

GOVERNMENT OF MANIPUR
FINANCE DEPARTMENT
(FINANCE COMMISSION CELL)

OFFICE MEMORANDUM

Imphal, the 7th March, 2012

Subject: **Regulation of drawal and deposits under MH-8449-OD and MH-8443-CD.**

No.7/3/2011-FC: The practice of parking funds in deposit heads such as MH-8449-OD and MH-8443-CD under non-lapsable Public Account of the State has been in vogue for the past many years. Though a major reason for institutionalizing the arrangement for transfer of funds from the Consolidated Fund to a Public Account head was to prevent lapse of Plan and CSS grants sanctioned and released by the Government of India at the fag end of the financial years, in the recent past it has become a common practice for departments to indiscriminately resort to such practices even to prevent of lapse of funds under normal Plan and Non-Plan. As a result, the total committed liabilities of the State Government have increased many-fold over the years. As per Finance Accounts for 2010-11, the total outstanding committed liabilities under MH-8449-OD and MH-8443-CD as on 31st March, 2011 stands at ₹1499.19 crore. The mounting committed liabilities not only preempts scarce resources available to finance current liabilities during a financial year but also raises important issues linked to continuously financing these past liabilities year after year and State's fiscal sustainability over a long term. Such drawals also result into huge accumulation of AC bills which has been objected by the Comptroller and Auditor General of India from time to time.

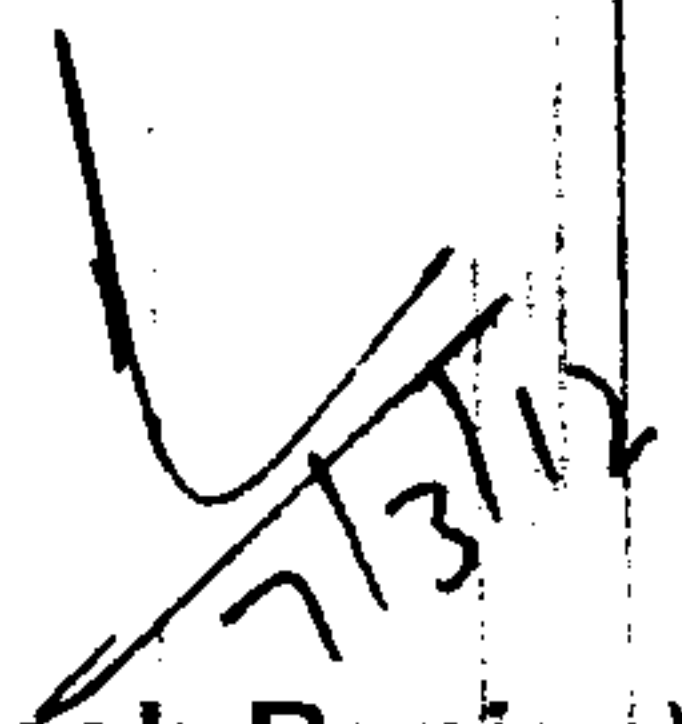
Further, it may mentioned that deposit of funds in Public Account in a routine manner goes against the basic principle of General Financial Rules (GFR) and Treasury Rules which lay down that money should be drawn only when it is required for expenditure and CAG and Government of India have been raising strong objections to such practices from time to time.

In view of the utmost need to prevent indiscriminate and unreasonable deposit of funds in the Public Account (MH-8449-OD and MH-8443-CD), the State Government after careful consideration, has taken the following decisions:


7/3

- (i) Deposit of funds in the Public Account (MH-8449-OD and MH-8443-CD) under **State Plan** would not be allowed, except under special circumstances where funds are tied to specific projects that are sanctioned by the Government of India such as Grants under SPA, SCA, Scheme-wise ACA and Plan Grants under 13th Finance Commission and very little time was available to the implementing agencies to complete the formalities for implementation of the project/ schemes during the financial year.
- (ii) **CSS/ CPS/ NLCPR/ NEC** receipts which cannot be spent by the department within the year can be included in the BE of the next year, or, can be authorized for expenditure during the next year. It is therefore not necessary to withdraw the amount and deposit in Public Account (MH-8449-OD and MH-8443-CD).
- (iii) The State' Share of Central Grants under State Plan, such as SPA, SCA, Scheme-wise ACA and the State's share of Central Sector Schemes such as CSS, CPS, NLCPR and NEC schemes shall not be allowed to be drawn and deposited in the Public Account (MH-8449-OD and MH-8443-CD) if the Central Share has not been sanctioned and released by the Government of India.
- (iv) All the Treasury Officers/ Sub-Treasury Officers will strictly comply with the regulation on depositing of funds in MH-8449-OD/MH-8443-CD and not allow passing of bills for expenditures other than the items mentioned in sub-para (i), (ii) and (iii) above.

This order shall take immediate effect.


(Rakesh Ranjan)
Commissioner (Finance),
Government of Manipur

Copy to:

1. The Secretary to the Governor of Manipur, Raj Bhavan, Imphal.
2. The Secretary to the Chief Minister, Government of Manipur.
3. The P.S. to the Chief Secretary, Government of Manipur.
4. The Accountant General, Manipur.
5. All Principal Secretaries, Government of Manipur.
6. All Commissioners/ Secretaries, Government of Manipur.
7. All Heads of Departments, Manipur.