

No.1(9)/E.II(A)/07
Government of India
Ministry of Finance
Department of Expenditure
E.II(A) Branch

New Delhi, the 28th January, 2008.

OFFICE MEMORANDUM

Subject: Enhancement in the Financial Powers of Ministries/ Departments with regard to expenditure on Non-Plan Schemes/ Projects.

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The undersigned is directed to refer to this Ministry's O.M. No. 1(11)/E.II(A)/03 dated 02.09.2003, under which revised guidelines/ financial limits for appraisal and approval for expenditure on Non-Plan Schemes/ Projects were prescribed. After careful consideration, it has now been decided to further enhance/ revise the power of Ministries/ Departments for sanctioning expenditure on Non-Plan Schemes/ Projects from existing Rs. 15 crore to Rs. 25 crore and to streamline the procedure thereof. The Government of India Decision below Rule 18 of the Delegation of Financial Powers Rules, 1978 has been substituted accordingly as per the amendment enclosed.

2. Hindi version of the Office Memorandum will follow.



(Meena Agarwal)

Joint Secretary to the Govt. of India.

To

- (i) All Ministries/ Departments of Government of India
(ii) All FAs

AMENDMENT TO THE DELEGATION OF FINANCIAL POWERS RULES, 1978

RULE 18 GOVERNMENT OF INDIA DECISION NO. 4(B)

Substitute the following for the Government of India's decision 4(B) below Rule 18 of the Delegation of Financial Powers Rules, 1978-

4(B) Sanction of Non-Plan Expenditure -

A Committee on Non-Plan expenditure (CNE) has been constituted with Secretary, Department of Expenditure as Chairman and the following members:

- (i) Secretary, Planning Commission.
- (ii) Secretary of the Department concerned.

CNE will serve as an appraisal forum and the following types of cases shall require submission to the Committee on Non-Plan Expenditure:-

- (i) All Non-Plan proposals involving expenditure of over Rs. 25 crore recurring or non-recurring, on a new service or for expansion of existing services.
- (ii) Any other Non-Plan proposal which a Department may like to be considered in the CNE.

No item of Non-Plan expenditure will be referred to the EFC/PIB. Procedure for submission of cases to the CNE will be the same as for submission of proposals to EFC and PIB. The Integrated Finance of the concerned Department shall function as the Secretariat for the CNE.

A Department of the Central Government with Integrated Finance Scheme, may exercise power to sanction Non-Plan expenditure on schemes in the manner mentioned below subject to the condition that (i) No Non-Plan post will be created and (ii) No autonomous institution will be set up. The powers will continue to be governed by procedural and other instructions issued by Government from time to time, e.g. General Economy Instructions.

Financial limits of Non-Plan Scheme*	Appraisal Forum	Competent Authority to approve the scheme.
(a) Up to Rs. 10 crore	Ministry/ Department concerned in the normal course.	Secretary of Administrative Ministry.
(b) Beyond Rs. 10 crore up to Rs. 25 crore	Standing Finance Committee of the Department concerned under the chairmanship of Secretary with Financial Advisor and JS/ Director of the concerned Division as members with provision for inviting representative from any other Department that the Secretary /FA may suggest.	Minister-in-charge of Ministry/ Department
(c) Beyond Rs. 25 crore but less than Rs. 75 crore	CNE	Minister-in-charge of Ministry/ Department

(d) Rs. 75 crore and above but less than Rs. 150 crore	CNE	Minister-in-charge of Ministry/Department and the Minister of Finance.
(e) Rs. 150 crore and above	CNE	Cabinet/CCEA
(f) Proposals for new autonomous organizations irrespective of outlay	CNE	Cabinet/CCEA

*The financial limits specified are for the composite project and under no circumstances, shall a proposal be split (e.g. land acquisition for project site and construction activities thereon) so as to avoid appraisal/approval by the Competent Authority. Therefore, Ministries/Departments are advised not to incur any expenditure on account of investment in land and building unless schemes/projects are appraised/ approved by the Competent Authority.

Ministry of Finance (DOE) O.M. No. F. 1(17)-E.II(A)/86 dated 30.7.87, O.M. No. F.1(15)-E.II(A)/88 dated 16.3.89, O.M. No. 1(11)/E.II(A)/03 dated 2.9.2003 & O.M. No. 1(9)/E.II(A)/07 dated 28.1.2008.