

## **SCHEME FOR FINANCIAL ASSISTANCE TO ECONOMIC RESEARCH INSTITUTIONS**

### **1. INTRODUCTION**

Department of Economic Affairs (DEA) provides financial assistance to various institutions/ organizations to support economic research activities. These grants are provided in terms of Rule 207 of GFR, which, inter alia, reads:

“The Ministry or Department of the Central Government directly concerned with the aim or activity of the institution should consider requests for grants in aid in consultation with the concerned Financial Adviser.”

### **2. OBJECTIVES**

The objectives of the scheme are:

- (i) To stimulate research on issues of economic policy and development and need assessment of implementation of policies, plans and schemes of the Government.
- (ii) To nurture fledgling institutions engaged in such areas in their initial years.

### **3. ELIGIBILITY**

3.1. Following organizations/ institutions will be eligible for grant in aid under the scheme:

- (i) Department of Economics/Applied Economics/Business Economics of Universities/ Deemed Universities;
- (ii) Department of Economics/Econometrics/Applied Economics/ Academic Institutions accredited / affiliated to a University or Deemed University;
- (iii) An Institution or Organization set up as an Autonomous Organization under a specific statute or as a Society registered under the Societies Registration Act, 1860 or the Indian Trusts Act, 1882 and primarily engaged in economic research, and in existence for at least three years;
- (iv) An Institution not covered under (i), (ii) and (iii) above, but satisfying any of the following:
  - a) must qualify to receive annual recurring grants by specific establishments of the Government like UGC, ICSSR etc.,

- b) must have successfully executed projects\* during last three years for certain institutions of Central Government which have been established for financing research, like CSIR, ICMR, ICAR or similar Central Government Organization set up primarily for the purpose of funding research work,
- c) must have successfully executed a research project\* during last three years entrusted by any Ministry/Department of the Govt. of India (including Planning Commission) or State Government.

\*Successful execution of the research project is determined by acceptance of the completed project report and the Utilization Certificate (UC) issued by the Central Government Institution/ Ministry/ Department or Office that has released grants-in-aid to the institution for the research project.

3.2. Preference will be given to meritorious proposals from eligible institutions/organizations from North Eastern Region, Jammu & Kashmir and tribal areas.

#### **4. FINANCIAL NORMS**

Quantum of the grant will depend on budget provisions and the number of meritorious proposals received. Normally financial assistance for a single research project will not be more than Rs. 20.00 lakh. The nurturing grant for a fledgling institution will also not exceed Rs. 20.00 lakh per year and will not be awarded for more than 4-6 years .

#### **5. SUBMISSION OF PROPOSALS**

5.1. All proposals will be submitted with requisite details and documents as listed in Annexure I.

5.2. All applicants are also required to execute advanced Bond, as per the provisions of General Financial Rules, in the prescribed format (Annexure II).

5.3. The last date of submission of proposal for 2014-15 is 30-9-2014. For subsequent financial years, the last date will be 30<sup>th</sup> April of the relevant financial year.

5.4. All proposals will be submitted to:

Deputy Secretary (Co-ordination)  
Department of Economic Affairs  
Ministry of Finance  
North Block, New Delhi

Cont/d.....3

5.5. Incomplete proposals will not be considered.

## 6. CONSIDERATION OF PROPOSALS

6.1 The proposals will be considered by a Grant-in-Aid Committee comprising of the following:

Secretary, Department of Economic Affairs	Chairman
Secretary, Department of Revenue	Member
Secretary, Department of Expenditure	Member
Chief Economic Adviser, DEA	Member
Additional Secretary, DEA	Member
Joint Secretary (ABC),DEA	Member Secretary

6.2 All proposals will be screened initially by the Co-ordination Division in the DEA, and proposals found prima facie viable will be placed before the Committee after consultations with Financial Adviser, Deptt of Economic Affairs.

6.3 The decisions of the Grant-in-Aid Committee will be final. However, any deviation from the guidelines of the scheme will require approval of the Finance Minister.

6.4 All litigations will be subject to Delhi jurisdiction.

## 7 RESPONSIBILITIES OF GRANTEE

7.1 The grantee institution/organization will have to furnish Utilization Certificate within the time limit to be indicated in the sanction letter.

7.2 The Grantee institution/organization will have to abide by the general principles of grant in aid as laid down in the General Financial Rules 2005, as amended from time to time ([http://finmin.nic.in/the\\_ministry/dept\\_expenditure/gfrs/GFR2005.pdf](http://finmin.nic.in/the_ministry/dept_expenditure/gfrs/GFR2005.pdf)). An illustrative list of such conditions is given in Annexure III.

## 8 SPECIAL CONDITIONS FOR RESEARCH PROJECT:

8.1 The research projects should be relevant to the current economic problems/issues.

8.2. The fact that Department of Economic Affairs provided financial support for the Project will be acknowledged in every document produced with its support, whether or not circulated widely, and the disclaimer indicated below will be prominently displayed on such a document.

**DISCLAIMER**      *“The Institution has received the grants-in-aid from the Department of Economic Affairs, Ministry of Finance, Government of India to produce the document. However, the Department of Economic Affairs is not responsible for findings or opinions expressed in the document prepared. This responsibility rests with the Institution.”*

8.3 Copies of **Final Report** of the study will be provided to the Department of Economic Affairs, who reserves the right to further disseminate the report to the Ministries/ Departments of Central / State Governments concerned for discussion, use and action in the process of budget preparation, development planning and programmes. The economic research institutions which are provided financial assistance may be encouraged to publish their research papers in peer reviewed journals so that the same can be quoted at various national/ international fora.

8.4 The findings of a study may be discussed with the Administrative Ministries during the Annual Budget Discussions.

8.5 However, the copyright of the published project report of research studies undertaken will vest with the grantee Institution and no permission for publication of Findings/Report of the Study carried out with the grants-in-aid provided under this scheme will be required.

## **9. RELEASE OF GRANT**

9.1 Grant will be released in suitable number of installment as decided by the Grant-in-Aid Committee.

9.2 All grant will be released through electronic transfer, for which grantee will have to provide requisite details as per Annexure IV.

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**Documents/Information to be furnished while applying for Grant-in-aid from the Department of Economic Affairs**

1. Name, full address and contact details (Tel no., fax, e-mail etc.) of the applicant/organization
2. Evidence of registration under the Registration of Societies Act/ Indian Trust Act (registration certificate to be attached)
3. Composition of the Governing Body
4. Following documents to be furnished:
  - (i) Memorandum of Association
  - (ii) Rules of the Organization/Institute
  - (iii) Bye-Laws of the Organization/Institute
  - (iv) Annual Report and audited accounts for the last 3 years.
  - (v) Annual work plan for the current year
  - (vi) Sources of Income (including grants-in-aid etc. from the other Government Departments)
5. How the objectives of the Society/Organization are directly (functionally) related to Department of Economic Affairs.
6. List of major achievements/contributions of the Organization/Institute, particularly in the field of economic research in the recent past.
7. Amount of grant-in-aid requested
8. Justification and activities for which grant in aid to be utilized
9. If the grant in aid is for a research project, following documents/ information is to be provided:
  - (i) Objective and outline of the project,
  - (ii) How is it related to the objective of the scheme,
  - (iii) Timelines of the project,
  - (iv) Total cost, with activity-wise break up,
    - (i) Composition of the research team, including their educational qualifications and experience,
    - (ii) List of economic research project undertaken.

10. Acceptance of the general principles for grants-in-aid as mentioned in the Annex III including any other condition as may be prescribed by the Government from time to time.
11. Whether the Society/Organization is also getting grants-in-aid from any other Central Ministry/Department or State Government. If so, the amount and purpose of the grants-in-aid may also be furnished.
12. Advanced Bond/ ECS Authorization letter etc. (format enclosed)

Signature and Name (in Block letter) of the applicant  
Designation and Office Seal of the Organization/Society  
Tel.No.  
Place :  
Date :

**(To be furnished on ₹ 20/- Stamp Paper)****BOND**

KNOW ALL MEN BY THESE PRESENTS THAT we the ..... (Name of the organization as in Registration Certificates) an association registered under the Societies Registration Act, 1860 having been registered by the officer of ..... (Name and full address of Registering Authority), vide Registration Number ..... dated ..... office at ..... in the State of ..... (herein after called the obligor/obligors) are held and firmly bound to the President of India (hereinafter called the Government) upto the proposed amount of ₹ ...\*\* ..... (in words ..... only) with interest therein @ 10% per annum well and truly to be paid to the President on demand and without demur, for which payment we bind ourselves and our successors and assigns by these presents.

2. SIGNED this ..... day of ..... in the year Two Thousand and.....

3. WHEREAS the obligors has sent a request/proposal to the Department of Economic Affairs, Ministry of Finance for grant of ₹ ...\*\* ..... vide his letter No. .... dated ....., the obligors has agreed to execute this bond in advance, in favour of Department of Economic Affairs, Ministry of Finance for entire amount of ₹ ...\*\* ..... The obligor is willing to accept the proposed amount or any other amount approved/sanctioned by the Government. The obligor is willingly executing this bond of proposed amount with the stipulation that obligor will be bound upto this amount or by the actual amount approved/sanctioned mentioned in the "letter of Sanction" which forms and integral part of these presents and to referred as **Annexure-A** to be issued by the Government.

4. Now the condition of the above written obligation is such that if the obligors dully fulfill and comply with all the conditions mentioned in the letter of Sanction, then above written bond or obligation shall be void and of no effect. But otherwise it will remain in full force and virtue. If a part of the grant is left unspent after the expiry of the period within which it is required to be spent, the obligors agree to refund the unspent balance along with interest @ 10% (ten percent) per annum unless it is agreed by the sanctioning authority to be carried over to the next financial year. The amount of grant shall be refunded along with interest earn thereon.

5. The Society/Trust agree and undertakes to surrender/pay to Government the monetary value of all such pecuniary or other benefits which it may receive or derive/have received or derived through/upon unauthorized use (such as letting our premises for adequate or less than adequate consideration or use of the premises for any purpose other than that for which the grant was intended) of the property/building or other assets created/acquired/constructed largely from out of

Government grant. The decision of the Secretary to the Government of India in the Ministry of Finance, Department of Economic Affairs or the administrative Head of the Department concerned shall be final and binding on the Society/Trust, in respect of all matter relating to the monetary value mentioned above to be surrendered/paid to the Government.

6. The Society/Trust also certified that it has not obtained or applied for grants for the same purpose or activity from any other Ministry or Department of the Government of India or State Government.

7. The member of the executive committee of the grantee will:

- a) Abide by the conditions of the grants in aid by the target dates, specified in the letter of sanction;
- b) Not divert the grants or entrust execution of the Scheme or work concerned to other institution (s) or organization (s); and
- c) Abide by any other conditions specified in the agreement governing the grants in aid

In the events of grantee failing to comply with the conditions or committing breach of the conditions of the bonds, the signatories to the bonds shall be jointly and severally liable to refund to the President of India, the whole or a part amount of the grant with interest @ 10% per annum thereon.

8. AND THESE PRESENTS ALSO WITNESS THAT

- (i) The decision of the Secretary to the Government of India in the Ministry of Finance, Department of Economic Affairs on the question whether there has been breach or violation of any of the terms and conditions mentioned in the sanction letter shall be final and binding on the obligors; and
- (ii) The Government shall bear the stamp duty payable on these bonds. The cost can be adjusted from the grants.

In witness whereof these presents have been executed as under on behalf of the obligors and day herein above written in pursuance of the Resolution No. .... Dated ..... passed by the Governing Body/Executive Committee of the obligors, a copy whereof is annexed hereto as **Annexure-B**.

Signature of the grantee  
(FULL NAME OF THE PERSON IN BLOCK LETTER)  
Signed on behalf of .....



- |   |    |  |
|---|----|--|
| Name of the Obligor Association, as Registered. | 1. | Registration Number of Association     |
| Full Mailing Address:                           | 2. | Place of Registration.....             |
| Telephone Number/Mobile No.                     | 3. | Date of Registration.....              |
| E-Mail Address (if available)                   | 4. | Registration Authority (RA).....       |
|   | 5. | Mailing Address of RA.....             |
|   | 6. | Telephone Number/Email etc. of RA..... |

(in the presence of) Witness name, address and signature

(i)

(ii)

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(This part is to be filled in by the Government of India)

(.....)  
Accepted for and on behalf of the  
President of India

Designation.....  
Date.....  
Name & Address.....

\*\* Full amount of the proposal to be indicated  
Each page to be signed.

RESOLUTION

No.....

1. .... (Name & Designation) hereby resolve that:

- (i) THE OBLIGORS organization has decided to implement the proposal for which grants of ₹ ...\*\*..... has been/being sought from the Government of India, Ministry of Finance, Department of Economic Affairs.
- (ii) Shri/Smt..... (Designation to be indicated), OBLIGOR society hereby authorized to execute the bond and signed other documents relating to the proposal in question: and
- (iii) The OBLIGOR society will abide by the terms and conditions of the sanction order vide ..... which grant will be released to the society.
- (iv) The grant be credited in our society's Bank Account as per details mentioned below:

Name of the Bank & Branch.....

Account Number.....

Type of Account.....

The resolution is hereby passed by unanimously on dated.....

Name & Signature of the members of the Executive Committee of the Society:

1.

2.

Signature.....  
Name of the Organisation.....  
Address:.....  
Dated .....

\*\* Full amount of the proposal to be indicated.

**GENERAL PRINCIPLES FOR PROVIDING GRANTS-IN-AID BY THE GOVERNEMENT**

- (i) Grants-in-aid can be given to a person or a public body or an institution having a legal status. Institutions should be registered as a Society under the Societies Registration Act **OR** set up by Government as autonomous body under a statute or otherwise. These may also include voluntary organizations having an all India character which satisfy certain well defined criteria regarding their resources, activities and personnel and their activities help promote the welfare schemes of the Government.
- (ii) Institutions/Public bodies seeking grants-in-aid have to submit information regarding Articles of Association, bye-laws, Audited Statement of Accounts, sources and pattern of income and expenditure etc. the purpose of seeking grants-in-aid should be spelt out. The grants-in-aid would be released by the Department functionally directly concerned with the aims/objects/activities of the Grantee Institution. In cases where the activities of a body cover more than one function of the Government and the body is likely to approach several Departments for grants, consultation should take place between the concerned Departments before grants are approved.
- (iii) Award of grants should be considered on the basis of viable and specific schemes drawn up in sufficient detail by the Institution.
- (iv) In case of non recurring grants for specified purpose the time limit within which the grant or each installment of it is to be spent shall also be specified.
- (v) The application should clearly spell out the need for seeking grant and should be submitted in such forms as may be prescribed by the sanctioning authority. The basic objective is that the sanctioning authority should be able to assess the suitability of the Institution seeking grant.
- (vi) Before the grant is released the grantee should be asked to execute a bond with two sureties to the President (a) that it will abide by the conditions of the grant by the target dates if any (b) that it will not divert the grant and entrust execution of scheme/works concerned to another institution(s) or organization(s) and in the event of non compliance with the conditions or committing breach of the bond, the grantee and the sureties individually and jointly will be liable to refund to President of India the entire amount of grant with interest at 10% per annum or the sums specified under the bond.

- (vii) The accounts of all grantee institutions shall be open to inspection by the sanctioning authority/Audit whenever the institution is called upon to do so. Accounts shall be audited by C&AG, if the grants to the institution in a financial year are not less than ₹ 25 lakh and it is not less than 75% of the total expenditure of the institution. The accounts also may be audited by the C&AG if the grants in a financial year are not less than Rs. 1 crore.
- (viii) Institutions or bodies receiving grants are required to maintain subsidiary accounts of the Government grant and furnish audited statements of accounts together with a copy of their Constitution.
- (ix) Certificate to the effect that the amount of grant has been utilized for the purpose it was sanctioned, should be submitted within 12 months of the closure of the financial year particularly for the non-recurring grants.
- (x) Annual reports and audited accounts of the institutions will be laid on the table of both the Houses, if the grant is ₹ 50 lakh and above within 9 months of the close of the financial year.
- (xi) Undertakings/Organizations/Bodies which are mainly financed by grants from Government will be required to maintain Assets Register in the prescribed form showing all assets of permanent value and machinery and equipment having life of not less than 5 years and costing ₹10, 000/- above (each item).
- (xii) Grantee Institution should have reservation for SC/ST as per Government rules if it employs more than 20 persons on regular basis and at least 50% of the recurring expenditure is met from grant in aid from Central Government and the body is registered society for a cooperative Institution and is in receipt of a general purpose annual grant of ₹ 2.00 lakhs and above from the consolidated fund of India.
- (xiii) Grantee Institution should be required to submit the performance-cum-achievement reports soon after the end of the financial year.
- (xiv) In case of recurring grants exceeding ₹ 25,000/- the grantee institution should be required to submit performance-cum-achievement reports soon after the end of the financial year OR within the time limit prescribed by the sanctioning authority.
- (xv) If buildings are constructed with the Government grant, the grantee institution will maintain the same. The buildings shall vest with the Government. It should also be ensured that the Building Grant is sanctioned for the minimum area required to be constructed for the purpose of the Grantee Institution.

- (xvi) In cases where the grantee institution/organizations are willing to have the building constructed through the CPWD out of the grants given by the Government the sanctioning authority should get the building constructed through the CPWD and hand over the building to the grantees.
- (xvii) In sanctioning recurring grants-in-aid to the same institution for the same purpose, a certificate to the effect that unspent balance will be taken into account in sanctioning the grant in the subsequent year or unspent balance will be surrendered.
- (xviii) If grant-in-aid is more than 50% of their recurring expenditure, terms and conditions of service of their employees should broadly be comparable with the employees of the Central Government.
- (xix) Government reserves the right to nominate its representative if grant-in-aid is more than 50% of its annual recurring expenditure.
- (xx) Any other provisions stipulated in the General Financial Rules 2005, as amended from time to time.

**Details of Society**

1. Agency Name : .....
- \*2. Registration No. : .....
- \*3. Date of Registration : .....
- \*4. Registering Authority : .....
5. TIN/TAN No. : .....
6. Address : .....
7. City, State, PIN Code : .....
8. Contact Person : .....
9. Phone : .....
10. E-mail : .....
- \*11. Savings Bank Account No for RMSA : .....
12. Agency Name : .....  
(as per Bank Account)

(Authorized Signatory)  
Name & Designation  
Dated .....

\* This is required to be filled in and may not be kept blank.

