

FINANCE DEPARTMENT

No. 17989(5) /F., Dt. 26.04.2006
W&M (L.C)- 48/2005

From

**Shri K. C. Badu,
Special Secretary to Govt.**

To

**The Principal Secretary to Govt.
H & UD Department/
Commissioner-cum-Secretary to Govt.
Rural Development Department/ W.R. Deptt./
Energy Department/ EIC-cum-Secretary to Govt.,
Works Department.**

Sub:- Distribution of allotment in consonance with issue of Letter of Credit - Revision of guidelines.

Sir,

I am directed to say that in order to avoid any mismatch between Letter of Credit & Distribution of allotment and creation of un-discharged liability on account of short release of Letter of Credit against budgeted outlay, instructions were issued by Finance Department for phase-wise issue of allotment under Non Plan and Normal State Plan Scheme.

Difficulties were expressed by the Controlling Officers and Administrative Departments in various review meetings in drawing up of action plans and work programmes and completion of other formalities on account of the limit fixed earlier for issue of allotment under Non Plan and Normal State Plan in Finance Department letters No, 19771(4)/F., Dated 02.05.03, No. 26018 (4)/F., Dated 10.06.2003, No. 4811(4)/F., Dated 04.02.2004 and No. 37661(4)/F., Dated 28.08.2004.

The 12th Finance Commission have recommended targeted level of Non-Plan Revenue Expenditure for maintenance of roads and buildings, besides there is need for adequate flow of funds for maintenance of capital assets of Pipe Water Supply Schemes and Major / Medium & Minor Irrigation Schemes and also to enhance the level of State Plan expenditure, for which the limit on issue of allotment fixed in the Finance Department Circulars cited above is hereby modified.

The Controlling Officers are now authorized to issue allotment at their level under Non Plan & Normal State Plan in three phases i.e. 40% in the 1st quarter ending in June, 20% in the 2nd quarter ending in September and the balance 40% in the 3rd quarter ending in December without reference of the Administrative Department as per the work programme / action plan and requirement of each work, provided the work is administratively approved and in case of prestigious / critical maintenance repair works and Finance

Commission Award works, the allotment should be issued against approved / identified works.

However, the Controlling Officers should ensure that towards the end of the year there is no un-discharged liability for which the final allotment should be commensurate with the level of Letter of Credit.

Yours faithfully,

Sd/- K.C. Badu
Special Secretary to Govt.