

INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI

F. No. FIN/6/1/2016-CDN (A&A)

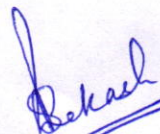
Dated the 13th March, 2019

Sub: Expenditure Management- Economy measures and rationalization of expenditure: Replacement of Vehicles against condemnation.

In supersession of Council's letter of even no. dated the 9th Feb, 2016 the proposal for purchase of vehicles (including staff cars) by the Institutes shall be considered in light of circulation of austerity instructions on Expenditure Management-Economy Measures and Rationalization of Expenditure issued by GoI, Ministry of Finance, Department of Expenditure OM. No. 7(1)/E. Coord./2014 dated the 29th Oct, 2014 (Paragraph 2.3 refers) and subsequently endorsed by the Council's Endorsement No.FIN/12/4/2007-CDN (A&A) dated the 12th Nov, 2014.

The Institutes should clearly mention in their proposal the mode of running the vehicle, i.e. through regular driver or in the absence of regular driver, through contract driver.

This issues with the approval of Competent Authority.


(Sanjeevan Prakash)
Deputy Director (Finance)
13/3/19

Distribution:

I ICAR Institutes:

1. Directors/Joint Directors/Project Directors of all Research Institutes/Project Directorates and National Research Centres/Bureaux.
2. Project Coordinators/Coordinated Research Projects/Zonal Project Directors.
3. The Finance & Accts. Officers of all Research Institutes, Project Directorates and National Research Centres.

ICAR Headquarters:

1. Chairman, ASRB/PD, DKMA/ ADG, NASF, Pusa, New Delhi
2. ADG (CDN)/ADG (PIM)
3. All Officers & Sections at ICAR Headquarters including KAB-I, II and NASC Complex.
4. IA-I, II, III, IV, V and VI sections of ICAR Hqrs.
5. Sr. PPS to Secretary, DARE & DG, ICAR/Sr.PPS to Additional Secretary, DARE & Secretary, ICAR/Sr.PPS to AS &FA, DARE/ICAR
6. In charge, ARIC, Dte. of Knowledge Management Units (DKMU), KAB-I, Pusa-110012 for placing the mentioned above Office Order in ICAR Web-Site.
7. Secretary (Staff Side), CJSC
8. Guard file.
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INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN: NEW DELHI

Dated the 09th Feb, 2016.

F. No. FIN/6/1/2016-CDN (A&A)

Subject: Expenditure Management- Economy measures and rationalization of expenditure:
Replacement of Vehicles against condemnation.

Ref: GoI, MoF Order No. 7(1)/E.Coord./2014 dated the 29th Oct, 2014.

Economy instruction were issued by the Government of India, Ministry of Finance, vide order as referred above. Para 2.3 of these instructions lays down ban on purchase of vehicles (including staff car) except against condemnation. In view of these instructions it has been decided to observe the following norms while forwarding proposals related to replacement of vehicles for concurrence of AS & FA, DARE/ICAR and approval of the Secretary, DARE/DG, ICAR and the Chief Accounting Authority:

1. Institutes which have already condemned vehicle and have regular drivers (excluding those on contract) in position in excess to the number of vehicles available with the Institute may replace the condemned vehicle subject to the availability of funds and observation of instructions on the subject.
2. Institute which have condemned vehicles but do not have regular drivers in position to drive office vehicles, may meet its requirement of transport through hiring after finalizing the rates following the procedures as per GFR.
3. Institutes which have vehicles approved in the 12th plan EFC but have not made provisions for drivers in the EFC may meet its requirement of transportation through hiring of vehicles finalizing the rates following the procedures as per GFR.

This is issued with the concurrence of AS & FA, DARE/ICATR.

(S.K. Pathak)

Deputy Director (Finance)

Distribution:

I ICAR Institutes:

1. Directors/Joint Directors/Project Directors of all Research Institutes/Project Directorates and National Research Centres/Bureaux.
2. Project Coordinators/Coordinated Research Projects/Zonal Project Directors.
3. The Finance & Accts. Officers of all Research Institutes, Project Directorates and National Research Centres.

Contd...2/-



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 (A), ICAR Hqrs/ Director (DARE)
6. Sr. PPS to Secretary, DARE & DG, ICAR/PPS to Additional Secretary, DARE & Secretary, ICAR/PPS to AS &FA, DARE/ICAR
7. Shri Hans Raj, Information System Officer, Agriculture Knowledge Management Units (AKMU), KAB-I Pusa, New Delhi-12 for placing the above mentioned OM in the ICAR Website.
8. Secretary (Staff Side)
9. Guard file
10. Spare copies-10

No. 7(1)/E.Coord./2014
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, 29/10 North Block,
October, 2014

OFFICE MEMORANDUM

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

Ministry of Finance, Department of Expenditure has been issuing austerity instructions from time to time with a view to containing non-developmental expenditure and releasing of additional resources for priority schemes. The last set of instructions was issued on 18th September 2013 after passing of the Union Budget. Such measures are intended at promoting fiscal discipline, without restricting the operational efficiency of the Government. In the context of the current fiscal situation, there is a need to continue to rationalise expenditure and optimize available resources. With this objective, the following measures for fiscal prudence and economy will come into immediate effect:-

2.1 Cut in Non-Plan expenditure:

For the year 2014-15, every Ministry / Department shall effect a mandatory 10% cut in non-Plan expenditure excluding interest payment, repayment of debt, Defence capital, salaries, pension and 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 wherein also a 10% cut on budgetary allocations (whether Plan or Non-Plan) shall be effected.
- (ii) Holding of exhibitions/fairs/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 except in case of bilateral/multilateral official engagements to be held at the level of Minister-in-Charge or Administrative Secretary, with foreign Governments or international bodies of which India is a Member. The Administrative Secretaries are advised to exercise utmost discretion in holding such meetings in 5-Star hotels keeping in mind the need to observe utmost economy in expenditure.

2.3 **Purchase of vehicles:**

Purchase of new vehicles to meet the operational requirement of Defence Forces, Central Paramilitary Forces & security related organizations are permitted. Ban on purchase of other vehicles (including staff cars) will continue except against condemnation.

2.4 Domestic and International Travel:

- (i) Travel expenditure {both Domestic Travel Expenses (DTE) and Foreign Travel Expenses(FTE)} should be regulated so as to ensure that each Ministry remains within the allocated budget for the same after taking into account the mandatory 10% cut under DTE/FTE (Plan as well as Non-Plan). Re-appropriation/ augmentation proposals on this account would not be approved.
- (ii) While officers are entitled to various classes of air travel depending on seniority, utmost economy would need to be observed while exercising the choice keeping the limitations of budget in mind. However, **there would be no bookings in First Class."**
- (iii) Facility of Video Conferencing may be used effectively. All extant instructions on foreign travel may be scrupulously followed.
- (iv) In all cases of air travel the lowest air fare tickets available for entitled class are to be purchased/ procured. No companion free ticket on domestic/ international travel is to be availed of.

2.5 Creation of Posts

- (i) There will be a ban on creation of Plan and Non-Plan posts.
- (ii) Posts that have remained vacant for more than a year are not to be revived except under very rare and unavoidable circumstances and after seeking clearance of Department of Expenditure.

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

3.1 Release of Grant-in-aid shall be strictly as per provisions contained in GFRs and in Department of Expenditure's OM No.7(1)/E.Coord/2012 dated 14.11.2012.

3.2 Ministries/Departments shall not transfer funds under any Plan schemes in relaxation of conditions 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 Chief Controller of Accounts must ensure compliance with the above as part of pre-payment scrutiny.

4. **Balanced Pace of Expenditure:**

4.1 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. It may be emphasized here that the restriction of 33% and 15% expenditure ceiling is to be enforced both scheme-wise as well as for the Demands for Grant as a whole, subject to RE ceilings. 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. FAs 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 the Parliament.

6. These instructions would also be applicable to autonomous bodies funded by Government of India.

7. 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.

Ratan P. Watal

(Ratan P. Watal)

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