

1.1 INTRODUCTION

A budget is a financial plan for rationing scarce resources amongst various demands for expenditure. In Tea Board context it is the prime document through which funds are requisitioned from the government to be channelized for various activities it undertakes. It is well known that Tea Board has been created to meet the objectives laid down by the Tea Act, 1953. Accordingly, the budgetary requisitions and resultant allocations eventually get channelized to meet these requirements. The budget is prepared to estimate the expenditure that is likely to be incurred in the next financial year and report to the Government for allocation of fund for meeting such expenditure. In Tea Board the budget is developed as a framework within which complex decisions on the allocation of resources can be made more effectively. The process of budgetary control includes:

- Preparation of the budget
- Providing the Government with the budget estimates
- Obtaining funds from the Government based on the budget
- Incurring expenditure within the budgeted limit
- Revision of budgets in the light of changed circumstances and the expenditure actually incurred during the initial part of the budget period.
- Providing the Government with the revised budget estimates.
- Obtaining remaining fund from the Government based on the revised estimates.

1.1.1 FUNCTIONS

The following are the functions of a budget:

Accountability- Tea Board will be accountable to the government for spending-within limits the funds approved by the latter

Management- the budgetary innovations such as functional classifications, performance measurement through norms and measures, accounting classification and performance audit and use of quantitative techniques have become important aids to management and thus will help the Board to be more scientific in its Budgeting Process

Control- Whether the money granted by the Government are spent strictly in accordance with law or not is checked during preparation of revised estimates

Planning- by preparing a budget Tea Board can decide plan of action for the next financial year

1.1.2 BENEFITS

Budget helps Tea Board in the following ways-

- It brings about efficiency and improvement in the working of the organization.
- It is a way of motivating the employees to incur expenditure not more than prescribed limits.
- It serves as a benchmark for controlling on-going operations.
- It serves as a basis for evaluating the performance of all the directorates.

2.1 FIVE YEAR PLAN FORMULATION AND FINALISATION THROUGH EFC

Tea Board operates within the broad parameters laid down by the Tea Act and the planning and budgeting process of the government of India. The government of India has a well laid down practice of formulating '5 Year Plans' outlining its major proposed course of activities over the next 5 year period. The Tea Board has its objective laid down by the Tea Act. In order to achieve these objectives the Tea Board sets up various schemes with predefined activities and thereafter decides, 'physical targets' activity wise & year wise. These physical targets are estimates of its course of action under various schemes for various activities in line with the Tea Act. . These physical targets will in turn get converted to financial estimates, which the Board is required to furnish before the Ministry in the form of EFC Memos. (Expenditure Finance Committee)

2.1.1 EFC MEMO PREPERATION PROCESS

The Tea Board calls for a review meeting in the third quarter of the last financial year of the previous 5 Year Plan. In this meeting all stakeholders are invited to discuss primarily on the following aspects concerning Tea Industry.

- Development
- Research
- Market promotion
- Licensing & Regulation.
- Human Resource Development

Accordingly the stakeholders who are called for this meeting include the following

- Tea Manufacturers represented through their associations like Darjeeling Tea Association and Indian Tea Association
- Researchers and research agencies researching on Tea like Tea Research Association
- Major Tea exporters
- Any other person Tea Board feels necessary for this purpose

Observations emerging during mid term evaluation of plan schemes during previous plan periods are also analysed and incorporated.

In addition any observation on plan schemes by the Parliamentary Steering Committees or Public Accounts schemes are also analysed and incorporated in EFC proposals for the next plan period.

In addition to the stakeholders' meeting inputs are taken from field offices as to the type and amount of physical activities that is likely to take place. On aligning the needs of the stakeholders with the realities of the field, the EFC Memos are formulated.

After taking these inputs priorities are decided and a tentative EFC memo is prepared and sent for Board's approval. Once approved by the Board it is sent to the Ministry for its approval. Once the Ministry approves, these becomes a firm document for the 5 years in question. The approved EFC will have the annual physical & financial allocations indicated in it.

The approved EFC becomes the base for all future activities, budget and estimates for the entire period of 5 Year Plan covered in this. The subsequent annual budgets are an outcome of this EFC. The EFC exercise is thus a very important and fundamental step towards subsequent annual budgets as well as nature of activities that Tea Board will undertake in the years to come.

Since the EFC gives annual outlooks for all the 5 years under its purview, the maximum amount that can be spent in each of the 5 years is also mentioned therein.

In any of the subsequent annual budgets one will need to ensure that the amount estimated as the proposed expenditure of the year in question will need to be in line with lesser than this maximum amount stipulated in the EFC for that particular year. However, annual variations are subject to adjustment within the overall ceilings for the 5 year period for the plan.

The format of EFC is given in the subsequent pages. This is in line with the present format in practice as used by Tea Board and approved by ministry. Names of schemes and activities have been kept generic.

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EFC MEMORANDUM

TEA DEVELOPMENT & PROMOTION SCHEME

FOR

____ PLAN

[____ TO ____]

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TEA BOARD

(GOVT. OF INDIA, MINISTRY OF COMMERCE AND INDUSTRY, DEPARTMENT OF COMMERCE)

14.B.T.M.SARANI,

KOLKATA-700 001.

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PROJECT IDENTIFICATION

1.1. TITLE OF THE PROJECT/SCHEME:

**1.2. NAME OF THE SPONSORING AGENCY
(MINISTRY/DEPARTMENT/ /CENTRAL PSE):**

MINISTRY: COMMERCE AND INDUSTRY

DEPARTMENT: COMMERCE

AUTONOMOUS BODY: TEA BOARD

1.3. PROPOSED DURATION OF THE PROJECT:

FIVE YEARS OF ___PLAN: APRIL ____ TO MARCH ____

1.4. TOTAL COST OF PROJECT OVER THE PROPOSED DURATION: RS. ____

2. PROJECT STATUS :

2.1 PLEASE INDICATE WHICH CATEGORY THE PROJECT BELONGS TO:

(A) CONTINUING SCHEME FROM PAST PLAN PERIODS AND INCLUDED IN CURRENT PLAN PERIOD.

(B) NEW PLAN SCHEME INCLUDED IN THE CURRENT PLAN PERIOD

(C) NEW PLAN SCHEME NOT INCLUDED IN THE CURRENT PLAN PERIOD

(D) RCE PROPOSAL

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2.2 IF THE PROJECT TO CATEGORY 2.1 (A), PLEASE SUMMARIZE THE BENEFITS ALREADY ACCRUED AND EXPENDITURE ALREADY INCURRED ALONG WITH AN INDEPENDENT EVALUATION OF THE PAST PERFORMANCE OF THE PROJECT SCHEME.

THE SUMMARY OF ACTIVITIES SUPPORTED, PHYSICAL ACHIEVEMENTS AND THE FUNDS DISBURSED DURING THE ____PLAN PERIOD (_____) ARE FURNISHED IN THE TABLE -_ & 2

TABLE-__ : ACTIVITIES SUPPORTED AND PHYSICAL ACHIEVEMENTS DURING __ PLAN

	ACTIVITY	UNIT	TARGET	ACHIEVEMENT
1		HECTARE		
2				
3				
4				
5		NUMBERS		
6				
7				
8				
9		M.KG		

REASONS FOR LESS PHYSICAL ACHIEVEMENTS AGAINST THE TARGETS AGAINST ____ & ____: (CASES WHERE THERE WERE LESS PHYSICAL ACHIEVEMENTS)

- I. **ACTIVITY 1:** _____
- II. **ACTIVITY 2:** _____
- III. **ACTIVITY 3 :** _____

TABLE-_: ACTIVITIES SUPPORTED AND FINANCIAL ACHIEVEMENTS DURING _ PLAN

(APPROVED OUTLAY WAS RS.____. FUND RECEIVED WAS RS. ____)

RS. IN CR

	ACTIVITY	ALLOCATION	RECEIVED	DISBURSED
1				
2				
3				
4				
5				

6				
7				
8				
	TOTAL			

EVALUATION OF THE SCHEME:

THE ACTIVITIES FOR WHICH FINANCIAL SUPPORT WAS GIVEN AND SHOWN IN TABLE(_ & _) DURING THE __PLAN PERIOD WERE COVERED UNDER THE BELOW NOTED ____ STAND ALONE SCHEMES.

1. SCHEME 1
2. SCHEME 2 .. ETC

ACTIVITIES SUPPORTED DURING __ PLAN PERIOD, CHANGES/MODIFICATIONS PROPOSED FOR __ PLAN PERIOD

1. ACTIVITY 1

TABLE-__

SL .N O	ACTIVITY SUPPORTED DURING __ PLAN	CHANGES /MODIFICATION PROPOSED FOR __ PLAN
1	CHANGE IN THE ACTIVITY	
		1.
2	NEW ACTIVITY 1	
3	NEW ACTIVITY 2	

2. ACTIVITY 2

TABLE-__

SL .N O	ACTIVITY SUPPORTED DURING __ PLAN	CHANGES /MODIFICATION PROPOSED FOR __ PLAN
1		

ETC

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6. NEW SCHEME (IF ANY) PROPOSED UNDER ___ PLAN

IT IS A NEW COMPONENT PROPOSED FOR IMPLEMENTATION DURING ___ PLAN PERIOD.

ONE OF THE PRIMARY FUNCTIONS OF THE TEA BOARD IS TO REGULATE THE ACTIVITIES OF THE VARIOUS STAKEHOLDERS IN THE CULTIVATION OF TEA AND ITS BUSINESS IN ACCORDANCE WITH THE PROVISIONS _____

3.2 THE ALTERNATIVES THAT HAVE BEEN CONSIDERED BEFORE FIRING UP THE DESIGN OF THE PROJECT MAY BE STATED. (THIS SHOULD ALSO INCLUDE ALTERNATE MODES OF PROJECT DELIVERY, E.G. OUTSOURCING PPP ETC. THAT HAVE BEEN CONSIDERED).

3.3 PLEASE STATE WHETHER THE PROJECT PROPOSAL HAS OBJECTIVES AND COVERAGE WHICH OVERLAP WITH PROJECTS/SCHEMES BEING IMPLEMENTED BY THE SAME OR ANOTHER AGENCY (MINISTRY/DEPARTMENT/STATE GOVERNMENT). IN CASE OF OVERLAP, PLEASE STATE WHY THE PROJECT SCHEME NEEDS TO BE CONSIDERED AS A SEPARATE STAND ALONE EFFORT.

4. PROJECT OBJECTIVES AND TARGETS

4.1 THE OBJECTIVES OF THE PROJECT MAY BE MENTIONED. THESE OBJECTIVES SHO
JUSTIFICATION.

1. _____
2. _____

4.2 THE EXPECTED DATE OF THE PROJECT/SCHEME COMPLETION MAY BE STATED. THIS SHOULD BE REALISTIC AND SUPPORTED WITH A CHART INDICATING TIMELINES FOR THE IMPORTANT ACTIVITIES, WITH A CRITICAL PATH ANALYSIS, IDENTIFYING THE MAIN CONSTRAINTS.

THE DURATION OF THE SCHEME IS FIVE YEARS. COMMENCING FROM 1ST APRIL _____, THE PHYSICAL TARGETS PROPOSED ARE EXPECTED TO BE COMPLETED BY 31ST MARCH _____. THE TIMELINES (YEAR WISE TARGETS) FOR THE VARIOUS ACTIVITIES ARE SHOWN IN TABLE-12

TABLE-____ PHYSICAL TARGETS FOR __ PLAN PERIOD

SL. NO.	SCHEME/ACTIVITIES	20__ - —	20__ - —	20__ - —	20__ - —	20__ - —	TOTAL
1	SCHEME 1						
	ACTIVITY 1						
	ACTIVITY 2						
	ACTIVITY 3						
	2 SCHEME 2						
	ACTIVITY 1						
	ACTIVITY 2						

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4.3 THE SPECIFIC TARGETS PROPOSED TO BE ACHIEVED OF THE PROJECT / SCHEME MAY BE MENTIONED. THESE TARGETS SHOULD BE NECESSARY MEASURABLE. THESES SHOULD ALSO BE MONITORABLE AGAINST BASELINE DATA. THE BASELINE MAY BE INDICATED.

5. PROJECT DESIGN

5.1 BRIEFLY EXPLAIN THE PROJECT DESIGN. THIS SHOULD INCLUDE ALL COMPONENTS OF THE PROJECT.

DESIGN OF THE SCHEME:

5.2 IN CASE THE PROJECT OR SCHEME IS LOCATION SPECIFIC, PLEASE STATE THE BASIS FOR SELECTION OF SUCH LOCATION.

5.3 IF THE PROJECT INVOLVES CREATION/MODIFICATION OF STRUCTURAL AND ENGINEERING ASSETS OR CHANGE IN LAND USE PLANS, DISASTER MANAGEMENT CONCERNS AS BROUGHT OUT IN OM NO. 37(4)/PF-II/2003 DATED 19-06-2009 SHOULD BE ASSESSED. A SELF CERTIFICATION IN THIS REGARD MAY BE ENCLOSED WITH THE EFC MEMO.

5.4 IN CASE OF BENEFICIARY ORIENTED PROJECT / SCHEME, THE MECHANISM FOR IDENTIFICATION OF THE BENEFICIARY AND THE LINKAGE OF BENEFICIARY IDENTIFICATION WITH UID NUMBERS MAY BE INDICATED AS ADVISED IN O.M. NO. 1(3)/PF-II/2001 DATED 09.08.2010.

5.5 WHEREVER POSSIBLE, THE MODE OF DELIVERY SHOULD INVOLVE THE PANCHAYATI RAJ INSTITUTIONS AND URBAN LOCAL BODIES. WHERE INTENDED, THE PREPAREDNESS AND THE ABILITY OF THE PANCHAYATS FOR EXECUTING THE PROJECT MAY BE INDICATED. IF EXCEPTIONS ARE TO BE MADE, THE REASONS MAY BE EXPLAINED.

5.6 IN CASE THE PROJECT INVOLVES LAND ACQUISITION OR ENVIRONMENTAL CLEARANCES, THE STATUS IN THIS REGARD MAY BE INDICATED.

5.7 THE LEGACY ARRANGEMENTS AFTER THE SCHEDULED PROJECT DURATION MAY BE MENTIONED. IN CASE THE PROJECT CREATES ASSETS, ARRANGEMENTS FOR THEIR MAINTENANCE AND UPKEEP MAY BE STATED. (FOR EXAMPLE THE PROJECT ASSETS MAY BE TAKEN OVER AND MAINTAINED BY THE STATE GOVERNMENTS/ PRIS ; ULBS).

5.8 WHETHER THE GUIDELINES OF BUREAU OF ENERGY EFFICIENCY AND OTHER RELATED GUIDELINES FOR ENERGY EFFICIENT BUILDINGS ETC. HAVE BEEN CONSIDERED/COMPLIED WITH.

5.9 WHETHER THE PROJECT IS SECURED AGAINST Natural / man-made disasters like floods, cyclones, earthquakes, tsunamis etc.

6.0 Project/Scheme Cost

6.1 Please provide the project cost estimate for its scheduled duration along with a break-up of y segregated into non-recurring and recurring expenses. It may also be indicated whether land is ne providing for it, and in case the cost of land is to be booked to the project, whether it has been includ

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The component-wise estimated cost for implementing the scheme during the 5 years of ____ Plan period along with breakup of year wise, are shown in Table-____ below. It may be noted that the scheme would not be requiring any land and therefore question of taking the cost of the land under the scheme cost does not arise.

Table-__

The component-wise estimated cost and the year wise break: Rs. Cr

Sl. No.	Activity	20__-__	20_ - __	20_-__	20_-__	20_ - __	Total

Breakup of the individual components of the scheme are given below :

Table- ____ : Rs. crores

Plan						
20__-__						
20_-__						
20_-__						

Total						
20__-__						
20__-__						
20__-__						
20__-__						
20__-__						
Total						
Totals for __ plan including spillover from __ Plan						
20__-__						
20__-__						
20__-__						
20__-__						
20__-__						
Total						
Spillover to ____ (+1) Plan						
20__-__						
20__-__						
20__-__						
Total						

6.2 Estimated expenditure on project administration including expenses on consultants, etc.) may be

6.3 The basis of these cost estimates along with the reference dates for normative costing may be provided. The firmness of the estimate may be indicated along with the cost components that can vary, the factors that could cause the variation and the extent of the expected variation.

For replanting/ replacement planting/ extension planting (new areas for organic tea cultivation and Rejuvenation and conversion of conventional area for organic tea production

6.4 In case the project / scheme involves payout of subsidy, the year wise expected outgo, upto the last year of payout, may be indicated.

6.5 In case the project/scheme intends to create capital assets, employ specialized manpower or involves other activities that necessitate a Recurring Cost of Capital Expenditure (RCCE) (e.g., maintenance and upkeep costs of assets, salary costs of manpower, etc.) over the lifetime of the asset, such expenditures, on an annual basis , may be indicated in the project proposal.

6.6 It may also be stated whether the agency which would be assigned this legacy responsibility has been consulted and has agreed to bear the continuing recurring expenditure. (e.g., the State Governments may need to incur the maintenance and upkeep costs of assets created under Plan Schemes.

6.7 The cost towards salary/fees/emoluments of the project human resources as being proposed should be indicated (procedure for seeking approval of the human resource requirements is however detailed at para 7 below).

6.8 The component of the costs mentioned at 6.1 – 6.7, that will be shared by the State Governments may be indicated.

6.9 In the event of fund transfer being made to State Governments/local bodies or other organizations, “grants for creation of capital assets” may be indicated separately.

Project Human Resources

- 1 Please indicate whether the nodal officer directly in charge of the project has been identified. Details in executing similar projects and balance tenure left for steering the project may also be mentioned
-

- 2 In case posts (permanent or temporary) are intended to be created such proposal may be sent on file to Personnel Division of Department of Expenditure separately. Such proposals may be sent only after the overall project proposal is recommended by the appropriate appraisal body (SFC, EFC, etc.)
-

- 3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be indicated. It may also be certified that the relevant GFR provisions will be followed which engaging the agency/consultant.
-

- 4 In case additional manpower requirement, please indicate the phased requirement over the project timeline (i.e. year-wise break-up of the manpower requirement).
-

Project Financing

- 1 The source of financing for the project may be indicated. In case of project already included in the FYP, the specific earmarking may be mentioned. In case of any deviations from this quantum, the sponsoring agency may indicate how the gap will be addressed.
-

- 2 The availability of funds in the budget of the present year and the requirements project may be mentioned. In case of any deviations, please indicate how the gap will be addressed.
-

- 3 If external sources are intended, the sponsoring agency may indicate whether such fund have beer not available, alternate plans for arranging funds may be indicated.

-
- 4 Whether the funding requirements have been fully tied up with Planning Commission may be indicated.
-

Project viability

- 1 In case of project which have identified stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate is considered at 12%.
-
- 2 In case of projects where financial returns are not readily quantifiable (typically social development projects), the economic rate of return may be estimated.
-

Project implementation and monitoring

- 1 The administrative structure of implementing the project may be stated.
In case new structures/entities etc. is by and large to be avoided. In case new structures are intended to be created for administering the scheme, the details of such structures and specific justification for the same may be provided. Such new structure should be proposed only it is has been established after due analysis, that existing structures cannot be levered for the proposed/ additional work.
-

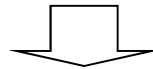
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- 2 A flow chart for the intended fund flow mechanism may be indicated.
Funds flow for all schemes/projects in states should ordinarily be through the State Government.

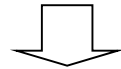
Ministry of Commerce



Tea Board



Zonal offices



Beneficiaries

3 The monitoring framework for the project/scheme may be indicated. The arrangements for audit of the project be stated.

. Project / Scheme sensitivities

.1 Any foreseeable constraints/uncertainties which can affect the technical design, costing and implementation of the project may be indicated.

11.2 The likely impact of these constraints/ uncertainties on the project parameters may be stated. In particular, the sensitivity of the project cost, project schedule and project viability towards the possible constraints/ uncertainties may be mentioned.

.. Project period

.1 The expected date of project completion may be stated. This should be realistic and supported with PERT chart of the important activities, with a critical path analysis, identifying the main constraints.

..2 The project closure date should be also indicated beyond which further government support/ disbursal of funds will not be required

2.3 A time line for the project deliverables (i.e. measurable deliverables phased year-wise) may be include

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RCE proposals : Not applicable to instant scheme

1.1 Details of physical progress achieved and expenditure incurred and commitment made so far may be given.

3.2 Date of latest approved, revised and proposed completion schedule of the project along with time overrun and reasons thereof may be elaborated.

3.3 Item-wise cost variance between approved (latest) cost and revised cost as propose may be given.

3.4 Reasons of increase in cost may be given in the following manner.

- (a) Price Escalation**
- (b) Foreign Exchange variation**
- (c) Statutory levies**
- (d) Change in Scope**
- (e) Addition/deletion**
- (f) Under-estimation**
- (g) Other (to be specified)**

3.5. The underlying justification for increases in cost due to various factors may be explained

13.6. Effect of revision in capital cost estimates on cost of production and profitability / viability with reference to earlier approved capital cost of the project.

13.7. Report of Standing Committee to fix the responsibility for cost and time

overrun along with action taken report on its recommendations may be appended with the EFC/PIB memo.

3.1 ANNUAL BUDGET FORMULATION

The annual budget exercise is a subsidiary process of the approved EFC document. The EFC document defines the broad activities scheme wise of Tea Board for the 5 years of the 5 Year Plan to which it relates. Now, the annual physical and financial targets are set in line with this approved EFC.

For this exercise, inputs are taken from field offices as to what would be the likely volume of activity, for every scheme that is likely to take place in the subsequent financial year. Such inputs are collated and then arranged activity wise. Hence, the total number of physical task for each activity is computed. This needs to be cross checked with the approved EFC to see if it is within the broad limits set down.

Passing of Annual Budget provides authority to Tea Board to spend money on various activities. Usually it takes time so Ministry approves “Vote on Account” on the basis of which Board is allowed to spend 1/6th of the Previous Year’s Budget.

Timelines: - For the year in totality Board submits one Budget Estimate (BE) whereby Board raises its Fund requisition for the entire Financial Year. During the first year of any Plan Period BE is sent before the beginning of Financial Year. Second year of Plan Period onwards every year BE/RE , BE for next Financial year and RE for Current Financial Year is prepared and sent to the Ministry in the month of September. BE for next financial year gives projections of fund requirement for next financial year, whereas, RE for current financial year is an attempt to fine tune the requirement of fund for the current financial year as a mid course review activity.

Purpose of Budget Estimates (BE)

The Budget estimates serve two purposes:

- (a) Their primary function is to forecast the expenditure of the ensuing year, and thus to enable Government to make the necessary arrangements for financing the activities of the Board; and
- (b) As finally passed, they fix the allocations at the disposal of Directorates for expenditure in the ensuing year.

An over-estimate of expenditure under any one Scheme reduces the amount which can be treated as available for other Schemes while an under-estimation of expenditure or the omission of items of outlay which are likely to be incurred under the Plan Schemes can be remedied later only by postponement of other items of expenditure for which provision has been duly made. It is consequently of great importance for the Board that expenditure estimates should be accurately framed, programs involving new expenditure should be carefully worked out before the Budget Estimates are forwarded and no admissible charges which are likely to be incurred should be omitted.

Purpose and basis of the Revised Estimates

The revised estimates of expenditure are mid course corrective activity. They review the base of expenditure incurred till September and help in providing projections till the end of Financial Year. The RE once approved by the Ministry becomes the benchmark for expenditure for that particular year. It provides with the allocations of funds under different heads for that particular financial year.

Steps for preparation of Plan Budget

Step 1: Scheme Wise Estimation of expenditure is to be made-

The Board should estimate its expenditure for all the schemes. The major heads of expenditure varies from scheme to scheme as the activity of each scheme is different. They are broadly divided into grant and subsidy schemes. The estimation is to be made separately for North Eastern and other than North Eastern regions.

The maximum ceiling of Physical Targets is already defined by the EFC Memos. However, achieving it may or may not be possible, hence an estimation is to be done annually. The figures estimated should be supported with cogent reasons. Every amount estimated should be arrived at only after field inspection, on the basis of number of cases sanctioned, number of cases processed but waiting for sanction, number of cases applied for and under various stages of processing and anticipated number of cases which the Board may receive in the particular year and re-verifying it with Physical Targets given in EFC Memos

While framing the estimates the following should be taken into consideration so as to minimize the scope for available surrenders at a later stage:

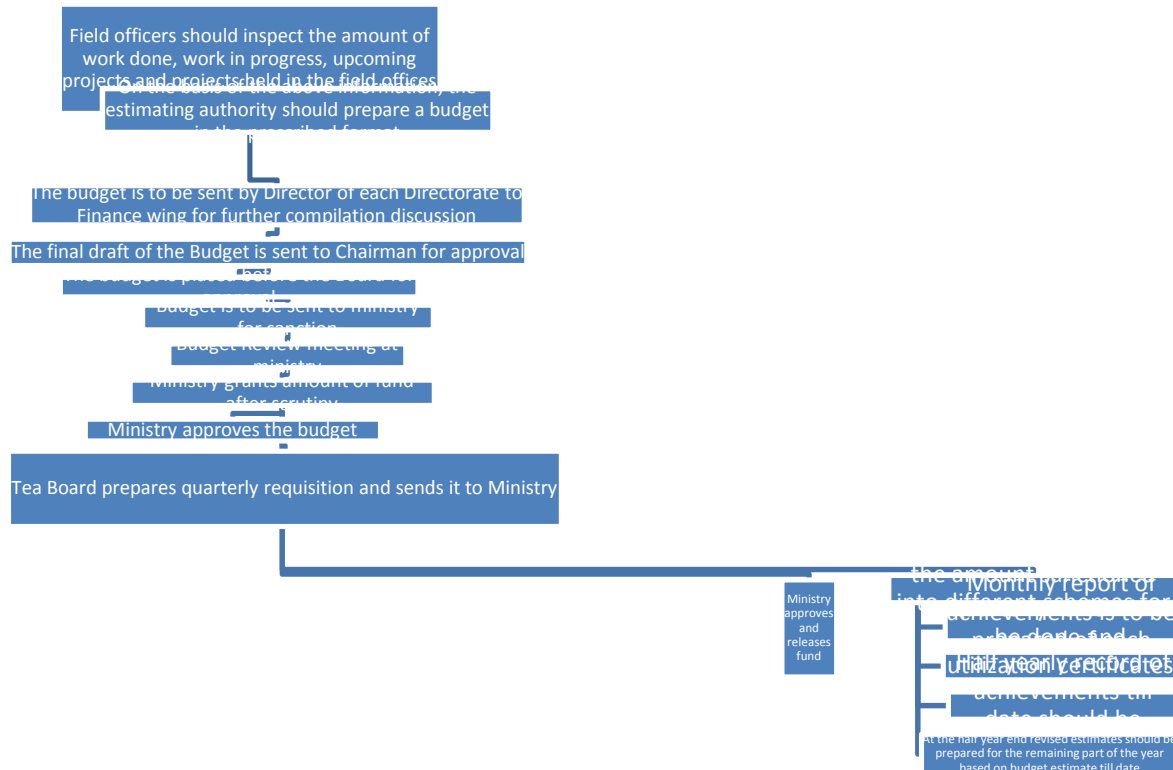
- Past performance
- The stages of formulation/implementation of the various schemes
- The institutional capacity of the Board to implement the scheme as scheduled
- The constraints on spending by the Board
- The quantum of Government assistance lying unutilized with the Board
- Estimates of committed expenditure
- Latest actual during current year
- Actual in past year/previous years
- Appropriations contemplated during remaining part of the year, or any sanction to expenditure issued/proposed to be issued during the remaining part of the year
- Explanations for variations between BE and RE, scheme wise separately and any increase/decrease should also be explained.
- Any other relevant factor

Surrender of savings

Any Anticipated Savings from the Funds received by the Government is to be surrendered to the Ministry of Financial Year. The Ministry is required to communicate the Acceptance of the Surrendered Funds received

Reserved for expected future expenditure. Rush of expenditure, particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided.

Memorandum of Understanding (MOU) is to be signed by the Board every year with the Government of India indicating its performance obligations. The performance is mentioned under different ratings viz. excellent, very good, good, fair and poor. The MOU with its parameters and rating scheme of parameters forms the basis for benchmarking operating performance.



Step 2: Source of fund should be determined which in case of Tea Board are-

- ✓ Government Grant- the Board gets grant from the Government under different heads as defined in the table below
- ✓ Internal Extra Budgetary Resources(IEBR)
- ✓ **CODING STRUCTURE**

Major Head	2407	Plantation			
	Sub-Major Head	2407.01	Plantation-Tea		
		Minor Head	2407.01.015	Payment against collection of cess	
		Sub-Minor Head	2407.01.015.01	Payment against collection of cess-Tea Board	
			Sub-Sub Minor Head	2407.01.015.01.00.31	Grants-in-aid-General (Non-Plan)
			Sub-Sub Minor Head	2407.01.015.01.00.36	Grants-in-aid-Salary (Non-Plan)
		Minor Head	2407.01.016		Subsidy for Re-plantation
		Sub-Minor Head	2407.01.016.01	Subsidy for Re-plantation-Tea Board	
			Sub-Sub Minor Head	2407.01.016.01.01.33	Subsidies (Plan-Other than North East)
		Minor Head	2407.01.789		Schedule Caste Sub Plan
		Sub-Minor Head	2407.01.789.01		Schedule Class Sub Plan-Tea Board
			Sub-Sub Minor Head	2407.01.789.01.00.33	Schedule Caste Sub Plan-Subsidies
		Minor Head	2407.01.800		Other Expenditure
		Sub-Minor Head	2407.01.800.01		Other Expenditure-Tea Board (R&D)
			Sub-Sub Minor Head	2407.01.800.01.0:	

			Sub-Sub Minor Head		2401.01.800.01.01.35	Grants-in-aid for creation of Capital Asset(R&D)
	Sub-Major Head	2407.10	Payment to Tea Board under Development fund for tea sector			
		Minor Head	2407.10.00.31		Grants-in-aid General	
		Minor Head	2407.00.35		Grants for creation of capital asset	
Major Head	2552	North Eastern Areas				
	Sub-Major Head	2552.00	North Eastern Areas-Tea-Other Expenditure			
		Minor Head	2552.00.223	Tea- Other Expenditure		
		Sub-Minor Head	2552.00.223.01	Assistance to Tea Growers and Others		
			Sub-Sub Minor Head	2552.00.223.01.00.33	Assistance to Tea Growers and Others-Subsidies	
		Sub-Minor Head	2552.00.223.02	Research & Development		
			Sub-Sub Minor Head	2552.00.223.02.00.31	Grants-in-aid-General	
			Sub-Sub Minor Head	2552.00.223.02.00.35	Grants-in-aid for creation of Capital Asset(R&D)	

✓

Step-3 Structure of Budget is to be prepared

Every Directorate is supposed to give their inputs through their Director and on the basis of this the finance wing compiles and prepares the Budget to be approved by the Chairman/Board before sending it to Ministry for consideration.

Below given is the current structure of Revised Budget Estimate prepared by Tea Board:

Revised Estimate (RE)

Financial Rs. (Lakhs)

		Activity 1	Activity 2	Activity 3	Activity 4	Sub Total
1	Payment Already Made					
	HO/Kolkata					
	Regional Office					
	Total					
2	Voucher Already Made					
	HO/Kolkata					
	Regional Office					
	Total					
3	Inspection Report processed for sanction					
	HO/Kolkata					
	Regional Office					
	Total					
4	Inspection Report yet to be sanctioned					
	HO/Kolkata					
	Regional Office					
	Total					
	Region wise Total					
1	HO/Kolkata					
2	Regional Office					
5	Fresh cases expected in the next 6 months					
	HO/Kolkata					
	Regional Office					
	Total					
	G. Total					

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Budget Estimate (BE) 2012-13						
	Inspection report expected to be received					
1	HO/Kolkata					
2	Regional Office					

In the above table, anticipated inspection reports are based on the applications received by Field offices, No Objection Certificates (NOC) issued, number of cases sanctioned but not disbursed and number of cases expected to be received.

1.6 Outcome Budget

An outcome budget measures the development outcomes of all government programs. For instance, it will tell a citizen if money has been allocated for building a primary health centre, has indeed come up. In other words it is a means to develop a linkage between the money spent by a government and the results which follow.

The concept has developed in many democracies to make budgets more cost effective. According to experts it signals the emergence of an important tool for effective government management and accountability. Earlier there have been efforts to bind government expenditure to results, like zero based budgeting. But experts acknowledge that an outcome orientation is a better means to achieve the same objective.

How will it change the way the Tea Board works?

The Outcome Budget will discipline the Board in their spending by ensuring that they do not stagger it towards the last quarter of the fiscal.

The Outcome Budget is also aimed at changing the orientation and accountability of the Board officials. The idea is to make Board Officials more result-oriented and keep them from delaying projects and asking for more expenditure to meet the spiraling costs. The focus will shift from 'outlays' to 'outcome.'

It helps the Board make its budgets more cost effective, doubles up as a major device to fix accountability, and the Board to manages its schemes better.

The Outcome Budget will also help gauge the effectiveness of the money spent on various heads by the Tea Board. It will also help ensure that programs and schemes do not continue indefinitely from one Plan period to the next, without an independent, in-depth evaluation.

The Outcome Budget is expected to ensure efficient service delivery, transparency and accountability.

Which schemes will be under the Tea Board Outcome Budget?

For starters, all Plan schemes will come under the Outcome Budget as it is much simpler to associate expenses with the results achieved in such development programs.

Plan expenditure is an expenditure that the Board plans to incur on a scheme to be implemented in a given year. For example, in the year 2003-04 (as per the revised estimates for that year), the Board had been allocated Rs 2,588.62 crore (Rs 25.886 billion). This expenditure that was incurred for providing tractors to various Tea Gardens came in as a part

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TABLE -1 Man power of the Board in India and abroad as on 31.03.2012

	Group	A	B	C	D	Total
1	Head Office					
2	Regional/ Offices					
3	On deputation to Tea Board					
4	on deputation to other organization					
	Total					

MAJOR PROGRAMMES/SCHEMES:

XXX Plan Schemes:

The following _____ schemes have been proposed for implementation during the _____ Five Year Plan period.

1.	Scheme 1
2	Scheme 2
3	Scheme 3

The objectives of the schemes and the approved outlay for the ____ Plan period are as under:

Sl. No.	Name of the Scheme	Proposed outlay for ___ Plan (Rs. Crores)	Objective
1.	Scheme 1		
2	Scheme 2		
3	Scheme 3		
	Total		

Programmes benefiting women:

SC/ST sub-Plan:

Physical Performance during Yr (upto December)

	Activity	Target	Achievement	% achievement during __-__ Upto Dec __
1	Activity 1			
2	Activity 2			
3	Activity 3			

Expenditure during (upto December,):

Chapter –II

Department of Commerce

Statement of Outlays and Outcomes/Targets (__ - __)

Sl. No.	Name of the Scheme/ Programme.	Objective /Outcome	Outlay __ - __ (Rs. Cr.)	Quantifiable Deliverables/ Physical Outputs	Projected Outcomes	Processes /Timelines	Remarks /Risk Factors
1.	2.	3.	4.	5.	6.	7.	8.
	Tea Board		Budget				
			Non-Plan	Plan			
	1. Activity 1						
	2. Activity 2						
S No.	Name of the Scheme/ Programme.	Objective /Outcome	Outlay __ - __ (Rs. Cr.)	Quantifiable Deliverables/Physical Outputs	Projected Outcomes	Processes /Timeline s	Remarks /Risk Factors
1	2	3	4	5	6	7	8
i.	Scheme 1						
	• Activity 1						
	• Activity 2						
ii.	Scheme 2						
	• Activity 1						
	• Activity 2						

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Chapter III: Reform measures and New Policy initiatives in Tea Sector:

A. Reform measures in Tea Sector:

1. Scheme 1
2. Scheme 2

CHAPTER IV - REVIEW OF SCHEME WISE PERFORMANCE DURING __-__ (April __- December __)

TEA BOARD

Department of Commerce

S I N o	Name of the __ Plan Schemes	__ Plan outlay (Rs in Crore)	__ Plan Physical Major Targets	Targets __-__		Achievements- __-__		Targets __-__ (as per BE-__-__)		Achievements- __-__ (Upto 31 st December, __)	
				Fin	Phy	Fin	Phy	Fin	Phy	Fin	Phy
1	Scheme 1										
1 . 1											
2 . 1	Scheme 2										

1.7 Gender Budgeting

A gender responsive budget is a budget that acknowledges the gender patterns in society and allocates money to implement policies and programs that will change these patterns in a way that moves towards a more gender equal society.

The constitution of India provides for equal right to men and women. However, the reality at ground is different. Women in India are subject to discrimination, abuse and lack of privileges, she is entitled to. To do away with these inequalities, the Ministry of Women and Child Development provided for an initiative on “gender budgeting”. Under this initiative, it was proposed that all government spends should be equitably allotted to men and women, in a manner that women are no longer deprived.

To ensure this, the budgeting exercise, which forms basis for all government spends should have allocations and outlays in a manner that no discrimination is done against women.

It works in this manner. The funds are to be allotted for any government activity. Though the allotment is basically activity oriented, it has to be seen what the target audience is for this spend and how much of it relates to women. Accordingly, the allocation will have to be done in a manner to ensure that equal opportunities are given to women in terms of budgetary allocations

Though the activities of Tea Board are not Gender specific still it should provide for Gender Budgeting in its Budgetary Process. However, on the basis of the objectives visualized in Gender Budgeting Tea Board should provide for the same in its budget.

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RE (Current Year) and BE (Subsequent Year) for Plan Schemes for Tea Board,
MOC&I, Kolkata

HEAD	ACTUAL (Previous Year)	BE (Current Year)	RE (Current Year)	BE (Subsequ ent Year)	PLAN OUTLAY
					For Plan
Plan Development Schemes	-	-	-	-	-
PDS	-	-	-	-	-
SPTF	-	-	-	-	-
SCSP	-	-	-	-	-
QUPDS	-	-	-	-	-
QUPDS+SCSP	-	-	-	-	-
Orthodox	-	-	-	-	-
MPS	-	-	-	-	-
HRD	-	-	-	-	-
SGDS	-	-	-	-	-
NPTR	-	-	-	-	-
R&D	-	-	-	-	-
Total	-	-	-	-	-