

F. No. 3/(06)/PFMS/2023
Government of India
Ministry of Finance
Department of Expenditure

North Block,
New Delhi, 22nd April, 2024

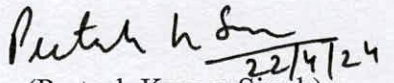
OFFICE MEMORANDUM

Subject: Revised procedure for flow of funds under Central Sector Schemes – holding/parking of funds in a commercial bank account for opening of Letter of Credit in favor of foreign suppliers.

The undersigned is directed to refer to para 2(xix) of DoE's guidelines dated 9th March, 2022 which in certain cases allows holding/parking of funds in a commercial bank account for a period not exceeding 14 days. References have been received in this Department to relax the aforesaid limit of 14 days for the purpose of opening of Letter of Credit in favor of foreign suppliers as such funds are required to be held in the holding account for the duration specified in the purchase order/contract agreement which in many cases exceeds 14 days.

2. The matter has been examined in this Department. For schemes implemented under Model-1 and Model-2 of DoE's guidelines dated 9th March, 2022, relaxation from DoE's guidelines is granted to Ministries/Departments to release funds to a commercial bank/holding account to the extent required for opening Letter of Credit in favor of foreign suppliers and hold the funds in the bank account for the duration required as per purchase order/contract agreement.

3. This issues with the approval of competent authority.


(Prateek Kumar Singh)
Director
Tel. No. 23094961

To

1. Secretaries of all Departments/Ministries, Government of India
2. Financial Advisers of all Ministries of Government of India
3. Pr CCAs/CCAs of all Ministries of Government of India
4. Addl. CGA (PFMS), O/o CGA, INA, New Delhi