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EXPENDITURE BUDGET MANUAL



Directorate of Expenditure Budget
Directorate General of Income Tax (Logistics)
Central Board of Direct Taxes
Department of Revenue
Ministry of Finance
Government of India

EXPENDITURE BUDGET MANUAL



DIRECTORATE OF INCOME TAX (PR, PP & OL)
MAYUR BHAWAN, NEW DELHI-110001

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Directorate General of Income Tax (Logistics)
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Department of Revenue
Ministry of Finance
Government of India**

First Edition 2013



Dr. Sudha Sharma, IRS
Chairperson, CBDT
Tel: 23092648

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES
NORTH BLOCK, New Delhi-110001

Dated 24th December, 2013

MESSAGE


I am happy to note that the Directorate of Income Tax (Expenditure Budget), Central Board of Direct Taxes, Ministry of Finance, is bringing out a Manual on Expenditure Budget under the aegis of Director General of Income Tax (Logistics).

Under the Results Framework Document (RFD) 2013-14, the Director General of Income Tax (Logistics) has taken a commendable initiative of compiling and consolidating various rules, instructions, circulars etc. issued by Government of India, from time to time, on matters relating to expenditure budget.

Since 'Financial proprietary' is an integral part of good administration, the Central Board of Direct Taxes would like to sensitize and facilitate the field formations on expenditure budget matters through this Manual. Considering that issues relating to expenditure budget are important aspects of administration, this Manual would assist the officers and staff members of the Department in appropriately dealing with such matters.

I am sure that this Manual will serve as a valuable document in understanding the processes and nuances relating to expenditure budget specifically in relation to the Income Tax Department.

I acknowledge the efforts put in by the officers of the Directorate of Expenditure Budget in compiling this first edition of Expenditure Budget Manual for the Department.


(Dr. Sudha Sharma)
Chairperson, CBDT,
New Delhi



DIRECTOR GENERAL OF INCOME TAX (LOGISTICS)
NEW DELHI

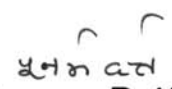
Poonam Dutt,
IRS

MESSAGE

It is my proud privilege to bring forth the first edition of the Expenditure Budget Manual by the Directorate of Income tax (Expenditure Budget), New Delhi. This Manual is a compendium of various guidelines/ instructions/ rules issued by Government of India in respect of matters relating to Budget procedure and management of Expenditure Budget.

The Directorate of Income tax (Expenditure Budget) is mandated to act as the Nodal authority in respect of all Budget matters for Grant No.43 – Direct taxes. The Manual prepared by this Directorate provides an insight into the rules, procedures, guidelines etc. to be followed by 116 Budget Controlling Authorities (BCAs) in the Income tax Department across the country. It is hoped that this Manual will act as a comprehensive guide in the preparation of proposals relating to Budget Estimates and Revised Estimates and management of day to day expenditure by the field formations. I also look forward to valuable suggestions from the officers and staff members of the department for further improvement in the future editions of this Manual.

I would like to place on record my sincere appreciation for the contribution made by the officers and staff members of the Directorate of Expenditure Budget in the preparation of this Manual. For convenience of the field formations, the Expenditure Budget Manual is being uploaded on the website of the department i.e. www.irsofficersonline.gov.in


(Poonam Dutt)
Director General of Income tax (Logistics),
New Delhi

24.12.2013



Sandeep Jain, IRS

DIRECTOR OF INCOME TAX (EXPENDITURE BUDGET)

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Foreword

24-12-2013

It is my endeavor to present the Manual of Expenditure Budget before you. The Directorate of Income Tax (Expenditure Budget) commenced functioning two years ago. It was felt to compile relevant Rules, Office Memorandums, Forms, Circulars, other materials and informations related to the procedures to be followed for the expenditure budgeting at one place so that it can serve as useful reference document.

Accordingly, this Directorate was entrusted the responsibility to prepare Expenditure Budget Manual, as envisaged in the Result Framework Document (RFD) for the Financial Year 2013-14.

To achieve this objective, a Committee was formed, headed by the Director of Income Tax (Expenditure Budget), comprising of officers from Income Tax Department, Integrated Finance Unit (Direct Taxes) and Controller of Accounts. Considerable time and hard work has been invested. Suggestions and contributions from each one was considered. Their laudable efforts deserves to be appreciated in this regard.

I sincerely express my profound gratitude to the Director General of Income Tax (Logistics), whose valuable guidance enabled us to prepare this Manual.

I am grateful to the worthy Chairperson, CBDT, who has very kindly consented and approved this Manual, taking out time from her busy schedule.

Due precaution has been taken to compile and incorporate the latest provisions from different sources, however it will be appropriate that while executing, the competent authority may refer the original text or source as updated.

I shall look forward to the suggestions and modifications for the future editions.

Sandeep Jain

Sandeep Jain

DIT (EB)

Abbreviations used in the Manual

BCA	Budget Controlling Authority
BE	Budget Estimates
CA	Computer Advance
C&AG	Comptroller & Auditor General
CAM	Civil Accounts Manual
CBDT	Central Board of Direct Taxes
CGA	Controller General of Accounts
CGA (R&P) RULE	Central Government Account (Receipts & Payments) Rule
DCRG	Death Cum Retirement Gratuity
DDG	Detailed Demands for Grant
DDO	Drawing and Disbursing Officer
DFPR	Delegation of Financial Power Rules
DIT (EB)	Director of Income Tax (Expenditure Budget)
DoR	Department of Revenue
FA	Financial Adviser
FR	Final Requirement
GFR	General Financial Rules
HBA	House Building Advance
HoD	Head of Department
IFU	Integrated Finance Unit
MCA	Motor Car Advance
MEP	Monthly Expenditure Plan
NIS	New Instrument of Service
No.	Number
NPS	New Pension Scheme
NS	New Service
OA	Other Advance
OM	Office Memorandum
OMCA	Other Motor Conveyance Advance
PAO	Pay and Accounts Officer
Pr.CCA	Principal Chief Controller of Accounts
P.D. Account	Personal Deposit Account
RE	Revised Estimates
SBCA	Sub-Budget Controlling Authority
SBE	Statement of Budget Estimates
SOE	Standard Object of Expenditure
ZAO	Zonal Accounts Office

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CHAPTER-1

INTRODUCTION

This Manual intends to outline broadly the procedure of budgeting and incurring expenditure in a financial year. Expenditure Budgeting may be defined as the estimation of expenditure (both Capital & Revenue) by each Ministry/Department for a Financial Year. This Manual deals with the procedure of incurring expenditure by the authorities of Income Tax Department under Grant No. 43-Direct Taxes. Since 1st April 2011, matters related to Expenditure Budget in the Income Tax Department are being dealt by the Directorate of Expenditure Budget, Central Board of Direct Taxes, Ministry of Finance, Government of India. Prior to this, all budget matters and allocation of funds etc. were dealt by the Integrated Finance Unit (IFU), Department of Revenue, Government of India.

1.1 Creation of Directorate of Income Tax (Expenditure Budget)

1.1.1 The Directorate of Expenditure Budget was created vide Gazette notification No. 15/2011/F.No.402/88/13/2011-Comm.(Coord.) dated 18th March,2011. This Directorate is mandated to act as the Nodal Authority in respect of all Budget matters for the Grant No. 42 (now 43) -Direct Taxes and to perform all works related to the management of Expenditure Budget. Following functions are assigned to this Directorate:

- (i) to issue the Budget Circular as prescribed by Budget Division, Department of Economic Affairs;
- (ii) to examine the budget proposals received from the various constituent formations/units/under the grant;
- (iii) to consolidate the budget proposals received from the various constituent formations/units at each stage of the Budget exercise i.e. Budget Estimate (BE), Revised Estimate (RE) and Final Requirement (FR) and submit the same to FA(Finance) for further action;
- (iv) to allocate object head-wise approved provisions to respective Budget controlling authorities;
- (v) to prepare the Statement of Budget Estimates (SBEs) for inclusion in the relevant Budget documents;
- (vi) to monitor the progress in Expenditure vis-à-vis Sanctioned Grant and submit the Monthly and Quarterly Expenditure Review to FA(Finance) for further action;
- (vii) to propose the Re-appropriation orders, surrender of savings etc, to FA (Finance) for concurrence/ approval of the competent authority;
- (viii) to finalise the Appropriation Accounts in consultation with Principal CCA, CBDDT and submit to FA (Finance) for concurrence;

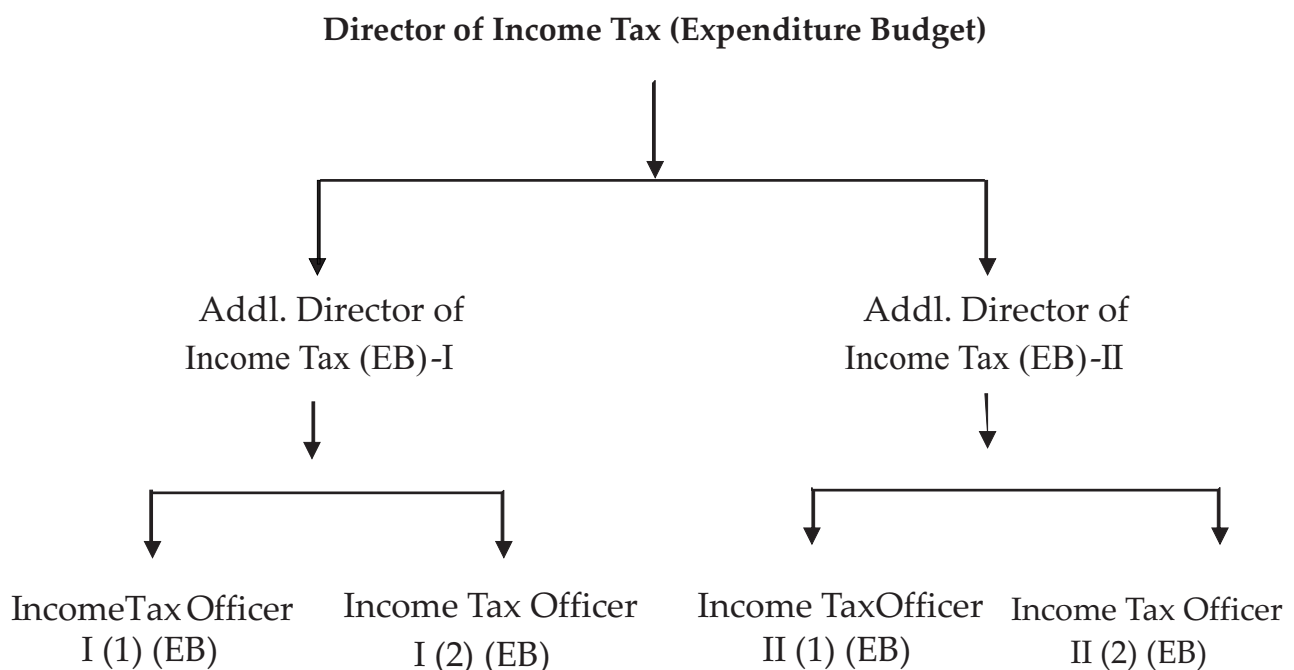
- (ix) to take necessary action in respect of the examination by the Standing Committee on Finance on Detailed Demands for Grants;
- (x) to take action in respect of Audit references in Expenditure matters, for example, Action Taken Notes on Audit Paras/PAC para etc.;
- (xi) Any other matter, related to the above;

1.1.2 The Gazette Notification as mentioned above is at **Annexure-I**

1.1.3 Further, the Directorate is also carrying out following additional functions:

- (i) To manage the various advances namely House Building Advance (HBA), Motor Car Advance (MCA), Other Motor Conveyance Advance (OMCA), Other Conveyance Advance (OCA), Other Advance (OA) and Computer Advance (CA) under Grant No. 37.
- (ii) To work as nodal authority for mandatory publication of tender enquiries by the Department on the Central Public Procurement Portal.
- (iii) To work as nodal authority in respect of all matters related to the use of Integrity Pact in the Income Tax Department.

1.1.4 The Directorate of Expenditure Budget is under the administrative control of Director General of Income Tax (Logistics). The Directorate of Expenditure Budget has started functioning with effect from 1st April 2011. Present administrative structure of the Directorate of Income Tax (Expenditure Budget) is as follows:



1.1.5 This Directorate is functioning in accordance with the mandate given and in a very short period of its functioning, has become an integral part of the CBDT and assumed a significant position. The efficient functioning of the Directorate has resulted in timely release of funds to the various Budget Controlling Authorities (BCAs) and thus achieving the objective of maximum utilization of the allocated funds.

CHAPTER-2

PROCEDURE FOR GRANT OF BUDGET

2.1 Expenditure Budget

2.1.1 The Union Budget is a legal document that is passed by the Legislature, and comes into effect upon assent by the President. The two basic elements of any budget are - revenue and expenditure. Unlike a pure economic budget, Government Budget is designed for optimum allocation of resources.

2.1.2 Budget preparation in India is an interactive process between the Ministry of Finance/Planning Commission and the spending Ministries. It is a combination of top down approach with the Ministry of Finance and the Planning Commission, issuing guidelines or communicating instructions to spending Ministries, and a bottom-up approach, wherein the spending Ministries present requests for budget allocation.

2.1.3 Some of the salient features of Union Budget are as follows-

- (i) **Budget is prepared on Cash basis:** Whatever is expected to be actually received or paid under proper sanction during a financial year (including arrears of the past years) should be budgeted in that year.
- (ii) **Rule of Lapse:** All appropriations granted by the Parliament expire at the end of financial year and unspent budget cannot be appropriated for meeting the demands in the next financial year. Thus, all unutilized funds within the year 'lapse' at the end of the financial year.
- (iii) **Realistic Estimation:** It is essential that the provisions in the Budget should be restricted to the amount required for actual expenditure. The Finance Ministry is interested in seeing that the Departments do not obtain more/less money than what they really need.
- (iv) **Form of Estimates to Correspond to Accounts:** It is essential that the form in the budget estimates correspond to that of Government accounts as it is from these accounts, that the performance of the Government is judged and the estimation for subsequent year made. If these are prepared in different forms, financial control will also become difficult.
- (v) **Estimates to be on Departmental Basis:** Each Department prepares estimates for receipts and expenditure separately. Generally one Demand or Grant No. is allocated in respect of each Ministry/Department. In case of certain large Ministries/Departments more than one Demand for Grants is allocated in terms of General Financial Rules. As of now the Grant for Direct Taxes is Grant No. 43.

2.2 Budget Preparation

2.2.1 The budget cycle normally starts towards the end of September of the current year and lasts till May of the next financial year. The Budget Division prepares a comprehensive Schedule for carrying out the Budget preparation activities. In the year in which General Elections to the Lok Sabha are held, the interim Budget is presented to the Parliament on any given day convenient to the Government. After the General Elections are over and assumption of office by the new Government, the Regular Budget is presented to the Parliament on any date convenient to the Government as decided by the New Government. The Budget Schedule is constantly reviewed by the senior officers to watch the progress since budget span leaves no scope for slippages.

2.2.2 Budget for a Financial Year is prepared by the Budget Division in the Ministry of Finance broadly on the basis of detailed estimates of expenditure and receipts as received from various Departments/ Ministries of Government of India and its own subordinate estimating authorities. The General Financial Rules also prescribe the broad guidelines, procedures and forms for the preparation of budget estimates of receipts and expenditure by the Ministries. The estimates of expenditure are prepared separately for Capital and Revenue as a constitutional requirement and Plan and Non Plan Category, keeping with the existing classification system. Presently the entire expenditure of Income Tax Department is under the Non-Plan category.

2.2.3 The detailed estimates of expenditure are prepared by the estimating authorities according to their assessment of requirements for the ensuing year, keeping in view the actual requirement in the past, current year's trends of expenditure, the decision taken by the Government which will have a bearing on the funding requirements etc.

2.3 Budget Circular

2.3.1 The commencement of Budget Process takes place with the issue of the Budget Circular, normally issued in the month of September each year by the Budget Division, Department of Economic Affairs. The budget Circular is issued with the purpose of providing guidance to Ministries/ Departments in framing their Revised Estimates for the current year and the Budget Estimates for the ensuing financial year, for further rendition to the Budget Division. This circular gives detailed instructions on the preparation of estimates of various types of receipts and expenditure, including the formats and statements in which the estimates are required to be furnished. The Budget Circular also outlines the processes that are to be followed with reference to various estimating requirements and the scheduled dates by which the information in the prescribed formats are required to be made available to Budget Division. DIT (EB) receives the Budget Circular from the office of Joint Secretary and Financial Advisor (Finance), Department of Revenue, and issues the same to all the Budget Controlling Authorities under CBDT.

2.4 Estimates of Expenditure

2.4.1 The estimates of expenditure are required to be furnished to Budget Division in stages. The first stage is Revised Estimates (R.E.). R.E. is generally a revision of budget allocation made in a particular year, taking into account the various aspects and discussed and approved by the Secretary (Expenditure). R.E. is required to be obtained necessarily before the end of that financial year. On the basis of Revised Estimates of expenditure, Supplementary Demands for Grants are prepared by the Government of India under Article 115 of the Constitution. Preparation of R.E. for expenditure for a financial year necessarily precedes the Budget Estimates (B.E.) for the ensuing year. Revised Estimates are mid-year review of possible expenditure, taking into account the trend of expenditure, New Service, New Instrument of Services, etc. Revised Estimates are not voted by Parliament, and hence by itself does not provide any authority for expenditure. Therefore, any additional projections made in the Revised Estimates needs to be authorized for expenditure through Parliament's approval (in case of New Service/New Instrument of Service, etc) or by Re-appropriation order. The third batch of Supplementary Demands presented in the Parliament during the Budget Session takes into account the Revised Estimates projections and also Post Revised Estimates developments.

2.4.2 The B.E. for a year is the estimate of expenditure under various heads of Capital and Revenue which is to be spent by the Department. Preparation of the Budget Estimates (B.E.) for the ensuing year is also completed before the end of the current financial year.

2.4.3 While projecting the Budget Estimates and Revised Estimates, due care should be taken to project the rational and realistic requirements.

2.4.4 Following aspects are required to be kept in mind by the BCAs while formulating the expenditure estimates (BE and RE Projections):

- (i) Historical trend of Expenditure.
- (ii) Any new activity sanctioned or planned in the current year which was not envisaged and budgeted in the B.E. of current year.
- (iii) If the pace of Expenditure is proportionately less during the current year, reasons for not reducing the allocated Budget to be submitted invariably.
- (iv) Preparation of Budget Note giving detailed reasons for the variation especially with respect to Revised Estimates and also regarding Budget Estimates of ensuing year. In cases where additional provision is required for clearing any arrear liabilities, the nature of such arrear liabilities, the year(s) and the additional amount required for clearing such liabilities may be stated in detail in the Budget Note under relevant heads.
- (v) The Budget Estimates should be projected in the most realistic manner, preferably on the basis of actual expenditure incurred during the first five months of the current financial year.

- (vi) A careful watch may be kept on the trend of expenditure from month to month with a view to regulate the total expenditure within the sanctioned grant. Economy measures, if any, as issued by the Department of Expenditure, Government of India, should be followed scrupulously.
- (vii) Projection for capital expenditure should also be done on a realistic estimation of probable expenditure, keeping in mind the financial limit.
- (viii) No provision may be made in the establishment budget for posts, which are lying vacant for one year or more. Even otherwise, provisioning for vacant posts should be made with circumspection so as to avoid chances of eventual savings due to these vacant posts not being filled up.
- (ix) Estimate of committed expenditure, which is being provided for the first time as Non- plan in RE of current year and thereafter in BE of the ensuing year.
- (x) Any other relevant factor which may be foreseen at the time of framing the RE for the current year or BE for the ensuing year.

2.4.5 The above aspects are only indicative and there may be inclusion of other matters/ points depending upon the Budget Circular for the specific financial year. The estimates are required to be accompanied by the various proformas as mentioned in each year's Budget Circular. A copy relevant proforma as requested in Budget Circular along with the letter F. No. 7/12/2013-IFU (B & A) DT dated 16th August, 2013, issued by the Director (Finance), Direct Taxes is appended at **Annexure-II**.

2.4.6 As per Article 112 of the Constitution of India, Annual Financial Statement shall distinguish expenditure on Revenue account from other expenditure. Rule 46(2) of General Financial Rules, 2005(GFR) mentions that the estimates of expenditure shall distinguish provision for expenditure on revenue account from that for other expenditure including expenditure on Capital Account, on loans by the government and for repayment of loans, treasury bills and ways and means advances. All the Ministries/Departments are required to refer to these Rules and prepare the Budget Estimates in Compliance of the statutory obligations.

2.4.7 The detailed estimates for the ensuing year are to be prepared by the estimating authorities on the basis of the rates applicable during the current year. They should take into account the normal rate of growth, on the basis of experience and latest trends, and also unrealized arrears relating to earlier year, if any.

2.5 Sanction of Estimates

2.5.1 The BCAs forward the budget proposals to the DIT (EB), CBDT who scrutinizes the estimates, make modifications wherever found necessary, and transmit these Revised Estimates (R.E.) and Budget Estimates (B.E.) to the Joint Secretary and Financial Adviser, Department of Revenue, for further examination and processing. The Joint Secretary and

Financial Adviser ensures the correctness of accounts classification, makes modifications as may be called for in his judgment in the context of economy and other considerations, consolidates the estimates for each head and presents a complete picture of their financial costs, and obtains approval of the Competent Authority. Departmental budgets are then forwarded to the Budget Division, Ministry of Finance.

2.5.2 The estimates of expenditure are thereafter scrutinized in the Budget Division of the Ministry of Finance. Finance Secretary or Secretary (Expenditure) may hold meetings to discuss the totality of the requirement of funds under various heads.

2.5.3 The estimates initially submitted by the Department may undergo some changes as a result of scrutiny in the Budget Division, Ministry of Finance and deliberations in the pre-budget meetings.

2.5.4 After the pre-budget meetings are over and the approved ceilings for expenditure (Revenue and Capital) as finalized in these meetings are communicated, including ceilings for Plan and Non-Plan expenditure, the Joint Secretary and Financial Adviser is required to prepare the Statement of Budget Estimates (Final) in the prescribed form of the Budget Circular and forward the same to Budget Division, Ministry of Finance. The funds so approved are further allocated to the various BCAs by the DIT (EB). The R.E. is allocated to the BCAs looking to their requirement, within the approved ceiling. The communication of R.E. is normally made to each BCA in the first week of January.

2.5.5 The communication of B.E. is normally made to each BCA in the 1st week of April. In B.E., the expenditure of 1st two months is generally restricted to 1/6th in compliance to the Vote on Account ceilings. When the Union Budget is acceded to by the President of India, the Vote on account ceilings are lifted. However, each BCA is expected to plan the expenditure in terms of Monthly Expenditure Plan (MEP).

2.6 Final Requirement

2.6.1 By way of Final Requirement (FR), Government takes stock of the Expenditure and likely Savings during the current Financial Year. Normally the Final Requirement Circular is issued by the Budget Division in the month of January every year.

2.6.2 The DIT (EB) upon receipt of the same, circulates it to all the BCAs and obtains the Final Requirement (F.R.). This is also called the Ten Monthly Expenditure Statement. The F.R. is required to be submitted in the proforma annexed with the letter calling for F.R. The said letter dated 22.01.2013 is annexed at **Annexure-III**. Normally no additional funds are allocated at this stage. BCAs are required to review their expenditure inter –alia on the basis of the actual expenditure of last 10 months and surrender the likely savings, if any. The guidelines mentioned in the F.R. circular needs to be followed scrupulously. It may be mentioned that the guidelines may vary in F.R. circulars from year to year.

2.6.3 After consolidating the requirement of all BCAs, DIT (EB) examines the same and after approval of the CBDT, submits the F.R. of the Department to Joint Secretary and Financial Advisor, Department of Revenue. After approval by the competent authority, the approved amount is distributed/re-allocated amongst the BCAs.

2.7 Cash Management and Exchequer Control (Monthly Expenditure Plan)

2.7.1 Exchequer Control based Expenditure Management was initially introduced from 1st April, 2006. Based on the working of the scheme, it was decided to expand and modify the scheme as detailed below. The Modified Cash Management System seeks to achieve, inter-alia, the following objectives-

- (i) Obtain greater evenness in the budgeted expenditure within the financial year, especially in respect of items entailing large sums of advance releases and transfers to corpus funds;
- (ii) Reduce rush of expenditure during the last quarter, especially the last month of the financial year;
- (iii) Reduce tendency of parking of funds;
- (iv) Effectively monitor the expenditure pattern; and
- (v) Better planning of Indicative Market Borrowing Calendar of the Central Government.

2.7.2 The Financial Advisers have been made responsible for the implementation of the modified expenditure management system. The scheme provides that in respect of each Demand for Grant, a monthly Expenditure Plan (MEP), separately for Plan and Non Plan expenditure would be worked out and included in the suggested format, as an annexure to the said Detailed Demand for Grant. MEP would also form the basis of Quarterly Expenditure Allocations (QEA), implying, the Department/Ministries concerned may not issue cheques beyond the QEA (which would be equivalent to the sum of provisions under MEP), without the prior consent of Ministry of Finance, Cash Management Cell (Budget Division). MEP and the QEA may be made in gross terms.

2.7.3 The Monthly Expenditure Plan may be finalized taking into account the following:

- (a) MEP for the month of March may not exceed 15 percent of the budgeted provision (Budget Estimates);
- (b) MEP for the months of January-March may be so fixed that the QEA for the last quarter may not exceed 33 percent of the budgeted provisions; and
- (c) The extant guidelines of Ministry of Finance, Department of Expenditure may be kept in view.

2.7.4 The expenditure control would apply cumulatively at the Demand for Grants level only, i.e. inter se variations between months within a quarter, between Plan and Non Plan and between schemes would be permissible, subject to statutory restrictions and extant guidelines. Savings under the QEA would not be available for automatic carry forward to the next quarter and the Department/Ministry would require to approach Ministry of Finance for revalidation of such savings through modification in the MEP and thereby QEA. Spill over in respect of MEP, not inconsistent with QEA would not require prior revalidation from Ministry of Finance, but may be included in the quarterly modification. The scheme provides that the Ministry of Finance is to consider such requests for revalidation within a period of 15 days of receipt of such request, failing which request for revalidation would be deemed to have been granted. The scheme further provides that the MEP and QEA pertaining to the 4th quarter of the financial year would be subsumed in the finalization of the Revised Estimates for the financial year.

2.7.5 In respect of Demands for Grants not covered by the Modified Exchequer Management System, it has been advised that the expenditure in the last quarter of the financial year may not exceed 33 percent of the budget allocation for those Demands for Grants. However, in the event of Revised Estimate being fixed lower than the Budget Estimate, actual expenditure may be kept within the Revised Estimate.

2.7.6 Office Memorandum No. F. No. 21(1)-PD/2005 dated December 27, 2006 and related O.M.'s in this regard are enclosed as **Annexure-IV**.

2.8 Supplementary Grants

2.8.1 There are three Parliamentary sessions in each financial year viz., Monsoon Session, Winter Session and Budget Session. Supplementary Demands for Grants is normally presented in each session of the Parliament, largely owing to the following circumstances –

- When amount authorized during current Financial Year is insufficient.
- Need has arisen during Current Financial Year for additional expenditure on a new service not contemplated in the Annual financial Statement for that year.
- For recouping Contingency Fund Advance.

2.8.2 Provisions of GFR Relating to Supplementary Demands for Grants:

2.8.2.1 As per Rule 60 of GFR, if savings are not available within the Grant to which the payment is required to be debited, or if the expenditure is on “New Service” or “New Instrument of Services” not provided in the budget, necessary supplementary Grant or Appropriation in accordance with Article 115 (1) of the Constitution should be obtained before payment is authorized.

2.8.2.2 Data for preparation of Supplementary Demands for Grants is called for from the Ministries/Departments in the month of June for Monsoon Session, October for Winter

Session and January for Budget session of each year, requesting them to send the data as per the prescribed format within 3 to 4 weeks of the issuance of circular (as per the timelines stipulated).

2.8.2.3 During the Monsoon Session, supplementary Demands are called for various purposes such as:-

- Cases where advances from Contingency fund of India have been granted, which are required to be recouped to the Fund,
- Payment against court decree, which cannot be postponed, and
- Urgent cases of additional requirement of funds to be met by re-appropriation of savings in the Grant which attracts the limitation of New Service/ New Instrument of Service.

2.8.2.4 This may vary from time to time. Supplementary for additional cash outgo are discouraged during the First batch of Supplementary, as the trend of expenditure till May of each year cannot form the basis of concluding that there will be no savings of Budgeted funds. Similarly the Supplementary Demand are called during winter session and budget session of the parliament for the above mentioned purposes. It is to be mentioned that in the budget session, the Supplementary can also be called in cases where the approved Revised Estimates would result in excess over the sanctioned provision in the Grant. The excess is separately assessed for the Revenue expenditure, capital expenditure, the Voted expenditure and the charged expenditure included in the Grant. Thus the Supplementary Demands will be required in cases where additional provision is required over and above the original budget provision plus the additional provisions granted in the first and second batches of the Supplementary Demands for Grants plus the advances sanctioned from the Contingency Fund of India, if any.

2.8.3 Annexure to Supplementary Demands

As recommended by the Public Accounts Committee, any order for re-appropriation, issued during a financial year, which has the effect of increasing the budget provision under a sub-head or standard object head by more than the limit specified in Budget Division's OM No. F.1(23)-B(AC)/2005 dated May 25, 2006 or as mentioned in the Delegation of Financial Power Rules, is required to be reported to Parliament along with the final batch of Supplementary Demands for Grants. This information is also called for from the Ministries/ Departments by the Budget Division.

2.8.4 Types of Supplementary Demands for Grants

On the basis of the Supplementary Demands for Grants received from various Ministries/Departments, Supplementary Demands can be classified into three categories, which are as follows:

2.8.5 Cash Supplementary

- This Supplementary is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. For Example, if a sum of 1000 Crore sought by a Ministry is unable to find any savings within the Demand/Grant, then the additional fund sought for, in case it is agreed to be provided, results in cash supplementary or enhancement of the overall allocation for the Demand/Grant.
- Cash Supplementary impacts the fiscal/revenue deficit.
- Cash supplementary should be obtained as a last resort and after proper due diligence.
- Cash Supplementary is required to have specific approval of Secretary (Expenditure).

2.8.6 Technical Supplementary

- There are 4 sections in each Demand viz., Revenue –Voted, Revenue –Charged, Capital-Voted and Capital-Charged. When there is a saving in one of the Sections e.g. Revenue-Voted and the same is proposed to be utilized for another scheme under Capital-Voted section, the same can be done after obtaining approval of Parliament through ‘Technical Supplementary’.
- There are three occasions when technical supplementary is sought viz., (a) surrender from one of the 4 sections mentioned above and utilizing the same in other section within the Demand, (b) transfer of scheme from one Demand to another Demand which will result in surrender of the amount from the Demand which has transferred the scheme and utilization of the same in the other Demand, where the scheme has been transferred, and (c) waivers/write offs.
- Technical Supplementary, if resorted between the Revenue and Capital sections of the Grant, has an impact on the revenue deficit position but does not change the fiscal deficit position.

2.8.7 Token Supplementary

- Token Supplementary of Rs. 0.01 crores is obtained when due to New Service/New Instrument of Service (NS/NIS) limits, approval of Parliament is required for Re-appropriation towards utilizing the savings within the same section of the Demand. For example, if under revenue section there are savings under a major head which is proposed to be utilized in another major head but falls within the purview of New Service/New Instrument of Service (NS/NIS) limits for expenditure, the same can be made available for re-appropriation after obtaining of a token supplementary. Token supplementary does not alter revenue/fiscal deficit position.

2.8.8 Ministries/Departments are required to review their requirements on the following broad guidelines, before firming up their proposals for the Supplementary Demands for Grants:

- Need for economy and rationalisation of expenditure.
- A thorough review of expenditure by exploring the possibility of meeting the requirements for additionality through Token or technical Supplementary.
- No new schemes and programmes, except those that are part of the Budget announcements should normally be introduced during the course of the financial year.
- Additional expenditure over and above the prescribed approved ceiling for individual schemes may not be ordinarily permitted.
- If there is an amendment to the existing scheme leading to requirements for additionality, Ministries/Departments should explore and locate matching savings from other schemes/projects in the Demand.
- The mandatory cuts in terms of the austerity instructions should be enforced before determining the requirements for additionality.
- The proposal for Supplementary Demand should be made only when the programme/scheme for which additional provision is sought has been approved by Competent Authority and should be limited to the funding requirements within the relevant financial year.

2.8.9 Apart from the above measures, the Ministries/Departments should carefully review the Supplementary Demands proposal to ensure that –

- Demand Number and Headings are correctly entered.
- Classification of Expenditure is made correctly viz, Capital/Revenue or .Plan/Non Plan / Major Head Number/Nomenclature.
- Ensuring the forwarding/submission of a 'Nil' Proposal to the Budget Division, if there is no proposal for supplementary demand.
- Public Accounts Committee has been repeatedly commenting adversely on the increasing incidence of obtaining supplementary Demands which at times are much higher than the original budget provisions, and thereby indicating at defects in budgeting. Similarly, there are instances of obtaining large provisions through Supplementary Demands but surrendering at the close of the financial year and therefore needs to be watched very carefully before making any demands for additionality through the Supplementary Demands for Grants.
- All supplementary proposals should be sent with detailed background material for requirements during the Parliamentary discussions.

2.8.10 Procedure to be followed in connection with the Demand for Supplementary Grants is as per Appendix-6 of GFR and annexed at **Annexure-V**.

2.9 Vote on Account

2.9.1 Since the whole process beginning with the presentation of the budget and ending with discussion and voting on the Demands for Grants requires sufficiently long time, a provision has been made in the Constitution which empowers Lok Sabha to make any grant in advance in respect of the estimated expenditure for a part of the financial year pending completion of procedure for the voting of the Demands. Provisions related to vote on account is mentioned in **Rule 50 of GFR** as follows:

“Rule 50(1) Vote on Account – The Budget is normally presented to the Parliament on the last day in the month of February but the corresponding Appropriation Bill seeking authorization of the Parliament to make expenditure in consonance with the Budget proposal is introduced and passed much later, i.e., after due deliberation and approval by the Parliament”.

“Rule 50(2) Pending the completion of the procedure prescribed in Article 113 of the Constitution for the passing of the Budget, the Finance Ministry may arrange to obtain a ‘Vote on Account’ to cover expenditure for one month or such longer period as may be necessary in accordance with the provisions of Article 116 of the Constitution. Funds made available under Vote on Account are not to be utilized for expenditure on a ‘New Service’”

2.9.2 The purpose of ‘Vote on Account’ is to keep Government functioning, pending the finality of Budget process. As a convention, Vote on Account is treated as a formal affair and passed by Lok Sabha without any discussion. Generally Demands for Grants ‘On Account’ are voted by Lok Sabha immediately after general discussion on the budget is over and before the detailed discussion on the Demands are taken up.

2.9.3 Normally, the vote on account is taken for two months for a sum equivalent to one sixth of the estimated expenditure for the entire year under various demands for grants. During an election year, the vote on account may be taken for a longer period say, 3 to 4 months if it is anticipated that the main demands and the Appropriation Bill will take longer than two months to be passed by the House.

2.9.4 Budget Division in the Ministry of Finance is required to ensure that “Book for Demands for Grants on Account” is supplied to the Lok Sabha secretariat well in time for circulation to the Members.

2.9.5 The proforma required to be submitted for the Vote on Account is as per **Annexure – VI**.

2.10 Role of Departments in Spending and Control

2.10.1 Rule 51 of the GFR, lays down provisions regarding 'The Communication and Distribution of Grants and Appropriations', which inter-alia states that –'After the Appropriation Bill relating to Budget is passed, the Ministry of Finance shall communicate Budget provisions to the Ministries / Departments which, in turn, shall distribute the same to their subordinate formations. The distribution so made shall also be communicated to the respective Pay and Accounts Officers who shall exercise check against the allocation to each subordinate authority.

2.10.2 The relevant administrative ministry has the main responsibility for ensuring that:-

- (i) expenditure is incurred for the approved purpose,
- (ii) it is within the sums allotted,
- (iii) it has been incurred under the authority competent to sanction it, and
- (iv) due prudence has been shown in its incurrence.

2.10.3 As ministries have delegated their powers to lower functionaries, the basic responsibility is shifted to the particular functionary but overall responsibility remains with the administrative ministry.

2.10.4 As per rules, no public authority can incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from government account unless such expenditure or transfer, as the case may be has been sanctioned by general or special orders of the Government or by any authority to which power has been delegated in this regard. No expenditure can be incurred against a sanction unless funds are made available to meet the expenditure by valid appropriation or re-appropriation. The government authorities have to comply with rules prescribed in the General Financial Rules and Delegation of Financial Powers Rules in all financial matters. The designated controlling authorities have to ensure not only that the total expenditure is kept within the limits of the authorized grants but also that the funds allotted to spending units are expended in the public interest and no other object for which the money was provided.

2.10.5 In order to maintain proper control, the controlling officer obtains information not only what has actually been spent from the grants but also what commitments and liabilities have been and how it will be incurred. He must be in a position to assume, before the Government and Public Accounts Committee, complete responsibility for departmental expenditure and to explain or to justify any instance of excess expenditure or financial irregularity that may be brought to notice as a result of audit scrutiny or otherwise. In the discharge of his ultimate responsibility for the administration of a grant, or a part thereof, placed at his disposal, every controlling officer must satisfy himself that adequate provisions exist within the departmental organization for systematic internal checks to prevent and detect errors and irregularities in

the financial proceedings of his subordinate officers and to guard against waste and loss of public money and stores, to ensure that the prescribed checks are effectively applied.

2.11 Re-appropriations

2.11.1 The executive Government is allowed to re-appropriate provisions from one sub-head to another within the same Grant, thus altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down. The Comptroller & Auditor General and the Public Accounts Committee reviews these re-appropriations, and wherever necessary, comments on them for taking necessary corrective actions. Provisions relating to the re-appropriation of funds are mentioned in **Rule 59 of GFR**.

2.11.2 As per **Rule 59 of the General Financial Rules**, provisions relating to the Re-appropriation of Funds states that:

- (1) Subject to the provisions of Rule 10 of the Delegation of Financial Powers Rules, 1978, and also subject to such other general or specific restrictions as may be imposed by the Finance Ministry in this behalf, re-appropriation of funds from one primary unit of appropriation, to another such unit within a grant or appropriation, may be sanctioned by a competent authority at any time before the close of the financial year to which such grant or appropriation relates.
- (2) Re-appropriation of funds shall be made only when it is known or anticipated that the appropriation for the unit from which funds are to be transferred will not be utilized in full or that savings can be effected in the appropriation for the said unit.
- (3) Funds shall not be re-appropriated from a unit with the intention of restoring the diverted appropriation to that unit when savings become available under other units later in the year.
- (4) An application for re-appropriation of funds should ordinarily be supported by a statement in Form GFR 4 or any other special form authorized by departmental regulations showing how the excess is proposed to be met. In all orders, sanctioning re-appropriation, the reasons for saving and excess of Rupees 1 Lakh or over and the primary units (secondary units, wherever necessary), affected should be invariably stated. The authority sanctioning the re-appropriation should endorse a copy of the order to the Accounts Officer.

2.11.3 Rule 10 of the Delegation of financial Powers Rules lays down the General Restrictions relating to Appropriations and re-appropriations, which are as follows:-

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

- (2) Funds provided for charged expenditure shall not be appropriated or re-appropriated to meet votable expenditure and funds provided for voted expenditure shall not be appropriated or re-appropriated to meet charged expenditure.
- (3) No Reappropriation shall be made from one Grant or Appropriation for charged expenditure to another Grant or Appropriation for charged expenditure.
- (4) Funds shall not be appropriated or reappropriated to meet expenditure on a new service or new instrument of service not contemplated in the budget as approved by Parliament.
- (5) Expenditure on works shall be subject to the following further conditions, namely:-
 - (a) Funds shall not be appropriated or reappropriated to any work which has not received administrative approval and technical sanction as prescribed by the Central Government from time to time.
 - (b) The amount appropriated to any work shall not, save with the previous consent of the Finance Ministry, exceed the amount approved or sanctioned for that work by a sum greater than the excess which may be authorized under the rules referred to in Clause (a):

Provided that such a consent may not be necessary if savings are available elsewhere under appropriate Works Head to Re-appropriate funds to cover excess of expenditure over authorised limits up to 15 per cent.

- (c) Save with the previous consent of the Finance Ministry, no Re-appropriation shall be made from the primary unit "Major Works" to any other unit:

Provided that where such a provision is made under Revenue Head in the budget, a Department of the Central Government shall be competent to Re-appropriate funds between the allied primary units "Major Works", "Minor Works", "Maintenance", "Tools and Plants", included within the same Grant or Appropriation and no such Re-appropriation shall, however, be made from or to the "Suspense Head" relating to a public work.

- (d) (i) Save with the specific approval of Parliament or an advance from the Contingency Fund of India, Appropriation or Re-appropriation shall not be made to meet an expenditure for a new public work not provided for in the budget, which may cost rupees fifty lakhs or more.
- (ii) Save with the previous consent of the Finance Ministry, no Re-appropriation shall be made for a new public work costing rupees ten lakhs or above but less than rupees fifty lakhs.

6. Without the previous consent of the Finance Ministry, no Re-appropriation shall be made-
 - (a) from and to the provision for the Secret Service Expenditure;
 - (b) so as to augment the provision under the primary units "Salaries", "Wages", "Office Expenses" and "Other Charges", taken together for the entire Grant or Appropriation;

Note.- In the case of the Ministry of Information and Broadcasting, Reappropriation from the primary units "Allowances to Artistes" in the budget of All India Radio to augment the provision under the primary units "Salaries", "Wages", and "Office Expenses" taken together for the entire Grant or Appropriation, shall not require the previous consent of the Finance Ministry.

- (c) from the provision made for any specified new item of expenditure in a Grant or Appropriation for another purpose;
 - (d) from funds provided under the Plan Heads to the Non-Plan Heads both under Revenue and under Capital Heads; and
 - (e) so as to augment the provision under the primary unit "overtime allowance".
7. Funds shall not be appropriated or reappropriated from or to the primary unit of appropriation "Deputation or Travel abroad of Scientists" over and above the funds provided for in the budget as approved by Parliament.

2.12 Excess Grant

The provision of additional allotment for excess expenditure is defined in **Rule 58 of GFR**. However, if the total expenditure under a Grant exceeds the provision allowed through its original Grant and Supplementary Grant, if any, the excess requires regularization by obtaining excess Grant from the Parliament under Article 115 of the Constitution, after going through the whole process as in the case of the annual budget, i.e. through presentation of Demands for Grants and passing of Appropriation Bills.

2.13 Provisions of General Financial Rules related to Budget

Budget related provisions of the General Financial Rules are as per **Annexure – VII**.

2.14 Common Types of Budgetary Errors

2.14.1 The main criticism in the audit Reports of recent years and recommendations of the Public Accounts Committees thereon on the irregularities noticed in Appropriation Accounts

has been directed towards the following irregularities:-

- (1) Defective or inaccurate budgeting necessitating large surrenders or excesses.
- (2) Defective control of expenditure resulting in –
 - (a) Unnecessary or excessive supplementary grants,
 - (b) Unnecessary or excessive re-appropriations,
 - (c) Injudicious re-appropriations and surrenders causing excess over allotments.
 - (d) Unspent amount and surrendered appropriations,
 - (e) Un-remedied or uncovered Excess expenditure.
 - (f) Delayed allocations,
- (3) Misclassification of expenditure

2.14.2 As regards defective or inaccurate budgeting, foresight may not always be possible, but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. There is no reason why heads of departments should not be able to foresee the needs of their own departments. The check of the administrative or Finance Department, over the departmental estimates cannot be as close or as that of the estimating officers themselves and therefore, accuracy in budgeting must start upwards from the lowest stage of estimating. The golden rule for all estimating officers should be to provide in the budget for everything that can be foreseen and to provide only as much as is necessary.

2.14.3 The Administrative and Finance Departments should, in checking the estimates, apply unrelentingly the proven and well tried check of average of previous actual with known or reasonably foreseeable facts which may modify that average. Against the close and intimate knowledge of the estimating officers must be set the wider perspective of the Administrative and Finance Wings and with a right combination of these requisites of sound budgeting, there is little possibility for normal expenditure to differ widely from the budget provision.

2.14.4 As regards defective control over expenditure, the statements for supplementary demands, surrenders, and re-appropriations are generally based on mid-year revised estimate, or even later i.e., at a stage when the figures of actual of expenditure for a major part of the year are available and it only remains for the controlling officers to estimate the expenditure during the remaining portion of the year and allow for adjustments towards or at the end of the year. Thus the scope for the occurrence of any abnormal features is considerably reduced and consequently if the estimates are prepared with the required care, attention and foresight, the chances of excesses or savings should be very small.

2.14.5 The best remedy for avoiding these irregularities, therefore, is to devote considerable attention to the accuracy of the revised estimates. This cannot be done unless the heads of

departments are fully conversant with the month to month progress of expenditure. For this purpose it is essential that they should insist on their staff to follow strictly the procedure laid down for the reconciliation of departmental accounts with the books of the Accounts Wing (Controllers/Chief Controllers of Accounts). It is also necessary that a careful watch should be kept of all liabilities for which debits may be raised by other departments or Governments and due allowance for such adjustments should be made before surrenders or re-appropriations from an allocation are decided upon.

2.14.6 When the need for surrender manifests itself, the controlling officers should carefully estimate the amount that they can surrender. The aim should be to surrender as much as they can so as to keep the expenditure just within the modified grant. Surrenders are being generally made in the month of March, and a carefully study of figures of expenditure incurred and watch over the progress of the last month's expenditure should enable a controlling officer to fix upon his final requirements with a reasonable degree of exactness.

2.14.7 Re-appropriation is generally necessitated either due to excess requirements on items provided in the budget or by additional expenditure not contemplated in the budget. In either case a re-appropriation should not follow as a matter of course but after a careful estimate of the likely actual expenditure. More especially, in the latter case, the possibility of savings under the same head which can be utilized towards meeting the additional expenditure should be fully and thoroughly investigated. In addition to these, it has been pointed out many times in the audit reports of the Comptroller and Auditor General that the necessary limits and restrictions relating to the Re-appropriations as laid down vide the Delegation of the financial powers rules are not abided by the Ministries/Departments.

2.14.8 No object is served by keeping back savings which should ideally be surrendered in time. For this reason appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Ministries/Departments are deprived of the funds which they could have utilized and thus avoidable demands for supplementary grants are preferred.

2.14.9 An uncovered excess is a serious irregularity. It is open to a competent authority to Sanction re-appropriations even at a very late stage of the financial year. There is, therefore, no reason whatsoever why large excesses should accrue. Large excesses unmistakably reveal a defective control of expenditure by the office concerned and should be strictly avoided.

2.14.10 Efforts should also be made to see as far as possible, that no expenditure is incurred in the absence of an allocation. In this connection it is useful to remember that phrases like "source will be pointed out later" or "necessary re-appropriation of funds will be sanctioned in due course" are no substitutes for definite allocations. At all events, allocation very late in the year should be avoided unless they are inevitable. Funds placed at the disposal of a disbursing officer late in the year may very often be looked upon as an invitation to extravagance or rush of expenditure.

2.14.11 Misclassification generally occurs, as a result of reluctance to consider the relevant accounts publications at the time of classification. In any case, at the time of reconciliation of the departmental accounts with the Chief Controllers of Accounts/Controllers of Accounts books, it should be possible to correct errors in classification. In cases of real doubt, the matter of classification should be settled with the Controller General of Accounts/Budget Division.

2.15 Some Other Common Budget Related Issues that are required to be watched closely

- (1) There should be provision of funds authorized by the competent authority fixing the limits within which expenditure can be incurred.
- (2) The expenditure incurred should conform to the relevant provisions of the Appropriations Act, the Constitution and the laws made there under and should also be in accordance with the financial rules and regulations framed by competent authority.
- (3) There should exist sanction, either special or general, accorded by competent authority, authorizing expenditure.
- (4) The expenditure should be incurred with due regard to broad and general principles of financial propriety.
- (5) Re-appropriations should be made in accordance with the rules in Delegation of Financial Power Rules, 1978.
- (6) Expenditure on a service not covered by a vote of the Parliament should not be incurred, unless the requisite funds have been arranged by obtaining an advance from Contingency Fund of India.
- (7) Drawing from Consolidated Fund of India should not be resorted to, if money is not required for immediate use.
- (8) Abandonment of revenue without proper sanction e.g., sale of Government property below market rates, or reduction of dues payable under a license or lease without the sanction of the competent authority in each case, should not be resorted to.
- (9) Any large claim against another Government local body or other outside party should not be allowed to remain outstanding for an unduly long time.
- (10) Any irregularity connected with a grant-in-aid, such as neglect **(i)** by the sanctioning authority of conditions precedent to the grant or **(ii)** by the grantee of the conditions, expressed or implied, attached to the grant by the sanctioning authority.
- (11) Any instance of the absence of administrative regulations and procedure sufficient to secure a proper and effective check upon monetary transactions.

CHAPTER-3

DETAILED DEMANDS FOR GRANTS

3.1 Introduction

3.1.1 The respective Ministries/Departments are required to prepare the Detailed Demands for Grants(DDG). The estimates of expenditure for which vote of Lok Sabha is required shall be in the form of Demand for Grants. Each Demand normally includes provisions required for a service, i.e., provisions on account of revenue expenditure, capital expenditure, grants of the State and Union Territory Governments and also Loans and Advances relating to the service, while the Detailed Demands for Grants, after consideration by the “Departmentally Related Standing Committee (DRSC) ” of the Parliament are laid on the Table of the Lok Sabha by the concerned Ministries/Departments, a few days in advance of the discussion of the respective Ministry’s/Department’s Demands in that House. A specimen of Detailed Demands for Grants 2013-14 in respect of Demand No. 43-Direct Taxes is given in **Annexure VIII**.

3.1.2 While preparing the Detailed Demands for Grants it is important to ensure that the classification, such as, Major Head, Minor Head, etc. is as per the heads of account prescribed in the List of Major and Minor Heads of Account. During formulation of Detailed Demands for Grants for the ensuing financial year, due regard is required to be given to Budget Division’s circular issued for the specific year.

3.1.3 It has also to be ensured by Ministries/Departments that the totals for each Major Head and the total provision by Revenue and Capital sections separately for ‘charged’ and ‘voted’ included in the Detailed Demands for Grant exactly correspond to the provision included in the main Demands for Grants which are prepared by the Budget Division. For this purpose, copies of the main Demand as finally included by the Budget Division is made available to the Ministries/Departments concerned. Final Print order for Detailed Demands for Grants is given only after the reconciliation is completed and DDG is prepared in book form.

3.2 Relevant Rules of GFR relating to Demands for Grants

3.2.1 Relevant Rules of GFR related to Demands For Grants are reproduced as under:

Rule 47. (1): Demands for Grants- The estimates for expenditure for which vote of Lok Sabha is required shall be in the form of Demand for Grants.

Rule 47. (2): Generally, one Demand for Grant is presented in respect of each Ministry or Department. However, in respect of large Ministries or Departments, more than one Demand is presented. Each Demand normally includes provisions required for a service, i.e., provisions on account of revenue expenditure, capital expenditure, grants to the State and Union Territory Governments and also Loans and Advances relating to the service.

Rule 47. (3): The Demand for Grants shall be presented to Parliament at two levels. The main Demand for Grants are presented to Parliament by the Ministry of Finance, Budget Division along with the Annual Financial Statement while the Detailed Demands for Grants, after consideration by the “Departmentally Related Standing Committee” (DRSC) of the Parliament, are laid on the Table of the Lok Sabha by the concerned Ministries/ Departments, a few days in advance of the discussion of respective Ministry’s/Departments’ Demands in that House.

Rule 48. (1): Form of Annual Financial Statement and Demands for Grants: The form of the Annual Financial Statement and Demands for Grants shall be laid down by the Finance Ministry and no alteration of arrangement or classification shall be made without the approval of that Ministry.

Rule 48. (2): The sub-heads under which provision for expenditure will be made in the Demands for Grants or Appropriation shall be prescribed by the Finance Ministry in consultation with the Administrative Ministry or Department. The authorized sub-heads for expenditure in a year shall be as shown in the Detailed Demands for Grants passed by Parliament and no change shall be made therein without the formal approval of the Finance Ministry.

Rule 49. (1): Acceptance and Inclusion of Estimates: The estimates of receipts and expenditure of each Ministry/Department will be scrutinized in the Budget Division of the Ministry of Finance. Finance Secretary or Secretary (Expenditure) may hold meetings with Secretaries or Financial Advisers of Administrative Ministries or Departments to discuss the totality of the requirements of funds for various programmes and schemes, along with receipts of the Ministries or Departments.

Rule 49. (2): The estimates initially submitted by the Departments may undergo some changes as a result of scrutiny in the Budget Division, Ministry of Finance and deliberations in the pre-budget meetings between the Finance Secretary or Secretary (Expenditure) and the Secretary or Financial Adviser of the Department concerned. The final estimates arrived at on the basis of scrutiny and pre-budget meetings will be accepted by the Budget Division, Ministry of Finance and incorporated in the Budget documents.

3.2.2 Detailed instruction for the compilation of Detailed Demands for Grants is provided in **Appendix-4 of the GFR**. The same is reproduced as below:

APPENDIX -4

PROCEDURE FOR COMPILATION OF DETAILED DEMANDS FOR GRANTS

1. The Demand for Grants are presented to Parliament at two levels. The Main Demands for Grants are presented to parliament by the Ministry of Finance

along with the Annual Financial Statement while the Detailed Demands for Grants are laid on the Table of the Lok Sabha by the concerned Ministries a few days in advance of the discussion of the respective Ministries Demands in that House.

Both the Main Demands for Grants as also the Detailed Demands for Grants comprise three parts each, viz.

Part-I shows the Service for which the Demand (or Appropriation) is intended and the estimates of the gross amount, separately for Voted and Charged Expenditure, under Revenue and Capital (including Loan) sections required in the ensuing year in respect of that service.

Part-II shows break-up of the estimates separately for Plan and Non-Plan expenditure. In the Main Demands for Grants, the break-up is exhibited up to the level of Major Heads of Account which correspond to functions of the Government.

In the Detailed Demands for Grants, the break up in respect of activities/ schemes/ organization up to the object head level is given.

The Detailed Demands for Grants also exhibit actuals of the previous year in Part-II.

Both in the Main Demands for Grants as well as in the Detailed Demands for Grants, the details of recoveries taken in reduction of expenditure provided for in the Demand or Appropriation are also depicted.

2. All Detailed Demands for Grants of a Ministry/Department are consolidated in a single volume and presented to Lok Sabha by the concerned Ministry/ Department. The Detailed Demands show 'actual expenditure' as per accounts in the previous year, Budget and Revised Estimates for the current year and Budget Estimates for the ensuing year, each showing 'Plan' and 'Non-Plan' items separately.
- (i) The process of compilation should start in July/August with the preparation of a manuscript skeleton. Manuscript skeletons of Detailed Demands for the ensuing year should be prepared by using the printed Detailed Demands for the current year by making necessary alternations therein. New sub-heads sanctioned by the Finance Ministry, if any, and those expected to be required should also be added in the manuscript at appropriate places. The manuscript should then be sent to the designated press for a proof. Where necessary, a second proof may be obtained. The printed skeletons should be available with the Ministries/ Departments preferably by the 15th October each year.

- (ii) Two copies of the Demand skeleton may then be sent to the Principal Accounts Officer, as the case may be, for filling the 'Actuals' column or the previous year and to return one copy duly filled in.
- (iii) In the master copy of the Demand, the Ministry/Department will then post (1) the figures of actuals as reported by the Principal Accounts Officer/Accountant-General; (2) Revised Estimates for the current year and the Budget Estimates for the ensuing year from the office copy of the SBEs/Demands for Grants sent to Finance Ministry. While posting these entries, care should be taken to ensure that-
 - (a) "Charged" items are shown in *italics* and are not mixed up with "Voted" provisions;
 - (b) posting is done accurately against the proper item/head of account including "recoveries" , if any, taken as reduction of expenditure;
 - (c) new items are inserted at the proper place under the relevant minor head;
 - (d) "Plan" and "Non-Plan" provisions are noted in the relevant columns;
 - (e) totals of sub-heads, minor heads, major heads, etc., are correctly worked out and posted; that totals of Revenue Section and Capital section as well as the grand totals are correct and show "Charged" and "Voted" figures distinctly; and
 - (f) new sub-head (opened through Supplementary Demands) or otherwise or any change in the numbering and nomenclature sanctioned by the Budget Division since the proof of the skeleton should also be incorporated in the Master Copy.

NOTE. - A sub-head should appear in the Demand only when there is provision thereunder, either in the current year (Budget or Revised) or the ensuing year. Wherever only actuals of the previous year pertaining to a sub-head are to be exhibited, this should be done by inserting suitable footnote on the relevant page.

- (iv) The process of compilation and printing of the Demands should be undertaken in stages.
3. The *first proof* of individual Demands may be obtained after posting actuals of previous year and Non-Plan estimates (preferably by 15th December). The second proof may be similarly obtained (preferably by 15th January) after "Plan" Revised estimates are posted in the first proof. As soon as "Plan" provisions for the ensuing year are finalized and communicated to the Finance Ministry, they should be posted in the second proof. Before obtaining the third proof, the following material may also be added:-

(A) Main Demands for Grants:

- (i) Notes on the Demands for Grants highlighting the following:-
 - (a) The objectives of the concerned Ministry/Department, how the programmes undertaken or contemplated contribute towards attainment of such objectives and the agencies entrusted with the execution of such programmes;
 - (b) Details of important provisions included in Demands for Grants with particular emphasis on Plan Provisions and new items of expenditure;
 - (c) Cogent reasons for significant variations between the Budget Estimates and Revised Estimates for the current year and between the Revised Estimates, for the current year and the Budget Estimates for the ensuing year;
 - (d) Provisions for subsidy in lieu of interest on loans by the Government or token provisions for concessional rate of interest (along with number of likely cases involved and financial implications, if determinable) and
 - (e) Complete details of the estimated cost of a project together with its economics and financial implications (whenever these estimates are revised and the cost of escalation exceeds 20 per cent of the sanctioned cost or Rs. 3 crores, whichever is more, full reasons therefor and the effect thereof on the economics of the projects should also be included in the Notes on Demands).
- (ii) A statement giving details of provisions in the Budget which attract limitations of "New Service"/"New Instrument of Service".

(B) Detailed Demands for Grants:

The Detailed Demands for Grants will be accompanied by the following schedules/statements:-

- (i) Schedule showing the estimated strength of establishment and provision therefor.
- (ii) Statement showing project-wise provision for expenditure on externally aided projects in the Central Plan.
- (iii) Schedule showing broad details of Non-Plan Expenditure provisions of Rs. 25 lakhs and above.
- (iv) Schedule showing provision for payment of grants in aid to non-Government bodies.
- (v) Statement showing details of individual works and projects costing Rs. 5 crores or above.

- (vi) Statement showing revised cost estimates of projects of public sector enterprises and departmental undertakings.
 - (vii) Statement showing transfer or gift of Government properties of value exceeding Rs. 5 lakhs to non-Government bodies.
 - (viii) Statement showing contributions to International bodies. This statement will include only items of contribution, membership fees to international bodies, which constitute revenue expenditure. Subscriptions to international bodies, which represent investments and are accounted for in the Capital section, are to be excluded from it.
 - (ix) Statement showing guarantees given by the Central Government and outstanding as on 31st March of the preceding year.
 - (x) statement showing grants-in-aid exceeding Rs. 5 lakhs (recurring) or Rs. 10 lakhs (non-recurring) actually sanctioned to private institutions/organizations/ individuals.
4. In addition the Detailed Demands for Grants will also include where necessary, "Notes on Important Projects and Schemes", e.g., where the Ministry/ Department do not bring out performance Budgets.
 5. The *third proof* on receipt from the press should be thoroughly checked for accuracy of all estimates and other data, as these must necessarily conform with the main Demands for Grants. Therefore for obtaining page proof, all pages should be serially numbered and table of contents prepared. The page proof received from the Press should be fully scrutinized.
 6. A sample printed copy of the Demands should be scrutinized on receipt from Press and where necessary an errata may be prepared, got printed and pasted by the Press in individual copies of the Printed Demands.
 7. The Demands of smaller Departments like Lok Sabha, Rajya Sabha, Department of Parliamentary Affairs, Staff, Household and Allowances of the President, Secretariat of the Vice-President and Union Public Service Commission which are clubbed in a single volume are to be prepared and presented by the Ministry of Finance.

3.2.3 It is pertinent to mention that DDG is tabulated and printed in book form providing the data related to the approved expenditure under each head for various grants including revenue and capital.

3.3 List of Object Heads

3.3.1 The budgeted expenditure is required to be spent strictly on the basis of the budget provided under various object heads. The Object Heads pertinent to the Income Tax

Department (Grant No. 43-Direct Taxes) can be categorized under Revenue Section and Capital Section. As per **Rule 90 of GFR** "Significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organization and not for sale in the ordinary course of business) or enhancing the utility of existing assets, shall broadly be defined as Capital Expenditure. Subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organization, including establishment and administrative expenses, shall be classified as Revenue expenditure. Capital and Revenue expenditure shall be shown separately in the Accounts."

3.3.2 The details of expenditure falling under different object heads are described herein below, which is mentioned in the Delegation of Financial Powers Rules.

3.3.3 Revenue Section:-

1. **Salaries:** Include pay, allowances in all forms of personnel including honoraria and leave encashment except travel expenses (other than leave travel concession). This object classification will also be utilized for recording expenditure on emoluments and allowances of Heads of States and other high dignitaries including sumptuary allowance.
2. **Wages:** Include wages of labourers and of staff at present paid out of contingencies.
3. **Overtime Allowance:** The amount paid to a Non-gazetted Government servant for performing official duties beyond office hours in addition to his working hours.
4. **Medical Treatment:** Include amount paid towards medical reimbursement to Government servants/Pensioners.
5. **Domestic Travel Expenses:** Cover all expenses on account of travel on duty in India including conveyance and fixed travelling allowances but excluding leave travel concessions which would be part of salaries. This will also include T.A. / D.A. to non-official members on account of travel in India.
6. **Foreign Travel Expenses:** Cover all expenses on account of travel on duty outside India including deputation of Scientists abroad. This will also include the expenditure on T.A./D.A. to non-official members going on tour abroad.
7. **Office Expenses:** Include all contingent expenses for running an office such as furniture, postage, purchase and maintenance of office machines and equipment, liveries, hot and cold weather charges (excluding wages of staff paid from contingencies), telephones, electricity and water charges, stationery,

printing of forms, purchase and maintenance of staff cars and other vehicles for office use as distinct from vehicles for functional purposes like ambulance, vans, etc. This will also include POL expenses on vehicles for office use.

8. **Rent, Rates & Taxes:** Include payment of rent for hired buildings, municipal rates and taxes, etc. It will also include lease charges for land.
9. **Publication:** Include expenditure on printing of office codes, manuals and other documents, whether priced or unpriced but will exclude expenditure on printing of publicity material. This will also include discount to agents on sale of publication, etc.
10. **Other Administrative Expenses:** Include expenditure on Departmental canteen hospitality/entertainment expenses, gifts and expenditure on conducted tours, expenditure on conferences/seminars /workshops, etc. and expenditure on other training programmes.
11. **Advertising and Publicity:** Include commission to agents for sale and printing of publicity material. This would also include expenditure on exhibitions, fairs.
12. **Minor Works:** Record expenditure on repairs and maintenance of works, machinery and equipment.
13. **Professional Services:** Include charges for legal services, consultancy fees, fees to staff artistes, remuneration to the examiners, invigilators, etc. for conducting examinations, remuneration to casual artistes, by the All India Radio, Doordarshan and all other types of remunerations. It will also include payments for services rendered, supplies made by other departments such as Railways, Police, etc. a distinction being made in respect of supplies made, services rendered for running of an office in which case the expenditure will be recorded under office expenses.
14. **Contribution:** This will also include expenditure on membership of International bodies.
15. **Secret Service Expenditure:** The funds under Secret Service Expenditure can be spent for specific purposes on requirements which need to be kept secret.
16. **Other Charges:** Include payment out of discretionary grants, other discounts, customs duty compensation, awards and prizes, etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head.

17. **Other Expenditure (Department Canteens):** Include expenditure related to Departmental Canteens.
18. **Information Technology (O.E.):** Include payment for works related to Information Technology.

3.3.4 Capital Section:-

1. **Capital Outlay on Public Works (Major Head-4059):** This is for Construction/ Acquisition of Office Accommodation.
2. **Capital Outlay on Miscellaneous General Services (Major Head-4075):** This is for Acquisition of Immovable Property under Chapter XXC of the Income Tax Act, 1961 (Acquired Properties).
3. **Capital Outlay on Housing (Major Head-4216):** This is for Construction/ Acquisition of Residential Accommodation.

3.4 Accounting Classification –Major Heads and Minor Heads

3.4.1 The Budget of Government is linked to the accounts and Government transactions accounted for under the Consolidated Fund, Contingency Fund and the Public Account of India.

3.4.2 Classification System of Heads

Each Division in the Consolidated Fund and the Public Accounts is divided into sectors, which may in some cases be further divided into sub-sectors and then into the six tiers of accounting classification. The number of classification in the Detailed Demands for Grants are not allowed to go beyond the standard six tiers indicated as under-

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); and
6. Object Head - 2 digits (Object Head or Primary Units of Appropriation)

The Major and Sub-Major heads are sub-divided into Minor heads. The minor heads correspond to programmes or broad groups of programmes. It is output oriented rather than organization or input oriented. The classification upto the Minor Head level are prescribed by the Controller General of Accounts in consultation with the C&AG and is common to the Central and State Governments.

3.4.3 Coding pattern

The detailed coding pattern for the six tier classification is explained below.

3.4.3.1 Major Head

A Four digit code has been allotted to the Major Head, the first digit indicating whether the Major Head is a Receipt Head or Revenue Expenditure Head, or Capital Expenditure Head or Loan Head. If the first digit is '0' or '1' the Head of Account will represent Revenue Receipt, '2' or '3' will represent Revenue Expenditure, '4' or '5' – Capital Expenditure, '6' or '7' Loan head, (4000 for Capital Receipt) and '8' will represent Contingency Fund and Public Account.

Adding 2 to the first digit of the Revenue Receipt will give the number allotted to corresponding Revenue Expenditure Head, adding another 2 – the Capital Expenditure Head and another 2- the Loan Head of Account, for example:

- 0401 Represents the Receipt Head for Crop Husbandry
- 2401 The Revenue Expenditure Head for Crop Husbandry
- 4401 Capital Outlay on Crop Husbandry
- 6401 Loans for Crop Husbandry

3.4.3.2 Sub-Major Head

A two digit code has been allotted, the code starting from '01' under each Major Head. Where no sub major head exists it is allotted a code '00'. A standard nomenclature 'General' has been allotted code '80' so that even after further sub-major heads are introduced the code for 'General' will continue to remain the last one.

3.4.3.3 Minor Heads

These have been allotted a three digit code, the codes starting from '001' under each Sub-Major/Major Head (where there is no Sub Major Head). Codes from '001' to '100' and few others like '750' to '900' have been reserved for certain standard Minor Heads. For example, Code '001' always represents Direction and Administration. Non Standard Minor Heads have been allotted Codes from '101' in the Revenue Expenditure series and '201' in the Capital and Loan series, where the description under capital/loan is the same as in the Revenue Expenditure Section, the code number for the Minor Head is the same as the one allotted in the Revenue Expenditure Section. Code numbers from '900' are always reserved for Deduct Receipt or Deduct Expenditure Heads.

The Code for 'Other Expenditure' is '800' while the codes for other grants/other schemes etc. where minor head 'Other Expenditure' also exists is kept as '600'. This has been done to ensure that the order in which the Minor Heads are codified is not disturbed when new Minor Heads are introduced.

The coding pattern for Minor Heads has been designed in such a way that in respect of certain Minor Heads having a common nomenclature under various Major/Sub-major Heads, as far as possible, the same three digit code is adopted.

Computer Cell of the CGA's organization is required to be consulted before any new code is allotted or existing code (at whatever level) is altered.

3.4.3.4 Sub Head/Detailed Head/Object Head

Sub Head represents schemes, the detailed head represents Sub-Schemes while the Object Head represents the objects/items (e.g. Pay, DA, HRA, Rewards, Gratuity, etc.) on which the expenditure is incurred. Each of these levels has been allotted a two digit code. Wherever it is not feasible to break up the objects of expenditure into such details, the codes provided for aggregates of certain items may be used instead for computer processing. For example, where it is not possible to indicate Pay, DA, HRA, CCA etc. separately, the code for salaries may be used for representing the aggregate of these items. The Object Heads have been prescribed under Government of India's Orders below Rule 8 of Delegation of Financial Power Rules. The power to amend or modify these object heads and to open new Object Heads rest with Department of Expenditure of Ministry of Finance on the advice of the Comptroller and Auditor General of India.

3.4.3.5 The Budget Heads exhibited in estimates of receipts and expenditure framed by the Government or in any appropriation order should conform to the prescribed rules of classification in accordance with Rule 74 of the General Financial Rules.

3.5 Procedure for Opening New Heads of Accounts

3.5.1 Authority to open a new Head of Account. As per **Rule 73 of General Financial Rules** the List of Major and Minor Heads of Accounts of Union and States is maintained by the Ministry of Finance (Department of Expenditure – Controller General of Accounts) which is authorized to open a new head of account on the advice of the Comptroller and Auditor General of India under the powers flowing from Article 150 of the Constitution. It contains General Directions for opening Heads of Accounts and a complete list of the Sectors, Major, Sub-Major and Minor Heads of Accounts (and also some Sub / Detailed Heads under some of them authorized to be so opened).

3.5.2 In case of certain post budget developments wherein expenditure provision is required to be made under these heads which are not already available in the Budget, the Ministries/ Departments are authorized to open new Sub-Heads/Detailed Heads and/ Object Heads as required by them in consultation with the Budget Division of the Ministry of Finance, subject to certain conditions. Normally, a new head is allowed to be opened only in cases where the Budget provision is available (for Re-appropriation to the new head) or has been obtained through a Supplementary Demands for Grant. However, in exceptional circumstances Ministries/Departments may be permitted to open the heads in anticipation of obtaining

the budget through Supplementary Demands. In such cases, the new heads can be operated only upon obtaining the budget through Supplementary Demands for Grants. The Principal Accounts Offices may open Sub/Detailed Heads required under the Minor Heads falling within the Public Account of India subject to the above stipulations.

3.6 Budget Controlling Authorities

3.6.1 Budget Controlling Authority (BCA) is the prime unit of incurring expenditure. The DIT(EB), after receiving the budget, as approved by the Budget Division of Finance Ministry, allocates funds to the BCAs. The BCAs in turn allocate funds under different heads to the Sub-Budget Controlling Authorities (SBCAs). The BCAs may have a number of SBCAs under their control. The BCA can re-allocate funds to Sub-BCAs under its control/jurisdiction, looking to the requirement, meaning thereby that it can withdraw the allocated funds from one SBCA to another SBCA or provide additional funds to any SBCA, looking to the needs. However, the BCA has to allocate funds to the SBCA within the limits of the funds allocated to them by the DIT(EB). It is expected that BCA should monitor the funds allocated and furnish Monthly Statement to the Directorate of Expenditure Budget, duly reconciled with respective ZAO. The BCAs may also requisition the funds on the basis of their requirement, other than the funds allocated to them in B.E./R.E./F.R. The funds may be allocated by DIT(EB), after examination and subject to the availability of funds. Presently there are 116 BCAs under Grant No. 43- Direct Taxes.

3.6.2 The detail of each BCA along-with the Sub Head, Minor Head and Major Head is provided in **Annexure – IX**.

3.7 Procedure for Creation of New BCA

3.7.1 For creation of a new BCA, the Authority intending to be a separate BCA is required to make a request to the Directorate of Income Tax (Expenditure Budget) with full justification. Presently, authority who is not eligible to be HoD cannot be declared as BCA and CIT/DIT and above can only be made BCA. DIT (EB) after examining and obtaining approval of CBDT submits the request to the Financial Advisor (FA), (Finance). After approval of the FA, a notification to this effect is issued by Ad- VIII section of CBDT. The new BCA is then required to declare its own HoD and DDO(s). The said DDO is to obtain code for itself from Principal Chief Controller of Accounts (Pr. CCA) through relevant ZAO in order to become fully functional.

CHAPTER 4

PROVISIONS OF DELEGATION OF FINANCIAL POWERS RULES RELATED TO EXPENDITURE BUDGET

4.1 The funds, as sanctioned and allocated to the various Budget Controlling Authorities are required to be spent in accordance with the Delegation of Financial Powers to the Head of the Departments (HoDs) under CBDT. While exercising control on the allocated funds under various heads, the respective Heads of the Department should be careful that they do not exceed the stipulated limits and also follow the due procedures as mentioned in the Delegation of Financial Powers Rules, 1978 (DFPR), as amended from time to time.

4.2 Relevant provisions of the Delegation of Financial Powers Rules (DFPR):

Following provisions relating to Delegation of Financial Powers Rules (DFPR) should be kept in mind while administering the expenditure budget:

Rule 6 (1) Effect of sanction: It provides that no expenditure shall be incurred against a sanction unless funds are made available to meet the expenditure or liability by valid Appropriation or Re-appropriation.

Rule 7 Provision of funds by Parliament: This rule mentions that the Demands for Grants and Appropriations for charged expenditure are presented to Parliament on behalf of the appropriate Ministry or authority concerned. Only after the demands have been voted and the necessary Appropriation Act passed by Parliament the amounts so authorized become available to the Ministry or authority concerned for Appropriation or Re-appropriation to meet the sanctioned expenditure.

Rule 8 Primary Units of Appropriation: This Rule lists the standardized list of the primary Units of Appropriation or the Object Heads and the six tier classification system in the Government accounts.

Rule 9 Allotment of Funds: This Rule provides that the Ministry or authority on whose behalf a Grant or Appropriation for charged expenditure is authorized by Parliament shall distribute the sanctioned funds, where necessary, among the controlling and disbursing officers subordinate to it.

It also provides that subject to any special rules or orders issued by the President, the whole or part of provision under a primary unit may be placed at the disposal of a controlling or a disbursing officer, or the primary unit may be broken into a number of secondary units and the provision under any of these, wholly or in part, may be placed at the disposal of the controlling or disbursing officers.

Rule 10 Appropriation and Re-appropriation- General Restrictions: This rule lists out the general restrictions relating to the Appropriations and Re-appropriations.

Rule 13 Powers of subordinate Authorities: This rule provides for the delegations in respect of the subordinate authorities, including for Appropriations and Re-appropriations.

Rule 18 Expenditure on schemes and projects: This rule provides for the delegation of powers in relation to the sanction of expenditure on schemes and projects and the procedures relating to the Appraisal and Approval of Plan Schemes/ Projects and the sanction of Non-plan expenditure.

4.3 It is to be mentioned that in addition to the above rules, the HoD may also consult relevant Rules as mentioned in DFPR.

4.4 The powers of expenditure as per Delegation of Financial Powers Rules is further mentioned in OM F.No 15/6/2008-IFU.III dated 15th September, 2011 on the subject **“Delegation of Financial Powers to Heads of Departments of Department of Revenue, CBDT and CBEC”** by the Joint Secretary & Financial Adviser (Finance). The same is required to be followed by all Head of the Departments, while sanctioning the expenditure for the various items, as mentioned therein, under the major head of expenditure. A copy of the above mentioned Office Memorandum is placed at **Annexure - X**.

4.5 Further, partial modification was made in the above referred OM vide OM F.No. 15/6/2008-IFU-III dated Nov. 01, 2012 on the subject **“Delegation of Financial Powers to Heads of Departments of CBDT and CBEC”** issued by Director (Fin-Rev) and circulated by the JDIT-IV, Infrastructure, Directorate of Infrastructure, CBDT, New Delhi, vide letter No. DIT(Infra)/DFP/37/2012-13/1504 dated 14.12.2012 to all the Chief Commissioners of Income Tax/Director General of Income Tax. As per the said OM, the financial powers upto Rs 1 crore have been delegated for ‘Original Works for Office Accommodation only’ to the Chief Commissioners of CBEC and CBDT, where the funds are provided under MoUD/ CPWD Grants. A copy of the said Office Memorandum is also placed at **Annexure- XI**.

CHAPTER – 5

NEW INSTRUMENT OF SERVICE

5.1 The expression 'New Service' is available in Articles 115 and 205 of the Constitution, but the Constitution does not define the expression 'New Service'. Expenditure on 'New Service' not contemplated in the budget of the year, cannot be incurred in any financial year, except after obtaining a supplementary grant of appropriation or an advance from the Contingency Fund of India. It was decided by the Government of India in September 1975 that 'Vote On Account' would not be used for such expenditure since it has the limited purpose of enabling Government to continue incurring expenditure at the beginning of the financial year on existing establishments and continuing projects, etc. till such time the annual budget is approved /relevant Appropriation Acts are passed, while 'New Service' requires a detailed scrutiny and consideration.

5.2 The details in respect of any proposal for inclusion of provision for a new service are required to be furnished in the prescribed form called "Memorandum for proposals Involving Expenditure on New Service or New Instrument of Service".

5.3 In accordance with the commitment made in the Fiscal Policy Strategy Statement (Budget 2005-06) under the mandate of the Fiscal Responsibility and Budget Management (FRBM) Legislation and in pursuance of the approval of Public Accounts Committee (2005-06) in the twenty third report (Fourteenth Lok Sabha) on the proposals for review of Financial Limits to be observed in determining the cases relating to 'New Service'/ 'New Instrument of Service' for re-appropriation of funds, which has the concurrence of the C&AG, the revised guidelines for re-appropriation of funds were conveyed vide O.M. No F.1 (23)-B (RA)/2005, dated 25th May, 2006, in modification of Finance Ministry's Office Memorandum No. F.7 (15)-B(RA)/82 dated 13th April, 1982.

5.4 The broad guidelines in the revised O.M. dated 25th May, 2006 are as follows:-

Definition:

- (i) 'New Service' as appearing in Article 115(1) (a) of the Constitution of India, this has been held as referring 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' refers to relatively large expenditure arising out of important expansion of an existing activity.
- (iii) While using these terms and applying the financial limits as indicated in the Annexure of the O.M., 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

of grants. Further, the determination of these financial limits will be with reference to Primary Unit of Appropriation.

- (iv) 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 the 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 in the immediate next session of Parliament. However, once 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 paper 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".

5.5 Checks to be observed by the Ministries/Departments to ensure compliance of the Provisions of the Office Memorandum are:

- (i) **By Integrated Finance Division/Budget Unit:** A specific certificate should be obtained in each case involving augmentation of sanctioned provision on receipt of related proposal 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 Annexure of the O.M.
- (iii) Where any doubt arises about the application of financial limits of 'New Service/ New Instrument of Service', the PAO would seek decision from Chief Controller of Accounts/Financial Advisor of appropriate jurisdiction.

5.6 Circumstances for obtaining Supplementary Grants for Expenditure qualifying as 'New Service/ New Instrument of Service' and the Reporting Procedure thereof are as under:

- (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 annexure of the O.M., re-appropriation can be made, subject to report to Parliament.

- (ii) The report of Parliament should ordinarily be made through the ensuing batch of Supplementary Demands for Grants, failing which, by adding an Annexure 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 provision in the Revised Estimates included in the Demands for Grant will not be adequate to meet the requirement to incur expenditure. In cases where the financial limits of 'New Service/ New Instruments 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/ New Instrument of 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 in the manner recommended by the Sixth Lok Sabha Committee on the Papers Laid on the Table in their 4th Report (as referred to in para 2(iv) of the O.M. dated 25th May, 2006). Such advances will be resumed to the Contingency Fund on enactment of Appropriation Act in respect of expenditure for the whole year.

5.7 The provisions relating to New Service/New Instruments of Services are contained in F. No. F.1 (23)-B (AC)/2005 dated 25th May, 2006 as issued by Department of Economic Affairs, Budget Division, Ministry of Finance is placed at **Annexure – XII**.

5.8 A further clarification has been issued by the Director (Budget) vide O.M. No. F. No. 1(5)-B(AC)/2011 dated 21.05.2012. As per the said clarification all cases relating to augmentation of funds under object head 'Major Works' would require prior approval of the Parliament in case the augmentation is above Rs. 2.5 crore or above 10% of the appropriation already voted irrespective of the fact that the augmentation is for 'New Works' or for the existing works. A copy of the same is placed at **Annexure - XIII**.

5.9 It is advisable that the budget circular of a specific year should also be consulted/ followed while proposing 'New Service'/'New Instrument of Service'.

CHAPTER – 6

ADVANCES TO GOVERNMENT SERVANTS

6.1 The Government provides various types of advances to a Government servant for catering to his personal needs, looking to his requirement. It is an important welfare measure. A Competent Authority may grant advances to Government servants from public funds in accordance with the Rules on Advances which came into force from 1st July, 2005 vide G.I., M.F., O.M. No. 8/9E.II(A)/2003 dated the 1st July, 2005, as amended/revised from time to time. For sanctioning an advance to the Government servant, the said rules are required to be followed by the Competent Sanctioning Authority.

6.2 Certain advances carry interest while others are interest free. The details of such advances are as follows:

6.2.1 Interest free Advances

1. Advance of pay on transfer.
2. Advance of T.A. on tour.
3. Advance of T.A. on transfer.
4. Advance of T.A. on retirement.
5. Advance of T.A. to a family of a deceased Government servant.
6. Festival Advance.
7. Advance in the event of natural calamity like flood, drought, cyclone, etc.
8. Advance in connection with Leave Travel Concession
9. Advance in first appointment / deputation and leave ex- India.
10. Leave Salary Advance.
11. Advance in connection with legal proceedings.
12. Advance from General Provident Fund.
13. Advance for Medical Treatment.
14. Advance to provide for Immediate Relief to the families of Government servants who die while in service.
15. Advance for trainees in Hindi Prabodh, Praveen and Pragya through correspondence course organized by Central Hindi Directorate.
16. Advance for payment of fees for training in Hindi Typewriter and Hindi Stenography at the private training institutions.
17. Advance for purchase of bicycle.
18. Advance for purchase of warm clothing.

6.2.2 Interest bearing Advances

1. Advance for purchase of conveyance, i.e., scooter, moped, motor cycle and car.
2. Advance for purchase of personal computer.
3. Advance to Postal and RMS Inspectors for purchase of typewriter.
4. Advance for construction / purchase of house / flat /enlargement of living accommodation.

6.3 As far as the mandate of DIT(EB) is concerned, the funds are allocated to the BCAs in respect of the following advances:

- (i) House Building Advance (HBA)
- (ii) Motor Car Advance (MCA),
- (iii) Other Motor Conveyance Advance(OMCA),
- (iv) Other Conveyance Advance (OCA),
- (v) Other Advance (OA) and
- (vi) Computer Advance (CA)

6.4 However the said advances alongwith other advances as mentioned earlier are to be sanctioned and disbursed by the respective competent authorities as per extant rules. Therefore, the competent authority may refer to the relevant rules as updated from time to time.

6.5 The relevant rules relating to advances to Government servants as per Compendium of “Rules on Advances to the Government servant” are as follows:

I. GENERAL

Rule 1. - A competent authority may grant advances from public funds in accordance with the provisions contained in this Compendium.

Rule 2. - The competent authority shall charge simple interest at such rates as may be specified by the Ministry of Finance from time to time for this purpose.

Rule 3. - A subordinate authority empowered to sanction a cash grant may sanction any advance not exceeding the amount of the cash grant.

Rule 4. - An advance from public funds shall not be granted to a Government servant without a substantive appointment, except as provided in Rule 5, and the grant of the advance shall be subject to such general or special instructions as may be issued from time to time by the Finance Ministry:

Provided that this restriction shall not apply in the case of advances which may be sanctioned under Section XII of this Compendium.

Rule 5. - A Government servant without a substantive appointment may be granted an advance from public funds provided he furnishes along with his application for the grant of such advance, a Surety Bond in Form 1 of the Compendium, from a permanent Central Government servant having a status comparable to, or higher than, that of the Government servant who applies for the advance.

EXPLANATION - A permanent employee of a State Government, on deputation to the Central Government, is not required to furnish a Surety Bond.

NOTE - State Governments have agreed to accord reciprocal treatment, in the matter of grant of advances to permanent Central Government employees, on deputation for service under the State Governments.

Rule 6. - If an advance is granted to a Government servant who is due to retire or whose services are likely to be terminated within the maximum period prescribed for its repayment, the number of instalments shall be so regulated that the repayment of advance with interest, if any, is completed before retirement, or termination of service, as the case may be.

Rule 7. Amount of Advance.- The amount of advance, after it is determined in accordance with provisions contained in this Compendium should be rounded off to the nearest multiple of Rs. 50:

Provided that no such rounding off shall be done in respect of advances which may be sanctioned under Section XII of this Compendium.

Rule 8. Instalment of Repayment. - Each instalment on account of repayment of advance except the last one shall be a number of whole rupees; the amount of the last instalment being raised or reduced, if necessary, to admit of the fixation of such instalment and recovery of the balance including any fraction of a rupee.

Rule 9. Variation in the amount of instalments. - Where the advance is adjusted by repayment in monthly instalments, an authority competent to sanction an advance may, in exceptional cases, vary the amount of such instalments provided that -

- (i) In the case of interest-bearing advances, the whole amount of advance is completely recovered in the number of instalments not exceeding that initially fixed for repayment of the advance;
- (ii) The amount of monthly instalment shall not be reduced only on the ground that the Government servant is drawing leave salary or subsistence allowance as distinct from pay.

Rule 10. Availability of funds. - No sanction for the payment of an advance shall be issued unless the authority competent to sanction the advance has satisfied himself that funds are available in the year in which the amount of the advance is to be paid and every such sanction must clearly indicate that funds are so available.

Rule 11. Meaning of the word "Pay". - For the purposes of the rules in this Compendium 'Pay' shall mean pay as defined in FR 9 (21) (a) (i).

NOTE 1. - In the case of a Government servant, who has not opted for the revised scale of pay in terms of the Central Civil Services (Revised Pay) Rules, 1997, pay for the purpose of these rules shall mean basic pay as drawn in the existing scale and shall include Dearness Allowance up to AICPI 1510, Interim Reliefs I and II as were admissible as on 31-12-1995.

NOTE 2. - Non-Practising Allowance sanctioned to medical posts may be treated as part of 'Pay' for the purposes of sanctioning of advances contained in this Compendium.

Rule 12. Detailed Accounts of Individual Advances. -

- (a) Heads of Offices will effect recovery of the advances granted in accordance with the provisions of the rules contained in this Compendium, and of interest, if any, recoverable, and see that the conditions attached to each advance are fulfilled.
- (b) Subject to such general or specific directions as may be given by the Controller-General of Accounts on the advice of the Comptroller and Auditor-General in this behalf, detailed accounts of individual advances in respect of advances paid under the rules contained in Section III and XVII of this Compendium (generally referred to as 'long term' advances) will be maintained by the Accounts Officers.
- (c) Heads of Offices will maintain detailed accounts of advances granted to Government servants in terms of the rules contained in Sections IV, V, V-A, X, XI and XV of this Compendium (generally referred to as 'short term' advances) and submit returns to Accounts Officers, in the manner indicated in Annexure 'A' to this Compendium.

Rule 13. Irrecoverable advances. - An officer who is responsible for the detailed control, accounting and supervision of advances shall, as soon as any advance is found to be irrecoverable, take necessary steps to get the advances written off the accounts under the sanction of the appropriate authority and advise the Accounts Officer accordingly in order that he may make the necessary adjustment in the accounts and shall also maintain a record of advances so written off in order that any possible recovery may be eventually effected.

Rule 14. Date of drawal of an Advance. - For the under-mentioned purposes the date of drawal of an advance sanctioned for the purchase of a conveyance shall be :

- (a) the date of issue of the cheque by the Treasury Officer/Accounts Officer where personal cheques are drawn in favour of the Government servant; and
- (b) the date of actual disbursement of the Government servants whose pay is drawn on establishment bills and who are disbursed the advance by the Head of Office after drawing the money from the Treasury/Bank-
 - (i) Recovery of the first instalment towards repayment of the advance (vide Rule 24).
 - (ii) Completion of negotiations and purchase of the motor car/motor cycle (vide Rule 28).
 - (iii) Calculation of interest (vide Rule 20).

INTEREST - BEARING ADVANCES

II. GENERAL CONDITIONS OF GRANT OF ADVANCES FOR THE PURCHASE OF CONVEYANCES

Rule 15.(1) Powers of sanction. - A Department of the Central Government, an Administrator, or a Head of a Department may sanction an advance, for the purchase of conveyances, to Government servants under their respective administrative control.

Rule 15.(2). - A Head of Office may sanction an advance for the purchase of a bicycle to a Government servant under his administrative control.

EXPLANATION. - In this rule, the expression "Government servants" includes employees of a State Government on deputation to the Central Government vide Ministry of Finance, O.M. No. F. 16 (61)-E.II(A)/56, dated the 27th November, 1957, but does not include a Government servant on deputation abroad.

NOTE.- An authority competent to sanction advance for the purchase of conveyances may not sanction such an advance to itself. In all such cases, sanction of the next higher administrative authority will be required.

Rule 17. Condition of Eligibility- A Government servant may be granted an advance for the purchase of a motor car/motor cycle/scooter/moped, provided that –

- (i) the authority competent to sanction the advance is satisfied that the Government servant has the capacity to repay the advance;

- (ii) the advance for the purchase of a motor car shall be granted to those Government servants whose basic pay and dearness pay taken together is Rs. 15,750 (Rupees Fifteen thousand seven hundred fifty) *(now pay in the pay band of Rs. 19,530/-) per month or more. The Secretary of an Administrative Ministry/ Department shall be competent to relax this condition in deserving cases;
- (iii) the advance for the purchase of motor cycle/scooter/moped shall be granted to those Government servants whose basic pay and dearness pay taken together is Rs. 6,900/ (Rupees Six thousand nine hundred) *(now pay in the pay band of Rs. 8,560) per month or more. The authority competent to sanction this advance may, however, relax this condition in deserving cases.
- (iv) Notwithstanding the condition stated at (iii) above, an advance up to Rs. 20,000 or the anticipated price, whichever is less may be sanctioned by the Competent Authority for purchase of Moped to Government servants (having Pay in the pay band below Rs. 8,560 per month).

Rule 18. - An advance for the purchase of a conveyance shall not be granted to a Government servant, who has already purchased the conveyance and paid for it, unless the conveyance has been purchased within a period of three months commencing from the date the advance was applied for, and has been paid for by raising a temporary loan.

NOTE.- The Government servant who, having applied for the advance for the purchase of a conveyance as admissible under the rules could not be sanctioned such an advance due to non-availability of funds or in whose case due to anticipated delay in sanctioning the advance there is an obvious need for raising temporary loans to purchase the conveyance, should obtain prior permission from the prescribed authority under the relevant Conduct Rules applicable to him for raising a temporary loan to meet the expenditure on the purchase of conveyance and if this authority is different from the advance sanctioning authority, he should keep the advance sanctioning authority informed of the permission obtained under the Conduct Rules.

Rule 19. - An advance for the purchase of a conveyance shall not, except with the concurrence of the Finance Ministry, be sanctioned unless the outstanding balance in respect of an advance previously granted for the same purpose, together with interest thereon, has been fully repaid.

Rule 20. Interest.- Simple interest at such rates as may be fixed by Government from time to time shall be charged on advances granted to Government servants for the purchase of conveyances. Such interest shall be calculated on the balance outstanding on the last day of each month.

III. SPECIAL CONDITION OF GRANT OF ADVANCES FOR THE PURCHASE OF MOTOR CARS AND MOTOR CYCLES

A. MOTOR CARS

Rule 21. (1) Amount of Advance.- The total amount of advance which may be granted to a Government servant for the purchase of a motor car for the first occasion shall not exceed Rs. 1,80,000/- (Rupees One Lakh eighty thousand) or eight months' basic pay and dearness pay of the Government servant taken together, or the anticipated price of the motor car, to be purchased by the Government servant, whichever is the least. If the actual price of the motor car purchased by the Government servant is less than the amount of advance, then he shall refund the balance to Government forthwith.

Rule 21. (2) Quantum of advance. - The quantum of advance that may be granted on the second or subsequent occasions for the purchase of a motor car shall not exceed Rs. 1,60,000/- (Rupees One lakh sixty thousand) or eight months' basic pay and dearness pay of the Government servant taken together, or the anticipated price of motor car to be purchased, whichever is the least.

Such second or subsequent advances for the purchase of a motor car will be admissible only after four years, reckoned from the date of drawal of the last advance, have elapsed. Provided that this restriction of 4 years shall not apply in the following cases:-

- (a) Where an advance had been allowed earlier for the purchase of a motor cycle but it is desired to draw the advance for the purchase of motor car.
- (b) Where a Government servant disposes of his motor car in India prior to his posting abroad or deputation/training abroad lasting more than one year and returns to India without a motor car.
- (c) Where a Government servant is appointed to a regular post abroad and does not take his motor car along with him.

NOTE 1. - The word "price" used in the above sub-rules includes the Registration money paid for in advance by the Government servant to the dealer while booking for the new car and which is later adjusted by the dealer on allotment/delivery towards the price of the new car.

NOTE 2. - Where a Government servant desire to keep two vehicles of different types, i.e., a motor car and a motor cycle/ scooter and has purchased one type of vehicle with the advance drawn from the Government and wants to have advance for purchasing a different type of vehicle, he may be sanctioned the same under the provisions of the Compendium, as amended from time to time, without being required to sell the previous vehicle, provided he repays the outstanding amount of advance with interest before drawing the fresh advance. An advance given in such a case will be treated as second advance.

Rule 21. (3) A Government servant holding regular post abroad or on training/deputation abroad for period exceeding one year who is otherwise eligible for the grant of motor car advance under these rules may be granted an advance admissible to him in the above sub-rules in two instalments-first at the time of purchase of the car abroad and the second at the time of payment of Customs Duty on the car brought in India on completion of his tenure.

NOTE 1. - In this rule, the expression "actual price" includes Sales Tax and the cost of such items, e.g., spare wheel, tyre and a tube or a pillion seat in a scooter, on the purchase of which the purchaser has no choice. It does not, however, cover the cost of certain accessories, e.g., radio in the car, plastic covers, which are not essential and are purchased by the customer of his own volition. Insurance and registration charges of the vehicle are also not included in "actual price".

NOTE 2. - The expression "actual price" used in this rule shall also cover in the case of first purchase, the following items: -

- (i) the cost of transportation of the conveyance up to the place of the duty of Government servant concerned at the time of purchase irrespective of whether the transport is arranged by the distributors or by the Government servant himself; and
- (ii) the octroi charges actually paid.

NOTE 3. - The maximum amount of the advance for the purchase of a motor car by officers of the Indian Foreign Service or Central Government servants holding regular posts abroad will be the amount specified in this rule or the amount admissible from the foreign exchange angle, whichever is less. In this case, the 'actual price' may also include purchase tax payable outside India and Customs duty payable in India.

Rule 21. (4) A Government servant who fulfils the conditions specified in Rule 21 (3) for the grant of advance for payment of Customs duty and who has not drawn advance in terms of Rules 21(1) and (2) for the purchase of motor car, may be sanctioned the advance for payment of Customs duty levied on the car brought along with him to India, in one instalment, as per his entitlement in terms of Rule 21(1). The advance paid for payment of Customs duty should be regulated in accordance with the provisions of rules for sanctioning advance for the purchase of motor car.

Rule 21. (5) The authority competent to sanction an advance for the purchase of a motor car in term of Rule 15 may sanction an advance not exceeding Rs. 80,000 (Rupees Eighty thousand) on first occasion and Rs. 75,000 (Rupees Seventy-five thousand) on second or subsequent occasions or the anticipated price (excluding Customs duty, if any), whichever is less, to a Government servant who is otherwise eligible for the grant of motor car advance in terms of Rule 17 for purchase of a personal computer.

However, an advance not exceeding Rs. 30,000 or the anticipated price (excluding Customs duty, if any) whichever is less, may be sanctioned to Government servants for purchase of a personal computer whose pay in the pay band is Rs. 8,560 or more and who are not eligible for grant of motor car advance in terms of Rule 17 (ii) of the Compendium.

Conditions of sanction

- (1) The Government servant, who has already drawn an advance for purchase of a personal computer and a period of 3 (three) years has not elapsed from the date of drawal of the earlier advance, shall not be eligible for the grant of second or subsequent advance for the purchase of a personal computer.
- (2) The personal computer will be required to be mortgaged in the name of the President and for this purpose Form IV of the Compendium, may be used by substituting the words 'motor vehicle' with the words 'personal computer'. Similarly, Forms of Agreement for drawing an advance for the purchase of motor car may be used by substituting the words 'motor vehicle' with the words 'personal computer'. Make, Model and Chasis No. of the personal computer may be entered in the Mortgage Deed.
- (3) An application for the grant of advance for the purchase of a personal computer shall be required to be made in Form VI of the Compendium.
- (4) No advance for payment of custom duty on the personal computer shall be sanctioned.

Recovery of advance

- (5) The advance sanctioned for the purchase of a personal computer shall be recovered in such number of equal monthly instalments as the Government servant may elect, but not exceeding 150.
- (6) Total recoveries on account of all advances including computer advance, taken by a Government servant shall not exceed 50% of the total emoluments.

Interest

- (7) Simple interest at such rates as may be fixed by Government from time to time for the motor car advance shall be charged on advance granted to Government servants for the purchase of personal computer.

All other condition laid down in this Compendium, regulating the sanctioning of motor car advance will apply to the advance which may be sanctioned for the purchase of a personal computer.

Rule 22. Notwithstanding anything contained in Rule 17, an advance for the purchase of a conveyance shall not be granted to a Government servant who is under suspension and,

if an advance has already been sanctioned to him before he was placed under suspension, he shall not be permitted to draw such advance during the period of his suspension.

Rule 23. Recovery of Advance. – The amount of advance granted to a Government servant for the purchase of motor car under Rule 21 shall be recovered from him in such number of equal monthly instalments as he may elect, not exceeding 200. The Government servant may at his option repay more than one instalment in a month.

Rule 24. The recovery of the amount of an advance shall commence with the first issue of pay, leave salary or subsistence allowance, as the case may be, after the advance is drawn.

Rule 25. Recovery of Interest. – The amount of interest calculated under Rule 20 shall be recovered in the minimum number of monthly instalments; the amount of each such instalment being not greater than the amount of the instalment fixed under Rule 23.

Rule 26. The recovery of the amount of interest shall commence from the month immediately following that in which the repayment of the advance for the purchase of a motor car is completed

Rule 27. Sale or Transfer – A Government servant shall not sell or transfer a motor car for so long as the amount of advance together with the interest on such amount is not completely repaid, except with the permission of the competent authority.

Rule 28. Unless Government servant, who is sanctioned an advance for the purchase of a motor car, completes the purchase of, and pays for, the motor car within one month from the date on which he draws the advance, he shall refund forthwith the full amount of the advance drawn together with interest on that amount for one month.

Note 1. – A Department of Central Government, an Administrator or a Head of Department may, in exceptional cases, extend the period of one month prescribed in this rule to two months.

Note 2. - Where a Government servant refunds the full amount of the advance before the end of the month in which it was drawn for the purchase of a car, the interest may be recovered for the actual period the advance was retained by the Government servant.

Rule 29. Agreement and Mortgage Bonds. - A Government servant shall, before he draws an advance for the purchase of a motor car, execute an agreement in Form II of the compendium, if the advance is granted to him under Rule 17, or in Form III, if the advance is granted to him under Rule 18. On completing the purchase of a motor car, he shall also execute a mortgage bond in Form IV and Form V, as the case may be, hypothecating the motor car to the President as security for the advance.

Note. – Where only one advance is sanctioned, i.e., for the purchase of a motor car or for the payment of Customs duty or where only one advance is sanctioned for both the purchase of a motor car and the payment of Customs duty, the mortgage bond should be executed in Form IV with the necessary changes. Where an advance for the payment of Customs duty is sanctioned, after the motor car has been purchased with an earlier advance, a bond in Form V should be executed.

B. MOTOR CYCLES

Rule 30. Subject to the provisions of Rule 17, an authority competent to sanction the advance for the purchase of a motor car, may sanction to a Government servant an advance for the purchase of a motor cycle/scooter/moped. Such an advance shall be subject to the same conditions regulating the advance for purchase of a motor car except provision contained in Rule 29:

Provided that notwithstanding anything contained in Rule 21, the amount of such advance for the first occasion shall not exceed Rs. 30,000 (Rupees Thirty thousand) or four months' basic pay and dearness pay taken together or the anticipated price of the motor cycle/scooter/moped, whichever is the least.

The quantum of advance that may be granted on the second or subsequent occasions for the purchase of a motor cycle/scooter/moped shall be restricted to Rs. 24,000 (Rupees Twenty-four thousand) or three months' basic pay and dearness pay taken together or the anticipated price of the motor cycle/scooter/moped, whichever is the least:

Provided further that notwithstanding anything contained in Rule 23, the amount of advance granted to Government servant for the purchase of motor cycle /scooter/moped shall be recovered from the Government in such number of equal monthly instalments as he may elect but such number shall not be more than seventy.

IV. SPECIAL CONDITIONS OF GRANT OF ADVANCES FOR THE PURCHASE OF OTHER CONVEYANCES INCLUDING BICYCLES

C. BICYCLES

Rule 31. A Government servant, whose grade pay does not exceed Rs. 2,800 (Rupees two thousand eight hundred) may be granted an advance for the purchase of a bicycle:

Provided that:

- (i) the amount of such advance shall not exceed Rs. 3,000 (Rupees three thousand) and shall be restricted to the anticipated price, inclusive of sales tax, of the bicycle. If the actual price of the bicycle paid by the Government servant is less than the amount of the advance sanctioned, he shall refund the balance to Government forthwith.

- (ii) the amount of such advance shall be recovered in the manner prescribed in Rules 23 and 24 in equal monthly instalments not exceeding thirty;

Note.- The rate of this advance shall be increased by 25% whenever the Dearness Allowance payable on revised pay structure goes up by 50%.

Rule 32. If a Government servant, without a substantive appointment, is granted an advance for the purchase of a bicycle, but ceases to be in Government service before the amount of the advance and the interest thereon is completely repaid, the balance shall, to the extent possible, be adjusted against the pay and allowances due to the Government servant. Any amount, as then remains unpaid, shall be recovered forthwith from the surety, if any.

6.6 Special Conditions for Grant of Advances to Government Servants for Building Houses, etc.

Rule 86. Advances to Government servants for the purpose of building houses, etc., shall be regulated by the rules issued by Government from time to time.

NOTE.- The Rules to regulate the grant of advances to Central Government Servants for building, etc., of houses, issued by the Ministry of Urban Development with the concurrence of the Finance Ministry have been published separately which may be referred to.

6.7 General instructions for the maintenance of detailed accounts of advances paid to Government servants under rules should also be followed. Please refer to the rules contained in Sections IV, V, V-A, X, XI and XV of the Compendium (Annexure A of the Compendium). In this regard following points should be kept in mind.

- (1) Heads of offices should ensure that the conditions attached to grant of advances as per the relevant rules are fulfilled and that proper accounts are maintained and the recoveries of the advances and of interest wherever recoverable, are effected.
- (2) The payment of each such advance should be entered invariably and distinctly by each Drawing and Disbursing Officer (Departmental Officer) in the relevant column of the Pay Bill Register maintained in the Form TR-22-A. Monthly recoveries effected from individuals concerned and also of interest wherever recoverable should also be noted in the recoveries column (advance-wise) in that register. No separate register merely for watching the recoveries of advances individual-wise is required to be maintained by the departmental officers. A monthly abstract of recoveries (but not of interest) in Form 'A' appended should be prepared and attached to the last establishment Pay Bill for a month by each Drawing Officer and separate Monthly Abstract Schedules shall be prepared for advances accountable under separate units of appropriation (heads) appearing in the Demands for Grants. Office copies of the monthly

abstracts should be maintained by them systematically and kept bound for each year separately.

- (3) Each departmental officer shall be wholly and solely responsible for effecting the recoveries of such advances. The relevant Pay and Accounts Officer shall check the Monthly Abstract Schedules soon after receipt, specially in regard to opening balances, accretions during the month, etc., and point out discrepancies, if any, for early scrutiny and settlement. He will also arrange to file the Abstract Schedules systematically DDO-wise in his office as these would serve as important documents for tallying with Accounts figures, etc., Internal check parties shall also verify that payment entries are properly made in the Pay Bill Registers and that recoveries are regularly effected and verify the entries in the Monthly Abstract Schedule and particulars of transfers 'in' and 'out' cases in Columns 3 and 5 thereof.
- (4) When a Government servant is transferred from one office to another, the amount of each such advance paid and the balance (instalment and amount) outstanding as on the date of transfer shall be mentioned in the 'Last Pay Certificate' to be issued by the departmental officer. (Where the transfer 'in' or 'out' is on foreign service or on deputation to Railways/P&T/Defence/State Governments, recoveries of principal and interest, if any, are to be remitted by means of cheque, by the Drawing and Disbursing Officer of the Department which effects the recoveries, to the Drawing and Disbursing Officer of the Department which would have paid the advance; but no cash settlement to pass on either credit or debit is to be effected between Drawing and Disbursing Officers in cases of transfers between Civil Ministries/Departments of Central Government. Simultaneously, he will enter the number of such transfers 'in' and transfers 'out' cases between Civil Departmental Offices and amount of outstanding advance adopted or dropped, as the case may be, in the monthly abstract of drawls and recoveries (From A).
- (5) Separate orders have been issued by Controller General of Accounts to various Principal Accounts Offices in regard to the reckoning of variations arising due to balances adopted/dropped by Drawing Officers on account of transfers 'in' and transfers 'out' cases of employees transferred between Civil Ministries/Departments of Central Government.

CHAPTER – 7

PROCUREMENT OF GOODS AND SERVICES

7.1 Procurement of goods and service required for use in public service is integral part of all Ministries and Departments for smooth and efficient functioning of office in general administration. The power of procuring goods in public interest is delegated with the authorities as per Delegation of Financial Powers Rules (DFPR). Such authorities have responsibility and accountability in matters of public procurement in this regard.

7.2 Detailed rules of procurement of goods and service are prescribed in GFR which are as under:

I. PROCUREMENT OF GOODS

Rule 135. This chapter contains the general rules applicable to all Ministries or Departments, regarding procurement of goods required for use in the public service. Detailed instructions relating to procurement of goods may be issued by the procuring departments broadly in conformity with the general rules contained in this Chapter.

Rule 136. Definition of Goods.-The term ‘goods’ used in this chapter includes all articles, material, commodities, livestock, furniture, fixtures, raw material, spares, instruments, machinery, equipment, industrial plant, etc., purchased or otherwise acquired for the use of Government but excludes books, publications, periodicals, etc. for a library.

Rule 137. Fundamental principles of public buying.-Every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement.

The procedure to be followed in making public procurement must conform to the following yardsticks:-

- (i) the specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the procuring organizations. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features, which may result in unwarranted expenditure. Care should also be taken to avoid purchasing quantities in excess of requirement to avoid inventory carrying costs;
- (ii) offers should be invited following a fair, transparent and reasonable procedure;

- (iii) the procuring authority should be satisfied that the selected offer adequately meets the requirement in all respects;
- (iv) the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required;
- (v) at each stage of procurement the concerned procuring authority must place on record, in precise terms, the considerations which weighed with it while taking the procurement decision.

Rule 138. Authorities competent to purchase goods.- An authority which is competent to incur contingent expenditure may sanction the purchase of goods required for use in public service in accordance with Schedule V of the Delegation of Financial Powers Rules, 1978, following the general procedure contained in the following rules.

Rule 139. Procurement of goods required on mobilization.- Procurement of goods required on mobilization and/or during the continuance of Military Operations shall be regulated by special rules and orders issued by the Government on this behalf from time to time.

Rule 140. Powers for procurement of goods.- The Ministries or Departments have been delegated full powers to make their own arrangements for procurement of goods. In case however, a Ministry or Department does not have the required expertise, it may project its indent to the Central Purchase Organization (e.g. DGS & D) with the approval of competent authority. The indent form to be utilized for this purpose will be as per the standard form evolved by the Central Purchase Organization.

Rule 141. Rate Contract.- The Central Purchase Organization (e.g. DGS & D) shall conclude rate contracts with the registered suppliers, for goods and items of standard types, which are identified as common user items and are needed on recurring basis by various Central Government Ministries or Departments. Definition of Registered suppliers is given in Rule 142 below. The Central Purchase Organization will furnish and update all the relevant details of the rate contracts in its website. The Ministries or Departments shall follow those rate contracts to the maximum extent possible.

Rule 142. Registration of Suppliers.- (i) With a view to establishing reliable sources for procurement of goods commonly required for Government use, the Central Purchase Organization (e.g. DGS & D) will prepare and maintain item-wise lists of eligible and capable suppliers. Such approved suppliers will be known as “Registered Suppliers”. All Ministries or Departments may utilize these lists as and when necessary. Such registered suppliers are prima facie eligible for consideration for procurement of goods through Limited Tender Enquiry. They are also ordinarily exempted from furnishing bid security along with their bids. A Head of Department may also register suppliers of goods which are specifically required by that Department or Office.

- (ii) Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc., of the supplier(s) should be carefully verified before registration.
- (iii) The supplier(s) will be registered for a fixed period (between 1 to 3 years) depending on the nature of the goods. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions.
- (iv) Performance and conduct of every registered supplier is to be watched by the concerned Ministry or Department. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods on time or supply sub-standard goods or make any false declaration to any Government agency or for any ground which, in the opinion of the Government, is not in public interest.

Rule 143. Enlistment of Indian Agents.- As per the Compulsory Enlistment Scheme of the Department of Expenditure, Ministry of Finance, it is compulsory for Indian agents, who desire to quote directly on behalf of their foreign principals, to get themselves enlisted with the Central Purchase Organization (eg.DGS & D). However, such enlistment is not equivalent to registration of suppliers as mentioned under Rule 142 above.

Rule 144. Reserved Items.- The Central Government, through administrative instructions, has reserved all items of handspun and handwoven textiles (khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles required by Central Government departments for exclusive purchase from KVIC and/or the notified handloom units of ACASH (Association of Corporations and Apex Societies of Handlooms). The Central Government has also reserved some items for purchase from registered Small Scale Industrial Units. The Central Departments or Ministries are to make their purchases for such reserved goods and items from such units as per the instructions issued by the Central Government in this regard.

Rule 145. Purchase of goods without quotation.- Purchase of goods upto the value of Rs. 15,000/- (Rupees Fifteen Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format: -

“I,, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price.”

Rule 146. Purchase of goods by purchase committee.- Purchase of goods costing above Rs. 15,000/- (Rupees Fifteen Thousand) only and upto Rs. 1,00,000/- (Rupees One lakh) only

on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under:-

“Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question.”

Rule 147. (1) Purchase of goods directly under rate contract.-

(1) In case a Ministry or Department directly procures Central Purchase Organization (e.g. DGS & D) rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the rate contract. The Ministry or Department shall make its own arrangement for inspection and testing of such goods where required.

Rule 147. (2) The Central Purchase Organization (e.g. DGS & D) should host the specifications, prices and other salient details of different rate contracted items, appropriately updated, on the website for use by the procuring Ministry or Department.

Rule 148. A demand for goods should not be divided into small quantities to make piece meal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

Rule 149. Purchase of goods by obtaining bids.- Except in cases covered under Rules 145, 146 and 147(1), Ministries or Departments shall procure goods under the powers referred to in Rule 140 above by following the standard method of obtaining bids in:-

- (i) Advertised Tender Enquiry;
- (ii) Limited Tender Enquiry;
- (iii) Single Tender Enquiry.

Rule 150. Advertised Tender Enquiry.- (i) Subject to exceptions incorporated under Rules 151 and 154, invitation to tenders by advertisement should be used for procurement of goods of estimated value Rs. 25 lakh (Rupees Twenty Five Lakh) and above. Advertisement in such case should be given in the Indian Trade Journal (ITJ), published by the Director General of Commercial Intelligence and Statistics, Kolkata and at least in one national daily having wide circulation.

- (ii) An organization having its own website should also publish all its advertised tender enquiries on the website and provide a link with NIC website. It should also give its web site address in the advertisements in ITJ and newspapers.
- (iii) The organization should also post the complete bidding document in its website and permit prospective bidders to make use of the document downloaded from the website. If such a downloaded bidding document is priced, there should be clear instructions for the bidder to pay the amount by demand draft, etc., along with the bid.
- (iv) Where the Ministry or Department feels that the goods of the required quality, specifications etc., may not be available in the country and it is necessary to also look for suitable competitive offers from abroad, the Ministry or Department may send copies of the tender notice to the Indian embassies abroad as well as to the foreign embassies in India. The selection of the embassies will depend on the possibility of availability of the required goods in such countries.
- (v) Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later. Where the department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders.

Rule 151. Limited Tender Enquiry.- (i) This method may be adopted when estimated value of the goods to be procured is up to Rupees Twenty five Lakhs. Copies of the bidding document should be sent directly by speed post/ registered post/ courier/ e-mail to firms which are borne on the list of registered suppliers for the goods in question as referred under Rule 142 above. The number of supplier firms in Limited Tender Enquiry should be more than three. Further, web based publicity should be given for limited tenders. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis.

- (ii) Purchase through Limited Tender Enquiry may be adopted even where the estimated value of the procurement is more than Rupees twenty-five Lakhs, in the following circumstances:-
 - (a) The competent authority in the Ministry or Department certifies that the demand is urgent and any additional expenditure involved by not procuring through advertised tender enquiry is justified in view of urgency. The Ministry or Department should also put on record the nature of the urgency and reasons why the procurement could not be anticipated.
 - (b) There are sufficient reasons, to be recorded in writing by the competent authority, indicating that it will not be in public interest to procure the goods through advertised tender enquiry.

- (c) The sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped, is remote.
- (iii) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.

Rule 152. Two bid system.- For purchasing high value plant, machinery etc., of a complex and technical nature, bids may be obtained in two parts as under:-

- (a) Technical bid consisting of all technical details alongwith commercial terms and conditions; and
- (b) Financial bid indicating item-wise price for the items mentioned in the technical bid.

The technical bid and the financial bid should be sealed by the bidder in separate covers duly superscribed and both these sealed covers are to be put in a bigger cover which should also be sealed and duly superscribed. The technical bids are to be opened by the purchasing Ministry or Department at the first instance and evaluated by a competent committee or authority. At the second stage, financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract.

Rule 153. Late Bids.- In the case of advertised tender enquiry or limited tender enquiry, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

Rule 154. Single Tender Enquiry.- Procurement from a single source may be resorted to in the following circumstances:

- (i) It is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods.
- (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained.
- (iii) For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm.

Note.- Proprietary Article Certificate in the following form is to be provided by the Ministry / Department before procuring the goods from a single source under the provision of sub Rule 154 (i) and 154 (iii) as applicable.

- (i) The indented goods are manufactured by M/s.....

(ii) No other make or model is acceptable for the following reasons:-

.....

.....

.....

(iii) Concurrence of finance wing to the proposal vide:-

.....

(iv) Approval of the competent authority vide:.....

(Signature with date and designation
of the Procuring Officer)

Rule 155. Contents of Bidding Document.- All the terms, conditions, stipulations and information to be incorporated in the bidding document are to be shown in the appropriate chapters as below:-

Chapter – 1 : Instructions to Bidders.

Chapter – 2 : Conditions of Contract.

Chapter – 3 : Schedule of Requirements.

Chapter – 4 : Specifications and allied Technical Details.

Chapter – 5 : Price Schedule (to be utilized by the bidders for quoting their prices).

Chapter – 6 : Contract Form.

Chapter – 7 : Other Standard Forms, if any, to be utilized by the purchaser and the bidders.

Rule 156. Maintenance Contract.- Depending on the cost and nature of the goods to be purchased, it may also be necessary to enter into maintenance contract(s) of suitable period either with the supplier of the goods or with any other competent firm, not necessarily the supplier of the subject goods. Such maintenance contracts are especially needed for sophisticated and costly equipment and machinery. It may however be kept in mind that the equipment or machinery is maintained free of charge by the supplier during its warranty period or such other extended periods as the contract terms may provide and the paid maintenance should commence only thereafter.

Rule 157. Bid Security.- (i) To safeguard against a bidder's withdrawing or altering its bid during the bid validity period in the case of advertised or limited tender enquiry, Bid Security (also known as Earnest Money) is to be obtained from the bidders except those who are registered with the Central Purchase Organization, National Small Industries Corporation

(NSIC) or the concerned Ministry or Department. The bidders should be asked to furnish bid security along with their bids. Amount of bid security should ordinarily range between two percent to five percent of the estimated value of the goods to be procured. The exact amount of bid security, should be determined accordingly by the Ministry or Department and indicated in the bidding documents. The bid security may be accepted in the form of Account Payee Demand Draft, Fixed Deposit Receipt, Banker's Cheque or Bank Guarantee from any of the commercial banks in an acceptable form, safeguarding the purchaser's interest in all respects. The bid security is normally to remain valid for a period of forty-five days beyond the final bid validity period.

- (ii) Bid securities of the unsuccessful bidders should be returned to them at the earliest after expiry of the final bid validity and latest on or before the 30th day after the award of the contract.

Rule 158. Performance Security.- (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status, etc. Performance Security should be for an amount of five to ten per cent of the value of the contract. Performance Security may be furnished in the form of an Account payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank in an acceptable form safeguarding the purchasers interest in all respects.

- (ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

Rule 159. (1) Advance payment to supplier.- Ordinarily, payments for services rendered or supplies made should be released only after the services have been rendered or supplies made. However, it may become necessary to make advance payments in the following types of cases:-

- (i) Advance payment demanded by firms holding maintenance contracts for servicing of Air-conditioners, computers, other costly equipment, etc.
- (ii) Advance payment demanded by firms against fabrication contracts, turn-key contracts etc.

Such advance payments should not exceed the following limits: -

- (i) Thirty per cent of the contract value to private firms;
- (ii) Forty per cent of the contract value to a State or Central Government agency or a Public Sector Undertaking; or

- (iii) in case of maintenance contract, the amount should not exceed the amount payable for six months under the contract.

Ministries or Departments of the Central Government may relax, in consultation with their Financial Advisers concerned, the ceilings (including percentage laid down for advance payment for private firms) mentioned above. While making any advance payment as above, adequate safeguards in the form of bank guarantee, etc., should be obtained from the firm.

Rule 159. (2) Part payment to suppliers.- Depending on the terms of delivery incorporated in a contract, part payment to the supplier may be released after it dispatches the goods from its premises in terms of the contract.

Rule 160. Transparency, competition, fairness and elimination of arbitrariness in the procurement process.- All Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. This will also enable the prospective bidders to formulate and send their competitive bids with confidence. Some of the measures for ensuring the above are as follows:-

- (i) The text of the bidding document should be self-contained and comprehensive without any ambiguities. All essential information, which a bidder needs for sending responsive bid, should be clearly spelt out in the bidding document in simple language. The bidding document should contain, inter alia:-
 - (a) the criteria for eligibility and qualifications to be met by the bidders such as minimum level of experience, past performance, technical capability, manufacturing facilities and financial position etc.;
 - (b) eligibility criteria for goods indicating any legal restrictions or conditions about the origin of goods etc., which may required to be met by the successful bidder;
 - (c) the procedure as well as date, time and place for sending the bids;
 - (d) date, time and place of opening of the bid;
 - (e) terms of delivery;
 - (f) special terms affecting performance, if any.
- (ii) Suitable provision should be kept in the bidding document to enable a bidder to question the bidding conditions, bidding process and/ or rejection of its bid.
- (iii) Suitable provision for settlement of disputes, if any, emanating from the resultant contract, should be kept in the bidding document.
- (iv) The bidding document should indicate clearly that the resultant contract will be interpreted under Indian Laws.
- (v) The bidders should be given reasonable time to send their bids.

- (vi) The bids should be opened in public and authorized representatives of the bidders should be permitted to attend the bid opening.
- (vii) The specifications of the required goods should be clearly stated without any ambiguity so that the prospective bidders can send meaningful bids. In order to attract sufficient number of bidders, the specification should be broad based to the extent feasible. Efforts should also be made to use standard specifications which are widely known to the industry.
- (viii) *Pre-bid conference*: In case of turnkey contract(s) or contract(s) of special nature for procurement of sophisticated and costly equipment, a suitable provision is to be kept in the bidding documents for a pre-bid conference for clarifying issues and clearing doubts, if any, about the specifications and other allied technical details of the plant, equipment and machinery projected in the bidding document. The date, time and place of pre-bid conference should be indicated in the bidding document. This date should be sufficiently ahead of bid opening date.
- (ix) Criteria for determining responsiveness of bids, criteria as well as factors to be taken into account for evaluating the bids on a common platform and the criteria for awarding the contract to the responsive lowest bidder should be clearly indicated in the bidding documents.
- (x) Bids received should be evaluated in terms of the conditions already incorporated in the bidding documents; no new condition which was not incorporated in the bidding documents should be brought in for evaluation of the bids. Determination of a bid's responsiveness should be based on the contents of the bid itself without recourse to extrinsic evidence.
- (xi) Bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids.
- (xii) Negotiation with bidders after bid opening must be severely discouraged. However, in exceptional circumstances where price negotiation against an ad-hoc procurement is necessary due to some unavoidable circumstances, the same may be resorted to only with the lowest evaluated responsive bidder.
- (xiii) In the rate contract system, where a number of firms are brought on rate contract for the same item, negotiation as well as counter offering of rates are permitted with the bidders in view and for this purpose special permission has been given to the Directorate General of Supplies and Disposals (DGS & D).
- (xiv) Contract should ordinarily be awarded to the lowest evaluated bidder whose bid has been found to be responsive and who is eligible and qualified to perform the contract satisfactorily as per the terms and conditions incorporated in the corresponding bidding document. However, where the lowest acceptable bidder against ad-hoc requirement is not in a position to supply the full quantity required, the remaining quantity, as far as possible, be ordered from the next higher responsive bidder at the rates offered by the lowest responsive bidder.

- (xv) The name of the successful bidder awarded the contract should be mentioned in the Ministries or Departments notice board or bulletin or website.

Rule 161. Efficiency, Economy and Accountability in Public Procurement System.-

Public procurement procedure is also to ensure efficiency, economy and accountability in the system. To achieve the same, the following keys areas should be addressed:-

- (i) To reduce delay, appropriate time frame for each stage of procurement should be prescribed by the Ministry or Department. Such a time frame will also make the concerned purchase officials more alert.
- (ii) To minimize the time needed for decision-making and placement of contract, every Ministry / Department, with the approval of the competent authority, may delegate, wherever necessary, appropriate purchasing powers to the lower functionaries.
- (iii) The Ministries or Departments should ensure placement of contract within the original validity of the bids. Extension of bid validity must be discouraged and resorted to only in exceptional circumstances.
- (iv) The Central Purchase Organization (e.g. DGS & D) should bring into the rate contract system more and more common user items which are frequently needed in bulk by various Central Government departments. The Central Purchase Organization (e.g. DGS & D) should also ensure that the rate contracts remain available without any break.

Rule 162. Buy-Back Offer.- When it is decided with the approval of the competent authority to replace an existing old item(s) with a new and better version, the department may trade the existing old item while purchasing the new one. For this purpose, a suitable clause is to be incorporated in the bidding document so that the prospective and interested bidders formulate their bids accordingly. Depending on the value and condition of the old item to be traded, the time as well as the mode of handing over the old item to the successful bidder should be decided and relevant details in this regard suitably incorporated in the bidding document. Further, suitable provision should also be kept in the bidding document to enable the purchaser either to trade or not to trade the item while purchasing the new one.

II. PROCUREMENT OF SERVICES

Rule 163. The Ministries or Departments may hire external professionals, consultancy firms or consultants (referred to as consultant hereinafter) for a specific job, which is well defined in terms of content and time frame for its completion or outsource certain services.

Rule 164. This chapter contains the fundamental principles applicable to all Ministries or Departments regarding engagement of consultants(s) and outsourcing of services. Detailed instructions to this effect may be issued by the concerned Ministries or Departments.

However, the Ministries or Departments shall ensure that they do not contravene the basic rules contained in this chapter.

Rule 165. Identification of Work/Services required to be performed by Consultants.- Engagement of consultants may be resorted to in situations requiring high quality services for which the concerned Ministry/Department does not have requisite expertise. Approval of the competent authority should be obtained before engaging consultant(s).

Rule 166. Preparation of scope of the required work/service.- The Ministries/Departments should prepare in simple and concise language the requirement, objectives and the scope of the assignment. The eligibility and prequalification criteria to be met by the consultants should also be clearly identified at this stage.

Rule 167. Estimating reasonable expenditure.- Ministry or Department proposing to engage consultant(s) should estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and consulting other organisations engaged in similar activities.

Rule 168. Identification of likely sources.- (i) Where the estimated cost of the work or service is upto Rupees twenty-five lakhs, preparation of a long list of potential consultants may be done on the basis of formal or informal enquiries from other Ministries or Departments or Organisations involved in similar activities, Chambers of Commerce & Industry, Association of consultancy firms etc.

- (ii) Where the estimated cost of the work or service is above Rupees twenty-five lakhs, in addition to (i) above, an enquiry for seeking 'Expression of Interest' from consultants should be published in at least one national daily and the Ministry's website. The website address should also be given in the advertisements. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, inputs to be provided by the Ministry or Department, eligibility and the pre-qualification criteria to be met by the consultant(s) and consultant's past experience in similar work or service. The consultants may also be asked to send their comments on the objectives and scope of the work or service projected in the enquiry. Adequate time should be allowed for getting responses from interested consultants.

Rule 169. Short-listing of consultants.- On the basis of responses received from the interested parties as per Rule 168 above, consultants meeting the requirements should be short-listed for further consideration. The number of short listed consultants should not be less than three.

Rule 170. Preparation of Terms of Reference (TOR). – The TOR should include-

- (i) Precise statement of objectives;

- (ii) Outline of the tasks to be carried out;
- (iii) Schedule for completion of tasks;
- (iv) The support or inputs to be provided by the Ministry or Department to facilitate the consultancy.
- (v) The final outputs that will be required of the Consultant;

Rule 171. Preparation and Issue of Request for Proposal (RFP). - RFP is the document to be used by the Ministry/Department for obtaining offers from the consultants for the required work/service. The RFP should be issued to the short-listed consultants to seek their technical and financial proposals. The RFP should contain:-

- (i) A letter of Invitation
- (ii) Information to Consultants regarding the procedure for submission of proposal.
- (iii) Terms of Reference (TOR).
- (iv) Eligibility and pre-qualification criteria in case the same has not been ascertained through enquiry for Expression of Interest.
- (v) List of key position whose CV and experience would be evaluated.
- (vi) Bid evaluation criteria and selection procedure.
- (vii) Standard formats for technical and financial proposal.
- (viii) Proposed contract terms.
- (ix) Procedure proposed to be followed for mid-term review of the progress of the work and review of the final draft report.

Rule 172. Receipt and opening of proposals.- Proposals should ordinarily be asked for from consultants in 'Two-bid' system with technical and financial bids sealed separately. The bidder should put these two sealed envelopes in a bigger envelop duly sealed and submit the same to the Ministry or Department by the specified date and time at the specified place. On receipt, the technical proposals should be opened first by the Ministry or Department at the specified date, time and place.

Rule 173. Late Bids.- Late bids, i.e., received after the specified date and time of receipt, should not be considered.

Rule 174. Evaluation of Technical Bids.- Technical bids should be analysed and evaluated by a Consultancy Evaluation Committee (CEC) constituted by the Ministry or Department. The CEC shall record in detail the reasons for acceptance or rejection of the technical proposals analysed and evaluated by it.

Rule 175. Evaluation of Financial Bids of the technically qualified bidders.- The Ministry or Department shall open the financial bids of only those bidders who have been declared technically qualified by the Consultancy Evaluation Committee as per Rule 174 above for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

Rule 176. Consultancy by nomination.- Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Ministry or Department. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single-source selection.

Rule 177. Monitoring the Contract.- The Ministry/Department should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant (s) so that the output of the consultancy is in line with the Ministry/Department's objectives.

OUTSOURCING OF SERVICES

Rule 178. Outsourcing of Services.- A Ministry or Department may outsource certain services in the interest of economy and efficiency and it may prescribe detailed instructions and procedures for this purpose without, however, contravening the following basic guidelines.

Rule 179. Identification of likely contractors.- The Ministry or Department should prepare a list of likely and potential contractors on the basis of formal or informal enquiries from other Ministries or Departments and Organisations involved in similar activities, scrutiny of 'Yellow pages', and trade journals, if available, web site etc.

Rule 180. Preparation of Tender enquiry.- Ministry or Department should prepare a tender enquiry containing, *inter alia* :-

- (i) The details of the work or service to be performed by the contractor;
- (ii) The facilities and the inputs which will be provided to the contractor by the Ministry or Department;
- (iii) Eligibility and qualification criteria to be met by the contractor for performing the required work/service; and
- (iv) The statutory and contractual obligations to be complied with by the contractor.

Rule 181. Invitation of Bids.- (a) *For estimated value of the work or service up to Rupees ten lakhs or less :* The Ministry or Department should scrutinize the preliminary list of likely contractors as identified as per Rule 179 above, decide the prima facie eligible and capable

contractors and issue limited tender enquiry to them asking for their offers by a specified date and time etc. as per standard practice. The number of the contractors so identified for issuing limited tender enquiry should not be less than six.

- (b) *For estimated value of the work or service above Rupees ten lakhs:* The Ministry or Department should issue advertised tender enquiry asking for the offers by a specified date and time, etc., in at least one popular largely circulated national newspaper and website of the Ministry or Department.

Rule 182. Late Bids.- Late bids, i.e., bids received after the specified date and time of receipt, should not be considered.

Rule 183. Evaluation of Bids Received. - The Ministry or Department should evaluate, segregate, rank the responsive bids and select the successful bidder for placement of the contract.

Rule 184. Outsourcing by Choice.- Should it become necessary, in an exceptional situation to outsource a job to a specifically chosen contractor, the Competent Authority in the Ministry or Department may do so in consultation with the Financial Adviser. In such cases the detailed justification, the circumstances leading to the outsourcing by choice and the special interest or purpose it shall serve shall form an integral part of the proposal.

Rule 185. Monitoring the Contract. - The Ministry or Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

7.3 The above Rules should be followed while procuring any goods and services by the competent authority, as updated from time to time.

7.4 The OMs No. 10/1/2011-PPC dated 30th November, 2011, No. 10/3/2012-PPC dated 30th March, 2012 and No. 10/1/2011-PPC dated 7th May, 2012 related to e-tendering are enclosed as **Annexure – XIV**.

CHAPTER – 8

SECRET SERVICE EXPENDITURE

Specific funds are provided to the Directorate of Income Tax (Investigation) and to the field formations for incurring expenditure on secret activities necessary in discharge of their duties. The secret service fund is a separate object head and funds are allocated to the BCAs by the DIT (EB) from this object head.

There are separate guidelines for incurring and accounting Secret Service Expenditure (SSE) for the Investigation Wing of the Income Tax Department and for the Assessment Units of the Income Tax Department. In common parlance, it is also called '**Secret Service Fund**'. The said guidelines are as follows:-

8.1 Guidelines for Utilization and Accounting of Secret Service Fund in Investigation Wing (as per Chapter VIII of Search and Seizure manual) are placed at **Annexure-XV**.

8.2 Guidelines for Utilization and Accounting of Secret Service Fund in Assessment Units

Historically, the Secret Service Fund was provided to the Investigation Wing of the Income Tax Department. However, it was felt that there is a need for the field formations also, especially for the assessment units, to have Secret Service Fund for secret enquiries related to Surveys and Investigation during assessment or for the verification of clinching evidences to augment the tax collection. With this objective, initiative was taken by the Directorate of Expenditure Budget and funds were allocated to various BCAs looking after the assessment units. Separate guidelines for utilization and accounting of Secret Service Fund in Assessment Units have also been formulated recently. The said guidelines are placed at **Annexure – XVI**.

CHAPTER – 9

MONTHLY EXPENDITURE STATEMENT

9.1 Monthly Expenditure Statement requisitioned by Head of Department from the DDOs

Every office is required to send the monthly statement of expenditure to the Head of Department generally by the 3rd of the following month. Each BCA is required to submit its monthly statement of expenditure to DIT (EB) by the 10th of following month. The Proforma for the statement is appended to this manual at **Annexure -XVII**. Total expenditure incurred during the month is taken from the pay and Allowances Register, Contingent Register and any other registers maintained to keep a record of any special type of expenditure incurred by the office. Generally the figures are rounded to the nearest hundred rupees and shown in the statement. The statement contains columns for Budget Grant, Proportionate Grant, Actual expenditure during the month, Progressive total up to the month, variation between Proportionate Grant and Progressive Total, anticipated expenditure for the remaining months and total requirements for the year. These particulars are to be shown for each primary unit / detailed / sub-detailed heads, etc, as per the budget grant. The proportionate grant is arrived at by dividing the grant by 12 and multiplying the same with the number of months. For example, the statement for August will contain proportionate grant as: Budget Grant/12 X 5. Progressive total is calculated by adding the month's expenditure to the progressive total shown in the previous month's statement. Statements for the months April to July will contain total requirements as shown in the budget grant. Since the Revised Estimates are calculated and submitted in August, the statement for August onwards will show the figures of Revised Estimates under the column for Total Requirements. In the statement for February, the Final Estimates are calculated and shown as total requirements for the year. The anticipated requirements for the remaining months can be arrived at by deducting the progressive total from the total requirements. Reasons for variations are required to be given in brief. The Statement for February showing the final Estimates will, however, contain variations in detail in full justification of the excesses or savings.

9.2 Monthly Expenditure Statement called by Directorate of Expenditure Budget

Monthly Expenditure is also required by the Directorate of Expenditure Budget to assess and examine the expenditure incurred by the BCAs, periodically. The same is called for in the proforma as mentioned above (**Annexure-XVII**). BCAs are requested to submit the same by 10th of the next month.

CHAPTER – 10

EXPENDITURE AUDIT

10.1 Introductory

The scheme of departmentalization of Union Government Accounts provides for setting up of an efficient internal audit organization to ensure accuracy in accounts and efficiency in the operation of the accounts set up. Internal Audit organizations have accordingly been set up in most of the Ministries/Departments. The scope and function of the internal audit organization will depend on the nature of work, the number of subordinate offices, the strength of establishment, nature and quantum of expenditure etc. Each Ministry/Department therefore, will draw up a Manual of Internal Audit specifying the duties and functions of the organization, with particular reference to the prevailing conditions in the Ministry/Department. The guidelines contained in this chapter will regulate the working of these organizations. These guidelines are however, broad in nature and have to be supplemented by detailed instructions issued by each Ministry/Department.

10.2 Scope of Internal Audit

10.2.1 The Internal Audit Unit will work directly under the Pr. CCAs/CCAs/CAs, with overall responsibility remaining with the concerned Financial Adviser and Secretary of the Ministry/Department. The Principal Accounts Office, the Pay and Accounts Offices as well as the offices of D.D.Os in Ministries/Departments, Indian Missions and other Govt. of India offices abroad, shall be within the jurisdiction of internal audit. In addition to these offices, internal audit shall be required to audit the implementing agencies for various schemes and programmes of the Ministry/Department.

10.2.2 Internal Audit shall also check the initial accounts maintained in the executive offices to ascertain the extent of following of the rules and regulations, system and procedures in accounting and financial matters. The scrutiny would cover checking of all accounting records including those relating to fund accounts, loans and advances, disposal of confiscated stores (in CBEC), review of the installation and operating efficiency of expensive equipments and machinery and examination of records relating to physical verification of stores, equipments, tools and plant. The accounts of all grantee Institutions or Organizations shall be open to inspection by the sanctioning authority and audit, both by the Comptroller and Auditor General of India under the provision of CAG (DPC) Act 1971 and internal audit by the Principal Accounts Office of the Ministry or Department, whenever the Institution or Organization is called upon to do so and a provision to this effect should invariably be incorporated in all orders sanctioning grant in aid.

10.3 Duties of Internal Audit

10.3.1 The duties of the internal audit organization will include following:

- (i) Study of accounting procedures prescribed for the department with a view to

ensuring that they are correct, adequate and free from any defects or lacunae;

- (ii) Watch over the implementation of the prescribed procedures and the orders issued from time to time;
- (iii) Scrutiny and check of payments and accounting work of the accounting units;
- (iv) Investigation of important arrears in accounting and other connected records;
- (v) Coordination with other Ministries and Controller General of Accounts regarding internal audit procedures;
- (vi) Periodical review of all accounts records;
- (vii) Pursuance/settlement of objections taken in test audit notes issued by statutory audit offices and other matters relating to statutory audit;
- (viii) To examine and report on points or irregularities brought to its notice by the Principal Accounts Office/P.A.Os; and
- (ix) Preparation and submission of 'Annual Review' on performance of internal audit wing to the Controller General of Accounts.

10.3.2 Duties as per New Charter of Chief Controller of Accounts:

As per the new charter of duties and responsibilities of Chief Controllers of Accounts issued by the Secretary, Department of Expenditure, Ministry of Finance, the following functions will be carried out by the Controller General of Accounts from time to time.

- (i) The appraisal, monitoring and evaluation of individual schemes;
- (ii) Assessment of adequacy and effectiveness of internal controls in general, and soundness of financial systems and reliability of financial and accounting reports in particular;
- (iii) Identification and monitoring of risk factors including those contained in the Outcome Budget;
- (iv) Critical assessment of economy, efficiency and effectiveness of service delivery mechanism to ensure value for money; and
- (v) Providing an effective monitoring system to facilitate mid course corrections.

10.4 Procedure for Conducting Internal Audit

The work relating to internal audit should normally be conducted by inspecting various units and offices and "on the-spot" verification of accounts records. The work of the inspection parties may be coordinated through internal audit cell at the headquarters, depending upon the nature, number and size of the internal audit set up.

10.5 Quantum of Audit

An internal audit party should conduct a general review of all the accounts records maintained by an office since the last inspection or in case of new units, since the formation of that office. Apart from the general review, it should also conduct a detailed check of accounts records of at least one month in a year, selected by the Controller/ Deputy Controller in charge of internal audit. The percentage of bills/ vouchers/ cases etc. other than the month selected for detailed check will be left to the discretion of the Head of the internal audit unit/team. The extent and nature of checks will include the following:

- (a) Detailed scrutiny of accounts records required to be maintained in Pay and Accounts Offices/ DDOs offices;
- (b) Verification of payment and accounting procedures in the departmentalized system of accounts including procedures to be followed by cheque drawing DDOs. It will be seen in particular that the scope and extent of pre-check and post-check by PAOs are adequate and that the procedures for maintenance of provident fund accounts, finalization of pension cases etc are duly observed.
- (c) Verifying the extent and frequency of controls and checks exercised by head of office to locate any lacunae in the procedures, that may cause frauds or defalcations either individually or in collusion. Wherever necessary, steps to remove such lacunae will be suggested;
- (d) Scrutiny of the sanctioning and purchase procedures in the office inspected, so as to ensure that they are free from any defect or lacunae;
- (e) Checking the procedures followed for disposal of assets etc to ensure that they are as per laid down condemnation and disposal procedures;
- (f) Scrutiny of general office management procedures adopted by the heads of offices in areas having financial and accounting implications, so as to suggest measures for tightening up administrative and financial control, savings in expenditure or streamlining of accounting.

10.6 Nature of Checks to be Exercised

10.6.1 Internal audit parties will exercise the following checks during inspection of accounts records of various offices:

(A) Pay and Accounts Offices:

- (a) All the required accounts records are being maintained in the prescribed forms, compiled accurately and in correct manner;
- (b) Payment are made in accordance with the rule and orders governing them with correct arithmetical calculations;
- (c) Last claims of government servants are correctly paid and over payments if

- any, brought to the notice of concerned DDO for appropriate action;
- (d) Recoveries and deductions made from the bills are in order;
 - (e) Pay fixations are correct;
 - (f) All payments and receipts are duly accounted for;
 - (g) All transactions are accounted under the correct heads of account and the classification checked by the JAO/AAO/AO/Sr.AO to the extent prescribed. No unauthorized head of account is operated in the Classified Abstract/ Consolidated Abstract;
 - (h) Various Broadsheets, Objection Books and Calendar of Returns are being maintained properly. It will further be seen that the broadsheets are closed regularly on monthly basis, differences between Broadsheets and Ledger figures are analyzed and steps taken for their expeditious clearance;
 - (i) The balances outstanding under various Debt, Deposit, Suspense and Remittance heads are reviewed at periodical intervals and steps taken to clear them as expeditiously as possible;
 - (j) Interest wherever required has been correctly calculated and accounted for;
 - (k) GPF/CPF accounts are being maintained properly and reconciled through the prescribed broadsheets. It will further be checked that no missing debits/ credits and un-posted items are kept outstanding for unduly long periods and the closing of annual accounts and issue of statements of account are done by the due dates;
 - (l) Foreign service contributions wherever necessary are recovered correctly;
 - (m) Loans, advances and grants-in-aid are paid correctly and over payments if any, are brought to the notice of concerned DDO for appropriate action;
 - (n) Receipt scrolls/payment scrolls with challans and paid cheques are received in time from the bank branches, checked properly as per laid down instructions and discrepancies if any, are pointed out promptly;
 - (o) In the case of payments made by cheque-drawing DDOs, the list of payments accompanied by paid vouchers are received from them every week by the prescribed dates, checked properly and accounted for;
 - (p) The weekly accounts of receipts realized and remitted by the departmental officers with duplicate copies of challans are being received, and checked properly with the bank scrolls;
 - (q) The instructions on reconciliation of figures under the heads Public Sector Bank, Suspense and Revenue Bank Deposits are being duly followed;
 - (r) The instructions regarding reconciliation of expenditure and revenue receipts are being followed; and

- (s) To check whether there have been undue delay in the finalization of pension cases, Internal Audit Party will conduct test-checks with reference to the pension papers received from the Heads of Office.
- (t) To check whether the contributions towards Defined Contribution Pension Scheme are correctly recovered from the Government servants covered under the Scheme and bills for drawal of Government's Contributions are drawn/ submitted alongwith the pay bills, the monthly reports on Defined Contribution Pension Scheme are sent to the Principal Accounts Office on due dates and the records pertaining to Defined Contribution Pension Scheme are properly maintained as also all instructions with regard to Defined Contribution Pension Scheme are complied with by PAO's.

(B) Cheque drawing/non-cheque drawing DDOs

- (a) All the required accounts records are maintained in the prescribed forms;
- (b) Payments made by the Cheque Drawing DDOs are in accordance with the rules and orders governing them, with correct arithmetical calculations and proper recoveries/deductions made from the bills. It will further be checked whether the List of Payment with paid vouchers are sent by them every week to the concerned PAO by the prescribed dates, and as per given instructions;
- (c) The instructions for the maintenance of Cash Book, Contingent Register, Stock and Stores Accounts, Log Books and other accounts records are duly observed;
- (d) 'Account Payee' cheques issued by PAOs after pre-check of relevant bills to DDOs are not being entered in their own cash book, and that the delivery and acknowledgement of such cheques is being watched through a separate register required to be maintained for the purpose in Civil Accounts Manual (CAM-12).
- (e) Pay fixations are done correctly;
- (f) The weekly accounts of receipts with duplicate copies of challans are being sent to the concerned PAO;
- (g) Purchases are made as per rules and orders governing them and the reasons recorded for the cases where lowest quotations are not accepted;
- (h) All sub-vouchers pertaining to contingent charges/bills that are not required to be sent to the PAO are available in the office, are otherwise in order and properly cancelled;
- (i) GPF/CPF accounts of Group 'D' employees are maintained properly;
- (j) The instructions relating to the processing and submission of pension cases are observed;

- (k) Verification through vouchers etc that payment entries are made properly in the Pay Bill Register for the advances drawn, and that the recoveries are being effected regularly from the concerned Government servants. The correctness of entries should also be checked in the monthly abstracts of recoveries, especially those relating to 'transfer in' and 'transfer out' cases.
- (l) Every Personal Deposit Account in the Ministry/Department is alive and in operation.
- (m) All instructions relating to Defined Contribution Pension Scheme including maintenance of Pay Bill Register, Pay Bills etc are strictly followed.

10.6.2 The Internal Audit Party shall take an extract from the Register of P.P.Os in the Principal Accounts Office for the P.P.Os routed through it and those sent directly by the P.A.O. A test check of these cases as well as those paid by the originating Pay & Accounts Office itself will be carried out in the PAO, with reference to the pension papers received from the concerned Head of Office.

10.7 Programme for Internal Inspection

The internal inspection programme for each party will be chalked out by the internal audit organization with the approval of the Chief Controller/Controller/Deputy Controller in charge of Internal Audit Wing. Timely intimation of the proposed visit of inspection party will be sent to all the officers concerned. A copy of the programme will also be forwarded to the concerned PAO.

10.8 Records, Documents to be made available to The Internal Audit Parties

10.8.1 The Heads of the Offices that are to be inspected will be advised of the dates of inspection will in advance. A list of records proposed to be examined during internal audit shall also be prepared and sent to him along with the notice of inspection, so that these are kept ready before the arrival of the audit party.

10.8.2 The accounts records maintained will be made available promptly to the internal audit parties, by the offices visited.

Note 1: The payments made by a cheque drawing DDO during the selected month(s) will be verified by the internal audit party with reference to the counterfoils of cheques, copies of bank scrolls, Pay Bill Register and the office copies of the paid vouchers available with the DDO. It will not be necessary for the inspection party to obtain original paid vouchers etc. from the PAO. However, for payments relating to long term loans/advances etc. for which bills are presented to PAO for pre-check and payment, the Internal Audit Party shall obtain the list of payments made during the month(s) selected for audit from the PAO. This is for the purpose of checking that the cheques/bank drafts marked 'Account Payee' had been made over to the correct payees and their acknowledgements were obtained and for the

cheques/bank drafts issued in favour of the cheque-drawing DDO for arranging payment in cash, they had been entered in the cash book maintained by him.

Note 2: In the case of DDOs without cheque drawing powers, the Internal Audit Parties will check the original paid vouchers for the month(s) selected for audit, and may be obtained from the concerned PAO.

Note 3: The lists of payments and paid vouchers will be furnished by the PAO to the inspection party promptly, on receipt of necessary requisitions. The PAOs will also furnish a list showing particulars of discrepancies/defects or other irregularities if any, noticed during the course of scrutiny of bank scrolls with reference to the related paid vouchers and cheques remaining unsettled. Any other important issue requiring investigation may also be included in the list and furnished to the Internal audit parties for 'on the spot' examination and report.

Note 4: In the case of Divisional Offices working on the Public Works system, the paid vouchers and other original records pertaining to the month(s) selected for audit shall be similarly sent by the PAO to the Internal Audit Party. A record of paid vouchers furnished to/received back from internal audit will be maintained by the PAO in a register in the form given in Annexure 'A'. This register will be reviewed on monthly basis and necessary action shall be taken if the paid vouchers are not received back. It will be the Inspecting Officer's responsibility to return the vouchers immediately after completing the internal audit of the concerned office.

Annexure A

[Referred to in Note 4 below para 10.8.2]

REGISTER SHOWING PARTICULARS OF PAID VOUCHERS FURNISHED TO INTERNAL/STATUTORY AUDIT PARTIES

Sl. No.	Particulars of office to be audited	No. & date of requisition	No. & date of letter with which sent	Particulars of inspecting officer to whom sent	Month(s) to which the vouchers required pertain	No. of vouchers furnished	No. & date of letters with which vouchers received back	No. of vouchers received back	No. & date of reminders, if any, issued	Remarks
1	2	3	4	5	6	7	8	9	10	11

Note – Separate register will be maintained for recording particulars of vouchers supplied to the internal and statutory audit parties.

CHAPTER – 11

FUNCTIONING OF VARIOUS AUTHORITIES

11.1 Head of Office and Drawing and Disbursing Officer (DDO)

11.1.1 As per Article 53 of the Constitution of India, the executive powers vest with the President of India. The Council of Ministers headed by the Prime Minister advises the President on the exercise of these powers. Various Ministries/Departments functioning under the charge of Ministries are assisted by Heads of Department. All these authorities either take decisions or convey Government's decisions to the lower formations. These decisions are ultimately implemented by the numerous individual offices/units functioning throughout the county. Each of these offices is headed by a senior officer declared as Head of Office for that particular office.

11.1.2 The Head of Office, in charge of a particular office, is responsible to carry out various functions as per the directions of the Government and in accordance with various Rules and orders issued by the Government from time to time. The primary responsibility for preparation of Budget Estimates, Control of Expenditure, Maintenance of Accounts, looking after Recruitment and other staff matters, maintenance of discipline and decorum in the office, purchase of stores, etc. is entrusted to the Head of office. There are officers/ staff in different categories to assist the Head of Office.

11.1.3 The Departments of the Central Government, Heads of Departments and Administrators have powers (vide Rule 114 of Delegation of Financial Powers Rules, 1978) to declare any Gazetted Officer subordinate to them as the Head of Office. The Head of Office or any other Gazetted Officer designated as Disbursing Officer by a Department of the Central Government, a Head of Department or an Administrator [vide Rule 2 (xii) of GFRs] functions as the Drawing & Disbursing Officer for drawing bills and making payments on behalf of the Central Government and is responsible for all moneys received or disbursed in his office and the maintenance of accounts thereof. In accordance with Rule 35(2) of Central Government Account (Receipts and Payments) Rules, the Head of Office may, however, authorize any Gazetted Officer serving under him to sign a bill or order for him, communicating the name and specimen signature of the officer to the Pay and Accounts Officer (PAO) or cheque -drawing DDO/Treasury Officer with whom he has an account. This does not however, confer on the Gazetted Officer so authorized, any powers of the Head of Office, nor does it relieve the Head of Office in any way of his responsibility for the accuracy of the bill or for the disposal of the money received in payment.

11.1.4 The responsibility of running an office efficiently lies with the Head of office, assisted by the DDO on financial/accounting matters and in some of the establishment/administrative functions. The Heads of Offices and the Drawing and Disbursing Officers thus play a vital role in the efficient functioning of the Government.

11.1.5 In order to carry out his functions in an effective manner, the Head of Office is given the required powers, both financial and administrative. The Head of Office and the DDO should first acquaint themselves with their powers. There are Rules on financial and service matters which are followed by numerous orders/ administrative instructions etc. It is essential that the Heads of Offices/DDOs become conversant with at least the basic provisions of these Rules as they are expected to take independent decisions on such subjects within their powers.

11.1.6 Types of DDOs

There are three types of DDOs. The details of such DDOs are as follows:-

- (i) Cheque Drawing DDOs
- (ii) Non-cheque Drawing DDOs
- (iii) Merged DDOs

(i) Cheque Drawing DDOs

Under the departmentalized accounting system, all payments are to be made by the Pay and Accounts Offices of the Ministry/Department after pre-check. However, certain Drawing and Disbursing Officers of Offices which are located at the different station where there is no Pay and Account Office, have been vested with cheque drawing powers for arranging payments of specified nature. These DDOs are known as Cheque Drawing DDOs. The specified nature of payments are-Pay and Allowances (including T.A., Wages and Medical Claims), Office Contingencies, Advances from Provident Funds for all categories of staff, part final withdrawal and final withdrawals of accumulations in the GPF Account of Group D Government servants, payments arising under the Deposit Linked Insurance Scheme to Group 'D' Government servants, short term loans and advances to all Government servants. Bills for all other kinds of payments like payment of long-term loans and advances and for withdrawal from provident fund (other than Group 'D' staff), Pension, Gratuity etc. are to be presented by these DDOs to the PAO concerned for pre-check and payments.

(ii) Non-cheque Drawing DDOs

The DDOs which have not been vested with cheque drawing powers are known as Non-cheque drawing DDOs. These DDOs prepare and submit their bills for payments to their accredited PAO/Cheque Drawing DDO. After obtaining the cheques from the PAO/Cheque Drawing DDO, these DDOs handover the cheques to the concerned party/official or disburse the amount to the concerned officers after obtaining the cash from banks.

Note:- The difference between a Non-cheque Drawing DDO and Cheque Drawing DDO is that the former submits the bill to PAO/another Cheque Drawing DDO for pre-check and payment, whereas the latter draws the payment and then submits the paid vouchers to PAO for post-check.

(iii) Merged DDOs

In order to avoid duplicity in maintenance of accounts records/subsidiary accounts books in the office of DDO and PAO, merged DDO scheme at Secretariat level was introduced with effect from 1st April, 1986. Consequently, these DDOs have been placed under the control of Chief Controller of Accounts/Controller of Accounts/Dy. Controller of Accounts, as the case may be, under the overall charge of the Financial Adviser of the Ministry/Department concerned. Under this scheme, the maintenance of various broadsheets of long-term advances, short term advances and GPF ledgers etc. were done away with. The Bill Register maintained by merged DDO forms the basic record for all type of transactions in respect of personal claims. As such, schedules for provident fund, long-term advances, etc. need not be prepared and attached with the bills by these DDOs. However, schedules for license fees or other deductions for which the credits have to be passed on for adjustment in other accounting circles will continue to be attached with the Pay Bill for taking necessary action in Pay and Accounts Offices. These DDOs will also be responsible for watching the recoveries of Leave Salary and Pension Contribution in respect of persons lent on Foreign Service. The merged DDOs will also be responsible for expenditure control in regard to heads of accounts operated by them. Under the scheme of merged DDO, an examiner from the Office of PAO is to scrutinize the bills in the office of DDO and prepare the cheques thereof which are signed by the Pay & Accounts Officer.

11.2 Duties and Responsibilities of DDOs and Heads of the Office (HoO)

DDOs as authorized by the Head of the Office are required to carry out various functions. In this regard, duties and responsibilities of the DDO/HoO are as follows:

11.2.1 Duties regarding maintenance & rendition of Accounts

The Drawing & Disbursing Officer is personally responsible for the correct maintenance and timely rendition of accounts or returns in respect of public funds or stores handled in his office.

11.2.2 Specimen signatures of DDO signing cheques etc.

Every Government Officer who is authorized to (i) sign or countersign bills (ii) draw cheques, shall send specimen of his signatures to his Accounts Officer/branch bank concerned, duly attested by the relieving officer or through some superior officer whose specimen signature is already available with the Accounts Officer/ Bank concerned.

11.2.3 Security Deposits by Govt. servants handling cash/stores

The Drawing & Disbursing Officer shall see that, subject to the provisions of Rule 271 and 272 of GFRs, every Government servant, whether gazetted or non-gazetted, who is entrusted with the custody of cash or stores, is required to furnish security, for such amount as may be prescribed and to execute a security bond setting forth the conditions under which Government will hold the security and may ultimately refund or appropriate it.

NOTE 1 - The security to be taken from a Government servant should be in the form of cash or promissory notes or post office cash certificates or Ten Years Social Security Certificates or in other forms as mentioned in Rule 274 of GFRs.

NOTE 2 - To safeguard fully the interests of Government the security deposit taken from a Government servant should be retained for at least six months after the date when he vacates his post, but a security bond should be retained permanently or until it is certain that there is no further necessity for its retention.

NOTE 3 - Post Office saving bank pass books, deposit receipts of banks, fidelity bonds and security bonds or agreements should be kept in the safe custody of the Departmental authority authorized to accept security under Rule 275 of GFRs.

11.2.4 Instructions for handling cash by DDOs

The Drawing & Disbursing Officer shall ensure that, except where otherwise specifically authorized, Government money is kept in strong treasure chests secured by two locks of different patterns and the keys of one lock shall be kept apart from the keys of the other and in the custody of a different person wherever practicable. The chest shall not be opened unless both the custodians of the keys of the two locks are present. (It would, however be proper that the cash chests are embedded in an inner wall of the room occupied by the DDO or by the Cashier).

NOTE- Duplicate keys of the departmental treasure chest and promissory notes, savings certificates etc. received as securities can be kept for safe custody in the accredited Public Sector Bank free of charge, subject to the availability of adequate strong room facilities at the branch concerned and the observance of the usual banking procedure. Where these cannot be lodged in the relevant branch of the accredited bank, then they may be pledged with officers of higher rank than the custodian of the chest.

11.2.5 Maintenance of Cash Book

11.2.5.1 The DDO will ensure that all monetary transactions in his office are entered in a cash book in the prescribed form. The other important instructions mentioned in the ensuing paragraphs should be observed in this regard.

11.2.5.2 The cash book should be maintained in Form GAR 3/TR 4. It should be bound and its pages machine-numbered. Before bringing a cash book into use, the DDO should count the number of pages and record a certificate of count on the first page of the cash book.

11.2.5.3 All monetary transactions should be entered in the cash book as soon as they occur and be attested by the DDO in token of such check.

NOTE - ``Account payee cheques'' issued by the PAOs/Cheque-Drawing DDOs in favour of Government servants and third parties, being payable only to the parties, need not

be entered in the cash book. The delivery and acknowledgements of such cheques should, however, be watched through a separate register.

11.2.5.4 The cash book should be closed regularly and completely checked. The DDO should verify the totaling of the cash book or have this done by some responsible subordinate other than the writer of the cash book and initial it as correct.

11.2.5.5 At the end of each month, the DDO should verify the cash balance in the cash book and record a signed and dated certificate to that effect. In case, such verification of the balance is not possible on the last working day due to disbursement of salary, the cash verification may be done on the first working day of the next month before any transaction arises on that day.

NOTE - The monthly verification of cash should be supplemented by a surprise check of cash by some responsible official to be nominated by the Head of Office.

11.2.5.6 When Government moneys in the custody of a Government Officer are paid into Government account in the accredited bank, the DDO making such payments should compare the Bank's receipt on the pay-in-slip/challan with the entry in the Cash Book before attesting it, and satisfy himself that the amount has been actually credited into the bank.

11.2.5.7 An erasure or overwriting of an entry once made in the Cash Book is strictly prohibited. If a mistake is discovered, it should be corrected by drawing the pen through the incorrect entry and inserting the correct one in red ink between the lines. The DDO should initial every such correction and date his initials invariably.

11.2.5.8 A Government Officer who handles Government money should not, except with the special sanction of the Head of the office, be allowed to handle also in his official capacity, money which does not belong to the Government. Where under any special sanction, a Government Officer deals with both Government and non-Government money in his official capacity, the Government money should be kept in a cash box separate from the non-Government money and the transactions relating to the latter should be accounted for in a separate set of books and be kept entirely out of the Government account.

NOTE 1: The duties mentioned above required to be performed by the Head of Office himself may be entrusted to a subordinate Gazetted Officer nominated by the Head of Office for the purpose.

NOTE 2: In the case of large receipts, a register of valuables as prescribed in Note 3 below Rule 13 of Central Government Account (Receipts & Payments) Rules [GCA (R&P) Rules] may be maintained.

11.2.5.9 The employment of peons to fetch or carry cash should be discouraged. Where it is absolutely necessary to employ one for this purpose, a person of some length of service and proved trustworthiness should only be selected.

11.2.6 Drawal and Disbursement of Pay & Allowances

11.2.6.1 The Head of Office is personally responsible for the amount drawn on a bill, signed by him or on his behalf until he has paid it to the person(s) entitled to receive it and has obtained a legally valid acquittance.

11.2.6.2 In a case where a Government servant is physically unable to sign the acquittance, the payment should be made to the person who has been nominated by the Government servant to receive his Provident Fund dues.

11.2.6.3 If for any reason, payment cannot be made within the course of the month, the amount drawn should be refunded by short drawal in the next bill and when the occasion for making the payment arises, the amount may be drawn afresh under Rule 89 of CGA (R&P) Rules.

NOTE :- The amount of undisbursed pay and allowances may, at the option of the Head of the Office, be retained for any period not exceeding three months, provided that proper arrangements are made for the safe custody of the sums retained.

11.2.6.4 Accounts of the Undisbursed amounts.- An account of Undisbursed pay and allowances should be kept in a Register in Form GAR 25/TR 71. Entries of the total and particular amount of undisbursed pay and allowances may be made against each bill serially and subsequent payments thereof entered in the appropriate columns of the Register and the Cash book, each such entry being attested by a Gazetted Officer. From this Register, an abstract of amounts remaining undisbursed for three months should be prepared in order to ensure their refund either in cash or by short drawal from the next bill.

11.2.6.5 Pay and allowances can be drawn for the day of the Government Servant's death irrespective of time of death. 'Day', for this purpose means the calendar day beginning and ending at midnight.

11.2.6.6 Dues in respect of pay and allowances of all kinds claimed on behalf of a deceased Government servant upto and including the day of death may be paid without the production of usual legal authority, if the Head of Office is satisfied about the right of claimant. If the gross amount of the claim exceeds Rs.10,000/-, payment may be made by Head of Office only on the execution of an indemnity bond in form GAR 26 duly stamped for the gross amount due for payment after obtaining two sureties.

11.2.6.7 Attachment of Salary.- It is the duty of the officer [Head of Office/DDO] receiving the attachment order from the Court of Law that proper deduction is made in satisfaction of such order from the pay of the Government Servant concerned and to keep a record of such deductions in Form GAR 22.

11.2.7 Recoveries on account of Professional Tax & dues of Coop. Societies etc.

Recoveries from the salaries of Government servants on account of profession tax levied under an Act of a State Government and dues of Co-operative Societies registered under the various Co-operative Societies Acts, where such Acts impose a statutory obligation on the Government to effect such recoveries, shall be made by the drawing and disbursing officer in accordance with such procedure as may be laid down by Government from time to time.

NOTE:- A drawing and disbursing Officer may effect recoveries on account of dues of Co-operative Societies from the salary payable to a Government servant provided that Government servant authorizes the Disbursing Officer in writing.

11.2.8 Maintenance of Bill Register

A bill register in Form GAR 9/TR 28-A should be maintained by DDOs. The register should be reviewed monthly and the result of the review recorded thereon.

11.2.9 Procedure for Receipts against the amounts received & rendition of accounts

11.2.9.1 The Head of Office receiving moneys on behalf of the Government must give the payer a receipt (GAR 6/TR 5) duly signed by him or by any subordinate officer authorised by him after satisfying himself that the amount has been properly entered in the cash book.

NOTE 1:- The procedure in regard to the grant of receipt to be followed in respect of cheques, bank drafts, postal orders tendered in payment of Government dues, the form and custody of receipt books and issue of duplicates or copies of receipts etc. is laid down in Rule 19 to 23 of CGA (R&P) Rules or in other departmental regulations.

NOTE 2:- The head of account to which the receipt is creditable should be clearly indicated in the challan form.

11.2.9.2 All moneys received by or on behalf of Government either as dues of Government or for deposit, remittance or otherwise should be immediately brought to account by the DDO in the cash book and remitted into the Bank.

NOTE:- These receipts should not be utilized to meet departmental expenditure except in certain cases by Deptt. of Posts, Deptt. of Telecommunication, Railways, Public Works Deptt. etc.

11.2.10 Departmental Officers other than Cheque Drawing DDO's

11.2.10.1 Departmental Officers (other than cheque drawing DDOs) located at the same station as of the PAO should remit the collections received in cash or by local cheques/demand drafts into the bank in which the PAO holds an account duly supported by a pay-in-slip (challans).

11.2.10.2 They should send to the PAO a weekly list of remittances into the bank to enable the latter to verify the corresponding credits in the Bank Scroll received by him from the Bank.

11.2.10.3 Departmental Officers located at a station other than that of the PAO should accept receipts either by Bank Draft drawn in favour of the PAO concerned or in cash which should be converted into a demand draft drawn in favour of the Pay and Accounts Officer. They should then remit these demand drafts to the PAO for credit to Government Account.

11.2.11 Duties of Cheque Drawing DDOs

11.2.11.1 The receipt accepted by the Cheque Drawing Officer should be remitted into the branch of the Bank accredited to that officer on prescribed pay-in-slip (challans).

11.2.11.2 Based on the pay-in-slip (challans) received by him the cheque drawing officer shall prepare a weekly statement of receipts, indicating the No. and date of the pay-in-slip (challan), name of the depositor, and the amount deposited and check the entries with the Bank Scroll received by him. He should also reconcile discrepancies, if any, between his figures and those in the Bank Scrolls and send a monthly bank reconciliation statement in the prescribed form to the PAO concerned.

NOTE :- In the case of revenue earning departments like CBEC, CBDT, etc. the detailed procedure for crediting revenues into the banks and their reconciliation etc. as laid down in various office Orders/Instructions will be followed.

11.2.12 Refunds of Revenue

11.2.12.1 The procedure for payment of refund of revenue as laid down in Rules 139 to 145 of CGA (R&P) Rules should be observed except that the bill for refund of revenue should be presented to the PAOs to whom the departmental officers are attached. The PAO will, before making payment, verify the original credit from his records.

11.2.12.2 In the case of refunds of revenue which were originally deposited before the date of departmentalization of accounts and accounted for by the Treasuries, the departmental officers will first send the bill to the treasury officers concerned for verifying the original credit with reference to the details in columns 4 and 5 of the refund bill GAR 33/TR 41 and for affixing their Treasury Officer's (TOs) signature in column 6 in token of having done so. After due certification by the Treasury Officer the bills should be presented by the Departmental officers to the PAOs concerned for making payment. The PAOs will ensure that the above requirements have been complied with.

11.2.13 Defalcations & Losses

11.2.13.1 Save as otherwise specifically provided, any loss or shortage of public money, departmental revenue or receipts, stamps, stores or other properties held by or on behalf of Government, caused by defalcation or otherwise including losses and shortages, noticed as a

result of physical verification, should be reported immediately by the subordinate authority concerned to the next higher authority.

11.2.13.2 The subordinate authority should also report the losses and shortages (other than petty losses and shortages not exceeding Rs.2,000 in each case) to the Principal Accounts Officer of the Ministry/Department and the Statutory Audit Officer, even when such loss has been made good by the party responsible.

NOTE :- The above mentioned duties/responsibilities are not exhaustive and the relevant provisions may be referred to, as updated from time to time.

11.2.14 Following points should be kept in mind by the DDOs/HoDs while carrying out their duties

(a) Cash & Accounts

1. All monetary transactions should be entered in the cash book in the prescribed form as soon as they occur and duly attested.
2. The cash book should be closed regularly and checked. At the end of each month the cash balance should be verified physically.
3. In respect of Government moneys paid into the bank, the relevant entry in the cash book should not be attested unless the bank's receipt on the challans is verified.
4. No money should be disbursed unless a legal acquittance from the person(s) entitled to receive the amount drawn on a bill is obtained.
5. An account of undisbursed Pay & Allowances should be kept in a register in form GAR 25 and the amounts remaining undisbursed for 3 months should be refunded.
6. For all moneys received, receipts in the prescribed form GAR 6 should be issued and it should be ensured that such receipts have duly been entered in the cash book.
7. All moneys received in cash or by cheques/Demand Drafts should be promptly paid into the bank/sent to the PAO, as the case may be.
8. A proper account of expenditure and revenue receipts should be rendered to the PAO by the prescribed dates and in the prescribed forms.
9. Save as otherwise specifically provided, any loss or shortage of public money, stamps, stores or other properties caused by defalcation or otherwise should be immediately reported to the next higher authority as well as to the Principal Accounts Officer and the concerned Audit Officer.

(b) Withdrawal from Government Account

1. No expenditure should be incurred without the sanction of the competent authority.

2. All charges actually incurred must be drawn and paid at once and under no circumstances be allowed to stand over to be paid from the next years' grants.
3. No money should be drawn in anticipation of demand or to prevent lapse of budget grant.
4. Expenditure relating to two or more major heads should not be included in one bill and full account classification must be recorded on each bill.
5. Expenditure control register should be maintained to exercise an effective check over expenditure against the budget allotment.
6. Bills for pay, leave salary and allowances should be prepared separately for:-
 - (i) Establishments whose charges are debitable to different heads of Accounts,
 - (ii) Personnel to whom salary is payable individually by cheque, and
 - (iii) Group 'D' Employees.
7. T.A. claim not preferred within one year from the date on which it became due should be dealt with in accordance with the provisions of SR 194-A and the Government of India Orders thereunder.
8. Contingent charges should not be drawn in advance in abstract bills except in the case of contingent charges requiring countersignature by the Controlling authority after payment. In such cases the amount of each sub voucher in support of the charges should be given in the Abstract bill.

(c) Cheque Drawing DDOs

1. Cheque Drawing DDOs should pay such claims only by cheque (e.g. pay and allowances, office contingencies etc.) as they have been authorized to entertain. Bills for other kinds of payments should be presented to the PAO concerned, and such bills should in no case be paid directly by the Cheque Drawing DDOs.
2. It should be ensured that cheques are not drawn in excess of the limits prescribed in the letters of credit.
3. The bills should be subjected to the prescribed checks enumerated in CGA (R&P) Rules/CAM before they are passed for payment.
4. All cheques should be drawn in cheque books supplied by the PAO, and the instructions contained in the Central Government Account (Receipts & Payment) Rules with regard to cheques and cheque books should be followed.

(d) Service Books

1. A service book should be maintained by the Head of Office for every Government servant (Gazetted and Non-Gazetted) holding a substantive post or a temporary post likely to last for more than one year and every step in a Government servant's official life should be recorded in the service book and attested by Head of Office.

2. The Head of Office should show the service book to each Government servant every year and obtain his signature therein in token of his having inspected the service books.
3. The Head of Office should scrutinize at least ten percent of the service books every year.
4. In the beginning of each year, all the service books should be taken up for verification of service and a certificate of verification of service recorded therein.
5. A note should be kept in the service book regarding the receipt of nominations for Death Cum Retirement Gratuity (DCRG) and Family pension, etc and related notices from the Government servant and also indicating as to where they have been lodged for safe custody.

(e) Central Government Employees Group Insurance Scheme

1. The Head of Office should ensure that a suitable note has been made regarding membership of the scheme and the employees have been informed accordingly.
2. Nomination(s) in prescribed form should be obtained from the Government servant without delay, duly countersigned by the Head of Office and pasted in the Service book.
3. The Head of Office should ensure that the Group-wise register of members are maintained in the prescribed form and kept up-to-date. He should also ensure that the necessary verification/certification of the correctness of the deductions of Subscriptions from the salaries as noted in the register is done annually by the concerned DDO.
4. The rate of subscription for the scheme is fixed according to the Group to which an employee belongs, and the salary for January, determines the rate of subscription. In the case of promotion of an employee from one Group to another, the Subscription should be revised from next anniversary i.e January of the following year. The DDO should ensure that once an official has been admitted to a higher Group, the rate of subscription at enhanced rate continues and is not reduced even if the official is reverted to a lower post, from a later date.
5. In the case of death of a Government servant who is a member of the Scheme, the Head of Office should ensure that payment on account of insurance as well as saving fund is drawn without delay from the PAO and disbursed to the nominee (s), as per nomination.
6. In the case of resignation or retirement, saving fund balance should be drawn promptly from the PAO and disbursed to the official.

(f) Finalization of Pension Case

1. The Heads of Offices should see that pension cases are finalized expeditiously and there should be no delay in the payment of pensions, Death Cum Retirement Gratuity (DCRG) and commuted value of pension.

2. The preparation of pension papers should be initiated two years before the retirement of the Government servant. Verification of the qualifying service including completion of service books to be completed 8 months in advance of the date of retirement of the Government servant.
3. The pension papers duly completed after determining the qualifying service, the average emoluments and the admissible Pension and gratuity should be sent to the PAO not later than six months before the date of retirement of Government servant.
4. In exceptional cases, where it is not found possible to complete the pension papers within the prescribed time schedule, the Head of Office should authorize the payment of provisional pension, gratuity and commuted value of pension by the first of the month in which it is due.
5. In order to ensure timely finalization of pension case, suitable action should be taken to ascertain Government dues including license fee in respect of Government accommodation well in time and to adjust them in accordance with the prescribed procedures.

(g) Maintenance of GPF Accounts of Group 'D' Employees

1. All permanent employees and temporary employees in continuous service of more than one year should be assigned GPF Account Numbers.
2. A ledger account for each subscriber should be maintained in the prescribed form and posted every month from the schedule of GPF deductions.
3. A broadsheet in the prescribed form should be maintained and posted every month directly from the ledgers and not from the schedules or vouchers.
4. The total of monthly debits and credits on account of GPF (Group 'D') should be reported every month to the Head of Department in the prescribed form and on the prescribed date.
5. Interest for each year should be calculated and entered in the ledger accounts as well as in the broadsheet. The amount of bonus admissible under the New Incentive Bonus Scheme should also be posted in the ledger accounts and in the broadsheet. A statement of interest/bonus thus credited should be sent to the Head of Department by the prescribed date.
6. A pass book should be issued to each subscriber in the prescribed format.
7. At the end of each year the pass books should be collected for completion and returned to the subscribers.
8. Final payment of GPF moneys should be made, after the accounts have been thoroughly checked. In the case of a Government servant dying in harness, payment on account of Deposit-linked Insurance Scheme should also be made along with GPF balance to the nominees (s) of the deceased Government servant.

(h) Advances to Government Servants

1. The Head of Office should ensure that the conditions attached to the grant of advances are fulfilled and that proper accounts are maintained.
2. Recoveries of advances and of interest wherever recoverable should be affected in time and delayed on no account.
3. The detailed accounts of all short term advances and their instalment of recovery should be maintained by the Head of Office.
4. Every payment of advance should be entered in the pay bill register and the recoveries affected along with the interest, if any, should be noted in that register.
5. A monthly abstract of recoveries in the prescribed form (but not of interest) should be prepared and attached to the last Pay Bill for a month.
6. Discrepancies pointed out by the PAO in the monthly abstracts should be attended to promptly.
7. In the case of transfer of a Government servant from one office to another, the amount of each such advance paid and the balance outstanding should be mentioned in the L.P.C.

(i) Stores

1. Purchase orders should not be split up to avoid the necessity of obtaining the sanction of higher authority.
2. All materials received shall be examined, counted, measured or weighed as the case may be, when delivery is taken and they should be taken charge by a responsible Government Officer.
3. A physical verification of all stores should be made at least once in every year.
4. Previous sanction of the Controlling authority should be obtained to the write off of all losses, deficiencies or depreciation in the value of stores.

(j) Miscellaneous:

1. All accounts/records are maintained in the prescribed forms,
2. Payment made by the cheque drawing DDOs should be in accordance with the Rules and orders governing them. Their arithmetical calculations should be correct and the recoveries/deductions made from bills are in order. The lists of payments accompanied by paid vouchers are sent every week to the concerned Z.A.O. by the prescribed dates,
3. The instructions for the maintenance of cash book, contingent register, stock and stores accounts, log books and other accounts records are duly observed,
4. 'Account payee' Cheques (in favour of government servants and third parties being payable only to the concerned payees) issued by Z.A.Os after pre-check of relevant

bills to DDOs, to be entered in the cash book and delivery/acknowledgement of such cheques to be watched through a separate register required to be maintained for this purpose.

5. DDO's should ensure that pay has been fixed correctly,
6. The weekly accounts for receipts with duplicate copies of challans are being sent to the concerned Z.A.O.
7. Purchases are made as per Rules and orders governing them. If in any case, lowest quotations have not been accepted, reasons thereof to be duly recorded,
8. All sub-vouchers pertaining to contingent charges not sent to the Z.A.O. along with contingent bills are made available for inspection, and these are in order and have been duly cancelled,
9. G.P.F Accounts of Group 'D' employees are maintained properly,
10. The instructions for processing/submission of pension cases to the concerned Z.A.O are being observed,
11. Payment entries have been correctly made in the pay bill register and that recoveries are being affected regularly from the concerned Government servant and also check correctness of entries in the monthly abstracts of recoveries, especially entries relating to 'transfer In' and 'transfer out' cases,
12. Scrutinize every Personal Deposit Account in operation.

11.3 Registers to be maintained by DDOs.

Each Drawing & Disbursing Officer/Head of Office is required to maintain various accounts registers. Some of them are mentioned as below:

1. Bill register

Bill register is the nucleus of all financial transaction/activity emanating at the level of the Drawing & Disbursing Officer, and as such this register should be maintained with precise care and accuracy. Each bill should be numbered and dated starting from Bill No. 1 onwards from 1st April and numbering should continue till the last day i.e. 31st March of each financial year before its submission to the Treasury Office for payment orders/passing by the concerned treasury. The position of bills so sent to the treasury should be periodically monitored by the Drawing & Disbursing Officer himself/herself so as to know the status of the bill whether it has been passed for payment or objected. As soon as cheques for the bills presented for payment are received, the same shall be noted in the appropriate column of the Bill Register and the DDOs will ensure that the amounts of cheques tally with the net amount of the bills presented. In case any retrenchment is made by the PAO, a note of such retrenchments should be kept against the bill in the remarks column in TR 28-A. The bill register should be referred to by the Drawing & Disbursing Officer while checking and signing the entries recorded in the cash book by the writer of the cash book. Similarly, this register must be referred to

while comparing the treasury schedules/voucher numbers received from the treasury. The bill number allotted serially to a particular bill must be tallied by the Drawing & Disbursing Officer while signing corresponding entries of the bills in other accounts registers such as contingent registers/token registers/loans and advances registers and so on.

2. Contingent register

Each bill for the drawal of money under Standard Object of Expenditure (SOE) should be entered sub-voucher wise in the contingent register, classifying expenditure for each particular charge i.e. service postage charges, water and electricity charges, telephone charges, rent, rate and taxes, stationery, POL (petrol, oil and lubricants,) other miscellaneous office expenses etc. so as to know the trend of progressive expenditure under each classification and take measures to restrict the expenditure to the authorized ceiling limits. The correct and updated maintenance of the contingent register provides two pronged assistance to the Drawing & Disbursing Officer. Firstly, to restrict the flow of expenditure item-wise and secondly, to exercise full vigil and control on the total budget under each Standard Object of Expenditure (SOE).

3. Monthly and quarterly expenditure register

The bill wise consolidated expenditure under each SOE incurred during each month should be reflected in the monthly expenditure register and the progressive total of expenditure incurred from 1st April onwards in each financial year should be deducted from the total budget allotment under each SOE to exercise proper control on expenditure. Monthly reconciliation of expenditure should be done by each Drawing & Disbursing Officer with the concerned treasury office regularly each month and a certified statement of reconciliation done at the treasury and Drawing & Disbursing Officer level should be submitted to the competent authority by the 10th of the following month.

4. Token register

Token register is one of the important documents to be maintained at the Drawing & Disbursing Officer level. Each bill submitted to the treasury should be entered in the token register on the standard format and the bills presented at the treasury should be handed over and received back by the Drawing & Disbursing Officer level to avoid any loss/misplacement of bills in transit. The objected bills when received back and again presented at the treasury after attending to the observations should again be entered in the Token Register and transacted following the same procedure. The status of the bills presented and received back by the Drawing & Disbursing Officer should be regularly reviewed by the Drawing & Disbursing Officer to keep a proper track of the bills prepared, presented, received back and encashed. The token register along with the bill register/ bill book should invariably be personally checked and referred to by the Drawing & Disbursing Officer while comparing the treasury schedule and writing and signing the cash book, in order to detect and rectify the discrepancies and to ensure the correctness of the entries recorded in the cash book.

5. Loans and advances register

In order to exercise proper check on the recoveries of short-term as well as long-term loans and advances drawn by the employees, the loans and advances register must be prepared and regularly updated each month. The monthly deductions made from the salary or otherwise, i.e. credit through treasury challans from the employee concerned towards loan should be regularly incorporated in the register. The details of balance of recoveries to be effected must invariably be reflected correctly in the last pay certificate and conveyed to the next Drawing & Disbursing Officer in the event of the employee being transferred to other office/Institution. It may also be borne in mind by the Drawing & Disbursing Officer that the amount recoverable from the employees on account of payments of short-term advances such as travelling expenses, pay advance, medical advance, LTC advance etc. is fully adjusted and recovered from the concerned employee within the stipulated time-limit and in the manner prescribed in the rules/Instructions applicable in each case. Any delay or laxity on the part of the Drawing & Disbursing Officer in the adjustment or full recovery of loans/advances constitutes a grave financial irregularity on the part of the Drawing & Disbursing Officer and renders himself/herself liable to action and such a situation should be scrupulously avoided at all levels.

6. Expenditure control and budget check register

The main object of maintaining the expenditure control and budget check register at the Drawing & Disbursing Officer level is to exercise proper control on the flow of expenditure within the authorized limit. It is, therefore, imperative that each bill prepared under each SOE (Standard Object of Expenditure) should be entered in the budget check register. The position of the expenditure already incurred and balance funds available should be regularly reviewed by the Drawing & Disbursing Officer to avoid unbalanced and unplanned expenditure, as well as, rush of expenditure at the fag end of the financial year. The Drawing & Disbursing Officer should, therefore, carefully assess the need-based minimum requirements, lay down the priorities, plan spending and ensure utilization of the budget allotments in the manner conforming to the Rules and allied instructions/guidelines issued by the Government/Department from time to time.

7. Stores and stock register

As a custodian of the Government property, it is incumbent on the part of each Drawing & Disbursing Officer/Head of Office to maintain stock and stores register properly in the manner prescribed under the relevant Rules/Instructions. The Officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances.

The form of the stock accounts mentioned above shall be determined with reference to the nature of the goods and materials, the frequency of the transactions and the

special requirements of the concerned Ministries/Departments. It is to be ensured that the register is maintained properly, neatly and complete in all respects, duly authenticated by the Drawing & Disbursing Officers at the appropriate place so that it serves the intended purpose, including that of audit and inspection of accounts.

8. Ledger:

Ledger is the principal book for writing down the amount of funds received and spent. It should be maintained scrupulously.

9. Maintenance of Cash Book

The DDO will ensure that all monetary transactions in his office are entered in a cash book in the prescribed form. Following should be observed in this regard.

- (i) The cash book should be maintained in form GAR 3/TR 4.
 - (ii) It should be bound and its pages machine-numbered.
 - (iii) Before bringing a cash book into use, the DDO should count the number of pages and record a certificate of count on the first page of the cash book.
10. A suitable register should be maintained by every Drawing & Disbursing Officer for recording all amounts disallowed by the PAO under Rule 73 of CGA(R&P) Rules. Separate columns may be provided to show the name and office of the person from whom the recovery is to be affected, the nature and amount of the over-payment and the method by which it has been adjusted.
11. All Drawing & Disbursing Officers shall maintain a separate expenditure register in Form GFR 9, for allocation under each minor or sub-head of account with which they are concerned. On the third day of each month, a copy of the entries made in this register during the preceding month shall be sent by the officer maintaining it, to the Head of the Department or other designated Controlling Officer. This statement shall also include adjustment of an inward claim, etc., communicated by Pay and Accounts Officer, directly to the DDO.
12. Separate Registers shall be kept for
- (i) Fixed Assets such as plant, machinery, equipment, furniture, fixtures etc. in the Form GFR-40.
 - (ii) Consumables such as office stationery, chemicals, maintenance spare parts etc. in the Form GFR-41.
 - (iii) Library books in the Form GFR 35
 - (iv) Assets of historical/artistic value held by museum/government departments in the Form GFR-42.

11.4 Principal Chief Controller of Accounts and Zonal Accounts Office

11.4.1 The Principal Chief Controller of Accounts (Pr. CCA) is the apex authority of the accounting organisation of the Central Board of Direct Taxes. Under the Departmentalized set up, the Pr. CCA, CBDT has been assigned the function relating to accounting of all receipts and refunds pertaining to the Direct Taxes, the expenditure relating to Income Tax Departments and conducting internal audit for the Income Tax Department, its attached offices and the Banks engaged in direct tax work. Pr. CCA, CBDT oversees and monitors the overall banking operations in regard to collection and refund of direct taxes and their reconciliation & remittance, to the Government account. It also renders financial and technical advice to the Ministry of Finance on matters relating to collection, accounting, remittance expenditure and reconciliation of direct taxes. The Pr. CCA, CBDT has 52 Zonal Accounts Offices (ZAO) all over the country to discharge the aforesaid responsibilities.

11.4.2 The Zonal Accounts (ZAO) has been formed to look after the accounts of the Income Tax Department of various zones and works as the accounts office of the field formation of Central Board of Direct Taxes. Zonal Accounts Office under CBDT prepares two separate accounts i.e. Revenue Accounts and Expenditure Accounts, monitors the collections under various Direct Taxes, prepares reports to impose penal interest on banks for delayed remittances, reconciles figures with banks etc.

11.4.3 Apart from this, ZAO along with Field Pay Units (FPUs)/Cheque Drawing & Disbursing Officers (CDDOs) makes payment of salaries and all other types of Establishment Bills, settles the retirement benefits, maintains GPF Accounts, settles recoveries deducted from salary bills of Government Employees in respect of Income Tax Department such as Income Tax, License Fee, New Pension Scheme (NPS) subscription, reconcile accounts figures with Income Tax Department etc.

11.5 Duties and responsibilities of ZAO

Duties and responsibilities of ZAO in brief are as under:

- 1) Make Budget Provisions and check against Provision of Funds.
- 2) Scrutiny of Distribution of grants Appropriation, check of Re-appropriation orders and scrutiny with reference to the guidelines on 'New Service/New Instrument of Service'
- 3) Check the sanctions for Expenditure. Mandatory review of sanctions above Rs. 50 lakhs and 1 crore by Deputy Controller of Accounts/Chief Controller of Accounts, respectively.
- 4) Check the Classification in Accounts.
- 5) Allocation of Expenditure between Capital and Revenue.
- 6) General instructions on Classification of Expenditure.

- 7) General checks to be exercised in respect of bills submitted for Pre-Check.
- 8) Check of Establishment Pay Bills.
- 9) Check of Increment Certificates.
- 10) Check of Last Pay Certificate.
- 11) Check of Pay Fixation Cases.
- 12) Check of Overtime Allowance Claims.
- 13) Check of Children Education Allowance/Tuition Fees.
- 14) Check of Travelling Allowance Bills.
- 15) Leave Travel Concession to Central Government Servants.
- 16) Check of Medical Reimbursement Claims.
- 17) Checks on various types of contingencies.
- 18) Call charges
- 19) Fee for Engagement of Lawyers
- 20) Cancellation of Sub Vouchers
- 21) Check of Grant in Aid Bills
- 22) Check of Scholarship bills
- 23) Loans and Advance Bills
- 24) Long Term Advances to Government Servants
- 25) Check of contracts
- 26) Final Post Check of Bills Paid after Pre-Check
- 27) Post Check of Bills Paid by Cheque Drawing DDOs
- 28) Compilation of expenditure and receipt Account and submission to principal accounts office
- 39) Transfer Entries
- 30) Maintenance of Provident Fund Accounts as follows:
 - a) Nominations
 - b) Subscriptions
 - c) Advances from the GP Fund and Corresponding Provisions of CPF (India) Rules
 - d) Withdrawal from the GP Fund and Corresponding Provisions of CPF (India) Rules
 - e) Transfer of GP Fund Account

- f) Maintenance of GP Fund Account
 - g) Maintenance of BROADSHEETS
 - h) Annual Closing of Account
 - i) Register of Missing Credit/Debit
 - j) Transfer of GPF Balances in Respect of Staff under the Jurisdiction of Merged DDOs and their Reconciliation
- 31) Final settlements of pension and other retirement benefits, GPF, leave encashment, CGEGIS etc.
 - 32) Bank reconciliation and review of balances under Debt. Deposit and Remittance Heads.
 - 33) Quarterly assignment by means of Letter of Credit (LOC)
 - 34) Preparation and submission of Management Information System (MIS) and other reports and returns to concerned quarters.

Details of action taken by the Zonal Accounts Office in respect of bank reconciliation-Revenue transaction of CDBT is given under para 15.13 to 15.19 of Civil Accounts Manual.

11.6 Coordination between DDO and ZAO

11.6.1 As a general rule, in the departmentalized system of payment, all payments are to be made only by the Pay & Accounts Offices of the Ministry/Department after proper pre-check. However, as a partial exception to this rule, the Drawing and Disbursing officers of offices which are not located at the same station as of the Pay & Accounts Office, may be permitted to draw funds directly from the local branches of the bank accredited to the Ministry/Department concerned by means of cheques, for payment of pay and allowances (including travelling allowances and medical claims-both advances and final bills) and office contingencies. Bills for other kinds of payments will be presented to the Pay and Accounts Office concerned for pre-check and payment by bank drafts. Such bills shall in no case be paid directly by the DDO. Therefore a cheque drawing DDO assists and co-ordinates with ZAO in functioning at the places where no ZAO or PAO is located. This is further detailed in following paragraphs.

11.6.2 The Cheque-Drawing DDO will draw cheques only on the branch/branches of the RBI/SBI or its subsidiary or the public sector bank, with which he has an account and the bank will make payment of cheques upto the limit prescribed in the letter of credit. The DDO should keep a close watch over the drawals and should take prompt action for the renewal of the letter of credit by assignment of additional funds by PAO, when needed.

11.6.3 In addition to pay and allowances and office contingencies, Cheque-Drawing DDOs are also authorized to make payments by cheques, of the claims of the following categories after sanction of the competent authority a copy of which should be sent to the Pay & Accounts Office :-

- (a) Final payment of GPF moneys and withdrawals of moneys from GPF for Group 'D' Government servants.
- (b) All short-term loans and advances to Government servants (i.e. those recoverable in less than 60 installments).

11.6.4 In the case of Provident Fund advances paid by the Drawing & Disbursing Officer, a statement of the amounts paid and the particulars of the sanction, names of subscribers, their account numbers, etc, should be forwarded to the PAO every month, to enable the latter to ensure that the debit vouchers are received and posted in the accounts of the subscribers and that the debits adjustable by Accounts Officers of other Department/Governments are passed on to them without fail

11.6.5 Cheque-Drawing DDOs shall prepare a list of payments in triplicate in the prescribed form CAM 21 at the end of every week. Two copies of the list of payments accompanied by the paid vouchers, schedules etc. should be sent to the Pay & Accounts Office on the due dates as mentioned below:-

- (a) 1st to 7th by the 9th of the month
- (b) 8th to 14th by the 16th of the month
- (c) 15th to 21st by the 23rd of the month
- (d) 22nd to the end of the month by the 3rd of the following month

11.6.6 The Cheque-Drawing DDOs should prepare a bank reconciliation statement every month and send it to the Pay & Accounts Officer.

11.6.7 Departmental Officers (other than cheque drawing DDOs) located at the same station as the PAO should remit the collections received in cash or local cheques/demand drafts into the bank in which the PAO holds an account duly supported by a pay-in-slip (challans).

11.6.8 They should send to the PAO a weekly list of remittances into the bank to enable the latter to verify the corresponding credits in the Bank Scroll received by him from the Bank.

11.6.9 Refunds of Revenue

11.6.9.1 The procedure as laid down in Rules 139 to 145 of CGA (R & P) Rules should be observed in the case of refunds of revenue, except that the bill for refund of revenue should be presented to the PAOs to whom the departmental officers are attached. The PAO, before making payments, verify the original credit from his records.

11.6.9.2 A suitable register should be maintained by every disbursing officer for recording all amounts disallowed by the PAO under Rule 73 of CGA (R & P) Rules. Separate columns may be provided to show the name and office of the person from whom the recovery is to be affected, the nature and amount of the overpayment and the method by which it has been adjusted.

11.6.9.3 The DDO should attend promptly to all objections and orders communicated to him by PAO.

11.6.9.4 When the PAO disallows a payment as unauthorized, the DDO is bound not only to recover the amount disallowed without heeding any objection or protest but to decline to pay it in future till the PAO authorises the resumption of the payment.

11.6.10 Monthly reconciliation of the figures

The Head of the Department and the Accounts Officer shall be jointly responsible for the monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's books. The procedure for reconciliation shall be as follows:-

- i) DDOs shall maintain a Bill Register in Form TR 28-A, and note all bills presented for payment of the PAO in the register. As soon as cheques for the bills presented for payment are received, these will be noted in the appropriate column of the Bill Register and the DDOs will ensure that the amounts of cheques tally with the net amount of the bills presented. In case any retrenchment is made by the PAO, a note of such retrenchments should be kept against the bill in the remarks column in TR 28-A.
- ii) The PAOs shall furnish to each of the DDOs including Cheque-drawing DDOs, an extract of the expenditure control register or the Compilation sheet every month indicating the expenditure relating to grants controlled by him classified under the various major –minor detailed head of accounts.

The statements for May to March should also contain Progressive Figures.

- iii) On receipt of these extracts from the PAO the DDOs should tally the figures received, excluding book adjustments, with the expenditure worked out for the month in the GFR 9 register. Discrepancies, if any, between the two sets of figures should be promptly investigated by the DDO in consultation with the PAO. He will also note in the GFR 9 register the particulars of book adjustments advised by the PAO through the monthly statement. Thereafter, the DDO should furnish to the PAO a certificate of agreement of the figures as per his books with those indicated by the PAOs by the last day of the month following the month of accounts.

11.6.11 Pension cases

11.6.11.1 Head of office is required to forward pension papers in Form-5 and Form-7 along with the service book and other documents complete in all aspects for verification to the Pay and Accounts Office and further processing. The Head of Office has to forward the pension papers to the Pay and Accounts Officer not later than six months before the date of retirement of the Govt. servant. He should also retain a copy of all these papers for their record;

11.6.11.2 He will give a copy of the pension calculation sheet to the pensioner, which will include the details of period of service rendered, date and rate of last increment and scale of pay etc;

11.6.11.3 Even after forwarding of the pension documents, if the Head of Office comes across any event that may have a bearing on the admissible pension, he should immediately intimate the same to the PAO;

11.6.11.4 The Head of Office after ascertaining and assessing the dues against the Government servant shall furnish their details to the PAO, at least two months before the date of retirement of the Government servant. This is to enable the recovery of the outstanding dues from the gratuity amount before its payment is authorized; and

11.6.11.5 The Head of Office can sanction Provisional Pension, if he is convinced that it will not be possible to finalize the pension papers to be sent to the Accounts Officer within the prescribed period. The sanction letter in such cases will be addressed to the employee with a copy endorsed to the Accounts Officer.

CHAPTER – 12

MISCELLANEOUS

12.1 Letters of Authorization

12.1.1 Letter of authorization relates to the programmes or activities where one Ministry/Department utilizes the services of another Central Ministry/Department as its agent for executing the activity. In such cases, the Financial Adviser/Pr. Chief Controller of Accounts/Chief Controller of Accounts/Controller of Accounts of the functional Ministry/Department will issue annual budget allocation letter, indicating the amount approved in the Budget for the year for the programme or activity assigned to the agent or executing Department, after obtaining necessary financial sanctions.

12.1.2 The executing Ministry/Department are authorized to incur expenditure up to the limits specified in the authorization letter. The allocated amount in such cases will not be available for re-appropriation by the concerned Ministry/Department, without the concurrence of agent Ministry/Department. A copy of such sanction has to be endorsed to the Accounts Officer of the functional Department to enable him to keep a note of this in the Expenditure Control Register maintained by him.

12.1.3 The functional Ministry/Department would also communicate the computer code number relating to the heads, to the Pay & Accounts Office of the agent Ministry in the authorization letter.

12.1.4 The executing/agent Ministry or Department, on the condition of observance of normal procedure of sanction will incur the expenditure. The Pay & Accounts Office of the executing Ministry will book the expenditure under the relevant expenditure head against the Demand for Grants of the functional Ministry/Department and furnish the monthly and progressive figure of expenditure to the Pr. Accounts Office of the functional Ministry/Department. This is to enable the latter to monitor the flow of expenditure on the programme/activity and prepare Appropriation Accounts related to the Grant.

12.1.5. The Accounts Officer of the executing/agent Ministry will not honour any claim that would result in excess over the amount authorized by functional Department, in any case.

12.1.6 The Principal Accounts Officer of both agent and functional Ministries/Departments will conduct annual reconciliation of expenditure, before preparing their Statement of Central Transactions (SCT) and Appropriation Accounts, respectively.

12.2 Personal Deposit Account (P.D. Account)

Relevant Rules of GFR for personal deposit account are as follows:

Rule 88. Personal Deposit Account.- Personal Deposit Account is a device intended to facilitate the Designated Officer thereof to credit receipts into and effect withdrawals directly from the account, subject to an overall check being exercised by the bank in which the account is authorized to be opened. The Designated Officer shall ensure (with the help of a personal ledger account to be maintained by the bank for the purpose) that no withdrawal will result in a minus balance therein. Only Government officers acting in their official or any other capacity shall be the Designated Officer thereof.

Rule 89. (1) Authority to open Personal Deposit Account.- The Personal Deposit Account shall be authorized to be opened by a special order by the concerned Ministry or Department in consultation with the Controller General of Accounts. Such special order or permission shall be issued or granted by the Ministry or Department concerned after it is satisfied that the initial accounts of the moneys to be held in a personal deposit account and disbursed, shall be arranged to be maintained properly and shall be subject to audit. Every personal deposit account so authorized to be opened, shall form part of the Government Account and be located in the Public Account thereof. The provisions relating to "Personal Deposit Account" are contained in Para 16.7 of Civil Accounts Manual and Rules 191 to 194 of Central Government Account (Receipts and Payment) Rules.

Rule 89. (2).- Personal Deposit accounts shall generally be authorized to be opened in the following types of cases:-

- (a) in favour of a Designated Officer appointed for the purpose of administering monies tendered by or on behalf of wards and attached estates under Government management. It shall also be ensured that the proper arrangements are made for the maintenance and audit of connected initial accounts;
- (b) in relation to Civil and Criminal Courts' Deposits, in favour of the Chief Judicial authority concerned;
- (c) where, under certain regulatory activities of the Government, receipts are realized and credited to a Fund or Account under the provisions of an Act to be utilized towards expenditure thereunder and no outgo from the Consolidated Fund is involved.
- (d) where a Personal Deposit account is required to be created by a law or rules having the force of law and certain liabilities devolve on the Government out of the special enactments;
- (e) officers commanding units and others concerned in the administration of public funds in the Defence Departments can be authorized to open Personal Deposit accounts for such funds.

12.3 Earnest Money Deposit (EMD) /Performance Security

Relevant Rule of GFR for Performance Security is as follows:

Rule 158. Performance Security. –

- (i) To ensure due performance of the contract, Performance Security is to be obtained from the successful bidder awarded the contract. Performance Security is to be obtained from every successful bidder irrespective of its registration status, etc. Performance Security should be for an amount of five to ten per cent of the value of the contract. Performance Security may be furnished in the form of an Account payee Demand Draft, Fixed Deposit Receipt from a Commercial bank, Bank Guarantee from a Commercial bank in an acceptable form safeguarding the purchasers interest in all respects.
- (ii) Performance Security should remain valid for a period of sixty days beyond the date of completion of all contractual obligations of the supplier including warranty obligations.
- (iii) Bid security should be refunded to the successful bidder on receipt of Performance Security.

12.4 Guidelines for entering into contracts by the Directorate General of Supplies & Disposals (DGS&D)

All purchases made and contracts entered into therefor by the DGS&D are governed by the Sales of Goods Act, 1939 and the Indian Contract Act, 1872. Following general guidelines for enforcing into Contracts by the DGS&D have been laid down by the Government of India:

- (a) Save in exceptional circumstances, no work of any kind should be commenced without prior execution of contract documents. Even in cases where a formal written contract is not made, no order for supplies etc. should be placed without at least written agreement as to the price.
- (b) The terms of a contract must be precise and definite and there must be no room for ambiguity or mis-construction thereon.
- (c) No contract involving an uncertain or indefinite liability or any conditions of an unusual character should be entered into without the previous consent of the Ministry of Finance.
- (d) Subject to adequate prior scrutiny of terms, general or special, if any, standard forms of contracts should be adopted, wherever possible. The alternatives used in the standard forms, which are not applicable, should be invariably scored out in consultation with the Ministry of Finance and Ministry of Law.
- (e) In cases where standard forms of contracts are not used, legal and financial

advice should be taken in drafting the contracts and before they are finally entered into.

- (f) The terms of a contract once entered into should not be materially varied without the previous consent of the authority competent to enter into the contract as so varied. No payments to contractor by way of compensation or otherwise, outside the strict terms of the contract or in excess of the contract rates may be authorized without the previous approval of the competent authority.
- (g) No relaxation of specifications agreed upon in a contract or relaxation of the terms of an agreement entered into by Government should be made without proper examination of the financial effect involved in such relaxation. The interest of the public exchequer should be taken due care of before agreeing to any relaxation of agreement or contract.
- (h) In selecting the tender to be accepted, the financial status of the individuals and firms tendering must be taken into consideration in addition to all other relevant factors.
- (i) Before entering into a contract or an agreement, all pros and cons should be considered and validity of contractual documents should be ensured. Effective administrative machinery should also be set up to keep a vigil on the performance of parties concerned.
- (j) Provision must be made in contracts for safeguarding Government property properly entrusted to a contractor and the recovery of hire charges, if any, therefor.
- (k) When a contract is likely to endure for a long period or where the contract provides for a clear schedule for the fulfilment of the various stages of the contract, it should include a provision for unconditional power of revocation or cancellation at the discretion of the government at any time on the expiry of reasonable notice to that effect. The period of notice should not normally be longer than 6 months.
- (l) All contracts should have a provision for recovery of liquidated damages for defaults on the part of the contractor, unless there are any special instructions issued by the competent authority. The terms of contract for the purchase of perishable stores should invariably include a (separate) Warranty. This may, however, be modified to suit local conditions.
- (m) It should be ensured that in all contracts where a warranty clause is included, the position regarding delivery of goods in replacement of rejected ones is made clear beyond doubt by adding the words "Free of cost at the ultimate destination" after the words "by the purchaser" in the penultimate sentence of the said clause, where the incorporation of such a clause is not inconsistent with the other conditions of the contracts.

- (n) A schedule of qualities with their issue rates of such materials which are supplied departmentally, and are used in the contract work, should form an essential part of the contract. It should also contain an escalation clause pertaining to rates of such materials the prices of which are controlled by Government and which the contractor arranges himself, so that Government may get the benefit of any saving in the quantities of the material actually used in execution.
- (o) The question whether any Sales tax, Purchase tax, Octroi and Terminal taxes and other local taxes and duties are to be paid and if so, by which party, should be settled and cleared up before entering into any contract, involving transfer of movable property, irrespective of its nature.
- (p) All contracts for purchase involving import of materials from abroad should as a rule provide for purchases on F.O.B. basis and similarly all sales contracts involving transport of materials from India to other countries should be entered into on C.I.F. basis.
- (q) No work should be done under an agreement/contract beyond the date of expiry of its tenure. Wherever it is considered that the work has to be continued beyond the date of expiry of the tender, timely action should be taken for renewing the contract/agreement for the further period required, after a suitable review of the provision of the old agreement/contract to see whether any modifications therein are required.
- (r) Where escalation in respect of labour overheads, customs duties, freight etc. is provided for in a contract, the basis for the calculation of the same should be clearly indicated.
- (s) "Cost Plus" Contracts should be avoided except where they are inevitable.
- (t) Lump sum contract should not be entered into except in cases of absolute necessity. Wherever such contracts are entered into, all possible safeguards to protect the interest of Government should invariably be provided for in the conditions of the contract.
- (u) The Comptroller and Auditor General and under his direction other audit authorities have power to examine contracts and to bring before the Public Accounts committee any cases where competitive tenders have not been accepted or where other irregularities in procedure have come to light.

12.5 Inter Departmental Transactions: Adjustment of Expenditure

12.5.1 The inter-Departmental or inter-Governmental transactions will be settled by different procedures as given below:

- i. Direct booking of expenditure by agent Ministry/Department against the Demands for Grants of the functional Ministry;

- ii. Issue of advices to RBI, Central Accounts Section, Nagpur; and
- iii. Cash settlement.

12.5.2 Transactions Arising in the Accounts of the Pay and Accounts Office which are Adjusted by the Accounts Officer of Another Government/ Department on Cash Settlement Basis.

- 12.5.2.1 (i) The Pay and Accounts Office in whose books the transactions originate should initially adjust such transactions under the suspense head "8658-Suspense Accounts- Pay and Accounts Office Suspense-transactions adjustable by...." (Name of Accounts Officer/Authority concerned in whose books the transactions are finally adjustable). Different Accounts officers/Authorities may open such sub-heads as required to record the adjustable transactions distinctly.
- (ii) After daily compilation is completed, these transactions shall be posted by the PAO in the Outward Claims Register in Form CAM-53, on daily basis, using separate folio for each accounts Officer or Authority. The closing will be done at the end of each month for the purpose of cash settlement, except for transactions arising in March (Para 8.4.1 may be referred for settlement of transactions arising in the month of March).
- (iii) However, the PAOs of Department of supply are required to maintain separate subsidiary registers on account of heavy volume of such transactions, and enter weekly totals in the Outward Subsidiary Claims Register for effecting weekly settlement.
- (a) If the account closes with some amount due to other party, a bill should be prepared for the net amount due and sent to the cheque section for obtaining a cheque in favour of the Accounts Officer of the Government/ Department concerned. The bill will be classified as minus credit under PAO Suspense for the gross amount of receipts, while the amount already paid earlier should be classified as minus debit. The original credit/debit balance under the suspense head will be cleared automatically at the time of compiling of this voucher in the accounts section. The cheque will be sent to the concerned party along with necessary schedules and vouchers in support of the transactions in Form CAM-54. The receipt of acknowledgement of the cheque by the other party should be watched and when the acknowledgement is received, it should be noted in the register.
- (b) In the opposite case, when payments on behalf of the other Government/ Department are more than the receipts from them during the month, the schedules with supporting vouchers etc. should be sent to the other accounts officer, demanding payment through cheque. On receipt of the cheque from the other party it will be sent to the bank for clearance,

and on receiving the credit through bank scroll, the outstanding debit/credit (original) under the suspense head will be cleared by affording a responding minus debit for the gross payments and minus credit for the balances receipts.

Note 1: Direct Booking of Recoveries

The recoveries from salary bills on account of income tax, surcharge, CHGS contributions, license fees for government quarters, education cess, service tax, contributions towards defined contribution pension scheme, CGEGIS and PLI premia etc will not be passed on to the Accounts Officers of the concerned Ministry/Department. These recoveries will be credited in the books of Pay and accounts Officer to appropriate final head of account and included in the final compiled account rendered to the Principal accounts Office. The accounts rendered by the Principal Accounts Office of the Ministry/Department to the Controller General of Accounts, will include the credits adjusted under these heads. The Principal Accounts officer will send a statement in the prescribed form every month to the concerned departmental officers wherever required by the prescribed due dates. In addition to this, the PAO concerned will send the schedule of recovery of license fees to the concerned Assistant Director of Estates, in the form prescribed by him.

Note 2: Recoveries Arising in the Salary Bills etc.

The following recoveries arising in salary bills etc in the books of Non Civil Ministries/ Departments viz. Defense, Railways, Posts, Telecommunications and U.T. Government/ Administrations will also be adjusted to the final head of account by their Accounts Officers to reduce inter-departmental adjustments.

- a. Central Government Employees' Insurance Scheme, 1977;
- b. Central Government Employees' Group Insurance Scheme, 1980;
- c. U.T. Government Employees' Group Insurance Scheme, 1984;
- d. A.I.S. Officers borne on U.T. cadre and subscribing to the A.I.S. Officers (Group Insurance Rule, 1981); and
- e. Postal Life Insurance Premia Recoveries.

The transactions arising in the books of Railways including for their own employees, would be settled with the PAO (Exp.) for the Central Government Employees' Insurance Scheme, 1977 and Central Government Employees' Group Insurance Scheme, 1980. Similarly, it will be settled with the PAO, U.T. Govt/Adm from which the employees had come, for the scheme for U.T. Government Employees' Group Insurance Scheme, 1984, and with the PAO (Delhi Admn.) for the scheme of A.I.S. Officers borne on U.T. cadre and subscribing to the A.I.S. Officers (Group Insurance Rules), 1981. The schedules of recovery of Postal Life Insurance Premia in the format supplied by the Director, P.L.I., Kolkata indicating therein the transfer-in and transfer-out cases along with a monthly statement of booked figures may be sent to him.

The Accounts Officers of Central Civil, Railways, Defence, Posts, Telecommunications, U.T. Government/Administration will include the relevant transactions relating to officers on deputation, in the statistics to be furnished under the schemes at Sl. No. (b) and (d) above.

Subscriptions under the All India Services Officers (Group Insurance) Rules, 1981, recovered from All India Service Officers borne on a State cadre but serving on deputation with Government of India or U.T. Government/administration will not be included in the statistics of borrowing Ministry/Department, and shall be passed on to the accounts officer of the parent State Government.

Note 3: Recoveries of Provident Fund, Loans and Advances

Recoveries on account of Provident fund or loans and advances in respect of other than Central (Civil) Ministries/Departments, for example, of officers belonging to All India Services that are adjustable in the books of Accounts Officer of other Government/Department, will be initially booked under PAO Suspense head, and then cleared by remittance of cheque/draft as per the prescribed procedure.

Note 4: Recoveries in respect of Officials on Foreign Service from the Public Sector Undertakings, Autonomous Bodies, Institutions etc:

- (i) This procedure applies in respect of employees taken on foreign service from the public sector undertakings, autonomous bodies, institutions etc. Recoveries on account of their contributions to the Contributory Provident Fund maintained by such bodies and other recoveries like instalments of repayment of conveyance advance, house building advance etc. drawn by them from their parent organization, are adjustable finally in the books of these bodies. These recoveries shall not enter the accounts of Government and will therefore not be entered in the body of the bills.
- (ii) The concerned drawing and disbursing officer shall prepare and attach a separate schedule relating to such amounts for remittance to the parent body. Such recoveries will be indicated only on the outer cover of the bill as 'Payable toOrganisation' for obtaining a crossed cheque/bank draft in favour of the concerned organization, for dispatching it to them. The PAO will pass the bill and issue one cheque for the net amount of the salary payable to the employee and another in favour of the parent organisation specified in the bill. The same shall be dispatched by the DDO to the concerned organisation with a covering letter, indicating the name of the employee and details of the recovery against which the cheque is forwarded.

Note 5: Payment on account of Stores Supplied/Services rendered by DGS&D to various Ministries/Departments.

Payment on account of cost of stores supplied or services rendered by DGS&D to

various Ministries/Departments are made by the Department of Supply (other than those mentioned in para 8.8 below). The payment is initially classified under the "PAO- Suspense" head, to be eventually accounted against the grant of the respective Ministries/Departments that receive the stores. The reimbursement is made to PAO, Department of Supply on receipt of claims for the payment made initially by them. It is necessary that both parties take prompt action to adjust all such claims promptly, so as to have better budget control and avoid savings/excesses under the grants, and to avoid mounting outstanding amounts under "PAO- Suspense", which makes subsequent clearance difficult.

12.5.3 Transactions Arising in the Books of Account Officers of Other Government/ Departments, which are Adjustable in the Books of the PAO on Cash Settlement Basis.

12.5.3.1 Such transactions may represent either recoveries or receipts initially accounted for by the Accounts Officer of the other department or Government or payments made by other Government/Department, which are finally adjustable in the books of the Pay and Accounts Office. In the former case, the other Accounts Officer will send to the Pay and Accounts Office a cheque for receipts/recovery along with supporting schedules etc. (Form CAM 54). On receipt of the cheque or draft, the PAO will send it to the bank for credit to Government account along with a challan showing the classification of the receipt or recovery and credit the final head of account at the time of compiling the account on receipt of the bank scrolls.

12.5.3.2 In the latter case i.e. when another Department or Government has made payment, an account with supporting vouchers will be sent by the other party along with a claim for reimbursement. On receipt of the claim, the PAO will examine it to see whether prima facie, it pertains to the Department under his payment control and if necessary consult the Departmental officer. If it pertains to his department, he will have a bill prepared for the amounts duly classified under final head, pass and send the bill to the cheque section, just as in the case of a bill presented at the bill counter of the Pay and Accounts Office. The cheque section will issue the cheque and send the paid voucher to the accounting section along with other vouchers paid during the day. The debit will be classified under the final heads at the time of compiling vouchers received from the Cheque Section as in the case of other payments. The cheque will be dispatched to the Accounts officer of the Government or Department concerned along with a forwarding letter in Form CAM-56, giving reference to the number and date of the letter through which the claim was received.

12.5.3.3 Specimen entries of the accounting adjustments to be made in the books of the Pay and Accounts Office on account of Inter-Departmental and Inter-Governmental transactions are given below-

(a) Recovery (say of Rs. 500) made from pay bill towards Provident fund subscription adjustable in the books of another Accounts Officer:

First Stage:- When the recovery is effected it will be classified under "8658-Suspense

Accounts- PAO Suspense-Transactions” adjustable by PAO ‘X’- Rs. 500/-Credit-Original.

Second Stage:- When the cheque is issued in favour of the other accounts officer, schedule of Debit or Credit received in Form CAM-54 will serve the purpose of bill. The accounting entry will be as follows-

“8658-Suspense Account-PAO Suspense-Transactions” adjustable by PAO ‘X’-Rs. 500/ minus credit, and credit shall be afforded to “8670-Cheques and Bills –PAO Cheques” Rs. 500/-. The credit under PAO cheques will be cleared on receipt of the bank scroll, indicating payment of the cheque.

(b) Payment made by the Pay and Accounts Office on behalf of another Government/ Department:

In such cases, payment will be initially debited to “8658-Suspense Accounts-PAO suspense” head and the account of the payment will be sent to other Accounts Officer concerned for reimbursement. On getting cheque from the other Accounts Officer, it will be sent to bank for credit to Government account. When the bank scroll is received with this credit, the item will be classified as minus debit under the suspense head referred to above.

(c) Recovery made by other Accounts Officer which is adjustable in the books of the pay and accounts Office:

When the cheque is received in the Pay & Accounts Office from the other Accounts Officer along supporting schedule, it will be sent to bank for clearing, along with the challan indicating final classification of the receipt. On receipt of the bank scroll, the credit will be taken to the final head of account.

(d) Payment or services rendered by another Government/Department adjustable in the books of pay and Accounts Officer:

- i. On the basis of preliminary checks, if the PAO prima facie finds the accounts received (from the other Accounts Officer) adjustable in his books, he should reimburse the full amount claimed by the Accounts Officer within a period of 7 days of the receipt of the account. He should not wait for the detailed audit of vouchers. Wherever the PAO finds it necessary to consult the Departmental Officer, the payment so made will be classified under the minor head Expenditure Awaiting transfer (EAT) to other heads below the concerned functional head of the Department. Otherwise, he will adjust the payment to the final head of account and intimate the Departmental officer.
- ii. In the cases where Departmental Officers are to be consulted, the PAO will communicate the details of the debit claims received by him for acceptance by the departmental officer. When the acceptance is received, the PAO will clear the booking under EAT by contra debit to the final head of account.

- iii. On receipt of the remarks of the Department, if it is found that the transactions are not adjustable in the books of the PAO, he will raise claim for the payment already made to the originating Accounts Officer, in the accounts for the month in hand. All the supporting vouchers etc. received from the other Accounts Officer should also be returned.
- iv. The PAO must keep a close watch over clearance of the transactions recorded under the suspense head. The reasons for delays over a month will be thoroughly investigated and appropriate action taken.

12.5.3.4 A Register of Inward Claims in Form CAM-55 will be maintained to watch the settlement of accounts and claims from other accounts offices, with separate folios used for claims received from different Governments/Departments. As regards the form of register and procedure relating to Outward claims, para 8.2.1 may be referred. For watching the clearance and settlement of Inward and Outward Claims, PAO Suspense Broadsheet has to be maintained in Form CAM-64.

12.5.3.5 The Pay and Accounts Offices may directly raise the Outward claims that requires to be settled with State Accountants General. But the outward claims of State Accountants General which as a special arrangement are required to be settled with Pay and Accounts Offices, may be routed through the concerned Principal Accounts Office, except those relating to expenditure etc. on National Highways.

Outward claims of G.P.F. pertaining to State Government or U.T. employees on deputation with Central Government will be settled directly with the Accountants General/ authority nominated by the State/U.T Government for the maintenance of G.P.F. accounts of its employees by the PAO. Wherever a state or U.T. Government has taken over the work relating to maintenance of G.P.F. accounts from the Indian Audit & Accounts Department, it will be done without routing through the A.G. office.

12.5.4 Procedure for Settlement of Transactions Arising in the Month of March.

- 12.5.4.1 (i) Normally, reimbursement of transactions arising during a month, or last week of a month in the case of Supply Department, is claimed by the first week of the following month.
- (ii) However, all the transactions arising in the month of March are required to be accounted for during the same financial year in the books of the concerned Accounts Officers.
 - (iii) To do so, all the accounts Officers in Civil Ministries, State Accountants General, Railways, Defence, Posts and Telecommunications Departments should endeavor to settle transactions arising during the first 3 weeks of March, by arising debits duly supported with vouchers and schedules etc at weekly intervals, against the Accounts Officers concerned. The Accounts Officers

receiving the debits should respond to ensure immediate settlement of such claims by issue of cheque.

- (iv) For the debits or payments arising on or after 25th March of the year, a telegraphic/fax intimation indicating the net amount of claim to be reimbursed, briefly indicating the nature of the transaction should be sent to the concerned Accounts Officer. In the case of departmentalized offices, the accounts Officers receiving the claim shall immediately arrange to send the cheque for such claims by placing the amount under the minor heads EAT under the relevant functional major head of account, pending receipt of voucher and documents in support of this debit. Since payment against such telegraphic/fax intimation are envisaged to be made even where details are not received by the responding Accounts Officers, the Accounts Officer raising the telegraphic/fax debit should take utmost care that it is sent to the correct Accounts Officer, and for the correct net amount. He should invariably ensure the dispatch of supporting voucher/schedules etc. by speed post on or before the 10th of April of the succeeding financial year. On receipt of voucher etc, the responding Accounts Officer should adjust the debit to the final head of account before the close of March (Supplementary) account and clear the suspense head EAT.

12.5.4.2 Despite adhering to the procedure indicated in earlier there might be cases where debits do not reach the concerned Accounts Officer in time to enable him to issue cheque/demand draft on or before 31st March of the same year. In such cases, where the debits supported by the voucher are received in the succeeding financial year, but before March (Supplementary) accounts are closed, the Accounts Officer to whom the debits pertain shall accept and respond to the inward debit claim by issuing a cheque. He should in such cases, debit the suspense head PAO suspense, in the accounts of the year in which the debit is received. A transfer entry shall simultaneously be inserted in the March (supplementary) accounts of the preceding year, by debiting the final head of expenditure and minus debiting the head 'PAO Suspense'. This will serve to incorporate the expenditure in the accounts (including Appropriation Accounts) of the year, in which the payment was made by the outward claim originating Accounts Officer, and avoid lapse of funds in the Demand for Grants of the consignee concerned.

12.5.4.3 The above procedure will also be applicable for adjustment of miscellaneous receipts appearing in the books of an Accounts Officer that require final accounting in the books of another Accounts Officer.

12.5.5 Settlement of Transaction Arising in Missions/Posts Abroad

12.5.5.1 In respect of payments made abroad by the Indian Missions, which require cash settlement with other accounts authorities, the Disbursing Officers should send to the Pay and Accounts Officer, Ministry of External Affairs, schedules and vouchers on a weekly basis. This is required to promptly claim reimbursement against it from the concerned accounting authorities.

12.5.5.2 Transactions of the State Governments taking place abroad shall be settled in cash by the Chief Controller of Accounts, Ministry of External Affairs with the Accountants General of the concerned States. This will be done by operating the head "8658- Suspense Accounts-PAO Suspense-transactions adjustable by (name of the Accountant General concerned)".

12.6 Procedure for creation of Imprest Account (Permanent Advance)

12.6.1 Permanent advance or Imprest for meeting day to day contingent and emergent expenditure may be granted to a government servant by the Head of the Department in consultation with Internal Finance Wing, keeping the amount of advance to the minimum required for smooth functioning. Procedures for maintenance of permanent advance or imprest are available in para 10.12 of the Civil Accounts Manual, Volume. I.

12.6.2 Advances for Contingent and Miscellaneous purpose:

- (1) The Head of the Office may sanction advances to a Government Servant for purchase of goods or services or any other special need for the management of the office, subject to the following conditions:-
 - (i) The amount of expenditure being higher than the Permanent Advance available, cannot be met out of it.
 - (ii) The purchase or other purpose cannot be managed under the normal procedures, envisaging post-procurement payment systems.
 - (iii) The amount of advance should not be more than the power delegated to the Head of the Office for the purpose.
 - (iv) The Head of the office shall be responsible for timely recovery or adjustment of the advance.
- (2) The adjustment bill, along with balance if any, shall be submitted by the government servant within fifteen days of the drawal of advance, failing which the advance or balance shall be recovered from his next salary (ies).
- (3) The Ministry or Department may sanction the grant of an advance to a Government Pleader in connection with law suits, to which Government is a party, up to the maximum limits of Rupees five thousand at a time. The amount so advanced should be adjusted at the time of settlement of Counsel's fee bills.

In this regard, relevant Rules of GFR (Rule 291 to 293 GFR 2005) may please be referred.

12.7 Human Resource and Management System (HRMS) software

The Income Tax Department has initiated the Income Tax Business Applications (ITBA) Project. It has been planned to incorporate a module of Expenditure Budget which

will be a part of the Human Resource & Management System (HRMS) module of such ITBA Project. Following functionalities are being covered in this module under the head “Financial Resource Management System”;

1. Ability to collate fund requests from field formation.
2. Ability to allocate budget head-wise.
3. Ability to modify allocation head-wise and DDO-wise.
4. Data compilation at BE and RE and other stages.
5. The periodical updation of data on near real time basis.
6. Other functionalities required for Expenditure Budgeting.

ANNEXURES

ANNEXURE-I

GAZZETE NOTIFICATION

MINISTRY OF FINANCE

(Department of Revenue)

(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

No. 15/2011/F.No. 402/88/13/2011-Comm. (Coord)

New Delhi, the 18th March, 2011

S.O. 590(E).- The President of India is pleased to approve the creation of the Directorate of Income Tax (Expenditure Budget), Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, with immediate effect.

2. The Directorate of Income Tax (Expenditure Budget) will act as the Nodal Authority in respect of all Budget matters for the Grant No 42-Direct Taxes and will perform all work related to the management of Expenditure Budget under this grant which inter alia include:

- (i) to issue the Budget Circular as prescribed by Budget Division, Department of Economic Affairs;
- (ii) to examine the budget proposals received from the various constituent formations/units/under the grant;
- (iii) to consolidate the budget proposals received from the various constituent formations/units at each stage of the Budget exercise i.e. Budget Estimate (BE), Revised Estimate (RE) and Final Requirement (FR) and submit the same to FA(Finance) for further action;
- (iv) to allocate object headwise approved provisions to respective Budget controlling authorities;
- (v) to prepare the Statement of Budget Estimates (SBEs) for inclusion in the relevant Budget documents;
- (vi) to monitor the progress in Expenditure vis-à-vis Sanctioned Grant and submit the Monthly and Quarterly Expenditure Review to FA(Finance) for further action;
- (vii) to propose the Re-appropriation orders, surrender of savings etc, to FA (Finance) for concurrence/ approval of the competent authority;
- (viii) to finalise the Appropriation Accounts in consultation with Principal CCA, CBDT and submit to FA (Finance) for concurrence;
- (ix) to take necessary action in respect of the examination by the Standing Committee on Finance on Detailed Demands for Grants;

- (x) to take action in respect of Audit references in Expenditure matters, for example, Action Taken Notes on Audit Paras/PAC para etc.;
- (xi) Any other matter, related to the above;

3. The Directorate of Income Tax (Expenditure Budget) will be headed by a Director of Income Tax (Expenditure Budget), who will be an officer of the level of Commissioner of Income Tax and will be located in New Delhi. The Directorate will function under the administrative control of the Director General of Income Tax (Logistics), New Delhi and will be an attached office of CBDT.

4. The Directorate of Income Tax (Expenditure Budget) shall have two divisions. These divisions would be headed by the officers of the rank of Additional Commissioners of Income Tax who would perform the functions assigned to them by CBDT. The Central Board of Direct Taxes can amend the functions assigned to the divisions.

5. Each Division shall comprise of two ITOs and an appropriate staff complement.

6. The staff requirement of the Directorate of Income Tax (Expenditure Budget) will be notified separately.

7. For the present the staff requirement will be met from within the overall strength of the Income Tax Department.

[Notification No. 15/2011/F.No. 402/88/13/2011-Comm. (Coord)]

-sd-
ANIL UNIYAL, Dy. Secy. (Hqrs.)

ANNEXURE -II

BUDGET MATTER - MOST IMMEDIATE **TARGET DATE – 1st OCTOBER, 2013**

F. No. 7/12/2013-IFU(B&A) DT
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

New Delhi, the 16th August, 2013

To,

The Director, Directorate of Income Tax
(Expenditure Budget), Ground Floor, ARA Centre,
Jhandewalan Extn., New Delhi- 110055.

**SUBJECT : SUBMISSION OF REVISED ESTIMATES 2013-14 AND
BUDGET ESTIMATES 2014-15 IN RESPECT OF DEMAND
NO. 43 - DIRECT TAXES.**

Sir,

As you are aware, proposals for Revised Estimates for the current financial year and Budget Estimates for ensuing year are required to be furnished in the month of September, every year. I am accordingly, directed to say that proposals for Revised Estimates for F.Y. 2013-2014 and Budget Estimates for the F.Y. 2014-2015 are to be submitted as per proformas enclosed.

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

2.1 PROVISION OF FUNDS FOR VACANT POSTS:

In respect of vacant posts not filled so far, provision for pay and allowances may be confined to an average of two months for the purpose of Revised Estimates for F.Y. 2013-2014. For Budget Estimates for F.Y. 2014-2015, provision for vacant posts may be made for an average of four months only.

2.2 PREPARATION OF BUDGET NOTES:

In order to facilitate speedy examination of all budget proposals, a Budget Note

may be prepared giving detailed reasons for all variations in the Revised Estimates for F.Y. 2013-14 and also the Budget Estimates for F.Y. 2014-2015 under the relevant heads shown in **Statement No. I**. The explanation for variations in respect of other statements may be furnished in the relevant columns of the Statements.

2.3 PAYMENT OF ARREARS (OTHER THAN SALARY):

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

2.4 STATEMENT OF EXPENDITURE UNDER 'OFFICE EXPENSES':

Item-wise break up of expenditure/estimates under the object head 'Office Expenses (General)' should also be furnished. For this purpose, a format has been prescribed vide Statement No. I-B. It may be noted that in case if the item-wise details are not provided, your estimate will be finalized based on information available in this office.

2.5 NEED FOR ACCURACY IN FRAMING ESTIMATES:

There have been instances where either substantial amount had to be surrendered on account of excessive provision or excess expenditure was incurred due to inadequate provision under various Heads. It may be pertinent to mention that the Standing Committee on Finance recorded certain observations/ shortcomings (conveyed to your office from time to time) in framing Budget Estimates/ Revised Estimates/ Final Requirements, which reflects failure on the part of the budget framing authorities to draw up realistic budget estimates and attracts adverse comments from the Audit/Public Accounts Committee and Parliamentary Standing Committee on Finance. It is, therefore, impressed upon every budget framing authority that Revised Estimates for F.Y. 2013-2014 and Budget Estimates for F.Y. 2014-2015 should be framed in the most realistic manner, on the basis of actual expenditure incurred during the first five months (i.e. upto 31.08.2013) of the current financial year. The Expenditure under the object head 'Salaries' should be treated as 6 months (March to August, 2013).

2.5.1 Realistic estimate of the impact of cadre restructuring which has recently been approved for CBDT may be taken into account while framing Budget Estimate of Salaries and Non-Salaries heads for the year 2014-15 and may be suitably explained in the notes for demand against relevant object heads.

2.6 ECONOMY IN EXPENDITURE:

A careful watch may be kept on the trend of expenditure from month to month with a view to regulate the total expenditure within the sanctioned grant and the unavoidable excess, if any, under a head may be brought to the notice of this office. Object heads, under which actual expenditure for the first five months is less than 25% of the sanctioned grant, specific reasons may be furnished in the Budget Note as to why the same should not be reduced proportionately. **The Department of Expenditure instructions on economy issued**

from time to time and last issued on vide O.M. No.7(1)E. Coord/2012 dated 31.05.2012 under the subject 'Expenditure Management – Economy Measures and Rationalization of Expenditure' should also be kept in view while booking expenditure and making projections under various heads. It may be noted that no re-appropriation of funds to augment the non-plan head of expenditure shall be allowed during the current financial year and no increase in the budgetary allocations under the heads of non-plan expenditure will be allowed at RE Stage except under very extra-ordinary and compelling circumstances. It may also be ensured that the expenditure is incurred only on items for which provision already exists in the Sanctioned Budget Grant 2013-2014. No new commitment for expenditure, which cannot be met from the sanctioned budget grant, should be entered into without the prior approval of IFU.

2.7 PROVISION FOR CHARGED EXPENDITURE:

Requirement under Charged expenditure may be projected under proper sub-head 'Office Expenses (Charged)' which is distinct from 'Office Expense (Voted)'.

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

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

2.9 PROVISION FOR CAPITAL EXPENDITURE:

Projection under Capital Section may be done on a realistic estimation of probable expenditure and keeping in mind financial limits in determining cases relating to New Service/ New instrument of Service as per Budget Division's O.M. No. F1(5)-B(AC)/2011 dated 21.05.2012.

2.10 RE-APPROPRIATION OF FUNDS:

No funds should not be re-appropriated from one head to another without prior concurrence of IFU and specific approval of the Competent authority. This may be noted for strict compliance.

2.11 STRENGTH OF ESTABLISHMENT:

The information regarding strength of Establishment showing

- (i) actual strength as on 1st March, 2013;
- (ii) estimated strength as on 1st March, 2014; and
- (iii) estimated strength as on 1st March, 2015

in respect of officers and staff separately for each scale of pay may be furnished in the prescribed statement. Budget Provisions for each post may also be mentioned in the statement. The information in respect of estimated strength of Establishment must be duly got verified and authenticated by a designated officer not below the rank of Deputy Secretary/ Director in the Directorate. Wherever there are large variations (Say 5% or more), in the establishment strength or the related provisions for pay and allowances with reference to the previous year, or the projections made for the next year, this may invariably be explained in brief.

2.12 1% INCENTIVE SCHEME

Provision for 2014-15 under 1% Incentive Scheme may be made listing projects to be covered in order to have better control and tracking of expenditure booked under the scheme.

3 STATEMENTS:

Following statements may be appended to the Budget Note:

- (i) **Statement No. I:** Comparative Statement showing head wise actuals and proposed Revised Estimates for F.Y. 2013-14 and Budget Estimates for F.Y.2014-15.
- (ii) **Statement No. I-A:** Statement of provisions included under 'Other Allowances'.
- (iii) **Statement No. I-B:** Item-wise breakup of provisions included under the Office Expenses.
- (iv) **Statement No II & II (A):** Estimated strength of establishment and provision therefor.
- (v) **Statement No. III:** Item-wise break up of expenditure under 'Office Expenses'.
- (vi) **Statement No. III –A:** Statement of estimated expenditure under 1% Incentive Scheme

IT MAY BE NOTED THAT IN ABSENCE OF ABOVE STATEMENTS IN THE PRESCRIBED FORMAT, BUDGET PROPOSAL WILL NOT BE ENTERTAINED.

4 SUBMISSION OF BUDGET PROPOSALS:

4.1 The consolidated Revised Estimates 2013-2014 and Budget Estimates 2014-2015 for Demand No. 43 may be sent or delivered **in hard & soft copy** to the undersigned including Annexure –I to IV enclosed. **In addition, a copy including all statements should invariably be sent through e-mail at the following address g.madhumita@nic.in and to ifubadt@yahoo.co.in.**

4.2 The Official address, e-mail address, telephone (landline and mobile) and Fax number of the officers who may be contacted in case of any discrepancy in the budget proposal may be indicated invariably for future correspondence.

5. LAST DATE FOR SUBMISSION OF BUDGET PROPOSALS:

The Revised Estimates 2013-2014 and Budget Estimates 2014-2015 framed in the light of the foregoing paras may be furnished to this Department by **1st October, 2013** positively.

Yours faithfully,

-sd-

(G. Madhumita Das)
Director (Finance), Direct Taxes
T. No. 23093269

Enclosure: As above

STATEMENT NO. I

NAME OF THE BUDGETARY AUTHORITY:

**COMPARATIVE STATEMENT SHOWING HEAD WISE ACTUALS AND PROPOSED
REVISED ESTIMATES 2013-14 AND BUDGET ESTIMATES 2014-15**

(In Thousands of Rupees)

Head Of Account	Actuals					Sanctioned Grant 2013-14	Revised Estimates 2013-14	Budget Estimates 2014-15	Variation between		Reasons for variation
	2010-11	2011-12	2012-13	Last 7 Months 2012-13	First 5 Months 2013-14				SG&RE (8-7)	RE&BE (9-8)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries											
Wages											
Overtime Allowances											
Medical Treatment											
Domestic Travel Expenses											
Foreign Travel Expenses											
Office Expenses											
(i) General											
(ii) Conv. Charge to ITIs											
(iii) 1% Incentive Scheme											
TOTAL (i),(ii) and (iii)											
Rent, Rates & Taxes											
Publications											
Other Admn. Expenses											
Advertising & Publicity											
Minor Works											
Professional Services											

Continued

Head Of Account	Actuals					Sanctioned Grant 2013-14	Revised Estimates 2013-14	Budget Estimates 2014-15	Variation between		Reasons for variation
	2010-11	2011-12	2012-13	Last 7 Months 2012-13	First 5 Months 2013-14				SG&RE (8-7)	RE&BE (9-8)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Contributions											
Secret Serv. Expenditure											
Other Charges											
Departmental Canteens											
Information Technology											
TOTAL											

Note: Provision under Column (6) is for 6 Months (March 2013 to August, 2013) in respect of Salaries. For rest of the object head, it is for five months.

STATEMENT NO. 1-A

NAME OF THE BUDGETARY AUTHORITY:

Details of Provisions included under 'Other Allowances of the Head "Salary"

(In Thousands of Rupees)											
Head Of Account	Actuals					Sanctioned Grant 2013-14	Revised Estimates 2013-14	Budget Estimates 2014-15	Variation between		Reasons for variation
	2010-11	2011-12	2012-13	Last 7 Months 2012-13	First 5 Months 2013-14				SG&RE (8-7)	RE&BE (9-8)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
House Rent Allowance											
Transport Allowance											
Leave Travel Concession											
Children Education Allow.											
Tuition Fees											
Leave Encashment											
Others											
TOTAL											

STATEMENT NO. 1-B

NAME OF THE BUDGETARY AUTHORITY

(In thousands of Rupees)

ITEMWISE BREAKUP OF PROVISIONS INCLUDED UNDER THE HEAD "OFFICE EXPENSES"

S. No	ITEM	ACTUALS			LAST 7 MONTHS 2012-13	FIRST 5 MONTHS 2013-14	SANCTIONED GRANT 2013-14	REVISED ESTIMATES 2013-14	BUDGET ESTIMATES 2014-15	VARIATION BETWEEN		REASONS FOR VARIATION
		2010-11	2011-12	2012-13						SG & RE [9-8]	RE & BE [10-9]	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
1.	Re-imbursement of Petrol to Notice Servers											
2.	SERVICE POSTAGE STAMPS											
3.	TELEPHONE CHARGES:											
4.	a) Recurring											
5.	b) Non-recurring											
6.	Electricity Charges											
7.	PURCHASE & REPAIRING OF PHOTOSTAT MACHINE , TYPEWRITER, CALCULATOR etc.											

Continued

S. No	ITEM	ACTUALS			LAST 7 MONTHS 2012-13	FIRST 5 MONTHS 2013-14	SANCTIONED GRANT 2013-14	REVISED ESTIMATES 2013-14	BUDGET ESTIMATES 2014-15	VARIATION BETWEEN		REASONS FOR VARIATION
		2010-11	2011-12	2012-13						SG & RE [9-8]	RE & BE [10-9]	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
8.	MAINTENANCE OF VEHICLES											
9.	LIVERIES (CLOTHING CHARGES											
10.	PRINTING OF FORMS											
11.	PURCHASE & REPAIR OF FURNITURE											
12.	Purchase of Stationery											
13.	Hot & Cold Charges											
14.	Others											
	TOTAL											

STATEMENT No. II

(APPENDIX IX-A)

DETAILED DEMANDS FOR GRANTS
2014-15

ESTIMATED STRENGTH OF ESTABLISHMENT AND PROVISION THEREFOR

(In thousands of Rupees)

Strength as on 1st March 2013	2014	2015	Actuals 2012-13	Budget 2013-14	Revised 2013-14	Budget 2014-15
-------------------------------	------	------	-----------------	----------------	-----------------	----------------

Scale of pay, Pay Band with Grade Pay	Status of post	Group of post	Total No. of Posts	No. of Emp. In position	Estimated sanctioned strength	Estimated sanctioned strength
	<u>Gaz./</u>	<u>Regular/</u>	<u>Gr.- A</u>			
	<u>Non ~ Gaz.</u>	<u>Temp./</u>	<u>Gr.- B</u>			
		<u>Adhoc</u>	<u>Gr.- C</u>			
			<u>Gr.- D</u>			
			Unclassified			

(a)	(b)	(c)	(d)	(e)	(f)
-----	-----	-----	-----	-----	-----

1. Salary
(a) Officers
Indicate in respect of each Scale of pay and Grade Pay
- (b) Staff
Indicate in respect of each Scale of pay and Grade Pay

Total Salary

2. Allowances (other than OTA and Travel Expenses)

3. Wages

4. Overtime Allowances

5. Domestic Travel Expenses

6. Foreign Travel Expenses*

Total.....

* will include travel expenses abroad

(STATEMENT NO. II(A))

(APPENDIX X-F)

EXPENDITURE BUDGET Vol.I
2014-15

Ministry/Department of

ESTIMATED STRENGTH OF ESTABLISHMENT AND PROVISION THEREFOR

(In thousands of Rupees)											
Strength as on 1st March			Actuals 2012-13			R E -2013-14			BE - 2014-15		
Actual	Estimated		Pay	Allowances (other than travel Expenses)	Travel Expenses	Pay	Allowances (Other than travel expenses)	Travel Expenses	Pay	Allowances (Other than travel expenses)	Travel Expenses
2013	2014	2015	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan	Plan Non-Plan

Note : The information in respect of estimated strength of Establishment must be duly got verified and authenticated by a designated officer not below the rank of Deputy Secretary/Director in the directorate. Wherever there are large variations (Say 5% or More), in the establishment strength or the related provisions for pay and allowances with reference to the previous year, or the projections made for the next year, this may invariably be explained in brief.

STATEMENT NO. III

(In thousands of Rupees)

NAME OF THE BUDGETARY AUTHORITY

ITEMWISE BREAKUP OF PROVISIONS INCLUDED UNDER THE HEAD “OFFICE EXPENSES”

S. No	ITEM	ACTUALS			LAST 7 MONTHS 2012-13	FIRST 5 MONTHS 2013-14	SANCTIONED GRANT 2013-14	REVISED ESTIMATES 2013-14 (PROPOSED BY CHARGES)	BUDGET ESTIMATES 2014-15 (PROPOSED BY CHARGES)	VARIATION BETWEEN		REASONS FOR VARIATION
		2010-11	2011-12	2012-13						SG & RE [9-8]	RE & BE [10-9]	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
1.	Service Postage Stamps											
2.	Telephone Charges:											
	a) Recurring											
	b) Non-recurring											
3.	Purchase & Repairing of Photostat Machine, Typewriter, Calculator etc.											
4.	Purchase of Vehicles											
5.	Maintenance of Vehicles											
6.	Liveries (Clothing Charges)											
7.	Printing of Forms											

Continued

S. No	ITEM	ACTUALS				FIRST 5 MONTHS 2013-14	SANCTIONED GRANT 2013-14	REVISED ESTIMATES 2013-14 (PROPOSED BY CHARGES)	BUDGET ESTIMATES 2014-15 (PROPOSED BY CHARGES)	VARIATION BETWEEN		REASONS FOR VARIATION
		2010-11	2011-12	2012-13						SG & RE [9-8]	RE & BE [10-9]	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]
8.	Water & repair of Furniture											
9.	Purchase of Stationery											
10.	Hot & Cold Charges											
11.	Conveyance Charges to											
	a) ITIs											
	b) Others											
12.	Estimated Exp. Under 1% Scheme											
	(details at Statement No. III-A)											
13.	Others											
	TOTAL											

STATEMENT NO.III (A)

NAME OF THE BUDGETARY AUTHORITY :

ESTIMATE OF EXPENDITURE UNDER 1% INCENTIVE SCHEME

(In Thousands of Rupees)						
S. No.	Item of expenditure	Quantity in Numbers	Rate per item per month	Expenditure Estimated for 2013-14	Expenditure incurred from April 13-Aug 13 (5 months)	Expenditure estimated for Sept 13- March14 (7 months)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Hiring of Operational Vehicles					
2	Hiring of mid - size vehicle					
3	Petrol allowance for notice servers					
4	Reimbursement of Mobile phone charges					
5	Hiring of air-conditioned buses					
6	Modernization of canteens					
7	Any other item (to be specified)					

ANNEXURE -III
MOST IMMEDIATE/BUDGET MATTER

F. No. 13/2/2013-IFU (B&A) DT
Government of India
Department of Revenue
IFU (B&A) DT

New Delhi, 22nd January, 2013

To,

Director of Income Tax
(Expenditure Budget),
Ground Floor, ARA Centre,
E-2, Jhandewalan Extn.,
New Delhi-110055.

Sub: Final Requirement (FR) 2012-13 under Grant No. 42- Direct Taxes:
Submission of Ten Monthly Expenditure Statement.

Sir,

I am directed to say that after allocation of RE 2012-13, a thorough review of the Final Requirement (FR) of the funds for the current financial year 2012-13 has become due and may be carried out and the outcome may be furnished through the Ten Monthly Expenditure Statement. As the current Financial Year is coming to an end, it may not be difficult to estimate the exact requirement of funds for the part of the current Financial Year in formulating the estimated expenditure. Following guidelines need to be scrupulously followed:

- (i) Actual expenditure upto January, 2013 should be sent after due reconciliation with respective ZAOs.
- (ii) Re-appropriation order diverting savings from one head to the other will be issued only by the Ministry. Budgetary units in the field have not been delegated powers for this purpose.
- (iii) If funds allotted to any unit under any object head are not likely to be utilized during the current fiscal, the same should be reflected in FR so that the same should be made available to another unit for utilization.
- (iv) Only liabilities already committed which are required to be discharged before the close of the current financial year should be taken into account while estimating Final Requirement.

- (v) Wherever the estimated expenditure for the remaining two months is for a new item and does not bear a relationship to expenditure incurred in preceding months of the year, i.e. for the period upto 31.01.2013, detailed justification in support thereof should be given.

2. Attention is drawn to IFU's Communicated F. No. 7/12/2012-IFU (B&A) DT dated 11.01.2013 forwarding therewith the observation of Secretary (R) on the allocation of RE 2012-13 (copy enclosed). These observations should be kept in view while incurring expenditure in 2012-13.

3. Keeping in view the above points, it is requested that the Final Requirement of funds under various heads may be furnished as per the enclosed pro-forma so as to reach this office latest by 20th February, 2013.

4. It may please be noted that all Re-appropriations/ Surrender of Savings for the current fiscal year have to be completed by 10th of March 2013 so that surrender of savings for the year ending 31st March 2013 in respect of Grant is communicated to Budget Division to avoid objections from Audit/Parliamentary Standing Committee.

Yours faithfully,

-sd-

Encl: As above.

(G. Madhumita Das)
Director (Finance) DT
Ph. 23093269

PROFORMA

GRANT No. 42. –DIRECT TAXES –FINAL REQUIREMENT FOR THE YEAR 2012-13

(In thousand of Rupees)

Object Head	Original Grant 2012-13	Supplementary Grant 2012-13	RE Allocation 2012-13 as made by DIT(EB)	Expenditure incurred upto 31.01.2013	Requirement for rest of the year (1.2.2013-31.3.2013)	Total requirement for the year Col (5)+ Col (6)	Variation between Col. 4 & 7		Reasons for variation
							Saving	Excess	
1	2	3	4	5	6	7	8	9	10
Salaries									
Wages									
Overtime Allowance									
Medical Treatment									
Domestic Travel Exp.									
Foreign Travel Exp.									
Office Expense (Voted)									
i) General									
ii) Conv. to ITI's									
iii) 1% incentive scheme									
iv) ASK									
Total (i+ii+iii+iv)									
Information Technology									
Rent, Rates & Taxes									
Publications									
Other Admn. Exp.									
Advt. & Publicity									
Minor Works									
Professional Services									
Contributions									
									Continued

Object Head	Original Grant 2012-13	Supplementary Grant 2012-13	RE Allocation 2012-13 as made by DIT(EB)	Expenditure incurred upto 31.01.2013	Requirement for rest of the year (1.2.2013-31.3.2013)	Total requirement for the year Col (5)+ Col (6)	Variation between Col. 4 & 7		Reasons for variation
							Saving	Excess	
1	2	3	4	5	6	7	8	9	10
Secret Service Expenses									
Other Charges									
Departmental Canteens									
Total									

ANNEXURE -IV

**F. No. 21(1)/-PD/2005
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)**

Room No. 168A, North Block,
New Delhi, dated December 27, 2006

OFFICE MEMORANDUM

Subject: Cash Management system in central Government – modified exchequer control based expenditure management and restrictions on expenditure during the last quarter of the financial year.

The undersigned is directed to refer to Office Memorandum of even number dated January 10, 2006 regarding introduction of exchequer control based expenditure w.e.f. April 1, 2006.

2. Based on the working of the scheme, it has been decided to expand and modify the scheme as detailed below.

3. The Modified Cash Management System seeks to achieve, inter alia, the following objectives –

- (i) Obtained greater evenness in the budgeted expenditure within the financial year, especially in respect of items entailing large sums of advance and transfers to corpus funds.
- (ii) Reduce rush of expenditure during the last quarter, especially the last month of the financial year.
- (iii) Reduce tendency of parking of funds.
- (iv) Effectively monitor the expenditure pattern.
- (v) Better planning of Indicative Market Borrowing Calendar of the Central Government.

4. The Scheme shall apply in respect of 23 Demand for Grants listed in Annex I, including 9 to which the scheme is being extended with effect from financial year 2007-08.

5. Financial Advisor would be responsible for the implementation of the modified expenditure management system. He/she may nominate a nodal officer for the purpose.

6. In respect of each Demand for Grant, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) [MEP] would be worked out and included as an annex to the Detailed Demand for Grant in respect of the Said Demand for Grant. Suggested format is at Annex-II.

7. MEP would form the basis of Quarterly Expenditure Allocations [QEA]. The Department/Ministries concerned may not issue cheques beyond the Quarterly Expenditure Allocation [which would be equal to the sum of provisions under Monthly Expenditure Plan], without prior consent of Ministry of Finance [Cash Management Cell, Budget Division].

8. The MEP may be finalized taking into account the following –

a) MEP for the month of March may not exceed 15 per cent of the budgeted provision [Budget Estimate];

b) MEP for the months of January-March may be so fixed that the QEA for the last quarter may not exceed 33 per cent of the budget provision; and

c) The extant guidelines of Ministry of Finance, Department of Expenditure including D.O. No. 7(3)/2006/E.Coord, dated December 21, 2006.

9. The exchequer control would apply cumulatively at the Demand for Grants level only, i.e. inter se variations between months within a quarters, between plan and non-plan and between schemes would be permissible, subject to statutory restrictions and extant guidelines.

10. Savings, if any, incurred under the Quarterly Expenditure Allocation would not be available for automatic carry forward to the next quarter. The Department/Ministry may, however, approach Ministry of Finance for revalidation of such savings through modification in the Monthly Expenditure Plan and thereby Quarterly Expenditure Allocation. Spill over in respect of Monthly Expenditure Plan, not inconsistent with Quarterly Expenditure Allocation would not require prior revalidation from Ministry of Finance but may be included in the quarterly modification.

11. Ministry of Finance would consider such requests for revalidation within a period of 15 days of receipt of such request, failing which the request for revalidation would be deemed to have been granted.

12. The Monthly Expenditure Plan and Quarterly Expenditure Allocation pertaining to the 4th quarter of the financial year would be subsumed in the finalization of Revised Estimate for the financial year.

13. The Monthly Expenditure Plan and Quarterly Expenditure Allocation may be made in gross terms.

14. In addition to the above, it is advised that even in respect of Demand for Grants not covered by the modified exchequer management system, the expenditure in the last quarter of the financial year may not exceed 33 per cent of the Budget allocation for the Demand for Grants. However, in the event of Revised Estimates being fixed lower than the Budget Estimate, actual expenditure may be kept within the Revised Estimate.

It is clarified that the above provision shall apply in the current financial year as well.

15. This Office Memorandum supersedes the Office Memorandum of even number dated January 10, 2006.

16. Receipts of this Office Memorandum may kindly be acknowledged.

-sd-

(V.S. Chauhan)
OSD (Budget)
E mail phauhan(a),nic.in

To

1. All Financial Advisors.
2. Principal Director, O/o Comptroller and Auditor General of India.
3. Joint Controller General of Accounts.
4. All Directors/OSD/ABO/US/DD/Section Officers in Budget Division.
5. NIC, Ministry of Finance.

Annex -I

Sl. No.	Demand No.	Name of the Ministry/Department
1.	1	Department of Agriculture and Cooperation
2.	2	Department of Agriculture Research and Education
3.	8	Department of Fertilisers
4.	11	Department of Commerce
5.	14	Department of Telecommunication
6.	18	Department of Food and Public Distribution
7.	31	Ministry of External Affairs
8.	32	Department of Economic Affairs
9.	41	Indian Audit and Accounts Department
10.	42	Department of Revenue
11.	43	Direct Taxes
12.	44	Indirect Taxes
13.	47	Department of Health & Family Welfare
14.	57	Department of School Education and Literacy
15.	58	Department of Higher Education
16.	68	Ministry of Panchayati Raj
17.	71	Ministry of Petroleum and Natural Gas
18.	73	Ministry of Power
19.	79	Department of Rural Development
20.	86	Department of Road Transport and Highways
21.	92	Ministry of Textiles
22.	100	Department of Urban Development
23.	104	Ministry of Women & Child Development

Annex –II

Financial Year

Month	Plan	Non Plan	Total	Cumulative - Total
April				
May				
June				
July				
August				
September				
October				
November				
December				
January				
February				
March				
Total				



D.O. No. 7(3)/2006/E. Coord

Dr. Sanjiv Misra

**SECRETARY
DEPARTMENT OF EXPENDITURE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
Tel: 23092929, 23092663
Fax: 23092546**

December 21, 2006.

Dear Secretary,

I write to highlight some of the important initiatives taken for improvement in public expenditure management and also to share the concerns and priorities that lie ahead in this direction.

- o Revised Charter for Financial Advisors and (Chief) Controllers of Accounts was issued vide OM no. 5(6)/L&C/2006 dated June 1, 2006 with a view to redefine their role, responsibilities and accountability, authority and facilitate capacity-building.
- o Economy instructions were issued vide No. 7(3) /2006/ E-Coord dt July 22, 2006, followed by supplementaries /clarifications vide OM No. 7(3) /2006/ E-Coord dated August 8, 2006; OM No. 23(2) /2006 /E-Coord dated August 18, 2006, October 30, 2006 (Pt I, II & III) and OM No. 7(3) /2006 /E-Coord dt December 7, 2006.
- o Manuals on 'works', 'Consultancy' and 'Goods' have been finalized and circulated to all Ministries/Departments, (August 31, 2006 and November 7, 2006)
- o The Finance Secretary impressed upon the need of strengthening Internal Audit in the Ministries/Departments, vide his D.O letter no. 3(II)/06 (L&C) dated September 4, 2006 and the C&AG of India was requested to constitute a Task Force to benchmark the status of internal audit and suggest roadmap of reforms. The report of the Task Force has recently been received.

- o Revised guidelines were issued for preparation of Outcome Budget 2007-08 vide OM no. F. No. 2(I)Pers/E-Coord/OB/2005 dated December 12, 2006 merging the performance budget and the outcome budget into a single document; requiring the Ministries to link release of funds with progress in achieving monitorable physical progress and putting in place formal monitoring mechanisms to monitor progress against commitments made in the Outcome Budget.

2. During pre-Budget meetings, the need of observance of 33% ceiling on expenditure during the last quarter; reduction in unspent balances and outstanding utilization certificated; and observance of conditionalities, rules and procedures in incurring expenditure has been repeatedly emphasized. While the follow up action on the above will continue, it is felt that the following initiatives should be taken at the earliest.

3. Further modernization of financial management system should be given a high priority, considering the increased level of public expenditure in a decentralized manner. The Financial Advisers should pro-actively review the status of e- banking and e- procurement in the respective Ministries/Departments and apprise us on the achievements thereon.

4. Sound expenditure management begins with control and monitoring of commitments to expenditures. Ministries/Departments may consider putting reporting system in place to give the secretary a regular feedback on build-up of commitments such as the following: (We look forward to specific suggestions in other areas- where format systems of commitment tracking may be introduced.)

- i. Unpaid bills for goods/services received.
- ii. Un-discharged liability under contracts that prevents space for taking up new activities.
- iii. Carry forward liability of funds requirements to complete on-going works that would be a priority charge on future budgets and would reduce the scope of undertaking new projects.

5. Avoidance of rush of expenditure towards the end of the financial year continues to be an area of concern. Presently, not more than one-third of the Budget Estimates may be spent in the last quarter of the financial year. It is considered necessary to fine tune this further for controlling expenditure in the last month of the year. Accordingly, it is being stipulated that during the month of March, the expenditure should be limited to 15% of the Budget Estimates. Detailed instructions are being issued by the Budget Division. All the Ministries/ Departments would be required to adhere to these guidelines.

6. It is necessary to ensure that as far as practicable the cheques issued in a financial year are encashed within the financial year. Further, all cheques/bank drafts should be

delivered to the payees or dispatched on or before 31st March. Exact measure to be taken may be decided locally. These may include a combination of (a) surrender of chequebooks; (b) certified reports to be given to higher authorities by 31st March on last cheque/draft issued/discharged/delivered; and (c) a ban on issue of cheques on 31st March. It is expected that use of cheques should in any case decline, with increasing resort to electronic transfer of funds to payees. The Ministries/Departments are advised to review their payment systems with these considerations in mind and have appropriate internal checks in place.

7. It is also considered desirable that in the last month of the year, payments may be made only for the goods and services actually procured and for reimbursement of expenditure already incurred. Hence, no amount should be released in advance (in the last month) with the exception of the Following :

- i. Advance payments to contractors under terms of duly executed contracts as the Government would not renege on its legal, contractual obligations,
- ii. Any loans or advances to Government servants etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.
- iii. Any other exceptional case with the approval of the Financial Adviser. However, a list of such cases may be sent by the FA to the Department of Expenditure by 30th April for information.

8. Considering substantial improvement in the ways and means position of the States and the pressing need to reduce the prevalence of unspent balances, regular recipients of Central budgetary support may be encouraged to switch over to claiming frequent reimbursement. To assist them, a rolling advance may be initially given. We would liberally support pilot projects and selected schemes for coverage under such reimbursement-based financing system.

9. It has been observed that with convergence and consolidation of Government intervention into major programmers, budget outlays for these have increased substantially. However, the schemes guideline and practices regarding release of funds have not been modified to allow for more staggered releases. This results in uneven flow and front-loading of expenditures. Ministries/Departments should review existing arrangements in this regard and ensure that wherever schemes entail advance releases, and budget allocations are large, such advances should appropriately be released in at least four installments during the year subject also to fulfillment of the conditionalities attached to the further release of such funds. This norm will be applicable with effect from 2007-08. Particular attention is invited to stipulations contained in the 'Outcome Budget circular'

(OM no. F. No. 2(I)Pers/E-Coord/OB/2005 dated December 12, 2006) requiring the Ministries to link release of funds with progress in achieving monitorable physical progress against commitment made in the Outcome Budget.

Yours sincerely,

-sd-

(Sanjiv Misra)

All Secretaries

Copy to :

All Financial Advisors.

All Chief Controllers of Accounts/Controller of Accounts

-sd-

(S.C. Pandey)

Officer on Special Duty
(Policy & Coordination)

2309-3457

No.21(1)-B(PD)/2005
Ministry of Finance
Department of Economic Affairs
Budget Division
[Cash Management Cell]

Room No. 263-B, North Block
New Delhi dated 2nd Nov. 2011.

Office Memorandum

Sub: Cash Management System in the Central Government – modified exchequer control based expenditure management and restriction on expenditure during the last quarter of the financial year.

The undersigned is directed to refer to this Division's O.M. of even number dated December 27, 2006 on the subject cited above.

2. Based on the recommendations of Fourteenth Report of Second Administrative Reforms Commission (ARC) titled 'Strengthening Financial Management System' accepted by the Group of Ministers (GoM), it has been decided to extend aforesaid system to another 23 Demand for Grants (listed in Annexure-I) from the financial year 2012-13 i.e. w.e.f. 1.4.2012. This will be in addition to the 23 Demands for Grants already covered under the system (Annexure-II).
3. The Financial Advisor would be responsible for the implementation of the modified expenditure management system. He/She may nominate a nodal officer for the purpose.
4. In respect of each Demand for Grants, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) [MEP] would be worked out and included as an annex to the Detailed Demands for Grants in respect of the said Demands for Grants. Suggested format is at Annexure-III.
5. The required information relating to actual may kindly be emailed to this ministry every month [sopd-dea@nic.in]. It may also be ensured that this information is sent to this Ministry, in the enclosed proforma by 15th of every month.

6. The guidelines mentioned in the aforesaid O.M. dated December 27, 2006 remained unchanged (Annexure-IV).

Encl: As above.

-sd-

(Brajendra Navnit)

Deputy Secretary to the Govt. of India

Tel. No. 011-23092744

To

1. All Financial Advisors.
2. Principal Director, O/o the Comptroller and Auditor General of India.
3. Joint Controller General of Accounts.
4. All Directors/OSD/DS/US/Section Officers in Budget Division.
5. NIC, Ministry of Finance. For up-loading on website.

Annex-I

Proposed list of Demands for Grants for inclusion in Modified Cash Management System w.e.f. 2012-13 (1st April, 2012).

Sl. No.	Demand No.	Name of the Ministry/Department
1.	4	Department of Atomic Energy
2.	13	Department of Post
3.	15	Department of Information Technology
4.	22	Defence Services-Army
5.	23	Defence Services-Navy
6.	24	Defence Services-Air Force
7.	26	Defence Services-Research and Development
8.	27	Capital Outlay on Defence Services
9.	30	Ministry of Environment and Forest
10.	33	Department of Financial Services
11.	35	Transfers to State and Union Territory Government
12.	52	Ministry of Home Affairs
13.	54	Police
14.	60	Ministry of Information and Broadcasting
15.	61	Ministry of Labour and Employment
16.	65	Ministry of Micro, Small and Medium Enterprises
17.	67	Ministry of Minority Affairs
18.	84	Department of Drinking Water and Sanitation
19.	86	Department of Scientific and Industrial Research
20.	89	Ministry of Social Justice and Empowerment
21.	90	Department of Space
22.	95	Ministry of Tribal Affairs
23.		Ministry of Railways

Annex-II

List of Demands For Grants covered under Modified Cash Management System w.e.f. 2007-08 (1st April, 2007)

Sl. No.	Demand No.	Name of the Ministry/Department
1.	1	D/o Agriculture & Coop.
2.	2	D/o Agriculture Research & Education
3.	7	D/o Fertilizers
4.	11	D/o Commerce
5.	14	D/o Telecommunications
6.	17	D/o Food & Pub. Distbn.
7.	31	M/o External Affairs
8.	32	D/o Economic Affairs
9.	40	Indian, Audit & Accounts Department
10.	41	D/o Revenue
11.	42	Direct Taxes
12.	43	Indirect Taxes
13.	46	D/o Health & Family Welfare
14.	58	D/o School Education & Literacy
15.	59	D/o Higher Education
16.	70	M/o Panchayati Raj
17.	73	M/o Petroleum and Natural Gas
18.	75	M/o Power
19.	81	D/o Road Transport and Highways
20.	82	D/o Rural Development
21.	93	M/o Textiles
22.	101	M/o Urban Development
23.	105	M/o Women & Child Development

No.21(1)-PD/2005-Vol.II
Ministry of Finance
Department of Economic Affairs
Budget Division
[Cash Management Cell]

Room No. 263-B, North Block
New Delhi dated July 30.2012.

Office Memorandum

Sub: Cash Management System in the Central Government – modified exchequer control based expenditure management and restriction on expenditure during the last “quarter of the financial year - reg.

The undersigned is directed to refer to Office Memorandum of even number dated January 10, 2006 regarding introduction of exchequer control based expenditure with effect from April 1, 2006 and November 2, 2011 further extending it to 46 Demand for Grants.

2. Based on the recommendation of 51st Report of the Standing Committee of Finance on Demand for Grants (2012-2013) of Ministry of Finance, it has been decided that henceforth, all the Demand for Grants irrespective of whether they are covered under the Cash Management System or not, are required to prepare and send their Monthly Expenditure Plan (MEP) and Quarterly Expenditure Allocation (QEA) to the Cash Management Cell for better monitoring and compliance of the guidelines of the Ministry of Finance regarding the expenditure management.

3. The Financial Advisor would be responsible for furnishing the requisite information to the Cash Management Cell. A nodal officer may be nominated for the purpose as all the Demand for Grants are likely to be covered under the Cash Management System with in due course.

4. In respect of each Demand for Grants. Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) (MEP) would be worked out and included as an annex to Detailed Demands for Grants in respect of the said Demands for Grants. Suggested format is at Annexure-I.

5. The required information relating to actual may kindly be emailed at cashmgtsystem-dea@nic.in every month. It may also be ensured that this information is sent to this Ministry in the enclosed proforma by 15th of every month.

6. The guidelines mentioned in the OM of even No. dated December 27, 2006 would remain unchanged and may be followed in preparation of the MEP & QEA (Annexure-II).

-sd-

(Pankaj Sharma)

Deputy Secretary to the Govt. of India

To

1. All Financial Advisors.
2. Principal Director, O/o the Comptroller and Auditor General of India.
3. Joint Controller General of Accounts.
4. All Directors/OSD/DS/US/Section Officers in Budget Division.
5. NIC, Ministry of Finance.

F.No.7(3)/E. Coord./2006
Ministry of Finance
Department of Expenditure
Policy & Coordination Wing

New Delhi, the 8th August 2006.

OFFICE MEMORANDUM

Subject: Expenditure Management – ensuring even flow of expenditure and observance of conditions for release of funds

3. Attention is invited to paragraphs 14-16 of This Department's OM no. F. No. 7(2)/E. Coord./2005 dt November 23, 2005 and Paragraph 4 of the OM no. 7(3)/E. Coord./2006 dated July 22, 2006 regarding observance of discipline in release of funds.

4. After a review of pace of expenditure, it has been decided to implement the above as follows:-

- a) As already prescribed, no further releases be made until all the utilization certificates, which have fallen due to the concerned Ministry/Department, have been received.
- b) The existing guidelines providing for releases of funds to States under certain schemes in two instalments may be reviewed immediately. The second instalment amount could be further sub-divided according to the seasonality of the programme, and, of course, subject to the furnishing of utilization certification.
- c) The unspent balances available with the States and implementing agencies must be taken into account before further releases are made.
- d) No further transfers be made to a Reserve Fund until unspent balances in the Fund have been utilized.
- e) The sanction for payment must clearly specify either that the payee has no utilization certificates as due for rendition under the Rules under any scheme of the Ministry/Department, or that the payment has been authorized by D/o Expenditure.
- f) For any deviation from the above, the case should be referred to the D/o Expenditure.

- g) The Chief Controller of Accounts must ensure compliance to the above as part of pre-payment scrutiny.
- h) A report on cases of deviations may be included in the quarterly report to be sent by the Financial Advisors, as contemplated in paragraph 6 of the OM no. 7(3)/E.Coord./2006 dated July 22, 2006.

-sd-

(Dr. S. C. Pandey)
Officer on Special Duty
(Policy & Co-ordination)
2309-3457

All Financial Advisers

All Chief Controllers of Accounts/Controllers of Accounts

Copy for information to:-

PS to Finance Minister/Finance Secretary/Controller General of Accounts

APPENDIX – 6 of GFR

**PROCEDURE TO BE FOLLOWED IN CONNECTION WITH THE
DEMANDS FOR SUPPLEMENTARY GRANTS**

An excess over the sanctioned Grant or Appropriation may arise owing to either –

- (a) an unforeseen emergency; or
- (b) under-estimated or insufficient allowance for factors leading to the growth of expenditure.

In the case of an excess of either type the Head of the Department or the Controlling Officer concerned should proceed as follows :-

- (i) He should, in the first place, examine the allotments given to other Disbursing Officers under the same detailed head within the unit of appropriation, and transfer to the Disbursing Officer who requires an additional allotment such sum as can be permanently or temporarily spared. Since appropriation audit is ordinarily conducted against total allotments for a unit, reappropriation in the technical sense of the word is not involved in such cases. The process amounts only to redistribution which the Controlling Officer can ordinarily effect without reference to any other authority.
- (ii) Should he find such redistribution impossible, he should examine the allotments against other detailed heads inside the primary units of appropriation, with the object of discovering probable savings and effecting a transfer. Where such redistribution is feasible, he should if he has been vested with the necessary powers, carry it out. Otherwise, he should obtain the sanction of the competent authority.
- (iii) If the provision of funds from within primary units proves to be impossible, an examination of the whole grant should be undertaken to see whether there are likely to be savings under any of the other units of grant or appropriation which can be utilized to meet it. If so, he should proceed as indicated in Clause (ii) above.
- (iv) If such savings are not available, it should be seen whether special economies can be effected under other primary units of appropriation. If funds cannot be provided by either of these methods, it will have to be considered whether the excess should be met by postponement of expenditure or whether an application for supplementary grant or appropriation should be made.

- (v) The Supplementary Demand for Grants shall be presented to the Parliament in a number of batches as decided by the Ministry of Finance, Department of Economic Affairs. The first batch shall normally consist of requirements of the following nature :-
- (a) Cases where advance from Contingency Fund of India have been granted, which are required to be recouped to the Fund.
 - (b) Payment against a court decree, which cannot be postponed; and
 - (c) Cases of additional requirement of funds for making immediate payments, which can be met by re-appropriation of savings in the Grant but attract the limitation of New Service/New Instrument of Service.
- (vi) All applications for supplementary grants or appropriations should be submitted by the Department of the Central Government administratively concerned to the Finance Ministry on such dates and in such forms/batches as may be prescribed by the latter from time to time.
- (vii) On receipt of an application for a supplementary grant, the Finance Ministry will review the position of the grant of appropriation as a whole with reference to the known actuals of the year to date and the actuals and estimates for previous years. If after this examination, the Finance Ministry comes to the conclusion that it should be possible for the Administrative Department to meet the expenditure from within the sanctioned grant either from normal savings or by special economies or in the last resort by judicious postponement of other expenditure, the Administrative Department will be so informed and no supplementary demand will be presented to Parliament. If, on the other hand, the Finance Ministry considers that a supplementary grant will be necessary, a demand will be placed before Parliament.
- (viii) If during the course of the year it is found necessary to incur expenditure on a 'New Service' not provided for in the annual budget the Administrative Department shall explain to the Finance Ministry why the expenditure was not provided for in the original budget and why it cannot be postponed for consideration in connection with the next budget. The Finance Ministry, if satisfied on these points, will consider whether it would not be reasonable to ask the department concerned to curtail its other expenditure so as to keep the total within the grant. Ordinarily, no "new service" or item will be accepted by the Finance Ministry, unless the department concerned can guarantee that the extra expenditure will be met from normal savings or by special economies within the grant. Cases which involve additional grant will normally be accepted by

the Finance Ministry only if they relate to matters of real imperative necessity or to the earning or safeguarding of revenue. The demand for a supplementary grant of appropriation or a token vote in respect of a “new service” will be presented to Parliament as soon as practicable after the need arises.

Note – The expression ‘New Service’ wherever used in this Appendix includes – ‘New Instrument of Service’.

ANNEXURE -VI

BUDGET MATTER
IMMEDIATE

F. No. 7/2/2013-IFU(B&A)DT
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE

Room No. 24,
Church Road Hutments,
New Delhi- 110001.

Dated 14th January, 2013.

To

The Director, Directorate of Income Tax,
Expenditure Budget, A.R.A Centre,
Ground Floor, E-2, Jhandewalan Extension.
New Delhi -110055.

**Subject:- Vote on Account for the Financial Year 2013-14 in respect of Demand
No. 42- Direct Taxes.**

Sir,

I am directed to forward herewith copy of D.O. letter No. 2(1)-B(D)/2013 dated 4th January, 2013 along with enclosure received from Dr. Rajat Bhargava, Joint Secretary, Department of Economic Affairs on the above mentioned subject.

2. It is, requested that the requirement funds under Demand No. 43 Direct Taxes for expenditure during April-May, 2013 in prescribed proforma may along with soft copy may be forwarded to this unit latest by **5th February, 2013** for further necessary action.

Yours faithfully,
-sd-

Encl: As above.

(Umesh Sharma)
Under Secretary to Govt. of India
T. No. 011-23092258

BUDGET MATTER/MOST IMMEDIATE

Dr. Rajat Bhargava, IAS
Joint Secretary



D. O. NO. 2(1)-B (D)/2013
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
North Block, New Delhi- 110001.
TEL: 23093183 FAX: 23093133
E-mail: rajat.bhargava@nic.in
New Delhi, dated the 4th January, 2013

Dear Shri Rao,

Subject: - Vote on Account for the financial Year 2013-14.

After the presentation of Budget 2013-14, it is proposed to seek a Vote on Account to cover the Government's requirement of funds for the first two months (April and May) of the next financial year (excluding expenditure on New Service items) and will include provision for:

- (i) One-sixth of the expenditure provision included in the Budget for 2013-14; plus
 - (ii) Expenditure required over and above the one-sixth provision, for meeting contractual liabilities/obligatory commitments due during April-May, 2013, for which provisions have been made in the Budget for 2013-14. Each such case will be precisely justified.
2. Requirement of funds for expenditure during April-May, 2013, may be carefully and judiciously reviewed and information arranged to be furnished positively by 11th February, 2013, in respect of each Grant Controlled by you, in the enclosed proforma (Statements I & II).
3. A "NIL" report may also be sent where additional funds over and above one-sixth of the Budget 2013-14 provision are not required.
4. It may be noted that during the Vote on Account period, no expenditure on a 'New Service' can be incurred until the Demands for the whole year have been voted and the related Appropriation Bill has been passed authorizing expenditure for the whole year.

5. The details on individual cases of 'New Service' may also be sent in the prescribed proforma (Annexure X-A of the Budget Circular 2013-14) as soon as SBE (Final) is sent.

With regards,

Yours sincerely,

-sd-

(Dr. Rajat Bhargava)

Encl: As above.

Shri H Pradeep Pao,
Financial Adviser,
Direct Taxes,
New Delhi.

STATEMENT-I

PROFORMA FOR VOTE ON ACCOUNT FOR 2013-14 Items where additional funds in excess for one-sixth of the Demands for Grants are required during April To May, 2013.

(Rs. in crores upto two decimals –Gross figures)

Demand No.	Items(description of project / schemes etc)	Major Head in the Demand/ Appropriation	Provision for the full year	Amount required to be provided in the Vote on Account@	Justification (in brief)

@ Further details to be given in Statement-II

STATEMENT-II

Detailed calculation for amount required in Vote on Account 2013-14

Rs. in crores upto two decimals –Gross figures)

Item	Demand No.	Revenue Voted	Revenue Charged	Capital Voted	Capital Charged
I. Total Budget Estimate 2013-14					
II. Provision for New Service items (items to be specified)					
III. Budget Estimate 2013-14 excluding New Service Items (I-II)					
IV. 1/6 of the amount in III above					
V. Amount required in Vote on Account over and above 1/6 of BE 2013-14 during April to May, 2013 for:- (a) Contractual or obligatory payments of 2013-14 (b) Other deferred expenditure commitments of 2012-2013 Total [(a)+(b)]					
VI. Total amount required in Vote on Account [IV+V]					

ANNEXURE - VII

BUDGET RELATED PROVISIONS OF GFR

Rule 52. (1) Responsibility for control of Expenditure.- Department of the Central Government shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at their disposal. The control shall be exercised through the Head of Departments and other Controlling Officers, if any, and Disbursing Officers subordinate to them.

Rule 52. (2) A Grant or Appropriation can be utilized only to cover the charges (including liabilities, if any, of the past year) which are to be paid during the financial year of the Grant or Appropriation and adjusted in the accounts of the year. No charges against a Grant or Appropriation can be authorized after the expiry of the financial year.

Rule 52. (3) No expenditure shall be incurred which may have the effect of exceeding the total grant or appropriation authorized by Parliament by law for a financial year, except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund. Since voted and charged portions as also the revenue and capital sections of a Grant / Appropriation are distinct and reappropriation *inter se* is not permissible, an excess in any one portion or section is treated as an excess in the Grant / Appropriation.

Rule 52. (4) To have effective control over expenditure by the Departments, Controlling and Disbursing Officers subordinate to them shall follow the procedure given below :-

- (i) For drawal of money the Drawing and Disbursing Officers shall :-
 - a) Prepare and present bills for “charged” and “voted” expenditure separately.
 - b) Enter on each bill the complete accounts classifications from major head down to the object Head of Account. When a single bill includes charges falling under two or more object heads, the charges shall be distributed accurately over the respective heads.
 - c) Enter on each bill the progressive total of expenditure up-to-date under the primary unit of appropriation to which the bill relates, including the amount of the bill on which the entry is made.
- (ii) (a) All Disbursing Officers shall maintain a separate expenditure register in form GFR 9, for allocation under each minor or sub-head of account with which they are concerned.
- (b) On the third day of each month, a copy of the entries made in this register during the preceding month shall be sent by the officer maintaining it,

to the Head of the Department or other designated Controlling Officer. This statement shall also include adjustment of an inward claim, etc., communicated by Pay and Accounts Officer directly to the DDO (and not to his Grant Controlling Officer). If there are no entries in the register in any month, a 'nil' statement shall be sent.

- (iii) (a) The Controlling Officer will maintain a broadsheet in Form GFR 10 to monitor the receipt of the return prescribed in the foregoing sub-clause;
- (b) On receipt of the return from Disbursing Officers, the Controlling Officer shall examine them and satisfy himself:-
 - (aa) that the accounts classification has been properly given;
 - (bb) that progressive expenditure has been properly noted and the available balances worked out correctly;
 - (cc) that expenditure up-to-date is within the grant or appropriation; and
 - (dd) that the return have been signed by Disbursing Officers. Where the Controlling Officer find defects in any of these respects, he shall take steps to rectify the defect.
- (iv) When all the returns from the Disbursing Officers for a particular month have been received and found to be in order, the Controlling Officer shall compile a statement in Form GFR 11, in which he will incorporate –
 - (a) the totals of the figures supplied by Disbursing Officers;
 - (b) the totals taken from his own registers in Form GFR 9;
 - (c) the totals of such adjustments under the various detailed head as communicated to him by the Accounts Officer on account of transfer entries and expenditure debited to the grant as a result of settlement of inward account claims and not reckoned by his DDOs.
- (v) If any adjustment communicated by the Accounts Officers affects the appropriation at the disposal of a subordinate Disbursing Officer, the fact that the adjustment has been made shall be communicated by the Controlling Officer to the Disbursing Officer concerned.
- (vi) On receipt of all the necessary returns, the Head of the Department shall prepare a consolidated account in Form GFR 12, showing the complete expenditure from the grant or appropriation at his disposal up to the end of the preceding month.

Rule 52. (5) The Head of the Department and the Accounts Officer shall be jointly responsible for the monthly reconciliation of the figures given in the accounts maintained by the Head of the Department with those appearing in the Accounts Officer's books. The procedure for reconciliation shall be as follows:-

- I. DDOs shall maintain a Bill Register in Form TR 28-A, and note all bills presented for payment to the PAO in the register, As soon as cheques for the bills presented for payment are received, these will be noted in the appropriate column of the Bill Register and the DDOs will ensure that the amounts of cheques tally with the net amount of the bills presented. In case any retrenchment is made by the PAO, a note of such retrenchments should be kept against the bill in the remarks column in TR 28-A.
- II. The PAOs shall furnish to each of the DDOs including Cheque – drawing DDOs, an extract from the expenditure control register or from the Compilation Sheet every month indicating the expenditure relating to grants controlled by him classified under the various major-minor detailed head of accounts. The statements for May to March should also contain Progressive Figures.
- III. On receipt of these extract from the PAOs, the DDOs should tally the figures received, excluding book adjustments, with the expenditure worked out for the month in the GFR 9 register. Discrepancies, if any, between the two sets of figures should be promptly investigated by the DDO in consultation with the PAO. He will also note in the GFR 9 register particulars of book adjustments advised by the PAO through the monthly statement. Thereafter, the DDO should furnish to the PAO a certificate of agreement of the figures as per his books with those indicated by the PAOs by the last day of the month following the month of accounts.
- IV. The Principal Accounts Officer (or PAO wherever payments, relating to a grant are handled wholly by a PAO) of each Ministry, should send a monthly statement showing the expenditure vis a vis the Budget provision under the various heads of accounts, in the prescribed proforma, to the Heads of Departments responsible for overall control of expenditure against grant of the Ministry as a whole. The figure so communicated by the Principal Accounts Officer (or the PAO concerned) should be compared by the Heads of Departments with those consolidated in Form GFR 12 and differences, if any, should be taken up by the Heads of Departments with the Principal Accounts Officers (or the PAO concerned) for reconciliation. The Head of the Department should furnish a quarterly certificate to the Principal Accounts Officer certifying the correctness of the figure for the quarter by the 15th of the second following month after the end of quarters April-June, July-September, October-December and January-March.

Rule 52. (6) The Department of the Central Government should obtain from their Heads of Departments and other offices under them departmental figures of expenditure in Form GFR 12 by the 15th of the month of following the month to which the return relate. The figures relating to Plan and Non-Plan expenditure should be separately shown in these returns. The information so obtained should be posted in register (s) kept for watching the flow of expenditure against the sanctioned grant or appropriation. Progressive totals of expenditure should be worked out for the purpose. If the Departmental figures obtained in Form GFR 12 and posted in the register(s), require correction in a subsequent month, Heads of Departments or other officers should make such correction by making plus or minus entries in the progressive totals. In case the Accounts Office figures which subsequently become available are found to be higher than departmental figures, the former should be assumed to be the correct figures, as appropriation accounts are prepared on the basis of the figures booked in the accounts.

Rule 52. 7) The Departments of Central Government should also obtain from the Heads of Departments and other authorities under them, statements showing the details of the physical progress of the schemes, for which they are responsible. This statement should show the name of the scheme, the Budget provision for each scheme, the progressive expenditure on each scheme, the progress of the scheme in physical terms and the detailed reasons for any shortfalls or excess, both against physical and financial targets.

Rule 52. (8) A Broadsheet in Form GFR 13 should be maintained by the Departments of Central Government or each Head of Department and other authorities directly under them, to watch the prompt receipt of the various returns mentioned above from month to month and to take necessary measures for rectifying any defaults noticed.

Rule 53. Maintenance of Liability Register for effecting proper control over expenditure.-

In order to maintain proper control over expenditure, a Controlling Officer should obtain from the spending authorities liability statements in Form GFR 6-A every month, starting from the month of October in each financial year. The Controlling Officer should also maintain a Liability Register in Form GFR 6.

Rule 54. Personal attention of the Head of Department/ Controlling Officer required to estimate savings or excesses.-

A Head of Department or Controlling Officer should be in a position to estimate the likelihood of savings or excesses every month and to regularize them in accordance with the instructions laid down in Rule 56.

Rule 55. Control of expenditure against grant/ appropriation and ultimate responsibility of the authority administering it.-

The Accounts Officer should report to the Head of the Department concerned immediately on the first appearance of any disproportionate expenditure, particularly in respect of recurring items of expenditure under any grant or appropriation or a primary unit of appropriation thereof. However, the authority administering a grant/appropriation is ultimately responsible for the control of expenditure against the grant / appropriation and not the Accounts Officer.

Rule 56. (1) Surrender of Savings.-

Departments of the Central Government shall surrender to the Finance ministry, by the dates prescribed by that Ministry before the close of the financial year, all the anticipated savings noticed in the Grants or Appropriations controlled by them. The Finance Ministry shall communicate the acceptance of such surrenders as are accepted by them to the Accounts Officer, before the close of the year. The funds provided during the financial year and not utilized before the close of that financial year shall stand lapsed at the close of the financial year.

Rule 56. (2) The saving as well as provisions that cannot be profitably utilized should be surrendered to Government immediately they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses.

Rule 56. (3) Rush of expenditure, particularly in the closing months of the Financial year, shall be regarded as a breach of financial propriety and shall be avoided

Rule 57. Expenditure on New Service.-

No expenditure shall be incurred during a financial year on a "New Service" not contemplated in the Annual Budget for the year except after obtaining a supplementary grant or appropriation or an advance from the Contingency Fund during that year. The guidelines to determine cases of "New Service"/ "New Instrument of Service" are contained in Annexure-1 to Appendix-3.

Rule 58. (1) Additional Allotment for excess expenditure.- A subordinate authority incurring the expenditure will be responsible for seeing that the allotment placed at its disposal is not exceeded. Where any excess over the allotment is apprehended, the subordinate authority should obtain additional allotment before incurring the excess expenditure. For this purpose, the authorities incurring expenditure should maintain a 'Liability Register in Form GFR 6.

Rule 58. (2) A Disbursing Officer may not, on his own authority, authorize any payment in excess of the funds placed at his disposal. If the Disbursing Officer is called upon to honour a claim, which is certain to produce an excess over the allotment or appropriation at his disposal, he should take the orders of the administrative authority to which he is subordinate before authorizing payment of the claim in question. The administrative authority will then

arrange to provide funds either by reappropriation or by obtaining a Supplementary Grant or Appropriation or an advance from the Contingency Fund.

Rule 61. (1) Advance from Contingency Fund.-

When a need arises to incur unforeseen expenditure in excess of the sanctioned grant or appropriation or on a new service not provided in Budget and sufficient time is not available for the voting of the Supplementary Demand and the passing of the connected appropriation bill before close of the financial year, an advance from the Contingency Fund set up under Article 267 (1) of the Constitution shall be obtained before incurring the expenditure.

Rule 61. (2) An advance from the Contingency Fund shall also be obtained to meet expenditure in excess of the provisions for the service included in an Appropriation (Vote on Account) Act.

Rule 61. (3) The application for an advance from the Contingency fund should indicate *inter alia* the particulars of the additional expenditure involved and the sanction to the advance has also to indicate the sub-head and the primary unit of the Grant to which the expenditure appropriately relates. In case, however, any difficulty is felt, the matter should be referred to the Finance Ministry for clarification.

Rule 61. (4) The procedure for obtaining an advance from the Contingency Fund and recouplement of the fund shall be as laid down in the Contingency Fund of India Rules, 1952, as amended from time to time. For ready reference, rules have been placed at Appendix- 7 to the GFR.

Rule 62. Inevitable Payments:

- (i) Subject to the provisions of Article 114(3) of the Constitution, money indisputably payable by Government shall not ordinarily be left unpaid.
- (ii) Suitable provision for anticipated liabilities should invariably be made in Demands for Grants to be placed before Parliament.

Rule 64. Duties and Responsibilities of the Chief Accounting Authority.-

The Secretary of a Ministry / Department who is the Chief Accounting Authority of the Ministry / Department shall-

- (i) be responsible and accountable for financial management of his ministry or Department.
- (ii) ensure that the public funds appropriated to the Ministry or Department are

used for the purpose for which they were meant.

- (iii) be responsible for the effective, efficient, economical and transparent use of the resources of the Ministry or Department in achieving the stated project objectives of that Ministry or Department, whilst complying with performance standards.
- (iv) appear before the Committee on Public Accounts and any other Parliamentary Committee for examination.
- (v) review and monitor regularly the performance of the programmes and projects assigned to his Ministry to determine whether stated objectives are achieved.
- (vi) be responsible for preparation of expenditure and other statements relating to his Ministry or Department as required by regulations, guidelines or directives issued by Ministry of Finance.
- (vii) shall ensure that his Ministry or Department maintains full and proper records of financial transactions and adopts systems and procedures that will at all times afford internal controls.
- (viii) shall ensure that his Ministry or Department follows the Government procurement procedure for execution of works, as well as for procurement of services and supplies, and implements it in a fair, equitable, transparent, competitive and cost- effective manner;
- (ix) shall take effective and appropriate steps to ensure his Ministry or Department:-
 - (a) collects all moneys due to the Government and
 - (b) avoids unauthorized, irregular and wasteful expenditure.

ANNEXURE-VIII

SPECIMEN OF DETAILED DEMANDS FOR GRANTS 2013-14

अनुदानों की व्यौरा मांगें, 2013-2014 DETAILED DEMANDS FOR GRANTS

मांग संख्या DEMAND NO.43											
प्रत्यक्ष कर DIRECT TAXES											
राजस्व Revenue पूंजी Capital जोड़ Total											
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3,771,91,00 589,98,00 4,361,89,00											
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अनुदानों की ब्यौरेवार मांगें, 2013-2014 DETAILED DEMANDS FOR GRANTS

वस्तुविक्रय आंकड़े		बजट अनुमान		संशोधित अनुमान		बजट अनुमान		संशोधित अनुमान		बजट अनुमान		संशोधित अनुमान	
Actuals 2011-2012		Budget Estimates 2012-2013		Revised Estimates 2012-2013		Budget Estimates 2012-2013		Revised Estimates 2012-2013		Budget Estimates 2013-2014		Revised Estimates 2013-2014	
आयोजना		आयोजना-प्लान		आयोजना-नॉन-प्लान		आयोजना		आयोजना-प्लान		आयोजना		आयोजना-प्लान	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
...	8,06,30	...	12,60,00	...	6,62,60	कार्यालय व्यय	02.00.13	Office Expenses	...	7,50,00	7,50,00	...	7,50,00
...	...	...	...	...	...	किराया, महसूल और कर	02.00.14	Rent, Rates & Taxes	...	...	...	...	...
...	1,36,15	...	1,43,50	...	1,20,50	प्रकाशन	02.00.16	Publications	...	1,45,00	1,45,00	...	1,45,00
...	1,79	...	3,00	...	3,20	अन्य प्रशासनिक व्यय	02.00.20	Other Administrative Expenses	...	3,50	3,50	...	3,50
...	77,48,50	...	78,00,00	...	78,00,00	विज्ञापन और प्रचार	02.00.26	Advertising and Publicity	...	108,00,00	108,00,00	...	108,00,00
...	1,77,48	...	3,60,00	...	5,12,00	व्यावसायिक सेवाएं	02.00.28	Professional Services	...	7,00,00	7,00,00	...	7,00,00
...	...	...	1,00	...	...	अन्य प्रभार	02.00.50	Other Charges	...	...	...	...	...
...	...	...	...	...	...	सूचना प्रौद्योगिकी	02.99	Information Technology	...	...	...	...	...
...	...	...	...	...	6,00	कार्यालय व्यय	02.99.13	Office Expenditure	...	9,00	9,00	...	9,00
...	96,40,98	...	104,21,99	...	99,61,05	जोड़-अनुसंधान, सांख्यिकी और प्रकाशन		Total-Research, Statistics and Publication	...	133,48,97	133,48,97	...	133,48,97
...	...	...	...	...	...	संगठन और प्रबंध सेवाएं	03	Organisation and Management Services	...	...	...	...	...
...	10,49,84	...	10,58,40	...	13,23,00	वेतन	03.00.01	Salaries	...	14,29,00	14,29,00	...	14,29,00
...	...	...	...	...	...	मजदूरी	03.00.02	Wages	...	...	...	...	...
...	30	...	50	...	10	समयोपरि भत्ता	03.00.03	Overtime Allowance	...	10	10	...	10
...	10,98	...	8,60	...	20,00	चिकित्सा उपचार	03.00.06	Medical Treatment	...	27,00	27,00	...	27,00
...	93,30	...	89,25	...	89,00	देशीय यात्रा व्यय	03.00.11	Domestic Travel Expenses	...	1,10,00	1,10,00	...	1,10,00
...	11,90	...	24,00	...	10,00	विदेश यात्रा व्यय	03.00.12	Foreign Travel Expenses	...	15,00	15,00	...	15,00
...	10,44,25	...	2,50,00	...	15,79,23	कार्यालय व्यय	03.00.13	Office Expenses	...	6,50,00	6,50,00	...	6,50,00
...	2,47,35	...	3,13,39	...	4,07,00	किराया, महसूल और कर	03.00.14	Rent, Rates & Taxes	...	5,00,00	5,00,00	...	5,00,00
...	...	...	...	...	...	प्रकाशन	03.00.16	Publications	...	...	...	...	...
...	7,48,58	...	15,00,00	...	15,74,00	अन्य प्रशासनिक व्यय	03.00.20	Other Administrative Expenses	...	35,25,00	35,25,00	...	35,25,00
...	11,50	...	1,50	...	1,25	विज्ञापन और प्रचार	03.00.26	Advertising and Publicity	...	5,00	5,00	...	5,00
...	...	...	3,00	...	10,00	व्यावसायिक सेवाएं	03.00.28	Professional Services	...	20,00	20,00	...	20,00
...	...	...	...	...	...	सूचना प्रौद्योगिकी	03.99	Information Technology	...	...	...	...	...
...	240,16,81	...	190,00,00	...	355,00,00	कार्यालय व्यय	03.99.13	Office Expenditure	...	375,50,00	375,50,00	...	375,50,00
...	272,34,81	...	222,48,64	...	405,13,58	जोड़-संगठन और प्रबंध सेवाएं		Total-Organisation & Management Services	...	438,31,10	438,31,10	...	438,31,10
...	...	...	...	...	...	निरीक्षण	04	Inspection	...	...	...	...	...
...	2,07,52	...	2,26,80	...	2,15,00	वेतन	04.00.01	Salaries	...	2,32,00	2,32,00	...	2,32,00
...	...	...	...	...	...	मजदूरी	04.00.02	Wages	...	...	...	...	...
...	...	...	16	...	...	समयोपरि भत्ता	04.00.03	Overtime Allowance	...	...	...	...	...
...	6,11	...	3,50	...	7,50	चिकित्सा उपचार	04.00.06	Medical Treatment	...	10,00	10,00	...	10,00
...	6,57	...	7,00	...	4,90	देशीय यात्रा व्यय	04.00.11	Domestic Travel Expenses	...	7,00	7,00	...	7,00
...	...	...	...	...	...	विदेश यात्रा व्यय	04.00.12	Foreign Travel Expenses	...	...	...	...	...
...	83,94	...	60,00	...	85,00	कार्यालय व्यय	04.00.13	Office Expenses	...	1,10,00	1,10,00	...	1,10,00

प्रत्यक्ष कर संख्या NO. 43 DIRECT TAXES

वास्तविक अंकड़े		बजट अनुमान		संशोधित अनुमान		विवरण		Description		अवधि		बजट अनुमान	
Actuals 2011-2012		Budget Estimates 2012-2013		Revised Estimates 2012-2013		Budget Estimates 2013-2014				अवधि		Budget Estimates 2013-2014	
अवधि		अवधि		अवधि		अवधि				अवधि		अवधि	
Plan		Non-Plan		Plan		Non-Plan				Plan		Non-Plan	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)		
...	...	...	1,00	...	1,00	अन्य प्रशासनिक व्यय	04.00.20	Other Administrative Expenses	...	1,10	1,10
...	...	...	...	...	...	सूचना प्रौद्योगिकी	04.99	Information Technology	...	...	...
...	...	...	4,00	...	8,00	कार्यालय व्यय	04.99.13	Office Expenditure	...	10,00	10,00
...	3,04,14	...	3,02,46	...	3,21,40	जोड़-निरीक्षण		Total-Inspection	...	3,70,10	3,70,10		
...	...	...	...	...	...	आसूचना	07	Intelligence	...	...	...
...	20,43,50	...	16,74,00	...	29,00,00	वेतन	07.00.01	Salaries	...	31,32,00	31,32,00		
...	15,00	...	19,44	...	17,20	मजदूरी	07.00.02	Wages	...	19,00	19,00		
...	17	...	50	...	6	समयोपरि भत्ता	07.00.03	Overtime Allowance	...	6	6		
...	45,00	...	60,00	...	55,00	चिकित्सा उपचार	07.00.06	Medical Treatment	...	73,00	73,00		
...	64,00	...	74,38	...	80,00	देशीय यात्रा व्यय	07.00.11	Domestic Travel Expenses	...	1,00,00	100,00		
...	...	...	...	...	...	विदेश यात्रा व्यय	07.00.12	Foreign Travel Expenses	...	...	...
...	4,33,25	...	4,00,00	...	6,60,00	कार्यालय व्यय	07.00.13	Office Expenses	...	8,00,00	8,00,00		
...	11,64	...	10,15	...	10,15	किराया, महसूल और कर	07.00.14	Rent, Rates & Taxes	...	11,00	11,00		
...	1,95	...	4,00	...	2,00	प्रकाशन	07.00.16	Publications	...	2,50	2,50		
...	10,50	...	7,00	...	5,00	अन्य प्रशासनिक व्यय	07.00.20	Other Administrative Expenses	...	8,00	8,00		
...	10	...	1,50	...	1,00	विज्ञापन और प्रचार	07.00.26	Advertising and Publicity	...	1,50	1,50		
...	3,00	...	25,00	...	5,00	लघु निर्माण कार्य	07.00.27	Minor Works	...	10,00	10,00		
...	4,10	...	35,00	...	10,00	व्यावसायिक सेवाएं	07.00.28	Professional Services	...	13,00	13,00		
...	1,00,00	...	2,00,00	...	1,10,00	गुप्त सेवा व्यय	07.00.41	Secret Service Expenditure	...	1,50,00	1,50,00		
...	...	...	1,00	...	...	अन्य प्रचार	07.00.50	Other Charges	...	...	...
...	...	...	...	...	...	सूचना प्रौद्योगिकी	07.99	Information Technology	...	...	...
...	...	...	1,00,00	...	1,50,00	कार्यालय व्यय	07.99.13	Office Expenditure	...	1,50,00	1,50,00
...	27,32,21	...	26,11,97	...	40,05,41	जोड़ आसूचना		Total - Intelligence	...	44,70,06	44,70,06		
...	422,09,10	...	379,98,77	...	573,43,73	जोड़-निर्देशन और प्रशासन		Total-Direction and Administration	...	648,95,88	648,95,88		
...	...	...	...	...	...	संग्रह प्रचार-आय	00.101	Collection Charges-IncomeTax	...	...	...
...	...	...	...	...	...	कर (सूनु शीर्ष)	01	Commissioners and their offices	...	...	...
...	1,686,50,96	...	1,827,86,32	...	1,882,61,00	स्थापना	01.01	Establishment	...	2,034,94,00	2,034,94,00		
...	16,91,06	...	18,01,98	...	17,92,15	वेतन	01.01.01	Salaries	...	19,35,90	19,35,90		
...	47,42	...	67,40	...	42,67	मजदूरी	01.01.02	Wages	...	42,67	42,67		
...	21,68,72	...	20,32,00	...	19,04,00	समयोपरि भत्ता	01.01.03	Overtime Allowance	...	25,39,00	25,39,00		
...	40,22,39	...	36,65,50	...	40,04,17	चिकित्सा उपचार	01.01.06	Medical Treatment	...	50,12,00	50,12,00		
...	1,03,96	...	1,77,20	...	1,60,53	देशीय यात्रा व्यय	01.01.11	Domestic Travel Expenses	...	2,10,00	2,10,00		
...	...	...	...	...	...	विदेश यात्रा व्यय	01.01.12	Foreign travel Expenses	...	...	...

वस्तुविक्रय अंकड़े			बजट अनुमान			संशोधित अनुमान			बजट अनुमान		
Actuals 2011-2012			Budget Estimates 2012-2013			Revised Estimates 2012-2013			Budget Estimates 2012-2013		
आयोजना	Non-Plan	Plan	आयोजना	Non-Plan	Plan	आयोजना	Non-Plan	Plan	आयोजना	Non-Plan	Plan
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
...	कार्यालय व्यय	01.01.13	Office Expenses
...	499,60,45	...	484,40,00	...	473,62,62	भारति	646,70,00	646,70,00
...	111,90,49	...	154,53,59	...	123,93,45	स्वीकृत	01.01.14	Rent, Rates and Taxes	...	142,89,00	142,89,00
...	1,31,26	...	1,27,00	...	1,28,25	किराया, महसूल और कर	01.01.16	Publications	...	1,51,00	1,51,00
...	9,44,79	...	8,76,00	...	7,92,15	प्रकाशन	01.01.20	Other Administrative Expenses	...	14,57,10	14,57,10
...	74,44	...	1,96,00	...	94,75	अन्य प्रशासनिक व्यय	01.01.26	Advertising and Publicity	...	1,88,50	1,88,50
...	6,37,49	...	7,52,50	...	7,77,50	विज्ञापन और प्रचार	01.01.27	Minor Works	...	12,93,00	12,93,00
...	29,05,05	...	21,80,90	...	25,29,20	लघु निर्माण कार्य	01.01.28	Professional Services	...	32,20,75	32,20,75
...	व्यावसायिक सेवाएं	01.01.31	Grants-in-aid General
...	37,39	...	40,00	...	40,00	सामान्य सहायता अनुदान	01.01.32	Contributions	...	1,40,00	1,40,00
...	4,05,20	...	6,40,00	...	6,56,00	अनुदान	01.01.41	Secret Service Expenditure	...	11,30,00	11,30,00
...	3,02,29	...	4,23,00	...	3,47,00	गुप्त सेवा व्यय	01.01.50	Other Charges	...	3,50,00	3,50,00
...	66,96,92	...	30,00,00	...	38,21,00	अन्य प्रचार	01.99	Information Technology	...	40,00,00	40,00,00
...	2,499,70,28	...	2,626,59,39	...	2,651,06,44	सूचना प्रौद्योगिकी	01.99.13	Office Expenditure	...	3,041,22,92	3,041,22,92
...	कार्यालय व्यय	...	Total-Commissioners and their Offices
...	2,499,70,28	...	2,626,59,39	...	2,651,06,44	जोड़-आयुक्त और उनके कार्यालय	...	Charged	...	3,041,22,92	3,041,22,92
...	भारति	...	Voted
...	6,61,13	...	7,40,88	...	9,00,00	स्वीकृत	02	Settlement Commission for
...	1,37	...	2,16	...	1,40	आयकर और धन कर मामलों	...	Income Tax and Wealth Tax Cases	...	9,72,00	9,72,00
...	1,00	...	1,80	...	75	के लिए निपटान आयोग	02.00.01	Salaries	...	1,50	1,50
...	10,07	...	7,40	...	13,50	वेतन	02.00.02	Wages	...	75	75
...	60,83	...	52,93	...	82,93	मजदूरी	02.00.03	Overtime Allowance	...	18,00	18,00
...	समयोपरि नला	02.00.06	Medical Treatment	...	110,00	110,00
...	2,19,12	...	1,70,00	...	4,37,55	चिकित्सा उपचार	02.00.11	Domestic Travel Expenses
...	1,11,99	...	1,11,87	...	89,40	देशीय यात्रा व्यय	02.00.12	Foreign Travel Expenses	...	6,00,00	6,00,00
...	1,82	...	1,00	...	1,00	विदेश यात्रा व्यय	02.00.13	Office Expenses	...	1,00,00	1,00,00
...	50	...	1,00	...	300	कार्यालय व्यय	02.00.14	Rent, Rates & Taxes	...	1,10	1,10
...	14,97	...	20,00	...	15,00	किराया, महसूल और कर	02.00.20	Other Administrative Expenses	...	5,00	5,00
...	10	...	10	अन्य प्रशासनिक व्यय	02.00.26	Advertising & Publicity	...	20,00	20,00
...	विज्ञापन और प्रचार	02.00.27	Minor Works	...	15	15
...	लघु निर्माण कार्य	02.00.28	Professional Services	...	31,0	

अनुदानों की ब्यौरेवार मांगें, 2013-2014 DETAILED DEMANDS FOR GRANTS

वास्तविक आंकड़े		बजट अनुमान		संशोधित अनुमान		बजट अनुमान		संशोधित अनुमान		बजट अनुमान		संशोधित अनुमान	
Actuals 2011-2012		Budget Estimates 2012-2013		Revised Estimates 2012-2013		Budget Estimates 2012-2013		Revised Estimates 2012-2013		Budget Estimates 2012-2013		Revised Estimates 2012-2013	
आयोजना	अवयव-विन	आयोजना	अवयव-विन	आयोजना	अवयव-विन	आयोजना	अवयव-विन	आयोजना	अवयव-विन	आयोजना	अवयव-विन	आयोजना	अवयव-विन
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
...	अन्तर लेखा अन्तरण	01.00.63	Inter Account Transfer
...	9,06,71	...	10,15,00	...	10,57,00	अन्य व्यय (लघु शीर्ष)	00.800	Other Expenditure (Minor Head)
...	1,34,05	...	1,51,20	...	1,40,00	विभागीय कैंटीन	01	Departmental Canteens	...	11,42,00	11,42,00
...	अन्य प्रशासनिक व्यय	01.00.20	Other Administrative Expenses
...	अग्रिम निर्णय प्राधिकरण	02	Authority for Advance Rulings
...	वेतन	02.00.01	Salaries	...	1,51,00	1,51,00
...	मजदूरी	02.00.02	Wages
...	87	...	1,00	...	60	समयोपरि भत्ता	02.00.03	Overtime Allowance	...	60	60
...	2,01	...	2,00	...	7,00	विकित्ता उपचार	02.00.06	Medical Treatment	...	9,00	9,00
...	4,94	...	6,12	...	3,00	देशीय यात्रा व्यय	02.00.11	Domestic Travel Expenses	...	4,00	4,00
...	1,38	...	5,00	विदेश यात्रा व्यय	02.00.12	Foreign Travel Expenses	...	5,00	5,00
...	54,15	...	70,00	...	50,00	कार्यालय व्यय	02.00.13	Office Expenses	...	60,00	60,00
...	62,83	...	61,00	...	70,00	किराया, महसूल और कर	02.00.14	Rent, Rates & Taxes	...	70,00	70,00
...	2,42	...	3,00	...	1,00	प्रकाशन	02.00.16	Publications	...	1,20	1,20
...	47	...	1,00	...	125	अन्य प्रशासनिक व्यय	02.00.20	Other Administrative Expenses	...	1,50	1,50
...	लघु निर्माण कार्य	02.00.27	Minor Works
...	2,63,12	...	3,00,32	...	2,72,85	जोड़-अग्रिम निर्णय प्राधिकरण	03	Total Authority for Advance Rulings	...	3,02,30	3,02,30
...	यू.एन.डी.सी. से सहायता प्राप्त परियोजना प्रबंध	03.00.01	Salaries
...	वेतन	03.00.11	Domestic Travel Expenses
...	देशीय यात्रा व्यय	03.00.13	Office Expenses
...	कार्यालय व्यय	03.00.14	Rent Rates and Taxes
...	किराया, महसूल और कर	...	Total UNDP
...	जोड़ यू.एन.डी.सी.	...	Total Other Expenditure
...	11,69,83	...	13,15,32	...	13,29,85	जोड़-अन्य व्यय	00.901	Deduct-Proportionate charges transferred to other Heads(Minor Head)	...	14,44,30	14,44,30
...	घटाइए-अन्य शीर्षों को अन्तर्लिखित अनुपातिक प्रभार (लघु शीर्ष)	01	Corporation Tax
...	निगम कर	01.00.63	Inter Account Transfer
...	अन्तर लेखा अन्तरण	03	Taxes on Wealth
...	धन कर	03.00.63	Inter Account Transfer
...	अन्तर लेखा अन्तरण	07	Security Transaction Tax
...	प्रतिभूति अन्तरण कर	07.00.63	Inter Account Transfer
...	अन्तर लेखा अन्तरण

[illegible]

अनुदानों की ब्यौरवार मांगें, 2013-2014 DETAILED DEMANDS FOR GRANTS

वास्तविक आंकड़े Actuals 2011-2012 आयोजना		बजट अनुमान Budget Estimates 2012-2013 आयोजना		संशोधित अनुमान Revised Estimates 2012-2013 आयोजना		विवरण		Description		अवधि अनुमान Budget Estimates 2013-2014 आयोजना		जोड़ Total	
Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan			(9)		Plan	Non-Plan	(11)	(12)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			(10)	(11)	(12)	
...	...	...	777,48,00	...	426,20,00	वृहत् निर्माण कार्य	01.00.53	Major Works	...	...	...	...	...
...	256,52,67	...	...	...	...	निवेश	01.00.54	Investments	...	...	...	...	...
...	...	...	...	...	...	विविध सामान्य सेवाओं	4075	Capital Outlay on Miscellaneous	...	...	...	...	...
...	...	...	...	...	...	पर पूंजी परियोजना (मुख्य-शीर्ष)	...	General Services (Major Head)	...	...	...	...	...
...	...	...	...	...	...	विविध सामान्य सेवाओं आयकर अधिनियम,	00.204	Acquisition of immovable	...	...	...	...	...
...	...	...	...	...	...	1961 के अध्याय 28-इ के अंतर्गत अचल	...	properties under Chapter XX-C	...	...	...	...	...
...	1,28,69	...	1,80,00	...	...	संपत्ति का अधिग्रहण	00.00.53	of Income Tax Act 1961	...	...	2,00,00	2,00,00	...
...	...	...	...	...	...	वृहत् निर्माण कार्य	01.00.54	Major Works	...	...	...	...	...
...	...	...	...	...	...	निवेश	4216	Investments	...	...	...	...	...
...	...	...	...	...	...	आवास पर पूंजी परियोजना	...	Capital Outlay on Housing	...	...	...	...	...
...	...	...	...	...	...	(मुख्य-शीर्ष)	01	(Major Head)	...	...	...	...	...
...	...	...	...	...	...	सरकारी रहिवासी भवन	...	Government Residential	...	...	...	...	...
...	...	...	...	...	...	(उप मुख्य-शीर्ष)	...	Buildings(Sub Major Head)	...	...	...	...	...
...	...	...	...	...	...	आयकर कर्मचारियों के लिए	01.111	Residential Buildings for Income	...	...	...	...	...
...	...	...	...	...	...	रहिवासी भवन (लघु-शीर्ष)	...	Tax Employees(Minor Head)	...	...	...	...	...
...	...	...	...	...	...	तैयार निर्मित फ्लैटों का	01	Acquisition of Ready-built Flats	...	...	...	...	...
...	...	...	...	...	...	अधिग्रहण (उप-शीर्ष)	...	(Sub-Head)	...	...	...	...	...
...	...	...	30,00,00	...	...	वृहत् निर्माण कार्य	01.00.53	Major Works	...	...	41,00,00	41,00,00	...
...	3,18,19	...	...	...	...	निवेश	01.00.54	Investments	...	...	...	...	...
...	260,99,55	...	809,28,00	...	...	जोड़-पूँजी भाग	...	Total Capital Section	...	...	589,98,00	589,98,00	...
...	...	...	...	...	...	भारति	...	Charged	...	...	...	...	...
...	...	...	...	...	...	स्वीकृत	...	Voted	...	...	...	...	...
...	260,99,55	...	809,28,00	...	...	...	...	...	...	...	589,98,00	589,98,00	...
...	3,239,84,78	...	3,880,46,00	...	...	कुल जोड़	...	...	...	...	4,361,89,00	4,361,89,00	...
...	...	...	...	...	...	भारति	...	Charged	...	...	...	...	...
...	...	...	...	...	...	स्वीकृत	...	Voted	...	...	...	...	...
...	3,239,84,78	...	3,880,46,00	...	...	उन वसूतियों का ब्यौरा जिन्हें	...	...	...	...	4,361,89,00	4,361,89,00	...
...	...	...	...	...	...	खय में से घटाकर खाली	...	...	...	...	...	...	...
...	...	...	...	...	...	में समायोजित किया जाता है	...	...	...	...	...	...	...
...	...	...	...	...	...	आय और व्यय पर करों का संग्रहण	...	...	...	...	...	...	...
...	...	...	...	...	...	अधिक अदायगी की वसूली	...	...	...	...	...	...	...
...	-48,37	...	...	...	...	घटाइए-वसूलियां	...	...	...	...	...	...	...
...	-48,37	...	...	...	...	जोड़-राजस्व भाग	...	...	...	...	...	...	...
...	...	...	...	...	...	विविध सामान्य सेवाओं पर	...	...	...	...	...	...	...
...	...	...	...	...	...	पूँजी परियोजना (मुख्य शीर्ष)	...	...	...	...	...	...	...
...	...	...	...	...	...	अचल संपत्तियों का अधिग्रहण	...	...	...	...	...	...	...

प्रत्यक्ष कर संख्या NO. 43 DIRECT TAXES

वर्षावधिक अंकड़े Actuals 2011-2012 आयोजना Plan	बजट अनुमान Budget Estimates 2012-2013 आयोजना Plan		संशोधित अनुमान Revised Estimates 2012-2013 आयोजना Plan		बजट अनुमान Budget Estimates 2013-2014 आयोजना-बिना Non-Plan		विवरण Description	बजट अनुमान Budget Estimates 2013-2014 आयोजना-बिना Non-Plan		जोड़ Total
	(1)	(2)	(3)	(4)	(5)	(6)		(10)	(11)	
	(1)	(2)	(3)	(4)	(5)	(6)		(10)	(11)	(12)
...	-5,44,36	...	...	-2,00,00	...	-2,00,00	00.00.70 Deduct Recoveries	...	-2,00,00	-2,00,00
...	...	...	...	...	...	...	4059 Capital Outlay on Public Works-Office Buildings	...	...	...
...	...	...	...	...	...	...	901 Deduct Receipts & Recoveries on Capital Account	...	...	...
...	...	...	...	...	...	...	00.00.70 Deduct Recoveries	...	...	...
...	-5,44,36	...	...	-2,00,00	...	-2,00,00	Total - Capital Section	...	-2,00,00	-2,00,00

विषय शीर्ष-वार व्यौरावर व्यवस्था दर्शाने वाला विवरण STATEMENT SHOWING THE DETAILED PROVISION OBJECT HEAD-WISE

राजस्व भाग Revenue Part		आय और व्यय पर करों का संग्रह Collection of Taxes on Income & Expenditure		REVENUE SECTION	
2020	2020	2020	2020	2020	2020
1,779,98.23	1,923,67.00	2,002,09.00	वेतन	01	Salaries
17,16.55	18,36.00	18,15.00	मजदूरी	02	Wages
0,56.07	80.00	50.00	समयोपरि भत्ता	03	Overtime Allowance
23,36.33	22,00.00	21,00.00	विक्रित उपचार	06	Medical Treatment
43,76.65	40,00.00	44,00.00	देशीय यात्रा व्यय	11	Domestic Travel Expenses
1,17.24	210.00	180.00	विदेश यात्रा व्यय	12	Foreign Travel Expenses
...	...	...	कार्यालय व्यय(भास्ति)	13	Office Expenses (Charged)
534,82.77	514,00.00	516,30.00	(स्वीकृत)	...	(Voted)
116,62.00	160,00.00	130,00.00	किराया, महसूल और कर	14	Rent, Rates and Taxes
2,73.73	2,80.00	2,52.00	प्रकाशन	16	Publications
26,22.10	34,15.00	34,37.00	अन्य प्रशासनिक व्यय	20	Other Administrative Expenses
78,35.04	80,00.00	79,00.00	विज्ञापन और प्रचार	26	Advertising and Publicity
6,60.46	8,00.00	8,00.00	लघु निर्माण कार्य	27	Minor Works
31,30.30	26,00.00	30,96.00	व्यावसायिक सेवाएं	28	Professional Services
...	...	...	सामान्य सहायता अनुदान	31	Grants-in-aid General
37.39	40.00	40.00	अंशदान	32	Contributions
5,55.20	9,40.00	8,46.00	गुप्त सेवा व्यय	41	Secret Service Expenditure
3,11.44	4,50.00	3,96.00	अन्य प्रचार	50	Other Charges
307,13.73	225,00.00	400,00.00	सूचना प्रौद्योगिकी	99	Information Technology
...	...	...	अन्तर लेखा अन्तरण	63	Inter Account Transfer
2,978,85.23	3,071,18.00	3,301,51.00	जोड़	...	TOTAL
...	...	...	भास्ति	...	Charged
2,978,85.23	3,071,18.00	3,301,51.00	स्वीकृत	...	Voted
...

अनुदानों की ब्यौत्ता मांगें, 2013-2014 DETAILED DEMANDS FOR GRANTS

वास्तविक अंकड़े		बजट अनुमान		संशोधित अनुमान		बजट अनुमान		Budget Estimates 2013-2014		बजट अनुमान	
Actuals 2011-2012		Budget Estimates 2012-2013		Revised Estimates 2012-2013		Budget Estimates 2013-2014		Budget Estimates 2013-2014		Budget Estimates 2013-2014	
आयोजना		आयोजना		आयोजना		आयोजना		आयोजना		आयोजना	
Plan		Non-Plan		Plan		Non-Plan		Plan		Non-Plan	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
पूंजी भाग											
विविध सामान्य सेवाओं पर पूंजी											
परिचय (मुख्य शीर्ष)											
अचल सम्पत्ति का अधिग्रहण											
...	1,28,69	...	1,80,00	...	1,80,00	वृहत् निर्माण कार्य	4075	Capital Outlay on Miscellaneous	...	2,00,00	2,00,00
लोक निर्माण कार्य पर पूंजी											
परिचय (मुख्य शीर्ष)											
कार्यालय भवन(उप मुख्य शीर्ष)											
तैयार-निर्मित आवास का											
अधिग्रहण (लघु-शीर्ष)											
वृहत् निर्माण कार्य											
अन्य खय (लघु शीर्ष)											
तैयार निर्मित कार्यालय आवास											
का अधिग्रहण											
...	...	...	777,48,00	...	426,20,00	वृहत् निर्माण कार्य	01.00.53	Major Works	...	546,98,00	546,98,00
...	256,52,67	...	...	...	...	निवेश	01.00.54	Investments	...	...	...
आवास पर पूंजी											
परिचय (मुख्य शीर्ष)											
तैयार निर्मित रहिवासी फ्लैटों का											
अधिग्रहण (उप शीर्ष)											
...	...	...	30,00,00	...	6,00,00	वृहत् निर्माण कार्य	01.00.53	Major Works	...	41,00,00	41,00,00
...	3,18,19	...	...	...	...	निवेश	01.00.54	Investments	...	...	...
...	260,99,55	...	809,28,00	...	434,00,00	जोड़	TOTAL				
...	3,239,84,78	...	3,880,46,00	...	3,735,51,00	कुल जोड़	GRAND TOTAL				

कार्य अनुबंध WORK ANNEXURE

5 करोड़ रु. या अधिक की लागत वाले व्यक्ति निर्माण कार्यों के ब्योरे DETAILS OF INDIVIDUAL WORK COSTING Rs. 5 CRORES OR ABOVE

परिशिष्ट IX-3 Appendix IX-E
(बजट परिसर 2013-14 का पैरा 8.6 (iv))
(paragraph 8.6 (iv) of Budget Circular 2013-14)

(हजार रुपये) (In thousands of Rupees)							
निर्माण कार्य की अनुमानित लागत	2011-12 के अन्त में वास्तविक व्यय	2012-13 के दौरान संभावित व्यय	2013-14 में जोड़ किया गया प्रावधान	कालम 3 और 4 का जोड़	कालम 3 और 4 का जोड़	बजट अनुमान 2013-14 में	Provision in the Budget 2013-14
Particulars of Work	Estimated cost of work	Actual Expenditure to the end of 2011-12	Probable expenditure during 2012-13	Total of Columns 3 & 4	Total of Columns 3 & 4		
1							
Demand No. 39- Department of Expenditure							
INFRASTRUCTURE DEVELOPMENT (MAJOR HEAD-4070)							
1. Infrastructure Development of National Institute of Financial Management	14,43,00	10,40,00	0	10,40,00	0	0	0
TOTAL	14,43,00	10,40,00	0	10,40,00	0	0	0
Demand No. 43 - Direct Taxes							
CAPITAL OUTLAY ON PUBLIC WORKS (OFFICE BUILDINGS) (MAJOR HEAD-4059)							
1. Construction of Advanced Training Centre and Mess by NBCC at NADT, Nagpur.	1,011,227	390,000	100,000	490,000	264,000		
2. Construction of RTI building at Mohali	600,000	0	10,000	10,000	150,000		
3. Construction of Guest House at Golf Links, New Delhi	96,900	0	10,000	10,000	86,900		
4. Construction of office cum residential building at Lucknow	882,000	0	0	0	200,000		
5. Construction of office cum residential building at Srinagar	421,000	0	0	0	100,000		
6. Construction of office building at Nariman Point, Mumbai	120,000	0	0	0	100,000		
7. Purchase of Land and Construction at Belgaum	75,000	0	0	0	75,000		
8. Purchase of Land for DTRTI Building, Ahmedabad	600,000	0	0	0	600,000		
9. Purchase of Land for construction of Office at Erode	117,471	0	0	0	120,000		
10. Construction of Office Building at Pune	189,100	0	0	0	100,000		
11. Purchase of NBCC Plaza Saket, New Delhi for LTU	1,189,200	459,200	50,000	509,200	432,000		
12. Acquisition of Office space in MCD Civic Centre at Minto Road, Delhi	19,000,000	350,000	3,390,000	3,740,000	3,000,000		
13. Lump-sum provision for small projects (costing less than Rs.5 crore)	0	0	0	0	241,900		
Total		1,199,200	3,560,000	4,759,200	5,469,800		

अनुदानों की ब्यौरेवार मांगें, 2013-2014 DETAILED DEMANDS FOR GRANTS

1	2	3	4	5	6
				(हजार रुपये)	(In thousands of Rupees)
Demand No. 43 - Direct Taxes					
मांग संख्या 43 - प्रत्यक्ष कर					
आवास पर पूंजीगत परिव्यय					
(मुख्य शीर्ष-4216)					
1. पुणे में आवासीय परिसर का निर्माण जिसमें कम्प्यूनिटी हाल, मेहमान गृह इत्यादि वाले 40 प्लॉट हैं।	399,800	0	10,000	10,000	250,000
2. भोपाल में स्थायी आवासों का उन्नयन/नवीकरण	50,000	0	0	0	50,000
3. लघु निर्माण कार्यों के लिए एकमुश्त प्रावधान (जिनमें से प्रत्येक की लागत 5 करोड़ रुपये से कम है)	0	0	0	0	11,00,00
कुल	Total	0	10,000	10,000	410,000
Demand No. 44 - Indirect Taxes					
मांग संख्या 44 - अप्रत्यक्ष कर					
तैयार-निर्मित कार्यालय भवन की खरीद/कार्यालय भवन का निर्माण (मुख्य शीर्ष-4059)					
1. मुम्बई में यू.टी.आई. से भवन की खरीद	38,00,00	34,24,05	0	34,24,05	3,75,95
2. एनबीसीसी प्लाजा, साकेत, नई दिल्ली में तैयार निर्मित कार्यालय स्थल की खरीद	144,92,00	127,16,00	71,00	127,87,00	17,05,00
3. गुवाहाटी में कार्यालय भवन की खरीद	30,00,00	0	0	0	10,00,00
4. बंगलूर में एनएसीईएन के नए कार्यालय भवन का निर्माण	357,800	0	3,50,00	3,50,00	17,00,00
5. पांच करोड़ से कम लागत वाले निर्माण कार्य के लिए अपेक्षित एक मुश्त प्रावधान	8,24,00	0	0	0	10,05
कुल	Total	256,94,00	161,40,05	4,21,00	165,61,05
Purchase of ready built residential accomodation (Major Head-4216)					
1. पांच करोड़ से कम लागत वाले निर्माण कार्य के लिए एक मुश्त प्रावधान	8,00,00	0	10,00	10,00	1,34,00
कुल	Total	8,00,00	0	10,00	1,34,00

ANNEXURE-IX

DETAILS OF BUDGET CONTROLLING AUTHORITIES (BCAs) ALONG WITH SUB-HEAD, MINOR HEAD AND MAJOR HEAD IN RESPECT OF GRANT NUMBER 43- DIRECT TAXES

CODE	NAME
2020	Major Head - Collection of Taxes on Income & Expenditure
00.001	Minor Head - Direction & Administration
01	Sub Head - Investigation
2020.00.001.01	Director General of Income Tax (Administration), New Delhi.
2020.00.001.01	Director General of Income Tax (Investigation), New Delhi.
2020.00.001.01	Director of Income Tax (Investigation), New Delhi
2020.00.001.01	Director of Income Tax (Vigilance), New Delhi.

02	Sub Head – Research Statistics and Publication
2020.00.001.02	Director of Income Tax, (PR,PP & OL)
2020.00.001.02	Director of Income Tax (Recovery)

03	Sub Head – Organization and Management Services
2020.00.001.03	Director of Income Tax, (Organization & Management Services)
2020.00.001.03	Director of Income Tax, (Systems), New Delhi
2020.00.001.03	Director of Income Tax (Human Resources Development), New Delhi
2020.00.001.03	Director of Income Tax, (Expenditure Budget), New Delhi.
2020.00.001.03	Director General of Income Tax (Logistics), New Delhi
2020.00.001.03	Director General of Income Tax (L&R), New Delhi

04	Sub Head:- Inspection
2020.00.001.04	Director of Income Tax, (Income Tax & Audit), New Delhi

00.101	Minor Head - Collection Charges-Income Tax
01	Sub Head:- Commissioners and their offices
2020.00.101.01	Director General of Income Tax (National Academy of Direct Taxes), Nagpur.
2020.00.101.01	Director General of Income Tax (Investigation), Ahmedabad.
2020.00.101.01	Director General of Income Tax (Investigation), Bangalore/ Bangaluru
2020.00.101.01	Director General of Income Tax (Investigation), Bhopal
2020.00.101.01	Director General of Income Tax (Investigation), Chandigarh

2020.00.101.01	Director General of Income Tax (Investigation), Chennai.
2020.00.101.01	Director General of Income Tax (Investigation), Cochin
2020.00.101.01	Director General of Income Tax (Investigation), Hyderabad.
2020.00.101.01	Director General of Income Tax (Investigation), Jaipur
2020.00.101.01	Director General of Income Tax (Investigation), Kolkata
2020.00.101.01	Director General of Income Tax (Exemption), New Delhi.
2020.00.101.01	Director General of Income Tax (Investigation), Lucknow.
2020.00.101.01	Director General of Income Tax (Investigation), Mumbai.
2020.00.101.01	Director General of Income Tax (Investigation), Patna.
2020.00.101.01	Director General of Income Tax (Investigation), Pune
2020.00.101.01	Director of Income Tax (Infrastructure), New Delhi.
2020.00.101.01	Director of Income Tax (Investigation.), Hyderabad
2020.00.101.01	Director of Income Tax (Investigation), Kanpur
2020.00.101.01	Commissioner of Income Tax (Central), Ahmedabad
2020.00.101.01	Commissioner of Income Tax (Central), Chennai
2020.00.101.01	Commissioner of Income Tax (Central), New Delhi
2020.00.101.01	Commissioner of Income Tax (Central), Kolkata
2020.00.101.01	Commissioner of Income Tax –I, Agra.
2020.00.101.01	Chief Commissioner of Income Tax, Ahmedabad.
2020.00.101.01	Commissioner of Income Tax, Aligarh
2020.00.101.01	Chief Commissioner of Income Tax, Allahabad
2020.00.101.01	Chief Commissioner of Income Tax, Amritsar
2020.00.101.01	Chief Commissioner of Income Tax, Bangalore
2020.00.101.01	Commissioner of Income Tax, (Central Processing Centre), Bangalore
2020.00.101.01	Chief Commissioner of Income Tax, Bareilly
2020.00.101.01	Chief Commissioner of Income Tax, Baroda.
2020.00.101.01	Commissioner of Income Tax, Bathinda
2020.00.101.01	Chief Commissioner of Income Tax, Bhopal
2020.00.101.01	Chief Commissioner of Income Tax, Bhubaneswar
2020.00.101.01	Commissioner of Income Tax, Calicut
2020.00.101.01	Chief Commissioner of Income Tax, Chandigarh
2020.00.101.01	Chief Commissioner of Income Tax, Chennai.
2020.00.101.01	Chief Commissioner of Income Tax, Kochi.
2020.00.101.01	Chief Commissioner of Income Tax, Coimbatore.
2020.00.101.01	Chief Commissioner of Income Tax, Dehradun.
2020.00.101.01	Chief Commissioner of Income Tax, Delhi-I, New Delhi
2020.00.101.01	Commissioner of Income Tax, Dibrugarh
2020.00.101.01	Chief Commissioner of Income Tax, Durgapur.

2020.00.101.01	Commissioner of Income Tax, Faridabad.
2020.00.101.01	Chief Commissioner of Income Tax, Ghaziabad.
2020.00.101.01	Chief Commissioner of Income Tax, Guwahati.
2020.00.101.01	Commissioner of Income Tax, Gwalior
2020.00.101.01	Commissioner of Income Tax, Haldwani.
2020.00.101.01	Commissioner of Income Tax, Hissar.
2020.00.101.01	Chief Commissioner of Income Tax, Hubli.
2020.00.101.01	Chief Commissioner of Income Tax, Hyderabad.
2020.00.101.01	Chief Commissioner of Income Tax, Indore.
2020.00.101.01	Commissioner of Income Tax-I, Jabalpur.
2020.00.101.01	Chief Commissioner of Income Tax, Jaipur.
2020.00.101.01	Commissioner of Income Tax-I, Jalandhar.
2020.00.101.01	Chief Commissioner of Income Tax, Jalpaiguri.
2020.00.101.01	Commissioner of Income Tax, Jammu.
2020.00.101.01	Chief Commissioner of Income Tax, Jodhpur.
2020.00.101.01	Commissioner of Income Tax, Jorhat.
2020.00.101.01	Chief Commissioner of Income Tax, Kanpur.
2020.00.101.01	Commissioner of Income Tax-I, Kanpur.
2020.00.101.01	Commissioner of Income Tax, (CIB), Kanpur.
2020.00.101.01	Commissioner of Income Tax, Karnal.
2020.00.101.01	Chief Commissioner of Income Tax, Kolkata.
2020.00.101.01	Chief Commissioner of Income Tax, Lucknow.
2020.00.101.01	Chief Commissioner of Income Tax, Ludhiana.
2020.00.101.01	Chief Commissioner of Income Tax, Madurai
2020.00.101.01	Chief Commissioner of Income Tax, Mumbai.
2020.00.101.01	Commissioner of Income Tax, Muzaffarnagar.
2020.00.101.01	Chief Commissioner of Income Tax, Nagpur.
2020.00.101.01	Chief Commissioner of Income Tax, Nasik.
2020.00.101.01	Chief Commissioner of Income Tax, Panaji.
2020.00.101.01	Chief Commissioner of Income Tax, Panchkula.
2020.00.101.01	Commissioner of Income Tax, Patiala.
2020.00.101.01	Chief Commissioner of Income Tax, Patna.
2020.00.101.01	Commissioner of Income Tax, Pondicherry.
2020.00.101.01	Chief Commissioner of Income Tax, Pune.
2020.00.101.01	Chief Commissioner of Income Tax - II, Pune.
2020.00.101.01	Chief Commissioner of Income Tax, Raipur.
2020.00.101.01	Chief Commissioner of Income Tax, Rajkot.
2020.00.101.01	Chief Commissioner of Income Tax, Ranchi.

2020.00.101.01	Commissioner of Income Tax, Rohtak.
2020.00.101.01	Chief Commissioner of Income Tax, Shillong.
2020.00.101.01	Commissioner of Income Tax, Shillong
2020.00.101.01	Commissioner of Income Tax, Shillong (Tripura)
2020.00.101.01	Commissioner of Income Tax, Shimla
2020.00.101.01	Chief Commissioner of Income Tax, Surat
2020.00.101.01	Chief Commissioner of Income Tax, Thane
2020.00.101.01	Chief Commissioner of Income Tax, Tiruchirappalli
2020.00.101.01	Chief Commissioner of Income Tax, Trivandrum
2020.00.101.01	Chief Commissioner of Income Tax, Udaipur
2020.00.101.01	Chief Commissioner of Income Tax, Visakhapatnam.
2020.00.101.01	Commissioner of Income Tax (CPC), Manesar
2020.00.101.01	Director General of Income Tax (International Taxation), New Delhi
2020.00.101.01	Commissioner of Income Tax, (LTU), New Delhi
2020.00.101.01	Commissioner of Income Tax (LTU), Mumbai

02	Sub Head:- Settlement Commission for Income Tax and Wealth Tax Cases
2020.00.101.02	Income Tax Settlement Commission, New Delhi
2020.00.101.02	Income Tax Settlement Commission, Chennai
2020.00.101.02	Income Tax Settlement Commission, Kolkata
2020.00.101.02	Income Tax Settlement Commission, Mumbai.

04	Sub Head – Zonal Account offices of Principal Chief Controller of Accounts
2020.00.101.04	Principal Chief Controller of Accounts, CBDT, New Delhi

02	Sub Head- Authority & Advance Rulings
2020.00.800.02	Commissioner of Income Tax, (Authority for Advance Ruling)

07	Sub Head- Intelligence
2020.00.001.07	Director General of Income Tax (Intelligence), New Delhi

ANNEXURE -X

F.No. 15/6/2008-IFU.III
Ministry of Finance
Department of Revenue
Integrated Finance Unit

New Delhi, dated 15th September, 2011

OFFICE MEMORANDUM

Subject: Delegation of Financial Powers to Heads of Departments of Department of Revenue, CBDT and CBEC-reg

The delegation of financial powers to Heads of Departments (HoDs) of CBDT and CBEC has been reviewed by the Integrated Finance Unit (IFU) of Department of Revenue. Based on, *inter-alia*, proposals received from CBDT & CBEC, the revised delegation, duly approved by the competent authority under Rule-13 of the Delegation of Financial Powers Rules, 1978, has been compiled as per Annexure.

2. For exercising the delegated financial powers, as mentioned in the enclosed Annexure, there is no necessity to refer the proposals to the Department/IFU except where proposals are not in consonance with the existing instructions. **The provisions of GFRs and instructions issued by the Department of Expenditure and other competent authorities i.e. CVC and DGS&D etc. shall be followed.** The expenditure against these delegations is subject to availability of the Funds with the HoDs.

3. The revised delegation, which is applicable with immediate effect, may be circulated to all HoDs.

-sd-

(H.Pradeep Rao
Joint Secretary & Financial Adviser (Finance)

To:

- (1) Chairman, CBDT
- (2) Chairman, CBEC
- (3) Joint Secretary (Revenue)
- (4) Joint Secretary (Admn.), CBDT
- (5) Joint Secretary (Admn.), CBEC

Copy to:

- (1) Pr.CCA, CBDT
- (2) Pr.CCA, CBEC
- (3) CCA (Finance), D/o Revenue

Annexure

DELEGATION OF FINANCIAL POWERS TO HEADs OF DEPARTMENTS (HoDs) OF CBDT, CBEC AND DEPARTMENT OF REVENUE (Ref: O.M. No. F.15/6/2008-IFU dated 15.09.2011)

Note1: The instructions issued by Department of Expenditure vide their O.M. No 7(1)/E. Coord/2011 dated 11th July, 2011 and other item-wise or general instructions, as issued from time to time by Department of Expenditure, Budget Division, Department of Revenue, CBDT,CBEC and other competent authorities, shall apply while exercising the delegation in respective items.

Note 2: The General Financial Rules, 2005 (effective from 01.07.2005) and the Delegation of Financial Powers Rules, 1978, as amended up to the date of issue of this compilation, shall apply in respect of each of these stated items.

Note3: Regarding the position on the available delegation of HODs on various items, after issue of Department of Expenditure's Notification No.1(11)/E.II.A/2003 dated 16.9.2003, it is clarified that with the issue of this Notification, the Departments have been authorized to decide the extent of financial powers which they can delegate to their HoDs in the matter of contingent expenditure and miscellaneous expenditure, subject to fiscal codes and procedures and limits being within budgetary allocations. Accordingly, the HoDs of CBDT, CBEC and Department of Revenue will continue to have the same delegation as prevailing before the issue of above notification dated 16.9.2003 unless powers are specifically enhanced under the items in the enclosed compilation.

Note4: For exercising delegated financial powers as mentioned in the enclosed compilation there is no necessity to refer the proposals to Department/IFU, except where the proposals are not in consonance with the existing instructions.

Note5: All proposals beyond delegated powers of HoDs are to be invariably referred to the Ministry/Department for consideration/approval.

Annexure

DELEGATION OF FINANCIAL POWERS TO THE HEADS OF THE DEPARTMENTS OF DEPARTMENT OF REVENUE, CBDT & CBEC

(Ref: O.M. F. No. 15/6/2008-IFU-III (EC) dated 15.09.2011)

S.No.	Item of Expenditure	Rules applicable and delegation of financial powers to HODs of CBDT, CBEC and D/O Revenue
(A)	(B)	(C)
1.	Write-off losses	
	i. Loss of revenue or irrecoverable loans and advances.	The details of powers available to Chief Commissioners/ Director Generals and Commissioners/ Directors in all these three sub-heads may be seen in Schedule-VII of DFPRs.
	ii. Deficiencies and depreciation in the value of stores (other than motor vehicle) included in the stock and other accounts.	
	iii. Irrecoverable loss of stores or of public money.	
2.	Contingent expenditure	Full Powers.
2.1	Bicycle	
2.2	Conveyance hire charges	Powers delegated under DFPRs will be applicable. The position of allocation of financial powers to HODs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No. 1 (11)/E.II(A)/2003 dated 16.09.2003 will continue.
2.3	Electric, gas and water charges	Full Powers.
2.4	Fixtures, Furniture (Purchase and Repair)	Full Powers.
2.5	Freight and demurrage/wharfage charges	Full Powers.
2.6	Hire of office furniture, fans, heaters, coolers, clocks, call bells etc.	Full Powers

2.7	Legal charges	Powers delegated under DFPRs will be applicable. The position of allocation of financial powers to HoDs (along with restrictions, conditions etc.) from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No. 1(11)/E.II(A)/2003 dated 16.09.2003 will continue.
2.8	<p>Motor vehicles</p> <p>i) Additional purchase of additional hiring of vehicles (on regular basis)</p> <p>ii) Replacement hiring in lieu of regularly (mature) condemned vehicle.</p> <p>iii) Replacement hiring in lieu of pre-maturely condemned vehicle.</p> <p>iv) Replacement purchase in lieu of mature or premature condemned vehicle</p> <p>v) Maintenance, upkeep and repairs of vehicles.</p> <p>vi) Mature and pre-mature condemnation of vehicles.</p> <p>vii) Hiring of vehicles in connection with search and seizure operations.</p>	<p>i) No Powers.</p> <p>ii) Full Powers subject to GFRs 2005 and instructions issued from time to time</p> <p>iii) No Powers.</p> <p>iv) There is general ban imposed by Department of Expenditure vide O.M. No 7(1)E-Coord/2011 dated 11.07.2011 on purchase of vehicle and, therefore, proposals for purchase are to be referred to the Department.</p> <p>v) Full Power.</p> <p>vi) Full Powers for mature condemnation. The Department has to be approached for pre-mature condemnation.</p> <p>vii) The offices headed by ITO/AC/DC can hire vehicles for survey, search and seizure operations as and when required subject to availability of budget and monitoring by the concerned HOD. In case of Survey, the concerned Joint CIT/ Addl.CIT would be competent to hire, subject to ex-post-facto approval by the HOD.</p>
2.9	Municipal rates and taxes	Full Powers.
2.10	Repair and maintenance work in buildings owned by the Department (Minor Works)	Rs. 30 lakh. Provision of GFR 2005 will apply.

2.11	Provision of DG set	Rs. 15 lakh per annum per building for each HOD for purchase of DG (Diesel Generating) set, subject to GFRs 2005, Works Manual and guidelines for essential and non-essential loads for DG Sets.
2.12	Repair and alterations to hired and requisitioned buildings.	A total of Rs. 50,000/- in a year, non-recurring. Provision of GFRs 2005 will apply.
2.13	Original works (through CPWD) on Department land and buildings. (Only in cases where funds are provided by MOUD). The power will not be used for purchase of land/building.	Rs. 10 lakh in each case. Provisions of GFRs 2005 will apply. Government of India decision below Rule 10 of DFPRs on New Service/ New Instrument of Service shall apply. All original works beyond Rs. 10 lakh required reporting to Parliament and beyond Rs. 50 lakhs requires prior approval of Parliament. Budget provision should be available under the grant provided by MoUD.
2.14	Computers	<p>i) Site preparation of computers/ installation – Rs. 5 lakh/year.</p> <p>ii) Maintenance of site for Computers – Rs. 5 lakh/ year.</p> <p>iii) AMC of Computers (Hardware) excluding sites-Rs. 10 lakh/year (non PSU) & full powers in case of PSU.</p> <p>iv) Training in computers in India Rs. 5 lakh/year in consultation with respective Systems Wing of CBDT & CBEC.</p> <p>v) Purchase/procurement of PCs/ Hardware – Rs. 15 lakh/year.</p> <p>vi) Software development and website related expenditure-Rs. 2 lakh per year for Systems wing and Training Institutes of CBEC & CBDT. For Training Institutes, the software should be developed in consultation with the respective Systems wing.</p> <p>Note: The above powers are subject to relevant instructions on these items issued from time to time.</p>

2.15	Hiring of office accommodation	<p>Rs. 3 lakh per month for 13 major Cities (A-1 and A) & Rs. 1.5 lakh per month for other cities.</p> <p>Note: These powers are subject to non-availability certificate from Directorate of Estates and/ or CPWD, Fair Rent Certificate from CPWD, observance of GFRs, 2005, admissibility of space norm as prescribed and also subject to relevant instructions on this item issued from time to time. Any deviation from norms including acceptance of single offer, should be referred to the Ministry. Hiring should be recommended by a Hiring Committee duly constituted by the HoD.</p>
2.16	Postal & Telegraph charges	Full Powers to incur expenditure on this item subject to following the existing government instructions. Through e-governance activities, electronic mode to be increasingly adopted.
2.17	Printing and binding	<p>i) Full Powers to HODs. in case of printing is done in Government Press or through Directorate of Printing.</p> <p>ii) Rs. 1 lakh per annum through private party including cost of paper and binding following GFRs 2005 provisions and Govt. instructions on the subjects.</p>
2.18	Publications	Full Powers.
2.19	Repairs to and removal of machinery (where expenditure is not of capital nature)	Full Powers.
2.20	Rewards, fees, bonus etc. (Other than those granted under service rules)	The position of allocation of financial powers of HODs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No. 1(11)/E.II(A)/2003 dated 16.09.2003 will continue.

2.21	Staff paid form contingencies	Full Powers (Only for casual engagement for short duration).
2.22	Purchase of stationery	Upto Rs. 10 lakh per annum. Govt's economy instructions & GFRs 2005 provisions are to be followed in procurement and inventory management. HODs have to ensure that there is no wasteful expenditure.
2.23	Stores	Full Powers.
2.24	Supply of uniforms etc.	Full Powers.
2.25	Telephone charges	Full Powers.
2.26	Tents and camp furniture	The position of allocation of financial power to HODs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated 16.09.2003 will continue.
2.27	All office equipments including typewriters, electronic typewriters, dedicated word processors, intercom equipments, calculators, electronic stencil cutter, Dictaphones, tape recorders, photo copiers, copying machine, franking machine, filing and indexing systems etc.	Full Powers.
2.28	Departmental and inter-departmental meetings, conferences, seminars, receptions and workshops	The position of allocation of financial power to HODs from the powers available with the Department, as prevailing before the issue of Department of Expenditure Notification No.1(11)/E.II(A)/2003 dated 16.09.2003 will continue. O.M. No. 7(2)/E.Coord/03 dated 25.03.2004 of Department of Expenditure shall apply. Limit of Rs. 150/- per head for serving refreshments/ working lunch which start in the forenoon and continue beyond lunch time. The holding of meetings, conference, seminars, workshops, etc. in hotels should be avoided.

2.29	Medical advance to eligible employees under CS(MA) Rules	Upto Rs. 2 lakh, subject to instructions of Ministry of Health issued from time to time.
2.30	Expenditure on visit of Parliament Committee	The guidelines of Ministry of Parliamentary Affairs (Circulated by D/O Revenue (Parliament Cell) vide Dy. No.906/2005 – Parl. Dated 13.7.2005) provides for the manner of incurring of such expenditure and also that such expenses will be borne from the grants of Secretariat of Lok Sabha / Rajya Sabha.
3.	Other items of contingent expenditure	Recurring – Rs. 1,00,000/- per annum in each case. Non-recurring- Rs 1,00,000/- in each case.
4.	Miscellaneous Expenditure	Recurring – Rs. 10,000/- per annum in each case Non-recurring- Rs. 20,000/- in each case.
5.	Advertising & Publicity by CBDT & CBEC	i. For approved Publicity Plan. Both the Boards will prepare their quarterly publicity plan and obtain the approval of Finance Minister. The Director (PR PP & OL) in CBDT and Commissioner (DP & PR) in CBEC are delegated full powers to incur expenditure in connection with such approved publicity plan within the budgetary allocations, subject to the condition that expenditure would be incurred through DAVP/Prasar Bharati (for Doordarshan and AIR)/ NFDC (for web- based publicity and TVC) at the approved rates, fulfillment of economy instructions and following the provisions of GFRs. Wherever DAVP/PB/NFDC rates are not available, the respective HODs would follow the provisions of GFRs 2005 and other instructions issued from time to time.

		<p>ii) For isolated advertising other Publicity requirements not Covered under Quarterly Plan:</p> <p>The DIT (PR, PP & OL) in CBDT and Commissioner (DP& PR) in CBEC are delegated financial powers up-to Rs. 50 lakh per annum for incurring expenditure on isolated advertising and a publicity to be undertaken. Proposal beyond this limit should be sent to Financial Adviser for concurrence.</p> <p>iii. Delegation to HODs:</p> <p>All other HODs of CBEC/CBDT are delegated powers upto Rs. 1 lakh per annum, subject to the condition that the expenditure will be incurred by following the relevant instructions and guidelines on the subject.</p>
6.	Incurring expenditure on implementation of court orders	Heads of Departments (HODs) are delegated financial powers upto Rs. 20,000/- in each case (Non –recurring) on implementation of judicial orders.
7.	Outsourcing of services	<p>Rs. 30 lakh per annum to the HODs. Provisions of GFRs, 2005 in this regard shall apply. It is to be ensured that there is no liability on Govt. towards permanent employment to the personnel engaged by the service providers. No outsourcing should be resorted:</p> <p>(i) to augment manpower against the abolished posts,</p> <p>(ii) meet the services like security and cleaning while the sanctioned strength in these cadres are already on roll and drawing regular salaries and allowances.</p> <p>(iii) to augment posts at Gr. 'C' and above level.</p>

8.	AMC payment of X-ray baggage inspection systems in CBEC	Once the rates and terms and conditions are approved by Department, release of advance and balance payments may be made by Commissioner (Logistics) CBEC subject to the observance of terms and conditions.
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Sd/-
(Praveen M. Khanooja)
Director (Finance)
Department of Revenue
15.09.2011

ANNEXURE -XI



GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF DIRECT TAXES
DIRECTORATE OF INFRASTRUCTURE

Room No. 206, 2nd Floor, A Wing, 14, Hudco Vishala Bldg., Bhikaji Cama Place, New Delhi

Telephone No. 011-26162372	Fax No. 011-26197102
F. No. DIT(Infra)/DFP/37/2012-13/1504	Dated: 13/14.12.2012

To,

The Chief Commissioner of Income Tax,

Allahabad, Amritsar, Ahmedabad, Bareilly, Bhubaneswar, Bangalore, Bhopal, Baroda, Chennai, Chandigarh, Coimbatore, Dehradun, Delhi, Durgapur, Ghaziabad, Guwahati, Hubli, Hyderabad, Indore, Jaipur, Jalpaiguri, Jodhpur, Kanpur, Kolkata, Kochi, Lucknow, Ludhiana, Madurai, Mumbai, Nagpur, Nashik, Panaji, Panchkula, Patna, Pune, Rajkot, Raipur, Ranchi, Shillong, Shimla, Surat, Thane, Thiruvananthapuram, Tiruchirappalli, Udaipur, Vishakhapatnam, and

The Director General of Income Tax,
National Academy of Direct Taxes, Nagpur.

Madam/Sir,

Sub: Delegation of Financial Powers to Heads of Departments – reg.

Kind reference is invited to the above mentioned subject.

2. In this connection, I am directed to enclosed herewith Department of Revenue, Ministry of Finance O.M. (F.No. 15/6/2008-IFU-III) dated 1.11.2012. As per the said O.M. it has been decided to delegate financial powers up to Rupees One Crore for “Original Works for Office Accommodation only” to the Chief Commissioners of CBDT, where the funds are provided under MoUD/CPWD Grant. In these cases, IFU’s vetting will not be required and the Chief Commissioners will give Administrative Approval and Expenditure Sanction keeping in view the prescribed norms and checklists issued by IFU wings in this regard.

3. The said O.M. further, states that the Chief Commissioners will send a certificate to the Board, of having personally satisfied themselves that the proposal is as per the standard checklist, after issue of Administrative Approval and Expenditure Sanction to the CPWD. In this regard, a proforma of the certificate has been devised and is enclosed as Annexure to this letter. I am directed to request that the duly filled-in proforma may be forwarded to the concerned DIT (Infrastructure), DIT (Expenditure Budget) and to the Under Secretary Ad.VIII, CBDT, New Delhi for record and monitoring by the Board.

Encls: As above

Yours faithfully,
-sd-
(Vivek Sharma)
Joint Director of Income Tax-IV,
Infrastructure, New Delhi

Copy to: The Web Manager (Data Base Cell), New Delhi with a request to put this letter along with enclosures (02) on the official website i.e. www.irsofficersonline.gov.in

-sd-
Joint Director of Income Tax-IV,
Infrastructure, New Delhi

**F.No. 15/6/2008-IFU-III
Government of India
Ministry of Finance
Department of Revenue**

North Block, New Delhi
Nov. 01, 2012

OFFICE MEMORANDUM

Sub: Delegation of Financial Powers to Heads of Departments of CBDT & CBEC-reg.

In partial modification of IFU's O.M. of even number dated 15.9.2011, read with O.M. dated 22.9.2008, on the subject mentioned above, it has been decided to delegate financial powers up to Rupees One Crore for "Original Works for Office Accommodation only" to the Chief Commissioners of CBEC & CBDT, where the funds are provided under MoUD/CPWD Grant. In these cases, IFU's vetting will not be required and the Chief Commissioners will give the administrative approval and expenditure sanction keeping in view the prescribed norms and checklist issued by IFU/HRD wings in this regard. The Chief Commissioners will send a certificate to the respective Boards, of having personally satisfied themselves with the proposal as per the standard checklist, after issue of administrative approval and expenditure sanction to the CPWD.

2. Rest of the provisions of the O.M. dated 15.9.2011 related to 'Original Works' will remain the same.

-sd-

(Praveen M. Khanooja)
Director (Fin-Rev)

To:

1. Chairman, CBEC
2. Chairman, CBDT
3. Member (P&V), CBDT/ CBEC
4. JS (Admn.), CBDT/CBEC
5. Addl. Secretary (Revenue)
6. Dir (Fin-DT)
7. All Under Secretaries in IFU

Certificate

I am satisfied that the Administrative approval (A/A) & Financial Sanction (F/S) in F.No. ----
----- dated ----- accorded in respect of the (Name of Work) at a
cost of Rs. ----- (In words) is in accordance with standard check list as
per extant rules and instructions in this regard.

A copy of the sanction order is enclosed.

Signature

Chief Commissioner of Income Tax

Copy to: 1. DIT (Infra)-I & II, Delhi
2. DIT (Expenditure Budget), Delhi
3. Under Secretary- Ad. VIII, CBDT, Delhi

ANNEXURE –XII

IMMEDIATE

No.F.1 (23)-B (AC)/2005
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the 25th May, 2006.

OFFICE MEMORANDUM

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

In accordance with the commitment made in the Fiscal Policy Strategy Statement (Budget 2005-06) under the mandate of the Fiscal Responsibility and Budget Management (FRBM) Legislation and in pursuance of the approval of Public Account Committee (2005-2006) in the twenty-third report (Fourteenth Lok Sabha) on the proposal for review of Financial Limits to be observed in determining the cases relating to 'NEW SERVICE'/ 'NEW INSTRUMENT OF SERVICE' for reappropriation of funds (Annex), which has the concurrence of the C&AG, the following revised guidelines for re-appropriation of funds are hereby conveyed, in modification of this Ministry's Office Memorandum No. F.7 (15)-B(RA)/82 dated 13th April, 1982.

2. Definition of the terms 'New Service'/ 'New Instrument of Service' and its application:

- (i) 'New Service': As appearing in article 115(1)(a) of the Constitution of India, this has been held as referring 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': Refers to relatively large expenditure arising out of important expansion of an existing activity.
- (iii) 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. Further, the determination of these financial limits will be with reference to Primary Unit of Appropriation.

- (iv) 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 in the immediate next session of Parliament. 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.

3. 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 '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 CCA/ FA of appropriate jurisdiction.

4. 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, re-appropriation can be made, subject to report to Parliament.

- (ii) The Report to Parliament should ordinarily be made through the ensuing batch of Supplementary Demand 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 provision 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 in the manner recommended by the Sixth Lok Sabha Committee on the Papers Laid on the Table already referred to in para 2(iv) of this OM. Such advances will be resumed to the Contingency Fund on enactment of Appropriation Act in respect of expenditure for the whole year.

5. 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, however, expenditure on normal activities of Government (such as normal administrative expenditure – including that 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 fulfillment of Government guarantee on its invocation) are not attracted by the 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.

6. 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 the specific point of doubt incorporating their Financial Adviser's view thereon. The decision taken by the Budget Division in the matter will be final.

7. Conclusion:

While agreeing to the revision of norms for re-appropriation of funds as annexed, the Public Accounts Committee in its twenty-third report (Fourteenth Lok Sabha) has concluded by stating as under:

“The Committee also expects the Financial Advisors of the Ministries/Departments to ensure that there is no violation in implementation of the said revised norms for re-appropriation of funds and any slackness in complying with the said norms is strictly dealt with”.

8. Hindi Version will follow.

-sd-
(Dakshita Das)
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 Administrations (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.

Copy forwarded for information to:

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

-sd-
(Dakshita Das)
Director (Budget)

Annex to Ministry of Finance O.M. No. F.1(23)-B(AC)
2005 dated 25.05.2006

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

Nature of transaction	Limits upto which expenditure can be met by re-appropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
I. CAPITAL EXPENDITURE		
A. Departmental Undertakings		
(i) Setting up a new undertaking, or taking up a new activity by an existing undertaking.	....	All cases
(ii) Additional investment in an existing undertaking	Above Rs. 2.50 crore but not exceeding Rs. 5 crore.	Above Rs. 5 crore
B. Public Sector Companies/Corporations		
(i) Setting up of a new Company, or splitting up of an existing Company, or amalgamation of two or more Companies, or taking up a new activity by an existing Company.		All Cases
(ii) Additional investment in /loans to an existing company		
(a) Where there is no Budget Provision	Above Rs. 50 Lakhs but not exceeding Rs.1 Crore	Above Rs. 1 crore
(b) Where Budget Provision exists for investment and/or		

loans Paid up capital of the Company		
(i) Up-to Rs. 50 crore	20% of appropriation already voted or Rs. 10 crore, whichever is less	Above 20% of appropriation already voted or Rs. 10 crore, which ever is less
(ii) Above Rs.50 crore	20% of appropriation already voted or Rs.20 crore, whichever is less	Above 20% of appropriation already voted or Rs. 20 crore, whichever is less
C. All bodies or authorities within the administrative control/management of Central Government or substantially financed by the Central Government.		
Loans	Upto10%oftheappropriation already voted or Rs.10 crore, whichever is less	More than 10% over the appropriation already voted by Parliament or Rs.10 crore, whichever is less
<i>Note: Where a lump sum provision is made for providing 'Loans' under a particular scheme, the details of substantial apportionment (10% of lump sum or Rs.1 crore, whichever is higher) should be reported to Parliament, in the case of lump sum provision to loans to States, the state-wise distribution should be reported to Parliament.</i>		
D. Expenditure on new Works (Land, Buildings and/or Machinery)	Above Rs. 50 lakhs but not exceeding Rs. 2.5 crore or not exceeding 10% of the appropriation already voted, whichever is less.	Above Rs.2.5 crore or above 10% of the appropriation already voted.
II REVENUE EXPENDITURE		
E. Grants-in-aid to anybody or authority	....	All Cases
<i>Note: Where a lumpsum provision is made for providing grants-in-aid under a particular scheme, the details of substantial apportionment (10% of lumpsum or Rs.1 crore, whichever is higher) should be reported to Parliament. In the case of lumpsum provision of grants to States, the State-wise distribution should be reported to Parliament.</i>		
F. Subsidies		
(i) New Cases	....	All Cases
(ii) Enhancement of provision in the existing appropriation	Upto10%oftheappropriation already approved by the Parliament or Rs. 10 crore, whichever is less	More than 10% of the appropriation already voted by Parliament or Rs.10 crore, whichever is less

Payments against cess collections	Limits as applicable to grants-in-aid to statutory or public institutions will atpplly	All Cases
New Commissions or Committees of Enquiry	....	Above Rs. 20 lakhs (total expenditure)
G. Write off of Government loans	Above Rs.50,000 but not exceeding Rs.1 lakh (individual cases)	Above Rs.1 lakh (individual cases)
H. Other cases of Government expenditure	Each case to be considered on merits.	
I. Posts Railways Defence	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments subject to considerations of security in the case of Defence	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments subject to considerations of security in the case of Defence Services Estimates
<p>Note 1: For investment in Ordnance Factories, the limit of Rs. 5 crore mentioned in item A (ii) will be applicable with reference to investment in all the factories as a whole.</p> <p>Note 2: Civil Works, which do not form part of any project of the departmental undertakings (Ordnance Factories) should be treated as ordinary Defence Works. As such, prior approval of Parliament will be necessary if the cost of individual works exceeds Rs.2.5 crore and in cases where the individual works cost Rs.50 lakhs or more but not exceeding Rs.2.5 crore, a report to Parliament will be required. A list of such works should, however, be supplied to Director of Audit, Defence Services.</p>		

ANNEXURE –XIII

No. F. 1(5)-B(AC)/2011
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi
21.5.2012

OFFICE MEMORANDUM

Subject: Clarification on the Financial Limits to be observed in determining cases relating to 'New Service'/'New Instrument of Service'

The undersigned is directed to invite attention to this Ministry's O.M. issued vide letter No. 1(23)-B(AC)/2005 dated 25.5.2006, wherein the revised guidelines on financial limits to be observed in determining cases relating to 'New Service' (NS)/ 'New Instrument of Service' (NIS) were prescribed, and to state that there has been lack of clarity at Ministry/Department level while determining the cases of NS/NIS on augmentation of funds under the object heads 'Grants-in-aid', 'Subsidies' and 'Major Works'. It is observed the Ministries/Departments, in some cases, have failed to obtain the prior approval of Parliament through Supplementary Demands for Grants whenever funds are augmented through re-appropriation of funds leading to avoidable objection from Audit. With the addition of new object heads like 'Grants for creation of capital assets', 'Grants-in-aid-Salaries', It has become necessary to issue a circular clarifying/amplifying the following:

- 'Grants in aid':** Any augmentation under the object head 'Grants-in-aid' through re-appropriation of savings within the same section of grant requires prior approval of Parliament through Supplementary Demands for Grants except in cases of Grants to States and Union Territory Governments on existing schemes. Cases requiring augmentation of funds, arising out of reclassification of expenditure, from 'Grants in aid General', 'Grants for creation of capital assets' and 'Grants in aid Salaries' under the same scheme also require the prior approval of Parliament.
- 'Subsidies':** All cases for augmentation of funds (through either re-appropriation of funds or Additionality) under the object head 'subsidies' require prior approval of the Parliament through supplementary demands for grants, without any exemption.
- 'Major Works':** A view is being held in some instances that the financial limits prescribed in column 3 against item 'D- Expenditure on New Works (Land, Buildings and/or Machinery)' in Annex to this Ministry's O.M. issued under letter No. F.1 (23)-B(AC)/2005 dated 25.5.2006 are applicable to cases of 'New Works' only. This view is incorrect in view of the fact that column 3

also mentions about the augmentation of funds by above Rs. 2.5 crore or 10% of the appropriation already voted with the prior approval of the Parliament. Thus, the words 'appropriation already voted' refer to the existing on-going works and hence the financial limits prescribed under column 3 against item D-Expenditure on New Works (Land, Buildings and/or Machinery) are equally applicable to cases relating to existing works and attract provisions of 'New Instrument of Services'. It is therefore clarified that all cases relating to augmentation of funds under object head 'Major Works' would require prior approval of the Parliament in case the augmentation is above Rs.2.5 crore or above 10% of the appropriation already voted irrespective of the fact that the augmentation is for 'New' Works or for the existing works.

-sd-

(N.M.Jha)

Director (Budget)

All FAs/CCAs of Ministries /Departments.

JS (PF.I)/JS (PF.II)/JS (Pers) of Department of Expenditure for information.



DR. RAJAT BHARGAVA, IAS
JOINT SECRETARY

No. F.1 (5)-B (AC)/2011
Ministry of Finance
Department of Economic Affairs
(Budget Division)
North Block
New Delhi – 110001

New Delhi, the 12th June, 2012

Dear Shri Rao,

I may draw your attention to this Ministry's O.M. issued under letter No. F.1(23)-B(AC/2005 dated 25.05.2006, prescribing revised guidelines on financial limits to be observed in determining cases relating to 'New Service' / 'New Instrument of Service'.

2. There has been lack of clarity at Ministry/Department level while determining the cases of NS/NIS on augmentation of funds under the object heads 'Grant-in-aid', 'subsidies' and 'Major works'. Ministries/Departments, in some cases, have failed to obtain the prior approval of Parliament through Supplementary Demands for Grants whenever funds are augmented through re-appropriation of funds leading to avoidable objection from Audit. With the addition of new object heads like 'Grants for creation of capital assets' and 'Grants-in-aid – Salaries' this Division has clarified the process involved in augmentation of funds under 'Grants-in-aid, 'subsidies' and 'Major works' vide this Ministry's O.M. of even number dated 21.05.2012. These may be kept in view while augmenting the provision through re-appropriation of funds under the heads mentioned above.

With regards,

Yours sincerely
-sd-

(Dr. Rajat Bhargava)

Encl: As above

Shri H. Pradeep Rao,
Financial Advisor
Direct Taxes
New Delhi

ANNEXURE -XIV

OMs No. 10/1/2011-PPC dated 30th November, 2011, No. 10/3/2012-PPC dated 30th March, 2012 and No. 10/1/2011-PPC dated 7th May, 2012 related to e-tendering

**No. 10/1/2011-PPC
Ministry of Finance
Department of Expenditure
Public Procurement Cell**

**North Block, New Delhi
Dated 30th November, 2011**

OFFICE MEMORANDUM

Subject: Mandatory publication of Tender Enquiries on the Central Public Procurement Portal.

Pursuant to the decisions of the Group of Ministers constituted to consider measures to tackle corruption and improve transparency, on the recommendations of the Committee on Public Procurement set up to look into various issues having an impact on public procurement policy, standards and procedures, it has been decided that:

- a. NIC will set up a portal called the Central Public Procurement Portal (hereinafter referred to as CPP Portal) with an e-publishing module (similar to NIC's website www.tenders.gov.in) and an e- procurement module (similar to NIC's e-procurement sites such as pmgsytenders.gov.in and epro-nicsi.nic.in). The CPP Portal will be accessible at the URL eprocure.gov.in and will provide links to the non-NIC e-procurement sites being used at present by various Ministry/ Departments, CPSEs and autonomous/statutory bodies.
- b. While e-publishing of tender enquiries, corrigenda thereto and details of contracts awarded thereon, on the Portal, shall be made mandatory in phased manner w.e.f. 1st January 2012, the comprehensive end-to-end e-procurement feature would be implemented in phased manner w.e.f. 1st April 2012, for which instructions will be issued separately. In the meantime, Digital Signature, which is essential at the e-procurement phase, may be obtained from any Certifying Authority or from NIC which is also a Certifying Authority, for the concerned officials.

E-Publishing

- c. It will be mandatory for all Ministries/Departments of the Central Government, their attached and subordinate offices, Central Public Sector Enterprises (CPSEs) and autonomous/ statutory bodies to publish their tender enquiries, corrigenda thereon and details of bid awards on the CPP Portal using e-publishing module with effect from the following dated:

- c.i. Ministries/Departments and their attached and subordinate offices w.e.f. 1st January 2012;
- c.ii. CPSEs w.e.f. 1st February 2012;
- c.iii. Autonomous/statutory bodies w.e.f. 1st April, 2012.
- d. Individual cases where confidentiality is required, for reasons of national security or to safeguard legitimate commercial interest of CPSE's, would be exempted from the mandatory e-publishing requirement. As far as Ministries/ Departments are concerned, decisions to exempt any case on the said grounds should be approved by the Secretary of the Ministry/Department with the concurrence of the concerned Financial Advisor. In the case of CPSEs, approval of the Chairman & Managing Director with the concurrence of Director (Finance) should be obtained in each case to be exempted. In the case of autonomous bodies/ statutory bodies, approval of the head of the body with the concurrence of the head of the Finance function, should be obtained in each such case. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract may be intimated on a Quarterly basis to the Ministry of Finance, Department of Expenditure at the email id [cphp-doe@nic.in](mailto:cppp-doe@nic.in).
- e. Ministries/Department, CPSEs and autonomous/statutory bodies that are already publishing their tender enquiries on www.tenders.gov.in and/or on their respective websites, shall ensure that their tender enquiries are simultaneously published/mirrored on the CPP Portal also. They may also ensure that all corrigenda and details of the contract awarded as a result of the tender enquiry are also published on the CPP Portal.
- f. Ministries/Departments, CPSEs and autonomous/statutory bodies that are already carrying out e-procurement through NIC or their own website or through any other service provider, shall ensure that details of all their tender enquiries, related corrigenda and details of contracts awarded thereon, including those that are issued through e-procurement, are simultaneously published/ mirrored on the CPP Portal. As stated at (a) above, they should also ensure that their e-procurement website is linked to the CPP Portal.
- g. The above instructions apply to all Tender Enquiries, Requests for Proposals, Requests for Expressions of Interest, Notice for pre-Qualification/Registration or any other notice inviting bids or proposals in any form, issued on or after the dates indicated at (c) above whether they are advertised, issued to limited number of parties or to a single party.
- h. In the case of procurements made through DGS&D Rate Contracts or through Kendriya Bhandar/NCCF, only award details need to be published on the Portal.

- i. These instructions would not apply to procurements made in terms of provisions of Rules 145 (Purchase of goods without quotations) or 146 (Purchase of goods by purchase committee) of General Financial Rules – 2005 (or similar provisions relating to procurements by CPSEs, autonomous bodies).

2. In order to facilitate implementation of aforesaid decisions regarding e-publishing of tender details, NIC will provide detailed guidelines for using the e-Publishing module of the CPP Portal. These guidelines will also be available in the CPP Portal. **User IDs and Passwords would have to be obtained from NIC for accessing the Portal. Details in this regard will also be available in the CPP Portal.**

3. NIC will also provide the following support:

- a. NIC will make arrangements for necessary training to the concerned officials in the use of the CPP Portal for e-publishing. For this purpose, Ministries/ Departments may contact NIC through email at cphp-nic@nic.in to work out the details.
- b. Detailed guideline for the use of e-Publishing module will be made available in the CPP Portal and this would also be circulated separately to all Ministries/ Departments.
- c. A demonstration web site, similar to the CPP Portal, would be made available for training and hands-on practice. The site will also contain necessary user manuals and presentation materials.

4. Ministries/Departments are requested to take necessary action to ensure that e-publishing of tender details on the Portal is commenced in terms of the time lines mentioned in para 2 (c) above. **It is also requested that necessary instructions may be issued in this regard to all attached and subordinate offices as also to CPSEs, autonomous and statutory bodies under their administrative control.**

-sd-

(Suchindra Misra)
OSD (PPC)
011-23092689

To,
Secretaries off all Ministries/Departments

Copy to
FAs of all Ministries/Departments, Ministry of Finance

Copy also to
DG (NIC), CGO Complex, New Delhi

No. 10/3/2012-PPC
Ministry of Finance
Department of Expenditure
Public Procurement Cell

North Block, New Delhi.
30th March, 2012

OFFICE MEMORANDUM

Sub:- Implementation of Comprehensive end-to-end e-procurement

Reference is invited to this Department's O.M. No. 10/1/2011-PPC dated 30th November, 2011 vide which instructions were issued for mandatory publication of all tender enquiries, corrigenda thereto and details of contracts awarded thereon on the Central Public Procurement Portal (CPP Portal) by all Ministries/Departments their attached and subordinate offices Central Public Sector Enterprises and autonomous/statutory bodies. These instructions further envisaged implementation of comprehensive end-to-end e-procurement, guidelines for which were to be issued subsequently.

2. In pursuance of the above, it has now been decided that **Ministries/Departments of the Central Government, their attached and subordinate offices may commence e-procurement in respect of all procurements with estimated value of Rs.10 lakh or more in a phased manner as per the month-wise schedule given at Annexure-I.**

3. In this context, NIC has developed an e-procurement solution which can be assessed on the link <http://eprocure.gov.in>. Detailed guidelines on using the solution on e-procurement will be circulated by NIC separately and the same will also be available on the CPP Portal. However, the basic requirement to be met by Ministries/Departments is enclosed as **Annexure-II**. NIC will also provide a training schedule, a demo site and hands on training on how to use their e-procurement solution, details of which will also be made available on the CPP Portal. Training request may be forwarded to cphp-nic@nic.in. The proposed training schedule is enclosed as **Annexure-III**.

4. Ministries/Departments, which are already carrying out e-procurement through other service providers or have developed e-procurement solutions in house, may continue to do so, ensuring that.

- i. the e-procurement solution meets all the requirements notified by Department of Information Technology under the **"Guidelines for compliance to Quality requirements of e-procurement Systems"** published on the e-Governance Standards Portal (<http://egovstandards.gov.in>);

- ii. the procurement procedure adopted conforms to the general principles envisaged under General Financial Rules- 2005 and the CVC guidelines:
- iii. Details of all their tender enquiries related corrigenda and details of contracts awarded thereon through e-procurement are simultaneously published/ mirrored on the CPP Portal.

5. Ministries/Departments which do not have a large volume of procurement or carry out procurements required for day to day running of offices and also have not initiated e-procurement through any other solution provider may use the e-procurement solution developed by NIC.

6. Ministries/Departments with large volume of procurement other than of the nature covered in Para 5 above may either use the e-procurement solution developed by NIC or engage any other service provider following due process.

7. As already stated, the implementation of e-procurement is to be done in a phased manner as per the month-wise schedule proposed vide **Annexure-I**. In the first month, the Ministry/Department should commence e-procurement in the Ministry/Department itself and thereafter cover all attached and subordinate offices within a period of six months. Ministries/Departments should draw up a time frame for implementing e-procurement in their attached and subordinate units/offices and issue necessary instructions so as to ensure complete implementation in all units/offices within the prescribed timelines.

8. Ministries/Departments which are already doing some e-procurement or which are considering implementation of e-procurement have been included in the first two months in the proposed month-wise schedule. These Ministries/Departments should also ensure that all attached and subordinate offices under them commence e-procurement within a period of six months from the commencement of e-procurement in the Ministry/Department.

9. The Nodal Officers appointed by various Ministries/ Departments during the implementation of mandatory e-publishing of tender enquiries on the CPP Portal will oversee all aspects of implementation of e-procurement as well Ministries/Departments which face any difficulty in following the proposed month wise schedule may send their requests for alternate slots to email id ppc-exp@nic.in

10. Ministries/Departments may also tie up with NIC for training and support where e-procurement solution developed by NIC is adopted so that timely commencement of e-procurement is ensured. In this regard, request for training and support may be sent to cphp-nic@nic.in.

11. These instructions will not apply to procurements made by Ministries/Departments through DGS&D rate contracts or through Kendriya Bhandar and NCCF. However, as stated in para 1(h) of this Department's O.M. dated 30th November 2011, award details in such cases are to be published mandatorily on the CPP Portal under the e-publishing module./

12. Although, all cases above Rs. 10 lakh are to be covered by e-procurement, however in individual cases where national security and strategic considerations demand confidentiality, Ministries/Departments may exempt such cases after seeking approval of the Secretary of the Ministry/Departments with the concurrence of their Internal Financial Advisers. Statistical information on the number of cases in which exemption was granted and the value of the concerned contract may be intimated on a Quarterly basis to the Ministry of Finance, Department of Expenditure at the email id ppc-exp@nic.in.

13. Ministries/Departments are requested to take necessary action to ensure that e-procurement is commenced in terms of the time lines mentioned in para 7 above.

-sd-
(Yashashri Shukla)
Director (PCC)
011-23093457

To,
Secretaries of all Ministries/Departments

Copy to
FAs of all Ministries/Departments

Copy also to
DG (NIC), CGO Complex, New Delhi.

Annexure-I

Proposed schedule for implementation of e-procurement in Ministries/ Departments

July 2012	Department of Revenue Department of Land Resources Ministry of Mines Ministry of Coal Ministry of Corporate Affairs Ministry of Culture Department of Science and Technology Department of Fertilizers Department of Consumer Affairs Department of Heavy Industries	December 2012
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Annexure-II

The basic requirements to be met by Ministries/Departments for implementation of e-procurement solution provided by NIC are:

1. Nodal Officer's responsibilities for e-Procurement

A. Requirement of Digital Signature Certificate (DSC)

- Valid email ID & Digital Signature Certificate (DSC) is required for all authorised users in a Ministry/Department to carry out e-Procurement.
- Digital Signature Certificate (DSC) obtained for concerned officials for e-publishing can be used for e-procurement as well.
- The DSCs can be obtained by Ministries/Departments directly from any of the Certifying Authorities (CA). NIC is also one of the CA and provides DSCs to the Government officials.
- The instructions to obtain a DSC, DSC Request Form fee structure, and payment details are available at <http://nicca.nic.in> and in the FAQ section of the CPP Portal.
- Issuance of DSC to private bidders – Since NIC offers DSC only for Government officials, bidders need to obtain DSC from other Certifying Authorities such as TCS/SIFY/nCode etc.

B. Identification and creation of users.

Nodal Officer of all Ministries/Department will have the responsibility for identifying and creating the user accounts for e-procurement roles such as Bid Openers and Bid Evaluators in addition to Tender Creators and Tender Publishers created earlier for e-publishing.

Annexure III

Detailed training schedule for implementation of e-procurement solution developed by NIC

- a. A Half-day awareness session to be conducted by NIC for Ministries/Departments at their premises, to provide them an overview of the e-procurement solution developed by NIC and accessible through the link www.eprocure.gov.in.
- b. NIC will schedule a two-day hands-on training on e-procurement solution developed by them for nominated officials from each of the Ministry/Department.
- c. NIC will deploy one Facility Management Person (FMP) in each user organization to provide hand-holding support for a period of one week. Ministries/Department may utilize the services of the FMP for internal training, installation and mapping of DSCs handholding support for e-procurement activities etc. For continued support from these FMPs after one week, Ministries/Department will be required to bear the cost of the FMP.
- d. A demo site will also be available on the CPP Portal which can be accessed with the help of a DSC.
- e. Further, each Ministry/Department will be required to identify the prospective bidders for their forthcoming tenders.
- f. A half day training and awareness session for the potential bidders of each Ministry/Department will be conducted by NIC in the premises of the Ministry/Department to make them aware of the various features and requirements of the e-procurement solution developed by NIC which will include the following:
 - i. Acquiring DSC.
 - ii. Process of registration on the CPP Portal.
 - iii. Process of tracking tenders through the CPP Portal, raising pre-bid queries, participating in pre-bid meetings etc.
 - iv. Process of submission of online bids.
 - v. Other processes such as online presence at the time of bid opening availability of comparison charts etc.

**No. 10/1/2011-PPC
Ministry of Finance
Department of Expenditure
Public Procurement Cell**

**North Block, New Delhi
Dated 7th May 2012**

OFFICE MEMORANDUM

Subject: Mandatory publication of tender enquiries, corrigenda and award of contracts on the Central Public Procurement Portal using XML upload.

The undersigned is directed to refer to this Department's O.M. of even no. dated 30th November, 2011, 5th March 2012 to all the Ministries/Departments and to Joint Secretary (Pers.)'s D.O. letter dated 14th March 2012 addressed to all FAs of Ministries/Departments on the mandatory publishing of tender enquiries on the Central Public Procurement Portal (CPP Portal).

2. In the OM dated 30th November 2011 it was requested that, Ministries/Departments, CPSEs and autonomous/Statutory bodies that are already publishing their tender enquiries, corrigenda and details of contract awarded on www.tenders.gov.in and/or on their respective websites, should ensure that their tender enquiries are simultaneously published/mirrored on the CPP Portal also. Further, it was also mentioned that Ministries/Departments, CPSEs and autonomous/statutory bodies that are already carrying out e-procurement through NIC or their own website or through any other service provider, shall ensure that all tender related details including those issued through e-procurement, are simultaneously published/mirrored on the CPP Portal. Their e-procurement website should also have a link to the CPP Portal.

3. In this context, Ministries/Department/CPSEs and autonomous/statutory bodies can transfer meta data related to tender enquiries from their own websites to the CPP Portal suing XML Upload. The steps involved in transferring data through XML upload to the CPP Portal as suggested by NIC are enclosed for reference along with User creation form for CPPP-XML transfer. Requests in this regard may be sent to the e-mail Ids cPPP-nic@nic.in and cPPP-doe@nic.in in the prescribed format.

-sd-

(Yashashri Shukla)
Director (PCC)
011-23093457

To,

Nodal officers of all Ministries/Departments

Copy to

FAs of all Ministries/Departments

Copy also to

Mrs. Junu Kailay, DDG, NIC, A Block, CGO Complex, Lodhi Road, New Delhi.

XML Upload in CPPP-Steps

There are two methods to transfer the meta data (Tender details. Award of Contract details) to CPP Portal from the client site.

1. Periodic Bulk XML Upload.
2. Automatic Transfer through Web Based REST Client

The user has to choose the preferred method of upload for transferring the data to the CPPP server.

The following document gives details on uploading the data using Bulk XML upload option.

TESTING Site

Before the meta data (Tender details, Award of Contract details) is uploaded in the live server (<http://eprocure.gov.in/cppp>), the users are requested to test the XML in the test server. Users who want to upload the XML data should fill up the XML user creation form and mail the scanned copy of the same to cppp-nic@nic.in with the subject starting with XML in upper case. On receipt of this form, the test user ID will be informed by mail and the XML instructions will be mailed to this ID. After testing in the test server, the user id will be created in the live server.

Create an XML file as per the format given in the attached PDF file.

1. Download the user creation form for XML user and fill up the form, scan and submit the same by e-mail to cppp-nic@nic.in with the e-mail Subject as XML USER CREATION.
2. Test the created XML with the test account and upload the same on to the test server.
3. After uploading, if there are any errors in the XML, provision is made to see the error records with the nature of error. The user is requested to correct the same and re upload till all errors are corrected.

LIVE Portal

4. After receiving confirmation that the testing is complete, the user ID and password will be communicated to the user. The user should log into the live CPP Portal (<http://eprocure.gov.in/cppp>) with the username and password.
5. This user ID should be embedded in the XML file as a TAG while uploading the XML file. The correctness of the entries will be cross checked with this user ID.

6. Provision for checking the error record is also available on the live site.
7. The users are requested to log off the site after uploading.
8. The tenders will get reflected in the main portal once the correct entries are uploaded.

Note: Any queries relating to XML entries can be mailed to cphp-nic@nic.in prefixing the subject with XML in uppercase letters.

USER CREATING FORM FOR CPPP-XML TRANSFER

1. Level 1 (Organization Type):	:	Central Govt./State Govt./PSU/Banks/Autonomous/ others	
2. Level 2 (Ministry)	:	<input style="width: 90%;" type="text"/>	
3. Level 3 (Department)	:	<input style="width: 90%;" type="text"/>	
4. Level 4 (Division)	:	<input style="width: 90%;" type="text"/>	
5. Level 5 (Sub-Division)	:	<input style="width: 90%;" type="text"/>	
6. Name of the Organisation	:	<input style="width: 90%;" type="text"/>	
7. Address	:	<input style="width: 90%;" type="text"/>	
8. e-Tenders web url	:	<input style="width: 90%;" type="text"/>	
9. XML Web Co-ordinator Details	:		
9. (a) Name	:	<input style="width: 90%;" type="text"/>	
9. (b) Email ID	:	<input style="width: 90%;" type="text"/>	
9. (c) Address	:	<input style="width: 90%;" type="text"/>	
9. (d) Mobile No	:	+91 <input style="width: 15%;" type="text"/>	9.(e) Landline with STD Code <input style="width: 25%;" type="text"/>
10. (a) DB Name (MySQL, Oracle, Postgres, DBS etc)	:	<input style="width: 15%;" type="text"/>	10.(b) Version <input style="width: 25%;" type="text"/>
11. XML Transfer Method	:	<input style="width: 90%;" type="text"/>	

Signature & Stamp

INSTRUCTIONS

1. Level 1: (Organisation: Central Govt./State Govt./PSU/Banks/Other)-Secretary level
2. Level 2: Ministry Name under that Secretariat.
3. Level 3: Department Name under that Ministry.
4. Level 4: Division Name under that particular Department.
5. Level 5: Sub-division Name under that particular Division.
6. Office name in detail.
7. Office Address.
8. URL of the Web site.
9. Web co -ordinator details: Name, Phone No., Mobile No., if user is already registered in CPPP kindly provides the CPPP login id information. Other details not necessary.
10. Database information and Version information.
11. XML transfer method- Bulk XML upload or REST Client method.

Note: These details are to be filled in only by users opting to upload meta data through XML.
Regular user accounts may not have permission to upload the XML data.

ANNEXURE-XV

GUIDELINES FOR UTILIZATION AND ACCOUNTING OF SECRET SERVICE FUND FOR INVESTIGATION WING.

CHAPTER-VIII OF SEARCH & SEIZURE MANUAL

SECRET SERVICE FUND

8.1 Secret service fund is provided to the Directorates of Income tax (Investigation) for incurring expenditure on secret activities essential for, or incidental to, the work of the Investigation wing. It can be utilized for purchase of information and expenses on activities like surveillance and reconnaissance.

Incurring expense out of the funds

8.2 An officer of the Investigation Unit is authorized to incur expenses out of the allotment made to him for secret service expenditure and there is no necessity for sanction in each case before its drawal. He can draw the funds under his own authority as and when he needs and make payments as and when the need arises.

Maintenance of Accounts

8.3 When funds under this head are placed at the disposal of an officer [usually the Director of Income Tax (Investigation)] for secret service, he should maintain a contingent register in the prescribed form mentioning the date and amount of each contingent bill, along with details of the progressive expenditure. The officer should also maintain, in the form of a cash book, a record of the receipt of funds and expenses incurred out of the same. The amount drawn on contingent bills will be entered in the cash book on the receipt side, specifying the number and the date of the bill against the entry. The date and amount of each payment, indicating the nature of payment, should be entered on the payment side.

8.4 Vouchers relating to expenditure on purchase of information, etc. should be maintained date-wise so that the same can be traced for subsequent cross-verification with reference to the entries in the cash book. The Vouchers should be serially maintained and entered in the cash book in a chronological order. The vouchers should bear the signature of the officer authorizing the payment. These should be crossed after payment to avoid duplicate claim being entertained.

Preparation of bills

8.5 The officer to whom funds are allocated may draw bills for such sums as may be necessary. This need not be supported by any voucher.

Control of expenditure

8.6 As per existing instructions, the Secret Service Funds should be used diligently towards

purchase of information, equipment or cultivating intelligence and informer base, etc. The general control of expenditure incurred against the allotment will be vested in the officer aforesaid who will be responsible to see that accounts are duly maintained and that payments were properly made for the purpose for which the appropriation was made. The Government nominates a Controlling Officer for administrative audit of the expenses incurred out of the funds allocated under this head. He should conduct such audit at least once in every financial year.

8.7 The said Controlling Officer is required to furnish a certificate in the following form. This should be done latest by the 31st August of the year following the year to which the fund relates:

"I hereby certify that the amount actually expended by me or under my Authority for secret service in the year ending the 31st March.....was Rs.....; that the balance in fund on the said 31st March was Rs.....and that this balance was surrendered by short drawing in the first bill presented during the year and I declare that the interests of the public service require that the above payments should be made out of secret service funds and that they were properly so made".

8.8 This certificate is required to be forwarded to Zonal Accounts Officer, CBDT. Unspent balance with the DDOs at the end of financial year is required to be surrendered by short drawal through the first bill in the next year or refunded to the Government.

Audit

8.9 The accounts of the secret service expenses are not subject to scrutiny by any audit authority. However, even though the disposal of the funds is not auditable, still, the purpose for which the funds were utilized is open to inspection by the higher authorities. The officers utilizing the allocated fund for incurring expenses like, purchase of information, surveillance expenses, cultivating informer base, intelligence gathering should keep a record of the expenses. For example, where any expenditure is incurred for purchase of information, secret record of details like, the person/ persons to whom the said information relates, the date of purchase of information, whether the information was useful and whether any action was taken on the same. If the person giving information is one who intends to claim reward, record of his identity should be kept with appropriate code number so that the payment made from the secret fund is subsequently adjusted against the reward, if any, granted to him. The reference number of the file, where such information is kept, should also be mentioned in the cash book. Bland entries in the cash book like 'purchase of information' or 'reconnaissance expenditure' without any supporting details kept separately by the officer concerned will be irregular.

Annexure of Search & Seizure Manual

Date of Issue: 13.12.2006

Subject : Secret Service expenditure-Instructions regarding
F. No. 6 /26 /2006-IFU (B&A)

In its draft report on 'Performance audit of the functioning of internal controls', the office of the Director General of Audit, Central Revenue, New Delhi has commented as under:

'An expenditure of Rs. 15 crore (Revenue Department; Rs.1.62 crore; Direct Taxes: Rs. 4.52 crore; Indirect taxes; Rs.8.87 crore) was incurred during the years 2003-06 on 'secret services', Which are out of the purview of the audit . The expenditure on secret services is to be monitored by the respective Head of the Office through reports submitted by the officer designated for incurring expenditure on secret services. Test check revealed that expenditure had not been monitored and utilization certificate of secret service expenditure was not sent either to the office of the Accountant General or to the respective Pay and Accounts Offices as required under the Ministry of Finance, Department of Expenditure, standing orders. The department and the two Boards did not thus exercise any control over the expenditure on secret services'.

2. In this connection, it is brought to the notice of all the Budgetary Authorities in the Dept. of Revenue including CBEC & CBDT, that extant orders/instructions require establishing of adequate internal control mechanism by the Controlling Officers so that the spending from the Secret Service Funds are made diligently towards purchase of information, equipment or cultivating intelligence and informer bases etc. The Controlling Officers may allocate the required funds to the spending Officers who may maintain registers to record outgoing for each contingent expenditure within the allocation and also to furnish Utilization Certificate to the PAOs latest by- the 31st August of the following year. The Controlling Officer shall conduct at least one inspection in a year, which will be in the nature of administrative audit.

3. All controlling Officers under the Department of Revenue and CBEC are, therefore, requested to ensure that the spending from the SSF are managed within the Sanctioned Grant and the required procedures and checks are complied with. A confirmation report to the effect that the instructions are being followed may be furnished to the undersigned latest by 31st December, 2006.

4. Any proposal for unavoidable augmentation of funds should be supported by the details of raids, seizures and revenue collections attributable to the spending from the Secret Service Funds as there are restrictive provisions for re-appropriation from and to the

provisions of Secret Service Fund and augmentation during the course of a financial year are generally not agreed.

5. Pr.CCAs/C.C.A. (Fin.) are requested to issue necessary directions to all PAOs under their control for watching the receipt of Utilization Certificates.

Sd/-
(M. Deena Dayaian)
Financial Adviser

ANNEXURE-XVI

F. No. DIT(EB)/SSE/CsIT/2012-13/

GUIDELINES FOR UTILIZATION AND ACCOUNTING OF SECRET SERVICE FUND FOR ASSESSMENT UNITS.

1. With the approval of the Competent Authority, it has been decided to provide Secret Service Fund to the Assessment Units for incurring expenditure on gathering intelligence/purchasing information to improve the quality of surveys and scrutiny assessments.

Incurring Expense out of the Funds

2. The Commissioner/ Director of Income Tax himself being Head of the Department (HOD) as per DFPR may draw contingent bills out of the allotment made to him for secret service expenditure (SSE) for such sums as may be necessary. Funds can be withdrawn by Drawing & Disbursing Officer (DDO) as per written orders of Commissioner/Director concerned. This need not be supported by any voucher. There is no necessity for sanction in each case before utilization out of the said drawl. He can utilize the fund under his own authority as and when need arises. However, at a time withdrawal of fund shall not be more than 50% of the allocation in an year.

Maintenance of Accounts

3. When funds under this head (Secret Service Expenditure) are placed at the disposal for the Commissioner/Director, he shall maintain a contingent register in the form of a cash book and record the receipt of funds and expenses incurred out of the same. The amount drawn on contingent bill will be entered in the cash book on the receipt side, specifying the number and date of the bill against the entry. The date and amount of each payment, indicating the nature of payment, should be entered on the payment side.
4. Vouchers relating to expenditure on purchase of information, etc., should be maintained date-wise so that the same can be traced for subsequent cross-verification with reference to the entries in the cash book. The vouchers should be serially maintained and entered in the cash book in a chronological order. The vouchers should bear the signature of the officer authorizing the payment. These should be crossed after payment to avoid duplicate claim being entertained.

Control of Expenditure

5. The Secret Service Funds should be used diligently towards purchase of information, equipment or cultivating Intelligence and informer base etc. The general control of expenditure incurred against the allotment will be vested in the officer aforesaid (to whom the funds are allocated) who will be responsible to see that accounts are duly maintained and that payments are properly made for the purpose for which the appropriation was made. The

Contingent Register shall be maintained and inspected by Controlling Officer appointed by the Government. He should conduct such inspection at least once in every financial year and prepare a certificate to that effect and submit the same to the concerned Zonal Account Officer (ZAO). The Controlling Officer for this purpose will be the concerned Commissioner/ Director of the Assessment Unit.

6. The said Controlling Officer is required to furnish a utilization certificate in the following form. This should be done latest by the 30th April of the year following the year to which the fund relates:

"I hereby certify that the amount actually expended by me or under my Authority for Secret Service in the year ending the 31st March..... was Rs.....; that the balance in fund on the said 31st March was Rs..... and that this balance was surrendered by depositing the same in the Government Account and I declare that the interests of the public service require that the above payments should be made out of secret service funds and that they were properly so made"

7. This certificate is required to be forwarded to concerned ZAO, CBDT by concerned DDO upon receipt of the same from Commissioner/ Director. The Controlling Officer shall ensure that the balance left on the last day of the financial year is deposited to the Government Account using Challan. The ZAO shall ensure that further payments are not released unless the utilization is received for the previous year. A copy of this Certificate is to be provided to Director of Income Tax (Expenditure Budget) who will ensure that further funds are allocated only in the cases where utilization of previous years have been received. Director of Income Tax (Expenditure Budget) shall also provide a consolidated certificate of confirmation of receipt of utilization certificate from all concerned Commissioners/Directors to JS & FA and a copy to Pr. CCA, CBDT.

Audit

8. The accounts of the secret service expenses are not subject to scrutiny by any audit authority. However, even though the disposal of the funds is not auditable, still, the purpose for which the funds were utilized is open to inspection by the higher authorities. The officers utilizing the allocated fund for incurring expenses like purchase of information, surveillance expenses, cultivating information, cultivation informer base, intelligence gathering etc., should keep a record of the expenses. For example, where any expenditure is incurred for purchase of information, secret record of details like, the person/persons to whom the said information relates, the date of purchase of information, whether the information was useful and whether any action was taken on the same are to be kept. The reference number of the file where such information is kept should also be mentioned in the cash book. Bland entries in the cash book like 'purchase of information' or 'reconnaissance expenditure' without any supporting details kept separately by the officer concerned will be irregular.

9. All the extant instructions/ guidelines including the instruction issued by Financial Adviser in F. No. 6/26/2006-IFU (B&A) dated 13-12-2006 (enclosed herewith) as applicable to the utilization of Secret Service Fund by the Directorates of Income – Tax (Investigation) shall apply.

-sd-

(R.C. DANDAY)

Encl: Copy of Instructions of
JS &FA (FIN) dt. 13/12/2006.

Addl. Director of Income Tax
(Exp. Budget), New Delhi

Copy to: 1. The DGIT (Logistics), New Delhi.
2. The JS & FA (Finance) DT, New Delhi.
3. The Pr. CCA, CBDT, New Delhi.
4. The CIT (C&S), CBDT, New Delhi.
5. All CsIT/DsIT of Assessment units: Through their Budget Controlling Authorities.
6. Guard File.

-sd-

Addl. Director of Income Tax
(Exp. Budget), New Delhi

Note: Copy of Instructions of the JS & FA (FIN.) dated 13/12/2006 as issued from F. No. 6 /26 /2006-IFU (B&A) on the subject '**Secret Service expenditure-Instructions**' has already been enclosed with Annexure XV.

ANNEXURE-XVII

Performa for Statement of Monthly Expenditure

Statement of Monthly Expenditure												
Revenue								(Rs. In thousand)				
S. No.	Object Head	B.E. of current financial year	1/12th of B.E.	Proportionate Grant upto the end of the month	Expenditure during the month	Total Expenditure up to the month	Variation Between col.4 & 6		% of Col 5 of BE	% of Col 6 of BE		
	1	2	3	4	5	6	Saving	Excess				
1.	Salaries											
2.	Wages											
3.	Overtime Allowance											
4.	Medical Treatment											
5.	Domestic Travel Exp											
6.	Foreign Travel Exp											
7.	Office Expense (Voted)											
8.	Rent, Rates & Taxes											
9.	Publications											
10.	Other Admn. Exp.											
11.	Advt. & Publicity											
12.	Minor Works											
13.	Professionals Services											
14.	Contributions											

Continued

S. No.	Object Head	B.E. of current financial year	1/12th of B.E.	Proportionate Grant upto the end of the month	Expenditure during the month	Total Expenditure up to the month	Variation Between col.4 & 6		% of Col 5 of BE	% of Col 6 of BE
	1	2	3	4	5	6	Saving	Excess		
15.	Secret Service Expenses									
16.	Other Charges									
17.	Information Technology									
18.	Departmental Canteens									
	Total									

Statement of Monthly Expenditure						(Rs. In Thousand)	
Capital	Funds Allocated till the Month		Funds Utilized	Balance	Surrender, if any	Remarks	
Major Head							
1	2	3	4	5	6		
4059							
4075							
4216							