



सत्यमेव जयते

Government of India

BUDGET CIRCULAR 2012-13

**MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
NEW DELHI**

BUDGET CIRCULAR 2012-13

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Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block

New Delhi, the 15th September, 2011.

BUDGET CIRCULAR 2012-2013

Guidelines for the Ministries/Departments for framing the Revised Estimates for 2011-2012 and Budget Estimates for 2012-2013 and submitting the same to the Budget Division are as under:-

I. ESTIMATES OF RECEIPTS

1. REVENUE RECEIPTS

1.1 Estimates of Central taxes and duties administered by the Central Board of Direct Taxes and Central Board of Excise and Customs as also of cesses collected by the CBEC, will be furnished by them to the Budget Division giving commodity-wise estimates of manufacture/imports, duty rates and foreign exchange rate assumptions forming the basis of the estimates.

1.2 All other items of revenue receipts, for the purpose of preparing estimates, have been divided into the following categories:

- (i) Taxes, duties and receipts in relation to Union territories without legislature;
- (ii) Interest receipts in respect of loans and advances sanctioned by Ministries/ Departments to State and Union territory Governments, foreign governments, public sector enterprises and others including Government servants, interest charged to working expenses of departmental commercial undertakings, etc.;
- (iii) Estimates of Revenue receipts adjustable under Major Head '1605 - External Grant Assistance' and '1606-Aid Material and Equipment'; and
- (iv) All other Revenue receipts including cesses except cesses collected by the Central Board of Excise and Customs.

1.3 Estimates of taxes, duties and other revenue receipts in relation to Union territory Administrations will be furnished to this Ministry by Director of Accounts, Andaman and Nicobar Islands Administration and Director of Accounts, Daman and Diu Administration, and for the other Union territories, by the concerned Accountants General, in the form at Appendix-I.

1.4 Receipt estimates, except for items at para 1.2(ii) and 1.2(iii) above, will be furnished to the Budget Division in the form at Appendix-I.

1.5 Recoveries from the State Governments under Article 290 of the Constitution of India, of pensions including gratuities of High Court Judges charged on the Consolidated Fund of India under Article 112(3)(d)(iii) of the Constitution of India are adjustable as receipts under Major Head "0071-Contributions and Recoveries towards Pension and Other Retirement Benefits". These estimates will be furnished by the State Accountants General to the Central Pension Accounting Officer, Ministry of Finance, Department of Expenditure, Trikot-II, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.

1.6 Estimates of CGHS contributions will be consolidated and furnished by the Chief Controller of Accounts, Ministry of Health and Family Welfare.

1.7 Estimates of rent (licence fee) recoveries accountable under Major Head “0216-Housing” in respect of general pool Government accommodation, will be consolidated and furnished by the Chief Controller of Accounts, Ministry of Urban Development. Where a Department has a separate pool of accommodation (like Indian Meteorological Department, Central Board of Direct Taxes, Central Board of Excise and Customs, etc.) the Chief Controller of Accounts of the Departments concerned with such separate pool of accommodation may furnish estimates of rent receipts direct to the Budget Division along with the estimates of other revenue receipts of the Department, in the form at Appendix-I.

1.8 Estimates of revenue receipts, adjustable under the major heads ‘1605-External Grant Assistance’ and ‘1606-Aid Material and Equipment’, representing foreign aid receipts in the form of cash grant and commodity grant respectively, may be furnished by the Ministries/Departments in the form at Appendix ‘I-B’ to the Controller of Aid Accounts and Audit, Department of Economic Affairs, Indian Oil Bhavan, 5th Floor, ‘B’ Wing, Janpath, New Delhi. The Controller of Aid Accounts and Audit will process these estimates in accordance with the procedure prescribed separately and render the consolidated estimates to Budget Division.

1.9 Estimates of receipts in respect of pensionary charges recoverable from Departmental Commercial Undertakings (vide list at Statement 7 of Expenditure Budget, Vol. 1) should correspond to related expenditure provisions.

1.10 Estimates of receipts of commercial departments, which are taken in reduction of expenditure in the Expenditure Budget, should exactly correspond to the receipts assumed on the Expenditure side. CCA concerned will ensure this while furnishing the receipt estimates.

1.11 The estimates should be based on past and current trends and policy decisions and other relevant developments and supported by cogent explanations for any large variations as well as broad particulars wherever the estimates under a minor head exceed Rs.10 lakhs. This is particularly essential for major items like import/export licence fees, CGHS contributions, house rent receipts, mint and currency receipts, receipts of thermal/nuclear power stations, dividends from Government investments. Estimates of dividend receipts should be given company-wise along with details of total paid up capital, government equity & profit after tax during 2008-2009, 2009-2010 and 2010-2011 as in the form at Appendix I-A. These estimates on dividend receipts should be in conformity with circulars issued on dividend payout by this Ministry. It should be noted that these explanations will form the material for the preparation of the Explanatory Notes on the Receipts Budget and, therefore, adequacy and accuracy of the explanations are of utmost importance. In addition to the information sought in Appendix-IA, the specific information as sought in Appendix-IAA should also be furnished.

1.12 Department of Health and Family Welfare in respect of CGHS contributions and Ministry of Urban Development in respect of licence fee of general pool residential accommodation may separately indicate in the receipts estimates to be rendered by them, the additional receipts estimated to be realised consequent upon the revision in the rate of contribution and licence fee.

1.13 Estimates received by the Financial Adviser will be scrutinised in his office in regard to the correctness of accounts classification, full coverage and reasonableness of the estimates and modified (reduced, increased and/or missing items added) to the extent necessary in the judgment of the Financial Adviser. Thereafter, the Controller of Accounts should furnish the estimates as finally approved by the Financial Adviser, to the Budget Division by 25th November, 2011.

1.14 **ESTIMATES OF INTEREST RECEIPTS:** These estimates may be prepared in the following groups:

- (a) Interest receipts from State and Union Territory Governments;
- (b) Interest receipts from foreign governments;
- (c) Interest receipts from public sector financial institutions;
- (d) Interest receipts from industrial and commercial enterprises, both in the public and private sectors;
- (e) Interest receipts from statutory bodies (municipalities, port trusts, etc.);

- (f) Interest receipts from departmental commercial undertakings;
- (g) Interest receipts from other borrowers (excluding Government servants) e.g. dock labour boards, cooperative societies, educational institutions, etc.;
- (h) Interest on advances to Government servants; and
- (i) Other interest receipts e.g. premium on loans floated, interest on Cash Balance Investment Account - these would mainly pertain to the Department of Economic Affairs.

1.14.1 The Controllers of Accounts will prepare estimates of interest receipts with reference to loans outstanding against borrowers in their books including loans expected to be sanctioned during 2012-2013. The estimates will, after obtaining the approval of the Financial Adviser, be furnished by them, in duplicate, in form at Appendix-II latest by October 21, 2011. In case of 'nil' proposal, the same may also be submitted to Budget Division in writing without fail. For the sake of convenience this form covers both interest receipts as well as loan repayments.

1.14.2 In the case of industrial and commercial undertakings in the public sector/other parties, the estimates should invariably be supported by details in the form at Appendix-II-A for each such undertaking/party. Wherever the interest receipt is notional (being either matched by subsidy provision or by grant of loans to meet the interest liability), this fact should be specifically indicated in the 'Remarks' column. No column in Appendix-II-A is to be left blank, especially relating to Defaults in respect of dues upto. 31.3.2011.

1.14.3 A realistic assessment of interest due from Public Sector Undertakings and other loanees as also of loan repayments by them will be made taking into account the need to ensure that the loanees fully discharge their current interest obligations and also clear outstanding dues in the next 2-3 years.

1.14.4 The estimates of interest receipts, and also recoveries of loans and advances, from public sector enterprises including financial institutions must be framed on the basis of the departmental records as per loan register maintained by the PAOs and not as proposed by the companies or financial institutions. Accordingly, information to be given in the form Appendix II-A should reflect the position as per departmental records. The estimates should show (i) defaults of repayments of interest upto 31.3.2011 company-wise, (ii) BE 2011-2012 (iii) RE 2011-2012 (iv) BE 2012-2013 on the basis of current dues according to loan registers. Separately in a footnote, Assessment of the prospects of recovery of dues as approved by F.A. may also be given in 'Remarks' column. The amount due for recovery as interest & loan repayment during 2011-2012 and 2012-2013 should also be shown distinctly for each PSU.

1.14.5 Interest charged on capital outlay of departmental commercial undertakings should correspond to expenditure provisions for the purpose. Controllers of Accounts while framing the estimates may invariably ensure that this correspondence is maintained. Average rate of interest to be adopted for this purpose is being advised separately.

1.14.6 Reliefs and concessions provided to various PSUs in the form of write off of loans, waiver of interest/guarantee fee are reflected in Expenditure Budget as distinct items of expenditure with equivalent receipts assumed there under. These are all non-cash expenditure. The receipts so assumed in such cases may also be included in the Receipts Budget while furnishing receipts estimates to Budget Division.

2. CAPITAL RECEIPTS

2.1 Estimates of Capital receipts from Ministries/Departments will include receipts by way of loan repayments, disinvestment of equity holdings in Public Sector Enterprises, issue of bonus shares by the PSEs in favour of Central Government, and net receipts under Public Account transactions.

2.2 Estimates of receipts by way of loan repayments will be furnished in forms at Appendices II and II-A, along with estimates of interest receipts as earlier mentioned in paragraphs 1.14.1 and 1.14.2 above. Where such receipts are notional (by way of write off or refinancing through fresh loans or conversion into equity), the fact should be highlighted in the 'Remarks' column. Likewise, any modification in the terms of repayment, like extension of period of moratorium and/or repayment, should

also be indicated. Here also the estimates should fully reflect the endeavors to realise the amounts due from the various loanees.

2.3 Estimates of receipts in respect of bonus shares, issued by Government companies in favour of the Central Government, classifiable under Major Head '4000-Miscellaneous Capital Receipts' will be furnished company-wise by the Controller of Accounts in form at Appendix-I. The estimates should correspond to the provisions for related investments included on the expenditure side.

2.4 The estimates of disinvestment of equity holdings in Public Sector Enterprises may be centrally furnished by Department of Disinvestment.

2.5 The estimates of receipts in form Appendix-II in so far as Government servants are concerned, will include estimates of interest receipts and Estimates of repayment of loans.

2.6 **PUBLIC ACCOUNT:-** The Controllers of Accounts and the concerned Accounts Officers of Union territory Governments/Administrations (i.e. both with and without legislatures) should make a detailed review of the Public Account transactions which are accounted for in their books, except those referred to in para 2.7 below, and work out on the basis of the past trends and other information available with them, estimates for receipts and payments under it relating to their Ministries/Departments. The estimates of receipts and outgoings should be prepared on separate sheets. These estimates should reach Budget Division latest by October 21, 2011 in the form at Appendix-III. The estimates should have footnotes explaining the nature of the transactions and adequate explanations for any major variation in estimates with reference to past actuals and Budget Estimates. The estimates to be furnished to Budget Division should be as approved by the Financial Adviser and duly consolidated and complete in all respects, for the Ministry/ Department as a whole, Demand-wise. These should not be sent in piecemeal.

2.7 Estimates relating to Group Insurance Scheme for Central Government employees introduced from 1.1.1982 will be furnished to the Budget Division by the Chief Controller of Accounts, Finance and those relating to the Union Territory Government Employees Group Insurance Scheme introduced with effect from 1.1.1984 by the Ministry of Home Affairs (U.T. Cell).

2.8 Ministry of Railways (Railway Board), Department of Telecommunications and Ministry of Defence (Finance Division) in respect of Defence Services will furnish estimates of Public Account transactions in their Cash Requirement Estimates.

Normally Ministries/Departments should not have any large transactions in Public Account except in areas like provident funds and approved special deposits. No net debit or credit in a year in the Public Account will, therefore, be accepted except with full justification.

II. ESTIMATES OF EXPENDITURE

3. BUDGET ESTIMATES

3.1 The estimates of expenditure are to be furnished to Budget Division in stages. The estimates will be finalised after Secretary (Exp.) has held discussions with the Financial Advisers, as in the past. These discussions are scheduled to commence around October/November 2011. These will focus on the net Budget of each Ministry/ Department, that is expenditure less revenue receipts and capital receipts, like recoveries of loans, issue of bonus shares, etc.

3.2 The following aspects may be kept in view by the Ministries/Departments while formulating the expenditure estimates:

3.2.1 It is necessary to review the existing Expenditure Budget in the first instance, to prioritise the activities and schemes, both on the Plan and Non-Plan side and identify those activities and schemes, which can be eliminated or reduced in size or merged with any other scheme. All Ministries/Departments were expected to take up the exercise of reviewing/evaluation of all ongoing schemes/programmes to determine their continued relevance vide Secretary(Expenditure)'s O.M. F. No. 7(5)/E-Coord/2004 dated 24.09.2004(Annex - A). Departments should ensure that all schemes

that have been discontinued, do not find mention in RE 2011-12. Similarly schemes that are not to continue beyond the year 2011-12, should not be included for BE 2012-13. A mention of the schemes discontinued or merged should be made in the notes below the SBEs. Moreover, from the Eleventh Five Year Plan, Planning Commission's "guidelines regarding inclusion of new Schemes in the Plan, enhancement of Five Year Plan/Annual Plan outlays, major changes in the scope and investment approval of the Plan Schemes, for the Central Ministries/Departments" vide their U.O. No. N-11016/4/2006-PC dated 29.8.2006 (Annex - B) may be strictly adhered to before firming up the SBEs by Ministries/Departments.

3.2.2 All the Ministries/Departments (except those specifically exempted **by Ministry of Development of North Eastern Region**) are required to spend 10% of the Gross Budget Support from their Central Plan for the benefit of North Eastern Region & Sikkim. This Division's O.Ms. of 24th April, 2001 (Annex - C), 13th September, 2002 (Annex - D), 14th September, 2005 (Annex - E) and 5th February, 2007/(Annex-E-I) in this connection may be kept in view. While sending the RE 2011-12 (Plan), the Ministries/ Departments should separately show the Central Plan Expenditure on schemes/projects benefitting the North Eastern Region and Sikkim. The details of exemptions for schemes/programmes, if any, granted by the Ministry of Development of North Eastern Region may be furnished along with Plan SBEs.

3.2.3 **Plan Provisions for North Eastern Region and Sikkim:** Budget provisions towards projects/schemes for development of North Eastern Region and Sikkim have, hitherto, been provided as 'lump sum' under the Major Head '2552-North Eastern Region' for Revenue expenditure and the Major Head '4552-Capital Outlay on North Eastern Region'/ Major Head '6552-Loans for North Eastern Region' for Capital expenditure for eventual re-appropriation to appropriate functional heads of expenditure. However, such lump sum provisions should be disintegrated upto object head level corresponding to different functional major/sub-major/minor heads, indicating the details, in the Detailed Demands for Grants and provided for under the Major Head '2552-North Eastern Region' for Revenue expenditure and the Major Head '4552-Capital Outlay on North Eastern Region'/'6552-Loans for North Eastern Region' for Capital expenditure, respectively for eventual re-appropriation. This is to facilitate informing Parliament about the nature of expenditure, end-beneficiary, etc. After approval of the budget by Parliament, the expenditure provisions can be transferred to the functional head for incurring expenditure through re-appropriation by exercise of powers delegated in this Ministry's D.O. letter No. F.2 (66)-B (CDN)/2001 dated 12.6.2001 (Annex - F). In this connection, instructions have been issued vide this Ministry's O.Ms. No. F.2(66)-B(CDN)/2001 dated 14.9.2005 (Annex - E) and dated 5.2.2007(Annex-E-I).

3.2.4 While framing the estimates, due note may be taken of the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme as scheduled, the constraints on spending by the spending agencies, and most importantly the quantum of Government assistance lying with the recipients unutilised/ unaccounted for etc. with a view to minimising the scope for available surrenders at a later stage. The Parliamentary Committees have been repeatedly expressing concern over incidence of large savings in the Grant. The Public Accounts Committee also requires that savings in a Grant amounting to Rs.100 crore and above have to be explained to the Committee.

3.2.5 Ministry of Finance, Budget Division has issued instructions on the need for the individual Ministry/Department to put in place effective mechanism for realistically assessing their requirement of funds in a way that would ward off the occurrence of unwarranted surrender of savings at a later date. The latest instructions on large scale unspent provisions have been issued for strict compliance by the ministries/Departments vide O.M. F. No. 7(6)-B(R)/2001 dated 20th July, 2001 (Annex- G) and F.No.7(1)/B(D)/2006 dated 31st July, 2006 (Annex- H).

3.2.6 Under the standing instructions of this Ministry, no provision should normally be made in the Budget without completion of pre-Budget scrutiny of a project/scheme. However, where provision has been made without the necessary scrutiny, such scrutiny should be completed and appropriate approvals obtained therefor, before the commencement of the financial year or latest by the time the Budget is passed by the Parliament.

3.2.7 The Ministry of Finance has recently (in 2011-12) suggested some Measures for effective control of expenditure against the sanctioned grant/ appropriation vide O.M No.4(5)-W&M/2011 dated 2.5.2011(Annex-Q), O.M No.4(5)-W&M/2011 dated 7.7.2011(Annex-R), O.M. No. F.7 (3)-B(SD)/2010 dated 11.7. 2011 (Annex-S) and O.M. No. 7(1)/E.Coord/2011 dated 11.7.2011(Annex-T). All Ministries/Departments may give due regard to these instructions for effective expenditure control.

3.2.8 For providing grants-in-aid to autonomous bodies and institutions, the instructions contained in Rule 209 of the General Financial Rules, 2005 may be kept in view. In cases where activities of a body cover more than one function of the Government and the body is likely to approach several Departments for grants, consultation should take place between the concerned Departments before the grants are approved. The body should be specifically asked to furnish details of assistance received or proposed to be received from other Central Government Departments and also from State Governments.

3.2.9 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.

3.2.10 The provision for externally aided projects may be made under identifiable heads, segregated from other items of expenditure as in the form at Appendix IX-B.

3.2.11 Ministries/Departments are making Plan provisions against externally aided projects and these are being shown in a separate annex viz., "Statement showing project-wise provisions for expenditure on externally-aided projects in the Central Plan" in the 'Detailed Demands for Grants' of the concerned Ministry/Department, as prescribed in para 8.6(ii) (Appendix-IX B) and as in the form at Appendix-X B. It is observed that there is a time lag between incurring of expenditure and claiming reimbursement thereof from the concerned donors. This obviously puts pressure on the GOI's Ways & Means Advances position. In order that the eligible expenditures are promptly lodged in the form of claims with the relevant donors through the Office of Controller of Aid Accounts & Audit for seeking disbursement of the committed external assistance, Financial Advisers should hold periodical reviews in this regard. It is proposed to review the budget provision made in BE 2011-2012 against externally aided projects and the action taken to claim reimbursements thereof from the external donors, during the pre-budget review meetings to be taken by Secretary (Expenditure).

3.2.12 Items of expenditure which are linked to receipts, like those met from proceeds of cess or '1605-External Grant Assistance' or '1606-Aid Material and Equipment' may also be similarly segregated in the Statement of Budget Estimates.

3.2.13 Subsidies being provided towards payment of interest fall under two categories. They are (i) 100% subsidy and (ii) interest differential (part subsidy). These two items may be shown distinctly in Statement of Budget Estimates.

3.2.14 With a view to maintaining uniformity in the treatment of provision for Voluntary Retirement Scheme(VRS)/Voluntary Separation Scheme (VSS) to Central PSUs, it is desired that these amounts should be depicted as a Non-Plan loan, unless approved otherwise by the Competent Authority.

3.2.15 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 provisions 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. Further Rule 79 of GFR defines the Capital and Revenue Expenditure. All the Ministries/Departments may kindly refer to these Rules and prepare the Budget Estimates in compliance of the statutory obligations.

3.3 Other Instructions on Preparation of Statement of Budget Estimate :- The Statement of Budget Estimates included in the Expenditure Budget, Volume 2, should normally show distinctly, schemes, etc. for which the provision in the RE or next BE is Rs. 10 crore or more. Important schemes, irrespective of the provision for them, can also be shown separately in the SBE, if necessary.

3.4 Further, the estimates of expenditure in the Expenditure Budget Vol. 2 and also in Demands for Grants, are expressed in crores of rupees with two decimal places. Under the present system of rounding, major head under which the total provision is less than Rs. 50,000 gets excluded from the two documents referred to above. This causes discrepancy with Detailed Demands for Grants in which the provisions are expressed in thousands of rupees. In such cases the major head, etc. will be shown in the SBE and the Demands for Grants with a footnote that "the provision is less than Rs.1 lakh". See also instructions at paragraph 12.1.

3.5 The Ministries/Departments may review the SBEs for 2011-2012 in respect of their Demands for Grants and modifications therein, if any, as may be required keeping in view the guidelines mentioned above may be suggested to Budget Division.

The SBE's will be furnished to Budget Division in two stages as indicated below:

3.6.1 **Statement of Budget Estimates (Proposed) :-** Ministries/Departments will, as usual, arrange to obtain the estimates of expenditure for the current year and the next year from various organisations and units under their control. The estimates may be obtained in the form in Appendix-IV as may be modified to suit the special requirements of individual Ministries/Departments. The estimates will be scrutinised by the administrative units of the Ministry/Department and forwarded to the Financial Adviser for further examination and processing. The estimates finally recommended by the Financial Adviser will be summarised in the form of Statement of Budget Estimates (proposed) and eighteen (18) copies thereof forwarded to the Budget Division of the Ministry of Finance. The estimates will be on the same pattern as appearing in the Expenditure Budget 2011-2012 Vol. 2. In SBEs, items of omnibus nature like "other programmes" may be desegregated so that they are below Rs.10 crore. The expenditure on "Salaries and Wages" may be shown separately. Further, the expenditure met from any cess or on externally aided projects (reimbursable portion) may be distinctly identified. The form in which these estimates are to be furnished is at Appendix IV-A.

3.6.2 **Discussions with Secretary (Expenditure) :-** In the SBE (proposed), the RE 2011-2012 for Plan and Non-Plan expenditure and BE 2012-2013 for Non-Plan expenditure may be **indicated separately for Revenue and Capital expenditure**. In preparing RE, the following factors inter-alia, must be taken into consideration:

- a) Latest actuals during current year;
- b) Actuals for the same period in preceding year;
- c) Actuals in past year/previous years;
- d) Appropriations/reappropriations ordered/contemplated during remaining part of the year, or any sanction to expenditure issued/proposed to be issued during the remaining part of the year;
- e) Any other relevant factor which may be foreseen at the time of framing the RE 2011-12/BE 2012-13;
- f) Actual expenditure upto September, 2010 of BE 2010-11 as also actuals upto September, 2011 of BE 2011-2012 may supplement the process of finalisation of RE 2011-12. The actuals may be reconciled with the monthly accounts compiled by Controller General of Accounts before incorporating the same in Appendix IV-B which has since been revised;
- g) The following information may also be furnished to Budget Division along with the SBEs (proposed):
 - (i) Effect of additional installments of dearness allowance sanctioned this year and the net additionality asked therefor (that is, after setting off against savings, if any).
 - (ii) Estimates of committed expenditure, which is being provided for the first time as Non-Plan in RE 2011-2012 and thereafter in BE 2012-2013.

- (iii) Items of expenditure, which are matched by or linked to receipts like externally aided projects, bonus share, cesses etc.
- (iv) Provision included in respect of vacant posts.
- (v) As indicated in Para 3.2.11, a separate statement indicating (a) Plan provision made scheme/project-wise in BE 2011-2012 against externally aided projects, (b) expenditure incurred up to August/September 2011, (c) amount for which claims have been lodged with the office of Controller of Aid Accounts & Audit, DEA seeking reimbursement from the external donor and (d) requirement in RE 2011-2012.
- (vi) Details of authorised and held manpower and current/arrear liability on account of pay & allowances in respect of CPSUs and substantially financed autonomous bodies getting Non-Plan budget support.
- (vii) Unspent balances as on 31st March, 2011 with all grantee/loanee bodies (other than the States) in respect of all bodies which received more than Rs. 1 crore grant/loan during 2010-2011. (Separate details for each body).
- (viii) Unspent balances, State-wise and scheme-wise, as on 31st March, 2011, in respect of all schemes.
- (ix) Status of pending utilisation certificates.
- (x) Explanations for variations between BE 2011-12 and RE 2011-12 (proposed) may be given scheme-wise separately. Any increase/decrease in BE 2012-13 (proposed) may also be explained suitably.

Note: - The Pre-budget meeting of the Ministry/Department will be scheduled only after receipt of full information as required above.

3.6.3 It is proposed to discuss during the meetings to be taken by Secretary (Exp.) the totality of the requirements of funds for various programmes and schemes, along with receipts of the Departments (viz. interest receipts, dividends, loan repayments, departmental receipts, receipts of Departmental Commercial Undertakings, etc). As indicated in para 3.1 the indicative budget figures will be discussed on a net basis. The dates of discussions will be intimated separately. **In the meantime, Financial Advisers may process the SBEs and forward the same to Budget Division by:**

- (i) **10th October, 2011 in respect of the U.T. Demands and Non-plan Demands (except Defence Services and Defence Pensions).**
- (ii) **21st October, 2011 in respect of all other Demands.**

3.7 **Statement of Budget Estimates (Final) :-** After the pre-Budget meetings are over, the approved ceilings for expenditure, as finalised in these meetings, will be communicated on the basis of which Financial Advisers will prepare the Statement of Budget Estimates (Final) in form Appendix IV-A and forward to Budget Division. This SBE (final) will be accompanied by four statements mentioned below:-

- (i) Showing the amount of charged expenditure included under each of the major heads in RE 2011-2012, BE 2012-2013 (Appendix V);
- (ii) Showing the estimates, if any of recoveries taken in reduction of expenditure under each of the major heads included in the SBE, (Appendix V-A);
- (iii) Loan and equity components of investments in Public Enterprises with the externally-aided component therein (Appendix V-B);

- (iv) Brief notes explaining major variations between BE 2011-12 and RE 2011-2012; and also between RE 2011-2012 and BE 2012-2013 should be furnished in all cases wherever the variations under the items listed in the SBE exceed 10% of the BE or RE, as the case may be, whichever is lower. The explanation should be meaningful and specific. Vague indications in phrases like “due to less requirement of the project” or “more requirement of the project” will not be accepted.

3.8 The SBE (final) will be sent to Budget Division in two stages: (i) Immediately after the ceilings are communicated by this Ministry the columns relating to Non-Plan RE 2011-2012 and BE 2012-2013; and Plan RE 2011-2012 should be filled and forwarded to Budget Division; and (ii) As soon as the Planning Commission communicates the Annual Plan allocations, SBE (final) for the Plan expenditure in BE 2012-2013 should be forwarded to the Budget Division. Budget Division will require three copies of SBE (final) in both cases.

3.9 In so far as the Department of Atomic Energy and Department of Space are concerned, SBE (proposed) may be forwarded to Budget Division as soon as the estimates are compiled, but not later than October 21, 2011; without waiting for the approval by the respective Commissions. SBE (final) for Non-Plan RE 2011-2012 and BE 2012-2013 and Plan RE 2011-2012 may be sent as soon as the estimates are approved by the Commissions. SBE (final) for Plan expenditure 2012-2013 may be sent as soon as the Planning Commission's allocations are received.

3.10 Office of the Comptroller & Auditor General of India may send the SBE to Budget Division by October 21, 2011. These may be supported by actuals as indicated in preceding paragraph along with item-wise actuals for 2010-2011, as also actuals upto September, 2010 of BE 2010-11 and actuals upto September, 2011 of BE 2011-2012.

3.11 In case any modification or amendment is required to be made in the figures already communicated to Budget Division through SBE (final), the modifications/amendments should be communicated in the form in Appendix VI. Ministries/Departments should not send once again the entire SBE for this purpose.

3.12 Ministries/Departments may take particular care in filling the estimates relating to each of the public enterprises (budgetary support, internal and extra budgetary resources and total plan outlay). Similarly, if works expenditure is to be incurred through the Ministry of Urban Development, the same should be included in the column provided therefor in the Statement of Budget Estimates after settling the estimates with Ministry of Urban Development. SBE (final) for Plan should carry a certificate that the total provision inclusive of the works outlay corresponds to the allocation given by the Planning Commission.

3.13 The budget provision towards 'Works Outlay' is reflected in the Demands for Grants for the year 2011-12 (both under plan and non-plan) in respect of Ministries/Departments, who expressed their willingness for such reflection, in terms of this Division's O.M. No.1(5)B(AC)/2005 dated 12.10.2006 (Annex-P). Such provisions in respect of other Ministries/Departments will continue to be reflected in the Demands for Grants of Ministry of Urban Development (Demand No.101-Department of Urban Development and Demand No.102-Public Works) in BE 2012-13. Ministries/Departments, which are willing to shift their provisions towards 'works outlay' from the Demands for Grants of Ministry of Urban Development to their Demands for Grants, may approach this Division, separately.

3.14 In the case of Union Territories without Legislature the Ministry of Home Affairs (being the nodal Ministry) will get the Statement of Accepted Estimates from the Ministries/Departments and U.T.s concerned and examine these to ensure that the total provisions are within the ceilings approved for each U.T. They should furnish the information along with related recoveries, and receipts, to the Ministry of Finance (Budget Division) Major Head-wise and Ministry-wise on the same pattern as per the Demands for Grants 2011-2012. The other Ministries/Departments and U.Ts are requested not to send any SBEs to the Ministry of Finance direct. All correspondence in this regard should be made with the Ministry of Home Affairs only.

3.15 In cases of items of work transferred from one Ministry/Department to another, subsequent to the presentation of the Budget for 2011-2012, the B.E. and R.E. 2011-2012 (and in the Detailed Demands for Grants, the Actuals 2010-2011 also) in respect of these items may be shown along with the BE 2012-2013 in the relevant Demands for Grants (for 2012-2013) of the Ministry/Department

which has taken over the work, to facilitate comparison. Consequently, these items may completely be deleted from the Demands for Grants for 2012-2013 of the Ministry/ Department from which these have been transferred. Necessary Supplementary Demands for Grants provision may be proposed by the Ministry/Department to which the work has been transferred.

3.16 Pursuant to the instructions contained in the Government of India (Allocation of Business) Rules 1961; any transfer of items of works and their corresponding provisions from a Ministry/Department would be effected through Supplementary Demands for Grants. Therefore, at RE stage, the Ministry/Department from where the work has been transferred should surrender the expenditure provision from those specific items of work and indicate the same categorically during the pre-Budget discussion under the Chairmanship of Secretary (Exp.).

4. SPECIAL INSTRUCTIONS FOR THE COMPOSITE DEMAND FOR CIVIL 'PENSIONS' - The arrangements for submission of estimates for inclusion in the Demand 'Pensions' will be as follows:

- (i) The Demands for Grants 'Pensions' is administered and controlled by the Central Pension Accounting Office (CPAO), Department of Expenditure, New Delhi, as referred to in para 1.5 above. Accordingly, the Demand 'Pensions' for 2012-2013 will be prepared and compiled by the Central Pension Accounting Office.
- (ii) The Accountants General will furnish to CPAO the estimates in respect of pension payments accounted for by them and in respect of other sub-heads to the extent operated by them. Where ever Pensionary charges are categorized as 'charged' expenditure, it should be reflected accordingly.
- (iii) The Director of Audit, Central Revenues will furnish to CPAO the estimates of pensions in respect of staff of the Indian Audit and Accounts Department retiring during 2012-2013. In so doing, estimates of Post and Railway Audit Offices which are *ab-initio* debited to their working expenses and budgeted for, separately, will be excluded by him.
- (iv) All other pensionary estimates prepared by the Accounts Offices of the various Ministries/Departments and Union Territory Administrations as also by the Controller General of Defence Accounts, New Delhi will be sent to the CPAO who will consolidate and furnish the consolidated estimates to the Budget Division.
- (v) A separate estimate of corresponding recoveries from State Governments adjustable under the Receipt major head '0071 - Contributions and Recoveries towards Pensions and Other Retirement Benefits' should be forwarded by the CPAO to Budget Division for incorporating the same in the estimates of revenue receipts under Department of Expenditure.

Note (1): Compassionate Fund: The expenditure out of 'Compassionate Fund' is adjustable under the sub-head 'Payment from Compassionate Fund' under Major Head '2235- Social Security and Welfare - Other Social Security and Welfare Programmes - Other Programmes'. In furnishing the estimates for payments out of Compassionate Fund, this classification may be adopted.

Note (2): Central Government Employees' Insurance Scheme: This Scheme is confined to those employees only who have opted out of the Group Insurance Scheme introduced from 1st January 1982. The Department of Expenditure (Establishment Division) in this regard will furnish consolidated estimates of expenditure to the Budget Division, under advice to the CPAO.

5. SPECIAL INSTRUCTIONS RELATING TO ESTIMATES TO BE INCLUDED IN COMPOSITE DEMANDS CONTROLLED BY BUDGET DIVISION

5.1 **Interest Payments:** Estimates for interest on provident fund balances of employees, including Group 'D' employees, and on various deposits in the Public Account including Reserve Funds, deposits of Commissioners of Payments and other items for inclusion in the Appropriation "Interest Payments" will be furnished by the Controllers of Accounts and by the Ministry of Railways (Railway Board), Ministry of Defence.

It may please be noted that Public Accounts Committee, in its 23rd Report (13th Lok Sabha) on the excesses over voted grants and charged appropriation (1998-99), suggested that effective coordination between various estimating and disbursing authorities be put in place with the help of sound data-base and other IT facilities so that the excess expenditure could be avoided altogether. It is emphasized that PAC's directive may be complied with in order to avoid excess expenditure in the 'Appropriation-Interest Payments'. The Finance Wings of the Ministries/Departments are advised that estimates of 'Interest Payments' will be furnished by their Controllers of Accounts to Budget Division. Any increase or decrease in Revised Estimates for the current year and in Budget Estimates for the next year will also be explained suitably by the estimating authority, while furnishing estimates to Budget Division. The Ministries/ Departments should furnish estimates to 'Accounts Section, Room No.224-C Budget Division, Ministry of Finance, latest by 21.10.2011.

5.2 Loans to Government Servants etc.: The estimates of loans to Government servants should be accompanied by a Statement indicating actual disbursements under each category of advance during the preceding three years and also actual expenditure in the first 6 months of the current financial year. The estimates and actuals may be furnished to Budget Division of the Ministry of Finance in the form as per Appendix VII and should be forwarded by the Budget Section of the concerned Ministry/Department latest by 21.10.2011.

5.3 Pre-partition Payments: The provision relating to Civil, Defence, Railways and Posts and Telecommunications, adjusted under Major Head '2075 - Miscellaneous General Services', is also centralised in the Demand 'Department of Economic Affairs'. Necessary estimates in this regard (both Charged and Voted) will be furnished to the Budget Division by the Chief Controller of Accounts, Department of Commerce, Ministry of Defence (Finance Division), Ministry of Railways (Railway Board) and the Departments of Posts and Telecommunications.

6. NOTES ON DEMANDS

6.1 The notes on Demands for Grants appear in Expenditure Budget Volume-2. These are intended to depict a brief summation of the budget allocations as appearing in the Expenditure Budget Volume-2. Hence, these may be brief, to the point and must bear a link to the item for which the Budget allocations have been reflected. Abbreviations contained in the notes should be expanded at least once for clarity. Further and more elaborate detailing on schemes can be made in the Expenditure Budget Volume-1.

6.2 The notes may be forwarded in bilingual form together with a soft copy to the designated officers in the Budget Division within three days of rendition of the Final SBE for Plan expenditure 2012-13.

6.3 Broad guidelines for preparation of the Notes on Demands are contained in Appendix VIII. These guidelines may be adhered to and all relevant information made available in time.

7. MATERIAL FOR STATEMENTS TO BE APPENDED TO DEMANDS FOR GRANTS –

- A statement showing items of new service/new instrument of service is included in the Demands for Grants. Ministries/Departments should, as soon as SBE (Final) is forwarded to Budget Division, arrange to furnish a statement showing details of items of new service/new instrument of service for which provision is made in BE 2012-13 (Appendix X-A). The information so furnished for inclusion in Demands for Grants should exactly match the information included in the Detailed Demand for Grants of the respective Ministry /Department. Attention is invited to Department of Economic Affairs' O.M. No.F.1 (23)-B(AC)/2005 dated 25.05.2006 on Revised Guidelines on Financial Limits to be observed in determining cases relating to "New Service/New Instrument of Service" (Annex-O)

8. DETAILED DEMANDS FOR GRANTS

8.1 The respective Ministries/Departments will prepare the Detailed Demands for Grants. While preparing the Detailed Demands for Grants it is important to ensure that the classification, namely, 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 year 2012-2013, due regard may be given to this Division's circular F.No.15(4)-B(D)/2003 dated 9th July, 2003 (Annex- I), on the issue of budgeting for "Information Technology". It is noticed that despite the said instructions of Budget Division, the same are not complied with by some of the Ministries/Departments. It is emphasized that the Ministries/Departments may note these instructions for compliance.

8.2 It has also to be ensured by Ministries/ Departments that the totals for each Major Head and the total provisions by Revenue and Capital Sections separately for 'charged' and 'voted' included in the Detailed Demands for Grants exactly correspond to the provisions 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 will be made available to the Ministries/Departments concerned for ensuring this correspondence. **Final Print order for Detailed Demands for Grants should be given only after the reconciliation is completed.**

8.3 The Major Heads Codes shown in the Detailed Demands for Grants should correspond to the code in the main Demands for Grants. Consequently, where for a major head there is only actual for 2010-2011 and no provision has been made in B.E. 2011-2012, R.E. 2011-2012 and B.E. 2012-2013, a separate sub-head therefor should not be retained. The actual may, however, be included in the total for that major head with a footnote as follows:

"Includes expenditure of Thousand Rs. against sub-head in the Demands for Grants No. for 2010-2011."

8.4 Instructions issued by this Ministry in December, 1994 regarding standard numeric codification of heads of accounts may be strictly adhered to. No new sub-head/detailed head will be opened and incorporated in the Detailed Demands for Grants without getting necessary numeric codes therefor, from the Controller General of Accounts.

8.5 In cases of items of work transferred from one Ministry/Department to another subsequent to the presentation of the Budget for 2011-2012, the B.E. and R.E. 2011-2012 (and in the Detailed Demands for Grants, the Actuals 2010-2011 also) in respect of these items may be shown along with the BE 2012-2013 in the relevant Demands for Grants 2012-2013 of the Ministry/Department which has taken over the work, to facilitate comparison. Consequently, these items may completely be deleted from the Demands for Grants for 2012-2013 of the Ministry/ Department from which these have been transferred. Necessary Supplementary Demands for Grants provision may be proposed by the Ministry/Department to which the work has been transferred. Pursuant to the instructions contained in the Government of India (Allocation of Business) Rules, 1961, any transfer of items of works and their corresponding provisions from a Ministry/Department would be effected through Supplementary Demands for Grants. Therefore, at RE stage, the Ministry/Department from where the work has been transferred should surrender the expenditure provision from those specific items of work and indicate the same categorically during the pre-Budget discussion under the Chairmanship of Secretary (Exp.).

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

- (i) Schedule showing the estimated strength of establishment and provision therefor (Appendix IX-A). Provisions are to be grouped according to pay scales. The figures shown should correspond with those given for summary statement as at paragraph 10.1 (vi).
- (ii) Statement showing project-wise provision for expenditure on externally aided projects in the Central Plan (Appendix IX- B).
- (iii) Schedule showing broad details of Non-Plan expenditure provisions of Rs.25 lakhs and above in BE 2012-2013 (Appendix IX -C).
- (iv) Schedule showing provisions included in BE 2012-2013 for payment of grants- in- aid to non-Government bodies. (Appendix IX-D).
- (v) Statement showing details of individual works and projects costing Rs.5 crore or above included in BE 2012-2013 (Appendix IX-E).

- (vi) Statement showing revised cost estimates of projects of public sector enterprises and departmental undertakings (Appendix IX-F).
- (vii) Statement showing transfer or gift of Government properties of value exceeding Rs.5 lakhs to non-Government bodies (Appendix IX-G).
- (viii) Statement showing contributions to International bodies provided for in the Budget Estimates for 2012-2013 (Appendix IX-H). 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 guarantee given by the Central Government and outstanding as on 31.3.2011 (Appendix IX-I). This should not be at variance with the statement of guarantee shown in Receipt Budget [see paragraph 10.2]. Guarantees given by the Government on loans from foreign sources contracted by other bodies, PSEs, etc., the outstanding loan amount to which the guarantee relate, should be converted at the exchange rate prevalent on 31.3.2011, which may be obtained from the Controller of Aid Accounts and Audit of this Ministry, instead of the historical value. It may be noted that if the Government guarantee is for repayment of the principal and payment of interest, the sums guaranteed and outstanding as on 31.3.2011 should cover both. It may be ensured that the totals shown in this statement should exactly correspond with the summary statement as at paragraph 10.2.
- (x) Statement showing grants-in-aid exceeding Rs.5 lakhs (recurring) or Rs.10 lakhs (non-recurring) actually sanctioned to private institutions/organisations/individuals during the year 2010-2011 (Appendix IX-J).
- (xi) Statement showing the source of funds for grantee bodies receiving grants of over Rs. 10 lakh per year from Consolidated Fund of India and from other sources (including external sources) (Appendix IX-K).

8.7 The requisition for printing of Detailed Demands for Grants may include Budget Division's requirement of 100 copies for direct supply by the Press to this Ministry.

8.8 Major-Head number and description may be indicated at the top right corner of each page of Detailed Demands for Grants under the header line.

8.9 Uploading of Detailed Demands for Grants on Website: Instructions have been issued by this Ministry vide O.M. No.15(38)-B(R)/2008 dated 14.8.2008 for uploading the Detailed Demands for Grants on Website of the administrative Ministry/Department. All Ministries/Departments may upload the full details of DDG as approved by the Parliament.

9. MODIFIED EXCHEQUER CONTROL BASED EXPENDITURE MANAGEMENT SYSTEM

9.1 Exchequer control based expenditure management system has been extended to 23 Demands for Grants with effect from April 1, 2007. The Scheme, as detailed in Ministry of Finance, Department of Economic Affairs' O.M. No. 21(1)-PD/2005 dated 27th December, 2006 (Annex-J), inter alia, provides for inclusion of Monthly Expenditure Plan (MEP) as an annex in the Detailed Demands for Grants.

9.2 It is advised that Monthly Expenditure Plan [MEP] may be drawn up keeping in view the extant guidelines relating to release of funds, including those prescribed in Ministry of Finance, Department of Expenditure's O.M. F. No. 7(3)/E-Coord/2006 dated August 8, 2006 (Annex-K).

10. MATERIAL FOR STATEMENTS TO BE APPENDED TO DEMANDS FOR GRANTS/ EXPENDITURE BUDGET Vol.1

10.1 As soon as SBE (Final) is forwarded to Budget Division, Ministries/Departments should arrange to furnish the following statements to Budget Division:-

- (i) Statement showing "New Service"/"New Instrument of Service" for which provision is made in BE 2012-2013 (Appendix X-A).

- (ii) Statement showing provision for externally aided projects in Central Plan (Appendix X-B).
- (iii) Statement showing additional Central Assistance for Externally aided projects in State Plan (Appendix X-C). The information may be furnished to Budget Division centrally by PF-I Division of Department of Expenditure.
- (iv) Statement showing resources of public enterprises, etc. information to be given enterprise-wise in the form in Appendix X-D. The internal and extra budgetary resources of the public enterprises to be shown in RE 2011-2012 should be as agreed to by the Plan Finance Division of this Ministry while the IEBR for 2012-2013 should be as per the financing pattern approved by the Planning Commission and shown as such in the 'Plan Allocation Statement' from the Planning Commission referred to in paragraph 3.8 above.
- (v) Statement (Appendix X-E) showing provisions in the Budget for Central and Centrally sponsored Plan schemes. In this statement all Plan schemes for which the provision in the next Budget is Rs. 10 crores and above are to be shown distinctly and all other schemes, etc. merged under 'Other schemes/ programmes, etc.' The information to be given separately for Central Plan and Centrally sponsored Plan.
- (vi) Statement (Appendix X-F) showing the estimated strength of 'Establishment' and provisions therefor. Information in respect of estimated strength of Establishment in the Appendix X-F of the Budget Circular must be duly got verified and authenticated by a designated officer not below the rank of Deputy Secretary/Director in the Ministry/Department before it is furnished to the Ministry of Finance, Budget Division, with a footnote that the information has been verified by the designated officer.

Further, 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.
- (vii) Summary Statement (Appendix X-G) showing contributions to international bodies. In this statement items for which the provision in BE 2011-2012 is Rs.5 lakh or more are to be shown distinctly; items of less than Rs.5 lakh are to be bunched and, shown as 'Others'. See also instructions at para 8.6 (viii) above.
- (viii) Summary Statement showing grants-in-aid to private institutions/organisations/ individuals (Appendix X-H).
- (ix) Summary Statement (Appendix X-I) showing actual expenditure of Ministries/Departments on a net basis. This information is to be furnished to Budget Division by the office of the Controller General of Accounts by 31.12.2011.

10.2 Statement of Guarantees given by Union Government, a summary statement (Appendix-X-J) which has already been circulated vide this Ministry's O.M. No. F. 12(20)-B(SD)/ 2002 dated 16.10.2003 (Annex- L) is to be appended to the Receipts Budget. This information for the year 2009-2010, should be extracted from the Register of Guarantees maintained by the respective Ministries/Departments. The information given in this statement is essentially intended to be a summarized account of the statements of guarantees given by Government vide para 8.6 (ix) (Appendix- IX-I). In the case of external guarantees, administrative ministries should coordinate with Financial Adviser (Finance) and weed out duplicate entries. The Ministries/Departments concerned will especially be responsible to ensure that these totals also tally with the information regarding guarantees given by the Central Government and outstanding as on 31.3.2011, given by them to the Controller General of Accounts for inclusion in the Union Government's Finance Accounts for 2010-2011. The Guarantee fee in arrears (col. 21 (-) col.22 of Appendix-X-J) should correspond and match with the figures depicted as Guarantee fee arrears reported in D-2 statement in Appendix X-L.

10.3 It is proposed to Consolidate information relating to Commitments on account of ongoing annuity projects under various Ministries/Departments. Information in this regard should be provided in the prescribed format in Appendix XI for publishing it in Receipts Budget.

10.4 In order to prepare introductory notes on important Non-Plan items of expenditure, like food subsidy, fertilizer subsidy, petroleum subsidy assistance for export promotion, interest subsidy etc. for Expenditure Budget Vol. 1, Ministries/Departments concerned should arrange to send separate self contained material for these Non-Plan items.

10.5 Similar write-up should be sent for Plan items of expenditure. All figures reflected in the write-up should tally with the figures given in SBEs and with the physical targets given in the material for Budget at a Glance.

11. INSTRUCTIONS ON GENDER BUDGETING/FRBM RULES/PROVISIONS OF SC & ST/PLAN PROVISIONS FOR NORTH EASTERN REGION AND SIKKIM etc.

11.1 **Statement No. 20 "Gender Budgeting" in Expenditure Budget Vol. 1.** For Budget 2012-13, all the Ministries are required to prepare the statement (Budget Estimates 2011-2012, Revised Estimates 2011-2012 and Budget Estimates 2012-2013, Plan and Non-Plan) which reflect the respective beneficiary class identification in order to highlight the quantum of public expenditure earmarked for (a) women specific programmes (100% provision) and (b) pro-women allocations (at least 30% provision) for gender neutral programmes, in respect of the budget provisions, administered by various Ministries/Departments and send to the Budget Division for consolidation along with SBEs for Plan.

For Statement No. 20 – Gender Budgeting in Expenditure Budget Vol.1, all Ministries and Departments are required to carefully scrutinize their Detailed Demands for Grants and identify such programmes/schemes as fulfill the above objectives, along with their budgeted provisions for inclusion in the above Statement. Information in the format of the statement (Statement No. 20, Expenditure Budget Vol. 1) may be sent in two parts, Part "A" reflecting 100% provisions and Part "B" reflecting the specified percentage provisions for pro-women allocations respectively.

11.2 The Planning Commission is now making separate allocations for the Scheduled Castes Sub Plan and Tribal Sub Plan as part of the Plan allocations from the financial year 2011-12 and the same are also indicated clearly in the Memorandum of Understanding signed between Planning Commission and the concerned Ministry/Department. The Ministries/Departments for which such allocations are made by the Planning Commission as part of the Plan Agreement in Budget 2012-13, must ensure that the provisions are accurately reflected in the concerned Minor Head "Special Component Plan for Scheduled Castes" (Code '789') and "Tribal Sub Plan" (Code No. '796') below the functional major/sub-major heads wherever necessary, in terms of the instruction under Para 3.8 of the General Directions to the List of Major and Minor Heads of Accounts. The provisions made under these Minor Heads will not be allowed to be Re-appropriated, except to the same Minor heads in other schemes under "Special Component Plan for Scheduled Castes" (Code '789') and "Tribal Sub Plan" (Code No. '796').

11.3 **Statement No. 21 "Budget allocations for Schemes for Development of Scheduled Castes" and Statement No. 21-A "Budget Allocation for Schemes for Development of Scheduled Tribes" in Expenditure Budget Vol. I for Budget 2012-13:-** All the Ministries/Departments are required to prepare two statements, each showing (Budget Estimates 2011-12, Revised Estimates 2011-12 and Budget Estimates 2012-13. These statements will have two parts to highlight the quantum of public expenditure earmarked for (Part A) Scheduled Caste Sub Plan Schemes/Tribal Sub Plan Schemes for allocations made under the Minor Heads "Special Component Plan for Scheduled Castes" (Code '789') and "Tribal Sub Plan" (Code No. '796'). (Part B) will contain provisions made for 'Other than Scheduled Caste Sub Plan Schemes/Tribal Sub Plan Schemes' (Non Plan) separately for Statement No. 21 and 21-A in respect of budget provisions, administered by various Ministries/Departments in the prescribed format (Appendix X-P and X-Q) and send to the Budget Division for consolidation along with SBEs for Plan. All Ministries and Departments are required to carefully scrutinize their Detailed Demands for Grants and identify such programmes/schemes which fulfil the above objectives, along with their budgeted provision for inclusion in the above two statements.

11.4 **Statement No. 22 Schemes for the Welfare of Children** - Recognizing that children under 18 constitutes a significant percentage of the Indian population, the Government is committed to their welfare and development. Statement No.22 in Expenditure Budget Volume-I reflects the Budget provisions of schemes that are substantially meant for the welfare of the children. The provisions in this statement indicate educational outlays, provisions for the girl child, health and provisions for child protection etc.

All Ministries/Departments in general and Ministry of Women and Child Development, Department of School Education and Literacy, Ministry of Health & Family Welfare, Ministry of Social Justice and Empowerment, Ministry of Tribal Affairs in particular, may carefully scrutinize their DDGs and identify such programmes/schemes as fulfill the above objective, along with their budgeted provision, for inclusion in Statement No.22, Expenditure Budget Volume-I.

11.5 Disclosure statements required under the 'Fiscal Responsibility and Budget Management Rules, 2004' for inclusion in Budget 2012-13. The following statements, with information as on 31st March, 2011, are meant for inclusion in Receipts Budget 2012-13. Instructions for preparation of these Statements issued vide the Budget Division O.M. F. No. F7(3)-B(D)/2003 dated 26th April, 2005 (Annex- M) may also be referred to. The statements may be sent by October 21, 2011 for pre-budget discussions to be held by the Secretary(Expenditure) with the respective Financial Advisers, so as to assess the necessity of refinement, if any.

- | | |
|--|----------------|
| - Guarantees given by the Government | - Appendix X-J |
| - Tax Revenues raised but not realised | - Appendix X-K |
| - Arrears of Non - Tax Revenues | - Appendix X-L |
| - Asset Register | - Appendix X-M |

While preparing the above statements particular attention may be paid to the following:

- i) Values may be shown in crore of rupees and not in lakhs/thousands e.g. an asset valued at Rs. forty lakh may be shown as Rs.0.40 crore.
- ii) Consistency may be ensured in the information shown in Appendix X-K and the information that goes into the respective Reports of the Comptroller and Auditor General of India on Direct and Indirect Taxes for the relevant year.
- iii) While reporting Non-Tax revenue arrears in Appendix X-L, information particularly relating to guarantee fee arrears may be reconciled with the information given in Appendix X-J. Similar consistency needs to be ensured in relation to financial assets and interest receipts to the extent these are relevant.
- iv) Threshold limit of Rs.0.02 crore for inclusion of assets in Appendix X-M may reckon with details as entered in the Register of Fixed assets in "Form GFR – 40" prescribed under Rule 190(2)(i) of the General Financial Rules, 2005.
- v) Variations, if any, with last year's reported information on any of the above statements, may be duly explained in appropriate footnotes.
- vi) The statements duly signed by the competent authority (with telephone number) may be forwarded to this department.

11.6 Direct transfers of Central Assistance to States/District level Autonomous Bodies. Statement (Appendix X-N) which has already been circulated vide this Ministry's D.O. F.No. 2(43)-B (CDN)/2004 dated 21.1.2005 (Annex-N) showing Direct transfers of Central Assistance to States/District level Autonomous Bodies. The information in the statement should show major head wise plan allocations to be released directly to State and district level autonomous bodies in 2012-13. The statement has to be forwarded along with the Plan SBEs 2012-13. While forwarding the statement, it may be ensured that amounts provided under the Major Heads '3601', '3602', '7601' & '7602' are excluded from this statement as such provisions are made for being released to the State/UT Governments direct and not to State/District level Autonomous Bodies.

11.7 Statement No.19 Externally Aided Projects under Central and State plan- The existing EAP Statement (Statement 19 in Expenditure Budget Volume 1) does not correlate with the budget provisions, as it is based on estimated inflows decided beforehand. Therefore, from the financial year 2012-13, the statement No. 19 has been revised. Part 'A' of the Statement should show BE 2012-13 allocations. Existing Part 'B' will remain unchanged, but it should show the Actuals of previous three years. Estimates of provisions of Rs.100 crore and above for individual externally aided projects (EAPs) financed through External Assistance under Central and State Plan are to be included in Part C of the revised Statement No.19 in Expenditure Volume-1. The details of these projects including for both Central and State Sector in this regard are to be provided by the CAAA/Ministries/Departments in the revised Statement at Appendix-X-O.'

11.8 From the financial year 2009-10 a new Object head 'Grants for creation of Capital assets' has been opened and a separate Statement as Annex 6 of Expenditure Budget Volume 1 has been added from Budget 2011-12. The Statement shows '**BUDGET PROVISIONS UNDER THE OBJECT HEAD GRANTS FOR CREATION OF CAPITAL ASSETS**'. For the above estimates relating to Annex 6 of the Expenditure Budget Volume-1, all Ministries and Departments are required to carefully scrutinize their Detailed Demands for Grants to identify such schemes/programmes for making realistic budget provisions. The provisions should not be made in a mechanical manner across the schemes/programmes. The estimates should be prepared in the format (**Appendix X-R**) and the amounts so indicated against schemes/programmes should correspond with the provisions made in the Detailed Demands for Grants.

GENERAL

12.1 While the estimates to be furnished by the various organisations/units etc. to the Ministries/ Departments will be in thousands of rupees, the Statement to be furnished in the SBE and other Statements to be forwarded to the Budget Division should be suitably rounded to crores of rupees with two decimal places for each major head. The break up of the provision for schemes included under a major head should also be suitably rounded so as to work up to the total in respect of each major head in crores of rupees with two decimal places. Similarly, the provisions under the various detailed heads in the Detailed Demands for Grants should also be suitably rounded so that the total under each major head included in that demand is in crores of rupees with two decimals. It should, however, be ensured that in the amount so rounded off, there is no inflation in the total fund requirements.

12.2 The estimates of revenue receipts, capital receipts and public account transactions should reach the Budget Division by due dates, which are recapitulated in the table below:

Due dates for rendition of estimates/information by Ministries/Departments to Budget Division of Department of Economic Affairs

	Due dates
1. Interest Receipts/ Recoveries of Loans	October 21, 2011
2. Capital Receipts (including Public Account transactions)	October 21, 2011
3. Statement of Budget Estimates* (proposed)	10 th October, 2011 and October 21, 2011 (details in para 3.6.3)
4. Interest Payments	October 21, 2011
5. Loans to Govt. Servants	October 21, 2011
6. Revenue Receipts	November 25, 2011
7. Statement of Budget Estimates (Final)	Immediately after ceilings are communicated.
8. SBE with BE 2012-2013 (Plan) and statement showing provision for externally aided projects in Central Plan (Appendix X-B)	Within 3 days of receipt of the Plan allocation from Planning Commission.
9. Notes on Demands for Expenditure Budget Vol. 2	Within 3 days of rendition of SBE (Final) for Plan expenditure 2012-2013
10. Material for Statements to be appended to Demands for Grants/Expenditure Budget Vol.1 (para 10 and 11)	Within 3 days of rendition of SBE (Final) for Plan expenditure 2012-2013
11. Disclosure Statements under FRBM	October 21, 2011

* enclosing the receipt estimates also for review at the pre-Budget meetings.

12.3 To ensure that there is no delay in transmission of estimates, Ministries/Departments should forward these to the designated sections in the Budget Division indicated in Appendix XII. The communications should be sent by special messenger and not through the R & I Section of the Ministry or to the R & I Section of the Ministry of Finance.

12.4 ***While providing the estimates to Budget Division, the forwarding authority may indicate his/her name, complete office address viz. Room No., name of the building etc. and the telephone number in the forwarding letter.***

13. LIST OF DEMANDS - A list of Demands for Grants for the year 2012-2013 as drawn up on the basis of the Government of India (Allocation of Business) Rules, 1961 as amended is contained in Appendix-XIII.

14. MODE OF SUBMISSION OF STATEMENT OF BUDGET ESTIMATES

14.1 The information may be submitted in Pen drive along with the usual hard copy format.

14.2 The Statement of Budget Estimates (Final) for each grant may be prepared in Pen drives to be provided by the Budget Division. For this, separate Pen drives for each grant should be collected from Shri C.R. Saini, Under Secretary (Budget), Room No.221-A, Department of Economic Affairs, Ministry of Finance, North Block, New Delhi (Tele : 23093937 and 23095251) after **19th December, 2011**. The files, which will be provided in these Pen drives, are designed in a certain format and are protected. Data entry in this Pen drive will be restricted to certain areas in the spreadsheet. The Ministry concerned is to enter the data relating to the RE 2011-12 and BE 2012-13 only.

14.3 A printed version of all appendices prescribed in the Budget circular relating to SBEs and Expenditure Budget should accompany the Pen drive at the time of submission, immediately after the ceilings are conveyed by the Budget Division. For Plan expenditure, BE 2012-2013, the Plan estimates should be added on the same file in the Pen drive and should be submitted **within three days of the receipt of Plan allocation from the Planning Commission alongwith a hard copy of all relevant appendices.**

14.4 The undersigned may be contacted for any doubt/clarification relating to any of the provisions of the Budget circular 2012-13.



(N.M. Jha)
Director (Budget)
Tel: 23092649

To

1. All Ministries/Departments;
2. All Financial Advisers (by name); and all Chief Controllers/Controllers of Accounts (by name) in Ministries/Departments;
3. Cabinet Secretariat, President's Secretariat; Vice-President's Secretariat, Prime Minister's Office; Lok Sabha Secretariat; Rajya Sabha Secretariat;
4. Comptroller and Auditor General of India; Controller General of Accounts(CGA); Controller General of Defence Accounts;
5. Union Public Service Commission; Planning Commission; Supreme Court of India and Election Commission.

Copy to:

- (1) **Finance Secretaries of Union Territory Administrations:-** with the requested to prepare, in advance, a statement showing the breakup of Plan outlays, (according to Budget heads) as proposed by them for approval of the Planning Commission and send copies thereof to the Ministry of Home Affairs. Corrections considered necessary after approval of Plan outlay may be advised immediately on receipt of intimation thereof. The approved Plan provisions with which the individual Ministries/Departments are concerned may please be intimated to Ministry/Department concerned for preparation of SBEs and submission thereof to the Ministry of Home Affairs.
- (2) **All Accountants General in States.**
- (3) **Directors of Audit:-** (i) Central Revenues, New Delhi; (ii) Commerce, Works and Miscellaneous, New Delhi (Central); (iii) Mumbai (Central); and (iv) Kolkata.
- (4) Dy. Director General (PAF), New Delhi; (ii) Dy. Director General (TAF), New Delhi; (iii) Chief Controller of Accounts, Delhi Administration, Delhi; (iv) Director of Accounts, Andaman and Nicobar Islands Administration.
- (5) Pay and Accounts Officer, Lok Sabha; Pay and Accounts Officer, Rajya Sabha; Pay and Accounts Officer, Pondicherry; Director of Accounts, Daman and Diu, Panaji.

Copy also forwarded to:

- (a) Controller of Aid Accounts and Audit, Department of Economic Affairs.
- (b) Central Pension Accounting Office, Department of Expenditure, New Delhi.
- (c) (i) Fund Bank Division, Department of Economic Affairs:- with the requested that estimates relating to SDRs to be included in the Public Account, both credits and debits and estimates of interest thereon may please be furnished to the Budget Division by 26th November, 2011.
(ii) Infrastructure Division (ABD Division), Department of Economic Affairs.
- (d) E. Coord./E.V Branch/PF-I Division/PF-II Division, Department of Expenditure.
- (e) N.I.C., Ministry of Finance, North Block, New Delhi.
- (f) Manager, Government of India Press, Ring Road, Mayapuri, New Delhi, for action on para 8.7 of the Budget Circular 2012-13.



(N.M. Jha)
Director (Budget)
Tel: 23092649

APPENDIX-I
(See paragraph 1.3, 1.4, 1.7, 2.3)
REVENUE/CAPITAL RECEIPTS

Ministry/Department/Union Territory:

Major Head:

(₹ in Crore)

	FIRST MONTHS		LAST MONTHS		Total
	Seven	Eight	Five	Four	
ACCOUNTS					
2008-2009					
2009-2010					
2010-2011					
ESTIMATES					
2011-2012 Budget					
2011-2012 Revised					
2012-2013 Budget					

Accounts 7 months		Minor Heads	Accounts			2011-2012		2012-2013
2010-2011	2011-2012		2008-2009	2009-2010	2010-2011	Budget Estimates	Revised Estimates	Budget Estimates

A separate note on Minor head-wise explanation for increase/decrease may be given containing details of different types of Cesses such as the Act under which levied, rate of Cess, date of last revision, collection agency, and actual/budgeted collection. Further, a separate statement giving company wise details in the following proforma may also be sent in support of dividend estimates as per Appendix-IA.

To

Shri Rajeev Nayan Sharma
 Deputy Director (States),
 Ministry of Finance,
 Department of Economic Affairs,
 Room No. 237, North Block, New Delhi.

Signature
 Designation
 Date
 Telephone No.

APPENDIX-IA
(See Paragraph 1.11)
REVENUE RECEIPTS - DIVIDENDS

Ministry/Department/Union Territory:

Major Head: 0050-Dividends & Profits

(₹ in Thousands)

ESTIMATES

2011-2012 Budget	
2011-2012 Revised	
2012-2013 Budget	

Accounts 7 months		Minor Heads	Accounts			PAT * 2010-2011	Equity as on March 31, 2011	Equity holding of GOI on March 31, 2011	2011-2012		2012-2013
2010-2011	2011-2012		2008-2009	2009-2010	2010-2011				Budget Estimates	Revised Estimates	Budget Estimates

* PAT - Profit after Tax.

Minor head wise explanation for increase/decrease may be indicated alongwith the name of PSUs and amount against each. Details of interim dividend paid in 2010-11/payable in 2011-12 respect of each PSU may be given separately.

To

Shri Rajeev Nayan Sharma
 Deputy Director (States),
 Ministry of Finance, Department of Economic Affairs,
 Room No. 237, North Block, New Delhi.

Signature
 Designation
 Date
 Telephone No.

APPENDIX-IAA
(See Paragraph 1.11)

REVENUE RECEIPTS - DIVIDENDS

Ministry/Department/Union Territory:
Major Head: 0050-Dividends & Profits

(₹ in Thousands)

S. No	Name of the Company	Total Paid Capital as on 31/3/2011	Government Share in Paid Capital as on 31/3/2011	Profit After tax for 2010-2011	Dividend paid to Government for 2010-11		Total dividend paid for 2010-11 (sum of columns a+b)	Interim dividend for 2011 - 12 paid / to be paid in 2011-12	Cash/ Free Reserves as on 31 st March 2011
					Interim Dividend in 2010-11	Final Dividend paid/to be paid in 2011-12			
1					a	b	c = a+b		
2									
3									
4									
5									
6									
7									
8									

The above information may be given for all profit making PSUs. Loss making PSUs may be listed out separately. If there are no PSUs under the control of the Ministry, a nil report need not be sent.

To,

Shri Rajeev Nayan Sharma
Deputy Director (States)
Ministry of Finance,
Department of Economic Affairs,
Room No. 237, North Block, New Delhi

Signature
Designation
Date
Telephone No.

Revenue Receipts

APPENDIX-I-B
(See paragraph 1.8)

Estimates of Foreign Grants concerning the Ministry/Department of

(₹ in crores)

Name of the grantor country/body	Date of aid agreement	Particulars of assistance to be received	Total assistance expected	Receipts Major Head	Amounts to be provided in			Budget Estimates manner of utilisation of aid*
					2011-2012 B.E.	2011-2012 R.E.	2012-2013 B.E.	
1	2	3	4	5	6	7	8	9

To

The Controller of Aid Accounts and Audit
Department of Economic Affairs
Indian Oil Bhawan, 5th Floor 'B' Wing
Janpath, New Delhi - 110001

Signature
Designation
Date
Telephone No.

* A brief note may be added indicating the project on which aid is to be utilised. In the case of material and equipment the relevant grant and expenditure Heads of Accounts under which (i) utilisation of material by Central Government Departments/Projects, (ii) transfer of material to States, Union Territories and other Bodies will be adjusted and also whether the utilisation on transfer will be on Plan (State/UT/Centrally Sponsored or Central) or non-Plan Schemes should also be indicated. In cases where the aid material is proposed to be sold the Receipt Major Head under which the proceeds will be credited should be indicated.

Note: Cash grants and assistance in the form of material and equipment should be indicated separately in columns 3 to 8.

APPENDIX-II
(See paragraph 1.14.1, 2.2 and 2.5)
Estimates of Interest Receipts and Loan Repayments

Revenue/Capital Receipts

Ministry/Department:		(₹ in crores)							
		INTEREST				REPAYMENTS			
		Accounts 2010-2011	B.E. 2011- 2012	R.E. 2011- 2012	B.E. 2012- 2013	Actual 2010- 2011	B.E. 2011- 2012	R.E. 2011- 2012	B.E. 2012- 2013
1. State Governments*									
2. Union Territory Government*									
3. Interest on Capital Outlay in Departmental Commercial Undertakings**									
4. Foreign Governments*									
5. Industrial/Commercial/Financial Undertakings (undertaking-wise details to be given as in Appendix II-A) (a) Public Sector Undertakings (b) Private Sector Undertakings									
6. Statutory Bodies (Port Trusts, Municipalities, KVIC, Tea/Coffee Boards etc.)*									
7. Railways									
8. Other Parties (Cooperatives, Educational Institutions, displaced persons and other individual loanees except Government Servants)*									
9. Government Servants									
TOTAL									

No. _____ Ministry/Department _____
 Forwarded in duplicate to Shri V. Prakash, Deputy Director(SD),
 Ministry of Finance, Department of Economic Affairs,
 Room No. 237, North Block, New Delhi.

Signature _____
 Designation _____
 Date _____
 Telephone No. _____

* Estimates for each State/Union Territory/Foreign Government, Statutory Body or institution should be separately appended to the Annexure.

** Value of capital outlay and interest rates applicable should be given.

APPENDIX-II-A
(See paragraph 1.14.2 and 2.2)

Revenue/Capital Receipts

Estimates of Loan/Interest Repayment by Central PSUs/Other Parties

Ministry/Department:		(₹ in crores)							
Name of the Undertaking/Other Party						Paid up Capital as on 31.3.2011			
1. Central loans outstanding as on 31.3.2011									
2. Defaults in respect of dues upto 31.3.2011, if any:					Principal			Interest	
3. Recoveries during 2011-2012 (upto October):									
(a) Current dues									
(b) Defaulted dues									
4. Estimates									
		Interest				Principal			
		Actual 2010- 2011	B.E. 2011- 2012	R.E. 2011- 2012	B.E. 2012- 2013	Actual 2010- 2011	B.E. 2011- 2012	R.E. 2011- 2012	B.E. 2012- 2013
(a) from internal resources									
(b) from budgetary support:									
(i) Plan*									
(ii) non-Plan*									
(iii) Conversion of past loans into equity									
Total (a) and (b)									
5. Details of proposals under consideration, if any, for providing relief to PSU, which would have impact on repayments/interest payments by it.									

Shri V. Prakash, Deputy Director(SD), Ministry of Finance,
 Department of Economic Affairs, Room No.237,
 North Block, New Delhi.

Signature of Controller of Accounts _____
 Date _____
 Telephone No. _____

* Please indicate the type of budgetary support – loans or subsidy (towards interest or interest differential) and enter estimates for each separately; moratorium on loan repayment holiday to be mentioned specifically.

APPENDIX-III
(See paragraph 2.6)

Capital Receipts

Estimates of transactions relating to the Public Account of India for inclusion in the Budget for 2012-2013

RECEIPTS/OUTGOINGS

(₹ in crores)

Major, Minor, Sub-head etc.	Accounts 2010-2011	Balance as at end of 2010-2011	B.E. 2011- 2012	Adjustments upto 1 st week of November, 2011	R.E. 2011- 2012	B.E. 2012-2013	Remarks
1	2	3	4	5	6	7	8

To

Sh. Vijay Kumar
Deputy Director (W&M), Ministry of Finance,
Department of Economic Affairs, North Block, New Delhi.

Signature of Controller of Accounts
Date
Telephone No.

N.B.: *The estimates of receipts and outgoings should be prepared on separate sheets.*

APPENDIX-IV
(See paragraph 3.6.1)

Expenditure

NON-PAN/PLAN
REVISED 2011-2012
BUDGET 2012-2013

Major Head of Account
Demand No. & Title

(₹ in thousands)

Minor Head as in the Demands for Grants	Sub-head as in the Demands for Grants	Units of Appropria- tion as in the Demands for Grants	B.E. 2011- 2012	R.E. 2011- 2012	B.E. 2012-2013	Remarks (Please enter explanations for major variations and other information)
Total (Gross) Recoveries (Minor head-wise) Net						

APPENDIX-IV-A
(See paragraph 3.6.1 & 3.7)
STATEMENT OF BUDGET ESTIMATES

Expenditure
SBE

Ministry/Department

Demand No.

(₹ in crores)

A. The Budget allocations, net of recoveries, are given below:

Description	Major Head	Actual	<u>2011-2012 Budget</u>			<u>2011-2012 Revised</u>			<u>2012-2013 Budget</u>		
		2010- 2011	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
	Revenue										
	Capital										
	Total										

B. Investment in Public Enterprises:

Head of Dev.	Actual 2010-2011	<u>2011-2012 Budget</u>			<u>2011-2012 Revised</u>			<u>2012-2013 Budget</u>		
		Budget Support	I.E.B.R.	Total	Budget Support	I.E.B.R.	Total	Budget Support	I.E.B.R.	Total

C. Plan Outlay:

Central Plan*
State Plan

D. Major Head-wise totals:

Major Head	Actual	<u>2011-2012 Budget</u>			<u>2011-2012 Revised</u>			<u>2012-2013 Budget</u>		
	2010-2011	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total

E. State and UT Plans:

Major Head	Actual 2010-2011	<u>2011-2012 Budget</u>			<u>2011-2012 Revised</u>			<u>2012-2013 Budget</u>		
		Revenue	Cap./ Loan	Total	Revenue	Cap./ Loan	Total	Revenue	Cap./ Loan	Total

*Inclusive of works outlay provided in the Demands of Ministry of Urban Development.

APPENDIX-IV-B
(See paragraph 3.6.2)
Statement of proposals for pre-Budget discussion

Demand No.

(₹ in crores)

Part A-Non-Plan items

Sl. No.	Description as shown in the Exp. Bud. Vol.2 (SBE)	2009-2010 Actuals	2010-2011 Actuals	B.E. 2011-2012	Actuals for 2010-2011 upto Sep., 2010	Actuals for 2011-2012 upto Sep., 2011	R.E. 2011-2012	B.E. 2012-2013
1	2	3	4	5	6	7	8	9

Note: Salary component under any particular item may be indicated separately within brackets.

Part B-Plan items

Sl. No.	Description as shown in the Exp. Bud. Vol.2 (SBE)	2009-2010 Actuals	2010-2011 Actuals	B.E. 2011-2012	Actuals for 2010-2011 upto Sep., 2010	Actuals for 2011-2012 upto Sep., 2011	R.E. 2011-2012	B.E. 2012-2013
1	2	3	4	5	6	7	8	9

Note: Salary component under any particular item may be indicated separately within brackets.

Part C-Object headwise summary of Non-Plan estimates

Sl. No.	Description as shown in the Exp. Bud. Vol.2 (SBE)	2009-2010 Actuals	2010-2011 Actuals	B.E. 2011-2012	Actuals for 2010-2011 upto Sep., 2010	Actuals for 2011-2012 upto Sep., 2011	R.E. 2011-2012	B.E. 2012-2013
1	2	3	4	5	6	7	8	9

APPENDIX-V

Expenditure

(See paragraph 3.7)

Statement showing amount of "charged" expenditure included in the EstimatesMinistry/Department
Demand No.

Name and title of the Demand

(₹ in crores)

Serial Number	Name of Scheme	Major Head	Actual 2010-2011	<u>Budget Estimates 2011-2012</u>			<u>Revised Estimates 2011-2012</u>			<u>Budget Estimates 2012-2013</u>		
				Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5			6			7		

Note: 1. The amount should be indicated in crore of rupees upto 2 decimal places and gross amounts of expenditure to be shown in Demands for Grants. 2. Where the amount is negligible a symbol should be provided in the appropriate column and the actual amount in thousands should be indicated at the end of the statement duly linked with the symbol.

To

Shri C.R. Saini,
Under Secretary (Budget), Ministry of Finance,
Department of Economic Affairs,
R. No. 221-A, North Block, New Delhi.

Signature
Designation
Date
Telephone No.

APPENDIX-V-A

Expenditure

(See paragraph 3.7)

Statement showing the estimate of recoveries taken in reduction of expenditure under each of the Major Head included in SBEMinistry/Department
Name and title of the Demand

Demand No.

(₹ in crores)

Serial Number	Name of Scheme	Major Head	Actual 2010-2011	<u>Budget Estimates 2011-2012</u>			<u>Revised Estimates 2011-2012</u>			<u>Budget Estimates 2012-2013</u>		
				Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5			6			7		

Note: 1. The amount should be indicated in crore of rupees upto 2 decimal places. 2. Where the amount is negligible a symbol should be provided in the appropriate column and the actual amount in thousands should be indicated at the end of the statement duly linked with the symbol.

To

Shri C.R. Saini,
Under Secretary (Budget), Ministry of Finance,
Department of Economic Affairs,
R. No. 221-A, North Block, New Delhi.

Signature
Designation
Date
Telephone No.

APPENDIX-V-B
(See paragraph 3.7)

Expenditure

Statement showing equity and loan component of investments in Public Sector Enterprises
(included in Section B of the SBE and Appendix VI)

(₹ in crores)

Name of the P.S.E., etc.	Major Head	Actuals 2010-2011	B.E. 2011-2012	R.E. 2011-2012	B.E. 2012-2013
Examples:					
1. Cement Corporation of India	4854		32.00		
	6854		32.00		
	Total		64.00		
2. Oil India Ltd.	4802		0.00		
	6802		0.00		
	Total		0.00		
And so on.....					

APPENDIX-VI
(See paragraph 3.11)

Expenditure

Modifications to Statement of Budget Estimates (Final)

Ministry/Department
Demand No.

Name and title of the Demand

(₹ in crores)

Serial Number	Name of Scheme	Major Head	Actuals 2010-2011	Revised Estimates 2011-2012			Budget Estimates 2012-2013		
				Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	2	3	4	5			6		

1. Indicate the effect of change as (+).....or (-).....in crores of rupees, immediately after this indicate in the next line the Major Head total in the individual column after effecting this change.
2. After all these changes give the summary of the final total as below:

				Revised Estimates 2011-2012			Budget Estimates 2012-2013		
				Plan	Non-Plan	Total	Plan	Non-Plan	Total
Revenue									
Capital									
Total									

APPENDIX-VII

Expenditure

(See paragraph 5.2)

Loans to Government Servants, etc.

Ministry/Department

Disbursements

(₹ in thousands)

Actuals					Major Heads, sub-heads, etc.	2011-2012		2012-2013	
2008-2009	2009-2010	2010-2011	2011-2012 (upto Sept., 2011)			BE	RE	BE	
Total									
					(i) House building advances				
					(ii) Advances for purchase of motor cars				
					(iii) Advances for purchase of other motor conveyances				
					(iv) Advances for purchase of other conveyances				
					(v) Advances for purchase of computers				
					(vi) Other advances				
Total									

Shri C.K. Ramaswamy, Under Secretary (Budget), Ministry of Finance,
Department of Economic Affairs, Room No.237, North Block,
New Delhi.

Signature of Under Secretary (Bud.)
Date
Telephone No.

APPENDIX-VIII
(See paragraph 6.3)

Notes on Demands

Guidelines for preparation of Notes on Demands

- a) Explanation for variations in estimates (between current BE and RE and RE and next BE) are to be given in respect of each programme where the variation is 10% or Rs.10 crore, whichever is more.
- b) In respect of programmes costing Rs.100 crore or more physical data, like target and achievements, are to be given.
- c) Assistance to autonomous bodies - if budget provisions include maintenance grants to institutions this fact may be indicated adding whether the institution is fully funded by the Central Government or otherwise.

- d) In respect of departmentally run commercial undertakings like Delhi Milk Scheme, Currency Note Press, Canteen Stores Department, etc., wherever appropriate, targets of production may be given. These need not be given in respect of non-departmental commercial undertakings like BHEL, etc.
- e) Some organisations like CCIE, Passport Organisation, etc. have significant non-tax receipts, the estimates of receipts in such cases may also be indicated in the Notes against the expenditure proposals.
- f) In respect of Central Plan and Centrally Sponsored Plan Schemes, implemented through State and Union Territory Governments, the pattern of financing by the Central Government (as grants and/or loans) and allocation of incidence of the expenditure as between the Central and State Governments may be indicated. If the provision relates to State Plan or U.T. Plan the same should be specified.
- g) In some cases, provision is made in lump sum covering the requirements of numerous units; the number of units for which the provision is made may be mentioned (like number of Consulates and Missions abroad for which provision is made at one place in the Ministry of External Affairs).
- h) In regard to a capital project, the focus of attention should be on the following:—
(i) Purpose of the project. (ii) Estimated cost of the project in Rs. crore. (iii) Capacity. (iv) Target date for completion.
- i) All major projects under a Public Enterprise costing Rs.25 crores or more may be specifically referred to in the Notes. In respect of multi-project enterprises like NTPC, for projects costing Rs.100 crores or more, budget provisions may be indicated in the Notes.
- j) In respect of a Ministry/Department for which a separate Performance Budget is not presented (like Defence Ministry), the total value of production may be given in respect of each of the public enterprise under it.
- k) All projects, schemes, etc. which are financed (fully or partly) from external assistance may be mentioned.
- l) All organisations, schemes, etc. included under the residuary items like other programmes may be mentioned except where the Budget provision is very small.
- m) In respect of Government's investment in public sector enterprises for plan purposes, the break-up of the investment as equity investment and loans may be given separately, preferably in a tabular form when more than one company is involved.
- n) Lastly, lengthwise, the Notes should be concise and devoid of repetition.
- o) Where the expenditure includes any item connected with foreign currency expenditure, a note indicating the exchange rates adopted for the purpose of estimation should accompany the SBE.
- p) It has been noticed that many items do not provide any useful insight about the expenditure. It is stressed that the notes on Demands are carefully and comprehensively revised and that last year's notes are not merely modified.

APPENDIX-IX-A
[See paragraph 8.6(i)]

DETAILED DEMANDS FOR GRANTS
2012-2013
DEMAND NO.

Estimated strength of Establishment and provisions therefor.

Strength as on 1st March

(₹ in thousands)

		2011				2012	2013	Actuals	Budget	Revised	Budget
						estimated	estimated	2010-	2011-	2011-	2012-
						sanctioned	sanctioned	2011	2012	2012	2013
						strength	strength				
Pay Band/ Grade Pay	Status of post	Group of post	Total No. of posts	No. of Emp. in position							
	GAZ./ NON- GAZ.	Regular/ Temp/ Adhoc	Gp.-A Gp.-B Gp.-C Gp.-D Unclassified								
(a)	(b)	(c)	(d)	(e)	(f)						
1. Salary											
(a) Officers											
Indicate in respect of each Pay Band/Grade Pay											
(b) Staff											
Indicate in respect of each Pay Band/Grade Pay											
Total Salary											
2. Allowances (other than OTA and travel expenses)											
3. Wages											
4. Overtime allowance											
5. Domestic travel expenses											
6. Foreign travel expenses*											
Total											
*will include travel expenses abroad of scientists (on deputation)											

APPENDIX – IX-B **DETAILED DEMANDS FOR GRANTS**
[See paragraph 3.2.10 & 8.6(ii)] **2012-2013**
Project-wise provision for expenditure on externally aided projects in the Central Plan
(₹ in thousands)

Major Head etc	Name of the project	Actuals 2010-2011		Revised Estimates 2011-2012		Budget Estimates 2012-2013	
		Budget Support	Of which external aid through Budget	Budget Support	Of which external aid through Budget	Budget Support	Of which external aid through Budget
1	2	3	4	5	6	7	8
Total							

APPENDIX-IX-C **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(iii)] **2012-2013**
Statement showing broad details of Non-Plan Expenditure provisions costing Rs. 25 lakh and above in BE 2012-2013
(₹ in thousands)

Sl. No.	Demand No. and sub-head	Brief particulars of the scheme	Provision in BE 2012-2013

APPENDIX-IX-D **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(iv)] **2012-2013**
Details of provisions in BE 2012-2013 for payments of grants-in-aid to non-Government bodies
(₹ in thousands)

Grant No.	Sl. No.	Organisation receiving assistance	Broad purpose of assistance	Whether recurring/non-recurring	Whether Plan/Non-Plan	Provision in BE 2012-2013	Remarks/Out-standing U.C.
1	2	3	4	5	6	7	8

APPENDIX-IX-E **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(v)] **2012-2013**
Works Annexure - Details of individual works costing Rs. 5 crore or above
(₹ in thousands)

Particulars of the work	Estimated cost of the work	Actual expenditure to the end of 2010-2011	Probable expenditure during 2011-2012	Total of Columns 3 & 4	Provision in Budget 2012-2013
1	2	3	4	5	6

N.B. Works costing less than Rs. 5 crore should be shown in a single entry in lump.

APPENDIX-IX-F **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(vi)] **2012-2013**
Statement showing revised cost Estimates of Projects of Public Sector Undertakings and Departmental Undertakings

(A) Public Sector Undertakings

(Figures in columns (3) and (5) ₹ in crores)

Undertaking	Project	Sanctioned		Revised		Reasons
		Cost	Year	Cost	Year	
1	2	3	4	5	6	7

(B) Departmental Undertakings

(Figures in columns (3) and (5) in ₹ in crores)

Undertaking	Project	Sanctioned		Revised		Reasons
		Cost	Year	Cost	Year	
1	2	3	4	5	6	7

APPENDIX-IX-G **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(vii)] **2012-2013**
Particulars of Government property of value exceeding Rupees five lakhs proposed to be transferred/gifted to non-Government bodies in 2012-2013

Serial No.	Details of property proposed to be transferred or gifted	Book value	To whom proposed to be transferred or gifted	Purpose of transfer or gift	Remarks
1	2	3	4	5	6

APPENDIX-IX-H **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(viii)] **2012-2013**
Statement showing contributions to International Bodies provided for in the Budget Estimates for 2012-13

Name of the organisation	Nature and purpose of contribution	Actuals 2010-2011	Budget 2011-2012	Revised 2011-2012	Budget 2012-2013
1	2	3	4	5	6

Note: The total number of items in the statement and the total of the amounts in columns 3 & 6 should also be worked out and shown in the statement.

APPENDIX-IX-I **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(ix)] **2012-2013**
Statement showing Guarantees given by the Central Government and outstanding as on 31st March 2011.

(₹ in lakhs)

Sl. No.	Name of the institution for whom guarantee has been given	Nature and extent of guarantee (with No. & date of the sanction in the case of new items)	Rate of interest involved, if any (percent per annum)	Maximum amount of guarantee for which Government have entered into agreement	Sums guaranteed and outstanding as on 31.3.2011	Whether any securities are pledged to Government as a set-off against the guarantee	Payments, if any, made by Government in pursuance of the guarantee	Remarks
1	2	3	4	5	6	7	8	9

Note: 1. Amount of guarantee should be in Rupees and not in foreign currency.
2. The total number of items in the statement and the total of the amounts in columns 5 & 6 should also be worked out and shown in the statement.

APPENDIX-IX-J **DETAILED DEMANDS FOR GRANTS**
[See paragraph 8.6(x)] **2012-2013**
Statement showing Grants-in-aid exceeding Rs. 5 lakh (recurring) or Rs. 10 lakh (non-recurring) sanctioned to private institutions/organisations/individuals during the year 2010-2011

(₹ in thousands)

Name of the institution/organisation/individual	Ministry/Department giving the grant	Recurring	Non-recurring	Purpose of the grant	Remarks/Out-standing U.C.
1	2	3	4	5	6

Note: The total number of items in the statement and the total of the amounts in columns 3 & 4 should also be worked out and shown in the statement.

APPENDIX-IX-K

[See paragraph 8.6(xi)]

Statement showing the source of funds for grantee bodies receiving grants of over Rs.10 lakh per year from Consolidated Fund of India

(₹ in thousands)

Sl No.	Name of the institution/organisation/individual	Ministry/Department giving the grant		Actuals of releases during 2010-11 from the Consolidated Fund of India	Grants from Consolidated Fund of India as per BE 2011-12	Grants from Consolidated Fund of India as per BE 2010-11	Grants received from other sources 2010-11		Remarks/Out-standing U.C.
		Public	Private				Domestic	External/ Foreign	
1	2	3	4	5	6	7		9	10

APPENDIX-X-A**DETAILED DEMANDS FOR GRANTS**

[See paragraphs 7 & 10.1(i)]

2012-2013**Particulars of “New Service/New Instrument of Service” for which provision is made in the Budget Estimates 2012-2013**

(₹ in crores)

Serial No.	Demand Number and Major Head/sub-head	Provision in Budget Estimates 2012-2013	Remarks*
1	2	3	4

* ‘Remarks’ column should clearly bring out the purpose and objective and financial implications of the provision in question. In the case of public sector undertakings/private companies, provisions for loan and investment should be shown separately and the latest paid up capital of the public sector undertakings/private companies should also be indicated.

To No. Ministry/Department of

Shri C.R. Saini,
Under Secretary (Budget), Ministry of Finance,
Department of Economic Affairs, R. No. 221-A,
North Block, New Delhi.

For Financial Adviser
Date
Telephone No.

APPENDIX-X-B**EXPENDITURE BUDGET Vol. 1**

[See paragraphs 3.2.11 & 10.1(ii)]

2012-2013**Provision for externally-aided projects in Central Plan**

(₹ in crores)

Ministry/Department of		2011-2012 RE				2012-2013 BE			
NBS	External aid through Budget	Actual 2010-2011	IEBR		Total outlay	NBS	External aid through Budget	IEBR	
			External aid received direct	Other IEBR				External aid received direct	Other IEBR
1	2		3	4	5	6	7	8	9
									10

APPENDIX-X-C**EXPENDITURE BUDGET Vol. 1**

[See paragraph 10.1(iii)]

2012-2013**Statement showing Additional Central Assistance for Externally-aided projects in State Plan**

(₹ in crores)

Sl. No.	Name of the State	ACA released during			2011-2012		2012-2013
		2008-2009	2009-2010	2010-2011	BE	RE	BE
1	2	3	4	5	6	7	8

Total

APPENDIX-X-D*[See paragraph 10.1(iv)]***EXPENDITURE BUDGET Vol. 1****2012-2013****Statement showing Internal and Extra Budgetary Resources of public enterprises***(₹ in crores)*

Name of the Enterprise	Actual 2010-2011	Revised Estimates 2011-2012					Budget Estimates 2012-2013				
		Internal resources	Bonds Debentures	E.C.B. Suppliers credit	Others	Total	Internal resources	Bonds Debentures	E.C.B. Suppliers credit	Others	Total
1.											
2.											
3.											
4.											

APPENDIX-X-E*[See paragraph 10.1(v)]***EXPENDITURE BUDGET Vol. 1****2012-2013****Statement showing provisions in the Budget for Central and Centrally sponsored Plan scheme***(₹ in crores)*

Scheme, etc.	Major Head	Actual 2010-2011	B.E. 2011-2012	R.E. 2011-2012	B.E. 2012-2013
Central Plan					
1.					
2.					
3.					
4.					
Centrally Sponsored Plan					
1.					
2.					
3.					
4.					

Forwarded to:

For Financial Adviser

Shri C.K. Ramaswamy, Under Secretary (Budget), Ministry of Finance, Department of Economic Affairs, Budget Division, Room No.237, North Block, New Delhi.

Schemes, etc., for which provisions in BE 2012-2013 is Rs.10 crore and above should be listed distinctly while other schemes/programmes, etc., merged under as a residuary item in the respective category, namely, Central Plan and Centrally Sponsored Plan.

APPENDIX-X-F*[See paragraph 10.1(vi)]***EXPENDITURE BUDGET Vol. 1****2012-2013**

Ministry/Department of

Estimated strength of Establishment and provisions therefor.Strength as on 1st March*(₹ in crores)*

			Actuals 2010-2011			RE 2011-2012			BE 2012-2013		
<u>Actual</u>	<u>Estimated</u>		Pay	Allowances (other than travel expenses)	Travel expenses	Pay	Allowances (other than travel expenses)	Travel expenses	Pay	Allowances (other than travel expenses)	Travel expenses
	2011	2012	2013								

To

Shri C.R. Saini,
Under Secretary (Budget), Ministry of Finance,
Department of Economic Affairs, Room No. 221-A,
North Block, New Delhi.

For Financial Adviser
Date
Telephone No.

Notes:

(i) 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 Ministry/Department before it is furnished to the Ministry of Finance, Budget Division.

(ii) 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.

APPENDIX-X-G**EXPENDITURE BUDGET Vol. 1***[See paragraph 10.1(vii)]***2012-2013*****Summary statement showing the Contributions to International Bodies provided for in the Budget Estimates, 2012-2013 [to be appended to SBE (Final)]****(₹ in crores)*

Sl. No.	Name of Ministry/Department	Total no. of items	Actuals 2010-2011	BE 2011-2012	RE 2011-2012	BE 2012-2013
1	2	3	4	5	6	7

No.	Ministry/Department of
To	
Shri M.A. Khan Under Secretary (Budget),	For Financial Adviser
Ministry of Finance, Department of Economic Affairs,	Date
Room No.236, North Block, New Delhi.	Telephone No.

APPENDIX-X-H**EXPENDITURE BUDGET Vol.1***[See paragraph 10.1(viii)]***2012-2013*****Summary statement showing Grants-in-aid exceeding Rs. 5 lakh (recurring) or Rs. 10 lakh (non-recurring) sanctioned to private institutions/organisations/individuals during the year 2010-2011****(₹ in crores)*

Serial No.	Name of the Ministry/Department	Number of items	Total amount	
			Recurring	Non-recurring

No.	Ministry/Department of
To	
Shri M.A. Khan Under Secretary (Budget),	For Financial Adviser
Ministry of Finance, Department of Economic Affairs,	Date
Room No.236, North Block, New Delhi.	Telephone No.

APPENDIX-X-I**EXPENDITURE BUDGET Vol. 1***[See paragraph 10.1(ix)]***2012-2013*****Summary statement showing expenditure of Ministries/Departments on a net basis, during the year 2010-2011****(₹ in crores)*

Name of Ministry/Department	Budget 2010-2011			Accounts 2010-2011		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total

To	
Shri N.M. Jha,	(_____)
Director (Budget),	Office of the CGA
Ministry of Finance, Department of Economic Affairs,	Date
Budget Division, Room No. 70-D, North Block,	Telephone No.
New Delhi.	

APPENDIX- X-J

[See paragraph 10.2 & 11.5]

GUARANTEES GIVEN BY THE GOVERNMENT

Name of Ministry/Department

Sl. No.	Beneficiary [Name of the PSU etc in whose favour guarantee is given]	Loan Holder/ Entity giving Loan	Authority for Guarantee [MoF approval No. & Date]	Period of validity [MOF ID No., & date through which the guarantee was last extended]	Purpose of Loan	Class*	Sector*	Details of Reschedule	Details of Securities pledged
1	2	3	4	5	6	7	8	9	10

Amount of Loan	Extent of Guarantee			Additions	Deletions	Invoked		Outstanding principal, interest etc at the end of 31.03.2011	Rate of Guarantee Fee/ Commission	Guarantee Fee/ Commission		Other conditions & compliance	Other Material Details
	Principal	Interest	Total			Discharged	Not discharged			Receivable	Received		
11	12	13	14	15	16	17	18	19	20	21	22	23	24

* As given below.

Note: i) It is certified that Register of Guarantees as envisaged in Rule 249 of GFR, 2005 is being maintained and periodical reviews are being carried out. Further it is certified that the Guarantee Fee/Commission outstanding as worked out above is correctly shown as arrears of Non-Tax Revenue in Appendix X-L under the head 'Guarantee Fee'.

ii) The amounts should be shown in Indian Rupees in crore and not in any foreign currency.

Ministry/Department of

For Financial Adviser
Date
Telephone No.

To
Shri V. Prakash, Deputy Director(SD),
Ministry of Finance, Department of Economic Affairs,
Room No.237, North Block, New Delhi.

GUARANTEE- CLASS

- | | | |
|-------|---|-----|
| i. | Guarantees given to the RBI, other banks and industrial and financial institutions for repayment of principal and payment of interest, cash credit facility, financing seasonal agricultural operations and/or for providing working capital to companies, corporations and cooperative societies and banks; | [A] |
| ii. | Guarantees given for repayment of share capital, payment of minimum annual dividend and repayment of bonds/loans, debentures issued/raised by the statutory corporations and financial institutions; | [B] |
| iii. | Guarantees given in pursuance of agreements entered into by the Government of India with international financial institutions, foreign lending agencies, foreign governments contractors, suppliers, consultants, etc., towards repayment of principal, of interest/commitment charges on loans, etc., and/or for payment against supplies of material and equipment; | [C] |
| iv. | Counter-guarantees to banks in consideration of the banks having issued letters of credit/authority to foreign suppliers for supplies made/services rendered; | [D] |
| v. | Guarantees given to Railways/State Electricity Boards and other entities for due and punctual payment of dues by Companies/Corporation. | [E] |
| vi. | Performance guarantees given for fulfillment of contracts/projects awarded to Indian companies in foreign countries; | [F] |
| vii. | Performance guarantees given for fulfillment of contracts/projects awarded to foreign companies in foreign countries. | [G] |
| viii. | Any others | [H] |

GUARANTEE - SECTORS

- | | | | | | |
|------|-------------------|-----|-----------------------------|------|----------------------|
| i. | Power | ii. | Cooperative | iii. | Irrigation |
| iv. | Roads & Transport | v. | Urban Development & Housing | vi. | Other Infrastructure |
| vii. | Any other. | | | | |
-

APPENDIX X-K

Form D-1
[See paragraph 11.5]

TAX REVENUES RAISED BUT NOT REALISED
(principal taxes)

(As at the end of the year 2010-2011)

Major Head	Description	Amounts under dispute (₹ crore)					Amounts not under dispute (₹.crore)					Total	Grand Total
		Over 1 year but less than 2 years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total	Over 1 year but less than 2 years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total		
	Taxes on Income & Expenditure												
0020	Corporation Tax												
0021	Taxes on Income other than Corporation tax												
	Taxes on Commodities & Services												
0037	Customs												
0038	Union Excise												
0044	Service Tax												
	Total												

To

Shri Brajendra Navnit,
Deputy Secretary (FRBM)
Ministry of Finance, Department of Economic Affairs,
Room No. 68, North Block, New Delhi.

Ministry/Department of
For Financial Adviser
Date
Telephone No.

APPENDIX X-L
Form D-2
[See paragraph 11.5]

ARREARS OF NON-TAX REVENUE

Demand No. _____

(As at the end of the year 2010-11)

Description	Amounts pending (Rs. crore)					Total
0-1 year	1-2 years	2-3 years	3-5 years	above 5 years		

Fiscal Services

Interest receipts

Of which

From State

Governments and

Union Territory

Governments

From Railways

From Departmental

Commercial

Undertakings

From Public Sector

& other Undertakings

Dividends and Profits

General Services

Police receipts

Economic Services

Petroleum Cess/Royalty

Communications

(License Fee) Receipts

Guarantee fee

Other Receipts

Total

To

Shri Brajendra Navnit,
 Deputy Secretary (FRBM)
 Ministry of Finance, Department of Economic Affairs,
 Room No. 68, North Block, New Delhi.

Ministry/Department of
 For Financial Adviser
 Date
 Telephone No.

APPENDIX X-M

Form D-4

[See paragraph 11.5]

ASSET REGISTER

Demand No. _____

	Assets at the beginning of the year 2010-11	Assets acquired during the year 2010-11	Cumulative total of assets at the end of the year 2010-11
	Cost (₹ cr)	Cost (₹ cr)	Cost (₹ cr)

Physical assets:

Land

Building

Office

Residential

Roads

Bridges

Irrigation Projects

Power projects

Other capital projects

Machinery & Equipment

Office Equipment

Vehicles

Total

Financial assets:

Equity Investment

Shares

Bonus shares

Loans and advances

Loans to State & UT Govts.

Loans to Foreign Govts.

Loans to companies

Loans to others

Other financial investments

Total

Notes:

1. Assets above the threshold value of Rupees two lakh only to be recorded.
2. This disclosure statement does not include assets of Cabinet Secretariat, Central Police Organizations, Ministry of Defence, Departments of Space and Atomic Energy.

To

Shri Brajendra Navnit,
Deputy Secretary (FRBM)
Ministry of Finance, Department of Economic Affairs,
Room No. 68, North Block, New Delhi.

Ministry/Department of
For Financial Adviser
Date
Telephone No.

APPENDIX X-N
[See paragraph 11.6]

Ministry/Department of

Statement showing direct transfers of Central Assistance to State/District level Autonomous Bodies*

						(₹ in Crore)
Sl.No.	Name of scheme	Major Head	Actuals	BE	RE	BE
			2010-11	2011-12	2011-12	2012-13
Sub/Grand						
Total						

* These could be Societies/State PSUs/Corporations owned/controlled by State Governments.

To

Shri M.A. Khan,
Under Secretary (Budget)
Ministry of Finance, Department of Economic Affairs,
Room No. 236, North Block, New Delhi.

Ministry/Department of
For Financial Adviser
Date
Telephone No.

APPENDIX X-O
[See paragraph 11.7]

Expenditure Budget Vol.I 2012-13

C. Externally Aided Projects Under Central and State Plan

Part I: Externally Aided Projects under Central Plan where inflows during 2012-13 are Rs. 100 crore or more

(₹ in Crore)

Name of Funding Agency:					
Ministry /Department	Name of the Project	Actuals 2010-11	BE 2011-12	RE 2011-12	BE 2012-13
....					
....					
....					

Part-II

(₹ in Crore)

(i)

Additional Central Assistance (ACA) to States for Externally Aided projects (EAP)				
	Actuals 2010-11	BE 2011-12	RE 2011-12	BE 2012-13
<i>Grant</i>				
<i>Loan</i>				

(ii)

Major Externally Aided Projects under State Plan

(₹ in Crore)

List of Projects				
Sl. No.	Name of the project	Approved External Assistance	Disbursement upto 31.3.2011	Disbursement upto 31.12.2011
1	Project A			
2	Project B			
3	Project C			

APPENDIX X-P
[See Paragraph 11.3]
STATEMENT SHOWING SCHEMES FOR THE DEVELOPMENT OF SCHEDULED CASTES

Demand No.

Name of the Ministry/Department

PART-A Scheduled Castes Sub Plan Scheme

(₹ in Crore)

Details of the Scheme	2011-2012 Budget	2011-2012 Revised	2012-2013 Budget
	Plan	Plan	Plan

PART-B Non Plan Schemes

(₹ in Crore)

Details of the Scheme	2011-2012 Budget	2011-2012 Revised	2012-2013 Budget
	Non Plan	Non Plan	Non Plan

To
 Shri Rajeev Nayan Sharma
 Deputy Director (States)
 Ministry of Finance
 Department of Economic Affairs,
 Room No. 237, North Block
 New Delhi.

Signaute
 Designation
 Date
 Telephone No.
 Fax No.

APPENDIX X-Q
[See Paragraph 11.3]

Demand No.

Name of the Ministry/Department

STATEMENT SHOWING SCHEMES FOR THE DEVELOPMENT OF SCHEDULED TRIBES

PART-A Tribal Sub Plan Scheme

(₹ in Crore)

Details of the Scheme	2011-2012 Budget	2011-2012 Revised	2012-2013 Budget
	Plan	Plan	Plan

PART-B Non Plan Schemes

(₹ in Crore)

Details of the Scheme	2011-2012 Budget	2011-2012 Revised	2012-2013 Budget
	Non Plan	Non Plan	Non Plan

To
 Shri Rajeev Nayan Sharma
 Deputy Director (States)
 Ministry of Finance
 Department of Economic Affairs,
 Room No. 237, North Block
 New Delhi.

Signaute
 Designation
 Date
 Telephone No.
 Fax No.

APPENDIX X-R

Expenditure Budget Volume-1

2012-13

(See Paragraph 11.8)

BUDGET PROVISIONS UNDER THE OBJECT HEAD GRANTS FOR CREATION OF CAPITAL ASSETS

Demand No.

Name of the Ministry/Department.

(₹ in Crore)

Name of the Scheme	BE 2011-12			RE 2011-12			BE 2012-13		
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total

Ministry/Department of

For Financial Adviser.....

Date.....

Telephone No.....

To

Shri K.S. Panchal,

Under Secretary (Report)

Ministry of Finance, Department of Economic Affairs,

Room No. 237, North Block, New Delhi.

APPENDIX-XI

[illegible]

APPENDIX-XII

(See paragraph 12.3)

Sections in Department of Economic Affairs, Budget Division to which the various estimates/information etc. are to be forwarded.

(i) Revenue Receipts	States Section, Room No. 224-B, North Block, Tel. 23095173
(ii) Capital Receipts	W & M Section, Room No. 224-C, North Block, Tel. 23095174
(iii) Interest Receipts and Recoveries of Loans	SD Section, Room No. 225-A, North Block, Tel. 23095029
(iv) Statement showing guarantees given by Central Government and outstanding as on 31.3.2011.	SD Section, Room No. 225-A, North Block, Tel. 23095029
(iv) SBE Proposed	Coordination Section, Room No. 224-C, North Block, Tel.23095174
(v) SBE (Final): Non-Plan Plan	Accounts Section, Room No. 224-C, North Block, Tel. 23095210 Coordination Section, Room No. 224-C, North Block, Tel.23095174
(vi) Notes on Demands and material for Demands for Grants	Demand Section, Room No. 225-A, North Block, Tel. 23095095
(vii) Statement showing resources of public enterprises	Coordination Section, Room No. 224-C, North Block, Tel.23095174
(viii) Statement showing provisions in the Budget	Coordination Section, Room No. 224-C, North Block, Tel.23095174 for Central and Centrally sponsored Plan Schemes
(ix) Statement showing estimated strength of establishment and provision therefor	Demand Section, Room No. 225-A, North Block, Tel. 23095095
(x) Contribution to international bodies and Direct transfers of Central Assistance to State/District level Autonomous bodies	NS-II Section, Room No. 239-A, North Block, Tel. 23095155
(xi) Notes on important Non - Plan items of expenditure use in Expenditure Budget Vol.1)	Accounts Section, Room No. 224-C, North Block, Tel. 23095210
(xii) Composite Grants: Interest Payments Pensions Loans to Government Servants, etc.	Accounts Section, Room No. 224-C, North Block, Tel. 23095210 Demand Section, Room No. 225-A, North Block, Tel. 23095095 Coordination Section, Room No. 224-C, North Block, Tel. 23095174
(xiii) Material for Statement-20 Gender Budgeting	Accounts Section, Room No. 224-C, North Block, Tel. 23095210
(xiv) Material for Statement-21 Schemes for Dev. of SC/ST	States Section, Room No. 224-B, North Block, Tel. 23095173
(xv) Material for Statement-22 Schemes for the Welfare of the Children	Demand Section, Room No. 225-A, North Block, Tel. 23095095

APPENDIX - XIII

(See paragraph 13)

LIST OF DEMANDS FOR GRANTS, 2012-13

Code Demand No. No.	Name of Ministry/Department	Code Demand No. No.	Name of Ministry/Department
1	Ministry of Agriculture	13	Ministry of Earth Sciences
1	Department of Agriculture and Cooperation	29	Ministry of Earth Sciences
2	Department of Agricultural Research and Education	14	Ministry of Environment and Forests
3	Department of Animal Husbandry, Dairying and Fisheries	30	Ministry of Environment and Forests
2	Department of Atomic Energy	15	Ministry of External Affairs
4	Atomic Energy	31	Ministry of External Affairs
5	Nuclear Power Schemes	16	Ministry of Finance
3	Ministry of Chemicals and Fertilisers	32	Department of Economic Affairs
6	Department of Chemicals and Petrochemicals	33	Department of Financial Services
7	Department of Fertilisers	34	Appropriation- Interest Payments
8	Department of Pharmaceuticals	35	Transfers to State and Union Territory Governments
4	Ministry of Civil Aviation	36	Loans to Government Servants, etc.
9	Ministry of Civil Aviation	37	Appropriation - Repayment of Debt
5	Ministry of Coal	38	Department of Expenditure
10	Ministry of Coal	39	Pensions
6	Ministry of Commerce and Industry	40	Indian Audit and Accounts Department
11	Department of Commerce	41	Department of Revenue
12	Department of Industrial Policy and Promotion	42	Direct Taxes
7	Ministry of Communications and Information Technology	43	Indirect Taxes
13	Department of Posts	44	Department of Disinvestment
14	Department of Telecommunications	17	Ministry of Food Processing Industries
15	Department of Information Technology	45	Ministry of Food Processing Industries
8	Ministry of Consumer Affairs, Food and Public Distribution	18	Ministry of Health and Family Welfare
16	Department of Consumer Affairs	46	Department of Health and Family Welfare
17	Department of Food and Public Distribution	47	Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)
9	Ministry of Corporate Affairs	48	Department of Health Research
18	Ministry of Corporate Affairs	49	Department of AIDS Control
10	Ministry of Culture	19	Ministry of Heavy Industries and Public Enterprises
19	Ministry of Culture	50	Department of Heavy Industry
11	Ministry of Defence	51	Department of Public Enterprises
20	Ministry of Defence	20	Ministry of Home Affairs
21	Defence Pensions	52	Ministry of Home Affairs
22	Defence Services - Army	53	Cabinet
23	Defence Services - Navy	54	Police
24	Defence Services - Air Force	55	Other Expenditure of the Ministry of Home Affairs
25	Defence Ordnance Factories	56	Transfers to Union Territory Governments
26	Defence Services - Research and Development	21	Ministry of Housing and Urban Poverty Alleviation
27	Capital Outlay on Defence Services	57	Ministry of Housing and Urban Poverty Alleviation
12	Ministry of Development of North Eastern Region	22	Ministry of Human Resource Development
28	Ministry of Development of North Eastern Region	58	Department of School Education and Literacy
		59	Department of Higher Education

Code No.	Demand No.	Name of Ministry/Department	Code No.	Demand No.	Name of Ministry/Department
23		Ministry of Information and Broadcasting	39		Ministry of Rural Development
	60	Ministry of Information and Broadcasting		82	Department of Rural Development
24		Ministry of Labour and Employment		83	Department of Land Resources
	61	Ministry of Labour and Employment		84	Department of Drinking Water and Sanitation
25		Ministry of Law and Justice	40		Ministry of Science and Technology
	62	Election Commission		85	Department of Science and Technology
	63	Law and Justice		86	Department of Scientific and Industrial Research
	64	Appropriation - Supreme Court of India		87	Department of Biotechnology
26		Ministry of Micro, Small and Medium Enterprises	41		Ministry of Shipping
	65	Ministry of Micro, Small and Medium Enterprises		88	Ministry of Shipping
27		Ministry of Mines	42		Ministry of Social Justice and Empowerment
	66	Ministry of Mines		89	Ministry of Social Justice and Empowerment
28		Ministry of Minority Affairs	43		Department of Space
	67	Ministry of Minority Affairs		90	Department of Space
29		Ministry of New and Renewable Energy	44		Ministry of Statistics and Programme Implementation
	68	Ministry of New and Renewable Energy		91	Ministry of Statistics and Programme Implementation
30		Ministry of Overseas Indian Affairs	45		Ministry of Steel
	69	Ministry of Overseas Indian Affairs		92	Ministry of Steel
31		Ministry of Panchayati Raj	46		Ministry of Textiles
	70	Ministry of Panchayati Raj		93	Ministry of Textiles
32		Ministry of Parliamentary Affairs	47		Ministry of Tourism
	71	Ministry of Parliamentary Affairs		94	Ministry of Tourism
33		Ministry of Personnel, Public Grievances and Pensions	48		Ministry of Tribal Affairs
	72	Ministry of Personnel, Public Grievances and Pensions		95	Ministry of Tribal Affairs
34		Ministry of Petroleum and Natural Gas	49		Union Territories (Without Legislature)
	73	Ministry of Petroleum and Natural Gas		96	Andaman and Nicobar Islands
35		Ministry of Planning		97	Chandigarh
	74	Ministry of Planning		98	Dadra and Nagar Haveli
36		Ministry of Power		99	Daman and Diu
	75	Ministry of Power		100	Lakshadweep
37		The President, Parliament, Union Public Service Commission and the Secretariat of the Vice President	50		Ministry of Urban Development
	76	Appropriation - Staff, Household and Allowances of the President		101	Department of Urban Development
	77	Lok Sabha		102	Public Works
	78	Rajya Sabha		103	Stationery and Printing
	79	Appropriation - Union Public Service Commission	51		Ministry of Water Resources
	80	Secretariat of the Vice-President		104	Ministry of Water Resources
38		Ministry of Road Transport and Highways	52		Ministry of Women and Child Development
	81	Ministry of Road Transport and Highways		105	Ministry of Women and Child Development
			53		Ministry of Youth Affairs and Sports
				106	Ministry of Youth Affairs and Sports

F.No. 7(5)/E-Coord/2004
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 24th September, 2004

OFFICE MEMORANDUM

Sub : Guidelines on expenditure management - Fiscal prudence and austerity

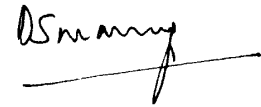
In supersession of this Departments O.Ms, dated 17/6/1996, 20/8/1998, 5/8/1999, 24/9/2000 and 10/10/2001 on the subject cited above, the following austerity measures shall take effect from October 1, 2004 :

- i) All on-going programmes and schemes, both Plan and non-Plan, should be carefully reviewed, scrutinized and evaluated to determine their continued relevance. This exercise should be taken up immediately and completed before the end of this calendar year.
- ii) Deviations of expenditure from the prescribed budgetary ceilings should not be allowed. FAs should personally ensure that unauthorized expenditure above the appropriations is not incurred in any circumstances.
- iii) It should be ensured that all profit-making PSEs declare a minimum dividend on equity of 20% or a minimum dividend pay out of 20% of post-tax profits, whichever is higher. The minimum dividend pay out in respect of Oil, Petroleum, Chemical and other infrastructure sectors should be 30% of post-tax profits;
- iv) All profit making companies must also consider issuing bonus shares to the Government.
- v) All profit making Joint Venture companies should be asked to make concerted efforts to give a dividend of 20% on Government equity holding.
- vi) Other non-tax receipts should be revised so that at least the cost of the services is recovered.
- vii) Budget formulation should lay greater emphasis on explicit recognition of the revenue constraints and a realistic projection of the budgetary allocations required for various projects/schemes and there must be rigid adherence to budgetary ceilings. All procedures laid down for incurring both Plan and Non-Plan expenditure on schemes should be followed scrupulously. In view of the severe constraints on resources, additional funds to any Ministry or Department shall not be provided at the revised estimate stage, except in rare and exceptional circumstances.
- viii) No fresh financial commitments should be made on items which are not provided for in the budget approved by Parliament.
- ix) There have been cases of Ministries, releasing funds to autonomous bodies year after year, despite the fact that there are substantial balances with them remaining unutilised and kept in deposit with the banks. . The Ministries should complete a detailed review of all such cases by 31.10.2004 and, pending such a review, the Ministries are advised not to release funds in such cases. The responsibility for regulating release of funds in these cases will rest with the Financial Advisers (FAs).
- x) Most autonomous bodies are given 100% deficit grants. These shall be reduced in a graded manner by 5% in successive years/i.e. to 95% in the first year, 90% in the second year and so on, in respect of such bodies which have the potential of raising resources.
- xi) Timely repayment of loans provided by the Government to the PSUs and payment of fees/charges on Government Guarantees should also be monitored by the FAs.
- xii) There shall be a mandatory 10% cut in the budgetary allocation-for non-plan, non-salary expenditure, including OTA/ honorarium. No re-appropriation of funds to augment these heads of

expenditure would be allowed. Austerity must be reflected in furnishing of offices/offices at residences. The expenditure limit prescribed for these purposes shall be strictly enforced.

- xiii) Utmost economy should be exercised in use of staff cars and other official vehicles. In accordance with the ceiling prescribed at Sl. No. (xii), there shall be a 10% cut in the consumption and allocation of funds for expenditure on POL and travel.
- xiv) Foreign travel should be restricted to unavoidable official engagements. There shall be a ban on foreign travel for Study Tours, Seminars, Workshops etc. funded by the Govt. of India except for annual and other formal meetings of bilateral/multilateral bodies viz. IMF, World Bank, WHO, ILO, Joint Commissions, etc. Size of official delegations, where foreign travel is unavoidable, shall be restricted to the bare minimum.
- xv) The rate of per diem allowance for travel abroad to all countries and for all categories, officials/non-officials belonging to Government, autonomous institutions and PSUs shall continue to be depressed by 25% as at present.
- xvi) Utmost austerity will be observed in organizing conferences/ seminars/workshops. All grants being given for such purposes would be reviewed by Department of Expenditure.
- xvii) Ban on creation of Plan and Non-Plan posts will continue. Any unavoidable proposals for the creation of plan posts including Groups 'B', 'C' and 'D' posts -shall- continue to be referred to the Ministry of Finance (Department of Expenditure) for approval.
- xviii) Every Ministry/Department shall undertake a review of all the posts which are lying vacant in the Ministry/Department and in the Attached and Subordinate Offices, in consultation with the Ministry of Finance (Department of Expenditure). FAs will ensure that the review is completed in a time bound manner (and, in any event, not later than 31.10.2004) and full details of vacant posts in their respective Ministries etc., are available. Till the review is completed, no vacant posts shall be filled up except with the approval of the Ministry of Finance (Department of Expenditure).
- xix) Implementation of existing instructions concerning abolition of posts should be ensured.
- xx) Purchase of new vehicles is banned until further orders, Exceptions will be allowed only for meeting the operational requirements of Defence, Central Para Military Forces, etc. New vehicles shall not be purchased even in replacement of condemned vehicles. Hiring of private vehicles from outside shall be limited to the number of vehicles condemned.

2. Secretaries to the Government of India and Financial Advisers are requested to ensure strict compliance of the above instructions.



Secretary to the Government of India

To

1. All Secretaries to the Government of India (By Name)
2. All FAs (By Name)
3. All Heads of Public Sector Enterprises

**Government of India
Planning Commission**

Yojana Bhavan, Sansad Marg,
New Delhi-110 001

Subject: Guidelines regarding inclusion of new Schemes in the Plan, enhancement of Five Year Plan/Annual Plan outlays, major changes in the scope and investment approval of the Plan Schemes, for the Central Ministries/Departments.

I. Proposals are often received from the Ministries for inclusion of new schemes in the Plan, enhancement of Five Year Plan / Annual Plan outlays, major changes in scope of the schemes (including change in objectives^ criteria and pattern of assistance / subsidies etc.). In this regard, inclusion of new schemes in the Plan requires '**in principle**' approval of Planning Commission before they are submitted for approval to competent authorities as per existing delegation of powers. From the Eleventh Five Year Plan, the following procedure would be adopted for inclusion of schemes / projects in the Plan.

a) Schemes that would not require 'In Principle' approval:

Formulation of a Five Year Plan is a detailed exercise preceded by extensive deliberations "and consultations by the Working Groups and Steering Committees. The existing schemes are examined by the Working Groups / Steering Committees and revamping / modifications / strengthening are suggested in many cases. The Steering Groups also recommend initiation of new schemes to fulfill specific objectives after taking into account the plan priorities and the availability of resources.

(i) *In case of the existing schemes which need to be continued in the next Plan, no '**in principle**' approval would be required. This does not, however, mean that schemes can be continued from one Plan to another without going through a rigorous Zero Based Budgeting exercise. In case a new component is to be added to an existing scheme, this would be considered by the Steering Committee and recommended for inclusion in the Five Year Plan. In case the component to be added is included in the Five Year Plan with adequate allocation of resources, the additional component in existing Schemes would not require '**in principle**' approval.*

(ii) *The new schemes /projects which are proposed to be taken up in the Plan have to be indicated in the Plan Document and financial resources have to be fully provided for that scheme / project. In such cases, '**in principle**' approval of the Planning Commission would not be required.*

(iii) *It may be noted that a mere mention of a project/scheme / additional component in an existing scheme without adequate plan provision at the beginning of the Five Year Plan period would not be exempted from the discipline of '**in principle**' approval procedure. In brief, only the new schemes / projects/ additional components that have been included in Five Year Plan with full provision of resources would not require '**in principle**' approval.*

b) Schemes that would require 'in principle' approval :

(i) *Scheme / Project / additional component in an existing scheme which could not be included in the Five Year Plan with adequate provision would require **in principle** approval of the Planning commission before the Ministries / Departments seek sanction of the appropriate author/ties for taking up the scheme/ project'.*

(ii) *For seeking '**in principle**' approval, the Ministries / Departments should submit a detailed note to the Planning Commission on the-justification for the new scheme / project with a broad outline of the proposed scheme /project*

(iii) *After obtaining '**in principle**' approval, the Ministries / Departments shall conduct an exercise to find resources for the proposed scheme /project / additional component in an existing scheme in consultation with Planning Commission. This would require a detailed analysis of requirement and availability of funds*

for the existing Schemes and Projects. In case requirement of funds is higher than the availability, the Ministries / Department should undertake a reprioritization exercise in consultation with subject division in Planning Commission and based on the result give details of commitments on on-going schemes / projects along with the requirement and availability of funds for the proposed scheme / project additional component in an existing scheme clearly spelling out the implications of the reprioritization (in terms of re-phasing of on-going schemes and / or weeding out of schemes together with its impact on physical output).

(iv) After obtaining 'in principle' approval of Planning Commission (which would mean specific approval of Secretary Planning Commission) and tying up financial resources, the Ministry / Department would process the scheme /project / additional component in an existing scheme to obtain necessary approvals as per existing delegation of powers through SFC/EFC/PIB, as the case maybe.

II. Enhancement of Five Year Plan/Annual Plan outlays: The Five Year Plans are generally indicative in nature. They are operationalized through Annual Plans. As such outlays to be provided by the Planning Commission for the Annual Plan will take into consideration such adjustments and enhancement as may be necessary. After the Annual Plans have been finalized and corresponding amounts provided in the Budget of the Central Ministries, upward revision of more than 10% of the Budget Estimate at the Revised Estimate stage, should be referred by the concerned Ministry to the Planning Commission and it is only after the Planning Commission concurs that these should be taken up with the Ministry of Finance for Supplementary Grants.

III. Change in Scope: Major changes in the scope of the schemes already included in the Plan, in terms of change in objectives, coverage of population, criteria, pattern of subsidy, assistance, etc. should be first referred to the Planning Commission for obtaining concurrence in the same manner as a new scheme (item 1 above) before the revised scheme is processed for sanction by the competent authority. In case of continuing CSS, approval for change in scope etc., may be sought as per the existing procedure and delegation of authority from the Planning Commission, as in other Plan Schemes.

IV. Sanction of the Scheme:

All continuing and new schemes included in the Five Year Plan are to be sanctioned by the competent authority (Board of Companies/Ministries/Ministry of Finance/CCEA) after the recommendations of the respective body (DSC / SFC / EFC / PIB, etc.) as the case may be, in accordance with the existing delegation of financial powers. These approvals should be processed by the Central Ministries only after necessary Plan provisions are available in the Five Year Plan /Annual Plan, in case of new schemes, these should be processed after the Planning Commission has concurred to their inclusion in the Plan.

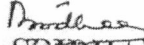
V. Procedure for introduction of a new Centrally Sponsored Scheme (CSS);

Approval of full Planning Commission is necessary for including a CSS in the Plan. For introduction of a new Centrally Sponsored Scheme (CSS), which meets the criteria* laid down by the Committee of National Development Council (NDC), the Ministries/Departments should first obtain an "in principle" approval of the Planning Commission, (specific approval of Secretary, Planning Commission) giving justification for introduction of the scheme and indicating :

- (i) whether the existing Centrally Sponsored Schemes being run by the Ministry/Department have been reviewed and schemes identified for closure, weeding out and/ or merger with full details thereof;
- (ii) whether an exercise has been carried out for avoidance of multiplicity of implementation machinery, and if so, results thereof;
- (iii) Scheme wise details of number of posts sanctioned/created at the Ministry/Department, Central, State and District level;
- (iv) Whether any rationalization exercise has been undertaken, and if so, details thereof;
- (v) Are there existing schemes with similar objectives in the Ministry/Department of either Central Ministries/ Departments and / or schemes with similar objectives being implemented by the State Governments, and if so: details thereof and the justification for taking up the new scheme instead of strengthening / modifying the existing schemes;

(vi) The reasons for not implementing the scheme under State Plan with earmarked funds.

VI. The receipt of this communication may kindly be acknowledged.


(R. SRIDHARAN)
Joint Secretary (Administration)
Tel. No. : 2309 6598

Secretaries of all Central Ministries /Departments.

Planning Commission UO No. N-11016/4/2006-PC dated 29.8.2006

Copy for information to : Cabinet Secretary,
Rashtrapati Bhavan,
New Delhi.

-
- * Narasimha Rao Committee (Committee of NDC on CSS) in its first meeting held on 1st November, 1986, approved the modified criteria for retention of existing and initiation of new Centrally Sponsored Schemes as set out below:
 - * The fulfillment of an important national objective such as poverty alleviation, achievement of minimum standards in education, or;
 - * The programme has a regional or inter-State character or;
 - * The programme or scheme should be in the nature of a pace setter or should relate to demonstration, survey or research

F.No.7/13/2001-NS(I)
Ministry of Finance
Department of Economic Affairs
(Budget Division)

Office Memorandum

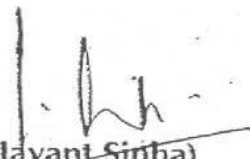
New Delhi, the 24th April, 2001

Subject: Lump sum Provision for North Eastern Region & Sikkim

Communications have been received from the Planning Commission regarding certain shortcomings in lump sum provisions made for North Eastern Region & Sikkim for the fiscal 2001-02. Based on the review of the Budget Documents for 2001-02, certain lacunae have been observed in the manner of depiction of the provision and the quantum allocated. With a view to maintaining uniformity in depiction and in the quantum of allocation the following is clarified for information and guidance:

- (a) 10% of Central Plan allocations is to be earmarked for projects/schemes for the benefit of North-Eastern Region and Sikkim. It is observed that in case of a number of Ministries/ Departments the provision indicated is much lower than the stipulated percentage. It is reiterated that the provision made for the lump sum amount should be in accordance with the Budget Division letter of 28.01.00.,
- (b) the lump sum provision-of project/schemes for North Eastern Region & Sikkim should be made under Major Head 2552 (in case of revenue expenditure) and Major Head 4552 (in case of capital expenditure). Certain Ministries/Department have incorrectly depicted the provision under other Major Heads. Changes in classification may be brought about by taking necessary supplementaries.
- (c) Except such Ministries/Departments that have been exempt from making provision for North Eastern Region & Sikkim, all others are to make such allocation. Ministries/Departments like Water Resources, Public works, Telecommunications, Industrial Policy & Promotion, Small Scale Industries & Agro & Rural Industries have not made any allocation and may clarify to this Ministry if they have been exempted from making allocation for North Eastern Region & Sikkim, by the Planning Commission.

This issues with the approval of Secretary (Expenditure).


 (Jayanti Sinha)

Deputy Secretary (Budget)

All FA's.

F. No. 2(66)-B(CDN)/2001(Vol II)
Ministry of Finance & Company Affairs
Department of Economic Affairs
(Budget Division)

Office Memorandum

New Delhi, the 13 September, 2002

Subject: Budgeting for/ Expenditure from Lump sum Provision for North Eastern Region & Sikkim

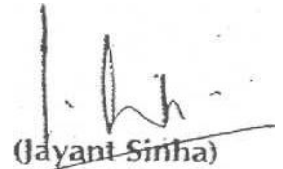
In accordance with the decision of the Government, all Ministries/Departments, unless specifically exempted from doing, so, are to make a lump sum provision of 10% of their central plan allocation for projects / schemes in North Eastern Region and Sikkim. Over the years Ministries/Departments have been making these provisions and incurring expenditure in the region in terms of laid down decisions on the subject. However, certain divergence in practices have been observed in the matter and, therefore, the following is clarified for guidance:

- (a) Lump sum provision for Revenue expenditure in the NE region should be provided for under Major Head 2552- "North Eastern Areas". Similarly lump sum provision for capital expenditure should be provided under Major Head 4552- "Capital Outlay on North Eastern Areas". It is important to make a realistic assessment of revenue and capital provision at the Budget formulation stage itself since reappropriation from revenue to capital and vice versa is not within the powers of the Ministries and will call for a supplementary provision. The practice of making provision for North Eastern Region and Sikkim should not be done under any other major head, as has been observed in the case of some Departments.
- (b) At the revised estimate stage, the lump sum provision should be 10% of the revised plan amount and depicted accordingly in SBE's. It has been observed that some Ministries/ Departments have been showing a zero provision at the RE stage under the lump sum heads on the ground that the amounts due to be spent in the region have been duly reappropriated for Project/Schemes in the region. With a view to maintaining uniformity across Ministries/Departments it has been decided that all Ministries/ Departments at the RE stage indicate lump sum provisions as 10% of the central plan RE amount unless exempt from making provisions for the region.
- (c) In some Ministries/Departments there are large savings being reported under Major heads 2552 and 4552 at the end of the year on account of inadequate expenditure in the region. It is impressed upon all Ministries/Departments that expenditure in the region should be in conformity with the 10% requirement as has been laid down.

Large savings will be contrary to instructions issued by this Ministry on strict financial discipline, based on recommendations of the Public Accounts Committee.

- (d) Instances of reappropriations being proposed from lump sum provision in the North Eastern Region and Sikkim to Other Projects/Schemes outside the region have been received in this Ministry. It is reiterated that such proposals will not ordinarily be entertained in this Ministry." Expenditure should be undertaken on project/schemes in the region itself.

The above issues in consultation with the Department of Development of North Eastern Region.



(Jayanti Sinha)

Deputy Secretary (Budget)

All Financial Advisers.

N o. F. 2 (66)- B(CDN)/2001
Ministry of Finance
Department of Economic Affairs
(***Budget Division***)

New Delhi,
14th September, 2005.

OFFICE MEMORANDUM

Subject: Procedure for providing funds for development of North Eastern Region and Sikkim under 'Plan' expenditure in Statement of Budget Estimates and Detailed Demands for Grants.

At present, the funds for development of North Eastern Region and Sikkim are being provided for under the Major Heads '2552-North Eastern Region' for revenue expenditure and '4552-Capital Outlay on North Eastern Region' for Capital expenditure under 'plan' side. These are shown as lumpsum provisions in the Statement of Budget Estimates and Detailed Demands for Grants of the respective Ministry/Department, initially. Such sums are subsequently re appropriated to the functional heads of accounts for the purpose of incurring the expenditure. Reappropriations from the lumpsum provision from the Major Heads '2552' and '4552' are carried out with the approval of Secretaries of respective Ministry/Department, who have, been delegated powers for this purpose through this Ministry's D.Q.No.2(66)-B(CDN)/2001 dated 12.6.2001.

2, The above procedure has further been reviewed in the light of concerns expressed by few Ministries/Departments in obtaining the necessary Parliament sanction in time, through Supplementary Grants, during the course of the year, as either the break-up of scheme-wise expenditure provided under '2552-etc' and '4552-etc' are not brought to the notice of Parliament through Detailed Demands for Grants or certain items of expenditure, such as, grants-in-aid, subsidy, etc. attract the limits of New Service/New Instrument of Service. This leads to delays in the release of budget sanctions and implementation of programmes and schemes in the North Eastern Region.

3. To mitigate such difficulties, it has been decided to show the proposed break-up of the lumpsum provision for development of North Eastern and Sikkim Region upto object head level corresponding to different functional major/sub-major/minor heads, indicating the details, and depict accordingly in the Detailed Demands for Grants under the Major Head '2552-North Eastern Region' and the Major Head '4552-Capital Outlay on North Eastern Region' for eventual reappropriation. This would facilitate informing Parliament about the nature of expenditure, end-beneficiary, etc. After approval of the budget by Parliament, the expenditure provisions can be transferred to the functional head for incurring expenditure through reappropriation by exercise, of powers delegated in this Ministry's D.O.letter Nb.F.2(66)-B(CDN)/2001 dated 12.6.2001.

(From pre-page)

4. This procedure becomes operative from the year 2006-07 onwards.
5. This has the approval of Secretary (Expenditure).



(P.R. Das)

Additional Budget Officer

☎ 2309 2649

All Secretaries/Financial Advisers of Ministries/Department

The Comptroller & Auditor General of India, Bahadur Shah Zafar Marg, New Delhi.

The Controller General of Accounts, Ministry of Finance., Department of Expenditure.

All Chief Controllers/Controllers of Accounts of Ministries/Departments.

Financial Commissioner, Ministry of Railways, Rail Bhawan, New Delhi.

Member (Finance), Department of Telecommunications, Sanchar Bhawan, New Delhi.

**No.F.2(66)-B(CDN)/2001
Ministry of Finance
Department of Economic Affairs
(Budget Division)**

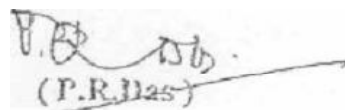
New Delhi,
5th February, 2007.

OFFICE MEMORANDUM

Subject: Procedure for providing funds for development of North Eastern Region and Sikkim under 'Plan' expenditure in Statement of Budget Estimates and Detailed Demands for Grants.

Attention is invited to this Ministry's Office Memorandum of even number dated 14.9.2005, wherein the procedure for depicting the detailed provisions upto object head level towards development of North Eastern Region and Sikkim under 'Plan' expenditure in Statement of Budget Estimates and Detailed Demands for Grants was brought out.

2. Certain Ministries/Departments have sought clarification on operation of the object head 'Loans and Advances' under the Capital Outlay head viz. '4552-Capital Outlay on North Eastern Areas'. As the object head 'Loans and Advances' is operated in the loan section, it has been decided to operate the Major Head '6552-Loans for North Eastern Areas' out of the 10% mandatory allocation (from GBS) towards development of NER in case funds are sought to be provided as 'loans'. Thus, the procedure enunciated in paragraph 3 of this Ministry's O.M. of even number dated 14.9.2005 will, equally, be applicable to the Major Head '6552-Loans for North Eastern Areas'. While reckoning the 10% mandatory allocation towards development of North Eastern Areas and Sikkim, the provision made under the Major Head '6552-Loans for North Eastern Areas' will also be taken into account.


(P.R. Das)

Additional Budget Officer
☎ 2309 2649

All Secretaries/Financial Advisers of Ministries/Department
The Comptroller & Auditor General of India, Bahadur Shah Zafar Marg, New Delhi
The Controller General of Accounts, Ministry of Finance, Department of Expenditure.
All Chief Controllers/Controllers of Accounts of Ministries/Departments.
Financial Commissioner, Ministry of Railways, Rail Bhawan, New Delhi.
Member (Finance), Department of Telecommunications, Sanchar Bhawan, New Delhi.



D.O.F. No.2(66)-B(CDN)/2001

सचिव
व्यय विभाग
वित्त मंत्रालय
भारत सरकार
SECRETARY
DEPARTMENT OF EXPENDITURE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
नई दिल्ली / NEW DELHI
Tel. : 3012929
3011663
Fax : 3017546

12th June, 2001

Dear Secretary,

Finance Ministry has been receiving references from several Ministries/Departments regarding difficulties in re-appropriation of funds from the lump-sum provision for schemes for the benefit of North-Eastern Region and Sikkim to relevant functional heads.

2. As per the Delegation of Financial Powers Rules, certain powers vest with the Ministry of Finance for reappropriation of funds which can be met out of savings available within the Grant. It has now been decided that as far as reappropriation of funds from the lump-sum provision for schemes for benefit of North-Eastern Region and Sikkim are concerned, the power to re-appropriate will be delegated to the Secretaries of the Ministries/Departments, who will exercise this power in concurrence with their Financial Advisers. It may, however, be stressed that this particular delegation of power is limited to the re-appropriation of funds from lump-sum provision to the schemes for the benefit of schemes/programmes in the North Eastern Region and Sikkim alone. It is, thus, the responsibility of the concerned Ministry/Department to ensure that no re-appropriation from the lump sum provision for the North Eastern Region and Sikkim is carried out for schemes which are not for the benefit of NER and Sikkim.

With regards,

Yours sincerely,

Sd/.....

(C.M. Vasudev)

All the Secretaries to the Government of India

Annex-G

No. F.7(6)-B(R)/2001
 Government of India
 Ministry of Finance
 Department of Economic Affairs
 (Budget Division)

Dated 20th July, 2001

OFFICE MEMORANDUM

Subject: Sixteenth Report of the Public Accounts Committee (13th Lok Sabha) Union Government Appropriation Accounts (Civil) - 1996-97 -Measures for minimising "unspent balances".

The undersigned is directed to invite a reference to the observations and recommendations made by the Public Accounts Committee in para 13.1 of their above mentioned Report and to say that the Public Accounts Committee while faking adverse note of the whopping saving of Rs. 44231.22 crore in the grants pertaining to civil Ministries/Departments for the year 1996-97 has noted that out of (he above saving, Rs. 29466.03 crore was on account of less drawal of 31 days Treasury Bills. Excluding these Treasury Bills savings, the effective saving of Rs. 34765.33 crore constituted more than two (times the supplementary grants of Rs.. 7326.86 crore and 3.5 per cent of the total provision of Rs. 420902.71 crore. The Committee has further observed that there was aggregate savings (both Revenue and Capital Sections) amounting to Rs. 31266.16 crore in the Voted portion mid Rs. 32965.06 crore in the Charged portion.

2. Taking serious view of this state, of affairs, the Public Accounts Committee has observed that this indicates the lack of earnestness on the part of Ministries/Departments concerned reflecting on the injudicious formulation of budget estimates/utilisation of funds, where such savings could have been significantly reduced, if not avoided altogether, by making realistic budgetary projections by the concerned Ministries/Departments.

3. In order, therefore, to avoid this recurring malady, all Ministries/Departments are advised that existing mechanism of review, monitoring and control should be so geared as to make a more careful formulation of plan/schemes having regard to ground realities and achievable targets and also to make realistic assessment of funds. The monitoring mechanism to oversee flow of expenditure under various schemes should also be lightened in such a way as to keep a monthly watch over flow of expenditure. In case there is likelihood of any savings, corrective action should be taken immediately in surrender the saving well in advance as required under Rule 69 of General Financial Rules.


 (D.Swarup)

Joint Secretary to the Government of India

- 1, All Ministries/Departments as per standard mailing list.
- 2, All Secretaries to the Government of India.
- 3, All Financial Advisers Ministries/ Departments.

F.No.7(I)/B(D)/2006
Ministry of Finance
Department of Economic Affairs
{Budget Division}

New Delhi, 31st July, 2006.

Office Memorandum

Subject: Public Account Committee (14th Lok Sabha) -Recommendation in Para No. 14 contained in Report No 17- Large-scale Unspent provisions - regarding.

The undersigned is directed to refer to this Department's OM No.7(6)-B(R)/2001 dated 20th July, 2001 issued in the context of the Public Accounts Committee (13th Lok Sabha) in para 13.1 in their 16th Report, taking adverse note of the large scale unspent provisions of Rs.44,231.22 crore in the Grants/Appropriations operated by the Civil Ministries/Departments during the year 1996-97 and recommendation thereon (copy enclosed). Further to that Report the PAC of 14th Lok Sabha has inter-alia recommended in para 14 of 17th Report that the Ministry of Finance, being the nodal Ministry should impress upon all the Ministries/Departments to make a thorough study of the cases where large scale (Rs.100 crore or more) unspent provisions have occurred and lay down appropriate guidelines for being followed by them in this regard.

2. In this context, attention is invited to Department of Expenditure's OM No. F.No. 5(6)/L&C/2006 dated 1st June 2006 regarding updated Scheme of 'Integrated Financial Adviser'. Para 9 (i) of the above mentioned OM enjoins upon Financial Advisors with the assistance of CCAs/CAs the responsibility of bringing in more analytical inputs into the budget formulation process to ensure better inter-se programme/prioritization and allocation within budget ceilings based on expenditure profiles of each programme, assessment of outcomes and current status of projects. Such analysis is envisaged to ensure a more realistic and efficient deployment of resources, reduce the reliance on supplementaries and help significantly control injudicious formulation of budget estimates/utilization of funds where "large savings/unspent provisions can be reduced if not altogether avoided. Further in order to efficiently re-deploy the savings anticipated to occur in the financial year, the Financial Advisers are required to comply with the provisions in Rule 56 of the General Financial Rules 2005 for surrendering the savings to Government in time as per the dates prescribed by the Ministry of Finance.

3. It is expected that earlier instructions of this Ministry on the need for the individual Departments to put in place effective mechanism for realistically assessing "their requirement of funds in a way that would ward off the occurrence of unwarranted surrender of savings at a later date, may have been implemented by Departments/Ministries concerned. The Public Accounts Committee" (PAC) in Para 14 of the 17th Report relating to Union Government Appropriation Accounts (Civil) 1996-97 has observed that "large scale unspent provisions under Grants/Appropriations by the civil Ministries/Departments have become an almost recurring feature and the position is still to improve. The Committee are inclined to conclude that the concerned Ministries/Departments have not made any serious attempts to apply effective corrective measures in accordance with the Committee's recommendations". Therefore, in compliance with the recommendation made by the PAC in this regard, the Financial Advisers are requested to carry out a thorough study of the cases/schemes where large-scale unspent provisions have occurred and take the following appropriate action so as to avoid recurrence of large-scale unspent provisions in their respective Demands for Grants:

- (i) Budget Estimates and Revised Estimates shall be prepared with reference to the measurable/

monitorable commitments made in the Outcome Budget and fiscal discipline enforced in implementation of programmes/projects to ensure 'value for money';

- (ii) Ministries/Departments may)' review the expenditure profile of each major schemes/ programmes at regular intervals and apply the result of such analysis at the time of initial budget formulation so that a more realistic estimation of expenditure is made;
- (iii) Ministries/Departments may, after carrying out such review, intimate this Ministry at the time of finalization of Revised Estimates of the current year the possible savings in their Grant for re-deployment of resources to other priority sectors;
- (iv) In case any savings are identified even after finalization of Revised Estimates of the year," surrender of such savings may be intimated to this Ministry immediately;

4, All Ministries/Departments are requested to note the above instructions for strict compliance.



(L. M. Vas)
Joint Secretary (Budget)

To,

1. All the Ministries/Departments (as per the standard list).
2. All Secretaries to the Government of India.
3. Financial Advisers of the all Ministries/Departments.

Copy also to:

- (i) All Under Secretaries/Deputy Directors in the Budget Division.
- (ii) All Section Officers in Budget Division.

**F. No.15(4)/B(D)/2003
Ministry of Finance
Department of Economic Affairs
(Budget Division)**

New Delhi, the 9th July 2003.

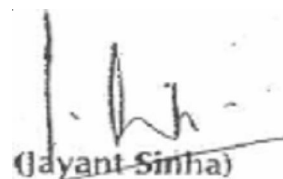
OFFICE MEMORANDUM

Subject : Opening of detailed head "Information Technology" under six level heads classification in Detailed Demands for Grants of the Ministries/Departments.

In pursuance of the recommendation of High Powered Committee for improving administrative efficiency for earmarking an amount exceeding 2-3 per cent of Ministries/Departments' budget for initiatives relating to furthering the use of Information Technology, including training, acquisition of hardware, software as well as development "and maintenance of software etc., Planning Commission had vide their D.O. No. H-11016/32/97-PC dated 24.4.1998 and D.O. No. N-11016/8/2000-PC dated 23.10.2000 directed all Ministries/Departments to locate the required amount for information Technology. Ministry of Finance, Department of Expenditure had also issued a circular F.No. 10/3/E.Coord/99 dated 9.11.1999 reiterating the same, with the specific instructions to all Financial Advisers that a separate budget head be indicated for the purpose.

2. At present no specific object head for booking of expenditure for "Information Technology" exists in DFPRs. To ensure common standardization of heads of classification and to facilitate the monitoring of expenditure incurred by various Ministries/Departments, on "information Technology", it has been decided in consultation with Controller General of Accounts and Department of Expenditure, to place "Information Technology" at 'detailed head' level at the fifth level of classification in Detailed Demands for Grants. A standard computer code, i.e. "99" has been allotted against "information Technology" to serve the purpose of consolidating the expenditure incurred by a Ministry/Department on the same.

3. This issues with the approval of Additional Secretary(Budget).


(Jayant Sinha)

Deputy Secretary to the Govt. of India

TO

1. All Financial Advisers of Ministries/Departments.
2. Chief Controller of Accounts of Ministries and Departments.
3. Comptroller & Auditor General of India, New Delhi.
4. Controller General of Accounts, New Delhi.
5. Director of Audit, Central Revenues, New Delhi.

**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 with effect from 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) 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.
- (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 budgeted 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 quarter, 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 Allocations 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 Allocations 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 Allocations 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 Receipt of this Office Memorandum may kindly be acknowledged.

V.S. Chauhan

(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.

Sl.No.	Demand No	Name of the Ministry/Department
3.	1	Department of Agriculture and Cooperation
2.	2	Department of Agricultural Research and Education
3.	8	Department of Fertilisers
4.	11	Department of Commerce
5.	14	Department of Telecommunications
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

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

डा. संजीव मिश्र
Dr. Sanjiv Misra

सचिव
व्यय विभाग
वित्त मंत्रालय
भारत सरकार
SECRETARY
DEPARTMENT OF EXPENDITURE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
नई दिल्ली /New Delhi
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 Advisers 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 certificates; 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 systems 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 formal systems of commitment tracking may be introruced.)

- (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 measures 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 issuedydispatched/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 programmes, budget outlays for these have increased substantially. However, the schemes guidelines 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 commitments made in the Outcome Budget.

Yours sincerely,



(Sanjiv Misra)

All Secretaries.

Copy to :

All Financial Advisers.

AH Chief Controllers of Accounts/Controller of Accounts



(S.C Pandey)
Officer on Special Duty
(Policy & Coordination)
2309-3457

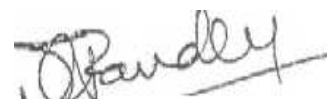
**F. No.7(3)/E. Coord./2006
Ministry of Finance
Department of Expenditure
Policy & Coordination Wing**

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 Advisers, as contemplated in paragraph 6 of the OM no. 7(3)/E. Coord./2006 dated July 22, 2006.



(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

NO.F.12[20]-B [SD]/2002
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
[BUDGET DIVISION]
Office Memorandum

New Delhi, the 16* October, 2003

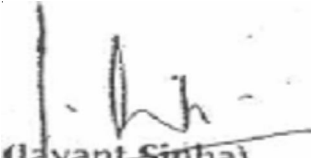
Subject:- Government Guarantees - Preparation of Database.

The enactment of the Fiscal Responsibility & Budget Management Act, 2003 has re-emphasised the need for effecting measures towards fiscal adjustment and consolidation together with the need for greater transparency in the fiscal process. The C&AG of India has also established the Government Accounting Standards Advisory Board (GASAE) for the Union and the States with a view to establishing and improving standards of governmental accounting and financial reporting and enhance accountability mechanism. As part of the effort of the government to address a range of fiscal issues as also to provide uniform and complete disclosure it has been decided to review the existing reporting methodology with regard to government guarantees.

2. It is accordingly requested that in order to create a database, information in the enclosed proforma (Annexure-IT) may be furnished to this Ministry in respect of the cases, under your ministry. The information may be furnished after, thoroughly scrutinising each case and with the approval of the Financial Advisor so that correctness of the information furnished is ensured.

3. It would be seen that the proforma enclosed, inter alia, provides for classification of the guarantees in terms of class and sectors vide Col. 7 and 8. Class and sectors have been listed in Annexure I for guidance and ready reference. While filling the proforma the sectors to which guarantee is provided may be indicated in full. In case of the class only the legend as indicated against each class may be used. %

4. It is further requested that the information may be furnished immediately in the first instance and thereafter the information may be furnished quarterly as is the normal practice. In cases of guarantees where the data undergoes a change from the previous quarter, the same may be suitably highlighted in the forwarding letter.


 (Jayant Sinha)

Deputy Secretary(Budget)

To

All Financial Advisor and Controller Aid Accounts & Audit.

Copy to:-

1. All Director & Dy. Secretaries, Budget Division.
2. All Under Secretaries/Dy. Director, Budget Division.

GUARANTEE- CLASS

- | | | |
|-------|--|-----|
| i. | Guarantees given to the RBI, other banks and industrial and financial institutions for repayment of principal and payment of interest, cash credit facility, financing seasonal agricultural operations and/or for providing working capital to companies, corporations and cooperative societies and banks; | [A] |
| ii. | Guarantees given for repayment of share capital, payment of minimum annual dividend and repayment of bonds/loans, debentures issued/raised by the statutory corporations and financial institutions; | [B] |
| iii. | Guarantees given in pursuance of agreements entered into by the Government of India with international financial institutions, foreign lending agencies, foreign governments contractors, supplier, consultants, etc., towards repayment of principal , of interest/Commitment charges on loans, etc., and/ or for payment against supplies of material and equipment; | [C] |
| iv. | Counter-guarantees to banks in consideration of the banks Having issued letters of credit/authority to foreign suppliers for supplies made/services rendered ; | [D] |
| v. | Guarantees given to Railways/State Electricity Boards and other entities for due and punctual Payment of dues by companies/Corporation. | [E] |
| vi. | Performance guarantees given for fulfilment of contracts/ projects awarded to Indian companies in foreign countries; | [F] |
| vii. | Performance guarantees given for fulfilment of contracts/ projects awarded to foreign companies in foreign countries. | [G] |
| viii. | Any others | [H] |

GUARANTEE - SECTORS

- | | |
|------|-----------------------------|
| i. | Power |
| ii. | Cooperative |
| iii. | Irrigation |
| iv. | %Roads & Transport; |
| V. | Urban Development & Housing |
| vi. | Other Infrastructure; |
| vii. | Any other. |

F.No.F7(3)-B(D)/2003
Ministry of Finance.
(Budget Division)

New Delhi, the 26th April, 2005

OFFICE MEMORANDUM

Subject: Preparation of Asset Register, as required under the Fiscal Responsibility and Budget Management Rules, 2004

1. As the Ministries of Agriculture etc. are aware, an Asset Register is required to be maintained in prescribed format under the Fiscal Responsibility and Budget Management Rules, 2004 in order that appropriate disclosure about the position of assets may be made in the Budget 2006-07 onwards. The format of the disclosure statement is enclosed for ready reference. It is requested that necessary action may please be taken to prepare the asset register showing the status as on 31 March, 2005. The following clarifications may please be noted to facilitate this task
 - ◆ The Asset Register is required to be prepared only in respect of assets owned by the Central Government. This would by implication exclude the assets belonging to autonomous bodies and public sector undertakings even though the assets were created with the financing support provided by the central government by way of grants-in-aid.
 - ◆ The financing by way of loans and equity investment will, however, be shown as the financial assets of the Central government for which detailed accounts are being maintained by the concerned Accounts Officers.
 - ◆ The exercise to prepare the Asset Register is expected to be completed in-house, without hiring any outside professionals because the information as to be compiled based on the book value of assets that should be available in the accounts and departmental records. No assessment of current market value is required to be done. Similarly, no adjustment need necessarily be done for depreciation of assets.
 - ◆ The Departmental Estates Officers may provide the information in respect of government lands and buildings under their charge. In respect of such government lands and buildings where the Estates management is not directly, being handled by the particular Ministry/Department, the information to complete the asset register will be centrally collected from the Central Public Works Department. CPWD may send the information to concerned Ministries/Departments for cross checking and verification before finalization and intimation to us.
 - ◆ It would be desirable to have an exhaustive inventory of assets with full reconciliation of physical balances with the financial accounts as early as possible. However, pending full reconciliation, it would be helpful if initially the opening balances, say as on 1st April, 2004 or before as administrative expedient, are taken from financial records and subsequent acquisition/disposals of assets are fully accounted for both physically and financially.
2. It may be helpful to utilize this exercise as an opportunity to have a proper stock-taking of departmental assets and to keep suitable explanatory remarks on the present state of the economic life of asset, its current usage, potential for better alternative uses, disposal options so that there is improved asset management by drawing attention to optimum utilization, maintenance and accounting of assets.


(S. C. Pandey)

Officer on Special Duty (FRBM)

Tel: 2309-3457

Financial Advisers

Form D - 4
[See rule 6]

ASSET REGISTER

	Assets at the beginning of the reporting year	Assets acquired during the reporting year	Cumulative total of assets at the end of the reporting year
	Cost {Rs.cr}	Cost {Rs.cr}	Cost (Rs.cr)
Physical assets: Land Building Office Residential Roads Bridges Irrigation Projects Power projects Other capital projects Machinery & Equipment Office Equipment Vehicles Total			
	Assets at the beginning of the reporting year	Assets acquired during the reporting year	Cumulative total of assets at the end of the reporting year
	Cost {Rs.cr}	Cost {Rs.cr}	Cost (Rs.cr)
Financial assets: Equity Investment Shares Bonus shares Loans and advances Loans to State & UT Govts. Loans to Foreign Govts. Loans to companies Loans to others Other financial investments Total			

Notes:

- Assets above the threshold value of Rupees two lakh only to be recorded.
- This disclosure statement does not include assets of Cabinet Secretariat, Central Police Organizations, Ministry of Defence, Departments of Space and Atomic Energy.
- Reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.

**L.M. VAS***Joint Secretary (Budget)*

MOST IMMEDIATE
BUDGET

Ministry of Finance
Department of Economic Affairs
North Block
New Delhi - 110001

D.O.F.No.2(43)-B(CDN)/2004

January 21, 2005

Dear Shri

At present, plan grants and loans to State and Union Territory Governments provided through budget are being released under Major Heads 3601-Grants-in-aid to State Governments, 3602-Grants-in-aid to Union Territory Governments, 7601-Loans and Advances to State Governments and 7602-Loans and Advances to Union Territory Governments. In addition, plan funds are also being released under various Central and Centrally Sponsored Schemes directly by certain Ministries/Departments to the State and district-level autonomous bodies by debiting the functional heads of Account.

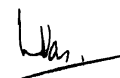
2. With a view to considering the utility and feasibility of adding another statement in Expenditure Budget Volume 1 on 'Direct transfers of Central Assistance to States/District level Autonomous Bodies', information on the quantum of such transfers was called from Ministries/Departments. The feedback received shows that such transfers are a significant component of plan expenditure in the concerned demands. Based on the feedback, it has been decided to include such a Statement in the Expenditure Budget Volume 1 for 2005-2006.

3. Accordingly, you are requested to forward a statement as per the enclosed format showing major head-wise plan allocations to be released directly to State and district level autonomous bodies in 2005-2006. The Statement may be forwarded along with the Plan SBEs 2005-2006. A 'nil' statement may also be furnished if there is no material information to provide. It may please be ensured that this statement is invariably sent along with the SBEs.

4. The receipt of this letter may kindly be acknowledged by return fax. .

With regards,

Yours Sincerely,


(L.M. Vas)

All Financial Advisers (Ministries/Departments)

Enclosure to JS(B)'s D.O. No. F. 2(43)-B(CDN)/2004 dated 21.1.2005

Name of Ministry/Department

Direct transfers of Central Assistance to States/ District level Autonomous Bodies*

(Rs. Crore)

Sl. No.	Name of Scheme	Major Head	Allocation in BE 2005-2006
Sub/Grand Total			

*These could be societies/State PSUs/corporations owned/controlled by State Governments.

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 Accounts 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 authorisation 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 the 'New Service'/ 'New Instrument of Service' angle keeping in view the financial limits indicated in the Annex.
- (iii) Where any doubt arises about the application of financial limits of 'New Service'/ 'New Instrument of Service', the PAO would seek decision from 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 Demands for Grants, failing which by adding an Annex in the Detailed Demands of the Ministry/ Department for the ensuing year.
- (iii) A suitable write-up of such cases where possible, may also be made in the Notes on Demands for Grants of the Ministry/Department.
- (iv) Mere depiction of augmented provisions in the Revised Estimates included in the Demands for Grants will not be adequate to meet the requirement to incur expenditure. In cases where the financial limits of 'New Service'/ 'New Instrument of Service' are attracted, approval of Parliament may be obtained for incurring such expenditure through supplementary demands for grants.
- (v) The provisions in the 'Vote on Account' are not intended to be used for expenditure on any 'New Service'. In cases of urgency, expenditure on a 'New Service' during Vote on Account period can, therefore, be incurred only by obtaining an advance from the Contingency Fund 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 views 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.


(Dakshita Das)
Director (Budget)

To,

1. All Ministries/Departments of the Government of India.
2. Financial Commissioner (Railways), Financial Adviser (DS), Member Finance (Telecom) and all other Financial Advisers.
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 Controllers 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.


(Dakshita Das)
Director (Budget)

Annex to Ministry of Finance P.M. No. F.1(23)-B(ACV2005 dated 25.05.2006**Financial 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 reappropriation 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) Upto 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, which ever is less.
C. All bodies or authorities within the administrative control/management of Central Government or substantially financed by the Central Government.		
Loans	Upto 10% of the appropriation 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
Note: Where a lumpsum provision is made for providing 'Loans' 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 loans to States, the State-wise distribution should be reported to Parliament.		

Nature of transaction	Limits upto which expenditure can be met by reappropriation 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
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 any body 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	Upto 10% of the appropriation 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 apply	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.
<i>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.</i>		
<i>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.</i>		

**MOST IMMEDIATE
BUDGET**

No.F.I(5)-B(AC)/2005
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi.
12th October. 2006.

OFFICE MEMORANDUM

Subject: Decentralization of budget provisions in respect of 'works expenditure' from the Demands for Grants of Ministry of Urban Development and reflecting them in the respective Demands for Grants of the Ministries/ Departments concerned.

Reference paragraph 3.1 6 of this Ministry's Budget Circular for 2007-2008 issued under letter No.F.2(9)-B(D)/2006 dated 21.9.2006 regarding allocation of funds towards 'works expenditure' hitherto provided for centrally in the Demands for Grants of Ministry of Urban Development,

2. The issue regarding shifting of the budget provision towards 'works expenditure' from the Demands for Grants of Ministry of Urban Development to that of various Ministries/Departments concerned has been under examination of this Ministry in consultation with Ministry of Urban Development, CPWD, Controller General of Accounts, Planning Commission and concerned individual Ministries.

3. After due consultation, it has been decided to reflect the budget provision on 'works expenditure' (capital provision towards construction of office/residential/non-residential building), hitherto provided for centrally in the Demands for Grants of Ministry of Urban Development, in the respective Demands for Grants of the following Ministries/Departments, who have formally concurred with the same, with effect from BE 2007-2008, and applicable to the budget provisions made under both Plan as well as Non Plan. The execution of capital works will continue to be carried out by Central Public Works Department.

- (i) Department of Economic Affairs
- (ii) Ministry of Science and Technology
- (iii) Department of Telecommunications
- (iv) Ministry of Health and Family Welfare
- (v) Ministry of Power
- (vi) Ministry of Petroleum and Natural Gas

4. As far as revenue expenditure towards 'maintenance, repairs and minor works' of the Government building is concerned, the budget provisions will continue to remain in the Demands for Grants of Ministry of Urban Development. The budget provisions towards 'works expenditure' (capital expenditure) of other Ministries/Departments, who have not formally intimated their concurrence with the new arrangement, to this Ministry, will continue to be reflected in the Demands for

Grants of Ministry of Urban Development.

(from pre-page)

5. Controller General of Accounts, Ministry of Finance, Department of Expenditure will issue necessary accounting mechanism to be followed by those Ministries and Departments listed in para 3 above, keeping in mind the revised arrangement.

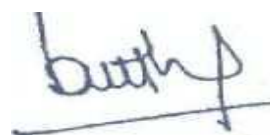
6. The Ministries/Departments listed in para 3 above are requested to take necessary action for reflecting 'works expenditure' (capital provision towards construction under Plan and Non Plan) in their Statement of Budget Estimates for the BE 2007-2008 and are also advised to put in place, well in advance, the required systems and procedures in consultation with the Office of Director General (Works), Central Public Works Department/Chief Controller of Accounts, Ministry of Urban Development, in order to ensure smooth implementation of the new arrangement with effect from 1.4.2007.

7. This issues with the approval of Finance Secretary.



(Dakshita Das)
Director (Budget)

- (a) The Controller General of Accounts, Ministry of Finance, Department of Expenditure, Lok Nayak Bhawan, Khan Market, New Delhi - 110003 with reference to D.O. letter No.18(3)/2004/TA/659 dated 30.9.2005. It is requested that necessary accounting instructions for the new arrangement may be issued to these Ministries.
- (b) FAs of Ministries/Departments mentioned at para 3 above.
- (c) JS & FA, Ministry of Urban Development, Nirman Bhawan, New Delhi.
- (d) Shri U.S.Pant, Chief Controller of Accounts, Ministry of Urban Development, Nirman Bhawan, New Delhi with reference to his D.O. letter No.G.20017/6/2004-BI. dated 24.8.2006.
- (e) The Director General (Works), Central Public Works Department with reference to letter dated 30th August, 2006.
- (f) Shri Harish Chandra, Director(HUD), Planning Commission, HUD Division, Yojana Bhawan, Sansad Marg, New Delhi,
- (g) Director(AP)/Director(DD)/OSD(FRBM)/OSD(Budget)/ABO
- (h) All USs/DDs/SOs/SAOs of Budget Division.



Under Secretary (Budget)

Annex - Q
IMMEDIATE
Budget Matter

O.M.No.F.4(5)-W&M/2011
 Government of India
 Ministry of Finance
 Department of Economic Affairs
 (Budget Division)

North Block, New Delhi,
 Dated the May 2, 2011.

OFFICE MEMORANDUM

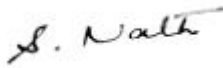
Subject: Steps for Fiscal and Expenditure Management in 2011-12.

In order to adhere to the fiscal targets in Budget 2011-12 and for better expenditure management the following measures may kindly be taken,

- a) All Ministries/Departments are advised to adhere strictly to the budgeted estimates in 2011-12;
- b) New expenditure proposals, if at all essential, should be proposed only through identified Savings within the Ministries/Departments allocations in BE 2011-12;
- c) No proposal for cash supplementary be forwarded to this Ministry during the current financial year, except in absolutely unavoidable cases or those proposals which relate to the Budget announcements in 2011-12. Even in such cases, the effort should be to identify matching savings within the Ministry/ Department.
- d) Considering that the 12th Five Year Plan will commence from the financial year 2012-13, all new programmes/ schemes on the Plan side may be deferred to the next financial year, In the above scenario, proposals for funding of new schemes both under Plan and Non-Plan, will not be entertained during the current financial year;
- e) The Non-tax receipt estimates projected for the Ministries/Departments in BE 2011-12 viz. departmental receipts, dividends from PSUs etc. should be closely monitored to avoid any shortfall;
- f) All Ministries/ Departments should strictly adhere to the Monthly Expenditure Plan as well as Quarterly/ March, expenditure ceilings so as to avoid bunching of expenditure/cash out flows in the last quarter./last month of the year.
- g) Unspent balances of the previous financial year need, to be reviewed and adjusted against the current year's Budget allocation by all the Ministries /Departments.

2. All Ministries/ Departments are requested to plan for the expenditure in the financial year 2011-12 keeping in view the above, instructions,

3. This is issued with the approval of the Finance Minister.


 (Sushma Nath)
 Finance Secretary

To
 All Secretaries to the Government of India (By Name)
 All Financial Advisers

Annex - R
Budget Matter

O.M.No.F.4(5)-W&M/2011
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block, New Delhi-110001

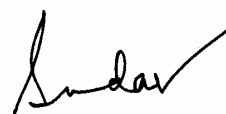
Dated the July7, 2011.

OFFICE MEMORANDUM

Subject; Steps for Fiscal and Expenditure Management in 2011-12.

In continuation of this Ministry's O.M. of even number dated May 2, 2011 regarding taking various steps in order to adhere to the fiscal targets set out in Budget 2011-12 and for better expenditure management, it is once again reiterated that all required measures should be undertaken so that the estimated receipt targets in BE 2011-12 are achieved. The Non-tax receipt estimates projected for the Ministries /Departments in BE 2011-12 viz., departmental receipts, dividends from PSUs etc. should be closely monitored to avoid any shortfall. All Ministries/Departments need to achieve targeted non-tax revenue collection and avoid new proposals for expenditure.

2. This has the approval of the Finance Minister.



(Shaktikanta Das)
Additional Secretary (Budget)

To
All Financial Advisers

Copy to Joint Secretary (Per), Department of Expenditure, New Delhi-110001

**F.7 (3)-B (SD) 2010
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
(BUDGET DIVISION)**

New Delhi, dated the 11th July, 2011

OFFICE MEMORANDUM

SUBJECT: Control of expenditure against the sanctioned grant/appropriation - Observations of the Public Accounts Committee.

The Public Accounts Committee in their 22nd Report (15th Lok Sabha) relating to 'Excess Expenditure over the Voted Grants and Charged Appropriation (2008-2009)' have taken a serious view of expenditure incurred in excess of the provisions authorised by the Parliament. It has been observed therein that the percentage of excess expenditure over the Total Grant ranged from 0.0007 per cent (Defence-Pension) to 76.96 per cent (Railways Appropriation No. 16 -Assets-Acquisition, Construction and Replacement - Capital). In six cases, the percentage was more than 5 per cent over the Original Grant. The Committee has expressed their displeasure over incurring such huge amount of excess expenditure over the Total/Original Grants, which is a clear indication of poor budgeting on the part of Ministries concerned. Further, the committee feels that incurring excess expenditure of more than 5 per cent of the Total Grant despite obtaining Supplementary Grant/Appropriation is a pointer towards the total failure of the Ministries concerned in anticipating the funds required for which special efforts are needed in future to avoid recurrence of such instances. It has also been recommended that in future the concerned Ministries should ensure that under no circumstances the excess over Final Grants should exceed more than 5 per cent.

2. Ministry of Finance has been issuing instructions in the past emphasising the need of control of expenditure with reference to the sanctioned Grant/Appropriation. Keeping in view the observations of the Public Accounts Committee and the extant rules/instructions, it is once again emphasised that strict watch should be kept over the flow of expenditure against the sanctioned grant by regular monitoring as provided in Rules 54, 58, 59, 60 and 61, Chapter 3 of General Financial Rules, 2005 so that the expenditure does not exceed the amounts authorised by the Parliament.

Continued next page

Page No.2 of OM No. F.7(3)-B(SD)/2010 dated 11th July, 2011

3. All the Ministries/Departments may consider taking necessary measures with a view to minimize/eliminate the incidence of excess expenditure by having in place judicious management of budgetary provisions and also ensure that expenditure is within the original/supplementary appropriation or valid re-appropriation as the case may be. Some of the steps suggested are:-

- (a) Preparation and circulation of Monthly Financial Review Analysis to the Administrative Heads for monitoring the progress of expenditure, and also to enable them to take remedial action wherever required;
- (b) Convening regular internal meetings with all spending units for effecting expenditure control;
- (c) Ensuring realistic projection of Budget Estimates/Supplementary Estimates and also ensuring that expenditure incurred is within the Budget as envisaged in General financial Rules, 2005 so that there is no occasion for incurring excess expenditure;
- (d) Putting in place/reviewing/strengthening systems for monthly monitoring of the flow/trends of expenditure so as to avoid recurrence of excess expenditure.

4. The above instructions if implemented are expected to achieve the desired result of curtailing the incidence of excess expenditures.

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



(Shaktikanta Das)
Additional Secretary (Budget)

To

To All Financial Advisers

Ministries/ Departments

(as per standard mailing list)

**No. 7(1)/E.Coord/2011
Ministry of Finance
Department of Expenditure**

* * * * *

New Delhi, the 11th July, 2011.

OFFICE MEMORANDUM

Subject: Expenditure Management - Economy Measures and Rationalisation of Expenditure.

1. Background

Instructions on expenditure management have been issued from time to time, by the Ministry of Finance, Department of Expenditure with a view to ensure availability of adequate resources for meeting the objective's of critical development and priority schemes. These measures are intended at promoting fiscal discipline without restricting the operational efficiency of the Government.

2. Economy Measures

In view of the commitment of the Government to carry on the process of fiscal consolidation vigorously and to meet the fiscal and revenue deficit targets announced in the Budget 2011-12, there is need for economy and rationalisation of expenditure. In this context, the Budget Division Department of Economic Affairs has, vide Office Memorandum No. 4(5)-W&M/2011 dated May 2, 2011 issued instructions on the steps to be taken for fiscal and expenditure management in 2011-12. In continuation of those instructions, the following measures for fiscal prudence and economy will come into force with immediate effect :-

2.1 Seminars and Conferences

- (i) Utmost economy shall be observed in organizing conferences/Seminars/workshop. The prescribed expenditures ceilings for holding seminars, conferences, workshops etc. should be enforced and only such conferences, workshops, seminars, etc. which are absolutely essential should be held. A 10% cut on budgetary allocations for seminars/conferences shall be effected.

- (ii) Holding of exhibitions/seminars/conferences abroad is strongly discouraged except in the case of exhibitions for trade promotion.
- (iii) There will be a ban on holding of meetings and conferences at five star hotels.

2.2 Purchase of vehicles

- (i) Except for the operational requirements of Defence Forces, Central Paramilitary Forces and security related organisations, purchase of vehicles, including those against condemnation of the existing vehicles, will not be permitted.

2.3 Foreign Travel

- (i) It would be the responsibility of the Secretary of each Ministry/ Department to ensure that foreign travel is restricted to most necessary and unavoidable official engagements based on functional necessity and extant instructions are strictly followed.
- (ii) Ministries/Departments shall lay down quarterly ceilings based on the annual budget under foreign travel expenses which they may not exceed during the quarter in question. This will enable the Ministries/ Departments to prioritise and phase their expenditure during the whole year.
- (iii) Where travel is unavoidable, it will be ensured that officers of the appropriate level dealing with the subject are sponsored instead of those at higher levels. The size of delegation and the duration of visit will be kept to the absolute minimum.
- (iv) Proposals for participation in study tours, workshops/ conferences/seminars/presentation of papers abroad at Government cost will not be entertained except those that are fully funded by sponsoring agencies.

2.4 Creation of posts

There will be a total ban on creation of Plan and Non-Plan posts, except for new organisations which are set up during the course of the current year based on already approved schemes.

2.5 Consultancy Assignments

As per the extant nstructions, consultancy assignments are to be awarded based on the provisions of the GFRs. In this context, the provisions of GFRs may be strictly followed and consultancy assignments may be awarded only for specific jobs which are well defined in terms of content and timeframe for their completion. Engagement of consultants may be resorted to only in situatiops requiring high quality services for which the concerned Ministry/Department does not have requisite expertise.

All Ministries/Departments may carry out a review of the Consultants appointed by that Ministry/ Department in the light of the provisions of the GFRs, and reduce the number of Consultants to the minimum requirement. Where individual Consultants are appointed by nomination, due economy may be observed while determining their fee and such fees may not be disproportionate to the work to be carried out by the Consultant.

3. **Observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level**

- 3.1 No amount shall be released to any entity (including State Governments), which has defaulted in furnishing Utilisation Certifications for, grants-in-aid released by the Central Government without prior approval of the Ministry of Finance.
- 3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditionalities attached to such transfers (such as matching funding).
- 3.3 The State Governments are required to furnish monthly returns of Plan expenditure — Central, Centrally Sponsored or State Plan - to respective Ministries/Departments along with a report on amounts outstanding in their Public Account in respect of Central and Centrally Sponsored Schemes. This requirement may be scrupulously enforced.
- 3.4 The following specific steps may be adoptd :
 - (a) The unspent balances available with the States and implementing agencies must be taken into account before further releases are made.
 - (b) The sanction for payment must clearly specify either that the payee has no utilization

certifications as 'due for rendition' under the Rules under the scheme in question or that the payment has been authorised by Department of Expenditure.

(c) For any deviation from the above, the case should be referred to the Department of Expenditure.

(d) The Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. Balanced Pace of Expenditure

4.1 Rush of expenditure towards the end of the financial year continues to be an area of concern. As per extant instructions, not more than one-third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Besides, the stipulation that during the month of March the expenditure should be limited to 15% of the Budget Estimates, is reiterated. Ministries/Departments which are covered by the Monthly Expenditure Plan (MEP) may ensure that the MEP is followed strictly.

4.2 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:

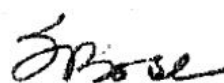
(i) Advance payments to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.

(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 of the following year for information.

5 Compliance

Secretaries of the Ministries/Departments being the Chief Accounting Authorities as per Rule 64 of GFR shall be fully charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisers shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-Charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines.



(Sumit Bose)

Secretary (Expenditure)

All Secretaries to the Government of India

Copy to :

1. Cabinet Secretary
2. Principal Secretary to the Prime Minister
3. Secretary, Planning Commission
4. All Financial Advisers

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