

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:3771
ANSWERED ON:13.12.2002
GENERAL FINANCIAL RULES
RAGHUNATH JHA;RAMJI MANJHI;RENU KUMARI SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the General Financial Rules are statutory in nature and cannot be supplanted by executive instructions or orders;
- (b) if so, whether the same have been supplanted by waiving the procedure contained in Chapter 8 thereof regarding calling of tenders without amending GFRs;
- (c) if so, the reasons therefor;
- (d) the steps taken to rectify the situation and to withdraw the exemptions about purchase of stores;
- (e) whether there is any proposal to enquire into the supplanting of GFRs and to bring to book the officials responsible for that; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V1THOBA ADSUL):

(a) to (f) The General Financial Rules are not statutory in nature and can be supplanted by executive instructions or orders. Accordingly, with a view to promote cooperative movement, Department of Personnel & Training (DOP&T) in consultation with this Ministry had issued an Order dated 14.7.1981 which made it incumbent on all central Government Departments, their attached and subordinate offices and other organisations financed and/or controlled by Government to make all local purchases of stationery and other items only from Kendriya Bhandar in relaxation of the procedure of inviting tenders/quotations prescribed in GFRs. Later on this dispensation was also extended to Super Bazar and NCCF. Keeping in view the ongoing policy of liberalisation of the economy and the emphasis on making Govt. organisations competitive and self-striving, the process to review the existing special dispensation to these three organisations by way of withdrawing this OM and granting only purchase preference to these three agencies is being examined. There is no proposal to enquire into the supplanting the GFRs.