

{To be published in the Gazette of India, Part II, section (3), sub-section(ii)}

**Government of India
Ministry of Finance
(Department of Expenditure)**

.....

New Delhi, the 16th Sept 2003.

NOTIFICATION

S.O.----In pursuance of clause (3) of Article 77 of the Constitution of India, the President hereby makes the following rules further to amend the Delegation of Financial Powers Rules, 1978, namely:-

1. (i) These rules may be called the Delegation of Financial Powers (Amendment) Rules, 2003.
- (ii) They shall come into force on the date of their publication in the Official Gazette.

2. In the Delegation of Financial Powers Rules, 1978, hereinafter referred to as the Principal Rules, for Rule 21, the following rule shall be substituted, namely

“21. Indents, Contracts and Purchases

(a) Subject to the provisions of these rules and the provisions of the General Financials Rules, 1963, governing the purchase of stores for the public service, a Department of the Central Government shall have full powers to sanction expenditure for purchases and for execution of contracts, including agreements or contracts for technical collaboration or consultancy services.

(b) The powers under this rule shall be exercised up to rupees twenty crore for open or limited tender contracts, up to rupees five crore for negotiated or single tender or proprietary contracts and up to rupees two crore for agreements or contracts for technical collaboration and consultancy services by the Secretary of the Department concerned and contracts or purchases, amount of which exceeds these values in the categories stated, shall require the approval of the Minister in-charge of the Department.

Notwithstanding anything contained in sub-rule (a) and (b), in cases where the award of contract or purchase or consultancy is inseparably linked with the project or scheme and forms a part of the proposals for Standing Finance Committee (SFC) or Committee on Non-Plan

Expenditure (CNE) or Expenditure Finance Committee (EFC) or Cabinet, the same will be processed as per the financial limits laid down for sanction of such schemes or projects by the Competent Authority.

Explanation- In this rule, the word "contract" includes miscellaneous contracts, such as handling contracts and leases. Leases for hiring accommodation for office, residential and other purposes shall, however, be regulated under item 16 of the Annexure to Schedule V. If a contract extends over a period of time, the total value over the entire period of currency shall be taken for the purpose of applying the limit. Further a limited or open tender which results in only one effective offer shall also be treated as a single tender contract."

3. For Schedule V to the Principal Rules, the following Schedule shall be substituted, namely:-

"SCHEDULE V

POWERS OF INCURRING CONTINGENT EXPENDITURE
(See Rule 13)

Note 1.- Subject to the provisions of sub-rule (3) of Rule 13, and also subject to availability of funds, the Departments of the Central Government and the Administrators specified in Column (1) of the Table below shall, in the matter of incurring contingent expenditure, have the powers specified in the corresponding entry in column (2) of the Table:

TABLE

Authority (1)	Extent of power (2)	
	Recurring	Non-recurring
<i>Departments of the Central Government:</i>		
(i) Vice-President's Secretariat.	Full powers	Full powers
(ii) Other Departments	Full powers	Full powers
<i>Administrators</i>	Full powers	Full powers
Heads of Offices other than Under Secretaries in the Departments of Central Government.	Rs.1000 per month in each case.	Rs.5000 in each case.
Under Secretaries in the Departments of the Central Government declared as Heads of Offices.	Rs.2000 per month in each case.	Rs.5000 in each case.

Explanation – The powers delegated to the Departments of the Central Government are to be exercised by the issue of formal sanctions in the name of the President, such sanctions being authenticated by the officers authorised to do so under Article 77 of the Constitution.

The Under Secretaries in the Departments of the Central Government who are declared as Heads of Offices under Rule 14 of these rules may sanction contingent expenditure up to the extent indicated in the Table above without issuing formal sanctions in the name of the President.

Note 2 .-- Subject to the rules, orders, restrictions or scales mentioned in Column (3) for the items specified in Column (1) of the Annexure to this Schedule, and also subject to the financial limit being in accordance with provisions of General Financial Rules, economy instructions issued by Finance Ministry, Fiscal Codes and procedures and the limit being within the budgetary allocation for the year, the Departments of the Central Government in the matter of contingent expenditure, shall, in consultation with the Financial Adviser of the Department concerned, have full powers for deciding the financial limit up to which they can delegate powers to Heads of Departments .”

4. In the Annexure to Schedule V of the Principal Rules, Column (3) and the entries relating thereto shall be omitted and Column (4) shall be renumbered as Column (3).
5. For **Schedule VI** to the Principal Rules, the following Schedule shall be substituted , namely:-

“SCHEDULE VI
POWERS TO INCUR MISCELLANEOUS EXPENDITURE
(See Rule 13)

Note 1.- The Departments of the Central Government will have full powers for incurring of miscellaneous expenditure including expenditure on light refreshments during formal inter-departmental and other meetings or conferences, expenditure in connection with foundation stone laying ceremonies and other such hospitalities subject to general instructions issued by the Finance Ministry from time to time.

Note 2.- The Departments of the Central Government shall in consultation with their Financial Adviser, have full powers for deciding the financial limits up to which they can delegate powers to Heads of Departments for incurring miscellaneous expenditure subject to fiscal codes, procedures and availability of funds.

TABLE

Authority	Maximum limit up to which the expenditure may be sanctioned on each individual item	
	Recurring	Non-recurring
Department of Central Government:		
(i) Ministry of Parliamentary Affairs, President's Secretariat and Vice-President's Secretariat	Full Powers	Full Powers
(ii) Other Departments.	Full Powers	Full Powers
Administrators:		
(i) Administrators of all the Union territories except Lakshadweep.	Full Powers	Full Powers
(ii) Administrator, Lakshadweep.	Rs. 10,000 a year	Rs. 40,000"

(F.No.1(11)E.II(A)/03)

D. Swarup

(D. Swarup)

Additional Secretary to Govt. of India.

Note.-- The Delegation of Financial Powers Rules, 1978 published vide S.O. No.2131 dated the 22nd July, 1978 and have subsequently been amended by:-

(i)	Notification	No. SO. 1187,	dated	9. 6. 1979.
(ii)	"	No. SO. 2942,	dated	1. 9. 1979
(iii)	"	No. SO. 2611,	dated	4.10.1980.
(iv)	"	No. SO. 2164,	dated	15. 8. 1981.
(v)	"	No. SO. 2304,	dated	5. 9. 1981.
(vi)	"	No. SO. 3073,	dated	4. 9. 1982.
(vii)	"	No. SO. 4171,	dated	11.12.1982.
(viii)	"	No. SO. 1314,	dated	26. 2. 1983.

(ix)	"	No. SO. 2502,	dated	4. 8.1984.
(x)	"	No. SO. 22,	dated	5. 1.1985.
(xi)	"	No. SO. 1958,	dated	11.5.1985.
(xii)	"	No. SO. 3082,	dated	6. 7.1985.
(xiii)	"	No. SO. 3974,	dated	24. 8.1985.
(xiv)	"	No. SO. 5641,	dated	21.12. 1985.
(xv)	"	No. SO. 1548,	dated	19. 4. 1986.
(xvi)	"	No. SO. 3183	dated	20. 9. 1986.
(xvii)	"	No. SO. 3787,	dated	8.11. 1986.
(xviii)	"	No. SO. 2508,	dated	19. 9. 1987.
(xix)	"	No. SO. 3092,	dated	7.11. 1987.
(xx)	"	No. SO. 3581,	dated	10.12. 1988.
(xxi)	"	No. SO. 641,	dated	17. 3. 1990.
(xxii)	"	No. SO. 1469,	dated	26. 5. 1990.
(xxiii)	"	No. SO. 2173,	dated	18.8. 1990.
(xxiv)	"	No. SO. 3033,	dated	17.11.1990.
(xxv)	"	No. SO. 3414,	dated	22.12.1990.
(xxvi)	"	No. SO. 534,	dated	28.2. 1991.
(xxvii)	"	No. SO. 2235,	dated	24.8. 1991.
(xxviii)	"	No. SO. 547(E)	dated	24.7. 1992.
(xxix)	"	No. SO. 466,	dated	13.3. 1993.
(xxx)	"	No. SO. 1292,	dated	12.6. 1993.
(xxx1)	"	No. SO. 685,	dated	12.3. 1994.
(xxx2)	"	No. SO. 1232,	dated	28.5. 1994.
(xxx3)	"	No. SO. 1945,	dated	13.8. 1994.
(xxx4)	"	No. SO. 2451,	dated	24.9. 1994.
(xxx5)	"	No. SO. 174,	dated	28.1. 1995.
(xxx6)	"	No. SO. 670(E),	dated	30.9.1996.
(xxx7)	"	No. SO. 665(E),	dated	5.8.1998.
(xxx8)	"	No. SO. 1835,	dated	19. 9.1998.
(xxx9)	"	No. SO. 2274,	dated	14. 8.1999.
(xxxx)	"	No. SO. 3054	dated	23.10.1999.
(xxxx1)	"	No. SO. 2946	dated	3.11.2001.
(xxxx2)	"	No. SO. 3661	dated	23.11.2002.

D. Swarup

(D. Swarup)

Additional Secretary to the Govt. of India.

To

The Manager,
Government of India Press,
Mayapuri,
New Delhi.

All Ministries/Department of the Govt. of India, etc.

Copy forwarded to:

C&AG (with usual number of spare copies),
Secretary, UPSC, New Delhi, etc. as per standard endorsement list.

DS Swarup

(D. Swarup)

Additional Secretary to the Govt. of India.

**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. Swamy
~~(D. Swamy)~~

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.

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, 1978

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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