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GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

DELEGATION OF FINANCIAL POWERS RULES, 2024

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PREFACE

Delegation in general, and delegation of financial powers in particular, is an important determinant of efficiency in large organisations. Recognizing the need for a contemporary framework that fosters quicker and more efficient decision-making without loss of control, the Delegation of Financial Powers Rules 2024 has been formulated as a replacement for its predecessor, the Delegation of Financial Powers Rules 1978.

The exercise of revising the Delegation of Financial Powers Rules began with a critical examination of the 1978 Rules. Some of the provisions were perceived as complex and occasionally ambiguous. A comprehensive revision, therefore, became imperative.

A key objective of the Delegation of Financial Powers Rules 2024 is simplicity and ease of understanding. The aim is to empower users with a framework of rules that is not only comprehensive but also easily navigable, so that financial decision-makers at all levels can comprehend and execute their responsibilities with clarity. The rules have also been designed to accommodate updates and modifications in a timely manner, making them adaptive and responsive to future needs.

To facilitate agile financial decision-making, the Delegation of Financial Powers Rules 2024 allow greater autonomy to various levels of authority, and reduce bottlenecks. They aim to empower departments and individuals, fostering a sense of ownership and responsibility for financial decisions.

(Dr. T. V. Somanathan)
Finance Secretary & Secretary (Expenditure)
Government of India

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Rule 1: Short title and commencement-

(1) These rules may be called the Delegation of Financial Powers Rules, 2024.

(2) They shall come into force with effect from the 1st day of April, 2024.

Rule 2: Power to Relax- The President being satisfied that it is necessary or expedient so to do may, by general or special order, -

(a) relax all or any provisions of these rules in relation to any authority;

(b) delegate to any authority powers in addition to the powers delegated under these rules;

(c) reduce the powers delegated to any authority to such extent as may be specified in the order;

(d) impose conditions in addition to those specified by these rules; and

(e) withdraw from any authority all or any of the powers delegated under these rules.

Rule 3: Definitions-

(1) In these rules, unless the context otherwise requires –

(a) "**Administrator**" means an Administrator of a Union territory, by whatever name designated, appointed under Article 239 of the Constitution;

(b) **"Annexure"** means the Annexure appended to these rules;

(c) **"Appropriation"** means the assignments of funds to defray charges in respect of services indicated voted or charged section;

(d) **"Competent Authority"** means, in respect of the power to be exercised under any of these rules, the President or such other authority to which the power is delegated by or under these rules, or any other general or special rules or orders issued by the Government of India;

(e) **"Department of the Government of India"** means any of the Ministries, Departments, Secretariats and Offices as notified from time to time and listed in the First Schedule to the Government of India (Allocation of Business Rules) and the Vice-President's Secretariat;

(f) **"Finance Ministry"** means the Department of Expenditure, Ministry of Finance of the Government of India:

Provided that in any Department of the Government of India where the Scheme of Integrated Financial Adviser is in force, the Integrated Financial Adviser of that Department, will, subject to supervision by Finance Ministry, exercise all or any of the powers delegated by Finance Ministry.

(g) **"Head of the Department"** means an authority or person (not below the rank of Deputy Secretary to the Government of India and equivalent), declared by the Department concerned, in the Government of India, as a Head of the Department (HoD) in relation to an identifiable establishment or establishments to exercise the financial powers delegated to him under these rules;

(h) **"Head of Office"** means a Gazetted Officer designated as such, subordinate to Administrators and Heads of Departments;

(i) **"Ministry of Finance"** means the Departments concerned with the subject matter in the Ministry of Finance;

(j) **"Projects"** means one-time expenditure resulting in creation of capital assets or otherwise, which could yield financial or economic returns or both and such projects may either be separate or part of an approved Scheme;

(k) **"Re-appropriation"** means transfer, by a Competent Authority, of funds from one primary unit of appropriation to another to meet additional expenditure within the same Section (Revenue Section and Capital Section) of the grant or Appropriation;

(l) **"Recurring expenditure"** means expenditure which is incurred at periodical intervals for the same purpose and the expenditure other than recurring expenditure is non-recurring expenditure;

(m) **"Schemes"** means programmes through which Departments of the Government of India spend resources for delivering goods or, services or both.

(2) The terms and expressions used in these rules and not defined here but defined in the General Financial Rules shall have the meanings respectively assigned to them in the said General Financial Rules.

Rule 4: Provision of funds by Parliament- After the Appropriation Bill is passed by Parliament and assented to by the President, the amounts so authorised become available to the concerned Departments of the Government of India to meet sanctioned expenditure.

Rule 5: General conditions on powers to sanction expenditure-

(1) No Authority shall sanction expenditure or advances without the previous consent of the Finance Ministry if it involves the introduction of a new principle or practice likely to lead to increased expenditure in future.

(2) A Subordinate Authority shall exercise the power to sanction expenditure subject to any general or special order or direction which the authority delegating or re-delegating such power may issue or prescribe from time to time.

Rule 6: Residuary financial powers- All financial powers, not specifically delegated to any authority by these rules including creation and abolition of posts, shall vest in the Finance Ministry.

Rule 7: Sanction of expenditure-

(1) All expenditure shall require both, sanction and Appropriation. Expenditure can be incurred against a sanction only when funds are made available to meet the expenditure or liability by valid appropriation or Re-appropriation.

(2) A sanction to recurring expenditure or liability becomes operative when funds to meet the expenditure or liability of the first year are made available by valid Appropriation or Re-appropriation or by an advance from the Contingency Fund, as the case may be, and remains effective for each subsequent year subject to appropriation in such years and also subject to the terms of the sanction.

Rule 8: Primary unit of appropriation–

(1) A grant or Appropriation for charged expenditure is distributed by standard Object Heads under which it shall be accounted for and each such standard Object Head, against which the provision for expenditure appears, constitutes a primary unit of appropriation. The primary unit of appropriation is the lowest unit of accounting classification denoting the objects of expenditure.

(2) The primary unit may include provision for both voted and charged expenditure and in that case the amount of each is shown separately.

(3) The primary units of appropriation or standard Object Heads shall be as specified by Finance Ministry from time to time. A list of standard Object Head is at **Annexure-I**.

(4) The Finance Ministry may add, delete or amend the primary units of appropriation orprescribe an entirely different set of such units.

(5) The departments of the Government of India shall keep in view the following with regard to the numeric codification for preparation of the Detailed Demands for Grants, namely:-

(i) the number of tiers of classification in the Detailed Demands for Grants shall be the standard six tiers indicated in the table below:

S. N.	**Type of Head**	**Codification**
(1)	**(2)**	**(3)**
1.	Major Head	-4 digits(Function)
2.	Sub-major Head	-2 digits(Sub-function)
3.	Minor Head	-3 digits(Programme)
4.	Sub-head	-2 digits(Scheme)
5.	Detailed Head	-2 digits(Sub-scheme)
6.	Object Head	-2 digits (Primary unit of Appropriation or Object Head)

(ii) the numeric code numbers assigned by the Controller General of Accounts for Major, Sub-major, Minor Heads, Sub-heads and Detailed Heads for the Union and States shall be followed in the Detailed Demands for Grants;

(iii) the distinction between Revenue and Capital Expenditure shall be as defined in the Government Accounting Rules and the General Financial Rules.

Rule 9: Allotment of Funds- The Departments of Government of India or authority on whose behalf a grant, or Appropriation for charged expenditure is authorised by Parliament shall distribute the sanctioned funds, where necessary, among the controlling and disbursing officers subordinate to it.

Rule 10- Appropriation and Re-Appropriation –

General Restrictions–

(1) Save with prior approval of the Parliament, funds shall not be appropriated or re-appropriated to meet expenditure on a New Service or New Instrument of Service (NS or NIS) not contemplated in the budget as approved by Parliament. For deciding whether a case relates to a New Service or New Instrument of Service and for determining whether prior approval of Parliament is required or it is to be reported to Parliament along with the next batch of supplementary demands, the financial limits prescribed by the Budget Division, Department of Economic Affairs, from time to time shall be referred to.

(2) Funds shall not be appropriated or re-appropriated to meet expenditure which has not been sanctioned by an authority competent to sanction it.

(3) Funds shall not be appropriated or re-appropriated to any work which has not received administrative approval and technical sanction as prescribed by Government of India from time to time.

(4) Funds provided for charged expenditure shall not be appropriated or re-appropriated to meet voted expenditure and funds provided for voted expenditure shall not be appropriated or re-appropriated to meet charged expenditure.

(5) No Re-appropriation shall be made from one grant or Appropriation for charged expenditure to another Grant or Appropriation for charged expenditure.

(6) No Re-appropriation can be made from Capital to Revenue Section of the Grant or vice versa.

(7) No Re-appropriation can be made from an appropriation already augmented through a Supplementary Demand for Grant passed by the Parliament or under the provisions of this rule.

(8) No Re-appropriation can be made from savings under an activity for which a Contingency Fund Advance has already been obtained during the course of the financial year.

Powers of Administrative Ministries or Departments-

(9) Subject to the provisions above, Chief Accounting Authorities of Administrative Ministries or Departments shall have the following powers, namely:-

(i) To augment the provisions of the heads 'Salaries', 'Allowances', 'Wages', 'Pensionary Charges', 'Medical Expenses' and 'Rent, Rates and Taxes for Land and Buildings' through Re-appropriation.

(ii) To re-appropriate funds from the Object head 'Salaries' to the Object head 'Salaries' across the schemes.

(iii) To augment provisions already approved by Parliament through the Supplementary Demands for Grants.

(iv) To re-appropriate funds from lump-sum provision for northeast areas to concerned schemes. However, this delegation of powers is limited to re-appropriation of funds from lump-sum provision to the scheme for the benefit of Scheme or programs in the northeast areas alone.

(v) To appropriate or re-appropriate to any work, to cover excess of expenditure over authorised sanctioned financial limits up to 20 %, subject to such excess expenditure being approved by the Competent Authority.

(vi) To augment a budget provision, under any line item ending at an object head, to such limits permitted by Ministry of Finance through its various specific or general orders issued from time to time.

(vii) Ministries or Departments are required to exercise the powers delegated under these rules for re-appropriation of funds in consultation with the respective Financial Advisors, who shall ensure that the provisions of these rules are strictly adhered to.

Cases requiring prior approval of Ministry of Finance-

(10) Notwithstanding anything contained in this rule, except with the previous consent of the Budget Division with concurrence of Secretary (Expenditure):-

(i) No Re-appropriation of funds shall be carried out to meet expenditure in the Revenue Section from savings under grants-in-aid to States or Union territories.

(ii) No Re-appropriation of funds shall be made between Capital Outlay and loans or vice-versa, in Capital Section;

(iii) No Re-appropriation of funds shall be made from 'Salaries' or 'Allowances' head to any other "primary unit of appropriation".

(iv) No Re-appropriation shall be made from provisions made for Externally Aided Projects (EAPs) to Non-Externally Aided Projects.

(v) No Re-appropriation shall be made from and to the provision for Secret Service Expenditure. In case of augmentation by 25% or more of the original provision, prior approval of C&AG would also be required.

(vi) No Re-appropriation shall be made from the primary unit "Buildings and Structures/ Infrastructure Assets/ Other Fixed Assets" to any other unit.

(vii) No Appropriation or Re-appropriation shall be made to any work, to cover excess of expenditure over authorized financial limits beyond 20 %.

(viii) No Re-appropriation having the effect of augmenting a budget provision, under any line item ending at an object head, shall be made beyond the limits prescribed by the Ministry of Finance through its various specific or general orders issued from time to time.

(ix) No Re-appropriation of funds to a head from which funds were previously redirected or re-appropriated to another head.

Government of India's decision (1): Re-appropriation of funds – Revised Guidelines - This Department has decided to propose revised norms for re-appropriation of funds to bring more flexibility in order to enable Ministries/Departments in managing their budget and to decide on the nature and limit of expenditure.

2. Accordingly, all previous orders/instructions issued in this regard will become null and void from the date of issue of this O.M.

3. All Ministries/Departments should ensure that there is no violation of revised norms for re-appropriation of funds. Further, following points should be adhered to while resorting to any re-appropriation of funds:-

i. No re-appropriation shall be made during the first quarter of a financial year without the prior approval of Ministry of Finance.

ii. No re-appropriation shall be made from savings arising under various Central Schemes or Centrally Sponsored Schemes to augment the provisions of Establishment Expenditure of a Ministry/Department without the prior approval of Ministry of Finance.

iii. Normally the savings available under mandatory 10% provision earmarked for the northeast areas are not available for re-appropriation to meet other additionalities under non-northeast area expenditure. However, if there has been overall reduction in total expenditure ceiling of any ministry/department at Revised Estimate Stage and the savings under northeast areas as corollary is available, the same may be used to meet the additionalities under the other items in order to avoid bloating of appropriations.

iv. All proposals of re-appropriation of funds, which require approval of Ministry of Finance, relating to establishment related expenditure of a Ministry/Department, referred to Pers. Division of Department of Expenditure while all other proposals may be referred to Budget Division, Department of Economic Affairs.

v. Monetary Limits for re-appropriation powers of Ministries/Departments:

Nature of Expenditure	**Object Heads**	**Delegated Power Administrative Department/Ministry**
Establishment Expenditure *	Office Expenses, Other Revenue Expenditure, Domestic Travel Expenses, Foreign Travel Expenses	Up to Rs.2 crore.
	Minor Works**, Professional Services, Rewards, Leave Travel Expenses, Training Expenses, Materials and Supplies, Cost of Ration, Fuels and Lubricants, Minor Civil and Electric Works, Repair and Maintenance, Bank and Agency Charges and Loss in Exchange	Up to Rs.5 crore.
Non-Establishment Expenditure	All other object heads	Up to Rs 15 crore.

*As per Annexure B to the Ministry of Finance's OM No.1(22)-B(AC)/2022 dated 23.02.2024 placed at **Appendix- I**. ** Minor Civil & Electrical Works.

4. Reporting Limit to Parliament on Re-appropriation - Any order for re-appropriation, issued during a financial year, which has the effect of increasing the budget provision under any line item ending at an object head by more than 20% of Budget Estimates or ₹ 100 crore, whichever is more, shall be reported to the Parliament along with the last batch of Supplementary Demands of the financial year. However, if such an order is issued after the last batch of supplementary demands, prior approval of Department of Expenditure shall be obtained by the concerned Department.

   [Ministry of Finance DoE O.M. No. 01(14)/2016-E.II(A)(Part-III), dated 01.04.2024]

Government of India's decision (2): Re-appropriation of funds earmarked for NER - It is noted that lump sum funds are earmarked to various Ministries/Departments, for northeast areas under non-functional heads, i.e., Major Heads 2552, 4552, and 6552. These non-functional heads are merely control heads from which no actual expenditure is made during the normal course (except in case of Ministry of Development of NER). For incurring expenditure, these funds are mandatorily routed from the non-functional heads to the functional heads in the respective schemes. The use of NER heads for obtaining appropriation from Parliament and subsequent re-appropriation to respective functional heads arises from the need to capture the allocation for the NER region in the budget documents. Re-appropriations from these non-functional heads are therefore unavoidable and technical in nature.

2. Considering the technical nature of the re-appropriation, this Department has decided the following:
   i. Re-appropriation of funds earmarked for North East Region from the non-functional Major Heads (2552, 4552 and 6552) to the functional heads from which actual expenditure is incurred, is delegated to the Secretary of the Ministry/Department concerned, including re-appropriations during the first quarter of the financial year. The Secretary may further delegate such powers to any officer not below the rank of Joint Secretary or equivalent level officer.
   ii. All other re-appropriations from the NER to non-NER purposes shall continue to require the approval of the respective Secretaries or the Ministry of Finance, as applicable.
   iii. The relaxation allowed at 3(i) is not applicable for Ministry of Development of NER.

[Ministry of Finance DoE O.M. No. 02(01)/2024-E.II(A) dated 03.06.2024]

Rule 11: Indents, contracts and purchases-

(1) Subject to the provisions of these rules and the provisions of the General Financial Rules, governing the procurement of goods and services, a Department of the Government of India shall have full powers to sanction expenditure for purchases and for execution of contracts.

(2) The powers under this rule shall be exercised by the Secretary of the Department concerned up to rupees one hundred crores for open or limited tender contracts,

(3) The powers under this rule shall be exercised by the Secretary of the Department concerned up to rupees twenty-five crores for negotiated or single tender or proprietary contracts and agreements.

(4) Contracts or purchases, the amount of which exceeds the value stated in sub-rule (2) and (3) of this rule, in the categories stated, shall require the approval of the Minister in charge of the Department.

(5) Subject to the provisions of these rules, Secretaries of the Departments of Government of India may, by general or special order, confer powers not exceeding those vested in them as specified in Sub-rule (2) and (3) of this rule and Rule 13 upon an Administrator or Head of the Department or any other authority subordinate to him in consultation with the Financial Advisor of the Department or Ministry.

(6) Notwithstanding anything contained in sub-rules (1), (2), (3) and (4),in cases where powers to award contract or purchase or consultancy in a Project or Scheme has been considered and allowed by Public Investment Board (PIB) or Expenditure Finance Committee (EFC) or Cabinet, as the case may be, such cases will be processed as per the financial limits laid down for sanction of such Schemes or Projects by that Authority.

Government of India's Decision (1): Clarification w.r.t Rule 11 (6) - It is clarified that where the award of contract, purchase or engagement of consultancy services forms part of a Project or Scheme, which has been appraised by the PIB or EFC, and approved by the Competent Financial Authority (including the Cabinet), and where financial limits for such powers have been specifically prescribed in such approval, the limits allowed by the Competent Financial Authority shall be followed.

Rule 12: Powers of Subordinate Authorities–

(1) Subject to the provisions of these rules, the Departments of the Government of India, shall, in case of the Appropriation and Re-appropriation, have full powers for incurring revenue and capital expenditure.

(2) A Department of the Central Government may, by general or special order, confer powers, not exceeding those vested in that Department, upon an Administrator or Head of Department or any other authority subordinate to the Department in respect of any matter covered by these rules, in consultation with the Internal Financial Adviser:

Provided that no power under this sub-rule shall be re-delegated by the Department in respect of –

(a) Rule 10-Re-appropriation of funds;

(b) Rule 15-Waiver of recovery of overpayment made to Government servants; and

(c) Rule 16-Appraisal and Approval of Schemes or Projects.

(3) The Administrator or Head of the Department referred to in sub-rule (2) may, by an order in writing, authorise a Gazetted Officer serving under him to exercise to such extent, as may be specified in that order, all or any of the powers conferred on such Administrator or Head of the Department under sub-rule (2). The Administrator or Head of the Department shall, however, continue to be responsible for the correctness, regularity and propriety of the decisions taken by the Gazetted Officer so authorised.

(4) Departments of the Government of India, Administrators and Heads of the Departments shall have the power to declare any Gazetted Officer subordinate to them as the Head of the Office for the purpose of these rules:

Provided that the Head of Office shall exercise such powers as delegated by the Department, Administrator or Head of Department and as provided in the rules for the time being in force:

Provided further that not more than one Gazetted Officer shall be declared as Head of Office in respect of the same office or establishment, unless such office or establishment is distinctly separate from one another.

(5) Any authority empowered by or under these rules to incur revenue or capital expenditure shall exercise such powers subject to the provisions con-

tained in the General Financial Rules, subsidiary instructions and orders on the subject issued by Finance Ministry including restrictions and scales, issued from time to time by the concerned Department and General Conditions as given in the **Annexure-II**.

(6) The power delegated under these rules can also be exercised for a validation of an action already taken or expenditure or liability already incurred even when the authority validating the action or expenditure or liability, as the case may be, had no competence to do so at the time the action was taken or expenditure or liability was incurred.

Rule 13: Powers of Subordinate Authorities to write off loss- The power of Subordinate Authorities to write off losses shall be as per the conditions and limits as may be specified by the Finance Ministry from time to time.

Government of India's decision (1): Powers of Subordinate Authorities to write off loss under Delegation of Financial Power Rules, 2024 - The power of Subordinate Authorities to write off losses shall be as per the conditions and limits as may be specified by the Finance Ministry from time to time. This power may be exercised by a Subordinate Authority in accordance with the provisions of the General Financial Rules, wherever applicable and provided that:-

(a) the loss does not disclose a defect in rules or procedure, the amendment of which requires the orders of higher authority or the Finance Ministry;

(b) there has not been any serious negligence on the part of any Government servant which may call for disciplinary action by a higher authority;

(c) before the decision is taken to write-off a loss, the Administrative Ministry/ Department etc, should make a thorough and searching investigation of the cases. The lessons learnt there from should be applied to prevent the recurrence of such cases in future;

(d) a quarterly statement of write-off of losses should be submitted to the Integrated Finance Division indicating the reasons for the loss, nature of the loss and the remedial measures taken to prevent the recurrence of such type of loss.

2. Department of Revenue may further re-delegate the powers relating to write off of losses of revenue to officials in accordance with procedures/ instructions issued by that Department.

3. Ministries/Departments other than Department of Revenue may re-delegate powers of write off upto Rs.5000 in each case of loss of revenue to HoDs.

4. In case of irrecoverable loss of stores and public money, the power to write off may be delegated to HoD through a written order by the original authority having such power, subject to such delegation not exceeding 10% of the power of the Department.

5. In case of Deficiencies and depreciation in the value of stores (other than motor vehicles or motor cycle) included in the stock and other accounts, the power to write off may be delegated to HoD through a written order by the original authority having such power, subject to such delegation not exceeding 10% of the power of the Department.

6. For the purpose of deciding the value of the stores, it shall be the "book value" where priced accounts are maintained and "replacement value" in other cases.

7. Value in "each case" to be reckoned with reference to the total value of stores to be written off on one occasion.

8. The term "each case" used in this table in regard to write-off of irrecoverable losses of stores, deficiencies and depreciation in the value of stores included in stock and other accounts, should be interpreted with reference to a given point of time. If, on a particular occasion, a number of items of stores are to be written off, the powers of the sanctioning authority should be reckoned with reference to the total value of stores intended to be written off on that occasion and not with reference to individual articles constituting the lot. In this context, losses arising out of one incident should not be split up and written off separately on different dates in order to avoid sanction of the higher authority. Losses due to one specific cause like fire, theft, flood, etc., should be written off at one time only. There is, however, no objection to losses arising out of more than one cause being written off at one time. The competence of the officer writing off the loss will depend on the amount written off each time.

Nature of loss	Authority	Monetary limit up to which the loss may be written off in each case
(1)	(2)	(3)
Irrecoverable losses of stores or of public money.	Department of the Government of India.	**Rs. 5,00,000** for losses of stores due to theft, fraud or negligence.
		Rs. 50,00,000 for other cases.
	Administrators of the Union Territories.	(a) **Rs. 2,00,000** for losses of stores due to theft, frauds or negligence.
		(b) **Rs. 5,00,000** for other cases.
Loss of revenue or irrecoverable loans and advances	Department of Revenue.	(a) Full powers to write-off losses of irrecoverable revenue.
		(b) **Rs. 5,00,000** for other cases.
	Other Department of the Government of India	**Rs. 5,00,000**
	Administrators of the Union Territories.	**Rs. 2,00,000**
Deficiencies and depreciation in the value of stores (other than motor vehicles or motor cycle) included in the stock and other accounts including losses on food grains, sugar, etc	Department of the Government of India	**Rs. 5,00,000**
	Administrators	**Rs. 2,00,000**
Condemnation of motor vehicles and motorcycles.	Department of the Government of India	Full power for mature condemnation of vehicles meeting the criteria as given below: —

(a) the lives of various types of vehicles, in terms of distance run (in kilometers) and length of use (in years) whichever is reached later, have been fixed as under —

Type of Vehicles	Kilometers	Years
(1)	**(2)**	**(3)**
(i) Heavy Commercial Motor Vehicles (HCVs)	4,00,000	10
(ii) Light Commercial Motor Vehicles (LCVs)	1,50,000	6 ½
(iii) Motor cycles.	1,20,000	7

(b) a vehicle should be condemned only after a certificate has been obtained from one of the following authorities to the effect that the vehicle is not fit for any further economical use –

(i) an Electrical and Mechanical Workshop of the National Airport Authority;

(ii) the Workshop of a State Road Transport Corporation;

(iii) at location where workshop mentioned at (i) and (ii) are not available, Transport Workshop under the Central or State Government Departments.

(2) Ministry/Department will have full power to scrap the Vehicles which have reached 15 years of age through Registered Vehicle Scrapping Facility (RVSF) only, established in accordance with guidelines issued by Ministry of Road Transport and Highways (MoRTH).

Note.- Condemned vehicles to be disposed of within three months from the date of placing of fresh order.— Ministries/ Departments of Government of India should ensure that condemned vehicles are disposed of as per the procedure within a period of three months from the date of placing of an order with the manufacturer for replacement of vehicles.

[Ministry of Finance DoE O.M. No. 01(14)/2016-E.II(A)(Part-III), dated 01.04.2024]

Rule 14: Insurance of Government property- Government property, both movable and immovable, shall not be insured and no Subordinate Authority shall undertake any liability or incur any expenditure in connection with the insurance of such property without the previous consent of the Finance Ministry, except in the cases where relaxation is provided by that Ministry from time to time.

Rule 15: Waiver of recovery of overpayment made to Government servants–

(1) A Department of Government of India, an Administrator and any other Subordinate Authority to the Department, to whom powers may be delegated by or under special order of the President, may waive the recovery of an amount found to have been overpaid mistakenly to a Government servant, in excess of their entitlement, subject to the following conditions, namely: -

   (i) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it; and

   (ii) if, in the opinion of the aforesaid authority –

      (a) recovery will cause undue hardship; or

      (b) recovery is impossible.

(2) A Department of Government of India may waive recovery of overpayment upto Rs. 2,00,000/- (Rupees Two Lakhs only)in the case of each individual with the concurrence of Financial Advisers of the Department. Proposals for waiver of recovery of amount greater than Rs. 2,00,000/- (Rupees Two Lakhs only) in each case shall be referred to the Finance Ministry for concurrence.

(3) For the cases of waiver of recovery, the Departments of the Government of India will examine whether over payment has been made on account of fraud, misrepresentation, collusion, favouritism, negligence or carelessness on the part of those responsible for over payments and the employees who benefitted from such actions. All proposals of waiving of recovery will be accompanied by a report in this regard duly approved by the disciplinary authority.

Government of India's Decision (1): Waiver of recovery of excess payment made to Government employees - General instructions for Ministries/ Departments – A Department of Government of India, an Administrator and any other Subordinate Authority to the Department, to whom powers may be delegated by or under special order of the President, may waive the recovery of an amount found to have been overpaid mistakenly to Government servant, in excess of their entitlement, subject to certain conditions and financial limits as laid down under this rule.

2. The date of order for recovery of overpayment is a critical input for decision regarding waiver of such recovery. Therefore, such order for recovery of overpayment should be issued within one month from the date of detection of overpayment.

3. As per Rule 15 of DFPR 2024, a Department of Government of India may waive recovery of overpayment upto Rs. 2,00,000/- (Rupees two lakh only) in the case of each individual with the concurrence of Financial Adviser of the Department. The following guidelines may be adhered to while processing such cases:

   (i) The Ministries/ Department should examine all proposal(s) in terms of the provisions laid down in Rule 15 of DFPRs.

   (ii) Ministries/ Departments should verify that in cases of waiver, no serious negligence has taken place on the part of any Government servant, which may call for disciplinary action by a higher authority.

   (iii) In case a Ministry/ Department is of the view that the loss is on account of a defect in existing rules or procedures, the same shall be brought to the notice of Department/ Ministry with authority to amend such rules or procedures.

   (iv) The guidelines issued by DoP&T vide its O.M. dated 02.03.2016 (**Appendix- II**) shall be strictly adhered to by the administrative Ministry/Department while considering waiver of excess payment made to Government servants. Each case of waiver should be recommended by the Financial Advisor and approved by the Administrative Secretary.

   (v) In cases where the waiver of recovery arises from a Court direction, the Ministries/ Departments should satisfy themselves that there is appropriate justification for not challenging such Court direction.

   (vi) In case a recovery which is subsequently waived is on account of incorrect interpretation of rules or procedures, Ministries/ Departments may review all similarly placed cases to check requirement of waiver of recovery in future cases. In case of incorrect interpretation of rules or procedures, Ministries/ Departments shall take appropriate measures to ensure that such lapses are corrected. If any inquiry has been made to fix the responsibility, the final report as well as action taken by the Ministry may be kept on record.

(vii) In case an incorrect interpretation of rules or procedures (e.g., incorrect pay fixation) has remained un-detected over a long period of time, Ministry/ Department may keep on record appropriate justification why such cases were not noticed during regular review, internal audit, etc.

4. Cases involving waiver of recovery of more than Rs. 2,00,000/- (Rupees two lakh only) should be referred to this Department. Such cases may be forwarded along with a detailed note covering information on para 3 along with the filled in checklist as below.

Checklist for waiver recovery

1.	Name	
2.	Designation	
3.	Amount for waiver	
4.	Reason for overpayment	
5.	Date of Detection of Overpayment	
6.	Date of issue of order of recovery	
7.	Date of representation submitted by Officer/ official mentioning financial hardship	
8.	Date of Disposal of Representation and decision taken on the same.	
9.	Category of exemption as per DoP&T's OM dated 02.03.2016	
10.	Relevant Rules under which pay fixation or allowance drawn resulted to overpayment	

11.	Whether Administrative Ministry is satisfied that loss does not disclose a defect in rules or procedures or there has not been any serious negligence on the part of any Government servant which may call for disciplinary action by a higher authority.	
12.	Whether verification of Service Book have been done periodically. If yes, why such wrong fixation was not detected in such verification.	
13.	Why such wrong fixation was not detected during internal audit.	

[Ministry of Finance DoE O.M. No. 01(14)/2016-E.II(A)(Vol.III), dated 01.04.2024]

Rule 16: Expenditure on Schemes or Projects

(1) Without prejudice to the provisions of rule 12, a Department of the Government of India may sanction expenditure on any scheme, project, as per the powers delegated from time to time by the Finance Ministry, subject to its outlay having been approved by the Competent Authority in accordance with the appraisal and approval process prescribed by the Finance Ministry from time to time and the power of appraisal and approval under this rule shall not be delegated.

(2) In cases where the award of contract or purchase or consultancy is inseparably linked with the Scheme, such expenditure will be processed as per the financial limits laid down for sanction of such Schemes or projects by the authority competent to approve such Schemes or Projects.

Government of India's decision (1): Expenditure on Public funded Schemes and Projects - General instructions for Ministries/Departments - A Department of Government of India may sanction expenditure on any scheme, projects, as per the powers delegated from time to time by the Finance Ministry, subject to its outlay having been approved by the Competent Authority in accordance with the appraisal and approval process prescribed by the Finance Ministry from time to time.

2. At present, appraisal and approval of public funded Schemes and Projects

is being governed by this Department's O.M. No. 24(35)/PF-II/2012 dated 5th August, 2016. These guidelines for formulation, appraisal and approval of public funded schemes and projects will continue till further orders.

3. O.M. dated 5th August, 2016 is placed at **Appendix- III.**

[Ministry of Finance DoE O.M. No. 01(14)/2016-E.II(A)(Vol.III), dated 01.04.2024]

Rule 17: Grants-in-aid, loans, etc– Departments of the Government of India and Administrators shall have full powers to sanction grants in aid including scholarships and loans:

Provided that, –

(a) such grants in aid including scholarships are in accordance with the rules or principles prescribed with the previous consent of the Finance Ministry and a certificate to that effect is included in the sanction;

(b) the rate of interest on a loan and the period of payment thereof are fixed with the previous consent of the Ministry of Finance unless the rate of interest on such loan and the period of repayment thereof are prescribed in any general or special order of the Department of the Government of India.

Rule 18: Trading operations– Notwithstanding anything contained in these rules, all proposals-

(a) for the purchase of commodities not intended for Government consumption, but for sale or issue to the public, State Governments or any other agency;

(b) for fixing of prices in respect of direct trading operations of Government; and

(c) from Government companies and undertakings which may be referred to the Government for fixation of prices for their products or stocks,

shall be referred to the Ministry of Finance for concurrence before approval:

Provided that proposals under clause (a) and (b), may not be referred to the Ministry of Finance for concurrence, if the value of the transaction is below Rupees twenty five crore.

Explanation – In this rule, "Government Company" has the same meaning as assigned to it in the Companies Act, 2013 (18 of 2013).

Rule 19: Dismantlement of public buildings– Subject to the conditions set out below, the Departments of the Government of India and Administrators shall have full powers to sanction dismantlement of public buildings (other than purely temporary structures), provided these powers are exercised with the concurrence of their Financial Advisers.

Conditions:

(i) No public building shall be dismantled unless it has been previously ascertained that it is not required by any other Department of the Government of India.

(ii) No public building shall be demolished unless it is structurally in a dangerous condition or it is beyond economic repairs and has been certified as such by appropriate technical authority or it is necessary to vacate the site for constructing a more important Government building or structure.

(iii) A public building, the dismantlement of which is sanctioned in exercise of the power conferred by this rule, shall be disposed of by public auction through the Central Public Works Department or the local Public Works Department in areas where the Central Public Works Department does not operate unless specific prior approval of the Competent Authority is taken for disposal of buildings to an identified party.

(iv) The Departments or Ministries of the Government of India and Administrators shall have full powers to sanction dismantlement of purely temporary structures.

Explanation – for the purposes of this rule, "a purely temporary structure" mean a structure, the life of which is not more than two years.

Rule 20: Communication of sanctions to audit–

(1) Whenever the consent or sanction of the Finance Ministry is required under these rules, such consent or sanction shall be communicated to the audit or Pay and Accounts Officer concerned by a Department of the Government of India itself after adding a clause to the sanction as follows:-

"This order / memorandum issues with the concurrence of the Ministry of Finance (Department of Expenditure), vide their O.M./ U.O. No……..dated………".

(2) Whenever a financial sanction is issued by a Department of the Government of India in exercise of the powers conferred on it by these rules in consulta-

tion with its Internal Financial Adviser or Integrated Financial Adviser and approval of competent authority, it shall be communicated to audit/ Pay and Accounts Officer concerned by the Department concerned by adding a clause of the sanction as follows:

"This sanction issues with the approval of competent authority. The advice of Internal Finance / Integrated Finance was conveyed vide Dy. No./ U.O. No………dated………".

Rule 21: Repeal and savings–

(1) The Delegation of Financial Powers Rules, 1978, is hereby repealed:

Provided that such repeal shall not affect anything done, any order issued, any action taken or any powers exercised before coming into force of the Delegation of Financial Powers Rules, 2024 and all sanctions, orders, declarations or other action taken before the commencement of these rules shall continue to be operative and in force even after the commencement of these rules, unless specifically cancelled or revoked by the authority who accorded such sanction or issued such order or took such action:

Provided further that all delegations made to any authority under special orders of Government shall also continue to remain in force unless specifically revoked by the President.

(2) Nothing contained in these rules shall apply to –

(a) the Ministry of Railways and authorities subordinate to that Ministry;

(b) the Ministry of Defence and authorities subordinate to that Ministry in relation to expenditure debitable to Defence Services Estimates.

(c) the Departments of Atomic Energy and Space;

(d) the Department of Telecommunications;

(e) the Government of India's representatives abroad whose powers shall be determined in accordance with the rules or orders issued separately in consultation with the Finance Ministry.

Note 1– The Ministry of Railways, Ministry of Defence and authorities subordinate to that Ministry and Departments of Atomic Energy, Space and Telecommunications are required to align their Primary units of Appropriation as far as possible on the lines provided in rule 8.

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ANNEXURES

Annexure-I
(See Rule 8)

Sl.No.	Code	Object Head	Description / Definitions
(1)	**(2)**	**(3)**	**(4)**
(A)	**Revenue Expenditure**		
Object Class 1- Compensation to Employees			
1.	**01**	**Salaries**	It will include pay of the Government employees as defined under FR 9(21), honorarium to Government servant and stipend to interns. It will also include expenditure on emoluments and allowances of Heads of States and other high dignitaries including Sumptuary Allowance, salary payable to the staff of Departmental canteens and leave encashment on LTC.
2.	**02**	**Wages**	It will include wages of labourers and of staff at present paid out of contingencies.
3.	**05**	**Rewards**	It will include rewards under a scheme given to the Government employees in addition to their pay and allowances. It will also include payment of bonus and cash awards for Hindi Pratiyogita, etc.
4.	**06**	**Medical Treatment**	It will include amount paid towards medical reimbursements /treatment of the Government employees/ pensioners.
5.	**07**	**Allowances**	It will include as applicable the Dearness Allowance, House Rent Allowance, Transport Allowance, Foreign Allowance, Non Practicing Allowance, Deputation (Duty) Allowance, Personal Pay, Family Planning Allowance, Special Compensatory (Hill Areas) Allowance, Tribal Area Allowance, Hard Area Allowance, Headquarter Allowance, Overtime Allowance, Children Education Allowance, Reimbursement of Tuition Fee, Ration Allowance, Cost of Ration given in cash, Constituency Allowance,

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
			Uniform and Clothing Allowance, Entertainment Allowance, Project Allowance, Special Compensatory (Remote Locality) Allowance, Bad Climate Allowance, Washing Allowance, Special (Duty) Allowance, Night Duty Allowance, Risk Allowance, Sunderban Allowance, Cash Handling Allowance, Caretaking Allowance, Split Duty Allowance and any other allowance in addition to above which is payable to the Government employees in addition to their pay.
6.	**08**	**Leave Travel Concession**	It will include air/rail/bus fare/fare of any other mode of transport entitled under LTC Rule.
7.	**09**	**Training Expenses**	It will include expenditure on cost of training such as fees paid, contingencies, materials, etc., for participating in the training, workshops but exclude expenditure on domestic or foreign travel expenses.
Object Class II-Social Security of Employees			
8.	**04**	**Pensionary Charges**	It will include all pensionary benefits including payment of pensions and gratuity in all forms to the Government employees, members of Parliament, freedom fighters, etc. It will also include contributions to service funds and contributory provident funds and payment of leave encashment at the time of retirement or death, termination of service, etc. It will also include Government's contribution payable under National Pension System(NPS) for Government employees. This will, however, not include social security expenditure such as old age pension.

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
Object Class III - Goods and Services			
9.	**11**	**Domestic Travel Expenses**	It will include travel expenses on official tours and transfers of the Government employees within India. This will also include expenditure on TA/ DA to non- official members on account of travel in India. It will also include transfer TA payable to pensioners at the time of retirement.
10.	**12**	**Foreign Travel Expenses**	It will include expenses on official tours and transfers of the Government employees outside India. This will also include expenditure on TA/ DA to non- official members going on official tour abroad.
11.	**13**	**Office Expenses**	It will include all recurring and non-recurring contingent expenses incurred for the maintenance of office establishment such as, stationery, postage charges, courier charges, telephone charges, internet charges, cable connection charges, electricity charges, water charges, service agreements, security, expenditure relating to hiring of retired Government servants on short term contract basis, outsourced office attendants, office assistants/ Data Entry Operators(DEO), house-keeping, liveries/uniforms, hot and cold weather charges, pest control, refreshment, books and periodicals, hospitality expenses including entertainment of foreign delegates, gifts and souvenirs and conferences/ seminars/workshops/meetings convened by office including all related expenses on study material/ kits, refreshments, study tours, etc. It will also include purchase of office equipment, furniture and fixtures not exceeding the threshold limit of one lakh rupees or three years of useful life,

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
			either of the two, as decided by the Government from time to time. The office equipment and furniture and fixtures exceeding the threshold limit as decided by the Government from time to time should be classified as 'capital' expenditure under the relevant Object Head 'Machinery and Equipment' and 'Furniture and Fixtures'. Purchase of vehicles, however, irrespective of its usage (office or otherwise) should be classified as 'capital' expenditure under the relevant capital Object Head 'Motor Vehicles'.
12.	**14**	**Rent, Rates and Taxes for Land and Buildings**	It will include expenditure on rent for buildings (non-residential or residential or structures other than buildings), municipal rates and taxes and lease charges for rented land and buildings, the ownership of which is not transferable to Government. However, lease charges for land and buildings, the ownership of which is transferable to Government, will be classified as 'capital' expenditure under the relevant Object Heads 'Land' and 'Buildings and Structures'.
13.	**15**	**Royalty**	It will include expenses on royalties on patents, designs, trademarks, print, publishing, music, etc.
14.	**16**	**Printing and Publication**	It will include expenses on printing of valuables, printing of audit and accounts reports, forms, stationery, office codes, manuals and other documents, newspaper and magazines including e-books, e-magazines, digital printing, pen drive, CD, etc., but exclude expenses on printing of publicity material which shall be classified under Advertising and Publicity.

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
15.	**18**	**Rent for others**	It will include expenses on rent for equipment and other various items like office equipment, transport, computer and ancillary equipment, communication equipment, air-conditioning, heating and refrigerating equipment, security equipment, broadcasting and recording equipment, construction equipment, agricultural equipment, horticultural equipment, medical equipment, furniture and fixtures. It will also include lease charges for equipment and other items, the ownership of which is not transferable to Government. However, lease charges for equipment and other items, the ownership of which is transferable to Government will be classified as 'capital' expenditure under the relevant Object Heads.
16.	**19**	**Digital Equipment**	It will include expenses to be classified as revenue expenditure on procurement or development of hardware and software where the cost of individual item does not exceed the threshold limit of one lakh rupees or three years of useful life, either of the two as decided by the Government from time to time. The threshold limit will, however, not apply to the consumables like toner and cartridge for printer shall be classified under revenue expenditure.
17.	**21**	**Materials and Supplies**	It will include expenses on various kinds of supplies, materials and stores etc., such as., medical supplies, educational supplies, agricultural supplies, livestock supplies, cleaning materials, hospital drugs and medicines, veterinary drugs, chemicals and fertilizers, lab supplies, spare parts, clothing and tentage.

Sl.No.	Code	Object Head	Description / Definitions
(1)	**(2)**	**(3)**	**(4)**
18.	**22**	**Arms and Ammunition**	It will include revenue expenditure on arms and ammunitions on police and other para-establishments.
19.	**23**	**Cost of Ration**	It will include expenditure on procurement of ration provided to police and central armed police forces.
20.	**24**	**Fuels and Lubricants**	It will include expenditure on petrol, oil, lubricants and other fuels like CNG, diesel, etc.
21.	**26**	**Advertising and Publicity**	It will include expenses including commission to agents for sale and printing of publicity material on advertising and publicity through various media such as print media, TV media or outdoor media or Internet or mobile network or other audio-visual publicity or fairs and exhibition.
22.	**27**	**Minor civil and electric Works**	It will include expenditure on repairs and maintenance of minor civil and electrical works of office buildings, residential buildings, other buildings and, expenditure on running operation and maintenance (ROM) of diesel genset, etc. maintained by the CPWD.
23.	**28**	**Professional Services**	It will include expenses on engagement of professionals, consultants, artists, banks, etc., for providing services to the Government which include legal services, consultancy fees, audit fees, teaching and training Fees, payments to artists, remunerations to question setters or invigilators or guest speakers, payments to other departments for services rendered, payment or expenses to agencies for conducting departmental examination.

Sl.No.	Code	Object Head	Description / Definitions
(1)	**(2)**	**(3)**	**(4)**
24.	**29**	**Repair and Maintenance**	It will include expenses on repair and maintenance (including all maintenance contract) of equipment such as machinery and equipment, office equipment, equipment for other functional use, digital equipment for office use, digital equipment for functional use, furniture and fixtures for office, furniture and fixtures for other functional use, vehicles (including motor vehicles and non-motor vehicles like bicycle, rickshaw, carts, trolleys and boat, etc., for office or functional use),infrastructural assets (It will include expenses on preventive, operating maintenance of Infrastructural assets other than minor civil and electrical works like lines, bridges, rolling stocks of railways, roads, highways, ports, ships, aircrafts, helicopters, radars, hovercrafts, airports or other infrastructures), tools and plants, arms and ammunitions, etc., but exclude expenditure on upgradation, midlife rehabilitation, retrofitting andor reconditioning.
25.	**39**	**Bank and Agency charges**	It will include bank service charges, agency charges, MDR charges, direct benefit transfer charges to banks and any other charges for convenience fee performing monetary transactions.
26.	**40**	**Awards and Prizes**	It will include expenses on awards and prizes given by the Government to the eminent persons and organisations.
Object Class IV- Aid and Assistance			
27.	**31**	**Grants-in-aid - General**	It will include Grants-in-aid released for payments other than salaries and creation of capital assets. It will also include expenditure on welfare activities.

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
28.	**32**	**Contribution**	It will include the contributions made to international or national organisations related to membership. This will not include transfers made to autonomous bodies or PSUs or PSBs for corpus funds.
29.	**33**	**Subsidies**	It will include subsidies released under various schemes of the Government.
30	**34**	**Scholarships**	It will include the amount of scholarship released to various institutions or organisations or beneficiaries or individuals.
31.	**35**	**Grants for creation of Capital Assets**	It will include Grants-in-aid released for payment for creation of capital assets. It will also include Viability Gap Funding (Expenditure on the projects run under Viability Gap Funding Scheme).
32.	**36**	**Grants-in-aid - Salaries**	It will include grants-in-aid released for payment of salaries.
33.	**37**	**Aid Material and Equipment**	It will include value of aid material and equipment transferred to Ministries or Departments or other Governments or organisations. It will also include grants given in kind to grantee bodies.
Object Class V-Misc. Revenue Expenditure			
34.	**41**	**Secret Service Expenditure**	It will include expenses on secret services.
35.	**44**	**Loss in Exchange**	It will include the loss due to difference in the rate of exchange of foreign currency in Indian rupees. The loss due to difference in the rate of exchange at the time of receipts loans from foreign resources and repayment thereof shall also be debited under this Object Head.
36.	**45**	**Interest Payments**	It will include payment of interest on capital and discount on loans.

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
37.	**49**	**Other Revenue expenditure**	It will include payment out of discretionary grant, other discounts, fees and fines, custom duty compensation, commitment charges, notional value of gifts, re-imbursement of newspapers purchased or supplied to officer's residence and purchase or re-imbursement of briefcase or ladies purse to Government servants', etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head. It will also include expenditure in respect of schemes, sub-schemes or organisations not elsewhere classified.
(B)	**Capital Expenditure (Assets)**		
Object Class-VI-Non-Financial Assets (Fixed and Intangible Assets)			
38.	**51**	**Motor Vehicles**	It will include procurement of motor vehicles on road like buses, cars, trucks, motorcycles, irrespective of their usage.
39.	**52**	**Machinery and Equipment**	It will include procurement of machinery and equipment (other than motor vehicles and ICT equipment), electrical and electronic equipment, medical appliances, precision and optical instruments, watches and clocks, musical instruments and sports goods etc., cost of which exceeds one lakh rupees or three years of useful life, either of the two, need to be booked under this head.
40.	**71**	**Information, Computer, Telecommunications (ICT) equipment**	It will include procurement of information, computer, telecommunications (ICT) equipment such as computer hardware and telecommunications devices (computer/laptops, projectors, etc,) and computer software exceeding the threshold limit of one lakh rupees or 3 years of useful life, either of the two, electromagnetic spectrum which is used in the transmission of sound, data and television.

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
41.	**72**	**Buildings and Structures**	It will include office buildings, residential buildings, other buildings and structures like hospitals, laboratories, auditorium, light houses, shelters etc., public monuments like statues, fountains established at public places, and land improvement.
42.	**73**	**Infrastructural Assets**	It will include procurement of infrastructural assets such as roads, bridges, tunnels, irrigation projects, power projects, sports infrastructure, water and sewage projects, railway assets, ships, ports, satellites, satellite launch vehicles, airports, aircrafts, motor boats, railway locomotives and rolling stock, other infrastructural projects (include cable lines, sewage systems, rain water harvesting, solar systems, telecom towers, transmission lines and electricity towers, etc).
43.	**74**	**Furniture & Fixtures**	It will include expenditure on purchase of furniture and fixture exceeding threshold limit of one lakh rupees or three years of useful life, either of the two, for office use and functional use.
44.	**75**	**Arms and Ammunitions (Capital)**	It will include procurement of arms and ammunitions of capital nature.
45.	**76**	**Upgradation Procurement of Heritage Assets and n.e.c.**	It will include rehabilitation, overhaul, retrofitting of heritage asset recognised and recorded in the asset register at the nominal value of Rs. 1/- and upgradation 'not elsewhere classified'. It will also include expenditure on procurement of items of fine art and of cultural and archaeological importance.
46.	**77**	**Other Fixed Assets**	It will include procurement of other fixed assets like library books and publications, trees, crops and plants, whose natural growth and

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
			regeneration is under the direct control, responsibility and management of institutional units, non-motor vehicles like bicycle, rickshaw, cart, trolleys, boat, etc.
47.	**78**	**Land**	It will include land consisting of the ground, land for office and residential building, including the soil covering and any associated surface waters (reservoirs, lakes, rivers and other inland waters over which ownership rights can be exercised).
48.	**79**	**Non-produced assets other than land**	It will include mineral and energy reserves located on or below the surface of earth including deposits under the sea like oil, natural gas, coal, metallic ores including ferrous, non-ferrous and precious metal ores), non-metallic mineral reserves (including stone quarries, clay and sand pits, chemical and fertilizer mineral deposits, and deposits of salt, quarts, gypsum, natural gem stones, asphalts, bitumen, and peat), water resources, plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth or regeneration is not under the direct control, responsibility, and management of any institutional units such as virgin forests and fisheries that are commercially exploitable.
49.	**80**	**Intangible Assets**	It will include expenditure on copy right, patents, goodwill, intellectual property, etc.
Object Class VII- Financial Assets			
50.	**54**	**Investment**	It will include investments made by the Government on purchase of shares and equity, investment in securities, investment in fixed and term deposits, and other investment.

Sl.No.	Code	Object Head	Description / Definitions
(1)	(2)	(3)	(4)
51.	**55**	**Loans and Advances**	It will include loans and advances given by the Government.
52.	**56**	**Repayment of borrowings**	It will include repayment of borrowings by the Government.
53.	**57**	**Subscription**	It will include subscriptions made by the Government of capital nature.
54.	**60**	**Other Capital expenditure**	It will include all other capital expenditure which cannot be classified any of the above capital object head.
(C)	**Accounting Adjustments**		
		Object Class VIII-Accounting Adjustments	
55.	**43**	**Suspense**	It will include the amount kept under suspense heads for want of complete details for adjustment under final head of account.
56.	**61**	**Depreciation**	It will include depreciation charged on the assets by commercial departments.
57.	**62**	**Reserves**	It will include the provisions of reserves.
58.	**63**	**Inter Account Transfers**	It will be used for transfer of amount from one head to another
59.	**64**	**Writes Off of Losses**	It will include write off of irrecoverable loans, trading losses.
60.	**69**	**Deduct Receipts**	It will include amounts paid from the receipt heads by adjusting as reduction in receipts.
61.	**70**	**Deduct Recoveries**	It will be operated to adjust the overpayments in reduction of expenditure.

Note.-The expenditure on improvement/ up gradation of assets, which include rehabilitation, overhaul, retrofitting of assets and lease charges of land, buildings, equipment and other non-financial assets, the ownership of which is transferable to Government, will be booked under the object head class – Capital expenditure (Assets) against relevant assets.

Annexure – II
(See Rule 12)

General Conditions for incurring expenditure

(1) The powers delegated to the Departments of the Government of India are to be exercised by the issue of formal sanctions in the name of the President, such sanctions being authenticated by the officers authorised to do so under article 77 of the Constitution.

(2) These powers are to be exercised subject to such rules, orders or restrictions issued by the Finance Ministry and other nodal Ministries / Departments from time to time and the financial limits being in accordance with provisions of General Financial Rules (GFR), Fundamental Rules & Supplementary Rules, economy instructions issued by Finance Ministry, Fiscal Codes and procedures and the limit being within the budgetary allocation for the year.

(3) Expenditure, already incurred under an emergent situation by an authority in excess of its powers should be treated as irregular expenditure. Any irregular expenditure under emergent situations should be regularised by issue of an ex-post facto sanction with the concurrence of Financial Adviser and approval of Administrative Secretary. These powers should, however, not be exercised in respect of areas where powers vest with the Cabinet.

(4) In so far as matters of expenditure are concerned, subordinate authorities can exercise the same financial powers in respect of capital expenditure as they can exercise in respect of revenue expenditure, except in case of those items where the powers may be specifically restricted to revenue expenditure by the Department of the Government of India concerned.

(5) An officer appointed to perform the current duties of a post in addition to his own can exercise financial powers vested in the full-fledged incumbent of the post.

(6) In exercising powers to sanction unusual expenditure, Departments of Government of India should exercise due care and restrict the growth of expenditure on new lines or new types of items.

(7) Expenditure on legal charges shall ordinarily be incurred only with the previous consent of the Ministry of Law and Justice except for charges, the rates of which are notified by the Ministry of Law and Justice from time to time.

(8) The financial limits and guidelines for expenditure on conveyance hire would be in accordance with the extant instructions issued by Finance Ministry.

(9) Renting of buildings for office accommodation and residential purposes – Normally, Departments of Government of India are to take on rent, accommodation in consultation with Central Public Work Department/ Directorate of Estates/Ministry of Housing and Urban Affairs. Wherever general pool accommodations are provided by Ministry of Housing and Urban Affairs, renting may not be resorted to by the Departments. The reasonableness of rent, area of accommodation, period of hire is to be in accordance with the guidelines of Central Public Work Department / Directorate of Estates/Ministry of Housing and Urban Affairs. For renting of accommodation abroad for office and residential purposes, the ceilings of rent may be decided by Ministry of External Affairs in consultation with Financial Adviser of that Ministry.

(10) Land required for Government use shall be acquired in accordance with provisions mentioned in GFR and relevant rules and Act, as the case may be. However, the Departments of the Government of India may acquire land provided a separate budget is approved for this purpose. Such purchases would be subject to obtaining certificate from Central Public Work Department/Directorate of Estates/Ministry of Housing and Urban Affairs that there is no Central Government land available for this purpose. All purchases of land either with or without buildings from private party would be undertaken by the concerned Departments of Government only in consultation with Ministry of Housing and Urban Affairs / Central Public Work Department or the competent authorities of the concerned State Governments to determine the reasonableness of the price proposed to be paid for purchase of land.

(11) In order to derive the benefit of these delegations optimally, the Departments of the Government of India should not only make full use of the delegated powers but also further re-delegate powers to their subordinate organisations to match the latter's requirements. A complete review of such re-delegations may be undertaken at least once in three years.

APPENDICES

APPENDIX-I
(See Rule 10)

No. F. 1 (22)-B (AC)/2022
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

OFFICE MEMORANDUM

New Delhi, the 23rd February, 2024

Subject: Revised Guidelines on Financial Limits to be observed in determining cases relating to 'New Service'/ 'New instrument of Service'.

In pursuance to the approval by the Public Accounts Committee, vide its One hundred third Report (Seventeenth Lok Sabha) (2023-24), on the proposal for revision of financial limits for determining the cases relating to 'New Service' (NS)/'New Instrument of Service' (NIS) for re-appropriation of funds, the revised limits and guidelines are hereby conveyed in supersession of this Ministry's Office Memorandum No. F.1(23)-B(AC)/2005 dated 25th May 2006. The extant guidelines are being revised to ensure systemic uniformity, consistency, administrative efficiency and financial discipline by the Ministries/Departments.

2. **Definition** of 'New Service'(NS)/'New Instrument of Service' (NIS):

(i) **'New Service'**: As in Article 115(1)(a) of the Constitution of India, it refers to expenditure arising out of a new policy decision, not brought to the notice of Parliament earlier, including a new activity or a new form of investment.

(ii) **'New Instrument of Service'**: It refers to relatively large expenditure arising out of important expansion of an existing activity.

3. **Applicability of 'New service'/ 'New Instrument of Service':**

(i) The revised financial limits are attached **as Annexure 'A'**.

(ii) The limits shall be applicable to all ministries including Ministry of Railways, Ministry of Defence and Department of Post.

(iii) The nature of transactions under consideration for applicability of the finan cial limits have been aligned strictly with the 'object head of account'. It is treated as Primary Unit of Appropriation.

(iv) This means that the guidelines shall correspond to the original appropriation as available at the level of 15-digit numeric code in respect of civil ministries and/or final unit of appropriation as available in the Detailed Demand for Grants in respect of non-civil ministries, as the case may be.

(v) Definitions as indicated in Paragraph 2 above will be the guiding factor while making decision on the applicability of limits of New Service/New Instrument of Service.

4. While using these terms and applying the financial limits as indicated in the Annex, it needs to be noted that no expenditure can be incurred from the Consolidated Fund of India on a 'New Service'/'New Instrument of Service' without prior approval of Parliament through supplementary demands for grants.

5. Where in an emergent case of 'New Service'/ 'New Instrument of Service' it is not possible to wait for prior approval of Parliament, the Contingency Fund of India can be drawn upon for meeting the expenditure pending its authorization by Parliament. Recourse to this arrangement should normally be taken only when Parliament is not in session. Such advances are required to be recouped to the Fund by obtaining a Supplementary Grant. However, when Parliament is in session, a Supplementary Grant should preferably be obtained before incurring any expenditure on a 'New Service'/ 'New Instrument of Service'. That is to say, recourse to Contingency Fund of India should be taken only in cases of extreme urgency. In such cases the following procedure recommended by the Sixth Lok Sabha Committee on Papers Laid on the Table in their 4th Report should be observed:

"*As far as possible, before such withdrawal is made, the concerned Minister may make a statement on the floor of the Lok Sabha for information giving details of the amount and the scheme for which the money is needed. In emergent cases, however, where it is not possible to inform the Members in advance, the withdrawal may be made from the Contingency Fund and soon thereafter a statement may be laid on the Table of the Lok Sabha for the information of the Members*".

It has been suggested by the Rajya Sabha Secretariat that the above procedure may also be observed in Rajya Sabha.

6. **Checks to be observed by the Ministries/Departments to ensure compliance of the provisions of this Office Memorandum are as under:**

(i) **By Integrated Finance Division/Budget Unit:** A specific certificate should be recorded in each case Involving augmentation of sanctioned provision on receipt of related proposals, to the effect that the proposed augmentation attracts/does not attract financial limits of 'New Service"/ 'New Instrument of Service';

(ii) **By PAOs:** Each expenditure sanction to be examined by PAOs from the 'New Service'/ 'New Instrument of Service' angle keeping in view the financial limits indicated in the Annex;

(iii) Where any doubt arises about the application of financial limits of 'New Service'/ 'New Instrument of Service', the PAO would seek decision from Financial Advisor of appropriate jurisdiction.

7. **Circumstances for obtaining Supplementary grants for expenditure qualifying as 'New Service'/ 'New Instrument of Service' and the reporting procedure thereof are as follows:**

(i) If sufficient savings are available within the same section of the relevant grants for meeting additional expenditure to the extent mentioned in column 2 of the Annex A, re-appropriation can be made, subject to report to Parliament;

(ii) Report to Parliament should ordinarily be made through the ensuing batch of Supplementary Demands for Grants, failing which by adding an Annex in the Detailed Demands of the Ministry/ Department for the ensuing year;

(iii) A suitable write-up of such cases where possible, may also be made in the Notes on Demands for Grants of the Ministry/Department;

(iv) Mere depiction of augmented provisions in the Revised Estimates included in the Demands for Grants will not be adequate to meet the requirement to incur expenditure. In cases where the financial limits of 'New Service'/ 'New Instrument of Service' are attracted, approval of Parliament may be obtained for incurring such expenditure through Supplementary Demands for Grants;

(v) The provisions in the Vote on Account' are not intended to be used for expenditure on any 'New Service'. In cases of urgency, expenditure on a 'New Service' during Vote on Account period can, therefore, be incurred only by obtaining an advance from the Contingency Fund. Such advances will be resumed to the Contingency Fund on enactment of Appropriation Act in respect of expenditure for the whole year.

8. **Exceptions:**

(i) Having regard to the volume and nature of Government transactions, it is not possible to list out all such cases which are not attracted by 'New Service'/ 'New Instrument of Service' limits. Broadly, expenditure on normal activities of Government (such as normal administrative expenditure including those resulting from re-organization of Ministries/ Departments, holding of conferences, seminars, exhibitions, surveys, feasibility studies, etc., assistance to foreign Governments, contributions to international bodies, and fulfilment of Government guarantee on its invocation) may not attract limits of 'New Service'/'New Instrument of Service';

(ii) Transfers to State and Union Territory Governments are also exempt from these limits provided the scheme is not new;

(iii) Further, these limits are applicable only to expenditure which is subject to Vote of Parliament.

9. For ease of understanding and guidance, 'Object Head-wise Matrix' of the financial limits is enclosed at **Annexure 'B'**. However, the definitions of NS/ NIS and the limits prescribed by PAC shall be borne in mind while applying these limits.

10. **Doubtful cases:**

In case of disagreement between the Integrated Finance Wing and Pay and Accounts Office, the Ministry/ Department may send a self-contained communication to the Budget Division, Ministry of Finance, bringing out specific point(s) of doubt incorporating their Financial Adviser's views thereon. The decision taken by the Budget Division in the matter will be final.

11. **Conclusion:**

While agreeing to the revision of norms for re-appropriation of funds as annexed, the Public Accounts Committee in its One hundred and third Report (Seventeenth Lok Sabha) has concluded by stating as under:

'The Committee also expect the Financial Advisors of all the Ministries/Departments to ensure that no violation occur in implementation of the revised limits for 'New Service'/'New Instrument of Service'. It goes without saying that any slackness in complying with the same may be strictly dealt with.'

12. Department of Expenditure, Ministry of Finance, will issue further orders related to the amendments in provisions of Annexure I to Appendix 3 of the General Financial Rules 2017 consequent to the extant revision in the financial limits of 'New Service'/ 'New Instrument of Service'.

13. This issues with the approval of the Finance Secretary and Secretary Expenditure.

14. Hindi version will follow.

(Vishnukanth P.B.)
Director (Budget)

To

1. All Ministries/Departments of the Government of India.
2. Financial Commissioner (Railways), Financial Advisor (DS), Member Finance (Telecom) and all other Financial Advisors
3. Finance Secretaries of Union Territory Administration (Chandigarh, Andaman and Nicobar Islands, Dadra and Nagar Haveli and Lakshadweep)
4. Controller General of Accounts, Controller General of Defence Accounts and Chief Controller of Accounts of Ministries

Copy forwarded for information to:

1. Lok Sabha Secretariat (PAC) Branch/Rajya Sabha Secretariat
2. Comptroller and Auditor General of India and all Director of Audit/Accountant General
3. Finance Secretaries of all State and Union Territory Governments

Dy. Director (Budget)

Annexure 'A" to the Ministry of Finance
OM No. 1(22)-B(AC)/2022 dated 23.02.2024

Financial limits to be observed in determining the cases relating to 'NEW SERVICE'/'NEW INSTRUMENT OF SERVICE'

New Service (NS)

1. All new services [except for the new 'Works' under Capital section] shall be considered as **'New Service'** as defined in Article 115 of the Constitution and shall accordingly need prior approval of the Parliament;

2. In case of services falling under the category of new works under Capital section (currently classified as Land/Building/Machine in line with Rule 8 of the Delegation of Financial Powers as amended through Ministry of Finance Gazette Notification dated 16.12.2022), the financial limits for the **'New Service'** shall be as under:

Object Heads	Reporting Limit	Prior Approval of Parliament
1	**2**	**3**
1. Machinery & Equipment; 2. ICT Equipment; 3. Building and Structure; 4. Infrastructural Assets; 5. Arms and Ammunitions; and 6. Land	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within same section of the Grant	Above ₹ 100 crore, subject to savings within same section of the Grant

New Instrument of Service (NIS)

3. The financial limits for the **'New Instrument of Service'** shall be as under:

Object Heads	Reporting Limit	Prior Approval of Parliament
1	**2**	**3**
1. Investment; 2. Loans and advances; 3. Subsidies; 4. Machinery and equipment; 5. ICT Equipment; 6. Building and Structures; 7. Infrastructure assets; 8. Arms and ammunitions 9. Land; 10. GIA Capex; 11. GIA General; 12. GIA Salary	upto 20% of the original appropriation* **OR** upto ₹ 100 crore whichever is higher [subject to savings within same section of the Grant]	Above 20% of the original appropriation (15-digit line item) **OR`** Above ₹ 100 crore, whichever is higher [subject to savings within same section of the Grant]
All other Object Heads	Each case to be decided on merits *(see para 2 & 3 of the OM No. 1(22)-B(AC)/2022 dated 23.02.2024)*	

**refers to the 15-digit numeric code in respect of civil Ministries or final unit of appropriation available in the Detailed Demand for Grants in respect of non-Civil Ministries.*

Annexure 'B' to the Ministry of Finance OM No. 1(22)-B(AC)/2022 dated 23.02.2024
Object Head-wise Matrix of the Financial Limits

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
1	01	Salaries	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
2	02	Wages	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
3	05	Rewards	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
4	06	Medical Treatment	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
5	07	Allowances	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
6	08	Leave Travel Concession	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
7	09	Training Expenses	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
8	04	Pensionary Charges	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
9	11	Domestic Travel Expenses	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
10	12	Foreign Travel Expenses	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
11	13	Office Expenses	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
12	14	Rent, Rates and Taxes for Land and Buildings	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
13	15	Royalty	All cases		To be decided on merits		
14	16	Printing and Publication	All cases		To be decided on merits		

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
15	18	Rent for others	All cases		To be decided on merits		
16	19	Digital Equipment	All cases		To be decided on merits		
17	21	Materials and Supplies	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
18	22	Arms and Ammunitions	All cases		To be decided on merits		
19	23	Cost of Ration	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
20	24	Fuels and Lubricants	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
21	26	Advertising and Publicity	All cases		To be decided on merits		
22	27	Minor civil and electric works	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
23	28	Professional Services	All cases		To be decided on merits		

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
24	29	Repair and Maintenance	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
25	39	Bank and Agency Charges	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
26	40	Awards and Prizes	All cases		To be decided on merits		
27	31	Grants-in-aid – General	All cases		Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	
28	32	Contribution	Exempted		Exempted		Falling under existing exemption

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
29	33	Subsidies	All cases		Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	
30	34	Scholarships	All cases		To be decided on merits		
31	35	Grants for creation of Capital Assets	All cases		Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
32	36	Grants-in-aid – Salaries	All cases		Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	
33	37	Aid Material and Equipment	All cases		To be decided on merits		
34	41	Secret Service Expenditure	All cases		To be decided on merits		
35	44	Loss in Exchange	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
36	45	Interest Payments	Exempted		Exempted		Charged Expenditure
37	49	Other Revenue Expenditure	Exempted		Exempted		Falling within the concept of Normal Establishment Expenditure
38	51	Motor Vehicles	All cases		To be decided on merits		
39	52	Machinery and Equipment	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within the same section of the grant	Above ₹ 100 crore subject to savings within the same section of the grant	Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
40	71	Information, Computer, Tele-communications (ICT) equipment	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within the same section of the grant	Above ₹ 100 crore subject to savings within the same section of the grant	Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher,subject to savings within the same section of the grant	
41	72	Buildings and Structures	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within the same section of the grant	Above ₹ 100 crore subject to savings within the same section of the grant	Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
42	73	Infrastructural Assets	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within the same section of the grant	Above ₹ 100 crore subject to savings within the same section of the grant	Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	
43	74	Furniture & Fixtures	All cases		To be decided on merits		
44	75	Arms and Ammunitions (Capital)	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within the same section of the grant	Above ₹ 100 crore subject to savings within the same section of the grant	Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
45	76	Upgradation Procurement of Heritage Assets and n.e.c. (not elsewhere classified	All cases		To be decided on merits		
46	77	Other Fixed Assets	All cases		To be decided on merits		
47	78	Land	Above ₹ 50 crore but not exceeding ₹ 100 crore, subject to savings within the same section of the grant	Above ₹ 100 crore subject to savings within the same section of the grant	Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	
48	79	Nonproduced assets other than land	All cases		To be decided on merits		

Category			New Service		New Instrument of Service		Remarks
			Reporting Limit	Prior Approval Limit	Reporting Limit	Prior Approval Limit	
Sl. No.	Object Code	Object Head [Voted]	Category	Category	Category	Category	
49	80	Intangible Assets	All cases		To be decided on merits		
50	54	Investment	All cases		Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	Above 20% of original appropriation (15 digit line item) or Above Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	
51	55	Loans and Advances	All cases		Upto 20% of original appropriation (15 digit line item) or Upto Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	Above 20% of original appropriation (15-digit line item) or Above Rs 100 crore, whichever is higher, subject to savings within the same section of the grant	

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<tr><td>53</td><td>57</td><td>Subscription</td><td colspan="2">All cases</td><td colspan="2">To be decided on merits</td><td></td></tr>
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<tr><td>55</td><td>43</td><td>Suspense</td><td colspan="2">Not Applicable</td><td colspan="2">Not Applicable</td><td>Accounting Adjustments head</td></tr>
<tr><td>56</td><td>61</td><td>Depreciation</td><td colspan="2">All cases</td><td colspan="2">To be decided on merits</td><td></td></tr>
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APPENDIX- II
(See Rule 15)

F.No.18/03/2015-Estt. (Pay-I)
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training

New Delhi, the 2' March, 2016

OFFICE MEMORANDUM

Sub: Recovery of wrongful / excess payments made to Government servants.

The undersigned is directed to refer to this Department's OM No. 18/26/2011-Estt (Pay-I) dated 6th February, 2014 wherein certain instructions have been issued to deal with the issue of recovery of wrongful / excess payments made to Government servants in view of the law declared by Courts, particularly, in the case of Chandi Prasad Uniyal And Ors. vs. State of Uttarakhand And Ors., 2012 AIR SCW 4742, (2012) 8 SCC 417. Para 3(iv) of the OM inter-alia provides that recovery should be made in all cases of overpayment barring few exceptions of extreme hardships.

2. The issue has subsequently come up for consideration before the Hon'ble Supreme Court in the case of State of Punjab & Ors vs Rafiq Masih (White Washer) etc in CA No.11527 of 2014 (Arising out of SLP(C) No.11684 of 2012) wherein Hon'ble Court on 18.12.2014 decided a bunch of cases in which monetary benefits were given to employees in excess of their entitlement due to unintentional mistakes committed by the concerned competent authorities, in determining the emoluments payable to them, and the employees were not guilty of furnishing any incorrect information / misrepresentation / fraud, which had led the concerned competent authorities to commit the mistake of making the higher payment to the employees. The employees were as innocent as their employers in the wrongful determination of their inflated emoluments. The Hon'ble Supreme Court in its judgment dated 18th December, 2014 ibid has, inter-alia, observed as under:

"7. Having examined a number of judgments rendered by this Court, we are of the view, that orders passed by the employer seeking recovery of monetary benefits wrongly extended to employees, can only be interfered with, in cases where such recovery would result in a hardship of a nature, which would far outweigh, the equitable balance of the employer's right to recover.

In other words, interference would be called for, only in such cases where, it would be iniquitous to recover the payment made. In order to ascertain the parameters of the above consideration, and the test to be applied, reference needs to be made to situations when this Court exempted employees from such recovery, even in exercise of its jurisdiction under Article 142 of the Constitution of India. Repeated exercise of such power, "for doing complete justice in any cause" would establish that the recovery being effected was iniquitous, and therefore, arbitrary. And accordingly, the interference at the hands of this Court."

"10. In view of the afore-stated constitutional mandate, equity and good conscience, in the matter of livelihood of the people of this country, has to be the basis of all governmental actions. An action of the State, ordering a recovery from an employee, would be in order, so long as it is not rendered iniquitous to the extent, that the action of recovery would be more unfair, more wrongful, more improper, and more unwarranted, than the corresponding right of the employer, to recover the amount. Or in other words, till such time as the recovery would have a harsh and arbitrary effect on the employee, it would be permissible in law. Orders passed in given situations repeatedly, even in exercise of the power vested in this Court under Article 142 of the Constitution of India, will disclose the parameters of the realm of an action of recovery (of an excess amount paid to an employee) which would breach the obligations of the State, to citizens of this country, and render the action arbitrary, and therefore, violative of the mandate contained in Article 14 of the Constitution of India."

3. The issue that was required to be adjudicated by the Hon'ble Supreme Court was whether all the private respondents, against whom an order of recovery (of the excess amount) has been made, should be exempted in law, from the reimbursement of the same to the employer. For the applicability of the instant order, and the conclusions recorded by them thereinafter, the ingredients depicted in paras 2&3 of the judgment are essentially indispensable.

4. (i) The Hon'ble Supreme Court while observing that it is not possible to postulate all situations of hardship which would govern employees on the issue of recovery, where payments have mistakenly been made by the employer, in excess of their entitlement has summarized the following few situations, wherein recoveries by the employers would be impermissible in law:-

(ii) Recovery from employees belonging to Class-III and Class-IV service (or Group 'C' and Group 'D' service).

(iii) Recovery from retired employees, or employees who are due to retire within one year, of the order of recovery.

(iv) Recovery from employees, when the excess payment has been made for a period in excess of five years, before the order of recovery is issued.

(v) Recovery in cases where an employee has wrongfully been required to discharge duties of a higher post, and has been paid accordingly, even though he should have rightfully been required to work against an inferior post.

In any other case, where the Court arrives at the conclusion, that recovery if made from the employee, would be iniquitous or harsh or arbitrary to such an extent, as would far outweigh the equitable balance of the employer's right to recover.

5. The matter has, consequently, been examined in consultation with the Department of Expenditure and the Department of Legal Affairs. The Ministries / Departments are advised to deal with the issue of wrongful / excess payments made to Government servants in accordance with above decision of the Hon'ble Supreme Court in CA No.11527 of 2014 (arising out of SLP (C) No.11684 of 2012) in State of Punjab and others etc vs Rafiq Masih (White Washer) etc. However, wherever the waiver of recovery in the above-mentioned situations is considered, the same may be allowed with the express approval of Department of Expenditure in terms of this Department's OM No.18/26/2011-Estt (Pay-I) dated 6th February, 2014.

6. In so far as persons serving in the Indian Audit and Accounts Department are concerned, these orders are issued with the concurrence of the Comptroller and Auditor General of India.

7. Hindi version will follow.

(A.K. Jain)
Deputy Secretary to the Government of India

All Ministries / Departments of Government of India.

APPENDIX- III
(See Rule 16)

No. 24(35)/PF-II/2012
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi.
Dated: 05 August, 2016

OFFICE MEMORANDUM

Subject: **Appraisal and Approval of Public Funded Schemes and Projects (except matters required to be placed before the Cabinet Committee on Security).**

Reference is invited to this Department OM no. 24(35)/PF-II/2012 dated 29th Aug, 2014 regarding the guidelines for formulation, appraisal and approval of Public Funded Plan Schemes and Projects. With the announcement in the Union Budget 2016-17 of doing away with Plan Non-Plan distinction at the end of Twelfth Five Year Plan, it is imperative that a plan non-plan neutral appraisal and approval system is put into place. After a comprehensive review of the extant guidelines in this regard, the revised guidelines placed below will henceforth apply to the formulation, appraisal and approval of public funded schemes and projects, except matters required to be placed before the Cabinet Committee on Security.

2. **Schemes** are program based cost centres through which the Ministries and Departments spend their budgetary and extra-budgetary resources for delivery of public goods and services to the citizens. They are of two types:

a) *Central Sector Schemes* are implemented by the Central Ministries/Departments through their designated implementation agencies and funds are routed through the functional heads relevant for the sector.

b) *Centrally Sponsored Schemes* are implemented within the domain of National Development Agenda identified by the Committee of Chief Ministers constituted by NITI Aayog. They can have both Central and State Components. While the former are fully funded by the Central Government and implemented through functional heads like the central sector schemes in para- a above, the latter are routed through the intergovernmental transfer heads 3601/3602. The expenditure on State Components is shared between the Central and State Governments in accordance with the fund sharing pattern approved for the purpose.

3. **Projects** are best understood by the common-sense usage of the term. They involve onetime expenditure resulting in creation of capital assets, which could yield financial or economic returns or both. Projects may either be approved on stand-alone basis or as individual projects within an approved scheme envelope. They may be executed through budgetary, extra-budgetary resources, or a combination of both.

4. **Rationalization:** It was found that over the years Ministries/ Departments had started operating small and multiple schemes, which spread resources too thinly to realise any meaningful outcomes. In the run up to the Union Budget 2016-17, Schemes were rationalized in consultation with the implementing Ministries/ Departments. As per para-113 of the Budget Speech 2016, the number of Central Sector Schemes was brought down to around 300 and the number of Centrally Sponsored Schemes to around 30. However, this exercise is not an end in itself. In reiteration of the standing instructions in this regard and to ensure efficient management of public expenditure at all times, it is directed that henceforth:

   i. No new Scheme or Sub-Scheme will be initiated without the prior "in-principle" approval of the Department of Expenditure. This will, however, not apply to the announcements made in the Budget Speech for any given year.

   ii. The Statement of Budget Estimates should be prepared in accordance with the approved scheme architecture and any deviation in this regard should be a priori agreed with the concerned division of the Department of Expenditure.

   iii. Administrative Ministries/Departments should continuously endeavour to merge, restructure or drop existing schemes and sub-schemes that have become redundant or ineffective with the passage of time. For this, the restriction of in-principle approval mentioned in para-(i) above will not apply.

iv. Department of Expenditure reserves the right to merge, restructure or drop any existing scheme or sub-scheme, in consultation with the Administrative Department concerned, to enhance efficiency and improve economies of scale in the execution of government programs.

5. **Formulation:** The quality of Scheme or Project Formulation is the key bottleneck leading to poor execution at the implementation stage, including time and cost over-runs, often resulting in a series of revised cost estimates. Additional time and effort spent at the scheme/ project formulation stage can not only save precious resources, but also enhance the overall impact, leading to a qualitative improvement in outcomes.

For all new Schemes, a Concept Paper should be prepared while seeking in-principle approval, holding stakeholder consultations, conduct of pilot studies etc. While submitting proposals for continuation of on-going schemes, a careful rationalization must be done through merger and dropping of redundant schemes. The feedback from the formulation stage should be used for improving the scheme design so that a Detailed Paper can be presented for appraisal at the EFC stage.

Similarly, project preparation should commence with a Feasibility Report, which helps establish the project is techno-economically sound and resources are available to finance the project. It provides a firm basis for starting land acquisition, approval of pre-investment activities, etc. In-principle approval for initiating a project will be granted by the Financial Adviser concerned after examining project feasibility and availability of financial resources.

Generic structure of a Detailed Paper for Schemes/Detailed Project Report for Projects is given at Annex-I. While designing new schemes/sub-schemes, the core principles to be kept in mind are economies of scale, separability of outcomes and sharing of implementation machinery. Schemes which share outcomes and implementation machinery should not be posed as independent schemes, but within a unified umbrella program with carefully designed convergence frameworks.

6. **Appraisal:** The Institutional framework for appraisal of Schemes and Projects is given at Annex-II. Depending on the level of delegation, the Schemes will be appraised by the Expenditure Finance Committee (EFC) or the Standing Finance Committee (SFC), while Projects will be similarly appraised by the Public Investment Board (Pt B) or the Delegated Investment Board (DIB). The step-wise time-fines for appraisal are given at Annex-Ill. The formats for submitting Schemes and Project Proposals are given at Annex-IVA and Annex-IVB respectively. For Schemes, a Concept/ Detailed Paper which outlines the overall scheme architecture, and its main structural elements should be attached. Similarly, for Projects either the Feasibility or the Detailed Project Report should be attached. The word Scheme is used here in a generic sense. It includes programs (umbrella schemes), schemes and sub schemes, which, depending on the need, may be appraised as stand-alone cost centres.

7. **New Bodies:** No new Company, Autonomous Body, Institution/University or other Special Purpose Vehicle should be set up without the approval of the Cabinet/Committee of the Cabinet, irrespective of the outlay, or any delegation that may have been issued in the past. All such cases would be appraised by the Committee of Establishment Expenditure chaired by the Expenditure Secretary for which separate orders will be issued by the Pers. Division. If setting up of a New Body involves project work, combined CEE/ EFC/PIB may be held.

8. **Original Cost Estimates:** The delegation of powers for appraisal and approval of Original Cost Estimates (OCE) is given in the table below.

Scheme/Project Appraisal		Scheme/Project Approval	
Cost (Rs. Cr)	**Appraisal by**	**Cost (Rs. Cr.)**	**Approval by**
Up to 100	The Financial Adviser	Up to 100	Secretary of the Administrative Department
> 100 & up to 500	SFC/DIB Chaired by Secretary of the Admn. Dept.	>100 & up to 500	Minister-in-charge of the Administrative Department
> 500	EFC/PIB chaired by the Expenditure Secretary, except departments/ schemes/projects for which special dispensation has been notified by the Competent Authority	>500 & up to 1000	Minister-in-charge of the Admn. Dept. and Finance Minister, except where special powers have been delegated by the Finance Ministry
		>1000	Cabinet/Committee of the Cabinet concerned with the subject

Note:

1. The financial limits above are with reference to the total size of the Scheme/ Project being posed for appraisal and includes budgetary support, extra-budgetary resources, external aid, debt/equity/loans, state share, etc.

2. Financial Advisers may refer any financial matter and may also seek participation of the Department of Expenditure in the SFC/DIB meetings, if required. For proposals above Rs. 300 crore such a participation would be mandatory.

3. Delegated powers should be exercised only when the budgetary allocation or medium-term scheme outlay as approved by Department of Expenditure is available.

4. While exercising delegated powers, the Ministries/Departments should also ensure the 4. proposals are subject to rigorous examination in project design and delivery, and careful attention should be paid to recurring liabilities and fund availability after adjustment of the committed liabilities.

5. For appraisal and approval of PPP projects separate orders issued by the Department of Economic Affairs will apply.

9. **Revised Cost Estimates:** Any Increase in costs due to statutory levies, exchange rate variation, price escalation within the approved time cycle and/ or increase in costs up to 20 percent due to any other reason, are covered by the approval of the original cost estimates. Any increase in this regard would be approved by the Secretary of the Administrative Department concerned with the concurrence of the Financial Adviser.

   Any increase in costs beyond 20 percent of the firmed-up cost estimates due to time overrun, change in scope, under-estimation, etc, (excluding increase in costs due to statutory levies, exchange rate variation and price escalation within the approved time cycle) should first be placed before a Revised Cost Committee chaired by the Financial Adviser (consisting of the Joint Secretary in-charge of the program division and representative of the Chief Adviser Cost as members) to identify the specific reasons behind such increase, identify lapses, if any, and suggest remedial measures for the same. The recommendations of the Revised Cost Committee should be placed for fresh appraisal and approval before the competent authority as per the extant delegation of powers (It may be noted that a firmed-up cost estimate here means a cost estimate which has been through the full appraisal and approval procedure as per the extant delegation of powers).

10. Pre-Investment Activities include preparation of Feasibility Reports, Detailed Project Reports; Pilot Experiments/Studies for Schemes; Survey/ Investigation required for large projects; payment for land acquisition in ac-

cordance with the orders of a competent authority under the law; construction of boundary wall, access roads, minor bridges/culverts, waterpower lines, site offices, temporary accommodation, etc. at the project site; preparation of environment management plans, forestry and wildlife clearances; compensatory afforestation, payment for conversion of forest land to non-forest purposes, etc.

Pre-investment activities up to Rs, 100 crore (including budgetary and extra-budgetary resources) may be approved by the Secretary of the Administrative Department with the concurrence of the Financial Adviser concerned provided financial resources are available and in-principle approval has been obtained, wherever necessary. For pre-investment activities above Rs. 100 crore, the prescribed appraisal and approval procedure should be followed. When firmed-up cost estimates are put up for approval, the, expenditure on pre-investment activities should be included in the final cost estimates for the competent authority to get a full picture of the total resources required for the scheme or the project to be implemented.

11. Medium Term Outlay: It has been stated in pare-110 of the Budget Speech 2016 that every scheme should have a sunset date and an outcome review. In the past, every scheme was revisited at the end of each plan period. After the Twelfth Five Year Plan, the medium term framework for schemes and their sunset dates will become coterminous with the Finance Commission Cycles, the first such one being the remaining. Fourteenth Finance Commission (FFC) period ending March, 2020. This is necessary because fixation of medium term scheme outlay needs a clarity over flow of resources, which is likely to be available to both Central and State Governments over the Finance Commission periods.

Accordingly, it is directed that at the end of the Twelfth Plan period all Ministries/Departments should undertake an outcome review and re-submit their Schemes for appraisal and approval, unless the scheme has already been made coterminous with theFFC period. The Department of Expenditure will, on its part, communicate, in consultation with the Budget Division, the outlays for both Central Sector and Centrally Sponsored Schemes over the remaining FFC period. The same process will, mutatis mutandis, apply to the subsequent Finance Commission Cycles.

12. Outcomes and Evaluation: Finance Secretary vide D.O. 66(01)/PF.II/2015 Dated 18th May 2016 (Annex-V) has directed all Ministries/Department to prepare an output-outcome framework for each Central Sector and Centrally Sponsored Scheme with the approval of CEO NITI Aayog. Measurable outcomes, which deal with the quality aspect of schemes and programs, need to be defined over the relevant medium term framework, while physi-

cal and financial outputs need to be targeted on year-to-year basis in such a manner that it aggregates to achieve the measurable outcomes over the medium term. NITI Aayog, while approving the output-outcome framework, will kick-start a third party evaluation process for both Central Sector and Centrally Sponsored Schemes, Extension of Schemes from one Finance Commission Cycle to another would be contingent on the result of such an evaluation exercise.

13. **Repeal:** The following OM's of Department of Expenditure, and linked circulars of other Departments, including the erstwhile Planning Commission, are hereby superseded:

OM Nor 24(35)/PF-11/2012 Dated 29th August, 2014

OM No. 1(1)/PF-11/2011 Dated 31st March, 2014

OM No. 1(3) PF-11/2001 Dated 1st April, 2010

OM No, 1(3)/PF-1112001 Dated 15th November, 2007

OM No, 1(2)/PF-11/2003 Dated 7th May, 2003

OM No. 1(3)/PF-I1/2001 Dated 18th February, 2002

OM No, 1(8)/PF-11/1998 Dated 30th October, 1998

OM No. 1(6)IPF-ll/1 991 Dated 24th August, 1992

OM No, 1(4)/PF-11/1984 Dated 25th August, 1984

The concerned Departments may, however, reissue their linked circulars in consultation with the Department of Expenditure after suitably realigning it with the new circular.

This issues with the approval of the Finance Minister and will come into effect with immediate effect.

Sd/-
(Arunish Chawla)
Joint Secretary to the Government of India

All Secretaries to the Government of India
All Financial Advisers to Ministries/Departments
Cabinet Secretariat
Prime Minister's Office
NITI Aayog
Railway Board
Internal Circulation

Annexure-I to Appendix- III

GENERIC STRUCTURE OF A DETAILED PAPER/DETAILED PROJECT REPORT

(i) **Context/Background:** This section should provide a brief description of the sector/subsector as well as the national strategy and policy framework. This section should also provide a general description of the scheme/project being posed for appraisal.

(ii) **Problems to be addressed:** This section should elaborate the problem to be addressed through the project/scheme at the local/regional/national level. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data/survey/ reports etc.

(iii) **Aims and Objectives:** This section should indicate the development objectives proposed to be achieved, ranked in order of importance. The outputs/ deliverables expected for each development objective should be spelt out clearly.

(iv) **Strategy:** This section should present an analysis of alternative strategies available to achieve the development objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (wherever relevant). Opportunities for leveraging government funds through public-private partnership or savings through outsourcing must be explored. This section should also provide a description of the ongoing initiatives, and the manner in which duplication can be avoided and synergy created with the proposed scheme/project.

(v) **Target Beneficiaries:** There should be clear identification of target beneficiaries. Stakeholder analysis should be undertaken, including consultation with stakeholders at the time of scheme/project formulation. Options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of any adverse impact.

(vi) **Legal Framework:** This section should present the legal framework, if relevant, within which the scheme/project will be implemented, as well as the strengths and weaknesses of the legal framework in so far as it impacts on achievement of stated objectives.

(vii) **Environmental Impact:** Environmental Impact Assessment should be undertaken, wherever required, and measures identified to mitigate the adverse impact, if any. Issues relating to land acquisition, diversion of forest land, wildlife clearances, rehabilitation and resettlement should be addressed in this section.

(viii) **Technology:** This section should elaborate on the technology choices, if any; evaluation of the technology options, as well as the basis for choice of technology for the proposed project.

(ix) **Management:** Responsibilities of different agencies for project management or scheme implementation should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out.

(x) **Finance:** This section should focus on the cost estimates, budget for the scheme/project, means of financing and phasing of expenditure. Options for cost sharing and cost recovery (user charges) should be explored. Infrastructure projects may be assessed on the basis of the cost and tenor of the debt. Issues relating to project sustainability, includingstakeholder commitment, operation-maintenance of assets after project completion and other related issues should also be addressed in this section.

(xi) **Time Frame:** This section should indicate the proposed zero date for commencement and also provide a PERT/CPM chart, wherever relevant.

(xii) **Cost Benefit Analysis:** Financial and economic cost-benefit analysis of the project should be undertaken wherever such returns are quantifiable. Such an analysis should generally be possible for infrastructure projects, but may not always be feasible for public goods and social sector projects. Even in the case of latter, the project should be taken up for appraisal before the PIB and some measurable outcomes/deliverables suitably defined.

(xiii) **Risk Analysis:** This section should focus on identification and assessment of implementation risks and how these are proposed to be mitigated. Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.

(xiv) **Outcomes:** Success criteria to assess whether the development objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (impact assessment). Similarly, it is essential that baseline surveys be undertaken in case of large, beneficiary-oriented schemes. Success criterion for scheme deliverables/outcomes should also be specified in measurable terms to assess achievement against proximate goals.

(xv) **Evaluation:** Evaluation arrangements for the scheme/project, whether concurrent, mid-term or post-project should be clearly spelt out. It may be noted that continuation of schemes from one period to another will not be permissible without a third-party evaluation.

Last but not the least, a self-contained Executive Summary should be placed at the beginning of the document. In cases where only a Concept Paper or Feasibility Report is attached to the EFC/PIB proposal, it should cover the main points mentioned in the generic structure above.

Annexure-II to Appendix- III

Institutional Arrangement for Appraisal of Schemes and Projects

Expenditure Finance Committee (EFC)	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Financial Advisor of the Administrative Ministry/ Department	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division	Member
Representative of concerned Ministries/Agencies	Member
Joint Secretary, Department of Expenditure	Member-Secretary
For appraisal of schemes of scientific nature, Scientific Adviser may be invited as Member.	
Standing Finance Committee (SFC)	
Secretary of the Administrative Ministry/Department	Chairperson
Joint Secretary in Charge of the Subject Division	Member
Representative of NITI Aayog	Member
Financial Advisor of the Administrative Ministry/ Department	Member-Secretary
Representative of Department of Expenditure and any other Ministry/Department that the Secretary/Financial Advisor may suggest may be invited as per requirement.	

Public Investment Board (PIB)	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Financial Advisor of the Administrative Ministry/ Department	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division	Member
Representative of concerned Ministries/Agencies	Member
Joint Secretary, Department of Expenditure	Member-Secretary
For appraisal of schemes of scientific nature, Scientific Adviser may be invited as Member.	
Delegated Investment Board (DIB)	
Secretary of the Administrative Ministry/Department	Chairperson
Joint Secretary in Charge of the Subject Division	Member
Representative of NITI Aayog	Member
Financial Advisor of the Administrative Ministry/ Department	Member-Secretary
Representative of Department of Expenditure and any other Ministry/Department that the Secretary/Financial Advisor may suggest may be invited as per requirement.	

Annexure-III to Appendix- III

Time Frame for Appraisal and Approval of Schemes and Projects

The scheme/project cycle would commence with the submission of a Concept Paper/Feasibility Report by the Administrative Ministry/Department.

(i)	Decision on "in principle" approval, if required	2 weeks
(ii)	Preparation of a Detailed Paper/Detailed Project Report by the Administrative Ministry/Department and circulating the same along with draft EFC/PIB Memo.	The time limit will vary depending on the nature of scheme and project. This is an internal matter of the Administrative Ministry/Department concerned
(iii)	Appraisal Note and Comments to be offered on the DP/DPR and draft EFC/PIB memo by Department of Expenditure, NITI Aayog and concerned Ministries/Agencies.	4 weeks
(iv)	Preparation of final EFC/PIB Memo based on comments received, and circulating the same for Appraisal and Approval	2 weeks
(v)	Fixing the date of EFC/PIB meeting after receiving the final EFC/PIB Memo	1 weeks
(vi)	Issue of minutes of EFC/PIB after the meeting has been held	1 weeks
(vii)	On-file approval of Administrative Minister and Finance Minister	2 weeks
(viii)	Submission for approval of the Cabinet/Committee of the Cabinet (for proposals above Rs. 1,000 crore)	2 weeks

Note: *Wherever the recommended time frame is not adhered to any stage, the concerned organization should work out an appropriate trigger mechanism to take the matter to the next higher level for timely decision making.*

Annexure-IVA to Appendix- III

FORMAT FOR EFC/SFC MEMORANDUM FOR APPRAISAL OF SCHEMES

1. Scheme Outline

1.1 Title of the Scheme.

1.2 Sponsoring Agency (Ministry/ Department/Autonomous Body or Undertaking)

1.3 Total Cost of the proposed Scheme

1.4 Proposed duration of the Scheme

1.5 Nature of the Scheme: Central Sector Scheme/ Centrally Sponsored Scheme

1.6 For Central Sector Schemes, sub-schemes/components, if any, may be mentioned. For Centrally Sponsored Schemes, central and state components, if any, may be mentioned.

1.7 Whether a New or a Continuing Scheme? In case of a Continuing Scheme, whether the old scheme was evaluated and what were the main findings?

1.8 Whether in-principle approval is required? If yes, has it been obtained?

1.9 Whether a Concept Paper or a Detailed Paper has been prepared and stakeholders consulted? In case of new Centrally Sponsored Schemes, whether the State Governments have been consulted?

1.10 Which existing schemes/sub-schemes are being dropped, merged or rationalized?

1.11 Is there an overlap with an existing scheme/sub-scheme? If so, how duplication of effort and wastage of resources are being avoided?

1.12 In case of an umbrella scheme (program) give the details of schemes and sub-schemes under it along with the proposed outlay component-wise.

Note: It may kindly be noted that the word scheme here is used in a generic sense. It includes programs, schemes and sub-schemes, which, depending on need, can he appraised and approved as stand-alone cost centers.

2. Outcomes and Deliverables

2.1 Stated aims and objectives of the Scheme

2.2 Indicate year-wise outputs/deliverables in a tabular form.

Components	Year 1		Year 2 & so on		Total	
	Physical	Financial	Physical	Financial	Physical	Financial
1, 2, 3 & so on						

2.3 Indicate Outcomes of the Scheme in the form of measurable indicators which can be used to evaluate the proposal periodically. Baseline data or survey against which such outcomes should be benchmarked should also be mentioned.

2.4 Indicate other schemes/sub-schemes being undertaken by Ministries/Departments which have significant outcome overlap with the proposed scheme. What convergence framework have been evolved to consolidate outcomes and save public resources?

3. Target Beneficiaries

3.1 If the scheme is specific to any location, area and segment of population, please give the details and basis for selection.

3.2 Please bring out specific interventions directed in favour of social groups, namely SC, ST, differently abled, minorities and other vulnerable groups.

3.3 If the scheme has any gender balance aspects or components specifically directed at welfare of women, please bring them out clearly?

3.4 Please bring out special interventions, if any, in North East, Himalayan, LWE, Island territories and other backward areas.

3.5 In case of beneficiary-oriented schemes, indicate the mechanism for identification of target beneficiaries and the linkage with Aadhaar/ UID numbers.

3.6 Wherever possible, the mode of delivery should involve the Panchayati Raj Institutions and Urban Local Bodies. Where this is intended, the preparedness and ability of the local bodies for executing the proposal may also be examined.

4. Cost Analysis

4.1 Cost estimates for the scheme duration: both year-wise, component-wise segregated into non-recurring and recurring expenses.

4.2 The basis of these cost estimates along with the reference dates for normative costing.

4.3 In case pre-investment activities or pilot studies are being carried out, how much has been spent on these?

4.4 In case the scheme involves payout of subsidy, the year wise and component wise expected outgo may be indicated.

4.5 In case the land is to be acquired, the details of cost of land and cost of rehabilitation/resettlement, if any.

4.6 In case committed liabilities are created, who will or has agreed to bear the legacy burden? In case assets are created, arrangements for their maintenance and upkeep?

5. Scheme Financing

5.1 Indicate the sources of finance for the Scheme: budgetary support, extra-budgetary sources, external aid, state share, etc.

5.2 If external sources are intended, the sponsoring agency may indicate, as also whether such funds have been tied up?

5.3 Indicate the component of the costs that will be shared by the State Governments, local bodies, user beneficiaries or private parties?

6. Approvals and Clearances

Requirement of mandatory approvals and clearances from various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.)

S. N	Approvals/Clearances	Agency concerned	Availability (Y/N)

7. Human Resources

7.1 Indicate the administrative structure for implementing the Scheme. Usually creation of new structures, entities etc. should be avoided

7.2 Manpower requirement, if any. In case posts, permanent or temporary, are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure (such proposals may be sent only after the main proposal is recommended by the appraisal body)

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

8. Monitoring and Evaluation

8.1 Please indicate the monitoring framework for the Scheme and the arrangements for statutory and social audit (if any).

8.2 Please indicate the arrangement for third party/independent evaluation? Please note that evaluation is necessary for extension of scheme from one period to another.

9. Comments of the Financial Advisor, NM Aayog, Department of Expenditure and other Ministries/Departments may be summarized in tabular form along with how they are being internalized and used to improve this proposal.

10. Approval Sought:

(--------------)

Joint Secretary to the Government of India

Tel. No, : ....

Fax No. : ....

E-mail : ....

Please attach an Executive Summary along with the Concept/Detailed Paper outlining the main elements and overall architecture of the proposed Scheme.

Annexure-IVB to Appendix- III

FORMAT FOR PIB/DIB MEMORANDUM FOR APPRAISAL OF PROJECTS

1. Project Outline

1.1 Title of the Project

1.2 Sponsoring Agency (Ministry/ Department/Autonomous Body or Undertaking)

1.3 Proposed Cost of the Project

1.4 Proposed Timelines for the Project

1.5 Whether Project will be implemented as part of a scheme or on stand-alone basis?

1.6 Whether financial resources required for the Project have been tied up? If yes, details?

1.7 Whether Feasibility Report and/or Detailed Project Report has been prepared?

1.8 Whether the proposal is an Original Cost Estimate or a Revised Cost Estimate?

1.9 In case of Revised Cost Estimates, whether the meeting of Revised Cost Committee has been held and its recommendations suitably addressed?

1.10 Whether any land acquisition or pre-investment activity was undertaken or is contemplated for this Project? Whether the cost of such intervention has been included in the Project Proposal?

2. Outcomes and Deliverables

2.1 Stated aims and objectives of the Project

2.2 Indicate year-wise outputs/deliverables for the project in a tabular form.

2.3 Indicate final outcomes for the project in the form of measurable indicators which can be used for impact assessment/evaluation after the project is complete. Baseline data or survey against which such outcomes would be benchmarked should also be mentioned.

2.4

Components	Year 1		Year 2 & so on		Total	
	Physical	Financial	Physical	Financial	Physical	Financial
1, 2, 3 & so on						

3. Project Cost

3.1 Cost estimates for the project along with scheduled duration (both year and activity-wise). Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old)

3.2 In case land is to be acquired, the details of land cost, including cost of rehabilitation/ resettlement needs to be provided.

3.3 In case pre-investment activities are required, how much is proposed to be spent on these, with details activity-wise?

3.4 Whether price escalation during the project time cycle has been included in the cost estimates and at what rates?

3.5 Whether the Project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?

3.6 In case of the Revised Cost Estimates, a variation analysis along with the Report of the Revised Cost Committee needs to be attached.

4. Project Finance

4.1 Indicate the sources of project finance: budgetary support, internal and extra-budgetary sources, external aid, etc.

4.2 Indicate the cost components, if any, that will be shared by the state governments, local bodies, user beneficiaries or private parties?

4.3 In case of funding from internal and extra-budgetary resources, availability of internal resources may be supported by projections and their deployment on other projects?

4.4 Please indicate funding tie-ups for the loan components, if any, both domestic and foreign, along-with terms and conditions of loan based on consent/comfort letters.

4.5 If government support/loan is intended, it may be indicated whether such funds have been tied up?

4.6 Please provide the leveraging details, including debt-equity and Interest coverage ratios, along with justification for the same.

4.7 Mention the legacy arrangements after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created?

5. Project Viability

5.1 For projects which have identifiable stream of financial returns, the financial internal rate of return may be calculated. The hurdle rate will be considered at 10 percent.

5.2 In case of projects with identifiable economic returns, the economic rate of return may be calculated. In such cases project viability will be determined by taking both financial and economic returns together.

5.3 In case of proposals where both financial and economic returns are not readily quantifiable, the measurable benefits/outcomes simply may be indicated.

Note: It may kindly be noted that all projects, irrespective of whether financial and/or economic returns can be quantified or not, should be presented for PIB/DIB appraisal.

6. Approvals and Clearances

Requirement of mandatory approvals/clearances of various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.) In case land is required, it may be clearly mentioned whether the land is in the possession of the agency free from encumbrances or encroached or stuck in legal processes?

7. Human Resources

7.1 Indicate the administrative structure for implementing the Project. Usually creation of new structures, entities etc. should be avoided

7.2 Manpower requirement, if any. In case posts (permanent or temporary) are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure. Such proposals may be sent only after the main proposal is recommended by the appraisal body.

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

8. Monitoring and Evaluation

8.1 Indicate the Project Management/Implementing Agency(s), What agency charges are payable, if any?

8.2 Mode of implementation of individual works: Departmental/Item-rate/Turnkey/EPC/ Public-Private Partnership, etc.

8.3 Please indicate timelines of activities in PERT/Bar Chart along with critical milestones.

8.4 Please indicate the monitoring framework, including MIS, and the arrangements for internal/statutory audit.

8.5 Please indicate what arrangements have been made for impact assessment after the project is complete?

9. Comments of the Financial Advisor, NITI Aayog, Department of Expenditure and other Ministries/Departments may be summarized in tabular form along with how they have been internalized and used to improve this proposal.

10. Approval Sought:

(--------------)

Joint Secretary to the Government of India

Tel. No, : ....

Fax No. : ....

E-mail : ....

Please attach an Executive Summary along with the Feasibility Report/ Detailed Project Report prepared for the Project.

Annexure-V to Appendix- III

Ashok Lavasa
Finance Secretary
Government of India

Ministry of Finance
Department of Expenditure

D.O.No.66(01)/PF.II/2015 18th May 2016

Dear Secretary,

Following rationalization of schemes in the 2016-17 BE, instructions were issued for preparation of outcome budgets with the approval of CEO, NITI Aayog. However, due to paucity of time outcome budget for 2016-17 was submitted in the old format with the understanding that follow up action will be taken soon thereafter.

2. It is again reiterated that outcomes need to be defined for both Central Sector Schemes and Centrally Sponsored Schemes. The following action needs to be taken in this regard:

a) Measurable Outcomes need to be defined for each scheme over the medium term, that is going forward up to the year 2019-20 (the end of Fourteenth Finance Commission period).

b) On the financial side, the budgetary allocation for 2016-17 may also be normatively projected going forward up to the year 2019-20 (assuming a normative increase of 5- 10% every year).

c) Year to year physical outputs, consistent with the financial resources projected above, need to be worked out in a manner that is not out of line with the measurable outcomes as defined in para (a) above.

d) The output-outcome framework may be got approved from CEO, NITI Aayog by the end of the first quarter i.e. 30 June 2016.

e) An evaluation framework will also be designed for each scheme based on this exercise. Continuation of any scheme beyond the Fourteenth Finance Commission period will be contingent on the result of such evaluation conducted by NITI Aayog.

3. I would request you to carefully identify the outcome parameters that would be true indicators of the desired outcome. This may be given top priority as the forthcoming RE/BE and outcome budgets will be based on this exercise.

With regards,

Yours sincerely,
Sd/-
(Ashok Lavasa)

Secretary to the Govt. of India as per list attached.
Copy to: CEO, NITI Aayog

OTHER RELATED ORDERS

1

[Ministry of Finance DoE OM No. 1(5)/2016 EII(A) dated 15.09.2016]

Sub:- Committee on Establishment Expenditure (CEE).

Consequent upon the announcement in the Union Budget 2016-17 to do away with the Plan/ Non-Plan distinction at the end of the 12th Five year plan, this Department has issued revised guidelines for the formulation, appraisal and approval of public funded schemes and projects. It has accordingly been decided to revise the non-plan appraisal & approval mechanism in supersession of this Departments OM No. 1(5)/2016-E II(A) dated 27th May, 2016 relating to the financial powers of Ministries/ Departments with regard to expenditure on non-plan schemes and projects.

2. According to the Transaction of Business Rules, 1961 creation of a new company, autonomous body, institution/university or special purpose vehicle, along with creation of posts at the level of Joint Secretary & above, needs to be put for approval before the Cabinet. This is necessary to ensure that parastatal bodies do not multiply, and establishment liabilities of the Government, whether direct or contingent, do not increase at the cost of other desirable expenditure. For appraisal of such proposals, a Committee on Establishment Expenditure (CEE) is constituted as follows:

Committee on Establishment Expenditure	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Joint Secretary, Department of Expenditure	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division	Member
Financial Advisor of the Administrative Ministry/Department	Member-Secretary
Representative of other Ministries/Departments/Agencies concerned may be invited as per the requirement.	

3. CEE will serve as the appraisal forum for creation of New Bodies, and will *inter alia* examine the following:

(i) The need for creation of the new body and whether the stated policy objectives can be achieved by restructuring an existing body or expanding the scope of a subordinate/ attached office?

(ii) The number of posts need to be created in the new body and at what levels?

(iii) What will be the recurring expenditure for ten years, including establishments, running and O&M expenditure, if any?

(iv) To what extent the recurring expenditure can be borne from internal resources thereby minimizing the budgetary burden of the Government?

4. Creation of a new body may not be an end in itself. In many cases, while creation of a new body is the primary objective, one-time project work may need to be undertaken. Sometimes, creation of a new body may be incidental to execution of a major project or implementation of a major scheme or a programme. *In such cases, depending on the level of delegation, a combined EFC/CEE or a combined PIB/CEE may be held.* However, after appraisal, while creation of a new body will be placed before the Cabinet for approval, the scheme or the project may be dealt with the guidelines contained in this department's OM No. 24(35)/PF-II/2012 Dated 05 August, 2016.

5. It is emphasised that creation of new posts, in Ministries/Departments, Attached or Subordinate offices, will continue to be processed on file and not placed before the CEE. Similarly, creation of new posts within existing bodies may also be processed on file, and new project works in an existing body may continue to be approved in accordance with the extant delegation of powers. <u>However, no pre-investment activity related to creation of a New Body or Institution will be approved without the in principle approval of the Department of Expenditure, unless there is a specific budget announcement to that effect.</u>

6 All matters required to be placed before the Cabinet committee on Security may be forwarded to Pers. Division of the Department of Expenditure.

7 The Integrated Finance of the respective Administrative Ministry/ Department shall function as the Secretariat for the CEE.

8 This issues with the approval of the Finance Minister and will come into force with immediate effect.

(Annie G. Mathew)
Joint Secretary to the Government of India

To

All Secretaries to Government of India
All Financial Advisers to Ministries/ Departments.

2

[Ministry of Finance DoE O.M. No. F No. 7(1)/E.Coord-I/2017, dated 04.01.2024]

Sub:- Compendium of instructions for Creation, Revival, Continuation, Conversion, Up-gradation, Down-gradation and Abolition of posts in Autonomous Bodies under Central Government.

The following compendium of instructions for Creation, Revival, Continuation, Conversion, Transfer, Up-gradation, Down-gradation and Abolition of posts in Autonomous Bodies under Central Government is issued in supersession of all previous instructions/orders.

2. General:

2.1 These instructions shall apply to creation, continuation, revival, conversion, transfer, up-gradation, down-gradation and abolition of posts in Autonomous Bodies under Central Government in supersession of all instructions or advice issued till date.

2.2 Any specific exemption allowed to any Autonomous Body under a Ministry or Department on creation, revival, continuation, conversion, transfer, up-gradation and down-gradation of posts is also withdrawn.

2.3 (a) If delegation of powers for creation, revival, continuation, conversion, transfer, up-gradation and down gradation of posts are required or otherwise available under any Authority, the same shall be brought to the notice of this Department separately for further necessary action.

(b) Autonomous Bodies, which are financially self- sustained or receives marginal/negligible grant from Government of India, seeking exemption from these instructions shall submit proposal to Department of Expenditure clearly bringing out the quantum of grant received from Government of India. However, these Autonomous Bodies shall abide by the Pay Level in Pay Matrix as applicable to equivalent posts/ranks in Central Government/approved by Central Government.

2.4 Proposal for creation, revival, continuation, conversion, transfer, up-gradation, down-gradation and abolition of posts [except where powers are delegated to Administrative Ministries/Departments and FAs vide this order] shall be routed through IFD with the approval of Secretary of Administrative Ministry/Department.

2.5 These instructions shall not be applicable to CPSEs, which may follow the instructions issued by Department of Public Enterprises in this regard.

2.6 These instructions shall not be applicable to Statutory posts. A post shall be categorised as Statutory, if it is specifically mentioned under the provisions of any Act of Parliament. Post(s) created by Rules/Notification/Executive orders under any of the provisions of a Statute subsequent to notification of the Statute for smooth functioning of the Statutory Body shall not be categorised as Statutory Post(s). These posts shall be subject to the provisions of these instructions.

2.7 The power to create post(s) resides with Cabinet and Department of Expenditure as given hereunder. No proposal for delegation of power to create posts to any Authority shall be included in any Appraisal notes [CEE, EFC, etc], Draft Cabinet Note (DCN) or Bill.

2.8 Proposals for creation of posts as part of a Statute should invariably be brought to the notice of Department of Expenditure through Appraisal Notes/DCN for approval.

3. Creation of posts:

3.1 Creation of posts at SAG and above levels [Pay Levels-14 and above] and Chief Executive of Autonomous Bodies irrespective of pay level shall be submitted to Cabinet.

3.2 Proposals for creation of posts noted at para 3.1 shall be submitted to Cabinet by the Administrative Ministry as per laid down procedure after consultation with nodal Departments including Department of Expenditure.

3.3 All other proposals for creation of posts shall be referred to Department of Expenditure through respective Integrated Financial Division (IFD), with the approval of Secretary of Administrative Ministry/Department.

3.4 In case of multiple proposals, e.g. proposals for different grades in the same Autonomous Body or one or more Autonomous Bodies under the same Ministry/ Department, the Administrative Ministry/Department shall submit a consolidated proposal.

3.5 Proposals for creation of posts shall be submitted on file, along with the prescribed checklist issued by this Department (**Annexure– I**).

Separate checklist may be prepared for each category of post. Proposals without complete information and without approval of Secretary of Administrative Ministry/Department will not be considered and will be returned to the Administrative Ministry.

3.6 The authority competent to approve creation of post(s) shall be as below:

Level of Post	Approving Authority
Posts equivalent to SAG and above levels [Pay Level-14 and above] and all Chief Executive Posts of Autonomous Bodies irrespective of Pay Level.	Cabinet
Posts below SAG level [Below Pay Level-14]	Department of Expenditure

4. Creation of Supernumerary posts:

4.1 The Competent Authority for creation of posts and procedure in respect of supernumerary posts shall be the same as for regular posts given at para 3 above.

4.2 Supernumerary post(s) shall be personal to the officer(s) for whom it is created and for a limited period to be specified in the order itself. It shall stand abolished as soon as the officer(s) for whom it is created vacates it on account of retirement/promotion/ accommodation against a regular post/or any other reason.

4.3 Administrative Ministries/Departments under intimation to concerned Financial Advisors shall maintain a record of the supernumerary posts, the particulars of the individuals who hold liens against them and the progressive abolition of such posts as and when the holders of the posts vacate them.

5. Abolition and Revival of posts:

5.1 A post lying vacant for more than 5 years from the date of creation or date of falling vacant, shall stand abolished.

5.2 **In cases where**

(i) the recruitment process has been initiated within 4 years of the creation/arising of vacancy and is underway but appointment orders have not been issued within the period of 5 years, or

(ii) there are specific Court directions requiring the filling of a post, or

(iii) filling of posts was delayed due to Court orders on finalization of seniority lists/filling of the posts etc., or

(iv) promotion posts under reservation quota could not be filled due to non-availability of eligible candidates in the feeder grade, or

(v) posts are essential for functioning of the institute and for which matching savings can be provided by the organization by surrendering live posts without compromising the hierarchy of the Cadre or affecting the promotional channels of the feeder grades in the same hierarchy the posts may be revived with prior approval of Department of Expenditure.

5.3 In cases, where the organisation is prevented from filling the vacancy due to circumstances specified in para 5.2 and where sufficient justification exists for continuation of the post, proposals for revival shall be submitted to Department of Expenditure through Integrated Finance Division (IFD) along with a detailed chronology of events indicating the circumstances which led to non-filling of the vacancy and functional justification for revival with the approval of Secretary of Administrative Ministry/Department as per prescribed checklist (**Annexure-II**). Revival would be considered only in the circumstances mentioned in para 5.2.

5.4 Statutory posts are not covered under these instructions. Only the posts mentioned in Statute may be considered Statutory, not their support staff (see para 2.6).

5.5 Once a post is deemed to be abolished (unless covered under para 5.2) it shall not be filled, except by creating it *de novo* by following the procedure under para 3.

5.6 A list of abolished posts shall be submitted to the Department of Expenditure annually through the Financial Advisor concerned.

5.7 Categorisation of vacant posts:

Type of Post	Category	Action required
Statutory Posts	Do not fall under abolition category	Revival not required
Post vacant for less than 5 years	Live	Revival not required
Post vacant for 5 years or more	Abolished	The posts are deemed to be abolished whether or not abolition order is issued by the Administrative Ministry/ Department. In cases covered by para 5.2, posts may be revived with the approval of Department of Expenditure.

5.8 The Authority competent to approve revival of post(s) in cases under para 5.2 shall be as below:

Level of Post	Approving Authority
All posts	Department of Expenditure

6. Continuation of temporary posts:

6.1 Continuation of temporary posts would be considered subject to continuation of the temporary body/scheme/project for which the posts were initially sanctioned.

6.2 Proposals for continuation of temporary posts up to Selection Grade [Pay Level-12], shall be considered by the Administrative Secretary in consultation with the FA subject to the condition that the purpose for which the temporary post is created, i.e a temporary organisation, a scheme, a project, etc. is further approved by the Competent Authority for continuation. In case of difference of opinion, the proposal shall be submitted to Department of Expenditure with documents supporting creation of such post(s) and approval of Competent Authority for continuation of the temporary body, scheme, project or purpose for which the post is created.

6.3 For continuation of posts, except as mentioned in sub para 6.2 above, the proposal may be referred to Department of Expenditure through

IFD, with the approval of concerned Secretary. Administrative Ministry/Department shall provide necessary supporting documents showing approval of Competent Authority for continuation the temporary body/scheme/project/purpose for which the posts were initially sanctioned.

6.4 For continuation of posts in the Apex Level (L-17), Department of Expenditure will examine and put up the proposal to the Committee of Secretaries comprising Secretary (Exp), Secretary (DoP&T) and Cabinet Secretary.

6.5 **The Authority competent to approve Continuation of temporary post(s) shall be as below:**

Level of Post	Approving Authority
Up to Selection Grade [Pay Level-12]	Secretary of Administrative Ministry /Department in consultation with the Financial Advisor
All posts above Selection Grade (Pay Level-12) and below Apex Level [Below Pay Level-17]	Department of Expenditure
Apex Level, [Pay Level-17]	CoS [Secretary (DoE), Secretary, DoP&T and Cabinet Secretary]

7. Transfer of Posts:

7.1 A post sanctioned for a specific purpose shall not be diverted for another purpose at the same or a different station.

7.2 In case there is any necessity for transfer of post(s) due to transfer of functions for which the post is created, or the specific function ceases to exist, then in such cases the Administrative Ministry/Department shall submit a proposal along with detailed justification routed through their IFD and with the approval of Administrative Secretary, to the Department of Expenditure.

7.3 **The Authority competent to approve transfer of post(s) shall be as below:**

Level of Post	Approving Authority
All Posts	Department of Expenditure

8. Conversion of Temporary Posts to Permanent:

8.1 A temporary post is created with the approval of the Competent Authority for a specific purpose and with a specific tenure. Thus, if the purpose for which the post is created, i.e a temporary organisation, a scheme, a project, etc. is further approved by the Competent Authority to continue permanently or without a sunset clause, then the post may be converted to permanent.

8.2 Proposal for conversion of a temporary post to permanent one up to Selection Grade [Pay Level-12], shall be considered by the Administrative Secretary in consultation with the Financial Advisor. In case of difference of opinion, the proposal shall be submitted to Department of Expenditure with documents supporting creation of such post(s) and approval of Competent Authority for continuation without sunset clause of the temporary body, scheme or project for which the post is created.

8.3 Proposal for conversion of temporary post to permanent one above Selection Grade [Pay Level-12] shall be submitted to Department of Expenditure with the approval of Secretary of the Administrative Ministry/Department along with documents supporting creation of such post(s) and approval of Competent Authority for continuation without sunset clause of the temporary body, scheme or project for which the post is created.

8.4 **The Authority competent to approve conversion of post(s) shall be as below:**

Level of Post	Approving Authority
Up to Selection Grade [Pay Level-12]	Secretary of Administrative Ministry/ Department in consultation with the Financial Advisor
Above Selection Grade and below Apex Level [Above Pay Level-12 but below Pay Level-17]	Department of Expenditure
Apex Level [Pay Level-17]	CoS [Secretary (DoE), Secretary, DoP&T and Cabinet Secretary]

9. Up-gradation including temporary up-gradation of posts:

9.1 Occasions may arise when a post may be required to be up-graded on functional requirement or otherwise on permanent basis or temporary basis for a specific period.

9.2 Up-gradation of a post is equivalent to creation.

9.3 The procedure for permanent up-gradation shall be the same as for creation of posts given at para 3 of these instructions.

9.4 The procedure for temporary up-gradation of post (s) of SAG and above Level [Pay Level-14 and above] shall be as per the First Schedule of Transaction of Business Rules, 1961.

9.5 Proposals for temporary up-gradation of post(s) other than those covered under Transaction of Business Rules, 1961 shall be submitted to Department of Expenditure in the same manner as for creation of posts (see para 3.4).

9.6 **The Authority competent to approve permanent up-gradation of post(s) shall be as below:**

Level of Post	Approving Authority
SAG and above level [Pay Level-14 and above]	Cabinet
Below SAG level [Below Pay Level-14]	Department of Expenditure

9.7 The Authority competent to approve temporary up-gradation of post(s) shall be as below:

Level of Post	Approving Authority
SAG and above level [Pay Level-14 and above]	Appointment Committee of Cabinet (ACC) (As per Transaction of Business Rules, 1961)
Below SAG level [Below Pay Level-14]	Department of Expenditure

10. Down-gradation of posts including temporary down-gradation:

10.1 Occasions may arise when a post may be required to be down-graded on functional requirement or otherwise on permanent basis or temporary basis for a specific period.

10.2 Proposal for permanent down-gradation of posts of SAG and above level [Pay Level-14 and above] shall be submitted to Cabinet.

10.3 Proposal for permanent down-gradation of posts below SAG Level [below Pay Level-14] shall be submitted to Department of Expenditure with the approval of the Administrative Secretary and Financial Advisor along with justification.

10.4 The Authority competent to approve permanent down-gradation of post(s) shall be as below:

Level of Post	Approving Authority
SAG and above level [Pay Level-14 and above]	Cabinet
Below SAG level [Below Pay Level-14]	Department of Expenditure

10.5 **Temporary down-gradation of posts:**

10.5.1 Process for temporary down-gradation of a post of the level of SAG and above [Pay Level-14 and above] shall be as per the First Schedule of Transaction of Business Rules, 1961.

10.5.2 Post(s) may be temporarily downgraded to immediate lower-level posts in the same hierarchy.

10.5.3 The Ministry/Department competent to make appointment to posts in Group 'B' & 'C' cadre may make appointments in immediate lower posts in the same hierarchy [temporarily downgrading a post(s) to the immediate lower level in the hierarchy] to the extent of vacancies left unfilled in the higher post.

10.5.4 Down-gradation of a higher-level post to a lower-level post in the hierarchy shall be a temporary arrangement and to be exercised only when candidates in feeder grade are not eligible for promotion.

10.5.5 Temporary down-gradation of posts is to be done only in Promotional quota posts; Direct Recruitment quota posts shall not be downgraded.

10.5.6 The total number of sanctioned posts in the feeder grade and in the higher grade in a cadre should not exceed the combined sanctioned strength of two grades, where such operations of posts at lower level are considered.

10.5.7 The number of posts required for temporary down-gradation may be calculated by the Administrative Ministry as per organizational requirement and tenure of such down-gradation may be decided keeping in view availability of personnel for filling such posts on promotion.

10.5.8 Temporary down-gradation shall be confined within the same Group.

10.5.9 Orders of temporary down-gradation of any post should be self-explanatory and should have an in-built clause of simultaneous up-gradation of post as and when incumbent is eligible for promotion to the higher level (after following due procedure for promotion).

10.5.10 The exercise shall be done with the approval of Administrative Secretary in consultation with the Financial Advisor.

10.5.11 Proposals for temporary down-gradation of posts, wherever the Administrative Ministry/Department is not competent, shall be submitted to Department of Expenditure with the approval of Administrative Secretary in consultation with the Financial Adviser.

10.6 The Authority competent to approve temporary down-gradation of post(s) shall be as below:

Level of Post	Approving Authority
SAG level and above [Pay Level-14 and above]	Appointments Committee of the Cabinet (ACC) (As per the First Schedule of the Transaction of Business Rules, 1961)
Below SAG level [Pay Level-14]	Department of Expenditure
Post in Group 'B' & 'C' cadres where Ministry/Department is Competent Authority to make appointment.	Administrative Secretary in consultation with the Financial Advisor

11. The power to relax any of the provisions of these guidelines shall lie with the Department of Expenditure.

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[Ministry of Finance DoE O.M. No.FNo. 7(1)/E.Coord-I/2017, dated 05.01.2024]

Sub:- Compendium of instructions for Creation, Revival, Continuation, Conversion, Transfer, Up-gradation, Down-gradation and Abolition of posts under Central Government.

The following compendium of instructions for Creation, Revival, Continuation, Conversion, Transfer, Up-gradation, Down-gradation and Abolition of posts under Central Government is issued in supersession of all previous instructions/ orders.

2. General:

2.1 These instructions shall apply to creation, continuation, revival, conversion, transfer, up-gradation, down-gradation and abolition of posts in Central Government Ministries/Departments, Attached Offices, Subordinate Offices and Central Govt posts in Statutory Bodies.

2.2 Any specific exemption allowed to any Ministry or Department on creation, revival, continuation, conversion, transfer, up-gradation and down-gradation of posts is also withdrawn except for delegations contained in **Appendix-1**.

2.3 If delegation of powers for creation, revival, continuation, conversion, transfer, up-gradation, down-gradation of posts other than those under **Appendix-1**, are required or otherwise available under any Authority, the same shall be brought to the notice of this Department separately for further necessary action.

2.4 Proposals for creation, revival, continuation, conversion, transfer, up-gradation, down-gradation and abolition of posts [except where powers are delegated to Administrative Ministries/Departments and Financial Advisors vide this order] shall be routed through the IFD with the approval of Minister/Secretary of concerned Administrative Ministry, as applicable.

2.5 These instructions shall not be applicable to CPSEs, which may follow the instructions issued by Department of Public Enterprises in this regard. Instructions in respect of Autonomous Bodies are being issued separately.

2.6 These instructions shall not be applicable to Statutory posts. A post shall be categorised as Statutory, if it is specifically mentioned under the provisions of any Act of Parliament. Post(s) created by Rules/Notification/Executive orders under any of the provisions of a Statute subsequent to notification of the Statute for smooth functioning of the Statutory Body shall not be categorised as Statutory Posts. These posts shall be subject to the provisions of these instructions.

2.7 The power to create posts resides with Cabinet and Department of Expenditure as given hereunder. No proposal for delegation of power to create posts to any Authority shall be included in any Appraisal notes [CEE, EFC, etc], Draft Cabinet Note (DCN) or Bill.

2.8 Proposals for creation of posts as part of a Statute should invariably be brought to the notice of Department of Expenditure through Appraisal Notes/DCN for approval.

3. Creation of posts:

3.1 Creation of posts at SAG and above levels [Pay Level-14 and above] shall be submitted to Cabinet in terms of the Transaction of Business Rules 1961. Views/comments of Department of Expenditure for such proposals shall be obtained at DCN stage.

3.2. Proposals for creation of posts below SAG level shall be referred to Department of Expenditure through the respective IFD, with the approval of Minister-in-Charge.

3.3 In case of multiple proposals, a consolidated proposal shall be submitted.

3.4 Proposals for creation of posts shall be submitted on file, along with the prescribed checklist issued by this Department (**Annexure–I**). Separate checklists may be prepared for each category of post. Proposals without complete information and without approval of the Minister-in-Charge will not be considered and will be returned to the Administrative Ministry.

3.5 The Authority competent to approve creation of post(s) shall be as below:

Level of Post	Approving Authority
Posts equivalent to SAG and above levels [Pay Level-14 and above]	Cabinet
Posts below SAG Level [Below Pay Level-14]	Department of Expenditure

4. Creation of Supernumerary Posts:

4.1 The Competent Authority for creation of posts and procedure in respect of supernumerary posts shall be the same as for regular posts given at para 3 above.

4.2. Supernumerary post(s) shall be personal to the officer(s) for whom it is created and for a limited period to be specified in the order itself. It shall stand abolished as soon as the officer(s) for whom it is created vacates it on account of retirement/promotion/ accommodation against a regular post/or any other reason.

4.3. Administrative Ministries/Departments under intimation to concerned Financial Advisors shall maintain a record of the supernumerary posts, the particulars of the individuals who hold liens against them and the progressive abolition of such posts as and when the holders of the posts vacate them.

5. Abolition and Revival of Posts:

5.1 A post lying vacant for more than 5 years from the date of creation or date of falling vacant, shall stand abolished.

5.2 **In cases where**

(i) the recruitment process has been initiated within 4 years of the creation/arising of vacancy and is underway but appointment orders have not been issued within the period of 5 years, or

(ii) there are specific Court directions requiring the filling of a post, or

(iii) filling of posts was delayed due to Court orders on finalization of seniority lists/filling of the posts etc., or

(iv) promotion posts under reservation quota could not be filled due to non-availability of eligible candidates in the feeder grade or

(v) posts are essential for functioning of the organisation and for which matching savings can be provided by the organization by surrendering live posts without compromising the hierarchy of the Cadre or affecting the promotional channel of the feeder grades in the same hierarchy. the posts may be revived with prior approval of Department of Expenditure.

5.3 In cases, where the organisation is prevented from filling the vacancy due to circumstances specified in para 5.2 and where sufficient justification exists for continuation of the post, proposals for revival shall be submitted to Department of Expenditure through Integrated Finance Division (IFD) along with a detailed chronology of events indicating the circumstances which led to non-filling of the vacancy and functional justification for revival with the approval of Secretary of Administrative Ministry/Department as per prescribed checklist (**Annexure-II**). Revival would be considered only in the circumstances mentioned in para 5.2.

5.4 Statutory posts are not covered under these instructions. Only the posts mentioned in Statute may be considered Statutory, not their support staff as defined under para 2.6.

5.5 Once a post stands abolished under para 5.1, it (unless covered under para 5.2) shall not be filled, except by creating it *de novo* by following the procedure under para 3.

5.6 A list of abolished posts shall be submitted to the Department of Expenditure annually though the Financial Advisor concerned.

5.7 **Categorisation of vacant posts:**

Type of Post	Category	Action required
Statutory Posts	Do not fall under abolition category	Revival not required
Post vacant for less than 5 years	Live	Revival not required
Post vacant for 5 years or more	Abolished	The posts are deemed to be abolished whether or not abolition order is issued by the Administrative Ministry/ Department. In cases covered by para 5.2, posts may be revived with the approval of Department of Expenditure.

5.8 The Authority competent to approve revival of post(s) in cases under para 5.2 shall be as below:

Level of Post	Approving Authority
All posts	Department of Expenditure

6. Continuation of temporary posts:

6.1 Continuation of temporary posts would be considered subject to continuation of the temporary body/scheme/project / purpose for which the posts were initially sanctioned.

6.2 Proposals for continuation of temporary posts up to Selection Grade [Pay Level-12], shall be considered by the Administrative Secretary in consultation with the FA subject to the condition that the purpose for which the temporary post is created, i.e a temporary organisation, a scheme, a project, etc. is further approved by the Competent Authority for continuation. In case of difference of opinion, the proposal shall be submitted to Department of Expenditure with documents supporting creation of such post(s) and approval of Competent Authority for continuation of the temporary body, scheme or project for which the post is created.

6.3 For continuation of posts except as mentioned in sub para 6.2 above, the proposal may be referred to Department of Expenditure through IFD, with the approval of Administrative Secretary. Administrative Ministry/Department shall provide necessary supporting documents showing approval of Competent Authority for continuation the temporary body/scheme/project / purpose for which the posts were initially sanctioned.

6.4 For continuation of posts in the Apex Level (L-17), Department of Expenditure will examine and put up the proposal for approval of the Committee of Secretaries comprising Secretary (Exp), Secretary (DoP&T) and Cabinet Secretary.

6.5 **The Authority competent to approve Continuation of temporary post(s) shall be as below:**

Level of Post	Approving Authority
Up to Selection Grade [Pay Level-12]	Secretary of Administrative Ministry/ Department in consultation with the FA
All posts above Selection Grade (Pay Level-12) and below Apex Level [Below Pay Level-17]	Department of Expenditure
Apex Level, [Pay Level-17]	CoS [Secretary (DoE), Secretary, DoP&T and Cabinet Secretary]

7. Transfer of Posts:

7.1 A post sanctioned for a specific purpose shall not be diverted for another purpose at the same or a different station.

7.2 In case there is any necessity for transfer of post(s) due to transfer of functions for which the post is created, or the specific function ceases to exist, then in such cases the Administrative Ministry/Department shall submit a proposal along with detailed justification routed through their IFD and with the approval of Administrative Secretary, to Department of Expenditure.

7.3 **The Authority competent to approve transfer of post(s) shall be as below:**

Level of Post	Approving Authority
All Posts	Department of Expenditure

8. Conversion of Temporary Posts to Permanent:

8.1 A temporary post is created with the approval of the Competent Authority for a specific purpose and with a specific tenure. Thus, if the purpose for which the post is created, i.e a temporary organisation, a scheme, a project, etc. is further approved by the Competent Authority to continue permanently or without a sunset clause, then the post may be made permanent.

8.2 Proposal for conversion of temporary post to permanent one up to Selection Grade [Pay Level-12], shall be considered by the Administrative Secretary in consultation with the Financial Advisor. In case of difference of opinion, the proposal shall be submitted to Department of Expenditure with documents supporting creation of such post(s) and approval of Competent Authority for continuation without sunset clause of the temporary body, scheme or project for which the post is created.

8.3 Proposal for conversion of temporary posts to permanent above Selection Grade [Pay Level-12] shall be submitted to Department of Expenditure with the approval of Secretary of the Administrative Ministry/Department along with documents supporting creation of such post(s) and approval of Competent Authority for continuation without sunset clause of the temporary body, scheme or project for which the post is created.

8.4 The Authority competent to approve conversion of post(s) shall be as below:

Level of Post	Approving Authority
Up to Selection Grade [Pay Level-12]	Secretary of Administrative Ministry /Department in consultation with the Financial Advisor
Above Selection Grade and below Apex Level [Above Pay Level-12 but below Pay Level-17]	Department of Expenditure
Apex Level [Pay Level-17]	CoS [Secretary (DoE), Secretary, DoP&T and Cabinet Secretary]

9. Up-gradation including temporary up-gradation of posts:

9.1 Occasions may arise when a post may be required to be up-graded on functional requirement or otherwise on permanent basis or temporary basis for a specific period.

9.2 Up-gradation of a post is equivalent to creation.

9.3 The procedure for permanent up-gradation shall be the same as for creation of posts given at para 3 of these instructions.

9.4 The procedure for temporary up-gradation of post (s) of SAG and above Level [Pay Level-14 and above] shall be as per the First Schedule of Transaction of Business Rules, 1961.

9.5 Proposals for temporary up-gradation of post(s) other than those covered under Transaction of Business Rules, 1961 shall be submitted to Department of Expenditure in the same manner as for creation of posts (see para 3.4).

9.6 **The Authority competent to approve permanent up-gradation of post(s) shall be as below:**

Level of Post	Approving Authority
SAG and above level [Pay Level-14 and above]	Cabinet
Below SAG level [Below Pay Level-14]	Department of Expenditure

9.7 The Authority competent to approve temporary up-gradation of post(s) shall be as below:

Level of Post	Approving Authority
SAG and above level [Pay Level-14 and above]	Appointment Committee of Cabinet (ACC) (As per Transaction of Business Rules, 1961)
Below SAG level [Below Pay Level-14]	Department of Expenditure

10. Down-gradation of posts including temporary down-gradation:

10.1 Occasions may arise when a post may be required to be down-graded on functional requirement or otherwise on permanent basis or temporary basis for a specific period.

10.2 Proposals for permanent down-gradation of posts of SAG and above level [Pay Level-14 and above] shall be submitted to Cabinet.

10.3 Proposals for permanent down-gradation of posts below SAG Level [below Pay Level-14] shall be submitted to Department of Expenditure with the approval of the Administrative Secretary and Financial Advisor along with justification.

10.4 **The Authority competent to approve permanent down-gradation of post(s) shall be as below:**

Level of Post	Approving Authority
SAG and above level [Pay Level-14 and above]	Cabinet
Below SAG level [Below Pay Level-14]	Department of Expenditure

10.5 **Temporary down-gradation of posts:**

10.5.1 Process for temporary down-gradation of a post of the level of SAG and above [Pay Level-14 and above] shall be as per the First Schedule of Transaction of Business Rules, 1961.

10.5.2 Post(s) may be temporarily downgraded to immediate lower-level posts in the same hierarchy.

10.5.3 The Ministry/Department competent to make appointment to posts in Group ‘B’ & ‘C’ cadre may make appointments in immediate lower posts in the same hierarchy [temporarily downgrading a post(s) to the immediate lower level in the hierarchy] to the extent of vacancies left unfilled in the higher post.

10.5.4 Down-gradation of a higher-level post to a lower-level post in the hierarchy shall be a temporary arrangement and to be exercised only when candidates in feeder grade are not eligible for promotion.

10.5.5 Temporary down-gradation of posts is to be done only in Promotional quota posts; Direct Recruitment quota posts shall not be downgraded.

10.5.6 The total number of sanctioned posts in the feeder grade and in the higher grade in a cadre should not exceed the combined sanctioned strength of two grades, where such operations of posts at lower level are considered.

10.5.7 The number of posts required for temporary down-gradation may be calculated by the Administrative Ministry as per organizational requirement and tenure of such down-gradation may be decided keeping in view availability of personnel for filling such posts on promotion.

10.5.8 Temporary down-gradation shall be confined within the same Group.

10.5.9 Orders of temporary down-gradation of any post should be self-explanatory and should have an in-built clause of simultaneous up-gradation of post as and when incumbent is eligible for promotion to the higher level (after following due procedure for promotion).

10.5.10 The exercise shall be done with the approval of the Administrative Secretary in consultation with the Financial Advisor.

10.5.11 Proposals for temporary down-gradation of posts, wherever the Administrative Ministry/Department is not competent, shall be submitted to Department of Expenditure with the approval of Administrative Secretary in consultation with the Financial Advisor.

10.6 **The Authority competent to approve temporary down-gradation of post(s) shall be as below:**

Level of Post	Approving Authority
SAG level and above [Pay Level-14 and above]	Appointments Committee of the Cabinet(ACC) (As per the First Schedule of Transaction of Business Rules, 1961)
Below SAG level [Pay Level-14]	Department of Expenditure
Post in Group 'B' & 'C' cadres where Ministry/Department is Competent Authority to make appointment.	Administrative Secretary in consultation with the FA

11. The power to relax any of the provisions of these guidelines shall lie with the Department of Expenditure.

Appendix – 1 to Order 3

Delegation of Power to Ministries / Departments

S No.	Ministry / Department	Power delegated	Date of Order
1.	Comptroller and Auditor General (C&AG)	The sanction of the President to the delegation of powers to the Comptroller and Auditor General for the creation of temporary and permanent posts in the Indian Audit and Accounts Department as indicated below:- Post:- Temporary and permanent posts of Heads of Departments on any scale or rate of pay carrying pay upto and inclusive of Rs.2750/- p.m. in the revised scales of pay approved by the President for posts of similar character under the Central Government irrespective of whether a post of a similar character exists in the Audit Department.	11.07.1975

		Nature of power:- Full powers The above delegation is subject to the condition that funds to meet the cost of the post, if temporary, can be found by valid appropriation or re-appropriation from within the provision placed at the disposal of the Comptroller and Auditor General; or, if permanent, permanent recurring saving is available to meet its cost.	
2.	Railways	The powers delegated to undertake crew rationalization and create non-gazatted revenue posts necessitated by crew review exercise, in relaxation of this Department's O.M. dated	19.06.2023
		04.09.2020 power is delegated to Railways to create non-gazetted revenue posts (crew only) as part of crew review exercise.	
3.	Intelligence Bureau	For continuation of delegated powers to DIB for transfer of location of posts and exemption from the clauses of deemed-abolition, taking into account the CCS approval.	31.05.2019
4.	Defence	Transfer of Posts including Re-designation in Army/Navy/Air Force and Indian Coast Guard up to the level of Major General/Equivalent with concurrence of Secretary (Defence Finance)/ FA(DS) and approval of Raksha Mantri in view of operational requirements. For transfer of posts above Major General/equivalent, approval of Finance Minister is required.	27.10.2020

5.	External Affairs	Transfer of posts among Missions/ Posts abroad.	03.11.2017
6.	Lt. Governor of Delhi	Creation of Group A, B, C & D posts both on the plan and non-plan sides under the Government of NCT of Delhi subject to the condition that the Balance from Current Revenues continues to remain positive.	01.01.1997
7.	Atomic Energy	Continuation of powers for creation of scientific and technical posts in R&D Units aided institutions of D/o Atomic Energy for further 05 years. For JS level and above approval of Cabinet Committee on Security is required. (issued by PMO).	07.08.2014

Annexure – I to Order 2 & 3

Checklist for Creation of Posts

S. No	Particulars	
Details of Posts		
1	Name/Designation of the post	
2	No. of post(s)	
3	Pay Level of the post in Pay Matrix (7th CPC)	
4	Nature of Post (Scientific/ Technical/ Admin/ Faculty / others)	
5	Duties and responsibilities of the post	
6	Functional justification for creation	
7a.	Does this post exist with same level of pay in the organization? If no, how the level of pay & nomenclature of the post has been derived.	
7b.	Does the same scale of pay exist in analogous organization?	
8	How the work is being managed in the absence of the post (if the proposal is for existing organization)	

9	Mode of recruitment as per RRs (enclosed copy of RRs) (in case of existing organization for which post(s) is proposed). Promotion/DR/Deputation/ Any Other mode	
10	Whether it is a new or existing organization?	
11	Whether the concurrence of Cadre Controlling Authority has been obtained (in case of cadre posts)?	
12	In case of Group 'A' post of Organized Gr 'A' Cadre, prior approval of DoPT is required. Whether approval of DoPT is obtained?	
13	No. of existing posts along with Pay Level in the grades where post(s) is proposed to be created.	
14	Hierarchy of the cadre in which the post(s) proposed to be created.	
15	Whether any norms exist for the proposed posts. If yes, copy of the norms may be provided?	
16	Possibility of outsourcing or appointing persons on contract for the work for which post(s) is proposed.	
17	Financial implications	
18	Possibility of providing matching savings (Specific posts with level of pay) *(FA may certify that posts offered for matching savings are live and not surrendered earlier or abolished)*	
19	Recruitment Plan of the proposed posts may be provided.	
Organization Details		
1	Name of the organization	
2	Hierarchy of different Cadres in the organization	
3	Status of Organization (HQ of Ministry or Department/ Attached Office/ Subordinate Office/ Statutory Body/ Autonomous Institution)	
4	Detailed sanctioned strength of organization (category wise) with level of pay and vacancy position (with date of vacancy) as per format enclosed (SS/ PIP/Vacancy).	
5	Any other relevant information	

Signature of Financial Advisor Signature of concerned JS

Format

Sl. No	Name of the Post & Designation	Sanctioned Strength	Person in Position	Vacancy Position (Date-wise)

Annexure – II to Order 2 & 3

Checklist for Revival of posts

S. No.	Particulars	
1	Name/Designation of the post	
2	No. of posts to be revived	
3	Pay Level of the post in Pay Matrix (7th CPC)	
4	Date of vacancy (for each post)	
5	Mode of recruitment as per RRs (enclose copy of RRs) Promotion / DR / Deputation / Any other)	
6	Duties and responsibilities of the post	
7	Functional justification of revival of the post (each posts separately)	
8	Efforts made to fill up the post, since date of vacancy (in chronological order with relevant documents)	
9	How the work is being managed in the absence of the post and why this arrangement cannot be continued?	
10	Possibility of outsourcing / keeping personnel on contract for the work	
11	Hierarchy of the cadre to which the posts belongs	
12	Whether any court case is / was pending in any Court / CAT	
13	Concurrence of Secretary and FA may be obtained before referring the proposal to DoE	

14	Details of posts with level of pay proposed to be surrendered under Para 5.2(v) of the guidelines	
Organization details		
1	Name of the Department / Organization	
2	Hierarchy of different Cadres in the organization	
3	Status of Organization (HQ of Ministry or Department/ Attached Office/ Subordinate Office/ Statutory Body/ Autonomous Body)	
4	Detailed sanctioned strength of organization (category wise) with level of pay and vacancy position (with date of vacancy) / person-in position	
5	Any other information	

Signature of concerned JS　　　　　　Signature of Financial Advisor

Format

Sl. No	Name of the Post & Designation	Sanctioned Strength	Person in Position	Vacancy Position (Date-wise)

4

[Ministry of Finance DoE O.M. No. F No. 24(3)/E.Coord/2018, dated 26.03.2018.]

Sub:- Provision of telephone facilities and reimbursements to officers of Government of India.

The Department of Expenditure has from time to time issued instructions on provision of telephone facilities, monetary ceilings on reimbursement to the officers of the Government of India. Given the increasing dependence on telecommunication technology including mobile telephones for carrying out official work, the existing instructions have been comprehensively reviewed, revised and the following instructions are hereby circulated for compliance by all Ministry/Departments, in supersession of all earlier instructions issued by this Department on the subject.

1. Official Telephones

1.1 All officers of the level of Deputy Secretary equivalent and above are entitled for office telephone with STD facility. For officers of the level below Deputy Secretary, Ministry/Departments may decide in consultation with the Financial Advisers on providing STD facility depending on their functional requirements.

1.2 ISD facility is allowed on official telephones in respect of Administrative Secretaries only.

1.3 All other cases for providing ISD facility on official telephone for officers of the level below Secretary to the Government of India may be decided by the Administrative Secretary in consultation with the concerned Financial Adviser.

1.4 Administrative Secretary/ Head of Departments may in consultation with the concerned Financial Adviser provide officers below the level of Deputy Secretary official telephones with STD facility on functional basis. This facility should not be given in a routine manner but extreme caution and austerity should be exercised.

1.5 Financial Advisors shall submit a half-yearly report to D/o Expenditure on the number of ISD facility concurred/approved during a financial year.

2. Residential telephones

2.1 All officers of the level of Deputy Secretary equivalent and above are entitled for one official residential landline telephone with STD facility.

2.2 Residential telephone can be allowed to officials below the rank of Deputy Secretary equivalent on functional basis subject to the condition that this facility shall be restricted to 25% of the sanctioned strength of Group 'A officers in a Ministry/Department. This limit will equally apply to Attached and Subordinate offices.

2.3 ISD facility shall not be allowed on residential telephones.

2.4 Personal staff of Ministers [Private Secretary, Additional Private Secretary and 1st PA of Ministry] and Administrative Secretary [Principal Staff Officer (PS0)/ Senior Principal Private Secretary/ Principal

Private Secretary/Private Secretary], Section Officer (Parliament) and Assistant Section Officer (Parliament) are entitled to the facility of one residential landline telephone.

3. Mobile Phone Handsets

3.1 Officers of the level of Secretary and equivalent will be entitled to reimbursement for one mobile handset costing not more than Rs.25,000/- (Rupees Twenty Five thousand only) once during the whole tenure. Global roaming facility shall not be allowed on the mobile connection.

4. Reimbursement of telephone call charges

4.1 Reimbursement of telephone call charges of residential telephone/ mobile phone/broadband/mobile data/data card shall be as per entitlement given below:

Sl.No.	Level / Designation	Limit on reimbursement
1.	Secretary to the Government of India and equivalent level	Rs. 4200/- per month + taxes as applicable
2.	Additional Secretary to the Government of India and equivalent level	Rs. 3000/- per month + taxes as applicable
3.	Joint Secretary to the Government of India and equivalent level	Rs. 2700/- per month + taxes as applicable
4.	Director/Deputy Secretary to the Government of India and equivalent level	Rs. 2250/- per month + taxes as applicable
5.	Below the rank of Deputy Secretary and equivalent to the Government of India (restricted to 25% of the sanctioned strength of Group 'A officers in a Ministry / Department / Attached /Subordinate office)	Rs. 1200/- per month + taxes as applicable

4.2 No SIM/data-card will be provided by office.

4.3 There will be no separate ceiling for the landline/ mobile/broadband/ mobile data/data card. The amount reimbursable will cover landline and / or mobile /broadband/mobile data/data card connection and shall be limited to the ceiling prescribed or as per actuals whichever is lower. Call charges over and above the ceiling prescribed along with taxes thereon shall be paid by the officers

4.4 The amount shall be reimbursed on submission of bills/receipt by the concerned officer. Officers are at liberty to choose the service provider and the tariff package for residential landline/mobile phones.

4.5 In case where husband and wife are sharing the same residential landline telephone and both are entitled for reimbursement, only one of them will be allowed reimbursement against the residential landline telephone. The claim for mobile phone charges shall be treated separately for each of the officer subject to the entitled ceiling.

4.6 Reimbursement for mobile will be restricted to the officer in whose name the mobile connection is registered.

4.7 The entitlement of an officer drawing pay in a scale intervening between that of Director and Joint Secretary would be at par with that of Deputy Secretary/Director.

4.8 Excess expenditure upto 30% of the ceiling amount (applicable to the officer) can be reimbursed to officers of Joint Secretary equivalent and above and also to Private Secretary/ Officers on Special Duty to the Ministers subject to their submitting a certificate, duly justifying that excess expenditure incurred was for official purpose and unavoidable. This reimbursement would require the concurrence of the Financial Adviser concerned and sanction of the Administrative Secretary/ Secretary Equivalent of the Department/ Organization. In so far as Secretary/ Secretary equivalent officer are concerned, they shall be competent to exercise the aforesaid powers in their own cases. The power to sanction this expenditure shall not be delegated.

4.9 Telephone reimbursement will not be admissible in cases of Leave (of any nature) and trainings which are for more than one calendar month (s).

5. <u>Mobile Facility during official visits abroad</u>

5.1 Officials and delegations visiting abroad for the purpose of short official visits/meeting/conferences/workshops may be provided SIM card by our Mission/Embassy. In case SIM card is not provided by our Mission/Embassy, there will be a monetary ceiling of Rs.2000/- per day for officer above the level of Additional Secretary and equivalent and Rs.1000/- per day for other officers towards reimbursement of call charges.

5.2 No mobile phone facility shall be provided during training period whatsoever including training abroad.

6. These orders shall be effective from the date of issue of this Office Memorandum.

5

[Ministry of Finance DoE O.M. No. F No. 20(1)/E.Coord-2017, dated 03.08.2017]

Sub:- Enhancing the ceiling on furnishings etc., to be provided in the office and office portion of the residence of Ministers.

The undersigned is directed to refer to this Department's OM No. 7(8)/E. Coord/94 dated 16.07.2009 on the ceiling on furnishings etc., to be provided in the office in Secretariat and office portion of the residence of Ministers.

2. This Department has been receiving proposals from various Ministries/Departments of Government of India seeking relaxation on the existing ceiling from time to time. The matter has been considered in consultation with the Ministry of Housing & Urban Affairs and it has been decided to revise the existing ceiling as follows:

		Monetary limit	Periodicity
i	Minister's office in his bunglow	Rs. 3.5 lakh for furniture & furnishings and Rs.1.75 lakh for electrical appliances.	Once during the tenure.
ii	Minister's office in the Secretariat	Rs. 11.30 lakh for furniture & furnishings and Rs. 2.60 lakh for electrical appliances.	Once during the tenure.

3. The above financial ceilings should be strictly adhered to by all the Ministries/Departments.

4. This issues with the approval of Hon'ble Finance Minister.

6

[Ministry of Finance DoE O.M. No. F No. 19(36)/E.Coord/2018, dated 30.05.2018]

Sub:- Guidelines to be followed for holding of Conferences/ Workshops/ Seminars, etc. (Domestic & International)

Ministry of Finance, Department of Expenditure has been issuing guidelines for holding of Conferences / Workshops / Seminars, etc. (Domestic & International) from time to time with the objective that Ministries/Departments undertake such events keeping in mind the absolute necessity of it and adhering to utmost economy. The extant guidelines have been reviewed and stand revised.

2. It has been decided that henceforth only proposals involving expenditure above **Rs. 40 lakhs** for International as well as domestic Conferences/ Seminars / Workshops etc. will need to be referred to the Department of Expenditure.

3. **International conferences/ workshops /seminars/ meetings etc:**

i. All proposals involving expenditure of Rs. 40 Lakh or less for holding conferences/ workshops/ seminars/ meetings etc. involving participation of foreign delegates may be decided by the Ministry/ Department in consultation with their Financial Adviser. The approval of the Minister in Charge, political clearance from Ministry of External Affairs and clearance of Ministry of Home Affairs from security angle (wherever required) shall be obtained.

ii. All Proposals involving expenditure above Rs. 40 (Forty) lakh for incurring expenditure on holding conferences/ workshops/ seminars/ meetings etc. with international participation should be referred to the Department of Expenditure (DoE) with the approval of the Minister in Charge, political clearance from Ministry of External Affairs and clearance of Ministry of Home Affairs from security angle (wherever required) for obtaining approval of the Cabinet Secretary through Secretary (Expenditure).

iii. Commitment for bearing travel/ accommodation cost on participants from foreign countries should be kept to the barest minimum. Ministries/ Departments shall exercise utmost economy and austerity in this regard.

iv. "In-principle" approval of the Minister-in-charge should be taken sufficiently in advance before the event.

v. Priority will be given to those conferences that arise out of international agreements/ obligations. Other conferences etc. should be planned only if there is residual provision in the Budget.

vi. All preparations for holding the conference and other formalities should be completed sufficiently in advance to avoid any last minute hitch and embarrassment.

vii. All administrative arrangements including issuance of invitations should be done after receiving Cabinet Secretary's approval or as per the powers delegated under this OM.

4. **Domestic conferences/ workshops /seminars/ meetings etc:**

Proposals involving Rs. 40 (Forty) lakh or less may be decided by the Ministry/ Department in consultation with their Financial Adviser. Proposals involving expenditure above Rs. 40 (Forty) lakh for incurring expenditure on holding conferences/ workshops/ seminars/ meetings etc. with participation limited to Indian delegates only may be referred to Department of Expenditure for approval of Secretary (Expenditure). Approval of Secretary of the Ministry/ Department may be obtained prior to the file being referred to Department of Expenditure.

5. Autonomous Bodies:

i. Conferences held by Autonomous Bodies generally generate revenue from sponsorships and registrations and most of the time either they do not require government support or require in small portions. Administrative Ministries are competent to grant approval for holding the conferences (whether domestic or international) where no funds are required from Government.

ii. However, if Government funds are required and the financial assistance required is more than Rs. 40 Lakhs for International as well as Domestic conferences/ workshops /seminars/ meetings etc. such cases shall be referred to Department of Expenditure.

6. General Instructions:

While referring the cases of Conferences etc., whether domestic or international, to Department of Expenditure, following may be strictly adhered to:

i. Holding of Exhibitions/ fairs/ seminars/ conferences/ workshops etc. abroad should be discouraged except for promotion of trade and business and for projection of 'Brand India'. For this purpose, depending on the nature of event, if more than one Ministry/ Department is involved, a Nodal Ministry/ Department should be identified to take the lead for coordinating and organizing the event.

ii. All proposals referred to Department of Expenditure on the subject should be sent at least one month in advance of commencement of the event and only through the Financial Adviser concerned. While referring the proposals to the Department of Expenditure, it may be ensured that necessary clearances viz. from Ministry of External Affairs, Ministry of Home Affairs etc. and approval of competent authority in the Ministry/ Department have been obtained and placed in the file. In the absence of these, the proposals will be returned without processing in the Department of Expenditure.

iii. Sufficient provision in the relevant Budget should be ensured before such proposals are processed in the Ministry/ Department and before referring proposals to Department of Expenditure. The proposal should clearly indicate the budget provision.

iv. Stipulated timeline for submission of proposals may be adhered to strictly. It may be noted that henceforth, delayed proposals will not be processed unless accompanied by a Delay Report containing reasons for delay, duly approved by the Administrative Secretary.

v. Holding of conferences/ workshops /seminars/ meetings etc. in Five Star Hotels is banned except in case of bilateral/ multilateral official engagements held at the level of Minister-in-Charge or Administrative Secretary with foreign Government or international bodies of which India is a Member. Any deviation in this regard should be referred to the Department of Expenditure with adequate justification.

vi. Ministries/Departments shall not resort to seeking ex post- facto approval on the proposals since they are liable to be rejected. Hence, adequate advance planning and obtention of all requisite approvals/ clearances is emphasized.

7. Notwithstanding the enhancement in the prescribed expenditure ceiling, all Ministries/ Departments shall ensure utmost economy in public expenditure.

8. This is in supersession of Department of Expenditure's earlier instructions on the subject cited above issued vide following O.Ms No.:

i) 19(9)/E.Coord/2011 dated 5th March, 2015

ii) 19(9)/E.Coord./2012 dated 12th July, 2012

iii) 19(9)/E.Coord./2012 dated 13th September, 2011

iv) 7(1)/E.Coord/2010 dated 13th September, 2010

v) 7(1)/E.Coord/2010 dated 31st May, 2010

vi) 7(5)/E.Coord/2002 dated 28thMay, 2003

9. These instructions will come into operation with immediate effect.

7

[Ministry of Finance DoE O.M. No. F No. 4(4)/E.Coord/2015, dated 05.01.2016]

Sub:- Instructions for processing foreign visits of officers of the Government of India for approval of Screening Committee of Secretaries (SCoS).

In order to regulate foreign visits of Government of India officers and delegations and to make these visits more effective, the existing sets of guidelines/ instructions on the subject have been comprehensively reviewed. The revised guidelines, as follows, are hereby circulated for strict compliance by all Ministries/ Departments:-

1. Ministries/Departments shall upload the data related to foreign visits on the online Foreign Visit Management System (FVMS) which has been developed and can be accessed at the URL notified at the Department of Expenditure website. Each Ministry/ Department has been provided with an user ID and Password for this purpose.

2. To optimize the outcome from foreign tours of officers, each Ministry/Department shall prepare a Quarterly Rolling Plan (QRP) of proposed programmes/ visits for the next 3 months. Such a QRP will be uploaded on the

FVMS and will be reviewed every month with one additional month being' added to it. Only the essential foreign visits which cannot be avoided may be included.

3. The level of officers and the strength of the delegation be worked out keeping in view factors such as expertise and manpower available with our Missions abroad, leveraging modern technology of tele-conferencing or video conferencing, etc. so as to keep the delegation size to the bare minimum. In respect of objectives that can be achieved through exchange of letters, tele/ video conferencing or representation from our Missions abroad, no foreign visit need be undertaken.

4. Duration of the visit shall also be kept to the absolute minimum. The administrative Secretary shall ensure in every case, that officers of appropriate functional level dealing with the subject are sponsored/ deputed instead of those at higher levels.

5. Foreign visits shall not exceed 05 working days. Any delegation for foreign travel (irrespective of the level of officers), exceeding 05 working days or 05 members, shall be placed before the SCoS for approval.

6. No officer shall undertake more than 04 official visits abroad in a year. For visits exceeding 04 by Secretary/equivalent, proposal shall be submitted for approval of the Prime Minister through SCoS. For visits exceeding 04 by officers below Secretary level, proposal shall be submitted to SCoS for approval. Ministries/Departments shall make efforts to ensure that at least two to three officers at appropriate levels are trained and made adept on concerned subjects so as to avoid repetitive visits of the same officers.

7. Participation of officials in international fairs/exhibitions/workshops and conferences shall be discouraged. If considered essential, only the officer directly dealing with the subject shall be deputed. In such international events, if required to do so, a coordinated presence and projection of 'Brand India' should be attempted instead of individual Departments/ Ministries setting up individual stalls. For this purpose, depending on the nature of the exhibition, a nodal Department should be identified to take the lead in consultation with the Ministry of External Affairs.

8. In an outgoing Indian delegation, there need not be any Ministry of External Affairs' official from India. Instead, services of the Indian Mission situated in the destination country could be utilized. Also, the practice of mobilization of personnel by the host Mission from other Missions situated in other

countries should not be resorted to. For any exceptional requirements, prior approval of the Cabinet Secretary should be obtained.

9. Secretaries to Government shall travel abroad only when their presence is required and no one else can be deputed instead.

10. Secretaries shall not undertake any foreign visits during the Parliament Session unless it is absolutely unavoidable.

11. The Minister and the Secretary shall not, normally, be away from the headquarters at the same time. If, however, both are required to be deputed abroad, the necessity for deputing the Secretary at the same time as the Minister may be brought out clearly for consideration of Prime Minister through SCoS.

12. Proposals relating to foreign visits/deputation abroad of officers of the rank of Secretary and Additional Secretary shall continue to be sent to SCoS except visit to SAARC countries (including Myanmar).

13. The proposals for the visit to SAARC countries (including Myanmar) will be decided by the Ministries concerned in consultation with their Financial Advisers (FAs). However, proposals of foreign tour of Secretary accompanying the Minister to SAARC countries will require to be submitted to the SCoS for approval.

14. In respect of foreign visits of officers, all cases which require approval of the SCoS shall be submitted to Department of Expenditure after obtaining the approval of competent authority viz. Minister-in-Charge with the concurrence of FA.

15. Composite delegation led by Secretary/Additional Secretary comprising officers of the level of Joint Secretary and below including non-officials (visiting at Government cost), is to be submitted for SCoS approval. The proposal shall not be split and details of the entire delegation shall be sent to the SCoS.

16. Visits of officers of Public Sector Undertakings (PSUs)/Autonomous Bodies (ABs) are exempted from SCoS procedure unless they form part of a composite delegation from the administrative Ministry.

17. Expenditure on the foreign visit of officers of Ministries/Departments shall be borne by Government only, even if the visit of the officer(s) is in his capacity as ex-officio member of PSUs/ABs or otherwise, and in connection

with affairs of PSUs/ABs. Any proposal for relaxation in this regard shall be referred to Secretary (Expenditure).

18. Visit of non-officials at Government cost will require approval of PM. Their visits are to be routed through SCoS only if they form a part of a composite delegation. In other cases, the PM is to be approached (through PMO) by the administrative Ministry directly.

19. There shall be no objection in accepting international air travel costs and hospitality from an international body of which India is a member or the visit abroad is covered under bilateral/multilateral agreement or under a regular exchange programme. The terms and conditions on deputation shall not be supplemented with the terms and conditions on deputation offered by the Government of India viz, the mode and class of travel. Payment of cash allowance and other allowances including local travel and stay in hotel would be as per the terms offered by the foreign Government/ sponsors.

20. Invitations received directly by the officers by virtue of expertise in a particular field and where no particular Government of India business is to be transacted will be treated as personal visits. Such visits in respect of Additional Secretary and above level officers require SCoS approval. The officer would have to take leave for the period of such visits and such visits are not to be undertaken at government costs.

21. Proposals shall be submitted along with deputation proforma containing all relevant details (including political clearance from MEA and FCRA clearance from MHA, if required). Only those proposals are to be referred to SCoS where funds are available to bear the expenditure on the foreign visit.

22. Proposals, complete in all respects, seeking approval of SCoS shall be submitted to Department of Expenditure 15 days prior to departure date of delegation.

23. Deputation abroad of officers of the level above Director upto Joint Secretary will be decided by Ministries/Departments, under delegated powers, in consultation with their FA and with the approval of the Minister-in-charge. Foreign visits of officers upto the level of Director and equivalent will be decided by the administrative Secretaries in consultation with the concerned FA.

24. Deputations of officers upto the level of Joint Secretaries in Ministries/Departments and officials from PSUs/ Autonomous Bodies, etc. shall also be regulated in accordance with the spirit of these guidelines.

25. The leader of the delegation shall upload the tour report in the requisite format on FVMS and also submit the same to the Minister containing, inter-alia, the major achievements from the tour and post-visit outcomes. A copy of the report shall also be marked to Department of Expenditure and Ministry of External Affairs.

2. These instructions are in supersession of all earlier instructions on the subject.

3. This issues with the approval of Finance Minister.

8

[Ministry of Finance DoE O.M. No. F No. 25(12)/E.Coord-2018, dated 03.04.2016]

Sub:- Reimbursement in respect of Newspapers purchased/ supplied to officers at their residence-guidelines regarding.

Department of Expenditure, Ministry of Finance, vide order no. 1(24)/E.IIA/96 dated 13th September, 1996, had issued guidelines on the subject cited above. It has been felt that these guidelines are dated and need to be updated. It has therefore, been decided that in place of the existing practice of getting monthly reimbursement of newspaper on production of newspaper bills, reimbursement for newspaper may be made at the rates mentioned below based on the certification given by the entitled officer:

S. No.	Level of Officers	Reimbursement to be made per month (In Rs.)
1.	Secretary/Secretary equivalent	As per actual
2.	Additional Secretary/ Additional Secretary equivalent	Rs.1100
3.	Joint Secretary/Joint Secretary equivalent	Rs.850
4.	Director/ Deputy Secretary/ Under Secretary/ Section Officer or equivalent	Rs.500

2. A certificate as per the Annexure, to the effect that expenditure has been incurred on newspaper shall be provided by the officers on half yearly basis to the office for reimbursement.

3. This issues in supersession to all earlier guidelines of Department of Expenditure on the subject.

4. The orders will be effective with immediate effect.

9

[Ministry of Finance DoE O.M. No. F No. 7(3)/E-Coord/2013, dated 06.05.2015]

Sub:- Economy in expenditure — serving of refreshments during meetings etc.

The undersigned is directed to refer to the Department of Expenditure O.M. No. OM No. 7(1)/E.Coord/2014 dated 29-10-2014 on the subject mentioned above whereby a ban has been imposed on holding meetings and conferences at Five Star Hotels except in case of bi-lateral / multi-lateral official engagements which are held at the level of Minister-in-Charge or Administrative Secretary with Foreign Governments or International Bodies of which India is a Member.

2. A number of references from various Ministries are being received where in view of the nature / level of international engagements as also availability of venue for such meetings, official engagements are proposed in Five Star Hotels and such meetings include extension of hospitality in the form of Lunch/ Dinner etc.

3. In this context, it has been decided to extend rates as fixed by MEA for Lunch/ Dinner as follows:-

BANQUET RATES	
Function	Rates
Buffet Lunch	Rs.950
Buffet Dinner	Rs.950
Sit down lunch	Rs.950
Sit down dinner	Rs.1050
Cocktail	Rs.575

4. The Administrative Secretary in consultation with the Financial Advisor would need to exercise utmost discretion and ensure that the above ceiling is adhered to keeping in view the austerity instructions contained in Department of Expenditure OM No. 7(1)/E.Coord/2014 dated 29-10-2014 and Cabinet Secretary's D.O. No. 213/1/2/2015- CA.IV dated 11-02-2015 for strict compliance.

5. This issues with the approval of Secretary (Expenditure).

10

[Ministry of Finance DoE O.M. No. F No. 7(3)/E-Coord/2013, dated 06.05.2015]

Sub:- Economy in expenditure — serving of refreshments during meetings etc.

The undersigned is directed to refer to the Department of Expenditure O.M. No. 7(2)E-Coord/03 dated 25.3.2004 on the subject mentioned above whereby the ceiling of Rs. 150/- per head was fixed for serving refreshment/working lunch during meetings/seminars/conferences.

2. A number of proposals have been received from various Ministries/Departments seeking relaxation of the above ceiling.

3. The matter has been re-examined and it has been decided to revise the ceiling of Rs. 150/- per head for serving refreshments/working lunch during meetings/seminars/conferences etc. in the following manner —

S. No.	Item	Ceiling (Rs.)
1.	Tea + Snacks	Rs.200/-
2.	High Tea	Rs.500/-
3.	Lunch / Dinner	Rs.750/-

4. The Administrative Secretary in consultation with the Financial Advisor would need to exercise utmost discretion while deciding expenditure on above account keeping in mind economy in expenditure and adherence of financial rules/norms/propriety.

5. This issues with the approval of Secretary (Expenditure).

11

[Ministry of Road Transport and Highways O.M. No.RT-23013/8/2022-T dated 08.07.2024]

Sub:- Process for scrapping of Govt. vehicles older than 15 years.

The undersigned is directed to refer to this Ministry's OM of even no dated 17.12.2022 wherein the mechanism for scrapping of Government-owned vehicles through e-auction on Metal Scrap Trade Corporation Limited (MSTC) portal was proposed and to state that in order to facilitate seamless scrapping of such vehicles, the e-auction platforms developed by Metal Scrap Trade Corporation Limited (MSTC), a Mini Ratna Company-I under the administrative control of Ministry of

Steel, and the Forward Auction portal developed by Government e-Marketplace (GeM) under the aegis of Ministry of Commerce and Industries, may be used to conduct e-auction of such vehicles.

2. Registered Vehicle Scrapping Facilities (RVSFs) which have been commissioned as per provisions of MoRTH notified vide GSR 653(E) dated 23rd September 2021 and its amendments shall only be allowed to participate in the auction. This would support operations of existing RVSFs by providing them with a base volume of end-of-life vehicles and would also encourage private investment in establishment of new RVSFs.

3. The details of the proposed mechanism for scrapping of Government-owned vehicles through e-auction on MSTC and GeM portals are provided in Annexure.

4. The mechanism specified in the Annexure is issued in supersession of the mechanism issued vide OM dated 17.12.2024.

5. This issues with the approval of the Competent Authority.

Annexure

Proposed mechanism for e-auction of Government-owned vehicles through MSTC and GeM Portal

Union/ State Government to use the portals developed by Metal Scrap Trading Corporation (MSTC) and Government e-Marketplace (GeM) i.e. the auction agencies, for e-auction of condemned vehicles to RVSF. In order to expedite the scrapping of condemned vehicles, Union/ State Governments may directly engage with these auction agencies to conduct e-auction. The detailed procedure for e-auction of vehicles through the portals of the auction agencies is provided below:

1. Union Ministries/Departments and State Governments to share details of condemned vehicles (including vehicle type, model, vintage, image, etc.) with the auction agency.

2. Union Ministries/Departments and State Governments to conduct valuation of vehicles through valuers appointed by them or empaneled by the auction agency and finalize the reserve price and tolerance %.

3. Union Ministries/ Departments and State Governments or the auction agency to enter reserve price and associated tolerance % into the respective portal before the launch of e-auction.

4. Auction agency to support the Union Ministries/Departments and State Governments in forming the e-auction lots based on vehicle details, location

of vehicles etc. and in developing an e-auction catalog. Auction notification containing details of e-auction starting date, list of vehicles, location, ownership etc. will be sent to RVSFs. Such scrapping is to be done in accordance with the procedure as prescribed in Motor Vehicles (Registration and Functions of Vehicle Scrapping Facility) Rules 2021.

5. e-Auction is then launched on the auction portal.

6. Prospective bidders would be allowed to conduct on-site inspection of vehicles to assess fair value of the e-auction lot. High quality images may be included in auction catalog to reduce the requirement of physical inspection since the RVSFs may not have enough capacity to conduct physical inspection over a short period of time.

7. Interested bidders to deposit a pre-bid earnest money deposit (EMD) or Standing Security Deposit, as prescribed by the auction agency, to become eligible for bidding. After depositing EMD or Standing Security deposit, bidders to submit their bid on the auction portal.

8. e-Auction is to be closed at a pre-determined time. An e-auction is deemed successful if the highest bid value is more than the reserve price or within the tolerance threshold and is cancelled if the highest bid is lower than the tolerance of reserve price set by the seller. If an e-auction is cancelled, then the Competent Authority may put up the lot for re-auction after re-fixing the reserve price based on market response.

9. Auto-generated notification is sent to the highest bidder and the seller.

10. Highest bidder (RVSF) would then transfer the bid amount to the auction agency or the seller, as per the terms in the e-auction catalog. Auction agency to issue a digitally signed Delivery/Sale Order upon confirmation of payment.

11. Highest bidder (RVSF) to pick up the vehicles for scrapping and hand over a 'Certificate of Deposit' to the seller through the Vahan RVSF module as per the process specified in rule 10 sub-rule 1 of GSR 653 (E) dated 23rd September 2021 and its amendment vide GSR 695 (E) dated 13th September 2022.

12. De-registration of vehicles to be done by RVSF as per the process specified in rule 10 sub-rule 1 of GSR 653 (E) dated 23rd September 2021 and its amendment vide GSR 695 (E) dated 13th September 2022.

13. If the bid amount was transferred by the RVSF to the auction agency, the auction agency shall further transfer the bid amount to Union Ministries/ Departments and State Governments along with the 'Certificate of Deposit'.

CONCORDANCE TABLE

DFPR 1978		DFPR 2024
Rule-1	(Short title and commencement	Rule-1
Rule-2	(Power to Relax)	Rule -2
Rule-3	(Definitions)	Rule-3 (Definitions)
Rule-4	(General Limitation on power to sanction expenditure)	Shifted as Rule 5
Rule-5	(Residuary Financial Powers)	Shifted as Rule-6
Rule-6	(Effect of sanction)	Shifted as Rule-7
Rule-7	(Provision of funds by Parliament)	Shifted as Rule-4
Rule – 8	(Primary units of Appropriation)	Rule-8
Rule -9	(Allotment of Funds)	Rule -9
Rule -10	(Appropriation and Re-appropriation – General Restrictions)	Rule 10
Rule -11	(Creation of posts)	Deleted
Rule - 12	(Abolition of posts)	Deleted
Rule-13	(Powers of subordinate authorities)	Shifted as Rule -12
Rule-14	(Head of Office)	Deleted
Rule-15	(Insurance of Government Property)	Shifted as Rule 14
Rule-16	(Delegation of Powers to incur expenditure)	Deleted
Rule-17	(Remission of disallowances by audit and writing off of overpayments made to Government servants	Shifted as Rule -15
Rule-18	(Expenditure on schemes or projects)	Shifted as Rule-16
Rule-19	(Power to release funds)	Deleted
Rule-20	(Grants and Loans)	Shifted as Rule-17

DFPR 1978	DFPR 2024
Rule-21 (Indents, contracts and purchases)	Shifted as Rule-11
Rule-22 (Trading Operations)	Shifted as Rule-18
Rule-23 (Payment of commutation money)	Deleted
Rule-24 (Sale, etc., of public buildings	Shifted as Rule-19
Rule-25 (Communication of sanctions to Audit)	Shifted as Rule – 20
Rule-26 (Repeal and Savings)	Shifted as Rule-21
Schedule I to VII	**Deleted**

Government of India
Ministry of Finance
Department of Expenditure