

**Cap on expenditure of funds by
the Ministries**

200. SHRI DEREK O' BRIEN: Will the Minister of FINANCE be please to state:

(a) whether it is a fact that the Government capped the expenditure of funds by the Ministries in the last quarter of the year 2019-20;

(b) if so, the details thereof and the reasons therefor?

(c) whether this is likely to impact the capacity of the Ministries to fulfil their annual goals; and

(d) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANURAG SINGH THAKUR): (a) and (b) Consolidated guidelines on 'Cash Management System in Central Government' were issued by Ministry of Finance on August 21, 2017 to bring more effectiveness and efficiency in expenditure management. The objective of the revised guidelines is to bring in timely adherence of the expenditure by Ministry/ Departments, as full budget provisions are available w.e.f. 1st April of the financial year and to avoid the last minute rush to incur the expenditure. Further, the revised guidelines were issued on December 27, 2019 to use the allocation available to Ministry/Departments in last quarter/month of the current financial year viz. 2019-20 as indicated below:

Period of Expenditure	Criteria prior to 27.12.2019	Revised Criteria for 2019-20
Last Quarter (Jan-March)	33% of BE	25% of BE
Last Month	15% of BE	10% of BE
Balance period (Jan. and Feb.)	18% of BE	15% of BE

(c) and (d) The revised guidelines may impact those Ministries/Departments, who have unspent budgetary provision over and above the amounts stipulated in the revised criteria.