

Operation of Personal Deposit Accounts
(8443-00-106) in the State of Uttar
Pradesh

Finance Department
Government of Uttar Pradesh

Introduction

- Personal Ledger Account (also known as Personal Deposits Accounts) is an account, which may be opened in favour of specified Govt. Officers by transferring fund from the Consolidated Fund of the State.
- These accounts are maintained in the treasuries and are of banking nature.
- These are opened for discharging the liabilities of the State Government in respect of execution of various projects, schemes etc.
- As on 31.03.2025, U.P. Govt. has 11 PD Accounts of which 8 are operative (5.59 Crore) and 03 are In-operative (0.09 Crore).

Rule Position for opening PD accounts

- PD Accounts can be opened with prior permission of the State Government and concurrence from the Accountant General under Uttar Pradesh Personal Ledger Account Rules, 1998.
- These can be opened only at the Treasuries specified for the purpose by the State Government in its order for sanctioning the opening of accounts.
- PD Accounts opening requests made by Govt. servants in their official capacity may not be accepted without the special sanction of the Govt. accorded in consultation with the Accountant General.

Reason for opening PD Accounts

- During the last days of the financial year, when the Finance Department is satisfied that any remaining amounts cannot be practically utilized under the prescribed rules and procedures, the State Consolidated Fund Fund will be debited, and the corresponding amount will be credited to the personal ledger account **(8443-00-106)**.
- So, it was a mechanism for parking of fund. Instead of spending during the financial year, funds provided in the budget were transferred to these accounts at the end of the financial year to avoid lapse of budget.

Accounting Provision

- The treasuries are required to submit the monthly returns in forms of Plus Minus Memoranda indicating the opening balance, receipts, expenditure and closing balances for the month.
- The total of receipts and payments are tallied with the Ledger figures in the broadsheet maintained by AG office.
- If a PD Account remains inoperative for more than three complete account years, the concerned Treasury Officer will request its Administrator to close the same.
- In case the Administrator fails to do so, the TO should close the PD accounts in consultation with the Accountant General and credit the balance to the concerned drawing head from which PD Account created or if the source is not known then the amount will be credited back to MH 2075-00-911-03-00 (Misc. General services).

Problems associated with PD Accounts

- At the end of the financial year, a huge increase was seen in balances under PD accounts. These funds remain unused for many years and were not used by the departments.
- There was no legislative control on funds parked in PD accounts.
- Practice of keeping funds in PDs Accounts to avoid lapse of fund at the end of financial year was not only contrary to legislative intent but against the provisions given in Article 202 of the Indian Constitution and Rule 138-146 of the Uttar Pradesh Budget Manual.
- Besides, it was having an adverse impact on the fiscal management.
- AG Office has also expressed objection to withdrawal of funds from the Consolidated Fund and keeping them in the personal deposit account and remaining unused for many years.

Solution to problem-Good practices

- The Uttar Pradesh Government abolished system of withdrawing fund from Consolidated Fund of the State and keeping them in PD/PLA accounts on 14-03-2018 except in case of fund established by any Act/Rules under the MLA Fund and Law .
- To minimize the use of existing PD accounts and to expedite the closing of inoperative/dormant PD accounts, a detailed GO was issued by UP Government to discourage the use of such accounts.

Impact of Government Orders

There is continuous trend of decrease in number of PD accounts-

FY	Number of PD Accounts	Closing balance (In crore)
2016-17	44	3.28
2017-18	42	2.69
2018-19	34	7.90
2019-20	18	5.08
2020-21	12	5.54
2021-22	12	5.54
2022-23	12	7.04
2023-24	12	9.17
2024-25	11	5.68

Way forward

With advent of SNA Sparsh and Budget Allocation module in IFMS, there is hardly any need for having a system of PD accounts.

Thanks