

F. No. 26(37)/ EMC Cell/ 2016  
Government of India  
Ministry of Finance  
Department of Expenditure  
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North Block, New Delhi  
Dated: 2<sup>nd</sup> January, 2017

OFFICE MEMORANDUM

**Subject: Measures to improve compliance issues in Autonomous Bodies.**

The Expenditure Management Commission has commented on the overall functioning of Autonomous Bodies and has raised governance issues such as poor financial controls, lax procedures in areas such as procurement, staffing and recruitment, delays in the governing board meetings and delays in accounts. The compliance issues in Autonomous Bodies primarily emanate from a weak regulatory regime under the Societies Registration Act, 1860 under which most of the Autonomous Bodies fall. It is felt that there is need for greater focus on governance issues in Autonomous Bodies, including streamlining and strengthening of the internal procedures and control mechanisms. In comparison, the Central Public Sector Enterprises (CPSEs) registered under the Companies Act, 2013 are subject to a robust compliance regime. The Act requires greater compliance norms with regard to performance and finances, and provides improved oversight of bodies registered under it.

2. Ministries/Departments may, therefore, consider the option of incorporating new autonomous organisations under section 8 of the Companies Act 2013, which allows incorporation of not-for-profit organizations.

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

JS(VKG) / S.DS(A) / SFA

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(Annie G. Mathew)  
Joint Secretary to the Government of India  
Tel No: 23093283

*JS(111)*  
Sr. DDG(A) ICMR OFFICE  
Diary No. 1091  
Date 18/1/2017

To,

Dr. Soumya Swaminathan  
Secretary  
Department of Health Research, ICMR  
INDIAN COUNCIL OF MEDICAL RESEARCH  
ANSARI NAGAR  
NEW DELHI - 110029

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Sr. DDG(A) ICMR OFFICE  
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Date 18/1/2017

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DG. ICMR OFFICE  
Diary No. 1091  
Date 18/1/2017