

Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt - 10

No. AN/ VII/7063/CSD-TS/9-10

Dated 5.9.2012

To

All PCsDA/ PCA (Fys)/CsDA
(Through CGDA Website)

Sub: Distribution of funds out of CSD Trade Surplus.

Please find enclosed a copy of guidelines dated 9.3.2012 on the subject issued by the Ministry of Defence.

2. In this context, I am directed to request you to give suggestions regarding specific schemes / projects, for which the funds already received from the Ministry, could be utilized.
3. In addition proposals / schemes for seeking further allocation from the Ministry out of the CSD Trade Surplus for 2011-12 may also be furnished.
4. Both the proposals should keep in view the types of projects & schemes that would be eligible for grant of CSD Trade Surplus as provided under Para 4 of the above said guidelines.
5. Your comments / suggestions / proposals may please be forwarded to this office before 24.9.2012.



(Richa Misra)
Sr. Dy. CGDA (Admin)

No. 8(2)/2009/D(Mov)
Government of India
Ministry of Defence

135-14

Dated the 9th March, 2012.

To
The Chief of Army Staff,
The Chief of Air Staff
The Chief of Naval Staff


Subject: Issue of Guidelines for distribution and utilisation of CSD Annual Trade Surplus.

Sirs,

In pursuance of the recommendations of the C&AG of India as contained in C&AG Report No.-14 of 2010-11 on the Performance Audit of Canteen Stores Department that the regular and ad-hoc Grants-in-Aid should be sanctioned in a transparent manner on the basis of detailed proposals in accordance with provisions of GFRs and these grants should be used only for the welfare of service personnel, I am directed to forward herewith a copy of the guidelines, formulated in concurrence with MoD(Finance) and approval of the competent authority in this Ministry, on the subject cited above for implementation of the same by all beneficiaries with immediate effect.

2. All beneficiaries of CTS will ensure that these guidelines are adhered to in letter and spirit.
3. These guidelines are subject to amendment with the approval of competent authority as and when required.
3. This issues with the concurrence of MoD(Fin./QA) vide their Dy. No.1010/QB dated 30.12.2011.

Encl.: A copy of guidelines on CTS.


(Pradeep Kumar)
Under Secretary to the Govt. of India

✓ Copy, along with a copy of guidelines, to DDGCS, L Block, N.Delhi for circulating the guidelines to all concerned for implementation.

Copy, along with a copy of guidelines, for information to:-

1. QMG, IHQ of MoD(Army)
2. COP, IHQ of MoD(Navy)
3. AOA, Air HQ.
4. IDS HQ.
5. GM, CSD HO, Mumbai.
6. DG Coast Guard Sectt.
9. Director (Fin.(Q), MoD(Fin.).
7. SO to Defence Secretary.
8. SO to Addl. Secretary (A).
9. PS to JS(O/N).

**MODEL GUIDELINES FOR DISTRIBUTION AND UTILISATION
OF CSD ANNUAL TRADE SURPLUS (CTS)**

Aim

1. The aim of these guidelines is to ensure that disbursement of Trade Surplus is done in a transparent manner and utilized primarily for service personnel and in accordance with provisions of GFR.
2. These Model Guidelines shall be applicable to all the beneficiaries as given at Appendix 'A' and also for all adhoc allocations, if any.

Sanction of Trade Surplus

3. The distribution of CTS will be carried out as per the following approved procedure of Executive Committee of Board of Control Canteen Services (EC of BOCCS):-

(a) **Regular Contribution.** Apart from the distribution to the tri Services, the following beneficiaries will be given regular contribution by the BOCCS:-

- (i) HQ IDS
- (ii) CSD Head Office
- (iii) MoD
- (iv) DG Coast Guards
- (v) BOCCS Sectt CW

(b) **Ad-hoc Allocation, if any.** A total adhoc allocation of not more than 5% will be considered on case to case basis to the needy organisation for welfare of troops, on approval by Chairman, BOCCS. Proposals for Ad-hoc allocations must be supported by all the relevant data/documents and approved by an officer of the rank of Lt Gen/equivalent. The proposals should be for welfare of the troops. The proposals should clarify in detail as to why the demands can not be met through regular budgets from the Govt. The procedure followed will be as under:-

- (i) Proposals from Service Estts will be submitted to their respective HQ for meeting their requirement out of their allocation.
- (ii) Proposals from CSD and Secy BOCCS will be submitted to QMG for his approval for submission to the EC of BOCCS.

(iii) Proposal from Estt. Under Ministry of Defence including its Finance Wing will be submitted to Secy, BOCCS after approval of the concerned Addl. Secretary or Secy, (Def/Fin).

(iv) Proposals from the Estts not covered in above mentioned category will be submitted to Secy BOCCS, duly recommended by an officer equivalent to Addl Secy.

(c) **Share of Services.** Balance amount will be allocated to the three Services (Army, Air Force & Navy) in the ratio of 85: 10: 5.

(d) The allocation of Trade Surplus to various organisations and share of services will continue to be fixed with approval of BOCCS.

(e) All subordinate recipients to render a proper utilisation certificate of funds allotted to them by 15 Apr of ensuing year for the preceding financial year.

4. **Types of Projects/Schemes Eligible for Grant of CTS.** The purpose for which Trade Surplus grant can be sanctioned based on applications made by the Institutions/personnel are as follows:-

(a) **Education.** Educational projects for running of existing school/establishment. * Scholarship to the children of serving service personnel for classes from 9th to PG level, based on merit under education scholarship schemes.

(b) **Central Welfare Projects: Improvement of Collective Amenities.** Improvement of Station/Formation/Unit Institutes and also setting up of welfare and amenity centre for service personnel and their families on a station/formation/unit basis. Establishment of rest and recreation centers for troops deployed in operational area/counter insurgency areas in Comd/Corps Zone. ✓

(c) **War Widows Children Hostel (WWCH).** Allotment to War Widows Children Hostel (WWCH) for improvement of facilities/amenities. ✓

(d) **Schools For Physically Challenged/Differently Abled Children.** Allotment to needy schools under MoD/Services, for improvement of infrastructure for the physically challenged/differently abled children. ✓

(e) **Allotment of Funds for Medical/Distress Grant and Demise Grant.**

(f) Paraplegic Homes/Hospices. Grant be paid for improvement of facilities including any new similar projects disabled and physically handicapped/Tetraplegic for serving, Ex-servicemen and their dependants in Paraplegic Homes and Old Age Homes.

(g) Vocational Training for Disabled. Grant for imparting of vocational training for disabled soldiers.

(h) Welfare Scheme for Service. Various welfare schemes for service personnel and their families may be as follows:-

(i) Employment of psychiatric counselors.

(ii) Monthly maintenance Grant to medically boarded out personnel.

(iii) Grant to start commercial venture for retired personnel and widows.

✓(iv) Scholarship to all disabled children.

✓(v) Grant for purchase of Medical Aids such as Hearing Aids/ Artificial Limbs and wheel chairs.

(vi) Grant to World War II veterans.

(vii) Re-imburement of travel expenses to patients who have to take treatment at far off places for major diseases.

(viii) Grants to daughters of deceased Service personnel widows.

(ix) Monthly rehabilitation Grant to NOK, on death while in service and after retirement.

(x) Support to senior citizen homes.

(xi) Grant to families of Defence Civilian employees, who die in harness.

✓(xii) Expenditure on other welfare measures, as deemed fit by Information Commanders/Commanding Officers.

(xiii) Welfare schemes not covered above for personnel & families of the beneficiary organizations.

5. Scrutiny and Approval Process. The procedure to process the applications for the Trade Surplus will be as follows:-

(a) The proposals for sanction out of Trade Surplus for different purposes including Command Projects to be sought from all concerned including the Comds by 15 Mar of preceding year, for consideration.

(b) The proposals received from all concerned will be scrutinized and recommendations of viable projects made for the approval of the CEA with prioritisation.

(c) The approval of the respective Service Chiefs needs to be obtained.

6. Timelines. All concerned will follow the time-lines as given below:-

(a) Based on the audited figure of Trade Surplus, EC of BOCCS during its meetings will deliberate on the distribution for recommendation to BOCCS. The proposals as per the applications received as per para 5 will be taken into consideration.

(b) BOCCS will consider the recommendations and approve the distribution. On approval, Govt sanction letter will be issued by MoD conveying sanction for the distribution of Trade Surplus by end of Feb.

(c) CSD Head Office will forward cheques to BOCCS Sectt based on the Govt letter by first week of March. Utilisation certificates of previous year should also be placed before BOCCS.

(d) A separate public fund account will be maintained by the CSD Head Office for amounts/cheque disbursed to BOCCS Sectt. All disbursements of grants to beneficiaries and deposit of unutilized grants will be done through this account.

(e) Cheques will be handed over to the authorized officers of the beneficiaries by third week of March by the BOCCS Sectt, only after obtaining the Utilisation Certificate (in the format prescribed) pertaining to the previous year's grant.

(f) Unutilized grants will be sent by the beneficiaries through cheques to the BOCCS Sectt for depositing the same to CFI by CSD Head Office before collection of the cheques of subsequent grants.

Utilization Certificate. Utilization Certificates duly certified by Chartered Accountant (CA) will be submitted by all the beneficiaries (GFR provisions time line) of the grants as per the format attached as Appendix 'B'. Unutilised amount, if any, will be forwarded to CSD Head Office through cheques with detailed justification for non-utilisation. No cheque of the current financial year will be issued to the authorized officers of the allocatees unless utilization certificates of the previous years are received.

(a) Utilization Certificate from Comds. On utilization of funds a consolidated utilization certificate to be forwarded by the recipient formations/Comd HQs to Higher HQ/MoD by 15 Apr every year duly certified by CA.

(b) Utilization Certificate to BOCCS. Certificate showing detailed utilization of grants may be submitted to BOCCS of the ~~proceeding~~ *preceding* year before considering release of grants for next year.

8. Audit of Trade Surplus Account.

(a) Quarterly Audit. Fund to be audited by Board of Officers every quarter.

(b) Annual Audit By C.A. Annual auditing by a registered Chartered Accountant appointed by the Management Committee to be ensured and put up to the CFA for perusal.

