

Speed Post/By Hand

Most Immediate
Budget Matter

Controller General of Defence Accounts

Ulan Batar Road, Palam, Delhi Cantt - 110 010

No. AN/VII/7220/RE 10-11/BE 11-12

Dated 20.8.2010

To

The PCDA/CDA

The PCA (Fys) Kolkata

AN-IV /AN-V Section (Local)

Sub: Preparation and submission of Revised Estimates for 2010-2011 and Budget Estimates for 2011-2012 under Major Head 2052 - Salaries and 7610 - Loans and Advances.

Ref: This HQ Office circular bearing No. AN/VII/7220/BE 2010-11 dated 5.7.2010 and No. AN/VII/7220/RE 09-10/BE 10-11 dated 28.8.2009.

The Revised Estimates for the FY 2010-11 and Budget Estimates for the FY 2011-12 for Defence Accounts Department are due for submission to the Ministry. In this context following guidelines are issued for the preparation of Estimates.

2. While preparing RE/BE, the detailed instructions contained in Appendix 3 of GFR and circulars on Budget related matters issued by this HQ office from time to time may be kept in view. In this context, a copy of Ministry of Defence (Finance) ID No. 1(8-ATN)/MO/2009-10/721 dated 28th June 2010 is enclosed herewith for your guidance and necessary action.

3. It may be ensured that the trend of expenditure as revealed through RDR compilation of 08/2010 is taken as the basis for preparation of RE 2010-11, by giving due effect to the retirement of personnel, fresh recruitment through Staff Selection Commission and promotion in various grades etc. Where additional funds are required, the detailed justification in support of the same may also be furnished. Similarly for preparing projections for BE 2011-12 under various Heads, the trend of expenditure of the previous years may be taken as a guiding factor.

4. It has been emphasized from time to time that the budgetary estimates should be formulated on realistic basis. It is, therefore, reiterated that utmost caution and accuracy be adopted while estimating requirements of funds for RE 2010-11 and BE 2011-12, in order to ensure that the budgetary projections are made after an accurate and realistic assessment of the requirements and visualization of the actual/ anticipated expenditure.

SALARY

5. Projection of funds under Salary Heads for RE 2010-11 & BE 2011-12 may invariably be made in the Appendix IX-A. The effective strength of the establishment may be taken into account. The funds required for Ad-hoc Bonus may distinctively be shown in Appendix-IX-A to enable us to project the same in RE 2010-11 to the Ministry.

6. Funds required under Head 'Other Allowances' (00/094/26) should be supported by an additional items-wise statement indicating the last 3 years actual expenditure and expenditure incurred up to 08/2010. Item wise requirement of funds for each item i.e. HRA, CCA, Festival Advance, Tuition Fees, SCA, Honorarium, LTC etc. may be shown in a separate Annexure-I.

WAGES

7. Requirement of funds under this Head may be projected in respect of Casual Labours given Temporary Status and yet not regularized. However, keeping in view of this HQ office Circular No. AN/VIII/8200/2/2008/Reg.CL dated 6.11.2008 and 14.7.2009, the services of most of the Casual Labourers of this department has been regularized. Therefore, while projecting the requirement under this Head for RE/BE in Annexure-II, the same is kept in view.

OVERTIME ALLOWANCE

8. As regards the requirement of funds for OTA, the same may be projected with sufficient justification and details taking into account the economy orders on this subject. RE/BE projections under this Head may be projected in Annexure-III.

TRAVEL EXPENSES (DOMESTIC)

9. It is ensured that the projections under this Head may be made in Annexure IV-A & IV-B giving the details of Expenditure and Estimates under each sub-unit of Travel Expenses [i.e. TA/DA on Temporary duty (Officers & Staff), TA/DA on Local Audit (Officers & Staff), TA/DA on Transfer Orders by PCDA/CDA (Officers & Staff), TA/DA on Transfer Orders by CGDA (Officers & Staff) and TA/DA on Training (Officers & Staff)].

OFFICE EXPENSES

10. The details of expenditure to be incurred during 2010-11 and 2011-12 under this Head may be projected in Annexure 'V'. All out efforts should be made to meet the expenditure within BE 2010-11 allocation by adhering to the economy orders issued by the Ministry of Finance from time to time. Further the item-wise requirement of funds under this Head for RE 2010-11 & BE 2011-12 and actual expenditure during last three years may be shown in separate statement/sheet with full justification thereof. The office-wise allocation/projection of funds may also be attached separately. Projections showing Allotment/Expenditure profile by

PCsDA/CsDA during 2007-08, 2008-09 & 2009-10 in respect of their Main Office & other sub-offices excluding CsFA (Fys) / IFAs (SAG Level) / RTCs / Area Accounts Offices / PAOs / DPDOs may be submitted in Annexure 'V-A' & 'V-C'. Similarly, the Projections showing Allotment / Expenditure in respect of CsFA(Fys) / IFAs (SAG level) / RTCs / Area Accounts Offices / PAOs / DPDOs may be submitted on Annexure 'V-B' & 'V-D' to enable us to process the projections with a view to making direct allocation to the CsFA (Fys) / IFAs (SAG level) / RTCs / Area Accounts Offices / PAOs / DPDOs. The total projection under Head 'Office Expenses' may be summarized in a separate summary (Annexure-V) and carried over to the Main Summary.

PROJECTION IN RESPECT OF IFAs (SAG LEVEL) and RTCs

11. PCsDA/CsDA are requested to indicate the requirement of funds under Heads 'Travel Expenses (Domestic)' and 'Office Expenses' in respect of IFA offices (SAG level) and RTCs under their organisation after obtaining the projection for RE/BE from their respective IFAs and RTCs. The same may be shown in the Annexure IV-A and V-B distinctly. It may be ensured that the requirement of IFAs and RTCs under your organisation under Heads 'Travel Expenses (Domestic)' and 'Office Expenses' has been taken into account before making projection to this HQ office so that requirement of IFAs (SAG level) and RTCs is considered and direct allotment is made at the time of RE/BE allocation stage.

PROJECTION IN RESPECT OF NADFM Pune AND CIA (Fys) Kolkata

12. PCDA (Officers) Pune and PCA (Fys) Kolkata are requested to indicate the requirement of funds under Head 'Office Expenses' in respect of NADFM Pune and CIA (Fys) Kolkata respectively after obtaining the projection for RE/BE from them. The same may be shown in the Annexure V-B distinctly.

INFORMATION TECHNOLOGY

13. Requirement of funds under Head 'Information Technology' may be projected to EDP Section of this HQ office. No projection of funds vis-à-vis booking of expenditure for EDP items is included under Head 'Office Expenses' (00/094/30) prefixing Category-90.

OTHER ADMINISTRATIVE EXPENSES

14. While projecting the requirement of funds under this Head, the justification in support of the projection, inter-alia indicating the number of staff working in Departmental Wet Canteen may be submitted. The instructions and guidelines issued from time to time on the subject may also be kept in view. The accurate and realistic projections may be made in Annexure-VI.

RENT, RATES & TAXES

15. The commitments made for the year 2010-11 and 2011-12 for the payment of rent towards hired building and payment of service charges to local bodies in respect of DAD accommodations etc. may please be worked out on realistic basis and the same is projected to this HQ office. The amount of Rent/Service charges for past period due for payment during the year 2010-11 and 2011-12 may also be included in RE 2010-11 and BE 2011-12 projections giving full details i.e. period and rates in **Annexure-VII**.

PROFESSIONAL SERVICES

16. RE/BE projections under this Head may be made giving full details of outside agencies to whom the payment is to be made in **Annexure-VIII**.

MEDICAL TREATMENT

17. Projection of funds under Head 'Medical Treatment' for RE 2010-11 & BE 2011-12 in respect of serving employees of Defence Accounts Department may distinctively be projected on the basis of the trend of expenditure during previous years and anticipated expenditure during the current financial year in **Annexure-IX**. It has been experienced that at the fag end of the financial year, there is rush to clear the pending medical bills and additional demand is made to this HQ office in February and March. PCsDA/CsDA are, therefore, requested to make projection in such a manner so that request for additional allocation at the fag end of financial year is avoided.

BANKING CASH TRANSACTION TAX (BCTT)

18. RE/BE projections under this Head may be made in **Annexure-X**. The Head 'Banking Cash Transaction Tax' include amount paid by Government establishments/offices towards tax payable on cash withdrawals. The requirement of funds under this Head may be projected in realistic basis to avoid the surrender of funds under this Head to the Ministry. The projection on account of this Head may not be included under Salary Head.

CHARGED EXPENDITURE

19. The payment to be made to the individuals concerned in compliance of the CAT/Courts Judgments may be projected with full details. Similarly, the details of the cases which are pending in CAT/Courts and the amount likely to be paid in each case during the year 2010-11 and 2011-12 may also be intimated to enable us to project the consolidated demand to Ministry through RE/BE projections.

LOANS AND ADVANCES

20. (a) HOUSE BUILDING ADVANCE

The demand for HBA in respect of committed cases and fresh cases may be projected under a separate forwarding letter inter-alia indicating the number of applications pending on date and number of applications anticipated citing amounts under each category.

(b) MOTOR CAR ADVANCE, PC ADVANCE, SCOOTER/MOTOR CYCLE ADVANCE, BICYCLE ADVANCE AND OTHER ADVANCES

'Motor Car Advance' is centrally controlled in the HQ office. The requirement under this Head, if any, may be made after the sanction of the competent authority. For PC Advance, Scooter/Motor Cycle Advance, Bicycle Advance and Other Advances, the projection may be made as per the actual requirement of your organisation during 2010-11 and 2011-12 respectively.

Projections under Head 'Loans and Advances' may be submitted in Annexure-XI to enable us to consolidate the same.

RECEIPT BUDGET

21. The estimates may be made for RE 2010-11 and BE 2011-12 in the prescribed format based on the actual trends of receipt during last year and upto 09/2010 during the current financial year and may be submitted under a separate forwarding letter.

22. Before submission of RE/BE projections, it may be ensured that all the Statements/Annexures are duly tagged and enclosed in the following serial. Copy of all the Annexures have already been forwarded vide this HQ office Circular of even No. dated 10.8.2006. Additional Annexure, if required, may be devised at your end on the lines of other Annexure. In case, there is Nil projection under any above mentioned Heads, No Annexure for that Head is required to be submitted/attached.

- a) Main Summary
- b) Appendix 'IX-A'
- c) Annexure-I
- d) Annexure-II
- e) Annexure-III
- f) Annexure-IV-A
- g) Annexure-IV-B
- h) Annexure-V
- i) Annexure-V-A & V-C

- j) Annexure-V-B & V-D
- k) Annexure-VI
- l) Annexure-VII
- m) Annexure-VIII
- n) Annexure-IX
- o) Annexure-X
- p) Annexure-XI (Specifically for Loans and Advances)

23. The proposal for Revised Estimates for 2010-11 and Budget Estimates for 2011-12 for Defence Accounts Department under MH 2052 & 7610 may please be submitted so as to reach this HQ by the 17th September 2010 positively.

24. It may please be ensured that the approval of the PCDA/PCA(Fys)/CDA is invariably taken before the estimates are submitted to this HQ office. Timely submission of the Estimates may be ensured to avoid the delay in rendition of consolidated reports to the Ministry.

25. This issues with the approval of Jt.CGDA (Admin-II).



(Satish Kumar)

For CGDA

☎ : 011-25665561

Copy to:-

EDP Section (Local)

- For placing the circular on the web-site.

**Most Important
Budgetary Matter**

**MINISTRY OF DEFENCE (FINANCE)
(Main Office)**


Subject:- Instructions / Cautions for preparation of Revised/Budget estimates on realistic basis to avoid savings or excess w.r.t. total allocations/grant under each sub/detailed head.

It has been noticed that despite pointing out repeatedly by this Division & Audit huge savings occurring year after year under Major Heads 2037, 2052, 2408, 4047, & 4059 which indicate systemic weakness in Budgetary control. Besides, same type of explanations/reasons are given for the savings/excess occurred year after year without even addressing the basic issues involved for such recurrences which shows no remedial action are taken to arrest the savings to an optimum level.

2- Persistent Savings being reported under various repeated heads would therefore need to fix the responsibility of such recurrences on obtaining the justifications/clarifications from all the defaulter budget controlling authorities and concrete remedial action must be taken immediately to arrest the savings/excess to an optimum level.

3- It is, therefore, stressed that utmost caution and accuracy be adopted while estimating requirement of funds for RE 2010-11 BE 2011-12 after taking in to account all the instructions issued by Ministry of Finance from time to time and adhere to the expenditure control during the current/ensuing financial year as well. In order to ensure that the budgetary projections are made after an accurate and realistic assessment of the requirements and visualization of the actual / anticipated expenditures, detailed reasons by giving the numerical impact in respect of each components of the respective detailed/sub-head should invariably be recorded where the estimations are increased or decreased **by 10% or more** w.r.t. the actual expenditure during the last financial year (i.e.2009-10), etc.

4- These instructions may please be circulated to all concerned for avoiding savings or excess over the approved grant. Remedial measures / corrective action taken in this regard may kindly be intimated to this Division for apprising the position to DGA,DS.


(Ramesh Kumar)
JS & Addl FA(R)
Tel. Ph- 2301 5539

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| 1- JS (E)/DS (Genl) | - in r/o DOD, DPS, DR&D, DESW |
| 2- Principal Registrar | - in r/o AFT |
| 3- DFA (E/Genl) | - in r/o Finance Division |
| 4- Director, IDSA / PO (Def) | - in r/o IDSA |
| 5- Jt. CGDA (AN), / OSD (DAD/Coord) | - in r/o DAD |
| 6- Addl.DG (Admn), New Delhi / Addl FA (S) | - in r/o DEO |
| 7-G.M. CSD, "ADELPHI," 119, Maharshi Karve Road, Mumbai, 400020/
BOCCS, "L" Block, N/Delhi / Addl FA(S) | - in r/o CSD |
| 8- Director (Plans), Coast Guard HQ / DFA (CG) | - in r/o Coast Guard Organisation |
| 9- Director (FP)/DDGFP-A | - in r/o JAK LI |
| 10- CDP, Kirshi Bhawan | - in r/o APO |
| 11- Dir. (PSUs) | - in r/o Defence PSUs. |
| 12-DNP, NHQ, South Block | - in r/o Dte. of Naval Plan (MH-7615only) |
| 13-AG (Budget), South Block | - in r/o Loans & Adv. (MH-7615 only) |

MOD (Fin) ID No- 1(8-ATN)/MO/2009-2010/721

dated 28 June. 2010

Copy to ACSDA (Budget), 8/0 CGDA - for information