5. Pm Cares, PMNRF & NDF - Governance

Citing rules, PMO tells Lok Sabha Secretariat- No questions on PM CARES, relief and defence funds
The PMO has stated that Parliamentary questions on PM CARES, PMNRF, and NDF are inadmissible because they are voluntary trusts receiving no budgetary support, thus falling outside direct Parliamentary accountability. This distinction relies on their status as Public Charitable Trusts rather than statutory funds like the NDRF, shielding them from mandatory CAG audits and RTI scrutiny despite high-level government involvement.

Context- Inadmissibility of Parliamentary Questions

According to recent media reports, the Prime Minister's Office (PMO) has informed the Lok Sabha Secretariat that Parliamentary questions regarding the PM CARES Fund, Prime Minister's National Relief Fund (PMNRF), and National Defence Fund (NDF) are not admissible.

Basis for Inadmissibility- The decision is grounded in specific Rules of Procedure and Conduct of Business in Lok Sabha-

Rule 41(2)(viii)- A question must relate to a matter that is primarily the concern of the Government of India.

Rule 41(2)(xvii)- A question must not raise matters under the control of bodies or persons not primarily responsible to the Government.

The PMO's Stance

Voluntary Nature- These funds are financed entirely through voluntary public contributions.

No Budgetary Support- They do not receive any money from the Consolidated Fund of India (CFI).

Conclusion- Consequently, they are considered outside direct budgetary accountability to Parliament, leading to the non-admissibility of questions.

Overview of the Three Funds

Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)

Establishment & Objective- Established on 27 March 2020 in response to the COVID-19 pandemic to provide relief during emergency or distress situations.

Legal Status- Registered as a Public Charitable Trust under the Registration Act, 1908.

Composition

a. Chairman- Prime Minister (Ex-officio).
b. Trustees- Minister of Defence, Minister of Home Affairs, and Minister of Finance (Ex-officio).

Funding Pattern- Receives 100% voluntary contributions from individuals and organizations with no budgetary support from the Government.

Tax & Corporate Provisions- Donations are eligible for 100% deduction under Section 80G of the Income Tax Act, 1961. Contributions are recognized as Corporate Social Responsibility (CSR) expenditure under the Companies Act, 2013.

Foreign Contributions- Permitted to receive foreign donations under the Foreign Contribution (Regulation) Act, 2010 (FCRA) through a designated account.

Audit- Accounts are audited annually by an independent auditor.

Prime Minister's National Relief Fund (PMNRF)

Origin & Purpose- Established in January 1948 initially to assist displaced persons from Pakistan. currently, it provides relief to victims of natural disasters, major accidents, and riots.

Funding & Administration- Financed entirely by public donations; no budgetary allocation. The corpus is invested in bank deposits with disbursements approved by the Prime Minister.

Legal Status- Not created by Parliament; it is recognized as a Trust under the Income Tax Act, 1961. It functions from the PMO.

Governance- Managed by the Prime Minister as Chairman, supported by honorary staff.

Tax Provisions- Income is exempt under Sections 10 and 139 of the Income Tax Act. Contributions are eligible for 100% deduction under Section 80G. It accepts only voluntary and unconditional donations.

National Defence Fund (NDF)

Objective- Provides welfare assistance to members of the Armed Forces, paramilitary forces, and their dependents.

Administration- Managed by an Executive Committee-

Chairperson- Prime Minister.

Members- Minister of Defence, Minister of Finance, and Minister of Home Affairs.

Treasurer- Minister of Finance.

Secretary- Joint Secretary, PMO.

Funding- Entirely dependent on voluntary public contributions with no government budgetary support. Accounts are maintained with the Reserve Bank of India (RBI).

Comparative Analysis of the Funds

Feature	PM CARES Fund	PMNRF	National Defence Fund (NDF)
Origin	March 2020 (Covid-19)	Jan 1948 (Partition)	1962 (Indo-China War)
Legal Nature	Public Charitable Trust	Public Charitable Trust	Public Charitable Trust
Chairman	Prime Minister	Prime Minister	Prime Minister
Trustees/Members	Defence, Home, Finance Ministers	None (Managed by PMO)	Defence, Home, Finance Ministers
Budgetary Support	No	No	No
CAG Audit	No (Independent Auditor)	No (Independent Auditor)	No (Independent Auditor)
FCRA Status	Exempted	Exempted	Exempted
CSR Status	Yes (Companies Act)	No	No

Key Legal & Constitutional Features

Trust vs. Statutory Fund Distinction

PM CARES / PMNRF- These are Public Charitable Trusts registered under the Registration Act, 1908. They are non-statutory, meaning they do not owe their existence to an Act of Parliament.

Contrast with NDRF- The National Disaster Response Fund (NDRF) is a Statutory Fund created under Section 46 of the Disaster Management Act, 2005, and is audited by the Comptroller and Auditor General (CAG).

Audit & Transparency Controversy

Supreme Court Ruling (2020)- Ruled that since PM CARES does not receive government money, a CAG audit is not mandatory.

NDF Uniqueness- While also a trust, the NDF is unique because its accounts are kept with the Reserve Bank of India (RBI).

RTI Ambiguity-

PMO Argument- PM CARES is not a "Public Authority" under Section 2(h) of the RTI Act because it is not funded by the government.

Counter-Argument- Critics argue it should be under RTI as it uses the State Emblem, government infrastructure, and a "gov.in" domain.

Constitutional Funds of India (Context)

To understand why these private trusts are treated differently, one must look at the official funds defined in the Constitution.

Consolidated Fund of India (Article 266)- Contains all Union Government revenues, loans, and loan recoveries.

Constraint- No expenditure can be made without Parliamentary authorization.

Contingency Fund of India (Article 267)- Placed at the disposal of the President of India for urgent unforeseen expenditure pending approval of Parliament.

Corpus- Currently ₹30,000 crore.

Public Account of India (Article 266)- Includes funds held in trust by the Government (e.g., provident funds, small savings).

Withdrawal- Does not require prior Parliamentary approval.

Fund	Article	Management	Authorization Requirement
Consolidated Fund (CFI)	266(1)	Parliament	Required (Appropriation Bill)
Public Account	266(2)	Executive	Not required (Banking-type transactions)
Contingency Fund	267	President	Parliamentary approval post-expenditure

Supreme Court Observations

In the case of *Centre for Public Interest Litigation (CPIL) vs. Union of India*, the Supreme Court refused to transfer PM CARES money to the NDRF based on the following-

Nature- NDRF is for specific natural disasters, whereas PM CARES covers broader "emergency/distress" situations (like biological pandemics).

Voluntary Spirit- Individuals have the freedom to choose where to donate.

Audit- Legal provisions for auditing a statutory fund (NDRF) cannot be forcefully applied to a private trust (PM CARES).

Conclusion

The non-admissibility of questions regarding these funds highlights a tension between executive flexibility and legislative oversight. While the trust model allows for rapid emergency response without bureaucratic hurdles, it bypasses the traditional "power of the purse," raising questions regarding transparency and public accountability in democratic governance.

Source- https-//indianexpress.com/article/india/citing-rules-pmo-tells-lok-sabha-secretariat-no-questions-on-pm-cares-relief-and-defence-funds-10521470/