S.No 15

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

Re-issue
30-06-17

No. 2017-B-322(NBO) Pt. New Delhi, dated 30th June, 2017

FA&CAOs,
All Indian Railways/PUs
PAO/Railway Board

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

Ministry of Finance (Department of Economic Affairs), vide Office Memorandum No. 4(10)-W&M-2017-18-part file dated 02.06.2017 has forwarded O.M. No. 4(10)-W&M-2016 dated 04.08.2016 containing the guidelines on Modified Exchequer Control Based Expenditure Management as approved by Finance Minister for strict compliance by all Ministries (copy enclosed).

2. All FA&CAOs are requested to take note of the guidelines for compliance with special emphasis on provisions stipulated under Para 4(iii)(a), (b) & (f) of MoF's Circular dated 04.08.2016.

30.6.17
(Anand Prakash)
Executive Director, Finance(Budget)

Enclosure: As above.

O/C

रेल मंत्रालय
Ministry of Railways
रेलवे बोर्ड Railway Board
अनुलग्नक सहित जारी
Issue with Enclosure
हस्ताक्षर
Signature
जारी की तिथि 03.07.17
Date of Issue

4(10)-W&M-2017-18-part file

Ministry of Finance
Department of Economic Affairs
Budget Division

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Date: 02-06-2017

Office Memorandum

The undersigned is directed to refer to the instruction of GoI issued vide OM F. No. 4(10)-W & M/2016 dated 04-08-2016 and re-iterate that all Ministries/Departments are requested to strictly comply with all provisions of the said OM, more specifically the provisions stipulated under para 4(iii)(a), para 4 (iii)(b), and para 4(iii)(f). It is further reiterated that any deviation from the provisions of the aforesaid OM dated 04-08-2017 without the explicit approval of Ministry of Finance are not permissible. All Pr.CCA/CCA/CAs shall do due scrutiny in this regard and shall not allow payments in violation of the guidelines.

2. Violations of these provisions by some Ministries/Departments have created unnecessary interest liability for Government of India which warrant explanation. They are therefore requested to report non-compliance with the said provisions since the issue of OM till April,2017. The report may be submitted by 15th June, 2017.

This issues with the approval of Finance Secretary

2/6/17
(H.K.Srivastav)
Director (Budget)

To:

1. Financial Advisors of all Ministries/Departments
2. Pr.CCAs/CCAs/CAs of all Ministries/Departments

Copy to:

1. Controller General of Accounts
2. Controller General of Defence Accounts
3. Financial Commissioner, Ministry of Railways
4. Member (Finance), Department of Telecommunications

F.No. 4(10)-W&M/2016
Ministry of Finance
Department of Economic Affairs
(Budget Division)
*****

New Delhi, the 4th August, 2016

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

I am directed to enclose OM (F.No. 4(10)-W&M/2016) dated 4/08/2016 approved by Finance Minister on the subject above for strict compliance by all Ministries/Departments.

4/8/16

(H.K. Srivastav)
Director(Budget

To

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

F.No.4(10)-W&M/2016
Government of India
Ministry of Finance
Department of Economic Affairs
(Budget Division)
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Dated Aug 4, 2016

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. 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 separately for Plan and Non-Plan expenditures and included as Annex to the DDG in respect of the concerned Demand for Grants (**DG**). For 2016-17, the MEP/ QEP framed in this regard would be communicated to the Budget

Division, MoF within a week of issue of this OM. MEP/ QEP forms 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 MEP/QEP shall be normally considered.

(iii) MEP/QEP may accordingly be prepared, keeping in view the Vote on Account limits, if any, 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 Cr may be timed in the last month of each quarter to utilise the direct tax receipt inflows in June, September, December, and March. The releases may be kept within 17th and 23rd in these months.

b. Within the MEP/QEP, a calendar of big releases of ₹ 200 Cr to ₹ 2000 Cr shall be prepared to build certainty in cash outflows, as far as possible. The range of dates of such releases may be kept between 8th (or next working day if 8th is a holiday) and 21st of a month to take advantage of the excise duty and service tax inflows.

c. The dates for these major expenditure of ≥ ₹ 200 Cr shall be annexed to the MEP/QEP.

d. As at present, Salary would be released on last working day of each month. Similarly, the tax devolution to States by the Budget Division, DEA, would be on 1st of each month.

e. In case a major expenditure of more than ₹ 2000 crore, 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, the permission shall be given on same day, if so requested.

f. **Prior permission from Budget Division shall be a pre-requisite for any single payment release in excess of ₹ 5000 Cr.** The FAs may guard against attempts to deliberately split expenditure to stay within limits.

g. Not more than 33% and 15% of expenditure, subject to RE ceilings, 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 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.

(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, between Plan and Non-Plan (till such time the distinction exists) 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 MEP/ 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 / rationalised 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 realisation 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. For 2016-17, this information will be provided by Aug 31, 2016.

(xii) If required the FAs may, with prior approval of Secretary (Expenditure) amend the QEP for last 3 quarters of the current FY (2016-17) keeping in view these revised guidelines.

This issues with the approval of Finance Minister.

(Prashant Goyal)
Joint Secretary (Budget)

भारत सरकार / GOVERNMENT OF INDIA
रेल मंत्रालय / MINISTRY OF RAILWAYS
(रेलवे बोर्ड / RAILWAY BOARD)

No.2017-B-322(NBO)

New Delhi, dated 06.07.2017

The F.A. & C.A.Os,

Central Railway, Mumbai; Eastern Railway, Kolkata; East Central Railway, Hajipur; East Coast Railway, Bhubaneshwar; Northern Railway, New Delhi; North Central Railway, Allahabad; North Eastern Railway, Gorakhpur; Northeast Frontier Railway, Maligaon; North Western Railway, Jaipur; Southern Railway, Chennai; South Central Railway, Secunderabad; South Eastern Railway, Kolkata; SouthEast Central Railway, Bilaspur; South Western Railway, Hubli; Western Railway, Mumbai; West Central Railway, Jabalpur; Metro Railway, Kolkata

Sub : Cash authorization for the month of July, 2017

Ministry of Railways hereby authorizes the following cash expenditure for July, 2017 for other than Bulk Order items of rolling stock:

(Rs. In crore)

Railways	Revenue Demands		Works Demand			Non Budget Item	Total
	Staff & Pension Settlement	Other Payments	Capital	Rly. Funds	Deposit / EBR		
Central	582.63	142.77	176.10	30.41	23.70	180.91	1136.52
Eastern	517.60	58.50	152.75	21.13	3.25	156.00	909.23
East Central	273.60	75.21	107.33	58.83	69.89	43.39	628.25
East Coast	135.73	84.08	111.50	23.80	15.46	49.39	419.96
Northern	608.72	120.00	294.50	61.82	10.24	160.14	1255.42
North Central	272.64	95.62	72.87	62.11	9.17	54.67	567.08
North Eastern	291.23	47.67	121.44	102.27	..	60.00	622.61
N. Frontier	182.24	31.40	301.41	24.05	0.65	58.96	598.71
North Western	199.51	13.64	162.38	28.44	18.27	31.48	453.72
Southern	335.27	107.25	64.22	55.09	..	81.43	643.26
South Central	355.08	175.31	138.00	69.03	48.82	63.54	849.78
South Eastern	267.14	69.55	126.75	..	..	39.59	503.03
S. East Central	174.76	55.06	84.05	29.97	20.15	41.33	405.32
South Western	143.50	58.03	93.99	46.81	48.75	22.70	413.78
Western	314.25	137.12	147.06	42.90	1.95	119.10	762.38
West Central	196.64	113.60	76.29	49.45	1.34	17.82	455.14
Metro	2.62	1.02	2.64	0.60	..	0.99	7.87

The above authorization is subject to:

1. clear availability of authorized budgetary allocation and is not an authority to exceed the budgetary allocation; and
2. cash expenditure under each segment should strictly be contained within the authorized limit and surrender in one segment, if any, may not be used for any other segment.

Cash requirement for the month may be critically analyzed and final requirement under each segment may be submitted to board positively by 15th to 20th instant in the Exchequer **Module of Budget VPN. Please note that request for modification in cash authorization received after 20th will not be considered.**

3/7

अजय उपाध्याय / Ajay Upadhyay
संयुक्त निदेशक/वित्त(बजट) / Jt. Director/Finance(Budget)
(रेलवे बोर्ड / RAILWAY BOARD)

भारत सरकार / GOVERNMENT OF INDIA
रेल मंत्रालय / MINISTRY OF RAILWAYS
(रेलवे बोर्ड / RAILWAY BOARD)

No.2017-B-322(NBO)

New Delhi, dated 06.07.2017

The F.A. & C.A.Os,
Chittaranjan Locomotive Works, Chittaranjan; Diesel Locomotive Works, Varanasi; Integral Coach Factory, Chennai; Rail Wheel Factory, Bengaluru; Diesel Loco Modernization Works, Patiala; Rail Coach Factory, Kapurthala; Railway Electrification, Allahabad; Metropolitan Transport Project, Chennai; COFMOW, New Delhi; Rail Coach Factory, Rae Bareilly; Rail Wheel Plant,Bela, Bela

Sub : Cash authorization for the month of July, 2017

Ministry of Railways hereby authorizes the following cash expenditure for July, 2017 for other than Bulk Order items of rolling stock:

(Rs. In crore)

Railways	Revenue Demands		Works Demand			Non Budget Item	Total
	Staff & Pension Settlement	Other Payments	Capital	Rly. Funds	Deposit / EBR		
C.L.W.	..	..	162.50	..	..	13.00	175.50
D.L.W.	..	..	181.62	..	..	0.01	181.63
I.C.F.	..	..	203.19	0.39	..	18.05	221.63
R.W.F.	..	..	49.67	..	..	2.28	51.95
D.M.W.	..	..	89.12	0.13	..	2.22	91.47
R.C.F./KXH	..	..	113.75	0.15	..	5.53	119.43
C.O.R.E.	..	..	..	..	..	19.50	19.50
MTP/Chennai	..	..	..	..	2.93	..	2.93
C.O.F.M.O.W.	..	..	..	..	..	22.43	22.43
R.C.F./RBL	..	..	83.85	..	..	0.65	84.50
RWP/Bela	..	..	10.08	..	..	..	10.08

The above authorization is subject to:

1. clear availability of authorized budgetary allocation and is not an authority to exceed the budgetary allocation; and
2. cash expenditure under each segment should strictly be contained within the authorized limit and surrender in one segment, if any, may not be used for any other segment.

Cash requirement for the month may be critically analyzed and final requirement under each segment may be submitted to board positively by 15th to 20th instant in the Exchequer Module of Budget VPN. **Please note that request for modification in cash authorization received after 20th will not be considered.**

All the Production units are requested to assess amounts of cash required under revenue for each month and furnish brief justification thereof by 20th of each month. Cash authorization under revenue for Production Units will therefore be consideded in the 2nd tranche only.

अजय उपाध्याय / Ajay Upadhyay
संयुक्त निदेशक/वित्त(बजट) / Jt. Director/Finance(Budget)
(रेलवे बोर्ड / RAILWAY BOARD)

Government of India
Ministry of Railways
Railway Board)
****

No.2017-B-322[BO] **New Delhi, dated 06.07.2017**

The F.A. & C.A.Os.,
Central Railway, Mumbai,
Eastern Railway, Kolkata,
Northern Railway, New Delhi,

Ministry of Railways hereby authorizes you for cash expenditure up to the maximum limit indicated below for July, 2017 against bulk order contracts. Please ensure that the cash expenditure against specific item of rolling stock is contained within the authorized limit, and un-utilized amount under any head should not be re-appropriated to another without prior approval of the Board.

CR ₹17.5 cr. for Track Machines;

ER ₹110 cr. for Wagons, and ₹2 cr. for Coaches (Tendering);

NR ₹52 cr. for Wagons and ₹1.74 cr. for Track Machines

The above authorization is subject to:

1. clear availability of authorized budgetary allocation given to the concerned Railways and is not an authority to exceed the budgetary allocation; and

2. cash expenditure under each segment should strictly be contained within the authorized limit and surrender in one segment, if any, may not be used for any other segment.

Actual cash expenditure under each head against the above authorization may be furnished to Board through monthly cash outgo statement by 5th of the following month.

Ajay Upadhyay
Jt. Director/Finance (Budget)
Railway Board