

	<p>“ हर काम देश के नाम ”</p> <p>रक्षा लेखा विभाग (र.ले.वि.) मुख्यालय</p> <p>उलान बटार रोड, पालम, दिल्ली छावनी-110010</p> <p>DEFENCE ACCOUNTS DEPARTMENT (DAD)</p> <p>HEADQUARTERS</p> <p>Ulan Batar Road, Palam, Delhi Cantt-110010</p> <p>PH: 01125665548-787, email : hqaccounts.cgda@gov.in</p>	
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Sub: **CMS IN CENTRAL GOVT – MODIFIED EXCHEQUER CONTROL BASED EXPENDITURE MANAGEMENT**

Ref.: MoD(Fin) ID No. 1(8)/Fin(Bud-II)/2022 dt 22.06.2022.

MoD(Fin) ID No. cited above, under which a copy of MoF (Deptt of Economic Affairs) OM No. 12(13)-B(W&M)/2020 dt 25.05.2021 has been received is forwarded herewith for information & further necessary action please.

This is issued with the approval of Jt. CGDA(Accounts).

[Signature]
Sr. AO (Accounts)

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| <ol style="list-style-type: none"> 1. DGFP-2, IHQ of MoD(Army), Sena Bhawan, New Delhi-11 2. Directorate of Naval Plans, IHQ of MoD (Navy), New Delhi-11 3. Dte of Fin Plg, Air HQ (VB), New Delhi-106. 4. Dy. Dir, Coast Guard HQrs National Stadium Complex, New Delhi 5. GM CDA Mumbai Through CDA(CSD), Mumbai 6. Dir of Fin Plg(FP-2), JAKLI, C/o O/o the Addl. Dte Gen of Fin Plg, Room No. -431, A-Wing, Sena Bhawan, New Delhi | <ol style="list-style-type: none"> 7. HQ IDS, Budget Dte, FP Div, MoD New Delhi. 8. Dte of Ordnance (C&S), S K Bose Road, Kolkata. 9. DFMM. 'A' Block, 1st Floor, DRDO Bhawan, Rajaji Marg, New Delhi 8. DGBR, Seema Sadak Bhawan, Naraina, Delhi Cantt. – 110010. 10. Armed Forces Tribunal(PB), West Block-VIII, RK Puram, New Delhi |
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UO No. A/B/II/11244/Analysis/2022-23(1171)

Date:07.07.2022

Copy to:-

1. AFA(Budget-II) : For information w.r.t. MoD(Fin) ID cited above, please.
Budget Division, MoD(Fin), South Block, New Delhi.
2. The PCSDA/CsDA/PCA(Fys) : For information & necessary action, please.
3. IT & S Div : For uploading on WAN/Website.

[Signature]
Sr. AO (Accounts)

Ministry of Defence (Finance)
Budget-Division

Subject: Cash Management System in Central Government-Modified Exchequer
Control-based Expenditure Management.

A copy of Ministry of Finance (Department of Economic Affairs) O.M. No.
12(13)-B(W&M)/2020 dated 25th May 2022, on the above subject is forwarded
herewith for further necessary action.

Encl. As above



(Manu Sharma)
Asstt. Financial Adviser (Bud-II)
Tel. Ph. No. 2301 2558

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04.07.22

JS (Estt), in r/o DoD, DDP,ESW, DR&D & DMA,
CGDA, DGDE, DG (CG), QMG (CSD), DG (BR), DGFP (JAKLI),
Principal Registrar (AFT), (Director Planning) [IDSA],

MOD (Fin) ID No- 1(8)/Fin (Bud-II)/2022 dt: 22.06.2022

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F. No. 12(13)-B(W&M)/2020
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)

Dated: May 25, 2022

OFFICE MEMORANDUM

Subject: Cash Management System in Central Government- Modified Exchequer Control-based Expenditure Management.

Attention of all Ministries/ Departments is invited to the cash management guidelines issued by this Ministry vide its OM F. No. 15 (39)-B (R)/2016 dated August 21, 2017.

2 The aforementioned guidelines have been reviewed and hereby reiterated with select modifications to align them with the changed circumstances.

- i. All FAs should ensure that Monthly/Quarterly Expenditure Plan (MEP/QEP) of respective Ministry/ Departments are prepared and included as an annex to their Detailed Demand for Grants (DDG). A copy of this should be furnished to the Budget Division in M/o Finance.

MEP/QEP would enable the FA to track sanctions and concurrent expenditure against Budget provision available. For the Budget Division in M/o Finance, the MEP/ QEP statement enables proper cash forecasting and management so that Administrative Ministry/ Departments are not hindered in drawing their budget allocations while implementing Schemes

- ii. Ministry/ Departments are now permitted to utilize the unspent balances from QEP-1 in QEP-2 within a Financial Year under intimation to the Budget Division for cash management purposes.
- iii. Unspent balances from QEP-2 and QEP-3 may be utilized in QEP-3 and QEP-4, respectively only after formal and prior approval of the Secretary (Expenditure) has been obtained. Ministry/ Departments should not under any circumstance presume prior approval of Secretary (Expenditure). This has to be formally obtained prior to utilizing the unspent balances. Seeking *post facto* approval is not an option.
- iv. FAs should note that no more than 33% and 15% of expenditure of the Budget Estimates during a Financial Year shall be permissible in the last quarter and last month of the financial year, respectively.


25/05/22

v. FAs are advised to take note the following:

- a) Within the MEP/QEP, calendar of releases of amounts between ₹ 500 crore to ₹2,000 crore has to be prepared to enable tracking of expenditure and cash flows. The range of dates for such releases may be kept between 21st (or next working day if 21st is a holiday) and 25th (or next working day if 25th is a holiday) of a month to take advantage of the GST inflows.
- b) To the extent possible, the bulk expenditure items of value more than ₹2,000 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 17th (or next working day of 17th is a holiday) and 25th (or next working day if 25th is a holiday) in these months.

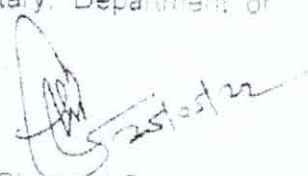
Dates for these big releases of \geq ₹ 500 crore shall be annexed to the MEP/QEP.

- c) In case a major expenditure of \geq ₹ 500 crore needs to be released outside the above prescribed dates, prior approval with two working days' notice, shall be taken from Budget Division. Prior permission from Budget Division shall be a pre-requisite for any single payment release under a scheme in excess of ₹ 5,000 crore. The FAs may guard against attempts to deliberately split expenditure to stay within limits.
- d) 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. Stipulations regarding big releases of \geq ₹ 500 crore shall also be applicable for releases by Autonomous Bodies under Treasury Single Account (TSA).

vi. 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.

vii. The provisions stipulated under Rule 230 (7) of GFR, 2017 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.

- viii. Instructions of Department of Expenditure regarding the procedure for release of funds under Centrally Sponsored Schemes and monitoring utilization of funds released, issued vide OM F.No. 1(13)/PFMS/FCD/2020 dated 23rd March, 2022 and the OM of even no. dated 28th March, 2022 and also guidelines for flow of funds under Central Sector schemes including implementation of Treasury Single Account (TSA), issued vide OM F. No. 1(18)/PFMS/FCD/2021 dated 9th March, 2022 shall be complied with.
- ix. 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 through the online portal 'Bharat Kosh' developed by the CGA.
- x. Each Ministry/Departments would indicate month wise estimate of the possible non-tax revenue inflows concerning that Ministry/ Department to Budget Division, DEA 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 shall be provided on quarterly basis.
3. Any communication by Ministry/Departments on this matter should be addressed to the Secretary, Department of Expenditure.
4. These issues with the approval of FS & Secretary, Department of Expenditure


(Sunil Bhagwat Chaudhari)
Deputy Secretary (Budget)

Cabinet Secretary, Government of India
Comptroller & Auditor General of India
Secretaries of all Ministries/Departments
Secretary (Defence Services), Ministry of Defence;
Member (Finance), Ministry of Railways;
Member (Finance), Department of Telecommunications;
Controller General of Accounts, Ministry of Finance, Department of Expenditure
Financial Advisers/Pr. CCAs/CCAs of all Ministries/Departments

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

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preparation of indicative calendar for Government borrowings. Deviations from MEP/QEP may result into distortions in the cash planning by Gol 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 17th (or next working day if 17th is a holiday) and 25th (or next working day if 25th 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 21st (or next working day if 21st is a holiday) and 25th (or next working day if 25th 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.

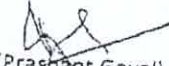
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- f. Prior permission from Budget Division shall be a pre-requisite for any single payment release in excess of ₹5000 crore. The FAs may guard against attempts to deliberately split expenditure to stay within limits.
- g. Not more than 33% and 15% 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

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Ministries/Departments. It is learnt that D/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)

	<p>“ हर काम देश के नाम ”</p> <p>रक्षा लेखा विभाग (र.ले.वि.) मुख्यालय</p> <p>उलान बटार रोड, पालम, दिल्ली छावनी-110010</p> <p>DEFENCE ACCOUNTS DEPARTMENT (DAD)</p> <p>HEADQUARTERS</p> <p>Ulan Batar Road, Palam, Delhi Cantt-110010</p> <p>PH: 01125665548-787, email : hqaccounts.cgda@gov.in</p>	
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Sd/
Sr. AO (Accounts)

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| <ol style="list-style-type: none"> 1. DGFP-2, IHQ of MoD(Army), Sena Bhawan, New Delhi-11 2. Directorate of Naval Plans, IHQ of MoD (Navy), New Delhi-11 3. Dte of Fin Plg, Air HQ (VB), New Delhi-106. 4. Dy. Dir, Coast Guard HQrs National Stadium Complex, New Delhi 5. GM CDA Mumbai Through CDA(CSD), Mumbai 6. Dir of Fin Plg(FP-2), JAKLI, C/o O/o the Addl. Dte Gen of Fin Plg, Room No. -431, A-Wing, Sena Bhawan, New Delhi | <ol style="list-style-type: none"> 7. HQ IDS, Budget Dte, FP Div, MoD New Delhi. 8. Dte of Ordnance (C&S), S K Bose Road, Kolkata. 9. DFMM. 'A' Block, 1st Floor, DRDO Bhawan, Rajaji Marg, New Delhi 8. DGBR, Seema Sadak Bhawan, Naraina, Delhi Cantt. – 110010. 10. Armed Forces Tribunal(PB), West Block-VIII, RK Puram, New Delhi |
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UO No. A/B/II/11244/Analysis/2022-23(1171)

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