



GOVERNMENT OF KERALA

Finance (PU-C) Department

No.96/2021/Fin

Dated, Thiruvananthapuram, 23.10.2021

CIRCULAR

Sub:- Releasing financial assistance to Public Sector Undertakings.

Ref:- 80th report of the Public Accounts Committee (2019-21)

The 80th report of the Public Accounts Committee (2019-21) observed that huge working capital is infused in to the PSUs as loan without evaluating the working condition, financial position and even the marketing acceptance and marketability of their products. The Committee was of the view that the financial status of PSUs should be strictly evaluated and the probability of making progress profile measures taken for improvement/modernization should be analyzed before granting them further financial assistance. Measures taken for improvement should be analyzed based on their viability. The Committee also observed that if a PSU continuously runs without any loss and is on the way to make substantial profit, in order to facilitate its progress more funds may be allotted through budget instead of giving the fund as loan.

In the above circumstance, all the Administrative Departments are instructed to evaluate the present financial status of PSUs under their control and analyze the progress measures taken for their improvement/modernization based on viability, before releasing further financial assistance to them. Administrative Departments should explore the scope for providing more fund as assistance through the budget to those PSUs which are continuously operating without any loss and are on the way to make substantial profits. Administrative Departments are also instructed to enter into MOUs with the PSUs under their purview, based on physical and financial performance milestones.

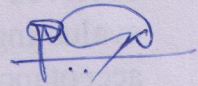
NITAKUMARI.T
SPECIAL SECRETARY (FINANCE)

To

All the Additional Chief Secretary/Principle Secretary/Special
Secretary/Secretaries to Government
All the Departments (All Sections) of the Secretariat

The Principal Accountant General (A&E/G & SSA) Kerala,
Thiruvananthapuram
The Principal Accountant General (Civil & Commercial Audit),
Kerala, Thiruvananthapuram
The Principal Accountant General (Audit & Entitlement), Kerala,
Thiruvananthapuram
The Chief Executive Officers/Managing Directors of all Public Sector
Undertakings
The Planning & Economic Affairs (BPE) Departments
The Parliamentary Affairs Departments
The Web & New Media, PRD webprd@Kerala.gov.in
The Nodal Officer www.finance.kerala.gov.in
The Stock File/office copy(1717474/PUC-C1/19/2021-Fin)

Forwarded/By Order



Accounts Officer