Budget 2001-2002

S.No.	Budget Announcement	Status Of Implementation
1.	**Para No. 9 :** NABARD will reduce the interest rate from 11.5% to 10.5% for the Rural Infrastructure Development Funds.	RBI has issued instructions to NABARD on 30th April, 2001 to charge only 10.5% interest from State Governments for loans from RIDF-VII. **ACTION COMPLETED.**
2.	**Para No. 9 :** The corpus of RIDF-VII will be increased from Rs.4,500 crores to 5,000 crores in the year 2001-2002.	The corpus of RIDF-VII has been increased to Rs.5000 crores and allocations have been made to States. **ACTION COMPLETED.**
3.	**Para No. 9 :** Kisan Credit Cards (KCC) will cover all eligible agricultural farmers within the next three years.	Targets have been given to banks for the next three years to cover all farmers. Upto 31st December, 2001, a total of 2.07 crore cards have been issued. Monthly targets have been fixed. **ACTION COMPLETED.**
4.	**Para No. 9 :** Banks will provide a personal insurance package to the KCC holders to cover them against accidental death or permanent disability upto a maximum amount of Rs.50,000 and Rs.25,000 respectively. Premium burden will be shared by Card Issuing Institution.	Insurance scheme has been launched. 7.44 lakh KCC holders have been covered under the scheme until 31.1.2002. **ACTION COMPLETED.**
5.	**Para No. 9 :** NABARD will link 1 lakh additional self-help groups during 2001-02 which would help in providing access to credit to additional 20 lakh families. Share croppers and tenant farmers will also be made eligible for the loan of NABARD.	During the current year, 77,247 Self-help Groups have been linked by NABARD and SIDBI upto 31.12.2001.
6.	**Para No. 9 :** A Micro-Finance Development Fund has been set up in NABARD with contribution of Rs.40 crores each by NABARD and RBI.	Micro-Finance Development Fund has already been set up. **ACTION COMPLETED.**
7.	**Para No. 9 :** NABARD will mobilise funds through issue of capital gains tax exemption bonds for the year 2001-2002 also.	NABARD has already floated Capital Gains Bonds. **ACTION COMPLETED.**
8.	**Para No. 9 :** Resources from the Watershed Development Fund set up in NABARD will be used to promote people's participation and enable water users' associations to implement operate and maintain irrigation schemes.	Watershed Development Fund has already been established in NABARD for the purpose.
9.	**Para No. 10 :** Extension of credit linked subsidy scheme which was operational for cold storages will also cover rural godowns. The subsidy to be provided by the government would be suitably enhanced to take care of increased coverage and the loans would carry an adequate long-term repayment period, thus enabling individuals, cooperative societies and other to build godowns by availing of loans from cooperative banks, commercial banks and RRBs.	The new Credit Linked Subsidy Scheme for Construction/Renovation/Expansion of Rural Godowns has been approved. **ACTION COMPLETED.**
10.	**Para No. 11 :** NABARD will reduce the rate of interest for funding the storage of crops from 10% to 8.5%.	Circular lowering the interest rate has been issued. **ACTION COMPLETED.**

S.No.	Budget Announcement	Status Of Implementation
11.	**Para No. 12 :** Scheme for setting up agri-clinics and agri-business centres by agricultural graduates will be launched with the support of NABARD. Loans on attractive terms for setting up the centres will be provided by Banks with refinance from NABARD.	Scheme for Agri-Clinics and Agri-Business Centers has been finalized and circulated to all commercial banks by NABARD. **ACTION COMPLETED.**
12.	**Para No. 13 :** To improve crop productivity in Eastern and North-Eastern regions, Rs.61 crores has been provided for the Centrally Sponsored Scheme "On Farm Water Management for increasing crop production in eastern India".	A provision of Rs.70 crores in BE has been made for the year 2001-02. The scheme is ready for launching through NABARD.
13.	**Para No. 14 :** Provision of Rs.38 crores made for the "Technology Mission for integrated development of horticulture in North Eastern States".	The scheme has been launched. The total provision for this scheme for 2001-02 is Rs 59.75 crores out of which Rs 52.15 crores has so far been released. **ACTION COMPLETED.**
14.	**Para No. 15 :** The Pradhan Mantri Gram Sadak Yojana (PMGSY) which was launched on 25/12/2000 will be provided another allocation of Rs.2,500 crores for the year 2001-02.	The Scheme has since been converted into a 100% Centrally Sponsored Scheme of Ministry of Rural Development and a sum of Rs. 2500 crores has been provided for the purpose. Project proposals for release of funds from all the States and 2 UTs have been received. Proposals pertaining to 26 States and 2 UTs have been fully or partially cleared. These works are expected to be completed by June, 2002 and in some cases by October/November, 2002.
15.	**Para No. 16 :** Completion of electrification of bulk of remaining villages in the next six years and extension of assistance to the States for village electrification works under the PMGY whose funding is being augmented.	Village electrification has now been included under PMGY. 10% of funds have been earmarked for rural electrification. Guidelines for this have already been issued to the States and the first instalment aggregating to about Rs.210 crores has since been released to the States.
16.	**Para No. 16 :** Stepping up of credit support from Rural Electrification Corporation to SEBs for speedy electrification of dalit bastis, house holds of scheduled tribes and other weaker sections of society.	With effect from 25.01.2002, REC has launched a scheme which covers electrification of Dalit bastis by providing credit support to SEBs/State Power utilities/ State Governments exclusively for such purposes. The loan period for the scheme is 10 years with a moratorium of 2 years and the interest rate is 10% with default escrow and 10.55% without default escrow.
17.	**Para Nos. 16 & 25 :** i) Improving the quality of power supply in villages by augmentation of distribution networks in rural areas supported by REC under the Accelerated Power Development Programme (APDP).	a) Under APDP, 63 distribution circles have been adopted across the country for introduction of best technical practices to make them 'Models of Excellence' with full distribution feeder metering, energy audit, control and elimination of theft, stable voltage levels and good quality power supply. This programme is being subjected to independent monitoring and evaluation.
	ii) Plan allocation to the Accelerated Power Development Program (APDP) has been stepped up to Rs.1500 crores. Priority under APDP will be given to those states that undertake reforms.	b) For the year 2001-02, Government have provided Rs.1500 crores under APDP. During the year 2000-2001 funds were released to States at the end of March/April 2001. Almost all the States have taken action to implement the sanctioned projects.
		c) As on date, all the States have signed MOUs for Reforms except some of the North Eastern States and J&K.

S.No.	Budget Announcement	Status Of Implementation
18.	**Para No. 16 :** A sum of at least Rs.750 crores out of RIDF is to be earmarked for rural electrification.	NABARD has sanctioned an amount of Rs.226 crores as on 31.1.2002 for rural electrification scheme in various States. Schemes aggregating to Rs.80 crores are under scrutiny for sanction.
19.	**Para No. 16 :** REC to float capital gains tax exemption bonds along with NABARD and NHAI under Section 54 EC of the IT Act.	REC has floated Capital Gains Tax Exemption Bonds during 2001-2002. The target for the year is Rs.1,000-1,200 crores. As on 15.2.2002, REC has realised Rs.907 crores. **ACTION COMPLETED.**
20.	**Para No. 17 :** An enlarged role to be given to the State Governments in both procurement and distribution of food-grains for PDS. Instead of providing subsidies on food-grains, financial assistance will be provided to the State Governments to enable them to procure and distribute food-grains to BPL families at subsidised rates. Details for operationalising these arrangements to be worked out in consultation with the State Governments.	For obtaining the cooperation of States for decentralising procurement for PDS and other related Food Management issues, a Conference of Chief Ministers was held which decided to set up a Standing Committee of Union Ministers and some Chief Ministers. This Committee had its first meeting on 6.7.2001 and another meeting on 5.9.2001. Concerns have been expressed by some States about the modalities and implications of the proposed changes. The Standing Committee is continuing its work and modalities for making changes in management of Food Economy will be made in consultation and cooperation of the States.
21.	**Para No. 19 :** Review of the operation of the Essential Commodities Act, 1955 in order to remove restrictions that have been imposed on the free inter-State movement of food-grains and agricultural produce and also for storage and stocking of such commodities. The list of commodities declared essential under the said Act would also be reviewed to bring their number down to the minimum required.	The operation of the Essential Commodities Act, 1955 has been reviewed in consultation with the State Governments. There is general consensus amongst the States that restrictions which are no longer necessary under the Act and which impede free inter-State movement and trade in foodgrains and agricultural produce should be removed. Accordingly, it has been decided to remove licensing, stock limits and movement restrictions in respect of wheat, paddy/rice, coarse grains, sugar, edible oilseeds and edible oils through issue of a Central Order under the Essential Commodities Act, 1955. This order has been issued on 15.2.2002. The list of commodities declared as essential under the Essential Commodities Act, 1955 has also been reviewed and it has been decided to remove the following commodities from the list of essential commodities : 1. Cement; 2. Textile Machinery : (i) Knitting Machine (ii) Spinning Machine (iii) Lace Making Machine (iv) Powerloom (v) Processing Machinery 3. Textiles made from silk; 4. Textiles made wholly or in part from man-made cellulosic and non-cellulosic spun fibres; 5. Textiles made wholly or in part from man-made cellulosic and non-cellulosic filament yarn; 6. General Lighting Service Lamps; 7. Household appliances such as electric irons, heaters and the like; 8. Electrical Cables and Wires; 9. Man-made cellulosic and non-cellulosic staple fibres;

S.No.	Budget Announcement	Status Of Implementation
		10. Yarn made wholly or in part from any of the following materials, namely : (i) wool, (ii) man-made cellulosic spun fibre, (iii) man-made non-cellulosic spun fibre, (iv) silk. 11. (i) Man made cellulosic and Non-cellulosic filament yarn, (ii) Nylon Tyre Yarn/Cord/Fabric; 12. (i) Switches for domestic and similar purposes, (ii) 2-AMP Switches, (iii) 3-Pin Plugs and socket outlets. Order under the E.C. Act, notifying the above changes has been issued on 15.2.2002. With this the number of essential commodities will come down to 18. **ACTION COMPLETED.**
22.	**Para No. 24 :** Restoration of financial viability of State Electricity Boards and SEB Restructuring.	(i) Under the Accelerated Power Development Programme, MOUs have been entered into with all States for undertaking reforms in the Power Sector. A Committee under the chairmanship of Member, Planning Commission has proposed reform linked One Time settlement of dues of SEBs to Central utilities. This Scheme is being implemented with the concurrence of State Governments. (ii) So far, the States of Orissa, Haryana, AP, Karnataka, Rajasthan and UP have restructured their SEBs after passing reform legislation. Delhi and MP have also passed their reforms law and process of restructuring is likely to commence soon. The Electricity Bill 2001 introduced in Parliament on 30.8.2001 will obviate the need for individual States to enact their reform legislation.
23.	**Para No. 24 :** A time-bound program for installation of 100% metering by December 2001 and a specific program for reduction and eventual elimination of power theft.	The announcement envisages 100% metering upto 11 KV feeder. In line with the announcement, 16 States have completed metering of 11 KV feeders. The remaining States are expected to complete this by June, 2002. Besides, following actions have also been taken: a) In the Conference of CMs/Power Ministers held on 3.3.2001 it was resolved that energy audit at all 11 KV feeders must be made effective within next 6 months and accountability fixed at local level. It was also resolved that an effective programme needed to be launched for identifying and eliminating power thefts in next 2 years. b) The reform MOUs signed between the Ministry of Power and the State Governments contain commitment by the State Governments to eliminate power theft in a time bound manner. c) The Ministry of Power is helping the State Governments in finalising district level plans for improvement of sub-transmission and distribution. d) The Electricity Bill 2001 proposes stringent penalties against power theft.

S.No.	Budget Announcement	Status Of Implementation
24.	**Para No. 24 :** Energy audit at all levels.	16 States have completed 100% metering of 11 KV feeders. The remaining States are expected to complete this by June 2002.
25.	**Para No. 24 :** Tariff determination by SERCs and compliance thereof.	a) The Electricity Regulation Commission Act, 1998 enables State Governments to establish State Electricity Regulatory Commissions. So far, 19 states have set up their SERCs and 12 SERCs have issued tariff orders. b) In the Chief Ministers'/Power Ministers' Conference held on 3.3.2001, it was resolved that orders of CERC/SERCs need to be implemented fully unless stayed or set aside by court order. c) The Electricity Bill 2001 proposes to make constitution of SERCs mandatory for the States.
26.	**Para No. 24 :** Commercialisation of distribution.	a) In the Conference of Chief Ministers/Power Ministers held on 3.3.2001 it was resolved that commercial viability has to be achieved in distribution in two-three years through any or all of the following:- (i) creating profit centres with full accountability; (ii) handing over of local distribution to Panchayats/Local Bodies/Franchisees/Users Associations; (iii) privatisation of distribution; (iv) any other means. b) A committee headed by Secretary(Power) has been set up to suggest measures for reform of distribution and its privatisation.
27.	**Para No. 25 :** i) Five states have entered into MOUs and more states to adopt the reform process. ii) Reforming States would also receive support from GOI in the form of preferential allocation of power to SEBs from CPSUs, additional investment by CPSUs in generation and transmission and preferential allocation of external aid.	(i) Government of India have signed MOUs with 19 States so far. (ii) The CM's conference resolution of March, 2001 states that continued supply of power from Central Generating Stations would have to be linked to demonstration of capacity to make payments for current purchases and securitisation of past dues. The World Bank is providing assistance to the reforming States of Orissa, Andhra Pradesh, Uttar Pradesh and Rajasthan. The Asian Development Bank is providing assistance to the reforming States of Gujarat and Madhya Pradesh. POWERGRID has offered to undertake investment in critical intra-state transmission lines in reforming states.
28.	**Para No. 26 :** In order to help accelerate the reform process in the power sector and to unify all existing Central Legislations in the Sector, Electricity Bill 2001 will be introduced within this session.	The Bill has been introduced in the Parliament during the Monsoon Session of 2001. It has been referred to the Standing Committee of Parliament on Energy.
29.	**Para No. 28 :** Work pertaining to the balance portion of phase I of the golden quadrilateral will be awarded by the middle of this year.	Out of the total length of 5,851 kms (revised) of Golden Quadrilateral, connecting Delhi-Kolkata-Chennai-Mumbai-Delhi, 1,063 kms is four-laned and work on a length of 4,129 kms is under implementation. Out

S.No.	Budget Announcement	Status Of Implementation
		of the remaining length, 144 kms has been approved for award of contracts and 428 kms is scheduled to be awarded during the current year itself, excepting Allahabad bypass of 87 Kms which is expected to be awarded by June 2002.
30.	**Para No. 29 :** Rs.962 crores from the Cess Fund is being made available to States for state roads.	During the year 2000-2001, an amount of Rs.990 crores was made available under Central Road Fund (CRF) for State Roads, out of which Rs. 332 crores was released. During the current year, there is provision of Rs. 962 crores for State roads under CRF. So far an amount of Rs. 120.09 crores has been released during the current year under CRF. Further release of funds would be made to States as and when they confirm utilisation of funds released so far. The States have been advised to expedite the progress.
31.	**Para Nos. 31 & 32 :** Introduction of the Convergence Bill to cover telecom, information technology and information and broadcasting sectors in an integrated manner.	The Communications Convergence Bill 2001 has been introduced in the Lok Sabha on 31.8.2001. The Bill has been referred to the Standing Committee of Parliament on Information Technology.
	Tele-density to reach 3.5 per hundred by March 2001.	The overall Tele-density as on 31.12.2001 is 3.95 per hundred persons. **ACTION COMPLETED.**
32.	**Para No. 33 :** Overall capacity of Indian major ports to go up to 376 million tonnes by the end of 2001-02 along with substantial capacity addition in minor ports.	The installed capacity of major ports by the end of 9th Plan is expected to grow to around 344 million tonnes. The growth of traffic in the past four years has been lower than the traffic projection made by the 9th Plan Working Group. Lesser growth rate of traffic has warranted scaling down of expenditure on capacity creation as the present capacity is able to meet the country's requirement of international trade. The minor ports, which come under the purview of respective Maritime State Governments, and captive ports are expected to handle about 100 million tonnes of cargo during the year 2001-02.
33.	**Para No. 34 :** Jawahar Lal Nehru Port in New Mumbai is due for corporatisation.	A Bill has been introduced in Lok Sabha on 31.8.2001 to further amend the Major Port Trusts Act 1963 inter-alia to enable the Government to vest the utilities of existing Major Ports in their successor companies. The amendment would pave the way for corporatisation of JNPT. The Bill has been referred to the Standing Committee of Parliament on Transport and Tourism.
34.	**Para No. 37 :** A Clearing Corporation will be set up under the active encouragement of the RBI and SBI as a chief promoter and put in place by June 2001. This will also enable settlement of forex transactions.	The Clearing Corporation of India Ltd. (CCIL) was incorporated on 30th April, 2001 under the Companies Act, 1956.
35.	**Para No. 37 :** Trading of government securities through order driven screen-based system to be implemented.	The required regulatory framework for the purpose is being put together by RBI & SEBI.
36.	**Para No. 37 :** An electronic Negotiated Dealing System (NDS) will be set up by RBI by June 2001 to facilitate transparent electronic bidding in auctions and dealings in government securities on a real time basis.	Testing runs of Negotiated Dealing System (NDS) have begun.

S.No.	Budget Announcement	Status Of Implementation
37.	**Para No. 37 :** Electronic Funds Transfer (EFT) and Real Time Gross Settlement System (RTGS) to be put in place by RBI within 2001-02.	A Real Time Gross Settlement System (RTGS) is under implementation. In parallel, certain improvements in the existing funds transfer mechanisms have been operationalised, as a result of which the time taken for inter-city movement of funds has come down.
38.	**Para No. 37 :** Clarification on tax treatment to be issued by CBDT to promote issuance of STRIPS, zero coupon bonds, deep discount bonds and the like.	Notification issued on 15.2.2002. **ACTION COMPLETED.**
39.	**Para No. 37 :** The old Public Debt Act (PDA) will be replaced by Government Securities Act.	Government Securities Bill has been drafted and sent to Law Ministry for vetting.
40.	**Para No. 37 :** Comprehensive legislation will be introduced for securitisation. **Para No. 40 :** A new legislation will be introduced to facilitate foreclosure and enforcement of securities in case of default in order to enable the institutions to realise their dues.	A consolidated Bill providing for securitisation, asset reconstruction and foreclosure has been drafted and sent to Law Ministry for vetting. It is expected that the Bill will be introduced in Parliament during the ensuing Budget Session
41.	**Para No. 38 :** A group comprising RBI, SEBI and Stock Exchanges and the Ministry of Finance to monitor and implement these developments.	A group has been formed comprising representatives of RBI, SEBI, SEs and Ministry of Finance to monitor the progress of measures announced for the development of Debt market. **ACTION COMPLETED.**
42.	**Para No. 39 :** Seven more Debt Recovery Tribunals (DRT) will be set up during 2001-02.	Four new DRTs one each at Delhi, Pune, Lucknow and Kolkata have been established. The remaining three DRTs at Coimbatore, Vishakhapattanam and Ranchi are in the advanced stage of being established.
43.	**Para No. 41 :** In order to provide greater autonomy to bank management for recruitment, the abolition of the Banking Service Recruitment Boards to be done in association with RBI by July 31, 2001.	All the BSRBs have been closed. On 19.9.2001, banks have been advised to frame their own recruitment strategy with the approval of their Boards to meet their future requirements. **ACTION COMPLETED.**
44.	**Para No. 42 :** 1. Indian companies wishing to invest abroad may now invest upto US$ 50 million on an annual basis through the automatic route without being subject to the three year profitability condition.	Notification under FEMA issued on 2.3.2001 by RBI.
	2. Companies which have issued ADR/GDRs can make foreign investments upto 100% of these proceeds.	Notification under FEMA issued on 2.3.2001 by RBI.
	3. Companies with proven track record wishing to invest larger amounts may now get a block allocation in advance from RBI for overseas investments.	Notification under FEMA issued on 2.3.2001 by RBI.
	4. Indian companies that have issued ADR/GDRs may acquire shares of foreign companies upto an amount of US$ 100 million or an amount equivalent to ten times of their export in an year, whichever is higher.	Notification under FEMA issued on 2.3.2001 by RBI. Press Note containing detailed guidelines issued by the Government on 17.4.2001. **ACTION COMPLETED.**
45.	**Para No. 42 :** ADR/GDRs to be provided two way fungibility. The converted local shares may be reconverted to ADR/GDRs while being subject to sectoral caps wherever applicable.	Necessary notification under FEMA has been issued by RBI on 2.3.2001 Amendment to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme

S.No.	Budget Announcement	Status Of Implementation
		1993 has been issued on 13.2.2002. The RBI has also issued operative guidelines in this regard on 13.2.2002. **ACTION COMPLETED.**
46.	**Para No. 42 :** Indian companies will now be permitted to list in foreign stock exchanges by sponsoring ADR/ GDR issues against block shareholding.	Enabling Notification under FEMA issued by RBI on 2.3.2001. Press Note making necessary amendments in the Scheme for issue of ADR/GDR issues issued by the Govt. on 16.4.2001. Related legislative proposals are under examination.
47.	**Para No. 43 :** Investments by registered partnership firms and companies providing professional services will be permitted to make overseas investments.	Notification under FEMA issued on 2.3.2001 by RBI. **ACTION COMPLETED.**
48.	**Para No. 43 :** Indian employees who have the benefit of Employee Stock Option Plan (ESOP) in foreign-owned companies can now make investments abroad up to US$ 20,000 annually instead of in a block of five years.	Notification under FEMA issued on 2.3.2001 by RBI. **ACTION COMPLETED.**
49.	**Para No. 44 :** Foreign Institutional Investors (FIIs) are permitted to invest in a company under the portfolio investment route upto 24% of the paid-up capital of the company. Under special procedures this can be increased upto 40%.The limit of 40% is being increased to 49%.	Notification under FEMA issued by RBI on 2.3.2001 **ACTION COMPLETED.**
50.	**Para No. 44 :** The condition of divestment of a minimum of 25% of their holding in the domestic market of foreign direct investment in NBFCs is being removed provided the foreign investor brings in a minimum of US$ 50 million.	In this regard, a Press Note has been issued by DIPP on 17.04.2001. **ACTION COMPLETED.**
51.	**Para No. 44 :** Foreign Direct Investment (FDI) in NBFCs will now be put on the automatic route subject to RBI guidelines.	In this regard, a Press Note has been issued by DIPP on 17.04.2001. **ACTION COMPLETED.**
52.	**Para No. 47 :** A time bound action programme is to be prepared for the deregulation of Administered Price Mechanism by March 2002.	The action plan for dismantling of the Administered Pricing Mechanism is being finalised for implementation with effect from 1st April, 2002.
53.	**Para No. 48 :** The first phase for the complete decontrol of urea by April 1, 2006 will be commenced from April, 2001. **Para No. 48 :** The unit specific RPS will be replaced by a Group Concession Scheme. The current MRP arrangement will be continued and the concession for each group calibrated to enable the units to sell urea at the stipulated MRP.	A comprehensive proposal for replacement of Retention Price Scheme by a Group Concession Scheme is being prepared by the Ministry of Fertilizers.
54.	**Para No. 48 :** The rate of concession for urea units based on naptha/FO/LSHS will be linked to international prices of these feed stocks.	The Budget Announcement has been implemented with effect from 9.7.2001. **ACTION COMPLETED.**

S.No.	Budget Announcement	Status Of Implementation
55.	**Para No. 49 :** Towards the complete decontrol of sugar, futures/forward trading in sugar will be introduced in the year 2001-2002.	Futures trading in sugar has been allowed and three Exchanges have been given 'in-principle' approval for this. It is expected that futures trading in sugar will commence by November, 2002.
56.	**Para No. 49 :** The retail issue price of sugar under the PDS is to be revised to Rs.13.25 per kg. w.e.f. March 1, 2001.	The revision is brought into force w.e.f. March 1, 2001. **ACTION COMPLETED.**
57.	**Para No. 50 :** Changes in the Pharmaceuticals Policy are being made to reduce substantially the span of price control with government retaining the power to intervene comprehensively in cases where prices behave abnormally.	Government have approved the Pharmaceutical Policy 2002 and the same has been announced on 15.2.2002. According to this policy, the span of price control will reduce substantially. **ACTION COMPLETED.**
58.	**Para No. 51 :** It is proposed to repeal the SICA and also to amend the Companies Act in order to set up a National Company Law Board.	On the basis of the recommendations of Eradi Committee, Companies (Amendment) Bill 2001 has been introduced in the Lok Sabha on 30.8.2001. A bill repealing SICA has also been introduced on 30.8.2001. This bill has been referred to the Standing Committee on Home Affairs for its examination and report thereon.
59.	**Para No. 52 :** Chapter V B of the ID Act is to be amended so that the provisions of obtaining prior approval of the appropriate authority for effecting lay-off etc. may now apply to industrial establishments employing not less than 1000 workers instead of 100. The separation compensation will be increased from 15 days to 45 days for every completed year of service. Appropriate legislation to amend IDA will be introduced in Budget Session.	The Group of Ministers (GOM) on Labour Reforms constituted under the chairmanship of Deputy Chairman, Planning Commission considered the amendment proposals and a draft Bill incorporating the proposed changes is likely to be finalised soon.
60.	**Para Nos. 53 & 54 :** An amendment is to be brought in Section 10 of the Contract Labour Act to facilitate outsourcing of activities without any restrictions as well as to offer contract appointments. Appropriate legislation to amend CLA will be introduced in this session.	The Group of Ministers on Labour Reforms has decided to hold further discussions on the subject in order to finalize its views on the proposal to enact a new legislation on Contract Labour. While doing so, the latest pronouncements of the Supreme Court will also be kept in view.
61.	**Para No. 55 :** A new scheme of group insurance – "Ashraya Bima Yojana" to extend security cover to affected workers (drawing salary upto Rs.10,000 per month) will be introduced. This will be administred by the four government owned General Insurance Companies on a no-profit-no-loss basis. They will announce the details by the end of June 2001.	This is a new group insurance scheme to extend social security cover to workers (drawing salary up to Rs.10,000/- p.m.) who might lose their job due to restructuring of workforce. The scheme provides for compensation of up to 30 per cent of last drawn annual pay for a period of one year. The scheme has been launched on 10th October, 2001. **ACTION COMPLETED.**
62.	**Para No. 59 :** Dereservation of another 14 items related to leather goods, shoes and toys.	Notification dereserving the 14 items has been issued on 29th June 2001. **ACTION COMPLETED.**
63.	**Para No. 62 :** A Traditional Knowledge Digital Library is being established to bring the knowledge already in the public domain in international languages to prevent the grant of patents.	An MOU has been signed by the D/o ISM&H and National Institute of Science Communications (NISCOM) on 6th June, 2001. Ayurvedic experts have been engaged. Services of IT experts etc have also been provided. The work on Traditional Knowledge Digital Library (TKDL) has already begun.

S.No.	Budget Announcement	Status Of Implementation
64.	**Para No. 62 :** A new scheme for strengthening the State Drug Testing Laboratory (SDTL) and pharmacies is being introduced.	A new centrally sponsored scheme for strengthening of State Drug Testing Laboratories and Pharmacies of ISM&H was introduced in the year 2000-2001. State Drug Testing Laboratories and Pharmacies were assisted during 2000-01 and funds released to the extent of Rs.20.46 crores. During the current year, it is proposed to release assistance of about Rs. 10 crores.
65.	**Para No. 63 :** All existing schemes on elementary education will converge with the Sarva Siksha Abhiyan after the Ninth Plan and they will cover all districts in the country by March 2002.	Steps have been taken to cover all the districts in the country under Sarva Shiksha Abhiyan by March, 2002 and convergence of all the schemes in Elementary Education Sector in SSA. Out of 593 districts in the country, 284 districts have been covered by DPEP and Lok Jumbish project. Sarva Shiksha Abhiyan has covered 294 non-DPEP districts by sanctioning pre-project activities at a total cost of about Rs. 51.79 crores so far. The remaining 15 non-DPEP districts will be covered by March, 2002. The concerned States have been requested to submit proposals in respect of the remaining districts in their State.
66.	**Para No. 64 :** The Roorkee Engineering College is to be upgraded in to an IIT.	University of Roorkee has been taken over by the Government of India and converted into IIT, Roorkee by way of promulgation of Second Ordinance. A Bill is pending in the Rajya Sabha. **ACTION COMPLETED.**
67.	**Para No. 64 :** The base of IITs will be expanded, regional engineering colleges will be strengthened and new institutes will be set up with public/private partnership.	A High Powered Review Committee under the chairmanship of Dr. R.A. Mashelkar had been constituted in June, 1996 for restructuring of RECs. To consider the recommendations of Review Committee, an Empowered Committee was set up. The Empowered Committee examined the recommendations in detail and felt that the similar objective of academic/ administrative autonomy can be achieved by declaring the RECs as Deemed Universities. On the basis of recommendations of the Committee, the Department has circulated a new draft Memorandum of Association (MOA)/ Rules to all the 17 RECs and requested them to adopt the same with the approval of their Board of Governors. Out of 17 RECs, 9 RECs have since adopted new MOA/Rules.
68.	**Para No. 64 :** A new Centrally Sponsored Scheme for computer literacy and studies in schools will be launched and other initiatives planned for encouraging IT education from school to college levels.	A revised Computer Studies and Literacy in Schools (CLASS) Scheme, 2001 has been approved. To provide computer education at higher level, University Grants Commission has introduced a scheme on computer education and development. Grants are given to universities for establishment of computer centre, upgradation of computer education, MCA courses, and computer education at PG level and training programme for college teachers and administrative staff for awareness of computers.
69.	**Para No. 65 :** Hundred percent deduction from income tax of payments made to institutions for vocational education and training by the private sector set up in rural areas and small towns, being extended to engineering institutions also.	Notification issued on 4.5.2001. **ACTION COMPLETED.**

S.No.	Budget Announcement	Status Of Implementation
70.	**Para No. 66 :** The Indian Banks' Association (IBA) has formulated a new comprehensive Education Loan Scheme (ELS). Loans will be available under the scheme upto Rs.7.5 lakhs for studies in India and Rs.15 lakhs for studies abroad.	Education Loan Scheme has been implemented. RBI vide its circular dated 28th April, 2001 has issued instructions to all the banks. **ACTION COMPLETED.**
71.	**Para No. 67 :** The Rashtriya Mahila Kosh (RMK) for providing micro credit to poor assetless women through NGOs will be strengthened.	It has been decided to enhance the corpus of lendable resources of Rashtriya Mahila Kosh (RMK) to Rs.100 crores. **ACTION COMPLETED.**
72.	**Para No. 67 :** An integrated scheme for women's empowerment in 650 blocks through women's self-help groups is to be launched.	Project details and guidelines regarding implementation of Swayamsidha have been circulated to all the States. The National Level Project Sanctioning Committee has approved 42 block specific projects of 22 States/UTs. Powers for sanctioning projects in residual blocks have been delegated in the case of 16 States/UTs. State Level Project Sanctioning Committees have sanctioned 46 block projects.
73.	**Para No. 67 :** A new scheme for women in difficult circumstances like widows of Vrindavan, Kashi and other places, destitute women and disadvantaged women groups is to be commenced.	A new scheme for women in difficult circumstances, called "Swadhar" has been approved at a cost of Rs.48 crores. The Project Sanctioning Committee has provisionally cleared three proposals for protection and care of widows in Vrindavan and it is expected that the Government of Uttar Pradesh will be submitting more proposals on the same pattern. Proposals have also been received from Delhi Government for rescue and rehabilitation of victims of trafficking which are expected to be cleared in the current financial year.
74.	**Para No. 71 :** A special scheme for landless agricultural labourers – the Khetihar Mazdoor Bima Yojana (KMBY) which will provide benefits of insurance cover and a pension of Rs.100 per month to the beneficiaries on attaining the age of 60 years will be introduced in the year 2001-02. This scheme will be managed by LIC.	The scheme has been renamed as Krishi Shramik Samajik Suraksha Yojana. This is a special scheme for giving social security benefit to agricultural labourers on hire in the age group of 18 to 60. The scheme provides for benefit on death or total/ permanent disability due to accident before attaining the age of 60 years and for superannuating benefit and money back after 10 years depending upon the accrued surplus. The scheme has been launched on 1st July, 2001 and is implemented through LIC. Currently, 16 districts have been covered under the scheme. **ACTION COMPLETED.**
75.	**Para No. 71 :** A Shiksha Sahayog Yojana to provide an education allowance of Rs.100 per month to the children of parents living below the poverty line will be introduced in the year 2001-02. This scheme will be managed by LIC.	The scheme has been launched on 31.12.2001. **ACTION COMPLETED.**
76.	**Para No. 72 :** The wage ceiling for coverage under the EPF and MP Act has been enhanced from Rs.5000 to Rs.6500.	Notification issued on 4.5.2001 giving effect from 1.6.2001. **ACTION COMPLETED.**
77.	**Para No. 72 :** The ceiling for government contribution of 1.16% of monthly wage of employees to the pension fund is to be enhanced from Rs.5000 to Rs.6000 per month.	Notification issued on 30.5.2001 giving effect from 1.6.2001. **ACTION COMPLETED.**

S.No.	Budget Announcement	Status Of Implementation
78.	**Para No. 73 :** The Insurance Regulatory Development Authority (IRDA) will look at all issues related to pension reforms and provide a road map for pension reforms by October 1, 2001.	A Committee under Chairman, IRDA has submitted its report to the Government on Pension Reforms. **ACTION COMPLETED.**
79.	**Para No. 74 :** A Journalist Welfare fund with a contribution of Rs.1 crore under the grants of Ministry of I&B is to be set up.	The Journalist Welfare Fund has been set up with a corpus of Rs.5 crores and the guidelines for constitution and administration of the Fund have also been issued. **ACTION COMPLETED.**
80.	**Para No. 75 :** Government issued a notification under the IDBI Act whereby entertainment industry including films had been declared as an industrial concern. Banks are now in the process of finalizing guidelines for financing such projects that are bankable.	RBI has since issued guidelines to banks for financing films. Similarly, Financial Institutions have also adopted guidelines for financing films. **ACTION COMPLETED.**
81.	**Para No. 79 :** Postal rates will be revised moderately to contain the rising postal deficit.	Revised postal rates have been made effective from 1st June, 2001 as per the announcement made. **ACTION COMPLETED.**
82.	**Para No. 79 :** Fresh Recruitments will be limited to one per cent of the total civilian staff strength thereby achieving the reduction of 10% in five years.	Suitable instructions have been issued on 16th May, 2001 directing all Ministries and Departments to abolish 2/3rd of the direct recruitment vacancies arising in a recruitment year. Ministries and Departments have also been directed to constitute Screening Committees to review the direct recruitment vacancies. The recruiting agencies such as SSC, UPSC have also been requested not to accept any indents which are not accompanied by a certificate indicating that the same has been cleared by the concerned Screening Committee and that suitable personnel are not available with the Surplus Cell.
83.	**Para No. 79 :** The Surplus Pool under the DOP&T will be streamlined and equipped to re-deploy and retain surplus staff. Employees in the Surplus Pool will be offered attractive VRS package.	A Voluntary Retirement Scheme for surplus employees has been approved by the Government on 5.2.2002. A Monitoring Committee has been constituted to identify measures for streamlining the Surplus Cell with a view to expediting Retraining and Redeployment of the surplus employees.
84.	**Para No. 79 :** Standard license fee (rent) of government accommodation will be enhanced by 50% for Group 'A', 25% for Group 'B' and 15% for other categories of staff w.e.f. April 1, 2001.	Orders have been issued on 10.5.2001 revising the licence fee for Central Government residential accommodation throughout the country. **ACTION COMPLETED.**
85.	**Para No. 79 :** Suspension of LTC for Two Years.	Orders have been issued on 2.3.2001. **ACTION COMPLETED.**
86.	**Para No. 79 :** Operations like GPF, pension, pay & accounts offices, passports, income-tax, customs, central excise will be fully computerised by 31st March 2002. Public sector banks and insurance companies are also being asked to complete computerisation of their operations within this period.	* <u>**GPF & P&AO:**</u> A comprehensive package, P&AO 2000 was launched in September, 2001 with the help of NIC to computerise major functions of P&AO, including computerisation of GPF. 31 P&AOs in different Ministries/Departments have already started test run with the new software.

S.No.	Budget Announcement	Status Of Implementation
		* **Pension:** The Department of Personnel & Training had asked all Ministries/Departments of Government of India to take necessary action. Responses received from the majority of the Ministries have indicated that their operations have been computerised or have been taken up on priority basis. * **Passports:** Out of 28 Passport Offices, 27 have already been computerised. * **Income Tax:** Income Tax Offices in 54 major cities were brought on the network during this year. On-line allotment of PAN and processing of returns of income has been started on the network in 57 cities. Processing of challans has been computerised throughout the country. * **Customs:** Automation for processing of import and export documents has been introduced at all the 23 identified Customs Ports, Airports, Inland Container Depots (ICDs) and land custom stations. * **Central Excise:** IT infrastructure has been made available in all the Central Excise Commissionerates and divisional headquarters. The data in the monthly returns filed by the assessees in all the 61 Commissionerates is being captured on the system. * **Banks:** As per the directions of CVC, all the 27 public sector banks have achieved the target of 70% of their business through computerization. Action is being taken to complete the process of computerization. * **Insurance:** All offices of LIC have been computerised. As per information available, United India will computerise its branches by February, 2002, New India by March, 2002, Oriental and National Insurance by June, 2002.
87.	**Para No. 80 :** The ERC, which was set up last year, has presented reports concerning downsizing in 6 Ministries and Departments. These include D.E.A., I&B, Coal, Heavy Industry, Public Enterprises and S.S.I. Reports of the Commission concerning other Departments will also be received within next 6 months. These recommendations will be implemented by 31st July, 2001 and surplus staff transferred to Surplus Pool.	Set up on 28.2.2000, the Expenditure Reforms Commission (ERC) completed its work within the stipulated period and was would up on 30.9.2001. In all, the Commission submitted 10 reports covering 36 Ministries/Departments. These reports are being processed by the respective Ministries and mechanism for monitoring the implementation has also been set up.
88.	**Para No. 81 :** Based on the recommendations of ERC, I propose to abolish 3 Secretary/Special Secretary level and 2 Joint Secretary level posts in Department of Economic Affairs. This will be done in stages by 31st July. In addition, another 44 posts of Directors and below will be abolished, as against 31 recommended by the ERC.	One post of Special Secretary has been abolished and another post of Special Secretary has been downgraded to the level of Additional Secretary in the Department of Economic Affairs. The incumbent of the post of Chief Commissioner (NRI & Investment), a Secretary level post, has been transferred and the post is kept vacant pending approval of the proposal for restructuring of the IIC. In addition, one post at the

S.No.	Budget Announcement	Status Of Implementation
		level of Additional Secretary, two posts at the level of Joint Secretary and 44 posts at the level of Director and below have been abolished.
	The National Savings Organisation is to be downsized from a level of 1,191 staff to about 25.	121 vacant posts have been abolished. The revised structure of NSO with about 100 officials has been finalised. Surplus staff is being transferred to the Surplus Cell.
	1675 posts are being abolished in the Currency and Coinage Division which will be restructured and corporatised.	The process of corporatisation has been initiated. 1698 posts in the Mints/ Presses/ Paper Mill have been abolished.
89.	**Para No. 82 :** All existing schemes both at the central and the state level, will be subjected to zero based budgeting and only those schemes will be retained that are efficient and essential.	In order to improve the efficiency and impact of government programmes, a detailed zero-based budgeting exercise has been carried out by the Planning Commission. As a result of this exercise, Plan schemes being implemented by 50 Central Government Departments have been reviewed.
90.	**Para No. 82 :** All schemes that are similar in nature will be converged to eliminate duplication.	The Secretary, Planning Commission reviewed the matter with Secretaries of Central Ministries. Various schemes of Departments of Agriculture and Cooperation, Animal Husbandry & Dairying, Elementary Education, Health, Women and Child Development, Land Resources, Rural Development, Ministry of Environment & Forest and Ministry of Urban Affairs & Employment were reviewed. Convergence exercise has been completed with reference to Ministry of Social Justice & Empowerment, Department of Women & Child Development and Department of Tribal Development. The exercise is being pursued further and is expected to be completed prior to the finalisation of the 10th Plan.
91.	**Para No. 82 :** Centrally Sponsored Schemes that can be transferred to States will be identified.	A Committee of the NDC on the Transfer of Centrally Sponsored Schemes (CSS) has been set up under the chairmanship of the Deputy Chairman, Planning Commission with members from both the Central Ministries and State Governments. The term of the NDC Committee is upto 31.03.2002. It has been decided that the conclusions arrived at concerning weeding out, merger, convergence, etc. of the plan Schemes need to be linked with the question of transfer of Centrally Sponsored Schemes. An exercise on convergence of schemes is presently underway in the Planning commission. A core committee for Zero-Based Budgeting, convergence and weeding out of Centrally Sponsored and Central Sector Schemes has also been set up.
92.	**Para No. 83 :** Those who enter central government service after October 1, 2001 would receive pension through new pension programme based on defined contributions. A high level expert group will be constituted to review the existing pension system and to provide a road map for the next steps to be taken by	The High Level Expert Group (HLEG) was set up on 25th June, 2001. The report of the Group has been finalised and further action will now be taken on the basis of its recommendations. New entrants to Central Government service after 1.6.2002 would receive pension under the revised scheme.

S.No.	Budget Announcement	Status Of Implementation
	the government. This group will give its recommendations within three months.	
93.	**Para No. 84 :** Most administered interest rates are being reduced by 1.5% as of March 1, 2001. An Expert Committee will be appointed to provide recommendations to explore a better system for determining these rates.	The Committee submitted its Report on 5.10.2001. It is being examined in consultation with the State Governments & RBI.
94.	**Para No. 86 :** Pursuant to the recommendations of the 11th Finance Commission, an Incentive Fund (IF) of Rs.10,607 crores has been earmarked for the next five years to encourage States to implement monitorable fiscal reforms. In the fiscal year 2001-02, an amount of Rs.4,243 crores has been provided towards this Incentive Fund.	Medium Term Fiscal Reforms Programme (MTFRP) of eight States viz. Orissa, Karnataka, Nagaland, Andhra Pradesh, West Bengal, Kerala, Arunachal Pradesh and Himachal Pradesh have been discussed in the Monitoring Committee Meeting. The Government of Orissa, Karnataka and Nagaland have entered into MOU with the Ministry of Finance, Government of India and till 6th February 2002, Rs.1,236.95 crores have been released to States from the Incentive Fund.
	Para No. 25 : Assistance from the Fiscal Reforms Incentive Fund recommended by the 11th Finance Commission would be linked to the achievement of the power reforms.	Medium Term Fiscal Reforms Incentives Programme (MTFRP) drawn up by States also includes upfront reforms in Power Sector. Time bound action points of the reforms are captured in the MOU.
95.	**Para No. 88 :** It has been decided to close down eight non-viable PSUs during the current year.	Eight non-viable Public Sector Undertakings, viz. Bharat Process and Mechanical Engineers Ltd. (BPMEL), Weighbird (India) Ltd. (WIL), Rehabilitaion Industries Corporation (RIC), Tannery & Footwear Corporation Ltd. (TAFCO), National Bicycle Corporation of India Ltd. (NBCIL), Mining and Allied Machinery Corporation Ltd. (MAMC), Cycle Corporation of India Ltd. (CCIL) and Mandya National Paper Mills Ltd. (MNPM) have been closed consequent to the pemission of the closure from the Appropriate Government. The employees of these PSUs have been extended the benefit of VRS. **ACTION COMPLETED.**
96.	**Para No. 88 :** A package of measures for revival and closure of various mills of National Textiles Corporation has also been approved.	Government has given its approval to National Textile Corporation (NTC) for filing closure applications under ID Act in respect of 20 non-working mills after approval of BIFR. In partial modification of the earlier proposal of NTC to avail short-term loan from ICICI for initiating the process of implementation of the revival plan, Government have agreed to give guarantees for issuing bonds worth Rs. 500 crores in lieu of loan. BIFR has fixed dates in February, 2002 for hearing the case of the 8 subsidiaries of NTC.
97.	**Para No. 89 :** Privatisation of 27 companies has been approved for which the process of disinvestment is expected to be completed during the course of the year. These include among others, VSNL, Air India and Maruti Udyog Limited.	During the year 2001-02, 74% equity in HTL Ltd. and 51% equity in CMC Ltd. have been disinvested in favour of the strategic buyers. 100% disinvestment in Hotel Bodhgaya Ashok and Hotel Hassan Ashok has been completed. In addition, bids for 100% disinvestment in 6 hotels of ITDC, viz. Hotel Madurai

S.No.	Budget Announcement	Status Of Implementation
		Ashok, Temple Bay Ashok Beach Resort, Mamallapuram, Hotel Agra Ashok, Lodhi Hotel, New Delhi, Qutab Hotel, New Delhi and Laxmi Vilas Palace Hotel, Udaipur in favour of strategic buyers have been approved by the Government. Hotel Ashok Bangalore has also been given on long term Lease-cum-Management contract basis. Disinvestment transactions in respect of Centaur Hotel Juhu Beach, Mumbai, Indo Hokke Hotel Ltd. (Centaur Rajgir) and Centaur Hotel Airport, Mumbai of the Hotel Corporation of India Ltd. (a subsidiary of Air India) are also to be completed shortly. Government has approved the price bids for disinvesting 33.58% of equity of IBP Ltd. and 25% of Videsh Sanchar Nigam Ltd. The amount realised through disinvestment (including from subsidiaries and including dividends etc. received) till now, and expected to be realised on the basis of decisions already taken, is about Rs. 5,573 crores, in this year. Disinvestment process in 28 companies, including Maruti Udyog, has been accelerated. The process of disinvestment in Air India initially attracted 9 offers from prospective bidders but only 2 parties carried out due diligence/ data room study, who also later on withdrew. No global aviation major evinced interest in the aftermath of September 11 attacks on the World Trade Centre. Thus, the process of disinvestment in Air India could not be completed for lack of bidders.
98.	**Para No. 92 :** Arrangements have been tied up with World Bank and ADB for obtaining a line of credit of US$ 800 million for Gujarat in the context of the earthquake.	The World Bank has approved IDA credit of US $ 303 million for Gujarat Emergency Relief & Rehabilitation in the first phase. As on 1.2.2002, a total amount of US $ 207.67 million stands disbursed by the World Bank and claims amounting to approx. US $ 7 million are under process. The scope and the size of the Phase-II for Gujarat Emergency Relief & Rehabilitation is being recast and it is expected that a package involving an amount of US $ 350 million approximately would be negotiated and approved by the World Bank possibly before June, 2002. In addition to above, a loan of US $ 500 million was got approved by ADB Board on 26th March, 2001 for Gujarat Earthquake Rehabilitation and Reconstruction Project and agreement for the same was signed on 26th April, 2001. The loan was declared effective on 17th May, 2001. In addition to this, ADB Board has approved a technical assistance of US $ 1.3 million for Capacity Building for Earthquakes Rehabilitation and Reconstruction of Housing. As the concessional assistance of US $ 150 million is available through cheaper IDA fund (World Bank) for the Housing component, ADB has been requested to cancel US $ 150 million. However, the overall assistance from ADB and World Bank for the project is expected to exceed US $ 800 million .

S.No.	Budget Announcement	Status Of Implementation
99.	**Para No. 92 :** A special quota of tax-free bonds of the order of Rs.2,000 crores between NHB and HUDCO will be allocated.	Notifications have been issued on 5.7.2001 and 7.1.2002 allocating a total of Rs 250 crores of tax-free bonds to HUDCO.
100.	**Para No. 92 :** Cement and steel used for construction in the Indira Awas Yojana by HUDCO and by the agencies identified by the State Government (of Gujarat) would be exempt from excise duty.	Necessary notification was issued on 26.3.2001. **ACTION COMPLETED.**
101.	**Para No. 92 :** The Government of Gujarat will be enabled to raise funds by floating tax free earthquake relief bonds.	Necessary exemption has been granted by the Department of Revenue. However, the Government of Gujarat has, with approval from Department of Expenditure, opted for market borrowing. Current year's allocation is Rs 750 crores. Government of Gujarat has already raised Rs 250 crores @ 9.3% for 8 years. **ACTION COMPLETED.**
102.	**Para No. 143 :** A new Manual of Procedures and Instructions on Central Excise and Customs will be brought out by 1st September 2001.	The new Manual has been issued in September, 2001. **ACTION COMPLETED.**
103.	**Para No. 149 :** One-by-Six Scheme to be extended to all urban areas as defined by the 1991 census. Changes arising out of 2001 census will be incorporated later.	Notification, covering all urban areas as defined by the 1991 census, has been issued in May, 2001 **ACTION COMPLETED.**