

**No. 01(01)/PFC-II/2022**  
**Government of India**  
**Ministry of Finance**  
**Department of Expenditure**  
**Public Finance Central-II Division**  
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**North Block, New Delhi**  
**Dated the October, 2022**

**Office Memorandum**

**Subject: Appraisal and Approval of Public Funded Scheme and Projects (except matters required to be placed before the Cabinet Committee on Security – In principle – reg.**

Kind attention is drawn to Department of Expenditure's O.M. No.24(25)/PFC-II/2012 dated 05.08.2016 detailing guidelines on appraisal and approval of public-funded schemes and projects. Vide the above referred O.M. Ministries/Departments were advised against operating small and multiple schemes which spread resources too thinly to realize any outcomes. Similarly, as regards projects, the conceptualization of a project through stakeholder consultations leading to preparation of a Concept Paper considering the feasibility of the project on techno-economic ground and the availability of finances were emphasized. These are captured in Annex.1 to the ibid O.M. wherein it was also clearly stated that no new scheme/sub-scheme or a project must be initiated without the prior "in principle" approval of Department of Expenditure (DoE) except those announced as part of the Budget Speech. In continuation of the ibid O.M., DoE had reiterated the position vide its O.M. No.66(13)/PFC-II/2020 dated 09.09.2022 (copy enclosed).

2. For proper expenditure control and budgetary discipline, it is not only important that a scheme/sub-scheme or a project should be initiated only after obtaining prior "in principle" approval of the DoE but also that the accumulative fiscal impact of all such proposals cleared by the SFC/DIB is available with DoE and Budget Division of Department of Economic Affairs.

3. In view of the above, the undersigned is directed to state that while sending proposals for in-principle approval of DoE for initiating any new scheme/sub-scheme or projects a list of schemes & projects approved by the concerned Ministry/Department, as per the delegation of financial powers, in the last two years as well as current FY (base taken as date on which the proposal is sent to DoE) having outlay below Rs.500 crore is to be enclosed (as per the format attached) along with the Concept Note of the scheme/projects.

4. This issues with the approval of the Finance Secretary and Secretary (Expenditure)

**Encl: as above.**

*Hema Jaiswal*  
*21/10/2022*  
**(Hema Jaiswal)**  
**Director (PFC-II)**  
**Tele.No.23092578**

To

1. All Secretaries to the Government of India.
2. All Financial Advisers to the Ministries/Departments of Govt. of India.
3. JS (Budget), Department of Economic Affairs, North Block, New Delhi



No.66(13)/PFC-II/2020  
Government of India  
Ministry of Finance  
Department of Expenditure  
Public Finance Central-II  
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North Block, New Delhi  
9<sup>th</sup> September, 2022

**OFFICE MEMORANDUM**

**Subject: Appraisal and approval of Public Funded Scheme and Projects (except matters required to be placed before the Cabinet Committee on Security) - In principle - regarding.**

Kind reference is invited to this Department's OM No. 24(35)/PF-II/2012 dated 05.08.2016 vide which detailed guidelines for formulation, appraisal and approval of public funded scheme and projects, except matters required to be placed before the Cabinet Committee on Security were issued to all the Ministries/Departments of Government of India.

2. In the para 4(i) of the ibid OM it has been clearly stated that "no new Scheme or sub-scheme will be initiated without prior 'in-principle' approval of the DoE. This will, however, not apply to the announcements made in the Budget Speech for any given year". However, it has been lately observed that certain Ministries/Departments have appraised/initiated schemes without obtaining prior 'in-principle' approval of DoE. As a result, this Department does not have the relevant information about such schemes run by the Ministries/Departments and cumulative impact of all such proposals cleared by SFC is known to this Ministry only at the RE stage.

3. It is therefore reiterated that Para 4(i) of DoE's OM dated 05.08.2016 may be strictly adhered to while initiating any new scheme/sub-scheme. This Ministry may, in such cases, reduce/stop budgetary support.

4. This issues with the approval of Finance Secretary & Secretary (Expenditure).

*H. Jaiswal*  
09/09/2022

(Hema Jaiswal)  
Director, Policy & PFC-II

To,

1. All Secretaries to the Government of India
2. All Financial Advisers to Ministries/Departments of India with a request to ensure that financial outlays for schemes/sub-schemes which have not followed the extant procedure may be stopped and intimation to DoE/Budget Division (DEA) be sent.
3. JS (Budget), D/o Economic Affairs, North Block, New Delhi