

THE FOOD CORPORATION OF INDIA  
HEAD QUARTERS : NEW DELHI

**No. Accts/9(17)/94**

**DT : 12.7.1994**

CIRCULAR NO. 661/ACCTS

Sub.: NON – WRITING BACK OF SECURITY DEPOSITS

----

The observations of Govt. Audit in respect of accounts of a region for the year 1992-93 is reproduced below :-

“As per accounting policy the security deposit has not been credited as miscellaneous income. The Regional Office did not provide information of receipt of security deposit”.

Verification of schedules under 5.152 ‘Security Deposits’ received from the region indicate only the name of the party and the amount lying at credit as on 31.3.93 without the date of transaction originated. In the absence of this information audit is not in a position to verify the period of pendency for each item.

In this connection attention is invited to Circular no. 23/FIN. Dated 9.10.1979 outlining the procedure for accountal and refund of lapsed security deposit. As per provisions of the Manual security deposits which are not claimed within three years from the date of the closure of the contract are to be treated as ‘lapsed deposit’ and credited to the income of the Corporation. All the field units are therefore requested to verify each item of the Security deposit and take action as per procedure laid down in the Circular referred to above. The units are also advised to prepare the schedule in the prescribed form indicating date of receipt of amount and reasons for retention beyond the closure of the contractual period under the remarks column. Instructions may be followed scrupulously to avoid observation from the audit.

Sd/-  
(A.K. CHAKRABORTY)  
JT. MANAGER ACCTS.)