

Guidelines:- As per guidelines received from the Head Quarter, through TM, this Section follows the guideline accordingly.

Procedure:- (a) Central Loan:- As and when loan is sanctioned by the Govt. of India to State Govt. the concerned ministries issues sanction letter indicating therein amount of loan sanctioned and terms and condition i.e. rate of interest, repayment Scheduled e.t.c. to the concerned State and to the concerned A.G. After that ministry issued Bank advice to Reserve Bank of India, Nagpur for debiting loan amount from the ministry account and credit the same amount to the State Govt. and copy of the advice is sent to the concerned State A.G. The RBI , Nagpur then debit loan amount to the concerned ministry and credit the same to the ministry and State AG through clearance Memo.

Action taken by the State AG:-

As and when sanction letter, Bank Advice and CM received by the State AG. Book Section credit the amount to Major Head (8658) suspense head by per contra (-) credit to Major Head 8675 (RBD) then loan section clear to suspense Head by (-) credit to 8658 (suspense head) and finally crediting the same to the Major Head 6004 (loan and Advance given by the central loan).

Action taken by the State AG for repayment of Central Loan :-

Loan section prepare Budget estimate for Principal and interest which is to be repaid in the next Financial Year and intimate same to the State Govt. for inclusion in Budget of that Year. When repayment starts Loan Section prepare Bank operation for repayment of Principal and Interest and sent to the Book section for issues of Bank Advice to R.B.I. Book Section issue Bank advice to R.B.I. and debit the amount to Major head 8658 (suspense head). On receipt of copy of Bank Advice to the concerned ministry and prepare a T.E. for debit 6004 for Principal amount and 8658-111-2049 for interest amount by (-) Debit 8658 and accordingly issue a suspense slip to concerned TA(Treasury Account) section for finally debit interest amount to Major head 2049. TA section clear suspense head by (-) Debit to 8658-111-2049 and Debit to head 2049.

(b) State loan:- As and when loan is sanctioned by State Govt. to its local bodies, boards e.t.c. a sanction letter is issued by the concerned department of the State Govt. mentioning loan amount and terms and condition i.e. rate of interest repayment instalment e.t.c. A copy of the said sanctioned letter is sent to the State AG as well as concerned lonee entity. The details of loans sanctioned and its recoveries is maintained by the concerned department of the State Govt.

On the receipt of sanction letter from the State Govt. Loan section notes the full details of the loan along with term and condition in SLR (subsidiary loan register). On the basis of sanction letter and voucher , loan section also maintained a broad sheet. AT the end of Financial Year Loan section calculate over due Principal and interest against Lonee entities and the same fig.. is reflected in the

Statement -07 of state Finance Accounts.