



FINANCE (PAC-B) DEPARTMENT

CIRCULAR

No.42/2017/Fin.

Dated,Thiruvananthapuram,29/05/2017.

Sub:- Clearance of arrear accounts of working/non working companies-
Instructions issued.

- Ref:
- 1) Circular No.83/15/Fin dated 22.09.2015.
 - 2) Letter No.Report (Civil/PAC)/Apex Committee/2016-17/287 dated 29.11.2016 from the Principal Accountant General (G&SSA), Kerala,Thiruvananthapuram.
 - 3) Letter No.Report(COPU)/ACM/2016-17/238 dated 01.03.2017 from the Principal Accountant General (E&RSA), Kerala, Thiruvananthapuram addressed to the Chief Secretary.
 - 4) Minutes of the review meeting,regarding the pending arrears of accounts in r/o Non working PSUs convened by the Additional Chief Secretary(Finance) on 12.05.2017

In the circular referred (1) above, all Secretaries of the Administrative Department were instructed to ensure that the PSUs under their control which have arrears of audit of accounts to be cleared,should clear the accounts within the specified time frame,failing which Government shall be forced to withhold 10 to 15% of budget allocation of the defaulted Public Sector Undertakings. No fresh government guarantee will be provided to those PSUs which do not comply with these instructions and the Chief Executive Officers/Managing Directors of the respective PSUs will be held responsible for the laxity.

2. However, it is perceived that certain PSUs are still slacking up in furnishing an output in finalising their accounts. In the Report referred (2) above,the Principal AG(G&SSA) has furnished the pendency position of non finalisation of Accounts in r/o PSUs. In the letter referred as (3) above,the Principal AG(E&RSA) has strongly urged Govt to consider withholding future grants to those PSUs who have accounts pending for more than two years as of 31.03.2017

(i.e., upto accounts for the period 2015-16). In the review meeting referred (4) above it was decided to issue circular instructions for speedy completion of arrears.

3. In order to resolve the issue, all Secretaries of the Administrative Department are instructed, to ensure that the Public Sector Undertakings under their control which have arrears of accounts for two years or more should finalise the accounts on or before 31/12/2017, failing which Government shall be forced to withhold future grants of the defaulted Public Sector Undertakings. Furthermore no fresh government guarantee will be provided to Public Sector Undertakings which do not comply with these instructions. Chief Executive Officers/Managing Directors of the respective Public Sector Undertakings will be held responsible for the negligence.

K.M.ABRAHAM

Additional Chief Secretary (Finance)

To

The Principal Accountant General (E&RSA), Kerala, Thiruvananthapuram.

All Additional Chief Secretaries/Principal Secretaries/Secretaries/Special Secretaries to Government

The Chief Executive Officers/Managing Directors of all Public Sector Undertakings

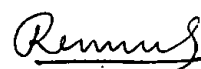
All Departments/sections in Secretariat

All Expenditure/PSU wings of Finance Department [Proposals of grants to PSUs shall be examined in the context of this circular]

The Nodal Officer www.Finance.kerala.gov.in

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Forwarded/By Order



Section Officer