

**GOVERNMENT OF ODISHA
FINANCE DEPARTMENT**

No. 95690 /F., Dt. 21.10.2019
FIN-PUIF-IF-0003/16

From

**Shri A. K. K. Meena, IAS
Principal Secretary to Government.**

To

**Addl. Chief Secretary to Government/
Principal Secretary to Govt./
Commissioner -cum-Secretary to Govt./
All Departments.**

Sub: Precaution to be taken when depositing Government funds in banks.

Madam/Sir,

In inviting a reference to the subject cited above I am directed to say that Finance Department vide letter No. 24705/F., Dt. 20.07.2019 had empanelled 17 PSU banks, 8 private sector banks, 01 small finance bank, two regional rural banks and 01 co-operative bank for the purpose of handling business and deposits of State PSUs, State Level Autonomous Societies for the year 2019-20.

2. In the meanwhile adverse reports are coming in the newspapers about the fiscal health of some of these banks and apprehensions are being raised in some quarters regarding safety of the deposits in some of these banks. It is to be mentioned in this context that each depositor in a bank is insured up to maximum of Rs. 1.00 lakh for both principal and interest amount held by him the same capacity and same right as in the date of liquidation/cancellation of bank's licence or the date on which the scheme of amalgamation/merger/reconstruction comes into force under Deposit Insurance and Credit Guarantee Corporation of India Ltd., a subsidiary of Reserve Bank of India. Therefore, in the eventuality of closure of any bank the deposits are insured only up to Rs. 1.00 lakh and not beyond that.

3. In the aforesaid background, the Government Departments, PSUs or Agencies have to be very careful while keeping deposits in any bank and

proper enquiry about the financial health of the concerned bank for making any deposit. It shall be the personal responsibility of the concerned authority for such deposit.

4. It may be noted that funds for State Government schemes should be utilised directly from treasury through IFMS without being parked in any bank account. Further, it is reiterated that withdrawal of money from treasury without sufficient grounds (such as immediate need for utilisation, matching share for CSS etc) and depositing the same in bank account shall be construed as a financial irregularity.

Yours faithfully,

Johok

Principal Secretary to Government

Memo No. 35691 /F, Dt. 21.10.2019

Copy forwarded to all Heads of Departments/all RDCs/all Collectors and District Magistrates for information & necessary action.

Amount
21.10.19

**Joint Director, Institutional Finance
& Joint Secretary to Government**

Memo No. 35692 /F, Dt. 21.10.2019

Copy forwarded to all F.As./AFAs of all Departments of Government of Odisha/all Accounts Officers of all Directorates/CFOs of all State PSUs for information & necessary action.

Amount
21.10.19

**Joint Director, Institutional Finance
& Joint Secretary to Government**

Memo No. 35693 /F, Dt. 21.10.2019

Copy forwarded to the GM, UCO Bank-cum-Convener, SLBC, Odisha, C-2, Ashok Nagar, Bhubaneswar/Regional Director, RBI, Bhubaneswar/Director of Treasuries & Inspection, Odisha, Bhubaneswar for information & necessary action.

Amount
21.10.19

**Joint Director, Institutional Finance
& Joint Secretary to Government**

Memo No. 35694 /F, Dt. 21.10.2019

Copy forwarded to Head, Portal Group, IT Centre, Secretariat for hosting in the Finance Department website (www.odisha.gov.in/finance). These instructions may be uploaded in the website of Finance Department and posted in the Social Media by the Social Media Cell (fd.odisha@gmail.com) for wider circulation.

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21.10.19

**Joint Director, Institutional Finance
& Joint Secretary to Government**