



GOVERNMENT OF KERALA

Finance (Planning A) Department

No. 20/2017/Fin.

Dated, Thiruvananthapuram, 30/03/2017.

CIRCULAR

Sub: Annual Plan –Incurring of Plan Expenditure - Avoiding of Rush of Expenditure – Instructions- Reg.

Ref: Minutes of the Plan Expenditure Review meeting held on 18.01.2017.

It is observed that most of the departments spend their plan funds in lumpsum at the fag end of the financial year, especially in the month of March. Para 91(2) of Kerala Budget manual stipulates that rush of expenditure during the closing months of the financial year should be avoided. This crowding of expenditure adversely affects plan expenditure and quality of spending which, in turn, creates difficulty in raising adequate resources and its prudent allocation and evolving a need based borrowing strategy. There should be a systematic and well planned scheduling of plan funds expenditure so as to achieve a desired level of plan expenditure well before the month of March every year.

2. To ensure prudent financial management as well as spending of plan funds in a balanced manner by avoiding rush of expenditure during the last quarter of financial year, especially in the month of March, all departments including Local Self Government Institutions are to ensure that 85% of the plan funds (budget outlay) should be spent for each scheme before March of every financial year and the remaining 15% of the plan funds in the month of March subject to a further ceiling of 33% $(\frac{1}{3})$ of plan funds during the last quarter. For this, Administrative Departments having Monthly Expenditure

Plan (MEP) should invariably ensure that plan expenditure is incurred according to the norms of MEP.

3. All Head of Departments are requested to comply with the above instructions scrupulously as any laxity in this regard would be viewed seriously.

4. This new regulatory mechanism for plan expenditure will come into force from next financial year 2017-18 onwards.

Dr.K.M. ABRAHAM
Additional Chief Secretary (Finance)

To

The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram
The Accountant General (E&RSA), Kerala, Thiruvananthapuram
All Additional Chief Secretaries/Principal Secretaries/Secretaries/
Additional Secretaries/Joint Secretaries/Deputy Secretaries and Under
Secretaries to Government.
All Heads of Department & Offices
All Departments (All Sections) of Secretariat.
The Secretary, Kerala Public Service Commission, Tvp, (with C.L.)
The Registrar, High Court of Kerala, Ernakulam (with C.L.)
The Advocate General, Ernakulam (with C.L.)
The Registrar, Kerala Agricultural University, Thrissur (with C.L.)
The Registrar, University of Kerala/Cochin/Calicut/Mahatma Gandhi/
Kannur (with C.L.)
The Secretary Kerala State Electricity Board, Thiruvananthapuram (with C.L.).
The General Manager, Kerala State Road Transport Corporation,
Thiruvananthapuram (with C.L.)
The private Secretaries to Chief Minister, other Ministers and Leader of
Opposition.
The Secretary to Governor.
The Additional Secretary to Chief Secretary
The Private Secretary to Speaker/ Deputy Speaker
The Director of Treasuries, Thiruvananthapuram
The Nodal Officer, www.finance.kerala.gov.in
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Section Officer