

No. 14/6/2014-FD
Government of India
Ministry of Water Resources, River Development & Ganga Rejuvenation

IFD Circular 06/2016

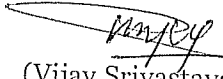
Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 12/1 May, 2016

OFFICE MEMORANDUM

Subject: Guidelines/Instructions to be followed on creation of Reserve/Corpus funds.

The undersigned is directed to forward herewith a copy of OM No F.No.1 (9)-B(AC)/2014 dated 28th April, 2016 received from Department of Economic Affairs (Budget Division) on the subject cited above (Copy enclosed).

2. Department of Economic Affairs has issued guidelines/Instructions to be followed on creation of Reserve/Corpus funds
3. It is accordingly requested that compliance of the revised guidelines/instructions contained in the said OM may kindly be ensured. #
4. This issues with the approval of JS&FA, Ministry of Water Resources, River Development & Ganga Rejuvenation.


(Vijay Srivastava)
Under Secretary (IFD)
Tel. 23719302

Encl: As stated.

Ministry of Water Resources

1. AS&MD, National Water Mission, C.G.O. Complex, New Delhi-110003
2. Joint Secretary (Admn), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
3. Joint Secretary (PP), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
4. Joint Secretary (RB), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
5. Joint Secretary(Pen River), Ministry of Water Resources, Krishi Bhavan, Room No.236A, New Delhi
6. ADG(Statistics), Ministry of Water Resources, Lok Nayak Bhavan, Room No.6, Khan Market New Delhi-110003.
7. Commissioner(SP), Ministry of Water Resources, Shram Shakti Bhavan, New Delhi
8. Commissioner (Ganga), Ministry of Water Resources, Block 11, 8th Floor, C.G.O. Complex, New Delhi-110003
9. Commissioner(Indus), Ministry of Water Resources, Block 11, 8th Floor, C.G.O. Complex, Lodhi Road, New Delhi-110003
10. Commissioner(B&B), Ministry of Water Resources, Block 3, 2nd Floor, Near ITBP Building, C.G.O. Complex, New Delhi-110003

ATS
143/05(e-6w)

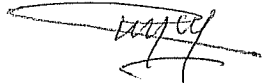
11. Economic Advisor, Ministry of Water Resources, Shastri Bhawan, New Delhi
Attached/subordinate Offices and Organisations of Ministry of Water Resources

1. Chairman, Central Water Commission, Sewa Bhawan, R.K. Puram, New Delhi.
2. Mission Director, National Mission for Clean Ganga (NMCG), Rear Wing, 3rd Floor, MDSS Building 9, CGO Complex, Lodi Road, New Delhi-110003
3. Chairman, CGWB, Jamnagar House, New Delhi.
4. Director General, National Water Development Agency, Community Centre, Saket, New Delhi-110017.
5. Director, NIH, Jalvigyan Bhawan, Roorkee – 247667 (Uttaranchal).
6. Chairman, Brahmaputra Board, Basistha, Guwahati – 781029 (Assam)
7. Director, CWPRS, P.O. Khadakwasla, Pune – 411024
8. Director, CSMRS, Hauz Khas, New Delhi
9. Chairman, GFCC, Sinchai Bhawan, 3rd Floor, Patna – 800015 (Bihar)
10. Member, Upper Yamuna River Board, Wing No.4, GF, West Block-1, R.K. Puram, New Delhi
11. Chief Engineer, Betwa River Board, Nandanpura, Jhansi – 284003 (UP).
12. Member Secretary, Polavaram project Authority, Krishna Godavari Bhawan, H.No. 11-4-648, (1st floor), AC Guards, Hyderabad- 500 004
13. Controller of Accounts, Ministry of Ministry of Water Resources, River Development & Ganga Rejuvenation, Shastri Bhawan, New Delhi

Copy along with enclosures also to:

1. PS to Hon'ble Minister (WR, RD & GR)
2. PS to Hon'ble MOS (WR, RD & GR)
3. Sr. PPS to Secretary (WR, RD & GR)
4. PPS to SS (WR, RD & GR)
5. PPS to JS & FA
6. Under Secretary (E-Gov) – with request to put the orders on web-site of MOWR

Sd/- Tech. Director (NFC)
Asst. Secy.
12/5/16


(Vijay Srivastava)
Under Secretary (IFD)
Tel. 23719302

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F.No.1(9)-B(AC)/2014
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi,
28th April, 2016.

OFFICE MEMORANDUM

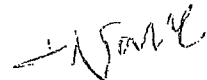
Subject: Guidelines/instructions to be followed on creation of Reserve/Corpus Funds.

Attention is invited to this Ministry's O.M. issued under letter No.F.1(30)-B(AC)/2004 dated 7.1.2005 (copy printed on the reverse side of this OM), wherein the guidelines/instructions to be followed on creation of reserve/corpus funds in Public Account of India were issued.

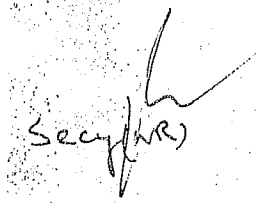
2. Despite issuing instructions restraining the creation of reserve/corpus funds in Public Account of India, there has been a surge in the demands/proposals from Ministries/Departments for creation of dedicated reserve/corpus funds in the Public Account of India. The funds so created in the Public Account and the balances lying idle therein create a liability for the Government alongwith inflexible entitlements. It is the endeavor of the Government to ensure prioritization of expenditure considering various competing needs.

3. While the reserve/corpus funds are agreed for creation with dedicated receipts in the form of cess or levies, funds from Government's contribution out of its borrowings are best avoidable.

4. Keeping this in view, Ministries/Departments are requested to strictly follow the instructions/guidelines conveyed in this Ministry's O.M. dated 7.1.2005 while processing the proposals/suggestions for creation of reserve/corpus funds in the Public Account of India.



(N.M.Jha)
Director (Budget)

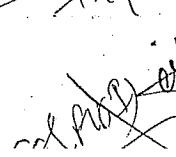
All Secretaries of Ministry/Departments
All FAs/CCAs/CAs of Ministries/Departments
The CGA, Ministry of Finance, Department of Expenditure.


Secretary

JS/FA

4/5/16


Please set up on file
for circulation to


MS

No.F.1(30)-B(AC)/2004
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi,
7th January, 2005.

OFFICE MEMORANDUM


Subject: Guidelines/instructions to be followed on creation of Reserve/Corpus funds.

Government has been considering the issue regarding creation and maintenance of Reserve/Corpus Funds in Government Account for some time. Ideally, 'reserve funds' are created when Government has surplus funds to spare on specific objects of expenditure. However, as Government is resorting to deficit financing, creation of funds out of its revenue stream or through borrowing is considered not appropriate. Funds created out of borrowings also add to fiscal deficit and become a liability of the Government.

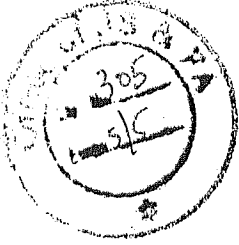
2. With the annual targets set out in Fiscal Responsibility and Budget Management Rules, 2004 framed in exercise of the powers conferred by section 8 of Fiscal Responsibility and Budget Management Act, 2003 for reduction of revenue deficit by an amount equivalent to 0.5 per cent or more of the GDP at the end of each financial year, beginning with the financial year 2004-05 in order to eliminate the revenue deficit by 31st March, 2009, it has been decided to bring out the under-mentioned guidelines/instructions to be followed by all Ministries/Departments:

- (i) Proposals for creation of funds either out of revenue stream or out of Government borrowing will, henceforth, not be allowed;
- (ii) If the existing funds have been created out of revenue stream, the same will be maintained in the Public Account to ensure fiscal transparency and Parliamentary control;
- (iii) Transfers to and from the fund will be on need basis and decided as a part of the budgetary process;
- (iv) Funds of regulatory bodies may also be maintained in the Public Account but operated in such a manner as will protect their independent status;
- (v) All existing funds, whether in the Public Account or outside, may be reviewed by the administrative Ministry/Department concerned and a specific decision taken in each case to either continue or wind up the fund. FAs are requested to furnish a report in this regard. This exercise may be completed within a period of three months.
- (vi) Interest on the corpus, where applicable, will be fixed on a uniform basis by this Ministry and notified annually along with other administered interest rates.

3. This issues with the approval of Secretary (Expenditure).


(P.R. Das)
Additional Budget Officer
2309 2649

To
All FAs of Ministries/Departments
All CCAs/CAs of Ministries/Departments



F.No.1(9)-B(AC)/2014
Ministry of Finance
Department of Economic Affairs
(Budget Division)

New Delhi,
28th April, 2016.

OFFICE MEMORANDUM

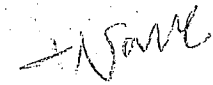
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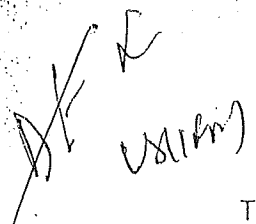
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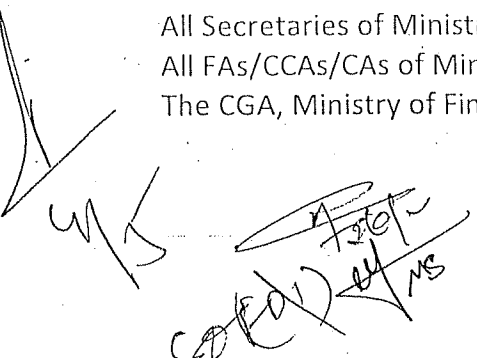
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(N.M.Jha)
Director (Budget)

To
All Secretaries of Ministry/Departments
All FAs/CCAs/CAs of Ministries/Departments
The CGA, Ministry of Finance, Department of Expenditure.





No.F.1(30)-B(AC)/2004
Ministry of Finance
Department of Economic Affairs
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New Delhi,
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