

## Budget 2006-2007

S.No. Para No.	Budget Announcement	Status of Implementation
1	<p><b>PROGRAMME FOR REBUILDING THE DAMAGED INFRASTRUCTURE</b></p> <p>3 I am happy to report that the prospects for 2005-06 are just as good, if not better. This year can be characterized as the best of times and the worst of times. Nature has not been kind to us. Natural calamities took a heavy toll on human lives besides causing extensive damage to crops, roads, houses, and the infrastructure. Government provided immediate interim relief; this was followed by releases from the CRF and NCCF totaling Rs. 5145.37 crore to date. Obviously, this assistance will not be enough. The Planning Commission will draw up a programme for rebuilding the damaged infrastructure, and I wish to assure the House that the Government will provide the money for rehabilitation and reconstruction.</p>	<p>With a view to finalizing the requirement of funds for the reconstruction of damaged infrastructure due to natural calamities, an Inter Ministerial Committee (IMC) was constituted under the chairmanship of Vice Chairperson National Disaster Management Authority, to consider the financial requirements of the States for long term rehabilitation and reconstruction in the areas severely affected by heavy rains/cyclonic storms/floods/flash floods. Proposals from 14 States/UTs have been received and these are being scrutinized by the Planning Commission.</p> <p>The Planning Commission has held consultations with the State Governments for considering the assistance to be provided to them and has submitted its recommendations on nine states viz. Jammu &amp; Kashmir, Maharashtra, Madhya Pradesh, Himachal Pradesh, Uttar Pradesh, Gujarat, Kerala, Karnataka and Pondicherry to the NDMC for consideration of the IMC. The recommendations in respect of the remaining states would also be submitted shortly.</p>
2	<p><b>IMPLEMENTING THE NCMP MANDATE</b></p> <p>8 The NCMP mandates the Government to promote employment: while creating permanent and quality jobs in the productive sectors, for providing immediate relief to the poor, the National Rural Employment Guarantee (NREG) Scheme was launched on February 2, 2006. In the current year, under a clutch of schemes including the Food for Work programme, a sum of Rs.11,700 crore is expected to be spent on rural employment.</p>	<p>NREG Act was launched in 200 identified districts in the country with effect from February 2, 2006. These 200 districts include 150 districts where National Food for Work Programme (NFFWP) was in operation earlier. With effect from April 1, 2006, NFFWP has got subsumed in NREGA and no budget allocation has been made for NFFWP during the current financial year.</p> <p>Under the National Rural Employment Guarantee Act (NREGA), Rs.6,538 crore has been released as on 12.01.2007. 1.41 crore applications for employment have been received and 1.37 crore households have been provided employment. About 5.40 lakhs works have been started. State action is being closely monitored.</p> <p style="text-align: right;"><b><i>Progress being monitored</i></b></p>
3	<p><b>SARVA SIKSHA ABHIYAN</b></p> <p>18 Sarva Siksha Abhiyan (SSA) has recorded remarkable progress in 2005-06 in terms of new schools, additional classrooms and additional teachers. Two independent surveys show that 93 per cent of the children in the age group 6-14 years are in school, and the number of children not in school has come down to about one crore. Recognizing good performance, I propose to increase the outlay for SSA from Rs.7,156 crore to Rs.10,041 crore in 2006-07. 500,000 additional class rooms will be constructed and 150,000 more teachers will be appointed.</p>	<p>The outlay for SSA has been increased for 2006-07.</p> <p>A total of 5 lakhs additional classrooms have been sanctioned for 2006-07. Construction work is well under way.</p> <p>The Project Approval Board has approved 1,96,828 teachers posts during the year 2006-07. Recruitment process is well under way in the major States of the country.</p> <p style="text-align: right;"><b><i>Action completed.</i></b></p>

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4	<b>DRINKING WATER SUPPLY</b>	
21	<p>The target for the current year for drinking water supply will be completed, and 56,270 habitations and 140,000 schools will be covered. Apart from non-coverage, there is the persistent problem of slippage. The strategy to tackle both includes conservation, better operational management, and water quality monitoring and capacity building at the village level. The Government will provide non-recurring assistance of Rs.213 crore in 2006-07 for setting up district-level water testing laboratories and field-level water testing kits. I propose to increase the provision for the Rajiv Gandhi National Drinking Water Mission from Rs.3,645 crore to Rs.4,680 crore next year.</p>	<p>As per the latest progress report received from States/UTs 50,938 habitations and 29,454 schools have been covered for drinking water supply during 2006-07 so far.</p> <p>Capacity building and empowerment of Village Water &amp; Sanitation Committees and Gram Panchayats to operate and maintain single village schemes and intra-village distribution of multi-village schemes is being promoted.</p> <p>National Rural Drinking Water Quality Monitoring &amp; Surveillance Programme has been launched in February 2006 to institutionalize community participation for monitoring and surveillance of drinking water sources at the grass root level by using user-friendly field test kits followed by testing the positive samples at the district and State level laboratories. The National Institute of Communicable Diseases (NICD) is functioning as the National Referral Institute and has conducted two training programmes for State Government officials. District level key trainers are being trained in 9 States and training has been initiated for 70,000 grass root level workers.</p> <p>From 2006-07 separate funds are being earmarked for focused funding to tackle water quality problems. Rs.1040 crore has been allocated to tackle water quality problems during 2006-07.</p>
		<b><i>Progress being monitored</i></b>
5	<b>NATIONAL RURAL HEALTH MISSION</b>	
23	<p>The National Rural Health Mission was launched on April 12, 2005. I am confident that in 2006-07 more than 200,000 Associated Social Health Activists (ASHA) will be fully functional and over 1,000 block level community health centres will provide round the clock services. I have increased the allocation for NRHM from Rs.6,553 crore to Rs.8,207 crore for the next year.</p>	<p>Under the National Rural Health Mission (NRHM), the Associated Social Health Activists (ASHA) is envisaged to be a trained female voluntary health worker (one for every 1000 population) in 18 high focus states and tribal and difficult areas of other states. As on date, a total of 2.06 lakh ASHAs have been positioned in communities after orientation. In addition to this 80,000 health link workers have been selected by other states.</p> <p>The block level, Community Health Centers (CHC) are hospitals envisaged to service the requirements of a population of 80,000-1,00,000 in rural areas. Out of the total 3,346 CHCs in various States, 1141 are providing services on 24x7 basis.</p>
		<b><i>Action completed</i></b>
6	<p>24 The WHO standard defining 'elimination of leprosy' is one case per 10,000 population. I am happy to announce that the goal of eliminating leprosy was reached in December 2005.</p>	<p>There was a temporary setback in the Polio Immunization Programme during the year 2006 when polio virus showed a resurgence in UP, Bihar and the neighbouring States. During 2006, a total of 655</p>

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	Continuing the vigorous immunization programme, we hope to eliminate polio too from the country by December 2007.	<p>polio cases have been reported. Out of these 655 cases, 530 cases were from UP and 60 cases from Bihar alone. The India Expert Advisory Group (IEAG) in its meeting held on 11/12 December, 2006 concluded that the population immunity was at the highest level at end 2006 and therefore 2007 represents the best opportunity ever to interrupt Polio Virus circulation in India. With a view to maintain high levels of population immunity across India, particularly in UP, Bihar and neighbouring States the IEAG has recommended 2 National Immunization Day (NID) rounds and 6 Sub-National Immunization Day (SNID) rounds during 2007 by using mOPV in highest risk areas and tOPV in remaining areas.</p> <p>However, various measures have been adopted to implement the pulse polio programme and the use of polio vaccination is being encouraged to ensure immunity. Monovalent Oral Polio Vaccine type1 (mOPV1) have been introduced in high risk districts of UP and Bihar.</p> <p>Since Polio virus transmission is continuing in UP and Bihar, increased programmatic focus is being given to these States involving measures like better involvement of State and district administrative machinery, deployment of high level officials from UP and Bihar to monitor immunization activities, improving vaccination team performance, training of vaccinators and supervisors, focused Information, Education and Communication (IEC) Campaign, improving community participation and increased focus on mechanisms to reduce missed children in Western UP and Bihar. The results are encouraging.</p>
7	<p><b>NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME</b></p>	<i>Progress being monitored</i>
26	I have already referred to the Rural Employment scheme, which is the primary instrument to combat rural unemployment and hunger poverty. For 2006-07, the total allocation for rural employment will be Rs.14,300 crore. Of this, Rs.11,300 crore (including NER component) will be under the NREG Act and Rs.3,000 crore (including NER component) will be under SGRY. Since there is a legal guarantee of employment under the NREG Act, more funds will be provided according to need.	<p>The NREG Act is demand driven. Funds will be provided as per requirement during the year. In case funds remain unspent, the same will be carried forward to next financial year, as the funds allocated under NREGA are non-lapsable.</p>
8	<p><b>JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION</b></p>	<i>Action completed</i>
27	The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on December	137 projects have been approved by Central Sanctioning Committee at a total cost of Rs. 1045.44

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	<p>3, 2005. For the next year, against the estimated outlay of Rs.6,250 crore, I propose to provide a grant of Rs.4,595 crore. Apart from the four projects, including Mumbai metro rail and Bangalore metro rail, mentioned in my Budget speech last year, the projects under active consideration include projects in Maharashtra, Madhya Pradesh and Gujarat.</p>	<p>crore in 18 meetings of Central Sanctioning and Monitoring Committee (CSMC) held in 2006-07 so far.</p> <p>Mumbai Metro Rail Projects and Bangalore Metro Rail Projects are being considered outside JNNURM and are funded under Viability Gap Funding (VGF).</p> <p>The following Bus Rapid Transit System (BRTS) project has been approved for Ahmedabad:</p> <p>Bus Rapid Transport System – Construction of 12 km. Long stretch (Stretch-1 of first phase) BRT Roadway and carrying out detailed studies and engineering of remaining stretches. A sum of Rs.766.50 lakh has been released towards first instalment of Government of India contribution.</p> <p>Bus Rapid Transport System – Construction of 46 km. Long stretch of BRTS. A sum of Rs.3550.05 lakh has been released towards first instalment of Government of India contribution.</p> <p>BRTS for Pune was approved on 25.10.2006 at a total cost of Rs.47615.50 lakh. A sum of Rs.937.50 lakh has been released as first instalment of Government of India contribution.</p> <p>BRTS (Pilot Project) for Indore was approved on 11.08.2006 at a total cost of Rs.9845.00 lakh. Rs.1230.62 lakh was released as first instalment.</p>
9	<p>28 Planned urbanization can act as a spur to growth, employment and a better quality of life. Government will actively promote the establishment of new towns, preferably focused on a specific industry, for example Information Technology, or a specific theme, for example education or health. Some projects are on the anvil in West Bengal and Karnataka.</p>	<p><b>Progress being monitored</b></p> <p>A workshop on “Initiatives for setting up of integrated townships with special focus on IT/BPO industries” was convened jointly by the Ministry of Urban Development, Department of Information Technology and NASSCOM. In this workshop, a Template suggesting a framework as guidelines for the States to set up these townships was finalized and circulated to the State Governments for their guidance. This Template outlines the location criteria and site characteristics for setting up integrated townships, mechanism for land acquisition, development and its disposal and norms for physical and social infrastructure.</p> <p><b>Initiatives by Government of West Bengal</b></p> <p>The Government of West Bengal is developing small satellite townships for decongestion of existing urban centres. These townships are being developed at Kolkata (exclusively for IT industries), Durgapur, Asansol, Siliguri and Jalpaiguri. The Integrated Townships are being developed in Public Private</p>

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		<p>Partnership (PPP) mode. Some integrated townships are also coming up at Dankuni and Rajarhat, exclusively for the IT Sector. All these townships will be developed by the Public Sector Agencies with regard to off site infrastructure/facilities like dedicated water supply, sewerage disposal, drainage, disposal of solid waste, road connectivity, power lines and telecommunication linkages.</p> <p><b>Initiatives by Government of Karnataka</b> The Government of Karnataka is focusing on the development of new township around Bangalore to be developed by Bangalore Metropolitan Region Development Authority (BMRDA). These would be self contained and eco-friendly promoting work – home – play culture within access to major Highway and International Airports. These townships are coming up at Bidadi, Ramnagar, Sathanur, Solur and Nandagudi.</p> <p style="text-align: right;"><b>Action completed</b></p>
10	<p><b>NATIONAL SOCIAL ASSISTANCE PROGRAMME</b></p> <p>29 Old age pensions are granted under the National Social Assistance Programme (NSAP) to destitute persons above the age of 65 years at Rs.75 per month. This is woefully inadequate. I propose to increase the pension to Rs.200 per month. I have provided Rs.1,430 crore for 2006-07 and additional funds, if required, will be provided during the course of the year. I would urge State Governments to make an equal contribution from their resources so that a destitute pensioner would get at least Rs.400 per month. I also propose to work with the Department of Posts and the banks to establish, within two years, a system under which the pension will be credited directly to the account of the beneficiary in a post office or a bank.</p>	<p>Government has approved the proposal of increasing the pension amount under the National Old Age Pension Scheme from Rs.75 to Rs.200 per month with effect from April 1, 2006. Additional Central Assistance is being released to the States at the enhanced rates. Efforts are being made to release the arrears to the States/UTs under NSAP at the enhanced rate for the period April-July, 2006.</p> <p>In regard to establishing a system under which the pension may be credited directly to the account of the beneficiary in a post office or a bank within two years, the process is already underway and the system has already been operationalized in some states like Delhi, Bihar and Jharkhand.</p>
11	<p><b>SCHEDULED CASTES AND SCHEDULED TRIBES</b></p> <p>33 The equity contribution to the National SC Finance and Development Corporation is being increased to Rs.37 crore and to the National Safai Karamchari Finance and Development Corporation to Rs.80 crore in 2006-07.</p>	<p>Budget provision in BE 2006-07 has been made.</p> <p style="text-align: right;"><b>Action completed</b></p>
12	<p><b>MINORITIES</b></p> <p>34 I propose to extend greater financial support to the organizations actively involved in the welfare of the minorities. Accordingly, I intend to double the corpus fund of the Maulana Azad Educational Foundation to Rs.200 crore.</p>	<p>Government has approved the augmentation of the Corpus Fund of the Maulana Azad Educational Foundation from Rs.100 crore to Rs.200 crore during 2006-07.</p> <p style="text-align: right;"><b>Action completed</b></p>

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13	35 I propose to contribute Rs.16.47 crore to strengthen the equity base of the National Minorities Development and Finance Corporation (NMDFC). In line with the Prime Minister's announcement on August 15, 2005, the Corporation will intensify its efforts to reach out to artisans and weavers living in urban and peri-urban centres, especially in districts with concentration of minorities. The programme will focus on skill enhancement, credit and techno-managerial support.	Under the "Minority Artisans Composite Credit Scheme" five new clusters have been identified by NMDFC in the states of Uttar Pradesh, Haryana and West Bengal. NMDFC will extend support by way of skill enhancement training, credit, technical support and marketing support through participation in National/International fairs. Expert designers have been identified for empanelment to facilitate design development in the identified clusters. Out of the allocated amount of Rs.16.47 crore, Rs.10 crore has already been released to support the scheme. <b>Action completed</b>
14	36 I propose to increase the allocation to the National Council for Promotion of Urdu Language from Rs.10 crore to Rs.13 crore.	The Plan allocation has been made for 2006-07. <b>Action completed</b>
15	37 Merit-cum-means based scholarships encourage students to pursue higher studies. Government will finance 20,000 such scholarships to students belonging to the minority communities. Once the scheme is finalized in 2006-07, I intend to allocate the necessary funds.	A Merit-cum-Means based scholarship for students belonging to minority community to encourage them to pursue higher studies has been formulated and is under consideration of the Government. An amount of Rs.10 crore has been made available for the current year 2006-07 in technical and professional courses.
16	<b>KASTURBA GANDHI BALIKA VIDYALAYA SCHEME</b>	
38	The initial results of the Kasturba Gandhi Balika Vidyalaya Scheme launched in 2004 are encouraging. 1,000 new residential schools for girls from SC, ST, OBC and minority communities will be opened in 2006-07. I have provided Rs.128 crore, and I have agreed to provide an additional sum of Rs.172 crore during the year. I propose to provide a further incentive to the girl child who passes the VIII Standard Examination and enrolls in a secondary school. A sum of Rs.3,000 will be deposited in her name, and she would be entitled to withdraw it on reaching 18 years of age.	Government has approved sanction of 1000 more Kasturba Gandhi Balika Vidyalayas.  A revised "Scheme of Incentive to Girls for Secondary Education" is being formulated in consultation with the Planning Commission.
17	<b>OUTCOME BUDGET</b>	
39	Government has shifted the emphasis from sheer 'quantity' to the 'quality' of the outcome of the various social sector programmes. To ensure value for public expenditure, an Outcome Budget was presented on August 25, 2005. Government intends to present a Performance Budget on the first Outcome Budget before the end of the Budget Session. The Outcome Budget for 2006-07 will be placed before this House by March 17, 2006. This new approach underscores our resolve to ensure that the intended services in the right quantity and quality are delivered to the <i>aam admi</i> .	Outcome Budget was laid on the Table of the House on 17 <sup>th</sup> March 2006 and Performance Budget placed on the Publication Counter for circulation among Hon'ble MPs.  <b>Action completed</b>

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18	<b>INVESTMENT</b>	
41	Government is committed to a strong and effective public sector. Public Sector Enterprises (PSEs) have, through internal and extra-budgetary resources, investment plans amounting to Rs.122,757 crore in 2006-07. I am happy to announce that Government will provide equity support of Rs.16,901 crore and loans of Rs.2,789 crore to Central PSEs (including Railways). Besides, I wish to point out that in the two years of this Government, we have infused Rs.1,180 crore in cash and made non-cash sacrifices of Rs.2,566 crore to restructure ten PSEs, including Indian Telephone Industries Limited and Heavy Engineering Corporation Limited.	An equity share of Rs16,901 crores and loan of Rs.2,789 crores has been provided to Central Public Sector Enterprises (CPSEs) including Railways. <b>Action completed</b>
19	42 We believe that there is considerable scope for developing India as a hub for the gems and jewellery industry. I, therefore, propose to constitute an expert body that will look into the potential of this sector and the prevalent taxation practices in India and abroad, and make its recommendations in this behalf. I am sure this announcement will be welcomed by Non Resident Indians who are looking to India as the place for future expansion and growth.	An Expert Body was constituted under the chairmanship of Shri M.R. Sivaraman, former Revenue Secretary to look into the potential of the Gems and Jewellery Sector and the prevalent taxation practices in this sector in India and abroad and make suitable recommendation for making India a global hub for this sector as well as for holistic development of this sector. The Expert Body has submitted its report to the Finance Minister on 4.12.2006. <b>Action completed</b>
20	<b>IRRIGATION</b>	
45	Out of an outlay of Rs.4,500 crore under AIBP in 2005-06, the grant component is Rs.1,680 crore. The States are expected to spend about Rs.2,520 crore from their resources, and 25 projects are expected to be completed before the end of the year. The outlay for 2006-07 has been increased to Rs.7,121 crore, and the Central Government will support the programme through a grant of Rs.2,350 crore. The Ministry of Water Resources will revamp the Command Area Development Programme to allow participatory irrigation management through water users' associations.	(i) <u>AIBP</u> : The outlay for 2006-07 has been enhanced. An amount of Rs.672.61crore has been released upto January 31, 2007 and it is expected that another Rs.1000 crore would be released by end 2006-07.  (ii) <u>Revamp the Command Area Development Programme</u> : As far as implementation of Command Area Development and Water Management Programme is concerned, formation of Water Users' Associations under the Participatory Irrigation Management (PIM) Act or the existing society's registration act is a must before taking up construction of field channels.  The legal framework under Participatory Irrigation Management (PIM) provides for creation of farmers organizations at different levels of irrigation system. Ten States namely Andhra Pradesh, Bihar, Goa, Karnataka, Madhya Pradesh, Orrisa, Rajasthan, Tamilnadu, Kerala and Maharashtra have already taken steps for providing necessary legal back up for implementation of PIM Programme. So far, 61,022 Water Users' Associations covering an area of 12.548

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		<p>million hectares have been formed in various states of the country.</p> <p>With a view to enhance beneficiary participation and post project maintenance of assets, a minimum 10% mandatory contribution has been introduced under the three activities of Command Area Development programme namely construction of field channels, reclamation of water logged areas and renovation of Minor irrigation tanks.</p>
21	<p>46 The programme for repair, renovation and restoration of water bodies is being implemented through pilot projects in 23 districts in 13 States. The design of the programme has been finalized in consultation with the States. 20,000 water bodies with a command area of 1.47 million hectares have been identified in the first phase. The estimated cost is Rs.4,481 crore. The funding pattern (Centre, States and external assistance) has been finalized, and I intend to seek, and receive, funds from multi-lateral agencies. The participating State Government will be requested to sign a memorandum of understanding and the water bodies in that State will be taken up for repair, renovation and restoration in 2006-07.</p>	<p>Planning Commission has given "in-principle" approval to the project "Restoration of Water Bodies with external assistance". The projects to be implemented in Andhra Pradesh, Karnataka, Orissa and Tamil Nadu have been posed before the World Bank in March 2006. The Tamil Nadu project has been approved by Executive Board of World Bank on 23.1.2007. The appraisal of Andhra Pradesh project is expected in the third week of February, 2007. Preparation for the projects in Karnataka and Orissa are also under way.</p>
22	<p><b>FARM CREDIT</b></p> <p>47 Farm credit increased to Rs.125,309 crore in 2004-05 (well above the target) and is again expected to cross the target of Rs.141,500 crore set for the current year. I propose to ask the banks to increase the level of credit to Rs.175,000 crore in 2006-07 and also add another 50 lakh farmers to their portfolio. We shall not only achieve but exceed the target of doubling farm credit in three years. Since tenant farmers are not adequately served, I have asked the banks to open a separate window for self-help groups or joint liability groups of tenant farmers and ensure that a certain proportion of the total credit is extended to them. I intend to monitor closely progress in this behalf.</p>	<p>As on March 31, 2006, the Commercial Banks, Cooperative Bank and RRB's have extended Rs.1,67,775 crore (provisional) to agriculture and allied sectors.</p> <p>In order to achieve the target of Rs.1,75,000 crore during 2006-07, NABARD has communicated the targets to Commercial banks directing them to step up their agriculture disbursement during 2006-07 and also to bring another 50 lakh new farmers into the credit fold. As on 31.12.2006 an amount of Rs.1,49,343 cr. has been disbursed and 53.37 lakh new farmers have been brought into the fold of credit institutions.</p> <p>A proposal for financing Tenant Farmer Groups and Joint Liability Groups has been prepared by NABARD. NABARD has also stipulated at least 2% of crop loan to be financed to tenant farmers and oral lessees by the Co-operative Banks.</p>
23	<p>48 I am aware of the severe difficulties faced by farmers in the last two years. Ours is a</p>	<p>An amount of Rs.1700 crore has been released on March 31,2006 to RBI for crediting the accounts of</p>

**Action completed**

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	<p>compassionate Government. I also have severe fiscal constraints. When faced with a dilemma, I usually turn to my favourite poet-philosopher, Saint Tiruvalluvar. Writing over 2,000 years ago, he said:</p> <p><i>"Karumam Sidhaiyamal Kannoda VallarkuUrimai Udaithu Iv Ulagu"</i></p> <p><i>(The world is his who does his job with compassion)</i></p> <p>I am prepared to go the extra mile to come to the aid of our farmers. To begin with, I propose to grant some relief to the farmers who have availed of crop loans from scheduled commercial banks, RRBs and PACS for Kharif and Rabi 2005-06. Accordingly, an amount equal to two percentage points of the borrower's interest liability on the principal amount up to Rs.100,000, will be credited to his/her bank account before March 31, 2006. I have provided a sum of Rs.1,700 crore for this purpose. I hope the House will welcome this exceptional gesture of the Government.</p>	<p>farmers through Commercial Banks, Cooperative Banks and RRBs.</p> <p><b>Action completed</b></p>
24	<p>49 For our farmers, I have more. Farmers obtain short-term credit from the cooperative credit structure and Regional Rural Banks (RRBs), with refinance from NABARD. Increasingly, scheduled commercial banks are also lending more to farmers. It is my intention to ensure that NABARD continues to provide refinance at an economical rate, so that the farmer ultimately gets the loan at a reasonable rate. Accordingly, after giving anxious consideration to market conditions, Government has decided to ensure that the farmer receives short-term credit at 7 per cent, with an upper limit of Rs.300,000 on the principal amount. This would require a certain level of subvention to NABARD. I propose to give the subvention. This policy will come into force with effect from Kharif 2006-07, and I shall make a detailed statement in due course.</p>	<p>As per guidelines issued by RBI and NABARD, banks have been disbursing short-term credit at 7% up to a limit of Rs.3 lakhs from the Kharif Season 2006. Only those Banks, which have disbursed short-term agricultural credit at 7% or less, are eligible to draw the interest subvention.</p> <p><b>Action completed</b></p>
25	<p>50 The Rural Infrastructure Development Fund (RIDF) has so far disbursed funds in 11 tranches. RIDF XI sanctions have touched a level of Rs.7,301 crore as on January 31, 2006. A special feature this year has been that Rs.346 crore has been sanctioned to the North Eastern States. This sum is likely to touch Rs.600 crore by the</p>	<p>NABARD has allocated RIDF XII corpus of Rs.10,000 crore for the year 2006-07. Projects amounting to Rs.4770 crore have been sanctioned to 24 States during the current year.</p> <p><b>Action completed</b></p>

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	year end. Keeping in view the expanding requirements for creating rural infrastructure, I propose to increase the corpus of RIDF XII to Rs.10,000 crore, and I urge State Governments to make the best use of these funds.	
26	51 I also propose to allow specified projects under the Public Private Partnership (PPP) model to access RIDF funds.	In order to consider new partnerships under PPP model, discussions have been initiated with outside agencies and few State Governments by NABARD. RBI has indicated that financing may be done only through State Governments. Further discussions are being carried out. A scheme has been sent by NABARD to the State Governments.
27	52 The rural roads component of Bharat Nirman requires large funds. Hence, I propose to open a separate window under RIDF XII for rural roads with a corpus of Rs.4,000 crore during 2006-07.	Government has approved the proposal to amend the Central Road Fund Act to set up a separate window under RIDF XII for rural roads with a corpus of Rs.4000 crore during 2006-07. The Ministry of Shipping, Road Transport and Highways have introduced a Bill in the Lok Sabha on December 15, 2006. <i>Action completed</i>
28	<p><b>PLANTATION</b></p> <p>54 In continuation of the announcement in the last Budget to introduce a 15-year programme for massive re-plantation and rejuvenation of tea, Ministry of Commerce has proposed to set up a Special Purpose Tea Fund. While the details are being worked out, to signal my support to the idea, I propose to make a levelized contribution every year to the Fund. For 2006-07, the contribution is expected to be Rs.100 crore. When established, the Fund will benefit growers in the tea growing States including Assam, West Bengal, Tamil Nadu, Kerala and Uttaranchal.</p>	Government has approved the proposal for setting up of a Special Purpose Tea Fund under the Tea Board for funding re-plantation and rejuvenation activities aimed at improving the age profile of tea plantations. The scheme with an estimated outlay of Rs.567.10 crore has been approved for implementation till the end of the Eleventh Plan. The estimated area to be taken up for rejuvenation/replantation during the period would be 85,044 hectares, comprising replantation in 68,154 hectares and replantation in 16,890 hectares. Orders in this regard have been issued on January 17, 2007 and action is being taken to implement the scheme. <i>Action completed</i>
29	<p><b>MICRO FINANCE</b></p> <p>55 I had proposed major initiatives in respect of micro finance in the last Budget. RBI has since issued guidelines to enable banks to appoint banking correspondents and banking agents. A window to access ECB funds has also been opened. A Bill to provide a formal statutory framework for the promotion, development and regulation of the micro finance sector will be introduced in this session.</p>	After elaborate discussions with all stakeholders, the Micro Financial Sector (Development & Regulation) Bill, 2006 has been prepared. It is likely to be introduced in the Budget Session of Parliament, 2007.
30	56 The Self Help Group (SHG) movement is making rapid strides. In the two years of the	To provide a separate line of credit for farm production and investment activities through SHGs,

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	UPA Government, we have credit-linked 801,000 SHGs. The credit disbursed to these SHGs is approximately Rs.4,863 crore. I propose to ask the banking sector to credit-link another 385,000 SHGs in 2006-07. I shall also ask NABARD to open a separate line of credit for financing farm production and investment activities through SHGs.	directions have been issued by NABARD on June 6, 2006. By December 31, 2006, 2.43 lakhs SHGs have been credit linked against the target of 3.85 lakhs for 2006-07.  <b>Action partially completed</b>
31	57 The findings of the NSS 59 <sup>th</sup> Round (2003) reveal that out of the total number of cultivator households only 27 per cent receive credit from formal sources and 22 per cent from informal sources. The remaining households, mainly small and marginal farmers, have virtually no access to credit. With a view to bringing more cultivator households within the banking fold, I propose to appoint a Committee on Financial Inclusion. The Committee will be asked to identify the reasons for exclusion, and suggest a plan for designing and delivering credit to every household that seeks credit from lending institutions.	The Committee on Financial Inclusion has been formed under the chairmanship of Shri C. Rangarajan, Chairman, Economic Advisory Council to the Prime Minister. The Committee is expected to submit its report by May 2007. An Interim Report is expected by the end of February 2007.  <b>Action completed</b>
32	<b>HORTICULTURE AND FISHERIES</b> 58 The PPP model will be employed to set up model terminal markets in different parts of the country. A sum of Rs.150 crore has been earmarked for this purpose in 2006-07 under the National Horticulture Mission. A Central Institute of Horticulture will be established in Nagaland. The National Fisheries Development Board will be constituted shortly.	<p><b>i. Model Terminal Markets</b> Government has approved the proposal for the establishment of Terminal Markets (Scheme) of Rs.150.00 crore. The operational guidelines of the scheme have been finalized and forwarded to the State Governments.</p> <p><b>ii. Setting up of Central Institute of Horticulture in Nagaland</b> The Annual Action Plan of the Central Institute of Horticulture established in Nagaland, has been finalized by its Board. UPSC has approved the Recruitment Rules for various categories of posts under this Institute and these are being notified.</p> <p><b>iii. Setting up of National Fisheries Development Board</b> The National Fisheries Development Board (NFDB) was registered in Hyderabad in July 2006 under the Andhra Pradesh Societies Registration Act, 2001. The Board was formally inaugurated by the Agriculture Minister at Hyderabad in September 2006, and is functional now.  <b>Action completed</b></p>
33	<b>TEXTILES</b> 60 The last two Budgets have created an enabling environment for the growth of the textile industry,	TUFS is an ongoing scheme of the Ministry of Textiles. The Scheme was launched on 1 <sup>st</sup> April 1999

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	<p>especially cotton textiles. There has been an encouraging response to the Technology Upgradation Fund (TUF) scheme. I propose to enhance the allocation from Rs.435 crore to Rs.535 crore next year. The Scheme for Integrated Textiles Parks (SITP) was launched in October 2005 with the intention of creating 25 textile parks. As on date, 7 parks have been sanctioned and 10 parks have been identified for development. I propose to provide Rs.189 crore for this scheme.</p>	<p>and it will be in operation till the end of the 10<sup>th</sup> Plan (March 31, 2007). With an additional budget of Rs.300 crore, the total enhanced budget provision is now Rs.835 crore. Out of this, an amount of Rs.824.12 crore has been sanctioned in respect of 15 Nodal banks as on date.</p> <p style="text-align: right;"><b>Action completed</b></p>
		<p>SITP was launched in the last financial year to develop 25 Integrated Textile Parks of international standard (covering the sectors of weaving, knitting, processing and garmenting) at potential growth centers by the year 2007-08. Project proposals for development of 26 Integrated Textile Parks have been sanctioned. Estimated project cost of these projects is Rs.2411.20 crore, of which Government of India assistance would be Rs.862.55 crore. These projects are expected to be completed by March 2008.</p> <p style="text-align: right;"><b>Progress being monitored</b></p>
34	<p>61 Government proposes to launch the Jute Technology Mission in 2006-07 to harness the potential of the golden fibre. A National Jute Board will be established. I propose to make a token provision with the assurance that the funds required will be made available once the outlay is finalized.</p>	<p><b>Jute Technology Mission</b> Government has approved the Jute Technology Mission (JTM), and schemes under the Mission have been operationalized.</p> <p style="text-align: right;"><b>Action completed</b></p> <p><b>National Jute Board</b> The National Jute Board Bill, 2006, which was introduced in Parliament during the Budget Session, has been referred to the Department related Standing Committee on Labour for examination.</p>
35	<p><b>HANDLOOMS</b></p> <p>62 Several schemes, including schemes for life insurance and health insurance, were announced in the last Budget for the handloom sector. They are being implemented.</p>	<p><b>Health Insurance Scheme for Handloom Weavers</b> The Health Insurance Scheme was formally launched on November 3, 2005. The scheme is being implemented through the ICICI Lombard General Insurance Company Ltd. For the year 2006-07, a budget provision of Rs.17.00 crore has been made under the scheme. A sum of Rs.17 crore has been released to ICICI Lombard towards Central Government's share for coverage of new and renewal cases.</p> <p><b>Mahatma Gandhi Bunkar Bima Yojana</b> The Mahatma Gandhi Bunkar Bima Yojana was introduced in a revised form of the earlier Bunkar Bima Yojana. The scheme was formally launched on 2<sup>nd</sup> October, 2005. The scheme is implemented through the Life Insurance Corporation of India (LIC). The scheme will provide enhanced insurance coverage to handloom weavers in case of natural or accidental death. For the year 2006-07, a budget provision of Rs.3.00 crore has been made under the scheme. A</p>

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		sum of Rs.2.40 crore has been released to LIC towards Central Government's share for coverage of weavers.
	The Cluster Development approach will continue. It is proposed to cover an additional 100 clusters at a cost of Rs.50 crore in 2006-07.	Diagnostic study of 100 selected clusters has been initiated.
	Yarn depots will be established in different parts of the country to ensure uninterrupted supply of yarn to weavers.	273 yarn depot agencies have been appointed.
	Just as 'woolmark' has gained recognition, it is proposed to launch a 'handloom' mark.	The Handloom Mark/Logo was launched by the Hon'ble Prime Minister of India on June 28, 2006.
	A scheme similar to TUFS will be introduced for the handloom sector to provide interest subsidy on term loans.	The scheme has been launched on July 31, 2006. <b>Action completed</b>
	I propose to increase the provision for the handloom sector from Rs.195 crore to Rs.241 crore next year.	
36	<b>FOOD PROCESSING INDUSTRY</b>	
63	Recognizing the enormous benefits that the food processing industry can bring to agriculture and job creation, and to consumers, food processing will be treated as a priority sector for bank credit. NABARD will create a separate window with a corpus of Rs.1,000 crore for refinancing loans to the sector, especially for agro-processing infrastructure and market development. Government will also set up the National Institute of Food Technology Entrepreneurship and Management. The Paddy Processing Research Centre at Thanjavur will be developed into a national-level institute.	<b>Rs.1000 crore NABARD window:</b> Rs.1000 crores have been earmarked by NABARD for refinance to the food-processing sector. NABARD has been requested to inform all banks/financial institutions about refinance facility of Rs.1000 crore exclusively available for food processing industry. Rs.400 crore has been sanctioned till December 2006. <b>Action completed</b>  <b>NIFTEM:</b> Government has approved the setting up of National Institute of Food Technology, Entrepreneurship & Management (NIFTEM) at Kundli (Haryana).  <b>Action completed</b>
		<b>PPRC:</b> The Expert Committee has submitted its report on upgradation of Paddy Processing Research Centre at Thanjavur (PPRC). Detailed Project Report incorporating the suggestions of the Expert Committee has been received. EFC Note in this regard is being finalized in consultation with Planning Commission.
37	<b>PETROLEUM, CHEMICALS AND PETRO-CHEMICALS</b>	
64	Petroleum, chemicals and petro-chemicals (PC&P) is a sector with potential for large investment and employment. In order to promote investment in this sector, Government has set up a Task Force to facilitate the development of large PC&P Investment Regions. World class	A Task Force was constituted by the PMO to facilitate the development of Petroleum, Chemicals and Petro-chemicals Investment Regions (PCPIR). A draft Policy resolution for promotion of PCPIRs has been prepared and is under consideration of the Government and would be finalized shortly. The initiative for

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	developers and investors are being associated with the Task Force. It is expected that in 2006-07 at least three such Investment Regions will be developed.	development of the specific investment regions would lie with the State Governments.
38	<p><b>INFORMATION TECHNOLOGY</b></p> <p>65 With the spread of Information Technology (IT) and IT Enabled Services (ITES), the time is ripe to make India a preferred destination for the manufacture of semi-conductors and other high technology IT products including Wafer; Assemble, Test and Manufacture of Semi-conductors; Flat LCD/OLED/Plasma Panel Displays; and Storage Devices. To achieve this goal the Ministry of Information Technology will announce a policy shortly. I propose to use the existing vehicles of viability gap funding and the India Infrastructure Finance Company Limited (IIFCL) to create a window to provide equity participation and/or viability gap funding to the new ventures. The window will be open for three years in order to accelerate investment.</p>	Cabinet has accorded in-principle approval to the special incentive package scheme to attract investments for setting up semi conductor fabrication and other micro and nano technology manufacture industries in India. The details to implement the scheme are being finalised.
39	<p><b>SMALL AND MEDIUM ENTERPRISES</b></p> <p>66 The introduction of the Small and Medium Enterprises (Development) Bill and the policy on credit announced on August 10, 2005 have, I believe, triggered a change in the mindset of small and medium entrepreneurs. The new thrust is towards up-scaling the size and technological upgradation. After due consultation with the stakeholders and on the recommendation of the Advisory Committee, the Ministry of Small Scale Industries has identified 180 items for dereservation.</p>	<p>The Gazette Notification S.O. 722(E) dated May 16, 2006 has been issued thereby dereserving 180 items reserved for exclusive manufacture in the small scale sector.</p> <p style="text-align: right;"><b>Action completed</b></p>
40	<p>67 In order to give a fresh impetus to lending by the Small Industries Development Bank of India (SIDBI), I propose to:</p> <p>i. Recognize SMEs in the services sector, and treat the small scale enterprises in the services sector on par with the small scale enterprises in the manufacturing sector;</p> <p>ii. Raise the corpus of the Credit Guarantee Fund from Rs.1,132 crore at end-March 2006 to Rs.2,500 crore in five years. In 2006-07, I propose to provide a sum of Rs.118 crore;</p> <p>iii. Advise Credit Guarantee Trust for Small Industries (CGTSI) to reduce the one time</p>	<p>(i) The Micro, Small and Medium Enterprises Development Bill, 2006 has been passed by both the Houses of the Parliament. RBI is in the process of revising the priority sector guidelines.</p> <p>(ii) (a) Raising the corpus of CGTSI to Rs.2500 crore in five years (currently at Rs.1336 crore) is one of the components of the 'Package for Promotion of Micro and Small Enterprises'. (b) The M/o SSI has made necessary budget provisions of Rs.118 crores for the year 2006-07.</p> <p>(iii) Notification regarding change in the guarantee fee structure has been issued vide CGTSI's Circular</p>

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	guarantee fee from 2.5 per cent to 1.5 per cent for all loans; and	dated April 20, 2006.
	iv. Extend insurance cover to approximately 30,000 borrowers, identified as chief promoters, under the CGTSI. The sum assured would be Rs.200,000 per beneficiary and the premium will be paid by CGTSI.	(iv) CGTSI has made arrangements with LIC for providing insurance cover to borrowers, identified as chief promoters. Insurance cover for Chief Promoters of units with guarantee cover under Credit Guarantee Scheme has been notified in November 2006.  <b>Action completed</b>
41	68 The National Manufacturing Competitiveness Council (NMCC) has finalized a five-year National Manufacturing Competitiveness Programme. Ten schemes have been drawn up including schemes for promotion of ICT, mini tool rooms, design clinics and marketing support for SMEs. Implementation will be in the PPP model, and financing will be tied up during the course of the next year.	It is expected that the ten schemes drawn up by the NMCC under its five-year 'National Manufacturing Competitiveness Programme' will be implemented during the Eleventh Plan period.
42	<b>CLUSTER DEVELOPMENT</b>	
	69 The Cluster Development model can be usefully adopted not only to promote manufacturing but also to renew industrial towns and build new industrial townships. The model is now being implemented, in one form or other, in nine sectors falling under different Ministries. The sectors include khadi and village industries, handlooms, handicrafts, textiles, agricultural products and medicinal plants. It would be advantageous to empower a group to oversee cluster development and monitor progress. Hence, the Prime Minister has decided to constitute an Empowered Group of Ministers who will lay down the policy for cluster development and oversee the implementation.	The Empowered Group of Ministers (EGOM) to lay down the policy for cluster development and oversee its implementation has been constituted under the Chairmanship of Minister of External Affairs.  <b>Action completed</b>
43	<b>TOURISM</b>	
	70 Foreign tourist arrivals increased to 3.92 million in 2005. It is still a fraction of India's potential. During 2006-07, Ministry of Tourism will:	
	• Take up for development 15 tourist destinations and circuits following an integrated area development approach;	16 tourist circuits/destinations have been taken up for development during 2006-07. Government has approved the revision of the guidelines for enhanced central financial assistance to States/UTs for development of world class infrastructure for Destinations and Circuits, to a maximum limit of Rs.25 crore and Rs.50 crore respectively.
	• Identify 50 villages with core competency in handicrafts, handlooms and culture, close	67 villages have so far been identified in consultation with the State Governments concerned for

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	<p>to existing destinations and circuits, and develop them for enhancing tourists' experience; and</p> <ul style="list-style-type: none"> <li>Establish 4 new institutes of hotel management in the States of Chhattisgarh, Haryana, Jharkhand and Uttaranchal.</li> </ul>	<p>development as rural tourism sites during 2006-07. 44 proposals have been received and 23 proposals have been sanctioned so far.</p> <p>Action has been initiated for establishment of 4 new Institutes of Hotel Management (IHM) in the States of Chhattisgarh, Haryana, Jharkhand and Uttaranchal.</p>
	<p>I propose to increase the Plan allocation from Rs.786 crore to Rs.830 crore in 2006-07.</p>	<p>The Plan allocation has been increased from Rs.786 crore to Rs.830 crore in 2006-07.</p> <p><b>Action completed</b></p>
44	<b>TELECOMMUNICATION</b>	
72	<p>The telecommunication sector in India is recording one of the fastest growth rates in the world. Tele-density stood at 11.75 per hundred at end-January, 2006. The ambitious target is to reach 250 million connections by December 2007, and I am confident of success. I propose to provide Rs.1,500 crore from the Universal Services Obligation Fund in 2006-07.</p>	<p>The total number of connections touched 189.92 million (both fixed and mobile, approximately) as on December 31, 2006. Rs.650.76 crore have been disbursed for all the USO Fund activities till October 31, 2006.</p>
45	<p>73 More than 50 million rural connections will be rolled out in three years and, thereafter, a connection will be available on demand. The digital divide between rural India and urban India will be bridged. In order to extend financial support to infrastructure for cellular telephony in rural areas, the Minister of Communications will bring a Bill in the Budget session to amend the Indian Telegraph Act.</p>	<p>Total number of rural Direct Exchange Lines was 148.48 lakh as on December 31, 2006.</p> <p>Lok Sabha has passed the Indian Telegraph (Amendment) Bill, 2006 on December 8, 2006.</p> <p><b>Action completed</b></p>
46	<b>POWER</b>	
74	<p>Power generation in 2005-06 has so far shown a modest growth of 4.7 per cent because of shortage of fuel, mainly LNG and coal. The demand-supply mismatch continues. More efforts are required to augment capacity in generation, transmission and distribution. 82 projects are under construction and, when completed in one to three years, will add 33,000 MW of capacity in the public sector and 6,500 MW of capacity in the private sector. Of these, about 15,000 MW will come on stream by March 31, 2007.</p>	<p>At present, 88 projects aggregating over 43,000 MW are under execution. Till 31.1.07 during the 10<sup>th</sup> Plan, generation capacity of 18,506 MW has been added. The capacity addition achieved till 31.1.07 in the current financial year is 4,177.80 MW. By March 2007, another 6409 MW is likely to be commissioned.</p> <p><b>Action partially completed</b></p>
47	<p>75 Ministry of Power has invited bids for five ultra mega power projects of 4,000 MW each, of which two will be pit-head (in Chhattisgarh and Madhya Pradesh) and three will be coastal (in Gujarat, Karnataka and Maharashtra). It is our intention to award these projects before December 31, 2006.</p>	<p>Nine sites for development of ultra mega power projects of 4000 MW each have been identified so far. These include four pithead sites, one each in Madhya Pradesh, Chattisgarh, Jharkhand and Orissa and five coastal sites, one each in Gujarat, Karnataka, Maharashtra, Andhra Pradesh and Tamil Nadu. The bidding process has been initiated in respect of four</p>

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		<p>projects ie Sasan (Madhya Pradesh), Mundra(Gujarat), Krishnapatnam (Andhra Pradesh) and Jharkhand. In respect of Sasan(MP) and Mundra (Gujarat), the financial bids were evaluated on 18.12.2006 and letters of intent were handed over to successful developers on December 28, 2006. For Krishnapatnam Project, successful developer would be finalized by end of April, 2007 and for Jharkhand the date for selection of final developer is July 15, 2007. For other projects necessary inputs from respective States are being tied up.</p>
48	<p>76 Capacity addition alone is not enough; we need deep and durable reforms in transmission and distribution. In order to create an enabling and empowered framework to carry out these reforms, the Prime Minister will establish an Empowered Committee of Chief Ministers and Power Ministers.</p>	<p>Issues relating to the power sector will be discussed in the Conference of Chief Ministers likely to be convened shortly.</p>
49	<p><b>RURAL ELECTRIFICATION</b></p>	
	<p>78 All States have signed memoranda of understanding to implement the Rajiv Gandhi Grameen Vidyutikaran Yojana. 10,000 villages will be electrified in the current year and, in 2006-07, 40,000 more villages will be electrified. The key to the success of this programme is the engagement of franchisees and proper commercial and contractual arrangements for distribution, billing and collection.</p>	<p>27,410 villages have been electrified since the inception of the scheme in April 2005 till 2.2.2007. 9,819 villages were electrified during 2005-06 and 17,591 more villages have been electrified till 2.2.2007 in the current financial year. 5.02 lakhs BPL connections have also been released.</p> <p>It has been made mandatory under the RGGVY, that franchisees be engaged for management of distribution. A national programme for Franchisees was launched in May 2006 to facilitate installation of franchisees in states. The franchisee system has been put in place in 12 States covering 39,113 villages.</p>
50	<p><b>COAL</b></p>	
	<p>79 A comprehensive review of the coal policy is underway. This year, 45 coal blocks have been allotted for captive consumption to the power, cement and steel sectors and to the State Governments. After reserving blocks for Coal India Limited and its subsidiaries for the period up to 2012, it has been decided to de-block coal reserves of 20 billion tonnes for power projects. The definition of captive consumption will also be amended to allow coal mining by producers with firm supply contracts with steel, cement and power companies. The capacity of Central Mines Planning and Development Institute Limited (CMPDIL) to drill in order to prove reserves is now only 200,000 metres per annum, and this will be expanded substantially.</p>	<p>(i) <b>De-blocking of coal reserves of 20 billion tonnes:</b> 81 coal blocks with about 20 billion tonnes reserves have been identified for allocation to Government, companies/permissible end users.</p> <p>(ii) <b>Definition of captive consumption:</b> Guidelines for allocation of captive coal blocks have been revised and placed on the website of the Ministry of Coal.</p> <p>(iii) <b>Expansion of the CMPDIL's Capacity to drill:</b> The Board of Directors of CMPDIL have approved, in principle, creation of additional drilling capacity of 2 lakh meters, by outsourcing of drilling activity.</p>

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		<p>Identification of blocks and total drilling meterage has been undertaken by CMPDIL.</p> <p style="text-align: right;"><b>Action completed</b></p>
51	<p><b>ROAD TRANSPORT</b></p>	
	<p>83 Government has also decided to develop 1,000 kms of access-controlled Expressways. These will be on new alignment and built on the Design, Build, Finance and Operate (DBFO) model. The sections that have been identified are Vadodara-Mumbai, Delhi-Chandigarh, Delhi-Jaipur, Delhi-Meerut, Delhi-Agra, Bangalore-Chennai and Kolkata-Dhanbad. The concessionaires will be selected through an international competitive bidding process.</p>	<p>Government has approved the proposal for construction of 1,000 kms of access-controlled Expressways at the cost of Rs.16,680 crore. Necessary action is being taken for implementation of the Government announcement.</p> <p style="text-align: right;"><b>Action completed</b></p>
52	<p>84 National Highway Authority of India (NHAI) will be restructured and made more effective. It will be made into a multi-disciplinary body with the capacity to handle a large number of PPP projects. New skill areas in planning and quality assurance, standardization, arbitration, road-safety and R&amp;D will be created.</p>	<p>Proposal for restructuring of National Highway Authority of India (NHAI) is under consideration of the Government.</p>
53	<p><b>MARITIME DEVELOPMENT</b></p>	
	<p>86 A deep draft port is required in the eastern part of the country. I am happy to announce that it is proposed to carry out a detailed study to identify a suitable location for a new deep draft port in West Bengal. The existing National Institute of Port Management, Chennai, has been renamed as the National Maritime Academy, and it is proposed to upgrade it into a Central University under an Act of Parliament. The University will have regional campuses at Mumbai, Kolkata and Visakhapatnam.</p>	<p><b>New deep sea port in West Bengal</b> A global Expression of Interest (EoI) for development of a Modern Deep Sea Port in the State of West Bengal was invited in the month of May/June, 2006. Thirteen consultants from across the world applied. The Evaluation Committee recommended shortlisting of 7 consultants. Necessary action is being taken for the final selection of one consultant.</p> <p><b>National Maritime Academy</b> Government has approved the introduction of the Indian Maritime University Bill, 2006 for formation of Indian Maritime University (IMU) with headquarters at Chennai and regional campuses at Kolkata, Mumbai, and Visakhapatnam.</p>
54	<p>87 The India Infrastructure Finance Company Limited (IIFCL) has been incorporated, and the first proposal for funds has been received. Several proposals have been received for viability gap funding for PPP projects. In-principle approval has been granted to three road projects in Gujarat and a final decision is likely to be taken before March 31, 2007.</p>	<p>IIFCL has sanctioned 47 projects with a project cost of Rs.58314 crore involving financing of Rs.9240 crore.</p> <p>Viability Gap Funding (VGF) proposals from different State Governments and different sectors have been received. In-principle approval has been granted to 21 projects in Gujarat, Maharashtra, M.P. and Rajasthan under the Viability Gap Funding for PPP projects. The project cost for these 21 projects is Rs.9842.1 crore and Rs.2520.91 crore VGF support has been sought.</p>

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55	<b>FINANCIAL SECTOR</b>	
88	<p>As part of the reforms in the banking sector introduced in 1993-94, capital was infused in the banks by issue of special securities. To date, Government has injected Rs.16,809 crore into nationalised banks. Adding the perpetual securities issued earlier, the total net capital support stands at Rs.22,808 crore. Thanks to the capital support, a sound banking sector meeting international norms has emerged. We have reached a stage when we can wind up the special arrangements between Government and the banks. Accordingly, after consulting the RBI, I propose to unwind the special securities through conversion of these non-tradable special securities into tradable, SLR Government of India dated securities. This will facilitate increased access of the banks to additional resources for lending to the productive sectors in the light of the increasing credit needs of the economy.</p>	<p>Government has approved the proposal for phased conversion of Recapitalisation Bonds (Special Securities) issued to Nationalised Banks into tradable, SLR Government of India dated securities. The first tranche of the phased conversion of Recapitalisation Bonds has been completed on 15<sup>th</sup> February 2007.</p>
56	<p>89 Honourable Members are aware that the K.P. Narasimhan Committee was appointed to recommend a comprehensive law on insurance. The report of the committee has been received, and is being examined by the Insurance Regulatory and Development Authority and the Government. I intend to introduce a comprehensive Bill on insurance in 2006-07.</p>	<p>The Group of Ministers is examining the draft Bill on insurance, which would thereafter be placed before the Cabinet for its approval.</p>
57	<p>90 Important Bills to amend the banking laws and for setting up the Pension Fund Regulatory and Development Authority are before Parliament. The Standing Committee on Finance has recommended these Bills. I would urge Honourable Members to cooperate with the Government and pass these Bills.</p>	<p><b>i. Pension Fund Regulatory and Development Authority Bill</b></p> <p>A proposal for official amendments to the Pension Fund Regulatory and Development Authority Bill, 2005 was approved by Cabinet on 24.11.2005, subject to any such changes as may be considered necessary by the Ministry of Finance as a result of follow up discussions. Pending completion of these discussions, a final decision is yet to be taken. A Conference of Chief Ministers/Finance Ministers of all the State Governments was held on 22.1.2007 on the subject of pension reforms, including the Bill and other related issues.</p> <p>The Conference was presided over by the Prime Minister. Action is being taken on the issues raised at the Conference, including wherever necessary, amendments to the PFRDA Bill. Further, consultation with the political parties would continue, to evolve a consensus in Parliament before the Bill is taken up for consideration and passing.</p>

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		<p><b>ii. RBI Amendment Bill</b> The RBI Amendment Bill has been passed by both the Houses of Parliament and the Amendment Act has been notified.</p> <p style="text-align: right;"><b>Action completed</b></p>
		<p><b>iii. The Banking Companies (Acquisition &amp; Transfer of Undertakings) and Financial Institution Laws Amendment Bill</b> The Banking Companies (Acquisition &amp; Transfer of Undertakings) and Financial Institution Laws Amendment Bill has been passed by both the Houses of Parliament and the Amendment Act has been notified.</p> <p style="text-align: right;"><b>Action completed</b></p>
58	<p>91 In recent months, the capital market has attracted a great deal of attention. The measures taken in the last year-and-a-half have deepened, broadened and strengthened the market. It is necessary to take more measures. Hence, I propose to</p>	<p><b>ii. RBI Amendment Bill</b> The RBI Amendment Bill has been passed by both the Houses of Parliament and the Amendment Act has been notified.</p> <p style="text-align: right;"><b>Action completed</b></p>
	<p>i. Increase the limit on FII investment in Government securities from \$ 1.75 billion to \$ 2 billion and the limit on FII investment in corporate debt from \$ 0.5 billion to \$ 1.5 billion;</p>	<p>i. FII investment limits in Government securities and corporate debt have been increased by SEBI on 5<sup>th</sup> April, 2006.</p> <p style="text-align: right;"><b>Action completed</b></p>
	<p>ii. To raise the ceiling on aggregate investment by mutual funds in overseas instruments from \$ 1 billion to \$ 2 billion and to remove the requirement of 10 per cent reciprocal share holding;</p>	<p>ii. Necessary circulars have been issued.</p> <p style="text-align: right;"><b>Action completed</b></p>
	<p>iii. To allow a limited number of qualified Indian mutual funds to invest, cumulatively up to \$ 1 billion, in overseas exchange traded funds; and</p>	<p>iii. Necessary circulars have been issued.</p> <p style="text-align: right;"><b>Action completed</b></p>
	<p>iv. To set up an investor protection fund under the aegis of SEBI, funded by fines and penalties recovered by SEBI. This will bolster confidence among retail investors who should be the key drivers of the capital market.</p>	<p>iv. Bill is expected to be introduced in Budget Session of Parliament.</p>
59	<p>92 RBI had introduced the anonymous electronic order matching trading module called NDS-OM on its Negotiated Dealing System. In the first phase, RBI-regulated entities, banks and primary dealers were allowed to trade on the system. The system has now been extended to all insurance entities. In view of the encouraging response of</p>	<p>The RBI, in its Credit Policy Statement announced on 18<sup>th</sup> April, 2006 proposed to permit access to qualified mutual funds, provident funds and pension funds to the anonymous electronic order matching trading module called NDS-OM on its Negotiated Dealing System.</p>

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	market participants and to further deepen the Government securities market, it is proposed to extend access to qualified mutual funds, provident funds and pension funds.	Arrangements have been made on a temporary basis to enable immediate access to new participants to the NDS-OM module. Meanwhile, software is being developed to shift all entities, other than banks and PDs, which access NDS-OM from current accounts with the Reserve Bank to such accounts with commercial banks. <b>Action completed</b>
60	93 In my Budget speech last year, I had appointed a high-level expert committee on corporate bonds. The committee has submitted its report and Government has accepted the recommendations. We shall now take steps to create a single, unified exchange-traded market for corporate bonds.	Government, SEBI and RBI had initiated actions to implement the recommendations of the High Level Expert Committee. The Bombay Stock Exchange has been allowed to set up and maintain a corporate bond reporting platform. A bill to include 'securitization instruments' within the ambit of 'securities' has been introduced in Parliament. The market microstructure issues are being examined by SEBI.
61	<b>RESEARCH &amp; DEVELOPMENT</b>	
	94 Our outstanding human resources have the capacity to make India a Knowledge Society. Government accords high importance to research and development. The National Agricultural Innovation Project for research at the frontiers of agricultural science is expected to receive multilateral assistance shortly, and will be launched in July 2006.	The Project costing Rs.1189.99 crore has been sanctioned and launched in July 2006. <b>Action completed</b>
62	95 The National S&T Entrepreneurship Board has set up a number of Technology Business Incubators with seed funding from the Technology Development Board. Government will be happy to provide enabling concessions to the incubatee-entrepreneurs.	Consultations have been held for providing enabling concessions and policy is being framed.
63	<b>INSTITUTIONS OF EXCELLENCE</b>	
	96 Last year, I made a beginning with an unprecedented grant of Rs.100 crore to the Indian Institute of Science (IISc), Bangalore to help develop it into a world-class institution. I am happy to report that the IISc has obtained approval for an ambitious programme of modernization, and is implementing the same. This year, I must recognize another historical event. Three great Universities have entered their 150th year. These are the University of Calcutta, the University of Mumbai and the University of Madras. I propose to mark the beginning of the 150th year celebrations with a grant of Rs.50 crore to each University for a specified research department or a research programme in that University. On the conclusion of the year, I intend to make another grant of Rs.50 crore to each of them.	The grant of Rs.100 crore to the Indian Institute of Science (IISc), Bangalore announced in 2005-06 budget has been fully released.  As regards the announcement to mark the 150 <sup>th</sup> year of the Universities of Calcutta, Bombay and Madras, the University Grants Commission has made an academic assessment of the proposals sent by the Universities of Madras, Mumbai and Calcutta. 'In principle' approval of Planning Commission has been obtained. The first tranche of the grant would be released shortly.

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64	97 I propose to make the special grant of Rs.100 crore for an institution of excellence to a distinguished institution, the Punjab Agricultural University, Ludhiana, in acknowledgement of its pioneering contribution to the green revolution.	Government has approved the proposal to make a special grant of Rs.100 crore to the Punjab Agricultural University, Ludhiana, in acknowledgement of its pioneering contribution to the green revolution. It is expected that the first tranche of Rs.30 crore will be released to Punjab Agricultural University, Ludhiana, shortly.
		<b>Action completed</b>
65	98 If agriculture is an ancient Indian skill, biotechnology is the new frontier that India will conquer. In order to foster research and development in biotechnology, the Ministry of Science and Technology has decided to accord the status of an autonomous National Institute to the Rajiv Gandhi Centre for Biotechnology, Tiruvananthapuram, Kerala.	The modalities are being worked out in consultation with the State Government of Kerala.
66	<p><b>SKILLS DEVELOPMENT</b></p> <p>99 Honourable Members will recall that Government has taken up a programme to upgrade 500 ITIs over five years. 100 ITIs are now covered with the help of the private sector. Assistance has been sought from multilateral agencies to cover the remaining 400 ITIs. I propose to allocate Rs.97 crore for this purpose in 2006-07.</p> <p>The Skills Development Initiative (SDI) announced last year has been taken up through a PPP scheme, and I propose to make an initial provision of Rs.10 crore.</p>	<p><b>Upgradation of ITIs</b></p> <p>Out of the 500 ITIs 100 ITIs were taken up for upgradation from domestic resources with the involvement of industry in the form of Institute Management Committees. Remaining 400 ITIs are to be upgraded with the assistance from the World Bank. Accordingly, 100 ITIs have been taken up for upgradation from the session which started from August 2006 even before the signing of the Project Agreement with the World Bank. World Bank has agreed to provide retroactive financing for the said 100 ITIs. Training in these 100 ITIs have started by reorienting the existing resources. Remaining 300 ITIs would be taken up for upgradation in subsequent years. The negotiations in this regard with the World Bank are in an advanced stage.</p> <p><b>Skills Development Initiative (SDI)</b></p> <p>A new strategic framework for skill development (Modular Employable Skills) for the early school leavers and existing workers especially in the informal sector has been worked out by the Government in consultation with industry, micro enterprises in the informal sector, State Governments and the academia.</p> <p><u>Key features of the Modular Employable Skills framework :</u></p> <ul style="list-style-type: none"> <li>• Demand driven short term training courses based on modular employable skills decided in consultation with Industry.</li> <li>• Flexible delivery mechanism (part time, weekends, full time, onsite/offsite)</li> </ul>

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		<ul style="list-style-type: none"> <li>• Different levels of programmes (Foundation level as well as skill upgradation) to meet demands of various target groups.</li> <li>• Training to be provided by Vocational Training (VT) Providers under the Government, Private Sector and Industrial establishments.</li> <li>• Optimum utilization of existing infrastructure to make training cost effective.</li> <li>• Testing and certification of skills acquired informally.</li> </ul> <p><u>Progress made so far</u></p> <ul style="list-style-type: none"> <li>• 156 short-term courses have been developed.</li> <li>• Curricula for additional 100 courses are being developed in association with Employers Organizations, State Governments, experts, vocational training providers etc.</li> <li>• Development of curricula for traditional areas like carpet making, fisheries, brassware and glassware etc. has also been taken up.</li> <li>• National Council for Vocational Training has approved starting of short-term training courses in the ITIs by optimum utilization of available infrastructure.</li> <li>• Detailed project report has been prepared for giving financial assistance to vocational training providers and assessing bodies. Necessary approvals are being obtained.</li> </ul> <p style="text-align: right;"><b>Action completed</b></p>
67	<b>BACKWARD REGIONS GRANT FUND</b>	
100	Upon the establishment of a Backward Regions Grant Fund, a sum of Rs.1,156 crore has been disbursed so far in the current year to the districts identified as backward as well as under Rashtriya Sam Vikas Yojana (RSVY). The Fund is being placed under the administrative control of the Ministry of Panchayati Raj, and I propose to allocate Rs.5,000 crore in 2006-07.	Government has approved the formation of the Backward Regions Grant Fund (BRGF). The programme has two components namely, a district component covering 250 districts and Special plans for Bihar and the KBK districts of Orissa. A total provision of Rs.5000 crore has been made for the two components in the Budget of 2006-07. Out of this allocation, Rs.1,250 crore has been provided in the Demand for Grants of the Ministry of Finance for the Special Plans, which are dealt with by the Planning Commission. The remaining amount of Rs.3750 crore has been placed at the disposal of the Ministry of Panchayati Raj for the District Component, covering 250 districts. The allocation of Rs.3750 crore consists of two funding windows (a) a capacity building fund of

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68	<p><b>JAMMU &amp; KASHMIR</b></p> <p>101 Government will continue to provide special assistance to Jammu and Kashmir. The State Plan for 2006-07 has been fixed at Rs.2,300 crore. In addition, I propose to provide a sum of Rs.848 crore for the J&amp;K Reconstruction Plan, including Rs.230 crore for the Baglihar Project. I also propose to provide special central Plan assistance of Rs.1,300 crore to enable the State to undertake reforms in the power sector.</p>	<p>Rs.250 crore and (b) development grants of Rs.3500 crore for the financial year 2006-07.</p> <p>The existing Rashtriya Sam Vikas Yojana (RSVY) has been subsumed into the BRGF Programme. The erstwhile districts under RSVY will receive their full allocation of Rs.45 crore per district as per norms of RSVY. Thereafter, they will shift to the BRGF mode of funding. An amount of Rs.1314.15 crore has been released so far during the Financial Year 2006-07 to districts under Rashtriya Sam Vikas Yojana (RSVY).</p> <p><b>Action completed</b></p> <p>State Plan of Jammu &amp; Kashmir for 2006-07 has been fixed at Rs.3500 crore. A sum of Rs.847.67 crore has also been provided for the State Sector Schemes of the Prime Minister's Reconstruction Plan. The allocation for Reconstruction Plan includes Rs.230 crore for Baglihar Project.</p> <p>As far as power sector deficit is concerned, a tripartite MOU has been finalised between Government of J&amp;K, Ministry of Finance and Planning Commission to put in place a programme for dealing with the deficit. Based on progress achieved against monitorable indicators as per the programme, Ministry of Finance and Planning Commission would provide assistance of Rs.1000 crore (as Special Assistance) and Rs.300 crore (as Special Plan Assistance) respectively during 2006-07 to fund the power sector deficit of the State.</p> <p><b>Action completed</b></p>
69	<p><b>E-GOVERNANCE</b></p> <p>104 The National e-Governance Plan will be approved shortly, and 25 projects, in mission mode, will be launched in 2006-07. Among them is Project MCA-21 to enable companies to file returns electronically and a project for setting up common service centres and assigning unique ID to BPL families. It is Government's intention to bring a number of services online, in a web-based mode, including applications under the Right to Information Act, applications for house sites, ration cards, transfers of teachers, inclusion in the electoral roll, filing of police complaint, and issue of birth/death certificates and copies of land records.</p>	<p>Government has approved the Approach and Key Components of National E-Governance Plan (NeGP). Major projects under the Plan like the Common Service Centres(CSC) Scheme and the project on providing a Unique ID to BPL families have also been approved.</p> <p><u>Progress made</u></p> <p>i. <u>Project Unique ID -</u></p> <ul style="list-style-type: none"> <li>• The objective is to create a Central Database of service across the country and generating unique ID number for each such resident for targeted delivery of benefits to BPL families under various social sector welfare schemes.</li> <li>• NIC/NICSI are the Implementing Agencies for the project.</li> <li>• A Process Study has been commissioned for recommending administrative processes for operation and maintenance of Central Database.</li> </ul>

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		<ul style="list-style-type: none"> <li>• Data from Election Commission for about 20 States have already been shared with NIC.</li> </ul> <p>ii. <u>Common Service Centre Scheme</u></p> <ul style="list-style-type: none"> <li>• The Government is putting in place necessary arrangements to provide reliable broadband connectivity upto the CSC level. Preparatory work has commenced for provisioning rural Broadband Connectivity with the assistance of BSNL and USOF (DoT).</li> <li>• USOF(DoT) is in the process of preparing competitive bids from existing Telecom Service Providers to extend rural broadband connectivity to all villages with basic telecom infrastructure. An amount of Rs.300 crore has been spent under the CSC program during the year.</li> </ul> <p>iii. <u>MCA21</u></p> <ul style="list-style-type: none"> <li>• The MCA21 system has gone live at all the 20 Registrar of Companies (ROC) locations and 53 Registrar's Front Offices (RFOs) providing complete range of services for e-filing of documents to the stakeholders who do not have the necessary IT infrastructure have become operational. More than 11 lakh documents have been submitted cumulatively through e-filing until December 26, 2006.</li> <li>• Out of the approved Project cost of Rs.345.89 crores, spread over a period of 6 years, an amount of Rs.4.25 crore has been spent in the FY 2006-07 for the MCA21 Project. Since the project has been undertaken on a Service Delivery model, payments are made only on completion of deliverable milestones.</li> </ul>
70	<p><b>CELEBRATING HISTORY AND HERITAGE</b></p> <p>105 In 2007, we will celebrate the 150th anniversary of the First War of Indian Independence, an event that shaped the destiny of the nation. To ensure that the event is observed in a befitting manner, I propose to make a provision of Rs.10 crore for preparatory activities.</p>	<p>A sum of Rs.10 crore has been provided during 2006-07 for celebration of the 150<sup>th</sup> Anniversary of the First War of Indian Independence. Some programmes/proposals/activities have been identified for the commemorative event. A Special Cell created in the Ministry of Culture for this purpose has already started functioning.</p> <p style="text-align: right;"><b>Action completed</b></p>
71	<p>106 Two Gandhian institutions, the National Gandhi Museum, Rajghat and the Kasturba Gandhi National Memorial Fund, Indore deserve support. I intend to provide Rs.5 crore each to the corpus of these institutions in 2006-07.</p>	<p>Necessary sanctions for the release of Corpus funds of Rs.5 crore each for National Gandhi Museum, Rajghat and Kasturba Gandhi National Museum Trust, Indore have been issued and the amounts have been released to both the Institutions.</p> <p style="text-align: right;"><b>Action completed</b></p>

S.No. Para No.	Budget Announcement	Status of Implementation
72	<p>107 I am happy to inform the House that Kuttiyattam, Vedic Chanting and Ramlila have been declared 'Oral and Intangible Heritage of Humanity' by the UNESCO. These old art forms and oral traditions need to be safeguarded. Pending drawing up a detailed scheme, I propose to make an initial provision of Rs.5 crore in 2006-07.</p>	<p>A sum of Rs.5 crore has been provided during the current year 2006-07 for implementation of schemes of Kudiyattam, Vedic Chanting and Ramlila. A new scheme has been formulated for the Master Pieces of Intangible Heritage. Steps have been initiated to implement the scheme and utilize the funds during 2006-07.</p> <p style="text-align: right;"><b>Action completed</b></p>
73	<p><b>MODERNIZING TAX ADMINISTRATION</b></p> <p>173 I am glad to inform the House that technology is being increasingly employed to modernize tax administration.</p> <p>The Departments of Income Tax and Customs and Central Excise will undergo Business Process Reengineering (BPR).</p> <p>Nationwide networks will connect 745 income tax offices in 510 cities and 550 customs and central excise offices in 245 cities, creating national databases. National data centres, data warehousing facilities and disaster recovery sites are being set up. Jurisdiction-free filing of returns, online tracking of status of accounts and refunds of income tax will be possible. Introduction of a risk management system and Electronic Data Interchange (EDI) in the Customs Department will reduce dwell time for cargo. E-payments of customs and excise duties will be possible. Both Departments will have fully computerised networks by end 2006.</p>	<p><b>I. Central Board of Direct Taxes (CBDT)</b></p> <p><b>i. Business Process Re-engineering</b> Two bids were received in response to the Global Tender floated for the BPR project. The bids have been technically and commercially evaluated. The selection of the successful bidder will be made shortly.</p> <p><b>ii. All India Income Tax Network</b> Phase-I of network comprising 75% of the user base in 60 cities and 158 offices has been completed. Phase-II of network in 450 cities in 557 offices is at an advanced stage and is expected to be completed by 30.6.2007.</p> <p><b>iii. Setting up National Data Center with Business Continuity/Disaster Recovery sites.</b> The National Data Centre with alternate site will be set up through the appointment of Systems Integrator. Technical and Commercial evaluation of the Systems Integrator (SI) bids have been completed and the SI is expected to be in place by 30.8.2007.</p> <p><b>iv. Jurisdiction free filing of returns</b> Infrastructure for e-filing is in place. Jurisdiction free returns would be reviewed and processed from the following:</p> <ol style="list-style-type: none"> <li>i. All e-filed returns received during the year.</li> <li>ii. Compulsory filing of electronic returns by companies.</li> <li>iii. Returns filed for the current year in the Post Offices.</li> </ol> <p><b>v. Online tracking of status of accounts and refunds</b> Facility for online tracking of tax payments and TDS is available to taxpayers. Online tracking of status of refunds is expected to be operationalised on setting up of National Data Centre.</p> <p><b>vi. Fully computerized department:</b> The Income Tax Department is expected to be fully computerized by August 2007.</p>

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		<p><b>II. <u>Central Board of Excise &amp; Customs</u></b></p> <p><b>(i) Business Process Re-engineering (BPR)</b>  The Department had initiated a BPR exercise with technical assistance from Canada International Development Agency (CIDA). Under this programme, experts from Canada Customs and Revenue Agency (CCRA) and the officers from the department undertook a thorough review of the existing processes and the current initiatives in process automation are a result of that BPR exercise. Risk Management in Customs is one of the achievements of the BPR. The other important components under development of the Department are Automation of Central Excise &amp; Service Tax (ACES) and Integrated Customs Systems (ICES Version 2). The approach paper on the re-organisation of the Department congruent with these initiatives is being developed.</p> <p><b>(ii) Consolidation Project</b></p> <p><b>(a) WAN (Wide Area Network)</b> – This project seeks to link CBEC’s offices with the National Data Centre and Data Recovery site. The first phase of this project is likely to be completed by end of February 2007.</p> <p><b>(b) Hardware, Storage, Database, Security Infrastructure and Facilities Management</b>  Tender was issued on 17.7.2006. Technical Evaluation of bids was completed on 22.12.06. Commercial bids were opened on 22.12.2006. Process of evaluation has been completed and the Empowered Committee has approved the Technical and Commercial Committees’ evaluation. Price negotiations with the selected vendor is in progress.</p> <p><b>(c) PCs/Thin clients and Local Area Networks</b>  The evaluation of the vendors is likely to be completed shortly and the project is expected to be completed in the four metros by June 2007 and all CBEC locations by September 2007.</p> <p><b>(d) Data Warehouse (SMARTVIEW)</b>  Evaluation process for the bids has been completed and the Empowered Committee has approved the award of contract to the selected bidder. The proposal is being further processed for award of contract.</p>

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		<p><b>(iii) Risk Management System (RMS) for Customs</b> RMS has been implemented at 13 major locations in Mumbai, Nhava Sheva, Delhi, Chennai, Bangalore and Kolkata. Setting up of Risk Management Division (RMD) is underway. Extension of RMS to all major Customs locations is expected by March 2007.</p> <p><b>(iv) Electronic Data Interchange (EDI) : Extension of EDI to more locations</b> Implementation in Export module has been started at Dadri. Work on major Imports module migration has been completed. Testing and implementation of import module is in progress. This would be extended to 35 new locations in phases from March 2007.</p> <p><b>(v) e-payment of Customs Duty</b> The Pilot Project of E-payment of customs duties has been completed in Delhi and four banks viz. Punjab National Bank, State Bank of India, Union Bank of India and Corporation Bank are live for e-payment in three Customs locations in Delhi. A Committee has been constituted to prepare a road map for e-payment of Customs duties. All India roll-out is expected to start from March 2007.</p>