

FIXED DEPOSITS — TREASURY SAVINGS BANK INTEREST ON PLEDGED FIXED DEPOSITS  
BEYOND THE DATE OF MATURITY—ORDERS ISSUED

FINANCE (STREAMLINING) DEPARTMENT

G.O.(P) No. 15/07/Fin.

Dated, Thiruvananthapuram, 11th January, 2007.

- Read:—* 1. G.O. (P) No. 598/82/Fin. dated, 13-12-1998.  
2. Letter No. Co.ord.VI/17-37/Vol.XXII/184/261 dated 23-10-2003 of the Accountant General, Kerala.  
3. Lr. No. TM III/4-15/04-05/1158/1717 dated 29-3-2005 of the Accountant General, Kerala.  
4. Lr. No.H2/5102/2005 dated 3-6-2005 from the Director of Treasuries.

ORDER

As per Rule 57 (f) of the Kerala Treasury Rules in the case of Fixed Deposit accounts pledged to a Government Officer remains in the treasury even after the date of maturity due to the delay in releasing the pledge, interest can be paid for the extended period treating the deposit as a fresh Fixed Deposit from the date of maturity. The rate of interest applicable for the extended period is the rate existing as on the original date of maturity. But if the release notice is served within one year from the date of maturity, interest is payable only at Savings Bank rate. The Accountant General in his letter dated 29-3-2005 brought to the notice of Government that heavy loss is sustained to Government by way of payment of interest at higher rate due to the delay in service of release notice. The Accountant General also suggested remedial measures to check the above loss.

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Government have examined the case in detail in consultation with the Accountant General as well as the Director of Treasuries and are pleased to order that Savings Bank rate of interest only will be allowed to pledged Fixed Deposits after the maturity date with effect from 1-4-2007 without considering whether release notice has been served or not.

Necessary amendment will be made in the KTC Volume II.

By order of the Governor,  
S. PUSHPARAJAN,  
Additional Secretary to Govt