

## **ISSUES ON WHICH DETAILED NOTES ARE REQUIRED**

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 13<sup>th</sup> Finance Commission.
  
2. **Tax: GDP ratios:-** Assumptions regarding GDP growth rate, growth rates/Buoyancies for item-wise Tax, performance as against norms recommended by Twelfth 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 13<sup>th</sup> 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 2002-03 onwards.
  
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 2002-03 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:-** Details of bills raised against State Governments for deployment of Central Police/Para-military Forces and amount actually recovered from 2002-03 onwards (State-wise information).
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 2002-03 to 2007-08.
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 13<sup>th</sup> Finance Commission.
9. **State level VAT: -** Impact of its Introduction from 1.4.2003 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.
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 2005-06 to 2014-15 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 1<sup>st</sup> April 2010 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 CPSEs :-** CPSEs identified for disinvestment / privatization, targets for disinvestment, achievements in the last five years, projections up to 2014-15, 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:-** 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 fertilizer are being met from multiple sources. Details of the amounts met out of budget, borrowings in form of oil/fertilizer 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 2002-03 with projections till 2014-15 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.

16. **Liabilities towards Oil, Food, Fertilizer and SBI Bonds:-** Liabilities of Union Government on account of oil, food, fertilizer and SBI bonds for the year 2004-05 onwards may be provided.
17. **Recommendations of the Expenditure Reforms Commission (ERC):-** Status of implementation – results so far – targets for containment/reduction of expenditure year-wise up to 2014-15, details of VRS proposed/implemented, quantification of benefits thereof.
18. **Staff Composition:-** Details of the number of Central Government Employees category-wise falling in Groups A, B, C and D from the year 2002-03 may be provided. It may also be indicated, how many posts, category-wise have been abolished or kept in abeyance as an economy measure.
19. **Plan Expenditure:-** Plan revenue expenditure of the Central Government, Percentage thereof to Central Plan, Projections for 11<sup>th</sup> Plan and up to 2015 if possible, resource transfers from the Centre to the States on the Plan side, impact thereof on Union Finances.

20. **Centrally Sponsored Schemes:-** Basis of coverage of schemes under the Centrally Sponsored Schemes 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.
21. **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 12<sup>th</sup> 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.
22. **Utilization of foreign exchange resources for financing infrastructure:-** Government had constituted a Committee under the chairmanship of Dr. Deepak Parekh to find ways of mobilizing long-term finances for infrastructure sector. One of the recommendations of the Committee was to use a small part of the foreign exchange reserves for financing infrastructure. Status of action taken on this aspect of the report so far and road map for the **next five years** may be provided.
23. **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 2010.
24. **Interest burden:-** Steps taken for debt swap/repayment of loans advanced by the Central Government – Savings expected thereof.

25. **Interest payment on Market Stabilization Scheme:-** The trends for the debt servicing requirements under the Market Stabilization Scheme from 2002-03 onwards and the projections for the period 2008-09 to 2014-15 may be detailed.
26. **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.
27. **Committed Expenditure & Liabilities:-** Demands on the resources of the Central Government on account of Civil Administration, Defence, Internal & Border Security and other committed expenditure and liabilities.
28. **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 2002-03 onwards.
29. **Action on the Recommendations of 12<sup>th</sup> Finance Commission:-** Status of action taken on the recommendations of 12<sup>th</sup> 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.
30. **Accrual Accounting:-** Steps taken by the Union Government for implementation of Accrual Accounting system as recommended by the 12<sup>th</sup> Finance Commission to improve fiscal management. Is there any time-frame for implementation of Accrual Accounting.

31. **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.
32. **Restructuring of Union Finances:-** A note indicating plan for restructuring Union Finances aimed at restoring budgetary balance and achieving macroeconomic stability may be provided.
33. **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 2002-03 onwards.
34. **Viability Gap Funding:-** A note on Concept of “Viability Gap Funding” with special reference to the provisions made, if any, in 2008-09 budget and its impact on Union Finances.
35. **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.
36. **Outcome Budget:-** A note on the experience with Outcome Budgets and its impact on quality of Public expenditure.

37. **External borrowings by States:-** A view on whether the Union Government will allow the States to go for the external borrowings.
38. **Debt Consolidation and Reform Facility:-** Status of implementation of the Debt Consolidation and Reform Facility (DCRF) recommended by 12th Finance Commission and its impact on Union Finances.
39. **Defined Contributory Pension Scheme:-** 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.
40. **Administrative Reforms:-**
- (i) Innovations introduced by Union Government in the last six years (2002-03 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.
41. **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 31<sup>st</sup> March, 2008 and thereafter buildup 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.

42. **Gross Budgetary Support**

- (i) Information regarding projected Gross Budgetary Support and actually achieved during the 10<sup>th</sup> Plan may be provided as per the Statement-17. Similarly projected Gross Budgetary Support may also be provided for 11<sup>th</sup> plan along with actual for 3 years of 11<sup>th</sup> 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.

43. **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.