

**GOVERNMENT OF PUDUCHERRY**  
**CHIEF SECRETARIAT**  
**FINANCE DEPARTMENT**  
**(WAYS & MEANS)**

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No.18-3/FD(W&M)/2015-16

Puducherry, the 28.3.2016.

**CIRCULAR**

Sub: FD(W&M) – Drawal of funds sanctioned under Negotiated Loan and released as Grant-in-aid – Instructions – Issued.

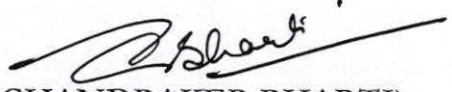
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The proposals for availing Negotiated Loan (NL) from the Central Financial Institutions like HDUCO, NABARD, PFC etc., in respect of the Projects submitted by the Local Bodies/Societies/Autonomous Bodies through their respective Nodal (Administrative) Departments, are processed by FD(W&M) and after fulfillment of all the formalities, the FD(W&M) avail the NL from these Institutions, which are duly credited into Government Account. Thereafter, the Nodal (Administrative) Departments are required to draw the same and release it as Grant-in-aid to the Local Bodies/Societies/Autonomous Bodies concerned, under intimation to this Department. No amount can be drawn from the Government Account for the Projects sanctioned under NL, without availing the part/full NL, even if budget provision exists therefor.

2. Recently, it has come to notice that in the last financial year, a Nodal Department has drawn the entire funds as per the provisions made in the budget under NL, towards a project sanctioned by HUDCO Ltd., and released it as Grant-in-Aid to the Autonomous Body concerned, when actually only a part amount of loan has been availed from HUDCO Ltd., causing avoidable drain on the cash balance of the Government and affecting expenditure planning by the Government.

3. It is therefore impressed upon all concerned that whenever NL is proposed to be released as GIA for creation of capital assets to any Local Bodies/Societies/Autonomous Institutions, such proposals are required to be referred to the FD(W&M) by the Departments concerned and got cleared, before issue of G.O. and the fact that the proposal has been cleared by FD(W&M) should also be duly incorporated therein.

4. The Director of Accounts & Treasuries, Puducherry and the Deputy Director of Accounts & Treasuries, Karaikal, Mahe and Yanam, on their part, should invariably ensure the clearance of such proposals by FD(W&M) before admitting the bills presented for release as GIA under NL.

  
(CHANDRAKER BHARTI)  
Secretary to Govt.(Finance)

To

All Heads of Departments/Sectt. Departments.

The Director of Accounts & Treasuries, Puducherry.

The Deputy Director of Accounts & Treasuries, Karaikal/Mahe/Yanam.

The Chief Executives of all Local Bodies/Societies/Autonomous Institutions.

Copy to:

 The Under Secretary to Govt. (Finance), Puducherry.