

Lytle file

23

The Senior Audit Officer(CRA-Prog.)
Indian Audit and Accounts Department,
O/o Director General of Audit(Central), Chennai,
Customs Receipts Audit,
361, Anna Salai,
Chennai- 600018.

Ref : Your Letter No.DGA(Central)/CRA/LAR/11-22/2019-20/137 dated 16.10.2019.

Kindly refer to your letter cited.

The Para-wise reply to the LAR 11-22/2019-20 is furnished in Annexure – I.

The replies to earlier Audit Report (LAR/11-32/2017-18) is also appended in Annexure-II.

This is issued with the approval of Competent Authority.

Yours sincerely,

23/10/19
(M.PONNUSAMY)

SENIOR ACCOUNTS OFFICER.

ET 236961650 In

T. S. ^{the} DISPATCHED ON
23.10.75.

Despatcher/Menz-Sez

ANNEXURE-I

Reply to Audit Paras raised by DGA(Central) –Contingent Audit conducted during 19.08.2019 to 23.08.2019-Audit period from April, 2018 to March, 2019.

(local Audit Report 11-22/2019-20)

Para No.1/IIB – Pendency of cost recovery charges from Private SEZs

All the Cost Recovery Dues up to 31.03.2019 from Private SEZs are updated and consolidated. The Demand Notice for current 2nd half year of 2018-19 has been issued on 01.10.2019 including the outstanding dues as on date. Most of the Private SEZs have remitted their dues in time. In case of outstanding dues, a review was done and SEZs who have not yet paid their dues of Cost Recovery Charges have been issued reminders to remit the amount immediately. Otherwise, penal interest will be charged for delay. All the copies of reminder letter issued are available in file for verification.

Also, it is stated that the issuing of demand for every half year for cost recovery charges due and its remittance by Private SEZs is a continuous process and therefore, some outstanding dues is bound to be there always.

Hence, the Para may be dropped.

Para No.2/IIB – Incorrect Sanction of CST Re-imbursement of Rs.303738/-

The EOU Unit Viz. M/s. Mylan Laboratory Ltd. Hosur has been asked to remit the inadmissible amount of Rs.303738/- reimbursed along with interest @18% p.a. The amount will be remitted to government account on receipt. (the Copy of the letter issued is enclosed for reference)

Hence, Para may be dropped.

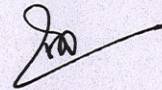
Para No3/IIB – Incorrect Sanction of CST Re –imbursement of Rs.57730/-

The incorrect re-imbursement of CST of Rs.29526/- to for EOU unit Viz: M/s Polyspin Exports Ltd (File No.25/522/17-18/A1) for the period April – June, 2017 pointed out by Audit has been recovered from the Unit along with penal interest @ 18% and remitted to Government Account Vide Challan No. Nil dated 03/10/2019(copy enclosed).

Similar action is under process in respect of other Units. (Copies of letter issued to the Units are enclosed for reference)

Hence, Para may be dropped.

(M.PONNUSAMY)



SENIOR ACCOUNTS OFFICER

ANNEXURE-II

**Reply to Audit Paras raised by AG – Audit conducted during 17.01.2018 to 31.01.2018-
Audit period from April, 2015 to March, 2017.**

**Para No.1/IIA – Non-levy of interest on delayed payments of cost recovery charges –
Rs.5845461/-.**

It is stated that the demand for 2nd half year of 2018-19 has been issued consolidating all the pending dues. Also, the interest part has been included in the latest demand for delay in payment. The consolidated demand including interest for delay has already been issued and the remittances are being made by the Developers of SEZ.

The Statement of details are enclosed in Annexure-A. Hence, the Para may be dropped.

Para No.1/IIB – Incorrect payment of drawback on deemed exports. Rs.3,90,56,723/-

Reply furnished in Annexure - A

Para No2/IIB – Incorrect payment of CST – Rs.72650/-

Reply furnished in annexure -B

Para No.3/IIB – Non-deduction of TDS on wages payment to contingent staff &


Para No.4/IIB – Incorrect payment of Honorarium.

The matter was referred to the Ministry of Commerce & Industry, Department of Commerce for their comments and the reply received is enclosed for reference.

The contingent staff are engaged/appointed directly on daily wage basis as per existing rules and regulations. They are not engaged through contract basis through outsource method. Hence, the wages payment will not attract the **TDS under Section 194(C) of IT Act.** Hence, the Para 3/IIB may be dropped.

It is also further stated that as far as Para 4/BII is concerned, the Reply furnished by Department of Commerce (enclosed) is appropriate and based on the reply the Para may be dropped.

(M.PONNUSAMY)



SENIOR ACCOUNTS OFFICER

STATEMENT OF COST RECOVERY DEMAND FOR THE 2nd HALF YEAR OF 2018-19.

Sl. No	NAME OF AO's	Sl. No	Name of SEZ	Status of operation	Share %	Demand Amount (₹)	Total SEZs based on share of CRC	Previous Outstanding	Penal Interest for delay in remittance	Total Demand
1	R.KRISHNAKUMAR	1	DLF INFO CITY CHENNAI LTD-SEZ -RAMAPURAM	OP	90	616244	1	0	0	616244
2	S.NITHYANANDHAM	2	SNP INFRA -PALLAVARAM	NOP	10	68472		0	0	68472
3	L.RAJAKUMARI	3	SIPCOT (Oragadam) -Sriperumbudur	OP	100	684715	1	891603	31206	1607524
4	M.MARAGATHASELVAN	4	SIPCOT (Sriperumbudur)	OP	200	1369430	2	1661813	58163	3089406
5	R.GANESAMOORTHY	5	Flextronics -Sriperumbudur	OP	100	684715	1	0	0	684715
6	S.MADHAVAN	6	J.Matadee-FTWZ -Sriperumbudur	OP	200	1369430	2	0	0	1369430
7	K.SUDHARSAN	7	SIPCOT IRUNGATTUKOTTAI-(Sriperambudur)	NOP	100	684715	1	891603	31206	1607524
8	K.SUNDARAM	8	Nokia Telecom SEZ -Sriperumbudur	OP	100	684715	1	0	0	684715
9	S.CHIDAMBARA SUBRAMANIAN	9	L & T Ship building -Thiruvalluvar Dt	OP	90	616244	1	0	0	616244
10	N.S.RAJAGOPAL	10	Frontier Lifeline-SEZ-Thiruvalluvar Dt	OP	10	68472	1	1954610	68411	2091493
11	C.NARENDHAN	11	New Chennai I & II Thiruvalluvar dt	OP	100	684715	1	7776455	272176	8733346
12	S.PRASHANTH	12	Mahindra World City -Chengalpattu	OP	200	1369430	2	0	0	1369430
13	A.N.RAVI	13	Mahindra World City -Chengalpattu	OP		0	0	0	0	0
14	B.KANAGARAJ	14	Mahindra World City -Chengalpattu	OP		0	0	0	0	0
15	Z.KHAJA MOHIDEEN	15	GATEWAY OFFICE PARKS Pvt. Ltd. SEZ -Perungudi	OP	100	684715	1	0	0	684715
16	M.ASHRAF AHMED	16	Estancia IT Park. Chennai (VELACHERY)	OP	100	684715	1	0	0	684715
17	S.MAHESHWARAN	17	ETA Techo Park - Navalur	OP	20	136943	1	0	0	136943
18	T.SELVAKUMAR	18	TRILL SEZ -Tharamani	OP	80	547772	1	0	0	547772
19	V.KAYALVIZHI	19	IG3 Infra Ltd, Palikarani-Kanchipuram	OP	20	136943	1	4415683	154549	4707175
20	K.NARAYANAN	20	ELCOT SHOLINGANALLUR	OP	70	479301	1	0	0	479301
21	G.CHANDRASEKAR	21	Perungudi Real Estate P.Ltd Tiruvannamur(OMR)	OP	10	68472		0	0	68472
22	K.S.PRAKASH	22	TCS -SIRUSERI	OP	90	616244	1	814582	28510	1459336
23	DOLA THIRUPATHI	23	SYNTEL SEZ -Siruseri	OP	10	68472	1	0	0	68472
24		24	Platinum Holdings,Navalur (OMR)	OP	100	684715	1	4759576	166585	5610876
25		25	CTS -SIRUSERI	OP	100	684715	1	0	0	684715
26		26	Hexaware Technologies -Siruseri	OP	100	684715	1	0	0	684715
27		27	IG3 Infra Ltd Uthukuli-Tirupur	OP	10	68472	1	0	0	68472
28		28	SIPCOT Perundurai-Erode	OP	80	547772	1	737561	25815	1311148
29		29	ELCOT - Salem	OP	10	68472		0	0	68472
30		30	SPAN VENTURE-SEZ -Coimbatore	OP	100	684715	1	8332468	291636	9308819
31		31	Aspen Infrastructure - Coimbatore	OP	100	684715	1	0	0	684715

25	K.SRIDHAR	32	CHILL SEZ-COIMBATORE	OP	100	684715	1	0	0	0	684715
26	HARIHARAKUMAR	33	ELCOT COIMBATORE	OP	100	684715	1	0	0	0	684715
27	L.JULIUS	34	ELCOT, TIRUCHIRAPPALLI	OP	100	684715	1	0	0	0	684715
28	R.ANBU	35	CCCL-Tuticorin	OP	80	547772	1	0	0	0	684715
29	S.JEBASTIAN ANDREW PETER	36	Sesha Sterlite SEZ, Tuticorin	NOP	10	68472	1	1352258	47329	1947359	684715
30	R.JOHN SELVARAJ	37	ELCOT (Gangalkondan)-Tirunelveli	NOP	10	68472	1	2561508	89653	2719633	684715
31	M.GABRIEL	38	SIPCOT (Gangalkondan)-Tirunelveli	OP	200	1369430	2	1661813	58163	3089406	68472
32	R.SUBRAMANIAN	39	AMRL SEZ-Tirunelveli	OP	100	684715	1	0	0	0	684715
		40	V.V.MINARALS-Tirunelveli	NOP	80	547772	1	2258209	79037	2337246	684715
		41	ELCOT Madurai	OP	10	68472	1	5717099	200098	5985669	68472
		42	Rudeadev Township-Madurai	NOP	80	547772	1	0	0	0	68472
		43	Elcot Vadapalanji-Madurai	NOP	10	68472	1	0	0	0	68472
		44	Cheyyar SEZ Developers Pvt. Ltd, Bargur	OP	80	547772	1	198414	6944	273830	68472
		45	SIPCOT BARGUR	NOP	10	68472	1	0	0	0	68472
		46	ELCOT HOSUR	NOP	90	616244	1	0	0	0	68472
		47	Cheyyar SEZ Developers Pvt. Ltd, Thiruvanamalai	OP	10	68472	1	198414	6944	273830	68472
		48	SIPCOT RANIPET	OP	10	68472	1	0	0	0	68472
		49	Jay Gee Hitech Infraventures - Sriperambudur	NOP	10	68472	1	0	0	0	68472
		50	Foxconn India Developers - Sriperambudur	NOP	10	68472	1	0	0	0	68472
		51	KANAI TECH PARK - Sriperambudur	NOP	10	68472	1	0	0	0	68472
TOTAL AOs = 34. TOTAL SEZs (Operational) = 39 (excludes MEPZ) & Non-Operational = 12											
SIPCOT (Sl. No. 3,4,7,28,38,46,48)											
ELCOT (Sl. No. 20,29,33,34,37,41,43,46)											
Total Cost Recovery demand amount											
1616425 46183669 34 1616425 71080413											

Sr. At

Reply to Para 1/IIB

Para 1/IIB : Incorrect Payment of Drawback on Deemed Exports:-

The Audit has requested to submit the copy of invoices relating to the inputs supplied by various small firms to the DTA Units from which the EOU unit viz. M/s.KOB Medical Textiles (P) Ltd., and M/s.United India Shoe Corporation. Accordingly, the EOUs were requested to submit the requisite invoices from their DTA suppliers vide this office letter dated 27.09.2018 and subsequent reminder on 23.01.2019 and reply is awaited.

This is to inform you that the Duty drawback is paid to all the applicant EOUs only on the rates specified for the products in the Schedule of All Industry Rate of Drawback as per Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 notified by the Ministry of Finance from time to time.

The **All Industry Rates** of drawback are worked out on the basis of broad averages of consumption of inputs, duties suffered, quantity of wastage, f.o.b. prices of the export products etc. The EOUs are procuring the products from the DTA suppliers which are the finished goods to the DTA supplier and input materials to the EOU. Therefore, it is the drawback on the duty suffered on the input materials of DTA supplied to EOU.

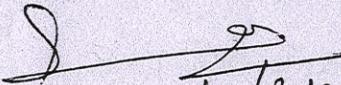
M/s.KOB Medical Textiles (P) Ltd., and M/s.United India Shoe Corporation, were paid Duty Drawback only on the basis of the Schedule of All Industry Rate of Drawback as per Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 notified by the Ministry of Finance. In this regard, a certificate regarding non-availment of CENVAT credits on inputs used in the resultant product by the supplier of goods (DTA) to the EOU has been obtained in the prescribed format laid down as Annexure-II to the DBK application ANF-7A as per Chapter 7 of Foreign Trade Policy & Hand Book of Procedures 2015-2020.


The Duty Drawback claims of M/s.KOB Medical Textiles (P) Ltd., and M/s.United India Shoe Corporation were paid as per the rates specified in the Schedule of All Industry Rate of Drawback and thus the claim sanctioned was in order. Hence, the para may be dropped.

R. Sharma
16/10/2019

Reply to Para 2/IIB

Sl.No	Name of the EOU	Action taken	Remarks
1 & 2	M/s.ABI Turnamatics, Bangalore	Letter to sent to concerned jurisdiction i.e. O/o Development Commissioner, Cochin-SEZ, Cochin to confirm the EOU status of the said Unit vide this office letter dated 25.09.2018	Reply awaited. Reminder sent on 19.06.2019 and 16.10.2019. As soon as reply received the same will be intimated to the Audit.
3	M/s.Chansuba Pumps	Letter to sent to concerned jurisdiction i.e. O/o Development Commissioner, Kandla-SEZ, Kandla, Gujarat to confirm the EOU status of the said Unit vide this office letter dated 25.09.2018	Reply awaited. Reminder sent on 19.06.2019 and 16.10.2019. As soon as reply received the same will be intimated to the Audit.
4 & 5	M/s.Indfrag Ltd.,	Letter to sent to concerned jurisdiction i.e. O/o Development Commissioner, Noida-SEZ, Noida to confirm the EOU status of the said Unit vide this office letter dated 25.09.2018	<p>O/o Development Commissioner, Noida-SEZ, Noida has confirmed that the M/s.Satol Chemicals & M/s.Sanat Products Ltd., have not registered as EOU/SEZs under their jurisdiction vide their letter dated 28.09.2018. (Copy enclosed).</p> <p>In view of the above the said units were DTA only. Hence, the Audit para 2/IIB (Sl.No.4 &5) for Rs.4376/- + Rs.50,000/-) = Rs.54376/- may be dropped.</p>


16/10/2015

 सरकारमेव जयते Government of India	<p>GOVERNMENT OF INDIA MINISTRY OF COMMERCE & INDUSTRY OFFICE OF THE DEVELOPMENT COMMISSIONER ADMIN OFFICE BUILDING MEPZ – SPECIAL ECONOMIC ZONE, GST ROAD, TAMBARAM, CHENNAI - 600 045 Phone : 044 – 2262 8305 Fax: 044- 2262 8218</p>
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F.No: 25/Misc/Audit/A-1/2015-16 & 16-17/MEPZ-SEZ

Dt. 16.10.2019.

To
The Development Commissioner,
COCHIN Special Economic Zone,
Administrative Building,
KAKKANAD, KOCHI.
KERALA – 682 037.

Sir,

Sub:- Confirmation of EOU Status – regarding.

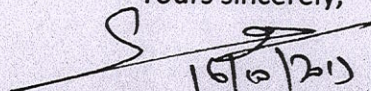
Ref:- 1.Audit para for the year 2015-16 & 2016-17.
2.This office letter of even no dated 25.09.2018.
3.This office e-mail dated 19.06.2019.

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Please refer to the letters cited above (Copies enclosed for ready reference). As already stated the confirmation of EOU status of M/s. Carl Zeiss India Pvt Ltd., & Gsnuv India Pvt. Ltd, Bangalore may kindly be confirmed urgently in order to enable this office to furnish the requisite reply to the CST Audit.

Since the matter is pending for a long time, an immediate reply is requested.

Yours sincerely,



(V.K. VISWANATHAN)

ASST. DEVELOPMENT COMMISSIONER.

Encl: as above.

cc: Sr. D.O

Subject: **Confirming the EOU/SEZ Status - Reg.**

To: cochin <cnrcsez@gmail.com>

Cc: em1@mepz.gov.in

Date: 06/19/19 12:04 PM

From: "AccountsSection MEPZ" <accts1@mepz.gov.in>

File0001.PDF (658kB)

Sir,

Sub: Confirmation of EOU/SEZ status - Reg.

Ref. This office letter dated 25.09.2018.

Please refer to this office letter dated 25.09.2018, wherein you are requested to confirm the EOU/SEZ status of the unit (letter attached), to enable this office to submit a reply to the Audit. Therefore, you are requested to send the status report at the earliest.

Regards,
MEPZ-SEZ



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
OFFICE OF THE DEVELOPMENT COMMISSIONER
SPECIAL ECONOMIC ZONE : MEPZ - SEZ
ADMINISTRATIVE OFFICE BUILDING, NATIONAL HIGHWAYS-45
TAMBARAM, CHENNAI 600 045.

File No.25/Misc/Audit/AI / 1436

Dated:25/09/2018

To

The Development Commissioner,
Cochin Special Economic Zone, Administrative Building,
Cochin, Kappad,
682037

Sir,

Sub: Confirmation of EOU/SEZ status - Reg.

Ref: Audit para for the year 2015-16 & 2016-17

While conducting the audit of CST Reimbursement claims pertaining to the years 2015-16 & 2016-17, the O/o the Director General of Audit (Central) Chennai has observed that the goods procured from the following suppliers are not eligible for reimbursement since the units are not DTA and they are EOU/SEZs.

Name of the Unit (ie.Supplier)	Address Location
M/s.Carl Zeiss India Pvt.Ltd.,	Bomansandra Industrial Area, Bangalore
M/s.Gsnuv India Pvt.Ltd.,	No.41A Electronic City, Bangalore

Kindly confirm the status as to whether the above units are EOU/SEZs under your jurisdiction for further necessary action at our end.

Kindly send your confirmation report so as to enable this office to settle the claim at an early date.

Yours faithfully,

(V.K.VISWANATHAN)

ASST.DEVELOPMENT COMMISSIONER

ET 152114828 In

DESPATCHED ON

T. Sujatha
26.9.18

Despatcher/MEPZ-SEZ



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
OFFICE OF THE DEVELOPMENT COMMISSIONER
ADMIN OFFICE BUILDING
MEPZ – SPECIAL ECONOMIC ZONE,
GST ROAD, TAMBARAM, CHENNAI - 600 045
Phone : 044 – 2262 8305 Fax: 044- 2262 8218

F.No: 25/Misc/Audit/A-1/2015-16 & 16-17/MEPZ-SEZ

Dt. 16.10.2019.

To
The Development Commissioner,
Kandla Special Economic Zone,
Administrative Building,
GANDHIDHAM, (Kutch)
GUJARAT – 370 230.

Sir,

Sub:- Confirmation of EOU Status – regarding.

Ref:- 1.Audit para for the year 2015-16 & 2016-17.
2.This office letter of even no dated 25.09.2018.
3.This office e-mail dated 19.06.2019.

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Please refer to the letters cited above (Copies enclosed for ready reference). As already stated the confirmation of EOU status of M/s. Sandori Castings Pvt. Ltd., Rajkot, Gujarat may kindly be confirmed urgently in order to enable this office to furnish the requisite reply to the CST Audit.

Since the matter is pending for a long time, an immediate reply is requested.

Yours sincerely,

(V.K. VISWANATHAN)

ASST. DEVELOPMENT COMMISSIONER.

Encl: as above.

cc: Sandori -

Subject: **Confirming the EOU /SEZ Satus - Reg.**
To: dcc.kasez-gj@gov.in
Cc: ADCStateManagement MEPZ <em1@mepz.gov.in>

Date: 06/19/19 12:01 PM
From: "AccountsSection MEPZ" <accts1@mepz.gov.in>

File.PDF (645kB)

Sir,

Sub: Confirmation of EOU/SEZ status - Reg.
Ref. This office letter dated 25.09.2018.

Please refer to this office letter dated 25.09.2018, wherein you are requested to confirm the EOU/SEZ status of the unit (letter attached), to enable this office to submit a reply to the Audit. Therefore, you are requested to send the status report at the earliest.

Regards,
MEPZ-SEZ

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
OFFICE OF THE DEVELOPMENT COMMISSIONER
SPECIAL ECONOMIC ZONE : MEPZ - SEZ
ADMINISTRATIVE OFFICE BUILDING, NATIONAL HIGHWAYS-45
TAMBARAM, CHENNAI 600 045.

File No.25/Misc/Audit/AI / 4435

Dated:25/09/2018

To

The Development Commissioner,
Kandla Special Economic Zone, Gandhidham
Kandla (Kutch)

370230

Sir,

Sub: Confirmation of EOU/SEZ status - Reg.

Ref: Audit para for the year 2015-16 & 2016-17

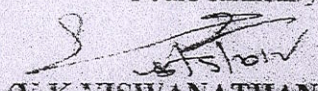
While conducting the audit of CST Reimbursement claims pertaining to the years 2015-16 & 2016-17, the O/o the Director General of Audit (Central) Chennai has observed that the goods procured from the following suppliers are not eligible for reimbursement since the units are not DTA and they are EOU/SEZs.

Name of the Unit (ie.Supplier)	Address Location
M/s.Sandori Castings Pvt.Ltd.,	Sy.183, Gundal NH8B, Rajkot District, Gujarat

Kindly confirm the status as to whether the above units are EOU/SEZs under your jurisdiction for further necessary action at our end.

Kindly send your confirmation report so as to enable this office to settle the claim at an early date.

Yours faithfully,


(V.K.VISWANATHAN)

ASST.DEVELOPMENT COMMISSIONER

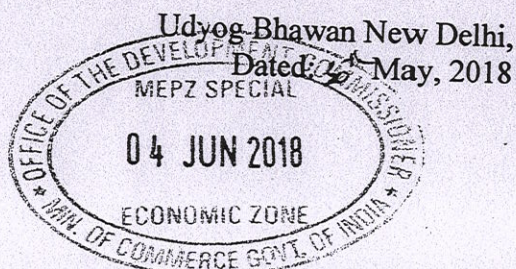
ET 152114814 In

DESPATCHED ON

T. Sujatha
26.9.18

No. A.15/4/2009-SEZ
Government of India
Ministry of Commerce & Industry
Department of Commerce
SEZ Division

To,
The Development Commissioner,
MEPZ Special Economic Zone,
Administrative Office Building,
National Highway -45,
Tambaram, Chennai – 600 045



Sub : Report of Local Audit during 17.01.2018 to 31.01.2018 regarding non-deduction of TDS and payment of honorarium to contingent staff engaged by MoC&I on the rolls of MEPZ SEZ

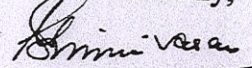
The undersigned is directed to refer to the subject cited above and to say that the para-wise comments of this Department over the objections raised by the Local Audit are as under:

Sl. No.	Audit Para & Subject	Objection raised	Comments
1	Para 3/II B Non deduction of TDS on Wage Payment to contingent staff	It is seen from the fully vouched contingent bills that the wage payment had been made every month to the contingent staff noted below: 1.Vikrant Sharma, DEO Rs.11986/- P.M. 2.Binendra Singh Pal, DEO Rs.11986/- P.M. 3.Vikram, Clerk Rs.10998/- P.M. The aggregate wage payment is arrived over Rs.1.25 lakhs per annum to the above contingent staff. However, Tax deduction at Source at 2% had not been made on the above payment as the aggregate payment exceed Rs. 75000/- per annum this has resulted in non-deduction of TDS on wage payment to the above staff. The department replied that the above issue had been noted for future compliance.	The objection of CAG appears to be on the basis of provision of Section 194C of the Income Tax Act. However, the applicability of this Section on the three officials on MEPZ strength needs to be examined. MEPZ, SEZ may examine if Section 194C of the Income Tax Act, 1961 is applicable to the contingent staff and accordingly reply to the Audit objection.
2	Para 4/II B Incorrect payment of Honorarium	It was noticed from Bill No. 614/3.3.2017 that honorarium was paid to contingent staff to the tune of Rs.15000. This payment was made based on an instruction from Department of Commerce dated 10.02.2017. As per this Instruction FR 46(3) was quoted for payment of honorarium to contingent staff. As per FR 46(b) only Government servant alone is eligible to receive honorarium for work performed. Contingent staff would not come under the category of Government servant. Hence FR 46(6) cannot be applied for justifying the	As per the decision of Comptroller and Auditor General vide letter No.536-A.II/50-59, dated 13th May, 1959 (copy enclosed) on the payment to non-officials for work done or services rendered to the Government in Swamy's compilation of FR&SR –“It has been brought to the notice of the Comptroller and Auditor General that the payments of honorarium made to the non-officials for work done or services rendered by them are being objected to by Audit on the ground that

3/4/18
DDC (SB)
A.

	<p>payment of honorarium to contingent staff. The department replied that the observation is being forwarded to MOC, SEZ section, New Delhi for further necessary action and reply would be furnished in due course on receipt of the same from them.</p>	<p>such payments are of the nature of fees chargeable to contingencies. It has been decided that there is no usefulness in making refinements in finding out a suitable terminology for such payments. Accordingly, if in a particular case the remuneration has been paid to a non-official for some work done or services rendered to the Government of India, no objection need be raised to its being called 'honorarium' and classified under "Allowances and Honoraria".</p>
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Yours faithfully,



(G. Srinivasan)

Under Secretary to the Govt. of India

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Government servant as per orders on the subject is Rs. 5,000 per annum and the same cannot be relaxed under any circumstances.

In this connection, it is to clarify further that although the maximum amount of honorarium which can be paid to a Government servant should not exceed Rs. 5,000 but a Head of Circle is empowered to sanction honorarium only up to Rs. 2,500 (Rupees two thousand five hundred) only as per the delegation of financial powers. In view of this, it may please be ensured that no Government servant is paid more than Rs. 2,500 towards honorarium in a year.

[G.I., DoT, Letter No. 249-17/19-STN-I, dated the 24th May, 1999 and Cir. Lr. No. 249-17/97-STN-I, dated the 9th July, 1999.]

✓ COMPROLLER AND AUDITOR-GENERAL'S DECISIONS

(1) See Comptroller and Auditor-General's Decision below FR 49.

✓ (2) **Payments to non-officials for work done or services rendered to the Government.**— It has been brought to the notice of the Comptroller and Auditor-General that the payments of honorarium made to the non-officials for work done or services rendered by them are being objected to by Audit on the ground that such payments are of the nature of fees chargeable to contingencies. It has been decided that there is no usefulness in making refinements in finding out a suitable terminology for such payments. Accordingly, if in a particular case the remuneration has been paid to a non-official for some work done or services rendered to the Government of India, no objection need be raised to its being called 'honorarium' and classified under "Allowances and Honoraria".

[C. & A.G.'s Letter No. 536-A. II/50-59, dated the 13th May, 1959.]

(3) **Honorarium for delivering lectures / talks in the training programmes at National Academy of Audit and Accounts, etc.**— In pursuance of the recommendations of Auditors-General Conference held in January, 1991, the question of revision of the existing rates of honorarium payable to the guest faculty invited by Regional Training Institutes, National Academy of Audit and Accounts, Shimla and in the programmes organized by Headquarters office has been considered. It has been decided that in partial modification of this Office Letter No. NGE. 59/84, dated 2-7-1984 (*not printed*), rate of honorarium to aforesaid guest faculty be raised henceforth to Rs. 150 per lecture (of 75 minutes duration) from the present rate of Rs. 100 per lecture. While the revised rate of Rs. 150 per lecture will apply to most guest lectures, a higher rate of Rs. 200 per lecture may be allowed to Specialist Guest Lectures, i.e., those in very specialized area, e.g., Computer Specialists.

2. The monthly ceiling on drawal of honorarium in a calendar month will also be raised to Rs. 600 from the present figure of Rs. 200. For specialists.