

**MINISTRY OF FINANCE**  
**(Department of Expenditure)**

**NOTIFICATION**

New Delhi, the 22nd March, 2024

**S.O. 1543(E).**— In pursuance of clause (3) of article 77 of the Constitution, the President hereby makes the following rules, namely:—

**1. Short title and commencement.**—(1) These rules may be called the Delegation of Financial Powers Rules, 2024.

(2) They shall come into force with effect from the 1<sup>st</sup> day of April, 2024.

**2. Power to Relax.**— The President being satisfied that it is necessary or expedient so to do may, by general or special order, —

- (a) relax all or any provisions of these rules in relation to any authority;
- (b) delegate to any authority powers in addition to the powers delegated under these rules;
- (c) reduce the powers delegated to any authority to such extent as may be specified in the order;
- (d) impose conditions in addition to those specified by these rules; and
- (e) withdraw from any authority all or any of the powers delegated under these rules.

**3. Definitions.**—(1) In these rules, unless the context otherwise requires —

- (a) **“Administrator”** means an Administrator of a Union territory, by whatever name designated, appointed under Article 239 of the Constitution;
- (b) **“Annexure”** means the Annexure appended to these rules;
- (c) **“Appropriation”** means the assignments of funds to defray charges in respect of services indicated voted or charged section;
- (d) **“Competent Authority”** means, in respect of the power to be exercised under any of these rules, the President or such other authority to which the power is delegated by or under these rules, or any other general or special rules or orders issued by the Government of India;
- (e) **“Department of the Government of India”** means any of the Ministries, Departments, Secretariats and Offices as notified from time to time and listed in the First Schedule to the Government of India (Allocation of Business Rules) and the Vice-President’s Secretariat;
- (f) **“Finance Ministry”** means the Department of Expenditure, Ministry of Finance of the Government of India:

Provided that in any Department of the Government of India where the Scheme of Integrated Financial Adviser is in force, the Integrated Financial Adviser of that Department, will, subject to supervision by Finance Ministry, exercise all or any of the powers delegated by Finance Ministry.

- (g) **“Head of the Department”** means an authority or person (not below the rank of Deputy Secretary to the Government of India and equivalent), declared by the Department concerned, in the Government of India, as a Head of the Department (HoD) in relation to an identifiable establishment or establishments to exercise the financial powers delegated to him under these rules;
- (h) **“Head of Office”** means a Gazetted Officer designated as such, subordinate to Administrators and Heads of Departments;
- (i) **“Ministry of Finance”** means the Departments concerned with the subject matter in the Ministry of Finance;
- (j) **“Projects”** means one-time expenditure resulting in creation of capital assets or otherwise, which could yield financial or economic returns or both and such projects may either be separate or part of an approved Scheme;
- (k) **“Re-appropriation”** means transfer, by a Competent Authority, of funds from one primary unit of appropriation to another to meet additional expenditure within the same Section (Revenue Section and Capital Section) of the grant or Appropriation;
- (l) **“recurring expenditure”** means expenditure which is incurred at periodical intervals for the same purpose and the expenditure other than recurring expenditure is non-recurring expenditure;
- (m) **“Schemes”** means programmes through which Departments of the Government of India spend resources for delivering goods or, services or both.

(2) The terms and expressions used in these rules and not defined here but defined in the General Financial Rules shall have the meanings respectively assigned to them in the said General Financial Rules.

4. **Provision of funds by Parliament.** -After the Appropriation Bill is passed by Parliament and assented to by the President, the amounts so authorised become available to the concerned Departments of the Government of India to meet sanctioned expenditure.

5. **General conditions on powers to sanction expenditure.**-(1) No Authority shall sanction expenditure or advances without the previous consent of the Finance Ministry if it involves the introduction of a new principle or practice likely to lead to increased expenditure in future.

(2) A Subordinate Authority shall exercise the power to sanction expenditure subject to any general or special order or direction which the authority delegating or re-delegating such power may issue or prescribe from time to time.

6. **Residuary financial powers.**-All financial powers, not specifically delegated to any authority by these rules including creation and abolition of posts, shall vest in the Finance Ministry.

7. **Sanction of expenditure.**-(1) All expenditure shall require both, sanction and Appropriation. Expenditure can be incurred against a sanction only when funds are made available to meet the expenditure or liability by valid appropriation or Re-appropriation.

(2) A sanction to recurring expenditure or liability becomes operative when funds to meet the expenditure or liability of the first year are made available by valid Appropriation or Re-appropriation or by an advance from the Contingency Fund, as the case may be, and remains effective for each subsequent year subject to appropriation in such years and also subject to the terms of the sanction.

8. **Primary unit of appropriation.**-(1) A grant or Appropriation for charged expenditure is distributed by standard Object Heads under which it shall be accounted for and each such standard Object Head, against which the provision for expenditure appears, constitutes a primary unit of appropriation. The primary unit of appropriation is the lowest unit of accounting classification denoting the objects of expenditure.

(2) The primary unit may include provision for both voted and charged expenditure and in that case the amount of each is shown separately.

(3) The primary units of appropriation or standard Object Heads shall be as specified by Finance Ministry from time to time. A list of standard Object Head is at Annexure-I.

(4) The Finance Ministry may add, delete or amend the primary units of appropriation or prescribe an entirely different set of such units.

(5) The departments of the Government of India shall keep in view the following with regard to the numeric codification for preparation of the Detailed Demands for Grants, namely:-

(i) the number of tiers of classification in the Detailed Demands for Grants shall be the standard six tiers indicated in the table below:

Sl. No.	Type of Head	Codification
(1)	(2)	(3)
1.	Major Head	-4 digits(Function)
2.	Sub-major Head	-2 digits(Sub-function)
3.	Minor Head	-3 digits(Programme)
4.	Sub-head	-2 digits(Scheme)
5.	Detailed Head	-2 digits(Sub-scheme)
6.	Object Head	-2 digits(Primary unit of Appropriation or Object Head)

(ii) the numeric code numbers assigned by the Controller General of Accounts for Major, Sub-major, Minor Heads, Sub-heads and Detailed Heads for the Union and States shall be followed in the Detailed Demands for Grants;

(iii) the distinction between Revenue and Capital Expenditure shall be as defined in the Government Accounting Rules and the General Financial Rules.

9. **Allotment of Funds.**—The Departments of Government of India or authority on whose behalf a grant, or Appropriation for charged expenditure is authorised by Parliament shall distribute the sanctioned funds, where necessary, among the controlling and disbursing officers subordinate to it.

10. **Appropriation and Re-Appropriation – General Restrictions.–**

(1) Save with prior approval of the Parliament, funds shall not be appropriated or re-appropriated to meet expenditure on a New Service or New Instrument of Service (NS or NIS) not contemplated in the budget as approved by Parliament. For deciding whether a case relates to a New Service or New Instrument of Service and for determining whether prior approval of Parliament is required or it is to be reported to Parliament along with the next batch of supplementary demands, the financial limits prescribed by the Budget Division, Department of Economic Affairs, from time to time shall be referred to.

(2) Funds shall not be appropriated or re-appropriated to meet expenditure which has not been sanctioned by an authority competent to sanction it.

(3) Funds shall not be appropriated or re-appropriated to any work which has not received administrative approval and technical sanction as prescribed by Government of India from time to time.

(4) Funds provided for charged expenditure shall not be appropriated or re-appropriated to meet voted expenditure and funds provided for voted expenditure shall not be appropriated or re-appropriated to meet charged expenditure.

(5) No Re-appropriation shall be made from one grant or Appropriation for charged expenditure to another Grant or Appropriation for charged expenditure.

(6) No Re-appropriation can be made from Capital to Revenue Section of the Grant or vice versa.

(7) No Re-appropriation can be made from an appropriation already augmented through a Supplementary Demand for Grant passed by the Parliament or under the provisions of this rule.

(8) No Re-appropriation can be made from savings under an activity for which a Contingency Fund Advance has already been obtained during the course of the financial year.

**Powers of Administrative Ministries or Departments**

(9) Subject to the provisions above, Chief Accounting Authorities of Administrative Ministries or Departments shall have the following powers, namely:-

- (i) To augment the provisions of the heads 'Salaries', 'Allowances', 'Wages', 'Pensionary Charges', 'Medical Expenses' and 'Rent, Rates and Taxes for Land and Buildings' through Re-appropriation.
- (ii) To re-appropriate funds from the Object head 'Salaries' to the Object head 'Salaries' across the schemes.
- (iii) To augment provisions already approved by Parliament through the Supplementary Demands for Grants.
- (iv) To re-appropriate funds from lump-sum provision for northeast areas to concerned schemes. However, this delegation of powers is limited to re-appropriation of funds from lump-sum provision to the scheme for the benefit of Scheme or programs in the northeast areas alone.
- (v) To appropriate or re-appropriate to any work, to cover excess of expenditure over authorised sanctioned financial limits up to 20 %, subject to such excess expenditure being approved by the Competent Authority.
- (vi) To augment a budget provision, under any line item ending at an object head, to such limits permitted by Ministry of Finance through its various specific or general orders issued from time to time.
- (vii) Ministries or Departments are required to exercise the powers delegated under these rules for re-appropriation of funds in consultation with the respective Financial Advisors, who shall ensure that the provisions of these rules are strictly adhered to.

**Cases requiring prior approval of Ministry of Finance**

(10) Notwithstanding anything contained in this rule, except with the previous consent of the Budget Division with concurrence of Secretary (Expenditure):-

- (i) No Re-appropriation of funds shall be carried out to meet expenditure in the Revenue Section from savings under grants-in-aid to States or Union territories.
- (ii) No Re-appropriation of funds shall be made between Capital Outlay and loans or vice-versa, in Capital Section;
- (iii) No Re-appropriation of funds shall be made from 'Salaries' or 'Allowances' head to any other "primary unit of appropriation".
- (iv) No Re-appropriation shall be made from provisions made for Externally Aided Projects (EAPs) to Non-Externally Aided Projects.

- (v) No Re-appropriation shall be made from and to the provision for Secret Service Expenditure. In case of augmentation by 25% or more of the original provision, prior approval of C&AG would also be required.
- (vi) No Re-appropriation shall be made from the primary unit "Buildings and Structures/ Infrastructure Assets/ Other Fixed Assets" to any other unit.
- (vii) No Appropriation or Re-appropriation shall be made to any work, to cover excess of expenditure over authorized financial limits beyond 20%.
- (viii) No Re-appropriation having the effect of augmenting a budget provision, under any line item ending at an object head, shall be made beyond the limits prescribed by the Ministry of Finance through its various specific or general orders issued from time to time.
- (ix) No Re-appropriation of funds to a head from which funds were previously redirected or re-appropriated to another head.

**11. Indents, contracts and purchases.**—(1) Subject to the provisions of these rules and the provisions of the General Financial Rules, governing the procurement of goods and services, a Department of the Government of India shall have full powers to sanction expenditure for purchases and for execution of contracts.

(2) The powers under this rule shall be exercised by the Secretary of the Department concerned up to rupees one hundred crores for open or limited tender contracts,

(3) The powers under this rule shall be exercised by the Secretary of the Department concerned up to rupees twenty-five crores for negotiated or single tender or proprietary contracts and agreements.

(4) Contracts or purchases, the amount of which exceeds the value stated in sub-rule (2) and (3) of this rule, in the categories stated, shall require the approval of the Minister in charge of the Department.

(5) Subject to the provisions of these rules, Secretaries of the Departments of Government of India may, by general or special order, confer powers not exceeding those vested in them as specified in Sub-rule (2) and (3) of this rule and Rule 13 upon an Administrator or Head of the Department or any other authority subordinate to him in consultation with the Financial Advisor of the Department or Ministry.

(6) Notwithstanding anything contained in sub-rules (1), (2), (3) and (4), in cases where powers to award contract or purchase or consultancy in a Project or Scheme has been considered and allowed by Public Investment Board (PIB) or Expenditure Finance Committee (EFC) or Cabinet, as the case may be, such cases will be processed as per the financial limits laid down for sanction of such Schemes or Projects by that Authority.

**12. Powers of Subordinate Authorities.**—(1) Subject to the provisions of these rules, the Departments of the Government of India, shall, in case of the Appropriation and Re-appropriation, have full powers for incurring revenue and capital expenditure.

(2) A Department of the Central Government may, by general or special order, confer powers, not exceeding those vested in that Department, upon an Administrator or Head of Department or any other authority subordinate to the Department in respect of any matter covered by these rules, in consultation with the Internal Financial Adviser:

Provided that no power under this sub-rule shall be re-delegated by the Department in respect of -

- (a) Rule 10-Re-appropriation of funds;
- (b) Rule 15- Waiver of recovery of overpayment made to Government servants; and
- (c) Rule 16- appraisal and approval of Schemes or Projects.

(3) The Administrator or Head of the Department referred to in sub-rule (2) may, by an order in writing, authorise a Gazetted Officer serving under him to exercise to such extent, as may be specified in that order, all or any of the powers conferred on such Administrator or Head of the Department under sub-rule (2). The Administrator or Head of the Department shall, however, continue to be responsible for the correctness, regularity and propriety of the decisions taken by the Gazetted Officer so authorised.

(4) Departments of the Government of India Administrators and Heads of the Departments shall have the power to declare any Gazetted Officer subordinate to them as the Head of the Office for the purpose of these rules:

Provided that the Head of Office shall exercise such powers as delegated by the Department, Administrator or Head of Department and as provided in the rules for the time being in force:

Provided further that not more than one Gazetted Officer shall be declared as Head of Office in respect of the same office or establishment, unless such office or establishment is distinctly separate from one another.

(5) Any authority empowered by or under these rules to incur revenue or capital expenditure shall exercise such powers subject to the provisions contained in the General Financial Rules, subsidiary instructions and orders on the subject issued by Finance Ministry including restrictions and scales, issued from time to time by the concerned Department and General Conditions as given in the Annexure-II.

(6) The power delegated under these rules can also be exercised for a validation of an action already taken or expenditure or liability already incurred even when the authority validating the action or expenditure or liability, as the case may be, had no competence to do so at the time the action was taken or expenditure or liability was incurred.

13. **Powers of Subordinate Authorities to write off loss.**—The power of Subordinate Authorities to write off losses shall be as per the conditions and limits as may be specified by the Finance Ministry from time to time.

14. **Insurance of Government property.**— Government property, both movable and immovable, shall not be insured and no Subordinate Authority shall undertake any liability or incur any expenditure in connection with the insurance of such property without the previous consent of the Finance Ministry, except in the cases where relaxation is provided by that Ministry from time to time.

15. **Waiver of recovery of overpayment made to Government servants.**—(1) A Department of Government of India, an Administrator and any other Subordinate Authority to the Department, to whom powers may be delegated by or under special order of the President, may waive the recovery of an amount found to have been overpaid mistakenly to a Government servant, in excess of their entitlement, subject to the following conditions, namely: -

- (i) the amount disallowed has been drawn by the Government servant concerned under a reasonable belief that he was entitled to it; and
- (ii) if, in the opinion of the aforesaid authority –
  - (a) recovery will cause undue hardship; or
  - (b) recovery is impossible.

(2) A Department of Government of India may waive recovery of overpayment upto Rs. 2,00,000/- in the case of each individual with the concurrence of Financial Advisers of the Department. Proposals for waiver of recovery of amount greater than Rs. 2,00,000/- in each case shall be referred to the Finance Ministry for concurrence.

(3) For the cases of waiver of recovery, the Departments of the Government of India will examine whether over payment has been made on account of fraud, misrepresentation, collusion, favouritism, negligence or carelessness on the part of those responsible for over payments and the employees who benefitted from such actions. All proposals of waiving of recovery will be accompanied by a report in this regard duly approved by the disciplinary authority.

16. **Expenditure on Schemes or projects.**— (1) Without prejudice to the provisions of rule 12, a Department of the Government of India may sanction expenditure on any scheme, project, as per the powers delegated from time to time by the Finance Ministry, subject to its outlay having been approved by the Competent Authority in accordance with the appraisal and approval process prescribed by the Finance Ministry from time to time and the power of appraisal and approval under this rule shall not be delegated.

(2) In cases where the award of contract or purchase or consultancy is inseparably linked with the Scheme, such expenditure will be processed as per the financial limits laid down for sanction of such Schemes or projects by the authority competent to approve such Schemes or Projects.

17. **Grants-in-aid, loans, etc.**—Departments of the Government of India and Administrators shall have full powers to sanction grants in aid including scholarships and loans:

Provided that, –

- (a) such grants in aid including scholarships are in accordance with the rules or principles prescribed with the previous consent of the Finance Ministry and a certificate to that effect is included in the sanction;
- (b) the rate of interest on a loan and the period of payment thereof are fixed with the previous consent of the Ministry of Finance unless the rate of interest on such loan and the period of repayment thereof are prescribed in any general or special order of the Department of the Government of India.

18. **Trading operations.**— Notwithstanding anything contained in these rules, all proposals—

- (a) for the purchase of commodities not intended for Government consumption, but for sale or issue to the public, State governments or any other agency;
- (b) for fixing of prices in respect of direct trading operations of Government; and
- (c) from Government companies and undertakings which may be referred to the Government for fixation of prices for their products or stocks,

shall be referred to the Ministry of Finance for concurrence before approval:

Provided that proposals under clause (a) and (b), may not be referred to the Ministry of Finance for concurrence, if the value of the transaction is below Rupees 25crore.

**Explanation** – In this rule, “Government Company” has the same meaning as assigned to it in the Companies Act, 2013 (18 of 2013).

19. **Dismantlement of public buildings.**— Subject to the conditions set out below, the Departments of the Government of India and Administrators shall have full powers to sanction dismantlement of public buildings (other than purely temporary structures), provided these powers are exercised with the concurrence of their Financial Advisers.

Conditions:

- (i) No public building shall be dismantled unless it has been previously ascertained that it is not required by any other Department of the Government of India
- (ii) No public building shall be demolished unless it is structurally in a dangerous condition or it is beyond economic repairs and has been certified as such by appropriate technical authority or it is necessary to vacate the site for constructing a more important Government building or structure.
- (iii) A public building, the dismantlement of which is sanctioned in exercise of the power conferred by this rule, shall be disposed of by public auction through the Central Public Works Department or the local Public Works Department in areas where the Central Public Works Department does not operate unless specific prior approval of the Competent Authority is taken for disposal of buildings to an identified party.
- (iv) The Departments or Ministries of the Government of India and Administrators shall have full powers to sanction dismantlement of purely temporary structures.

**Explanation** – for the purposes of this rule, “a purely temporary structure” mean a structure, the life of which is not more than two years.

20. **Communication of sanctions to audit.**— (1) Whenever the consent or sanction of the Finance Ministry is required under these rules, such consent or sanction shall be communicated to the audit or Pay and Accounts Officer concerned by a Department of the Government of India itself after adding a clause to the sanction as follows:—

“This order / memorandum issues with the concurrence of the Ministry of Finance (Department of Expenditure), vide their O.M./ U.O. No.....dated.....”.

(2) Whenever a financial sanction is issued by a Department of the Government of India in exercise of the powers conferred on it by these rules in consultation with its Internal Financial Adviser or Integrated Financial Adviser and approval of competent authority, it shall be communicated to audit/ Pay and Accounts Officer concerned by the Department concerned by adding a clause of the sanction as follows:

“This sanction issues with the approval of competent authority. The advice of Internal Finance / Integrated Finance was conveyed vide Dy. No./ U.O. No.....dated.....”.

21. **Repeal and savings.**— (1) The Delegation of Financial Powers Rules, 1978, is hereby repealed:

Provided that such repeal shall not affect anything done, any order issued, any action taken or any powers exercised before coming into force of the Delegation of Financial Powers Rules, 2024 and all sanctions, orders, declarations or other action taken before the commencement of these rules shall continue to be operative and in force even after the commencement of these rules, unless specifically cancelled or revoked by the authority who accorded such sanction or issued such order or took such action:

Provided further that all delegations made to any authority under special orders of Government shall also continue to remain in force unless specifically revoked by the President.

(2) Nothing contained in these rules shall apply to –

- (a) the Ministry of Railways and authorities subordinate to that Ministry;
- (b) the Ministry of Defence and authorities subordinate to that Ministry in relation to expenditure debitable to Defence Services Estimates.
- (c) the Departments of Atomic Energy and Space;
- (d) the Department of Telecommunications;
- (e) the Government of India’s representatives abroad whose powers shall be determined in accordance with the rules or orders issued separately in consultation with the Finance Ministry.

**Note 1.**—The Ministry of Railways, Ministry of Defence and authorities subordinate to that Ministry and Departments of Atomic Energy, Space and Telecommunications are required to align their Primary units of Appropriation as far as possible on the lines provided in rule 8.

[F. No. 01(14)/2016-E.II(A)]

AVINASH K. NILANKAR, Dy. Secy.

**Annexure-I**  
(See rule-8)

<b>Sl. No</b>	<b>Code</b>	<b>Object Head</b>	<b>Description / Definitions</b>
(1)	(2)	(3)	(4)
<b>(A) Revenue Expenditure</b>			
<b>Object Class 1- Compensation to Employees</b>			
1.	<b>01</b>	<b>Salaries</b>	It will include pay of the Government employees as defined under FR 9(21), honorarium to Government servant and stipend to interns. It will also include expenditure on emoluments and allowances of Heads of States and other high dignitaries including Sumptuary Allowance, salary payable to the staff of Departmental canteens and leave encashment on LTC.
2.	<b>02</b>	<b>Wages</b>	It will include wages of labourers and of staff at present paid out of contingencies.
3.	<b>05</b>	<b>Rewards</b>	It will include rewards under a scheme given to the Government employees in addition to their pay and allowances. It will also include payment of bonus and cash awards for Hindi Pratiyogita, etc.
4.	<b>06</b>	<b>Medical Treatment</b>	It will include amount paid towards medical reimbursements /treatment of the Government employees/ pensioners.
5.	<b>07</b>	<b>Allowances</b>	It will include as applicable the Dearness Allowance, House Rent Allowance, Transport Allowance, Foreign Allowance, Non Practicing Allowance, Deputation (Duty) Allowance, Personal Pay, Family Planning Allowance, Special Compensatory (Hill Areas) Allowance, Tribal Area Allowance, Hard Area Allowance, Headquarter Allowance, Overtime Allowance, Children Education Allowance, Reimbursement of Tuition Fee, Ration Allowance, Cost of Ration given in cash, Constituency Allowance, Uniform and Clothing Allowance, Entertainment Allowance, Project Allowance, Special Compensatory (Remote Locality) Allowance, Bad Climate Allowance, Washing Allowance, Special (Duty) Allowance, Night Duty Allowance, Risk Allowance, Sunderban Allowance, Cash Handling Allowance, Caretaking Allowance, Split Duty Allowance and any other allowance in addition to above which is payable to the Government employees in addition to their pay.
6.	<b>08</b>	<b>Leave Travel Concession</b>	It will include air/rail/bus fare/fare of any other mode of transport entitled under LTC Rule.
7.	<b>09</b>	<b>Training Expenses</b>	It will include expenditure on cost of training such as fees paid, contingencies, materials, etc., for participating in the training, workshops but exclude expenditure on domestic or foreign travel expenses.
<b>Object Class II-Social Security of Employees</b>			
8	<b>04</b>	<b>Pensionary Charges</b>	It will include all pensionary benefits including payment of pensions and gratuity in all forms to the Government employees, members of Parliament, freedom fighters, etc. It will also include contributions to service funds and contributory provident funds and payment of leave encashment at the time of retirement or death, termination of service, etc. It will also include Government's contribution payable under National Pension System(NPS) for Government employees. This will, however, not include social security expenditure such as old age pension.
<b>Object Class III - Goods and Services</b>			
9.	<b>11</b>	<b>Domestic Travel Expenses</b>	It will include travel expenses on official tours and transfers of the Government employees within India. This will also include expenditure on TA/ DA to non- official members on account of

			travel in India. It will also include transfer TA payable to pensioners at the time of retirement.
10.	12	<b>Foreign Travel Expenses</b>	It will include expenses on official tours and transfers of the Government employees outside India. This will also include expenditure on TA/ DA to non- official members going on official tour abroad.
11.	13	<b>Office Expenses</b>	It will include all recurring and non-recurring contingent expenses incurred for the maintenance of office establishment such as, stationery, postage charges, courier charges, telephone charges, internet charges, cable connection charges, electricity charges, water charges, service agreements, security, expenditure relating to hiring of retired Government servants on short term contract basis, outsourced office attendants, office assistants/Data Entry Operators(DEO), house-keeping, liveries/uniforms, hot and cold weather charges, pest control, refreshment, books and periodicals, hospitality expenses including entertainment of foreign delegates, gifts and souvenirs and conferences/ seminars/workshops/meetings convened by office including all related expenses on study material/ kits, refreshments, study tours, etc. It will also include purchase of office equipment, furniture and fixtures not exceeding the threshold limit of one lakh rupees or three years of useful life, either of the two, as decided by the Government from time to time. The office equipment and furniture and fixtures exceeding the threshold limit as decided by the Government from time to time should be classified as 'capital' expenditure under the relevant Object Head 'Machinery and Equipment' and 'Furniture and Fixtures'. Purchase of vehicles, however, irrespective of its usage (office or otherwise) should be classified as 'capital' expenditure under the relevant capital Object Head 'Motor Vehicles'.
12.	14	<b>Rent, Rates and Taxes for Land and Buildings</b>	It will include expenditure on rent for buildings (non-residential or residential or structures other than buildings), municipal rates and taxes and lease charges for rented land and buildings, the ownership of which is not transferable to Government. However, lease charges for land and buildings, the ownership of which is transferable to Government, will be classified as 'capital' expenditure under the relevant Object Heads 'Land' and 'Buildings and Structures'.
13.	15	<b>Royalty</b>	It will include expenses on royalties on patents, designs, trademarks, print, publishing, music, etc.
14.	16	<b>Printing and Publication</b>	It will include expenses on printing of valuables, printing of audit and accounts reports, forms, stationery, office codes, manuals and other documents, newspaper and magazines including e-books, e-magazines, digital printing, pen drive, CD, etc., but exclude expenses on printing of publicity material which shall be classified under Advertising and Publicity.
15.	18	<b>Rent for others</b>	It will include expenses on rent for equipment and other various items like office equipment, transport, computer and ancillary equipment, communication equipment, air-conditioning, heating and refrigerating equipment, security equipment, broadcasting and recording equipment, construction equipment, agricultural equipment, horticultural equipment, medical equipment, furniture and fixtures. It will also include lease charges for equipment and other items, the ownership of which is not transferable to Government. However, lease charges for

			equipment and other items, the ownership of which is transferable to Government will be classified as 'capital' expenditure under the relevant Object Heads.
16.	<b>19</b>	<b>Digital Equipment</b>	It will include expenses to be classified as revenue expenditure on procurement or development of hardware and software where the cost of individual item does not exceed the threshold limit of one lakh rupees or three years of useful life, either of the two as decided by the Government from time to time. The threshold limit will, however, not apply to the consumables like toner and cartridge for printer shall be classified under revenue expenditure.
17.	<b>21</b>	<b>Materials and Supplies</b>	It will include expenses on various kinds of supplies, materials and stores etc., such as., medical supplies, educational supplies, agricultural supplies, livestock supplies, cleaning materials, hospital drugs and medicines, veterinary drugs, chemicals and fertilizers, lab supplies, spare parts, clothing and tentage.
18.	<b>22</b>	<b>Arms and Ammunition</b>	It will include revenue expenditure on arms and ammunitions on police and other para-establishments.
19.	<b>23</b>	<b>Cost of Ration</b>	It will include expenditure on procurement of ration provided to police and central armed police forces.
20.	<b>24</b>	<b>Fuels and Lubricants</b>	It will include expenditure on petrol, oil, lubricants and other fuels like CNG, diesel, etc.
21.	<b>26</b>	<b>Advertising and Publicity</b>	It will include expenses including commission to agents for sale and printing of publicity material on advertising and publicity through various media such as print media, TV media or outdoor media or Internet or mobile network or other audio-visual publicity or fairs and exhibition.
22.	<b>27</b>	<b>Minor civil and electric Works</b>	It will include expenditure on repairs and maintenance of minor civil and electrical works of office buildings, residential buildings, other buildings and expenditure on running operation and maintenance (ROM) of diesel genset, etc., maintained by the CPWD.
23.	<b>28</b>	<b>Professional Services</b>	It will include expenses on engagement of professionals, consultants, artists, banks, etc., for providing services to the Government which include legal services, consultancy fees, audit fees, teaching and training Fees, payments to artists, remunerations to question setters or invigilators or guest speakers, payments to other departments for services rendered, payment or expenses to agencies for conducting departmental examination.
24.	<b>29</b>	<b>Repair and Maintenance</b>	It will include expenses on repair and maintenance (including all maintenance contract) of equipment such as machinery and equipment, office equipment, equipment for other functional use, digital equipment for office use, digital equipment for functional use, furniture and fixtures for office, furniture and fixtures for other functional use, vehicles (including motor vehicles and non motor vehicles like bicycle, rickshaw, carts, trolleys and boat, etc., for office or functional use),infrastructural assets (It will include expenses on preventive, operating maintenance of Infrastructural assets other than minor civil and electrical works like lines, bridges, rolling stocks of railways, roads, highways, ports, ships, aircrafts, helicopters, radars, hovercrafts, airports or other infrastructures), tools and plants, arms and ammunitions, etc., but exclude expenditure on upgradation, midlife rehabilitation, retrofitting and reconditioning.

25.	39	<b>Bank and Agency charges</b>	It will include bank service charges, agency charges, MDR charges, direct benefit transfer charges to banks and any other charges for convenience fee performing monetary transactions.
26.	40	<b>Awards and Prizes</b>	It will include expenses on awards and prizes given by the Government to the eminent persons and organisations.

**Object Class IV- Aid and Assistance**

27.	31	<b>Grants-in-aid - General</b>	It will include Grants-in-aid released for payments other than salaries and creation of capital assets. It will also include expenditure on welfare activities.
28.	32	<b>Contribution</b>	It will include the contributions made to international or national organisations related to membership. This will not include transfers made to autonomous bodies or PSUs or PSBs for corpus funds.
29.	33	<b>Subsidies</b>	It will include subsidies released under various schemes of the Government.
30	34	<b>Scholarships</b>	It will include the amount of scholarship released to various institutions or organisations or beneficiaries or individuals.
31.	35	<b>Grants for creation of Capital Assets</b>	It will include Grants-in-aid released for payment for creation of capital assets. It will also include Viability Gap Funding (Expenditure on the projects run under Viability Gap Funding Scheme).
32.	36	<b>Grants-in-aid - Salaries</b>	It will include grants-in-aid released for payment of salaries.
33.	37	<b>Aid Material and Equipment</b>	It will include value of aid material and equipment transferred to Ministries or Departments or other Governments or organisations. It will also include grants given in kind to grantee bodies.

**Object Class V-Misc. Revenue Expenditure**

34.	41	<b>Secret Service Expenditure</b>	It will include expenses on secret services.
35.	44	<b>Loss in Exchange</b>	It will include the loss due to difference in the rate of exchange of foreign currency in Indian rupees. The loss due to difference in the rate of exchange at the time of receipts loans from foreign resources and repayment thereof shall also be debited under this Object Head.
36.	45	<b>Interest Payments</b>	It will include payment of interest on capital and discount on loans.
37.	49	<b>Other Revenue expenditure</b>	It will include payment out of discretionary grant, other discounts, fees and fines, custom duty compensation, commitment charges, notional value of gifts, re-imbursement of newspapers purchased or supplied to officer's residence and purchase or re-imbursement of briefcase or ladies purse to Government servants', etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head. It will also include expenditure in respect of schemes, sub-schemes or organisations not elsewhere classified.

**(A) Capital Expenditure (Assets)**

<b>Object Class-VI-Non-Financial Assets (Fixed and Intangible Assets)</b>			
38.	51	<b>Motor Vehicles</b>	It will include procurement of motor vehicles on road like buses, cars, trucks, motorcycles, irrespective of their usage.

39.	<b>52</b>	<b>Machinery and Equipment</b>	It will include procurement of machinery and equipment (other than motor vehicles and ICT equipment), electrical and electronic equipment, medical appliances, precision and optical instruments, watches and clocks, musical instruments and sports goods etc., cost of which exceeds one lakh rupees or three years of useful life, either of the two, need to be booked under this head.
40.	<b>71</b>	<b>Information, Computer, Telecommunications (ICT) equipment</b>	It will include procurement of information, computer, telecommunications (ICT) equipment such as computer hardware and telecommunications devices (computer/laptops, projectors, etc.) and computer software exceeding the threshold limit of one lakh rupees or 3 years of useful life, either of the two, electromagnetic spectrum which is used in the transmission of sound, data and television.
41.	<b>72</b>	<b>Buildings and Structures</b>	It will include office buildings, residential buildings, other buildings and structures like hospitals, laboratories, auditorium, light houses, shelters etc., public monuments like statues, fountains established at public places, and land improvement.
42.	<b>73</b>	<b>Infrastructural Assets</b>	It will include procurement of infrastructural assets such as roads, bridges, tunnels, irrigation projects, power projects, sports infrastructure, water and sewage projects, railway assets, ships, ports, satellites, satellite launch vehicles, airports, aircrafts, motor boats, railway locomotives and rolling stock, other infrastructural projects (include cable lines, sewage systems, rain water harvesting, solar systems, telecom towers, transmission lines and electricity towers,etc).
43.	<b>74</b>	<b>Furniture &amp; Fixtures</b>	It will include expenditure on purchase of furniture and fixture exceeding threshold limit of one lakh rupees or three years of useful life, either of the two, for office use and functional use.
44.	<b>75</b>	<b>Arms and Ammunitions (Capital)</b>	It will include procurement of arms and ammunitions of capital nature.
45.	<b>76</b>	<b>Upgradation Procurement of Heritage Assets and n.e.c.</b>	It will include rehabilitation, overhaul, retrofitting of heritage asset recognised and recorded in the asset register at the nominal value of Rs. 1/- and upgradation 'not elsewhere classified'. It will also include expenditure on procurement of items of fine art and of cultural and archaeological importance.
46.	<b>77</b>	<b>Other Fixed Assets</b>	It will include procurement of other fixed assets like library books and publications, trees, crops and plants, whose natural growth and regeneration is under the direct control, responsibility and management of institutional units, non-motor vehicles like bicycle, rickshaw, cart, trolleys, boat, etc.
47.	<b>78</b>	<b>Land</b>	It will include land consisting of the ground, land for office and residential building, including the soil covering and any associated surface waters (reservoirs, lakes, rivers and other inland waters over which ownership rights can be exercised).
48.	<b>79</b>	<b>Non-produced assets other than land</b>	It will include mineral and energy reserves located on or below the surface of earth including deposits under the sea like oil, natural gas, coal, metallic ores including ferrous, non-ferrous and precious metal ores), non-metallic mineral reserves (including stone quarries, clay and sand pits, chemical and

			fertilizer mineral deposits, and deposits of salt, quarts, gypsum, natural gem stones, asphalts, bitumen, and peat), water resources, plants that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth or regeneration is not under the direct control, responsibility, and management of any institutional units such as virgin forests and fisheries that are commercially exploitable.
49.	<b>80</b>	<b>Intangible Assets</b>	It will include expenditure on copy right, patents, goodwill, intellectual property, etc.

#### **Object Class VI- Financial Assets**

50.	<b>54</b>	<b>Investment</b>	It will include investments made by the Government on purchase of shares and equity, investment in securities, investment in fixed and term deposits, and other investment.
51.	<b>55</b>	<b>Loans and Advances</b>	It will include loans and advances given by the Government.
52.	<b>56</b>	<b>Repayment of borrowings</b>	It will include repayment of borrowings by the Government.
53.	<b>57</b>	<b>Subscription</b>	It will include subscriptions made by the Government of capital nature.
54.	<b>60</b>	<b>Other Capital expenditure</b>	It will include all other capital expenditure which cannot be classified any of the above capital object head.

#### **(C) -Accounting Adjustments**

#### **Object Class VII-Accounting Adjustments**

55.	<b>43</b>	<b>Suspense</b>	It will include the amount kept under suspense heads for want of complete details for adjustment under final head of account.
56.	<b>61</b>	<b>Depreciation</b>	It will include depreciation charged on the assets by commercial departments.
57.	<b>62</b>	<b>Reserves</b>	It will include the provisions of reserves.
58.	<b>63</b>	<b>Inter Account Transfers</b>	It will be used for transfer of amount from one head to another
59.	<b>64</b>	<b>Writes Off of Losses</b>	It will include write off of irrecoverable loans, trading losses.
60.	<b>69</b>	<b>Deduct Receipts</b>	It will include amounts paid from the receipt heads by adjusting as reduction in receipts.
61.	<b>70</b>	<b>Deduct Recoveries</b>	It will be operated to adjust the overpayments in reduction of expenditure.

**Note.**-The expenditure on improvement/ up gradation of assets, which include rehabilitation, overhaul, retrofitting of assets and lease charges of land, buildings, equipment and other non-financial assets, the ownership of which is transferable to Government, will be booked under the object head class – Capital expenditure (Assets) against relevant assets.

**Annexure -II****(See rule 12)****General Conditions for incurring Expenditures**

(1) The powers delegated to the Departments of the Government of India are to be exercised by the issue of formal sanctions in the name of the President, such sanctions being authenticated by the officers authorised to do so under article 77 of the Constitution.

(2) These powers are to be exercised subject to such rules, orders or restrictions issued by the Finance Ministry and other nodal Ministries / Departments from time to time and the financial limits being in accordance with provisions of General Financial Rules (GFR), Fundamental Rules & Supplementary Rules, economy instructions issued by Finance Ministry, Fiscal Codes and procedures and the limit being within the budgetary allocation for the year.

(3) Expenditure, already incurred under an emergent situation by an authority in excess of its powers should be treated as irregular expenditure. Any irregular expenditure under emergent situations should be regularised by issue of an ex post facto sanction with the concurrence of Financial Adviser and approval of Administrative Secretary. These powers should, however, not be exercised in respect of areas where powers vest with the Cabinet

(4) In so far as matters of expenditure are concerned, subordinate authorities can exercise the same financial powers in respect of capital expenditure as they can exercise in respect of revenue expenditure, except in case of those items where the powers may be specifically restricted to revenue expenditure by the Department of the Government of India concerned.

(5) An officer appointed to perform the current duties of a post in addition to his own can exercise financial powers vested in the full-fledged incumbent of the post.

(6) In exercising powers to sanction unusual expenditure, Departments of Government of India should exercise due care and restrict the growth of expenditure on new lines or new types of items.

(7) Expenditure on legal charges shall ordinarily be incurred only with the previous consent of the Ministry of Law and Justice except for charges, the rates of which are notified by the Ministry of Law and Justice from time to time.

(8) The financial limits and guidelines for expenditure on conveyance hire would be in accordance with the extant instructions issued by Finance Ministry.

(9) Renting of buildings for office accommodation and residential purposes – Normally, Departments of Government of India are to take on rent, accommodation in consultation with Central Public Work Department/Directorate of Estates/Ministry of Housing and Urban Affairs. Wherever general pool accommodations are provided by Ministry of Housing and Urban Affairs, renting may not be resorted to by the Departments. The reasonableness of rent, area of accommodation, period of hire is to be in accordance with the guidelines of Central Public Work Department /Directorate of Estates/Ministry of Housing and Urban Affairs. For renting of accommodation abroad for office and residential purposes, the ceilings of rent may be decided by Ministry of External Affairs in consultation with Financial Adviser of that Ministry.

(10) Land required for Government use shall be acquired in accordance with provisions mentioned in GFR and relevant rules and Act, as the case may be. However, the Departments of the Government of India may acquire land provided a separate budget is approved for this purpose. Such purchases would be subject to obtaining certificate from Central Public Work Department/Directorate of Estates/Ministry of Housing and Urban Affairs that there is no Central Government land available for this purpose. All purchases of land either with or without buildings from private party would be undertaken by the concerned Departments of Government only in consultation with Ministry of Housing and Urban Affairs / Central Public Work Department or the competent authorities of the concerned State Governments to determine the reasonableness of the price proposed to be paid for purchase of land.

(11) In order to derive the benefit of these delegations optimally, the Departments of the Government of India should not only make full use of the delegated powers but also further re-delegate powers to their subordinate organisations to match the latter's requirements. A complete review of such re-delegations may be undertaken at least once in three years.