

15. While releasing provision of share capital, grants, subsidy and assignment either under plan and non-plan, the arrear outstanding loans, advances, interest and guarantee commission etc. recoverable from the undertakings concerned should be correctly assessed and adjusted against the fresh release where such releases are proposed to be made in deviation of this stipulation concurrence of Finance Department is to be taken.

16. These instructions are in continuation of Finance Department circulars issued previously on the subject and will continue to be effective unless withdrawn.

R. N. DAS

Commissioner-cum-Secretary to
Government

GOVERNMENT OF ORISSA

FINANCE DEPARTMENT

No. 438—SG.6/88-F.

OFFICE MEMORANDUM

Bhubaneswar, the 5th January 1989

Subject—Guarantee given by Government for loan by Local Bodies, Co-operative Institutions, Companies, Corporations, etc.—Criteria and Procedure to be followed, Para-6 of the P. A. C. 11th Report, 1986-87.

The undersigned is directed to invite a reference to Finance Department Office Memo. No. 4156-F., dated the 2nd February 1988 and subsequent reminder No. 30127-F., dated the 9th August 1988, regarding submission of Annual Review report on Government guarantees to Finance Department by the 20th August 1988. The question of annual review of Government guarantees also came up for discussion in the P. A. C. meeting in connection with Para-8 of the 11th Report Public Accounts Committee, 1985-86. The Public Accounts Committee have also taken a serious view regarding issue of guarantee by Government without reviewing cases from time to time.

As the correct position of guarantee sanctioned and outstanding are to be laid before the Orissa Legislative Assembly alongwith the Budget, the Administrative Departments are to conduct this review atleast annually once as per terms of the guidelines. But it is seen that no Department of Government have complied with this in spite of above-mentioned Office Memorandum's issued from Finance Department.

It is, therefore, decided that hereafter no case of guarantee proposal whatsoever will be considered by Finance Department unless the review is made by the Administrative Department in each case and report furnished to Finance Department.

R. N. DAS

Commissioner-cum-Secretary
to Government

GOVERNMENT OF ORISSA

FINANCE DEPARTMENT

No. 19842(46)—WMD-4/88-F.

From

Shri R. N. Das, Commissioner-cum-Secretary to Government.

To

All Secretaries to Government.

Bhubaneswar, the 11th May 1988

Subject—Measures for regulating the Ways and Means position of the State during the financial year 1988-89.

Sir,

Shortfalls in collection of receipts and revenue and recovery of outstanding loans and interest etc., under various Departments in the last financial year has severely affected the Ways and Means position of the State Government. As Government of India are strictly enforcing their overall regulations, the option for

the State Government to avail overdraft facility from the Reserve Bank of India has been severely limited. It has become extremely important, therefore, that the net out go on State Account at any point of time does not exceed the normal ways and means limit of the State Government. This calls for strict monitoring of inflow of receipts and outgo on expenditure from Government account for various developmental and non-developmental purposes. In order to regulate expenditure of different Departments certain economy measures have been proposed to be enforced in Finance Department Office Memorandum No. 19855-F., dated the 10th May 1988. In continuation of the said circular it is further decided that the following further measures be taken by all concerned so that the ways and means position of the State is not subjected to undue strain.

2. REALISATION OF ARREAR DUES

All arrear amounts receivable from the Union Ministries under different Central Plan and Centrally Sponsored Plan Schemes against expenditure incurred till end of 1987-88 should be got released before the end of May, 1988. Expenditure incurred on National Highway works and on assets transferred from D. A. A. till end of 1987-88 which remains unreimbursed should be got reimbursed by end of May, 1988.

A drive for collection of all arrear tax and non-tax revenues should immediately be launched to collect substantial portion of the arrears.

5. MONITORING OF RECEIPTS

(i) Efforts should be made to ensure full realisation of the receipts anticipated in the Budget. Due attention should be paid for even flow of the receipts throughout the year.

(ii) All Departments would make a realistic forecast of inflow of budgetted receipts including interest, dividends and loan recoveries for each month in consultation with the Controlling Officers and intimate to Finance Department. This forecast should be realistic so that there would not be any large scale deviation

between the forecast and the actual receipts. This forecast should reach Finance Department before the 25th May, 1988.

(iii) Department will budgetted annual receipt of Rs. 5-00 crores will review the position of collection every month with reference to the forecast and submit reports to Finance Department by 15th of the succeeding month. In respect of other Departments such review may be made for each quarter ending on 30th June, 30th September and 31st December. Such review reports may be furnished to Finance Department within 15 days from the end of the quarter.

4. CONTROL OF EXPENDITURE

All Departments will make a realistic forecast regarding the monthwise expenditure flow under their non-plan, State Plan, Central Plan and Centrally Sponsored Plan sectors. This forecast should be made available to Finance Department before the 25th May 1988, in order to facilitate close monitoring of ways and means position and decisions regarding release of funds.

5. CAPITAL DISBURSEMENTS

Amounts provided towards share capital and loan to different State Government Undertakings and Co-operative Societies may be released subject to powers delegated to them on quarterly basis after consulting the Finance Department in each case during the first two quarters. Before sending the proposal to Finance Department the Administrative Departments are to satisfy themselves that the Corporation/Society has not defaulted in payment of dues payable to Government on account of loan, interest, dividend, guarantee commission and the account of the Corporation/Authority has been compiled and audited up to the year 1985-86 and the releases made to the Corporation/Society up to 1987-88 have been properly utilised.

6. GRANT-IN-AID

All grants-in-aid payable to Aided Educational Institutions, Universities, Urban Local Bodies, Panchayat Samities

and Grama Panchayats, District Rural Development Agencies, Co-operative Organisations, other Development Agencies and autonomous bodies should be mentioned in a single sanction order at the beginning of the year but funds should be released only on quarterly basis. No instalment of grant-in-aid may be released by the Administrative Departments if utilisation certificates for grants released by end of 1986-87 have not been received for full amount. Full utilisation should be obtained for all grants released during 1987-88 before release of the instalment for the 3rd quarter in the current year. In view of Ways and Means position release of share/loan/grants/ assignments may be made only after consultation with Finance Department.

7. LETTER OF CREDIT

Letter of credit issued to the engineering organisations in 1987-88 may be verified to arrive at final entitlement after taking into account actual D. G. S. & D. debit advices received substantive surrenders of provisions made, actual expenditure booked but habitually carried over, so that actual Letter of Credit due for previous year in the current year may also be ascertained. The entitlement for the current year may also be worked out and intimated to Finance Department. Letter of Credit will be issued by Finance Department monthly keeping in view actual requirement as far as possible proportionately.

8. EXPENDITURE ON CENTRAL PLAN SCHEMES AND CENTRALLY SPONSORED SCHEMES, N. H. WORK AND WORKS RELATING TO D. D. A. ASSETS TRANSFERRED.

In case of Central Plan and Centrally Sponsored Plan Schemes budget provision are normally allowed after sanction orders or firm commitments are received from concerned Central Ministries. In such cases final administrative approval from the Central Ministries may be pursued by the Departments by the end of June, 1988.

The cases under these sectors where expenditures are first incurred by State Government to be subsequently reimbursed expeditious action may be taken to get released all pending reimbursements. In the current year the expenditure incurred in the 1st two quarters should be fully got

released in the 3rd quarter and the 3rd and 4th quarter expenditure should be got released in the last quarter of the financial year but before February, 1989. In cases where amounts are released in advance, the expenditure may be scrupulously limited to the amount actually released. The Departments executing N. C. D. C. schemes may thoroughly examine provisions in respect of each schemes made in the Budget and process the cases from the beginning of the financial year so that approvals of the N. C. D. C. and release of funds is in advance. In no case reimbursement of funds should spill over to the next financial year.

Each Department need furnish to the Finance Department a Statement relating to the expenditure incurred and reimbursement received under the Central Plan Schemes and the Centrally Sponsored Plan Schemes during each month by the 15th of the succeeding month.

9. EXPENDITURE ON EXTERNALLY AIDED PROJECTS.

With the progress of expenditure on Externally Aided Projects, additional Central Assistance from the Government of India become due. It has been the experience that during most part of the year, the flow of the additional Central Assistance is very meagre and the bulk is received during the last part of the year. Non-submission of reimbursement claims in time is largely responsible for this. With a view to ensure even flow of additional Central Assistance, the reimbursement claim for the expenditure incurred on externally aided Projects against the letter of credit authorised by Finance Department for a particular month should be submitted to the Department by 15th of the subsequent month positively. It may please be appreciated that the issue of further letter of credit will depend on the timely submission of reimbursement claims.

Action indicated above need be taken by all Departments urgently and the guidelines concerning monitoring of receipts and sanction of expenditure followed strictly.

Yours faithfully,

R. N. DAS

Commissioner-cum-
Secretary to Government.