tamil Nadu, an amount of Rs. 2,441 crore for completing 3 out of 4 Citizen Centric Reforms (One Nation One Ration Card, Ease of Doing Business, Urban Local Bodies Reforms and Power Sector Reforms) was provided to the States of Andhra Pradesh, Madhya Pradesh, Goa, Punjab, Rajasthan, Himachal Pradesh, Manipur, Odisha, Telangana, Tripura and Uttarakhand in the financial year 2020-21.

2.1.3 Scheme of Special Assistance to States for Capital Expenditure was extended for the year 2021-22 with an allocation of Rs. 15,000 crore including an amount of Rs. 5,000 crore earmarked for providing incentive to States for privatisation/disinvestments of the State Public Sector Enterprises (SPSEs) and monetization/recycling of assets.

2.1.4 Out of special assistance in the form of 50-year interest free loan amounting to Rs. 14,186 crore provided to 28 States, an amount of Rs. 539 crore was provided to the State of Madhya Pradesh, as incentive for privatisation/disinvestments of the State Public Sector Enterprises (SPSEs) and monetization/recycling of assets in the financial year 2021-22.

2.1.5 The State-wise details of the total amount approved and released under 'Scheme for Special Assistance to States for Capital Expenditure' in 2020-21 and 2021-22 is given in Annexure-I.

2.1.6 Following the Union Budget Speech for 2022-23 Department of Expenditure, Ministry of Finance the 'Scheme for Special Assistance to States for Capital Investment for 2022-23' has outlined an allocation of Rs. 1.05 lakh crore including an incentive amount of Rs.25,000 crore, in the following six areas. The Part-I of the Scheme has an allocation of Rs. 80,000 crore, which has been allocated amongst States in proportion to their share of Tax Devolution for 2022-23.

2.1.7 Under Part-I of the Scheme for Special Assistance to States for Capital Investment for 2022-23, capital expenditure on capital projects amounting to Rs. 68,592 crore has been approved as on 30.11.2022. Out of the approved Capital Expenditure, an amount of Rs. 31,571 crore has been released to the States except the States of Odisha and West Bengal.

2.1.8 Part-II (PM Gati Shakti related Expenditure) - Rs.5,000 crore: Under Part-II of the Scheme for Special Assistance to States for Capital Investment for 2022-23, capital expenditure on capital projects amounting to Rs. 1,458 crore has been approved and out of approved capital expenditure, entire amount has been released to the States of Andhra Pradesh, Bihar, Gujarat, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Telangana and Tripura as on 30.11.2022.

2.1.9 Part-III (PMGSY) - Rs.4,000 crore: For providing supplemental funding for priority segments including support for the States' share.

2.1.10 Under Part-III of the Scheme for Special Assistance to States for Capital Investment for 2022-23, an amount of Rs. 1,616 crore has been approved towards States' share for priority segments under RCPLWEA and PMGSY-III and out of approved capital expenditure entire amount has been released to the States of Andhra Pradesh, Bihar, Chhattisgarh, Kerala, Madhya Pradesh, Maharashtra and Telangana as on 30.11.2022.

2.1.11 Part-IV (Incentive for Digitisation) - Rs.2,000 crore: The amount earmarked under this part has been allocated amongst States in proportion of the result of allocation criteria, which is based on weighted average of reforms and appropriated population criteria as recommended by Ministry of Electronics and Information Technology.

2.1.12 Part-V (Optical Fiber Cable) - The amount earmarked under this part has been allocated in proportion of result of allocation of criteria, which is based on population and areas of the States as recommended by Department of Telecommunications (DoT), Ministry of Communications. Further, release of funds under this part is recommended by DoT based on compliance of prescribed reforms.

2.1.13 Under Part-V of the Scheme for Special Assistance to States for Capital Investment for 2022-23, capital expenditure on capital projects amounting to Rs. 2,215 crore has been approved and an amount of Rs. 2,011 crore has been released to the States of Andhra Pradesh, Chhattisgarh, Goa, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh and Uttarakhand as on 30.11.2022.

2.1.14 Part-VI (Urban Reforms) - Rs.6,000 crore: Incentive under this Part of the Scheme will be provided on "First Come First Served Basis". Maximum amount of incentive will vary from Rs.100 crore to Rs.1,000 crore for different category of States.

2.1.15 Part-VII (Disinvestment and Monetization)- Rs.5,000 crore: incentives to State Governments for privatization/disinvestment of the State Public Sector Enterprises (SPSEs) and monetization/recycling of assets. Under this Part, maximum amount of incentive is Rs.1,000 crore and will be provided on 'First Come First Served Basis'.

2.1.16 The State-wise details of the total amount approved and released as on 30.11.2022 under Part-I, Part-II, Part-III and Part-V of the Scheme are given in Annexure-II.

2.2 Borrowings of the States

2.2.1 As per the recommendations of the XV-FC, NBC of 3.5 percent of Gross State Domestic Product (GSDP) has been allowed to States for the year 2022-23. The NBC of the States for the year 2022-23 has been fixed at Rs. 8,57,849 crore at 3.5 percent of GSDP of the States.

2.2.2 Further, States have been allowed extra borrowing ceiling equivalent to the employer's and employee's share of contribution of its employees pertaining to financial year 2022-23 actually deposited with the designated authority i.e. 'National Securities Depository limited (NSDL)/ trustee bank as per the guidelines of National Pension System (NPS), over and above, the normal net borrowing ceiling of 3.5% of GSDP for the year 2022-23.

2.2.3 The XV-FC has recommended performance based additional borrowing space of 0.50 percent of Gross State Domestic Product (GSDP) to States in the power sector. This additional borrowing of 0.50 percent of GSDP is over and above the NBC. The objectives of the additional borrowing space are to improve the operational and economic efficiency of the sector, and promote a sustained increase in paid electricity consumption. This special dispensation has been recommended for each year for a four year period from 2021-22 to 2024-25.

2.2.4 For the financial year 2021-22, additional borrowing permission of Rs. 39,175 crore was allowed to 12 States for meeting the stipulated reform criteria. For the financial year 2022-23 also, States are eligible for additional borrowing of 0.5% of GSDP (approx Rs. 1,22,551 crore) linked to performance in power sector. The additional borrowing is allowed based on the recommendation of Ministry of Power after assessment of the performance of the States in power sector as per the guidelines issued by the Department of Expenditure, Ministry of Finance.

2.3 Additional central Assistance for Externally Aided Projects

2.3.1 Additional Central Assistance (ACA) 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 received the assistance for EAPs in grant: loan ratio of 90:10. Based on the recommendations of the Office of Controller of Aid, Account and Audit Division, Department of Economic Affairs, an amount of Rs. 20,239.16 crore has been released against the total Budget Estimates of Rs. 36,002.00 crore under the ACA for EAPs during the financial year 2022-23 under the demand No. 42 upto 30.11.2022.

2.4 Special Assistance to States

2.4.1 States are empowered through the budget line

'Special Assistance to States' for meeting spill over committed liabilities for which Budget provision is not made and other need based assistance to the States. Accordingly, an amount of Rs. 4,681 crore in 2018-19, Rs. 1,624 crore in 2019-20, Rs. 1,949 crore in 2020-21 and Rs. 3,766 crore in 2021-22 were released to states as Special Assistance for meeting contextual needs. Now, in the financial year 2022-23, an amount of Rs. 979 crore has been released (till 30.11.2022) as Special Assistance to the States of Andhra Pradesh, and Arunachal Pradesh. The details of releases are provided in Annexure-III.

2.5 Finance Commission Grants to States

2.5.1 The Finance Commission Division has been entrusted to deal with releases of Finance Commission grants as per recommendations of successive Finance Commissions during their award period.

2.5.2 The recommendations made by the Fifteenth Finance Commission (XV-FC) have been accepted by the Union Government for the award period 2021-22 to 2025-26. For the year 2022-23, the Commission has recommended allocation of an amounting to Rs 1,92,108 crore for Grants-in-aid of revenues of States for Post Devolution Revenue Deficit Grant, grants to Local Bodies including health sector grant and Disaster Management grants under Article 275 of the Constitution. The details of allocation and releases of grants to the State Government under various components during 2022-23 are as under:

S. No.	Components	2022-23 (Rs in crore)	
		Allocation	Releases (up to 22nd November, 2022)
1.	Post Devolution Revenue Deficit Grant	86201.00	57467.33
2	Local Bodies Grants (RLBs & ULBs)	69421.00	28609.16
3	Health Sector Grants to local bodies	13192.00	275.28
4	State Disaster Risk Management Fund (SDRF & SDMF)	23294.00	10975.80
5	**Total (1 to 4)**	192108.00	97327.57
6	National Disaster Risk Management Fund (NDRF & NDMF)	13010.00	886.72
	Grand Total (5+6)	205118.00	98214.29

2.5.3 With respect to Post Devolution Revenue Deficit Grant: In order to meet the gap in the Revenue Accounts of the States post-devolution, the XV-FC has recommended a total Post Devolution Revenue Deficit grant of Rs.86,201 crore to 14 States in the financial year 2022-23, out of which an amount of Rs.57,467.33 crore has already been released

2.5.4 Local Bodies grants (RLBs & ULBs): The XV-FC has recommended a total grants for duly constituted local governments that sum to Rs 69,421.00 crore for the period 2022-23. The inter-se distribution of grants for local bodies among the States is based on population and area in the ratio of 90:10.

2.5.5 The Commission has recommended that 60 per cent of the grants to rural local bodies and for urban local bodies in non-Million-Plus cities should be tied to supporting and strengthening the delivery of two categories of basic services: (a) sanitation, maintenance of ODF status (for Rural Local Bodies), solid waste management and attainment of star ratings as developed by MoHUA (for non-million plus cities / Category-II Cities/ Towns; (b) drinking water, rain water harvesting and water recycling (both for Rural Local Bodies and Urban Local Bodies).

2.5.6 Health Sector grants to local bodies: To strengthen and plug the critical gaps in the health care system at the primary health care level, XV-FC has recommended grants for Health sector to be channelized through Local Governments amounting to Rs.13,192.00 crore for the year 2022-23.

2.5.7 Disaster Management Grants: The Fifteenth Finance Commission for the award period 2021-22 to 2025-26 has made far-reaching changes to strengthen disaster management in the country. The XV-FC has recommended that the total States allocation for State Disaster Risk Management Fund (SDRMF) should be subdivided into two funding windows. Accordingly, the State Disaster Response Fund (SDRF) should get 80 per cent of the total allocation and the State Disaster Mitigation Fund (SDMF) 20 per cent. The Commission has recommended an amount totalling to Rs 23,294.00 crore for SDRMF in the year 2022-23. Similarly, the Commission has recommended that National Disaster Response Fund (NDRF) should get 80 per cent of the total allocation of the National Disaster Risk Management Fund (NDRMF) and balance 20 per cent for National Disaster Mitigation Fund (NDMF).

3. PUBLIC FINANCE CENTRAL DIVISION

3.1 Public Finance (Central) Division is primarily engaged with all issues relating to the Central Plan of the Government of India through various Public Funded Programmes/ Projects/ Schemes of various Central Government Ministries/ Departments. This Division is handled in two untis:- 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 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 CPSE is also done periodically.

3.5 Various issues relating to Food, Fertilizers and Petroleum subsidy, including their quantification extension of assistance to the stake holders are also dealt within this division. This Division is actively involved along with the concerned Department/Ministry, in shaping subsidy policy of the government as to ensure effective targeting coupled with minimum burden on the Government.

3.6 The PFC division also deals with various issues of Direct Benefit Transfer (DBT) in coordination with the DBT Mission, Adhaar seeding 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 in identified measurable outcome in the relevant medium term framework and physical and financial outputs are targeted on a year to year basis, consolidated Outcome Budget 2022-23 was presented in the Parliament as a part of the Budget Documents of 2022-23.

3.8 During the period from 1st April, 2022 to 30th November, 2022, the Expenditure Finance Committee (EFC) Chaired by Secretary(Expenditure) recommended 33 investment proposals/Schemes of various Ministries/ Departments costing Rs. 2,20,073.19 Crore.

3.9 Also during the period, Public investment board (PIB) chaired by Secretary (Exp.) considered and recommended 13 proposals involving an amount of Rs.14,87,373.28 Crore.

3.10 In order to speed up the appraised process, and online portal for uploading EFC/PIB/SFC/DIB proposals to relevant Ministries, receiving comments, fixing dates for the meeting and dispatching minutes after approval has been functional since August, 2017.

3.11 In August, 2021, revised format for appraisal and approval of new Public Funded Schemes were issued, to make it more informative, lucid and to incorporate output/ outcome related targets in a logical framework. This will make the appraisal more structured and effective while placing enhanced emphasis on measurable outputs/ outcomes of public expenditure.

4. PROCUREMENT POLICY DIVISION

4.1 A Public Procurement Cell (PPC) was set up in this Department in June, 2011 to take follow up action on the Report of the Committee on Public Procurement (CoPP) and for related matters such as drafting of rules and setting up of a Central Public Procurement Portal. The Cell was gradually strengthened and a Division called Procurement Policy Division (PPD) was created.

4.2 Functions of PPD

The Division deals with the following items of work:-

i. Public Procurement legislation and rules, notifications, orders there under;

ii. Policies relating to Public Procurement including administration of General Financial Rules 2017 on procurement of goods and services and contract management; policies relating to mandatory or preferential procurement;

iii. Matters relating to standardization of procurement related documents;

iv. All matters related to Central Public Procurement Portal (CPPP) set up for publishing information relating to Public Procurement;

v. Matters relating to electronic procurement;

vi. Professional standards to be achieved by officials dealing with procurement and suitable training and certification requirements for the same;

vii. Interface with International bodies on matters relating to Public Procurement.

viii. Matters related to operational issues of Government e-Marketplace (GeM).

ix. Handling of proposals relating to Global Tender Enquiry (GTE) received from all Central Ministries.

4.3 Central Public Procurement Portal & e-Procurement

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

ii. Further, it has also been decided to implement e-Procurement in Ministries/ Departments of the Central Government and instructions have also been issued to all Ministries/ Departments to commence e-procurement in respect of all procurement with estimated value of Rs.2.50 lakh or more in a phased manner. Use of e-procurement has enhanced transparency and accountability and made procurement more efficient. This also helps in monitoring delays and reducing the procurement cycle.

iii. Currently, more than 1.1 Lakh tenders are floated per month using facility of CPPP (including States) which amounts to more than Rs. 21 lakh crore per annum. Apart from it, many procurement organizations like Railways, PSUs like ONGC, BHEL etc. have their own e-procurement portals.

4.4 Government e-Marketplace (GeM)

i. It is mandatory to buy goods/ services from GeM only, which are available on GeM.

ii. In order to promote greater discipline and timeliness in payment to vendors, it has been decided that whenever a CRAC is auto generated or issued by a buyer and payment is not made 10 days thereafter, the buyer organization will be required to pay penal interest @ 1% per month for the delayed payment beyond the prescribed timeline till the date of such payment.

4.5 Capacity Building

It is imperative that the executives/ officers engaged in public procurement process have thorough knowledge of all the relevant rules, regulations and procedures of public procurement. For the purpose, one week Training Program on Public Procurement is conducted in Arun Jaitely National Institute of Financial Management (AJNIFM), Faridabad with a view to educate and familiarize the concerned executives/ officers with all the relevant rules, regulations and procedures of public procurement. Around 2000 officers per annum are being trained. So far, around 10000 officers have already been trained in AJNIFM.

5. OFFICIAL LANGUAGE

5.1 Hindi Section of the Department of Expenditure is responsible for implementation of the provisions made under Official Language Act, 1963 and Official Language Rules, 1976 as amended from time to time. Hindi Section is also responsible for coordinating follow-up action on the suggestions/ directions given by Kendriya Hindi Samiti, Committee of Parliament on Official Language, Hindi Advisory Committee and Central Official Language Implementation Committee. Other responsibilities of the section include implementation of various incentive schemes to enhance use of Hindi in official work, facilitation in nomination of officers/ employees for Hindi language training and organization of Hindi Diwas/week/ fortnight. In addition to these, efforts for achieving annual targets set by Department of Official Language with regard to usage of Hindi in official work are made in association with the other sections/divisions/offices in the Department.

5.2 To increase original correspondence with other Offices/individuals in Hindi, letters/circulars are issued to sections/divisions/offices from time to time. As per quarterly progress report for the quarter ended on 31st September, 2022. The original correspondence in Hindi with Region "A", "B" and "C" is 55.63%, 49.00% and 30.92% respectively.

5.3 Meetings of the Departmental Official Language Implementation Committee were held on 7th April, 2022, 22nd June, 2022 and 9th September, 2022 in which reports for quarters ending 31st December, 2021, 31st March, 2022 and 30th June, 2022 received from the sections/ divisions/ offices of the Department were reviewed. Quarterly Progress Reports regarding progressive use of Hindi received from sections/offices of the department are reviewed in detail keeping in view the targets prescribed in the Annual Program. Wherever shortcomings were found, they are advised to rectify/ improve usage of Hindi in official work.

5.4 Replies of letters received from members of Parliament and other VIPs were promptly sent and follow up action ensured. During the period under reference, replies to all the letters received in Hindi were compulsorily given in Hindi under rule 5 of the Official Language Rules 1976. Also, official language inspection of Eleven Sections/Divisions/Offices was conducted. During inspection their work was found satisfactory and suggestions were also given to them to further improve the progress of Official Language Hindi.

5.5 The Policy of the Government with regard to the propagation and spread of the Official Language is that the use of Hindi as Official Language may be increased with motivation, encouragement and goodwill. Hindi workshops are organized from time to time for the employees of the department to help them solve the practical difficulties in working in Hindi. This year, Hindi workshops were organized in the department on June 2, 2022 and September 9, 2022, in which problems faced while filling quarterly progress reports and annual evaluation reports were addressed and employees were motivated to do noting on files originally in Hindi. "Hindi Fortnight" was observed in the Department from 14-28 September, 2022 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 Typing on Computer, Poem Writing and Hindi dictation-handwriting were organized to encourage the employees to work in Hindi and create a conducive atmosphere. In addition, a Campaign was launched for undertaking more and more work in Hindi (minimum 2000 words) during the period from 01st to 30th September, 2022. This year, Consolation prizes are increased to 5. Several officers and employees of the Department took part in these competitions/campaigns enthusiastically. Along with this, in order to promote work in Hindi, this year, the 'Incentive scheme for noting/ drafting in official work originally in Hindi', promoted by the Department of Official Language, has also been implemented in the Department of Expenditure.

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.31 - 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; and (ii) Other Administrative Services covering the budget for Institute of Government Accounts and Finance, National Institute of Financial Management, Contribution to International Body (AGAOA) and the budget relating to payment of service charges to the Central Recordkeeping Agency for the New Pension Scheme.

6.2 This Unit also monitors the Monthly expenditure under Grant No.31 - Department of Expenditure.

The allocations under Grant No.31-Department of Expenditure are as under:

6.3 The Integrated Finance Unit expeditiously examines and disposes the financial and expenditure proposals pertaining to the Department of Expenditure including the proposals for appointment of consultants, deputation of officers abroad, payments towards Course Fees (including grants-in-aid) to National Institute of Financial Management etc. duly observing austerity instructions issued by the Govt. from time to time.

6.4 The expenditure trend of Grant No.31-DoE is monitored consistently and strict control has been exercised over the expenditure. A report of the review is regularly submitted to the Secretary (Expenditure) on monthly basis through DO letter.

7. CONTROLLER GENERAL OF ACCOUNTS

7.1 The Controller General of Accounts (CGA), in the Department of Expenditure, Ministry of Finance, is the Authority to administer, manage and supervise departmentalized accounts of Government of India. It also provides advice to various Ministries/Departments of Government of India concerning Financial/Accounting matters and is responsible for establishing and maintaining a technically sound Payment and Accounting System.

7.2 The Office of Controller General of Accounts prepares monthly and annual analysis of expenditure, revenues, borrowings and various fiscal indicators for the Union Government. Under Article 150 of the Constitution, the Annual Appropriation Accounts (Civil) and Union Finance Accounts are submitted to Parliament. Along with these documents, an M.I.S Report titled 'Accounts at a Glance' is prepared and circulated to Hon'ble Members of Parliament.

7.3 **Functions:** i) Formulate policies relating to general principles, form and procedure of accounting for the Central and State Governments; ii) Administer the process of payments, receipts and accounting in Central Civil Ministries / Departments; iii) Prepare, consolidate and submit the monthly and annual accounts of the Central Government through a robust financial reporting system aimed at effective implementation of the Government fiscal policies; iv) Coordinate and assist in the introduction of Management Accounting Systems in Ministries/ Departments with a view to optimizing the utilization of Government resources through efficient cash management and an effective Financial Management Information System (FMIS); v) Administer banking arrangements for

(Rs. in crore)

Grant No.	Budget Estimates 2022-23			*Revised Estimates 2022-23		
	Revenue	Capital	**Total**	Revenue	Capital	**Total**
31 – Department of Expenditure	476.88	0.01	**476.89**	-	-	-

Yet to be received.

disbursements of Government expenditures and collection of government receipts and interact with the Central Bank for reconciliation of cash balances of the Union Government; and vi) Establish a sound Human Resource Management System for recruitment, deployment and improve the career profile management of officers and staff, both at the supervisory level and at the operational level within the Indian Civil Accounts Service.

7.4 Financial Reporting - Monthly and Annual

i. The office of the Controller General of Accounts is responsible for Monthly Consolidation of the Union Government Accounts, a detailed analysis of the monthly trends of receipts, payments, deficit and its sources of financing are presented to the Union Finance Minister every month. The documents has over a period of time evolved into an extremely useful tool for monitoring budgetary compliance and a handy MIS reference for decision making. In consonance with the Government's policy towards transparency in public functioning, an abstract of the Union Government accounts is also released every month on the Internet. The data can be accessed at the website http://www.cga.nic.in.

ii. With the advancement of technology this office has started providing flash figures of receipts, payments and deficit to Ministry of Finance for data dissemination and quick management decision. Daily flash figures are provided in the month of March, in order to monitor various financial parameters and targets.

iii. In tune with the development in best practices, Controller General of Accounts' Office also prepares Provisional Accounts of the Government of India within two months of completion of the financial year. The professionalism with which these accounts are prepared is evident from the high accuracy level attained in the last few years as only marginal variations have been observed between the Provisional Accounts and final audited Annual accounts.

iv. The Finance Accounts of the Union Government is submitted to Parliament under the provision of Article 151 of the Constitution of India. The Finance Accounts of the Union Government presents the accounts of receipts and disbursements for the purpose of the Union Government together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets are worked out from the balances recorded in the accounts.

v. The Finance Accounts of the Central Government comprises of the accounts of the Central Government as a whole and includes transactions of Civil Ministries/Departments, Ministries of Defence and Railways and the Departments of Posts & Telecommunication. It presents the accounts of receipts and outflows of the Central Government for the year together with the financial results disclosed by different accounts and other data coming under examination. These accounts include the Revenue and Capital Account, Public Debt account and other liabilities and assets worked out from the balances in the accounts. It is supplemented by the accounts separately presented in the form of Appropriation Accounts for Grants and charged Appropriations. The Finance Accounts is an Auditor's presentation of the general accounts of the Government to Parliament.

7.5 Public Financial Management System(PFMS):

The Public Financial Management System (PFMS) is a web-based online software application designed, developed, owned and implemented by the Office of the Controller General of Accounts. Public Financial Management System aims to provide a sound Public Financial Management System for Government of India (GOI) by establishing a comprehensive payment, receipt and accounting network. It is aimed to achieve (i) "Just in time" transfer of funds and (ii) complete tracking of realization of funds from its release to its credit into the bank account of intended beneficiaries. Public Financial Management System makes a direct and significant contribution to the Digital India Initiative of Government of India by enabling electronic payment and receipt for Ministries/Departments in Government of India.

7.5.1 Through PFMS, Rs. 89.09 Crore Transactions have been done during FY 2022 - 23 (as on 30.11.2022). The Direct Benefit Transfer (DBT) under various social welfare schemes like Scholarships, Subsidy, wages, pensions, cash in lieu of food grains etc. directly in the bank account of the beneficiary is being done for 926 schemes. A total of Rs. 88.46 Crore transactions disbursing Rs. 1,98,191.36 Crore has been achieved in FY 2022-23 (upto 30th November 2022).

7.5.2 **Single Nodal Account (SNA) Implementation**:-

As an important Public Financial Management reform, the fund release mechanism was changed by Ministry of Finance for the Centrally Sponsored Schemes in 2021 that aim at better cash management and best value realization for every rupee spent by the government.

SNA model for Centrally Sponsored Schemes requires every state to designate an SNA for each CSS. Funds are now being released by the State Treasury to the State Nodal Agency's bank accounts. The child agencies can operate the SNA account or open the Zero Balance Accounts. This has resulted into effective and real time monitoring of the funds and expenditure, as the entire funds of the scheme lies in a Single Nodal Account.

As on 12th December, 2022, 3500 State Linked Schemes corresponding to 124 Centrally Sponsored Schemes have been onboarded on SNA Model.

SNA reports have been developed to provide information related to funds released by Government of India, funds transferred by State Treasury to SNA, expenditure done by SNA and unspent balances.

7.5.3 **Central Nodal Agency (CNA) Implementation**:-

With an objective to achieve efficient cash Management, Ministry of Finance introduced revised procedure of funds flow under Central Sector Scheme with effect from 1.4.2022 namely Central Nodal Agency (CNA) System though Public Financial Management System (PFMS). This revised procedure is aimed at enhancing the efficiency of fund flows by using the 'just in time' principle for drawl of funds and thereby ensuring better Cash Management in Government of India.

There are two models of implementation. Under Model I namely TSA Model, CNA and sub-agencies draws funds directly from Reserve Bank of India based on assignment limits. This model is applicable for all schemes having an outlay of more than Rs. 500 crore. For rest of the schemes model 2 is applicable wherein funds are released from Central Government to CNA's scheduled commercial bank account only. Down the ladder agencies can either draw funds from CNA account directly or open zero balance subsidiary accounts mapped with CNA account.

As on 30th November,2022, total 193 Central Sector Schemes are on boarded on CNA system. Out of which 29 are under Model 1 and 164 are under Model 2.

7.5.4 **e-Bill**:- In pursuance of the Digital India Initiative of Hon'ble Prime Minister, it was decided to develop a system to enable end to end digital processing of bills and claims from Vendors, suppliers, contractors and all other types of payees of Government. The system was developed in the Public Financial Management System (PFMS) for the use in all Civil Ministries and Departments. With the initiative of e-bill supported by the revision in the Receipt and Payment Rules, the complete Payment system has become paperless. The system, apart from providing convenience to vendors/suppliers/other claimants in digital upload of their bills is expected to bring about such advantages as shorter bill payment cycle, online tracking of the bill position, more effective audit trails in the payment system, and environmental benefits on account of elimination of paper requirement.

The e-bill system was launched by Hon'ble FM on Pilot basis in 9 of 5 Ministries and Departments on 02-03-2022. As on 1st November, 2022, it is rolled out in 305 Pay & Accounts Offices (PAOs) of 47 Civil Ministries/Departments and 2 Union Territories.

7.6 Technical Advice on Accounting matters

7.6.1 Article 150 of the Constitution provides that "The accounts of the Union and of the States shall be kept in such form as the President may, on the advice of the Comptroller and Auditor General of India, prescribe." Note to Rule 3 of Government Accounting Rules, 1990 provides that "this function is exercised by the Controller General of Accounts, Ministry of Finance (Department of Expenditure) on behalf of the President of India."

7.6.2 Expenditures are classified according to the function, programme, and their economic nature using a fifteen digit numerical code. Receipts are classified according to their nature and source.

7.6.3 In terms of Rule 26 of GAR, 1990, Controller General of Accounts' office administers the 'List of Major and Minor Heads of Account of Union and States (LMMHA)', which contains the classification of account heads upto Minor Head level (and some Sub/Detailed Heads under some of them) in Government Accounts. Any amendment in LMMHA is carried out on advice of the Comptroller and Auditor General of India (C&AG). In cases involving policy on Accounting Procedure, the Budget Division, Department of Economic Affairs, Ministry of Finance is also consulted.

7.6.4 The Object Heads have been prescribed under Government of India's Orders below Rule 8 of Delegation of Financial Power Rules, 1978. The power to amend or modify Standard Object heads and to open new Object Heads rests with the Department of Expenditure of Ministry of Finance on the advice of the Comptroller and Auditor General of India. Department of Expenditure in consultation with Controller General of Accounts' Office, Comptroller and Auditor General of India's (C&AG) Office and Budget Division of Department of Economic Affairs (DEA) have reviewed the Standard Object Heads, the revised Object Heads have been notified on 16.12.2022 and will be implemented with the effect from the financial year 2023-24.

7.7 Treasury Single Account (TSA)

7.7.1 The Expenditure Management Commission (EMC) vide Para 125 of its September 2015 report had recommended to gradually bring all Autonomous Bodies (ABs) under Treasury Single Account (TSA) system. Under Treasury Single Account (TSA) system, all Autonomous Bodies (ABs) in receipt of Grants-in-aid from Central Government have to open assignment limit based account in RBI linked with Central Government Principal Accounts' Offices Account at RBI. Thereby 'Just-in-time' release is ensured against the assignment limit to Autonomous Bodies (ABs). The unutilized balances at the end of the financial year will be written back to Government Account by PAO. The main advantage of the project is towards financial gain on account of savings due to Just in time releases to Autonomous Bodies (ABs) resulting in reduction of borrowings by the Government through RBI. The guidelines for implementation of the Treasury Single Account (TSA) System were issued by Department of Expenditure, Ministry of Finance.

7.7.2 Implementation of Treasury Single Account (TSA) has been extended to 40 group of Autonomous Bodies (ABs), receiving funds amounting to more than Rs. 200 crore each from BE 2021-22 vide Budget Division, Ministry of Finance's OM dated 22-02-2021.

7.7.3 The coverage of the TSA has been further expanded. Ministry of Finance vide OM No. F. No. 1(18)/ PFMS/FCD/2021 dated 9th March, 2022 has issued revised procedures for the flow of funds under the Central Sector Scheme and monitoring utilization of funds released w.e.f 1.4.2022 .

7.8 Revision of Central Government Accounts (Receipts and Payments) Rules, 1983

7.8.1 Central Government Account (Receipts and Payments) Rules, 2022 (RPR, 2022) and Subsidiary Instructions to RPR, 2022 were approved. RPR, 2022 was published in the Gazette of India Notifications on 20.8.2022. RPR 2022 is the revised and updated rules in place of RPR, 1983 and Treasury Rules of the Central Government. RPR, 2022 contain rules regulating the custody of the Consolidated Fund of India, the payment of money into such funds, the withdrawal of money there from, the custody of public money other than those credited to such funds received by or on behalf of the Government of India, their payment into the Public Account of India and the withdrawal of money from such Account and all other matters connected therewith or ancillary thereto. The rules have been prescribed in two parts (i) RPR, 2022 and (ii) Subsidiary Instructions to RPR, 2022 (detailed procedures and forms).

7.8.2 The revision was undertaken to consolidate all instructions and cater to new initiatives in receipts and payments in the light of end-to-end electronic processes of Government receipts, payments and its accounting in the Central Government.

7.8.3 RPR, 2022 and Subsidiary Instructions to rules will enable an improved, efficient and effective framework of Government receipts, payments and its accounting in Central Government.

7.9 Monitoring Cell

Monitoring Cell, Office of the Controller General of Accounts, Department of Expenditure, Ministry of Finance is entrusted with the work of co-ordination of timely submission of Action Taken Notes (ATNs) on C&AG paragraphs, Action Taken Replies (ATRs) on PAC paragraphs and Explanatory Notes (ENs) on saving of Rs. 100 crore and above and excess expenditure as per direction of Public Accounts Committee. Submission of Action Taken Notes/Action Taken Replies and Explanatory Notes are being done through the Audit Paras Monitoring System (APMS) Portal, which facilitates online submission of ATNs/ATRs/ENs to Lok Sabha Secretariat. Monitoring Cell is also administrator of APMS Portal dealing with its development, maintenance and provide Quarterly training to users of APMS Portal.

The number of ATNs/ATRs on C&AG/PAC paragraphs and Explanatory Notes submitted/settled through APMS Portal to the Lok Sabha Secretariat (PAC Branch) during 2022-23, are as under:-

S.No.	Subject	Paras submitted to Lok Sabha Secretariat during 01.04.2022 to 29.11.2022
1.	C&AG Audit Paras	659
2.	PAC Paras	89
3.	Explanatory Notes	18

7.10 Institute of Government Accounts and Finance (INGAF)

7.10.1 The Institute of Government Accounts & Finance (INGAF) is the training arm of the Controller General of Accounts (CGA), Department of Expenditure, Ministry of Finance, Government of India. Initially known as the Staff Training Institute, it was set up in February, 1992 to train personnel in specific areas of accounting, administrative matters and financial management. In the years following its inception, the Institute has evolved to become a premier training centre in the spheres of Government Accounting and Public Financial Management. In addition, the Institute has Regional Training Centres (RTCs) at Chennai, Kolkata, Aizawl and Mumbai.

7.10.2 Customized or Sponsored Training:- The Institute of Government Accounts & Finance (INGAF) is being regularly approached by various organization to provide in-depth training for their staff and officers from Group A, B & C such as Drawing and Disbursing Officers (DDOs)/ Heads of Officers etc. on a variety of subjects. The Institute has formulated and arranged training courses for such organization and while some of these training courses are undertaken on cost sharing basis, in cases of other courses, the entire cost is charged to the concerned departments. Over the last four years (2017-18 to 2020-21), this Institute has conducted training programs for the different organization whose duration spanned from one week to five weeks. Prominent of these include National Investigation Agency (NIA), National Sample Survey Organization (NSSO), Enforcement Directorate (ED), O/o Registrar General of India (ORGI) and so on.

7.10.3 International Cooperation:- The Institute of Government Accounts & Finance (INGAF) is a premier institute in the field of imparting training to participants from countries under ITEC programme in collaboration with Ministry of External Affairs. Besides this, the DPFM participants of Sri Lanka Institute of Development Administration (SLIDA), Sri Lanka have visited Institute of Government Accounts & Finance (INGAF) on several occasion for training on Public Financial management, In addition, several programmes on Public Expenditure Management/Public Financial Management as well as Internal Audit/Risk Audit have regularly been conducted for the participants from Royal Government of Bhutan, the Government of Bhutan, the Government of Afghanistan and Nepal.

Last but not the least, The Institute of Government Accounts & Finance (INGAF) has been functioning as the Secretariat for the Association of Government Accounts Organization of Asia (AGAOA) since November 2007. 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'.

7.10.4 MISSION KARMAYOGI

INGAF continuously thrives to raise its training profile both in terms of magnitude and eminence. To facilitate and build the capacity of the officials, INGAF in collaboration with Capacity Building Commission has meticulously curated the digitized course on FRSR III (Leave Rules), under Mission Karmayogi which has been successfully launched by Hon'ble Finance Minister during iconic week of Azadi Ka Amrit Mahotsav. Similar courses on FRSR-I, FRSR-II, FRSR-IV & FRSR-V are in the process of digitization and will be launched shortly.

8. CHIEF ADVISOR COST

8.1 The Office of Chief Adviser Cost (CAC) is one of the divisions functioning in the Department of Expenditure, Ministry of Finance.

8.2 The Office of Chief Adviser Cost is rendering advice to the Central Government Ministries/ Departments/Organizations on complex Price/Cost related issues and financial matters, which cover a wide spectrum of sectors/areas. It is currently engaged in the following major thrust areas viz. i)Provides inputs for rationalization of cost of projects / schemes of various Ministries / Departments in various committees e.g. Expenditure Finance Committees (EFC), State Finance Committees (SFC), Public Investment Board (PIB), Delegated Investment Board (DIB), Advisory Committee for consideration of Techno-economic viability of Major / Medium, Flood Control and Multipurpose Projects; ii) Revised Cost Committee (RCC) to examine time & cost overruns or projects helps in identification of reasons for time and cost overruns and provide inputs for rationalization of cost; iii) Member of Rate Structure Committee for Directorate of Advertising and Visual Publicity (DAVP) advertisement rates for Print Media, FM Radio, Television, Internet and social media and Governing Body of National Pharmaceutical Pricing Authority (NPPA);iv)Assisting Central Government Ministries/ Departments/ Organizations in solving complex price/ cost related issues, in fixing fair prices for various services/ products and rendering advice to various Ministries/ Departments in cost matters; v)Determination /fixation of fair prices of the products and services supplied/rendered to Government. Some of the major studies are determination of cost / fair price of bank notes and coins supplied by SPMCIL to Reserve Bank of India, rails supplied by SAIL & traction supplied by BHEL to Ministry of Railways, Contraceptives supplied by HLL Lifecare Limited to Ministry of Health & Family Welfare and Continuously Operating Reference Stations (CORS) Services provided by Survey of India etc.; vi) Examination/ verification of claims between Government Departments/ Public Sector Undertakings and suppliers arising out of purchase contracts; vii)Vetting of claims under Price Support Scheme and Price Stabilization Fund for Perishable Agriculture produce and Cereals submitted by Implementing Agencies and State Governments; and viii) Examination of cost estimates, evaluation of the financial feasibility and other financial parameters of the High value Infrastructural Projects like Rail, Highways, Power, Education Sector etc. referred by DoE.

8.3 The Office of CAC is also cadre controlling office for the Indian Cost Accounts Service (ICoAS),which broadly encompasses Recruitment, transfer/posting and career progressions of ICoAS Officers. It also looks after training requirements of the officers for continuous up-gradation of their knowledge and skills, in addition to rendering professional guidance to the ICoAS officers working in different participating organizations. ICoAS has the sanctioned strength of 230 officers and is staffed by Cost Accountants / Chartered Accountants.

8.4 The Office of Chief Adviser Cost completed 46 studies/reports during the period from December, 2021 to November, 2022 following last annual report. The cost-price studies including vetting of claim/compensation completed during this period are detailed below:

(i) Determination of Fair selling price of products/ service where Government/Public Sector Undertaking is the Producer/Service provider as well as the user:- a) Determination of Fair Price of Coins Supplied by India Government Mint (IGM) Hyderabad to RBI during for FY 2019-20; b) Determination of Fair Selling Price of Coin Supplied by IGM-Mumbai to RBI during the FY 2019-20; c) Determination of Fair Price of Coins Supplied by India Government Mint (IGM) Kolkata to RBI during for FY 2019-20;d) Determination of Fair Price of Coins Supplied by IGM-Noida to RBI during FY 2019-20;e)Consolidated Cost Report of Four IGM at Mumbai, Kolkata, Hyderabad, Noida in respect of Fair Price of Coins supplied to RBI during for FY 2019-20;f) Price Fixation of Condoms Manufactured / supplied by M/s HLL Healthcare Ltd. to M/o HFW for the year 2019-20; g) Cost of production and fair selling price of Postal Stationery items produced supplied by SPPH to D/o Posts during 2019-20; h) Fair selling price of Tear Smoke Munitions Manufactured by TSU, BSF during the year 2020-21; i) Fixation of the prices of continuously operating reference station (CORS); j)Supplementary Report on fixation of price of NGADU year 2018-19, REC OSCOM;k)Vetting of price of Ayurvedic and Unani Medicines manufactured by IMPCL for the year 2018-19;l)Fixation of rate of compensation for NGADU supplied by IREL RED for FY 2019-20;m)Determination of Fair Price of Postal stationery items produced and supplied by INP Nasik to D/o Posts during for year 2019-20;n)Study for determination of fair price of Postal items produced and supplied by SPP-Hyderabad during year 2018-19;o) Supplementary Report on fixation of rate of NGADU supplied by OSCOM-MoIP of REC year 2017-18; p)Re-Fixation of Fair Selling Price of Tear Gas Gun and Multi Barrel Launches for year 2020-21; and q) Fixation of Common Hourly Rates and Overhead % for Government of India Press, Temple Street Kolkata, Mayapuri New Delhi and Nashik for year 2019-20, Government of India Mayapuri New Delhi, Minto Road New Delhi and Nashik for year 2019-20.

(ii) Determination of subsidy/Reimbursement of Losses:-a)Vetting of claims of NAFED for reimbursement of losses and recovery of Gains under Price Support Scheme (PSS) for various crops/commodities; b)Subsidy payable to Northern Railway Catering Unit Functioning in Parliament House Complex for the year 2020-21; c) Vetting of claims under Market Intervention Scheme and Price Stabilization Fund for Perishable Agriculture produce and Cereals submitted by Implementing Agencies and State Governments for various years; d) Reimbursement of value of crockery, cutlery etc. handed over to ITPC by Northern Railway; and e) Grant-in-Aid claim in respect of establishment cost & provision for PMO Canteen for FY 2021-22.

(iii) Other studies :- a) Revaluation of compensation payable to the prior allottees of Coal Blocks for 'Mine Infrastructure Other than Land' for various coal blocks; b) Report on cost Analysis of Demand Aadhaar PVC Card Service of Unique Identification Authority of India; and c) Report on compensation payable to UCIL for supplying Uranium Concentrate for year 2019-20.

8.5. Revised Cost Estimates Committees Represented: In pursuance of Ministry of Finance, Department of Expenditure's Office Memorandum No. 24(35)/PF-II/2012 dated 05th August, 2016, Office of Chief Adviser Cost has represented in 122 Committees for Revision of Cost Estimates in various Ministries/ Departments involving a total value of Rs. 1,68,363.41 crore during the current year. Proactive role of this Office in the Revised Cost Committee has facilitated rationalisation of revised cost estimates.

8.6 EFC/PIB Committee Represented: This Office has represented and offered comments in 25 Expenditure Finance Committee (EFC)/Public Investment Board (PIB) meetings in various Ministries/Departments involving a total value of Rs. 30,65,718.32 crore during the period December, 2021 to November, 2022.

8.7 Other Major Committees Represented: Officers of Chief Adviser Cost's Office owing to their expertise in costing/finance/commercial accounting have also served as Chairman/Members on the following major multi-disciplinary Inter-Ministerial/ Expert Committees:- a)Academic Council Meeting of Arun Jaitley National Institute of Financial Management (AJNIFM) for 29th Probationers Training Course (PTC); b) National Pharmaceutical Pricing Authority (NPPA), Department of Pharmaceuticals; c) Advisory Committee on Irrigation, Flood Control and Multipurpose Projects; d) Committee to resolve the issue of interest on delayed payment to HIL India Ltd. under Chairmanship of AS&FA, MoH&FW; e) Board of Governors and the society of the Arun Jaitely National Institute of Financial Management (AJNIFM), Faridabad; f) Governing Body of Tear Smoke Unit, BSF, Tekanpur, (Gwalior);g)Working Group for reviewing the calculation of Benefit-Cost Ratio and Procedure for Revised Cost estimation for Major & Medium Irrigation Flood Control and Multi-purpose projects under the Chairmanship of Member (Water Projects & Planning), Central Water Commission; h)9th Rate Structure Committee under the Chairmanship of AS&FA, Ministry of Information and Broadcasting for DAVP advertisement rates for Print Media; i) Committee to adopt Uniform Format of Accounts in Financial Management of autonomous bodies; j) Committee for Ethanol price to be paid to ethanol suppliers for Ethanol Supply year 2022-23 (1st December, 2022 to 30th November 2023) under the Ethanol Blended Petrol (EBP) Programme; and k) Disposal of Chana procured under Price Support Scheme (PSS) & Price Stabilization Fund (PSF) to States/ UTs at a discounted rate of Rs. 8/- per kg over issue price of utilization under various welfare schemes like Mid-Day-Meal, Public Distribution System, ICDP etc.

8.8 Celebration of Iconic Week of Azadi Ka Amrit Mahotsav: During the Iconic week of Ministry of Finance in the celebration of Azadi ka Amrit Mahotsav from 6th June to 11th June, 2022, various programs/events were organised by Office of Chief Adviser Cost including Seminar on 'Appraisal & Monitoring of Infrastructure Projects- Time and Cost Overruns' with Interaction of Finance Secretary & Secretary Expenditure with Financial Advisers and participants, 'Walkathon from Lodi Garden to Office of CAC', Workshop on 'Vision ICoAS@2047', 'Input Tax Credit under Goods and Service Tax (GST) Act' and 'Cost Accounting Standard 19 on Joint Costs.

9. ARUN JAITLEY NATIONAL INSTITUTE OF FINANCIAL MANAGEMENT (AJNIFM)

9.1 Introduction about AJNIFM

9.1.1 AJNIFM was set up in 1993 as a Society. The Union Finance Minister is the President of the AJNIFM Society and Secretary (Expenditure) is the Chairman of the Board of Governors.

9.1.2 It began with the core objective of imparting training to Officer Trainees (Probationers) of the six organized 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 programs. In the process, AJNIFM has been able to carve a unique identity for itself as a premier institute of Ministry of Finance in professionalizing Public Financial Management and Public Procurement.

9.2 Key achievements

Till November 2022, AJNIFM has conducted 71 Capacity Building/Management Development Programs and 1935 officers have been imparted training. 50 more Capacity Building/Management Development Programmes have been slotted during last December, 2022 to March, 2023 and 1500 officers are expected to be trained.

9.3 Significant developments - Training Programmes

9.3.1 AJNIFM conducts four long term programs. These are as under:

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

b. Master of Business Administration in Financial Management- for mid-level officers of Central and State Governments, Autonomous Bodies & Defence Services.

c. Master of Business Administration (Finance): It focus on Financial Analysis, Financial Modelling & Forecasting, Big Data Analytics and Risk Management etc. The programme is comprehensive in nature, covering all major areas of financial markets viz. Equity, Debt, Mutual Funds, Equity Derivatives, Currency Derivatives and Commodities etc. for mid-level officers of Government & others.

d. Post Graduate Diploma in Government Accounting and Internal Audit (PGDG&IA) - It is a one year programme to upgrade the technical skills of Group-B officers of the Civil Accounts Department.

9.3.2 Apart from its regular long term programs, AJNIFM conducts short term training programs on various aspects of Finance and Public Financial Management. Participants include officers from Central Government, State Government, Autonomous Bodies, PSUs, Defence & Paramilitary Forces etc. These short-term programs deal with specific themes and are specially tailored to address the needs of the participants and sponsoring organizations.

9.4 Collaboration with other Ministries/ Departments

a) AJNIFM has signed a MoU with Research & Information Division of Lok Sabha Secretariat. The objective of MoU is to provide written materials/articles like Commentaries, Briefs, Background Notes on mutually agreed topics to the R&I Division of Lok Sabha Secretariat.

b) AJNIFM has signed a MoU with Jawaharlal Nehru University (JNU). Under this MoU, JNU has recognized AJNIFM as a partner institution and participants of two long term programs will be enrolled with them for award of MBA Degree from academic year 2022.

c) AJNIFM has signed a MoU with Department of Expenditure. This MoU paved the way of setting up of a Procurement Research Centre(PRC) in AJNIFM with the aim to conduct research on different facets of Public Procurement.

d) AJNIFM has signed a MoA with Department of Economic Affairs and various reports are submitted to them in accordance with terms of reference.

9.5 Initiatives taken with reference to the Northeast region.

The programs run by AJNIFM draw participants from all over the country. Recently, a special training program of one week duration on Financial Management & other Financial Rules for State Civil Service officers of Arunachal Pradesh has been conducted from 28th November to 03rd December, 2022. Similar special training programs have been organized for officers of Government of Himachal Pradesh, Uttarakhand, Odisha & Madhya Pradesh.

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

The AJNIFM campus is disabled friendly with retro fittings at most of places. Any grievance received in respect of SC/ST or other weaker sections are duly addressed. As on date, no grievance is pending with the Institute.

9.7 Inputs on e-governance

9.7.1 Dissemination of knowledge on new initiatives of the Government: Whenever there are new initiatives of the Central Government, AJNIFM has been mandated to launch special training drives to cover all Government entities. In fulfilment of this mandate, AJNIFM has run several training programs on Public Procurement including GeM.

9.7.2 Digital Governance: AJNIFM is a partner Institute under NeGD and is successfully delivering capacity building and training programs in e-Governance for all cadres of Government officials. Various training courses run at AJNIFM comprise a component on e-governance invariably.

10. CHIEF CONTROLLER OF ACCOUNTS (FINANCE)

10.1 The Chief Controller of Accounts (CCA) is in overall charge of the payment and accounting set up of the Ministry, supported by three Controller of Accounts, two Deputy Controllers of Accounts, two Assistant Controllers of Accounts, 37 Senior Accounts Officers and approximately 300 other staff members at various levels.

10.2 Function of the CCA (FINANCE)

- Payments and accounting functions of six Departments in Ministry of Finance viz. Department of Economic Affairs, Department of Expenditure, Department of Revenue, Department of Investment and Public Asset Management, Department of Financial Services and Department of Public Enterprises.
- Financial reporting to the Chief Accounting Authority (i.e. the Secretaries of the respective Departments) and to the Controller General of Accounts. The monthly accounts, Appropriation Accounts and Finance accounts pertaining to six departments of the Ministry of Finance are sent to the office of the Controller General of Accounts for their consolidation into the Accounts of Government of India.
- The Scheme of Departmentalization of Accounts had envisaged a system of management accounting O/o CCA prepares monthly and quarterly review statements for receipt and expenditure and submits the same for information of the Secretaries of the Departments. The summary statements are also uploaded on the Ministry's official website.
- Internal Audit is the responsibility of the O/o CCA. In the Ministry of Finance, the Internal Audit Wing undertakes the audit of all DDOs, attached and subordinate offices including Banks who are handling Government Schemes such as Public Provident Fund, Special Deposit Schemes and Senior Citizen Savings Scheme. There are about 145 auditee units within the jurisdiction of internal audit.
- Budget related work for nine (9) Grants pertaining to Department of Economic Affairs, Department of Financial Services, Department of Expenditure, Transfer to States, Department of Revenue, Department of Investment and Public Asset Management and Department of Public Enterprises are vested with O/o CCA.
- 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 Myanmar.
- Accounting and monitoring of Loans advanced to foreign countries.
- Accounting of total receipts and payments in the entire central Government under the CGEGIS (Central Government Employees Group Insurance Scheme) and calculation & accounting of interest liability of GOI under both the savings fund and Insurance fund components of this scheme.
- Provide support for the settlement of C&AG audit Para.
- Responsible for transfer of funds to and from CFI to Public Account. There are 14 such Funds in the Department of Economic Affairs, 2 in Department of Revenue and 1 in Department of Expenditure.

- Formulation of detailed Accounting procedures in respect of the Funds maintained under Public Account of India.
- Settlement of the cases relating to combined pension, pro-rata pension, leave encashment, leave salary and pension contributions, revision of pre-2016 pension cases etc. of the absorbed employees of SPMCIL, after the corporatization of Mints and Presses, in coordination with the Corporate office of SPMCIL, field units and the administrative division in the Ministry.

10.3 Highlights of important functions

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

- Under the Public Financial Management System (PFMS) implemented under the aegis of CGA, scheme wise funds released to the states are visible on the PFMS portal. Under this system, the sanctions are transmitted to Public Financial Management System (PFMS) Portal based on which Inter Government Advices (IGA) are generated and sent to RBI, Nagpur in respect of 28 States. IGA advice in respect of State Government of Sikkim and Delhi are sent to RBI, Delhi by special messenger.
- Grants-in-aid amounting to Rs. 2,17,619.73/- crore towards Externally Aided Projects, Finance Commission Grants including Grants-In-Aid for State Disaster Response Fund & Compensation to State/UT Government for Revenue Loss and Rs.502.74/- crore towards assistance to States from NDRF for calamities of severe nature were released to State government through PFMS portal in Financial Year 2022-23.
- During the Financial Year 2022-23 (up to 30.11.2022) loans of Rs.54,020.46/- crore (Block loans, Back to Back Loans and B2B Loans to states in lieu of GST Compensation shortfall) were released to various state governments.

10.3.2 Internal Audit

a. Internal Audit functions under the control and supervision of the CCA and focuses on the Audit of all the DDOs and subordinate offices including Banks who are handling Government Schemes such as Public Provident Fund, Special Deposit Scheme and Senior Citizen Deposit Scheme. This involves appraisal, monitoring and evaluation of individual schemes and assessment of adequacy and effectiveness of internal controls in general and soundness of financial systems and reliability of financial and accounting reports in particular.

b. The BFI wing of the Internal Audit Wing is mandated to check delayed remittances by banks, of deposits under NSSF and impose penalties on such delayed remittances. Currently, 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 beyond the prescribed (T + 1) day (including holidays).

10.4 Achievements during the year

1) Enrolment of N.S.I. and Indian Economic Service into Employee Information System (EIS).

2) Recovery of outstanding Penal Interest from Banks: Audit of the banks handling PPF-1968, SCSS- 2004 & Sukanya Samridhi Account-2016 scheme is conducted by Office of CCA (Finance) to check delayed remittances under these schemes. A total penalty of Rs. 18,90,81,098.37 have been imposed on banks so far.

Details of Delayed Penal Interest levied on the Banks for PPF, SCSS and SSA (as on 30/11/2022)

(Amount in Rs.)

	PPF	SCSS	SSA	Total
Outstanding as on 31/03/2021	**106883091.62**	**120187586.22**	**4692425.00**	**231763102.84**
Levied during 2021-22	49740.00	1328186.30	13144.40	1391070.70
Recovered during 2021-22	1203694.70	18823236.82	0.00	20026931.52
Contested and dropped during 2021-22	0.00	2770060.00	0.00	2770060.00
Total outstanding as on 31/03/2022	**105729136.92**	**99922475.70**	**4705569.40**	**210357182.02**
Levied during 2022-23 (upto 30/11/2022)	13608748.73	40610096.37	14583694.18	68802539.28
outstanding as on 30/11/2022	**119337885.65**	**140532572.07**	**19289263.58**	**279159721.30**
Recovered during 2022-23 (upto 30/11/2022)	30123576.32	58849444.61	26491.00	88999511.93
Contested and dropped during 2022-23 (upto 30/11/2022)	0.00	457700.00	621411.00	1079111.00
Net outstanding as on 30/11/2022	**89214309.33**	**81225427.46**	**18641361.58**	**189081098.37**

Name of the Schemes

- PPF (Public Provident Fund-1968)
- SCSS (Senior Citizen Saving Scheme-2004)
- SSA (Sukanya Samridhi Account-2016)

3) PFMS has been implemented in all Pay and Accounts offices of the Ministry and all payments are being made through PFMS. Use of cheques as a mode of payment has been more or less eliminated. All payments are now being made electronically. e-bill has been introduced in the PAOs of Ministry of Finance. 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 all the procurements. Officials were provided training on GeM and the procurements are being made through GeM. The procurement/process has now become more streamlined, efficient and transparent. This has considerably reduced the hurdles in the procurement process, providing the purchasing department with more choices and better recordkeeping as the bills are in digital format.

5) All pension cases of this department are being processed through the "Bhavishya Portal" resulting in the expeditious processing of pension related works. The check points in the "Bhavishya Portal" ensures procedural accuracy of the pension cases. Pension cases of Pre-2016 are being revised electronically on the e-portal eppo.nic.in/revision.

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 on PFMS has been successfully done for the Financial Year 2021-22.

7) The Automation of Compilation and Consolidation of Monthly Accounts on PFMS was started from the Month of December, 2020 wherein the PAOs and Pr.AO are able to submit the accounts through their respective Digital Signature on PFMS.

8) Vide Gazette Notification No. S.O. 2718(E) dated 06.07.2021 issued by Government of India, wherein the Department of Public Enterprises has been made part of the Ministry of Finance and the finance advice charge of Department of Public enterprises will be looked after by AS & FA, Ministry of Finance. The PAO (DPE) under Ministry of Finance was set up and PAO functions commenced w.e.f. 01.10.2021 in a record time of 3 months.

9) INDRAA (Internal Debt and Recovery Advanced Application) software has been developed and is running smoothly in the Ist phase of implementation.

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, Department of Expenditure, Ministry of Finance. It has been entrusted with the responsibility of administering the scheme of payment of pension to Central Government (Civil) Pensioners including UTs, Delhi Administration except Railways, P&T and Defense 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 issues raised by Central Civil Pensioners;
- Payment of Additional Relief to the Pensioners/ Family Pensioners covered under National Pension System-Additional Relief Scheme (NPS-AR) (as an interim arrangement). The Pension Rules for National Pension System pensioner have been notified in March, 2021. The process of migration of legacy cases & Fresh Pension cases of old Pension Scheme Pensioners is under process under the guidance of CGA.

11.2 Achievements: The primary function of CPAO is to issue SSAs to the CPPCs of Banks in fresh and revision of pension cases. In the Financial year 2022-23 (as on 24th Nov, 2022), highlights are as follows: -

- 32,456 and 33,857 authorities were issued in fresh and revision of pension cases respectively.

- Projection or estimate for the remaining period:-
  - (i) Fresh Pension Case- 16,000 (Approx.)
  - (ii) Revision of pension case- 17,000 (Approx.)

11.3 To endeavor and improve the ease of living of pensioners and to bring about transparency in the pension authorization process, the recent initiatives taken by CPAO are as follows:

a) Pension Adalats: CPAO is organizing 'Pension Adalat' every year since 2018. However, due to the Covid pandemic, no Pension Adalat was organized in 2021. For the year 2022, it was held on 16th March, 2022 through video conferencing. More than 500 pensioners attended each of the Pension Adalat in 2018 & 2019. Due to the Covid Pandemic, the Pension Adalat was organized through video conferencing facility in 2020 & 2022. Region wise Pension Adalats shall be organized by CPAO to increase the outreach to Pensioners spread across country.

b) Migration of UT Ladakh Pensioners: Subsequent to the creation of Union Territoty of Ladakh (without Legislature), CPAO has successfully migrated the data of pensioners from Treasury system to CPAO in a time bound manner; and their pensions are now routed through CPAO via electronic system.

c) Payment of Gallantry Awards through CPAO: Recently, CPAO has started an online system to pay Gallantry Awards/Police medal Awards through banks along with the pension of the awardee. Earlier, the same was paid by the concerned office. This issue was pending since long & has led to considerable reduction of delay in payment.

d) Training to CPPC's officers: In current year, CPAO has started a new initiative to provide training for hand holding of bank officers for smooth disbursal of pension. First such training by CPAO was held in SBI training Centre Noida in July 2022.

e) AzadiKaAmritMahotsav: The following activities have been undertaken by CPAO to commemorate "AzadiKaAmritMahotsav":-

   i. Wide publicity of the "AzadiKaAmritMahotsav" among the officers/staffs has been done through banners, circulars and website of CPAO.

   ii. The theme of various events under "Hindi Pakhwada-2021 & 2022" such as essay writing, debates, paragraph writing etc. have been centered around "Social, Cultural, Economic and Scientific progress of the country since independence."

11.4 e-Governance Initiatives of CPAO

11.4.1 CPAO is a fully computerized office. A wide range of softwares/packages have been developed/ implemented in this office for streamlining pension authorization, accounting, Grievance Redressal etc. which include:-

(A) 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 15.47 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.

(B) Database Management Software:- Software for comparison of banks' 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.

(C) Electronic Pension Payment System (e-PPO/e-SSA System): CPAO has been making an effort to ensure that pension authorization process becomes completely paperless. At Present, credit of the first pension into the account of pensioner/ family pensioner is carried out immediately on the basis of e-PPO and e-SSA received from CPAO without waiting for the physical copy of the same. This initiative has led to a significant reduction in delays experienced by the pensioners/family pensioners in first credit of pension.

(D) Facilitation Centres along with Token Generation System: In Sep, 2022, a Pensioner Facilitation Centre having an automated token generation system has been established to facilitate pensioners visiting CPAO. The token wise facilitation request/help request is generated for solving the request & helping in smooth disbursal of pension. The generated token report is monitored on regular basis. CPAO is committed to provide the best services to the pensioners.

Annexure-I

State-wise allocation and releases under 'Scheme for Special Assistance to States for Capital Expenditure' in 2020-21 and 2021-22

(Rs. in crore)

Sl. No.	States	2020-21		2021-22	
		Approved	Released	Approved	Released
1	Andhra Pradesh	688.00	688.00	501.7900	501.7900
2	Arunachal Pradesh	232.97	232.97	490.2700	371.1900
3	Assam	450.00	450.00	600.0000	600.0000
4	Bihar	843.00	843.00	1246.5000	1246.5000
5	Chhattisgarh	286.00	286.00	423.0000	423.0000
6	Goa	97.66	97.66	111.0400	111.0400
7	Gujarat	285.00	285.00	432.0000	432.0000
8	Haryana	91.00	91.00	135.0000	135.0000
9	Himachal Pradesh	533.00	533.00	800.0000	800.0000
10	Jharkhand	277.00	277.00	409.5000	246.0000
11	Karnataka	305.00	305.00	451.5000	451.5000
12	Kerala	163.00	81.50	238.5000	238.5000
13	Madhya Pradesh	1320.00	1320.00	1533.0520	1512.3610
14	Maharashtra	514.00	514.00	783.0000	771.7300
15	Manipur	317.16	317.16	288.4695	212.8495
16	Meghalaya	200.00	200.00	300.0000	281.2000
17	Mizoram	200.00	200.00	299.9900	299.9900
18	Nagaland	200.00	200.00	300.0000	300.0000
19	Odisha	471.50	471.50	561.0000	517.1200
20	Punjab	296.50	296.50	223.5000	223.5000
21	Rajasthan	1002.00	1002.00	747.0000	692.4100
22	Sikkim	200.00	200.00	300.0000	300.0000
23	Tamil Nadu	0.00	0.00	505.5000	505.5000
24	Telangana	358.00	358.00	260.9371	214.1371
25	Tripura	300.00	300.00	300.0000	118.5400
26	Uttar Pradesh	976.00	976.00	2224.5000	1483.0000
27	Uttarakhand	675.00	675.00	528.6301	263.9201
28	West Bengal	630.00	630.00	933.0000	933.0000
Total		**11911.79**	**11830.29**	**15927.6787**	**14185.7777**

Annexure-II

State-wise allocation/approval/releases under Part-I to Part-VII of the Scheme for Special Assisgtance to States for Capital Investment 2022-23 (as on 30.11.2022)

(Rs. in crore)

S. No.	States	Part-I			Part-II			Part-III		Part-IV			Part-V			Part-VI	Part-VII	Total Approval	Total Releases
		Allocation	Approved	Release	Allocation	Approval	Release	Approval	Release	Allocation	Approval	Release	Allocation	Approval	Release	Maximum Incentive	Maximum Incentive		
1	Andhra Pradesh	3238.00	3238.00000	1619.00000	202.00	202.00	202.00	229.75	229.75	65.63			126.00	126.00	126.00	700.00	1000.00	3795.75000	2176.75000
2	Arunachal Pradesh	1406.00	1375.90470	672.53235	88.00					35.77			50.00			100.00	1000.00	1375.90470	672.53235
3	Assam	2502.00	2502.00000	1251.00000	156.00					109.54			79.00			500.00	1000.00	2502.00000	1251.00000
4	Bihar	8046.00	7623.91000	3731.95500	503.00	502.93	502.93	125.19	125.19	86.23			265.00			700.00	1000.00	8252.03120	4360.07620
5	Chhattisgarh	2726.00	1679.10000	839.55000	170.00			309.00	309.00	73.86			65.00	65.00	65.00	500.00	1000.00	2053.10000	1213.55000
6	Goa	309.00	309.00000	154.50000	19.00					40.25			50.00	50.00	50.00	100.00	1000.00	359.00000	204.50000
7	Gujarat	2782.00	2782.00000		174.00	174.00	174.00			110.52			154.00	154.00		1000.00	1000.00	3110.00000	174.00000
8	Haryana	874.00	874.00000	392.00000	55.00					83.00			65.00	65.00	65.00	500.00	1000.00	939.00000	457.00000
9	Himachal Pradesh	664.00	664.00000	156.81000	42.00					69.99			50.00	50.00		100.00	1000.00	714.00000	156.81000
10	Jharkhand	2646.00	2646.00000	1323.00000	165.00					69.32			84.00	84.00	84.00	500.00	1000.00	2730.00000	1407.00000
11	Karnataka	2918.00	2918.00000	1459.00000	182.00					143.35			156.00	156.00	156.00	1000.00	1000.00	3074.00000	1615.00000
12	Kerala	1540.00	1540.00000	770.00000	96.00			44.45	44.45	77.29			85.00	85.00	85.00	500.00	1000.00	1669.45000	899.45000
13	Madhya Pradesh	6280.00	6280.00000	3140.00000	393.00			105.34	105.34	112.17			185.00	185.00	185.00	700.00	1000.00	6570.34000	3430.34000
14	Maharashtra	5054.00	5054.00000	2467.22770	316.00	245.00	245.00	228.40	228.40	91.73			286.00	286.00	286.00	1000.00	1000.00	5813.40000	3226.62770
15	Manipur	573.00	573.00000	275.75050	36.00	36.00	36.00			22.81			50.00	50.00	50.00	100.00	1000.00	659.00000	361.75050
16	Meghalaya	614.00	614.00000	307.00000	38.00	20.00	20.00			43.41			50.00			100.00	1000.00	634.00000	327.00000
17	Mizoram	400.00	205.26000	102.63000	25.00	25.00	25.00			22.51			50.00	50.00	50.00	100.00	1000.00	280.26000	177.63000
18	Nagaland	455.00	455.00000	227.50000	28.00	28.43	28.43			20.73			50.00			100.00	1000.00	483.43000	255.93000
19	Odisha	3622.00			226.00					87.33			107.00			500.00	1000.00	0.00000	0.00000
20	Punjab	1446.00	1446.00000	634.90000	90.00	90.00	90.00			73.32			71.00			700.00	1000.00	1536.00000	724.90000
21	Rajasthan	4821.00	4821.00000	2410.50000	301.00					75.96			175.00	175.00	175.00	700.00	1000.00	4996.00000	2585.50000
22	Sikkim	310.00	310.00000	155.00000	19.00					39.38			50.00	50.00	50.00	100.00	1000.00	360.00000	205.00000
23	Tamil Nadu	3263.00	3263.00000	1631.50000	204.00					120.27			184.00	184.00	184.00	1000.00	1000.00	3447.00000	1815.50000
24	Telangana	1682.00	1607.34000	803.67000	105.00	100.00	100.00	573.40	573.40	55.58			90.00			700.00	1000.00	2280.74000	1477.07000
25	Tripura	566.00	566.00000	216.34000	35.00	35.00	35.00			48.45			50.00	50.00	50.00	100.00	1000.00	651.00000	301.34000
26	Uttar Pradesh	14351.00	14351.00000	6512.65680	897.00					80.93			300.00	300.00	300.00	1000.00	1000.00	14651.00000	6812.65680
27	Uttarakhand	894.00	894.00000	317.08540	56.00					65.92			50.00	50.00	50.00	500.00	1000.00	944.00000	367.08540
28	West Bengal	6018.00			376.00					74.73			232.00			1000.00	1000.00	0.00000	0.00000
	Total	**80000.00**	**68591.51470**	**31571.10775**	**4997.00**	**1458.36**	**1458.36**	**1615.53**	**1615.53**	**1999.98**			**3209.00**	**2215.00**	**2011.00**			**73880.40590**	**36655.99895**

Annexure-III

Releases to the States under Special Assistance

(Rs. in crore)

Sl. No.	States	2018-19	2019-20	2020-21	2021-22	2022-23 (30.11.2022)
1	Andhra Pradesh	15.81	350.00	350.00	2785.39	478.8830
2	Arunachal Pradesh	309.73		328.77		500.0000
3	Assam					
4	Bihar	739.47		195.74	250.00	
5	Chhattisgarh					
6	Goa				150.00	
7	Gujarat				431.00	
8	Haryana					
9	Himachal Pradesh					
10	Jammu & Kashmir	85.00	200.00			
10	Jharkhand					
11	Karnataka					
12	Kerala					
13	Madhya Pradesh					
14	Maharashtra					
15	Manipur					
16	Meghalaya					
17	Mizoram					
18	Nagaland	226.80		219.15		
19	Odisha					
20	Punjab					
21	Rajasthan	146.00				
22	Sikkim				150.00	
23	Tamil Nadu					
24	Telangana	450.00		450.00		
25	Tripura	1500.00	698.70			
26	Uttar Pradesh	1200.00				
27	Uttarakhand	8.00	375.00	405.00		
28	West Bengal					
Total		**4680.81**	**1623.70**	**1948.66**	**3766.39**	**978.8830**

Annexure-IVA

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	367	58	13	61	235	12	2	3	4	3	37	8	2	-	27	-	-	-	-	-
Group B	724	123	41	141	419	4	1	-	1	2	10	1	2	-	7	-	-	-	-	-
Group C	320	55	17	86	162	36	4	2	11	19	1	-	-	-	1	-	-	-	-	-
Total	1411	236	71	288	816	52	7	5	16	24	48	9	4	-	35	-	-	-	-	-

Annexure-IVB

DEPARTMENT OF EXPENDITURE

Representation of Persons With Disabilities

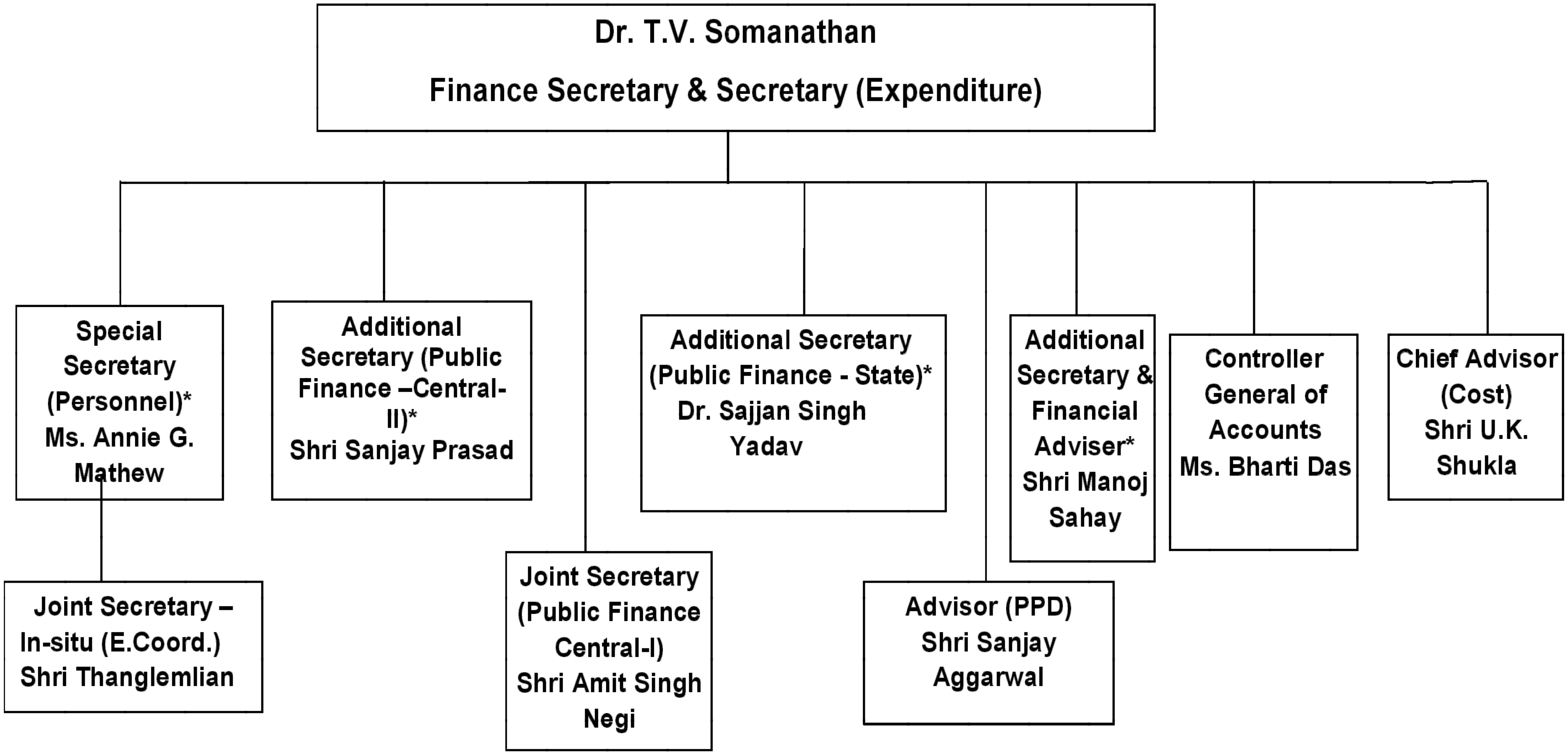
Group	Number of Employees				Direct Recruitment							Promotion						
					No. of vacancies reserved			No. of appointments made				No. of vacancies reserved			No. of appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
A	367	1	-	7	-	-	-	10	-	-	-	-	-	-	5	-	-	-
B	724	-	5	8	-	-	1	-	-	-	-	-	-	-	-	-	-	-
C	320	2	2	2	1	-	2	22	-	-	1	-	2	1	7	-	1	-
Total	1411	3	7	17	1	-	3	32	-	-	1	-	2	2	12	-	1	-

Annexure-IVC

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.	2022	-	-	-	-

ORGANISATIONAL CHART OF DEPARTMENT OF EXPENDITURE



***Note :** The posts of JS (Pers), JS&FA, JS(PFC.II)and JS(PFS) have been temporarily upgraded to SS/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. Central Excise Act, 1944 and related matters;

vi. Customs Act, 1962 and related matters;

vii. Central Sales Tax Act, 1956;

viii. Custom Tariff Act, 1975

ix. Central Excise Tariff Act 1985

x. Narcotic Drugs and Psychotropic Substances Act, 1985;

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

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

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

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

xv. Prevention of Money Laundering Act, 2002;

xvi. Foreign Exchange Management Act, 1999.

xvii. Union Territory Goods & Services Tax Act, 2017

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

xix. Central Goods & Services Tax Act, 2017

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

xxi. Integrated Goods & Services Tax Act, 2017

1.3 The Department looks after the matters relating to the above-mentioned Acts through the following attached/subordinate offices:

i. Commissionerates/Directorates under Central Board of Indirect Taxes and Customs;

ii. Commissionerates/Directorates under Central Board of Direct Taxes;

iii. Central Economic Intelligence Bureau;

iv. Directorate of Enforcement;

v. Central Bureau of Narcotics;

vi. Chief Controller of Factories;

vii. Appellate Tribunal under SAFEMA;

viii. Income Tax Settlement Commission;

ix. Customs and Central Excise Settlement Commission;

x. Customs, Excise and Service Tax Appellate Tribunal;

xi. Authority for Advance Rulings (for Income Tax and Central Excise, Customs & Service Tax);

xii. National Committee for Promotion of Social and Economic Welfare;

xiii. Competent Authorities appointed under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 & Narcotic Drugs and Psychotropic Substances Act, 1985;

xiv. Financial Intelligence Unit, India (FIU-IND);

xv. Adjudicating Authority under Prevention of Money Laundering Act.

xvi. Revision Application Unit.

1.4 A comparison of the collection of Direct and Indirect taxes for the period of F.Y. 2021-22 and F.Y. 2022-23 (provisional) is as follows:

(Rs. in crore)

S. No.	Nature of Taxes	Amount collected	
		2021-22	2022-23 (Provisional) (Up to Nov. 2022)
1.	Corporate Income Tax*	7,12,037.33	4,49,340.94
2.	Personal Income Tax (excluding STT & WT)*	6,73,413.50	4,09,781.92
3.	Other Direct Taxes (WT, STT, etc.)*	26,971.62	18,347.47
4.	**Total Direct Taxes (1+2+3)***	**14,12,422.45**	**8,77,470.33**
5.	GST (CGST, IGST & Comp. Cess)**	6,99,239	5,57,450
6.	Non-GST (Customs, Central Excise & Service [Tax Arrears])**	5,91,548	3,62,080
7.	**Total Indirect Taxes (5+6)****	**12,90,787**	**9,19,530**

* *Source: Pr. CCA (CBDT)*

** *Source: Pr. CCA (CBIC), DG-Systems (CBIC)*

1.5 The details of representation of SCs, STs and OBCs are at **Annexure-I.**

1.6 The details of representation of persons with disabilities are at **Annexure-II.**

1.7 The details of ATNs in respect of audit observations are at **Annexure-III.**

1.8 An Organisation Chart of Department of Revenue is given at **Annexure-IV.**

2. CENTRAL BOARD OF DIRECT TAXES

2.1 Organization and functions

The Central Board of Direct Taxes (CBDT), created by the Central Boards of Revenue Act 1963, is the apex body entrusted with the responsibility of administering direct tax laws in India. CBDT is the cadre controlling authority for the officers of the Indian Revenue Service and controlling authority for the officials of the Income Tax Department (ITD). The CBDT consists of a Chairman and six members and is assisted by the following Directorates:

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

ii) Directorate of Income Tax (Systems)

iii) Directorate of Income Tax (Training)

iv) Directorate of Income Tax (Human Resource Development)

v) Directorate of Income Tax (Vigilance)

vi) Directorate of Income Tax (Legal & Research)

ITD 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 (Pr. CCIT), who are entrusted with the supervision and collection of direct taxes and taxpayer services. The Directors General of Income Tax (Investigation) supervises the investigation functions and deal with tax evasion and unearthing unaccounted income. The Director General of Income Tax (Intelligence and Criminal Investigation) supervises the intelligence gathering and investigation in tax related crimes. The Principal Chief Commissioner of Income Tax (Exemptions) supervises the work 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.

2.2 Media Centre (M&TP)

I. **Dissemination of information related to Direct Taxes**: The Pr. CIT (M&TP), CBDT is in-charge of the Media Centre, set up in the CBDT in August 2006. The Media Centre disseminates information of public value relating to Direct Taxes through the Print and Electronic Media. During the year so far (from 01.04.2022 to 30.11.2022) **54** Press Releases have been 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 ITD.

II. Use of Social Media in spreading awareness and amplifying messaging around Azadi Ka Amrit Mahotsav and Special Campaign 2.0: Awareness about all the major initiatives of the Department, including Azadi Ka Amrit Mahotsav and Special Campaign 2.0 was spread through focused and concerted messaging through Twitter. The national and the regional handles altogether put out 81 Tweets (with a total of 221 pictures/creatives and 13 videos) around Special Campaign 2.0, which garnered a total of 11,49,625 Impressions. The events held as part of the celebration of Azadi Ka Amrit Mahotsav were also given wide dissemination through messaging on Twitter. In all, 243 tweets were put out spreading awareness about the events celebrating Azadi Ka Amrit Mahotsav, which registered 11,78,952 impressions.

2.3 Direct Tax Collection

The Direct Tax Collection as on 30th November, 2022 continue to register a steady growth. Direct Tax Collections upto 30.11.2022 show that gross collections are at Rs. 10,93,385 crore* which is 29.66% higher than the gross collections for the corresponding period of last year. Direct tax collections, net refunds, stands at Rs. 8,77,470 crore which is 22.78% higher than the net collections for the corresponding period of last year. This collection is 61.79% of the Budget Estimates (BE) for Direct Taxes for the F/Y 2022-23.

So far as the growth rate of Corporate Income Tax (CIT) and Personal Income Tax (PIT) in terms of gross revenue collections is concerned the growth rate of CIT is 27.66% while that for PIT (including STT) is 31.97%. After adjustment of refunds, the net growth of CIT collections is 27.09% and that in PIT collections is 19.29% (PIT only)/18.65% (PIT including STT).

Refunds amounting to Rs. 2,15,915 crore have been issued during 30.11.2022 which is 67.82% higher than refund issued during the same period in the preceding year.

*(*Source: Pr.CCA, CBDT)*

2.4 Some Recent Legislative Changes in Direct Tax Laws

I. Provision for taxation of virtual digital asset (VDA): A special provision for taxation of VDA has been provided wherein income from transfer of VDA will be taxed at 30%. No deduction other than cost of acquisition shall be allowed while computing such income. No loss is to be set off against income from such transfer. Further, loss from transfer of VDA cannot be set off against any income. Tax Deduction at Source (TDS) at the rate of 1% has been provided on transfer of VDA. Gifting of VDA will also be taxed in hands of recipient. Thus, clarity in taxation of VDA has been provided.

II. Updated return: To increase ease of voluntary compliance and reduce litigation, a new provision is introduced in the Income Tax Act, 1961 ("the Act"), facilitating the taxpayer to be able to update his return anytime within two years from the end of the relevant assessment year. A taxpayer can file an updated return by voluntarily admitting omissions or mistakes and paying an additional tax as applicable. With the long strides that ITD has made in field of technological advancement and data sharing, there is now a huge amount of information and data available in respect of taxpayers. A formal mechanism of first passively sharing information through AIS and then actively sharing through e-Verification scheme has been recently enabled. Non-intrusive voluntary compliance through this two-pronged approach is devised to enable access to a taxpayer of information available with the Department and to nudge him to correct omissions/errors/ oversights allowing updating of this return of income.

III. In order to provide a level playing field between co-operative societies and companies by removing the existing disparity in the rate of Minimum Alternate Tax payable by them, the rate at which the cooperative societies are required to **pay Alternate minimum tax has been reduced to fifteen per cent** to bring it at par with the corporate. Further, the surcharge on co-operative societies has been reduced from present 12% to 7% for those having total income of more than 1 crore upto 10 crores.

IV. It may be pertinent to note that the introduction of the concessional taxation regime almost coincided with the onset of the COVID-19 pandemic and the subsequent Government imposed lockdowns, Further, the second wave of the pandemic also struck the nation in the first quarter of FY 2021-22. The cumulative impact of the persistence of the COVID-19 pandemic has resulted in delay in setting up of new domestic companies and the commencement of manufacturing or production. In view of the above, Finance Act, 2022 has **extended the outer date of commencement of manufacturing or production of an article or thing for 15% concessional tax rate under section 115BAB of the Act from 31st March, 2023 to 31st March, 2024**.

V. TDS on benefit or perquisite: A person responsible for providing any benefit or perquisite to a resident carrying on business or profession is required to deduct tax at the rate of 10 % of such benefit or perquisite if the value or aggregate of such benefit or perquisite exceeds Rs. 20,000 during the financial year. This is to ensure that such benefit/perquisites are brought to tax.

VI. Provisions pertaining to **bonus stripping and dividend stripping** have been made applicable to securities and units of business trusts and Alterative Investment Funds.

VII. **Concessional tax rate** of 15% on dividend income received by Indian company from specified foreign company has been **withdrawn** w.e.f. assessment year 2023-24.

VIII. In order to widen and deepen the tax-base, it has been provided to make the provisions relating to deduction/collection at higher rates for **non-filers** more stringent by reducing the time period for which **no return has been filed from 2 years to 1 year**.

IX. In order to give effect to **business reorganisation**, amendments were brought in to provide that the **pending assessment or reassessment of the predecessor entity shall be deemed to be carried out on the successor entity**. Further, it has also been provided that modified return shall be filed by the successor entity and the Assessing Officer has been enabled to issue notice of demand, in consequence to such reorganisation.

X. **Avoidance of repetitive appeals on the same question of law:** Taking forward the policy of litigation management, a new provision (section 158AB) is made under the Act wherein if a question of law in the case of an assessee is identical to a question of law pending in appeal before the jurisdictional High Court or the Supreme Court in his case or in any other case, the filing of further appeal to the Appellate Tribunal or the jurisdictional High Court in the case of the assessee shall be deferred till such question of law is decided by the relevant Court subject to certain conditions.

XI. In view of the government's **policy of decriminalization**, provisions have been introduced to make initiation of **prosecution under section 276AB of the Act ineffective from 1st April, 2022** as the underlying offences under this section were omitted in the Act in 2002.

XII. **Income-tax relief** has been provided to the amount received by a taxpayer for **medical treatment of himself or family member from an employer or from any person for treatment of COVID-19** during financial year 2019-20 and subsequent years. The aim of this exemption is to provide relief to taxpayers who suffered on account of COVID-19 and had to incur sum for medical treatment of COVID-19 after taking help from employer or any other person.

XIII. In order to provide relief to the family members of taxpayers who have lost their lives **due to Covid-19**, income-tax exemption has been provided to **ex-gratia payment** received by family members of a person from the employer of such person or from other person on the death of the person on account of Covid-19 during FY 2019-20 and subsequent years. The exemption is allowed without any limit for the amount received from the employer and the exemption is limited to Rs. 10 lakh in aggregate for the amount received from any other persons.

XIV. The existing provisions of the Act allow for deduction of hundred per cent of profit and gains of eligible start-ups for three consecutive years out of ten years , beginning from the year of incorporation, at the option of the assessee. However, due to the circumstances of Covid-19 there had been delay in setting up of such eligible businesses. So to lend a supporting hand to these start-ups, **the period of incorporation of the eligible start-up has been extended to 31.03.2023.**

XV. **Widening the scope of reporting expenditure by entertainment industry:** the scope of reporting of payment above Rs. 50,000 has been expanded to cover person involved in specified activities such as event management, production of programs for telecast on television or over the top platforms etc, other performing arts, sports event management etc. in addition to film production.

XVI. **Parity between employees of State and Central government:** To remove disparity between Central government employees and State government employees with respect to deduction available on employer contribution to the National Pension System (NPS) Tier-I Account, the tax deduction limit on employer contribution has been increased from existing 10% to 14% of salary in NPS Tier-I Account for State Government employees as well.

XVII. **Faceless Schemes**: The procedures for faceless assessment, appeal and levy of penalty under the Income-tax Act have been streamlined by optimizing use of resources through functional specialization and streamlining the procedures to enable efficient implementation.

XVIII. Streamlining of provisions related to taxation of income of charitable institutions: The provisions related to charitable institutions have been streamlined by aligning the provisions of two regimes of exemption, streamlining the provisions related to violations of different provisions and providing clarifications where there were ambiguities.

2.5 ITA Division

ITA Division of Central Board of Direct Taxes is entrusted with the administration and interpretation of specified sections of the Act. The prominent ones being those pertaining to definitions, exemption u/s 10 of the Act, salaries, house property deduction under chapter VIA, profits and gains of business or profession, TDS and capital gains under the Act. It is also entrusted with the responsibility of assigning jurisdiction to various Income-tax authorities. ITA Division also deals with the issues related to collection of Direct Taxes, allocation of Budget Estimates targets and collection of demand.

I. A brief note on the significant works

1. The following measures were taken to avoid genuine hardship and ease compliance burden of the taxpayers:

(i) Condonation of delay under section 119(2)(b) of the Act in the filing of Form 10-IC for Assessment Year 2020-21

With a view to avoid genuine hardship to the domestic companies in exercising the option u/s 115BAA of the Act, Circular No. 06/2022 dated 17.03.20222 was issued condoning delay in filing of Form 10-IC as per Rule 21AE of the Rules for the previous year relevant to A.Y 2020-21 in cases where the condition specified in Circular are satisfied.

(ii) Condonation of delay under section 119(2)(b) of the Act in the filing of Form 10A

With a view to avoid genuine hardship, the Board, in exercise of the powers conferred under section 119(2)(b) of the Act, condoned the delay upto 25.11.2022 in filing Form No.10A under sub-clause (i) of clause (ac) of sub-section (1) of section 12A /clause (i) of first proviso to clause (23C) of section 10/ clause (i) of first proviso to sub-section 5 of section 80G / fifth proviso to sub-section 1 of section 35 of the Act, which was required to be made electronically on or before 31.03.2022.

(iii) Extension of time limits for various compliances under the Act in view of difficulties faced by the taxpayers due to severe covid pandemic and in electronic filing of various reports of audit. The ITA division of the Central Board of Direct Taxes was continuously monitoring the difficulties faced by the taxpayers in view of severe covid pandemic and made timely intervention to reduce the compliance burden of the taxpayers by exercise of its powers under section 119 of the Act as and when required. In this regard, Circular 01/2022 dated 11.01.2022 was issued regarding extension of time limits for compliances under the Act.

(iv) Further, on consideration of difficulties faced by the taxpayers in filing various Audit Reports and Income Tax Returns for AY 2022-23, ITA Division has issued Circular No.19/2022 dated 30.09.2022 and Circular No. 20/2022 dated 26.10.2022 extending the due date for compliances under the Act.

2. Revised Instruction for constitution and functioning of Local Committees to deal with taxpayers' grievances due to high-pitched Scrutiny Assessment:

In line with CBDT's policy and commitment towards providing enhanced taxpayers' services and reduce taxpayers' grievances, CBDT has issued revised Instruction for constitution and functioning of Local Committees to deal with taxpayers' grievances arising out of high-pitched Scrutiny Assessment through F.No.225/101/2021-ITA-II, dated 23rd April, 2022.

II. Matters pertaining to Start-Ups

In line with the Start up India Initiative, in order to provide hassle free tax environment to the Startups, CBDT issued intimation to Startups under clause (ii) of the provision to Section 56(2)(viib) of the Act. 1727 intimations were issued in this period.

This charge runs the Startup Cell created at CBDT for handling redressal of grievances of Startups and addressing its tax related issues. During this period, 45 grievances were solved and disposed of.

2.6 Foreign Tax and Tax Research Division

A. India's Active participation in work related to addressing tax challenges arising from the Digitalization of Economy

I. OECD/ G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) (consisting of 141 jurisdictions) has been working on finding a solution to address the tax challenges arising from digitalization of economy under the mandate of G20. The work explores technical issues to be resolved through two main pillars:

- 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.
- Pillar Two focuses on the remaining BEPS issues and seeks to develop rules that would provide jurisdictions with a right to "tax back" where other jurisdictions have not exercised their primary taxing rights, or the payment is otherwise subject to low levels of effective taxation. It provides for tax rules that will ensure that large and profitable Multinational Enterprises (MNEs) pay a certain minimum amount of tax on their income.

B. Negotiation of Tax Treaties – Multilateral Instrument (MLI), Double Taxation Avoidance Agreements (DTAAs) and Amending Protocols:

I. The Base Erosion & Profit Shifting (BEPS) project of OECD/G-20 for addressing tax avoidance by Multinational Enterprises included Action 15, on the BEPS outcomes and minimum standards that all countries have agreed on. This is being implemented through 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 actively participated in the BEPS project and subsequent to the ratification of the MLI on 25.06.2019, the provisions of the MLI were notified vide Gazette Notification S.O.2887(E), dated 9th August 2019. The MLI entered into force in India from 01st October 2019. India had notified 93 tax treaties in its final MLI Position. As on 30th November 2022, 65 treaty partners have notified their tax treaty with India in their respective MLI positions. As a result, the MLI has modified/is expected to modify 65 tax treaties.

III. Steps have been taken for bilateral revision of existing treaties to make them more relevant & updated by incorporating the provisions, which will align the existing treaties (Double Tax Avoidance Agreements to prevent double taxation and enhance economic cooperation between countries) with the present international standards and the positions taken by India under MLI. The key developments pertaining to DTAAs during FY 2022-23 are as follows:

- With an endeavour to broaden India's treaty network with South American countries, India had successfully negotiated and signed a DTAA with Chile. Ratification from Chile has been received this year. The process for notifying the said agreement is under way.
- The Hon'ble External Affairs Minister, on 24th August, 2022 during his visit to Brazil has signed the Protocol in the India-Brazil DTAA. The process of ratification is to be initiated after receipt of original Protocol from the Mission/MEA.
- The Agreement for the Exchange of Information and Assistance in Collection with respect to Taxes (AEI & ACT) was signed between the Government of India and the St. Vincent & the Grenadines on 19th May 2022.
- Negotiations are being pursued with Algeria and Senegal to finalise the DTAA.
- Negotiations are being pursued with Egypt to finalise the revision of the existing DTAA.
- Negotiations to bring the India-Mauritius DTAA on par with the BEPS Minimum Standard have been completed. The internal processes to ratify the amending Protocol are underway.

C. Coordination with other Multilateral Agencies

i. CIAT

India is an Associate member of the Center for Inter American Tax Administration (CIAT), a multilateral organization focused on cooperation between the tax administrations of different jurisdictions to jointly combat international tax evasion. To achieve this goal, CIAT organizes a range of activities, including studies, workshops, and seminars, where tax administrators can share their suggestions, practices, and experiences. Through these activities, CIAT aims to support tax administrators in their efforts to promote tax compliance and prevent tax evasion.

The 2022 CIAT Technical Conference of the Inter-American Centre of Tax Administration (CIAT) was held on 04th-06th October, 2022 in Grande, Spain. The Conference was in in-person event with the central theme of "The Spaniards Tax Administration: Information and knowledge management to improve the prevention and fight against fraud". As part of the speaker sessions, the head of the delegation from India, Chairman, CBDT, made a presentation on "Tax Services; Access of information to taxpayers and updated return.

Further, a CIAT seminar on "The CIAT Centre for Technological Innovation and Advanced Analytics applications, databases, studies and products generated and under development" was held in Granada, Spain on 7th October, 2022.The seminar saw session on Artificial Intelligence and tax Administration: New CIAT tools like CIAT Public Database-DIP+, toolkit GAAR etc; and Ethics in the Tax Administration. The seminar was attended by Chairman, CBDT.

ii. CATA

India has been a member of the Commonwealth Association of Tax Administrators (CATA) since 1979. As a member of CATA, India has access to a range of benefits, including annual technical workshops, high-quality training programs for tax officials, in-country training programs tailored to the specific needs of members, a quarterly newsletter, consultancy services, research facilities, and information on request. CATA's activities aim to support and improve the capabilities of tax administrators in its member countries.

India, in association with CATA, have facilitated successfully hosting of the 'International Seminar on the Modern Techniques of Investigation and Intelligence Gathering' at National Academy of Direct Tax (NADT), Nagpur in 2017, 2018 and 2020 and in July, 2022, it was held virtually. During 2022, India has participated in 42nd Technical conference held in-person in Nigeria in the month of November, 2022 as well.

D. Cooperation with BRICS Countries on Tax Matters

Co-operation with BRICS countries (Brazil, Russia, India, China and South Africa): BRICS is an important multilateral block that seeks to represent the interests of the developing countries. China held the rotating chairmanship of BRICS for the year 2022 under which Tax Experts and Tax Heads meetings were held in November, 2022. In the Tax Expert's meeting, experts from the Direct Taxes participated and in the Tax Heads meeting, the Revenue Secretary (designate) represented India. In the Tax Heads meetings, the best Practices Reports of the BRICS nations were launched which India witnessed. In the said report, two best practices from India, namely, "AIS and updating of reports" and "Faceless Tax administration" were also included.

E. 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. Being a member of the FTA and its Bureau, India is an active participant in the work programme of the FTA.

II. 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.

III. India has been regularly participating in these projects through emails and virtual meetings and wherever required, comments/inputs are being sent to the FTA Secretariat from time to time. During the year, in-person meetings of the FTA Bureau and the FTA Plenary were held in May, 2022 and September, 2022. The Revenue Secretary attended both the FTA Bureau and the Plenary meetings, being the FTA Commissioner from India. Further, India is now a part of the Senior Working Group of the FTA Tax Administration 3.0 Project, dealing with digitalisation/digital transformation of tax administrations, and attended the first virtual meeting of the Senior Working Group in November, 2022.

F. Indo-Pacific Economic Framework

I. The Indo-Pacific Economic Framework for Prosperity (IPEF) was launched jointly by USA and other partner countries including India on May 23, 2022, at Tokyo. The Framework is structured around four pillars, relating to Trade; Supply Chains; Infrastructure, Clean Energy and Decarbonization; Fair Economy/Tax and Anti-Corruption. At the Ministerial Meetings held in September, 2022, India joined 3 Pillars Supply Chains (Pillar 2), Clean Economy (Pillar 3) and Tax & Anti-corruption (Pillar 4).

II. Within Pillar 4 i.e., Tax & Anti-Corruption, IPEF partner countries will seek to level the playing field for stakeholders within partner countries by preventing and combating corruption, curbing tax evasion, and enhancing transparency, recognizing the importance of fairness, inclusiveness, the rule of law, accountability and transparency. By innovating and strengthening shared approaches to implementing anticorruption and tax measures, the countries will seek to improve the investment climate and boost flows of commerce, trade, and investments among our economies while advancing a free, open, and prosperous Indo-Pacific region.

III. Avenues and opportunities will be explored to pursue provisions and initiatives that support capacity building and provide innovative approaches to technical assistance, sharing of expertise and best practices, development and application of technological innovations in the fields of taxation and anti-corruption.

2.7 Investigation Division

During the Financial Year 2021-22, 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 creation of more advanced systems and processes with due focus on capacity building and greater use of information technology.

i. Search and seizure and survey actions:

During F.Y. 2021-22, search and seizure actions were carried out against 686 groups leading to seizure of assets worth over Rs. 1150 crores. Whereas, during F.Y. 2022-23* (upto August, 2022), search and seizure actions were carried out in 227 groups. The actions in these cases led to seizure of assets worth over Rs. 790 crores.

Further, during F.Y. 2021-22, 1046 surveys were conducted leading to detection of Undisclosed Income over Rs. 5100 crores. Whereas, during F.Y. 2022-23* (upto August, 2022), over 335 surveys were conducted leading to detection of Undisclosed Income over Rs. 1100 crores.

*Figures are provisional

ii. Prosecutions & compounding:

Various measures have been taken by the ITD in the recent past to strengthen the prosecution mechanism with a view to identify the deserving prosecutable cases at the earliest and pursue the same with due seriousness.

During F.Y. 2021-22, 195 prosecution complaints were filed and 11 persons were convicted and 468 cases of compounding applications were accepted. Whereas, during F.Y. 2022-23* (upto August, 2022), 109 prosecution complaints have been filed and 10 persons have been convicted and 216 cases of compounding applications have been accepted.

* 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 ITD under the BM Act, as on 31.03.2022, order u/s 10(3) were passed in 349 cases raising a cumulative demand of over Rs. 13500 crores (subject to fluctuations in currency conversion). Further, as on 31.03.2022, more than 122 prosecution complaints were filed under the BM Act.

Whereas as on 31.08.2022, order u/s 10(3) has been passed in about 390 cases raising cumulative demand of over Rs. 15570 crores (subject to fluctuations in currency conversion). Further, as on 31.08.2022, 125 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, the Department has (till 31.07.2022) identified more than 4200 benami transactions. These include deposits in bank accounts, plots of land, flat etc. Provisional attachment of properties under the Act has been done in more than 2960 cases involving Benami properties of more than Rs. 18400 crores. Further, the Adjudication Authority (First Appellate Authority under the PBPT Act, 1988) has confirmed the provisional attachment order in about 1900 cases involving Benami property of more than Rs. 6000 crores.

2.8 Directorate of Admn. and Tax Payer Services

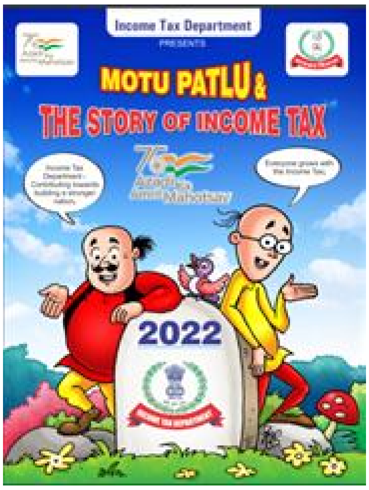
I. Publicity Campaigns: Reaching out to Current Taxpayers: Taxation is a complex subject, and to reach out to taxpayers to both inform and encourage compliance, CBDT has devised interactive and engaging publicity campaigns on all major communication channels. The 'Annual Action Plan' is approved by the Hon'ble Finance Minister. This Action Plan includes publicity campaigns on TV, radio, print media, and social media accounts on Facebook, Instagram, LinkedIn for awareness of Budget announcements, payment of Advance Tax, filing of Returns, TDS statements, Annual Information Returns and other due dates etc.

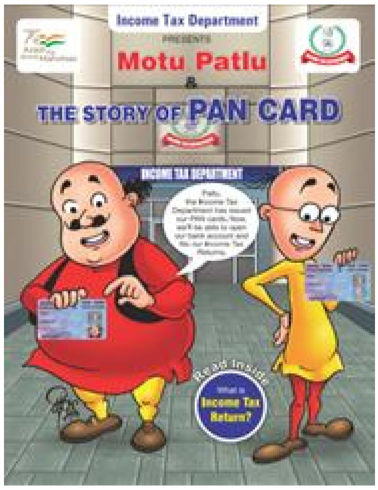
II. Publicity Campaigns: Reaching out to Future Taxpayers: Taxpayer education has been found to be a critical input in promoting voluntary tax compliance. The Income-Tax Department aims to 'catch them young' through the following innovative initiatives:

a. Three comic characters; Jaankari Babu, Tax Pari and Taxa have recently been copyrighted and are being creatively incorporated in the department's media campaigns to create an organic connect with taxpayers and promote a taxpayer friendly image.

b. Innovative products, Augmented/ Virtual Reality (AR/VR) games and comic books which educate and inform taxpayers have been developed to reach out to potential taxpayers and build tax awareness. A series of eight comic books was proposed to actively promote tax literacy in future taxpayers. Three digital comic books comprising "The Story of Income Tax", "The Story of Pan card" and "Tax Pari" were launched by Hon'ble Finance Minister during 'Iconic Week' on 11.06.2022 in Panaji Goa.

The comic books are available for download on https://incometaxindia.gov.in/Pages/comic-books.aspx.





c. Two board games and 1 3D puzzle game for children were also developed by the Directorate and launched by Hon'ble Finance Minister.

- The game "*Snakes, Ladders and Taxes"* through its well-established game pattern intends to encourage good tax practices by being rewarded instantaneously and deters bad tax practices by being penalized instantly in respect of tax events/financial transactions among the players.

- The other board game "Building India" introduces the concept of importance of paying taxes through the use of memory cards based on infrastructure and social projects. It is collaborative in nature wherein every person does their best to win together.

- The 3D puzzle game "India Gate - 3D Puzzle"uses a 3-dimensional model to intuitively teach children that a nation's infrastructure is built on the foundation of taxes paid.

The board games and 3D puzzle have been distributed to schools across the country by the field formations of the Income Tax Department so as to reach the target audience.

III. **Samvaad- Reaching out to taxpayers and stakeholders through chat sessions:** The Income Tax Department organizes interactive chat sessions with the senior officers of the department having expertise on important issues of concern to taxpayers and other stakeholders. These sessions are recorded at its in-house communication centre at Directorate of Income Tax (PR, P&P). Sessions were recorded on 'Updated returns', 'e-Filing', 'Advance Tax', 'Charitable Trusts/Institutions' and 'Ease of doing Business' etc. These sessions are uploaded on department's YouTube Channel and the fliers are posted on the social media handles of the department. The Samvaad series has received wide appreciation with the YouTube channel having clocked close to half a million views on some of the talks aired.

IV. **Iconic Week**: As a part of celebrations of Ministry of Finance, Iconic Week for the department was celebrated during 6th -11th June, 2022. The following events were held during the week:

a. **Launch of Pratidhwani** e-book by Hon'ble Minister of State (Finance) on 7th June, 2022, at Civic Centre, New Delhi. This e-book showcases the growth and reforms in the Department and development of the country through the lens of advertisement published by the Income Tax Department during the period 2000 to 2022 in print and social media.

b. **Launch of Aarohan** e-book by Hon'ble Minister of State (Personnel & Parliamentary Affairs) on 8th June, 2022 at Civic Centre, New Delhi. This e-book showcases the contribution of different batches of Indian Revenue Service to tax administration and reforms undertaken since Independence. The book is designed as a repository or photographs of most IRS batches since Independence.

c. **A Sand Art Sculpture** was prepared live by Padamashri, Shri Sudarshan Patnaik along with his student artists at Puri Beach in Odisha. The sand art sculpture depicted the contribution of direct taxes to national development. The sand art sculpture also highlighted highest direct tax collection ever at Rs.14,09,000/- Crore, during the FY 2021-22. It was virtually launched by the Hon'ble Finance Minister and dedicated to the Nation.

d. **Launch of Board Games, Puzzle and Comic Books** by Hon'ble Finance Minister on 11.06.2022 in Panaji Goa for our future taxpayers.

V. **Other Outreach Activities:** Other outreach activities undertaken by the department and steered by the Directorate, included walkathons, cyclothons, plantation drives, cultural events, Swachhta drives, yoga activities, blood donation camps, seminars, felicitation of taxpayers etc. These were part of *Azadi ka Amrit Mahotsav* celebrations. These outreach activities aimed at sending the message that the Department is conscious of the concerns of its taxpayers and stakeholders.

VI. **Taxpayers' Lounge at the India International Trade Fair 2022:** The "India International Trade Fair", with over 2500 global exhibitors offered a unique platform for staging the best practices being adopted by the department. The Lounge showcased – 'Digitalisation through the Transparent Taxation Platform' launched by Hon'ble Prime Minister for 'Honouring the Honest', comprising 'Faceless assessments', 'Faceless appeals', 'Taxpayers Charter', online grievance redressal, e-filing, E-PAN, and various Taxpayer services for easing voluntary compliance. Specialised counters offered PAN/ e-PAN, Aadhaar PAN linking and queries related to Grievance Redressal.

To interact with our future taxpayers, a Children's Carnival Enclosure was designed with the inhouse Aaycar Video Game, Augmented / Virtual reality game "VR Nation Builders". Kids could also take a picture with the Department's 3 copyrighted comic character mascots- Jaankari Babu, Tax Pari and Taxa. Nukkad Natak, Quiz Shows for adults on the themes of Taxation and Nation Building, Magic Shows, Live Caricature artist and drawing/painting activities were offered with T Shirts, Caps and key chains as prizes. Mascots 'in-costume' i.e., Jaankari Babu and Taxa were hugely popular with kids and adults interacting with them.

The lounge attracted over 7-8000 footfall on weekdays with double the number on weekends. The Income Tax Department was awarded 'Gold Medal' under the category Ministry and Departments, PSU, PSB & Commodity Boards by India Trade Promotion Organisation which lauded the interactive and taxpayer friendly digital initiatives of the Department, showcased in the Lounge.

VII. **Taxpayers' Charter:** The Taxpayers' Charter 2020, defines a taxpayer's rights and obligations under the law. It specifies the Income Tax Department's commitment to its taxpayers.

VIII. **Aaykar Seva Kendras (ASKs):** ASKs have been set up under Sevottam, as per the 12th report of 2nd ARC aimed at Citizen Centric Governance with the aid of modern technology. ASK is a single window mechanism for centralized receipt of returns, applications, grievances, in various Income Tax Offices. Disposal of all communications as well as physical returns received in ASKs can be monitored and reviewed at the highest level, through a robust e-governance framework integrated with the Income Tax Business Application (ITBA) for taxpayer interface.

IX. **E-Nivaran:** In order to ensure better grievance redressal, E-Nivaran accessed through the e-filing portal, is a special electronic grievance redressal system which integrates all the online and physical complaints received by the department. These are monitored by the concerned supervisory authorities. During the FY 2022-23, a special drive was conducted under the aegis of the 'Special Swachhata campaign 2.0.' as per Hon'ble Finance Minister's observation for addressing three R's namely – Returns, Refunds and Redressal of Grievances. All out efforts were made to achieve maximum disposal of E-nivaran grievances. Out of the pending 34,493 E-nivaran cases, 21,799 cases were disposed off. Disposal of E-nivaran grievances during FY 2022-23 has reached upto 98.95%.

3. Central Board of Indirect Taxes and Customs (CBIC)

Introduction:

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 is the apex body for indirect tax administration. It is involved in policy formulation concerning levy and collection of Customs, Central Excise duties, Central Goods & Services Tax (CGST) and Inter-state Goods & Services Tax (IGST), prevention of smuggling and administration of matters relating to Customs, Central Excise, CGST, IGST and Narcotics to the extent which is under CBIC's purview. The CBIC also plays an active role in GST Council meetings and the associated activities of Law Committee which deliberates on all matters brought before the GST Council.

The CBIC constituted under the Central Board of Revenue Act, 1963 consists of a Chairman and six Members who are Special Secretaries to the Government of India. The CBIC personnel supervise the functioning of the subordinate formations which includes Directorates and field formations of Customs, GST Commissionerates and Narcotics formations such as Opium factories and the Central Revenues Control Laboratory.

The field formations are mainly engaged in collection of revenue and are spread across the country. The tax payer's grievances are attended to by these field units of the CBIC on a day to day basis.

The Board is assisted by 19 Directorates who act as adjunct offices and assist the Board in policy formulation. Each Directorate has been assigned with a specific responsibility. The Directorate General of Revenue Intelligence (DRI) is the premier intelligence and investigation agency which collects and collates intelligence relating to Customs duty frauds and smuggling. Similarly, the Directorate General of GST Intelligence is tasked with investigation of GST and Central Excise/ Service Tax matters. Another important directorate is the Directorate of Human Resource Development (DGHRD) which handles all HR matters of CBIC.

After the introduction of GST in 2017, the Directorate of Analytics and Risk Management (DGARM) was created. The DGARM is engaged in data analytics and data mining. The results of the data analytics has helped in detecting large number of fake invoice cases and has helped in augmenting GST collection. The performance of this Directorate has been commendable in the previous two years. The Directorate of Performance Management is tasked with evaluation of performance of the field formations based on laid down parameters. The Directorate of Audit is mandated to carry out audit which is an important tool of compliance verification.

The motto of CBIC is ***"Desh Sevarth Kar Sanchay"***.

3.2 GOODS & SERVICE TAX

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 to the amendment, the GST Council comprising of the Union Finance Minister, MoS, Finance and Finance Ministers of all States, is empowered to make recommendations on matters related to GST Law and tax rates. More than 17 taxes and 13 cesses have been subsumed in GST making India – "One Nation One Tax". The taxes subsumed in GST include erstwhile Central Excise duty (except on 5 petroleum products & tobacco/ tobacco products) and Service Tax.

3.2.2 GST has completed more than 5 years, since its implementation. GST has revolutionized the indirect taxation regime in India and has allowed India to achieve the goal of One Nation, One Tax. However, like every other law, GST is also an evolving law and Government has been sensitive towards the requirements of the trade and industry and is making necessary changes required in law and procedures under GST to address the concerns of the trade so as to make India a favourable destination for investment and to enable India in achieving the Goal of "Atma Nirbhar bharat".

3.2.3 Following decisions have been implemented/ proposed to be implemented in GST during 2022-23:

A. For Easing compliances in GST and Ease of Doing Business:

- **Threshold for mandatory issuance of e-invoice** has been **reduced to Rs. 10 crore from 01.10.2022**. This threshold limit is proposed to be further reduced to **Rs 5 crore** in future, based on the recommendation of the GST council.
- Retrospective amendment made in section 50 of CGST Act with effect **from 01.07.2017** to provide that **interest is required to be paid on the wrongly availed ITC only when the same has been availed as well as utilized**. Also, **rate of interest** on wrongly availed and utilized ITC **reduced to 18% from 24%** with retrospective effect **from 01.07.2017**.
- Vide Notification No. 14/2022-Central Tax dated 05.07.2022, **UPI & IMPS** has been provided as an **additional mode for payment** of GST to facilitate taxpayers and to further encourage digital payment by amending Rule 87(3) of CGST Rules. **This will provide them flexibility and ease in making their GST payment.**
- **Transfer of CGST / IGST cash ledger balance has been allowed between 'distinct persons' (entities having same PAN but registered in different states).**
- Facility has been provided for **withdrawal of refund applications made under GST** by the taxpayers.
- In GST, a mechanism has been prescribed for refund of accumulated ITC on export of electricity.
- **Procedure of sanction** of **IGST Refund** in case of export of goods**, where the exporters have been identified as risky, has been streamlined,** to expedite verification and processing of such claims**.**
- Clarifications issued on various issues related to GST to **clarify doubts and to reduce litigation**
- To facilitate small taxpayers in making supply of goods through e-commerce operators (ECOs), and to provide parity in intra-state offline and online supply of goods, in-principal decision has been taken for waiver of requirement of mandatory registration under GST for intra-state supply of goods through ECOs. Composition taxpayers would also be allowed to make intra-State supply through ECOs subject to certain conditions. **This will open the huge e-commerce market for the small taxpayers to sell their goods without getting mandatory registration which will boost small businesses.**

B. For improving compliance

- To **prevent fake dealers and shell companies to pass on fake credit without filing their GSTR3B** returns and paying taxes, a provision introduced with effect from **01.01.2021 to block filing of GSTR-1** by a taxpayer, **if 2 or more GSTR 3B returns are not filed** by the said taxpayer. This restriction was further tightened and w.e.f. **01.01.2022,** filing of **GSTR-1 is not allowed unless the taxpayer has furnished GSTR-3B** return **for preceding tax period**.
- Filing of **GSTR-1 is made mandatory before filing of GSTR-3B** for a tax period **w.e.f. 01.10.2022**, and filing of **GSTR-1 has been**

made mandatorily sequential w.e.f. 01.10.2022.

- To **tackle the issue of unmatched/non-reported invoices**, **Rule 36(4)** was brought **w.e.f 09.10.2019** to limit the availment of input tax credit by the recipient to **1.2 time**s of the credit available as per details furnished by the suppliers in their GSTR-1. This **limit was reduced in a phased manner to 10% w.e.f. 01.01.2020 and further to 5 % w.e.f. 01.01.2021. The same was finally brought down to zero w.e.f. 01.01.2022.** W.e.f. 01.01.2022, **the input tax credit availment has been limited to the extent of the details furnished by the supplier in GSTR-1/IFF and which has been made available in taxpayer's GSTR-2B.**
- Any person who is **beneficiary of fake invoices** and at whose instance such transactions are conducted **has also been made liable for penal action.**
- Aadhaar authentication made mandatory for filing application for refunds under GST.
- In GST, refund to be given in only those **bank accounts** which are in name and PAN of the applicant.
- Vide Notification No. 23/2022-Central Tax, the Competition Commission of India has been empowered to handle anti profiteering cases related to GST.

3.3 Customs

Reforms carried out by Customs for the year 2022-23

i. CBIC has extended Customs clearances beyond normal working hours in Inland Container Depot(s) on the requirement of the trade: on a 24 x 7 basis; on all seven (7) days of the week (including holidays), with stipulated timings; or beyond normal working hours for specified days in a week and with specified timings.

ii. CBIC undertook key step in decriminalization by revised the guidelines for arrest, prosecution and bail in relation to offences punishable under Customs Act, 1962 by enhancing the threshold value limit for offences. Customs Compounding provisions amended making the compounding of offences more accessible and less discretionary.

iii. CBIC implemented Standard Examination Orders in the Customs system. The said implementation started for goods covered under Assessment Group 4 in all the Customs Stations. This functionality is expected to enhance the uniformity in examination, and lower the time taken in the process as well as reduce associated costs. To harmonize the examination orders across FAGs, the Board has further extended the Standard Examination Orders to the goods under Assessment Group 5 (Chapter 84).

iv. Implementation of Anonymized Escalation Mechanism on ICEGATE which allows importers/ Customs brokers to raise grievances, in delays in Faceless Assessment.

v. **IGCR Rules 2022** : Leveraging the IT driven process of (Import of Goods at Concessional Rate of Duty (IGCR) procedure, more facilitation measures were added, and the coverage has been extended to cover certain end-use notifications and Gold related schemes under this procedure by bringing in Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 superseding the existing rules.

vi. Implementation of Action points mentioned in the National Trade Facilitation Action Plan 2020-23: NTFAP 2020-23 contains total of 66 Action points which have been categorized into 3 categories: Technology, Regulatory and Infrastructure. Total 30 action points have been completed and the implementation of rest of the action points is under process.

vii. National Time Release Study 2022 was released on 11th April 2022: National Time Release Study 2022 is a robust quantitative assessment of the EXIM cargo clearance process in the country, covering the four port categories, viz. seaport, inland container depot, air cargo complex and integrated check posts. Major finding emerging from the National Time Release Study 2022 has been that there has been a gradual reduction in the overall release time for both imports as well as exports. This indicates the effectiveness of the Trade Facilitation reforms initiated by the CBIC to expedite the Customs clearances.

3.4 Tax Research Unit

All issues pertaining to rate of taxes (Customs, GST, Central Excise), including exemptions, are handled by the Tax Research Unit of CBIC.

3.4.1 Tax Research Unit-I (GST on Goods)

A. General policy direction as regards Customs duty rates to give impetus to economic growth:

A1. In recent years, the Customs duty rate structure has been guided by principles/ objectives as under:

- To incentivize domestic manufacturing with increased value addition under **Make in India** and **Atma Nirbhar Bharat** schemes, which interalia envisages imposition of lower duty on raw materials and provide reasonable tariff support to goods being manufactured in India. Accordingly, Basic Customs Duty (BCD) rates have been calibrated.
- To complement the schemes devised by various ministries, this office has designed graded BCD structure under various **Phased Manufacturing Programmes (PMPs)** designed by different ministries viz. for cellular mobile phones, electric vehicles, X-ray machines, wearable devices (smart watches), hearable devices (wireless earphones, bluetooth speakers etc), and smart meters.
- To provide level adequate protection to farmers through tariff barrier on **agricultural produce**,
- To rectify inversions in duty structure.
- To allow **Strategic imports** like defence goods not produced locally at concessional duty.
- To discourage import of **non-essential items**.
- To prescribe **trade remedial dutie**s, like anti-dumping duty, CVD, safeguard duty on dumped and subsidized imports causing injury to the domestic industry.
- **To encourage exports**, by making available the raw material at Nil customs duty and allowing refunds of duty/taxes on inputs. Prominently, gems and jewellery sector, textiles, pharma, leather goods, electronics, fisheries, agriculture have been benefitted by such initiatives relating to exports.

A2. Basic Customs Duty structure consequent to adoption of the above guiding principles for inducing economic growth in India:

- Generally basic customs duty rates of Nil/ 2.5%/5%/7.5% are applied on the inputs/ intermediate products (other than for agriculture and textiles) used for manufacture of finished goods/intermediate goods.
- Finished items of consumption attract higher duty, e.g., items like mobile, television, air-conditioner, refrigerators, washing machine, furniture, jewellery, including imitation jewellery, watches, toys attract higher BCD.
- In Union Budget 2022-23, the Phased manufacturing Programme (PMPs) on smart watches, hearable devices and smart meters were notified to promote manufacturing of these high-technology electronic goods.
- The BCD rates of solar cells and modules were increased from 'Nil' to 25% and 40% respectively to incentivize local manufacturing of these goods.
- Towards providing a level playing field for domestic manufacturers, particularly in the MSME sector, import duty was increased on umbrellas and parts of toys in the Union Budget 2022-23, while concessional rates in capital goods and project imports for sectors such as textiles, petroleum, power, leather etc been provided a gradual phase-out taking their rates to a moderate tariff of 7.5%.
- A comprehensive review of Customs duty exemptions was undertaken in the Union Budget 2022-23 through a process of crowd sourcing and taking inputs from various ministries and about 350 exemptions were withdrawn.
- The Customs tariff was simplified by moving unconditional concessional rates from notifications to the schedule to the Customs Tariff Act, thus making the import duty rates on several sectors like textiles, chemicals and metals to essentially operate through tariff schedule
- To control the rising prices of essential commodities like edible oils, the Government reduced the customs duty rates multiple times over the last year and has extended this concessional duty structure till 31st March, 2023. In the same vein, the effective import duties on Lentils (Mosur), a key food item, was reduced to Nil to arrest food inflation.
- In May 2022, the Central government reduced import duty on imports of raw materials of Steel like Coal, Coke and Ferro-nickel in order to reduce the cost of domestic production of steel products. The duty was restored recently.

- To augment domestic availability export duty was imposed on Ores and concentrates and specified steel products
- Concerted efforts have also been made to remove inversions in duty structure.

B. The Goods and Services Tax:

B1: GST rates for Goods

- GST rates are prescribed based on the recommendations of the GST Council which is a constitutional body comprising of members from both the central government and state governments.
- Based on the decisions of the 47th Meeting of the GST Council held in June 2022, the GST rates on ostomy appliances and some specified orthopaedic appliances like implants were reduced from 12% to 5% providing relief in health care costs.
- IGST on import of Diethylcarbamazine (DEC) tablets supplied free of cost for National Filariasis Elimination Programme was fully exempted.
- Based on the recommendation of the Group of Ministers (GoM) on Rate Rationalization, the GST Council decision in its 47th Meeting of the GST Council, the GST rates were calibrated in July, 2022 on various goods like LED lamps, specific machinery, solar water heaters, specific kinds of leather goods etc to remove inversion in duty structure.
- As per the GoM recommendations, a few exemptions and concessional rates provided in GST were also pruned, with respect to few goods. With respect to specific food items, the scope of exemption was pruned to exclude the goods sold in pre-packaged and pre-labelled retail packs.

C. Central excise duty on Diesel and petrol

C1 Excise duty rates:

- To soften the impact of increasing international prices of crude which led to a sharp rise in retail selling price of petrol and diesel, the Road and Infrastructure Cess (RIC) was reduced by Rs 8 per litre for Petrol and Rs 6 for Diesel. These prices came into effect from 22nd May, 2022.

3.4.2 Tax Research Unit-II (GST on Services)

Following measures have been taken towards rationalization of GST Rates, Atma-nirbhar Bharat, Make-in-India and promotion of ease of doing business during the FY 2022-23:

A. Rationalization of GST Rates of Services

A1 Following changes have been made in Notification No. 11/2017-CT (Rate) dated 28.06.2017:

I. GST rate on transport of goods and passengers by ropeways has been reduced from 18% to 5% (with ITC of services)

II. GST rate of renting of goods carriage with operator where cost of fuel is included in consideration has been reduced from 18% to 12%.

III. GST rate on Services supplied by a foreman of a chit fund in relation to chit has been changed from 12% to 18%.

IV. GST rate on Job work in relation to processing of hides, skins and leather has been changed from 5% to 12%.

V. GST rate on Job work in relation to manufacture of leather goods or footwear has been changed from 5% to 12%.

VI. GST rate on Job work in relation to manufacture of clary bricks has been changed from 5% to 12%.

A2 Exemptions on following services have been withdrawn to correct the inverted duty structure and allow seamless flow of Input tax credit:

I. Services by the Reserve Bank of India.

II. Services provided by Insurance Regulatory and Development Authority to insurers.

III. Services provided by Securities and Exchange Board of India (SEBI)

IV. Services provided by the Goods and Services Tax Network (GSTN) to Government for implementation of Goods and Services Tax

V. Transport of passengers by air in other than economy class embarking from or terminating in an airport located in NE states and Bagdogra.

VI. Services by way of storage or warehousing of commodities which attract tax (nuts, spices, copra, jaggery, cotton etc.)

VII. Services by way of transportation by rail or a vessel from one place in India to another, of railway equipment or materials.

VIII. Services by way of hotel accommodation priced up to Rs. 1000 per day per unit.

IX. Services provided by a clinical establishment, an authorized medical practitioner, or paramedics by way of room (other than ICU) in the clinical establishment for which total amount charged exceeds Rs. 5000 per patient per day.

X. Services provided by operators of common biomedical waste treatment facility by way of treatment or disposal of biomedical waste or the processes incidental thereto.

XI. Entry 23A of Notification No. 12/2017- CT(R) which exempts service by way of access to a road or a bridge on payment of annuity has been deleted w.e.f 01.01.2023.

A3 Other miscellaneous changes:

I. All taxable service of Department of Posts would be subject to forward charge with effect from 18.07.2022. Hitherto certain taxable services of Department of post were taxed on reverse charge basis.

II. In case of tour conducted for a foreign tourist (person located outside India), partially in India and partially outside India, the value of tour operator service, for the purpose of levy of tax, shall be proportionate to the number of days of Indian components of such tour, provided that the taxable value of supply shall not be less than 50% of the total consideration charged for such a tour, including the component outside India.

III. Goods transport agency (GTA) has been given option to GST at 5% or 12% under forward charge; option to be exercised at the beginning of Financial Year. RCM option also continues.

B. Exemption from levy of GST

I. Services by the Department of Posts by way of post card, inland letter, book post and ordinary post (envelopes weighing less than 10 grams) have been exempted from GST irrespective of whether the recipient is an individual or a business entity.

C. Issuance of Clarification:

In addition, various clarification regarding implementation of GST have been issued from time to time to ensure uniformity in accordance with the recommendation of GST Council.

3.5 International Customs Division (ICD)

(i) Agreement between the Government of the Republic of India and the Government of the Republic of the Philippines on Co-operation and Mutual Assistance in Customs Matters was signed on 24th April, 2022. The Agreement aims to enhance cooperation between the two Customs Administrations benefitting both the countries.

(ii) Vide notification No. 39/2022-Customs (N.T.) dated 30.04.2022, CBIC has notified the Customs Tariff (Determination of Origin of Goods under the Comprehensive Economic Partnership Agreement between India and United Arab Emirates) Rules, 2022.

(iii) CBIC endeavours to replace the system of paper certificates of origin (COO) used for preferential trade to e-COO. In the new trade agreements, use of e-COO is being introduced, while for the old FTAs, discussions have been initiated with partner countries. Vide Instruction No. 28/2022-Customs dated 27.10.2022, a mechanism for accepting e-COO has been provided. In addition, CBIC is at an advance stage of development of the Electronic Origin Data Exchange System (EODES) with Korea.

(iv) In order to leverage the vast network of post offices across the country and enable MSME's (Micro, Small and Medium Enterprises) to export to global markets using e-commerce or other regular channels, the CBIC in collaboration with the Department of Posts (DoP) has notified the Postal Exports (Electronic Declaration and Processing) Regulations, 2022. Under the new system, an exporter need not visit a Foreign Post Office (FPO) to file the Postal Bill of Export (PBE) rather, he may file the PBE online from his home/office and handover the export parcel to postal authorities at a nearby booking post office. Postal authorities shall arrange secure transport of export parcel from booking post office to an FPO, where customs clearance shall take place.

(v) Vide Circular No. 09/2022-Customs dated 30.06.2022, CBIC has put in place a simplified regulatory framework for e-Commerce exports of jewellery via International Courier Terminals (ICTs). To accommodate the e-commerce business need, it incorporates a re-import process for return of jewellery. For this purpose, the Courier Import and Exports (Electronic Declaration and Processing) Regulations, 2010 have been amended vide Notification No. 57/2022-Customs (N.T.) dated 30.06.2022.

(vi) Circular No.08/2022-Customs dated 17.05.2022 has been issued to enable exports from Bangladesh to India by rail in closed containers, with clearance at hinterland ICDs. A transhipment module has also been developed in the Indian Customs EDI System to digitize the procedure. This would decongest the border trade points and facilitate Bangladesh's exports.

(vii) Vide Circular No. 17/2022-Customs dated 09.09.2022, CBIC has enabled export of containerized cargo from any Inland Container Depot (ICD) to Bangladesh using a combination of rail/road route and riverine route.

(viii) With a view to leveraging the potential of Inland Waterways for enhancing trade and transit, CBIC has allowed movement of containerized export goods of Bangladesh through India using a combination of riverine and rail routes. This facility, allowed vide Circular No. 19/2022-Customs dated 14.09.2022, involves entry of containerized cargo on a barge/vessel from Bangladesh into India up to the sea port of Kolkata or Haldia using the riverine route. From the sea port of Kolkata or Haldia, the goods will travel by rail to the sea port of Nhava Sheva or Mundra for final export to third countries by sea route. The Circular lays down detailed procedure and documentation and provides for track and trace facility using ECTS (Electronic Cargo Tracking System). This arrangement is expected to save time and cost for the traders by providing an alternate and more efficient trade route.

(ix) Vide Notification No. 112/2022-Customs (N.T.) dated 22nd December, 2022, CBIC gave effect to the Rules of Origin (Chapter 4) of the India-Australia Economic Cooperation and Trade Agreement (India-Australia ECTA).

3.6 CENTRAL EXCISE

The Central Excise and Service Tax Wing deals with the policy issues related to Central Excise and legacy issues of Central Excise & Service tax. With the implementation of GST w.e.f. 01.07.2017, the Chapter V of the Finance Act, 1994, is omitted and the Central Excise Act, 1944 (except as respects goods included in entry 84 of the Union List of the Seventh Schedule to the Constitution), is repealed and there are only 6 Commodities viz. (5 Petroleum Products) Crude Oil, Diesel, Petrol, Natural Gas, Air Turbine Fuel and Tobacco Products on which Central Excise duty is being levied.

The Budgetary Support Scheme under GST was notified by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce & Industry and is being implemented by CX Wing in CBIC. It covers Union Territory of J&K, Himachal Pradesh, Uttarakhand and North Eastern States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura including Sikkim). It provides budgetary support to the eligible units under erstwhile Area-based Exemption Scheme and were availing benefits under the respective central excise exemption notification in the erstwhile regime of Central Excise taxation.

During the current financial year, the Notifications/Circulars/Instructions issued by the Wing are as follows:

a) Notification No. 01/2022-Service Tax dt. 16.12.2022 has been issued by the Central Government to the effect that service tax payable under Section 66B of the Finance Act, 1994, on the “light-dues” collected by the Directorate General of Lighthouses and Lightships under the Lighthouse Act, 1927 for the period from 01.07.2012 to 30.06.2017 shall not be required to be paid

b) Notification No.3/2022-Central Excise (N.T) dt. 20.07.2022 has been issued for the purpose of transfer of appeals filed after the 30th June 2017

c) Notification No.4/2022—Central Excise (N.T) dt. 1.12.2022 has been issued for appointment of the Commissioner of Central Excise and Service Tax (Appeals) as Central Excise Officer for the entire territorial jurisdiction of the Principal Chief Commissioner/Chief Commissioner of Central Excise and Service Tax for the purpose of passing orders-in- Appeal for the CX & ST appeals filed after 30.6.2017

d) Circular No.4/2022—Central Excise (N.T) dt. 1.12.2022 issued for withdrawal of Circular No. 1027/15/2016-CX dated 25.04.2016 regarding excisability of waste/residue arising during the process of Manufacture

e) Instruction CBIC-240137/14/2022-Service Tax-CBEC dt. 28.10.202 regarding Pre-deposit payment method for cases pertaining to Central Excise and Service Tax issued

f) Instruction CBIC-110267/75/2022-CX.VIII dt. 6.10.2022 on Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019

g) Instruction No. 267/55/2020-CX.8(Pt.) dt. 30.5.2022 regarding manual processing of declarations filed by co-notices under Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019 issued.”

3.7 DRAWBACK

3.7.1 Functioning of Drawback Division

Drawback Division in CBIC aims to facilitate trade and enhance ease of doing business while balancing the need for compliance and enforcement of Customs laws. It performs the following functions:

(i) Fixation of All Industry Rates under Duty Drawback scheme, which is a key scheme to rebate the incidence of Customs and Central Excise duties on export products so as make country’s exports zero-rated and competitive in international markets.

(ii) Monitoring of sanction and disbursal of drawback by the field formations; and

(iii) Monitoring along with DGFT of the functioning of all Export Promotion schemes except SEZ, EOU and Gems and Jewellery schemes, which are monitored by the DGEP.

(iv) Fixation of rates for other schemes like Rebate of State and Central Taxes and Levies (RoSCTL) and Remission of Duties and Taxes on Exported Products (RoDTEP).

3.7.2 Important items of work accomplished by the Drawback Division of CBIC during the period 01.01.2022 to 30.11.2022 are as follows:

a. Notification No. 37/2022 dated 30.06.2022 issued vide which exemption from Integrated tax (IGST) and Compensation Cess (C.cess) for import of materials under the AA/EPCG Scheme, which was allowed on 13.10.2017 initially for the period upto 31.03.2018 and has been subsequently extended from time to time, is made available beyond 30.06.2022.

b. Notification No. 75/2022-Customs (NT) dated 14th September, 2022 has been issued to amend RoDTEP Notification No. 76/2021-Customs(N.T.) dated 23.09.2021. The effect of these amendments is the deletion of certain conditions related to transferee-holder of the scrip. Further Circular No. 21/2022-Customs dated 26th September, 2022 has been issued for clarification in this regard.

c. Notification No. 76/2022-Customs (NT) dated 14th September, 2022 has been issued to amend RoSCTL notification. No. 77/2021-Customs (N.T.) dated 24.09.2021. The effect of these amendments is the deletion of certain conditions related to transferee-holder of the scrip. Further Circular No. 22/2022-Customs dated 26th September, 2022 has been issued for clarification in this regard

d. Notification No. 79/2022-Customs (NT) dated 15th September, 2022 has been issued vide which the Electronic Duty Credit Ledger (Amendment) Regulations, 2022, were modified to the extent of validity of e-scrip issued under the EDCL Regulations from 1 year to 2 year from the date of its generation. Further Circular Nos. 21/2022 and 22/2022 both dated 26.09.2022 have been issued for clarification in this regard.

e. **RoDTEP Scheme**: Government has constituted a committee for determination of ceiling rates under Remission of Duties and Taxes on Export Products (RoDTEP) Scheme. Joint secretary (Drawback) was designated as the Secretary to the Committee and Drawback Division served as secretariat. It being a DOC scheme, ceiling rates/caps under the scheme were notified by the Department of Commerce/DGFT based on recommendations of the RoDTEP Committee and discussion with DoR. Subsequent to submission of its final report on 15.03.2021, the Committee was reconstituted on 18.10.2021 to examine anomalies and determination of ceiling rates for SEZ/EOU/Advance Authorization clients. The Committee has submitted its final report on anomalies on dated 20.07.2022 which was forwarded to DoC on 06.10.2022.

f. **Formulation of Budgetary mechanism**: As per directions from Ministry, Drawback Division has successfully brought all the scrip-based export promotion schemes under budgetary mechanism.

3.8 CUSTOMS INVESTIGATION WING

The office of Commissioner Investigation (Customs), CBIC deals Policy matters relating to Search, Seizure, Arrest, Summons, Prosecution and compounding offences under Customs Act 1962 [All legislative matters relating to Chapter XIII, XIV and XVI of the Customs Act, 1962]. This office also deals with matters related to Disposal of various seized and confiscated goods including Gold and Narcotics, MLAT requests, Prosecution of officers under Customs Act, Presidential Awards, Rewards to officers as well as informers, NCORD, Election matters and matter pertaining to FATF Cell in CBIC.

The major activities and policy decisions taken by this office:

➢ **Mass destruction of Narcotics on 'Drug Destruction Day' 08.06.2022**: As a part of the Azadi ka Amrit Mahotsav (AKAM) celebrations, Ministry of Finance celebrated the Iconic Week from 06.06.2022 to 12.06.2022. Within the said week, 08.06.2022, was earmarked as 'Drug Destruction Day'. A total of 44 MTS of assorted drugs (Ganja, Heroin, Methamphetamine, Cocaine, Charas, MDMA, Tablets, Cough syrup, Injections etc.), were destroyed during the initiative. The actual destruction was presided by Hon'ble Finance Minister via VC.

➢ **The Controlled Delivery (Customs) Regulations, 2022:** Section 109A- Power to undertake Controlled delivery into the Customs Act, 1962 was inserted in Customs Act, 1962 vide Finance Act, 2018 empowering Customs officers to undertake controlled delivery of a consignment of goods for the purpose of identifying the persons involved in the commission of the offence or contravention. In this regard, Controlled Delivery (Customs) Regulations 2022 were issued vide Notification No. 59/2022-Customs (N.T) dated 12.07.2022.

- **Passenger Name Record Information Regulations 2022**: Passenger Name Record (PNR) data along with APIS data is a significant tool for passenger risk profiling. India being a party to Chicago Convention and is under obligation to develop capacity for collection, usage and protection of PNR Data. Finance Act, 2017 had introduced legal provisions in the Customs Act, 1962 mandating the collection of PNR data. Accordingly, Passenger Name Record Information Regulations 2022 were issued vide Notification No. 67/2022-Customs (N.T) dated 08.08.2022.

- **Revision of monetary limits for launching of Prosecution in relation to offences punishable under the Customs Act, 1962:** With reference to decriminalization of tax laws emanating from Meeting of Committee of Secretaries, the monetary limits of various offences under the Customs Act, 1962 were revised. Accordingly, the monetary limits were revised vide **Circular 12/2022-Customs dated 16.08.2022** for launching of Prosecution in relation to offences punishable under the Customs Act, 1962 and concomitantly, thresholds for revisions of Arrest and Bail were also enhanced vide the **Circular 13/2022-Customs dated 16.08.2022**.

3.9 GST INVESTIGATION WING

GST Investigation wing of CBIC was created by Instruction No. 01/2018 on 10th September, 2018. Its main work is related to deal with policy issues including legislative matters concerning enforcement aspect viz. search, seizure, arrest, prosecution and compounding under CGST Act, 2017 which eventually refers to GST Policy wing for further implementation. It monitors the work of DGGI and GST field formations in respect of investigation of cases booked and related reports. It also coordinates with DGARM and DGGI in analysing and disseminating intelligence to field formations.

Various activities under taken during this period are as under: -

(a) Government has taken several effective measures to curb the GST evasion including menace of fraudulent Input Tax Credit (ITC) availment based on fake invoices without actual supply of goods and/or services. Besides denting GST revenue, it has a bearing on Income Tax collection, bank finance and money laundering. Government from time to time has taken several measures to prevent GST related offences, which include using robust data analytics and artificial intelligence to identify and track risky taxpayers and detect tax evasion and sharing of data with partner law enforcement agencies for more targeted interventions. A total no. of 12574 and 8960 cases involving amount of Rs. 73238 Cr. and Rs. 76515 Cr. have been booked for GST evasion on various counts during 2021-22 and 2022-23 (upto November, 2022) respectively. Amount realized / recovered during the corresponding period was Rs. 25157 Cr. and Rs. 21085 Cr., respectively. Further, 342 and 131 no. of people have also been arrested during this period respectively.

(b) Transparency and Streamlining enforcement action:

CBIC has issued three instructions during the year 2022-23 on ‘arrests and bail’, ‘summons’, and ‘prosecution’ to streamline enforcement action by its field formations. These instructions have been issued with the intent to maintain the uniformity of practice, sensitize field officers and also to provide transparency in the tax administration.

The essence of the instructions on Arrest is that power to arrest should be exercised judiciously. The arrest should not be made in routine and mechanical manner and reasons to believe to place a person under arrest should be unambiguous and recorded in writing. Further, arrest should not be resorted to in cases of technical nature. Similarly, instructions on launching Prosecution under the CGST Act have been issued for prescribing uniform procedure and time-lines for each step. Further, for twin purposes of optimal utilization of resources available with the department and Government’s intention of de-criminalization of laws, launching of prosecution has been restricted to cases involving more than Rs. 5 Cr. excluding arrest cases. This effectively decriminalizes certain offences involving duty less than Rs. 5 cr even when the same attracts prosecution as per Act.

The instructions on Summons as a measure to secure the presence of a person, accused or witness, also seeks to streamline the process to ensure that exercise of such power is done judiciously and with due consideration.

(c) With the change in the outlook of preventive work, which evolves with the changing trade and industry landscape, as well as the transformed legal landscape of indirect taxes, the need arises to prepare a comprehensive manual for GST Intelligence and Investigation work. A comprehensive document covering various Standard Operating Procedures and instructions is being codified in this regard. The same is presently being finalized and shall be published shortly.

3.10 The Directorate General of Human Resource Development (DGHRD)

With a view to providing a more focused cadre management including time bound career progression in all grades and infrastructure expansion in order to catalyze the Human Resource functions as an engine of progress, the Directorate of Human Resource Development (HRD) was set up in November, 2008 by merging the erstwhile Directorate of Organization &Personnel Management and Directorate General of Housing &Welfare. The new formation was operational w.e.f. 1st December, 2008. Presently, there are four wings in DGHRD namely HRM-I, HRM-II, Infrastructure & Welfare (I&W) and Expenditure Management Cell (EMC).

I. Performance and achievements of HRM-I Wing during the year 2022-23 (up to November 2022): During the year 2022, following major initiatives have been taken by DG (HRM): -

(i) **SPARROW-IRS Module:** For online writing of APAR of Group 'A' IRS officers of Central Board of Indirect Taxes and Customs (CBIC), SPARROW-IRS Module was successfully implemented w.e.f A.Y. 2016-17. For the Assessment Year 2021-22, total 6700 (approx.) APARs/NRCs/Foreign Assignment have been generated in SPARROW module. It also enables the online submission of IPRs by the officers.

(ii) In **SPARROW-CBIC** project, for online writing of APAR of Group B and C officers (Grade Pay 1900 and above) of Central Board of Indirect Taxes and Customs (CBIC), was successfully implemented w.e.f F.Y. 2018-19 and covered more than 50,000 Officers/Staff (Head Havaldar and above) of CBIC. Havaldars and MTS being the feeder grade/ cadre for further promotion to the grades where APARs were already being written online, a need was felt that their APARs also need to be written online. The mapping has now been extended upto Hawaldar and MTS also.

(iii) **Aadharshila**, a portal for monitoring of HRD related priorities and timelines by Zonal/ Directorate Heads was launched by Chairman CBIC on 17th March, 2022. It provides a focused approach to employee development and infrastructure expansion in order to harness the Human Resources as a strategic partner in the symbiotic process of organizational growth and Nation building. It augments the HR Management of CBIC by providing real-time information pertaining to all four wings of DGHRD. The portal is accessible to all Zonal Chief Commissioners/ Directors General and they can obtain various reports such as Missing APARs, APAR Cycle Pendency, Number of APAR Representations at Zonal Level and Monitoring of Comments/ replies on Service Matters.

(iv) **E-Pratiniyukti** – A portal for streamlining and expediting the deputation process for Group A officers has been launched in Sept, 2020. Since it's launch, 1510 applications for deputation have been successfully processed within prescribed time limits in the e-pratiniyukti module till November, 2022.

(v) **Recruitment Rules (RRs) notified during 2022-23 –**Recruitment Rules have been notified for the post of LDC in Field Formations, MTS in Field Formations, Additional Assistant Director in Directorates, Tax Assistant in Directorates, Tax Assistant in Field Formations and Executive Assistant (Directorates).

(vi) **Amendments in Recruitment Rules from 2022-23 –**Various Recruitment Rules have been amended during 2022-23 period in wake of the changing requirements and nature of work under various Grades such as Gr-C posts of Directorates viz. MTS, Steno Gr-II, LDC, Havaldar and Head Havaldar, Havaldar in Field formations, Havaldar in Directorates, Steno GR-I in Directorates and Executive Assistant in Field Formations.

II. Performance and Achievements of HRM-II wing of DGHRD

(i) Half-Year Booklet was finalized (as on 01.07.2022).

(ii) Finalization of SOP for Physical Examination Test/Physical Standard Test (PET/PST) for the post of Havaldar-2021 examination.

(iii) Recruitment Drive was conducted on Mission Mode.

(iv) **Civil List 2022 :** Civil List of IRS (C and IT) officers as on 1st day of January 2022 was released by CBIC. It comprises basic information including color photographs of the officers. Also, a symbolic depiction of a medal against the names of Presidential Awardees and Picture gallery of past Chairpersons of CBIC, have been incorporated therein.

(v) The database of Group A officers was updated and Comprehensive database of Group 'B' & 'C' Officers was created.

(vi) **AGT- 2022:** Total 1193 representations of Group A Officers for AGT 2022 and Post AGT 2022 were received till date. The compiled data was placed before the placement committee and Orders for 729 officers were issued till date.

(vii) **e-HRMS:** As part of "Navachar" initiative, the CBIC has decided to implement electronic Human Resource Management System. HRM-II has been made resource owner for e-HRMS. DoPT is nodal agency for implementation and NIC is the technical partner for designing, development and implementation of e-HRMS. At present two Zones, Delhi and Panchkula are selected for implementation of the project on pilot basis.

(viii) **E-vacancy module:** This module replaced the manual system of reporting of data regarding Direct Recruitment Vacancies in respect of all Cadres by the CCAs. This has saved time and also ensured accuracy in compilation of data.

(ix) **Development of e-Preference Module:** This module enables online collection and compilation of preferences from individual candidates (selected under CGLE and Stenographer I and II examinations) which was tedious and time taking process prior to the e-preference module.

(x) **Completion of zonal allocation of candidates under CGLE & Steno- I&II 2019 & 2020**

B. Infrastructure Division:

DGHRD (Infrastructure Wing) deals with the infrastructure issues of CBIC including purchase of land, construction of office buildings and residential accommodation, purchase of ready-built accommodation, repair and maintenance of buildings and other infrastructure related issues. During current F.Y. 2022-23, out of the total allocation of Rs.1200 crore under Capital Heads (4059 & 4216) an amount of Rs. 1033.15 Cr. has been released till 30.11.2022.

Major infrastructure proposals sanctioned/ ongoing are Construction of new NACIN complex at Hindupur, Palasamundram (A.P), Office complex and residential quarters at Customs Enclave Plot, Wadala, Mumbai, residential qtrs. at Anna Nagar, Chennai, residential qtrs. at Dwarka, residential quarters at Nungambakkam, Chennai, purchase of land for construction of office for CGST formations at Noida. The project of construction of 187 residential quarters at Kharghar, Mumbai at a cost of Rs. 110.11 Cr. has been recently completed and was inaugurated by Hon'ble Finance Minister on 14.09.2022. Special initiatives have been taken with reference to development of North-Eastern Region and Sikkim such as Construction of office building at Agartala, office-cum-residence complex at Shillong and proposal of construction of office building at Imphal.

C. Welfare

The Customs & Central Excise Welfare Fund was created with the sanction of Hon'ble President of India in 1987 for the purpose of financing various welfare schemes for promotion of welfare of staff and their families. The Fund is financed by transfer of 5 % of the sale proceeds of confiscated goods credited to the Government and Customs/Excise Duties, fines, penalties in offence cases realized and sustained in appeal/revision etc.

A number of welfare schemes are being implemented for staff welfare under the aegis of Customs & Central Excise Welfare Fund. A thorough revision of most of the welfare schemes has been completed, where-after not only the schemes have been updated and rationalized with changing times but amounts granted under the schemes have also substantially enhanced both in cases of the schemes targeted for benefits of individuals and as well for procuring energy efficient and latest technology gadgets/items for setting up of common facilities. Facilities such as Medical Assistance, Ex-gratia assistance to the families of deceased officers, financial assistance to the needy Persons with Disability (PwD), Cash Awards to the meritorious children of Departmental officials, Cash Awards for winning Medals/Civilian awards in sports and assistance for participation in sports events, Setting up/ refurbishing of Departmental Guest Houses, Departmental Gyms/ Recreation/ Sports centres, Departmental Canteens/ Kitchenettes, creche facilities, Preventive and Welfare measures for fighting against COVID-19 were undertaken under the welfare fund.

D. Expenditure Management Wing

The Expenditure Management Cell is mandated to act as the Nodal Authority in respect of all Budget related matters for the Grant No. 37 – Indirect Taxes. This year BE was Rs. 9948.46 crore (excluding scrips-based schemes). The funds in BE issued in time as result of which the utilization of funds upto 30.11.2022 is Rs 6026.87 crore which is 60.58 % of the total available budget.

EMC wing in collaboration with NIC, developed a dedicated **BEAMS Software** with an aim to streamline budget estimation, allocation and monitoring of expenditure. BEAMS Software replaces manual monitoring exercise of allocation and expenditure of Budget with an online system. BEAMS is a very unique application as no other Central Ministry/ Department is currently using such an application and it will be in line with CBIC's focus on paperless work and promoting digital governance. BEAMS marks a generational shift from the manual monitoring exercise of budget to a more systematic online process. The Software can generate various kind of MIS reports which can be of great use in monitoring expenditure trend and envisaging Budget Estimates. This module brings together all the stakeholders viz 68 Budget Control Authority's (BCAs), 400 Head of Department's (HODs) and over 1200 Drawing and Disbursing officer's (DDOs). It will be a single platform for swifter and seamless processing of all matters related to CBIC's Budget. All efforts are being made to train field formations to utilize the benefits of the application. This software is fully functional w.e.f. 01.04.2021.

The efforts are being made to integrate PFMS and BEAMS applications so that real time data is available in respect of expenditure booked by various BCAs. Recently, a meeting has been held between NIC team and office of Pr. CCA to work out modalities to integrate PFMS and BEAMS.

3.11 The Directorate General of Taxpayer Services (DGTS)

In terms of Board's Order No. 02/Ad.IV/2015 dated 27.8.2015, the Directorate General of Taxpayer Services (DGTS) is entrusted with the task of coordinating taxpayer services and publicity and information dissemination requirements of the CBIC. It is headquartered at New Delhi with zonal offices at Ahmedabad, Bengaluru, Chennai, Kolkata and Mumbai.

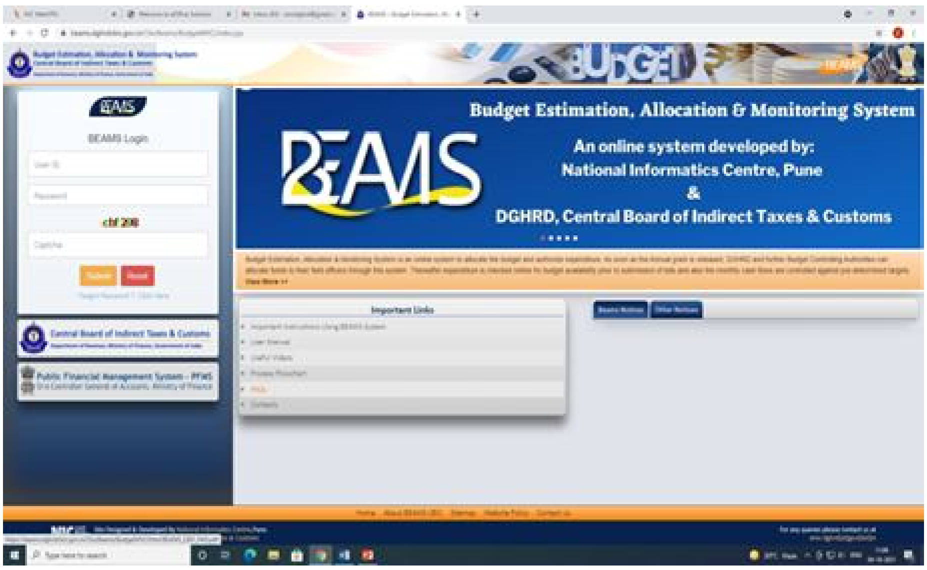
PUBLICITY

Publicity Activities till 30.11.2022 during F.Y. 2022-23

a) During the Iconic Week of AKAM celebrations, 07 teasers and 02 documentary videos showcasing Customs & GST historic Museum 'Dharohar' Goa were prepared and released. The museum was rededicated to the nation by Hon'ble Finance Minister.

b) The GST regime completed 05 successful years on 01.07.2022. To publicize this occasion and make public aware about the latest achievements under the GST regime, produced 04 teasers and 01 short-video on the occasion of completion of 5 years of GST along with a logo and 10 creatives were processed which were circulated to the field formations and on social media platforms.

c) DGTS has worked as an interface between the Board and field formations in organizing the Azadi ka Amrit Mahotsav (AKAM) commemorating the 75 years of Independence of India. In this regard approx. 50 creatives were prepared and shared with field formations on various events i.e. Commemorating the martyrs of the Jallianwala Bagh massacre; World Environment day; International Yoga Day; Quit India Movement; etc.



d) Participation in the 41st India International Trade Fair organized by ITPO from 14.11.2022 to 27.11.2022.

e) For educating and increasing taxpayers' awareness in an effective manner, webinars are conducted regularly by DGTS Zonal units in association with field formations and trade organization (FICCI, ASSOCHAM, CII, etc.). Some of the topics covered are:

   i) E-invoicing processes in GST and Technical/ System related aspects in GST e-invoicing (the presentation was based on practical aspects)

   ii) Role and Functions of the Customs Authority for Advance Rulings- Best Practices and Case Studies.

      i) Changes in GST due to the Finance Act, 2022.

      ii) Outreach /Physical Seminar at Maha Mumbai Metro Operation Corporation Ltd (MMMOCL) (a State Govt. PSU established for running Metro)

      iii) AEO Scheme & Recent Changes

      iv) 47th GST Council Meeting- Trade Facilitation Measures etc.

   DGTS has organized 35 Webinars in a span of last 8 months time.

Publicity Activities to be undertaken from 01.12.2022 to 31.03.2023 (F.Y.2022-23)

i. Celebration of 60 Years of Customs Act, 1962.

ii. Celebration of International Customs Day, 2023.

iii. Publicity of decisions taken by the 48th GST Council.

iv. Publicity of initiatives undertaken by CBIC in the later part of the Financial Year.

v. Publicity of Government of India's initiative Azadi ka Amrit Mahotsav (AKAM) in the later part of the Financial Year.

Social Media (As on 30.11.2022)

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 320 Creatives were released through social media sites Twitter and Facebook covering varied topics related to AEO; Azadi ka Amrit Mahotsav (AKAM); Clarification on GST; Deferred Payment of Duty; e-Invoice; GST Refunds; HSN Code; GST Returns; Trade Friendly Initiatives by CBIC; Turant Customs; 46th & 47th GST Council Meeting;. GST Day, 2022; Rozgar Mela; CAAR; Dharohar; Special Drive for destruction of Drugs; Special Drive for cleanliness in office premises undertaken by CBIC under Swachhta 2.0; etc.

(Projection till 31.03.2023)

Regular reminders for filing GST Returns/ Deferred payment of Customs Duty/ filing of Central Excise Return/ payment of duties will be issued along with any amendments/ legislative changes/ new initiative introduced by CBIC. This Directorate will also carry out publicity campaigns to educate the taxpayers/ public at large. As the Country is celebrating 75 years of independence "Azadi ka Amrit Mahotsav" (AKAM) all the creatives issued by this Directorate are having the logo of AKAM, will also be preparing a few AKAM oriented Social media Campaign. India holds the Presidency of the G20 from December 1, 2022 to November 30, 2023, the G20 logo is being used in all the creatives prepared by this Directorate.

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 Centres in the Commissionerates of Central Tax, Customs & Central Excise.

PUBLICATIONS

The Directorate brought out publications at the behest of CBIC and other formations such as DGHRD SS & WS Booklet, Booklet for AKAM, Dharohar Booklet, WTO Agreement, Hindi Manual (50 sets of 12 Books), Booklet for GST Day, Civil List, 2022, IITF Booklet, Brochures and Fliers.

3.12 DG SYSTEM

The Central Board of Indirect Taxes and Customs (CBIC), through the Directorate General of Systems and Data Management (DGoS & DM), implements all the IT and digital requirements for the CBIC officers. The development and maintenance of all the CBIC IT applications like ACES GST applications, Indian Customs EDI Systems, ICEGATE etc. to provide the digital workflow for CBIC businesses and also to facilitate electronic interface with the trade and the general public in respect of Customs and GST Wings of the Department.

The projects in this program are in line with the CBIC's commitment to the nation on e-governance and various guidelines in the matter. DGoS & DM has initiated several projects aimed at harnessing Information & Communication Technology (ICT) in achieving the objectives of Customs and Indirect tax administration. DGoS & DM is one of the first government departments to have implemented an Enterprise Date Warehouse, a central repository of clean and consistent and near real time data pertaining to Customs, Central Excise and GST.

ADVAIT (Advanced analytics in Indirect Taxation) leverages the capabilities of big data and predictive analytics to provide platform for improved decision-making, with the threefold objective of enhancing indirect tax revenue, increasing taxpayer base, and supporting data-driven tax policy formulation. ADVAIT provides business outputs in three formats: Reports, Interactive Dashboards, and Analytical Models. In FY 2022-23, till 30.11.2022, 110 reports, 10 dashboards and 11 Data science Models are developed as ADVAIT utilities. Furthermore, minimum 19 Reports, 2 Dashboards and 1 Data science models will be developed before the completion of this Financial Year. The functionality of each output is specifically designed to aid and assist officers in their day-to-day operations that range from reporting and ensuring tax compliance to detecting tax evasion.

The Express Cargo Clearance System (ECCS) is an application that enables automated clearances of express cargo. It is a single and common web-based digital workspace for all stakeholders. The ECCS facilitates electronic clearance of courier shipments and brings transparency and ease of clearance, in line with the Government's initiatives such as Digital India and Ease of Doing Business. This State-of-the-Art ECCS application has been built on cutting edge technology products to ensure faster clearance, better compliance of rules, quick data reporting and enhanced data security.

Development of modules in CBIC GST Application:

i. Investigation sub-module of DSR

The module is rolled out in 2020. As a part of furtherance of module, development of additional functionalities like Enquiry, IP address search, MOV Forms, Show Cause Notice, MIS reports etc., are being taken up.

ii. Adjudication sub-module of DSR

The module is made available from 2018 onwards and new functionalities are added every year thereafter. In this year, functionality to facilitate issue of DRC-01 for registration cancelled taxpayers, preparation of SCN (others category), including additional column for Fee in forms DRC 01, DRC 07 and DRC 08 are developed and rolled out to production.

Further, functionalities like selecting Common Adjudication Authority in form DRC 01, issuance of Form DRC 02, De-novo adjudication are under advanced stage of development.

iii. Appeals, Review & Revision sub-module of DSR

Functionalities for Appeal proceedings against Refund Orders (Taxpayer & Department Appeal) and Appeal proceedings against Registration order (Taxpayer Appeal) are rolled out in June and November 2022. Further, modification in the Review of Demand/Refund orders and Appeal functionalities for first Appellate Authority have been taken up for Development based on feedback received from field formations.

iv. Recovery sub-module of DSR

Development of MIS reports for recovery, providing hyperlinks and color coding of Forms DRC 20, DRC 21 are taken up for development as the recovery module consisting of Forms DRC 9 to DRC 25 has already been rolled out in 2021 itself.

v. Audit Module

The module was deployed to production in April 2022. Nine APIs released by GSTN are being integrated in the Audit module. Defects reported by formations during usage of application, are being rectified.

vi. E-Way Bill

Functionality to Search, View and download E-Way bill data is rolled out during the year. To handle the voluminous data of e-way bill and improve performance of the functionality, existing e way bill data and new data is proposed to be stored in new DB instance and the migration of existing data to new instance is taken up.

A. Postal automation project in Customs:

a) Development of Customs FPO Application for Postal Imports:

FPO Import Application being developed by DG Systems & Data Management, Bangalore Zonal unit in association with NIC. The same is being developed in a phased manner.

b) Development of PBE (Postal Bill of Export) System for Postal Commercial exports:

PBE (Postal Bill of Export) System for Postal Commercial exports is being developed by Department of Post (DoP), in association with CBIC.

DG Systems was directed to coordinate with Department of Post and monitor the same. DGS BZU coordinated for testing, shared BRD and additional requirements on the functionality to be added in the PBE system and suggested phased approach with the CBIC. CBIC has approved and shared those with DoP. Accordingly, DoP has revised the PBE system.

B. Refunds: -

From 26.09.2019, Processing of Refund Applications filed by the Tax Payers is made fully online. Withhold release functionality was introduced during the year. Further, the Functionality to credit the sanctioned Refund Amount to Consumer Welfare Fund is also developed and ready to be deployed. Alternate work flow for ICEGATE refunds is also developed and would be deployed once GSTN implements the same.

C. Registration:

In registration module, Cancellation of registration by OIDAR taxpayers, Withdrawal of cancellation by Taxpayer, and Viewing and downloading document for UIN Registration along with date functionalities were implemented. Further, Change in revocation timelines, List page showing suspended taxpayers, Composition levy opt in/opt out status in active registration list, Automation of drop proceedings of Suo moto cancellation, and IRP/RP as new class of person for registration are proposed to be introduced.

D. MIS Analytics team:

MIS & Analytics has been generating and sharing the data with field formations based on specific requests from field formations. This team is regularly sharing the GSTR-1 and GSTR-3B table wise data for consumption by DGARM. MIS & Analytics Team has taken up Auto population of Data for 12 GST MPR for DDM Portal. Data was transferred successfully from ACES-GST data base to Intermediate server of DDM in respect of Five revenue reports. Demo/dry run completed successfully at DDM for these reports on 18.10.2022. Team has also taken up automation of Ad-hoc reports into MIS reports which are being shared by SI on daily basis to field formations.

E. Returns & Payments Module:

In this module, Comparison of Liabilities Vs ITC Report, Update the details of Aggregate Annual Turnover (AATO) given by the Taxpayer by the Tax Officer, Generation of GSTR-2B, Enhanced view of GSTR-2A, ITC Block-Un Block - Additional fields to provide for Reasons and to upload documents and to facilitate negative blocking, View of GSTR-3A Notices issued by GSTN to non-filers of GSTR-3B Returns, Delinking of Credit/debit notes from original Invoice details in GSTR-6, Enhanced view of GSTR-3B (Collection of late fees of GSTR-1 through GSTR-3B & Inclusion of new table 3.1.1 pertaining to supplies made by registered persons through E-Commerce operator), GSTR-1 Changes - New Approach

- To reduce the Return data Gap between GSTN and CBIC data base prospectively and Total Deposit Summary based on Type of Taxpayer were developed and deployed.

Further, Functionalities such as Risk based Selectivity System for scrutiny of Returns, Summary assessment, New TRAN-1/TRAN-2 – View and posting of the amount allowed by the Tax Officer after verification, View of GSTR-4 (Annual Return for composition Taxpayers) are proposed to be rolled out.

F. GST Services

a) For the period 1st January 2022 to 30th November 2022 the helpdesk cbicmitra has received 3,09,002 calls and 27,452 emails and 1,00,173 web tickets from taxpayers and tax officers which have been duly resolved.

b) There was a "GST & Customs Pavilion" in the India International Trade Fair (IITF) organized from 14th to 27th November, 2022 at the Pragati Maidan, New Delhi. Therein CBIC Mitra Helpdesk was also setup.

c) From Jan, 2022 to August, 2022, 111 hand-holders across 79 locations of CBIC offices were provisioned. Further, after analysis of Daily Activity of Hand-holders. From 01.09.2022 they were ramped down to 21 for 21 locations of CBIC offices. As on 30.11.2022 there were 18 hand-holders actively deployed.

G. Monthly Performance Report (MPR):

a) The Directorate of Data Management (DDM) successfully completed the migration of all parts of the Monthly Performance Report (MPR) module from NIC Cloud Server Meghraj to the

CBIC Server. All parts of MPR are now available on Antarang Portal.

b) Further, a new MPR viz DDM-CUS-7 has been introduced under Customs stream of Part-I to capture revenue figures from all 100% EOUs.

c) The proforma for MPR DRI-CUS-8 has been enhanced to capture the data on Compounding of Offences from the Custom Zones.

d) Further, in compliance with the directions of the Board, data pertaining to manual payments not being reported in the MPR is being reported on a monthly basis from 20 Zones of Customs & CGST & DGRI by DDM through Office 365 Application.

H. DGARM Application:

The reach of DGARM application (developed by DDM) forwarding the analytical reports of the DGARM containing actionable data on suspect & risky taxpayers to CGST offices and DGGI has been extended up to the Range level.

I. Various study tour and Outreach Activities were conducted

J. ECCS:

a) In order to enable express clearances, CBIC has notified 14 International Courier Terminals (ICTs), out of which ECCS is currently operational at 9 locations, viz. Bangalore, Mumbai, Delhi, Ahmedabad, Cochin, Chennai, Jaipur, Kolkata and Hyderabad.

b) A few other noteworthy points regarding ECCS are that ECCS has resulted in 100% Paper less clearance and covers approximately 45000 shipments per day cleared out of the major express terminals in the country.It has an automated Risk Management System (RMS) and nearly 90% of shipments are facilitated. The duty and other fee are paid 100% online electronically.

K. System Integration and Security:

- Successful Go-live of E seva - Admin Module launched on 4th Feb 2022.
- Production readiness of API-based Container Scanner solution was completed for 4 locations in Feb 2022.
- IDAM (Identity and Access Management) migration from 11g to 12C was completed successfully on 18th Feb 2022
- RMS and IPR Production single-sign-on authentication on OAM 12c has been completed on 13th April 2022
- Atithi Mobile App Version 2.0 launched conducted successfully on 26th May 2022
- ISO 22301 transition audit (Audit based new standard ISO 22301:2019) was completed successfully on 9th-10th June 2022.
- Customs DR Drill was successfully conducted from 24th to 26th June 2022.
- GST simulation with user testing completed successfully on 23rd Jul'22.
- ECCS DR simulation activity with user testing was successfully completed on 9th Aug'2022
- ADVAIT simulation with user testing has been successfully conducted on 27th Aug'22
- ISO recertification of ISO 20000, 22301, and 27001 was completed successfully for CBIC in the last week of Aug 2022
- Installation of Hindi Indic Tool for Hindi typing in 21000 AIO's out of 24000 AIO's.
- Upgradation of Windows OS 10 pro on 23000 AIO's out of 24000 AIO's.
- Process optimization conducted for Saksham Seva helpdesk to ensure that L1 team takes end user confirmation on resolution in all cases.
- Phase 1 development for new CBIC website completed.
- Web Application Firewall (WAF) enablement in blocking mode on all public-facing websites – March 2022.
- Application log Integration with Security Operation Center (SOC) – March 2022.
- Mitigation of prominent zero-day vulnerabilities including Boothole, Log4J, and Spring4Shell – April 2022.
- Integration of Data Leakage Prevention with Advait – May 2022.
- Mitigation of Folina zero-day vulnerability – June 2022.
- Initiation of Security Orchestration Automation and Response (SOAR) implementation. – August 2022.

- Initiation of integration of NCIIPCs Threat Dissemination Platform (TDP) with DG Systems – August 2022.
- Completed ISO 22301 Transition audit.
- NCIIPC's Threat Dissemination Platform (TDP) integration with Security Operation Centre (SOC) – October 2022.
- Enablement of blocking of threat feeds being received from TDP – November 2022.
- Framing of advisory for Malware Investigation on locations hosting non-saksham desktops/ machines – November 2022.
- SOAR implementation in CBIC – October 2022.
- Creation of a playbook for automating actions through SOAR – November 2022.
- Creation of playbooks for various security attack scenarios – December 2022.

L. LANWAN:

(i) Provision of IT Infrastructure

During this period, the LAN/ WAN vertical received 110 IT infrastructure related requests (shifting/ addition / repair & maintenance) from various field formations. 95 requests were successfully executed and work in respect of remaining 15 requests are under process of completion.

(ii) Commissioning of MPLS Links

During this period, LAN-WAN vertical received 41 requests from various field formations for commissioning of MPLS Links including the links to be shifted to new premises. MPLS links have been successfully installed at 23 locations through BSNL/ MTNL, while balance is being closely monitored for expeditious completion.

(iii) Extension of WAN Contract

During the period, existing contract for WAN managed services with BSNL/MTNL had expired on 30th Sep. 2022. IFU concurrence and approval of the Hon'ble FM on proposal for extension of the contract for a period of 6 months has been received.

(iv) Analysis and acceptance of pending ATP.

ATP reports form a crucial part of verifying the completion of network changes implemented and payment to SI is based on the said ATP acceptance. For the subject period, 86 ATPs were submitted by SI out of which, 70 have been accepted till date. Remaining ATPs are expected to be accepted at the earliest

(v) Onboarding of Custodian on CBIC Network

During the period LAN-WAN vertical received 34 requests from various field formations for allocation LAN IP Pool to Custodian locations for access to Data Centers. Out of these request 20 Custodian locations have successfully connected to Data Center and working on CBIC applications. Further in order to conclude remaining requests necessary guidance is being provided to Custodians.

M. ICEGATE:

i. Launch of ICEGATE 2.0 (Phase I):

New functionalities were introduced in ICEGATE as part of launch of ICEGATE 2.0 on November 16, 2022:

- Improved Bilingual Website
- Personalized Dashboard
- Chatbot and Advanced Helpdesk
- Secured and authenticated communication with external agencies
- Availability of both online and offline document filing facility

ii. Helpdesk:

Helpdesk has started helping the users in resolution of their inquiry related incidents from the month of September, 2022 which has increased the scope of support at Helpdesk level.

iii. Export Obligation discharge certificate (EODC) enquiry:

EODC Enquiry is designed to help exporter to monitor the status of their applications submitted for grant of Export Obligation Discharge Certificate.

EODCs issued by DGFT, should normally be accepted unless there is an intelligence suggesting misuse. In cases where Regional Licensing Authority has endorsed on the EODC that customs should verify the Shipping Bills and other documents, such verification would be done.

iv. Import of Goods at Concessional Rate of Duty (IGCR):

A module has been made available to the taxpayer's post-login to enable them to file their requests online for availing benefits under the Import of Goods at

Concessional Rate of Duty (IGCR) Rules. The broad provisions are as under:

(i) Provision of declaration of advance intimation of Import of Goods at concessional rate of duty.

(ii) Generation of a unique IIN for a Financial Year with facility to amend as and when required.

(iii) A Continuity Bond of IGCR Bond Type can be created or amended by the Importer.

(iv) Bond Management Module

(v) Multiple Details are auto populated in the monthly statement.

(vi) Interface to accept details, entered by the user, provided to the jurisdictional Customs officer

v. Anonymized Escalation Mechanism (AEM):

The Anonymized Escalation Mechanism enables importers to submit a grievance on ICEGATE in case of any delay in clearance of a Bill of Entry under faceless assessment. The grievance is escalated anonymously to the Assessing Officers and their Supervisory Officers at the Faceless port, while concealing the identity of the Faceless Officer and the Port from the importer.

vi. E-scrip module:

E-Scrip Module provides a facility to the exporters to avail benefits defined under various incentive schemes like Remission of Duties and Taxes on Exported Products (RoDTEP) and Rebate of State and Central Taxes and Levies (RoSCTL) in order to avail rebate of Central, State and Local duties/taxes/ levies which are not refunded under any other duty remission schemes.

vii. Examination Application:

The utility helps importers to select the time slot for examination of their Import Consignments in their presence.

viii. Air Trans-shipment for outbound Messages:

Implementation of All India Air Trans-shipment (ATP) Message fillings for Air-to Air and Air-to-ICD Trans-shipment in imports, whereby the registered users can file the ATP EDI messages via Email or Web Upload in ICEGATE. The existing facility of filing at the Service Centre would also continue without change.

ix. Separate PQMS Module:

An independent PQMS (Plant Quarantine Management System) module was developed replacing PQIS in line with the Single Window concept.

x. Awards & Recognition:

- ICEGATE, DG Systems has received Jury Award from Tax India Online (TIOL) under the category of 'Institutional Game Changer' in the month of November 2022.
- ICEGATE has also been selected for Platinum Award, given under 'Digital India Awards 2022' under the category of 'Public Digital Platforms – Central Ministries, Departments'.

xi. Proposed Launches till March 31, 2023:

- Electronic Cash Ledger (ECL): The e-Cash Ledger module enables a registered/authorised IEC holder to create a virtual account (electronic wallet) on ICEGATE website and credit funds into the virtual account, using Internet Banking, NEFT/RTGS or Over-The-Counter (OTC) Payments, so as to act as a mode of payment for customs duties online.
- Exchange Rate Automation Module (ERAM): Using ERAM, automatic updation of exchange rates for import and export goods will be done on daily basis (except Saturdays, Sundays and Gazetted Holidays) on ICEGATE Website and the ICES System.
- **ICEGATE 2.0 (Phase 2):**
  - o ICEGATE Mobile-based application
  - o Search Functionality
  - o Chat Bot (Phase 2)
  - o Remaining Messaging Infrastructure
  - o API Integration with external stakeholders (Importer/Exporter/CHA)
  - o Reports Phase 1 (Dynamic Enquiries on Transactional Data & Ticket Logging)
  - o E-Payment
  - o Registration Module and Admin Portal for all users
- **ICEGATE (Phase 3):**
  - o API Integration with external stakeholders (Custodians, DGFT, MoS,
  - o DGCIS, Pr.CCA, DoV, SEZ, Courier, CRIS)
  - o Refunds & Integration with PFMS
  - o ICEGATE Mobile-based Application for Customs Officers

- o Reports Phase 2
- o Helpdesk & Self-service portal
- o Social Experience Manager tool
- o Public enquiries for ICEGATE and Compliance Information Portal

- **Integration with SEZ:**

Functionality for registration of SEZ users and filing of customs documents will be provided at ICEGATE.

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) Dual Connectivity Testing

The LAN-WAN section, initiated and successfully completed failover testing at 85 critical sites of CBIC having dual connectivity from M/s BSNL/MTNL & M/s TCL. This has ensured robust connectivity to the system and provided better users experience while working on CBIC applications.

(ii) Non-EDI to EDI Conversion

In order to give shape to Principal DG, DG Systems' vision of conversion of all non-EDI sites to EDI in the, located in remote border areas, the LAN/WAN vertical took up the task in a systemic and phased manner. Out of 18 sites proposed in Phase-I, a total of 14 sites have been converted to EDI. For Phase II, out of 16 proposed sites, 01 site has been converted to EDI. Work on the remaining sites is ongoing and is expected to be completed at the earliest.

(iii) Hosting of Hackathon

The DDM successfully hosted the HACKATHON event of EDW vertical of DG Systems.

(iv) ICES Advisories issued on policy decisions for activities listed are as follows:

(a) ICES Advisory No. 06/2022 dated 18.04.2022 issued for the implementation on IT platform on Implementation of IGCR in SEZ Clearances for DTA Supplies in accordance with Board Circular No. CBIC Circular No. 04/2022-Customs vide F. No. 450/28/2016-Cus-IV dated 27.02.2022.

(b) ICES Advisory No. 08/2022 dated 30.04.2022 for changes introduced by Finance Act 2022 in the Customs Tariff effective 01.05.2022 in accordance with Finance Act 2022.

(c) ICES Advisory No. 09/2022 dated 10.06.2022 on Implementation of Notification No.16/2011 - Customs (NT) dated 1st March 2011 under IGCR consistent with CBIC Notification No. 16/2011 - Customs (NT) dated 1st March 2011 that prescribes import of certain prohibited goods subject to the condition of fulfilment of Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Good.

(d) ICES Advisory No. 10/2022 dated 14.06.2022 issued for system changes relating to AD Code Registration in exports in accordance with Board Circular No. 32/2020-Customs dated 06.07.2020.

(e) ICES Advisory No. 12/2022, dated September 8, 2022, issued on the Anonymized Escalation Mechanism (AEM) under Faceless Assessment, in accordance with Board Circular No. 14/2021, dated July 7, 2021.

(f) ICES Advisory No. 14/2022 issued on September 29, 2022 for customization of alerts/suspension module for exports in System - Changes made in System.

(g) ICES Advisory No. 18/2022, dated December 5, 2022, for the implementation of a new All India Air transshipment bond for air-to-air and air-to-ICD transshipment in imports. This National Bond (bond type TA) can be registered at any port and then used at any port.

Initiatives taken with reference to the development of North–Eastern Region and Sikkim including projects/schemes in operation and actual expenditure thereon:

Three non-EDI Customs locations in North-East (NE) region have been enabled on the Indian Customs EDI System.

3.13 National Academy of Customs, Indirect Taxes & Narcotics (NACIN)

National Academy of Customs, Indirect Taxes & Narcotics (NACIN) is the apex institute of Government of India for capacity building in the field of indirect taxation. It also plays a vital role in international capacity building by imparting training to officers of various countries in the field of Customs, drug laws and environment protection. NACIN is the World Customs Organization (WCO) Regional Training Centre (RTC) for the Asia Pacific Region. United Nations Environment Program (UNEP) has designated NACIN as a collaboration center for capacity building in the field of environment protection.

In collaboration with United Nations Office on Drugs & Crime (UNODC), NACIN is imparting training on drug law enforcement to various Asian nations. The Government of India has entrusted NACIN the responsibility of knowledge exchange, experience sharing and training with various countries of the world.

The charter of functions of NACIN issued by CBIC mandates training of not only the officers working under CBIC but also of the officers from other departments, ministries, and other stakeholders. NACIN's flagship program is to conduct the Induction Training of newly recruited IRS (C&IT) Group 'A' officers selected through Civil Service Examination conducted by UPSC. Since last two decades NACIN is conducting complete professional training of Officer Trainees of IRS (C&IT). In addition, NACIN through its 18 Zonal/Regional Campuses in 15 state capitals, and 03 major cities, conducts the training programs for the capacity building as well as enhancing of skills in-service officers.

NACIN also conducts the Mid-career training programs at regular time intervals for the officers to enable them to discharge their responsibilities effectively as per their changed roles and positions. The zonal/ regional campuses of NACIN also provide induction training to the newly recruited Group B and C officers. NACIN was also mandated by the Government to provide GST training to all officers under CBIC and officers from States, Union territories and other stakeholders at the time of the introduction of GST.

MAJOR ACHIEVEMENTS:

a) NACIN Complex at Palasamudram, Hindupur:

The upcoming NACIN Complex at Palasamudram, Andhra Pradesh is envisioned as a Centre of Excellence in Capacity Building, spread across 500 acres of land, with state-of-the-art facilities. The Administrative approval and Expenditure Sanction for Rs.702.27 Crore was given by the Hon'ble Finance Minister on 01.12.2021. The laying of the foundation stone ceremony was performed by the Hon'ble Union Finance Minister on the 5th of March 2022. The tender for the project has been awarded to M/s. DEC Infrastructure & Projects India Private Limited, Hyderabad. The EPC contractor had started working on the project on 10th of June 2022. The foundation stage of all the buildings has been completed. The construction for the phase I is likely to be completed by July 2023.

The NACIN Palasamudram is the only major National Project under Mission Karmayogi which is scheduled to be inaugurated as part of the Azadi ka Amrit Mahotsav. It is a flagship project of the Ministry of Finance and personally monitored by the highest authority at the Ministry to create a World Class Capacity Building Institute as pride of Nation and showcase the Indian Heritage and Culture to the international community. As the upcoming campus will be hosting many National and International training programmes being the accredited Regional Training Centre for WCO, BRICS, UNODC and other international agencies. NACIN is also under the obligations to extend capacity building assistance to the friendly countries on MOU basis while collaborating with advanced countries like USA, UK, Russia and other G-20 countries.

b. Mission Karmayogi and iGOT

The National Programme for Civil Services Capacity Building (NPCSCB) approved by Union Cabinet in September 2020 is popularly known as *Mission Karmayogi*. It is governed by the "Hon'ble Prime Minister's Public Human Resource Council". One of the aims of the programme is to build and strengthen the Behavioral, Functional and Domain Competencies of civil servants.

i. Accreditation (NSCSTIs): - As a step ahead under *Mission Karmayogi*, in order to assess the performance of Central Training Institutes (CTIs)/ Administrative Training Institutes (ATIs) and provide them performance-based ranking, the Capacity Building Commission (CBC) identified the need for development of an evaluation framework for enabling functional assessment of all Civil Service Training Institutions. CBC, in July 2022, has launched the portal for National Standards for Civil Service Institutions (NSCSTI) and initiated accreditation certification program for training institutes.

Accreditation is a process of establishing competence of a training institute in delivering the requisite elements and its ability to carry out evaluation of competence acquired by the learners/trainees. Accreditation focus is on learning, self-development and encourages training institutes to pursue continual excellence. NACIN has registered for undergoing accreditation process as envisaged under National Standards of Civil Service Training Institutions (NSCSTI) and would be shortly undergoing the exercise of filing application and self-assessed questionnaire along with requisite documents based on which assessment process would begin

ii. **iGOT Karmayogi** is a made in India digital Platform offering services around Learning and Career Management. iGOT Karmayogi is one of the aspects of *Mission Karmayogi* and basically is a platform where Learning Management System (LMS) is developed by CBC.

NACIN has published content on few topics on Customs and Indirect Taxation on iGOT portal. Capacity Building Commission (CBC), in December 2022, has empanelled six firms for development of e-learning content for various departments. NACIN is in the process of developing the content on other remaining topics with the help of expert services of the empanelled IDAs.

3.14 DIRECTORATE GENERAL OF VIGILANCE:

3.14.1 The vigilance work in CBIC is administered and supervised by the CVO through the twin wings of the vigilance set up of CBIC, viz Directorate General of Vigilance (DGoV) and Ad.V Section in the CBIC.

3.14.2 INITIATIVES TO IMPROVE PERFORMANCE:

In 2022, concerted efforts have been made to spruce up vigilance administration in CBIC in the current year, namely:

A. Improvement in business processes:

i. Instructions for effectively and timely handling of court cases on disciplinary matters in Central Administrative Tribunals/High Courts/Supreme Courts to protect the interest of the Government dated 09.03.2022

ii. Instructions on updation of data on e-seva vivad portal in Vigilance matters dated 06.04.2022

iii. SOPs dated 07.10.2022 for conducting Vigilance Audits of field formations issued.

iv. SOPs dated 12/04.2022 for timely completion of vigilance matters issued.

B. Pro-active steps to sensitize field formations and monitor progress of Disciplinary Proceedings:

In 2022, some of the notable efforts made to sensitize field formations on various aspects of disciplinary proceedings included:

i. DGoV has published two publications i.e. “Referencer for Vigilance officers -2022” and “Handbook for Vigilance Administration-2022” covering wider aspect of Vigilance administration in CBIC for the guidance of its Officers.

ii. SOPs for effective and timely handling of court cases on disciplinary matters to protect the interests of the government were issued to all field formations;

iii. Sensitization of all IOs on the option to invoke the existing Departmental Inquiries (Enforcement of Witnesses & production of Documents) Act by Inquiry Authorities to secure the attendance of the witnesses, as the same is not being invoked by the Inquiry Authorities due to lack of awareness about this provision;

iv. Structured interaction through video conferences with Disciplinary Authorities and Inquiry Officers to take stock of the pendency position and nudging them to expeditious finalization of the proceedings;

v. Close monitoring to ensure timely implementation of penalty orders passed on conclusion of disciplinary proceedings;

3.14.3 ACHIEVEMENTS:

The above measures have contributed to the exponential improvement in the year-on-year performance of DGoVin vigilance matters. There has been a high rate of disposal in the key vigilance related work areas, such as finalization of inquiries, submission of cases to UPSC and issuance of final orders etc., which has been appreciated also by CVC in their review meetings, wherein disposal of cases in Block Years 2000-2010, 2011-2018 and 2019 to date were taken up for close scrutiny. The major achievements in 2022 (From 1.1.2022 to 31.12.22) are given below:

S.No.	KEY AREA OF WORK	YEAR ON YEAR PROGRESS	
		2021	2022
1	Final Orders issued on conclusion of Disciplinary Proceedings	296	344
2	Prosecution sanctioned	69	106
3	Complaints Handled	1401	970
4	Vigilance clearance given (references)	1834	2183

In 2022, 282 Departmental inquiries were completed, and they are at different stages of Disciplinary Proceedings.

These initiatives would further contribute to enhancing CBIC’s image as a responsive and efficient administration and would also improve our compliance commitments to CVC.

4. Revenue Headquarters Administration

4.1 Administration

The Revenue Headquarters looks after matters relating to all administrative work pertaining to the Department, coordination between the two Boards (CBIC and CBDT), the administration of the Indian Stamp Act 1899 (to the extent falling within the jurisdiction of the Union), the Central Sales Tax Act 1956, Goods and Services Tax (GST) Act, 2017, the Narcotic Drugs and Psychotropic Substances Act 1985 (NDPS), the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act 1976 (SAFEMA), the Foreign Exchange Management Act 1999 (FEMA), the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA), the Prevention of Money Laundering Act, 2002 (PMLA) and matters relating to the following **attached/subordinate offices** of the Department:

a. Enforcement Directorate

b. Central Economic Intelligence Bureau (CEIB)

c. Competent Authorities appointed under SAFEMA and NDPS

d. Chief Controller of Factories

e. Central Bureau of Narcotics

f. Customs, Excise and Service Tax Appellate Tribunal (CESTAT)

g. Appellate Tribunal under SAFEMA

h. Customs and Central Excise Settlement Commission (CCESC)

i. National Committee for Promotion of Social and Economic Welfare

j. Financial Intelligence Unit, India (FIU-IND)

k. Adjudicating Authority under Prevention of Money Laundering Act

l. National Institute of Public Finance and Policy (NIPFP)

The following items of works are also undertaken by the Headquarters:

Appointment of -

√ Chairman and Members of CBIC and CBDT

√ Chairman, Vice Presidents and Members of CESTAT

√ Chairman, Vice Chairman and Members of CCESC

√ Director General of CEIB

√ Director of Enforcement

√ Competent Authorities (SAFEMA and NDPS)

√ Director (FIU-IND)

√ Chairperson and Member of Adjudicating Authority set up under PMLA

√ Chairman and Members of "Appellate Tribunal" established under SAFEMA, 1976.

√ CVO, CBDT/ CBIC/ ED

4.2 Directorate of Enforcement

4.2.1 Introduction

4.2.1.1 The Directorate of Enforcement (ED) is the premier law enforcement agency of the Government of India which has been entrusted with the administration and enforcement of the Prevention of Money Laundering Act, 2002 (PMLA), Foreign Exchange Management Act, 1999 (FEMA) and the Fugitive Economic Offenders Act, 2018 (FEOA). ED is the nodal agency for collection of intelligence, carrying out research and analysis and conducting financial investigation for cases involving money laundering, bank frauds, financial scams, foreign exchange violations etc. Under the provisions of PMLA, the officers of ED investigate and prosecute the persons involved in money laundering, attach the proceeds of crime and carry out international cooperation with competent authorities in foreign jurisdictions including recovery of assets stashed abroad and extradition of fugitives. ED is also entrusted with the responsibility to investigate, adjudicate and impose penalty if any person violates the provisions of FEMA and launch prosecution in appropriate cases.

4.2.1.2 In the recent past, the work of Directorate of Enforcement has increased considerably both qualitatively and quantitatively. Investigations have commenced in several high-profile cases with positive results in terms of attachment and confiscation of proceeds of crime related to bank fraud, corruption, drugs & human trafficking and terror financing etc.

4.2.2 Functioning of the Directorate

4.2.2.1 The primary function of the Directorate of Enforcement is administration and enforcement of the Prevention of Money Laundering Act, 2002 (PMLA) including investigation into the offence of money laundering, filing of prosecution complaint before the special court against the accused, attachment and confiscation of property involved in money laundering, carrying out international cooperation with competent authorities in foreign jurisdictions ensuring that the accused persons do not enjoy the proceeds of crime. Unlike in many other countries, in India, ED has the sole jurisdiction to investigate the money laundering cases and the Law Enforcement Agencies (LEAs) having the responsibility to investigate a "predicate offence", including the State Police Authorities, are required to make a reference to ED to examine the money laundering aspect of the criminal activity. In certain cases, the fact that a predicate offence has taken place is also obtained from publicly available sources or on receipt of information from the Financial Intelligence Unit (FIU). On receipt of the reference or information and after making certain preliminary verification, ED records a case and initiates investigation (Enforcement Case Information Report or the ECIR) following a risk based approach taking into consideration factors such as materiality of the offence, transnational nature of the crime, complexity of the case, the larger public interest and the availability of resources. Investigation under PMLA generally covers collection of information/evidence from public domain, other investigating agencies (Predicate Offence Investigating Agency (LEAs), Income Tax Department, Customs and Indirect Tax Department, Ministry of Corporate Affairs, Serious Fraud Office, SEBI, etc.), financial institutions, banks, District Sub Registrar office, etc. as well as using investigative tools as provided under PMLA. Identification and quantification of proceeds of crime and involvement of person/ entities in any process or activity connected with proceeds of crime are main requirements for proving offence of money laundering as well as for punishment for money laundering offence.

4.2.2.2 The Directorate of Enforcement is also entrusted with the implementation of the Foreign Exchange Management Act, 1999 (FEMA) whose object is to consolidate and amend the law relating to foreign exchange for facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange resources. ED initiates investigations and issues Show Cause Notices (SCN) in cases where the allegations of contravention of provisions under FEMA are notices. These SCNs upon adjudication results in imposition of penalty as well as confiscation of currency/ property involved.

4.2.2.3 The Directorate of Enforcement has also been entrusted with the implementation of the Fugitive Economic Offenders Act, 2018 (FEOA). The FEOA provides for the measures to deter the fugitive economic offenders from evading the process of law in India by staying outside the jurisdiction of Indian Courts and to preserve the sanctity of the rule of law in India. Action under the said Act can be initiated against economic offenders who have left India so as to avoid criminal prosecution or who, being abroad, refuse to return to India to face criminal prosecution and the total amount involved in the economic offence is more than Rs. 100 crore.

4.2.3 Organizational Structure

4.2.3.1 The Directorate of Enforcement is headed by the Director, who is not below the rank of Additional Secretary to the Government of India. He is assisted in his work at the Headquarters by officers of all ranks. Sanctioned strength of 04 Special Directors, 11 Additional/Joint Directors and a number of other officers/staff is available in HQ to assist the Director, ED. The Headquarter office (HQ) of ED is situated in New Delhi. The functional establishment of ED is divided into 05 Regions located at Chandigarh (Northern Region), Chennai (Southern Region), Delhi (Central Region), Kolkata (Eastern Region) and Mumbai (Western Region). Each region is headed by a Special Director. Apart from the above Regions, special units named as Headquarters Investigation Units (HIUs) and Special Task Force (STF) headed by the Special Director are also functioning at the Headquarters office. Regions are constituted by Zone(s) headed by Additional Directors/Joint Directors and Sub-Zone(s) headed by Deputy Directors. Sub-Zones are controlled by respective Zones.

4.2.3.2 Details of functions performed in HQ are as follows:

Establishment: The headquarters office is the main office dealing with work related to the matters of establishment, recruitment, transfer and posting, etc. All Human Resource related work including maintaining incumbency position of officers/staff; filling up vacant posts by issuing vacancy circulars/making correspondence with UPSC, SSC etc.; extension of deputation tenure of officers; holding of DPC, departmental examination, Selection of Legal Consultants, etc.; framing and amendment of Recruitment Rules is being handled in this section.

Admin and Accounts: All administration and accounts related work including preparation of office budget and allocation of funds to field formations; management of office expenses; procurement/lease/contract of vehicles, office equipment and office premises etc.; processing of bills and financial approvals; posting of sepoys, drivers, DEOs, MTS in HQ; processing of leave applications and Medical bills; issuance of Departmental IDs; salary, GPF, pension, gratuity, leave encashment, etc.; management of SSF; etc. are being handled in this section.

Vigilance: All vigilance related work including disciplinary proceedings of Group 'A' officers and officials of Headquarters Office; CAT Cases; High Court/ Supreme Court matters of Establishment; Property Returns and ACRs of all the officials of the Directorate, and Public grievances); Processing of Immovable Property Returns; Vigilance Clearance, Vigilance Complaints, Disciplinary Proceedings, preparation of Agreed List and ODI List, etc. are being handled by this section.

Coordination: The work handled by this section includes compilation of monthly and other reports from Regions and Zones; Processing of antecedent verification on behalf of Directorate; Monitoring of recording of ECIR in coordination with Regions/Zones and predicate agencies; Compilation and dissemination of ML-1 and ML-2 reports; Parliament Questions; Attending and replying to all RTI applications as well as appeals filed before the Appellate Authority; etc.

Intelligence: The work handled by this section include handling of all non-vigilance complaints related to PMLA/ FEMA etc.; dealing with COFEPOSA matters, handling CVC/CEIB/IB/Cabinet Secretariat/other LEA referred matters including terror financing; Dealing with FIU, Egmont requests and bulk requests; Examination of STRs and dissemination to Regions/Zones/Sub-zones concerned and obtaining feedback on the same; Matters relating to ICJS; obtaining Customer Application Form (CAF) and Call Data Record (CDR); Surveillance work in terms of MHA guidelines; etc.

Investigation: The work handled by this section includes monitoring the investigation of cases by Zones and coordination with other agencies in ongoing investigation cases.

Adjudication: This section handles adjudication of FEMA cases and Penalty recovery.

Legal: This section handles Appeal /Writ Petition matters of Supreme Court; filing of appeals before Appellate Tribunal for Foreign Exchange (ATFE); matters of Attachment Orders before Adjudicating Authority under PMLA; review of Adjudication Orders passed by Joint Directors and above; legal vetting; dealing with references from Ministries on legal issues/Law relating to FEMA, PMLA and FEOA; tracking of work of Prosecutors/ Advocates in Courts; empanelment of Advocates etc.; giving legal opinion in investigative and other matters; drafting/vetting of PAOs, PCs, affidavits, appeals, LRs, extradition requests etc.; appearance before the Adjudicating Authority, Appellate Tribunal and Courts on behalf of the Directorate; Monitoring of court cases and legal issues at all India level etc.

Headquarters Investigation Units (HIU): The HIUs were created at Headquarters of ED in the year 2012 for investigating sensitive and important cases.

STF: The Special Task Force (STF) has been constituted at Headquarters office of the Directorate, specifically to carry out quality investigation in cases related to Drug Trafficking, Terrorist Financing and the Unlawful Activities (Prevention) Act (UAPA), 1967.

Overseas Investigation Unit (OIU): This section deals with the overseas enquiries and other matters relating to cooperation with foreign countries with whom India has got mutual assistant arrangements through MLATs etc.; coordination related to formal and informal cooperation with foreign authorities including preparation of LRs and Extradition requests; all forms of international cooperation including matters relating to G20-ACWG, UNODC, ARIN-AP, World Bank, StAR Initiative, Asset Recovery etc.; processing of international meetings and trainings; etc.

Systems and Training: This section handles all matters relating to information technology, electronics, internet/ intranet, coordination with NIC, installation and management of IT related software/hardware, running and managing the Cyber Lab, computerization project, etc. It also conducts trainings of officers of the Directorate.

4.2.3.3 Organizational Structure at Regional, Zonal and Sub-zonal Offices: The present structure of all the Regional, Zonal and sub-zonal offices of the Directorate is tabulated hereunder:

S.No.	Regions	Zones	Sub-zones
1.	Western Region	Mumbai -I	
		Mumbai -II	Nagpur
		Ahmedabad	Surat
		Bhopal	Indore
		Panaji	
		Raipur	
2.	Northern Region	Chandigarh -I	Shimla
		Chandigarh -II	Dehradun
		Gurgaon (Gurugram)	
		Jalandhar	
		Jaipur	
		Srinagar	Jammu
3.	Southern Region	Chennai -I	
		Chennai -II	Madurai
		Hyderabad	Visakhapatnam
		Kochi	Kozhikode
		Bengaluru	Mangalore
4.	Central Region	Delhi -I	
		Delhi -II	
		Patna	
		Lucknow	Allahabad (Prayagraj)
		Ranchi	
5.	Eastern Region	Kolkata -I	
		Kolkata -II	Gangtok
		Bhubaneshwar	
		Guwahati -I	
		Guwahati -II	Agartala
			Aizawl
			Imphal
			Itanagar
			Kohima
			Shillong

(a) Western Region: The Region is having its office at Mumbai. The Region comprises of 06 Zones, namely, Mumbai-I, Mumbai-II, Ahmedabad, Bhopal, Panaji (Goa) & Raipur and 03 Sub-Zones, namely, Nagpur under Mumbai-II, Surat under Ahmedabad and Indore under Bhopal.

(b) Northern Region: The Region is having its office situated at Chandigarh. The Region comprises of 06 Zones, namely Chandigarh-I, Chandigarh-II, Gurgaon (Gurugram), Jalandhar, Jaipur and Srinagar and 03 Sub-Zones, namely, Shimla under Chandigarh-I, Dehradun under Chandigarh-II and Jammu under Srinagar.

(c) Southern Region: The Region is having its office at Chennai. It comprises of 05 Zones, namely Chennai-I, Chennai-II, Bengaluru, Kochi and Hyderabad and 04 Sub-Zones, namely, Madurai under Chennai Zone-II, Mangalore under Bengaluru, Kozhikode under Kochi and Vishakhapatnam under Hyderabad.

(d) Central Region: The office of the Central Region is located at Delhi. It comprises of 05 Zones namely Delhi-I, Delhi-II, Lucknow, Patna and Ranchi and 01 Sub-Zone viz. Allahabad (Prayagraj) Sub-Zone falling under Lucknow Zone.

(e) Eastern Region: The Region is having its Office at Kolkata. It comprises of 05 Zones, namely, Kolkata-I, Kolkata-II, Bhubaneshwar, Guwahati-I & Guwahati-II and 07 Sub Zones namely Gangtok under Kolkata-II and other six sub-zones i.e. Agartala, Aizawl, Imphal, Itanagar, Kohima and Shillong, all under Guwahati-II.

4.2.3.4 The Regional Special Directors are assigned with the role of supervising and monitoring the overall working and functioning of the Zonal offices of the Directorate located at various cities within the Region and other administrative/vigilance matters. Similarly, the Zonal Additional/Joint Directors are responsible for the overall supervision and functioning of the FUs under their jurisdiction including the Sub-zones. The Sub-zonal offices are headed by Deputy Directors and they report to the Zonal Additional/Joint Directors.

4.2.3.5 The offices of the Directorate of Enforcement located all over India ensures that the money laundering offences are investigated in an effective manner and it also acts as deterrence for the potential offenders.

4.2.3.6 Considering the strategic importance of North-East Region, Directorate of Enforcement has strengthened its presence and intensified anti-money laundering activities including cross border financial crimes, international hawala, terror financing and drugs trafficking. The Directorate has set up offices in all the seven sisters of North-East (07 states under North-Eastern Region).

4.2.4 Offence of Money Laundering

4.2.4.1 Section 3 of the PMLA criminalizes the offence of money laundering related to a wide range of criminal offences listed in the schedule to the PMLA. These offences include participation in an organized criminal group and racketeering, terrorism and terrorist financing, illicit trafficking in narcotics drugs and psychotropic substances, illegal human trafficking, illicit arms trafficking, illicit trafficking in stolen goods, corruption and bribery, fraud, counterfeiting and piracy of products, environmental crimes, kidnapping, robbery, smuggling, extortion, forgery, piracy and insider trading and market manipulation. These offences listed in the schedule are called "predicate offences" and section 3 of the PMLA states that whoever is directly or indirectly involved or associated with any process or activity connected with "proceeds of crime" related to these criminal activity will be guilty of the offence of money laundering and is liable for punishment with rigorous imprisonment of three to ten years under section 4 of the PMLA.

4.2.4.2 The scope of section 3 has been widened over the years following a risk based approach to ensure that each and every kind of money laundering offence is covered under the provisions and the "proceeds of crime" are not enjoyed with any person who could in any way connected to the underlying criminal activity. Through the Prevention of Money Laundering (Amendment) Act, 2012, section 3 was amended in the following manner with effect from 15th February, 2013

> *"Whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime <u>including its concealment, possession, acquisition or use</u> and projecting or claiming it as untainted property shall be guilty of the offence of money laundering."*

In addition, through the Finance (No. 2) Act, 2019, the following Explanation was added in section 3 of the PMLA with effect from 1st August, 2019,

> *Explanation. — For the removal of doubts, it is hereby clarified that,-*
>
> *(i) a person shall be guilty of offence of money-laundering if such person is found to have directly or indirectly attempted to indulge or knowingly assisted or knowingly is a party or is actually involved in one or more of the following processes or activities connected with proceeds of crime, namely:-*
>
> *(a) concealment; or*
>
> *(b) possession; or*
>
> *(c) acquisition; or*
>
> *(d) use; or*
>
> *(e) projecting as untainted property; or*
>
> *(f) claiming as untainted property,*
>
> *in any manner whatsoever;*
>
> *(ii) the process or activity connected with proceeds of crime is a continuing activity and continues till such time a person is directly or indirectly enjoying the proceeds of crime by its concealment or possession or acquisition or use or projecting it as untainted property or claiming it as untainted property in any manner whatsoever.".*

4.2.4.3 Thus, after this amendment, it is not necessary that for committing an offence of money laundering, the person concerned should project or claim the proceeds of crime as untainted property, it is enough if he is directly or indirectly involved in any process of activity connected with the proceeds of crime including its concealment, possession, acquisition or use. Thus, the definition of the offence of money laundering is in full compliance with Article 3(1)(b) and 3(1)(c) of the Vienna Convection and Article 6(1) of the Palermo Convention.

4.2.4.4 Further, it has been clarified that the money laundering cannot be interpreted as a one-time, instantaneous offence that ceases with the concealment or possession or acquisition or use or projection of the proceeds of crime as untainted property or claiming it as untainted. A person shall be considered guilty of the offence of money laundering for as long as the said person is enjoying the "proceeds of crime".

4.2.4.5 The offence of money laundering applies to "whosoever" and thus includes a person who commits the predicate offence, if that person is knowingly involved in the laundering of the proceeds and thus the offence of "self-laundering" is covered in the definition. The term "whosoever" in its generality also covers any "person" which is defined in section 2(s) of the PMLA to include an individual and all forms of companies, firms, associations and legal persons, which includes laundering by third parties. Thus, the legal persons are also covered and are liable to be fined under the provisions of PMLA. Section 70 of the PMLA provides that where the violation of the Act is committed by a company, both the company and the individuals in charge of the company will be deemed to be guilty of that contravention unless they did not have the knowledge of contravention or they have exercised all due diligence to prevent it.

4.2.4.6 The term "proceeds of crime" has been defined in section 2(1)(u) of the PMLA to mean any property derived or obtained, directly or indirectly, by any person as a result of criminal activity relating to a scheduled offence or the value of any such property or where such property is taken or held outside the country, then the property equivalent in value held within the country or abroad. Many a times the proceeds of crime is consumed or expended or transferred outside India by the accused persons and is not available for confiscation. In order to deal with such situation, the concept of equivalent value of such property which is not available for confiscation has been provided under section 2(1)(u) of the PMLA. It may be noted that the provision for equivalent value of property held within India, which may be attached/ confiscated by Directorate of Enforcement, if the proceeds of crime is taken or held outside India was introduced through the Finance Act, 2015, with effect from 14th May, 2015, and its scope was further widened to property held abroad through the Finance Act, 2018, with effect from 19th April, 2018.

4.2.4.7 Through the Finance (No. 2) Act, 2019, the following Explanation was added in section 2(1)(u) of the PMLA with effect from 1st August, 2019

> *"'Explanation.-For the removal of doubts, it is hereby clarified that "proceeds of crime" include property not only derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence;'."*

Thus, the scope of the expression "proceeds of crime" has been widened significantly and would not only include properties derived or obtained from the scheduled offence but also any property which may directly or indirectly be derived or obtained as a result of any criminal activity relatable to the scheduled offence. Thus, the money laundering offences can be investigated independently without necessarily requiring investigation of predicate offence.

4.2.4.8 It may be noted that the term "property" has also been defined widely in section 2(1)(v) of the PMLA and means any property or assets of every description, whether corporeal or incorporeal, movable or immovable, tangible or intangible and includes deeds and instruments evidencing title to, or interest in, such property or assets, wherever located. Through the Prevention of Money Laundering (Amendment) Act, 2012, an Explanation has been added in section 2(1)(v) and it has been clarified for the removal of doubts that the term "property" includes property of any kind used in the commission of an offence under the PMLA or any of the scheduled offences.

4.2.4.9 A wide range of criminal offences have been listed in the schedule to the PMLA and are the "predicate offence" for the purposes of investigation of the offence of money laundering and attachment/confiscation of the proceeds of crime. The list of predicate offences under the PMLA have been expanded over the years based on a Risk Based Approach and the same has been summarized below:-

Sl. No.	Amending Act	Modification in the Scheduled Offence
1.	The Prevention of Money-Laundering Amendment Act, 2009 w.e.f. 1.6.2009	Addition of Part C in the Schedule to include an offence of cross-border implications and which are specified in Part A of the Schedule and the offences against property under Chapter XVII of the Indian penal Code
2.	Finance Act, 2015 (w.e.f. 14.5.2015)	Addition of Section 132 of the Customs Act, 1962, relating to false declaration, false documents etc. with a monetary limit of Rs. 10 million
3.	Finance Act, 2018 (w.e.f. 19.4.2018)	Addition of Section 447 of the Companies Act, 2013 relating to Punishment for Fraud
4.	Black Money (Undisclosed Foreign Income and Assets) Imposition of Tax Act, 2015 w.e.f. 1.7.2015	Section 51 of the Black Money (Undisclosed Foreign Income and Assets) Imposition of Tax Act, 2015

4.2.4.10 In addition, the PMLA was amended through the Prevention of Money Laundering (Amendment) Act, 2009 with effect from 1st June, 2009, to add Part C in the schedule to provide that the predicate offence would include all the offences specified in Part A and also the offences against property under Chapter XVII of the IPC, if the offence has a cross-border implication. Offences of cross-border implications means any conduct by a person outside India which constituted an offence at that place and which would have constituted an offence specified in the schedule to the PMLA had it been committed in India and if such person transfers in any manner the proceeds of such conduct or part thereof to India. Thus, the predicate offences for money laundering also extend to conduct that occurred in another country which constitutes an offence in that country and which would have constituted a predicate offence had it occurred domestically. Accordingly, if the proceeds of crime relate to drug trafficking in a foreign jurisdiction and the same is laundered in India, action can be taken under the provisions of the PMLA including attachment/confiscation of properties.

4.2.4.11 An amendment in section 44 of the PMLA was also carried through the Finance (No. 2) Act, 2019, to clarify for the removal of doubts that the jurisdiction of the Special Court, while dealing with an offence under the PMLA, will not be dependent upon any order passed in respect of the schedule offence. Thus, even if a accused is discharged/acquitted from scheduled offence, the trial for the offence of money laundering will continue. This also means that while proving the property as the proceeds of crime, it is not necessary that a person be convicted of a predicate offence. It has also been clarified through Finance Act (No. 2) of 2019, for the removal of doubt, that the offence of money laundering are cognizable and non-bailable offences and thus the officers of the Directorate of Enforcement have the powers to arrest subject to certain conditions.

4.2.5 Attachment and Confiscation

4.2.5.1 Section 5 of the PMLA provides that where the Director, Directorate of Enforcement, or any other officer not below the rank of Deputy Director authorized by him, has reason to believe (the reason for such belief to be recorded in writing), on the basis of material in his possession, that (a) any person is in possession of any proceeds of crime and (b) such proceeds of crime are likely to be concealed, transferred or dealt with in any manner which may result in frustrating any proceedings relating to confiscation of such proceeds of crime, he may, by order in writing, provisionally attach such property for a period not exceeding 180 days from the date of the order.

4.2.5.2 After the attachment, the officer concerned is required to forward a copy of the attachment order along with the material in his possession to the Adjudicating Authority for adjudication. The attachment will cease to have effect after the expiry of 180 days or after the order of adjudication, whichever is earlier. The period of stay by the High Court, however, shall be excluded for computing the period of 180 days. During the period of attachment, however, the persons interested in the enjoyment of the immovable property so attached is not prevented from such enjoyment.

4.2.5.3 Section 17 of the PMLA gives power to Director, Directorate of Enforcement, or any other officer authorized by him not below the rank of Deputy Director, to carry out search and seizure operation and seize any record or property found during the search. If it is not practicable to seize such record or property, the officer concerned may make an order to freeze the property prohibiting its transfer. Section 18 of the PMLA gives powers to the officers of Directorate of Enforcement to search a person and seize any property. In the case of seizure/freezing under sections 17 and 18 of the PMLA, the authorities concerned are required to make an application to the Adjudicating Authority for retention of such record or property or for continuing the order of freezing.

4.2.5.4 The Adjudicating Authority is a quasi-judicial body comprising of a chairperson and two other members. On receipt of a complaint under sections 5 or 17 or 18 of the PMLA, if the Adjudicating Authority has reason to believe that any person has committed an offence under section 3 of the PMLA or is in possession of proceeds of crime, it may serve a notice of not less than 30 days on such person calling upon him to indicate the sources of his income, earning or assets, out of which or by means of which he has acquired the said property, the evidence on which he relies and other relevant information and particulars, and to show cause why all or any of such properties should not be declared to be the properties involved in money-laundering and confiscated by the Government.

4.2.5.5 The Adjudicating Authority after taking into consideration the above reply, hearing the aggrieved person(s) and the officers of the Directorate of Enforcement, and after taking into account all relevant material, records a finding whether the properties are involved in money laundering.

4.2.5.6 After the Adjudicating Authority decides that the property is involved in money-laundering, it confirms the order of attachment/freezing and gives a finding that the attachment shall continue during the investigation for a period not exceeding 365 days or during the pendency of the proceeding related to any offence under the PMLA before a Court, including foreign Courts. Thus, after the order of the adjudicating authority, the attachment/freezing continues during the investigation and will also continue after filing of a prosecution complaint till the matter is finally decided by the Court.

4.2.5.7 The order of confiscation is passed by the Special Court under section 8(5) of the PMLA after conclusion of the trial for the offence of money laundering and all rights and title in the property vest absolutely in the Central Government free from all encumbrances. However, after the confirmation of the attachment/freezing by the Adjudicating Authority, a quasi-judicial body, it is provided in section 8(4) of the PMLA that the officers of the Directorate of Enforcement will take possession of the property attached and thus it is ensured that the offenders do not enjoy the "proceeds of crime". Thus, after confirmation of attachment/freezing by the Adjudicating Authority, it no longer remains only a "provisional measure" as the property is not available to the criminals.

4.2.5.8 Any person aggrieved with the order of Adjudicating Authority, including the officers of the Directorate of Enforcement, can file an appeal within 45 days before the Appellate Tribunal, another quasi-judicial authority under section 26 of the PMLA and the Appellate Tribunal after giving the parties to the appeal an opportunity of being heard may pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against. Any person aggrieved with the order of Appellate Tribunal may file an appeal to the High Court within 60 days on any question of law or fact arising out of such order.

4.2.6 Investigation, Prosecution and Conviction

4.2.6.1 Under the PMLA, the officers of the Directorate of Enforcement have wide range of powers to investigate the offence of money laundering and for attachment/ freezing and confiscating the proceeds of crime. These include powers of summons, survey, search and seizure, search of persons, arrest etc. The officers of various other departments such as officers of CBIC, CBDT, police, RBI, SEBI, IRDA etc. are empowered and required to assist the officers of the Directorate of Enforcement in the enforcement of PMLA.

4.2.6.2 After registering the complaint, at the first instance, the officers of Directorate of Enforcement identify, quantify and trace the "proceeds of crime". They also collect the evidence relating to the commencement of the offence, which may comprise of information received from predicate agency on parallel financial investigation, examination of accused, other persons associated with the offence and third parties, reduction of their statement in writing, carrying out survey and search etc. They provisionally attach the properties identified as "proceeds of crime" and file a complaint before the Adjudicating Authority. In appropriate cases, joint investigation in collaboration with the predicate agency is also conducted.

4.2.6.3 After carrying out the necessary investigation, the Directorate of Enforcement also file a Prosecution Complaint before the Special Courts constituted under section 43 of the PMLA, who takes cognizance of the offence of money laundering committed under section 3 of the PMLA. After trial in the Special Court, the accused is convicted and is punished in accordance with section 4 of the PMLA.

4.2.7 International Cooperation

4.2.7.1 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.

4.2.7.2 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 45 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.

4.2.7.3 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 issue a letter of request to a court or an authority in the foreign jurisdiction for execution of such order.

4.2.7.4 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.

4.2.8 Performance of Directorate of Enforcement in the area of PMLA

4.2.8.1 During the Financial Year (F.Y.) 2022-23 (up to 30.11.2022), the Directorate has taken up investigations under the provisions of PMLA in 363 cases. Total number of investigations initiated by the Directorate is 5785 as on date.

4.2.8.2 As on date, the Directorate has identified proceeds of crime amounting to Rs. 1,85,213 crores (approx.). During F.Y. 2022-23 (up to 30.11.2022), the Directorate has attached proceeds of crime with the aggregate value of Rs. 9092.84 crores by issuance of 133 Provisional Attachment Orders. The Proceeds of Crime amounting to Rs. 1,13,793 crores have been attached by issuance of 1588 Provisional Attachment Orders as on date. Thus, 61.43% of the total identified proceeds of crime stands attached as on date. The Adjudicating Authority has confirmed attachment of properties worth Rs. 8787.20 crores during this F.Y. up to 30.11.2022. Thus, total amount of confirmed attached properties by Adjudicating Authority as on date is Rs. 67,379 crores.

4.2.8.3 During F.Y. 2022-23 (up to 30.11.2022), Prosecution Complaints have been filed in 120 cases. Total numbers of Prosecution Complaints filed under PMLA is 1112 as on date.

4.2.8.4 During F.Y. 2022-23 (up to 30.11.2022), the Special Court, PMLA has ordered for confiscation of Rs. 2.42 crore (approx.) and imposed a cumulative fine of Rs. 07.40 lakhs (approx.) on the accused. Further, proceeds of crime amounting to Rs. 45.55 crore (approx.) has also been confiscated by the Special Court, PMLA under section 8(7) of PMLA. Thus, during the F.Y. 2022-23 (up to 31.12.2022) total confiscation amount under PMLA is Rs. 47.97 crore (approx.). Further, the total confiscation amount under PMLA, as on date is Rs. 15,623.40 crore (approx.).

4.2.8.5 During F.Y. 2022-23 (up to 31.12.2022), the Directorate has secured 06 conviction orders in which 12 accused have been convicted by the Special Court PMLA. It is appropriate to mention here that as on date the Directorate has secured 21 conviction orders wherein 35 accused have been convicted. Further, in only one case accused has been acquitted by Special Court, PMLA on merit. Thus, it is pertinent to highlight that total percentage of conviction is very high in PMLA cases which is 95.45%. There are few cases wherein proceedings under PMLA could not proceed further due to quashing of the predicate offences investigated by Law Enforcement Agencies.

4.2.9 Performance of Directorate of Enforcement in the area of FEMA

During the Financial Year 2022-23 (up to 30th November), the Directorate has initiated investigation in total number of 2521 cases under the provisions of Foreign Exchange Management Act, 1999 (FEMA). A total number of 261 Show Cause Notice have been issued and 314 cases have been adjudicated during the period. Further, penalty of Rs. 2149.01 crores has also been imposed and penalty amounting to Rs. 11.93 crore (approx.) have been realized during the period.

4.2.10 Performance of Directorate of Enforcement in the area of FEOA

As on 30th November, 2022, ED has filed applications under FEOA against 15 persons, out of which 09 persons have been declared as Fugitive Economic Offenders by the Competent Courts. Hon'ble Special Court has ordered for confiscation of properties to the tune of Rs. 862.43 crores (all the Foreign Currency values are converted to INR) respect of various accused. Hearing for confiscation of properties in respect of other declared FEOs is underway in the Competent Courts.

Moreover, extradition proceedings in case of high profile fugitive economic offenders are also being properly followed up by the Directorate.

4.2.11 Performance of Directorate of Enforcement in the area of Extradition and Red Notice

During the Financial Year 2022-23 (up to 30th November), the Directorate of Enforcement has made requests for publishing of Red Notice in respect of 01 person. Further, a total of 02 Extradition requests have been sent to various countries. Till date, the Directorate of Enforcement has made requests for publishing of Red Notice in respect of 36 persons, out of which Red Notice has been published in respect of 19 persons. A total of 35 Extradition requests have been sent to various countries in respect of 23 individuals.

ED is working tirelessly to extradite the fugitive economic offenders who have evaded the process of law in India by staying outside the jurisdiction of Indian Courts. The efforts of the Directorate have resulted in successful representation before Competent Court abroad in extradition of various fugitive economic offenders. In this regard, it is pertinent to mention that UK Court has approved extradition of few high profile accused persons to India following effective representation of the Directorate in coordination with other LEAs and Indian mission abroad.

4.2.12 Restitution of properties to Public Sector Banks

ED is not only actively pursuing the economic offenders to unravel the money laundering but at the same time is also making efforts for the restitution of assets to the banks and others who have lost money. Vijay Mallya, Nirav Modi and Mehul Choksi have defrauded Public Sector banks by siphoning off the funds through their companies which resulted in total loss of Rs. 22,585.83 crore to the public sector banks. As on 30.11.2022, assets worth Rs. 19111.20 crore have been attached under the provisions of Prevention of Money Laundering Act, 2002. Out of which, assets worth Rs.15113.91 crores has been restituted to the Public Sector Banks. In addition, assets worth Rs.764.44 crores have been confiscated to Government of India. As on 30.11.2022, 84.61 % of the total defrauded funds in these cases have been attached/ seized and 66.91% of total loss to the banks has been handed over to Banks/Confiscated to GOI. It is pertinent to mention here that till 30.11.2022, the consortium of banks led by SBI has realized Rs.7975.27 crore by sale of assets handed over to them by Directorate of Enforcement.

4.2.13 Special Focus on Terror Financing

4.2.13.1 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.

4.2.13.2 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.

4.2.13.3 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 exist 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.

4.2.13.4 During investigation of cases related to terror financing by ED, it has been found that the terrorists use a number of methods for 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

4.2.13.5 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 affected 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.

4.2.13.6 In terror financing cases, ED has a very important role both in tracing the proceeds of crime and its laundering by the terrorists. ED 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.

4.2.13.7 ED has taken strict action against terrorist activities by way of registering several cases related to terror funding against anti-national elements and intensified money laundering investigation to trace and deter the terror funding leading to unearthing of Proceeds of Crime (PoC) to the tune of more than Rs. 1200 Crores (approx.). Out of these identified PoC, 169 (approx.) movable and immovable properties having book value of Rs.1062 Crores (approx.) have been attached. The attached properties include both movable and immovable properties of Rs. 858.73 Crores (approx.) in India and Rs.203.27 Crores (approx.) in abroad. In one of the case, the accused has been declared as Fugitive Economic Offender and the properties worth Rs. 97.99 Crores have been confiscated under the provisions of Fugitive Economic Offenders Act, 2018 (FEOA). A total of 32 prosecution complaints (Charge-sheets) have been filed under the Prevention of Money Laundering Act, 2002 and in 03 cases the accused have been convicted by PMLA Special Court. Further, 10 accused have been declared proclaimed offender and 03 others have been declared Fugitive Economic Offenders by the Special Courts.

4.2.13.8 Action against insurgent groups in the North-East Region: In order to put a curb on the funding of insurgency activities in the North-East Region, the Directorate has taken up several investigations under the provisions of PMLA against some of the prominent extremist groups such as NSCN (IM), NSCN (K), Dima Halam Daogah (Jewel Garolsa Faction).

4.2.13.9 Action against Naxal funding in Bihar, Jharkhand and Chhattisgarh: Strict actions under PMLA have been taken against LWEs active in Bihar, Jharkhand & Chhattisgarh leading to attachment of properties and filing of Prosecution Complaints in several cases. As on 30.11.2022, PoC amounting to more than Rs 18 crores has been identified in Naxal/LWE related cases out of which, PoC amounting to Rs 10.37 crores involving 147 properties (61 - movable and 86 - immovable) stands attached in 14 different PAOs. Further, 12 prosecution complaints have been filed in Naxal/LWE related cases.

4.2.14 Proactive Steps taken by ED in other key areas of money laundering are as follows:

(i) **<u>Stringent action in money laundering cases related to NDPS</u>**

In NDPS related cases, as on 30.11.2022, Proceeds of Crime (PoC) amounting to Rs 1445.11 crores have been identified. Out of which PoC amounting to Rs 1132.78 crores stands attached in 49 different PAOs. Total 40 Prosecution Complaints including 03 supplementary Prosecution Complaints have been filed before Special Court PMLA resulting in conviction in 02 cases convicting 06 accused persons. Further, 03 accused have been declared as Fugitive Economic Offender under the Fugitive Economic Offenders Act, 2018 by the Special Court.

(ii) **Special focus on Cyber Crime & Crypto Assets related cases**

The Directorate has taken vigilant steps in tackling the threat of money laundering through Cyber Crime and Crypto assets related cases. As on 30.11.2022, investigation has been initiated in 37 Cyber Crime & Crypto Assets related cases which led to identification of Rs. 3412.18 crores as Proceeds of Crime under PMLA. Out of which Rs.1115.65 crores has been attached/ freezed/seized in different PAOs/seizure order/freezing order issued by ED. Total 10 Prosecution Complaints have been filed which are at different stages of trial. The action taken by ED is not limited to PMLA but alternate measures under FEMA has also been explored by ED to curb the fraudsters and assets amounting to Rs. 289.28 crores has been seized under section 37A of FEMA.

(iii) ***Unearthing of modus operandi adopted by foreign entities / nationals***

ED has played a pioneering role in unearthing of various modus operandi adopted by foreign entities / nationals in looting the public money from gullible and innocent Indians. The method adopted by these unscrupulous foreign entities / nationals are summarized below:

- Fraud committed through various unauthorized loan apps, micro financing, lending apps.
- Siphoning off Indian money away illegally in the name of royalty payment.
- Lack of KYC by payment aggregators and fintech companies.
- Online gaming/dating/betting applications promoted by foreign entities with the help of dummy Indian Directors.
- Running app based tokens which promised higher gains in mining machines for bitcoin and other cryptocurrency.
- Running ponzi schemes through fake websites.
- Hawala through shell companies.

As a result of ED investigations, the Proceeds of Crime (PoC) around Rs.4000 crores has been identified, out of which PoC amounting to Rs.1275 crores has already been attached under PMLA. However, further PoC and other similar networks are being identified under the supervision of the Director, ED.

(iv) **Money laundering cases related to Sand mining, Coal mining, Illegal mining of other natural resources, Illegal logging, Wildlife and Environment related cases**

As on 30.11.2022, the Directorate has taken up investigation in 08 cases related to illegal sand mining which resulted in unearthing of proceeds of crime amounting to Rs. 209.30 crore, out of which proceeds of crime amounting to Rs. 205.80 crore has been attached/ seized. Further, 02 prosecution complaints have also been filed in these cases which are at different stages of trial.

In cases related to illegal Coal mining, proceeds of crime amounting to Rs. 198.72 crore has been attached. Further, 05 Prosecution Complaints have been filed which are at different stages of trial and 01 accused has been declared as Proclaimed offender.

39 cases related to illegal mining of other natural resources have been taken up for investigation by the Directorate which resulted in identification of proceeds of crime amounting to Rs.2724.91 crore, out of which proceeds of crime amounting to Rs.2693.71 crore stands attached / seized. Further, 09 Prosecution complaints have also been filed in these cases which are at different stages of trial.

The Directorate of Enforcement has also taken up investigation in 17 cases related to Environmental crimes and 42 cases related to Wildlife crime cases which resulted in attachment of proceeds of crime of Rs. 8.39 crore and Rs.122.55 crore respectively in Environmental crime and wildlife crime cases. 07 Prosecution Complaints have been filed in these cases which are at different stages of trial.

(v) **Cases related to SEBI, Hawala, Shell company & Real estate**

The Directorate has taken up investigation in several cases related to Hawala which resulted in unearthing of proceeds of crime amounting to Rs. 1635.97 crore, out of which proceeds of crime amounting to Rs. 379.38 crore has been attached / seized. Further, 27 prosecution complaints have also been filed in these cases which are at different stages of trial and 15 accused have been declared as Proclaimed offender.

In SEBI related cases, proceeds of crime amounting to Rs.1505.81 crore have been identified in 23 cases. Out of which proceeds of crime amounting to Rs. 578.69 crore have been attached / seized. Further, 05 prosecution complaints have also been filed in these cases which are at different stages of trial and 07 accused has been declared as Proclaimed offender.

In cases related to Shell companies, proceeds of crime amounting to Rs.47937.82 crore have been identified, out of which proceeds of crime amounting to Rs.39475.81 crore has been attached / seized. Further, 89 prosecution complaints have also been filed in these cases which are at different stages of trial and 06 accused have been declared as Proclaimed offender.

In cases related to Real-Estate, proceeds of crime amounting to Rs. 13425.98 crore have been identified, out of which proceeds of crime amounting to Rs. 9649.29 crore has been attached / seized. Further, 26 prosecution complaints have also been filed in these cases which are at different stages of trial and 10 accused has been declared as Proclaimed offender.

(vi) **Money laundering cases having impact over public at large**

In the recent past, the work of ED has increased considerably both qualitatively and quantitatively. Investigations in cases involving bank frauds, corruption in public life and others having impact over public at large were fast tracked which also resulted in huge cash seizure, arrest and filing of Prosecution Complaint within short period of 60 days. ED is working without fear or favour and the Rule of law is being applied to all accused irrespective of his or her position in Government or society. Further, deterrence against future systemic bank frauds has been reinforced by expeditious investigation in several bank fraud cases including YES Bank, PMC Bank, ICICI Bank, DHFL.

Two of such cases caught the attention of whole nation wherein ED recovered huge cash during its search operation viz. cash of Rs. 19.31 crore was recovered and seized in Jharkhand belonging to a high profile IAS officer. In another case of fraud to public at large in the SSC recruitment scam in West Bengal, cash of Rs. 49.80 Crore has been seized from two premises connected with a sitting minister of the state government. In addition, jewellery worth Rs. 5.08 Crore, bank balance of more than Rs. 8 Crore and more than 25 immovable properties including land, farm house, residential flats, commercial space and industrial plot have been unearthed and attached under PMLA. The total amount seized / attached in this case stands at Rs. 103.10 crores. Thus, the staggering quantum of loot of public money has been detected and prompt action taken by ED has not only led to recovery of looted public money but also in exposing the criminal nexus of PEPs and bureaucrats.

In the above cases and other similar cases where arrests under PMLA have been made, subsequent filing of Prosecution Complaint within statutory period of 60 days of arrest has been ensured.

4.2.15 **Other Initiatives**

Other initiatives taken by the Directorate of Enforcement includes the following:

(a) Celebration and commemoration of 75 years of independence India and the glorious history of its people, culture and achievements, "Azadi Ka Amrit Mahotsav", a 75 week countdown to our 75th anniversary of Independence intended to end post a year on 15th August, 2023, started in the Directorate from 12th March, 2021. The Mahotsav is being celebrated in this Directorate.

(b) A Vigilance Awareness Week was also organized by the Directorate during 31st October to 6th November, 2022 to create awareness among staff to check corruption at every level so that a corruption free society could be attained.

(c) International Day of Yoga was celebrated on 21st June, 2022 by all the offices of this Directorate. All the officers / officials of the Directorate participated with enthusiasm and zeal.

(d) To ensure rational distribution of work, the concept of Functional Unit has been introduced in each field of work across all the offices/ formations. For ensuring specialized, targeted and smooth working, each such unit is self-contained unit headed by an officer of the rank of Deputy Director with clearly demarcated resources and responsibilities including investigation, administration, intelligence etc. These Functional Units were created vide order dated 11.02.2021 and now the functioning of the same is streamlined and settled.

(e) Further, with a view to have unique designation of Deputy Directors and Assistant Directors posted in the various offices of the Directorate of Enforcement and to ensure broad uniformity in work allocation amongst the officers working in this Directorate, an order in this regard specifying the designations and broad allocation of work was issued on 04.05.2021.

(f) Designation based email IDs at all levels were also created in the Directorate to ensure continuity, credibility and to preserve the institutional memory. This has ensured definitiveness and accountability in official communications.

(g) To address the issue of lack of manpower being faced by the ED, a cadre restructuring committee was constituted and its report dated 01.11.2021 was submitted to the Department of Revenue (DoR) which is being examined and is under active consideration of DoR.

4.2.16 ED also adheres to the rules and guidelines framed by Government for the welfare of differently-abled persons, SCs/STs & other weaker sections of the Society ensuring their adequate representation in different positions in the Organization.

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 2022-23 (from 01 April 2022 to 30 November 2022)**

i. **Collection of information (01 April 2022 to 30 November 2022):**

a. 9403744 Cash Transaction Report (CTRs) received.

b. 248082 Suspicious Transaction Reports (STRs) received.

c. 141041 Counterfeit Currency Reports (CCRs) received.

d. 548806 NPO Transaction Report (NTRs) received.

ii. **Analysis and dissemination of information (01 April 2022 to 30 November 2022):**

a. 38420 STRs processed.

b. 48246 STRs disseminated.

iii. **Collaboration with domestic Law Enforcement and Intelligence Agencies (01 April 2022 to 30 November 2022):**

a. Regular interaction and exchange of information.

b. Received 3314 requests for information from intelligence and Law Enforcement Agencies.

c. Provided information in 3085 cases requested by the agencies.

iv. **Regional and global AML/CFT efforts (01 April 2022 to 30 November 2022):**

a. 77 requests received from foreign FIUs during 01.04.2021 to 30.11.2021.

b. 255 requests sent to foreign FIUs during 01.04.2021 to 30.11.2021.

v. **Increasing awareness about money laundering and terrorists financing (01 April 2022 to 31 October 2022):**

a. 31 Programmes for training REs were conducted in which 859 participants participated.

b. 2 Review meetings at FIU-IND were held in which 4 participants participated.

c. 34 Training Programmes for training LEAs were conducted in which 1260 participants participated.

d. 17 meetings with LEAs were conducted in which 348 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

b. Designation and Conceptualization of FINnet 2.0 features and initiation of tendering process

4.4 Economic Security (ES)

4.4.1 Economic Security Cell is dealing with the administration and implementation of the Prevention of Money Laundering Act, 2002. Based on PMLA, Economic Security Cell is also looking after framing / amendment of PMLA Rules on matters relating to Know Your Customer (KYC norms), setting up of special Courts under PMLA, Section 66 of PMLA - authorities to whom information to be disseminated etc. from time to time.

4.4.2 Prevention of Money Laundering Act (PMLA) was enacted on 17th January, 2003 and brought into force on 1st July 2005. The object of this Act is to prevent money laundering and to provide for confiscation of property derived from, or involved in, money - laundering and for matters connected therewith or incidental thereto. Two main objectives of the Act are:

- Criminalize money laundering and provide for attachment, seizure and confiscation of property involved in money laundering [Implemented by Enforcement Directorate]; and
- Prescribe obligations on banks, financial Institutions and intermediaries relating to KYC, record keeping and furnishing reports [Implemented by Financial Intelligence Unit (FIU-IND)].

4.4.3 PMLA has been amended from time to time to overcome the deficiencies and to meet the international standards on Anti-Money Laundering as prescribed by Financial Action Task Force (FATF).

4.4.4 **Adjudicating Authority under Prevention of Money Laundering Act, 2002**

4.4.4.1 The Prevention of Money Laundering Act (PMLA), 2002 was enacted by the Parliament to prevent money laundering and connected activities, confiscation of proceeds of crime and setting up of agencies and mechanism for coordinating measures for combating money laundering.

4.4.4.2 The Director, Directorate of Enforcement has been designated as the Director for exercising powers under the PMLA, 2002 and is authorized to provisionally attach the property allegedly involved in money laundering. The Adjudicating Authority is empowered to confirm/ relief the provisional Attachment after hearing the aggrieved parties to ensure that property is not disposed of during the pendency of trial for scheduled offences of money laundering or proceeds of crime money laundered.

4.4.4.3 The Adjudicating Authority consists of a chairperson and two Members. The post of Chairperson & Members are tenure post after retirement from erstwhile job. The Adjudicating Authority received 271 nos. of Provisional Attachment Orders (PAOs) and 271 nos. of Original Complaints (OCs) till November 2022. In addition, 169 nos. of Original Application (OAs) for retention of seized documents from Directorate of Enforcement were received till November 2022. 2 Nos. of Miscellaneous Application (MA) also received till November 2022. Final orders in Original Complaint and Original Application have been pronounced in 494 nos. of cases (as against 245 cases last year) except 146 nos. of cases where the Hon'ble courts granted stay in respect of Provisional Attachment orders/Original applications furnished by Directorate of Enforcement.

4.5 Financial Action Task Force

i. Financial Action Task Force (FATF) is an independent inter-governmental body having 39 members (37 jurisdictions and 2 organizations) established by its member jurisdictions for effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing, combating financing or proliferation of weapons of mass destruction in countries across the world. India became a member of FATF in 2010. India is also a member of two FATF Style Regional Bodies (FSRBs) -Asia Pacific Group (APG) and Eurasian Group the combating Money laundering and Financing of Terrorism (EAG)

ii. The core work of FATF is to conduct Mutual Evaluation of its Members and to guide and assist FSRBs to conduct Mutual evaluation of their respective member jurisdictions. India's last Mutual Evaluation was conducted in the year 2010 and the next Mutual Evaluation is scheduled to begin in May 2023 based on the revised standards of FATF (40 recommendations and 11 Immediate outcomes).

iii. The Mutual Evaluation is very comprehensive and intense exercise and evaluates the anti-money laundering and combating terror financing (AML/CFT) abilities of a country's financial sector.

iv. FATF Cell was constituted in DoR in 2017 vide GOI Gazette Notification dated 9th Nov, 2017.

v. Coordination or work related to FATF Secretariat is the main function of FATF Cell. As part of this, FATF coordinates with other key agencies such as ED, FIU-IND, RBI, SEBI, IRDAI, MHA, NIA, MEA, MCA etc.

vi. The Cell receives, circulates and discusses various documents/ proposals related to FATF, APG, EAG with all the concerned stakeholders within the country and comments of India are sent on these issues, keeping national interests in view.

vii. The FATF cell also handles nominations of Indian delegation to the Plenaries and other important meetings of FATF, APG and EAG. Officers from the key agencies along with officers from FATF

Cell participate in these meetings and the delegation takes part in the multilateral discussions on various issues.

viii. Currently, the FATF Cell is coordinating the work related to India's upcoming mutual evaluation. Joint Secretary (Revenue) is the National Coordinator and Director (FATF) is the Deputy National Coordinator for the Mutual evaluation exercise.

ix. An important part of FATF mutual evaluation is to conduct National Risk Assessment where risk of various sectors of the economy like Banking, Insurance, Capital Markets, Designated Non-Financial Business and Profession sectors etc., are assessed periodically. FATF Cell, DoR functions as the coordinator for conducting India's/TF NRA.

x. An Inter- Ministerial Coordination Committee has been constituted under the Chairpersonship of Revenue Secretary under Sec.72A of PMLA with the mandate of macro-level policy decision making on AML/CFT matters, operational co-operation between the Government, law enforcement agencies, the Financial Intelligence Unit-India and the regulators or supervisors, and supervision of National Risk Assessment (NRA). FATF Cell works as the Secretariat to the IMCC.

xi. An AML/ CFT Joint Working Group under the Chairmanship of Additional Secretary (Revenue) has been created for enhancing operational co-ordination among all stakeholders.

xii. FATF Cell is also part of the core group constituted by Department of Personnel and Training to work on G20 Anti-Corruption Working Group (ACWG) and is working closely with all stakeholders on the Action plan for 2022-24 which covers the year of 2023, India's presidency of G 20. FATF Cell provides regular inputs for the Finance Track of G 20 coordinated by DEA, BRICS AML/CFT meetings, RIC meetings, CT Dialogues, to UN on Terrorist Financing related Targeted Financial Sanction and meetings of other multilateral economic bodies.

xiii. During the year 2022, FATF Cell, Department of Revenue worked closely with financial sector supervisors and regulators in order to improve the existing AML/CFT infrastructure, and meetings were held to improve our compliance with FATF standards. Officers from FATF Cell attend FCORD meetings for coordination on Counter Financing of Terrorism (CFT).

xiv. Since the advent of pandemic, the Plenary and Working Group meetings of FATF, EAG, APG are being conducted in virtual mode and Indian delegation has been attending the same. Since February 2022, the Plenary and Working Group meetings of FATF are being held in physical format and therefore have been attended by India in person. The February 2022 FATF Plenary was held in Paris, France and was attended by a two member delegation from India whereas the June and October 2022 FATF Plenaries, which were held in Berlin and Paris, were attended by a 6 member and 9 member delegation from India.

4.6 Narcotics Control (NC)

The Narcotics Control Division administers the Narcotic Drugs and Psychotropic Substances Act,1985 (61 of 1985), which prohibits, except for medical and scientific purposes, the manufacture, production, possession, sale, purchase, transport, warehouse, use, consumption, import inter-State, export inter-State, import into India, export from India or transshipment of narcotic drugs and psychotropic substances. The policy of the Governments has thus been to promote use of narcotic Drugs and psychotropic substances for medical and scientific purposes while preventing their diversion from licit sources, and prohibiting illicit traffic and abuse. The Narcotic Drugs and Psychotropic Substances Act divide the powers and responsibility of regulation of licit activities. Section 9 of the Act has listed various activities which the Central Government can, by rules, regulate while Section 10 lists various activities which the State Governments can, by rules, regulate. Accordingly, Narcotic Drugs and Psychotropic Substances Rules, 1985 have been framed by the Central Government, which regulates cultivation of opium, manufacture, import/export of narcotic drugs and psychotropic substances. Further to prevent diversion of precursor chemicals, of wide industrial use, for illicit manufacturing of, narcotic Drugs and psychotropic Substances, the Narcotic Drugs and Psychotropic Substances (Regulations of Controlled Substances) Order, 2013 has been framed under Section 9A of the NDPS Act.

4.6.1 FUNCTIONS/ WORKING OF THE CENTRAL BUREAU OF NARCOTICS.

4.6.1.1 Organizational set up

The Narcotics Commissioner heads the Central Bureau of Narcotics (CBN) with headquarters at Gwalior. The Narcotics Commissioner exercises control and supervision over opium poppy cultivation, which is presently undertaken in select notified areas of the three states of Madhya Pradesh, Uttar Pradesh & Rajasthan. In addition to the work relating to licensing of opium poppy cultivation, measurement and test measurement of fields and procurement of opium, the CBN also undertakes preventive checks and exercises vigil to prevent diversion of opium into illicit channels as well as enforcement of Narcotic Drugs & Psychotropic Substances Act, 1985.

4.6.1.2 **Responsibilities and Duties**

The broad outline of the functions and responsibilities of CBN are as under:

i. Performing the function of the National Opium Agency for India under Single Convention on Narcotic Drugs 1961 to exercise supervision over licit cultivation of opium poppy in the country in terms of Section 5(2) of the NDPS Act,1985.

ii. Survey, detection and eradication of illicit cultivation of opium poppy throughout the country.

iii. Enforcement of provisions of the NDPS Act 1985 to suppress illicit traffic in Narcotic Drugs, Psychotropic Substances and controlled substances including search, seizure, arrest, investigation and prosecution of drug offenders tracing and freezing of illegally acquired properties of drug traffickers derived from illicit drug trafficking for forfeiture and confiscation.

iv. Issuance of licenses domestic manufactures for manufacture of synthetic Narcotic Drugs notified under the NDPS Act 1985.

v. Performing the functions of Competent National Authority (CNA) for issuance of Export Authorizations and Import Certificate for Export/ Import of Narcotic Drugs & Psychotropic Substances and issuance of 'No Objection Certificate' for import/export of precursor chemicals under the 1961, 1971 and 1988 UN Conventions dealing with narcotic drugs, psychotropic substances and chemicals/ substances used for manufacture of these drugs.

vi. 1988 Convention requires CNA of the countries to take all possible measures to prevent diversion from international trade of precursor chemicals used in illicit manufacture of narcotic drugs and psychotropic substances in close cooperation with INCB and competent authorities of concerned countries.

vii. Liaison with the International Narcotics Control Board, United Nations Drug Control Programme as well as with the Competent National Authorities of other foreign countries on issues related to international trade in narcotic drugs, psychotropic substances and precursor chemicals.

viii. Co-ordination with other Drug Law Enforcement Agencies such as Directorate of Revenue Intelligence, Narcotics Control Bureau, State Police, State Excise and various other drug law enforcement agencies.

4.6.1.3 **Performance and Achievements: -**

The performance/achievement with respect to issuance of NOCs issued by Central Bureau of Narcotics during the year 2022 for the export/import of Precursor Chemicals is as under:

Number of NOC issued	From 01.04.2022 to 30.11.2022	From 01.12.2022 to 31.03.2023 (Projected)	Total
For export of Controlled Substance	1163	500	1663
For import of Controlled Substance	776	388	1164
No. of Pre-export Notifications (PEN) issued	980	320	1300
No. of Pre-export Notification (PEN) received	529	-	529
Number of Stop Shipments/ suspended (Import)	25	NA	NA
Number of Stop Shipments/ suspended (Export)	8	NA	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 980 PENs (during the period from 01.04.2022 to 30.11.2022 to the competent authority of various importing countries, for verifying the legitimacy of the transactions. On the initiative, taken by the Central Bureau of Narcotics (CBN), through online PEN system, CBN has identified and stopped suspicious transactions of Precursors Chemicals suspected to be diverted from the licit channels during the year under report.

The performance/achievement with respect to issuance of Export authorization and Import Certificate issued by Central Bureau of Narcotics during the current financial year from for the export/import of narcotic drugs/ psychotropic substances is as under –

Particular	Psychotropic Substances		Narcotic Drugs	
	From 01.04.2022 to 30.11.2022	From 01.12.2022 to 31.03.2023 (Projected)	From 01.04.2022 to 30.11.2022	From 01.12.2022 to 31.03.2023 (Projected)
No. of Export Authorization Issued	3880	2100	241	85
No. of Import Certificate issued	516	225	168	30

4.6.1.4 **Enforcement of NDPS Act, 1985-**

The Central Bureau of Narcotics undertakes action to prevent the illicit trafficking of Narcotic Drugs and Psychotropic Substances. It also undertakes investigations and prosecution of drug related offences, tracing and freezing of illegally acquired property of drug traffickers, derived from illicit drug trafficking, for forfeiture and confiscation.

Number of persons convicted/ acquitted in CBN cases, decided by various Courts, upto October, 2022 are as under-

Year	Total no. of persons who were facing prosecution at the beginning of the year	Total no. of persons against whom prosecution was launched during the year	Total no. of persons convicted	Total no. of persons acquitted	Total no. of person facing prosecution at the end of year	Conviction rate (%)
2021	540	46	4	4	578	50%
2022 (Upto 31st Oct.2022)	578	69	0	1	646	0%

Number of cases, decided by various Courts, during the year 2022 are as under (upto October, 2022):-

Year	Total no. of persons who were facing prosecution at the beginning of the year	Total no. of persons against whom prosecution was launched during the year	Total no. of persons convicted	Total no. of persons acquitted	Total no. of person facing prosecution at the end of year	Conviction rate (%)
2021	678+2*	87	5	5	755+2*	50%
2022 (Upto 31st Oct.2022)	755+2*	80	0	1	834+2*	0%

Details of Destruction of Illicit Opium Poppy Cultivation and Cannabis in 2021-2022 are as under (upto 31st October, 2022): -

Year	State	Area Destroyed (In Hectare)	Total Area Destroyed (In Hectare)
2021		Opium Poppy	0
		Cannabis(Ganja)	0
2022(Upto 31.10.22)	Arunachal Pradesh	Opium Poppy	3615 hectares
	Himachal Pradesh	Cannabis(Ganja)	1032 hectares

Disposal of seized drug by CBN during the year 2022 (upto 31st October, 2022):-

Sl. No.	Narcotics Drugs/ Psychotropic Substances/ Precursor	No. of Cases	Quantity
1.	Opium	26	62.550KG
2.	Heroin	7	1.750 KG
3.	Poppy Straw	15	7104.830KG
4.	Codeine Phosphate	3	15600 bottles
5.	Alprazolam	9	2901840 tablets
6.	Tramadol Tablets	6	1763093 tablets
7.	Tramadol Injections	5	50 injection
	Total	46	

Seizures effected by CBN during the year 2021 to 2022 (Upto 31st October, 2022) is as follows:

Name of Drug/substance		**2021**	**2022 (Upto 21st October 2022)**
Opium	Quantity (in kgs)	62.655	155.92
	No. of cases	13	26
Poppy Straw	Quantity (in kgs)	17314.73	22139.66
	No. of cases	15	16
Poppy straw along with black poppy seeds	Quantity (in kgs)	175.59	0
	No. of cases	1	0
Black Poppy seeds	Quantity (in kgs)	0	11271.5
	No. of cases	0	2
Ganja/Ganja Plant	Quantity (in kgs)	710.916 kg + 750 plants	636.6
	No. of cases	6	3
Illicit ganja (Cannabis) cultivation	Quantity (in kgs)	0.0200 sq. Hectare	0
	No. of cases	1	0

Charas	Quantity (in kgs)	0	0.06
	No. of cases	0	1
Acetic Anhydride	Quantity (in kgs)	24050	0
	No. of cases	1	0
Alprazolam tablets	Quantity (in kgs)	215046	85810
	No. of cases	3	6
Buprenorphine injection	Quantity (in kgs)	0	1350
	No. of cases	0	1
Alprazolam	Quantity (in kgs)	44.895	9.192
	No. of cases	1	3
Clonazepam tablets	Quantity (in kgs)	3690	800
	No. of cases		
Codeine Phosphate syrup	Quantity (in kgs)	4544	268
	No. of cases	2	1
Diazepam	Quantity (in kgs)	175	0
	No. of cases		0
Dephenoxylate mixed powder	Quantity (in kgs)	0	53.095
	No. of cases	0	1
Etizolam tablets	Quantity (in kgs)	3000	0
	No. of cases		0
Ayurvedic medicines having opium content	Quantity (in kgs)	18272 bottles + 180 gram	0
	No. of cases	1	0
Heroin	Quantity (in kgs)	0.83	2.775
	No. of cases	2	6
Illicit opium cultivation	Quantity (in kgs)	3.7800 Hectares	1.034
	No. of cases	6	7

Charas	Quantity (in kgs)	0	0.06
	No. of cases	0	1
Acetic Anhydride	Quantity (in kgs)	24050	0
	No. of cases	1	0
Alprazolam tablets	Quantity (in kgs)	215046	85810
	No. of cases	3	6
Buprenorphine injection	Quantity (in kgs)	0	1350
	No. of cases	0	1
Alprazolam	Quantity (in kgs)	44.895	9.192
	No. of cases	1	3
Clonazepam tablets	Quantity (in kgs)	3690	800
	No. of cases		
Codeine Phosphate syrup	Quantity (in kgs)	4544	268
	No. of cases	2	1
Diazepam	Quantity (in kgs)	175	0
	No. of cases		0
Dephenoxylate mixed powder	Quantity (in kgs)	0	53.095
	No. of cases	0	1
Etizolam tablets	Quantity (in kgs)	3000	0
	No. of cases		0
Ayurvedic medicines having opium content	Quantity (in kgs)	18272 bottles + 180 gram	0
	No. of cases	1	0
Heroin	Quantity (in kgs)	0.83	2.775
	No. of cases	2	6
Illicit opium cultivation	Quantity (in kgs)	3.7800 Hectares	1.034
	No. of cases	6	7
Lanced green poppy capsules	Quantity (in kgs)	205	0
	No. of cases		0
Larozepam tablets	Quantity (in kgs)	720	0
	No. of cases		0

Midazolam (inj + nasal spray)	Quantity (in kgs)	280 Inj. + 6 spray	0
	No. of cases		0
Mephentermine inj	Quantity (in kgs)	727	0
	No. of cases	2	0
Morphine	Quantity (in kgs)	9	0.78
	No. of cases	1	2
Pentazocine Inj.	Quantity (in kgs)	8840	0
	No. of cases	2	0
Phenobarbitone Inj.	Quantity (in kgs)	110	0
	No. of cases	1	0
Tramadol tablets & capsules	Quantity (in kgs)	60256 tablets + 28800 capsules	506704 tablets + 16360 capsule
	No. of cases	4	7
Tramadol Inj.	Quantity (in kgs)	6418 Inj.	980
	No. of cases		2
Tramadol	Quantity (in kgs)	0	53.028
	No. of cases	0	2
Nitrazepam tablets	Quantity (in kgs)	0	349
	No. of cases	0	2

4.6.1.5 **Allotment of General Pool office Accommodation (GPO) & general Pool Residential Accommodation (GPRA)**: Ministry of Urban Development, Directorate of Estates, New Delhi was requested for General Pool Office Accommodation and General Pool Residential Accommodation. Thus the officers and staff of CBN posted in the cells have become eligible for allotment of General Pool Residential Accommodation.

4.6.1.6 **Gender Issues/ Empowerment of Women**: Complaint Committee regarding "Sexual Harassment" of women at Work place created and working at Hqrs Gwalior and unit offices and submission of quarterly report to DGHRD on action taken on complaints under the Sexual Harassment of Women at work place (Preventive, Prohibition and Redressal Act, 2013). Side by side seven newly direct recruited women candidates joined CBN between 01.04.2022 and till date on various posts.

4.6.1.7 During the crop year 2021-22, a quantity of 349 Metric Tons of opium at 70°consistence (Provisional figure) was procured from opium cultivators. The average yield per (kg/hectare) at 70 consistences on the basis of results received from Madhya Pradesh, Rajasthan and Uttar Pradesh units for the crop 2020-21 was 63.362 kg/ hectare (all India). The All India average yield during the crop year 2021-22 was 65.107 kg/hectare (provisional). These figures are for crop year 2021-22 as the crop cycle for the cultivation of opium is 1" October, to 30 September of next year.

4.6.1.8 **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.

4.6.1.9 **Other highlights of performance and achievements during the year 2022-23.**

(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,26th June, 2022 by Central Bureau of Narcotics: -**

Every year, 26th June is observed as "International day against drug abuse and trafficking", in order to raise awareness for the drug menace in the society and seeking people's participation to deal with this problem. Central Bureau of Narcotics organised several activities like placing Banners on prominent public places, bike rally for awareness, use of electronic media such as awareness camping through FM Radio, easy and slogan writing and Tree plantation in the official campus

4.6.2 FUNCTIONS/ WORKING OF GOVERNMENT OPIUM AND ALKAOLIDS WORKS (GOAW)

4.6.2.1 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 467 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 the Central Industrial Security Force (CISF), a paramilitary force under the Ministry of Home Affairs.

Further, for the first time in India the process of implementation of Concentrated Poppy Straw Technology has been commenced. In the Opium Policy 2021-22 of the Govt. of India licenses have been issued for cultivation of unlanced Opium Poppy and tendering of unlanced Poppy Straw to the Government of India. Concentrated Poppy Straw (CPS) is a technology for production of alkaloid from unlanced Poppy Straw. The office of Chief Controller of Factories has recently signed two contracts with private entity, M/s Bajaj Healthcare Ltd. (i) to process 500 MT of unlanced poppy straw to manufacture CPS and extract alkaloids/active pharmaceutical ingredients (APIs), (ii) to process 100 MT of Opium gum to extract alkaloids/active pharmaceutical ingredients (APIs). M/s Bajaj Healthcare Ltd. has started Alkaloid extraction from opium gum w.e.f. 09.12.2022.

4.6.2.2 The overall performance / achievements of Government Opium and Alkaloid Factories (GOAF) for the Financial Year 2022-23 are as follows:

(I) **PERFORMANCE OF GOAF FOR THE FINANCIAL YEAR 2022-2023**

A. **PRODUCTION**

(Provisional)

Sl. No.	Particulars	Unit	Actual Production April to November 2022	Estimated Production from December,202 to March,2023
1	Drying of opium for Export at 90°C	KG.	--	--
2	a) Morphine Sulphate	KG.	297.200	547.800
	b) Codeine Phosphate (C.P.)	KG.	24245.900	608.100
	c) Pure Thebaine	KG.	756.800	783.200
	d) Noscapine BP	KG.	0.000	7251.000

	e) Papavarine S.R.	KG.	2290.640	268.360
	f) IMO Powder	KG.	7000.000	5000.000
	g) IMO Cake	KG.	0.000	5000.000
	Total (2) (a to g)	**KG.**	**34590.540**	**19458.460**
3.	Codeine Phosphate Imported for Domestic Market	KG.	26500.000	0.000

A. SALES

(Provisional)

Sl. No.	Particulars	Actual Sales April to November, 2022		Estimated Sales from December,2022 to March,2023	
		Quantity (in Kg.)	Amount (Rs. in Crore)	Quantity (in Kg.)	Amount (Rs. in Crore)
1	Export of opium for at 90°C	1380	0.704	100	0.11
	a) Morphine Sulphate	333.100	1.38	166.550	0.69
	b) Codeine Phosphate (Indigenous Production & Imported)	30793.010	140.72	8000.00	36.55
	c) Dionine I.P.	8.000	0.09	4.000	0.045
	d) Pure Thebaine	1115.000	5.06	557.500	2.53
	e) Noscapine BP	667.000	2.38	333.500	1.19
	f) Pholcodine	3.000	0.02	1.500	0.01
	g) Papavarine S.R.	1455.000	0.46	727.500	0.23
	h) IMO Powder (Dom. Sales+Export)	6296.500	6.67	3148.250	3.33
	i) IMO Cake (Domestic Sales+Export)	1197.602	1.22	598.801	0.61
	Total 2 (a to i)	41868.21	158	20934.11	78.995
	Grand Total (1+2)	43248.21	158.704	**21034.11**	79.105

B. EXPORT OF OPIUM AT 90°C (excluding domestic sales of IMO Powder & Cake)

(a) UPTO NOVEMBER 2022.

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Germany	Total
1	Ghazipur	4000	--	--	--	80	--
2	Neemuch	1080	--	300	--	--	1380
	Total	5080	--	300	--	80	5460

(b) FROM DECEMBER 2022 TO MARCH 2023)

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Total
1	Ghazipur	--	4000	--	--	4000
2	Neemuch	--	100	--	--	100
	Total	--	4100	--	--	4100

A. **REVENUE RECEIPTS** (ON REALISATION BASIS) FOR THE FINANCIAL YEAR 2022-23

(a) UPTO NOVEMBER 2022

(Rs. In crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.12	20.12	20.24
2	Neemuch	0.14	151.21	151.35
	Total	**0.26**	**171.33**	**171.59**

(b) FROM DECEMBER, 2022 TO MARCH, 2023

(Rs. In crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.02	41.50	41.52
2	Neemuch	0.14	60.00	60.14
	Total	**0.16**	**101.5**	**101.66**

(I) Achievement of CCF organisation up to the month of November 2022 with comparative data of previous year i.e. 2021 for the similar period

A. PRODUCTION

(Provisional)

Sl. No.	Particulars	Unit	Actual Production April to November		% age increase over previous year
			2021-22	2022-23	
(1)	(2)	(3)	(4)	(5)	(6)
1	Drying of opium for Export at 90°C	KG.	--	--	--
2	Manufacture of Drugs:				
	a) Morphine Sulphate	KG.	206.300	297.200	44.06205
	b) Codeine Phosphate	KG.	12706.000	24245.900	90.82245
	c) Pure Thebaine	KG.	654.475	756.800	15.63467
	d) Noscapine BP	KG.	158.000	0.000	-100
	f) Papavarine S.R.	KG.	1885.100	2290.640	21.51292
	g) IMO Powder	KG.	1000.000	7000.000	600

	h) IMO Cake	KG.	3046.000	0.000	-100
	Total (2)	KG.	**19655.875**	**34590.540**	**75.98067**
3.	Import of Codeine Phosphate				
	i) For Domestic Market	KG.	11000.000	26500.000	140.9091

A. SALES

Provisional

Sl. No.	Particulars	2021-22 April to November		2022-23 April to November	
		Quantity (Kgs)	Amount (Rs. in Crore)	Quantity (Kgs)	Amount (Rs. in Crore)
(1)	(2)	(4)	(5)	(6)	(7)
1	Export of opium on actual basis	137	0.08	1380	0.704
2	Domestic Sale of Drugs: (on actual basis)				
	a) Morphine Sulphate	326.075	1.35	333.100	1.38
	b) Codeine Phosphate (Indigenous & Imported)	22879.48	104.56	30793.010	140.72
	c) Dionine I.P.	0.000	0.00	8.000	0.09
	d) Pure Thebaine	2142.500	9.72	1115.000	5.06
	e) Noscapine BP	559.000	1.997	667.000	2.38
	f) Papavarine S.R.	1463.000	0.41	1455.000	0.46
	g) Pholcodine	220.917	0.08	3.000	0.02
	h) IMO Powder (Domestic sale + Export)	9040.000	7.85	6296.500	6.67
	i) IMO Cake (Domestic sale + Export)	2110.000	2.15	1197.602	1.22
	Total (2) (a+i)	38740.972	128.117	41868.21	158
	Grand Total (1+2)	38877.97	128.197	43248.21	158.704

A. Export of Opium at 90°C (up to November of each Financial year).

(Qty. in Kgs at 90°C)

Unit	USA	FRANCE	SWITZERLAND	JAPAN	SRI LANKA	Germany	TOTAL
2021-22							
Ghazipur	--	--	--	--	--	--	--
Neemuch	137	--	--	--	--	--	137
Total	137	--	**--**	**--**	**--**	**--**	**137**
2022-23							
Ghazipur	4000	--	--	--	--	80	4080
Neemuch	1080	--	300	--	--	--	1380
Total	**5080**	--	**300**	**--**	**--**	**80**	**5460**

A. Revenue Receipts on Realization basis (up to November of each Financial year).

(Rs. in Cores)

			(Provisional)
Unit	**Opium Factories**	**Alkaloid Works**	**Total**
2021-22			
Ghazipur	0.08	25.64	25.72
Neemuch	0.12	109.94	110.06
Total	**0.20**	**135.58**	**135.78**
2022-23			
Ghazipur	0.12	20.12	20.24
Neemuch	0.14	151.21	151.35
Total	**0.26**	**171.33**	**171.59**

4.6.2.3 **Development of North Eastern Region**: The CCF organization including GOAWs are located in Uttar Pradesh, Madhya Pradesh and Delhi only and therefore, there is nothing to specify with regard to work done on the development of North Eastern region and Sikkim Project Schemes.

4.6.2.4 **Grievances Redressal Machinery**: Public Grievances in the CCF's Organization are dealt with promptly. The grievances of workers are also dealt with expeditiously and the relations between the Management & workers during this period was harmonious and cordial.

4.6.2.5 **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, at GOAW, Neemuch & Ghazipur for the purpose of dealing with the complaints received regarding sexual harassment at workplace.

4.6.2.6 **Activities Undertaken for Disability Sector & SCs/STs & Other Weaker Sections of Society**: The CCF organization is strictly adhering to the prescribed rules and regulations for the welfare and development of disabled, SCs, STs and other weaker sections. With an objective to initiate prompt action on grievances of such sections, a committee has been formed with members drawn from such sections. Roster registers for this purpose are also being maintained.

4.7 Central Economic Intelligence Bureau (CEIB)

4.7.1 Organization and Functions

4.7.1.1 The Central Economic Intelligence Bureau is the nodal agency on economic intelligence. It was set up in 1985 for coordinating and strengthening the economic intelligence and enforcement activities under the Ministry of Finance.

4.7.1.2 The Bureau is headed by a Director General who is assisted by two Additional Directors General (JS Equivalent), Joint Secretary (COFEPOSA), Additional/ Joint Directors (DS/Director equivalent), Under Secretaries, Deputy Directors (US equivalent) and other staff. The Bureau has a sanctioned strength of 116 Officers & Staff.

4.7.1.3 In terms of its existing charter, the CEIB functions as:

a) The Secretariat for the Economic Intelligence Council (EIC)

b) Coordination between various agencies for coordinating action and repository of economic intelligence (ECOINT) and

c) Administers the COFEPOSA Act, 1974 at Central Government Level.

4.7.1.4 As part of its earlier mandate, the CEIB:

(a) Maintains databases on economic offenders and offences;

(b) Studies and analyses macro level economic activities;

(c) Supervises and monitors the functioning of Regional Economic Intelligence Councils (REICs), which are coordinating bodies at the field level and comprise representatives from various Central and State enforcement and investigative agencies dealing with economic offences;

(d) Organizes training programmes in premier training institutions for officers of the Department of Revenue/ Member agencies of REICs.

4.7.1.5 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 coordinated action;

c) Repository of economic intelligence (ECOINT);

d) Administers the COFEPOSA Act 1974 at Central Government Level;

e) Ensures prompt dissemination of intelligence having security implications among the NSCS, IB & R&AW;

f) Coordinates the functioning of Regional Economic Intelligence Councils (REICs);

g) Coordination with Multi Agency Centre (MAC);

h) Organizes meetings of Working Group under the Chairmanship of Revenue Secretary at prescribed intervals and submits a report to the Chairman of the EIC after every meeting;

i) Acts as a 'think tank' for the Department of Revenue, Ministry of Finance on all issues relating to economic offences, and undertakes analysis of economic activities at the macro level.

4.7.1.6 The details of the activities of CEIB during 2022-23 are as under:

i. **Studies in the Bureau and Reports of Inter-Ministerial Groups:**

The Bureau conducts study on economic offences which are of concern for Law Enforcement agencies (LEAs). Study reports on Informal remittances using Hawala, Tax havens across the world & diversion of income and corporate fraud have been finalized. Further, study reports on Trade based money laundering is being finalised and will be completed by December, 2022.

ii. **Group on Economic Intelligence (GEI) and other meetings:**

The Group on Economic Intelligence (GEI) mechanism formed w.e.f. 01.12.2005 as per directions from Economic Intelligence Council (EIC) is focused on discussing matters critical to LEAs and suggesting a calibrated approach in devising solutions to problems faced by them and in better monitoring of the offence verticals by LEAs themselves. During F.Y 2022-23, GEI meetings have been held on feedback on SFIO's Investigation report shared by CEIB and Online Gaming Industry.

A Working Group of Head of Investigative Agencies (HoAs) of Department of Revenue viz. DRI, CBDT, DGGI, ED, CBIC along with associate members i.e. MCA and RBI was constituted to discuss and review cases having multi agency implications on regular basis.

A "Working Group to discuss and analyse issues related to suspicious foreign outward remittance" was constituted to discuss and review cases of foreign outward remittance with members viz. CBDT, DRI, ED, CBIC (Customs) and RBI to review cases of multiagency ramifications and study pattern of foreign outward remittances.

As a member of Joint Working Group (JWG) which will monitor the progress of India's Mutual Evaluation by Financial Action Task Force (FATF) and improving effectiveness of India's AML/CFT regime, the inputs/submission pertaining to Technical Compliance (TC) Annexe of the 40 FATF recommendations/ Standards, criteria wise was shared with Department of Revenue (DoR). Besides, CEIB will prepare a paper on India's technical and effective compliance to beneficial ownership of Legal persons, to prepare a note distinguishing the definitions and meeting of "nominee director" in the FATF context and Indian laws' context and collect data & statistics to demonstrate effectiveness on Immediate Outcome.

iii. **Functioning of Regional Economic Intelligence Councils (REICs)**

This Bureau functions as the Secretariat to the EIC (Economic Intelligence Council) and WGIA (Working Group on Intelligence Apparatus). It supervises working of 30 REICs across the country and organises training on various legal and enforcement aspects for REIC member LEAs. Apart from above, the division handles ISP with CBDT, DGCoA, SFIO, SEBI, CCI, IRDAI & Public Sector Insurance Companies.

The Bureau monitors the performance of all REICs. It also convenes Zonal Conferences of the Conveners of the REICs wherein the performance of the REICs is reviewed. The Bureau circulates alerts/circulars/ guidelines regularly to the REICs to facilitate their effective functioning.

REICs were set up in March, 1996 for ensuring regional operational coordination amongst the different enforcement and investigation agencies in the field of economic intelligence. It comprises of designated officers from CBDT, CBIC, DRI, DGGI, NCB, ED, CBI, IB, RBI, local heads of RoC, EOW of State Police and State Tax

Authorities etc. The Bureau convenes zonal Conferences of the REIC Conveners to monitor and review the performance.

During the current F.Y 2022-23, a Zonal Conference of REICs of North Zone was held at Chandigarh on 22.08.2022 to discuss and seek views / feedback of the Convenors on improving coordination amongst the LEAs, to discuss the measures through which REICs and CEIB can support each other to effectively combat economic crimes.

The relevant statistics relating to REICs is as under:

FY	No. of Meetings held	No. of cases shared	Additional Revenue Detected (In lakhs.)	Additional Revenue Realized (In lakhs.)
2021-22	132	2127	32210	5565
2022-23 (till 30.11.2022)	52	684	39205	141

iv. **Information Sharing Protocol (ISP)**

On the basis of decision taken in WGIA (Working Group on Intelligence Apparatus), an Information Sharing Protocol (ISP) was finalized by CEIB in April 2018. As per the ISP, 15 agencies including DRI, DGGSTI, CBDT, CBIC, SFIO, CBI, ED, NIA, NCB, EOW (State Police), RBI, Banks, FIU, SEBI and DGFT have to appoint Nodal Officers responsible for ensuring that reporting is done regularly to CEIB and all cases involving detection of contravention of any economic statute are to be shared within a specified time frame of such detection/ adjudication with CEIB. The CEIB will further disseminate the information and share it with other LEAs (Law Enforcement Agencies), as required. The ISP is being amended as and when required, in consultation with LEAs, so as to optimize sharing of inputs.

v. **CEIB Report on Prospective Borrowers and NPAs to Banks**

As per the DFS guidelines on detection, reporting, investigation, etc. relating to large-value bank frauds of more than Rs.50 Crores, reports on prospective borrowers/NPAs are being sought from CEIB by Public Sector Banks. Such reports are being furnished by CEIB as and when such references are received from banks.

During the FY 2022-23, 2908 requests amounting to Rs.17,88,647.51 crores (NPA - 72, amounting to Rs. 23,819.88 crores, Fresh Credit/ Renewal - 2836, amounting to Rs. 17,64,827.63 crores) were replied to as of 30.11.2022.

An enhanced SoP with respect to the processing of bank requests on prospective borrowers and NPAs has been formulated. Digitization of all correspondences with all PSBs in this matter has been initiated by making all correspondences vide email with nodal officers of respective banks. This greatly reduces the transit time for both the request for the CEIB report and the consequent reply on the entity in question, thus, facilitating the trade.

vi. **Other Policy Suggestions by Bureau**

The Bureau undertook the issue of risk posed by the illegal activities of Commercial Chinese entities. A meeting was held with concerned LEAs where it was suggested to have a common platform for sharing of information amongst each other and the process followed by LEAs during their investigations. Also, case report will be prepared on the basis on interim report/inputs received from all the agencies regarding action taken pre and post the information shared by CEIB involving Chinese entities.

The Bureau has taken up the issue of money laundering by digital lending loan apps and various meetings were conducted with LEAs. List of suggestions received from LEAs was shared with RBI for taking up with their Working Group constituted on digital lending app. Subsequently, a detailed guideline on digital lending based on the recommendations of the working group was issued by the RBI.

Various review meetings were convened on Misuse of Liberalised Remittance scheme with concerned LEAs. The Bureau proposed to RBI for examining the possibility of initiating a process of mobile OTP linked authentication for purchase of foreign currency from FFMCs in future. Also, it was suggested that AD banks exercise due diligence in processing heavy remittances by the proprietary concerns with non-existence business. The proposal is under consideration with RBI.

The issue of "Standardization of Bank Formats" was raised in the EIC/ WGIA meetings held in 2014 to 2019. The Bureau convened regular meetings with concerned LEAs for discussing requirement of a Standard Bank Format to be shared with RBI for exploring the feasibility of mandating such requirement to banks. The suggestions from LEAs were shared with RBI for their considerations. RBI submitted a Standard Operating Procedure (SOP) with certain timelines for seeking information from banks by LEAs and the approved SOP along with list of compliance officers of banks was circulated to all LEAs, REICs, the DGPs of State Police, all State Commissioner of SGST and Regional Directors RBI.

The Bureau being a nodal agency tasked with providing feedback on credit/NPA request of the borrowers seeking sanction of loan or reporting NPA. Keeping in view of mutual interest of both CEIB and RBI, it was proposed to have a memorandum of understanding (MoU) which will enhance the information sharing and enrich the Bureau's database. It is proposed to reach a logical conclusion and finalization of MoU between RBI and CEIB. The Bureau also suggests that RBI shares all bank fraud cases till the time and MoU is finalized. During the last F.Y 2021-22, total of 872 cases were shared with various LEAs and CEIB has requested RBI to share all bank frauds cases.

In line with the mandate of CEIB to carry out analysis on emerging areas, a trend analysis report on 'Smuggling of Gold and Smuggling of Red Sanders has been completed. The report inter-alia, includes modus operandi, smuggling routes, statistical analysis of cases reported in the Bureau.

In the current F.Y 2022-23, meetings were conducted for action taken on cases shared with LEAs involving Chinese entities, Regulatory measures over 'Payment Gateways' and 'Payment Aggregators and risk posed by them and effective sharing of Information under Information Sharing Protocol (ISP) with LEAs.

Various review meetings were held with concerned Law Enforcement Agencies (LEAs) to discuss the issue viz. online transmission of CDF data from CBIC to FIU-IND, Information Sharing from DGCoA and quarterly review meeting on Trade Based Money Laundering.

The Bureau issued Alert Circulars on various issues such as illegal export of diamonds, illegal trafficking of Heroin in to India, misdeclaration and misclassification of Light Diesel Oil (LDO) and illegal import of luxury cars by organizing imports in the names of diplomats in India to sensitize their field formations.

The Bureau has been receiving the imagery report of illicit Poppy/ Cannabis cultivation in a CD/DVD on suspected locations of various states generated by Aviation Research Centre (ARC) and the same is being forwarded to Narcotics Control Bureau (NCB), Central Bureau of Narcotics (CBN), and Advanced Data Processing and Research Institute (ADRIN) immediately through official mail id for necessary action at their end. In this calendar year, this Bureau has received 32 cases of suspected locations of Illicit Poppy Cultivation which have been immediately forwarded to the official mails of NCB, CBN & ADRIN. Feedback from the agencies is awaited.

The annual meeting on the captioned subject was held on 14.10.2022 at NCB headquarters, New Delhi through Video Conferencing which was attended by officers from CEIB. CEIB has been asked to coordinate in various matters such as Participate in the Training of State officials by NCB & ADRIN/ BISAG (N). (TOT), send details received from states to ADRIN & BISAG (N) and transmission of Satellite images to concerned states and CBIC through secured official email.

Further, all state nodal officers/ Zonal Directors of NCB were directed to send details of all identified areas/ potential places of illicit cultivation in a prescribed format to CEIB.

vii. Development/ generation of sharable inputs by CEIB

The Bureau shared intelligence with DRI pertaining to evasion of customs duty by way undervaluation of LED products imported from China on the basis of submission of fabricated BIS certificate and payments through hawala for necessary action in order to protect the interest of revenue. Further, intelligence pertaining to evasion of customs duty by way misdeclaration of certain imported products viz Neck Massager Pillow, Massager belt, Footpad, Full Fit Screen and Stretcher was shared with DRI and CBIC for necessary action in order to protect the interest of revenue.

viii. National Economic Intelligence Network (NEIN) DATABASE.

CEIB maintains NEIN database which consists of Dossiers and offence cases of economic offenders/ suspected tax evaders, based on inputs received from the Law Enforcement Agencies across the country. CEIB has more than 8680 dossiers and details of 202526 (as on 28.11.2022) offence cases, booked by various agencies. During current FY 2022-23 (as on 28.11.2022), 49720 inputs were entered in the database and inputs were disseminated as against intelligence inputs received.

ix. Secure Information Exchange Network (SIEN):

As per the directions by the Government, the operation of SIEN was brought under the domain of Multi Agency Centre (MAC) of MHA on 27.07.2021. The incremental data of National Economic Intelligence Network (NEIN) database till 06.09.2021 was successfully updated in the Secured Information Exchange Network (SIEN), (an application for secure exchange of information amongst user agencies/LEAs). Further, the nodal officers of the designated user agencies were briefed about the features, capability and utility of SIEN application.

x. National Economic Offence Records (NEOR):

The CEIB envisages 'National Economic Offences Records' (NEOR) to be a secure web-based platform that will enable creation of rich data repository of economic records of economic offenders and its dissemination amongst the intelligence agencies and law enforcement agencies. It is envisaged to be an important tool at the disposal of both CEIB and LEAs in understanding the micro trends pertaining to economic offences and coping with rapidly changing modus operandi adopted to defraud the national economic apparatus.

The Bureau submitted a proposal to Department of Revenue (DoR) to develop a web-based application software NEOR. through NICSI and the approval has been accorded for development and implementation of the NEOR Subsequently, the Scope of Work (SoW) and Request for Proposal (RFP) was shared with NICSI/NIC for circulating among empanelled vendors of NICSI. Also, a Technical Evaluation Committee comprising members from CEIB, NIC and NICSI was constituted to evaluate the technical proposals of empanelled vendors of NICSI in respect of NEOR Project. Efforts are being made to meet the timelines decided and it is expected to go live/ roll out by the end of May 2023.

xi. **Global Entry Program (GEP)**

Global Entry Program (GEP) is a US Customs and Border Protection (CBP) program that allows speedy clearance for low-risk travelers upon their arrival in the US. On landing at the selected airport in the United States, the approved applicants can make their way ahead through automatic kiosks instead of standing in the immigration lines. The travellers are pre-approved for the program after a serious background check. CEIB is the Nodal Agency in the Ministry of Finance for giving clearance to the GEP applicants.

During the calendar year, the Bureau has received 5483 requests for GEP clearance, and 4473 reports have been processed by the Bureau.

xii. **Trainings on Intelligence and other relevant areas coordinated by Bureau**

The Bureau organizes training programmes in premier training institutions for officers of the Department of Revenue/ Member agencies of REICs. The Bureau coordinates training programmes with various specialized agencies on different subjects for upgradation of the capacity and skills of the Officers.

It was through earnest efforts of CEIB that a new training on training on Department of Revenue Intelligence Course was conducted by Military Intelligence Training School & Depot, Pune from 04th April 2022 to 16th April 2022.

The training calendar for the FY 2022-23 was prepared and shared with all the concerned training institutes. In this year, details of the training programmes conducted by the Bureau so far are as under:

S.No.	Name of the Course/Training	Institute Conducted Course/Training	Date/Duration of the Course/Training	No. of Participants Nominated for Training
1.	Department of Revenue Intelligence Course	Military Intelligence Training School & Depot, Pune (MINTSD)	04th to 16th April 2022	14
2.	Legal Aspects and Legal Matters	National Law University, Dwarka, Delhi	25th to 27th May 2022	36
3.	Intelligence Gathering Intelligence Tradecraft	Cabinet Secretariat Training Academy Gurgaon.	06th to 10th June 2022	25
4.	Intelligence Gathering Intelligence Tradecraft	National Intelligence Academy, Intelligence Bureau, Dwarka, New Delhi.	13th to 17 June 2022	50
5.	Trade Based Money Laundering	State Bank Institute of Consumer Banking, Hyderabad	20th & 21st June 2022	15
6.	Techniques of Investigation using Digital Forensic	National Academy of Direct Taxes, Nagpur	2nd to 4th August 2022	155
7.	Investigating Economic Crime in Securities Market	National Institute of Securities Markets, Navi Mumbai	06th to 09th September, 2022	32

xiii. **Implementation of the conservation of foreign exchange and prevention of smuggling activities (COFEPOSA) Act, 1974.**

Conservation of foreign exchange and prevention of smuggling activities is of prime importance for the economic health and national security of a Nation. Accordingly, the links which facilitate the violations of foreign exchange regulations and smuggling activities are required to immobilize by detention of persons engaged in these operations as smuggling, foreign exchange racketeering and related activities have a deleterious effect on the national economy and thereby causes a serious adverse effect on the security of the state.

To deal with this menace, the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA Act, 1974) has been enacted to provide for preventive detention law to detain smugglers and foreign exchange manipulators from indulging in these prejudicial activities.

The COFEPOSA Wing of Department of Revenue is entrusted with the task of effective implementation of the COFEPOSA Act, 1974. This wing is functioning under the administrative control of Central Economic Intelligence Bureau (CEIB).

During the current F.Y 2022-23, preventive detention orders against 06 persons (from 01.04.2022 to 30.11.2022) were passed under the COFEPOSA Act, 1974 whereas 06 detentions orders (including the orders issued and executed before 01.04.2022) were confirmed by the various Advisory Boards constituted under the said Act. Further, 08 persons (including the absconders in respect of the detention orders issued in previous years) were detained during the period from 01.04.2022 to 30.11.2022.

4.8 STATE TAXES

There are two State Taxes Sections in the Department of Revenue:

a) State Taxes-I

b) State Taxes-II

4.8.1 State Taxes - I Section

State Taxes -I Section of the Department of Revenue deals with legislative work relating to Central Acts having significant interface with the States like the Indian Stamp Act, 1899 and the Constitution (One Hundred and First Amendment) Act, 2016 for implementation of Goods and Services Tax (GST) as well as administrative and budgetary matters in respect to Goods and Services Tax Network (GSTN) incorporated for providing IT platform for the GST, Union Territories Goods and Services Tax (UTGST) Act, 2017 etc. Vide Finance Act, 2021, section 8G has been inserted in the Indian Stamp Act, 1899 regarding strategic sale, disinvestment etc. of immovable property by Government company not liable to stamp duty.

GSTN provides IT backbone to the entire GST system, which has been developed on open-source platform, using the latest and scalable architecture design. The Board of Directors of GSTN in their meeting held on 30th June, 2022 has approved and registered the transfer of shareholding in favour of Centre and States (including UTs) from Non-Government Institutions. Therefore, Centre holds 50% and States hold 50% of total shareholding in GSTN w.e.f. 30th June, 2022.

Over a period of time, GSTN has taken various steps to improve the taxpayer experience in tax compliances and has streamlined the operation of GST System. With these improvements, GST System in now able to scale up and cater more than 3 lakhs taxpayers at any point without any hassle. Further, GSTN has implemented several initiatives for simplifying GST compliance with a view to facilitate ease of doing business and has provided e-Invoice facility, SMS based "Nil" return filing facility, Quarterly return filing and Invoice furnishing facility for MSMEs; auto-drafting of return and tax payment. End to end automation of refund and single authority disbursement, Invoice Registration Portal (IRP) for generating Invoice Reference Number (IRN) of e-Invoice, 59 Minutes Loan Scheme for MSME, enhanced knowledge repository to help quicker resolution of taxpayers' grievances; single window registration of companies through SPICe-AGILE-Pro system of MCA; Geo-coding to capture correct address of the taxpayers; Business Intelligence System for identifying non-complaints and assisting data driven governance; Risk based identification of non-complaint trade; integration of FASTag (RFID) System of NHAI with e-Way Bill System of GST for live tracking of the movement of vehicles etc. have been the spin off advantages of GST System.

As a part of revenue augmentation, several measures have been taken, which include inter-alia Nudging taxpayers through regular emails and SMS, the Red-flag reports, Comparison reports, return defaulters' notice, centralized suspension/ revocation, blocking/ unblocking of e-Way Bills/ GSTR-1 on non-filing of two GSTR-3B returns etc. have been implemented.

The details of GST collection during the last 5 years are furnished as given below:

(in Rs. Crore)

Head	Financial Year					
	2017-18 (Annualised)	2018-19	2019-20	2020-21	2021-22	2022-23 (till November, 2022)
CGST	1,78,314	2,02,444	2,27,442	2,09,916	2,69,137	2,10,954
SGST	2,57,705	2,78,817	3,09,231	2,72,828	3,44,216	2,67,818
IGST	**5,81,034**	**5,98,739**	**5,86,699**	**5,65,719**	**7,62,270**	**6,27,816**
Domestic	2,89,639	3,08,243	3,19,422	3,03,946	3,85,314	3,12,905
Imports	2,91,395	2,90,495	2,67,277	2,61,774	3,76,956	3,14,911
Compensation Cess	**93,922**	**97,369**	**98,745**	**88,342**	**1,07,667**	**84,333**
Domestic	84,479	87,290	88,303	79,152	98,878	76,838
Imports	9,443	10,080	10,442	9,190	8,789	7,496
GST Collection (Total)	**11,10,975**	**11,77,368**	**12,22,116**	**11,36,805**	**14,83,291**	**11,90,920**
Average Collection	92,581	98,114	1,01,843	94,734	1,23,608	1,48,865
YoY Growth (%)		6%	4%	-7%	30%	27%

4.8.2 **State Taxes -II Section**

State Taxes-II Section of the Department of Revenue handles legislative work relating to Central Acts having significant interface with the States like the Central Sales Tax Act, 1956, the Goods and Services Tax (Compensation to States) Act, 2017. Facilitation in respect of State level Value Added Tax (VAT) in regulation and payment of GST compensation to States/ UTs on account of revenue loss due to implementation of GST w.e.f. 01.07.2017 have been dealt by this division as per details given below:

GST Compensation to States/ UTs for revenue loss due to implementation of GST

Section 18 of the Constitution 101st Amendment, 2016 provides for payment for Compensation to Stats for Revenue loss on account of implementation of GST for a period of Five years and accordingly, on recommendation of GST Council GST (Compensation to States) Act, 2017 has been enacted by the Parliament. For the purpose of payment of compensation to States, a GST Compensation Cess is levied on select items under Section 8 of the GST (Compensation to States) Act, 2017. This is transferred into a non-lapsable Fund known as GST Compensation Fund which forms part of the Public Account of India as provided in Section 10(1) of the Act. The loss on account of introduction of GST is calculated as per Section 7 of the Act and is fully paid out of the GST Compensation Fund as per section 10(2) of the Act. GST compensation for FY 2017-18, 2018-19 and 2019-20 has been released to States. Due to impact of Covid 19 on GST revenues the Compensation requirement for 2020-21 increased and at the same time the Compensation Cess collection fell down. This created a gap in the resources available for payment of Compensation to States.

The issue of shortfall of cess collection into Compensation Fund and GST compensation to States/ UTs due to economic impact of the pandemic has been deliberated in 41st, 42nd & 43rd GST council meetings. ₹ 1.1 lakh crore for FY 2020-21 & ₹ 1.59 lakh crore for FY 2021-22 has been released to States/ UTs as back to back loan to meet the resource of the States/UTs due to shortfall in GST compensation. This arrangement has been finalized after detailed deliberations with the States and all States have opted for this arrangement.

As per provision of GST (Compensation to States) Act, 2017 and taking into account ₹ 1.10 lakh crore for FY 2020-21 and ₹ 1.59 lakh crore for FY 2021-22 released to States/UTs as back to back loan in lieu of GST compensation as per discussion in GST Council meetings, entire GST compensation dues of States/UTs has been cleared by Central Government for period up to 31.05.2022. This decision was taken despite the fact that only about ₹ 25,000 crore was available in the GST Compensation Fund. The balance around ₹62,000 crore was released by the Centre from its own resources pending collection of Cess.

On the same line, Centre has also released ₹17,000 crore to States on 24.11.2022 from Consolidated Fund of India against the pending GST compensation for the period April-June'2022 despite the short compensation cess collection into compensation Fund to assist the States in managing their resources. In addition, final reconciliation is done for every year, as and when States submit CAG certified accounts of GST revenues of the State. Centre is committed to release full GST Compensation to the States/UTs as per GST (Compensation to States) Act, 2017 as and when the audited figures are available for a State.

4.9 Competent Authority

4.9.1 The Appellate Tribunal under SAFEMA

4.9.1.1 The Appellate Tribunal has been constituted under the Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 (SAFEMA). It started functioning w.e.f. 03.01.1977. It hears the appeals files against the orders of Competent Authority under SAFEM/ NDPS Acts, Adjudicating Authority under PMLA, FEMA and Prohibition of Benami Property Transactions Act 1998.

4.9.1.2 The Appellate Tribunal is located at New Delhi. It consists of a Chairman (who is, or has been a Judge of the Supreme Court or Chief Justice of a High Court) and four Members. The four Members are appointed from among the officers of the Central Government who have held the post of Additional Secretary to the Government of India or any equivalent or higher post and have performed judicial, quasi-judicial or adjudicating function for three years.

4.9.1.3 During the period 01.12.2021 to 24.11.2022 in total 1709 Appeals (836 in PMLA, 108 in NDPSA, 04 in SAFEMA, 106 in FEMA and 665 in PBPT) were received and in addition 2697 Miscellaneous petitions (1248 in PMLA, 158 in NDPSA, 08 in SAFEMA, 161 in FEMA and 1122 in PBPT) were filed during the said period. Total 43 appeals (01 in PMLA and 01 in NDPSA, 01 in SAFEMA, 01 in FEMA and 39 in PBPT) were disposed during the said period.

4.9.2 Competent Authority under SAFEMA/ NDPSA

4.9.2.1 The Smugglers and Foreign Exchange Manipulators (Forfeiture of Property Act, 1976 (SAFEM(FOP)A), provides for forfeiture of illegally acquired property of the persons convicted under the Sea Customs Act, 1878, the Customs Act, 1962 and the Foreign Exchange Regulation Act, 1947 and Foreign Exchange Regulation Act, 1974 and the persons detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. The Narcotics Drugs and Psychotropic Substances Act, 1985 (NDPSA) provides for tracing, freezing, seizure and forfeiture of illegally acquired property of the persons convicted under that Act or any corresponding law of any foreign country, and those who are detained under the Prevention or Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988 and Jammu and Kashmir Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substances Act, 1988.

4.9.2.2 SAFEM(FOP) Act and NDPS Act provide for appointment of Competent Authorities for carrying out forfeiture of illegally acquired properties. At present, the Offices of Competent Authorities are located at Kolkata, Chennai, Delhi, Mumbai and one unit is at Ahmedabad. SAFEM (FOP)A envisages establishment of an appellate forum, namely the Appellate Tribunal to hear the appeals filed against the orders of Competent Authority under SAFEMA/NDPSA Act.

4.9.2.3 As per the latest amendments vide the Finance Act 2021 to the Prohibition of Benami Property Transaction Act, 1988, the Competent Authority appointed under sub section (1) of section 5 of the Smuggling and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 is the Adjudicating Authority to exercise jurisdiction, powers and authority conferred by or under PBPT Act, 1988. PBPT Act was enacted to prohibit benami transactions where any person enters into a benami transaction in order to defeat the provisions of any law or to avoid payment of statutory dues or to avoid payment to creditors, the beneficial owners, benamidar and any other person who abets or induces any person to enter into such benami transaction, shall be punishable under the said Act.

4.9.2.4 The details regarding the number of reports received by the Competent Authorities from enforcement agencies, the number of show cause notices issued and the value of the property involved therein, the number of orders of forfeiture passed and the value of the property involved therein, and the value of sale proceeds of the property disposed of, year-wise, from 2000-01 to 2022-2023 are given in Appendix 'A'.

Appendix 'A'

FORFEITURE OF ILLEGALLY ACQUIRED PROPERTY UNDER NDPSA AND SAFEM (FOP)A BY COMPETENT AUTHORITIES

Financial Year	Number of reports received from Enforcement Agencies	Number of Notices for Forfeiture issued and value of Property involved.		Number of Forfeiture Orders issued and value of Property involved.		Value of sale proceeds of Property disposed of (in Rs. lakhs)
		Number	Value (in Rs. Lakhs)	Number	Value (in Rs. Lakhs)	
1	2	3	4	5	6	7
2000-2001	491	159	2755	103	1662	201
2001-2002	228	89	7223.12	50	3202.39	107
2002-2003	995	72	1269.22	53	2498.60	18
2003-2004	1180	97	1547.75	25	977.01	51.6
2004-2005	1357	162	3251.64	25	650.93	73.67
2005-2006	607	214	10074.59	91	744.60	153.27
2006-2007	514	243	3017.27	112	868.57	2.63
2007-2008	507	210	12784.31	24	551.10	366.97
2008-2009	99	39	2065.88	28	1115.33	121.30
2009-2010	48	21	178.5	20	2153.20	Nil
2010-2011	128	19	1394.06	22	45.57	1123.49
2011-2012	112	17	690.85	22	391.58	191.27
2012-2013	40	13	3091.48	10	101.10	Rs.1294.28 lakhs + US $3400
2013-2014	61	5	73.55	3	118.73	608.37
2014-2015	54	24	643.908	18	3253.55	166
2015-2016	92	22	1553.81	12	308.93	11.52
2016-2017	45	22	1232.95	19	2.35	778.44 and $443783.19
2017-2018	40	7	77.92	3	39.47	1641.45
2018-2019	104	28	1243.69	4	94.26	918.93
2019-2020	105	36	7417.96	52	15,606.82	371.89
2020-2021	38	17	3549.17815	1	22500.00	3.70
2021-2022	50	2	25.66	4	42.58	536.7
2022-23 (Jan 2022 to Nov. 2022)	49	12	1265.96	7	201.05	551.706

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 was constituted in the year 1982 under the Customs Act, 1966. Appeals are filed before the Tribunal against the orders passed by the Commissioners of Customs and Central Excise under the Customs Act, 1962, Central Excise Act, 1944 and Finance Act, 1994. Appeals on Anti-Dumping duty are also filed before the Tribunal under the Customs Tariff Act from the order passed by the Designated Authority in the Commerce Ministry and special bench headed by the President of the Tribunal hears such cases. Whenever divergent decisions are passed by co-ordinate benches of the Tribunal, the conflicting decisions are resolved by referring the issue to a Larger Bench constituted by the President. Decisions rendered by the larger bench is binding on all Division Benches and subordinate adjudicating authorities. Whenever difference of opinion arises between the members in a Division Bench a reference is made to the Third Member nominated by the President.

4.10.1.2 The Principal Bench of the Tribunal is situated at Delhi and the regional benches are situated at Mumbai, Kolkata, Chennai, Bangalore and Ahmadabad. For speedy disposal of appeals to the benefit of litigants, the Ministry of Finance, vide notification no. 7/2013 has notified creation of three new benches of the Tribunal at Chandigarh, Allahabad and Hyderabad and three additional Benches one each at Delhi, Mumbai and Chennai. The regional benches at Allahabad, Chandigarh and Hyderabad started functioning w.e.f. 01.10.2015, 01.12.2015 and 14.12.2015 respectively. With a view to rationalize disposal of appeals, additional benches have been shifted to Ahmedabad, Bangalore and Kolkata from the existing benches of Delhi and Mumbai. Now the bench position at each place is as follows:

S. No.	Place	No. of Benches
1.	New Delhi	2
2.	Mumbai	3
3.	Kolkata	2
4.	Chennai	2
5.	Bangalore	2
6.	Ahmedabad	2
7.	Allahabad	1
8.	Chandigarh	1
9.	Hyderabad	1

4.10.1.3 Each Bench of the Tribunal consists of a Judicial Member and a Technical Member. To expedite the disposal of small cases with financial stake up to Rs. 50,00,000/- (Fifty Lakhs Rupees), wherein no question of rate of duty or valuation is involved, single member bench is constituted. The Tribunal is also the final appellate authority hearing appeals from the orders of the Commissioner (Appeals). Appeals from the orders passed by the Tribunal lies to the Supreme Court on Classification and Valuation issues as they have all India ramifications.

4.10.1.4 The Tribunal is headed by the President who is a retired Judge of a High Court. There are 16 posts of Members (Judicial) and 16 posts of Members (Technical). At present, 13 posts of Technical Members and 7 posts of Judicial Members are lying vacant. There is anticipated vacancy of 2 Technical Members and 4 Judicial Members in the year 2023.

4.10.2 Highlights of the performance and achievements during the year

During the pandemic, the Tribunal resorted to virtual hearing mode by engaging open-source platform Jitsi Meet. This facility was implemented in all 9 benches and appeals have been disposed on regular basis. Time limit within which appeals have to be disposed as per the direction of the higher courts have been compiled even during pandemic time. Appeals filed without pre deposit of mandatory duty/tax were identified and listed on priority basis directly before the Bench instead of taking longer route of issuing defects memo with a view to curb undue financial advantage by the parties. Despite various constraints including several vacancies of Members and subordinate staff, the appeals were disposed with a consistent pace. A sample statement showing institution and disposal of appeals of the current financial year is given below:

Year	Institutions	Disposal	Total Pendency
April 2022 to November 2022	7372	3390	78015

4.10.3 The process of online filing of appeals and online payment of appeal fee is undertaken by NIC, which is nearing completion and expected to be implemented from next year 2023. 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 on the website accessible to the litigants/advocates from anywhere and on the display boards installed in the Tribunal premises. The Tribunal ensures transparency on the judicial side by proactive disclosure of information related to the cases.

4.10.4 The whole of north eastern region is conveniently placed under the jurisdiction of Kolkata Bench as indirect tax litigation from N.E. region is relatively low in number.

4.10.5 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.

4.10.6 All facilities as required under O.M. No.13018/4/2009-Estt.(L) dated 08/07/2009 are being extended to female employees of this Tribunal to redress the grievances of women, a complaint committee under the chairperson Dr. Rachna Gupta, Member (Judicial), CESTAT, has been constituted. So far, no complaint has been received by the committee.

4.10.7 The dynamic website started in January 2017 though meets the requirements of the Tribunal, the basic security features are not found in order. Hence data are now migrated to the cloud from the local server and a new cloud based website is on the anvil. This will be operational, within the financial year after necessary security audit clearance is done by the NIC. The Tribunal is poised to start online filling of appeals after more security features are added in the new programme.

4.10.8 The Tribunal is trying to strictly adhere to the provisions of Fiscal Responsibility & Budget Management (FRBM) Act. All expenditures are limited to the budget as allocated for the Tribunal. The Members of the Tribunal are being sent on official tour to other benches where vacancies are existing. The Members are requested to travel by economy class though the entitlement is business class. In spite of escalation in prices of various items/ services, the expenditure is restricted to within the granted funds. Financial propriety and reasonableness are exercised while spending from all heads.

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, 2022	No. of applications disposed upto November, 2021	Duty Settled (Rs. in crores) upto November, 2022
118	15**	2.49*

* Includes Penalty and Interest Amount Settled

** Includes 12 cases in FY 2022-23 which got abated as order could not be passed within prescribed time for want of bench in the Commission.

4.11.1.2 **Function & Working of the Organization.**

The Central Government have constituted the Customs & Central Excise Settlement Commission under section 32 of the Central Excise Act, 1944 vide Notification No. 40/99-CX(NT) dated 09.06.1999 and 41/99-CX(NT). The Commission consists of the 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.

At present, there are only 3 members (including Chairman) who are looking after the Settlement Proceedings of all the Benches.

4.11.1.3 **Year-Wise Performance/achievements of the Settlement Commission:**

Year	No. of Applications Received	Disposal		
		No. of Applications Rejected	No. of Applications Settled	Duty settled (Rs. in Crores)
1999-2000	3	1		
2000-01	327	28	146	21.28
2001-02	559	63	153	26.64
2002-03	656	105	365	187.51
2003-04	753	141	431	114.04
2004-05	1273	205	1143	181.25
2005-06	1587	283	1207	129.09
2006-07	1960	219	1434	239.02
2007-08	1596	369	2274	507.92

2008-09	857	124	569	125.43
2009-10	723	68	599	67.36
2010-11	885	103	770	114.33
2011-12	959	247	702	462.48
2012-13	1610	74	934	198.06
2013-14	1623	156	1680	482.99
2014-15	1525	353	1469	743.32
2015-16	1262	208	1154	654.31
2016-17	844	174	814	1037.13
2017-18	563	116	488	428.95
2018-19	535	73	417	291.06
2019-20	257	39	249	243.49
2020-21	242	29	249	170.39
2021-22	194	16*	6	5.40*
2022-23 (upto Nov. 22)	118	12**	3	2.49*
Total	**20911**	**3206**	**17256**	**6433.94**

*** Includes Penalty and Interest Amount**

** Includes 8 cases in FY 2021-22 and 12 cases in FY 2022-23 respectively which got abated as order could not be passed within prescribed time for want of bench in the Commission.

4.11.2 **National Institute of Public Finance and Policy (NIPFP)**

4.11.2.1The NIPFP is a premier research organization for conducting research, policy advocacy, and capacity building activities in the field of public finance and policy. Established in 1976 as an autonomous institution under the Societies Registration Act, 1860, the Institute has made significant contributions to policy reforms at all levels of Government of India. The NIPFP provides research, engages in policy advocacy and capacity building on public finance and policy.

4.11.2.2 The Governing Body is chaired by an Economist of Eminence and at present Dr. Urjit Patel, former Governor of RBI, is the Chairman of the Governing Body. Government is represented by the Secretary (Revenue), Secretary (Economic Affairs) and Chief Economic Adviser of the Ministry of Finance. There are three eminent Economists and representatives of FICCI and ASSOCHAM on the Governing Body. There is an Academic Committee advising the Director.

4.11.2.3 Initiatives relating to Gender Budgeting and Empowerment of Women:

NIPFP has undertaken research in the topic and conducted policy dialogue at national and international fora including UN organizations.

4.12 Revision Application Unit

4.12.1 **Formation, function and working of the Revision Application Unit**

4.12.1.1 The mandate of the Revision Application Unit is to dispense justice. Under the scheme operative till 10.10.1982, the appeal against the orders of the Commissioners (then called Collectors), of Customs & Central Excise lay with the Central Board of Excise & Customs. As far as the appeals against the orders passed by the authorities below the rank of the Collectors (now called Commissioners), were concerned, the same were to be filed before the appellate Collectors of Customs & Central Excise. Erstwhile Section 131 of the Customs Act, 1962 and Section 36 of the Central Excise & Salt Act, 1944, empowered the Central Government to revise the orders passed by the CBEC and appellate Collectors in exercise of their appellate jurisdiction. At the Government level, while Secretary (Revenue) or Special Secretary disposed of the Revision Applications against orders passed by the CBEC, and the Addl. Secretary or Joint Secretary disposed of the applications against the orders passed by the appellate Collectors of Customs & Central Excise and executive Collectors of Customs and Central Excise. The Finance (No. 2) Act, 1980 sought to introduce a new system by establishing appellate Tribunal. The appellate jurisdiction of CBEC and Revisionary jurisdiction of the Central Government were abolished with effect from 11.10.1982, except a few residual transitional provisions and the Customs, Excise and Gold Appellate Tribunal (now CESTAT) was set up with effect from 11.10.1982. The Finance Act, 1984, revived the Revisionary powers of the Central Government in specified type of cases. On the Customs side, Section 129 DD read with proviso to Section 129(A) of the Act, empowered Central Government to revise the appellate orders passed by the Commissioner of Customs (Appeals). On Central Excise side, Section 35EE read with first proviso to sub-section (ii) of Section 35B of the Central Excise Act, 1944 gave review and revisionary powers to Central Government to revise the orders passed by the Commissioner of Central Excise (Appeals).

4.12.1.2 On the Service Tax side the two provisos inserted in sub-section (1) of Section 86 of the Finance Act 1994 vide Section 117 of the Finance Act 2015 (with effect from 14.05.2015) stipulate that where an order, relating to a service which is exported, has been passed under section 85 and the matter relating to grant of rebate of service tax as input service, or rebate of duty paid on inputs, used in providing such service, such order shall be dealt with in accordance with the provisions of section 35EE of the Central Excise Act 1944. All appeals in such matters pending before the Appellate Tribunal shall also be transferred and dealt with in accordance with the provisions of Section 35 EE of the Central Excise Act 1944.

4.12.1.3 The Revision Applications filed either by parties or department against the orders of Commissioner (Appeals) are considered and decided by Additional Secretary (RA). The Central Government is the highest authority in such revision and review matters and orders thus passed by the Additional Secretary (RA) are final. Petitioners, aggrieved with the revision order passed by Additional Secretary (RA) may take re-course to writ petitions under Article 226 of Constitution of India.

4.12.1.4 The Revision Application Unit is directly responsible to Secretary (Revenue).

4.12.2 **Jurisdiction**

4.12.2.1 **Customs jurisdiction** - Section 129 DD read with proviso to Section 129 A (1) of Customs Act, 1962 empowers the Central Government to revise or review the appellate orders passed by Commissioner of Customs (Appeals) if such order related to:-

(a) Any goods imported or exported as baggage;

(b) Any goods loaded in a conveyance for importation into India, but which are not unloaded at their place of destination in India, or so much of the quantity of such goods as has not been unloaded at any such destination if goods unloaded at such destination are short of the quantity required to be unloaded at the destination;

(c) Payment of drawback as provided in Chapter X and the rules made there under.

4.12.2.2 **Central Excise jurisdiction** - Section 35 EE read with proviso to Section 35 B (1) of Central Excise Act, 1944 empowered the Central Government to revise or review the appellate orders passed by Commissioner of Central Excise (Appeals) if such order related to:

(a) A case of loss of goods, where the loss occurs in transit from a factory to a warehouse or to another factory, or from one warehouse to another or during the course of processing of the goods in a warehouse or in storage, whether in a factory or in a warehouse;

(b) A rebate of duty of excise on goods exported to any country or territory outside India or on excisable materials used in the manufacture of goods which are exported to any country or territory outside India;

(c) Goods exported outside India (except to Nepal or Bhutan) without payment of duty.

4.12.2.3 **Service Tax jurisdiction** - The provisions of Section 35EE of the Central Excise Act 1944, which dealt with revision by the Central Government, have been made applicable to Chapter-V of the Finance Act, 1944 dealing with Service Tax. In the Finance Act 2015, the Section 86 has been amended to prescribe that the remedy against the order passed by Commissioner (Appeals) in a matter involving rebate of Service Tax, shall lie in terms of Section 35EE of the Central Excise Act 1944. In such cases against the order passed by the Commissioner (Appeals), revision application is required to be filed before AS (RA).

4.12.3 **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, Southern and Eastern regions while the Mumbai Unit takes up the cases pertaining to Western regions.

4.12.5 **Performance**

Since the joining of Additional Secretary in November, 2020 the work in the unit has picked up very fast, from November, 2020 to November, 2022, 1170 Revision Applications have been disposed of by Delhi unit alone.

5. Integrated Financial Unit (IFU)

Integrated Finance Division of the Department of Revenue is under the direct supervision of Additional Secretary & Financial Advisor (Finance). There are three units dealing with budget, finance and expenditure management in respect of the grants pertaining to **Department of Revenue, Direct Taxes and Indirect Taxes**. Director (Finance), D/o Revenue/GST & Customs and Director (Finance), Direct Taxes/ Expenditure assist the Additional Secretary & Financial Advisor (Finance).

5.1 Activities undertaken by the Integrated Finance Unit:

All offices under the Department of Revenue, which *inter-alia* include Revenue headquarters, Central Board of Direct Taxes (CBDT), Central Board of Indirect Taxes & Customs (CBIC), Narcotics Control Division, Central Bureau of Narcotics, Chief Controller of Factories, Central Economic Intelligence Bureau, Financial Intelligence Unit (FIU-IND), Goods & Service Tax Council Secretariat, Enforcement Directorate, Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Settlement Commission (IT/WT), Authority for Advance Rulings, Appellate Tribunal for Forfeited Property, Adjudicating Authority under PMLA, Income Tax Ombudsman, National Committee for Promotion of Social & Economic Welfare, all field offices of Income Tax Department which include Directorate General of Income Tax (Systems), Directorate General of Income Tax (Legal & Research), Directorate of Income Tax (O&M Services), Directorate of Income Tax (Infrastructure), National Academy of Direct Taxes and other field offices under the Central Board of Direct Taxes all field offices under Central Board of Indirect Taxes & Customs which include Directorate General of Systems & Data Management, Directorate General of Human Resource Development, Directorate of Revenue Intelligence, Directorate General of Goods and Service Tax Intelligence, Directorate General of Goods and Service Tax, National Academy of Customs, Indirect Taxes & Narcotics, etc., are serviced by the three units of Integrated Finance Division in terms of Budget formulation, fund allocation, expenditure monitoring & control, enforcing economy, scrutiny and sanction of expenditure proposals beyond the delegated powers of field offices.

5.2 Details of expenditure and financial proposals scrutinized and approved:

(a) Creation and continuation of posts, construction/purchase/hiring of offices, as well as residential accommodation for the field formations of Central Board of Indirect Taxes & Customs and Central Board of Direct Taxes, Department of Revenue and its attached offices.

(b) Procurement of goods and services including procurement of anti-smuggling equipment i.e. scanners and marine vessels.

(c) Proposals for deputation abroad of officers of the Department, CBDT, CBIC and their field offices.

(d) Restructuring proposals, redeployment of personnel in field formations and constituent units.

(e) Comprehensive Computerization of Department of Revenue, its field formation including Customs and GST formations and Income Tax field formations.

(f) Proposals from Committee of Management (COM), D/o Revenue which oversees the functioning of Government Opium & Alkaloid Works (GOAWs).

(g) Grants-in-aid to National Institute of Public Finance & Policy and Central Revenue Sports & Cultural Board.

(h) Proposals for Delegated Investment Board (DIB), Public Investment Board and Cabinet Committee on Economic Affairs (CCEA) relating to comprehensive computerization plan of CBDT/CBIC, capital expenditure involving construction of office/residential complexes and readymade office/residential buildings of all the three Departments.

(i) Proposals received for sanction of financial assistance from the Customs & Central Excise Welfare Fund and Special Equipment Fund. Revision of norms were finalized in respect of setting up of/ refurbishing of recreation/sports clubs, gymnasiums, Departmental Canteens, crèches for children of Departmental officials, guest houses and cash award scheme for meritorious children with special emphasis on girl children and children of group ‘D’ staff.

(j) Schemes proposed by CBDT/CBIC for utilizing the budget provision under 1% Incremental Revenue Incentive Scheme for obtaining approvals of the competent authority.

(k) Proposals involving relaxation/interpretation of financial rules and all proposals requiring reference to the Department of Expenditure.

5.3 The expenditure budget/non-tax revenue receipts of Department of Revenue, Direct Taxes and Indirect

Taxes for BE 2022-23 was prepared. RE 2022-23 and BE 2023-24 ceiling has been finalized and communicated by the Budget Division, Department of Economic Affairs. The Details of RE 2022-23 and BE 2023-24 in respect of all the three grants are as below:

(₹ in crore)

Grant	Grant No.	2022-23		2023-24
		BE	RE	BE
D/o Revenue	**35**	227552.52	247295.02	189827.37
Direct Taxes	**36**	9308.80	9431.15	9892.87
Indirect Taxes	**37**	41139.17	36687.94	38510.58

5.4 Integrated Finance Division has taken the following steps/initiatives in 2022-23:

(i) Implementation of Cash Management Plan as per Monthly Expenditure Plan (MEP) and Quarterly Expenditure Allocations (QEA) as envisaged by Budget Division of Department of Economic Affairs, Ministry of Finance.

(ii) Review of Monthly and Quarterly Expenditure vis-à-vis budgetary allocations and MEP/QEA and report to Revenue Secretary and Expenditure Secretary in compliance of the guidelines of the Department of Expenditure, Ministry of Finance for strict financial discipline.

(iii) Review of specific activities/developments of Department of Revenue and report to Secretary (Expenditure) on monthly basis.

(iv) Enforcement of instructions on economy in expenditure by periodic review of expenditure and advisories to spending authorities for expenditure control in line with the economy instructions issued by the Department of Expenditure.

(v) Preparation and budgetary allocation for Compensation to States/UTs for revenue loss on roll out of GST; Government Opium & Alkaloid Works; 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. Further, overall supervision of budgetary mechanism of various scrip-based schemes and liaisons with Department of Revenue, Department of Commerce and Department of Textiles for operation/ provisioning of funds for these schemes.

5.6 The Integrated Finance Division has also been entrusted with the formulation of schemes of important expenditure proposals from their initial stage. It also follows up with the Department/Boards for the settlement of audit objections, inspection reports, draft audit paras and reports of PAC/Standing Committee.

6. Implementation of Official Language Policy

6.1 The Department of Revenue has a full-fledged Official Language Division which is entrusted with the task of implementing the Official Language Policy of the Government of India. This Division consists of one post of Director (OL) and operates through four Official Language Sections; each headed by an Assistant Director (OL) and there are two posts of Deputy Director (OL) for their supervision. Presently one post of Deputy Director (OL); two posts of Assistant Director (OL) and 5 posts of Senior Translation Officer are lying vacant. Still matters relating to implementation of Official Language Policy of the Union were dealt with by this division and follow up action taken on the orders and instructions issued by the Department of Official Language from time to time. Entire translation work of the Department from English to Hindi and vice-versa is ensured by the Official Language Division.

The Department of Revenue is notified under Rule 10(4) of the Official Language Rules, 1976. 30 sections of the Department have been specified for doing their entire work in Hindi.

6.2 Performance of the OL Division during the year under report:

a. All the documents pertaining to CBIC, CBDT & Revenue Headquarters 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;

e. Hindi translation of all the material relating to “Faceless Scheme” for honoring the honest tax payers was provided; and

f. Website material received from all the sections of the Department of Revenue Headquarters, CBDT and CBIC was translated into Hindi and uploaded on the Ministry's website bilingually.

6.3 Hindi Salahakar Samiti and OLIC meetings:

The Joint Hindi Salahakar Samiti of the Department of Revenue, Department of Expenditure, Department of Investment and Public Asset Management & Office of the Comptroller and Auditor General of India has been constituted on 08 August, 2022 and the resolution was published in the Gazette of India dated 20-26 August, 2022.

6.4 Inspection by Parliamentary Committee on Official Language:

Parliamentary Committee on Official Language inspected 15 subordinate offices of Department of Revenue. The Senior officers and Translation Officers of official language division facilitated successful inspections of these offices.

6.5 Official Language Inspections:

The officers of the Hindi Division of the Department also carried out inspections of 11 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 this year, the Hindi Divas Sammelan was organised at Pandit Deen Dayal Upadhyaay Stadium, Surat, Gujarat. Honourable Minister of Home Affairs and Minister of Cooperation inaugurated the Hindi Sammelan. The Official Language Officers and the people involved in the official Language work along with the Hindi Scholars from all over India participated in this Sammelan.

A message was issued by the Hon'ble Finance Minister and Honorable Home Minister exhorting all the officers/employees of the Department to do their maximum official work in Hindi.

Hindi Pakhwara was celebrated from 14 September, 2022 to 30 September, 2022. Various competitions like Hindi noting & drafting, Essay writing, Extempore Speech competition, Quiz competition, Hindi typing and Hindi dictation competitions were organized during the Hindi Pakhwara. Also, there was an award scheme for doing maximum work in Hindi during the Hindi fortnight for the gazetted officers, Hindi speaking non-gazetted officers as well as the non-Hindi Speaking non-gazetted officers separately. Those who secured first, second and third positions in these competitions have been given cash prizes of Rs. 5000/- (First prize), Rs. 3000/- (Second prize) and Rs. 2000/- (Third prize) and also 3 consolation prizes of Rs. 1000/- each were given.

6.7 Training:

During the year 2021-22, 01 MTS was nominated for training in Hindi typing in the course run by the Central Hindi Training Institute, Ministry of Home Affairs.

7. Implementation of the Right to Information Act, 2005

7.1 Revenue Headquarters

In order to achieve the objectives of Good Governance, it is necessary that the administration should be transparent, responsive, accountable, citizen-friendly and able to disseminate the information to the citizens. Under the provisions of the RTI Act-2005 a nodal RTI Cell was set up in the Department of Revenue to coordinate RTI matters. The RTI Cell collects, dispenses and transfers the application seeking information to the concerned CPIOs, facilitate dissemination of information under the provisions of the Right to Information Act, 2005.

(i) The Department continued efforts towards to bring transparency and effective governance, we have placed information in the public domain on a proactive disclosure basis which is available on the Department's web site (https://dor.gov.in/rti/revenue-headquters) as required under section 4(1) of the RTI Act.

(ii) In regards to the transparency audit which is carried out each year, the self-appraisal form submitted has been audited by the National Institute of Public Finance & Policy.

(iii) To facilitate contactless and paperless filing of RTI Applications/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.

(iv) To make system of transfer of offline RTI Application to other Public Authorities are lodged on the RTI Request and Appeal Management

Information System so that it can be transferred immediately to the concerned Public Authority.

(v) The following table indicates the number of online RTI Applications and Appeals received in the financial year 2022-23 up to 31.12.2022:

Type	No. of Applications received during the year 2022-23 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	12	12	0	0
Online RTI Applications	4393	3763	156	364
Offline Appeals	28	28	0	0
Online Appeals	111	111	0	0
Total fee received offline u/s 7(1) is Rs. 290/- Additional fee received offline u/s 7(3) is Rs. 340/-				

7.2 Central Board of Indirect Taxes & Customs (CBIC):

7.2.1 The Directorate General of Taxpayer Services (DGTS)

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. This Directorate is also a nodal formation for monitoring and disposal of CPGRAMS and Appeals. During this period all received CPGRAMS and Appeals were processed/forwarded to the appropriate formations for further necessary action. Total No of CPGRAMS Received -11881 and Total CPGRAMS disposed- 11180. Total CPGRAMS Appeals Received - 3705 and Total CPGRAMS Appeals disposed-3231.

7.3 Narcotics Control (NC):

7.3.1 Central Bureau of Narcotics

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 follows:

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.

7.3.2 Chief Controller of Factories

A RTI 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 of within the prescribed timeframe.

7.4 Financial Intelligence Unit – India (FIU-IND):

Number of RTI applications received, disposed off and denied during the Year 2022-2023 (Up to 5th December 2022):

Received	Disposed Off		Remarks
	Transferred	Denied	
27	0	0	Information provided for all 27 RTI request received

Note: FIU-IND has been included in the Second Schedule of Right to Information Act, 2005 vide Department of Personnel & Training notification dated 28.09.2005 and therefore under Section 24(1) of the Right to Information Act, 2005, is exempt from the operation of this Act, except for the information pertaining to the allegation of corruption and human right violation.

7.5 Customs, Excise & Service Tax Appellate Tribunal (CESTAT):

The Public Information Officer and the Appellate Authority as created under the RTI Act are functioning well in all benches of the Tribunal. There is significant decline in RTI applications filed before the information officer. All RTI applications and orders including orders of the Appellate Authority are uploaded on the website. Proactive disclosure of information to the true spirit of RTI Act is done in the interest of the public.

8. E-governance activities

8.1 Central Board of Direct Taxes (CBDT):

8.1.1 Activities under E-governance:

(a) Permanent Account Number (PAN): As per section 139A of the Act, PAN (Permanent Account Number) is a 10 digit alpha-numeric number allotted by the ITD to taxpayers and to the persons who apply for it under the Act. 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 30th November, 2022 (cumulative) is 65,35,12,518. During the period between 1st December, 2021 to 30th November, 2022 total 6,43,80,513 PANs have been allotted.

(b) Common Business Identification Number (CBIN or BIN): As per section 139A of the Act, role of Permanent Account Number (PAN) was envisaged as that of a tax-payer identity limited to ITD. However, PAN is now required for various activities like opening of a bank account, opening of a de-mat account, for other financial transactions prescribed in Rule 114(B) of the Income-tax Rules, 1962, registration for Goods and Services Tax (GST) etc. Thus PAN is leveraged to become Common Business Identification Number (CBIN) or simply Business Identification Number (BIN) for providing registration to a number of government departments and services.

(c) PAN Verification Facility: PAN verification facility is provided through the website of the ITD through link "Verify Your PAN" facility on official website of ITD www.incometax.gov.in, by providing the PAN Full name and Date of Birth.

Service for PAN verification is also provided by Income-tax PAN Service Providers (UTITSL and NSDL e-Gov) to agencies falling under any of the approved categories **as per procedure laid down by the Directorate of Income-tax (Systems).**

8.1.2 New Initiatives

a) Instant PAN allotment through Aadhaar based e-KYC: For the purpose of simplification of Permanent Account Number (PAN) allotment the PAN module of DIT (System) developed the facility for instant allotment of PAN (on near to real time basis), which was launched by the Hon'ble Finance Minister on 28.05.2020. This facility is now available for those PAN applicants who possess a valid Aadhaar number and have a mobile number registered with Aadhaar. The allotment process is paperless and an electronic PAN (e-PAN) is issued to the applicants free of cost. Number of PAN allotted through this functionality till November, 2022 since the inception of the project is 1,58,96,747.

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 November, 2022 is 8,33,603 and the number of TAN allotted through this facility till November, 2022 is 8,34,697. During this year of 2022, similar integration was made with MCA for allotment of PAN and TAN to new LLPs. Number of PAN allotted through this integration till November, 2022 is 23,625 and number of TAN allotted through this facility till November, 2022 is 23,578.

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 ITD 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 ITD till November, 2022 is 2,013.

d) Facility for downloading e-PAN: A facility to enable the **existing PAN holder to download e-PAN through** MSP's websites after OTP authentication has been created. This enables a secure e-PAN which is printable many a time. e-PAN can be downloaded in pdf format. Further, facility to download in .xml format (machine readable) has also been launched.

e) Enhanced QR code on e-PAN & Physical PAN Card: The e-PAN is embedded with an enhanced QR code which captures **demographic data as well as photograph and signature of applicant**. This QR code can be read through an app which is freely available on Google Play Store. The enhanced QR code **enables offline verification of PAN data, thus eliminating possibility of photo shopping etc.** resulting in enhanced security of PAN card and e-PAN.

f) **Integration of PAN with AADHAAR UIDAI (Aadhaar PAN linking)**: Integration of database with UIDAI has already taken place for seeding of Aadhaar with PAN **for dual purpose. It prevents any of the duplicate PAN from being issued to any applicant as well as to identify the applicant having an already issued PAN.** Seeding of Aadhaar number is made mandatory by provisions of section 139AA of the Income Tax Act except for the categories of person as provided by Gazette notification no. S.O. 1513(E) dated 11-05-2017. Till 30.11.2022 a total of 48,99,03,322 PANs of individuals have been seeded with Aadhaar data base, which is approximately 76.57% of total PAN allotted to individuals. Seeding of Aadhaar in remaining PANs is presently going on.

g) **Project Insight:** An integrated data warehousing and business intelligence platform has been operationalised to enable ITD in meeting the three goals namely (i) to promote voluntary compliance and deter noncompliance; (ii) to impart confidence that all eligible persons pay appropriate tax; and (iii) to promote fair and judicious tax administration. The key components of Insight System are:

i. A State-of-the-Art **Data warehouse** has been operationalized and regular reports/MIS are provided to CBDT and Government for pre-budget analysis, impact assessment and policy formulation.

ii. A dedicated **reporting portal** (https://report.insight.gov.in) provides a comprehensive interface between Reporting Entities (REs) and the ITD. The Reporting Portal enables seamless data filing, data processing, data quality monitoring and report rectification. Compliance Check for PAN u/s 206AB and 206CCA has also been enabled at Reporting Portal for REs.

iii. **Income Tax Transaction Analysis Centre** (INTRAC) handles data integration, data processing, data quality monitoring, data warehousing, master data management and data analytics. Data has been enriched by standardization of bank account number/contact/address, address clustering, geo-coding, relationship identification/clustering. Data Analytics is being used for identification of high risk non-filers, selection of cases for scrutiny under CASS, identification of high risk refund claims, identification of high risk remittances, risk assessment of information received under Automatic Exchange of Information (AEOI), Country-by-Country Reporting (CbCR) and Suspicious Transaction Reports (STRs).

iv. **Compliance Management Central Processing Centre (CMCPC)** leverages campaign management approach (consisting of emails, SMS, reminders, outbound calls, letters) to support voluntary compliance and resolution of compliance issues. A dedicated compliance portal (https://compliance.insight.gov.in) displays information to the taxpayer and capture response on compliance issues in a structured manner for effective compliance monitoring and evaluation.

a. e-campaign for non-filers for AY 2020-21 was executed. As a result, 4.32 Lakh identified non-filers filed their return and self-assessment tax of Rs. 3,850 crore was paid by target segment after campaign.

b. e-campaign for significant transactions (during FY 2020-21) was implemented for 6,51,207 taxpayers who had conducted high value transactions in the current year and the quantum of advance tax paid was lower than the expected amount. The significant transactions were shown to the taxpayer and a facility was provided to provide confirmation and feedback (if the information was incorrect). After the campaign, 1,24,325 taxpayers paid advance tax of Rs 13,874 Crore.

c. E-campaign for high value transactions (including SFT, TDS/

TCS, GST, Exports, Imports, foreign remittance, securities transactions etc.) vis-a-vis the information filed in the ITR was executed for 7,19,062 taxpayers for A.Y. 2020-21. Underlying high value transactions were shown to the taxpayer on the Compliance portal and online facility was provided to validate the information and provide feedback if the information was incorrect. After the campaign, more than 1,10,137 taxpayers revised their returns and increased the income in revised return by 1,609 Crore.

v. **Annual Information Statement** was operationalised in October 2021. Annual Information Statement (AIS) is comprehensive view of information for a taxpayer displayed in Form 26AS. Taxpayer can provide feedback on information displayed in AIS. Many new information sources, not available in the current Form 26AS, have been added in AIS. The objective of AIS is to display complete and accurate information to the taxpayer, enable taxpayer to provide feedback on information and to enable seamless pre-filling of return.

vi. **Business Intelligence Dashboard** consisting of 200+ interactive Business Intelligence (BI) reports has been implemented to provide actionable information to ITD users with drill down. The BI reports have been classified under various themes such as Tax Collection, Tax Base, ITR Information, Business Information, Exemption, Taxpayer Compliance, TDS Information, TDS Compliance, International Transactions, Third Party Information etc.

vii. **GIS (Geographical Information System) Dashboard** consisting of more than 100 interactive GIS reports have been implemented to provide high-level geographical view to senior management for effective monitoring.

viii. **Profile View** under Insight Portal provides comprehensive multi-year profile of taxpayer and other entities with secure role based information access control. The Profile View displays key insights, financial ratios and related information for effective analysis.

ix. **I- Search** has been enabled at insight supporting the fuzzy search functionalities wherein the ITD user can search entity, address, bank account, Property, Non-PAN Transaction etc. when the Entity ID is not known to the user. The user can search on the basis of attributes such as name, address, date of birth, father's name, email, mobile number, passport number, Aadhaar number, vehicle no., bank account number etc. Suspicious Transaction Reports Information Search has also been enabled at Insight.

x. **Verification** of Information in form of Various Case Types have been enabled at Insight for Taxpayers and Reporting Entities. The ITD Users are able to sought Information from Taxpayer through Issue of Various Notices (e.g. 133 (6), 131(1A) and view the Response submitted by Taxpayer before Verifying Information.

xi. **Bulk Data Uploading –** Utilities like Case Related Information Upload Utility and Verification Report Upload Utility have been provided for ITD Users to upload Information in bulk w.r.t. a PAN and the corresponding view of the Information has been enabled under the Profile Views of the Respective PANs and to the Person uploading the Information packet.

xii. **Insight Knowledge Hub**, an integrated platform consisting of i-Wiki, i-Library, i-Forum and i-Query, has been rolled out to assist ITD in "Organizing creating, sharing, using and managing organisation knowledge for getting the right knowledge to the right person at the right time".

xiii. **Insight Learning Hub**, an integrated platform consisting of learning management system, online courses, competency tests and training material repository has been rolled out to 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.

In implementation of faceless schemes Insight System is being leveraged for automated allocation of cases, verification, risk assessment of draft orders, bulk signing etc.

Proposal for Insight Enhancement (insight+) was approved after considering the new requirements emerging from changes in legal framework and operating environment. The scope of Insight enhancement consists of following components:

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.

h) **Computer Assisted Scrutiny Selection (CASS):** ITD has been implementing Computer Assisted Scrutiny Selection (CASS) for selecting cases for scrutiny (audit). The suggestions received from field formations and the outcome in cases selected in prior years are reviewed by a cross functional committee (including representatives from assessment, investigation, intelligence, international taxation, transfer pricing, risk assessment, systems) to refine the scenarios and parameters. New scenarios are also introduced on the basis of analysis of information sources and environmental scanning. New approaches such as Thematic risk assessment etc were introduced to further refine selection basket under few scenarios.

i) **Non- Filers Monitoring System (NMS):** The ITD has implemented the Non- Filers Monitoring System (NMS) which assimilates and analysis in-house information as well as transactional data received from third-parties, including Statements of Financial Transaction (SFT), Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) statements, Intelligence and Criminal Investigation (I&CI) data etc. to identify such persons/entities who have undertaken high value financial transactions but have not filed their returns. During the year around 19 lakh non-filers with potential tax liabilities were identified. The information about transactions is made available on the online portal and email and SMS is sent to the non-filer to provide online response and submit return. Many non-filers file their return and pay appropriate taxes. The details of high risk non-filers are pushed to the field formation for further action. Further, in view of the challenges posed by Covid-19, transformational changes introduced in the department and recent amendments introduced vis-a-vis reassessment in the Act, Multiyear NMS cycle was executed to rationalise the work load on field formations w.r.t. already existing NMS Cycle 3 to Cycle 9 cases.

j) **Payment of Taxes:** The Online Tax Accounting System (OLTAS) facilitates near real time reporting, monitoring and reconciliation of tax payments made by taxpayers through banks. E-payment of taxes has been enabled through Net Banking and ATMs and nearly 89% of tax is collected through this mode facilitating payment of taxes anytime from home/office without having to go to a bank branch. Companies and auditable cases (taxpayers where provisions of section 44AB of the Act 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**
2019-20	84.36	90.95
2020-21	86.39	91.27
2021-22	88.16	91.20
2022-23 (Till 19th Dec, 2022)	90.23	92.47

New Payment solution (TIN 2.0) has been rolled out under IEC 2.0 project. As on 15.12.2022, 12 public and private agency banks have been on boarded on TIN 2.0 portal to receive tax payments. Remaining authorised banks are expected to be on-boarded by end of FY 2022-23. The benefits of new payment solution are as under:

- Enable tax payment through NEFT/ RTGS mode
- Payment Gateway mode enabled for tax collection

- Real time credit of tax payment and MIS
- 100% reconciliation of challan data and funds
- Online mechanism for challan correction

k) Refund Banker: The Refund Banker project has enabled system driven process for determination, generation, issue, dispatch and credit of refunds. This project has made the process of delivery of refund completely automated, speedy and transparent. Under the Refund Banker Scheme, paper and electronic refunds determined by the Income Tax Assessing Officers are sent in electronic files by ITD to the State Bank of India (SBI), which has been designated as the Refund Banker agent of the Department. The Refund Banker sends ECS or Direct Credits to the bank accounts, where the refunds have been processed for electronic payment.

A web based status tracking facility in collaboration with India Post and **Protean eGov Technologies Limited** (NSDL) is available under the Scheme. Call centre facility with toll free number 1800-42-59-760 is also available for tracking status of refunds issued through the scheme.

The Assessing Officer's role in issuing refunds is limited to processing the return of income on computer. The status of refunds is updated on the departmental application with reasons for non- payment in case of unpaid or returned refunds, to enable the assessing officers to re-send the refund for payment after removing the deficiency. Audit trail and MIS on unpaid/unpicked refunds (with ageing) are available on departmental system for monitoring status of issue of refunds. There has been a steady increase in number and percentage of refunds issued through the scheme. During current Financial Year, the percentage of refunds issued through the scheme is 99.99 % of the total number of refunds issued all over India as under:

Financial Year	No. of Refunds (Paid) through Refund Banker	No. of Other Refunds (Paid)	Total no of refunds paid	Percentage of Refunds Paid through Refund Banker
2018-19	2,81,90,436	2,493	2,81,92,929	99.99
2019-20	2,88,47,480	456	2,88,47,936	99.99
2020-21	2,53,42,641	205	2,53,42,846	99.99
2021-22	2,74,45,790	167	2,74,45,857	99.99
2022-23 (Reported till 19th Dec. 2022)	3,25,27,138	225	2,84,33,363	99.99

During FY 2022-23, in upcoming project TIN 2.0, real time integration (API based) between CPC 2.0 and refund banker has been envisaged to be implemented to ensure direct credit of refund on the same day.

l) New e-filing Portal: As part of our commitment to provide improved taxpayer services, the new Income Tax Portal www.incometax.gov.in was launched for better e- filing experience and faster processing of ITRs. New facilities in the form of wizard based questionnaires and prefilled returns are being provided as help to the assessees. Constant monitoring for improvement of the present digital platforms is being done. Department has identified the issues being faced by different stakeholders and the Department has taken corrective measures through the service provider based on feedback from taxpayers and tax professionals.

a. Faster and accurate outcomes for taxpayer

b. First time right approach

c. Enhancing user experience at all stages

d. Improving taxpayer awareness and education through continuous engagement

e. Promoting voluntary tax compliance

f. Managing outstanding demand

The new income tax e-filing portal www.incometax.gov.in was launched as part of the Integrated E-filing and Centralized Processing Centre 2.0 Project.

m) Income Tax Business Application (ITBA): The Income Tax Business Application (ITBA) has been in action for over 4 years. ITBA is used as a platform for delivery of taxpayer services such as Grievance Redressal through E-Nivaran portal, passing of orders relating to issuance of refunds etc, which are carried out by the officers of the Department. It has been designed and implemented with the aim of being abreast with technological changes; re-engineering the business process within the tax administration and empowering the employees to deliver outcomes in a consistent, efficient and taxpayer friendly manner. ITBA's main objective is to bring all internal business processes on a digital platform so that officers and staff can increase their efficiency by bringing information and work at a single place for decision making. Apart from being accessible over ITD's private network, ITBA is also accessible over the internet using VPN to cater to the challenging times like COVID-19 and to remove hindrances in timely delivery of taxpayer service.

One of the key achievements of ITBA has been the enablement of Faceless Assessments/Appeals/ Penalty. In August 2020, the Government of India launched the ambitious Faceless regime under the taxpayer friendly goal of "*Transparent Taxation - Honouring the Honest*". In Faceless, certain legal proceedings under direct tax laws are conducted by leveraging information technology. Hence, the faceless regime aims to impart greater efficiency, transparency, and accountability in the income tax proceedings by eliminating in-person interaction between the taxpayer and the tax officer. ITBA is the platform for use by the tax officers, for implementing the Faceless regime.

Over 2.10 lakh assessment orders, 3.8 lakh penalty orders, and 1.4 lakh appellate orders have been passed in a faceless manner on the ITBA portal since the launch of the respective faceless regimes.

n) Integrated E-filing & Centralized Processing Centre (IEC 2.0)

i) Integrated e-Filing and CPC (IEC 2.0) was launched to operations in two phases. First phase by enabling processing and accounting of ITRs from AY 2020-21 as CPC 2.0 from 25th November 2020, wherein more than 20.76 crore ITRs have been processed till November 2022. Second phase by launching the e-filing Portal https://incometax.gov.in on 7th June 2021, wherein more than 14.29 Crore ITRs have been filed and 2.60 crore Forms are filed till November 2022. The integrated e-filing and CPC IEC 2.0 has started delivering a world class experience to the taxpayers similar to that they are experiencing in the online world in sync with world -wide trends. A completely re-designed e-Filing portal has been launched with modern day technology, which has:

a) user friendly designs,

b) wizard based easy to use forms and ITR,

c) user journey mapping to enhance experience,

d) all forms in online mode to provide ease to tax payers.

ii) **Integrated Communication Management:** Based on the learnings of e-filing and CPC Projects, this integrated communication management system and processes have been implemented in IEC 2.0. The taxpayer interaction with the Department is better handled when all the modes of communication through the communication happens are integrated, as it is convenient for both taxpayer and the Department to know the concerns raised across all tracks and provide a faster and comprehensive resolution in totality. All the interactions no matter whether by call, grievance, email, social media are tracked in a single place and all communication to and from taxpayer are managed in this system.

iii) **Capacity Building and e-Learning Module:** A learning management system and e-Learn programs covering Income Tax Act, Rules, Processes of E-filing and Centralised Processing Center as well as ITBA system are developed and used for training of the resources of MSP, Assessing Officers and Officers working in IEC 2.0. New topics are created to cover the new initiatives of the Department like Crypto-currency taxation, etc., are added to courses and these programs are conducted via webinar and webex sessions. This is systemic learning methodology for ITD officials and tax payers through electronic mode. The e-learns for tax payers shall be enabled on the envisaged e-Filing 2.0, CPC web portal and on YouTube channels. There are thirty-seven Youtube videos are available for the taxpayers. There are two Awareness Videos. There are five brochures. The Help Section of the portal under 'Learn with us' provides FAQ and other help documents for the benefit of the taxpayers. There is planned training calendar for delivering the trainings.

iv) **Taxpayer Outreach Program:** Campaigns of the Department are now carried out in the digital mode on social media and other online platform using the campaign content created keeping the target audience in view. The campaign brochures, news items, educative material, release of new forms, release of ITR utility, etc. are run on digital platforms including social media on a continuous basis. The campaign will focus on thematic requirements of the department such as requirements for e-filing of return, frequently asked questions, common errors, outstanding tax demand, rectification etc.

This outreach has helped to improve the accuracy of the return and assist taxpayers in the filing, processing and create awareness about the initiatives taken by CPC 2.0. More than 100 Crore SMS and 200 Crore email campaigns have been carried by IEC 2.0 using the creatives created by the Taxpayer Outreach facilitation team.350 different email campaigns were carried out. 182 Campaigns were sent in FY 2022-23 till October 2022. 151 different SMS campaign were carried out. 64 different SMS campaigns were sent in FY 2022-23 till October 2022. Samvad Sessions were carried out to inform the public at large about all the services provided by IEC 2.0, these sessions on Youtube have received more than 10 lakh views.

v) **MIS Portal for internal users:** MIS Reports are emailed to Officers of the Department associated with IEC 2.0 daily, covering the key parameters of services like number of ITRs and Forms filed daily and cumulatively, number of e-PAN allotted, Aadhar PAN linked, Bank Account PAN linked, Rectification filed, Updated ITR filed, Number of logins, number of DSC registered, New Users Registered, etc.

Apart from the reports that are emailed, MIS portal has other reports which are updated as per the defined frequency for the internal users of the Project.

vi) **Accreditation of employers, deductors, banks CAs etc.:** Accreditation program with employers, deductors, banks, CAs, ERI and TRPs etc. will enable the department to obtain information about taxpayers relating to salary, interest, income from house property, deductions etc. throughout the year in an accurate manner which will enable CPC 2.0 to accurately pre-fill the return and take up these returns for faster processing.

8.1.3 New Initiative in respect of Human Resources Development (HRD)

a. For the very first time, the Departmental Examinations, 2022 were conducted in Online Mode for ITOS and ITIS from 7th November, 2022 to 15th November, 2022 except for ITO, Paper-4 being a subjective paper. Every possible precaution was taken for fair & smooth conduct of Departmental Examination 2022 for ITOS & ITIs. Instructions were issued, as and when required, to all the In-charge of Examination, from time to time via phone calls, WhatsApp group and e-mails. The conducting of examination through online mode has reduced the paper work and manpower requirements substantially.

b. ITD has adopted the File Management System (e-File) on the e-Office application of NIC. It is operational from 27.04.2022. In its first phase, 5000 nodes on e-Office platform of NIC has been procured in the Directorate of HRD. A total 3147 nodes have already been allocated during the first phase (i.e. till November 2022) covering the administrative hierarchy of the ITD across India.

c. 5000 additional nodes (for e-Office from NIC) are being procured so as to enable pan-India coverage of e-Office to all the Officers till the level of ITO. First, the expansion will cover officers in Delhi and Mumbai regions and gradually be extended to other regions across India.

d. ITD has shifted to SPARROW portal for APAR filing of Group A and Group B officers. Continuous efforts are being made, like online sessions, communications through WhatsApp groups, e-mails, in-person training, so as to help the officers w.r.t. navigation on the SPARROW portal and to address their grievances promptly. For the reporting year 2021-22, 97% of APAR filing has been accomplished on SPARROW portal.

e. UDAAN: The IRS Mentoring Programme Scheme had commenced on 1st October, 2021. The Mentoring Programme, for 73rd batch of IRS officer, showed positive response. Interim report, sought from all the Pr. CCITS (CCA), showed satisfactory progress in the respective regions. Subsequently, the Mentoring Programme was initiated for the 74th batch of IRS officers. Process of assigning mentors in every region was completed as per the SOP issued for 74th batch of IRS officers. Through this programme, the young officers would be exposed to the right values and ethics at the nascent stage of their careers. Development of a mentoring culture through a pool of trained and committed mentors has been a key priority area for the Directorate of HRD.

8.2 Central Board of Indirect Taxes & Customs (CBIC)

The initiatives/projects of DG Systems are aimed at supporting e-Governance initiatives through the use of technology and promoting trade implemented facilitation. The following modules/functionalities were implemented the fiscal year 2022--23:

i. **Faceless Assessment with Anonymized Escalation Mechanism (AEM):**

As required by Board Circular No. 14/2021 dated July 7th, 2021 on faceless assessment measures for expediting customs clearance, an Anonymized Escalation Mechanism (AEM) has been implemented, through which an importer or customs broker (CB) can raise a grievance in the event of a delay in the assessment of a Bill of Entry, for escalation to the concerned Faceless Assessment Group (FAG) while maintaining the officer's anonymity and the location where the B/E is pending for assessment. For monitoring and follow-up, the tickets are routed to Customs officers in supervising role (VDN role at FAG in and ADN role at local ports) in ICES. This trade facilitation measures are expected to enhance accountability & transparency in faceless assessment.

ii. **System changes pertaining to AD Code Registration in Exports**

To facilitate trade, as required by Board Circular No. Circular No.32/2020-Customs dated July 6, 2020. ICES has made changes to the AD code, (authorized dealer of foreign exchange) whereby the AD code and associated bank account will now be required to be registered in the System at only one port, and the AD code will then be available at all customs locations. Any new AD code registration (or update) at any port must be registered via an online request at ICEGATE. The option in ICES for local ports to add/modify the AD code and account against an IEC has been disabled. As is customary, the request would be approved by the officer assigned to the relevant role (CLK) at that specific port. Once an AD code has been registered against an IEC at one port, it can be used at all ports. This is intended to be a trade facilitation measure.

iii. **Under the new SCMTR, Stuffing Cancellation (SFCN) is enabled.**

A Stuffing Cancellation (SFCN) message was introduced to allow custodians to cancel an incorrect stuffing report, such as one caused by an error in the integration of message stuffing files due to changes in attributes (such as pkg range, qty, seal no, etc.) The workflow and approval process for messages by an officer is similar to that of stuffing report. Stuffing cancellation requests are available for approval under the "Exam Superintendent" role.

iv. **New CLK role options for temporary refund scroll**

To streamline & to reduce the time taken by the system to generate temporary refund scrolls, new options have been added under the CLK role in ICES for only those shipping bills that satisfy all conditions required for scrolling in the final IGST scroll, DBK scroll, and above IGST scroll for manual SBs, respectively. The existing options for generating temporary scroll types remain unchanged. Officers can generate a temporary scroll from an existing option to ascertain the reason for the non-scrolling of various SBs in the final scroll through the indicated legends/symbols in the temp scroll.

v. **IGCR Implementation in SEZ Clearances for DTA Supplies**

A mechanism has been implemented for SEZ clearances for DTA supplies. The provision of IGCR bond debit by officer in ICES has been enabled for SEZ bill of entry as such SEZ BEs were on another systems of Department of Commerce. In IGCR module, BG% modification was done. This is a step towards enhance of ease of doing business easier.

vi. **Online EODC (Export Obligation Discharge Certificate) viewing in ICES**

A new functionality under "EODC View" under the LIC role has been introduced in ICES for Customs officers to view online Export Obligation Discharge Certificate (i.e. EODC) for two export promotion schemes namely Advance Authorization (AA) and Export Promotion Capital Goods (EPCG). The same can be used for bond monitoring, bond closure, or bond recovery action, thus enabling better monitoring of these schemes.

vii. **Incorporation of Notification No. 16/2011 - Customs (N.T.) into the IGCR System**

The above notification has been implemented in the system as per the procedure decided by the Board. While filling out the bill of entry, a new scheme code is to be used for the aforementioned notification. The IGCR bond (EI bond) will be debited in the system for the assessable value at the item level instead of global level.

viii. Changes to the Customs Tariff enacted by Finance Act 2022, effective May 1, 2022:

Changes has been incorporated in EDI Systems timely.

ix. Integration of India UAE CEPA into System:

The India-UAE CEPA has been activated in the system timely. This included creating a new document code for e-Sanchit for BE filing, checks for mandatory defacement prior to OOC, an Agreement Country code for declaring the shipping bill for exports to the UAE, etc apart from introduction of a new license type namely tariff rate quota (TRQ).

x. Enabling the rail export of goods from Bangladesh to India in closed containers:

With reference to Board Circular No. 08/ 2022 dated May 17th, 2022 systems changes were implemented for return of containers from Bangladesh to India to now be used to transport export goods from Bangladesh to India, this will apply to closed containers transported by Indian Railways on trains operated by Container Corporation of India (CONCOR). Changes have been made to the ICES application to allow for the submission of import reports for such containers at LCS as well as the submission of bills of entry and clearance at ICDs.

xi. Faceless Enhancements Improvements:

A number of changes have been made to enhance trade facilitation and for better monitoring. When BE was being amended, a number of issues arose. Similarly, there were issues with suspended BEs. These and other similar issues were resolved, thereby improving the faceless system for officers. Problems in BEs where amendment was applied for or where BE was suspended were identified and resolved.

xii. Turant Customs - Orders for Standardized Examination.

With reference to Board Circular No. 16/ 2022 dated August 29th, 2022, whereby the Board had decided to implement system-generated standard examination orders to harmonize examination orders across FAGs, changes were implemented on the system. After processing BE data, RMS will generate an examination order for each selected BE based on potential risks, according to the new procedure. An RMS generated examination order would include the following main points:

(i) the percentage of containers to be examined,

(ii) the percentage of goods in the selected area/part (s) to be examined,

(iii) item level instructions, and (iv) any additional examination instructions.

xiii. Incorporating condition 3(ii) of CBIC Notification No. 07/2020-Customs (N.T.) dated 28.01.2022 for allowing check only up to 2 digits for chapters 84,85,87 as per communication received from Drawback wing.

Necessary validations have been incorporated in the System.

xiv. Rounding off of Duties:

The rounding off various duties collected in Customs at minor head level has been implemented in System in accordance with Board instructions/clarification and the requirement of Electronic Cash Ledger.

xv. Conversion from non-EDI to EDI:

Launch of New EDI Sites in ICES - In this fiscal year, seven (07) customs locations have been migrated from the non-EDI platform to the EDI platform.

xvi. Creation of Data Links:

A data base link (DB link) has been created in ICES for the Bengaluru Zonal Unit's FPO module to access ICES directories, which will aid in the launch of the FPO module.

xvii. Enabling MIS reports via the Dashboard:

For senior officers with COM/CCOM/NMIS, various reports related to FAG queries under Faceless Assessment, Document pendency report in imports and exports, Drawback age-wise pendency report, AAKLAN report, and so on have been enabled in ICES for better monitoring.

xviii. Systemic streamlining of RoDTEP and RoSCTL processing and scrolling:

Various changes have been implemented on the system over time to streamline the processing and scrolling out of benefits for RoDTEP and RoSCTL claims such as increasing the limit of SBs in a scroll to 25,000, handling RMS facilitated cases, handling LCS shipping bills, etc.

xix. System customization of alerts/ suspension module for exports: Changes made in System

In the erstwhile alert module, alerts could only be set against an IEC and not a GSTIN. As a result, IGST refunds for all GSTINs associated with that IEC were halted, as were all incentives such as Drawback, IGST, RoDTEP, and RoSCTL associated with SBs pertaining to that IEC at that port. The alert module was revamped. Now alert can be separately for IGST benefit and Customs benefits.

A new role for DGARM officers is created in the modified alert module for imposing an all-India suspension for IGST refunds. In this role, DGARM officers have the option of placing either an IEC or a GSTIN alert, which would result in the suspension of IGST refunds at all Customs EDI ports. This eliminates the need for individual EDI sites to insert a suspension in respect of IEC for such DGARM alerts. Furthermore, the DGARM officers have the option to revoke the alert.

There are three options available:

(i) To suspend only IGST refunds (G), officers can place an alert against a GSTIN. It would stop IGST refunds for shipping bills submitted under that GSTIN.

(ii) To suspend only Customs Benefits (I): Officers can issue an alert suspending Customs Calculated Benefits (i.e. Drawback, RoSCTL and RoDTEP). This type of alert can only be placed against an IEC, and not a GSTIN.

(iii) To suspend both the IGST refund and the Customs Calculated benefit (B), officers can issue an alert suspending all benefits (i.e. IGST, Drawback, RoDTEP and RoSCTL). This type of alert can only be placed against an IEC, not a GSTIN. Shipping bill level alert can also be placed.

xx. Air Transportation Bond (TA) Bond:

The All India National Air Transshipment Bond has been implemented in ICES, whereby a National Bond (bond type TA) can be registered at any port and used subsequently at any port when filing a Transshipment Permit (TP) from Air to Air and Air to ICD.

In addition to the foregoing, the following projections are made for the remaining period until March:

i. Conversion of non-EDI customs locations to EDI:

Efforts to convert non-EDI customs locations to EDI are ongoing. This fiscal year, additionally five non-EDI locations, Nagarkata LCS, Kulkuli LCS, Manu LCS, Guwhati Steamer Ghat and Dubhri Steamer Ghaat will be converted to EDI.

ii. SEZ Integration:

Following Board approval, testing for the first phase of SEZ (FTA to SEZ and vice versa) has begun at pilot sites. Communication has been sent to the Board for approval for the second phase of the SEZ (SEZ to DTA and back).

8.3 Directorate of Enforcement

ED has made a number of efforts to digitize its functions for ML risk profiling and streamlining the ML / TF investigations with the use of AI, computerization, etc, the same are summarized as below:

i) **Project of Computerization of the processes of ED**:This project has been initiated to computerize all the processes of the ED including identification of ML cases on risk based mechanism, handling all matters of investigation in the system, having interface with other external agencies for smooth and expeditious exchange of information, etc. Important features of this project which will assist in digital transformation of ED are as under:-

a) The ED will get a customized software [termed as Core ED Operations System (CEDOS)] developed for use of its officers and all the file work will be replaced by system based functioning in all areas of work including intelligence collection and processing, investigation, management of properties, human resource management, etc.

b) The system will be able to integrate with various external agencies through API which are following as –

- FIU: The STRs from FIN-NET could be accessed through the interface between the two applications
- CBI: Interface with CRIMES system of CBI to ensure timely exchange of information.
- NATGRID: Information could be extracted by NATGRID through which ED can get inputs.
- GSTN: This will lead to allowing access to the financial information filed by a person in the GST returns which will assist in intelligence collection and investigation.
- CBDT: Information about the PAN number, bank accounts, filing income, 26 AS, etc could be made available in the system.
- Integration with other relevant government bodies application like e-courts, CCTNS, ICJS, etc.

c) The system shall create and maintain a database of all the intelligence/inputs received from LEAs, etc. and ongoing cases of ED so that a consolidated database may be created including details of individuals, Bank Accounts, Corporate Entities, Mobile Numbers, PAN / Aadhar Number / CIN # / IEC Code etc. This will help in ensuring that ED has a ready-made database to refer back or to provide linkages as and when they come in contact with ED during any new investigation.

d) An easy to access and responsive search functionality shall be available to ED officers to help them conduct search on individuals, transactions, cases, supporting documents and underlying data. Every time the above parameters are entered in the system, the database can provide all details related to it.

e) The CEDOS solution shall also have advanced analytics and capability of performing advanced analysis on high volume data received from various case proceedings as well as received from external agencies.

f) The existing records shall also be scanned with OCR capability so that the details are captured in the database.

This project will enable smooth and fast co-ordination between ED and various domestic predicate agencies and FIU& NATGRID. ED will have access to databases of various domestic agencies which will enable ED to verify facts in real time which would have otherwise taken weeks to months. The AI used in the project will save time taken in various processes and would fasten the pace of the ML investigation. The Detailed Project Report (DPR) was submitted to DoR, Ministry of Finance. The recommendations of Delegated Investment Board (DIB) were received from DoR. Request for Proposal (RFP) of Digitization Project has been sent to DoR for their consideration and approval is awaited.

ii) **Risk Assessment Monitoring Committee:** In consonance with FATF standards, the Directorate of Enforcement has formulated a risk based system for selection of cases for money laundering investigation which provides that certain categories of cases should be mandatorily investigated and certain cases shall be investigated on the basis of risk involved.

The access to CCTNS/ICJS database (which is a repository of the FIRs registered by the LEAs) has been given to all the offices of the Directorate. All the potential cases of ML are identified online through logging into CCTNS/ICJS portal and the cases which do not fall under the mandatory criteria are examined by a Risk Assessment Monitoring Committee (RAMC), which holds meetings every quarter through Video Conference. The digitization project will further lead to refinement in selection of cases based on risk profile.

iii) **Analysis of call data records**:ED intercepts calls of various persons during the course of investigation. However the same are voluminous and various difficulties are faced in analyzing them. To overcome the same, Directorate of Enforcement contacted BARC which has developed 2 software (one each for Hindi and English languages) to convert speech to text and analyse these call data records automatically. Also, this project is being further extended to assimilate the major Indian regional languages. For this, data (both audio and transcript) has been obtained from Central Institute of Indian Languages (CIIL), Mysuru and provided to BARC for developing similar software in Regional languages too.

iv) **Summons module**: The Directorate of Enforcement has implemented an intranet application for generating summon(s) [issued under the provisions of Section 50(2) of the PMLA, 2002]. This module has helped ED in digitalizing the process of issuance of summon(s) and bring transparency in the process. Further, it has also brought awareness among public to ensure the credibility of summon(s) issued by this Directorate and prevent them from being conned/ fooled by unknown persons through fake summons. As a result of implementation of this module, a racket which was using fake summons of this Directoratefor extortion was busted in co-ordination with Delhi Police and several accused persons were arrested by the Delhi Police.

v) **Handling of digital evidences**:ED seizes huge number of digital evidences(e.g. hard disks, mobile phones), during search and seizure operations. Analysis of these evidences is extremely essential for the purpose of investigation. But, it often consumes a lot of time (2 to 6 months) to get data retrieved from certifiedNational Cyber Labs. To overcome this issue, the Directorate signed a MoU with National Forensic Sciences University (NFSU), Gandhinagar to help ED to create its own cyber lab with trainedstaff. Now, ED has 6 cyber labs ofits own wherein forensic analysis of these digital evidences is done by using specialized forensic tools. Now ED is able to analyze digital evidences in 4-5 days of seizure operations following due procedures. Further, ED has entered into a MoA with the National Forensic Sciences University (NFSU), Gandhinagarfor management of existing six (06) Cyber Labs of ED and establishment of a new Cyber lab (**i.e.** 7th Cyber Lab of ED) at NFSU, Gandhinagar. The 7th Cyber Lab of ED situated at NFSU, Gandhinagar, Gujarat will become functional during Financial Year 2022-23 itself.

vi) **Revamping of ED's website**: The Directorate of Enforcement has revamped the ED's website (i.e. https://enforcementdirectorate.gov.in), to make it more informative and user friendly. In addition, ED has also implemented a unique feature on official website for verifying summon(s) issued by ED by scanning the QR code printed on summon(s). Using this facility, the receiver of summon(s) can verify the authenticity of summon(s).

vii) **Implementation of SPARROW in ED cadre for APARs**: The Directorate of Enforcement (ED) has implemented SPARROW for all the employees of ED cadre so that their APARs can be filed online through system by logging into SPARROW Portal, using their name based official email ids. ED has implemented SPARROW within a very short span of time (i.e. around 03 months) successfully and also created name based email IDs of approx. 800 officials. Further, the officials of ED Cadre have filled their APARs for F.Y. 2021-22 online through SPARROW Portal.

8.4 Narcotics Control

8.4.1 Central Bureau of Narcotics

As regards, E-Governance activities, it is stated that various instructions of the Government, on issue of e-governance, are noted for compliance and necessary action. Use of CCTV's Camera's at Settlement and Weighment centres was also successfully carried out. Payment to cultivators made through e-payment from the crop year 2012-2013 continuously.

Computers have been provided, almost, in each section and have been inter-connected through Network. All urgent reports or replies to the references received from the Ministry are being forwarded to the Ministry of Finance, New Delhi and other offices through e-mail, as far as possible.

The Central Bureau of Narcotics website has been updated and all the application forms for issue of export/import authorization for export/import of Psychotropic substances, Narcotics Drugs and Precursor chemicals can be downloaded from the CBN website: www.cbn.nic.in. The opium cultivation data from 1998-99 has also been uploaded on the CBN website: www.cbn.nic.in.

A work has been awarded to a firm for development of software for complete online solution to issues related to issuance of Import Certificates, Export Authorisations and No Object Certificates required for import/export of narcotic drugs, psychotropic substances and precursor chemicals.

8.4.2 Chief Controller of Factories

The Organization of Chief Controller of Factories has re-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 uploaded on 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 Government e-market (GeM) and tendering through e-procurement portal. Implementation of Opium container tracking application (OCTA) for smooth sampling and testing of Opium.

9. Swachh Bharat Campaign

9.1 Revenue Headquarters:

Department of Revenue under "Azadi Ka Amrut Mahotsav" has taken several steps as a part of Swachh Bharat Campaign initiated by Government of India under Swachhta Action Plan 2022-23. Various activities were undertaken by the Department, viz. Swachhata Pakhwada campaign from 16th January, 2022 to 31st January, 2022 and Swachhta Campaign and Special Campaign for Disposal of Pending Matters (SCDPM), 2022 from 2nd October 2022 to 31st October 2022. Many activities were undertaken and images were uploaded on the web portal of the Ministry of Drinking Water and Sanitation. The Department has been monitoring the implementation of Swachhta Action Plan of all field formations of Central Board of Direct Taxes (CBDT) and Central Board of Indirect Taxes and Customs (CBIC). Feedback via video conferencing with Nodal Officers of CBDT & CBIC was undertaken during Swachhta Pakhwada. During 2022-23, to encourage cleanliness in the office complexes, awareness drives for maintaining cleanliness with the participation of the officers and employees were undertaken in this Department in addition to routine cleaning, sweeping/mopping of floors/ corridors of all the rooms including staircases, toilets, open area etc. Sufficient steps were taken to sanitize the rooms/ open areas etc. As a measure of prevention of spread of COVID, masks, sanitizers, soap and other safety-related products were distributed to officers/staff of the Department on routine basis, as per the protocol issued by the Ministry of Home Affairs and Ministry of Health & Family Welfare, from time to time. Staff cars allocated to senior officers were also sanitized regularly to prevent spread of COVID-19.

Special Drive, for weeding out of old records/ files, disposal of waste material, disposal of newspaper waste/ old & written off books, disposal of e-waste etc., was carried out in the Department. Weeding/ recording/ digitization / scanning of old records was carried out for optimization of office space. Disposal of obsolete goods/ e-waste was also carried out regularly to maintain overall cleanliness & proper ambience of the office premises. Emphasis was also given on curbing single use plastic (SUP) and discourage use of plastic in the Department. All the activities relating to Swachhta were undertaken during Swachhta Action Plan 2022-23 covering Revenue Headquarters as well as field offices of CBDT & CBIC.

Department of Revenue also celebrated "Azadi Ka Amrit Mahotsav" by undertaking various activities like arrangement of decorative plants in corridors of North Block. Banners/Posters were also displayed in the office premises. During the Mahotsav, Department has disposed of e-waste and broken/ old wooden furniture items etc., amounting to Rs. 3.28 lakh during year 2022. The Department also organized "COVID Vaccination Amrit Mahotsav Camp" for officers and staff on 25.08.2022 and 23.09.2022.

9.2 Central Board of Indirect Taxes & Customs (CBIC):

9.2.1 Directorate General of Human Resource Development

An Information, Education and Communication (IEC) training program regarding behavioural changes towards use of plastic and paper and their waste was organized. A Swachhta campaign for creating awareness among people regarding ban on single use plastic and management of plastic waste was also organized.

9.3 Directorate of Enforcement

Swachh Bharat Abhiyan launched by the Hon'ble Prime Minister on 2nd October, 2014 is being vigorously followed by ED. During the month of October, 2022, a pledge ceremony was organized across all offices of the Directorate where all the officers and staff members took pledge to keep our nation 'Swachh'. Further, various drives have been organized including installation of banners for creating awareness among citizens and government officials towards the cause of this "Abhiyan". Regular inspection of the office premises is also being done.

Annexure - I

Representation of SCs/STs/OBCs

Organization: Central Board of Indirect Taxes amd Customs (CBIC)

Group	Number of Employees				Number of appointments made during the Calendar year 2021										
					By Direct Recruitment				By Promotion			By Deputation			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	3778	773	407	531	37	6	2	12	8	0	0	NA			NA
Group B	32180	4973	2394	4879	1145	166	107	359	1905	371	181	14	2	0	NA
Group C	10573	2312	874	2100	605	117	47	141	352	98	10	0	0	0	NA
Total	**46531**	**8058**	**3675**	**7510**	**1787**	**289**	**156**	**512**	**2265**	**469**	**191**	**14**	**2**	**0**	NA

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	4205	672	366	660	74*	11	5	21	**	-	-	N.A.	N.A.	N.A.	N.A.
Group B	10198	1867	701	814	8	2	1	5	1083	207	75	0	0	0	0
Group C	32775	6166	2258	6480	2380	308	181	911	2058	377	165	70	19	11	16
Total	47178	8705	3325	7954	2462	321	187	937	3141	584	240	70	19	11	16

(Source: Ad. VI, CBDT)

* Offer of Appointments were issued by CBDT to the candidates selected through Civil Services Examination (CSE) 2020. However, at present 27 Officers Trainees (OTs) of CSE-2020 are undergoing training at NADT, Nagpur and 33 OTs of CSE-2020 are on EOL. Further, 9 OTs of CSE-2020 have tendered Technical Resignation and 5 candidates have not joined the service. These numbers are not included in column 2 to 5 above.

** No appointments have been made during previous calendar year 2021 due to pending decision before various courts in the matter of all India inter-se-seniority in the grade of ITO, which is a feeder grade for promotion to ACIT grade. However, in the calendar year 2020, total 201 ITOs (SC-55; ST-29) were appointed in the grade of ACIT vide CBDT's Office Order No. 259 of 2020 dated 16.12.2020 subject to Order dated 29.08.2018 of the Hon'ble Supreme Court in SLP (c) No. 30621/2011.

Annexure - I

Organization: Revenue Head Quarter

Group	Number of Employees				Number of appointments made up to 30.11.2022									
					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	231	25	19	17	-	-	-	-	-	-	-	-	-	-
Group B	382	60	63	75	-	1	2	9	-	7	1	-	-	-
Group C	262	80	30	64	-	5	-	7	-	1	1	10	-	-
Total	**875**	**165**	**112**	**156**	**-**	**6**	**2**	**16**	**-**	**8**	**2**	**10**	**-**	**-**

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	25*	03	-	02	-	-	-	-	-	-	-	-	05	03	-	02
Group B	04	01	-	-	01	01	-	-	-	-	-	-	-	-	-	-
Group C	07	02	-	02	-	-	-	-	-	-	-	-	01	-	-	01
Total	**36**	**06**	**-**	**04**	**01**	**01**	**-**	**-**	**-**	**-**	**-**	**-**	**06**	**03**	**-**	**03**

* 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 itself. Out of the remaining 32 Group 'A' posts, 25 posts are filled as on 30.11.2022.

Note: The mode of appointment is deputation except for the post 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	5	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	9	4	1	-	-	-	-	-	-	-	-	-	-	-
Total	**15**	**4**	**1**	-	-	-	-	-	-	-	-	-	-	-

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	OBCs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Group A	8	1	-	-	-	-	-	-	-	-	-	2	-	-	-
Group B	12	-	-	1	-	-	-	-	-	-	-	2	-	-	-
Group C	26	6	1	3	-	-	-	-	-	-	-	5	1	-	1
Total	**46**	**7**	**1**	**4**	-	-	-	-	-	-	-	**9**	**1**	-	**1**

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	-	-	-	-	-	-	-	-	-	-
Group B	35	19	3	13	-	-	-	-	1	-	1	-	-	-
Group C	100	33	9	58	-	-	-	-	1	1	-	-	-	-
Total	**138**	**53**	**12**	**73**	**-**	**-**	**-**	**-**	**2**	**1**	**1**	**-**	**-**	**-**

Annexure - I

Organization: Customs, Central Excise & Service Tax Settlement Commission

Groups	Number of Employees				Number of appointments made during the calendar year									
					By direct recruitment				By promotion			By other methods		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	9	3	-	1	-	-	-	-	-	-	-	-	-	-
Group B	1	-	-	1	-	-	-	-	-	-	-	-	-	-
Group C	10	2	-	1	-	-	-	-	-	-	-	-	-	-
Total	20	5	-	3	-	-	-	-	-	-	-	-	-	-

Annexure - I

Organization: Central Bureau of Narcotics

Groups	Number of Employees as on 30.11.2022				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	8	2	2	2	-	-	-	-	-	-	-	-	-	-
Group B	215	38	17	35	26	5	2	10	5	1	-	-	-	-
Group C	286	57	25	68	47	8	1	6	44	10	3	14	4	-
Total	**509**	**97**	**44**	**105**	**73**	**13**	**3**	**16**	**49**	**11**	**3**	**14**	**4**	**-**

Organization: Chief Controller of Factories

Groups	Number of Employees as on 30.11.2022				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	11	4	-	4	-	-	-	-	-	-	-	-	-	-
Group B	8	1	-	1	-	-	-	-	1	-	-	-	-	-
Group C	452	95	54	124	-	-	-	-	27	7	7	-	-	-
Total	**471**	**100**	**54**	**129**	**-**	**-**	**-**	**-**	**28**	**7**	**7**	**-**	**-**	**-**

Annexure - I

Organization: Directorate of Enforcement

Groups	Number of Employees (As on 30.11.2021)				Number of appointments made during the previous calendar year										
					By Direct Recruitment				By promotion			By Deputation			
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	149	31	09	21	00	00	00	00	00	00	00	-	-	-	-
Group B	446	52	24	102	71	07	02	20	199	37	15	-	-	-	-
Group C	209	40	13	58	06	00	00	01	15	04	00	-	-	-	-
Total	**804**	**123**	**46**	**181**	**77**	**07**	**02**	**21**	**214**	**41**	**15**	**-**	**-**	**-**	**-**

Annexure - I

Organization: National Institute of Public Finance and Policy

Group	Number of Employees as on 30.11.2022				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	24	1	-	3	4	-	-	-	-	-	-	-	-	-
Group B	13	-	-	1	-	-	-	-	-	-	-	-	-	-
Group C	17	4	-	6	-	-	-	-	-	-	-	-	-	-
Total	**54**	**5**	**-**	**10**	**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure - II

REPRESENTATION OF THE PERSONS WITH DISABILITIES

Organization: Central Board of Indirect Taxes and Customs (CBIC)

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
'A'	3778	Ministry is the cadre controlling authority - Information not available																
'B'	32180	38	140	416	5	51	61	815	0	7	18	3	5	5	657	0	3	0
'C'	10573	36	36	72	23	34	43	356	5	8	12	4	12	16	66	0	0	0
TOTAL	**46531**	**74**	**176**	**488**	**28**	**85**	**104**	**1171**	**5**	**15**	**30**	**7**	**17**	**21**	**723**	**0**	**3**	**0**

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)

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'	4205	7	23	62	1	1	1	3*	1	1	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
'B'	10198	26	14	187	0	0	4	0	0	0	0	14	15	30	477	1	0	9
'C'	32775	168	146	552	65	64	75	508	19	20	29	31	27	51	896	15	8	21
Total	47178	201	183	801	66	65	80	511	20	21	30	45	42	81	1373	16	8	30

(Source: Ad. VI, CBDT)

* Offer of Appointments have been issued by CBDT to the candidates selected through Civil Services Examination 2020 during the calendar year 2022. These 3 numbers are not included in column 2 to 5 above as the Officers are undergoing training in the training Institution, NADT, Nagpur.

Annexure -II

Organization: Revenue Head Quarter

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	231	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	382	2	3	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	262	2	1	4	-	1	1	-	1	1	1	-	-	-	-	-	-	-
Total	**875**	**4**	**4**	**8**	**-**	**1**	**1**	**-**	**1**	**1**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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'	25*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**36**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* 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 itself. Out of the remaining 32 Group 'A' posts, 25 posts are filled as on 30.11.2022.

Annexure - II

Organization: The Appellate Tribunal under SAFEMA

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure -II

Organization: Competent Authority for Forfeiture of Illegally Acquired Property

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**44**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure -II

Organization: Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

Group	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of vacancies reserved			No. of Appointments Made				No. of Vacancies reserved			No. of Appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	8	1	-	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**9**	**1**	**-**	**8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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'	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Organization: Central Bureau of Narcotics

Group	Number of employees as on 30.11.2022				DIRECT RECRUITMENT							PROMOTION						
					No of vacancies reserved			No. of appointment made				No. of vacancies			No. of appointment made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
'A'	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	215	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
'C'	286	3	4	7	-	-	-	3	1	2	-	-	-	-	-	-	-	-
Total	**509**	**3**	**4**	**7**	**-**	**-**	**-**	**3**	**1**	**2**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**

Organization: Central Bureau of Narcotics

Group	Number of employees as on 30.11.2022				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'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	452	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**471**	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure -II

Organization: Directorate of Enforcement

Group	Number of Employees (as on 30.11.2021)				DIRECT RECRUITMENT								PROMOTION						
					No. of vacancies reserved				No. of Appointment Made				No. of vacancies reserved			No. of Appointment Made			
	Total	VH	HH	OH	Total	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	10	11	12	13	14	15	16	17	18	19
'A'	149	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-		-
'B'	446	0	0	01	01	0	0	01	01	01	0	0	-	-	-	-	-	-	-
'C'	209	0	0	05	01	0	0	01	0	0	0	0	-	-	-	-	-	-	-
Total	**804**	**0**	**0**	**06**	**02**	**0**	**0**	**02**	**01**	**01**	**0**	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure -II

Organization: National Institute of Public Finance and Policy

Group	Number of Employees as on 30.11.2022				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'	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**54**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annexure - III

Summary of important observations included in Audit Reports presented to Parliament during 2022

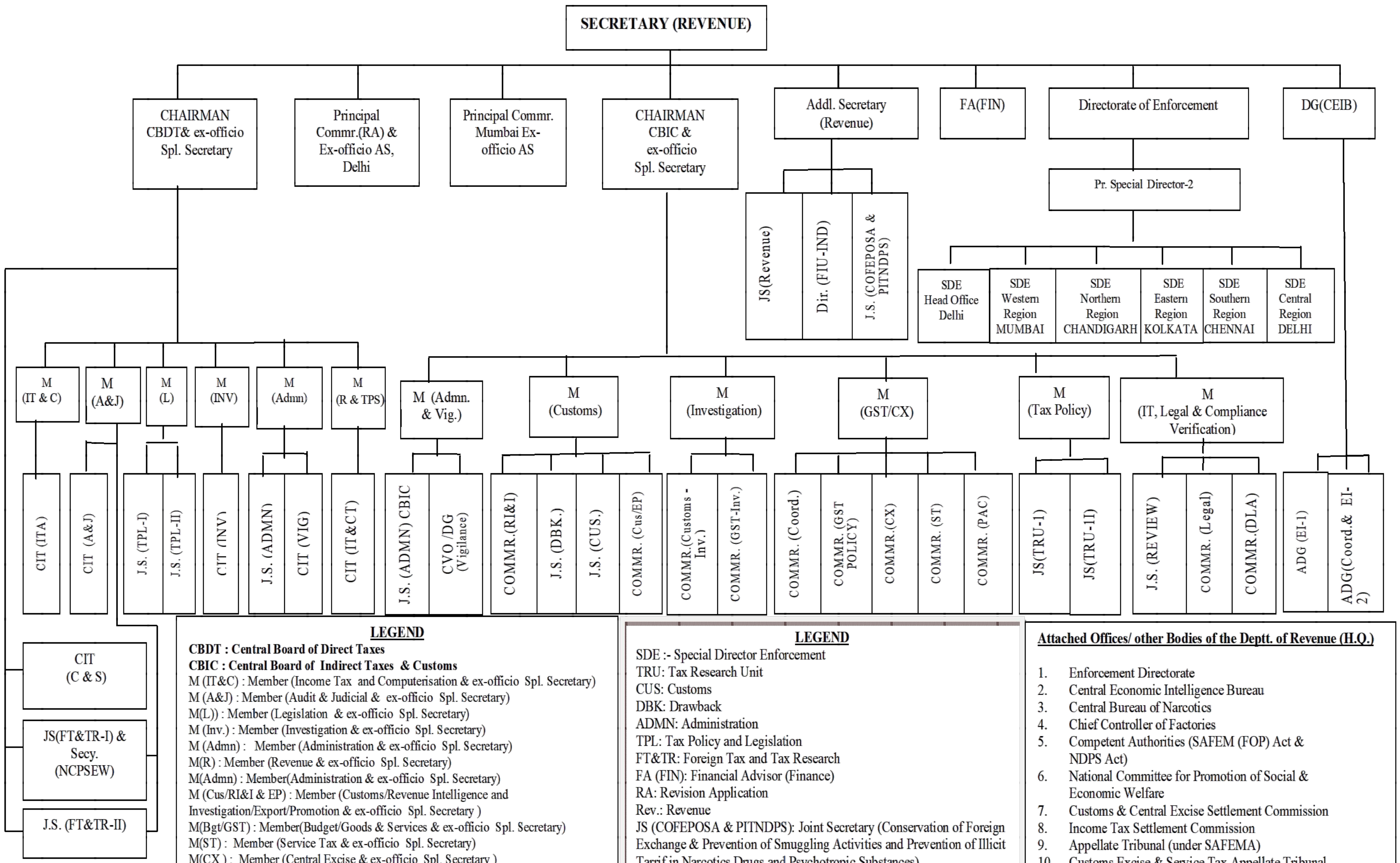
1. Central Board of Direct Taxes (CBDT)

S. No.	Lok Sabha	No. of Para/PA reports on which ATR have been submitted to PAC after vetting by Audit	Details of the Para/PA reports on which ATNs are pending		
			No. of ATR not sent by the Ministry even for the first time	No. of ATR sent but returned with observation and Audit is awaiting their resubmission by the Ministry	No. of ATR which have been finally vetted by the Audit but have not been submitted by the Ministry to the PAC
1	14	0	0	0	0
2	15	0	0	0	0
3	16	33	0	0	0
4	17	7	27	3	0
	Total	40	27	3	0

2. Integrated Finance Unit (IFU)

Sl. No.	Year		Details of the Paras/PA reports on which ATNs are pending		
		No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
		Nil	Nil	Nil	Nil

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, one Economic Adviser and one Advisor (Cost). 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.

The Organizational Structure of the Department is placed at **Appendix -I**.

V. CURRENT POLICY ON DISINVESTMENT IN CPSEs

The Government follows a policy of disinvestment through the minority stake sale and strategic disinvestment of CPSEs.

Strategic Disinvestment

Strategic Disinvestment implies sale of entire or substantial Government shareholding of a CPSE along with transfer of management control. The policy on strategic disinvestment is based on the economic principle that Government should discontinue in sectors, where competitive markets have come of age and economic potential of such entities may be better discovered in the hands of strategic investor due to various factors such as infusion of capital, technological upgradation and efficient management practices.

Government policy on Strategic disinvestment of CPSEs was implemented till 2004. However, thereafter, till 2014-15, disinvestment in CPSE was carried out only through limited minority stake sale. Since 2016, the Government has substantially overhauled the approach towards disinvestment in CPSEs. The policy for strategic disinvestment was revived. The Department was renamed as Department of Investment and Public Asset Management (DIPAM) with effect from 14th April, 2016. A comprehensive guideline on "Capital Restructuring of CPSEs" was laid down in May, 2016 for efficient management of Government's investment in CPSEs in areas such as, payment of dividend, buyback of shares, issues of bonus shares and splitting of share.

NITI Aayog was mandated to identify the CPSEs for strategic disinvestment. Till February, 2021 NITI Aayog identified CPSEs for strategic disinvestment based on the criteria of (i) National Security; (ii) Sovereign function at arm's length, and (iii) Market Imperfections and Public Purpose.

The strategic disinvestment process was modified in 2019 to make the process result-oriented and expeditious. The new process provides for an Inter-Ministerial Group (IMG) chaired by Secretary, DIPAM & Secretary of Administrative Ministry to drive entire process, while minimizing redundancy and multiplicity of approvals to prevent dilution of bidder's interest and performance of the CPSEs. The overall process is also overseen by the Independent External Monitor (IEM) comprising eminent persons.

Thrust on privatization: New PSE policy

In order to realize the mission of New, Self-reliant India, there was a need to redefine public sector participation in business enterprises and to encourage private sector participation in all sectors. Against this backdrop, the New Public Sector Enterprise ("PSE") Policy for Atmanirbhar Bharat was approved by Cabinet, on 27th January 2021 and was notified on 4th February, 2021. The policy intends to minimise the presence of Government in the PSEs across all sectors of economy.

Under New Public Sector Enterprise ("PSE") Policy public sector commercial enterprises have been classified as Strategic and Non-Strategic sectors. The following four broad Strategic Sectors have been delineated based on the criteria of national security, energy security, critical infrastructure, provision of financial services and availability of important minerals:

- ✓ Atomic Energy, Space and Defense;
- ✓ Transport and Telecommunication;
- ✓ Power, Petroleum, Coal and other minerals; and
- ✓ Banking, Insurance and Financial Services.

In Strategic sectors, bare minimum presence of the existing public sector commercial enterprises at Holding Company level will be retained under Government control. The remaining enterprises in a strategic sector, will be considered for privatisation or merger /subsidiarization with another PSE or for closure. PSEs in non-strategic sectors shall be considered for privatisation, where feasible, otherwise such enterprises shall be considered for closure.

Approval of the Government for strategic disinvestment of a specific PSE shall be taken from time to time, on a case-to-case basis. The timing for specific transactions will however, be contingent, inter alia, on the considerations of appropriate sequencing, sectoral trends, administrative feasibility, investors' interest, etc.

New policy initiative

The procedure for Strategic Disinvestment is modified from time to time to make it more result oriented, and to tackle new challenges. Keeping this in view, the Cabinet delegated certain additional powers to the Alternative Mechanism during the year 2022-23. Similarly, the Cabinet on 18.05.2022 had given approval for empowering the Board of Directors of the Public Sector Enterprises (PSEs) to recommend and undertake the transactions for Disinvestment (both strategic disinvestment and minority stake sale) or closure of any of their subsidiaries or units or sale of stake in JVs. It was also approved that based on proposal of Board of CPSE and Administrative Ministry, DIPAM will obtain an " in-priniciple" approval of Alternative Mechanism. Thereafter, the Board of CPSEs can undertake the process of disinvestment or closure of subsidiaries/units/ JVs based on DIPAM or DPE guidelines.

Guiding principles for strategic disinvestment/ Minority Stake sale of subsidiaries/units/sale of stakes in JVs by the holding/parent PSE was issued by DIPAM on

14.09.2022. Guiding principles for closure of subsidiaries/ units by their Holding/Parent Public Sector Enterprises was issued by DPE on 31.10.2022.

Minority stake sale

For some CPSEs, the government carries out minority stake sale without transfer of management control through various SEBI-approved methods, in order to unlock the value, promote public ownership, meet the minimum public shareholding norms of SEBI and for ensuring higher degree of accountability. The modes of disinvestment commonly used for minority stake sale include Initial Public Offer (IPO), Offer for Sale (OFS), Buyback of shares etc. These methods play important role in strengthening the capital market through (i) increasing the float of well performing CPSEs (ii) providing opportunity to retail investors to participate in an extended range of stocks and bonds and (iii) increasing liquidity and depth of the markets.

VI. DISINVESTMENT PERFORMANCE

The various modes of disinvestment are:

- ✓ Initial/Further Public Offer (IPO/FPO)
- ✓ Exchange Traded Fund
- ✓ Offer for sale (OFS)
- ✓ Buyback of shares
- ✓ Strategic Disinvestment

A. Performance: Minority Stake Sale

i. Initial Public/Further Offer IPO/FPO

Public Offer: When an issue / offer of shares or convertible securities is made to new investors for becoming part of shareholders' family of the issuer, it is called a 'public issue'. Public issue can be further classified into Initial public offer (IPO) and Further public offer (FPO). The significant features of each type of public issue are illustrated below:

a) *Initial public offer (IPO):* When an unlisted company makes either a fresh issue of shares or convertible securities or offers its existing shares or convertible securities for sale or both for the first time to the public, it is called an IPO. This paves way for listing and trading of the issuer's shares or convertible securities on the Stock Exchanges.

b) *Further public offer (FPO):* When an already listed company makes either a fresh issue of shares or convertible securities to the public or an offer for sale to the public, it is called a FPO.

Achievements: Since 2014-15, 17 CPSEs (including LICI) have been listed which yielded Rs 50,385.74 crore. During this period, 70.80 lakh retail investors invested an amount of Rs. 15,813 crore in IPOs of CPSEs. An additional market capitalization of Rs 7.31 lakh crore (Market-capitalization calculated based on listing price) was achieved through the new listings. At present, 54 Holding CPSEs are listed (excluding public sector banks and insurance Companies) with a total market cap of Rs 15.97 lakh crore as on 21.02.2023. The total M-cap of 16 public sector banks and insurance companies are Rs. 13.82 lakh Crore as on 21.02.2023.

Listing of LIC

The LIC was successfully listed in stock exchanges on 17.05.2022 and Government received proceeds of Rs. 20,516.12 crore. The issue received enthusiastic response from the investors and policy-holders. The IPO of LIC has been instrumental in galvanizing investor interest even when markets worldwide remained on the edge due to rising geo-political tensions. Listing of LIC added about Rs 5.5 lakh crore to the Indian market. The IPO, which is the biggest ever issue launched in India so far, saw around 73 lakhs investors applications from all categories other than the Anchor Investors. This is the highest number of bids in the history of Indian capital market. The Issue has been oversubscribed (2.95 times) in all categories including 6.11 times in the policyholder's category and 1.99 times in the retail category.

Apart from creating investment opportunities for the people, the LIC IPO, in view of sheer volume of applicants and investors, also brought about a great deal of structural and systemic improvement in the Indian markets through:

- ✓ Process and system changes to enable multiple Sponsor Banks at Stock Exchanges
- ✓ System readiness and capacity to achieve higher Transaction per second in stock exchanges (TPS)
- ✓ Addition of CPU & memory and dedicated multiple servers
- ✓ Depositories and Bank Clearance Process Calibrated for Large Volumes
- ✓ UPI Mechanism for Policyholder and Employee Category
- ✓ API based integration of depositories with stock exchanges
- ✓ 30 lakh emails were sent within one hour of the share allocation process
- ✓ Creation of policy-holders category in all bidding terminals.

The IPO of LIC made the organization to adopt the state of the art techniques for calculation of embedded value as well as interacting regularly with the minority stakeholders to protect their interests.

ii. Buyback of shares

Buyback is the repurchase by a company of its shares from the existing shareholders that reduces the number of its shares in the open market.

Objectives: Companies buy back their shares for a number of reasons:

a) To increase the value of shares held by promoters.

b) To eliminate any threats by minority shareholders who may be looking for a controlling stake.

c) 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.

d) 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. has used buyback method effectively. During the last eight years, disinvestment proceeds of Rs 45,104 crore (as on 03.03.2023) were realized from buyback of shares by 45 CPSEs. During the current FY, buyback of GAIL was carried out and Government realised Rs. 497.27 crore from the transaction.

iii. Offer for Sale (OFS)

Offer for sale (OFS) is a simpler method of sale of shares through the exchange platform for listed companies. The mechanism was first introduced by SEBI in 2012, to make it easier for promoters of publicly-traded companies to cut their holdings and comply with the minimum public shareholding norms by June 2013. The method was largely adopted by listed companies, both state-run and private, to adhere to the SEBI norms of minimum public shareholding. Government often used this route to divest its shareholding in CPSEs.

Salient features of OFS:

- ✓ simple to execute
- ✓ market-driven
- ✓ Govt. continues to retain management control
- ✓ Cost-effective
- ✓ Time efficient (completed in 2 trading days)
- ✓ Transparent allocation based on price-parity basis.

Achievements : After listing, further disinvestment by OFS mechanism yielded Rs 1,10,293 crore through 60 transactions in last eight years (As on 03.03.2023). This included the largest OFS of over Rs. 22,000 crore in case of Coal India Limited in January, 2015.

During the current financial year (As on 03.03.2023), OFS of ONGC, IRCTC and PPL have been concluded yielding Rs.3058.78 crore, Rs.2724 crore and Rs.497.27 crore respectively. Sale of shares of Axis Bank through SUUTI has yield Rs.3838.99 crore in current FY. The CCEA on 25.05.2022 has approved DIPAM's proposal for stake sale of Governments residual (29.54%) in Hindusthan Zinc Limited (HZL) through SEBI approved methods in the open market.

iii. Exchange Traded Fund

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 employing Equity ETFs as a tool for minority stake sale.

B. Performance in Strategic Disinvestment

The Government, since 2016, has given 'in-principle' approval for strategic disinvestment of 36 cases of CPSEs and/or Subsidiaries/ Units/ Joint Ventures of CPSEs/ Bank. Out of the 36 cases, 33 cases are being handled by DIPAM and 3 cases are being handled by the respective Administrative Ministry/Department. Out of the 33 cases being handled by DIPAM, strategic disinvestment transactions have been completed in 10 cases; 5 CPSEs are under consideration for closure; 1 case held up due to litigation,1 case is under Corportate Insolvency Resolution process (CIRP) in NCLT 2 cases are not feasible. Remaining 14 transactions are at various stages. The details are given at **Annexure-I**.

Privatization of Air India: Privatization of Air India was completed on 27.01.2022. M/s Talace Pvt Ltd, a wholly owned subsidiary of M/s Tata Sons Pvt Ltd was the successful bidder with a bid of Rs 18000 crore which includes Rs 2700 crore as cash consideration and Rs 15,300 crore as debt component. Air India had received more than Rs.1 lakh crore Government support since 2009-10 and yet continued to be in huge losses. At the time of disinvestment, Air India was suffering loss of Rs.20 crore per day and had to be supported by the Government using taxpayers' money. Privatization of Air India will improve performance and productivity of the airline and help to rejuvenate the aviation sector of the country

Privatization of NINL Privatization of NINL was completed on 4.07.2022. M/s Tata Steel Long Products Limited was the successful bidder for 93.71% of shares of Neelachal Ispat Nigam Ltd (Joint Venture partners of 4 CPSEs and 2 Odisha Govt State PSEs) at the Enterprise Value of Rs. 12,100 crore. The transaction sets the stage for large scale investment in the steel sector in Odisha. : Before strategic disinvestment, the company was running in huge losses and plant was closed since 30.3.2020. The employees were not getting salaries.The closed blast furnace has now been restarted within three months of privatization, reflecting turnaround in operations.

C. Disinvestment Targets & achievements

The B.E for disinvestment proceeds for the year 2022-23 was fixed at Rs.65,000 crore. The RE for disinvestment proceeds for the year 2022-23 has been kept at Rs. 50,000 crore. So far, Government has received Rs. 31107 crore (as on 03.03.2023) from disinvestment of CPSEs through IPO, Offer for Sale and buyback of shares etc.

Year	Target (BE) (In Rs. crore)	Target (RE) (In Rs. crore)	Actual (In Rs. crore)	No. of Transactions
2014-15	43,425	26,353	24,349	8
2015-16	69,500	25,313	23,997	9
2016-17	56,500	45,500	46,247	21
2017-18	72,500	1,00,000	1,00,057	36
2018-19	80,000	80,000	84,972	28
2019-20	1,05,000	65,000	50,300	15
2020-21	2,10,000	32,000	32885	18
2021-22	1,75,000	78,000	13534	10
2022-23	65,000	50,000	31107*	9

*as on 03.03.2023

Disinvestment Receipts FY 2022-2023 (as on 03.03.2023)

S. No	Name of CPSEs	Method of Disinvestment	Receipts (in Rs. Crore)
1	ONGC	OFS	3059
3	LIC	IPO	20516
4	PPL	OFS	472
5	GAIL	BB	497
6	NINL#	SD	0.00
7	Others (Sale of Axis Bank Shares held by SUUTI)	OTHERS	3839
8	IRCTC	OFS	2724
Total Sum			**31107**

NINL was a Joint Venture company, in which 4 CPSEs namely MMTC, NMDC, BHEL and MECON and 2 State PSUs of Odisha Government; namely IPICOL and OMC were share-holders. GOI holds no equity in NINL.The highest bid of M/s Tata Steel Long Products Limited for 93.71% of shares of Joint Venture partners of 4 CPSEs and 2 Odisha Govt State PSEs at the Bid Enterprise Value of Rs. 12,100 cr. was accepted by the Government.

VII. OTHER INITIATIVES

(i) Launch of Bharat Bond ETF

Bharat Bond ETF comprising of AAA rated CPSEs, was launched in December 2019 which was the first instrument of its kind based on high-quality public-sector bonds. Tranche -I of Bharat Bond ETF launched in December, 2019 raised over Rs. 12,400 crore. Tranche-II of BHARAT Bond ETF was launched in July, 2020 raising over Rs. 11,000 crore Tranche III was launched in December, 2021 raising over Rs. 6,200 Cr.

The three tranches received huge response from all sections of investors especially retail investors. Asset Under Management (AUM) for the Bond ETF market has grown to around Rs 65,903 crore (as on 31.01.2023) out of which about 85% is accounted for Bharat Bond ETF (around Rs. 55,901 crore as on 31.01.2023). Provided opportunity to retail investors to access bonds with smaller amount (as low as Rs 1,000) while helping CPSEs mobilize debt at reduced cost. Based on this model, many Bond-ETFs based on G-Sec, State Development Loans (SDLs) and Corporate Bonds have come to the market.

After the successful launch of three tranches with an AUM of Rs. 50,000+ Cr., the fourth tranche BBETF - 2033 of BHARAT Bond ETF with 10+ years maturing in April 2033 launched on 2nd December 2022 and ended on 8th December 2022. The April 2033 issue of BHARAT Bond ETF has been oversubscribed 2.8 times against the base issue size of Rs. 1,000 cr. The total Rs 2800 crore was raised against the base issue size of Rs.1000 crore. 8 CPSE namely PFCL, IRFC, REC, NABARD, HUDCO, NTPC Limited, HPCL, and NPCIL are expected to participate and issue bonds.

(ii) Guidelines on Investment of Surplus Funds by CPSEs.

DIPAM brought out the revised Guidelines on Investment of Surplus Funds by CPSEs on 5.12.2022 with the approval of the Finance Minister after inter-Ministerial consultations.

(iii) Asset Monetization (Non -core land of CPSEs)

Government approved setting up set up a Special Purpose Vehicle named National Land Monetization Corporation (NLMC) as a wholly owned Government of India company with an initial authorized share capital of Rs 5000 crore and paid-up share capital of Rs 150 crore. NLMC will undertake monetization of surplus land and building assets of Central Public Sector Enterprises (CPSEs) and other Government agencies.Going forward, Department of Public Enterprises (DPE) has been mandated to oversee Non-core land monetization of CPSEs.

(iv) Monetization of Enemy Shares

Cabinet in its meeting on 8th November, 2018 approved the procedure and mechanism for disposal of Enemy

Shares, which is also being handled by DIPAM. As per the enemy shares provided by CEPI MHA, more than 99.6% shares have been sold. As on 19.01.2023, total shares of value of Rs. 2709.11 crore have been sold and the proceeds have come back to GoI.

VIII. CHALLENGES TO DISINVESTMENT

The first and second wave of COVID 19 had a serious impact on disinvestment transactions in 2020 and 2021. Several officers of the Department, other concerned Departments in the Inter-ministerial Committees and Transaction and Legal Advisers and their family members got infected. Coupled with pandemic induced uncertainty in financial markets, geo-political tensions resulting from Ukraine conflict (since February 2022) adversely impacted global supply chain with a cascading impact on various sectors like oil and gas, metals, agriculture etc in various countries including India. This posed significant challenges before the disinvestment efforts of the government, both for minority stake sale and strategic disinvestment, as financial capacity and risk-reward options of potential bidders turned worse.

Apart from the global challenges, strategic disinvestment transactions have to deal with matters such as resolving land title, lease and land use issues with State Govt authorities, disposal of non-core assets, excess manpower and labour unions, protection of process and functionaries etc. Multiple Court cases filed by the employees' unions and other interest groups against disinvestment policy of the government and also specific transactions also act as a hindrance. Any of these issues may impact the transaction time-line.

Challenges to disinvestment through Minority Stake Sale include reduced availability of government stake over 51% for large listed CPSEs; relatively muted perception of investors in CPSE stocks as compared to private sector peers; price overhang in the market due to high disinvestment target and frequent use of ETF route for stake sale till 2019-20.

IX. DIVIDEND RECEIPTS

Dividends from CPSEs form an important component of non-tax receipts. Total dividend receipts from CPSEs in FY 2021-22 stood at Rs 59,168 crore, which exceeds the Revised Estimate (RE) of Rs 46,000 crore, and is more than actual dividend receipts (Rs 39,750 crore) during the previous financial year. Total dividend receipts this FY stands at Rs 49,282 crore (as on 03.03.2023).

Consistent Dividend Policy was framed by DIPAM (in November 2020) for ensuring predictability in dividend payment by companies. A predictable dividend regime would help revive investor interest and improve market sentiments for CPSE stocks as predictability in regular dividend payment would attract quality investors to CPSE stocks and retain them in the hope of a future dividend. Government will also get predictable and periodic dividends as interim dividend. This policy has been successful and as a result, CPSE indices have significantly improved over the last year, beating the matching the benchmark Sensex. The significant rise in dividend payouts by CPSEs has also encouraged investors to invest in CPSE stocks.

X INITIATIVES UNDERTAKEN FOR PERSONS WITH DISABILITIES, SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES:

The staff strength in the Department along with representation of Scheduled Castes, Scheduled Tribes, Persons with disabilities and Other Backward Classes is given in **Appendix -II.**

XI INITIATIVES RELATING TO GENDER BUDGETING AND EMPOWERMENT OF WOMEN

The nature of allocated work of the Department does not have any scope for gender budgeting and empowerment of women.

XII OFFICIAL LANGUAGE POLICY

The Department has a full-fledged Official Language Unit to implement the Official Language Policy. The website of the Department is bilingual.

XIII E-GOVERNANCE

As a part of good governance through the use of information technology, the following initiatives have been taken:

- Website of the Department (www.dipam.gov.in) is updated on a regular basis, in both English and Hindi. The website is compliant with the Guidelines for Indian Government Websites (GIGW).
- Maintenance of the Payroll Package
- Implementation of e-Office
- Following web based monitoring systems are in place: Rajya Sabha Question, Answer Monitoring System and Lok Sabha Question, Answer Monitoring System
- Centralized Public Grievance Redress and Monitoring System (CPGRAMS)
- Centralized Tender/Procurement Monitoring System. Tenders are regularly put on the website and e-Publishing in e-procurement portal is being done regularly.
- Representations of Reserved Categories in Posts and Services in Government of India (RRCPS) Monitoring System (SC/ST Commission Portal).
- APAR Monitoring system for IAS Officers (JS level & above), CSS/ CSSS Officers (All levels).
- Cadre Management System (for CSS Officers).
- Pension Portal

- Use of GeM portal
- Quarterly Rolling Plan
- Data Portal (Data.gov.in).

XIV REDRESSAL OF PUBLIC GRIEVANCES

The Department is using the Centralized Public Grievance Redress and Monitoring System (CPGRAMS). The website of the Department also has an in built mechanism for receiving grievances from public. A Joint Secretary has been designated as Nodal Grievance Officer and Additional Secretary has been nominated as Nodal Appellate Authority for the purpose.

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).

XV VIGILANCE MACHINERY

An Additional Secretary has been designated as part-time Chief Vigilance Officer in the Department.

XVI RIGHT TO INFORMATION ACT, 2005.

In order to facilitate dissemination of information under the provisions of the Right to Information Act, 2005, the following initiatives have been taken by the Department:

(i) An RTI Cell has been set up to collect, transfer the applications under RTI Act, 2005 to the Central Public Information Officers/ Public Authorities concerned and to submit the quarterly returns regarding receipt and disposal of the RTI applications/ appeals, to the Central Information Commission.

(ii) Details of functions of the Department along with its functionaries etc. have been placed on Department's website (www.dipam.gov.in) in compliance with Section 4(1)(b) of the RTI Act and is updated from time to time.

(iii) One Under Secretary has been designated as the Nodal Central Public Information Officer and 1 Deputy Directors, 1 Assistant Director and 9 other Under Secretaries as Central Public Information Officers under Section 5(1) of the Act, in respect of subjects handled by them.

(iv) 1 Joint Secretary, 7 Directors, 1 Joint Director and 3 Deputy Secretaries have been designated as First Appellate Authorities in terms of Section 19(1) of the Act for all matters relating to their Divisions.

XVII INITIATIVES FOR GOOD GOVERNANCE

As per the mandate provided by the Government of India (Allocation of Business) Rules, 1961, the Department is not involved in the delivery of any public services and thus, does not have any direct interface with the citizens or public at large. However, the Department has initiated the following measures as a part of good governance:

Timelines have been prescribed for disposal of transaction related bills to avoid delay and any scope of corruption as also to promote good governance. The following measures have also been implemented in the Department for promoting good governance:

(a) Special Campaign 2.0 : The Special campaign 2.0 was undertaken with full enthusiasm focusing on disposal of pending references in the identified categories, reviewing/ weeding out of files, disposing of old unusable articles and digitization of records. During the Campaign the progress was regularly uploaded on the 'SCDPM' portal and the pendency was brought down to the minimum level almost in all categories. DIPAM has no attached/ sub-ordinate office under its administrative control.

(b) Monitoring of Court Cases: Monitoring of Court cases in DIPAM are now being done in Legal information briefing System 2.0 (limbs 2.0). Joint Secretary (Admn) has been nominated as Nodal Officer of limbs portal of DIPAM and DD/US/DS level officers of every Division have been designated as limbs user by Nodal officer of DIPAM for the purpose of entry, updation and transferring of court cases in limbs portal. Therefore, the status of pending court cases are monitored regularly at the users level in the divisions of the Department through limbs portal.

(c) Capacity Building of DIPAM Officials/staff: DIPAM collaborated with the Capacity Building Commission and formulated a training module suitable for developing a skillset amongst the staff coming to DIPAM from varied fields/experiences. In pursuance, as a first instance, ISB was engaged as per the suggestions of the Capacity Building Commission to upskill the existing staff posted in DIPAM in developing a three-module training course. First module was organized online giving basic accounting and financial management training. Second module was organized as a four days residential training. In the third, module, the staff worked on different projects related to disinvestment and public asset management. These projects have been reviewed by the ISB team online and offline. The Capacity Building Unit (CBU) in DIPAM has been constituted on 28.11.2022. Training of 13 officers from DIPAM was conducted at NSE Academy, Mumbai as a part of the Capacity Building Programme on 1-2 December, 2022. Meeting of CBU was held on 15.12.2022 under the chairmanship of Secretary, DIPAM the chairmanship of Secretary, DIPAM to discuss the Annual Capacity Building Programme for DIPAM officers. A meeting was held by Secretary, DIPAM with Member (Admn), Capacity Building Commission and Deolitte representatives on 16.12.2022 to discuss the Annual Capacity Building Programme for DIPAM officers. DIPAM specific training will be encapsulated to help officials to learn easily through audio/visual modules, in line with the Karmyogi mission, for future use.

XVIII AUDIT PARAS/OBJECTIONS

No CAG or PAC paras/Objections are pending in the Department.

XIX INTEGRATED FINANCE UNIT

The Integrated Finance Unit works under Additional Secretary & Financial Adviser (Finance) and deals with expenditure and Budget related proposals of Grant No. 34 - 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. 34 is as under: -

Grant No.	Budget Estimates 2022-23			Revised Estimates 2022-23		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total
32 - Department of Investment & Public Asset Management	----	290.42	290.42	----	197.06	197.06

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.

XX PARTICIPATION IN 'AZADI KA AMRIT MAHOTSAV' (AKAM)

A Conference on the theme "Creating Wealth through Market" was organized by DIPAM on 10.06.2022 as an iconic event in 75 cities (including New Delhi) across the country to commemorate the Azadi ka Amrit Mahotsav. The Conference was addressed by the Finance Minister as part of the celebrations. The objective of the Conference was to encourage and educate the general public and the potential investors on ways to benefit from the capital market.

Post address of the Finance Minister, the function continued in all local venues with local Speakers/ experts giving speeches and taking part in the interactive session with the attendees on various topics related to investment in stock market, risk mitigation etc. A short movie in 11 regional languages prepared to showcase DIPAM's activities and related theme was also shown in all the 75 venues in local languages.

Annexure-I

List of PSEs and/or Subsidiaries/ Units/ Joint Ventures of PSEs and Bank for which Government has given 'in-principle' approval for strategic disinvestment since 2016.

1. Ongoing Transactions being processed by DIPAM

S. No.	Name of PSE
1.	BEML Limited
2.	The Shipping Corporation of India Limited
3.	HLL Lifecare Limited
4.	Project & Development India Limited
5.	Ferro Scrap Nigam Limited (subsidiary)
6.	Indian Medicines Pharmaceuticals Corporation Limited
7.	Container Corporation of India Limited
8.	Rashtriya Ispat Nigam Limited
9.	NMDC Steel Limited (NSL)
10.	(a) Bharat Petroleum Corporation Ltd (except Numaligarh Refinery Limited) @ (b) BPCL stake in Numaligarh Refinery Limited to a PSE strategic buyer $
11.	Pawan Hans Limited
12.	Central Electronics Limited (CEL)##
13.	Alloy Steel Plant, Durgapur^; Salem Steel Plant; Bhadrawati Steel Plant@ - units of Steel Authority of India Limited
14.	IDBI Bank

@ EoI process called off due to lack of sufficient Bidder's interest to proceed.
$ Transaction completed.
^ Transaction halted for the time being.
Successful bidder disqualified and transaction has been terminated.

2. Transactions being processed by respective Administrative Ministries

S. No.	Name of PSE
15.	Various Units of India Tourism Development Corporation Limited
16.	Hindustan Antibiotics Limited
17.	Bengal Chemicals & Pharmaceuticals Limited

3. Transactions halted as the PSEs recommended / approved for closure; or any other reason

S. No.	Name of PSE
18.	Hindustan Fluorocarbons Limited (subsidiary)**
19.	Scooters India Limited**
20.	Bharat Pumps & Compressors Limited**
21.	Hindustan Prefab Limited
22.	Units of Cement Corporation of India Limited (Nayagaon Unit) #

** Government approved for closure of the Company.
# Transaction not feasible and the mines are being returned to the State Governments

4. Transactions held up due to litigation

S. No.	Name of PSE
23.	Karnataka Antibiotics & Pharmaceuticals Limited

5. Under Corporate Insolvency Resolution Process (CIRP) in NCLT

S. No.	Name of PSE
24.	Hindustan Newsprint Limited (subsidiary)***

***Resolution Plan of Kerala Industrial Infrastructure Development Corporation (KINFRA) approved by the NCLT, Kochi vide order dated 29.01.2021 is under implementation at present.

6. Transactions not Feasible

S. No.	Name of PSE
25.	Engineering Projects India Limited
26.	Bridge & Roof Company (India) Limited

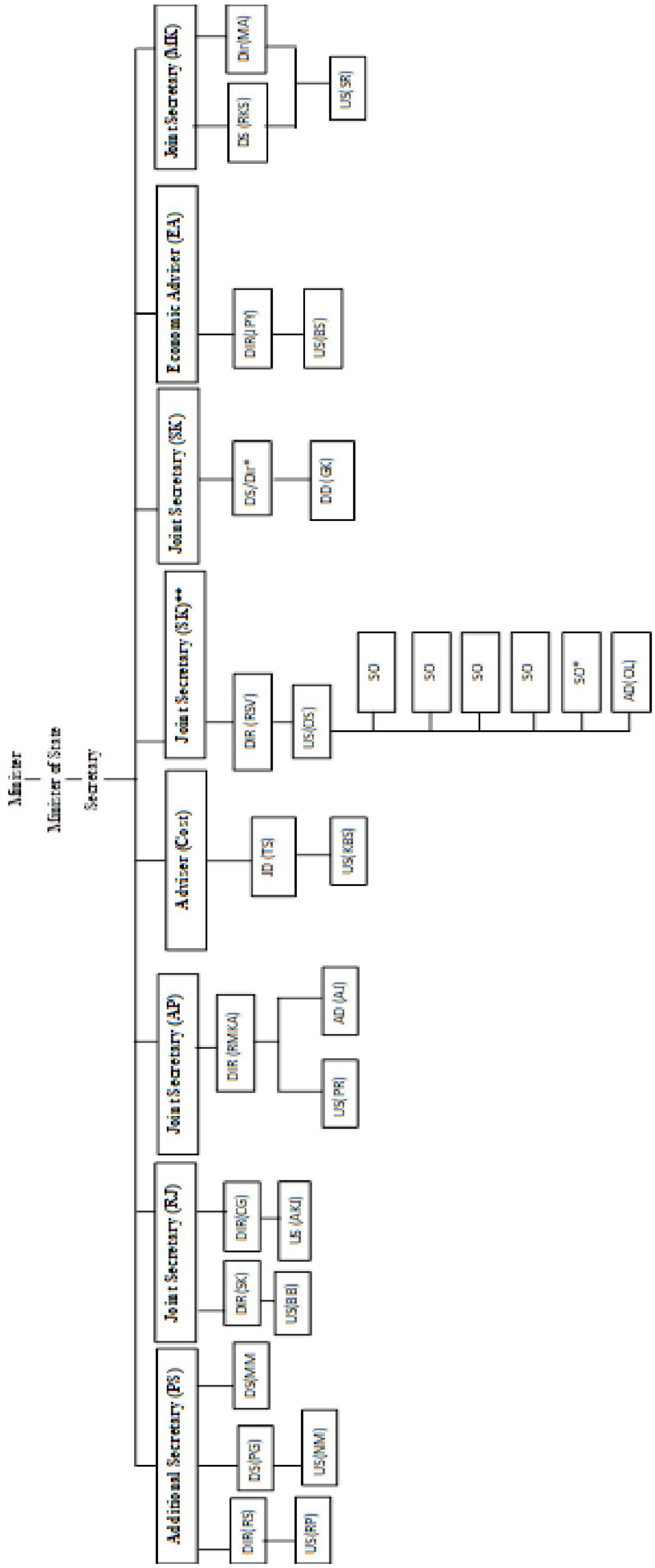
7. Completed Transactions

S. No.	PSE
27.	Hindustan Petroleum Corporation Limited (HPCL)
28.	Rural Electrification Corporation Limited (REC)
29.	HSCC(India) Limited
30.	National Projects construction corporation Limited (NPCC)
31.	Dredging Corporation of India Limited (DCIL)
32.	THDC India Limited (THDC)
33.	North Eastern Electric Power Corporation Limited (NEEPCO)
34.	Kamrajar Port Limited
35.	Air India^^
36.	Neelachal Ispat Nigam Limited (NINL)

^^Subsidiaries which are now with AIAHL are still to be divested

Organisation Chart

Appendix-I



* Vacant Posts.
** Officers with additional charges.

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 13.12.2022)				By Direct Recruitment				By promotion			By Deputation		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
A	38	9	0	2	0	0	0	0	0	0	0	0	0	0
B	23	6	1	2	0	0	0	0	0	0	0	0	0	0
C	11	5	0	4	0	0	0	0	0	0	0	0	0	0
Total	72	20	1	8	0	0	0	0	0	0	0	0	0	0

Representation of the persons with disabilities in DIPAM

Group	**Number of employees**				By Direct Recruitment							Promotion						
	(as on 13.12.2022)				No. of Vacancies reserved			No. of appointments made				No. of vacancies No. of appointment reserved made			No. of appointments made			
	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
A	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	72	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Chapter - V

Department of Financial Services

1. Work Allocation among Sections

1.1 Banking Operation-I (BO-I)

Appointment of Governor/Deputy Governor of RBI, Chairman & MDs of SBI, CMDs and EDs of Nationalised Banks, salary allowances and other terms and conditions of Whole Time Directors of PSBs. Constitution of Boards of Directors of RBI and PSBs: appointment of Workmen Employee Directors, appointment of Part Time Non-Official Directors and Officer Employee Directors of PSBs. Nomination of Directors on the Board of PSBs.

1.2 Banking Operation-II (BO-II)

Administration of all Acts/Regulations/Rules related to Financial Systems like the Negotiable Instruments Act, 1881, the Chit Funds Act, 1982 and the Price Chits and Money Circulation Schemes (Banning) Act, 1978, etc., Banning of Unregulated Deposit Scheme Act, 2019, Deposit Insurance and Credit Guarantee Corporation (DICGC), Act, 1961. Coordination of work on matters related to Disaster management and crisis management, Payment and Settlement System Act, 2007 and matters relating to Digilocker, wherein the proposal is to enable the updation of the address of the account-holder in banks. Disposal of appeals received under section 9 of the Payment and Settlement Systems Act, 2007. Factoring Regulation Act, 2011. State Legislations – Protection of Interest of Depositors Acts of State Governments.

Matters relating to Multi-Level Marketing and Ponzi Schemes. Setting up of IFSC – GIFT. International Relations (Banking) / Bilateral issues. International Cooperation in. WTO, RCEP, JCCII and CEPAs/CECAs/ FTAs of India with bilateral and multilateral partners. Matters relating to Financial Sector Development Council and its Sub-committees. Matters relating to Central Economic Intelligence Bureau (CEIB). Matters relating to office of Court Liquidator, Kolkata. Work relating to Government Agency Business. Financial Action Task Force (FATF). Setting up of Currency Chest by banks in border districts (within 80 KMs of International Border). Rationalization of Bank Holidays / declaration of bank holidays under section 25 of the Negotiable Instruments Act, 1881. Know Your Customer (KYC) all matters – AML and CFT matters.

1.3 Banking Operation-III (BO-III)

Customer Service in Banks/FI/Ins.All kinds of complaints/representations received from individual/ associations for redressal of their grievances in these institutions such as delay in clearance of cheques, non-payment/non-issue of drafts, non-issue/delay in issue of duplicate drafts, misbehaviour/rude behaviour/ harassment on the part of staff of the Institution, non-settlement/delay in settlement of deceased accounts, non-transfer/delay in transfer of accounts from one office to another, non-opening/delay in opening of new accounts, non-compliance with standing instructions of the customers, non-payment of term deposits before maturity, delay in payment to pensioners, including those related to credit cards, ATMs, etc. All kind of complaints received from DARPG/DPG relating to Public/ Private Sector/Foreign Banks/FI/Ins.

All kinds of complaints received from MPs/VIPs /PMO against Private Sector & Foreign Banks. Banking Customer Service. Banking Ombudsman. Coordination of PRAGATI meetings.

1.4 Banking Operation & Accounts-I (BOA-I)

Preparation of annual consolidated review on the working of Public Sector Banks (PSBs) and laying it on the Tables of both Houses of Parliament. Pattern of accounting and final accounts in Public Sector Banks. Study and analysis of the working results of PSU Banks. Taxation matters of PSBs/FIs. Dividend payable to Central Government by PSBs. Scrutiny of the annual financial reviews of PSBs conducted by RBI under Section 35 of the Banking Regulation Act, 1949 and follow up action. Capital restructuring of PSBs (including restructuring of weak PSBs) and Government’s contribution to share capital, public issue of banks. Release of externally aided grants to ICICI Bank under USAID. Disputes and arbitration between PSBs and between PSBs and other Govt. Departments/PSEs. Appointment of advocates in PSBs. Residuary matters of Portuguese Banks in Goa. Opening and shifting of administrative offices of banks.

All Policy matters related to Banking Operation such as Licensing, amalgamation, reconstruction, moratorium funds, and acquisition of private sector banks. Functioning of PSBs. Notification regarding exemption from various sections of the Banking Regulation Act, 1949 and appointment of appellate authority to hear appeals under BR Act and Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 and 1980. Administration of all Acts/ Regulations/ Rules related to Public Sector Banks, RBI and State Level Banks. Laying of annual reports and audit reports etc., of PSBs in Parliament.

1.5 Banking Operation & Accounts-II (BOA-II)

Credit Information Companies (CICs). Works relating to monitoring of NPAs and Recovery including compromises and OTS of all PSBs. Parliament matters, VIP/PMO references, complaints and other matters relating to above works. All matters related to NPA/ Stressed Assets (other than Sectoral Stress), including relief measures by banks in area affected by natural calamities. Stressed Assets Stabilization Fund (SASF). Audit of banks, appointment and fixation of remuneration of auditors of PSBs/FIs. Bank guarantees, Letters of Credit and Letters of Undertaking / Comfort by PSBs and related complaints. Citizen's Charter of PSBs/RBI. Acquisition/Leasing/Renting/Vacation of premises, Estate Officers under Public Premises Act, 1971. Operation of foreign banks in India (including IDC and FDI Policy matters). Banking Sector Reforms (including EASE Index and PSB Reforms Agenda). NBFCs and Appellate Authority on NBFCs. Operational risk management (other than cyber-security and digital payments security), including frauds and fugitive offenders. Administration of all Acts/Regulations/Rules related to NBFCs and CICs. Statement of Intent / Key Performance Indicators / Performance evaluation of whole-time Directors. Insolvency Bankruptcy Code (IBC). Overseas branches of Indian banks.

1.6 Agriculture Credit (AC)

Credit flow to Agriculture and allied sectors. Agricultural Debt Waiver and Debt Relief 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 related to VIP references. Monthly DO letter to Cabinet Secretary from Secretary (FS). Appointment of CPIOs, ACPIOs, AA and Nodal Section for RTI matters of DFS and to deal with CIC for Annual Report etc. Updation of Induction Material for DFS; Co-ordination of VIP, PMO, President-Sectt.etc., references involving more than two Divisions of DFS.

1.11 Establishment (Estt.)

Matters pertaining to the Officers and Staff of DFS including RRs, appointment, ACRs, deputation (including abroad), training, IWSU, SIU, welfare, review of officers under FR 56(J), internal vigilance, staff grievances, pension, etc. Grant of various advances to officers and staff, payment of fees to advocates, settlement of medical claims and CGHS matters, family welfare programme.

1.12 General Administration (GA)

Housekeeping/Security matters, cleanliness, stores, canteen, R&I, library. Staff Car Drivers, vehicles to the officers of DFS. Purchase of Computer Hardware and maintenance of Computers, Printers and other equipment's. Maintenance of furniture and electricity items. Logistic support for arranging farewell of staff of DFS. Providing of Identity Cards to the Staff of DFS and CMDs/EDs/PROs of Public Sector Banks/Financial Institutions/Insurance companies, etc.

1.13 Parliament

Collection, identification and marking of Parliament Questions, Notices, admitted Questions, and getting the files approved from the Minister. Preparation of facts and replies for pads of Ministers. Keeping track and record of pending Assurances, Special Mentions and References under 377 and other matters as mentioned in the Induction Material. Presidential address to the Joint Session of Parliament. Compilation and submission of material for Parliament Questions to other Ministries/ Departments. Parliamentary Committee Matters, etc.

1.14 Hindi

Implementation of Official Language Policy of the Government.Translation work relating to Parliament Questions. Standing Committees, Minutes of the Meetings. Hindi Teaching Scheme and other miscellaneous work as mentioned in induction material of DFS.

1.15 Welfare Section (SCT)

Matters relating to recruitment, promotion and welfare measures of SC/ST/OBC/PH and Ex-servicemen in Public Sector Banks/Financial Institutions and Public Sector Insurance Companies (PSBs/FIs/PSICs). Matter of policy regarding reservation for these categories in PSBs/FIs/PSICs, reservation matters in RRBs etc. Inspection/examination of Reservation Roster for SCs/ STs/OBCs in PSBs/FIs/PSICs.

1.16 Reservation Cell

Assistance to the Liaison Officer for smooth functioning and discharging of his duties and responsibilities as Liaison Officer for SC/ST/OBC/EWS/ PwD, preparation / maintenance of reservation roster of SC/ST/OBC/EWS/PwD for the proper secretariat of this Department, reply to Parliament Questions/National Commission for SC/ST/OBC/PwD in respect of SC/ST/ OBC/EWS/PwD staff of the Department, maintenance of data of SC/ST/OBC/EWS/PwD staff of the Department, submission of all reports/ information to other Ministries/ Departments/Parliamentary Committees, etc. in the related matters.

1.17 Data Analysis (DA)

Reserve Bank of India Credit Policy - Busy Season - Slack Season and selective credit control. Financial sector assessment and sectoral credit analysis. Banking Statistics regarding bank deposits and advances. Deposits and advances of banks. Rates of interest on bank deposits and advances. Dissemination of results and important information relating to RBI, IBA, studies on banking reforms. Analysis of other international reports relevant to banking sector in India. Analysis of Reports of committees on Financial Sector Reforms etc. Management Information System - collection, collation of data relating to Banking Industry. Result Framework Document (RFD), Speeches of FM/MOS on different occasions. Audit Paras. UN e-Government Index & Digital Services. Work related to committee of Financial Sector Statistics. Coordination of budget proposals of DFS. Matters related to Budget Announcements, Output-outcome Monitoring Framework. Sustainable Development Goals – Indicators pertaining to DFS.

1.18 Industrial Finance-I(IF-I)

Administration of the Export-Import Bank Act-1981 and Scheme for financing Viable Infrastructure Projects (SIFTI) of IIFCL, Operational/Policy/Budgetary matters relating to Exim Bank, IIFCL, IWRFC and IIBI Ltd. Matters related to IFCI Ltd, IDFC Ltd, winding up matter related of IIBI Ltd, and other related matters. Board level Appointments-Whole Time Directors- IIFCL, EXIM, IFCI Ltd and their personnel matters. Government Nominee Directors-EXIM Bank, IIFCL, IFCI Ltd. and IDFC Ltd. Non-Official Directors/Independent Director in -EXIM Bank, IIFCL and IFCI Ltd. Sector-specific matters like infrastructure, power, textiles, exports; steel, telecom, road, shipping (added) etc. matters related to sectoral issues. Laying of annual reports of IIFCL, EXIM Bank, IFCI Ltd and Liquidator's report of IIBI Ltd. Before the Parliament.

Matters related to Ratnagiri Gas and Power Pvt. Ltd (RGPPL). Citizen's Charter of EXIM Bank and IIFCL. All matters related to resolution and registration issues of Asset Reconstruction Company (ARC) and to track the activities of the ARCs. All matters related National Investment and Infrastructure Fund. Appointment of Statutory Auditor in EXIM Bank. Media and Publicity related matters of DFS. Project Monitoring Group (PMG) Meeting. Partial Credit Guarantee Scheme (PCGS). Legislative work related to NaBFID act and EXIM Act. Matter related to establishment and operation of NaBFID. Matters related to office of Custodian.

1.19 Industrial Finance-II (IF-II)

Administration of National Housing Bank Act, 1987. Administration of Small Industries Development Bank of India Act. Administration of National Housing Bank Act Administration of State Financial Corporation Act. Operational, Policy and Budgetary matter relating to SIDBI and NHB. Matters relating to NHB and Housing Policy. Post winding up of BIFR & AAIFR matters. Matters related to Micro, Small and Medium Enterprises (MSMEs), TReDS. SIDBI, SFCs, Credit Guarantee Fund for Micro and Small Enterprises, CGFMU, CGFSI, CGTMSE, CGFF, MLIs, Credit Guarantee Scheme and other related matters on the subject. Citizens Charter of NHB and SIDBI.

All matters related to Educational Loans including Vidyalakshmi Portal, Govt. Sponsored Schemes-PMEGP, Education, employment generation scheme of SJSRY, SGSY and other poverty alleviation programmes and other related matters, VIP references, Audit Paras, CPGRAM, RTI, Parliament Questions, Assurances, Grievances, Budget Announcements, Coordination with RBI and State Govts. Appointment and all personnel matters of Whole Time Director in SIDBI and NHB.

Appointment of Non-Official/Independent Directors and Government Nominee Directors in SIDBI and NHB. Laying of annual reports of SIDBI and NHB before the Parliament.

All matters related to Pradhan Mantri Mudra Yojana (PMMY).

Micro Finance - Matters related to Micro Finance Institutions and Legislation thereon, Self Help Groups as well as NABARD's Micro Finance, etc. Matter related to psbloansin59minutes portal.

1.20 Vigilance

Consultation with CVC/CTE. Nomination of CVOs for PSBs/FIs/PSICs. Correspondence with CBI. Annual Action Plan on Anti-Corruption measures. Investigation of cases of frauds by CBI & RBI. Matters under Prevention of Corruption Act. Preventive vigilance. Vigilance systems and procedures in RBI/PSBs/FIs and Insurance Companies PFRDA 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.

1.21 Debts Recovery Tribunals (DRT)

Establishment of DRTs/DRATs under the Recovery of Debts due to Banks and Financial Institutions Act, 1993. Administration of Recovery of Debts and Bankruptcy (RDB) Act, framing or amending rules for implementing of the provisions of the Act.

Filling up of the posts of Chairpersons, Presiding Officers, Registrars, Assistant Registrars, Recovery officers, and other posts in DRTs/DRATs. Issuing clarifications/ guidelines etc. on administrative matters/review. Progress and disposal of cases by DRT/DRATs. Budget provisions, monitoring, etc relating to DRTs/DRATs.

Administration of SARFAESI Act, appointment of Registrar/MD & CEO, CERSAI, ease of doing business agenda- flowing from recent amendments. CKYC matters under Prevention of Money Laundering Act, 2002. Policy matters relating to Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI), a PSU, including the Central Registry under the SARFAESI Act, 2002.

1.22 Insurance-I (Ins.-I)

Corporate governance, appointment and service matters pertaining to public sector insurers and AICIL, Insurance Regulatory and Development Authority of India, Council of the Institute of Actuaries of India, Insurance Ombudsmen, Council of Insurance Ombudsmen, recruitment and the terms and conditions of agents of the Life Insurance Corporation of India, and insurance appointment related matters pertaining to Banks Board Bureau Administration of the Actuaries Act, 2006 and related matters. Matters of public entities relating to the Public Premises (Eviction of Unauthorized Occupants) Act, 1971. Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.23 Insurance-II (Ins.-II)

Administration of the Insurance Act, 1938; Life Insurance Corporation Act, 1956; General Insurance Business (Nationalisation) Act, 1972; Insurance Regulatory and Development Authority Act, 1999 and related matters, other than those related to corporate governance, appointment and service matters or those relating to recruitment and the terms and conditions of agents of the Life Insurance Corporation of India. Policy matters relating to insurance, and to this end, analysis of the trends and development in and the performance of the insurance sector and various bodies established by or under the said Acts. Administrative matters pertaining to public sector insures and Agriculture Insurance Corporation of India Limited (AICIL), other than governance, appointment and service matters. Assessment of capital requirements, divided payouts and performance of public sector insurance and AICIL.

Social security schemes for insurance protection and other insurance schemes sponsored/ supported by the Government. Insurance Ombudsmen Rules and administration thereof, other than corporate governance, appointment and service related matters pertaining to Insurance Ombudsmen and the Council of Insurance Ombudsmen. Foreign investment in insurance sector. Reforms in the sector and public sector insurers, including adoption of technology in insurance (except matters allocated to the Cybersecurity and FinTech Section). Supporting the section in charge of international cooperation matters on insurance related aspects of international cooperation. Taxation matters relating to insurance sector. Matters relating to the industry, including those raised by industry bodies/associations. Implementation of Law Commission Reports. All residual matters relating to insurance which are not enumerated specifically as an item of work allocated to either Insurance-I Section or Insurance-II Section. Parliamentary, audit, right to information, court, arbitration, VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.24 Pension Reforms (PR)

Reforms in the Pension Sector. Policy matters with respect to NPS, Atal Pension Yojana and Swavalmban Scheme. Administration of PFRDA Act, 2013. Framing of rules under PFRDA Act, 2013. Appointments of Chairperson and Board member of PFRDA, CVO in PFRDA, Budget and Funds of PFRDA and Legislative and policy prescriptions to PFRDA.

1.25 Cybersecurity and FinTech (IT)

Matters relating to overall cybersecurity for the financial services sector and in the Department. Coordination of FinTech and Deep Tech (artificial intelligence, big data, block chain, etc.) matters related to the financial services sector and the Department (other than matters related to e-payments in the banking system). Management of the Department's website and web services. Coordination with NIC for the Department. Parliamentary, audit, right to information, court, arbitration and VIP reference related matters and dealing with matters referred through receipts or otherwise in respect of any of the items enumerated above or connected thereto.

1.26 GST Cell

Overseas preparedness of all institutions under DFS to implement GST, to provide inputs to the " Banking, Financial and Insurance" Sectoral Group with reference to GST.Other matters related to coordination, rollout and implementation of GST w.r.t institutions under administrative control of DFS etc.

1.27 Surplus Cell

All service matters and day to day administrative matters related to surplus staff of AAIFR & BIFR including their redeployment. Consultation with DoPT, handling of court cases of surplus staff. RTI and personal matters of surplus staff such as leave, retrial benefits, perks & allowances etc.

1.28 Office of the Custodian and Special Court

Joint Parliamentary Committee (JPC) (which enquired into irregularities in securities transactions). Disciplinary action against bank employees/executives involved in irregularities in securities transactions. Establishment matters relating to Special Courts/Office of the Custodian. All issues pertaining to continuation of posts, budget matters of the O/o Custodian and Special Court including extension of the O/o Custodian and appointment of Custodian.

2. Developments in Banking Sector

Overall condition of banking sector

As a result of implementation of reforms in the financial system, and particularly in PSBs by the Government, performance of banking sector has significantly improved, as indicated below:

(a) Asset quality has improved significantly with-

- Gross NPA ratio of SCBs declining from the Mar-18 peak of 11.18% (Rs. 10.36 lakh crore) to 5.82% (Rs. 7.42 lakh crore) in Mar-22, and to 5.61% (Rs 7.34 lakh crore) in June-22.
- Gross NPA ratio of PSBs declining from the Mar-18 peak of 14.58% (Rs. 8.96 lakh crore) to 7.28% (Rs. 5.41 lakh crore) in Mar-22, and 6.09% (Rs. 4.87 lakh crore) in Sep-22.
- Net NPAs ratio of SCBs declining from 5.94% in Mar-18 to 1.67% in Mar-22.
- Net NPAs ratio of PSBs declining from 7.97% in Mar-18 to 2.19% in Mar-22, and 1.69% in Sep-22.

(b) Resilience has increased with-

- Provision coverage ratio of SCBs rising to 86.85% in Mar-22, from 49.31% in Mar-15.
- Provision coverage ratio of PSBs rising to 86.65% in Mar-22 (88.91% in Sep-22), from 46.04% in Mar-15.

(c) Capital adequacy has improved significantly, with—

- CRAR of SCBs improving by 386 bps to reach 16.80% (all time high level) in Mar-22 from 12.94% in Mar-15.
- CRAR of PSBs improved by 317 bps to reach 14.62% in Mar-22 (14.53% in Sep-22) from 11.45% in Mar-15.

(d) In FY 2021-22, SCBs earned record profit of Rs. 1.82 lakh crore. All PSBs are in profit with aggregate profit being Rs. 66,543 crore in FY 2021-22 (Profit continued with Rs. 40,992 crore in first half of FY 23).

(e) Banks, earlier placed under Prompt Corrective Action (PCA) framework by RBI, have made significant improvement resulting in removal of each one of them from the PCA restrictions.

2.1 Steps Taken to Reduce Stressed Assets

Government and RBI regularly issue guidelines and have taken several initiatives aimed at resolution of long-standing stressed assets on the books of banks as well as timely identification and recognition of stress immediately upon default and take corrective actions for mitigation of the same. These measures complement the statutory provisions already available to lenders for recovery and resolution, including, inter alia, Recovery of Debts and Bankruptcy Act, 1993, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 and Insolvency & Bankruptcy Code, 2016 (IBC). As a result of these comprehensive steps SCBs recovered an aggregate amount of Rs. 8,57,002 crore from NPAs over the last eight financial years. The steps taken include, inter alia, the following –

- IBC has led to behavioural change in the debtor-creditor relationship by shifting the focus from the 'Debtor in Possession' to a 'Creditor in Control' regime, wherein the creditors of the Corporate Debtor (CD), through their appointed Interim Resolution Professional/ Resolution Professional (IRP/RP), remain in control of the assets of the CD from the time the application is admitted by the AA. This fear of losing control of the firm on initiation of Corporate Insolvency Resolution Process (CIRP), is nudging debtors to settle their dues with the creditors as soon as possible. Till 30.9.2022, 23,417 applications for initiation of CIRPs, having underlying default of Rs. 7.31 lakh crore were resolved before their admission itself. This may be attributed to the behavioural change effectuated by IBC.
- Since CIRP coming into force on 1.12.2016, a total of 5,893 CIRPs have commenced by the end of September, 2022, out of which, 3,946 have been closed. Of the CIRPs closed, the CD was rescued in 2,139 cases, of which 846 have been closed on appeal or review or settled; 740 have been withdrawn; and 553 cases have ended in approval of resolution plans; while 1,807 have ended in orders for liquidation. Further, the creditors, in cases wherein the resolution plans were approved, have realised Rs. 2.43 lakh crore against the aggregate claims of Rs. 7.91 lakh crore and aggregate liquidation value of Rs. 1.37 lakh crore. Though the creditors could realise only approx. 31% of their admitted claims in these cases, yet the realised amount was more than 177% of the liquidation value of these CDs.
- The SARFAESI Act, 2002 has been 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.
- Jurisdiction of Debt Recovery Tribunal (DRTs) was increased from Rs. 10 lakh to Rs. 20 lakh to enable the DRTs to focus on high value cases resulting in higher recovery for the banks and financial institutions. Six new DRTs have also been established to expedite recovery.

Enabled by the above, PSBs have also recovered an aggregate amount of Rs. 89,560 crore for FY21-22 from NPAs, which includes Rs. 20,201 crore through IBC, Rs. 20,248 crore through SARFAESI, Rs. 9,417 crore through DRT and Rs 2,442 crore through Lok Adalat etc. for the FY21-22.

2.2 Position of Bank frauds

RBI has issued Master Directions on Frauds in 2016, and Government has instituted wide-ranging structural and procedural reforms to check frauds in banks. Such systemic and comprehensive checking for frauds, including of the legacy stock of NPAs, led to unearthing of frauds perpetuated over the years. The improved detection and reporting accompanied with the comprehensive steps taken to check frauds have resulted in sharp decline in the occurrence of such frauds, with fraud occurrence as a percentage of gross advances, having declined sharply from a peak of 1.12% in FY2013-14 to 0.05% in FY2021-22 in SCBs, and from a peak of 1.16% in FY2013-14 to 0.06% in PSBs in FY2021-22.

2.3 National Asset Reconstruction company Limited (NARCL)

The Board composition has been completed for both National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company Limited (IDRCL). Regular MD & CEOs and most of the key executives of NARCL and IDRCL have joined their respective organisations. NARCL is intended to resolve both fully and partially provided legacy stressed assets amounting to about Rs. 2 lakh crore in the Indian banking system. Acquisition of assets would be under the extant guidelines whereby through the 15:85 structure, 15 per cent of the net value of assets will be paid upfront to lenders and security receipts will be issued to the lenders for the remaining 85 per cent.

A total of 66 accounts of Rs. 2.28 lakh crore have been identified for transfer to NARCL in a phased manner. Due diligence (DD) in 41 accounts has been initiated by NARCL with DD completed in 16 accounts. Binding offers in 12 accounts of about Rs. 67,090 crore have been given to lenders. Swiss challenge initiated by lenders has been completed in four accounts with binding offers worth Rs. 3,931 crore. Letter of acceptance has been issued in favour of NARCL in one account with consideration amount of Rs. 3,570 crore.

2.4 Regional Rural Banks (RRBs)

The RRBs were established under the provisions of the ordinance promulgated on 26th September, 1975 and RRBs Act, 1976. The first 5 Regional Rural Banks (RRBs) were established on 2 October 1975 to commemorate the birth anniversary of Mahatma Gandhi with the objective to create an alternative channel to cooperative credit structure with a view to ensure sufficient institutional credit for rural and agriculture sector. The RRBs, with focus on serving the rural areas, are an integral segment of the Indian banking system. Sponsored by the Commercial Banks, the equity of RRBs are held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35. These banks are envisaged to be State-sponsored, regionally based and rural-oriented. The purpose of establishment of the RRBs is to develop the rural economy by providing credit and other facilities to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs. As on 31 March 2022, 43 RRBs are operating through a network of 21,892 branches covering 702 districts of the country. All branches of RRBs are on CBS Platform.

2.4.1 Role of RRBs

RRBs have a mandate to ensure rural development and foster financial inclusion. Over the years, the RRBs have traversed a long journey. The contributions being made by RRBs as a whole at present, are briefly as under:

(i) Of the total loans extended by the RRBs, about 46% goes to agriculture. About 90% of loans are extended to the priority sector. Of the total loans, about 79% is extended to weaker sections.

(ii) RRBs play a significant role in extending micro credit. They account for 30% of the SHG accounts and 26% of the loan amount. 19% of total KCCs have been issued by the RRBs.

(iii) Share of RRBs in total accounts/enrolments under Government Sponsored Schemes like PMJDY, PMJJBY, PMSBY, APY, etc varies from 12% to 19%.

(iv) 92% of the branches of RRBs are in rural and semi urban areas. Though RRBs have 14% of total bank branches in the country, their share in total number of rural branches is about 29%. In the rural areas of aspirational districts, RRBs have about 40% of the rural branches. Moreover, many RRBs have branches in remote areas and they are providing financial services to vulnerable sections.

(v) In rural areas, the share of deposit accounts of RRBs is about 26% and RRBs have the highest average balance in PMJDY accounts amongst all categories of banks. In North-eastern region, RRBs cater to the banking needs of about 38% of the rural people. As against the overall Rural CD Ratio of 64% for all the banks, RRBs have Rural CD Ratio of 75%.

2.4.2 Unprecedented Capital Support for RRBs

FY 2021-22 was a watershed year in the context of RRBs as Government of India decided to infuse Rs. 10,890 crore (GoI share (50%)- Rs.5,445 crore) of capital in RRBs during FY 2021-22 and FY 2022-23.

The total recapitalisation assistance budgeted for RRBs during FY 2021-22 and FY 2022-23 amounts to Rs.10,890 crore including the proportionate share capital contribution by State Governments (15%) and Sponsor Banks (35%). The total capital infusion from 1975 to FY 2020-21 was Rs.8,393 crore by all stakeholders.

Rs.8,168 crore (GoI Share: Rs. 4,084 crore) was sanctioned as recapitalisation assistance to 22 RRBs for FY 2021-22. DFS, GoI vide their sanction letter dated 28 March 2022 accorded approval for placing GoI's share of Rs.4,084 crore towards recapitalization of 22 RRBs at the disposal of NABARD, with the advice to release the GoI's share to RRBs on pro-rata basis, depending upon the proportionate prior release of the funds by the Sponsor Banks and the State Governments.

As on 20 December 2022, NABARD has released GoI's share (in portion/ full) amounting to Rs. 4,007.80 crore to 22 RRBs after confirming proportionalprior release of the funds by the Sponsor Banks and the State Governments.

2.4.3 Objectives of the Recapitalisation scheme

RRBs have been regularly infused with capital in the past to help them meet the regulatory requirement of 9% CRAR (Capital to Risk Weighted Assets Ratio).

However, this latest scheme aims to rejuvenate and revitalise the RRBs with sufficient growth capital to facilitate reinventing themselves as sustainably viable and self-sufficient financial institutions and for leading the growth process and the change in rural areas. The capital infusion will help RRBs in technology adoption and to efficiently cater to the financial inclusion needs of the rural populace.

Further, the recapitalisation scheme will be accompanied by operational and governance reforms under the broad ambit of Sustainable Viability Plan with a well-defined implementation mechanism aimed at credit expansion, business diversification, NPA reduction, cost rationalisation, technology adoption, improvement in corporate governance etc.

2.4.4 Important Developments in the context of RRBs in FY 2022-23

a) In order to ensure optimal utilisation of recapitalisation assistance sanctioned to RRBs, Hon'ble Finance Minister addressed the Chairmen of all RRBs on 7 July 2022 during a discussion meeting held on 'Operational and Governance Reforms in RRBs' on 7 July 2022.

b) A Workshop on 'Operational and Governance Reforms in RRBs' was held on 3 September 2022 at Reserve Bank of India's College of Agricultural Banking (RBI CAB), Pune under the Chairmanship of Secretary, DFS, GoI with participation of MD&CEOs & EDs of Sponsor Banks, Chairmen of RRBs and officials of DFS and NABARD. All RRBs were advised to prepare a board approved Viability Plan with SMART (Specific, Measurable, Achievable, Relevant, Time-bound) indicators. The metrics which were to be adopted under the Viability Plan were finalised during the workshop and all the RRBs rolled out their Board approved Viability Plans in the first week of October.

c) In order to facilitate comprehensive monitoring of the performance of RRBs including performance under their Viability Plans, DFS, in association with NABARD, has developed a dashboard called RRB दर्पण (RRB Darpan). Data in respect of more than 120 quantitative and qualitative metrics are collected from RRBs on a monthly basis. The Dashboard presents the data submitted by the RRBs in the form of ingenious charts and reports.

d) Department of Financial Services, Government of India vide notification dated 14 September 2022 has issued 'Guidelines for Raising Resources from Capital Market' for RRBs. RRBs meeting certain indicative criteria have been permitted to approach capital market for raising resources after approval of all concerned regulators and GoI. Sponsor Banks of RRBs have been advised to identify such RRBs and provide handholding support.

e) Keeping in view the need to promote the spread of digital banking in rural areas, RBI, vide their notification dated 1 November 2022, has relaxed the criteria for RRBs to be eligible to provide internet banking.

2.4.5 Key Financial Parameters

(Amount in Rs. crore)

Particulars	2019-20	2020-21	2021-22
No. of RRBs (No.)	45	43	43
Branch Network (No.)	21,847	21,856	21,892
Share Capital	7,849	8,393	14,880
Reserves	26,814	30,348	34,359
Deposits	4,78,737	5,25,226	5,62,538
Borrowings	54,393	67,864	73,881
Investments	2,50,859	2,75,658	2,95,665
Gross Loans & Advances O/s	2,98,214	3,34,171	3,62,838
No. of RRBs earning Profit	26	30	34
Amount of Profit (A)	2,203	3,550	4,116
No. of RRBs incurring Losses	19	13	9
Amount of Losses (B)	4,411	1,867	897
Net Profit of RRBs (A – B)	-2,208	1,682	3,219
GNPA (Amount)	31,106	31,381	33,190
GNPA (%)	10.4	9.4	9.1

2.5 National Portal for Credit Linked Government Schemes – Jan Samarth Portal:

The Hon'ble Prime Minister launched the National Portal for Credit-linked Government Schemes 'Jan Samarth' on 06.06.2022. The purpose of 'Jan Samarth' is to enable greater ease and convenience to all beneficiaries of credit-linked Government sponsored schemes.

The Government runs various credit-linked schemes to meet the needs of citizens, especially the underprivileged for livelihood, education and housing etc. Such credit requirement of beneficiaries is met through multiple Ministries/Department and Banks etc. To improve ease of living and convenience, a need was felt for a single platform, where a beneficiary can avail benefits under multiple Government programmes. 'Jan Samarth' portal enables loan application under multiple Government schemes to be processed at a single place. An applicant desirous of obtaining credit under Government schemes can visit 'Jan Samarth' portal. Under different schemes he can check his eligibility for loan, potential lending institution and loan conditions etc. and apply. The application made by the beneficiary on the 'Jan Samarth' portal would be transmitted to lending institution along with details necessary for assessing credit worthiness of the borrower. After assessment by the lender, sanction of loan and disbursement will be conveyed electronically and the beneficiary can track the status of the application on the portal

The Portal brings together various stakeholders in the credit appraisal and disbursal process, including Banks and other lending institutions and other stakeholders on a common platform which is designed to streamline the credit delivery process. The most important player in the process of credit appraisal and disbursal – banks and other lending institutions – have been onboarded. 'Jan Samarth' facilitates data exchange from other stakeholders for purposes of appraisal of loan application and ease of disbursement also, including **Unique Identification Authority of India (UIDAI)** for Aadhaar validation and fetching of customer details, **National E-Governance Services Ltd (NeSL)** for digital documentation, **Goods and Service Tax (GST) data** for digital access to access GST returns of applicant, **Protean eGov Technologies Limited** for PAN verification, **Central Board of Direct Taxes (CBDT**) for Income verification, **Local Government Directory (LGD)** for geographical location mapping etc. for locating nearest lending institution; and **UDYAM** integration for UDYAM Aadhaar registration details. Data sharing by these entities with banks is done through 'Jan Samarth' Portal which enables validation of data provided by the beneficiary and facilitate faster processing by the lenders.

13 Credit-Linked Government Schemes have already been onboarded on 'Jan Samarth', including Stand Up India, Weavers Credit Card; MUDRA Loans; Agriculture Marketing Infrastructure Scheme (AMI); Agriculture Infrastructure Fund (AIF); Agri clinics and Agribusiness Centers Scheme (ACABC); Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM); Central Scheme for Interest Subsidy on Education Loans for Economically Weaker Sections (CSIS); PadhoPardesh Scheme; Dr. Ambedkar Central Sector Scheme of Interest Subsidy on Education Loan for Overseas Studies for OBCs & EBCs; PM Employment Generation Programme (PMEGP); PM Street Vendor's AtmaNirbhar Nidhi (PM-SVANidhi); and Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS). The Portal has feature of on-boarding more Central Government schemes and also State Government Schemes in future.

The Portal's benefits are that beneficiaries can track loan application and sanction and disbursement under multiple Government programmes on a single portal. Assessment of creditworthiness of borrowers by banks becomes more efficient as necessary information provided by 'Jan Samarth'. As far as Government Ministries/ Departments are concerned, faster loan disbursement leads to improved programme efficiency and MIS reports are available on 'Jan Samarth' to improve monitoring of schemes.

2.6 Account Aggregator

Union Budget 2020-21 announcement: - "An app-based invoicing financing loans product will be launched. This will obviate the problem of delayed payments and consequential cash flows mismatches for the MSME".

2.6.1 Developments

A Committee constituted by Department of Economic Affairs (DEA) on 12.1.2022 with members from DFS and Department of Revenue (DoR) to discuss next steps to scale up Cash Flow based Lending to MSMEs through SAHAY app using the Account Aggregator (AA) Framework, recommended DoR to facilitate GSTN integration with AAs and DFS to monitor and encourage adoption of AA by PSBs. SIDBI developed a product "GST Sahay", which, is an application for invoice-based financing for small business that is real time, cash flow based and end to end digital. RBI has approved on 6.6.2022 SIDBI's application for testing GST Sahay. Pending integration of GSTN with AA, the GST Sahay App used GSPs (GST Suvidha Providers) to access GST data.

2.6.2 Account Aggregator Framework

- Account Aggregator is a Non-Bank Finance Company (NBFC) engaged in the business of providing the service of retrieving or collecting financial information pertaining to the customer. No financial information of the customer is retrieved, shared or transferred by AA without the explicit consent of the customer. AA transfers data from one financial institution to another based on an individual's instruction and consent. In this direction, RBI has issued the Master Direction viz Non-Banking Financial Company (NBFC) – Account Aggregator (Reserve Bank) Directions, dated September 02, 2016.

- Entities may enrol themselves on AA framework as Financial Information Provider (FIP) viz. banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc. and as Financial Information User (FIU) which is an entity registered with and regulated by any financial sector regulator. At present, RBI has granted Certificate of Registration to six companies as AA

- The RBI Circular broadly provides guidelines on Process of Registration, Consent Architecture, Data Security, Technical Specifications, Sharing of Financial Information by Financial information Providers and Use of information by Account Aggregator and Financial Information User.

2.6.3 Initiatives

DFS has conducted series of meetings to review the progress of app for invoice-based lending and status of Account Aggregator with all PSBs, all Public Sector Insurance Companies (PSICs), NABARD, DoR, DEA, GSTN, SIDBI, IRDAI, RBI, PFRDA, major Private sector Life Insurance companies, CDSL, NSDL & Sahmati Foundation. Latest meeting was held on 12.12.2022, wherein Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) were requested to accelerate scale-up of the AA ecosystem. GST SAHAY app which is based on GST invoices will be made operational after GSTN integration. Regular reviews at DFS conducted with latest progress on AA as below:

- RBI vide circular dated November 23, 2022 has included Goods and Service Tax Network (GSTN) as a FIP under AA framework.
- 26 Financial Institutions have gone live as FIPs, including all 12 PSBs, 10 Private Sector Banks, 1 Small Finance Bank, 3 Life Insurance Companies
- 96 Financial Institutions have gone live as FIUs, 75 RBI Regulated, 10 SEBI Regulated, 9 IRDA regulated entities, 2 PFRDA regulated entities.
- More than 1.1 billion bank accounts are eligible to share data on AA
- 2.74 million users have linked their Accounts on the AA framework.
- 2.62 million users successfully share data via AA.

Source: sahamati.org.in

2.7. International Trade Settlement in Indian Rupees (INR)

The Reserve Bank of India (RBI) has allowed invoicing and payments for international trade in Indian Rupees vide A.P (DIR Series) Circular No. 10 RBI/2022-2023/90 dated 11.07.2022 on "International Trade Settlement in Indian Rupees (INR)".

The broad framework for cross-border trade transactions in INR under the Foreign Exchange Management Act, 1999 (FEMA) has been delineated by RBI in the said Circular dated 11.07.2022. The Circular lays down that all exports and imports under the arrangement may be denominated and invoiced in Rupee (INR), the exchange rate between the currencies of the two trading partner countries may be market determined, and the settlement of trade transactions under the arrangement shall take place in INR in accordance with the procedure laid down in the Circular. RBI has put in place the arrangement for invoicing, payment, and settlement of exports / imports in INR in order to promote growth of global trade with emphasis on exports from India and to support the increasing interest of global trading community in INR.

The framework put in place by RBI for allowing invoicing and payments for international trade in INR is applicable for any partner country seeking to undertake trade with India in INR in terms of RBI's Circular dated 11.07.2022. In terms of Para 10 of RBI's Circular, the approval process is that for opening of Special INR Vostro accounts, banks of partner countries may approach Authorized Dealer (AD) banks in India which may seek approval from RBI with details of the arrangement

3. Financial Inclusion

3.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI) known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on

15th August, 2014. The Scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2018 in 2 phases as under:

a) Phase I (15th August, 2014 - 14th August, 2015)

Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programme.

b) Phase II (15th August, 2015 - 14th August, 2018)

Overdraft (OD) facility up to Rs. 5,000 after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganised sector pension schemes like Swavlamban.

c) Extension of PMJDY

PMJDY has been extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" and making the scheme more attractive with upward revision in: -

- OD limit from Rs.5,000 to Rs.10,000;
- accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh;
- age limit for availing OD facility revised from 18-60 years to 18-65 years and
- no conditions attached for OD up to Rs. 2000.

Performance of PMJDY

Major achievements of PMJDY are as under:

(Numbers in Crore)

As on	PMJDY Accounts (in crore)	Breakup by Gender		Breakup by Geography		Deposits in PMJDY Accounts (in Rs. crores)
		No of PMJDY Accounts (Male)	No of PMJDY Accounts (Female)	No of PMJDY Accounts (Rural/Semi Urban)	No of PMJDY Accounts (Urban/Metro)	
March'15	14.72	7.15	7.39	8.68	5.86	14,641
March'16	21.43	10.37	11.05	13.17	8.26	35,672
March'17	28.17	13.67	14.49	16.87	11.3	62,972
March'18	31.44	14.85	16.60	18.52	12.92	78,494
March'19	35.27	16.53	18.74	20.90	14.37	96,107
March'20	38.33	17.85	20.48	22.63	15.70	1,18,434
March'21	42.20	18.82	23.38	27.85	14.35	1,45,551
March'22	45.06	19.98	25.08	30.07	14.99	1,66,459
As on 30.11.2022	**47.57**	**21.17**	**26.40**	**31.74**	**15.83**	**1,76,912**

- A total of 47.57 crore Jan-Dhan accounts have been opened till **30.11.2022** under PMJDY, with a deposit balance of Rs.1,76,912 crores. The average deposit balance is approx. Rs.**3719** per PMJDY account.
- There are **26.40 crore (55.5%)** women Jan-Dhan account holders, with about **31.74 crore (66.7%)** accounts opened in rural and semi-urban areas.
- Approximately **32.43** crore RuPay cards with an inbuilt accidental insurance of Rs.2 lakh (Rs.1 lakh for accounts opened before 28.08.2018) coverage has also been provided to PMJDY account holders.
- Out of total operative accounts opened under PMJDY, **85.1**% have been seeded with Aadhaar number of the account holder on user consent basis, which has enabled interoperable and immediate Aadhaar based transactions, including for Direct Benefit transfer (DBT) through Aadhaar Payment Bridge.

3.2 Banking Touch Points:

3.2.1 The strength of bank branches and ATMs has been augmented over the years as indicated below:

Table 1: Number of bank branches of Scheduled Commercial Banks:

	RURAL	SEMI-URBAN	URBAN	METROPOLITAN	TOTAL
31.03.2017	49,860	38,931	25,103	26,530	1,40,424
31.03.2018	50,860	39,616	25,458	26,536	1,42,470
31.03.2019	51,609	41,031	26,399	27,157	1,46,196
31.03.2020	52,382	42,213	27,318	28,133	1,50,046
31.03.2021	52,651	42,441	27,446	28,055	1,50,593
31.03.2022	53,204	42,443	27,433	28,181	1,51,261
30.06.2022	53,292	42,514	27,455	28,132	1,51,393
30.09.2022	53,372	42,685	27,565	28,275	1,51,897

Source: RBI

Table 2: 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	110111	101950	212061
31.03.2017	112666	109809	222475
31.03.2018	115471	106776	222247
31.03.2019	115323	106380	221703
31.03.2020	121086	113271	234357
31.03.2021	122983	115605	238588
30.09.2021	125220	115762	240982
31.03.2022	129766	116794	246560
30.09.2022	131713	120236	251949

Source: RBI

* includes ATMs deployed by White Label ATM Operators

- The number of card acceptance devices of Point of Sale (POS) has increased from10.7 lakh in March 2014 to 73.51 lakh in November 2022.

3.3 Jan DhanDarshak App

A mobile application, has 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/ IPPB 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 Nov'22, there are **1.68 lakh** branches, **6.92** lakh BCs (including IPPB-BCs) and **2.17** lakhs ATMs mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 5.54 lakh (5,53,804) mapped villages on the app, 5.54 lakh (5,53,572) (99.96%) villages are having branch or BC within a distance of 5 kilometres.

3.4 Jan-Dhan Aadhaar Mobile (JAM)

A Jan Dhan Aadhar Mobile (JAM) pipeline has been laid for linking of Jan-Dhan account with mobile number and Aadhaar. This infrastructure pipeline is providing the necessary backbone for DBT flows, adoption of social security/ pension schemes, facilitating credit flows, promoting digital payments, etc. It has provided the much-needed support for accelerating the pace towards achieving a digitalised, financially inclusive and an insured society. The instant transfer of Direct Benefits under various Government Schemes has been made possible through the JAM pipeline.

3.5 Digital Banking Units

The Hon'ble Prime Minister dedicated 75 Digital Banking Units (DBUs) in 75 districts of the country to commemorate the 75 years of independence of our country(Azadi ka Amrit Mahotsav) on 16.10.2022. These DBUs set-up by 24 banks including Public, Private Sector and Small Finance Bank, cover all the States and Union Territories of the country. The DBUs are to assist those who are not tech savvy to adopt digitalbanking and wherein the products and services will be offered to customers in 2 modes: Self Service Mode and Digital Assistance Mode.

Services being offered through DBU include banking facilities like opening of savings account, balance-check, print passbook, transfer of funds, investment in fixed deposits, loan applications, stop-payment instructions for cheques issued, application for credit/debit cards, view statement of account, paytaxes, paybills,make nominations,etc. The DBUs will also facilitate on boarding to Government credit link Schemes through the Jan Samarth portal and end-to-end digital processing of a small ticket MSME/retail loans. Total interventions in 75 DBUs during the period 16th October'2022 to 15th November 2022 have been more than 2.18lakh and further increased to more than 7.77 lakh, till December, 2022. As on December, 2022, 83 DBUs have now been operationalised.

4 Key Schemes

4.1 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) — The Scheme is available to people in the age group of 18 to 50 years having a bank / Post office account who give their consent to join / enable auto-debit. Risk coverage under this Scheme is for Rs. 2 lakhs in case of death of the insured, due to any reason at an annual premium of Rs. 436/- which is to be auto-debited from the subscriber's bank / Post office account.

4.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY) — The Scheme is available to people inthe age group of 18 to 70 years with a bank / Post office account who give their consent to join / enable auto-debit facility. The risk coverage under the Scheme is for Rs. 2 lakhs in case of accidental death or total permanent disability and Rs. 1 lakh for partial permanent disability due to accident at a premium of Rs. 20/- per annum which is to be deducted from the account holder's bank / Post office account through 'auto-debit' facility.

Key reforms in the implementation of schemes PMJJBY and PMSBY:

- Enrolment and claim forms for PMJJBY and PMSBY have been modified with a view to minimise pendency and ensure benefits to rightful claimants at the earliest
- Mobile number, email id and age of the nominee (or the appointee of a minor nominee) are now captured and in the event of an unfortunate incident, nominees are proactively informed of the benefit available and the claim process in English and regional language.
- Waiting period under PMJJBY has been reduced from 45 days to 30 days with effect from 1st June 2021
- Banks have been requested to identify from their core banking solution (CBS), the existing subscribers who did not have sufficient balance in their accounts as on 31.5.2022 to enable auto debit of their premium and to inform them by SMS / email about the revision in premium rates.
- The documents have been prescribed for claim settlement procedure on an ongoing basis.In view of the pandemic, in addition to Death Certificate as proof of death or cause of death, several other documents were made as valid proof (up to 30.11.2021 or till further revision, whichever was earlier). Banks forward the claim documents electronically to their partner Insurer (s) through designated app to enable expeditious claim settlement within 14 days
- Banks/ post office to forward claim documents electronically to their partner insurer's designated app / email id within seven days of submission of the claim and insurers to settle claims within 7days of receipt of claim documents.

Progress as on 30.11.2022 is as under:

Scheme	Eligibility (Yrs)	Premium (p.a)	Cumulative Enrollments (crore)	Claims Paid	Claims amount (crore)	Settlement Ratio(%)
PMJJBY	18 to 50	Rs 436	14.43	6,27,817	Rs.12,556.34	98.32%
PMSBY	18 to 70	Rs 20	31.31	1,07,062	Rs.2125.56	99.93%

- In view of adverse claim experience of the PMJJBY and PMSBY, following changes have been made in the rules:

  - **Premium rates have been revised as follows**:

Schemes	Premium per annum per subscriber	
	Existing	Revised
PMJJBY	Rs.330	Rs.436
PMSBY	Rs.12	Rs.20

  - A grace period of thirty days from the due date of renewal of PMJJBY and PMSBY i.e. up to 30th June, 2022, has been allowed for debit of enhanced premium from the accounts of subscribers.

4.3 Pradhan Mantri Mudra Yojana (PMMY)

The Scheme was launched on 8th April 2015 for financing income-generating small business enterprises in manufacturing, trading and service sectors, including activities allied to agriculture such as poultry, dairy, beekeeping, etc. Under PMMY, both Term loan and Working Capital requirements can be met. Loans under PMMY are extended through MLIs viz; Banks, Non-Banking Financial Companies (NBFCs) & Micro Finance Institutions (MFIs).

a) Categories: Shishu — upto Rs. 50,000/-, Kishore — above Rs. 50,000/- and up to Rs.5.00 lakh, Tarun —above Rs.5.00 lakh and up to Rs.10.00 lakh;

b) No insistence on collateral(s);

c) A Credit Guarantee Fund for Micro Units (CGFMU) was set up for guaranteeing loans extended to eligible micro units under Pradhan Mantri Mudra Yojana (PMMY) by Member Lending Institutions (MLIs) and Overdraft loan amount sanctioned under Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. From FY 2020-21 onwards, loans sanctioned to Self Help Groups (SHGs) between Rs.10 lakh to Rs. 20 lakh would also be eligible for coverage under CGFMU. The National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly-owned company of Government of India, constituted under the Companies Act, 1956 (2013) is the trustee of the Fund.

d) As on 31.10.2022 the sanction amount covered under live guarantee is Rs.1.80 lakh crore.

As on **25.11.2022**, more than **37.76** crore loan accounts amounting to Rs. **21.02** lakh crore have been sanctioned since the launch of Scheme. Out of this, about 68% loans have been sanctioned to Women Entrepreneurs and 51% loans have been sanctioned to SC/ST/OBC category of borrowers.

Category-wise break-up is as under:

Category	Percentage as per No .of Loans	Percentage as per Amount Sanctioned
Shishu	85%	41%
Kishore	13%	35%
Tarun	2%	24%
Total	100%	100%

4.4 Stand Up India Scheme(SUPI)

The Stand Up India Scheme launched on 5th April, 2016 aims to promote entrepreneurship among the Scheduled Caste/ Scheduled Tribe and Women by facilitating bank loans of value between Rs.10 lakh and Rs.1 crore to at least one SC/ ST borrower and one woman borrower per bank branch of Scheduled Commercial Banks for setting up greenfield enterprises in trading, manufacturing and services sector. In 2019-20, the Stand Up India Scheme was extended for the entire period coinciding with the 15th Finance Commission period of 2020-25. Pursuant to an announcement made by the Union Finance Minister in the Budget speech of FY 2021-22, the following changes have been made in the Stand Up India Scheme: -

a) The extent of margin money to be brought by the borrower has been reduced from ‘upto 25%’ to ’upto 15%’ of the project cost. However, the borrower will continue to contribute at least 10% of the project cost as own contribution. The Scheme envisages ’upto 15%’ margin money which can be provided in convergence with eligible Central/State schemes;

b) Loans for enterprises in ‘Activities allied to agriculture’ e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation agro industries, dairy, fishery, agriclinic and agribusiness centres, food & agro- processing, etc. (excluding crop loans, land improvement such as canals, irrigation, wells) and services supporting these, shall be eligible for coverage under the Scheme.

As on 28.11.2022, a total number of SCs/STs and Women borrowers benefited under the Stand-Up India Scheme are as under.

(Amt. in Rs. crore)

SC		ST		Women (General)		Total	
No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.	No of A/Cs	Sanctioned Amt.
23,554	4928.03	7718	1661.22	127165	29297.69	158437	35886.94

4.5 Regional imbalances: Focused attention

Special focus is being given to 112 Aspirational Districts (ADs) wherein a Targeted Financial Inclusion Intervention Program (TFIIP) program has been launched to improvethe performance of these Districts under Financial Inclusion (FI) parameters. Departmentis also working on 'Mission Utkarsh' to improve the performance of 10 selected Districts which are lagging behind on FI parameters.

4.6 PM Street Vendor's Atmanirbhar Nidhi Scheme (PMSVANidhi)

The scheme is a Central Sector Scheme implemented by Ministry of Housing and Urban Affairs (MoHUA), with the objective of providing relief to street vendors affected by Covid-19 lockdown. The Scheme, launched on 01 June, 2020 and valid till 31.03.2022, has now been extended till 31.12.2024. DFS is facilitating MoHUA in smooth implementation of the scheme which envisages empowering street vendors by not only extending loans to them but also for their holistic economic development.

The Scheme has provision for collateral free working capital loan up to Rs. 10,000 for 12 months under 1st tranche, up to Rs. 20,000 for 18 months under 2nd tranche and upto Rs.50,000 for 36 months under the 3rd tranche. On timely/early repayment, the vendors will be eligible for the next cycle of working capital loan with an enhanced limit. No penalty is payable on early repayment of the loan. The Scheme facilitates free on boarding of beneficiaries on the Digital Payment Platforms and to promote transactions by the beneficiaries, cash back up to Rs. 1,200 per annum is available under the Scheme. Interest subsidy @ 7% per annum is to be paid on quarterly basis on timely or regular repayment of all loans (1st, 2nd and 3rd tranche) disbursed till December, 2024.

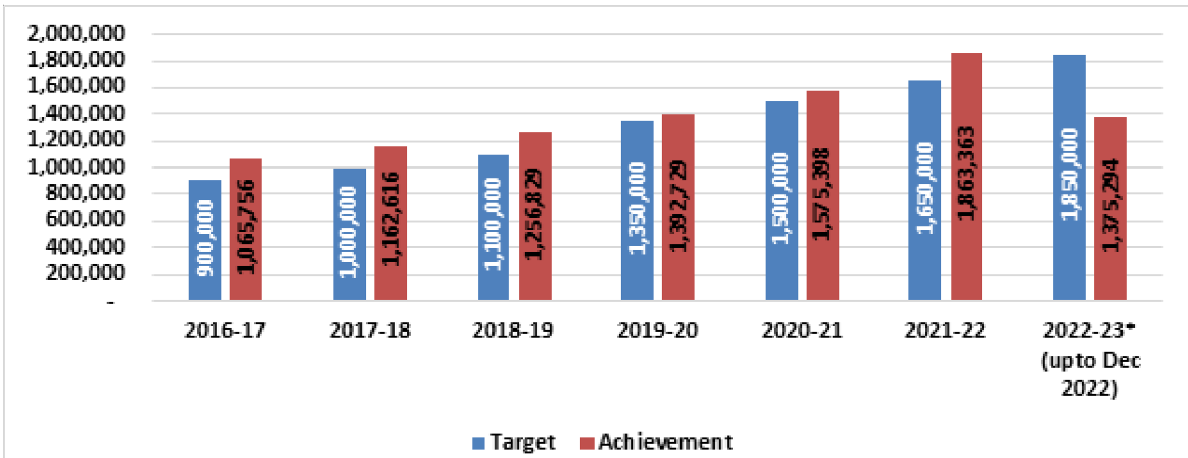
As on 27.11.2022, a total of 42.92 lakh loan applications have been sanctioned in all tranches together, out of which 37.47 lakh applications have been disbursed.

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.16.50 lakh crore for 2021-22, agriculture credit to the tune of Rs.18.63 lakh crore was disbursed, registering 113% achievement. Agriculture credit target for year 2022-23 has been set at Rs. 18.50 lakh crore with a sub-target of Rs. 1.26 lakh crore for Animal Husbandry, Dairying and Fisheries farmer. As on 31st December 2022, Rs. 13.75 lakh crore was disbursed (Provisional) against target of 18.50 lakh crore registering 74 % achievement.

The Agriculture targets and achievements



Source: ENSURE Portal of NABARD (Rs.crore)

5.1 Kisan Credit Card

The Kisan Credit Card (KCC) scheme was introduced in 1998-99, as an innovative credit delivery mechanism that aims at adequate and timely credit support from the banking system to the farmers for their cultivation needs including the purchase of inputs in a flexible, convenient, and cost-effective manner. Banks have been advised to issue Kisan Credit Cards (KCC) to all eligible farmers. The KCC Scheme has since been simplified with facilities like one-time documentation, built-in cost escalation in the limit and facility of ATM enabled debit card etc. Under the present guidelines of KCC, the limit is sanctioned for 05 years and the beneficiaries have ease and flexibility in withdrawl and repayment.

GoI has approved interest subvention @ 1.5% on short term loans for agriculture and allied activities which is available on an overall limit of Rs. 3 lakh per annum and subject to a maximum sub-limit of Rs. 2 lakh per farmer involved in allied activities related to Animal Husbandry, Dairy, Fisheries, Bee Keeping etc. within the prescribed limit of Rs. 3.00 lakh availed through Kisan Credit Card (KCC) for the F.Y. 2022-23 and 2023-24. An additional interest subvention of 3% is provided to farmers on prompt repayment of loans, which effectively reduces the rate of interest to 4%.

As announced in PM Atmanirbhar Bharat package, over 3.86 crore farmers have been covered under the ongoing KCC saturation drive effective from February, 2020 with sanctioned credit limit of about Rs. 4.47 lakh crore as on 16.12.2022. At present, there are 7.13 crore operative KCC accounts with a total outstanding loan of Rs.9.38 lakh crore.

While ensuring convenient and cost-effective credit delivery to farmers, the ongoing campaign will be instrumental in driving the rural economy and further accelerating agricultural production and allied activities, besides enhancing the income level of farmers.

The facility of KCC has been extended to animal husbandry and fisheries farmers in year 2019 to help them meet their working capital needs. Further, in order to cover animal husbandry and fisheries farmers, under KCC, special saturation drive in the form of weekly “District-level Camp” was launched w.e.f. 15th November, 2021 for ensuring convenient and cost-effective credit delivery to the farmers and accelerating agriculture output. The campaign has been extended up to 15th March, 2023.

5.2 Rural Infrastructure Development Fund (RIDF)

In the backdrop of declining public investment in agriculture and rural infrastructure, RIDF was instituted in NABARD during 1995-96 with an initial corpus of Rs.2,000 crore with the main objective of providing loans to State Governments for completing ongoing rural infrastructure projects. Resources to the fund are contributed by Commercial Banks, Foreign Banks, Regional Rural Banks and Small Finance Banks in a proportion indicated by RBI, with respect to banks’ shortfall in priority sector lending. The fund which started as a “last mile approach” to facilitate completion of ongoing irrigation, flood protection and watershed management projects during 1995-96, today covers as many as 39 activities, broadly classified under three categories, viz., (i) Agriculture and related sector (ii) Social Sector and (iii) Rural Connectivity. The annual allocation of funds towards RIDF has gradually increased from Rs. 2,000 crore in 1995-96 to Rs. 40,000 crore in 2022-23.

The cumulative funding commitment, as on 30.11.2022 to 31 States/UTs stood at Rs. 4.72 lakh crore (including Bharat Nirman) against which Rs. 3.67 lakh crore have been disbursed as of 30.11.2022. Over the years, RIDF has emerged as a dependable source of public funding of impactful rural projects. Of the total RIDF loans sanctioned to State Governments under various tranches since 1995-96, 27% accounted for rural roads, 31% for irrigation, 20% for social sector, 12% for agriculture sector (other than irrigation) and 10% for rural bridges.

5.3 Short Term Cooperative Rural Credit (Refinance) Fund

The Short Term Cooperative Rural Credit-STCRC (Refinance) Fund was set up in NABARD in 2008-09 with an initial corpus of Rs.5,000 crores to provide Short Term refinance to Cooperative Banks so as to ensure increased and uninterrupted credit flow to farmers at concessional rate of interest. NABARD provides refinance to Cooperative bank at an interest rate of 4.5 % per annum for crop loans up to Rs.3.00 lakh disbursed by cooperative banks at an interest rate of 7% per annum to ultimate borrowers. An allocation of Rs.50,000 crores (Rs.50,002.23 crores, including residual allocation of earlier years) has been made for the STCRC (Refinance) Fund during 2022-23. As on 30.11.2022, Rs. 24,833.17 crores have been utilised out of STCRC (Refinance) Fund during 2022-23.

5.4 Short Term Regional Rural Bank (Refinance) Fund

The Short Term Regional Rural Bank (Refinance) (STRRB) Fund was set up with an allocation of Rs.10,000 crores in 2012-13, so as to enable NABARD to provide Short Term refinance to RRBs to meet their crop loan lending obligations. NABARD provides refinance to RRBs at an interest rate of 4.5 % per annum for crop loans up to Rs.3.00 lakh disbursed by RRBs at an interest rate of 7% per annum to ultimate borrowers. The allocation under STRRB Fund was at Rs.15,000 crores (Rs.15,000.49 crores, including residual allocation of earlier years) during 2022-23. As on 30.11.2022, Rs.7,341.02 crores have been utilised out of STRRB (Refinance) Fund during 2022-23.

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 with a view to provide a fillip to capital formation in the sector. Government has allocated Rs.15,000.75 crores to this fund (including residual allocation of earlier years) during 2022-23. As on 30.11.2022, Rs.7,496.69 crores has been utilised out of LTRCF during 2022-23.

5.6 Strengthening the Capital Base of NABARD

NABARD Amendment Act, 2018 has been notified on 19th January, 2018 which empowers the Government to increase the authorised capital of NABARD from Rs.5,000 crores to Rs.30,000 crores and to increase it beyond Rs.30,000 crores in consultation with RBI as deemed necessary from time to time. This will enable NABARD to potentially increase its borrowing in future for funding the large investments being made in rural infrastructure in sectors like irrigation, housing, universal sanitation, dairy, fisheries, etc.

Government of India provides equity support 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 Swacch Bharat Mission. Total paid up capital as on **30.11.2022** in respect of NABARD is Rs.17,080 crores.

5.7 Role of NABARD in Government of India Initiatives

5.7.1 Long Term Irrigation Fund (LTIF)

The Government of India, through the Dept. of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti (earlier Ministry of Water Resources) has taken a major initiative to complete various stalled major/medium irrigation projects in the country, for which a Long-Term Irrigation Fund (LTIF) was set up in NABARD. As on 30 November 2022, against the total estimated amount of Rs.77,595 crores for the 99 identified projects, sanctions have been accorded by NABARD under LTIF to the tune of Rs.71,219.54 crores. Further, loan amount of Rs.11,217.71 crores has been sanctioned for the Polavaram Irrigation project, Rs.1,378.61 crores for North Koel Reservoir Project, Rs.485.35 crores for Shahpurkandi Dam and Rs.826.17 crores for Relining of Sirhind and Rajasthan Feeder under LTIF. The cumulative amount released against sanction of 99 identified projects stood at Rs.44,800.36 crores. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpurkandi Dam Project, cumulative releases stood at Rs.10,650.15 crores, Rs.721.22 crores and Rs.207.45 crores, respectively.

5.7.2 Pradhan Mantri Awaas Yojana- Gramin (PMAY-G)

The Government of India through 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. During 2017-18 to 2020-21, NABARD has extended loans to National Rural Infrastructure Development Agency (NRIDA), a SPV of GoI, towards part funding of Central share under the Scheme. The cumulative sanction and release under PMAY - G as on as on 30th November 2022 stood at Rs.61,975 crores and Rs.48,819.03 crores, respectively.

5.7.3 Swachh Bharat Mission – Gramin (SBM-G)

The Government of India through the Ministry of Jal Shakti (earlier Ministry of Drinking Water & Sanitation), launched SBM-G on 2nd October, 2014 with the goal to achieve universal sanitation coverage in rural areas by 2nd October, 2019. For the construction of around 3 crore Individual House Hold Toilets, 1500 Community Sanitary Complexes and Solid & Liquid Resources Management works during 2018-19, the total fund requirement towards Central Share was estimated at Rs.30,343 crores, out of which Rs.15,000 crores were to be raised through borrowing from NABARD. During 2018-19 & 2019-20, NABARD has extended loans to National Centre for Drinking Water, Sanitation & Quality (NCDWS&Q), a SPV of GoI, towards part funding of central share under the scheme. As on 30th November, 2022, the cumulative sanction and release by NABARD under SBM -G stood at Rs.15,000 crores and Rs.12,298.20 crores respectively.

5.7.4 Micro Irrigation Fund (MIF)

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 2022 stood at Rs.4710.96 crores and Rs.2198.62 crores respectively. This will facilitate in expanding micro irrigation to an area of 17.12 lakh ha. involving 13.06 lakh farmers.

6. Priority Sector Lending (PSL)

PSL guidelines are issued by the Reserve Bank of India for compliance by all Commercial Banks, RRBs, SFBs, UCBs and LABs.The objective of priority sector lending (PSL) has been, inter-alia, to ensure access to credit to vulnerable sections of society and have adequate flow of resources to those segments of the economy which have higher employment generation potential and help in making an impact on poverty alleviation. Thus, the sectors that impact large sections of the population, the weaker sections and the sectors which are employment-intensive such as agriculture and micro and small enterprises are part of the priority sector.

6.1 With the objective of making the Priority Sector Lending norms more broad-based, the guidelines are reviewed from time to time to align them with the emerging national priorities. As a part of this process, the PSL guidelines have been revised in 2020. The revised guidelines also aim to encourage and support environment friendly lending policies/schemes and help to achieve Sustainable Development Goals (SDGs).

6.2 Some of the salient features of the revised PSL guidelines are:

a) 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.

b) 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.

c) 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.

d) 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.

e) Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.

f) In order to ensure greater flow of credit to the farmers against pledge/hypothecation of agricultural produce, and to encourage use of NWR/eNWR issued by warehouses registered and regulated by Warehouse Development and Regulatory Authority, the PSL limit for loans against NWRs/eNWR has been increased from Rs.50 lakh to Rs.75 lakh per borrower.

g) Target for lending to Non-Corporate Farmers for FY 2022-23 - All Domestic banks (other than UCBs) and foreign banks with more than 20 branches are required to ensure that their share of lending to non-corporate farmers does not fall below the system wide average of the last three years achievement which is separately notified every year. The applicable target for lending to the non-corporate farmers for FY 2022-23 is 13.78% of ANBC or CEOBE whichever is higher.

6.3 The outstanding priority sector advances of Public Sector Banks was Rs. 25,38,507 crore as on March 31, 2021 and Rs. 27,74,746 crore as on March 31, 2022. Outstanding advances to agriculture by PSBs amounted to Rs. 12,16,707 crore as on March 31, 2022 constituting 19.10 percent of ANBC of PSBs (Annex-I). For the quarter ended September 2022* total outstanding priority sector advances of public sector banks is Rs. 27,80,646 crore and outstanding towards agriculture under priority sector is Rs. 12,69,507 crore. (* Provisional figures as reported by banks to RBI.)

6.4 Education Loan

Every meritorious student should have access to bank credit to pursue higher education, if they so desire. Indian Banks’ Association (IBA) had prepared the Model Educational Loan Scheme and circulated to banks in the year 2001. The Scheme is for all students including students belonging to the economically weaker sections and those below the poverty line. Indian Nationals who have secured admission to a higher education course in a recognised Institution in India or abroad through an entrance test/merit-based selection process are eligible for educational loans under the Scheme. The Scheme has been modified from time to time keeping in view the changing needs of the students. The latest revision to Model Educational Loan Scheme incorporating the changes suggested by the Department of Financial services (DFS) was approved by the IBA Managing Committee in its meeting held on January 15, 2021, for adoption and implementation by the member banks.

6.4.1 Service Area Norms for Education Loans- RBI guidelines

RBI has advised the Banks on 9th November, 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 do not reject any educational loan application for reasons that the residence of the borrower does not fall under the bank’s service area.

6.4.2 Performance of Education Loans

The details of total outstanding education loans of Public Sector Banks (PSBs) for FY 2020-21, FY 2021-22 and FY 2022-23 (ason 30.09.2022) stood at Rs.84,751.93 crores in 19,09,164 accounts.

Education Loan Outstanding Amount

Sr. No.	Year	Loan Outstanding (Rs. In crore)
1	FY 2020-21	75,125/-
2	FY 2021-22	78,544/-
3	FY 2022-23 (01.04.22-30.09.22)	84,752/-

Source: PSBs

6.4.3 Vidya Lakshmi Portal

Vidya Lakshmi Portal is a first of its kind portal providing single window for students to access information and make application for Educational Loans provided by Banks. The Portal has the following features:

a) Information about Educational Loan Schemes of Banks;

b) Common Educational Loan Application Form for Students;

c) Facility to apply to multiple Banks for Education Loans;

d) Facility for Banks to download Students' Loan Applications;

e) Facility for Banks to upload loan processing status;

f) Facility for Students to email grievances/queries relating to Educational Loans to Banks;

g) Dashboard facility for Students to view status of their loan application

h) 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 needing education loans can apply for it and indicate their bank of choice.

7. Insurance Sector

7.1 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.

7.2 Public Sector Insurers

The Public Sector Insurance Companies operating in the sector are as follows:

(1) Life Insurance Corporation of India

(2) General Insurance Corporation of India – GIC Re (Re-Insurer)

(3) The New India Assurance Company Limited

(4) United India Insurance Company Limited

(5) National Insurance Company Limited

(6) The Oriental insurance Company Limited

(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)

7.3 Legislative Framework governing the Insurance Sector

The Insurance Division is responsible for policy formulation and administration of the following Acts:

(1) The Insurance Act, 1938

(2) The Life Insurance Corporation Act, 1956

(3) The General Insurance Business (Nationalisation) Act, 1972

(4) The IRDA Act, 1999

(5) The Actuaries Act, 2006

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.

Recently, further amendment in the Insurance Act 1938, was brought by promulgating the Insurance (Amendment) Act, 2021 enacted on March 25, 2021 by which the Government has further enhanced the FDI cap from 49 per cent to 74 per cent with certain conditions in the terms of Indian ownership and control.

New entrants in the insurance industry

Since the opening up this sector for private and foreign investment in the year 2000, the number of participants in the insurance industry has gone up from seven (7) insurers (including the Life Insurance Corporation of India, four public sector general insurers, one specialized insurer and General Insurance Corporation as the national re-insurer) to sixty-seven (67) insurers as on March 31, 2022 operating in the life, general, and reinsurance segments (including specialized insurers, namely Export Credit Guarantee Corporation Limited and Agricultural Insurance Company of India Limited). As on March 31, 2022, there are 24 Life insurers including one in Public Sector, 32 general insurers including four in public sector, two specialized insurers in Public Sector, five Stand-Alone Health Insurers (SAHI) and 12 reinsurers including one in Public Sector.

Registered Insurers and Reinsurers (As on 31.03.2022)

Type of Insurer	Public Sector	Private Sector	Total
Life	1	23	24
General	6	20	26
Standalone Health	-	5	5
Re-insurers	1	11	12
Total	**8**	**59**	**67**

7.4 Insurance related Social Security Schemes:

Apart from the two Social Security Schemes, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY) (*for details please refer Key Schemes at para-4*) the other scheme related to insurance sector is as under:

7.4.1 Pradhan Mantri Vaya Vandana Yojana:

- Pradhan Mantri Vaya Vandana Yojana (PMVVY) is offered by the Life Insurance Corporation of India (LIC) and supported by the Government of India, to provide senior citizens of age 60 years or more an assured minimum pension for a term of 10 years, linked to the price at which they purchase the pension policy.
- Government of India bears the differential return, i.e. the difference between return generated by LIC and the assured return committed under the scheme as interest-gap subsidy on an annual basis.
- Maximum Investment allowed is Rs 15,00,000.
- Under the scheme, a loan of up to 75% of the purchase price is allowed after completion of three policy years.
- As per LIC a total number of 8,61,255 subscribers (No. of Policies 11,88,571) are being benefited under the scheme as on 30.11.2022.
- The Scheme is valid up to 31st March 2023

7.5 Insurance Industry Statistics

Insurance Coverage

Insurance coverage refers to the number of lives covered under insurance for life, health and other insurance categories. The cumulative enrolments as on 28.12.2022 under PMJJBY is 14.82 crore and PMSBY is 31.88 crore. In addition, as per IRDAI report during 2021-22 the General & health insurance companies have covered 52.04 crore lives under 2.26 crore health insurance policies. Personal Accident Insurance covered a total of 115.66 crore number of lives (including PMSBY, PMJDY and IRCTC e-ticket passengers) and 19.09 lakh lives were covered under Travel Insurance policies.

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).

Globally insurance penetration and density in 2021-22 were 3.0 per cent and USD 382 for the life segment and 3.9 per cent and USD 492 for the non-life segment respectively.

	India (2001-02)	India (2021-22)	Malaysia (2021-22)	Thailand (2021-22)	China (2021-22)
Insurance Penetration (%)	2.7	4.2 (Life:3.20 % & Non-Life: 1%)	5.3	5.4	3.9
Insurance Density (US$)	11.5	91	600	387	482

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.6.93 lakh crore during 2021-22 as against Rs.6.29 lakh crore in the previous financial year, registering a growth of 10.16 per cent (9.74 per cent growth in previous year).

New business premium underwritten for Life Insurance Industry 2021-22

	Market Share	New Premium Underwritten	Total Premium	Growth
LIC	63.18%	1.99 lakh crore	3.15 lakh crore	12.98%
Private Insurers	36.82%	1.16 lakh crore		

(Data Source : IRDAI)

General insurance industry

The general insurance industry (including standalone health insurers) underwrote total direct premium of Rs. 2.21 lakh crore in India for the year 2021-22 as against Rs.1.99 lakh crore in 2020-21, registering a growth rate of 11.06 per cent as against 5.19 per cent growth rate recorded in the previous year.

	Premium	Growth	Market Share
PSU	0.90 lakh crore	1.50 %	40.72 %
Private Insurers	1.31 lakh crore	8.12 %	59.28 %

(Data Source : IRDAI)

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 36 per cent (Rs.80,502.27 crore) of the gross direct premium of the general insurance industry within India (including standalone health insurance companies) in 2021-22 (Rs. 63,752.97 crore constituting 32.08 per cent in 2020-21).

7.6 Investments of the Insurance sector

As on March 31, 2022 the accumulated total investments held by the insurance sector was:

	Insurance Sector (2021-22)	Insurance Sector (2020-21)	Life Insurers (2021-22)	Public sector Insurers (2021-22)
Total investments	54.37 lakh crore	49.13 lakh crore	91.09 % of total investment	72.19 % of total investments

(Data Source : IRDAI)

7.7 Rural and Social Sector Business

All the life insurers* including LIC have fulfilled their rural sector obligations for the year 2021-22.

	Life Insurance Companies	Private Life Insurance Companies	LIC
Rural Sector Obligations	64.97 lakh policies (22.32 %)	26.98% of total policies	20.73 % of total policies
Total lives covered under Social sector.	4.03 crore (19.38%)	22.05 % of total policies	11.51 % of total policies

*(*M/s Sahara India Life Insurance Co. Ltd. is not considered for this obligation as it was directed by IRDAI not to underwrite new business as per the IRDAI order dated June 23, 2017)*

All the public and private sector general insurance companies including standalone health insurance companies (SAHI) have fulfilled their obligations in the rural and social sector for the year 2021-22. The General insurers underwrote a premium of Rs. 28,282 crores in the rural sector in the year 2021-22. Public Sector and private insurers underwrote 26.56 per cent and 73.44 per cent respectively of total gross premium procured in the rural sector.

7.8 Micro insurance

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.

IRDAI reviewed the Micro Insurance Regulations, 2005 and notified IRDAI (Micro Insurance) Regulations, 2015 permitting several more entities like RBI regulated NBFC-MFIs, District Cooperative Banks, Regional Rural Banks, Urban Co-operative Banks, Business Correspondents (BCs), Primary Agricultural Cooperative Societies (PACs) and other cooperative societies to be appointed as Micro Insurance agents facilitating better penetration of Micro Insurance business. The Regulations also included additional policy holder protection measures.

In micro-insurance-life, the individual new business premium for the year 2021-22 was Rs. 297.14 crore through 8.77 lakh new policies and the Group new business premium amounted to Rs. 6,048.88 crore covering 1,320.73 lakh lives. There were 99,961 micro insurance agents attached to life insurers at the end of FY 2021-22. Total number of general insurance policies issued by Micro Insurance Agents (excluding of Standalone health insurers) were 1,40,696 in the year 2021-22.

IRDAI has permitted Pradhan Mantri Fasal Bima Yojana (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.

8. Pension Sector

8.1 National Pension System (NPS)

The National Pension System (NPS) was introduced by the Government of India vide notification dated 22.12.2003 to replace the defined benefit pension system by defined contribution pension scheme in order to provide old age income security in a fiscally sustainable manner and to channelize small savings into productive sectors of the economy through prudential investments. It was made mandatory for all new recruits to the Government service (except armed forces) with effect from 01.01.2004, and has also been rolled out for all citizens with effect from 01.05.2009, on voluntary basis. NPS has been adopted by most State Governments and most of the Central and State autonomous bodies. Subsequently, with the passing of the PFRDA Act in 2013, the contributory pension system notified by the said notification dated 22.12.2003 has been deemed to be National Pension System (NPS) w.e.f. 01.01.2004, in accordance with Section 20(1) of the PFRDA Act, 2013. The Scheme offers two types of accounts, namely Tier-I and Tier-II. The Tier-I account is the Pension account, while the Tier-II account is a voluntary withdrawable account which is allowed only when there is an active Tier-I account in the name of the subscriber. Presently, a Government employee under NPS has to mandatorily contribute 10% of pay and Dearness Allowance (DA) and 14% of pay and DA is contributed by the Government to the employee's Tier-I account. At exit on superannuation, subscriber would be mandatorily required to invest at least 40% of the pension wealth in Tier-I to purchase an annuity from an Insurance Regulatory and Development Authority of India (IRDAI) regulated Insurance Company and a maximum of 60% of the accumulated corpus in the Tier –I account is given to the individual in lump-sum. If the subscriber exits before superannuation or 60 years of age, he/ she has to invest at least 80% of the accumulated balance to purchase an annuity and the remaining 20% can be withdrawn as lump sum. There are a number of benefits available to the employees under NPS. Some of the features are listed below:

a. Unbundled NPS Architecture:

NPS architecture consists of Point of Presence (PoP) and aggregators as collection and distribution arms, a Central Record keeping Agency (CRA) which maintains the data and records, Trustee Bank to manage the banking operations, Pension Fund Managers (PFMs) for generating and maximizing returns on investments of subscribers, Custodian to take care of the assets purchased by the Fund managers and NPS Trust which holds the assets of subscribers for their benefit and oversees the investment operations.

NPS has an unbundled architecture where each intermediary has its own expertise and domain knowledge. The Points of Presence (PoP), which are authorized to open NPS accounts, receive contributions from the subscribers and remit them to the Trustee Bank (for government subscribers this function is carried out by the nodal offices) to the credit of the NPS Trust account which holds the assets/ securities for the benefit of the subscribers.

The Pension Funds registered with PFRDA manage pension corpus through various schemes under National Pension System in accordance with the provisions of the PFRDA Act, Rules and Regulations made thereunder, agreements executed with the National Pension System Trust and other intermediaries under NPS architecture.

b. Provision for Partial withdrawal under NPS

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, after minimum of 3 years from the date of joining.

Tax Benefits presently available under NPS:

(A) Tier I:

i. Subscriber is allowed an additional tax deduction of Rs. 50,000/- under section 80CCD 1(B) of the Income Tax Act, 1961, in addition to the deduction of Rs. 1.50 lakhs allowed under section 80 CCD (1).

ii. The mandatory contribution by the Central Government for its employees covered under NPS Tier-I has been enhanced from the existing 10% to 14% w.e.f 01.04.2019. Some State Governments have also enhanced its contribution to 14% for its employees. The additional 4% employer contribution from the Central Government and State Government will also be tax exempt under 80 CCD (2)

iii. To ensure parity of tax treatment between NPS and various retirement products such as General Provident Fund (GPF), Contributory Provident Fund (CPF), Employees Provident Fund (EPF) and Public Provident Fund (PPF), the limit of tax exemption under section 10(12A) of the Income Tax Act, 1961, in respect of the amount withdrawn as lump sum to the extent of 40% of the total accumulated balance has been enhanced to up to 60% of the total accumulated balance at the closure of account. With this, the entire withdrawal is now exempt from income tax.

iv. Interim/ Partial Withdrawal from NPS Tier I up to 25% of the contributions made by NPS subscriber is tax free.

v. Minimum 40% of the amount is to be mandatorily utilized for purchasing an annuity from the Annuity Service Provider registered and regulated by the Insurance Regulatory and Development Authority and empanelled by PFRDA. Amount utilized for purchase of annuity is not taxable. Further, amount utilised for purchase of annuity is exempted from GST.

(**B**) **Tier II:**

i. Contribution by the Central Government employees under Tier-II of NPS is now covered under Section 80 C of the Income Tax Act, 1961, for deduction up to Rs. 1.50 lakh for the purpose of income tax at par with the other schemes such as GPF, CPF, EPF, and PPF provided that there is a lock-in period of 3 years.

(I) Freedom of choice for selection of Pension Funds and pattern of investmentto Government employees

(a) **Choice of Pension Fund**: Vide Government Notification dated 31.01.2019, the Government subscribers are also allowed to choose any one of the pension funds including Private sector pension funds, as in the case of subscribers in the private sector. They can change their option once in a year. However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

(b) **Choice of Investment pattern**: The following options for investment choices are offered to Government employees: -

- Government employees who prefer a fixed return with minimum amount of risk have an option to invest 100% of the funds in Government securities (Scheme G).
- Government employees who prefer higher returns have the options of the following two Life Cycle based schemes.

(A) Conservative Life Cycle Fund with maximum exposure to equity capped at 25% at the age of 35 years and tapering off thereafter (LC-25).

(B) 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.

The status of NPS as on 30th November, 2022, is as under:

Sector	No. of subscribers (in lakhs)	Assets Under Management(in Rs Crores)
Central Government	23.43	2,45,259
State Government	59.29	4,21,996
Corporate	16.10	1,08,473
All Citizen Model	25.80	38,233
NPS Lite *	41.81	4,851
Total	**166.43**	**8,18,812**

*(No fresh registration permitted w.e.f 01.04.2015)

(II) Recent developments under NPS in Government Sector

a) **Notification of Central Civil Services (Implementation of NPS) Rules, 2021**: The CCS (Implementation of NPS) Rules, 2021, have been notified by the Department of Pension and Pensioners' Welfare (DoPPW) on 30.03.2021 for Central Government employees. The said Rules, *inter alia*, stipulate the timelines for PRAN generation, contribution upload, deduction and remittance, including exits and withdrawals and also the provision for payment of interest on delayed deposits of NPS contributions and fixation of the responsibility in case of delays in subscriber registration and remitting of NPS contributions.

b) **Applicability of provisions of Gazette Notification of Department of Financial Services dated 31-01-2019 on employees of Central Autonomous Bodies (CABs)-** The provisions of the notification dated 31.01.2019, regarding enhancement of employer contribution to 14%, choice of the pension fund and investment pattern in the Tier I and payment of compensation in case of delayed or non-deposit of NPS contributions for any period during 2004-2012, have been extended to the employees of CABs (covered under NPS) vide OMs dated 26.08.2021 and 21.10.2021 issued by Department of Expenditure

8.2 Atal Pension Yojana (APY)

Atal Pension Yojana (APY) was launched by the Hon'ble Prime Minister on 9th May, 2015, and is being implemented with effect from 1st June, 2015. The Scheme aims to provide monthly pension to eligible subscribers not covered under any organized pension scheme. APY is open to all bank and post office account holders in the age group of 18 to 40 years. Under this Scheme any subscriber can opt for a guaranteed pension of Rs 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000 and Rs 5,000 receivable at the age of 60 years. The contributions to be made vary based on pension amount chosen and the age at time of enrolment.

APY is being administered by PFRDA under the overall administrative and institutional architecture of the NPS. Currently, the Scheme is being distributed through more than 269 active APY service providers including all banks and post offices.

8.2.1 The key features of APY are as under

a) APY is primarily focused on workers in the unorganised sector, however, all citizens of the country in the eligible category may join the scheme

b) Any Indian citizen between 18-40 years of age can join through their savings bank account or post office savings bank account.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

8.2.2. Category wise number of enrolments under APY as on 30th November, 2022:

Category of Banks	Number of Enrolments
Public Sector Banks	3,35,92,201
Private Banks	32,28,182
Small Finance Bank	1,29,803
Payments Bank	14,51,069
Regional Rural Banks	92,19,257
District Co-op Banks	70,116
State Co-op Banks	6,439
Urban Co-op Banks	25,356
Department of Posts	3,75,845
Total	**4,80,98,268**

As on 30th November, 2022, the number of subscribers under APY is more than 4.80 crore with contribution of Rs. 22,437 crore and AUM of Rs. 24,829 crores.

8.3 Major measures/steps undertaken to increase coverage under the Schemes:

(i) National Pension System

(a) Expansion of NPS distribution channel: To expand the NPS distribution channels the following steps are being taken.

- **i.** Individual agents are being engaged for NPS distribution through Points of Presence (PoPs).
- **ii.** Fintech companies like Paytm Money, ET Money, Funds India & Fisdom are being engaged for NPS distribution.

(b) Steps for pension literacy

- **i.** Webinars/conference have been organized in association with various trade bodies, The Federation of Indian Chambers of Commerce & Industry (FICCI), The Confederation of Indian Industry (CII) PHD Chamber of Commerce and Industry (PHDCCI), Merchants' Chamber of Commerce & Industry (MCCI).
- **ii.** Financial literacy website has been hosted (www.pensionsanchay.org.in)

(c) Publicity and media campaign

- i. Media campaign is being run by PFRDA by engaging electronic media, print media and social media.

(ii). **Atal Pension Yojana**

a) Promotion and pension literacy

- **i.** Pension Fund Regulatory and Development Authority (PFRDA) is actively engaged with Banks, State Level Bankers' Committees (SLBCs) & LDMs for National, State and District level focused promotion of APY across the country.
- **ii.** APY Felicitation and Outreach programs at 20 locations have been held in which stake-holders from Banks at state/district-level have participates.
- **iii.** Training programs are being organized, town hall meetings, regular Strategy & Review Meetings are being conducted to increase pension literacy.
- **iv.** Several Central Ministries and State Governments have been approached to get their unorganized workforce like MNREGA workers, Self Help Groups, Asha workers, Aanganwadi workers covered under APY.
- **v.** Periodical advertisements in the print and electronic media being issued and updates posted in social media like YouTube, Twitter, Facebook to create awareness about the scheme.
- **vi.** Information about APY is being disseminated through APY KI PATHSHALA YouTube channel.
- **vii.** Subscriber Awareness Program through VC have been conducted for subscribers, field staff, business correspondents of APY-SPs, in coordination with an empanelled training agency.

b) Engaging Fintechs and Banking Correspondents (BCs) for widening the outreach

- i. PFRDA is engaging Payment banks like Airtel Payment Bank and Small Finance banks to achieve larger enrolment
- ii. Engagement of BCs with suitable incentivization is also helping in increasing outreach of the Scheme.

c) Updating of APY mobile App

- i. To enhance ease of availing various services, features such as account details, viewing contribution made, the APY mobile App have been updated.

8.4 Mechanism put in place to measure development outcomes of major schemes/ programmes implemented through the Department/ Division

Under NPS, continuous engagements/ guidance/ training to PoPs and periodic review meetings of PoPs are undertaken by the Authority.

Under APY, daily MIS Data highlighting total number of enrolments of each APY SP and each state and daily Average tracker highlighting performance with respect to allocated targets in terms of Average Account Per Branch (AAPB) is obtained from CRA-NSDL for analysis of performance and review of the progress of the scheme. Similarly, the grievances faced by the subscribers, difficulties faced by the intermediaries in implementing the scheme and other operational issues are taken up rigorously and reviewed at regular intervals.

PFRDA monitors and supervises compliance related parameters in respect of functioning of PoP-NPS, NPS-Lite and PoP-APY to ensure that subscribers' interest is served. Further, PFRDA periodically conducts quarterly review meetings with the Pension Funds to analyze their performance under NPS on various parameters.

8.5 Budget provisions earmarked under various schemes are as under:

Head	BE 2022-23	RE 2022-23 (Proposed)
Atal Pension Yojana Payment of incentive	Rs. 200.00 cr	Rs. 180.00 cr
Atal Pension Yojana Promotional Campaign	Rs. 0.01 cr	Rs. 3.00 cr
Atal Pension Yojana Gap Funding	0.00	Rs. 542.00 cr
Swavalamban Scheme- Govt.co-contribution	0.00	Rs. 1.31 cr

8.6 Initiative taken with reference to the development of North- Eastern Region and Sikkim including projects/ schemes in operation and actual expenditure thereon

Under NPS, the PoPs are advised to enroll subscribers in NPS across the country including the north east region. Several NPS webinars conducted for North East region in association with trade bodies and PoPs.

Under APY, Zone wise review meetings are conducted PAN India for review of performance of APY SPs, SLBCs/ UTLBCs with special emphasis on North-Eastern region by organizing regular meetings to popularize the scheme, handholding sessions etc. Further, trainings are imparted through webinars and offline mode to explain the features and benefits of APY scheme.

9. Financial Institutions

9.1 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 (GOI).

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 globalisation. Exim Bank especially distinguishes itself in the areas of Project Exports, Lines of Credit (LOCs) and Overseas Investment Finance (OIF), which benefit a gamut of externally oriented Indian companies, including SMEs. The Bank has launched UbharteSitaare Programme (USP) aimed at offering future export champions, a combination of equity, debt and technical assistance, to qualitatively and quantitatively grow their exports under the programme.

As on November 30, 2022, the Bank has sanctioned an aggregate amount of USD 2.99 billion for 34 projects under Buyer's Credit under National Export Insurance Account (BC-NEIA). Two facilities aggregating to USD 385.83 million sanctioned by the Bank are awaiting approval of Committee of Direction. As on November 30, 2022, under BC-NEIA, Bank has already disbursed USD 102.28 million during current FY. The current outstanding amount under BC-NEIA stands at USD 1.52 billion, which will be utilised over the years. As regards Overseas Investment Finance (OIF), during FY 2021-22, the Bank sanctioned funded and non-funded assistance aggregating Rs.1,719 crore to 12 Indian corporates for part financing their overseas investments in 7 countries. From April to November 30, 2022, funded and non-funded assistance aggregated Rs.2,416 crore to 10 Indian corporates for part financing their overseas investments in 6 countries. As on November 30, 2022, the Bank's net loans and advances stood at Rs.1,27,671 crore, while the non-fund portfolio of the Bank was at Rs. 15,971.27 crore. The total business portfolio of the Bank, which stood at Rs. 2,81,345 crore as on November 30, 2022, is estimated at Rs. 2,90,000 crore as on March 31, 2023.

9.2 India Infrastructure Finance Company Limited (IIFCL)

IIFCL is a wholly-owned Government of India company set up in 2006 to provide long-term financial assistance to viable infrastructure projects. IIFCL has been registered with the Reserve Bank of India as Non-Banking Finance Company – Infrastructure Finance Company (NBFC-IFC) since September 2013. IIFCL has set up three wholly-owned subsidiaries as under.

a) IIFC(UK)

b) IIFCL Asset Management Company Limited (IAMCL)

c) IIFCL Projects Limited (IPL)

The organization gives overriding priority to Public-Private-Partnership (PPP) projects. IIFCL provides long term financing to viable infrastructure projects through a product mix of Direct Lending (SIFTI), Takeout Finance, Refinance and Credit Enhancement. Taking its developmental role further, IIFCL has, in FY2021-22, ventured into investment in Infrastructure Project Bonds and lending to Infrastructure Investment Trusts (InvITs).

On a standalone basis, till 30th November, 2022, IIFCL has made Cumulative Gross Sanctions of Rs.2,02,138 crore under Direct lending, Takeout Finance and Refinance scheme, InVITs and Investment in Bonds. This includes Cumulative Gross Sanctions of Rs.1,08,939 crore to 544 projects under Direct Lending. The Company has made Cumulative Disbursements of Rs. 95,928 crore till November 2022, which includes Rs.28,915 crore under Refinance and Rs.16,683 crore under Takeout Finance.

9.3 National Bank for Financing Infrastructure and Development (NaBFID)

National Bank for Financing Infrastructure and Development is infrastructure focused development financial institution (DFI) established in pursuance of announcement made in Union Budget 2021-22. The Institution was established to support the development of long-term infrastructure financing in India. Reserve Bank of India (RBI) has advised that NaBFID shall be regulated and supervised by RBI as an All India Financial Institution (AIFI).

NaBFID has both financial and developmental objectives:

a) The financial objective of the Institution shall be to lend or invest, directly or indirectly and seek to attract investment from private sector investors and institutional investors, in infrastructure projects with a view to foster sustainable economic development in India.

b) The developmental objective of the Institution shall be to co-ordinate with the Central and State Governments, regulators, financial institutions, institutional investors and such other relevant stakeholders. This co-ordination will be done to facilitate building and improving the relevant institutions to support the development of long-term non-recourse infrastructure financing in India including the domestic bonds and derivatives markets.

The Board of the Institution is functioning with Chairperson (Shri K V Kamath), Managing Director (Shri Rajkiran Rai G), Deputy Managing Director (Shri B S Ventakesha & Ms. Monika Kalia), two Govt. Nominee Directors (Shri Pankaj Jain, Secretary, M/o PNG & Ms. Sumita Dawra, Additional Secretary, DPIIT) and three Independent Directors.

The NaBFID was set up with an authorised share capital of Rs. 1 lakh crore as per Budget Announcement of FY 2021-22. Capital support of Rs. 20,000 crore has been released to the Institution to enable it to start its business operations. A grant of Rs. 5,000 crore has also been released on 31.03.2022. NaBFID has disbursed its first loan on 29.12.2022 amounting to 520 crore. The expected credit pipeline for FY 2022-23 is Rs. 63,000 crore.

9.4 National Housing Bank (NHB)

The National Housing Bank (NHB) is a development financial institution, established in 1988, under the National Housing Bank Act, 1987 (Central Act no. 53 of 1987). NHB operates as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. NHB's three broad functions are Supervision of Housing Finance Companies (HFCs), Financing and Promotion & Development. NHB provides finance to the housing sector through two windows namely Refinance and Project Finance. NHB's business includes refinancing individual housing loans of HFCs, SCBs, Regional Rural Banks and Small Finance Banks (SFBs) and financing public agencies and public private partnerships for their housing projects.

9.4.1 Refinancing

Till 30.11.2022, National Housing Bank has disbursed cumulative refinance of Rs. 3,27,491 crore, out of which Rs. 33,254.13 crore has been disbursed under Affordable Housing Fund. The details of refinance activities undertaken by NHB during FY 2021-22 and FY2022-23 (till 30.11.2022) are as below:

(Rs. in crore)

Business Groups	FY2021-22 (01.07.2021 – 30.06.2022)			FY2022-23 (01.07.2022 – till 30.11.2022)		
	Sanction	Disbursement	Outstanding as on 30-06-2022	Sanction	Disbursement	Outstanding as on 30-11-2022
Institutional Finance (Refinance) - Banks	2,088.00	1,685.60	10,187.94	6,450.00	472.00	9,463.80
Institutional Finance (Refinance) - NBFC (HFCs)	20,242.00	17,627.27	63,744.72	21,885.00	5,514.56	62,530.78
Total	**22,330.00**	**19,312.87**	**73,932.65**	**28,335.00**	**5,986.56**	**71,994.58**

9.4.2 Supervision

- A stronger supervisory framework was put in place with a dedicated Supervision Team.
- Off-site supervision was strengthened with introduction of Early Warning Signals (EWS) & Automated Data Flow (ADF) successfully implemented at Top 20 HFCs covering 94% business of HFCs.
- NHB actively engaged with RBI for a smooth and seamless transition of regulation of HFCs to RBI.

9.4.3 Promotion & Development

- During April 2022 to November 2022, NHB, as a Central Nodal Agency under PMAY-CLSS (U), disbursed subsidy amounting to Rs.2,290 crore to 0.91 lakh households under PMAY-CLSS for EWS/LIG.
- To track the movement in prices of residential properties in 50 select cities, NHB published NHB RESIDEX, on a quarterly basis till September, 2022.
- Bank has taken a step forward for creating a centralized repository of data on Housing finance which provides a seamless way to Primary Lending Institutions to share data on Housing finance with NHB, known as the Housing Finance Repository (HFR) portal.
- Under the aegis of “Azadi ka Amrit Mahotsav” (AKAM), NHB organized several Outreach Programmes.

9.4.4. Financial Highlights

- Bank posted a Net Profit of Rs.1920 crore for the year (July 2021-June 2022) with ROA of 2.33%, ROE of 19.35% and Capital Adequacy Ratio (CRAR) of 16.02%. Banks Gross NPA ratio stood at 2.07%.

9.4.5. Projections/estimates for the period from 01.12.2022 to 31.03.2023

- Bank has disbursed a cumulative amount of Rs.6,016.56 crore during the FY 2022-23 (July-June) as on 15-12-2022.
- Bank projects further tentative sanctions amounting to Rs.4,000 crores and tentative disbursements amounting to Rs.30,000 crores during the period December, 2022 to March, 2023.

9.5 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 coordination of the functions of the various Institutions engaged in similar activities.

9.5.1 Operational Highlights during FY 2021-22

Despite the challenges posed by the pandemic, the Bank has continued its growth trajectory during the fiscal. Key financial highlights are as below:

- Asset Base of the Bank stood at Rs.2,47,379 crore at the end of FY 2022, a Y-o-Y growth of 29%.
- Loans and Advances stood at Rs.2,02,252 crore at the end of FY 2022, a Y-o-Y growth of 29%.
- Net Interest Income for FY 2022 stood at Rs.3,012 crore, with Net Interest Margin at 1.5%.
- Bank registered Net Profit of Rs.1,958 crore during FY 2022.

9.5.2 Financing during FY 2021-22

SIDBI extends assistance to MSMEs directly and indirectly. Under indirect route, SIDBI extends Refinance assistance to banks, NBFCs, MFIs, etc. (Institutional Finance) against their lending to MSEs. This helps in creating multiplier effect and results increase in flow of credit to MSMEs. Under Direct Finance, SIDBI extends financial assistance by way of term loan, working capital, etc. directly to MSMEs. Brief of Financial assistance extended by SIDBI is given below:

(Rs in crore)

Business Groups	FY2021			FY2022			Outst. Growth %
	Sanction	Disb.	Outstanding	Sanction	Disb.	Outstanding	
Direct Credit	4746	4007	11581	6760	5673	14187	23%
Institutional Finance (Refinance) -Banks	81637	81637	131664	122781	122335	166832	27%
NBFC	7562	7802	11292	13178	12677	17935	59%
MFI	2717	2583	1672	4178	2893	3118	86%
Cluster Dev.	-	-	-	1038	180	180	-
Total	**96662**	**96029**	**156209**	**147935**	**143758**	**202252**	**29%**

Institutional Finance accounts for approximately 93% of loans & advances of the Bank. Outstanding under Institutional Finance was at Rs.1,87,885 crore at the end of FY 2022 which includes refinance to Banks & Small Finance Banks (SFBs), Assistance to Non-Banking Financial Companies (NBFCs) and Assistance to Microfinance Institutions (MFIs).

During FY 2022, in-principle commitment of Rs.5968.50 crore was made by SIDBI to 11 States and 1 UT, from RBI's allocation of Rs 7,000 crore under Cluster Development Fund (CDF) Scheme to extend concessional assistance to State Governments/ UTs to create infrastructure for development/growth of MSME/ clusters. As on March 31, 2022, financial assistance was sanctioned to 5 States against 37 projects (34 Greenfield and 3 Brownfield Projects) for an aggregate amount of Rs.1038 crore. Total disbursement of Rs.180.82 crore was made under SIDBI CDF, against 22 projects.

During the current FY, though the entire fund remains committed in-principally, formal sanctions to the tune of Rs.1,054 crore were accorded to 28 additional projects. As on 30th December, 2022, commutatively, 8 State Governments and 1 UT have been sanctioned Rs.2092 crore against 65 projects and total disbursement made is Rs.757 crore.

9.5.3 Promotion & Development

A slew of initiatives has been undertaken under promotion & development operations for kindling entrepreneurship in youth, and towards inclusive and innovative engagements for reaching out to micro-entrepreneurs and budding entrepreneurs in the underserved segment. Some of the key initiatives include Swavalamban Challenge Fund (SCF) & Swavalamban Connect Kendras (SCKs). Project Management Units (PMUs) have been set-up in total 16 states (including 11 which were set up in FY 2021), for closer engagement with states to strengthen MSME ecosystem along with transferring the good practices among the states, in line with the UK Sinha Committee recommendations.

9.5.4 Digital Enablers

The maturing, highly successful and user-friendly digital ecosystem like Aadhar, UPI payment system, GST, open API system, Regulatory Sandbox framework, Open Credit Enablement Network (OCEN), Account Aggregator (AA) framework, etc. have helped increasing the pace of digitization of financial services including credit delivery. SIDBI used digital solutions to power several MSME ecosystem solutions underlining its digital prowess. Various digital initiatives undertaken by the bank include Stand Up Mitra & Udyamimitra Portals (Twin Portals), "PSB Loans in 59 Minutes" Platform, Open Network for Digital Commerce, GST Sahay Project. MSME Formalisation project, Blockchain based wholesale lending security sharing and MSME FIT Rank.

9.6 Industrial Finance Corporation of India (IFCI)

IFCI Limited (IFCI) was set up as a Statutory Corporation ("The Industrial Finance Corporation of India") in 1948, as independent India's first Development Financial Institution, for providing medium and long term finance to industry. In 1993, after repeal of the IFCI Act, IFCI became a Public Limited Company, registered under the Companies Act, 1956. 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. IFCI became a Government Company in April 2015 and as on date, the shareholding of GoI stands at 66.35% of paid-up capital of IFCI.

10. Measures taken during COVID-19 pandemic

10.1 Emergency Credit Line Guarantee Scheme (ECLGS)

- Emergency Credit Line Guarantee Scheme (ECLGS) was launched in May, 2020 as part of Aatmanirbhar Bharat Abhiyaan to support eligible Micro, Small and Medium Enterprises (MSMEs) and business enterprises in meeting their operational liabilities and restarting their businesses in context of the disruption caused by the COVID-19 pandemic.
- This scheme covers all the sectors of the economy. Under ECLGS, 100% guarantee is provided to Member lending Institutions (MLIs) in respect to the credit facility extended by them to eligible borrowers. In view of the evolving situations in the light of Covid waves and its effect on the various sectors of the economy, scope of the scheme has been extended many times in the form of additional credit and expanded scope of eligible borrowers, by the introduction of ECLGS 2.0, 3.0 and 4.0 as well as changes from time to time.
- Post the Budget announcement of Union Budget 2022-23, validity of the scheme has been extended upto 31.3.2023 and limit of admissible guarantees has been increased from Rs. 4.5 lakh crore to Rs. 5 lakh crore, with the additional amount is specifically earmarked for enterprises in hospitality and related sectors.
- Recognising that an efficient and strong civil aviation sector is vital for the economic development of the country, ECLGS was modified in October, 2022 to enhance the maximum loan amount eligibility for airlines under ECLGS 3.0 to 100% of their fund based or non-fund-based loan outstanding as on the reference dates or Rs. 1,500 crore per borrower, whichever is lower; and of the above, Rs. 500

crore shall be considered, based on proportionate equity contribution by the owners.

- The validity of ECLGS has been extended upto 31.03.2023. As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 16.12.2022, loans amounting to Rs 3.71 lakh crore have been sanctioned under the scheme, benefitting about 1.19 crore borrowers.

10.2 Loan Guarantee Scheme for Covid affected Sectors (LGSCAS)

The Government of India has introduced Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) with a corpus of Rs. 2,000 crores for providing credit guarantee coverage to projects under healthcare sector. The brief of provisions under the Scheme are as under:

- Loan Guarantee Scheme for Covid Affected Sectors (LGSCAS) has been launched with a corpus of Rs.2,000 crores to provide financial (credit) guarantee cover for brownfield expansion and greenfield projects related to health/ medical infrastructure. The aforesaid credit guarantee would be provided by National Credit Guarantee Trustee Company Limited (NCGTC) to Scheduled Commercial Banks (SCBs). Important features of the Scheme are as under:
- The Scheme is applicable to all loans sanctioned up to 31.03.2023, or till an amount of Rs. 50,000 crores is sanctioned, whichever is earlier.
- Credit facilities will be sanctioned up to Rs. 100 crores per project in the form of fund based and non-fund-based facilities.
- The scheme shall provide credit guarantee of 50 per cent to all brownfield projects and of 75 per cent to all greenfield projects to be set up at the centres other than Metropolitan cities (8 in number). For aspirational districts, the guarantee cover for both brownfield expansion and greenfield projects shall be 75%.
- Interest rate under the Scheme is capped at 7.95% p.a.
- No Guarantee Fee shall be charged by NCGTC from SCBs under the Scheme.

As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 16.12.2022, the status of loan sanctioned/disbursed is as under:

Project Type	Number of Units	Sanctioned Amount (Rs. in Cr)	Disbursement Amount (Rs. in Cr)
Brownfield Project	507	1723.51	481.46
Greenfield Project	1182	6284.66	1091.92
Total	1689	8008.17	1573.38

10.3 Credit Guarantee Scheme for Micro Finance Institutions (CGSMFI)

The Credit Guarantee Scheme for MFIs (CGSMFI) was launched in June, 2021 as part of the Economic Relief Package announced to support Indian economy in fight against COVID-19 pandemic. The brief of provisions under the Scheme are as under.

- It is guarantee Scheme for loans by Scheduled Commercial banks (SCBs) or other Institutions (as decided from time to time) to NBFC-MFIs and Micro Financial Institutions (MFIs) in the country for onward lending to small borrowers.
- Guarantee upto 75% for a maximum period of 3 years.
- The Scheme operationalised w.e.f. 15.07.2021. It was valid till March 31, 2022 or till guarantees for an amount of Rs.7,500 crore are issued, whichever is earlier.
- The Scheme is expected to benefit around 25 lakh small borrowers.
- The Interest rate on loans from SCBs to NBFC-MFIs and MFIs for this purpose would be capped at 1-year Marginal Cost Based Lending Rate (MCLR) + 2% p.a.
- On lending is being provided by NBFC-MFIs and MFIs to small borrowers at an Interest rate which is at least 2% below the maximum rate prescribed by RBI on such loans.
- 80% of the assistance provided by NBFC-MFIs and MFIs under the Scheme would be for creation of fresh loan assets and not for repayment of earlier loans.
- All existing or new small borrowers (not in default for more than 90 days) within the regulatory definition of micro finance as prescribed by RBI are eligible to avail the Scheme.
- No guarantee fee would be charged by NCGTC for this Scheme.

- As informed by National Credit Guarantee Trustee Company Limited (NCGTC), as on 31.03.2022, loans amounting to Rs 10,000 crores have been sanctioned under the scheme as per details as under:

(Amount in Rs. crore)

Sanction by MLIs to MFI reported by NCGTC as on 31.03.2022	Disbursement by MLIs to MFI reported by NCGTC as on 31.03.2022	No of Beneficiaries under CGPAN as reported by NCGTC as on 30.09.2022	Sanctioned by MFI to Small Borrowers as reported by NCGTC	Disbursement by MFIs to Small Borrowers as reported by NCGTC
			Amount	Amount
10,000	9,765.04	24,28,127	9,478.89	9,464.44

11. Representations from SCs, STs, OBCs and PWDs in financial sector institutions.

Department of Personnel & Training (DoP&T) in the Ministry of Personnel, Public Grievances and Pension, is the Nodal Department for implementation of the reservation policy for Scheduled Castes (SCs) & Scheduled Tribes (STs) in the Government of India. Instructions regarding reservation in recruitment and promotion are issued by DoP&T from time to time. Department of Financial Services (DFS), circulates these instructions to the Public Sector Banks (PSBs), Public Sector Financial Institutions (PSFIs), Public Sector Insurance Companies (PSICs), Reserve Bank of India (RBI), Insurance Regulatory and Development Authority of India (IRDAI) and Pension Fund Regulatory and Development Authority (PFRDA) for implementation.

These organizations implement the reservation policies issued by DOP&T from time to time, after adoption by their respective Board of Directors. Similarly, the instructions issued by DOP&T from time to time, on the welfare of SCs/STs category employees, are also circulated to all PSBs, PSFIs, PSICs, RBI etc for implementation.The date of implementation of Reservation policy for SCs/STs in Direct Recruitment is the date on which the Banks were nationalized or constituted. In Promotion, the date of effect is 01.01.1978 or from the date on which the Bank came into existence, whichever is later

Details of representations from SCs/STs/OBCs and Persons with Disabilities (PWDs) in Public Sector Banks / Financial Institutions and Insurance Companies is at ***<u>Annexure I & II</u>*** respectively.

12 Vigilance

Department of Financial Services (DFS) is the Administrative Department for Public Sector Banks (PSBs), Public Sector Insurance Companies (PSICs) and Financial Institutions (FIs). An Additional Secretary level officer has been designated as Chief Vigilance Officer of the Department. He is assisted by Joint Secretary level officer, Director, Under Secretary and Section Officer in the discharge of his functions. The Vigilance Section in the DFS deals with, inter alia, the following matters pertaining to PSBs, PSICs and FIs: -

a. Consultation with CVC/CTE/CBI on matters relating to complaints, vigilance clearance, sanction of prosecution and any other matter of -;

   (i) Board level appointees of PSBs, FIs, PSICs, PFRDA, IRDA and RBI.

   (ii) All officials in the Department of Financial Services, officers of office of Custodian and Government officials in DRTs/ DRATs.

b. Appointment of CVOs in PSBs, FIs and PSICs.

12.1.1 Performance

a) 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 holds meeting with CVOs in this Department at appropriate intervals.

b) 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.

c) Vigilance Awareness Week was observed from 31.10.2022 to 04.11.2022.

13. 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, at present, has one sitting Judge on its strength. To support their day to day functioning, the office of the Special Court functions with a staff of 26 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 05.12.2022 a total number of pending matters in the Special Court are 86 which includes, Suits and Special Cases (Criminal).

14. Office of the Custodian

To assist the Custodian in discharging the duties under the Special Court (TORTS) Act, 1992, at present there are two offices functioning at New Delhi and at Mumbai. The Delhi office handles the Administration and Establishment matters of both the offices of Custodian and also deals with Supreme Court cases. The Mumbai Office mainly deals with the Court matters of Special Court, which is presided over by a sitting Judge of Hon'ble Bombay High Court. Apart from that Mumbai Office also manages attached properties of notified persons involved in security scam. The sanctioned strength of the Office of the Custodian has been reduced from 29 to 18 (excluding the post of Custodian) with effect from 01.03.2022. The charge of Custodian has also been given to a Joint Secretary level Officer of Department of Financial Services with effect from 11.04.2022.

Since inception, a total of 13417 cases were filed in the Special Court, which were defended/contested by the Custodian and 13341 cases have been disposed of by the Special Court, leaving a balance of 76 cases for their disposal as on 30th November, 2022. The total outstanding liabilities of notified parties were for Rs.41,976 crore as against the assets to the tune of Rs.5,424 crore, out of which Rs.1118 crore are non-recoverable assets. Till 30th November 2022, Rs.11,532 crores (approx.) has been recovered by the Custodian and out of these assets, Rs.7,138 crore has been distributed to Income Tax Department, Banks and others.

15 Debt Recovery Appellate Tribunal/Debt Recovery Tribunal

a. Mandatory e filing of cases amounting to Rs 100 crore and above

Notification dated 22.07.2021 issued by the Department whereby e-filing of cases amounting to Rs 100 Crore or above has been made mandatory before DRTs.

The e-filing of cases would enable the banks and financial institutions to file the cases online. The filing of cases would be easier through e-filing as the documents can be uploaded on the website and would be easily accessible while virtual hearing of the cases. The online submission of fee would be an easier option for the litigants. Even if the last date of limitation is approaching, with the facility of e-filing the cases can be filed within the limitation period and there will be no delay in filing the cases.

b. The details of application filed and disposed in DRTs during the period from 01.04.2022 to 20.12.2022 are as under: -

Applications	Filed during the period from 01.04.2022 to 20.12.2022	Disposed of 01.04.2022 to 20.12.2022
OA	32753	20787
SA	15827	9700
Total	48580	30487

c. Recovery effected by Debts Recovery Tribunals (DRTs) in the Financial Year 2022-23 (up to 30.11.2022)

As per the provisional data made available by all DRTs, a recovery of Rs. 4,953.89 crore has been made by DRTs in the Financial Year 2022-23 (upto 30.11.2022).

d. **e-DRT Project**

The e-DRT project to digitize the functioning of all 39 Debts Recovery Tribunals (DRTs) and 5 Debts Recovery Appellate Tribunals (DRATs) has been implemented by Department of Financial Services (DFS) through National Informatics Centre (NIC). The e-DRT project has automated the full cycle of workflow of DRATs and DRTs, which has brought transparency and has also increased their efficiency. It has enabled the Tribunals to ensure online availability of case related information. Further, e-filing of cases by the litigants has also been enabled in e-DRT software from 24.01.2020, with the provision of online court fee payment using the BharatKosh Payment Gateway.

During the financial year 2022-23, following new features have been introduced which are as under: -

- Helpdesk support for e-DRT system has been enabled for the convenience of the users/litigants. This allows the users to register their complaints/ problems/suggestions relating to the use of e-DRT system. It helps in getting feedback regarding the services for making suitable modifications in the system for smooth operation of the e-DRT portal.

- Chatbot has been enabled which act as automated virtual assistant to reply to the queries raised by the users through text messages.
- MIS reports are being generated for effective monitoring and functioning of DRTs/DRATs. Search option has been enabled in e-DRT system to extract information relating to case details of applicants/respondents.

16 Information Technology and Cyber Security

Key initiatives of the Department of Financial Services in the year 2022-23 are as below:

(a) Identification of Critical Information Infrastructure in financial sector.

Critical Information Infrastructure (CII) has been defined in the Information Technology Act, 2000 as the computer resource, the incapacitation or destruction of which shall have debilitating impact on national security, economy, public health or safety. With a view to identifying CII in the financial services sector, this Department plays a pivotal role in coordinating with Regulators (Reserve Bank of India, Insurance Regulatory and Development Authority of India & Pension Fund Regulatory and Development Authority) and NCIIPC for identifying and notification of critical infrastructure of regulators as also its regulated entities. To streamline the process of identification of CII within financial services sector and to build a clear roadmap and pipeline for identification of CIIs in banking, insurance and pension sector, a Standard Operating Procedure (SOP)has been put in place, in consultation with NCIIPC. As of now, Real Time Gross Settlement (RTGS) System, National Electronic Fund Transfer (NEFT) System and e-Kuber System of RBI, Core systems of NPCI, State Bank of India, Life Insurance Corporation of India, ICICI Bank, HDFC Bank, Punjab National Bank, Bank of Baroda, Union Bank of India, Kotak Mahindra Bank, Canara Bank and Axis Bank were notified as protected systems.

(b) Website security & quality audit

Web Application Security Audit of this Department's Website, which is conducted annually has been completed by Indian Computer Emergency Response Team (CERT-In) empanelled auditor and the certificate of the same has been issued to this Department. Website quality Certification of this Department's website [under E-Government Development Index (EGDI) exercise], conducted every three years as per Guidelines for Indian Government Websites (GIGW) requirement was undertaken by Standardisation Testing and Quality Certification (STQC) and the certificate on the same was issued to this Department.

(c) Cyber Crisis Management Plan

The purpose of Cyber Crisis Management Plan (CCMP) is to establish the strategic framework and actions to prepare for, respond to and begin to coordinate recovery from a cyber incident. CCMP has been put in place in this Department in October, 2020 and had been duly updated for the year.

17 Disposal of Public Grievances

(a) 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. This is achieved through the CPGRAMS. 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.

(b) The maximum permissible time for resolution of grievances permitted earlier was 45 days which is now reduced to 30 days by Department of Administrative Reforms and Public Grievances (DARPG) vide its Office Memorandum dated 27.07.2022. Same was communicated to RBI/IRDAI/ All PSBs/PSICs/FIs vide this Department letter dated 05.08.2022 for taking necessary action. Regular monitoring of adherence to time lines is done by Department of Financial Services.

(c) In 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 30 days. These directions are followed by all organisations under the Department of Financial Services. Action taken reports are uploaded on the system and a scanned copy of the reply is provided to the complainant that can be viewed by the complainant online. Replies through post are also sent to those complainants who have lodged their grievances physically. In addition, a dedicated Grievance Handling Cell has been set up in the Department, which is accessible at the Telephone No. 23346785 and email address sobo3-dfs@nic.in.

(d) The Banks and Insurance Companies have grievance redressal mechanism in place and are also hosted on their respective websites. 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 of India (IRDAI), respectively. The PSBs have also established Ombudsman for settlement of grievances.

(e) IRDAI has set up IRDAI Grievance Call Centre (IGCC) which receives complaints through a toll-free telephone number and by email and registers complaints apart from furnishing the status of the resolution. 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.

	Life Insurance Companies	Private Life Insurance Companies	LIC	General Insurance Companies	Private General Insurance Companies	Public General Insurance Companies
Grievances Resolved	99.92 %	99.72 %	99.98%	97.44%	97.22%	97.78%

(f) The Reserve Bank of India (RBI) has launched 'The Reserve Bank Integrated Ombudsman Scheme, 2021' on 12.11.2021. The Scheme integrates the existing three Ombudsman Scheme of RBI namely – (i) the Banking Ombudsman Scheme, 2006 (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018 and (iii) the Ombudsman Scheme for Digital Transaction, 2019. In addition to integrating the three existing schemes also includes under its ambit Non-Scheduled Primary Co-operative Banks with a deposit size of Rs.50.00 crore and above. The scheme adopts "One Nation One Ombudsman mechanism".

(g) There are 17 Insurance Ombudsman set up by IRDAI. The Offices of Insurance Ombudsman are under the administrative control of nine-member body i.e. Council for Insurance Ombudsmen (CIO), which has been constituted under the Insurance Ombudsman Rules, 2017. The object of these Rules is to resolve complaints of all personal lines of insurance, group insurance policies, policies issued to sole proprietorship and micro enterprises on the part of Insurance companies and their agents and intermediaries in a cost effective and impartial manner.

(h) In case the petitioners are not satisfied with the kind of disposal by the concerned Banks/Insurance Companies, they can file their complaints with the Ombudsmen concerned for the settlement of their grievance through mediation and passing of awards.

The status of complains in Insurance Ombudsman as of March 2022 is as below:

	Complaints at the beginning of the year		**Complaints Received during the year 21-22**		**Disposed off during the year 21-22**		**Outstanding as on 03-2022**	
	Total Number	**%**	**Total Number**	**%**	**Total Number**	**%**	**Total Number**	**%**
Life	1515	34.25	17584	42.94	17902	44.17	1197	24.72
Non-life	462	10.45	3893	09.51	3988	09.84	367	07.58
Health	2446	55.30	19470	47.55	18637	45.99	3279	67.70
TOTAL	**4423**	**100**	**40947**	**100**	**40527**	**100**	**4843**	**100**

Source: Annual report of CIO 2021-22

(i) As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2022 to 30.11.2022 in respect of banking and insurance sectors are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2022	% of Disposal as on 30.11.2022	Less than 30 days old	More than 30 days old
Banking (Pg)	8028	173088	172794	8322	95.40%	7593	729
Insurance (Pg.)	1025	22485	22693	817	96.52%	774	43
Total	**9053**	**195573**	**195487**	**9139**	**95.53%**	**8367**	**772**

(j) As per CPGRAMS database the details of receipt, disposal and pending grievances during the period 01.04.2022 to 30.11.2022 in respect of banking and insurance sectors for COVID-19 grievances are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2022	% of Disposal as on 30.11.2022	More than 3 days old
Banking	132	6698	6700	130	98.10%	119
Insurance	20	958	972	6	99.39%	4
Total	**152**	**7656**	**7672**	**136**	**-**	**123**

(k) In January 2021, DARPG has started Appeal Mechanism in CPGRAMS wherein the customers who are not satisfied with the resolution of their grievance canappeal for review by higher Authorities. Since there was provision of creation to Sub-appellate authority, a Sub-appellate authority was created in all PSBs/PSICs/ FIs/ IRDAI/RBI and at each Section level in DFS. In view of large number of appeals, Directors/Deputy Secretary/ Joint Director in DFS have been nominated as Appellate Authorities assigning specific organizations (PSBs/ PSICs/FIs/IRDAI/RBI) under control of DFS for monitoring and disposing of the appeals.

(l) As per CPGRAMS database (Appeal Portal) the details of receipt, disposal and pending appeal during the period 01.04.2022 to 30.11.2022 in respect of banking and insurance sectors for Appeal are as follows:

Sector	Brought Forward	Received	Disposed	Pending as on 30.11.2022	% of Disposal as on 30.11.2022	Less than 30 days old	More than 30 days old
Banking	2142	32111	33401	852	97.51%	807	45
Insurance	141	3690	3677	154	95.98%	149	5
Total	**2283**	**35801**	**37078**	**1006**	**97.36%**	**953**	**50**

18 Right to Information (RTI) Act, 2005

Coordination section in Department of Financial Services is the nodal section for implementation of the RTI Act, 2005. The applications received under the RTI Act, 2005 are disposed by the Central Public Information Officers (CPIOs) and the Appellate Authorities (AAs) designated for each of the sections of this Department.

As per RTI Act, any citizen can seek information under RTI by making an appropriate application in writing along with the prescribed fees to the Central Public Information Officer, Department of Financial Services,3rdFloor, Jeevan Deep Building, Parliament Street, New Delhi-110091 and/or can also file an RTI under RTI Act, 2005, on Online Portal available at www.rtionline.gov.in

During FY 2021-22, 7457 RTI Applications and 261 First Appeals were received on various matters related to Banking, Insurance and pension. All the applications and appeals were replied/disposed of within the stipulated time as prescribed under the RTI act, 2005.

Section 4 of the RTI Act casts an obligation on every public authority to make certain suo-moto disclosures on its website. DFS has also made such suo-moto disclosures on its website, regarding information on various functions, powers and duties etc. with respect to DFS.

19 Audit Paras

A summary of Audit observations made available by the Office of C&AG pertaining to DFS is at ***Annexure-III.***

Annexure I

Group-wise representation of Scheduled Castes, Scheduled Tribes, Other Backward Classes, Economically Weaker Section upto 30.11.2022

Group	Number of Employees (as on 31.12.2021)					Number of appointments/promotions made during the calendar year 2022 (i.e. 01.01.2022 to 30.11.2022)														
						Appointment by Direct Recruitment					Appointment by Promotion					Appointment by Other Methods				
	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Group-A	469160	86047	38649	113681	1518	12452	2018	955	3589	1198	40553	7556	3206	10433	1	19	4	0	9	0
Group-B	22833	3366	1470	4271	169	0	0	0	0	0	27	12	1	3	0	1	1	0	0	0
Group-C	336641	60163	25965	81393	3615	9972	1544	803	2468	1044	5362	1323	417	1192	0	1033	318	95	245	45
Group-D (Excluding Safai Karamchari)	89356	26167	6631	21682	132	4704	745	439	1663	255	29	7	1	3	0	351	122	51	82	0
Group-D (Safai Karamcharies)	29966	14031	2204	7833	11	1666	585	140	556	26	0	0	0	0	0	220	100	26	49	13
Total	**947956**	**189774**	**74919**	**228860**	**5445**	**28794**	**4892**	**2337**	**8276**	**2523**	**45971**	**8898**	**3625**	**11631**	**1**	**1624**	**545**	**172**	**385**	**58**

Sources: PSBs, PFIs, PSICs & Regulators

Annexure-II

Group-wise representation of Persons with Disabilities up to 30.11.2022

Group	Number of Employees (as on 31.12.2021)					Number of appointments/promotions made during the calendar year 2022 (i.e. 01.01.2022 to 30.11.2022)																	
						Appointment by Direct Recruitment									Appointment by Promotion								
						No. of vacancies reserved				No. of appointments made					No. of vacancies reserved				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
Group-A	280207	8353	3454	14265	184	153	226	155	198	3339	136	67	117	45	39	48	45	20	15980	224	55	374	0
Group-B	21525	4	1	26	0	2	2	2	3	0	0	0	0	0	2	2	1	1	0	0	0	0	0
Group-C	189402	5899	2077	8823	209	118	207	135	167	1799	108	66	109	20	190	22	222	8	3059	20	12	66	0
Group-D (Excluding SafaiKaramchari)	46519	2043	571	1600	6	28	29	28	28	2042	20	8	36	3	0	0	0	0	10	0	0	0	0
Group-D (SafaiKaramcharies)	22227	1002	255	989	1	16	17	17	16	1682	8	8	46	4	0	0	0	0	0	0	0	0	0
Total	559880	17301	6358	25703	400	317	481	337	412	8862	272	149	308	72	231	72	268	29	19049	244	67	440	0

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) ID stands for Intellectual Disability.

Sources: PSBs, PFIs, PSICs & Regulators

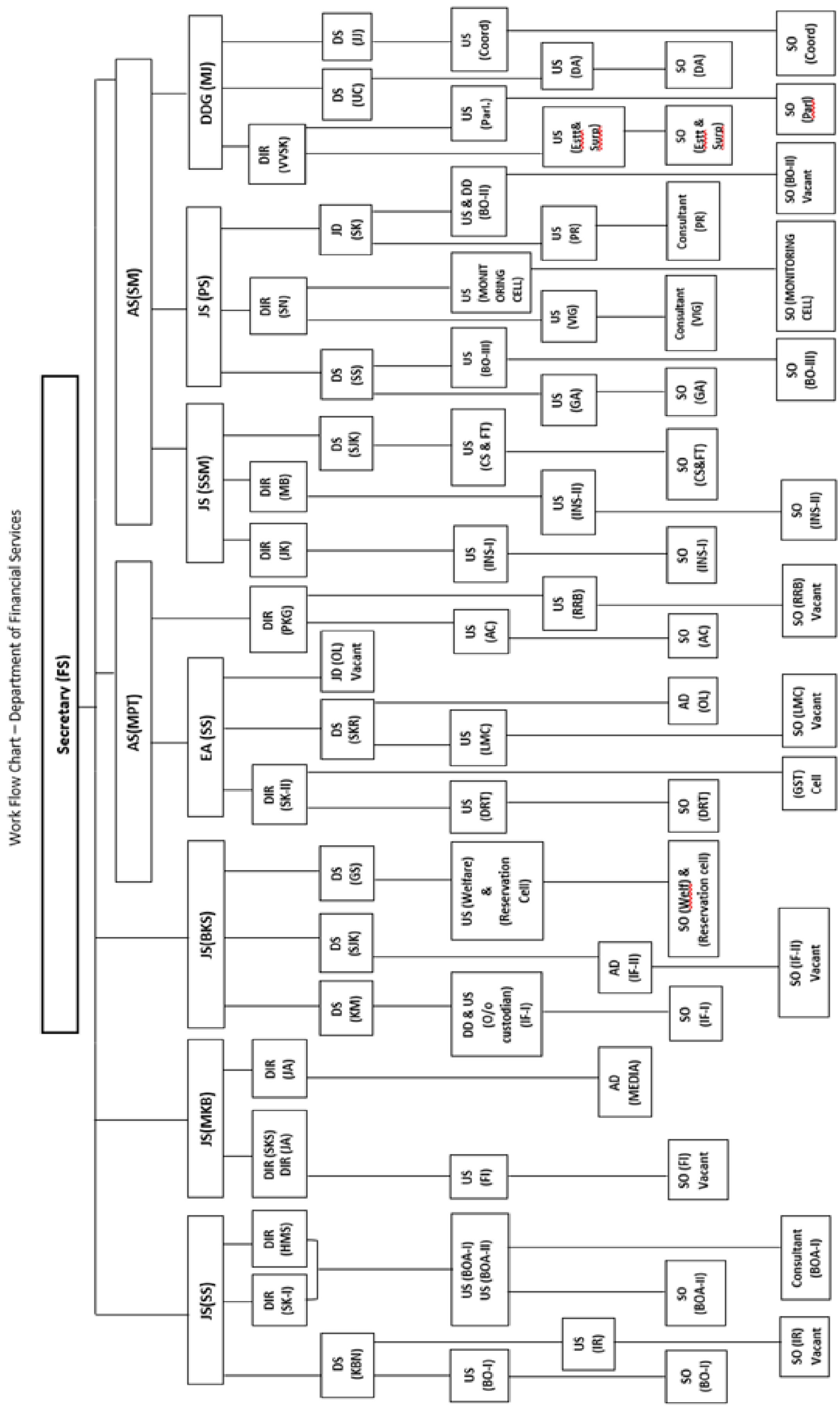
ANNEXURE-III

Summary of important observations included in Audit Reports

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 Audit but have not been submitted by the Ministry to the PAC
1	2021-22	Nil	Entire Report*	Nil	Nil

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 Audit but have not been submitted by the Ministry to the PAC
1	2013-14	1	Nil	Nil	Nil
2	2014-15	1	Nil	2	Nil
3	2015-16	1	Nil	1	Nil
4	2016-17	1	Nil	4	Nil
5	2017-18	Nil	Nil	3	Nil
6	2018-19	Nil	Nil	8	Nil
7	2019-20	Nil	Nil	3	Nil
8	2020-21	Nil	2	Nil	Nil
9	2021-22	Nil	1 (Entire Report) *	Nil	Nil

* Report No.1 of 2022 (Audit Report on Third Party Administrators in Health Insurance business of Public Sector Insurance Companies)


Work Flow Chart – Department of Financial Services
Secretary (FS)
AS(SM)
AS(MPT)
DDG (MJ)
JS (PS)
JS (SSM)
EA (SS)
JS(BKS)
JS(MKB)
JS(SS)
DS (JJ)
DS (UC)
DIR (VVSK)
JD (SK)
DIR (SN)
DS (SS)
DS (SJK)
DIR (MB)
DIR (JK)
DIR (PKG)
JD (OL) Vacant
DS (SKR)
DIR (SK-II)
DS (GS)
DS (SJK)
DS (KM)
DIR (JA)
DIR (SKS) DIR (JA)
DIR (HMS)
DIR (SK-I)
DS (KBN)
US (Coord)
US (Parl.)
US & DD (BO-II)
US (MONITORING CELL)
US (BO-III)
US (CS & FT)
US (INS-I)
US (AC)
US (LMC)
US (DRT)
US (Welfare) & (Reservation Cell)
DD & US (O/o custodian) (IF-I)
US (FI)
US (BOA-I) US (BOA-II)
US (BO-I)
US (DA)
US (Estt& Surp)
US (PR)
US (VIG)
US (GA)
US (INS-II)
US (RRB)
AD (IF-II)
AD (MEDIA)
US (IR)
SO (DA)
SO (Estt & Surp)
Consultant (PR)
Consultant (VIG)
SO (GA)
SO (CS&FT)
SO (INS-I)
SO (AC)
AD (OL)
SO (DRT)
SO (Welf) & (Reservation cell)
SO (IF-I)
SO (FI) Vacant
SO (BOA-II)
SO (BO-I)
SO (Coord)
SO (Parl)
SO (BO-II) Vacant
SO (MONITORING CELL)
SO (BO-III)
SO (INS-II)
SO (RRB) Vacant
SO (LMC) Vacant
(GST) Cell
SO (IF-II) Vacant
Consultant (BOA-I)
SO (IR) Vacant

Chapter - VI

Department of Public Enterprises (DPE)

1 Public Enterprises Survey

The Department of Public Enterprises brings out the Public Enterprises Survey on the performance of Central Public Sector Enterprises (CPSEs), which is laid in the Parliament every year.

As per PE Survey 2021-22 there were 389 Central Public Sector Enterprises under the administrative control of various Ministries/ Departments as on 31.3.2022. Out of 389 CPSEs, 248 are in Operation of which 188 CPSEs showed profit during 2021-22, 59 CPSEs incurred losses during the year, and 1 CPSE has no profit no loss. The ‘Net Profit’ of 188 profit making CPSEs was ₹ 2.64 Lakh crore in 2021-2022 and the ‘Net Loss’ of 59 loss making CPSEs stood at ₹ (-) 0.15 Lakh crore during the year. The profit of profit making CPSEs increased by 39.85% and the total loss of loss making CPSEs declined by 37.82% during Financial Year 2021-22. The overall Net Profit of the 248 operating CPSEs increase by 50.87% to ₹ 2.49 lakh crore in 2021-22 from ₹1.65 lakh crore in 2020-21. The contribution of CPSEs to the Central Exchequer increased from ₹ 4.97 lakh crore in 2020-21 to ₹ 5.07 lakh crore in 2021-22.

A comparison of performances of CPSEs during 2021-22 vis-a-vis the previous year i.e. 2020-21, is at **Annexure-2**.

2. Organisation and Autonomy of CPSEs

The endeavour of the Government is to make Central Public Sector Enterprises (CPSEs) autonomous Board managed companies. Under Articles of Association, the Board of Directors of CPSEs enjoys autonomy in respect of recruitment, promotion and other service conditions of below board level employees. The Board of Directors of a CPSE exercises delegated powers subject to broad policy guidelines issued by Government from time to time.

2.1 Structure of Boards of CPSEs:

The Board of Directors of CPSEs essentially consist of three types of Directors namely Government Directors, Functional Directors and Independent (Non-Official) Directors. The Boards are headed by a Chairperson cum Managing Director. As per the extant guidelines the number of functional Directors should not exceed 50% of the actual strength of the Board and the number of Government nominee Directors shall be restricted to a maximum of two. In case of listed CPSEs with executive chairman, the number of non-official Directors shall be at least 50% of the Board strength. In case of unlisted and listed CPSEs with non-executive chairman, at least one-third of the Board Members shall be non-official Directors.

2.1.1 Chairperson cum Managing Director:

Appointment of CMD on the Board of CPSE is made by the concerned administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and after completing due formalities in this regard.

2.1.2 Government Directors:

The Government Directors are generally senior officers of the Government of India, State Government(s) or other Government agencies who are nominated to the Boards of CPSEs by the concerned administrative Ministries in ex-officio capacity. The dual role of a Government Director is clearly demarcated i.e. as a Director of the company and representative of the Government. As Director of the company, they are bound to exercise due diligence and act in the best interest of the company keeping in view the provisions of the Companies Act 2013. Government being the major shareholder in CPSEs, they are also required to protect its interest. In doing so, they can take formal instructions from the Government on critical issues and voice them in the meetings of the Board of the company. They are required to provide timely feedback on decisions taken by the company to their administrative Ministry/Department/organization.

In respect of the matters having substantial financial and other consequences to the Government (a) as a shareholder and (b) on the policies of Government arising in the Board meetings, the Government Director is required to escalate them to the concerned Ministry and take their advice to formally prepare a view point of the Ministry and present the same in the Board of Directors meeting. The Government Director should also regularly sensitize the Board about the relevant Government Guidelines (including DPE Guidelines) and compliance of the same.

If the Board of a CPSE decides contrary to the Government policy, the Government Director should voice the concern of the Government and get his/her dissent or disagreement recorded in the Minutes of the Board meeting and report the same to the Ministry/Department. The Government Director is required to submit a quarterly report on the issues deliberated by the Board, which in his/her view merit attention of the Government and raise alerts when things are not happening as expected in the company.

2.1.3 Functional Directors

The functional directors are executive heads of the concerned functional areas of a CPSE and perform their executive role in the respective fields allotted to them.

viz Operations, Finance, Marketing, Human Resources etc. The functional Directors are appointed on the Boards of CPSEs by the concerned administrative Ministry on the basis of recommendations of Public Enterprises Selection Board (PESB) after obtaining approval of competent authority and after completing due formalities in this regard. PESB is under the administrative jurisdiction of Department of Personnel & Training. PESB issues the advertisement, shortlists candidates and holds selection interviews for selection to the posts of functional Directors. The functional Directors are appointed for a tenure of 5 years or till their superannuation whichever is earlier.

2.1.4 Non-Official (Independent) Directors: -

The presence of Non-Official Directors (NoDs) on the Boards of CPSEs is important for sound Corporate Governance as their constructive role is essential for smooth and transparent functioning of the company. The NoDs play an important role in various committees of Boards viz. Audit Committee, Nomination & Remuneration Committee, CSR Committee etc.

The proposals for appointment of Non-Official Directors (NoDs) on the Boards of CPSEs are initiated by the concerned administrative Ministry which submits a panel of names to DPE with the approval of their competent authority. DPE places such proposals before the Search Committee, which presently consists of Secretary (DoPT) as Chairperson, Secretary (DPE), Secretary of the Administrative Ministry/ Department of the concerned CPSE and 2 non-official Members. The concerned Administrative Ministry/ Department appoints the Non-Official Director on the basis of recommendations of Search Committee after completing due formalities in this regard and after obtaining the approval of competent authority. The non-official Directors are appointed for tenure of 3 years. Details of the qualifying standards for being eligible to be appointed as NoD is at **Annexure-3**

2.2 Maharatna Scheme

The main objective of the Maharatna scheme which was introduced in 2010 is to empower mega CPSEs to expand their operations and emerge as global giants. The Boards of such CPSEs have been delegated enhanced powers in the areas of (i) capital expenditure, (ii) investment in joint ventures/subsidiaries, (iii) mergers & acquisitions, (iv) human resources management, etc. During the year 2022-23, one CPSE, namely, REC Limited was granted Maharatna status.

2.3 Navratna Scheme

The Government introduced the Navratna scheme, in 1997, to identify Central Public Sector Enterprises (CPSEs) that had comparative advantages and to support them in their drive to become global giants. Under this scheme, the Boards of Navratna CPSEs have also been delegated autonomy enhanced powers in the areas of (i) capital expenditure, (ii) investment in joint ventures/ subsidiaries, (iii) mergers & acquisitions, (iv) human resources management, etc.

2.4 Miniratna Scheme

In October 1997, the Government decided to grant enhanced autonomy and delegation of financial powers to some other profit-making companies subject to certain eligibility conditions and guidelines to make them efficient and competitive. These companies, called Miniratnas, are in two categories, namely, Category- I and Category-**II**.

2.5 The salient features of Maharatna, Navratna & Miniratna scheme and list of these CPSEs are provided at **Annexure-4** and **Annexure-5** respectively.

2.6 Performance Appraisal of Board Level Executives of CPSEs:

2.6.1 DPE has laid down the guidelines for annual performance appraisal of functional Directors of CPSEs which, inter-alia, prescribe the format, time schedule, components of Annual Performance Appraisal Reports (APARs) and their relative weight, channel of submission, etc. The performance assessment of functional Directors of CPSEs is determined in the following manner:

Designation	Weightage			
	MOU score/ rating	Targets flowing from MOU assigned to Directors	Personal attributes and functional competencies of the officer	Total
Chairman cum Managing Director (CMD)	75	-	25	100
Functional Director	40	35	25	100

2.6.2 Channel of Submission:

Channel of submission of APAR of Board Level Incumbents of CPSE is generally as under:

Sl No.	Officer whose PAR is to be written	Reporting Authority	Reviewing Authority	Accepting Authority
1	Executive Chairman/CMD/MD	Secretary Admin. Ministry/Departments	Minister In-charge	Minister In-charge
2	Functional Directors	Executive Chairman/CMD/MD	Secretary Admin. Ministry/Departments	Minister In-charge

3. Wage Policy and Manpower Rationalization

The Department of Public Enterprises (DPE) functions as the nodal Department for policy relating to pay revision of CPSE executives at Board as well as below Board level and non-unionized supervisors. DPE also issues guidelines for wage settlement negotiations in case of workmen in CPSEs. The Department renders advice to the Administrative Ministries/ Departments and CPSEs in matters relating to revision in pay scales of executives and also for the wage policy negotiations of workmen. The CPSEs are largely following the Industrial Dearness Allowance (IDA) pattern of scales of pay. However, in some CPSEs, Central Dearness Allowance (CDA) pattern of scales of pay is also followed. DPE issues quarterly DA orders in respect of IDA employees. The DA orders for CDA employees of CPSEs are issued for six monthly period.

3.1 Pay Revision for employees of CPSEs:

3.1.1 Pay Revision for Executives and Non-Unionised Supervisors of IDA pattern in CPSEs:

(i) The third Pay Revision Committee (PRC) was constituted under the Chairmanship of Justice (Rtd.) Shri Satish Chandra to consider and recommend pay scales for Board and Below Board level executives and non-unionized supervisors of CPSEs under IDA pattern of pay scale. Based on the recommendations of the third PRC and Government's decisions thereon, the revised pay scale guidelines effective from 1st January, 2017 were issued vide DPE OMs dated 03.08.2017, 04.08.2017 and 07.09.2017.

(ii) The revised pay scales and allowances recommended by third PRC were based on the basic premise of affordability. These pay scales and allowances would be implemented subject to the condition that the additional financial impact in the year of implementing the revised pay-package for Board and Below Board level Executives and Non-Unionized Supervisors should not be more than 20% of the Average Profit Before Tax (PBT) of the last three financial years preceding the year of implementation. All the expenditure on this account will be met by the CPSE implementing the revised pay scales & allowances and no budgetary support shall be provided by the government.

3.1.2 Pay Revision for employees of CDA pattern in CPSEs:

For the employees of CPSEs following the CDA pattern, DPE vide OM dated 17.08.2017 issued guidelines for revision of pay scales and allowances w.e.f. 01.01.2016. The benefit of pay revision is allowed to the employees of those CPSEs that are not loss making and are in a position to absorb the expenditure on account of pay revision from their own resources without any budgetary support from the Government. Further, DPE vide OMs dated 21.05.2018 and 04.07.2019 conveyed the Government decision on allowances applicable to CDA employees of CPSEs.

3.1.3 Wage Revision for Workmen under IDA pattern in CPSEs:

DPE has issued policy guidelines for the 8th Round of Wage Negotiations with unionized workmen of CPSEs (effective from 01.01.2017) vide its OM dated 24.11.2017. The validity of the wage negotiation as per para 2(xi) of DPE OM dated 24.11.2017 would be minimum period of five years for those who opted for a five-year periodicity and for a maximum period of ten years for those who have opted for a ten-year periodicity of wage negotiation w.e.f. 01.01.2017.

3.2 Guidelines recently issued:

3.2.1 DPE has issued DA orders in respect of CDA pattern pay scales in cases of 5th, 6th & 7th CPC for the CPSEs employees. Similarly, industrial DA rates on quarterly basis (January, April, July & October) were also revised for employees of the 2017/2007/1997/1992 & 1987 pay scales of CPSEs.

3.2.2 DPE issued guidelines vide OM dated 21.02.2022 regarding additional Transport allowances payable to Person with Disability (PWD) employees kept outside the overall ceiling of cafeteria approach as mentioned in DPE OM dated 03.08.2017 extending the benefit to under privileged class of society.

3.2.3 DPE vide OM dated 02.12.2022 has issued guidelines regarding reimbursement of rent/Payment of HRA to Board level and below Board level executives, Non-Unionized Supervisors and CVO of CPSEs during their temporary stay (up to a maximum period of six months) in Guest Houses run by CPSE/Central Government /State Government / Autonomous Organizations etc.

4. Categorization of CPSEs

4.1 The Public Sector Enterprises are categorized into four Schedules namely ‘A’, ‘B’, ‘C’ & ‘D’. The categorization of CPSEs has implications mainly for organizational structure and salary of Board level incumbents of the concerned CPSE. It also plays a role in grant of autonomy to the Boards of CPSEs under ‘Ratna’ scheme.

4.2 The initial categorization of CPSEs in the mid-sixties was made on the basis of their importance to the economy and complexities of their problems. Over the years the Department of Public Enterprises has evolved norms for the purpose of categorization/re-categorization of CPSEs. Categorization is based on both quantitative factors like investment, capital employed, net sales, profit before tax, number of employees and units, capacity addition, revenue per employee, sales/capital employed, capacity utilization, value added per employee and qualitative factors such as national importance, complexities of problems being faced by the company, level of technology, prospects for expansion and diversification of activities and competition from other sectors etc. The other factors, wherever available, relate to share price, MoU ratings, Maharatna/Navratna/ Miniratna status and ISO certification. In addition, the factor relating to the critical/Strategic importance of the CPSE is also taken into account. At present there are 70 Schedule ‘A’, 69 Schedule ‘B’, 44 Schedule ‘C’ and 5 Schedule ‘D’ CPSEs. The Schedule-wise list of CPSEs is given in **Annexure-6**.

4.3 Procedure for Categorization: Proposal for categorization of a CPSE is initiated by the concerned Administrative Ministry/Department and submitted to DPE. The latter examines such proposals in consultation with the Public Enterprises Selection Board (PESB) and then the approval of Minister In-charge is obtained through Cabinet Secretary.

5. Monitoring & Evaluation

5.1 Memorandum of Understanding:

A Memorandum of Understanding (MoU) is a negotiated agreement between the administrative Ministry/ Department and the management of respective Central Public Sector Enterprises (CPSEs). Under this, CPSEs undertake to achieve targets set in the MoU. In MoU evaluation, the performance of CPSEs on selected parameters is compared with the determined targets. The inclusion of a MoU helps make ‘management’ of the enterprise accountable to the government.

5.1.1 Scope:

All CPSEs (Holding as well as Subsidiaries) are required to sign a MoU. The holding CPSEs sign the MoU with their Administrative Ministries/ Departments, while the subsidiaries sign the MoU with their respective holding companies.

5.1.2 Institutional arrangements for Implementation of MoU Policy:

a) **High Powered Committee (HPC)**: The High-Powered Committee is the Apex body under MoU system for laying policy guidelines. HPC is headed by the Cabinet Secretary and comprises following members: CEO (NITI Aayog), Finance Secretary, Secretary (Expenditure), Secretary (Statistics & Programme Implementation), Chairman (Public Enterprises Selection Board), Chief Economic Advisor (Economic Affairs) and Secretary (DPE).

(**b**) **Inter-Ministerial Committee (IMC):** The IMC finalise the sectoral template/ CPSE wise MoU parameters. The purpose of sectoral templates is to select and identify the parameters and weightages relevant to the core business activities in that sector and or CPSE. IMC will also set the requisite levels of performance against each of the parameters, so decided, as benchmarked targets. The IMC comprises Secretary (DPE) as Chairman, Representative of Chief Economic Advisor (Department of Economic Affairs), Department of Expenditure, MoSPI, NITI Aayog and Secretary/ representative of Administrative Ministry as special invitee and any other expert co-opted on need basis.

5.1.3 MoU Framework (FY 2021-22 & onwards)

Based on the recommendations of the HPC, the framework for MoU System using an online dashboard for the target setting and performance evaluation of CPSEs has been put in place and made applicable from FY 2021-22 & onwards. The parameters included in the revised MoU process are market oriented, reflecting the shareholders’ interest in terms of growth in revenue, EBITDA margin, return on net worth, return on capital employed, asset turnover ratio, and market capitalization. Adequate weightage has also been given to production linked parameters pertaining to CPSE's core operations. All the parameters are quantifiable and verifiable from the documents in public domain. Besides, certain government's priorities/ programmes such as procurement from MSEs, CSR, etc. have also been included for compliance by CPSEs, the non- compliance of which would result in deduction of marks. The revised MoU framework also provides for benchmarking based on growth and emerging trends of the sector, vision that has been worked by the Ministry about the sector, and peer performance.

5.1.4 MoU Score and Rating

The CPSEs will be allotted marks proportionately for achievement of target figure for each parameter. Score on all parameters would be added to arrive at MoU score. The rating system of CPSEs based on the MoU score is as follows:

Aggregated Score	Rating
90≤Score≤100	Excellent
70≤Score<90	Very Good
50≤Score<70	Good
33≤Score<50	Fair
0≤Score<33	Poor

6. Corporate Social Responsibility (CSR)

6.1 As per Section-135 of the Companies Act, 2013, all profit-making corporates, including Central Public Sector Enterprises (CPSEs) exceeding threshold limits prescribed in the Act, i.e., net worth of Rs. 500 crore; or turnover of Rs. 1000 crore or net profit of Rs. 5 crore are mandated to spend at least 2% of the average net profits (Profit Before Tax) of the company made during the three immediately preceding years.

6.2 The CPSEs are required to follow the provisions contained in Section-135 of the Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014 notified thereunder by Ministry of Corporate Affairs and the Schedule-VII of the Act, which lists the activities that can be undertaken under CSR.

6.3 Based on the recommendations of CPSEs Conclave held in April, 2018 and with the approval of competent authority, Department of Public Enterprises has issued guidelines on 10.12.2018 to all administrative Ministries & CPSEs for adopting a theme based focused approach every year on CSR expenditure by CPSEs. These guidelines inter-alia provide that CSR expenditure for such thematic programmes should be around 60% of annual CSR expenditure of CPSEs and the aspirational districts identified by NITI Aayog may be given preference. The common theme identified for the FY 2022-23 is 'Health & Nutrition'.

6.4 DPE organized a workshop on the Corporate Social Responsibility with special focus on Aspirational Districts on 10th June, 2022 at Mahatma Mandir, Gandhinagar. The daylong workshop brought together CSR stakeholders, i.e., CPSEs, representatives from Aspirational Districts, NITI Aayog and Civil Society Organizations on one platform for experience sharing and developing appropriate models of interventions which would be sustainable and complement existing Government interventions in area of health & nutrition, etc. Hon'ble Minister of State (Finance) inaugurated the workshop virtually which was attended by more than 200 participants from various CPSEs, senior officers of district administration from Aspirational Districts and representatives of civil society organizations.

7. Schemes for 'Counselling, Retraining and Redeployment (CRR)' and 'Research, Development and Consultancies (RDC)'

7.1 Counselling, Retraining and Redeployment (CRR):

The Scheme for Counselling, Retraining and Redeployment (CRR) of Rationalized Employees of Central Public Sector Enterprises (CPSEs) is being implemented by Department of Public Enterprises (DPE) as a Central Sector Scheme since 2001-02. CRR Scheme was modified in November, 2007 in order to widen its scope and coverage. One dependent of Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS) optee is also eligible in case the VRS/VSS optee is not interested for self. The scheme has been subsequently modified in February, 2016 in order to broaden the network of training providers and also to follow standardized methodology of training, design and delivery. Under this scheme, a tripartite agreement is signed between DPE, National Skill Development Fund under the Ministry of Skill Development & Entrepreneurship and National Skill Development Corporation to provide skill training as per National Skills Qualification Framework to employees of CPSEs who left service under VRS/VSS or their dependents.

7.1.1 Objective of the CRR Scheme

(i) Bringing separated employees of CPSEs into the mainstream economy and thereby contribute to national income

(ii) Reorientation of VRS/VSS optees or dependents to enable them to adjust to new environment and adopt new vocations

(iii) Skill development of VRS/VSS optees or dependents for redeployment

(iv) Provide opportunities of self/wage employment to the VRS/VSS optees or their dependents who successfully complete skill training

7.1.2 Elements of the CRR scheme

Counselling: Counselling is the basic pre-requisite of the rehabilitation programme of the separated employees. The separated employees need psychological counselling to absorb the distress of loss of assured livelihood and to face the new challenges and also needs support to plan his compensation amount prudently. He/she also needs to be made aware of the new environment of market opportunities so that he/she may, depending upon his/her aptitude and expertise, take up economic activities and continue to be in the production process.

Retraining: The objective of such training is to help the separated employees for rehabilitation. The trainees will be helped to acquire necessary skill/expertise/orientation to start new vocations and re-entre the productive process after loss of their jobs. These training programmes will be short duration programmes according to the trade decided during counselling.

Redeployment: It will be the endeavour to redeploy such rationalized employees in the production process through the counselling and retraining efforts. At the end of the programme, VRS/VSS optee or dependent should be able to engage themselves in alternate vocations of self/wage employment. Although there cannot be any guarantee that the separated employee will be assured of alternate employment, yet possible help from the identified nodal training agencies as well as from the CPSEs concerned would be extended to them for starting new vocations.

7.1.3 The CPSEs are the key to the success of the scheme. They are expected to extend all possible support for the welfare of the separated employees by clearing their compensation/dues before release. Long association with employees puts CPSEs in a better position to identify their retraining needs. In order to reinforce this linkage, DPE jointly with National Skill Development Corporation (NSDC) organized a half-day workshop on CRR scheme at New Delhi on 18th October, 2022 to familiarise the executives of CPSEs with the features and benefits of CRR scheme which was attended by 53 participants from various CPSEs. The representatives of various Sector Skill Council presented the details of job roles available for VRS optees and their dependents. DPE now plans to organize similar workshops with CPSEs having significant number of VRS optees.

7.1.4 Year wise number of persons trained under the scheme is shown as under:

Year	Number of VRS optees trained
2001-02	8,064
2002-03	12,066
2003-04	12,134
2004-05	28,003
2005-06	32,158
2006-07	34,398
2007-08	9,728
2008-09	9,772
2009-10	7,400
2010-11	9,265
2011-12	9,400
2012-13	7,506
2013-14	3,230
2014-15	2,525
2015-16	3,150
2016-17	1,576
2017-18	1,792
2018-19	1528
2019-20, 2020-21 & 2021-22	1,141

7.1.5 The following sectors and job roles have been selected for the skill training during the year 2022-23 under ongoing CRR-V project.

S. No.	Sector	Job Role
1	IT-ITES	Data Entry Operator
2	Telecom	CCE – Call Centre
3	IT	Data Entry Operator
4	Management	Retail Team Leader

7.2 Scheme of Research, Development and Consultancies (RDC):

7.2.1 DPE is implementing Central Sector Scheme of Research Development and Consultancies (RDC) for the executives of Central Public Sector Enterprises (CPSEs) and State Level Public Enterprises (SLPEs). Under this scheme, Management Development Programmes on various topics for increasing the knowledge & skillsets of executives of CPSEs and SLPEs are organized at various centres of excellence such as IIMs, IITs, IIPA New Delhi etc. The details of implementation of the scheme during last three years are as under:

Year	Budget Estimates (Rs. crore)	Revised Estimates (Rs. crore)	Actual Expenditure (Rs. crore)	Programmes Organized (Nos.)	Persons covered (Nos.)
2019-20	6.00	6.00	5.15	31	886
2020-21	6.00	3.27	2.95*	5	355
2021-22	5.15	4.54	4.54	46	2152

* Due to situation arising from outbreak of COVID-19 pandemic, trainings could not be organized.

7.2.2 DPE is to organise 22 training programmes and 9 workshops during the year 2022-23 under the RDC Scheme in residential/non-residential/synchronous mode through institutes such as IITs/IIMs/ IICA etc.

7.2.3 In addition, 5 orientation programmes for non-official Directors and one orientation programme for Government Directors of CPSEs are also being organized under RDC scheme during the year 2022-23.

7.2.4 Statement of Scheme wise Expenditure for the year 2021-22 is enclosed at **Annexure-7.**

8. Implementation of New Public Sector Enterprises (PSE) Policy

8.1 The Government notified the new Public Sector Enterprise (PSE) Policy on 4th February, 2021. The new PSE policy envisages classification of CPSEs into Strategic and Non-Strategic Sectors and exempts certain CPSEs such as that setup as not for profit companies under the Companies Act, 2013 or those providing support to vulnerable groups or having developmental/ promotional roles, etc, from the scope of the policy. The policy proposes that in Strategic Sector, bare minimum presence of the existing public sector enterprises at holding company level will be retained under the Government control. The remaining enterprises in Strategic Sector will be considered for privatization or merger or subsidiarization with another CPSE or for closure. CPSEs in Non-Strategic Sector shall be considered for privatization, where feasible, otherwise such enterprises shall be considered for closure.

8.2 The Department of Public Enterprises (DPE) has been brought under the Ministry of Finance vide notification dated 6th July, 2021 of Cabinet Secretariat. Vide order dated 17th August, 2021 of Finance Secretary, demarcation of certain responsibilities between DIPAM and DPE has been done. DPE has been entrusted with the responsibility to identify CPSEs for closure or privatization in Non-Strategic Sector in consultation with administrative Ministries/Departments. DPE is also required to drive the closure process for CPSEs approved for closure. For implementation of the above, a Disinvestment Division has been created in DPE.

8.3 In order to operationalize the New Public Sector Enterprise (PSE) Policy for CPSEs in Non-Strategic Sector and to drive the closure process of CPSEs identified for closure, DPE has prepared guidelines in consultation with D/o Expenditure, D/o Economic Affairs, D/o Revenue, DIPAM and NITI Aayog. These guidelines have been issued on 13.12.2021and are provided at **Annexure-8**.

8.4 The salient features of the guidelines are given below:

i) identification of the CPSEs either for closure or privatization in Non-Strategic Sector will be done in consultation with the concerned Administrative Ministries/Departments, NITI Aayog, Department of Expenditure and DIPAM. In this regard, Committee of Group of Officers (CGO) has been constituted;

ii) seeking 'in-principle' approval of the CCEA regarding the CPSEs identified for closure and/ or for disinvestment in Non -Strategic Sectors;

iii) the details of CPSEs approved for disinvestment by CCEA will be communicated to DIPAM for taking necessary action as per its extant procedure. Whereas, DPE will drive the process for CPSEs approved for closure and

iv) transfer of leasehold land of CPSEs under closure to the respective state governments. The freehold land will be transferred to National Land Monetization Corporation (NLMC), a Special Purpose Vehicle (SPV) set up for their disposal. The alienation of land from the CPSEs under closure will help in expediting the closure process.

8.5 Incorporation of National Land Monetization Corporation: In pursuance of the Budget announcement 2021 and based on the approval of the Cabinet on 09.03.2022 "National Land Monetization Corporation" (NLMC), as a 100% GoI owned company, has been incorporated on 03.06.2022 under the administrative control of Department of Public Enterprises to carry out the monetization of non-core assets of CPSEs as well as other Government agencies.

9. Voluntary Retirement Scheme (VRS)

9.1 As a result of the restructuring in some Central Public Sector Enterprises (CPSEs), Government announced the Voluntary Retirement Scheme (VRS) in October, 1988. A comprehensive scheme was later notified by the Department of Public Enterprises (DPE) in May, 2000.

9.2 VRS in CPSEs that can support the scheme on their own

Enterprises, which are financially sound and can sustain VRS on their own, can frame their own schemes of VRS and make it attractive enough for employees to opt for it. They may offer as compensation upto 60 days salary (only Basic Pay +DA) for every completed year of service. Such compensation will, however, not exceed the salary for the balance period of the service left.

9.3 VRS in marginally profit or loss Making / sick / unviable CPSEs

Marginally profit /loss making CPSEs as well as sick and unviable units may adopt either of the following models:

Gujarat Model, under which the compensation is computed by allowing 35 days salary for every completed year of service and 25 days for each year of the balance service left until superannuation subject to the condition that compensation shall not exceed the sum of salary for the balance period left for superannuation.

Department of Heavy Industry (DHI) model, under which ex-gratia payment made is equivalent to 45 days emoluments (Pay + DA) for each completed year of service or the total emoluments for the balance period of service, whichever is less. The employees who have completed not less than 30 years of service will be eligible for a maximum of 60 (sixty) months' salary/wage as compensation and this will be subject to the amount not exceeding the salary/wage for the balance period of service left.

10. Executive Development Programmes

10.1 The Central Public Sector Enterprises (CPSEs) design their own human resource development programmes to upgrade skills and knowledge of middle and senior level executives by giving them training in various fields of management development through their own management institutes or outsourcing the services of premier management training institutions in India.

10.2 Secretary, DPE is an ex-officio member of the Executive Board and Governing Council of the Standing Conference of Public Enterprises (SCOPE), New Delhi.

10.3 Secretary, DPE is member on the Board of Governors of the Institute of Public Enterprise, Hyderabad.

10.4 India is a founder Member of International Centre for Promotion of Enterprises (ICPE) headquartered in Slovenia. It was established as an inter-Governmental organisation of developing countries for improving the performance of their public enterprises as Strategic instrument of economic and social development. ICPE pursues its goals by carrying out research, education, training, consultancy work and disseminating information through documentation and publishing activities directed towards bridging the gap between theory and practice on a wide range of issues pertaining to corporate governance, management and other related fields.

11. Reservation in Services for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Others, in the CPSEs

11.1 The Personnel and Recruitment Policies in respect of appointments against below Board level posts are formulated by the management of respective CPSEs. However, on matters of general importance, policy guidelines are issued by the Government of India to the enterprises so as to enable them to frame their individual corporate policies. Furthermore, formal Presidential Directives are issued to CPSEs by the concerned administrative Ministries to ensure reservation in regard to employment for Scheduled Castes, Scheduled Tribes and Other Backward Classes (OBCs), on similar lines as applicable in the Central Government Ministries/ Departments. DPE through its OM dated 25.02.2015 has stipulated that those instructions as issued by Government in respect of reservations to SC/ ST/ OBC/ Disability & Ex-servicemen are to be taken as *mutatis mutandis* extended to all the CPSEs concerned unless specified otherwise by DPE.

11.2 A comprehensive Presidential Directive incorporating all important instructions on reservation for SCs and STs was issued by DPE to all the administrative Ministries/Departments concerned on 25th April, 1991 for formal issuance of the same to CPSEs. Necessary changes and modifications are also circulated to CPSEs through their administrative Ministries/ Departments for information and compliance.

11.3 Subsequently, based on the recommendation of the Second Backward Classes Commission (Mandal Commission) and in accordance with the Hon'ble Supreme Court Judgment in the Indira Sawhney case, instructions were issued for providing reservation of 27% of vacancies in favour of Other Backward Classes (OBCs). Reservation for OBCs was made effective w.e.f. 8.9.1993. The Department of Personnel & Training (DoPT) which formulates the policy in respect of reservation in services has been issuing instructions from time to time on various aspects of reservation in respect of OBCs. Department of Public Enterprises (DPE) has been extending these instructions to CPSEs through their administrative Ministries for compliance. A comprehensive Presidential Directive incorporating these instructions was forwarded by the Department of Public Enterprises to all administrative Ministries vide DPE's OM dated 27th July, 1995 for formal issuance to the CPSEs under their control.

11.4 Further in terms of DPE OM dated 25-10-2017, all executives i.e. Board & below board level will be considered as creamy layer subject to the proviso that those executives whose annual income as per criterion given in DoPT OM dated 08-09-1993 is less than Rs. 8 lakhs (as amended vide DoPT OM dated 13-09-2017) will not fall under creamy layer criteria. It is for the concerned CPSE to issue the necessary orders for the posts covered under creamy layer criteria on the above-mentioned principle.

11.5 DPE has issued Presidential Directive on 11.3.1997 to all the administrative Ministries /Departments concerned with the CPSEs in follow-up of DoPT instructions for employment of physically challenged persons in CPSEs. With the enactment of the Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995, the reservation to physically challenged persons have been extended to identified Group 'A' and 'B' posts to be filled through Direct Recruitment. As per the 'The Rights of Persons with Disabilities Act, 2016, not less than 4% posts shall be reserved for persons with disabilities.

11.6 DPE has also extended instructions vis-à-vis the scheme for reservation for Ex-servicemen in CPSEs through the administrative Ministries/ Departments. Instructions for streamlining the procedure for recruitment of Ex-servicemen have also been issued with a view to augment their in-take in CPSEs. Such CPSEs, which are in a position to offer agencies/dealerships, have been advised to reserve quota of such agencies/dealership for allotment to Ex-servicemen.

11.7 The instructions issued by DoPT vide its OM dated 19.01.2019 & 31.01.2019 and DO letter dated 21.01.2019 in respect of 10% reservation to Economically Weaker Sections (EWSs) are also mutatis mutandis extended to all the CPSEs in terms of DPE OM dated 25.01.2019 and 01.02.2019.

11.8 The need to ensure timely filling up of reserved posts and the backlog has been stressed through various instructions issued from time to time. All administrative Ministries/Departments have been requested to advise the CPSEs under their administrative control to take effective steps to fill up the unfilled reserved posts in Direct Recruitment as well as in Promotion in accordance with the existing instructions. Further, the DoPT has issued instructions from time to time to launch a Special Recruitment Drive (s) to fill up backlog of reserved vacancies for SCs, STs & OBCs in CPSEs. DPE has also extended these instructions to all administrative Ministries/Departments dealing with CPSEs to fill up these vacancies in a time bound manner.

11.9 The present quota for providing reservation for candidates belonging to Scheduled Castes, Scheduled Tribes and OBCs as well as other categories of persons entitled to reservation of vacancies is shown below:

Category	Quota for Reservation
Scheduled Castes	15%
Scheduled Tribes	7.50%
Other Backward Classes	27%
Physically Handicapped Persons	4%
Economically Weaker Sections (EWSs)	10%

As per policy of reservation for Ex-servicemen & Dependents of those killed in action, 14.5% posts in respect of skilled workers and 24.5% post in respect of un-skilled posts are reserved for Ex-servicemen in CPSEs.

12. Official Language Policy

12.1 DPE's Hindi Section is primarily responsible for implementation of the various provisions of the Official Language Act 1963 and the Rules framed there under. Hindi Section is also responsible for translation of documents required to be issued under Section 3(3) of the Official Language Act, 1963. As more than 80% of the staff of this Department knows Hindi, the Department has been notified under rule 10(4) of the Official Language Rules, 1976.

12.2 Resolutions, notifications, notices, circulars, papers etc. to be laid on the Table of the both houses of Parliament have been issued bilingually during the year 2021-22. Efforts were also made to promote original correspondence in Hindi. The Official Language Implementation Committee of DPE continues to function under the Chairmanship of the Joint Secretary.

12.3 To create awareness and expanding the use of Hindi as Official Language, Hindi Pakhwada was organized by the Department from 14th September, 2022 to 29th September, 2022. During the Hindi Pakhwada five competitions namely, Hindi Shrutlekh, bhasha Gyan, Hindi nibandh and Chitra varnan and Kavita path were organized for the officers and staff including officials on contract basis. Certificates and Rewards have been felicitated to successful employees on 15.12.2022.

12.4 Annual Public Enterprises Survey on the working of Central Public Sector Enterprises is presented in the Parliament every year by this Department. This is very voluminous and comprehensive document brought out by the Department simultaneously in English and Hindi.

13. Procurement by CPSEs from MSEs and through GeM

13.1 The Government of India notified the Public Procurement Policy for Micro & Small Enterprises (MSEs) in 2012 to be administered by Ministry of Micro, Small & Medium Enterprises. The objective of this policy is to promote and develop MSEs by supporting them in marketing of products & services. As per provisions of this policy, w.e.f., 2012-13, every CPSE should achieve an overall procurement goal of minimum 20% of total annual purchase from MSEs in a period of three years. Of the 20% target of annual procurement from MSEs, a sub-target of 4% must be earmarked for procurement from MSEs owned by SC/ST entrepreneurs. At the end of three years (i.e., from FY 2015-16), the overall procurement goal of minimum 20% would be mandatory. This policy was amended on November 9, 2018 to increase the minimum annual procurement from MSEs from 20% to 25% and to mandate procuring minimum 3% out of the 25% from MSEs owned by women, in addition to 4% to be procured from MSEs owned by SC/ST entrepreneurs.

13.2 Government e-Marketplace (GeM) which is hosted by Directorate General of Supplies & Disposals (DGS&D), is a paperless, cashless, & system-driven e-market place that enables procurement of common-use goods & services with minimal human interface. It is a dynamic, self-sustaining, & user-friendly portal for procurement by offices of various Government Ministries & Departments, CPSEs, & autonomous bodies of the Central Government. DGS&D has developed GeM with technical support of National e-Governance Division, Ministry of Electronics & Information Technology.

13.3 DPE has been engaging with the CPSEs to ensure that the CPSEs comply with the provisions relating to procurement from MSEs and enhance their procurement through GeM portal. In line with support measures announced by the Government for MSEs, procurement by CPSEs from MSEs during the year 2021-22 was around 32% as against the mandated 25%. During the year 2022-23 (till December, 2022), procurement by the CPSEs from MSEs has further increased to 35.59%.

13.4 Continuous engagement with stakeholders has ensured manifold increase in procurement by CPSEs from GeM. Cumulative procurement from MSEs has risen from Rs. 7,035 crores in the financial year 2020-21 to Rs. 45,970 crores in financial year 2021-22. It stands at Rs.55,618 crore in the financial year 2022-23 as on December, 2022.

13.5 Trade Receivables Discounting System (TReDS) - TReDS is an electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. These receivables can be due from corporates and other buyers, including Government Departments and Public Sector Undertakings. DPE has been continuously engaging with the CPSEs and their administrative Ministries/Departments to register CPSEs on TReDS portal and to increase usage of TReDS portal. 177 CPSEs are now registered on the TReDS portal which account for 98% of total procurement by CPSEs. In order to facilitate more effective use of the TReDS portal by the CPSEs and ensure timely payments to MSE vendors as provided in the MSMED Act, 2006, a parameter with a weight of 5 marks on '*timely acceptance/rejection of goods and services by the CPSEs through TReDS portal within stipulated time (15 days)*' has been introduced in the MoU framework for the year 2022-23. DPE has directed all CPSEs to include a clause/provision with reference to payment terms through TReDS platform in their standard tender document/notice inviting tenders for procurement. Financial Advisers of all administrative Ministries/Departments have also been requested to monitor usage of TReDS portal by the CPSEs under their administrative control.

13.6 Workshops on Procurement by CPSEs with special focus on vendor interface with Micro & Small

Enterprises (MSEs) and vendor interface with GeM on 11th June, 2022 at Mahatma Mandir, Gandhinagar- These interactive workshops aimed at encouraging and promoting public procurement by MSEs (vendors or potential vendors) from CPSEs. The workshops offered insights on Government initiatives to support MSEs, existing best practices, opportunity for networking, discussions, between CPSEs and MSEs to discuss business opportunities and resolve any issues or concerns. During the workshop, an overview of GeM was also presented along with its new initiatives, sharing of success stories on GeM and immersive presentation by MSEs and Start-ups. Buyers & Sellers perspectives were also presented in the workshop through a panel discussion. These workshops were attended by more than 300 participants (169 from MSEs and 146 from CPSEs).

13.7 DPE organized a workshop on procurement by CPSEs from MSEs on 21st December, 2022 at New Delhi with the support of Ministry of Micro, Small & Medium Enterprises and in collaboration with SCOPE. The workshop drew unprecedented response as it was attended by more than 200 senior officials from 77 CPSEs and more than 50 invitees from various Industry associations, besides senior officers from DPE, Ministry of MSME and SCOPE. The technical sessions of the workshop were addressed by senior officials of Ministry of MSME, NIC, National SC/ST Hub, RBI and TReDS platforms with interactive presentations. Representatives of Industry Associations were also given the platform to present their views and raise their concerns. A specific interactive session with senior GeM officials was also conducted to address the problems being faced by CPSEs in operation of GeM portal.

14. Events organized by DPE under the aegis of Azadi ka Amrit Mahotsav

DPE organized a series of events under the aegis of Azadi ka Amrit Mahotsav during the iconic week of 6th to 12th June, 2022 as per following details:

i. an Outreach program on the new MoU dashboard at Kasauli on 09.05.2022 for CPSEs of Power Generation, Power Transmission & Finance sectors; followed by programs regarding MoU dashboard guidelines at Gandhinagar on 10.06.2022 for CPSEs Oil Exploration, Oil Marketing, Gas Transmission, Fertilizers, Manufacturing, Consultancy & Construction, Mining, Steel, Coal, Trading & Services Sectors, and at Delhi on 28.06.2022 for CPSEs of Multiproduct, Consultancy & Construction, Manufacturing, and Trading & Services Sectors.

ii. an exhibition on ‘Nation Building and CPSEs’ from 9th to 12th June, 2022 at Mahatma Mandir (Gandhinagar) - 75 CPSEs had set up stalls showcasing their products and services.

iii. a roundtable conference of CEOs of CPSEs on ‘Role of CPSEs for a self-reliant India’ on 9th June, 2022 at Mahatma Mandir (Gandhinagar).

iv. a plantation drive across the country by CPSEs to plant 75,000 saplings in their offices, townships, production units, etc.

v. a workshop on the Corporate Social Responsibility (CSR) with special focus on aspirational districts on 10th June, 2022 at Mahatma Mandir (Gandhinagar).

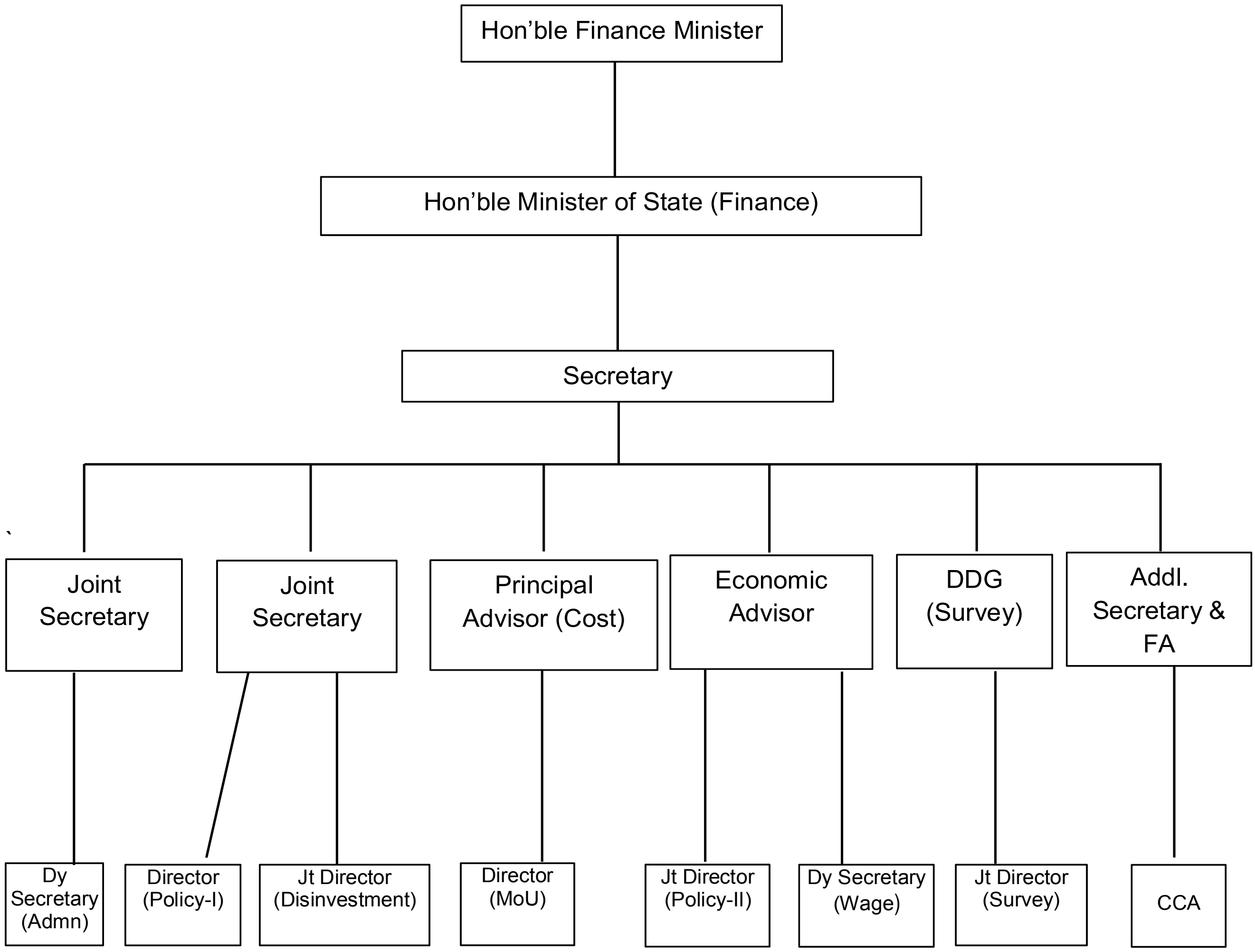
vi. an interactive workshop on procurement by CPSEs with special focus on vendor interface with micro & small enterprises (MSEs) and vendor interface with GeM on 11th June, 2022 at Mahatma Mandir (Gandhinagar) which was attended by more than 300 participants (169 from MSEs and 146 from CPSEs).

vii. 15 CPSEs are developing some of their townships as Mini Smart Cities as per parameters identified by Ministry of Housing & Urban Affairs.

Annexure-1

Department of Public Enterprises

Organogram



Annexure-2

Table 1: Performance of CPSEs during 2021-22

Sl No.	Item/Indicator	2020-21 (Rs. Crore)	2021-22 (Rs. crore)	% Change
1.	Gross Revenue of (operation) CPSEs	24,08,243	31,94,592	32.65
2.	Total paid up capital of all CPSEs	2,84,432	3,69,261	29.82
3.	Investment (equity plus long-term loans) of all CPSEs	21,57,917	22,81,090	5.71
4.	Capital employed (Paid up capital + long term loans and reserves & surplus) of all CPSEs	32,92,882	35,21,047	6.93
5.	Profit of (profit making) CPSEs	1,88,703	2,63,895	39.85
6.	Loss of (loss making) CPSEs	-23,458	-14,586	*37.82**
7.	Overall Net Profit	1,65,245	2,49,309	50.87
8.	Reserves and Surplus of all CPSEs	11,34,966	12,39,957	9.25
9.	Net Worth of all CPSEs	13,81,007	15,57,882	12.81
10.	Contribution of all CPSEs to Central Exchequer	4,96,551	5,07,193	2.14

* *The total loss of loss making CPSEs has declined showing improvement of 37.82%.*

Annexure-3

Details of Eligibility Criteria for appointment as Non-Official (Independent) Directors:

Details of Eligibility Criteria for appointment as Non-Official (Independent) Directors:

Criteria of Experience:

(i) Retired Government officials with a minimum of 10 years' experience at Joint Secretary Level or above.

(ii) Persons who have retired as CMD/CEOs of CPSEs and Functional Directors of the Schedule 'A' CPSEs. The ex-Chief Executives and ex-Functional Directors of the CPSEs will not be considered for appointment as non-official Director on the Board of the CPSE from which they retire. Serving Chief Executives/Directors of CPSEs will not be eligible to be considered for appointment as non-official Directors on the Boards of any CPSEs.

(iii) Academicians/Directors of Institutes/Heads of Department and Professors having more than 10 years teaching or research experience in the relevant domain e.g. management, finance, marketing, technology, human resources, or law.

(iv) Professionals of repute having more than 15 years of relevant domain experience in fields relevant to the company's area of operation.

(v) Former CEOs of private companies if the company is (a) listed on the Stock Exchanges or (b) unlisted but profit making and having an annual turnover of at least Rs.250 crore.

(vi) Persons of eminence with proven track record from Industry, Business or Agriculture or Management.

(vii) Serving CEOs and Directors of private companies listed on the Stock Exchanges may also be considered for appointment as part-time non-official Directors on the Boards of CPSEs in exceptional circumstances.

Criteria of Educational Qualification

Minimum graduate degree from a recognized university.

Criteria of Age

The age band should be between 45-65 years (minimum/ maximum limit)

This could, however, be relaxed for eminent professionals, for reasons to be recorded, being limited to 70 years.

Annexure-4

Salient Features of Ratna Scheme (Maharatna/Navratna/Miniratna)

1. Maharatna Scheme

1.1 Eligibility Criteria:

The CPSEs meeting the following eligibility criteria are considered for Maharatna status:

a) Having Navratna status

b) Listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations

c) An average annual turnover of more than Rs.25,000 crore during the last 3 years

d) An average annual net worth of more than Rs.15,000 crore during the last 3 years

e) An average annual net profit after tax of more than Rs.5,000 crore during the last 3 years

f) Should have significant global presence/ international operations.

1.2 Procedure for grant/divestment of Maharatna status: - The procedure for grant of Maharatna status as well as their review is similar to that in vogue for the grant of Navratna status.

1.3 Powers delegated to Maharatna CPSEs: -

1.3.1 The Boards of Maharatna CPSEs in addition to exercising all powers to Navratna CPSEs, exercise enhanced powers in the area of investment in joint ventures/subsidiaries and creation of below Board level posts. The Boards of Maharatna CPSEs have powers to (a) make equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad and (b) undertake mergers & acquisitions, in India or abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE in one project, limited to an absolute ceiling of Rs.5,000 crore (Rs. 1,000 crore for Navratna CPSEs). The overall ceiling on such equity investments and mergers and acquisitions in all projects put together will not exceed 30% of the net worth of the concerned CPSE. In addition, the Boards of Maharatna CPSEs have powers to create below Board level posts upto E-9 level.

1.3.2 The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Maharatna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case to case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the board meeting.

2. Navratna scheme:

2.1 **Eligibility criteria**: The CPSEs which are Miniratna I, Schedule 'A' and have obtained 'excellent' or 'very good' MOU rating in three of the last five years and have a 'Composite Score' of performance to be 60 or above in six identified performance parameters are eligible to be considered for grant of Navratna status. The composite score is calculated on the basis of performance of the concerned CPSEs during the last three years. For calculation of composite score, 6 performance indicators have been identified based on their general applicability to the CPSEs. The performance indicators have been chosen so as to capture the performance of CPSEs irrespective of their belonging to manufacturing sector or services sector. The 6 identified performance indicators are: -

S.N.	Performance Indicator	(Maximum Weight)
1	Net Profit to Net worth	25
2	Manpower Cost to total Cost of Production or Cost of Services	15
3	PBDIT to Capital employed	15
4	PBIT to Turnover	15
5	Earnings per Share	10
6	Inter Sectoral Performance	20
	Total	**100**

2.2 Procedure for grant/divestment of Navratna status:

The proposals for grant/divestment are initially considered by the Inter-Ministerial Committee and then by the Apex Committee. The recommendations of Apex Committee for grant/divestment of Navratna status are to be placed before Minister (In charge of DPE) for a decision.

2.3 The Powers Delegated to Navratna CPSEs:

2.3.1 **Capital Expenditure: -** The Navratna CPSEs have the powers to incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.

2.3.2 **Technology Joint Ventures and Strategic Alliances: -** The Navratna CPSEs have the powers to enter into technology joint ventures or Strategic alliances and obtain by purchase or other arrangements, technology and know-how.

2.3.3 **Organization Restructuring: -** The Navratna CPSEs have the powers to effect organizational restructuring including establishment of profit centres, opening of offices in India and abroad, creating new activity centres, etc.

2.3.4 **Human Resources Management: -** The Navratna CPSEs have been empowered to create posts upto E-6 level and wind up all posts up to non-Board level Directors and make all appointments up to this level. The Boards of these CPSEs have further been empowered to effect internal transfers and re-designation of posts. The Board of Directors of Navratna CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

2.3.5 **Resource Mobilization: -** These CPSEs have been empowered to raise debt from the domestic capital markets and for borrowings from international market, subject to condition that approval of RBI/Department of Economic Affairs, as may be required, should be obtained through the administrative Ministry.

2.3.6 **Joint ventures and Subsidiaries**: -

(a) The Navratna CPSEs have been delegated powers to establish financial joint ventures and wholly owned subsidiaries in India or abroad with the stipulation that the equity investment of the CPSE should be limited to the following: -

- (i) Rs. 1000 crore in any one project,
- (ii) 15% of the net worth of the CPSE in one project,
- (iii) 30% of the net worth of the CPSE in all joint ventures/ subsidiaries put together.

(b) The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Navratna CPSEs in the following manner:

- (i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.
- (ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case-to-case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.
- (iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the board meeting.

2.3.7 **Mergers and acquisitions**: - The Navratna CPSEs have been delegated powers for mergers and acquisitions subject to the conditions that (i) it should be as per the growth plan and in the core area of functioning of the CPSE, (ii) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (iii) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

2.3.8 **Creation/Disinvestment in subsidiaries**:- The Navratna CPSEs have powers to transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Navratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government and such Navratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

2.3.9 **Tours abroad of functional Directors**: - The Chief Executive of Navratna CPSEs have been delegated powers to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency under intimation to the Secretary of the administrative Ministry.

2.3.10 **Exercise of delegated Navratna powers** is contingent on certain conditionalities.

3. Miniratna schemE:

3.1 Eligibility criteria

(i) **Category-I CPSEs** should have made profit in the last three years continuously, the pre-tax profit should have been Rs.30 crores or more in at least one of the three years and should have a positive net worth.

(ii) **Category-II CPSEs** should have made profit for the last three years continuously and should have a positive net worth.

(iii) These CPSEs shall be eligible for the enhanced delegated powers provided they have not defaulted in the repayment of loans/interest payment on any loans due to the Government.

(iv) These public sector enterprises shall not depend upon budgetary support or Government guarantees.

(v) The Boards of these CPSEs should be restructured by inducting at least three non-official Directors as the first step before the exercise of enhanced delegation of authority.

(vi) The administrative Ministry concerned shall decide whether a Public Sector Enterprise fulfilled the requirements of a Category-I/Category-II company before the exercise of enhanced powers.

3.2 Procedure for grant of Miniratna status: Grant of Miniratna status to a particular CPSE is done by concerned Administrative Ministry/Department.

3.3 Powers Delegated

3.3.1 Capital Expenditure

a) For CPSEs in category I: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 500 crore or equal to net worth, whichever is less.

b) For CPSEs in category II: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 250 crore or equal to 50% of the Net worth, whichever is less.

3.3.2 Joint ventures and subsidiaries:

a) Category I CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be limited to 15% of the networth of the CPSE or Rs. 500 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

b) Category II CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be 15% of the net worth of the CPSE or Rs. 250 crores, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the net worth of the CPSE.

c) The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Miniratna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case-to-case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in meeting.

3.3.3 Mergers and acquisitions: - The Board of Directors of these CPSEs have the powers for mergers and acquisitions, subject to the conditions that (a) it should be as per the growth plan and in the core area of functioning of the CPSE, (b) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (c) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

3.3.4 Scheme for HRD: - To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc. The Board of Directors of these CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

3.3.5 Tour abroad of functional Directors: - The Chief Executive of these CPSEs have the power to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry.

3.3.6 Technology Joint Ventures and Strategic Alliances: - To enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements, subject to Government guidelines as may be issued from time to time.

3.3.7 Creation/Disinvestment in subsidiaries :- To transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Miniratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government and such Miniratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

3.3.8 Exercise of delegated Miniratna powers is contingent on certain conditionalities.

Annexure-5

(List of Maharatna, Navratna & Miniratna CPSEs as on December, 2022)

Maharatna CPSEs

1. Bharat Heavy Electricals Limited
2. Bharat Petroleum Corporation Limited
3. Coal India Limited
4. GAIL India Limited
5. Hindustan Petroleum Corporation Limited
6. Indian Oil Corporation Limited
7. NTPC Limited,
8. Oil & Natural Gas Corporation Limited,
9. Power Finance Corporation
10. Power Grid Corporation of India Limited
11. REC Limited.
12. Steel Authority of India Limited.

Navratna CPSEs

1. Bharat Electronics Limited
2. Container Corporation of India Limited
3. Engineers India Limited
4. Hindustan Aeronautics Limited
5. Mahanagar Telephone Nigam Limited
6. National Aluminium Company Limited
7. National Buildings Construction Corporation Limited
8. Neyveli Lignite Corporation Limited
9. NMDC Limited
10. Oil India Limited
11. Rashtriya Ispat Nigam Limited
12. Shipping Corporation of India Limited

Miniratna CPSEs

Category - I CPSEs

1. Airports Authority of India
2. Antrix Corporation Limited
3. Balmer Lawrie & Co. Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. BEML Limited
7. Bharat Sanchar Nigam Limited
8. Braithwaite & Company Limited
9. Bridge & Roof Company (India) Limited
10. Central Warehousing Corporation
11. Central Coalfields Limited
12. Central Mine Planning & Design Institute Limited
13. Chennai Petroleum Corporation Limited
14. Cochin Shipyard Limited
15. Cotton Corporation of India Ltd.
16. EdCIL (India) Limited
17. Garden Reach Shipbuilders & Engineers Limited
18. Goa Shipyard Limited
19. Hindustan Copper Limited
20. HLL Lifecare Limited
21. HSCL Limited
22. Hindustan Paper Corporation Limited
23. Housing & Urban Development Corporation Limited
24. HSCC (India) Limited
25. India Tourism Development Corporation Limited
26. Indian Rare Earths Limited
27. Indian Railway Catering & Tourism Corporation Limited
28. Indian Railway Finance Corporation Limited
29. Indian Renewable Energy Development Agency Limited
30. India Trade Promotion Organization
31. IRCON International Limited
32. KIOCL Limited
33. Mazagaon Dock Shipbuilders Limited
34. Mahanadi Coalfields Limited
35. MOIL Limited
36. Mangalore Refinery & Petrochemical Limited
37. Mineral Exploration Corporation Limited

38. Mishra Dhatu Nigam Limited
39. MMTC Limited
40. MSTC Limited
41. National Fertilizers Limited
42. National Projects Construction Corporation Limited
43. National Small Industries Corporation Limited
44. National Seeds Corporation
45. NHPC Limited
46. Northern Coalfields Limited
47. North Eastern Electric Power Corporation Limited
48. Numaligarh Refinery Limited
49. ONGC Videsh Limited
50. Pawan Hans Helicopters Limited
51. Projects & Development India Limited
52. Railtel Corporation of India Limited
53. Rail Vikas Nigam Limited
54. Rashtriya Chemicals & Fertilizers Limited
55. RITES Limited
56. SJVN Limited
57. Security Printing and Minting Corporation of India Limited
58. South Eastern Coalfields Limited
59. Telecommunications Consultants India Limited
60. THDC India Limited
61. Western Coalfields Limited
62. WAPCOS Limited

Category-II CPSEs

63. Artificial Limbs Manufacturing Corporation of India
64. Bharat Pumps & Compressors Limited
65. Broadcast Engineering Consultants India Limited
66. Central Railside Warehouse Company Limited
67. Engineering Projects (India) Limited
68. FCI Aravali Gypsum & Minerals India Limited
69. Ferro Scrap Nigam Limited
70. HMT (International) Limited
71. Indian Medicines & Pharmaceuticals Corporation Limited
72. MECON Limited
73. National Film Development Corporation Limited
74. Rajasthan Electronics & Instruments Limited

Annexure-6

(Schedule-Wise List of Central Public Sector Enterprises as on December, 2022)

Schedule- A

1. Airports Authority of India
2. Advanced Weapons and Equipment India Limited
3. Armoured Vehicles Nigam Limited
4. BEML Limited
5. Bharat Electronics Limited
6. Bharat Heavy Electricals Limited
7. Bharat Petroleum Corporation Limited
8. Bharat Sanchar Nigam Limited
9. Central Warehousing Corporation
10. Coal India Limited
11. Container Corporation of India Limited
12. Dedicated Freight Corridor Corporation of India Limited
13. Electronics Corporation of India Limited
14. Engineers India Limited
15. Fertilizers & Chemicals (Travancore) Limited
16. Food Corporation of India
17. GAIL (India) Limited
18. Heavy Engineering Corporation Limited
19. Hindustan Aeronautics Limited
20. Hindustan Copper Limited
21. Hindustan Paper Corporation Limited
22. Hindustan Petroleum Corporation Limited
23. HMT Limited
24. Housing & Urban Development Corporation Limited
25. I T I Limited
26. Indian Oil Corporation Limited
27. IRCON International Limited
28. Indian Railway Finance Corporation Limited
29. Karmyogi Bharat
30. Konkan Railway Corporation Limited
31. KIOCL Limited
32. Mahanagar Telephone Nigam Limited
33. Mangalore Refinery & Petrochemicals Limited
34. Mazagon Dock Shipbuilders Limited
35. MECON Limited
36. MMTC Limited
37. MOIL Limited
38. Mumbai Railway Vikas Corporation Limited
39. Munitions India Limited
40. National Aluminum Company Limited
41. NBCC (India) Limited
42. National Fertilizers Limited
43. New Space India Limited
44. NHPC Limited
45. NMDC Limited
46. National Textiles Corporation Limited
47. NTPC Limited
48. NLC India Limited
49. North Eastern Electric Power Corporation Limited
50. Oil & Natural Gas Corporation Limited
51. Oil India Limited
52. ONGC Videsh Limited
53. Power Finance Corporation Limited
54. Power Grid Corporation of India Limited
55. Power System Operation Corporation Limited
56. RITES Limited
57. RailTel Corporation of India Limited
58. Rail Vikas Nigam Limited
59. Rashtriya Chemicals and Fertilizers Limited
60. Rashtriya Ispat Nigam Limited
61. Rural Electrification Corporation Limited
62. SJVN Limited
63. Security Printing & Minting Corporation of India Limited

64. Shipping Corporation of India Limited
65. Solar Energy Corporation of India Limited
66. State Trading Corporation of India Limited
67. Steel Authority of India Limited
68. Telecommunications Consultants (India) Limited
69. THDC India Limited
70. Yantra India Limited

Schedule- B

1. Air India Asset Holding Company Ltd.
2. Andrew Yule & Company Limited
3. Balmer Lawrie & Company Limited
4. Bharat Coking Coal Limited
5. Bharat Dynamics Limited
6. Bharat Gas Resources Limited
7. Bharat Petro Resources Limited
8. Bharat Pumps & Compressors Limited
9. Brahmaputra Crackers & Polymers Limited
10. Brahmaputra Valley Fertilizer Corporation Limited
11. Biotechnology Industry Research Assistance Council
12. Braithwaite & Company Limited
13. Bridge & Roof Company (India) Limited
14. British India Corporation Limited
15. Burn Standard Company Limited
16. Cement Corporation of India Limited
17. Central Coalfields Limited
18. Central Electronics Limited
19. Central Mine Planning & Design Institute Limited
20. Chennai Petroleum Corporation Limited
21. Cochin Shipyard Limited
22. Cotton Corporation of India Limited
23. Eastern Coalfields Limited
24. Engineering Projects (India) Limited
25. Fertilizer Corporation of India Limited
26. Garden Reach Shipbuilders & Engineers Limited
27. Gliders India Limited
28. Goa Shipyard Limited
29. Handicrafts & Handlooms Export Corporation Limited
30. Hindustan Cables Limited
31. Hindustan Fertilizer Corporation Limited
32. HLL Lifecare Limited
33. Hindustan Newsprints Limited
34. Hindustan Organic Chemicals Limited
35. Hindustan Shipyard Limited
36. Hindustan Steelworks Construction Company Limited
37. HMT (International) Limited
38. HMT Machine Tools Limited
39. HMT Watches Limited
40. India Optel Limited
41. India Tourism Development Corporation Limited
42. India Trade Promotion Organization
43. Indian Drugs & Pharmaceuticals Limited
44. Indian Railway Catering & Tourism Corporation Limited
45. Indian Rare Earths Limited
46. Indian Renewable Energy Development Agency Limited
47. Instrumentation Limited
48. M S T C Limited.
49. Madras Fertilizers Limited
50. Mahanadi Coalfields Limited
51. Mineral Exploration Corporation Limited
52. Mishra Dhatu Nigam Limited
53. National Handloom Development Corporation Limited
54. National Jute Manufacturers Corporation Limited
55. National Projects Construction Corporation Limited
56. National Seeds Corporation Limited
57. National Small Industries Corporation Limited
58. Northern Coalfields Limited
59. Numaligarh Refinery Limited

60. Orissa Mineral Development Company Limited
61. PEC Limited
62. Pawan Hans Limited
63. Projects & Development India Limited
64. Scooters India Limited
65. South Eastern Coalfields Limited
66. Troop Comforts Limited
67. Uranium Corporation of India Limited
68. W A P C O S Limited
69. Western Coalfields Limited

Schedule- C

1. Andaman & Nicobar Islands Forest & Plantation Development Corporation Limited
2. Artificial Limbs Mfg. Corporation of India
3. Brathwaite Burn & Jessop Construction Company Limited
4. Bengal Chemicals & Pharmaceuticals Limited
5. BHEL Electric Machines Limited
6. Bharat Wagon & Engineering Company Limited
7. The Bisra Stone Lime Company Limited
8. Broadcast Engineering Consultants India Limited
9. Central Cottage Industries Corporation of India Limited
10. Central Inland Water Transport Corporation Limited
11. Central Railside Warehouse Company Limited
12. Certification Engineers International Limited
13. Delhi Police Housing Corporation
14. EdCIL (India) Limited
15. FCI Aravali Gypsum & Minerals (India) Limited
16. Ferro Scrap Nigam Limited
17. Hindustan Antibiotics Limited
18. HIL (India) Limited
19. Hindustan Photo Films Manufacturing Company Limited
20. Hindustan Prefab Limited
21. Hindustan Salts Limited
22. HMT Bearings Limited
23. HMT Chinar Watches Limited
24. Hooghly Dock and Port Engineers Limited
25. HSCC (India) Limited
26. Hotel Corporation of India Limited
27. The Jute Corporation of India Limited
28. Karnataka Antibiotics & Pharmaceuticals Ltd
29. Nagaland Pulp & Paper Company Limited
30. National Backward Classes Finance & Development Corporation.
31. National Film Development Corporation Limited
32. National Handicapped Finance & Development Corporation.
33. National Minorities Development & Finance Corporation
34. National Research Development Corporation of India.
35. National Safai Karamcharis Finance & Development Corporation.
36. National Scheduled Castes Finance & Development Corporation
37. National Scheduled Tribes Finance & Development Corporation
38. NEPA Limited
39. North Eastern Handicrafts & Handloom Development Corporation Limited
40. North Eastern Regional Agricultural Marketing Corporation Limited
41. Rajasthan Electronics & Instruments Limited
42. Richardson & Cruddas (1972) Limited
43. STCL Limited
44. Tungabhadra Steel Products Limited

Schedule- D

1. Birds Jute & Exports Limited
2. Hindustan Fluorocarbons Limited
3. Indian Medicines Pharmaceutical Corporation Limited
4. Orissa Drugs & Chemicals Limited
5. Rajasthan Drugs & Pharmaceuticals Limited

Annexure-7

Statement of Scheme Wise Expenditure

Department of Public Enterprises Demand No. 47	**2021-22**		
Scheme			**Rs. In Thousand**
	BE 2021-22	**RE 2021-22**	**Total Expenditure 2021-22 (As on 31.03.2022)**
CRR Scheme			
Publications	0	0	0
Other Administrative Expenses	500	0	0
Professional & Special Services	29,600	25,200	20,848
Grants-in-Aid	500	100	0
CRR Scheme NER (Grant-in Aid)	3,400	1,700	1,700
CRR Total	**34,000**	**27,000**	**22,548**
RDC Scheme			
Domestic Travel Expenses	1,200	700	654
Foreign Travel Expenses	500	0	0
Publications	1,000	4,700	2,116
Other Administrative Expenses	3,000	0	0
Professional & Special Services	29,200	19,400	26,381
Grants-in-Aid	500	100	100
Contribution ICPE	11,000	11,000	11,000
RDC Scheme NER (Grant-in-Aid)	5,100	5,100	5,100
RDC Total	**51,500**	**41,000**	**45,351**
Grand-Total	**85,500**	**68,000**	**67,899**

Annexure-8

Guidelines For Implementation of New Public Sector Enterprises (PSE) Policy for CPSEs In Non-Strategic Sector

1.1 The Government notified the new Public Sector Enterprise (PSE) Policy on 4th February, 2021 for Atmanirbhar Bharat. The new PSE Policy envisages classification of CPSEs into Strategic and Non-Strategic Sectors and exempts certain CPSEs such as that setup as not for profit companies under the Companies Act, 2013 or those supporting vulnerable and weaker sections of society, from the scope of the Policy. The Strategic Sectors as per the policy are as under:

i) Atomic Energy, Space, and Defence

ii) Transport and Telecommunication

iii) Power, Petroleum, Coal, and Other Minerals

iv) Banking, Insurance, and Financial Services

1.2 CPSEs in the Strategic Sector/ Non- Strategic Sector are to be taken up for privatisation, merger, subsidiarisation with another CPSE or for closure. Only a bare minimum presence of CPSEs in the aforesaid Strategic Sector is to be maintained.

1.3 The Department of Public Enterprises (DPE) has been brought under the Ministry of Finance vide notification dated 6th July, 2021 of Cabinet Secretariat and thereafter, Finance Secretary vide order dated 17th August, 2021 demarked certain responsibilities between DIPAM and DPE. DPE has been entrusted with the responsibility to identify CPSEs for closure or privatisation in Non-Strategic sector in consultation with administrative ministries/departments and to take in principle approval from CCEA in respect of such identified CPSEs. Besides, DPE has also been entrusted with the task of setting up a Special Purpose Vehicle (SPV) for asset monetisation once the SPV is approved by the Cabinet. DPE is also required to drive the closure process for CPSEs approved for closure, on the lines of disinvestment process being run by DIPAM.

1.4 Accordingly, the following guidelines are prescribed. The closure guidelines as enumerated below will supersede all the closure guidelines issued earlier.

2. Implementation of new PSE policy by DPE:

2.1 Identification of CPSEs of Non-Strategic Sectors for Closure and Disinvestment: Under the New Public Sector Policy, DPE will identify the CPSEs either for closure or privatization in the Non-Strategic sectors in consultation with the concerned Administrative Ministries/Departments, NITI Aayog, Department of Expenditure and DIPAM.

2.2 Preparation of CCEA Note seeking in-principle: After identification of CPSEs for closure or privatisation under the Non-Strategic sectors, DPE will prepare a Note for in-principle approval of the CCEA regarding the CPSEs identified for closure and/ or for disinvestment in Non-Strategic sectors. Such note(s) for in principle approval of CCEA will preferably be prepared separately for individual sectors falling under the category of “Non-Strategic Sector” of new PSE policy. The CPSEs which are approved in principle by CCEA for disinvestment will be communicated to DIPAM for taking necessary action as per its extant procedure. Closure of CPSEs will be done as per the process outlined below at Para 3.

3. Revised closure process of CPSEs:

3.1 Once, the in-principle decision for closure of a CPSE is obtained from CCEA, an IMC will be constituted by DPE to drive the process of the closure of CPSEs.

3.1.1 The Ministry/Department concerned will proceed to work out the details of the closure. This would *inter-alia* include estimation of budgetary support required for financing the closure of the CPSE, the time-lines and phasing of release of funds from the Central Government and updating of records of the movable and immovable assets of the CPSE etc. The brief details of preparatory activities are enumerated below:

a. **Statutory dues:** The statutory dues/ liabilities towards revenues, taxes, cesses and rates due to Central Government or State Government or to local authorities will be worked out by CPSE under the supervision of its Administrative Ministry/ Department.

b. **Serving Closure Notice:** CPSE to give a general notice to employees and other stakeholders intimating about the intention of closure and also write to the Ministry of Labour and Employment regarding the same, as applicable under Industrial Relations Code, 2020. The CPSE with the approval of the Administrative Ministry should also notify the VRS Scheme

c. **Dues of employees:** Funds required for implementing VRS/VSS/ payment of wages/ salaries and statutory dues in respect of the employees till the time of their release by way of VRS/ VSS/ retrenchment will be worked out.

d. **Liabilities towards Secured Creditors** Estimation of the amount to be paid back to the Secured Creditors based on the offers from them for settlement at minimum value. Administrative Ministry/Department may critically examine the best possible settlement including schedule of payment, waiver of interest and penalties with secured creditors.

e. **Dues payable to the Central Government:** The dues payable to the Central Government availed in the form of loans from time to time, segregated into the principal outstanding amount and the interest thereon shall be worked out.

f. **MAT liability:** In case the proposal involves waiver of outstanding GOI loans (and accrued interest thereon), the MAT liability on the same should also be worked out.

g. **Other liabilities:** All other liabilities including any to the unsecured creditors should be worked out.

h. **Estimation of movable assets:** Updating details of movable assets including plant(s) & machineries and verification of inventory from an independent third party e.g., a firm of Chartered Accountants/Cost Accountants. Besides, Book Value of the movable assets, the current estimated market value and realisable value from their sale will be worked out. Wherever movable assets are on lease, negotiation with the lessor will be done by CPSE to ascertain whether lessor would take it back at market price or would like it to be auctioned. Ascertaining whether movable assets are to be utilised by its holding company (in case of subsidiary), if any or by the administrative Ministry/ Department. Market value of brand name, goodwill, trademarks, etc. of the CPSE under closure may also be worked out. In case, market value cannot be determined, the same shall be transferred to the concerned administrative Ministry/Department of the CPSE.

i. **Estimation of receivables**: Ascertaining of trade receivables, securities, loans and advances, etc.

3.1.2 Estimation of budgetary support required for closure: Based on the exercise done as per para 3.1.1, an estimate will be made of requirement of funds for financing the closure of the CPSE. The CPSE's own resources, including amount to be realised from sale of movable assets, which may be available for settlement of liabilities during the course of closure shall be worked out too. Thereafter, the requirement of budgetary support from the Central Government shall be worked out. It is however, clarified that the Central Government reserves the right to decide which of the requirements of funds it will permit out of budgetary support.

3.1.3 Updating of land records of immovable assets: Updating of land records such as title deed, lease hold land, freehold land, conditions of lease, remaining period of lease, current land use, FAR and other rights relating to use of land, whether land compensation (partly/ fully) paid by the CPSEs/ Central Government at the time of acquisition, amount of compensation paid, status of possession of land, encroachments, if any, geo-mapping etc. will be done.

3.1.4 Once the preparatory activities are completed by the administrative Ministry/Department, a Draft Note for Closure of the CPSE will be prepared by DPE based on the inputs of preparatory activities and in consultation with the concerned Administrative Ministry/Department for closure of the CPSE on case-to-case basis. The same will be placed before the IMC which after scrutiny will vet the Note. Thereafter, the approval of the Hon'ble Finance Minister (FM) will be taken.

3.1.5 If the Director(s) of the CPSE(s) fails to co-operate, the Administrative Ministry/ Department can take a view on removing the Functional Directors including the CMD and give additional charge of the CMD to the Joint Secretary concerned and charge of Functional Directors to other senior officers in the administrative Ministry/ Department as per extant guidelines in this regard. This information regarding removal of the Functional Directors including the CMD will be communicated to the PESB.

3.2 Disposal of immovable assets

The process of closure of a CPSE and disposal of its immovable assets will be completely delinked. On approval of Closure Note, the Administrative Ministry/ Department/CPSE shall proceed simultaneously but separately for alienation of immovable properties from its books.

3.2.1 The immovable assets will be alienated from the CPSE in the manner as prescribed below:

a) **Return of leasehold land to the States:** All kinds of leasehold land of the CPSE will be returned back to the State Government without insisting on any compensation (if due as per lease agreement).

b) **Transfer of freehold land to Special Purpose Vehicle (SPV)** will be as per the procedure laid down for the operation of the SPV (to be set up in DPE).

3.2.2 Interim arrangement through Land Management Agency (LMA): Pending setting up of SPV, the closure cases wherein a Land Management Agency (LMA) such as NBCC has earlier been engaged for disposal of land as per the DPE closure guidelines dated 14.06.2018, LMA will continue to manage the land and can dispose off the same to any appropriate agency at best discovered price. The Forward Auction Platform of GeM or MSTC can also be availed by LMA or Administrative Ministry directly for disposal of immovable assets.

3.2.3 The Secretary of the Administrative Ministry/ Department will monitor the progress of alienation of immovable assets from the CPSE.

3.3 Implementation of VRS/VSS:

(a) The Administrative Ministry/ Department through Board of CPSE will settle wages/salaries of employees and statutory dues and complete the VRS/VSS process and payment of compensation to non-VRS optees as per law.

(b) The CPSE staff shall be assigned specific tasks during implementation of VRS/VSS so that all the groundwork is completed within the above-mentioned period and there is no requirement of retaining the staff during subsequent process of closure.

3.4 Settlement of liabilities

(a) The payment of statutory dues/ liabilities towards revenues, taxes, cesses and rates due to Central Government or State Government or to the local authorities to be completed first.

(b) Administrative Ministry/Department will negotiate with the Secured Creditors to settle their dues at the minimum value as One Time Settlement (OTS).

(c) The order of priority of settlement of other liabilities will be in the priority of distribution as mentioned in Section 53 of Insolvency & Bankruptcy Code 2016.

3.5 Disposal of movable assets:

(a) The CPSE shall carry out the processes of disposal of movable assets including plant & machinery in a transparent manner through an Auctioning Agency (such as MSTC) appointed / 'Forward Auction' Platform available on GeM by the CPSE under the supervision of administrative Ministry/ Department.

(b) Intangible assets like brand name, goodwill, trademarks, intellectual property, etc. of the CPSE under closure shall be transferred to the concerned administrative Ministry/Department of the CPSE for disposing of separately.

(c) The leasehold movable assets may be returned to the lessor at latter's option.

(d) In case, any of the movable assets are required by its holding company or by the administrative Ministry/ Department, the same may be transferred to them.

(e) The CPSE in consultation with the administrative Ministry/ Department, if necessarily required, may dispose of factory building structure along with disposal of movable assets.

(f) If the CPSE is not able to dispose of movable assets within the stipulated time-frame, it should be brought to notice of the Administrative Ministry/ Department by the CPSE. Thereafter, the Administrative Ministry/ Department shall redress the matter within 15 days and shall take a decision on settlement of the disposal of movable assets.

3.6 Budgetary support from D/o Expenditure: Based on the detailed liabilities to be settled as per the Closure Note, DPE will make a request for budgetary support to DoE in respect of the liabilities to be settled. However, the right to decide as to which of the requirements of funds is to be permitted out of budgetary support would vest with the Central Government.

4. Filing of application before Registrar of Companies (RoC): Once the requisite formalities related to settlement of all liabilities and assets are completed, the Board of Directors of the CPSE shall take necessary steps for filing the application for removal of name from the Register of Companies as given below:

a) Apply under Section 248 of the Companies Act, 2013 to the RoC for removal of the name of the CPSE from the Register of Companies with the new revised form STK-3A issued by Ministry of Corporate Affairs (MCA) vide notification dated 29th June, 2020 along with other forms (STK-2&4) prescribed under the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 by MCA. This amendment enables the authorized representative (Under Secretary or its equivalent) of the concerned administrative Ministry/ Department to furnish indemnity bond on behalf of the administrative Ministry/Government of India (Owner of CPSE) for any future liability instead of by individual Directors of the CPSE.

b) The Administrative Ministries/Departments and their CPSEs filing closure application before the Registrar of Companies will also take a note of the MCA Circular No. 1/2020 dated 1st July, 2020 issued to all the Registrars of Companies to enable processing of applications of CPSEs having pending litigations relating to service matters, VRS/VSS of employees, so that the same is not the ground for rejection of such closure applications.

5. Policy support: For any policy support or clarification on any issue for completing the closure process, as required by the administrative Ministry/ Department, the same will be provided by the IMC. While taking the "in-principle" approval of CCEA, the approval will also be sought for empowering the Hon'ble Finance Minister to approve the cases of any deviation with respect to the closure process of Non-Strategic sector CPSEs from the decision of CCEA. The concerned administrative Ministry/Department shall refer the proposal for clarification/policy support to DPE for placing before the IMC. The recommendations of IMC shall be thereafter referred by DPE to Finance Minister for seeking approval. DPE will function as the secretariat for processing the policy matters to be referred to Finance Minister.

6. Special cases: Closure u/s 248 of CA 2013 is recommended as primary mode under the revised guidelines. In complex cases especially involving exorbitantly high liabilities, IBC 2016 route may be followed while providing adequate justification in the note for CCEA approval by DPE. The process of filing application under IBC 2016 shall be done within 3 months of receipt of Minutes of CCEA approval by concerned CPSE Board & its Administrative Ministry. In addition, in respect of the listed CPSEs, the SEBI Delisting Regulations, 2009 and regulatory requirement(s) will be complied with under the supervision of IMC before filing for removal of company's name from the Register of Companies.

7. Closure of subsidiaries/units of CPSEs: The process of closure of subsidiaries/JVs/units of CPSEs shall be carried out by the Board of Directors of the Holding CPSE(s) in accordance with above guidelines.

8. Process for on-going Cases: Cases in which the Administrative Ministry/ Department has obtained the CCEA/ Cabinet approval for closure, the concerned administrative Ministry/Department will review and seek the budgetary support from D/o Expenditure through Financial Adviser (FA) within 15 days of the issue of these guidelines to complete the closure process as per revised mechanism. However, the right to decide as to which of the requirements of funds is to be permitted out of budgetary support would vest with the Central Government.

9. Time-lines: The entire process of closure of CPSE shall be completed within the Timeframe mentioned in **Annex-I.**

10. The Finance Minister will be the competent authority for granting approval to make any changes in these guidelines.

Annexure-I to Annexure-8

Timelines of activities for closure of CPSEs

Sl.No.	Milestones/ Activities	Time-Lines
1	In principle approval of closure / disinvestment of CPSEs in a Non-Strategic Sector by the Cabinet/ CCEA. Setting up of IMC for the Sector comprising Secretary, DPE as Chairman, representatives of concerned Administrative Ministry(ies), DIPAM, NITI Aayog and co-opted members, if any	**Preparatory date (T_0)**
2	Preparation of Draft Closure Note for each CPSE by IMC after ascertaining statutory dues, liabilities such as taxes, cess, MAT, dues to secured and unsecured creditors, funds required for VRS / VSS, wages due to employees till the time they are released through VRS / VSS, receivables, value of movable and immovable assets, etc	T_0 + 3 months
3	Vetting of Draft Closure Note by IMC and forwarding the same for approval of FM on case-to-case basis.	T_0 + 5 months
4	Return of leasehold land to the State government	T_0 + 7 months
5	Transfer of freehold land to Special Purpose Vehicle (SPV)	
6	Intimation to the Ministry of Labour and Employment in respect of closure	
7	Request for budgetary support from Department of Expenditure.	
8	Release of budgetary grants by Department of Expenditure	
9	Transfer of assets to Holding company/ administrative Ministry/ Department	
10	VRS / VSS to employees and settlement of wages/salaries of employees and statutory dues *(In case employees not opting for VSR / VSS, retrenchment of employees)*	
11	Settlement of statutory dues/ liabilities towards revenues, taxes etc. payable to State Government / Central Government / Municipal Bodies	
12	Payment of secured creditors as one-time settlement	
13	Disposal of movable assets	
14	Application to Registrar of Companies for removal of name of CPSE	$T_{0\,+}$ 7 months and 45 days.

Definitions

i) **Preparatory Date (T_0)** shall be the date on which 'in principle' approval of closure of CPSE has been taken by the CCEA.

ii) **CPSE:** Certain statutory corporations and all Government Companies in which more than 50% equity or controlling stake is held by the Central Government are classified as CPSEs. The Subsidiaries of these Companies in which any CPSE has more than 50% equity are also categorised as CPSEs, if registered in India.

iii) **Inter-Ministerial Committee (IMC)**: Constituted by DPE and comprising Secretary, DPE as Chairman and representatives of concerned Administrative Ministry (ies), DIPAM and NITI Aayog as its members, to drive the closure process. The IMC can also co-opt any other member(s). Secretarial assistance to IMC will be provided by DPE.

iv) **Special Purpose Vehicle (SPV):** 100% government owned company under the administrative control of DPE to facilitate monetization of non-core assets of the Ministries/ Departments and Public Sector Enterprises.

v) **Land Management Agency (LMA):** It can be a CPSE such as NBCC (India) Ltd.(NBCC)/ Engineering Projects (India) Ltd.(EPIL) or a public agency under Ministry of Housing and Urban Affairs (MoHUA) which has been appointed and have the experience of management, development and disposal/monetisation of immovable assets.

vi) **Forward Auction Platform:** It is a facility available on GeM for auction of movable and immovable items in a transparent method.

vii) **Auctioning Agency (AA)** A CPSE such as Metal Scrap Trading Corporation (MSTC), which can be nominated by the administrative Ministry/ Department/ Board of the CPSE under closure to dispose of movable and immovable assets through e-auction in a transparent manner.

viii) **Book Value:** For the purpose of these guidelines, it is the carrying value of the assets in the balance sheet of the CPSE.

ix) **Immovable Asset:** Immovable Asset is a piece of land/property tied to the land, such as estate, building, premises, etc.

x) **Movable Assets:** Any asset other than Immovable asset like Plant & Machinery, Furniture, vehicles etc.

For Public Contact Purposes:

Ministry of Finance

Department of Economic Affairs
North Block, New Delhi – 110001
Phone : 011-23095120, 23092453
Website: http://www.finmin.nic.in/the _ministry/dept_eco_affairs/index.asp

Department of Expenditure
North Block, New Delhi – 110001
Phone : 011-23095661, 23095613
Website: http://www.finmin.nic.in/the _ministry/dept_expenditure/index.asp

Department of Revenue
North Block, New Delhi – 110001
Phone : 011-23095384, 23095385
Website: http://www.finmin.nic.in/the_ministry/dept_revenue/index.html

Department of Investment and Public Asset Management
Block 11 & 14, CGO Complex, Lodhi Road, New Delhi – 110003
Phone : 011-24360163
Website: http://www.dipam.gov.in/dipam/home

Department of Financial Services
Jeevan Deep Building, Parliament Street, New Delhi – 110001
Phone : 011-23748721, 23748734
Website: http://www.finmin.nic.in/the-_ministry/dept_fin_services/fin_services.asp

Department of Public Enterprises
Block No.14, C.G.O. Complex, Lodi Road, New Delhi – 110003
Phone : 011-24362673
Website: http://www.finmin.nic.in/the-_ministry/dept_dpe.gov.in

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