

## ***CIRCULAR No. 224***

**SUBJECT-** Proper utilization of surplus funds, idle unused ornaments and other valuable movable property belonging to the public trusts.

The question of proper utilization of surplus funds, idle-unused ornaments and other valuable moveable property belonging to the Public Trusts registered under the Bombay Public Trusts Act, 1950 was discussed at Government level with a view to channelising such wealth with the aim of making benefit thereof available to social welfare and economic activities undertaken by the State Government for uplift of the masses.

Provision of Section 345 of the Bombay Public Trusts Act,1950 were examined in this context. Under the provisions of the said section, trustees are required to invest the trust funds either in public securities or deposits in Scheduled/Nationalized Banks and Co-operative banks approved by the State Government and also in such other manner as is permitted by the Charity Commissioner. Under the existing provision of the Act, the trustees cannot be compelled to invest the trust funds in any one particular manner. After a careful consideration , the Government desire that efforts should be made by the Officers in Charity Organisation to pursued the trustees to invest their surplus funds in securities floated from time to time by the public sector under takings of State Government like the SICOM, CIDCO and MSEB etc on their debenture being declared on public securities under Section 2(12)(d) of the Bombay Public Trusts Act,1950.

Regarding the unused ornaments and other valuable, there is no specific provision in Bombay Public Trusts Act, under which Officers of Charity Organisation can compel the trustees to convert them into money and to invest that money in a particular fashion. But in view of the fact that such conversion and investment may prove beneficial in longer national interests and interests of the masses the trustees can be persuaded to make conversion and invest the amounts in under mentioned securities. The Government desire that Officers of Charity Organisation should adopt such persuasive measures to secure conversion of ornaments and valuables and the investment s as aforesaid.

The following debentures of the said public sector undertaking have been declared as public securities under Section 2(12)(d) of the Bombay Public Trusts Act,1950 for the purpose of investment of trust funds as per section 35 of the Bombay Public Trusts Act,1950:-

(1) The Bonds issued by the Maharashtra State Financial Corporation under Section 7 of the State Financial Corporation Act, 1951 and fixed deposits with the said Corporation.

- (2) 7 1/4 per cent CIDCO Debentures 1986.
- (3) 10 1/4 per cent CIDCO Debentures 1988
- (4) 7 1/4 per cent CIDCO Debentures 1989.
- (5) 7 1/4 per cent CIDCO Debentures 1986.
- (6) 7 1/2 per cent SICOM Debentures 1987.
- (7) 10 1/4 per cent SICOM Debentures 1984.
- (8) 10 1/4 per cent SICOM Debentures 1985.
- (9) 10 1/4 per cent SICOM Debentures 1988.
- (10) 10 1/4 per cent SICOM Debentures 1989.

All the Regional Officers and the Officers in this office are therefore, requested that whenever occasion arises and particularly at the time of Inspection of the trust they should pursued the trustees to invest surplus funds of th4e public trusts as far as possible in the above securities and in securities floated from time to time by the Public Sector undertakings of State Government like above and declared as public securities under section 2(12) (d) of the Bombay Public Trusts Act,1950 and also to convert the unused surplus ornaments and other idle valuable belonging to the Public Trusts in cash and invest the case as aforesaid.

If need not be over emphasized that there should be no compulsion on the aforesaid points though there must be well directed efforts in the desired directions. So also precautionary measures to ensure correct valuation of valuables sales to proper persons/firms etc. should be taken or advised.

M.S.VAIDYA.  
Charity Commissioner,  
Bombay

Dated 12th October 1978

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