

Immediate / Budget Matter

Controller General of Defence Accounts

Ulan Batar Road, Palam, Delhi Cantt. -110 010

No. AN/VII/7220/BE 2012-13

Dated: 11.3.2013

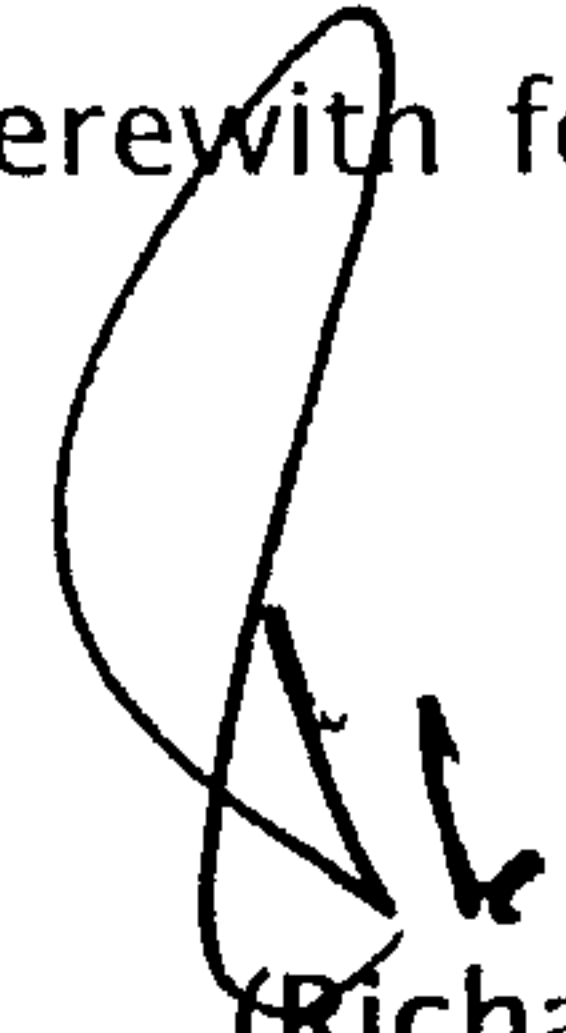
To

The PCDA/CDA

The PCA (Fys) Kolkata

Sub: Cash Management System in Central Government-modified exchequer control based expenditure management and restrictions on expenditure management and restrictions on expenditure during the last quarter of the financial year - regarding.

A copy of Ministry of Defence (Finance) Budget-I Section ID No.10 (01)/Bud-I/2013 (PC) dated 7.3.2013 on the above subject is forwarded herewith for your information and strict compliance.




(Richa Misra)

Sr. Dy. CGDA (Admin)

Copy for information and similar action please:-

1. O i/c AN-IV, V, XII and EDP Section (Local)
2. O i/c Accounts Section (Local) - for Pension Budget
- ✓ 3. EDP Section - for uploading on CGDA's website.



(S C Gupta)

Accounts Officer (Admin)

AN-VII


Ministry of Defence (Finance)
Budget-I Section

Subject:- Cash Management System in Central Government-modified exchequer control based expenditure management and restrictions on expenditure management and restrictions on expenditure during the last quarter of the financial year-regarding.

Reference:-MoD(Fin) ID No.10 (01)/Bud-I/2012 dated 06th February,2012

This is in continuation to this Division's ID cited above vide which it was intimated that Ministry of Finance, Deptt. of Expenditure have emphasized that expenditure in the last quarter of the current financial year may be restricted to 33 % and 15 % during the month of March, 2013 in respect of each scheme and total actual expenditure is to be kept within the communicated RE ceilings. In case the Revised Estimates for 2012-13 are lower than Budget Estimates actual expenditure may be kept with RE ceilings.

2 It is once again reiterated that instructions may please be issued to all PCsDA / CsDA to strictly follow the instructions issued by Finance Ministry and to ensure that no excess expenditure over and above RE 2012-13 ceilings occurs.


(Kanwaldeep Singh)
Director (Fin/Budget)
Tel.:2301 2554

CGDA

MoD (Fin) ID No. 10 (01)/Bud-I/2013 (PC) dated 07th March 2013.

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Important

Ministry of Defence (Finance)

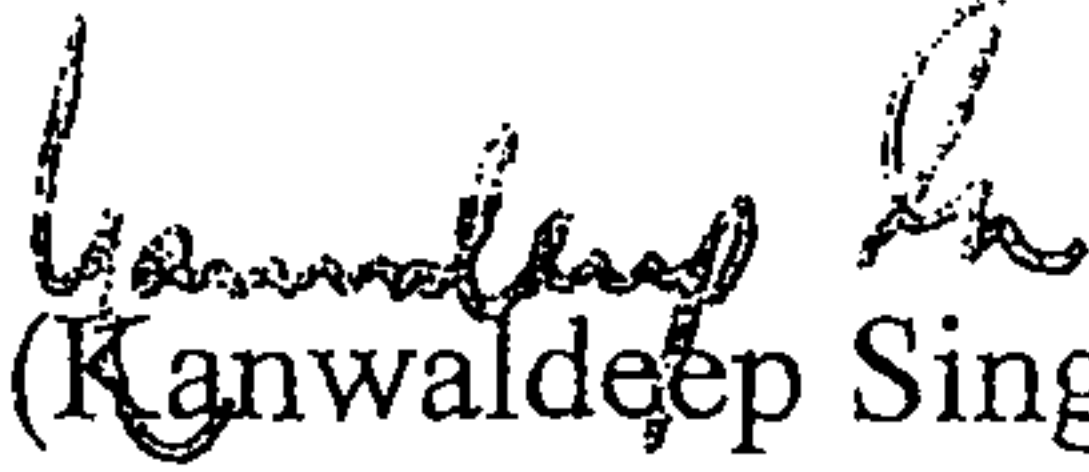
Budget-I Section

Subject:- Cash Management System in Central Government-modified exchequer control based expenditure management and restrictions on expenditure management and restrictions on expenditure during the last quarter of the financial year –regarding.

Reference:- MoD (Fin) ID No. 10(01)/Bud-I/2012 dated 11th December,2012.

In continuation of this Division's ID under reference, it is stated that Ministry of Finance, Dept. of Expenditure vide their O.M No. 23 (9) E.Coord/2012 dated 28th January,2013 has further clarified that expenditure in the last quarter of the current financial year may be restricted to 33 % and during the month of March, 2013 to 15 % of the Budget Estimates in respect of each scheme. Further, it may be ensured that the total actual expenditure is kept within the communicated RE ceilings.

2. All concerned are requested that the above instructions be strictly complied with.


(Kanwaldeep Singh)
Director (Fin/Budget)
Tel. 2301 2554.

DG FP; ACNS (P&P); ACAS (Fin P); ACIDS (FP), HQ IDS; CCR&D (R&M);
DGQA; DGNCC; DGOF; CG-DA .

MoD (Fin) ID No. 10(01)/Bud-I/2012 dated 06th February,2013.

Copy to:-

✓ AFA (MO) – For similar action in respect of MoD (Civil) Budget.

LD 7/2/13
Sh. N. K.

no/r3

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No.23(9)E.Coord/2012
Government of India
Ministry of Finance
Department of Expenditure

New Delhi the 28th January, 2013

OFFICE MEMORANDUM

**Subject : Minutes of the meeting of Hon'ble Finance Minister with
Financial Advisors on 15th January, 2013**

In continuation of our OM dated 21.1.13 on the above subject, it is clarified that expenditure in the last quarter of the current financial year may be restricted to 33% and during the month of March, 2013 to 15% of the Budget Estimates in respect of each scheme. Further, it may be ensured that the total actual expenditure is kept within the communicated RE ceilings. In this respect attention is also drawn to OM No.21(1)/PD/2005 dated 5th December, 2012 issued by Budget Division of Ministry of Finance.

Handwritten note: 2013/1/28

Signature: Saheli Ghosh Roy
(Saheli Ghosh Roy)
Director (E.Coord)

To

All Financial Advisors

Handwritten notes:
25/1/2013
31/1/2013
31/1/2013
1/2/2013

Handwritten note: Dis(F/Bud)

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MINUTES OF THE MEETING HELD BY THE FINANCE MINISTER WITH FINANCIAL ADVISORS ON 15TH JANUARY, 2013

A list of participants is attached.

At the outset Finance Secretary welcomed the Finance Minister and all the FAs and stated that this meeting has been called in the background of the tight fiscal situation that the Government is passing through. RE figures have been conveyed to all the Ministries and they have been strictly instructed to not exceed the RE figures. Further instructions have been reiterated to the effect that expenditure limits of 33% of the BE in the last quarter and 15% in the last month of the financial year in respect of schemes are complied with strictly.

In his address FM drew attention to the difficult fiscal situation and the need for tighter expenditure control by line ministries/ Departments. In this context, as Government is committed to meeting the fiscal deficit target of 5.3%, and in the absence of any revenue-raising measures at this stage, the only way available is to cut expenditure. All departments would have to abide by the cuts imposed. FM further stressed that under no circumstances would spending beyond the fiscal deficit of 5.3% in RE stage be allowed. Departments have to follow the laid down procedure on balanced pace of expenditure i.e. 33% in the last quarter and 15 % in the last month in respect of individual schemes within RE 2012-13. He asked that the FAs share this message with their Secretaries and Ministers. He emphasised that the FA & the Secretary of the Department (being the Chief Accounting Officer) are responsible for following these rules, and stated that instructions of MoF are to be strictly followed by FAs. He also stated that all CCAs would also be instructed suitably on this aspect by the CGA.

Finance Minister reiterated that the following guidelines are to be strictly adhered to:

- Fiscal deficit target of 5.3% cannot be breached.

.....2/-

- RE figures communicated are to be adhered to strictly.
- 33% and 15% expenditure ceiling in respect of each scheme, in the last quarter of the current financial year and during the month of March, 2013 respectively, has to be adhered to strictly.

Following points were raised by the FAs:

FA Rural Development asked whether a relaxation could be considered to the OM issued by Budget Division dated 5th December 2012 giving flexibility to line Ministries for scheme-wise expenditure subject to overall ceiling of 33% and 15% in the last quarter/month for demand as a whole. JS (Budget) clarified that the circular does not apply to the sub-schemes, however, expenditure ceilings are to be enforced scheme wise as well as for the demands for Grants as a whole subject to RE ceilings.

FM instructed that a clarification may be issued providing clarity on the definition of scheme, preferably with illustrations.

FA, Defence Services requested partial restoration of the cut in expenditure, both revenue and capital, as non-salary part of the revenue is a mandatory expenditure, which includes clothing, stores, ammunition, etc. In respect of capital side, she stated that there are releases pending against contracts. She sought a partial roll back of the cut imposed.

Finance Secretary informed FM about the reasons behind the cut imposed clarifying that essential expenditure had been budgeted for at the RE stage. FM advised that the issues raised by Financial Advisor (Defence Finance) may be discussed at the level of F.S.

Financial Commissioner (Railways) informed that the Railways have reimbursed to MOF the amount of Rs.3000 crores borrowed by them in 2011-12, and they hoped to end the year with a positive balance. She indicated that there are some National projects such as in J&K and Manipur which would require augmentation of funds.

FA, MEA requested that flexibility be given to the FAs across budget heads for accommodating certain unavoidable expenditure. He also mentioned the requirement of additional funds especially under Aid to Bhutan due to international commitments.

Finance Minister clarified that there was no possibility of any further augmentation. However, in respect of giving flexibility to the FAs, he stated that Ministries may follow the laid down procedure in respect of reappropriation.

FA (F&PD) requested for early finalization of RE estimates which includes food subsidies. Finance Secretary indicated that in respect of Food Ministry the same has been finalized and would be communicated shortly.

FM exhorted the FAs to work independently and strictly adhere to the RE limits. FM assured that if there is any difficulty in implementation, the same may be brought to his notice through Secretary (Exp) for a resolution.

The meeting ended with vote of thanks to the Chair.