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प्रधान आयकर महानिदेशक (प्रशासन एवं करदाता सेवाएं)
पाँचवी मंजिल, मयूर भवन, कनॉट सर्कस, नई दिल्ली-110001

Principal Director General of Income Tax
(Administration & Tax Payer Services)

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Pr. DGIT(Admn & TPS)/DO/DIT(EB) 2022-23/306

Dated 22.05.2022



Jc (Tech)

Dear Sir,

Pl. send to
O/o Asst. CIT (H) (Admin)
+
O/o Asst. CIT (H) (Infra)
fina

Sub:- Realistic Budgetary formulation and optimal utilization of funds - reg.

At the beginning of the new financial year, it would be appropriate to convey the observations of the Parliamentary Standing Committee on Finance in its recent report, wherein the Department has been advised to pursue realistic budgetary formulation followed by optimal utilization of allocated funds through effective management and monitoring. I would also like to share my observations regarding the fund utilization at the beginning of the new financial year, so that you can guide your Sub - BCAs & other offices and take necessary steps for better projection and utilization of funds.

2. It has been noticed that the projection given by many BCAs towards the object head "Salaries" has been on a higher side, particularly during the last financial year. The B.E. figures are being revised upwards every year without realistic projection being made and funds are being surrendered at the end of the year, which invites audit observation for improper budgeting and expenditure. In view of this, it is requested that the figures projected for the object head "Salaries" towards the B. E. 2022-23 may be checked again and the projection may be revised at R.E. Stage by the BCA, if required. It is also suggested that a break-up may also be provided alongwith the projection as to how much part of the projection under the object head "Salaries" is based on estimation on account of anticipated new Recruitment/Joining/Promotions etc. when B.E. for the next financial year is submitted. Kindly note that for every Quarter of the year, a report in the form of Quarterly Return on the expenditure incurred on pay and allowances of Central Government employees is sent to the DIT (Expenditure Budget) by each B.C.A where details like number of employees and pay allowances expenditure incurred is given. It is suggested

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that the same format and data therein may be utilized to give better projection for object head "Salaries" for the BCA at R.E/B.E Stage.

3. I would like to draw your attention to the O.M. dated 15.09.2011 in F. No. 15/6/2008-IFU.III on the subject "Delegation of Financial Power to Heads of Departments of Revenue, CBDT and CBEC" which specifies the Financial limit of Heads of Departments for incurring expenditure under various items/heads. Only the cases, where the amount proposed to be incurred is beyond the delegated power of HoD are required to be referred to Ministry/Department. It is suggested that all BCAs planning to procure hardware/software for their office under the funds allocated for object head "IT (OE)" may ensure that procurement is done through GeM by following relevant GFR and guidelines. As the power of HoD (one HoD) for purchase/procurement of PCs/Hardware is Rs. 15 Lakhs, any proposal having financial Implication of more than the stipulated amount has to be routed to IFU, CBDT through DIT (Infrastructure) as per the guidelines. Kindly ensure that proper approval has been received from the Competent Authority before sending the requisition for funds under the object head "IT (OE)" to the Directorate of Expenditure Budget for this purpose.

4. The expenditure under the object head "OAE" includes expenditure on conferences/seminars/workshops, etc. In case, the expenditure to be incurred towards any of these is in excess of Rs. 1 lakh for a single event, the prior administrative and financial concurrence of the IFU, CBDT has to be obtained. It is desirable to send the proposal for prior approval with sufficient time for processing the proposal at the Directorate of Expenditure Budget.

5. I would like to further request you to get the Asset Register of the Assets under your BCA updated. As per the CAP guidelines for the earlier financial years, the annual exercise of updating Asset Register has to be done by the Pr. CCIT/CCITs. This will help in updating the records regarding the owned assets and rented assets. This will also give an idea about the actual requirement of repair & maintenance expenses required for the assets coming under your BCA.

6. It has been noticed that in many cases, the BCAs send proposal for rent revision to the DIT (Infrastructure) but don't endorse a copy of the same to the DIT (Expenditure Budget). The anticipated revision's impact on funds required is also not communicated at B.E. or R.E. stage and because of the lack of information in this regard, enhanced requirement of funds for Rent revision in such cases are not projected by the Directorate of Expenditure Budget. It will be helpful, if intimation of Rent revision proposal, where a revision is likely to happen, is sent alongwith a note on the likely requirement of funds under RRT during a particular year to the DIT (Expenditure Budget) so that the financial implication of the same can be duly considered and funds may be provisioned by the Directorate.

7. I would like to mention that the performance of the BCAs in utilization of funds under the object head "Minor Works" and also under Capital Section has been improving. It is requested that the same momentum is continued in this year also. It would be helpful to monitor the status of all the ongoing projects for which funds were allocated under Minor works as well as Capital Projects in the last financial year. It is suggested that the works related to regular/annual maintenance/essential works should be identified and given priority. You may consider the following:

a) Where works/Projects have already been completed and only issue with regard to the payments remains, settling of bills may be prioritized and fund request is intimated to the Directorate of Expenditure Budget.

b) The works/ projects involving the AMCs essential for running Offices-Repair and Maintenance works, which are unavoidable and mandatory, may be prioritized. Kindly note that an attempt has been made by Directorate of Expenditure Budget to allocate funds earmarked for this purpose in the B.E. 2022-2023 allocation order itself, so that the funds are available to the BCAs in the beginning of the year. Kindly note that the funds may only be utilized after the sanction of the Competent Authority is received.

c) The works & projects for which funds allocated during the F. Y. 2021-22 has been partially utilized and additional funds are required during the F. Y. 2022-23 may be identified. Kindly ensure that IFU/ HoD issues revalidated sanction order as soon as possible and then intimation is sent to the Directorate of Expenditure Budget for allocation of funds.

d) New works/upgradation work may be taken up thereafter, subject to availability of funds.

e) You are requested to coordinate with CPWD and/or ZAO and ensure that the funds are transferred timely to the CPWD/executing agency and utilized to the best possible level. The following may help in ensuring the maximum utilization of funds:

- Request for letter of Authority (LOA) may kindly be issued in favour of Pr. CCA, CBDT immediately upon receiving the fund allocation order of DIT (EB).
- Follow-up on the periodical progress of the work and utilization of funds from the concerned agencies is done regularly.

8. As per the trends observed in the earlier years and this financial year, booking of expenditure is normally on a lower side upto December end of a financial year, despite directions issued to follow the Monthly Expenditure Plan (MEP) and Quarterly limits. Further, an extraordinary rush of expenditure is seen in the last Quarter of the financial year. A Quarterly Report is sent by the DIT (Expenditure Budget) after getting the BCA wise expenditure figures from E-Lekha of Pr CCA, New Delhi and upon analysis thereof letters are sent to the BCAs communicating the shortfall or excess, if any in expenditure. It will be beneficial, if the progress of expenditure is monitored by your office and necessary action is taken in this regard.

9. I wish to inform that the expenditure incurred from April to August in any financial year is the basis of allocation of additional grant at the Revised Estimate stage. Therefore, healthy uniform expenditure as per the monthly expenditure plan may be ensured upto August while seeking additional funds for the current year in the R.E. stage.

10. It is also suggested that recurring and committed expenditure like expenditure on Rent, Outsourcing of Manpower & Services, expenditure on hiring of operational vehicles, Electricity, Water & Telephone charges be incurred regularly every month, so as to ensure a healthy expenditure trend and to avoid grievances regarding late payment of dues by the Department.

11. The Directorate of Expenditure Budget is the nodal agency for the monitoring of GeM payments made by CBDT. It has been noticed that the BCAs have incurred high expenditure through GeM portal in the month of March, 2022 and a big part of these payments is still shown as outstanding. The outstanding payments on GeM portal pertaining to CBDT are Rs. 80 Crores as on April 2022. An excel sheet containing the list of cases has already been forwarded to the BCAs by the concerned officers of the DIT (EB) and necessary direction to the DDOs may be issued to make payments/necessary corrections. The outstanding payments due on GeM portal are required to be made to clear the bills on priority basis.

12. Kindly note that in view of the extant guidelines, all procurement has to be done through GeM. In case, all the DDOs under your BCA are not registered on GeM, some part of procurement will be done from other vendors and this may invite Audit Scrutiny/objection. Accordingly, you are requested to take necessary steps to ensure that all DDOs under your BCA are registered on GeM.

13. It is also requested that immediate efforts for the correct mapping of the DDOs with your BCA may kindly be made. Due to the non-mapping of certain DDOs, there is a surplus of fund at the level of some BCAs and shortage at the level of other BCAs. This may adversely affect the performance of certain BCAs since the amount of expenditure will not properly reflect in their account and figures of total expenditure incurred during the year, which has a bearing on next year's allocation, will be skewed.

Your personal intervention is solicited in this regard.

Warm regards,

Yours

sincerely

Archana

(ARCHANA CHOUDHARY)

Sh. Atul Pranay, IRS
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