



GOVERNMENT OF KERALA

Finance (Streamlining) Department

CIRCULAR

No. 03/12/Fin.

Dated, Thiruvananthapuram, 6th January, 2012.

Sub:—Depositing of Government Funds by State Public Sector Undertakings, Autonomous Institutions in Government Treasuries—Modification of Clause (ii) in Circular 75/09 Instructions—Issued.

Ref:—1. Circular No. 6/96/Fin. dated 22-1-1996.
2. Circular No. 7/99/Fin. dated 21-1-1999.
3. Circular No. 75/09/Fin. dated 29-8-2009.

As per the Circulars read above, Government have issued instructions to State Public Sector Undertakings/Autonomous Institutions etc. to deposit Government funds in Government Treasuries.

2. As per the Clause (ii) of the Circular 3rd cited, the Public Sector Undertakings/Autonomous Institutions should not transfer funds received from State Government into Fixed deposits in Treasuries or Nationalised/Commercial Banks/Co-operative Banks. However, such institutions are permitted to deposit their own funds/profits if any, in Treasury Fixed/Deposits.

3. Government have noticed that since the above said clause is an optional clause many PSUs/Autonomous Institutions still park a huge amount of money with banks claiming that these funds are owned by the institutions. While admitting the right of the Boards to derive maximum benefit from their own deposits Government is also of the view that being public money such investment should fetch maximum return. It is therefore directed that PSUs/Autonomous Institutions/Welfare Fund Boards etc. should deposit their own funds/profits with banks only in cases where it fetches more interest than that on Treasury fixed deposits. Otherwise such funds should be deposited only in Treasuries.

4. Government also make it clear that the CEO's of the PSUs/ Autonomous Institutions etc. shall be held personally responsible for the losses if any on account of parking of funds in deposits offering lesser interests than that in the corresponding treasury deposits.

M. GIREES KUMAR,

*Officer on Special Duty
(Finance Resources).*

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A & E), Kerala, Thiruvananthapuram.
All Heads of Departments and Chief Executive of Public Sector
Undertakings, Autonomous Bodies, Welfare Fund Board, etc.
The Director of Treasuries, Thiruvananthapuram.
All District Treasury/Sub Treasury Officers.
The Finance Inspection (Non Technical) Wing.
All Additional Chief Secretaries/Principal Secretaries/Secretaries to
Government.
Nodal Officer, www.fin.kerala.gov.in
The Stock file/Office copy.
