सत्यमेव जयते

Government of India

BUDGET CIRCULAR
2017-2018

MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
NEW DELHI

www.finmin.nic.in

No.F.2 (30)-B(D)/2016

Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the 21st Sept., 2016.

SUBJECT : BUDGET CIRCULAR 2017-2018

The Budget Circular 2017-2018 containing the timelines for submission of information to Ministry of Finance alongwith prescribed formats is hereby issued

2. Several structural reforms being undertaken this year, including, removal of distinction between plan and non-plan expenditure, advancement of budget presentation by about an month and merger of demands of Railways. Due to these changes, the timelines and the informational requirements from the Ministries have also changed. These have been duly incorporated in the Budget Circular. The Budget Circular also contains the compendium of instructions issued from time to time by Ministry of Finance, on various issues. It is informed that many such instructions have been reiterated afresh incorporating changes, wherever necessary.

3. The RE meetings of Ministries/Departments will be scheduled from the 17th of October, 2016. It is requested that necessary instructions may be issued to the concerned officers for strictly adhering to these instructions and timelines.

4. Please also note that all the information for the Budget documents, including in context for preparation of SBE, Demand for Grants, Expenditure Budget Vol-I, and for RE meetings would be submitted through Union Budget Information System mandatorily. No pen drives will be issued this time. The circular and other instructions would also be uploaded on the homepage of the Ministry/Department under UBIS and no hard copy will be sent.

(Prashant Goyal)
Joint Secretary(Budget)
Tele: 23093183
email : prashant.goyal@nic.in

To,

1. All Financial Advisers (By Name); and Chief Controllers/ Controllers of Accounts (By Name) of all Ministries/Departments.
2. Cabinet Secretariat, President's Secretariat, Vice-President's Secretariat, Prime Minister's Office; Lok Sabha Secretariat; Rajya Sabha Secretariat; Union Public Service Commission; NITI Aayog; Supreme Court of India and Election Commission; Railway Board.
3. Principal Director (Staff), O/o Comptroller and Auditor General of India (C&AG), 9, Deen Dayal Upadhyaya Marg, New Delhi – 110124.
4. Comptroller and Auditor General of India (C&AG), 9, Deen Dayal Upadhyaya Marg, New Delhi – 110124.
5. Controller General of Accounts(CGA); Controller General of Defence Accounts (CGDA).

Copy to :

1. PPS to Principal Secretary to PM
2. PPS to Additional Principal Secretary to PM
3. PPS to Principal Secretary to PM
4. PS to Finance Minister
5. PS to Minister of State (Finance)
6. PPS to Cabinet Secretary
7. PPS to Finance Secretary
8. PPS to Secretary (Economic Affairs)
9. PPS to CEO, NITI Aayog
10. PPS to Secretary(Expenditure)
11. PPS to Secretary(Revenue)
12. PPS to Secretary (DFS)
13. PPS to Secretary (Disinvestment)

Copy also forwarded to:

1) **Finance Secretaries of Union Territory Administrations**:- with the request to prepare, in advance, a statement showing the breakup of scheme outlays, according to Budget heads and send copies thereof to the Ministry of Home Affairs. Corrections considered necessary after approval of scheme outlay may be advised immediately on receipt of intimation thereof. The approved scheme provisions with which the individual Ministries/Departments are concerned may please be intimated to Ministry/Department concerned for preparation of SBEs and submission thereof to the Ministry of Home Affairs.
2) **All Accountants General in States**.
3) **Director Generals of Audit**:- (i) Central Expenditure, AGCR Building, I.P. Estate, New Delhi - 110002; (ii) Central Revenue, AGCR Building, I.P. Estate, New Delhi 110002; (iii) Economic and Service Ministries, AGCR Building, I.P. Estate, New Delhi - 110002.
4) Dy. Director General (PAF), New Delhi; (ii) Dy. Director General (TAF), New Delhi; (iii) Chief Controller of Accounts, Delhi Administration, Delhi; (iv) Director of Accounts, Andaman and Nicobar Islands Administration.
5) Pay and Accounts Officer, Lok Sabha; Pay and Accounts Officer, Rajya Sabha; Pay and
6) Accounts Officer, Pondicherry; Director of Accounts, Daman and Diu, Panaji.
7) Controller of Aid Accounts and Audit, Department of Economic Affairs.
8) Central Pension Accounting Office, Department of Expenditure, New Delhi.
9) (i) MI Division, Department of Economic Affairs:- with the request that estimates relating to SDRs to be included in the Public Account, both credits and debits and estimates of interest thereon may please be furnished to the Budget Division by 18th November, 2016. (ii) Infrastructure Division (ABD Division), Department of Economic Affairs.
10) E. Coord./E.V Branch/PF-I Division/PF-II Division, Department of Expenditure.
11) N.I.C., Ministry of Finance, North Block, New Delhi.
12) Manager, Government of India Press, Ring Road, Mayapuri, New Delhi, for action on para 16.7 of the Budget Circular 2017-2018.

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ANNEX

No.F.2 (30)-B(D)/2016
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

North Block
New Delhi, the 21st September, 2016.

BUDGET CIRCULAR 2017-2018

Guidelines for the Ministries/Departments for framing the Revised Estimates for 2016-2017 and Budget Estimates for 2017-2018 and submission of the same to the Budget Division are as under:-

I – Expenditure Budget

1. Introduction

1.1 The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources taking into account the socio-economic and political priorities. Budgeting involves determination of what is to be done and achieved, the manner in which it is to be done and the resources required for the same. It requires the broad objectives of the Government to be broken down into detailed schemes/projects and work Plans for each unit of the Government organization. In this context, the budgetary classification of government expenditure is of immense significance in policy formulation and sectoral allocations. This classification is intended to allow the Parliament and the public to appreciate the allocation of resources and purposes of Government expenditure. It also lays down the basis of accountability for budgetary compliance and the assessment of the overall economic impact of government policies. **A significant reform initiative in the budgeting process, announced by the Finance Minister, in his budget speech of 2016-17 is the merger of the Plan and non-Plan distinction in expenditure budgeting. This is to be implemented from the budget of 2017-18.**

1.2 **Plan/Non-Plan Merger:** The reform has been initiated in light of the policy decision to do away with the term 'Plan' while distinguishing expenditure on socio-economic welfare programmes and schemes in the wake of abolition of Planning Commission. Besides, a notion has widely gained ground among the policy-makers and officials across all levels that Plan expenditure is good and Non-Plan is bad. This bias in favour of Plan expenditure and against Non-Plan expenditure has led to a situation in which essential Non-Plan expenditure such as maintenance of assets, recruitment of doctors, teachers etc. is neglected. This has also led to a motivation for showing higher Plan expenditure and higher Plan sizes both at Central and State levels. Further, several factors such as shift of focus of Plan expenditure from capital to revenue expenditure and the process of transferring expenditure of old schemes to Non-Plan at the end of each Five Year Plan means, that a clear correspondence cannot be drawn between Plan and developmental expenditures.

1.3 The Plan/Non-Plan bifurcation of expenditure has also contributed to a fragmented view of resource allocation to various programmes/schemes. With this fragmented distinction, it is difficult not only to ascertain cost of delivering a service but also to link outlays to outcomes. Outcomes and outputs of programmes depend on total expenditure, Plan and Non-Plan put together and not merely on Plan expenditure. Plan and Non-Plan distinction in the budget is therefore, neither able to provide a satisfactory classification of developmental and non-developmental dimensions of Government expenditure nor an appropriate budgetary framework.

1.4 In the above context, the Government has decided to do away with the practice of classifying expenditure as 'Plan' and 'Non-Plan' in the Budget. With the removal of this artificial distinction it is expected that the link between spending and outcomes will improve and become more holistic and focused. The reclassification of expenditure under accounting heads will start from Budget 2017-18 and after the 12th Plan period (2012-17) comes to an end.

1.5 With the removal of the Plan and Non-Plan distinction the focus of budgeting and expenditure classification will shift to revenue and capital expenditure, as has been envisaged in the Constitution of India. A clear distinction between capital and revenue expenditures is also essential for analytical purposes, transparency, and efficient policy decision-making. The distinction is fundamentally important for the assessment of the operating costs of government and the investments made by it along with measuring the efficiency of government activities. Moreover, developing a performance-oriented approach requires separation of running costs from capital expenditures. The emphasis on distinction between Revenue and Capital expenditures is therefore, not only a constitutional requirement but also an essential ingredient for policy formulation and efficient resource allocation. The removal of Plan and Non-Plan expenditure is expected to fulfill this objective.

1.6 The six tier functional classification system forms the base on which budget estimates are presented. All expenditure provisions are appropriately classified at the relevant levels in the six tier classification. The distinction between Revenue and Capital expenditure/receipts also, as mentioned above is based on the functional basis with the first digit denoting whether the transaction is receipts, revenue expenditure, capital expenditure or loans. The robustness of the above classification system has withstood the needs of the government budgeting and accounting and the same will be continued as the base even while the distinction between Plan and Non-Plan will be dispensed with.

1.7 There will henceforth be no Five year Plan post 12th Plan. However, in place of earlier Plan resource estimation, the Ministry of Finance will carry out resource estimation for funding of various Central schemes and programmes as well as central funding for the State/UT schemes/programmes. The Ministry of Finance will be guided by the Vision document being prepared by the NITI Aayog, as this will help in setting out the resource priorities of the Government. The budgeting exercise will shift towards a medium term framework to give greater predictability to Ministries about resource availability. This will enable Ministries to Plan their activities with a medium term horizon and also shift from input based budgeting towards output and outcome based budgeting. A guidance note on Plan and Non-Plan merger has already been circulated to all Ministries on 23.08.2016.

1.8 **Multi Year Expenditure Framework:** To achieve the allocative objectives, the Ministry of Finance will prepare projections of budgetary resources of Centre including central support to the States (outside the Finance Commission recommendations) through various schemes and programmes. This will need to follow the resource estimation of tax, non-tax and other receipts of the Centre for the budget year and the projection period in the medium term as per the FRBM Act.

1.9 Further, in keeping with the spirit of holistic and medium term budgeting, the focus would be on top down budgeting where the resource priorities are guided by a medium and long term strategies. The yearly sectoral priorities and allocations would also accordingly be set. Based on the medium term allocations under the MTEF statement, the Ministries would set a outcome/output framework. They would also accordingly carry out the scheme wise allocations. There is also an endeavor to move towards giving Ministries maximum flexibility to re-appropriate amongst schemes and components of expenditure within a scheme, required to maximize the achievement of the agreed objectives.

1.10 The start has already been made in 2016-17 with the MTEF statement indicating the revenue and capital allocations of Miniseries for the current financial year and next two financial years. MTEF Statement can be accessed at official website of Ministry of Finance through the link: fimin.nic.in > Department of Economic Affairs > Budget Division > FRBM/MTEF Statements and related circulars > MTEF Statements. The Ministries would need to accordingly prepare their Statement of Budget Expenditure (SBEs) and outcome budgets. The outcome budgets would also have to be approved by NITI Aayog/Plan Finance II, Department of Expenditure. These documents would form the basis of RE discussions and help decide the allocations for the next year. The broad budgetary process is outlined below.

2. Finalization of Budgetary Estimates and Timelines

2.1 The basis of the budgetary allocations would be the ceilings indicated in the MTEF statements. The MTEF statement was tabled in the Parliament in the Monsoon session. Using the allocations indicated in the MTEF statement, each Ministry would, decide the scheme-wise allocations in the SBE format and forward them to the budget division. The format of SBE is given in **Appendix I** . The outcome budget framework would also need to be prepared as per the allocations indicated in the

MTEF statement. The outcome budget would need to be duly approved by NITI Aayog and Plan Finance II Division, Department of Expenditure.

2.2 The **SBE (Proposed)** furnished to Budget Division would form the basis of RE discussions. The estimates will be finalized after Secretary (Exp.) has held discussions with the Financial Advisers, as in the past. These discussions are scheduled to be held in October/November, 2016 starting 17th October, 2016.

2.3 **The ceilings for all categories of expenditure including Central Sector and Centrally Sponsored schemes will be discussed in the RE meetings. Accordingly, the RE 2016-2017 and BE 2017-18 for all categories of expenditure may be indicated separately for Revenue and Capital expenditure.**

2.4 It is proposed to discuss during the RE meetings to be taken by Secretary (Exp.) the totality of the requirements of funds for various programmes and schemes, along with receipts of the Departments (viz. interest receipts, dividends, loan repayments, departmental receipts, receipts of Departmental Commercial Undertakings, etc). The indicative budget figures will be discussed on a net basis. The dates of discussions will be intimated separately. **In the meantime, Financial Advisers may prepare the SBEs (proposed) for 2017-18 and forward the same to Budget Division by 10th October, 2016 positively.**

2.5 **For the Budget estimates of the next financial year, the allocations will be finalized for the Establishment and Other Central government expenditures (non-scheme related) as well as the Finance Commission related transfers which are already projected in the report and agreed to by the Centre. For the Central Sector Schemes and Centrally Sponsored Schemes, tentative ceilings would be discussed during the pre-budget meetings. This initial ceiling will be based on the projections made in MTEF allocation for 2017-18 for each Ministry/Department (discussed earlier), subject to changes if any in sharing pattern, merger and de-merger etc. The final ceilings for the schemes will be decided separately by the Ministry of Finance latest by 15th January 2017, taking into account the resource assessment of the Government and the available fiscal space. The Outcome Budgets, with scheme wise outputs/deliverables will also need to be revised if there are changes in budgetary allocations from the MTEF projections.**

2.6 After the pre-Budget meetings are over, the approved ceilings for expenditure, as finalised in these meetings, will be communicated on the basis of which Financial Advisers will prepare the **Statement of Budget Estimates (Provisional)** in form **Appendix I** and forward to Budget Division. As indicated above, The SBE will be sent to Budget Division in two stages: **Stage I or SBE(Provisional)**, immediately after the ceilings are communicated by this Ministry. The columns relating to the current year RE and the tentative BE for next financial year would be filled up. **The final ceilings shall be communicated by this Division separately latest by 15th January after ascertaining the final receipt position. Stage II or SBE (final)- Once the final allocations are communicated by this Division, SBE (final) incorporating the final ceilings of BE 2017-2018 should be forwarded within 3 days of such communication.**

2.7 The estimates of revenue receipts, capital receipts and public account transactions should reach the Budget Division by due dates, which are mentioned in the table below:

Table 1: Due dates for rendition of estimates/information by Ministries/Departments to Budget Division of Department of Economic Affairs: -

S.No.	Item	Due Date
1.	Statement of Budget Estimates* (proposed)	10th October, 2016
2.	Interest Receipts/ Recoveries of Loans	October 20, 2016
3.	Capital Receipts (including Public Account transactions)	October 20, 2016
4.	Interest Payments	October 20,2016
5.	Loans to Govt. Servants	October 20,2016

6.	Disclosure Statements under FRBM	October 31, 2016
7.	Revenue Receipts	November 21, 2016
8.	Statement of Budget Estimates (Provisional)	Immediately after tentative ceilings are communicated in Nov end/ Dec beginning.
9.	SBE (Final) incorporating final ceilings	Within 3 days of communication of final ceilings
10.	Notes on Demand for Expenditure Budget Vol. II of 2017-18	Within 2 days rendition of SBE(Final)
11.	Material for Statements to be appended to Demands for Grants and Expenditure Budget Vol.1	Within 3 days rendition of SBE(Final)
12.	Appendices related to Vol I Statements	Within 3 days rendition of SBE(Final)
13.	Estimates of GDP from CSO	In the month of December
14.	Outcome Budget (Final)	Within 3 days rendition of SBE(Final)

** enclosing the receipt estimates also for review at the pre-Budget meetings.*

2.8 To ensure that there is no delay in transmission of estimates, Ministries/Departments should make the entries in the Union Budget Information System (UBIS) software and also forward a hard copy of these to the designated sections in the Budget Division indicated in **Appendix LII**. It may be noted that no pen drives will be issued henceforth for collecting information. All information will be entered online in UBIS. Hard copies will not be accepted unless data entry has been completed in UBIS. The communications should be sent by special messenger and not through the R & I Section of the concerned Ministry or to the R & I Section of the Ministry of Finance. ***While providing the estimates to Budget Division, the forwarding authority may indicate his/her name, complete office address viz. Room No., name of the building etc., email and the telephone number (preferably mobile number) in the forwarding letter.***

2.9 In so far as the Department of Atomic Energy and Department of Space are concerned, SBE (proposed) may be forwarded to Budget Division as soon as the estimates are compiled, but not later than **October 24, 2016**.

2.10 Office of the Comptroller & Auditor General of India may send the SBE to Budget Division by **October 24, 2016.** These may be supported by actuals as indicated in preceding paragraph along with item-wise actuals for 2015-2016, as also actuals upto **September, 2016** against BE 2016-2017.

2.11 A list of Demands for Grants for the year 2017-2018 as drawn up on the basis of the Government of India (Allocation of Business) Rules, 1961 as amended from time to time is contained in **Appendix L**. Also, **Appendix LI** shows allocation of demands to the various sections of the Budget Division.

3. Instructions related to preparation of SBE(proposed) and material for RE meetings:

3.1 With the elimination of Plan and non-Plan distinction there has been a revision of formats of various budget documents to distinguish allocation in terms of revenue and capital expenditure and not in terms of Plan and non-Plan as is being shown currently in the expenditure related budget documents. In case of the SBE, The Central government expenditure would now be classified into six broad categories indicated in the box below.

A. Centre's Expenditure:
(i) Establishment Expenditures of the Centre;
(ii) Central Sector Schemes;
(iii) Other Central Expenditure, including those on CPSEs and Autonomous Bodies;
B. Centrally Sponsored Schemes and other Transfers:
(iv) Centrally Sponsored Schemes;
(v) Finance Commission Transfers; and
(vi) Other transfers to States.

3.2 The description of the six categories mentioned above is given below:

(i) The **Establishment Expenditures** of the Centre will include all the establishment related expenditure of the Ministries/Departments. The budgetary proposals for this section will include establishment expenditure on attached and subordinate offices, on various heads related to establishment viz. salaries, medical expenses, wages, overtime allowances, foreign travel expenses, domestic travel expenses, office expenses, materials and supplies, publications, advertising and publicity, training, other administrative expenses, POL, cost of ration, clothing and tentage, professional services, rent rates and taxes, royalty, pensionary charges, rewards and minor works, motor vehicles, information technology etc.

(ii) The **Central Sector Schemes** will include all those schemes which are entirely funded and implemented by the Central Agencies viz. Ministries/Departments or various agencies of GoI such as the autonomous bodies and other special purpose vehicles. In some cases as an exception, and with the specific prior consent of Finance Ministry (Department of Expenditure) the central sector schemes may be allowed to be implemented through the concerned State implementing agencies. The transfer of funds in such cases will be done directly to the implementing agencies and not through the State treasuries.

(iii) The **Other Central Expenditure** will include provisions made for the Central expenditure on PSUs, autonomous bodies etc. and other expenditure not covered in the category of schemes or establishment expenditure. In certain cases, such as ICAR, CSIR and Atomic Energy etc. which also implement some Central Sector schemes, the provision related to the schemes will be shown in the category of the central sector schemes.

(iv) The **Centrally Sponsored Schemes** will include the schemes under the National Development Agenda as recommended by the Sub-Group of Chief Ministers on rationalization of Centrally Sponsored Schemes and approved by the Cabinet on 3.8.2016. The list of approved Centrally Sponsored Schemes is given at **Annex A and A1**. These schemes will be implemented by the State/UT governments with the fund sharing pattern as approved by the Central Government. The Central share for the schemes will be routed through the State/UT treasury as grants-in-aid under various object heads, except MGNREGA wage payments which are 100% funded by the Centre and routed through the State Employment Guarantee Fund.

(v) The category **Finance Commission Transfers** will only come in the demand titled "Transfers to States" under the Department of Expenditure, Ministry of Finance.

(vi) The category **Other Transfers to States** will include all other transfers to state such as those made under National Disaster Relief Fund, Assistance to schemes under proviso(i) to Article 275(1) of the Constitution.

3.3 **<u>While preparing SBE in the new format, the following instructions should be strictly adhered to:</u>**

(i) While filling the SBEs care needs to be taken that schemes be depicted, upto a maximum of three levels only as given below:

a. Umbrella Schemes
b. Schemes
c. Sub-Schemes

(ii) There will be no categorisation of schemes as Central Plan and State Plan. All schemes henceforth would be categorised as either Centrally Sponsored Schemes or Central Sector Schemes. Allocation of one scheme would appear only at one place in the SBE. Accordingly, entries for Allocation for North East should be done separately under each scheme and not as Lump-sum provision for N.E. as was done earlier.

(iii) If a scheme has EAP component and/or funding from a Fund in the public account (in case of say funding from cesses) then the components have to separately depicted at the sub-scheme level as below:

a. Gross Budgetary Support
b. EAP Component
c. Amount met from *(Name of Fund)*

(iv) The entries related to transfer to fund and the amount met from fund, wherever applicable will be shown as two separate entries in the SBEs below the schemes which are funded from it. In case the utilisation of the Public Account Fund is towards a Centrally Sponsored Scheme, then transfer of the corresponding amount should be made from the major head 3601/3602 to ensure that the transfers to states are not understated. An example is shown in the table below:

		Actual 2016-2017		
IV	**Centrally Sponsored Schemes**	**Revenue**	**Capital**	**Total**
7.	*National Education Mission-Sarva Shiksha Abhiyan*			
7.01	Gross Budgetary Support			
7.02	EAP Component			
7.03	Allocation from Prarambhik Shiksha Kosh			
	Total-National Education Mission-Sarva Shiksha Abhiyan			
8.	National Programme of Mid Day Meals in Schools			
8.01	Gross Budgetary Support			
8.02	Allocation from Prarambhik Shiksha Kosh			
	Total-National Programme of Mid Day Meals in Schools			
9.	Transfer to Prarambhik Shiksha Kosh (PSK)			
10.	Amount met from Prarambhik Shiksha Kosh (will be a negative entry)			

Note: Total of Sl. No. 10 will be equal to Sl. No. 7.03 and Sl. No. 8.02.

(v) In the new SBE format, the major heads would no longer be depicted in a separate column in Expenditure Budget Vol II. However, within each scheme allocation would continue to be prepared major head-wise, as was being done earlier. This information would be used to generate the DG, Part B of the SBE and the statements of Expenditure Budget Vol.–I.

(vi) In the new format of SBE to be adopted from 2017-18, as referred to in section 3.1, all existing line entries have to be put under one of the six indicated categories. In case the existing line/umbrella scheme has items which belong of more than one of the six categories, then the existing line would need to be broken up and adjusted suitably under the relevant categories. For instance, if there is an existing umbrella 'Welfare of Children' which has a central sector scheme and direct assistance to an Autonomous body (i.e. untied GiA and not under the scheme), then the umbrella scheme would need to be broken up and the Central sector scheme would go under category II – Central Sector Schemes and the assistance to autonomous body would go under category III – Other Central Expenditure. It may be noted that if grants are being given to any Autonomous Body under a scheme for implementing of that scheme, then the line need not be broken up and would figure under the Central Sector Scheme. All SBEs should be, accordingly, thoroughly reviewed and discussed with Budget Division before making entry in UBIS.

(vii) Earlier Part-C of the SBE used to show the Plan outlay categorised by different major heads. This will be replaced by a new Part-B which will depict the all the activities of the Ministry/Department by Developmental and Major Heads.

(viii) The Earlier Part-B Investment in Public Enterprises will henceforth become Part-C.

3.4 While preparing the estimate in the new SBE format indicated above, **care may be taken that the total proposed allocation under the demand should be in line with the ceilings indicated in the MTEF statement. The ceilings should not be normally exceeded. In case of any deviation from the MTEF ceilings, the reasons should be clearly brought out.** While preparing the estimates care must be taken to first budget for all committed and continuing expenditure first, before including provisions for new schemes/ items of expenditure. Further, the following factors inter-alia, must be taken into consideration while preparing the estimates:

a) Latest actuals during current year;
b) Actuals for the same period in preceding year;
c) Actuals in past year/previous years;
d) Appropriations/reappropriations ordered/contemplated during remaining part of the year, or any sanction to expenditure issued/proposed to be issued, including on new scheme during the remaining part of the year;
e) All pending arrears should be incorporated in BE 2017-18 and in case a part of it is left out in SBE, the reason for the same need to be separately submitted.
f) Any other relevant factor which may be foreseen at the time of framing the RE 2016-2017/BE 2017-2018;
g) Actual expenditure upto 30th **September, 2015** of BE 2015-2016 as also actuals upto **30th September 2016** of BE 2016-2017 would supplement the process of finalisation of RE 2016-2017. The actuals may be reconciled with the monthly accounts compiled by Controller General of Accounts before incorporating the same.

3.5 The following information may also be furnished to Budget Division along with the SBEs (proposed):

(i) Effect of additional installments of dearness allowance sanctioned this year and the net additionality asked therefor (that is, after setting off against savings, if any).

(ii) Arrears paid upto 31.8.2016/30.9.2016 to employees consequent upon implementation of 7th CPC, arrears yet to be paid, shortfall (if any) from the existing budget provision.

(iii) Items of expenditure, which are matched by or linked to receipts such as externally aided projects, bonus share, cesses etc.

(iv) Provision included in respect of vacant posts.

(v) A separate statement giving the committed liabilities as arrears of the Ministry/Department, in terms of payments already due, but lying unfulfilled due to lack of budgetary provision.

(vi) A separate statement indicating (a) provision made scheme-wise/project-wise in BE 2016-2017 against externally aided projects, (b) expenditure incurred up to **September 2016**, (c) amount for which claims have been lodged with the office of Controller of Aid Accounts & Audit, DEA seeking reimbursement from the external donor and (d) requirement in RE 2016-2017 and BE 2017-18.

(vii) Details of authorised and held manpower and current/arrear liability on account of pay & allowances in respect of CPSUs and substantially financed autonomous bodies getting Non-Plan budget support.

(viii) Unspent balances as on **31st March, 2016** with all grantee/loanee bodies (other than the States) in respect of all bodies which received more than ₹ 1 crore grant/loan during 2015-2016. (Separate details for each body).

(ix) Unspent balances and pending Utilization Certificates, State-wise and scheme-wise, as on **31st March, 2016 and 30 September 2016**, in respect of all schemes.

(x) Explanations for variations between BE 2016-2017 and RE 2017-2018 (proposed) may be given scheme-wise separately. Any increase/decrease in BE 2017-2018 (proposed) may also be explained suitably.

(xi) Whether all continuing expenditure has been included in RE 2016.

(xii) Violation of approved MEP/QEP.

(xiii) Measures to increase user charges of Autonomous Bodies with a view to recover costs and engaging in buyback of shares.

(xiv) Efforts to recover arrears of Non-Tax revenue and whether PSUs are paying dividend as per new dividend policy given in DIPAM's O.M. No. 5/2/2016-Policy dated 27.05.2016 (Annex B).

(xv) Progress in compliance to cash management guidelines as detailed in O.M. No. 4(10)-W&M/2016 dated 4th August, 2016 (Annex-Q)

(xvi) Savings as a result of implementing DBT

It may be ensured that formats given in Appendix I to VII are invariably filled and submitted through UBIS before 10th October 2016.

Note: The Pre-budget meeting of the Ministry/Department will be possible only after receipt of full information as required above

3.6 **Revenue & Capital Expenditure :** As per Article 112 of the Constitution of India, Annual Financial Statement shall distinguish expenditure on revenue account from other expenditure. Rule 46(2) of General Financial Rules, 2005 (GFR) mentions that the estimates of expenditure shall distinguish provisions for expenditure on revenue account from that for other expenditure including expenditure on Capital Account on loans by the Government and for repayment of loans, treasury bills and ways and means advances. Further Rule 79 of GFR defines the Capital and Revenue Expenditure. All the Ministries/Departments may kindly refer to these Rules and prepare the Budget Estimates in compliance of the statutory obligations.

3.7 **Grants-in-Aid to Autonomous Bodies & Institutions :** For providing grants-in-aid to autonomous bodies and institutions, the instructions contained in Rule 209 of the General Financial Rules, 2005 may be kept in view. In cases where activities of a body cover more than one function of the Government and the body is likely to approach several Departments for grants, consultation should take place among the concerned Departments before the grants are approved. The body should be specifically asked to furnish details of assistance received or proposed to be received from other Central Government Departments and also from State Governments.

3.8 No provision may be made in the establishment budget for posts, which are lying vacant for one year or more. Even otherwise, provisioning for vacant posts should be made with caution so as to avoid chances of eventual savings due to these vacant posts not being filled up.

3.9 Items of expenditure which are linked to receipts, like those met from proceeds of cess or '1605-External Grant Assistance' or '1606-Aid Material and Equipment' may also be similarly segregated in the Statement of Budget Estimates.

3.10 Subsidies being provided towards payment of interest fall under two categories. They are (i) 100% subsidy and (ii) interest differential/ subvention (part subsidy). These two items may be shown distinctly in Statement of Budget Estimates.

3.11 With a view to maintaining uniformity in the treatment of provision for Voluntary Retirement Scheme(VRS)/Voluntary Separation Scheme (VSS) to Central PSUs, it is desired that these amounts should be depicted as a loan, unless approved otherwise by the Competent Authority.

3.12 Further, the estimates of expenditure in the Expenditure Budget Vol. 2 and also in Demands for Grants, are expressed in crores of rupees with two decimal places. Under the present system of rounding, major head under which the total provision is less than ₹ 50,000 gets excluded from the two documents referred to above. This causes discrepancy with Detailed Demands for Grants in which the provisions are expressed in thousands of rupees. In such cases the major head, etc. will be shown in the SBE and the Demands for Grants with a footnote that "the provision is less than ₹ 1 lakh". The Statement to be furnished in the SBE and other Statements to be forwarded to the Budget

Division should be suitably rounded to crores of rupees with two decimal places for each major head. The breakup of the provision for schemes included under a major head should also be suitably rounded so as to work up to the total in respect of each major head in crores of rupees with two decimal places. Similarly, the provisions under the various detailed heads in the Detailed Demands for Grants should also be suitably rounded so that the total under each major head included in that demand is in crores of rupees with two decimal places. It should, however, be ensured that in the amount so rounded off, there is no inflation in the total fund requirements. Instructions at paragraph 12.1 may also be seen.

3.13 The Ministries/Departments may review the SBEs for 2017-2018 in respect of their Demands for Grants and modifications therein, if any, as may be required keeping in view the guidelines mentioned above.

4. Instructions related to rationalization of schemes and economy in expenditure

4.1 In 2016-17, an exercise was undertaken to rationalize the number the schemes to avoid overlap of objectives and thin spread of resources. The schemes were appropriately grouped in Umbrellas to better reflect the objectives of schemes. Any changes in the scheme structure from the approved rationalized structure should only be made with the approval of Department of Expenditure through Budget Division. Ministries may also ensure that there is no proliferation of the schemes and instructions contained in O.M.No.24(35)/PF-II/ 2012 dated 05 August 2016 are strictly adhered to while considering any new schemes. (Annex C).

4.2 For uniform depiction of schemes in the budget documents, it has been decided to adopt a uniform three tier structure as below:

Tier 1	Umbrella Scheme	Minor Head
Tier 2	Scheme	Sub Head
Tier 3	Sub Scheme	Detailed Head

Ministries may ensure that the above scheme architecture is uniformly followed and the accounting correspondence as mentioned in the table above is followed while preparing the DDGs.

4.3 It is necessary to review the existing Expenditure Budget in the first instance, to prioritise the activities and schemes and identify those activities and schemes which can be eliminated or reduced in size or merged with any other scheme. All Ministries/Departments were expected to take up the exercise of review/evaluation of all ongoing schemes/programmes to determine their continued relevance vide Secretary(Expenditure)'s O.M. F. No. 7(5)/E-Coord/2004 dated **24.09.2004** (Annex - E). Departments should ensure that all schemes that have been discontinued, do not find mention in RE 2016-2017. Similarly schemes that are not to continue beyond the year 2016-17, should not be included for BE 2017-2018. A mention of the schemes discontinued or merged should be made in the notes below the SBEs.

4.4 The Statement of Budget Estimates included in the Expenditure Budget, Volume 2, should normally show distinctly, schemes, etc. for which the provision in the RE or next BE is ₹ 10 crore or more. Important schemes, irrespective of the provision for them, can also be shown separately in the SBE, if necessary.

4.5 While framing the estimates, due note may be taken of the past performance, the stages of formulation/implementation of the various schemes, the institutional capacity of the implementing agencies to implement the scheme as scheduled, the constraints on spending by the spending agencies, and most importantly the quantum of Government assistance lying with the recipients unutilized/ unaccounted for etc. with a view to minimizing the scope for available surrenders at a later stage. The Parliamentary Committees have been repeatedly expressing concern over incidence of large savings in the Grant. The Public Accounts Committee also requires that savings in a Grant amounting to ₹ 100 crore and above have to be explained to the Committee.

4.6 Ministry of Finance, Budget Division has issued instructions on the need for the individual Ministry/Department to put in place effective mechanism for realistically assessing their requirement of funds in a way that would ward off the occurrence of unwarranted surrender of savings at a later date. The latest instructions on large scale unspent provisions have been issued for strict compliance by the Ministries/Departments vide O.M. No. 7(1)/B(D)/2006 dated 22.07.2015 **(Annex-F)**. The Ministry of Finance has suggested some measures for effective control of expenditure against the sanctioned grant/appropriation vide O.M. No. 7(1)/E.Coord/2014 dated 29.10.2014. (Annex-G). All Ministries/ Departments may give due regard to these instructions for effective expenditure control.

4.7 **Under the standing instructions of this Ministry, no provision should normally be made in the Budget without completion of pre-Budget scrutiny of a project/scheme.** However, where provision has been made without the necessary scrutiny, such scrutiny should be completed and appropriate approvals obtained therefor, before the commencement of the financial year or latest by the time the Budget is passed by the Parliament.

4.8 **While budgeting for Grants-**in-Aid under various schemes instructions issued vide DEA's O.M. No. 3/15/2015-FRBM dated 20th February, 2016 (**Annex D**) may be adhered too, in order to ensure elimination of effective revenue deficit as per FRBM targets. A compliance report, including progress, in this regards may be submitted along with SBE (proposed) on or before 10th October, 2016.

5. Instructions related to budgeting for Externally Aided Projects

5.1 The provision for externally aided projects may be made under identifiable heads, segregated from other items of expenditure as in the form at **Appendix XXVIII**.

5.2 Ministries/Departments are making provisions against externally aided projects and these are being shown in a separate annex viz., "Statement showing project-wise provisions for expenditure on externally-aided projects" in the 'Detailed Demands for Grants' of the concerned Ministry/Department, as in the form at **Appendix-XXXII**. It is observed that there is a time lag between incurring of expenditure and claiming reimbursement thereof from the concerned donors. This obviously puts pressure on the GOI's Ways & Means Advances position. In order that the eligible expenditures are promptly lodged in the form of claims with the relevant donors through the Office of Controller of Aid Accounts & Audit for seeking disbursement of the committed external assistance, Financial Advisers should hold periodical reviews in this regard. It is proposed to review the budget provision made in BE 2016-2017 against externally aided projects and the action taken to claim reimbursements thereof from the external donors, during the pre-budget review meetings to be taken by Secretary (Expenditure). An updated status in this regards may be submitted along with SBE (proposed) on or before 10th October, 2016.

6. Instructions related to SBE(Provisional) and SBE(Final)

6.1 After the pre-Budget meetings are over, the approved allocations for expenditure, as finalised in these meetings, will be communicated on the basis of which Financial Advisers will prepare the Statement of Budget Estimates (Provisional) in form **Appendix I** and forward to Budget Division.

6.2 Ministries/Departments may take particular care in filling the estimates relating to each of the public enterprises (budgetary support, internal and extra budgetary resources and total Plan outlay). Similarly, if works expenditure is to be incurred through the Ministry of Urban Development, the same should be included in the column provided therefor in the Statement of Budget Estimates after settling the estimates with Ministry of Urban Development. SBE (final) should carry a certificate that the total provision inclusive of the works outlay corresponds to the allocation given for 2016-2017.

6.3 The budget provision towards 'Works Outlay' is reflected in the Demands for Grants for the year 2017-2018 in respect of Ministries/Departments, who expressed their willingness for such reflection, in terms of this Division's O.M. No.1(5)B(AC)/2005 dated 12.10.2006 (Annex-H). Such provisions in respect of other Ministries/Departments will continue to be reflected in the Demands for Grants of Ministry of Urban Development (**Demand No.97**) in BE 2017-2018.

6.4 UTs without Legislature : In the case of Union Territories without Legislature the Ministry of Home Affairs (being the nodal Ministry) will get the Statement of Accepted Estimates from the Ministries/Departments and U.T.s concerned and examine these to ensure that the total provisions are within the ceilings approved for each U.T. They should furnish the information along with related recoveries, and receipts, to the Ministry of Finance (Budget Division) Major Head-wise and Ministry-wise on the same pattern as per the Demands for Grants 2016-2017. The other Ministries/Departments and U.Ts are requested not to send any SBEs to the Ministry of Finance directly. All correspondence in this regard should be made with the Ministry of Home Affairs only.

6.5 In cases of items of work transferred from one Ministry/Department to another, subsequent to the presentation of the Budget for 2016-2017, the B.E. and R.E. 2016-2017 (and in the Detailed Demands for Grants, the Actuals 2015-2016 also) in respect of these items may be shown along with the BE 2017-2018 in the Demands for Grants (for 2017-2018) of the Ministry/Department which has taken over the work, to facilitate comparison. Consequently, these items may completely be deleted from the Demands for Grants for 2017-2018 of the Ministry/ Department from which these have been transferred. Necessary Supplementary Demands for Grants provision may be proposed by the Ministry/Department to which the work has been transferred.

6.6 Pursuant to the instructions contained in the Government of India (Allocation of Business) Rules 1961; any transfer of items of works/schemes and their corresponding provisions from a Ministry/Department would be effected through Supplementary Demands for Grants. Therefore, at RE stage, the Ministry/Department from where the work has been transferred should surrender the expenditure provision from those specific items of work, including associated establishment expenditure, and indicate the same categorically during the pre-Budget discussion under the Chairmanship of Secretary (Exp.).

6.7 The final allocations will be communicated in end December/ early January, once the estimates of receipts are finalized. Ministries should submit the SBE(final), after incorporating the changes in the allocation if any. The outcome budget should also be changed accordingly. This SBE (Final) will be accompanied by four statements mentioned below:-

(i) Showing the amount of charged expenditure included under each of the major heads in RE 2016-2017, BE 2017-2018 (**Appendix VIII**);

(ii) Showing the estimates, if any of recoveries taken in reduction of expenditure under each of the major heads included in the SBE, (**Appendix IX**);

(iii) Loan and equity components of investments in Public Enterprises and Public Sector Banks with the externally-aided component in case of former. (**Appendix X**);

(iv) Brief notes explaining major variations between BE 2016-2017 and RE 2016-2017; and also between RE 2016-2017 and BE 2017-2018 should be furnished in all cases wherever the variations under the items listed in the SBE exceed 10% of the BE or RE, as the case may be, whichever is lower. The explanation should be meaningful and specific. Vague indications in phrases like “due to less requirement of the project” or “more requirement of the project” will not be acceptable.

6.8 **In case any modification or amendment is required to be made in the figures already communicated to Budget Division through SBE (Final), the modifications/amendments should be communicated in the form in Appendix XI. Ministries/Departments should not send once again the entire SBE for this purpose. This will also be part of UBIS.**

7. Instructions related to allocation for North East

7.1 **All the Ministries/Departments (except those specifically exempted by Ministry of Development of North Eastern Region) are required to spend 10% of the Gross Budget Support (GBS) from their allocation under Central Sector Schemes and Central Plan component under Centrally Sponsored Schemes for the benefit of North Eastern Region & Sikkim.** This Division’s O.M. of **22nd July, 2015 (Annex-I)** in this connection may be kept in view. While sending the RE 2016-2017, the Ministries/ Departments should separately show the Central Expenditure on schemes/projects benefitting the North Eastern Region and Sikkim. The details of exemptions from North East expenditure for schemes/programmes, if any, granted by the Ministry of Development of North Eastern Region may be furnished along with SBEs.

7.2 **Ministry of Development of North Eastern Region may send the List of Ministries/ Departments and the schemes, if any, that are exempted from earmarking 10% of the budgeted allocation as a lump sum provision for NER for the year 2017-2018 by 25.11.2016 positively.**

7.3 Budget provisions towards projects/schemes for development of North Eastern Region and Sikkim have, hitherto, been provided as 'lump sum' under the Major Head '2552-North Eastern Region' for Revenue expenditure and the Major Head '4552-Capital Outlay on North Eastern Region'/ Major Head '6552-Loans for North Eastern Region' for Capital expenditure for eventual re-appropriation to appropriate functional heads of expenditure. **However, such lump sum provisions should be disintegrated into scheme wise allocations in SBE vol II, this would ensure that provision shown under a scheme is complete in all respects. Care may be taken that the overall requirement of earmarking 10% is ensured. Also, the provisions should be disintegrated upto object head level corresponding to different functional major/sub-major/minor heads, indicating the details, in the Detailed Demands for Grants and provided for under the Major Head '2552-North Eastern Region' for Revenue expenditure and the Major Head '4552-Capital Outlay on North Eastern Region'/'6552-Loans for North Eastern Region' for Capital expenditure, respectively for eventual re-appropriation.** This is to facilitate informing Parliament about the nature of expenditure, end-beneficiary, etc. After approval of the budget by Parliament, the expenditure provisions can be transferred to the functional head for incurring expenditure through re-appropriation by exercise of powers delegated in this Ministry's O.M. No. **2(22)-B(CDN)/2015 dated 22nd July, 2015 (Annex-I)**. A List of Ministries/ Departments which are exempted from 10 % allocation as lump sum provision is given at vide O. M. No. 1/1/2014-Budget (DoNER) dated 10.01.2014 (Annex J)

8. Instructions related to allocation for SC/ST sub-component

8.1 SC/ST sub components is the key instrumentality for ensuring adequate public outlays for SCs/STs. Hence, while giving flexibility to Ministries/Departments to classify scheme outlays as Scheduled Caste component/Tribal component, it would be clearly mandated that the percentage share of SC/ST components of scheme allocations in the Ministry/Department's total budgetary outlay should not be lower than the level provisioned in Budget Estimates of 2015-16 and 2016-17.

8.2 The exclusion of Demands, such as those relating to infrastructure sector, etc., those related to entire Ministry/ Department, or specific schemes therein from such mandatory provision would be specifically spelt out by Ministry of Finance, keeping in view the guidelines issued by the erstwhile Planning Commission. Certain expenditures such as equity support, Finance Commission grants to States, etc. would also be excluded from SC/ST earmarking.

8.3 For the existing schemes, the percentage of earmarking for the Ministry/Department may be worked out considering the scope of each of their schemes. Wherever possible, a statistical approach may also be used to estimate the expenditure under SC/ST component, on the basis of actual beneficiary level data from the scheme MIS. For the Centre, the existing arrangement of Ministry/Department wise SC/ST allocations along with the specific percentage allocations as well as those exempted from such mandatory earmarking will be reviewed, from time to time, keeping in view the trends/changes in allocations post the winding up of the Planning Commission.

8.4 The SC/ ST allocation would be essentially confined to Central sector and CSS. With the removal of distinction between Plan and Non-Plan, the allocation for SCSP/TSP will need to be based as a certain percentage of scheme allocations in the identified Demands for Grants. Ministries may adhere to guidelines issued vide erstwhile Planning Commission's D.O> no. N-11016/12(1)/2009-PC dated 15th December, 2010 (**Annex R**)

9. Instructions for the composite demand for 'Civil Pensions'

9.1 The arrangements for submission of estimates for inclusion in the Demand 'Pensions' will be as follows:

- The Demands for Grants 'Pensions' is administered and controlled by the Central Pension Accounting Office (CPAO), Department of Expenditure, New Delhi, as referred to in para 1.5 above. Accordingly, the Demand 'Pensions' for 2017-2018 will be prepared and compiled by the Central Pension Accounting Office.
- The Accountants General will furnish to CPAO the estimates in respect of pension payments accounted for by them and in respect of other sub-heads to the extent operated by them. Where ever Pensionary charges are categorized as 'charged' expenditure, it should be reflected accordingly.

- The Principal Accountant General, Delhi will furnish to CPAO the estimates of pensions in respect of staff of the Indian Audit and Accounts Department retiring during 2016-2017. In so doing, estimates of Post and Railway Audit Offices which are *ab-initio* debited to their working expenses and budgeted for, separately, will be excluded by him.
- All other pensionary estimates prepared by the Accounts Offices of the various Ministries/Departments and Union Territory Administrations as also by the Controller General of Defence Accounts, New Delhi will be sent to the CPAO who will consolidate and furnish the consolidated estimates to the Budget Division.
- A separate estimate of corresponding recoveries from State Governments adjustable under the Receipt major head '0071 - Contributions and Recoveries towards Pensions and Other Retirement Benefits' should be forwarded by the CPAO to Budget Division for incorporating the same in the estimates of revenue receipts under Department of Expenditure.

Note (1): **Compassionate Fund:** The expenditure out of 'Compassionate Fund' is adjustable under the sub-head 'Payment from Compassionate Fund' under Major Head '2235-Social Security and Welfare - Other Social Security and Welfare Programmes - Other Programmes'. In furnishing the estimates for payments out of Compassionate Fund, this classification may be adopted.

Note (2): **Central Government Employees' Insurance Scheme**: This Scheme is confined to those employees only who have opted out of the Group Insurance Scheme introduced from **1st January 1982**. The Department of Expenditure (Establishment Division) in this regard will furnish consolidated estimates of expenditure to the Budget Division, under advice to the CPAO.

10. Instructions relating to estimates to be included in composite demands controlled by Budget Division

10.1 In case of demand related to Interest Payments, the estimates for interest on provident fund balances of employees and on various deposits in the Public Account including Reserve Funds, deposits of Commissioners of Payments and other items for inclusion in the Appropriation "Interest Payments" will be furnished by the Controllers of Accounts, the Ministry of Railways (Railway Board) and the Ministry of Defence.

10.2 **It may please be noted that Public Accounts Committee, in its 23rd Report (13th Lok Sabha) on the excesses over voted grants and charged appropriation (1998-99), suggested that effective coordination between various estimating and disbursing authorities be put in place with the help of sound data-base and other IT facilities so that the excess expenditure could be avoided altogether. It is emphasized that PAC's directive may be complied with in order to avoid excess expenditure in the 'Appropriation-Interest Payments'.** The Finance Wings of the Ministries/Departments are advised to ensure that estimates of 'Interest Payments' are furnished by their Controllers of Accounts to Budget Division. Any increase or decrease in Revised Estimates for the current year and in Budget Estimates for the next year will also be explained suitably by the estimating authority, while furnishing estimates to Budget Division. The Ministries/ Departments should furnish estimates to **Accounts Section, Room No.224-C**, Budget Division, Ministry of Finance, latest by **20.10.2016**.

10.3 The estimates of loans to Government servants should be accompanied by a Statement indicating actual disbursements under each category of advance during the preceding three years and also actual expenditure in the first 6 months of the current financial year. The estimates and actuals may be furnished by the Budget Section of the concerned Ministry/Department latest by **10.10.2016** to Ministry of Finance, Budget Division in the form as per **Appendix XII**.

10.4 While estimating Pre-Partition Payments, it may be kept in mind that the provision relating to Civil, Defence, Railways and Posts and Telecommunications, adjusted under Major Head '2075 - Miscellaneous General Services', is also centralised in the Demand 'Department of Economic Affairs'. Necessary estimates in this regard (both Charged and Voted) will be furnished to the Budget Division by the Chief Controller of Accounts, Department of Commerce, Ministry of Defence (Finance Division), Ministry of Railways (Railway Board) and the Departments of Posts and Telecommunications.

11. Instructions related to Notes on Demands

11.1 The Notes on Demands for Grants appear in Expenditure Budget Volume-2. These are intended to depict a brief summation of the budget allocations as appearing in the Expenditure Budget

Volume-2. Hence, these may be brief, to the point and must bear a link to the item for which the Budget allocations have been reflected. Abbreviations contained in the notes should be expanded at least once for clarity. More elaborate detailing on centrally sponsored and central sector schemes should be made in the Expenditure Budget Volume-1. It should be ensured that the serial number of the notes should correspond to the to the budget line it refers to.

11.2 The notes may be forwarded in bilingual form together with a soft copy to the designated officers in the Budget Division within three days of rendition of the Final SBE for 2017-2018.

11.3 Broad guidelines for preparation of the Notes on Demands are contained in **Appendix XIII**. These guidelines may be adhered to and all relevant information made available in time.

12. Material for statements to be appended to Demands for Grants

12.1 A statement showing items of new service/new instrument of service is included in the Demands for Grants. Ministries/Departments should, as soon as SBE (Final) is forwarded to Budget Division, arrange to furnish a statement showing details of items of new service/new instrument of service for which provision is made in BE 2016-2017 (**Appendix XLI**). The information so furnished for inclusion in Demands for Grants should exactly match the information included in the Detailed Demand for Grants of the respective Ministry /Department. Attention is invited to Department of Economic Affairs' O.M. No.F.1 (5)-B(AC)/2011 **dated 22nd July, 2015 (Annex K)** and F.1 (23)- B (AC)/2005 dated 25.05.2006 (**Annex L**) on Revised Guidelines on Financial Limits to be observed in determining cases relating to "New Service/New Instrument of Service".

12.2 **However, before a final decision on all schemes/projects of the Centre or towards assistance to the States are firmed up, it is suggested that a thorough review of all the existing schemes/projects be taken for de-duplication and weeding out the overlapping/ redundant schemes. This exercise is being undertaken by the Department of Expenditure in consultation with the Ministries/Departments. Once the exercise is completed now, this can be *subsequently repeated every five years through a specific Terms of Reference to either the NITI Aayog or the Finance Commission. The effort should be to ensure that all wasteful, unnecessary and poorly run programmes are subject to review and overhaul or even elimination*.**

13. Outcome Budget

13.1 Each Ministry/Department will prepare an output/outcome statement against each scheme/project allocation. The outputs/deliverables should be given in measurable/quantitative terms on an annual basis e.g. for Sarva Shiksha Abhiyaan the outputs/deliverables will mention the amounts proposed to be spent on salaries (number of schools/teachers), construction of schools/classes (numbers) etc. Outcomes shall be given over the period of the MTEF viz. 3 years. Assistance of PF-II Division of the Department of Expenditure may be taken in deciding the deliverables/outputs/outcomes for each scheme in partnership with the NITI. The format for Outcome budget Format is given in **Appendix XIV.**

13.2 **The Financial Advisers of the Department/Ministry concerned shall sign the final output/outcome framework with the NITI Aayog/PF-II in the month of January soon after the data entry of the Statement of Budget Estimates. These Demand wise outcome frameworks can form a separate document to be presented along with the other budget documents. PF-II Division, Department of Expenditure, in that case shall be assigned the responsibility of finalizing the consolidated Demand wise Outcome Budget Framework and sending it to Budget Division within the given timelines. PF II Division shall undertake necessary coordination with NITI Aayog for this purpose.**

14. Material for statements to be appended to Expenditure Budget Vol.1

14.1 As soon as SBE (Final) is forwarded to Budget Division, Ministries/Departments should arrange to furnish the following statements to Budget Division:-

(i) Statement showing provision for externally aided projects in Schemes. (**Appendix XV**).

(ii) From the financial year 2011-12, a new Object Head 'Grants-in-aid-Salaries' has been opened and a separate Statement in Expenditure Budget Volume 1 has been added from Budget 2012-13 which shows budget provisions of the Ministries/ Departments under the Object Head 'Grants-in-aid-Salaries'. Ministries/ Departments are requested to scrutinize carefully the information in respect of this statement before furnishing it to Ministry of Finance. The estimates should be prepared in the proper format (**Appendix XVI**) and the amounts so indicated against the Organizations/ Institutes, etc. should correspond with the provisions made in the Detailed Demands for Grants.

(iii) Statement showing resources of public enterprises, etc. information to be given enterprise-wise in the form in **Appendix XVII**. The internal and extra budgetary resources of the public enterprises to be shown in RE 2016-2017 should be as agreed to by the Plan Finance II Division of this Ministry. The IEBR for 2017-2018 should be as per the financing pattern decided in consultation with Department of Expenditure (Plan Finance II Division).

(iv) Statement (**Appendix XVIII**) showing provisions in the Budget for Central sector and Centrally sponsored Plan schemes. In this statement all Plan schemes for which the provision in the next Budget is ₹ 10 crore and above are to be shown distinctly and all other schemes, etc. merged under 'Other schemes/ programmes, etc.' The information to be given separately for Central sector schemes and Centrally sponsored schemes.

(v) Statement (**Appendix XIX**) showing the estimated strength of 'Establishment' and provisions therefor. Information in respect of estimated strength of Establishment in the Appendix XIX of the Budget Circular must be duly got verified and authenticated by a designated officer not below the rank of Deputy Secretary/Director in the Ministry/Department before it is furnished to the Ministry of Finance, Budget Division, with a footnote that the information has been verified by the designated officer. Further, wherever there are large variations (Say, 5% or more), in the establishment strength or the related provisions for pay and allowances with reference to the previous year (**excluding payment of Arrears on account of implementation of 7th CPC Report),** or the projections made for the next year, this may invariably be explained in brief.

(vi) Summary Statement (**Appendix XX**) showing contributions to international bodies. In this statement items for which the provision in BE 2017-2018 is ₹ 5 lakh or more are to be shown distinctly; items of less than ₹ 5 lakh are to be bunched and, shown as 'Others'. See also instructions at para 8.6 (viii) above.

(vii) Summary Statement showing grants-in-aid to private institutions/organisations/individuals (**Appendix XXI**).

14.2 Ministries/ Departments are required to indicate the actual expenditure (net of recoveries) in the SBEs against each of the scheme for the previous year. Ministries/ Departments may fill in the data pertaining to the actuals for the previous year in the software developed by NIC, Budget Division for this purpose. Office of the CGA may furnish all the details of receipts and expenditure in various formats prescribed by this Division as in the past, which will be used for reconciliation of actuals furnished by different Ministries/Departments.

14.3 In order to prepare introductory notes on important Non-scheme related items of expenditure, like food subsidy, fertilizer subsidy, petroleum subsidy assistance for export promotion, interest subsidy etc. for Expenditure Budget Vol. 1, Ministries/Departments concerned should arrange to send separate self-contained material for these non-scheme items.

14.4 Similar write-up should be sent for items of expenditure under Central sector schemes/ Centrally sponsored schemes. All figures reflected in the write-up should tally with the figures given in SBEs and with the physical targets given in the material for Budget at a Glance.

14.5 **Statement No. 20 "Gender Budgeting" in Expenditure Budget Vol. 1.** For Budget 2017-2018, all the Ministries are required to prepare the statement (Budget Estimates 2016-2017, Revised Estimates 2016-2017 and Budget Estimates 2017-2018,) which reflect the respective beneficiary class identification in order to highlight the quantum of public expenditure earmarked for (a) women specific programmes (100% provision) and (b) pro-women allocations (at least 30% provision) for gender neutral programmes, in respect of the budget provisions, administered by various Ministries/Departments and send to the Budget Division for consolidation along with SBEs.

14.6 For Statement No. 20 – Gender Budgeting in Expenditure Budget Vol.1, all Ministries and Departments are required to carefully scrutinize their Detailed Demands for Grants and identify such programmes/schemes which fulfill the above objectives, along with their budgeted provisions for inclusion in the above Statement. Information for compilation of the statement (Statement No. 20, Expenditure Budget Vol. 1) may be sent in two parts, Part "A" reflecting 100% provisions and Part 'B" reflecting provisions for pro-women allocations respectively (at least 30% provision) in the prescribed proforma (**Appendix XXII**).

14.7 The Government has started earmarking separate allocations for the Scheduled Castes Sub Plan and Tribal Sub Plan as part of the Plan allocations from the financial year 2011-12. The Ministries/Departments for which such allocations are made in Budget 2017-18 must ensure that the provisions are accurately reflected in the concerned Minor Head "Special Component Plan for Scheduled Castes" (Code '789') and "Tribal Sub Plan" (Code '796') below the functional major/sub-major heads wherever necessary, in terms of the instruction under Para 3.8 of the General Directions to the List of Major and Minor Heads of Accounts. The provisions made under these Minor Heads will not be allowed to be re-appropriated, except to the same Minor heads in other schemes under "Special Component Plan for Scheduled Castes" (Code '789') and "Tribal Sub Plan" (Code '796').

14.8 **Statement No. 21 "Budget allocations for Schemes for Development of Scheduled Castes" and Statement No. 21-A "Budget Allocation for Schemes for Development of Scheduled Tribes" in Expenditure Budget Vol.I for Budget 2017-2018:-** All the Ministries/ Departments are required to prepare two statements, each showing Actual 2015-2016, Budget Estimates 2016-2017, Revised Estimates 2016-2017 and Budget Estimates 2017-2018. These statements will highlight the quantum of public expenditure earmarked for schemes under 'Scheduled Caste Sub Plan (SCSP)' [Statement 21] and schemes under 'Tribal Sub Plan (TSP)' [Statement 21-A], for allocations made under the Minor Heads 'Special Component Plan for Scheduled Casts' (Minor Head '789') and 'Tribal Sub Plan' (Minor Head '796') in the prescribed format (**Appendix XXIII and XXIV**) and send to the Budget Division for consolidation along with SBEs. All Ministries and Departments are required to carefully scrutinize their Detailed Demands for Grants and identify such programmes/schemes along with their budgeted provision for inclusion in the above two statements. It should be ensured that the allocations under these statements are reflected correctly in the Detailed Demands for Grants.

14.9 **Statement No. 22 Schemes for the Welfare of Children -** Recognizing that children under 18 years of age constitutes a significant percentage of the Indian population, the Government is committed to their welfare and development. Statement No.22 in Expenditure Budget Volume-I reflects the Budget provisions of schemes that are substantially meant for the welfare of the children. The provisions in this statement indicate educational outlays, provisions for the girl child, health and provisions for child protection etc.

14.10 All Ministries/Departments in general and Ministry of Women and Child Development, Department of School Education and Literacy, Ministry of Health & Family Welfare, Ministry of Social Justice and Empowerment, Ministry of Tribal Affairs in particular, may carefully scrutinize their DDGs and identify such programmes/schemes which fulfill the above objective, along with their budgeted provision, for inclusion in Statement No.22, Expenditure Budget Volume-I in the enclosed proforma (**Appendix-XXV**).

14.11 **Statement No. 23 showing allocations for North Eastern Region (NER):- To further enhance the focus on development of North Eastern Region (NER), a statement was introduced in the Regular Budget 2014-2015 to reflect budgetary allocation on NER. All Ministries and Departments may carefully scrutinize their DDGs, work out total budgetary allocations being earmarked for programme/scheme in the North Eastern areas and send the information in the format (Appendix XXVI) for inclusion in Statement No. 23, Expenditure Budget Volume-I to the Budget Division.**

14.12 **It has been observed that Ministries/Departments have changed the figures related to RE/BE of previous years while giving information related to Gender Budgeting, Welfare of Children, SC/ST etc. Necessary clarifications/reasons shall be given by them while doing so.**

14.13 **Direct transfers of Central Assistance to States/District level Autonomous Bodies.** Statement (**Appendix XXVII**) which has been circulated vide this Ministry's D.O. F.No. 2(43)-B (CDN)/2004 dated **21.1.2005** (Annex-M) showing Direct transfers of Central Assistance to States/District level Autonomous Bodies. The information in the statement should show major head wise allocations to be released directly to State and district level autonomous bodies in 2017-18. The statement has to be forwarded along with the SBEs 2017-2018. While forwarding the statement, it may be ensured that amounts provided under the Major Heads '3601', '3602', '7601' & '7602' are excluded from this statement as such provisions are made for being released to the State/UT Governments direct and not to State/District level Autonomous Bodies.

14.14 **Statement No.19, Externally Aided Projects**– From the financial year 2012-13, the Statement No.19 has been revised. Part-I of the Statement shows Externally Aided Projects where inflows during 2017-2018 are ₹ 100.00 crore or more. Part-II(i) will show the amount of Additional Central Assistance (ACA) to States for Externally Aided Projects (EAP). Part-II(ii) shows the details of major Externally Aided Projects under CSS. Information relating to Part-I of the Statement will be provided by concerned Ministries/Departments. Part-II(i) of the Statement will be furnished by PF-I Division, Department of Expenditure. Information relating to Part-II(ii) will be provided by the CAA&A. The required information is to be furnished to SO (P&A), Room No. 224-C, North Block, New Delhi, by the Ministries/ Departments and CAA&A for Part-I and Part-II(ii) respectively by 29.01.2016. PF-I Division, Department of Expenditure will furnish the information relating to Part-II(i) by 30.12.2016 (**Appendix-XXVIII**).

14.15 From the financial year 2009-10 a new Object head 'Grants for creation of Capital assets' has been opened and a separate Statement as Annex 6 of Expenditure Budget Volume 1 has been added w.e.f from Budget 2011-12. The Statement shows **'Budget Provisions Under Object Head Grants For Creation Of Capital Assets'.** For the above estimates relating to Annex 6 of the Expenditure Budget Volume-1, all Ministries and Departments are required to carefully scrutinize their Detailed Demands for Grants to identify such schemes/programmes for making realistic budget provisions. Instructions issued vide OM No. 3/15/2015-FRBM dated 20.02.2016 may also be referred to. The provisions should not be made in a mechanical manner across the schemes/programmes. The estimates should be prepared in the format **(Appendix XXIX)** and the amounts so indicated against schemes/programmes should correspond with the provisions made in the Detailed Demands for Grants.

14.16 **Report of the C & AG of India (Report No. 27 of 2016) on compliance of FRBM Act, 2003 has reported discrepancies in estimation of provisions on grants for creation of capital assets. In view of this observation, All Ministries / Departments are required to ensure utmost accuracy in terms of reporting of information.**

14.17 **The name and numbering of statements in the current Volume I of the Expenditure Budget are likely to change shortly. The formats also may change slightly. The new formats and the new numbering in the revised document will be communicated with due approvals shortly. Based on the software development schedule, the deadlines for the revised statements may undergo slight revision. These will be communicated in due course.**

15. Disclosure statements required under the Fiscal Responsibility and Budget Management Rules, 2004

15.1 The following statements, with information as on **31st March, 2016**, are meant for inclusion in Receipts Budget 2017-2018. Instructions for preparation of these Statements issued vide the Budget Division's **OM No.2/11/2015-FRBM dated 22nd July, 2015 (Annex-N)** may also be referred to. The statements may be sent by **October 14, 2016** for pre-budget discussions to be held with the respective Financial Advisers, so as to assess the necessity of refinement, if any.

-	Guarantees given by the Government	-	Appendix XXX-A
-	Tax Revenues raised but not realised	-	Appendix XXX-B
-	Arrears of Non- Tax Revenues	-	Appendix XXX-C
-	Asset Register	-	Appendix XXX-D

15.2 Statement of Guarantees given by Union Government, a summary statement (Appendix-XXX-A) which has been circulated vide this Ministry's O.M. No. F. 12(20)-B(SD)/ 2002 dated **16.10.2003** (Annex- O) is to be appended to the Receipts Budget. This information for the year 2015-2016, should be extracted from the Register of Guarantees maintained by the respective Ministries/Departments. The information given in this statement is essentially intended to be a summarized account of the statements of guarantees given by Government vide para 16.6(ix) (**Appendix- XXXIX**). In the case of external guarantees, administrative ministries should coordinate with Financial Adviser (Finance) and weed out duplicate entries. The Ministries/Departments concerned will especially be responsible to ensure that these totals also tally with the information regarding guarantees given by the Central Government and outstanding as on **31.3.2016**, given by them to the Controller General of Accounts for inclusion in the Union Government's Finance Accounts for 2015-2016. The Guarantee fee in arrears (col. 21 (-) col.22 of Appendix-XXX-A) should correspond and match with the figures depicted as Guarantee fee arrears reported in D-2 statement in Appendix XXX-C.

15.3 **Government of India has been approving Annuity Projects in respect of some infrastructure development activities. Under this model, the concessionaire (private Sector) is required to meet the entire upfront/ construction cost (no grant is paid by the Government) and the expenditure on annual maintenance. The concessionaire recovers the entire investment and a pre-determined cost of return out of the annuities payable by the government every year.** Information in this regard should be provided in the prescribed format in **Appendix LIV** for publishing it in Receipts Budget.

15.4 While preparing the above statements particular attention may be paid to the following:

i) Values may be shown in crore of rupees and not in lakhs/thousands e.g. an asset valued at ₹ forty lakh may be shown as ₹ 0.40 crore.

ii) Consistency may be ensured in the information shown in Appendix X-B and the information that goes into the respective Reports of the Comptroller and Auditor General of India on Direct and Indirect Taxes for the relevant year.

iii) While reporting Non-Tax revenue arrears in Appendix X-C, information particularly relating to guarantee fee arrears may be reconciled with the information given in Appendix X-A. Similar consistency needs to be ensured in relation to financial assets and interest receipts to the extent these are relevant.

iv) Threshold limit of ` 0.02 crore for inclusion of assets in Appendix M(I) may reckon with details as entered in the Register of Fixed assets in "Form GFR – 40" prescribed under Rule 190(2)(i) of the General Financial Rules, 2005.

v) Variations, if any, with last year's reported information on any of the above statements, may be duly explained in appropriate footnotes.

vi) The statements duly signed by the competent authority (with telephone number) may be forwarded to this department.

15.5 In Report of the C & AG of India (Report No. 27 of 2016) on compliance of FRBM Act, 2003, it has been observed that, Disclosure statements mandated under the FRBM Act and Rules made thereunder placed before the Parliament for FY 2014-15 and earlier years contained inconsistencies/ discrepancies relating to arrears non-tax revenues, loans to foreign governments, variation in closing and opening balances of physical and financial assets etc. when compared to Union Government Finance Account. In view of this observation, All Ministries / Departments are required to ensure utmost accuracy in terms of reporting of information in various documents including Disclosure statements required under the Fiscal Responsibility and Budget Management Rules, 2004. Variations, if any, with last year's reported information on any of the disclosure statements, may be duly explained in appropriate footnotes.

16. DETAILED DEMANDS FOR GRANTS

16.1 The respective Ministries/Departments will prepare the Detailed Demands for Grants(DDG). The format of DDG as given in **Appendix LIII** may be adhered to while preparing the DDG. While preparing the Detailed Demands for Grants it is important to ensure that the classification, namely, major head, minor head, etc. is as per the heads of account prescribed in the List of Major and Minor Heads of Account. During formulation of Detailed Demands for Grants for the year 2016-2017, due regard may be given to this Division's circular F.No.15(4)-B(D)/2003 dated **9th July, 2003** (Annex- P), on the issue of budgeting for "Information Technology". It is noticed that despite the said instructions of Budget

Division, the same are not complied with by some of the Ministries/Departments. It is emphasized that the Ministries/Departments may note these instructions for compliance.

16.2 It has also to be ensured by Ministries/ Departments that the totals for each Major Head and the total provisions by Revenue and Capital Sections separately for 'charged' and 'voted' included in the Detailed Demands for Grants exactly correspond to the provisions included in the main Demands for Grants which are prepared by the Budget Division. For this purpose copies of the main Demand as finally included by the Budget Division will be made available to the Ministries/Departments concerned for ensuring this correspondence. **Final Print order for Detailed Demands for Grants should be given only after the reconciliation is completed.**

16.3 The Major Heads Codes shown in the Detailed Demands for Grants should correspond to the code in the main Demands for Grants. Consequently, where for a major head there is only actual for 2015-2016 and no provision has been made in B.E. 2016-2017, R.E. 2016-2017 and B.E. 2017-2018, a separate sub-head therefor should not be retained. The actual may, however, be included in the total for that major head with a footnote as follows:

"Includes expenditure of Thousand ₹ .... against sub-head .... in the Demands for Grants No. .... for 2015-2016."

16.4 Instructions issued by this Ministry in **December, 1994** regarding standard numeric codification of heads of accounts may be strictly adhered to. No new sub-head/detailed head will be opened and incorporated in the Detailed Demands for Grants without getting necessary numeric codes therefor, from the Controller General of Accounts.

16.5 In cases of items of work transferred from one Ministry/Department to another subsequent to the presentation of the Budget for 2016-2017, the B.E. and R.E. 2016-2017 (and in the Detailed Demands for Grants, the Actuals 2015-2016 also) in respect of these items may be shown along with the BE 2017-2018 in the relevant Demands for Grants 2017-2018 of the Ministry/Department which has taken over the work, to facilitate comparison. Consequently, these items may completely be deleted from the Demands for Grants for 2017-2018 of the Ministry/ Department from which these have been transferred. Necessary Supplementary Demands for Grants provision may be proposed by the Ministry/Department to which the work has been transferred. Pursuant to the instructions contained in the Government of India (Allocation of Business) Rules, 1961, any transfer of items of works and their corresponding provisions from a Ministry/Department would be effected through Supplementary Demands for Grants. Therefore, at RE stage, the Ministry/Department from where the work has been transferred should surrender the expenditure provision from those specific items of work and indicate the same categorically during the pre-Budget discussion under the Chairmanship of Secretary (Exp.).

16.6 The Detailed Demands for Grants will be accompanied by the following schedules/ statements:-

(i) Schedule showing the estimated strength of establishment and provision therefor (**Appendix XXXI**). Provisions are to be grouped according to pay scales. The figures shown should correspond with those given for summary statement.

(ii) Statement showing project-wise provision for expenditure on externally aided projects (**Appendix XXXII**).

(iii) Schedule showing broad details of expenditure (other than Centrally sponsored and Central Sector schemes) provisions of ₹ 25 lakhs and above in BE 2017-2018 (**Appendix XXXIII**).

(iv) Schedule showing provisions included in BE 2017-2018 for payment of grants- in- aid to non-Government bodies. (**Appendix XXXIV**).

(v) Statement showing details of individual works and projects costing ₹ 5 crore or above included in BE 2017-2018 (**Appendix XXXV**).

(vi) Statement showing revised cost estimates of projects of public sector enterprises and departmental undertakings (**Appendix XXXVI**).

(vii) Statement showing transfer or gift of Government properties of value exceeding ₹ 5 lakhs to non-Government bodies (**Appendix XXXVII**).

(viii) Statement showing contributions to International bodies provided for in the Budget Estimates for 2017-2018 (**Appendix XXXVIII**). This statement will include only items of contribution, membership fees to international bodies, which constitute revenue expenditure. Subscriptions to international bodies, which represent investments and are accounted for in the Capital section, are to be excluded from it.

(ix) Statement showing guarantee given by the Central Government and outstanding as on **31.3.2016**(**Appendix XXXIX**). This should not be at variance with the statement of guarantee shown in Receipt Budget [see paragraph 15.2]. Guarantees given by the Government on loans from foreign sources contracted by other bodies, PSEs, etc., the outstanding loan amount to which the guarantee relate, should be converted at the exchange rate prevalent **on 31.3.2016**, which may be obtained from the Controller of Aid Accounts and Audit of this Ministry, instead of the historical value. It may be noted that if the Government guarantee is for repayment of the principal and payment of interest, the sums guaranteed and outstanding as on **31.3.2015** should cover both. It may be ensured that the totals shown in this statement should exactly correspond with the summary statement as at paragraph 10.2.

(x) Statement showing grants-in-aid exceeding ₹ 5 lakhs (recurring) or ₹ 10 lakhs (non-recurring) actually sanctioned to private institutions/organisations/individuals during the year 2015-2016 (**Appendix XL**).

(xi) Statement showing the source of funds for grantee bodies receiving grants of over ₹10 lakh per year from Consolidated Fund of India and from other sources (including external sources) (**Appendix XLI**).

(xii) **Statement showing Object Head-wise details.**

(xiii) Statement showing MEP/QEP as detailed in O.M. No. 4(10)-W&M/2016 dated 4th August, 2016 (Annex-Q) of Ministry of Finance.

16.7 The requisition for printing of Detailed Demands for Grants may include Budget Division's requirement of 50 copies for direct supply by the Press to this Ministry.

16.8 **Major-Head number and description may be indicated at the top right corner of each page of Detailed Demands for Grants under the header line.**

16.9 **Uploading of Detailed Demands for Grants on Website:** Instructions have been issued by this Ministry vide O.M. No.15(38)-B(R)/2008 dated **14.8.2008** for uploading the Detailed Demands for Grants on Website of the administrative Ministry/Department. All Ministries/Departments may upload the full details of DDG as approved by the Parliament.

17. Cash Management in Central Government - MODIFIED EXCHEQUER CONTROL BASED EXPENDITURE MANAGEMENT SYSTEM

17.1 Cash Management in Central government - Exchequer Control Based Expenditure Management System as detailed in O.M. No. 4(10)-W&M/2016 dated 4th August, 2016 (Annex-Q) of Ministry of Finance, Department of Economic Affairs' provides for inclusion of Monthly Expenditure Plan (MEP) as an annex in the Detailed Demands for Grants.

17.2 It is advised that Monthly Expenditure Plan [MEP]/ Quarterly Expenditure Plan (QEP)may be drawn up keeping in view the extant guidelines relating to release of funds, including those prescribed in the above mentioned O.M.

II. ESTIMATES OF RECEIPTS

18. REVENUE RECEIPTS

18.1 Estimates of Central taxes and duties administered by the Central Board of Direct Taxes and Central Board of Excise and Customs as also of cesses collected by the CBEC, will be furnished by them to the Budget Division giving the following assumptions forming the basis of such extracts:- commodity-wise estimates of manufacture/imports, duty rates and foreign exchange rate.

18.2 All other items of revenue receipts, for the purpose of preparing estimates, have been divided into the following categories:

(i) Taxes, duties and receipts in relation to Union Territories without legislature

(ii) Interest receipts in respect of loans and advances sanctioned by Ministries/ Departments to State and Union Territory Governments, foreign governments, Public Sector Enterprises and others including Government servants, interest charged to working expenses of departmental commercial undertakings, etc.;

(iii) Estimates of Revenue receipts adjustable under Major Head ‘1605 - External Grant Assistance’ and ‘1606-Aid Material and Equipment’; and

(iv) All other Revenue receipts including cesses except cesses collected by the Central Board of Excise and Customs.

18.3 Estimates of taxes, duties and other revenue receipts in relation to Union Territory Administrations will be furnished to this Ministry by Director of Accounts, Andaman and Nicobar Islands Administration and Director of Accounts, Daman and Diu Administration, and for the other Union Territories, by the Accountants General concerned, in the form at **Appendix-XLIII**.

18.4 Receipt estimates, except for items at para 18.2(ii) and 18.2(iii) above, will be furnished to the Budget Division in the form at **Appendix-XLIII**.

18.5 Recoveries from the State Governments under Article 290 of the Constitution of India, of pensions including gratuities of High Court Judges charged on the Consolidated Fund of India under Article 112(3)(d)(iii) of the Constitution of India are adjustable as receipts under Major Head “0071-Contributions and Recoveries towards Pension and Other Retirement Benefits”. These estimates will be furnished by the State Accountants General to the Central Pension Accounting Officer, Ministry of Finance, Department of Expenditure, Trikoot-II, Bhikaji Cama Place, R.K. Puram, New Delhi-110066.

18.6 Estimates of CGHS contributions will be consolidated and furnished by the Chief Controller of Accounts, Ministry of Health and Family Welfare. The additional receipts on account of revised estimates to be realized of CGHS contributions should be shown separately.

18.7 Estimates of rent (licence fee) recoveries accountable under Major Head “0216-Housing” in respect of general pool Government accommodation, will be consolidated and furnished by the Chief Controller of Accounts, Ministry of Urban Development. Where a Department has a separate pool of accommodation (like Indian Meteorological Department, Central Board of Direct Taxes, Central Board of Excise and Customs, etc.) the Chief Controller of Accounts of the Departments concerned with such separate pool of accommodation may furnish estimates of rent receipts direct to the Budget Division along with the estimates of other revenue receipts of the Department, in the form at **Appendix-XLIII**. The additional receipts estimated to be realized on account of the revision of the licence fee should be shown separately.

18.8 Estimates of revenue receipts, adjustable under the major heads ‘1605-External Grant Assistance’ and ‘1606-Aid Material and Equipment’, representing foreign aid receipts in the form of cash grant and commodity grant respectively, may be furnished by the Ministries/Departments in the form at **Appendix XLIV** to the Controller of Aid Accounts and Audit, Department of Economic Affairs, Indian Oil Bhavan, 5th Floor, ‘B’ Wing, Janpath, New Delhi. The Controller of Aid Accounts and Audit will process these estimates in accordance with the procedure prescribed separately and render the consolidated estimates to Budget Division.

18.9 Estimates of receipts in respect of pensionary charges recoverable from Departmental Commercial Undertakings (vide list at Statement 7 of Expenditure Budget, Vol. 1) should be such that they exactly correspond to related expenditure provisions.

18.10 Estimates of receipts of commercial departments, which are taken in reduction of expenditure in the Expenditure Budget, should be such that they exactly correspond to the receipts assumed on the Expenditure side. CCAs concerned will ensure this while furnishing the receipt estimates.

18.11 The estimates should be based on past and current trends and policy decisions and other relevant developments and supported by cogent explanations for any large variations as well as broad particulars wherever the estimates under a minor head exceed Rs.10 lakhs. This is particularly essential for major items like import/export licence fees, CGHS contributions, house rent receipts, mint and currency receipts, receipts of thermal/nuclear power stations, dividends from Government investments. Estimates of dividend receipts should be given company-wise along with details of total paid up capital, government equity & profit after tax during 2013-2014, 2014-2015 and 2015-2016 as in the form at **Appendix XLV**. These estimates on dividend receipts should be in conformity with circulars issued on dividend payout by this Ministry and the Department of Investment and Public Asset Management .

18.12 It should be noted that the explanations reformed to para 1.11 will form the material for the preparation of the Explanatory Notes on the Receipts Budget and, therefore, adequacy and accuracy of the explanations are of utmost importance. In addition to the information sought in **Appendix-XLV**, the specific information as sought in **Appendix-XLVI** should also be furnished. The Department of Health and Family Welfare in respect of CGHS contributions and Ministry of Urban Development in respect of licence fee of general pool residential accommodation may separately indicate in the receipts estimates to be rendered by them, the additional receipts estimated to be realised consequent upon the revision in the rate of contribution and licence fee.

18.13 Estimates received by the respective Financial Advisers will be scrutinized in the Integrated Finance Division with regard to the correctness of accounts classification, full coverage and reasonableness of the estimates and modified (reduced, increased and/or missing items added) to the extent necessary in the judgment of the Financial Adviser. Thereafter, the Controller of Accounts should furnish the estimates as finally approved by the Financial Adviser, to the Budget Division **by 10th November, 2016**.

18.14 **ESTIMATES OF INTEREST RECEIPTS:** These estimates may be prepared in the following groups:

a. Interest receipts from State and Union Territory Governments;

b. Interest receipts from foreign governments;

c. Interest receipts from each public sector financial institutions;

d. Interest receipts from each industrial and commercial enterprises, both in the public and private sectors;

e. Interest receipts from each statutory bodies (municipalities, port trusts, etc.);

f. Interest receipts from each departmental commercial undertakings;

g. Interest receipts from each category of the other borrowers (excluding Government servants) e.g. dock labour boards, cooperative societies, educational institutions, etc.;

h. Interest on advances to Government servants; and

i. Other interest receipts e.g. premium on loans floated, interest on Cash Balance Investment Account - these would mainly pertain to the Department of Economic Affairs.

18.14.1 The Controllers/Chief Controllers of Accounts will prepare estimates of interest receipts with reference to loans outstanding against borrowers in their books including loans expected to be sanctioned during 2017-2018. The estimates will, after obtaining the approval of the Financial Adviser, be furnished by them, in duplicate, in form at **Appendix-XLVII** **latest by October 21, 2016.** In case of 'nil' proposal, the same may also be submitted to Budget Division in writing without fail. For the sake of convenience this form covers both interest receipts as well as loan repayments.

18.14.2 In the case of industrial and commercial undertakings in the public sector/other parties, the estimates should invariably be supported by details in the form at **Appendix-XLVIII** for each such undertaking/party. Wherever the interest receipt is notional (being either matched by subsidy provision or by grant of loans to meet the interest liability), this fact should be specifically indicated in the 'Remarks' column. No column in Appendix-II-A is to be left blank, especially relating to Defaults in respect of dues upto **31.3.2016**.

18.15 A realistic assessment of interest due from Public Sector Undertakings and other loanees as also of loan repayments by them will be made taking into account the need to ensure that the loanees fully discharge their current interest obligations and also clear outstanding dues in the next 2-3 years.

18.16 The estimates of interest receipts, and also recoveries of loans and advances, from public sector enterprises including financial institutions must be framed on the basis of the departmental records as per loan register maintained by the PAOs and not as proposed by the companies or financial institutions. Accordingly, information to be given in the form Appendix II-A should reflect the position as per departmental records. The estimates should show (i) defaults of repayments of interest upto **31.3.2016** company-wise, (ii) BE 2016-2017 (iii) RE 2016-2017 (iv) BE 2017-2018 on the basis of current dues according to loan registers. Separately in a footnote, assessment of the prospects of recovery of dues as approved by F.A. may also be given in 'Remarks' column. The amount due for recovery as interest & loan repayment during 2016-2017 and 2017-2018 should also be shown distinctly for each PSU.

18.17 Interest charged on capital outlay of departmental commercial undertakings should correspond to expenditure provisions for the purpose. The controllers of Accounts while framing the estimates may invariably ensure that this correspondence is maintained. Average rate of interest to be adopted for this purpose is being advised separately.

18.18 Reliefs and concessions provided to various PSUs in the form of write off of loans, waiver of interest/guarantee fee are reflected in Expenditure Budget as distinct items of expenditure with equivalent receipts assumed thereunder. These are all non-cash expenditure. The receipts so assumed in such cases may also be included in the Receipts Budget while furnishing receipts estimates to Budget Division.

19 CAPITAL RECEIPTS

19.1 Estimates of Capital receipts from Ministries/Departments will include receipts by way of loan repayments, disinvestment of equity holdings in Public Sector Enterprises, issue of bonus shares by the PSEs in favour of Central Government, and net receipts under Public Account transactions.

19.2 Estimates of receipts by way of loan repayments will be furnished in forms at Appendices XLVII and XLVIII, along with estimates of interest receipts as earlier mentioned in paragraphs 18.14.1 and 18.14.2 above. Where such receipts are notional (by way of write off or refinancing through fresh loans or conversion into equity), the fact should be highlighted in the 'Remarks' column. Likewise, any modification in the terms of repayment, like extension of period of moratorium and/or repayment, should also be indicated. Here also the estimates should fully reflect the endeavors to realise the amounts due from the various loanees.

19.3 Estimates of receipts in respect of bonus shares, issued by Government companies in favour of the Central Government, classifiable under Major Head '4000-Miscellaneous Capital Receipts' will be furnished company-wise by the Controller of Accounts in form at Appendix-I. The estimates should correspond to the provisions for related investments included on the expenditure side.

19.4 The estimates of disinvestment of equity holdings in Public Sector Enterprises may be centrally furnished by DIPAM along with the bifurcation of disinvestment proceeds by Ministry/ Department and CPSE.

19.5 The estimates of receipts in form **Appendix-XLVIII** in so far as Government servants are concerned, will include estimates of interest receipts and Estimates of repayment of loans.

19.6 **PUBLIC ACCOUNT:-** The Controllers of Accounts and the Accounts Officers of Union territory Governments/Administrations concerned (i.e. both with and without legislatures) should make a detailed review of the Public Account transactions which are accounted for in their books, and work out on the basis of the past trends and other information available with them, estimates for receipts and payments under it relating to their Ministries/ Departments. The estimates of receipts and outgoings should be prepared on separate sheets. These estimates should reach Budget Division **latest by October 21, 2016** in the form at **Appendix-XLIX**. The estimates should have footnotes explaining the nature of the transactions and adequate explanations for any major variation in estimates with reference to past actuals and Budget Estimates. The estimates to be furnished to Budget Division should be as approved by the Financial Adviser and duly consolidated and complete in all respects, for the Ministry/ Department as a whole, Demand-wise. These should not be sent in piecemeal.

19.7 Estimates relating to Group Insurance Scheme for Central Government employees introduced from **1.1.1982** will be furnished to the Budget Division by the Chief Controller of Accounts, Finance and those relating to the Union Territory Government Employees Group Insurance Scheme introduced with effect from **1.1.1984** by the Ministry of Home Affairs (U.T. Cell).

19.8 Ministry of Railways (Railway Board), Department of Telecommunications and Ministry of Defence (Finance Division) in respect of Defence Services will furnish estimates of Public Account transactions in their Cash Requirement Estimates.

19.9 Normally Ministries/Departments should not have any large transactions in Public Account except in areas like provident funds and approved special deposits. No net debit or credit in a year in the Public Account will, therefore, be accepted except with full justification.

19.10 All the receipts whether interests, guarantee fee, disinvestment, etc., have to be entered entity-wise or category-wise for the BE of the next financial year. Once the figures are finalized and approved, the same may be fed into the PFMS portal. In the case of RE figures in this regard, the same may be entered in the PFMS portal once the Budget Division of the Ministry of Finance communicates the same to the Ministry. This is the responsibility of the 'receipt-budget – preparing authority'.

20. **Mode of submission of statement of budget estimates**

20.1 Office of the Controller General of Accounts (CGA) may provide information relating to Actuals for 2015-2016, Ministry/Department wise and head of account wise by 30th September, 2016.

20.2 Budget Division will convey to the Ministries/Departments "actuals information" so obtained by 23rd October, 2016. Information provided by Budget Division will be validated by the Ministries/ Departments. Corrections, if any will be intimated by Ministries/Departments to Budget Division of the Ministry of Finance. Office of CGA may also be informed of such changes so that Finance Accounts also reflect those changes. Ministries/Departments will complete this process by 23rd October, 2016.

Actuals so reported to the Office of CGA and Budget Division must also be depicted in the "Detailed Demand for Grants" of the Ministries/Department for 2017-2018.

20.3 **The Ministries may ensure that data entry in UBIS, is strictly as per the timelines mentioned in the circular. In case of any issue related UBIS, Shri Navin Karn, Scientist C, NIC (23095247, 23092318) may be contacted.**

20.4 A printed version of all appendices prescribed in the Budget circular relating to SBEs and Expenditure Budget should be submitted after the data entry.

20.5 The undersigned may be contacted for any doubt/clarification relating to any of the provisions of the Budget circular 2017-2018.

(Saurabh Shukla)
Deputy Secretary(Budget)
Telefax: 23093810
email : saurabhs@cag.gov.in

APPENDIX I

(See Paragraph 3.5)

STATEMENT OF BUDGET ESTIMATES

Expenditure

SBE

Demand No.

(Rs. in crore)

Ministry/ Department

	Actuals 2015-16		BE 2016-17		RE 2016-17		BE 2017-18	
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
A. CENTRE'S EXPENDITURE								
I. Establishment Expenditure								
II. Central Sector Schemes								
III. Other Central Expenditure								
B. TRANSFERS TO STATES								
IV. Centrally Sponsored Schemes								
V. Finance Commission Transfers								
VI. Other Transfers to States								

APPENDIX II

(See Paragraph 3.5)

Details for RE 2016-17

Expenditure

RE meeting

Demand No.

(Rs. in crore)

Ministry/ Department

	Actuals	Actuals Till		BE 2016-17		Actuals Till		RE 2016-17	
	2015-16	Sep-15				Sep-16			
	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan
A. CENTRE'S EXPENDITURE									
I. Establishment Expenditure									
II. Central Sector Schemes									
III. Other Central Expenditure									
B. TRANSFERS TO STATES									
IV. Centrally Sponsored Schemes									
V. Finance Commission Transfers									
VI. Other Transfers to States									

APPENDIX III

(See Paragraph 3.5)

Object Head wise Summary

Expenditure

RE meeting

Demand No.

(Rs. in crore)

Ministry/ Department

Object Head Code	Object Head Name	Actual 2015-16		BE 2016-17		Actual Expenditure till Sept 2016		RE 2016-17		BE 2017-18
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan	

APPENDIX IV

(See Paragraph 3.5)

Assistance to Autonomous Bodies

Expenditure

RE Meeting

Demand No.

(Rs. in crore)

Ministry/ Department

Name of AB/ Body	GiA for Creation of Capital Assets				GiA General				GiA for Salary				
	Actual 2015-16	BE 2016-17	RE 2016-17	BE 2017-18	Actual 2015-16	BE 2016-17	RE 2016-17	BE 2017-18	Actual 2015-16	Total Salary in 2015-16 as per accounts of AB	BE 2016-17	RE 2016-17	BE 2017-18

APPENDIX V
(See Paragraph 3.5)
Details of Unspent Balances

Expenditure
RE Meeting

Demand No.

Ministry/ Department

(Rs. in crore)

Name of Scheme	As on 31st March 2016		As on 31 Sept 2016		
	Unspent Balances	Pending Ucs	Total releases in FY 2016	Unspent Balances	Pending Ucs

APPENDIX VI
(See Paragraph 3.5)
Details of Salary Expenditure

Expenditure
RE Meeting

Demand No.

Ministry/ Department

(Rs. in crore)

Actual 2015-16	BE 2016-17	Total Salary expenditure upto Sept 2016 including arrears	Arrears for Jan & Feb 2016	RE 2016-17	BE 2017-18

APPENDIX VII
(See Paragraph 3.5)
Details of Pending Liabilities

Expenditure
RE Meeting

Demand No.

Ministry/ Department

(Rs. in crore)

Scheme/ Item	Pending Liability upto 31 March 2016	BE 2016-17	Estimated Expenditure in 2016-17 (not including pending liability of previous year)	Reasons for not including in BE 2016-17	BE 2017-18 (Excluding pending liability of previous year)

APPENDIX-VIII

Expenditure

[See para 6.7(i)]
Statement showing amount of "charged" expenditure included in the Estimates

Demand No. Name and title of the Demand

(*₹ in crores)*

Serial Number	***Name of Scheme***	***Major Head***	***Actual 2015-2016***	***Budget Estimates 2016-2017***	***Revised Estimates 2016-2017***	***Budget Estimates 2017-2018***
1	***2***	***3***	***4***			

Note: *1. The amount should be indicated in crore of rupees upto 2 decimal places and gross amounts of expenditure to be shown in Demands for Grants.*	*2. Where the amount is negligible a symbol should be provided in the appropriate column and the actual amount in thousands should be indicated at the end of the statement duly linked with the symbol.*

To
Shri Amit Bansal,
Under Secretary (Budget), Ministry of Finance, Department of Economic Affairs,
R. No. 221-A, North Block, New Delhi.

Signature
Designation
Date
Telephone No.

APPENDIX-IX

Expenditure

[See paragraph 6.7(ii)]
Statement showing the estimate of recoveries taken in reduction of expenditure under each of the Major Head included in SBE

Ministry/Department Demand No.
Name and title of the Demand

(*₹ in crores)*

Serial Number	***Name of Scheme***	***Major Head***	***Actual 2015-2016***	***Budget Estimates 2016-2017***	***Revised Estimates 2016-2017***	***Budget Estimates 2017-2018***
1	***2***	***3***	***4***			

Note: *1. The amount should be indicated in crore of rupees upto 2 decimal places*	*2. Where the amount is negligible a symbol should be provided in the appropriate column and the actual amount in thousands should be indicated at the end of the statement duly linked with the symbol.*

To
Shri Amit Bansal,
Under Secretary (Budget), Ministry of Finance, Department of Economic Affairs,
R. No. 221-A, North Block, New Delhi.

Signature
Designation
Date
Telephone No.

APPENDIX-X

Expenditure

[See paragraph 6.7(iii)]

Statement showing equity and loan component of investments in Public Sector Enterprises

[included in Section B of the SBE)

(*₹ in crores)*

	Name of the P.S.E., etc.	**Major Head**	**Actual 2015-2016**	**B.E. 2016-2017**	**R.E. 2016-2017**	**B.E. 2017-2018**
Examples						
1.	Cement Corporation of India	4854		32.00		
		6854		32.00		
		Total		**64.00**		
2.	Oil India Ltd.	4802		0.00		
		6802		0.00		
		Total		**0.00**		

APPENDIX-XI

Expenditure

(See paragraph 6.8)

Modifications to Statement of Budget Estimates (Final)

Ministry/Department
Demand No. Name and title of the Demand

(*₹ in crores)*

Serial Number	***Name of Scheme***	***Major Head***	***Actual 2015-2016***	***Revised Estimates 2016-2017***			***Budget Estimates 2017-2018***
				Plan	Non-Plan	Total	Total
1	*2*	*3*	*4*		*5*		*6*

1. Indicate the effect of change as (+)………………….or (-)……………..in crores of rupees, immediately after this indicate in the next line the Major Head total in the individual column after effecting this change.
2. After all these changes give the summary of the final total as below:

(*₹ in crores)*

	Revised Estimates 2016-2017			Budget Estimates 2017-2018
	Plan	Non Plan	Total	Total
Revenue				
Capital				
Total				

APPENDIX-XII

Expenditure

(See paragraph10.3)

Loans to Government Servants, etc.

Disbursements

(*₹ in crores)*

2013-2014	**2014-2015**	**2015-2016**	**2016-2017 (upto Sept. 2016**	**Major Heads, sub-heads etc.**	**2016-2017**		**2017-2018**
					BE	**RE**	**BE**
				(i) House building advances			
				(ii) Advances for purchase of motor cars			
				(iii) Advances for purchase of other motor conveyances			
				(iv) Advances for purchase of other conveyances			
				(v) Advances for purchase of computers			
				(vi) Other Advances			

Total

Shri Anil Kr. Jha, US (CDN), Ministry of Finance, Department of Economic Affairs,
Room No. 237, North Block, New Delhi

APPENDIX-XIII

Notes on Demands

(See paragraph 11.3)

Guidelines for preparation of Notes on Demands

a) Explanation for variations in estimates (between current BE and RE and RE and next BE) are to be given in respect of each programme where the variation is 10%.

b) In respect of programmes costing ₹ 100 crore or more physical data, like target and achievements, are to be given.

c) Assistance to autonomous bodies - if budget provisions include maintenance grants to institutions this fact may be indicated adding whether the institution is fully funded by the Central Government or otherwise.

d) In respect of departmentally run commercial undertakings like Delhi Milk Scheme, Currency Note Press, Canteen Stores Department, etc., wherever appropriate, targets of production may be given. These need not be given in respect of non-departmental commercial undertakings like BHEL, etc.

e) Some organisations like CCIE, Passport Organisation, etc. have significant non-tax receipts, the estimates of receipts in such cases may also be indicated in the Notes against the expenditure proposals.

f) In respect of Centrally Sponsored Schemes, implemented through State and Union Territory Governments, the pattern of financing by the Central Government (as grants and/or loans) and allocation of incidence of the expenditure as between the Central and State Governments may be indicated. If the provision relates to State Plan or U.T. Plan the same should be specified.

g) In some cases, provision is made in lump sum covering the requirements of numerous units; the number of units for which the provision is made may be mentioned (like number of Consulates and Missions abroad for which provision is made at one place in the Ministry of External Affairs).

h) In regard to a capital project, the focus of attention should be on the following:–

(i) Purpose of the project.. (ii) Estimated cost of the project in ₹ crore. (iii) Capacity. (iv) Target date for completion.

i) All major projects under a Public Enterprise costing ₹ 25 crores or more may be specifically referred to in the Notes. In respect of multi- project enterprises like NTPC, for projects costing ₹ 100 crores or more, budget provisions may be indicated in the Notes.

j) In respect of a Ministry/Department for which a separate Performance Budget is not presented (like Defence Ministry), the total value of production may be given in respect of each of the public enterprise under it.

k) All projects, schemes, etc. which are financed (fully or partly) from external assistance may be mentioned.

l) All organisations, schemes, etc. included under the residuary items like other programmes may be mentioned except where the Budget provision is very small.

m) In respect of Government’s investment in public sector enterprises for plan purposes, the break-up of the investment as equity investment and loans may be given separately, preferably in a tabular form when more than one company is involved.

n) Where the expenditure includes any item connected with foreign currency expenditure, a note indicating the exchange rates adopted for the purpose of estimation should accompany the SBE.

o) It has been noticed that many items do not provide any useful insight about the expenditure. It is stressed that the notes on Demands are carefully and comprehensively revised and that last year’s notes are not merely modified.

p) Lastly, lengthwise, the Notes should be concise and devoid of repetition.

Outcome Budget
2017-2018

APPENDIX-XIV
[See paragraphs13.1]
Outcome Budget

(₹ *in crores)*

S. No.	Name of Scheme/Sub-Scheme	Projected Financial Outlay			Output/Deliverables against the Outlay			Projected Medium Term Outcomes	Remarks/ Risk Factors
1	2	3			4			5	6
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20	2017-18 to 2019-20	
Centrally Sponsored Schemes									
1	Scheme Name				a.	a.	a.		
					b.	b.	b.		
					c.	c.	c.		
Central Sector Schemes									
2	Scheme Name				a.	a.	a.		
					b.	b.	b.		
					c.	c.	c.		

EXPENDITURE BUDGET Vol. 1

APPENDIX-XV
[See paragraph 14.1]
Provision for externally-aided projects in Schemes

Ministry/Department

(₹ *in crores)*

NBS	External aid through Budget	Actual 2015-2016	2016-2017 RE IEBR		Total Outlay	NBS	External aid through Budget	2017-2018 BE IEBR		Total Outlay
			External aid received direct	Other IEBR				External aid received direct	Other IEBR	
1	2		3	4	5	6	7	8	9	10

EXPENDITURE BUDGET Vol. 1

APPENDIX XVI
(See Paragraph 14.1(ii))

BUDGET PROVISIONS UNDER GRANTS-IN-AID-SALARIES

Demand No……………………..
Name of the Ministry/Department…………………..

(₹ *in crores)*

Name of Organisation/Institute	BE 2016-17			RE 2016-17			BE 2017-18
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Total
1.							
2.							
3.							

Ministry/Department of ….
For Financial Adviser…..
Date…..
Telephone No……

To
Under Secretary (NS-I)
Budget Division, Department of Economic Affairs, Ministry of Finance,
Room No. 239-A, North Block, New Delhi

EXPENDITURE BUDGET Vol. 1

APPENDIX-XVII

[See paragraph 14.1(iii)]

Statement showing Internal and Extra Budgetary Resources of public enterprises

(*₹ in crores)*

Name of the Enterprises	**Actual 2015-16**	**Revised Estimates 2016-2017**					**Budget Estimates 2016-2017**				
		Internal Resources	**Bonds Debentures**	**E.C.B. Suppliers Credit**	**Others**	**Total**	**Internal Resources**	**Bonds Debentures**	**E.C.B. Suppliers Credit**	**Others**	**Total**
1.											
2.											
3.											

EXPENDITURE BUDGET Vol. 1

APPENDIX-XVIII

[See paragraph 14.1(iv)]

Statement showing provisions in the Budget for Central and Centrally sponsored Plan scheme

(*₹ in crores)*

Scheme etc.	**Major Head**	**Actual 2015-2016**	**B.E. 2016-2017**	**R.E. 2016-2017**	**B.E. 2017-2018**
Central Sector Scheme					
1.					
2.					
3.					
Central Sponsored Scheme					
1.					
2.					
3.					

Forwarded to: *For Financial Adviser*

Shri Anil Kumar Jha, Under Secretary (Budget), Ministry of Finance, Department of Economic Affairs, Budget Division, Room No.237, North Block, New Delhi.

Schemes, etc., for which provisions in BE 2016-2017 is ₹10 crore and above should be listed distinctly while other schemes/programmes, etc., merged under as a residuary item in the respective category, namely, Central Plan and Centrally Sponsored Plan.

EXPENDITURE BUDGET Vol. 1

APPENDIX-XIX

[See paragraph 14.1(v)]

Estimated strength of Establishment and provisions therefor.

Ministry/Department of

(*₹ in crores)*

Strength as on 1st March

Actual	Estimated		Actuals 2016-2017			RE 2016-2017			BE 2017-2018		
2016	2017	2018	Pay	Allowances (other than travel expenses)	Travel expenses	Pay	Allowances (other than travel expenses)	Travel expenses	Pay	Allowances (other than travel expenses)	Travel expenses

To

Shri Amit Bansal,
Under Secretary (Budget), Ministry of Finance,
Department of Economic Affairs, Room No. 221-A,
North Block, New Delhi.

For Financial Adviser
Date
Telephone No.

Notes:

(i) The information is respect of estimated strength of Establishment must be duly got verified and authenticated by a designated officer not below the rank of Deputy Secretary/Director in the Ministry/Department before it is furnished to the Ministry of Finance, Budget Division.

(ii) Wherever there are large variations (Say, 5% or more), in the establishment strength or the related provisions for pay and allowances with reference to the previous year, or the projections made for the next year, this may invariably be explained in brief.

EXPENDITURE BUDGET Vol. 1

APPENDIX-XX

[See paragraph 14.1(vi)]

Summary statement showing the Contributions to International Bodies provided for in the Budget Estimates, 2016-2017 [to be appended to SBE (Final)]

(*₹ in crores)*

Sl. No.	Name of Ministry/Department	Total no. of items	Actual 2015-2016	BE 2016-2017	RE 2016-2017	BE 2017-2018
1	2	3	4	5	6	7

No. Ministry/Department of

Shri Amrish Kumar, Under Secretary (NS-I),
Ministry of Finance,
Department of Economic Affairs, Room No. 239-A,
North Block, New Delhi.

For Financial Adviser
Date
Telephone No.

EXPENDITURE BUDGET Vol.1

APPENDIX-XXI

[See paragraph 14.1(vii)]

Summary statement showing Grants-in-aid exceeding ₹ 5 lakh (recurring) or ₹ 10 lakh (non-recurring) sanctioned to private institutions/organisations/individuals during the year 2014-2015

Serial No.	Name of Ministry/Department	Number of items	Total amount	
			Recurring	Non-recurring

No. Ministry/Department of

Shri Amrish Kumar, Under Secretary (NS-I),
Ministry of Finance,
Department of Economic Affairs, Room No. 239-A,
North Block, New Delhi.

For Financial Adviser
Date
Telephone No.

STATEMENT NO.20

APPENDIX XXII

(See Paragraph 14.6)

FORMAT FOR FURNISHING INFORMATION ON 'GENDER BUDGETING'

(i) 100% provision towards women

Demand No : …………

Name of the Ministry/Department : …………………………. (*₹ in crores)*

Details of Scheme	BE 2016-17			RE 2016-17			BE 2017-18
	Plan	Non Plan	Total	Plan	Non Plan	Total	Total

(ii) Pro-women (at least 30% of provision)

Demand No : …………

Name of the Ministry/Department : …………………………. (*₹ in crores)*

Details of Scheme	BE 2016-17			RE 2016-17			BE 2017-18
	Plan	Non Plan	Total	Plan	Non Plan	Total	Total

Note: Two separate statements in the format prescribed above may be furnished

Director (Budget)/Deputy Secretary (Budget)
Ministry/Department ………………….
Tel. No. ………………………

To
Shri T. Uthaya Kumar
Additional Budget Officer, Ministry of Finance,
Department of Economic Affairs, North Block, New Delhi

APPENDIX XXIII

[See Paragraph 14.8]

STATEMENT SHOWING SCHEMES FOR THE DEVELOPMENT OF SCHEDULED CASTES

Demand No.
Name of the Ministry/Department

Scheme under Scheduled Castes Sub Plan

(₹ *in crores)*

Details of the Scheme	2015-2016 Actual	2016-2017 Budget	2016-2017 Revised	2017-2018 Budget

To
Shri Rajeev Nayan Sharma
Deputy Director (States)
Ministry of Finance
Department of Economic Affairs, Room No. 237,
North Block
New Delhi.

Signature
Designation
Date
Telephone No.
Fax No.

APPENDIX XXIV

[See Paragraph 14.8]

Demand No.
Name of the Ministry/Department

STATEMENT SHOWING SCHEMES FOR THE DEVELOPMENT OF SCHEDULED TRIBES

Scheme under Tribal Sub Plan

(₹ *in crores)*

Details of the Scheme	2015-2016 Actual	2016-2017 Budget	2016-2017 Revised	2017-2018 Budget

To
Shri Rajeev Nayan Sharma
Deputy Director (States)
Ministry of Finance
Department of Economic Affairs, Room No. 237,
North Block, New Delhi.

Signature
Designation
Date
Telephone No.

STATEMENT NO.22

APPENDIX XXV

(See Paragraph 14.10)

FORMAT FOR FURNISHING INFORMATION ON 'WELFARE OF CHILDREN'

BUDGET PROVISIONS FOR THE SCHEMES FOR THE 'WELFARE OF CHILDREN'

Demand No.
Name of the Ministry/Department

(₹ *in crores)*

Name of the Schemes/Programmes	2016-17 Budget			2016-17 Revised			2016-17 Budget
	Plan	Non Plan	Total	Plan	Non Plan	Total	Total

To
Shri Gautam Palit
Section Officer (CDN)
Budget Division, Ministry of Finance, Department of Economic Affairs,
Room No. 224-C, North Block, New Delhi

EXPENDITURE BUDGET Vol. 1

APPENDIX-XXVI

[See paragraph 14.11

Budget Allocated by Ministries/Departments for the North Eastern Region

(*₹ in crores)*

Sl. No.	Name of Ministry/Department	Budget Estimates (2016-17)	Revised Estimates (2016-17)	Budget Estimates (2017-18)

To
Sh. Gautam Palit,
Section Officer(CDN)
Budget Division, Department of Economic Affairs,
Room No.224-C, North Block, New Delhi

APPENDIX XXVII

[See para 14.13]

Ministry/Department of

Statement showing direct transfers of Central Assistance to State/District level Autonomous Bodies*

(*₹ in crores)*

Sl. No.	Name of Scheme	Major Head	Actuals	BE	RE	BE
			2015-16	2016-17	2016-17	2017-18

** These could be Societies/State PSUs/Corporations owned/controlled by State Governments.*

To
Shri Amrish Kumar,
Under Secretary (NS-I),
Ministry of Finance, Department of Economic Affairs,
Room No. 239-A, North Block, New Delhi.

Ministry/Department of
For Financial Adviser
Date
Telephone No.

Expenditure Budget Vol.I 2017-18

APPENDIX XXVIII

[See para 14.14]

Ministry/Department of

Part I: Externally Aided Projects under Central Plan where inflows during 2016-17 are ₹ 100 crore or more

(*₹ in crores)*

Name of the concerned Ministry/Department	Name of the Project	Name of Funding Agency	Actuals 2015-16	BE 2016-17	RE 2016-17	BE 2017-18

Part-II

(i) Additional Central Assistance (ACA) to States for Externally Aided Projects (EAP)

(*₹ in crores)*

	Actuals 2015-16	BE 2016-17	RE 2016-17	BE 2017-18
Grant				
Loan				

(ii) Major Externally Aided Projects under CSS (*₹ in crores)*

Sl. No.	Name of the project	Loan Currency	Loan Amount in Million	Utilization Upto 31st March 2015 (INR in Crore)	Utilization from 01.04.2015 to 31.12.2015 (INR in crore)

Signature Designation
Telephone No.
Date

To,
Shri Anil Kumar Jha, Under Secretary (CDN),
Ministry of Finance, Department of Economic Affairs,
Room No.237, North Block, New Delhi.

APPENDIX XXIX
[See paragraph 14.15]
BUDGET PROVISIONS UNDER THE OBJECT HEAD GRANTS FOR CREATION OF CAPITAL ASSESTS

Demand No……………………..
Name of the Ministry/Department…………………..

(₹ *in crores)*

Name of Scheme	Actuals 2015-16			BE 2016-17			RE 2016-17			BE 2017-18
	Plan	Non Plan	Total	Plan	Non Plan	Total	Plan	Non Plan	Total	

Ministry/Deparment of …………………………………
For Financial Adviser……………………………………..
Date…………………………………………………………………
Telephone No…………………………………………………

To
Shri Amarjeet Singh,
Under Secretary (Report)
Ministry of Finance, Department of Economic Affairs,
Room No. 237, North Block, New Delhi

APPENDIX- XXX-A
[See paragraph 15.1]
GUARANTEES GIVEN BY THE GOVERNMENT

Name of Ministry/Department

(₹ *in crores)*

Sl. No.	Beneficiary [Name of the PSU etc in whose favour guarantee is given]	Loan Holder/ Entity giving Loan	Authority for Guarantee [MoF approval No. & Date]	Period of validity [MOF ID No., & date through which the guarantee was last extended]	Purpose of Loan	Class*	Sector*	Details of Reschedule	Details of Securities pledged
1	2	3	4	5	6	7	8	9	10

Amount of Loan	Extent of Guarantee			Additions	Deletions	Invoked		Outstanding principal, interest etc at the end of 31.03.2016	Rate of Guarantee Fee/ Commission	Guarantee Fee/ Commission		Other conditions & compliance	Other Material Details
	Principal	Interest	Total			Discharged	Not discharged			Receivable	Received		
11	12	13	14	15	16	17	18	19	20	21	22	23	24

* As given below.

Note: i) It is certified that Register of Guarantees as envisaged in Rule 249 of GFR, 2005 is being maintained and periodical reviews are being carried out. Further it is certified that the Guarantee Fee/Commission outstanding as worked out above is correctly shown as arrears of Non-Tax Revenue in Appendix X-L under the head 'Guarantee Fee'.

ii) The amounts should be shown in Indian Rupees in crore and not in any foreign currency.

To
Shri K. Vasudevam, Dy Director,
Ministry of Finance, Department of Economic Affairs,
Room No.237, North Block,
New Delhi.

Ministry/Department of
For Financial Adviser
Date
Telephone No.

GUARANTEE- CLASS

i.	Guarantees given to the RBI, other banks and industrial and financial institutions for repayment of principal and payment of interest, cash credit facility, financing seasonal agricultural operations and/or for providing working capital to corporations and cooperative societies and banks;	[A]
ii.	Guarantees given for repayment of share capital, payment of minimum annual dividend and repayment of debentures issued/raised by the statutory corporations and financial institutions;	[B]
iii.	Guarantees given in pursuance of agreements entered into by the Government of India with international financial institutions, foreign lending agencies, foreign governments contractors, suppliers, consultants, etc., towards repayment of principal, of interest/commitment charges on loans, etc., and/or for payment against supplies of material and equipment;	[C]
iv.	Counter-guarantees to banks in consideration of the banks having issued letters of credit/authority to foreign suppliers for supplies made/services rendered;	[D]
v.	Guarantees given to Railways/State Electricity Boards and other entities for due and punctual payment of dues by Companies/Corporation.	[E]
vi.	Performance guarantees given for fulfillment of contracts/projects awarded to Indian companies in foreign countries;	[F]
vii.	Performance guarantees given for fulfillment of contracts/projects awarded to foreign companies in foreign countries.	[G]
viii.	Any others	[H]

GUARANTEE – SECTORS

i. Power	ii. Cooperative	iii. Irrigation
iv. Roads & Transport	v. Urban Development & Housing	vi. Other Infrastructure
vii. Any other.		

APPENDIX XXX-B
Form D-1
[See paragraph 15.1]
TAX REVENUES RAISED BUT NOT REALISED
(principal taxes)

(As at the end of the year 2015-2016)

Major Head	**Description**	**Amounts under dispute (₹ *in crores)***					**Amounts under dispute (₹ *in crores)***					**Grand Total**
		Over 1 year but less than 2 years	**Over 2 years but less than 5 years**	**Over 5 years but less than 10 years**	**Over 10 years**	**Total**	**Over 1 year but less than 2 years**	**Over 2 years but less than 5 years**	**Over 5 years but less than 10 years**	**Over 10 years**	**Total**	
	Taxes on income & Expenditure											
0020	Corporation Tax											
0021	Taxes on Income other than Corporation Tax											
	Taxes on Commodities & Services											
0037	Customs											
0038	Union Excise											
0044	Service Tax											
	Total											

To
Shri H. K. Srivastava,
Director (Budget)
Department of Economic Affairs,
Room No. 68, North Block, New Delhi.

Ministry/Department of
For Financial Adviser Ministry of Finance,
Date
Telephone No.

APPENDIX XXX-C

Form D-2

[*See paragraph* 15.1]

ARREARS OF NON-TAX REVENUE

Demand No. .... (As at the end of the year 2015-2016)

Description	**Amounts Pending (₹ *in crores)***				
0-1 Year	**1-2 Years**	**2-3 Years**	**3-5 Years**	**Above 5 Years**	**Total**
Fiscal Services					
Interest receipts *Of which* From State Governments and Union Territory Governments					
From Railways					
From Departmental Commercial Undertakings					
From Public Sector & other Undertakings					
Dividends and Profits					
General Services Police receipts **Economic Services** Petroleum					
Cess/Royalty					
Communications (License Fee) Receipts					
Guarantee fee					
Other Receipts					
Total					

To

Shri H.K. Srivastava
Director (Budget),
Department of Economic Affairs,
Room No.68, North Block, New Delhi.

Ministry/Department of
For Financial Adviser Ministry of Finance,
Date
Telephone No.

APPENDIX XXX-D Form D-4
[*See paragraph 15.1*]

ASSET REGISTER

Demand Name

Demand No. ………………………………………………

(As at the end of Reporting Year 2015-2016)

Cost (₹ *in crores)*

		Assets at the beginning of the year 2015-2016	Assets acquired during the year 2015-2016	Cumulative total of assets at the end of the year 2015-2016
Physical assets :				
Land				
Building				
	Office			
	Residential			
Roads				
Bridges				
Irrigation Projects				
Power Projects				
Other Capital Projects				
Machinery & Equipment				
Office Equipment				
Vehicles				
Total : **Financial assets**				
Equity Investment				
	Shares			
	Bonus Shares			
Loans and advances				
	Loans to State & UT Govts.			
	Loans to Foreign Govts.			
	Loans to companies			
	Loans to others			
Other Financial Investments				

Notes:

1. Assets above the threshold value of Rupees two lakh only to be recorded.
2. This disclosure statement does not include assets of Cabinet Secretariat, Central Police Organizations, Ministry of Defence, Departments of Space and Atomic Energy.
3. Figures in the column "Assets acquired during the year 2014-2015 (Reporting year) are equal to net assets after addition of asets acquired and deduction of assets disposed off against each item during the reporting year. In the case of only disposal of assets against any/all items during the year, minus (-) figure(s) may be given in the said column.

To
Shri H.K. Srivastava,
Director (Budget),
Ministry of Finance, Department of Economic Affairs,
Room No. 68, North Block, New Delhi.

Ministry/Department of
For Financial Adviser
Date
Telephone No.

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXI

[See paragraph 16.6(i)]

DEMAND NO.

Estimated strength of Establishment and provisions therefor.

Strength as on 1st March *(₹ in crores)*

2016					2017 estimates sanctioned strength	2018 estimates sanctioned strength	Actuals 2015-2016	Budget 2016-2017	Revised 2015-2017	Budget 2017-2018
Pay Band/ Grade Pay	**Status of Posts**	**Group of Posts**	**Total No. of Posts**	**No. of Emp. in Positions**						
	Gaz./Non Gaz.	Regular/ Temp./ Adhoc	Gp. A. Gp. B. Gp. C Gp. D							
			Unclassafied							
(a)	(b)	(c)	(d)	(e)	(f)					
			1. Salary (a) Officers Indicate in respect of each Pay Band/Grade Pay							
			(b) Staff Indicate in respect of each Pay Band/Grade Pay							
			Total Salary							
			2. Allowances (other than OTA and travel expenses)							
			3. Wages							
			4. Overtime allowance							
			5. Domestic travel expenses							
			6. Foreign travel expenses *							
			Total							

**will include travel expenses abroad of scientists (on deputation)*

DETAILED DEMANDS FOR GRANTS

APPENDIX – XXXII

[See paragraph 16.6(ii)]

Project-wise provision for expenditure on externally aided projects

(₹ in thousands)

Major Head etc.	Name of the Project	Actuals 2015-2016		Revised Estimates 2016-2017		Budget Estimates 2017-2018	
		Budget Support	Of which external aid through Budget	Budget Support	Of which external aid through Budget	Budget Support	Of which external aid through Budget
1	2	3	4	5	6	7	8

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXIII

[See paragraph 16.6(iii)]

Statement showing broad details of expenditure (other than Centrally Sponsored and Central Sector Schemes) provisions costing ₹ 25 lakh and above in BE 2017-2018

(₹ in thousands)

Sl. No.	**Demand No. and sub-head**	**Brief particulars of the scheme**	**Provision in BE 2017-2018**

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXIV

[See paragraph 16.6(iv)]

Details of provisions in BE 2017-2018 for payments of grants-in-aid to non-Government bodies

(₹ *in thousands)*

Grant No.	Sl. No.	Organisation receiving assistance	Broad Purpose of assistance	Whether recurring / non – recurring	Whether Plan / Non Plan	Provision in BE 2017-2018	Remarks / Outstanding U.C.
1	2	3	4	5	6	7	8

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXV

[See paragraph 16.6(v)]

Works Annexure - Details of individual works costing ₹ 5 crore or above

(₹ *in thousands)*

Particulars of the work	Estimated cost of the	Actual expenditure to the end of 2015-2016	Probable expenditure during	Total of Columns 3 & 4	Provision in Budget 2017-2018
1	2	3	4	5	6

N.B. *Works costing less than ₹ 5 crore should be shown in a single entry in lump.*

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXVI

[See paragraph 16.6(vi)]

Statement showing revised cost Estimates of Projects of Public Sector Undertakings and Departmental Undertakings

(A) Public Sector Undertakings

(Figures in columns (3) and (5) ₹ in crores)

Undertaking	Project	Sanctioned		Revised		Reasons
		Cost	Year	Cost	Year	
1	2	3	4	5	6	7

(B) Departmental Undertakings

(Figures in columns (3) and (5) ₹ in crores)

Undertaking	Project	Sanctioned		Revised		Reasons
		Cost	Year	Cost	Year	
1	2	3	4	5	6	7

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXVII

[See paragraph 16.6(vii)]

Particulars of Government property of value exceeding Rupees five lakhs proposed to be transferred/ gifted to non- Government bodies in 2017-2018

(₹ *in crores)*

Serial No.	Details of property proposed to be transferred or gifted	Book Value	To whom proposed to be transferred or gifted	Purpose of transfer or gift	Remarks
1	2	3	4	5	6

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXVIII

[See paragraph 16.6(viii)]

Statement showing contributions to International Bodies provided for in the Budget Estimates for 2017-18

(₹ *in crores)*

Name of the organisation	Nature and purpose of contribution	Actuals	Budget	Revised	Budget
		2015-2016	2016-	2016-2017	2017-2018
1	2	3	4	5	6

Note: *The total number of items in the statement and the total of the amounts in columns 3 & 6 should also be worked out and shown in the statement.*

DETAILED DEMANDS FOR GRANTS

APPENDIX-XXXIX

[See paragraph 16.6(ix)]

Statement showing Guarantees given by the Central Government and outstanding as on 31st March 2016

(*₹ in thousands)*

Sl. No.	Name of the institution for whom guarantee has been given	Nature and extent of guarantee (with No. & date of the sanction in the new items)	Rate of interest involved, if any (percent per annum)	Maximum amount of guarantee for which Government have entered into agreement	Sums guaranteed and outstanding as on 31.03.2016	Whether any securities are pledged to Government as a set-off against the guarantee	Payments, if any, made by Government in pursuance of the guarantee	Remarks
1	2	3	4	5	6	7	8	9

Note: *1. Amount of guarantee should be in Rupees and not in foreign currency.*
2. The total number of items in the statement and the total of the amounts in columns 5 & 6 should also be worked out and shown in the statement.

DETAILED DEMANDS FOR GRANTS

APPENDIX-XL

[See paragraph 16.6(x)]

Statement showing Grants-in-aid exceeding ₹ 5 lakh (recurring) or ₹ 10 lakh (non-recurring) sanctioned to private institutions/organisations/individuals during the year 2015-2016

(*₹ in thousands)*

Name of the institution/ organization/individual	Ministry/Department giving the grant	Recurring	Non-recurring	Purpose of the grant	Remarks/Out-standing U.C.
1	2	3	4	5	6

Note: *The total number of items in the statement and the total of the amounts in columns 3 & 4 should also be worked out and shown in the statement.*

APPENDIX-XLI

[See paragraph 16.6(xi)]

Statement showing the source of funds for grantee bodies receiving grants of over ₹ 10 lakh per year from Consolidated Fund of India

(*₹ in thousands)*

Sl. No.	Name of the institution/ organization /individual	Ministry/ Department giving the grant		Actuals of releases during 2015-16 from the Consolidated Fund of India	Grants from Consolidated Fund of India as per BE 2016-17	Grants from Consolidated Fund of India as per BE 2015-16	Grants received from other sources 2015-16		Remarks/ Outstanding U.C.
		Public	Private				Domestic	External/ Foreign	
1	2	3	4	5	6	7	8	9	10

DETAILED DEMANDS FOR GRANTS

APPENDIX-XLII

[See paragraphs 12.1]

Particulars of "New Service/New Instrument of Service" for which provision is made in the Budget Estimates 2017-2018

(*₹ in thousands)*

Serial No.	Demand Number and Major Head/sub-head	Provision in Budget Estimates 2016-2017	Remarks *
1	2	3	4

* *'Remarks' column should clearly bring out the purpose and objective and financial implications of the provision in question. In the case of public sector undertakings/private companies, provisions for loan and investment should be shown separately and the latest paid up capital of the public sector undertakings/private companies should also be indicated.*

No. Ministry/Department of

To,
Shri Amit Bansal,
Under Secretary (Budget), Ministry of Finance,

For Financial Adviser
Date

Department of Economic Affairs, R. No. 221-A, North Block, New Delhi. Telephone No.

Revenue/Capital Receipt

APPENDIX-XLIII
(See paragraph 18.3, 18.4, 18.7)
REVENUE/CAPITAL RECEIPTS

(₹ *in thousands)*

	First Months		**Last Months**		**Total**
ACCOUNTS	Apr-Oct	**Apr-Nov**	**Nov-Mar**	**Dec-Mar**	
2013-2014					
2014-2015					
2015-2016					

Total Receipts of 7 months		Upto Minor Heads	Total Receipts			2016-2017		2017-2018
Apr-Oct								
2015-2016	2016-2017		2013-2014	2014-2015	2015-2016	Budget Estimates	Revised Estimates	Budget Estimates
		Total						

1. A separate note on Minor head-wise explanation for increase/decrease may be given containing details of different types of Cesses such as the Act under which levied, rate of Cess, date of last revision, collection agency, and actual/budgeted collection. Further, a separate statement giving company wise details in the following proforma may also be sent in support of dividend estimates as per Appendix-XLVI.
2. In case there are multiple types of receipts in a single minor head then a break-up by types of receipts and/or the entity generating the receipts may be shown separately.

To
Shri Anil Kumar Jha,
Under Secretary (Non Tax Revenue),
Ministry of Finance, Department of Economic Affairs,
Room No. 236, North Block,
New Delhi.

Signature
Designation
Date
Telephone No.
Fax No.

Revenue Receipts

APPENDIX-XLIV
(See para18.8)
Estimates of Foreign Grants concerning the Ministry/Department of

(₹ *in crores)*

					Amount to be provided in			**Budget estimates**
Name of the Grantor country/body	**Date of aid agreement**	**Particulars of assistance to be received**	**Total assistance expected**	**Receipts Major Head**	**2016-2017 B.E.**	**2016-2017 R.E.**	**2017-2018 B.E.**	**Manner of utilization of aid ***

To

The Controller of Aid Accounts and Audit
Department of Economic Affairs
Indian Oil Bhawan, 5th Floor 'B' Wing
Janpath, New Delhi – 110001

Signature
Designation
Date
Telephone No.

A brief note may be added indicating the project on which aid is to be utilised. In the case of material and equipment the relevant grant and expenditure Heads of Accounts under which (i) utilisation of material by Central Government Departments/Projects, (ii) transfer of material to States, Union Territories and other Bodies will be adjusted and also whether the utilisation on transfer will be on Plan (State/UT/Centrally Sponsored or Central) or non-Plan Schemes should also be indicated. In cases where the aid material is proposed to be sold the Receipt Major Head under which the proceeds will be credited should be indicated.

Note: *Cash grants and assistance in the form of material and equipment should be indicated separately in columns 3 to 8.*

APPENDIX-XLV
(See Paragraph 18.11)
REVENUE RECEIPTS – DIVIDENDS

Ministry/Department/Union Territory
Major Head : 0050-Dividend & Profits

(₹ *in Thousands)*

Accounts 7 months		Detailed Head Level	Accounts			PAT * 2015-2016	Equity as on March 31, 2016	Equity holding of GOI on March 31, 2016	2016-2017		2017-2018
2015-2016	2016-2017		2013-2014	2014-2015	2015-2016				Budget Estimates	Revised Estimates	Budget Estimates

* PAT - Profit after Tax.
Minor head - wise explanation for increase/decrease may be indicated alongwith the name of PSUs and amount against each.

To
Shri Anil Kumar Jha,
Under Secretary (Non Tax Revenue),
Ministry of Finance, Department of Economic Affairs,
Room No. 236, North Block,
New Delhi.

Signature
Designation
Date
Telephone No.
Fax No.

APPENDIX-XLVI
(See Paragraph 18.12)
REVENUE RECEIPTS - DIVIDENDS

Ministry/Department/Union Territory:
Major Head: 0050-Dividends & Profits

(₹ *in Thousands)*

Sl No	Name of the company	Total Paid Capital as on 31/03/2016	Government share in Paid Capital as on 31/03/16	Profit after tax for 2015-2016	Dividend paid to Government for 2015-2016		Total dividend paid for 2015-16 (sum of columns a+b)	Interim Dividend for 2016-17 paid / to be paid in 2016-17	Total Dividend paid during 2016-17 (sum of columns b+d)	Cash /Cash equivalent as on 31/03/16	General Reserves on 31/03/16	Capital expenditure during 2016-17 (already executed plus estimate for the rest of the financial year	Estimated capital expenditure for 2017-18
					Interim Dividend in 2015-16	Final Dividend paid/ to be paid in 2016-17							

The above information may be given for all profit making PSUs. Loss making PSUs may be listed out separately. If there are no PSUs under the control of the Ministry, a nil report need not be sent.

To,

Shri Anil Kumar Jha
Under Secretary (Non Tax Revenue)
Ministry of Finance,
Department of Economic Affairs,
Room No. 237, North Block, New Delhi

Signature
Designation
Date
Telephone No.

Revenue/Capital Receipts

APPENDIX-XLVII
(See paragraph 18.14.1 and 19.2)
Estimates of Interest Receipts and Loan Repayments

(₹ *in crore)*

Sl.No.	Ministry/Department	Interest				Repayments			
		Accounts 2015-16	BE 2016-17	RE 2016-17	BE 2017-18	Actual 2015-16	BE 2016-17	RE 2016-17	BE 2017-18
1.	State Governments *								
2.	Union Territory Government *								
3.	Interest on Capital Outlay in Departmental Commercial Undertakings **								
4.	Foreign Governments *								
5.	Industrial / Commercial / Financial Undertaking (undertaking-wise details to be given as in Appendix – II-A) (a) Public Sector Undertakings (b) Private Sector Undertakings								
6.	Statutory Bodies (Port Trusts, Municipalities, KVIC, Tea/Coffee Boards etc)*								
7.	Railways								
8.	Other Parties (Cooperatives, Educational Institutions, displaced persons and other individual loanees except Government Servants)*								
9.	Government Servants								
Total									

No. Ministry/Department Signature
Forwarded in duplicate to Shri K.Vasudevan (SO), Designation
Ministry of Finance, Department of Economic Affairs, Date
Room No. 237, North Block, New Delhi. Telephone No.

Estimates for each State/Union Territory/Foreign Government, Statutory Body or institution should be separately appended to the Annexure.

** Value of capital outlay and interest rates applicable should be given.

Revenue/Capital Receipts

APPENDIX-XLVIII
(See paragraph 18.14.2, 19.2 and 19.5)
Estimates of Loan/Interest Repayment by Central PSUs/Other Parties

Ministry/Department :

(₹ *in crore)*

Sl.No	Name of Undertaking / Other Party	Paid up Capital as on 31.03.2016							
1.	Central loans outstanding as on 31.03.2016								
2.	Defaults in respect of dues upto 31.03.2016, if any:	Principal				Interest			
3.	Recoveries during 2016-17 (upto October): (a) Current dues (b) Defaulted dues								
4.	Estimates	Interest				Principal			
		Actual 2015-16	BE 2016-17	RE 2016-17	BE 2017-18	Actual 2015-16	BE 2016-17	RE 2016-17	BE 2017-18
	(a) from internal resources								
	(b) from budgetary support : (i) Plan * (ii) Non Plan * (iii) Conversion of past loans into equity								
	Total (a) and (b)								
5.	Details of proposals under consideration, if any providing relief to PSU, which would have impact on repayments / interest payments by it.								

Shri K.Vasudevan (SO), Designation
Ministry of Finance, Department of Economic Affairs, Date
Room No. 237, North Block, New Delhi. Telephone No.

Please indicate the type of budgetary support – loans or subsidy (towards interest or interest differential) and enter estimates for each *separately; moratorium on loan repayment holiday to be mentioned specifically.*

Capital Receipts

APPENDIX-XLIX
(See paragraph 19.5 and 19.6)

Estimates of transactions relating to the Public Account of India for inclusion in the Budget for 2017-2018
RECEIPTS/OUTGOINGS

(₹ *in crore)*

Major, Minor, Sub-head etc.	Accounts 2015-2016	Balance as at end of 2015-2016	BE 2016-2017	Adjustments upto 1st week of November, 2016	RE 2016-2017	BE 2017-2018	Remarks
1	2	3	4	5	6	7	8

Signature of Controller of Accounts
Date
Telephone No

To

Sh. Vijay Kumar
Deputy Director (W&M), Ministry of Finance,
Department of Economic Affairs, North Block, New Delhi.

APPENDIX - L

(See paragraph 2.11)

LIST OF DEMANDS FOR GRANTS, 2017-2018

Code No.	Demand No.	Name of Ministry/Department
1		**Ministry of Agriculture and Farmers' Welfare**
	1	Department of Agriculture, Cooperation and Farmers' Welfare
	2	Department of Agricultural Research and Education
	3	Department of Animal Hu sbandry, Dairying and Fisheries
2		**Department of Atomic Energy**
	4	Atomic Energy
3		**Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)**
	5	Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH)
4		**Ministry of Chemicals and Fertilisers**
	6	Department of Chemicals and Petrochemicals
	7	Department of Fertilisers
	8	Department of Pharmaceuticals
5		**Ministry of Civil Aviation**
	9	Ministry of Civil Aviation
6		**Ministry of Coal**
	10	Ministry of Coal
7		**Ministry of Commerce and Industry**
	11	Department of Commerce
	12	Department of Industrial Policy and Promotion
8		**Ministry of Communications and Information Technology**
	13	Department of Electronics and Information Technology
	14	Department of Posts
	15	Department of Telecommunications
9		**Ministry of Consumer Affairs, Food and Public Distribution**
	16	Department of Consumer Affairs
	17	Department of Food and Public Distribution
10		**Ministry of Corporate Affairs**
	18	Ministry of Corporate Affairs
11		**Ministry of Culture**
	19	Ministry of Culture
12		**Ministry of Defence**
	20	Ministry of Defence (Miscl)
	21	Defence Services (Revenues)
	22	Defence Pensions
	23	Capital Outlay on Defence Services
13		**Ministry of Development of North Eastern Region**
	24	Ministry of Development of North Eastern Region
14		**Ministry of Drinking Water and Sanitation**
	25	Ministry of Drinking Water and Sanitation
15		**Ministry of Earth Sciences**
	26	Ministry of Earth Sciences
16		**Ministry of Environment, Forests and Climate Change**
	27	Ministry of Environment Forests and Climate Change
17		**Ministry of External Affairs**
	28	Ministry of External Affairs
18		**Ministry of Finance**
	29	Department of Economic Affairs
	30	Department of Disinvestment
	31	Department of Expenditure
	32	Department of Financial Services
	33	Department of Revenue
	34	Direct Taxes
	35	Indirect Taxes
	36	Indian Audit and Accounts Department
	37	Interest Payments
	38	Repayment of Debt
	39	Pensions
	40	Transfers to States
19		**Ministry of Food Processing Industries**
	41	Ministry of Food Processing Industries
20		**Ministry of Health and Family Welfare**
	42	Department of Health and Family Welfare
	43	Department of Health Research
21		**Ministry of Heavy Industries and Public Enterprises**
	44	Department of Heavy Industry
	45	Department of Public Enterprises
22		**Ministry of Home Affairs**
	46	Ministry of Home Affairs
	47	Cabinet
	48	Police
	49	Andaman and Nicobar Islands
	50	Chandigarh
	51	Dadra and Nagar Haveli
	52	Daman and Diu
	53	Lakshadweep
	54	Transfers to Delhi
	55	Transfers to Puducherry
23		**Ministry of Housing and Urban Poverty Alleviation**
	56	Ministry of Housing and Urban Poverty Alleviation
24		**Ministry of Human Resource Development**
	57	Department of School Education and Literacy
	58	Department of Higher Education

Code No.	Demand No.	Name of Ministry/Department
25		**Ministry of Information and Broadcasting**
	59	Ministry of Information and Broadcasting
26		**Ministry of Labour and Employment**
	60	Ministry of Labour and Employment
27		**Ministry of Law and Justice**
	61	Law and Justice
	62	Election Commission
	63	Supreme Court of India
28		**Ministry of Micro, Small and Medium Enterprises**
	64	Ministry of Micro, Small and Medium Enterprises
29		**Ministry of Mines**
	65	Ministry of Mines
30		**Ministry of Minority Affairs**
	66	Ministry of Minority Affairs
31		**Ministry of New and Renewable Energy**
	67	Ministry of New and Renewable Energy
32		**Ministry of Panchayati Raj**
	68	Ministry of Panchayati Raj
33		**Ministry of Parliamentary Affairs**
	69	Ministry of Parliamentary Affairs
34		**Ministry of Personnel, Public Grievances and Pensions**
	70	Ministry of Personnel, Public Grievances and Pensions
	71	Central Vigilance Commission
35		**Ministry of Petroleum and Natural Gas**
	72	Ministry of Petroleum and Natural Gas
36		**Ministry of Planning**
	73	Ministry of Planning
37		**Ministry of Power**
	74	Ministry of Power
38		**The President, Parliament, Union Public Service Commis sion and the Se cretariat of the Vice President**
	75	Staff, Household and Allowances of the President
	76	Lok Sabha
	77	Rajya Sabha
	78	Secretariat of the Vice-President
	79	Union Public Service Commission
39.		**Ministry of Railways**
	80	Ministry of Railways
40.		**Ministry of Road Transport & Highways**
	81	Ministry of Road Transport and Highways

Code No.	Demand No.	Name of Ministry/Department
41		**Ministry of Rural Development**
	82	Department of Land Resources
	83	Department of Rural Development
42		**Ministry of Science and Technology**
	84	Department of Biotechnology
	85	Department of Scientific and Industrial Research
	86	Department of Science and Technology
43		**Ministry of Shipping**
	87	Ministry of Shipping
44		**Ministry of Skill Development and Entrepreneurship**
	88	Ministry of Skill Development and Entrepreneurship
45		**Ministry of Social Justice and Empowerment**
	89	Department of Social Justice and Empowerment
	90	Department of Empowerment of Persons with Disabilities
46		**Department of Space**
	91	Department of Space
47		**Ministry of Statistics and Programme Implementation**
	92	Ministry of Statistics and Programme Implementation
48		**Ministry of Steel**
	93	Ministry of Steel
49		**Ministry of Textiles**
	94	Ministry of Textiles
50		**Ministry of Tourism**
	95	Ministry of Tourism
51		**Ministry of Tribal Affairs**
	96	Ministry of Tribal Affairs
52		**Ministry of Urban Development**
	97	Ministry of Urban Development
53		**Ministry of Water Resources, River Development and Ganga Rejuvenation**
	98	Ministry of Water Resources, River Development and Ganga Rejuvenation
54		**Ministry of Women and Child Development**
	99	Ministry of W omen and Child Development
55		**Ministry of Youth Affairs and Sports**
	100	Ministry of Youth Affairs and Sports

Appendix LI

(See para 2.11)

SECTION-WISE ALLOCATION OF DEMANDS

Section	Name of Demands
DEMAND SECTION	**Health, Education & Culture, Social Welfare** 1. Department of Health & Family Welfare 2. Deptt. of Health Research . 3. Department of Ayurveda, Yoga & Naturopathy, Unani, Siddha & Homeopathy (AYUSH) 4. Department of School Education & Literacy 5. Department of Higher Education 6. Ministry of Culture 7. Ministry of Youth Affairs & Sports 8. Ministry of Women and Child Development 9. Ministry of Social Justice & Empowerment 10. Ministry of Minority Affairs 11. Ministry of Tribal Affairs 12. Department of Disability Affairs
SUPPLEMENTARY DEMAND (SD) SECTION	**Science, Environment & Forest, IT and MEA** 1. Ministry of Environment & Forests 2. Department of Science & Technology 3. Department of Scientific & Industrial Research 4. Department of Biotechnology 5. Ministry of Earth Science 6. Department of Space 7. Ministry of Planning 8. Ministry of Statistics & Programme Implementation 9. Department of Electronics & Information Technology 10. Ministry of Information & Broadcasting
REPORT & COORDINATION SECTION	**Constitutional Authorities** 1. Law & Justice 2. Election Commission 3. Supreme Court of India 4. President 5. Vice President 6. Rajya Sabha 7. Lok Sabha 8. Ministry of Parliamentary Affairs 9. Union Public Service Commission 10. Ministry of External Affairs
ACCOUNTS SECTION	**Pension, Posts, Telecom, Defence and Railways** 1. Civil Pensions 2. Department of Posts 3. Department of Telecommunications 4. Defence Services (Revenue) 5. Defence Services (Capital) 6. Defence Services (Miscellaneous) 7. Defence Pensions 8. Railways

Section	Name of Demands
PUBLIC DEBTS SECTION	**Commerce& Industry, Mining and Labour** 1. Department of Commerce 2. Department of Industrial Policy & Promotion 3. Department of Heavy Industry 4. Ministry of Steel 5. Ministry of Textiles 6. Ministry of Micro, Small and Medium Enterprises 7. Ministry of Mines 8. Ministry of Labour 9. Ministry of Skill Development & Entrepreneurship
WAYS & MEANS SECTION	**Finance & DEBT** 1. Department of Economic Affairs 2. Department of Financial Services 3. Department of Expenditure 4. Department of Revenue 5. Direct Taxes and Indirect Taxes. 6. Department of Disinvestment 7. Department of Public Enterprises, 8. Department of Corporate Affairs, 9. Repayment of Debt 10. Interest Payments 11. Indian Audit & Accounts Departments
FRBM & MTEF SECTION	**UTs** 1. Delhi & Puducherry 2. Chandigarh 3. Dadra & Nagar Haveli 4. Daman & Diu 5. Andaman and Nicobar Islands 6. Lakshadweep
ADMINISTRATION SECTION	**Urban Development, Chemicals & Fertilisers, Home, Personnel, Cabinet And I & B** 1. Ministry of Urban Development 2. Ministry of Housing and Urban Poverty Alleviation 3. Department of Chemicals & Petrochemicals 4. Department of Fertilisers 5. Department of Pharmaceuticals 6. Ministry of Home Affairs, 7. Police, 8. Cabinet, 9. M/o Personnel, Public Grievances and Pensions 10. Central Vigilance Commission

Section	Name of Demands
STATES SECTION	**States, Energy And Rural Development** 1. Transfers to State Governments 2. Ministry of Development of North Eastern Region 3. Ministry of Power 4. Ministry of New & Renewable Energy 5. Department of Atomic Energy 6. Ministry of Petroleum & Natural Gas 7. Ministry of Coal 8. Department of Rural Development 9. Ministry of Panchayati Raj 10. Department of Land Resources 11. Ministry of Drinking Water and Sanitation 12. Ministry of Tourism
PLANNING & ALLOCATION SECTION	**Agriculture & Allied And Infrastructure** 1. Department of Agriculture & Cooperation 2. Department of Agricultural Research & Education 3. Department of Animal Husbandry, Dairying & Fisheries 4. Ministry of Water Resources, River Development & Ganga Rejuvenation 5. Department of Food & Public Distribution 6. M/o Food Processing Industries 7. Department of Consumer Affairs 8. Ministry of Road Transport & Highways 9. Ministry of Shipping 10. Ministry of Civil Aviation

APPENDIX LII

(See paragraph 2.8)

Sections in Department of Economic Affairs, Budget Division to which the various estimates/information etc. are to be forwarded.

(i)	Revenue Receipts	Stales Section, Room No. 224-J3, North Block, Tel. 23095173
(ii)	Capital Receipts	W & M Section, Room No. 224-C, North Block, Tel. 23095174
(iii)	Interest Receipts and Recoveries of Loans	SD Section, Room No. 225-A, North Block, Tel. 23095029
(iv)	Statement showing guarantees given by Central Government and outstanding ns on 31.3.20l 3.	SD Section, Room No. 225-A, North Block, Tel. 23095029
(v)	SDE Proposed	CON Section, Room No. 224-C, North Block, Tel.23095174
(vi)	SDE (Final):	
	Non·Plan	Accounts Section, Room No. 224-C, North Block, Tel. 23095210
	Plan	CDN Section, Room No. 224-C, North Block.Tel.23095174
(vii)	Notes on Demands and material for Demands for Grants	Demand Section, Room No. 225-A, North Block, Tel. 23095095
(viii)	Statement showing resources of public enterprises	CDN Section, Room No. 224-C, North Block, Tel. 23095174
(ix)	Statement showing provisions in the Budget for Central and Centrally sponsored Plan Schemes	CDN Section, Room No. 224-C, North Block, Tel.23095171
(x)	Statement showing estimated strength of establishment and provision t hrefor	Demand Section, Room No. 225-A, North Block, Tel. 23095095
(xi)	Contribution to international bodies und Direct transfers of Central Assistance to State/District level Autonomous bodies	NS-11 Section, Room No. 239-A, North Block, Tel. 23095155
(xii)	Notes on important Non - Plan items of expenditure use in Expenditure Budget Vol. I)	Accounts Section, Room No. 224-C, North Block, Tel. 23095210
(xiii)	Composite Grants:	
	Interest Payments	Accounts Section, Room No. 224-C, North Block, Tel. 230952110
	Pensions	Demand Section, Room No. 225-A, North Block, Tel. 23095095
	Loans to Government Servants, etc.	CDN Section, Room No. 224-C, North Block, Tel. 23095174
(xiv)	Material for Statement-20 Gender Oudgcting	Accounts Section, Room No. 224-C, North Block, Tel. 23095210
(xv)	Material for Statement-21 Schemes for under SCSP	Stntcs Section, Room No. 224-!l, North Block, Tel. 23095 173
(xvi)	Material for Statement Schemes under TSP	States Section. Room No. 224-0, North Block.Tel. 23095 173
(xvii)	Material for Statement-22 Schemes for the Welfare of the Children	Demand Section, Room No. 225-A, North Block, Tel. No. 23095095

APPENDIX LIII

(See Para 16.1)

(Draft DDG format)

विदेश मंत्रालय

Ministry of -----------

माँग संख्या -----

DEMAND NO. ------

अनुदानों की माँगें 2016-17

DEMANDS FOR GRANTS 2016-17

		राजस्व Revenue		पूंजी Capital		जोड़ Total
भारित Charged		0		0		0
स्वीकृत Voted		0		0		0

(हज़ार रुपयों में)

वास्तविक Actual 2014-2015		बजट अनुमान Budget Estimate 2015-2016		संशोधित अनुमान Revised Estimate 2015-2016					बजट अनुमान Budget Estimate 2016-2017
Plan	Non Plan	Plan	Non Plan	Plan	Non Plan				Total
						राजस्व भाग		**Revenue Section**	
						सचिवालय-सामान्य सेवाएं(मुख्य शीर्ष)	2052	Secretariat - General Services(Major Head)	
						सचिवालय (लघु शीर्ष)	00.090	Secretariat(Minor Head)	
						विदेश मंत्रालय (उप शीर्ष)	02	Ministry Of External Affairs	
						स्थापना (ब्योरेवार शीर्ष)	02.01	Establishment	
						वेतन	02.01.01	Salaries	
						भारित		*Charged*	*0*
						स्वीकृत		Voted	0
						मजदूरी	02.01.02	Wages	0

APPENDIX-LIV

[See paragraph 15.3]

Liability on Annuity Projects

Ministry/Department	Name of the Project	Value of Project	Total Annuity Committed	Term in Years			Annuity Payment (per year)
				From	To	No. of Years	
Total							

Signature of Chief Controller of Accounts
Date
Telephone No.

To
Shri Manoj Kumar Jangir
Under Secretary (Budget)
Department of Economic Affairs, Room No.221-A
North Block, New Delhi

ANNEX - A

File No.66 (01)/PF-II/2015
Government of India
Ministry of Finance
Department of Expenditure
Plan Finance II Division

North Block, New Delhi.
Dated the 16th September, 2016

OFFICE MEMORANDUM

Subject: Classification and fund sharing pattern of BADP and RURBAN Mission-reg.

In continuation of NITI Aayog's O.M. No.O-11013/02/2015-CSS &CMC dated 17th August 2016, and after considering the views of the stake holders, the undersigned is directed to state that the classification of Border Area Development Programme and Shyama Prasad Mukherjee RURBAN Mission is changed from the 'Optional' to the 'Core' category.

2. Since both of them are flexi-schemes, which address the local area development needs, funds under these can be spent on any item covered by the National Development Agenda.

3. The fund sharing pattern will be, as approved for the Core Schemes on the recommendation of the Sub-Group of Chief Ministers constituted by NITI Aayog, i.e. 90:10 for 8 North-East & 3 Himalayan States, and 60:40 for all other States.

4. This issues with the approval of the Finance Minister.

16/9/2016

(Arunish Chawla)
Joint Secretary to the Government of India
Tel. No. 23093052

To

1. CEO, NITI Aayog, Sansad Marg,New Delhi.
2. Secretary, Ministry of Rural Development, Krishi Bhawan, New Delhi
3. Secretary, Ministry of Home Affairs (Border Management), North Block, New Delhi.

Copy to:

1. Financial Adviser, Ministry of Rural Development, Krishi Bhawan, New Delhi.
2. Financial Adviser, Ministry of Home Affairs, North Block, New Delhi
3. Joint Secretary (Budget), Ministry of Finance, Department of Economic Affairs, Room No. 168-B, North Block, New Delhi.

ANNEX - A1

File No.O-11013/02/2015-CSS & CMC
Government of India
NITI Aayog
(Governing Council Secretariat)

Sansad Marg,
New Delhi -110001

August 17, 2016

OFFICE MEMORANDUM

Subject: Rationalization of Centrally Sponsored Schemes- Based on the Recommendations and suggested course of action by the Sub-Group of Chief Ministers- approved by the Cabinet.

Based on the recommendations of the Sub-Group of Chief Ministers and consultation with various Ministries/ Departments and other stakeholders, Government of India has decided, with the approval of the Cabinet, to rationalize the Centrally Sponsored Schemes (CSSs) in the following manner:

1. **National Development Agenda:**

1.1. The following sectors would form a part of the National Development Agenda:

I. Poverty Elimination – Livelihoods, Jobs and Skill Development
II. Drinking Water and Swachh Bharat Mission
III. Rural Connectivity: Electricity; Access Roads and communication
IV. Agriculture, including Animal husbandry, Fisheries, Integrated Watershed Management and Irrigation
V. Education, including Mid-Day Meal
VI. Health, Nutrition, Women and Children
VII. Housing for All: Rural and Urban
VIII. Urban Transformation
IX. Law and Order, Justice Delivery Systems
X. Others, which may include: Wildlife Conservation and Greening

1.2. The Union and the State Governments would focus jointly on the achievement of the overarching objectives through the instrumentality of CSS.

2. **Number of CSS & their Classification:**

2.1. The existing 66 Centrally Sponsored Schemes (CSSs) have been rationalized into 28 umbrella schemes. The list of schemes approved by the Cabinet is enclosed at Annexure-I.

2.2. Out of 28 umbrella schemes, 6 schemes have been categorized as Core of the Core schemes, 20 schemes as Core schemes, and remaining two as Optional schemes. If required, related schemes could be merged and implemented as "Umbrella Schemes", with flexibility to States to administer the admissible components in line with State-specific requirements.

2.3. Core Schemes will have compulsory participation by the States, whereas participation amongst the Optional Schemes would be by choice.

2.4. Core of the Core Schemes are legislatively backed or are designed to subserve the vulnerable sections of our population, and existing funding pattern will continue for these Schemes.

2.5. Classification and share of the Central Government for the Border Area Development Programme (BADP) will be decided by the Finance Minister in consultation with Ministry of Home Affairs and NITI Aayog.

3. Budgeting Core and Optional schemes:

3.1. Allocation of funds for the Core Schemes in the Union Budget shall be done by Ministry of Finance in the Demand for Grants of the Central Line Ministries. Inter-state distribution shall be on the basis of criteria evolved by *a Committee comprising Secretary of Nodal Administrative Ministry as Chairman, Financial Adviser of the Ministry, and Adviser concerned of NITI Aayog as Members.*

3.2. For Optional Schemes, a lump sum provision for each State may be intimated in advance on the basis of which states would inform the Ministry of Finance of the preferred distribution within the overall ceiling indicated.

3.3. The Consolidated Demand for the States under this head would be routed through the NITI Aayog to the Ministry of Finance.

3.4. Additionally, the State will have a flexibility of portability from the Optional schemes (should it choose not to utilize its entire allocation under that head) to any other CSS component within the overall budgetary allocation for the State under Central Assistance to State Plans (CASP).

4. Funding Pattern:

4.1. The existing funding pattern will continue for Core of the Core schemes.

4.2. For Core Schemes, the funding pattern for the 8 North Eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir shall be Centre: 90% and State: 10%, whereas for the rest of the States this ratio shall be Centre: 60% and State: 40%.

4.3. For Optional Schemes, the funding pattern for the 8 North Eastern States and Himalayan States of Uttarakhand, Himachal Pradesh and Jammu & Kashmir shall be Centre: 80% and State: 20%, whereas for the rest of the States this ratio shall be Centre: 50% and State: 50%.

4.4. Ordinarily, no CSS will be sanctioned where the central share is less than 50%.

4.5. However, all the sharing patterns indicated above shall be subject to the proviso that if the central share is already below that indicated in the sharing pattern, then the Centre's share would remain capped at their present level.

5. Cost norms:

5.1. In construction-based schemes, States may decide cost norms on the basis of Schedule of Rates applicable to the concerned States. Flexibility in cost norms is also introduced in non-construction based schemes, wherever possible. However, the flexibility provided shall be subject to the condition that such flexibility would not create any entitlements for an increased allocation under a Scheme.

6. Flexibility and Flexi-funds:

6.1. While designing the CSS, the Central Ministries shall permit flexibility in the choice of components to the States as available under the Rashtriya Krishi Vikaas Yojana (RKVY).

6.2. The flexi-funds available in each CSS has been raised from the current level of 10 percent to 25 percent for States and 30 percent for UTs of the overall annual allocation under each Scheme so that the implementation can be better attuned to the needs of individual States/ UTs.

7. Release of Funds:

7.1. Release of an instalment would not be predicated on producing Utilization Certificates (UCs) of the last instalment, and that release would be based on the furnished UC of the penultimate (last to last) instalment.

7.2. A pre-authorization based approach would be adopted on a financial year basis, with a gradual transition towards an automated 'just-in-time' release of cash on a quarterly basis during 2016-17 to remove uncertainty in release of central share of CSS.

7.3. The extant procedure, which mandates immediate release of funds from State Treasuries to implementing agencies failing which penal rate is imposed, is abolished.

7.4. Tracking of expenditure is important as a monitoring tool. Hence, the Public Financial Management System (PFMS) would be suitably integrated with the State Treasuries in 2016-17 itself. However, such integration should not be a condition precedent for release of funds to States.

7.5. States with comfortable cash position are allowed to seek their share of Central Assistance as reimbursements after having funded the activities/projects through their own funds.

8. Local Body Grants:

8.1. In respect of releases to Local Bodies from Government of India, the State Governments are permitted to issue suitable advisories relating to prioritization for development expenditure with respect to Schemes/Sectors in the National Development Agenda especially relating to basic services out of the substantial funds that will devolve on them with effect from 2015-16.

9. Institutional Arrangement:

9.1. A Standing Committee would be constituted, under the Chairpersonship of CEO, NITI Aayog with nominees from every State/UT and suitable representation from Ministry of Finance and concerned Central Ministries, for ensuring smooth implementation of CSS.

9.2. This Committee would meet at least twice a year. The first meeting would be held immediately after the finalization of the Union Budget, and the second meeting would be held in November/December.

9.3. The deliberations of the Committee must be guided by an approach that focuses on problem-solving, advocacy and handholding on behalf of the States, as well as providing a forum for sharing and dissemination of best practices.

9.4. This arrangement would be without prejudice to the responsibility cast upon Central Ministries to monitor the implementation of Schemes relating to their Ministry.

10. Evaluation of the Schemes:

10.1. NITI Aayog shall take up monitoring and independent evaluation of important Centrally Sponsored Schemes, especially as there is a need to transit from monitoring expenditure to monitoring outcomes.

11. Arrangement for UTs:

11.1. The transfer of funds to UTs for non-plan and non-development purposes is administered through the Demand for Grants of the Ministry of Home Affairs (MHA).The existing arrangements would continue.

11.2. Funds for development purposes, both for Central Sector and Schemes under the National Development Agenda, would be allocated UT-wise by Ministry of Finance on the basis of consultation with UTs and NITI Aayog.

11.3. Instead of implementing a large number of schemes, UTs would be given flexibility in choosing the sectors in which they have identified potential and where they are likely to benefit from concerted interventions.

11.4. All Core and Optional Schemes would be funded 100% by Centre in all UTs (without legislature). For UTs (with legislature), existing funding pattern would be followed for all Core of the Core and Core Schemes. For Optional Schemes, the funding pattern of 80% by Centre and 20% by UTs (with legislature) would be followed.

11.5. For better synergy between Central sector and Centrally Sponsored Schemes, UTs in consultation with NITI Aayog may also recommend restructuring of Central sector initiatives, if required, in the selected sectors.

12. Review:

12.1. The actual working of these provisions would be reviewed for desired course correction in the spirit of cooperative federalism after two years or any other suitable period.

13. These arrangements have come into force in the current year 2016-17.

A. Tiwari 17/8/16

(Alka Tiwari)
Adviser (GCS)
Tel: 23096655

To

1. All the Secretaries of Government of India (as per the list)
2. Chief Secretaries of All States/ UTs (with Legislature)/ Administrators of UTs (without Legislature) – (as per the list)

Copy for information to:

1. PS to Vice Chairman, NITI Aayog
2. PS to MOS(I/C), Planning
3. PS to Members (BD)/(VKS)/(RC), NITI Aayog
4. Sr. PPS to CEO , NITI Aayog
5. PS to Principal Adviser(Social Sectors), NITI Aayog
6. PS to Special Secretary(YSM), NITI Aayog
7. PS to Addl. Secretary(AK), NITI Aayog
8. PS to Sr. Consultant (Dr. P.K.Anand) / (Shri B.N. Satpathy), NITI Aayog

Copy for information to:

1. Adviser (FR) / GCS, NITI Aayog
2. JS (Budget), Budget Division, Deptt. of Expenditure, M/o Finance, North Block, New Delhi
3. JS (PF-I), Deptt. of Expenditure, M/o Finance, North Block, New Delhi
4. JS (PF-II), Deptt. of Expenditure, M/o Finance, North Block, New Delhi
5. Controller General of Accounts, Deptt. of Expenditure, M/o Finance, New Delhi

Copy also for information to:

Sr. Advisers / Advisers /OSDs of all Verticals / SMDs, NITI Aayog

Annexure-I

Rationalized Centrally Sponsored Schemes in accordance with the National Development Agenda

Sl. No.		Name of the Centrally Sponsored Schemes (CSSs)
(A)		**Core of the Core Schemes**
1		National Social Assistance Programme
2		Mahatma Gandhi National Rural Employment Guarantee Programme
3		Umbrella Scheme for Development of Scheduled Castes
4		Umbrella Scheme for Development of Scheduled Tribes
5		Umbrella Programme for Development of Minorities
6		Umbrella Scheme for Development of Backward Classes, Differently Abled and other Vulnerable Groups
(B)		**Core Schemes**
7		Green Revolution (Krishi Unnati Schemes and Rashtriya KrishiVikas Yojana)
8		White Revolution (Animal Husbandry and Dairying)
9		Blue Revolution (Integrated Development of Fisheries)
10		Pradhan Mantri Krishi Sinchai Yojana
	a	Har Khet ko Pani
	b	Per Drop More Crop
	c	Integrated Watershed Development Programme
	d	Accelerated Irrigation Benefit and Flood Management Programme
11		Pradhan Mantri Gram Sadak Yojana (PMGSY)
12		Pradhan Mantri Awas Yojana (PMAY)
	a	PMAY-Rural
	b	PMAY-Urban
13		National Rural Drinking Water Mission
14		Swachh Bharat Mission (SBM)
	a	SBM-Rural

	b	SBM-Urban
15		National Health Mission (NHM)
	a	National Rural Health Mission
	b	National Urban Health Mission
	c	Tertiary Care Programmes
	d	Human Resources in Health and Medical Education
	e	National Mission on AYUSH
16		Rashtriya Swasthya Suraksha Yojana (erstwhile RSBY)
17		National Education Mission (NEM)
	a	Sarva Shiksha Abhiyan
	b	Rashtriya Madhyamik Shiksha Abhiyan
	c	Teachers Training and Adult Education
	d	Rashtriya Uchch Shiksha Abhiyan
18		Mid Day Meal Programme
19		Integrated Child Development Services
	a	Anganwadi Services
	b	National Nutrition Mission
	c	Maternity Benefits Programme
	d	Scheme for Adolescent Girls
	e	Integrated Child Protection Scheme
	f	National Creche Scheme
20		Mission for Protection and Empowerment for Women (beti bachao-beti padao, one-stop centre, women helpline, hostels, swadhar greh, gender budgeting etc.)
21		National Livelihood Mission (NLM)
	a	National Rural Livelihood Mission
	b	National Urban Livelihood Mission
22		Jobs and Skill Development
	a	Employment Generation Programmes
	b	Pradhan Mantri Kaushal Vikas Yojna

23		Environment, Forestry and Wildlife (EFWL)
	a	National Mission for a Green India
	b	Integrated Development of Wildlife Habitats
	c	Conservation of Natural Resources and Ecosystems
	d	National River Conservation Programme
24		Urban Rejuvenation Mission (AMRUT and Smart Cities Mission)
25		Modernization of Police Forces (including Security Related Expenditure)
26		Infrastructure Facilities for Judiciary (including Gram Nyayalayas & e-Courts
(C)		**Optional Schemes**
27		Border Area Development Programme
28		Shyama Prasad Mukherjee Rurban Mission

ANNEX - B

F. No. 5/2/2016-Policy
Government of India
Ministry of Finance
Department of Investment & Public Asset Management
(DIPAM)
****

Block-14, CGO Complex,
Lodhi Road, New Delhi.
Dated: 27th May, 2016

OFFICE MEMORANDUM

Subject: Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs)- regarding

The undersigned is directed to refer to the above mentioned subject and to enclose herewith a copy of the "Guidelines on Capital Restructuring of CPSEs". These guidelines are in line with the focus of the Government on adopting a comprehensive approach for efficient management of its investment in CPSEs, as announced in Budget 2016-17.

2. The Administrative Ministries/Departments are requested to take necessary action for compliance of the above guidelines by CPSEs under their respective administrative control. A copy of the guidelines has also been uploaded on DIPAM's website i.e. www.divest.nic.in

3. This issues with the approval of the Hon'ble Finance Minister.

(G. Parthasarathi)
Deputy Secretary to the Govt. of India
Tel.: 24366523
E-mail: parthasarthi.g@nic.in

Encl.: As above.

To,
Secretaries to the Ministries/Departments of Government of India
(As per List enclosed)

Mailing List

1. **Ministry of Agriculture and Farmers Welfare**
   (i) Secretary, Department of Agricultural Research and Education.
   (ii) Secretary, Department of Agriculture, Cooperation & Farmers Welfare.
   (iii) Secretary, Department of Animal Husbandry, Dairying & Fisheries.
2. **Secretary, Ministry of AYUSH**
3. **Secretary, Department of Atomic Energy.**
4. **Ministry of Chemicals and Fertilizers**
   (i) Secretary, Department of Chemicals and Petrochemicals.
   (ii) Secretary, Department of Fertilizers.
   (iii) Secretary, Department of Pharmaceuticals.
5. **Secretary, Ministry of Civil Aviation**
6. **Secretary, Ministry of Coal**
7. **Ministry of Commerce & Industry**
   (i) Secretary, Department of Commerce.
   (ii) Secretary, Department of Industrials Policy & Promotion.
8. **Ministry of Communication & Information Technology**
   (i) Secretary, Department of Electronics & Information Technology.
   (ii) Secretary, Department of Posts.
   (iii) Secretary, Department of Telecommunications.
9. **Ministry of Consumer Affairs, Food and Public Distribution**
   (i) Secretary, Department of Consumer Affairs.
   (ii) Secretary, Department of Food and Public Distribution.
10. **Secretary, Ministry of Corporate Affairs**
11. **Secretary, Ministry of Culture**
12. **Ministry of Defence**
    (i) Secretary, Department of Defence.
    (ii) Secretary, Department of Defence Production.
    (iii) Secretary, Department of Defence Research & Development.
    (iv) Secretary, Department of Ex-Servicemen Welfare.
13. **Secretary, Ministry of Development of North Eastern Region**
14. **Secretary, Ministry of Drinking Water and Sanitation**
15. **Secretary, Ministry of Earth Sciences**
16. **Secretary, Ministry of Environment, Forests & Climate Change**
17. **Secretary, Ministry of External Affairs**

18. **Ministry of Finance**
    (i) Secretary, Department of Economic Affairs.
    (ii) Secretary, Department of Expenditure.
    (iii) Secretary, Department of Financial Services.
    (iv) Secretary, Department of Revenue.
19. **Secretary, Ministry of Food Processing Industries**
20. **Ministry of Health & Family Welfare**
    (i) Secretary, Department of Health & Family Welfare.
    (ii) Secretary, Department of Health Research.
21. **Ministry of Heavy Industries and Public Enterprises**
    (i) Secretary, Department of Heavy and Public Industries
    (ii) Secretary, Department of Public Enterprises – **With a request to also ensure compliance of the guidelines by CPSEs.**
22. **Secretary, Ministry of Home Affairs**
23. **Secretary, Ministry of Housing and Urban Poverty Alleviation**
24. **Ministry of Human Resource Development**
    (i) Secretary, Department of Higher Education.
    (ii) Secretary, Department of School Education & Literacy.
25. **Secretary, Ministry of Information and Broadcasting**
26. **Secretary, Ministry of Labour and Employment**
27. **Secretary, Department of Legal Affairs, Ministry of Law and Justice**
28. **Secretary, Ministry of Micro. Small & Medium Enterprises**
29. **Secretary, Ministry of Mines**
30. **Secretary, Ministry of Minority Affairs**
31. **Secretary, Ministry of New & Renewable Energy**
32. **Secretary, Ministry of Panchayati Raj**
33. **Secretary, Ministry of Parliamentary Affairs**
34. **Ministry of Personnel, Public Grievances and Pensions**
    (i) Secretary, Department of Personnel and Training.
    (ii)Secretary, Department of Administrative Reforms and Public Grievances (DARPG).
    (iii) Secretary, Department of Pension & Pensioner's Welfare.
35. **Secretary, Ministry of Petroleum & Natural Gas**
36. **Secretary, Ministry of Power**
37. **Secretary, Ministry of Railways**
38. **Secretary, Ministry of Road Transport and Highways**

39. **Ministry of Rural Development**

(i) Secretary, Department of Rural Development (DRD).

(ii) Secretary, Department of Land Resources (DLR).

40. **Ministry of Science and Technology**

(i) Secretary, Department of Biotechnology.

(ii) Secretary, Department of Science & Technology.

(iii) Secretary, Department of Scientific & Industrial Research.

41. **Secretary, Ministry of Shipping**

42. **Secretary, Ministry of Skill Development & Entrepreneurship**

43. **Ministry of Social Justice & Empowerment**

(i) Secretary, Department of Social Justice & Empowerment.

(ii)Secretary, Department of Empowerment of Persons with Disabilities.

44. **Secretary, Department of Space**

45. **Secretary, Ministry of Statistics and Programme Implementation**

46. **Secretary, Ministry of Steel**

47. **Secretary, Ministry of Textiles**

48. **Secretary, Ministry of Tourism**

49. **Secretary, Ministry of Tribal Affairs**

50. **Secretary, Ministry of Urban Development**

51. **Secretary, Ministry of Water Resources, River Development and Ganga Rejuvenation**

52. **Secretary, Ministry of Women and Child Development**

53. **Ministry of Youth Affairs and Sports**

(i) Secretary, Department of Sports.

(ii) Secretary, Department of Youth Affairs.

*****

Subject: Investment Management of CPSEs- Guidelines on Capital Restructuring of Central Public Sector Enterprises (CPSEs).

Background

Department of Public Enterprises (DPE), Department of Expenditure & Department of Economic Affairs in the Ministry of Finance have issued guidelines from time to time on issue of bonus shares, buyback of shares, splitting of shares and dividend. As announced in the Budget 2016-17, the Government is adopting a comprehensive approach for efficient management of its investment in CPSEs by addressing inter-related issues, such as capital restructuring, dividend, bonus shares, etc.

2. The resource management issues for a CPSE needs to be looked into in the context of the focus of the Government to, inter-alia, spur economic growth through efficient management of GoI's investment in CPSEs. It is, therefore, imperative that Government of India's interests as a majority shareholder investor in a CPSE are duly represented through the nominee 'official director' on the Board of the company. The nominee directors should discharge their responsibility to ensure efficient allocation of GoI's investment in CPSEs for growth and economic development. It may require that an appropriate view is taken by the Department/Administrative Ministry in such financial matters before the board meetings in line with this approach.

3. In the above background, the guidelines on these subjects need to be rationalized so as to comprehensively capture the various aspects of capital restructuring of CPSEs. Accordingly, in supersession of guidelines issued earlier, the following consolidated guidelines on general principles and mechanism for capital restructuring of CPSEs is issued as below:

4. Applicability:

4.1 These guidelines shall apply to all corporate bodies where Government of India and/or Government controlled one or more body corporate have controlling interest [hereinafter would be referred to as Central Public Sector Enterprises (CPSEs) for these guidelines].

4.1.1 Body corporate shall include body incorporated under the provisions of the Companies Act, 1956 or the Companies Act, 2013, or under any other Act as may be applicable except Limited Liability Partnership.

4.1.2 Controlling interest means control over the composition of the Board of Directors; or exercise or control over more than one-half of the total share capital or able to exercise more than 50 per cent voting rights in the meeting of the members, Board of Directors or any other similar executive structure, e.g., Governing Body, Executive Committee, etc.

4.1.3 A body corporate in which Government of India and/ or CPSEs including their subsidiaries controls the composition of the Board of Directors; or exercises or controls more than one-half of the total share capital shall be deemed to be a body controlled by Government of India.

4.2 These guidelines for payment of dividend, issue of bonus shares and buyback of shares shall not apply to the body corporate which is prohibited from distribution of profits to its members, e.g. companies set up under section 8 of the Companies Act, 2013 or under extant provisions of any other Act or which has accumulated losses.

4.3 The guidelines for payment of dividend shall be applicable from financial year ending on or after 31st March, 2016 and the guidelines for issue of bonus shares, buyback and splitting of shares shall be applicable from financial year starting 1st April, 2016 or thereafter.

4.4 CPSEs shall ensure compliance of these guidelines by taking up this matter as an agenda item along with a compliance note in the Board meeting of the company convened for finalization and approval of its annual account. Requisite approval of shareholders/ members shall be obtained in the AGM/ EGM to be held immediately thereafter.

5. Payment of Dividend

5.1 Department of Expenditure vide its O.M. Nos. 7(5)E-Coord/2004 and O.M No. 7(2)E-Coord/2005 dated 27/09/2004 and 23/11/2005 respectively & Department of Economic Affairs vide O.M. 3(3)-B(S)/2015 dated 05/01/2016 have issued guidelines on dividend payout by CPSEs. However, it is observed that CPSEs are not restructuring their capital by issue of bonus shares to maintain healthy balance in capital and net-worth. Declaration of dividend at reasonable rate on a regular interval boosts investor's confidence. Although dividend is paid on paid up share capital, dividend payout should be seen with reference to return to shareholder's money, i.e. net-worth. Hence, return on net-worth in the form of dividend is a desirable parameter for increasing the investor's confidence in the company. Moreover, return on net-worth needs to be compared with alternative investment opportunities available to the investors. Hence there is a felt need for a clear dividend policy and CPSEs need to take a decision on dividend within a clearly articulated framework/guidelines of the Government.

5.2 In supersession of earlier guidelines, every CPSE would pay a minimum annual dividend of 30% of PAT or 5 % of the net-worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.

5.3 Nonetheless, CPSEs are expected to pay the maximum dividend permissible under the Act under which a CPSE has been set up, unless lower dividend proposed to be paid is justified after the analyses of the following aspects on a case to case basis at the level of Administrative Ministry/Department with the approval of Financial Advisers.

(i) Net-worth of the CPSE and its capacity to borrow;
(ii) Long-term borrowings;
(iii) CAPEX/Business Expansion needs;
(iv) Retention of profit for further leveraging in line with the CAPEX needs; and
(v) Cash and bank balance.

5.4 The analysis should confirm that the retention of funds augmenting its net-worth is being optimally leveraged to ensure higher investment by the CPSEs. The report for exemption, if any, in this regard will be submitted by the CPSEs through their Administrative Ministry to Secretary, Department of Economic Affairs and Secretary, Department of Investment and Public Asset Management (DIPAM) before the end of second quarter of the financial year. .

6. Buyback of shares:

6.1 The DPE had issued guidelines vide O.M. No. DPE/14(24)2011-Fin. Dated 26th March, 2012 regarding buyback of shares. These guidelines only provides that if a CPSE decides to buy back its own shares from the shareholders using surplus cash, Department of Disinvestment (DoD) on behalf of major shareholders may tender/offer equity on behalf of Government of India. It further provides that CPSEs will amend their Articles of Association to provide for buyback of shares, provided such provision does not exist in their Articles of Association.

6.2. It has been observed that CPSEs are not looking into the merit based capital restructuring including the option of buyback of shares if they do not have plans to deploy surplus funds optimally for business purposes. Although CPSEs have been set for specific purpose, some of them are not able to deploy the cash/bank balances for viable business expansion. In such cases, buyback of shares improves investors' confidence in the company and is likely to help the company to raise capital in future when it requires funds for expansion/ diversification for growth. Thus, it supports their market capitalization, which is in the overall long term interest of the company.

6.3. In supersession of earlier guidelines, every CPSE shall look into and analyse/ deliberate in first Board meeting after the closure of the financial year the following parameters for the purpose of buyback:

(i) Cash and Bank balance;
(ii) Capital Expenditure and business expansion as committed with reference to the CAPEX incurred in the last 3 years;
(iii) Net-worth [Free reserves and paid-up capital, including other reserves (if any)];

(iv) Long term borrowing and further capacity to borrow on the basis of its 'Net worth';
(v) Any other financial commitments in the near future;
(vi) Business/other receivables and contingent liabilities, if any; and
(vii) Market price/book value of share.

6.4 Based on this analysis, it needs to be clearly brought out that surplus cash and bank balance with the CPSE shall be considered for restructuring of capital through buyback. However, every CPSE having net-worth of atleast **Rs. 2000 crore** and cash and bank balance of over Rs. **1000 crore** shall exercise the option to buy-back their shares.

7. Issue of Bonus Shares:

7.1 The Department of Public Enterprises had issued guidelines on issue of bonus shares by Public Sector Undertakings vide O.M. No. DPE/12(6)/95-Fin. Dated 10th November 1995 and O.M. No. DPE/13(21)-Fin. Dated 25th November, 2011 respectively. These guidelines provide that each Administrative Ministry may direct the CPSEs under their respective control that enterprises having reserves in excess of three times of their paid up capital should immediately consider the scope for issuing bonus shares to Government of India and pro-rata to other existing shareholders if partial disinvestment had occurred so far.

7.2 The Department of Expenditure had issued O.M dated 24th September, 2004 providing for that all profit-making companies must also consider issuing bonus shares to the Government. Subsequently, the Department vide its O.M. dated 23rd November 2005 stipulated that PSEs having large cash/free reserves and sustainable profitability will issue bonus shares. The Department of Economic Affairs vide its O.M. dated 5th January, 2016 provides that CPSEs with large cash/free reserves and sustainable profits may issue bonus shares.

7.3 The Government has from time to time underlined the desirability that CPSEs should capitalize a portion of their large reserves by issuing ***bonus shares*** to the existing shareholders. The issue of *bonus shares* helps in bringing about a balance between paid up capital & accumulated reserves and elicits good public response to equity issues of the public enterprises and its market capitalisation.

7.4 In supersession of all guidelines issued earlier, every CPSE should look into and analyze/ deliberate in their Board meeting/ Finance Committee, the issue of bonus shares when their defined reserves and surplus are equal to or more than **5 times** of its paid up equity share capital. In case, if it is decided not to issue bonus shares, the nominee 'official director' shall ensure that the board analyses the justification for the decision, and reasons for the same be recorded specifically.

7.5 However, every CPSE shall issue bonus shares if their defined reserves and surplus is equal to or more than **10 times** of its paid up equity share capital.

7.6 Defined reserves and surplus would mean free reserves, the share premium account, and the capital redemption reserve account.

8 Splitting of Shares:

8.1 Department of Expenditure vide its O.M. No. 7(2)/E-Coord/2005 dated 23rd November, 2005 provides that companies with high market price of shares will consider stock splits. However, it does not state when a CPSE needs to consider stock splits and simply mentions that CPSEs with high market price of share will consider splitting of shares.

8.2 It has been endeavor of the government to encourage participation of small investors in the capital market so as to increase the depth of the market, liquidity and trading volume of the shares. However, high price of shares sometimes acts as a deterrent for the investors to invest in the company. In view of this, the Board of the CPSEs needs to discuss and decide on the desirability of splitting the share.

8.3. However, a CPSE where market price or book value of its share exceeds **50** times of its face value will split-off its shares appropriately provided its existing face value of the share is equal to or more than Rs. 1.

9. Miscellaneous Provisions:

9.1 Net-worth as referred to in the above guidelines would have the same meaning as defined in the Companies Act, 2013, as amended from time to time.

9.2 The above guidelines on payment of dividend, bonus shares, buyback and splitting of shares would be subject to the provisions of the Act under which a CPSE has been set up, as amended from time to time and any other extant regulations/rules.

9.3 In case, any CPSE is not able to comply with any of the above guidelines, specific exemption has to be obtained from DIPAM, Ministry of Finance, Government of India through their Administrative Ministry/Department. The Administrative Ministry will ensure the compliance of these guidelines and refer proposals for exemption(s) to the DIPAM alongwith their opinion/comments and concurrence of the Financial Adviser in the matter.

9.4 The Department of Public Enterprises (DPE) which conducts an annual survey may consider an appropriate modification, if required, in their existing format to adequately capture various aspects of the above guidelines for the efficient management of GoI's investment in CPSEs. The findings of the Survey may also be suitably incorporated in its annual publication on "Public Enterprises Survey".

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No. 24(35)/PF-II/2012
Government of India
Ministry of Finance
Department of Expenditure

ANNEX - C

North Block, New Delhi.
Dated: 05 August, 2016

OFFICE MEMORANDUM

Subject: Appraisal and Approval of Public Funded Schemes and Projects (except matters required to be placed before the Cabinet Committee on Security)

Reference is invited to this Department OM no. 24(35)/PF-II/2012 dated 29th Aug, 2014 regarding the guidelines for formulation, appraisal and approval of Public Funded Plan Schemes and Projects. With the announcement in the Union Budget 2016-17 of doing away with Plan Non-Plan distinction at the end of Twelfth Five Year Plan, it is imperative that a plan non-plan neutral appraisal and approval system is put into place. After a comprehensive review of the extant guidelines in this regard, the revised guidelines placed below will henceforth apply to the formulation, appraisal and approval of public funded schemes and projects, except matters required to be placed before the Cabinet Committee on Security.

2. Schemes are program based cost centres through which the Ministries and Departments spend their budgetary and extra-budgetary resources for delivery of public goods and services to the citizens. They are of two types:

a) *Central Sector Schemes* are implemented by the Central Ministries/Departments through their designated implementation agencies and funds are routed through the functional heads relevant for the sector.

b) *Centrally Sponsored Schemes* are implemented within the domain of National Development Agenda identified by the Committee of Chief Ministers constituted by NITI Aayog. They can have both *Central and State Components*. While the former are fully funded by the Central Government and implemented through functional heads like the central sector schemes in para-a above, the latter are routed through the inter-governmental transfer heads 3601/3602. The expenditure on State Components is shared between the Central and State Governments in accordance with the fund sharing pattern approved for the purpose.

3. Projects are best understood by the common-sense usage of the term. They involve one-time expenditure resulting in creation of capital assets, which could yield financial or economic returns or both. Projects may either be approved on stand-alone basis or as individual projects within an approved scheme envelope. They may be executed through budgetary, extra-budgetary resources, or a combination of both.

4. Rationalization: It was found that over the years Ministries/Departments had started operating small and multiple schemes, which spread resources too thinly to realise any meaningful outcomes. In the run up to the Union Budget 2016-17, Schemes were rationalized in consultation with the implementing Ministries/Departments. As per para-113 of the Budget Speech 2016, the number of Central Sector Schemes was brought down to around 300 and the number of Centrally Sponsored Schemes to around 30. However, this exercise is not an end in itself. In reiteration of the standing instructions in this regard and to ensure efficient management of public expenditure at all times, it is directed that henceforth:

i. No new Scheme or Sub-Scheme will be initiated without the prior "in-principle" approval of the Department of Expenditure. This will, however, not apply to the announcements made in the Budget Speech for any given year.

ii. The Statement of Budget Estimates should be prepared in accordance with the approved scheme architecture and any deviation in this regard should be *a priori* agreed with the concerned division of the Department of Expenditure.

iii. Administrative Ministries/Departments should continuously endeavour to merge, restructure or drop existing schemes and sub-schemes that have become redundant or ineffective with the passage of time. For this, the restriction of in-principle approval mentioned in para-(i) above will not apply.

iv. Department of Expenditure reserves the right to merge, restructure or drop any existing scheme or sub-scheme, in consultation with the Administrative Department concerned, to enhance efficiency and improve economies of scale in the execution of government programs.

5. Formulation: The quality of Scheme or Project Formulation is the key bottleneck leading to poor execution at the implementation stage, including time and cost over-runs, often resulting in a series of revised cost estimates. Additional time and effort spent at the scheme/ project formulation stage can not only save precious resources, but also enhance the overall impact, leading to a qualitative improvement in outcomes.

For all new Schemes, a Concept Paper should be prepared while seeking in-principle approval, holding stakeholder consultations, conduct of pilot studies etc. While submitting proposals for continuation of on-going schemes, a careful rationalization must be done through merger and dropping of redundant schemes. The feedback from the formulation stage should be used for improving the scheme design so that a Detailed Paper can be presented for appraisal at the EFC stage.

Similarly, project preparation should commence with a Feasibility Report, which helps establish the project is techno-economically sound and resources are available to finance the project. It provides a firm basis for starting land acquisition, approval of pre-investment activities, etc. In-principle approval for initiating a project will be granted by the Financial Adviser concerned after examining project feasibility and availability of financial resources.

Generic structure of a Detailed Paper for Schemes/Detailed Project Report for Projects is given at Annex-I. While designing new schemes/sub-schemes, the core principles to be kept in mind are economies of scale, separability of outcomes and sharing of implementation machinery. Schemes which share outcomes and implementation machinery should not be posed as independent schemes, but within a unified umbrella program with carefully designed convergence frameworks.

6. Appraisal: The Institutional framework for appraisal of Schemes and Projects is given at Annex-II. Depending on the level of delegation, the Schemes will be appraised by the Expenditure Finance Committee (EFC) or the Standing Finance Committee (SFC), while Projects will be similarly appraised by the Public Investment Board (PIB) or the Delegated Investment Board (DIB). The step-wise time-lines for appraisal are given at Annex-III. The formats for submitting Schemes and Project Proposals are given at Annex-IVA and Annex-IVB respectively. For Schemes, a Concept/Detailed Paper which outlines the overall scheme architecture and its main structural elements should be attached. Similarly, for Projects either the Feasibility or the Detailed Project Report should be attached. *The word Scheme is used here in a generic sense.* It includes programs (umbrella schemes), schemes and sub-schemes, which, depending on the need, may be appraised as stand-alone cost centres.

7. New Bodies: No new Company, Autonomous Body, Institution/University or other Special Purpose Vehicle should be set up without the approval of the Cabinet/Committee of the Cabinet, irrespective of the outlay, or any delegation that may have been issued in the past. All such cases would be appraised by the Committee of Establishment Expenditure chaired by the Expenditure Secretary for which separate orders will be issued by the Pers. Division. If setting up of a New Body involves project work, combined CEE/EFC/PIB may be held.

8. Original Cost Estimates: The delegation of powers for appraisal and approval of *Original Cost Estimates (OCE)* is given in the table below.

<table>
<tr><th colspan="2">Scheme//Project Appraisal</th><th colspan="2">Scheme/Project Approval</th></tr>
<tr><th>Cost (Rs. Cr.)</th><th>Appraisal by</th><th>Cost (Rs. Cr.)</th><th>Approval by</th></tr>
<tr><td>Up to 100</td><td>The Financial Adviser</td><td>Up to 100</td><td>Secretary of the Administrative Department</td></tr>
<tr><td>> 100 & up to 500</td><td>SFC/DIB Chaired by Secretary of the Admn. Dept.</td><td>>100 & up to 500</td><td>Minister-in-charge of the Administrative Department</td></tr>
<tr><td rowspan="2">> 500</td><td rowspan="2">EFC/PIB Chaired by the Expenditure Secretary, except departments/ schemes/projects for which special dispensation has been notified by the Competent Authority</td><td>> 500 & up to 1000</td><td>Minister-in-charge of the Admn. Dept. and Finance Minister, except where special powers have been delegated by the Finance Ministry</td></tr>
<tr><td>> 1000</td><td>Cabinet/ Committee of the Cabinet concerned with the subject</td></tr>
</table>

Note: 1. The financial limits above are with reference to the total size of the Scheme/Project being posed for appraisal and includes budgetary support, extra-budgetary resources, external aid, debt/equity/loans, state share, etc.

2. Financial Advisers may refer any financial matter and may also seek participation of the Department of Expenditure in the SFC/DIB meetings, if required. For proposals above Rs. 300 crore such a participation would be mandatory.

3. Delegated powers should be exercised only when the budgetary allocation or medium-term scheme outlay as approved by Department of Expenditure is available.

4. While exercising delegated powers, the Ministries/Departments should also ensure the proposals are subject to rigorous examination in project design and delivery, and careful attention should be paid to recurring liabilities and fund availability after adjustment of the committed liabilities.

5. For appraisal and approval of PPP projects separate orders issued by the Department of Economic Affairs will apply.

9. Revised Cost Estimates: Any Increase in costs due to statutory levies, exchange rate variation, price escalation within the approved time cycle and/or increase in costs up to 20 percent due to any other reason, are covered by the approval of the original cost estimates. Any increase in this regard would be approved by the Secretary of the Administrative Department concerned with the concurrence of the Financial Adviser.

Any increase in costs beyond 20 percent of the firmed-up cost estimates due to time overrun, change in scope, under-estimation, etc. (excluding increase in costs due to statutory levies, exchange rate variation and price escalation within the approved time cycle) should first be placed before a Revised Cost Committee chaired by the Financial Adviser (consisting of the Joint Secretary in-charge of the program division and representative of the Chief Adviser Cost as members) to identify the specific reasons behind such increase, identify lapses, if any, and suggest remedial measures for the same. The recommendations of the Revised Cost Committee should be placed for fresh appraisal and approval before the competent authority as per the extant delegation of powers (It may be noted that a firmed-up cost estimate here means a cost estimate which has been through the full appraisal and approval procedure as per the extant delegation of powers).

10. Pre-Investment Activities include preparation of Feasibility Reports, Detailed Project Reports; Pilot Experiments/Studies for Schemes; Survey/Investigation required for large projects; payment for land acquisition in accordance with the orders of a competent authority under the law; construction of boundary wall, access roads, minor bridges/culverts, water-power lines, site offices, temporary accommodation, etc. at the project site; preparation of environment management plans, forestry and wildlife clearances; compensatory afforestation, payment for conversion of forest land to non-forest purposes, etc.

Pre-investment activities up to Rs. 100 crore (including budgetary and extra-budgetary resources) may be approved by the Secretary of the Administrative Department with the concurrence of the Financial Adviser concerned provided financial resources are available and in-principle approval has been obtained, wherever necessary. For pre-investment activities above Rs. 100 crore, the prescribed appraisal and approval procedure should be followed. When firmed-up cost estimates are put up for approval, the expenditure on pre-investment activities should be included in the final cost estimates for the competent authority to get a full picture of the total resources required for the scheme or the project to be implemented.

11. Medium Term Outlay: It has been stated in para-110 of the Budget Speech 2016 that every scheme should have a *sunset date* and an *outcome* review. In the past, every scheme was revisited at the end of each plan period. After the Twelfth Five Year Plan, the medium term framework for schemes and their sunset dates will become coterminous with the Finance Commission Cycles, the first such one being the remaining Fourteenth Finance Commission (FFC) period ending March, 2020. This is necessary because fixation of medium term scheme outlay needs a clarity over flow of resources, which is likely to be available to both Central and State Governments over the Finance Commission periods.

Accordingly, it is directed that at the end of the Twelfth Plan period all Ministries/ Departments should undertake an outcome review and re-submit their Schemes for appraisal and approval, unless the scheme has already been made coterminous with the FFC period. The Department of Expenditure will, on its part, communicate, in consultation with the Budget Division, the outlays for both Central Sector and Centrally Sponsored

Schemes over the remaining FFC period. The same process will, *mutatis mutandis,* apply to the subsequent Finance Commission Cycles.

12. Outcomes and Evaluation: Finance Secretary vide D.O. 66(01)/PF.II/2015 Dated 18th May 2016. (Annex-V) has directed all Ministries/Department to prepare an output-outcome framework for each Central Sector and Centrally Sponsored Scheme with the approval of CEO NITI Aayog. Measurable outcomes, which deal with the quality aspect of schemes and programs, need to be defined over the relevant medium term framework, while physical and financial outputs need to be targeted on year-to-year basis in such a manner that it aggregates to achieve the measurable outcomes over the medium term. NITI Aayog, while approving the output-outcome framework, will kick-start a third party evaluation process for both Central Sector and Centrally Sponsored Schemes. Extension of Schemes from one Finance Commission Cycle to another would be contingent on the result of such an evaluation exercise.

13. Repeal: The following OM's of Department of Expenditure, and linked circulars of other Departments, including the erstwhile Planning Commission, are hereby superseded:

OM No. 24(35)/PF-II/2012 Dated 29th August, 2014

OM No. 1(1)/PF-II/2011 Dated 31st March, 2014

OM No. 1(3) PF-II/2001 Dated 1st April, 2010

OM No. 1(3)/PF-II/2001 Dated 15th November, 2007

OM No. 1(2)/PF-II/2003 Dated 7th May, 2003

OM No. 1(3)/PF-II/2001 Dated 18th February, 2002

OM No. 1(8)/PF-II/1998 Dated 30th October, 1998

OM No. 1(6)/PF-II/1991 Dated 24th August, 1992

OM No. 1(4)/PF-II/1984 Dated 25th August, 1984

The concerned Departments may, however, reissue their linked circulars in consultation with the Department of Expenditure after suitably realigning it with the new circular.

This issues with the approval of the Finance Minister and will come into effect with immediate effect.

05/08/2016

(Arunish Chawla)
Joint Secretary to the Government of India

All Secretaries to the Government of India
All Financial Advisers to Ministries/Departments
Cabinet Secretariat
Prime Minister's Office
NITI Aayog
Railway Board
Internal Circulation

Annexure-I

GENERIC STRUCTURE OF A DETAILED PAPER/DETAILED PROJECT REPORT

(i) Context/Background: This section should provide a brief description of the sector/sub-sector as well as the national strategy and policy framework. This section should also provide a general description of the scheme/project being posed for appraisal.

(ii) Problems to be addressed: This section should elaborate the problem to be addressed through the project/scheme at the local/regional/national level. Evidence regarding the nature and magnitude of the problems should be presented, supported by baseline data/survey/ reports etc.

(iii) Aims and Objectives: This section should indicate the development objectives proposed to be achieved, ranked in order of importance. The outputs/deliverables expected for each development objective should be spelt out clearly.

(iv) Strategy: This section should present an analysis of alternative strategies available to achieve the development objectives. Reasons for selecting the proposed strategy should be brought out. Basis for prioritization of locations should be indicated (wherever relevant). Opportunities for leveraging government funds through public-private partnership or savings through outsourcing must be explored. This section should also provide a description of the ongoing initiatives, and the manner in which duplication can be avoided and synergy created with the proposed scheme/project.

(v) Target Beneficiaries: There should be clear identification of target beneficiaries. Stakeholder analysis should be undertaken, including consultation with stakeholders at the time of scheme/project formulation. Options regarding cost sharing and beneficiary participation should be explored and incorporated in the project. Impact of the project on weaker sections of society, positive or negative, should be assessed and remedial steps suggested in case of any adverse impact.

(vi) Legal Framework: This section should present the legal framework, if relevant, within which the scheme/project will be implemented, as well as the strengths and weaknesses of the legal framework in so far as it impacts on achievement of stated objectives.

(vii) Environmental Impact: Environmental Impact Assessment should be undertaken, wherever required, and measures identified to mitigate the adverse impact, if any. Issues relating to land acquisition, diversion of forest land, wildlife clearances, rehabilitation and resettlement should be addressed in this section.

(viii) Technology: This section should elaborate on the technology choices, if any; evaluation of the technology options, as well as the basis for choice of technology for the proposed project.

(ix) Management: Responsibilities of different agencies for project management or scheme implementation should be elaborated. The organization structure at various levels, human resource requirements, as well as monitoring arrangements should be clearly spelt out.

(x) Finance: This section should focus on the cost estimates, budget for the scheme/project, means of financing and phasing of expenditure. Options for cost sharing and cost recovery (user charges) should be explored. Infrastructure projects may be assessed on the basis of the cost and tenor of the debt. Issues relating to project sustainability, including stakeholder commitment, operation-maintenance of assets after project completion and other related issues should also be addressed in this section.

(xi) Time Frame: This section should indicate the proposed *zero* date for commencement and also provide a PERT/CPM chart, wherever relevant.

(xii) Cost Benefit Analysis: Financial and economic cost-benefit analysis of the project should be undertaken wherever such returns are quantifiable. Such an analysis should generally be possible for infrastructure projects, but may not always be feasible for public goods and social sector projects. Even in the case of latter, the project should be taken up for appraisal before the PIB and some measurable outcomes/deliverables suitably defined.

(xiii) Risk Analysis: This section should focus on identification and assessment of implementation risks and how these are proposed to be mitigated. Risk analysis could include legal/contractual risks, environmental risks, revenue risks, project management risks, regulatory risks, etc.

(xiv) Outcomes: Success criteria to assess whether the development objectives have been achieved should be spelt out in measurable terms. Base-line data should be available against which success of the project will be assessed at the end of the project (impact assessment). Similarly, it is essential that base-line surveys be undertaken in case of large, beneficiary-oriented schemes. Success criterion for scheme deliverables/outcomes should also be specified in measurable terms to assess achievement against proximate goals.

(xv) Evaluation: Evaluation arrangements for the scheme/project, whether concurrent, mid-term or post-project should be clearly spelt out. It may be noted that continuation of schemes from one period to another will not be permissible without a third-party evaluation.

Last but not the least, a self-contained **Executive Summary** should be placed at the beginning of the document. *In cases where only a Concept Paper or Feasibility Report is attached to the EFC/PIB proposal, it should cover the main points mentioned in the generic structure above.*

Annexure-II

Institutional Arrangement for Appraisal of Schemes and Projects

Expenditure Finance Committee (EFC)	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Financial Advisor of the Administrative Ministry/Department	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division	Member
Representatives of concerned Ministries/Agencies	Member
Joint Secretary, Department of Expenditure	Member-Secretary
For appraisal of schemes of scientific nature, Scientific Adviser may be invited as Member.	
Standing Finance Committee (SFC)	
Secretary of the Administrative Ministry/Department	Chairperson
Joint Secretary in Charge of the Subject Division	Member
Representative of NITI Aayog	Member
Financial Advisor of the Administrative Ministry/Department	Member-Secretary
Representative of Department of Expenditure and any other Ministry/Department that the Secretary/Financial Advisor may suggest may be invited as per requirement.	
Public Investment Board (PIB)	
Expenditure Secretary	Chairperson
Secretary of the Administrative Ministry/Department	Member
Financial Advisor of the Administrative Ministry/Department	Member
Adviser, PAMD, NITI Aayog	Member
Representative of Budget Division	Member
Representatives of concerned Ministries/Agencies	Member
Joint Secretary, Department of Expenditure	Member-Secretary
For appraisal of scientific projects, Scientific Adviser may be invited as Member.	
Delegated Investment Board (DIB)	
Secretary of the Administrative Ministry/Department	Chairperson
Joint Secretary in Charge of the Subject Division	Member
Representative of NITI Aayog	Member
Financial Advisor of the Administrative Ministry/Department	Member-Secretary
Representative of Department of Expenditure and any other Ministry/Department that the Secretary/Financial Advisor may suggest may be invited as per requirement.	

Annexure-III

Time Frame for Appraisal and Approval of Schemes and Projects

The scheme/project cycle would commence with the submission of a Concept Paper/ Feasibility Report by the Administrative Ministry/ Department.

(i)	Decision on "in principle" approval, if required	2 weeks
(ii)	Preparation of a Detailed Paper/Detailed Project Report by the Administrative Ministry/ Department and circulating the same along with draft EFC/PIB Memo.	The time limit will vary depending on the nature of scheme and project. This is an internal matter of the Administrative Ministry/ Department concerned.
(iii)	Appraisal Note and Comments to be offered on the DP/DPR and draft EFC/PIB memo by Department of Expenditure, NITI Aayog and concerned Ministries/Agencies.	4 weeks
(iv)	Preparation of final EFC/PIB Memo based on comments received, and circulating the same for Appraisal and Approval	2 weeks
(v)	Fixing the date of EFC/PIB meeting after receiving the final EFC/PIB Memo	1 week
(vi)	Issue of minutes of EFC/PIB after the meeting has been held	1 week
(vii)	On-file approval of Administrative Minister and Finance Minister	2 weeks
(viii)	Submission for approval of the Cabinet/ Committee of the Cabinet (for proposals above Rs. 1,000 crore)	2 weeks

Note: *Wherever the recommended time frame is not adhered to any stage, the concerned organization should work out an appropriate trigger mechanism to take the matter to the next higher level for timely decision making.*

Annexure-IVA

FORMAT FOR EFC/SFC MEMORANDUM FOR APPRAISAL OF SCHEMES

1. Scheme Outline

1.1 Title of the Scheme.

1.2 Sponsoring Agency (Ministry/ Department/Autonomous Body or Undertaking)

1.3 Total Cost of the proposed Scheme

1.4 Proposed duration of the Scheme

1.5 Nature of the Scheme: Central Sector Scheme/ Centrally Sponsored Scheme

1.6 For Central Sector Schemes, sub-schemes/components, if any, may be mentioned. For Centrally Sponsored Schemes, central and state components, if any, may be mentioned.

1.7 Whether a New or a Continuing Scheme? In case of a Continuing Scheme, whether the old scheme was evaluated and what were the main findings?

1.8 Whether in-principle approval is required? If yes, has it been obtained?

1.9 Whether a Concept Paper or a Detailed Paper has been prepared and stakeholders consulted? In case of new Centrally Sponsored Schemes, whether the State Governments have been consulted?

1.10 Which existing schemes/sub-schemes are being dropped, merged or rationalized?

1.11 Is there an overlap with an existing scheme/sub-scheme? If so, how duplication of effort and wastage of resources are being avoided?

1.12 In case of an umbrella scheme (program) give the details of schemes and sub-schemes under it along with the proposed outlay component-wise.

Note: *It may kindly be noted that the word scheme here is used in a generic sense. It includes programs, schemes and sub-schemes, which, depending on need, can be appraised and approved as stand-alone cost centers.*

2. Outcomes and Deliverables

2.1 Stated aims and objectives of the Scheme

2.2 Indicate year-wise outputs/deliverables in a tabular form.

Components	Year 1		Year 2 & so on		**Total**	
	Physical	Financial	Physical	Financial	Physical	Financial
1,2,3 & so on						

2.3 Indicate Outcomes of the Scheme in the form of measurable indicators which can be used to evaluate the proposal periodically. Baseline data or survey against which such outcomes should be benchmarked should also be mentioned.

2.4 Indicate other schemes/sub-schemes being undertaken by Ministries/Departments which have significant outcome overlap with the proposed scheme. What convergence framework have been evolved to consolidate outcomes and save public resources?

3. **Target Beneficiaries**

3.1 If the scheme is specific to any location, area and segment of population, please give the details and basis for selection.

3.2 Please bring out specific interventions directed in favour of social groups, namely SC, ST, differently abled, minorities and other vulnerable groups.

3.3 If the scheme has any gender balance aspects or components specifically directed at welfare of women, please bring them out clearly?

3.3 Please bring out special interventions, if any, in North East, Himalayan, LWE, Island territories and other backward areas.

3.4 In case of beneficiary oriented schemes, indicate the mechanism for identification of target beneficiaries and the linkage with Aadhaar/UID numbers.

3.5 Wherever possible, the mode of delivery should involve the Panchayati Raj Institutions and Urban Local Bodies. Where this is intended, the preparedness and ability of the local bodies for executing the proposal may also be examined.

4 **Cost Analysis**

4.1 Cost estimates for the scheme duration: both year-wise, component-wise segregated into non-recurring and recurring expenses.

4.2 The basis of these cost estimates along with the reference dates for normative costing.

4.4 In case pre-investment activities or pilot studies are being carried out, how much has been spent on these?

4.5 In case the scheme involves payout of subsidy, the year wise and component wise expected outgo may be indicated.

4.3 In case the land is to be acquired, the details of cost of land and cost of rehabilitation/resettlement, if any.

4.6 In case committed liabilities are created, who will or has agreed to bear the legacy burden? In case assets are created, arrangements for their maintenance and upkeep?

5. **Scheme Financing**

5.1 Indicate the sources of finance for the Scheme: budgetary support, extra-budgetary sources, external aid, state share, etc.

5.2 If external sources are intended, the sponsoring agency may indicate, as also whether such funds have been tied up?

5.3 Indicate the component of the costs that will be shared by the State Governments, local bodies, user beneficiaries or private parties?

6. **Approvals and Clearances**

Requirement of mandatory approvals and clearances from various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.)

S.No	Approvals/ Clearances	Agency concerned	Availability (Y/N)

7. Human Resources

7.1 Indicate the administrative structure for implementing the Scheme. Usually creation of new structures, entities etc. should be avoided

7.2 Manpower requirement, if any. In case posts, permanent or temporary, are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure (such proposals may be sent only after the main proposal is recommended by the appraisal body)

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

8. Monitoring and Evaluation

8.1 Please indicate the monitoring framework for the Scheme and the arrangements for statutory and social audit (if any).

8.2 Please indicate the arrangement for third party/independent evaluation? Please note that evaluation is necessary for extension of scheme from one period to another.

9. Comments of the Financial Advisor, NITI Aayog, Department of Expenditure and other Ministries/Departments may be summarized in tabular form along with how they are being internalized and used to improve this proposal.

10. Approval Sought:

(------------------)
Joint Secretary to the Government of India
Tel. No.____________
Fax No.____________
E-mail___________________________

Please attach an Executive Summary along with the Concept/Detailed Paper outlining the main elements and overall architecture of the proposed Scheme.

Annexure-IVB

FORMAT FOR PIB/DIB MEMORANDUM FOR APPRAISAL OF PROJECTS

1. **Project Outline**

1.1 Title of the Project

1.2 Sponsoring Agency (Ministry/ Department/Autonomous Body or Undertaking)

1.3 Proposed Cost of the Project

1.4 Proposed Timelines for the Project

1.5 Whether Project will be implemented as part of a scheme or on stand-alone basis?

1.6 Whether financial resources required for the Project have been tied up? If yes, details?

1.7 Whether Feasibility Report and/or Detailed Project Report has been prepared?

1.8 Whether the proposal is an Original Cost Estimate or a Revised Cost Estimate?

1.9 In case of Revised Cost Estimates, whether the meeting of Revised Cost Committee has been held and its recommendations suitably addressed?

1.10 Whether any land acquisition or pre-investment activity was under-taken or is contemplated for this Project? Whether the cost of such intervention has been included in the Project Proposal?

2. **Outcomes and Deliverables**

2.1 Stated aims and objectives of the Project

2.2 Indicate year-wise outputs/deliverables for the project in a tabular form.

Activities	Year 1		Year 2 & so on		**Total**	
	Physical	Financial	Physical	Financial	Physical	Financial
1,2,3 & so on						

2.3 Indicate final outcomes for the project in the form of measurable indicators which can be used for impact assessment/evaluation after the project is complete. Baseline data or survey against which such outcomes would be benchmarked should also be mentioned.

3. **Project Cost**

3.1. Cost estimates for the project along with scheduled duration (both year and activity-wise). Also the basis for these cost estimates along with the reference dates for normative costing (it should preferably not be more than a year old)

3.2. In case land is to be acquired, the details of land cost, including cost of rehabilitation/ resettlement needs to be provided

3.3. In case pre-investment activities are required, how much is proposed to be spent on these, with details activity-wise?

3.4. Whether price escalation during the project time cycle has been included in the cost estimates and at what rates?

3.5. Whether the Project involves any foreign exchange element, the provision made or likely impact of exchange rate risks?

3.6. In case of the Revised Cost Estimates, a variation analysis along with the Report of the Revised Cost Committee needs to be attached.

4. **Project Finance**

4.1. Indicate the sources of project finance: budgetary support, internal and extra-budgetary sources, external aid, etc.

4.2. Indicate the cost components, if any, that will be shared by the state governments, local bodies, user beneficiaries or private parties?

4.3. In case of funding from internal and extra-budgetary resources, availability of internal resources may be supported by projections and their deployment on other projects?

4.4. Please indicate funding tie-ups for the loan components, if any, both domestic and foreign, along-with terms and conditions of loan based on consent/comfort letters.

4.5. If government support/loan is intended, it may be indicated whether such funds have been tied up?

4.6. Please provide the leveraging details, including debt-equity and Interest coverage ratios, along with justification for the same.

4.7. Mention the legacy arrangements after the project is complete, in particular, arrangements for the maintenance and upkeep of assets that will be created?

5. **Project Viability**

5.1. For projects which have identifiable stream of financial returns, the financial internal rate of return may be calculated. *The hurdle rate will be considered at 10 percent.*

5.2. In case of projects with identifiable economic returns, the economic rate of return may be calculated. In such cases project viability will be determined by taking both financial and economic returns together.

5.3. In case of proposals where both financial and economic returns are not readily quantifiable, the measurable benefits/outcomes simply may be indicated.

Note: *It may kindly be noted that all projects, irrespective of whether financial and/or economic returns can be quantified or not, should be presented for PIB/DIB appraisal.*

6. **Approvals and Clearances**

Requirement of mandatory approvals/clearances of various local, state and national bodies and their availability may be indicated in a tabular form (land acquisition, environment, forestry, wildlife etc.) In case land is required, it may be clearly mentioned whether the land is in the possession of the agency free from encumbrances or encroached or stuck in legal processes?

S.No	Approvals/ Clearances	Agency concerned	Availability (Y/N)

7. Human Resources

7.1 Indicate the administrative structure for implementing the Project. Usually creation of new structures, entities etc. should be avoided

7.2 Manpower requirement, if any. In case posts (permanent or temporary) are intended to be created, a separate proposal may be sent on file to Pers. Division of Department of Expenditure. Such proposals may be sent only after the main proposal is recommended by the appraisal body.

7.3 In case outsourcing of services or hiring of consultants is intended, brief details of the same may be provided.

8. Monitoring and Evaluation

8.1 Indicate the Project Management/Implementing Agency(s). What agency charges are payable, if any?

8.2 Mode of implementation of individual works: Departmental/Item-rate/Turnkey/EPC/ Public-Private Partnership, etc.

8.3 Please indicate timelines of activities in PERT/Bar Chart along with critical milestones.

8.4 Please indicate the monitoring framework, including MIS, and the arrangements for internal/statutory audit.

8.5 Please indicate what arrangements have been made for impact assessment after the project is complete?

9. **Comments** of the Financial Advisor, NITI Aayog, Department of Expenditure and other Ministries/Departments may be summarized in tabular form along with how they have been internalized and used to improve this proposal.

10. Approval Sought:

(------------------)
Joint Secretary to the Government of India
Tel. No.____________
Fax No.____________
E-mail____________________

Please attach an Executive Summary along with the Feasibility Report/Detailed Project Report prepared for the Project.

Annexure-V

Ashok Lavasa
Finance Secretary

Government of India
Ministry of Finance
Department of Expenditure

D.O.No.66(01)/PF.II/2015

18th May 2016

Dear Secretary,

Following rationalization of schemes in the 2016-17 BE, instructions were issued for preparation of outcome budgets with the approval of CEO, NITI Aayog. However, due to paucity of time outcome budget for 2016-17 was submitted in the old format with the understanding that follow up action will be taken soon thereafter.

2. It is again reiterated that outcomes need to be defined for both Central Sector Schemes and Centrally Sponsored Schemes. The following action needs to be taken in this regard:

a) Measurable Outcomes need to be defined for each scheme over the medium term, that is going forward up to the year 2019-20 (the end of Fourteenth Finance Commission period).
b) On the financial side, the budgetary allocation for 2016-17 may also be normatively projected going forward up to the year 2019-20 (assuming a normative increase of 5-10% every year).
c) Year to year physical outputs, consistent with the financial resources projected above, need to be worked out in a manner that is not out of line with the measurable outcomes as defined in para (a) above.
d) The output-outcome framework may be got approved from CEO, NITI Aayog by the end of the first quarter i.e. 30 June 2016.
e) An evaluation framework will also be designed for each scheme based on this exercise. Continuation of any scheme beyond the Fourteenth Finance Commission period will be contingent on the result of such evaluation conducted by NITI Aayog.

3. I would request you to carefully identify the outcome parameters that would be true indicators of the desired outcome. This may be given top priority as the forthcoming RE/BE and outcome budgets will be based on this exercise.

With regards,

Yours sincerely,
Sd/-
(Ashok Lavasa)

Secretary to the Govt. of India as per list attached.

Copy to: CEO, NITI Aayog

ANNEX - D

No.3/15/2015-FRBM
Ministry of Finance
Department of Economic Affairs
(Budget Division)
*****

168-B, North Block, New Delhi
Dated: 20 February, 2016

OFFICE MEMORANDUM

Subject: Enhancing Grants-in-Aid (GIA) for creation of capital assets and reducing ERD to achieve the FRBM targets

The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 requires elimination of Effective Revenue Deficit (ERD) {Revenue Deficit (RD) less Grants for creation of capital assets} by 31st March, 2018. The BE 2015-16 provides RD of ₹ 3,94,472 crore (2.8 % of GDP) and ₹ 1,10,551 crore have been estimated as Grants for creation of capital assets, which would leave behind an ERD of ₹ 2,83,921 crore (2.0% of GDP). As per the roadmap for fiscal consolidation, ERD target for financial year 2016-17 is 1.5 per cent to GDP.

2. Considering the wide gap between Revenue deficit and Grants for creation of capital assets, it is essential that, the level of capital expenditure be significantly scaled up in next two financial years to eliminate ERD by stipulated date i.e. 31st march, 2018, by making Grants-in-aid (GIA) for creation of capital assets equal to revenue deficit.

3. In view of above, it is requested to ensure strict compliance with the following instructions in respect of Demand (s) / Grant (s) pertaining to your Ministry / Department.

(i) The capital portion of the CSS/ State plan schemes will be funded, limited to extent of Center's share, by Centre fully and only residual Centre's share left, if any, will be used for other GIA object heads;

(ii) For the Central Autonomous Bodies (ABs) getting grants under Central Plan Schemes, in the GIA given to the ABs as gap support, entire capital expenditure of the ABs may be factored, to the extent of gap support provided and provisioned as GIA - for creation of capital assets. Provision for other revenue expenditure may be made only for the remaining gap support; and

(iii) Re-appropriation from the object head Grant-in-aid (GIA) for creation of capital assets to other object heads must be avoided. Re-appropriation would be allowed within the same object head only.

In case the Ministry/ Department feels that there would be any implementation difficulties they may bring the same to our immediate notice so that necessary modifications in the aforesaid guidelines could be made.

4. The above change in financing pattern within GIA object heads will not adversely impact the revenue deficit/ surplus position of the States since the overall composition of expenditure within the Revenue/ Capital heads for States will remain the same, as also the receipts from Centre which flow as Revenue receipts in State accounts. However, only notionally States' revenue expenditure from their own sources will be enhanced to the extent of enhanced receipts from Centre in form of GIA for creation of capital assets.

5. This issues with the approval of Finance Minister.

(Prashant Goyal)
Joint Secretary (Budget)

To

All Financial Advisers to the Government of India

Annex-E

F.No. 7(5)/E-Coord/2004
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 24th September, 2004

OFFICE MEMORANDUM

Sub : **Guidelines on expenditure management - Fiscal prudence and austerity**

In supersession of this Departments O.Ms, dated 17/6/1996, 20/8/1998, 5/8/1999, 24/9/2000 and 10/10/2001 on the subject cited above, the following austerity measures shall take effect from October 1, 2004 :

i) All on-going programmes and schemes, both Plan and non-Plan, should be carefully reviewed, scrutinized and evaluated to determine their continued relevance. This exercise should be taken up immediately and completed before the end of this calendar year.

ii) Deviations of expenditure from the prescribed budgetary ceilings should not be allowed. FAs should personally ensure that unauthorized expenditure above the appropriations is not incurred in any circumstances.

iii) It should be ensured that all profit-making PSEs declare a minimum dividend on equity of 20% or a minimum dividend pay out of 20% of post-tax profits, whichever is higher. The minimum dividend pay out in respect of Oil, Petroleum, Chemical and other infrastructure sectors should be 30% of post-tax profits;

iv) All profit making companies must also consider issuing bonus shares to the Government.

v) All profit making Joint Venture companies should be asked to make concerted efforts to give a dividend of 20% on Government equity holding.

vi) Other non-tax receipts should be revised so that at least the cost of the services is recovered.

vii) Budget formulation should lay greater emphasis on explicit recognition of the revenue constraints and a realistic projection of the budgetary allocations required for various projects/schemes and there must be rigid adherence to budgetary ceilings. All procedures laid down for incurring both Plan and Non-Plan expenditure on schemes should be followed scrupulously. In view of the severe constraints on resources, additional funds to any Ministry or Department shall not be provided at the revised estimate stage, except in rare and exceptional circumstances.

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

ix) There have been cases of Ministries, releasing funds to autonomous bodies year after year, despite the fact that there are substantial balances with them remaining unutilised and kept in deposit with the banks. . The Ministries should complete a detailed review of all such cases by 31.10.2004 and, pending such a review, the Ministries are advised not to release funds in such cases. The responsibility for regulating release of funds in these cases will rest with the Financial Advisers (FAs).

x) Most autonomous bodies are given 100% deficit grants. These shall be reduced in a graded manner by 5% in successive years/i.e. to 95% in the first year, 90% in the second year and so on, in respect of such bodies which have the potential of raising resources.

xi) Timely repayment of loans provided by the Government to the PSUs and payment of fees/charges on Government Guarantees should also be monitored by the FAs.

xii) There shall be a mandatory 10% cut in the budgetary allocation-for non-plan, non-salary expenditure, including OTA/ honorarium. No re-appropriation of funds to augment these heads of expenditure would be allowed. Austerity must be reflected in furnishing of offices/offices at residences. The expenditure limit prescribed for these purposes shall be strictly enforced.

xiii) Utmost economy should be exercised in use of staff cars and other official vehicles. In accordance with the ceiling prescribed at SI. No. (xii), there shall be a 10% cut in the consumption and allocation of funds for expenditure on POL and travel.

xiv) Foreign travel should be restricted to unavoidable official engagements. There shall be a ban on foreign travel for Study Tours, Seminars, Workshops etc. funded by the Govt. of India except for annual and other formal meetings of bilateral/multilateral bodies viz. IMF, World Bank, WHO, ILO, Joint Commissions, etc. Size of official delegations, where foreign travel is unavoidable, shall be restricted to the bare minimum.

xv) The rate of per diem allowance for travel abroad to all countries and for all categories, officials/ non-officials belonging to Government, autonomous institutions and PSUs shall continue to be depressed by 25% as at present.

xvi) Utmost austerity will be observed in organizing conferences/ seminars/workshops. All grants being given for such purposes would be reviewed by Department of Expenditure.

xvii) Ban on creation of Plan and Non-Plan posts will continue. Any unavoidable proposals for the creation of plan posts including Groups ‘B', "C and ‘D' posts -shall' continue to be referred to the Ministry of Finance (Department of Expenditure) for approval.

xviii) Every Ministry/Department shall undertake a review of all the posts which are lying vacant in the Ministry/Department and in the Attached and Subordinate Offices, in consultation with the Ministry of Finance (Department of Expenditure). FAs will ensure that the review is completed in a time bound manner (and, in any event, not later than 31.10.2004) and full details of vacant posts in their respective Ministries etc., are available. Till the review is completed, no vacant posts shall be filled up except with the approval of the Ministry of Finance (Department of Expenditure).

xix) Implementation of existing instructions concerning abolition of posts should be ensured.

xx) Purchase of new vehicles is banned until further orders, Exceptions will be allowed only for meeting the operational requirements of Defence, Central Para Military Forces, etc. New vehicles shall not be purchased even in replacement of condemned vehicles. Hiring of private vehicles from outside shall be limited to the number of vehicles condemned.

2. Secretaries to the Government of India and Financial Advisers are requested to ensure strict compliance of the above instructions.

Secretary to the Government of in India

To

1. Ail Secretaries to the Government of India (By Name)
2. All! FAs (By Name)
3. All Heads of Public Sector Enterpris

F.No.7(1)/B(D)/2006
Ministry of Finance
Department of Economic Affairs
{Budget Division)

Annex-F

New Delhi, 22nd July, 2015.

<u>Office Memorandum</u>

Subject: Public Account Committee (14th Lok Sabha) -Recommendation in Para No. 14 contained in Report No 17- Large-scale Unspent provisions- regarding.

The undersigned is directed to refer to this Department's OM No.7(6)-B(R)/2001 dated 20th July, 2001 issued in the context of the Public Accounts Committee (13th Lok Sabha) in para 13.1 in their 16* Report, taking adverse note of the large scale unspent provisions of Rs.44,231.22 crore in the Grants/Appropriations operated by the Civil Ministries/Departments during the year 1996-97 and recommendation thereon (copy enclosed). Further to that Report the PAC of 14th Lok Sabha has inter• alia recommended in para 14 of 17th Report that the Ministry of Finance, being the nodal Ministry should impress upon all the Ministries/Departments to make a thorough study of the cases where large scale (Rs.IOO crore or more) unspent provisions have occurred and lay down appropriate guidelines for being followed by them in this regard.

2, In this context, attention is invited to Department of Expenditure's OM No. F.No. 5(6)/L&C/2006 dated 1st June 2006 regarding updated Scheme of Integrated Financial Adviser'. Para 9 (i) of the above mentioned OM enjoins upon Financial Advisors with the assistance of CCAs/CAs the responsibility of bringing in more analytical inputs" into the budget formulation process to ensure better inter• se programme/priortization and allocation within budget ceilings based on expenditure profiles of each programme, assessment of outcomes and current status of projects. Such analysis is envisaged to ensure a more realistic and efficient deployment of resources, reduce the reliance on supplementaries and help significantly control injudicious formulation of budget estimates/utilization of funds where "large savings'/unspent provisions can be reduced if not altogether avoided. Further in order to efficiently re-deploy the savings anticipated to occur in the financial year, the Financial Advisers are required to comply with the provisions in Rule 56 of the General Financial Rules 2005 for surrendering the savings to Government in time as per the dates prescribed by the Ministry of Finance.

3. It is expected that earlier instructions of this Ministry on the need for the individual Departments to put in place effective mechanism for realistically assessing "their requirement of funds in a way that would ward off the occurrence of unwarranted surrender of savings at a later date, may have been implemented by Departments/ Ministries concerned. The Public Accounts Committee" (PAC) in Para 14 of the 17th Report relating to Union Government Appropriation Accounts (Civil) 1996-97 has observed that "large scale unspent provisions under Grants/Appropriations by the civil Ministries/ Departments have become an almost recurring feature and the position is still to improve. The Committee are inclined to conclude that the concerned Ministries/Departments have not made any serious attempts to apply effective corrective measures in accordance with the Committee's recommendations". Therefore, in compliance with thB recommendation made by the PAC in this regard, the Financial Advisers are requested to carry out a thorough study of the cases/schemes where large• scale unspent provisions have occurred and take the following appropriate action so as to avoid recurrence of large-scale unspent provisions in their respective Demands for Grants:

(i) Budget Estimates and Revised Estimates shall be prepared with reference to the measurable/monitorable commitments made in the Outcome Budget and fiscal discipline enforced in implementation of programmes/projects to ensure 'value for money';

(ii) Ministries/Departments may)' review the expenditure profile of each major schemes/ programmes at regular intervals and apply the result of such analysis at the time of initial budget formulation so that a more realistic estimation of expenditure is made;

(iii) Ministries/Departments may, after carrying out such review, intimate this Ministry at the time of finalization of Revised Estimates of the current year the possible savings in their Grant for re• deployment of resources to other priority sectors;

(iv) In case any savings are identified even after finalization of Revised Estimates of the year," surrender of such savings may be intimated to this Ministry immediately;

4. All Ministries/Departments are requested to note the above instructions for strict compliance.

(Dr. Rajat Bhargava)
Joint Secretary (Budget)
Tele:23093183

To,

1. All the Ministries/Departments (as per the standard list).

2. All Secretaries to the Government of India.

3. Financial Advisers of the all Ministries/Departments.

Copy also to:

(i) All Under Secretaries/Deputy Directors in the Budget Division.

(ii) All Section Officers in Budget Division.

ANNEX - G

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

North Block,
New Delhi, 29/4 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.

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

Annex-H

MOST IMMEDIATE
BUDGET

No.F.l(5)-B(AC)/2005
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi.
12th October. 2006.

OFFICE MEMORANDUM

Subject: Decentralization of budget provisions in respect of 'works expenditure' from the Demands for Grants of Ministry of Urban Development and reflecting them in the respective Demands for Grants of the Ministries/ Departments concerned.

Reference paragraph 3.1 6 of this Ministry's Budget Circular for 2007-2008 issued under letter No.F.2(9)-B(D)/2006 dated 21.9.2006 regarding allocation of funds towards 'works expenditure' hitherto provided for centrally in the Demands for Grants of Ministry of Urban Development,

2. The issue regarding shifting of the budget provision towards 'works expenditure' from the Demands for Grants of Ministry of Urban Development to that of various Ministries/Departments concerned has been under examination of this Ministry in consultation with Ministry of Urban Development, CPWD, Controller General of Accounts, Planning Commission and concerned individual Ministries.

3. After due consultation, it has been decided to reflect the budget provision on 'works expenditure' (capital provision towards construction of office/residential/non-residential building), hitherto provided for centrally in the Demands for Grants of Ministry of Urban Development, in the respective Demands for Grants of the following Ministries/Departments, who have formally concurred with the same, with effect from BE 2007-2008, and applicable to the budget provisions made under both Plan as well as Non Plan. The execution of capital works will continue to be carried out by Central Public Works Department.

(i) Department of Economic Affairs
(ii) Ministry of Science and Technology
(iii) Department of Telecommunications
(iv) Ministry of Health and Family Welfare
(v) Ministry of Power
(vi) Ministry of Petroleum and Natural Gas

4. As far as revenue expenditure towards 'maintenance, repairs and minor works' of the Government building is concerned, the budget provisions will continue to remain in the Demands for Grants of Ministry of Urban Development. The budget provisions towards 'works expenditure' (capital expenditure) of other Ministries/Departments, who have not formally intimated their concurrence with the new arrangement, to this Ministry, will continue to be reflected in the Demands for Grants of Ministry of Urban Development.

5. Controller General of Accounts, Ministry of Finance, Department of Expenditure will issue necessary accounting mechanism to be followed by those Ministries and Departments listed in para 3 above, keeping in mind the revised arrangement.

6. The Ministries/Departments listed in para 3 above are requested to take necessary action for reflecting ‘works expenditure’ (capital provision towards construction under Plan and Non Plan) in their Statement of Budget Estimates for the BE 2007-2008 and are also advised to put in place, well in advance, the required systems and procedures in consultation with the Office of Director General (Works), Central Public Works Department/Chief Controller of Accounts, Ministry of Urban Development, in order to ensure smooth implementation of the new arrangement wilh effect from 1.4.2007.

7. This issues with the approval of Finance Secretary.

Dakshita Das

(Dakshita Das)
Director (Budget

(a) The Controller General of Accounts, Ministry of Finance, Department of Expenditure, Lok Nayak Bhawan, Khan Market, New Delhi - 110003 with reference to D.O. letter No.18(3)/2004/TA/659 dated 30.9.2005. It is requested that necessary accounting instructions for the new arrangement may be issued to these Ministries.

(b) FAs of Ministries/Departments mentioned at para 3 above.

(c) JS & FA, Ministry of Urban Development, Nirman Bhawan, New Delhi. ,

(d) Shri U.S.Pant, Chief Controller of Accounts, Ministry of Urban Development, Nirman Bhawan, New Delhi with reference to his D.O. letter No.G.20017/6/2004-Bl. dated 24.8.2006.

(e) The Director General (Works), Central Public Works Department with reference to letter dated 30th August, 2006.

(f) Shri Harish Chandra, Director(HUD), Planning Commission, HUD Division, Yojana Bhawan, Sansad Marg, New Delhi,

(g) Director(AP)/Director(DD)/OSD(FRBM)/OSD(Budget)/ABO

(h) All USs/DDs/SOs/SAOs of Budget Division.

Under Secretary (Budget)

Annex-I

F.No.2(22)-B(CDN)/2015
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi, the 22July, 2015.

Office Memorandum

Subject i) Procedure for providing funds for development of North Eastern Region and Sikkim under 'Plan' expenditure in Statement of Budget Estimates and Detailed Demands for Grants; and

ii) Delegation of powers for re-appropriation of funds from the lump-sum provision for North Eastern Region and Sikkim to relevant functional heads.

Reference: i) this Ministry's O.M. No.F.7/13/2001-NS(I) dated 24.4.2001
ii) this Ministry's D.O. No.F.2(66)-B(CDN)/2001dated 12.6.2001
iii) this Ministry's O.M. No.F.2(66)-B(CDN)/2001(Vol.II) dated 13.9.2002
iv) this Ministry's O.M. No.F.2(66)-B(CDN)/2001dated 14.9.2005

Finance Ministry has been issuing instructions from time-to-time regarding the procedure for making lump sum provision of 10% of central plan allocation for projects/schemes in North Eastern Region and Sikkim(NER). In this regard, the following points are reiterated for information and guidance:

1. (a) 10% of Central Plan allocations is to be earmarked for projects/schemes for the benefit of NER. However, this stipulation does not apply in respect of State Plan allocations;

(b) the lump sum provision of project/schemes for NER should be made under Major Head 2552 (in case of revenue expenditure). Major Head 4552 (in case of capital expenditure) and Major Head 6552 (in case of loan).

(c) Except such Ministries/Departments that have been exempted by Ministry of DoNER from making provision for NER, all others are to make such allocation compulsorily;

(d) It is important to make a realistic assessment of revenue and capital provision at the time of Budget formulation itself since re-appropriation from revenue to capital and vice versa is not within the powers of the Ministries and will call for a supplementary provision;

(e) At the revised estimate stage, Ministries/Departments may indicate lump sum provisions as 10% of the central plan RE amount unless exempted from making provisions for the region;

(f) break-up of the lump-sum provision for development of NER region upto object head level corresponding to different functionalmajor/sub•major/minor heads, indicating the details, may be depicted in the Detailed Demands for Grants under the Major Head 2552-North Eastern Region, Major Head 4552-Capital Outlay on North Eastern Region and Major Head 6552- Loans for North Eastern Region' for eventual re-appropriation;

(g) In some Ministries/Departments there are large savings being reported under

Major heads 2552, 4552 and 6552 at the end of the year on account of inadequate expenditure in the region. It is impressed upon all Ministries/ Departments that expenditure in the region should be in conformity with the10% requirement as has been laid down. Large savings will be contrary to instructions issued by this Ministry on strict financial discipline, based on recommendations of the Public Accounts Committee;

2. (a) Vide this Ministry's D.O. letter No.F.2(66)-B(CDN)/2001 dated 12th june, 2001, the power to re-appropriate funds from the lump-sum provision for NER to concerned schemes have been delegated to the Secretaries of theMinistries/Departments, who may exercise this power in concurrence with their Financial Advisers. However, this particular delegation of power is limited to the re-appropriation of funds from lump-sum provision to the schemes for the benefit of schemes/programmes in the NER alone. Thus, it is the responsibility of the Ministry/Department concerned to ensure that no re-appropriation from the lump sum provision for the NER is carried out for schemes which are not for the benefit of NER;

(b) Normally, the savings available under mandatory 10% provision earmarked for NER are not available for re-appropriation to meet other additionalitiesunder non-NER expenditure. However, if there has been overall reduction in total Plan expenditure ceiling of any Ministry/Department at Revised Estimate stage and the savings under NER as corollary is available, the same may be used to meet the additionalities under other items in order to avoid bloating of appropriation;

(c) In the event of shortfall in the utilization of NER provision by any Ministry/ Department (except the exempted ones), the amount would betransferred to Non-lapsable Central Pool of Resources (NLCPR). on notional basis.

This replaces this Ministry's Office Memorandums referred above.

(Dr. Rajat Bhargava)
Joint Secretary(Budget)

To Secretaries/FAs of all Ministries/Departments

ANNEX - J

F.No.1/1/2014-BUDGET (DoNER)
Government of India
Ministry of Development of North Eastern Region
Budget Cell

Vigyan Bhawan Annexe, Maulana Azad Road,
New Delhi-11001
Dated the ~~9th~~ 10 January, 2014

OFFICE MEMORANDUM

Subject:- List of Ministries/ Departments which are exempted from 10% of allocation as lumpsum provision - reg.

Reference Department of Economic Affairs (Budget Division) O.M No.F.2(40)-B(CDN)/2013 dated 7th January 2014 on the above subject.

2. A copy of the Departments/ Ministries exempted from making lump sum provision for the North Eastern Region is forwarded herewith for further necessary action.

Encl: As above

SKBhattacharya
(S.K.Bhattacharya)
Under Secretary (Bud)

Shri C.K. Ramaswamy,
Under Secretary,
Ministry of Finance,
Department of Economic Affairs (Budget Division),
North Block, New Delhi.

LIST OF DEPARTMENTS/MINISTRIES EXEMPTED FROM MAKING LUMP SUM PROVISION FOR THE NORTH EASTERN REGION	
1	Atomic Energy
2	Company Affairs
3	Economic Affairs
4	Expenditure
5	External Affairs
6	Legal Affairs
7	Earth Sciences
8	Official Language
9	Personnel & Training
10	Petroleum & Natural Gas
11	Planning
12	Revenue
13	Social Justice & Empowerment*
14	Steel
15	Space
16	Science & Technology
17	Scientific & Industrial Research
* only 2% of the funds for Scheduled Caste Division (SCD) are allocated to the NE. The norm of 10% allocation is applied to the sectors other than SCD.	

Annex-K

No.F.1(5)-B(AC)/2011
Ministry of Finance Department of Economic Affairs *(Budget Division)*
...

New Delhi,
22nd July, 2015

OFFICE MEMORANDUM

Subject: Financial Limits applicable to 'New Service'/'New Instrument of Service' – regarding.

Attention is invited to this Ministry's O.M. issued under letter F.No.1(23}-B(AC)/2005 dated 25.5.2006 and subsequent O.M. issued under letter F.No.1(5)-B(AC)/2011dated 21.5.2012 clarifying the need to obtain the prior approval of Parliament in cases relating to augmentation of funds under 'Grants-in-aid General', 'Grants for creation of capital assets', 'Grants-in-aid Salaries' 'Subsidies' and 'Major Works' during the course of the year.

2. It is emphasized that the cases relating to augmentation of funds during the year under the afore-said object heads (final tier of classification) may be done keeping in view the clarification given in this Ministry's O.M. dated 21.5.2012 (copy enclosed) in order to avoid objection from Audit and adverse observations from Public Accounts Committee. In case of any doubt on augmentation of funds under any specific object heads, advice may be sought from this Division for clarification.

(Dr.Rajat Bharagava)
Joint Secretary (Budget)

All FAs/CCAs of Ministries/Departments.

Annex – L

IMMEDIATE

No.F.1 (23)-B (AC)/2005
Government of India
Ministry of Finance Department
of Economic Affairs *(Budget*
Division)

New Delhi, the 25th May, 2006.

OFFICE MEMORANDUM

Subject: Revised Guidelines on Financial Limits to be observed in determining cases relating to 'New Service'/'New instrument of Service'.

In accordance with the commitment made in the Fiscal Policy Strategy Statement (Budget 2005-06) under the mandate of the Fiscal Responsibility and Budget Management (FRBM) Legislation and in pursuance of the approval of Public Accounts Committee (2005-2006) in the twenty-third report (Fourteenth Lok Sabha) on the proposal for review of Financial Limits to be observed in determining the cases relating to 'NEW SERVICE'/'NEW INSTRUMENT OF SERVICE' for reappropriation of funds (Annex), which has the concurrence of the C&AG, the following revised guidelines for re-appropriation of funds are hereby conveyed, in modification of this Ministry's Office Memorandum No. F.7 (15)-B(RA)/82 dated 13th April, 1982.

2. Definition of the terms 'New Service'/'New Instrument of Service' and its application:

(i) 'New Service': As appearing in article 115(1)(a) of the Constitution of India, this has been held as referring to expenditure arising out of a new policy decision, not brought to the notice of Parliament earlier, including a new activity or a new form of investment.

(ii) 'New Instrument of Service': Refers to relatively large expenditure arising out of important expansion of an existing activity.

(iii) While using these terms and applying the financial limits as indicated in the Annex, it needs to be noted that no expenditure can be incurred from the Consolidated Fund of India on a 'New Service'/'New Instrument of Service' without prior approval of Parliament through supplementary demands for grants. Further, the determination of these financial limits will be with reference to Primary Unit of Appropriation.

(iv) Where in an emergent case of 'New Service'/'New Instrument of Service' it is not possible to wait for prior approval of Parliament, the Contingency Fund of India can be drawn upon for meeting the expenditure pending its authorisation by Parliament. Recourse to this arrangement should normally be taken only when Parliament is not in session. Such advances are required to be recouped to the Fund by obtaining a Supplementary Grant in the immediate next session of Parliament. However, when Parliament is in session, a Supplementary Grant should preferably be obtained before incurring any expenditure on a 'New Service'/ 'New Instrument of Service'. That is to say, recourse to Contingency Fund of India should be taken only in cases of extreme urgency; in such cases the following procedure recommended by the Sixth Lok Sabha Committee on Papers Laid on the Table in their 4th Report should be observed:

"As far as possible, before such withdrawal is made, the concerned Minister may make a statement on the floor of the Lok Sabha for information giving details of the amount and the scheme for which the money is needed. In emergent cases, however, where it is not possible to inform the Members in advance, the withdrawal may be made from the Contingency Fund and soon thereafter a statement may be laid on the Table of the Lok Sabha for the information of the Members".

It has been suggested by the Rajya Sabha Secretariat that the above procedure may also be observed in Rajya Sabha.

3. Checks to be observed by the Ministries/Departments to ensure compliance of the provisions of this Office Memorandum are as under:

(i) By Integrated Finance Division/Budget Unit: A specific certificate should be recorded in each case involving augmentation of sanctioned provision on receipt of related proposals, to the effect that the proposed augmentation attracts/does not attract financial limits of 'New Service'/ 'New Instrument of Service'.

(ii) By PAOs: Each expenditure sanction to be examined by PAOs from the 'New Service'/ 'New Instrument of Service' angle keeping in view the financial limits indicated in the Annex.

(iii) Where any doubt arises about the application of financial limits of 'New Service'/ 'New Instrument of Service', the PAO would seek decision from CCA/FA of appropriate jurisdiction.

4. Circumstances for obtaining Supplementary grants for expenditure qualifying as 'New Service'/ 'New Instrument of Service' and the reporting procedure thereof are as follows:

(i) if sufficient savings are available within the same section of the relevant grants for meeting additional expenditure to the extent mentioned in column 2 of the annex, re-appropriation can be made, subject to report to Parliament,

(ii) The Report to Parliament should ordinarily be made through the ensuing batch of Supplementary Demands for Grants, failing which by adding an Annex in the Detailed Demands of the Ministry/ Department for the ensuing year.

(iii) A suitable write-up of such cases where possible, may also be made in the Notes on Demands for Grants of the Ministry/Department.

(iv) Mere depiction of augmented provisions in the Revised Estimates included in the Demands for Grants will not be adequate to meet the requirement to incur expenditure. In cases where the financial limits of 'New Service'/ 'New Instrument of Service' are attracted, approval of Parliament may be obtained for incurring such expenditure through supplementary demands for grants.

(v) The provisions in the 'Vote on Account' are not intended to be used for expenditure on any 'New Service'. In cases of urgency, expenditure on a 'New Service' during Vote on Account period can, therefore, be incurred only by obtaining an advance from the Contingency Fund in the manner recommended by the Sixth Lok Sabha Committee on the Papers Laid on the Table already referred to in para 2(iv) of this OM. Such advances will be resumed to the Contingency Fund on enactment of Appropriation Act in respect of expenditure for the whole year.

5. Exceptions:

(i) Having regard to the volume and nature of Government transactions, it is not possible to list out all such cases which are not attracted by 'New Service'/ 'New Instrument of Service' limits. Broadly, however, expenditure on normal activities of Government (such as normal administrative expenditure - including that resulting from re-organization of Ministries/ Departments, holding of conferences, seminars, exhibitions, surveys, feasibility studies, etc. assistance to foreign Governments, contributions to international bodies and fulfillment of Government guarantee on its invocation) are not attracted by the limits of 'New Service'/'New Instrument of Service'.

(ii) Transfers to State and Union Territory Governments are also exempt from these limits provided the scheme is not new.

(iii) Further, these limits are applicable only to expenditure which is subject to Vote of Parliament.

6. Doubtful cases:

In case of disagreement between the Integrated Finance Wing and Pay and Accounts Office, the Ministry/ Department may send a self-contained communication to the Budget Division, Ministry of Finance bringing out the specific point of doubt incorporating their Financial Adviser's views thereon. The decision taken by the Budget Division in the matter will be final.

7. Conclusion:

While agreeing to the revision of norms for re-appropriation of funds as annexed, the Public Accounts Committee in its twenty-third report (Fourteenth Lok Sabha) has concluded by stating as under:

"The committee also expects the Financial Advisors of the Ministries/Departments to ensure that there is no violation in implementation of the said revised norms for re-appropriation of funds and any slackness in complying with the said norms is strictly dealt with".

8. Hindi version will follow.

Dakshita Das

(Dakshita Das)
Director (Budget)

To,

1. All Ministries/Departments of the Government of India.
2. Financial Commissioner (Railways), Financial Adviser (DS), Member Finance (Telecom) and all other Financial Advisers.
3. Finance Secretaries of Union Territory Administrations (Chandigarh, Andaman and Nicobar Islands, Dadra and Nagar Haveli and Lakshadweep).
4. Controller General of Accounts, Controller General of Defence Accounts and Chief Controllers of Accounts.

Copy forwarded for information to:

1. Lok Sabha Secretariat (PAC) Branch/Rajya Sabha Secretariat.
2. Comptroller and Auditor General of India and all Directors of Audit/Accountants General.
3. Finance Secretaries of all State and Union Territory Governments.

Dakshita Das

(Dakshita Das)
Director (Budget)

Annex to Ministry of Finance O.M. No. F.1(23)-B(AC)2005 dated 25.05.2006

Financial limits to be observed in determining the cases relating to 'NEW SERVICE/'NEW INSTRUMENT OF SERVICE'

Nature of transaction	Limits upto which expenditure can be met by reappropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
I. **CAPITAL EXPENDITURE**		
A. Departmental Undertakings		
(i) Setting up a new undertaking, or taking up a new activity by an existing undertaking.	...	All cases
(ii) Additional investment in an existing undertaking	Above Rs.2.50 crore but not exceeding Rs. 5 crore.	Above Rs. 5 crore
B. Public Sector Companies/Corporations		
(i) Setting up of a new Company, or splitting up of an existing Company, or amalgamation of two or more Companies, or taking up a new activity by an existing Company		All cases
(ii) Additional investment in/loans to an existing company		
(a) Where there is no Budget Provision	Above Rs.50 lakhs but not exceeding Rs.1 crore	Above Rs. 1 crore
(b) Where Budget Provision exists for investment and/or loans Paid up capital of the Company		
(i) Upto Rs. 50 crore	20% of appropriation already voted or Rs.10 crore, whichever is less	Above 20% of appropriation already voted or Rs.10 crore, which ever is less.
(ii) Above Rs.50 crore	20% of appropriation already voted or Rs.20 crore, whichever is less	Above 20% of appropriation already voted or Rs.20 crore, which ever is less.
C. All bodies or authorities within the administrative control/management of Central Government or substantially financed by the Central Government.		
Loans	Upto 10% of the appropriation already voted or Rs.10 crore, whichever is less	More than 10% over the appropriation already voted by Parliament or Rs.10 crore, whichever is less

Note: *Where a lumpsum provision is made for providing 'Loans' under a particular scheme, the details of substantial apportionment (10% of lumpsum or Rs. 1 crore, whichever is higher) should be reported to Parliament, in the case of lumpsum provision of loans to States, the State-wise distribution should be reported to Parliament.*

Nature of transaction	Limits upto which expenditure can be met by reappropriation of savings in a Grant subject to report to Parliament	Limits beyond which prior approval of Parliament is required for expenditure from the Consolidated Fund
1	2	3
D. Expenditure on new Works (Land, Buildings and/or Machinery)	Above Rs.50 lakhs but not exceeding Rs. 2.5 crore or not exceeding 10% of the appropriation already voted, whichever is less.	Above Rs.2.5 crore or above 10% of the appropriation already voted.
II REVENUE EXPENDITURE		
E. Grants-in-aid to any body or authority	...	All cases
Note: *Where a lumpsum provision is made for providing grants-in-aid under a particular scheme, the details of substantial apportionment (10% of lumpsum or Rs. 1 crore, whichever is higher) should be reported to Parliament. In the case of lumpsum provision of grants to States, the State-wise distribution should be reported to Parliament.*		
F. Subsidies		
(i) New Cases	...	All cases
(ii) Enhancement of provision in the existing appropriation	Upto 10% of the appropriation already approved by the Parliament or Rs.10 crore, whichever is less	More than 10% of the appropriation already voted by Parliament or Rs.10 crore, whichever is less
Payments against cess collections	Limits as applicable to grants-in-aid to statutory or public institutions will apply	All cases
New Commissions or Committees of Enquiry	...	Above Rs.20 lakhs (total expenditure)
G. Write off of Government loans	Above Rs.50,000 but not exceeding Rs.1 lakh (individual cases)	Above Rs.1 lakh (individual cases)
H. Other cases of Government expenditure	Each case to be considered on merits.	
I. Posts **Railways** **Defence**	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments subject to considerations of security in the case of Defence	The aforesaid limits, including those relating to Works expenditure, will also apply to these Departments subject to considerations of security in the case of Defence Services Estimates.

Note 1: For investment in Ordnance Factories, the limit of Rs.5 crore mentioned in item A (ii) will be applicable with reference to investment in all the factories as a whole.

Note 2: Civil Works, which do not form part of any project of the departmental undertakings (Ordnance Factories) should be treated as ordinary Defence works. As such, prior approval of Parliament will be necessary if the cost of individual works exceeds Rs.2.5 crore and in cases where the individual works cost Rs.50 lakhs or more but not exceeding Rs.2.5 crore, a report to Parliament will be required. A list of such works should, however, be supplied to Director of Audit, Defence Services.

Annex-M

MOST IMMEDIATE

BUDGET

L.M. VAS
Joint Secretary (Budget)

Ministry of Finance
Department of Economic Affairs
North Block
New Delhi - 110001

D.O.F.No.2(43)-B(CDN)/2004 January 21, 2005

Dear Shri

At present, plan grants and loans to State and Union Territory Governments provided through budget are being released under Major Heads 3601-Grants-in-aid to State Governments, 3602-Grants-jn-aid to Union Territory Governments, 7601-Loans and Advances to State Governments and 7602-Loans and Advances to Union Territory Governments. In addition, plan funds are also being released under various Centra! and Centrally Sponsored Schemes directly by certain Ministries/Departments to the State and district-level autonomous bodies by debiting the functional heads of Account.

2. With a view to considering the utility and feasibility of adding another statement in Expenditure Budget Volume 1 on 'Direct transfers of Centra! Assistance to States/District level Autonomous Bodies', information on the quantum of such transfers was called from Ministries/Departments. The feedback received shows that such transfers are a significant component of plan expenditure in the concerned demands. Based on the feedback, it has been decided to include such a Statement in the Expenditure Budget Volume 1 for 2005-2006.

3. Accordingly, you are requested to forward a statement as per the enclosed format showing major head-wise plan allocations to be released directly to State and district level autonomous bodies in 2005-2006. The Statement may be forwarded along with the Plan SBEs 2005-2006. A *'nil'* statement may also be furnished if there is no material information to provide. <u>It may please be ensured that this statement is invariably sent alonqwith the SBEs.</u>

4. The receipt of this letter may kindly be acknowledged by return fax. .

With regards,

Yours Sincerely,

(L.M. Vas)

All Financial Advisers (Ministries/Departments)

Telephone No. Office : 23092804 Fax : 23094052

Enclosure to JS(B)'s D.O. No. F. 2(43}-B(CDN)/2004 dated 21.1.2005

Name of Ministry/Department

Direct transfers of Central Assistance to States/ District level Autonomous Bodies*

(Rs. Crore)

Sl. No.	Name of Scheme	Major Head	Allocation in BE 2005-2006
Sub/Grand Total			

*These could be societies/State PSUs/corporations owned/controlled by State Governments.

Annex-N

F.No. 2/11/2015-FRBM
Ministry *of Finrznce*
(Budget Division)

New Delhi, the 22nd July, 2015

OFFICE MEMORANDUM

Sub: Preparation of Asset Registet, as required under the Fiscal Responsibility and Budget Management Rules, 2004

As the Ministries / Departments are aware, an Asset Register is required to be maintained in prescribed forma t under the Fiscal Responsibility and Budget Management (FRBM) Rules, 2004 in order that appropriate disclosure about the position of assets may be made in the Budget 2006-07 onwards. In this regard Budget Division O.M. F.No. F7 (3)-B (D)I2003 dated 26th April, 2005 may kindly be referred. It is re-iterated that while furnishing the information in prescribed format as required under the FRBM Rules, 2004, to this division, all impor tant instructions / directions issued earlier shall be kept in view.

2. It is desirable to have an exhaustive inventory of assets with full reconciliation of physical balances with the f inancial accounts on regular basis.

(Dr. Rajat Bhargava)
Joint Secretary (Budget)

Financial Advisers

Annex-O

NO.F.12[20]-B [SD]/2002

MINISTRY OF FINANCE DEPARTMENT
OF ECONOMIC AFFAIRS [BUDGET
DIVISION]

Office Memorandum

New Delhi,.the 16* October, 2003

Subject:- Government Guarantees - Preparation of Database.

The enactment of the Fisca] Responsibility & Budget Management Act, 2003 has re-emphasised the need for effecting measures towards fiscal adjustment and consolidation together with the need for greater transparency in the fiscal process. The C&AG of India has also established the Government Accounting Standards Advisory Board (GASAE) for the Union and the States with a view to establishing and improving standards of governmental accounting and financial reporting and enhance accountability mechanism. As part of the effort of the government to address a range of fiscal issues as also to provide uniform and complete disclosure it has been decided to review the existing reporting methodology with regard to government guarantees.

2. It is accordingly requested that in order to create a database, information in the enclosed proforma (Annexure-IT) may be furnished to this Ministry in respect of the cases, under your Ministry. The information may be furnished after, thoroughly scrutinising each case and with the approval of the Financial Advisor so that correctness of the information furnished is ensured.

3. It would be seen that the proforma enclosed, inter alia, provides for'classification of the guarantees in terms of class and sectors vide Col. 7 and 8. Class and sectors have been listed in Annexure I for guidance and ready reference. While filling the proforma the sectors to which guarantee is provided may be indicated in full. In case of the class only the legend as indicated against each class may be used. %

4. It is further requested that the information may be furnished immediately in the first instance and thereafter the information may be furnished quarterly as is the normal practice. In cases of guarantees where the data undergoes a change from the previous quarter, the same may be suitably highlighted in the forwarding letter.

(Jayant Sinha)

Deputy Secretary(Budget)

To

All Financial Advisor and Controller Aid Accounts & Audit.

Copy to:-

1. All Director & Dy. Secretaries, Budget Division.
2. All Under Secretarjes/Dy. Director, Budget Division.

Proforma -I

GUARANTEE- CLASS

i. Guarantees given to the RBI, other banks and industrial and financial institutions for repayment of principal and payment of interest, cash credit facility, financing seasonal agricultural operations and/or for providing working capital to companies, corporations and cooperative societies and banks; [A]

ii. Guarantees given for repayment of share capital, payment of minimum annual dividend and repayment of bonds/loans, debentures issued/raised by the statutory corporations and financial institutions; [B]

iii. Guarantees given in pursuance of agreements entered into by the Government of India with international financial institutions, foreign lending agencies, foreign governments contractors, supplier, consultants, etc., towards repayment of principal , of interest/Commitmerit charges on loans, etc., and/ or for payment against supplies of material and equipment; [C]

iv. Counter-guarantees to banks in consideration of the banks Having issued letters of credit/authority to foreign suppliers for supplies made/services rendered ; [D]

v. Guarantees given to Railways/State Electricity Boards and other entities for due and punctual Payment of dues by companies/Corporation. [E]

vi. Performance guarantees given for fulfilment of contracts/ projects awarded to Indian companies in foreign countries; [F]

vii. Performance guarantees given for fulfilment of contracts/

projects awarded lo foreign companies in foreign countries. [G]

viii. Any others [H]

GUARANTEE - SECTORS

i. Power

ii. Cooperative

iii. Irrigation

iv. Roads & Transport;

V. Urban Development & Housing

vi. Other Infrastructure;

vii. Any other.

Proforma -II

PROFORMA FOR CREATING/UPDATING DATABASE FOR THE GOVERNMENT GUARANTEES

Name of Ministry / Department

Report for the Quarter ending___________

[₹crore]

Sl. No	.Beneficiary {Name of the PSU etc in whose favour guarantees is given]	Loan Holder/ Eintity giving Loan	Authority for Guarantee [MOF approval No. & Date]	Period of validity [MOF ID No. & date through which the guarantee was last extended]	Purpose of Loan	Class	Sector	Details of Reschedule	Details of Securities pledged
1	2	3	4	5	6	7	8	9	10

Amount of Loan	Extent of Guarantee			Additions	Deletions	Invoked		Outstanding Principal, Interest etc at the end of the period	Rate of Guarantee Fee/ Commission	Guarantee Fee/ Commission		Other conditions & compliance
	Principal	Interest	Total			Discharged	Not discharged			Receivable	Received	
11	12	13	14	15	16	17	18	19	20	21	22	23

Annex-P

F. No.15(4)/B(D)/2003
Ministry of Finance Department
of Economic Affairs (Budget
Division)

New Delhi, the 9th July 2003.

OFFICE MEMORANDUM

Subject : Opening of detailed head "Information Technology" under six level heads classification in Detailed Demands for Grants of the Ministries/Departments.

In pursuance of the recommendation of High Powered Committee for improving administrative efficiency for earmarking an amount exceeding 2-3 per cent of Ministries/Departments' budget for initiatives relating to furthering the use of Information Technology, including training, acquisition of hardware, software as well as development "and maintenance of software *etc.,* Planning Commission had vide their D.O. No. H-11016/32/97-PC dated 24.4.1998 and D.O. No. N-11016/8/2000-PC dated 23.10.2000 directed all Ministries/Departments to locate the required amount for information Technology. Ministry of Finance, Department of Expenditure had also issued a circular F.No. 10/3/E.Coord/99 dated 9.11.1999 reiterating the same, with the specific instructions to ail Financial Advisers that a separate budget head be indicated for the purpose.

2. At present no specific object head for booking of expenditure for "Information Technology" exists in DFPRs. To ensure common standardization of heads of classification and to facilitate the monitoring of expenditure incurred by various Ministries/Departments, on "information Technology", it has been decided in consultation with Controller General of Accounts and Department of Expenditure, to place "Information Technology" at 'detailed head[1] level at the fifth level of classification in Detailed Demands for Grants. A standard computer code, i.e. "99" has been allotted against "information Technology" to serve the purpose of consolidating the expenditure incurred by a Ministry/Department on the same.

3. This issues with the approval of Additional Secretary(Budget).

(Jayant Sinha)

Deputy Secfetary to the Govt. of India

TO

1. All Financial Advisers of Ministries/Departments.
2. Chief Controller of Accounts of Ministries and Departments.
3. Comptroller & Auditor General of India, New Delhi.
4. Controller General of Accounts, New Delhi.
5. Director of Audit, Central Revenues, New Delhi.

ANNEX - Q

F.No. 4(10)-W&M/2016
Ministry of Finance
Department of Economic Affairs
(Budget Division)
*****

New Delhi, the 4th August, 2016

Subject: Cash Management System in Central Government-Modified Exchequer Control Based Expenditure Management.

I am directed to enclose OM (F.No. 4(10)-W&M/2016) dated 4/08/2016 approved by Finance Minister on the subject above for strict compliance by all Ministries/Departments.

4/8/16

(H.K. Srivastav)
Director(Budget

To

1. Secretaries of all Ministries/Departments
2. Controller General of Accounts
3. Dy. Comptroller General of Accounts (Report Control)
4. Financial Advisors of all Ministries/Departments
5. Principal CCAs/CCAs/CAs of all Ministries/Departments
6. NIC- for uploading the OM on finmin.nic.in

F.No.4(10)-W&M/2016
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)
****

Dated Aug 4, 2016

Office Memorandum

Sub: Cash Management System in Central Government – Modified Exchequer Control Based Expenditure Management

1. This OM is issued in supersession of following OMs: -
F. No. 21 (1)-PD/2005 dated December 27, 2006
F. No. 21 (1)-PD/2005-Vol II dated July 30, 2012
F. No. 21 (1)-PD/2005 dated January 15, 2013
F. No. 21 (1)-PD/2005 dated July 3, 2013
F. No. 21 (1)-PD/2005 dated January 10, 2014
F. No. 21 (1)-B(PD)/2014 dated July 22, 2015

2. To bring about more effectiveness and efficiency in cash management system, a Cash Co-ordination Committee (**CCC**) headed by JS(Budget) with members from office of CGA, RBI and Budget Division was constituted by the Government on 19.05.2016 vide OM dated 19.5.2016.

3. Based on the deliberations of the Committee, consultation with Financial Advisors of some key Ministries representing infrastructure, Social, and economic Sector was undertaken. Inputs from O/o Controller General of Accounts were also sought. Accordingly, guidelines for more effective and efficient cash and expenditure management in the Government of India have been prepared and outlined here. **This will help avert situation of temporary mismatches in cash outflows and cash inflows, and thereby prevent additional transitory borrowing through treasury bills/ CMBs and thereby help save on interest expenses. It would also prevent unnecessary build-up of cash, which creates liquidity crunch in the economy and in process again raises cost of Government borrowing.**

4. Accordingly, the following guidelines are hereby notified:

(i) All FAs shall ensure that Monthly/Quarterly Expenditure Plan (**MEP/QEP**) of respective Ministries are prepared and sent to Budget Division, DEA, Ministry of Finance within two weeks of passing of their Detailed Demand for Grants (**DDG**) in Parliament. MEP/ QEP would be worked out separately for Plan and Non-Plan expenditures and included as Annex to the DDG in respect of the concerned Demand for Grants (**DG**). For 2016-17, the MEP/ QEP framed in this regard would be communicated to the Budget

Division, MoF within a week of issue of this OM. MEP/ QEP forms the basis of cash forecast and preparation of indicative calendar for Government borrowings. **Deviations from MEP/ QEP may result into distortions in the cash planning by GoI with multiple negative implications including increased cost of borrowing and hence would be viewed seriously.**

(ii) The MEP would form the basis of QEP and Ministries/ Departments concerned will not be allowed to release payments beyond QEP (equal to sum of MEPs within that quarter) without prior consent of Budget Division. **Practice of expenditure beyond QEP without prior approval of Secretary (Expenditure) <u>would be viewed adversely.</u>** No ex-post facto approval for the deviations from the approved MEP/QEP shall be normally considered.

(iii) MEP/QEP may accordingly be prepared, keeping in view the Vote on Account limits, if any, with due diligence by factoring the overall trend of expenditure, seasonality of specific expenditure items, and the following broad principles:

a. To the extent possible, the bulk expenditure items of more than ₹ 2000 Cr may be timed in the last month of each quarter to utilise the direct tax receipt inflows in June, September, December, and March. The releases may be kept within 17th and 23rd in these months.

b. Within the MEP/QEP, a calendar of big releases of ₹ 200 Cr to ₹ 2000 Cr shall be prepared to build certainty in cash outflows, as far as possible. The range of dates of such releases may be kept between 8th (or next working day if 8th is a holiday) and 21st of a month to take advantage of the excise duty and service tax inflows.

c. The dates for these major expenditure of ≥ ₹ 200 Cr shall be annexed to the MEP/QEP.

d. As at present, Salary would be released on last working day of each month. Similarly, the tax devolution to States by the Budget Division, DEA, would be on 1st of each month.

e. In case a major expenditure of more than ₹ 2000 crore, needs to be released outside these dates, prior approval with two working days' notice, shall be taken from Budget Division which shall, depending on cash position, convey acceptance (through fax or email) or suggest another appropriate date for such release. In case of any exigency, the permission shall be given on same day, if so requested.

f. **Prior permission from Budget Division shall be a pre-requisite for any single payment release in excess of ₹ 5000 Cr.** The FAs may guard against attempts to deliberately split expenditure to stay within limits.

g. Not more than 33% and 15% of expenditure, subject to RE ceilings, shall be permissible respectively in the last quarter and last month of the financial year. **The restriction shall be observed both scheme-wise as well as for the Demand for Grants as a whole.**

h. The FAs will monitor the release of funds to autonomous bodies and other organisations to ensure that there is no undue build-up of funds with such bodies/ organisations and money is released to them just in time.

(iv) The exchequer control would apply cumulatively at the Demand for Grant (**DG**) level only i.e. inter-se variations between months within a quarter, between Plan and Non-Plan (till such time the distinction exists) would be permissible, subject to statutory restrictions and guidelines in this regard.

(v) The relaxation in the QEP and carry forward of the unspent amount across quarters may be exception rather than norm. While seeking such relaxations, detailed justification for the deviations shall be recorded. The generic reasons such as 'delays in sanction order', 'late receipt of claims', delays in necessary approvals' shall not be accepted unless substantiated by specific reasons.

(vi) **Savings, if any, incurred during QEP would not be available for automatic carry forward to the next quarter, without revalidation of such savings by the Budget Division for the next quarter through modification in QEP.** However, spillover in MEP, not inconsistent with QEP will not require prior revalidation from the Budget Division. The FAs may nonetheless use such MEPs for their internal monitoring with the target of complying by the QEP limits.

(vii) The Budget Division would convey its decision on revalidation of MEP/ QEP, within 7 days of the request, unless there are some specific queries.

(viii) The provisions stipulated under Rule 209 (6) (iii) of GFR shall be strictly complied by all Ministries/Departments and accordingly, the releases to the various Implementing Agencies (**IAs**) have to be restricted / rationalised keeping in view the unspent balances lying with the IAs. For this purpose, the Programme Division of Ministries/Departments shall take help of PFMS Portal to know the bank balance of the recipients (IAs) before making every fresh release. The instructions of Department of Expenditure regarding the use of PFMS Portal for Central Sector Schemes issued vide F.No. 66 (29) PF-II/2016 dated 15-07-2016 shall be strictly followed by all

Ministries/Departments. It is learnt that O/o Controller General of Accounts has been making efforts to extend the PFMS portal to all types of payments. Accordingly, the same principles of 'just in time release', should be applied for releases in respect of all payments to the extent possible.

(ix) The releases to any Implementing Agencies (**IA**), including an Autonomous body, shall be on monthly basis, rather than in an ad-hoc manner, to avoid any avoidable parking of funds.

(x) Financial Advisers shall review and freeze the timing of the receipts of Dividend and various other Non-Tax receipts (**NTRs**) of their respective Ministry/Departments. The dividend payments and buy back considerations would be targeted in the H1 part of financial year. The FAs shall also monitor the timely realisation of other NTR and submit collection details of other NTR through the online portal **'Bharat Kosh'** developed by CGA.

(xi) Each Ministry/ Department would indicate month-wise estimate of the possible non-tax revenue inflows concerning that Ministry/ Department to Budget Division, while communicating their MEP/ QEP, so that these inflows are factored in while according permission for expenditure. In case month-wise estimate is not feasible, such information would be provided on quarterly basis. For 2016-17, this information will be provided by Aug 31, 2016.

(xii) If required the FAs may, with prior approval of Secretary (Expenditure) amend the QEP for last 3 quarters of the current FY (2016-17) keeping in view these revised guidelines.

This issues with the approval of Finance Minister.

(Prashant Goyal)
Joint Secretary (Budget)

ANNEX - R

राष्ट्रीय प्रतीक

सुधा पिल्ले, आई.ए.एस.
सदस्य-सचिव
SUDHA PILLAI, I.A.S.
MEMBER-SECRETARY

जय हिन्द

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D. O. No. N-11016/12 (1)/2009-PC

Date: 15.12.2010

This is in continuation of my earlier D.O. letter of even number dated 08.11.2010 regarding formulation of Annual Plan 2011-12. In this letter, you were requested to formulate Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) as per the extant guidelines on the subject.

2. You would be aware that Planning Commission had constituted a Task Force under the Chairmanship of Dr. Narendra Jadhav, Member, Planning Commission to (a) review the operational guidelines in implementing SCSP and TSP and (b) suggest remedial measures for an effective and meaningful implementation of SCSP and TSP, in future. The Task Force has had extensive consultations with identified Central Ministries/Departments. It has recommended a classification of Ministries/Departments according to their obligation towards earmarking of their plan outlay under SCSP and TSP.

3. The Planning Commission has accepted the recommendations of the Task Force on differentiated Ministry/Department-wise earmarking of Plan funds under SCSP and TSP. The detail of recommended earmarking of funds under SCSP and TSP is at Annexure.

4. All Central Ministries/Departments are required to implement the recommendations of the Task Force beginning the Annual Plan 2011-12. I would, therefore, request you to ensure appropriate earmarking of funds under SCSP and TSP in the Annual Plan Proposal 2011-12 of your Ministry/Department. Further, the scheme-wise earmarked funds under SCSP and TSP must be separately indicated in the Statement of Budget Estimate (SBE) in the Annual Plan 2011-12. Finally, I would like to urge those Ministries/Departments who do not have any binding commitments to provide allocations under SCSP/TSP to also make efforts at providing some allocation on a voluntary basis to meet this national objective.

With warm regards,

Yours sincerely,

15/12

(Sudha Pillai)

All Secretaries, Ministries/ Departments

Ministry/Scheme-wise Proposed Earmarking of Plan Outlays under SCSP for 2011-12		
S. No.	Ministry/Department	Earmarking of Funds under SCSP Recommended for the Ministry (In Per cent)
1	2	3
Category I	Ministries/Departments with no obligation for Earmarking Funds under SCSP	
I-A	Regulatory Ministries/Departments (19 Departments)	0.00
I-B	Ministries/Departments Addressing Specific Target Groups (2 Ministries)	0.00
I-C	Ministries/Departments Engaged in Basic Scientific Research (6 Departments)	0.00
I-D	Ministries/Departments Implementing large Infrastructure Projects, the benefits of which are Indivisible (5 Departments)	0.00
I-E	Ministries/Departments largely Engaged in Policy Making without any beneficiary oriented Schemes (11 Min/Departments)	0.00
Category II	Ministries/Departments Required to do Partial Earmarking (less than 15%)	
II-A	Ministries/Departments implementing Infrastructure projects along with specific beneficiary oriented schemes	
1	Ministry of Power	8.30
II-B	Ministries/Departments largely Engaged in Policy making but also implementing some Developmental Schemes	
1	Ministry of MSME	12.00
2	Ministry of Textiles	5.00
3	Ministry of AYUSH	5.00
4	Department of Commerce	4.50
5	Ministry of Environment and Forests	2.20
6	Ministry of DONER	2.00
7	Ministry of New & Renewable Energy	3.50
8	Department of Information Technology.	2.00
9	Department of Science and Technology	2.50
Category III	Ministries/Departments which will be required to Earmark between 15 to 16.2% of their Plan Outlays	
1	Department of Agriculture & Cooperation	16.20

CONTD...

2	Department of Animal Husbandry & Dairying	16.20
3	Department of Higher Education	15.00
4	Ministry of Labor and Employment	16.20
5	Department of Land Resources	16.20
6	Ministry of Panchayati Raj	16.20
7	Department of Youth Affairs	16.20
8	Department of Health and Family Welfare	15.20
9	Department of Sports	15.00
Category IV	Ministries/Departments Which will be required to Earmark more than 16.2% of their Plan Outlays under SCSP	
1	Department of Drinking Water Supply	22.00
3	Minitsry of HUPA	22.50
4	Department of School Education & Literacy	20.00
5	Department of Rural Development	25.00
6	Ministry of Social Justice and Empowerment	72.50
7	Ministry of Women and Child Development	20.00
	Applying these percentages to respective Ministries/ Departments' BE -2010-11, the average BE in percentage terms expected to be earmarked under SCSP	**14.30**

Ministry/Scheme-wise Proposed Earmarking of Plan Outlays under TSP for 2011-12		
S. No.	Ministry/Department	Earmarking of Funds under TSP Recommended for the Ministry (In Per cent)
1	2	3
Category I	Ministries/Departments with no obligation for Earmarking Funds under TSP	0.0
Category II	Ministries/Departments Required to do Partial Earmarking (less than 7.5% of their Plan Outlays)	
1	Department of Telecommunications	0.25
2	Ministry of Textiles	1.20
3	Ministry of Water Resources	1.30
4	Department of Food and Public Distribution	1.40
5	Ministry of Culture	2.00
6	Department of AYUSH	2.00
7	Ministry of HUPA	2.40
8	Ministry of Tourism	2.50
9	Department of Science & Technology	2.50
10	Ministry of Road Transport & Highways	3.50
11	Department of Agriculture Research & Education	3.60
12	Ministry of Mines	4.00
13	Department of Information Technology	6.70
Category III	Ministries/Departments which will be required to Earmark between 7.5 to 8.2% of their Plan Outlays	
1	Department of Higher Education	7.50
2	Department of Agriculture &Cooperation	8.00
3	Ministry of MSME	8.20
4	Ministry of Coal	8.20
5	Department of Youth Affairs	8.20
6	Ministry of Labor and Employment	8.20
7	Ministry of Panchayati Raj	8.20
8	Department of Sports	8.20
9	Ministry of Women & Child Development	8.20
10	Department of Health & Family Welfare	8.20

CONTD...

Category IV	Ministries/Departments Which will be required to Earmark more than 8.2% of their Plan Outlays under TSP	
1	Department of Land Resources	10.00
2	Department of Drinking Water and Sanitation	10.00
3	Department of School Education & Literacy	10.70
4	Department of Rural Development	17.50
5	Ministry of Tribal Affairs	100.00
	Applying these percentages to respective Ministries/ Departments' BE -2010-11, the average BE in percentage terms expected to be earmarked under TSP	8.26#

#Exclusive of SCA to TSP and Grants under Proviso to Article 275(1) of the constitution, as the outlays under these Heads are shown in Statement 16 of Expenditure Budget (Volume I), which provides Central Assistance to State Plans. Including SCA to TSP (Rs 960 crore), this figures increases to 8.6%