

Fax Message No. 4314 /ICAR HQ  
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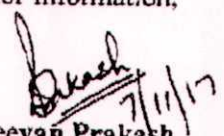
**INDIAN COUNCIL OF AGRICULTURAL RESEARCH  
 KRISHI BHAVAN: NEW DELHI**

**F. No. FIN/ 22/01/2016-CDN (A&A)**

**Dated the 7<sup>th</sup> November, 2017**

**ENDORSEMENT**

A copy of Ministry of Finance, Department of Expenditure OM No. 66(43)/PF C-II/2017 dated 25.10.2017 regarding clarification on General Financial Rules No. 238(5) and (6) has been uploaded on ICAR Web-Site [www.icar.org.in](http://www.icar.org.in) for information, guidance and necessary action.

  
**Sanjeevan Prakash**  
 Deputy Director (F)

**Distribution :**

**I ICAR Research Institutes etc :**

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2. Project Coordinators/Coordinated Research Projects/Zonal Project Directorates.
3. The Finance & Accounts Officers of all Research Institutes, Project Directorates and National Research Centers .

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1. All Officers/Sections, ICAR, Krishi Bhavan, New Delhi including Krishi Anusandhan Bhavan I & II, NASC, Pusa, New Delhi.
2. ADG (CDN)/ADG (PIM)/PD, DKMA
3. ND, NAIP/ Chairman, ASRB
4. NC, NFBSFARA
5. Director(DARE)
6. DS (WS)/ US(Cash)
7. Cash I, II and Audit II Sections, ICAR, Krishi Bhavan, New Delhi
8. Sr. PPS to Secretary, DARE & DG, ICAR/PPS to Additional Secretary (D) & Secretary, ICAR/PPS to AS&FA, DARE/ICAR
9. Incharge, ARIC, Directorate of Knowledge Management Units (DKMU), KAB-I, Pusa, New Delhi-12 for placing the above mentioned Office Memorandum in ICAR Web-Site
10. Secretary (Staff Side), CJSC, NRC on Meat, Hyderabad.



No.65(43)/PF C-II/2017

Government of India

Ministry of Finance

Department of Expenditure

Public Finance Central- II Division

\*\*\*\*\*

North Block, New Delhi

Dated: 25.10.2017

OFFICE MEMORANDUM**Subject:** Clarifications on General Financial Rules No.238(5) and (6)

The undersigned is directed to enclose Department of Expenditure's ID No.8(56)/2017-E.IIA dated 24<sup>th</sup> October, 2017 forwarding Rajya Sabha Secretariat's OM No. RS.6(ii)(33)/2012-COPILOT dated 12<sup>th</sup> October, 2017 on the above cited subject for appropriate action.

2. This issues with the approval of competent authority.

Encl: As above

(Alok Nigam)  
Deputy Director (PFC-II)  
Tel. 23095640

Financial Advisors of the Ministries/Departments (M/o Culture, M/o Tourism, M/o Steel, M/o Micro, Small & Medium Enterprises, M/o Youth Affairs & Sports, Department of Personnel & Training, Law & Justice, M/o Statistics & Programme Implementation, M/o Parliamentary Affairs, M/o Minority Affairs, M/o Tribal Affairs, M/o Social Justice & Empowerment, Department of Empowerment of Persons With Disabilities, M/o Labour & Employment, M/o Skill Development & Entrepreneurship)

Smt A.G.  
30/10/17

Diary No. 1247  
दिनांक/Date: 20/10/17



**Most Immediate  
Parliament Matter**

Ministry of Finance  
Department of Expenditure

Subject: Clarifications on General Financial Rules No. 238(5) and (6).

[The Rajya Sabha Secretariat has written to this Department vide O.M. No. RS.6(ii)(33)/2012-COPLLOT dated 12<sup>th</sup> October, 2017 on the above subject forwarding recommendations of Committee on Papers Laid on the Table (COPLLOT) regarding submission of Annual Reports and Audited Accounts of grantee bodies / autonomous organizations, public undertakings, corporations, joint ventures, SPVs etc. which are financed by the Parliament in the form of shares, subsidies, grants-in-aid, etc. either wholly or partially.] Rajya Sabha Secretariat has also raised the issue of submission of Annual Reports and Audited Accounts by State Implementing Agencies (SIAs). This Branch is concerned with the GFR provisions relating to grants-in-aid to grantee bodies/autonomous organizations and the submission of ARs and AAs to Parliament. A copy of R.S. Sectt's O.M. dated 12.10.2017 alongwith its enclosures is attached.

2. PF-II Division of this Department, D/o Economic Affairs and D/o Public Enterprises are requested to comment on the recommendations of the COPLLOT on the submission of ARs/AAs to Parliament by other bodies such as PSUs, corporations, joint ventures, SPVs, etc., who are in receipt of grants-in-aid, shares, subsidies, etc. either wholly or partially. An urgent reply is requested as the Rajya Sabha Secretariat has Indicated that the Committee will meet shortly to discuss the matter.

3. This issues with the approval of JS(Pers).

*Bhargava*  
(Bhartendu Kumar Singh)  
Director (E.IIA)

Encl: as above

- ✓ 1. Joint Secretary (PF-II)
  2. Joint Secretary (Infra), DEA
  3. Joint Secretary, D/o Public Enterprises (Sh. Rajesh K. Chaudhry)
- DoE ID No. 8(56)/2017-E.IIA dated 24<sup>th</sup> October, 2017

URG

Am (RW)

Dr (HD)

S-mail to all FAs  
SO/Secy-OM to all  
Vipul 11/25/10

to (imn) sent. # OM  
to all FAs & seek  
after & reply

P.S  
for copy to both

URG

24/10



भारतीय संसद  
PARLIAMENT OF INDIA  
राज्य सभा सचिवालय  
RAJYA SABHA SECRETARIAT

संसद भवन/संसदीय सौध,  
नई दिल्ली-110001  
वेबसाइट : <http://rajyasabhaahindi.nic.in>

Parliament House/Annexe,  
New Delhi-110001  
Website : <http://rajyasabha.nic.in>

No. RS.6 (ii)(33)/2012-COPILOT

Dated the 12<sup>th</sup> October, 2017

OFFICE MEMORANDUM

Subject: Clarifications on General Financial Rules no.238(5) & (6).

The undersigned is directed to <sup>It has</sup> stated that there are many Organizations/Societies/Cooperatives/Social Purpose Vehicles etc. which are receiving non-recurring grants of upto Rs. 45 lakhs from the Consolidated fund of India, but do not lay their Annual Reports/Audited Accounts on the Table of the Parliament. The oft-quoted reason for this is the Rules no. 238(5) and (6) of General Financial Rules, which exempt those entities to lay their Reports on the Table of the House which receive grant less than Rs. 50 lakh a year. Many Organizations/Societies/Cooperatives/Social Purpose Vehicles are taking advantage of the above said provision and are thus depriving the Parliament of the information regarding the allocation of funds, purpose, current position, stages and likely date of completion of a certain project for which they receive grant with the approval of the Parliament itself. In this connection, the Department is requested to furnish their comments on the points as enumerated in the Annexure. The Committee will take up discussion on the matter shortly. The Ministry of Finance (Department of Expenditure) is, therefore, requested to send replies at the earliest, preferably by 30<sup>th</sup> October, 2017.

2. Receipt of this O.M may kindly be acknowledged.

Sd/-  
ARPANA MENDIRATTA  
DIRECTOR

PH: 23034084 (O)

e-mail: [arpana@sansad.nic.in](mailto:arpana@sansad.nic.in)

To

The Ministry of Finance,  
(Department of Expenditure),  
(Shri Ashok Lavasa, Secretary),  
North Block,  
New Delhi- 110001.

Copy for information and necessary action to:

Parliament Section, Department of Expenditure, Ministry of Finance, North Block  
New Delhi-110001.

(DEEPAK KALRA)  
UNDER SECRETARY  
Ph: 23034533(O)  
Fax: 23093474

Dy. No. .... /Parl./Exp./ ..... DL.....



## ANNEXURE

S.No.	Clarification (s)	Comments
1.	Background Note on General Financial Rules (GFR)	
2.	<p>(i) There are many organisations/ Societies/ Cooperatives/ Special Purpose Vehicles, etc which are receiving non-recurring grants of Rs. 40 Lakh/ 45 Lakh from the Consolidated Funds of India (CFI) but are not laying their separate Annual Reports (ARs) and Audited Accounts (AAs) for the information of Parliament by taking exemption under Rules 238 (5) &amp; (6) of GFR.</p> <p>(ii) Further, there are certain organisations/ Special Purpose Vehicles which receive non- recurring grants from CFI after a gap of every one or two years but do not lay their AR/AAs annually.</p> <p>In this regard, the COPLOT, Rajya Sabha in its very First Report, recommended that:</p> <p><i>"Copies of the ARs/AAs of Public Sector Undertakings established by the Act of Parliament or Government Companies incorporated under the Companies Act, 1956 (now The Companies Act, 2013) or Societies registered under the Societies Registration Act, 1860 or any other organisation/board for which ARs etc. are to be placed on the Table of the House of Parliament, together with the Report/Review/Comments of the Auditor and Comptroller and Auditor General of India wherever necessary and Report/ Review of the Government should be laid within nine months of closure of the accounts. The timely laying of these papers on the table of the House apprises Parliament of the functioning of the Public enterprises".</i></p> <p>The COPLOT, Lok Sabha (Sixth Lok Sabha) in its Second Report, recommended that:</p> <p><i>"All Statutory Autonomous organisations, Public Undertakings, Corporations, Joint ventures, Societies etc., which are financed by the Parliament, in the form of Shares, subsidies, grants-in-aid etc. either wholly or partly should lay their Annual Reports/ Audited Reports (both in English and Hindi versions) before both the Houses of Parliament irrespective of the fact whether the Statutes, Rules or Regulations of such organisations provide therefor or not and whether they are registered under the Companies Act, 1956 or not".</i></p> <p>The Committee would like to know as to how the provisions of Rules 238 (5) &amp; (6) and the recommendations made by the Committees could be harmonized?</p>	



3.	<p>There are many organisations/ Societies/ Cooperatives/ Special Purpose Vehicles, etc which are receiving <u>recurring</u> grants from the Consolidated Funds of India but are not preparing /laying their Annual Reports and Audited Accounts for the information of Parliament by taking exemption under Rules 238 (5) &amp; (6) of GFR.</p> <p>Out of which, there are many organisations which try to use the relevant provisions of the GFR and continue to draw funds through Consolidated Fund of India to the tune of Rs. 40 Lakh/ 45 Lakh year after year, because 238 (5) gives them protection from preparing and laying their separate AR/AAs. The Committee would like to know the views of the Department in this regard and would like to know whether any mechanism could be devised to monitor judicious spending of the funds by the organisations/ societies /Cooperatives/Special Purpose Vehicles, etc receiving grants from Consolidated Fund of India?</p>	
4.	<p>The Committee is of the considered view that instead of mentioning the threshold limit of Rs. 50 Lakh or so, it would be stated under General Financial Rules (GFR) that if the funds are released from the Consolidated Fund of India and the cost of the entire project for which the grants have to be released/sanctioned is more than Rs. 50 Lakhs, irrespective of whether the grants administered are recurring or non recurring, Annual Report/ Audited Accounts of that grantee organisation (s) are required to be laid on the table of both the Houses of Parliament. Where the cost of the entire project is less than Rs. 50 Lakhs, a reference to that effect is made in the Annual Report / Audited Accounts of the concerned Ministry /Department from whom the grants would be sanctioned/ released.</p> <p>The Committee would like to know the views of the Department in that regard so that the same may be placed before the Committee for its consideration?</p>	
5.	<p>The Committee feels that if the aforesaid amendment be made in the relevant provisions of the GFR, the usage of that provision, to avoid certain statutory requirements, by the various Ministries /Departments would be checked to a great extent and would certainly help in suitably accounting for the funds released from the Consolidated Fund of India. The Department may offer their views/comments for the consideration of the Committee?</p>	



6.	What is the purpose and intent of the Department in keeping the organisation drawing less than 50 Lakhs from the Consolidated Fund of India out of the purview of the Rules 238 (5) and 238 (6) of GFR when there is a probability of this being used as a device / protection by the organisation from laying their separate Annual Reports and Audited Accounts?	
7.	Whether the Department has tried to assess/evaluate as to whether the intent/purpose with which Rules 238 (5) and (6) are framed is serving the desired purpose?	
8.	The Department of Industrial Policy & Promotion has created certain Special Purpose Vehicles (SPVs), to whom; grants were disbursed from the Consolidated fund of India. Further, grants are also released to the State Implementing Agencies (SIAs) by the DIPP for some schemes/programmes and the Department is obtaining Utilization Certificate from them. Here, the DIPP is laying the Annual Report (AR)/Audited Accounts (AAs) of SPVs but are not laying the AR/AAs in respect of SIAs. On the other hand, the Department of Higher Education is releasing grants to the SIAs for various schemes and programme and all the SIAs are preparing and laying the AR/AAs in the House for the information of the Parliament. Whether mere submission of Utilization Certificate is sufficient in the matter or a greater scrutiny of the funds released from the Consolidated Fund of India is required? Kindly offer your views in this regard, to facilitate the Committee to take a view in the matter.	



**INDIAN COUNCIL OF AGRICULTURAL RESEARCH**  
**KRISHI BHAVAN : NEW DELHI - 110001**

Fax Message No. 4306 ICAR HQ  
Dated 7/11/2017  
No of Pages 01

FIN-F. No. 1(26)/2017-Budget  
Dated the 6<sup>th</sup> Nov., 2017

**OFFICE MEMORANDUM**

**Sub: Release of funds by the ICAR Units to outside agencies through PFMS reg.**

The issue of release of funds by the ICAR Units, including ATARIs, to the agencies outside the ICAR system viz. KVKs/SAUs/NGOs has been considered in the Council. In this regard, a meeting was held on 30.10.2017 under the Chairmanship of AS&FA, DARE/ICAR.

The Competent Authority in the Council has decided that the release of funds by ICAR units to agencies outside ICAR system may be treated as "Expenditure" for releases to be made upto 31.03.2018 e.g. in case of release of funds to SAUs, the SAU may be treated as a vendor and the release may be treated as expenditure. This arrangement is allowed to continue till 31<sup>st</sup> March, 2018 only, with the intent that all formalities related to mapping/adding of Schemes etc. would be completed by all concerned till 31<sup>st</sup> March, 2018.

This issues with the approval of AS&FA, DARE/ICAR.

  
(Deendra Kumar)  
Director (Finance)

**Distribution :-**

1. All DDGs
2. The Directors of all Research Institutes/NRCs/PDs/PCUs/ATARIs etc
3. Shri. Hans Raj, DKMA for uploading on the website.