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New Delhi, dated the 27th November, 1989.
6th Agrahayana, 1911 (Saka).

OFFICE MEMORANDUM

Subject: Enhanced financial powers to sanction plan schemes -
Amendment to the Delegation of Financial Powers
Rules, 1978.
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The undersigned is directed to refer to this Ministry's O.M. No. 1(15)-E.II(A)/88, dated 16th March, 1989 under which, among other things, the Government of India's decision (4) below rule 18 of the Delegation of Financial Powers Rules, 1978 was amended to delegate the power to Departments in respect of, inter-alia, plan schemes upto Rs. 20 crores. Some doubts have been raised by various authorities about the Committee which was to consider the enhanced power and the monetary limit upto which such Committee was competent to sanction plan schemes. After consideration of the doubts, it has been decided that while the plan schemes costing upto Rs. 50 lakhs may continue to be considered by Departments vide rule 18 of the Delegation of Financial Powers Rules, 1978, the plan schemes costing beyond Rs. 50 lakhs and upto Rs. 5 crores will be considered by the Standing Committee of the Department concerned and those costing beyond Rs. 5 crores but less than Rs. 20 crores will be considered by the Expenditure Finance Committee chaired by the Secretary of the administrative Department. The Government of India's decision (4) (A) below rule 18 ibid relating to sanction of plan schemes has accordingly been revised as enclosed.

2. Hindi version of this O.M. is enclosed.


(D. THYAGESWARAN)
UNDER SECRETARY TO THE GOVT. OF INDIA.


To

All Ministries/Departments of the Government of India,
etc. etc.

No.F.1(15)-E.II(A)/88

Dated _____

Comptroller and Auditor General of India, Union Public
Service Commission, etc. as per standard endorsement.


(D. THYAGESWARAN)
UNDER SECRETARY TO THE GOVT. OF INDIA.

AMENDMENTS TO THE DELEGATION OF FINANCIAL POWERS RULES, 1978.

RULE-18

GOVERNMENT OF INDIA'S DECISION (4) (A)

Substitute the following for the Government of India's decision (4) (A) below rule 18 of the Delegation of Financial Powers Rules, 1978:-

"GOVERNMENT OF INDIA'S DECISION (4) (A):- Sanction of Plan Schemes: Notwithstanding the limit of Rs. 50 lakhs laid down in rule 18 to sanction expenditure on schemes, a Department of Central Government having Integrated Finance Advice system may exercise power to sanction expenditure on a plan scheme costing less than Rs. 20 crores, provided the scheme has been accepted by the Ministry of Finance at the pre-budget stage. The enhanced power will, however, be exercised in the way mentioned below:-

COST OF PLAN SCHEME

COMPETENT AUTHORITY TO APPROVE THE SCHEME

a) Upto Rs. 50 lakhs.

Department concerned, in normal course.

b) Beyond Rs. 50 lakhs and upto Rs. 5 crores.

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Standing Committee on Schemes of the Department concerned under the chairmanship of the Secretary with Financial Adviser and Joint Secretary/Director of the concerned Division as members with provision for inviting representatives of the Plan/Commission and any others that Secretary/Financial Adviser may suggest.

c) Beyond Rs. 5 crores but less than Rs. 20 crores.

Expenditure Finance Committee chaired by the Secretary of the administrative Department with the Secretary (Planning Commission) and the Secretary (Expenditure) or their representatives as members. Representatives of other appraising agencies may also be invited. The Financial Adviser of the Department will act as Secretary of the Committee.

2. However, the plan schemes which have a staffing component of more than 10% of the total outlay, will be outside the enhanced delegation mentioned above and should accordingly be referred to the Integrated Financial Adviser concerned, for clearance on behalf of Ministry of Finance, who will obtain the orders of Secretary (Expenditure)/Finance Secretary.

3. The plan schemes/projects involving expenditure of Rs. 20 crores and above shall be considered by the Expenditure Finance Committee chaired by the Secretary (Expenditure) where the scheme does not involve returns, or by the Public Investment Board where the scheme will give returns. However, the cases where the expenditure involves an investment of Rs. 20 crores or more would require the approval of the Cabinet also.

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4. Where revised/firmed up cost of a plan scheme/project exceeds the limit of the competency of the authority who approved the original cost of the scheme, the approval of the higher competent authority will be obtained.

5. The enhanced powers would be exercised only where funds are available to meet the requirements in the Annual Plan and the Five Years Plan outlay as per phasing of the project/scheme. The enhanced powers will further continue to be governed by procedural and other instructions issued by Government from time to time like general economy instructions, ban on creation of posts, ban on filling up of vacancies, ban on new construction, etc."

(Ministry of Finance (Department of Expenditure) O.M.No.F.1(11)-E.II(A)/85, dated 11.4.1986; O.M.No.F.1(17)-E.II(A)/86, dated 30.7.1987; O.M.No.F.1(15)-E.II(A)/88, dated 16.3.89 and dated 27.11.1989).
