

No.21(1)-B(PD)/2005
Ministry of Finance
Department of Economic Affairs
Budget Division
[Cash Management Cell]

Room No.263-B, North Block,
New Delhi dated 2nd Nov., 2011.

Office Memorandum

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

The undersigned is directed to refer to this Division's O.M. of even number dated December 27, 2006 on the subject cited above.

2. Based on the recommendations of Fourteenth Report of Second Administrative Reforms Commission (ARC) titled 'Strengthening Financial Management System', accepted by the Group of Ministers (GoM), it has been decided to extend aforesaid system to another 23 Demands for Grants (listed in Annexure-I) from the financial year 2012-13 i.e. w.e.f. 1.4.2012. This will be in addition to the 23 Demands for Grants already covered under the system (Annexure-II).
3. The Financial Advisor would be responsible for the implementation of the modified expenditure management system. He/She may nominate a nodal officer for the purpose.
4. In respect of each Demands for Grants, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) [MEP] would be worked out and included as an annex to the Detailed Demands for Grants in respect of the said Demands for Grants. Suggested format is at Annexure-III.
5. The required information relating to actual may kindly be emailed to this Ministry every month [sopd-dea@nic.in]. It may also be ensured that this information is sent to this Ministry, in the enclosed proforma by 15th of every month.
6. The guidelines mentioned in the aforesaid O.M. dated December 27, 2006 remained unchanged (Annexure-IV).

Encl: As above.



(Brajendra Navnit)
Deputy Secretary to the Govt. of India
Tel.No.011-23092744

To

1. All Financial Advisors.
2. Principal Director, O/o the Comptroller and Auditor General of India.
3. Joint Controller General of Accounts.
4. All Directors/OSD/DS/US/Section Officers in Budget Division.
- ✓ 5. NIC, Ministry of Finance. For up-loading on website.

Annexure-I

Proposed list of Demands for Grants for inclusion in Modified Cash Management System w.e.f. 2012-13 (1st April, 2012).

Sl.No.	Demand No.	Name of the Ministry/Department
1.	4	Department of Atomic Energy
2.	13	Department of Post
3.	15	Department of Information Technology
4.	22	Defence Services - Army
5.	23	Defence Services - Navy
6.	24	Defence Services – Air Force
7.	26	Defence Services – Research and Development
8.	27	Capital Outlay on Defence Services
9.	30	Ministry of Environment and Forest
10.	33	Department of Financial Services
11.	35	Transfers to State and Union Territory Governments
12.	52	Ministry of Home Affairs
13.	54	Police
14.	60	Ministry of Information and Broadcasting
15.	61	Ministry of Labour and Employment
16.	65	Ministry of Micro, Small and Medium Enterprises
17.	67	Ministry of Minority Affairs
18.	84	Department of Drinking Water and Sanitation
19.	86	Department of Scientific and Industrial Research
20.	89	Ministry of Social Justice and Empowerment
21.	90	Department of Space
22.	95	Ministry of Tribal Affairs
23.		Ministry of Railways

Annexure-II

List of Demands for Grants covered under Modified Cash Management System w.e.f. 2007-08 (1st April, 2007).

Sl.No.	Demand No.	Name of the Ministry/Department
1	1	D/o Agriculture & Coop.
2	2	D/o Agricultural Research & Education
3	7	D/o Fertilizers
4	11	D/o Commerce
5	14	D/o Telecommunications
6	17	D/o Food & Pub. Distbn.
7	31	M/o External Affairs
8	32	D/o Economic Affairs
9	40	Indian, Audit & Accounts Department
10	41	D/o Revenue
11	42	Direct Taxes
12	43	Indirect Taxes.
13	46	D/o Health & Family Welfare
14	58	D/o School Education & Literacy
15	59	D/o Higher Education
16	70	M/o Panchayati Raj
17	73	M/o Petroleum and Natural Gas
18	75	M/o Power
19	81	D/o Road Transport and Highways
20	82	D/o Rural Development
21	93	M/o Textiles
22	101	M/o Urban Development
23	105	M/o Women & Child Development

F.No.21(1)-PD/2005
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

Room No.168A, North Block,
New Delhi dated December 27, 2006

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

OFFICE MEMORANDUM

The undersigned is directed to refer to Office Memorandum of even number dated January 10, 2006 regarding introduction of exchequer control based expenditure with effect from April 1, 2006.

2. Based on the working of the scheme, it has been decided to expand and modify the Scheme as detailed below.
3. The Modified Cash Management System seeks to achieve, *inter alia*, the following objectives -
 - (i) Obtain greater evenness in the budgeted expenditure within the financial year, especially in respect of items entailing large sums of advance releases and transfers to corpus funds.
 - (ii) Reduce rush of expenditure during the last quarter, especially the last month of the financial year.
 - (iii) Reduce tendency of parking of funds.
 - (iv) Effectively monitor the expenditure pattern.
 - (v) Better planning of Indicative Market Borrowing Calendar of the Central Government.
4. The Scheme shall apply in respect of 23 Demand for Grants listed in Annex I, including 9 to which the Scheme is being extended with effect from financial year 2007-08.
5. Financial Advisor would be responsible for the implementation of the modified expenditure management system. He/she may nominate a nodal officer for the purpose.
6. In respect of each Demand for Grant, Monthly Expenditure Plan (separately for Plan and Non-Plan Expenditure) [MEP] would be worked out and included as an annex to the Detailed Demand for Grant in respect of the said Demand for Grant. Suggested format is at Annex-II.

