

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

F. No. FIN/20/4/2012-CDN (A&A)

Dated the 2nd Nov, 2016

Minutes of the meeting held to discuss the issue of Review of User Charges for Autonomous Bodies in DG's Committee Room on 17.10.2016 at 2.30 PM

A meeting was called by Secretary, DARE and Director General, ICAR to discuss the issue of review of User Charges of Autonomous Bodies on 17.10.2016 at 2.30 PM in the DG's Committee Room. The meeting was attended by AS & FA, DARE/ICAR, Secretary, ICAR, all DDGs, ADG (PIM), ADG (IPTM), Dr. S. Mauria, Pr. Scientist (IPTM) and Director (Fin.).

At the outset the Director General, ICAR welcome the members to the meeting and apprised the participants about the agenda of the meeting related to the review of User Charges in Central Autonomous Bodies as per the instructions received in this regard from Ministry of Finance. The DG, ICAR observed that the expenditure management commission in the Ministry of Finance has stressed upon the need to enhance internal revenue generation by Central Autonomous Bodies and AS & FA, DARE/ICAR has accordingly moved a note for a thorough examination of the issues. The meeting has been convened to improve the performance in ICAR with regard to internal revenue generation.

After brief remarks by the As & FA and Secretary, ICAR and some of the DDGs the following action points emerged:

- (i) All SMDs are to explore new areas of revenue generation.
- (ii) The scope of revenue generation in the existing areas needs to be enhanced by reviewing the user charges and streamlining the processes.
- (iii) The fees charged by various Deemed Universities are to be reviewed by the Education Division.
- (iv) New areas for Consultancies and Contract Research are to be explored.
- (v) All the DDGs are to provide the relevant information in the prescribed format provided by the MoF in OM No. No. 26(4)-EMC Cell/2016 dated the 4th Oct, 2016 latest by 28th Oct, 2016. While doing so, DDGs may also suggest amendment to Statutes/Laws/Acts which may be amended to keep the User Charges out of the ambit of such Statutes/Laws/Acts.

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(vi) The information received from DDGs shall be reviewed and examined by a Committee headed by the AS & FA, DARE/ICAR with following officers/members:

- 1) All DDGs
- 2) Vice-Chancellor SAU, Imphal
- 3) ADG (PIM)
- 4) Director (DARE)
- 5) Dr. S. Pal, Director, NCAP
- 6) Director (Fin.) - Member Secretary

The Committee will submit its report to the Director General, ICAR on the basis of the suggestions received from all DDGs.

The meeting ended with the vote of thanks to Chair.


(Devendra Kumar)
Director (Fin.)

Encl: MoF order OM No. No. 26(4)-EMC Cell/2016 dated the 4th Oct, 2016

Distribution:

- 1) All DDGs
- 2) Vice-Chancellor SAU, Imphal
- 3) ADG (PIM)
- 4) Director (DARE)
- 5) ADG (IPTM)
- 6) Dr. Pratap Singh Brithal, Director, NCAP.
- 7) Dr. S. Mauria, Pr. Scientist (IPTM)
- 8) Sr PPS to DG, ICAR
- 9) PPS to AS & FA, DARE/ICAR
- 10) PPS to Secretary, ICAR
- 11) PA to Director (Fin.).

12) Incharge, ARK, DKMA, KAB-I may please upload minutes on ICAR website please.

North Block, New Delhi
Dated 4th October 2016

OFFICE MEMORANDUM

Subject: Review of User Charges of Autonomous Bodies.

Since independence, a large number of Autonomous Bodies have been created under almost all the Ministries/Departments of the Central Government. These Autonomous Bodies are providing various services for which user charges are being levied. The subject of user charges by the Autonomous Bodies are broadly governed by the following existing rules/guidelines:-

- a) Rule 208 of GFRs-2005 of Ministry of Finance provides that all autonomous organizations, new or already in existence, should be encouraged to maximize generation of internal resources and eventually attain self-sufficiency. Further, it provides that a system of external or peer review of Autonomous Bodies every three or five years depending on the size and nature of activity should be put in place. These provisions in effect advocate the necessity of levying user charges/fee to facilitate generation of internal resources to attain financial self-sufficiency.
- b) The re-defined charter for FAs issued vide Ministry of Finance, OM No. 5(6)/L&C/2006 dated 1st June 2006 emphasises periodical review of user charges in the context of market trends and other sectorial developments and moving towards a regime in which user charges recover the cost of service fully or substantially as well as return on the deployed public resources and in case of partial recovery the subsidy element is clearly quantified.

2. However, it is observed that most of the Autonomous Bodies are fully or partially dependent on Govt. Budgetary support with only few Autonomous Bodies recovering total expenditure through user charges. From the findings of Expenditure Management Commission and studies carried out by office of Chief Advisor Cost, Ministry of Finance, following aspects have emerged regarding existing user charges of Autonomous Bodies.

- a) User charges have been fixed on adhoc basis or linked only to the direct cost, no rational methodology has been followed for analysing actual cost of the service being provided and determination of user charges. It has also been observed that there is no co-relation between user charges with the actual cost of service.
- b) Review of fee/user charges has not been done timely in most of the Autonomous Bodies resulting in lower revenue generation and thereby continuous dependence on the Government Budgetary Support.
- c) There is substantial inconsistency across user charges for similar services.

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before projecting the BE/RE figure and submitted to Budget Division, DEA. Anticipated revenue from levy of user charges for the current financial year will also be indicated. Data pertaining to all user charges will be captured irrespective of whether they flow into the Consolidated Fund of India or not.

- vii. Administrative Ministries/Departments will review instances wherein different user charges are levied by Autonomous Bodies for providing similar services. Inconsistencies in this regard will be addressed in a time-bound manner.
- viii. Administrative Ministries/Departments may take immediate step for implementation of e-payment, e-receipt systems in Autonomous Bodies.
- ix. While the primary objective will be to review and rationalize the user charges, Administrative Ministries and Departments may adopt expenditure side approach as well to bring the operational and cost efficiency in the working of Autonomous Bodies.
- x. Government Budgetary support whenever required to be extended to the Autonomous Bodies will be based on sound financial analysis including levy of user charges.
- xi. The first such review should be carried out within 3 months and the position clearly indicated while discussing BE for 2017-18. Provision of Grants to Autonomous Bodies would be possible only after ascertaining the outcome of such a Review and its impact on Govt. Grants.
- xii. The above first Review be carried out by FAs & the concerned Joint Secretaries/Additional Secretaries of the Departments.

4. This issues with the approval of Finance Secretary & Secretary (Expenditure).

Annie G. Mathew

(Annie G. Mathew)
Joint Secretary to the Govt. of India

To

Secretaries to Govt of India
All Financial Advisers of Ministries/Departments.

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