

No. RW/NHIII/P/16/78

Dated the 4th November 1985

Subject : Delegation of enhanced financial powers to Ministries/Departments — Amendment to Rule 18 of Delegation of Financial Powers Rules, 1978.

A copy of O.M. No. F.1(4)-E.II(A)/85 dated 21st August, 1985 from the Ministry of Finance (Department of Expenditure) addressed to all Ministries/Departments of the Government of India on the subject mentioned above is circulated herewith for information and guidance.

*Encl. to letter NO. RW/NHIII/P/16/78 the 4th Nov., 1985*

No. F.1(4)-E.II (A)/85

Dated the 21st August, 1985

**OFFICE MEMORANDUM**

Subject : Delegation of enhanced financial powers to Ministries/Departments — Amendment to Rule 18 of Delegation of Financial Powers Rules, 1978.

The undersigned is directed to refer to 'Note' given under Government of India's decision (4) below Rule 18 of the Delegation of Financial Powers Rules, 1978 in which it has been laid down that Ministries/Departments shall have powers to incur expenditure upto Rs. 1 crore (this limit was enhanced to Rs. 2 crores *vide* this Ministry's O.M. No. F.1(8)-PF.II/81, dated 3.11.1981). Administrative Reforms Wing of the Ministry of Personnel and Training have reviewed the financial powers enjoyed by various authorities under the Delegation of Financial Powers Rules, 1978. On the recommendation of the Administrative Reforms Wing, the powers of Ministries/Departments, with Internal Finance system, to incur expenditure on projects/schemes, beyond which reference to Expenditure Finance Committee will be necessary, have been enhanced to Rs. 3 crores. It has also been decided that the cases which involve investment exceeding Rs. 10 crores or where the revised/firmed up cost exceeds Rs. 10 crores, would require approval of the Public Investment Board/Expenditure Finance Committee and the Cabinet. An amendment to the 'Note' below Government of India's decision (4) below Rule 18 of the Delegation of Financial Powers Rules, 1978 is enclosed.

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

Amendment to Delegation of Financial Powers Rules, 1978.

*Rule 18**Govt. of India's decision (4)*

For the existing 'Note' given under Government of India's decision (4) below Rule 18 of the Delegation of Financial Powers Rules, 1978, the following shall be substituted : —

"NOTE: Notwithstanding the limit laid down in Rule 18, the Ministries/Departments with Integrated Finance system, shall have power to incur expenditure up to rupees three crores in accordance with the above mentioned decisions by virtue of proviso (2) to rule 26 of the Delegation of Financial Powers Rules, 1978. The cases which involve investment exceeding Rs. 10 crores or where the revised/firmed up cost exceeds Rs. 10 crores, would require approval of the Public Investment Board/Expenditure Finance Committee and the Cabinet".

(Ministry of Finance (Deptt. of Expenditure)'s O.M. No. F.1(4)-EII(A)/85 dated 21.8.1985 and O.M. No. F.1(8)-PF.II/81, dated 3.11.1981.