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**Appendix-16**  
**Govt of India orders regarding financial powers of autonomous bodies funded by Govt of India**

**F No 8(4)E-Coord./84**  
**Government of India**  
**Ministry of Finance**  
**Department of Expenditure**

New Delhi, the 15<sup>th</sup> October 1984

**OFFICE MEMORANDUM**

**Subject: Financial powers of autonomous bodies-restrictions regarding**

The Rules and Bye-laws of autonomous bodies which are fully or partly funded by the Government of Indian should invariably incorporate restrictive clauses relating to the Powers of the Governing Bodies of such organizations in matters of creation of post, revision of pay and allowances of their staff and similar establishment expenditure and provide for prior approval of the Central Government in specific cases. It has come to the notice that this has not been done in a number of cases resulting the Governing Bodies of some Autonomous Organizations taking decisions on the above matters, which do not conform, to the general pattern of the Central Government.

2. With a view to ensuring that the provisions relating to the powers of the Governing Bodies in such matters having financial implications are properly exercised, Ministries/Departments are requested to take following action:-

- (i) A clause may be incorporated in the relevant Rules/Bye-laws/Regulations of the autonomous bodies that proposals relating to employment structure i.e. adoption of pay scales, allowances and revision thereof and creation of posts above a specified pay level would need the prior approval of the Govt. of India in consultation with the Ministry of Finance, Department of Expenditure;
- (ii) In the case of larger autonomous bodies a suitable clause may be incorporated in the relevant Rules Bye-laws/Regulations that a representative of the Ministry of Finance/Integrated Finance Division of the Ministry concerned should be nominated to the Executive Council of the Autonomous Organization. The choice of the nominee would be made in consultation with the Ministry of Finance; and
- (iii) In the autonomous organizations referred to in (ii) above, a provision would also be made if the Rules/Bye-laws/Regulations that in the event of disagreement between representative of the Ministry of Finance and the Chairman of the Governing body of the

Autonomous Organization on the financial matter beyond the delegated powers of the Ministry/Department of the Govt. of India the matter may be referred to the Minister of the administrative Ministry concerned and the Finance Minister for a decision.

3. Ministries/Departments are requested to take immediate action to incorporate the necessary amendments suggested in the preceding para in the Rules/Bye-laws/Regulations of the Autonomous Organizations under their administrative control under intimation to this Ministry. They are also requested to ensure that before a new autonomous body is formed, the Rules/Bye-laws/Regulations concerning financial matters are finalized in consultation with this Ministry.

Hindi version will follow.

Sd/-  
(S.C. MAHALIK)  
Jt. Secretary to the Govt. of India.

To

All Ministers/Departments  
(By name to any officer of the rank of Jt. Secretary)

Copy to all Financial Advisers.

Implementation of this O.M. may please be watched by them carefully and reported to this Ministry from time to time.

Sd/-  
(S.C. MAHALIK)  
Jt. Secretary to the Govt. of Indian.