

**VERY IMPORTANT CIRCULAR**

**लेखा प्रधान नियंत्रक**

**Office of the Principal Controller of Defence Accounts**

सं. 107, लोअर अग्रम रोड , अग्रम पोस्ट , बेंगलूर - 560 007

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NO: AN/PAY-II/TADA/ORDERS

Dated: 05 /12/2017

To

All sections in Main Office  
All sub offices under PCDA, Bangalore organisation &  
IFA, HQTG, HEBBAL

( Through Website only)

Sub: Expenditure Management – regarding TA/DA

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A copy of HQrs letter No AN/VII/7228/Budget Order Dt: 24.11.2017 on the above subject along with HQrs letter No AN/VII/7228/Budget Order Dt: 16.09.2016 and GOI, MOF, DOE OM No. 7(1)/E.Coord/2014 Dt. 29.10.2014 are forwarded herewith for information, guidance and compliance please.

The contents of the OM may be disseminated to all concerned.

Pr. Controller has seen.

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Encl: 9 (Nine) Pages

D C D A (AN PAY)

**Copy to**

✓ The Officer-in-charge ---- with a request to upload in the official website of PCDA  
EDP Centre (Local) Bangalore.

  
SAO (AN PAY)



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No. AN/VII/7228/Budget Order

Dated :24.11.2017

The

The PCsDA/PCA(Fys)Kolkata/PIFAs/CsDA/IFAs  
(Through website)

Subject : Expenditure Management –regarding TA/DA.

Reference : HQrs. Circular No. AN/VII/7228//Budget orders dated 16.09.16

- upto oct 17 - 85.71  
As on 27/11/17 - 92.
- a) It has been observed from the compilation for the month of October 2017 that 68% of the allotment under the Head 'Travel Expenses' has already been booked. In some Controller's Offices funds to the tune of more than 80% have already been exhausted. Requests for allotment of additional funds are being received.
- b) The allotment under the 'Travel Expenses' head, received from the Ministry at the BE stage has already been distributed amongst the Controllers. However, since 5 months of the financial year are still remaining and keeping in view the pace of expenditure, the position of funds has become tight and the allotment of additional funds at this stage is not possible.
- c) In this connection , attention is once again invited to the austerity instructions issued by the Govt. of India, Ministry of Finance vide O.M. No. 7(1)/E.Coord/2014 dated 29.10.2014 wherein it has been advised to regulate the Travel expenses so as to ensure that each Ministry remains within the allocated budget. Also, the officers are requested to travel 'Economy 'Class in case of Air Travel, keeping the limitations of budget in mind.
- d) It is again reiterated that instructions issued vide HQrs circular no. AN/VII/7228/Budget Order dated 16.09.2016 may be complied with to ensure that expenditure is met from within the allocations made and economising the expenditure.

This has the approval of CGDA.

(Mustaq Ahmad)  
Dy. CGDA(AN)

रक्षा लेखा महानियंत्रक CONTROLLER GENERAL OF DEFENCE ACCOUNTS

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भारत सरकार  
रक्षा मंत्रालय  
रक्षा लेखा विभाग



GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEFENCE ACCOUNTS DEPARTMENT

No. AN/VII/7228/Budget Orders

Dated: 16.09.2016

To

The PCsDA/ PCA(Fys) Kolkata/ PIFAs/CsDA /IFAs  
(Through Website)

Subject : Expenditure Management- regarding TA/DA

It has been noticed that some of the Controllers have already exhausted their budgetary allocation under the head Travelling Allowance and are seeking additional funds from the Head Quarters. In this connection, it is intimated that there is 10% mandatory cut on non-plan expenditure and each Ministry / Department are required to closely monitor the expenditure on Air travel so that new TA instructions while adding to the efficiency, do not lead to unchecked growth in expenditure. Further, Travelling Allowance Rules clearly states that no additional funds will be provided on account of TA/DA revision.

2. In order to optimise the utilisation of the funds the following measures may be taken forth with:

- a. It may be ensured that permission to official travel is given judiciously and restricted only to absolutely essential official requirements.
- b. As far as possible full use of Information and communication Technology (email, teleconferencing, video conferencing etc.) be made so that travel is kept to the barest minimum as stipulated in Ministry of Finance, Department of Expenditure O. M. No. F.No.7 (1)E.Coord/2008 Dated 1<sup>st</sup> October 2008 . The department has already provided the Video/Desktop conferencing facility to the offices /officers which may be utilised optimally.
- c. Full utilisation of the Mileage points / Frequent Flier rewards of Air India earned by the Government employees on tickets purchased for official travel should be utilised for other official travel by their officers as stipulated in Para 2(A) (iii) of Annexure to Ministry of Finance O. M. No. F.No. 19030/3/2008-E.IV dated 23.09.2008. Accumulated Frequent Flier mileage / reward points should be utilised for ensuing TD and if the same are unlikely to be redeemed for any reasons such points could be transferred to another employee on TD, so as to ensure that the points so accumulated are not lapsed. However, mileage/reward points should not be used for up gradation of seats, unless the officer is entitled for such upgraded class.
- d. Benefits accruing on account of purchase of Air Tickets by using Credit Cards may not be allowed to be retained by the officers and cash so received should be deposited with the Government by the officials as envisaged in Ministry of Finance O.M. No. F.No. 19024/1/2009-E.IV Dated 15<sup>th</sup> December 2009.


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- e. Officers may be advised to preferably stay in Circuit houses, Govt. Guest Houses, Inspection Bungalows, Messes, etc. if they are available as envisaged in Ministry of Finance, Department of Expenditure O. M. No. F.No.7 (1)E.Coord/2008 Dated 1<sup>st</sup> October 2008.
- f. Officers be advised to buy the cheapest fare available preferably by getting information through Internet as per the provisions contained in Ministry of Finance ibid O. M.
- g. While officers are entitled to various classes of air travel depending on seniority, utmost economy would need to be observed while exercising the choice keeping the limitations of budget (Ministry of Finance, Department of Expenditure O. M. No. F.No.7 (1) E.Coord/2014 Dated 29<sup>th</sup> October 2014).
- h. Officers should avoid advancement / postponement of travel plans after purchase of tickets resulting in increase of fares unless essential and warranted in public interest.
3. Action taken in this regard and suggestions for economising the expenditure may be intimated through the Monthly Briefing Report being furnished to the CGDA.

This issue with the approval of CGDA.

  
(Sham Dev)  
Jt. CGDA(AN)

C/A 6 (3/5)

No. 7(1)/E.Coord./2014  
Government of India  
Ministry of Finance  
Department of Expenditure  
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New Delhi, 29<sup>th</sup> North Block,  
October, 2014

OFFICE MEMORANDUM

**Subject: Expenditure Management – Economy Measures and Rationalisation of Expenditure.**

Ministry of Finance, Department of Expenditure has been issuing austerity instructions from time to time with a view to containing non-developmental expenditure and releasing of additional resources for priority schemes. The last set of instructions was issued on 18<sup>th</sup> September 2013 after passing of the Union Budget. Such measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government. In the context of the current fiscal situation, there is a need to continue to rationalise expenditure and optimize available resources. With this objective, the following measures for fiscal prudence and economy will come into immediate effect:-

**2.1 Cut in Non-Plan expenditure:**

For the year 2014-15, every Ministry / Department shall effect a mandatory 10% cut in non-Plan expenditure excluding interest payment, repayment of debt, Defence capital, salaries, pension and Finance Commission grants to the States. No re-appropriation of funds to augment the Non-Plan heads of expenditure on which cuts have been imposed shall be allowed during the current fiscal year.

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2.2 **Seminars and Conferences:**

- (i) Utmost economy shall be observed in organizing conferences/ Seminars/workshops. Only such conferences, workshops, seminars, etc. which are absolutely essential, should be held wherein also a 10% cut on budgetary allocations (whether Plan or Non-Plan) shall be effected.
- (ii) Holding of exhibitions/fairs/seminars/conferences abroad is strongly discouraged except in the case of exhibitions for trade promotion.
- (iii) There will be a ban on holding of meetings and conferences at five star hotels except in case of bilateral/multilateral official engagements to be held at the level of Minister-in-Charge or Administrative Secretary, with foreign Governments or international bodies of which India is a Member. The Administrative Secretaries are advised to exercise utmost discretion in holding such meetings in 5-Star hotels keeping in mind the need to observe utmost economy in expenditure.

2.3 **Purchase of vehicles:**

Purchase of new vehicles to meet the operational requirement of Defence Forces, Central Paramilitary Forces & security related organizations are permitted. Ban on purchase of other vehicles (including staff cars) will continue except against condemnation.

2.4 Domestic and International Travel:

- (i) Travel expenditure {both Domestic Travel Expenses (DTE) and Foreign Travel Expenses(FTE)} should be regulated so as to ensure that each Ministry remains within the allocated budget for the same after taking into account the mandatory 10% cut under DTE/FTE (Plan as well as Non-Plan). Re-appropriation/ augmentation proposals on this account would not be approved.
- (ii) While officers are entitled to various classes of air travel depending on seniority, utmost economy would need to be observed while exercising the choice keeping the limitations of budget in mind. However, there would be no bookings in First Class."
- (iii) Facility of Video Conferencing may be used effectively. All extant instructions on foreign travel may be scrupulously followed.
- (iv) In all cases of air travel the lowest air fare tickets available for entitled class are to be purchased/ procured. No companion free ticket on domestic/ international travel is to be availed of.

2.5 Creation of Posts

- (i) There will be a ban on creation of Plan and Non-Plan posts.
- (ii) Posts that have remained vacant for more than a year are not to be revived except under very rare and unavoidable circumstances and after seeking clearance of Department of Expenditure.

**3. Observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level:**

3.1 Release of Grant-in-aid shall be strictly as per provisions contained in GFRs and in Department of Expenditure's OM No.7(1)/E.Coord/2012 dated 14.11.2012.

3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditions attached to such transfers (such as matching funding).

3.3 The State Governments are required to furnish monthly returns of Plan expenditure – Central, Centrally Sponsored or State Plan – to respective Ministries/Departments along with a report on amounts outstanding in their Public Account in respect of Central and Centrally Sponsored Schemes. This requirement may be scrupulously enforced.

3.4 The Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

**4. Balanced Pace of Expenditure:**

4.1 As per extant instructions, not more than one-third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Besides, the stipulation that during the month of March the expenditure should be limited to 15% of the Budget Estimates is reiterated. It may be emphasized here that the restriction of 33% and 15% expenditure ceiling is to be enforced both scheme-wise as well as for the Demands for Grant as a whole, subject to RE ceilings. Ministries/ Departments which are covered by the Monthly Expenditure Plan (MEP) may ensure that the MEP is followed strictly.



4.2 It is also considered desirable that in the last month of the year payments may be made only for the goods and services actually procured and for reimbursement of expenditure already incurred. Hence, no amount should be released in advance (in the last month) with the exception of the following:

- (i) Advance payments to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.
- (ii) Any loans or advances to Government servants etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.
- (iii) Any other exceptional case with the approval of the Financial Advisor. However, a list of such cases may be sent by the FA to the Department of Expenditure by 30<sup>th</sup> April of the following year for information.

4.3 Rush of expenditure on procurement should be avoided during the last quarter of the fiscal year and in particular the last month of the year so as to ensure that all procedures are complied with and there is no infructuous or wasteful expenditure. FAs are advised to specially monitor this aspect during their reviews.

5. No fresh financial commitments should be made on items which are not provided for in the budget approved by the Parliament.

6. These instructions would also be applicable to autonomous bodies funded by Government of India.

## 7. Compliance

Secretaries of the Ministries / Departments, being the Chief Accounting Authorities as per Rule 64 of GFR, shall be fully charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisors shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-Charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures / guidelines.

*Ratan P. Watal*  
(Ratan P. Watal)  
Secretary (Expenditure)

All Secretaries to the Government of India

Copy to:

1. Cabinet Secretary
2. Principal Secretary to the Prime Minister
3. Secretary, Planning Commission
4. All the Financial Advisors