सत्यमेव जयते

Government of India

MINISTRY OF FINANCE

ANNUAL REPORT 2023-2024

MINISTRY OF FINANCE

ANNUAL REPORT

2023-2024

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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

After a year marked by global uncertainties and volatilities, the global macroeconomic scenario appears to have stabilised in 2023. While uncertainty stemming from adverse geopolitical developments remains elevated, inflationary pressures show signs of decline. Consumer price inflation in most Advanced Economies (AEs) has moderated significantly. Banking sector risks also appear subdued, and fears of a recession in most AEs are gradually fading. Global growth appears to have further picked pace with global composite PMI in the expansionary zone since February 2023. Market expectations of future policy rates cuts have risen in response to declining inflationary pressures and major central banks' signalling of rate cuts beginning in 2024. Owing to these developments, the IMF, in its latest World Economic Outlook (WEO), has projected global growth at 3.2 per cent in 2024 and 2025. However, downside risks to global growth persist. Continued attacks in the Red Sea and the on-going war in Ukraine could generate fresh adverse supply shocks to the global recovery, with spikes in food, energy, and transportation costs. Further, a slower-than-expected decline in core inflation in major economies due to persistent labour market tightness and renewed tensions in supply chains could trigger a revision in expectations of rate cuts. Amidst these global developments, Indian economy seems robust, continuing as the fastest growing major economies in FY24, reiterating India's strong macroeconomic fundamentals and a positive outlook.

As per the Provisional Estimates of National Income, 2023-24 published by National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), India's Real GDP and Nominal GDP are estimated to grow by 8.2 per cent (YoY) and 9.6 per cent (YoY) in FY24 respectively. Moderation in inflationary pressures, rebound in foreign inflows, robust manufacturing and construction sector performance and resilient consumer confidence have led to upward revision in GDP growth estimates (as per PE 2023-24) compared to the Second Advance Estimates (FAE). Upward revision in growth estimates is further supported by strong high-frequency indicators (HFIs). Rising passenger vehicle sales, increased housing sales, higher domestic air passenger traffic, increased digital payments, higher Index of Industrial Production, increased non-food credit offtake, and stable inflation indicators, among other parameters lend support to the economic dynamism.

On the demand side, private consumption expenditure is estimated to grow at 4 per cent in FY24 backed by resilient urban demand conditions and recovery in rural demand. Investment has continued to be buoyant as reflected in the rising share of Gross Fixed Capital Formation (GFCF), which increased from 30.7 per cent in FY23 to 30.8 per cent of GDP in FY24. The government has continued to support the investment activity with capital expenditure reaching Rs. 9.5 lakh crore during FY 2024. Government's thrust on capital expenditure has continued to crowd in private investment. On the external side, in the backdrop of weakening global trade, exports and import growth moderated in FY24. However, the merchandise trade deficit narrowed, primarily fuelled by falling international commodity prices. A narrowing merchandise trade deficit coupled with rising net service receipts continued to support improvement in the current account balance.

On the supply side, the industry sector is estimated to grow at 9.5 per cent in FY24, led by robust manufacturing and construction sector activity. Driven by a surge in investment, improved investor confidence, and steady domestic demand, the manufacturing sector is estimated to grow at 9.9 per cent in FY24. The construction sector witnessed a robust growth of 9.9 per cent in FY24, primarily aided by increased demand for residential properties and government measures to boost infrastructure through initiatives like GatiShakti and National Infrastructure pipeline. Services sector is estimated to grow at 7.6 per cent in FY24, primarily led by non-contact-intensive services ('Financial, real estate & prof services' and 'Public Administration, defence and other services') which registered a growth of 8.0 per cent in FY24.

Performance of the Banking Sector

There has been a significant enhancement in the asset quality of banks, led by improved borrower selection, more effective debt recovery and heightened debt awareness among large borrowers. In addition to regulatory capital and liquidity requirements, qualitative metrics such as enhanced disclosures, robust code of

conduct, and transparent governance structures have also improved banking performance.

The gross non-performing assets (GNPA) ratio of SCBs continued its downward trend, reaching 3.2 per cent at end-September 2023 from its peak of 11.2 per cent in FY18. Lower slippages and a reduction in outstanding GNPAs through recoveries, upgradations and write-offs led to this decrease. The improvement in SCBs' asset quality has been broad-based. The GNPA ratio of the agriculture sector remains high at 7 per cent at the end of September 2023. Lower GNPAs and high provisions accumulated in recent years contributed to a decline in net NPAs.

As SCBs bolstered their capital base by capitalising reserves from higher profits and raising fresh capital, their capital-to-risk-weighted assets ratio (CRAR) remained robust at 16.8 per cent in September 2023. As of the end of September 2023, all banks met this regulatory minimum as well as the CET-1 ratio requirement of 8 per cent.

The net interest margin (NIM) of SCBs remained high in September 2023 at 3.7 per cent in September 2023, compared to 3.6 per cent in March 2023. With growing net interest income (NII) and other operating income (OOI) and as the need for additional provisions fell, their profit after tax (PAT) rose by 43 per cent (YoY) in September 2023, compared to a growth of 38.4 per cent in the period ending March 2023. Profitability indicators remained strong, with return on equity (RoE) and return on assets (RoA) ratios touching decadal highs in September 2023, even as the transmission of past monetary policy rate increases led to a 100 basis points increase in cost of funds from September 2022 to September 2023. The yield on assets further improved due to the rise in interest rates.

Credit Growth

Bank credit growth has sustained momentum during FY24, with broad-based growth across sectors. Credit disbursal by SCBs stood at ₹164.3 lakh crore, growing by 20.2 per cent at the end of March 2024, compared to 15 per cent growth at the end of March 2023, at ₹136.8 lakh crore.

Growth in credit to agriculture and allied activities was in double digits. Agricultural credit had increased nearly 1.5 times from ₹13.3 lakh crore in FY21 to ₹20.7 lakh crore in FY24. The Kisan Credit Card (KCC) scheme has played a pivotal role in providing timely and hassle-free credit to farmers, with over 7.4 crore operative KCC accounts at the end of 2023[1].

- Industrial credit growth picked up in H2 of FY24, registering 8.5 per cent growth in March 2024, compared to 5.2 per cent a year ago. Both large and small industries supported bank credit to industries. The boost in credit disbursal to Micro, Small and Medium Enterprises (MSMEs) has been supported by the availability of collateral-free loans with a 100 per cent credit guarantee under the Emergency Credit Linked Guarantee Scheme (ECLGS). Credit growth to large industries was led by capital-intensive sectors, such as infrastructure, supported by the government's higher spending on capex. Bank credit to infrastructure nearly doubled from ₹12.2 lakh crore in March 2023 to ₹13 lakh crore in March 2024, registering a YoY growth of 6.5 per cent. The infrastructure credit growth was led by the power and roads sector, which continued to post decent credit growth over a high base.

Bank credit disbursal to the services sector remained resilient despite a slowdown in credit growth to NBFCs. Within the services sector, credit disbursal to the 'commercial real estate' and 'trade' sub-sectors improved in H2 of FY24. Personal loans and NBFCs have the largest share of credit disbursed by banks. Within personal loans, housing loan growth remained range-bound during FY24. Credit disbursal for housing loans increased from ₹19.9 lakh crore in March 2023 to ₹27.2 lakh crore in March 2024. Credit growth in personal loans can be attributed to the significant digitalisation of the ecosystem with increased use of credit bureaus for faster decisions, data collation and validation and e-commerce transactions. However, personal loan growth moderated after December 2023 due to increased capital requirements for unsecured personal loans, credit cards and lending to NBFCs by the RBI from 100 per cent to 125 per cent[2].

Monetary Developments

Domestic monetary policy during 2022-23 was marked by a tightening cycle due to upward pressures in CPI inflation owing to high commodity prices and volatile international financial market movements. The policy repo rate was increased cumulatively by 250 basis points (bps) during 2022-23 to anchor inflation expectations, break the persistence in core inflation and contain the second-round effects of adverse supply shocks.

During 2023-24, aggressive global tightening of monetary conditions and slowing global economic activity aided in cooling international commodity prices significantly. As a result, inflationary pressures in the domestic economy ebbed, with headline CPI inflation

[1] PIB Press Release of Ministry of Finance dated 27 December 2023, link available at: https://shorturl.at/EqWwK

[2] RBI notification, 'Regulatory measures towards consumer credit and bank credit to NBFCs', dated 16 November 2023, link available at: https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12567&Mode=0

softening to 5.1 per cent in February 2024 from 7.8 in April 2022. Core inflation has also fallen to a four-year low of 3.4 per cent in February 2024, with a broad-based decline in inflation. The Monetary Policy Committee (MPC) has remained focused on maintaining price stability in the economy while supporting growth at the same time. Taking into account the growth-inflation dynamics and the fact that transmission of the cumulative 250 bps policy rate hike is still underway, the MPC paused the rate hike cycle for more than a year and kept the policy repo rate 6.5 per cent as of 20th March 2024. The stance remained focused on the withdrawal of accommodation to ensure that inflation durably aligns with the target of 4 per cent. Consequently, as of March 2024, the standing deposit facility (SDF) rate remains at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent.

Agriculture and Food Management

The Indian agriculture sector grew by 4.6 per cent in 2023-24 as per Second Advance Estimates. As per Third Advance Estimates for 2023-24, the production of food grains in the country is estimated at 3288.52 lakh tonnes. The Kharif foodgrain production is estimated at 1566.76 lakh tonnes and Rabi foodgrain production is estimated at 1576.56 lakh tonnes. Kharif Rice production is estimated at 1143.67 lakh tonnes in 2023-24, showing an increase of 38.55 lakh tonnes.

Production of Shree Anna (Kharif) is estimated at 130.31 lakh tonnes and Shree Anna (Rabi) is estimated at 32.44 lakh tonnes. The production of Jowar (Kharif) and Jowar (Rabi) is estimated at 14.69 LMT and 32.44 lakh tonnes respectively. Further, Production of Nutri/ Coarse Cereals (kharif) is estimated at 355.50 lakh tonnes and Production of Nutri/Coarse Cereals (Rabi) is estimated at 156.25 lakh tonnes.

(In LMT)

Crops	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24*
Rice	116.48	118.87	124.37	129.47	135.75	136.7
Wheat	103.60	107.86	109.59	107.74	110.55	112.92
Nutri/Coarse Cereals	43.06	47.75	51.32	51.10	57.31	54.73
Total Pulses	22.08	23.03	25.46	27.30	26.05	24.49
Total Nine Oilseeds	31.52	33.22	35.95	37.96	41.35	39.59
Cotton #	28.04	36.07	35.25	31.18	33.66	32.52

Lakh bales of 170 kgs. Each
* Third Advance Estimate

Livestock Sector is an important subsector of agriculture in the Indian economy. It grew at a CAGR of 7.93% between 2014-15 and 2019-20 (at constant prices). As per the estimates of National Accounts Statistics (NAS) 2023 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 30.67 per cent (2021-22). Livestock sector contributed 5 per cent of total GVA in 2021-22. Value of output of livestock sector is 15.63 lakh crore at current price during 2021-22 (as per National Account Statistics 2023). Value of output of milk is more than Rs.9.95 lakh crore (2021-22) which is the highest of the agriculture produce and even more than the combined value of Paddy and Wheat.

Milk production has increased by 57.62% over the past 9 years from 146.3 million tonnes during 2013-14 to 230.60 million metric tonnes during 2022-23. Milk production is growing at the annual growth rate of 5.9 % over the past 9 years.

The per capita availability of milk is 459 gram per day in 2022-23 as against the world average of 394 grams per day during 2021. Per capita availability has increased from 307 grams per person per day in 2013-14 to 459 grams per person per day in 2022-23 showing a growth of 49.51%.

The Fisheries Sector contributes approximately 1.07% to the national Gross Value Added (GVA) and 6.86% to the total agricultural GVA. Over the past decade, the sector has demonstrated a growth rate of 6-7%, a trend projected to persist in the foreseeable future. the sector has predominantly relied on resources from the informal sector, highlighting the pressing need to augment institutional credit within fisheries. Encompassing fishers and fish farmers within the priority sector lending framework represents a pivotal stride in this direction. With sufficient financial backing and streamlined credit accessibility, the Fisheries sector holds vast potential to emerge as a pivotal catalyst for rural economic development.

Social Sector

The Union government expenditure on social

services has increased at a CAGR of 5.9 per cent between FY12 and FY23, while the capital expenditure on social services has grown by 8.1 per cent CAGR over the same period, indicating the creation of societal assets.

Labour Market

As reported in annual PLFS, labour markets have recovered beyond pre-Covid levels, in both urban and rural areas, with unemployment rate (UR) (persons age 15 years and above, as per usual status) falling from 5.8 per cent in 2018-19 to 3.2 per cent in 2022-23, rise in labour force participation rate (LFPR) from 50.2 per cent in 2018-19 to 57.9 per cent in 2022-23, and rise in worker population ratio (WPR) from 47.3 per cent in 2018-19 to 56.0 per cent in 2022-23. Notably, there has been a significant rise in female LFPR from 24.5 per cent in 2018-19 to 37.0 per cent in 2022-23.

The quarterly PLFS for urban areas (available till Jan - Mar 2024) shows an improvement in all the key labour market indicators in the quarter ending March 2024 both sequentially and over the last year. The labour force participation rate increased to 50.2 per cent in Jan-Mar 2024 from 48.5 per cent a year ago, while the worker-population ratio strengthened from 45.2 per cent to 46.9 per cent in the same period. The unemployment rate declined from 6.8 per cent in Jan-Mar 2023 to 6.7 per cent in Jan-Mar 2024. This trend highlights that labour markets have recovered from the Covid impact.

Quarterly Employment Indicators for age 15 years & above

Quarters	LFPR	WPR	UR
Jul-Sep 2019	47.3	43.4	8.3
Oct-Dec 2019	47.8	44.1	7.8
Jan-Mar 2020	48.1	43.7	9.1
Apr-Jun 2020	45.9	36.4	20.8
Jul-Sep 2020	47.2	40.9	13.2
Oct-Dec, 2020	47.3	42.4	10.3
Jan-Mar 2021	47.5	43.1	9.3
Apr-Jun 2021	46.8	40.9	12.6
Jul-Sep 2021	46.9	42.3	9.8
Oct-Dec 2021	47.3	43.2	8.7
Jan-Mar 2022	47.3	43.4	8.2
Apr-Jun 2022	47.5	43.9	7.6
Jul-Sep 2022	47.9	44.5	7.2
Oct-Dec 2022	48.2	44.7	7.2
Jan-Mar 2023	48.5	45.2	6.8
Apr-Jun 2023	48.8	45.5	6.6
Jul-Sep 2023	49.3	46.0	6.6
Oct-Dec 2023	49.9	46.6	6.5
Jan-Mar 2024	50.2	46.9	6.7

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 FY24 (till Jan) was 10.3 per cent higher than in FY23 (till Jan) and 99.0 per cent higher than that in the pre-pandemic year 2019. In FY23, net average monthly subscribers added under. EPFO increased from 112.9 lakh in April-Jan 2023 to 124.6 lakh in April-Jan 2024.

Global trade trends

Global trade volume contracted by 1.2 per cent in 2023 after recording a 3 per cent expansion in 2022, following the outbreak of the Russia-Ukraine conflict, as per the WTO Global Trade Outlook and Statistics 2024.[3] World merchandise trade volume is expected to grow at 2.6 per cent and 3.3 per cent in 2024 and 2025, respectively, as demand for traded goods rebounds. The value of world merchandise trade fell by 5 per cent in 2023, but this decline was offset mainly by a substantial increase in trade in commercial services, which rose by 9 per cent to USD 7.5 billion. Commercial services trade was lifted by recovering international travel and increasing digitally delivered services. According to the WTO estimates, global exports of digitally delivered services rose by 9 per cent to USD 4.3 trillion in 2023, accounting for 13.8 per cent of the world exports of goods and services.

The adverse trade environment in 2023 is expected to ameliorate somewhat this year and next, boosting

[3] WTO Global Trade Outlook and Statistics (April 2024), link available at: https://www.wto.org/english/res_e/booksp_e/trade_outlook24_e.pdf

goods trade in 2024 and 2025, as highlighted in WTO Global Trade and Statistics Outlook 2024. However, geopolitical tensions and policy uncertainty could limit the scope of any trade rebound. While export growth is expected to improve in many economies as external demand for goods picks up, food and energy prices could again be subject to price spikes linked to geopolitical events. Trade cost increases and uncertainty in international geopolitical scenarios may hinder trade recovery. For example, the trade restrictions being imposed by countries like the US and China are leading to higher prices because supply chains have become longer and more complex.[4]

- **India's Merchandise Trade developments during 2021-22, 2022-23 and 2023-24**

As per the data released by the Department of Commerce, the developments in India's merchandise trade during 2021-22, 2022-23, and 2023-24 may be seen in Table 1.

Table 1: India's Merchandise Trade Performance (Values in USD billion)

	2021-22	2022-23	Change 2022-23 over 2021-22	2022-23	2023-24	Change 2023-24 over 2022-23
Total Exports	422.0	451.1	6.9	451.1	437.1	-3.1
Total Imports	613.1	716.0	16.8	716.0	675.4	-5.7
POL Imports	209.4	209.4	0.0	209.4	179.6	-14.2
Non-POL Imports	506.6	506.6	0.0	506.6	495.8	-2.1
Trade Balance	-191.0	-264.9	38.7	-264.9	-238.3	-10.0

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

It may be seen from Table 1 that the merchandise trade deficit increased to USD 264.9 billion in 2022-23 from USD 191 billion in 2021-22. During 2023-24, the trade deficit narrowed to USD 238.3 billion from USD 264.9 billion in 2022-23. Mainly because of a contraction in both exports and imports in 2023-24.

Developments in Balance of Payments during 2023 (April-December)

As per the Press Release of the Reserve Bank of India, the developments in India's Balance of Payments for 2022- 23 (April-December) and 2023-24 (April-December) may be seen in Table 2.

Table 2: Major Items of India's Balance of Payments (USD billion)

Year / Item (Net)	2022-23 (Apr-Dec)	2023-24 (Apr-Dec) (P)
A) Current Account	**-65.7**	**-31.1**
A 1. Merchandise Trade Balance	-212.7	-192.8
A 2. Invisibles	147.0	161.8
A 2. a) Services	104.2	120.1
A 2. b) Transfers	76.1	77.1
A 2. c) Income	-33.3	-35.4
B) Capital Account	**52.4**	**64.7**
B.1. Foreign Investment	18.1	41.2
B.1. a) Foreign Direct Investment	21.6	8.5
B.1. b) Foreign Portfolio Investment	-3.5	32.7
B.2. Loans	5.2	2.1
B.3. Banking Capital	25.0	33.6
B.4. Rupee Debt Service	-0.1	-0.1
B.5. Other Capital	4.1	-12.1
C) Errors and Omissions	**-1.4**	**-0.7**
D) Overall Balance	**0.0**	**32.9**
E) Foreign Exchange Reserves (Increase-/Decrease+)	**14.7**	**-32.9**

Source: RBI, P: Provisional

[4] World Bak blog dated 22 February 2024, 'Global trade has nearly flatlined. Populism is taking a toll on growth', link available at: https://blogs.worldbank.org/en/voices/global-trade-has-nearly-flatlined-populism-taking-toll-growth

(A) Current Account: India's current account deficit moderated to 1.2 per cent of GDP in 2023-24 (April-December) from 2.6 per cent of GDP in 2022-23 (April-December) on the back of a lower merchandise trade deficit. Net invisible receipts were higher in 2023-24 (April-December) on a y-o-y basis primarily on account of higher net services receipts.

(B) Capital Account: Net FDI inflow stood at USD 8.5 billion in 2023-24 (April-December), lower than USD 21.6 billion recorded in 2022-23 (April-December). Portfolio investment recorded a net inflow of USD 32.7 billion in 2023-24 (April-December) as against an outflow of USD 3.5 billion a year ago. In 2022-23 (April-December), there was an accretion of USD 32.9 billion to the foreign exchange reserves (on a BoP basis).

Foreign Exchange Reserves: There was an increase in India's foreign exchange reserves during 2023-24. The forex reserves stood at USD 646.4 billion at the end of March 2024, higher than USD 578.4 billion at the end of March 2023. The import cover of India's foreign exchange reserves increased to 10.9 months as of 8th March 2024 from 9.7 months at the end of March 2023 as the value of merchandise imports declined due to a fall in international commodity prices.

Exchange Rate: The Indian rupee depreciated by 1.2 per cent against the US dollar from April 23-March 24. Further, the INR also depreciated against the Pound Sterling and Euro by 3.4 per cent and 0.4 per cent from April 23-March 24. However, it appreciated against the Japanese Yen by 10.7 per cent from April 23-March 24.

Developments in Capital Markets

Amid domestic solid economic performance and a favourable investment climate, primary markets remained robust during FY24, facilitating capital formation of ₹10.9 lakh crore compared to ₹9.3 lakh crore in FY23. Of the total amount mobilised in FY24, 78.8 per cent was raised through debt issuances. Fund mobilisation through all three modes, viz., equity, debt, and hybrid, increased by 24.9 per cent, 12.1 per cent and 513.6 per cent, respectively, in FY24 compared to the previous year.

The number of initial public offers (IPOs) increased by 66 per cent in FY24 from 164 in FY23 to 272 in FY24, while the amount raised grew by 24 per cent compared to FY23 (from ₹54,773 crore in FY23 to ₹67,995 crore in FY24). SME platforms at the exchanges witnessed heightened activities during FY24 as the number of IPOs/FPOs of SMEs increased by 1.6 times (from 125 in FY23 to 196 in FY24), while the corresponding fund raised rose by more than two and half times over the previous year (from ₹2,333 crore in FY23 to ₹6,095 crore in FY24). As per E&Y Global IPO trends report, Indian exchanges were global leaders in IPO listings. India's share consistently rose to 17 per cent in 2023 from 6 per cent and 11 per cent in 2021 and 2022, respectively.[5] Reflecting the buoyant market conditions, Qualified Institutional Placements (QIPs)[6] emerged as a critical equity fundraising mechanism for the corporates during FY24. Resource mobilisation through rights issues more than doubled to ₹15,110 crore during FY24, compared to ₹6,751 crore in the previous year.

The market capitalisation of the Indian stock market has seen a remarkable surge over the years. Significant interest from domestic and global investors in the Indian stock market as an attractive investment destination and sustained IPO activity placed the Indian market fifth in the world by market capitalisation in FY24. India's market capitalisation to GDP ratio has improved significantly over the last five years to 124 per cent in FY24, compared to 77 per cent in FY19, far higher than that of other emerging market economies like China and Brazil. Nevertheless, it is still lower than the US, indicating potential for further growth.

The Indian capital markets have seen a surge in retail activity through direct (trading in markets through their accounts) and indirect (through mutual funds) channels in the last few years. The individual investor's share in the equity cash segment turnover was at 35.9 per cent in FY24. The number of Demat accounts with both depositories in India has risen by an annualised rate of 39 per cent in the previous four years post the onset of the pandemic (FY20 to FY24). Further, 73 per cent of the 15.1 crore demat accounts as of 31 March 2024 have been added in the last four years.

A rise in retail participation was more substantial and steadier through the indirect channel via mutual funds. FY24 has been a spectacular year for mutual funds (MFs) as the AUM of the MFs surged by ₹14 lakh crore (YoY growth of 35 per cent) to ₹53.4 lakh crore at the end of FY24, boosted by mark-to-market (MTM) gains and expansion of the industry. The total number of folios increased from 14.6 crore at the end of FY23 to 17.8 crore at the end of FY24. Barring income/debt-oriented schemes, all categories of MF schemes witnessed net inflows. Inflows into growth/equity-oriented and hybrid

[5] E&Y Press Release on 'Indian stock exchanges rank first in the world in terms of the number of IPOs in 2023' dated 19 February 2024, link available at: https://shorturl.at/Lj6Z3

[6] QIP was introduced by SEBI in 2006, under which Indian listed companies can raise funds by issuing equity shares, fully or partially convertible debentures, or any other securities as mentioned under the notification by SEBI in this regard. Listed companies can raise capital without meeting the legal requirements like submitting the pre-issue filings to SEBI.

schemes accounted for more than 90 per cent of net inflows into MFs. Among the passive schemes, exchange-traded funds (ETFs) (other than gold exchange-traded funds) witnessed a 37 per cent rise in net assets.

Liquidity Conditions and its Management

Monetary and credit conditions evolved in line with the monetary policy stance during the year, supporting domestic economic activity. The Monetary Policy Committee (MPC) maintained the status quo on the policy repo rate at 6.5 per cent in FY24. It focused on withdrawing accommodation to ensure that inflation gradually aligns with the target while supporting growth. With the cumulative policy repo rate hike of 250 basis points (bps), undertaken during May 2022-February 2023, working its way through the economy, the MPC kept the policy repo rate unchanged at 6.5 per cent since February 2023, but with readiness to undertake appropriate and timely policy actions if the situation so warrants.

The RBI's liquidity management involved two-way operations in response to shifts in liquidity conditions. During FY24, 17 fortnightly variable rate reverse repo (VRRR) auctions and seven variable rate repo (VRR) auctions were undertaken as the primary operation. In addition, 49 fine-tuning operations (25 VRRR and 24 VRR) were conducted intermittently, modulating liquidity conditions in alignment with the monetary policy stance. Amidst tightened liquidity conditions, banks also took recourse to the marginal standing facility (MSF). Given the extensive deployment of surplus funds under the standing deposit facility (SDF) and simultaneous recourse to the MSF, reversal of liquidity facilities under both the SDF and the MSF was allowed even during weekends and holidays, effective 30 December 2023.[7]

Lending and deposit rates of Scheduled Commercial Banks (SCBs) increased further during FY24, reflecting the lagged impact of the policy rate hikes during May 2022-February 2023, the external benchmark-based lending rate (EBLR) system of loan pricing and the moderation of surplus liquidity. During the current tightening cycle, i.e., from May 2022 to March 2024, the external benchmark-based lending rate and the one-year median marginal cost of funds-based lending rate (MCLR) increased by 250 bps and 155 bps, respectively. The transmission of hike in policy rates to lending and deposit rates is given in Table 1.

Table 1: Pick-up in transmission to domestic lending and deposit rates

	May-22 to Apr-24	Apr-23 to Mar-24
WALR-Outstanding Rupee Loans	1.02	0.07
WALR-Fresh Rupee Loans	1.69	0.29
WADTDR-Outstanding Rupee Deposits	1.84	0.60
WADTDR-Fresh Rupee Deposits	2.27	0.26

Source: Lending and Deposit Rates of Scheduled Commercial Banks, RBI Press Release (various issues)

Note: WALR: Weighted average lending rate

WADTDR: Weighted average domestic term deposit rate

Table 2: Monetary policy transmission to lending and deposit rates across bank groups (Variation in basis points)

Bank Groups	May 2022-April 2024			April 2023-March 2024		
	WALR-Outstanding Rupee Loans	WALR-Fresh Rupee Loans	WADTDR-Outstanding Rupee Deposits	WALR-Outstanding Rupee Loans	WALR-Fresh Rupee Loans	WADTDR-Outstanding Rupee Deposits
Public Sector Banks	99	171	184	8	19	69
Private Sector Banks	87	134	169	-8	61	47

Source: Lending and Deposit Rates of Scheduled Commercial Banks, RBI Press Release (various issues)

[7] This measure will be reviewed after six months or earlier if needed

Bank-wise, the increases in the WALR on outstanding rupee loans and the WADTDR on outstanding rupee deposits during FY24 were higher in the case of public sector banks, while it was higher for private banks in the case of fresh rupee loans.

Services Sector

As per the Provisional Estimates released by NSO, services sector continued to be a key driver of growth and registered strong growth of 7.6 per cent in FY24 particularly led by non-contact intensive services sectors i.e. 'Financial, real estate & prof services' and 'Public Administration, defence and other services'.

Bank credit to the services sector has also witnessed significant growth since October 2021 with the improvement in vaccination coverage and rebound in trade, tourism and hospitality sectors along with continued growth momentum registered in non-contact intensive services sector. The credit to services sector saw a YoY growth of 19.2 per cent in April 2024 compared to April 2023.

India's services exports have been consistently rising. Services exports stood at USD 341.1 billion in FY24, recording a growth of 4.9 per cent over FY23. Software and business services together constitute around 75 per cent of India's total services exports and exhibited strong growth in FY24. Further, services trade is being boosted, in part, by the return of international air passenger traffic to pre-pandemic levels.

Services sector performance

	Share in GVA (per cent) (at current prices)	Growth					
Sector	**2023-24 (PE)**	**2022-23 (1st RE)**	**2023-24 (PE)**	**Q1**	**Q2**	**Q3**	**Q4**
Total Services	54.67	10.0	7.6	10.7	6.0	7.0	6.7
Trade, hotels, transport, communication & services related to broadcasting	17.5	12.0	6.4	9.7	4.5	6.7	5.1
Financial, real estate & professional services	22.7	9.1	8.4	12.6	6.2	7.0	7.6
Public administration, defence & other services*	14.6	8.9	7.8	8.3	7.7	7.5	7.8

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

RE: Revised Estimates. AE: Advance Estimates.

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 2023-24 (April-January). 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 2023-24 (April-January), was 5.9 per cent as compared to 5.5 per cent during the 2022-23 (April-January). The three broad sectors, mining, manufacturing and electricity sectors registered growth of 8.3 per cent, 5.4 per cent and 6.8 per cent respectively in 2023-24 (April-January) as against 5.8 per cent, 4.9 per cent and 10.1 per cent growth respectively during the corresponding period last year.

In terms of used based grouping, all subgroups witnessed positive growth during 2023-24 (April-January). 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**	**2022-23**	**2022-23 (April-January)**	**2023-24 (April-January)**
Mining	14.37	5.8	5.8	8.3
Manufacturing	77.63	4.7	4.9	5.4
Electricity	7.99	8.9	10.1	6.8
Growth by used-based industrial group				
Primary Goods	34.04	7.5	8	6.5
Capital Goods	8.22	13.1	13.5	6.9
Intermediate Goods	17.22	3.8	4.3	4.8
Infrastructure/Construction Goods	12.33	8.4	8.5	10
Consumer Durable Goods	12.83	0.6	2.1	2
Consumer Non-Durable Goods	15.32	0.7	-0.2	4.6
General Index	100	5.2	5.5	5.9

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 7.7 per cent in 2023-24 (April-February) compared to 8.2 percent in 2022-23 (April- February). The acceleration in ICI is mainly driven by double digit growth in steel (12.9 per cent) and coal (12.1 per cent) followed by cement with 9.1 per cent.

	Weight	**2022-23**	**2022-23 (Apr-Feb)**	**2023-24 (Apr-Feb)**
Coal	10.33	14.8	15.3	12.1
Crude Oil	8.98	-1.7	-1.6	0.5
Natural Gas	6.88	1.6	1.5	6
Petroleum Refinery Products	28.04	4.8	5.2	3.8
Fertilizers	2.63	11.3	11.5	4.1
Steel	17.92	9.3	9	12.9
Cement	5.37	8.7	9.8	9.1
Electricity	19.85	8.9	10	6.8
Overall Growth Rate	100	7.8	8.2	7.7

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

Climate Change Finance Unit, Economic Division

The Climate Change Finance Unit (CCFU) is responsible for working on the issue of resource mobilization for India to address the issue of climate change in the country. For this, the Unit participates in climate finance-related domestic, bilateral, plurilateral, and multilateral engagements. Some include UNFCCC - COPs, the Standing Committee on Finance (SCF) of the UNFCCC, NCQG negotiations, IPEF, G20, etc. It actively supports India's stand on financing climate change and sustainable development issues in UNFCCC. It is vested with the task of preparing submissions on behalf of India, assessing submissions of other member countries in these fora, negotiating climate finance commitments under the UNFCCC and the Paris Agreement, and negotiating at the plurilateral or bilateral level. The Unit frames inputs on an ongoing basis on issues related to the National Action Plan on Climate Change and on other emerging issues like the definition of climate finance, new collective quantified goal on mobilisation 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. Moreover, it prepares concept notes, discussion papers, and a way forward on policy issues related to climate change and climate finance. The Unit is also responsible for preparing and finalising the chapter on climate change for the Economic Survey.

It is the nodal point for climate finance-related and environmental issues at the Ministry of Finance.

The unit is headed by an Economic Adviser (SAG level Officer from the Indian Economic Service) who is assisted by a team of a Joint Director and Deputy Director, Assistant Director, Economic Officer, and consultant(s).

Performance and achievements under the key flagship programmes

India submitted an ambitious NDC under the Paris Agreement in October 2015 to fulfil its deep commitment to climate action and was making steady progress towards those promises. India has been progressively decoupling economic growth from greenhouse gas emissions. The country submitted its updated targets in August 2022 to further enhance the commitment. As per the updated NDC, India stands committed to reducing the emissions intensity of its GDP by 45 per cent by 2030 from the 2005 level and achieving about 50 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030.

The country has reduced the emission intensity of GDP by 33 per cent between 2005 and 2019. The share of non-fossil sources in the installed capacity of electricity generation has achieved 44.1 per cent at the end of January 2024. Moreover, from 2005 to 2021, an additional carbon sink of 1.97 billion tonnes of CO2 equivalent has been created.

The updated NDC takes forward the Hon'ble Prime Minister's vision of sustainable lifestyles and climate justice to protect the poor and vulnerable from adverse impacts of climate change, including through a mass movement for 'LIFE'- 'Lifestyle for Environment' as a key to combating climate change. This update to India's existing NDC is a step towards our long-term goal of reaching net zero by 2070. However, the country's long-term strategy document recognises that the transition to the low-carbon development pathway will entail substantial costs for developing new technologies, new infrastructure, and other transaction costs.

Among several issues, climate finance was discussed during the COP28 climate summit in Dubai during November-December 2023. In light of the widening gap between developing countries' needs and the failure to deliver the USD 100 billion goal by developed nations, the NCQG is a critical agenda item being negotiated under the UNFCCC for the post-2025 period. An ad hoc work program was constituted under which detailed discussions have taken place on the structure of the goal, including quantitative and qualitative elements. There are wide variations in the views of parties, which were discernible during COP28 as well. Developed nations should come forward to ensure that the NCQG is ambitious and accessible enough to meet the needs and priorities of developing countries and that there is a balance between mitigation and adaptation actions.

e-Governance Activities

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

Prices

Retail inflation measured by Consumer Price Index-Combined (CPI-C) declined from 6.7 per cent in 2022-23 to 5.4 per cent in 2023-24. While core inflation (non-food, non-fuel) moderated in FY24, food inflation escalated in few months due to price volatility in certain specific food items. Inflation measured in terms of Wholesale Price Index (WPI) decreased from 9.4 per cent 2022-23 to (-) 0.7 per cent in 2023-24. WPI food inflation averaged at 3.2 per cent in 2023-24, lower than 6.3 per cent recorded in 2023-24 (Table 1).

Table 1: Retail and Wholesale Price Inflation (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**
2014-15	5.9	6.4	1.2	4.3
2015-16	4.9	4.9	-3.7	1.2
2016-17	4.5	4.2	1.7	5.8
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
2022-23	6.7	6.6	9.4	6.3
2023-24	5.4	7.5	-0.7	3.2

Source: NSO and DPIIT

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-States Division 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 was 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 sector such as Governor / Deputy Governor of Reserve Bank of India, Chairman / Members of IRDAI and PFRDA, Chairman / Managing Director and Chief Executive Officers (MD & CEOs)/Executive Directors (EDs)/ Non-official Directors to 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) and the credit schemes namely Pradhan Mantri Mudra Yojana (PMMY) & Stand Up India (SUI).

6. Department of Public Enterprises

1. Introduction : -

In their 52nd Report of the Estimates Committee of 3rd Lok Sabha (1962-67) highlighted the necessity of establishing a centralized coordinating unit to continually assess the performance of public enterprises. Consequently, the Indian government established the Bureau of Public Enterprises (BPE) in 1965, placing it under the Ministry of Finance. Following a reorganization of the Union Government's Ministries and Departments in September 1985, BPE became a part of the Ministry of Industry. Further reforms took place in May 1990, elevating BPE to a full-fledged Department known as the Department of Public Enterprises (DPE). Department of Public Enterprises was made part of the Ministry of Heavy Industries & Public Enterprises. DPE was brought under the Ministry of Finance vide Cabinet Secretariat Notification dated 6th July, 2021. The Department of Public Enterprises (DPE) remains under the Ministry of Finance continues to play a pivotal role in formulating policies and guidelines concerning the functioning and performance of public sector enterprises in India.

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 Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD).

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, Retraining 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 115 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 oversees matters related to the Ratna Scheme of CPSEs, including delegation of powers, classification, creation of board-level posts, creation of posts below board level and exemption from immediate absorption.

3.2 Policy Division-II

Policy Division-II addresses issues related to MSME procurement, extension of Ministry of Finance guidelines, comments on COS/ECOS proposals, PIB/SFC/EFC policy and cabinet meetings.

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 guidelines relating to and implementation of Memorandum of Understanding (MoU) framework for the purpose of performance evaluation of CPSEs. The division also compiles the information on CAPEX incurred by select CPSEs and compliances of Corporate Governance guidelines for CPSEs.

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.

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.

3.7 Administration, Establishment, Parliament & 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.

3.8 Administrative Mechanism for Resolution of CPSEs Disputes (AMRCD)

Administrative Mechanism for Resolution of CPSEs Disputes deals with all COMMERCIAL DISPUTES between Central Public Sector Enterprises (CPSEs) inter se and also between CPSEs and Government Departments/Organizations (excluding disputes relating to Railways, Income Tax, Customs & Excise Departments), as per Revised AMRCD Guidelines Dated 14.12.2022.

3.9 National Land Monetization Corporation (NLMC)

NLMC will act as an advisory body and support other Government entities and CPSEs in monetizing their non-core assets in an efficient and professional manner, maximizing their value realization. It deals with all matters related to Secretarial assistance for meetings of IMG/ CGAM/ AM, Coordination with CPSEs and Govt. agencies for monetization of assets,

3.10 Information Technology Cell (IT Cell)

Information Technology cell looks after the portals of the department and online platforms. IT Cell deals with all matters related to Maintenance and Up gradation Dashboard, Development and Maintenance online platforms, Supervision of IT Cell and Social Media Management.

Chapter - I

Department of Economic Affairs

1. Economic Division

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

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

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

1.4 As part of its advisory functions, the Economic Division prepares analytical notes and background papers on important policy issues and provides briefs for meetings of the Consultative 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 f rom 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.

1.5 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
- Climate Change Finance and Agriculture
- Social Sector
- External Sector
- Prices
- IES Cadre Unit
- Coordination

Macro Unit

1.6 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;

(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

1.7 Public finance unit is responsible for: (a) Monitoring of Central fiscal parameters, such as, fiscal deficit, revenue deficit, aggregate expenditure; (b) Policies relating to central plan outlays, resources and expenditures; (c) Review of Fiscal position and analysis of fiscal issues; (d) Analysis relating to tax measures,

direct and indirect tax proposals/ reforms; (e) Providing inputs towards Macro-Economic Framework Statement for the Union Budget every year.

Agriculture and Food Management Unit

1.8 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/ other agricultural policies; (c) participates in the Pre-Budget meetings with stakeholders in farm sector;(d)Briefs for the Parliamentary Standing Committee on Agriculture-related issues; (e) Analyzing production and area sown in Rabi and Kharif crops; (f) Occasional review/ reports on specific issues as and when required (g) Analysis of issues related to Allied sectors like dairy sector, fisheries and food processing; (h) Preparation of the Chapter on 'Agriculture and Food Management' for Annual Economic Survey; (i) Handling VIP/ Parliament/ Other references and Private Member Bills related to agriculture and food management;

Industry Unit

1.9 The unit analyses the data related to the Index of Industrial Production (IIP) and eight core industries. Monthly, it compiles comprehensive analytical notes on both the IIP and these essential sectors. The unit prepares a chapter on industry for the annual economic survey. It also contributes to policy formulation by examining and providing comments on various policy notes, expenditure finance committee notes, and cabinet notes concerning the industrial sector. The unit monitors the budget announcements monthly pertaining to the Department of Fertilizers. The Unit participates in pre-budget meetings and prepares briefs and notes for the department. It also provides inputs for parliamentary questions, VIP references and other references received from different Ministries/ Departments.

Social Sector

1.10 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.

1.11 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

1.12 The unit is responsible for: (a) Preparing the Chapter on Services Sector for the Economic Survey; (b) Monitoring the performance of services Sector; (c) Parliament Matters.

Prices Unit

1.13 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

1.14 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) Analysis of the monetary parameters; (d) Monitoring yields on G-Sec/ Treasury Bills; (e) Periodical updates on monetary policy and Quarterly Reviews of RBI.

Climate Change Finance Unit

1.15 The unit is responsible for working on the issue of resource mobilization for India in order to address the issue of climate change in the country. It engages with national and international bodies and leads India's negotiations on issues related to climate finance in the UNFCCC and at other multilateral, plurilateral, and bilateral levels.

IES Cadre Unit

1.16 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

1.17 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 and UTs under President's Rule.

2.1.2 Budget Division is also 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 are presented in the Parliament in accordance with the requirements of the FRBM Act.

2.1.3 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 the 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.

2.1.4 Budget Division also coordinates the Pre-Budget Meetings for finalization of Revised Estimates for the current year and Budget Estimates for the ensuing year. 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 (detailed work allocation within Budget Division is available at https://dea.gov.in/allocation-business).

2.2 MAJOR ACHIEVEMENTS DURING 2023-24

2.2.1 Interim Budget 2024-25 was delivered on 1st February, 2024 in paperless form.

2.2.2 During the Financial year 2023-24, the First and Second Batch of Supplementary Demands for Grants 2023-24 were presented and passed in the Parliament in December 2023 and February 2024, respectively.

2.2.3 During this year, Demands for Excess Grants for the year 2020-21 was regularised through the Parliament.

2.2.4 6 new Guarantee proposals were also approved for a total amount of ₹70273.50 crore.

2.2.5 Release of States' share of Central Taxes and duties to State Governments as per approved recommendations of the Finance Commission is also handled by Budget Division. In this respect, total of ₹11,29,493.71 crore was devolved to all State Governments during the Financial Year 2023-24, as against ₹10,21,448.16 crore projected in BE 2023-24.

2.2.6 From 1st April, 2023 to 31st March, 2024, 20 Reports of the C&AG of India were laid before the Parliament and 35 proposals of entrustments / re-entrustment of audit of various bodies to the C&AG of India were dealt by this Division during the said period.

2.2.7 Small Savings Schemes:

2.2.7.1 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
- Mahila Samman Savings Certificate, 2023

2.2.7.2 During the year, a new Scheme named Mahila Samman Savings Certificate was launched for a period of two years i.e. upto 31.03.2025. Further, the upper ceiling of deposit under Senior Citizens Savings Scheme was increased from fifteen lakh to thirty lakh. The maximum deposit limit for the National Savings Monthly Income Account Scheme was also increased from four lakh fifty thousand to nine lakh.

2.2.7.3 Small Savings Collections:

The gross deposits under various small savings schemes during 2023-24 at SY-I is ₹14,32,479.72 crore as against the deposit of ₹11,24,909.00 crore during 2022-23. An amount of ₹15,080.23 crore is invested, as share of net small savings collections and amount received on redemption of securities to Kerala, Madhya Pradesh and UT of Delhi during FY 2023-24, as against the sum of ₹13,675.74 crore invested to these states and UTs (with Legislature) during 2022-23.

2.2.7.4 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. 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, Government of NCT of Delhi, Kerala and Madhya Pradesh have opted for the NSSF loan.

2.2.7.5 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 2023-24 is given below: -

Rate of Interest in FY 2023-24 (in %)				
Instrument	**Quarter I**	**Quarter II**	**Quarter III**	**Quarter IV**
Savings Deposit	4.0	4.0	4.0	4.0
1 Year Time Deposit	6.8	6.9	6.9	6.9
2 Year Time Deposit	6.9	7.0	7.0	7.0
3 Year Time Deposit	7.0	7.0	7.0	7.1
5Year Time Deposit	7.5	7.5	7.5	7.5
5 Year Recurring Deposit	6.2	6.5	6.7	6.7
5 Year SCSS	8.2	8.2	8.2	8.2
5 Year MIS	7.4	7.4	7.4	7.4
5 Year NSC	7.7	7.7	7.7	7.7
PPF	7.1	7.1	7.1	7.1
Sukanya Samriddhi Account	8.0	8.0	8.0	8.2
Kisan Vikas Patra	7.5(will mature in 115 months)	7.5 (will mature in 115 months)	7.5(will mature in 115 months)	7.5 (will mature in 115 months)

2.2.8 Public Debt Management:

2.2.8.1 Budget Division is responsible for implementation of the Government Market borrowing (including T-Bills) programme in coordination / consultation with the Reserve Bank of India and the Public Debt Management Cell (PDMC).

2.2.8.2 PDMC, under Budget Division plays an 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.

2.2.8.3 Towards ensuring the enhanced transparency in public debt management operations, a Status Paper on Government Debt for the year 2021-22 was released on October 23, 2023. The work on Status Paper on Government Debt for the year 2022-23 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 following Special Data Dissemination Standard (SDDS) of International Monetary Fund (IMF).

2.2.8.4 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 ₹16,000 crore and ₹20,000 crore in the year 2022-23 and 2023-24, respectively, for mobilising resources for green infrastructure. The proceeds are deployed in budget financed schemes/ projects which help in reducing the carbon intensity of the economy.

2.2.8.5 Budget Division administers the two Appropriations namely, Interest Payments and Repayment of Debt. Gross borrowing of the Central Government during FY 2023-24 was ₹15.43 lakh crore.

2.2.8.6 The Government Debt is held pre-dominantly (apprx. 95%) in Indian 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 rollover risk is signified through debt maturing within the next 5 years. This accounted for about 28 % of total outstanding stock of G-Secs at end-Dec, 2023. 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).

2.2.8.7 The process of decriminalisation of the Government Securities Act, 2006 as per the Jan Vishwas (Amendment of Provision) Act, 2023 was completed and the respective amendments in the Government Securities Act, 2006 have come into force w.e.f. December 1, 2023.

2.2.9 Fiscal Responsibility and Budget Management:

2.2.9.1 The FRBM Act, 2003, provides 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.

2.2.9.2 During the period from January 1, 2023 to March 31, 2024 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 2023-24 and 2024-25
   a) Medium-Term Fiscal Policy cum Fiscal Policy Strategy Statement
   b) Macro-Economic Framework Statement

B) Disclosure statements presented with Budget 2023-24 and 2024-25
   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 2022-23
   b) First Half of the Financial Year 2023-24

2.2.9 3 Fiscal indicators targets for RE 2023-24 and BE 2024-25 are as below:-

(as % of GDP)

Fiscal Indicators/ Year	2023-24 (RE)	2024-25(BE)
Fiscal Deficit	5.8	5.1
Central Government Debt*	58.1	57.2

Note:

i. GDP for the FY 2023-24 is ₹296.58 lakh crore issued by M/o Statistics & Programme Implementation on 05.01.2024.

ii. The GDP for BE 2024-25 has been projected at ₹327.72 lakh crore assuming 10.5% growth over the estimated GDP of ₹296.58 Lakh crore for 2023-24 (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.*

2.2.10 Budget Press

2.2.10.1 Budget Press is responsible for printing all Budget Documents relating to the Union Budget including Detailed Demand for Grants of the Ministry of Finance and Supplementary Demands for Grants.

2.2.10.2 During the year 2023-24, the Budget Press contributed to the preparation of the paperless Interim Budget 2024-25, which was successfully presented on 1st Feb 2024 in the Parliament. This involved the timely preparation & consolidation of a total of 24 documents (English/Hindi) in digital format for uploading to the Union Budget website/App. Apart from this, 112 various documents and 10 progress reports of the MOS office were executed in all with as many copies.

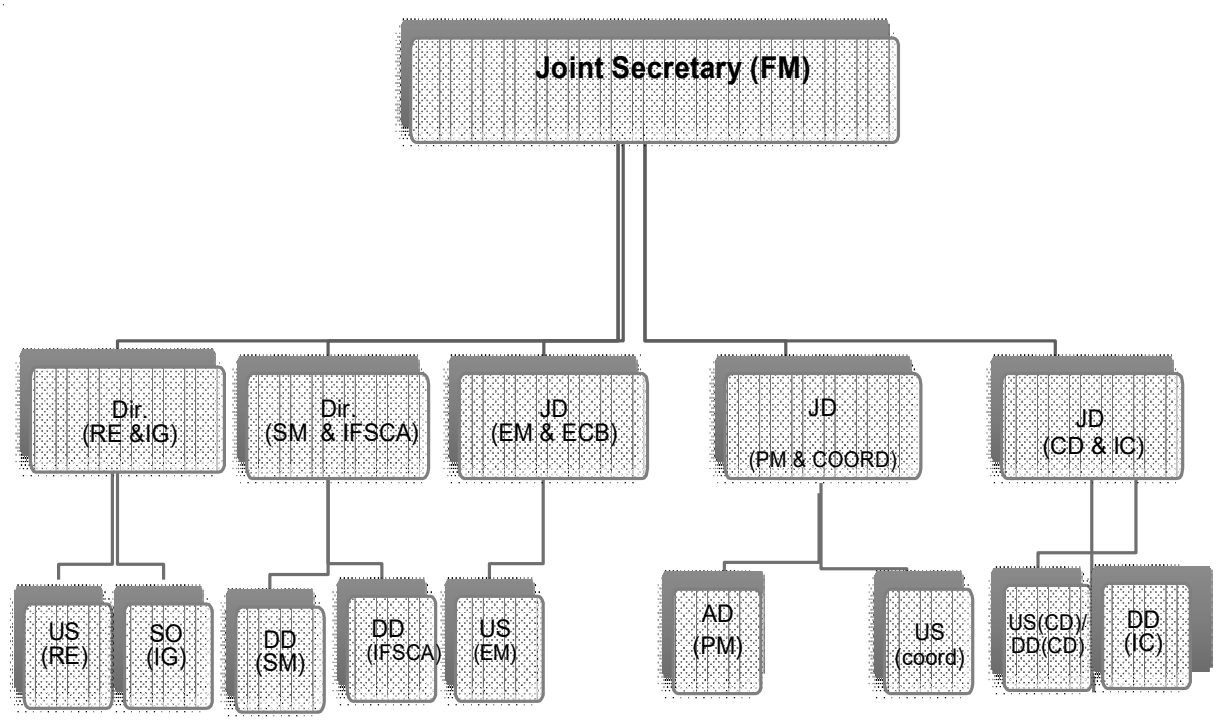
2.2.10.3 Apart from the above, the Budget Press, among others, printed Vote on Account, First and Second Batch of Supplementary Demands for Grants for the year 2023-24, the Action Taken Report, Cabinet Notes (Hindi & English) and several Discussion Papers.

3. Financial Markets (FM) 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 organises financial regulatory dialogues with USA, UK and Japan and EU.

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



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. Policy articulation on agenda items of SEBI's Board meetings (primary responsibility)
8. SEBI Act, related rules and regulations
9. Investment Guidelines for Non-Government Provident Funds, Superannuation Funds and Gratuity Funds
10. Coordinating DEA-AJNIFM Research Programme and other Research Programme
11. Sectoral Charge of Ministry of Corporate Affairs.

II. Secondary Markets Section

1. Policy issues of Secondary Market and related Market Infrastructure Institutions (MIIs), Intermediaries and Participants (Stock Exchanges, Clearing Corporations, Depositories their participants, Trading Members, and Investment Advisors etc.), their ownership and governance issues etc.
2. Social Stock Exchange/SME Exchange/New Segments/ platforms for trading in securities /crowd funding platforms
3. Taxes and Stamp Duties in Securities Market
4. Skilling in securities market /capacity building initiatives
5. Delisting of companies and associated policy concerns
6. Creating a Single Demat Account for all financial assets
7. Database relating to Securities Markets
8. Monitoring of Stock Market Movements
9. Self-Regulatory Organizations
10. Cyber security related matters in context of Securities Market
11. Regulation of distributors /distribution of financial products in context of Sumit Bose Committee recommendation
12. Matters related to Investor Education and Protection
13. Policy on Frozen Demat Accounts
14. Securities Contracts (Regulations) Act, 1956 and related Rules and Regulations
15. Depositories Act, 1996 and related Rules and Regulations

III. Commodity Derivatives Section

1. Policy matters related to development of commodity derivatives market: Policy issues of new products /contracts, entry of new players - domestic as well as foreign, harmonization of rules and procedures with securities market, developing hedging by government entities / farmers etc.
2. Notifying commodities for trading: Resumption/ suspension of futures trading in various notified commodities /Launch of Options Contract.
3. Commodity derivatives trading related matters: cases of manipulation/speculation etc.
4. Representing DEA in futures market related matters in the inter-ministerial committees on Essential Commodities' price rise etc.
5. Delivery arrangements in the market: Taking up matters related to warehouses accredited by stock exchanges with WDRA and Ministry of Consumer Affairs
6. NSEL scam related matters: monitoring the progress by agencies, sending report to PMO and handling court cases and vigiliance matters.
7. Evaluation of relevant items in SEBI board Agenda.
8. Gold Spot exchange and EUR policy matters.

IV. External Markets (EM) Section

1. Administration of Foreign Exchange Management Act, 1999
2. Processing all references, cases and proposals concerning Rules and Regulations framed under the Foreign Exchange Management Act, 1999
3. Matters relating to estabilshment of Liaison office/ Branch office/Project Office in India by foreign entities
4. Matters relating to opening Non Resident Ordinary (NRO) and Non Resident Rupee (NRE) Accounts by foreigners/non residents
5. Matters relating to trade payments settlement mechanism with Iran
6. Matters relating to foreign travel of Chief Ministers/ Ministers/MLAs/Administrators/Officers of States and Union Territories
7. Approval for purchase of immovable property in India by foreigners/Non-Resident Indians
8. Facilitating Annual Comonwealth Parliamentary Association Conference related visits of Speakers and Members of Legislative Assemblies

V. External Commercial Borrowings (ECB) Section

1. Policy issues related to External Commercial Borrowings, Foreign Currency Bonds and Trade Credits
2. Framework for issuance of Rupee denominated Bonds in off-shore market (masala bonds).
3. Policy Matters relating to Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
4. Framework for Investment by Forign Portfolio Investors in Government Securities and corporate bonds
5. Matter relating to Depository Receipts Scheme (ADR/GDR)
6. Matters relating to Bharat Depository Receipts/ Indian Depository Receipts (BhDR/IDR)
7. Policy matters relating to International financial Service Centres in India
8. Matters relating to International Settlement of Indian Debt Securities (through Euroclear and Clear stream)
9. Reference concerning Local Currency Financial Arrangements and Global Bond Indices

10. Policy issues concerning Currency Derivbatives markets in India (OTC and Exchange Traded) and Interest Rate Futures
11. Issues relating to Sukuk Bonds
12. Issues concerning Bilateral/Multilateral Currency Swap Agreements
13. Organizing raod-show and investor meets with foreign investors in India and abroad
14. BRICS and G-20 matters relating to Financial Markets
15. Preparation of External Markets Sector Brief and Data Chart for intra/inter-Governmental Agencies usage

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) Policy articulation on agenda items of IFSC Authority meetings
4) 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
5) Fin Tech
   - Insurance/Re-Insurance
   - Banking
   - Fund Management
   - Global-In-House Centres
   - Others
6) Preparation of Cabinet Notes for signing of bilateral and multilateral MoUs by IFSCA for strengthening mutual co-operation with overseas financial regulators/authorities
7) Facilitating international outreach by IFSCA and GIFT City
8) Enhancing inter regulatory coordination between SEBI, RBI, IRDAI, PFRDA to enable comprehensive regulations and new financial products/services in IFSC
9) Budgetary assistance for IFSCA and transfer of grants from central government for expenditure on salaries, allowances and other establishment expenses of the Authority
10) Supervising projects and schemes sanctioned to IFSCA including the IFSCA HQ Project, Sup-Tech Project and Fintech Incentive Scheme
11) Examination and furnishing of comments on all Draft Cabinet Notes
12) 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. Establishments matters of SAT like residential accommodation, grant of budget to SAT and related matters, Grant of vehicle to the officers in SAT etc.
5. Strengthening of SAT - Creation of additional benches / creation of posts / creation of additional office space for SAT / Implementation of e-Court in SAT etc.
6. Administration of the Securities Appellate Tribunal (Salaries, Allowances And Other Terms And Conditions Of Presiding Officer And Other Members) Rules, 2003
7. Bilateral and multi-lateral MoUs between SEBI and securities market regulators of foreign countries.
8. Remittances from SEBI to the Consolidated Fund of India
9. Foreign visits of the Chairman of SEBI; Hosting of meetings of foreign delegations - obtaining the necessary clearances

VIII. International Cooperation (IC) Section

1. Indo-US Financial Regulatory Dialogue /Indo-US Financial Initiative
2. Indo Japan Financial Regulatory Dialogue
3. India-UK Financial Market Dialogue
4. Indo-UK Financial Partnership
5. India-EU Financial Regulatory Dialogue
6. Other International matters
7. Interactions with financial analysts and economists
8. Negotiation pertaining to Financial Services in FTAs

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

1. Indian Market Performance

1.1 After enduring highly turbulent global environment in FY2023, global stock markets recovered and performed well during FY2024. In FY 2024, despite heightened geopolitical risks , monetary policy tightening , volatile commodity prices, the Indian capital markets have remained one of the best performing markets, reflecting India's bright economic stature in global economic landscape. India's benchmark indices, Nifty 50 and BSE Sensex surged by 28.6 per cent and 24.8 per cent, respectively as against -0.6 per cent and 0.7 per cent, during corresponding period of FY2023.

1.2. Among the global markets, FY24 saw stellar performances from Brazilian and Japanese markets. The period also witnessed AI led tech stock surge, with the tech-heavy US Nasdaq index rising by 34.0 per cent during FY24, after delivering heavy losses during FY23. The Chinese stock market performed poorly as it continued to reel under the pressures of property market crisis and economic slowdown.

Performance of Major Markets in the World

Index	Last Day of 2021-22 (31.03.2022)	Last Day of 2022-23 (31.03.2023)	Last Day of 2023-24 (28.03.2024)	Performance in FY 2022-23 (% change as on 31.03.2023 over last closing of FY 2021-22)	Performance in FY 2023-24 (% change as on 28.03.2024 over last closing of FY 2022-23)
Indian Markets					
SENSEX, India	58,569	58,992	73,651	0.7	24.8
NIFTY, India	17,465	17,360	22,327	-0.6	28.6
Emerging Markets					
SHANGHAI COMPOSITE, China	3,252	3,273	3,041	0.6	-8.0
BOVESPA, Brazil	1,19,999	1,01,882	1,28,106	-15.1	25.7
KOSPI, South Korea	2,758	2,477	2,746	-10.2	10.9
TAIWAN TAIEX, Taiwan	17,693	15,868	20,294	-10.3	27.0
Developed Markets					
S&P 500, US	4,530	4,109	5,254	-9.3	27.9
DOW JONES, US	34,678	33,274	39,807	-4.0	19.6
DAX, Germany	14,415	15,629	18,492	8.4	18.3
FTSE 100, UK	7,516	7,632	7,953	1.5	4.2
CAC-40, France	6,660	7,322	8,206	9.9	12.1
NIKKEI 225, Japan	27,821	28,041	40,369	0.8	43.9
HANG SENG, Hong Kong	21,997	20,400	16,541	-7.3	-18.9
Strait Times, Singapore	3,409	3,259	3,224	-4.4	-1.1

Source: Thomson Reuters

1.3. During FY2024, foreign portfolio investment into India turned net positive as against the last two financial years. Strong macroeconomic fundamentals, moderation in rupee volatility, robust corporate earnings, rising allocation to India in emerging market indices etc., made India an appealing investment destination. In FY2024, FPIs were net buyers and have pumped INR 3,39,066 crore into the securities market.

FPI Net Investments - Financial Year (INR crore)					
Financial Year	**Equity**	**Debt**	**Debt-VRR**	**Hybrid**	**Total**
2017-18	25,635	1,19,036	-	11	1,44,682
2018-19	-88	-42,357	-	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	-37,632	-8,937	5,814	-181	-40,936
2023-24	2,08,212	1,21,059	-2,972	12,767	3,39,066

Source: NSDL

2. Primary Market

A Major highlights

2.1. Capital market, both debt and equity, has become increasingly important for India's growth story. A total of INR 83,092 crore has been raised through 340 public-equity and rights issues during FY24. The total amount raised through public issue and private placement of corporate bonds during FY2024 is INR 8,56,922 crore.

2.2. During FY2024, INR 39,024 crore was raised through REITs and InvITs, which is 514 per cent higher than that, raised during FY2023. The assets under management (AUM) of mutual fund industry stood at INR 53.40 lakh crore as on the end of March 2024.

2.3. In the current financial year , there has been 73 Substantial Acquisition of Shares and Takeovers involving INR 10,252 crore compared to 86 such takeovers during FY23 involving INR 37,384 crore.

B Data on Primary market for years 2022-23 & 2023-24

Table I: Capital Raised from the Primary Market through Public and Rights Issues

Financial Year	Total		Category-wise (Equity)				Issues-Type	
			Public		Rights		IPOs	
	No. of issues	Amount (INR crore)	No. of issues	Amount (INR crore)	No. of issues	Amount (INR crore)	No. of issues	Amount (INR crore)
2022-23	238	65,824	165	59,073	73	6,751	164	54,773
2023-24	340	83,092	273	67,982	67	15,110	272	67,955

Table II: Funds Mobilized through Issuance of Corporate Bonds in India

Financial Year	No. of Public Issues	Amount Raised through Public Issue (INR Crore)	No. of Pvt. Placement	Amount Raised through Private Placement (INR Crore)	Total Amount Raised through Public Issue and Pvt. Placement (INR Crore)
2022-23	34	9,221	1,524	7,54,467	7,63,688
2023-24	45	19,167	1347	8,37,756	8,56,922

Muncipal Bond Issues

During FY 2023-24, INR 500 crore was raised through three Municipal bond issues. In last seven years (from FY 2017-18 to FY 2023-24), ₹2,684 crore has been mobilized through 16 Municipal bond issues

Table IIA: Resource Mobilisation through Muncipal Bonds

Financial Year	No. of municipal bond Issues	Amount Raised (INR Crore)
2017-18	2	400
2018-19	6	990
2019-20	1	100
2020-21	2	350
2021-22	1	100
2022-23	1	244
2023-24	2	500

REITs and InvITs

Real Estate Investment Trust and InvIT (REIT) or Infrastructure invest trusts are trusts registered with SEBI to carry out the activity prescribed under SEBI (REIT) Regulations, 2014 and SEBI (InvIT) Regulations, 2014. A REIT/InvIT raises funds by issuing units to investors and invest those funds primarily in assets in real estate sector/ infrastructure sector, respectively. As on March 31, 2024, there were 24 InvITs (of which 19 were listed) registered with SEBI compared to 20 InvITs at the end of 2022-23. Further, there were five REITs (of which four were listed) registered with SEBI as against four REITs at the end of 2022-23. During 2023-24, ₹33,119 crore funds were mobilized by 14 InvITs compared to ₹6,360 crore mobilized during 2022-23 by seven InvITs, indicating an increase of 421 per cent over previous year. The funds raised by REITs (through three issues) during 2023-24 was ₹5,905 crore. The provisional estimate of net assets of REITs and InvITs show a significant rise to ₹6.05 lakh crore in 2023-24 from ₹248 lakh crore in 2022-23

Table III: Resource Mobilization through REITs and InvITs

Financial Year	REITs	InvITs#@	Total	Net asset value of REITs/InvITs
	Amount (INR crore)	Amount (INR crore)	Amount (INR crore)	Amount (INR lakh crore)
2022-23	0	6,360	6,360	2.48
2023-24	5,905	33,119	39,024	6.05*

 # InvITs includes both listed and unlisted InvITs

@ includes funds raised through public issue, private placement, preferential issue, institutional placement, rights issue

**Net asset value for FY 2023-24 is based on estimation and is provisional figure.*

Table IV: Resource Mobilization by Mutual Funds (in INR Crore)

Financial Year	Gross Mobilisation			Redemption/Repurchase			Net Inflow/ Outflow			Assets at the End of Period
	Pvt. Sector	Public Sector	Total	Pvt. Sector	Public Sector	Total	Pvt. Sector	Public Sector	Total	
2022-23	77,54,916	27,52,442	1,05,07,357	77,38,933	26,92,199	1,04,31,132	15,983	60,242	76,225	39,42,031
2023-24	88,41,565	26,06,650	1,14,48,215	85,32,667	25,60,847	1,10,93,513	3,08,898	45,803	3,54,701	53,40,195

3 Secondary Markets:

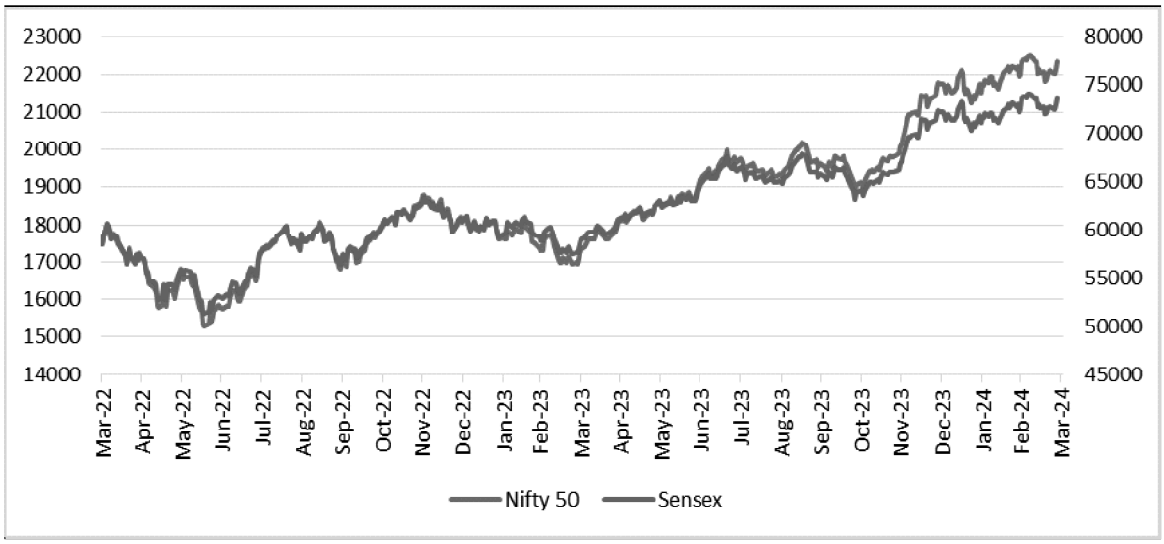
A. Major Highlights

- Further to implementation of T+1 settlement, SEBI has introduced T+0 settlement cycle, to advance clearing and settlement timelines in line with evolution of technology and digitalisation. A shortened settlement cycle will bring cost and time efficiency, transparency in charges to investors and strengthen risk management at clearing corporations and the overall securities market ecosystem. A framework has been put in place for introduction of the Beta version of T+0 settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash market, for a limited set of 25 scrips and with a limited number of brokers.
- With the objective of fostering transparency and accountability in governance and administration of financial benchmarks in the securities market, regulatory framework for index providers was introduced
- The Investor Risk Reduction Access (IRRA) platform was introduced, that will act as a 'safety net' for investors in case of technical glitches faced by a trading member (TM) or a stock broker (SB) registered with SEBI. It provides investors an opportunity to square off/close the open positions and/or cancel pending orders in case of disruption of trading services provided by the TM. The platform has been jointly developed by the stock exchanges under the guidance of SEBI.
- With a view to safeguard clients' funds placed with stock brokers/clearing members, a framework has been designed requiring upstreaming of all client funds received by SBs/CMs to the Clearing Corporations (CCs). Further, it has been decided that no bank guarantees (BGs) shall be created out of clients' funds and existing BGs shall be wound down.
- SEBI has introduced a centralised procedure for reporting and verification in the event of an investor's death, therefore smoothing the process of transmission in the securities market to legal heirs.
- In order to bring into focus the critical aspects of the broker-client relationship and for ease of understanding of the clients, SEBI, mandated that brokers shall inform a standard Most Important Terms and Conditions (MITC) which shall be acknowledged by the client.

B. Stock Market Performance

After enduring highly turbulent global environment in FY23, global stock markets recovered and performed well during FY24. All the major markets, except China and Hong Kong, delivered better returns during the period as compared to previous year (Chart 1). Indian stock market was among the best performing markets, with India's Nifty 50 index ascending by 28.6 per cent during FY24, as against -0.6 per cent during FY23. Given the 1.4 percent depreciation in Indian Rupee against USD (per cent in FY24 so far), Nifty 50 - USD adjusted return stood at 26.8 per cent during FY24. Among the global markets, FY24 saw stellar performances from USA, Brazilian and Japanese markets. The period also witnessed AI led tech stock surge, with the tech-heavy US Nasdaq index rising by 34 per cent during FY24, after delivering heavy losses during FY23. The Hong Kong and Chinese stock markets performed poorly as China continued to reel under the pressures of property market crisis and severe economic slowdown. As at the end of March 2024, Sensex and Nifty 50 closed 24.9 per cent and 28.6 per cent higher, respectively, from their closing levels on March 31, 2023.

Figure 1: Movement of Indian Benchmark Indices



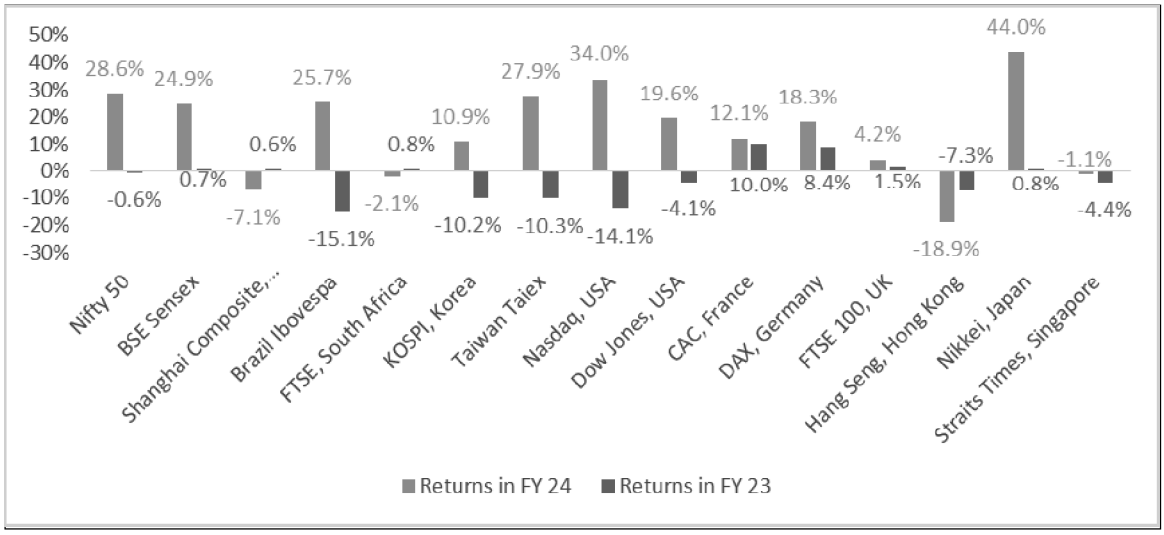
Among major emerging market economies, India outperformed its peers during FY24. Among the select developed markets, Japan Nikkei index and Nasdaq and S&P 500 index, recorded strong gains and rose by per cent 44.0 per cent and 34.0 per cent, respectively.

Table 4: Performance of Major Stock Market Indices across the World

Index	As on 31/03/2022	As on 31/03/2023	As on 31/03/2024	Return (%) in FY 24	Return (%) in FY 23
Nifty 50	17464.75	17359.75	22326.9	28.61	-0.60
BSE Sensex	58568.51	58991.52	73651.35	24.85	0.72
Emerging Markets					
Shanghai Composite, China	3252.203	3272.8602	3041.17	-7.08	0.64
Brazil Ibovespa	119999.2	101882.2	128106.1	25.74	-15.10
FTSE, South Africa	75497.15	76100.17	74535.99	-2.06	0.80
KOSPI, Korea	2757.65	2476.86	2746.63	10.89	-10.18
Taiwan Taiex	17693.47	15868.06	20294.45	27.89	-10.32
Developed Markets					
Nasdaq, USA	14220.52	12221.91	16379.46	34.02	-14.05
Dow Jones, USA	34678.35	33274.15	39807.37	19.63	-4.05
CAC, France	6659.87	7322.39	8205.81	12.06	9.95
DAX, Germany	14414.75	15628.84	18492.49	18.32	8.42
FTSE 100, UK	7515.68	7631.74	7952.62	4.20	1.54
Hang Seng, Hong Kong	21996.85	20400.11	16541.42	-18.92	-7.26
Nikkei, Japan	27821.43	28041.48	40369.44	43.96	0.79
Straits Times, Singapore	3408.52	3258.9	3224.01	-1.07	-4.39

Source: Refinitiv

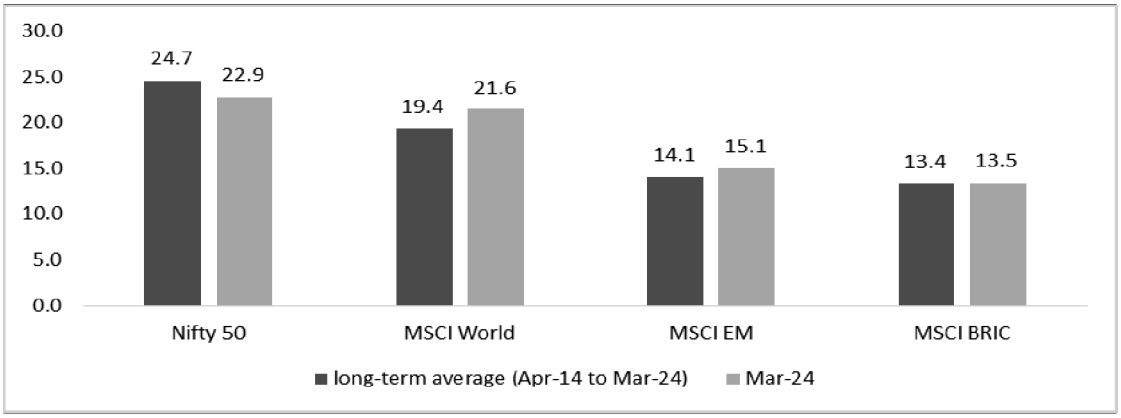
Figure 2: Returns of Major World Indices during 2023-24



C. Valuations (P/E Ratio)

Nifty 50, with a PE ratio (trailing) of 22.9 as at the end of March 2024, is expensive relative to its global counterparts. However, it is at a level lower than its long-term average, whereas current valuations of other global benchmark indices are higher than their long-term valuations.

Figure 5: Comparison of P/E Ratios of Major Indices with the Long Term (10-year) Average



D. Retail Participation in the Capital Market

Individual investor share in the equity cash segment turnover declined marginally to 35.9 per cent in FY 24 as against 36.9 per cent in FY 23.

Table 5: Share of Individual Investors in Equity Cash Segment Turnover (per cent)

Year	Share of Individual Investors (per cent)
2022-23	36.9
2023-24	35.9

Note: *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 6: Demat Accounts (in lakh)

Year	Total No. of Demat Accounts	Accounts Added during the Period
2022-23	1144.6	247.8
2023-24	1513.8	369.1

However, the number of demat accounts rose sharply to 1514 lakh, which was 32 per cent higher compared to FY23. The incremental addition of demat accounts have been continuously on an increasing trend during FY24. Integration of digitalization in the investor onboarding process through e-KYC , in-person verification through video and online submission of Officially Valid Document under eSign, allowing use of Unified Payment Interface (UPI) mechanism in public issues, product innovation, reducing the minimum investment sizes of various products, continuous investor awareness programs focusing on the rights and responsibilities of investors, have contributed to the continuing growth of individual participation in securities markets. In August 2023, SEBI introduced the Online Dispute Resolution (ODR), which combines the online conciliation and online arbitration for resolution of disputes arising in securities market. Another significant measure introduced in FY24 was the centralized mechanism for reporting and verification in case of the demise of an investor and thereby smoothening the process of transmission to the legal heirs.

D. Turnover Statistics

The value traded increased across all segments in the exchanges, except currency derivatives during FY24 with increased participation of investors and positive market trend. Cash segment turnover saw huge growth of 52 per cent during the year reflecting the buoyant trend in markets. Equity derivatives volumes continued to surge in FY 24 also as notional turnover rose by 128 per cent, while premium turnover increased by 20 per cent , propelled by proprietary and individual traders. The pan-India turnover in commodity derivatives segment increased substantially by 86.9 per cent in 2023-24 to ₹280.6 lakh crore, up from ₹150.1 lakh crore in 2022-23.

Table 7: Turnover Statistics (₹crore)

Year	2022-23	2023-24	% Change
Cash Segment	1,43,33,938	2,17,32,478	52%
Equity Derivatives (premium)	4,04,82,125	4,86,74,586	20%
Equity Derivatives (notional)	3,85,66,41,781	8,79,56,02,537	128%
Currency Derivatives (notional)	4,45,90,171	3,77,37,592	-15%
Commodity Derivatives (notional)	1,50,13,596	2,80,63,327	86.9%

4. Commodity Derivatives :

Notifications for Commodity Derivatives Market the relevant provisions of the SECURITIES CONTRACTS (REGULATION) ACT, 1956. [42 OF 1956] (SCRA, 1956).

The Government of India, in an effort to expand the commodity derivatives market, issued two notifications on March 1, 2024, under the Securities Contracts (Regulation) Act, 1956 (SCRA, 1956) in consultation with the Securities and Exchange Board of India (SEBI) for expansion of the list of commodities eligible for derivatives trading and 'Option in Goods' from 91 to 104, permitting recognized stock exchanges to introduce standardized contracts for new goods like Apple, Cashew, and Freight etc. Weather derivatives has been allowed for the first time. Alloys of base metals such as Aluminium and Zinc were also included. The categorization was restructured from 12 to 18, incorporating new sectors like fruits and vegetables, dairy and poultry, forestry, chemicals, construction, and activities. This signifies a significant evolution in India's commodity derivatives market regulations.

After witnessing a significant corrections in commodity prices in 2022-23, most of the commodity prices softened further in 2023-24, as major central banks continued with their monetary tightening stance to control inflation. Gold, Silver and Crude Oil however remained an exception. International factors has resulted in rising crude oil prices by 11.5 per cent, whereas elevated inflation in the advanced economies has triggered a strong demand for Gold and Silver. The futures prices of Gold and Silver contracts witnessed a gain of 3.9 per cent and 13.6 per cent respectively during 2023-24. The prices of major base metals and agri-commodities showed downward trend during 2023-24. In the secondary market, the pan-India turnover in commodity derivatives segment increased substantially by 86.9 per cent in 2023-24 to ₹280.6 lakh crore, up from ₹150.1 lakh crore in 2022-23. The majority of the trading took place in non-agri space, with just 0.75 per cent trading happening in agricultural product contracts. The growth in commodity derivatives segment was mainly fuelled by Commodity Options. During 2023-24, the commodity options contracts turnover increased by 160.9 per cent to ₹228.6 lakh crore, representing 81.5 percent market share in commodity derivatives segment. The MCX remained the major exchange with 98.5 per cent of market share in the overall commodity derivatives turnover, while NCDEX and NSE represented 0.73 per cent and 0.72 per cent market share respectively.

COMMODITY DERIVATIVES MARKET DATA

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#	2019-20	2020-21	2021-22	2022-23	2023-24*	% variation of 2022-23 over 2021-22	% variation of 2023-24 over 2022-23
(in ₹Crore)							
All-India	9,224,839	9,222,927	1,00,27,900	1,50,13,608	2,80,63,326	50%	86.92%
MCX	8689518	8,264,585	87,81,757	1,47,80,566	2,76,55,480	68%	87.11%
NCDEX	442009	318,814	4,57,186	2,06,921**	2,06,112	-55%	-0.39%
NSE	6,362.00	27839	19,744	17,755	2,01,699	-98%	1036.01%
BSE	46,438.72	610,023	7,69,075	8,365	36	-58%	-99.57%

* *Data as on 31st March 2024, ** the downfall of turnover at NCDEX may be due to the suspension of futures trading of major agricultural commodities from August 2021 (Chana), October 2021 (Mustard seed) and December 2021 (Chana, mustard seed, paddy (non-basmati), wheat, soya bean & its derivatives, crude palm oil and moong). The suspension of those commodities mentioned here has been extended up to 20 December 2024. # includes notional values*

Source: *SEBI Bulletin, April 2024*

5. Mutual Funds

During FY 2023-24, Mutual Funds witnessed net inflows of ₹3,54,701 crore, as compared to net inflows of ₹76,226 crore in the previous year. Growth/ equity oriented schemes witnessed a net inflow of ₹1,81,362 crore during FY24 (as compared to ₹1,44,775 crore in FY23), followed ₹1,44,954 crore in hybrid schemes (as compared to ₹18,813 crore in FY23) and ₹60,689 in Other schemes (as compared 1,57,489 in FT23). Inflows into growth/ equity oriented schemes was driven by inflows into sectoral/thematic funds, small cap funds, multi cap funds, large and mid cap funds etc. Amongst the hybrid scheme funds, all schemes except balanced hybrid fund/ aggressive hybrid fund witnessed positive inflows. Arbitrage fund schemes witnessed highest net inflows followed by multi asset allocation, Dynamic asset allocation/balanced advantage and equity savings fund during 2023-24.

On the other hand, income/debt-oriented schemes recorded outflows of ₹34,588 crore during the period as compared to outflows of ₹2,09,061 crore in the previous year. The assets under management (AUM) of mutual fund industry has increased by 35.5 per cent to ₹53.4 lakh crore at the end 2023-24 from ₹39.4 lakh crore at the 2022-23.

Table 8: Resource Mobilization by Mutual Funds

Period	No. of Folios	Gross Resource Mobilisation (₹ crore)	Redemption (₹ crore)	Net Resource Mobilisation (₹ crore)	AUM (₹ crore)
2022-23	14,57,30,600	1,05,07,357	1,04,31,132	76,226	39,42,031
2023-24	17,78,56,760	1,14,48,215	1,10,93,513	3,54,701	53,40,195

Table 9: Scheme Category-wise Net Inflows/Outflows into/from Mutual Funds (₹ crore)

Period	Income/ Debt Oriented	Growth/ Equity Oriented	Hybrid	Solution Oriented	Others	Total
2022-23	-2,09,061	1,44,775	-18,813	1,836	1,57,489	76,226
2023-24	-34,588	1,81,362	1,44,954	2,284	60,689	3,54,701

Note: Other Schemes includes Index Funds, Gold ETFs, Other ETFs and FoFs investing overseas.

6. Portfolio Managers

The total AUM of the portfolio management industry increased by 18.9 per cent from ₹27.9 lakh crore at end of 2022-23 to ₹33.12 lakh crore at the end of 2023-24. AUM under nondiscretionary category and discretionary (EPFO/ PFs) category increased by 16.7 per cent and 15.3 per cent respectively by at end of 20223- 24.

Table 10: Assets Managed by Portfolio Managers (₹ crore)

Period	Discretionary (EPFO/ PFs)	Discretionary (non-EPFO/ PFs)	Non-Discretionary	Co-Investment	Advisory	Total AUM
2022-23	20,58,973	2,76,085	2,30,677	2,20,021	328	27,86,084
2023-24	23,73,372	3,88,480	2,69,273	2,79,860	1,141	33,12,126

Note: The data has been compiled on the basis of information submitted by portfolio managers to SEBI.

7. Snapshot of External Market

III. Foreign Portfolio Investments

India's resilient economy with strong fundamentals, favourable macro indicators, a well-reined inflation, and hopes of rate cut by mid of 2024 made it an attractive market for foreign portfolio Investors. Record inflows by FPIs supported the bull rally of domestic equity markets as Sensex and Nifty scaled historic heights during the year. Assets under custody (custodial holdings of FPIs reflecting the total market value of the holdings) witnessed an astounding increase. The total assets under custody with FPIs increased by more than 43 per cent at the end of March 24 compared to March 23.

In FY24, FPIs were net buyers of Indian equities. They were net buyers for nine months and sellers for only three months. Till March 31, 2024, overall FPI investment was ₹3,39,066 crore in Indian securities market. Inflows into equities was ₹2,08,212 crore which was second to net inflow witnessed during FY 21, the peak COVID period. In FY 23, FPIs had been net sellers and had sold equites to the tune of ₹40,936 crore. Following the announcement of the inclusion of G-sec in JP Morgan's global bond indices in September 2023, the average monthly debt investments made by FPIs saw a remarkable increase. This along with its potential inclusion in other similar indices kick-started the surge in FPI flows into the Indian fixed income markets, and is expected to give further boost to India rising.

Table 11: Monthly FPI Investments for FY 2023-24

Monthly FPI Net Investments (Financial Year 2023-24)					
Month	₹ crore				
	Equity	Debt	Debt-VRR	Hybrid	Total
April	11,631	806	1,235	-126	13,545
May	43,838	3,276	1,514	-298	48,330
June	47,148	9,178	-242	173	56,258
July	46,618	3,726	-2,227	-140	47,977
August	12,262	7,733	-2,933	1,276	18,338
September	-14,768	938	54	-36	-13,810
October	-24,548	6,382	406	-115	-17,875
November	9,001	14,860	737	-52	24,546
December	66,135	18,302	-4,146	4,247	84,537
January	-25,744	19,837	-710	24	-6,593
February	1,539	22,419	862	6,997	31,817
March	35,098	13,602	2,478	818	51,996
Total	**2,08,210**	**1,21,059**	**-2,972**	**12,768**	**3,39,066**

Source: NSDL

Participation of Foreign Portfolio Investors (FPIs) in Securities Market

FPI Net Investments - Financial Year

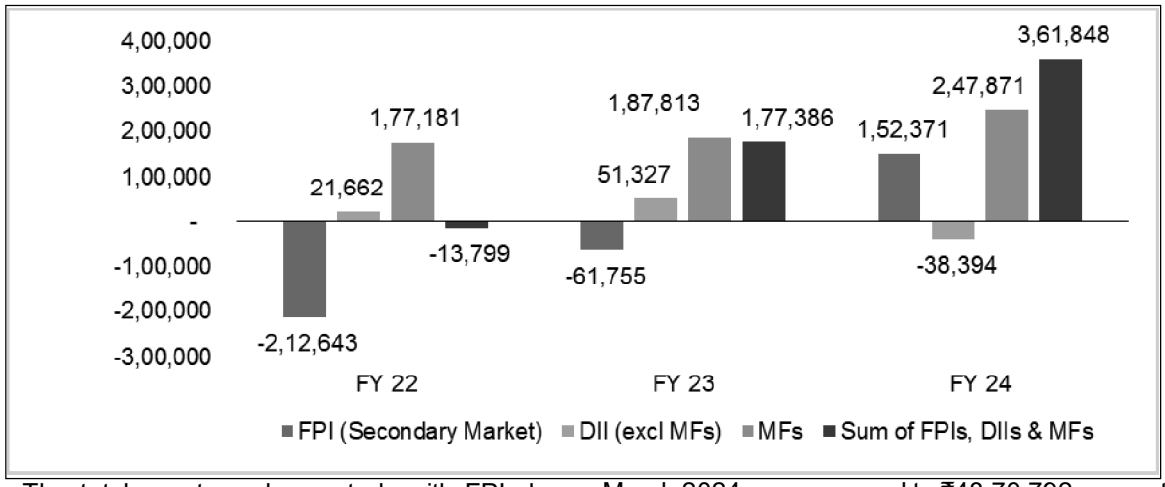
Financial Year	*INR Crores*				
	Equity	Debt	Debt - VRR	Hybrid	Total
2012-13	1,40,031	28,334	0	0	1,68,365
2014-15	1,11,333	1,66,127	0	0	2,77,461
2015-16	-14,172	-4,004	0	0	-18,176
2016-17	55,703	-7,292	0	0	48,411
2017-18	25,635	1,19,036	0	11	1,44,682
2018-19	-88	-42,357	0	3,515	-38,930
2019-20	6,153	-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	-37632	-8937	5814	-181	-40936
2023-24	208212	121059	-2972	12767	339066

Source: NSDL

Morgan Stanley Capital International (MSCI), a leading provider of analytics and indices which are tracked by global investors, announced the addition of several Indian companies across its various indices in November, 2023. These new additions are expected to significantly increae India's weight in MSCI Emerging Markets Indices andf drive passive inflowws intio Indian capital merkets.

The financial year FY-24 is the first in the four years that FPIs have become net buyers of Indian debt with inflows worth ₹1,21,059 crores. The debt markets witnessed FPI net inflows in all months of the financial year 2023-24.

Figure 6: FPI, DII and MF Fund Flows



The total assets under custody with FPIs has increased by 42.7 per cent to ₹69,53,988 crore at end of March 2024, as compared to ₹48,70,792 crore at end of March 2023.

Table 12: Assets Under Custody for FPIs (₹ crore)

Period	Equity	Debt	Debt- VRR	Hybrid	Total
End March 2024	64,15,723	3,46,936	1,47,956	43,373	69,53,988
End March 2023	44,58,528	2,40,482	1,40,708	31,074	48,70,792

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 (	2023-24
2,305	13,180	29,399	4,248	12,888	610	9498

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

B. Amendments to the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 during FY-24.

Following amendments have been made to Foreign Exchange Management (Non-debt Instruments) Rules, 2019 during FY-24 with the aim to bolster investment opportunities in India

1. The Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2024 vide Notification No. S.O. 332(E) 24th January, 2024. This was done in pursuance of the announcement on July 28, 2023 by Union Minister for Finance and Corporate Affairs Smt. Nirmal Sitharaman and to notify the 'Direct Listing of Equity Shares of Comanies Incorporated in India on Internatiional Exchanges Scheme'
2. The Foreign Exchange Management (Non-debt Instruments) (Second Amendments) Rules, 2024 was also notified vide Notificatioin No. 1361 (E)

dated 14th March, 2024 to enable the issuance of party paid units by investment vehicles, including AIFs, to persons resident outside India.

8. GIFT IFSC & International Financial Services Centres Authority (IFSCA)

1. The Union Budget announcement (2015-16) paved the way for operationalizing the maiden IFSC in GIFT City Multi-Service SEZ, Gujarat. Government of India implemented a major financial sector reform by establishing and operationalizing India's maiden International Financial Services Centre (IFSC) in GIFT City, Gujarat.

2. The vision of the Government is to develop GIFT IFSC as a leading internationally recognized financial centre with trusted business regulations, competitive tax structure and ease of doing business. The IFSC has been designated as a special international financial jurisdiction, which is treated as a non-resident zone under Foreign Exchange Management Regulations, thereby facilitating transactions in any freely convertible foreign currency.

3. The Hon'ble Prime Minister of India during his July 2022 visit to GIFT IFSC articulated his vision for GIFT City and stated that "the vision of India's future is associated with GIFT City, which is an important gateway to connect India with global opportunities". He further stated "that if one integrates with GIFT City, one will integrate with whole world".

4. To further promote ease of doing business and provide for dedicated regulatory intervention, Government of India through an Act of Parliament in 2019 set up the International Financial Services Centres Authority (IFSCA) as a unified regulator for development and regulation of financial markets in the IFSCs in India. From 1st October 2020, IFSCA assumed powers of four domestic sectoral regulators namely Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Insurance Regulatory and Development Authority of India (IRDAI) & Pension Fund Regulatory and Development Authority (PFRDA), in so far as development and regulation of financial products, financial institutions and financial services within the IFSCs is concerned.

5. The maiden IFSC since its inception has witnessed substantial growth across the entire spectrum of financial services activities including Banking, Capital Markets, Insurance, Fund Management, Aircraft Leasing, etc. The IFSCA has introduced internationally aligned regulatory regime, which has enabled large number of international and domestic financial services firms to set up presence in GIFT IFSC. With internationally aligned regulatory regime, competitive tax structure and ease of doing business, GIFT IFSC is fast emerging as a preferred jurisdiction for availing wide array of international financial Services.

6. In this direction over the last three years, IFSCA has endeavored to develop a regulatory architecture for IFSCs, which is aligned to international best practices and also has ease of understanding for enhanced compliance. IFSCA has since its inception come up with 30+ Regulations to regulate Banking, Capital Markets, Insurance, Bullion, Fund Industry, Global In House Centers, Foreign University/foreign institutions etc. within IFSC. IFSCA being a unified Authority for IFSCs in India, has undertaken consolidation of domestic regulations to a large extent pertaining to Insurance, Fund Industry, Capital Markets etc., which is unique in the Indian regulatory architecture.

7. Presently, GIFT IFSC has more than 600 + entities registered across various business segments including Banks, Capital Markets, Insurance, FinTech, Aircraft Leasing, Bullion Exchange, etc. The financial services market is rapidly growing with healthy and growing participation of International and domestic financial institutions.

8. Major traction in GIFT IFSC has taken place in the last one year. Some of the key notable achievements in the last one year are as follows-

   - **India's first International Bullion Exchange (IIBX) was inaugurated by the Hon'ble Prime Minister of India in GIFT IFSC on 29th July 2022** for which a major hurdle was identified as non- participation of Indian Banks IBUs as trading members and non- utilization for bullion import through IIBX by nominated banks. The same was allowed by RBI vide its circular dated 9th February 2024.
   - **Apart from the above** integration of SEZ Online and ICEGATE database to allow import of gold by Tariff Rate Quota (TRQ) holders under the UAE-India CEPA through IIBX was also allowed on 10th May 2023
   - 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 was issued on May 23, 2022. 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. So far **Deakin University from Australia became 1st University to be granted in-principle approval to establish International Branch Campus in GIFT IFSC in the past one year. Further, Wollongong University is also slated to open its branch campus during mid this year**

- For boosting insurance/re-insurance business at GIFT IFSC and for retention on re-insurance premiums in India IRDAI through amendments to the IRDAI Reinsurance regulations 2018 in August 2023 in the order of preference accorded parity to the IFSC Insurance Offices set up in GIFT IFSC with the Foreign Reinsurance Branches with a view to encourage setting up of reinsurance business in the GIFT IFSC and maximize retention of premium in India.
- 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. Full scale operation of the NSE IFSC - SGX Connect with full volume transition of SGX NIFTY derivatives to NSE IFSC took place on July 3, 2023.
- Government notified Direct Listing Scheme vide FEM NDI amendment Rules 2024 notification dated 24th Jan 2024. Simultaneously, the Ministry of Corporate Affairs (MCA) has issued Companies (Listing of Equity Shares in Permissible Jurisdictions) Rules, 2024 Amendments to FEMA 395R to be carried out by RBI. Thus the effort paved the way for enabling direct listing of securities in international exchanges at GIFT IFSC
- The listing and issuance of SrGBs has been announced by RBI in Monetary Policy Statement in April 2024. Further RBI has permitted eligible foreign investors in IFSC to invest in SGrBs A scheme for investment and trading in SGrBs is also to be notified separately in consultation with the Government and IFSCA in this direction.
- EXIM Banks has incorporated the entity named India Exim Fin-serve IFSC Private Limited. The entity got the approval on September 13, 2023 and commenced operations of factoring and forfaiting of receivables as a Finance Company.
- Vide notification dated Feb 28, 2024 the provisions creating carve-outs under the SEZ Act for delegating powers of the DC to IFSCA nominated official was published, thereby removing dual control of SEZ and IFSC Authority over GIFT IFSC units and thus improving ease of doing business at GIFT IFSC
- Securities Contract Regulation Act was amended through the Finance Act, 2023 to enable issuance of Offshore Derivative Instruments (ODIs) from IFSCs. IFSCA Banking Handbook already enables ODI, the same would be further strengthened through regulations by the Authority.
- Vide notification dated Feb 28, 2024 the carve-outs under the Banking Regulation Act, 1949 for permitting acquisition financing by IBUs of foreign banks in IFSC was permitted.
- Vide notification dated Jan 18, 2024 accounting, taxation, book keeping and financial crime compliance services were notified as a financial service under the IFSCA Act, 2019 to create a conducive eco-system for financial and knowledge service back-office of the globe.
- For international cooperation on knowledge sharing and technical enagegments following Memorandum of Agreements (MoUs) were cleared by the Cabinet -
  - Financial Services Commission Mauritius (FSC Mauritius)
  - Kuwait (CMA Kuwait) and
  - Bangladesh Securities and Exchange Commission (BSEC).
- Other than the above an enhanced MMoU (eMMoU) was also cleared by the Cabinet for cooperation between IFSCA and International Organization of Securities Commissions (IOSCO)

GIFT IFSC: Business Development Numbers

As on 31st March, 2024

S.N.	Parameter	Till Sept. End 2020	Till Sept. End 2023	Till March End 2024	Growth in last Six Months (Oct 23-March 2024)
1.	Number of IFSC Entities[1]	129	461	604	143
	Banking Sector				
2.	Total Number of Banks[2]	13	24	27	03
3.	Foreign banks	1	9	11	02
4.	Indian Banks	12	15	16	01
5.	Total Banking Asset Size	$ 14 Bn	$ 46.5 Bn	$ 60 Bn	$ 13.5 Bn
6.	Total Banking Transactions	$ 53 Bn	$ 565 Bn	$ 795 Bn	$ 230 Bn
7.	Total OTC Derivative Transactions including NDF[3]	$ 65 Bn	$ 675 Bn	$ 796 Bn	$ 121 Bn
	Capital Market Sector				
8.	Monthly turnover on IFSC Exchanges	$ 21.7 Bn[4]	67.3 Bn[5]	$ 79 Bn[6]	$11.7 Bn
9.	Average Daily Turnover on GIFT Connect	NA	$ 3.20 Bn	$ 3.70 Bn	$ 0.50 Bn
10.	Total Debt Listing on Exchanges	$ 23 Bn	$ 52.7 Bn	$ 56.5 Bn	$ 3.8 Bn
11.	Green/ESG/Sustainable Bond listing	$ 2.1 Bn	$ 10.1 Bn	$ 12.30 Bn	$ 2.2 Bn
	Funds Industry				
12.	Fund Management Entities	NA	78	114	36
13.	Total Funds/Schemes	NA	68	120	52
14.	Targeted Corpus of Funds	NA	$ 19 Bn	$ 33 Bn	$ 14 Bn
	Insurance Sector				
15.	Number of Insurance Firms & Brokers*	17	28	35	7
16.	Re(insurance) Gross Premium booked by Insurance Offices in IFSC	$ 45 Mn	$ 259 Mn.	$ 360 Mn	$ 101 Mn
17.	Re(insurance) Premium transacted by Insurance Intermediaries	$ 158 Mn	$ 808 Mn.	$ 918 Mn	$ 110 Mn
	Aircraft Leasing				
18.	Registered Aircraft Lessors	NA	23	27	4
19.	Total Aircrafts/Engines leased/Ground Support Equipment leased	NA	136	158	22
	Ship Leasing				
20.	Registered Ship Lessors	NA	08	11	03
21.	Total Ships/Engines leased/Ground Support Equipment leased	NA	01	4	03
	Finance Company (Core & Non-Core including ITFS)				
22.	Finance Company (Core and Non-Core)	NA	06	08	02
23.	ITFS	NA	03	04	01
	FinTech				
24.	Number of Fintech Registered[7]	NA	38	52	14
25.	FinTechs approved under Incentive Scheme	NA	05	10	05
26.	Number of Hackathons Completed	NA	08	11	03
	Bullion Ecosystem				
27.	Qualified Suppliers	NA	19	25	06
28.	Qualified Jewelers	NA	102	118	16
29.	Quantity of Bullion Traded on IIBX	NA	2.2 tonnes	8.3 tonnes	6.1 Tonnes
30.	Quantity of Silver traded on IIBX	NA	NA	908.9 Tonnes	908.9 Tonnes
	Foreign Universities				
31.	Number of Univ. applied	NA	2	2	--

[1]Excluding Qualified Jewellers
[2]Excluding New Development Bank
[3]NDF refers to Non-Deliverable Forwards
[4]Exchange turnover for the month of September 2020
[5]Exchange turnover for the month of September 2023
[6]Exchange turnover for the month of March 2024
[7]Excluding 3 ITFS platforms and Unsponsored DR

9. 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 31.12.2023, 750 appeals are pending before SAT and its duration wise breakup is as follows:-

Category	Opening Balance	Cases filed	Total Cases	Disposed Cases	Pending Cases
SEBI	844	82	926	187	739
IRDA	12	00	12	01	11
PFRDA	00	00	00	00	00
TOTAL	856	938	938	188	750

4. Financial Stability & 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 its 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, coordinating India's international interfaces with financial sector bodies like the Financial Action Task Force (FATF), Financial Stability Board (FSB) and other Standard Setting bodies (SSBs). 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, Department of Economic Affairs, Ministry of Finance is the Secretary of the FSDC.

4.1.3 Till 31st March 2024, FSDC held 28 meetings. In 2023-24, the 27th meeting was held on May 08, 2023 and 28th meeting was held on February 21, 2024. In the 27th 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 the need for formulation and expeditious implementation of policy and legislative reform measures to further develop the financial sector, increasing the financial access of the people, and their overall economic well-being. The FSDC, inter alia, discussed measures required to reduce the compliance burden further in the financial sector by Improving Regulatory Quality, Debt Levels of Corporates and Households in India and ensuring a streamlined and efficient regulatory environment, including simplification of KYC framework. The FSDC also deliberated upon the need for proactive cyber security preparedness of Information Technology (IT) systems to reduce risk of cyber-attacks and protect sensitive financial data. FSDC decided to launch special drive by regulators to facilitate the settlement of unclaimed deposits and claims in the financial sector across all segments, such as banking deposits, shares and dividends, mutual funds, insurance, etc. The FSDC, inter alia, also deliberated on Early Warning Indicators for the economy and our preparedness to deal with them, Seamless Experience for Retail Investors in Government Securities, Bimakrit Bharat - Unique Value Proposition to take insurance to last mile, and support required in terms of resolving inter-regulatory issues for GIFT IFSC to play strategic role in Atmanirbhar Bharat.

4.1.4 In the 28th meeting, the FSDC, inter alia, deliberated on issues related to macro financial stability and India's preparedness to deal with them. The ongoing inter-regulatory issues were also discussed to support GIFT International Financial Services Centre (GIFT IFSC) in its strategic role to become one of the world's premier international financial centres and perform its envisioned role of facilitating foreign capital and financial services for the domestic economy. FSDC also discussed on formulation of strategy for implementing pending Union Budget announcements and FSDC decisions on uniform KYC norms, digitalisation of KYC process, kickstarting fund-raising by social enterprises through social stock exchanges, monitoring unauthorised lending through online apps and measures to curb their further spread. 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.

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 Finance Minister, 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 (DGs) 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 30 times so far.

4.2.2 During the year 2023-24, FSDC-SC held the 30th meeting on August 28th, 2023. The Sub-Committee reviewed major global and domestic macroeconomic and financial developments, issues of inter-regulatory coordination relating to the Indian financial sector activities of various technical groups under its purview, and the functioning of State Level Coordination Committees (SLCCs) in various States/ UTs. The FSDC-SC resolved to remain vigilant against any build-up in vulnerabilities in all segments of the Indian financial system as well as in the broader economy, especially from global spillovers in a dynamic and in uncertain world context, and to preserve financial system stability for attaining strong, sustainable and inclusive growth.

4.2.3 Early Warning Group (EWG) is one of the Working Groups under the FSDC-SC, which coordinates the response of Government/Regulators in the time of a crisis situation. Regular meetings of EWG are chaired by various regulators (RBI, SEBI, IRDAI, PFRDA) with yearly rotation. In 2023-24, EWG held 6 meetings, numbering from 34th to 39th. Agendas under various meetings inter-alia include Financial System Vulnerabilities Monitoring (FSVM) Template, Construction of Early Warning Index, market developments on risk outlook, etc. Inter-Regulatory Working Group (IRWG) under the Early Warning Group (EWG) also discussed on valuations guidelines for commercial banks, securities market, NPS.

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 financial 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 (DEA) 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. There are four Standing Committees (SCs) with specific but complementary responsibilities in attaining FSB's objectives. These Standing Committees are a) on Assessment of Vulnerabilities (SCAV) - for identifying and assessing risks in the financial system, b) on Supervisory and Regulatory Cooperation (SRC) - for supervisory policy analysis for regulatory response to vulnerability, c) on Standards Implementation (SCSI) - for monitoring and implementing the agreed FSB policy initiatives and international standards and d) on Budget and Resources (SCBR) - for oversight of the FSB's resources and budget

4.3.4 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). Chairperson, 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). DG, RBI 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.

4.3.5 During the year 2023-24, meetings of the FSB Plenary were held on July 6th 2023 (In-person) and virtually on 29th August 2023, November 13-14th 2023, and March 27th 2024. FSB's Steering Committee in person meeting was held on April 12th 2023, while virtual meetings took place on June 30th 2023, October 20th 2023 and January 26th 2024. SCSI virtual and hybrid meetings were held on April 3rd 2023, September 12th 2023, March 21st 2024, while the in-person meeting was held on November 2nd 2023. Besides, two in person meetings of the RCG Asia were held on 17th, May, 2023 and 29th November, 2023. FSB's Emerging Market and Developing Economies (EMDEs) Forum meeting was held on November 13-14th 2023, to discuss issues of EMDE vulnerabilities and the sovereign-bank nexus and receive EMDEs' feedback on the FSB's work. All these meetings were attended by representatives of DEA at suitable levels.

4.3.6 As India assumed G20 Presidency in 2023, several meetings were organised with the 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 from time to time.

4.3.7 For 2023, under G20 India Presidency, it was 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. In New Delhi Leader's Declaration of G20, FSB's recommendations to achieve greater convergence in cyber incident reporting, updates to the Cyber Lexicon and Concept Note for a Format for Incident Reporting Exchange (FIRE) was welcomed. Subsequently, FSB has established a new working group (FIRE WG) comprising financial sector authorities under the FSB Standing Committee on Supervisory and Regulatory Cooperation (SRC). In 2024, the FSB will design a format for incident reporting exchange (FIRE) to promote greater convergence in financial institutions' reporting of incidents to financial authorities and will deliver a consultation report on same by October 2024. Carrying forward from Indian Presidency, FSB is also actively pursuing the G20's Roadmap for enhancing cross-border payments under the current presidency to achieve global targets for faster, cheaper, more transparent and inclusive cross-border payments by 2027. In this respect FSB will deliver a progress report in October 2024. As regards the regulation of crypto assets, it was stated in the New Delhi Leaders' Declaration of G20 that they welcomed the IMF-FSB Synthesis Paper, including a Roadmap, that will support a coordinated and comprehensive policy and regulatory framework for crypto assets and that the Finance Ministers and Central Bank Governors will discuss taking forward the Roadmap at their meeting in October 2023. Subsequently, the G20 membership adopted the roadmap outlined in the Synthesis Paper as the G20 Roadmap on Crypto Assets in the meeting of the FMCBGs in October 2023 and asked the IMF and FSB to provide regular and structured updates on the progress of implementation of the G20 Roadmap on Crypto Assets. So, it is expected that the FSB will, in collaboration with IMF, World Bank, FATF and other SSBs Standard Setting Bodies, like the BIS and CPMI, work on the implementation of the G20 Roadmap on Crypto Assets and deliver the first status report on the same in 2024.

4.3.8 The FSB's work programme for 2024 addresses challenges including digitalisation, climate change, and the consequences of shifts in the macroeconomic and interest rate environment.

4.4 Financial Sector Assessment Programme (FSAP)

4.4.1 FSAP is a quinquennial exercise jointly conducted by the IMF and the World Bank that involves a comprehensive and in-depth analysis of a country's financial sector to assess financial stability and financial sector development. The DEA, in close coordination with financial sector Regulators and Ministries / Departments concerned, facilitates and coordinates all financial sector matters related to FSAP undertaken for India, including following up on the recommendations of FSAP. India underwent its first FSAP exercise in 2011-12 and the second one in 2017. 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. The third FSAP exercise for India is planned for the year 2023-24. The FSAP exercise for India started with the Scoping Mission meeting that was held during December 11-15, 2023, followed by the FSAP mission visit in March 2024 where the IMF and the World Bank held in-person meetings with financial sector regulators and other institutions and public authorities across the country inter alia, on cross-cutting issues of cyber security, financial safety net, crisis management, climate risk, role of state, etc. Both, the IMF and the World Bank shared their preliminary findings post discussions and the DEA has been following up with the Ministries/ Departments/ Regulators concerned for their examination and suitable implementation. The third leg of the 2023-24 mission is scheduled for June 2024, post which

both the IMF and the World Bank would be submitting their key recommendations along with Financial System Stability Assessment Report in 2025.

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

4.5.1 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 provides 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 Critical Information Infrastructure (CII) identification in Financial Sector

4.6.1 The Financial Stability and Cyber Security Division in DEA 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.

4.6.2 During 2023-24, CIIs and its dependent computer resources hosted by ICICI Bank, Central Bank, IDBI Bank, Yes Bank, Bank of India, Indian Bank, CAMS and KFintech have been declared as "Protected Systems." 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 were 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 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 Reforms and Legislation (FSRL) Division was established in 2013 to facilitate the implementation of Financial Sector Reforms recommended by the Financial Sector Legislative Reforms Commission (FSLRC) or as deemed necessary.

5.1.2 The key reforms implemented based on the FSLRC recommendations include:

i. 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 to bring about uniformity in the selection of board members of financial sector regulators.

ii. 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.

iii. Towards the strengthening financial consumer protection in India, 'Investor Charter' have been issued by the financial regulators for the protection of all financial investors across all financial products.

iv. Implementation of governance-enhancing non-legislative recommendations of the FSLRC by financial sector regulatory agencies.

v. Government set up a Public Debt Management Cell (PDMC) on 4th October, 2016, as an independent and statutory debt management Agency.

vi. Government institutionalised the statutory **Monetary Policy Framework,** including setting of inflation targeting and formation of a **Monetary Policy Committee** to determine policy interest rates, through amendment to the Reserve Bank of India Act, 1934. 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.

vii. 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 March 31, 2021.

viii. 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.

ix. As per the provision of section 45ZB of the RBI Act, 1934, out of the six Members of Monetary Policy Committee (MPC), three Members are from the RBI and the other three Members of MPC are to 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 RBI-Chairperson, ex officio;

b. Deputy Governor of the RBI, in charge of Monetary Policy-Member, ex officio;

c. One officer of the RBI 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

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.

5.1.3 Fugitive Economic Offenders (FEO) Act, 2018: To deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts. The Act makes provisions for a 'Special Court' under the Prevention of Money-laundering Act, 2002 to declare a person as a Fugitive Economic Offender.

Rules made under the FEO Act:

(i) G.S.R. 804(E) dated 24th August, 2018 - **"Fugitive Economic Offenders (Manner of Attachment of Property) Rules, 2018"** provides for authorised officer to issue attachment order to fugitive economic offender and to persons who may have interest in the property. In case of Corporate body, the order is served to the secretary, local manager or the principal officer of the corporate bodies, societies and trust etc. The Rule is issued in exercise of the powers conferred by clause (b) of sub-section (2) of section 23 of the FEO Act.

(ii) G.S.R. 805(E) dated 24th August, 2018 - **"Declaration of Fugitive Economic Offenders (Forms and Manner of Filing Application) Rules, 2018".** These rules provide for forms and manner of application for declaring an individual as a fugitive economic offender. These rules are made in exercise of the powers conferred by clause (a) of sub-section (2) of section 23 of the FEO Act.

(iii) G.S.R. 806(E) dated 24th August, 2018 - **"Fugitive Economic Offenders (Procedure for Sending Letter of Request to Contracting State) Rules, 2018".** These rules provide for form and manner of service of notice of the Special Court on the alleged fugitive economic offenders abroad through the letter of request. The rules were made in exercise of the powers conferred by section 12 of the FEO Act.

(iv) G.S.R. 807(E) dated 24th August, 2018 - **"Fugitive Economic Offenders (Procedure for Conducting Search and Seizure) Rules, 2018".** These rules provide for procedure relating to search, seizure, retention of property or records, manner of forwarding an inventory, and form for filing seizure memo and inventory of items etc. These rules were made in exercise of the powers conferred by clause (d) of sub-section (2) of section 23 of the FEO Act.

(v) G.S.R. 808(E) dated 24th August, 2018 - **"Fugitive Economic Offenders (Manner and Conditions for Receipt and Management of Confiscated Properties) Rules, 2018".** The Rules provides for receipt and management of confiscated property and register to be maintained by the administrator for giving details of immovable property management of confiscated property. In exercise of the powers conferred by clause (g) of sub-section (2) of section 23 of the FEO Act.

5.1.4 Bilateral Netting of Qualified Financial Contracts Act, 2020: The Bilateral Netting of Qualified Financial Contracts Act, 2020 provides a legal basis for measuring credit exposure on net basis for recognized financial contracts, specifically for OTC contracts. Consequently, there is a reduced credit exposure and decreased need for regulatory capital and margins for financial institutions entering into these contracts. Accordingly, RBI, IFSCA, and SEBI has issued notifications for Qualified Financial Contracts (QFCs) and Qualified Financial Market Participants (QFMPs) under the Section 4 of the Act.

a) Notification No.FMRD.DIRD.2/14.03.043/2020-21 dated 9th March, 2021 issued by RBI.

b) Circular dated 30th March, 2021 issued by RBI.

c) Notification No. IFSCA/2020-21/GN/008 dated 2nd February, 2021 issued by IFSCA.

d) Notification No.SEBI/LAD-NRO/GN/2021/24 dated 12th May, 2021 issued by SEBI.

6. Infrastructure Policy & Planning (IPP) 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 Director/Deputy Secretary/Joint 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
- 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 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.
- Matters relating to Infrastructure Working Group (IWG) of G-20.
- Matters relating to meetings of Board of Directors of IIFCL, AIAHL, 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 G20 Infrastructure Working Group (IWG) under the Indian Presidency had the flagship priority- Financing Cities of Tomorrow: Inclusive, Resilient, and Sustainable. Under the flagship priority, the Presidency has worked closely with the members and other stakeholders for making a consensus towards the four deliverables:

- Deliverable 1: G20 Principles on Financing Cities of Tomorrow: Inclusive, Resilient and Sustainable
- Deliverable 2: G20/OECD Financing Cities of Tomorrow
- Deliverable 3: G20/ADB Framework on Capacity Building of Urban Administration
- Deliverable 4: G20/WB Report on Enablers of Inclusive Cities - Enhancing Access to Urban Services and Opportunities

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 24 registered InvITs with SEBI. InvITs have raised cumulative funds of about ₹1,22,673.5 crores[1] till date either through public issue, private placement, or rights issue. Similarly, total 5 REITs have raised cumulative funds of about ₹23,589.99 crores[1] 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 or as Mutual Funds which are regulated by SEBI. As on date, four IDFs under NBFC route and two under MF route are in operation.

To further boost IDF-NBFCs, in August 2023, RBI, in consultation with DEA, brought in the following regulatory reforms:

i. IDF-NBFCs can access funds without a sponsor
ii. IDF-NBFCs can finance Toll Operate Transfer projects as direct lenders
iii. Access both bond and loan routes to raise funds under External Commercial Borrowings (ECBs) in order to enhance the role in the infrastructure financing landscape
iv. Make investments in the PPP projects with optional MTAs

1.2.4 Sovereign Green Bonds Framework

The Government of India has taken a number of measures to combat climate change, along with growth and development aspirations, to create a climate-resilient and inclusive society. The Union Budget 2022-23 announced that the Sovereign Green Bonds will be issued for mobilizing resources for green infrastructure. The proceeds from the issue were to be deployed in public sector projects that help reduce the intensity of the economy's emissions.

As per the Sovereign green bonds frame work, the Government of India, through auctions conducted by the Reserve Bank of India, issued Sovereign Green Bonds worth ₹20,000 crore in FY 2023-24, thus totalling to a cumulative amount of ₹36,000 crore, since the inception of Sovereign Green Bonds.

1.2.5 Workshops/Seminars

As a part of Jan-Bhagidari initiatives for the 1st Infrastructure Working Group Meeting, a High-Level Workshop on "Financing of Cities of Tomorrow" was organized on 13th January, 2023 at Pune. The Workshop discussed how the cities of tomorrow must tie together their key administrative functions - their planning, funding,

[1] *SEBI Website*

and financing - to increase private sector participation. As part of the Jan-Bhagidari initiatives around the 2nd Infrastructure Working Group meeting, a two- day regional workshop was organised in Vishakhapatnam on 22nd - 23rd March, 2023.

A Workshop on EL based Credit Rating Mechanism was organized in New Delhi on 5th June 2023. The workshop was planned in a way to enable the information dissemination about the new credit rating mechanism and in addition suggestions/feedback/ comments can be received from the industry representatives on the topic.

To disseminate the outcomes of the G20 Infrastructure Working Group (IWG), a national workshop on "Leveraging private finance for urban infrastructure development - Learnings from G20 Infrastructure Working Group (IWG)" was organized on 29th November 2023 in New Delhi. The sessions of workshop discussed on 'Cities as engines of economic growth-Vision for a better urban infrastructure landscape', ' Key challenges and enabling ecosystem for attracting private financing in urban infrastructure financing', 'Leveraging innovative financing instruments for urban infrastructure'.

2. Policy & Planning Unit (PPU)

2.1 Major Functions:

- Infrastructure Investment Policy
- Institutional Mechanism on the Harmonized Master List of Infrastructure Sub-sectors
- Sectoral charge of 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.
- 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),
- Monitoring of NIP Implementation by 22 Union Ministries/Departments

2.2 Major Policy Initiatives/ Achievement:

2.2.1 Harmonized Master List of Infrastructure Sub-sectors

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. The inclusion of any sector in the HML enables it to avail infrastructure lending at easier terms and 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 accordance with para 49 of the Union Budget for FY 23-24, an expert committee has been constituted under the chairmanship of Shri Bibek Debroy, Chairman of the EAC to PM with the objective to undertake a comprehensive assessment of the characteristics/ parameters defining infrastructure and the financing framework for Amrit Kaal. The Expert Committee set up for the purpose, has submitted Part-1 of Report.

2.2.2 National Infrastructure Pipeline (NIP)

National Infrastructure Pipeline aims to improve project preparation and attract investment into infrastructure. All projects (Greenfield or Brownfield, under conceptualization or under implementation or under Development) of project cost greater than ₹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 INR 111 Lakh Crore, which has expanded to over 9,506 projects and schemes covering 37 sub-sectors. The NIP projects are monitored through the IIG (NIP-PMG) integrated portal, where currently there are 4,328 are under implementation while 2,043 projects have been completed. The 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 100th year of its Independence. As part of India'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.

Ministries/ Departments capex spending for the FY 2023-24 has been ₹9,50,584 crore (~100% achieved against the Revised Capex of ₹9,50,246 crore) as against ₹7,39,519 crore for the same period in FY 2022-23. The actual expenditure in FY 2023-24 is also ~28% higher than the expenditure in FY 2022-23.

2.2.4 Infrastructure Investment Proposals

A total of 135 DIB/SFC Memorandum, 42 PIB/ EFC Memorandum and 18 CCEA/Cabinet/GoM Notes received from line Ministries/Departments i.e. MoRTH, MoHUA, M/o Shipping, M/o Railways, DoT, MoCA and Dept. of Posts 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 has conducted a workshop with States (i.e. Madhya Pradesh, Rajasthan, West Bengal, Odisha, Jharkhand, Delhi, Dadar & Nagar Haveli and Daman & Diu) on 24-25th May, 2023 at Bhopal, Madhya Pradesh, 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.

3. Capacity Building Unit (CBU)

3.1 Major Functions:

Capacity Building Unit (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.

3.2 Major Policy Initiatives/ Achievement:

This financial year (FY 2023-24) as on 31st March 2024, 25 offline training programs have been conducted by CBU, DEA in association with top institutions like AJNIFM, IIMs, ISB, , IIBF, SP Jain, NLSIU etc. Total of 771 officers (comprising of 475 officers from 24 Central Ministries and 16 CPSEs, and 296 officers from 32 State Governments and Union Territories) from across the country have participated in these trainings.

CBU, DEA has launched a Learning Management System (LMS) for hosting e-learning courses. Further, in December 2023, DEA and World Bank Group have launched the Public-Private Partnership (PPP) Beginner's e-Course. This is available on both LMS and iGoT Karmyogi portals. As of 16th May 2024, 1,619 users (1,009 on LMS and 610 on iGoT) have registered for this e-course, of which have completed 258 participants (99 on DEA-LMS and 159 on iGoT) have successfully completed the e-course.

7. Investment and Digital Economy Division

Investment Division comprises of five different sections, viz. Foreign Direct Investment & Overseas Direct Investment Policy (FDI & ODI) Section, International Investment Treaties and Framework (IITF) Section, Foreign Trade & Services (FT) Section, Domestic Investment (DI) Section and Digital Economy (DE) Section. The major functions of the Investment Division are as under:

(i) To provide policy support on Foreign/ Domestic Investment policies including new policy initiatives in Foreign Direct Investment/ Domestic Investment Policy besides FDI/DI policy clarifications & related matters.

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

(iii) 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 Ministry of Heavy Industries on investment issues and also offering them comments/suggestions on various matters as per need of the Indian economy.

(iv) 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.

(v) 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.

(vi) Matter relating to Digital Economy including FinTech, identifying policy interventions, digital infrastructure gaps and International collaborations in Fintech.

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

The function of this section is to provide policy support on foreign investment policies including new policy initiatives in Foreign Direct Investment and FDI policy clarifications & related matters along with processing of FDI proposal(s) received in DEA. This section co-ordinates with DPIIT, DFS, RBI and SEBI on foreign investment issues and also offers them comments / suggestions on any amendment in FDI policy. It also suggests measures for improving investment environment in India with respect to FDI policy. This section also publishes Overseas Direct Investment outflows data across sectors and countries on DEA's website on monthly basis.

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

(i) "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

(ii) 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 / companies.

To promote Foreign Direct Investment, 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 RBI. Investors are only required to notify and file documents with the concerned Regional Offices of RBI. Under the Government approval route, applications are filed in the Foreign Investment Facilitation Portal (FIFP), the new online single point interface of the Government of India for investors to facilitate Foreign Direct Investment and approved by the respective subject matter Ministries.

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. 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".

B) Domestic Investment (DI) Section

The Domestic Investment (DI) Section plays a crucial role in channeling investments towards sectors

of national importance for India, especially infrastructure and middle-income housing. It manages two funds- the National Investment and Infrastructure Fund (NIIF) and the SWAMIH Fund. The Section processes requests from fund managers to release funds. In terms of sectoral charge, DI Section handles references related to the Ministry of Textiles and the Department of Chemicals & Petrochemicals.

NIIF Funds

National Investment and Infrastructure Fund Limited ('NIIF Ltd.') presently manages 4 Funds registered as Category II Alternative Investment Funds under the Securities and Exchange Board of India (AIF) Regulations, 2012.

(a) National Investment and Infrastructure Fund ('NIIF Master Fund')

This fund invests primarily in assets in core infrastructure sectors such as roads, ports, airports, power etc. The investments are largely in businesses often operating in regulated environments or under concession or long-term agreements. Investors include the Government of India, Abu Dhabi Investment Authority, Ontario Teachers, Australian Super, Canada Pension Plan Investment Board, Temasek, PSP Investments, United States Development Finance Corporation, and domestic financial institutions among others.

As of March 31, 2024 the Portfolio is as follows:

Particulars	Amount (₹Crores)
Total capital commitment	15,998
Capital drawn down	11,693
Portfolio investments committed	14,457

(b) NIIF Fund of Funds-I ("NIIF FOF")

This fund invests in third-party managed funds with sectors of focus which among others includes green infrastructure, mid-income/affordable housing, infrastructure services, social infrastructure, urban infrastructure, industrials and telecommunications. The fund follows a diversified strategy across sectors, products and investment styles. 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').

As of March 31, 2024 the Portfolio is as follows:

Particulars	Amount (₹Crores)
Total capital commitment	4,281
Capital drawn down	3,079
Portfolio investments committed	4,070

(c) India Japan Fund ('IJF')

NIIF launched India-Japan Fund (IJF) of ₹4,900 crore (~USD 600 millions) backed by GOI and the Japan Bank of International Cooperation (JBIC) in August 2023. The Fund will focus on investments in India's environmental sector, including renewable energy, e-mobility businesses, and circular economy sectors such as waste management and waste-water management. The Fund will also invest in opportunities to foster collaboration between Indian and Japanese companies across sectors. In FY2023-24 IJF also completed its first investment deal in the space of electric mobility.

As of March 31, 2024 the Portfolio is as follows:

Particulars	Amount (₹Crores)
Total capital commitment	4,908
Capital drawn down	258
Portfolio investments committed	400

(d) National Investment and Infrastructure Fund-II (Strategic Opportunities Fund, 'SOF')

This fund focuses on high growth opportunity and in innovative companies. The fund invests in businesses either through a majority stake (incubation deals/ control-oriented deals) or an active minority stake.

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.

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 infrastructure debt financing in India. The total loan book size (across both NBFCs) is ~ ₹35,700 crore, and there is no NPA position across the portfolios of both companies.

(e) US-India Green Transition Fund (USIGF)

In addition to the above developments, emanating from visit of Hon'ble PM to the US and the subsequent meeting of the two leaders on the sidelines of India's G20 Leaders Forum the special initiative for the creation of US-India Green Transition Fund (USIGF) was formalized. The objective of the proposed Fund is to help lower the cost of capital and attract international private finance at scale to accelerate the deployment of greenfield renewable energy, battery storage, and emerging green technology projects in India.

- US and India, through US Development Finance Corporation (DFC) and the National Investment & Infrastructure Fund (NIIF) have committed to contribute USD 500 million each by way of catalytic capital for USIGF.

- USIGF has a target corpus of USD 2 billion and is structured as a credit fund for financing greenfield infrastructure projects in India. It is likely to be one the largest green transition funds in emerging economies investing in development projects.

Special Window for Affordable and Mid-income Housing (SWAMIH) Investment Fund-I

The Fund was incorporated in December 2019 after the announcement by the Hon'ble Finance Minister to set up a 'Special Window' in the form of Category-II Alternative Investment Fund to provide priority debt financing for the completion of stalled/stressed housing projects. The Fund is managed by SBICAP Ventures Ltd. a subsidiary of State Bank of India. The investment objective of the Fund is to complete construction of stalled / stressed residential development across geographies - pan India.

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 ₹2.0 crore in Mumbai Metropolitan Region, below ₹1.5 crore in National Capital Region, Chennai, Kolkata, Pune, Hyderabad, Bangalore and Ahmedabad and below ₹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.

Details of commitments made by each of the fourteen investors in SWAMIH:

Sl. No.	Investor	Amount (₹in Cr)
1	Government of India	10,000
2	State Bank of India	1,250
3	Life Insurance Corporation	1,250
4	Union Bank of India	500
5	Indian Bank	400
6	Punjab National Bank	400
7	Canara Bank	400
8	Bank of Baroda	400
9	Central Bank of India	400
10	HDFC Bank Limited Bank Limited (earlier HDFC limited)	250
11	Bank of India	100
12	Bank of Maharashtra	100
13	Punjab & Sind Bank	75
14	SBICAP Ventures Limited (Investment Manager)	6
	Total	**15,531**

As of March 31, 2024 the Portfolio is as follows:

Particulars	Amount (₹Crores)
Total capital commitment	15,531.0
Capital drawn down	7,015.4
Portfolio investments committed	10,430

The Fund has made 113 investments, across India. Upon completion of the project, the Fund has achieved profitable full exits from 17 investments. About 28,000 housing units have applied for/achieved completion.

C) Digital Economy (DE) Section

DE & FinTech Section undertook works relating to Digital Economy including FinTech. This Section identified policy interventions for the Digital Economy and FinTech, and digital infrastructure gaps and measured the progress. International collaborations in Fintech are undertaken to grow India's contribution to the Digital Economy. Possible market failures are identified and interventions are suggested. In terms of sectoral charge responsibilities, this Section is responsible for Ministry of Electronic and Information Technology.

Three Joint Working Groups (JWGs) with Philippines, Singapore and United Kingdom with participation from relevant stakeholders have been constituted to promote collaboration in the FinTech related space and digital payment connectivity.

(i) India-Singapore JWG - Since its inception, the JWG has met five times. The Focus of JWG, inter alia, has been Digital Payment Connectivity, Remittances Corridor, SME Digitization and Finance, Digital Identity systems, India Stack and Regulatory cooperation. One of the significant outcomes of the JWG is UPI-Pay.Now inter-linkage for cross-border remittances.

(ii) India-UK JWG - The India UK JWG has met thrice. The focus of JWG, inter alia, has been Regulatory Sandbox, Global Financial Innovation Network (GFIN) membership, CBDC, India Stack, Public Digital Payment Infrastructure, India-UK Payments Corridor, India UK Financial Partnership (IUKFP) paper on Data and FinTech, Technical Assistance, Investment Opportunities.

(iii) India Philippines JWG - The JWG was constituted in July 2023 and the 1st meeting of the JWG is expected to be convened in near future.

In a significant step towards India's relations with Sri Lanka and Mauritius, Unified Payment Interface (UPI) services in Sri Lanka and Mauritius, along with RuPay card services in Mauritius were launched in February 2024. This launch enables UPI settlement services for

Indian nationals traveling to Sri Lanka and Mauritius, as well as for Mauritian nationals traveling to India. Extending RuPay card services in Mauritius allows Mauritian banks to issue RuPay based cards, facilitating their usage for settlements in both India and Mauritius.

D) International Investment Treaties and Framework (IITF) Section

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/Investment Protection Chapter under FTAs/CECA/CEPA signed with foreign countries.

Achievements

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

S.No.	Country and Name of Agreement	Date of Signing of Agreement	Date of Enforcement
1.	**Belarus**: Bilateral Investment Treaty	24th September, 2018	5th March, 2020
2.	**Brazil**: Investment Cooperation & Facilitation Treaty	25th January, 2020	Pending
3.	**Kyrgyz Republic**: Bilateral Investment Treaty	14th June, 2019	Pending
4.	**Taiwan**: Bilateral Investment Agreement between India Taipei Association (ITA) in Taipei and Taipei Economic and Cultural Center (TECC) in India	18th December, 2018	14th February, 2019
5.	**UAE:** Bilateral Investment Agreement signed between India and UAE on 13th February 2024.	13th February 2024	Pending

India is currently discussing and negotiating Bilateral Investment Treaties with many countries.

In May 2022 India had signed Investment Incentive Agreement (IIA) with Government of USA. In addition to this, India singed Joint Interpretative Statements (JIS) on 4th October 2017, 4th October, 2018 and 11th July 2022 with Bangladesh, Colombia and Mauritius respectively.

E) 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.

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 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 March 2024, approximately 30,159 kilograms of gold have been mobilised under GMS. The details are as under:

Details of Gold Mobilised under GMS (as on 31st March 2024)

S.No.	Types of Deposit	Deposited gold as on 31.12.2023 (in Kgs)
1	Cumulative Quantity of Gold (in Kgs)	30,159
	a Short term Gold Deposit	7,459
	b Medium Term Gold Deposit	9,369
	c Long Term Gold Deposit	13,331
2	Number of participating banks	10
3	Number of depositors	**5,193**

8. FB & ADB Division

8.1 Introduction

8.1.1 The FB Division is concerned with the policy matters of Multilateral Funding Institutions like World Bank Group, International Monetary Fund (IMF) and related Institutions. FB 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 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. Fund Bank 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 March, 2024 comprises of 96 projects with a net commitment of USD 19.81 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.

8.4 Major activities pertaining to the World Bank in 2023-24

8.4.1 Loan Signed & Disbursement: Sixteen World Bank assisted projects were signed during January - March 2024, amounting to USD 5.185 billion of assistance. The projects signed during January-14 December 2024 included Punjab: Building Fiscal and Institutional Resilience, Rail Logistics Project, India's Enhanced Health Service Delivery Program, PHSPP: Transforming India's Public Health Systems for Pandemic Preparedness Program, Karnataka Sustainable Rural Water Supply Program, Assam Integrated River Basin Management Program, Odisha State Capability and Resilient Growth Program, West Bengal Accelerated Development of Minor Irrigation Project - Phase II, Assam State Secondary Healthcare Initiative for Service Delivery Transformation Project, Chhattisgarh: Accelerated Learning for a Knowledge-Economy, Himachal Pradesh Power Sector Development Program, First Low - carbon Energy Programmatic Development Policy Loan, Sikkim: Integrated Service Provision and Innovation for Reviving Economies Operation, Tripura Rural Economic Growth and Service Delivery Project. Tamil Nadu Climate Resilient Urban Development Program, Gujarat Resilient Cities Partnership: Ahmedabad City Resilience Project.

8.4.2 Monitoring of the World Bank Portfolio: Portfolio performance has improved over the years as a result of 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. A virtual Tripartite Meeting to discuss select state sector ongoing projects was held on August 10, 2023 and a pipeline review meetings was held on November 3, 2023.

8.4.3 India as donor to IDA: Since its founding in 1960, IDA has had 20 regular replenishments. In 2014 (IDA 17), India transitioned to being a confident donor. However, it continued to receive transition support during IDA17 (2014-17). India became a donor-only nation during IDA18. As a commitment to India's shared objective of eliminating extreme poverty, reducing vulnerability and increasing resilience across countries, India decided to contribute USD 200 million to IDA 17 replenishment. In furtherance of its commitment towards the IDA countries, India announced a pledge of INR 12.25 billion as its contribution towards IDA 18 replenishment. During the IDA 19 replenishment, India committed INR 15.00 billion. For IDA 20 replenishment, India announced a pledge of INR 17.48 billion.

8.5 International Finance Corporation (IFC)

8.5.1 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 April 30, 2024, IFC's committed portfolio in India stood at USD 8.9 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 2.97 billion through own account and mobilization in FY23 (July 2022-June 2023) in India. During July 2022-June 2023, DEA approved a total of 30 Article III Notifications. Further, DEA granted approval for 7 advisory engagements of IFC between July 2022 and June 2023.

8.6 International Monetary Fund

8.6.1 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.

8.6.2 Meetings of Board of Governors

The Board of Governors usually meets twice a year viz. the Spring Meetings and the Annual Meetings of the IMF and World Bank to discuss the work of the respective institutions. At the heart of the gathering are meetings of the IMF's International Monetary and Financial Committee (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.

8.6.3 India conveyed the letter of consent to the one-year extension, through end-2024, of the term of the note purchase agreement between the Reserve Bank of India and the Fund concluded under the 2020 Bilateral Borrowing framework.

8.6.4 India has committed to contribute USD 50 million for Phase II of SARTTAC Operations (January 2024 - April 2029) in two instalments.

8.6.5 The Annual Article IV Mission with International Monetary Fund was held during September 6-18, 2023, with the Wrap Up meeting, chaired by Secretary (EA) and attended by all concerned Departments, on September 18, 2023. Discussions were held on the State of the Indian economy, reform initiatives and growth prospects. The outcome of these meetings in the form of the IMF India Article IV report for India was published on 18 December 2023.

8.7 Global Alliance for Vaccines and Immunizations (GAVI Alliance)

8.7.1 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.

8.7.2 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 Fourth installment was made on 5th January, 2024.

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

8.8.1 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.

8.8.2 As per the 'Multi-Year Contribution Agreement' signed between the Government of India and GFATM on 6th February, 2023, 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. India's First installment to the GFATM for 2023-24 (USD 8 million) was paid in July 2023.

8.9 Multilateral Investment Guarantee Agency (MIGA)

Multilateral Investment Guarantee Agency (MIGA) was founded in 1988 to promote foreign direct investment (FDI) into developing countries. MIGA currently has 182 members. It provides investment guarantees to private sector investors and lenders, particularly in conflict affected countries. MIGA also provides technical assistance to developing countries as well as helps them in their efforts to attract foreign capital, technology, and know-how. With the approval of Cabinet Committee on Political Affairs, the MIGA Convention was signed by India on April 13, 1992 with a view to creating an environment for foreign direct investment (FDI) in India to provide guarantees to prospective isnvestors 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 7466 shares, comprising 3.41% of total voting power.

8.10 Asian Development Bank (ADB)

8.10.1 ADB assistance to India commenced in 1986. As of 15 March 2024, ADB has committed 29 sovereign loans amounting to $55.31 billion cumulatively. The ongoing sovereign lending portfolio of ADB projects in India consists of 75 loans worth $15.40 billion. ADB's annual sovereign lending in India increased to an all-time high of $4.6 billion in 2021, including a $1.5 billion loan under Asia Pacific Vaccine Access Facility (APVAX) to support government's rapid vaccination rollout to contain the ongoing pandemic and help reduce severity of a possible third wave and loss to life. In 2022, the annual lending level declined to $1.8 billion due to the impact of COVID-19 on project readiness. The 2022 regular assistance program included projects in transport, urban, energy, and public sector management sectors. In 2023, ADB committed sovereign lending of $2.60 billion, covering projects in transport, urban, energy, agriculture, and public sector management sectors. To enhance urban mobility, ADB supports rail-based urban mass transit system with linkages to multimodal transport network in combination with transit oriented urban development. The program also aims to rebalance support from "hard infrastructure" sectors to education and health, finance, and public sector management. This shift aligns with India's expansionary track toward human development and response to the COVID-19 pandemic. Portfolio performance has improved over the years as a result of regular tripartite portfolio review meetings (TPRM) for ongoing and pipeline projects. India achieved a record sovereign loan disbursement of $3.7 billion in 2022, followed by $2.67 billion in 2023. ADB's country partnership strategy (CPS) 2023-2027 for India was endorsed by the ADB Board in May 2023.

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, SAARC Development Fund
6. ASEAN, Asia Europe Meeting (ASEM), Caribbean Union
7. World Economic Forum (WEF)
8. OECD
9. Shanghai Cooperation Organisation (SCO)
10. BIMSTEC
11. 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) Matters relating to CIS countries (Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan).
12. Sectoral Charge -
    a) Ministry of Defence,
    b) Ministry of Tribal Affairs

E- Governance:

IER division has fully operationalized E-file System.

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 sixteen 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), Rome (October, 2021), Bali (2022). The 18th G20 Summit was held under the Indian G20 Presidency in New Delhi, India during 9-10 September, 2023.

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 G20 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

Brief description about the Working Groups are as follows -

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 for both individuals and MSMEs in G20 and beyond. Some of the work areas include ways to enhance digital financial inclusion and MSME finance , pursue policies conducive to harnessing emerging digital technologies including Digital Public Infrastructures (DPI), facilitating remittance flows and reducing the cost of remittance transfers, digital and financial literacy and consumer protection, . The GPFI Co-Chairs are Italy and India.

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.

Indian G20 Presidency 2023

India held the G20 Presidency in 2023. The Summit was held in September, 2023 where the New Delhi Leaders' Declaration was adopted. The G20 Finance Ministers and Central Bank Governors met for the final time under the Indian Presidency in October 2023, where a Communique was adopted.

Achievements under the Indian Presidency

During India's G20 presidency one key area of focus was **strengthening Multilateral Development Banks (MDBs) for the 21st century,** in view of the increasing demands for financing global challenges such as climate change and pandemics, which put pressure on global development financing. The G20 Independent Expert Group (IEG) recommended that MDBs address global challenges alongside their core mandates of eliminating poverty and fostering shared prosperity, triple their sustainable lending levels by 2030, and enhance financial strength. The IEG recommended to make MDBs better, bigger and bolder by, inter alia, suitably modifying their operating models, developing a whole-of-institution approach for mobilising more private capital and scaling up financing at an affordable cost.

With a direction to develop a **comprehensive policy and regulatory framework for crypto assets,** at the request of the Indian G20 Presidency, the IMF and the FSB developed a Synthesis Paper which was welcomed by the Leaders in the G20 New Delhi Leaders Declaration. The collective recommendations outline how authorities can address macroeconomic and financial stability risks posed by crypto-asset activities and markets. The paper also outlines a roadmap for policy implementation which was adopted as the G20 Roadmap on Crypto Assets.

The G20 Principles for Financing Cities of Tomorrow were also endorsed, providing a framework to guide the **planning and financing of sustainable urban infrastructure.**

During India's presidency, the G20 adopted an action-oriented approach, identifying mechanisms for **timely and adequate mobilization of resources for climate finance,** the recommendations of which were welcomed by the G20 Leaders. This included policy levers for low carbon development and specific issues such as financing of early climate technologies.

To enable finance for SDGs, the G20 developed **Analytical framework for SDG-aligned finance** consisting of recommendations for scaling-up the adoption of social impact investment instruments and improving nature-related data and reporting. The **'Sustainable Finance Technical Assistance Action Plan (TAAP)'** developed was endorsed by the G20 Leaders. It is a multi-year document consisting of recommendations for creating an enabling environment for enhancing capacity-building services and tailoring them according to local needs, especially for EMDEs and SMEs.

The G20 also recognized the significant role of **Digital Public Infrastructure** (DPI) in advancing financial inclusion and productivity gains for both individuals and MSMEs in G20 and beyond. A set of action-oriented policy recommendations were formulated to help authorities to advance financial inclusion and productivity gains through DPIs, while a new G20 Financial Inclusion Action Plan (FIAP) was also endorsed for guiding GPFI work for the next three years of 2024-26. In addition, G20 continued to work towards reducing the cost of remittances to achieve its target set under SDGs. Further, G20 continued its collaboration through knowledge exchange with non-G20 countries, particularly Global South to advance financial inclusion.

Lastly, **addressing debt vulnerabilities in low and middle-income countries** remained a priority during India's presidency, with progress made on debt treatments for both Common Framework and beyond Common Framework countries. The Global Sovereign Debt Roundtable was launched as well. It was a joint initiative of the IMF, World Bank, and the Indian G20 Presidency aimed to strengthen communication and foster a common understanding among key stakeholders, both within and outside the Common Framework, for facilitating effective debt treatments.

Brazilian G20 Presidency 2024

The G20 Presidency is presently with Brazil. The Brazilian Presidency is centered on the theme, "Building a fair world and a sustainable planet", and has three overarching priorities:

a) Social inclusion and the fight against hunger
b) Energy transition and sustainable development in its three aspects (social, economic and environmental)
c) Reform of global governance institutions

Brazil Presidency has setup two new task forces, viz., the Global Alliance against Hunger and Poverty, and Global Mobilization against Climate Change.

Key priorities from the Indian Presidency being taken forward by the Brazilian Presidency, are -

a) Building on the Indian Presidency's outcomes on making MDBs better, bigger, and more effective. A G20 Roadmap on better, bigger and more effective MDBs is the targeted outcome, which will be developed based on the Reports of the G20 Independent Expert Group on Strengthening MDBs and the G20 Roadmap on Capital Adequacy Frameworks that was prepared under the Indian Presidency.

b) In 2024, the G20 will work on the deliverables as envisaged in the 2023 Financial Inclusion Action Plan (FIAP) under its two priorities of Digital financial Inclusion and MSME finance within the Global Partnership for Financial Inclusion (GPFI). Building on Indian presidency, the significant role of DPI in advancing financial inclusion will continue to be emphasized in each 2024 GPFI deliverable.

c) Under Financial Sector Issues, the IMF and FSB will provide monitoring updates on the G20 Roadmap on Crypto-assets.

d) Under the Sustainable Finance Working Group, the implementation mechanism for G20 TAAP is being convened by UNDP (SFWG Secretariat) through collaborations with various service providers, knowledge sharing, and tailoring capacity-building needs in line with the national circumstances.

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 South Africa from China on 1st January 2023. The XV BRICS Summit under the theme "Foster High-quality BRICS Partnership, Usher in a New Era for Global Development" was held in Sandton, South Africa on 22-24 August 2023. During the Summit, Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates were invited to become full members of BRICS from 1 January 2024.

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 2023 Meetings & Outcomes

In 2023, under the Chair ship of South Africa, one meeting of the BRICS Finance Ministers and Central Bank Governors and three meetings of the BRICS Finance and Central Bank Deputies were held.

Under BRICS Financial Cooperation, the following main agenda items were discussed in 2022:

i. Global Economic Outlook and Multilateral Cooperation

ii. BRICS Task Force on Public Private Partnerships (PPP) and Infrastructure

iii. Cooperation on Customs and Tax

iv. BRICS Think Tank Network for Finance

The key outcomes under the South African Chair ship in 2023 are as follows:

Global Economic Outlook and Multilateral Cooperation

The key focus under the global economic outlook and multilateral cooperation was identifying key risks affecting BRICS economies and highlighting areas for multilateral cooperation, including the IMF reform agenda. A **Joint BRICS Finance and Central Bank Governor Statement** was the deliverable under the agenda item.

The BRICS Joint Finance and Central Bank Governors Statement was centered on the priorities that South Africa set under its BRICS Finance Track for 2023, including: the Global Economic Outlook and Multilateral Cooperation; BRICS Task Force on Public-Private Partnerships and Infrastructure; Mutual Cooperation on Customs and Tax; the BRICS Think Tank Network for Finance; the Contingent Reserve Arrangement (CRA); and cooperation on other key topics, such as sustainable finance, payment areas and information security.

Task Force on PPPs and Infrastructure

The following infrastructure focus areas was advanced under the Task Force on PPPs and Infrastructure during the South African presidency:

(i) Greater focus on PPPs and other blended-finance solutions to expand and accelerate public infrastructure delivery.

A questionnaire was developed by South Africa and circulated to BRICS countries to capture methods and approaches that have proved valuable in improving the uptake and impact of PPPs; as well as other blended finance options in BRICS countries. The responses provided to the questionnaire, was captured in a report reflecting member countries experiences in achieving development and sustainable objectives.

(ii) Promote the use of green finance in the development of infrastructure in a just manner.

An **Infrastructure Investment Symposium** was held for a discussion amongst BRICS governments,

investors and financiers on opportunities and risks in Infrastructure Development Landscape, Partnership Models to support Infrastructure Investment, Use of Digital Technologies to address Infrastructure Pipeline Development issues ,ways to work with the private sector to promote the use of green, transition and sustainable finance in infrastructure delivery and role of NDB in supporting BRICS countries to advance their infrastructure agenda.

(iii) Adopt a programmatic approach to infrastructure development and delivery.

A case study template on programmatic approaches to infrastructure development and delivery was developed by South Africa and completed by all member countries for consolidation into a report. Member countries also showcased examples of successful adoption of the programmatic approach during the second meeting of the taskforce.

Cooperation on Customs and Tax matters

Customs Enforcement, Authorized Economic Operator Mutual Recognition Agreement (AEO MRA), and sharing of BRICS Tax Authorities Good Practices are the major areas of focus in 2023.

BRICS Customs Enforcement: In 2023, three BRICS Customs Enforcement Meetings were held in virtual mode. All member-states provided an overview of their respective Customs enforcement architecture and the major enforcement challenges it is confronted by, where-in, India highlighted those commercial frauds, such as under-invoicing, mis-classification, mis-declaration and trade-based money laundering, are the challenges faced by Indian Customs. Also, SARS presented a roadmap, in the form of a Joint Activities Plan (JAP), outlining the enforcement-related key deliverables for its Presidency, under capacity building, joint interventions and information sharing, which was confirmed by all member-states.

Authorized Economic Operator Mutual Recognition Agreement (AEO MRA): Three virtual meetings were held of the BRICS Customs Working Group on AEO-MRA in 2023. SARS proposed a Joint Action Plan (JAP) with Road Map that will lead to the ultimate signing and implementation of a BRICS AEO MRA.

Tax Cooperation: During the BRICS Tax Experts and Heads of Tax Authorities meetings presentations were made by the tax experts on various topics, viz. "Developing a high performing, diverse, agile and engaged workforce", "Increase the use of data to improve integrity, derive insight & improve outcomes" and "Modernizing systems to provide digital and streamlined services", besides engagement on general topics of discussion. Case studies developed by BRICS members were shared and Joint ATAF and BRICS Women in Tax event and BRICS Young Tax Professionals Event were held. Discussions were also held on a governance framework for future BRICS+ tax cooperation.

BRICS Think Tank Network for Finance

South Africa had taken forward the agenda of Cooperation on BRICS Think Tank Network and developed the Operational Guidelines which provide guidance on how the Network will operate in terms of governance, delivery of outputs and funding.

Central Bank Issues

The central bank work programme under South Africa's chair ship had three focus areas, namely, the Contingent Reserve Arrangement; the BRICS Bond Fund; and cooperation on key issues, namely, transition finance, payments and information security.

Work under the **Contingent Reserve Arrangement** (CRA) concentrated on three key areas, that is, strengthening the CRA research capability; conducting a sixth CRA Test-Run; and finalizing amendments to the Inter-Central Bank Agreement (ICBA). Considering the challenges experienced in the launch of the **BRICS Bond Fund** (BBF) over the past years, during the July meeting, Deputies agreed to put the BBF on hold.

Under **BRICS Rapid Information Security Channel** (BRISC) Cooperation, the workshops on use of Distributed Ledge Technology (DLT) for incidents sharing and TIBER-EU[1] for BRICS were held under the South African chair. Under **BRICS Payments Task Force** (BPTF), discussions around the three building blocks (BB1, BB10 and BB14) of the G20 Cross-Border Payments Roadmap have been held with discussion on latest developments in BRICS jurisdictions in this direction. In addition, sessions on CBDCs and Regulatory Sandboxes were also held.

BRICS 2024

Russia assumed the BRICS Chair ship on 1st January 2024 and will host the XVI BRICS Summit in October 2024 under the theme: "Strengthening Multilateralism for Equitable Global Development and Security".

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).

[1] *TIBER-EU is the European framework on how authorities, threat intelligence and red-team providers should work together to test and improve cyber resilience by carrying out a controlled cyberattack.*

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 110th G-24 Ministers and Governors Meeting was held in Marrakech, Morocco, on October 10, 2023. It was chaired by Minister of Economy and Finance, Côte d'Ivoire, and was followed by the adoption of a Communiqué.

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. Its members span from South America to Europe and Asia Pacific including several advanced economies and few emerging market economies. All OECD members are signatories to 1960 Convention on the OECD and are committed to democracy and market economy.

Cooperation between India and the OECD ranges over a diverse range of issues such as taxation and fiscal affairs, competition policy and financial education and literacy, to name just a few. OECD has also been previously involved in publishing the OECD Economic Survey of India. Till date, 5 Surveys have been published with the last one being released on December 2019. During the year, IER Division coordinated on matters related to OECD Fiscal Network, Economic Policy Committees, and various other OECD references from MEA. The OECD also provided inputs and reports for some of the Finance Track workstreams during the Indian G20 Presidency.

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 2024. During FY 2023-24, the facility has been availed by Bhutan.

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.

During FY 2023-24, 35th, 36th and 37th meeting of SDF Board Directors were held wherein discussion on many important issues including recruitment of CEO, SDF, annual budget of SDF, approval of new projects and extension of identified projects was held and decision was taken. Adviser (IER-II) who is board director to SDF Board from India, participated in all three meeting virtually.

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. IER Division of DEA, Ministry of Finance coordinates issues related to financial cooperation under the BIMSTEC Forum.

VII. ASEAN

The Association of Southeast Asian Nations, or ASEAN, was established on 8 August 1967 in Bangkok, Thailand, with the signing of the ASEAN Declaration (Bangkok Declaration) by the Founding Fathers of ASEAN: Indonesia, Malaysia, Philippines, Singapore and Thailand.

ASEAN currently has ten member states: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand, Vietnam. IER Division of DEA, Ministry of Finance coordinates issues related to financial cooperation under ASEAN.

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 2023-24 (as on 31st March, 2024)

10.2.1 Total of 1431 live loans/accounts are being handled by AAAD. Out of these, 421 loans/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 2023-24 (upto 31st March, 2024) is ₹106982/- Crore. In addition to loan receipts, a sum of ₹1043 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 31st March, 2024 is as under.

In ₹ crore

Sl. No	Description	2022-23 (as on 31st March, 2023)	2023-24 (as on 31st March, 2024)
1	Receipts (Loans and Grants)	88508	108025
2	Payments (Principal and Interest)	52595	75034
3.	**Net Transfer (1-2)**	**35913**	**32991**

10.3 E-Governance

10.3.1 The Activities of AAAD have been fully computerized since April 1999. A software known as "Integrated Computerized 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. The system is fully functional as per the suitability & user requirement of various stake holders.

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, INGAF, NIFM 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 organized 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 Credit Division of Department of Economic Affairs & PF State (including 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. Next Due Recertification Audit will be conducted on 17.05.2024. Latest ISO annual Surveillance Audit was conducted in 2023.

10.6 Audit of Import Licences

10.6.1 AAAD carries out audit of Import Licenses issued by licensing offices of the Director General of Foreign Trade located at 26 stations for promotion of Export. As a result of settlements, a sum of ₹28170 998.72 has been recovered till 31st March, 2024. Apart from this an amount of ₹1255578887/- has been adjudicated against various firms upto 31st March 2024. Now, the audit teams are being deputed regularly on All India basis.

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. Administration Division is also responsible for framing of Recruitment Rules for ex-Cadre posts and recruitment in such posts in Department of Economic Affairs.

11.2 Staff Strength

11.2.1 The staff strength in Department of Economic Affairs and its attached/subordinate 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 in Department of Economic Affairs for considering complaints of sexual harassment of women employees has been re-constituted vide OM No. A-60011/1/2022-Admn.III dated 18.03.2023.

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 bring out improvement in the quality of their work. During the period 1.1.2023 to 31.12.2023 a total of 110 officials were nominated for the trainings of different levels, which were conducted by ISTM, New Delhi and other government institutes.

11.5 Redressal Of Public Grievances:

11.5.1 A Centralized Public Grievances Redressal and Monitoring System (CPGRAM) is operational within the Government which attends to all the Public Grievances related to various Ministries/ Departments. During the year 2023, 3401 fresh public grievance cases were received in the Department besides 376 brought forward from the previous year. Out of these 3777 cases, 3114 cases were disposed of during the year. Further, 178 Appeals against the disposal of grievances were received and 124 Appeals were disposed of. 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 Right to Information Act, 2005, Department of Economic Affairs has taken the following actions:

(i) An RTI Section is in operation in DEA to facilitate the applicants with the reply/information to their RTI applications under the RTI Act, 2005 through 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 2023, as per the proactive disclosure of information guidelines under Section 4 of the RTI Act, 2005, information was uploaded on the Department's website (www.dea.gov.in). 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) Deputy Secretaries/ 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 aggrieved/not satisfied by the information/reply furnished by the Central Public Information Officers(CPIOs).

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

(vi) The RTI application can be filed through online portal www.rtionline.gov.in. The RTI applicants can see the status of their application as well as the reply/information furnished by the CPIO through the website. These all processes have resulted in significant reduction in processing of RTI applications.

(vii) During the year 2023 from January 1, 2023 to December 31, 2023, total 2700 (Two Thousand Seven Hundred) RTI applications (including 360 physical applications) and 78 (Seventy Eight) first appeals, were received in the Department. An amount of ₹1185/- (Rupees One Thousand One Hundred and Eighty Five only) was received as RTI fees and Documents fee under the RTI Act.

11.7 Use of Hindi in Official work

11.7.1 During the year 2023-24, the progress of implementation of various programmes under the Official Language Policy is being continuously reviewed.

11.7.2 All documents were presented bilingually in the Parliament. Official Language Act, 1963, Official Language Rules, 1976 and all other instructions issued by the Department of Official Language were duly followed. During the year, several steps were taken in the Department to increase the use of Hindi in official work.

11.7.3 The activities related to Official Language undertaken in the Department during the year are as follows:

(i) Organization of Hindi Fortnight

Like other years, this year also "Hindi Fortnight" was organized in the Department of Economic Affairs from September 18, 2023 to September 30, 2023. While issuing a message on the auspicious occasion of "Hindi Diwas" on September 14, 2023, the Honorable Finance Minister appealed to the officers and employees of the Ministry of Finance and offices under its control to do official work in Hindi. In order to create a conducive environment for promoting the use of Hindi in the Department, various competitions were organized in which officers/employees of various Divisions/Sections of the Ministry participated with great enthusiasm.

(ii) Bilingual website

The Department's website is partially bilingual. Along with other materials, all Budget documents, Economic Survey, other publications and important circulars etc. were uploaded in Hindi and English.

(iii) Official Language Inspection

Inspection of subordinate offices: To ensure compliance of the Official Language Act, the rules made thereunder, the Annual Program, Orders and Instructions related to the official language etc, a total of 19 Sections of the Department and 11 subordinate offices have been inspected by the Department during April, 2023 to March, 2024. In these inspections senior officers and employees of the Department participated.

(iv) Dispatch of Quarterly Progress Report

Quarterly progress reports were collected from all the Sections/Divisions of the Department. Hindi correspondence of the Ministry remained about 60 %. The consolidated quarterly progress report and annual progress report was sent to the Department of Official Language, Ministry of Home Affairs in due time.

(v) The most important meeting of Hindi Advisory Committee was organized on 09/02/2024 under the chairmanship of honorable MOS Mr. Pankaj Chaudhary and Dr. Bhagwat Kishanrao Karad. The meeting was successful and accordingly minutes were issued to respective Members/Departments.

(vi) Meetings of the Official Language Implementation Committee

To review the status of Official Language implementation in the Department, three meetings of the Official Language Implementation Committee were held

during the year 2023-24 on 11 May, 2023, 30 October, 2023, and 27 December, 2023 respectively. Heads of the Department of various sections participated in this meeting and accordingly minutes were issued to respective Divisions.

(vii) Circulation of Annual Programme

The Annual Programme for the year 2023-24 released by the Department of Official Language, Ministry of Home Affairs was circulated to all the divisions/sections of the Ministry including subordinate offices and its online link was placed on the dashboard in the e-Office of the Ministry so that the targets fixed by the Department of Official Language could be achieved.

(viii) Hindi Workshop

Three workshops were organized in the Department: on 13.07.2023 on the topic "Use of Kanthasth 2.0 in Official work"; on 12.09.2023 on the topic "Importance of e-office in Official work"; and on 19.12.2023 on the topic "Official Language Policy of the Union" in which senior officers and employees of the Department participated and benefitted . Apart from these workshops in New Delhi, workshops were organized in Mumbai on 21-22 December, 2023 and in Kolkata on 28-29 December, 2023 related to the "Use of Kanthasth 2.0 in Official work".

(ix) Translation Work

Extensive work related to translation is also carried out in the Hindi Section of the Department of Economic Affairs. Translation of other government documents as specified in the Official Language Act, 1963 and the rules made thereunder were also successfully completed by the Hindi Section during the year 2023-24. These include all budget related documents, Annual Reports, Agreements with foreign governments and International Agencies, Cabinet Notes, Parliamentary Questions-Answers/ Assurances, Notifications, Standing Committee related work, Action Taken Reports, Monthly Summary, Government letters and foreign financing reports.

11.8 Finance Library & Publication Section

11.8.1 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.

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

11.8.3 A Publication Cell vide O.M. No.F.1 (1) - Ly/59 dated the 2nd April, 1959 was created and later integrated with the Library forming the Finance Library and Publication Section.

11.8.4 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.

(i) Collection

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, Jus Mundi, Bloomberg, Grammarly and access to e-journals and back-filed collection through JSTOR is also available.

(ii) Services

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.

(iii) Publications

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

(iv) Digital Records

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

(v) Computerisation

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

(vi) OTHER WORKS

i. Modernization and infrastructure improvement was undertaken by the Library.
ii. The work of reimbursement of newspapers and magazines of DEA is also undertaken by the Finance Library.
iii. This Library also serves specifically as the Publications Section of the Ministry; coordinating in the procurement and distribution of official documents with the various institutions/ individuals on demand in India and abroad.

12. Bilateral Cooperation & Sustainable Finance Division

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

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

b. **Concessional Credit extended by Government of India to partner countries under Indian Development and Economic Assistance Scheme (IDEAS) through Lines of Credit and Concessional Finance for strategic overseas infrastructure projects.**

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 financing 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 the then 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 809.38 billion (₹47,936 crore approx) for 13 project proposals to India during the FY 2023-24. As on April 15, 2024, 72 ODA loan projects are under implementation with Japanese assistance. The loan amount committed for these projects is JPY 3,760.16 billion (₹2,27,000 crores approx.). The cumulative commitment of Japan ODA loan to India has reached JPY 8.246 trillion on commitment basis till April 15, 2024.

12.3.1.3 The ODA loan disbursement to India during FY 2023-24 was JPY 580.60 billion (₹33,148 crore approx).

12.3.2 Grant in Aid

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

i) Criteria:

a) Development impacts;

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

ii) Sectors:

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

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

12.3.2.2 There are three (3) ongoing Grant-in-Aid projects viz. (a) The Project for Implementation of Advanced Information and Management System in Core Bengaluru (b) The Economic and Social Development Programme (Provision of Medical Equipment) and (c) 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 19 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 April 1, 2023 to March 31, 2024, 7 proposals were posed to Embassy of Japan and No-objection to 15 Volunteers were issued.

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 2023 was held in New Delhi on 1st November 2023. The total volume of funds committed by the German side for Technical and Financial Cooperation projects and programmes in 2023 amounts to EUR 1047.4 million (EUR 995.8 million FC and EUR 42.0 million TC). The cumulative volume of commitment made by the Germany for bilateral Technical and Financial Cooperation till 2023 amounts to EUR 23.97 billion.

12.4.4 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 2.118 billion till November 2023 which includes Euro 1108.95 million committed during Indo-German Annual Negotiation Meeting held on 1st November, 2023. In 2023, financing agreements aggregating Euro 1.54 billion were signed under Indo-German Bilateral Development Cooperation.

12.4.5 At present, there are 53 ongoing projects receiving external financing/loans (where disbursements are ongoing) from KFW aggregating Euro 7.56 billion from Germany.

12.5 Bilateral Development Cooperation with 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 13 ongoing loans for Euro 1.16 billion from AFD.

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

12.6 Bilateral Development cooperation with Republic of Korea:

12.6.1 In the Joint Statement for Special Partnership signed during the Prime Minister's visit to Republic of Korea (RoK) during May 18-19, 2015, it was agreed to upgrade the bilateral relationship between the two countries to a 'Special Strategic Partnership' and to expand it into a wide range of areas. Accordingly, RoK was accepted as bilateral partner for development cooperation during October, 2016. In the 5th India-Korea Finance Minsters' Meeting held on June 14, 2017 in Seoul, an Economic Development Cooperation Fund (EDCF) Agreement was signed between the two Governments for US$ 1 billion Official Development Assistance (ODA) to India. During FY 2023-24, one loan agreement "Strengthening Multi-Modal and Integrated Logistics Ecosystem Program (subprogram 1)" for ODA loan of 100 USD million has been signed between DEA and Korea EXIM Bank (KEXIM)

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 2023-2024

12.8.3 During the year, two Finance Contracts aggregating Euro 500 million loan were signed between DEA and EIB for the following two metro rail projects:

a. Agra Metro Project (200 million)

b. Kanpur Metro Project (300 million)

12.9 Bilateral Development Cooperation with the USA and Canada

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

12.9.1.1 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, seven projects worth a total budget of USD 750 million (approx.) are being implemented by USAID in partnership with GOI. For the current FY, an obligation of total USD 97 million (approx.) has been made by USAID under the seven projects, as mentioned below:

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.

12.9.2 United States Trade and Development Agency (USTDA)

12.9.2.1 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 sponsor. During the current FY, USTDA is supporting a technical cooperation/ feasibility study project for Ocean Thermal Energy Conversion Power Plants worth USD 0.7 million (approx.)

12.9.3 International Development Research Centre (IDRC)

12.9.3.1 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. During the current FY, IDRC provided grant worth Canadian $ 0.3 million to support NITI Aayog organize a conference in partnership with the Global Development Network (GDN) under India's G20 Presidency.

B. Concessional Credit extended by Government of India under IDEAS

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

12.10.1 Approval of Hon'ble Finance Minister was conveyed for the following Lines of Credit:

i. LoC of USD 180 million to Democratic Republic of Congo on April 06, 2023 for Completion of Katende Hydroelectric Project (HEP) in Democratic Republic of Congo.

ii. Offer of GoI Line of Credit (LoC) of USD 2.50 million to Government of Guyana on August 08, 2023 for installation of Solar Photo Voltaic Power Plant at Cheddi Jagan International Airport (CJIA) in Guyana.

iii. Foreclosure of the LoC of USD 1,000 million extended to Govt. of Mongolia and sanction of three new LoCs, viz., LoC-1 for an amount of USD 203.34 million; LoC-2 for an amount of USD 599 million and LoC-3 for an amount of USD 190 million to Government of Mongolia on August 15, 2023.

iv. LoC of USD 23.37 million to Government of Guyana on March 12, 2024 for procurement of two Hindustan 228-201 aircraft from Hindustan Aeronautics Ltd.

C. Economic Dialogues and Forums

12.11 During the year 2023-24, following dialogues/ meetings were held :

12.11.1 India-UK Economic Financial Dialogue

12.11.1.1 The 12th round of ministerial India-UK EFD was held on 11th September 2023 in New Delhi. The EFD was co-chaired by Smt. Nirmala Sitharaman, Union Minister for Finance and Corporate Affairs and Rt Hon Mr. Jeremy Hunt, MP, Chancellor of the Exchequer. The dialogue focussed on enhancing bilateral economic and financial ties, mutual cooperation on macroeconomic and multilateral issues, as well as, opportunities for enhancement of knowledge exchange, and cooperation. The India-UK Infrastructure Finance Bridge, a collaborative initiative to leverage expertise and investment in support of India's National Infrastructure Pipeline, was also announced during the Dialogue. The Dialogue concluded with the adoption of the Joint Statement by Hon'ble Finance Minister of India and Chancellor of Exchequer of United Kingdom.

12.11.2 India-Switzerland Financial Dialogue

12.11.2.1 The 6th India-Swiss Financial Dialogue was held on 20th March, 2024 through video conferencing. The dialogue was co-chaired by Shri Ajay Seth, Secretary Economic Affairs and Ms. Daniela Stoffel, State Secretary, State Secretariat for International Finance, Switzerland. The Indian delegation included representatives from

Department of Economic Affairs, Department of Revenue, SEBI and RBI. The dialogue featured rich discussions on economic and financial policy priorities for sustainable growth in the current global economic scenario. Both sides exchanged insights on enhancing India-Swiss partnership in infrastructure, financial services, climate finance, and investment especially in light of newly signed TEPA with EFTA countries.

12.11.3 India-U.S. Economic & Financial Partnership

12.11.3.1 In pursuance of the 9th EFP deliberations and 1st review (on 16.03.2024) of the 9th EFP meeting, two follow-up meetings of senior representatives of both countries were held on 03.08.2023 and 22.01.2024. The Indian delegation composed of Chief Economic Adviser Dr. V. Anantha Nageswaran as the lead, and other senior officials from DEA; DOR; Indian Embassy, Washington D.C.; and RBI. The U.S. delegation composed of U.S. Treasury Asstt Secretary of International Affairs Mr. Brent Neiman as the lead and other senior officials from the Treasury and U.S. Federal Reserve.

12.11.3.2 During the meetings, both sides exchanged updates and discussed further cooperation on areas of economic and financial issues under the ambit of EFP framework. Broadly, the discussions covered India-U.S.A. macroeconomic landscape, integration and innovation in financial services, cross-border data and payments and opportunities for UPI interlinkages, collaboration on mobilizing resources for climate finance, and views on global debt landscape.

12.11.4 India-Korea Working Group Meeting:

12.11.4.1 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 11th India-Korea WGM was held on April 20, 2023 in New Delhi under the co-chairmanship of Deputy Director General, DEA from Indian side and Director, Ministry of Economy and Finance from Korean side.

12.11.5 India-EU Macroeconomic Dialogue:

12.11.5.1 The 12th India-EU Macroeconomic dialogue was held on 20.02.2024 virtually through video conferencing. Both sides discussed topics of mutual areas of interest which included macroeconomy, climate change, green and digital transitions and priorities for the G20 Brazilian Presidency. The Indian delegation was led by Shri Ajay Seth, Secretary, Economic Affairs and Dr. V. Anantha Nageswaran, Chief Economic Adviser, DEA and the EU delegation was led by Ms. Elena Flores, Deputy Director General, Economic & Financial Affairs (ECFIN), European Commission. The deliberations fostered rich exchange of insights on key fiscal and structured reforms and avenues for enhancing India-EU macroeconomic Cooperation.

D. United Nations

12.12 United Nations Development Programme (UNDP)

12.12.1 India's annual contribution to the UNDP is US $ 4.5 million for the year 2023, which is one of the largest from developing countries. The Country Programme Document (CPD) of the UNDP is guided by UNDP Strategic Plan & UN Sustainable Development Cooperation Framework (UNSDCF) Outcome for India. Three programmatic priority areas under CPD (2023-27) are: (a) Strong, accountable, and evidence-led institutions for accelerated achievement of SDGs; (b) Enhanced economic opportunities and social protection to reduce inequality - with a focus on the marginalized; (c) Climate Smart Solutions, Sustainable Ecosystems and Resilient Development for reduced vulnerability. In the financial year 2023-24, 10 projects with UNDP as implementing agency, were approved by Local Project Appraisal Committee (LPAC) of DEA.

E. Sustainable Finance

12.13 United Nations Office for Project Services (UNOPS)

12.13.1 United Nations Office for Project Services (UNOPS) is an agency of the United Nations which provides infrastructure, procurement and project management services and supports Governments, the United Nations, and other partners through its projects. During FY 2023-24, three projects engaging UNOPS as implementing agency were approved by the Project Approval and Monitoring Committee (PAMC) of DEA.

12.14 Global Environment Facility (GEF)

12.14.1 India is a founder member of Global Environment Facility (GEF). India is a donor as well as a recipient of GEF Funds. Under the Eight Replenishment of Resources of GEF which runs from 2023-26, India has pledged USD 18.75 million.

12.15 International Platform on Sustainable Finance (IPSF)

12.15.1 International Platform on Sustainable Finance (IPSF) was launched by the European Commission on 18th October 2019 at the IMF Headquarters, Washington DC. India is one of the founding members which include Argentina, Chile, China, Canada, Kenya, Morocco and the European Union. Since its launch Australia, Hong Kong SAR, Indonesia, Japan, Malaysia, New Zealand, Norway, Senegal, Singapore, Sri Lanka, Switzerland and UK have also joined the IPSF. The work of IPSF is informed by twelve observers which include IMF, World Bank Group, OECD, UNEP, UNDP, EBRD and EIB. The platform is a forum for dialogue between policymakers, with the overall aim of increasing the amount of private capital being invested in environmentally sustainable investments. The objective is to scale up the mobilisation of private capital towards environmentally sustainable investments. IPSF

offers a multilateral forum of dialogue between policymakers that are in charge of developing sustainable finance regulatory measures to help investors identify and seize sustainable investment opportunities that truly contribute to climate and environmental objectives.

12.16 India UK Sustainable Finance Forum

12.16.1 At the 10th India-UK Economic and Financial Dialogue in 2020, India and UK agreed to establish a bilateral Sustainable Finance Forum to drive forward deeper cooperation between the UK and India on sustainable finance. Accordingly, the Forum has been setup with members from finance ministries/treasury and other important stakeholders from both sides. Representatives from India include those from MNRE, MOEFCC, M/o Power, RBI, SEBI and Co-Chair (from India) in the UK-India Sustainable Finance Working Group (established by FICCI and City of London Corporation).

12.17 Climate Finance Leadership Initiative (CFLI) India

12.17.1 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 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 FY 2023-24, DEA has processed trainings for 82 Short Term Foreign Training Programmes (less than four weeks) from Singapore Cooperation Programme Training Award (SCPTA), Japan International Cooperation Agency (JICA) and Malaysian Technical Cooperation Programme (MTCP) as received and suitable applicants have been recommended for the purpose.

13. Integrated Finance Division

13.1 The Division is responsible for the following functions:

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

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

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

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

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

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

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

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

13.2 Budgetary allocation of the Grants (on net basis)

(₹ in crore)

Grant		BE 2023-24	RE 203-24	BE 2024-25
30- Department of Economic Affairs	Revenue	6321.62	12655.94	9524.64
	Capital	4559.43	5571.32	74051.72
	Total	**10881.05**	**18227.26**	**83576.36**
32- Department of Financial Services	Revenue	1112.35	4090.03	2783.21
	Capital	212.29	518.59	61.94
	Total	**1324.64**	**4608.62**	**2845.15**

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 **31.03.2024**

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

Sl. No.	No & Year of the Report	No. of Paras/PAC 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.	2 of 2019	...	2	...	...
2.	4 of 2020	1	...	...	...
3.	6 of 2021	1	...	...	...
4.	7 of 2021	2	1	...	...
5.	18 of 2022	...	...	...	1
6.	21 of 2023	...	...	...	...
7.	31 of 2022	7	1	...	...
8.	32 of 2022	...	...	...	1

Summary of Important Audit Observations:-

Report No. 21 of 2023 (Financial Audit) - Union Government Accounts of the Union Government for the year 2021-22

Tabled in the Parliament on: 10th August, 2023

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 2022.

EXECUTIVE SUMMARY

The Annual Accounts of the Union Government presented to the Parliament consist of The Finance Accounts and the Appropriation Accounts. The Audit of Union Government Finance and Appropriation Accounts is conducted in accordance with the CAG's Auditing Standards and the principles enumerated in the Financial Attest Audit Manual. C&AG has certified the Union Finance and Appropriation Accounts for the FY 2021-22 on 21 December 2022.

This Report of the Comptroller and Auditor General of India (CAG) is organised into four chapters, viz. Chapter 1 introduces the Union Government Accounts and the audit process; Chapter 2 contains overview of financial performance of the Union Government and discusses the significant trends of the Government's receipts and disbursements during the financial year 2021-22; Chapter 3 contains comments on Quality of Accounts and Financial Reporting Practices; and Chapter 4 contains comments on Budgetary Management.

Chapter 1: Introduction

The Union Government Finance Accounts (UGFA) depicts 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.

Chapter 2: Overview of Union Finances

The Gross Domestic Product (GDP) of the country at the end of FY 2021-22 was ₹1,47,35,515 crore at Constant Prices (base year 2011-12) and ₹2,36,64,637 crore at Current Prices. In both cases there was a growth of 8.68 *per cent* and 19.51 *per cent* over the previous year, respectively.

[Para 2.1]

During FY 2021-22, the Union Government had total resources of ₹1,48,95,450 crore through gross debt receipts (₹82,49,152 crore, 55.39 *per cent*), gross non-debt receipts (₹33,74,399 crore, 22.67 *per cent*) and gross receipts into public accounts (₹32,37,452 crore, 21.74 *per cent*). During the year, the Union Government utilized ₹148,93,046 crore, on repayment of public debt (₹66,45,468 crore, 44.62 *per cent*), discharge of liabilities on Public Account (₹30,81,152 crore, 20.69 *per cent*), expenditure (₹42,38,534 crore, 28.46 *per cent*) and States' share in Union Taxes (₹8,98,392 crore, 6.03 *per cent*). Also, due to increase in financial limit of the Contingency Fund of India from ₹500 crore to ₹30,000 crore through the Finance Bill, 2021, ₹29,500 crore (0.20 *per cent* of Gross Receipts) was transferred to the Contingency Fund. Gross non-debt receipts of ₹33,74,399 crore comprise gross revenue receipts (₹33,34,813 crore) and Non-debt capital receipts (₹39,586 crore). The gross revenue receipts of ₹33,34,813 crore consist of gross tax receipts (₹27,09,315 crore) and non-tax receipts (₹6,25,498 crore). Further, under tax receipts, direct taxes amounted to ₹13,91,993 crore (51.70 *per cent*) and indirect taxes amounted to ₹13,00,709 crore (48.30 *per cent*).

[Para 2.3]

During FY 2021-22, gross receipts increased by 9.98 *per cent* (₹13,51,384 crore), Non-debt receipts increased by 33.52 *per cent* (₹8,47,069 crore) and debt receipts increased by 1.06 *per cent* (₹86,242 crore), in comparison to FY 2020-21. Debt receipts grew by 25.86 *per cent* over a period of five years from FY 2017-18 to FY 2021-22.

[Para 2.3.2]

Cess collections at ₹4,78,680 crore formed 17.67 *per cent* of the gross tax revenue (₹27,09,315 crore) in FY 2021-22.

[Para 2.3.3.1 & 2.3.3.2]

The total Non-Tax Revenue increased substantially by 44.66 *per cent* in FY 2021-22 (₹6,25,498 crore) as compared to FY 2020-21 (₹4,32,406 crore)

[Para 2.3.4]

During FY 2021-22, total disbursements from CFI increased by 8.14 *per cent* as compared to FY 2020-21. Of the total disbursements of ₹1,39,94,654 crore, disbursements from CFI were 77.98 *per cent* and the balance 22.02 *per cent* was from Public Account. Out of the disbursements from CFI, repayment of public debt constituted 60.89 *per cent*, total expenditure 38.84 per cent and 0.27 *per cent* was transferred to the Contingency Fund of India.

[Para 2.4.1]

Total Expenditure of the Union at ₹42,38,534 crore in FY 2021-22 increased by 8.47 *per cent* over the previous year contributed by Revenue Expenditure (₹34,68,189 crore) and Capital Expenditure (₹5,38,140 crore) driving this increase whereas Loans and Advances (₹2,32,205 crore) decreased compared to the previous year (₹2,49,846 crore).

[Figure 2.16 of Para 2.4.1]

Expenditure on Social Services sector witnessed highest growth of 58.93 *per cent* in FY 2021-22 over previous year. The expenditure on General Services sector also noticed a growth of 13.63 *per cent* in FY 2021-22 over previous year. Whereas, the expenditure on Economic Services sector witnessed a decline of 3.84 *per cent* in FY 2021-22 over previous year.

[Para 2.4.2]

Interest payment of ₹8,28,253 crore was the largest single component of revenue expenditure (₹34,68,189 crore) constituting 23.88 *per cent* of the total revenue expenditure, witnessed a growth of 14.88 *per cent* over previous year.

[Para 2.4.3]

During FY 2021-22, the expenditure on Subsidies (₹5,02,226 crore) constituted 14.48 *per cent* of Revenue Expenditure, which declined by 33.47 *per cent* over previous year.

[Para 2.4.3.3]

Grants-in-Aid to States for centrally sponsored schemes increased substantially to ₹2,40,383 crore (15.35 *per cent*) over previous year.

[Para 2.4.3.4]

Capital expenditure increased significantly from ₹3,42,949 crore in FY 2020-21 to ₹5,38,140 crore in FY 2021-22 with a growth of 56.92 *per cent*, due to higher expenditure on Economic Services (₹1,81,600 crore).

[Para 2.4.4]

Total liabilities consistently increased by more than 10 *per cent* from FY 2017-18 onwards. In FY 2021-22, there was a growth of 12.04 *per cent* over FY 2020-21 on account of increase in Public Debt (₹15,96,305 crore). Total Public Account liabilities of the Union Government as on 31 March 2022, stood at ₹16,44,216 crore.

[Para 2.5 and Para 2.5.1]

During FY 2021-22 Revenue Deficit (RD) and Fiscal Deficit (FD) is on a downward trend.

[Para 2.6]

Chapter 3: Quality of Accounts and Financial Reporting Practices

Review of guarantees as depicted in Statement 4 of UGFA revealed instances of non/short recovery of guarantee fee, non-receipt of penal guarantee fee, documentation / yearly review issues of guarantees and non-consideration of implied guarantees.

[Para 3.2]

Review of UGFA Statement 11 - Details of investments by the Union Government, reveals that there was mismatch in information relating to number of equity shares and percentage of shareholding and investment with reference to Annual Accounts of respective entities, non-accounting of bonus shares, shortfall in payment 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. As a result, the balances varied by 54.52 *per cent* under Suspense Account (Civil) and by 72.26 *per cent* under Public Sector Bank (PSB Suspense). If these amounts remain unadjusted, the balances under the suspense heads accumulate and the accounts would give an inaccurate picture of Government receipts and expenditure.

[Para 3.4]

There were 67 cases of adverse balances at the end of the year FY 2021-22. Out of this, 45 cases were unresolved for over 5 years, with the oldest being 45 years.

[Para 3.5]

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 there under and deviation from approved accounting procedure etc.

[Para 3.6]

At the end of FY 2021-22, an amount of ₹7,63,693 crore is outstanding as loans and advances given by the Union Government to State/UT Governments and other entities. Out of this, ₹68,141 crore are arrears in recovery (principal and interest).

[Para 3.7]

A total of 258 footnotes had been included for disclosing additional information in UGFA for FY 2021-22. However, these footnotes did not disclose the complete picture of the finances of the Union Government to that extent as

the full nature and implications of adjustments and action taken to address the anomalies were not stated. In view of the importance of disclosures/ additional information in relation to the figures appearing in Union Government Finance Accounts, a recommendation has been made to include 'Notes to Accounts' in the UGFA for FY 2022-23.

[Para 3.8.1]

Chapter 4: Budgetary Management

Appropriation Accounts consisting of 101 Demands for FY 2021-22 had approved provisions aggregating to ₹1,24,36,009 crore, total expenditure thereon was ₹1,16,71,288 crore with overall savings of ₹7,64,721 crore.

[Para 4.1.1]

There was excess expenditure of ₹1,235.98 crore over Parliamentary authorization during FY 2021-22 involving three grants, namely Grant No.39-Pensions (₹742.57 crore), Grant No. 6-Department of Fertilisers (₹493.38 crore) and Grant No. 18-Ministry of Defence (Civil) (₹0.03 crore).

[Para 4.2.1]

Total savings under all the Grants/ Appropriations were ₹7,64,721 crore, constituting 6.15 *per cent* of total authorisations. There were Savings of ₹100 crore or more in 94 segments of 70 Grants/ Appropriations amounting to ₹7,63,305 crore. Further, out of the 16 Grants/ Appropriations with savings of ₹5,000 crore or more in FY 2021-22, nine had substantial savings in FY 2019-20 and FY 2020-21 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 269 cases of 62 Grants/ Appropriations.

[Para 4.2.2.2]

In 40 Minor/ Sub-heads under 22 Grants, supplementary provisions amounting to ₹14,155 crore were obtained during FY 2021-22 in anticipation of higher expenditure, but final expenditure was less than the original provisions under corresponding Minor/Sub-heads.

[Para 4.3]

In respect of thirty two (32) Departments/Ministries, 42,854 number of Utilisation Certificates (UCs) aggregating to ₹52,770.14 crore pertaining to Grants-in-Aid released during FY 1975-76 to FY 2020-21, were outstanding as on 31 March 2022.

[Para 4.16]

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., and administration of SBN (Cessation of Liabilities) Act, 2017 and Rules made thereunder.

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 meeting of the Strategic Planning Group is also held regularly to review the indent and production of banknotes and coins & their uninterrupted supply to public. The cumulative production of notes by currency presses during 2023-24 up to 31.03.2024 is given below.

Status of indent of notes by BRBNMPL and SPMCIL during 2023-24 up to 31.03.2024

Press	Total Indent allocated for 2023-24 (in mpcs)	Cumulative production 01.04.2023 to 31.03.2024 (in mpcs)	Production left for 2023-24 (in mpcs)
BRBNMPL	14,580	14,749.32	NIL
SPMCIL	9720	9707.342	12.658*
Face Value (Cr)			
BRBNMPL	3,58,380	3,66,269.86	N.A.
SPMCIL	2,38,920	2,36,168.527	2751.473

* *around 192.933 mpcs of semi-finished stocks were available at Presses on 31.03.2024*

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 ₹34,23,077 Cr. as on 23rd February, 2024.

14.2.3.1 The trends in Coins In Circulation (CnIC) are also strictly monitored. As on 23.02.2024, the CnIC of ₹33099 crore. CnIC has risen to ₹4630.28 crore as compared to CnIC as on 31.10.2022.

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 2023-24 (Upto 31.03.2024), the Government issued Gazette Notifications for release of 21 Commemorative Coins viz. to mark the occasion of 100th Episode of Mann Ki Baat, 25th Anniversary of Operation Shakti- National Technology Day, Inauguration of New Parliament Building, India's G-20 Presidency, Centenary Year of Kaivalyadham, 500th Birth Anniversary of Rani Durgavati, Platinum Jubilee Celebration of National Defence Academy (NDA), 525th Birth Anniversary of Saint Meera Bai, Platinum Jubilee Celebration of Armed Force Medical College (AFMC), 125th Year Birth Anniversary of Dr. Panjabrao Deshmukh alias Bhausaheb Deshmukh, 125th Year of Ramakrishna Mission, Khartargachha Millennium, Founder Jainacharya Shri Jineshwar Suri, 125th Birth Anniversary of Dr. Harekrishna Mehtab, Centenary Celebration of Karnataka Bank, 20 years of Vibrant Gujarat, Birth Centenary of Late Shri Karpoori Thakur, 75th Republic Day Celebrations, 125th Birth Anniversary of Shri Ram Chandra ji of Shahjahanpur, 150th Birth Anniversary of Srila Bhakti Siddhanta Saraswati Goswami Prabhupad, Celebration of 2550th Nirvan Mahotsav of Bhagwan Mahaveer and 90 Years celebration of Reserve Bank of India.

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 8983 million pieces of the Bank Notes and supplied 9040.40 million pieces of Bank Notes to Reserve Bank of India (RBI) during the year 2022-23. This is 12% higher than the production of 8008 million pieces of the Bank Notes during the last year i.e. 2021-22. Production of the Bank Notes per employee has increased to 4.35 million pieces in 2022-23 as against 3.56 million pieces achieved during the last year 2021-22.

14.3.5 SPMCIL has produced 992.22 million pieces of the Circulating Coins and supplied 1000.19 million pieces of the Circulating Coins to RBI during the year 2022-23. This is 26.55% higher than the production of 784 million pieces of Circulating Coins achieved during the last year 2021-22. Production of Coins per Employee has increased to 0.73 million pieces in 2022-23 as against 0.51 million pieces achieved in the last year 2021-22.

14.3.6 During the year 2022-23, SPMCIL has produced 6681.60 Metric Ton (MT) of Security Paper and supplied 6644.21 MT of Security Paper to its printing presses. Production of Security Paper per Employee has decreased to 7.86 MT in the year 2022-23 as against 8.49 MT achieved during the previous year 2021-22.

14.3.7 SPMCIL has produced 305 Metric Ton (MT) of Security Inks at Ink Factory, Dewas and supplied 341 Metric Ton Inks to printing presses during the year 2022-23. Production of Security Ink per Employee has decreased to 5.75 MT in the year 2022-23 as against 7.50 MT achieved during the previous year 2021-22.

14.3.8 SPMCIL has produced 11.453 mpcs of travel documents/passport booklets in the year 2022-23 and supplied 9.50 mpcs travel documents/passport booklets to Ministry of External Affairs (MEA) during the year 2022-23. This is 38% higher than the production of 8.30 mpcs of travel documents/passport booklets during the previous year 2021-22. SPMCIL has also produced 1.40 mpcs of e-Passport.

14.3.9 SPMCIL has also produced 245 mpcs of Non-Judicial Stamp Papers (NJSPs) in the year 2022-23 and supplied 213.442 mpcs NJSPs to various State Governments during the year 2022-23. SPMCIL has produced 4740.75 mpcs of Excise Adhesive Label for various State Governments and supplied 4937.77 mpcs during financial year 2022-23. SPMCIL has also produced 11.11 mpcs of election stationery during financial year 2022-23.

14.3.10 The Revenue from Operations of the Company has increased to ₹4918.22 crores in 2022-23 from ₹4086.63 crores in the previous year 2021-22. The total income and expenditure for the year 2022-23 stood at ₹5225.92 crores and ₹3430.33 crores respectively as compared to total income and expenditure of ₹4268.26 crores and ₹3404.28 crores respectively for the year 2021-22. The Company has reported a Net Profit of ₹1779.25 crores for the year 2022-23 as compared net profit of ₹670.00 crores for the year 2021-22.

14.3.11 Pursuant to guidelines on Capital Restructuring of CPSEs issued by DIPAM, SPMCIL has paid a dividend @30% of PAT for the year ended 31.03.2023, which is higher than 5% of Net worth of the Company as on 31.03.2023. The total amount of dividend for the year 2022-23 is ₹533.77 crores.

14.3.12 During the year 2022-23, the Company has taken-up many modernization and capacity augmentation initiatives. New state-of-the-art Banknote printing and finishing lines have been commissioned at both the currency presses of SPMCIL. With this, the annual Banknote printing capacity of SPMCIL has enhanced to 12500 mpcs. These new machines have further reduced spoil/waste percentage generated during Banknote printing process and also improved the quality of Banknotes. With these new state-of-the-art Banknote printing machines, consumption of Color Shift Ink has also reduced significantly. Colour Medal presses (one each) have been successfully commissioned at IGM, Mumbai and IGM, Kolkata. SPMCIL has manufactured and launched Colour Souvenir Coins in India which includes coins on Panchtantra Stories (4 themes), Mata Sherawali, T20 World Cup etc. Production of e-passport has successfully started at ISP, Nashik. Ink Factory, BNP, Dewas has successfully developed in-house Color Shift Ink (CSI) and submitted specimen Banknote printed with in-house developed CSI ink to RBI. Ink Factory, BNP, Dewas has collaborated with Bhabha Atomic Research Centre (BARC) for development of Ink Taggant. Trial samples of Advanced Water Mark have been developed in-house at SPM, Narmadapuram. The specimen has been submitted to the Committee for further evaluation.

14.3.13 SPMCIL has taken-up various initiatives for Sustainable Development across all its Units. In BNP, Dewas, recycling of waste water is being done from in-

house Combined Effluent cum Sewage Treatment Plant (CESTP). Further, the unit is also doing recycling of plywood for manufacturing of Banknote packing boxes. In SPM, Narmadapuram, setting-up of zero liquid discharge system of minimization of fresh water and utilization of treated waste water in various process areas is in process. Further, the unit is doing repair and retrofitting of oxidation pond in order to improve/increase operation of oxidation pond system. All the nine Units of SPMCIL comprising of Mints, Currency Presses, Security Presses and Paper Mill are certified with ISO 9001: 2015 certification for Quality Management System and ISO 14001:2015 certification for Environmental Management System. Further, the Corporate R&D Centre, Nashik is also certified with ISO 9001:2015 certification for Quality Management System. Security Paper Mill (SPM), Narmadapuram, Bank Note Press, Dewas and India Government Mint, Noida have also obtained ISO 45001:2018 certification for Occupational Health & Safety Management System. SPM, Narmadapuram is also certified with ISO 50001:2018 certification for Energy Management System. Further, SPM, Narmadapuram and Security Printing Press, Hyderabad have obtained ISO/ IEC 17025:2017 certification by National Accreditation Board for Testing and Calibration Laboratories (NABL).

14.3.14 The Manpower Strength of the company has come down to 5987 as on 31.03.2023 which includes 361 executives, 940 supervisors and 4686 office staff & workers working in the nine units and corporate office in comparison to previous year's employee strength of 6454. 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.

14.3.15 SPMCIL has taken-up many CSR projects in the areas of education, healthcare, sanitation, skill development, providing clean drinking water etc. in the year 2023. Under the Gram Uday Scheme, BNP, Dewas had adopted Siroliya village for implementing projects under CSR. As per the instructions of the Department of Public Enterprises (DPE) for giving preference to aspirational districts, SPMCIL had adopted Barwani district of Madhya Pradesh as the aspirational district.

14.3.16 Indigenization: The Joint Venture, Bank Note Paper Mill India Private Limited (BNPMIPL) has produced 13966 MT Security Paper during the year 2022-23.

14.4 Bhartiya 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, which was earlier out-sourced, is now being manufactured at Varnika (In-house Ink Manufacturing Unit of BRBNMPL at Mysuru). BRBNMPL is catering 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 BRBNMPL is putting continuous efforts for indigenization of various items used for banknote manufacturing. The procurements of BRBNMPL is complied with Public Procurement (Preference to Make in India) Order 2017 dated 15th June 2017(as amended as on September 16, 2020) issued by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Micro, Small and Medium Enterprises (MSME) orders, Start-ups. The procurement is done through E-tendering/ E-auction and GeM Portal.

14.4.6 Status of Indent for FY 2023-24 of BRBNMPL

Total Indent allotted for 2023-24 (in mpcs)	Total Indent allocated face value for FY 2023-24 ₹Crores	Cumulative production in mpcs for 2023-24	Cumulative production face value in ₹Crore for FY 2023-24
14,580	3,58,380	14,749.320	3,66,269.863

14.4.7 Direct Remittance: BRBNMPL has increased the Direct Remittance of banknotes to currency chests which enhances the logistical efficiency thereby reducing carbon footprint and cost effectiveness to RBI.During the current financial year FY 2023-24 (as on 31/03/2024), the Company has dispatched 65% direct remittances in terms of number of consignments and 43% direct remittances in terms of million note pieces. Both the presses strategically increase the number of direct consignments to Chests as medium to long-term goal. Considering the present trend, we plan to enhance Direct Remittances during FY 2024-25 to 65% to 70% in terms of number of consignments and around 45% in terms of millions note pieces.

14.4.8 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.

14.4.9 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.

14.4.10 Currency Research and Development Centre (CRDC) is being established at Mysuru for conducting cutting edge research to test the robustness of security features of banknotes and introduction of new security features.

14.4.11 BRBNMPL had been taking up the responsibility of contributing to the general welfare and growth of the communities living near its offices in Bengaluru & Mysuru, Karnataka and Salboni, West Bengal through CSR initiatives in a small way even before it was made mandatory by Govt. of India w.e.f 1st April 2014 under the Companies Act, 2013. BRBNMPL has taken up numerous CSR projects in various focus areas viz. Education, Women Empowerment, Infrastructure Developmental projects, Training & Skill Development, Health & family welfare, promotion of environment friendly technology, etc. and has been fulfilling all the requirements mandated under Section 135 of the Companies Act, 2013, read with amendments from time to time. Further, the Company has also been carrying out the Impact Assessment Study / Measuring of Social Returns from the completed CSR activities of FY 2019-20 onwards.

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 a installed capacity of 12000 MT per year. The Company went into commercial production during the year 2016 and catering to about 75% of the Indian Bank Note Paper requirement.

14.5.2 During the year 2023-24, BNPMIPL has produced 15627 MT of CWBN Paper (130% of the installed capacity) and supplied 15686 MT of CWBN Paper to all the four banknote printing presses to meet their entire requirement of paper to print Indian banknotes. The Company has been 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. The Company has upgraded with state-of-the-art CCTV control system with video analytics and a storage of recording up to one year to monitor the movement of material and people. The company has also installed face recognition cameras and biometric control system for entry and exit points of all sensitive areas.

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, setting up of electronics repair laboratory, Upgradation of online quality monitoring system to reduce manual interventions, introducing ultra filtration and RO water purification system, 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 2023-24. The Company has continued its efforts towards research and Development with the support of ICAR-CIRCOT, Mumbai, SITRA, Coimbatore and CPPRI Saharanpur to improve its processes. 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, HR award etc,. shows its commitment for continuous improvement culture and its responsibility towards the environment.

14.5.4 Under the Corporate Social Responsibility (CSR), BNPMIPL has been contributing in the areas of rural education, women empowerment, rural health, skill development, supporting homeless aged people, eliminating malnutrition, art and culture, environment protection, physically challenged, wildlife conservation, public health and hygiene, supporting local bodies for urban sanitation, medical aids to the poor, palliative care etc.

Annexure-I

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED (SPMCIL)
Representation of SCs, STs, OBCs and EWS

	Number of Appointments made during the previous calender year																	
	Representation of SCs/STs/OBCs/EWS (As on 31.03.2024)					By Direct Recruitment during 2023					By Promotion during 2023			By Deputation during 2023				
Groups	Total No. of Employees	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group 'A'	373	50	22	88	3	29	2	2	7	3	123	14	4	0	0	0	0	0
Group 'B'	913	138	88	210	9	32	1	2	11	3	80	13	14	0	0	0	0	0
Group 'C'	4466	857	374	993	50	361	68	19	194	27	635	87	44	0	0	0	0	0
Total	**5752**	**1045**	**484**	**1291**	**62**	**422**	**71**	**23**	**212**	**33**	**838**	**114**	**62**	**0**	**0**	**0**	**0**	**0**

Annexure-II

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED, (SPMCIL)
Representation of Persons with Disabilities (PWD)

	Total Representation (as on 31.03.2024)					Direct Recruitment during 2023					By Promotion during 2023					By Deputation during 2023				
GRADE	P	Q	R	S	T	P	Q	R	S	T	P	Q	R	S	T	P	Q	R	S	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Group A	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Group B	1	0	10	0	3	0	0	1	0	0	0	0	2	0	0	0	0	0	0	0
Group C	15	38	50	0	25	1	2	5	0	0	0	2	4	0	0	0	0	0	0	0
Total	**16**	**38**	**60**	**0**	**28**	**1**	**2**	**7**	**0**	**0**	**0**	**2**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

P - Blindness and Low Vision
Q - Deaf and hard of hearing
R - Locomotor disabilities including cerebral palsy, leprosy cured, dwarfism, acid attack victims and muscular dystrophy
S - Autism, intellectual disability, specific learning disability and mental illness
T - Multiple Disabilities from amongst A to D including deaf-blindness

15. Other Multilateral Institutions (OMI) Division

15.1 Asian Infrastructure Investment Bank (AIIB)

15.1.1 India is the largest client of the Asian Infrastructure Investment Bank (AIIB) in terms of approved financing. Since 2016 (AIIB's operational period), 29 Sovereign Projects have been approved by AIIB for the financing of USD 8.8 billion across various sectors viz. energy, transport, water, urban, public health, and education. Out of these 29 projects, 20 projects worth USD 5.7 billion are ongoing, 8 projects worth USD 3 billion have already been closed, and one project worth USD 100 million is approved by the AIIB Board and is being signed. In addition, since its inception, AIIB has approved 14 non-sovereign/private sector projects worth USD 1173.5 million.

15.2 New Development Bank (NDB)

15.2.1 India is the second largest recipient of New Development Bank (NDB) financing across power, water, transport, public health, sustainable development, and social sector. Since 2016 (NDB's operational period), 23 Sovereign Projects have been approved by NDB for the financing of USD 8.1 billion across various sectors, viz. transport, water, urban, public health, tourism, etc. - This includes USD 2 billion in recovery assistance to India towards COVID-19 Crisis Recovery support and economic resilience. Out of these 23 projects, 17 projects worth USD 4.5 billion are ongoing, 4 projects worth USD 2.8 billion have already been closed, and 2 projects worth USD 640 million are approved by the NDB Board and are being signed. Further, during the FY 2023-24, India signed 05 projects worth USD 1.1 billion. In addition, since its inception, NDB has approved 2 non-sovereign/private sector projects worth USD 400 million.

15.3 International Fund for Agricultural Development (IFAD)

15.3.1 The IFAD assisted 32 projects in India with a commitment of USD 1.6 billion (approx.) since 1979. Out of these, 26 projects have already been closed, while 6 projects with a total assistance of USD 359.9 million are under implementation. Currently, 02 projects of India worth USD 186.33 million has been built as pipeline for the approval of IFAD Board in FY 2024-25.

15.4 The African Development Bank (AfDB).

15.4.1 The AfDB 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, jointly referred to as the African Development Bank Group, namely the African Development Bank (AfDB), the African Development Fund (ADF), and the Nigeria Trust Fund (NTF). The AfDB is headquartered in Abidjan, Côte d'Ivoire.

15.4.2 The Bank comprises 54 African countries known as regional member countries (RMCs) and 27 non-African countries known as non-regional member countries (NRMCs). 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.

15.4.3 India is a long-standing partner of the AfDB, and relations date back to 1982 when India joined the African Development Fund (ADF) and joined the African Development Bank (AfDB) in 1983 as its non-regional / non-borrowing member. All 81 AfDB members (54 RMCs & 27 NRMCs) are grouped into 20 constituencies (13 regional and 7 non-regional). India is part of the NIIC - Nordic India Ireland Constituency, comprising Norway, Sweden, Finland, Denmark, and Ireland.

15.4.4 India holds a total of 41,896 shares and 0.287 percent voting shares in the AfDB. In ADF, India holds a 0.178 percent voting share. India participates in the Board of Governors (BoG) meetings, which are held annually, and raises concerns during the Board of Directors (BoD) meetings via its constituency. India is represented in the Board of Governors by the Finance Minister of India, and the Secretary of the Department of Economic Affairs serves as the alternate governor.

15.4.5 In 2023, India committed USD 2 Million towards the African Development Financial Inclusion (ADFI) Facility, aimed at advancing financial inclusion in Africa. It is a blended finance vehicle established as a Special Fund under the AfDB aiming to scale innovative digital financial services and drive financial inclusion across Africa by supporting the development of digital financial infrastructure; policy and regulation; digital products and innovation; and capacity building. India has a seat in the Governing Council of ADFI.

15.4.6 On March 14, 2024, India signed a Technical Cooperation Agreement (TCA) by committing a grant of

₹50 Crores for a five-year period effective from FY 2023-24. The TCA will further support digital financial inclusion initiatives in Africa, by supporting activities related to ADFI in Digital Finance Infrastructure and Digital Financial Services Enhancement, along with Capacity building, Knowledge sharing, infrastructure development, ICT, trade, science & technology, and technical assistance in the preparation of feasibility studies, etc.

15.4.7 As of March 2024, India has pledged ₹601.9 crore (till ADF-15). For ADF-16, India has pledged ₹152.64 crore as a pure grant and ₹3.69 crore as grant compensation. Another ₹46 crore has been contributed towards the Multilateral Debt Relief Initiative (MDRI).

15.4.8 Overall, these contributions have served to finance activities aligned with Africa's vision for development within the context of the Bank's Ten-Year Strategy (TYS) and High 5 priorities.

15.5 European Bank for Reconstruction and Development (EBRD)

15.5.1 The 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 and evolve into open, market-oriented economies committed to the principles of multiparty democracy and pluralism. EBRD operates in more than 30 countries from Central Europe to Central Asia and the Southern and Eastern Mediterranean. The area of operation of the EBRD has now expanded to include North African countries as well. The EBRD is the only bank among MDBs that focuses mainly on 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 72 member countries, as well as the European Union and the European Investment Bank. India joined the EBRD in July 2018 as its 69th shareholder and currently holds 0.033 percent shareholding in the Bank. India is a non-borrowing member and is part of the Portugal Constituency, which comprises Portugal, Greece, and San Marino. India paid Euro 1.79 million (₹14.74 Cr) 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 the 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 the 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 Joint Secretary. The Division has the following Units: Private Investment Unit, Energy Unit and NIP Facilitation Unit. Each Unit is headed by a Adviser/Director/Deputy Secretary/ Joint Director and assisted by an 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 .

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 up to 50% of Opex for 5 years after the 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 2023-24 under the Scheme for Financial Support to Public Private Partnerships in Infrastructure, one project amounting to TPC of ₹7055.95 Crore was granted In-Principle Approval. The total amount of VGF disbursed under the scheme in the FY 2023-24 by DEA is ₹410 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. During the FY 2023-24, Public Private Partnership Appraisal Committee has recommended 9 projects with a Total Project Cost of ₹54089.71cr.

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 transaction advisers for project development involves substantial costs and, many times, Project Sponsoring Authorities (PSAs) face a 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 28 Proposals in the FY 2023-24 with total funding of ₹51.67 cr.

4. Empanelment of Transaction Advisors(TAs)

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. This list of TAs is widely used by Project Sponsoring Authorities for onboarding TAs for PPP projects.

5. Major Initiatives

5.1 PPP Policy-related matters

In order to enhance awareness and knowledge generation related to PPP projects, DEA in 2023-24 has undertaken several initiatives to strengthen the PPP knowledge ecosystem in the country. These knowledge documents have been developed keeping in mind the requirements of the administrator from the point of project structuring, appraisal and implementation. These knowledge documents aim to develop in-house capacity of the officials for undertaking PPPs, bring in the requisite standardisation and ensure discipline in the overall approach to PPPs. Some of these knowledge documents published in 2023-24 are:

- **Reference Guide for PPP Project Appraisal** to provide guidance to project appraising authorities at the central and state levels for appraisal of PPP projects.
- **Reference Guide for Setting up State PPP Units** to provide support for establishment and strengthening of PDCs/ PPP Units in States.
- **Reference Guide for Project Implementation Mode Selection - Waterfall Framework -** to aid PSAs in selecting the most appropriate mode of project implementation.
- **PPP Structuring Toolkits for Road & Highway, Ports, Solid Waste Management and Water & Sanitation,** with the objective of improving project structuring and providing guidance during the lifecycle of the PPP projects.

5.2 Handholding/Support initiatives

To handhold State Governments, officers/officials of other Central Ministries and authorities dealing with PPP matters in structuring PPP projects, a series of four two-days PPP Structuring Toolkit workshops were organized during the FY 2023-24. These workshops covered sectors such as Roads and Highways, Solid Waste Management, Water and Sanitation, and Ports. These events were conducted in hybrid mode imparting training to a total of 308 participants from more than 20 different states and union territories.

5.3 Public Private Partnership (PPP) Beginner's e-Course - The Public Private Partnership (PPP) Beginner's e-Course, co-developed by the IFS, DEA and the World Bank, was launched on 20th December, 2023. The e-Course is designed to cater to a diverse audience interested in understanding and engaging with PPPs. The course covers a range of topics pertaining to PPPs, with a focus on practical insights derived from 51 real-world case studies. It provides an opportunity for officers engaged in infrastructure planning, financing, implementation, and monitoring to enhance their understanding about PPPs. Within two months of its launch, the e-course, hosted on DEA LMS (Learning Management System portal), has witnessed a good response with 1600+ participants (including senior level participants) registered for this course from 22 State/UTs and 25+ Central Ministries/Departments/PSU.

Energy Unit

Major functions of Energy Unit, inter alia, include the following:

- Energy Sector policies and proposals
- Investments in Climate NDCs, RE 2030 Goal, and de-carbonization of economy
- External territorial charge: Gulf countries i.e. Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Iraq.
- Matters relating to OPEC Fund for International Development (OFID).
- Matters related to energy sector ministries/ departments viz. Petroleum and Natural Gas, Coal, Power, Atomic Energy, New & Renewable Energy, Mines and Space and appraisal and comments on DCNs/ CCEA/CoS/ECS/EFC/ SFC/PIB/DIB/CEE Memo received from the line Ministries.
- Brief for the Cabinet/PIB/EFC meetings/ miscellaneous meetings.
- Analyzing various concept notes, project proposals, sector reports received from the line Ministries.
- Maintain liaison with various sovereign wealth funds from Gulf countries and ensure continuous assistance to them on their ease of doing investments in our country.
- Appraisal of various infrastructure project proposals in terms of compliance with relevant regulations, financial viability and appropriateness of funding requests.
- Institutions: International Solar Alliance (ISA), Indian Railway Finance Corporation (IRFC) & National Investment and Infrastructure Fund (NIIF).
- Matters related to Committee on Allocation of Natural Resources (CANR).

Major Policy Initiatives/ Achievements:

1. Energy Unit is 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 2023, helped ECoS setup by M/o Coal regarding adoption of methodology for auction of coal and lignite mines/ blocks to approve 12 coal mines to be offered for sale of coal through auction.
3. Continuous engagement with the 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 Seventeen (17) Cabinet/ CCEA notes from the line Ministries/ Departments. In addition, one (1) PIB proposal and seven EFC proposals have been examined during the year. These were mainly related to National Electricity Policy 2023, Amendments in the MMDR Act to rationalize the royalty rates, setting up of Coal Exchange(s), incentives to promote Underground Coal Mining, VGF Scheme for Offshore Wind Energy projects, PMUY, PM-Surya Ghar: Muft Bijli Yojana, Capital support to Public Sector OMCs, etc.
5. Energy Unit helped line ministries/ departments in structuring various schemes such as Carbon Credit Trading Scheme (CCTS), Green Taxonomy for accessing large quantum of competitive funds for Renewable Energy, ADB-GCF Green Finance Facility (GFF) for India. .

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);
- Monitoring of performance of Ministries/ Departments on National Monetisation Pipeline (NMP);
- Implementation of recommendations of Core Group of Secretaries on Asset Monetization (CGAM) and other meetings on NMP;
- General reform Initiatives for creating an enabling eco system for increased private sector participation in infrastructure development;
- Country Charge of West Asian Countries- Iran, Armenia, Azerbaijan, Cyprus, Georgia, Israel, Turkey, Jordan, Lebanon, Palestine, Syria, Yemen, etc.
- State charge of Maharashtra and Gujarat
- Co-ordination work within the Division, etc;

Major Policy Initiatives/ Achievements of NIP FU

1. National Infrastructure Pipeline (NIP) (States/ UTs):

NIP which had started with 6835 projects has expanded to over 9,506 projects of which around 2,895 projects are funded/ owned by the State/UT Governments. NIP projects showcase the infrastructure investment opportunities in the states/UTs to domestic and global investors. Continuous engagement with States/ UT Governments were made to improve NIP performance in the States/UTs. Project status Snapshots of all states/ UTs were prepared and shared with states/UTs for review and further improvement.

2. National Monetisation Pipeline (NMP):

During the first two years, i.e., 2021-22 and 2022-23, as against monetization target of ₹2.5 lakh crore, transactions with monetisation value of ₹2.3 lakh crore was achieved. For the year 2023-24, a target of ₹1.79 lakh crore is envisaged under the NMP. Further, keeping in line with the strategic initiatives, proactive work on developing a pipeline of transactions has been undertaken by the ministries/ departments. In order to ensure performance of NMP, regular review meetings on NMP are chaired by the Finance Minister and Cabinet Secretary.

Annexure-I

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of SCs, STs, and OBCs

	Total Representation (as on 01.01.2024)					Direct Recruitment during 2023					By Promotion during 2023			By Deputation during 2023				
Group	**Total**	**SCs**	**STs**	**OBCs**	**EWS**	**Total**	**SC**	**ST**	**OBC**	**EWS**	**Total**	**SC**	**ST**	**Total**	**SC**	**ST**	**OBC**	**EWS**
Group A	213	26	4	22	2	23	4	2	6	2	13	1	1	-	-	-	-	-
Group B	247	48	36	58	5	32	9	3	10	4	3	-	-	-	-	-	-	-
Group C (Excluding Safai Karamchari)	203	69	5	37	1	7	2	0	3	0	-	-	-	2	-	-	-	-
Group C (Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**663**	**143**	**45**	**117**	**8**	**62**	**15**	**5**	**19**	**6**	**16**	**1**	**1**	**2**	**-**	**-**	**-**	**-**

Annexure-II

DEPARTMENT OF ECONOMIC AFFAIRS (MAIN)

Representation of Persons With Disabilities (PWD)

	Total Representation (as on 01.01.2024)					Direct Recruitment during 2023					By Promotion during 2023					By Deputation during 2023				
Group	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**
Group A	-	-	1	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-
Group B	-	-	5	-	-	-	-	1	-	-	-	-	2	-	-	-	-	-	-	-
Group C (Excluding Safai Karamchari)	1	-	4	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**1**	**-**	**10**	**-**	**-**	**1**	**1**	**1**	**-**	**-**	**-**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

P - Blindness and Low Vision
Q - Deaf and hard of hearing
R - Locomotor disabilities including cerebral palsy, leprosy cured, dwarfism, acid attack victims and muscular dystrophy
S - Autism, intellectual disability, specific learning disability and mental illness
T - Multiple Disabilities from amongst A to D including deaf-blindness

Annexure-I

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of SCs, STs, and OBCs

	Number of appointments made during the previous calendar year														
	Number of Employees				By Direct Recruitment				By Promotion			By other Methods			
Group	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	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	6	1	-	1	-	-	-	-	-	-	-	-	-	-	-
Group C	11	2	-	2	-	-	-	-	-	-	-	-	-	-	-
Group D (Excluding Safai Karamchari)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group D (Safai Karamchari)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**22**	**3**	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-II

SECURITIES APPELLATE TRIBUNAL, MUMBAI
Representation of Persons With Disabilities (PWD)

	Number of Employees				DIRECT RECRUITMENT							PROMOTION						
					No. of Vacancies reserved			No. of Appointments made				No. of Vacancies reserved			No. of Appointments made			
Group	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH	VH	HH	OH	Total	VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group A	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	6	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group D (Excluding Safai Karamchari)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group D (Safai Karamchari)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**22**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-I

Security and Exchange Board of India (SEBI)

Representation of SCs, STs, and OBCs

	Total Representation (as on 01.01.2024)					Direct Recruitment 2023#					By Promotion during 2023			By Deputation during 2023				
GRADE*	**Total**	**SCs**	**STs**	**OBCs**	**EWS**	**Total**	**SC**	**ST**	**OBC**	**EWS**	**Total**	**SC**	**ST**	**Total**	**SC**	**ST**	**OBC**	**EWS**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**
Officers	978**	137	60	276	21	0	0	0	0	0	171	17	11	0	0	0	0	0
Secretaries	70	0	0	3	0	0	0	0	0	0	35	0	0	0	0	0	0	0
Junior Asst.	1	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA
Messenger	1	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA
Total	**1050**	**137**	**60**	**279**	**21**	**0**	**0**	**0**	**0**	**0**	**206**	**17**	**11**	**0**	**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

*** Includes employees who are on contract/deputation*

 # Excludes officers a) who joined SEBI in 2024 but the recruitment was initiated in 2023 b) wait listed candidate who joined in 2023 but recruitment completed in 2022

Annexure-II

Security and Exchange Board of India (SEBI)

Representation of Persons with Disability(PWD)

	Total Representation (as on 01.01.2024)					Direct Recruitment during 2023					By Promotion during 2023					By Deputation during 2023				
GRADE*	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**
Officers	14	7	10	2	0	0	0	0	0	0	2	0	1	0	0	0	0	0	0	0
Secretaries	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Junior Asst.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA
Messenger	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	NA	NA	NA	NA	NA
Total	**15**	**7**	**10**	**2**	**0**	**0**	**0**	**0**	**0**	**0**	**2**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

P - Blindness and Low Vision

Q - Deaf and hard of hearing

R - Locomotor disabilities including cerebral palsy, leprosy cured, dwarfism, acid attack victims and muscular dystrophy

S - Autism, intellectual disability, specific learning disability and mental illness

T - Multiple Disabilities from amongst A to D including deaf-blindness

** 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

 # Excludes officers a) who joined SEBI in 2024 but the recruitment was initiated in 2023 b) wait listed candidate who joined in 2023 but recruitment completed in 2022

Annexure-I

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Representation of SCs, STs and OBCs

	Total Representation (as on 01.01.2024)					Direct Recruitment during 2023					By Promotion during 2023			By Deputation during 2023				
Group	**Total**	**SCs**	**STs**	**OBCs**	**EWS**	**Total**	**SC**	**ST**	**OBC**	**EWS**	**Total**	**SC**	**ST**	**Total**	**SC**	**ST**	**OBC**	**EWS**
Group A	81	6	3	18	3	22	4	1	7	2	44	1	1	-	-	-	-	-
Group B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Excluding Safai Karamchari)	3	2	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**84**	**8**	**3**	**19**	**3**	**22**	**4**	**1**	**7**	**2**	**44**	**1**	**1**	**-**	**-**	**-**	**-**	**-**

** IFSCA doesn't have the concept of 'Group' which is unique to the Central Civil Services. However, for the sake of categorization all officers (Assistant manager and above) may be treated as Group 'A'. Similarly, MTS may be treated as Group 'C'.*

 # The number shown are actual representations.

Annexure-II

INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY

Representation of Persons with Disability (PWD)

	Total Representation (as on 01.01.2024)					Direct Recruitment during 2023					By Promotion during 2023					By Deputation during 2023				
GRADE*	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**	**P**	**Q**	**R**	**S**	**T**
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**	**19**	**20**	**21**
Group A	1	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-
Group B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Excluding Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

P - Blindness and Low Vision

Q - Deaf and hard of hearing

R - Locomotor disabilities including cerebral palsy, leprosy cured, dwarfism, acid attack victims and muscular dystrophy

S - Autism, intellectual disability, specific learning disability and mental illness

T - Multiple Disabilities from amongst A to D including deaf-blindness

Annexure-I

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED (SPMCIL)
Representation of SCs, STs, OBCs and EWS

	Number of Appointments made during the previous calender year																	
	Representation of SCs/STs/OBCs/EWS (As on 31.03.2024)					By Direct Recruitment during 2023					By Promotion during 2023			By Deputation during 2023				
Groups	Total No. of Employees	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	Total	SCs	STs	OBCs	EWS
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group 'A'	373	50	22	88	3	29	2	2	7	3	123	14	4	0	0	0	0	0
Group 'B'	913	138	88	210	9	32	1	2	11	3	80	13	14	0	0	0	0	0
Group 'C'	4466	857	374	993	50	361	68	19	194	27	635	87	44	0	0	0	0	0
Total	**5752**	**1045**	**484**	**1291**	**62**	**422**	**71**	**23**	**212**	**33**	**838**	**114**	**62**	**0**	**0**	**0**	**0**	**0**

Annexure-II

SECURITY PRINTING & MINTING CORPORATION OF INDIA LIMITED, (SPMCIL)
Representation of Persons with Disabilities (PWD)

	Total Representation (as on 31.03.2024)					Direct Recruitment during 2023					By Promotion during 2023					By Deputation during 2023				
GRADE	P	Q	R	S	T	P	Q	R	S	T	P	Q	R	S	T	P	Q	R	S	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Group A	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Group B	1	0	10	0	3	0	0	1	0	0	0	0	2	0	0	0	0	0	0	0
Group C	15	38	50	0	25	1	2	5	0	0	0	2	4	0	0	0	0	0	0	0
Total	**16**	**38**	**60**	**0**	**28**	**1**	**2**	**7**	**0**	**0**	**0**	**2**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

P - Blindness and Low Vision
Q - Deaf and hard of hearing
R - Locomotor disabilities including cerebral palsy, leprosy cured, dwarfism, acid attack victims and muscular dystrophy
S - Autism, intellectual disability, specific learning disability and mental illness
T - Multiple Disabilities from amongst A to D including deaf-blindness

Annexure-I

NATIONAL SAVINGS INSTITUTE

Representation of SCs, STs, and OBCs

Group	Total Representation (as on 01.01.2024)					Direct Recruitment 2023 #					By Promotion during 2023			By Deputation during 2023				
	Total	SCs	STs	OBCs	EWS	Total	SC	ST	OBC	EWS	Total	SC	ST	Total	SC	ST	OBC	EWS
Group A	3	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	16	2	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Excluding Safai Karamchari)	27	4	3	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**46**	**07**	**03**	**13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure-II

NATIONAL SAVINGS INSTITUTE

Representation of Persons With Disabilities (PWD)

Group	Total Representation (as on 01.01.2024)					Direct Recruitment during 2023					By Promotion during 2023					By Deputation during 2023				
	P	Q	R	S	T	P	Q	R	S	T	P	Q	R	S	T	P	Q	R	S	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Group A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Excluding Safai Karamchari)	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group C (Safai Karamchari)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

P - Blindness and Low Vision
Q - Deaf and hard of hearing
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S - Autism, intellectual disability, specific learning disability and mental illness
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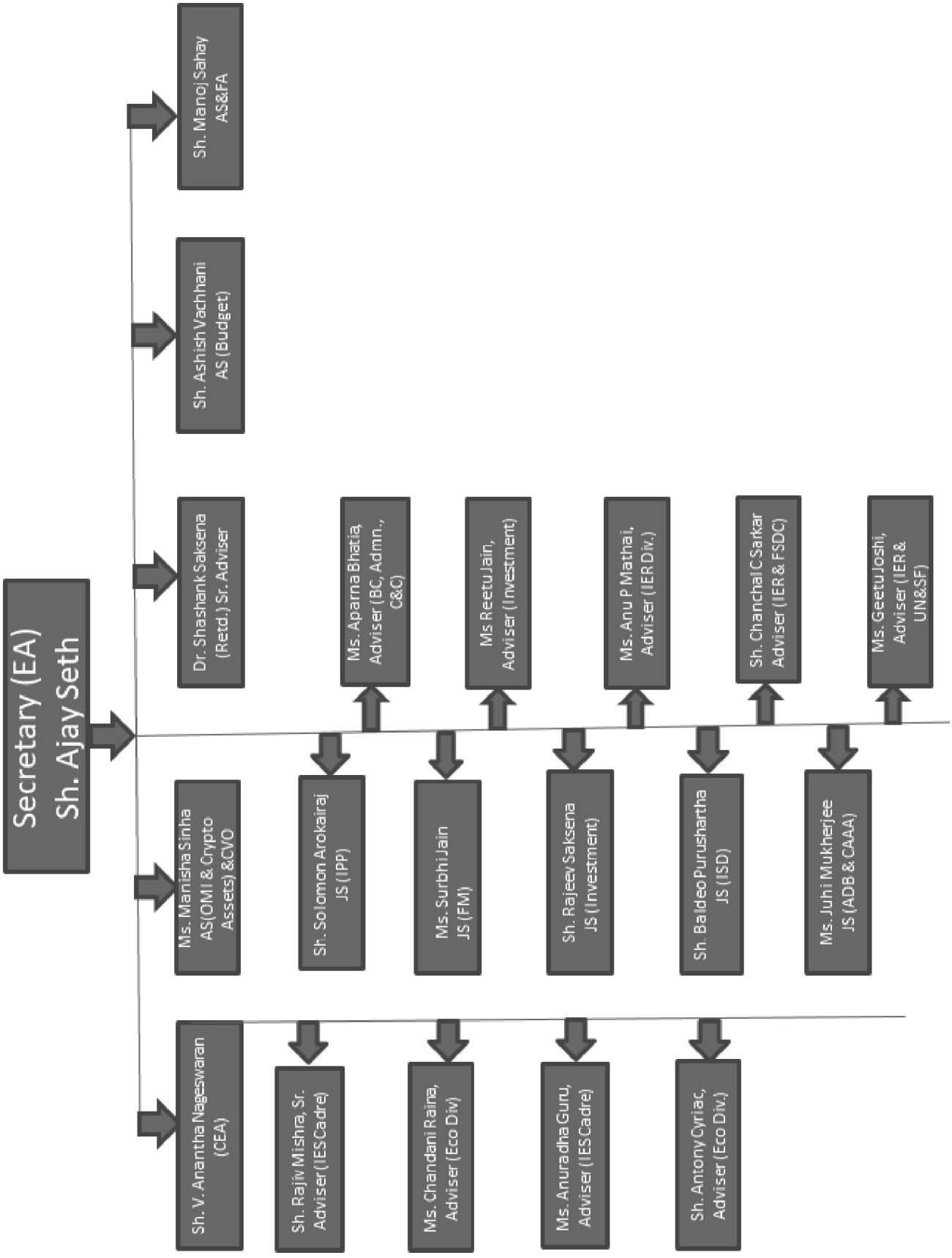
ORGANIZATION CHART IN THE DEPARTMENT OF ECONOMIC AFFAIRS



Chapter - II

Department of Expenditure

1. PERSONNEL DIVISION

1.1 The Personnel Division works under the Additional Secretary (Personnel) and is responsible for administration of various financial rules and regulations 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 deals with 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 Allowances 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 persons 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 the Department. The Central Public Information Officers (CPIOs) ensure timely supply of information to applicants and prompt action is taken on appeals by First Appellate Authorities. Third party audit is conducted by RTI Section as per RTI Act, 2005. RTI Section works in close coordination with Central Information Commission(CIC) and this Section upload the quarterly report of RTI of the Department on the CIC portal and also take necessary action on the CIC hearing notices as per RTI Act, 2005.During the year 2023-24, 38 CIC hearing notices were received and prompt action taken on it. In addition to that 4515 RTI applications & 243 RTI appeals received 'online' and 837 RTI applications & 18 RTI appeals received in 'physical form' were disposed-off in a time-bound manner.

1.9 Legal Cell

1.9.1 Legal Section is the 'Nodal Section' of the Department of Expenditure in respect of all legal matters received from Central Registry of Supreme Court of India, various High Courts and Tribunals including other Ministries/Departments and also coordinate with the various Divisions/Sections of Department of Expenditure and also with Ministry of Law & justice for all court cases. Legal Section may compile the information regarding

pending court cases on monthly basis wherein Department of Expenditure is one of the respondents. Legal Section monitor all the court cases hosted on the LIMBS portal. The parliament questions received from Department of Legal Affairs on legal matters are also being replied by the Legal Section in consultation with various sections under 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 Special Assistance to States

Post implementation of the 14th Finance Commission, States were empowered through the budget line 'Special Assistance to States' for meeting spill over committed liabilities for which Budget provision is not made after implementation of the 14th Finance Commission recommendations and other need-based assistance to the States. Accordingly, Rs. 1423.70 crore in 2019-20, Rs. 1948.66 crore in 2020-21, Rs. 3766.39 crore in 2021-22, Rs. 2271.23 crore in 2022-23 and Rs. 11695.21 crore in 2023-24 were released to States as Special Assistance for meeting contextual needs. The details of releases are provided in Annexure-I.

2.2 Scheme for Special Assistance to States for Capital Investment/Expenditure

2.2.1 Post COVID-19, the Union Government came out with a 'Scheme for Special Assistance to States for Capital Expenditure' in October, 2020 considering the tough fiscal environment faced by the State Governments due to COVID-19 pandemic. It was aimed at to assist the States in boosting capital expenditure and enhance the productive capacity of the economy in the time of risk aversion. Under the Scheme, the Central Government provided 50-year interest free loan to States. The Scheme was continued in 2021-22, 2022-23 and 2023-24 with enhanced allocation in view of the extremely positive response of the State Governments to the Schemes and their request for continuing the Scheme. Capital expenditure in the economy has a higher multiplication factor and crowds-in private investment and raises supply side capacity for enhancing economic growth.

2.2.2 In the FY 2020-21, the Scheme had an allocation of Rs. 12,000 crore. Out of this, an amount of Rs. 2,500 crore was allocated to the North-Eastern States and Hill States under Part-I of the Scheme. Under Part-II of the Scheme, an amount of Rs. 7,500 crore was allocated to the States other than North-Eastern and Hill States in proportion to their share of Central Taxes as per the interim award of the 15th Finance Commission for the year 2020-21. Moreover, an amount of Rs. 2,000 crore was earmarked for Part-III of the Scheme for providing incentives to States for carrying out citizen centric reforms in three out of four areas viz. implementation of one nation one ration card system; implementation of district level and licensing reforms for ease of doing business; reforms for strengthening local bodies; and power sector reforms.

2.2.3 In the FY 2021-22, the Scheme had an allocation of Rs. 15,000 crore. Under Part-I of the Scheme, an amount of Rs. 2,600 crore was allocated to the North-Eastern States and Hill States. An amount of Rs. 7,400 crore was allocated to the States other than North-Eastern and Hill States under Part-II of the Scheme in proportion to their share of Central Taxes as per the award of the 15th Finance Commission. In addition, an amount of Rs. 5,000 crore was earmarked for providing incentive to States for privatisation/disinvestments of the State Public Sector Enterprises (SPSEs) and monetization/recycling of assets.

2.2.4 The Scheme was continued in 2022-23 with an enhanced allocation of Rs. 1.07 lakh crore. Under Part-I of the Scheme, an amount of Rs. 80,000 crore was allocated to the States in proportion to their share of Central Taxes as per the award of the 15th Finance Commission. In addition, incentive amounts of Rs. 27,000 crore were earmarked for seven reform centric areas, viz., PM Gati Shakti related expenditure; supplemental funding for priority segment of PMGSY including States' share of PMGSY; incentive for digitisation, capital projects on optical fiber cable; urban reforms; disinvestment of SPSE's & asset monetization; and scrapping of old vehicles.

2.2.5 The Scheme has been further expanded and continued as 'Scheme for Special Assistance to States for Capital Investment 2023-24' with budgetary allocation Rs. 1,30,000 crore. This includes an amount of Rs. 1 lakh

crore under Part-I of the Scheme which has been allocated in proportion to their share of Central Taxes as per the award of the 15th Finance Commission and incentive amounts of Rs. 30,000 crore for reform centric and sector specific areas, viz, scrapping old vehicles, urban planning reforms, financing reforms in urban local bodies to make them creditworthy for municipal bonds, housing for police personnel above or as part of police stations, unity malls, children and adolescent' library and digital infrastructure.

2.2.6 The State-wise details of Special Assistance (Loan) approved and released under the Scheme for Special Assistance to States for Capital Expenditure/Investment between financial years 2020-21 and 2023-24 is provided in Annexure-II.

2.3 Borrowings of the States

2.3.1 As per the recommendations of the XV-FC, NBC of 3 percent of Gross State Domestic Product (GSDP) has been allowed to States for the year 2023-24. The NBC of the States for the year 2023-24 has been fixed at Rs. 8,59,988 crore at 3 percent of GSDP of the States.

2.3.2 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 2023-24 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% of GSDP for the year 2023-24.

2.3.3 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.

2.3.4 For the financial year 2023-24, additional borrowing permission of Rs. 54,815 crore was allowed to 9 States for meeting the stipulated reform criteria. The additional borrowing is allowed based on the recommendation of Ministry of Power after assessment of the performance of the State in power sector as per the guidelines issued by the Department of Expenditure, Ministry of Finance.

2.4 Additional Central Assistance for Externally Aided Projects

2.4.1 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. 36,787.24 crore has been released against the total Budget Estimates of Rs. 36,940.00 crore under the ACA for EAPs during the financial year 2023-24 under the demand No. 42.

2.5 Finance Commission Grants to States

2.5.1 Finance Commission Division (FCD), Department of Expenditure undertakes processing of and follow up action on the various recommendations of the Central Finance Commission including release of grants recommended by the successive Central Finance Commissions.

2.5.2 The Union Government vide Explanatory Memorandum as to the Action Taken on the Recommendations made by the Fifteenth Finance Commission (XV-FC) in its Report for the award period 2021-22 to 2025-26 inter-alia accepted the recommendations of the XV-FC. For the year 2023-24, the XV-FC has recommended grants-in-aid amounting to Rs.179140 crore to the States for Post Devolution Revenue Deficit Grant, Grants to Local Bodies, Health Sector grant, Disaster Management Grants, Grant for Incubation of New Cities & Grant for shared Municipal Services. The details of allocation and releases of grants to State Governments under various components during 2023-24 are as under:

(Rs. in crore)

S/ No.	Components	Allocation for 2023-24	Releases during 2023-24 (Upto 31/03/2024)
1.	Post Devolution Revenue Deficit Grant	51673.00	51673.00
2.	Urban Local Bodies Grant	24222.00	21223.04
3.	Rural Local Bodies Grant	47018.00	47260.15
4.	Health Sector Grant	13851.00	4692.62
5.	Central Share of State Disaster Response Fund (SDRF)	19572.80	19419.60
6.	Central Share of State Disaster Mitigation Fund (SDMF)	4893.20	4253.50
7.	Assistance to States from National Disaster Response Fund (NDRF)	10928.00	1048.50
8.	Assistance to States from National Disaster Mitigation Fund (NDMF) *	2732.00	0.00
9.	Grant for Incubation of New Cities. *	4000.00	0.00
10.	Grant for shared Municipal Services *	250.00	0.00
	Grand Total	**179140.00**	**149570.41**

* The nodal Ministry(s) have not made final recommendation for release of grant.

2.5.3 To strengthen the hands of the States in the event of a natural disaster, additional Central assistance is provided by the Central Government from National Disaster Response Fund (NDRF). Based on the recommendations from M/o Home Affairs (Nodal Ministry), an amount of Rs 1048.50 crore has been released from NDRF during 2023-24.

3. PUBLIC FINANCE CENTRAL DIVISION

3.1 Public Finance (Central) Division is entrusted with the appraisal and approval of all public funded Schemes and Projects of the Central Ministries/PSUs. This Division is divided into two units i.e. Public Finance (Central-I) and Public Finance (Central-II).

3.2 In respect of development Schemes and Projects, the focus has been on improving the quality of public expenditure through 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 is engaged in working out modalities for financial assistance to CPSEs on receipt of proposal from their parent Ministries/ Departments in consultation with Budget Division, Department of Economic Affairs.

3.5 Various issues relating to subsidies on Food, Fertilizers and Petroleum, including their quantification and extension of assistance to the stake holders are also dealt within the division. This division is actively involved along with the concerned Departments / Ministries, in shaping the subsidy policies to ensure effective targeting, coupled with the minimum burden on the Government.

3.6 The PFC division also deals with the various issues of Direct Benefit Transfer (DBT) in coordination with the DBT Mission, Aadhar seeding beneficiary's data base and the 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 the 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 within the identified measurable Outcomes in the relevant medium term framework. Physical and Financial outputs are targeted on a year to year basis. Consolidated Outcome Budget 2023-24 was presented in the Parliament as a part of the Budget documents of 2023-24.

3.8 During the period from 1st January, 2023 to 31st March, 2024, the Expenditure Finance Committee (EFC) Chaired by Secretary (Expenditure) recommended 63 investment proposals/schemes of various Ministries/ Departments costing Rs.7,82,513.70 Crore (with Central share of Rs. 7,67,685.7 Crore.)

3.9 Also, during the period, Public Investment Board (PIB) chaired by Secretary (Expenditure) considered and recommended 36 proposals involving an amount of Rs. 3,73,721.32 Crores (with Central share of Rs. 3,71,858.75 Crore).

3.10 In order to speed up the appraisal process, an online portal has been functional since August, 2017, for uploading EFC/PIB/SFC/DIB proposals to relevant Ministries, receiving comments, fixing dates for the meeting and dispatching minutes after approval.

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 Output/ Outcome 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 In pursuant to Budget 2023-24 announcements, following two schemes were launched by this Department in 2023-24:

4.3.1 **Vivad Se Vishwas I – Reliefs to MSMEs (VsV-I) :**

Objective: Providing relief to Micro, Small and Medium Enterprises (MSMEs) who were unable to comply with government contracts during the time of COVID.

Methodology: Vivad se Vishwas I – scheme was announced in the Budget 2023-24. Executive instructions for implementation of the scheme were issued through OM No. F.1/1/2023-PPD dated 11.04.2023. All procurements were brought under the ambit of the scheme through an amendment vide OM No. F.1/1/2023-PPD dated 02.06.2023.

Salient Features of the Scheme:

i. The scheme has been implemented through Government e-Marketplace (GeM) portal, ensuring ease of submitting claims and transparency.

ii. Relief by way of refund of 95% of the forfeited amounts (Bid Security, Security Deposit, Risk Purchase damages, general damages) and of revocation of debarment, if any only on account of failure to execute contract.

iii. Relief has been provided against forfeiture of Bid Security/ Risk Purchase cost for contracts having original delivery period/ completion period from 19.02.2020 to 31.03.2022 and against forfeiture of Earnest Money Deposit (EMD) for tenders whose closing date was between 19.02.2020 and 31.03.2022 (both dates are inclusive).

iv. All types of procurements (i.e. Goods, Services and Works), including earning contracts are covered by the scheme.

v. Last date for submission of claim under the scheme was 31.03.2024.

Outcome: Till 31.03.2024, 61095 claims of MSME Vendors have been received, out of which only 11,775 claims are now pending.

4.3.2 **Vivad Se Vishwas II –(Contractual Disputes) (VsV-II) :**

Objective: To effectively settle the pending contractual disputes of government and government undertakings.

Methodology: The scheme was announced in the Union Budget 2023-24. Executive instructions for implementation of the scheme were issued through an OM No. F.1/7/2022-PPD dated 29.05.2023.

Salient Features of the Scheme:

i. The scheme has been implemented through Government e-Marketplace (GeM) portal, ensuring ease of submitting claims and transparency.

ii. The scheme applies to all domestic contractual disputes where one of the parties is an entity of Government of India, as listed in the scheme. All types of procurements (i.e. Goods, Services and Works), including earning contracts are covered by the scheme.

iii. Settlement amount in case of court awards passed on or before 30.04.2023 is 85% of the net amount awarded/ upheld by the court. For Arbitral Awards passed on or before 31.01.2023, the settlement amount offered is up to 65% of the net amount awarded.

iv. For Government entities, covered under the scheme, settlement as per scheme is mandatory for claims upto Rs. 500 cr.

v. Disputes satisfying the following condition are eligible for final settlement under the scheme

Status of dispute	The award issued upto the following date
Arbitral Award passed	31.01.2023
Court Award passed	30.04.2023

vi. Last date for submission of claim under the scheme was 31.03.2024.

Outcome: Till 31.03.2024, 1217 claims have been received by various organizations.

4.4 Reduction of Performance Security in procurement of Goods and Services contracts:

Objective: To reduce financial burden on companies to participate in the Government procurement.

Methodology: Ministry of Finance has decided to reduce the quantum of performance security for supply of Goods and Services to any of the Ministries/Departments/ Organisations/ Central Public Sector Enterprises of the union Government. To enable this, the government has amended the General Financial Rules, 2017 reducing the maximum quantum of performance security limit from the existing 10% to 5% of the value of goods or services to be supplied.

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, weekly Training Programmes on Public Procurement are conducted in Arun Jaitley National Institute of Financial Management (AJNIFM), Faridabad and Administrative Staff Collage of India, Hyderabad 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 12000 officers have already been trained.

5. OFFICIAL LANGUAGE

5.1 Activities related to progressive use of Official Language

Department of Expenditure is responsible for the implementation of provisions of Section 3(3) of the Official languages Act, 1963 and Official languages Rules, 1976. Hindi section of the Department of Expenditure is also responsible for coordination and follow-up action on the suggestions and instructiions given by the Central Hindi Committee, Parliamentary Committee(Official Language), Joint Hindi Advisory Committee and Central Official Language Implementation Committee from time to time regarding progressive use of Hindi. Implementing various incentive schemes to increase the use of Hindi in official work, setting up check points, notifying Subordinate Offices/Institutions under Official Language Rule 10(4), issuing individual orders under Official Language Rule 8(4) for doing their all the assigned official work in Hindi, nominations for Hindi language training and organizing Hindi Day/Week/Fortnight are also its other functions. Besides, the Hindi Section endeavors to work in collaboration with the Sections/Divisions/Offices of the Department in achieving targets set for the implementation of Official Language Hindi in the Annual Program issued by the Department of Official Language every year.

5.2 Compliance with the provisions of the Official Language Act, 1963

In the Department of Expenditure, under Section 3(3) of the Official Language Act 1963, all documents like notifications, resolutions, general orders, rules etc. and all the papers to be tabled in both the Houses of Parliament are issued bilingually i.e. in Hindi and English.

Compliance of Official Language Rules, 1976 is being ensured and the Rule 5 of the Official Language Rules, 1976 in particular is being followed as per its true spirit.

5.3 Monitoring and inspection

To ensure compliance with the Official Language Policy of the Union, the Department issued letters/ circulars from time to time to increase original correspondence in Hindi in the Sections along with its subordinate offices.

During the year, the Official Language Section of the Department of Expenditure conducted official language related inspections of various sections/divisions of the department and its subordinate offices/sub-offices. Suggestions were given to overcome the shortcomings found during official language inspections and review of the inspection questionnaire. The policy of the Government regarding the promotion and propagation of the official language Hindi is that Hindi should be promoted in official work with inspiration, encouragement and goodwill and with this approach, the Department of Expenditure takes utmost care.

5.4 Translation work

Various Cabinet Notes, Notifications, Guidelines, General Orders, Tenders, Budget related documents, Demands for Grants, Annual Reports, starred and unstarred Parliamentary Questions and their answers, Parliamentary Assurances, Papers related to Parliamentary Committees, press releases and letters received from the Office of the Finance Minister and Minister of State for Finance are being translated by the Official Language Section of the Department of Expenditure on regular and time bound basis. Letters received from Members of Parliament and other prominent persons are promptly replied to and requisite follow-up action is ensured.

5.5 Hindi workshop

Hindi workshops are organized to help the officers and employees of the department in solving the practical difficulties faced in working in Hindi. This year, Hindi workshops were organized in the department on 16-17 October, 2023 and 29 February, 2024, in which the problems faced while working on e-office, filling of quarterly Hindi progress reports and annual assignment reports and making notes on files originally in Hindi were explained in detail by the experts/lecturers. A total of 33 officers/ employees of the department participated in the workshops.

5.6 Hindi Fortnight and Award Distribution Ceremony

5.6.1 On the occasion of Hindi Day, officials associated with the official language in the department and its subordinate offices participated in the Hindi Day Celebrations and in the Third All India Official Language Conference organized by the Department of Official Language in Pune on 14th and 15th September, 2023. To increase the use of official language Hindi in the official work and to motivate employees for progressive use of Hindi in their day-to-day work, “Hindi Fortnight” was organized in the department from 14 to 29 September,

2023. To encourage the employees in the Department of Expenditure to work in the official language Hindi and to create a conducive environment for it, a number of competitions on Hindi i.e. Hindi Essay, Noting and Drafting in Hindi, Typing in Hindi on computer, Poetry writing in Hindi, Hindi dictation and calligraphy etc. were organized. Apart from this, a campaign was started from September 01 to 30, 2023 for doing maximum work in the official language Hindi (minimum 2000 words). Many officers and employees of the department participated in these competitions/campaigns with great enthusiasm.

5.6.2 All the participants who were declared successful in various Hindi-related competitions organized during the Hindi Fortnight in the department, were felicitated with certificates by the Deputy Secretary and In-charge of Official Language during Official Language Award distribution ceremony held in the 'Saptarshi' conference room of the department on February 29, 2024.

5.7 Incentive Scheme

In order to promote official work Hindi in the department, the 'Incentive Scheme for noting/drafting originally in Hindi, initiated by the Department of Official Language this year, has also been implemented in the Department of Expenditure.

5.8 Departmental Official Language Implementation Committee

A Departmental Official Language Implementation Committee has been constituted in this department. Committee meetings are being held regularly every quarter under the chairmanship of Additional Secretary (Personnel) and in-charge of Official Language. In the meeting, the quarterly progress reports received from the sections/offices of the department regarding the progressive use of Hindi are reviewed in detail in respect of the targets set in the annual programme of the official language. Instructions were given to improve the shortcomings noticed during the review and to increase the use of Hindi in the official work. Apart from this, solutions to the problems faced by the officers/employees of the department regarding promoting the progressive use of official language Hindi in the official work are discussed in the meeting. For compliance of the instructions given by chairperson to ensure implementation of official language Hindi in the department, 100% compliance of Section 3(3), compliance with various check points issued in this regard, uploading of only bilingual material on the website of the department etc. Suitable follow up action is taken.

5.9 Joint Hindi Advisory Committee

Joint Hindi Advisory Committee has been constituted in the Ministry of Finance. The meeting of the Joint Hindi Advisory Committee is organized by the Revenue Department. Designated Officials of the Expenditure Department participate in this meeting as members. The last meeting of the Joint Hindi Advisory Committee was held under the chairmanship of Hon'ble Minister of State for Finance, Shri Pankaj Choudhary on March 11, 2023 at Ashoka Hotel, New Delhi. All the government and non-government members of the committee participated in the meeting. The committee members gave their valuable suggestions to promote the implementation of the official language Hindi. The suggestions given by the members, have been noted for compliance and action on them is being ensured.

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, Arun Jaitely National Institute for Financial Management, Contribution to International Body (AGAOA) and the budget relating to payment of service charges to the Central Recordkeeping Agency for the New Pension Scheme.

6.2 This Unit also monitors the Monthlyexpenditure under Grant No.31 – Department of Expenditure.

The allocations under Grant No.31-Department of Expenditure are as under:

(Rs. in crore)

Grant No.	Budget Estimates 2023-24			Revised Estimates 2023-24		
	Revenue	Capital	**Total**	Revenue	Capital	**Total**
31 – Department of Expenditure	389.26	128.08	**517.34**	378.20	90.84	**469.04**

6.3 The Integrated Finance Unit expeditiously examines and disposes the financial and expenditure proposals pertaining to the Department of Expenditure including the proposals for appointment of consultants, deputation of officers abroad, payments towards Course Fees (including grants-in-aid) to Arun Jaitely 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 The Office of Controller General of Accounts is restructured into three verticals namely 'Human Resource & Oversight', 'Accounts & Financial Reporting' and Systems Group' consequent upon the recommendations of the Expenditure Finance Committee (EFC) meeting held on 29.07.2019, PFMS has been made as a regular function of the CGA. Subsequently, vide this Office OM No. CDN/MF.CGA/Ind.(Pt.)/195(Vol.I)123-129 dated 12th April, 2021 the 'System Group' Vertical is renamed as PFMS Division. Each vertical headed by an Addl. Controller General of Accounts who is assisted by Jt. Controller General of Accounts/Dy. Controller General of Accounts/Assistant Controller General of Accounts. There are number of Sections at the lowest unit of functions under each vertical. Institute of Government Accounts and Finance (INGAF) and five Regional Training Centres (RTCs) under INGAF are tasked with training of the Controller General of Accounts (CGA) Office. Central Pension Accounting Office (CPAO) also report to Controller General of Accounts through Addl. Controller General of Accounts (A&FR).

7.4 The following are the main functions of CGA:-

i) Formulate policies relating to general principles, form and procedure of accounting for the Central and State Governments;

ii) Administer the process of payments, receipts and accounting in Central Civil Ministries / Departments;

iii) Prepare, consolidate and submit the monthly and annual accounts of the Central Government through a robust financial reporting system aimed at effective implementation of the Government fiscal policies;

iv) Coordinate and assist in the introduction of Management Accounting Systems in Ministries/ Departments with a view to optimizing the utilization of Government resources through efficient cash management and an effective Financial Management Information System (FMIS);

v) Administer banking arrangements for disbursements of Government expenditures and collection of government receipts and interact with the Central Bank for reconciliation of cash balances of the Union Government; &

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.

7.5 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 Account's 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.

vi. The Finance Accounts comprises of two Parts - Part I and Part II. Part I presents the summarized statements in respect of Revenue, Capital, Debt, Deposit, Suspense and Remittances transactions and Contingency Fund, while Part II has detailed statements in respect of these transactions, along with other related statements. Part II of the Finance Accounts is further sub-divided into two sections 'A' & 'B'. While section 'A' comprises of detailed accounts and statements relating to Receipts and Expenditure on Revenue and Capital accounts, section 'B' has detailed accounts and statements relating to Debt, Deposit, Suspense & Remittances transactions and Contingency Fund. The basic inputs for compilation of Finance Accounts are as follows:-

a) Statement of Central Transactions;

b) Journal Entries;

c) Prior Periods Adjustments;

d) Proforma Adjustments; and

e) Progressive figures upto the end of the previous year.

vii. While the first four inputs mentioned above are received from the various accounting authorities, progressive figures upto the end of previous year are available in the records of Finance Accounts Section.

viii. The annual compilation "Accounts at a Glance" provides a macro level overview of the financial information like estimates and actual of receipts and expenditure, assets and liabilities, savings and reserves, investments, disinvestments, debt and deficits of the Union Government, in reader friendly format with concise analysis and graphical representation, at one place. It is prepared on the basis of audited information contained in Finance Accounts and Appropriation Accounts.

7.6 Government Finance Statistics (GFS)

7.6.1 In response to the 2008-09 global economic and financial crises, G-20 nations identified mainly statistical data gaps that, when filled, might assist the global community in early identification of, and in developing responses to, impending economic and financial crises. The two gaps, inter-alia, that were apparent in India's statistical system were comprehensive, are high-frequency Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS). These were designated as Data Gap Initiative Recommendation DGI-II15 and DGI-II16 respectively, and were to be complied and disseminated according to international standards; i.e. the Government Finance Statistics Manual, 2014.

7.6.2 The initial concern was to develop a concordance, mutually agreed with IMF, for mapping GoI accounts to GFSM 2014 accounts. Further, a quarterly template was also to be developed for data submission.

7.6.3 The Office of Controller General of Accounts in association with South Asia Regional Training and Technical Assistance Centre of IMF, has prepared a concordance table which was duly agreed by IMF. Thereafter, in a short span of time, O/o CGA has submitted GFS data for 11 quarters starting FY 2020-21 in one go, in the format prescribed by IMF.

7.6.4 Consequent to these efforts, a significant milestone has been achieved under Data Gap Initiative Recommendation #15 for transition from **'Red'** to **'Amber'** label, showcasing Ministry's commitment of sharing reliable, timely and internationally comparable area.

7.6.5 Even thereafter, to fulfill India's commitment, this office is continuously disseminating quarterly, as well as annual data, to IMF in timely manner. The concordance table is also regularly being updated on the suggestions of IMF and this office is consistently engaged with them for improving quality of Union Government Accounts data being submitted to IMF.

7.7 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.

7.7.1 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 18th March, 2024, 4633 State Linked Schemes corresponding to 109 Centrally Sponsored Schemes have been onboarded on SNA Model. A total number of 4409 SNA having 1,541,687 numbers of Child Agencies are active.

7.7.2 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 01.04.2022 namely Central Nodal Agency (CNA) System through PFMS. This revised procedure is aimed at enhancing the efficiency of fund flows by using the 'just in time' principle of drawl of funds and thereby ensuring better Cash Management in Government of India.

There are two models of implementation. Under Model I, CNA and sub-agencies draws funds directly from Reserve Bank of India based on assigned 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 account mapped with CNA Account.

As on 18th March, 2024, total 274 Centrally Sector Schemes are onboarded on CNA System, out of which 57 are under Model 1 and 217 are under Model 2. Total Number of CNA registered is 864, having 57,756 numbers of Child Agencies.

7.7.3 **Training Vertical:-** Training Vertical, PFMS as the training arm of PFMS (Hqr.), O/o Controller General of Accounts conducts training programs for strengthening the professional skills all across the country. Trainings on various modules of PFMS: Direct Benefit Transfer (DBT), Expenditure Advance & Transfer (EAT), Central Nodal Agency (CNA), Sanction Modules, Utilization Certificate, Remittance of Interest earned, Treasury Single Account (TSA) and Single Nodal Agency (SNA) etc. are conducted for Central Government Organizations, Ministries / Departments, PSUs, Autonomous Bodies and 36 State Governments including Union Territories. During the Financial Year 2023-24 up to Feb 2024, 164 training (94 online + 70 offline) sessions were organized for 14,159 participants.

7.7.4 e-Bill System (An end to end digitization of bills/claims processing):-

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). e-bill initiative was envisaged as part of the 'Digital India' initiative of Hon'ble Prime Minister to enhance the efficiency of Governance process with intervention of technology. e-Bill system is a step to enhance efficiency, and transparency of Government payment system in all Civil Ministries and Departments. The need for such system was felt more strongly during the lock down period of Covid -19 pandemic. During that period, the claimants faced acute problems in submitting their claims physically to offices due to restrictions in movements. At that time, an interim arrangement to receive their claims through mail was made. The e-bill system is a powerful solution for such exigencies to ensure uninterrupted government disbursements.

Status of e-Bill:-

i. The e-bill initiative was launched on 2nd March, 2022. It is proposed to be rolled out in all offices of Ministries/ Departments of Government of India in phases. The system has been implemented in 447 Pay & Accounts Offices (PAOs).

ii. Aadhaar based e-sign facility has been activated for Vendor claims for amount upto Rs.1,00,000.

iii. e-IGA functionality, for release of funds through advices for Centrally Sponsored schemes has been made live on e-bill system.

iv. Integration with CRPF and GeM integration in e-bill is deployed on live.

v. The external system integration is in progress (Integration in eHRMS (DoPT), I & B are in testing phase)

7.8 Technical Advice on Accounting matters

7.8.1 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."

7.8.2 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.

7.8.3 In terms of Rule 26 of GAR, 1990, the 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 up to 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.

7.8.4 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 (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 have been implemented with effect from the financial year 2023-24.

7.8.5 Controller General of Accounts administers Central Government Account (Receipts and Payments Rules) and framing or revision of rules and other manuals relating thereto. Central Government Account (Receipts and Payments) Rules, 2022 have been prescribed in two parts (i) RPR, 2022 and (ii) Subsidiary Instructions to RPR, 2022 (detailed procedures and forms). RPR, 2022 contains rules regulating the custody of the Consolidated Fund of India, the payment of money into such funds, the withdrawal of money therefrom, 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 others matters connected therewith or ancillary thereto. The monetary limit specified in the Subsidiary Instructions to RPR, 2022 for e-signing of e-claims by vendors/suppliers for payments from Government Accounts has been enhanced from 10,000/- to 1,00,000/- with the amendment made in Subsidiary Instructions to RPR, 2022 through Correction Slip dated 2-1-2024.

7.9 Treasury Single Account (TSA)

7.9.1 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.

7.9.2 Implementation of Treasury Single Account (TSA) has been extended to 40 group of (Autonomous Bodies) ABs, receiving funds amounting to more than Rs 200 crores each from BE 2021-22 vide Budget Division Ministry of Finance OM dated 22-02-2021.

7.9.3 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.

7.10 Revision of Civil Accounts Manual

7.10.1 Office of CGA has brought out the Fourth Edition of the Civil Accounts Manual (CAM) on 29.2.2024. The CAM contains instructions and detailed procedures relating to receipts, payments and accounting by Pay and Account Offices and Cheque Drawing DDOs of Civil Ministries/ Departments of the Central Government.

7.10.2 The revised CAM 2024 has been brought out after a span of 17 years since the third edition was published in the year 2007. The CAM revision was undertaken to incorporate the systemic changes and IT based processes in payment and account using PFMS which have been rolled out across Ministries/Departments working under the CGA. The revisions and amendments to the Receipt and Payment rules, 2022 and the General Financial Rules, 2017 have also been incorporated.

7.10.3 This Manual acts as an authoritative reference for the officials engaged in receipts, payments and accounts in Central Civil Accounts Offices in addition to serving as a guide to other accounting formations in the country. The manual is also expected to contribute to enhanced governance and improved public financial management with clear assignment of duties and responsibilities and provisions for regular reviews and reporting by the PAOs to Head of Accounting Organizations.

7.11 Revision in procedure for final payment of GPF at the time of retirement in respect of AIS Officers on Central Deputation

Department of Personnel & Training, in consultation with Office of the CGA and Office of the C&AG, has issued the procedure for final payment of GPF at the time of retirement in respect of AIS Officers on central deputation vide their OM No.11026/01/2023-AIS-III dated 17.10.2023. Now, AIS officers on central deputation, also have the option of obtaining final payment of GPF, to be made by the PAO of the Ministry/Department concerned, through the respective DDO.

7.12 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 2023-24, are as under:-

S.No.	Subject	Paragraphs/Explanatory Notes submitted to PAC during 01.04.2023 to 20.03.2024
1.	C&AG Audit Paras	699
2.	PAC Paras	155
3.	Explanatory Notes	91

7.13 Institute of Government Accounts and Finance (INGAF)

7.13.1 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. The institute has recently been recognised as **"Ati Uttam"** Central Training Institute by National Accreditation Board for Education and Training (NABET).

7.13.2 **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 (2019-20 to 2023-24), 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), Employee Provident Fund Organization (EPFO), Central Board of Secondary Education (CBSE), Department of Publication, National Health Authority (NHA) and so on.

7.13.3 **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. In line with this, in FY 2023-24, INGAF has organized programmes on two ITEC Courses namely Government Accounting and Financial Management (GA&FM) and Public Expenditure Management (PEM) in which participants from across the world from various ITEC partner countries have taken part.

7.14 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 have been launched.

I NGAF is in the process of creating the following courses to be posted on iGot portal:-

i. Fundamental of government accounting.

ii. Advance government accounting.

iii. Overview of budget preparation process

iv. Budget execution & monitoring by Ministries/ Departments.

v. Overview of PFMS & its Functionaries.

7.15 Status of Compliance with Guidelines for Information Security issued by Indian Computer Emergency Response Team (CERT-In) is as follows:-

7.15.1 **ISO 27001 certification** – PFMS was ISO 27001:2013 certified on October 29, 2023 by STQC. ISO 27001 is a global standard for Information Security Management System (ISMS). The certification covers, without being limited to –

a. Network and infrastructure security

b. Identity and access management

c. Application security including Application security audit (annual)

d. Security Audits including Comprehensive Security Audit (Annual)

e. Incident response including Business Continuity Plan and Disaster Recovery plan

f. Supplier Security

g. User awareness and training

h. VAPT

i. Social media security (major social media websites have been blocked in development areas of PFMS)

7.15.2 Cyber Security Policy – PFMS has prepared a draft Cyber Security Policy for PFMS with the approval of a committee for the said purpose. The committee included representative from Ministry of Electronic and Information Technology, Reserve Bank of India, CERT-Fin, State Bank of India and NIC. The policy has been approved by Finance Secretary.

7.15.3 Comprehensive Security Audit – PFMS conducts an annual comprehensive security Audit by a CERT-In empanelled agency. The scope of Comprehensive Security Audit (CSA) was vetted by CERT-Fin. The audit is underway.

7.15.4 Technology Advisory Committee (TAC) – PFMS has formed a Technology Advisory Committee (TAC) with members from academia (IIT Madras), Meity, CERT-Fin and industry (Digital Security Council of India – DSCI) to look into technical architecture and challenges of PFMS to suggest a roadmap for upgradation of PFMS including enhancing the cyber security posture of PFMS.

8. CHIEF ADVISER COST

8.1 The Office of Chief Adviser Cost (CAC) is one of the attached offices of Department of Expenditure, Ministry of Finance.

8.2 The Office of CAC is rendering advice to the Central Government Ministries/ Departments/ Organizations on Price/Cost related issues and financial matters, covering wide spectrum of sectors/areas. The O/o CAC is engaged in the following major thrust areas viz:

i. Providing 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. Examining time & cost overruns or projects in Revised Cost Committees (RCC) for identification of reasons relating to time and cost overruns and providing inputs for cost rationalization**;**

iii. Fixing advertisement rates for Print Media, FM Radio, Television, Internet and social media for Central Bureau of Communications (erstwhile DAVP)**;**

iv. Assisting Central Government Ministries/ Departments/ Organizations in price/cost related issues, in fixing fair prices for various services/ products and rendering advice to various Ministries/ Departments in cost matters and for determination/fixation of fair prices of the products and services supplied/rendered to Government;

v. Undertaking major studies like determination of cost / fair price of postal products/stamps and coins supplied by SPMCIL to Postal Department & RBI respectively, rails supplied by SAILand 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 like NAFED/FCI etc. and State Governments;

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;

ix. Valuation of immovable mine infrastructure assets relating to coal blocks;

x. Fixing of price of destruction of EVMs;

xi. Fixation of rate of Nuclear Grade Ammonium-di-uranate (NGADU) supplied by IREL to NPCIL;

xii. Reviewing the rates of milling charges of paddy based on value of various by-products; and

xiii. Fixing of fair price of Tear Smoke Units produced by BSF Tekanpur.

8.3 Cadre Administration

The Office of CAC is the 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 upgradation 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 218 officers which are recruited at Level-10 by UPSC from among the professionally qualified Cost Accountants / Chartered Accountants. Thirty Five officers recommend by UPSC during 2023-24 joined the service and these were deployed on induction training for two weeks at AJNIFM, Faridabad. A proposal for recruitment of 36 more officers was also submitted to UPSC during 2023-24.

8.4 Representation in Revised Cost Committees :- 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 142 Committees for Revision of Cost Estimates in various Ministries/ Departments involving a total value of Rs.1.43 Lakh Crore during the year 2023-24. Proactive role of this Office in the Revised Cost Committee has facilitated rationalization of revised cost estimates.

8.5. Representation in EFC/SFC/PIB/DIB :- This Office has represented and offered comments in 25 EFC/SFC/ PIB/DIB meetings of various Ministries/Departments involving a total value of Rs.9 Lakh crore during the period April, 2023 to March, 2024.

8.6 Committees Represented :- O/o CAC owing to their expertise in costing/finance/commercial accounting have also served as Chairman/Members on the following major multidisciplinary Inter-Ministerial/ Expert Committees viz.

i. General Body of Arun Jaitley National Institute of Financial Management, Faridabad under the Chairmanship of Union Finance Minister;

ii. Board of Governors of Arun Jaitley National Institute of Financial Management, Faridabad under the Chairmanship of Finance Secretary;

iii. Special Committee for Inter-linking of Rivers under the Chairmanship of Union Minister for Jal Shakti;

iv. Advisory Committee for consideration of Techno-economic Viability of Major/ Medium, Flood Control and Multipurpose Projects (coordinated by Central Water Commission) under the Chairmanship of Secretary (Water Resources);

v. Expert Committee on Nutrient based Subsidy Policy of Fertilizers;

vi. Resolve the issue of interest on delayed payment to HIL India Ltd under the Chairmanship of AS&FA, MoH&FW;

vii. National Pharmaceutical Pricing Authority (NPPA) under the Chairmanship of Chairman, NPPA;

viii. Governing Body of Tear Smoke Unit, Border Security Force (BSF), Tekanpur, (Gwalior) under the Chairmanship of Director General, BSF;

ix. Committee under the Chairmanship of Disposal of Chana procured under Price Support Scheme (PSS) & Price Stabilization Fund (PSF) to States/ UTs at a discounted rate over issue price of utilization under various welfare schemes like Mid-Day-Meal, Public Distribution System, ICDP etc;

x. High Level Committee for the Study on Cost of Health Care Services in India constituted by Institute of Cost Accountants of India;

xi. Committee for review of Policy issued by MHA on fixation / recovery of CAPFs Deployment Charges in the States for various duties;

xii. Committee to determine the base price of Poppy Straw;

xiii. Committee on Comprehensive Multi Hazard Risk Financing Strategy (CMHRFS) being developed under National Cyclone Risk Mitigation Project (NCRMP), NDMA;

xiv. As members of various Project Appraisal & Technical Scrutiny Committees (PATSC) constituted by NHAI for appraisal of Road Construction Projects falling under Bharatmala Project

xv. As member of Rate Structure Committee of CBoC (erstwhile DAVP).

8.8 Review of Cost Accounts Records & Cost Audit :- In order to review the "Companies (Cost Records and Audit) Rules, 2014", and to recommend appropriate changes/ modifications in the same, MCA constituted a Committee vide its OM No. F.No. 52/15/CAB/2023 dated 04/10/2023 with the approval of Hon'ble Minister of Finance and Corporate Affairs under the Chairmanship of Chief Adviser (Cost), Department of Expenditure, Ministry of Finance and comprises of ten other members from different Departments/ Ministries. The Committee examined the terms of reference in detail and after obtaining inputs from various Ministries/Departments/Organisations and detailed consultation with various stakeholders including Regulatory Bodies and the Industry Associations, submitted its report in January 2024.

9. ARUN JAITLEY NATIONAL INSTITUTE OF FINANCIAL MANAGEMENT (AJNIFM)

9.1 Introduction about AJNIFM

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. 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 Performance and Achievement

Till March, 2024, AJNIFM has conducted 123 Management Development Programs (MDPs) and 3938 officers have participated. While 64 programs were open for nomination of officers of various organizations, 59 programmes were Sponsored conducted for individual organization based on their peculiar needs.

9.3 Significant developments - Training Programmes

9.3.1 AJNIFM conducts four long term programs. These are as under:

i. Professional Training Course - for Officer Trainees of various Accounts and Finance Services of twenty six weeks duration.

ii. Master of Business Administration in Financial Management - for middle-level management officers of Central and State Governments, Autonomous Bodies, Defence Services., PSUs and Corporate Sector.

iii. Master of Business Administration (Finance) - It focuses on Financial Analysis, Financial Modelling & Forecasting, Big Data Analytics and Risk Management etc. The programme aims to train professionals who can assume responsible positions in regulatory bodies, market intermediaries, banks, mutual funds, asset management companies, stock exchanges, commodity exchanges, and similar organization in both the private and government sectors.

iv. Post Graduate Diploma in Government Accounting and Audit (PGDG&A) -It is a one year programme to upgrade the technical skills of Group-B officers of the 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 UT Governments, Autonomous Bodies, PSUs, and Banks etc. MDPs is one of the major training activity undertaken by AJNIFM for capacity building of the officers of different organizations.

9.4 Major schemes/programmes implemented through the Departments/Division

i. A MoU between AJNIFM and ARTRAC has been signed on 04th September, 2023 for conduct of MDPs on the subjects of Public Procurement and Financial Management of Officers of Indian Army. The aim of the MDPs is to provide an exposure to the officers of the Indian Army about the latest government policies , trends, management tools and techniques pertaining to the subject of Public Procurement and Financial Management.

ii. A MoU was signed between DGR and AJNIFM for conduct of resettlement courses for retiring officers. The first DGR Course has been started at AJNIFM on 20.11.2023 and will end on 06th

May, 2024. The program aims to equip officers with the necessary skills and knowledge for a successful transition into the corporate world by enhancing their core business skills and general management competencies.

iii. AJNIFM has signed a MoU with Controller General of Defence Accounts to establish a framework of cooperation and collaboration to foster research, innovation and exchange of knowledge in Defence Finance.

9.5 Initiatives relating to Gender Budgeting and Empowerment of Women

Arun Jaitley National Institute of Financial Management, Faridabad has been nominated as the Nodal Centre for Gender Responsive Budgeting at the central level by Ministry of Women and Child Development in 2016. During 2023-24, 03 workshops were conducted by the Arun Jaitley National Institute of Financial Management, Faridabad on Gender Responsive Budgeting (GRB) under Mission Shakti of the Ministry of Woman and Child Development duly funded by the Ministry.

9.6 Inputs on E-governance

9.6.1 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.

9.6.2 Digital Governance: Capacity Building Commission (CBC) identified 5 areas for Department of Expenditure which e-Learning Course were to be prepared, primarily aimed to address the competency needs of IFD officers. AJNIFM prepared 5 e-Learning courses and placed on the i-GoT platform. In the 2nd Phase, AJNIFM is in the process of developing e-Learning courses in 5 more areas, viz, Understanding, Corporate Financial Statements, Role of Government Directors in PSUs, Audit Procedure, Data Analytics & Visualization and Understanding Life Cycle Management of IT Projects.

9.7 IT Infrastructure in AJNIFM and its status note on Compliance to Cyber Security Guidelines issued by Indian Computer Emergency Response Team (CERT-In):

I. Local Area Network: There is a dedicated Server Room wherein all the servers have been installed together on different shelves in a closed server rack and are managed through KVM switch. To protect the network by filtering traffic and blocking outsiders from gaining unauthorized access to the user data, a Fortigate 400E firewall is mounted in an open rack, which is further connected to all the manageable L3 & L2 network switches in the same rack. From these switches, the connectivity has been extended to all the buildings through fiber cable.

We are connected to the National Knowledge Network (NKN) of IGbps, a state-of-the-art multi-gigabit pan-India network, meant for providing a unified high-speed network backbone for all knowledge related institutions in the country. Additionally, the institute has another internet connectivity of 250 Mbps from M/s BSNL to meet the redundancy in internet services.

The institute has robust LAN and Wi-Fi infrastructure that brings all the buildings {Admin building, Ganga Bhawan Hostel, Yamuna Bhawan Hostel, Executive hostel) together through manageable switches, which are further connected, to NKN through firewall to cater uninterrupted internet connectivity to the users. The Internet connectivity has been made available in each and every room of Ganga, Yamuna and Executive Hostels through LAN and Wi-Fi.

Compliance:

- Timely actions are taken on the alerts, advisories issued by CERT-In, and NIC-CERT.
- All ICT devices are connected via Internet gateway of NKN network.
- Inventory of authorized hardware and software in the network is maintained.
- Default credentials of network devices are changed.
- To protect the network by filtering traffic and blocking outsiders from gaining unauthorized access to the user data, a Fortigate 400E firewall is mounted in an open rack, which is further connected to all the manageable L3 & L2 network switches in the same rack. From these switches, the connectivity has been extended to all the buildings through fiber cable.
- Kavach Multi-Factor Authentication is configured on all the NIC Email Accounts in the Institute.
- RDP (Remote desktop) is restricted.
- LAN segmentation for two zones i.e. Hostel and Admin Block (including Lecture Halls).
- Internet access is given to systems by IT cell.

II. Wi-Fi Connectivity:

In addition to the wired internet connectivity, a robust Wi-Fi Internet connectivity network established using Ruckus make equipment in Admn. Block and Hostels (Ganga, Yamuna and Executive).

Compliance:

- There is a segmentation of Wi-Fi users and devices based on SSID.
- Customized access policies are applied per SSID as per the requirements.
- Default configuration and credentials of Wireless access point are changed.
- Wi-Fi Protected Access version 2/3 (WPA2/ WPA3) is enabled on wireless access points.
- MAC filtering is enabled on the wireless network.
- NKN DNS server IPs is configured for DNS.
- Wireless access points are configured for minimizing signal leaking out into insecure areas.
- 802.lx is in use for authentication in the Wi-Fi.

III. Desktop/Laptop and Printers: There are total 283 personal computers available in the institute, out of which 130 desktops are installed in three computer labs. 19 Laptops are being issued to Faculty members and Research Associates.

The institute has 70 laser printers available in IT inventory comprising of multi-function (monochrome and color) printers, heavy-duty network and normal duty standalone printers. All the faculty members and some Dept, have been issued multi-function printers.

Compliance:

- All Desktop/Laptop are configured for Standard User account and admin access is with IT Cell.
- Guest user is disabled.
- All systems are with pre-installed Windows OS from OEM.
- OS updates are enabled for auto-updates.
- All systems are installed with Authorized Application software by IT cell before issuing to user.
- All systems are secured with updated Quickheal Sequrite Endpoint Security Anti-Virus software.
- All systems are configured for NIC's DNS Server IP provided by NKN.
- Remote Desktop (RDP) is disabled in all systems.
- Printers are configured for restricted internet access, cloud printing etc.

IV. Server Security

At present, there is no big Data Centric work in the Institute except in Accounts Division where Tally ERP 9 Software is in use, for Academic/Research work SPSS software, for Anti-virus software and Khoha library management software, we have three Servers.

Compliance:

- On in-house servers default user accounts are disabled, Quickheal Sequrite Endpoint Security Anti-virus software is installed, and NIC's DNS Server IP provided by NKN are configured.
- Quickheal Sequrite Endpoint Security Anti-virus software has components of IPS (Intrusion Prevention System) for preventing signature-based attacks and DDOS (Distributed Denial of Service) mitigation tools for the Servers.
- Our Institute's website is hosted with NIC.
- Institute's website is recently audited for yearly CERT-In audit. Certificate issued on 29-02-2024.

10. CHIEF CONTROLLER OF ACCOUNTS (FINANCE)

10.1 The Chief Controller of Accounts (CCA) is overall in-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, 41 Senior Accounts Officers and approximately 300 other staff members at various levels.

10.2 **Function of the CCA Organization**

i. 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.

ii. 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.

iii. 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.

iv. 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 150 auditee units within the jurisdiction of Internal Audit.

v. 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.

vi. Providing support staff to Controller of Aid Accounts and Audit (CAAA).

vii. Pension authorization under the Pension Rules to the officials retiring on superannuation, seeking voluntary retirement and to the families of deceased employees/pensioners.

viii. Pension payment to foreign pensioners residing in India on behalf of Sri Lanka, Singapore, UK and Myanmar.

ix. Accounting and monitoring of Loans advanced to foreign countries.

x. Accounting of total receipts and payments of the entire central Government for 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.

xi. Provide support for the settlement of C&AG audit Para.

xii. Responsible for transfer of funds to and from CFI to Public Account. There are 15 such Funds in the Department of Economic Affairs, 2 in Department of Revenue, and 1 in Department of Expenditure.

xiii. Formulation of detailed Accounting procedures in respect of the Funds maintained under Public Account of India.

xiv. Settlement of the cases relating to combined pension, pro-rata pension, leave encashment, leave salary and pension contributions, revision of pre-2016 pension cases etc. of the absorbed employees of SPMCIL, after the corporatization of Mints and Presses, in coordination with the Corporate office of SPMCIL, field units and the Administrative Division in the Ministry.

10.3 Highlights of important functions

10.3.1 Internal Debt Accounting and Reporting

a) Issue of New Loans and thereby bringing into account all transactions associated with the issue of New Loans on the basis of detailed information provided by the Reserve Bank of India.

b) Accounting of the discharged loans which inter-alia involves the reconciliation of loan balances recorded in the books of the O/o CCA with those of the Reserve Bank of India and thereby preparation of Statement (14A) for submitting it to the Finance Account Section, CGA Office. Accounting of Buyback of Government Securities raised by Government of India.

c) Compilation of Consolidated Abstract of Rupee Loans (Transactions related to such loans are dealt by the Internal Debt & Account Section) are brought into accounts.

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

e) Monitoring the timely payments of principal and payment of interest in respect of all such loans.

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

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

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

i) Accounting of different Saving Schemes of Government of India.

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

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

l) Reconciliation of all Treasury Bills & Cash

Management Bills with Monthly and Quarterly Statement received from Public Debt Office, Mumbai and DGBA, Central Office, Mumbai.

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

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

i. 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.

ii. Grants-in-aid amounting to Rs 154000.73 crores 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 869.14 crores towards assistance to States from NDRF for calamities of severe nature were released to State government through PFMS portal in Financial Year 2023-24.

iii. During the Financial Year 2023-24 Rs.44945.51 crores were released as Grant-in-Aid to States / UTs for Revenue loss in implementation of Goods and Service Tax (GST) by Department of Revenue.

iv. State share of Taxes to the tune of Rs.1129493.71 crores were released to State/UT Governments through PFMS portal.

v. The time gap between the processing of sanctions on PFMS portal and reporting of the same on e-Lekha is now nearly on real time basis.

vi. In case of any default towards repayment of Principal and Interest by any State Government, the Consolidated Fund of State being maintained by RBI is debited on the advice of this office.

10.3.3 Internal Audit

a) The Revised Charter of Financial Advisors released by the Ministry of Finance envisages the Roles and Responsibilities of the O/o Chief Controller of Accounts. Accordingly, 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. During the year 2023-24, Audits of 75 units were conducted.

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

a) Recovery of outstanding Penal Interest from Banks: Audit of the banks handling Public Provident Fund-1968, Senior Citizen Saving Scheme 2004, Sukanya Samridhi Account-2016 & Kisan Vikash Patra-2015 scheme is conducted by Office of CCA (Finance) to check delayed remittances under these schemes.

b) The Electronic Bill (E-bill) system of processing of Bills has been implemented in all of the 6 Departments of Ministry of Finance and is operational in all 25 Pay and Accounts Offices under the O/o CCA, Ministry of Finance.

c) INDRAA (Internal Debt and Recovery Advanced Application) software has been developed for accounting of Internal Debt of Government of India. Phase I has been implemented successfully.

d) All work related to feeding of budget, supplementary, re-appropriation and surrender orders for each of the 9 grants under Ministry of Finance, along with mapping of heads to each scheme on PFMS has been successfully done for the Financial Year 2023-24.

e) The implementation of the 2nd factor biometric authentication using FIDO devices to access PFMS has been accomplished in all Pay and Account Offices under Ministry of Finance.

f) Bill pendency in all the Pay Account Offices is monitored regularly and has been reduced to less than 1% of the total bills.

g) Timely submission of the NPS contribution of the employees under Ministry of Finance to CRA-Protean.

h) Pay & Accounts Office, Secretariat, D/o Revenue

has been conferred with ISO 9001 : 2015 for Quality Management System for the following scope: Cleanliness, Record Management, Internal Audit, Infrastructure Management, Human Resource Management and System Management (IT).

i) E-office has been implemented in all offices (including outstation Pay & Accounts Offices) under O/o CCA, Ministry of Finance.

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, Judge of High Court/ Supreme Court, Ex MP etc. CPAO is a subordinate office under the Office of the Controller General of Accounts, Ministry of Finance, Department of Expenditure. It has been entrusted with the responsibility of administering the scheme of payment of pension to Central Government (Civil) Pensioners 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.
- Further, this office has also been entrusted with the responsibility of direct disbursement of provisional pension to beneficiaries sanctioned under the NPS. Their number is increasing considerably every year. This work is also being handled by the existing staff by putting extra efforts.

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 2023-24 (as on 31st, March, 2024), highlights are as follows: –

- 50,631 and 38,369 authorities were issued in fresh and revision of pension cases respectively.

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) Dirghayu (Mobile App) :- Dirghayu Mobile app was launched on 27.02.2023 and available on the Google Play Store for Android users since then. iOS version for iPhone users on the Apple Store is now also available w.e.f December,2023.

b) Gallantry Award to the retired CAPFs :- Streamlining of the procedure for payment of monetary allowance attached to Gallantry Award to the retired personnel of Central Armed Police Forces (CAPFs). It was being paid by PAO through a bill. Now, it has become a part of pension and paid by the bank through CPAO. CPAO has carried out necessary modifications in its server and amended the SSA format for processing and revision pension cases manually pertaining to monetary allowances attached to Gallantry Awards and Police Medals.

c) NPS to OPS :- As per notification of Gazette 30.03.2021, the cases NPS-AR are now covered under Old Pension Scheme (OPS), CPAO has upgraded its system to process these cases online and all cases of Family Pension, Invalid, EOP and Extraordinary Family Pension are now treated as OPS. The SOP for Shifting of legacy cases is under process.

d) Procedure for implementation of change of option by a pensioner/ Family pensioner from FMA to CGHS facility and vice Versa:- A unique format has been developed for processing of these cases and CPAO to PAO manually.

e) Developed Online Return flow system of pension cases from CPAO to Pay & Accounts Office- Previously erroneous pension cases were returned from CPAO to Pay & Accounts Office manually which was one of the reasons for the delay in process of pension cases. Now, the Return Flow system for ePPO return from CPAO to pay & Accounts Office has been deployed successfully w.e.f 20.10.2023.

f) An escalation matrix has also been developed by CPAO to ensure timely resolution of grievances at the senior management level in CPAO, authorized banks and ministries/ departments.

g) **Empanelment of Banks**.

Sl. No.	Banks	Remarks
1	Kotak Mahindra Bank	Started functioning for disbursement of pension
2	KarurVysya Bank Ltd.	At integration stage
3	City Union Bank Ltd.	At integration stage
4	Bandhan Bank	At integration stage
5	IDFC First Bank	At integration stage
6	Karnataka Bank Ltd.	At integration stage

h) Inception of the 'Banking Coordination' Section under which following actions have taken place during FY 2023-24:-

i. **Periodical meetings with CPPCs.**

Eight meetings covering all the CPPCs were held during FY 2023-24 with the Head of CPPCs and Senior Management of Banks wherein various pension related issues were discussed in details.

ii. **Performance evaluation of CPPCs**

Performance of 33 CPPCs was evaluated on the basis of 16 key performance indicators.

iii. **Training of staff of CPPCs**

During the FY 2023-24 two training programmes covering staff of 13 CPPCs were held.

i) **Holding of Pension Adalats:**

i. Virtual Pension Adalat held on 20th Sep, 2023 on All India basis.

ii. Virtual Pension Adalat held on 20th Nov, 2023 for pensioners of N-E Region of India.

iii. Holding of Pension Adalat for pensioners of CRPF at SDG, CRPF, Old JNU Campus, New Delhi on 23.01.2024.

11.4 e-Governance Initiatives of CPAO

11.4.1 CPAO is a fully computerized office. A wide range of softwares/packages have been developed/implemented in this office for streamlining pension authorization, accounting, Grievance Redressal etc. which include:-

i. Pension Authorization Retrieval & Accounting System (PARAS):- All the pension processing activities from receipt to dispatch are managed through PARAS. The web interface of PARAS provides the related information to pensioners; PAOs/Ministries & Banks. About 16.16 lakhs Central Civil pension cases have been processed by CPAO through this software thereby creating digital database of these pensioners. Various MIS reports are also generated by this software for the purpose of monitoring.

ii. 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.

iii. 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.

iv. Facilitation Centres along with Token Generation System:- Pensioners Facilitation Cell was established during the year 2011 in CPAO with the approval of Secretary (Expenditure), Ministry of Finance, so that the grievances of pensioners could be resolved promptly. Since its inception, more than 3.82 lakhs pensioners have availed the services of 'Pensioners Facilitation Cell'. A Token Generation System in Pensioners' Facilitation Cell of Central Pension Accounting Office (CPAO) has been introduced on 29th Sep, 2022. This Token Generation System helps in disposal of facilitation request/help request given by pensioners in order to solve any hurdles they are facing.

v. There is a significant number of pensioners/family pensioners are from the 06 Central Armed Police Forces (CAPF) i.e. Assam Rifles, BSF, CRPF, ITBP, CISF & SSB of MHA. Considering it, a dedicated sub- cell has been recently created in Pensioners Facilitation Cell (PFC) exclusively for CAPF pensioners for prompt resolution of their grievances.

vi. DIRGHAYU App**:-** - In order to facilitate pensioners, the DIRGHAYU Pensioners' Mobile App has been developed for availing various services. The application provides pensioners with the ability to download the special seal authorities issued by CPAO, as well as know the details of pension amount (last 24 transactions) received in their accounts at a click. It also enables them to track the status of the grievance/request lodged by them. The Android version of the app has been equipped with Hindi language and M-Pin facility. The iOS version of the app is also completed and deployed w.e.f.December,2023.

vii. SMS facility:- The facility of informing pensioner through SMS of receipt of fresh Pension Payment Order/Revision Order from PAO to CPAO and sending Special Seal Authority (SSA) to banks for arranging payment has been provided to those pensioners whose mobile numbers are available in the database of CPAO.

Annexure-I

Special Assistance released to the States from 2019-20 to 2023-24

(Rs. In crore)

Sl. No.	States	2019-20	2020-21	2021-22	2022-23	2023-24
1	Andhra Pradesh	350.00	350.00	2785.39	1671.233	11188.75
2	Arunachal Pradesh	0.00	328.77	0.00	500.00	0.00
3	Assam	0.00	0.00	0.00	0.00	0.00
4	Bihar	0.00	195.74	250.00	0.00	0.00
5	Chhattisgarh	0.00	0.00	0.00	0.00	0.00
6	Goa	0.00	0.00	150.00	0.00	200.00
7	Gujarat	0.00	0.00	431.00	0.00	0.00
8	Haryana	0.00	0.00	0.00	0.00	0.00
9	Himachal Pradesh	0.00	0.00	0.00	0.00	0.00
10	Jharkhand	0.00	0.00	0.00	0.00	0.00
11	Karnataka	0.00	0.00	0.00	0.00	0.00
12	Kerala	0.00	0.00	0.00	0.00	0.00
13	Madhya Pradesh	0.00	0.00	0.00	0.00	0.00
14	Maharashtra	0.00	0.00	0.00	0.00	0.00
15	Manipur	0.00	0.00	0.00	0.00	250.00
16	Meghalaya	0.00	0.00	0.00	0.00	0.00
17	Mizoram	0.00	0.00	0.00	0.00	0.00
18	Nagaland	0.00	219.15	0.00	0.00	0.00
19	Orissa	0.00	0.00	0.00	0.00	0.00
20	Punjab	0.00	0.00	0.00	0.00	0.00
21	Rajasthan	0.00	0.00	0.00	0.00	0.00
22	Sikkim	0.00	0.00	150.00	100.00	0.00
23	Tamil Nadu	0.00	0.00	0.00	0.00	0.00
24	Telangana	0.00	450.00	0.00	0.00	0.00
25	Tripura	698.70	0.00	0.00	0.00	0.00
26	Uttar Pradesh	0.00	0.00	0.00	0.00	0.00
27	Uttaranchal	375.00	405.00	0.00	0.00	56.46
28	West Bengal	0.00	0.00	0.00	0.00	0.00
Total		**1423.70**	**1948.66**	**3766.39**	**2271.23**	**11695.21**

Annexure-II

Special Assistance (Loan) approved and released under the Scheme for Special Assistance to States for Capital Expenditure/Investment

(Rs. In crore)

Sl. No.	States	2020-21		2021-22		2022-23		2023-24	
		Amount Approved	Amount Released	Amount Approved	Amount Released	Amount Approved	Amount Released	Amount Approved	Amount Released
1	Andhra Pradesh	688.00	688.00	501.79	501.79	6105.56	6105.56	4357.45	4090.81
2	Arunachal Pradesh	232.97	232.97	490.27	371.19	1579.52	1564.10	2745.00	2363.42
3	Assam	450.00	450.00	600.00	600.00	4300.14	4300.14	6555.54	5804.43
4	Bihar	843.00	843.00	1246.50	1246.50	8740.85	8455.85	10422.80	8814.80
5	Chhattisgarh	286.00	286.00	423.00	423.00	3465.42	2941.97	3749.77	3365.25
6	Goa	97.66	97.66	111.04	111.04	572.75	572.75	849.65	695.20
7	Gujarat	285.00	285.00	432.00	432.00	4189.82	4045.82	4583.48	4254.32
8	Haryana	91.00	91.00	135.00	135.00	1312.00	1267.00	1879.00	1702.05
9	Himachal Pradesh	533.00	533.00	800.00	800.00	825.99	650.80	1758.72	1515.97
10	Jharkhand	277.00	277.00	409.50	246.00	2964.32	2964.32	5255.12	4580.61
11	Karnataka	305.00	305.00	451.50	451.50	3399.35	3399.35	4761.77	3879.24
12	Kerala	163.00	81.50	238.50	238.50	1902.74	1902.74	928.90	0.00
13	Madhya Pradesh	1320.00	1320.00	1533.05	1512.36	7339.51	7360.20	12828.21	12636.21
14	Maharashtra	514.00	514.00	783.00	771.73	6803.93	6744.16	7219.23	5376.31
15	Manipur	317.16	317.16	288.47	212.85	764.47	467.22	1010.87	542.70
16	Meghalaya	200.00	200.00	300.00	281.20	1049.02	1049.02	1593.17	1293.06
17	Mizoram	200.00	200.00	299.99	299.99	497.50	297.50	1096.19	743.28
18	Nagaland	200.00	200.00	300.00	300.00	504.16	504.16	1069.39	973.20
19	Odisha	471.50	471.50	561.00	517.12	75.00	75.00	5270.40	3532.14
20	Punjab	296.50	296.50	223.50	223.50	1609.32	798.22	385.23	0.00
21	Rajasthan	1002.00	1002.00	747.00	692.41	5650.23	5595.64	8758.04	8513.42
22	Sikkim	200.00	200.00	300.00	300.00	551.36	551.36	864.08	797.85
23	Tamil Nadu	0.00	0.00	505.50	505.50	4011.27	4011.27	5836.83	5326.42
24	Telangana	358.00	358.00	260.94	214.14	2500.98	2500.98	3243.01	1948.34
25	Tripura	300.00	300.00	300.00	118.54	699.45	349.79	966.20	662.92
26	Uttar Pradesh	976.00	976.00	2224.50	1483.00	15778.84	7940.50	19898.71	19215.08
27	Uttarakhand	675.00	675.00	528.63	263.92	1253.92	1124.01	2082.30	1911.71
28	West Bengal	630.00	630.00	933.00	933.00	6699.77	3655.92	7523.00	5015.58
Total		**11911.79**	**11830.29**	**15927.68**	**14185.78**	**95147.19**	**81195.35**	**127492.06**	**109554.32**

Annexure-III

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	340	60	14	47	219	51	7	5	14	25	52	05	02	0	45	0	0	0	0	0
Group B	601	101	25	140	335	42	3	0	16	23	110	11	05	0	94	0	0	0	0	1
Group C	353	50	23	78	202	51	9	3	14	25	06	0	0	0	6	1	0	0	0	0
Total	1294	211	62	265	756	144	19	8	44	73	168	16	7	0	145	1	0	0	0	1

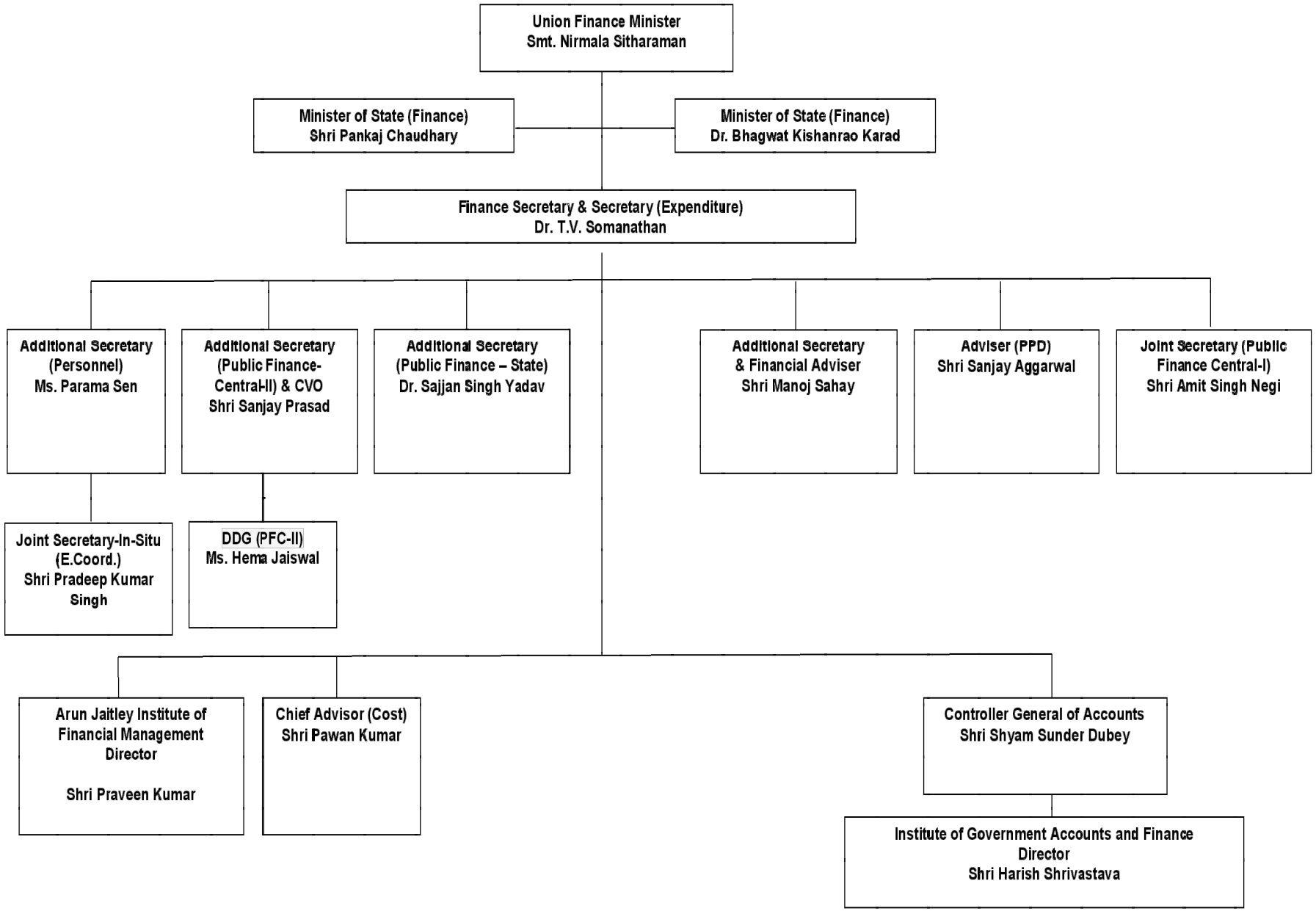
DEPARTMENT OF EXPENDITURE
Representation of Persons With Disabilities

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	340	1	3	6	0	1	1	2	0	1	1	0	0	0	1	0	0	1
B	601	0	1	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	353	2	4	3	1	1	1	1	0	0	1	0	0	0	0	0	0	0
Total	1294	3	8	14	1	2	2	3	0	1	2	0	0	0	1	0	0	1

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.	2023	11	0	-	0

ORGANISATIONAL CHART OF DEPARTMENT OF EXPENDITURE



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. Competent Authorities appointed under Smugglers and Foreign Exchange Manipulators (Forfeiture of Property) Act, 1976 & Narcotic Drugs and Psychotropic Substances Act, 1985;

xiii. Financial Intelligence Unit, India (FIU-IND);

xiv. Adjudicating Authority under Prevention of Money Laundering Act.

xv. Revision Application Unit.

1.4 A comparison of the collection of Direct and Indirect taxes for the period of F.Y. 2022-23 and F.Y. 2023-24 (provisional) is as follows:

(Rs. in crore)

S. No.	Nature of Taxes	Amount collected	
		2022-23	2023-24 (Provisional)
1.	Corporate Income Tax	8,25,833.59	9,10,570.95
2.	Personal Income Tax	8,08,221.28	10,09,390.13
3.	Other Direct Taxes	29,631.60	38,120.65
4.	**Total Direct Taxes (1+2+3)[$]**	**16,63,686.47**	**19,58,081.73**
5.	GST (CGST, IGST & GST Compensation Cess)	8,49,132.45	9,57,032.14
6.	Non-GST [Customs, Central Excise & Service Tax (Arrears)]	5,32,802.97	5,38,820.95
7.	**Total Indirect Taxes (5+6)[#]**	**13,81,935.42**	**14,95,853.09**

[$] *Source: Pr. CCA (CBDT)*

[#] *Source: For FY 2022-23 – Figures have been taken from Receipt Budget 2024-25*
For FY 2023-24 – March (Syp.I), 2024 Report from PrCCA (CBIC)
Total may vary on account of rounding off

1.5 The details of representation of SCs, STs and OBCs are at **Annexure-I.**

1.6 The details of representation of persons with disabilities are at **Annexure-II.**

1.7 The details of ATNs in respect of audit observations are at **Annexure-III.**

1.8 An Organisation Chart of Department of Revenue is given at **Annexure-IV.**

2. Central Board of Direct Taxes (CBDT)

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:

1) Directorate of Income Tax (Administration & Tax Payer Services)

2) Directorate of Income Tax (Systems)

3) Directorate of Income Tax (Training)

4) Directorate of Income Tax (Human Resource Development)

5) Directorate of Income Tax (Vigilance)

6) 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 Direct Tax Collection

The provisional net Direct Tax Collections as on 31st March, 2024 are at Rs. 19.58 lakh crore, compared to Rs. 16.64 lakh crore in the preceding Financial Year i.e. FY 2022-23, representing an increase of 17.70%.

The Budget Estimates (BE) for Direct Tax revenue in the Union Budget for FY 2023- 24 were fixed at Rs. 18.23 lakh crore which were revised and the Revised Estimates (RE) were fixed at Rs. 19.45 lakh crore. The provisional Direct Tax collections (net of the refunds) have exceeded the BE by 7.40% and RE by 0.67%.

The Gross collection (provisional) of Direct Taxes (before adjusting for refunds) for the FY 2023-24 stands at Rs. 23.37 lakh crore showing a growth of 18.48% over the gross collection of Rs. 19.72 lakh crore in FY 2022-23.

The Gross Corporate Tax collection (provisional) in FY 2023-24 is at Rs. 11.32 lakh crore and has shown a growth of 13.06% over the gross corporate tax collection of Rs. 10 lakh crore of the preceding year. The Net Corporate Tax collection (provisional) in FY 2023- 24 is at Rs. 9.11 lakh crore and has shown a growth of 10.26% over the net corporate tax collection of Rs. 8.26 lakh crore of the preceding year.

The Gross Personal Income Tax collection (including STT) (provisional) in FY 2023- 24 is at Rs. 12.01 lakh crore and has shown a growth of 24.26% over the Gross Personal Income Tax collection (including STT) of Rs. 9.67 lakh crore of the preceding year. The Net Personal Income Tax collection (including STT) (provisional) in FY 2023-24 is at Rs. 10.44 lakh crore and has shown a growth of 25.23% over the Net Personal Income Tax collection (including STT) of Rs. 8.33 lakh crore of the preceding year.

Refunds of Rs. 3.79 lakh crore have been issued in the FY 2023-24 showing an increase of 22.74% over the refunds of Rs. 3.09 lakh crore issued in FY 2022-23.

2.3 Some Recent Legislative Changes in Direct Tax Laws

2.3.1 Personal income tax - In order to reform personal income tax, simplify return filing and to reduce litigation the Finance Act, 2020 provided an option to individual taxpayers for paying income-tax at lower slab rates if they do not avail specified exemption or deduction. Finance Act, 2023 has further reduced the rates applicable in case of individuals by providing that with effect from assessment year 2024-25, the following rates provided under sub-section (1A) of section 115BAC of the Income-tax Act, 1961 ("the Act") shall be the default rates* applicable for determining the income-tax payable in respect of the total income of a person, being an individual or Hindu undivided family or association of persons [other than a co-operative society], or body of individuals, whether incorporated or not, or an artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2:

Sl. No.	Total income	Rate of tax
1	Up to Rs. 3,00,000	Nil
2	From Rs. 3,00,001 to Rs. 6,00,000	5 per cent
3	From Rs. 6,00,001 to Rs.9,00,000	10 per cent
4	From Rs. 9,00,001 to Rs. 12,00,000	15 per cent
5	From Rs. 12,00,001 to Rs. 15,00,000	20 per cent
6	Above Rs. 15,00,000	30 per cent

* The option of opting out of the above scheme has also been provided.

2.3.2 Promotion of Digital transactions- Some measures undertaken to promote digital transactions in the country are as below:-

A. The earlier existing rate of deemed profit under presumptive scheme for small businesses was reduced from 8% to 6% in respect of digital turnover. The limit of turnover for tax audit for persons who are undertaking 95% of their transactions digitally has been increased to Rs. 10 crore vide Finance Act, 2021. Finance Act, 2023 has increased the threshold limits for availing the presumptive scheme of taxation subject to certain conditions as follows:-

a. In case of small enterprises whose cash receipts are no more than 5 per cent, the threshold limit to avail presumptive scheme has been increased from Rs 2 crore to Rs 3 crore.

b. In case of professionals whose cash receipts are no more than 5 per cent, the said limit has increased from Rs 50 lakh to Rs 75 lakh.

B. Further, it has been provided that every business entity having turnover exceeding Rs.50 crore shall provide facility for accepting payment through the prescribed electronic modes.

2.3.3 Promotion of co-operatives - Some measures undertaken to promote co-operatives in the country are as below:-

A. Relief to sugar co-operatives from past demand: The payment of Final Cane Price (FCP) by the co-operative sugar factories over and above the Statutory Minimum Price (SMP) for purchase of sugarcane had resulted into tax litigation. Finance Act, 2023 has addressed the issue and provided that in the case of a sugar mill cooperative, where any deduction in respect of any expenditure incurred for the purchase of sugarcane has been claimed by an assessee and such deduction has been disallowed wholly or partly the Assessing Officer shall, on the basis of an application made

by such assessee in this regard, recompute the total income of such assessee for such previous year to the extent such expenditure is incurred at a price fixed or approved by the Central Government.

B. Increasing threshold limit for co-operatives to withdraw cash without TDS: Finance Act, 2023 has provided relief to co-operative societies by raising the limit on aggregate cash withdrawal of Rs 1 crore to Rs. 3 crore under section 194N of the Act.

C. Reduced tax rate for new manufacturing co-operative societies: Vide Finance Act, 2023 a new section 115BAE has been inserted in the Act to provide that a new manufacturing co-operative society set up on or after 01.04.2023, which commences manufacturing or production on or before 31.03.2024 and does not avail of any specified incentive or deductions, may opt to pay tax at a concessional rate of 15% for assessment year 2024-25 onwards. Surcharge would be at 10% on such tax.

2.3.4 Agnipath Scheme, 2022: Consequent to the launch of the Agnipath Scheme, 2022 for enrolment of Agniveers in Indian Armed Forces by the Ministry of Defence on 1st November, 2022, section 80CCH has been introduced in the Act vide Finance Act, 2023 to allow deduction for any contribution made by him or the Central Government to his Agniveer Corpus Fund account, from the computation of total income of Agniveer. Similarly, clause (12C) has been inserted in section 10 of the Act to exempt from tax any payment received by Agniveer or his nominee, from the Agniveer Corpus Fund.

2.3.5 Expansion of scope of TDS/TCS - For widening the net of Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) several new transactions were brought into its ambit. These transactions include huge cash withdrawal, foreign remittance, purchase of luxury car, e-commerce participants, sale of goods, acquisition of immovable property, virtual digital assets, etc. It may be noted that Finance Act, 2023 has provided for TDS on net winnings from online games and interest on listed debentures paid to a resident. Further Finance Act, 2023 has also increased the rate of TCS from 5% to 20% on foreign remittances exceeding Rs. 7 lakh (except for education & medical treatment purposes).

Vide Finance Act 2024 certain changes were made in accordance to the Press Release dated 28th June 2023 issued by Ministry of Finance. Amendments to Section 206C(1G) were made to restore the threshold of INR 7 lakhs per financial year for TCS on all categories (except the sale of overseas tour program packages) of foreign remittances made under the Liberalised Remittance Scheme (LRS) w.e.f. 01-10-2023. In the case of 'sale of overseas tour program package', the TCS rate shall be 5% for remittances up to INR 7 lakh, and 20% for remittances exceeding INR 7 lakhs. Sixth proviso has been inserted to provide that the collection of tax at source during the period 01- 07-2023 to 30-09-2023 shall be in accordance with provisions of Section 206C(1G) as they stood on 01-04-2023.

2.3.6 Promoting timely payment to micro and small enterprises: Section 43B of the Act provides for certain deductions to be allowed only on actual payment. To promote timely payments to micro and small enterprises, the Finance Act, 2023 has provided that any sum payable by the assessee to a micro or small enterprise beyond the time limit specified in section 15 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 shall be allowed as deduction only on actual payment.

2.3.7 Introduction of the authority of Joint Commissioner (Appeals): Commissioners (Appeals) are currently overburdened due to the huge number of appeals and the pendency being carried forward every year. In order to clear this bottleneck, a new authority for appeals has been created at Joint Commissioner/ Additional Commissioner level to handle certain class of cases involving small amount of disputed demand. This authority has all powers, responsibilities and accountability similar to that of Commissioner (Appeals) with respect to the procedure for disposal of appeals.

2.3.8 Incentives to start-ups: The period of incorporation of eligible start-ups for tax benefits has been extended by one year to those start-ups which have been incorporated before 1.4.2024. Further, the period for eligible start-ups to carry forward and set off losses has been increased from 7 to 10 years (subject to certain conditions).

2.3.9 Certain other changes made vide Finance Act, 2023:-

A Limiting the roll over benefit claimed under section 54 and section 54F - Finance Act, 2023 has capped deduction from capital gains on investment in residential house under sections 54 and 54F of the Income-tax Act, 1961 to 10 crore rupees.

B. Limiting the exemption on sum received under a life insurance policy- Finance Act, 2023 has amended clause (10D) of section 10 of the Act so as to tax sum received from life insurance policy having premium or aggregate of premium above Rs 5,00,000 in a year. Finance Act, 2021 had already amended the Act to provide that the sum received under a unit linked insurance policy having premium or aggregate of premium above Rs 2,50,000 in a year shall be taxable. It may be noted that these restrictions do not apply in case of a sum received on death of a person.

C. To promote investments in electronic equivalent of gold, the conversion of physical gold to electronic gold receipt and vice versa would not be treated as transfer for the purposes of capital gains.

2.3.10 Vide CBDT Circular No 20/2023 dated 28.12.2023 guidelines have been issued for the removal of difficulties and clarity has been provided on various issues pertaining to section 194-O of the Income-tax Act 1961 in a multiple e-commerce operator model framework such as the Open Network for Digital Commerce (ONDC). Several types of situations with examples have been provided in the Circular along with clarity on multiple issues.

2.4 Foreign Tax and Tax Research Division

2.4.1 Brief of activities under the International Taxation Agenda during the Indian G20 Presidency

A. India held the G20 Presidency from 1st December 2022 to 30th November 2023. International Taxation was one of the core agenda under the Finance Track of the G20. During the Indian G20 Presidency, the work on International Taxation has been handled by the G20 Cell in FT&TR Division, CBDT. The Indian G20 Presidency has pursued the following three flagship priorities under the International Taxation agenda:

- Enhancing Tax Transparency;
- Tax & Capacity Building; and
- Monitoring the progress of the OECD/G20 Inclusive Framework's Two-Pillar Solution to address the Tax Challenges arising from Digitalization of the Economy, the third priority being an ongoing-legacy priority arising from the commitment of G20 Leaders beginning from the year 2017.

B. Enhancing Tax Transparency: In relation to furtherance of global tax transparency agenda during India's Presidency, the following important reports have been released:

a. OECD Report on *'Enhancing International Tax Transparency on Real Estate'*.

b. Global Forum Report on *'Facilitating the Use of Tax-Treaty-Exchanged Information for Non-Tax Purposes'*.

c. Global Forum's *Update on the implementation of the 2021 Strategy on Unleashing the Potential of Automatic Exchange of Information for Developing Countries*.

C. Tax & Capacity Building: The Indian Presidency launched a pilot programme of the South Asia Academy in India for tax and financial crime investigation in collaboration with OECD in New Delhi in July 2023. Minimum Tax Implementation Handbook (Pillar Two) was presented by the OECD in October 2023 which provides a high level, straight-forward entry point into the overall design and operation of the global minimum tax rules (GloBE Rules).

D. Side Events organized during the Indian G20 Presidency:

a. Ministerial level Tax Symposium on combating tax evasion, corruption and money laundering with OECD as knowledge partner on the sidelines of the Third G20 Finance Ministers and Central Bank Governors (FMCBG) Meeting in Gandhinagar in July, 2023.

b. A **G20-IMF High-level dialogue on capacity building and the two-pillar solution** in collaboration with the International Monetary Fund was also organized on the sidelines of the Fourth G20 FMCBG Meeting in Marrakech, Morocco in October 2023 to discuss the agenda for capacity building in relation to the two-pillar international tax package. The Indian G20 Presidency also organized one domestic capacity building event in collaboration with South Centre for Indian tax administrators and policymakers and one regional capacity building event in collaboration with the Asian Development Bank and World Bank for enhancing capacities of tax administrators and policymakers in the Asia Pacific region, with participation of tax administrators from around 20 developing member countries in the Asia-Pacific Region.

2.4.2 Advance Pricing Agreements

A. The Advance Pricing Agreement (APA) program of CBDT, which was introduced over eleven years ago, is a key initiative to promote a non-adversarial and investor-friendly tax regime in India.

B. CBDT has entered into a record 125 Advance Pricing Agreements (APAs) in FY 2023-24 with Indian taxpayers. This includes 86 Unilateral APAs (UAPAs) and 39 Bilateral APAs (BAPAs). **This marks the highest ever APA signings in any financial year since the launch of the APA programme.** The number of APAs signed in FY 2023-24 also represents a 31% increase compared to the 95 APAs signed during the preceding financial year. With this, the total number of APAs since inception of the APA programme has gone up to 641, comprising 506 UAPAs and 135 BAPAs. **During FY 2023-24 CBDT also signed the maximum number of BAPAs in any financial year till date.** The BAPAs were signed as a consequence of entering into Mutual Agreements with India's treaty partners namely Australia, Canada, Denmark, Japan, Singapore, the UK and the US.

2.4.3 Mutual Agreement Procedure

A. Multinational Enterprises (MNEs) are subject to transfer pricing audits in various countries to ensure that their related party international transactions are priced at arm's length. In some cases, the income of the group may be taxed in various jurisdictions, leading to disputes over economic double taxation of the same income in the hands of different taxpayers within the same MNE

group. These disputes can also arise from juridical double taxation, where the same income is taxed in the hands of the same taxpayer in different jurisdictions. To resolve such disputes, Double Taxation Avoidance Agreements (DTAAs) provide a mechanism through the "Mutual Agreement Procedure" Article of the agreements. This allows the competent authorities of countries with a DTAA between them to consult each other and reach an understanding to avoid double taxation.

B. During the year, multiple discussions through emails and letters were held with competent authorities of many countries mainly, USA, UK, Sweden, Switzerland, the Netherlands, Germany, Denmark to resolve the tax dispute cases pending under the Mutual Agreement Procedure (MAP) provided in the Double Taxation Avoidance Agreements.

C. A bilateral competent authority meeting was held New Delhi with the UK Competent Authority in February 2023, to discuss and resolve Mutual Agreement Procedure (MAP) and bilateral Advance Pricing Agreement (BAPA) cases as per provisions of Double Taxation Avoidance Convention (DTAC) between India and the UK. One Competent Authority meeting was held between India and USA in Washington D C in May 2023, to discuss and resolve MAP and BAPA cases as per provisions of DTAC between India and USA. The Finland Competent Authority team also visited India in April 2022 for conducting joint site visits in order to enable a common understanding for resolving BAPAs. A meeting was also held with the team from Finland Competent Authority to discuss and resolve BAPA cases as per the DTAC between India and Finland.

D. Further, Competent Authority Team Meetings have also been held virtually with the UK, Finland, and Denmark during the year. Review and status update meetings for BAPA and MAP cases were also held virtually with Ireland and France Competent Authority Office during the year.

2.4.4 Double Taxation Avoidance Agreements and Tax Information Exchange Agreements

Negotiations were held for the amendment/ revision of the India-France DTAA during an in-person meeting, where progress was made on many outstanding issues. The Tax Information Exchange Agreement (TIEA) between India and St. Vincent and the Grenadines was notified in the official Gazette on 1st November, 2023. The TIEA provides for exchange of information, Assistance in Collection and Tax Examinations abroad among other things.

2.5 Investigation Division

I. Search and seizure and survey actions: During F.Y. 2022-23, search and seizure actions were carried out against 741 groups leading to seizure of assets worth over Rs. 1765 crore. Whereas, during F.Y. 2023-24* (upto December, 2023), search and seizure actions were carried out in 812 groups. The actions in these cases led to seizure of assets worth over Rs. 2044 crore.

During F.Y. 2023-24* (upto January, 2024), over 544 surveys were conducted.

*Figures are provisional.

II. Prosecutions & compounding: Various measures have been taken by the Income-tax Department (ITD) in the recent past to strengthen the prosecution mechanism with a view to identify the deserving prosecutable cases at the earliest and pursue the same with due seriousness.

During F.Y. 2023-24* (upto January, 2024), in 320 Cases, prosecution complaints have been filed and in 30 cases, conviction orders have been passed and in 455 cases, compounding applications have been accepted.

*Figures are provisional

III. Actions under the Black Money (Undisclosed Foreign Income and Imposition of Tax Act, 2015 ("the BM Act"): As an outcome of the actions taken by the Income-tax Department under the BM Act, order u/s 10(3)/10(4) has been passed in 489 cases raising cumulative demand of over Rs. 16858 crore. Further, as on 31.12.2023, in 163 cases, prosecution complaints have been filed under the BM Act.

IV. Action 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.

The Income-tax Department has taken effective actions against Benami transactions/properties since amended Act came into force.

V. High-Level Principles (HLP) on "Strengthening Law Enforcement related International Cooperation and Information Sharing for Combating Corruption: Investigation Division,

CBDT had major contribution in preparation the document which emphasizes the need for international cooperation and information sharing among law enforcement agencies to combat corruption effectively. It outlines principles such as establishing frameworks, leveraging cooperation channels, and maintaining beneficial ownership information to enhance coordination and effectiveness in addressing corruption offences. The said HLP was accepted in the 2nd G20-ACWG, 2023 meeting held from 25th May, 2023 to 27th May, 2023. G20 New Delhi Leaders Declaration on 9th September, 2023 endorsed the said HLP.

Also, the officers of Investigation Division have represented India in all the meetings of G20-ACWG, 2023.

2.6 ITA Division:

ITA Division 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 under the Act. It is also entrusted with the responsibility of assigning jurisdiction to various Income-tax authorities. In this context, following achievements during 2023-24 are worth highlighting:

S. No	Section	Subject	Notifications/ Orders/ Approvals/ Disposals
1	119	Condonation of delay under section 119(2)(b) of the Act in filling of Form No. 10IC for Assessment Year 2021-22.	01
		Condonation of delay under section clause (b) of sub-section (2) of section 119 of the Act for returns of income claiming deduction u/s 80P of the Act for various assessment years from AY 2018-19 to AY 2022-23.	01
		Circular No.01/2023 dated 06.01.2023 regarding extension of time limit for compliance to be made for claiming any exemption under Section 54 to 54GB of the Act in view of the then-Covid-19 pandemic.	1
		Circular No. 16/2023 dated 18.09.2023 has been issued on Extension of timelines for filing of Form 10B/10BB and Form ITR-7 for the Assessment Year 2023-24.	1
		Guidelines issued dated 24.05.2023 and 03.08.2024 for compulsory selection of returns for Complete Scrutiny during the Financial Year 2023-24 - procedure for compulsory selection in such cases.	2
		Circular No. 12/2023 dated 12.07.2023 issued on Clarification regarding taxability of income earned by a non-resident investor from off-shore investments in investment fund routed through an Alternative Investment Fund.	1
		Order under section 119 of the Act dated 01.12.2023, 31.01.2024 and 01.03.2024 regarding processing of returns of income validity filed electronically with refund claims under section 143(1) of the Act beyond the prescribed time limits in non-scrutiny cases.	3
		Order under section 119 of the Act- National Company Law Tribunal (NCLT) dated 13.03.2024.	1
2	119(2) (b)/ (c)	Condonation of delay petitions disposed of	1432
3	2(22AAA)	Approval/Rejection order in the case of Electoral Trusts	13
4	10(46)	Exemption given in r/o specified income arising to a body of authority or Board or Trust or Commission established or constituted under a Central, State or Provisional Act, or constituted by the Central Govt. or State Govt. which are not engaged in commercial activity.	375

S.No	Section	Subject	Notifications/ Orders/ Approvals/ Disposals
5	10(10AA) (ii)	Specified the amount of Rs.25 lakhs as the limit in relation to employees mentioned in sub-clause (ii) of clause 10AA) of section 10 of the Act who retire, whether on superannuation or otherwise w.e.f. 01.04.2023.	01
6	2(48)	Specified "Ten Year Zero Coupon Bond" in exercise of powers under section 2(48) of the Act read with clause (ii), clause(iii) and clause(v) of sub-rule (3) and sub-rule (6) of rule 8B of the Income-tax Rules, 1962.	01
7	10(23EC)	Specified the Multi Commodity Exchange Investor (Client) Protection Fund Trust set up by Multi Commodity Exchange of India Limited, Mumbai for AY 2014-15 in exercise of powers under Section 10(23EC) of the Act.	01
8	10(22B)	Specified "The Press Trust of India Limited, New Delhi" as a news agency set up in India solely for collection and distribution of news, for the purpose of 10(22B) of the Act, for two AYs 2022-23 to 2023-24.	01
9	11(1)(c)	Income derived from property held under the trust is not to be included in total income of the person in receipt of such income as per section 11(1)(c) of the Act.	04
10	35(1)(ii)/ (iii)	Notification for approvals	8
		Rejection orders	7
11	138	Notifications u/s 138(1)(a)(ii)	3
		Order(s) u/s 138(1)(a)(ii)	2
12	139(1C)	Notification No.49/2023 dated 14.07.2023 issued regarding amendment in the Principal Notification No.55/2019 dated the 26.07.2019 of the Government of India, Ministry of Finance (Department of Revenue).	1
13	47(d) (viiab)	Notification No.71/2023 dated 12.09.2023 amending in the Principal Notification No 16/2020 dated the 05.03.2020 has been issued.	1

II. Details of important circulars/notifications/instructions issued:

S. No	Subject	Circular/Instruction/Letter No. and Date of Issue
1	Section 10(10AA)(ii) The limit in relation to employees mentioned in sub-clause (ii) of clause (10AA) of section 10 of the Act who retire, whether on superannuation or otherwise was increased to amount of Rs. 25 Lakhs w.e.f. 01.04.2023.	Notification No. 31/2023 dated 24.05.2023
2	Form no. 10-IC Circular granting condonation of delay under section 119(2)(b) of the Income-tax Act, 1961 in the filing of Form 10-IC for Assessment Year 2021-22.	Circular No. 19/2023 dated 23.10.2023

S. No	Subject	Circular/Instruction/ Letter No. and Date of Issue
3	Deduction u/s 80P Circular delegating condonation of delay u/s 119(2)(b) of the Act for returns of income claiming deduction u/s 80P of the Act for various assessment years from AY 2018-19 to AY 2022-23	Circular No. 13/2023 dated 26.07.2023
4	Guidelines were issued for the assessment of startups being picked for scrutiny, involving application of section 56(2) (viib) of the Act by letter dated 10.10.2023. This guideline eased compliance burden and provided relief to around 8000 startups recognized by DPIIT as eligible start-ups.	Letter F.No. 173/149/2019 dated 10.10.2023
5	Guidelines were issued to the field by letter dated 29.09.2023 for handling the cases for verification of registration / approval as per the provisions of the fifteenth proviso to clause (23C) of section 10 or sub-section (4) of section 12AB of the Act wherein the registration or approval of a charitable or religious trust or institution may be cancelled in case of specified violations noticed by the CIT/PCIT during any previous year, or if reference is received from the AO under second proviso to section 143(3) of the Act or where such case has been flagged by the Systems Directorate for verification of registration/approval. These guidelines helped in positive review of cases under FATF.	Letter F.No. 300173/113/2023-ITA-I dated 29.09.2023

III. Matters pertaining to Start-Ups:

In line with the Start-up India Initiative, in order to provide hassle free tax environment to the Start-ups, CBDT issued intimation to Start-ups under clause (ii) of the provision to Section 56(2)(viib) of the Act. 1762 intimations were issued in F.Y. 2023-24.

2.7 Audit & Judicial (A&J) Division:

The following significant development/policy decisions/ initiatives were taken during the FY 2023-24:

i. Guidelines for priority/out of turn disposal of appeals by CsIT(A/AU) and Addl./ Jt.CsIT(Appeals) issued vide letter dated 19.03.2024.

ii. Circular No. 5/2024 dated 15.03.2024: Circular u/s 268A of the Act for filing of appeals by the Department before Income Tax Appellate Tribunal, High Courts and SLPs/appeals before Supreme Court was issued.

iii. Instruction No. 1 of 2024 dated 09.02.2024 on the subject of work allocation to Commissioner of Income-tax (Judicial) was issued.

iv. Notification No. 20/2024 dated 06.02.2024 regarding jurisdiction of CIT(Appeal) was issued.

v. In exercise of the powers conferred by sub-section (1) and (2) of section 120 of the Act and to give effect to e-Appeals Scheme, 2023 Notification No. 40/2023 issued.

vi. Instruction No. 02/2023 dated 30.11.2023 regarding guideline for engagement of Special Public Prosecutors (SPPs) to represent the Income-tax Department before Courts of Session and its subordinate Courts was issued.

vii. Order specifying terms and conditions for constitution of Dispute Resolution Committee in consequence to the notification of e-Dispute Resolution Scheme, 2022 under section 245MA of the Act was issued on 14.08.2023.

2.8 New Initiative in respect of Human Resources Development (HRD)

A. New posts of 100 JCIT (Appeals) were created during the F.Y. 2023-24 to reduce pending appeals.

B. Training and Capacity Building (TCB):

I **iGoT – Mission Karmayogi**

Hon'ble Prime Minister has been highlighting the need for Capacity Building and leveraging "iGOT-Karmayogi" platform for training of all civil servants at various occasions. Various types of courses are being uploaded on the platform to assist all the Govt. officers/ officials in their Competencies Building Journey on iGOT-Karmayogi Platform. Communications have been sent with regards to the completion of the Courses uploaded on iGoT platform to all the CCAs.

An e-learning course on the Grievance Redressal Mechanism in Income Tax Department on iGOT platform of Karmayogi Bharat was inaugurated by the hon'ble Union Finance Minister Smt. Nirmala Sitharaman, and is expected to build capacity of the officers and officials of the Department in public grievance redressal. This best practice has been recognised by DARPG, the nodal Department for Special Campaign 3.0 as the foremost best practice amongst all best practices across Ministries/Departments.

- **PROMOTIONS:** During the F.Y. 2023-24, DPCs were conducted and promotion orders were issued in respect of the officers of all ranks.

2.9 Tax Payer Services and Outreach

A. Taxpayers' Hub: In a dedicated effort to highlight the Department's proactive initiatives aimed at enhancing taxpayer services and establishing a stronger presence within the nation, the Income Tax Department established Taxpayers' hubs in following cities:

S. No.	City	Dates	Footfall
1	Gorakhpur	From 20.10.2023 to 22.10.2023	8329
2	Jhansi	From 02.11.2023 to 04.11.2023	12540
3	Bhagalpur	From 24.11.2023 to 26.11.2023	21795
4	Cuttack	From 27.11.2023 to 03.12.2023	42258
5	Vishakhapatnam	From 06.01.2024 to 08.01.2024	12458

This initiative is specifically designed to offer invaluable insights and assistance to taxpayers. The Taxpayers' Hub features a diverse range of kiosks, each serving a specific purpose. Firstly, there is Informational Kiosk to disseminate crucial tax-related information and updates to attendees, helping them to stay informed about their tax responsibilities. Additionally, there is dedicated Grievance Kiosk, where taxpayers can seek assistance and resolve any tax-related concerns or issues they may have. Moreover, there is an Educational Kiosk, which aims to promote tax literacy and provide valuable guidance on tax planning and compliance. These kiosks are designed to empower taxpayers with knowledge and resources to make informed financial decisions.

Furthermore, recognizing the importance of engaging with the younger generation, the Taxpayers' Hub features a vibrant Children's Corner. This interactive space is dedicated to educating children about the basics of taxation and financial responsibility in a fun and engaging manner, thus laying the foundation for financial literacy at an early age. Through a combination of interactive & informative brochures, and the powerful tagline "Pratyek Aaykar Data, Ek Rashtra Nirmata," the Hub strives to empower taxpayers with the knowledge and resources necessary to make informed tax-related decisions. It aspires to demystify tax matters, making them accessible and comprehensible to all.

B. Tax Literacy/ Outreach Among Children:

In 2023, the initiatives of the Income-tax Department towards outreach among children and young adults by way of games, 3D puzzles and comic books found mention in the OECD Report of Tax Administration, 2023 (Page-35).

Other outreach activities undertaken by the Income Tax Department included walkathons, cyclothons, plantation drives, cultural events, clean up drives, yoga activities, blood donation camps, seminars, felicitation of taxpayers etc. These were aimed at reaching out to taxpayers and to create positivity among them.

A Taxpayer Lounge in 13th East Himalayan Trade Fair (EHTF) organized by ITPO, was set up at Guwahati, an area which is exempt from incidence of income tax, to educate taxpayers. Taxpayers Lounges was setup in India International Trade Fair, 2023 at Pragati Maidan, Delhi, which was awarded the gold medal in the most popular category.

C. Samvaad Series on Youtube: The Income Tax Department organizes interactive chat sessions with the senior officers of the Department having expertise and experience on the important taxation issues of concern to taxpayers, tax professionals and other stake holders. These sessions are recorded at its in-house

communication centre. Some of the topics on which sessions have been recorded include information on updated returns, e verification, Charitable Trust/Institution, faceless assessment and pay as you earn concept etc.

On 1st June, 2023, the Samvaad episode with Chairman, CBDT has gathered 2,39,485 views, the highest impression so far.

These sessions are thereafter uploaded on the official YouTube channel and Instagram handle of the Department 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 uploaded tasks.

D. Media Centre (M&TP)

a) **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 01.04.2023 to 31.03.2024) **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 Income Tax Department.

b) **Deepening and Widening engagement with Taxpayers/Stakeholders through X (formerly Twitter):** The CBDT, in the recent years, has also expanded its presence to the social media platforms, particularly on X (formerly Twitter), opening the door to a two-way communication for the taxpayer/stakeholders. The CBDT X (formerly Twitter) handle @IncomeTaxIndia is being managed by the Media Centre under the supervision of Pr CIT (Media & Technical Policy). Thus, apart from the conventional means of communication, the Media Centre, CBDT also utilizes social media platforms to disseminate information to the public and to engage with the stakeholders.

Accordingly, a detailed Online Response and Reputation Management (ORM) system has been instituted. As part of such response management, the Department identifies and responds to the actionable posts/tweets from taxpayers/professionals since July 2019.

c) **Number of Tweets/Responses posted and followers gained**: The follower-count as on date stands at **14,96,425.** The total number of Tweet-Responses posted during the period **01.04.2023 to 31.03.2024 was 45,201** which include tweets related to taxpayers' education/awareness campaigns and the tweets/responses posted in the course of response management addressing the taxpayers' queries.

d) **Use of Social Media in assisting taxpayers and easing compliance:** The messaging and response features of Twitter were put to a very effective use during the e-filing compliance cycle of July 2023 when taxpayers/stakeholders were proactively assisted through response management on Twitter. The Departmental twitter handle received **44,113 tweets during e-filing season July 2023**. Actionable tweets were responded to and assistance was provided to the user either immediately providing the resolution or by telephonic assistance from backend team.

From 01st April, 2023 to 31st July, 2023, **23,305 actionable tweets were responded to and assistance was provided**. Out of these, **22,283 tickets** were raised by the users who connected with the backend team via ORM link/e-mail. These tickets are pertaining to CPC e-filing/ITR only. And out of the 22,283 tickets, **21,642 tickets (97%)** were resolved.

e) **Adaptability, Re-alignment & Innovation in work process:** Use of social listening tools such as Konnect Insight (KI) tool for better rendering of data collection & collation and replication of the same on Google Sheets which resulted in reduction of **Turnaround Time (TAT) from 72 hours (earlier) to 2-3 hours (at present)** and in many cases assistance was provided on real time basis. During the peak e-filing season, a war-room was established in close coordination with Directorate of Systems, and this facilitated in resolving grievances at large scale with responses and escalation of the same with backend verticals of the Department in real-time. **The Income-tax Department was awarded for "Best use of community engagement at #WeKonnect 2023 event in December, 2023.**

f) **Visits of Hon'ble Vice President, Hon'ble Finance Minister and Chairman CBDT:** From time-to-time, 360-degree campaigns were launched during the visits of Hon'ble Vice President, Hon'ble Finance Minister and Chairman, CBDT for varied purposes such as Building Inauguration(s), Book Launches, Valediction Ceremonies, etc., which was covered extensively along with live-tweets in coordination with the Regional Teams.

g) **Amplification of Department's presence & messaging on Twitter through Regional Handles:** Twitter handles have also been created by the regional offices of the Department at the level of the respective Principal Chief

Commissioners of Income Tax. The 19 regional twitter handles (including NADT) are used for outreach programmes at the local levels, thereby ensuring dissemination of information and awareness campaigns to the last mile in the communication chain. Due to persistent efforts, and follow-up at multiple channels, all the regional handles have received grey checkmark.

h) **Use of Social Media in spreading awareness and amplifying messaging around various Campaigns:** Awareness about all the major initiatives of the Department, including Special Campaign 3.0, was spread through focused and concerted messaging through Twitter.

E. Print Media Awareness Campaign for filling of Schedule FA/FSI in ITR: The print media awareness campaign was organized for foreign bank account, assets and income holders on 17.07.2023 in 205 newspaper editions across India for the first time in relation to filing of Schedule FA (Foreign Assets)/FSI (Foreign Source of Income) by taxpayer.

F. Online grievance redressal system e-Nivaran

a) 'e-Nivaran' is an electronic grievance redressal system integrated with the ITBA application, the Department's internal online working system. The paper grievances received through ASK centers are also digitized and integrated with e-Nivaran module.

b) Since inception of e-Nivaran module, total e-Nivaran grievances registered on ITBA was 11,36,842 as on 18.03.2024. Out of which 95.65% i.e. 10,87,404 grievances of taxpayers have been resolved.

G. Online grievance redressal system CPGRAMS

Disposal details of CPGRAMS for FY 2023-24 is as under:

Brought forward	Received during the FY	Disposal
13727	67571	68551

Average disposal time is 63 days

H. Infrastructure related work:

During the year under consideration newly constructed office/residential buildings were made functional at Dibrugarh (Assam), Bhubaneswar, Kochi & Gorakhpur. Bhumi Poojan was conducted at Bengaluru, Gurugram & Faridabad by Hon'ble Finance Minister. Further, following major projects were sanctioned:

i. Approval for construction of residential complex at Sector-53, Gurugram for officers/staff of Income Tax Department, Gurugram for an amount of Rs. 99.95 crore.

ii. Approval for construction of office building at Sector-78, S.A.S. Nagar, Mohali for an amount of Rs.47.25 crore.

iii. Approval for the construction of residential accommodation at Survey No.109/1A, Bogadi Village, Kasab Hobli, Mysuru Taluk, Mysuru for an amount of Rs.42.61 crore.

iv. Approval for the construction of 64 Nos. of Type-III Quarters at Sanjay Nagar, Bengaluru for an amount of Rs.42.60 crore.

v. Approval for the work of Residential flats of Income Tax Department in Udaigiri Apartment – Patna for an amount of Rs.23.40 crore.

vi. Approval for construction of residential and non-residential (office) buildings for Income Tax Department at Daltonganj for an amount of Rs.7.07 crore.

vii. Approval for the work of boundary wall around the plot for Mohali Project of DTRTI at NADT, Regional campus, Sector-48, Mohali, Chandigarh for an amount of Rs.1.20 crore.

viii. The Office buildings at Ahmedabad, Rajkot, Surat and Navsari were declared as per Accessible India Campaign. Necessary infrastructure for specially abled person were installed at these stations.

ix. Grid connected Rooftop projects installed in all the buildings of Gujarat region except the office premises situated at Navsari, Nadiad, Rajkot & Bhuj Stations.

x. Procurement of 764 laptops for the officers of the Department through GeM involving total consideration of 7.16 Crores.

3. Central Board of Indirect Taxes and Customs (CBIC)

3.1 Introduction

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 AND SERVICE TAX (GST)

A. For Easing compliances in GST and Ease of Doing Business:

i. **Waiving mandatory requirement of registration for supply through ECOs:** 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, it has been decided to waive the requirement of mandatory registration upto threshold turnover for registration with effect from 01.10.2023 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 would open the huge e-commerce market for the small taxpayers to sell their goods without getting mandatory registration which will boost small businesses.

ii. **Amnesty Scheme for filing of appeals against demand orders in cases where appeal could not be filed within the allowable time period:** The Council has recommended providing an amnesty scheme for taxable persons, who could not file an appeal under section 107 of the CGST Act, 2017 against the demand order passed on or before the 31st day of March, 2023, or whose appeal against the said order was rejected solely on the grounds that the said appeal was not filed within the time period specified in sub-section (1) of section 107. In all such cases, filing of appeal by the taxpayers will be allowed against such orders upto 31st January 2024, subject to the condition of payment of an amount of pre-deposit of 12.5% of the tax under dispute, out of which at least 20% (i.e. 2.5% of the tax under dispute) should be debited from Electronic Cash Ledger. This will facilitate a large number of taxpayers, who could not file appeal in the past within the specified time period.

iii. **Provision for automatic restoration of provisionally attached property after completion of one year:** The Council has recommended an amendment in sub-rule (2) of Rule 159 of CGST Rules, 2017 and FORM GST DRC-22 to provide that the order for provisional attachment in FORM GST DRC-22 shall not be valid after expiry of one year from the date of the said order. This will facilitate release of provisionally attached properties after expiry of period of one year, without need for separate specific written order from the Commissioner.

iv. Threshold annual turnover for mandatory issuance of e-invoice has been reduced to Rs 5 crore with effect from 01.08.2023 vide notification no. 10/2023-Central Tax dated 10.05.2023.

v. Late fees for delayed filing of FORM GSTR-9/ GSTR-9C by registered persons having turnover up to Rs. 20 crore has been rationalized by linking it to the taxpayers' aggregate turnover in the relevant Financial Year.

vi. In order to provide relief to the taxpayers from paying high late fees, vide Notification No. 07/ 23-CT dated 31.03.2023, late fee payable for delayed filing of FORM GSTR-9 / GSTR-9C for FY 2017-18 to FY 2021-22 was capped to maximum of Rs. 20,000/- (Rs. 10,000/- + Rs. 10,000/-) if filed between 01.04.23 to 30.06.23 and the due date was further extended till 31.08.2023 vide Notification No. 25/2023-CT dated 17.07.2023. Further, vide Notification No. 08/23-CT dated 31.03.2023, late fee payable for delayed furnishing of final return in FORM GSTR-10 was capped to maximum of Rs. 1,000/- (Rs. 500/- + Rs. 500/-) if filed between 01.04.23 to 30.06.23 and the due date was further extended till 31.08.2023 vide Notification No. 26/2023-CT dated 17.07.2023.

vii. Vide Notification No. 06/2023-CT dated 31.03.2023, a conditional amnesty scheme was provided for deemed withdrawal of best judgement assessment orders issued under Section 62, CGST Act, 2017, in the cases where a valid return was not furnished within 30 days from the date of service of such assessment order issued on or before 28.02.2023, if the pending return is filed on or before 30.06.2023. Further, such date for filing of pending return was extended till 31.08.2023 vide Notification No. 24/2023-CT dated 17.07.2023.

viii. Vide Notification No. 03/2023-CT dated 31.03.2023, for such registrations which were cancelled for non-filing of returns on or before 31.12.2022 and application for revocation was not filed or appeal has been rejected or appeal is pending within the specified time, the time limit for filing of application for revocation of cancellation of registration, was extended till 30.06.2023. Further, vide Notification No. 23/2023-CT dated 17.07.2023, the time limit for filing of application for revocation of such cancellation of registration, was extended till 31.08.2023.

ix. Vide Notification No. 32/2023-CT dated 31.07.2023 the registered person, whose aggregate turnover in the financial year 2022-23 is up to two crore rupees, has been exempted from filing annual return for the said financial year.

x. Vide Notification No. 33/2023-CT dated 31.07.2023, "Account Aggregator" has been notified as the systems with which information may be shared by the common portal based on consent provided by the registered person/taxpayer. This will help MSMEs in getting credit/business loan based on their GST registration.

xi. In order to simplify and decriminalize certain provisions of the GST Act, based on the recommendation of GST Council, amendments have been made in provisions of CGST Act, 2017.

xii. Constitution of Goods and Services Tax Appellate Tribunal: The requisite amendment in CGST Act, 2017, as recommended by the GST Council, for constitution of GST Appellate Tribunal has been made. Further action for functioning of the Tribunal is being taken.

xiii. Vide Circular No. 199/11/2023-GST dated 17.07.2023, it has been clarified that Input Services Distributor (ISD) mechanism is not mandatory for distribution of input tax credit of common input services procured from third parties to the distinct persons as per the present provisions of GST law, and also to clarify issues regarding taxability of internally generated services provided by one distinct person to another distinct person.

xiv. Amendment has been made in Rule 21A(2A) of CGST Rules, 2017 to provide for system-based suspension of the registration in respect of such registered persons who do not furnish the details of valid bank account under rule 10A within the time period prescribed under the said rule. A proviso (3rd proviso) has been inserted in Rule 21A(4) of the CGST Rules, 2017, to provide for automatic revocation of such system-based suspension upon compliance with provisions of rule 10A.

xv. Amendments has been carried out in Rule 9 and Rule 25 of CGST Rules, 2017 to do away with the requirement of the presence of the applicant for the physical verification of business premises and also to provide for physical verification in high risk cases even when Aadhaar has been authenticated.

xvi. On recommendation of GST Council, certain amendments have been made in the CGST Act, 2017 and IGST Act, 2017 vide Central Goods and Services Tax (Amendment) Act, 2023 and the Integrated Goods and Services Tax (Amendment) Act, 2023 with effect from 01.10.2023 to provide clarity on the taxation of supplies in casinos, horse racing and online gaming. These amendments inter alia provide level playing field to the suppliers of online money gaming based in India vis-à-vis the suppliers of online money gaming located outside India supplying online money gaming to the recipients in India. Registration has been made mandatory for such overseas suppliers of online money gaming and provisions have been made for punitive action against such suppliers, including blocking of their websites, in case of contravention of provisions under GST law.

xvii. To provide relief to the taxpayers in the Cyclone Michaung affected districts of Tamil Nadu, the due dates for furnishing the return in FORM GSTR-3B for the month of November, 2023 has been extended vide Notification no. 55/2023-Central Tax dated 20.12.2023 till 27th December, 2023. Also, the due dates for furnishing the return in FORM GSTR-9 and FORM GSTR-9C for Financial Year 2022-23 have also been extended vide Notification No. 02/2024- Central Tax dated 05.01.2024 w.e.f. 31.12.2023 till 10th January, 2024, for the registered persons whose principal place of business is in the districts of Chennai, Tiruvallur, Chengalpattu and Kancheepuram in the state of Tamil Nadu.

B. For improving compliance:

i. To weed out fake/bogus registrations, a special drive against fake Input Tax Credit and fake registration was launched during the period from 16th May, 2023 to 15th July, 2023 in coordination between State and Central GST administrations. Guidelines for the same were issued vide Instruction no. 01/2023-GST dated 04.05.2023.

ii. Detailed guidelines for processing of application for registration has been issued vide Instruction no. 03/2023-GST dated 14.06.2023 to tackle the unscrupulous elements obtaining fake/bogus registration and issuing bogus invoices for passing of fake ITC.

iii. Risk Rating of Registration Applications: To ensure that fraudulent elements are prevented from entering into GST system, registration process has been strengthened by use of data analytics and artificial intelligence to identify risky applicants so that their detailed verification, including physical verification can be conducted by the field officers before taking a decision on their application for registration.

iv. A Special All India drive launched against fake registrations during the period 16.05.2023 to 15.07.2023, jointly by Central and State tax authorities in close coordination. Detailed guidelines issued for the implementation of the said drive vide Instruction no. 01/2023-GST dated 04.05.2023.

v. The facility of geo tagging of the place of business of the applicant for the registration as well as existing registered persons has been provided on the portal.

vi. System based suspension of registration is done in cases where returns are not filed for continuous period of 6 months.

vii. Risk Rating of Refund Applications: GST refund applications are being assigned risk rating based on data analytics and risk parameters, so that detailed verification can be conducted by the tax officers while processing such risky refund applications so as to ensure that undue/ineligible refunds are not sanctioned to the fraudulent taxpayers.

viii. Based on the recommendations of the GST Council amendment in Section 16 of IGST Act, 2017 to provide for restriction of IGST Refund in respect of exports of tobacco, pan masala & other similar items as well as mentha oil has been notified w.e.f. 01.10.2023.

ix. Artificial intelligence tools such as NETRA (Networking Exploration Tools for Revenue Argumentation), BIFA (Business Intelligent and Fraud Analytics) & ADVAIT (Advanced Analytics in Indirect Taxation) based on network analysis have been implemented to identify taxpayers availing and passing on fraudulent input tax credit as well as taxpayers with deviant behaviour to take targeted enforcement action against such unscrupulous elements.

C. GST rates for Goods:

i. 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.

ii. Based on recommendations of the GST Council in its 49th GST Council meeting:

a) The GST rate on Rab was reduced from 18% to 5% as it is mostly consumed by the lower strata of the society to improve Ease of living.

iii. Based on recommendations of the GST Council in its 50th GST Council meeting:

a) All drugs and Food for Special Medical Purposes (FSMP) imported for personal use and by Centres of Excellence for treatment of Rare Diseases enlisted under the National Policy for Rare Diseases 2021 have been exempted from IGST. They were exempted from customs duty in Budget 2023-24. This has been done to provide relief to patients of rare diseases.

b) Quarziba when imported for personal use has been exempted from IGST to provide relief to patients of neuro blastoma (a rare form of cancer)

c) The GST rate was reduced to 5% on uncooked/unfried snack pellets, by whatever name called, manufactured through the process of extrusion, and matter was regularized for the past period on “as is basis” to facilitate small manufacturers

d) The GST rate on imitation Zari thread or yarn was reduced to 5% in the interest of SME manufacturers

e) Clarification was issued on GST on supply of raw cotton, including kala cotton, by agriculturists to cooperatives and matter was regularised for the past period on “as is basis” to facilitate settlement of pending disputes.

f) GST rate was reduced on fish soluble paste from 18% to 5%.

g) Clarifications were issued to address interpretational challenges with respect to fish soluble paste, dessicated coconut, plates/cups of areca leaves etc.

h) The GST rate on LD Slag was reduced from 18% to 5% keeping in view environmental concerns.

i) GST rate on trauma, spine and arthroplasty implants for the period prior to 18.07.2022 was also regularized on "as is basis" in order to address interpretational issues, driving tax payer facilitation

iv. Based on recommendations of the GST Council in its 52nd GST Council meeting,-

a) GST rate on food preparation of millet flour in powder form with millet content of at least 70% by weight has been reduced from 18% to 5% when sold in pre-packaged and labelled form and Nil otherwise

b) ENA for manufacture of alcoholic liquors for human consumption is being kept out of the ambit of GST

c) The GST rate on molasses has been reduced from 28% to 5%.

3.3 GST-INVESTIGATION

A. Introductory para about function of the GST-Investigation Wing:

i. GST Investigation wing of CBIC was created by Instruction No. 01/2018 on10th September, 2018. Its main work is related to dealing with policy issues including legislative matters concerning enforcement aspect viz. search, seizure, arrest, prosecution and compounding under CGST Act, 2017; IGST Act, 2017; UTGST Act, 2017; Central Excise Act, 1944 and Finance Act, 1994 (matter relating to Service Tax), in so far as actions are saved and protected through Section 174(2) of the CGST Act, 2017. GST-Investigation Wing also undertakes following tasks:

a) Monitoring the work of Directorate General of GST Intelligence (DGGI) and GST field formations in respect of:

- Investigation of cases booked and related reports;
- Search & Seizure operations and related reports/ Management Information System (MIS) reports on searches, arrests etc.;
- work/performance relating to investigating tool BIFA/GAIN.

b) Coordinating with Directorate General of Goods & Services Tax Intelligence (DGGI) and Directorate General of Analytics and Risk Management (DGARM) and other partner law enforcement agencies in analyzing and disseminating intelligence to the field formations; Information management, data-warehousing and data mining relating to reduction of tax avoidance and curbing tax evasion, management of tax risks;

c) Matters relating to anti-evasion set up in GST formations including staffing, infrastructure and other requirements;

d) Matters relating to Multi Agency Centre (MAC) under the Ministry of Home Affairs relating to GST investigation;

e) Matters relating to Cyber Forensic Lab and related issues under GST;

f) Act as nodal agency for inter-departmental coordination relating to GST Investigation and enforcement agencies;

g) Matters relating to reward to informants, staff and other government servants including related reports with respect to cases handled by DGGI and CGST Zones;

h) RTI matters, Complaints and VIP references relating to investigation and enforcement aspects of GST, Central Excise & Service Tax;

i) Parliament Questions, VIP references related to investigation and enforcement aspects pertaining to GST, Central Excise and Service Tax;

j) Policy matters related to Audit under GST; functioning of the Director General (Audit);

k) Any associated work/related matters in GST arising from DG (Audit) working on behalf of CBIC as Regulator with respect to "dealers in precious metal and precious stones" and "real estate agents" under PMLA 2002 r/w PML (MR) Rules 2005;

l) Work related to Trace and Tracking system for the Implementation of Article 8 of the Protocol (WHO FCTC) to Eliminate Illicit Trade in Tobacco & Tobacco Products and make tobacco control intervention more effective.

B. Performance and achievement:

i. Government has taken several effective measures to curb GST evasion including menace of fraudulent Input Tax Credit (ITC) availment based on 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 15562 and 14597 cases involving amount of Rs. 131613 Cr. and Rs.181562 Cr. have been booked for GST evasion on various counts during 2022-23 and 2023-24 (upto December, 2023) respectively. Amount realized / recovered during the corresponding period was Rs. 33226 Cr. and Rs. 24058 Cr., respectively. Further, 190 and 180 no. of persons have also been arrested during this period respectively.

ii. Continuous monitoring of all enforcement related activities to ensure transparency and streamlining enforcement action.

iii. 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 a comprehensive document covering various Standard Operating Procedures and instructions has been being codified and a comprehensive manual for GST Intelligence and Investigation work has been published in this regard.

iv. The issue of recognizing DGGI as a Law Enforcement Agency (LEA) under Section 5(2) of Indian Telegraph Act, 1885 was taken up with the Ministry of Home Affairs. The proposal has been accepted by Department of Telecommunications and DGGI has been recognized as a security agency under the said provision.

v. The issue of blocking of websites of overseas Gambling/Casino service providers, which are not complying with provisions of CGST Act, 2017 was taken up under Information Technology Act and Rules/ instructions issued thereof.

vi. Implementation of Article 8 of the Protocol (WHO FCTC) to Eliminate Illicit Trade in Tobacco & Tobacco Products and make tobacco control intervention more effective has been taken up in consultation with DG (Systems and Data Management), CBIC.

vii. Instructions on the procedure to be followed in relation to sub section (2) of Section 83 of the CGST Act, 2017 regarding the provisional attachment of property for safeguard of Government revenue have been issued for streamlining the procedure and bringing uniformity in accordance with law.

viii. For facilitating understanding and streamlining operations of the tax authorities in enforcement action undertaken by different indirect tax authorities, a National Conference of Enforcement chiefs of the state and central GST formations was organized by Department of Revenue. The conference apart from strengthening collaboration between central and state tax authorities, emphasized on leveraging technology to plug loopholes, importance of strong data analytics and balancing enforcement with taxpayer rights.

ix. To nurture uniformity and optimum resource use, and at the same time keep the balance of ease of doing business in enforcement activities, comprehensive guidelines were issued by DGGI to its field formations, to be followed while conducting investigation.

3.4 CENTRAL EXCISE (CX.1)

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 the Himalayan States (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 Special campaign-3 drive for cleanliness during the period 2nd October to 31st October, 2023, old records/files have been reviewed and a total of 210 files of the CX & ST wing have been weeded out. Further, during the cleanliness drive, electronic scrap and other waste material have been weeded out.

During the current financial year, Notification/ Circulars/Instructions issued by the Wing are as follows:

S. No.	Notification No. & Date	Subject
1.	No. 01/2023-CX. (N.T.) Dated 02.03.2023	Rank of officer of Central Excise-reg.
2.	No. 2/2023-CX(N.T) Dated 04.09.2023	Territorial jurisdiction of Guntur, Tirupati & Visakhapatnam Commissionerate-reg.
3.	No. 01/2023-Service Tax (N.T) Dated 02.03.2023	Amendment in principal Notification No. 22/2014-ST dated 16.09.2014 regarding appointment of officers in various Directorates.

S. No.	Circular No. & Date	Subject
1.	No. 214/01/2023-Service Tax Dated 28.02.2023	Leviability of Service Tax on Declared Service" Agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act" under clauses of section 66 E of the Finance Act, 1994-reg.

3.5 CENTRAL EXCISE (CX.8)

The requisite information as on date in so far as CX. 8 Section is concerned is as under:

S. No.	Notification/Order/Circular Number & date	Subject
1.	Notification No. 01/2023-Central Excise (N.T.) dated 2nd March, 2023	Regarding rank of officer of Central Excise
2.	Notification No. 02/2023-Central Excise (N.T.) dated 4th September, 2023	Regarding territorial jurisdiction of Guntur, Tirupati & Visakhapatnam Commissionerate.
3.	Order No. 08/2023 dated 9th May, 2023	Appointment of Pr. Commissioner/Commissioner, CGST & CX Mumbai East Commissionerate as the Central Excise Officer for the purpose of adjudication of the Show Cause Notices.
4.	Order No. 09/2023 dated 26th June, 2023	Appointment of Pr. Addl. Director General/Addl. Director General (Adjudication), DGGI, New Delhi as the Central Excise Officer for the purpose of adjudication of the Show Cause Notices.
5.	Order No. 10/2023 dated 13th October, 2023	Appointment of Addl. Commissioner/Joint Commissioner, CGST & CX, Belapur Commissionerate as the Central Excise Officer for the purpose of adjudication of the Show Cause Notices.

3.6 CUSTOMS

A. Enhancing Uniformity and Timely Assessment:

i. **Standard Examination Orders through RMS:** The functionality of Standard Examination Order enhances the uniformity in examination, and lower the time taken in the process of examination as well as reduced associated costs. Initially standard examination orders were run on pilot basis for selected group of commodities only in Aug & Nov 2022 and Subsequently, vide Circular no. 02/2023-Customs dated 11.01.2023, the Standard Examination Orders through RMS has been implemented at pan India level across all assessment groups subsequently later in the year.

ii. **Revamping of the National Assessment Centre under Faceless Assessment:** Faceless Customs has been introduced leveraging technology for anonymity, enhanced speed in Customs assessment and doing away with the need for physical interface between Customs authorities and importers/ exporters/other stakeholders. Further, the system was revamped w.e.f 31.05.2023 by reducing the number of NACs to promote specialization in assessment and addressing the grievances regarding delays raised by the trade and industry.

iii. **Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023 (CAVR, 2023):** The CAVR, 2023 implemented from 11.02.2023 is a framework that deals with systematic under-valuation of imports which leads to evasion of custom duty. It empowers the department to mandate additional disclosure and certification requirements to be followed by importers of goods. The new rules will allow the department to identify the class of imports where undervaluation is rampant and prescribe additional declarations from importers of such goods in order to prevent under-valuation of imports.

iv. **Advance assessment of Courier Shipping Bills:** The advanced assessment is enabled through state-of-the-art ECCS built on advanced technology products for faster clearance, enhanced compliance, and robust data security. Advance assessment of Courier Shipping Bills on the Express Cargo Clearance System (ECCS) has been allowed Vide Circular no. 28/2023-Customs dated 08.11.2023.

B. Improving Ease of Compliance:

i. **Facility of Auto Let Export Order under Express Cargo Clearance System (ECCS):** The facility of Automatic Let Export Order (auto LEO) had been enabled in Express Cargo Clearance System (ECCS) w.e.f 02.08.2023 for those Courier Shipping Bills (CSB) which were not interdicted by the risk management system (RMS) and were then cleared in the Customs X-ray scanning process. Recently, It has been decided that the auto LEO facility shall also be allowed upon X-ray clearance to CSB marked for 'assessment only', provided that the CSB has been cleared under assessment and examination has not been mandated.

ii. **Online submission of IFSC Code**: With the aim to resolve the grievances relating to delays in the approval of AD code and in the bank account registration process, it has been decided to minimize and standardize the documentary requirements (as well as information necessary to be contained therein), across all the Customs Zones. Accordingly, vide instruction 25/2023 - Customs dated 28.07.2023, documentary and information requirement for AD code registration/ modification in relation to exports has been standardized.

iii. **Simplified regulatory framework for E-Commerce Jewellery export:** To accommodate the e-commerce business need, a re-import process for returns of jewellery has been incorporated by amending the existing regulations. Further, with an aim for further simplification in the existing procedures in cases where an exporter does not opt to avail the facility of re-import of the exported jewellery, the compliance burden has further reduced w.e.f 15.06.2023 by removing the requirement to upload a) Photos of the export item b) Photos of the product package/outer covering and c) Image of the product listing on the e-commerce platform

iv. **Phased Implementation of Electronic Cash Ledger (ECL)**: Cash ledger is a type of wallet facility on ICEGATE website to credit funds in the virtual account of the registered trade user and use for custom duty payments. CBIC have implemented the functionality of the Electronic Cash Ledger (ECL) as per Section 51A of the Customs Act, 1962. As per this provision, the exporter, importer or any other person liable to pay taxes, fees, duty etc. shall make a non-interest-bearing deposit in the ECL under customs for the purpose of paying the aforementioned liability.

v. **Use of Electronic Certificates of Origin:** CBIC endeavors to replace the system of paper CoO (Certificates of Origin) 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. Accordingly, vide various instructions to field formations and trade, it has been clarified that e-CoO issued electronically by the Issuing Authority of the respective country shall be a valid document for claiming the preferential benefit under India UAE CEPA, India-Australia ECTA, India-Japan CEPA and India-Sri Lanka FTA respectively.

vi. **Transhipment of Bangladesh export cargo to third countries through Delhi Air Cargo**: The transshipment of Bangladesh export cargo through Kolkata Air Cargo was allowed in 2020. With a view to promote ease of doing business and for better cargo evacuation and improved logistics efficiency, the parent circular has been amended w.e.f 07.02.2023 to allow transshipment of Bangladesh Export Cargo to third countries through Delhi Air Cargo.

vii. **Creation of New HS Codes:** Separate HS codes were created for "Spirits for industrial use" under chapter 22 and "Specified Actionable Claims involved in or by way of betting/ casinos/ gambling/ lottery etc" under chapter 98.

viii. Chief Commissioners Conference on Customs Matter was successfully organized and conducted in Bhopal from 15 Feb -16 Feb 2024. In the said conference representatives from all the field formations were present along with partner government agencies to share inputs on various technological enablers that can possibly be implemented in Customs which will ensure faster clearance and ease for trade. The points related to implementation of processes to ensure timely clearance and uniform assessment practices across India were taken up for discussion under a solution-based approach.

C. Collaboration with Other Stakeholders for ease of doing business:

i. **Electronic Repairs Services Outsourcing (ERSO) – Initiation of pilot at ACC Bengaluru:** In line with the overall vision of Prime Minister Shri Narendra Modi to make India a global electronics powerhouse, the Government have launched the ERSO Pilot initiative w.e.f 03.06.2023 to validate transformational policy and process changes to make India the Repair Capital of the World. As part of the programme, Ministry of Electronics and Information Technology, Central Board of Indirect Taxes and Customs (CBIC), Directorate General of Foreign Trade (DGFT) & Ministry of Environment, Forest and Climate Change have converged with industry to undertake process changes that would make India the most attractive repair destination for ICT products globally. ERSO is designed to prolong the life of faulty or damaged electronic goods by permitting designated repair service entities in India to import, repair, and subsequently re-export them.

ii. **Electronic filing and clearance of exports through postal route:** Department of Posts, in collaboration of CBIC, has developed a PBE Automation System for electronic filing and processing of Postal Bill of Export (PBE) w.e.f 09.12.2023. Under the new system, an exporter need not visit a Foreign Post Office (FPO) to file the PBE and present export parcel. Rather, he is enabled to 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.

iii. **Hub & Spoke Model for e commerce exports and automation of Postal Bill of Exports:** In a transformative partnership, the Central Board of Indirect Taxes and Customs (CBIC) and the Department of Post (DoP) have launched a scheme- the Hub and Spoke Model –a game-changing initiative that simplifies the export process, promotes small-scale Exporters, and leverages India's extensive Postal network for global trade. This scheme harnesses the extensive postal network of 1.54 lakh post offices, using digital technology and apps and eliminates intermediaries for seamless exports via postal services. Benefits of the scheme are as follows:

- First Mile Connectivity: Connects MSMEs & artisans to global markets, particularly through e-commerce.
- Reduced Physical Interface: E-Filing of declarations and parcel deposit at nearby post offices.
- Enhanced Export Logistics: Utilizes the vast network of post offices, reaching even the remotest parts of India.
- Boost to India's Exports - Empowers MSMEs, Women's self-help groups/Khadi and village units/Artisans and promotes e-commerce exports.

iv. **Suvidha Pass Facilitation System for Vehicles:** A portal has been created in coordination with Land Ports Authority of India, Indian Customs (CBIC), and Border Security Force (BSF) and government of West Bengal for quick clearance and smooth movement of

Vehicles at various ICPs of West Bengal. The system allows exporters to book slots for truck clearance online to pass through ICP Petrapole. Exporters must have an e-Suvidha pass and upload driver and vehicle information on the portal digitally. The online booking facility helps exporters to check the availability of parking slots and reserve their preferred slot in advance, ensuring that trucks arrive at the check post on the scheduled day. At each stage, the exporter receives a text message with real-time updates. In case of any issue faced by the User, a round the clock Control Room with a Dedicated Helpline has been opened to address and quick redressal of those issues. The system significantly reduces time it takes for cargo trucks to cross border and save on demurrage.

v. **Mandatory additional qualifiers in import/ export declarations in respect of certain products:** The additional qualifiers in import/ export declaration in respect of certain products have been launched in order to sharpen our risk management system, effective avoidance of queries, enhancing efficiency in assessment and facilitation, addressing reasons for delays and aiding policy formulation through a mechanism of more complete import declarations. In June 2023 and Sep 2023, it has been implemented in consultation with the concerned line Ministries such as Department of Chemicals and Petrochemicals, Ministry of AYUSH and Directorate General of Foreign Trade (DGFT) to make certain additional identifiers mandatory for imports and exports under some specific chapters of the Customs Tariff respectively.

vi. **Mutual Recognition Agreements (MRAs**): Mutual recognition of Authorized Economic Operators is a key element of the World Customs Organization's SAFE Framework of Standards to secure and facilitate global trade to strengthen end-to-end security of supply chains while providing higher facilitation to trade at the global level. MRAs are the international face and connecting link of the domestic AEO Programme of various countries.

Indian Customs has signed five Mutual Recognition Agreements with the Customs Administrations of South Korea, Hong Kong, Taiwan, USA and UAE. *In the current year* Joint Action Plan for MRA has been signed with Australia, South Africa, Russia, Uganda, East African Community (EAC), Japan and Bahrain.

vii. **Steps for Promotion of inclusive participation for Women in International trade: -** Circular 2/ 2024-Customs dated 08.03.2024 was issued communicating all the field formations to ensure representation of women in the Permanent Trade Facilitation Committee (PTFC) and Customs Clearance Facility Committee (CCFC) meetings, preferably through women associations, inclusion of at least one agenda point from women perspective, encourage the Trade bodies/ custodians to establish dedicated help desks and processing mechanisms for women traders and women logistics service providers and support in upskilling women logistics service providers, freight forwarders and custom brokers by offering relevant trainings for women.

D. Use of Smart Technology for Enhancing Efficiency& Transparency:

i. **Enquiry Services Portal**: A user manual has been released by DG Systems, CBIC, to provide step by step illustration of all the steps that are involved in the ICEGATE 2.0 enquiry module. The user manual is intended for use by all the stakeholders who wish to avail enquiry services of the ICEGATE portal. During the process, users will be required to provide minimal details to obtain the status/Information of an enquiries.

ii. **Jacket with Camera for use by the Vessel Boarding Officer**: The Boarding Officer is the face of customs for any vessel and are expected to seamlessly initiate and conduct customs formalities and procedures. Keeping the above as an objective, Customs through leveraging technology so as to improve transparency & ease of doing business, to present more professionally the role of the Boarding Officer, keeping scope for upfront evidence in case of an offence or likely offence, and enhancing the protection of interest of the Customs Officer against frivolous complaints, the sporting of boarding jacket fitted with Body Worn Camera (BWC) with video/audio recording facility by Boarding Officers while carrying out duties on board the vessels. has been extended to all the sea customs functions with effect from Jun 2023.

iii. **Online filing of AEO-LO application-Launch of Version 3.0 of web- application for filing, real-time monitoring, and digital certification**: With effect from Apr 2023, a new version (V 3.0) for on-boarding of AEO-LO applicants by way of online filing, real-time monitoring, and digital certification was launched. The new version (V 3.0) of the web application is designed to ensure continuous, real-time, and digital monitoring of the physically filed AEO-LO applications for timely intervention and expedience.

iv. **India-Korea Electronic Origin Data Exchange System (EODES):** Recently, India and South Korea have launched the India-Korea Electronic Origin Data Exchange System (EODES). It is aimed at facilitating the smooth implementation of the India-Korea Comprehensive Economic Partnership Agreement (CEPA) by way of electronic exchange of origin information between the two customs administrations in respect of the goods traded under the CEPA. This would facilitate faster clearance of imported goods. This initiative would enhance the Customs cooperation, automates data exchange, and is expected to set a global standard in international Customs collaboration.

v. ***e- Samadhaan Grievance Portal: As part of Nhava Sheva Export Encouragement Vision (NEEV),*** Jawaharlal Nehru Customs House (JNCH) has launched a step-by step grievance redressal portal e-SAMADHAAN for export related grievances. The portal is available at JNCH website. Also, 'Export Facilitation Officers' has been nominated for different sections for redressal of grievances of exporters. This portal has been developed as a single platform to address all grievances of the Members of Trade in an effective and time-bound manner.

vi. **Pilot Project on use of videography in cases requiring 100% examination of cargo at JNCH**: JNCH has always been at the forefront of trade facilitation, technology adoption and ease of doing business. Building upon this approach, JNCH had conducted a pilot project to carry out the examination under videography of a few consignments marked for 100% examination. It is expected to not only foster a professional approach among officers but also result in transparency in the examination process.

vii. **On boarding Courier terminals (ECCS) on Electronic Cash Ledger (ECL)** has been made the mode of payment of Import duties for goods imported through International Courier terminals from 01st March 2024. With the introduction of ECL, Express Industry can make payment through multiple banks as per convenience by internet banking and NEFT/RTGS from the existing one bank. Earlier, the Electronic Cash Ledger was implemented for payment of Import Duties for cargo processed through EDI at Seaports, Airports, ICDs and LCSs from 01st April 2023. For implementing the new payment system by use of ECL, handholding of the trade was done by means of registration mela and webinars conducted by DG Systems, CBIC, from October to December, 2023 to familiarize different stakeholders before the launch of ECL for Express Cargo Industry. The new ECL mode of payment is now available for all EXIM and it would facilitate ease of doing business to the trade.

E. General policy direction as regards Customs duty rates to give impetus to economic growth:

i. In recent years, the Customs duty rate structure has been guided by principles/objectives as under:

a) To incentivize domestic manufacturing with increased value addition under Make in India and Atma Nirbhar Bharat schemes, which inter-alia 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.

b) 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.

c) To provide level adequate protection to farmers through tariff barrier on agricultural produce,

d) To rectify inversions in duty structure.

e) To allow Strategic imports like defense goods not produced locally at concessional duty.

f) To discourage import of non-essential items.

g) To prescribe trade remedial duties, like anti-dumping duty, CVD, safeguard duty on dumped and subsidized imports causing injury to the domestic industry.

h) 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.

ii. Basic Customs Duty structure consequent to adoption of the above guiding principles for inducing economic growth in India:

a) 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

b) 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. Union Budget 2023-24 decisions:

F. Union Budget 2023-24:

i. The number of basic customs duty rates on goods, other than textiles and agriculture, were reduced to 13 from 21 inches. This was done as a trade facilitation measure to ease tax compliance for importers.

ii. To further provide impetus to green mobility, customs duty exemption was extended to import of capital goods and machinery required for manufacture of lithium-ion cells for batteries used in electric vehicles.

iii. To further deepen domestic value addition in manufacture of mobile phones, relief in customs duty on import of certain parts and inputs like camera lens was provided and the concessional duty on lithium-ion cells for batteries was continued for another year.

iv. With respect to chemicals and petrochemicals, customs duty was exempted on denatured ethyl alcohol facilitate our endeavour for energy transition by supporting the Ethanol Blending Programme. Further, basic customs duty (BCD) was reduced on acid grade fluorspar from 5 per cent to 2.5 per cent to make the domestic fluorochemicals industry competitive.

v. In the order to promote Lab Grown Diamonds, BCD was reduced on seeds used in their manufacture.

G. Other Customs decisions:

i. BCD exemption on import of specific textile machineries, parts & raw materials was provided, while the BCD exemption on goods related to off-shore oil exploration was continued for another year till end of 2024.

ii. In order to alleviate the costs incurred by the common people suffering from rare diseases, BCD exemption was provided for Drugs, Medicines or Food for Special Medical Purposes (FSMP) used for treatment of rare diseases.

iii. The graded duty structure provided for X-ray machines and its parts/sub-assembly was calibrated to promote domestic manufacturing of medical X-ray machines, as per the PMP notified by the Department of Pharmaceuticals.

iv. In order to protect the people from rising food prices, BCD was reduced on “Tur Whole” and “Yellow Peas”, and export duty was imposed on “parboiled rice” and “onions”.

v. The customs duty exemptions and concessional rates available for project imports and various other capital goods were reviewed and extended till 2025 with respect to nuclear power projects and mega power projects.

vi. The applicable BCD rate on “mechanics” and “die-cut parts” for use in cellular mobile phone was reduced from 15% to 10%, along with exemption from BCD being provided to inputs used for manufacturing of these parts.

vii. The effective BCD rate on other parts of cellular mobile phone falling under the tariff item 8517 79 90 was reduced to 10% subject to IGCR conditions.

H. Facilitating exports through postal route: In pursuance to *the Postal Export (Electronic Declaration and Processing) Regulations, 2022,* 1015 Post Offices covering 28 states and 8 UTs in the country have been authorized as booking post office (Dak Niryat Kendras) to accept and book export parcels.

Under the new system, an exporter need not visit a Foreign Post Office (FPO) to file the Postal Bill of Export (PBE) and present export parcel. Rather, he is enabled to file the PBE online from his home/office and handover the export parcel to postal authorities at a nearby booking post office. The new system leverages the vast network of post offices across the country and enables MSMEs to export to global markets using e-commerce or other regular channels. This initiative serves the following objectives:

- making postal route popular for export of merchandise
- using vast network of post offices to provide export logistics in the remotest parts of India
- facilitating exports from MSME
- promoting E-commerce

Relevant changes have also been made in FTP 2023, recognizing the importance of Dak Niryat Kendras and for promoting cross border e-commerce exports through Postal mode.

I. Further simplification of courier export process: In order to facilitate the courier exports and reduce dwell time, facilities of advance assessment of Courier Shipping Bills and Auto Let Export Order (Auto LEO) have been enabled in the Express Cargo Clearance System (ECCS). These steps have made the process of export clearance through courier more efficient and thereby facilitate E-Commerce. The dwell time has been further reduced after the implementation of these changes.

J. Rules to curb under-valuation: In order to address the issue of undervaluation of imported goods, *the Customs (Assistance in Value Declaration of Identified Imported Goods) Rules, 2023* have been issued *vide* notification no. 03/2023-Customs (N.T) dated 11.01.2023. The operational modalities are explained in Circular 01/ 2023-Customs dated 11.01.2023. These rules provide for the additional obligations of the importer in respect of any class of imported goods and the checks to be exercised, including the circumstances and manner of exercising thereof, as the Board may specify, where, the Board has reason to believe that the value of such goods may not be declared truthfully or accurately. Subsequently, two CAVR orders for the commodities- Linear Alkyl Benzene and Stainless Steel of J3 grade, stand issued.

K. Facilitating Bangladesh export to 3rd countries through Delhi Air Cargo: Circular 03/2023-Customs dated 07.02.2023 has been issued for allowing transhipment of Bangladesh export cargo to third countries through Delhi Air Cargo. This is in addition to the customs stations already allowed for this purpose, *viz.* Kolkata Air Cargo, Kolkata Sea Port and JNCH. This initiative would help India becoming a transhipment hub in the global trade.

L. Enabling electronic customs clearances at Land Customs Stations: EDI enablement of Land Customs Stations (LCS) has been taken up on war footing and Sixteen (16) LCSs, mainly of the North East region, have been EDI enabled during 01.01.2023 to 31.03.2024. These LCSs are- Khowaighat (Tripura), Borsora (Meghalaya), Dawki (Meghalaya), Shella Bazar (Meghalaya), Bholaganj (Meghalaya), Golakganj (Assam), Mankachar (Assam), Mahendraganj (Meghalaya), Dalu (Meghalaya), Ghasuapara (Meghalaya), Baghmara (Meghalaya), Karimganj Ferry station (Assam), Maia (WB), Valmikinagar (Bihar), Hatisar (Assam), and Zokhawthar (Mizoram) This step not only implements CBIC's vision of faceless, paperless and contactless customs in the remotest parts of the country, but also help spur economic growth of the North East region.

M. **Launch of Electronic Origin Data Exchange System (EODS) with the Korea Custom Service:** The Electronic Origin Data Exchange System (EODES) between the customs administrations of India and South Korea has been launched on 06.12.2023. EODES is aimed at facilitating the smooth implementation of the India-Korea Comprehensive Economic Partnership Agreement (CEPA) by way of electronic exchange of origin information between the two customs administrations in respect of the goods traded under the CEPA. The data fields in a Certificate of Origin (CoO) shall be electronically shared by the exporting customs administration with the importing customs, as soon as the certificate is issued. This would facilitate faster clearance of imported goods.

N. Implementation of e-COO: In order to make customs clearances completely paperless, CBIC has issued instructions that a certificate of origin issued electronically by the Issuing Authorities of Japan, Australia, UAE or Sri Lanka, will be a valid document of the purpose of claiming preferential benefit under respective FTA/PTA.

O. Signing of Agreement/ Memorandum of Cooperation/ Letter of Intent with other countries on Customs Cooperation: CBIC has institutionalized the following bilateral agreements by way of signing of-

i. Agreement on Cooperation and Mutual Administrative Assistance in Customs Matter with Armenia.

ii. Memorandum of Cooperation in the field of Capacity building with The Australian Border Force.

iii. Letter of Intent with the General Administration of Customs and Excise of the Kingdom of Belgium w.r.t. Customs cooperation.

iv. Plan of Cooperation in the field of Enforcement with FCS of Russia.

v. Declaration on Technical Connection of Electronic Origin Data Exchange System with the Republic of Korea.

P. Drawback: Revised All Industry Rates of Duty Drawback are notied on 20.10. 2023 vide Notification 77/ 2023-CUS(N.T.). The rates are effective from 30.10.2023.

Q. Ease of Doing Business:

i. Notication 32/2023-CUS dated 26.04.2023 issued to amend Customs Notications to implement the "Amnesty Scheme for one time settlement of default in export obligation by Advance and EPCG authorization holders" notified by DGFT vide P. No. 2/2023 dated 01.04.2023.

ii. Circular No. 16/2023 dtd. 07.06.2023 issued to implement Hon'ble Supreme Court's directions in judgement dated 28.04.2023 in matter of Civil Appeal No. 290 of 2023 (UOI & Others Vs Cosmo Films Ltd.) relating to pre-import condition incorporated in para 4.14 of FTP-2015-20 vide the Central Government (DGFT) Notication No.33/2015 dtd. 13.10.2017 relating to Advance Authorization scheme.

R. Foreign Trade Policy:

i. Notication No.21/2023-Customs dated 01.04.2023 issued regarding implementation of Advance Authorization Scheme Foreign Trade Policy 2023.

ii. Notication No.22/2023-Customs dated 01.04.2023 issued regarding implementation of Advance Authorization Scheme for deemed export under Foreign Trade Policy 2023.

iii. Notication No.23/2023-Customs dated 01.04.2023 issued regarding implementation of Advance Authorization Scheme for annual requirement under Foreign Trade Policy 2023.

iv. Notication No.24/2023-Customs dated 01.04.2023 issued regarding implementation of Advance Authorization Scheme for export of prohibited goods under Foreign Trade Policy 2023.

v. Notication No.25/2023-Customs dated 01.04.2023 issued regarding implementation of Duty Free Import Authorization Scheme under Foreign Trade Policy 2023.

vi. Notication No. 26/2023-Customs dated 01.04.2023 issued regarding implementation of EPCG Scheme under Foreign Trade Policy 2023.

vii. Notication No.27/2023-Customs dated 01.04.2023 issued regarding exemption for import of fabric under special Advance Authorization Scheme under para 4.04A of implementation of Duty Free Import Authorization Scheme under Foreign Trade Policy 2023 for manufacture and export of garments.

viii. Notication No.24/2023-Cus(N.T.) dated 01.04.2023 regarding the manner of issue of duty credit for goods exported under the RoDTEP Scheme under Foreign Trade Policy 2023.

ix. Notication No. 25/2023-Cus(N.T.) dated 01.04.2023 regarding the manner of issue of duty credit for goods exported under the RoSCTL Scheme under Foreign Trade Policy 2023.

x. Notication No. 20/2024-Customs dated 11.03.2024 was issued regarding amendment to Notication No.24/2023-Customs (N.T.) dated 01.04.2023 - Extension of RoDTEP support to exports by AA/EOU.

S. RoDTEP: RoDTEP Committee was constituted on 13.09.2023 for updation of recommended ceiling rate schedule under Remission of Duties and Taxes on Export Products (RoDTEP) Scheme. Drawback Division provides secretariat services to the Committee.

3.7 CUSTOMS INVESTIGATION

The office of Commissioner Investigation (Customs), CBIC deals policy matters relating to Search Seizure, Arrest, 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 Award, Reward to officers as well as informers, NCORD, Election matters and matters pertaining to FATF Cell in CBIC. The major activities and policy decisions taken by this office:

- **Issuance of Election SOP**: Smooth and fair elections require coordinated and focused attention, including proper sharing of information by various LEA's. To this effect, vide Instruction No. 22/2023-Customs dated. 06.07.2023 a detailed Standard Operating Procedure (SOP) was issued for all formations under CBIC to curb the flow of suspicious cash, illicit liquor, drugs/ narcotics, freebies and smuggled goods during elections. It also includes provisions for appointment of Nodal officers from CBIC for timely information sharing and regular interaction with ECI officers and associated agencies.

- **Amendment in Customs PCA Manual, 2018**: This office issued Instruction No. 27 of 2023 dated 06.09.2023 for streamlining Customs PCA work especially relating to Premises Based Audit (PBA). This office coordinated with DG Audit for amending the Customs PCA Manual, 2018 to incorporate the latest changes in PCA introduced via recent Instructions.

- **Handing-over Ceremony of Customs seized Antiquities to ASI**: This office has played a pivotal role in conducting of handing-over ceremony of the antiquities seized by Customs to the Archaeological Survey of India (ASI) on 29.02.2024. The

handing-over ceremony was held at seven different locations viz. Bengaluru, Bhopal, Bhubaneshwar, Delhi, Guwahati, Mumbai and Pune. Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman presided over the event. In total, 101 numbers of seized articles of antiquities were handed over by different field formations of Customs to ASI for display and specialised care.

3.8 NATIONAL ACADEMY OF CUSTOMS, INDIRECT TAXES & NARCOTICS (NACIN)

A. About NACIN:

i. National Academy of Customs, Indirect Taxes & Narcotics (NACIN) is the apex institute of Government of India for capacity building in the field of indirect taxation. It also plays a vital role in international capacity building by imparting training to officers of various countries in the field of Customs, drug laws and environment protection. NACIN is the World Customs Organization (WCO) Regional Training Centre (RTC) for the Asia Pacific Region. United Nations Environment Program (UNEP) has designated NACIN as a collaboration center for capacity building in the field of environment protection. In collaboration with United Nations Office on Drugs & Crime (UNODC), NACIN is imparting training on drug law enforcement to various Asian nations. The Government of India has entrusted NACIN the responsibility of knowledge exchange, experience sharing and training with various countries of the world.

ii. The charter of functions of NACIN issued by CBIC mandates training of not only the officers working under CBIC but also of the officers from other departments, ministries, and other stakeholders. NACIN's flagship program is to conduct the Induction Training of newly recruited IRS (C&IT) Group 'A' officers selected through Civil Service Examination conducted by UPSC. Since last two decades NACIN is conducting complete professional training of Officer Trainees of IRS (C&IT).

iii. In addition, NACIN through its 18 Zonal/Regional Campuses in 15 state capitals, and 03 major cities, conducts the training programs for the capacity building as well as enhancing of skills in-service officers.

iv. NACIN also has a 'Centre of Excellence" for undertaking research and taking measures to improve CBICs functioning and its public delivery and to identify future challenges and training gaps.

v. 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.

vi. 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.

B. MAJOR ACHIEVEMENTS:

i. <u>NACIN Complex at Palasamudram, Hindupur</u>: With the aspirations of the CBIC growing exponentially, the charter of functions of NACIN had also increased manifold. However, the existing space and facilities at NACIN Faridabad were inadequate to support the institutional goals and organization's vision. It had thus become imperative for a prestigious Academy like NACIN with many International partnerships and collaborations to have a self-sufficient campus equipped with modern amenities. So, to overcome the inadequacies of space, facilities, other modern training tools and to raise the capacity building standards to international level with new and enhanced facilities like Field Training Centers, Marine Training Center, Research Centre etc. a new NACIN campus at Palasamudram, Hindupur, District- Anantapur, Andhra Pradesh was envisaged.

The 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 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 started working on the project on 10th of June 2022. The foundation work and Super Structure work of all the buildings has been completed and finishing work of 8 priority buildings has also been completed. The construction is likely to be completed by September 2024. The campus has been inaugurated by Hon'ble Prime Minister of India Sh. Narendra Modi ji on 16.01.2024.

The NACIN Palasamudram is the only major National Project under Mission Karmayogi 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.

Currently, 75th batch of Officer Trainees (OTs) of IRS (C&IT) are undergoing induction training at NACIN Palasamudram. In addition to this, successful training of Cohort-1 of newly promoted Assistant Commissioners (Gr. B to Gr. A) has been conducted from 22.01.2024 to 16.02.2024 and from 04.03.2024 to 07.03.2024, training has been conducted on 'Thematic audit of Banking Sector' wherein 55 Gr. A officers of Central/State Government participated. Further, training has been organized for Andhra Pradesh GST officers also.

ii. 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.

a) 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.

As part of the vision, Mission Karmayogi has also identified the need for development of an evaluation framework for enabling functional assessment of all Civil service training institutions. In this regard, National Standards for Civil Services Training Institutes (NSCTIs) has been developed which provides a mechanism of quality assurance and standardization of Capacity building practices at an institutional level NACIN adheres to these National Standards, bifurcated into eight pillars as per the approved framework of CBC. Thus, Hon'ble Prime Minister handed over the Certificate of Accreditation issued by Capacity Building Commission to DG NACIN Dr. K N Raghavan. NACIN has been accredited "उत्कृष्ट" under the CBCs National Standards as assessed by NABET.

b) 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.

Capacity Building Commission (CBC), in December 2022, has empaneled six firms for development of e-learning content for various departments. NACIN has already developed the 16 contents and on other hand is under process of developing remaining topics with the help of expert services of the empaneled IDAs.

3.9 Directorate General of Human Resource Management

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. Further, DGHRD had been split into two wings i.e. DGHRD (HRM) (to handle personnel matters) and DGHRD (I&W/EMC) (to handle infrastructure and welfare matters including Expenditure Management Cell) in August, 2023. Presently, there are two wings in DGHRD (HRM) namely HRM-I & HRM-II. The wing wise report in response to OM Dated 07.03.2024 is here as under: -

A. Roles and Responsibilities of HRM-I Wing of DGHRM:

i. Matter related to CBICs HR Policy

ii. Cadre Review and Restructuring exercise

iii. Proposals for promotions - DPCs for Group A and B to A

iv. Assisting Board in regularisation of ad-hoc promotions of Group A officers.

v. Empanelment of Officers at various levels

vi. Performance Appraisal – SPARROW IRS for Group A and SPARROW CBIC for Group B& C

vii. Matters pertaining to Recruitment Rules

viii. Maintaining All India Seniority List of Group B officers.

B. Performance and achievements of HRM-I Wing during the year 2023-24 (up to March 2024):

i. **SPARROW Cell:** SPARROW-CBIC project, for online writing of APAR of Group B and C officers (Grade Pay 1900 and above) of Central Board of Indirect Taxes and Customs (CBIC) was successfully implemented w.e.f F.Y. 2018-19 and covered more than 50,000 Officers/Staff (Head Havaldar and above) of CBIC. In the mainstream executive cadres under CBIC, Havaldar and MTS were still not covered in SPARROW-CBIC and from the APAR Cycle 2020-21 Havaldars and MTS being the feeder grade/ cadre were included in SPARROW-CBIC for online writing of APAR. As of now the mapping of all the mainstream cadres of CBIC in SPARROW is being completed and the APAR cycles are running successfully. As per the current APAR Cycle of 2022-23, total 78328 APARs have been created out of which 57569 APARs have been closed after completion of the mandatory steps.

ii. **RECRUITMENT RULES Cell:**

a) RRs notified in the year 2023-24

- Recruitment Rules for the post of Senior Translation Officer/Junior Translation Officer were notified vide GSR No. 632(E) dated 28.08.2023.
- Recruitment Rules for the post of Manager and Manager Cum Accountant in Departmental Canteen were notified vide GSR No. 658(E) dated 11.09.2023.
- Recruitment Rules for the post of Driver (Grade-I, II & Ordinary Grade) in Directorates were notified vide GSR No. 113(E) dated 15.02.2024.
- Recruitment Rules for the post of Inspector/ Intelligence Officer in Directorates were notified vide GSR No. 184(E) dated 13.03.2024.

b) RRs amended in the year 2023-24

- Recruitment Rules for the post of Driver Special Grade were amended vide GSR No. 631(E) dated 28.08.2023.
- Recruitment Rules for the post of Executive Assistant, Directorates were amended vide GSR No. 580(E) dated 01.08.2023.

c) Special Achievement

- This office has forwarded proposal for one time relaxation in the grade of Inspector and Steno Gr-I. Once approved by DoPT, it will benefit a large number of officials of the Department.
- To boost the morale of the officials, this office has proposed introduction of Limited Departmental Competitive Examination in the RRs of TA, EA and Inspector for better career prospects.

iii. **E-PRATINIYUKTI Cell**: A Portal for streamlining and expediting the deputation process for Group A officers had been launched in Sept 2020. Since its launch, 2988 applications for deputation have been successfully processed in the e-pratiniyukti module till 18.03.2024. A total of 969 applications has been processed for the period Apr 2023 to 18 March, 2024. All the applications have been processed within prescribed time limits.

iv. **APAR REPRESENTATIONS/ NO REPORT CERTIFICATE (NRC) Cell:** During the period, April, 2023 to 18th March, 2024, this office is dealing with APAR Representations, received from Group 'A' (C&IT) Officers, against Grading or adverse comments in the APAR. 20 APAR representations from CC/Pr. CC/Commissioner/ Pr. Commissioner, 37 APAR representations from Addl./Joint Commissioner were received. Further, 52 APAR representations from Deputy/ Assistant Commissioner have been received and forwarded to Zones for decision. Out of the total pending representations, 16 APAR representations from CC/Pr. CC/Commissioner/ Pr. Commissioner, 27 APAR representations from Addl./Joint Commissioner and 40 APAR representations from Deputy/Assistant Commissioner have been disposed off during the period April, 2023 to 18th March, 2024. Rest of the APAR representations are in different stages of processing.

This office is issuing/approving 'No Report Certificates (NRCs)' in cases where ACR/APAR is not available or cannot be written due to any reason, in respect of Group 'A' (C&IT) officers at the level of Pr./Commissioner/ADG & above and for all Group 'A' (C&IT) officers who are on Deputation/Foreign postings. 'No Report Certificates (NRCs)' in respect of officers at the level of Pr./Chief Commissioner/DG are approved by JS(Hqrs.), Ad. I, Department of Revenue and

uploaded in SPARROW online module in this officer after approval. During April, 2023 to 18th March, 2024, 110 NRC requests were received and 104 NRCs were issued.

v. **DPCs for Group A & Group B to A (2023-34)**

a) Adhoc Promotions

- AC to DC (STS) – A Proposal for DPC for the vacancy year 2024 was sent to the Board on 21.11.2023 in respect of 128 eligible officers (2019 batch) against cumulative 298 vacancies for adhoc promotion from the post of AC to the post of DC. DPC held on 01.12.2023 and order to this effect issued on 21.12.2023.
- DC to JC (JAG) - A Proposal for DPC for the vacancy year 2024 was sent to the Board on 21.11.2023 in respect of 222 eligible officers (2014 & earlier batches) against 259 cumulative vacancies for adhoc promotion from the post of DC to the post of JC. DPC held on 01.12.2023 and order to this effect issued on 21.12.2023.
- NFU (HAG) - A proposal for grant of NFU in HAG to 39 officers' of 1995 batch was sent to the Board on 21.02.2023 and DSC held on 05.04.2023 order issued to this effect on 21.04.2023.
- Ad-hoc DPC for Superintendent to Assistant Commissioner for the Vacancy Years 2020 & 2021 was held on 13.01.2023, Ad-hoc DPC for the Vacancy Year 2022 was held on 15.07.2023 & Ad-hoc DPC for the Vacancy Year 2023 was held on 10.10.2023. Orders to this effect are issued on 13.01.2023, 15.07.2023 & 10.10.2023.

b) Regular Promotions

- ADC to Commr. (SAG) - Proposal for DPC for the vacancy year 2023 was sent to the Board on 31st January 2023 in respect of 143 eligible officers (2005 batch & 2006) against cumulative 118 vacancies for regular promotion from the post of ADC to the post of Commissioner. DPC held on 03.05.2023 and subsequently, orders were issued on 06.07.2023, 03.08.2023, 08.11.2023 & 13.12.2023.
- Commr. To PC (HAG) - A Proposal for regular promotion from the post of Commissioner to the post of Principal Commissioner was sent on 16.08.2023 for the following – (a) Supplementary DPC for VY 2023 in respect of 25 eligible officers against 03 vacancies. (b) Regular DPC for VY 2024 in respect of 48 eligible officers against 21 vacancies. DPC held on 18.12.2023.
- PC to CC (HAG+) - A Proposal for regular promotion from the post of Principal Commissioner to the post of Chief Commissioner was sent on 11.08.2023 for the following – (a) Supplementary DPC for VY 2023 in respect of 14 eligible officers against 04 vacancies. (b) Regular DPC for VY 2024 in respect of 33 eligible officers against 15 vacancies. DPC held on 19.10.2023. Orders are being issued as per vacancies available.
- CC to Pr. CC (Apex)- (i) A Proposal for regular promotion from the post of Chief Commissioner to the post of Principal Chief Commissioner was sent on 31.07.2023 for the following – (a) Supplementary DPC for VY 2023 in respect of 11 eligible officers against 03 vacancies. (b) Regular DPC for VY 2024 in respect of 11 eligible officers against 04 vacancies. DPC held on 27.09.2023.

  A Proposal for regular promotion from the post of Chief Commissioner to the post of Principal Chief Commissioner was sent on 28.02.2024 for the following – (a) Supplementary DPC for VY 2024 in respect of 10 eligible officers against 03 vacancies. (b) Regular DPC for VY 2025 in respect of 23 eligible officers against 09 vacancies.

c) Regularization

- NFU (SAG) regularization – A proposal for regularization of adhoc NFU granted in SAG to 390 officers of Batches 1990 to 1999 was sent to the Board on 23.08.2023.
- NFSG Regularisation – A proposal sent to Board on 24.01.2024 for the batch of 2002 & 2003.

vi. **Regularisation Cell**

- Final proposal for Regular DPC to the grade of Joint Commissioner for the Batches 2007 to 2012 was sent to the Board on 11.05.2023. The Scrutiny of 204 folders for the Batches 2007-08 (Vacancy Years 2017-18 & 2018) along with carry forward cases (Vacancy Year 2016-17) were done in UPSC. Accordingly, Regular DPC for the Vacancy Years 2016-17, 2017-18 & 2018 was successfully done on 18.03.2024.

- The final proposal for the regularization of ad-hoc (B to A) promotions from the feeder cadres of Superintendents of Central Excise, Superintendent of Customs (Preventive) and Customs Appraisers against Vacancy Years 2013-14 to 2015-16 has been sent to the Board on 20.11.2023. Folders have been sent in UPSC for scrutiny of APARs. The work of scrutiny of APARs is under progress.
- The task of preparation of proposal for the regularization of ad-hoc (B to A) promotions from the feeder cadres of Superintendents of Central Excise, Superintendent of Customs (Preventive) and Customs Appraisers against Vacancy Years 2016-17, 2017-18 & 2018 is underway. In this regard, the tentative Zones of Consideration have been prepared, and based on the compilation of the ZOCs for the said Vacancy Years, letters to the concerned Zones/CCAs for supply of APARs for reckonable period, 0and other relevant information/records have been sent and meanwhile the Grading Lists have been prepared and APARs of the eligible officers have been checked.

vii. **Hindi Rajbhasa**

- Hindi Pakhwada was organized to give a boost to the development of the official language wherein Hindi Magzine "Manas" was launched in presence of Chairman and Member of CBIC.
- A library "KITAAB CAFÉ" was built for generating interest for Hindi and its development among office staff and officers, which also act as a recreational space for officers and staff.

viii. **Swachchta Initiative**

- Vertical Garden outside the DG's chamber was installed to create eco-friendly environment.
- Ergonomic restructuring of workstations for sparrow, DPC and Vacancy cell was installed for enhancing among employees and provide maximum functional efficiency.
- For Community Service under Swachhta- 10 acres land identify and under active progress for MOU with DDA for development & landscaping.

ix. **Capacity building among staff and officers**

- Orientation cum handholding session on iGOT Karmayogi was organized which resulted in 100% registration for Mandatory courses in HRM-I
- International Women's Day was celebrated wherein Ms. Monika Halan, Best seller Author and Speaker on Finance delivered session on "Financial Literacy in Working Women."

C. Roles and Responsibilities of HRM-II Wing of DGHRD:

i. Assisting the Board in placement of Gr.A officers.

ii. Maintaining database related to the History of Posting of Gr.A officers.

iii. Assisting Board in HR related policy formulation across grades.

iv. To work as Secretariat to Board for Review under 56J of Gr.A officers.

v. Act as a Nodal office of CBIC for monitoring execution of projects undertaken by the field formations w.r.t. Swachhta Action Plan.

vi. Zone allocation of the candidates selected under CGLE for various Gr B and C posts and for post of Stenographer under the CBIC.

vii. Process owner for roll out of e-HRMS Project of CBIC.

viii. Act as the Nodal authority of CBIC field formation for Bhavishya Portal.

D. Performance and Achievements of HRM-II wing of DGHRD during the year 2023-24 (up to March 2024):

i. Recruitment Drive on Mission Mode:

a) Under Mission Recruitment, DoPT launched special campaign to issue appointment letters in all the Depts/Ministries. The events are being organized as Rozgar Mela.

b) DoPT assigned DoR to organize Rozgar Mela in the month of July'2023 and November'2023 on behalf of all the Depts/ Ministries. CBIC & CBDT jointly organized the task of organizing Rozgar Melas.

c) During the period, CBIC has issued 10,000 (approx.) Offer/Appointments to the selected candidates of CGLE 2021, Havaldar/MTS-2021, CGLE-2022, Stenographer-2022, Havaldar/MTS-2022, CGLE-2023, Stenographer-2022 and Havaldar/MTS-2023.

d) HRM-II has coordinated with CCAs and Board providing requisite data in time bound manner for further submission to DoPT.

e) HRM-II has also uploaded the data of each appointed candidate in the Mission recruitment of DoPT.

ii. Civil List 2024: **Civil List of IRS (C and IT) officers as on 1st January, 2024 has been made available in the Mobile and desktop application. 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.**

iii. **Updation of database of Group A officers:** Further HRM-II created 1376 new employee's id and updated HoPs of 3642 Group A officers. In addition to this, names of 953 officers were also forwarded to Board for election observer.

iv. **AGT- 2023:** A total of 3129 representations from Group A Officers were received for AGT 2023 and post-AGT 2023 up to date. Out of these, 2383 officers have been transferred in accordance with 17 board's orders.

v. **e-HRMS:**

a) eHRMS 2.0, initiated by the Department of Personnel and Training, is a collaborative project with National e-Governance Division (NeGD), Ministry of Electronics and Information Technology (MeitY) that was launched on December 25, 2022.

b) Till date number of employees on-boarded in eHRMS portal are 42,496.

vi. **Swachhta Action Plan (SAP)**

a) Swachhta awards for 2022-23 was decided and finally approved. This involved scrutiny of 585 Swachhta projects of various zones. Further Swachhta Uday Booklet ,2023(5th Edition) is in finalization phase which has overview of the Swachhta activities undertaken by the CBIC formations in the year 2022-23.

b) Under Swachhta campaign meant for creating awareness in the office regarding cleanliness in an around the premises and taking effective measure to free the space occupied by way of disposal of scrap and e-waste and by digitization of records. Banners were placed in and around office to make people aware of the drive of cleanliness and to instigate them to participate in this act.

vii. **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. DR quota vacancies for CGLE-2022 (2640), Stenographer-2022 (249), Havaldar-2022 (493), MTS-2022 (22), Canteen Staff-2022 (18), CGLE-2023 (4215), Stenographer-2023 (31), Havaldar-2023 (396), MTS-2023 (52) & Canteen Staff-2023 (13) were communicated to Board.

viii. **e-Preference Module:**

a) The module enabled online collection and compilation of preferences from individual candidates (selected under CGLE and Stenographer I and II examinations) which was tedious and time taking. Now, zonal allocation of selected candidates is done in record time.

b) On-line option were collected for newly recruited officer in CGLE & Stenographer I and II for vacancy years 2021, 2022 & 2023.

ix. **Completion of zonal allocation of candidates under CGLE & Steno- I&II 2019 & 2020:**

a) Zonal allocation for 1223 candidates (CGLE 2021) was completed.

b) Zonal allocation of 2640 candidates (CGLE 2022) and149 candidates (Stenographer I and II) were completed.

c) Zonal allocation of 4215 candidates (CGLE-2023) and 31 candidates (Stenographer I and II 2023) were completed in record time.

Work in Progress

- **New History of Posting (HOP) Software:** Due to administrative constraints both NIC/ NICSI have refrained from development of New History of posting software and suggested to raise the request through GeM for our requirement. In view of it, this office is in process of exploring other options for its development.

Number of Employees as per eHYB (As on 01.07.2023)	50,659
Number of Employees On-boarded	42,496
Profiles Verified by Nodal	12,656
Profiles Pending at Nodal	968
Profiles Pending Updation by Employees	28,872

- **e-HRMS:**

While the e-HRMS2.0 has been successfully deployed across all formations of CBIC, the pace of adoption within different zones has been notably gradual. Despite the

correspondence issued by this office via letters dated February 28, 2024, and March 8, 2024, urging the on-boarding of remaining employees and verification of profiles, a substantial number of officers are still awaiting on-boarding, and profiles remain pending at both nodal and employee ends. Further, none of the zones have completed the full transition to utilizing the EHRMS modules, with the exception of the Bhopal zone, where only the Leave Module is currently in use.

3.10 DGHRD (I&W/EMC)

A. EXPENDITURE MANAGEMENT CELL (EMC) of DGHRD: It was created vide Gazette Notification No. A-11013/28/2007 - Ad.IV dated 18.04.2011 w.e.f. 01.04.2011. 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 and to perform the following functions:

i. To issue the Budget Circular as prescribed by the Budget Division, Department of Economic Affairs;

ii. To examine the budget proposals received from the Budgetary Authorities under the Grant;

iii. To consolidate the budget proposals received from the Budgetary Authorities at each stage of the Budget exercise, i.e. Budget Estimate (BE), Revised Budget Estimate (RBE) and Final Requirement (FR) and to submit the same to FA (Finance) for further action;

iv. To allocate Object Head-Wise funds, as approved, to the respective Budgetary Authorities;

v. To prepare the Statement of Budget Estimates (SBEs)for inclusion in the relevant Budget documents;

vi. To monitor the progress in Expenditure vis-à-vis the Sanctioned Grant and to submit the Monthly and Quarterly Expenditure Review to FA (Finance) for further action;

vii. To propose the Re-appropriation of funds from one Major / Minor Head to another; surrender of savings, if any, etc. through FA (Finance) for concurrence / approval of the Competent Authority;

viii. To finalize the Appropriation Accounts in consultation with the Principal CCA, CBIC and to submit the same to the FA (Finance) for concurrence;

ix. To take necessary action in respect of the examination of Grants by the Standing Committee on Finance on Detailed Demands for Grants;

x. To take action in respect of Audit references in Expenditure matters, e.g. Action Taken Notes on Audit Paras / PAC paras, etc.

➢ **Performance of EMC**

From 01.01.2023 to 31.03.2023

- Budget of Rs. 9578.22 crore were allocated to CBIC in R.B.E. 2022-23, (excluding scrips-based schemes) and expenditure as on 31.03.2023 is Rs 9109.59 crore which is 95.11 % utilization of funds.
- Additional funds of Rs. 57.02 crore was released during the said period as per the request of the field formations.
- Proposal for RBE 2022-23 & BE 2023-24 was finalized based on the requirements of field formations and the same was submitted to IFU/Ministry.
- 05 Re-appropriation order has been issued during the period and the same was forwarded to Pr. CCA for mapping in PFMS.
- Budget of Rs. 27109.72 crore were allocated in R.B.E. 2022-23 for scrips-based schemes and expenditure as on 31.03.2023 is Rs 24882.23 crore which is 91.78 % utilization of funds.
- 85 sanction orders of Rs. 24882.23 Crore regarding scrips-based schemes have been issued
- Detailed Demand for Grants (DDG) 2023-24 was prepared, compiled and sent to Ministry/IFU.
- R. B. E. 2022-23 was allocated timely to the field formations as per the ceilings provided by Budget Division.
- Letters were issued to all Field formations for their Final Requirement 2022-23. Funds were allocated timely as per Final Requirement 2022-23.
- B. E. 2023-24 was allocated timely.

From 01.04.2023 to 31.03.2024

- Budget of Rs. 10805.75crore crore were allocated to CBIC in R.B.E. 2023-24, (excluding scrips-based schemes) and expenditure as on 31.03.2024 Rs 10069.22crore which is 93.18 % of the total available budget.
- Additional funds of Rs. 383.23 crore was released as on 31.03.2024 as per the request of the field formations.

- Proposal for RBE 2023-24 & BE 2024-25 was finalized based on the requirements of field formations and the same was submitted to IFU/Ministry.
- 09 Re-appropriation order has been issued and the same was forwarded to Pr. CCA for mapping in PFMS.
- Budget of Rs. 25935.85 crore were allocated in R.B.E. 2023-24 for scrips-based schemes and expenditure as on 31.03.2024 is Rs 24557.32 crore which is 94.68 % utilization of funds.
- 88 sanction orders of Rs. 24557.32 Crore regarding scrips-based schemes have been issued.
- Detailed Demand for Grants (DDG) 2024-25 has been prepared, compiled and sent to Ministry/IFU.
- R. B. E. 2023-24 has been allocated to the field formations as per the ceilings provided by Budget Division.
- Letters has been issued to all Field formations for their Final Requirement 2023-24. Allocation of funds as per Final Requirement 2023-24 has been completed.
- B. E. 2024-25 has been allocated timely.

➢ **Major Achievements of EMC Wing of DGHRD**

From 01.01.2023 to 31.03.2023

Budget: The Expenditure Management Cell (EMC), DGHRD, is mandated to act the Nodal Authority in respect of all Budget matters for the Grant No. 37 – Indirect Taxes. This year RBE was Rs. 9578.22 crore (excluding scrips-based schemes). The funds in RBE issued in time as result of which the utilization of funds upto 31.03.2023 is Rs **9109.59** crore which is 95.11 % of the total available budget.

(Rs. in crore)

Total Budget		Expenditure as on 31.03.2023	Utilization
1		2	3
Total Budget and Expenditure(Including scrips-based schemes)	36687.94	33991.82	92.65%
Revenue (Regular Budget)	8640.22	8430.49	97.57 %
Scrips	27109.72	24882.23	91.78 %
Capital	938.00	682.52	72.76 %

- Allocation of additional funds to the tune of Rs 57.02 crore, time to time, enabled Field formations to utilize these funds for their urgent requirement.
- This office has processed 05 Re-appropriation proposal due to which optimal utilization of saving of field formations were achieved.
- Funds to the extent of Rs. 24882.23 Crore has been booked out of Rs. 27109.72 Crore allocated in RBE for scrips-based schemes by timely issuing 85 sanction orders.

From 01.04.2023 to 31.03.2024

Budget: The Expenditure Management Cell (EMC), DGHRD, is mandated to act the Nodal Authority in respect of all Budget matters for the Grant No. 37 – Indirect Taxes. This year RBE was Rs. 10805.75crore (excluding scrips-based schemes). The funds in RBE issued in time as result of which the utilization of funds upto 31.03.2024 is Rs 10069.22crore which is 93.18 % of the total available budget.

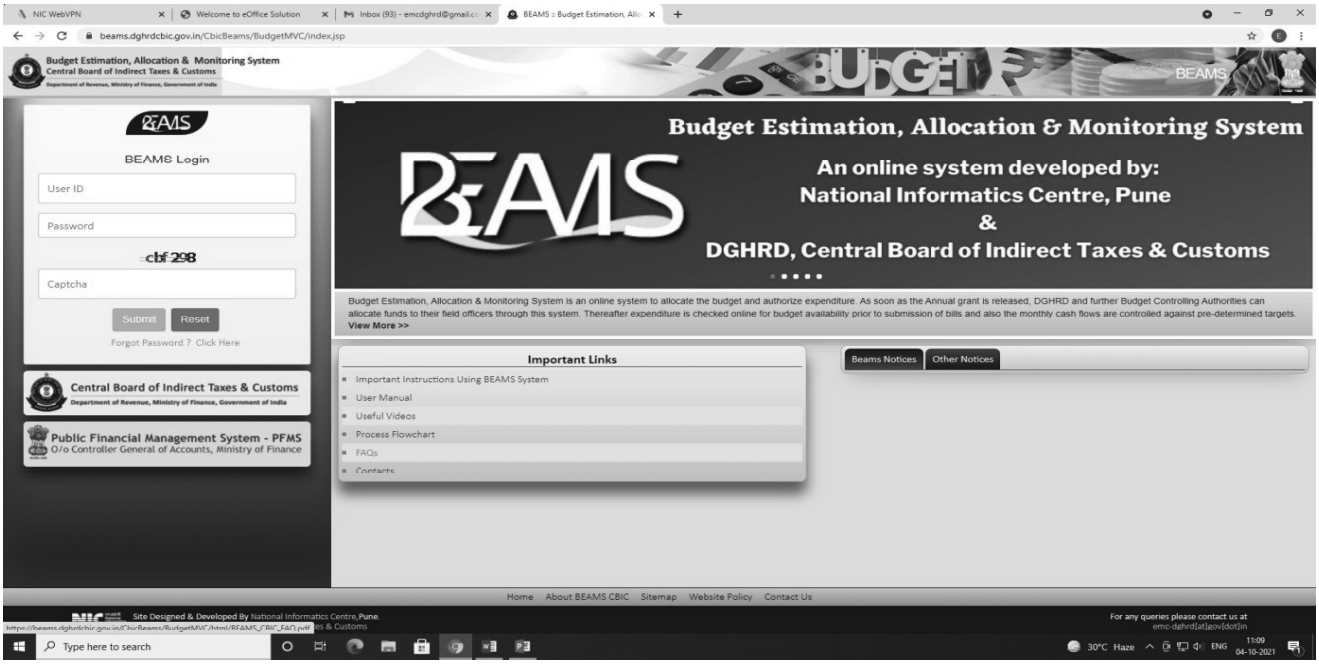
(Rs. in crore)

Total Budget		Expenditure as on 31.03.2024	Utilization
1		2	3
Total Budget and Expenditure (Including scrips-based schemes)	36741.60	34626.54	94.24%
Revenue (Regular Budget)	8598.09	8491.74	98.76 %
Scrips	25935.85	24557.32	94.68 %
Capital	2207.66	1577.48	71.45 %

- Allocation of additional funds to the tune of Rs 383.23 crore, time to time, enabled Field formations to utilize these funds for their urgent requirement.
- This office has processed 09 Re-appropriation proposal due to which optimal utilization of saving of field formations were achieved.
- Funds to the extent of Rs. 24557.32 Crore has been booked out of Rs. 25935.85 Crore allocated in RBE for scrips-based schemes by timely issuing 88 sanction orders.

Inputs on e-Governance Activities

This office is working 100 % on e-office module:



Background & Challenge: Budget has so far been handled by EMC Wing on files through hard copies as a result analysis of budget expenditure is a time-consuming exercise and it is always a challenge to meet the time line while finalizing RBE and BE.

BEAMS Software: 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 online system. BEAMS is a very unique application as no other Central Ministry/ Department is using such kind of 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 which can be of great use in monitoring expenditure trend and envisaging Budget Estimates. This module brings together all the stakeholders viz 68 BCAs, 400 HODs and over 1200 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.

CRB/VEHICLE

Goals and Achievements :01st January 2023 to 31st March 2024 CRB

Creating Data Base of Cost Recovery Posts Creation/ Continuation/Exemption of all the Customs/GST Zones under CBIC and streamlining the same for effective monitoring of the Customs Facilities has been done. Further, approval for regularisation of 62 posts (for the period 01.01.2020 till 31.12.2021) in different custom facilities has been obtained from the Ministry/DoE and accordingly, the sanctioned strength of various cadres under CBIC has been increased. Further, proposal for regularization of another 28 posts for the period 01.01.2022 to 31.12.2023 had been submitted to IFU/ DoE for approval and matter is under consideration with DoE. In addition to the above following approval has been obtained from the Ministry/DoE: -

(i) Creation of 134 Temporary Posts in 10 Customs facilities

(ii) Continuation of 57 posts of 13 Customs facilities

(iii) Exemption of Cost Recovery Charges of 06 Customs facilities

VEHICLES

The sanction/approval of 24 Additional Operational Vehicles under CBIC has been obtained from the Ministry/IFU.

S No.	Ministries/Directorates/wings/Field Formations of CBIC	Vehicles Sanctioned
1	NACIN, Hindupur (Extension of two tractors with accessories)	**2**
2	DRI Zonal Regional Unit	41
3	Board Office (IT & CV),	2
4	Legal Cell	2
5	O/o Commissioner Public Accounts Committee	2
6	Customs and Export Promotion Wing, CBIC, Board Office	2
7	DGEP	1
8	DGPM (Investigation Wing)	1
9	DGARM Mumbai	3
TOTAL		**56**

The sanction/approval of 04 Operationla Vehicles under CBIC has been obtained from the Ministry/IFU which are upgraded from Small size to Mid size.

S No.	Ministries/Directorates/wings/Field Formations of CBIC	Vehicles upgraded from Small size to Mid size
1	Anti Smuggling Unin, CBIC	1
2	HRM-II, DGHRD	3
	TOTAL	**4**

B. INFRASTRUCTURE DIVISION:

i. 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.

ii. Infrastructure development forms an integral part of Human Resource Development in CBIC. During the said period, out of the total allocation of Rs.1122.43 crore under Capital Heads (4059 & 4216) an amount of Rs. 1082.41 Cr. has been released till 31.03.2024.

iii. Major infrastructure proposals sanctioned/ ongoing/completed as on 31.03.2024.

S.No.	Zone / Directorate	Proposal in brief	Total cost (Rs. in Cr.)
1	Mumbai Zone-I Customs	Construction of Office complex and residential quarters at Customs Enclave Plot,Wadala, Mumbai	975.72
2	NACIN	Construction of new NACIN complex at Hindupur, Palasamundram (A.P) ***Inaugurated by the Hon'ble PM on16.01.2024**	702.27
3	Chennai Customs	Construction of residential qtrs. at Anna Nagar, Chennai.	348.77
4	Delhi CGST	Construction of residential qtrs. at Dwarka (by NPCC) ****Inaugurated by Hon'ble FM on 01.03.2024**	227
5	Meerut CGST	Construction of office building for CGSTGhaziabad and Audit-II, at Ghaziabad	116.42
6	Chennai Customs	Construction of office accommodation building for Chennai Customs Audit and Import Commissionerate and Partner Govt. Agencies at Jaffer Syarang Street, Chennai.	91.64
7	Mumbai –II Customs	Construction of additional office building (G+7) at JNCH, Nhava Sheva, Dist. Raigad,Mumbai	80.60
8	DRI	Construction of DRI (Hq.) Office building at Vasant Kunj, Delhi	74.80
9	Chennai Customs	Construction of 36 residential quarters atNungambakkam, Chennai	65.42
10	DRI	Construction of DRI office building at Kolkata	64.50
11	CGST Ahmedabad	Construction of office building for CGST Commissionerate and Customs Division at Bhavnagar **(MoHUA project)**	56.30

Apart from the above said major projects, foundation stone of third largest infrastructure project of the CBIC in monetary terms i.e. Construction of Office building (GF+28 Storeyed) and residential quarters for Commissionerates of Hyderabad CGST at **Khajaguda village, Serilingampally Mandal, Hyderabad** with a construction cost of Rs. 644.63 Cr., has been laid by Hon'ble Revenue Secretary on 12.03.2024.

iv. Acquisition of land measuring 15000 sq. mtr. located at Raipur, Thano Marg Near Rajiv Gandhi International Cricket Stadium at Dehradun for construction of office building for three Commissionerates (Executive, Audit & Appeal) and DGGI Regional Office, Dehradun for Rs. 60,70,327/- (Rupees Sixty Lakh Seventy Thousand Three Hundred Twenty Seven Only) during the said period, has been done.

v. (a) During the period from 01.01.2023 to 31.03.2024, total 231 proposals amounting to Rs.187.63 Cr. have been sanctioned/revalidated towards repair & maintenance of the departmental office buildings and residential complexes; (b) Out of 231 proposals, 97 are new sanctioned proposals amounting to Rs.94.77 Cr. and 134 are revalidation proposals amounting to Rs.92.86 Cr. ; (c) Some major fresh sanctioned projects in this period are as follows:

- Rs.16,76,41,000/- has been sanctioned for renovation / upgradation of Type I to Type V Departmental Residential Quarters (Type I- 20, Type-II- 20, Type-III- 80, Type IV- 14, Type V- 08 Nos.) at GST Bhavan Residential Colony, Pune.
- Rs.7,02,68,000/- has been sanctioned for up-gradation of 132 Nos. of Type-III residential staff quarters at Meenambalpuram, Madurai.
- Rs.6,49,45,000/- has been sanctioned for up-gradation of Central Excise & Customs Office at Bibikulam, Madurai for providing vitrified tile / granite flooring, renovating toilets, aluminium windows, false ceiling and internal & external painting works etc.

vi. Initiatives taken with reference to development of **North-Eastern Region and Sikkim** including projects/schemes in operation and actual expenditure thereon.

a) To priorities the projects in r/o North East and for handholding field formations in developing infrastructure, following projects have been submitted to the Ministry for approval.

- Construction of office cum residence for CBIC formations at Shillong at an estimated revised cost of Rs. 256.23 Cr. has been submitted to IFU / Ministry for approval.
- Construction of office building and boundary wall at Lamphel at Imphal at an estimated cost of Rs. 30.08 Cr. - Financial concurrence has been accorded by IFU. File is to be submitted for sanction by the Competent Authority.

b) Agartala project: - Proposal for construction of office building at Agartala at a total cost of Rs. 28.04 Cr. was sanctioned on 18.02.2019. The project has been completed and inaugurated by the Hon'ble FM in August 2023.

C. WELFARE DIVISION

CUSTOMS & CENTRAL EXCISE WELFARE FUND: 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 Governing Body consisting of the following members is vested with the overall authority of administering the Customs & Central Excise Welfare Fund in accordance with the policies and procedures laid down by the Government and the Rules: -

1. Chairman (CBIC)	.....	Convener
2. All members of the CBIC	.....	Members
3. Financial Adviser (Finance)	.....	Members
4. Additional Director General (I&W)	.....	Member-Secretary

i. MANDATE OF THE DIVISION: **On the creation of DGHRD vide Gazette Notification of Ministry's O.M. vide F. No. A11013/28/2007-Ad.IV dated 18.11.2008, the welfare function of CBIC was transferred from the Directorate of Logistics to DGHRD with the following mandate:**

a) To identify and recommend welfare measures to the CBIC;

b) To process proposals received from field formations for sanction of funds by the Governing Body of the Welfare Fund;

c) To coordinate with the Directorate of Logistics and Pr. CCA's office for accounting

of funds to be allocated between the Welfare Fund and Special Equipment Fund;

d) To manage superannuation of employees especially regarding their psychological, emotional and financial aspects (by arranging training through NACEN and/ or outside experts to psychologically prepare the employees on the verge of superannuation for life after retirement from service and proper management of retirement from service and proper management of retirement benefits);

e) To prepare and maintain an inventory of specialization areas and skills of retiring officers and advise them about exploring opportunities in alignment with requirements of other Ministries and Public Sector Undertakings, connected to their respective fields of knowledge and experience; and

f) To disseminate information concerning welfare schemes/ measures being promoted/ implemented by the CBIC among officers and staff.

I. The performance and achievements under the key/flagship programmes being implemented by the Welfare Division during the year:

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. The major schemes are detailed here-under:

- **Medical Assistance:** Financial assistance is granted for the portion of medical expenses incurred by departmental officials on self and dependent family, which could not be reimbursed under CGHS/ CS (MA) Rules. Under the scheme, 352 departmental officials have been granted a total amount of Rs. 3.04 Crores (Rs. 3,04,61,366/-) during the year (01.01.2023 to 31.03.2024).

- **Ex-gratia assistance to the families of deceased officers:** Ex-gratia financial assistance is granted to the bereaved families of officials in cases of deaths of departmental officials while in service. The maximum financial assistance granted after revision of guidelines has been enhanced from Rs. 7.5 lakhs to Rs. 25.0 Lakhs, including a special provision of Rs,. 7 Lakhs in cases of deaths of departmental officials due to COVID-19 contacted while on duty. 176 bereaved families of departmental officials have been granted Rs. 7.91 Crores (Rs. 7,91,00,000/-) under the Scheme during the year (01.01.2023 to 31.03.2024).

- **Promotion of Adventure Sports**: Assistance is granted for participation in various outdoor adventure sports/ activities like trekking, rock climbing, adventure camps/activity/course, water skiing, paragliding, parasailing, hot air ballooning, white water rafting etc. One proposal has been approved granting a total Rs. .0019 Crores (Rs. 19,481/-) during the year (01.01.2023 to 20.03.2024). financial assistance participating in the Adventure Sport Course Programme 2024 to be organized by Himalaya Mountaineering Institute, Darjeeling, West Bengal.

- **Cash Awards for winning Medals/Civilian awards in sports and assistance for participation in sports events:** Cash Awards are granted for winning Medals/ Civilian awards in sports alongwith financial assistance for participation in sports events from the Welfare Fund. After revision of guidelines amounts granted have been enhanced many folds for winning medals in the international sports events/ competitions and are now at par with the amounts granted by the Ministry of Sports and Youth Affairs.

- **Setting up/ refurbishing of Departmental Guest House**s: Assistance is granted from the Welfare Fund for setting up/ refurbishing of Departmental Guest Houses by formations under CBIC. 12 proposals have been approved granting a total financial assistance of Rs. 1.81 Crores (Rs. 1,81,70,001/-) during the year (01.01.2023 to 31.03.2024).

- **Setting up/ refurbishing of Departmental Gyms/ Recreation/ Sports centres:** Assistance is granted from the Welfare Fund for setting up/ refurbishing of Departmental Gyms/ Recreation/ Sports centres by formations under CBIC. proposals for setting up of Gyms/ Recreation facilities have been approved and a total financial assistance of Rs. 0.13 Crores (Rs. 12,97,500) has been granted during the year (01.01.2023 to 31.03.2024).

- **Setting up/ refurbishing of Departmental Canteens/ Kitchenettes**: Assistance is granted from the Welfare Fund for setting up/ refurbishing of Departmental Canteens/ Kitchenettes by formations under CBIC. 2 proposals for setting up of Canteen facilities have been approved granting a total financial assistance of Rs. 0.0653 Crores (Rs. 6,53,053) during the year (01.01.2023 to 31.03.2024).
- **Setting up/ refurbishing of creche facilities:** Assistance is granted from the Welfare Fund for setting up/ refurbishing of creche facilities by formations under CBIC. 3 proposals for setting up of Canteen facilities have been approved granting a total financial assistance of Rs. 0.1304 Crores (Rs. 13,04,965) during the year (01.01.2023 to 31.03.2024).
- **Preventive and Welfare measures for fighting against COVID-19:** A Scheme for granting financial assistance to the formations under CBIC for taking Preventive and Welfare measures for fighting against COVID-19. A total amount of Rs. 0.21 Crores (Rs. 21,00,000) was disbursed to formations under CBIC for Preventive and Welfare measures for fighting against COVID-19 during the year (01.01.2023 to 31.03.2024).
- **Annual Medical Examination for Group 'B' and Group 'C' officials:** A scheme for funding of Annual Medical Examination for Group 'B' and Group 'C' officials of age 40 years and above from Welfare Fund has been launched. An amount of Rs. 0.2068 Crores (Rs. 20,68,447) was reimbursed to 1016 eligible departmental officials during the year (01.01.2023 to 31.03.2024).
- **Financial assistance for the Subsidized transport facility for the Staff posted at JNCH, Nhava Sheva, Raigarh**: Under the scheme, partial funding of the subsidized transport facility for the officers/staff posted at JNCH, Nhava Sheva, Raigarh total amount of 0.2565 Crores (Rs. 25,65,140) during the year (01.01.2023 to 31.03.2024) has been sanctioned by the Governing Body of the Customs & Central Excise Welfare Fund.
- **Assistance to the needy Persons with Disability (PwD):** A Welfare scheme for grant of financial assistance to the needy Persons with Disability (PwD) of departmental officials or their dependent family members has been launched by the CBIC from the Customs & Central Excise Welfare Fund.

II 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":

Conducting awareness programs through webinars: Conduct of All India webinars for creating awareness at local CCO/ Commissionerate level.

III Mechanism put in place to measure development outcomes of major schemes/programmes implemented through the Department/Division; NA

IV Initiatives taken with reference to the development of North-Eastern Region and Sikkim including projects/scheme in operation and actual expenditure thereon; **Assistance is granted from the Welfare Fund for setting up/ refurbishing of Departmental Guest Houses in North-Eastern Region and Sikkim. 3 proposals for setting up/refurbishing of Guest Houses/Canteen facilities have been approved granting a total financial assistance of Rs.0.3376 Crores (Rs. 33,76,340/-) during the year (01.01.2023 to 31.03.2024).**

V Initiatives undertaken for Disabled/Handicapped and SC/ST as well as other weaker section of Society: **Rs. 0.15 Crores (Rs. 15,00,000/-) is granted from the Welfare Fund for permanent injury or disability of departmental officials / staff during the performance of his/her official duties during the year (01.01.2023 to 31.03.2024).**

VI Initiative relating to Gender Budgeting and Empowerment of Women: **NIL**

VII Representation of SCs, STs, OBCs and Persons with disabilities (PWDs) in the attached and subordinate offices in Proforma -Annex. I & II enclosed, alongwith steps taken to implement the provisions of reservations for SCs, STs OBCs and persons with 'bodies, statutory and semi-Government bodies under Department's control should be furnished; under each scheme to the States/UTs, the amount released for the benefit of Person with Disabilities during the year should be furnished: **NA**

VIII. Input on e-Governance activities: **NA**

IX. Input on steps being taken in compliance of FRBM Act & Rules framed there under: **NA**

X Write up on the steps/initiatives taken towards implementation of the Right to Information Act, 2005 and the matters incidental thereto: **NA**

XI. A separate report outlining the policy decisions and activities undertaken for the benefit of persons with disabilities, along with total budget provisions earmarked under various schemes and amount releases: **A Welfare scheme for grant of financial assistance to the needy Persons with Disability (PwD) of departmental officials or their dependent family members has been launched by the CBIC from the Customs & Central Excise Welfare Fund.**

XII. Position of ATNs in respect of summary of audit observations incorporated in the Annexure to the instant Annual Report as well as those included in the earlier Annual Reports, as per format at Annex III: **NA**

XIII. Specific inputs may be provided with reference to:

(i) Progress on DBT/Aadhar linkage with DBT in respect of scheme being implemented by the Division; **NA**

(ii) Rationalisation of Programmes/Scheme, funding pattern of Centrally Sponsored Scheme (CSS) and EAP Component to ensure detailed examination of schemes and to check too thin spread of resources; **NA**

3.11 DIRECTORATE GENERAL OF VIGILANCE (DGOV)

A. **Role & Functions of DGoV**: The vigilance work in CBIC is administered and supervised by the CVO through the twin wings of the vigilance set up of CBIC, viz Directorate General of Vigilance (DGoV) and Ad.V Section in the CBIC, with each performing its set of functions as summarized below:

i. **DGoV**:

a) To handle vigilance related work and process up-till pre-charge memorandum stage;

b) To monitor the vigilance cases under officers of the various formations under CBIC;

c) To maintain proper surveillance on the officers of doubtful integrity,

d) To maintain close liaison with CVC & CBI on various vigilance related matters;

e) To carry out various preventive vigilance activities, like Surprise Checks, Vigilance Audits etc.

ii. **Ad. V Section, CBIC**:

a) To handle the disciplinary proceedings of all Group 'A' officers starting from Issuance of charge memorandum till their conclusion;

b) To conclude the disciplinary proceedings of all retired officers;

c) To handle entire work related to suspension of Group A officers;

d) To maintain liaison with UPSC, DOP&T & Law Ministry on various vigilance related matters; and

e) To grant vigilance clearance to Group A officers.

B. **Achievements:** 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. During the material period CBIC had disposed 653 disciplinary proceedings which is all time highest disposal done by CBIC. DGoV shall be scaling new heights as far as disposal of proceedings is concerned. In the said material period of preceding year, CBIC had managed to dispose 524 disciplinary proceedings.

C. **Initiatives to Improve Performance:** In 2023-24, concerted efforts have been made at all supervisory levels to spruce up vigilance administration and expeditious disposal of pending disciplinary cases in CBIC which has resulted in such expeditious performance. In 2023-24, DGoV's work and performance was reviewed by Hon'ble Finance Minister. Besides, review of disciplinary cases was done thrice by Secretary Revenue also. On 13.12.2023, Chairman CBIC while reviewing the performance of Pr. Chief Commissioners/Chief Commissioner of CGST Zones also took a stock of pendency of disciplinary proceedings and directed them to ensure the expeditious disposal of the same. Besides, Member (A) CBIC has held structured interactions with selected Zonal Chief Commissioners with high pendencies, Disciplinary Authorities and Inquiry Authorities and took a stock of pendency position and gave them strict directions to complete the proceedings within in the given timelines. Pr. DG also made concerted efforts and her proactive, monitoring and guidance during her visits to 06 zonal units had also contributed to this expeditious disposal.

Persistent efforts to strengthen the capacities of IO/POs in the departmental proceedings were made through NACIN and periodic training was organized at various units of NACIN. Besides, in-house training for officers of DGoV on aspects of vigilance administration were also conducted. 150 officers were trained in these initiatives. Annual conference of Pr./ADGs of DGoV and Ad.V was held at NACIN, Palasamudram at 15.03.2024 wherein some vital aspects of vigilance administration were discussed and studied.

All efforts made by CBIC including systemic improvement initiatives taken in recent past along with continuous monitoring at all levels as indicated have resulted in high number of disposals. These measures would further contribute in enhancing CBIC's image as a responsive and efficient administration.

3.12 DIRECTORATE GENERAL OF TAXPAYERS 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 Delhi, Ahmedabad, Bengaluru, Chennai, Kolkata and Mumbai.

PUBLICITY

Publicity Activities during F.Y. 2023-24

i. The GST regime completed 06 successful years on 01.07.2023. To publicize this occasion and make public aware about the latest achievements under the GST regime, this Directorate produced 04 teasers and 02 short-video on the occasion of completion of 6 years of GST along with a logo and 10 creatives which were circulated to the field formations and on social media platforms. This Directorate also coordinated with CC CGST Delhi Zone for organizing the GST Day celebration event at Vigyan Bhawan, New Delhi on 01.07.2023.

ii. 05 tutorial videos including 02 videos in 10 vernacular languages were prepared highlighting the trade and industry's view point from various sectors/ walks of life throughout the country on GST.

iii. A short video on the occasion of 11th Tranche of Rozgar Mela held in November, 2023 was prepared.

iv. One teaser & ticker on the occasion of 11th Tranche of Rozgar Mela held in November, 2023.

v. Video explaining the journey and major decisions taken by the GST Council in its 50th meetings. A 'My Stamp' and a Special Cover were also designed.

vi. Print Advertisements on recent changes made in the return filing process were issued.

vii. Print Advertisements on Quarterly Return Monthly Payment (QRMP) Scheme were issued.

viii. Print Advertisement on Composition Scheme was issued.

ix. Publicity of Mera Bill Mera Adhikar (MBMA) Scheme which was launched on 01.09.2023 in States of Assam, Gujarat & Haryana and Union Territories of Puducherry, Daman & Diu and Dadra & Nagar Haveli through print, TV, radio, website, outdoor and social media.

x. Print Advertisements on Mera Bill Mera Adhikaar (MBMA) Scheme were issued.

xi. One full page print advertisement on the occasion of 11th Tranche of Rozgar Mela held in November, 2023

xii. Print Advertisement on Inauguration of National Academy of Customs, Indirect Taxes and Narcotics (NACIN), Palasamudram Campus by Hon'ble Prime Minister of India on 16.1.2024.

xiii. Making of various publicity material on the occasion of International Customs Day, 2024

xiv. Publicity with respect to Azadi Ka Amrit Mahotsav: The following major events have been undertaken in coordination with field formations in the FY 2023-24:

a) Medical Camps, Webinars and Seminars in remembrance of the martyrs of the Jallianwala Bagh Massacre;

b) Cycle Rally with Public Participation in remembrance of India's First Struggle for Independence, 1857;

c) Sapling Plantation on World Environment Day,

d) Digital Campaign on various initiatives of rationalization, enabling ease of compliance in the last one year. Five working days camp for assistance of taxpayers from 03.07.2023 to 07.07.2023

e) Mock Parliament on Anti-Drug Campaign by school children, Tour for School students of CBIC formations

xv. Participation in the 42nd India International Trade Fair organized by ITPO from 14.11.2023 to 27.11.2023. The GST & Customs Pavilion was adjudged second best pavilion for excellence in display in the 42nd India International Trade Fair, by the Independent jury appointed by the ITPO for the "Ministries and Department Category".

xvi. 50 Brochures (in English) and 5 Brochures (in Hindi) were updated and placed on CBIC website. These brochures also got printed and distributed to general public/ stakeholders during IITF 2023 held from 14-27th November, 2023.

xvii. 3 New Brochures (in English) namely AEM, Hub & Spoke Model and ECCS have been prepared and uploaded on the CBIC website.

xviii. Booklet/e-catalogue "Puravshesh ke Prahari" in Hindi and English language were designed for a virtual event of handing over seized antiquities by Customs to ASI in the presence of Hon'ble FM.

xix. For the latest update on legislative changes in Indirect Taxes and bring it to the knowledge of taxpayers and other stakeholders, a 'Whatsapp Channel' of CBIC has been launched on 01.01.2024.

xx. During the review meeting with the CBIC on 29.04.2023, the Hon'ble Finance Minister underscored the imperative of enhancing Taxpayer Services on an ongoing basis. There was a specific request to arrange interactive sessions in each zone involving stakeholders from the Trade and Industry sectors, integral to the GST Eco-System, to glean insights into their concerns and recommendations. Subsequent to these interactive engagements, held on diverse dates, a comprehensive total of 308 issues were deliberated upon during the exchanges between Board members and representatives from the Trade sector. The queries and corresponding responses, categorized subject-wise, were then shared with the relevant Action Owners for further handling and resolution.

Publicity through Social Media

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), Instagram (@cbicindia), WhatsApp Channel (@CBIC India), 'X' (formerly twitter) handle (@CBIC_India), YouTube channel (CBIC India) and Koo (@cbic). Over 320 Creatives were released through social media sites Twitter and Facebook covering varied topics related to:-

a) Azadi ka Amrit Mahotsav (AKAM);

b) Clarification on GST;

c) Deferred Payment of Duty;

d) GST Returns;

e) Due Dates creatives;

f) e-Invoice;

g) Amnesty Scheme;

h) Changes in law and procedure;

i) Recommendations of GST Council Meetings;.

j) PIB Publicity Campaign on GST@6;

k) PIB Publicity campaign in November, 2023;

l) Special programs of the Finance Minister, MoS, Member covered through social Media;

m) Mera Bill Mera Adhikaar Scheme;

n) Special Drive for cleanliness in office premises undertaken by CBIC under Swachhta 3.0; etc.

o) Various creatives on a daily basis for pre & post- event publicity of CBIC Pavilion during IITF, 2023 held from 14th-27th November, 2023.

DGTS has organized 56 webinars/Seminars in a span of last 12 months.

RTI AND PUBLIC GRIEVANCES:

This Directorate is the nodal agency under CBIC to monitor the progress of filing of quarterly returns by public authorities under CBIC on the website of Central Information Commission (CIC) as required under Section 25(2) of the RTI Act, 2005. It was ensured that all the field formations under CBIC uploaded their RTI Quarterly Returns on the CIC website. During the period, applications received under the RTI Act, 2005 were efficiently handled. Public Grievances received by this Directorate were processed/forwarded to the appropriate formations for further action.

a) Total No. of RTI received-155 and Total No. of RTI disposed-152.

b) Total No of Public Grievance(s) Received-17685 and Total Public Grievance(s) disposed- 17584.

c) Total Appeals Received -5168 and Total Appeals disposed-5129.

TAXPAYER SERVICE CENTRES: One of the mandates of DGTS has been to set up Taxpayer Service Centres in all Commissionerate's. Vigorous follow-up has ensured setting up of Taxpayer Services Centers in the Commissionerate's of Central Tax, Customs & Central Excise.

PUBLIC GRIEVANCE OFFICERS: Public Grievance Officers have been designated in all the Commissionerate's across the country and details are available on CBIC website. The Citizens' Charter provides for appeal to superior officer in the event of unsatisfactory response from Public Grievance Officer. Accordingly, contact details of the superior officer have also been posted on the website for the benefit of taxpayers.

PUBLICATIONS: The Directorate brought out following publications at the behest of CBIC and other formations:

Taxpayer Information Publications:

DGHRD SS & WS Booklet, Customs Manual-2023, Vigilance manual- 2022, Dharohar Booklet, Civil List-2023, IITF Booklet, Brochures and Fliers, Sampark 2024, Puravshesh Ke Prahari Booklet, Indian Customs Evolution of Multifaceted Partnerships Booklet, Monthly CBIC E-Newsletter. The Directorate has carried out media campaigns highlighting enhanced ease of doing business as part of e-governance/online initiatives like ICEGATE & ACES.

3.13 DIRECTORATE GENERAL OF PERFORMANCE MANAGEMENT (DGPM)

DGPM comprises of headquarter and its regional units viz. ERU, WRU, SRU, CRU, NRU. The DGPM was tasked with inspection of field Commissionerates viz. Commissionerates of Customs, Central Excise & Service Tax (Now GST & Customs) & to ensure that the field offices are working as per CBIC's policy guidelines. However, as per the current guidelines, the DGPM has to allocate the inspections to The Principal Chief/Chief Commissioner of Customs/GST to carry out the inspection of various Commissionerates/Directorate and submit the inspection report for issuance a consolidated annual inspection report by DGPM. This is ensured through a periodic review of Commissionerate records, making an assessment of how the formation is performing and issuing inspection note, highlighting the specific shortcomings with observed trends.

ii. In addition to above task, the DGPM has also to carry out the theme based performance review of Operational systems of the Commissionerates/ Directorates under "Operational Systems Performance Review" (OSPR). The manual of OSPR has been duly finalized by board during this year. The themes for OSPR for the FY 2023-24 has been finalized by board and the same have been allocated to Regional Units of DGPM to carry out performance review and submit the report to take up the same with board to formulize the revised policy if any for the respective Operational System.

iii. In addition to the above DGPM has also gained the responsibility of being Cadre Control Authority of group B and C of all directorates and CCA of Hindi Translator (JTO/STO) etc.

iv. DGPM is also working as a nodal agency of CBIC to implement official language policy of Government of India & coordinating between Ministry/Board and all attached/subordinate offices of CBIC. Quarterly Hindi progress report of DGPM is being prepared and forwarded to Ministry. In addition, ten meetings regarding official Language Inspections by Hon'ble Committee of Parliament on Official Language were also co-ordinated and attended.

v. The DGPM seeks the quarterly reports on "SAADHIT" from all Commissionerates/ Directorates and furnish a consolidated quarterly report to Board office. In addition to above, based on the inputs/data received from all field formations, the DGPM also furnishes "AAKALAN" monthly report on Customs/GST to board office.

vi. The CPIO & Appellate Authority have been appointed and the replies to reply RTI Applications are being given in stipulated time frame. Similarly, the appeals are being disposed of in time. The required monthly/quarterly reports are being sent in time.

3.14 Commissioner (PAC)

The brief activities undertaken in PAC Cell are as follows:

A. <u>CX-VII (PAC) Section:</u>

i. Draft Audit Paras on GST and erstwhile Central Excise & Service Tax matters.

ii. C&AG Report on GST and erstwhile Central Excise & Service Tax matters.

iii. Public Accounts Committee Reports Questionnaires on GST and erstwhile Central Excise & Service Tax matters.

iv. Oral Evidence/ Study Visit of Public Accounts Committee and followup Questionnaires on GST and erstwhile Central Excise & Service Tax matters.

v. Matters related to Entry Conference, Exit Conference with C&AG.

B. **Customs PAC Section**:

i. Draft Audit Paras on Customs & Custom Preventive matters.

ii. C&AG Report on Customs & Custom Preventive matters.

iii. Public Accounts Committee Reports on Customs & Custom Preventive matters.

iv. Oral Evidence/ Study Visit of Public Accounts Committee and follow up Questionnaires on Customs & Customs Preventive matters

v. Matters related to Entry Conference, Exit Conference with C&AG

3.15 DIRECTORATE GENERAL OF SYSTEMS & DATA MANAGEMENT

The Central Board of Indirect Taxes and Customs (CBIC) established the Directorate of Systems in 1997 (subsequently renamed as the Directorate General Systems and Data Management in 2002). 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 as also for reducing the interface between the taxmen and the other stakeholders. 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.

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.

The pivotal function of the Directorate of Data Management is to collect, compile and analyze statistical data relating to Central Excise, Customs, Service Tax and GST for fulfilling the data requirement in the context of Annual budgeting, planning, monitoring, forecasting and rendering technical advice to the Central Board of Indirect Taxes & Customs, Ministry of Finance, from a statistical standpoint.

A. **Data Center and Cyber Security:** One of the important verticals of DGS earlier known as System Integrator and renamed as Data Center and Cyber Security (DC&CS) vertical in 2023 is a backbone of the Directorate which has been entrusted with the implementation of the projects related to Information & Communication Technology within CBIC and is responsible for:

i. Design, development, programming, testing, implementation, and maintenance of automated systems and for overseeing and managing the projects sanctioned by CBIC related to IT.

ii. Management of all Centrally deployed computer facilities, hardware, software, data communications.

iii. Automated environment and acts as a point of reference and validation concerning procedural changes, in addition to being a resource centre on business process issues.

iv. Identifying and evaluating new technologies for application to automated systems within the department.

v. Developing and maintaining all policy and subsequently, on the implementation of centralized systems, the operational aspects of IT & Data Security.

vi. Establishing requirements for computer-to-computer interfaces between the department and various trading partners and government agencies.

vii. Implementing information resource and data management.

Most of the business-critical applications and utilities are hosted at CBIC's Data Centers. These are accessed by different stakeholders viz. Departmental

Users, Taxpayers, Vendors, CHAs, Custodians, etc. through different connectivity methods like Wide Area Network, VPN and Internet. The IT Infrastructure managed by DG Systems is briefly described in the following sections:

i. Data Centre

ii. Wide Area Network Connectivity

iii. Local Area Network

CBIC has two primary Data Centers (DCs) and two Near Data Centers (NDCs) as follows:

i. One DC and NDC in Delhi

ii. One DC and NDC in Chennai DC Architecture

Each DC is configured to host certain applications in active site and another DC acts as DR site for these applications. Both DCs are connected through Point-to-Point links for async replication of data to their respective DR site. Each DC is having a Near Data Centre (NDC) for synchronous data replication and connected over a Dark Fibre with redundancy. Both DCs are having dedicated internet links and MPLS cloud for access of applications by all stakeholders, internal and external.

Disaster Recovery Centre in CBIC: Disaster Recovery Centre (DR) is a Data Centre (DC) where data and applications, which are hosted from Delhi Data Centre are replicated at Chennai Data Centre, which becomes the Disaster Recovery Centre. Similarly, all data and applications hosted from Chennai Data Centre are replicated at Delhi Data Centre, which becomes the Disaster Recovery Centre. At the time of disaster at Delhi, all IT services will continue from Chennai Data Centre so that CBIC can minimize impact of disaster by switching over to Disaster Recovery Centre.

All the CBIC's business applications follow a three-tier architecture with clear separation of database tier from application and web layers. All infrastructure hosting business data and business logic is in the militarized zone (MZ), in a separate network segment from the Demilitarized Zone (DMZ) and public zone. CBIC Data Centre Network is divided into six main Zones:

i. External

ii. Public

iii. DMZ

iv. MZ

v. Management

vi. T&D Zone

B. Performance and achievements under the key/flagship programs being implemented by Divisions/ Department during the year:

i. Data Center & Cyber Security Services

a) SOAR (Security Orchestration, automation and response) solution implemented to automate blocking of IOCs (Indicators of Compromise) being received from external security agencies to minimize the manual intervention and automate the actions to be taken.

b) Survey of 27000+ non-Saksham machines to identify their security postures was done. In this regard, locations and field formations were requested to install and update their anti-virus solutions as well as Operating System to be updated to Windows 10 and above.

c) Conducting VAPT (Vulnerability Assessment and Penetration Testing) for applications and infrastructure and supporting application teams to close the vulnerabilities as identified during testing. In this regard, VAPT (Vulnerability Assessment and Penetration testing) of 5324 servers/appliances and 604 applications is completed.

d) Security review of access to data (3967 VPN IDs, 3036 SSOIDs, 8300 MAC ids were revoked). This was done as part of regular security checkup to ensure that only authorized, authenticated users access the CBIC internal ecosystem through trusted and whitelisted devices.

e) SOPs issued for:

- *Security testing of Mobile Applications*: The SOP would serve as a baseline for performing security testing of mobile applications help the resources of the vendor team with the approach and the steps involved in this process.
- *Malware identification and removal from non-Saksham machines:* The SOP is meant to serve as a single point of solution for users who intend to sanitize their machines which has been or is supposed to be infected by malware. The SOP lists the processes as well as the freely available tools to assist with this process.
- *Onboarding of the applications developed outside DG Systems*: The SOP provides the requirements which needs to be shared by application teams to DG Systems.

The data shared will be evaluated to assess whether the application is ready for migration and if so, then assess the infrastructure required for hosting the application in CBIC DC.

f) ISO certification was successfully completed for ISO 27001, 22301 and 20000 standards in last week of August.

g) NCIIPC (National Critical Information Infrastructure Protection Centre), under aegis of Central Home Ministry, has been designated as the nodal agency for identification of Critical Infrastructure in the country. Since ADG DCCS is also nominated as CISO for CBIC, hence DCCS is working with NCIIPC to identify critical infrastructure within CBIC. Draft documents in this regard have been prepared and a meeting is proposed to be held in 3rd week of December to discuss the next steps in this regard.

h) Integration with Threat Dissemination Platform of NCIIPC and Cert-In completed for real time dissemination of alerts.

i) A total of 18578 security alerts were triggered/ received on our security operations centre (SOC) and same were blocked.

j) Adoption of a solution for prevention of any form of malware infection on machines (non-Saksham machines) being used within CBIC. Two PoCs (Proof of Concepts) have been undertaken with Microsoft and Symantec which have successfully provided the security posture of the target machines.

k) Streamlining of Ad-hoc reports with ICES and ACES-GST wherein Ad-hoc data requests were reduced to bare minimum from 15000 Data Requests from ICES. Similarly, data requests of 42 Reports were reduced to 8 data requests reports and remaining 34 would be developed by ACES-GST.

l) Development of Capacity Utilization Tool to help in provisioning of Infrastructure and provide information regarding capacity utilization of servers, storage and other devices installed at CBIC Data Centers.

m) Preparation of Design Documents and software requirement specifications for all 25 Applications/Utilities developed by inhouse SI.

n) Roll-out of Atithi Mobile Application for iOS devices and Atithi 2.0 for android devices: Atithi mobile application was developed with a view to facilitate international passengers arriving in India for their baggage and goods declaration. In this regard Athithi 2.0 is an upgraded version of the earlier Athithi APP which is fully integrated with EBR (electronic baggage receipt) application.

o) Upgradation of Oracle DB from 11g to 19c for ACES-GST application.

p) Launch of Containerized Mobile m-Sangrah solution for provisioning of all CBIC apps under one Umbrella on 30th May 2023.

q) Infrastructure deployment and support for Image Analytics for NCTC Mumbai.

r) Phase 1 of CBIC new website completed. Phase II of CBIC New Website is near completion.

s) ISO certification was successfully completed for ISO 27001, 22301 and 20000 standards in last week of August.

t) ECCS DR Drill was successfully conducted from 24th to 26th September 2023.

u) Streamlining of Ad-hoc reports with ICES and ACES-GST wherein Ad-hoc data requests were reduced to bare minimum from 15000 Data Requests from ICES. Similarly, data requests of 42 Reports were reduced to 8 data requests reports and remaining 34 would be developed by ACES-GST.

v) Development of Capacity Utilization Tool to help in provisioning of Infrastructure and provide information regarding capacity utilization of servers, storage and other devices installed at CBIC Data Centers.

w) Preparation of Design Documents and software requirement specifications for all 25 Applications/Utilities developed by inhouse SI.

ii. Chief Information Security Officer : Indian-Computer Emergency Response Team (CERT-In), Ministry of Electronics and IT, Government of India vide letter No. 6(12)/2017-PDP- CERT-In issued on 14/03/2017 had mandated every department to appoint a Chief Information Security Officer (CISO). Accordingly, Pr. ADG (DCCS), Directorate General of Systems has been appointed as the CISO for CBIC and has been actively engaged in performing various duties as detailed by Cert-in.

iii. ADVAIT: In FY 2023-24, till 15.12.2023, 60 reports, 7 dashboards and 10 data science models have been developed as ADVAIT utilities. Furthermore,

minimum 10 reports, 2 exhaustive dashboards and 2 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. Also, the ADVAIT application interface is being re-designed to make it more officer friendly and will be completed in this financial year.

C. Development of modules in CBIC GST Application:

i. **Investigation sub-module of DSR**: The module was rolled out in 2020. As part of adding more functionalities, IP address search functionality was implemented on 09.06.2023. Development of Movement of Vehicle (MoV) forms is under progress. 13 MIS reports have been developed and deployed.

ii. **Adjudication sub-module of DSR**: The module was rolled in 2018 and new functionalities were incorporated every year in accordance with changes in GST Law. DRC-02 (Summary of statement/ Periodical SCN), DRC-03 (Voluntary Tax payment) Forms, Tax calculator and Functionality to issue DRC-01 (Summary of SCN) by Anti-evasion wing at Commissionerate level were deployed. DRC01A (Intimation of tax ascertained before issue of SCN) will be rolled out to production by December 2023.

iii. **Appeals, Review & Revision sub-module of DSR**: All the functionalities of Review, Appeals and Revision have been deployed. Enhancement/ rectification of production issues are under progress.

iv. **Recovery sub-module of DSR**: Recovery module consisting of Forms DRC 9 to DRC 25 has already been rolled out in 2021 itself. Liability ledger Part – 2, Recovery register list page and MIS reports were completed.

v. **Audit Module**: The module was deployed to production in April 2022. Integration of nine APIs released by GSTN is under progress and it is expected that all APIs will be deployed by January, 2024.

vi. **E-Way Bill**: Functionality to Search, View and download E-Way bill data has been rolled out in production. To handle the voluminous data of e-way bill and to improve performance of the functionality, E-way bill data (as on October 2023) has been migrated to new instance.

D. Postal automation project in Customs:

i. **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 as under:

PHASE - 1

Phase-1 Track-1:

- Integration with Dept. of Post through APIs.
- Modules for Customs Administrator and Customs Officers for processing Postal Personal Imports, covering mail class based assessment, examination, query and communication with recipients, out of charge and all other related tasks.
- Track and Trace facility to know Customs status and Duty particulars if any, for recipients, in Icegate portal.

Phase-1 Track-2:

- RMS integration
- Modules and Functionalities for Postal Commercial Imports. OOC pdf generation.

PHASE - 2

- Modules and Functionalities related to Postal Manifest and Transshipment.

STATUS:

Phase-1 Track-1 of the application has been developed covering the Postal Personal Imports except track and trace by recipients on ICEGATE portal. Live test in production environment has commenced at FPOs in Bangalore and Kochi, with Delhi launch scheduled on 21/12/2023. The dates for the live testing at other FPOs is yet to be finalized by CBIC. The development of Track 2 Phase-1 is expected to be completed by April 2024. Phase 2 will be taken up for development after issue of the notification of the regulations with respect to the manifest and transshipment by CBIC.

E. Registration: In registration module the following functionalities were developed during 2023-24:

i. Capturing validity period in case of SEZ unit and SEZ developers,

ii. Initiating suo-moto cancellation for SEZ validity expired cases.

iii. Allowing the officer to verify the bank account details and initiate cancellation against the bank account defaulters,

iv. Verification and processing of the AADHAAR EKYC document of the Partner/Signatory of the existing Taxpayer (normal and TCS).

v. Enabling officer to view the Reg-30 report at any moment by clicking on the status of the PV,

vi. Displaying AADHAAR authentication status of the taxpayer who is applying for the revocation in normal and TCS Taxpayers

vii. Display details of the Biometric authentication of the taxpayer to Tax officer

viii. Showing Registration Risk Score to the Tax Officer,

ix. Classification of Taxpayers based on their core business.

x. Updating the holiday calendar

xi. Tax officer can reject or raise SCN for the application even after the due date.

xii. Changes in revocation timelines.

xiii. Geocoding of principal place of business address and additional place of business of existing Regular taxpayers.

xiv. Enabling the tax officer to reject or raise SCN for application even after due date.

F. Returns and Payments Module: During 2023-2024 till 30/11/2023, the following functionalities / enhancements to existing functionalities were made to the ACES-GST Application.

i. Implementation of Risk Based Selectivity System for automated selection of Scrutiny of Returns along with workflow for carrying out Scrutiny (ASMT10, ASMT11 and ASMT12)

ii. Implementation of Summary Assessment functionality (ASMT16, ASMT17 and ASMT18)

iii. Implementation of Returns Dashboard providing for summary level details of GSTR-1 and GSTR-3B for a given GSTN for a financial year

iv. Enhancement to GSTR-1 Return view– changes to GSTR-1 Return processing approach (near Real Time) along with changes in the View viz., addition of attributes 'Rate field' in Table 12 - HSN Summary and addition of e-invoice attributes in excel download - b2b, b2ba, cdn, cdna etc

v. GSTR-3B Return – changes to GSTR-3B return processing approach (near Real Time)

vi. Enhanced ITC Block/unblock functionality (Inclusion of Additional fields to provide for Reasons, upload documents and removal of validation for restriction of the amount available in the ITC Ledger for blocking) and provision to block credit for all Registrations irrespective of Status viz., Active, Cancelled, Suspended etc.

vii. Provision of Excel Download feature for GSTR-3B, GSTR-9 and CMP-08 and PDF Download for GSTR 9C, GSTR 8, GSTR 11, GSTR 7 / GSTR 10, GSTR 11 / CMP-08.

viii. GSTR-2A - Data for the Returns selected for Scrutiny for FY 2019-20 downloaded in bulk from GSTN and made available in Range Officers Dashboard; feature of auto-generated email to the officer on receipt of data from GSTN through the on-demand API.

ix. GSTR-9 – provision for generation of Table 8A data in excel format containing the details of ITC availed as per GSTR-2A.

x. Enhancement to the Returns list view by removal of mandatory filters for easier search by the officer along with facility to download the list in excel format.

xi. View of GSTR 4 - Annual Return for Composition Taxpayers

xii. View of ITC-02A – Form used by a registered person, having multiple registrations for multiple business places within a State/ Union territory, for transferring ITC from the existing entity (transferor) to the newly registered entity (transferee).

xiii. Functionality to enable officers to post the admissible amount / uploading of Orders in respect of Tran-1 and Tran-2 returns filed consequent to Hon'ble Supreme Court directions.

G. Refunds: From 26.9.2019, processing of Refund applications filed by the Taxpayers were made fully online. Afterwards, various other functionalities like Withhold and release function, Transfer for sanctioned refunds to CWF, Extension of reply to Show cause notice and adjournment of personal hearing, ICEGATE refunds with feedback form and Refund on Advance Tax paid and supplies made to SEZ were developed. During the year 2023-2024 following functionalities were developed.

i. PMT 03 Undertaking and amendment to undertaking.

ii. PMT 03 A- erroneous refund- recredit of voluntary deposited amount

iii. Refund to casual and non-casual taxpayer.

H. MIS Analytics team: MIS & Analytics has been generating and sharing the data with field formations based on specific requests from field formations and

coordinates with DDM in development of Monthly Performance reports. 11 GST Monthly Performance Reports (MPRs) for DDM portal have been automated successfully in the month of July, 2023. Out of 23 System Integration (SI) initiated reports, 15 reports have since been automated and advisories for the same issued. In respect of remaining 8 reports Development has been completed and UAT is in progress. One GST MPR report is pending for automation at present and therefore it is being continuing manually.

I. GST Services:

i. Enhanced version of Ticket Management System (TMS) was developed and rolled out in the GST application itself with the features like option to track the ticket, ticket history, give any additional input (wherever required), reopen the ticket, option to give feedback/suggestions etc.

ii. For the period 1st January 2023 to 30th September 2023 the helpdesk CBIC Mitra has received 2,21,850 calls, 1,00,648 web tickets and 20,919 emails from taxpayers and tax officers which have been duly resolved.

iii. From Jan'2023 to August' 2023, 18 hand-holders were deployed in 18 locations of CBIC offices. Further, after analysis of Daily Activity of Hand-holders. From 01.09.2023 entire team was ramped down.

iv. There was a "GST & Customs Pavilion" in the India International Trade Fair (IITF) organized from 14th to 27th November, 2023 at the Pragati Maidan, New Delhi. Therein CBIC Mitra Helpdesk kiosk was also setup. Said pavilion was manned by the CBIC GST officers and active Helpdesk agents to facilitate the Trade and General Public on real time / live basis. Total 75 tickets have been received there from the visiting crowd of Tax officers and Taxpayers, all of them has been duly resolved at the pavilion itself, with the help of special escalation channel made exclusively for the pavilion. Very good feedback from the visitors has been received.

J. CBIC-ACES-GST Application: CE&ST Module: Central Excise (CE) and Service Tax (ST) related functionalities are incorporated under the CBIC GST Application w.e.f. May 2019 onwards, as highlighted below:

- CBIC Taxpayer portal namely www.cbic-gst.gov.in facilitates the CE&ST taxpayers to login and transact for their requirements.
- CBIC-ACES-GST Application i.e., https://apps.cbic.gov.in envisages the relevant backend CE&ST Module functionalities for CBIC Officers.
- The Historic data of CE & ST accumulated over the period is main source for revenue analysis and for furnishing information to data request from TRU, RTI, PQ, CAG & CPGRAMS.

CENTRAL EXCISE:

- Under the present GST regime CE levy continues for all Tobacco Products (HSN 24) and Specified Petroleum Goods (HSN 27).
- Registration, e-filing of Return and e-Payment of CE duty are stipulated under CE to be carried out electronically by the taxpayers.
- Tasks related to the above functionalities are effected through Online dashboard by the jurisdictional Tax Officers.
- In addition, as an option for ease of business for the Trade and Tax authorities apart from the normal physical mode, the following functionalities are incorporated.
- Provisional Assessment, Refunds, e-facility to capture key documents and details relating to DSR (Show cause Notice, Adjudication and Appeal Orders), Exports and Claims & Intimations.
- Further, e-filing of returns pertaining to legacy period, e-payment of dues including pre-deposit of Appeal cases, and Non-Assessee registration for obtaining user account to effect e-payment are envisaged.

SERVICE TAX:

- e-filing of return pertaining to legacy period, e-payment of dues including pre-deposit of Appeals cases, and non-Assessee registration for obtaining user account to effect e-payment, are envisaged.
- A facility to deposit ST recovery proceedings through Suo-motu challan by Tax Officers is also built in.

SVLDRS (Sabka Viswas Legacy Dispute Resolution Scheme 2019):

- SVLDRS is the Amnesty Scheme notified in September 2019 in respect of pending CE&ST tax cases and the Scheme closed by 30th June 2020.
- Under the provisions of the said Scheme, certain business processes are allowed to be carried out even now. For instance, as per Court Directions and request from

Designated Committees, regularization of non-SVLDRS payments into SVLDRS-3 payment and regeneration of task for issuance of SVLDRS-4 Discharge Certificate is carried out through backend.

- Further Commissionerate level Designated Committee comprising of AC/DC, JC/ADC, Commissioner/Principal Commissioner, are notified from time-to-time by the Competent Authority and the same are configured under Access Control (ACL) sub-module of ACES_GST Application, for enabling the Officers currently holding charge to discharge SVLDRS related duties properly.
- The above functionalities under CE, ST and SVLDRS are unique features of CBIC-ACES-GST Application, because CBIC is the authority to administer CE & ST Taxation.

E-Payment of CE&ST taxes:

- CE&ST taxpayers, login to CBIC GST Taxpayer portal namely www.cbic-gst.gov.in and generate Tax Challan.
- After this, the taxpayer details and challan particulars are communicated to ICEGATE portal, and the user is navigated to CBIC Integrated ICEGATE e-Payment portal www.icegate.gov.in. The CE&ST user is required to complete e-payment of CE&ST taxes through NEFT/RTGS or Internet Banking mode procedure under ICEGATE environment.
- The confirmation of payment realized at RBI end is communicated to ICEGATE Portal first and then shared with ACES-GST portal.

K. Monthly Performance Report (MPR):

i. **DLA-CE-1, CE-2, ST-1 & ST-2**: Development of inbuilt checks to avoid any mismatch of data in MPRs of DLA.

ii. On the directions of the Board, **revenue data pertaining to manual payments** not being reported in the MPR is being gathered on a monthly basis from 20 Zones of Customs, CGST and DGRI through the Office 365 application.

iii. **Development of new GST MPRs:** 43 new GST MPR proformas have been finalized, after discussions with all stakeholders.

a) 12 GST MPRs in first phase pertaining to revenue, registration, refund and ITC blocking/ unblocking have been developed and launched on the auto-population and auto calculation model on 26th July, 2023.

b) 09 GST MPRs in second phase pertaining to anti-evasion and adjudication have been developed and launched on 18th October, 2023.

c) 12 GST MPRs in third phase pertaining to legal and TAR are under submission for approval of the Board; these will be developed and launched within 45 days of approval from the Board

d) 10 GST MPRs in fourth phase pertaining to scrutiny of returns, refund, audit, C&AG audit and provisional assessment; these will be developed and launched within 60 days of approval from the Board

L. Document Identification Number (DIN):

i. **Additional facility to view** the notices, orders and other communications issued by the field formations where templates have not been provided for DIN generation has been introduced. The enhanced DIN now captures information regarding communication/ document number, dispatch number and dispatch date.

ii. **Display of Additional information in Verify DIN**: Introduction of additional information, namely identifier, party name & party address in a partially masked manner have been introduced in the ***'Verify DIN'*** functionality available on the departmental website.

M. DGARM Application:

i. 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 CGST range level.

ii. Utility to view the progressive enhancement of recovery made on the basis of DGARM reports has been introduced.

N. Outreach Activity:

i. ADVAIT - In FY 2023-24, 4 Bootcamps have so far been organised to give hands- on training to CBIC officers on ADVAIT in collaboration with NACIN Delhi, Kochi, Hyderabad and Faridabad. In these 4 bootcamps, a total of 111 officers were made Master Trainers to further train officers in their respective jurisdiction in ADVAIT. Furthermore, 2 ADVAIT Bootcamps are scheduled to be held in NACIN Visakhapatnam and Mumbai in January 2024 and February 2024 respectively.

ii. GST – DG Systems Bengaluru has conducted a number trainings/webinars/town hall meetings to

familiarize the CBIC officers with the usage of the applications being developed in DGS, BZU. With respect to Audit Module, 7 training sessions were conducted in which nearly 2000 officers participated. Further, 3 outreach programs on investigation module were also conducted in Bengaluru, New Delhi and Chennai. A number of webinars also conducted with respect to DSR Adjudication Module also. IA&AS Probationers of Batch-2022 also visited this Office on 22nd September 2023, as part of their field visit. During the field visit the officers were given presentation with respect to the functioning of DG Systems and the applications being rolled out in DG Systems.

iii. ICEGATE –

a) PAHAL sessions are outreach programmes held by ICEGATE on a weekly basis for the trade. Few topics on which PAHAL sessions have been held lately are AD code registration, ICEGATE 2.0 registration, IGCR Forms, SCMTR Registration.

b) Apart from the weekly PAHAL sessions, webinars are conducted for the trade with the launch of new modules.

- More than 10 webinars were held for ECL during April - June 2023.
- At the time of launch of SEZ registration in May 2023, 3-4 webinar sessions were held for GIFT City SEZ units to guide them on obtaining ICEGATE registration.
- At the time of launch of SEZ registration on ICEGATE 2.0 in October 2023, hand holding sessions were held again to guide the user on the new portal.
- Around 5 webinar sessions have been held for ECCS registration to guide the ECCS users to obtain registration on ICEGATE for ECL.

iv. DDM –

a) With an attempt to enhance the capacity of the field officers of the department, DDM successfully conducted 2 outreach programs in collaboration with NACIN Visakhapatnam and Panchkula CGST Zone in the months January-2023 and November-2023 respectively. These workshops covered hands- on training on several finer nuances of revenue reporting on the DDM portal, data gaps that are resulting repeatedly in C&AG paras, useful details about the DIN and RAKSHIT applications.

b) A hands-on training in physical mode was organized in the Directorate of Data Management officers posted in several sections of the Board regarding data analysis with respects to various applications developed and maintained by the Directorate.

O. ECCS: The Express Cargo Clearance System (ECCS), enables automated clearances in the express mode in accordance with the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010. In order to enable express clearances, CBIC has notified 14 International Courier Terminals (ICTs). ECCS is currently operational at 9 locations, viz. Bangalore, Mumbai, Delhi, Ahmedabad, Cochin, Chennai, Jaipur, Kolkata and Hyderabad. As on date, all courier operations across the country are online and there is no manual processing of courier import and exports anywhere.

A few other noteworthy points regarding ECCS are that ECCS has resulted in 100% Paper less clearance and approximately 47000 shipments per day are processed at the 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. ECCS has contributed successfully towards increasing trade volumes, eliminating paperwork and reducing dwell time, resulting in clearance of consignments within few hours. The targets/achievements of the Systems, WZU, Mumbai in ECCS for the financial year 2023 -24 till date, are:

i. Development of New bulk upload functionality: The existing FTP- based system using WinSCP, an open-source application, to allow Couriers to bulk-upload CBEs/CSBs has been replaced by a new module, to address the security concerns.

Status: Completed

ii. ECM closure report: New module has been developed in ECCS to give visibility to Customs officers to update the status of consignments pending clearance and they can manually close the open ECM lines, in case the consignment is cleared or disposed of.

Status: Deployed on 24.04.2023

iii. Set value limits in CBE & CSB: The value for export through courier has been enhanced up to Rs. 10 Lakh rupees, in compliance to the new Foreign Trade Policy.

Status: Deployed on 15.05.2023

iv. Auto LEO for export shipments marked for 'only assessment': The facility of Auto LEO has been extended to the shipments, marked for 'only

assessment' by RMS. Once such shipments are X-ray cleared, LEO is granted automatically.

Status: Deployed on 03.08.2023

v. **Phase II- Review and upgradation of Report Module**: In phase II of Review and upgradation of Report module, the 3 reports have been developed viz: Import Report for ICT, IEC wise report for ICT, Report on imports of Gifts and Samples.

Status: Deployed on 24.07.2023

vi. **Advance assessment for CSB:** This CR has been taken up on CBIC directions to make changes in CSB V to allow advance assessment of CSBs for export in ECCS. This has further reduced dwell time of exports in ECCS.

Status: Deployed on 02.10.2023

vii. **Enhancements in Bond and Transshipment Module:** The existing Bond and Transshipment Module in ECCS in ECCS has been enhanced with regards to payment of the Transshipment fee, the debit and credit of the bond amount and the workflow.

Status: Deployed on 20.11.2023

viii. **View Impact and Modify Query for NCTC:** This module has addressed the issue reported by NCTC, to enable their officers to view the impact of interdictions on the CBEs/CSBs, which have been created.

Status: Deployed on 02.08.2023

ix. **Clearance of CRN – child shipment where the master piece has not arrived**: This module provides an option to the user to amend the ECM/ CBE, such that the master package is deleted from the ECM/CBE and the child package can be made the master package, in cases master piece has not arrived.

Status: Deployed on 03.08.2023

x. **CSB Amendment Module**: In case of amendment of a CSB, the authorized courier may apply for amendment of CSB through CSB amendment module in ECCS to the Jurisdictional Customs Authority.

Status: Deployed on 09.10.2023.

xi. **Insertion of Notification based CCRs in ECCS Import**: As per demand of NCTC, the module has been made to enable NCTC to insert Notification based Compulsory Compliance Requirements (CCR) in imports in ECCS.

Status: Deployed on 30.11.23.

xii. **Modification in functionality of AEO override facilitation:** This module enables NCTC officers to avoid interdicting the AEO clients from their targets. This facilitates the AEO clients.

Status: Deployed on 30.11.2023.

P. System Integration and Security:

i. ISO 20K-1/2018 certification has effectively been acquired for ADVAIT.

ii. ECCS data has been effectively integrated into ADVAIT by reverse engineering mapping process.

Q. INFRANET:

i. **Finalization of new WAN Contract with BSNL:** Since the existing WAN contract is valid till March 2024, the work on new WAN contract with BSNL was carried out and the new comprehensive solution has been finalized with BSNL. BSNL has sent its commercial proposal and the same is under examination of IFU for necessary concurrence. The contract is expected to be finalized in the month of January 2024.

ii. **Request for Proposal (RFP) for IT infrastructure implementation for CBIC:** Since the existing LAN contract is scheduled to expire on 31st December 2023, RFP for onboarding new vendor for implementation of IT infrastructure for CBIC had been floated after the PIB appraisal. Total 3 Bids have been received and the technical evaluation of the same has been concluded. The Commercial Bid opening and its evaluation is expected to be completed in December and the contract will be finalized in the month of January 2024.

iii. **Non-EDI to EDI conversion:** The vertical has taken up the task to convert all non-EDI site to EDI in remote border areas, in a systematic and phased manner. A total of 16 sites out of the total 18 sites have been successfully converted to EDI in Phase-1 and 5 sites out of 16 total sites have been converted to EDI in Phase-2. VSAT connectivity is being commissioned at those sites where no other form of connectivity was available.

iv. **Launch of DG Systems Handbook**: The INFRANET vertical compiled and published the DG system Handbook which contains information of all verticals of DG Systems as well as various utilities and help desk. The book has proved to be a useful tool for the field formations. Till date 2 versions of this handbook have been issued by the vertical.

v. **Operational Awareness Training at various RTIs of NACIN and other field formations:** The INFRANET vertical organized operational awareness training at around 16 RTIs and many other field formations for System Manager, Alternate System Managers, Nodal officers & other CBIC officers wherein the training on fundamentals of different IT Hardware, Cyber Security & recent changes made in various applications were imparted.

R. ICEGATE:

i. Electronic Cash Ledger (ECL): Electronic Cash Ledger was enabled on ICEGATE in April 2023, which allows users to create a virtual account on ICEGATE website to act as mode of payment to pay custom duties online apart from the current modes of payments which are Internet Banking and NEFT/RTGS. Cash ledger is a type of wallet facility on ICEGATE website to credit funds in the virtual account of the registered trade user and use for custom duty payments.

ii. SEZ Registration: Registration facility for SEZ Units has been enabled on the new ICEGATE portal in order to support the migration of custom processes in SEZ to customs automated system. Through this facility, SEZ units can submit the registration request on ICEGATE Portal after providing the required details. After the approval of SEZ officers on ICEGATE Portal and successful system validation, SEZ units shall receive ICEGATE credentials, warehouse code and bond number.

iii. Bill of Entry Filing services for SEZ: Bill of entry filing services provided to registered users with the role of IEC or custom broker has been extended to SEZ units as well, through which they can file SEZ type bill of entry with further classification of Z - Type, and T- Type. With the addition of SEZ Type Bill of Entry, bill of entry message format remains same, but the structure validations of the message based on the Z, and T Type changes has been implemented at ICEGATE.

iv. Self-help portal: Self- help portal has been provided on ICEGATE where registered user can do ticket logging. Users can log tickets by choosing the relevant categories, thus reducing manual selection from helpdesk personnel. All the tickets of the registered user are available at a single place post-login and where user can track the status of the tickets previously logged by them.

v. ICEGATE 2.0 Registration: The new registration module of ICEGATE has been made live in November 2023 which aims at simplifying the overall process of registration at ICEGATE for accessing ICEGATE dashboard and availing the services therein.During the process, a few key details such as GSTIN, PAN etc. are validated online and users will be required to provide minimal details for obtaining the registration. Once the process is completed, the users are provided with a system generated credentials (ICEGATE ID and password) for accessing the ICEGATE dashboard.

vi. ECCS Registration for ECL: Registration functionality for authorized couriers in the Express Cargo Clearance System (ECCS) has been enabled on ICEGATE so that they can get themselves registered in ICEGATE portal to avail the facility of Electronic Cash Ledger (ECL). Through this facility, authorized couriers in ECCS can submit the registration request on ICEGATE Portal after providing the requisite details. After the approval by ECCS admin officers on ICEGATE Portal and successful system validation, authorized couriers in ECCS shall receive ICEGATE credentials to access the ICEGATE website.

vii. Onboarding Banks for e-payment: Onboarding of 16 public sector and private sector banks has been successfully done for customs duty payment through secure API based platform through Internet Banking, NEFT/ RTGS and ECL modes of payment. The banks onboarded are – Bank of India, South Indian Bank, Karur Vysya Bank, Canara Bank, Dhan Laxmi Bank, Karnataka Bank, Punjab National Bank, ICICI Bank, SBI, Bank of Baroda, Federal Bank, Indian Overseas Bank, HDFC Bank, AXIS Bank, IDBI Bank and Kotak Mahindra Bank.

viii. Search functionality: Search functionality has been provided on ICEGATE portal as a search engine for users with advanced full text search capabilities. The search engine is used to search for requests within the portal.

ix. IGCR Forms: IGCR (Import of Goods at Concessional Rate of duty) forms have been enabled on ICEGATE for users to declare the intimation of goods imported at concessional rate of duty. The module generates a unique IIN (IGCR Identification Number) for a financial year to be amended as per the imports done by the user. A continuity bond can be requested, topped up, and associated with BG as per the user's requirement. A facility is provided to the importer to file the monthly returns online via Webform or excel utility (in case of large volume of data) IGCR Forms 1 and 2 were launched in March 2023

and IGCR Forms 3 and 3A were launched in July 2023 for filing of IGCR returns.

a) Migration of Modules from ICEGATE 1.0 to ICEGATE 2.0: Modules were migrated from ICEGATE 1.0 to ICEGATE 2.0 and some of the major modules were:

- Service centre messages
- Enquiry services
- Anonymised Escalation Mechanism (AEM)
- Messaging infrastructure – 68 messages which are exchanged with external entities
- API integration with ULIP
- API integration with DGFT
- API integration with PCS
- Container scanner module

b) Proposed launch by March 2024:

- SEZ to SEZ goods movement: Provision for SEZ-to-SEZ Goods movement is to be enabled on ICEGATE. Under this functionality, Intra SEZ movement i.e., Transfer of goods within a SEZ and Inter SEZ movement i.e., Transfer of goods from one SEZ to another SEZ shall be enabled on ICEGATE for registered SEZ units.
- SEZ DTA procurement: A functionality is to be enabled on ICEGATE for SEZ units to procure goods from a domestic tariff area (DTA) supplier. Under the DTA procurement module through ICEGATE, the registered SEZ Units shall be able to submit provide details of goods procured from DTA through DTA procurement module where no customs or exports benefits are being claimed and no bill of export is being filed.
- SWIFT 2.0 – Single sign on and unified dashboard: SWIFT 2.0 is envisaged on ICEGATE to enhance the ease of doing business with key features like single sign on facility and unified dashboard facilities. Single sign on facility is envisaged on ICEGATE portal which shall become the sole touch point of the trade and multiple agencies including customs as well as other partner government agencies (PGAs). The purpose of unified dashboard is to create a single view for traders to access all actionable information pertaining to functions available on ICEGATE portal for the trade.
- Exchange Rate Automation: Provision is to be given on ICEGATE to enable secure automatic updating of exchange rates in the Indian Customs EDI Systems (ICES) for the exchange rates as received from SBI via API based integration. The rate of exchange of conversion of each of the foreign currencies into Indian currency or vice versa to be made available to public for transparency on the ICEGATE and CBIC website. Using this, any third-party organization can also consume the API and fetch the exchange rates as approved in customs on real time basis.
- API Integration with GSTN: API Integration with GSTN is planned to be implemented on ICEGATE for sharing certain data i.e. risky exporter data, disbursement data and for bill of entry error handling at ICEGATE.
- SEZ Registration Amendment: The SEZ units are to be provided functionality for filing requests for amendment on ICEGATE once their SEZ registration is successfully completed. Under this module, the registered SEZ Units shall be able to make requests for amendment of their details like LOA and other permissible fields once the initial SEZ registration request and previous SEZ registration amendment request (if any) has been completed.
- Warehouse licensing code application: Warehouse licensing application is to be enabled to allow customs warehouses (public warehouse, private warehouse, or special warehouse) to obtain license by making online requests on ICEGATE.
- Warehouse to warehouse transfer: A facility for warehouse-to-warehouse transfer of goods through ICEGATE is to be provided to automate the transactions & procedures undertaken by different stakeholders for the movement & handling of goods kept in customs bonded warehouses i.e., public warehouse, private warehouse etc.

- ICEGATE 2.0 (Phase 2 and 3)
  - ICEGATE mobile based application
  - API integration with external stakeholders (custodians, Ministry of Shipping, Director General of Commercial Intelligence and Statistics, Directorate of Valuation, Centre for Railway Information Systems etc)- subject to the readiness of the other agencies.
  - Reports (Part 2)
  - Chatbot (Part 2)

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

i. Infrastructure development:

a) An additional area of 5000 sq ft. has been acquired by the DDM at 3rd floor C-Wing of Pushpa Bhawan to accommodate some verticals of DG Systems, that are, at present, located in Hotel Samrat, New Delhi.

b) Two high mast lights have been installed at the main entry gate of the Pushpa Bhawan to ensure the safety of employees, especially women employees accessing the campus;

c) The green cover of the campus has been considerably augmented and spruced up with plantation drives undertaken from time to time;

ii. Swachhta Abhiyaan:

a) School bags were distributed among the government school students.

b) Parks in the office campus were cleaned by the officers and staff of DDM

iii. Hosting of Hackathon: The DDM successfully hosted the 2nd HACKATHON event on 24th & 25th May 2023 organised by the Adwait/ EDW vertical of DG Systems.

II. Initiatives taken with reference to the development of North– Eastern Region and Sikkim including projects/schemes in operation and actual expenditure thereon: Eight non-EDI Customs locations in North-East (NE) region have been enabled on the Indian Customs EDI System.

III. Inputs on E-Governance activities: The initiatives/projects of the ICES application are aimed at supporting e- Governance initiatives through the use of technology and promoting trade facilitation. The following modules/functionalities were implemented the fiscal year 2023-24:

i. Release of Bond and Bank Guarantee(s) registered under IGCR with IIN during FY 2022-23: The functionality to re-credit the bond and bank guarantee under IGCR (Import of Goods under Concessional Rate of Duty) is live from 09.08.2023 towards. Customs Notification No. 32/1997 dated 01.04.1997 for jobbing has been implemented in System under IGCR. Continuity IGCR bond is required to be executed by the importer while claiming aforesaid jobbing notification in the bill of entry.

ii. Implementation of Electronic Cash Ledger (ECL) in Customs w.e.f. 01.04.2023: Electronic Cash Ledger has been implemented in the System in terms with Board's Circular No. 09/2023-Customs dated 30.03.2023 and Customs (Electronic Cash Ledger) Regulations, 2022 (ECLR) notified vide No. 20/2022-Customs (N.T) dt.30.03.2023. With effect from 1st April 2023, the process of payment and integration of challans through ECL in the Customs EDI System in respect of bills of entry, shipping bills, unaccompanied baggage declarations etc. has been implemented.

iii. Changes introduced vide Finance Act 2023 in the Customs Tariff w.e.f. 01.05.2023: Certain new tariff lines were introduced in the Customs Tariff Act and certain existing tariff lines were replaced or omitted w.e.f. 1st May 2023 vide Finance Act, 2023. These changes have been implemented in the System to accept the valid CTHs with effect from 01.05.2023. Consequent upon the above changes in tariff headings, the amending notifications issued by TRU have also been updated in the System.

iv. Faceless Assessment – Re-organisation of National Assessment Centres and Faceless Assessment Groups: Certain Systems related changes have been made to NAC structure and re- organisation of FAGs in Faceless Assessment (FA) in terms of Board Circular No. 13/2023-Customs dated 31.05.2023.

v. Implementation of Customs Notification No. 02/2023- Compensation Cess (Rate) dated 31.03.2023 amending Notification 01/2017 Compensation Cess (Rate) dated 28.06.2017 in System: Necessary changes have been made in the system for filing declarations for the subject notification and calculation of compensation cess as a percentage of Retail Sale Price (RSP) per unit.

vi. Functionality in ICES for MEIS /reward flag amendment post EGM: Earlier, the system design did not allow any amendment in export declarations post filing of EGM. Now an option has been added "Post EGM MEIS/Reward amendment" under AC Role in ICES. Using this option, system will allow officer to amend MEIS/ reward scheme flag from N to Y, and will enable the SB to be transmitted to DGFT for issue of MEIS.

vii. Improvements in SWIFT - Integration of ICEGATE with AQCS-ICS (Animal Quarantine and Certification Services-Import Clearance System): To enhance the ambit of paperless processing and to facilitate risk-based inspection, improvements in SWIFT - Integration of ICEGATE with AQCS- ICS have been made in terms of CBIC circular 24/2022- Customs dated 28.11.2022.

viii. Functionality added in ICES 1.5 for filing Ex bond Shipping Bill: A functionality has been added in ICES 1.5 to file an ex-bond Shipping Bill for processing of export of warehoused goods from a bonded warehouse.

ix. Implementation of CAVR Order 01/2023 for Linear Alkyl Benzene: CBIC has specified Linear Alkyl Benzene falling under HS Code 38170011 as identified goods under Rule 10 of the said rules with the certain specifications, in terms with CAVR Order No. 01/ 2023-Customs dated 18.09.2023. Accordingly, necessary changes have been made in the system with following details: (i) Unique quantity code of kilogram (KG) has been made mandatory while filing BE by the importer for CTH 38170011 i.e. Linear Alkyl Benzene.

x. Mandatory additional qualifiers in export-import declaration in respects of certain products:

a) To implement the Board's Circular 15/2023-Customs dated 07.06.2023 and Circular 18/ 2023- Customs dated 30.06.2023 necessary changes have been done in the System. Now, the system has enabled to capture an alpha numeric code identifier for Chapters 12, 30 and 84 of the Customs Tariff Act, 1975, at the item level in the shipping bill w.e.f. 01.10.2023. Accordingly, the exporters are mandatorily required to declare respective alpha numeric code under info_code at item level in the Shipping Bill for the specified CTHs.

b) To implement the Board's Circular 15/2023-Customs dated 07.06.2023, Circular 18/ 2023- Customs dated 30.06.2023 and Circular 23/2023- Customs dated 30.09.2023 necessary changes have been done in the system. The system has enabled to capture an alpha numeric code identifier for commodities imported under Chapters 28, 29, 32, heading 3808 and chapter 39 of the Customs Tariff Act, 1975, at the item level in the bill of entry filed in the EDI System w.e.f. 15th October 2023. Accordingly, for identifying the chemical category, the importers are mandatorily required to declare one of the chemical categories for those identified CTHs under the Single Window tables (SBE_ITEM_SW_INFO_TYPE and SBE_ITEM_SW_CONST) of the bill of entry at item level.

c) To facilitate the trade (for importers), a functionality has been enabled in ICES wherein customs officer at the time of assessment can enter additional qualifiers on the basis of information provided by importer in response to a query, In case any importer failed to mention the additional qualifier while filing the bill of entry.

xi. Check introduced for the Shipping Bill in reference to Nature of Contract: Systems has introduced a check for shipping bills that wherever "Nature of Contract" for invoice is declared as CIF, unit value at item level for that invoice would be treated as inclusive of freight and invoice, and system would calculate correct FOB value.

xii. Trade facilitation measure for restoring of purged Shipping Bills: A new role (XFR_ACT) has been introduced in ICES which will enable restoration of purged shipping bill where LEO had been granted, and has been later cancelled.

xiii. New functionality in ICES for e-Scrip Refund arising out of reassessment: A trade facilitation measure has been provided to the importers i.e. refund for excess duty paid through scrips arising out of reassessment. The customs officer needs to enter the BE No., BE Date, Scrip No., Scrip Date, Port of License registration and the amount will be recredited to the e-scrip of the importer. However, this option would not be applicable where the IEC code in the Bill of Entry is different from the IEC in the e-Scrip at present. This situation will arise where e-Scrip had been sold to another importer, after using the same for the payment of BCD in the Bill of Entry for which

refund is being sought. This is only for past cases from 1st January 2022. For future cases, the refund is automatic without officer interface.

xiv. GSTIN Amendment in the Bill of Entry After OOC: A trade facilitation measure has been provided to the importers and customs officer can now amend GSTIN for a bill of entry after out of charge, provided the PAN no. remains the same. The amendment in GSTIN can be carried out only once. If the same is being done more than once, the system will flash the message "GSTIN Id has already been amended once. No amendment in GSTIN Id is possible now".

xv. Provision for filing of BE with details of CVD Levy Notification: CVD levy notification details can be declared in bill of entry, and necessary changes have been made in the system.

xvi. Implementation of CAVR Order 02/2023 for Stainless Steel of J3 grade: Vide CAVR Order No. 02/2023-Customs dated 15.11.2023, Central Board of Indirect Taxes and Customs has specified Stainless Steel of J3 grade falling under HS Code 72191200, 72191300, 72191400, 72192390, 72193290, 72193390, 72193490, 72193590, 72199012, 72199013, 72199090, 72202029, 72202090, 72209022, 72209029 & 72209090 as identified goods under Rule 10 of the said Rules with the certain specifications. Accordingly, necessary changes have been made in the system with following details: (i) Unique quantity code of kilogram (KG) has been made mandatory while filing BE by the importer for above mentioned CTH (ii) Grade of Stainless Steel must be mentioned in the bill of entry.

xvii. Conversion of non-EDI customs locations to EDI: During this year fifteen (15) non-EDI locations have been brought onto the EDI platform.

xviii. Custom Automated System on SEZ location: Customs Automated Systems has been operationalized at GIFT City SEZ w.e.f 15th May, 2023. Bill of entry for import of goods are being filed on ICES for cargo imported at GIFT City SEZ. Different types of bills of entry have been developed in ICES for imports from FTA to SEZ (Z type BE), and for DTA clearance (T type BE for traded goods and M type BE for manufactured goods). At GIFT SEZ, "Z", "T" and "M" type Bills of entry i.e. pertaining to movement of goods from FTA into SEZ and from SEZ as such to DTA respectively, have been made operational. The module is also under UAT at MEPZ multi product SEZ at Chennai.

xix. Electronic Origin Data Exchange Systems (EODES)- Electronic country of origin certificate: System has been enabled to receive electronic Country of Origin Certificate from the Republic of Korea under India-Korea Comprehensive Economic Partnership Agreement and CBIC Notification no. 187/2009- Customs (N.T.) dated 31.12.2009.

In addition to the foregoing, the following projections are made for the remaining period until March:

Conversion of non-EDI customs locations to EDI: Efforts to convert more non-EDI customs locations to EDI are ongoing at LCS locations in the North East.

Roll out of custom automated system at SEZ location: Additional SEZ sites as decided by Ministry of Commerce, particularly free trade warehousing SEZ (FTWZ) would be operationalized on the custom automated system.

A separate report outlining the policy decisions and activities, overlapping with point (iii), undertaken for the benefit of Persons with Disabilities, along with total budget provision earmarked under various schemes and the amount released and utilized**:**

ICES Advisories issued on policy decisions for activities listed in 2(ix) are as follows:

i. ICES Advisory No. 03/2023 dated 01.03.2023 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.

ii. ICES Advisory No. 05/2023 dated 27.03.2023 issued for system changes relating to Capturing additional declarations in the Bill of Entry filed w.e.f. 1st April 2023 for the two CTHs pertaining to telecom equipment viz. 85176290 and 85176990 in accordance with Board Circular No. 08/2023 dated 13.03.2023.

iii. ICES Advisory No. 06/2023 dated 01.04.2023 on Implementation of Board's Circular No. 09/2023-Customs dated 30.03.2023 and Customs (Electronic Cash Ledger) Regulations, 2022 (ECLR) notified vide No. 20/2022-Customs (N.T) dt.30.03.2022.

iv. ICES Advisory No. 09/2023 dated 30.04.2023 for changes introduced by Finance Act 2023 in the Customs Tariff effective 01.05.2023 in accordance with Finance Act 2023.

v. ICES Advisory No. 11/2023 dated 15.06.2023 issued on Faceless Assessment – Re-organization of National Assessment Centers and Faceless Assessment Groups, in accordance with Board Circular No. 13/2023- Customs dated 31.05.2023.

vi. ICES Advisory No. 12/2023 dated 08.06.2023 on Implementation of Customs Notification No. 02/2023- Compensation Cess (Rate) dated 31.03.2023 amending Notification 01/2017 Compensation Cess (Rate) dated 28.06.2017 in System on calculation of compensation cess as a percentage of Retail Sale Price (RSP) per unit.

vii. ICES Advisory No. 17/2023 dated 16.09.2023 issued on Improvements in SWIFT - Integration of ICEGATE with AQCS-ICS (Animal Quarantine and Certification Services-Import Clearance System) in accordance with Board Circular No. CBIC circular 24/2022- Customs dated 28.11.2022.

viii. ICES Advisory No. 19/2023 dated 27.09.2023 issued on Implementation of CAVR Order 01/2023 for Linear Alkyl Benzene in accordance with CAVR Order No. 01/2023-Customs dated 18.09.2023 issued by Board wherein Central Board of Indirect Taxes.

ix. ICES Advisory No. 20/2023 dated 27.09.2023 issued on Mandatory additional qualifiers in export declaration in respects of certain products, in accordance with Board Circular No. 15/2023-Customs dated 07.06.2023 and Circular 18/2023-Customs dated 30.06.2023.

x. ICES Advisory No. 22/2023 dated 16.10.2023 issued on Mandatory additional qualifiers in export declaration in respects of certain products, in accordance with Board's Circular 15/2023-Customs dated 07.06.2023, Circular 18/2023-Customs dated 30.06.2023 and Circular 23/2023-Customs dated 30.09.2023

xi. ICES Advisory No. 29/2023 dated 29.11.2023 issued on Implementation of CAVR Order 02/2023 for Stainless Steel of J3 grade, in accordance with CAVR Order No. 02/2023-Customs dated 15.11.2023 issued by Board wherein Central Board of Indirect Taxes and Customs.

3.16 DIRECTORATE OF LEGAL AFFAIRS (DLA)

A. The performance and achievements under the key/flagship programmes being implemented during the year:

a) SAADHIT: Quarterly targets are set for the Key Result Areas and efforts are being made to achieve the set targets. Accordingly, outcome of the Quarterly SAADHIT target report is being made and forwarded to the Directorate General of Performance Management.

b) Indirect Tax Internship Scheme: The Indirect Tax Internship Scheme was first introduced in CBIC in FY 2021-22. The Directorate of Legal Affairs was entrusted with the responsibility to operationalize the scheme. During the financial year 2023- 24, 12 Law Graduates and 24 Law Students successfully completed their internship under the scheme.

c) Examination of orders of High Court & CESTAT- A monthly monitoring report in respect of the filing of appeals in CESTAT & High Court is being maintained to keep a track on the performance of all the zones under CBIC.

B. **Mechanism put in place to measure development outcomes of major schemes/ programmes implemented through the Department/ Division:** LIMBS (Legal Information Management & Briefing System) a complete web based litigation monitoring application is designed and being implemented by Department of Law, Ministry of Law & Justice, in various ministries including Ministry of Finance. Directorate of Legal Affairs (DLA) is the nodal agency of CBIC for monitoring the cases. The cases of Hon'ble Supreme Court are entered in LIMBS and updated regularly. Further, as a result of active persuasion, 98.80% of High Court cases are updated with CNR and 100% of CESTAT cases are updated via API, as on date.

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 noticed. 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 where 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

Current Organizational Structure of Directorate is depicted as under-

(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 hierarchy of executive wing in the Directorate is represented as under:

4.2.3.6 The offices of the Directorate of Enforcement located all over India ensures that the money laundering offences are investigated in an effective manner and it also acts as deterrence for the potential offenders.

4.2.3.7 Considering the strategic importance of North-East Region, Directorate of Enforcement has strengthened its presence and intensified anti-money laundering activities including cross border financial crimes, international hawala, terror financing and drugs trafficking. The Directorate has set up offices in all the seven sisters of North-East (07 states under North-Eastern Region).

4.2.4 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 <u>or claiming</u> 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 Convention and Article 6(1) of the Palermo Convention.

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 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.

4.2.5.3 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, the Adjudicating Authority decides after hearing all parties that the property is involved in money-laundering or not. The attachment/freezing order 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, when confirmed by the Adjudicating Authority. 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.

4.2.5.4 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.

4.2.5.5 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 period from 01.01.2023 to 31.03.2024, the Directorate has taken up investigations under the provisions of PMLA in 1237 cases.

4.2.8.2 During the period from 01.01.2023 to 31.03.2024, the Directorate has attached proceeds of crime with the aggregate value of Rs. 16333.74 crore (approx.) by issuance of 408 Provisional Attachment Orders taking total attachment of the Proceeds of Crime to Rs. 1,26,779.63 crore by issuance of 2282 Provisional Attachment Orders as on date. The Adjudicating Authority has confirmed attachment of properties worth Rs. 11,236.81 crore during the period from 01.01.2023 to 31.03.2024. Thus, total amount of confirmed attached properties is Rs. 84,257.90 crore as on 31.03.2024.

4.2.8.3 During the period from 01.01.2023 to 31.03.2024, 436 Prosecution Complaints including 118 Supplementary PCs have been filed under the provisions of the PMLA. Total numbers of Prosecution Complaints filed under PMLA is 1653 including 306 Supplementary Prosecution Complaints till 31.03.2024.

4.2.8.4 During the period from 01.01.2023 to 31.03.2024, the Special Court, PMLA has ordered for confiscation of properties amounting to Rs. 9.64 crore (approx.) and imposed a cumulative fine of Rs. 13.40 lakh (approx.) on the accused. Further, the total confiscation amount under PMLA, as on date is Rs. 15,710.96 crore (approx.).

4.2.8.5 During the period from 01.01.2023 to 31.03.2024, the Directorate has secured 13 conviction orders in which 27 accused have been convicted by the Special Court PMLA. Further, it is informed that till 31.03.2024 the Directorate has secured 35 conviction orders wherein 63 accused have been convicted.

4.2.9 Performance of Directorate of Enforcement in the area of FEMA

During the period from 01.01.2023 to 31.03.2024, the Directorate has initiated investigation in total number of 3727 cases under the provisions of Foreign Exchange Management Act, 1999 (FEMA). A total number of 358 Show Cause Notice have been issued and 402 cases have been adjudicated during the period. Further, penalty of Rs. 11272 crore (approx.) has also been imposed and penalty amounting to Rs. 159.76 crore (approx.) has been realized during the period.

4.2.10 Performance of Directorate of Enforcement in the area of FEOA

During the period from 01.01.2023 to 31.03.2024, this Directorate has filed applications under FEOA against 03 persons, out of which 02 persons namely Mr. Ramanujam Sesarathnam & Mr. Sudarsan Venkataraman have been declared as Fugitive Economic Offenders by the Competent Court. As on 31st March, 2024, ED has filed applications under FEOA against 19 persons, out of which 12 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. 906.75 crore belonging to FEOs. 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 followed by the Directorate regularly.

4.2.11 Performance of Directorate of Enforcement in the area of Extradition and Red Notice

During the period from 01.01.2023 to 31.03.2024, the Directorate of Enforcement has made requests for

publishing of Red Notice in respect of 05 persons. Also, 03 Red Notice have been published during this period. Till date, the Directorate of Enforcement has made requests for publishing of Red Notice in respect of 46 persons, out of which Red Notice has been published in respect of 24 persons. Further, a total of 04 Extradition requests have been sent to various countries. A total of 43 Extradition requests have been sent to various countries in respect of 34 individuals.

ED is working tirelessly to extradite the fugitive economic offenders and other accused 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 and other accused. 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 been defrauded by the offenders. 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. Till date, assets worth Rs. 19312.20 crore have been attached under the provisions of Prevention of Money Laundering Act, 2002. Out of this, assets worth Rs. 15184.19 Crore have been restituted to the Public Sector Banks. In addition, assets worth Rs. 692.90 Crore have been confiscated to Government of India. As on date, 85.50% of the total defrauded funds have been attached/ seized and 67.22% of total loss to the banks has been handed over to Banks/Confiscated to GOI. Further, in NSEL fraud case, refund of full amount of investment to 8433 investors out of 13000 investors has been made by restitution of Rs. 1,220 crore. In this case, total proceeds of crime is Rs. 5600 crore out of which PoC of Rs. 3,254.60 crore stands attached. Therefore, a total assets of Rs.16,404.19 crore have been restituted to their legitimate owners.

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. 1272.52 Crore (approx.). Out of the identified PoC, assets amounting to Rs. 1113 crore (approx.) have been attached by this Directorate. The attached properties include both movable and immovable properties of Rs. 910 crore (approx.) in India and Rs. 203 crore (approx.) in abroad. In one of the case, the accused has been declared as Fugitive Economic Offender and the properties worth Rs. 97.99 Crore have been confiscated under the provisions of Fugitive Economic Offenders Act, 2018 (FEOA). A total of 49 prosecution complaints (Charge-sheets) including 15 Supplementary PCs have been filed under the Prevention of Money Laundering Act, 2002 and 09 accused have been convicted in 04 cases by PMLA Special Court. Further, 13 accused have been declared Proclaimed Offender and 03 accused have been declared Fugitive Economic Offender 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 31.03.2024, PoC amounting to Rs. 18 crore (approx.) has been identified in Naxal/LWE related cases out of which, PoC amounting to Rs. 10.71 crore stands attached in 16 different PAOs. Further, 13 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) Stringent action in money laundering cases related to NDPS

In NDPS related cases, as on 31.03.2024, Proceeds of Crime (PoC) amounting to Rs. 1267.15 crore has been identified and attached by issuing 66 PAOs. Total 45 Prosecution Complaints including 10 supplementary Prosecution Complaints have been filed before Special Court PMLA resulting in conviction in 06 cases convicting 11 accused persons. Further, 03 accused have been declared as Fugitive Economic Offender under the Fugitive Economic Offenders Act, 2018 and 10 accused have been declared Proclaimed Offender 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 31.03.2024, investigation has been initiated in 77 Cyber Crime & Crypto Assets related cases which led to identification and attachment/ seizure/freezing of proceeds of crime amounting to Rs. 2768 crore (approx.). Total 31 Prosecution Complaints have been filed which are at different stages of trial before Special Court PMLA. This has resulted in conviction in 01 case convicting 01 accused person. The action taken by ED is not limited to PMLA but alternate measures under FEMA have also been explored by ED to curb the fraudsters and assets amounting to Rs. 270.17 crore has been seized under section 37A of FEMA.

(iii) Cases related to Bank fraud:

Effective investigation by the Directorate of Enforcement has been a deterrence against future systemic bank frauds which has been reinforced by expeditious investigation in several bank fraud cases including YES Bank, PMC Bank, ICICI Bank, DHFL. In these cases, as on 31.03.2024, the Directorate of Enforcement has initiated investigation in 1157 cases which led to identification & attachment/freezing/seizure of proceeds of crime amounting to Rs. 65279 crore (approx.) under PMLA by way of issuing 473 PAOs/seizure/freezing order. Further, 174 persons have been arrested and a total 314 Prosecution Complaints including 70 Supplementary PCs have been filed which are at different stages of trial. Also, 08 accused have been convicted by the Special Court, PMLA. Furthermore, 08 accused have been declared as Fugitive Economic Offender under the Fugitive Economic Offenders Act, 2018 and 12 accused have been declared Proclaimed Offender by the Special Court.

(iv) 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 a short time span. 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.

In one such case related to the acquisition of big parcels of land including land in possession / occupation of military/ defence by few influential persons in connivance with the officials of land registration and revenue departments, Ranchi, Jharkhand and other private persons, investigations of ED revealed that fraudsters in connivance with the top bureaucrats and politicians used to alter records in Registrar of Assurances (Records), Kolkata & Circle offices of Jharkhand. In the case documents related to land year 1932 was found to be forged. Searches & Surveys have been conducted to gather evidences. In this case so far proceeds of crime amounting to Rs. 3000 crore (approx.) have been identified, out of which Rs. 263 crore have been attached under the provisions of PMLA. Further, 16 persons including 03 Government officials have been arrested in this case. Role of a high profile political leader of Jharkhand is also under investigation in this case as investigations reveals that a land piece of 8.5 acres market value of which is around Rs. 100 crore has been acquired in his name which has been attached and Prosecution Complaint has been filed. Further, after action by ED in the case similar complaints have been received from various persons which revealed that around 1800 acres of land was dealt in similar fashion.

Further, in the case of Mahadev Online Book Betting APP, investigation by ED revealed that it is an umbrella syndicate arranging online platforms for enabling illegal betting websites to enrol new Users, create User IDs and laundering of money through a layered web of benami Bank accounts. ED has recently conducted wide spread searches against the money laundering networks linked with Mahadev APP in Kolkata, Bhopal, Mumbai etc. and retrieved large amount of incriminating evidences and has frozen/seized proceeds of crime worth Rs. 1764.5 Crore. 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.

4.3 Financial Intelligence Unit – India (FIU-IND)

4.3.1 Financial Intelligence Unit, India (FIU-IND) is the central, national agency responsible for receiving, processing, analysing and disseminating information relating to suspicious financial transactions to enforcement agencies and foreign FIUs. FIU-IND is also responsible for coordinating and strengthening efforts of national and international intelligence, investigation and enforcement agencies in pursuing the global efforts against money laundering and financing of terrorism & proliferation. This year FIU-IND has expanded RE domain by including DNFPBs (Real estate, Gems & Jewellery, VASPs and TCSPs).

4.3.2 Virtual Digital Asset Sector:

Vide Notification F.No. P-12011/12/2022-ES Cell-DOR dated 07.03.2023 Virtual Digital Asset Service Providers (VDA SPs), the entities involved in crypto currency transactions, have been brought under the ambit of PMLA. FIU-IND has been made regulator for Virtual Digital Asset Sector for the purpose of AML/CFT/CPF. FIU-IND has issued detailed guidelines and taken necessary action to register VASPs as REs, as on date more than 28 VDA SPs involved in one or more of the activities have registered with FIU India which includes all kinds of services like Crypto Exchanges, Crypto brokers, liquidity providers etc.

FIU-IND has been proactively engaging with the Virtual Digital Asset Service Providers to make them understand the risk associated with sector and to put in place necessary mitigation measures against Anti Money Laundering and Terror Financing. On the basis of STRs filed by VASPs, FIU India has further developed operational analysis involving various issues like cyber crime, VPN Login based mule accounts, terror financing, child sexual abuse material etc. and shared them with various law enforcement and intelligence agencies.

4.3.3 Information Technology and Management System:

FIU-IND has successfully upgraded Financial Intelligence Network from FINnet 1.0 to FINnet 2.0. The FINnet2.0 is one of the pioneer IT systems of its kind that provides end-to-end solution to all the information technology needs of FIU-IND, including receiving, analyzing and disseminating information, and provides a two-way electronic communications system between the FIU and the reporting entities (Fingate2.0) on the one hand, and the FIU and the enforcement agencies (FINnex2.0) on the other, through a secure network.

FINnet2.0 has API based external data integration with online continuous live databases access from various external sources like GSTN, CBDT, MCA, NSDL, CDSL, NPCI, etc. for data validation and data enrichment. FIU-IND has introduced dynamic risk rule model to identify and disseminate intelligence about high risk transactions promptly. The roll out of FINnet 2.0 has simplified and broadened the scope of interaction with LEAs/IAs.

4.3.4 International Cooperation and Coordination:

Financial Intelligence Unit-India (FIU-IND) is a member of Egmont Group since 2007. **The Egmont Group is a united body of 174 Financial Intelligence Units (FIUs) which** provides FIUs with a platform to securely exchange expertise and financial intelligence to combat money laundering, terrorist financing (ML/TF), and associated predicate offences. In FY 2023-24, FIU-IND secured and maintained key leadership positions in Egmont Group.

FIU-IND has signed 50 Memorandum of Understanding with counterpart FIUs for the enhanced cooperation in relation to information exchange in matters related to money laundering, terrorist financing and associated predicate offences. The latest MoU was signed with FIU-Oman in F.Y. 2023-24.

4.4 Economic Security (ES)

4.4.1 Economic Security Cell deals in coordination work relating to investigation and enforcement agencies; it deals in implementation of recommendations made by the Group of Ministers/various Committees etc. relating to economic security matters, matters relating to foreign organizations such as Asia/Pacific Group on Money Laundering, EGMONT Group etc. It also deals in administration/amendments of Prevention of Money Laundering Act. In addition, the organizations shown below are administratively controlled by ES Cell:

(i) Adjudicating Authority under the Prevention of Money-laundering Act.

(ii) Financial Intelligence Unit-India

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-India (FIU-IND)].

4.4.3 The rules under the Prevention of Money-laundering Act, 2002 i.e. the Prevention of Money-laundering (Maintenance of Records) Rules, 2005 was amended two times during the Financial Year 2023-24. The Prevention of Money-laundering (Maintenance of Records) Rules, 2005 was amended making the rules as per the recommendation of Financial Action Task Force.

4.4.4 Notification under section 11A of the Prevention of Money-laundering Act, 2002: During the Financial Year 2023-24 through notifications dated 06.09.2023, 08.12.2023, 16.01.2024 and 28.02.2024, total 17 entities of the Reserve Bank of India were notified and also through notification dated 20.02.2024, 24 entities of the Securities and Exchange Board of India were notified under Section 11A of the Prevention of Money-laundering Act, 2002 for taking Aadhaar authentication facility.

4.4.5 Adjudicating Authority under Prevention of Money Laundering Act, 2002

4.4.5.1 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.

4.4.5.2 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/grant 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.

4.4.5.3 The Adjudicating Authority consists of a chairperson and two Members. The post of Chairperson and Members are tenure post. The Adjudicating Authority received 292 nos. of Original Complaints (OCs) till March 2024. In addition, 348 nos. of Original Application (OAs) for retention of seized documents from Directorate of Enforcement were received till March 2024. Final orders in Original Complaint and Original Application have been pronounced in 550 nos. of cases (as against 519 cases last year) except 182 nos. of cases where the Hon'ble courts granted stay in respect of Provisional Attachment orders/ Original applications submitted 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. The current round of Mutual Evaluation of India has begun from May 2023 based on the revised standards of FATF (40 recommendations and 11 Immediate outcomes). As a part of ongoing Mutual Evaluation, the On-site visit of the FATF Assessment team for Mutual Evaluation of India took place in November, 2023.

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 2023, 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. FATF cell worked was instrumental in bringing Virtual Asset Service Providers (VASPs), Company Secretaries, Charted Accountants, and Trust & Company Service Providers under the ambit of AML/CFT supervision, and for their notification as reporting entities for FIU-IND. FATF Cell coordinated with all relevant organisations to develop and release the National AML/CFT Policy. Officers from FATF Cell attend FCORD meetings for coordination on Counter Financing of Terrorism (CFT), as well as CT dialogue.

xiv. The Plenary and Working Group meetings of FATF, EAG, APG are now being conducted in physical format and Indian delegation has been attending the same. The February 2023 FATF Plenary was held in Paris, France and was attended by a ten (10) member delegation from India whereas the June and October 2023 FATF Plenaries, which were held in Paris, each were attended by a 11 member delegation from India.

xv. The FATF Cell, Department of Revenue hosted the Joint Expert Meeting of FATF, from 3rd to 6th April 2023 in New Delhi and the same was attended by the delegations from FATF member countries. The FATF Cell also hosted the Asia/ Pacific Group on Money Laundering Typologies Workshop from 28th November to 1st December, 2023 in New Delhi which was attended by delegations from APG member countries.

4.6 Narcotics Control (NC)

4.6.1 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. The policy decisions of the Narcotics Control including the provisions of NDPS Act, 1985, inter-alia are implemented through two subordinate offices namely (i) Central Bureau of Narcotics (CBN) and (ii) Office of the Chief Controller of Factories, Government Opium and Alkaolids Factories (GOAF).

Some Policy decisions taken by Narcotics Control Division during the year 2023-24 are as under:

i. In the annual opium policy for the crop year 2023-24 issued under Rule 8 of the NDPS Rules, 1985, the conditions for grant of license were relaxed to give relief to opium cultivators who were de-licensed for various reasons. As a result, approximately 1.12 lakh farmers in the three states of Madhya Pradesh, Rajasthan and Uttar Pradesh became eligible. A significant focus has been placed on the inclusion of 27,000 additional farmers in these three states, which is over and above the previous crop year. This increase is with the objective to meet the increasing demand of pharmaceutical preparations for palliative care and other medical purposes, both domestically and internationally and to ensure that the alkaloid production meets the domestic demand as well as the requirement of the Indian export industry.

ii. The "Small Quantity" and "Commercial Quantity" of the substances recommended during 66th Commission on Narcotics Drugs have been decided upon in consultation with CRCL and with other stakeholders viz MHA, MoHFW, Deptt. of Chemicals, Deptt. of Pharmaceuticals. Accordingly, inclusion of seven (7) substances under NDPS Act has been finalized. The notifications specifying scheduling of four (4) manufactured drugs (narcotic drugs) and three (3) Psychotropic substances, and notification specifying the small and commercial quantities were notified on 8th Feb 2024.

4.6.2 FUNCTIONS/ WORKING OF THE CENTRAL BUREAU OF NARCOTICS

The Narcotics Commissioner heads the Central Bureau of Narcotics (CBN) with headquarters at Gwalior. The Narcotics Commissioner excises control and supervision over poppy cultivation, which is presently undertaken in selected 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 and poppy straw from which no juice is extracted, 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. The broad outline of the functions and responsibilities of CBN are as under:

i. Survey, detection and eradication of illicit cultivation of opium poppy throughout the country.

ii. Enforcement of provisions of the NDPS Act 1985 to suppress illicit trafficking of Narcotic Drugs, Psychotropic Substances and Controlled Substances including search, seizure, arrest, investigation and prosecution of drug offenders, tracking and freezing of illegally acquired properties of drug traffickers derived from illicit drug trafficking for forfeiture and confiscation.

iii. Issuance of licenses domestic manufacturers for manufacture of synthetic Narcotics Drugs notified under the NDPS Act 1985.

iv. Performing the functions of Competent National Authority (CNA) for international Trade 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.

v. 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 Narcotics Drugs and Psychotropic Substances in close cooperation with INCB and competent authorities of concerned countries.

vi. Liaison with the International Narcotics Control Board (INCB), United Nations office on Drugs and Crime (UNODC) as well as with the Competent National Authorities of other countries on issues related to international trade in narcotic drugs, Psychotropic substances and precursor chemicals.

vii. Co-ordination with other Drug Law Enforcement Agencies such as Directorate of Revenue Intelligence, Customs, Narcotics Control Bureau, State Police, State Excise, State FDAs and various other drug law enforcement agencies.

4.6.2.1 Performance and Achievements: -

The performance / achievement with respect to issuance of NOCs issued by the Central Bureau of Narcotics during the year 2023-24 for export/import of precursor Chemicals is as under:-

No. of NOC issued	From 01.01.2023 to 31.03.2024
For export of controlled substance	2719
For Import of controlled substance	1647
Total	**4366**
No of Pre-export Notification (PEN) sent to CNA	2267
Number of Stop Shipment/suspended (Export)	32

International Narcotics Control Board (INCB) has developed online Pre-Export Notification (PEN) system for exchange of information between the Competent National Authorities. CBN had issued 2267 PEN (during the period from 01.01.2023 to 31.03.2024) to the competent authority of various importing countries, for verifying the legitimacy of the transactions. On the initiative taken by Central Bureau of Narcotics, through online PEN system, CBN has identified and stopped suspicious transactions of Precursor 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 year 01.01.2023 to 31.03.2024 for export/import of Narcotic drugs / Psychotropic substance is as under:-

	Psychotropic Substances	Narcotics Drugs
	From 01.01.2023 to 31.03.2024	From 01.01.2023 to 31.03.2024
No. of Export authorization issued	7629	399
No. of Import Certificate issued	1262	225
Total	**8891**	**624**

4.6.2.2 Enforcement of NDPS Act, 1985-

The Central Bureau of Narcotics undertakes action to prevent the illicit trafficking of Narcotic Drugs and Psychotropic Substances. It also undertakes investigations and prosecution of drug related offences, tracing and freezing of illegally acquired property of drug traffickers, derived from illicit drug trafficking, for forfeiture and confiscation.

Details of Destruction of illicit Opium Poppy Cultivation and Cannabis in 2023 and 2024 (01.01.2023 to 31.03.2024) are as under:-

Year	State	Area Destroyed (in hectare)
2023-24	Himachal Pradesh	1124 (cannabis)
2023-24	Arunachal Pradesh, Manipur	14586 (Opium Poppy)

Disposal of seized drug by CBN during the Financial Year 2023-24 (upto 31.-03.2024)

Disposal of seized drug by CBN during the Financial Year 2023-24			
S. No	**Narcotics Drugs / Psychotropic Substances/ Precursor**	**No. of Cases**	**Quantity**
1	Poppy Straw	54	85486
2	Ganja	3	375.5
3	Alprazolam Tab/raw		4474928 tab + 8.5kg
4	Tramadol tab/cap/inj/raw	1	6283862 +0.575kg
5	Heroin	16	7.455
6	Codein Phosphate Syrup		213
7	Opium	59	710.519
8	Morphine	2	0.78
9	Black Poppy Seeds	3	25595.22
10	MD Powder	1	0.35
11	Tapendadol tab		1100
12	Zolpidem tab		165
13	Buprenorpine Tab/cap/Inj		25807
14	Chlordiazepoxide tab		170
15	Clobazam tab		270
16	Clonazepam tab		1631
17	Lorazepam tab		380
18	Nitrazepam tab		2653340
19	Phenobarbital Tab/Cap/Inj		570
20	Opium based syrup		280
21	Mifepriston & Misoprostol tab/cap		370
	Total	**139**	

4.6.2.3 Seizures effected by CBN during the financial year 2023-24

Type of Drugs/Substances		F. Y. 2023-24 (01.04.2023 to 31.03.2024)
Alprazolam Tab	Quantity (in kgs/Nos.)	4866839
	No. of cases	6
Buprenorphine	Quantity (in kgs/Nos.)	165908
	No. of cases	1
Canadian Ganja (OG)	Quantity (in kgs/Nos.)	4.465
	No. of case	1
Chlordiazepoxide tab	Quantity (in kgs/Nos.)	300
	No. of cases	0
Clobazam Tab	Quantity (in kgs/Nos.)	3200
	No. of cases	0
Clonazepam Tab	Quantity (in kgs/Nos.)	191700
	No. of cases	0
Codeine Phosphate Syrup	Quantity (in kgs/Nos.)	2952
	No. of cases	1
Poppy straw	Quantity (in kgs/Nos.)	92249.03
	No. of cases	93
Diazepam Tab	Quantity (in kgs/Nos.)	12849
	No. of cases	0
Etizolam tablets	Quantity (in kgs/Nos.)	200
	No. of cases	0
Fentanyl Tab	Quantity (in kgs/Nos.)	18071
	No. of cases	1
Ganja/Cannabis	Quantity (in kgs/Nos.)	510.608
	No. of cases	7
Heroin	Quantity (in kgs/Nos.)	9.729
	No. of cases	11
Illicit Opium cultivation/Poppy plant	Quantity (in kgs/Nos.)	1760 sq mtr + 2962 Plants
	No. of cases	4
Ketamine Inj.	Quantity (in kgs/Nos.)	11553
	No. of cases	0
Koxma/Ethylmorphine Tab	Quantity (in kgs/Nos.)	6000
	No. of cases	1
Lorazepam Tab	Quantity (in kgs/Nos.)	199290
	No. of cases	0
MD Powder	Quantity (in kgs/Nos.)	0.975
	No. of cases	2
Medicinal Opium bottles	Quantity (in kgs/Nos.)	22
	No. of cases	1
Midazolam Tab	Quantity (in kgs/Nos.)	8627
	No. of cases	0
Morphine Tab	Quantity (in kgs/Nos.)	21850
	No. of cases	0
Nitrazepam Tab	Quantity (in kgs/Nos.)	5100
	No. of cases	0
Opium	Quantity (in kgs/Nos.)	359.06
	No. of cases	59
Pentazocine Inj	Quantity (in kgs/Nos.)	139415
	No. of cases	1
Pethidine Inj	Quantity (in kgs/Nos.)	50
	No. of cases	0
Remifentanyl Tab	Quantity (in kgs/Nos.)	1250
	No. of cases	0
Tapendadol Tab	Quantity (in kgs/Nos.)	1900
	No. of cases	0
Tramadol Tab/cap/Inj	Quantity (in kgs/Nos.)	6091579
	No. of cases	2
Zolpidam Tab	Quantity (in kgs/Nos.)	1000
	No. of cases	0

4.6.2.4 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).

4.6.2.5 During the Crop year 2022-23, a quantity of 361 Metric Tons of opium at 700 consistence (Provisional figure) was procured from opium cultivators. The average yield per (kg/hectare) at 700 consistence on the basis of results received from Madhya Pradesh, Rajasthan and Uttar Pradesh units for the crop 2021-22 was 62.725 Kg/ hectare (all India). The all India average yield during the crop year 2022-23 in 61.948 Kg/hectare (provisional). These figures are for crop year 2022-23 as the crop cycle for the cultivation of opium crop cycle for cultivation of opium commence from 01st October and end on 30 September of the following year.

4.6.2.6 Production of Unlanced Poppy Straw(UPS): Cultivation for production of unlanced poppy straw for extracting alkaloids has been introduced for the first time by Govt. of India in the crop year 2021-22. Total 9930 cultivators were licensed for unlanced poppy straw cultivation in crop year 2021-22 and total 23768 cultivators were issued license in crop year 2022-23 for unlanced poppy straw cultivation. 399 Metric Ton of unlanced poppy straw was produced in crop year 2021-22 and 1518 Metric Ton in crop year 2022-23.

4.6.2.7 Other highlights of performance and achievements during the year 2023-24.

GEM Purchase

Purchase of items for the official purpose is made through GEM portal. The dead stock items, perishable items are purchased through GEM portal. The upcoming purchase/ services of the articles will also be made through the GEM portal mostly.

World Drug Day,26th June, 2023 by Central Bureau of Narcotics: -

Every year 26th June is observed as "International day against drug abuse and trafficking" in order to raise awareness for the drug menace in the society and seeking people's participation to deal with this problem. Central Bureau of Narcotics organized several activities like placing Banners on prominent public places, 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. Various awareness programmes were also conducted by officers of at Mumbai, Chennai and Hyderabad.

Programme organized by Hindi section of Central Bureau of Narcotics

वित्त वर्ष 2023-24 के दौरान हिन्दी अनुभाग में 14.09.2023 को हिन्दी दिवस मनाया गया एवं 14 सितम्बर से 30 सितम्बर तक हिन्दी में कार्य करने हेतु प्रोत्साहित करने के लिए कार्यालय में विभिन्न प्रतियोगिताओं का आयोजन किया गया एवं विजेता प्रतिभागियों को प्रोत्साहन स्वरूप पुरुस्कार 06.11.2023 को दिये गये। इसके अतिरिक्त कार्यालय में सचालित पुस्तकालय हेतु विविध मैगजीन समाचार पत्र एवं पुस्तकों का कय किया गया ।

4.6.3 FUNCTIONS /WORKING OF GOVERNMENT OPIUM AND ALKAOLIDS WORKS (GOAW)

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.

The Office of the Chief Controller of Factories, has signed contract with M/s Sunlite Alkaloids Pvt. Ltd., Neemuch for setting up of a production unit for processing of unlanced poppy straw upto 10000 MT and extraction of semi refined alkaloids on PPP basis through Concentrated Poppy Straw (CPS) technology for period of 20 years. This will not only enable India to meet its domestic demand but also export alkaloid and alkaloid-based preparations.

During crop year 2023-24 GOAW, Neemuch has completed the sampling and testing of Opium Gum received from 36,771 farmers in less than 20 days. In GOAW, Neemuch initiatives have been taken to improve production capacity by modernization and installing of new vessels, pipelines etc.

4.6.3.1 PERFORMANCE OF GOAF FOR THE FINANCIAL YEAR 2023-24

(Provisional)

Sl. No.	Particulars	Unit	Production wef 01.04.2023 to 31.03.2024 (in kg)	Sales wef 01.04.2023 to 31.03.2024 (in kg)
A	**PRODUCTION**			
1	Drying of opium for Export at 90°C	KG.	--	--
2	a) Morphine Sulphate	KG.	243.900	363.357
	b) Codeine Phosphate (IP)	KG.	29554.500	36704.278
	c) Pure Thebaine	KG.	1446.100	1560.006
	d) Noscapine BP	KG.	0.000	1275.000
	e) Papaverine S.R.	KG.	1704.800	1150.000
	f) IMO Powder	KG.	14700.000	19413.171
	g) IMO Cake	KG.	5516.000	4190.065
	Total (2) (a to g)	**KG.**	**53165.300**	**64655.877**
3.	Codeine Phosphate Imported for Domestic Market	KG.	0	0

B. COUNTRY WISE EXPORT OF OPIUM AT 90°C (excluding domestic sales of IMO Powder & Cake) FOR THE FINANCIAL YEAR 2023-24 (April,2023 to March, 2024)

(Quantity in Kgs)

	Unit	USA	France	Switzerland	Sri Lanka	Total
1	Ghazipur	0.300	4000.000	--	--	4000.300
2	Neemuch	373.692	1852.200	--	--	2225.892
	Total	373.992	5852.200	--	--	6225.922

C. REVENUE RECEIPTS (ON REALISATION BASIS) FOR THE FINANCIAL YEAR 2023-24

(Rs. In crore)

		Opium Factory	Alkaloid Works	Total
1	Ghazipur	0.12	80.70	80.82
2	Neemuch	1.19	130.40	131.59
	Total	**1.31**	**211.10**	**212.41**

II. ACHIEVEMENT OF CCF ORGANISATION UP TO THE F.Y. 2023-24 WITH COMPARATIVE DATA OF PREVIOUS YEAR i.e. 2022-23 FOR THE SIMILAR PERIOD.

Sl. No.	Particulars	Unit	Actual Production April to March	
			2022-23	2023-24
(1)	(2)	(3)	(4)	(5)
A.	**PRODUCTION**			
1	Drying of opium for Export at 90°C	KG.	--	--
2	**Manufacture of Drugs**:			
	a) Morphine Sulphate	KG.	774.900	243.900
	b) Codeine Phosphate	KG.	34376.220	29554.500
	c) Pure Thebaine	KG.	1399.350	1446.100
	d) Noscapine BP	KG.	0.00	0.000
	f) Papaverine S.R.	KG.	3345.640	1704.800
	g) IMO Powder	KG.	12800.000	14700
	h) IMO Cake	KG.	5050	5516
	Total (2)	**KG.**	**57746.110**	**53165.300**
3.	Import of Codeine Phosphate			
	i) For Domestic Market	KG.	26500	0.00

B.	SALES				
Sl. No.	Particulars	2022-23 April to March		2023-24 April to March	
		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	9394.126	9.9	9976.67	10.4
2	Domestic Sale of Drugs: (on actual basis)				
	a) Morphine Sulphate	821.8	3.4	363.357	1.5
	b) Codeine Phosphate (Indigenous & imported)	49508.5	226.2	36704.278	167.7
	c) Dionine I.P.	18	0.2	28	0.3
	d) Pure Thebaine	1655.062	7.5	1560.006	7
	e) Noscapine BP	991	3.5	1275	4.5
	f) Papaverine S.R.	2695	0.8	1150	0.3
	g) Pholcodine	14	0.1	20.00	0.1
	h) IMO Powder (Domestic sale + Export)	9451.31	10	19413.171	20.5
	i) IMO Cake (Domestic sale + Export)	2040.602	2	4190.065	4.2
	Total (2) (a+i)	**67,195.274**	**253.7**	**64703.877`**	**206.1**
	Grand Total (1+2)	**76589.400**	**263.6**	**74680.547**	**216.5**

C: COMPARATIVE COUNTRY WISE EXPORT OF OPIUM AT 90°C (EACH FINANCIAL YEAR)

(Qty. in Kgs. at 90ºC)

Unit	USA	FRANCE	SWITZERLAND	JAPAN	SRI LANKA	Germany	TOTAL
2022-23							
Ghazipur	-	8000	80	-	-	-	8080
Neemuch		1028.160	285.966	-	-	-	1314.126
Total	**-**	**9028.160**	**365.966**	**-**	**-**	**-**	**9394.126**
2023-24							
Ghazipur	0.3	8000	59.87	-	-	-	8060.17
Neemuch	116.5	1800	-	-	-	-	1916.5
Total	**116.8**	**9800**	**59.87**	**-**	**-**	**-**	**9976.67**

(a) The formation has increased opium charging capacity, significant improvement of charging capacity of opium resulting in doubling of alkaloid production including Codeine Phosphate.

(b) Digitalization of opium sampling and testing process and development of Opium Container Tracking Application (OCTA) leading to increased transparency accountability and efficiency in the testing process with minimal human interference.

4.6.3.2 CCF organization does not implement and govern any scheme for public services.

4.6.3.3 The formation has regular monitoring by management and increased efficiency**.**

4.6.3.4 Development of North-Eastern Region. The activities of CCF organization including GOAWs are confined to Uttar Pradesh, Madhya Pradesh, and Delhi only and therefore, there is nothing to specify with regards to work done on the development of North-Eastern region and Sikkim Project Schemes.

4.6.3.5 Activities Undertaken for Disability Sector & SCs/STs & Other Weaker Sections of Society: The CCF organization is strictly adhering to the prescribed rules and regulations for the welfare and development of disabled, SCs, STs and other weaker sections. With an objective to initiate prompt action on grievances of such sections, a committee has been formed with members drawn from such sections. Roster registers for this purpose are also being maintained.

4.6.3.6 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.

4.6.3.7 All rules and policies laid down for benefit of persons with disabilities are being followed. The CCF organization does not govern and implement any scheme.

4.7 Central Economic Intelligence Bureau (CEIB)

4.7.1 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.

4.7.2 The Bureau is headed by a Director General who is assisted by two Additional Director Generals (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.

4.7.3 MAIN FUNCTIONS OF CEIB

4.7.3.1 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.

4.7.3.2 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.

4.7.3.3 In terms of its existing revised charter dated 12.12.2003 issued by Department of Revenue (HQ), the CEIB carries out the following functions:

(a) The Secretariat for the Economic Intelligence Council (EIC);

(b) Coordination between various agencies for coordinated action;

(c) Repository of economic intelligence (ECOINT);

(d) Administers the COFEPOSA Act 1974 at Central Government Level;

(e) prompt dissemination of intelligence having security implications among the NSCS, IB & R&AW;z

(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.

4.7.4 The details of the Activities of CEIB during 2023-24 are as under:

4.7.4.1 The performance and achievements under the key/flagship programmes being implemented by Divisions/departments during the year.

(A) ECONOMIC INTELLIGENCE COUNCIL (EIC)

A meeting pertaining to Economic Intelligence Council (EIC) was convened under the chairpersonship of Hon'ble Finance Minister on 30.10.2023. The Economic Intelligence Council (EIC) has been constituted to improve coordination among various agencies and departments under the Ministry of Finance (MoF). The EIC considers various aspects of intelligence relating to economic security and evolves a strategy for effective collection and collation of such intelligence and its dissemination to identified user agencies and departments. EIC consists of 19 members and may also invite any other official or person whose views/ participation is considered beneficial for the furtherance of its objectives. The Central Economic Intelligence Bureau (CEIB) serves as the secretariat of the EIC and the Director General, CEIB acts as the member secretary of the EIC.

The EIC deliberated on nine new agenda points in its last meeting. These agendas include, Regulation of Fin-tech companies, Use of stolen biometric identities to commit financial frauds, Monitoring foreign currency purchases in cash from full-fledged money changers, Misuse of export promotion schemes for illicit trade in gold, Feedback mechanism on information shared using technology platforms & Proliferation financing. Consequent to approval of EIC, updated information sharing protocol has been issued by CEIB for creation of centralized repository of economic offences.

(B) Regional Economic Intelligence Councils (REICs)

The All-India Convenors Conference was held at Hyderabad on 12.08.2023 and was chaired by the Revenue Secretary. The meeting was organized by CEIB and hosted by Chief Commissioner of Customs Hyderabad. The objective of the meeting was to give momentum to the Coordination and Information sharing mechanism of all 30 REICS. The meeting was attended by REIC Conveners, REIC Member Secretaries, officers of CEIB and ED, DRI, DGGI and CBDT.

During the meeting, various issues such as - sharing mechanism of information through CEIB and REIC, importance of REIC in the context of FATF and of joint action among agencies were discussed. Mumbai, DGGI also presented a presentation on "offshore betting, gambling, entities and threats of financial frauds". CBDT gave a presentation on "Experiential Sharing of Income Tax Department (ITD) for enhancing the effectiveness of REICs". Similarly, ED, DRI, and other REICS also presented their presentations on various topics highlighting the cases and tax evasion angles around them and how they were solved due to coordination and information sharing at REIC platform.

(C) National Economic Offence Record (NEOR)

A web-based application software namely 'NEOR' (National Economic Offence Records) approved by the Government has been kick-started and the pilot version has been launched. 'National Economic Offences Records' (NEOR) is a secure web-based platform that will enable the creation of a 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.

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

(A) Streamlining of Antecedent Verification Process of Prospective Borrowers and Accounts Turned NPA

CEIB has been providing antecedent report on prospective borrowers at the pre-sanction stage to Public Sector Banks as per DFS Circular No.4/5/2014-Vig issued on May 13, 2015. Furthermore, as per DFS Circular No. 4/5/2014-Vig (Part III) dated 24th February, 2018, CEIB has also been providing antecedent report to PSBs for borrowers transitioning into Non-Performing Assets (NPA) status.

For providing the antecedent report, the details provided by the bank in respect of prospective borrower and accounts turned NPA are crosschecked with the information available in NEIN database. To address the concerns of delay and to streamline the process of antecedent verification, CEIB held meetings with the shareholders and made various changes in internal processing of antecedent verification of credit requests / NPAs. These changes include receipt of bank requests on dedicated email id, standardization of format, appointment of nodal officers by bank, seeking weekly pendency report from nodal officers etc. These efforts resulted in reduced turnaround time to 15 working days following the receipt of a request from banks and thereon the bureau has strictly adhered to this timeline.

Further, to discuss the issues faced by CEIB and Public Sector Banks in the process of providing/acquiring the antecedent report and seek feedback on the antecedent report, a meeting was held by CEIB on 20.02.2024 in Mumbai with MDs/CVOs of all Public Sector Banks.

(B) Automation of Antecedent Verification Process for Bank reports

CEIB in collaboration with SBI has automated the antecedent verification process through a technology driven solution in form of a **'search portal'**. This automation was initiated with DFS letter requesting CEIB to examine SBI's proposal to provide inhouse expertise in order to impart a technology-based solution for antecedent verification. In due course of time, a search portal has been developed in collaboration with SBI, which has reduced the timeline of providing report within 07-10 days, despite of multifold increase in the number of bank requests.

In the current Financial Year, the bureau has processed **9535** antecedent reports till March 2024. The bureau receives and processes up to 350 antecedent verification requests per week received from various public sector banks.

Search Portal was formally launched by Director General, CEIB and Chairman, SBI during the meeting held on 20.02.2024 with Managing Director and CVOs of all Public Sector Banks.

(C) GEI Meeting on Gaming Industry

A comprehensive draft report on Online Gaming in India, discussing the various aspects of online gaming was circulated amongst participating agencies for their observations, suggestions and comments. The Ministry of Electronics and Information Technology (MeitY) has given their comments on the report. After the necessary modifications in the report, final 'Report on Online Gaming in India' has been shared with the Department of Revenue on 03.03.2023.

(D) 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 respective fields by LEAs themselves.

A GEI meeting was convened on regulation of FinTech entities with participating members from MHA, NIA, R&AW, RBI, ED, CBDT, MCA, SEBI, NPCI, MeitY, FIU-IND, SBI and PNB. The subject issue was raised by MHA in the last WGIA meeting held in the month of March 2023. After deliberations, it was suggested to have comprehensive collaboration among all-participating agencies to strengthen the framework of regulation of Fin Tech entities.

As a member of Joint Working Group (JWG) on Anti-Money Laundering/ Countering the Financing of Terrorism (AML/CFT) for Mutual Evaluation of FATF, CEIB was entrusted to finalize IO 5 and IO 6 which cover Recommendation 24 (legal entities) and Recommendation 25 (legal arrangement) and Recommendations 19, 20, 27, 32 for IO 6. Inputs were furnished for the final response of Department of Revenue (DoR) on Technical Compliance (IO 5 & IO 6) of FATF standards. The Bureau shared a detailed statistical report with FATF cell, Department of Revenue covering the number of Coordination meetings conducted by the CEIB with LEAs, data on REIC meetings in the last 05 years, and few notable case studies which could demonstrate the effective coordination between CEIB, ED/NIA and other agencies. This information was required by Department of Revenue to finalize its response on effectiveness/Immediate Outcome for ensuing Mutual Evaluation of FATF.

(E) Multi-Agency Coordination and Intelligence Sharing On Economic Offences

Various intelligence inputs pertaining to multi-level marketing, Ponzi schemes, financial fraud, overvaluation, evasion of taxes involving Chinese nationals, high value bank frauds, investment scam etc were received which were taken up with the concerned law enforcement agencies (LEAs) for further action.

Information pertaining to 112 IECs from regional units of DGFT was shared with LEAs. In this regard, CBIC informed that the said list DRI and DGGI has initiated investigation against 58 exporters, which were found to be operating using dummy IEC.

The Bureau issued Alert Circulars on the issue of fraudulent availment of benefits of 'Country of Origin' rules under AIFTA.

CEIB maintains the NEIN database which consists of Dossiers and offense cases of economic offenders/suspected tax evaders, based on inputs received from the Law Enforcement Agencies across the country. During FY 2023-24, 48979 inputs were entered in the database and around 18,000 cases were shared with different LEAs.

(F) Global Entry Program(GEP)

A series of meetings were convened with MEA & NIC and various Law Enforcement Agencies to discuss issues in the functioning of Global Entry Program (GEP) online portal /system and also to improve processing of applications on GEP portal. During the F.Y. 2023-24, 6585 GEP applications have been processed. Constant engagement with MEA is being done with intent to make GEP clearance process fast and efficient.

(G) CEIB Website

During the F.Y. 2023-24, the website of the Bureau was made operational along with the provision of login module for Central Repository for the entities involved in fraudulent passing/ availment of fake ITC. Website is hosted on NIC portal and CEIB website is live on www.ceib.gov.in . Further suggestions and observations for website and Central Repository module of Website are given to development team. Standardization Testing and Quality Certification (STQC) of the website is under process.

(H) National Coordination Meeting

National Co-ordination Meeting under the Chairmanship of the Union Revenue Secretary was held on 24.04.2023 with the State and Central GST Commissioners. During the meeting, the Bureau made a presentation on Data sharing by States in regard to offences and the State representatives were sensitized about the Information Sharing Protocol (ISP) vide which the stage-wise sharing of GST-related offences is expected in a prescribed format. Further, the proposal of creation of a Central Repository for the entities involved in fake ITC was informed during the meeting and requested the authorities to the State representatives to share such cases with CEIB for a robust repository. An overview of the rolling out of next-generation National Economic Offence Record (NEOR) database where the information will be shared on a real-time basis through Application Programming Interface (API) was given by the Bureau during the meeting.

2nd National Coordination Meeting was held under the Chairmanship of Union Revenue Secretary on 14.12.2023. CEIB participated in the meeting and made a presentation for sensitizing the State GST Authorities about data feeding in GST Enforcement Module. Further, SGST Authorities were requested to send physical / electronic copy of GST evasion cases booked by them to CEIB.

(I) Meeting with GSTN and State GST Authorities

In pursuance to the action point of the National Co-ordination Meeting dated 24.04.2023, a meeting with GSTN and State GST Authorities was convened by the Bureau on 31.05.2023. The State GST Representatives from Uttar Pradesh, Maharashtra and Karnataka attended the meeting and a discussion on the process of sharing the data by the SGST authorities on the GSTN portal was carried out. It emerged during the meeting that very limited data is being entered in the GSTN portal due to constraints of fields in the said portal. The GSTN representative was requested to map the required fields with available fields. Consequent meetings with GSTN are required to finalize the process of pulling the economic offences data pertaining to State GST authorities from the GSTN portal through API and to standardize the dataset to enhance the quality of data shared by the State GST authorities are being scheduled.

(J) A Memorandum of Understanding (MoU) between FIU-IND and CEIB was executed for the exchange of data between the agencies and as per the agreed list, CEIB's data has been shared with FIU-IND.

4.7.4.3 Implementation of the conservation of foreign exchange and prevention of smuggling activities (COFEPOSA) Act, 1974.

Conservation of foreign exchange and prevention of smuggling activities is of prime importance for the economic health and national security of a Nation. Accordingly, the links which facilitate the violations of foreign exchange regulations and smuggling activities are required to immobilizes by detention of persons engaged in these operations as the smuggling, foreign exchange racketeering and related activities have a deleterious effect on the national economy and thereby causing a serious adverse effect on the security of the state.

To deal with this menace, the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA Act, 1974) has been enacted to provide for preventive detention law to detain smugglers and foreign exchange manipulators from indulging in these prejudicial activities.

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 year 2023-24, preventive detention orders against 29 persons (from 01.01.2023 to 31.03.2024) were passed under the COFEPOSA Act, 1974 whereas 24 detentions orders (including the orders of previous years) issued and executed before 31.03.2024. Further, 14 Detention Order were confirmed by the various Advisory Boards constituted under the COFEPOSA Act,1974.

4.7.4.4 Administration in CEIB.

Administration Wing is responsible for personnel and office/general administration, preparation of BE/RE, implementation of the RTI Act 2005, redressal of public grievances etc. The Administration Wing is headed by Additional Director General (Admn.) who is assisted by one Additional Director and two Under Secretaries. The Additional Director General (Admn.) is responsible for administration of the affairs of the Bureau and exercises his powers under the direction and guidance of the Director General, CEIB. The Sanctioned strength & incumbency position of the officers/staff in the Bureau are depicted in the **Appendix-I**.

Appendix-I

Sanctioned strength & incumbency position of the officers/ staff in the Bureau

(as on 31st March 2024)

Sl. No.	Designation	Level	Sanctioned Strength	Present Strength
1.	DG	15 to17	1	1
2.	JS (COFEPOSA)	14	1	0
3.	Addl. Director General	14	2	2
4.	Addl. Director/Joint Dir.	13/12	5	5*
5.	Director/DS	13/12	3	3
6.	US	11	4	3
7.	Deputy Director	11	8**	1
8.	Sr. Stat. GR.-II	9	1	0
9.	S.O.	8	2	2
10.	Assistant Section Officer + SSA	7/4	4+4	8
11.	Assistant Director	7	20	18
12.	Sr.PPS	12	1	1
13.	PPS	11	4	1
14.	PS	8	6	1
15.	Steno Gr.-C	7	4	1
16.	Steno Gr.-D/PA	4	3	0
17.	Investigator	6	2	0
18.	Junior Secretariat Assistant (JSA)/(LDC)	2	6	0
19.	Staff Car Driver	2	5	0
20.	MTS	1	30	14
	Total		**116**	**61**

* One(1) DS is posted under Central Staffing Scheme (CSS) against the sanctioned post of Joint Director.

** 6 Posts of DD have been deemed abolished.

4.8 STATE TAXES

GST collection has shown an upward growth year on year basis since its implementation. FY 2023-24 marks a milestone with total gross GST collection of Rs. 20.18 lakh crore, which is 11.7% higher than the collection for the same period in FY 2022-23. The average monthly gross collection for FY 2023-24 is Rs. 1.68 lakh crore, exceeding the Rs. 1.5 lakh crore collected in the previous year's corresponding period. GST revenue net of refunds as of March 2024 for the current fiscal year is Rs. 18.01 lakh crore which is a growth of 13.4% over that for the same period last year. Overall, the GST revenue figures demonstrate continued growth momentum and positive performance.

As per section 18 of the Constitution (One Hundred and First Amendment) Act, 2016, compensation to the States for loss of revenue arising on account of implementation of the goods and services tax is payable for a period of five years. During transition period, the States' revenue is protected at 14% per annum over the base year revenue of 2015-16.

Government of India has already released the entire amount of provisionally admissible GST compensation to all States/UTs for loss of revenue arising on account of implementation of Goods and Services Tax for five years i.e., from 1st July, 2017 to 30th June, 2022. Final Compensation arising out of reconciliation of provisional figures with audited figures is released immediately on receipt of AG's certificate and no amount other than finalization of compensation is pending for release to the States/UTs.

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 1988.

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 01.01.2023 to 31.03.2024, a total of 3853 Appeals (2487 in PMLA, 341 in NDPSA, 16 in SAFEMA, 185 in FEMA and 824 in PBPT) were received during the said period. A total of 2117 appeals (804 in PMLA, 195 in NDPSA, 09 in SAFEMA, 245 in FEMA and 864 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 2023-24 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 off (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
2022-2023	36	22	1303.24	21	1170.99	554.21
2023-2024 (for the period from 01.01.2023-31.03.2024)	70	20	550.13*	13	975.59	937.95

Remarks: - N.A- means value is not available to the O/o CA &A, Mumbai.

4.10 Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

4.10.1 Functions/ Working of the Organization

4.10.1.1 The Customs, Excise and Service Tax Appellate Tribunal formerly known as Customs Excise & Gold (Control) Appellate Tribunal is a quasi-judicial body hearing appeals filed against the orders passed by the Commissioners of Customs & Central Excise under the Customs Act, 1962 and Central Excise Act, 1944. Service Tax appeals are also now filed before the Tribunal under the Finance Act, 1994. The Tribunal is also having appellate jurisdiction on Anti-Dumping matters under the Customs Tariff Act and the special bench headed by the President, CESTAT Principal Bench the appeals against the orders passed by the designated authority of Ministry of Commerce. By Finance Act, 2023 the appeals filed before the Authority of Advance Rule relating to Central Sales Tax Appellate Authority is transferred to the Tribunal and the CST cases are also being heard by the Tribunal. Whenever two different decisions on a single issue are passed by co-ordinate Benches of the Tribunal, the issue is resolved by constituting 3 Members Larger Bench and a decision then rendered by the Larger Bench is applicable to all Division Benches and subordinate adjudicating authorities.

4.10.1.2 The Principal Bench of the Tribunal is situated at Delhi and the regional benches are situated at Mumbai, Kolkata, Chennai, Bangalore and Ahmedabad. For speedy disposal of appeals to the benefit of litigants, the Ministry of Finance, vide notification no. 7/2013 has notified creation of three new benches of the Tribunal at Chandigarh, Allahabad and Hyderabad and three additional Benches one each at Delhi, Mumbai and Chennai. The regional benches at Allahabad, Chandigarh and Hyderabad started functioning w.e.f. 01.10.2015, 01.12.2015 and 14.12.2015 respectively.

4.10.1.3 Each Bench of the Tribunal consists of a Judicial Member and a Technical Member. To expedite the disposal of small cases with financial stake up to Rs. 50,00,000/- (Fifty Lakhs Rupees), wherein no question of rate of duty or valuation is involved, single member bench is constituted. The Tribunal is also the final appellate authority hearing appeals from the orders of the Commissioner (Appeals). Appeals from the orders passed by the Tribunal are filed before the Hon'ble Supreme Court on Classification and Valuation issues as they have all India ramifications.

4.10.1.4 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, all the 32 posts of Members are filled and no post is vacant.

4.10.2 Highlights of the performance and achievements during the year

Despite various constraints including several vacancies of subordinate staff, the appeals are disposed in a consistent pace. A sample statement showing institution and disposal of appeals of the current financial year is given below:

Year	Institutions	Disposal	Total Pendency
January 2023 to March 2024	18243	21372	75381

4.10.3 The process of online filing of appeals and online payment of appeal fee is undertaken by NIC. Information is uploaded on the website of the Tribunal for the sake of transparency in administration. All orders including daily orders of the Tribunal are also uploaded besides real time display of item number taken by the Bench which is available both in the website and display boards installed in the premises.

4.10.4 The whole of north eastern region is conveniently placed under the jurisdiction of Kolkata Bench. However, the indirect tax litigation from N.E. region is relatively less.

4.10.5 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 are being extended to female employees of this Tribunal as per O.M. No.13018/4/2009-Estt.(L) dated 08/07/2009 of DOPT. To redress the grievances of women, a complaint committee under the chairperson 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 of the Tribunal started in January 2017 is fully operational with the help of NIC and is now extended to all eight Regional Benches. Cause lists are uploaded on weekly basis and daily orders are uploaded on daily basis. Final orders are uploaded as soon as they are signed by the Members. All information concerning the Tribunal are available as required by DOPT O.M. No. 1/6/2011 dated 15/04/2013. The online filing of appeals has started w.e.f 01/06/2023 in respect of appeals filed by the department.

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 allocated for the Tribunal. Whenever a Member is sent on tour, though they are entitled for travel by business

class flights, the Members are requested to travel by economy class to which they obliged as part of austerity measures. In spite of escalation in prices of various items/ services and the function of additional benches, the expenditure is restricted to the granted ceiling. Sincere efforts are being done to control the expenditure with financial propriety and reasonableness.

4.11 Authority for Advance Ruling Division

4.11.1 Custos, Central Excise & Service Tax Settlement Commission

4.11.1.1 Highlights of the Performance and achievements of the Commission during Financial Year 2023-24 is given below:

No. of application received	No. of application disposed	Duty Settled (Rs. In crores)
186	340	424*

* includes Penalty and Interest Amount Settled

4.11.1.2 Function & Working of the Organization.

The Central Government have constituted the Customs & Central Excise Settlement Commission under Section 32 of the Central Excise Act, 1944 vide Notification No. 40/99-CX(NT) dated 09.06.99 and 41/99-CX(NT). The Commission consists of 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 onetime 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 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 Application Received	Disposal		
		No. of Application Rejected	No. of Application Settled	Duty Settled (Rs. In Lakhs.)
1999-2000	3	1		
2000-01	327	28	146	2128.00
2001-02	559	63	153	2664.00
2002-03	656	105	365	18751.00
2003-04	753	141	431	11404.00
2004-05	1273	205	1143	18125.00
2005-06	1587	283	1207	12909.00
2006-07	1960	219	1434	23902.00
2007-08	1596	369	2274	50792.00
2008-09	857	124	569	12543.00
2009-10	723	68	599	6736.00
2010-11	885	103	770	11433.00
2011-12	959	247	702	46248.00
2012-13	1610	74	934	19806.00
2013-14	1623	156	1680	48299.00
2014-15	1525	353	1469	74332.00
2015-16	1262	208	1154	65431.00
2016-17	844	174	814	103713.00
2017-18	618	119	555	51422.00*
2018-19	557	84	429	65937.00*
2019-20	316	50	345	36161.61*
2020-21	208	21	127	19189.19*
2021-22	194	16**	6	539.59*
2022-23	157	40**	44	3215.05*
2023-24	186	42	298	42370.96*
Total	21238	3293	17648	748051.40

*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)

4.11.2.1 The NIPFP is a premier research organization for conducting research, policy advocacy, and capacity building activities in the field of public finance and policy. Established in 1976 as an autonomous institution under the Societies Registration Act, 1860, the Institute has made significant contributions to policy reforms at all levels of Government of India. The NIPFP provides research, engages in policy advocacy and capacity building on public finance & 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 Historical Background of Revision Application:

4.12.1.1 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 (now CBIC). As far as the appeals against the orders passed by the authorities below the rank of the Collectors (now called Commissioner), were concerned, the same were required to be filed before the appellate Collectors of Customs & Central Excise.

4.12.1.2 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 Application against orders passed by the CBEC, and the Additional Secretary or Joint Secretary disposed of the applications against the orders passed by the appellate Collectors of Customs & Central Excise and executive collector of Customs and Central Excise.

4.12.1.3 The Finance (No.2) Act, 1980 introduced a new system by establishing appellate Tribunal. The appellate jurisdiction of CBEC and Revisionary jurisdiction of the Central Government were abolished w.e.f. 11.10.1982, except a few residual transitional provisions and the Customs, Excise and Gold Appellate Tribunal (then known as CEGAT, but now commonly known as CESTAT) was set up w.e.f. 11.10.1982.

4.12.1.4 The Finance Act, 1984, revived the Revisionary powers of the Central Government in specified type of cases. On the Customs side, Section 129DD 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 35 EE 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).

4.12.1.5.1 Since inception there was only one Revision Application Unit having office at Delhi which was headed by the Joint Secretary (Revision Application), Department of Revenue, New Delhi. The revisionary powers of the Central Government were being exercised by a Joint Secretary, in the Department of Revenue, Headquarters (being a technical post under IRS (C & CE), till July, 2017.

4.12.1.5.2 In March, 2016, the Hon'ble Punjab and Haryana High Court, in the matter of NVR Forgings vs. Union of India {2016 (335) ELT 679}, held that a revisionary order passed by the Joint Secretary, who is in the same rank as the Commissioner (Appeals), cannot be sustained. This order of the Hon'ble Punjab and Haryana High Court has been maintained by the Hon'ble Supreme Court as reported in 2017 (348) ELT A-82. Hon'ble Madras High Court and Hon'ble Gujarat High Court have also taken a similar view in the matter. Therefore, the post of Revisionary Authority was required to be upgraded.

4.12.1.5.3 Pursuant to the aforesaid judgment of the Hon'ble High Court, the post of Joint Secretary, RA Unit and another post of Director in the RA Unit in the DoR, Headquarters were upgraded to the level of Additional Secretary, as technical posts, and, consequently, two posts of Principal Commissioner, were reduced from the cadre strength of IRS (C&CE), vide Department of Revenue's Sanction Order No. 160/2017 dated

19.07.2017. Pursuant thereto, one post of AS (RA) each was created at New Delhi and Mumbai, vide the Department of Revenue's Office Order No. 202/2017 dated 20.07.2017.

4.12.1.5.4 Thus, now, there are two Revision Application Units, situated at Delhi and Mumbai which deal with the Revision Applications filed before Central Government in above specified matters. These Revision Application Units are presently headed by the Principal Commissioner (Revision Application) and ex-officio Additional Secretary to the Government of India who considers and decides the revision applications after following the due process of law.

4.12.1.5.5 The work has been distributed between the two Revisionary Authorities on geographical basis i.e., the work relating to North and East Zones is handled in RA-Unit, New Delhi while that relating to West and South Zone was handled in RA Unit, Mumbai. This arrangement was modified last year vide order No. 191/2022, dated 28.07.2022 by assigning cases of South Zone to RA Unit New Delhi with an objective to equitably distribute pending applications for faster disposal.

4.12.2 Formation, function and working of the Revision Application Unit

Introduction:

4.12.2.1 The Revision Application Unit of the Department of Revenue, Ministry of Finance, Government of India deals with the Revision Applications filed before Central Government in specified Customs and Central Excise matters under section 35 EE of Central Excise Act, 1944 and section 129 DD of Customs Act, 1962. The revision applications filed either by parties or department against the orders of Commissioners of Customs, Central Excise and Service Tax (Appeals) are considered and decided by Additional Secretary (RA) after following the due process of law.

4.12.2.2 Normally, against the order passed by the Commissioner (Appeals), the appeal lies before Tribunal i.e. CESTAT, but in following categories of cases, against the order passed by the Commissioner (Appeals), the Revision Application is filed before the Additional Secretary (Revision Application) (hereinafter also referred to as AS(RA):-

A. Customs Cases:-

(Specified in the first proviso to sub-section (1) to Section 129A of the Customs Act, 1962)

4.12.2.3 Section 129DD read with proviso to Section 129 A(1) of Customs Act, 1962 empowered the Central Government to revise or review the appellate orders passed by Commissioner of Customs (Appeals), if such order related to:-

(i) any goods imported or exported as baggage;

(ii) 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 that destination.

(iii) payment of drawback as provided in Chapter X of the Customs Act, 1962, and the rules made thereunder.

B. Central Excise Cases:-

(Specified in proviso to sub-section (1) to Section 35B of Central Excise Act, 1944)

4.12.2.4 Section 35EE read with proviso to Section 35B(1) of the Central Excise Act, 1944 empowered the Central Government to annul or modify the appellate orders passed by Commissioner of Central Excise (Appeals), if such orders relate 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;

(d)* credit of any duty allowed to be utilized towards payment of excise duty on final products under the provisions of the Central Excise Act or the rules made thereunder and such order is passed by the Commissioner (Appeals) on or after the date appointed under Section 109 of the Finance (No.2) Act, 1998.

Note: * indicates that this clause has not yet come into force as it is to be effective on or after the date to be appointed under section 109 of the Finance Act, 1998 and no such date has been notified so far.

C. Service Tax matters:-

4.12.2.5 The provisions of the Section 35EE of the Central Excise Act, 1944, which deals with revision by the Central Government, has been made applicable to the Chapter V of the Finance Act, 1994 dealing with Service Tax. In the Finance Act, 2015, the Section 86 has been amended to prescribe that 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. Further, it has also been provided that all appeals relating to rebate of service tax and filed in Tribunal after the date the Finance Act, 2012 came into effect and pending on the date of assent of the Finance Bill, 2015 by the President (i.e. 14.05.2015) shall be transferred and dealt in accordance with section 35EE of the Central Excise Act. In other words, in such cases, against the order passed by the Commissioner (Appeals), the revision applications are required to be filed before the AS(RA).

4.12.2.6 The text of 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), are as under:

"Provided that where an order, relating to a service which is exported, has been passed under section 85 and the matter relates to grant of rebate of service tax on input services, 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; Provided further that all appeals filed before the Appellate Tribunal in respect of matters covered under the first proviso, after the coming into force of the Finance Act, 2012, and pending before it up to the date on which the Finance Bill, 2015 receives the assent of the President, shall be transferred and dealt with in accordance with the provisions of Section 35EE of the Central Excise Act, 1944."

4.12.3.1 Procedure for filing Revision Application

a) The aggrieved party can file a revision application under sub-section (1) of Section 129DD of the Customs Act, 1962 and under Section 35EE of the Central Excise Act, 1944 for annulment or modification of the orders of the Commissioner (Appeals).

b) If the Commissioner of Customs or Principal Commissioner of Customs is of opinion that order passed by the Commissioner (Appeals) is not legal and proper, then he may direct the proper officer to make an application on his behalf to the Central Government for revision of such order. Thus, the Department files application to the Revisionary Authority under sub-section (1A) of Section 129DD of the Customs Act, 1962 and Section 35EE of the Central Excise Act, 1944.

c) No case of Revision Application can be filed against the order passed by the Commissioner or Principal Commissioner even though such order is on the same subject as specified above. The appeal against such orders lies before CESTAT, not before the Principal Commissioner (RA) and ex-officio Additional Secretary to the Government of India. The application to Revisionary Authority lies only against the order of Commissioner (Appeals) involving the subjects specified above.

d) The Revisionary Authority has discretion to refuse to admit an application in respect of order if the amount of duty or fine or penalty determined by such order does not exceed five thousand rupees.

4.12.3.2 Time limit for filing of a Revision Application:-

a) A Revision Application should be filed within three months from the date of the communication to the applicant of the order of the Commissioner (Appeals) against which the application is being made.

b) If the Central Government is satisfied that the applicant was prevented by sufficient cause from presenting the application within the aforesaid period of three months, it may allow it to be presented within further period of three months. Thus, the Revisionary Authority has power to condone the delay upto three months in deserving cases.

4.12.3.3 Filing of Revision Application:-

a) Sub-section (3) of 129DD of the Customs Act, 1962 and Section 35EE of the Central Excise

Act, 1944 stipulates that a Revision Application (by the parties) shall be in such form and shall be verified in such manner as may be specified by rules made in this behalf and shall be accompanied by a fee of two hundred rupees where duty and interest demanded and fine or penalty in the case to which application relates is one lakh rupees or one thousand rupees where duty and interest demanded and fine or penalty in the case to which application relates is more that one lakh rupees. No such fees shall be payable in case of application filed by Department.

b) The form and manner for filing of revision application before the revisionary authority has been provided in Customs (Appeals) Rules, 1982 (Notification No. 212-Customs dated 10th of September 1982)/Central Excise (Appeals) Rules, 2001 (Notification No. 32-CE dated 21.06.2001). As per Rules 8A and 8B of Customs (Appeals) Rules 1982, the revision application should be filed in prescribed Form CA-8 and as per sub-rule (2) of Rule 3 Central Excise (Appeals) Rules, 2001 the revision application should be filed in prescribed Form EA-8 in duplicate alongwith equal number of copies of order passed by the Commissioner of Customs (Appeals) and relevant decision or order passed by the Customs officer and presented either in person to the Under Secretary Revision Application Unit, Government of India, Ministry of Finance, Department of Revenue, New Delhi or sent by registered post addressed to such officer.

c) As per Appeals Rules, the ground of appeal and form of verification in application form shall be signed by the applicant or his authorized representative.

d) The Central Government on its motion can annul or modify any order referred to in sub-section (1) to Section 129DD Customs Act, 1962 and Section 35EE of the Central Excise Act, 1944.

e) No order enhancing any penalty or fine can be passed by the Revisionary Authority in any case in which an order passed by the Commissioner (Appeals) has enhanced any penalty or fine in lieu of confiscation. In other case, no order for enhancing any penalty or fine can be passed by the Revisionary Authority unless the person affected by the proposed order has been given notice to show cause against it within one year from the date of the order sought to be annulled or modified.

f) Where the Central Government is of opinion that any duty of Customs/Central Excise/Service Tax has not been levied or has been short-levied, no order levying or enhancing the duty shall be made under this section unless the person affected by the proposed order is given notice to show cause against it within the time limit specified in Section 28/Section 11A.

4.12.4 Conditions to be fulfilled for filing Revision Application before AS(RA):

a. The following are the essential conditions, which need to be fulfilled, before filing appeal before Joint Secretary (RA):-

(i) The order, which is being appealed against, should be passed by the Commissioner (appeals) and should be relating to issue/ issues mentioned above.

(ii) If, on the same subject as specified above, the order has been passed by the Commissioner of Customs/Central Excise, then appeal against such orders shall lie to CESTAT, not before AS(RA).

(iii) The Government i.e. AS(RA) may refuse to admit an application in respect of order where the amount of duty or fine or penalty determined by such order does not exceed five thousand rupees.

4.12.5 Procedure adopted for process of Revision Application in RA Unit:

- The Revision Application Unit receives the revision application in prescribed from EA-8/CA-8 filed by department as well as parties.
- The stipulated time for filing such applications is three months from the date of communication or order-in-appeal. The delay upto three months can be condoned by Central Government in deserving cases.
- The revision application Unit on receipt of revision applications issues the acknowledgement to the

applicant alongwith deficiency memo in documents if any.

- Notice is issued to respondent party for filing counter reply. Thereafter, personal hearing is fixed/held in cases, in the order of seniority, on first come first serve basis.
- Out of turn hearings are allowed only in deserving cases involving substantial revenue, recurring issue resulting into multiplicity of cases, interest liability, the issue is no longer *res integra*, passenger is going abroad and cases of financial hardship.
- After completion of hearing, final revision order is issued by AS(RA).

4.12.6 Appeal against Revision Order passed by Additional Secretary (RA):

a) The Revisionary Authority while passing the Revision Orders on behalf of Central Government follows the due process of law. There is no stipulation of the appellate authority against the order passed by the Revisionary Authority.

b) The Central Government is the highest authority in these revision applications, and therefore orders passed by Central Government are final. However, the applicants, aggrieved with the orders of Revisionary Authority have only option of writ petitions before the High Court under Article 226 of Constitution of India.

c) The Revisionary Authority becomes functus officio after passing the final Revision Orders. It is Jurisdictional Commissioner which contests writ petitions in the High Court or files writ petition in the High Court.

4.12.7 The Revision Application Unit is directly responsible to Revenue Secretary.

4.12.8 Performance

From April, 2023 to March, 2024, 307 Revision Applications have been disposed of by R.A. Delhi Unit.

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/CBIC and Director (Finance), Direct Taxes 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) including its field offices and various Directorates, Central Board of Indirect Taxes & Customs (CBIC) including its field offices and various Directorates, 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, Tax Policy Research Unit, 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 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/tours/training 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.

(l) The Integrated Finance Division has also been entrusted with the formulation of schemes of important expenditure proposals from their initial stage.

5.3 The expenditure budget/non-tax revenue receipts of Department of Revenue, Direct Taxes and Indirect Taxes for BE 2023-24 was prepared. RE 2023-24 and BE 2024-25 ceiling has been finalized and communicated by the Budget Division, Department of Economic Affairs. The Details of RE 2023-24 and BE 2024-25 in respect of all the three grants are as below:

(Rs. in crore)

Grant	Gr. No.	2023-24		2024-25
		BE	RE	BE
D/o Revenue	35	189827.37	190442.55	165352.91
Direct Taxes	36	9892.87	10030.69	10340.38
Indirect Taxes	37	38510.58	36716.60	41098.48

5.4 **Integrated Finance Division has taken the following steps/initiatives in 2023-24:**

(i) Preparation and submission of BE/RE and DDG in respect of Grant No. 35(Department of Revenue), Grant No. 36 (Direct Taxes) and Grant No. 37 (Indirect Taxes).

(ii) Follow up with the Department/Boards for the settlement of audit objections, inspection reports, draft audit paras and reports of PAC/Standing Committee and submission of replies to Audit Paras, Standing Committee of Finance, periodic reports etc.

(iii) Allocation and monitoring of the budget relating to advances, viz. House Building Advance, Computer Advance etc.

(iv) Overall supervision of budgetary mechanism of various scrip-based schemes and liasioning with Department of Revenue, Department of Commerce and Department of Textiles for operation/provisioning of funds for these schemes.

(v) 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.

(vi) 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.

(vii) Review of specific activities/developments of Department of Revenue and report to Secretary (Expenditure) on monthly basis.

(viii) 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.

(ix) 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.

6. Implementation of Official Language Policy

6.1 Implementation of official language policy

There is a full-fledged Official Language Division under the Revenue Department which is entrusted with the implementation of the Official Language Policy of the Government of India. There is a post of Director (Official Language) in this division and this division functions through four Hindi sections. Each section is headed by an Assistant Director (Official Language) and supervised by two posts of Deputy Director (Official Language). At present, one post of Deputy Director (OL), two posts of Assistant Director (OL) and five posts of Senior Translation Officer are vacant.

This division carried out work related to the implementation of the official language policy of the Union and timely follow-up action was taken on the orders and instructions issued from time to time by the Official Language Department. The complete translation work of the department from English to Hindi and from Hindi to English was also ensured by the Official Language Division.

Revenue Department is a notified office under Rule 10(4) of the Official Language Rules, 1976.

6.2 Performance of Official Language Division during the year 2023

a. All documents related to the Central Board of Excise and Customs, Central Board of Direct Taxes and Revenue Headquarters were issued in bilingual form under Section 3 (3) of the Official Language Act, 1963;

b. All gazette notifications, answers to parliamentary questions and assurances related to the Central Board of Excise and Customs, Central Board of Direct Taxes and Revenue Headquarters were made available in bilingual form;

c. Cabinet Notes and Monthly Summary to the Cabinet, Action Taken Report (ATR) on the Report of the Comptroller and Auditor General, Annual Report of the Ministry of Finance and Outcome Budget were translated into Hindi and made available in bilingual form;

d. Agreements signed with many countries to prevent double taxation were also translated into Hindi;

e. Timely circulated all orders and circulars related to Official Language implementation from the Department of Official Language to the Revenue Department (HQ) and the offices under the control of both the Boards, received;

f. Detention orders issued by the COFEPOSA section and their reasons were translated into Hindi;

g. The letters received under the Right to Information Act, 2005 were made available in bilingual form.

6.3 Meetings of Hindi Advisory Committee and Official Language Implementation Committee

The work related to formation of Joint Hindi Advisory Committee of Revenue Department, Expenditure Department, Investment and Public Asset Management Department and Office of the Comptroller and Auditor General of India, organizing its meetings, preparation of related documents and follow-up action on the decisions taken in the meeting is the responsibility of the Hindi division of Revenue Department.

The first meeting of the committee was organized under the chairmanship of Honourable Minister of State for Finance, Shri Pankaj Choudhary on 11.03.2023 at 11 am, Ashok Hotel, New Delhi. Vice Chairman of the Committee, Honourable Minister of State for Finance Dr. Bhagwat Kishanrao Karad ji, and Shri Vivek Thakur, Member of Parliament (Rajya Sabha), Shri Basant Kumar Panda, Member of Parliament (Lok Sabha) along with other distinguished members of the Committee participated in the meeting. During the meeting, the committee members presented their important suggestions to increase the use of Hindi in the respective offices.

The minutes of the meeting dated April 11, 2023, were circulated to all the four offices of the committee, all the subordinate offices of the Revenue Department and the sections located at the Revenue headquarters for follow-up action. Apart from this, a copy of the said minutes was also sent to all the honourable members of the committee, all the ministries/departments of the Government of India, Prime Minister's Office, Cabinet Secretariat, Ministry of Parliamentary Affairs, Lok Sabha and Rajya Sabha Secretariat, Office of the Parliamentary Official Language Committee and the Department of Official Language.

6.4 Inspection by Parliamentary Official Language Committee

Official language related inspection of 13 subordinate offices of the Revenue Department including the Revenue Department (Headquarters) was conducted by the Parliamentary Official Language Committee. Senior officers and translation officers of the Hindi Division provided important support in the successful inspection of these offices.

6.5 Departmental inspection related to official language

To take stock of the progress made in the use of Hindi in the office, during the period under report, 13 subordinate offices under the control of the Revenue

Department and 18 sections at the headquarters were inspected by the officers of the Hindi Division and suggestions were given to increase the use of Hindi in government work.

6.6 Hindi Diwas / Hindi Fortnight

As per the instructions of the Department of Official Language, Ministry of Home Affairs, this year's Hindi Day celebration was organized mainly at Chhatrapati Shivaji Maharaj Stadium, Pune under the chairmanship of Honourable Minister of State for Home, Shri Ajay Kumar Mishra on 14-15 September, 2023. Officers and personnel of the Hindi Division of the Revenue Department as well as other officials of the department also participated in this function.

Hindi Fortnight, 2023 was successfully organized in the Revenue Department from 14 September to 30 September 2023. During this period, a total of 14 competitions were organized with the aim of increasing the use of the official language Hindi.

During the fortnight, various competitions such as noting and drafting, essay writing, extempore speech, quiz, Hindi typing and Hindi dictation were organised. During the Hindi Fortnight, separate incentive schemes were organised for Gazetted Officers, Hindi speaking and Non-Hindi speaking Gazetted Officers and Non-Gazetted Officers to do more and more work in Hindi. The participants securing first, second and third positions in each competition received cash prizes each of Rs 5000/- (first prize), Rs 3000/- (second prize), Rs 2000/- (third prize) and three incentive awards of Rs 1000/- in each competition were also given.

6.7 Cash Prize Incentive Scheme to encourage original noting/ drafting in Hindi

As per the instructions of the Department of Official Language, incentive award schemes (full time) were implemented by all the ministries/departments/ attached/subordinate offices every year for their officers and employees for doing official work (noting/drafting) in Hindi and for dictation given by the officers in Hindi.

Under this scheme, five applications were received from the sections located in the Revenue Department (Headquarters), out of which 4 officers/ employees were awarded.

6.8 Organization of meetings of the Official Language Implementation Committee

To ensure effective implementation of the Official Language Policy of the Government of India and to review its implementation and to remove the difficulties faced by the Sections/Subordinate Offices regarding the progressive use of the Official Language Hindi, a meeting of the Official Language Implementation Committee constituted under the chairmanship of the Joint Secretary is held every quarter in accordance with the instructions of the Ministry of Home Affairs. Following are the details of the meetings of the Departmental Official Language Implementation Committee held for the year 2023:

a) The first meeting was held on 30.01.2023 under the chairmanship of Joint Secretary (Revenue).

b) The second meeting was held on 01.06.2023 under the chairmanship of Joint Secretary (Revenue).

c) The third meeting was held on 26.09.2023 under the chairmanship of Secretary (Revenue).

d) The fourth meeting was held on 12.12.2023 under the chairmanship of Additional Secretary (Revenue).

Further, the first meeting of the Departmental Official Language Implementation Committee for the year 2024 was held on 27.02.2024 under the chairmanship of Additional Secretary (Revenue).

The minutes of the said meetings were issued to all sections for compliance.

6.9 Official language workshop organized in Revenue Department

In the year 2023, 03 (three) Hindi workshops were organized for the officers and employees of Revenue Department Headquarters and CBIC and CBDT Boards. In these workshops, they were provided information on filling Hindi quarterly progress report, using Hindi for purpose in government work and Hindi typing through phonetics and voice typing tools.

Further, during the year 2024 01(One) Hindi Workshop regarding memory based Translation tool (Kanthastha 2.0) was organized on 21 Feb, 2024.

6.10 Circulation of the annual program issued by the Department of Official Language, Ministry of Home Affairs

The copies of the **annual program 2024-25** issued by the Department of Official Language, Ministry of Home Affairs, New Delhi were circulated in all the offices under the Revenue Department and all the sections of the Revenue Department Headquarters. This program is released every year in which targets are set for the promotion of Hindi.

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. Department of Revenue has initiated the following action:

(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. The CIC after perusal of the audit report has issued an advisory to the Revenue Headquarters which is under consideration.

(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. 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.

(iv) The following table indicates the number of online RTI Applications and Appeals received in the financial year 2023-24 up to 26.03.2024:

Type	No. of Applications received during the year 2023-2024 including the cases transferred to other Public Authorities	No. of cases transferred to other PAs u/s 6(3) + returned to the Applicant	Information provided by CPIOs	Request rejected under any section of exemption	Pending
Offline RTI Applications	59	44	15	0	0
Online RTI Applications	6556	5681	600	173	103
Offline Appeals	17	17	0	0	0
Online Appeals	147	147	0	0	0
Total fee received offline u/s 7(1) is Rs. 170/- Additional fee received offline u/s 7(3) is Rs. 447/-					

7.2 Central Board of Indirect Taxes & Customs (CBIC):

CBIC is implementing the provisions of Right to Information Act, 2005 since its enforcement. In the Headquarters Office, there are 54 CPIOs, one CPIO for each of the section. The no. of applications received, applications rejected and requests accepted by the CPIOs in CBIC during the year 2023-24 are given below:

Quarter ending on	No. of applications received during the quarter	No. of cases transferred to other Public Authorities under Section 6 (3)	No. of requests rejected	No. of requests accepted
30.06.2023	1148	365	1	782
30.09.2023	998	336	11	651
31.12.2023	918	265	5	648
31.03.2024	788	298	4	486

There are 29 Appellate Authorities, who decide the appeals received under the RTI Act from various applicants. The no. of appeals received, appeals rejected and appeals accepted by the CPIOs in CBIC during the year 2023-24 are given below:

Quarter ending on	No. of appeals received during the quarter	No. of appeals rejected	No. of appeals accepted
30.06.2023	49	8	41
30.09.2023	56	11	45
31.12.2023	56	1	55
31.03.2024	48	0	48

Registration fee collected under section 7(1) and the additional fee collected under section 7(3) during these two quarters are given below:

Quarter ending on	Fee collected under section 7(1) (in Rs.)	Additional fee collected under section 7(3) (in Rs.)
30.06.2023	5390	1488
30.09.2023	4860	1935
31.12.2023	4570	1865
31.03.2024	3940	2255

The fee is excluding the amount of fee received for submitting applications online on the RTI portal.

The Government has also launched an RTI Portal which facilitates filing of applications online by the Citizens. The applications concerning Department of Revenue are accessed by the two Nodal Officers, one for Customs and the other for rest of the matters pertaining to CBIC. Thereafter, these applications are transferred online to the concerned CPIOs in the Board, who are required to provide the requisite information online on the Portal itself, so that the applicant may immediately access the requisite information of the matters pertaining to CBIC. So far, CBIC has received 3852 applications from April 2023 to March 2024.

At present, the facility for transferring the applications received on the RTI portal is limited to the CPIOs in the Board and 46 CCs/DGs of CBIC. Hence, applications pertaining to the remaining field formations are transferred manually with the direction to provide the information directly to the citizen.

Appeals against the information provided in response to RTI online applications are also made online, which are transferred to concerned First Appellate Authority, who also provide the requisite reply to the citizen on the portal itself. CBIC has received 209 appeals from April 2023 to March 2024.

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 follow:

S.No.		Headquarters Gwalior	MP Unit	Raj. Unit	UP Unit
1	CPIO	1	17	8	2
2	FAA	1	1	1	1

Further, it is to apprise that the application received under RTI section are dealt with the RTI Act and are disposed off in the time limit. Detailed functions and various aspects of the work done by the Department are also available on CBN website http://www.cbn.nic.in

7.3.2 GOVERNMENT OPIUM AND ALKAOLIDS WORKS (GOAW)

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 period from 01/01/2023 to 31/03/2024:

Received	Disposed Off		Remarks
	Transferred	Denied	
86	02	0	Information provided for 82 RTI request received & 02 applications dated 26.03.2024 & 27.03.24 respectively are pending for disposal.

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 and Service Tax Appellate Tribunal (CESTAT):

The Public Information Officer and the Appellate Authority have been nominated by the Public Authority in all Benches of the Tribunal, and they are acting in accordance to the provisions of the Right to Information Act, 2005, in dispensing the information. All RTI applications and orders including orders of the Appellate Authority are uploaded on the website.

8. E-governance activities

8.1 Capacity Building Commission (CBC) provided an Annual Capacity Building Plan (ACBP) for Department of Revenue (DoR) which was approved by Revenue Secretary in September, 2023. Department of Personnel & Training (DoP&T) requested all the Ministries/ Departments to undergo 06 mandatory online courses on iGOT Portal which was completed by all the officers/ officials of DoR(HQ). Thereafter, as per the ACBP, a total of 37 online courses (03 courses were from 06 mandatory courses) are to be completed. Hence, out of 34 online courses (37-03), it was decided to undergo 05 by all the concerned officers/ officials of DoR(HQ). At present, 85% of concerned officers/ officials have completed the requisite 05 courses. Further action in the matter may be taken as per the Annual Capacity Building Plan.

8.2 Central Board of Direct Taxes (CBDT):

I. Project Name: PAN

(A) Permanent Account Number (PAN): During F.Y. 2023-24 a total of 7crore PANs have been allotted and number of PANs linked with Aadhaar during the year was 8.65 crore. As of now the total number of PAN allotted up to 31st March, 2024 is 74.67 crore out of which 60.51 crore PANs of individuals have been linked with Aadhaar.

(B) Common Business Identification Number (CBIN or BIN): As per section 139A of the Income-Tax Act 1961, role of Permanent Account Number (PAN) was envisaged as that of a tax-payer identity limited to Income-tax department. However, PAN is now required for various activities like opening of a bank account, opening of a de-mat account, for other financial transactions prescribed in Rule 114(B) of the Income-tax Rules, 1962, registration for Goods and Services Tax (GST) etc. Thus PAN is leveraged to become Common Business Identification Number (CBIN) or simply Business Identification Number (BIN) for providing registration to a number of government departments and services.

(C) PAN Verification Facility

a. PAN verification facility is provided through the website of the Income-tax department through link "Verify Your PAN" facility on official website of Income-tax department www.incometax.gov.in, by providing the PAN, Full name and Date of Birth.

b. Service for PAN verification is also provided by Income-tax PAN Service Providers [UTITSL and Protean (earlier NSDLe-Gov)] to agencies falling under any of the approved categories as per procedure laid down by the Directorate of Income-tax (Systems).

c. To prevent misuse of PAN, the Department has revamped the Online PAN Verification (OPV) Services thereby enabling the financial institutions to verify the PANs, effectively.

(D) New Initiatives in PAN module

a. 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 March, 2024 to corporate bodies is 11.33 lakh and the number of TANs is 11.35 lakh. Similarly, the number of PANs allotted to LLP through this facility is 95,369 and the number of TANs is 97,500.

b. Integration with SEBI: For grant of registration to the Foreign Portfolio Investor

(FPI) by the SEBI and allotment & Issuance of PAN by the Income Tax Department, integration with SEBI has been done. 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 PANs allotted to FPIs by the Income-tax department till March, 2024, through this facility is 2,974.

c. 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 can be downloaded in pdf format and is printable. Further, facility to download in xml format (machine readable) has also been launched.

d. 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 manipulation resulting in enhanced security of PAN card and e-PAN.

e. Ease of Living: To promote e-governance and ease of living, the facility of updating address, mobile and e-mail thorough Aadhaar OTP based authentication, has been enabled in the PAN Service providers websites.

II. Project Name: Insight

Project Insight aims to strengthen the non-intrusive information driven approach for improving compliance and effective utilization of information in all areas of tax administration. One of the important areas of functioning of Project Insight is the Annual Information Statement (AIS). Over the years, the number of persons visiting/downloading the AIS has seen remarkable increase. Some new functionalities have been added to the AIS which are as follows:

- Donation data added - There is a requirement to display the amount of Donations received by trust in its AIS. The source for displaying the same would be the ITR of the taxpayer (Section code under which deduction is claimed and the amount of donation).
- AIS portal home page newly added - a new Home Page for AIS portal was created with different tiles where the user is redirected from e-filing. To navigate further, user can click on different tiles provided on the Home Page.
- Payment of taxes report section added - new tab added for reports to download payment of taxes report based on AY.
- DIN Validation link on AIS Portal: A link to validate the Insight DIN has been provided on AIS Portal along with the same link on Reporting Portal and Old Compliance Portal.

Insight has a dedicated helpdesk centre for the Insight users which provides support and resolves issues faced by ITD users, Reporting Entities and Taxpayers. During the year the helpdesk has provided extended support to the users.

A comprehensive exercise to review and update Frequently Asked Questions (FAQs) was conducted in Project Insight and various FAQs were reviewed and updated.

Online training sessions were conducted for JAO users and FAO users each as part of Capacity Building exercise. In order to make training sessions more effective and participative, training sessions were arranged Pr.CCIT region wise.

III. (Integrated E-filing and CPC) IEC-2.0

a. E-filing portal acts as a single interface for the taxpayers for multiple services provided by the Income Tax Department and for compliance to various notices, and letters by the taxpayers. As part of our commitment to provide improved taxpayer services, new e-filing Portal www.incometax.gov.in and Centralised Processing Centre 2.0 (CPC 2.0) were launched with a view to provide better e- filing experience, ease of compliance, more accurate and faster processing of ITRs.

b. New facilities in the form of wizard-based questionnaires, chatbot and prefilled returns are being provided as help to the taxpayers.

c. As part of the initiative to connect with taxpayers in more ways and for providing ease in tax compliance, a mobile app having various useful functionalities was released. To widen the scope of e-filing, 12 new statutory forms are enabled online.

d. Over 8.61 crore ITRs and 1.94 crore statutory forms have been e-filed on the e-filing portal (www.incometax.gov.in) in FY 2023-24 till 31st March 2024.

e. Key highlights related to the e-filing 2.0 and CPC 2.0 till 31st March 2024 are as under:

i. Income Tax Return (ITR) filing has increased to 8.30 crore ITRs for AY 2023-24 till 31st Mar 24.

ii. The surge of filing ITRs peaked on 31st July 2023 (due date for salaried taxpayers and other non-tax audit cases) with over 67 lakh ITRs being filed on a single day i.e. on 31st July, 2023. The Department also received 53.67 lakh ITRs till 31st July, 2023 from first time filers, a fair indication of widening of tax base.

iii. 41.09 lakh updated returns were filed in F.Y. 2023-24.

iv. Over 7.95 crore ITRs for AY 23-24 have been processed by IEC and more than 3.69 crore refunds amounting to Rs. 3.79 lakh crore have already been issued till 31st Mar 2024.

v. Till 31st Mar 2024, more than 1.94 crore statutory forms have been e-filed by the taxpayers.

vi. The digital signature registration (DSC), registration of non-residents has been enabled and 7.72 Lakh DSCs have been registered in FY 2023-24 till 31st Mar 2024.

vii. TIN 2.0 on e-filing portal of the Income Tax Department started operations from 1st July 2022 and it connected with 28 banks as on 31st March 24. It caters to both, the collection of direct taxes and the issuance of refunds through the refund banker.

viii. Initiative undertaken for the welfare of Disabled/Handicapped and SC/ST as well as other weaker section of society:

The website / portal is GIGW compliant and accessible even for specially abled users such as visually impaired, cognitive, physical, auditory impairment etc.

IV. National Website

A. Launch of the revamped National Website of Income Tax

a. During the year the Department has launched revamped National website of Income Tax, www.incometaxindia.gov.in. The revamped website was officially unveiled by Chairman of the Central Board of Direct Taxes (CBDT), during the 'Chintan Shivir' held by the Directorate of Income Tax (Systems) in Udaipur in August 2023.

b. This website serves as a comprehensive repository of tax and other related information. It provides access to Direct Tax laws, several other Allied Acts, Rules, Income Tax Circulars and Notifications, all cross-referenced and hyperlinked. The site also offers a 'Taxpayer Services Module' featuring various tax tools to assist taxpayers in filing their income tax returns.

c. The website now has been aesthetically redesigned with a mobile-responsive layout. The website also has a 'Mega Menu' for content, with new features, and functionalities. For the convenience of the visitors to the website, all these new additions are explained through a guided virtual tour and new button indicators.

d. The new functionalities allow users to compare different Acts, Sections, Rules, and Tax treaties. All relevant content on the site is now tagged with Income Tax sections for easy navigation. Further, dynamic due date alerts functionality provides reverse countdowns, tooltips, and links to relevant portals to help taxpayers to comply easily.

V. e-Verification

(A) Brief Introduction

a. e-Verification Scheme- 2021 has two major objectives: -

(i) providing an opportunity to taxpayers to correct any information which is wrongly reported and

(ii) a process for reconciliation of mismatches between information reported by various source and what is reported by taxpayer in their Income Tax Return (ITR).

These processes are designed to help the taxpayer in easy compliance and also to minimise probability of detailed scrutiny and consequent protracted litigation.

(B) Achievements

a. The process was initiated in September 2022 as a pilot project with respect to the information related to the Financial Year 2019-20.

b. The second cycle of e-Verification was initiated in May 2023 w.r.t information related to Financial Year 2020-21.

c. Mismatch reconciliation through automated on-screen functionality has been launched in February 2024. The process involves no notices or any human intervention, but cent percent system driven process of feedback.

(C) E-campaigns

a. NMS (Non-filers Monitoring System) Campaign- E-Campaign for identification of

Non-filers of AY 2023-24 was executed to promote voluntary compliance and filing of ITR by the potential taxpayers, who have carried out large value financial transactions during the AY 2023-24.

b. HVT (High Value Transactions) Campaign- Taxpayers with high-value transactions and with potential underreporting of Income in their ITRs were identified under this campaign.

VI. Faceless Schemes

More than, 2.75 lakh orders of faceless assessment, 1.75 lakh orders of faceless penalty, and 75 thousand orders of faceless appeals, have been passed using ITBA during the Financial Year 2023-24.

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) Implementation of e-Office in Directorate of Enforcement:

Directorate of Enforcement has implemented e-Office software for carrying out all administrative related works during the month of January, 2024 across all the ED offices. The e-Office has not only improved efficiency and brought more transparency in the system but also brought a paperless culture in ED. Further, e-Office has enables the movement of files smoothly & electronically and without physical movement of cumbersome files.

(ii) Implementation of e-HRMS 2.0 in Directorate of Enforcement:

The Directorate of Enforcement has onboarded all its present employees in the e-HRMS 2.0 software. This is aimed to totally digitize HR Services of ED. Further implementation of e-HRMS 2.0 by ED will also save several thousand man-hours and tons of printing paper. This will also go a long way in improving employee satisfaction, promoting ease of doing/processing HR work and enhancing productivity and transparency in administrative functioning.

(iii) 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) & NATGRID portal has been given to all the offices of this Directorate. All the potential cases of Money Laundering 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. Further, senior officers are given access to NATGRID portal to access intelligence pertaining to cases thus ensuring national and internal security.

(iv) Summons module:

The Directorate of Enforcement had earlier 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 conning/fooled by unknown persons through fake summons. Presently, summons are generated through this module only and said summons are verifiable by scanning the QR code printed on summon(s).

(v) Implementation of Swagatam Portal:

Swagatam portal has been implemented and is fully functional in Headquarters office of this Directorate. Swagatam portal has not only enabled non-ED employees to have smooth entry into ED HQRS premises but also ensures an added security layer to this Directorate. While entering ED premises, the photo and ID of the visitor are captured, and a request for approval is subsequently sent to the relevant officer. Entry is permitted only upon approval from the designated officer whom the visitor is scheduled to meet.

(vi) Implementation of SPARROW in ED cadre:

The SPARROW portal implemented in last financial year is fully functional. The said portal is used by ED Cadre employees across all designations to fill their APARs.

(vii) Procurement through GeM portal:

ED has completely migrated its tendering process to GeM portal from physical process. Tendering through GeM portal has enhanced transparency, efficiency and speed in public procurement.

(viii) Implementation of designation based email ids:

Designation based email IDs of Assistant Directors & above 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. Further, name based government email ids are also created for all officers.

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 centers was also successfully carried out. Payment to cultivators made through e-payment from the crop year 2012-2013 continuously.

Computers have been provided, 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. E-office programme is also launched and made operational for CBN Hqrs, Gwalior to go fully digital. To further strengthen this programme, e-office will also be implemented in the sub-official of this organization.

Taking another leap towards transforming India into digital India Unified Web Portal of CBN was launched with URL (http://www.cbnonline.gov.in) Unified Portal is working as one stop solution for all license related work with Central Bureau of Narcotics.

GIS Mapping of Opium Cultivation & Yield Estimation: The RFP for GIS Mapping of licit opium cultivation and yield estimation, with the objective to ensure effective monitoring, digital measurement of the fields earmarked for opium cultivation and to bring more transparency by minimizing human intervention with regard to cultivation of sensitive & controlled opium poppy crop for medicinal & scientific purposes, has been considered in consultation with D/o Expenditure. The said RFP was finalized and published on CPP portal inviting bids from potential bidders on 02.01.2024.

8.4.2 GOVERNMENT OPIUM AND ALKAOLIDS WORKS (GOAW)

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 has taken several steps as a part of Swachh Bharat Campaign initiated by Government of India under Swachhata Action Plan 2023-24. Department of Revenue observed 'Swachhata Hi Seva (SHS) 2023' Pakhwada from 15th September to 02nd October, 2023 involving field formations of CBDT/ CBIC and other subordinate offices viz. ED, FIU, GSTN, GST Council, TPRU. During this Pakhwada, various activities like cleanliness drive involving all officers/ staff in and around the office complex, disposal of Waste/ scrap items etc. with emphasis on curbing Single Use Plastic (SUP), digitization of records, etc., were undertaken by this Department. On 22nd September, 2023, Swachhata pledge was administered by Revenue Secretary and subsequently, cleaning of park near gate No. 1, North Block was undertaken. On 25th September 2023, pledge for non-use of single-use plastic was undertaken by all the officers/ staff of the Department. On 26th September 2023, shramdaan activities were undertaken at National Zoological Park, New Delhi by the Department. Cleanliness drive & uploading of photographs of activities of the SHS Pakhwada on DDWS portal (https://swachhbharatmission.gov.in/shs2023/) were also undertaken.

Department of Revenue observed 'Special Campaign for Disposal of Pending matters (SCDPM) 3.0 which was conducted from 02nd October to 31st October 2023. During this period, 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.

Department of Revenue observed 'Swachhata Pakhwada' from 16th January to 31st January, 2024 involving all the attached and subordinate offices viz., field offices of CBDT & CBIC, Enforcement Directorate, GSTN, CEIB, GST Council and TPRU. During Swachhata Pakhwada, online "Swachhata Pledge" was taken on 16.01.2024, Weeding out of old records/ digitization of records, Cleanliness Drive viz., repairs/ whitewashing etc., were undertaken by the Department in all the buildings viz., North Block, Hudco Vishala Building, Jeevan Vihar, Jeevan Deep Building, Jeevan Tara Building during Pakhwada. Plantation drive led by Additional Secretary (Revenue) was undertaken on 25.01.2024. Also, Waste/ scrap items, old & broken furniture/ fixtures etc. of amounting Rs. 96,000/- were disposed of during the Pakhwada.

9.2 Central Board of Direct Taxes (CBDT):

a) Special Campaign 3.0: The Government of India undertook Special Campaign for Swachhata in government offices and disposal of pending matters from 2nd October, 2023 to 31st October, 2023, on the lines of the Special Campaign held in 2022. The Special Campaign 3.0 covered all Ministries/ Departments of Government of India. Central Board of Direct Taxes (CBDT) along with its subordinate offices enthusiastically participated in the Special Campaign 3.0. The Campaign was organized in two phases - Preparatory Phase from 14th September, 2023 to 30th September, 2023 and Implementation Phase from 2nd October, 2023 to 31st October, 2023. During the Preparatory Phase of Special Campaign 3.0, officers were sensitized, ground functionaries were mobilized, nodal officers were appointed, campaign sites were finalized and scrap/ redundant materials were identified. Further, pendency in specific categories including public grievances, grievance appeals, etc. was identified. During the Implementation Phase, all out efforts were made to dispose-off all identified references and to improve the overall cleanliness of Income Tax offices. The efforts of the Department in the Special Campaign 3.0 were widely disseminated through media including social media. Progress of the campaign was monitored on a daily basis. The Special Campaign 3.0 has seen remarkable achievement on all parameters of the targets set by the Department. Initially, 505 sites were identified for conducting the cleanliness campaign. However, the Department achieved saturation of Swachhata and conducted 966 cleanliness campaigns across India, which include campaigns conducted in field offices at urban and suburban locations. Record management in offices was also attended to on priority, and more than 1,74,158 files were weeded out. Under this campaign, office scrap was disposed of, which generated revenue of more than Rs. 53 lakh and freed up space of around 1,08,740 sq. ft. Special efforts were also made to utilize the freed-up space for productive purposes. In addition to this, beautification of reclaimed office spaces to enhance the work environment was also undertaken. Further, 40,003 public grievances were resolved and 2,230 public grievance appeals were disposed of during the implementation period. The Department had encouraged different regions to come up with unique and innovative practices under the Special Campaign 3.0. Nine of such practices were recognized as 'Best Practices' during the Campaign period and reported on the SCDPM portal of the Special Campaign.

b) Some best practices being implemented in different offices were also identified such as conversion of an unused patch of land into a lush green corridor called "Jaaswandh" in Mumbai under "Harit Aaykar" campaign; conversion of a storage dump into a Library-cum-Meeting place in Aaykar Bhawan Pune; beautification of office buildings by installing 'Vertical Gardens' at NCRB, Jaipur building and Aaykar Bhawan, Mumbai building.

c) These best practices were showcased in a presentation by the Chairman, CBDT in inaugural function of Good Governance Week on 19th December 2023.

d) Swachhata Hi Sewa Campaign: CBDT carried out 'Swachhata Hi Sewa' campaign from 15th Sept 2023 to 2nd Oct 2023. Under the campaign, Chairman CBDT administered Swachhata pledge to all officers/officials of the Income Tax Department to create a clean and garbage free India and Swachhata campaigns were carried out at more than 175 sites across India with community participation.

e) Swachhata Pakhwada Campaign: CBDT organised Swachhata Pakhwada Campaign from 16th January 2024 to 31st January 2024. During the pakhwada, cleanliness campaigns were carried out in different regions with participation of senior officers, officials and citizens. Some best practices were also identified such as cleanliness drive undertaken at Girgaon Chowpatty with participation of more than 200 people including officials and volunteers from social organisation "Change in Us" under the aegis of Chief Commissioner of Income Tax (TDS), Mumbai in which approximately 1,085 kilograms plastic waste was removed from the beach and a mega "Plogging" event on Swachhata Pakhwada undertaken by the O/ o Principal Commissioner of Income Tax, (Verification Unit)-1, Burdwan. Swachhata Campaign was conducted in the office premises during the month of October, 2023 & March, 2024 which included Signature Campaign, Nukkad Natak etc.

f) Swachhata Rally: Swachhata rally/ walkathons/ cyclothons/ plantation drive were organised across the country raising the slogan of importance of Swachhata in their daily life. The focus was to sensitize people and to engage them.

g) Selfie Booth: Selfie Booths, both for men and women, were prepared and placed at important locations across the country for engagement of people in the Swachhata Campaign.

Representation of SCs/STs/OBCs

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	4338	762	384	665	130*	20	10	35	251**	84	21	NA	NA	NA	NA
Group B	9490	2055	833	1054	9	3	0	3	1524	249	122	0	0	0	0
Group C	31464	5968	2225	7562	6108	887	359	2240	1330	277	97	1	0	0	1
Total	45292	8785	3442	9281	6247	910	369	2278	3105	610	240	1	0	0	1

* Offer of Appointments were issued by CBDT to the candidates selected through Civil Services Examination (CSE) 2022. These numbers are not included in column 2 to 5 above.

** Total 251 officers were promoted in the grade of Assistant Commissioner of Income Tax (ACIT) on regular basis for the V.Y. 2019, 2020 & 2021 vide CBDT's Office Order No. 294 of 2023 dated 01.12.2023. Apart this, 315 officers (incl. 47 SCs and 24 STs) were promoted in the grade of ACIT on ad-hoc basis for the V.Y. 2022 & 2023 vide CBDT's Office Order No. 332 of 2023 dated 31.12.2023.

Annexure - I

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	3313	699	370	427	-	-	-	-	-	-	-	-	-	-	-
Group B	34833	4994	2540	5403	2968	450	247	823	1097	147	57	0	0	0	0
Group C	10689	2031	890	1990	606	102	42	141	398	70	46	0	0	0	0
Total	**48835**	**7724**	**3800**	**7820**	**3574**	**552**	**289**	**964**	**1495**	**215**	**103**	**0**	**0**	**0**	0

Organization: Revenue Head Quarter

Group	Number of Employees				Number of appointments made during 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	236	32	11	23	-	-	-	-	-	-	-	-	-	-
Group B	398	59	59	100	58	10	1	23	49	4	1	-	-	-
Group C	259	80	19	57	27	6	5	6	2	1	-	-	-	-
Total	**893**	**171**	**89**	**180**	**85**	**16**	**6**	**29**	**51**	**5**	**1**	**-**	**-**	**-**

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	34	06	-	05	-	-	-	-	-	-	-	-	15	04	-	03
Group B	07	02	02	-	-	-	-	-	-	-	-	-	04	01	02	-
Group C	07	02	-	02	-	-	-	-	-	-	-	-	01	-	-	-
Total	48	10	02	07	-	-	-	-	-	-	-	-	20	05	02	03

Note: The mode of appointment is deputation only except for posts of 05 MTS (Group 'C')

Organization: The Appellate Tribunal under SAFEMA

Groups	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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Group B	7	2	1	1	-	-	-	-	-	-	-	-	-	-
Group C	16	5	0	1	-	-	-	-	-	-	-	-	-	-
Total	30	7	1	2	-	-	-	-	-	-	-	-	-	-

Organization: Competent Authority for Forfeiture of illegally Acquired Property

Groups	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
Group A	9	2	-	3	-	-	-	-	-	-	-	6	2	-	2
Group B	11	-	1	2	-	-	-	-	1	-	-	2	-	-	1
Group C	29	5	1	3	-	-	-	-	-	-	-	4	-	-	-
Total	49	7	2	8	-	-	-	-	1	-	-	12	2	-	3

Organization: Customs, Excise & Service Tax Appellate Tribunal (CESTAT)

Groups	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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group A	20	0	0	0	20	0	-	-	-	-	-	-	-	-
Group B	5	0	0	0	1	0	-	-	1	-	0	3	-	-
Group C	18	5	0	1	17	5	-	1	0	0	-	1	-	-
Total	**43**	**5**	**0**	**1**	**38**	**5**	**-**	**1**	**1**	**0**	**0**	**4**	**-**	**-**

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	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group A	7	2	-	0	-	-	-	-	-	-	-	0	0	0	0
Group B	2	1	-	1	-	-	-	-	-	-	-	2	1	0	1
Group C	9	2	-	1	-	-	-	-	-	-	-	0	0	0	0
Total	18	5	-	2	-	-	-	-	-	-	-	2	1	0	1

Organization: Central Bureau of Narcotics

Groups	Number of Employees as on 31.03.2024				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	10	3	1	3	-	-	-	-	-	-	-	-	-	-
Group B	228	40	21	37	3	1	0	0	32	10	3	0	0	0
Group C	478	77	35	155	249	32	16	93	0	0	0	0	0	0
Total	716	120	57	195	252	33	16	93	32	10	3	0	0	0

Organization: Chief Controller of Factories

Groups	Number of Employees as on 31.03.2024				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	09	03	01	02	-	-	-	-	-	-	-	-	-	-
Group B	13	05	-	01	-	-	-	-	-	-	-	-	-	-
Group C	472	119	51	156	-	-	-	-	-	-	-	-	-	-
Total	494	127	52	159	-	-	-	-	-	-	-	-	-	-

Organization: Directorate of Enforcement

Groups	Number of Employees (As on 31.03.2024)				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	430	31	14	42	0	0	0	0	10	4	1	95	-	-	-
Group B	731	89	42	169	87	11	12	24	62	11	3	32	-	-	-
Group C	483	34	10	47	6	0	1	1	4	1	0	127	-	-	-
Total	**1644**	**154**	**66**	**258**	**93**	**11**	**13**	**25**	**76**	**16**	**4**	**254**	**0**	**0**	**0**

Organization: National Institute of Public Finance and Policy

Group	Number of Employees as on 31.03.2024				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	30	2	-	3	10	-	-	-	-	-	-	-	-	-
Group B	12	-	-	1	-	-	-	-	-	-	-	-	-	-
Group C	16	4	-	6	-	-	-	-	-	-	-	-	-	-
Total	58	6	-	10	-	-	-	-	-	-	-	-	-	-

REPRESENTATION OF THE PERSONS WITH DISABILITIES

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'	4338	7	23	72	2	2	1	130*	2	2	1	7			251 + 315**	7		
'B'	9490	26	18	216	-	-	-	9	0	0	0	-	-	-	1524	5	7	33
'C'	31464	239	191	591	-	-	-	6108	83	57	91	-	-	-	1330	11	8	24
Total	45292	272	232	879	2	2	1	6247	85	59	92	7				95		

* Offer of Appointments were issued by CBDT to the candidates selected through Civil Services Examination (CSE) 2022. These numbers are not included in column 2 to 5 above.

** Total 251 officers were promoted in the grade of Assistant Commissioner of Income Tax (ACIT) on regular basis for the V.Y. 2019, 2020 & 2021 vide CBDT's Office Order No. 294 of 2023 dated 01.12.2023 and 315 officers (incl. 7 PwBD) were promoted in the grade of ACIT on ad-hoc basis for the V.Y. 2022 & 2023 vide CBDT's Office Order No. 332 of 2023 dated 31.12.2023.

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'	**3313**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B'	34833	43	171	473	5	76	82	1522	2	33	44	6	14	14	498	1	4	15
C'	10689	36	41	83	8	31	28	332	5	3	9	1	11	16	84	0	0	0
TOTAL	**48835**	**79**	**212**	**556**	**13**	**107**	**110**	**1854**	**7**	**36**	**53**	**7**	**25**	**30**	**582**	**1**	**4**	**15**

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)

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'	236	-	-	01	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	398	3	3	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	259	3	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	893	6	3	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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'	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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'	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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'	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	11	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-
'C'	29	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**49**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**

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'	20	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-
'B'	5	-	-	-	-	-	-	1	1	1	-	-	-	-	1	-	-	-
'C'	18	-	-	-	-	-	-	17	-	-	-	-	-	-	0	-	-	-
Total	43	-	-	-	-	-	-	38	1	1	-	-	-	-	1	-	-	-

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'	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Organization: Central Bureau of Narcotics

Group	Number of employees as on 31.03.2024				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'	10	-	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	228	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	478	1	1	1	1	1	-	2	1	-	1	-	-	-	-	-	-	-
Total	716	1	1	3	1	1	-	2	1	-	1	-	-	-	-	-	-	-

Organization: Chief Controller of Factories

Group	Number of employees as on 31.03.2024				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'	09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	472	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	494	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Organization: Directorate of Enforcement

Group	Number of Employees (as on 31.03.2024)	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'	430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	-	-	-
'B'	731	-	-	1	-	-	-	1	84	-	-	-	-	-	-	-	-	-	-
'C'	483	-	-	5	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-
Total	**1644**	**-**	**-**	**6**	**-**	**-**	**-**	**2**	**84**	**-**	**-**	**-**	**-**	**-**	**-**	**10**	**-**	**-**	**-**

Organization: National Institute of Public Finance and Policy

Group	Number of Employees as on 31.03.2024				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'	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'B'	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
'C'	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Annexure - III

Summary of important observations included in Audit Reports presented to Parliament during 2023

1. Central Board of Direct Taxes (CBDT)

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	01.01.2023 to 31.03.2024	457	74	81	200 (pending for Hindi translation before uploading the final ATNs on APMS Portal)

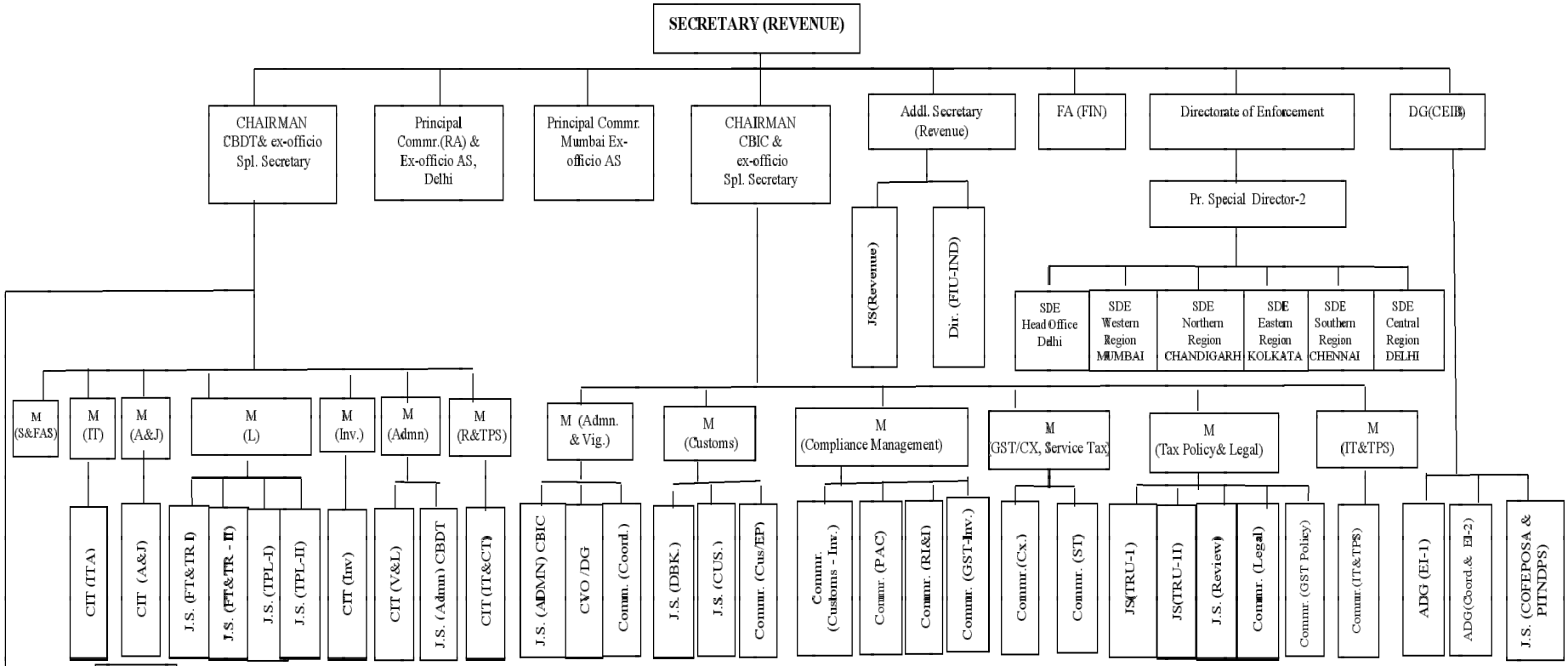
2. Central Board of Indirect Taxes & Customs

Sr. No.	Year (2023-24)	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 ATN's are pending		
			No. of ATNs not sent by the Ministry even for he first time	No. of ATN's 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
PAC-CX7 SECTION (GST/CX/ST)					
1	1st April, 2023 to 31st March, 2024	18	0	07	07
PAC-CUSTOMS SECTION					
2.	1st April, 2023 to 31st March, 2024	108	0	33	17
	TOTAL	**126**	**0**	**40**	**24**

3. Integrated Finance Unit (IFU)

Sl. No.	Year		Details of the Paras/PA reports on which ATNs are pending		
		No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
		Nil	Nil	Nil	Nil

ORGANISATION CHART OF DEPARMENT OF REVENUE



LEGEND

CBDT : Central Board of Direct Taxes
CBIC : Central Board of Indirect Taxes & Customs
M(S&FS): Member (Systems & Faceless Assesment Scheme)
M (IT) : Member (Income Tax & 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&TPS) : Member (Revenue and Tax Payer Services & ex-officio Spl. Secretary)
M(Admn & Vig.) : Member(Administration and Vigilence & ex-officio Spl. Secretary)
M (Cus) : Member (Customs & ex-officio Spl. Secretary)
M(GST/CX) : Member(Goods & Services/ Central Excise & ex-officio Spl. Secretary)
M(IT&TPS) : Member (Service Tax & ex-officio Spl. Secretary)
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
RI&I: Revenue Intelligence and Investigation/Export/Promotion

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, three 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.

(i) <u>Strategic Disinvestment</u>

"Strategic Disinvestment" implies entire or substantial sale of Government shareholding of a CPSE along with

transfer of management control. In case of **Privatization,** which is a sub-set of strategic disinvestments, the Government equity in CPSE and its management control is transferred to a private strategic buyer(s) and in other cases of strategic disinvestment, the Govt. equity is transferred to another CPSE along with 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 Atma Nirbhar Bharat was approved by Cabinet, on 27th January 2021 and was notified on 4th February, 2021. The policy intends to minimize 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 privatization or merger /subsidiarization with another PSE or for closure. PSEs in non-strategic sectors shall be considered for privatization, 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.

In accordance with the new policy, DIPAM took approval of Alterative Mechanism (AM) on the following proposals:

- Proposal for closure of Coal India Africana Limitada (CIAL), a non-operational wholly owned subsidiary of Coal India Limited (CIL).
- Proposal for closure of CIL Solar PV Limited (CSPL), a non-operational wholly o owned subsidiary of Coal India Limited (CIL).
- Proposal for listing Central Mine Planning and Design Institute Limited (CMPDIL) and disinvestment of up to 25 % equity of Coal India Limited (CIL)'s in CMPDIL through public offering in the domestic market as per SEBI rules and regulations.
- The proposal for closure of TCIL OMAN LLC (JV of TCIL OMAN) received from Department of Telecommunication on 6th March,2023 as per capital management guidelines dated 1st June,2022 for AM approval. DIPAM supported the proposal and approval of AM was sought and intimated to DoT on 11-04-2023.
- The proposal for closure of TCIL USA Inc (100% subsidiary of TCIL in USA) received from Department of Telecommunication on 20th March,2023 as per capital management guidelines dated 1st June,2022 for AM approval. DIPAM supported the proposal and approval of AM was sought and intimated to DoT on 08-05-2023.
- The proposal for closure of TCIL Lakhnadone Toll Road Limited (TLTRL), SPV/Subsidiary of TCIL received from Department of Telecommunication on 31stMay,2O23 as per capital managernent guidelines dated 1st June,2022 for AM approval. DIPAM supported the proposal and approval of AM was sought and intimated to DoT on 10-07-2023.
- The proposal for closure of TCIL Bina Toll Road Limited (TBTRL) (SPV/Subsidiary of TCIL) received from Department of Telecommunication on 18th July,2023 asper capital management guidelines dated 1st June,2022 for AM approval. DIPAM supported the proposal and approval of AM was sought and intimated to DoT on 17-08-2023.
- A proposal for disinvestment of TCIL's 30% stake in Bharati Hexacom Ltd (BHL) received from Department of Telecommunication on 14th July,2023 for AM approval. DIPAM supported the proposal and approval of AM was sought and intimated to DoT on 17-08-2023. TCIL confirmed that BHL sold its share to the tune of 15% through IPO fetching ₹ 4275 crore. Government has received ₹3442.92 crore from TCIL as special dividend.

(ii) 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

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 FPO.

Achievements: Listing of IREDA in November 2023 yielded an amount of ₹858.36 crore. Since 2014-15, 18 CPSEs (including LICI) have been listed which yielded ₹51,244.10 crore. During this period, 75.91 lakh retail investors invested an amount of ₹16,564.36 crore in IPOs of CPSEs. An additional market capitalization of ₹ 7.47 lakh crore (capitalization calculated based on listing price) was achieved through the new listings. At present, 62 CPSEs are listed (excluding public sector banks and insurance Companies) with a total market cap of ₹ 40.82 lakh crore as on 21st May, 2024. The total M-cap of 16 public sector banks and insurance companies are ₹25.40 lakh Crore as on 21st May, 2024

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 on Capital Management dated 27.05.2016 the criteria for identifying potential buyback cases are as under:
   - ✓ CPSE with net worth of ₹2,000 crore and cash and bank balance of over ₹1,000 crore shall exercise the option to buyback their shares.
   - ✓ 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 were realized from buyback of shares by 45 CPSEs.

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 ₹**126961.16** crore through various transactions in 10 years (as on 31.03.2024). This included the largest OFS of over ₹22,000 crore in case of Coal India Limited in January, 2015.

During F.Y. 2023-24, OFS transactions were carried out in Coal India Limited, RVNL, SJVN, HUDCO, IRCON, NHPC, NLC Limited and HAL (Employee OFS) yielding ₹13,770.13 crore as on 31.03.2024.

Other Transactions

In F.Y. 2023-24, Remittance from SUUTI yielded ₹1810.33 crore and Open Market Sale of HUDCO shares yielded ₹68.47 crore.

iv. Exchange Traded Fund

Through various offers of CPSE-ETF and Bharat-22 ETF, Govt. could realize disinvestment proceeds of ₹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 PSEs and/or Subsidiaries/ Units/ Joint Ventures of PSEs/ 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 (8 transactions are in CPSE-to-CPSE space while Air India and NINL have been privatized); 5 PSEs are under consideration for closure; 1 case held up due to litigation and 1 case is under Corporate Insolvency Resolution Process (CIRP) in NCLT and 2 transactions found not feasible. Out of remaining 14 transactions, EoI has not been issued or transactions called off after issuance of EoI/RFP in case of 6 PSEs and 8 transactions are ongoing and 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. Air India had received more than ₹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 ₹20 crore per day and had to be supported by the Government using taxpayers' money. Post privatization, turnaround in the operation of the airline has been noticed with several new aircrafts ordered by the new owner. This is expected 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 ₹12,100 crore. The transaction sets the stage for large scale investment in the steel sector in Odisha. The closed company has been restarted within three months of privatization, reflecting turnaround in operations.

C. Disinvestment Targets & achievements

Disinvestment targets and receipts since 2014-15

(₹ In crore)

Year	Target (₹ In Crore)	Actual Receipts (₹ In Crore)	No. of Transactions
2014-15	26,353	24,349	8
2015-16	25,314	23,997	9
2016-17	45,500	46,246	21
2017-18	1,00,000	1,00,037	36
2018-19	80,000	84,972	28
2019- 20	65,000	50,300	15
2020-21	32,000	32,886	19
2021-22	78,000	13,534	11
2022-23	50,000	35,294	10
2023-24	There is no specific estimate for disinvestment in 2023-24 RE @	16,507	15
Total		**4,28,122**	**172**

@ During FY 2023-24, ₹51,000 crore was estimated for disinvestment and ₹10,000 crore for other capital receipts at the BE stage. However, under "Miscellaneous Capital Receipts - Receipts" at the RE stage has been revised to ₹30,000 crore, and ₹50,000 crore for 2024-25 BE, which will account for the receipts under erstwhile categories of disinvestment and other capital receipts such as asset monetization. There is no specific estimate for disinvestment in 2023-24 RE as well as 2024-25 BE.

Disinvestment Receipts FY 2023-2024 (as on 31.03.2024)

S. No	Name of CPSEs	Method of Disinvestment	Receipts (in ₹ Crore)
1	Others (Remittance from SUUTI)	OTHERS	1810.33
2	HAL	EMP OFS	9.30
3	COAL INDIA LTD.	OFS	4185.31
4	COAL INDIA LTD.	EMP OFS	0.38
5	RAIL VIKAS NIGAM LTD.	OFS	1365.61
6	SJVN LTD.	OFS	1348.47
7	SJVN LTD.	EMP OFS	0.8
8	HOUSING & URBAN DEV. CORPN. LTD.	OFS	1049.95
9	INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LTD.	IPO	858.36
10	IRCON INTERNATIONAL LTD.	OFS	1191.13
11	IRCON INTERNATIONAL LTD.	EMP OFS	2.09
12	NHPC LTD.	OFS	2452.59
13	NHPC LTD.	EMP OFS	35.86
14	HOUSING & URBAN DEV. CORPN. LTD.	Open Market Sale	68.47
15	NLC INDIA LTD.	OFS	2128.64
Total			16507.29

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 ₹12,400 crore. Tranche-II of BHARAT Bond ETF was launched in July, 2020 raising over ₹11,000 crore Tranche III was launched in December, 2021 raising over ₹6,200 Cr. The three tranches received huge response from all sections of investors especially retail investors.

After the successful launch of three tranches with an AUM of ₹50,000+ Cr., the fourth tranche BBETF – 2033 of BHARAT Bond ETF with 10+ years maturing in April 2033 was launched on 2nd December 2022 and ended on 8th December 2022. The April 2033 issue of BHARAT Bond ETF was oversubscribed 2.8 times against the base issue size of ₹1,000 cr. The total ₹ 2800 crore was raised against the base issue size of ₹1000 crore. 8 CPSE namely PFCL, IRFC, REC, NABARD, HUDCO, NTPC Limited, HPCL, and NPCIL are expected to participate and issue bonds.

Asset Under Management (AUM) for the Bond ETF market has grown to ₹70,652 crore (as on Feb, 2024) out of which about 85% is accounted for Bharat Bond ETF (around Rs 60,064 crore). 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.

(ii) 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 ₹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.

(iii) 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 99.4% shares have been sold. As on date (31.03.2024) total shares of value of ₹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. The work related to dividends has been transferred from Department of Economic Affairs to DIPAM from Financial Year 2020-21 onwards. Accordingly, an Inter-Ministerial Committee namely Committee for monitoring of Capital Management and Dividend in CPSEs (CMCDC) for discussing/approving proposals relating to capital management/restructuring and dividend payouts, including exemption proposals of CPSEs has been set up. Consistent Dividend Policy was framed by DIPAM (in November 2020) for ensuring predictability in dividend payment by companies. A predictable dividend regime helps in reviving 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. The Government had realized ₹59,533 crore as dividend payouts by CPSEs for the FY 2022-23.

Total dividend receipts from CPSEs in FY 2023-24 stood at Rs 63749 crore, which exceeds the Revised Estimate (RE) of Rs 50,000 crore, and is more than actual dividend receipts (Rs 59,533 crore) during the previous financial year.

X. VALUE CREATION IN CPSES

Government has endeavoured to create value in CPSEs through balanced capital management policy (based on consistent dividend payout policy, buyback of shares, bonus shares and splitting of shares) and planning disinvestment transactions at right price and right time only without value erosion. Prudent policies and initiatives have seen market cap of CPSE stocks rise significantly over the last 2-3 years, which has increased the wealth of investors holding the stocks.

- In the past one year while the SENSEX and Nifty 50 increased by 19.80% and 23.76% respectively, the BSE CPSE index and NSE CPSE index rose by 125.63% and 114.41% respectively (as on 21.05.2024).

- Similarly, during the last 2 years, the BSE CPSE and NSE CPSE indices rose by 159.66% and 155.43% respectively in comparison to SENSEX and Nifty 50 which rose by 36.13% and 38.50% respectively (as on 21.05.2024).

- During the last 3 years, the SENSEX and Nifty 50 witnessed rise of 46.32% and 48.46% respectively while BSE CPSE and NSE CPSE indices rose by 197.60% and 237.93% respectively (as on 21.05.2024).

XI. 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.**

XII. 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.

XIII. 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.

XIV. E-GOVERNANCE

As a part of good governance through the use of information technology, the following initiatives have been taken:

i. 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).
ii. Maintenance of the Payroll Package
iii. Implementation of e-Office
iv. Following web-based monitoring systems are in place:
v. Rajya Sabha Question, Answer Monitoring System.
vi. Centralized Public Grievance Redress and Monitoring System (CPGRAMS)
vii. Centralized Tender/Procurement Monitoring System. Tenders are regularly put on the website and e-Publishing in e-procurement portal is being done regularly.
viii. Representations of Reserved Categories in Posts and Services in Government of India (RRCPS) Monitoring System (SC/ST Commission Portal).
ix. APAR Monitoring system for IAS Officers (JS level & above), CSS/ CSSS Officers (All levels).
x. Cadre Management System (for CSS Officers).
xi. Pension Portal
xii. Use of GeM portal
xiii. Quarterly Rolling Plan
xiv. Data Portal (Data.gov.in).

XV. 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).

XVI. VIGILANCE MACHINERY

An Additional Secretary has been designated as part-time Chief Vigilance Officer in the Department.

XVII. RIGHT TO INFORMATION ACT, 2005.

In order to facilitate dissemination of information under the provisions of the Right to Information Act, 2005, the following initiatives have been taken by the Department:

(i) An RTI Cell has been set up to collect, transfer the applications under RTI Act, 2005 to the Central Public Information Officers/ Public Authorities concerned and to submit the quarterly returns regarding receipt and disposal of the RTI applications/ appeals, to the Central Information Commission.

(ii) Details of functions of the Department along with its functionaries etc. have been placed on Department's website (www.dipam.gov.in) in compliance with Section 4(1)(b) of the RTI Act and is updated from time to time.

(iii) One Under Secretary has been designated as the

Nodal Central Public Information Officer and 1 Deputy Director, 2 Assistant Directors and 8 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 2 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.

XVIII. 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: DIPAM has no attached/ subordinate office under its administrative control. 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.

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). JS(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 in DIPAM: The Annual Capacity Building Plan (ACBP) for DTPAM was launched on 05.10.2023 by Hon'ble FM. ACBP has been developed by CBC in consultation with DIPAM after a thorough Capacity Needs Analysis for the DIPAM'S officials through surveys and focus groups interactions and feedback from experts. capacity Needs Analysis, outcomes were used for planning training and non-training interventions to address the competency gaps identified at individual and organizational level for effective capacity building within the department. The same are documented in the form of a work plan as the Annual capacity building plan.

DIPAM in association with Indian school of Business (ISB) has proposed the design and delivery of a 6-module asynchronous E-Learning induction program for current officials at DIPAM and the officials who will be joining in the future, which will be uploaded on iGOT platform. Till date 3 modules of the same have been uploaded on iGOT platform.

Officers from DIPAM have attended the following trainings during the year:

(a) Training of 18 officers from DIPAM was conducted at NSE Academy, Mumbai on 12-13 January,2023.

(b) Training of 12 officers from DIPAM was conducted at Bloomberg, New Delhi on 11-'12May,2023.

(c) Training of 17 officers from DIPAM was conducted at NISM, patalganga on 20-22 September, 2023.

(d) 2 officers have been nominated for the online valuation course spread over 12 months. (e) Various officers have been nominated for courses held by prestigious institutes/agencies viz. IIM Bangalore, ICPS New Delhi, NIDM Delhi, Art of Living Bangalore, National Law School Bangalore.

A total number 1689 hours of various course available on the iGOT Portal have been completed by 67 DIPAM officials so far.

XIX. AUDIT PARAS/OBJECTIONS

No CAG or PAC paras/Objections are pending in the Department.

XX. 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: -

(₹ in crores)

Grant No.	Budget Estimates 2023-24			Revised Estimates 2023-24 (proposed)		
	Capital	Revenue	Total	Capital	Revenue	Total
32 - Department of Investment & Public Asset Management	1.46	93.46	94.92	58.57	1.46	60.03

The Integrated Finance Unit monitors all financial and expenditure related proposals of the Department like appointment of consultants, foreign deputation/visits of officers etc. The expenditure trend of the Department is consistently monitored by the IF Unit. All budget related matters including issues concerning Standing Committee on Finance come within the purview of this unit.

Annexure-1

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 wherein EoI has been issued

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.	NMDC Steel Limited (NSL)
8.	IDBI Bank.

2. Transactions where EoI has not been issued or transactions called off after issuance of EoI/RFP:

9.	Bharat Petroleum Corporation Ltd (except Numaligarh Refinery Limited)
10.	Pawan Hans Limited
11.	Central Electronics Limited (CEL)
12.	Alloy Steel Plant, Durgapur; Salem Steel Plant; Bhadrawati Steel Plant - units of Steel Authority of India Limited
13.	Container Corporation of India Limited
14.	Rashtriya Ispat Nigam Ltd.

3. 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

4. Transactions halted as the CPSEs 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.

** CPSE is under closure.

Transaction not feasible and the mines are being returned to the State Governments.

5. Transactions held up due to litigation

S.No.	Name of PSE
23.	Karnataka Antibiotics & Pharmaceuticals Limited

6. 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 which is under implementation at present.

7. Transactions not feasible.

S.No.	Name of PSE
25.	Engineering Project (India) Limited
26.	Bridge and Roof Company (India) Limited

8. Transactions Completed

S.No.	Name of CPSE
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

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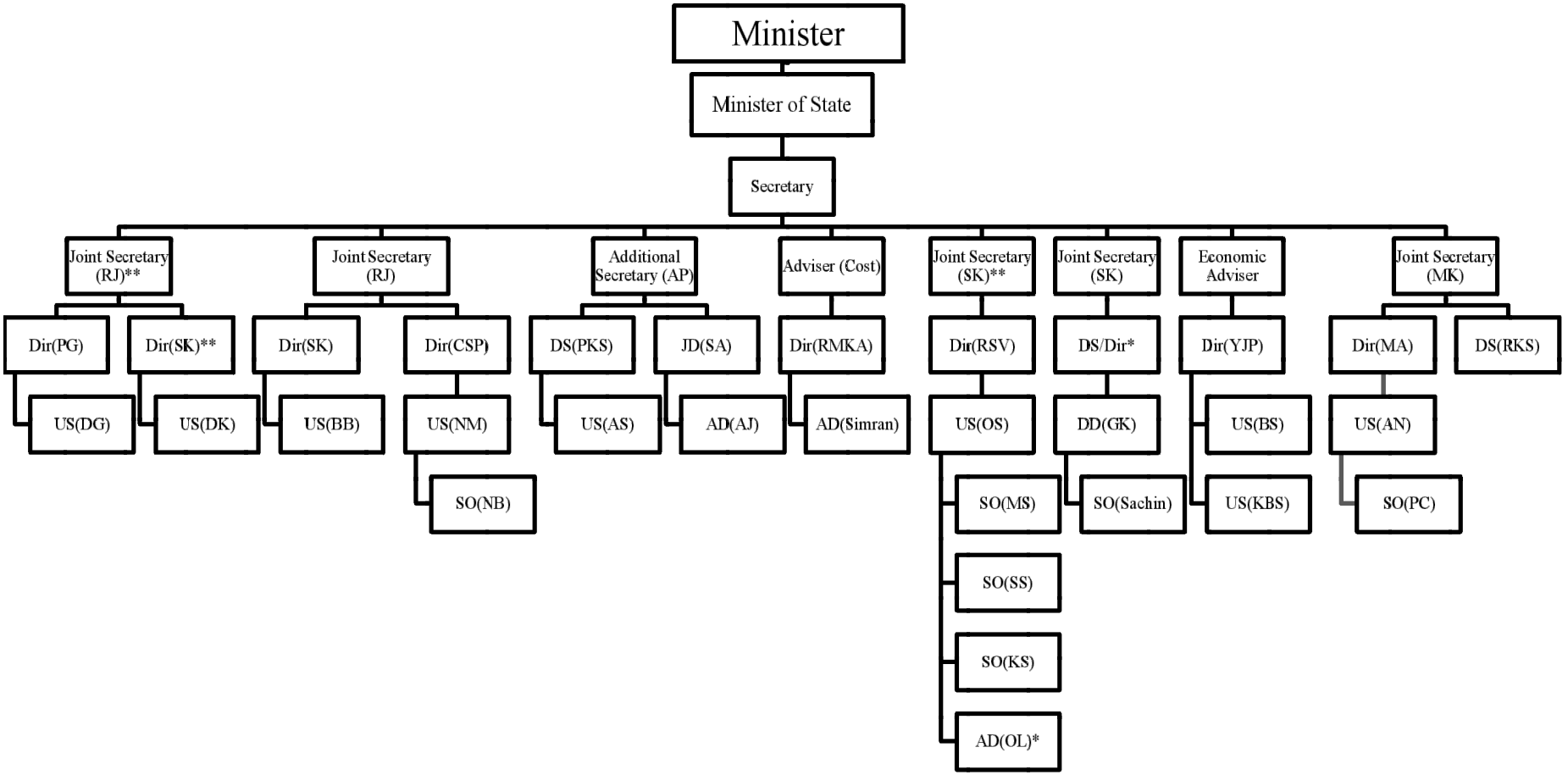
Organisation Chart

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 09.04.2024)				By Direct Recruitment				By promotion			By Deputation		
	Total	SCs	STs	OBCs	Total	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs
A	37	9	1	5	0	0	0	0	0	0	0	0	0	0
B	20	4	1	2	0	0	0	0	0	0	0	0	0	0
C	12	6	0	4	0	0	0	0	0	0	0	0	0	0
Total	69	19	2	11	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 09.04.2024)				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	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Note : DIPAM does not make recruitment at any level and has no employee under PWD category. Also, DIPAM has no attached or subordinate office, under its administrative control.

Chapter - V

Department of Financial Services

1. Organisations/Institutions/ Regulators Under DFS

Under the administrative control of the Department of Financial Services (DFS), a total of 120 organizations fall into various categories, including Public Sector Banks, Public Sector Life Insurers, Public Financial Institutions, Regulators, Regional Rural Banks, DRTs/ DRATs, CERSAI, Office of Custodian, Office of Special Court, and Court Liquidator. Below are the details of these organizations:

Public Sector Banks(12)

- State Bank of India
- Punjab National Bank
- Bank of Baroda
- Canara Bank
- Union Bank of India
- Bank of India
- Central Bank of India
- Indian Bank
- Bank of Maharashtra
- UCO Bank
- Punjab & Sind Bank
- Indian Overseas Bank

Public Sector Insurers(7)

- Life Insurance Corporation of India (LIC)
- General Insurance Corporation of India (GIC)
- The New India Assurance company limited
- United India Insurance Company Limited (UIICL)
- The Oriental Insurance Company Limited (OICL)
- National Insurance Company Limited (NIC)
- Agriculture Insurance Company of India Limited (AICIL)

Public Financial Institutions(7)

- National Bank for Agriculture and Rural Development (NABARD)
- Export -Import Bank of India (Exim Bank)
- India Infrastructure Finance Company Limited (IIFCL)
- National Bank for Financing Infrastructure and Development (NaBFID)
- Industrial Finance Corporation of India Limited (IFCI)
- National Housing Bank (NHB)
- Small Industrial Development Bank of India (SIDBI)

Regulators (3)

- Reserve Bank of India (RBI)
- Pension Fund Regulatory and Development Authority (PFRDA)
- Insurance Regulatory and Development Authority of India (IRDAI)

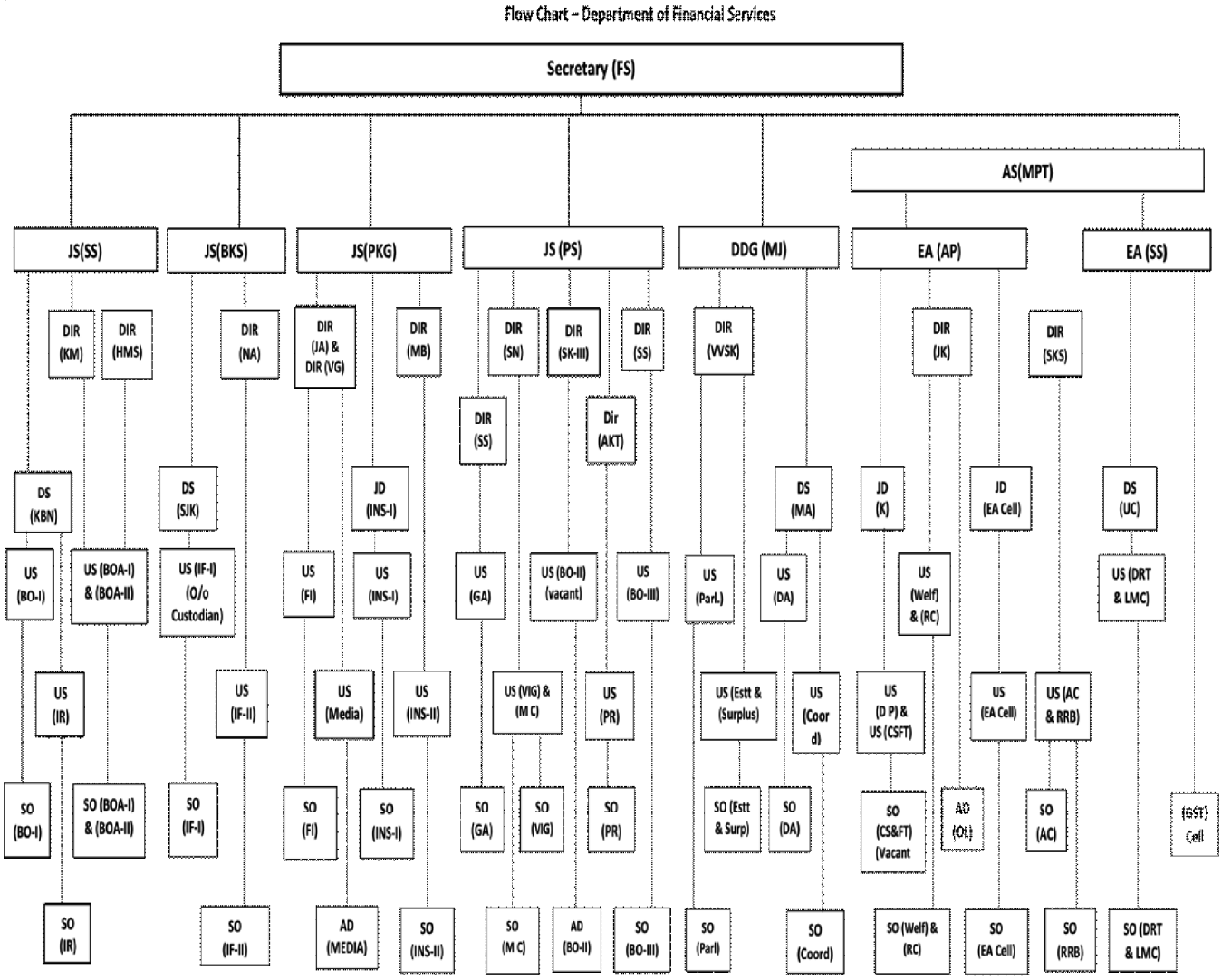
Regional Rural Banks (43)

- Andhra Pragathi Grameena Bank
- Chaitanya Godavari Grameena Bank
- Saptagiri Grameena Bank
- Arunachal Pradesh Rural Bank
- Assam Gramin Vikash Bank
- Dakshin Bihar Gramin Bank
- Uttar Bihar Gramin Bank
- Chhattisgarh Rajya Gramin Bank
- Baroda Gujarat Gramin Bank
- Saurashtra Gramin Bank
- Sarva Haryana Gramin Bank
- Himachal Pradesh Gramin Bank
- Ellaquai Dehati Bank
- J&K Grameen Bank
- Jharkhand Rajya Gramin Bank
- Karnataka Gramin Bank
- Karnataka Vikas Grameena Bank
- Kerala Gramin Bank
- Madhya Pradesh Gramin Bank
- Madhyanchal Gramin Bank
- Maharashtra Gramin Bank
- Vidharbha Konkan Gramin Bank
- Manipur Rural Bank
- Meghalaya Rural Bank
- Mizoram Rural Bank
- Nagaland Rural Bank
- Odisha Gramya Bank
- Utkal Grameen Bank
- Puduvai Bharthiar Grama Bank
- Punjab Gramin Bank
- Baroda Rajasthan Kshetriya Gramin Bank
- Rajasthan Marudhara Gramin Bank
- Tamil Nadu Grama Bank
- Andhra Pradesh Grameena Vikas Bank
- Telangana Grameena Bank
- Tripura Gramin Bank
- Aryavart Bank
- Baroda UP Bank
- Prathama UP Gramin Bank
- Uttarakhand Gramin Bank
- Bangiya Gramin Vikash Bank
- Paschim Banga Gramin Bank
- Uttar Banga Kshetriya Gramin Bank

DRTs and Others

2. Organisational Chart

The Department is headed by the Secretary (Financial Services) who is assisted by one Additional Secretary, four Joint Secretaries (JS), two Economic Advisers (EA) and a Deputy Director General (DDG).The organisational chart of the department is shown below:



3. Work Allocation among Sections

At present, there are **28 sections** within this department, and their work allocation is as follows:

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

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,
- 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

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

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

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

Industrial Relations (IR)

- Service matters of PSBs including IDBI/ RBI
- 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.

Agriculture Credit (AC)

- Credit flow to Agriculture and allied sectors
- Agricultural Debt Waiver and Debt Relief Scheme, 2008.
- Matters relating to NABARD (including pension matters of NABARD), 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.

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.

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

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.

Financial Inclusion (FI)

- National Mission for Financial Inclusion (NMFI) related matters including monitoring of flagship schemes of DFS:
  - (a) Pradhan Mantri Jan Dhan Yojana (PMJDY) (Policy & implementation)
  - (b) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) (Only implementation)
  - (c) Pradhan Mantri Suraksha Bima Yojana (PMSBY) (Only implementation)
  - (d) Pradhan Mantri Mudra Yojana (PMMY) (Policy & implementation)
  - (e) Stand Up India (SUPI) (Policy & implementation)
- 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.,
- Deployment of banking touchpoints/BCs/ATMs and Jan Dhan Darshak App (JDD) related issues.
- BC related policy matters including monitoring of their activities.
- Matters relating to Minimum deposit balance, cash handling & digital payment charges;
- Administrative matters of Mission Office.
- Banking matters Pradhan Mantri Jan Dhan Yojana (PMJDY), Mission Office
- India Post Payment Banks (IPPB) and other payment bank related matters.
- Inter- State Zonal Council Meetings.
- Aspirational District, LWE and other interventions for financial inclusion by government.
- Financial Literacy, Coordination with RBI on National Strategy for Financial Inclusion (NSFI)/ Financial Inclusion Advisory Committee FIAC)/ TGFIFL and related issues
- Matter related to 75 Blocks – DoNER program (SAMBHAV), SVAMITVA Scheme, Antyodaya program, AKAM 2.0, SVANidhi. PM Vishwakarma Scheme etc.

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)
- Joint Parliamentary Committee (JPC) (which enquired into irregularities in securities transactions).
- Disciplinary action against bank employees/ executives involved in irregularities in securities transactions.

Office of Custodian

- 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.

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 (IF-II) - 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

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

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 (including matters related to e-payments in the banking system).
- Matters relating to e-Governance in all FIs and e-Payments in banking system and computerisation of PSBs.
- Promotion of digital payment including National Common Mobility Card (NCMC) scheme of MoHUA, Direct Benefit Transfer (DBT), Digital Payment Infrastructure (DPI), matter related to NPCI and its subsidiaries.
- Matters relating to Payment Regulatory Board (PRB) constitution and matters related to PRB.
- Incentive scheme for Promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant).
- Scorecard of banks for promotion of digital payments.
- On-boarding of merchants on digital payment platforms.
- Matters related to various modes of digital payments including UPI, BHIM - QR, RuPay Debit and Credit cards, IMPS, USSD, PoS, etc.
- Charges levied on various modes of payments including Merchant Discount Rate (MDR).
- Frauds related to various modes of digital payments including online frauds.

- Matters related to app based digital payment and digital lending platforms except regulation.
- Banking matters relating to digital payment platforms.
- Coordination with NIC for the Department
- Management of the Department's website and web services

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

Pension Reforms (PR)

- Reforms in the Pension Sector
- Policy matters with respect to NPS, Atal Pension Yojna 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

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

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

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.

Coordination (Coord.)

- Organisation of FM's meetings with CEOs of PSBs and regional consultative committee meetings.
- Staff Meeting of Secretary (FS)/ Senior Officers Meeting (SOM).
- Monitoring & Review of disposal of VIP references, PMO references, coordination of RBI pending matters.

- Parliament Questions regarding VIP references.
- Monthly DO letter to Cabinet Secretary from Secretary (FS).
- Appointment of CPIOs, ACPIOs, AA and Nodal Section for RTI matters of DFS and to deal with CIC for Annual Report etc.
- Updation of Induction Material for DFS; Co-ordination of VIP, PMO, President-Sectt.,etc, references involving more than two Divisions of DFS.

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
- 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.

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.

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.

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

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.

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.

Legal Monitoring Cell

- Monitoring of court cases and follow-up with concerned Sections to effectively meet the timelines.
- Management and updation of court cases of the Department on LIMBS portal and keeping track of court cases of the Department on the websites of Hon'ble Supreme Court/Hon'ble High Courts/ Hon'ble Central Administrative Tribunal etc.
- Receiving of court cases/correspondence related to court cases and their marking/distribution to concerned Sections.
- Payment of legal bills and matters related to appointment of Central Government Standing Counsel for the Department.

4. Developments in Banking Sector

4.1 Overall condition of Banking Sector

As a result of implementation of Reforms in the financial system, and particularly in Public Sector Banks (PSBs) by the Government, performance of banking sector has significantly improved, as indicated below:

a) Asset quality has improved significantly with

- Gross Non-Performing Asset (NPA) ratio of Scheduled Commercial Banks (SCBs) declining to 3.25% (Rs.5.28 lakh Crore) in Sep-23 from 4.28% (Rs. 3.23 lakh Crore) in Mar-15 and from a peak of 11.18% (Rs. 10.36 lakh Crore) in Mar-18.
- Gross NPA ratio of PSBs declining to 4.17% (Rs3.77 lakh crore) in Sep-23 from 4.97% (2.79 lakh crore) in Mar-15 and from a peak of 14.58%(8.96 lakh crore) in Mar-18
- Net NPAs ratio of SCBs declining to Rs.1.20 lakh Crore(0.76%) in Sep-23 from Rs. 2.31 lakh crore(3.13%) in Mar-15 and from a peak of Rs. 5.2 Lakh Crore(5.94%) in Mar-18
- Net NPAs of PSBs declining to 0.85 lakh crore (0.96%) in Sep-23 from 2.15 lakh crore (3.92%) in Mar-15 and from a peak of 4.54 lakh crore(7.97%) in Mar-18

b) Resilience has increased with-

- Provision coverage ratio of SCBs rising to 92.01% in Sep-23, from 49.31% in Mar-15.
- Provision coverage ratio of PSBs increasing from 46.04% in Mar-15 to a healthy 92.19% in Sep-23

c) Capital adequacy has improved significantly, with-

- Capital Adequacy Ratio (CRAR) of SCBs improving by 385 Basis Points (bps) to reach 16.79% in Sep-23 from 12.94% in Mar-15.
- CRAR of PSBs improved by 373 bps to reach 15.18% in Sep-23 from 11.45% in Mar-15.

d) During FY 22-23, SCBs have recorded highest ever aggregate net profit of Rs. 2.63 lakh crore against net profit of Rs. 1.82 lakh crore in FY 21-22. PSBs have also recorded highest ever net profit of Rs. 1.05 lakh crore in FY 22-23. Further, PSBs have recorded aggregate net profit of Rs. 0.68 lakh crore in the first half of FY 2023-24

e) PSBs declared dividend of 27,830 crore to shareholders (Government of India share 18,088 crore) in FY 2023-24 against total dividend of 20,964 crore to shareholders (Government of India share 13,804) in FY 2022-23.

f) Enabled by implementation of comprehensive reforms, the financial health of PSBs has improved significantly, enhancing their ability to raise capital (in the form of both equity and bonds) from the market. PSBs have mobilized capital of 3.96 lakh crore from the market from FY 2014-15 to FY 2023-24(up to 30.09.2023).

g) 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.

4.2 National Asset Reconstruction Company Limited (NARCL) and India Debt Resolution Company Ltd. (IDRCL)

NARCL and IDRCL have been set up to consolidate and take over the existing stressed debt and then manage and resolve the accounts by implementation of various resolution strategies including disposing of the assets to Alternate Investment Funds and other potential investors for eventual value realization. As on March 2024, NARCL has already acquired 9 borrower entities, with an aggregate debt exposure of 59,897 crores. (Out of these 9, NARCL is acting as Resolution Applicant in 2 cases with total debt exposure of 32,815 crore). NARCL has given offers in 18 accounts (Debt Exposure of 58,713 crore) where Swiss Challenge has been completed in 6 accounts having total debt exposure of 16,994 crores and initiation of Swiss challenge by lenders is under way in 7 accounts with aggregate debt exposure of 14,182 crores.

4.3. Regional Rural Banks

Revitalizing 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 2nd 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 is 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 2024, 43 RRBs are operating through a network of 21,995 branches with operations extending to 31.33 Crore deposit accounts and 3.03 Crore loan accounts in 26 States and 3 Union Territories (Puducherry, Jammu & Kashmir, Ladakh) covering 700 districts of the country. All branches of RRBs are on Core Banking Solution (CBS) Platform.

4.3.1 Unprecedented Capital Support for RRBs

FY 2021-22 was a watershed year in the context of RRBs as Government of India(GoI) decided to infuse 10,890 crore (GoI share: 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 amounted to 10,890 crore including the proportionate share capital contribution by State Governments (15%) and Sponsor Banks (35%). This is in comparison to the total capital infusion of 8,393 crore by all stakeholders from 1975 till FY 2020-21.

4.3.2 Objectives of the Recapitalisation scheme

RRBs have been regularly infused with capital in the past to help them meet the regulatory capital 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. The capital infusion is to help RRBs in technology adoption and to efficiently cater to the financial inclusion needs of the rural populace.

The recapitalisation scheme is 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, reduction in Non Performing Assets (NPA), cost rationalisation, technology adoption, improvement in corporate governance etc.

4.3.3 Status of Receipt of Sanctioned Recapitalisation Assistance

4.3.3.1. Status of receipt of recapitalisation assistance sanctioned in FY 2021-22 and FY 2022-23

An amount of 8,168 crore (GoI Share: 4,084 crore) was sanctioned as recapitalisation assistance to 22 RRBs during FY 2021-22. Department of Financial Services (DFS), GoI vide their sanction letter dated 28 March 2022 accorded approval for placing GoI's share of 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. All the 22 RRBs received the entire amount of recapitalisation assistance sanctioned during FY 2021-22 by March 2023 from all the stakeholders.

An amount of 2,722 crore (GoI Share: 1,361 crore) was sanctioned as recapitalisation assistance to 22 RRBs during last week of FY 2022-23. As on 31 March 2024, all the 22 RRBs have received the entire amount of recapitalisation assistance from Sponsor Banks and State Governments.

19 RRBs have received the entire amount of GoI's share amounting to 1,097.05 crore. Out of the remaining 3 RRBs, 2 RRBs in Uttar Pradesh received the proportionate share of State Government in February 2024 and have received a partial GoI share amounting to 2.95 crore against the sanctioned amount of 198.63 crore. The proportionate State Government share was released by Government of Kerala in March 2024 and the GoI share is yet to be released to Kerala Gramin Bank.

4.3.4. Progress in Achievement of Objectives of Recapitalisation Scheme

Post sanction of recapitalisation assistance during FY 2021-22, all RRBs rolled out a 3-year Board approved Viability Plan (VP) in FY 2022-23 with a well-defined implementation mechanism aimed at achieving sustainable viability through credit expansion, business diversification, asset quality improvement, cost rationalization, technology adoption and improvement in corporate governance.

In this backdrop, the performance of RRBs has improved significantly during FY 2023-24 and has reached historic highs on several parameters. RRBs

posted highest ever consolidated net profit of 7,556 crore during FY 2023-24 and their consolidated Capital to Risk Weighted Assets Ratio (CRAR) was at an all-time high of 14.21% as on 31 March 2024. The asset quality measured by GNPA (Gross Non-Performing Assets) at 6.12% was the lowest in the previous 7 years. Credit expansion led to an increase in consolidated CD ratio to 71.44%, which was the highest in over 15 years. The pace of technology adoption has increased as more RRBs have started rolling out digital services to their customers. Also, RRBs have shown renewed interest in financial inclusion activities as their share in the implementation of flagship schemes has increased during the year.

4.3.5 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, over 88% of loans are extended to the priority sector and about 69% goes to agriculture. Of the total loans, about 60% is extended to weaker sections of society.

(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 Pradhan Mantri Jan Dhan Yojana(PMJDY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Surksha Bima Yojana (PMSBY), Atal Pension Yojana (APY), etc., varies from 14% 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 banking network of rural areas in aspirational districts, RRBs have about 40% of the 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 67% for all the Scheduled Commercial Banks, RRBs had a rural CD Ratio of 76% as on 31 March 2023.

4.3.6 Important Developments in the context of RRBs in FY 2023-24

(i) Region-wise review meeting of RRBs by Hon'ble Union Finance Minister: Hon'ble Union Finance Minister chaired meetings in different regions of the country to review the functioning of RRBs, with a special focus on the status of technology upgradation of the RRBs. The details of the review meetings are as under:

S. No	Region	Place	Date of Review
1	Northeastern Region	Agartala, Tripura	21 July 2023
2	Southern Region	Chennai, Tamil Nadu	04 August 2023
3	Northern Region	New Delhi	30 August 2023

(ii) **Review of Progress Under Viability Plans by Secretary, DFS :** A symposium on 'Strengthening financial sustainability and operational viability of RRBs' was organised for Chairpersons of all RRBs at College of Agricultural Banking, Pune on 11th & 12th May 2023. As a part of the symposium, Secretary, DFS, chaired a meeting to review the progress made by RRBs on various parameters fixed in their respective viability plans. It was noted that there has been substantial improvement in the financial performance of RRBs in 2023-24 as compared to 2022-23.

(iii) **Review of Status of Technology Upgradation in RRBs by Additional Secretary, DFS**: During FY 2023-24, DFS has conducted 4 review meetings (4 May 2023, 31 October 2023, 19 January 2024 and 22 March 2024) under the Chairmanship of Additional Secretary, DFS specifically to review the status of technology upgradation in RRBs in which representatives from RBI, NABARD and Sponsor Banks participated. As a result of the emphasis on the technology upgradation in RRBs, the number of RRBs which have acquired license to launch internet banking facility has increased from 11 as on 31 March 2022 to 29 as on 29th February 2024. The number of RRBs which have acquired license to launch mobile banking facility has

increased from 29 as on 31 March 2021 to 34 as on 29th February 2024. More RRBs are also offering customer centric digital services viz. Unified Payment Interface (UPI), Video Know Your Customer (KYC), Bharat Bill Payment Service etc.

(iv) **RRBs included as Member lending Institutions (MLIs) of Credit Guarantee Fund Scheme for Education Loans (CGFSEL)**: In order to address the issue of declining loan portfolio of RRBs under priority sector loans to education, Ministry of Education, vide gazette notification dated 18 April 2023 has included RRBs which are members of Indian Banks' Association (IBA) as eligible Lending Institutions of the CGFSEL administered by National Credit Guarantee Trustee Company Ltd (NCGTC).

(v) **Increase in Ceiling of Guarantee under Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGTMSE):** CGTMSE vide notification dated 15 December 2023 has increased the ceiling of guarantee for RRBs from 50 lakh to 2 Crore for RRBs under the CGTMSE for all guarantees approved on or after 01 January 2024.

(vi) **Review of Instructions on Bulk Deposits:** RBI vide notification dated 26 October 2023 has enhanced the bulk deposit limit for RRBs. Previously, Single Rupee term deposits of Rupees fifteen lakh and above for RRBs was categorised as "Bulk Deposit". The limit has been enhanced to Rupees one crore and above vide the aforesaid notification.

4.3.7 Key Financial Parameters

(Amount in ₹ crore)

Particulars	31-Mar-21	31-Mar-22	31-Mar-23	31-Mar-24
No. of RRBs (No.)	43	43	43	43
Branch Network (No.)	21,856	21,892	21,995	21,995
Share Capital	8,393	14,880	17,232	19,042
Reserves	30,348	34,359	40,123	46,642
Deposits	5,25,226	5,62,538	6,08,509	6,59,727
Borrowings	67,864	73,881	84,712	92,444
Investments	2,75,658	2,95,665	3,13,401	3,04,545
Gross Loans & Advances O/s	3,34,171	3,62,838	4,10,738	4,71,393
No. of RRBs earning Profit	**30**	**34**	**37**	**40**
Amount of Profit (A)	3,550	4,116	6,178	7,791
No. of RRBs incurring Losses	**13**	**9**	**6**	**3**
Amount of Losses (B)	1,867	897	1,205	235
Net Profit of RRBs (A – B)	1,682	3,219	4,974	7,556
GNPA (Amount)	31,381	33,190	29,894	28,869
GNPA (%)	9.4	9.1	7.3	6.1

4.4 Financial Security Initiatives for Enterprises

4.4.1 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 covered all the sectors of the economy.
- Under ECLGS, 100% guarantee was 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 was extended to include more sectors, by the introduction of ECLGS 2.0, 3.0 and 4.0 as well as changes from time to time. The scheme was valid till 31.3.2023.
- As informed by National Credit Guarantee Trustee Company Limited (NCGTC), guarantees amounting to Rs. 3.68 lakh crore have been issued benefiting 1.19 crore borrowers. The share of MSMEs is 95% by number of guarantees and about 65% in terms of amount of guarantees issued.

Amount of Guarantee Issued	No. of Borrowers befitted	Amount of Guarantee issued for MSMEs
Rs 3.68 Lakh Crore	1.19 Cr.	Rs. 2.39 Lakh Crore

* *As informed by National Credit Guarantee Trustee Company Limited (NCGCTC)*

- As per a research report dated 23.1.2023 of the State Bank of India on ECLGS, almost 14.6 lakh MSME accounts, of which about 98.3% of the accounts were in the micro and small enterprises categories, were saved. In absolute terms, MSME loan accounts worth Rs. 2.2 lakh crore improved since inception of ECLGS for entire banking industry. This means that around 12% of the outstanding MSME credit has been saved from slipping into non-performing asset (NPA) classification due to ECLGS.

No. of MSME account saved since the inception of ECLGS	Worth of MSME loan accounts improved since inception of ECLGS (in Rs. Lakh crore)	% of outstanding MSME credit saved from slipping into NPA
14.6 lakh	2.2	~12

* *As per a research report by SBI dated 23.1.2023 on ECLGS*

4.4.2. Loan Guarantee Scheme for Covid affected Sectors (LGSCAS)

The Loan Guarantee Scheme for Covid affected Sectors (LGSCAS) was formulated as a specific response to an exceptional situation the country witnessed due to lack of adequate health infrastructure in the light of second wave of Covid-19.

The Scheme aimed at upscaling the medical infrastructure in the country, specifically targeting underserved areas. Under the scheme, guarantee coverage is being provided for the funding provided by Scheduled Commercial Banks to eligible projects in the healthcare sector for setting up of or modernising / expanding (i) hospitals/dispensaries/ clinics/medical colleges/pathology labs/ diagnostic centers; (ii) facilities for manufacturing of vaccines/oxygen/ ventilators/ priority medical devices; (iii) public healthcare facilities**.**

The Scheme provided guarantee cover to both brownfield and greenfield projects subject to a maximum loan of Rs.100 crore per project. Guarantee cover was 50% in brownfield projects and 75% in case of greenfield projects and all projects in aspirational districts. The scheme was valid till 31.3.2023.

Performance under LGSCAS scheme is as below:

Project Type	Districts	No of Guarantees Issued	Loan Amount Guaranteed (In Rs. crore)
Brownfield Project	Aspirational Districts	138	163.40
	Non - Aspirational Districts	999	3,506.80
Greenfield Project	Aspirational Districts	300	920.65
	Non - Aspirational Districts	2,392	11,373.46
Total		**3,829**	**15,964.30**

4.4.3 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. It was a Credit 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 and was valid till 31.03.2022. 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. crores)

As reported	Sanction by MLIs to MFI reported by NCGTC	Disbursement by MLIs to MFI reported by NCGTC	No of Beneficiaries under CGPAN as reported by NCGTC	Sanctioned by MFI to Small Borrowers as reported by NCGTC	Disbursement by MFIs to Small Borrowers as reported by NCGTC
Total	10,000	9,765.04	24,28,127	9,478.89	9,464.44

4.5 DigitalPayments

The Government has been taking various initiatives for promotion of digital transactions in the country, especially the creation of digital public infrastructure (Aadhar, UPI, Account Aggregator Framework, Digi Locker, CBDC, ONDC etc.). The digital payment transactions in the country has seen tremendous growth, especially after FY 2013-14. As per the 2023 Prime Time for Real-Time report from ACI Worldwide and Global Data, India has the highest digital transactions globally with a share of 46 percent global real time transactions in 2022. The digital payment transactions have grown from 220 crore in FY2013-14 to 18,737 crore in FY2023-24. During the same period, the value of transactions has grown from 952 lakh crore to 3,659 lakh crore. The monthly transactions for March 2024 stood at 13.44 billion totaling to an amount of INR 19.78 trillion. The volume of Unified Payment Interface (UPI) online transactions witnessed a 57 percent YoY growth in FY23-24.

In July 2023, Promotion of Digital Payments has been transferred from MeitY to Department of Financial Services vide Cabinet Notification No.1/21/6/2023-Cab. dated 17th July 2023. Department of Financial Services is coordinating with various stakeholders for proliferation of digital payment ecosystem in the country.

1. Progress in Digital Payment Transactions:

Digital payments have significantly increased in recent years as a result of coordinated efforts of the Government with all stakeholders. The total digital payment transactions volume increased from **2,071 crore** in FY 2017-18 to **18,737 crore** in FY 2023-24 at **CAGR** of **44%**.

Digital Payment Transactions has seen a tremendous growth especially after FY 2013-14. The digital payment transactions have grown from **220 crore** in FY2013-14 to **18,737 Crore** in FY2023-24. During the same period, the value of transactions has grown from **₹ 952 lakh crore** to **₹ 3,659 lakh crore**.

Financial Year	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Volume (in crore)	2,071	3,134	4,572	5,554	8,839	13,462	18,737
Value (in ₹ lakh crore)	1,962	2,482	2,953	3,000	3,021	3,355	3,659

a. Unified Payments Interface (UPI) is an indigenous digital payment system which provides the facility of quick and easy payments from multiple bank accounts in a single mobile application. **UPI** has revolutionized digital payments in the country, UPI transactions have grown from **92 crore** in FY 2017-18 to **13,116 crore** in FY 2023-24 at **CAGR** of **129%**. It is estimated that the UPI transactions are expected to cross **20,000** crores in FY2024-25.

- The introduction of the UPI in FY 2016-17 has helped India establish itself as one of the global leaders in real-time payment systems and overall growth of digital transactions. As per ACI Worldwide Report 2023, around **46%** of the global real-time payment transactions is happening in India.

- UPI has been the major driving force in the overall growth of digital payment transactions in the country accounting for **70%** of digital payment transactions in FY 2023-24.
- **In March 2024**, UPI reached another milestone recording over **1,344** crore transactions in a single month for the first time.

Internationalization of Digital Payments:

- India's indigenously developed UPI and RuPay cards are world class platforms for enabling digital payments. Government is making efforts to promote these products globally.
- At present UPI is fully functional and live in **UAE, Bhutan, Nepal, Mauritius, France, Sri Lanka and Singapore**,
- RuPay cards acceptance is live in **Nepal, Bhutan, Mauritius, Singapore, and UAE**
- NPCI International Payments Limited (NIPL) signed an MoU with Google wherein both entities will work together to enable the use of UPI for Indian citizens travelling internationally, create an UPI like digital payment system which will internationally interoperable, and make cross border remittances quick and cost effective.
- Further, a Task Force on Digital Public Infrastructure has been set up by the Government to oversee and accomplish India's G20 Presidency goals on digital public infrastructure and promoting innovative technology-based services such as UPI along with the governance frameworks.

b. Digital Payment Infrastructure: Coordinated efforts of ecosystem partners have led to an exponential growth in digital payments acceptance infrastructure in the country, increasing from **0.31 crore** in FY 2017-18 to **36.14 crore** in FY 2023-24.

	POS	Bharat QR	UPI QR	Total
FY2017-18	0.31	-	-	**0.31**
FY2022-23	0.78	0.54	25.64	**26.95**
FY2023-24	0.89	0.63	34.62	**36.14**

* *Source: RBI*

RBI has, vide circular dated January 5, 2021, operationalised the Payments Infrastructure Development Fund (PIDF) Scheme from January 1, 2021, for a period of three years. On December 29, 2023, The scheme was further extended up to December 31, 2025. The objective of the Scheme is to encourage acquirers (banks and non-banks) and merchants by subsidising deployment of inter-operable payment acceptance infrastructure in Tier-3 to Tier-6 centres with special focus on the North-Eastern states of the country and Union Territories of Jammu and Kashmir and Ladakh. The Scheme envisages creation of 30 lakh new touch points for digital payments every year. Since August 2021, eligible street vendors of the PM Street Vendor's AtmaNirbhar Nidhi (PM SVANidhi Scheme) in Tier-1 and Tier-2 centres have been included as beneficiaries of the PIDF Scheme. Further, now with the extension of the scheme, the beneficiaries of PM Vishwakarma Scheme, across the country, have been included as merchants for deployment under the PIDF Scheme since its inception. As on March 31, 2024, 2024, a total of 3.14 crore payment acceptance devices have been deployed at eligible locations under the PIDF Scheme.

Location	Physical Devices*	Digital Devices**	Aadhar enabled biometric devices
Tier 3 & 4 Centres	4,83,804	1,02,56,155	393
Tier 5 & 6 Centres	3,87,682	1,63,87,522	2,419
North-eastern States	82,761	15,19,697	102
UTs of J&K and Ladakh	42,885	8,18,780	2
Tier 1 & 2 Centres (PM SVANidhi Scheme)	325	14,44,271	0
Tier 1 & 2 Centres (PM Vishwakarma Scheme)	7	45	0
Total	9,97,464	3,04,26,470	2,916
Total Touchpoints	3,14,26,850 (3.14 Crore)		

*Physical devices include PoS, mPoS (mobile PoS), GPRS (General Packet Radio Service), PSTN (Public Switched Telephone Network), etc.
**Digital devices include inter-operable QR code-based payments such as UPI QR, Bharat QR, etc.

Incentive Scheme for RuPay and UPI

To support payment system participants to mitigate adverse impact of zero MDR and to promote digital payment, the "Incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant- P2M)" was launched. The scheme was based on the budget announcements, for FY2021-

22 and FY2022-23, with the intent to provide financial incentive to promote digital payment modes. The financial outlay of the Scheme for FY2021-22 and FY2022-23:

FY	Sanction Budget (₹ ,in crore)	Disbursement (₹, in crore)
2021-22	₹1,450	₹1,389
2022-23	₹2,600	₹2,210
FY23-24	₹3500	₹2484.97 (till 31.12.2023)

For FY2023-24, the scheme was announced in Budget 2023-24 as part of budget speech. The Scheme was notified by the Department of Financial Services (DFS), Government of India vide Gazette Notification dated March 12, 2024.

Under the Scheme Banks and other payment system operators and app providers are incentivized for RuPay Debit Card and low-value BHIM-UPI transactions (upto 2,000) (P2M), for a period of one year, i.e; from 01st April, 2023 till 31st March 2024, at a financial outlay of 3,500 crore. Out of the 3,500 crore, 500 crore is allocated for RuPay Debit Card and 3,000 crore is allocated for BHIM-UPI.

4.6 Account Aggregator

4.6.1 Developments

Account Aggregator (AA) 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 framework 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, NBFC, 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 fourteen 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.

4.6.2 Initiatives

DFS conducts regular meetings to review the progress of app for invoice-based lending and status of Account Aggregator with all Financial Sector Regulators i.e. RBI, IRDAI, PFRDA and SEBI, PSBs, all Public Sector Insurance Companies (PSICs), NABARD, DoR, DEA, GSTN, SIDBI, major Private sector Life Insurance companies, CDSL, NSDL & other stakeholders. As per data collected by the FI Plan portal, approximately **67 crore transactions** have occurred successfully for data sharing via Account Aggregator up to March 2024.

5. Financial Inclusion

5.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

With a view to increase banking penetration, promote financial inclusion and to provide at least one bank account per household across the country, a National Mission on Financial Inclusion (FI), known as Pradhan Mantri Jan Dhan Yojana (PMJDY) was announced on 15th August, 2014. The Scheme was formally launched on 28th August, 2014 at National level by the Hon'ble Prime Minister. Comprehensive financial inclusion of the excluded sections was proposed to be achieved by 14th August, 2018 in 2 Phases as under:

- **Phase I (15th August, 2014 - 14th August, 2015)**

  Universal access to banking facilities in all areas, except those with infrastructural and connectivity constraints and providing basic banking accounts and RuPay Debit card with inbuilt accident insurance cover of Rs. 1 lakh and organizing Financial Literacy Programmes.

- **Phase II (15th August, 2015 - 14th August, 2018)**

  Overdraft (OD) facility upto Rs. 5,000 to be given after six months of satisfactory operation/history. Creation of Credit Guarantee Fund for coverage of defaults in overdraft accounts and unorganized sector pension schemes like Swavlamban.

- **Extension of PMJDY**

  PMJDY was extended beyond 14.8.2018 with the focus on opening of accounts shifting from "every household" to "every unbanked adult" while making the scheme more attractive with upward revision in: -

  a) OD limit from Rs.5,000 to Rs.10,000;

  b) accident insurance cover on RuPay card holders from Rs.1 lakh to Rs.2 lakh;

  c) age limit for availing OD facility revised from 18- 60 years to 18-65 years; and

  d) no conditions attached for OD up to Rs. 2000.

5.1.1 Performance of PMJDY

Major achievements of PMJDY are as under: (Numbers in Crore)						
As on	**PMJDY Accounts (in crore)**	**No of PMJDY Accounts (Male)**	**No of PMJDY Accounts (Female)**	**No of PMJDY accounts (rural/ Semi-urban)**	**No of PMJDY Accounts (Urban/Metro)**	**Deposits in PMJDY Accounts (in Rs. crores)**
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	11.30	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
March'23	48.65	21.60	27.05	32.45	16.20	1,98,844
March'24	**51.95**	**23.05**	**28.90**	**34.58**	**17.36**	**2,32,502**

- A total of 51.95 crore Jan-Dhan accounts have been opened till **March 2024** under PMJDY, with a deposit balance of Rs.2,32,502 crores. The average deposit balance is approx. **Rs.4,476** per PMJDY account.
- There are **28.90 crore** (**55.6%**) women Jan-Dhan account holders, and approximately **34.58 crore** (**66.6%**) accounts have been opened in rural and semi-urban areas.
- Approximately **35.35** 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, **87.2** % have been seeded with Aadhaar number of the account holder on user consent basis, which has enabled interoperable and immediate Aadhaar based transactions, including for Direct Benefit transfer (DBT) through Aadhaar Payment Bridge.

5.1.2 Banking Touch Points:

- 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
Mar-17	49,860	38,931	25,103	26,530	1,40,424
Mar-18	50,860	39,616	25,458	26,536	1,42,470
Mar-19	51,609	41,031	26,399	27,157	1,46,196
Mar-20	52,382	42,213	27,318	28,133	1,50,046
Mar-21	52,651	42,441	27,446	28,055	1,50,593
Mar-22	53,204	42,443	27,433	28,181	1,51,261
Mar-23	54,244	43,745	28,021	29,057	1,55,067
Jun-23	54,391	43,948	28,158	29,264	1,55,761

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	1,10,111	1,01,950	2,12,061
31.03.2017	1,12,666	1,09,809	2,22,475
31.03.2018	1,15,471	1,06,776	2,22,247
31.03.2019	1,15,323	1,06,380	2,21,703
31.03.2020	1,21,086	1,13,271	2,34,357
31.03.2021	1,22,983	1,15,605	2,38,588
30.09.2021	1,25,220	1,15,762	2,40,982
31.03.2022	1,29,766	1,16,794	2,46,560
31.03.2023	1,31,684	1,23,613	2,55,297
31.03.2024	1,27,301	1,26,116	2,53,417

Source: RBI

** includes ATMs deployed by White Label ATM Operators*

- The number of card acceptance devices of Point of Sale (POS) has increased from 10.7 lakh in March 2014 to 89.03 lakh in Mar'24.

5.1.3 Jan Dhan Darshak App

A mobile application was 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 Mar'24, there are **1.74 lakh branches**, **11.63 lakh BCs** (including IPPB-BCs) and **2.12 lakhs ATMs** mapped by the banks. Further, as per data uploaded by the banks on JDD app, out of the 6.01 lakh (6,01,328) mapped villages on the app, 6.00 lakh (6,00,314) (99.83%) villages are having branch or BC within a distance of 5 kilometres.

5.1.4 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 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 digitalized, financially inclusive and an insured society. The instant transfer of Direct Benefits under various Government Schemes has been made possible through the JAM pipeline.

5.2. 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 digital banking 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 the opening of savings accounts, balance checks, passbook printing, transfers of funds, investments in fixed deposits, loan applications, stop-payment instructions for cheques issued, applications for credit / debit cards, view statement of account, pay taxes, pay bills, make nominations, etc. The DBUs are also facilitating for onboarding to Government credit link schemes through the Jan Samarth portal and end-to-end digital processing of small ticket MSME/retail loans.

During the period from 16th October 2022 to 31st March 2024, a total of more than 1.02 crore interventions (related to major activities) occurred across all 99 DBUs.

5.3. 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 improve the performance of these Districts under Financial Inclusion (FI) parameters. DFS is also working

on 'Mission Utkarsh' to improve the performance of the 10 selected Districts which are lagging behind on FI parameters. Under Mission Utkarsh 10 Districts in the country have been selected by DFS for Financial Inclusion Interventions on the basis of following:

- Current and Saving Accounts (CASA), per lakh population
- Enrolments under PMJJBY, per lakh population
- Enrolments under PMSBY, per lakh population
- APY, per lakh population
- MUDRA, per lakh population

6 Key Schemes

6.1 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.

6.2 Pradhan Mantri Suraksha Bima Yojana (PMSBY) — The Scheme is available to people in the 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 in case of claim 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 in case of claim of death cases under PMJJBY has been reduced from 45 days to 30 days with effect from 1st June, 2021 except for death due to an accident for which the claim is admissible from the date of joining this scheme.
- 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.
- 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 March 2024 is as under:

Scheme	Eligibility (Yrs)	Premium (p.a)	Cumulative Enrolments (crore)	Claim Paid	Claims amount (crore)	Settlement Ratio(%)
PMJJBY	18 to 50	Rs 436	19.91	7,77,919	Rs.15,558.38	99.89%
PMSBY	18 to 70	Rs 20	43.81	1,34,573	Rs.2,672.63	97.75%

6.3 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).

- 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;
- No insistence on collateral(s);
- A Credit Guarantee Fund for Micro Units (CGFMU) was set up for guaranteeing loans

extended to eligible micro units under Pradhan Mantri Mudra Yojana (PMMY) by Member Lending Institutions (MLIs) and Overdraft loan amount sanctioned under Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts. From FY 2020-21 onwards, loans sanctioned to Self Help Groups (SHGs) between Rs.10 lakh to Rs. 20 lakh would also be eligible for coverage under CGFMU. The National Credit Guarantee Trustee Company Ltd. (NCGTC), a wholly-owned company of Government of India, constituted under the Companies Act, 1956 (2013) is the trustee of the Fund.

- As on **March 2024** the sanction amount covered under live guarantee is **Rs.3.18** lakh crore.

As on **March 2024**, more than **47.84** crore loan accounts amounting to **Rs. 28.89** lakh crore have been sanctioned since the launch of Scheme. Out of this, about 68% loans have been sanctioned to Women Entrepreneurs and **50**% 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	80%	38%
Kishore	18%	39%
Tarun	2%	24%
Total	**100%**	**100%**

6.4 Stand Up India Scheme (SUPI)

The Stand-Up India Scheme launched on 5thApril, 2016 aims to promote entrepreneurship among the Scheduled Caste/ Scheduled Tribe and Women by facilitating bank loans of value between Rs.10 lakh and Rs.1 crore to at least one SC/ST borrower and one-woman borrower per bank branch of Scheduled Commercial Banks for setting up greenfield enterprises in trading, manufacturing and services sector.

In 2019- 20, the Stand-Up India Scheme was extended for the entire period coinciding with the 15th Finance Commission period of 2020-25. Pursuant to an announcement made by the Union Finance Minister in the Budget speech of FY 2021-22, the following changes have been made in the Stand-Up India Scheme: -

- The extent of margin money to be brought by the borrower has been reduced from 'upto 25%' to 'upto 15%' of the project cost. However, the borrower will continue to contribute at least 10% of the project cost as own contribution. The Scheme envisages 'upto 15%' margin money which can be provided in convergence with eligible Central/State schemes;
- Loans for enterprises in 'Activities allied to agriculture' e.g. pisciculture, beekeeping, poultry, livestock, rearing, grading, sorting, aggregation argo industries, dairy, fishery, Agri clinic 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 31.03.2024, 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.**
37,433	7,908.24	12,578	2,702.49	1,75,530	40,251.02	2,25,541	50,861.75

6.5 PM Street Vendor's AtmaNirbhar Nidhi Scheme (PMSVANidhi)

The scheme is a Central Sector Scheme being implemented by the Ministry of Housing and Urban Affairs (MoHUA). It aims to provide 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 the smooth implementation of the scheme which envisages empowering street vendors by not only extending loans to them but also for their holistic economic development.

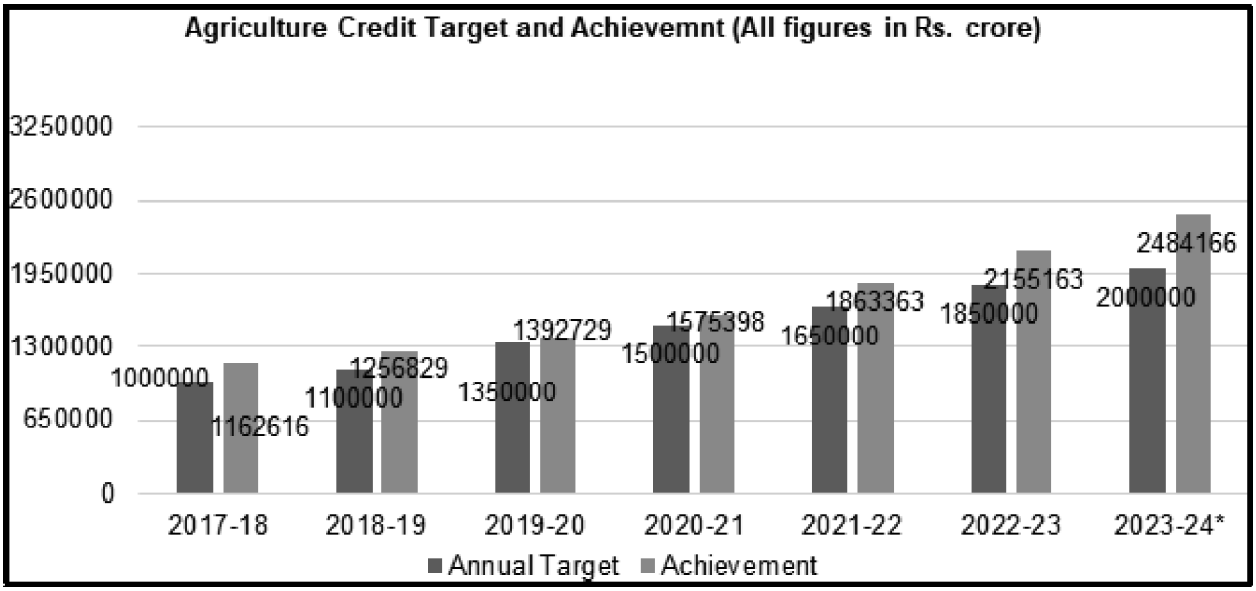
The Scheme has provision for collateral free working capital loan upto Rs. 10,000 for 12 months under 1st tranche, upto Rs. 20,000 for 18 months under 2nd tranche and upto Rs.50,000 for 36 months under the 3rd tranche. On timely/early repayment, the vendors will be eligible for the next cycle of working 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 **March 2024**, a total of **87.94 lakh** loan applications have been sanctioned in all tranches together, out of which **84.14 lakh** applications have been disbursed.

7. 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 six years and the 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.18.50 lakh crore for 2022-23, agriculture credit to the tune of Rs.21.55 lakh crore was disbursed, registering 116% achievement. Agriculture credit target for year 2023- 24 has been set at Rs. 20.00 lakh crore with a sub-target of Rs. 2.93 lakh crore for Animal Husbandry, Dairying and Fisheries farmer. As on March 2024, Rs.24.84 lakh crore was disbursed (Provisional) against the target of Rs.20.00 lakh crore.



Source: ENSURE portal of NABARD

** Provisional Data*

7.1. Kisan Credit Card (KCC)

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 5 years, and the beneficiaries have ease and flexibility in withdrawal 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%.

Over 4.99 crore farmers have been covered under the ongoing KCC saturation drive effective from February, 2020 with sanctioned credit limit of about

Rs.6.15 lakh crore as on 12.04.2024. At present (as on 31.03.2024), there are 7.74 crore operative KCC accounts with a total outstanding loan of Rs.9.80 lakh crore.

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 was extended up to 31st March, 2024.

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.

7.2 Role of National Bank for Agriculture and Rural Development (NABARD) in Rural Financing & Development of Rural Economy.

NABARD, an apex development financial institution, was established in 1982, for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas. Major functions of NABARD are Financial, Developmental and Supervision. Several funds such as Rural Infrastructure Development Fund (RIDF), Long Term Irrigation Fund (LTIF), Micro Irrigation Fund (MIF), Short Term Cooperative Rural Credit (Refinance) Fund, Short Term Regional Rural Bank (Refinance) Fund, Long Term Rural Credit Fund (LTRCF), etc are available with NABARD for creation of rural infrastructure and providing credit to the agriculture sector.

7.2.1 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 crores in 1995-96 to Rs. 40,475 crores in 2023-24.

The cumulative funding commitment, as on 31.03.2024 to 30 States/UTs stood at Rs. 5.52 lakh crore (including Bharat Nirman) against which Rs. 4.37 lakh crore have been disbursed as of 31.03.2024. 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, 26% accounted for rural roads, 30% for irrigation, 21% for social sector, 13% for agriculture sector (other than irrigation) and 10% for rural bridges.

7.2.2 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 31 March 2024, sanctions have been accorded by NABARD under LTIF to the tune of Rs.85,791 crores against 99 projects identified. 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 Shahpur kandi 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. 61,351 crores. Similarly, for Polavaram Irrigation project, North Koel Reservoir Project and Shahpur kandi Dam Project, cumulative releases stood at Rs.10,650.15 crores, Rs.721.22 crores and Rs.207.45 crores respectively.

7.2.3 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 31st March 2024 stood at Rs.4,725 crores and Rs. 3,388 crores respectively. This will facilitate in expanding micro irrigation to an area of 19.1 lakh ha. involving 15.9 lakh farmers.

7.2.4 Short Term Cooperative Rural Credit STCRC (Refinance) Fund

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.50,517.76 crores, including residual allocation of earlier years) has been made for the STCRC (Refinance) Fund during 2023-24. As on 31.03.2024, Rs.50,517.76 crores have been utilised out of STCRC (Refinance) Fund during 2023-24.

Total Refinance disbursed by NABARD to Co-operative Banks amounts to Rs. 1,34,285.69 crores. At the same time the Total No. of KCC issued to Co-op Banks stands at 16.33 lakh with total sanctioned limit of Rs. 16,918.70 crores.

7.2.5 Short Term Regional Rural Bank STRRB (Refinance) Fund

STRRB (Refinance) 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.15,157.91 crores, including residual allocation of earlier years) during 2023-24. As on 31.03.2024, Rs.15,157.91 crores have been utilised out of STRRB (Refinance) Fund during 2023-24.

Total Refinance disbursed by NABARD to RRBs amounts to Rs. 48,787.04 crores. At the same time the Total No. of KCCs issued to RRBs stands at 27.83 lakh with total disbursement of Rs. 42,403.77 crores.

7.2.6 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 crores to this fund (Rs.15,177.95 crore including residual allocation of earlier years) during 2023-24. However, NABARD received Rs.15,154.22 crore as deposits from contributing banks. The same was fully disbursed to RFI's under LTRCF during the financial year 2023-24. Besides the above NABARD also provided non-concessional LT refinance to RFIs amounting Rs. 32,675.23 crore during FY 2023-24.

8. Priority Sector Lending (PSL)

The objective of priority sector lending (PSL) has been, inter-alia, to ensure access to credit to vulnerable sections of society and have adequate flow of resources to those segments of the economy which have higher employment generation potential and help in making an impact on poverty alleviation. Thus, the sectors that impact large sections of the population, the weaker sections and the sectors which are employment-intensive such as agriculture and micro and small enterprises are part of the priority sector.

With the objective of making the Priority Sector Lending norms more broad-based, the guidelines are reviewed from time to time to align them with the emerging national priorities. As a part of this process, the PSL guidelines have been revised in 2020. The revised guidelines also aim to encourage and support environment friendly lending policies/schemes and help to achieve Sustainable Development Goals (SDGs).

A. Some of the salient features of the revised PSL guidelines are:

i. 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.

ii. The targets prescribed for "small and marginal farmers" and "weaker sections" have been increased from 8% to 10% & 10% to 12% in 2023-24.

iii. Credit to new sector like Compressed Bio Gas (CBG), Solar projects, credit for start-ups (up to 50 crore) engaged in Agriculture & allied activities and MSME have been made eligible under PSL.

iv. Higher credit limit has been specified for Farmer Producer Organisations (FPOs)/ Farmers Producers Companies (FPCs) undertaking farming with assured marketing of their produce at a pre-determined price.

v. Credit limit has also been enhanced in case of sector like renewable energy sector, Health Infrastructure (including Ayushman Bharat) and education loan.

vi. 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 50 lakh to 75 lakh per borrower.

vii. Target for lending to Non-Corporate Farmers for FY 2023-24- the applicable target for lending to the non-corporate farmers for FY 2023-24 was 13.78% of ANBC or CEOBE, whichever was higher.

B. The outstanding priority sector advances of Public Sector Banks was 30,36,062 crore as on March 31, 2023, and 34,30,412* crore as on March 31, 2024. Outstanding advances to agriculture by PSBs amounted to 15,38,288* crore as on March 31, 2024, constituting 19.34 percent of ANBC of PSBs. (* Provisional figures as reported by banks to RBI.)

8.1 Education Loan

Every 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, based on the experience gained and feedbacks received during its implementation over the years. The last revision of the Model Educational Loan Scheme was undertaken during the year 2022. As per RBI, Loans given to students for vocational and educational courses with a maximum amount of 20 lakh qualify for priority sector classification The main features of the revised Model Educational Loan Scheme are as under:

i. This Scheme provides for need based finance.

ii. No collateral security or third-party guarantee is required for loans up to Rs. 7.50 lakhs, if the loans are covered under Credit Guarantee Scheme.

iii. No Margin (i.e. borrower's own money) is required for loan up to Rs 4 lakh.

iv. One-year moratorium for repayment after completion of studies in all cases.

v. The repayment period (after moratorium) is 15 years for all loans

8.1.1 Performance of Education Loans

The total outstanding education loans of Public Sector Banks (PSBs) as on March, 2024 stood at is Rs. 1,04,402.04 crores in 19,44,375 accounts. The disbursement of Education Loans during FY-24 amounted to 28,699 Cr, compared to 24,996 Cr disbursed in FY23, reflecting a **year-on-year growth of 15%**

8.1.2 Vidya Lakshmi Portal

Vidya Lakshmi Portal is a first of its kind portal providing single window for Students to access information, submit application and track their applications for Educational Loans provided by Banks. As many as 1,40,751 students were disbursed education loans in FY24. The Portal has the following features:

- Information about Educational Loan Schemes of Banks;
- Facility for students to apply to multiple Banks through common application;
- Facility for Banks to download students' loan applications and upload loan processing status;
- Facility for students to track the status of submitted application

As per the aforementioned portal, a total of 1,40,751 students got benefitted during FY 23-24

9. Insurance Sector

9.1 Overview

The insurance sector is crucial for citizens and the economy alike, providing individuals with protection from unexpected risks such as death, health crisis or property damage, thereby fostering financial security and peace of mind. This stability encourages entrepreneurship and investment, driving economic growth and job creation. Insurance mechanisms mitigate systemic risks, reducing the likelihood of widespread financial crisis and supporting the overall well-being of society. It provides long-term funds for infrastructure development and supports continuous economic transformation.

9.2 Public Sector Insurers

The Public Sector Insurance Companies operating in the sector are as follows:

- Life Insurance Corporation of India
- General Insurance Corporation of India – GIC Re (Re-Insurer)
- The New India Assurance Company Limited
- United India Insurance Company Limited
- National Insurance Company Limited
- The Oriental insurance Company Limited
- Agriculture Insurance Company of India Limited

  – Specialised Insurer (Company floated by Public Sector general insurance companies along with NABARD.
- ECGC Limited – Specialised Insurer (Government of India enterprise for export credit guarantee)

9.3 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-nine (69) insurers as on March 31, 2023 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 , 2023, there are 25 Life insurers including one in Public Sector, 27 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 31.03.2023)

Type of Insurer	Public Sector	Private Sector	Total
Life Insurers	1	24	**25**
General	6	21	**27**
Standalone Health	0	5	**5**
Re-Insurer	1	11	**12**
Total	8	61	**69**

Source: IRDAI

9.4 Insurance related Social Security Schemes:

Apart from the two Social Security Schemes related to insurance sector as mentioned in para 6.1 and 6.2, the other is as under:

9.4.1 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 8.56 lakh subscribers (No. of Policies 1117816) have benefited under the scheme as on March 2024
- The Scheme was valid up to 31st March 2023

9.5 Insurance Industry Statistics

a) Insurance coverage

Insurance coverage refers to the number of lives covered under insurance for life, health and other insurance categories. As per IRDAI report, during 2022-23 the General & health insurance companies have covered 55 crore lives under 2.26 crore health insurance

policies. Personal Accident Insurance covered a total of 119.01 crore number of lives (including PMSBY, PMJDY and IRCTC e-ticket passengers) and 78.71 lakh lives were covered under Travel Insurance policies.

The cumulative enrolments as on March 2024 under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is 19.9 crore and Pradhan Mantri Suraksha Bima Yojana (PMSBY) is 43.8 crore.

b) 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).

	India (2001-02)	India (2022-23)	Malaysia (2022-23)	Thailand (2022-23)	China (2022-23)
Insurance Penetration (%)	2.7	4.0 (Life:3.00 % Non- Life:1%)	5.0	5.3	3.9
Insurance Density (US$)	11.5	92 (Life:70 & Non-Life: 22)	592	369	489

Source: Swiss Re, Sigma Report on World Insurance 3/2023

Globally insurance penetration and density in 2022-23 were 2.8 per cent and USD 354 for the life segment and 4.0 per cent and USD 499 for the non-life segment respectively. In 2022-23, the insurance density in India increased from 91 in 2021-22 to 92 in 2022-23

The insurance penetration of Life Insurance sector in India is reduced from 3.2 per cent in 2021-22 to 3 per cent in 2022-23 and the same for Non-Life Insurance sector remained at 1 per cent in both these years. As such, India's overall insurance penetration reduced to 4 per cent in 2022-23 from the level of 4.2 per cent in 2021-22

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.7.83 lakh crore during 2022-23 as against Rs.6.93 lakh crore in the previous financial year, registering a growth of 12.98 per cent. The private sector life insurers have clocked a growth of 16.34 per cent in premium, while the public sector life insurer recorded 10.90 per cent growth in premium. Life Insurance Corporation of India LIC is the only life insurer underwriting business outside of India and collected a total premium of Rs 404.78 crore during 2022-23.

New business premium underwritten for Life Insurance Industry 2022-23

	Market Share	New Premium Underwritten	Total New Business Premium	Growth from 2021-22
LIC	60.66%	Rs.2.32 lakh Crore	Rs. 3.71 Lakh Crore	17.8%
Private Insurers	39.34%	Rs.1.39 lakh Crore		

Source: IRDAI

Total Premium of Life Insurers (Crore) in FY 2022-23

Sector	Premium
Public Sector	4.74 lakh crore
Private Sector	3.08 lakh crore
Total	7.83 lakh crore

Source: IRDAI

General insurance industry including Health Insurance Business

The general insurance industry (including standalone health insurers) underwrote total direct premium of Rs. 2.57 lakh crore in India for the year 2022-23 as against Rs.2.21 lakh crore in 2020-21, registering a growth rate of 16.40 per cent as against 11.06 per cent growth rate recorded in the previous year. The public sector general insurers together contributed to 38.42 per cent of the market share while the private sector general insurers contributed to the remaining 61.58 per cent

Sector	Premium (Rs crore)	Growth from 2021-22
PSU	82,891.00	10.47 %
Private Insurers	13,19,42.00	20.22 %
Stand alone Health insurers(SAHI)	26,244.00	25.77 %
Specialized Insurers	1 5,817.00	5.12 %
Industry Total	25,68,94.00	16.40%

Source: IRDAI Annual Report

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 insurance business is the largest segment with a contribution of 38.02 percent (36.48 percent in 2021-22) of the total premium. Health Insurance Segment reported growth of 21.32 percent (26.27 percent growth in 2021-22) with the premium amounting to Rs 97,633 crore from 80,502 crore in 2021-22.

During the year 2022-23, the net loss of the non-life insurance sector marginally decreased to Rs 2,566 crore as against a net loss of Rs 2,857 crore in 2021-22. The public sector companies reported a loss of Rs 10,607 crore. The profit after tax for private sector general insurers was Rs 4,665 crore, specialized insurers was Rs 2,930 crore and the standalone health insurers was Rs 447 crore.

9.6 Investments of the Insurance sector:

Insurers have been mandated to follow the pattern of investment, as required under IRDAI (Investment) Regulations 2016. As on March 31, 2023, the investments made by the insurance industry stood at 60.04 lakh crore as against 54.36 lakh crore as on March 31, 2022 registering a growth of 10.44 per cent. The share of Life insurers stood at 91 per cent and that of Public Sector insurers stood at 72 per cent for the period 2022-23.

	Insurance Sector (2021-22)	Insurance Sector (2022-23	Life Insurers (2022-23)	Public sector Insurers (2022-23)
Total investments	54.37 Lakh crore	60.04 Lakh Crore	90.99% of total investment	71.62% of total investments

Source: IRDAI

9.7 Rural and Social Sector Business

The (Obligations of Insurers to Rural and IRDAI Social Sectors) Regulations, 2015 stipulated targets of business from rural and social sectors to be fulfilled by insurers on an annual basis. In terms of these regulations, Insurers are required to fulfil year wise business target prescribed **(A)** in terms of percentage of social sector lives computed on the total business; and **(B)** in terms of percentage of number of policies for life insurers and gross premium written direct, for general and standalone health insurers, from rural areas. As perNotification dated 16.10.2002 titled Insurance Regulatory and Development Authority(Obligation of Insurers to Rural Social Sectors)Regulations,2002 Social Sector includes unorganized sector, informal sector, economically vulnerable or backward classes and other categories of persons, both in rural an urban areas.

All the life insurers* including LIC have fulfilled their rural sector obligations for the year 2022-23. The data is tabulated as below:

	Life Insurance Companies	Private Life Insurance Companies	LIC
Rural Sector Obligations	68.47 lakh policies (24.05%)	26.98% of total policies	22.25% of total policies
Total lives covered under Social sector.	4.43 crore (17.74%)	18.72% of total policies	14.05% 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. Also, Consequent to the merger of Exide Life Insurance Co. Ltd. (Exide Life) with HDFC Life Insurance Co. Ltd. on 15 October 2022, the rural and social sector obligations are not applicable to Exide Life.)

During FY 2022-23, 24 general insurers (excluding Specialized and Stand-Alone Health Insurers) have fulfilled their social sector obligations while one general insurer has not fulfilled its rural sector obligations as stipulated under the Regulations. The matter is under examination from the regulatory perspective. All general insurers (excluding Specialized and Stand-Alone Health Insurers) underwrote a premium of 32,091 crore in the rural sector in FY 2022-23. Public sector and private sector insurers underwrote 23 per cent and 77 per cent respectively of total gross premium procured in the rural sector. Kshema General Insurance Company Limited has been issued a Certificate of Registration as a General Insurance Company in India, on 11/01/2023 and (Obligations of IRDAI Insurers to Rural and Social Sectors) Regulations, 2015 are not applicable for them for FY 2022-23.

The five SAHI insurers procured Rs 3,980 crores premium in rural sector constituting 15.16 per cent of gross premium procured by them in the year 2022-23 and have covered 87.99 lakh lives under social sector i.e., 10.19 per cent of total lives covered in the previous year.

9.8 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 2022-23 was Rs. 200.19 crore through 4.50 lakh new policies and the Group new business premium amounted to Rs. 8593 crore covering 1627 lakh lives. There were 101916 micro insurance agents attached to life insurers at the end of FY 2022-23. Total number of general insurance policies issued by Micro Insurance Agents (excluding of Standalone health insurers) were 188201 in the year 2022-23.

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 up to premium of Rs.10,000 per annum per MSME.

Initiatives/Steps/Decisions taken by DFS:

- Hon'ble Finance Minister in her budget speech of 2022-23 announced that Insurance Surety Bonds will be accepted as one of the alternatives for Bank Guarantee (BG) in Government procurement. As a result, several insurance companies have started issuing surety bonds and as on March 2024 approximately Rs. 2707.00 crore worth Surety Bonds have been issued.
- The Jan Suraksha Automation portal, a unified digital interface has been created for enrolment and settlement of claims under PMJJBY and PMSBY which has gone live w.e.f. 01.09.2023 with all the public sector banks and their partner insurance companies. Till 31.3.2024, 4 crore (approx.) policies have been issued through the portal.
- Position of General Manager & Director (GMD) has been upgraded to Executive Director (ED) at Level 14A in pay matrix as per Central Civil Service (Revised Pay) Rules 2016, in non-life Public Sector Insurance Companies (PSICs). Consequent upon upgradation of the position of GMD to ED, ACC has approved guidelines for appointment of EDs vide its communication dated 21.12.2023.
- Amendments in Insurance Ombudsman Rules, 2017: The Insurance Ombudsman rules, 2017 have been amended by the central Government on 9.11.2023. Key amendments include enhancement in limit of award compensation by an Insurance Ombudsman from existing Rs. 30 lakhs to Rs. 50 lakhs.
- Family pension at the Uniform rate of 30% in LIC: The proposal of the Life Insurance Corporation of India (LIC) has been approved for fixing a uniform rate of family pension @30% of last pay in place of the existing slab system whereby,

family pension is paid at varying rates of 30%, 20% and 15%, depending upon pay slabs.

- The LIC (Agents) Regulations, 2017 has been amended by the Central Government on dated 06.12.2023 to the following extent:

  (a) The maximum limit of gratuity admissible to LIC Agents has been enhanced from the existing limit of Rs 3 lakh to Rs 5 lakh.

  (b) The term insurance cover for the agents has been expanded from the existing range of Rs. 3,000-10,000 rupees to Rs. 25,000-1,50,000. This enhancement in term insurance will significantly benefit the families of deceased agents, offering them a more substantial welfare benefit.

10. Pension Sector

10.1 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, PFRDA Act in 2013 was passed. 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 Points of Presence (PoPs) 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. PoPs, 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.

PFMs registered with PFRDA manage pension corpus through various schemes under NPS in accordance with the provisions of the PFRDA Act, Rules, and Regulations made thereunder, agreements executed with the NPS 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:

- 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) in the old Tax Regime.
- 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. The additional 4% employer contribution from the Central Government and State Government is also be tax exempt under 80 CCD (2).
- Amount utilized for purchase of annuity plan on exit (minimum 40% mandatory up to 100% of corpus) is tax exempt under Section

80CCD (5) and amount withdrawn as lumpsum at the closure of account, up to 60% of the total accumulated balance, is tax exempt under Section 10(12A) of the Income Tax Act, 1961. With this, the entire withdrawal is now exempt from income tax.

- Interim/ Partial Withdrawal from NPS Tier I up to 25% of the contributions made by NPS subscriber is tax free.

(B) Tier II:

Contribution by the Central Government employees under Tier-II Tax Saver Account 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 provided that there is a lock- in period of 3 years.

(I) Freedom of choice for selection of Pension Funds and pattern of investment to 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 31st March, 2024, is as under:

Sector	No. of subscribers (in lakhs)	Assets Under Management (in Rs Crores)
Central Government	26.07	3,22,215
State Government	65.96	5,82,673
Corporate	19.48	1,66,729
All Citizen Model	35.64	59,826
NPS Lite *	33.28	5,560
Total	**180.43**	**11,37,003**

*(No fresh registration permitted since. 01.04.2015)

(II) Recent developments under NPS

PFRDA has undertaken significant initiatives in line with the Union Budget 2023-24 to streamline regulations, reduce compliance costs, and promote ease of doing business. One notable amendment is the simplification of the registration process under the PoP Regulations, 2023, allowing both banks and non-banks to serve as PoPs for onboarding NPS subscribers, eliminating the need for multiple registrations and reducing processing time from 60 to 30 days.

Amendments to the PFRDA (Retirement Adviser) Regulations, 2023, aim to simplify eligibility criteria and registration processes for retirement advisers, removing the requirement for a security deposit and introducing a 30-day registration timeframe.

Through amendments to the PFRDA (Redressal of Subscriber Grievance) Regulations, 2023, the age limit for grievance redressal has been increased from 65 to 70 years. Revisions were undertaken in PFRDA (CRA) (Amendment) Regulations, 2023, and PFRDA (Trustee Bank) (Amendment) Regulations, 2023. In total, amendments in eleven regulations have been undertaken to simplify the various PFRDA regulations.

Overall, these initiatives demonstrate PFRDA's commitment to improving the regulatory environment, reducing compliance burdens, and fostering digital adoption in the pension sector.

(III) New Initiatives under NPS

(a) In addition to existing modes of payment available to subscribers QR code-based UPI payments have been introduced, to ease the process of making payments for subscribers.

(b) To ease the process of lump sum withdrawal now the subscribers are allowed through a **Systematic Lump Sum Withdrawal**(**SLW)** process on a periodical basis viz monthly, quarterly, and half-yearly or annually for a period until 75 years as per the choice of the Subscriber.

(c) UPI based Instant Bank Account Verification through Penny drop - Bank Account authentication using PAN and VPA (UPI) for enhanced due diligence.

(d) Integration of NPS Statement of Transaction (SoT) with Consolidated Account Statement (CAS) issued by Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL), on consent basis.

(e) Integration of NPS with Digi Locker to offer Citizen Centric Services.

(f) PFRDA in coordination with IRDAI has simplified the process of issuing an Annuity by considering the NPS withdrawal form as the Annuity Proposal.

(g) NPS integration with Account Aggregator (AA) Framework for consent-based information sharing.

(h) Reduction in settlement time and acceptance of Withdrawal from T+4 days to T+ 2 days.

(i) Online Account opening for Government Sector Subscribers with reduced TAT and immediate NPS Account activation through e-NPS.

(j) PFRDA in coordination with National Payments Corporation of India (NPCI) has allowed NPS contributions through Bharat Bill Payment Systems (BBPS) which will help in making NPS contributions even easier through various UPI Apps.

(k) NPS Prosperity Planner (NPP) has been launched as a tool to nudge the Subscribers to save more for retirement and ensure adequacy in retirement income.

10.2 Atal Pension Yojana (APY)

Atal Pension Yojana (APY) was launched on 9th May, 2015, and was operationalised w.e.f. 1st June, 2015, with the objective of creating a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector. It is open to all citizens of India between 18-40 years of age having a savings bank account in a bank or post-office. For better targeting of guaranteed pension to unorganised sector workers, an income tax payer shall not be eligible to join APY from 1st October, 2022. The subscriber under APY is required to make a monthly/ quarterly/six monthly contribution of an amount determined by the amount of pension chosen and the age of joining the scheme. The subscriber shall receive a government guaranteed minimum pension of Rs. 1000 per month, Rs. 2000 per month, Rs. 3000 per month, Rs. 4000 per month or Rs. 5000 per month, after the age of 60 years until death, depending on the contribution chosen. The subscriber will get the guaranteed minimum monthly pension, or higher monthly pension, depending on the investment returns. The subscribers have also been given facility to upgrade/ downgrade their pension amount and change the frequency of contributions payment once in a year.

The spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber after the death of the subscriber. After the death of both 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.

APY is being administered by the Pension Fund Regulatory and Development Authority (PFRDA) under the overall administrative and institutional architecture of the National Pension System (NPS).

As on 31st March, 2024, the number of gross enrolments under APY is more than 6.43 crore with contribution of Rs. 31,098 crore and AUM of Rs. 35,647 crore.

10.3 Major measures/steps undertaken to increase coverage under the Schemes:

(i) National Pension System

1. Expansion of NPS distribution channels through engagement of individual agents, Fintech companies like Zerodha Broking Ltd., Finzoomers Services Pvt. Ltd., Paytm Money & ET Money.

2. For increasing pension literacy conferences have been organised in association with various trade bodies, Federation of Indian Chambers of Commerce & Industry (FICCI), Confederation of Indian Industry (CII), and Indian Chamber of Commerce.

3. 'NPS Chintan Shivir' was organised by PFRDA on 15th November, 2023, in New Delhi, for discussions and deliberations to generate ideas and inputs for policy formulation, product design, distribution, and financial literacy.

4. Financial literacy website called Pension Sanchay has been hosted (www.pension sanchay.org.in)

5. Publicity and media campaigns are being run by PFRDA through electronic media, print media, and social media. Online media campaign

educating people about benefits of NPS was run by PFRDA in February - March 2024 under the aegis of Subscribers' Education and Protection Fund.

6. Keeping the North East region in focus, conferences on NPS awareness for corporate sector were conducted in Guwahati and Kolkata in association with trade bodies and PoPs.

(ii) Atal Pension Yojana

(a) 30 APY outreach programs attended by senior officials of PFRDA, banks, SLBCs, State-Government, RBI, NABARD, SRLM, etc., were conducted in the Financial Year 2023-24 in co-ordination with State Level Bankers' Committees (SLBCs) and Lead District Managers (LDMs).

(b) APY felicitation programs and strategy/ performance review meetings have been conducted with APY-SPs, nodal officers, and SLBCs for discussing the progress of APY enrolments in their bank/ State.

(c) APY Subscribers Information Brochure is available online in 13 vernacular languages as well as single-page flyer on APY in English and 22 languages as per the 8th Schedule of the Constitution of India is also available for expanding accessibility and understanding.

(d) PFRDA has empanelled a training agency for conducting awareness programs on APY through VC. A total of 5,824 bank officers participated in the 36 trainings and 6,524 subscribers attended the 56 subscriber awareness programs that were conducted in vernacular languages, during the year.

(e) Promotion of the Scheme through mass-media campaigns on TV, Radio, Print and Social-media in Hindi, English, and regional-languages.

(f) Engagement with various Ministries of Government of India, National Centre for Financial Education (NCFE), National Bank for Agriculture and Rural Development (NABARD), National Rural Livelihood Mission (NRLM), and SRLM to spread awareness and coverage of APY.

11. Financial Institutions

11.1 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 and investment, 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) and Ubharte Sitaare Programme (USP), which benefit a gamut of externally oriented Indian companies, including MSMEs. The Bank has developed a new trade facilitation initiative, the Trade Assistance Program (TAP) to address the trade finance gap to support the businesses, especially MSMEs, in expanding their global presence.

In addition, the Bank has also set up a subsidiary, India Exim Finserve IFSC Pvt. Ltd., at Gujarat International Finance Tech-City (GIFT City). The subsidiary offers a range of trade finance products including export factoring to mitigate payment risks, optimise working capital cycles and unlock export potential for Indian exporters.

As on March 31, 2024, 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). One facility of USD 15.04 million sanctioned by the Bank is awaiting approval of Committee of Direction. As on March 31, 2024, under BC-NEIA, Bank has already disbursed USD 56.71 million during current FY. The current outstanding amount under BC-NEIA stands at USD 0.76 billion. Under the Trade Assistance Programme (TAP), the Bank has partnered with over 80 overseas banks. As on March 31, 2024, the Bank has supported 506 transactions under TAP across 33 countries, leading to more than USD 1.1 billion of incremental exports to new and challenging markets. As on March 31, 2024, the Bank has extended financial support of Rs. 1,214 crore (including 5 equity investments) to 62 entities under Ubharte Sitaare Programme (USP). During FY 2023-24, the Bank sanctioned funded and non-funded assistance aggregating Rs. 6,875 crore under Overseas Investment Finance (OIF) to 24 Indian corporates for part financing their overseas investments in 12 countries. As on March 31, 2024, the Bank's net loans and advances stood at Rs. 1,57,602 crore, while the non-fund portfolio of the Bank was at Rs. 15,346 crore. The total business portfolio of the Bank, which stood at Rs. 3,44,182 crore as on March 31, 2024.

11.2 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-ND-IFC) since September 2013. IIFCL has set up three wholly-owned subsidiaries as under.

a) India Infrastructure Finance Company (UK) Limited

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).

IIFCL has been consistently achieving record sanctions and disbursements over the past three fiscal years and has already surpassed the previous year's performance in the current fiscal year. On a standalone basis, as of March 31, 2024, IIFCL has made cumulative gross sanctions of Rs. 2,55,687 crores under direct lending, takeout finance, refinance schemes, InVITs, and investment in bonds. This includes cumulative gross sanctions of Rs. 1,22,182 crores for 567 projects under direct lending. The company has made cumulative disbursements of Rs. 1,28,004 crores till March 2024, including Rs. 37,440 crores under refinance and Rs. 23,869 crores under takeout finance.

IIFCL has continued to post declining numbers on the Non-Performing Assets (NPA) front and achieved a notable reduction in Gross NPA and Net NPA to 1.61% and 0.46%, respectively, as of March 31, 2024, down from 4.76% and 1.45% on March 31, 2023.

IIFCL has achieved record business performance, posting its highest-ever Profit after Tax (PAT) of Rs. 1,552 crores during the financial year 2023-24, which represents a growth of 44% from Rs. 1,076 crores during the fiscal year 2022-23.

IIFCL has been nominated to represent India in the Shanghai Cooperation Organization Inter-Bank Consortium (SCO-IBC) as member bank. Further, IIFCL chaired the SCO-IBC for a one-year from October 25, 2022, to October 24, 2023. Under its representation, IIFCL effectively organized various events, including a meeting of Experts and Coordinators in December 2022, a capacity-building seminar on developing Marquee Infrastructure in February 2023, and a successful SCO IBC Council Meeting in April 2023.

11.3 National Bank for Financing Infrastructure and Development(NaBFID)

The National Bank for Financing Infrastructure and Development (NaBFID) had been established through an announcement made by Hon'ble Finance Minister in the Union Budget 2021-22 and is set up as an infrastructure focussed Development Financial Institution (DFI) under the National Bank for Financing Infrastructure and Development Act 2021, (NaBFID Act) on March 28, 2021 to support the development of long-term non-recourse infrastructure financing in India including the development of the bonds and derivatives markets necessary for infrastructure financing and to carry on the business of financing infrastructure. The Institution has been set-up with both financial and developmental objective, as defined in its Act.

The Institution is supported with 20,000 crore of equity and 5,000 crore of grant from the Government of India (GoI). NaBFID was granted All India Financial Institution (AIFI) status by the RBI on March 8, 2022.

Whole Time Directors and Senior Management started taking charge from August 8, 2022. To ramp up the operationalization, the Institution had onboarded 45 officials from 12 organisations over the time, from both public and private sector banks and institutions, on deputation. NaBFID commenced its business operations on December 29, 2022, with its first loan disbursement.

The Institution reported Net Profit After Taxes of 1,046 crore for FY 2023 and received Highest AAA (stable) domestic rating from ICRA and CRISIL in March 2023. The institution successfully raised 19,516 crore through bonds in FY 2023 – 2024 with its maiden Bond Issuance in June 2023 and successfully listed on both stock exchanges – BSE and NSE.

As of March 31, 2024, the Institution has accorded cumulative sanctions of 1,00,000 crore and cumulative disbursement of ~ 36,000 crore across sectors such as Roads, Railways, Renewables, Transmission and Distribution, Ports, Data Centers and Social commercial sectors amongst others and 50% share of sanctions spread across long-term tenors ranging between 15-20 years. The Institution has also reported a net profit of 1,414 crore, during the first nine of months of FY 2023-2024.

11.4 The 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 Non-Banking Finance Company (NBFC) 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 as on March 31, 2024 stands at 70.32% of paid-up capital of IFCI. IFCI is a public limited company listed on BSE and NSE and has six number of subsidiaries and one associate under its fold. IFCI has recorded a consolidated profit of 241.05Cr for FY 2023-24 as against loss of Rs.119.78 Cr for FY 2022-23

11.5 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.

Hon'ble FM in the Union Budget 2023-24 announced establishment of Urban Infrastructure Development fund (UIDF) through Priority Sector Lending Shortfall to create urban infrastructure in Tier 2 & Tier 3 cities. The Fund has been operationalised with an initial corpus of Rs.10,000 crore and is being managed by National Housing Bank.

National Housing Bank (NHB) is development financial institution with staff strength of more than 200 officials with diversified educational background. NHB operates through its Headquarter located at New Delhi and Regional Offices spread across the country. As of June 2023, the Bank has 15 regional offices situated in Ahmedabad, Bengaluru, Bhopal, Bhubaneshwar, Chandigarh, Chennai, Delhi, Guwahati, Hyderabad, Jaipur, Kolkata, Lucknow, Mumbai, Patna and Raipur.

11.5.1 Refinancing

Till 31.03.2024, National Housing Bank has disbursed cumulative refinance of Rs. 3.61 lakh crore, out of which Rs. 49,140 crore has been disbursed under Affordable Housing Fund. The details of refinance activities undertaken by NHB during FY 2022-23 and FY2023-24 (till 31-03-2024) are as below:

(Rs. Crores)

	FY2022-23 (01.07.2022 – 30.06.2023)			FY2023-24 (01.07.2023 – till 31.03.2024)		
Business Groups	**Sanction**	**Disbursement**	**Outstanding as on 30-06-2023**	**Sanction**	**Disbursement***	**Outstanding as on 31.03-2024**
Institutional Finance (Refinance) -Banks	14,500.00	6,412.00	14,260.99	5,737.50	1,181.00	21,669.36
Institutional Finance (Refinance) -NBFC (HFCs)	28,405.00	29,289.20	77,766.95	27,500.00	19,585.94	69,009.91
Total	**42,905.00**	**35,701.20**	**92,027.94**	**33,237.50**	**20,766.94**	**90,679.27**

* *figure includes disbursement from carried forwarded limit of last financial year.*

11.5.2. Financial Highlights

- Bank posted a Net Profit of Rs. 800.19 crore for the half year ended 31st December 2023 with ROA of 1.59%, ROE of 13.75% and Capital Adequacy Ratio (CRAR) of 17.20%.
- Gross NPA ratio of the Bank stood at 0.77% as on 31.12.2023.

11.5.3. Projections/estimates for the period from 01-04-2024 to 30-06-2024

- Bank has disbursed a cumulative amount of Rs. 20,767 crores during the FY 2023-24 (July-June) as on 31-03-2024.
- Bank projects further tentative sanctions amounting to Rs. 7,000 crores and tentative disbursements amounting to Rs. 10,000 crores during the period April, 2024 to June, 2024.

11.6 Small Industrial Development Bank of India (SIDBI)

SIDBI is the Principal Financial Institution for promotion, financing and development of the Micro, Small and Medium Enterprises (MSMEs) and co-ordination of the functions of the various Institutions engaged in similar activities. SIDBI extends financial assistance to MSMEs through two key channels- 1) Direct Finance wherein assistance is extended largely through the branch network of the Bank and 2) Institutional Finance wherein is extended to Banks, NBFCs, MFIs etc. against their lending to MSMEs. Apart from the above, SIDBI is also engaged in various developmental and ecosystem building initiatives for the MSME sector in India such as venture capital, guarantee programmes, government scheme management, digital innovations etc.

Brief of financial assistance extended by SIDBI is given below-

Amount in ₹ crore

Business Groups	FY 2023	FY 2024 (as on 31.12.2023)
	Outstanding	Outstanding
Direct Credit	18,409	22,391
Refinance to Bank	2,98,173	3,46,521
Refinance to NBFC	33,415	48,197
Refinance to MFI	4,900	8,085
SIDBI Cluster Development Fund	1,542	1,598
Total	3,56,439	4,26,793

Profit After tax and Gross NPA for FY23-24 (till 31.12.2023) for SIDBI stood at Rs.3624 Crore and 0.05% respectively.

The New Initiatives of SIDBI for MSME Sector include Internal Process Improvements under Direct Lending, GST Sahay Project, Finance Income and Trade Rank (FIT Rank), Express Loan, Venture Debt Support, Seed Capital corpus support for investing in viable and scalable startup incubates, etc.

GST Sahay Project- SIDBI, in association with Online PSB Loans Ltd (OPL) and iSPIRT, has developed a GST Sahay App using the Open Credit Enhancement Network (OCEN) and Account Aggregator (AA) frameworks for providing 'on tap' invoice-based financing (cash flow based) for small value credit to micro enterprises. The app journey is paperless and covers the entire credit life cycle from origination to repayment. It uses trade information from GSTN, Bank information through AA, Credit bureau status, etc., and also other components of India Stack like e-sign and e- stamping, e-NACH mandate, etc. to achieve paperless process.

12. Special Court and Office of Custodian

12.1 Special Court

The Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992 came into force on 6.6.1992. 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 Judge who is sitting High Court 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 posts are renewed on a year-to-year basis by DFS, Ministry of Finance with the approval of IFU. As on 31st March 2024 a total number of pending matters in the Special Court 79 which includes, Suits and Special Cases (Criminal) and 73 Civil and Criminal Appeals arising out of the orders passed by the Special Court are pending before the Hon'ble Supreme Court.

12.2 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 one at New Delhi and the other 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 the Special Court, which is presided over by a sitting Judge of Hon'ble Bombay High Court. Apart from that the Mumbai Office also manages attached properties of notified persons involved in the Security Scam. The present sanctioned strength of the Office of the Custodian is 19 (including the post of Custodian). The charge of Custodian is

presently held by a Joint Secretary level Officer of the Department of Financial Services in addition to his charge in Department of Financial Services.

Since inception, a total of 13,493 cases were filed in the Special Court, which were defended/contested by the Custodian and 13425 cases have been disposed of by the Special Court, leaving a balance of 68 cases for their disposal as on 29th February, 2024. As on 29th February, 2024 the total outstanding liabilities of notified parties were for Rs. 42,053 crores as against the assets amounting to Rs. 6,760 crores, out of which Rs.1,096 crores are non-recoverable. Till 29th February, 2024, Rs.12,813 crores (approx.) has been recovered by the Custodian and out of these assets, Rs. 7,149 crores has been distributed to the Income Tax Department, Banks and others.

13. Disposal of Public Grievances

Timely redressal of public grievances relating to banking and insurance sectors is an important tool towards upgrading the quality of customer service in this very crucial segment of financial sector. Department of Administrative Reforms and Public Grievances (DARPG) has established CPGRAMS (Centralised Public Grievance Redressal and Monitoring System), (an online web-based system), to resolve public grievances.

The maximum permissible time for resolution of grievances on CPGRAMs is 30 days. This was communicated 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.

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 on CPGRAMs and same can be viewed by them online. 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.

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.

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". There are 17 Insurance Ombudsman set up by IRDAI. In case of banking there are 24 offices of RBI ombudsman. When the petitioners are not satisfied with the kind of disposal by the concerned Banks/Insurance Company, they can file their complaints with the Ombudsmen concerned for the settlement of their grievance through mediation and passing of awards.

14. Right to Information (RTI) Act, 2005

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-110001 and/or can also file an RTI under RTI Act, 2005, on Online Portal available at www.rtionline.gov.in

During FY 2023-24, 6324 RTI Applications and 447 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

15. Vigilance

Department of Financial Services (DFS) is the Administrative Department for Public Sector Banks (PSBs), Public Sector Insurance Companies (PSICs) and Financial Institutions (FIs). A Joint Secretary level officer has been designated as Chief Vigilance Officer of the Department. He is assisted by Director, Under Secretary and Section Officer in the discharge of his functions.

15.1 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 Section, DFS organised a training programme of CVOs of PSICs and officers of DFS through National Insurance Academy, Pune.

d) Vigilance Section also held many Secretary level meetings to review pending fraud cases, status of section 17A and 19 of Prevention of Corruption Act, 1988 cases with senior officers of CBI and CVOs of PSBs.

e) A committee has been formed by IBA to suggest a vigilance manual or SOP to protect bonafide bankers from disproportionate action by Law Enforcement Agencies. Vigilance Section, DFS is providing necessary support to the Committee to assist banking fraternity.

f) CVC's Annual Sectoral Review Meeting for PSBs was held to review the status of large value fraud cases, complaints and sanctions for investigation and prosecution.

15.2. Vigilance Awareness Week was observed from 30.10.2023 to 05.11.2023. Essay and slogan writing competitions, both in Hindi and English were held to create awareness about vigilance rules in Department. Further, vigilance Section, DFS also oversaw the successful completion of Vigilance Awareness Week in subordinate organisations viz. Public Sector Banks/Public Sector Insurance companies and Public Sector Financial Institutions.

16. Debt Recovery Tribunals(DRTs)/Debt Recovery Appellate Tribunals(DRATs)

The Debts Recovery Tribunals (DRTs) and Debts Recovery Appellate Tribunals (DRATs) were established under the Recovery of Debts and Bankruptcy Act (RDB Act), 1993 with the specific objective of providing expeditious adjudication and recovery of debts due to Banks and Financial Institutions.

a. A notification dated 31/01/2023 has been issued making e-filing mandatory in 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. Facility of Hybrid Hearing in DRTs: Department of Financial Services is taking requisite steps to facilitate hybrid hearing for all DRATs and DRTs. Hybrid court hearings entail a combination of in-person and remote participants in legal proceedings.

c. The details of applications filed and disposed in DRTs during the period from 01.04.2023 to 31.03.2024 are as under: -

Applications	Filed during the period from 01.04.2023 to 31.03.2024	Disposed of 01.04.2023 to 31.03.2024
OA	42511	36894
SA	22601	16343
Total	65111	53237

d. Recovery effected by Debts Recovery Tribunals (DRTs) in the Financial Year 2023-24 .As per the provisional data made available by all DRTs, a recovery of Rs. 11116.661 crore has been made by DRTs in the Financial Year 2023-24

17. Representation 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), Other Backward Classes (OBCs), Economically Weaker Sections (EWSs), and

Persons with Disabilities (PwDs)(Divyangjan) 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. Similarly, instructions issued by the other Nodal Ministries/ Departments for the welfare of aforesaid category employees, are also circulated to all PSBs, PSFIs, PSICs, RBI, IRDAI and PFRDA etc. for implementation.

Details of representations from SCs/ STs/ OBCs/ EWSs and Persons with Disabilities (PWDs) in Public Sector Banks / Financial Institutions and Insurance Companies is at ***Annexure I & II*** respectively.

18. 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 31.12.2023

S.No.	Group	Number of Employees (as on 31.12.2022)					Number of appointments/promotions made during the calender year 2023 (i.e. 01.01.2023 to 31.12.2023)														
							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	22
2	Group - A	473133	86945	39274	121257	2727	12542	1941	837	3902	1190	44559	8042	3408	11976	34	855	89	19	202	11
3	Group - B	20485	2966	1337	4013	176	6316	1092	584	1399	440	31	11	4	4	0	1	0	0	0	0
4	Group-C	327581	58402	25594	83867	4830	9504	1552	941	2901	716	6700	1547	513	1421	0	932	253	84	234	0
5	Group-D (Excluding Safai Karamchari)	86512	25287	6536	22451	363	1237	158	166	290	70	34	8	0	1	0	551	220	57	144	0
6	Group-D (Safai Karamcharies)	28292	12988	2114	7527	38	236	65	13	89	5	0	0	0	0	0	175	78	25	34	0
7	Total	936003	186588	74855	239115	8134	29835	4808	2541	8581	2421	51324	9608	3925	13402	34	2514	640	185	614	11

Sources: PSBs, PFIs, PSICs and Regulators.

Group-wise representation of Persons with Disablities up to 31.12.2023

S.No.	Group	Number of Employees (as on 31.12.2022)					Number of appointments/promotions made during the calender year 2023 (i.e. 01.01.2023 to 31.12.2023)																			
							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	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID	Total	VH	HH	OH	ID
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
2	Group - A	473133	3165	1080	7002	100	1398	175	212	178	187	2243	191	69	161	66	4899	193	179	192	140	17444	201	98	357	4
3	Group - B	20485	4	1	22	0	0	0	0	0	0	9	2	2	2	3	0	0	0	0	0	0	0	0	0	0
4	Group-C	327581	2822	1139	4623	80	1501	147	215	131	137	1895	237	55	110	24	865	324	143	390	68	4312	44	26	78	0
5	Group-D (Excluding Safai Karamchari)	86512	224	210	761	3	12	5	3	3	1	198	3	1	4	1	0	0	0	0	0	16	0	0	0	0
6	Group-D (Safai Karamcharies)	28292	75	100	493	3	9	3	2	2	2	235	4	3	2	1	0	0	0	0	0	0	0	0	0	0
7	Total	936003	6290	2530	12901	186	2920	330	432	314	327	4580	437	130	279	95	5764	517	322	582	208	21772	245	124	435	4

Note:-

(i) VH stands for visually Handicapped (persons suffering from blindness or low vision).

(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment).

(iii) OH stands for Orthopedically Handicapped (persons suffering from locomotors disability or cerebral palsy).

(iv) ID stands for Intellectual Disability.

Sources: PSBs, PFIs, PSICs and Regulators.

ANNEXURE-III

Summary of important observations included in Audit Reports

Sl. No.	Year	No. of paras/PA reports on which ATNs have been submitted to PAC after vetting by Audit	Details of the Paras/PA reports on which ATNs are pending		
			No. of ATNs not sent by the Ministry even for the first time	No. of ATNs sent but returned with observations and Audit is awaiting their resubmission by the Ministry	No. of ATNs which have been finally vetted by Audit but have not been submitted by the Ministry to the PAC
1	01.01.2023 to 31.03.2024	3*	Nil (as on 31.03.2024)	13 (as on 31.03.2024)	4 (as on 31.03.2024)

* Includes 2 Nos. of C&AG Audit Para and an entire Report No.1 of 2022.

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	2014-15	1	Nil	Nil	Nil
2	2015-16	1	Nil	2	Nil
3	2016-17	1	Nil	1	Nil
4	2017-18	1	Nil	4	Nil
5	2018-19	Nil	Nil	3	Nil
6	2019-20	Nil	Nil	8	Nil
7	2020-21	Nil	Nil	3	Nil
8	2021-22	Nil	2	Nil	Nil
9	2022-23	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)

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. The PE Survey Report 2022-23 has been laid in both the houses of the Parliament.

As per PE Survey 2022-23 (provisional) there were 402 Central Public Sector Enterprises under the administrative control of various Ministries/ Departments as on 31.03.2023. Out of 402 CPSEs, 254 are in Operation of which 193 CPSEs showed profit during 2022-23, 57 CPSEs incurred losses during the year, and 1 CPSE has no profit no loss. The 'Net Profit' of 193 profit making CPSEs was 2.41 Lakh crore in 2022-23 and the 'Net Loss' of 57 loss making CPSEs stood at (-) 0.29 Lakh crore during the year. The profit of profit making CPSEs decreased by 8.88% and the total loss of loss making CPSEs declined by 97.31% during Financial Year 2022-23. The overall Net Profit of the 254 operating CPSEs decreased by 15.08% to 2.12 lakh crore in 2022-23 from 2.50 lakh crore in 2020-21. The contribution of CPSEs to the Central Exchequer decreased from 4.89 lakh crore in 2021-22 to 4.58 lakh crore in 2022-23.

A comparison of performances of CPSEs during 2022-23 vis-a-vis the previous year i.e. 2021-22, 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 Chairperson, 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 Chairperson, 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 2023-24, one CPSE, namely, OIL India 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. **During the year 2023-24, Five CPSEs, namely, Rail Vikas Nigam Limited, ONGC Videsh Ltd, Rashtriya Chemicals & Fertilizers Limited, IRCON International Limited and RITES Limited were granted Navratna status upto 31.12.2023.**

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. The Miniratna Companies 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.

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 Boardx 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 clarification on 'calculation of ex-gratia for the employees of CPSEs following IDA pattern retired on or after 01.10.2020 and upto 30.06.2021' vide its O.M. dated 26.04.2023 and 16.05.2023.

3.2.3. DPE issued 'clarification on Competent Authority' vide O.M. dated 13.09.2023 which inter-alia states that the Pay Fixation of Board Level executives of CPSEs will continue to be done as per DPE's O.M. No. 2(34)/12-DPE(WC)-GL-XX/12 dated 14.12.2012.

3.2.4. DPE issued 'Revised and consolidated Guidelines for writing Annual Performance Appraisal Report (APARs) of top management incumbents of CPSEs' vide its O.M. dated 09.10.2023.

3.2.5. DPE issue O.M. dated 03.11.2023 for 'strict compliance of DPE guidelines in OMs dated 05.06.2003, 04.08.2017 and 23.07.2018 in respect of leasing of Houses for officers in the CPSE, in view of observations of Hon'ble Divisional Bench of Lokpal of India'.

3.2.6. DPE issued O.M. dated 24.11.2023 regarding 'Amendment of Rule 16 of the DPE consolidated Model CDA Rules 2017' in respect of date of annual return of immovable property.

3.2.7. DPE issued O.M. dated 11.01.2024 in respect of 'Protection of date of increment in the event of appointment of government officers to posts in CPSEs on absorption basis'.

3.2.8. DPE issue O.M. dated 02.02.2024 in respect of 'Deputation/transfer in vigilance unit of one CPSE from another PSU/CPSE – regarding'.

3.2.9 DPE issued clarification on Purchase use entitlement and other instructions regarding Staff Car in CPSEs' vide its O.M. dated 12.02.2024.

3.2.10. DPE issued O.M. dated 19.2.2024 in respect of 'Finalization of Terms and Conditions including pay fixation in respect of Board Level Executives of CPSEs – revised procedures thereof – reg.' fixing of the pay of the State PSE executive.

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 74 Schedule 'A', 66 Schedule 'B', 44 Schedule 'C' and 6 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. Further, to make the process of grant of initial categorisation to CPSE simple and easy, DPE has issued guidelines on 11.12.2023 as per which all asset holding CPSEs created for managing the non-core assets of the CPSEs under disinvestment and those CPSEs which are yet to be made functional will be categorized as schedule 'C' as per procedure prescribed in the OM.

5. Monitoring & Evaluation

5.1 Memorandum of Understanding:

A Memorandum of Understanding (MoU) is a negotiated agreement signed 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 it 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 for the MoU mechanism for laying policy guidelines. HPC is headed by the (i) Cabinet Secretary and comprises: (ii) CEO (NITI Aayog), (iii) Finance Secretary, (iv) Secretary (Expenditure), (v) Secretary (Statistics and Programme Implementation), (vi) Chairman (Public Enterprises Selection Board), (vii) Chief Economic Advisor (Economic Affairs) and (viii) Secretary (PE) as the members.

b) **Inter-Ministerial Committee (IMC):** The IMC finalizes the sectoral templates and CPSE-wise MoU parameters. The purpose of sectoral templates is to select and identify the parameters and their weightages relevant to the core business activities relating to a sector and/or the CPSE. The IMC also sets the requisite levels of performance against each of the parameters, so decided, as benchmarked targets. The IMC comprises: (i) Secretary (PE) as the Chairman and representative of (ii) Chief Economic Advisor (Economic Affairs), (iii) D/o Expenditure, (iv) M/ o Statistics and Programme Implementation, (v) NITI Aayog as the members, and (vi) Secretary/ representative of the Administrative Ministry as special invitee, and any other expert co-opted on need basis.

5.1.3 MoU Framework (for the year 2021-22 & onwards): Based on the recommendations of the HPC, the framework for MoU mechanism using an online dashboard for the target setting and performance evaluation of CPSEs has been put in place and made applicable from the year 2021-22. The parameters included in the revised MoU mechanism are market oriented, reflecting shareholders' interest in term 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 available in public domain. Besides, certain government's priorities/ programmes such as procurement from MSMEs, 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. 1,000 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 2024-25 is '**Health & Nutrition'**.

6.4 DPE in collaboration with Standing Conference of Public Enterprises (SCOPE) with UNICEF as Knowledge Partner organized CPSEs-Roundtable & Exhibition, 2023 on 25th & 26th September, 2023 at Pragati Maidan, New Delhi. CSR Roundtable focussed on CSR activities of CPSEs in Aspirational Districts (ADs) in line with national priorities. It brought together all stakeholders in the CSR ecosystem, viz. CSR heads of CPSEs, District Collectors/ Magistrates of ADs, NITI Aayog, Sectoral Ministries/ Departments (Health, Education, Women & Child Development, Sports & Corporate Affairs) and leading implementing agencies under single platform. The CSR Roundtable was attended by around 280 participants. The CSR exhibition showcased CSR activities of CPSEs in thematic areas of Health & Nutrition, Water Sanitation & Hygiene, Agriculture & Rural Development, Education & Literacy, Environment & Sustainable Development, Employment & Skill Development, Sports along with their novel CSR initiatives in the Aspirational Districts. In addition to more than 65 CPSEs, few Implementing Agencies and Ministry/ Department of Sports, School Education & Literacy, Health & Family Welfare and Women & Child Development participated in the exhibition. **An e-book documenting best CSR practices of CPSEs was brought out by SCOPE and was released by Hon'ble Minister of State for Finance, Dr. Bhagwat Kishanrao Karad during the inaugural session of CSR Roundtable.**

6.5 DPE organized an Interactive Workshop on the CSR on 7th June, 2023 at SCOPE Convention Centre, New Delhi. The workshop had 111 participants comprising of 86 CSR Heads/ executives from various CPSEs and participants from DPE, UNICEF, CARE and PHDCII. The representative from CARE and UNICEF presented the details of CSR interventions in Health and Nutrition sector respectively.

6.6 DPE and UNICEF jointly organized the first regional CSR workshop on 8th December, 2023 at Bhubaneshwar on themes identified during CPSEs CSR Roundtable. The primary objective of the workshop was to facilitate collaboration between Local Administration, Implementing Agencies and CSR officials from CPSEs.

More than 60 participants including officials from State Government, 9 Aspirational Districts of Odisha and CSR Heads/ Executives of CPSEs undertaking CSR activities in Odisha and Implementing Agencies participated in the workshop.

6.7 DPE and UNICEF jointly organized the 2nd Regional Workshop on capacity building of CPSEs with focus on identified CSR themes at Varanasi on 29th February, 2024. The workshop elicited good response from all stakeholders with more than 75 participants from Aspirational Districts (ADs) of UP, Bihar and MP, senior officers from Sectoral Ministries/ Departments, Health & Family Welfare, Women & Child Development, Sports and School Education & Literacy, CSR nodal officers of CPSEs, Implementing Agencies, etc. Presentations on identified CSR themes were made by the concerned Sectoral Ministries/Departments and the participants were sensitized about the proposed mapping of ADs of UP, Bihar and MP with the CPSEs on identified CSR themes.

7. Schemes for 'Counselling, Retraining and Redeployment (CRR) Scheme for Counselling', and 'Research, Development and Consultancies (RDC)'

7.1 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 Objectives 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; and

(iv) Providing 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

(i) **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.

(ii) **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-enter the productive process after loss of their jobs. These training programmes will be of short duration according to the trade decided during counselling.

(iii) **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 optees or dependents should be able to engage themselves in alternate vocations of self/wage employment. Although there cannot be any guarantee that the separated employees will be assured of alternate employment possible help from the identified nodal training agencies as well as the CPSEs concerned would be extended to them for starting new vocations.

7.1.3 Number of persons trained under the ongoing CRR-IV and CRR-V Scheme is as under:

Year	Number of VRS optees trained
2019-20 to 2023-24 **(till March, 2024) ***	1656

* CRR-IV and CRR-V Schemes are running concurrently.

7.1.4 The following sector and job role has been selected for the skill training during the year 2023-24 under ongoing CRR-V project.

S.No.	Sector	Job Role
1.	IT-ITES	Data Entry Operator

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 five 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	3.50	2.95*	5	355
2021-22	5.15	4.10	4.54	46	2152
2022-23	5.15	5.15	6.25	42	1590
2023-24	**6.51**	**6.51**	**6.52**	**24**	**1507**

*Due to situation arising from outbreak of COVID-19 pandemic, trainings could not be organized.

7.2.2 DPE organised 13 training programmes during the year 2023-24 under the RDC Scheme in residential/ non-residential mode through 4 institutes namely Indian Institute of Public Administration, National Productivity Council, Arun Jaitley National Institute of Financial Management and Art of Living. The topics of these programmes were Building Competencies for Personal Excellence, Developing HR Competencies for Excellence in PSUs, New Labour Codes for employers and professionals of CPSEs/SLPEs, Contract Management/ Safeguards in tendering, Project Management, Effective functioning of Boards of CPSEs, and Gender equality & women empowerment.

7.2.3 Additionally, 6 Orientation Programmes for Board of Directors of CPSEs (2 each for Government, Independent, and Functional Directors of CPSEs) were organized under RDC Scheme during the year 2023-24 as per following details:

(i) **DPE in collaboration with Indian Institute of Corporate Affairs and Capacity Building Commission organized Induction Workshop for Independent Directors (IDs) of CPSE on 5th and 6th October, 2023 at New Delhi.** 31 IDs of various CPSEs participated in the workshop.

(ii) **DPE, with the support of Bharat Petroleum Corporation Limited, organized orientation programme for capacity building of Government Directors of CPSEs on 23rd and 24th November, 2023 at Goa.** 18 Government nominee Directors from various administrative Ministries/ Departments participated in the programme in which sessions relating to Roles & Responsibilities of Government Directors of CPSEs. Transformative Board Leadership, Role of Government Directors in Board Committees focussing on Audit Committee, Introduction to DPE's online portals (AMRCD, MoU, DPE-BoD) and preparing of Board Meetings: Before, During & After, were taken by eminent faculty.

(iii) **DPE organized an orientation programme for functional Directors of CPSEs on 19th & 20th January, 2024 at Guwahati with the support of Oil India Limited.** 30 functional Directors of various CPSEs (9 Chief Executives and 21 full-time Directors) attended the programme in which sessions relating to (i) Roles & Responsibilities of Directors of CPSEs, (ii) Transformative Board Leadership, (iii) Preparing for Board Meetings : Before, During & After, (iv) Enhancing Effectiveness of Audit Committee, (v) Vigilance Management in CPSEs, (vi) Improving effectiveness of Audit function in CPSEs, and (viii) Arbitration in CPSEs were taken by eminent Faculty. Presentations on online portals of DPE (CSR, MoU, SPARROW, BoD, PE Survey and AMRCD) were also made in the programme.

(iv) **DPE, with the support of Power Grid Corporation of India Limited, organized orientation programme for capacity building of Government Directors of CPSEs on 15th and 16th February, 2024 at Udaipur**. 14 Government nominee Directors from various administrative Ministries participated in the programme in which sessions relating to Roles & Responsibilities of Government Directors of CPSEs. Transformative Board Leadership, Role of Government Directors in Board Committees focussing on Audit Committee, Introduction to DPE's online portals (AMRCD, MoU, DPEBoD) and Preparing for Board Meetings: Before, During & After, were taken by eminent Faculty.

(v) **DPE, with the support of SJVN Limited, organized residential orientation programme for capacity building of Functional Directors of CPSEs on 22nd and 23rd March, 2024 at Shimla.** 27 Functional Directors from various CPSEs participated in the programme in which sessions relating to Roles & Responsibilities of Directors of CPSEs, improving effectiveness of Audit function in CPSEs, Introduction to DPE's online portals (AMRCD, CSR, MoU, SPARROW-CPSE, Survey) and Improving Board Functioning, Vigilance Management in CPSEs, and Arbitration in CPSEs were taken by eminent Faculty.

(vi) **DPE organized residential orientation programme for capacity building of Independent Directors of CPSEs (domiciled in Uttar Pradesh) on 21st and 22nd March, 2024 at Varanasi.** 39 IDs of various CPSEs participated in the programme in which sessions relating to Perspectives on Indian Public Sector, Board Room Ethics & Board Culture, Transformative Leadership, Secretarial Standards for Board meetings, Understanding Financial Statements, and Independent Directors - Perspectives from Ministries & CPSEs were taken by eminent Faculty.

7.2.4 **DPE with the support of The Institute of Company Secretaries of India (ICSI) organized one day Interactive Session for Company Secretaries of CPSEs on 9th February, 2024 at Guwahati.** The interactive session was attended by 53 Company Secretaries of various CPSEs in issues relating to effective functioning of Boards of CPSEs and DPE online portals were covered.

7.2.5 Statement of Scheme wise Expenditure for the year 2023-24 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 13.12.2021 and 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;

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 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, Ministry of Finance to carry out the monetization of non-core assets of CPSEs as well as other Government agencies. So far 16 assets with an approximate value of Rs. 16 crore have been transferred to NLMC.

Further, NLMC is also guiding Bharat Sanchar Nigam Ltd. (BSNL), Mahanagar Telephone Nigam Ltd. (MTNL) and Rashtriya Ispat Nigam Ltd. (RINL) for monetization of their assets having value more than Rs. 100 crore.

Achievement: In respect of Monetization of properties of Rashtriya Ispat Nigam Ltd. (RINL) at Visakhapatnam, Andhra Pradesh, the phase-1 e-auction was conducted on 14.03.2024 at 11:00 hrs. which yielded a cumulative transaction value amounting to Rs. 242.88 crore, reflecting 15.9% premium over the reserve price of Rs. 209.5 crore. A total of 72 plots/ blocks (measuring 29,267.79 sq/ yards) were bided out of the total 130 plots/ blocks (measuring 67,277.04 sq. yards) put up for e-auction.

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 ownx, 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 two models:

(a) **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.

(b) **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 devel opment. 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 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 both the houses of Parliament have been issued bilingually during the year 2022-23. 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 2023 to 29th September 2023. During the Hindi Pakhwada five competitions namely, Hindi Shrutlekhan, Bhasha Gyan, Hindi Nibandh and Chitra Varnan and Kavita Path were organized for the officers and staff including officials contract basis. Certificates and Rewards have been felicitated to successful employees on 03.11.2023.

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% which increased to 35% during the year 2022-23. **During the financial year 2023-24, procurement by the CPSEs from MSEs is around 36.34%.**

13.4 Continuous engagement by DPE with stakeholders has ensured manifold increase in procurement by CPSEs from GeM from Rs. 7,035 crore in 2020-21 to Rs. 45,970 crore in 2021-22 and further to **Rs. 1,05,780 crore during the year 2022-23. During the financial year 2023-24, procurement by the CPSEs through GeM has further increased to Rs. 2,62,542 crore.**

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 DPE, with the support of SCOPE, organized workshop on 'Procurement by CPSEs with special focus on social inclusion' at SCOPE Convention Centre, New Delhi on 20th & 21st November, 2023. More than 200 procurement heads and senior procurement executives from CPSEs participated in the workshop which was addressed by senior officers from Ministry of Micro, Small & Medium Enterprises, Department of Expenditure, Department for Promotion of Industry & Internal Trade, Reserve Bank of India, National Small Industries corporation, TReDS platforms, & Government E-Marketplace (GEM). The workshop had sessions/ presentations on issues such as Procurement Framework in India, Procurement from MSEs and steps taken for social inclusion in procurement, Success stories in Procurement, National SC/ ST Hub, Insights on TReDS platform and its benefits for CPSEs & MSE vendors, Recent initiatives taken by GeM and an interactive Session on GeM.

13.7 DPE in association with Government E-marketplace (GeM) and with the support of Standing Conference of Public Enterprises SCOPE) organized an interactive workshop on procurement by CPSEs through GeM on 31st May, 2023 at New Delhi. The workshop had sessions on new features and functionalities introduced by GeM, support required from CPSEs and procurement plans of CPSEs. Three teams from GeM on products, services and payments & post contract management took group-wise sessions to resolve the issues being faced by the CPSEs in procurement through GeM. 308 executives from 106 CPSEs participated in the workshop.

13.8 Secretary (DPE) held a meeting with Secretary (MSME) and other senior officers of Ministry of Micro, Small & Medium Enterprises and select CPSEs on 17th January, 2024 in DPE to discuss the issues relating to usage of TReDS by CPSEs and evaluation of parameter relating to TReDS in MoUs of CPSEs for the year 2022-23. Based on the discussions, **DPE set up an inter-**

ministerial committee to examine all the procedural and technical issues related to usage of TReDS including the integration of Vendor Invoice Systems (VIM's) of CPSEs with MSME Sambandh portal.

14. Significant Initiatives

14.1 Mission Recruitment- The Government has decided to fill up vacancies in various Ministries/ Departments and CPSEs in a Mission Mode, i.e. 'Mission Recruitment'. This exercise is being coordinated by the Department of Personnel & Training (DoPT) which has setup a dedicated portal for this purpose. DPE has been regularly following up with the CPSEs for uploading of requisite information on the designated portal of DoPT. As per information available, 41340 candidates from CPSEs have been included in 12 tranches of Rozgar Mela has been held till February, 2024.

14.2 Mission Karamyogi- All employees of DPE have been onboarded on Karamyogi portal. Annual Capacity Building Plan of DPE was also approved during the year 2023-24 and has been circulated to all employees of DPE for implementation.

14.3 Participation in Free Trade Negotiations (FTAs)- India is pursuing FTA negotiations with several countries and representatives of DPE participated in ongoing India-UK FTA, India-EU FTA and India-Australia Comprehensive Economic Cooperation Agreement negotiations held during the year 2023-24.

15. Cyber Security Compliance Report

The status of Cyber Security Compliance in Department of Public Enterprises is as under: -

15.1 Cyber Security Process: - The Cyber Crisis Management Plan (CCMP) in the Department is in process. Business unit-wise network segmentation is in compliance 100% and IT Asset Inventory is being maintained.

15.2 Network Security Aspects: - There are 15(fifteen) managed Switches (L2 & L3) in the department. All the switches have latest Firmware/IOS. MAC Binding is 100% compliant.

15.3 End-Point Security Aspects: - There are 137 (one hundred thirty-seven) Endpoints in the department. All endpoints are OS supported with updated patches; approved UEM and approved EDR.

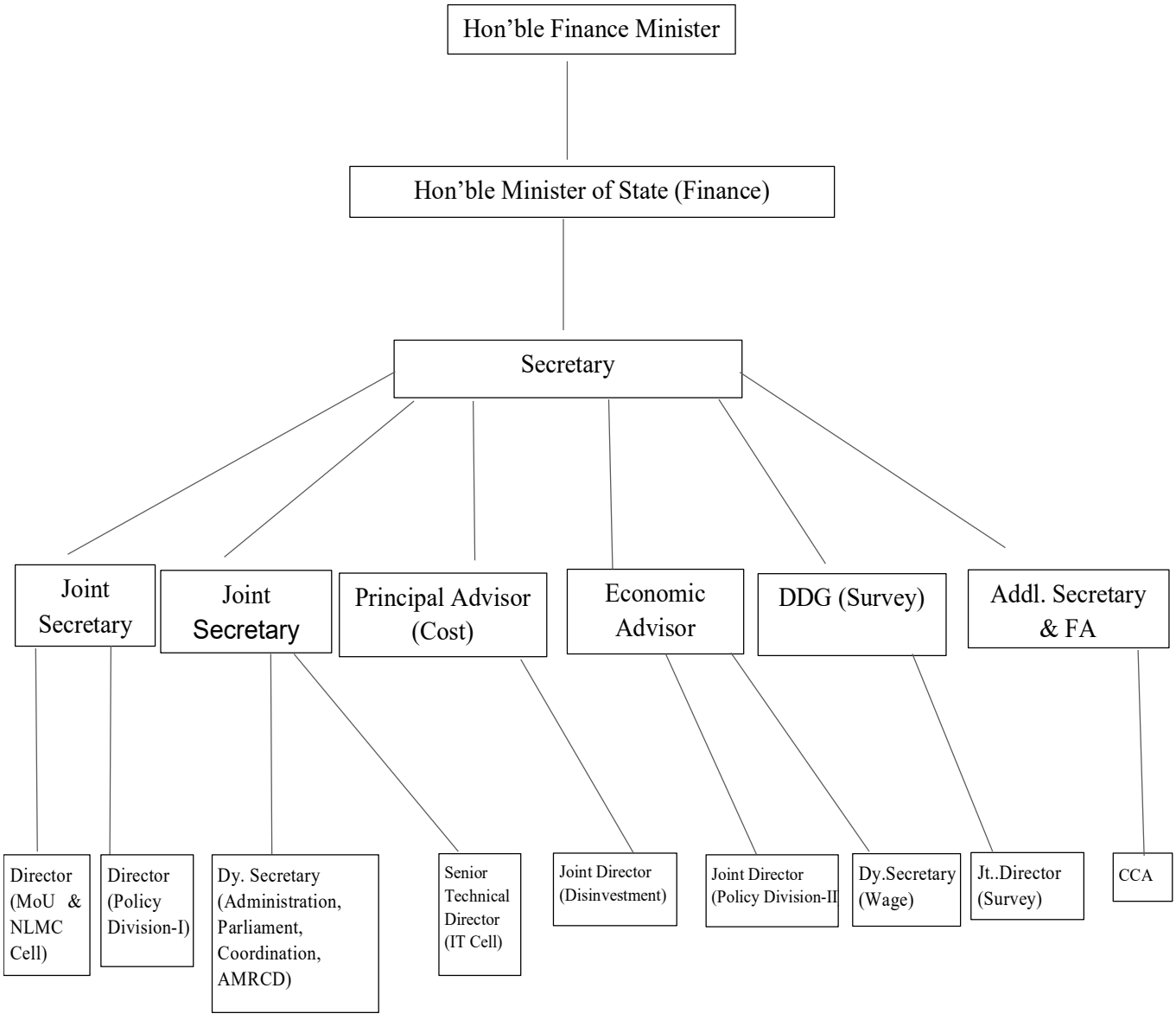
15.4 Application Security Aspects: - There are 6 (six) web applications with valid SSL Certificates in the department. 3 (Three) web application have been audited but their audit certificates have expired. All Web applications are GIGW/STQC certified and valid up to 4th May 2025.

15.5 Cyber Security Incidents: - No incident of Cyber Security or email phishing have been reported in the department.

Annexure-1

Department of Public Enterprises

Organogram



Annexure-2

Table 1: Performance of CPSEs during 2022-23

Sl. No.	Item/Indicator	2021-22 (₹ Crore)	2022-23 (₹ Crore)	% Change
1.	Gross Revenue of (operation) CPSEs	31,36,317	37,89,652	20.83
2.	Total paid up capital of all CPSEs	3,58,531	5,04,988	40.85
3.	Investment (equity plus long-term loans) of all CPSEs	22,88,724	25,34,696	10.75
4.	Capital employed (Paid up capital + long term loans and reserves & surplus) of all CPSEs	34,78,112	38,15,967	9.71
5.	Profit of profit making operating CPSEs	2,64,479	2,41,004	8.88
6.	Loss of loss making operating CPSEs	-14,610	-28,827	97.31
7.	Overall Net Profit of operating CPSEs	2,49,869	2,12,177	15.08
8.	Reserves and Surplus of all CPSEs	11,89,389	12,81,271	7.73
9.	Net Worth of all CPSEs	14,96,920	17,32,663	15.75
10.	Contribution of all CPSEs to Central Exchequer	4,88,500	4,58,205	-6.20

Annexure-3

Details of Eligibility Criteria for appointment as Non-Official (Independent) Directors:

Criteria of Experience:

(i) Retired Government officials with a minimum of 10 years' experience at Joint Secretary Level or above.

(ii) Persons who have retired as CMD/CEOs of CPSEs and Functional Directors of the Schedule 'A' CPSEs. The ex-Chief Executives and ex-Functional Directors of the CPSEs will not be considered for appointment as non-official Director on the Board of the CPSE from which they retire. Serving Chief Executives/Directors of CPSEs will not be eligible to be considered for appointment as non-official Directors on the Boards of any CPSEs.

(iii) Academicians/Directors of Institutes/Heads of Department and Professors having more than 10 years teaching or research experience in the relevant domain e.g. management, finance, marketing, technology, human resources, or law.

(iv) Professionals of repute having more than 15 years of relevant domain experience in fields relevant to the company's area of operation.

(v) Former CEOs of private companies if the company is (a) listed on the Stock Exchanges or (b) unlisted but profit making and having an annual turnover of at least Rs.250 crore.

(vi) Persons of eminence with proven track record from Industry, Business or Agriculture or Management.

(vii) Serving CEOs and Directors of private companies listed on the Stock Exchanges may also be considered for appointment as part-time non-official Directors on the Boards of CPSEs in exceptional circumstances.

Criteria of Educational Qualification

Minimum graduate degree from a recognized university.

Criteria of Age

The age band should be between 45-65 years (minimum/ maximum limit)

This could, however, be relaxed for eminent professionals, for reasons to be recorded, being limited to 70 years.

Annexure-4

Salient Features of Ratna Scheme (Maharatna/Navratna/Miniratna)

1. Maharatna Scheme

1.1 Eligibility Criteria: The CPSEs meeting the following eligibility criteria are considered for Maharatna status: -

a) Having Navratna status

b) Listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations

c) An average annual turnover of more than Rs.25,000 crore during the last 3 years

d) An average annual net worth of more than Rs.15,000 crore during the last 3 years

e) An average annual net profit after tax of more than Rs.5,000 crore during the last 3 years

f) Should have significant global presence/ international operations.

1.2 Procedure for grant/divestment of Maharatna status: - The procedure for grant of Maharatna status as well as their review is similar to that in vogue for the grant of Navratna status.

1.3 Powers delegated to Maharatna CPSEs: -

1.3.1 The Boards of Maharatna CPSEs in addition to exercising all powers to Navratna CPSEs, exercise enhanced powers in the area of investment in joint ventures/subsidiaries and creation of below Board level posts. The Boards of Maharatna CPSEs have powers to (a) make equity investment to establish financial joint ventures and wholly owned subsidiaries in India or abroad and (b) undertake mergers & acquisitions, in India or abroad, subject to a ceiling of 15% of the net worth of the concerned CPSE in one project, limited to an absolute ceiling of Rs.5,000 crore (Rs. 1,000 crore for Navratna CPSEs). The overall ceiling on such equity investments and mergers and acquisitions in all projects put together will not exceed 30% of the net worth of the concerned CPSE. In addition, the Boards of Maharatna CPSEs have powers to create below Board level posts upto E-9 level.

1.3.2 The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Maharatna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case to case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the board meeting.

2. Navratna Scheme:

2.1 **Eligibility criteria**: The CPSEs which are Miniratna I, Schedule 'A' and have obtained 'excellent' or 'very good' MOU rating in three of the last five years and have a 'Composite Score' of performance to be 60 or above in six identified performance parameters are eligible to be considered for grant of Navratna status. The composite score is calculated on the basis of performance of the concerned CPSEs during the last three years. For calculation of composite score, 6 performance indicators have been identified based on their general applicability to the CPSEs. The performance indicators have been chosen so as to capture the performance of CPSEs irrespective of their belonging to manufacturing sector or services sector. The 6 identified performance indicators are: -

S.N.	Performance Indicator	(Maximum Weight)
1	Net Profit to 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 up to 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.

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.

(iii) These public sector enterprises shall not depend upon budgetary support or Government guarantees.

(iv) 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.

(v) The administrative Ministry concerned shall decide whether a Public Sector Enterprise fulfilled the requirements of a Category-I/Category-II company before the exercise of enhanced powers.

3.2 **Procedure for grant of Miniratna status:** Grant of Miniratna status to a particular CPSE is done by concerned Administrative Ministry/Department.

3.3 Powers Delegated

3.3.1 Capital Expenditure

a) For CPSEs in category I: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 500 crore or equal to net worth, whichever is less.

b) For CPSEs in category II: The power to incur capital expenditure on new projects, modernization, purchase of equipment, etc., without Government approval upto Rs. 250 crore or equal to 50% of the Net worth, whichever is less.

3.3.2 Joint ventures and subsidiaries:

a) Category I CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be limited to 15% of the networth of the CPSE or Rs. 500 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

b) Category II CPSEs: To establish joint ventures and subsidiaries in India with the stipulation that the equity investment of the CPSE in any one project should be 15% of the networth of the CPSE or Rs. 250 crore, whichever is less. The overall ceiling on such investment in all projects put together is 30% of the networth of the CPSE.

c) The delegated powers to establish financial joint ventures and subsidiary entities would be exercised by the Board of Miniratna CPSEs in the following manner:

(i) The proposal for establishing financial joint ventures and subsidiary entities will be presented to the Board of the concerned CPSE.

(ii) The concerned administrative Ministry/ Department will obtain the concurrence of NITI Aayog for such proposals on a case-to-case basis and firm up its view on the proposals as the stakeholder for the Board's deliberations through its representative on the Board for appropriate decision.

(iii) The Government Directors will ensure that the views of the Government, being the majority shareholder, on such proposals are properly presented before the Board while a decision on such proposal is being taken. The decision for investment to set up financial joint ventures and subsidiary entities should only be taken by the Board when Government Directors are present in the Board meeting.

3.3.3 Mergers and acquisitions: - The Board of Directors of these CPSEs have the powers for mergers and acquisitions, subject to the conditions that (a) it should be as per the growth plan and in the core area of functioning of the CPSE, (b) conditions/limits would be as in the case of establishing joint ventures/subsidiaries, and (c) the Cabinet Committee on Economic Affairs would be kept informed in case of investments abroad. Further, the powers relating to Mergers and Acquisitions are to be exercised in such a manner that it should not lead to any change in the public sector character of the concerned CPSEs.

3.3.4 Scheme for HRD: - To structure and implement schemes relating to personnel and human resource management, training, voluntary or compulsory retirement schemes, etc. The Board of Directors of these CPSEs have the power to further delegate the powers relating to Human Resource Management (appointments, transfer, posting, etc.) of below Board level executives to sub-committees of the Board or to executives of the CPSE, as may be decided by the Board of the CPSE.

3.3.5 Tour abroad of functional Directors: - The Chief Executive of these CPSEs have the power to approve business tours abroad of functional directors up to 5 days' duration (other than study tours, seminars, etc.) in emergency, under intimation to the Secretary of the administrative Ministry.

3.3.6 Technology Joint Ventures and Strategic Alliances: - To enter into technology joint ventures, strategic alliances and to obtain technology and know-how by purchase or other arrangements, subject to Government guidelines as may be issued from time to time.

3.3.7 Creation/Disinvestment in subsidiaries :- To transfer assets, float fresh equity and divest shareholding in subsidiaries subject to the condition that the delegation will be in respect of subsidiaries set up by the holding company under the powers delegated to the Miniratna CPSEs and further to the proviso that the public sector character of the concerned CPSE (including subsidiary) would not be changed without prior approval of the Government and such Miniratna CPSEs will be required to seek Government approval before exiting from their subsidiaries.

3.3.8 Exercise of delegated Miniratna powers is contingent on certain conditionalities.

Annexure-5

List of Maharatna, Navratna & Miniratna CPSEs

Maharatna CPSEs

1. Bharat Heavy Electricals Limited
2. Bharat Petroleum Corporation Limited
3. Coal India Limited
4. GAIL India Limited
5. Hindustan Petroleum Corporation Limited
6. Indian Oil Corporation Limited
7. NTPC Limited
8. Oil & Natural Gas Corporation Limited,
9. Power Finance Corporation
10. Power Grid Corporation of India Limited
11. Steel Authority of India Limited
12. Rural Electrification Corporation Limited
13. Oil India Ltd

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. Rashtriya Ispat Nigam Limited
11. Shipping Corporation of India Limited
12. Rail Vikas Nigam Limited
13. ONGC Videsh Ltd
14. Rashtriya Chemicals & Fertilizers Limited
15. IRCON
16. RITES

Miniratna 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 (schedule A in July, 23)
15. Cotton Corporation of India Ltd.
16. EdCIL (India) Limited
17. Garden Reach Shipbuilders & Engineers Limited
18. Grid Controller of India Limited (GRID-INDIA)
19. Goa Shipyard Limited
20. Hindustan Copper Limited
21. Hindustan Steelworks Construction Limited
22. HLL Lifecare Limited
23. Hindustan Paper Corporation Limited
24. Housing & Urban Development Corporation Limited
25. HSCC (India) Limited
26. India Tourism Development Corporation Limited
27. Indian Rare Earths Limited
28. Indian Railway Catering & Tourism Corporation Limited
29. Indian Railway Finance Corporation Limited
30. Indian Renewable Energy Development Agency Limited
31. India Trade Promotion Organization
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. Pawan Hans Helicopters Limited
50. Projects & Development India Limited
51. Railtel Corporation of India Limited
52. SJVN Limited
53. Security Printing and Minting Corporation of India Limited
54. South Eastern Coalfields Limited
55. Telecommunications Consultants India Limited
56. THDC India Limited
57. Western Coalfields Limited
58. WAPCOS Limited

Miniratna II CPSEs

1. Artificial Limbs Manufacturing Corporation of India
2. Bharat Pumps & Compressors Limited
3. Broadcast Engineering Consultants India Limited
4. Engineering Projects (India) Limited
5. FCI Aravali Gypsum & Minerals India Limited
6. Ferro Scrap Nigam Limited
7. HMT (International) Limited
8. Indian Medicines & Pharmaceuticals Corporation Limited
9. MECON Limited
10. National Film Development Corporation Limited
11. Rajasthan Electronics & Instruments Limited

Annexure-6

Schedule-Wise List of Central Public Sector Enterprises

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. Cochin Ship Yard Ltd
12. Container Corporation of India Limited
13. Dedicated Freight Corridor Corporation of India Limited
14. Electronics Corporation of India Limited
15. Engineers India Limited
16. Fertilizers & Chemicals (Travancore) Limited
17. Food Corporation of India
18. GAIL (India) Limited
19. Heavy Engineering Corporation Limited
20. Hindustan Aeronautics Limited
21. Hindustan Copper Limited
22. Hindustan Paper Corporation Limited
23. Hindustan Petroleum Corporation Limited
24. HMT Limited
25. Housing & Urban Development Corporation Limited
26. I T I Limited
27. Indian Oil Corporation Limited
28. IRCON International Limited
29. Indian Railway Finance Corporation Limited
30. Indian Renewable Energy Development Corporation.
31. Karmyogi Bharat
32. Konkan Railway Corporation Limited
33. KIOCL Limited
34. Mahanagar Telephone Nigam Limited
35. Mangalore Refinery & Petrochemicals Limited
36. Mazagon Dock Shipbuilders Limited
37. MECON Limited
38. MMTC Limited
39. MOIL Limited
40. Mumbai Railway Vikas Corporation Limited
41. Munitions India Limited
42. National Aluminium Company Limited
43. National Fertilizers Limited
44. National Films Development Corporation
45. National Textiles Corporation Limited
46. NBCC (India) Limited
47. NewSpace India Limited
48. NHPC Limited
49. NMDC Limited
50. NLC India Limited
51. North Eastern Electric Power Corporation Limited
52. NTPC Limited
53. Numaligarh Refinery Limited
54. Oil & Natural Gas Corporation Limited
55. Oil India Limited
56. ONGC Videsh Limited
57. Power Finance Corporation Limited
58. Power Grid Corporation of India Limited
59. Power System Operation Corporation Limited
60. RITES Limited
61. RailTel Corporation of India Limited
62. Rail Vikas Nigam Limited
63. Rashtriya Chemicals and Fertilizers Limited

64. Rashtriya Ispat Nigam Limited
65. Rural Electrification Corporation Limited
66. SJVN Limited
67. Security Printing & Minting Corporation of India Limited
68. Shipping Corporation of India Limited
69. Solar Energy Corporation of India Limited
70. State Trading Corporation of India Limited
71. Steel Authority of India Limited
72. Telecommunications Consultants (India) Limited
73. THDC India Limited
74. Yantra India Limited \

Schedule- B

1. Andrew Yule & Company Limited
2. Air India Assets Holding 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. Brahmaputa 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. Cotton Corporation of India Limited
22. Eastern Coalfields Limited
23. Engineering Projects (India) Limited
24. Fertilizer Corporation of India Limited
25. Garden Reach Shipbuilders & Engineers Limited
26. Gliders India Limited
27. Goa Shipyard Limited
28. Handicrafts & Handlooms Export Corporation Limited
29. Hindustan Cables Limited
30. Hindustan Fertilizer Corporation Limited
31. HLL Lifecare Limited
32. Hindustan Newsprints Limited
33. Hindustan Organic Chemicals Limited
34. Hindustan Shipyard Limited
35. Hindustan Steelworks Construction Company Limited
36. HMT (International) Limited
37. HMT Machine Tools Limited
38. HMT Watches Limited
39. India Optel Limited
40. India Tourism Development Corporation Limited
41. India Trade Promotion Organization
42. Indian Drugs & Pharmaceuticals Limited
43. Indian Railway Catering & Tourism Corporation Limited
44. Indian Rare Earths Limited
45. Instrumentation Limited
46. M S T C Limited.
47. Madras Fertilizers Limited
48. Mahanadi Coalfields Limited
49. Mineral Exploration Corporation Limited
50. Mishra Dhatu Nigam Limited
51. National Handloom Development Corporation Limited
52. National Jute Manufacturers Corporation Limited
53. National Projects Construction Corporation Limited
54. National Seeds Corporation Limited
55. National Small Industries Corporation Limited

56. Northern Coalfields Limited
57. Orissa Mineral Development Company Limited
58. PEC Limited
59. Pawan Hans Limited
60. Projects & Development India Limited
61. Scooters India Limited
62. South Eastern Coalfields Limited
63. Troop Comforts Limited
64. Uranium Corporation of India Limited
65. W A P C O S Limited
66. Western Coalfields Limited

Schedule- C

1. Andaman & Nicobar Islands Forest & Plantation Development Corporation Limited
2. Artificial Limbs Mfg. Corporation of India
3. Brithwaite Burn & Jessop Construction Company Limited
4. Bengal Chemicals & Pharmaceuticals Limited
5. BHEL Electric Machines Limited
6. Bharat Wagon & Engineering Company Limited
7. The Bisra Stone Lime Company Limited
8. Broadcast Engineering Consultants India Limited
9. Central Cottage Industries Corporation of India Limited
10. Central Inland Water Transport Corporation Limited
11. Central Railside Warehouse Company Limited
12. Certification Engineers International Limited
13. Delhi Police Housing Corporation
14. EdCIL (India) Limited
15. FCI Aravali Gypsum & Minerals (India) Limited
16. Ferro Scrap Nigam Limited
17. Hindustan Antibiotics Limited
18. HIL (India) Limited
19. Hindustan Photo Films Manufacturing Company Limited
20. Hindustan Prefab Limited
21. Hindustan Salts Limited
22. HMT Bearings Limited
23. HMT Chinar Watches Limited
24. Hooghly Dock and Port Engineers Limited
25. HSCC (India) Limited
26. Hotel Corporation of India Limited
27. The Jute Corporation of India Limited
28. Karnataka Antibiotics & Pharmaceuticals Ltd
29. Nagaland Pulp & Paper Company Limited
30. National Backward Classes Finance & Development Corporation.
31. National Handicapped Finance & Development Corporation.
32. National Minorities Development & Finance Corporation
33. National Research Development Corporation of India.
34. National Safai Karamcharis Finance & Development Corporation.
35. National Scheduled Castes Finance & Development Corporation
36. National Scheduled Tribes Finance & Development Corporation
37. NEPA Limited
38. North Eastern Handicrafts & Handloom Development Corporation Limited
39. North Eastern Regional Agricultural Marketing Corporation Limited
40. Rajasthan Electronics & Instruments Limited
41. Richardson & Cruddas (1972) Limited
42. STCL Limited
43. Tungabhadra Steel Products Limited
44. Shipping Corporation of India Land and Asset Ltd.

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
6. Bel Optronics Ltd

Annexure-7

Statement of Scheme Wise Expenditure

Department of Public Enterprises, Demand No. 33, 2023-24

Department of Public Enterprises (Grant No. 33)

Sl. No.	Heads of Account	Scheme		
33 - Department of Public Enterprises		**2023-24**		
		BE	**RE**	**Exp. Upto 31.03.2024**
		2023-24	**2023-24**	**2023-24**
2852 Industries (Major Head)				
	CRR Scheme			
1	Professional & Special Services (28.00.28)	305.00	152.00	5.27
2	Grants - in- Aid (28.00.31)	1.00	1.00	0.00
3	CRR Scheme **NER** (01.00.31)	34.00	17.00	0.00
	Total CRR	**340.00**	**170.00**	**5.27**
	27 -RDC Scheme			
1	Domestic Travel Expenses (27.00.11)	10.00	10.00	0.00
2	Foreign Travel Expenses (27.00.12)	5.00	5.00	0.00
3	Printing and Publications (27.00.16)	10.00	10.00	0.00
4	Professional & Special Services (27.00.28)	450.00	450.00	607.85
5	Grants - in- Aid (27.00.31)	1.00	1.00	0.01
6	Contribution ICPE (27.00.32)	110.00	110.00	0.00
	RDC Scheme **NER** (02.00.31)	65.00	65.00	43.90
	Total RDC	**651.00**	**651.00**	**651.76**
GRAND TOTAL		**991.00**	**821.00**	**657.03**

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.

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