

Action taken with respect to Budget Announcements (2003-04) that impacts Citizens

Ministry of Agriculture & Cooperation

Para No	Text of Announcement	Action Taken by Ministry
83	<p>A bipartisan Task Force, headed by the Chief Minister of Andhra Pradesh, and with a Minister of Agriculture from another State, as one of the members, will be constituted to recommend measures needed to be adopted firstly, to expand the coverage of drip and sprinkler irrigation, thereafter to also suggest safeguards so that the intended benefits actually reach the target groups</p>	<p>Ministry of Finance has constituted a Task Force under the chairmanship of Chief Minister, Andhra Pradesh. An Action Plan has been finalized by the chairman of the Task Force. Report will be finalized soon and submitted to Government.</p>

Department of Economic Affairs

Para No	Text of Announcement	Action Taken by Ministry
19	<p>The Finance Ministry is examining what additional incentives can be given to basic infrastructural developments that must accompany slum upgradation, sewerage system laying and green-field housing projects.</p>	<p>(a) Water and Sanitation Programme (WSP) of the World Bank is conducting a study on the nature of further government interventions needed and its report is awaited; and</p> <p>(b) Ministry of Urban Development & Poverty Alleviation is also considering the nature of additional government interventions required and its proposals are awaited.</p>
30	<p>The public sector general insurance companies have been encouraged to design a community-based universal health insurance scheme during 2003-04. Under this scheme, a premium equivalent to Re.1 per day (or Rs.365 per year) for an individual, Rs.1.50 per day for a family of five, and Rs.2 per day for a family of seven, will entitle eligibility to get reimbursement of medical expenses up to Rs.30,000 towards hospitalisation, a cover for death due to accident for Rs.25,000, and compensation due to loss of earning at the rate of Rs.50 per day up to a maximum of 15 days. To make the scheme affordable to BPL families, the Government has decided to contribute Rs.100 per year towards their annual premium. Full details will be publicized shortly. At least an additional 50 lakh BPL families will be covered during 2003-04.</p>	<p>A new universal Health Insurance Scheme with the approval of Insurance Regulatory Development Authority (IRDA) has since been launched in the country. Public Sector general insurance companies have been assigned a target for covering 100 lakhs families under this scheme during the current year. The scheme was launched by the Prime Minister on 14.7.2003. It has also been decided to advise standard hospitals and nursing homes to provide service at the rates fixed by the insurance Companies. <u>The sub-limits prescribed in the scheme would be further reviewed after one year on the basis of experience gained during the period.</u></p> <p style="text-align: right;">ACTION COMPLETED</p>

Para No	Text of Announcement	Action Taken by Ministry
41	<p>The Life Insurance Corporation of India (LIC) will launch a special pension policy, called Varishtha Pension Bima Yojana, guaranteeing an annual return of 9 per cent, in the form of a monthly pension scheme.</p>	<p>Varishtha Pension Bima Yojana scheme was launched by the Prime Minister on 14th July, 2003. The eligibility age is reduced to 55 years. The scheme is being implemented through Life Insurance Corporation of India and provides for pension at return of 9%.</p> <p style="text-align: right;">ACTION COMPLETED</p>

79	<p>Subject to the Reserve Bank of India's prudential norms and approvals, private banks will hereafter be encouraged to open branches in rural areas, to service both farm and non-farm sectors there.</p> <p>The whole question of franchising agricultural credit, including through Post Offices, would also be examined, afresh.</p>	<p>RBI has advised Private Sector Banks to open more branches at rural centres. Banks are conducting surveys to explore the possibility of opening more rural branches.</p> <p>In order to use the wide network of post offices in rural areas for disbursement of credit to rural poor, NABARD has prepared a scheme called SHGs-Post Office Linkage Programme. As per the Scheme, NGOs participating in the SHGs-Bank Linkage Programme in the Kanchipuram and Pudukuttai Districts shall facilitate linkage of 200 SHGs with the Post Offices.</p> <p>The term loan given to SHGs by the selected Post Offices shall be repayable within a period of 24 months carrying interest rate of 9% p.a. The Post Offices shall be responsible for recovery and regular monitoring. An MOU between NABARD and authorized representative of Department of Post has been entered into. As the Indian Postal Act does not permit the Post Offices to borrow funds from other institutions, it is proposed to park the funds in suitable instruments with the Postal Department. For the purpose Rs. 34 lakhs has already been sanctioned to Postal Department on 27.12.03.</p>
----	--	--

80	<p>In order to pass on the benefits of lower rates of interest to agriculture and the SSI sector, the State Bank of India has announced an interest rate band of 2 per cent above and below its prime lending rate (PLR) for secured advances. The Indian Bank Association (IBA) is now advising all its member banks to adopt a similar interest rate band. Agriculture and SSI will hereafter have to pay no more than an extra 2 percentage points than the best bank customers.</p>	<p>IBA has advised Member banks on 5th March, 2003 to adopt an interest rate band of 2% above and below PLR for secured advances in the agriculture and SSI sectors. IBA has also advised banks not to charge more than 9% interest for agricultural loans up to Rs. 50,000.</p> <p style="text-align: right;">ACTION COMPLETED</p>
120	<p>The voting rights of any person holding shares of a banking company are restricted to 10 per cent irrespective of his/her shareholding. The Banking Regulation Act, 1949 will be amended to remove this limitation.</p>	<p>Bill introduced in the Parliament.</p> <p style="text-align: right;">ACTION COMPLETED</p>
122	<p>Credit Information Bureau has already been established. It is proposed to provide the necessary legislative support to this Bureau.</p>	<p>Follow up Legislative action has been initiated.</p>

123	<p>It is important that administered interest rates on public provident fund and other small saving schemes be adjusted in line with the market rates. Accordingly, rates of interest on public provident fund, and small savings schemes, etc. will be reduced by one percentage point with effect from March 1. Interest on relief and savings bonds will also be reset accordingly. .</p>	<p>The rates of interest on small saving schemes have been reduced by 1 percent w.e.f. 1st March, 2003. Interest rates on loans and advances by Central Government, including GPF, have been reduced with effect from April 1, 2003. As regards resetting of interest rates on Relief and Savings bonds, Government has discontinued the Relief Bonds Scheme with effect from the close of business on 28th February, 2003. Government has notified two schemes viz, 6.5 % Savings Bonds, 2003(Non-taxable) and 8% Savings (Taxable) Bonds, 2003 with effect from 24.03.2003 and 21.04.2003 respectively.</p> <p style="text-align: right;">ACTION COMPLETED</p>
-----	--	--

Department of Food and Public Distribution

Para No	Text of Announcement	Action Taken by Ministry
15	<p>The Antyodaya Anna Yojana will be expanded from April 1, 2003, to cover an additional 50 lakh families raising the total coverage to more than a quarter of all BPL families during the year 2003-04. The additional budgetary expenditure on this account will be Rs.507 crore.</p>	<p>The Antyodaya Anna Yojana (AAY) has been expanded to cover an additional 50 lakh BPL families. The requisite guidelines for implementation of the additional Antyodaya Anna Yojana families have also been issued to all the State Govts./UTs. The State Govts. /UT Admn. have been asked to identify the additional families in their States/UTs and issue distinctive ration cards to them.</p> <p>The State Govts. of Andhra Pradesh, Chattisgarh, Sikkim, Nagaland, Mizoram, and Uttar Pradesh have completed the task of identification of additional AAY families and issue of ration cards under the expanded AAY. The Govt. of Madhya Pradesh has completed the identification of all the additional families and issued ration cards to 2.728 lakh families out of 3.164 lakh identified families. The Government of Kerala has issued ration cards to 1.021 lakh identified additional families out of 1.192 lakh additional estimated families. The Government of Rajasthan has identified 1.826 lakh additional AAY families and issued ration cards to 1.811 lakh additional Antyodaya families out of 1.865 lakh estimated additional AAY families.</p> <p style="text-align: right;">ACTION COMPLETED</p>

<p>(c) To expand the scope of taxpayer services, including extension of interactive voice response system to more cities and software for preparation of returns;</p> <p>(d) Direct crediting of all refunds to the bank account of the taxpayer, through electronic clearance system (if the taxpayer furnishes a bank account number)</p> <p>(e) To reduce the compliance cost of the taxpayer, through halving the number of forms presently used in furnishing of applications, returns, etc., for the purposes of tax deduction and tax collection at source, from the present 42 to just 22.</p> <p>(f) immediate introduction of a one-page only return form for individual tax payers, having income from salary, house property and interest, etc.</p> <p>(g) The Income Tax Act to be amended to enable electronic filing of returns;</p> <p>(h) Abolition of tax-clearance certificates currently needed by a person leaving India, or any person submitting a tender for a government contract.</p> <p>(I) To simplify the procedure and methods employed during search and seizure, and during survey by the Income Tax department.</p>	<p>(c) The software for preparation of returns called SAMPARK has already been released and it is being extended to four more cities, namely, Ahmedabad, Bangalore, Hyderabad and Pune.</p> <p style="text-align: right;">ACTION COMPLETED</p> <p>(d) The scheme will get operationalised in 13 cities after amendments to Treasury Rules and Accounting Procedures.</p> <p>(e) The number of forms for the purpose of tax deduction at source and tax collection at source has been reduced to 17.</p> <p style="text-align: right;">ACTION COMPLETED</p> <p>(f) A single page return for "Naya Saral" for individual taxpayers having income from salary, house property and income from other sources has been introduced.</p> <p style="text-align: right;">ACTION COMPLETED</p> <p>(g) The Income Tax Act has already been amended through the Finance Act, 2003 to enable electronic filling of returns. The scheme is operational in seven cities.</p> <p style="text-align: right;">ACTION COMPLETED</p> <p>(h) The necessary amendments have already been made in the Income Tax Act through the Finance Act, 2003.</p> <p style="text-align: right;">ACTION COMPLETED</p> <p>(I) Instruction for simplification of procedure and methods employed during search and seizure, and during survey by the Income Tax department has been issued.</p> <p style="text-align: right;">ACTION COMPLETED</p>
---	---

185	<p>To bring our customs clearance procedures at par with best international practices, this year itself, a self-assessment scheme for importers and exporters will be introduced. Under this scheme, the importer himself/herself will determine the classification of goods, including claim for any exemption benefit, and the system will calculate the duty based on his/her declaration. Physical inspection of imported goods will be done by using risk-assessment and management techniques on a computer-based system and not on the orders of customs examining staff. Further, the existing system of concurrent audit of import documents will be replaced by post-clearance audit, as prevalent in developed countries.</p>	<p>A trust based Customs Clearance System, Accelerated Customs Clearance Systems (ACS) for import /export of selected items has been introduced at three Customs station namely, Air Cargo Complex ; Mumbai, Chennai Seaport and ICD, Tughlakabad, New Delhi on pilot basis. It envisages acceptance of the declarations made by the importers/exporters and based on such declaration the Electronic Data Interchange (EDI) system will do the job of assessment for the imports/items covered in the ACS, as against the existing system of assessment. There will be no physical examination of these goods.</p> <p>In addition, 100% self-assessment subject to Risk Management Module (RMM) has also been introduced on pilot basis at ICD, Tughlakabad, New Delhi. Under this scheme the computer after evaluation of the risk factors, will give specific direction as to whether the consignment should be cleared without examination or if examination is necessary and of what percentage.</p> <p>The risk management module will be finalized by 31.3.2004. Tenders have already been floated. The module will then be integrated with the Post Clearance Audit Module also. It is expected that the module will be extended to all Customs EDI location by 30.9.2004.</p>
-----	--	--

Department of Expenditure

Para No	Text of Announcement	Action Taken by Ministry
86	<p>A special programme, Maru Gochar Yojana, is proposed to be taken up for the desert districts of Rajasthan. This programme will provide for rehabilitation of traditional pastures – ‘Oran’ or ‘Gauchar’ – by developing at least one large pasturage nursery in each of the identified districts, as a Central scheme, for restoration of traditional water courses, and other measures so as to provide effective drought proofing. A Task Force will be established for working out modalities for its implementation. Rupees 100 crore will be provided for this purpose, over a period of three years, with only a quarter of the contribution coming from the State Government. Provision for 2003-04 for this purpose will be Rs.50 crore.</p>	<p>Implementation of Maru Gochar Yojana (MGY) has commenced with approval of 40 pilot projects in 10 desert district of Rajasthan. Rs. 371.92 lakhs have been sanctioned for these pilot projects, out of which the central share of RS. 278.94 lakhs has been released to Government of Rajasthan. The Task Force has also approved projects for 30 locations in Jodhpur, Jaisalmer and Barmer districts. Project locations have been selected in consultation with the Gram Panchayat and Gram Sabhas. The programme is picking up momentum and implementation will be accelerated during 2004-05.</p> <p style="text-align: right;">ACTION COMPLETED</p>

Ministry of Civil Aviation

Para No	Text of Announcement	Action Taken by Ministry
53	<p>It has now been decided to take up the Delhi and Mumbai airports, as the principal hubs of international travel to India, for modernisation to international standards. Two separate companies will be formed with initial equal equity participation from the Airports Authority. These two companies could also take joint venture partners. On completion, the management will be leased out.</p>	<p>Registrar of Companies has allotted the names viz. Indira Gandhi International Airports Ltd. Delhi and Chhatrapati Shivaji International Airport Ltd. Mumbai for the two companies being set up for Delhi and Mumbai airports, respectively. Further, steps to frame the Memorandum and Articles of Association for the two companies are in hand.</p> <p>A comprehensive AAI (Amendment) Bill, 2003 has been passed by the Parliament. The assent of the Hon'ble President of India has been obtained for the Bill and it has become operational with effect from 7th September, 2003. This Act, inter alia, has enabling provision for leasing of airports and also contains provisions for setting up of greenfield airports with major private sector participation.</p> <p>The Government has approved restructuring of Delhi and Mumbai airports through joint venture route. An Empowered Group of Ministers (EGOM) has also been constituted to decide the detailed modalities for selection of joint venture partner(s). Tentative time schedule has also been laid down for selection of joint partner(s) for these two airports. Financial Consultant has been appointed to advise Government on the restructuring process.</p>

Ministry of Commerce

Para No	Text of Announcement	Action Taken by Ministry
76	Government has announced a Price Stabilisation Fund of Rs.500 crore for the benefit of tea, coffee, and natural rubber growers. The Fund will become operational in 2003-04.	<p>Government has approved the setting up of Price Stabilisation Fund scheme.</p> <p>Under this scheme action has been taken as follows:-</p> <ol style="list-style-type: none">1) Resolution regarding the setting up of a Price Stabilisation Fund and implementing the Price Stabilisation Fund Scheme has been notified in the Gazette of India.2) Trust deed has been registered.3) Rs.200 crore, from out of 1st Tranche of Rs. 250 crore, has been allocated for the PSF scheme.4) The CEO of the PSF Scheme has been appointed.5) Enrollment forms of the growers willing to participate in the scheme have been finalized.6) Guidelines to the participating banks have been issued.7) Accounting procedure for the Price Stabilisation Fund Scheme is being finalized in consultation with the Controller General of Accounts. <p style="text-align: right;">ACTION COMPLETED</p>

77	<p>The excise duty of Re. 1 per kg. on tea will be abolished and replaced it by a cess of Re.1 per kg., for creating a separate fund for development, modernisation and rehabilitation of the tea plantation sector. Further, coffee plantations will henceforth be eligible for income tax deduction of sums deposited in a development account, as in the case of tea.</p>	<p>The Department of Commerce initiated dialogue with the Tea Board, tea industry and other concerned Departments for identifying viable schemes to be put in place for the long term development of the Indian tea industry out of the fund being created. Broad schemes to be financed out of the Fund were also identified. Various schemes are being processed as a single scheme for approval of Expenditure Finance Committee.</p>
----	--	--

Ministry of Personnel, PG and Pension

Para No	Text of Announcement	Action Taken by Ministry
38	The Government will restore the Leave Travel Concession (LTC) facility to its employees.	L.T.C. facility has been restored vide Government orders dated 13th March, 2003. ACTION COMPLETED

Ministry of Road Transport And Highways

Para No	Text of Announcement	Action Taken by Ministry
51	48 new road projects, with a total length of over 10,000 kms.(excluding the NHDP) have been identified where the traffic volume justifies four-laning. These projects will be funded on a build-operate-and-transfer (BOT) basis, with the Government providing a subsidy in the form of an annuity flow to meet only the shortfall between anticipated revenue and loan repayment liabilities. In the first year, 2003-04, at least 3,000 kms., of roads, or almost a third of the total of these 48 projects, will be taken up for four-laning.	<ul style="list-style-type: none">i Build-operate-and-transfer (BOT) bids for 622 kms. (7 projects) have been received and will be awarded shortly.ii Detailed Project Reports (DPRs) for another 1056 kms. are nearing completion and bids for undertaking civil works are likely to be invited soon.ii Consultants are being appointed within 2003-04 for preparing DPRs for another 1700 kms.

Ministry of Small Scale Industries

Para No	Text of Announcement	Action Taken by Ministry
115	<p>The recent announcement by the State Bank of India and the decision by the Indian Bank Association about an interest rate band of 2 per cent above and below PLR for secured advances will help the SSI sector in obtaining bank finance at moderate rates of interest. In addition, benefits and entitlements available to this sector shall be placed on the Ministry's website, for ready reference.</p>	<p>The Indian Bank Association (IBA) has issued a circular to all its member banks on 5th March, 2003, advising them to fix the interest rate for SSI sector on the lines of SBI's decision. All the 27 Public Sector Banks have issued necessary instructions in this regard. In addition, benefits and entitlements available to the SSI sector have already been placed on the Ministry's website (http://www.laghu-udyog.com)</p> <p style="text-align: right;">ACTION COMPLETED</p>
116	<p>It is now proposed to withdraw SSI reservation from another 75 items of laboratory chemicals and reagents, leather and leather products, plastic products, chemicals and chemicals products and paper products. The Minister of Small Scale Industries will announce the details of these items separately. To help further investment in the SSI sector, Government will examine the question of a limited partnership act.</p>	<p>For de-reservation of 75 items, Gazette Action Notification No. S.O. 649 (E) has been issued on 3rd June, 2003.</p> <p style="text-align: right;">ACTION COMPLETED</p> <p>As regards Limited Liabilities Partnership Act, the Companies (Amendment) Bill, 2003 would be withdrawn and in its place a comprehensive set of amendments is proposed to be placed before the Parliament for consideration. Provisions to enable Limited Liability Partnerships will be a part of the amendments, which will take care of the concerns of the SSI sector.</p>

Ministry of Social Justice And Empowerment

Para No	Text of Announcement	Action Taken by Ministry
36	The Government will establish a college of rehabilitation sciences at Gwalior, and a national institute for empowerment of persons with multiple disabilities at Chennai.	<p>Establishment of College of Rehabilitation Sciences at Gwalior- The college will start functioning by hiring temporary accommodation during the year 2003-04. However, project will be completed in the year 2006-07.</p> <p>Setting up a National Institute for Empowerment of Persons with Multiple Disabilities at Chennai - The Planning commission has given its 'in principle' approval for the project. EFC Memo has been finalized and circulated. Execution of the project would commence after approval of Expenditure Finance Committee. Land has already been allotted for the building of this institute.</p>

Ministry of Textiles

Para No	Text of Announcement	Action Taken by Ministry
96,97, 98 & 99	<p>It is proposed to strengthen the existing programme for Induction of Technology in the Weaving Sector further by offering a 'Power-loom Package for Modernisation'. This package will have the following three features.</p> <p>(i) The Technology Up-gradation Fund Scheme will be enlarged to cover modernisation of power-looms.</p> <p>(ii) To create a better working environment and obtain higher productivity, a new Power-loom Workshed Scheme will be introduced together with the State Governments. Improvement of other infrastructure of existing power-loom clusters will be taken up under the revised Textile Sector Infrastructure Development Scheme.</p> <p>(iii) As a welfare measure, all powerloom workers will be covered under the Special Insurance Scheme, which will provide them insurance cover against death, accident and disability.</p>	<p>Consultations have been held with State Governments, Chief Executive Officers of State Powerloom Development Corporations and Chairman, Powerloom Development & Export Promotion Council to decide the features and modalities of the Powerloom Package.</p> <p>(i) Operational guidelines to implement the scheme have been issued. Necessary instructions have also been issued for release of funds to the Textile Commissioner, Mumbai. Approval for enlarging TUFs to powerloom units with an additional option of a credit linked incentive of 20% of the cost of the modern weaving and preparatory machinery up to Rs. 60 lakhs is also given.</p> <p>(ii) Guidelines to operate/implement the scheme have been issued to the Textile Commissioner, Mumbai.</p> <p>Fifteen powerloom parks are expected to come up during 10th plan, including four to start during the current year.</p> <p>(iii) The Scheme has been started with an outlay of Rs. 1.73 crores to cover one-lakh powerloom workers by the end of 10th Five Year Plan. Necessary guidelines have been issued to the Textile Commissioner who has begun operating the scheme.</p> <p style="text-align: right;">ACTION COMPLETED</p>

Ministry of Youth Affairs & Sports

Para No	Text of Announcement	Action Taken by Ministry
23	Development of sports infrastructure will now be supported through direct funding of public-private joint initiatives. Guidelines in this regard will be issued shortly.	<p data-bbox="947 285 1665 435">Ministry of Youth Affairs and Sports have finalized the scheme of State Sports Academy which will be funded jointly by Central Government, State Government / UT Administration and a sponsor. A Sports Academy is sought to be established in every State / UT.</p> <p data-bbox="947 467 1665 524">The Scheme has already been circulated to all States / UT Governments in October, 2003</p> <p data-bbox="1383 557 1665 581">ACTION COMPLETED</p>

Rural Development

Para No	Text of Announcement	Action Taken by Ministry
17	<p>A Committee headed by the Deputy Chairman, Planning Commission is proposed. to examine all schemes having a bearing on poverty alleviation and rural development, and recommend their practical convergence.</p>	<p>An exercise for rationalization of Poverty Alleviation Schemes has already been carried out during the Tenth Five Year Plan finalisation and continued as annual exercise under the Zero Based Budgeting, Further, the convergence of schemes would take place with the adoption of decentralized planning as mandated by 73rd and 74th Constitution Amendments through Panchayati Raj Institutions (PRI) and District Planning Committee. The Empowered Sub-Committee of National Development Council on Financial and Administrative Empowerment of Panchayati Raj Institutions set up under the chairmanship of Minister of Rural Development is further examining this aspect. In view of this there is no need to set up a separate Committee under Deputy Chairman, Planning Commission to bring about further rationalization of Poverty Alleviation Schemes.</p>