



**THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS, ULAN BATAR ROAD,  
PALAM DELHI CANTT-110010**

**Tel: 011-25665548.25665583/84,25665738/37, Fax: 011-25674786,  
Fax: 011-25674786, 25674821**

**No. A/III/12157/CMP**

**Dated: 03/10/2017**

To,

All PCDsA/CsDA

**Sub: - Cash Managmnet System in Central Government- Modified  
Exchequer Control Based Expenditure Management**

The guidelines contained in MoF OM F.No. 15 (39)-B(R)/2016 dated 21.08.2017 on the subject matter are circulated herewith, for strict compliance. These guidelines may also be circulated to the units/organizations for their information and compliance. Any deviation from these provisions could be made only with approvals of MoF.

2. MoD (finance) vide their ID note No 05(04)/Bud-I/2015(pt) dated 22.09.2017 has mentioned that as per Ministry wise receipts and expenditure data received from Central Accounts Section, RBI Nagpur, payment in respect of Ministry of Defence has exceeded Rs 200/2000 cr. on 07.09.2017 ( Rs 602.28 cr.), 08.09.2017 (Rs 523.18 cr.), and 12.09.2017 ( Rs 11.09.2017 ( 979.60 cr.). (Copy enclosed).

3. Department of Economic Affairs (Budget Division), Ministry of Finance Government of India, has further, sought attention to para 4(iii) (a) & 4(iii) (b) of their Office Memorandum F.No 15(39)-BR/2016 dated 21.08.2017, mentioning certain changes in Cash Management System made in view of the changes in tax receipt date under GST regime.

4. In this connection, it is requested that payments above Rs. 200 crore to 2000 crores shall be released between 21st and 25th of a month to take advantage of GST cash inflows as per para iii (b) of the MoF OM dated 21-08-2017. It is also requested to render the details of Units/Organizations in respect of which the payment of above Rs. 200 crore/2000 crore were released on given dates (refer para 2 above) by your office, if any.

**ACGDA(A&B)**

**Copy to:-**

**EDP Centre ( Local): for uploading the same on the website.**

- sd-  
**ACGDA(A&B)**



15(39)-B(R)/2016-P2  
 Government of India  
 Ministry of Finance  
 Department of Economic Affairs  
 Budget Division

North Block, New Delhi  
 Dated 08.09.2017

OFFICE MEMORANDUM

Subject : Cash Management system in Central Government – modified exchequer control based expenditure – reg.

The data on ministry wise receipts and expenditure received from Central Accounts Section, RBI, Nagpur indicates that the payment in respect of your Ministry on 07.09.2017 has exceeded Rs. 200 crore / 2000 crore (i.e. Rs. 602.28 crore). Your attention is invited to para 4(iii) (a) & 4(iii) (b) of the instructions on cash management issued from Ministry of Finance vide OM 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017 wherein any payment above Rs. 200 crore / 2000 crore should be made only between 21<sup>st</sup> to 25<sup>th</sup> of the month and 17<sup>th</sup> to 25<sup>th</sup> of last month of a quarter. Any deviation from these provisions could be made only with approval of the Ministry of Finance.

2. You are requested to review and clarify reasons behind deviation from the guidelines. You are also requested to take due care for strict compliance to all the provisions of cash management instructions issued by vide OM No. 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017.

  
 (H.K. Srivastav)  
 Director (Budget)

Ms. Anuradha Mitra / Ms. Sanjeev Mittal  
 Joint Secretary & Financial Advisor / AS & FA  
 M/o Defence  
 South Block, New Delhi

1229/AS&FA(AN)  
 11/9/17

AS & FA (AN)  
 Dispy No. 1432  
 Date: 11.9.2017

For u.a.

11/9/17

Add FA (AN)

To

12/9

Div (Bud)

2016/2017 (Bud) 16  
 12-9-17



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

North Block, New Delhi  
Dated 11.09.2017

OFFICE MEMORANDUM

Subject : Cash Management system in Central Government – modified exchequer control based expenditure – reg.

The data on ministry wise receipts and expenditure received from Central Accounts Section, RBI, Nagpur indicates that the payment in respect of your Ministry on 08.09.2017 has exceeded Rs. 200 crore / 2000 crore (i.e. Rs. 523.18 crore). Your attention is invited to para 4(iii) (a) & 4(iii) (b) of the instructions on cash management issued from Ministry of Finance vide OM 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017 wherein any payment above Rs. 200 crore / 2000 crore should be made only between 21<sup>st</sup> to 25<sup>th</sup> of the month and 17<sup>th</sup> to 25<sup>th</sup> of last month of a quarter. Any deviation from these provisions could be made only with approval of the Ministry of Finance.

2. You are requested to review and clarify reasons behind deviation, if any, from the guidelines mentioned above. You are also requested to ensure strict compliance to all the provisions of cash management instructions issued by vide OM No. 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017.

1242/ADDL(FA/AN)  
12/9/17

11.09.17

ADDL(AN) (CJ)

12/9

Div (Budget)

Put up by To 14/9

M. L. S. / m. l. s.  
12.9.2017

H.K. Srivastav

(H.K. Srivastav)  
Director (Budget)

Sh. Sanjeev Mittal  
Additional Secretary & Financial Advisor (A)  
M/o Defence  
South Block, New Delhi

2016/Dir(Fin)(AW)17  
12-9-17

~~ADDL(AN) (CJ)~~

13/9/17

5014-B

M. Singh

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

North Block, New Delhi  
Dated 13.09.2017

OFFICE MEMORANDUM

Subject : Cash Management system in Central Government – modified exchequer control based expenditure – reg.

The data on ministry wise receipts and expenditure received from Central Accounts Section, RBI, Nagpur indicates that the payment in respect of your Ministry on 12.09.2017 has exceeded ₹ 200 crore / 2000 crore (i.e. ₹ 507.70 crore). Your attention is invited to para 4(iii) (a) & 4(iii) (b) of the instructions on cash management issued from Ministry of Finance vide OM 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017 wherein any payment above ₹ 200 crore / 2000 crore should be made only between 21<sup>st</sup> to 25<sup>th</sup> of the month and 17<sup>th</sup> to 25<sup>th</sup> of last month of a quarter. Any deviation from these provisions could be made only with approval of the Ministry of Finance.

2. You are requested to review and clarify reasons behind deviation, if any, from the guidelines mentioned above. You are also requested to ensure strict compliance to all the provisions of cash management instructions issued by vide OM No. 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017.

1255/A-ADD(FAC/AN)  
13/9/17  
O/o AS & FA (Acq)  
Diary No. 1153  
Date 13.9.2017

*Pl. review and  
P.D. for directions of  
FADS / Secy Def.*

  
(H.K. Srivastav)  
Director (Budget)

To


*Addl. Secy (AN) JS  
13.9.17*

Sh. Sanjeev Mittal  
Additional Secretary & Financial Adviser (A) 14/9  
M/o Defence  
South Block, New Delhi

*Div (Bud)*

*M Pande  
14.9.2017*

*2025 Dir (fin/bud) 17  
14-9-2017*

~~AFA (BI)~~  
  
14/09/17  
SD/B-1  
R. Singh

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

North Block, New Delhi  
Dated 12.09.2017

OFFICE MEMORANDUM

Subject : Cash Management system in Central Government – modified exchequer control based expenditure – reg.

The data on ministry wise receipts and expenditure received from Central Accounts Section, RBI, Nagpur indicates that the payment in respect of your Ministry on 11.09.2017 has exceeded ₹ 200 crore / 2000 crore (i.e. ₹ 979.60 crore). Your attention is invited to para 4(iii) (a) & 4(iii) (b) of the instructions on cash management issued from Ministry of Finance vide OM 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017 wherein any payment above ₹ 200 crore / 2000 crore should be made only between 21<sup>st</sup> to 25<sup>th</sup> of the month and 17<sup>th</sup> to 25<sup>th</sup> of last month of a quarter. Any deviation from these provisions could be made only with approval of the Ministry of Finance.

2. You are requested to review and clarify reasons behind deviation, if any, from the guidelines mentioned above. You are also requested to ensure strict compliance to all the provisions of cash management instructions issued by vide OM No. 15(39)-B(R)/2016 dated 22<sup>nd</sup> August, 2017. *01.10.17 on file*

*O/c AS & FA (Acq)  
Diary No. 1443  
Date: 12.09.2017*

*18.9.17*

*(H.K. Srivastav)  
Director (Budget)*

*2025/Dis (Fin/Bud) To  
18.9.17*

*Dis (Budget)*  
Sh. Sanjeev Mittal  
Additional Secretary & Financial Advisor (A)  
M/o Defence  
South Block, New Delhi

*Pl. put up  
M Pande  
18.9.2017*

*AFA (B.I.)  
18/9/17  
SOB I)*

*AFA (B.I.)*



Ministry of Defence (Finance)  
Budget Division

\*\*\*

**Sub: Cash Management System in Central Government – Modified Exchequer Control Based Expenditure Management.**

Ministry of Finance, while mentioning that certain changes in Cash management System have been made in view of the changes in tax receipt date under GST regime, has forwarded OM.No.15 (39)-B(R)/2016 dated 21 August 2017(copy enclosed).

It is requested that MoF guidelines may be strictly followed.

*M Pande*

(Maulishree Pande)  
Director (Finance/Budget)

Tel: 23012554

Fax: 23792329

DGFP; ACNS (P&P); ACAS (FinP); DACIDS (Budget); DGOF; DB F&A/DRDO;CGDA  
Min of Defence (Fin) ID No. 05(04)/Bud-I/2015(pt) dated 22.09.2017

*9. Cumulative  
4  
20/09  
App-1/14  
670 (A&B)  
26/09/2017*

*981  
26/9  
AAO*

5

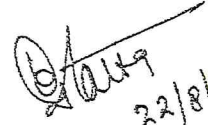
F.No.15(39)-B(R)/2016  
Ministry of Finance  
Department of Economic Affairs  
(Budget Division)  
\*\*\*\*

Dated Aug 21, 2017

22

**Subject :** Cash Management System in Central Government – Modified Exchequer  
Control Based Expenditure Management.

Certain changes in Cash Management System have become necessary following change in tax receipt date under GST regime. I am accordingly directed to enclose OM (F.No. 15(39)-B(R)/2016) dated 21.08.2017, approved by Finance Minister, on the captioned subject for strict compliance by all Ministries/Departments.

  
22/8/17  
(H.K. Srivastav)  
Director (Budget)

To

1. Secretaries of all Ministries / Departments
2. Controller General of Accounts
3. Dy. Comptroller & Auditor General (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



(5)

4

F.No.15(39)-B(R)/2016  
Government of India  
Ministry of Finance  
Department of Economic Affairs  
(Budget Division)

\*\*\*\*

Dated Aug 21, 2017

**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. 4(10)-W&M/2016 dated August 4, 2016
  - 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 and included as Annex to the DDG in respect of the concerned Demand for Grants (DG). MEP/ QEP form 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) would be viewed adversely. No ex-post facto approval for the deviations from the approved QEP shall be normally considered.
- (iii) MEP/QEP may accordingly be prepared, 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 crore may be timed in the last month of each quarter to utilize the direct tax receipt inflows in June, September, December, and March. The releases may be kept within 17<sup>th</sup> (or next working day if 17<sup>th</sup> is a holiday) and 25<sup>th</sup> (or next working day if 25<sup>th</sup> is a holiday) in these months.
  - b. Within the MEP/QEP, a calendar of big releases of ₹200 crore to ₹2000 crore shall be prepared to build certainty in cash outflows, as far as possible. The range of dates of such releases may be kept between 21<sup>st</sup> (or next working day if 21<sup>st</sup> is a holiday) and 25<sup>th</sup> (or next working day if 25<sup>th</sup> is a holiday) of a month to take advantage of the GST (excise duty and service tax) inflows.
  - c. The dates for these major expenditure of ≥ ₹200 crore shall be annexed to the MEP/QEP.
  - d. As at present, Salary would be released on last working day of each month.
  - e. In case a major expenditure of more than ₹200 crore and above 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, if so made out, the permission shall be given on same day.


- f. Prior permission from Budget Division shall be a pre-requisite for any single payment release in excess of ₹5000 crore. The FAs may guard against attempts to deliberately split expenditure to stay within limits.
  - g. Not more than 33% and 15% of expenditure of Budget Estimates 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 organizations to ensure that there is no undue build-up of funds with such bodies/ organizations 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 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 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 / rationalized 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 realization 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.

This issues with the approval of Finance Minister

  
(Prashant Goyal)  
Joint Secretary (Budget)