

**No.1(11)/E.II(A)/03
Government of India
Ministry of Finance
Department of Expenditure
E.II(A) Branch**

New Delhi, the 2nd September, 2003

OFFICE MEMORANDUM

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

The undersigned is directed to refer to this Ministry's O.M. No.1(17)E.II(A)/86 dated 30.7.87 and No.1(15)/E.II(A)/88 dated 16.3.89 regarding delegation of Financial Powers to Ministries/Departments and to say that the Government had constituted a Core Group on Administrative Reforms under the chairmanship of Cabinet Secretary with the objective of expediting decision making and enforcing greater accountability in the line Ministries and Departments. Based on the recommendations of the Core Group, it has been decided to further enhance/revise the power of Ministries/Departments for sanctioning expenditure on Non-plan Schemes/Projects from existing Rs.5 crore to Rs.15 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 is enclosed.

D. Swarup
~~(D. Swarup)~~

Additional Secretary to the Government of India.

To

- (i) All Ministries/Departments of Government of India**
- (ii) All Financial Advisers**

Copy forwarded to:-

- (i) Additional Secretary, Cabinet Secretariat**
- (ii) Controller General of Accounts, Lok Nayak Bhawan, New Delhi.**
- (iii) Comptroller & Auditor General of India, New Delhi, UPSC etc. as per standard list of endorsement.**

AMENDMENT TO THE DELEGATION OF FINANCIAL POWER 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 to the Prime Minister or a representative.
- (ii) Secretary, Planning Commission.
- (iii) 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. 15 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.

Financial limits of Non-Plan Scheme	Appraisal Forum	Competent Authority to approve the scheme.
(a) Up to Rs. 5 crore	Ministry/Department concerned in the normal course.	Secretary of Administrative Ministry.

(b) Beyond Rs. 5 crore upto Rs. 15 crore	Standing Finance Committee of the Deptt. concerned under the chairmanship of Secretary with Financial Adviser 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 Administrative Ministry
(c) Beyond Rs. 15 crore but less than Rs. 50 crore	CNE	Minister in-charge of Administrative Ministry
(d) Rs. 50 crore and above but less than Rs. 100 Crore	CNE	Minister in-charge of Administrative Ministry and the Finance Minister
(e) Rs.100 crore and above	CNE	Cabinet/CCEA
(f) Proposal for new autonomous organisations irrespective of outlay	CNE	Cabinet/CCEA

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