To,

The Chief of Army Staff
The Chief of Naval Staff
The Chief of Air Staff

Subject: FINANCIAL PROCEDURE FOR EX-SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)

Sir,

1. With reference to Govt. of India Ministry of Defence letter No. 22(1)/01/US(WE)/D(Res) dated 30 Dec 2002, I am directed to convey the sanction of the President to the adoption of the Financial Procedure embodied in the Appendix to this letter in connection with the ex-servicemen Contributory Health Scheme (ECHS) with immediate effect.

2. A peripatetic check/review of the operation of these Financial Procedures for the ECHS at various ECHS Stations as well as the Central Organisation and Regional Centres will be carried out by DG DC&W in consultation with CGDA once in two years or as and when required and the findings of such check/review will be communicated to MOD and MOD (Finance).

3. This issues with the concurrence of Ministry of Defence (Finance) vide their U.O No. 984/PD dated 03.09.2003.

Yours faithfully

Sd/-xxx

(V.K. JAIN)

Under Secretary to the Govt. of India

Copy to:-
1. CGDA, New Delhi
2. SO to Defence Secretary
FINANCIAL PROCEDURES

EX SERVICEMEN CONTRIBUTORY HEALTH SCHEME (ECHS)

Contents

PART I - GENERAL FINANCIAL PROCEDURES FOR ECHS

PART II - FINANCIAL MANAGEMENT AT STATION HEADQUARTERS

PART III - FINANCIAL MANAGEMENT AT POLYCLINICS

PART IV - FINANCIAL MANAGEMENT AT ECHS ORGANISATION

PART V - CAPITAL EXPENDITURE

PART VI - REVENUE EXPENDITURE

PART VII - ALLOCATION OF FUNDS AND AUTHORITY FOR FINANCIAL POWERS

Appendix A

Appendix B

Appendix C
PART I - GENERAL FINANCIAL PROCEDURES FOR ECHS

AUTHORISATION FOR SCHEME

1. The Ex-Servicemen Contributory Health Scheme (ECHS) has been approved for implementation by the Govt of India vide GOI Min of Def letter No 22 (01)/US(WE)/D(Res) dated 30 December 2002.

HEADS FOR EXPENDITURES AND RECEIPTS

2. Capital Outlay

(a) The head for expenditure under the Capital outlay is given below:

   - Major Head - 4076
   - Sub Major Head - 01
   - Minor Head - 107*

(*Amended vide CGDA Correction Slip No. 88/04 . Corrigendum Slip attached)

The subheads for the Capital Outlay are listed below. This will be according to the objects of expenditure envisioned under the ECHS.

   i) Purchase of Land
   ii) Construction of Buildings
   iii) Purchase of Medical Equipment.

3. Revenue Outlay. The heads of expenditure for Revenue Expenditure will be:

   - Major Head - 2076
   - Minor Head - 107 - Stores *

(*Amended vide CGDA Correction Slip No. 88/04. Corrigendum Slip attached)

4. The Sub heads for Revenue expenditures are given below. The details of the objects of expenditure listed under each Sub head is attached as Appendix-A.

   a) Salaries And Remunerations Of Employed/Contracted Staff
   b) Transportation
   c) Stores –
      (i) Medical Stores.
      (ii) Other than Medical Stores.
   d) Information Technology
   e) Medical Reimbursement and related expenditure
   f) Miscellaneous.
   g) Revenue Works.

5. Receipts.

(a) The heads for Receipts are given below:

   - Major Head - 0076
   - Minor Head - 107 - Stores *

(*Amended vide CGDA Correction Slip No. 88/04. Corrigendum Slip attached)

(b) The Sub heads for the receipts will be :

   (i) ECHS contributions
   (ii) Receipts on account of auction of ECHS stores/equipment
   (iii) Misc receipts

COMMAND AND CONTROL OF ECHS

6. The command and control for the ECHS organisation and Polyclinics in Military and Non Military Stations will be exercised for all matters administrative, executive and financial by
the existing chain of Command and Control of the Army except in Stations which are under the control of the Air Force and Navy. The list of these stations is given below:

<table>
<thead>
<tr>
<th>Ser No</th>
<th>List of ECHS Polyclinics under control of Navy</th>
<th>Ser No</th>
<th>List of ECHS Polyclinics under control of Air Force</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Cochin</td>
<td>(a)</td>
<td>Bangalore (Urban)</td>
</tr>
<tr>
<td>(b)</td>
<td>Mumbai</td>
<td>(b)</td>
<td>Yelhanka (Bangalore)</td>
</tr>
<tr>
<td>(c)</td>
<td>Mumbai (Upnagar)</td>
<td>(c)</td>
<td>Nagpur</td>
</tr>
<tr>
<td>(d)</td>
<td>Karwar</td>
<td>(d)</td>
<td>Coimbatore</td>
</tr>
<tr>
<td>(e)</td>
<td>Port Blair</td>
<td>(e)</td>
<td>Kanpur</td>
</tr>
<tr>
<td>(f)</td>
<td>Vishakhapatnam</td>
<td>(f)</td>
<td>Jorhat</td>
</tr>
<tr>
<td>(g)</td>
<td>Balasore</td>
<td>(g)</td>
<td>Sirsa</td>
</tr>
<tr>
<td>(h)</td>
<td>Bhubaneswar</td>
<td>(h)</td>
<td>Gorakhpur</td>
</tr>
<tr>
<td>(i)</td>
<td>Berhampur</td>
<td>(i)</td>
<td>Saharanpur</td>
</tr>
<tr>
<td>(j)</td>
<td></td>
<td>(k)</td>
<td>Faridabad</td>
</tr>
<tr>
<td>(l)</td>
<td></td>
<td>(l)</td>
<td>Ghaziabad (Hindon)</td>
</tr>
<tr>
<td>(m)</td>
<td></td>
<td>(m)</td>
<td>Mysore</td>
</tr>
</tbody>
</table>

Ghaziabad added vide 24(3)/03/US(WE)/D(Res) dt 13 Nov 03
Bhubaneswar added vide 22(4)/05/US(WE)/d/d 10 Aug 05

7. In cases where the Polyclinics are controlled by the Navy and Air Force, the Station Commander of the respective Service (Navy or Air Force) and the CFAs of the respective Service thereon are authorized to exercise administrative, executive and financial powers for ECHS as exercised by equivalent Station Commanders and CFAs in the Army. The audit cover to Station Headquarters which are proposed to be placed under the Navy and Air Force may be provided by CDA (Navy) Mumbai and JCDA (AF) Nagpur & PCDA (AF) Dehradun. Necessary budget allocation may have to be made to the concerned Station Headquarters and intimation to CDA (Navy) Mumbai and JCDA (AF) Nagpur & PCDA (AF) Dehradun, with intimation to respective Command Headquarters of Air Force and Navy. (Audit cover amended vide AT/IV/4807/ECHS dated- 11/03/04)

8. The list of Polyclinics along with Military Station under whose jurisdiction the Polyclinic will function will be made available by the ECHS to CGDA. The CGDA subsequently will communicate the list to all concerned CDAs.

ALLOCATION OF FUNDS FOR MANAGEMENT OF ECHS.

9. The Central Organization, ECHS will indicate the sub allocation of funds for ECHS Polyclinics. The fund will be placed at the disposal of Headquarters Commands, DGAFFMS, QMG, MGO and any other agency required for the management of the ECHS Polyclinics. The agencies to which the sub-allocation of expenditure under Revenue head for ECHS Polyclinics will be done are mentioned in Appendix B.

10. Expenditure on account of administration for Regional Centres will be allocated by the Central Organization, ECHS to the Headquarters Sub Area/Area/Command under whom they are functioning. MD ECHS will allot funds from revenue expenditure for administration of Central organisation.

11. The requirements for the ECHS will be projected annually to the ADG(FP) for inclusion in budgetary estimates by 31 Oct of every year. The requirements will be assessed based on the projections made by Commands for all ECHS Polyclinics and Regional Centres in their area of jurisdiction. All reports and returns submitted by ECHS shall be as per the frequency and budgetary system existing in the Armed Forces.

SANCTION OF EXPENDITURE.

Responsibility for Exercising Financial Control under Various Heads.
12. Responsibility for exercising financial control will be with the authorities that have been sub allocated the funds. This will be as per the current powers already laid down vide Govt of India letter No A/89591/FP-1/693/2002/D(GS-I) dated 22 April 2002 regarding Enhancement of Delegated Financial powers of Army Authorities read in conjunction with Financial Regulations Part I Volume 2 and any other financial powers as approved by the Govt. The ECHS organisation will monitor the expenditure through periodic reports and returns.

13. The management of finances at the ECHS Polyclinics shall follow the existing chain of static command and control i.e. from Station Headquarters to Sub Area Headquarters to Area headquarters to Command Headquarters and thereafter to Army Headquarters as explained in the subsequent paragraphs. The major component of payments in the ECHS devolves upon Station Commanders, who alone shall be the ‘Paying Authority’ against financial powers vested with them, and against sanction given by competent authorities.

14. In regard to the expenditure for Medical Reimbursement and related expenditure, the financial powers delegated vide MOD letter No 24(3)/03/US(WE)/D(Res)(i) dated 08 Sep 2003 will be exercised by the competent authorities.

15. Necessary Cash Assignment, to be used exclusively for ECHS, will be placed at the disposal of respective Station Commanders to their nominated bankers by the Army/Navy/Air Force PCSDA/CsDA to make payments to referral hospitals for treatment, contingent expenditure and other running expenditure of Polyclinics. The Cash Assignment, Cash Book together with the paid voucher, bank reconciliation statements will be forwarded to PCSDA/CsDA for post audit. The irregularities if any, noticed during the post audit will be brought to the notice of Cash Assignment holder for its settlement. The Cash Assignment holder with approval of CFA may place certain specified amount to the Polyclinics to meet urgent contingent expenditure, which can be recouped from their cash assignment holder with reference to the paid vouchers. Each cash assignment holder will operate only single cash assignment account.

16. Station Commanders of Navy and Air Force controlling ECHS Polyclinics under their jurisdiction and concerned CFAs will exercise equivalent powers as laid down vide Govt of India letter No A/89591/FP-1/693/2002/D(GS-I) dated 22 April 2002 regarding Enhancement of Delegated Financial powers of Army Authorities read in conjunction with Financial Regulations Part I Volume 2 and any other financial powers as approved by the Govt. The CGDA will accordingly arrange for similar arrangement of Cash assignment for polyclinics of Navy and Air Force for stations listed in para 6.

**Manner of Exercising Financial Powers**

17. In the exercise of these powers the respective authorities will follow the guidelines as laid down in Financial Regulations Pt -1 Vol I Para . 65, 66. The powers authorized are ex-officio and cannot be delegated to any subordinate officer except as indicated below:

(a) In every case the officer possessing financial powers is personally and unreservedly responsible for any orders purporting to be issued in accordance with the degree of relaxation permitted by this paragraph whether the communication conveying the orders is signed by himself or by an officer subordinate to him.

(b) On the strict understanding that the sole responsibility rests on him, an officer possessing financial powers may authorize a staff officer to sign communication and documents of a financial character on his behalf, provided that the name of the officer who is authorized to sign is
communicated to the audit officer concerned. In such case it shall not be necessary for the officer possessing financial powers himself to sanction each item personally.

(c) Claims for minor allowances, which should ordinarily be countersigned by the PSOs, may be countersigned by a selected officer empowered to sign for him.

(d) When an officer possessing financial powers is absent on leave and no officer has been formally appointed in his place financial responsibility will rest on the officer actually performing his duties who will for the time being exercise the full powers of the absentee. The subordinate officer’s signature in these cases should, however indicate that he signs “for .................absent on...............”

(e) When an officer possessing financial powers is absent on temporary duty or tour, he may permit in writing another officer to sign letters on his behalf. An audit office will accept the subordinate officer’s signature as implying that the orders have been approved by the superior officer, provided that the signing officer signs for .................absent on to temporary duty”.

(f) When an officer possessing financial powers has been posted out and no officer has been formally appointed in his place, financial responsibility will rest on the officer actually performing his duties who will for the time being exercise the full powers of the appointment.

18. Enhanced financial power as delegated to CFAs and various authorities, as specified in FR Part I, Vol II, Revised Edition 1983, will be used. Cases not covered by the delegated financial powers will be referred for sanction to the Ministry of Defence. The following to be ensured:

(a) Delegated financial power, should be exercised by the CFAs, with the concurrence of accredited IFA wherever required.

(b) All papers, documents, records connected with the proposals involving exercise of powers should be made available to IFA so as to avoid delays in processing the proposals. Similarly, in respect of meeting of Tender Purchase Committee (TPC) all papers, documents, purchase files, tender inquiries, original quotations should be made available to IFA at least 3 clear days in advance of the TPC meeting to provide him time for effective evaluation.

(c) The CFAs should ensure vigorously and effectively that sanctions are not split, so as to avoid seeking the concurrence of Ministry/IFA.

(d) As far as possible items as approved and available on DG S&D rates should be purchased.

(e) All the financial regulations should be kept in mind while carrying out or planning for expenditure out of ECHS funds.

AUDITS

19. All payments for ECHS shall be audited by Regional CsDA. Contingent Bills and connected documents/certificates, where payment has been made by Cash Assignment cheques, shall be forwarded by the 7th of the following month to Regional CDA along with summary. The expenses from the Cash Assignment system will be post audited by the Regional CDA.

20. The ECHS unit/Formations will maintain their auditable documents for the post audit by the concerned LAOs/RAOs of Regional/Navy/Air Force PCsDA/CsDA under whose geographical jurisdiction the Armed Forces Clinics and Polyclinics falls. The irregularities/objections, if any, noticed during the local audit will be reported to the respective
Station Commanders/Polyclinics. The objections, serious irregularities etc will be included in the MPR, MFAI, AAC, IAR etc.

21. If objection is taken audit by the LAOs/RAOs to any item of expenditure incurred and the objection is not withdrawn as a result of a representation or explanation made, regularization action under the orders of appropriate CFA may have to be taken for its settlement.

**BUDGET.**

22. **Budget Estimates.** Budgetary estimates will be prepared by the Station Headquarters and compiled at Headquarters Sub Area/Area/Command. The same will be forwarded to Central Organisation and ECHS by 30 Sep each year. Station Headquarters in respect of Polyclinics controlled by Navy and the Air Force, after obtaining approval of the concerned FOC-in-C/AOC – in C, will forward consolidated estimates to Central Organization ECHS by 30 Sep each year. In addition a copy of the same will be submitted to the respective Regional Centres who will forward a consolidated report to the Central Organization, ECHS, AGs Branch Army Headquarters. This report will also be submitted by 30 Sep each year.


24. Budgetary control will be exercised by the Station Headquarters, Sub Area/Area/Command Headquarters in their areas of jurisdiction. Re-appropriation of funds may be made by the Sub Area/Area/Army Commander within their area of influence. Inter Command re-appropriations of funds will be done by Central organisation, ECHS, based on the estimates of expenditure in each Command.

---

**Important Circular**

**AMENDMENT TO CLASSIFICATION/HAND BOOK ‘DEFENCE SERVICES RECEIPT AND CHARGES 1992 (EDITION)**

C.S. No. 88/04

Delete the detailed heads “Ex-Servicemen Contributory Health Scheme” opened vide CS No. 76/2003 at page-14 below Major Head 0076, Minor Head-110D; page-92 below Major Head 2076, Minor Head-110D, page-249 below Major Head 4076, Sub-Major Head-01, Minor Head-103 and page-254 below Major Head 4076 Sub-Major Head-01 Army Minor Head-202 along with codr heads and particulars of charges shown against each.

**Insert the follow new Minor Heads**

**Page 8**

For Major Head: 0076- DEFENCE SERVICES – ARMY

Insert the following new Minor head with Sub head/Detailed heads, below Minor Head-105 “Military Farms”:-

**107 – Contribution for Ex-Servicemen Contributory Health Scheme**

| a) | ECHS Contributions | 405/01 Contribution made by Ex-Servicemen for becoming members of ECHS |
| b) | Receipt from auction of ECHS Store/Equipment | 405/02 |
| c) | Miscellaneous receipts | 405/03 |
Page 75
For Major Head: 2076 – DEFENCE SERVICES – ARMY

Insert the following new Minor head with Sub head/Detailed heads, below Minor Head-106-
“Military Farms”.

107-Ex-Servicemen Contributory Health Scheme

Sub Head A – Pay & Allowances of Service Personnel

1. Officers 360/01
2. Other Ranks 360/02

Sub Head B – Pay & Allowances of Employed/Contracted Staff

1. Officers 361/01
2. Others 361/02
3. Overtime Allowances 361/03
4. Payment to Contracted Agency 361/04

Sub Head C – Transportation

1. Movement of Personnel 362/01
2. Movement of Stores 362/02
3. Foreign Travel 362/03

Sub Head D – Stores

1. Medical Stores 363/01
   1. Medical Equipment
   2. Medicines and Drugs
   3. Repair and Maint(incl AMCs)
2. Other Stores 363/02
   1. Clothing Items
   2. Vehicles, Generators & Air conditioners
   3. FOL
   4. Furniture for polyclinics
   5. Repair & Maintenance
   6. Expenditure on procurement which has value of less than 10 lakh each with a life span of less than 7

Sub Head E – Information Technology

(a) Hardware

I. Local Purchase 364/01
   1. Expenditure on procurement of computer and connected stores.
II. Central Purchase 364/02
   2. Expenditure costing less than Rs. 10 lakh with less than 7 years expected life will be compiled to this head.

(b) Software

I. Local Purchase 364/03
   1. Caters for expenditure on purchase of software.
II. Central Purchase 364/06
   2. Expenditure costing less than Rs. 10 lakh with less than 7 years expected life will be compiled to this head.

(c) Maintenance

I. Local Purchase 364/05
II. Central Purchase 364/06

Caters for expenditure on maintenance of Computers etc

(d) Computer Stationery and Consumable

I. Local Purchase 364/07
II. Central Purchase 364/08

Caters for expenditure on procurement of Computer Stationery and Consumable items.
(e) **Information Technology Training**

1. **Local Purchase** 364/09

2. **Central Purchase** 364/10

Caters for expenditure on Information Technology Training

**Sub Head F – Medical Treatment Related Expenditure**

365/00

1. Payment to Empanelled Hospitals, Nursing Homes, Diagnostic Centres and Consultants.

2. Medical advances


4. Purchase of specific medical equipment for patients.

5. Medical comforts to ex-servicemen patients.

6. Artificial limbs etc.

7. Surgical and other implants, hearing aids, intra-ocular lenses, cochlear implants, joint replacement implants etc.

8. Special consumables and implants for cardiology, cardio thoracic surgery, renal dialysis and surgery etc.

**Sub Head G - Miscellaneous**

366/00

1. Stationery and consumables.

2. Local printing of stationery.

3. Service labels (stamps), official postage, telegrams/Telex, speed post and registration charges.

4. Installation and payment of telephone bills/Fax and internet.

5. Cost of Law Suits/Medicolegal Cases.

6. Cost of photographs and Identity Cards to polyclinic employees.

7. Contingency.

8. Library books.

9. Hot weather/cold weather appliances establishment charges.

10. Washing of polyclinics linen, bedding and patient clothing.

11. Funeral expenses in respect of death while in polyclinic (limited to linen used, preservation of body and mortuary charges).


13. Other expenses for establishment not covered under any head.

15. Office equipment and maintenance of office equipment, including AMCs.
16. Insurance of ambulance, vehicles and payment for vehicle registration and other local charges.
17. MACT claims.
18. Department conferences and connected expenditure.
19. Publicity.
20. Travelling exp for patients and attendants.

Sub Head H - Revenue Works  367/00

1. Minor Works.
2. Special works.
3. Special repairs.
4. Emergence repairs.
5. Hiring of buildings.
6. Property tax.
7. Water and electricity charges.

Page 251
For Major Head: 4076 : CAPITAL OUTLAY ON DEFENCE SERVICES
Sub Major Head 01- Army
Insert the following new Minor head with Sub head/Detailed heads below Minor Head-106 – “Procurement of Rolling Stock”.

107 – Ex-Servicemen Contributory Health Scheme

(a) Purchase of Land  907/38
(b) Construction of Buildings  907/39
(c) Purchase of Medical Equipment  907/40

Expenditure on procurement of equipment costing Rs. 10 lakh or more each and which have a life span of 7 years or more.

PART II - FINANCIAL MANAGEMENT AT STATION HEADQUARTERS

CASH ASSIGNMENTS

1. The Station Commanders under whose jurisdiction the ECHS Polyclinics are located will be authorized to have cash assignments in their favour in the treasury or Bank. They shall operate exclusively by cheques in the prescribed form to be obtained from CDAs.

OBJECTS OF EXPENDITURE

2. All expenditure from Revenue Heads for the ECHS Polyclinics will be made through this account. This will include all expenses towards:

(a) Medical Reimbursement and related expenditure.
(b) Salaries/Remuneration for ECHS Polyclinic staff
(c) Transportation
(d) Medical Stores
(e) Non Medical Stores
(f) Purchase of Computer Stationary and Consumables.
(g) Miscellaneous and Contingent expenditures
(h) Revenue works.

3. The detailed list of objects of expenditure under the Revenue Heads from which the Station headquarters will be expected to expend money is listed under heading ‘Commands’ in Appendix B. The Station Commanders will also issue cheques for petty expenditure in the ECHS Polyclinics.

ACCOUNTING.

4. Necessary Cash Assignment will be placed at the disposal of respective Station Commanders to their nominated bankers by the Army/Navy/Air Force PCsDA/CsDA to make payments to referral hospitals for treatment, contingent expenditure and other running expenditure of Polyclinics. The Cash Assignment, Cash Book together with the paid voucher, bank reconciliation statements will be forwarded to PCsDA/CsDA for post audit. The irregularities if any, noticed during the post audit will be brought to the notice of Cash Assignment holder for its settlement. The Cash Assignment holder with approval of CFA may place certain specified amount to the Polyclinics to meet urgent contingent expenditure which can be recouped from their cash assignment holder with reference to the paid vouchers. Each cash assignment holder will operate only single cash assignment account.

PART III - FINANCIAL MANAGEMENT AT POLYCLINICS

PUBLIC FUND ACCOUNTS

1. A separate Public Fund Account titled “ECHS Public Fund Account” shall be maintained at all concerned ECHS Polyclinics. The fund will be utilized for petty expenditure for the ECHS. The fund will be operated as a joint account between the Officer in Charge Polyclinic and the Senior Medical Officer at the Polyclinic.

OBJECTS OF EXPENDITURE

2. The list of objects of expenditure which can be made out of the ECHS Public Fund account is placed at Appendix C. Such expenditure will be utilised for the administration of the Polyclinics. The expenditure for petty expenses will be carried out under the authority of the Officer In Charge Polyclinic.

FINANCIAL LIMITS FOR EXPENDITURE.

3. The annual financial limits for expenditure under the fund are laid down below:

<table>
<thead>
<tr>
<th>Ser No</th>
<th>Stations</th>
<th>Petty Expenditure (Annual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Military Stations</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Type A &amp; B</td>
<td>Rs 15,000/-</td>
</tr>
<tr>
<td>(c)</td>
<td>Type C &amp; D</td>
<td>Rs 10,000/-</td>
</tr>
<tr>
<td>2</td>
<td>Non Military Stations</td>
<td></td>
</tr>
<tr>
<td>(a)</td>
<td>Type A &amp; B</td>
<td>Rs 30,000/-</td>
</tr>
<tr>
<td>(b)</td>
<td>Type C &amp; D</td>
<td>Rs 20,000/-</td>
</tr>
</tbody>
</table>

4. Each single transaction of petty expenditure should not be more than Rs 1,000/-. In case an expenditure of more than Rs1000/- is encountered then approval of Station Commander will be obtained.
PROCEDURE FOR EXPENDITURE AT POLYCLINICS

5. The guidelines for expenditure from Public Fund Account at ECHS Polyclinic will be:-

(a) Officer-in-Charge will be responsible for the funds kept at his disposal.

(b) Polyclinics will be required to maintain a maximum sum of Rs 3,000/- in cash at any given time for meeting any urgent expenditure for petty purchase to ensure efficient functioning of the polyclinic.

(c) Payments will preferably be made through Cheques.

ACCOUNTING.

6. All expenditures under the fund will be accounted for. Accounts will be audited at least once a quarter by a Board of Officers to be detailed by the Station Commander and LAOs/RAOs.

7. The following will be ensured:

(a) A cash book will be maintained by the Officer In Charge Public Fund Account. At any given time this Officer should be able to account for the total cash on charge which may also include the vouchers having been paid.

(b) A bank a/c for Public Fund will be opened jointly on the name of OIC Polyclinic and Senior Medical officer in the Polyclinic.

EMERGENT PURCHASE OF MEDICINES

8. Emergent purchase of Medicines which is of essential requirement will be procured from the empanelled Medical Stores by the O I/C Polyclinic. The medicines will be given to the patients. The bills raised will be submitted to the Station Headquarters periodically as per procedures enumerated under the revenue head. The payment for these medicines will be made by Station Headquarters directly to the empanelled Medical store.

OTHER EXPENDITURE

9. Expenditure incurred on FOL for ambulances will be through empanelled petrol stations. The bills so raised will be forwarded to Station HQs who will make the payments. However emergent requirements will be must from funds available with polyclinics. Details on modalities of other expenditure are enumerated under Part VI -Revenue head.

PART IV - FINANCIAL MANAGEMENT FOR ECHS CENTRAL ORGANIZATION AND REGIONAL CENTRES

Funds for Administrative Infrastructure

1. Funds will be allocated under Capital and Revenue heads for Administration. The funds will be utilized for establishment, maintenance and functioning of Central Organisation ECHS and Regional Centres.

2. Pay and allowances of serving personnel working for ECHS Central Organization/Regional Centers will be paid out of Defence Service Estimate (DSE) budget as being done at present.
CAPITAL EXPENDITURE

3. **Objects of Expenditure** - The capital outlay will be utilized for Construction of Buildings for Central Organisation and Regional Centres.

4. **Procedure** - The Command HQs will project the nature of works required and its cost for the Regional Centres to the Central Organisation, ECHS. For Central Organisation, ECHS, the same will be worked out by HQ Delhi Area/Western Command. ADG(FP) will be requested to allocate funds. The funds will be placed at the disposal of QMG, who will further re-allocate the funds for the Regional Centers and the Central Organisation ECHS.

5. The procedure for construction will be on the same lines as for the ECHS Polyclinics. Plans will be made available by the E-in-Cs Branch to all Zonal Chief Engineers. The standard procedures under MES regulations will be followed thereafter.

6. **Financial Powers** - Current powers of QMG and Headquarters Command/Area/Sub Area, as per regulations, will be utilized.

REVENUE EXPENDITURE

7. **Objects of Expenditure** - The Revenue head will be utilized for the following:-

   (i) Transportation.
   (ii) Stores other than Medical Stores.
   (iii) Information Technology.
   (iv) Miscellaneous and contingent expenditure including publicity.
   (v) Revenue works.

8. **Allocation** - The Central Organisation will make detailed allocation plans for the allotment of funds under Revenue heads to the Central Organisation ECHS and the Regional Centres. While allocating funds the following will be considered:

   (a) The number of Polyclinics under a Regional Centre, number of Station Headquarters and Service Hospitals (SEMO) handling ECHS.

   (b) Number of Military and Non Military Stations under the control of Regional Center and Station Headquarters.

Work load

9. The allocation for various heads of expenditure will be done through various authorities as in the case of Polyclinics.

PROCEDURE FOR MANAGEMENT AT CENTRAL ORGANISATION OR REGIONAL CENTRE.

10. Expenditure as authorised will be carried out from the above funds. All procedures for procurement will be adhered to, as for other service establishments. Central Organisation and the Regional Organisation may, however, procure items as listed under heading ECHS in Appendix to the MOD letter 24(3)/03/US(WE)/D(Res)(i) dated 08 Sep 2003 on delegation of financial powers for Ex-servicemen Contributory Health Scheme (ECHS).

11. The Central Organisation and Regional Centres are also authorised to incur expenditure on Publicity, which will include publication of books, pamphlets, posters, publicity materials, documentary films, development and maintenance of internet home page site etc.

PART V - CAPITAL EXPENDITURE

OBJECTS OF EXPENDITURE

1. The following are the objects of expenditure for which expenses will be incurred from Capital outlay:-
   Acquisition of Land
   Construction of buildings
   Procurement of Medical Equipment

PHASING OF STATIONS FOR DEVELOPMENT

2. A list of ECHS Polyclinics for development in a phased manner over 5 years as per para 3 will be prepared by Central Organization, ECHS. The list of Polyclinics will be made available to the QMG.

ALLOCATION OF FUNDS

3. The funds for Capital outlay will be placed at the disposal of QMG or DGAFMS as per the budgeted estimates for expenses under various sub heads.

PROCEDURE FOR PROCUREMENT OF LAND

4. The Procedure for Procurement of Land in Non Military Stations for ECHS Polyclinics, as approved by Govt of India, will be followed.

CONSTRUCTION OF BUILDINGS

5. Construction of the Polyclinics will be as per the authorized plinth area as mentioned in Govt of India letter quoted in para 1 above. These will be:

   Type A     - 5000 sq ft
   Type B     - 4000 sq ft
   Type C     - 2500 sq ft
   Type D     - 2000 sq ft

6. Standard Building plans have been approved vide Government of India, Ministry of Defence letter No. 24(4)/03/US(WE)/D(Res) dated 01 Aug 03

7. Procedures for allocation of funds and for construction of ECHS buildings/Polyclinics will be as per Government of India letter issued separately.

PROCUREMENT OF MEDICAL EQUIPMENT

8. The Procedure for Procurement of Medical Equipment for ECHS as approved by the Govt of India will be implemented.

BUDGETARY CONTROL

9. Regular reports and returns on status of expenditure will be submitted by the DGAFMS and HQs Regional Commands, to the Central Organization, ECHS and ADG(FP). The procedure for re-appropriation of funds as laid down in Paras 116 to 118 of FR Part I will be followed.
PART VI - REVENUE EXPENDITURE

OBJECTS OF EXPENDITURE

1. Revenue expenditure for the ECHS will comprise the following categories:

   Salaries and Remuneration.
   Transportation.
   Store.
   Information Technology.
   Medical Reimbursement and related expenditure.
   Revenue works
   Miscellaneous.

SALARIES/REMUNERATION OF EMPLOYED/ CONTRACTED STAFF

2. Procedure: - The procedure for Contractual employment of Medical, Para-medical and Non Medical staff for ECHS Polyclinics as approved by the Govt of India will be implemented.

3. The following services for the polyclinics will be outsourced, for which the Station Commanders are authorized to enter into agreement with contracting agencies: -

   Conservancy.
   Housekeeping.
   Vehicle operation and maintenance.
   Data entry and records maintenance.

4. The Station Headquarter will release the payment for ECHS Polyclinics under its jurisdiction by the 25th of every month by cheque.

5. Remunerations to the polyclinic staff will be done on the last day of every month by the Officer-In-Charge (O I/C) Polyclinic through cheque. Remunerations will be paid to the polyclinic staff on pay bill cum acquaintance roll raised in 3 copies by the O I/C Polyclinic. The polyclinic staff will sign a receipt as having received the remunerations. Remunerations bill cum Acquittance Roll duly completed will be signed by the officer in charge polyclinic, and disposed as under:

   (a) Original - To be forwarded to Station Headquarters by 5th working day of the following month by OIC Polyclinics. The Station Headquarters will compile all the vouchers received from different Polyclinics and will despatch them to Accounting and Audit authorities by 15th of the month.

   (b) Duplicate - To be maintained by Station Headquarters (to be retained for 5 years and destruction once clearance from CDA is obtained).

   (c) Triplicate – To be maintained at polyclinic for record purpose.(To be maintained for 5 years and later to be destroyed after clearance from CDA).

6. Payments to contracted agencies for outsourced services will be made by cheque, by the Station Commander within the rates approved by the Govt from time to time.

7. Allocation :- The allocation of funds for the salary of the staff will be made to the Headquarters Commands by ADG (FP) based in the projected estimates by Central Organisation, ECHS. The Commands will thereafter sub allocate the funds for Salaries and remunerations to the respective Station Headquarters.
8. **Financial powers**: The Station Commanders will have powers for payments to polyclinic staff, to enter into contracts with agencies for outsourced services and to make payments to these agencies in accordance with procedures as approved by the Govt.

**TRANSPORT**

**Movement of Personnel**

9. **Procedure**

a) **Polyclinic staff** – When a polyclinic staff is detailed by Station Headquarters to visit any other Station for official work, the TA/DA will be applicable in accordance with entitlement of service personnel of equivalent pay scales in the Armed Forces.

b) **Regional Center** – The Sub Area/Area/Command HQ under which the Regional Center is functioning will have the power to sanction temp duty move of personnel to any station under the jurisdiction of Regional Center. Any move to next Superior HQ, like Area or Command HQs will be approved by the concerned headquarters. Moves to Central Organisation ECHS, and to other stations/polyclinics as ordered by Central Organisation ECHS, will be sanctioned by MD ECHS.

c) **Central Org ECHS** - The MD ECHS will have powers to move personnel of the Central Organisation ECHS on temporary duty to any Regional Center or station where an ECHS polyclinic is located. The move of MD ECHS will be approved by the DG DC & W.

10. **Financial powers**: Payments for moves by ECHS Polyclinic staff will be made by Station Commander. All claims in respect of service officers/PBOR will be processed through service HQs concerned.

**MOVEMENT OF STORES**

11. **Procedure** - Ordinarily all stores will be made available to the ECHS polyclinic at the location itself. Drugs and consumable stores will be dispatched to the polyclinics under arrangements of the AFMSDs for which powers as available to local formation Commander and DGAFMS will be utilized.

**FOREIGN TRAVEL**

12. **Procedure** - Foreign travel will follow the same procedures as followed for training/conference visits. The funds will be sub allocated by ADG (FP) from the ECHS revenue funds.

13. **Financial Powers** – In accordance with the existing Financial Powers.

**MEDICAL STORES**

**Drugs and Medical Consumables**

14. **Procedure** – The procurement of drugs and medical consumables will be done by the DGAFMS as per procedure approved by the Govt. The Central Organisation ECHS will consolidate the annual demands for drugs and other consumable medical stores in respect of all ECHS polyclinics and forward the same to DGAFMS by the 30th November each year. The DGAFMS will forward budget estimates for drugs and consumables to Central Organisation ECHS by 30 Dec each year, for intimation to ADG (FP) for allocation of budget.
15. **Financial powers** - All powers as available currently with the DGAFMS will be utilized by DGAFMS, AFMSDs and CO Service Hospitals, for procurements of drugs and medical consumables.

**MEDICAL EQUIPMENT**

16. **Procedure** - All medical equipment for polyclinic as required will be procured by DGAFMS, AFMSDs. Demand or same will be projected to DGAFMS, AFMSD’s as per current procedure of AFMS.

17. **Financial powers** – Existing financial powers will be utilized.

**LOSS OR DAMAGE TO STORES**

18. **Procedures** - In case of any loss or damage to stores, current procedures as followed in Defence Services will be followed.

**REPAIR/MAINTENANCE AND ANNUAL CONTRACTS**

19. **Procedures**- The repair and maintenance procedure for medical equipment will be as per laid down procedures for Service Hospitals. The annual maintenance contracts when required will be carried out as per available powers with Commanding Officers of the affiliated Service Hospitals/ intermediary medical authorities at Formation Headquarters/DGAFMS.

20. **Financial powers** - As per the existing delegations to Commanding Officers of Service Hospitals, AFMSDs (ATEO and TEO), EME workshops, DDs MS Area/Command and DGAFMS.

**LOCAL PURCHASE OF DRUGS AND CONSUMABLES**

21. **Procedures** - The local purchase of medicines will be carried out by the affiliated Comdt/CO hospitals as per LP procedure currently approved by the Govt for service hospitals. The current financial powers will be utilised. Budget estimates for local purchase of drugs / consumables for polyclinics will be compiled at Headquarters Commands, and forwarded to Central Organisation ECHS by 30th Nov every year. These estimates will be vetted by Regional Centres ECHS prior to submission to Headquarters Command. Central Organisation ECHS will allocate funds for the purpose and intimate ADG (FP) accordingly, for allotment.

22. A list of stations where polyclinics are located, alongwith the affiliated service hospital will be made available to the CGDA by the Central Organisation, ECHS. Commandants of Super Speciality hospitals will be given additional allotment for procurement of drugs and medical consumables for expensive surgery/procedures, for which the hospitals are approved by ECHS.

23. **Financial Powers** - Financial powers of Commandants/ Commanding Officers of service hospitals, and any other powers as delegated vide Scheduled XII (c) of Govt of India letter No A/89591/FP-1/693/2002/D(GS-I) dated 22 Apr 2002 will be utilized.

**NON-MEDICAL STORES**

**Clothing**

24. **Procedure** - Clothing items like apron, masks, caps, gloves, bed sheets, mattress, blankets, etc. will form a part of Miscellaneous and Contingent expenditure. The clothing will be
made available by the Station Commander through local purchase procedures. The powers will be exercised independently for each ECHS Polyclinic under the jurisdiction of the Station.

FOL

25. **Procedure** - The Station Commander will empanel petrol pumps including ASC supply depot/unit petrol points where applicable in Military and Non-Military Stations. FOL for all vehicles of ECHS will be drawn from these petrol pumps. FOL drawn for each vehicle will be recorded in the car diary. Annual mileage authorised will be as per existing scales for military vehicles. The Petrol pumps will raise bills in favour of ECHS. At the end of every month, contingent bills alongwith bills from the petrol pump will be forwarded by Officer In-Charge polyclinics after authentication, to the Station Headquarters for payment. Cheques for the same will be issued directly to the petrol pump.


Office Equipment

27. **Procedures** - Office equipment may be purchased on approval of Station Commander or competent higher authority.


FURNITURE

29. **Procedure** - Furniture for the polyclinics will be procured by the MES, as per scales laid down by the Central Organisation, ECHS. The funds for the same will be made available by Station Commanders. Normal procedures of procurement by MES will be followed.

REPAIR AND MAINTENANCE OF NON MEDICAL EQUIPMENT INCLUDING AMC

30. **Procedure** - Repairs and maintenance of all office equipments including AMC will be carried out by Officer-In-Charge Polyclinic by following the laid down procedure and after obtaining the approval of the Station Commander/CFA. The expenses for maintenance will be through Annual Maintenance Contracts and local repairs by Misc and contingent expenditures. Repair of furniture will also be carried out by the same procedure. For vehicle repairs, authorised service agency, if any, will be empanelled. In case authorised agency is not present in the station, a reputed garage will be empanelled.

INSURANCE OF AMBULANCE, VEHICLES, DRIVERS AND VEHICLE REGISTRATION

31. **Procedure** - Insurance of Ambulances, Vehicles, Drivers and Registration charges for vehicles will be made by cheque by Station Commander under his delegated powers.

LOSS OR DAMAGE TO STORES

32. **Procedures** - Losses or damage of stores will be dealt with as per procedure laid down in Financial Regulations and prescribed procedures/instructions applicable to the Army under existing delegation.
MEDICAL REIMBURSEMENT AND RELATED EXPENDITURE

33. **Procedure** - Medical reimbursement and related expenses will be regulated in accordance with the procedure as approved by the Govt.

34. Bills and connected documents will be submitted by Hospitals, Nursing Homes, Diagnostic Centres or Consultants to the Polyclinic from where the patient was referred. Officer In-Charge (OIC) Polyclinic will authenticate the bills and forward to concerned Senior Executive Medical Officer (SEMO)/ Principal Medical Officer (PMO)/ Senior Medical Officer (SMO) for scrutiny and onward despatch to Station Headquarters for payment. Payment will be made by cheque and will be subject to post-audit.

35. In case the amount of bill is in excess of financial limit of the Station Commander, the same will be forwarded along the chain of command for CFA sanction and return. After sanction has accorded given by CFA, the Station Headquarters will make the necessary payment. It should be ensured that all Bills are cleared within 60 days (or as mentioned in the agreement) to avoid any disputes arising between hospitals and ECHS.

36. Certain surgeries/procedures eg. Cardiac surgery/intervention, Renal transplant/dialysis, Cancer surgery/Radio/Chemotherapy, Joint replacement surgery and the like, require expensive consumables and drugs. When such procedures are carried out at super-speciality service hospitals, on referral from ECHS polyclinics/Specialists, the expenditure will be catered for from the additional local purchase allocation to be made to Commandants of such hospitals.

37. Traveling expenses of patients as authorized will be regulated for payment as laid down in medical re-imbursement and payment procedures separately for ECHS.

FINANCIAL POWERS

38. For purchase of drugs and consumables, powers of DGAFMS, AFMSD and Commandants/ Commanding Officers Service Hospitals will be utilized as delegated vide para XIII(c) of Govt of India letter No. A/89591/FP-1/693/2002/D/(GS-I) dated 22 Apr 2002.

INFORMATION TECHNOLOGY

39. Purchase, repair and maintenance of IT items for ECHS Polyclinics will be as per laid down Local Purchase procedure prescribed in FR. The delegated financial powers listed in Part VII Financial Powers, Sub Head D (Information Technology) will be utilized for ECHS Polyclinics.

40. Expense on IT items for the ECHS Central Organization and Regional Centers will be as per current delegated financial powers as given in Schedule XIX of GOI letter No. A/89591/FP-I/693/2002/D (GS-I) dated 22 Apr 02. Computer stationary and consumables will however be procured as per delegation of financial powers vide MOD letter No. 24(3)/03/US(WE)/D(Res)(i) dated 08 Sep 2003.

MISCELLANEOUS & CONTINGENCY EXPENDITURE

41. **Procedures** - Will be the same as followed by units of Indian Army. Additionally, expenditures for washing of linen, bedding and clothing (for polyclinics), funeral expenses, area up-keep will be authorised.
### PART VII – OBJECT OF EXPENDITURE, ALLOCATION OF FUNDS
AND AUTHORITY FOR FINANCIAL POWERS

<table>
<thead>
<tr>
<th>Sub Head</th>
<th>Objects of Expenditure</th>
<th>Funds Allocation to</th>
<th>Authority for Financial Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SALARIES/REMUNERATION OF EMPLOYED/CONTRACTED STAFF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Officers</td>
<td>Command/Stn HQ</td>
<td>MOD vide letter No. 24(3)/US(WE)/D(Res) (i) dated 08 Sep 2003</td>
</tr>
<tr>
<td>2.</td>
<td>Others</td>
<td>Command/Stn HQ</td>
<td>(b) For ECHS organisation MOD vide letter No. 24(3)/US(WE)/D(Res) (i) dated 08 Sep 03.</td>
</tr>
<tr>
<td>3.</td>
<td>Overtime Allowance</td>
<td>Command/Stn HQ</td>
<td>As entitled</td>
</tr>
<tr>
<td>4.</td>
<td>Payment to Contracted Agency</td>
<td>Command/Stn HQ</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B</th>
<th>TRANSPORTATION</th>
<th>Command/Stn HQ</th>
<th>Central Org ECHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Movement of Personnel</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>2.</td>
<td>Movement of Stores</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>3.</td>
<td>Foreign Travel</td>
<td>Command/Stn HQ</td>
<td>As per current procedure of Army</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C</th>
<th>STORES</th>
<th>Command/Stn HQ</th>
<th>Central Org ECHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Medical Stores</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(a)</td>
<td>Medical Equipment</td>
<td>DGAFMS</td>
<td>GOI Letter No. A/89591/FP-1/693/2002 / D(GS-I) Dt 22 Apr 02. Schedule XII and XIII</td>
</tr>
<tr>
<td>(b)</td>
<td>Drugs and Consumables</td>
<td>DGAFMS</td>
<td>As authorised to DGAFMS, AFMSDs and Comdt/CO Hospitals.</td>
</tr>
<tr>
<td>(c)</td>
<td>Purchase of Special medicines</td>
<td>Command/Stn HQ &amp; DGAFMS</td>
<td></td>
</tr>
<tr>
<td>(d)</td>
<td>Loss or damage to Medical store</td>
<td>Command/Stn HQ</td>
<td>GOI Letter No. A/89591/FP-1/693/2002 / D(GS-I) Dt 22 Apr 02. Schedule VI</td>
</tr>
<tr>
<td>(e)</td>
<td>Annual Maintenance Contracts</td>
<td>DGAFMS/CO Hosp</td>
<td></td>
</tr>
<tr>
<td>(f)</td>
<td>Repair and Maintenance of Medical Equipment</td>
<td>DGAFMS/EME</td>
<td></td>
</tr>
<tr>
<td>(g)</td>
<td>Local purchase of drugs and Consumables</td>
<td>DGAFMS/CO Hosp</td>
<td>As authorised to DGAFMS, AFMSDs and Comdt/CO Hospitals.</td>
</tr>
<tr>
<td>(h)</td>
<td>Emergent purchase of Medicines</td>
<td>Command/Stn HQ</td>
<td>As authorised by procedure on procurement of drugs and Consumables</td>
</tr>
</tbody>
</table>

| 2.       | Other Stores | Command/Stn HQ | Central Org ECHS |
| (b)      | Purchase of Vehicles generators, airconditioners | Command/Stn HQ | Powers of MGO as defined. For Air Conditioners-powers of MES as defined |
| (c)      | FOL          | Command/Stn HQ | (a) Powers to Station Commander vide GOI Letter No. A/89591/FP-1/693/2002/D(GS-I) Dt 22 Apr 02 Schedule I Miscellaneous and Contingent expenditure grant for each ECHS Polyclinic. |

144
### PART VII – FINANCIAL POWERS (cont’d)

<table>
<thead>
<tr>
<th>Sub Head</th>
<th>Objects of Expenditure</th>
<th>Funds Allocation to Others</th>
<th>ECHS</th>
<th>Authority for Financial Powers</th>
</tr>
</thead>
</table>
(b) For ECHS organisation |
| (e) Furniture of Polyclinics | Command/Stn HQ |                  | Powers of MES as defined in MES regulation.                                                             |
| (f) Maintenance of Non Medical Equipment | Command/Stn HQ | Central Org ECHS | Powers to Stn Cdr under FR read in conjunction with GOI letter No. A/89591/FP-1/693/2002/D(GS-I) Dt 22 Apr 02 Schedule I Miscellaneous and Contingent expenditure grant for each ECHS Polyclinic and Schedule XII will be utilised
(b) For ECHS organisation |
| (g) AMC for non medical equipment | Command/Stn HQ | Central Org ECHS | -do-                                                                                                      |
| (h) Medical Clothing for Polyclinic Staff | Command/Stn HQ |                  | As for Scr 2 (a)                                                                                        |
| (j) Loss or damage to ECHS store | Command/Stn HQ |                  | GOI Letter No. A/89591/FP-1/693/2002/D(GS-I) Dt 22 Apr 02 Schedule VI as authorised                      |

### D – INFORMATION TECHNOLOGY

5. IT Training | ADG(IT) | As per existing delegated Financial Powers |

### E – MEDICAL REIMBURSEMENT AND RELATED EXPENDITURE

<table>
<thead>
<tr>
<th>Sub Head</th>
<th>Objects of Expenditure</th>
<th>Funds Allocation to Others</th>
<th>Authority for Financial Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Payment to Empanelled Institute/Consultants</td>
<td>Command/Stn HQ</td>
<td></td>
<td>MOD vide letter No. 24(3)/US(WE)/D(Res)(i) dated 08 Sep 2003.</td>
</tr>
<tr>
<td>(b) Medical Advances</td>
<td>Command/Stn HQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) Reimbursement to Patients in Emergency</td>
<td>Command/Stn HQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) Medical comforts</td>
<td>Command/Stn HQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(e) Travelling expenses</td>
<td>Command/Stn HQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(g) Surgical and other implants</td>
<td>Command/Stn HQ &amp; DGAFMS</td>
<td></td>
<td>do</td>
</tr>
<tr>
<td>(h) Special consumables</td>
<td>Command/Stn HQ &amp; DGAFMS</td>
<td></td>
<td>do</td>
</tr>
</tbody>
</table>
### PART VII – FINANCIAL POWERS (cont’d)

<table>
<thead>
<tr>
<th>Sub Head</th>
<th>Objects of Expenditure</th>
<th>Funds Allocation to</th>
<th>Authority for Financial Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>F</td>
<td></td>
<td>Central Org</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>ECHS</td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td>Insurance of Vehicle drivers for Polyclinic</td>
<td>Command/Stn HQ</td>
<td>(b) For ECHS organisation.</td>
</tr>
<tr>
<td>(c)</td>
<td>Advertisements and Expenses towards contracts</td>
<td>Command/Stn HQ</td>
<td></td>
</tr>
<tr>
<td>(d)</td>
<td>Insurance of Ambulances, Vehicles &amp; payment for Vehicle Registration</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(e)</td>
<td>MACT claims</td>
<td>Command/Stn HQ</td>
<td>GOI Letter No. A/89591/FP-1/693/2002/D (GS-I) Dt 22 Apr 02. Schedule XXII</td>
</tr>
<tr>
<td>(f)</td>
<td>Stationery</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(g)</td>
<td>Printing of Stationery and Medical forms</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(h)</td>
<td>Service labels(Stamps), Official postage, telegrams/telex, speed post and registration charges</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(i)</td>
<td>Installation and payment of telephone bills, FAX and internet.</td>
<td>Command/Stn HQ</td>
<td>As authorised under office equipment.</td>
</tr>
<tr>
<td>(j)</td>
<td>Cost of Law suits/medicolegal cases</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(k)</td>
<td>As authorised under office equipment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(l)</td>
<td>Costs of Photographs and Identity Cards for Employees</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(m)</td>
<td>Annual Contingency grant</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>G</td>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(n)</td>
<td>Annual training grant</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
<tr>
<td>(o)</td>
<td>Hot Weather/Cold weather appliances establishment charges</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
</tr>
</tbody>
</table>
### PART VII – FINANCIAL POWERS (cont’d)

<table>
<thead>
<tr>
<th>Sub Head</th>
<th>Objects of Expenditure</th>
<th>Funds Allocation to</th>
<th>Authority for Financial Powers</th>
</tr>
</thead>
<tbody>
<tr>
<td>(r) Gardening and area upkeep</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
<td>(a) FR read in conjunction with GOI Letter No. A/89591/FP-1/693/2002/D (GS-I) Dt 22 Apr 02. Schedule I section I Miscellaneous and Contingent Expenditure. (b) For ECHS organisation.</td>
</tr>
<tr>
<td>(s) Publicity</td>
<td>Command/Stn HQ</td>
<td>Central Org ECHS</td>
<td>(a) FR read in conjunction with GOI Letter No. A/89591/FP-1/693/2002/D (GS-I) Dt 22 Apr 02. Schedule XXI Publicity. (b) For ECHS Organisation.</td>
</tr>
</tbody>
</table>

**H REVENUE WORKS**

| (a) Minor Works | Command/Stn HQ | As authorised for MES in regulation. |
| (b) Special Works | Command/Stn HQ | do |
| (c) Special repairs | Command/Stn HQ | do |
| (d) Emergency repairs | Command/Stn HQ | do |
| (g) Water and Electricity charges | Command/Stn HQ | MOD vide letter No. 24(3)/US(WE)/D(Res)(i) dated 08 Sep 2003. |

**CAPITAL**

3. **Purchase of Medical Equipment** | DGAFMS | MOD vide letter No. 24(3)/US(WE)/D(Res)(i) dated 08 Sep 2003. |
PROPOSED SUB/SUB SUB HEADS UNDER NEW MINOR HEADS

REVENUE EXPENDITURE (MAJOR HEAD 2076)

Minor Head (To Be Allotted)

Sub Heads

A. Salaries And Remunerations Of Employed/Contracted Staff
   1. Officers.
   2. Others.
   3. Honorarium/Incentive.
   4. Payment to contracted Agency.

B. Transportation
   1. Movement of personnel.
   3. Foreign Travel.

C. Stores
   1. Medical Stores.
   2. Other Stores.

D. Information Technology
   1. Hardware.
   2. Software.
   3. Maintenance/AMC of Hardware/Software.
   5. IT Training of Polyclinic Staff and Service personnel.

E. Medical Reimbursement and Treatment Related Expenditure

F. Miscellaneous

G. Revenue Works

CAPITAL EXPENDITURE (MAJOR HEAD 4076)

Minor Head(To be allotted)

1. Purchase of Land.
2. Construction of Buildings.
3. Purchase of Medical Equipment

RECEIPT AND RECOVERIES(MAJOR HEAD 0076)

Minor Head(To be allotted)

Receipts
(a) ECHS Contributions. Contributions made by Ex-servicemen for becoming members of ECHS
(b) Receipts from auction of ECHS Stores/equipment
(c) Misc Receipts

Note: Code Heads allotted vide Correction Slip No. (CS) 88/04 as given on page 81 of this compendium.
# Allocation of Funds to Authorities under Various Heads

### Appendix ‘B’

(Highlighted cells with Y indicate Allocation is given)

<table>
<thead>
<tr>
<th>Sub Head</th>
<th>Object of Expenditure</th>
<th>REVENUE HEAD</th>
<th>Budget Allocation to</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>SALARIES/RENUMERATION EMPLOYED/ CONTRACTED STAFF</td>
<td>Commands</td>
<td>DGAFMS</td>
</tr>
<tr>
<td>1</td>
<td>Officers</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Others</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Honorarium/Incentive</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Payment to Contracted Agency</td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

### B TRANSPORTATION

| 1 | Movement of Personnel | Y |
| 2 | Movement of Stores    | Y | Y |
| 3 | Foreign travel        |   |

### C STORES

<table>
<thead>
<tr>
<th>1</th>
<th>Medical Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Medical Equipment</td>
</tr>
<tr>
<td></td>
<td>(b) Drugs and Consumables</td>
</tr>
<tr>
<td></td>
<td>(c) Purchase of Special Medicines</td>
</tr>
<tr>
<td></td>
<td>(d) Annual Maintenance Contracts</td>
</tr>
<tr>
<td></td>
<td>(e) Repair and Maintenance of Medical Equipment</td>
</tr>
<tr>
<td></td>
<td>(f) Local Purchase</td>
</tr>
<tr>
<td></td>
<td>(g) Emergent purchase of Medicine</td>
</tr>
</tbody>
</table>

### D STORES

<table>
<thead>
<tr>
<th>2</th>
<th>Other Stores</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Clothing</td>
</tr>
<tr>
<td></td>
<td>(b) Purchase of Vehicles generators, air conditioners</td>
</tr>
<tr>
<td></td>
<td>(c) FOL</td>
</tr>
<tr>
<td></td>
<td>(d) Office Equipment</td>
</tr>
<tr>
<td></td>
<td>(e) Furniture for Polyclinics</td>
</tr>
<tr>
<td></td>
<td>(f) Maintenance of Non Medical Equipment</td>
</tr>
<tr>
<td></td>
<td>(g) AMC for non medical equipment</td>
</tr>
<tr>
<td></td>
<td>(h) Medical Clothing for Polyclinic Staff</td>
</tr>
</tbody>
</table>

### E Information Technology

<table>
<thead>
<tr>
<th>1</th>
<th>Hardware</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Software</td>
</tr>
<tr>
<td>3</td>
<td>Maintenance/AMC of Hardware/Software</td>
</tr>
<tr>
<td>4</td>
<td>Computer Stationary and Consumables</td>
</tr>
<tr>
<td>5</td>
<td>IT Training</td>
</tr>
</tbody>
</table>

### F Medical Reimbursement and Treatment Related Expenditure

<p>| 1 | Payment to Empanelled Institute/Consultant | Y |
| 2 | Medical Advances | Y |
| 3 | Reimbursement to Patients in Emergency | Y |
| 4 | Medical comforts | Y |
| 5 | Travelling Expenses | Y |
| 6 | Ortho appliances | Y | Y |
| 7 | Surgical and other implants | Y | Y |
| 8 | Special consumables | Y | Y |</p>
<table>
<thead>
<tr>
<th>REVENUE HEAD</th>
<th>Object of Expenditure</th>
<th>Budget Allocation to</th>
</tr>
</thead>
<tbody>
<tr>
<td>G</td>
<td>Miscellaneous</td>
<td>Commands</td>
</tr>
<tr>
<td>(a)</td>
<td>Departmental Conferences and connected expenditure</td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td>Insurance of Vehicle drivers for Polyclinic</td>
<td>Y</td>
</tr>
<tr>
<td>(c)</td>
<td>Advertisement and Expenses for Medical Revenue</td>
<td>Y</td>
</tr>
<tr>
<td>(d)</td>
<td>Insurance of Ambulances, Vehicles payment for</td>
<td>Y</td>
</tr>
<tr>
<td>(e)</td>
<td>MACT claims</td>
<td>Y</td>
</tr>
<tr>
<td>(f)</td>
<td>Stationary</td>
<td>Y</td>
</tr>
<tr>
<td>(g)</td>
<td>Printing of Stationary and Medical forms</td>
<td>Y</td>
</tr>
<tr>
<td>(h)</td>
<td>Service labels (Stamps), official postal telegrams</td>
<td>Y</td>
</tr>
<tr>
<td>(i)</td>
<td>Installation and payment of telephone by FAX</td>
<td>Y</td>
</tr>
<tr>
<td>(k)</td>
<td>Cost of Law suits/medico legal cases</td>
<td>Y</td>
</tr>
<tr>
<td>(l)</td>
<td>Costs of Photographs and Identity cards for Employee</td>
<td>Y</td>
</tr>
<tr>
<td>(m)</td>
<td>Annual Contingency grant</td>
<td>Y</td>
</tr>
<tr>
<td>(n)</td>
<td>Annual training grant</td>
<td>Y</td>
</tr>
<tr>
<td>(o)</td>
<td>Library grant</td>
<td>Y</td>
</tr>
<tr>
<td>(p)</td>
<td>Hot Weather/Cold weather appliance for establishment</td>
<td>Y</td>
</tr>
<tr>
<td>(q)</td>
<td>Washing of Polyclinics linen, beddings and patients</td>
<td>Y</td>
</tr>
<tr>
<td>(r)</td>
<td>Funeral Expenses</td>
<td>Y</td>
</tr>
<tr>
<td>(s)</td>
<td>Gardening and area upkeep</td>
<td>Y</td>
</tr>
<tr>
<td>(t)</td>
<td>Publicity</td>
<td>Y</td>
</tr>
<tr>
<td>(u)</td>
<td>Other contingent expenditure for ECHS</td>
<td>Y</td>
</tr>
<tr>
<td>H</td>
<td>Revenue Works</td>
<td>Commands</td>
</tr>
<tr>
<td>(a)</td>
<td>Minor Works</td>
<td>Y</td>
</tr>
<tr>
<td>(b)</td>
<td>Special Works</td>
<td>Y</td>
</tr>
<tr>
<td>(c)</td>
<td>Special repairs</td>
<td>Y</td>
</tr>
<tr>
<td>(d)</td>
<td>Emergency repairs</td>
<td>Y</td>
</tr>
<tr>
<td>(e)</td>
<td>Hiring of Building</td>
<td>Y</td>
</tr>
<tr>
<td>(f)</td>
<td>Property Tax</td>
<td>Y</td>
</tr>
<tr>
<td>(g)</td>
<td>Water and Electricity charges</td>
<td>Y</td>
</tr>
<tr>
<td>(h)</td>
<td>Maintenance of Buildings</td>
<td>Y</td>
</tr>
<tr>
<td>CAPITAL HEAD</td>
<td>Purchase of Land</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Construction of Buildings</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Purchase of Medical equipment</td>
<td>Y</td>
</tr>
<tr>
<td>Sub Head</td>
<td>Sub Sub Head</td>
<td>Objects of Expenditure</td>
</tr>
<tr>
<td>----------</td>
<td>--------------</td>
<td>------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**REVENUE HEAD**

<table>
<thead>
<tr>
<th>D</th>
<th>STORES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Medical Stores</td>
</tr>
<tr>
<td>2</td>
<td>Minor repair of Medical Equipment</td>
</tr>
<tr>
<td>2</td>
<td>Other Stores</td>
</tr>
<tr>
<td></td>
<td>Emergent purchase of FOL</td>
</tr>
<tr>
<td></td>
<td>Minor repair of Non Medical Equipment</td>
</tr>
</tbody>
</table>

**G | MISCELLANEOUS**

| Stationary |
| Printing of Stationary and Medical forms |
| Service labels(Stamps), official postage, telegrams/telex, speed post and registration charges |
| Annual Contingency grant |
| Hot Weather/Cold weather appliances establishment charges |
| Washing of Polyclinics linen, beddings and patients clothing |
| Funeral expenses |
| Gardening and area upkeep |
| Other petty expenditure for ECHS Polyclinic |

**H | REVENUE WORKS**

| Water and Electricity charges |
| Maintenance of Buildings |
Re-construct Sub head A to H (inserted vide C.S. No. 88/2004 and further amended vide this office letter of even No. dated 23 Feb 05 and C.S. No. 105/2006) as under:

Sub Head A - Pay & Allowances of Employed/Contracted Staff
1. Officers 361/1
2. Para Medical Staff 361/2
3. Overtime Allowance 361/3
4. Non Medical Staff 361/4

Sub Head B - Transportation
1. Movement of Personnel 362/1
2. Movement of Stores 362/2
3. Foreign Travel 362/3

Sub Head C - Stores
1. Medical Store 363/1
   1. Medical Equipment
   2. Bulk, Local and emergent purchase of Medicines, Drugs and Consumables
   3. Purchase of Special medicines
   4. Repair and Maintenance of Medical Equipment including AMC
   5. Artificial limbs etc.
   6. Surgical and other implants, hearing aids intra-ocular lenses, cochlear implants, joint replacement implants etc.
   7. Special consumables and implants for cardiology, cardio thoracic surgery, renal dialysis and surgery etc.
2. Other Stores 363/2
   1. Clothing Items
   2. FOL
   3. Non-Medical Stores & equipment
   4. Repair & Maintenance including AMC
5. Expenditure on procurement which has value of less than 10 lakh each with a life span of less than 7 years is to be compiled to this head.

3. Furniture & Air conditioners 363/3
   1. Expenditure on procurement of furniture & Air conditioners
   2. Expenditure on repair and Maintenance of furniture & Air Conditioners including AMC

4. Vehicles & Generators 363/04
   1. Expenditure on procurement of vehicle & generators
   2. Expenditure on repair and Maintenance of vehicles & generators including AMC

Sub Head D - Information Technology

(a) Hardware
I. Local Purchase 364/01
   1. Expenditure on procurement of computer and connected stores
II. Central Purchase 364/02
   2. Expenditure costing less than Rs. 10 lakh with less than 7 years expected life will be compiled to this head.

(b) Maintenance
I. Local Purchase 364/03
   1. Caters for expenditure on purchase of Software
II. Central Purchase 364/04
   2. Expenditure costing less than Rs. 10 lakh with less than 7 years expected life will be compiled to this head.

(c) Maintenance
I. Local Purchase 364/05
   Caters for expenditure on maintenance of computers etc including AMC.
II. Central Purchase 364/06

(d) Computer Stationery and Consumables
I. Local Purchase 364/07
   Caters for expenditure on procurement of Computers Stationery and Consumable items
II. Central Purchase 364/08

(e) Information Technology Training
I. Local Purchase 364/09
   Caters for expenditure on Information Technology Training
II. Central Purchase 364/10
**Sub Head E - Medical Treatment Related Expenditure**

- 1. Payment of Empanelled Hospitals Nursing Homes, Diagnostic Centres and other empanelled facilities.
- 2. Medical advances.
- 4. Purchase of specific medical equipment for patients.
- 5. Medical comforts to ex-servicemen patients.
- 6. Traveling expenditure for patients and Attendants.

**Sub Head F - Miscellaneous**

- 1. Stationery and consumables.
- 2. Local printing of stationery.
- 3. Service labels (stamps), official postage, telegrams/telex, speed post and registration charges.
- 4. Installation and payment of telephone bills/ fax and internet.
- 5. Cost of Law Suits/Medicolegal Cases.
- 6. Cost of photographs and Identity Cards to polyclinic employees.
- 7. Annual Contingency Grant.
- 9. Hot weather/Cold weather appliances establishment charges.
- 10. Washing of polyclinics linen, bedding and patient clothing.
- 11. Funeral expenses in respect of death while in polyclinic (limited to linen used, preservation of body and mortuery charges).
- 12. Gardening and area upkeep.
- 13. Other expenses for establishment not covered under any head.
- 15. Office equipment and Maintenance of Office equipment, including AMC.
- 16. Insurance of ambulance, vehicles and payment for vehicle registration and other local charges.
- 17. MACT claims.
18. Department conferences and connected expenditure.
19. Publicity including expenditure on Web site.
20. Installation/De-installation of equipment excluding transportation.
21. Annual Training Grant.

Sub Head G - Revenue Works 367/00
1. Minor Works.
2. Special Works.
3. Special repairs.
4. Emergency repairs.
5. Hiring of buildings.
6. Property tax.
7. Water and electricity charges.

(To be effective from 2007-08)

Authority
Ministry of Defence (Finance/BudgetI) UO No. 875/B-I/07 dated 25-05-2007

No. A/B/I/13626/XXVIII
Office of the C.G.D.A.
West Block-V, R.K. Puram
New Delhi-110066
Dated : 01-06-2007

All Pr. C.D.A/C.D.A
All E.D.P./D.D.P. Centers

A certificate to the effect that code file has been updated to the extent of this C.S. may please be sent to Computer Center of this Hqrs. for information and necessary action.

E.D.P. Center, Office of the CGDA
New Delhi-110066
Director General of Audit Defence Services
L-Block, New Delhi
Ministry of Defence (Fin/Budget-I)
Sr. Accounts Officer (Budget)

As per standard list