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COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH
Anusandhan Bhawan, 2, Rafi Marg, New Delhi-110001

संख्या
No.

15-26(46)/2013-Vig.

By Speed Post
Dated: 1st July, 2015

प्रेषक

From

मुख्य सतर्कता अधिकारी
Chief Vigilance Officer

To

The Heads of all
National Labs./Instts. of CSIR

Sub: Augmentation of exercising financial prudence in Govt./Council expenditure.

Sir,

It has been observed that in the not too distant past i.e. around the year 2011, few instances of incurrence of massive expenditure on tours had taken place. Though not conspicuous then but later on emergence of some complaints against such large-scale public expenditure, the CSIR authorities came to realize the impropriety of such dissipation of Council funds by the involved Institute.

The need for bringing this to the notice of Labs./Instts. has arisen because the funds were repeatedly expended on undertaking tours to different far way places in India for transacting mostly such official work as could well have been done in the premises of the Institute.

Conducting such official work at different places situated far away from the Institute, on official tours by a platoon of officials, was an indecorous way to function. More so as it involved huge expenditure running into lakhs of rupees and ended up as a fodder for those who thrive on making complaints.

It is in the above context and to preclude such events in future that the Hon'ble Minister and the Vice President, CSIR has desired to herald across the entire range of CSIR Labs./Instts., a demand and obligation on the part of their Directors, to see to it that stupendous amounts of monies are not expended on such events, like undertaking tours in the name of conducting normal official business, etc. The extent can be widened to include any such event which entails massive expenditure as would catch public gaze and is by commonsense avoidable.

Cont'd...2/-

In the past years, Govt. of India, Ministry of Finance, Department of Expenditure had issued circulars underlining the economy measures and rationalization of expenditure. The copies of circulars Nos. 7(1)E. Coord/2009 dated 07.9.2009 and dated 08.9.2009; Nos. 7(1)/E.Coord/2011 dated 11.7.2011 and dated 02.08.2011; No. 7(1)E. Coord/2012 dated 31.5.2012 and No. 7(1)E. Coord/2010 dated 31.05.2010 are enclosed.

Lest a recurrence of such extravagant expenditure should take place, it is made incumbent on the Heads of the Labs./Instts. to have the possibility of such extravagance ruled out by instructing the Finance Officers and functionaries to see whether the programmes put up for tours/events lead to excessive expenditure 'out-of-synch' with Government guidelines. And, if so, then to apply brakes on such tours/events. The concerned quarters must look up for Govt. instructions on Public Portal like the Web/Internet, etc. for controlling the temptation of incurrence of huge expenditure in avoidable situations.

The above-said instructions/guidelines are circulated herewith for information, observance and compliance.

This issues with the approval of the Hon'ble Minister for S&T and ES and the Vice President, CSIR.

Yours faithfully,


(Sushma Singh)
Chief Vigilance Officer

Encl: a/a.

Copy to :

1. PS to VP, CSIR
2. US, O/o DG, CSIR
3. PA to JS(A), CSIR
4. PA to FA, CSIR
5. PS to Legal Adviser
6. Sr. DS(HR), Sr. DS(Central Office), DS, (CSIR Complex)
7. Sr. COAs/COAs/AOs of all National Labs./Instts.
- ✓ 8. Head, IT Division, CSIR Hqrs. - for placing in CSIR Web site.



General Financial Rules, 2005

**Government of India
Ministry of Finance
Department of Expenditure**

- (2) The procedure for the assessment and recovery of rent of any building hired out will be regulated generally by the rules applicable to residences under the direct charge of the Central Public Works Department.
- (3) The detailed rules and procedure, regarding the demand and recovery of rent of Government buildings and lands, are contained in the departmental regulations of the departments in charge of those buildings.

Rule 16. Fines :

- (1) Every authority having the power to impose and/ or realize a fine shall ensure that the money is realized, duly checked and deposited into a treasury or bank as the case may be.
- (2) Every authority having the power to refund fines shall ensure that the refunds are checked and no double refunds of amounts of fines collected or refunds of fines not actually paid into a treasury or bank as the case may be, are made.

Rule 17. Miscellaneous Demands : The Accounts Officer shall watch the realization of miscellaneous demands of Government, not falling under the ordinary revenue administration, such as contributions from State Governments, Local Funds, contractors and others towards establishment charges.

Rule 18. Remission of Revenue : A claim to revenue shall not be remitted or abandoned save with the sanction of the competent authority.

Rule 19.

- (1) Subject to any general or special orders issued by the Government Departments of the Central Government, Administrators and Heads of Departments, other than those in the Department of Posts, shall submit annually on the 1st of June to the Audit Officer and the Accounts Officer concerned, statements showing the remissions of revenue and abandonment of claims to revenue sanctioned during the preceding year by competent authorities in exercise of the discretionary powers vested in them otherwise than by law or rule having the force of law, provided that individual remissions below Rupees one hundred need not be included in the statements.
- (2) For inclusion in the statements referred to in **Rule 19 (1)** above, remissions and abandonments should be classified broadly with reference to the grounds on which they were sanctioned and a total figure should be given for each class. A brief explanation of the circumstances leading to the remission should be added in the case of each class.

Rule 20. Departments of the Central Government and Administrators may make rules defining remissions and abandonments of revenue for the purpose of **Rule 19** above.

I. GENERAL PRINCIPLES RELATING TO EXPENDITURE AND PAYMENT OF MONEY

Rule 21. Standards of financial propriety : Every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety. Every officer should also enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following :-

- (i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- (ii) The expenditure should not be prima facie more than the occasion demands.
- (iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- (iv) Expenditure from public moneys should not be incurred for the benefit of a particular person or a section of the people, unless -
 - (a) a claim for the amount could be enforced in a Court of Law, or
 - (b) the expenditure is in pursuance of a recognized policy or custom.
- (v) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.

Rule 22. Expenditure from public funds : No authority may incur any expenditure or enter into any liability involving expenditure or transfer of moneys for investment or deposit from Government account unless the same has been sanctioned by a competent authority.

Rule 23. Delegation of Financial Powers : The financial powers of the Government have been delegated to various subordinate authorities vide Delegation of Financial Powers Rules, 1978 as amended from time to time. The financial powers of the Government, which have not been delegated to a subordinate authority, shall vest in the Finance Ministry.

Rule 24. Consultation with Financial Advisers : All draft memoranda for Expenditure Finance Committee or Public Investment Bureau and Cabinet Committee for Economic Affairs or Cabinet shall be circulated by the Ministry or Department concerned after consultation with the concerned Financial Adviser of the Ministry or Department. A confirmation to this effect shall be included in the draft memorandum at the circulation stage.

Rule 25. Provision of funds for sanction :

- (1) All sanctions to the expenditure shall indicate the details of the provisions in the relevant grant or appropriation wherefrom such expenditure is to be met.
- (2) All proposals for sanction to expenditure, shall indicate whether such expenditure can be met by valid appropriation or re-appropriation.
- (3) In cases where it become necessary to issue a sanction to expenditure before funds are communicated, the sanction should specify that such expenditure is subject to funds being communicated in the Budget of the year.

Rule 26. Responsibility of Controlling Officer in respect of Budget allocation: The duties and responsibilities of a controlling officer in respect of funds placed at his disposal are to ensure :

- (i) that the expenditure does not exceed the budget allocation.
- (ii) that the expenditure is incurred for the purpose for which funds have been provided.
- (iii) that the expenditure is incurred in public interest.
- (iv) that adequate control mechanism is functioning in his department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money, and
- (v) that mechanism or checks contemplated at (iv) above are effectively applied.

Rule 27.

- (1) **Date of effect of sanction :** Subject to fulfillment of the provisions of Rule 6 of the Delegation of Financial Powers Rules, 1978, all rules, sanctions or orders shall come into force from the date of issue unless any other date from which they shall come into force is specified therein.
- (2) **Date of creation to be indicated in sanctions for temporary posts:** Orders sanctioning the creation of a temporary post should, in addition to the sanctioned duration, invariably specify the date from which it is to be created.

Rule 28. Powers in regard to certain special matters : Except in pursuance of the general delegation made by, or with the approval of the President, a subordinate authority shall not, without the previous consent of the Finance Ministry, issue an order which -

- (i) involves any grant of land, or assignment of revenue, or concession, grant, lease or licence of mineral or forest rights, or rights to water power or any easement or privilege of such concessions, or
- (ii) involves relinquishment of revenue in any way.

Rule 29. Procedure for communication of sanctions : All financial sanctions and orders issued by a competent authority shall be communicated to the Audit Officer and the Accounts Officer. The procedure to be followed for communication of financial sanctions and orders will be as under :-

- (i) All financial sanctions issued by a Department of the Central Government which relate to a matter concerning the Department proper and on the basis of which payment is to be made or authorized by the Accounts Officer, should be addressed to him.
- (ii) All other sanctions should be accorded in the form of an Order, which need not be addressed to any authority, but a copy thereof should be endorsed to the Accounts Officer concerned.
- (iii) In the case of non-recurring contingent and miscellaneous expenditure, the sanctioning authority may, where required, accord sanction by signing or countersigning the bill or voucher, whether before or after the money is drawn, instead of by a separate sanction.

No. 7(1) E.Coord/2009
Ministry of Finance
Department of Expenditure

New Delhi, the 7th September, 2009

OFFICE MEMORANDUM

Subject: Expenditure Management - Economy Measures and Rationalization of Expenditure

1. Background

1. With a view to ensuring availability of adequate resources for meeting the objectives of critical development and priority schemes, instructions on expenditure management have been issued on 24th July, 2009. In view of the current fiscal situation and that arising out of insufficient rain in large parts of the country, and the consequent pressure on Government's resources, there is need for further economy and rationalization of expenditure. In the circumstances, in continuation of the instructions issued on 24th July, 2009, the following further guidelines are issued with immediate effect:-

2.1 Cut in Non-Plan expenditure

(i) For the year 2009-10, every Ministry/Department shall effect a mandatory **10% cut** in non-Plan expenditure under the following heads:-

- a) Domestic and Foreign Travel expenses
- b) Publications
- c) Professional Services
- d) Advertising and Publicity
- e) Office expenses
- f) POL (except for security related requirement)
- g) Other administrative expenses

No. 7(1) E.Coord/2009
Ministry of Finance
Department of Expenditure

- (ii) The remaining portions of non-plan expenditure, excluding interest payments, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to the States, will be subjected to a mandatory **5% cut**. No re-appropriation of funds to augment the non-plan heads of expenditure shall be allowed during the current financial year.
- (iii) No increases in the budgetary allocations under the heads of non-plan expenditure, particularly where cuts are now being imposed, will be allowed at RE stage, except under very extraordinary and compelling circumstances.

2.2 Economy Measures

The following measures for fiscal prudence and economy will also come into force with immediate effect:-

2.2.1 Seminars and Conferences

- (i) The prescribed expenditure ceilings for holding seminars, conferences, workshops etc. should be enforced and a 10% cut on the budgetary allocation for seminars and conferences shall be effected.
- (ii) Holding of exhibitions/seminars/conferences abroad is strongly discouraged, except in the case of exhibitions for trade promotion.
- (iii) There will be a complete ban on holding of meetings and conferences at five star hotels.



No. 7(1) E.Coord/2009
Ministry of Finance
Department of Expenditure

2.2.2 Domestic and Foreign Travel

- (i) No travel on Government account by air will take place by first class.
- (ii) All domestic travel on Government account by air will take place only by economy class, irrespective of the entitlement.
- (iii) Where travel is unavoidable, it will be ensured that officers of the appropriate level dealing with the subject are sponsored instead of those at higher levels. The size of delegation and the duration of visit will be kept to the absolute minimum.
- (iv) Proposals for participation in study tours, workshops/conferences/seminars/presentation of papers abroad at Government cost will not be entertained except those that are fully funded by sponsoring agencies.

2.2.3 Purchase of vehicles

Purchase of vehicles, except for operational requirements of the Defence Forces, Central Para Military Forces and security related organizations, will not be permitted.

3. The instructions contained in the O.M. on Expenditure Management dated 17th September, 2007 in regard to publicity, usage of telephones, ban on creation of plan and non-plan posts, transfer policy, and use of information technology will continue to be applicable. Similarly, instructions contained in O.M. on Expenditure Management dated 5th June, 2008 in regard to observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level, balanced pace of expenditure and re-appropriation within approved Heads will also continue to apply.

No. 7(1) E.Coord/2009
Ministry of Finance
Department of Expenditure

4. Compliance

Secretaries of the Ministries / Departments being the Chief Accounting Authorities as per Rule 64 of GFR shall be fully charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisers shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines.


(Sushama Nath)
Secretary (Expenditure)

All Secretaries to the Government of India
Copy to the:-
Cabinet Secretary,
Principal Secretary to the Prime Minister,
Secretary, Planning Commission
Financial Advisers

No.7(1)E. Coord/2009
Ministry of Finance
Department of Expenditure

New Delhi, the 8th September, 2009

Office Memorandum

Subject:- Expenditure Management-Economy Measures and Rationalization of Expenditure in autonomous bodies-reg

In consonance with the economy instructions issued by this Department vide OM of even No. dated 7th September 2009, appropriate economy measures need also be put in place to rationalize the expenditure of autonomous bodies. A mandatory cut of 10% and 5% on the same lines as indicated in para 2.1 of the above OM may be effected on the expenditure of autonomous bodies funded by the Government of India. Grants to be released during 2009-10 may be adjusted accordingly.

Further, economy measures outlined in para 2.2 of the O. M. dated 7th September, 2009 pertaining to Seminars & Conferences, Domestic & Foreign travel, Purchase of Vehicles and instructions contained in para 3 will also be applicable to autonomous bodies.



(Sushama Nath)
Secretary (Expenditure)

To

All Secretaries to the Govt. of India

Copy to;

Cabinet Secretary
Principal Secretary to the Prime Minister
Secretary, Planning Commission
Financial Advisers

No.7(1)/E.Coord/2011
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

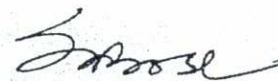
North Block, New Delhi
Dated: 2nd August, 2011

OFFICE MEMORANDUM

Subject: Expenditure Management-Economy Measures and
rationalization of expenditure in autonomous bodies – reg.

In consonance with the economy instructions issued by this Department vide OM of even No. dated 11th July, 2011, appropriate economy measures need also be put in place to rationalize the expenditure of autonomous bodies.

2. Accordingly, it has been decided to extend the economy measures outlined in the OM dated 11th July, 2011 to autonomous bodies funded by Government of India also.



Sumit Bose
Secretary (Expenditure)

To
All Secretaries to the Govt of India
All Financial Advisers

Copy to:
Cabinet Secretary
Principal Secretary to the Prime Ministry
Secretary, Planning Commission

No.7(1)E.Coord/2012
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 31st May, 2012

OFFICE MEMORANDUM

Sub: Expenditure Management- Economy Measures and Rationalization of Expenditure

Background

With a view to containing non-developmental expenditure and thereby releasing additional resources for meeting the objectives of the priority schemes, Ministry of Finance has been issuing guidelines on austerity measures in the government from time to time.

2. Economy Measures

In the context of the current fiscal situation where there is a tremendous pressure on Government's resources, there is an urgent need for rationalization of expenditure and optimization of available resources with a view to improve the macroeconomic environment. With this objective, the following measures for fiscal prudence and economy will come into force with immediate effect:-

2.1 Cut in Non-Plan expenditure

For the year 2012-2013, every Ministry/Department shall effect a mandatory **10% cut** in non-Plan expenditure excluding interest payment, repayment of debt, Defence capital, salaries, pension and the Finance Commission grants to the States. No re-appropriation of funds to augment the non-Plan heads of expenditure on which cuts have been imposed, shall be allowed during the current fiscal year.

2.2 Seminars and Conferences

- i) Utmost economy shall be observed in organizing conferences/ Seminars/workshops. Only such conferences, workshops, seminars, etc. which are absolutely essential, should be held and even there a 10% cut on budgetary allocations for seminars/ conferences shall be effected.
- ii) Holding of exhibitions/seminars/conferences abroad is strongly discouraged except in the case of exhibitions for trade promotion.
- iii) There will be a ban on holding of meetings and conferences at five star hotels.

2.3 Purchase of vehicles

- i) Purchase of vehicles is banned until further orders, including against condemned vehicles.

2.4 Foreign Travel

- i) It would be the responsibility of the Secretary of each Ministry/Department to ensure that foreign travel is restricted to most necessary and unavoidable official engagements based on functional necessity and extant instructions, including on the number of visits, are strictly followed.
- ii) Where travel is unavoidable, it will be ensured that officers of the appropriate level dealing with the subject are sponsored instead of those at higher levels. The size of the delegation and the duration of visit will be kept to the absolute minimum.
- iii) Proposals for participation in study tours, workshops/ conferences/seminars/presentation of papers abroad at Government cost will not be entertained except those that are fully funded by sponsoring agencies.

- iv) Foreign visits should be so regulated as to ensure that each Ministry remains within the allocated budget (after 10% cut) for the same. Re-appropriation proposals on this account would not be approved.

2.5 Creation of Posts

There will be a total ban on creation of Plan and Non-Plan posts.

3. **Observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/ State/Local level**

- 3.1 No amount shall be released to any entity (including State Governments), which has defaulted in furnishing Utilisation Certificates for grants-in-aid released by the Central Government without prior approval of the Ministry of Finance.
- 3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditionalities attached to such transfers (such as matching funding).
- 3.3 The State Governments are required to furnish monthly returns of Plan expenditure – Central, Centrally Sponsored or State Plan – to respective Ministries/Departments along with a report on amounts outstanding in their Public Account in respect of Central and Centrally Sponsored Schemes. This requirement may be scrupulously enforced.
- 3.4 The following specific steps may be adopted :
- a) The unspent balances available with the States and implementation agencies must be taken into account before further releases are made.

- b) The sanction for payment must clearly specify either that the payee has no utilization certifications as 'due for rendition' under the Rules under the scheme in question or that the payment has been authorized by Department of Expenditure.
- c) For any deviation from the above, the case should be referred to the Department of Expenditure.
- d) The Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. Balanced Pace of Expenditure

- 4.1 Rush of expenditure towards the end of the financial year continues to be an area of concern. As per extant instructions, not more than one-third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Besides, the stipulation that during the month of March the expenditure should be limited to 15% of the Budget Estimates, is reiterated. Ministries/Departments which are covered by the Monthly Expenditure Plan (MEP) may ensure that the MEP is followed strictly.
- 4.2 It is also considered desirable that in the last month of the year payments may be made only for the goods and services actually procured and for reimbursement of expenditure already incurred. Hence, no amount should be released in advance (in the last month) with the exception of the following :
 - i) Advance payments to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.
 - ii) Any loans or advances to Government servants etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.



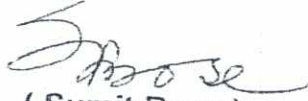
- iii) Any other exceptional case with the approval of the Financial Advisor. However, a list of such cases may be sent by the FA to the Department of Expenditure by 30th April of the following year for information.

4.3 Rush of expenditure on procurement should be avoided during the last quarter of the fiscal year and, in particular, the last month of the year so as to ensure that all procedures are complied with and there is no infructuous or wasteful expenditure. FA's are advised to specially monitor this aspect during their reviews.

5. No fresh financial commitments should be made on items which are not provided for in the budget approved by Parliament.

6. Compliance

Secretaries of the Ministries/Departments being the Chief Accounting Authorities as per Rule 64 of GFR shall be fully charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisors shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-Charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines.


(Sumit Bose)
Secretary (Expenditure)

All Secretaries to the Government of India

Copy to :

1. Cabinet Secretary
2. Principal Secretary to the Prime Minister
3. Secretary, Planning Commission
4. All the Financial Advisors

No. 7(1)/E.Coord/2011
Ministry of Finance
Department of Expenditure

New Delhi, the 11th July, 2011.

OFFICE MEMORANDUM

Subject : Expenditure Management – Economy Measures and Rationalisation of Expenditure.

1. Background

Instructions on expenditure management have been issued from time to time by the Ministry of Finance, Department of Expenditure with a view to ensure availability of adequate resources for meeting the objectives of critical development and priority schemes. These measures are intended at promoting fiscal discipline without restricting the operational efficiency of the Government.

2. Economy Measures

In view of the commitment of the Government to carry on the process of fiscal consolidation vigorously and to meet the fiscal and revenue deficit targets announced in the Budget 2011-12, there is need for economy and rationalisation of expenditure. In this context, the Budget Division, Department of Economic Affairs has, vide Office Memorandum No.4(5)-W&M/2011 dated May 2, 2011 issued instructions on the steps to be taken for fiscal and expenditure management in 2011-12. In continuation of those instructions, the following measures for fiscal prudence and economy will come into force with immediate effect:-

2.1 Seminars and Conferences

- (i) Utmost economy shall be observed in organizing conferences/Seminars/ workshops. The prescribed expenditure ceilings for holding seminars, conferences, workshops etc. should be enforced and only such conferences, workshops, seminars, etc. which are absolutely essential, should be held. A

10% cut on budgetary allocations for seminars/conferences shall be effected.

- (ii) Holding of exhibitions/seminars/conferences abroad is strongly discouraged except in the case of exhibitions for trade promotion.
- (iii) There will be a ban on holding of meetings and conferences at five star hotels.

2.2 Purchase of vehicles

- (i) Except for the operational requirements of Defence Forces, Central Paramilitary Forces and security related organisations, purchase of vehicles, including those against condemnation of the existing vehicles, will not be permitted.

2.3 Foreign Travel

- (i) It would be the responsibility of the Secretary of each Ministry/ Department to ensure that foreign travel is restricted to most necessary and unavoidable official engagements based on functional necessity and extant instructions are strictly followed.
- (ii) Ministries/Departments shall lay down quarterly ceilings based on the annual budget under foreign travel expenses which they may not exceed during the quarter in question. This will enable the Ministries/ Departments to prioritise and phase their expenditure during the whole year.
- (iii) Where travel is unavoidable, it will be ensured that officers of the appropriate level dealing with the subject are sponsored instead of those at higher levels. The size of delegation and the duration of visit will be kept to the absolute minimum.
- (iv) Proposals for participation in study tours, workshops/ conferences/seminars/presentation of papers abroad at Government cost will not be entertained except those that are fully funded by sponsoring agencies.

2.4 Creation of posts

There will be a total ban on creation of Plan and Non-Plan posts, except for new organisations which are set up during the course of the current year based on already approved schemes.

2.5 Consultancy Assignments

As per the extant instructions, consultancy assignments are to be awarded based on the provisions of the GFRs. In this context, the provisions of GFRs may be strictly followed and consultancy assignments may be awarded only for specific jobs which are well defined in terms of content and timeframe for their completion. Engagement of consultants may be resorted to only in situations requiring high quality services for which the concerned Ministry/Department does not have requisite expertise.

All Ministries/Departments may carry out a review of the Consultants appointed by that Ministry/ Department in the light of the provisions of the GFRs, and reduce the number of Consultants to the minimum requirement. Where individual Consultants are appointed by nomination, due economy may be observed while determining their fee and such fees may not be disproportionate to the work to be carried out by the Consultant.

3. **Observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level**
 - 3.1 No amount shall be released to any entity (including State Governments), which has defaulted in furnishing Utilisation Certifications for grants-in-aid released by the Central Government without prior approval of the Ministry of Finance.
 - 3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditionalities attached to such transfers (such as matching funding).
 - 3.3 The State Governments are required to furnish monthly returns of Plan expenditure – Central, Centrally Sponsored or State Plan – to respective Ministries/Departments along with a report on amounts outstanding in their Public Account in respect of Central and Centrally Sponsored Schemes. This requirement may be scrupulously enforced.
 - 3.4 The following specific steps may be adopted:
 - (a) The unspent balances available with the States and implementing agencies must be taken into account before further releases are made.

- (b) The sanction for payment must clearly specify either that the payee has no utilization certifications as 'due for rendition' under the Rules under the scheme in question or that the payment has been authorised by Department of Expenditure.
- (c) For any deviation from the above, the case should be referred to the Department of Expenditure.
- (d) The Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. **Balanced Pace of Expenditure**

- 4.1 Rush of expenditure towards the end of the financial year continues to be an area of concern. As per extant instructions, not more than one-third (33%) of the Budget Estimates may be spent in the last quarter of the financial year. Besides, the stipulation that during the month of March the expenditure should be limited to 15% of the Budget Estimates, is reiterated. Ministries/Departments which are covered by the Monthly Expenditure Plan (MEP) may ensure that the MEP is followed strictly
- 4.2 It is also considered desirable that in the last month of the year payments may be made only for the goods and services actually procured and for reimbursement of expenditure already incurred. Hence, no amount should be released in advance (in the last month) with the exception of the following:
 - (i) Advance payments to contractors under terms of duly executed contracts so that Government would not renege on its legal or contractual obligations.
 - (ii) Any loans or advances to Government servants etc. or private individuals as a measure of relief and rehabilitation as per service conditions or on compassionate grounds.
 - (iii) Any other exceptional case with the approval of the Financial Adviser. However, a list of such cases may be sent by the FA to the Department of Expenditure by 30th April of the following year for information.

5. Compliance

Secretaries of the Ministries/Departments being the Chief Accounting Authorities as per Rule 64 of GFR shall be fully charged with the responsibility of ensuring compliance of the measures outlined above. Financial Advisers shall assist the respective Departments in securing compliance with these measures and also submit an overall report to the Minister-in-Charge and to the Ministry of Finance on a quarterly basis regarding various actions taken on these measures/guidelines.



(Sumit Bose)

Secretary (Expenditure)

All Secretaries to the Government of India

Copy to:

1. Cabinet Secretary
2. Principal Secretary to the Prime Minister
3. Secretary, Planning Commission
4. All Financial Advisers

F.No. 7(1)/E.Coord/2010
Ministry of Finance
Department of Expenditure
E.Coord Branch

New Delhi, the 31st May, 2010.

OFFICE MEMORANDUM

Subject: Procedure to be followed for holding of International Conferences/Workshops/Seminars, etc. (Domestic & International)- regarding.

Attention is drawn to this Department's OM No. 7(21)E.Coord/93 dated 27th May, 1998 and OM No. 7(5)/E.Coord/2002 dated 28th May, 2003 on the procedure to be followed for holding Conferences/Seminars/Workshops. The matter has been considered further and it has been decided that henceforth only proposals involving **expenditure above Rs. 10 lakh** will need to be referred to the Department of Expenditure. In respect of domestic conferences/workshops/seminars etc., the approval will be accorded by the Secretary (Expenditure). For International Conferences, the approval of Cabinet Secretary would be obtained. In respect of the latter, the operative instructions of 28th May, 2003 are reiterated as follows:

(i) That the proposals for hosting of international conference/seminar/workshop etc. should be submitted by the Ministries/Departments after clearance of the Minister-in-charge to the Cabinet Secretary through Secretary (Expenditure). The Ministries/Departments are also required to ensure clearance of Ministry of External Affairs from political angle and Ministry of Home Affairs from security angle, before referring the proposals to Cabinet Secretary through Secretary (Expenditure). All preparations for holding the conference and other formalities should be completed sufficiently in advance to avoid any last minute hitch and embarrassment.

(ii) Provision should have been made in the Budget at the BE stage to ensure that the conference was well planned. Priority will be given to those conferences that arise out of international agreements/obligations. Other conferences etc. should be planned only if there is residual provision in the Budget.

(iii) "In principle" approval of the Minister-in-charge should be taken sufficiently in advance say 4 to 6 months in advance before the event.

(iv) Political clearance from Ministry of External Affairs/ security clearance from Ministry of Home Affairs shall be taken prior to the file being referred to Department of Expenditure.

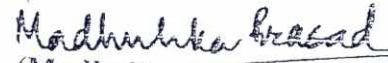
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(v) The file thereafter may be referred to the Secretary (Expenditure) and Cabinet Secretary for approval, wherever such approval is prescribed at least one month before the date of the Conference/Workshop and before invitations are issued; and

(vi) All administrative arrangements including issuance of invitations should be done after receiving Cabinet Secretary's approval.

2. Notwithstanding the enhancement in the prescribed expenditure ceiling, all Ministries/Departments may ensure utmost economy in public expenditure.

3. These instructions will come into operation with immediate effect.


(Madhulika P. Sukul)
Joint Secretary

To

1. All Ministries/Departments as per standard mailing list.
2. All Secretaries to the Government of India.
3. All FAs (by name)