



चेतन प्रकाश जैन, आईआरपीएस
संयुक्त सचिव एवं वित्तीय सलाहकार
CHETAN PRAKASH JAIN, IRPS
Joint Secretary & Financial Adviser

वैज्ञानिक तथा औद्योगिक अनुसंधान परिषद्
अनुसंधान भवन, 2, रफी मार्ग, नई दिल्ली-110 001
Council of Scientific & Industrial Research
Anusandhan Bhawan, 2, Rafi Marg, New Delhi-110 001

No. 42-1(1)/Comp/Acctts/2025-26

Dated: 09-Sep-2025

To,

The Directors/Heads of all CSIR Labs/Instts/Units

Sub.: Reiteration of guidelines regarding generation & utilization of Laboratory and Headquarters Reserve Fund (LHRF) & related matters-reg.

Madam/Sir,

Reference is invited to the Report of the Subject Specific Compliance Audit (SSCA) on LHRF recently received from the Office of the DG-Audit (Environment & Scientific Departments), Office of CAG.

2. The aforesaid report has pointed out certain important observations related to generation and utilization of LHRF in some of the CSIR Labs/Instts/Units. Among the observations of significant concern are the following: -

- (i). Transfer of unutilized input tax credit of GST/service tax available with the Labs to LRF
- (ii). Non-settlement of balances available in externally funded projects even after their date of completion leading to understatement of LRF.
- (iii). Excess expenditure on externally funded projects
- (iv). Utilization of LRF on non-permissible heads
- (v). Non-utilization of 1/3rd of LRF generated in a financial year in the next financial year

3. In order to address the audit observations and to avoid such observations in future, the following may be ensured by all CSIR Labs/Instts/Units: -

(i). Transfer of unutilized input tax credit of GST/Service tax available with the Labs/Instts/Units to LRF or any other head is not in order. Any such amount already transferred to LRF or to any other head must immediately be restored back to the original head and be kept there till further instructions on this matter are issued by CSIR Hqrs.

(ii). Non-settlement of balances available in externally funded projects even after their date of completion is a serious matter. In this regard, your attention is also invited to instructions already issued on this subject from time to time including DO letter no. 42-4(5)/Acctts/2023-24 dated 22-Jan-2024 and DO letter No. 42-1(1)/Comp/Acctts/2025-26 dated 08-Jul-2025 from JS&FA, CSIR (copy enclosed). However, the audit observation has made it evident that due attention is still not being paid by many of the CSIR Labs to this area. It is, therefore, again emphasized that all such projects be reviewed on a regular basis by PME/BDG division of the Lab and the balances available in closed projects be settled on top priority as

Page: 1/2

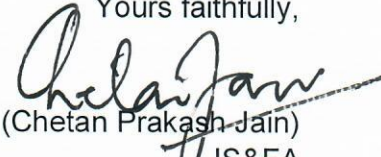
per extant instructions on the subject. Non-compliance of these instructions may lead to grant allocations of such Labs/Instts being adversely affected.

(iii). It has already been instructed vide CSIR letter no. 41(43)/2004-IA dated 30.09.2014 (copy enclosed) on the subject- excess expenditure in externally funded projects, that under no circumstances, the expenditure in a payment should be allowed to exceed the receipt(s) in that project. The aforesaid instructions may be strictly complied with to avoid further audit criticism in this area.

(iv). Extant CSIR guidelines on generation and utilization may be strictly adhered to by all CSIR Labs/Instts/Units and it may be ensured that there are no deviations from the same. It is also pertinent to mention that as per instructions circulated vide OM No. 29-2(11)/99(LRF)-Report dated 21.11.2017 (copy enclosed), it will be the responsibility of the Director/Head of the Lab/Instt/Unit of CSIR to ensure the compliance of guidelines on this matter and give a certificate to this effect every year alongwith the Annual Accounts. The certificate reads as ***"It is hereby certified that all expenditure from the LRF/ LHRF for the financial year was incurred as per the guidelines circulated vide CSIR letter no 1(11)/Acctt./2000-2001 dated 4.9.2000. It is also certified that all norms, procedures, rules, regulations and instructions applicable for incurring expenditure from Govt. Grant were equally applied to expenditure from LRF/ LHRF"***

(v). Keeping in view the observation of CAG Audit regarding non-compliance of provision relating to utilization of LHRF in a year being not less than one-third of the amount generated in previous year, all CSIR Labs/Instts are required to ensure that the LHRF utilisation in a year is normally not less than one-third of the amount generated in the previous year (copy of CSIR LHRF guidelines notified vide letter No. 1(11)/Acctt./2000-2001 dated 04.09.2000 enclosed).

4. All CSIR Labs/Instts/Units are advised to ensure full compliance of the above instructions and also of the LHRF guidelines issued by CSIR from time to time, in letter and spirit.

Yours faithfully,

(Chetan Prakash Jain)
JS&FA

Copy to:

1. DG, CSIR- for kind information
2. JS(Admin), CSIR
3. All Head of Divisions, CSIR Hqrs
4. Sr. Dy. FAs/Sr. CoFAs/Dy. FAs/CoFAs/F&AOs of all CSIR Labs/Instts/units/Hqrs
5. Sr. DSs/Sr COAs/DSs/COAs/USs/AOs of all CSIR Labs/Instts/Units/Hqrs
6. Sr. CoSPs/CoSPs/SPOs of all CSIR Labs/Instts/Units/Hqrs
7. Head, IT – with the request to host it on CSIR website
8. Office Copy



चेतन प्रकाश जैन

संयुक्त सचिव एवं वित्तीय सलाहकार

CHETAN PRAKASH JAIN

Joint Secretary & Financial Adviser



वैज्ञानिक तथा औद्योगिक अनुसंधान परिषद्

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Council of Scientific & Industrial Research

Anusandhan Bhawan, 2, Rafi Marg, New Delhi-110 001

DO No. 42-4(5)/Acctts/2023-24

Dated 22nd Jan, 2024

Dear Director/Head,

You may recall that CSIR has switched over to Accounts Manager Software since 01-Apr-2023 and the classification codes for accounting of all financial transactions have been rationalized. Recently, during review of financial transactions relating to ECF projects, it was observed that the correct position of head-wise balances was not appearing in the accounts of respective Labs/Units.

2. Accordingly, Labs/Units were requested vide CSIR letter of even number dated 27.12.2023 to provide the requisite details of these balances. On analysis of the information provided by the Labs, the following serious issues/deficiencies have inter-alia been noticed: -

(i). There is no uniformity in the receipt codes to which Lab share and Project Fee components of project cost are being credited by the Labs. Within the same Lab also, the receipt of same component has been taken in different classification codes in different projects. Some Labs are taking receipt of Lab share amount and Project Fee amount under unclassified head (c-code R-90918) as they have informed that specific receipt codes for Lab share and Project Fee are not available.

(ii). Some Labs are taking receipt of Lab share & Project fee in unclassified head of ECF projects with c-code R-90918 due to classification code wise bifurcation/break-up of instalment of funds/project cost not being provided by PME/PL/PI.

(iii). The unclassified head of ECF receipt code with classification code R-90918 is also being used to take receipts of funds received for a variety of reasons.

3. The above position suggests that there are wide variations in Labs in taking receipts of different components of project costs. This is leading to an incorrect & incoherent picture of receipts under different receipt codes of ECF projects and the correct position of receipts is not being depicted in the accounts of respective Labs/Units as also of consolidated CSIR.

4. It is also noticed from AMS data that the project accounts are being kept open well beyond the date of completion of the project as there are ECF projects where expenditure is being incurred even beyond the date of completion of the project. It has also been a repeated audit observation that the financial closure of the ECF projects is not timely done and UCs/SEs, duly reconciled with the subsidiary records being maintained, are not submitted timely to the funding/sponsoring agencies.

-contd.-



(2)

5. In the light of the above-mentioned position, the following instructions are being issued for compliance by all the CSIR Labs/Units: -

(i). No expenditure may be allowed to be incurred in ECF projects beyond the date of completion of the project except for settlement of adjustment entries relating to financial transactions pertaining to the period prior to the date of completion of the project. Details of all such cases may be recorded in writing and approval of the Director/Head of the Lab/Unit may be obtained for the same. Further, a project-wise monthly report of all such cases, with specific reasons for incurring expenditure beyond the date of completion of the project may be sent by the Labs/Units to JS&FA, CSIR.

(ii). Financial closure of the ECF projects may be ensured in an expeditious manner and the UCs/SEs, duly reconciled with the related subsidiary records being maintained, may be timely sent to the funding/sponsoring agencies.

(iii). Some Labs are creating/operating fictitious project(s) which is in clear violation of instructions already issued by CSIR vide letter no. 1(3)/Acctt/2001-2002 dated 17.04.2002 (copy enclosed). Accordingly, the concerned Labs are requested to furnish reasons for violation of aforesaid instructions. Further, such fictitious projects, wherever being operated may be closed forthwith under intimation to CSIR Hqrs.

(iv). Heads of PME Divisions may be directed to ensure that head-wise/ classification code-wise break-up of sanctioned cost of all ECF projects as well as head-wise/ classification code-wise break-up of every instalment of funds received for all ECF projects in respective Labs/Units is promptly notified by them without fail/without delay to all concerned including the Finance & Accounts division of the Lab/Unit. Finance & Accounts division shall ensure that no payment in any ECF project is made without receipt of break-up of sanctioned project cost as well as instalment-wise break-up of funds received for that project.

(v). The information (proforma enclosed) regarding project number-wise balances of distributable portion amount available with your Labs/Units as on 31.12.2023 in respect of all the ECF projects/Technical services etc., as per CSIR guidelines on technology transfer & utilization of knowledgebase, applicable from time to time, may be informed to CSIR Hqrs latest by 31st Jan., 2024. Further, the aforesaid amounts may be transferred immediately to c-code R-90701/R-90702 (Royalty & Premia for distribution).

(vii). The portion of receipts in ECF projects/Technical services etc. transferrable to LRF may be transferred immediately, wherever lying pending for transfer. A report (proforma enclosed) of all such amounts transferred to LRF/HQRF of the Lab/Unit

-contd.-



(3)

from 01st April 2023 onwards during the current financial year may also be informed to CSIR Hqrs latest by 31st Jan., 2024.

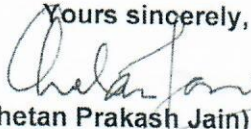
6. Keeping in view that some Labs have informed that specific classification code for taking receipt of Lab share component, Project Fee component, interest earned, corporate social responsibility etc. are not available in the presently available list of classification codes, necessary action for revision of classification codes for receipt & payment of ECF projects has been initiated. This will ensure uniformity and standardization of treatment of receipts of ECF projects across CSIR Labs and ensure presentation of correct data in the accounts of CSIR Labs as well of consolidated CSIR.

7. I am looking forward to your full co-operation & support in this important area of responsibility so that the accounts of CSIR reflect a coherent, true & fair view and related audit observations being faced since long are taken care of.

With regards,

Encl.: as above

The Directors/Heads
All CSIR Labs/Instts/Units

Yours sincerely,

(Chetan Prakash Jain)

22/01/24



चेतन प्रकाश जैन
संयुक्त सचिव एवं वित्तीय सलाहकार
CHETAN PRAKASH JAIN
Joint Secretary & Financial Adviser



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COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH
Anusandhan Bhawan, 2, Rafi Marg, New Delhi-110 001
DO No. 42-1(1)/Comp/Acctts/2025-26
Dated: 08-Jul-2025

Dear Director/Head,

Kindly refer Rule 68 and Rule 69 of the Rules, Regulations and Bye-laws of CSIR in accordance with which, the Certification Audit (SAR) of CSIR is done every year by a CAG Audit Team.

2. It has been noticed that there are certain observations which are being raised by the CAG Audit Teams in SAR reports, on a recurrent basis every year, in respect of one or more CSIR Labs/Instts/Units. This is a matter of serious concern and indicates that due attention is not being paid by concerned Scientific, Technical & Administrative/Finance/S&P Officers and Staff to avoid these recurrent observations.
3. Accordingly, I am listing below some of the critical areas where urgent remedial and corrective action is required: -

A. Excess Expenditure on Externally Funded Projects - Refund Due

An amount of Rs. 960.59 lakhs is appearing under this head of Sch-8 of consolidated Annual Accounts of CSIR for the F.Y. 2024-25. Ideally, any expenditure incurred under the project, in excess of the funds available in the project, should be avoided, yet such figures are appearing. The Labs/Instts/Units may revisit the Sch-8 of the Annual Accounts and take corrective action for an early settlement of the same in consultation with the their PME division and respective PIs. As per extant orders of CSIR on the subject -No Externally funded project should be allowed to have expenditure in excess of receipt in that project (Ref: CSIR letter No. 41(43)/2004-IA dated 30-09-2014- copy enclosed).

B. Non-transfer of capital assets procured out of Externally Funded Projects or return back of such assets to the funding agency

As per Sch-18 of consolidated annual accounts of CSIR for the F.Y. 2024-25, the gross value of assets acquired out of externally funded projects is Rs. 131358.67 lakhs. The status of such assets needs to be urgently revisited either for transfer to CSIR Accounts or return back to the funding agency as per the terms and conditions of the project and as per extant instructions of CSIR on the subject. Physical verification of such assets would be an appropriate step before return to funding agency or transfer to CSIR accounts. The value of such assets was Rs. 60714.54 lakhs as at 31-Mar-2020 indicating inadequate action on the part of Labs/Instts/Units in this important area in last some years.

- contd -

C. Static Balances lying unsettled and appearing in the books of account

There are various heads of account in the annual accounts of CSIR Labs/Instts/Units where STATIC balances are appearing for a long time without settlement. All such static balances need to be examined, reviewed, reconciled and settled accordingly in a time targeted manner. The STATIC balances are an exception only in unavoidable situations and must not be left unattended.

D. Utmost care needs to be taken to avoid errors in accounting of capital assets and related matters

Misclassification of nature of capital assets and other issues:

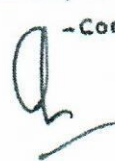
- (i). App & Equipt. v/s. Computer Equipt,
- (ii). Library Books/Journals vs. E. Journals,
- (iii). Major Computer Software (Capital nature) v/s Computer software (Revenue nature),
- (iv). Building (Capital Exp) v/s. Building Maintenance (Revenue Exp)
- (v). Non-settlement of WIP bills and its conversion to Fixed Assets in the books of accounts even after the work is completed and asset is put into use
- (vi) Non-installation and operationalization of Equipment in a prompt manner commensurate with the urgency projected at the time of submission of indent leading to adverse audit observations

It has been observed that some of the Labs/Instts/Units are not exercising due diligence in this area and as a result, these cases are routinely occurring in such Labs/Instts/Units. All Scientific/Technical/Administrative/Finance/S&P/Engg. Officers & staff need to be duly sensitized to avoid recurrence of such cases.

E. Inter-Laboratory transfer of Assets

- (i). Assets Transfer-IN and Transfer-OUT between the Labs (Ref: CSIR letter No. 42-1(1)/Accounts/2005-2006 dated 12-01-2006- copy enclosed) is not being adequately monitored in some of the CSIR Labs/Instts/Units. As a result, various complications are occurring at the time of annual closing like an asset transferred out by one Lab is not taken as asset transferred in by the other Lab in the same financial year or assets are taken by the Officer(s) on transfer from one Lab to another but requisite accounting entries are not done.
- (ii). In order to ensure due monitoring and accountability of council assets in all cases of transfer of Officers from a Lab/Instt/Unit or Hqrs to another Lab/Instt/Unit or Hqrs, an entry of status of transfer out of assets, if any, may be duly recorded in the Last Pay Certificate (LPC) to be issued by the transferring Lab/Instt/Unit/Hqrs.

F. Prompt Physical Verification of Assets (and also the Inventories) at the end of every financial year as per extant orders of CSIR on the subject

 -contd.-

G. Negative Balances appearing and emerging in Sch-6

H. Establishment of LCs and their non-settlement in the books of account even though the LC has matured. This results in difference between the figures appearing in the books of account v/s. the figures appearing in the records of bank inviting audit observations. It is required to be ensured that the LC record of the Lab/Instt/Unit matches fully with the LC record of the concerned Bank.

I. Matching of Assets and Liabilities under LRF and ECF

(i). It has to be ensured that the total LRF depicted in Sch-2 of annual accounts is equal to sum total of Investments made out of LRF and Cash Balance available under LRF.

(ii). Similarly, it has to be ensured that the total ECF depicted in Sch-5 of annual accounts is equal to sum total of Investments made out of ECF and Cash Balance available under ECF. The difference (if any) should be equal to Excess Expenditure on ECF Projects-Refund Due (Sch-8).

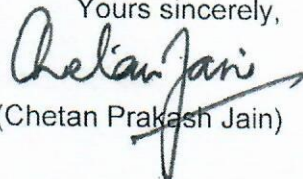
4. Considering the importance of SAR Audit for CSIR, the observations raised by SAR Audit Teams including some of the critical ones detailed above need your personal attention and monitoring. I would, therefore, request you to issue appropriate instructions to all concerned Scientific/Technical/Administrative/Finance/S&P/Engg and all other Officers & staff to take requisite action on top priority in respect of all the above-mentioned issues/observations. It is also important that concerned divisions like PME/Administration/Stores & Purchase/Engineering along with Finance & Accounts work in a synergistic manner to address these issues/observations in a comprehensive time-bound manner and also provide proper guidance to all staff members. This will not only reduce the scope of audit criticism but also make the annual accounts of CSIR more transparent thereby bringing down the recurrent audit observations.

Looking forward to your full co-operation.

With regards,

Encl.: as above

The Directors/Heads
All CSIR Labs/Instts/Units

Yours sincerely,

(Chetan Prakash Jain)



No. 41(43)/2004-IA

Dated 30.09.2014

To,

Directors/Heads
All National Labs./Instts./Hqrs./Units of CSIR

Sub: Excess expenditure in Externally Funded Projects

Sir/Madam,

It has been brought to notice through the Internal Audit Inspections of various CSIR Labs./Instts. that in some of the CSIR Labs./Instts., a no. of externally funded projects have expenditure in excess of receipts resulting in negative balance in the concerned Project's account.

In this regard, it is stated that under no circumstances, the expenditure in a project should be allowed to exceed the receipt(s) in that project. Any payment in excess of receipt in any project shall be viewed seriously. Monitoring of expenditure in all such cases is the responsibility of Finance & Accounts Head of the concerned Lab./Instt.

This issues with the approval of FA, CSIR.

Yours faithfully

(R.L. Sharma)
Sr. Dy. Financial Adviser

Copy to: CoFAs/FAOs of all Labs./Instts./Hqrs./Units of CSIR for strict compliance

Head IT: With The request to host it on
CSIR Website



IMPORTANT

Fax:23711117

Council of Scientific & Industrial Research

Anusandhan Bhavan, Rafi Ahmed Kidwai Marg

New Delhi - 110 001

FROM:
FINANCIAL ADVISER

No.1(1)/Accounts/2006

Dated: 8th Feb.,2006

To

Heads of all National Labs/Instts.

Sub: Non-accounting of assets procured from externally funded projects.

Sir,

Kindly refer to CSIR letter of even number dated 6th Sept., 2000 elaborating therein a procedure for accounting of assets acquired for externally funded projects and reflection of their value in the balance-sheet of CSIR immediately after the closure of such projects. The audit has pointed out that laboratories/institutes are not taking any action as per CSIR instructions. These assets are lying in various laboratories without reflection of their value in CSIR balance-sheet.

CSIR instructions on accounting of assets procured from externally funded projects are reiterated as under:

- a. On completion of the externally funded projects, the Project Leader will intimate all concerned about the closure of the project and obtain a list of assets acquired out of the project fund along with the value and approach sponsoring/granting organization for gifting the assets are being accounted for in the Balance-sheet of CSIR which will be returned to the funding agency if asked before they are otherwise disposed of on 'as is where is basis'. Definite time frame could be worked out by the Lab for the purpose with the sponsoring agency. Project Leader will also issue instructions through the Project Monitoring Cell to account for such assets in the stores ledger as well as in the Balance-sheet of the Laboratory.
- b. The Stores Officer in turn will prepare a transfer voucher in triplicate for transferring the assets from sponsored project ledger to Laboratory Stock Ledger. In the transfer voucher reference to Project No. for which the assets were acquired, reference to both the stock ledgers (Sponsored project ledger from which the assets transferred and the Laboratory stock ledgers where the assets transferred) need to be given. One copy will be sent to Finance & Accounts section for reflection in the Balance-Sheet and another copy to Project Monitoring Cell or the project leader, as the case may be.

- c. On receipt of the Transfer Voucher from the Stores Officer, the Finance & Accounts Officer will account for the asset in Balance-Sheet through 'C-Voucher' without waiting for 'gifting consent from the sponsoring/granting organization. At this stage provision for two additional entries have been made in IMPACT - (1) Project No. and (2) Original Voucher. The project number against which the assets was originally procured should be entered in this module. The 'original voucher' has to be entered when the entry for effecting return of the asset, if any, is made (as in para -d below).
- d. If, subsequently, the sponsoring/granting organization claims the assets back, the same should be returned and shown as 'transfer to the sponsorer' and struck off from the Stock Ledger. In the Balance-sheet a reverse entry should be given through 'C-Voucher' by entering figure with negative sign in 'Asset amount' field. At this stage reference to the 'original voucher' and the project number as mentioned in para-c above must be given.

The audit has further pointed out that the current liability exhibited in the balance-sheet on account of "deposit for externally funded projects" should be supported by project-wise deposits available. It has, therefore, been decided by FA, CSIR that the laboratories/institutes should enclose list of project-wise closing balance in support of the figures appearing in the balance-sheet.

You are very kindly requested to ensure implementation of these instructions in order to avoid further audit criticism.

Yours faithfully,

(Rattan Lal Sharma)
Dy. Financial Adviser

Copy to :

- i. Controller of Finance & Accounts/Finance & Accounts Officer] of National Labs for
- ii. Controller of Stores & Purchase/Stores & Purchase Officer] information & Compliance.

Handwritten notes:

Copy to -
 1. SO (F&A) ✓
 2. SO (Stores & Purchase) ✓
 3. Mr. Singh ✓
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Phone : 3710500
Fax : 3710500

Council of Scientific & Industrial Research

Anusandhan Bhavan, Rafi Ahmed Kidwai Marg
New Delhi - 110 001

No.1(1)/Acctt/2000-2001
Date: 6th September, 2000

To:

Head of all National Labs./Instts.

Subject : Non-accountal of assets procured from externally funded projects

The Principal Director of Audit, Scientific Departments, in his audit report on the accounts of CSIR for the year 1998-99 has observed that a large number of assets are being acquired for externally funded projects, which are neither taken in the regular stores ledger of the Labs. nor the value of such assets is being reflected in the accounts of the Laboratory.

As per the standard terms and conditions for sponsored/ grant-in-aid projects, any asset acquired out of externally funded projects remain the property of the sponsoring agencies unless these are gifted out to the Laboratory/ Instt.

The extant procedure being followed in CSIR in terms of letter of even number dated 26.10.1988 is as follows:

- i. On conclusion of all externally funded projects a formal consent from the sponsoring body for gifting the asset to the Laboratory is required to be obtained. After getting the consent of the sponsoring body, the assets are taken in the regular stores Ledger and accounted for in the Balance Sheet under the relevant assets heads on asset side and the corresponding value is shown on the Liability side under the head 'Assets acquired from Sponsored Projects'.
- ii. Old items where more than 3 years have lapsed after the completion of the project, Laboratories were advised to take the assets in the regular stores Ledger and value shown in the Balance Sheet treating such asset as "deemed to have been gifted by the sponsoring body."

As per the feedback received from different Labs. it has been observed that either the Laboratories are not prompt in approaching the sponsoring body for getting such asset as 'gift' or even if they approach no reply was forthcoming from the concerned sponsoring/ granting organization. As a result, huge assets of considerable value remain out of accounts of the Laboratories/CSIR.

In view of the Audit observations, it has now been decided with the approval of Financial Adviser that the assets acquired for the externally funded projects may be accounted for in the books of accounts and their value reflected in the Balance Sheet immediately after the closure of the project for which procedure as indicated below may be followed:-

inflow.

AO

*interaction
Contract*

*COA
S/O S/O S/O*

- pl sit jointly and settle.

*For COA - Cons sent
to S/O of F&D 18/11/99*

- a. On completion of the externally funded projects, the project leader will intimate all concerned about the closure of the project and obtain a list of assets acquired out of the project fund along with the value and approach sponsoring/ granting organization for gifting the assets to the Laboratory and also intimate that in anticipation of their consent the assets are being accounted for in the Balance Sheet of CSIR which will be returned to them as and when asked for on "as is where is basis". He will also issue instructions through the Project Monitoring Cell to account for such assets in the stores ledger as well as in the Balance Sheet of the Laboratory.
- b. The Stores Officer in turn will prepare a transfer voucher in triplicate for transferring the assets from sponsored project ledger to Laboratory Stock ledger. In the transfer voucher reference to Project No. for which the assets were acquired; reference to both the stock ledgers (Sponsored project ledger from which the assets transferred and the Laboratory stock ledgers where the assets transferred). One copy will be sent to Finance & Accounts section for reflection in the Balance Sheet and another copy to Project Monitoring Cell or the project leader, as the case may be.
- c. On receipt of the Transfer Voucher from the Stores Officer, the Finance & Accounts Officer will account for the asset in Balance Sheet through 'C-Voucher' without waiting for 'gifting' consent from the sponsoring/ granting organization. At this stage provision for two additional entries have been made in IMPACT - (1) Project No. and (2) Original Voucher. The project number against which the asset was originally procured should be entered in this module. The 'original voucher' should be the C-voucher that will be taken automatically. This 'original voucher' has to be entered when the entry for effecting return of the asset, if any, is made (as in para -d below).
- d. If, subsequently, the sponsoring/ granting organization claims the assets back, the same should be returned and shown as "transfer to the sponsorer" and struck off from the Stock Ledger. In the Balance Sheet a reverse entry should be given through 'C-Voucher' by entering figure with negative sign in 'Asset amount' field. At this stage reference to the 'original voucher' and the project number as mentioned in para-c above must be given.

Immediate action may kindly be taken to account for the assets acquired for all externally funded projects which have been closed as on date.


(D.K. CHAKRABARTY)
Consultant (B&A)

Copy to:

1. Sr. F&AO/F&AO of all National Labs./Instts.
2. Stores & Purchase Officer, all National Labs./Instts.
3. Shri A. Wahid, Head, IMPACT Software Team - with the request to incorporate necessary modification in IMPACT programme
4. All Divisional Heads in CSIR Head quarters



वित्तीय सलाहकार
Financial Adviser

Phone : 23711255
Fax : 23711117

वैज्ञानिक तथा औद्योगिक अनुसंधान परिषद

अनुसंधान भवन, 2 रफो अहमद किदवाई मार्ग, नई दिल्ली - 110 001

Council of Scientific & Industrial Research
Anusandhan Bhavan, Rafi Ahmed Kidwai Marg, New Delhi - 110 001

42-1(1)/Accounts/2005-2006
Dated 12.01.2006

To
The Controller of Finance/
The Finance & Accounts Officer
All the National Laboratories/Institutes of CSIR

Sir,

Sub: Inter-Laboratory transfer of Assets

You are aware that inter-laboratory transfer of fixed assets should not have any impact on the consolidated accounts of CSIR. Therefore, it is essential to ensure that the assets transferred out by one laboratory must be taken as **transfer in** by the other laboratory within the same accounting year.

The depreciated value of assets transferred out would be reduced from the concerned asset block on the Asset side with simultaneous reduction in the Industrial Research Fund on the Liability side in the Balance Sheet of transferring Laboratory. The Transferee Laboratory will also incorporate an entry by increasing the concerned asset block with the depreciated value of assets received with simultaneous increase in the Industrial Research Fund. However, it is to be ensured by both transferring and transferee laboratories that the entries are made in the same accounting year.

You are requested to incorporate C-Vouchers relating to assets transferred out, if any, positively by 15th February, 2006 and send a copy of the C-Voucher to the Finance & Accounts Officer of the transferee laboratory and the undersigned. On receiving the copy of the C-Voucher from the transferring laboratory, the Finance & Accounts Officer of the transferee laboratory should pursue the matter with the concerned departments and ensures the incorporation of the same under the head 'Assets transferred in' positively before 28th February, 2006. The FAO of the transferee laboratory should also send a copy of the C_Voucher to the FAO of the transferring laboratory and the undersigned.

No C_Voucher under the head assets transferred out or assets transferred in shall be entered in the month of March, 2006. The laboratories are requested to carry out reconciliation of inter-laboratory transaction among each other in the month of March so as to ensure that value of assets transferred out matches with the value of assets transferred in during the year. Therefore, there should not be any transfer of asset after 15th February.


F&A
SPD (P)
SO (SEP)

Atto 10/1/06

12/1/06

A little care from the laboratories shall avoid ~~an~~ unnecessary and perennial audit criticism.

Yours faithfully,


(Rattan Lal Sharma)
Deputy Financial Adviser

Copy to.

Controller of Stores & Purchase/Stores & Purchase Officer of all National Laboratories/Institutes – with a request to forward a copy of chalan of asset transferred out each to Controller of Stores & Purchase/Stores & Purchase Officer and Finance & Accounts Officer of the transferee laboratory. On receipt of the asset, the Controller of Stores & Purchase/Stores & Purchase Officer of the transferee laboratory shall record the same in DRR immediately and forward a copy to Accounts Section for necessary incorporation in the Accounts.


12/11/06



No. 41(43)/2004-IA

Dated 30.09.2014

To,

Directors/Heads
All National Labs./Instts./Hqrs./Units of CSIR

Sub: Excess expenditure in Externally Funded Projects

Sir/Madam,

It has been brought to notice through the Internal Audit Inspections of various CSIR Labs./Instts. that in some of the CSIR Labs./Instts., a no. of externally funded projects have expenditure in excess of receipts resulting in negative balance in the concerned Project's account.

In this regard, it is stated that under no circumstances, the expenditure in a project should be allowed to exceed the receipt(s) in that project. Any payment in excess of receipt in any project shall be viewed seriously. Monitoring of expenditure in all such cases is the responsibility of Finance & Accounts Head of the concerned Lab./Instt.

This issues with the approval of FA, CSIR.

Yours faithfully

(R.L. Sharma)
Sr. Dy. Financial Adviser

Copy to: CoFAs/FAOs of all Labs./Instts./Hqrs./Units of CSIR for strict compliance

Head IT: With the request to host it on
CSIR Website

Annexure-V

CONCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH
RAFI MARG, NEW DELHI-110 001

No. 29-2(11)/99(LRF)-Report

Dated: 21.11.2017

OFFICE MEMORANDUM

Sub: Assurance from CSIR Management to CAG Audit – regarding LRF.

While issuing final vetting comments on C&AG para No 3.1 reports No. 5 of 2000 titled "Utilization of lab reserve fund", Office of the Principal Director of Audit (Scientific department) has sought an assurance from CSIR management for non-recurrence of instances mentioned by them in the said audit para.

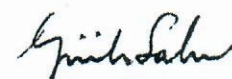
2. In pursuance of draft CAG audit para, a high-power committee was constituted to examine the issue raised therein. On the recommendation of the committee, and with the approval of the Governing Body CSIR, guidelines related to expenditure from LRF had been revised and notified/ circulated vide letter No. 1(11)/Acctt./2000-2001 dated 4.9.2000 (copy enclosed).

3. Since CSIR has already considered the issue raised by Audit, CSIR management has given an assurance to CAG audit that CSIR Labs/ Institutes will strictly adhere to the approved guidelines notified vide letter No. 1(11)/Acctt./2000-2001 dated 4.9.2000.

4. Therefore, Directors of all Labs/ Institutes and the Head of all units of CSIR are hereby directed to *ensure strict adherence to the guidelines as notified vide letter No. 1(11)/Acctt./2000-2001 dated 4.9.2000.*

5. It will be the responsibility of the Director/ Head of the Lab/ Institute/Unit of CSIR to ensure the compliance of guidelines on this matter and give a certificate to the effect that "It is hereby certified that all expenditure from the LRF/ LHRF for the financial year _____ was incurred as per the guidelines circulated vide CSIR letter no 1(11)/Acctt./2000-2001 dated 4.9.2000. It is also certified that all norms, procedures, rules, regulations and instructions applicable for incurring expenditure from Govt. Grant were equally applied to expenditure from LRF/ LHRF. ". The certificate may be attached with the Balance Sheet of the relevant financial year of the Lab/ Institute/ unit.

6. Check list for following the above referred guidelines is also annexed for compliance.



(Girish Sahni)
Director General, CSIR

Copy to:

- 1) Joint Secretary, CSIR
- 2) Financial Adviser, CSIR
- 3) Director/ Head of all Labs/ Institutes/ Units
- 4) All Sr.CoA/ Sr. DS/ CoA/ DS/ AO/ US
- 5) All Sr.CoFA/ CoFA/ DyFA/ FAO
- 6) Head IT with request to host the OM on Web Site

Checklist regarding expenditure from LRF in 20--__- 20--

a) Expenditure from LRF has not been incurred for the Financial assistance to any NGO and/ or private body	<input type="checkbox"/>
b) Expenditure from LRF has not been incurred for Gift & Mementos	<input type="checkbox"/>
c) Expenditure from LRF has not been incurred for Celebration of non-S&T events/ days	<input type="checkbox"/>
d) Expenditure from LRF has not been incurred for Mobile phone bills	<input type="checkbox"/>
e) Expenditure from LRF has not been incurred for OTA/ Honorarium/ Night duty Allowance other than for R&D work	<input type="checkbox"/>
f) Expenditure from LRF has not been incurred for Foreign Travel except for business development	<input type="checkbox"/>
g) Expenditure from LRF has not been incurred for LTC & Transfer TA	<input type="checkbox"/>
h) Expenditure from LRF has not been incurred for Advertisement except when related to R&D and business development	<input type="checkbox"/>
i) Expenditure from LRF has not been incurred for Staff/ Welfare Club activities	<input type="checkbox"/>
j) Expenditure from LRF has not been incurred for Hotel/ Guest house charges except for S&T and business development purposes	<input type="checkbox"/>
k) All norms, procedures, rules, regulations and instructions applicable for incurring expenditure from Govt. Grant have been equally applied and followed for expenditure from LRF as per guidelines issued vide CSIR letter No. 1(11)/Acctt./2000-2001 dated 4.9.2000.	<input type="checkbox"/>

(Head of Division)

(Director)

(87)

COUNCIL OF SCIENTIFIC & INDUSTRIAL RESEARCH
ANUSANDHAN BHAVAN, RAJ MARG, NEW DELHI 110 001

No. 1(11)/Acctt./2000-2001

Dated 4th September, 2000

To
Heads of all National Laboratories / Institutes.

Subject : Laboratory Reserve Fund scheme - Review

The proposal to create a Laboratory Reserve Fund (LRF) Scheme with facility to create, utilize, retain and carry forward it for capital and revenue expenditure, to supplement the budgetary resources, was approved by CSIR Governing Body (GB) in 1992. The scheme had the concurrence of CAG of India. Subsequently, some more receipts were allowed to be credited to LRF. These subsequent changes were ratified by the CSIR GB in its 147th meeting held on 9.12.1999. In this meeting, the Governing Body, CSIR also approved setting up of Headquarter Reserve Fund (HRF) re-designating the existing title of the 'Laboratory Reserve Fund Scheme' to 'Laboratory and Headquarters Reserve Fund' Scheme which was notified vide O.M. of even No. dated 17th May, 2000.

In the meantime Audit had issued a draft review on the generation and utilization of the Laboratory Reserve Fund.

Taking cognizance of the draft audit review, the Director-General, CSIR appointed a high level committee to study the LRF in its entirety and to suggest the system of checks and balances further needed to ensure its utilization in the intended direction. The Committee submitted its Report, which was accepted by the Director General and also placed before the Governing Body in its 148th meeting held on 2nd June, 2000.

Accordingly, the procedure for generation and utilization of 'Laboratory/Headquarter Reserve Fund' will henceforth be as mentioned below:

1. Title of the Scheme

The title of the scheme will be "Laboratory & Headquarter Reserve Fund" (LHRF) in place of "Laboratory Reserve Fund" (LRF).

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2. Generation of LHRF

2.1. The following receipts will continue to be credited to LHRF:

- a) Royalty & Premia (from licensing of IPR)
- b) Consultancy Fee
- c) Sponsored Project fee
- d) Overhead Charges
- e) Non refundable balance of closed project/job work
- f) Job work charges
- g) Testing and analytical charges
- h) Computer charges
- i) Other Technical Services
- j) Use of Lab. infrastructure for sponsored/consultancy & other projects
- k) Interest on investments of Laboratory reserve
- l) Interest on investment of sponsored/consultancy project funds
- m) Net earnings from Major facilities
 - i. Pilot Plant - Excess of receipt over expenditure
 - ii. C-MMACS - Excess of receipt over expenditure
 - iii. NTAF - Excess of receipt over expenditure

NB: The following receipts, however, will not be included in LHRF:

- (a) Amount of Interest earned on investment of sponsored/consultancy/Grant-in-aid projects fund adjustable and/or refundable to the funding agency.
- (b) Distributable portion of Royalty & Premia.
- (c) Distributable portion of Consultancy/Contract R&D and Intellectual fees from Technical Services.

Headquarters Reserve will include the following components in addition to the receipts vide para 2.1 above:-

- i. 1% of annual foreign business earnings generated by all laboratories.
- ii. 1% of annual intellectual property and technology licensing fees received by all laboratories.
- iii. 1% of laboratory reserve generated during the previous year by the laboratories, assisted by the HQ. to move on the path of self-sufficiency (at present IIP & IICT).
- iv. 1% of laboratory reserve generated by laboratories, assisted by the HQs. to acquire ISO 9000 (at present NML & CMERI)

3. Budgeting of LHRF

- (a) Each laboratory shall at the time of formulation of its annual budgetary requirements (Estimates) indicate the following in respect of LHRF:
 - Balance at the beginning of the financial year.
 - Anticipated generation during the financial year.
 - Proposed utilisation under each budget sub-head.
- (b) The proposal made at the Budget Estimate stage should be reviewed and proposed utilisation revised, if necessary, at the Revised Estimate stage.
- (b) CSIR would include the estimated utilisation of LHRF alongwith other internal receipts, when projecting budgetary requirement, to Ministry of Finance.
- (c) LHRF will continue to remain with the laboratory that generates it.

4. Utilisation of LHRF

4.1. Utilisation of LHRF is permitted for all revenue and capital expenditure as for budgetary grant. The broad sub-heads are as follows:

• Revenue Heads

- (a) Pay & Allowances
- (b) Traveling Allowances
- (c) Contingencies
- (d) Maintenance
- (e) Chemicals & consumables

• Capital Heads

- (a) Land
- (b) Works
- (c) Services
- (d) Apparatus & Equipment
- (e) Office Equipment
- (f) Furniture
- (g) Computer Equipment
- (h) Library Books
- (i) Vehicles & Transport
- (j) Workshop Machinery
- (k) Models & Exhibits
- (l) Tools & Plants

4.2 Expenditure on the following items is also permitted in addition to the heads mentioned in para 4.1.

- Re-payment of World Bank Loan and service charges
- Interest earned & claimed by funding agency (reference item no (L) of para 2.1).
- Liabilities and damages arising out of contract R&D, consultancy, technical services or IPR licensing
- Payment of share of intellectual fees/honorarium (only in respect of past cases where credit was afforded to LRF)
- Transfer to Headquarter Reserve Fund
- Human Resource Development
- Computerisation and Information systems
- Modernisation of equipment
- Construction & Maintenance of Scientists Apartments/Staff Quarters.

4.3 The expenditure on activities/items/purposes indicated below will not be permissible from LHRF: -

- Financial assistance to any NGO and/or private body
- Gifts & mementos
- Celebration of non-S&T events/days
- Mobile phone bills (as per standing instructions)
- OTA/Honorarium/Night duty Allowance other than for R&D work
- Foreign Travel except for business development
- LTC & Transfer TA
- Advertisement except when related to R&D and business development
- Staff/Welfare Club activities
- Hotel/Guest house charges except for S&T and business development purposes.

5. Norms & Procedure:

- (a) All norms, procedures, rules, regulations and instructions applicable for incurring expenditure from Govt. Grant will equally apply to expenditure from LHRF and should be strictly followed;

Each Laboratory & CSIR Headquarters should endeavour to utilise a substantial part of the LHRF generated in the previous year to supplement the budgetary resources. Normally the LHRF utilisation in a year should not be less than one-third of the amount generated in the previous year.

- (c) In order to facilitate proper planning and efficient cash management temporary booking of expenditure on all permissible activities and purposes may be allowed from LHRF subject to adjustment on receipt of budget allocation.
- (d) Director in the National Laboratory & Director General in CSIR Headquarters will have the power to sanction expenditure from LHRF within the delegated powers.

6. Accounting procedure

Accounting procedure as per CSIR's IMPACT Manual will continue to operate with following modifications under receipt heads: -

C-Code	Heads of Receipts
R07101	a) Royalty & Premia (from licensing of IPR)
R07102	b) Consultancy Fee
R07103	c) Sponsored Project fee
R07104	d) Overhead Charges
R07105	e) Non refundable balance of closed project/job work
R07106	f) Job work charges
R07107	g) Testing and analytical charges
R07108	h) Computer charges
R07109	i) Other Technical Services
R07110	j) Use of Lab. Infrastructure for sponsored/ consultancy projects
R07111	k) Interest on investments of Laboratory reserve
R07112	l) Interest on investment of sponsored/consultancy and other project funds
R07113	m) Net earnings from Major facilities
R0711301	i. Pilot Plant - Excess of receipt over expenditure
R0711302	ii. C-MMACS - Excess of receipt over expenditure
R0711303	iii. NTAF - Excess of receipt over expenditure
	<hr/> Sub Total <hr/>
R07114	n) Transfer from LRF to Headquarters Reserve
R0711401	i. 1% of annual foreign business earnings generated by laboratory
R0711402	ii. 1% of annual intellectual property and technology licensing fees received by laboratory
R0711403	iii. 1% of laboratory reserve generated during the previous year (presently by IICT, NML, IIP & CMERI)

While remitting the CSIR's share of reserve, the Laboratory will debit by minus credit to concerned C_Code from R0711401 to R0711403 using Cash Code P99106. While forwarding the cheque/demand draft, the Laboratory will indicate C_Code(s) under which the amount has been debited so that CSIR Headquarters may afford credit to the same C_Code(s). In the consolidated CSIR account, prepared after merging the accounts of all laboratories & CSIR Hqrs., no figure should appear under these heads. The transfer will be effected from the financial year 2000-01 based on the generation of LRF in 1999-2000.

Pravin Tripathi
41912-01

(Pravin Tripathi)

Financial Adviser

Copy to:

1. Sr. FAO / FAO of all National Laboratories
2. At HQs. For:
 - (a) Joint Secy. (Admin.), CSIR
 - (b) Head, RPBD/STMD/ISTAD/HRDG/PPMD/Computer Div./USC/USD.
 - (c) All PTCs
 - (d) Dy. FA (Finance & Report), CSIR
 - (e) Sr. FAO (Audit), CSIR
 - (f) Sr. FAO (Budget), CSIR
 - (g) FAO (Cash), CSIR
 - (h) FAO (Accounts), CSIR
 - (i) Shri A. Wahid, Head, IMPACT Software Team

37 Link only Part (only in File)
4 Link by Room Office
(not, in room, not in room)
7 PTC by only Part

