

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

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New Delhi, the 6<sup>th</sup> April, 2010

**OFFICE MEMORANDUM**

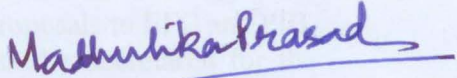
SUB.: Enhancement in the Financial Powers of Ministries/Departments with regard to expenditure on Non-Plan Schemes/Projects.

The undersigned is directed to refer to this Ministry's OM No.1(9)/E.II(A)/2007 dated 28<sup>th</sup> January, 2008 on the subject cited above. In the light of the revision of the threshold for proposals to be placed before the Cabinet/CCEA, it has been decided to revise the financial limits for appraisal and approval of Non-Plan Schemes/projects by competent authorities. Accordingly, the Government of India Decision (4) (B) below Rule 18 of the Delegation of Financial Powers Rules, 1978 has been substituted as per the amendment enclosed.

2. Further, approval of the Finance Ministry shall not be required to sanction excess expenditure over the original estimates of a sanctioned Non-Plan scheme/project up to ten per cent or rupees ten crore, whichever is less, unless the scheme or project has been substantially altered.

3. Hindi version of the Office Memorandum will follow.

**Encl.: as above**

  
(Madhulika P. Sukul)

**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) 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.

(b) 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.75.00 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.

(c) 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.

(d) A Department of the Central Government with the 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.



<b>Financial limits of Non-Plan Scheme*</b>	<b>Appraisal Forum</b>	<b>Competent Authority to approve the scheme</b>
(a) Up to Rs.20 crore	Ministry/Department concerned in the normal course.	Secretary of Administrative Ministry
(b) Beyond Rs.20 crore up to Rs.50 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 Administrative Ministry/Department
(c) Beyond Rs.50 crore but less than Rs.75 crore	Standing Finance Committee of the Department concerned as at (b) above with representative of D/o Expenditure also as a member.	Minister-in-charge of Ministry/Department
(d) Beyond Rs.75 crore but less than Rs.150 crore	CNE	Minister-in-charge of Ministry/Department
(e) Rs.150 crore and above but less than Rs.300 crore	CNE	Minister-in-charge of Ministry/Department and Minister of Finance
(f) Rs.300 crore and above	CNE	Cabinet /CCEA
(g) 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.