

BUDGET MATTER -MOST IMMEDIATE

TARGET DATE – 20TH SEPTEMBER 2009

F.No.7/12/2009-IFU(B&A) DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

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New Delhi, the 31st August, 2009.

To

All Budgetary Authorities under

Central Board of Direct Taxes

SUBJECT: SUBMISSION OF REVISED ESTIMATES 2009-10 AND BUDGET ESTIMATES 2010-2011 IN RESPECT OF DEMAND NO.42 –DIRECT TAXES.

Sir,

As you are aware, proposals for Revised Estimates for the current financial year and Budget Estimates for ensuing year are required to be furnished in the month of September, every year, leaving adequate time for scrutiny and finalization of the proposals. I am accordingly, directed to say that proposals for Revised Estimates 2009-2010 and Budget Estimates 2010-2011 be submitted as per proformae enclosed.

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

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2.1 **PROVISION OF FUNDS FOR VACANT POSTS:**

In respect of vacant posts not filled so far, provision for pay and allowances may be confined to an average of two months for the purpose of Revised Estimates 2009-2010. For Budget Estimates 2010-2011, provision for vacant posts may be made for an average of four months only.

2.2 PREPARATION OF BUDGET NOTES:

In order to facilitate speedy examination of all budget proposals, a Budget Note may be prepared giving detailed reasons for all variations in the Revised Estimates 2009-2010 and also the Budget Estimates 2010-2011 under the relevant heads shown in **Statement No. I**. The explanation for variations in respect of other statements may be furnished in the relevant columns of the Statements.

2.3 PAYMENT OF ARREARS (OTHER THAN SALARY):

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

2.4 PAYMENT OF ARREARS OF SALARY DUE TO IMPLEMENTATION OF 6TH CPC RECOMMENDATIONS:

The Government has already issued instructions to disburse balance 60% of the 6th CPC arrears in the current year. Accordingly, the requirement should be furnished separately for each category of staff/officers.

2.5 STATEMENT OF EXPENDITURE UNDER 1% INCENTIVE SCHEME:

Field formations are required to submit their requirement pertaining to their charge under 1% incentive scheme in **Statement No. III-A**.

2.6 NEED FOR ACCURACY IN FRAMING ESTIMATES:

There have been instances where either substantial amount had to be surrendered on account of excessive provision or excess expenditure was incurred due to inadequate provision under various Heads. This reflects failure on the part of the budget framing authorities to draw up realistic budget estimates and **attracts adverse comments from the Audit/Public Accounts Committee**. It is, therefore, impressed upon every budget framing authority that Revised Estimates 2009-2010 and Budget Estimates 2010-2011 may be framed in the most realistic manner, keeping in view the various instructions issued from time to time (last issued on 28.12.2007) and the actual expenditure already incurred during the first five months (i.e. upto 31.8.2009) of the current financial year 2009-2010. **The Expenditure under the object head 'Salaries' should be treated as 6 months (March to August, 2009).**

2.7 ECONOMY IN EXPENDITURE:

A careful watch may be kept on the trend of expenditure from month to month with a view to regulate the total expenditure within the sanctioned grant and the unavoidable excess, if any, under a head may be brought to the notice of Board/IFU. In the cases of those object heads, where actual expenditure for the first five months is less than 25% of the sanctioned grant, specific reasons may be furnished in the Budget Note as to why the same should not be reduced proportionately straight away. **The Government's instructions on economy issued from time to time and last issued vide IFU(B&A)DT's letter No.13/6/2008-IFU(B&A)DT dated 13th June, 2008 should also be kept in view while making projections particularly under object heads 'Overtime Allowance', 'Domestic Travel Expenses', 'Foreign Travel Expenses', 'Publications', 'Professional Services', 'Advertising and Publicity', 'Office Expenses', and 'Other Administrative Expenses' where 10% mandatory cut has to take effect. The remaining portion of non-plan, non-Salary expenditure will be subject to a mandatory 5% cut.** It may be noted that no reappropriation of funds to augment the non-plan heads of expenditure shall be allowed during the current financial year and no increase in the budgetary allocations under the heads of non-plan expenditure, particularly where cuts are now being imposed, will be allowed at RE stage except under very extra-ordinary and compelling circumstances. It may also be ensured that the expenditure is incurred only on items for which provision already exists in the Sanctioned Budget Grant 2009-2010 and no new commitment for expenditure, which cannot be met from

within the sanctioned budget grant should be entered into without the prior approval of the Ministry.

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

2.8 PROVISION FOR CHARGED EXPENDITURE:

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

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

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

2.10 PROVISION FOR CAPITAL EXPENDITURE:

Projection under Capital Section shall be finalized by DIT(Infrastructure) who has issued a separate letter in this regard. Accordingly, BE 2010-11 for capital works will be decided by the Ministry based on this projection.

2.11 RE-APPROPRIATION OF FUNDS:

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

2.12 **STRENGTH OF ESTABLISHMENT:**

The information regarding strength of Establishment showing

- (i) actual strength as on 1st March, 2009;
- (ii) estimated strength as on 1st March, 2010; and
- (iii) estimated strength as on 1st March, 2011

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

2.13 **REQUIREMENTS OF CIT(CIB):**

All DGIT(Inv.) are requested to project their requirements for 2009-10 including CIT(CIB) under their charge.

3. **STATEMENTS:**

Following statements may be appended to the Budget Note:

- (i) **Statement No.I** : Comparative Statement showing head wise actuals and proposed Revised Estimates & Budget Estimates.
- (ii) **Statement No.I-A** : Statement of provisions included under 'Other Allowances'.
- (iii) **Statement No.I-B** :Statement of 60% arrears of 'Salary' due to implementation of 6th CPC.

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

(v) **Statement No.III :** Item-wise break up of expenditure under 'Office Expenses'.

(vi) **StatementNo.III-A :** Statement of estimated expenditure under 1% incentive scheme.

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

4. SUBMISSION OF BUDGET PROPOSALS:

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4.1 The Revised Estimates 2009-2010 and Budget Estimates 2010-2011 may be sent or delivered **with hard copy along with Compact Disc (CD)** to the following:

(i) Shri A.K. Vajpayee Director (Finance) DT Ministry of Finance, Department of Revenue, Room No. 70-B, North Block, New Delhi-110001.	(ii) Shri Umesh Sharma, Under Secretary, IFU(B&A)DT, Ministry of Finance, Department of Revenue, Room No. 12, Church Road Hutments, New Delhi-110001.
Tel. No. : 011- 23093269 FAX: 011-23092516 E-mail: aditya.vajpayee@nic.in , adityavajpayee@hotmail.com	Tel. No. Office: 2309 2258 FAX: 2309 2258

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

4.2 The official address, e-mail address and telephone number of the officers who may be contacted in case of any discrepancy in the budget proposals may also be furnished.

5. LAST DATE FOR SUBMISSION OF BUDGET PROPOSALS:

The Revised Estimates 2009-2010 and Budget Estimates 2010-2011 framed in the light of the foregoing paras may be furnished to this Department by **20th September, 2009** positively.

6. It should be noted by all concerned that if the Revised Estimates/Budget Estimates are unduly delayed, the sanctioned grant 2009-2010 will be adopted as Revised Estimates 2009-2010. Similarly, the Budget Estimates 2010-11 will also be finalised on the basis of Revised Estimates 2009-2010 by the Ministry on its own.

Yours faithfully,

(A.K.Vajpayee)

Director (Finance), Direct Taxes

Enclosure: As above

Copy to:

1. The Principal Chief Controller of Accounts (CBDT), New Delhi. It is requested that Budget proposals for RE 2009-2010 and BE 2010-11 in respect of ZAOs may be submitted, keeping in view the guidelines mentioned in this letter.

2. The Joint Secretary (Admn.), CBDT, Ministry of Finance.

(A.K.Vajpayee)

Director (Finance), Direct Taxes

F.No.7/12/2009-IFU(B&A) DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

IFU(B&A)

New Delhi, the August, 2009

Subject: Budget-Revised Estimates 2009-2010 and Budget Estimates 2010-11 –
Submission of.

As proposals for Revised Estimates for the current financial year and Budget Estimates for the ensuing year are required to be finalized before the pre-budget meeting to be taken by Secretary (Expenditure), it is requested that action may be initiated for submission of budget proposals for Revised Estimates 2009-10 and Budget Estimates 2010-11 in respect of Major Head '4059 –Acquisition of Ready Built Office Accommodation' and Major Head '4216 –Acquisition of Ready Built Residential Accommodation Flats. While Submitting the proposals, information regarding the proposals already sanctioned during the current year and proposals in

pipeline, which are likely to be sanctioned by 31.3.2010, may also be given. For the proposals in pipeline, the present stage of consideration may be indicated.

2. It has been under consideration of the Government that the requirement of funds in respect of execution of work for both office building, land, residential accommodation as well as repair and maintenance of existing office buildings and residential accommodation which was hitherto being booked under the grants of Ministry of Urban Development will be booked under the grant of Income Tax Department. Although the Budget Division vide their O.M. No.F.1(5)-B(AC)/2005 dated 12.10.2006 have not included the Income Tax Department for implementation of this procedure as yet, you may take appropriate steps to keep the requisite data in readiness and accordingly, for the Budget Estimates 2010-2011, all budgetary units may after consultation with the concerned officers of CPWD project their requirement of funds to this letter under the above categories separately as per the proforma (Statement No.IV) enclosed at Annexure –A.

3. As required under Fiscal Responsibility and Budget Management Rules, information in the prescribed format of Asset Register enclosed at Annexure – B also needs to be submitted.

4. Items proposed to be included for Outcome Budget 2010-11 may please be given in the same format as previous year (i.e. 2009-10).

Encl: Annexures 'A' & 'B'.

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(A.K.Vajpayee)

Director(Finance), Direct Taxes

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Director of Income Tax (Infrastructure)

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MOST IMMEDIATE

BUDGET MATTER

F.No.7/ 12 /2009-IFU(B&A)DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

IFU(B&A)DT

-

New Delhi, the August, 2009

Subject: Budget-Revised Estimates 2009-2010 and Budget Estimates 2010-11 –
Submission of.

As proposals for Revised Estimates for the current financial year and Budget Estimates for the ensuing year are required to be finalized before the pre-budget meeting to be taken by Secretary(Expenditure), it is requested that action may be initiated for submission of budget proposals for Revised Estimates 2009-2010 and Budget Estimates 2010-2011 in respect of infrastructure requirements of your charge.

2. Items proposed to be included in Outcome Budget 2010-11 may please be given in the same format as previous year (i.e. 2009-10).

(A.K. VAJPAYEE)

DIRECTOR(FINANCE)

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Director General of Income Tax (Systems)

MOST IMMEDIATE

BUDGET MATTER

F.No.7/ 12 /2009-IFU(B&A)DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

IFU(B&A)DT

-

New Delhi, the August, 2009

Subject: Budget-Revised Estimates 2009-2010 and Budget Estimates 2010-11 –
Submission of.

As proposals for Revised Estimates for the current financial year and Budget Estimates for the ensuing year are required to be finalized before the pre-budget meeting to be taken by Secretary (Expenditure), it is requested that action may be initiated for submission of budget proposals for Revised Estimates 2009-10 and Budget Estimates 2010-11 in respect of Major Head '4075' –Acquisition of

Immovable Property under Chapter XX-C of Income Tax Act', along with the reasons for variation between Grant & Revised Estimates and Budget Estimates. The Estimates may be furnished for expenditure as well as recoveries.

(UMESH SHARMA)

Under Secretary [IFU(B&A)DT]

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Under Secretary (OT)

MOST IMMEDIATE

BUDGET MATTER

F.No.7/ 12 /2009-IFU(B&A)DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

IFU(B&A)DT

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New Delhi, the

August, 2009

Subject: Sanctioned and existing Staff Strength of the Income Tax Department
(CBDT)

Ad.VII Section is requested to provide Sanctioned and existing Staff Strength of the Income Tax Department (CBDT) as on 31st March, 2009.

The information in this regard may please be sent to this Division latest by 30th September, 2009.

(UMESH SHARMA)

Under Secretary [IFU(B&A)DT]

The Under Secretary (Ad.VII),

CBDT

New Delhi.

IMMEDIATE

BUDGET MATTER

F.No.7/12/2009-IFU(B&A)DT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF REVENUE

IFU(B&A)

New Delhi, the 25th September, 2009

To

The Director of Income Tax (Infrastructure),
CBDT,
New Delhi.

Subject: Submission of details of works costing Rs.5 crore or above for Detailed Demands for grants 2010-11 and information regarding Assets Register.

Sir,

I am directed to refer to this Unit's letter of even number dated 15.9.2008, whereby, information regarding Asset Register on the Proforma as per Form D-4 is to be submitted. In addition to this Work Annexure – Details of individual works costing Rs.5 crore or above (format enclosed) is also required to be furnished by you.

2. It is requested that the requisite information may please be furnished to us positively by 15.10.2009.

Yours faithfully,

Encl: APPENDIX-IX-E.

(UMESH SHARMA)

Under Secretary [IFU(B&A)DT]

Tel.No. 23092258.