

Fax/Speed-Post

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

Circular No - 133

No. A/B/II/11244/Mont-XXXVII

Dated: 14 -03-2017

To
ALL Pcs DA / C, DA, PCA (Fys)
ALL RIFAs / IFSs.

Subject: Rush of expenditure in last Quarter of Financial Year.

A copy Ministry of Defence (Fin/Budget) O.M. No. 9(2)/Bud-I/2014 dated 8th March, 2017 on the above subject is enclosed for information and necessary action.

2. Ministry of Defence (Fin) vide their ibid OM, have pointed out that various audit reports of the Comptroller and Auditor General (CAG) of India have observed in the past that there is huge rush to expenditure by the government departments during the last quarter of the financial year as well as during the last month of financial year. According to Rule 56(3) of General Financial Rules (GFR), rush to expenditure particularly in the closing months of financial year shall be regarded as a breach of financial propriety and shall be avoided. It has been further mentioned that Finance Ministry has already sensitized all administrative heads that rush of expenditure in the year end must be strictly avoided. As per their guidelines, the last quarter expenditure must be limited to actual procurement of goods and services and reimbursement of expenditure already occurred. Ministry of Finance's instructions seeks to restrict last quarter expenditure to 33% ceiling and last month (March) expenditure to 15% ceiling.

3. It is therefore requested that necessary instructions in this regard may please be issued to all Sub Offices/Sections in the Main Office to ensure strictly compliance of above instruction issued by Budget Division of Ministry of Defence (Finance).

Please acknowledge receipt.


Jt. CGDA (A/Cs & Budget)

Ministry of Defence (Finance)
Budget-I Section

Subject:- Rush of expenditure in the closing month of Financial Year 2016-17.

Please find enclosed herewith a copy of OM No. 3(1)/ GFR-Exp. Control/TA-
II/2016-17/131 dated 06-03-2017 received from Department of Expenditure, M/o
Finance on the above mentioned subject. It is requested that the necessary steps may
be taken to ensure strict compliance of instructions issued by Department of
Expenditure, M/o Finance dated 06-03-2017 on the subject matter.

M. Pande
(Maulishree Pande)
Director (Fin/ Bud)
Tel: 23012554

All Jt. Secretaries in MoD
All JS & Add FAs/ FMs,

MoD (Fin) ID No. 9(2)/Budget-I/ 2014 dated 08-03-2017

Copy for information and necessary action to: VCOAS, VCNS, VCAS, CISC,
CCR&D (R&M), DGFP, DGOE, DGNCC, Dte of Standardization, DGAQA, DG ATVP,
DGQA, DGBR, DGCG, DGAFMS, DGDE, CGDA- with the request to have the
instructions circulated to all concerned.

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F. No. 3(1)/GFR-Exp.Control/TA-II/2016-17/131
Ministry of Finance
Department of Expenditure
Office of the Controller General of Accounts
Mahalekha Niyantarak Bhawan, New Delhi.

Dated 06.03.2017

Office Memorandum

Subject: Rush of expenditure in the closing month of Financial year 2016-17.

Kind attention is invited to Ministry of Finance, Department of Economic Affairs, Budget Division OM vide F.No. 4(10) – W &M /2016 dated 4th August 2016.

Comptroller and Auditor General (CAG) of India have observed in the past that there is huge rush of expenditure by the Central Government Ministries /Departments during the last quarter of the financial year as well as during the last month of financial year. According to Rule 56(3) of General Financial Rules (GFR), rush of expenditure particularly in the closing months of financial year shall be regarded as a breach of financial propriety and shall be avoided. It has been further mentioned that Finance Ministry has already sensitized all administrative heads that rush of expenditure in the year end must be strictly avoided. As per their guidelines, the last quarter expenditure must be limited to actual procurement of goods and services and reimbursement of expenditure already occurred. Ministry of Finance's instructions seeks to restrict last quarter expenditure to 33% ceiling and last month (March) expenditure to 15 % ceiling. Regular Sanctions and Bills must thus be preferred on PFMS Portal by 20th March and very few sanctions may be processed thereafter. Since payments in Government of India are processed through PFMS, an IT driven payment portal, it needs to be ensured that there is no system overload, which is likely to happen unless the sanctions and bills are paced properly over the last three weeks.

In view of the above, it is requested that necessary instructions in this regard may please be issued to all Heads of Departments and sub-offices/sections of main Ministries/ Departments so that there is no breach of financial propriety All Pr.CCAs/CCAs/CAs are requested to coordinate matters in this regard.


03.2017
Joint Controller General Accounts

All Pr.CCAs/CCAs/CAs

Copy for information to :

1. FS & Secretary (Expenditure)
2. CGA