

MOST IMMEDIATE
BUDGET MATTER

File No. 10/59/2014- Bgt-I
Government of India / Bharat Sarkar
Ministry of Home Affairs/ Grih Mantralaya

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North Block, New Delhi
Dated: November 02, 2014

05 NOV 2014

OFFICE MEMORANDUM

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

The undersigned is directed to forward herewith Ministry of Finance, Department of Expenditure Office Memorandum No.7(1)/E.Coord./2014 dated 29th October, 2014 on the subject cited above for information and necessary action.


03/11/2014

(A.K. Bawalia)

Under Secretary to the Govt. of India
Tele:2309-4237

Encl: As above

To,

1. All Joint Secretaries in the Ministry of Home Affairs / Department of J&K Affairs / Department of Official Language / RGI
2. All Director General / Financial Advisors of CAPFs
3. All Directors of CPOs
4. The Commissioner of Police, Delhi Police, I.P. Estate, New Delhi.
5. All Financial Secretaries of the Union Territories

Copy to:

As per standard list attached.

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1. The Under Secretary (Cash-II), Ministry of Home Affairs, New Delhi
2. Section Officer, **Parliamentary Committee on Official Language**, 11, Teen Murti Lane, New Delhi.
3. Shri Om Prakash, Fire adviser & Head of Office, **Directorate General of Civil Defence**, East Block VIII, Level VII, R.K. Puram (Main), New Delhi-66.
4. Shri A.K. Samal, Joint Director (Budget), O/O the **Registrar General of India**, 2/A, Man Singh Road, New Delhi.
5. Shri G.S. Saini, Director, **National Civil Defence College**, Ministry of Home Affairs, Nagpur-440001.
6. Shri L.R.Gupta, Dy. Secretary, **Inter-State Council Sectt.** Vigyan Bhavan, Annexe, New Delhi.
7. Shri Shamim, Director, **National Fire Service College**, Ministry of Home Affairs, Nagpur.
8. Section Officer, **Deptt. of Official Language**, NDCC Building, Jai Singh Road, New Delhi.
9. Shri Sudhir Chopra, Senior Accounts Officer, **National Human Rights Commission**, Manav Adhikhar Bhawan, INA, New Delhi.
10. Shri Sudershan Kumar, Deputy Secretary, **Zonal Council Sectt**, Jam Nagar House, New Delhi.
11. Shri Krishna Saluja, Section Officer (IIA Unit), **President's Sectt.** New Delhi.
12. Ms. R. Mythili, Under Secretary, **Prime Minister's Office**, South Block, New Delhi.
13. Shri Rahul Dua, Jt. Secretary (Security), **Cabinet Sectt.** North Block, New Delhi.
14. Shri K.J. Sibichan, Under Secretary (Ad.-I) **Cabinet Secretariat**, Rashtrapati Bhawan, New Delhi.
15. Shri Yashpal, Under Secretary, O/o **Principal Scientific Adviser** to the Govt. of India, 310-A, Vigyan Bhavan Annexe, New Delhi.
16. Shri R.K Jain, Under Secretary, **National Security Council Sectt**, 3rd Floor, Sardar Patel Bhawan, Parlt. Street, New Delhi. 110001
17. Shri Y.S. Sehrawat, Chairman, **Land Port Authority of India**, Lok Nayak Bhawan, New Delhi
18. Shri Gopesh Aggarwal, Deputy Director (Admn), **Sardar Vallabhbhai Patel National Police Academy**, Ministry of Home Affairs, Hyderabad-500052
19. Shri Anil Kumar, Joint Director, **North Eastern Police Academy (NEPA)**, Umsaw, Ri-Bhoi District, Shillong, Meghalaya.-793123
20. Shri N.N.D. Dubey, AIG (Admn.), **National Investigation Agency**, NDCC-II Building, New Delhi
21. Shri R.P. Wahane, Jt. Dy. Director (Budget), **Intelligence Bureau**, S P Marg, New Delhi.
22. Shri A.K. Jaiswal, Deputy Director General, **Narcotics Control Bureau**, West Block No.1, Wing No. 5, R.K. Puram, New Delhi.
23. Shri N.K. Singh, Assistant Director, **National Crime Records Bureau**, East Block No.7, R.K. Puram, New Delhi-110066.
24. Shri Venukumar K.M., Jt. Director (Admn.), **Directorate of Co-ordination, Police Wireless**, Block No.9, CGO Complex, New Delhi

25. Dr. Dhani Ram, Assistant Director, (Admn.), BPR&D, CGO Complex, New Delhi
26. Smt. Soma Burman Roy, IFA, **National Intelligence Grid**, Vijaya Bank Building, New Delhi-110001.
27. Dr. A.C. Rajvanshi, Dy. Director, **LNJP National Institute of Criminology & Forensic Science**, Ministry of Home Affairs, Sector-3, Outer Ring Road, Rohini, Delhi-110085.
28. Dr R.M. Tripathi, Senior Scientific Officer (FS) **Central Forensic Science Laboratory**, Block No. 4, 4th Floor, C.G. O Complex, Lodhi Road, New Delhi.
29. Dr. R M Tripathi, Senior Scientific Officer (FS), **Directorate of Forensic Science, Block No. 4, 4th Floor, C.G. O Complex, Lodhi Road, New Delhi.**
30. The Director, **Central Forensic Science Laboratory (CBI)**, Block No.4, 4th Floor, C.G.O. Complex, Lodhi Road, New Delhi.
31. Shri Bhagwan Singh, Assistant Commandant, Directorate General **Central Reserve Police Force**, Block No.1 CGO Complex, Lodhi Road, New Delhi-3.
32. Shri Sasheendran K, Deputy Commandant, SAO (Fin), Directorate General **Assam Rifles**, Shillong, Meghalaya. (C/o Liaison Office, New Delhi).
33. Shri T.S. Muthu, Asstt. Commandant, **Border Security Force**, Block No.1, CGO Complex, Lodhi Road, New Delhi.
34. Shri Rajpal Singh Malik, Accounts Officer, **Indo-Tibetan Border Police**, Block No. II, CGO Complex, Lodhi Road, New Delhi.
35. Shri G.S.Parmar, Asstt. Financial Adviser, **National Security Guard**, Mehram Nagar, Nr. Domestic Airport, Palam, New Delhi 110037.
36. Shri J. C. Garkoti, Asstt. Director (Accounts), **Central Industrial Security Force**, 13, CGO Complex, Lodhi Road, New Delhi.
37. Shri P. Stobdan, D.I.G (Prov), **Sashastra Seema Bal**, Block No. V (East), R.K. Puram, New Delhi-110066.
38. IFA, **Delhi Police**, Police Head Quarter, New Delhi.
39. Mr. N. K. Mehta, AIG(A/Cs), **Special Protection Group**, SPG Complex, Adm. Block, Sector VIII, Dwaraka, Delhi.
40. Ms. Dipti M Chawla, Director (Finance), **National Technical Research Organisation**, Block-III, Old JNU Campus, New Delhi -16.
41. Financial Advisor, **National Disaster Management Authority**, A-I Safdarjung Enclave, New Delhi-110029.
42. Shri J.K.S.Rawat, DIG, **National Disaster Response Fund**, East Block No. 7, Level 7, R.K. Puram, New Delhi.
43. Shri Rajender Singh, Sr. Accounts Officer, **Pay & Accounts Office, Departmental Accounting Organisation of MHA**, Room No. 217, MHA, New Delhi.
44. Shri Robin Jain, Sr. Accounts Officer, O/o Pr. Accounts Officer, MHA, C-I Hutments, New Delhi
45. Sr. Accounts Office (P&M), MHA, Jam Nagar House, New Delhi
46. Shri Rakesh Jain, Sr. Accounts Officer (Pr), Ministry of Personnel, Pension and PG, Lok Nayak Bhawan, Khan Market, New Delhi-03

Copy also forwarded for information to:

- i) PS. to AS & FA (Home).
- ii) PS to CCA (Home).
- iii) Dir (Fin-Home)/Dir.(Fin-Pers) / CA(A)
- iv) PA to US(Budget)/US(Plan-Fin) / US (Budget-II)
- v) Consultant (Budget) / SO (GB Cell)
- vi) SO(IT)- with the request to upload the OM & encl. on MHA Website (under What's New)

Spare Copies- 10

M. Vasudevan
03/11/2014

(M. Vasudevan)
Section Officer (Budget)
Tele:2309-2048

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No. 7(1)/E.Coord./2014
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, 29th North Block,
October, 2014

OFFICE MEMORANDUM

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

Ministry of Finance, Department of Expenditure has been issuing austerity instructions from time to time with a view to containing non-developmental expenditure and releasing of additional resources for priority schemes. The last set of instructions was issued on 18th September 2013 after passing of the Union Budget. Such measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government. In the context of the current fiscal situation, there is a need to continue to rationalise expenditure and optimize available resources. With this objective, the following measures for fiscal prudence and economy will come into immediate effect:-

2.1 Cut in Non-Plan expenditure:

For the year 2014-15, every Ministry / Department shall effect a mandatory 10% cut in non-Plan expenditure excluding interest payment, repayment of debt, Defence capital, salaries, pension and Finance Commission grants to the States. No re-appropriation of funds to augment the Non-Plan heads of expenditure on which cuts have been imposed shall be allowed during the current fiscal year.

2.2 **Seminars and Conferences:**

- (i) Utmost economy shall be observed in organizing conferences/ Seminars/workshops. Only such conferences, workshops, seminars, etc. which are absolutely essential, should be held wherein also a 10% cut on budgetary allocations (whether Plan or Non-Plan) shall be effected.
- (ii) Holding of exhibitions/fairs/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 except in case of bilateral/multilateral official engagements to be held at the level of Minister-in-Charge or Administrative Secretary, with foreign Governments or international bodies of which India is a Member. The Administrative Secretaries are advised to exercise utmost discretion in holding such meetings in 5-Star hotels keeping in mind the need to observe utmost economy in expenditure.

2.3 **Purchase of vehicles:**

Purchase of new vehicles to meet the operational requirement of Defence Forces, Central Paramilitary Forces & security related organizations are permitted. Ban on purchase of other vehicles (including staff cars) will continue except against condemnation.

2.4 Domestic and International Travel:

- (i) Travel expenditure {both Domestic Travel Expenses (DTE) and Foreign Travel Expenses(FTE)} should be regulated so as to ensure that each Ministry remains within the allocated budget for the same after taking into account the mandatory 10% cut under DTE/FTE (Plan as well as Non-Plan). Re-appropriation/ augmentation proposals on this account would not be approved.
- (ii) While officers are entitled to various classes of air travel depending on seniority, utmost economy would need to be observed while exercising the choice keeping the limitations of budget in mind. However, **there would be no bookings in First Class."**
- (iii) Facility of Video Conferencing may be used effectively. All extant instructions on foreign travel may be scrupulously followed.
- (iv) In all cases of air travel the lowest air fare tickets available for entitled class are to be purchased/ procured. No companion free ticket on domestic/ international travel is to be availed of.

2.5 Creation of Posts

- (i) There will be a ban on creation of Plan and Non-Plan posts.
- (ii) Posts that have remained vacant for more than a year are not to be revived except under very rare and unavoidable circumstances and after seeking clearance of Department of Expenditure.

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

3.1 Release of Grant-in-aid shall be strictly as per provisions contained in GFRs and in Department of Expenditure's OM No.7(1)/E.Coord/2012 dated 14.11.2012.

3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditions 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 Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. **Balanced Pace of Expenditure:**

4.1 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. It may be emphasized here that the restriction of 33% and 15% expenditure ceiling is to be enforced both scheme-wise as well as for the Demands for Grant as a whole, subject to RE ceilings. 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 Advisor. 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.

4.3 Rush of expenditure on procurement should be avoided during the last quarter of the fiscal year and in particular the last month of the year so as to ensure that all procedures are complied with and there is no infructuous or wasteful expenditure. FAs are advised to specially monitor this aspect during their reviews.

5. No fresh financial commitments should be made on items which are not provided for in the budget approved by the Parliament.

6. These instructions would also be applicable to autonomous bodies funded by Government of India.

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7. **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 Advisors 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.

Ratan P. Watal
(Ratan P. Watal)
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 the Financial Advisors