

No.B-22 (4)/77

Dated the 19th September, 1977

To

- (1) All Secretaries of State PWDs except, Assam and Meghalaya and Tripura (dealing with roads)
- (2) All Secretaries of Finance Departments of States except Assam, Meghalaya and Tripura.

Subject : Centrally sponsored schemes — Central assistance for — Procedure of release of funds changed — reg.

As the State Governments are aware, till 31st March, 1977, the Ministry of Finance (Plan Finance Divn.) were releasing funds by way of "Ways and Means Advances" towards Centrally sponsored schemes for the period April-November and thereafter regular payment sanctions were required to be issued by the administrative Ministries on the basis of the progress of expenditure. Under that procedure, the Ways and Means Advances so released were first adjusted against the payments due under the regular sanctions and the balance, if any, remaining after such adjustments were paid in cash to the State Govts. The adjustments against Ways and Means Advances were being done by the State AGs concerned.

* Applicable to
West Bengal only

2. Consequent, however, upon the departmentalisation of accounts, each Ministry has been made responsible for the release of funds to the State Govts. through the Ministry's Principal Accounts Officers for Centrally Sponsored Schemes. Accordingly, this Ministry proposes to adopt the following procedure for release of funds for Centrally Sponsored Schemes administered by it, viz. Centrally Aided State roads of inter-State or economic importance and the *Second Hoogly Bridge :—
 - (a) The funds would be released in quarterly instalments-April-June, July-September, October-December and January-March quarters ;
 - (b) While the first instalment would be released on the basis of estimated expenditure to be communicated by the State Govt. in the preceding month, the second, third and fourth instalments would be released on the basis of the progressive actual expenditure during the preceding quarter (s) and that anticipated for next quarter subject of course, to the maximum of the amount earmarked for a state from within the total available budget allocations.
 - (c) In all these cases however, the overall availability of budget provision will be the primary determining factor for allocations and the quarterly payments would have to be regulated on the basis of that provision which would be intimated to the State Govt. as soon as the budget is passed in the Parliament. The expenditure by the State Govts concerned would therefore have to be confined to the Central budget provision alone.

So far as the current year is concerned, funds for the period April-July have already been released and the balance amount shall be released in two further instalments for the periods August-December, 1977 and January-March, 1978. I am therefore to request that the actual expenditure incurred during April-July and the funds required during August-November quarter may kindly be intimated giving workwise details. The information should contain the following details :—

- (i) Name of the work
 - (ii) Loan assistance approved by Govt. of India
 - (iii) Cost of the project as sanctioned by the authority concerned
 - (iv) Central share of the cost
 - (v) Progressive expenditure upto previous quarter against the Central share
 - (vi) Balance amount required to be paid by the Central Government
 - (vii) Amount required during August, 1977 December, 1977 period supported by full details.
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