



**GOVERNMENT OF KERALA**  
**Finance (SS) Department**

**CIRCULAR**

No. 13/2012 /Fin.

Dated, Thiruvananthapuram, 29.02.2012

*Sub:- Treasury Transactions - Drawal of Advance and rushing of bills during the close of the financial year - Avoidance of - Instructions issued.*

A practice of drawing huge amounts of advance both as cash and demand draft during the closing days of the financial year is seen resorted to by the Drawing and Disbursing Officers of various Departments. Observation and comments have also been made by the Comptroller and Auditor General of India in this regard. The main intention behind the practice of advance drawal is to avoid lapse of budget provisions. Such drawals are made in respect of incomplete works and purchases in violation of the rules of financial propriety to be practiced by each and every Drawing and Disbursing Officer.

2. Another common practice is the presentation of huge numbers of bills, cheques, chalans etc. to the treasuries towards the end of March. Unless the bills, cheques, chalans either for encashment or for adjustment are presented sufficiently early by the departmental officers, the treasuries may find it difficult to scrutinise them properly and complete the work in time on the last day of the financial year. Since both the agencies viz., banks and treasuries have switched over to an entirely computer based system, the banking transactions on 31-03-2012 will have to end at the latest by 12 midnight on 31-03-2012. Hence the treasuries cannot be found fault with, for non-passing of bills presented after the prescribed time.

3. In order to avoid these difficulties, all Drawing and Disbursing Officers are directed to strictly observe the following guidelines for the remaining period of the current financial year :-

- (i) Final bills of all advances drawn in the current financial year should be settled on or before 31.03.2012. In the case of advance claims for which final bills could not be submitted before the close of the financial year, advance drawal in the form of cash, demand draft or by transfer of credit to treasury deposits by Drawing and Disbursing Officers, Head of Departments etc. will not be permitted. However, such drawal of advances by Government Departments/LSGIs permitted by any special or general order will be honoured.
- (ii) Advance drawal as cash or demand draft will not be permissible for the purchases on the basis of invoices/proforma invoices for which the formalities of purchase have not been completed or for which the supply could not materialise and final vouchers could not be obtained before the close of financial year.
- (iii) All Heads of Department and Drawing and Disbursing Officers have to present bills, cheques, challans etc. to the treasuries latest by 2 P.M. on 28-03-2012. If any urgent claims are to be made after this date, the transactions should be completed before 6 P.M. on 31-03-2012.
- (iv) All controlling officers should ensure that the copies of letters of allotment to sub controlling officers made out of the existing budget provisions are submitted to the respective treasuries latest by 25/03/2012.
- (v) In case of any doubt regarding any advance claim, the Sub Treasury Officers /District Treasury Officers have to get in touch with the Director of Treasuries who in turn shall consult Officer on Special Duty (Finance-Resources)/ Additional Secretary, Finance (Secret Section) Department before allowing or rejecting the claim.
- (vi) The non-banking treasuries should ensure that the cash retained by them at the end of financial year is the least/ minimum possible and should close their business not later than 10 O' clock during the night of March 31, 2012 and

report the closing balance to Director of Treasuries by fax or email and the Director of Treasuries in turn will immediately report the same to the Finance Department.

- (vii) Treasuries are not authorised to allow any exemptions from the above instructions without specific directions from the Finance Department.

4. However if the Drawing and Disbursing officers want to incur advance drawal for any unavoidable expenditure, it can be incurred with the prior approval from Finance Department and the advances thus drawn have to be kept in the treasury account itself for which they will be permitted to open special TSB accounts for a limited period.

5. All Heads of Department are requested to issue urgent directions to the Controlling Officers/Drawing and Disbursing Officers to comply with the above instructions scrupulously. Any lapse in this regard would be viewed seriously.

**V.P. JOY,**  
**Principal Secretary (Finance).**

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.  
The Accountant General (Accounts & Entitlements), Kerala, Thiruvananthapuram.  
All Heads of Departments and Offices.  
All Departments (All Sections) of Secretariat  
The Secretary, Kerala Public Service Commission, Thiruvananthapuram (with C.L.)  
The Registrar, High Court of Kerala, Ernakulam (with C.L.).  
The Advocate General, Ernakulam (with C.L.)  
The Registrar, Kerala Agricultural University, Thrissur (with C.L.)  
The Registrar, University of Kerala/Cochin/Calicut/Mahatma Gandhi/Kannur (with C.L.).  
The Secretary, Kerala State Electricity Board, Thiruvananthapuram (with C.L.).  
The General Manager, Kerala State Road Transport Corporation, Thiruvananthapuram (with CL).  
All Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries and Under Secretaries to Government  
The Private Secretaries to Chief Minister, other Ministers and Leader of Opposition  
The Secretary to Governor.  
The Additional Secretary to Chief Secretary.  
The Private Secretary to Speaker/Deputy Speaker  
✓ The Director of Public Relations, Thiruvananthapuram  
The Director of Treasuries, Thiruvananthapuram  
The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in)

Forwarded / By Order,

  
Section Officer.