

Issues Requiring Detailed Notes

1. Revenue/Fiscal Deficit:

Present status, targets, if any, and methodology for fixing targets, measures taken, problems encountered in achieving targets, projection for the base year as well as for the award period of Fourteenth Finance Commission (FFC).

The challenges emerging in fiscal management at Union may be elucidated including possible sources of shocks and realistic approaches to mitigate impact of such shocks. Details of incentives and disincentives that can be implemented for sound fiscal management at Union levels may be commented.

2. Tax-GDP Ratios:

Assumptions regarding GDP growth rate, Growth Rates/Buoyancies for item-wise Tax, performance as against norms recommended by 13th Finance Commission in the restructuring programme; assessment of Tax revenue potential, measures taken to improve the ratio, problems faced, projections for the base year and for the award period of Fourteenth Finance Commission.

3. Tax Expenditure:

The time series data of the Tax expenditure (sector wise) for every item of Taxation (both direct as well as indirect) may be provided for the years 2007-08 onwards along with Tax concessions/Tax exemptions provided.

4. Cess/Surcharge:

Particulars of Cesses/Surcharges levied by the Union Government. Basis and prevailing rates of each Cess. The details of actual collection of Cess/Surcharge, the amount spent for the purpose for which they are levied and the amount unspent since 2007-08 onwards. Whether yield from any of these Cesses/Surcharges is transferred to State Governments (by way of grant or share and on what basis) or spent directly by the Union Government on specific items.

5. Non-Tax Revenues:

Assessment of performance and potential. Performance should be assessed relative to relevant bases-(i) Interest receipts relative to outstanding loans, (ii) Dividends relative to equity, investment etc., (iii) Receipts from wireless planning and coordination organization, (iv) Telecommunication licence fees and (v) Universal access levy etc.

6. Reimbursement of Cost of Deployment of Central Forces:

(i) Details of bills raised against State Governments for deployment of Central Police/Para-military Forces and amount actually recovered from 2007-08 onwards (State-wise information).

(ii) Details of claims made by State Governments for reimbursement of expenditure on security related matters and amounts settled and outstanding from 2007-08 onwards.

7. Non-Debt Capital Receipts:

Details of receipts realized out of sale of Land and Building owned by the Government may be provided from the year 2007-08 to 2012-13.

8. Additional Resource Mobilization:

Scope for additional resource mobilization up to the base year and in each year till the end of the award period of the Fourteenth Finance Commission.

9. State Level VAT:

(i) Impact of VAT on revenues of the States, compensation offered by the Central Government, Impact thereof on Union finances, proposal, if any, to integrate State and Central VAT. Impact of proposed changes in AED items and phased withdrawal of CST.

(ii) Claims made from States on compensation for CST and amount settled/outstanding from 2007-08 onwards.

10. Concessions for Special Economic Zones:

The likely impact on revenue of Union Government for giving the concessions in Duties/Taxes for Special Economic Zones for the period of 2010-11 to 2019-20 and scope of additional resource mobilization.

11. Goods & Services Tax:

A note on likely impact of proposed implementation of goods and services tax (GST) with effect from 1st April 2015 on the Union Finances including its impact on the Country's foreign trade.

12. Status report on Central Public Sector Enterprises (CPSEs):

(i) Profitability norms & targets for Central Public Sector Enterprises (CPSEs), guidelines for dividend declaration, Normative dividend income of the Central Government in the last 5 years based on guidelines, actual dividend income received, reasons for shortfall, measures adopted by the Central Government to ensure dividend declaration by CPSEs, system for monitoring dividend receipts.

(ii) CPSE-wise financial results for the last 5 years along with Balance Sheet and Profit and Loss account with detailed explanatory note on the performance.

13. Disinvestment of Central Public Sector Enterprises (CPSEs):

CPSEs identified for disinvestment/privatization, targets for disinvestment, achievements in the last five years, projections up to 2019-20. Problems encountered during disinvestment process and strategies for the future.

14. Status of Departmental Undertakings:

Income, Expenditure and Profitability of Departmental Undertakings specially Railways and P&T in the last 5 years.

15. Subsidies:

(i) Direct and Indirect- merit and non-merit-purpose, rates, justification, results of evaluation done, if any, comments made in audit reports, expert studies etc., services where cost recovery through user charges is low, reasons. Impact of subsidies on Union Finances, measures adopted to phase out subsidies. Major subsidies like food, petroleum and fertilizers are being met from multiple sources. Details of the amounts met out of budget, borrowings in form of oil/fertilizers bonds or otherwise and the agencies (i.e. Oil Companies/FCI) own resources. A detailed note on financing of the subsidy out of different sources and the trends from 2007-08 with projections till 2019-20 may be provided. In addition, details of the subsidy requirement or subsidy accrued against the amounts actually

met and the arrears may be detailed for the time period mentioned above.

The scope for and limits to tax-expenditures and subsidies at Union and State levels may also be provided.

(ii) Impact of Direct Cash Transfers/Direct Benefit Transfers on subsidies be commented including the details of scheme introduced from 1st January 2013. Any bearing of the scheme on fiscal federal structure may also be commented.

16. Liabilities towards Oil, Food, Fertilizer and SBI Bonds:

Liabilities of Union Government on account of oil, food, fertilizers and SBI bonds for the year 2009-10 onwards may be provided.

17. Staff Composition:

(i) Details of the number of Central Government Employees category-wise falling in Groups A, B, C and D from the year 2007-08 may be provided. It may also be indicated, how many posts, category-wise have been abolished or kept in abeyance as an economy measure.

(ii) Details of Contractual Employees from the year 2007-08 may kindly be furnished. Whether the outsourcing of activities has led to reduction in salaries may be provided.

18. Plan Expenditure:

(i) Plan revenue expenditure of the Central Government, Percentage thereof to Central Plan, Projections for 12th and 13th Plan and (up to 2020), resource transfers from the Centre to the States on the Plan side, impact thereof on Union Finances.

(ii) Committee headed by Dr. C. Rangarajan has recommended doing away with the Plan and Non-Plan distinction in expenditure. The Committee has recommended a “fundamental shift in the approach of public expenditure management - from a segmented view of Plan and Non-Plan to holistic view of expenditure; from one year horizon to a multi-year horizon; and from input based budgeting to the budgeting linked to outputs and outcomes”. Whether the Report has been accepted by the Government, if so, the detailed implementation of the recommendations may kindly be provided.

19. Centrally Sponsored Schemes:

(i) Basis of coverage of schemes under the Centrally Sponsored Schemes (CSS) along with factors deciding their funding pattern, views of the Union Government on fund transfer mechanism where the funds are not routed through the State Governments may be furnished. Views may also be furnished whether such schemes should be transferred to the State Governments.

(ii) Several States have emphasized the need to reduce the number of CSS. Measures suggested to do so include (i) putting a cap on CSS at 1/6th or 1/7th of Central Plan assistance, (ii) transferring a number of identified schemes to State Governments, (iii) consultation with States, particularly if the schemes are not 100% Central funded and (iv) flexibility to States.

In connection to the implementation and funding of the CSS, the Planning Commission had set up a Committee on "Restructuring of CSS" under the Chairmanship of Shri B.K. Chaturvedi, Member, Planning Commission. The actions taken/progress of the Committee Report may be provided.

(iii) The high level expert committee headed by Dr. C. Rangarajan has made recommendations that a "a subsequent shift from direct releases to releases through State Treasuries" on the issue of "direct releases of implementing agencies in the accountability concerns arising out of it". The action taken in this regard may kindly be provided.

20. Mitigation of Foreign Exchange risk in respect of Externally Aided Projects:

Present status of implementation of Foreign Exchange risk mitigation mechanism as recommended by the 13th Finance Commission in respect of Externally Aided Projects implemented through State Governments. Views of the Union Government on the requests made by State Governments for setting up mitigation mechanism.

21. Maintenance of Capital Assets:

Norms for maintenance of capital assets of the Central Government and its Departmental Undertakings, break up of salary/wage and non-salary/non-wage components of maintenance expenditure, expenditure during the award period on existing assets and those expected to be commissioned by March 2015.

22. Interest burden:

Steps taken for debt swap/repayment of loans advanced by the Central Government – Savings expected thereof.

23. Interest payment on Market Stabilization Scheme:

The trends for the debt servicing requirements under the Market Stabilization Scheme from 2007-08 onwards and the projections for the period 2013-14 to 2019-20 may be detailed.

24. Loans to foreign Governments:

Lines of credit extended to foreign Governments/Countries, with details of repayments, rescheduling and write-offs under HIPC or any other initiative.

25. Committed Expenditure & Liabilities:

(i) Demands on the resources of the Central Government on account of Civil Administration, Defence, Internal & Border Security and other committed expenditure and liabilities.

(ii) Assessment, treatment and transparency in meeting contingent liabilities of Union including unfunded liabilities may be commented. Further fiscal assessment and accounting of liabilities arising out of Public-Private Partnerships (PPPs) at Union level may be detailed.

26. Reserve and Other Funds:

Details of various Funds being maintained within or outside Public Account, the balances, amounts credited and debited each year for each Fund from 2007-08 onwards.

27. Action on the Recommendations of 13th Finance Commission:

Status of action taken on the recommendations of 13th Finance Commission, both quantitative and qualitative. These may be indicated against each of the items listed out in Chapter XVI: Summary of Findings and Recommendations. Reasons for non-compliance/non-acceptance of recommendations if any, may also be given.

28. Accrual Accounting:

Steps taken by the Union Government for implementation of Accrual Accounting system as recommended by the 13th Finance Commission

to improve fiscal management. Whether any time-frame for implementation of Accrual Accounting has been decided by the Union Government?

29. Assumptions for Forecasts:

A note, indicating the considerations and assumptions on the basis of which forecasts for revenue and expenditure heads are made may be provided.

30. Restructuring of Union Finances:

A note indicating plan for restructuring Union Finances aimed at restoring budgetary balance and achieving macroeconomic stability may be provided.

31. Guarantees given by Government:

Status note on guarantees and other committed liabilities of the Government. Details of Budgetary provisions made by the Government to honour guarantees, either on default of the borrower or otherwise may be provided for the years 2007-08 onwards.

32. Viability Gap Funding:

A note on Concept of "Viability Gap Funding" with special reference to the provisions made, if any, in 2013-14 budget and its impact on Union Finances.

33. Budget provision for Union Territories:

A note regarding the manner in which revenue and expenditure of each Union Territory (with and without legislature) is accounted for in the budget; whether any share from the central Tax revenue is given to Union Territories? Union Territory-wise details thereof may be furnished.

34. Outcome Budget:

(i) A note on the experience with Outcome Budgets and its impact on quality of Public expenditure.

(ii) In order to have a better planning and resource allocation process, monitoring of application of resources in Government Schemes and development of a robust Public Finance Management, a need has been felt by the Government to review the present

classification of Government transactions which is the basic tool for capturing the Budgeting and Accounting Data.

The C.S. Sundarmurti Committee constituted by the Ministry of Finance has recommended a radical different classification for budget and accounts. The detailed follow up action and time frame, if any for implementation of the new classification of government budget and accounts may kindly be provided.

35. External borrowings by States:

A view on whether the Union Government will allow the States to go for the external borrowings.

36. Debt Consolidation and Reform Facility:

Status of implementation of the Debt Consolidation and Reform Facility (DCRF) recommended by 12th Finance Commission and allowed to be extended by 13th Finance Commission in respect of States who did not avail benefits under said DCRF scheme and its impact on Union Finances.

37. Defined Contributory Pension Scheme:

(i) Trends in the number of employees covered under the Defined Contributory Pension Scheme, their contribution to the Fund, the contribution of the Government towards the Fund and a detailed note on the administration of the Scheme.

(ii) Whether New Pension Scheme (NPS) has been implemented with regard to Public Sector Enterprises and Autonomous Bodies?

(iii) A note on the status of setting up database of employees and pensioners may be provided.

(iv) Whether any other pension reforms have been initiated? If so, the date, and details of the reform initiative.

38. Administrative Reforms:

(i) Innovations introduced by Union Government in the last six years (2007-08 onwards) and how have these impacted on improvements in service delivery, efficiency and cost reduction?

(ii) Are there any schemes to give incentives for innovation? If so what has been the impact?

(iii) Has business process reengineering been introduced in any of the Departments of the Union Government. If so what is the impact?

39. FRBM Act, 2003:

(i) What are the measures/steps have been taken out by the Union Government to reduce the fiscal and revenue deficit, so as to eliminate revenue deficit by 31st March, 2013 and thereafter build-up adequate revenue surplus?

(ii) Whether Union Government adhered to limit set out in FRBMA for guarantees and additional liabilities as a percentage of gross domestic product?

(iii) Information on the annual targets set out in FRBMA statements and their achievements year wise after enactment of the Act.

(iv) As a part of amendments to the FRBM Act, 2003, carried out as part of the Finance Bill, 2012 one of the key changes related to the Medium Term Expenditure Framework (MTEF), the objective of MTEF statement is to have a closer integration between the expenditure and medium term fiscal targets. In this regard, a detailed note may kindly be provided on targets and projections.

40. Gross Budgetary Support:

(i) Information regarding projected Gross Budgetary Support and actually achieved during the 11th Plan may be provided as per the Statement 16. Similarly projected Gross Budgetary Support may also be provided for 12th Plan along with actual for 3 years of 12th Plan.

(ii) What is the impact of expenditure on civil administration, defence, internal and border security, debt servicing and other committed expenditure and liabilities on the General Budgetary Support to the Centre and States separately and also on the overall finances of the Union Govt. relative to GDP.

41. Disaster Management Act 2005:

(i) What steps have been taken by the Union Government to set up National Disaster Response Fund (NDRF) and National Disaster Mitigation Fund (NDMF) as recommended by the Disaster Management Act, 2005. Have estimates been made?

(ii) The size of the funds so constituted, the policy framed for their management as well as the fund position may be suitably elaborated.

42. The Status of Implementation of Performance Monitoring and Evaluation System (PMES):

PMES involves preparations of a Results Framework Document (RFD) by each department, highlighting its objectives and priorities for the financial year and achievements against pre-defined targets at the end of the year. The status of implementation and resultant performance monitoring may be commented.

43. Accounting Standards in India:

The status of accounting standards formulated and adopted by the Union Government may be provided.