

BUDGET MATTER -MOST IMMEDIATE

TARGET DATE – 20TH SEPTEMBER 2010

F.No.7/12/2010-IFU(B&A)DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

New Delhi, the 17th August, 2010.

To

All Budgetary Authorities under

Central Board of Direct Taxes

SUBJECT: SUBMISSION OF REVISED ESTIMATES 2010-11 AND BUDGET ESTIMATES 2011-2012 IN RESPECT OF DEMAND NO.42 –DIRECT TAXES.

Sir,

As you are aware, proposals for Revised Estimates for the current financial year and Budget Estimates for ensuing year are required to be furnished in the month of September, every year. I am accordingly, directed to say that proposals for Revised Estimates 2010-2011 and Budget Estimates 2011-2012 be submitted as per proformae enclosed.

2. The points mentioned in succeeding para may be kept in view while framing the Revised Estimates/Budget Estimates.

2.1 PROVISION OF FUNDS FOR VACANT POSTS:

In respect of vacant posts not filled so far, provision for pay and allowances may be confined to an average of two months for the purpose of Revised Estimates 2010-2011. For Budget Estimates 2011-2012, provision for vacant posts may be made for an average of four months only.

2.2 PREPARATION OF BUDGET NOTES:

In order to facilitate speedy examination of all budget proposals, a Budget Note may be prepared giving detailed reasons for all variations in the Revised Estimates 2010-2011 and also the Budget Estimates 2011-2012 under the relevant heads shown in **Statement No. I**.

The explanation for variations in respect of other statements may be furnished in the relevant columns of the Statements.

2.3 PAYMENT OF ARREARS (OTHER THAN SALARY):

In cases where additional provision is required for clearing any arrear liabilities, the nature of such arrear liabilities, the year/years and the additional amount required for clearing such liabilities may be stated in detail in the Budget Note under relevant heads.

2.4 BREAK UP OF EXPENDITURE UNDER OFFICE EXPENSES:

Item wise break up of expenditure/estimates under the object head 'Office Expenses (General)' should also be furnished. For this purpose, a format has been prescribed vide Statement No.'I-B'. It may be noted that if these itemwise details are not provided, your estimates will be finalized based on information available in this office.

2.5 NEED FOR ACCURACY IN FRAMING ESTIMATES:

There have been instances where either substantial amount had to be surrendered on account of excessive provision or excess expenditure was incurred due to inadequate provision under various Heads. It may be pertinent to mention that the Standing Committee on Finance recorded certain observations/shortcomings (conveyed to all Budgetary Authorities vide letter F.No.7/6/2009-IFU(B&A)DT dated 23.12.2009 and reiterated vide letter dated 13.5.2010) in framing Budget Estimates/Revised Estimates/Final Requirements, which reflects failure on the part of the budget framing authorities to draw up realistic budget estimates and **attracts adverse comments from the Audit/Public Accounts Committee and Parliamentary Standing Committee on Finance.** It is, therefore, impressed upon every budget framing authority that Revised Estimates 2010-2011 and Budget Estimates 2011-2012 should be framed in the most realistic manner, keeping in view the various instructions issued from time to time (last issued on 13.5.2010) and the actual expenditure already incurred during the first five months (i.e. upto 31.8.2010) of the current financial year 2010-2011. **The Expenditure under the object head 'Salaries' should be treated as 6 months (March to August, 2010).**

2.6 ECONOMY IN EXPENDITURE:

A careful watch may be kept on the trend of expenditure from month to month with a view to regulate the total expenditure within the sanctioned grant and the unavoidable excess, if any, under a head may be brought to the notice of Board/IFU. In the cases of those object heads, where actual expenditure for the first five months is less than 25% of the sanctioned grant, specific reasons may be furnished in the Budget Note as to why the same should not be reduced proportionately straight away. **The Government's instructions on economy issued from time to time and last issued vide IFU(B&A)DT's letter No.14/9/2009-IFU(B&A)DT dated 8th September, 2009 should also be kept in view while making projections particularly under object heads 'Domestic Travel Expenses', 'Foreign Travel Expenses', 'Publications', 'Professional Services', 'Advertising and Publicity', 'Office Expenses', and 'Other Administrative Expenses' where 10% mandatory cut has to take effect. The remaining portion of non-plan, non-Salary expenditure will be subject to a**

mandatory 5% cut. It may be noted that no reappropriation of funds to augment the non-plan heads of expenditure shall be allowed during the current financial year and no increase in the budgetary allocations under the heads of non-plan expenditure, particularly where cuts are now being imposed, will be allowed at RE stage except under very extra-ordinary and compelling circumstances. It may also be ensured that the expenditure is incurred only on items for which provision already exists in the Sanctioned Budget Grant 2010-2011 and no new commitment for expenditure, which cannot be met from within the sanctioned budget grant should be entered into without the prior approval of the Ministry.

It may also be ensured that monthly expenditure statement duly reconciled with the concerned Zonal Accounts Office is submitted to this office every month in time i.e. by the 20th of the following month.

2.7 PROVISION FOR CHARGED EXPENDITURE:

The requirement of the Charged expenditure may be projected under proper sub-head ‘**Office Expenses (Charged)**’ which is distinct from ‘**Office Expenses (Voted)**’.

2.8 SUBMISSION OF CERTIFICATE OF UTILIZATION OF GRANT (GRANT IN AID/CONTRIBUTION):

The Budgetary Authorities who are allocated budget under the head ‘Contribution’ are requested to indicate in the Budget Note that the utilization Certificate for the grant of previous year has been submitted to the concerned ZAO, in accordance with Rule 151(1) of General Financial Rules, 2005. In the absence of such indication in the Budget Note, discontinuance of allocation of grant under the head ‘Contribution’ may be resorted to.

2.9 PROVISION FOR CAPITAL EXPENDITURE:

Projection under Capital Section shall be finalized by DIT(Infrastructure) who has issued a separate letter in this regard. Accordingly, BE 2011-12 for Capital works will be decided by the Ministry based on this projection.

2.10 RE-APPROPRIATION OF FUNDS:

No funds should be diverted / re-appropriated by a field unit from one head to another without prior and specific approval of the IFU. This may be noted for strict compliance.

2.11 STRENGTH OF ESTABLISHMENT:

The information regarding strength of Establishment showing

- (i) actual strength as on 1st March, 2010;
- (ii) estimated strength as on 1st March, 2011; and
- (iii) estimated strength as on 1st March, 2012

in respect of officers and staff separately for each scale of pay may be furnished in the prescribed statement. Budget provisions for each post may also be mentioned in the statement.

2.12 REQUIREMENTS OF CIT(CIB):

It has been decided that CITs (CIB) will be made separate budgetary authorities. However, till they are allocated separate budget, existing arrangement may be continued.

3. STATEMENTS:

Following statements may be appended to the Budget Note:

(i) **Statement No.I** : Comparative Statement showing head wise actuals and proposed Revised Estimates 2010-11 & Budget Estimates 2011-12.

(ii) **Statement No.I-A** : Statement of provisions included under 'Other Allowances'.

(iii) **Statement No.I-B** : Item-wise break up of expenditure under 'Office Expenses'.

(iv) **Statement No.II & II(A)**: Estimated strength of establishment and provision therefor.

It may be noted that in absence of above statements in the prescribed format, budget proposals will not be entertained.

4. SUBMISSION OF BUDGET PROPOSALS:

4.1 The Revised Estimates 2010-2011 and Budget Estimates 2011-2012 may be sent or delivered to the following:

<p>(i) Shri A.K. Vajpayee Director (Finance) DT Ministry of Finance, Department of Revenue, Room No. 70-B, North Block, New Delhi-110001.</p>	<p>(ii) Shri Umesh Sharma, Under Secretary, IFU(B&A)DT, Ministry of Finance, Department of Revenue, Room No. 12, Church Road Hutments, New Delhi-110001.</p>
<p>Tel. No. : 011- 23093269</p>	<p>Tel. No. Office: 2309 2258</p>

FAX: 011-23092516	FAX: 2309 2258
E-mail: aditya.vajpayee@nic.in	

In addition, a copy including all statements should invariably be sent through e-mail at the addresses given above.

4.2 The official address, e-mail address, telephone and Fax number of the officers who may be contacted in case of any discrepancy in the budget proposals may be indicated invariably for future correspondence.

5. LAST DATE FOR SUBMISSION OF BUDGET PROPOSALS:

The Revised Estimates 2010-2011 and Budget Estimates 2011-2012 framed in the light of the foregoing paras may be furnished to this Department by **20th September, 2010** positively **at the address mentioned in para 4.1 above.**

6.1 It should be noted by all concerned that if the Revised Estimates/Budget Estimates are unduly delayed, the sanctioned grant 2010-2011 will be adopted as Revised Estimates 2010-2011. Similarly, the Budget Estimates 2011-12 will also be finalised on the basis of Revised Estimates 2010-2011 by the Ministry on its own.

Yours faithfully,

(A.K.Vajpayee)

Director (Finance), Direct Taxes

Enclosure: As above

STATEMENT NO. I

NAME OF THE BUDGETARY AUTHORITY :

Comparative Statement showing head wise actuals and proposed

Revised estimates 2010-11 and budget estimates 2011-2012

(In Thousands of Rupees)

S.No	HEAD OF ACCOUNT	ACTUALS					SANCTIONED GRANT 2010-11	REVISED ESTIMATE 2010-11
		2007-08	2008-09	2009-10	LAST 7 MONTHS 2009-10	FIRST 5 MONTHS 2010-11		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	SALARIES			*(R)= (A)=	*(R)= (A)=			
2	WAGES							
3	OVERTIME ALLOWANCE							
4	MEDICAL TREATMENT							
5	DOMESTIC TRAVEL EXPENSES							
6	FOREIGN TRAVEL EXPENSES							
7	OFFICE EXPENSES							
	(i) General							
	(ii) Conv. Charges to ITIs							
	TOTAL (i) and (ii)							
8	RENT, RATES & TAXES							
9	PUBLICATIONS							
10	OTHER ADMN. EXPENSES							
11	ADVERTISING & PUBLICITY							
12	MINOR WORKS							
13	PROFESSIONAL SERVICES							
14	CONTRIBUTIONS							
15	SECRET SERV. EXPENDITURE							
16	OTHER CHARGES							
17	DEPARTMENTAL CANTEENS							
18	INFORMATION TECHNOLOGY							

	2006-07								
	(b) vehicles sanctioned in respect of other than 1% incentive scheme								
2	RE-IMBURSEMENT OF PETROL TO NOTICE SERVER								
3	SERVICE POSTAGE STAMPS								
4	TELEPHONE CHARGES:								
	a)Recurring								
	b)Non-recurring								
5	ELECTRICITY CHARGES								
6	PURCHASE & REPAIRING OF PHOTOSTAT MACHINE TYPEWRITER, CALCULATOR ETC.								
7	MAINTENANCE OF VEHICLES								
8	LIVERIES (CLOTHING CHARGES)								
9	PRINTING OF FORMS								
10	PURCHASE & REPAIR OF FURNITURE								
11	PURCHASE OF STATIONERY								
12	HOT & COLD CHARGES								
13	OTHERS (Specify items)								
	TOTAL								

* Note : Earlier, separate allocation was made for vehicles sanctioned under 1% incentive scheme (2006-07). Now, it has been decided that expenditure on these vehicles from 2010-11 onwards will be met under Officer Expenses (General). Detailed instructions have been

issued vide O.M. No.DIT(Infra)/Unit-II/I&C/Vehicle/2010-11/438 dated 17.6.2010 by DIT(Infrastructure) which are enclosed for ready reference.

STATEMENT NO. II

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(APPENDIX IX-A)

DETAILED DEMANDS FOR GRANTS

2011-12

DEMAND NO.

42-Direct Taxes

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ESTIMATED STRENGTH OF ESTABLISHMENT AND PROVISION THEREFOR

STRENGTH AS ON 1 ST MARCH 2010	2011	2012	ACTUALS 2009-10	BUDGET 2010-11	REVISED 2010-11	BUDGET 2011-12

(In thousands of rupees)

Scale of pay, Pay Band with Grade Pay	Status of post	Group of post	Total No. of Posts	No. of Emp. In position	Estimated sanctioned strength	Estimated sanctioned strength
	Gaz./ Non- Gaz.	Regular/ Temp./ Adhoc	Gr. – A Gr. – B Gr. – C Gr. – D Unclassified			

(a)	(b)	(c)	(d)	(e)	(f)			
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1. Salary

(a) Officers

Grade Pay Indicate in respect of each Scale of pay and

(b) Staff

Grade Pay Indicate in respect of each Scale of pay and

Total Salary.....

- 1. Allowances (other than OTA and Travel Expenses)
- 2. Wages
- 3. Overtime Allowances
- 4. Domestic Travel Expenses
- 5. Foreign Travel Expenses*

Total.....

* will include travel expenses abroad

STATEMENT NO.II(A)

EXPENDITURE BUDGET Vol.I

(APPENDIX X-F)

2011-1012

Ministry /Department of

**ESTIMATED STRENGTH OF ESTABLISHMENT AND PROVISIONS
THEREFOR**

(In Thousands of Rupees)

Strength as on 1 st March			Actuals 2009-10						RE – 2010-2011						
Actual		Estimated		Pay		Allowances (other than travel expenses)		Travel Expenses		Pay		Allowances (other than travel expenses)		Travel Expenses	
2010	2011	2012	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	

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