



**GOVERNMENT OF KERALA**

**Abstract**

Electronic Ledger Account Monitoring System (e-LAMS) – Extension to financial year 2017-18 and introduction of new e-LOC system for all works - Orders issued.

**FINANCE (STREAMLINING) DEPARTMENT**

**G.O(P)No. 33/2018/Fin**

**Dated, Thiruvananthapuram, 06.03.2018**

- Read: 1. G.O.(P) No.400/2013/Fin dated, 19-9-2014.  
2. G.O.(P) No.48/2015/Fin dated 23.01.2015.  
3. G.O.(P) No.143/2015/Fin dated 22.04.2015.  
4. G.O.(P) No.434/2015/Fin dated 30.9.2015.  
5. G.O.(P) No.37/2016/Fin dated 14.3.2016.  
6. G.O.(P) No.142/2016/Fin dated 23.9.2016.  
7. G.O(P)No.22/2017/Fin. Dated 16.02.2017.  
8. G.O(P)No.123/2017/Fin. Dated 22.09.2017.  
9. G.O (P) No.156/2017/Fin dated, 14.12.2017.

**ORDER**

As per the G.O. read as 9<sup>th</sup> paper above, Government had stated that parking of funds drawn from the Consolidated Fund of the State to Special Treasury Savings Bank Account would be restricted and discouraged, as it increases State's borrowings under Public Account. Government's Plan expenditure involves schemes, some of which cannot be completed in that financial year such as construction of buildings, roads, purchase of machinery, capital equipment etc. For such schemes, either PWD deposit works system has been followed or the amount is drawn from the Consolidated Fund and deposited in the Special TSB Account in Public Account of implementing agencies. Government has now decided to restrict usage of Special TSB account for this purpose. In this context, as per the G.O. read second above, Government had introduced Electronic Ledger Account Monitoring System (e-LAMS). In continuation of the above approach, Government have now proposed to extend e-LAMS for the current financial year also and the following further instructions are being issued for strict compliance.

2. Government Departments would not be allowed to transfer funds from the Consolidated Funds of the State to the TSB Account of various Government officials as advance, unless special sanction is issued by Finance Department.

3. Grant in aid institutions and PSUs are provided Plan and Non Plan funds from the Consolidated Fund of the State for various purposes. These funds are transferred from the Consolidated Fund of the State to Special TSB account of the institution concerned. Further payments are made to end-beneficiaries from this Special TSB Account. Grant-in-aid institutions and PSUs should be provided only that much fund through transfer credit in their Special TSB Account from the Consolidated Fund of the State that they could utilize in that quarter of the year. Further release of funds to such institutions from the Budget should take place only after getting utilization certificate for the earlier released funds and ensuring that the funds transferred earlier to the Special TSB Account have been spent and balance has come below 5% of the annual allocation to that institution for plan funds.

4. In case of projects, which may not get completed in the same Financial Year whether being implemented by a Government Department or Grant-in-aid institution or PSU such as building works, purchase of capital equipment etc., the following procedure should be followed:

- i. All the civil works being undertaken by the Government Departments through accredited agencies would be shifted to a Letter of Credit system with effect from 01.04.2018. The Departments should issue Administrative Sanction for the works equivalent to the amount provided in the Budget for that purpose. After issue of Administrative sanction, details of the sanction along with other necessary details should be entered into an electronic letter of credit register maintained by Finance Department. All subsequent developments on that projects including technical sanction, advance payment etc, should be entered in that electronic letter of credit register. As with the present letter of credit system, payment of works would be made by the Finance Dept in accordance with the details given in the e-LoC register as and when bills are sent to the Finance Dept.
- ii. In case of grant in aid institutions and PSUs, e-LAMS would be utilized this financial year.
- iii. Each Department undertaking such projects though Grant in Aid/PSUs should make an entry in the e-LAMS register before 31 March 2018. Procedures followed in general for e-LAMS would be adhered to in this case. However additional authorization sanction could be spent throughout 2018-2019. Proposals in e-LAMS could be made for this purpose to seek additional funds in 2019-2020 also.
- iv. Purchase of medical equipment by Director of Health Services and Director of Medical Education through KMSCL would be shifted to a new system called e-LoC. Under this system, Health Dept would issue administrative sanction equivalent to the amount allocated in the budget. Based on that Administrative sanction, KMSCL should undertake the procurement. If the procurement is completed, payment could be made in the same Financial Year. Funds would be provided by the Health Dept to KMSCL for making payment from the budget to the KMSCL's Special TSB account. If the procurement process continues beyond the financial year, based on the requirement from Health Department, Finance Dept would provide additional funds through Additional Authorization as usual, over and above the budget allocation. Payment to KMSCL by the Health Department would be made only after purchase has been carried out and bills submitted.
- v. Purchase of capital equipment and large purchases by the Government Departments directly where payment will be due in 2018-19 would only be allowed through e-LAMS. All sections/wings in Finance Department should ensure that for Government Departments, only such items are registered under eLAMS this year. Fund release in the case of all the civil works for construction of building and purchase of capital equipments by various Grant in Aid Institutions/PSUs would be shifted to e-LAMS.
- vi. The present practice of issuing Letter of Credit for payment of works bills in PWD, Irrigation, Harbour Engineering and Forest department would continued without any change. In such cases, the advance payment should not be more than that prescribed in PWD manual or Stores Purchase manual.
- vii. The existing procedure for fund release to Local Self Government Bodies would continue as such without any change.

5. The detailed guidelines regarding the proposed e-LoC system would be issued soon.

6. All proposals requiring the posting of the amount under eLAMS shall be submitted to the Finance Department in advance well before 28/03/2018. The resumption proposal, including the fund required under eLAMS shall be submitted on or before 31.03.2018.

7. The Administrative Departments and the sections in Finance Department should ensure that release of funds is permitted based on these guidelines only.

(BY ORDER OF THE GOVERNOR)  
**MANOJ JOSHI IAS**  
Principal Secretary to Government

To

The Principal Accountant General (A&E/G&SSA), Kerala, Thiruvananthapuram.

The Accountant General (E&RSA), Kerala, Thiruvananthapuram.

The Director of Treasuries, Thiruvananthapuram.

All District/Sub Treasury Officers (Through Director of Treasuries).

All Heads of Departments/Secretaries, etc.

The State Informatics Officer, NIC, Thiruvananthapuram.

The Director, Information & Public Relations Department (For Press release).

✓ The Nodal Officer, [www.finance.kerala.gov.in](http://www.finance.kerala.gov.in).

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Section Officer