GOVERNMENT OF KERALA
Finance (Budget-A) Department

CIRCULAR

No.60/2009/Fin. **Dated, Thiruvananthapuram, 25th July, 2009**

Sub: Budget Estimates 2010-2011 - Preparation of - Instructions - Issued.

The Annual Budget of the State Government for the financial year 2010-11 has to be desirably presented to the Legislature in January 2010 and got passed by March 2010. To achieve this objective, the process of formulation of Budget Estimates for 2010-2011 will have to be completed sufficiently early. In this connection, attention of all the Heads of Departments and other Estimating Officers is invited to paragraph 31 of the Kerala Budget Manual and they are requested to take immediate steps for the formulation of the Budget Estimates for 2010-2011. The following dates have been fixed for the receipt of the Budget Estimates for 2010-2011 in Finance Department:

Non-Plan Expenditure	: Not later than	30th September, 2009
Plan Expenditure	: Not later than	31st October, 2009
Revenue and Other Receipts	: Not later than	31st October, 2009

The estimates should be sent to the Finance Department direct with a copy to the Administrative Department. The Administrative Department should forward their comments on the estimates to the Finance Department within ten days of the date of receipt of the estimates. Detailed notes on the points to be kept in mind while formulating the Budget Estimates for 2010-2011 are given below:

Revised Estimates for 2009-2010

2. The Revised Estimates for **2009-2010** should be prepared as realistically as possible with reference to the following facts, instead of repeating the previous year's budget figures in a routine way.

(i) the progress of expenditure during the first five months of the year;

(ii) the expenditure likely to be incurred during the remaining months of the year;

(iii) the additional funds proposed to be obtained by Supplementary Grants;

(iv) the re-appropriation or resumption of funds already made or proposed to be made;

(v) the new schemes that have been sanctioned during the course of the year;

(vi) the new heads of account opened during the year either for booking expenditure on new schemes or for accommodating any adjustments and the new heads of account opened while distributing existing lumpsum provisions; and

(vii) any other relevant factors that will materially affect or have a bearing on the expenditure during the year.

Each of these factors should be spelt out in sufficient details, enclosing copies of the relevant orders. In short, the revised estimates should represent the anticipated expenditure of the year, with reference to all relevant post-budget developments, and should closely correspond to the actual expenditure. As the closing balance of the year is worked out with reference to the revised estimates, any large variations between revised estimates and actual expenditure would upset the Ways and Means forecasts. **On account of financial constraints, the Revised Estimates in the aggregate should not normally exceed the Budget Estimates.** In the case of lumpsum provisions included in the budget for the current year, the revised estimates for the year and the budget estimates for the coming year should be furnished detailed head-wise.

Note: - The actual expenditure for a representative month say May 2009 booked under each detailed head of account should also be furnished along with the revised estimate proposed.

Budget Estimates for 2010-2011

3. The Estimates in respect of revenue and other dues to the Government should be prepared taking into account the need to accelerate collections. The extent of arrears at the end of 2009-2010 should be indicated year-wise and brief account given on the steps taken or proposed to be taken to collect the arrears. The reasons for accumulation of arrears should also be furnished. Similar details should be furnished while forwarding the estimates in regard to recovery of loans and advances. Separate statements on arrears of tax and non-tax revenue and arrears of loans and advances in the proforma shown in Annexure I and II should also be furnished along with the Estimates. Brief notes explaining reasons for significant variations, if any, in respect of estimates of Revenue Receipts may also be furnished. Public Accounts Committee (PAC) 2001-04 in its 36th Report has made certain serious observations regarding huge variations between budget estimates and actuals of revenue receipts. All Heads of Departments and Estimating Officers should therefore personally ensure that estimates are prepared with utmost care taking into account all aspects that are normally available at the time of estimation so as to avoid instances of huge variations between estimates and actuals.

4. The budget estimates of expenditure should be prepared as accurately as possible so that the amounts proposed for each function, programme or scheme do not turn out to be either excessive or inadequate later on. The attempt should be to assess the precise requirements with reference to all available data. The revised estimates proposed for the year should form the basis for preparing budget estimates for the coming year, making due

allowance for any special factors. Thus, if the current year estimates provide for any non-recurring items of expenditure, a corresponding reduction should be made in the Budget Estimates for the coming year. The variations between the Revised Estimates for 2009-2010 and the Budget Estimates for 2010-2011 should be clearly and precisely explained. Otherwise any proposed increase will not be considered.

5. Certain schemes may involve expenditure under more than one head of account. While proposing provision for such schemes under any one of the head of account, *the full details of the provisions proposed under the other heads should also be indicated* in the remarks column, so that a complete picture of the financial requirements would be available. The explanation of the scheme should also be comprehensive covering all the components of the proposed expenditure.

Need for Economy

6. The serious financial constraints being faced by the State Government make it imperative for the Government to prepare the Budget 2010-2011 with extreme austerity. As a general rule, the Non-Plan Revenue Budget excluding salaries of each unit should be retained at the current year's level. Retention of the Revenue Budget at the current year's Revised Estimate level will, therefore require introduction of economy measures in all other spheres of activity. It might necessitate the dropping of uneconomical schemes and perhaps deferment of certain measures including maintenance expenditure, which can be postponed. The success of the exercise depends to a large extent on the personal involvement of the Head of Department who should go through each and every unit of appropriation and decide upon where the downsizing should be made. Budget preparation should not become a mechanical incremental exercise. In the event of a scheme or activity being deferred or dropped, there will be surplus staff who, however, cannot be retrenched. The officer concerned should prepare a complete list of such staff declared as surplus and keep such a list ready for future use, so that they can be absorbed in arising vacancies.

7. *The Heads of Departments and Controlling Officers should critically review the programmes/schemes/works and justify their continuance and send such a review report along with their Budget Estimates without fail.* The Heads of Departments/Estimating Officers should note that it is the primary responsibility of the Officers concerned to rationalise the process of implementation of programmes/schemes/works and to bring economy, wherever possible. In this exercise, some schemes may have to be wound up and some others merged with or transferred to the activities of other Departments. This should give an opportunity to critically review the activities of each department.

Recovery of Expenditure

8. For certain schemes, the expenditure is recoverable from other Governments or bodies. Full details of the percentage of recovery, the arrears relating to previous years pending recovery etc., should be included in the proposals. Such recoveries will be treated as receipts in

the case of those coming under Revenue Account and reduction in expenditure in the case of those under Capital Account.

New Schemes

9. For all new schemes for which provision is proposed in the Budget Estimates for the first time, necessary details on which the requirement of funds is based, and the number and date of the order sanctioning the scheme should be furnished along with the copy of the relevant Government Orders. As far as possible, lump provision should not be proposed. "Part II schemes" under Non Plan will not be entertained on any account along with budget proposals. In this connection attention is also invited to Para 24 of Kerala Budget Manual by which ***provision should be proposed for sanctioned schemes only and not for new schemes awaiting Government sanction***.

Salaries

10. The provision will include pay and allowances in all forms except travel expenses. The forecast of estimates on salary requirements should be accurate. *Re-appropriation from salary head will not be allowed in the normal course.* The provision should be worked out with reference to the actual pay drawn by the various incumbents. To verify the calculations a statement showing the sanctioned strength, the actual strength in position, their scales of pay and actual pay should be furnished. The variations between the strength of staff included in the budget for 2009-2010 and that proposed in the budget for 2010-2011 should be explained forwarding copies of the relevant sanctions. Full details of estimates on salaries as required in the forms given as Annexures III, IV and V should be furnished without fail. Brief explanation for large variations with reference to the actual expenditure of the past three years and Revised Estimates of the current year should be given. Estimates of Conveyance Allowance to Physically Challenged Employees, other allowances like CCA, HTA, Risk Allowance, Compensatory Allowance, Special Allowance, etc. and estimates of Adhoc Bonus/ Special Festival Allowance payable to employees will form part of Estimates of 'Other Allowances' under 'Salaries'. Details of each such allowance should be indicated in separate columns in the statement.

11. Provisions should not normally be proposed for posts, which are kept in abeyance. Provision for existing temporary establishments, whose continuance in the ensuing year is anticipated should however, be made. In the case of posts declared as surplus, provisions need be proposed only upto such time when the incumbents in such posts get absorbed in arising vacancies or get deployed elsewhere.

12. A statement of officers drawing House Rent Allowance at different rates (Annexure VI) and another statement of Part-time and Full-time Contingent Employees in Annexure VII should also be furnished.

13. *Separate statements /details should be furnished in respect of those employees, who are given the scales of pay/salaries equivalent to the UGC, ICAR, CSIR, AICTE, ICMR or any other similar schemes. The copies of the Government Orders by which such employees have come over to such scales should also be furnished.*

Works

14. Provision for "Works" is mostly included under Plan. In respect of "Continuing Works" the estimates may be forwarded before Plan allocations are known so that the details can be verified sufficiently early. The estimates should also include the details of sanction by competent authority. The estimated cost of the work and the progressive expenditure upto the end of 2009-2010 should be furnished in the remarks column. The Volume I of Appendix II contains the details of works for which administrative sanction has been accorded and Volume II contains 'New Works' having no administrative sanction. The works for which Administrative Sanction was obtained during 2009-10 shall be included under Volume-I of Appendix II (Works Appendix) of 2010-11. The Chief Engineers/Administrative Departments should not forward proposals for any New Works along with the budget proposals, unless Government specially clears them. No provision need be proposed for those works, which have been transferred to the Local Self Governments.

15. There have been instances where proposals for change of the description and name of works are made later in the year. This evidently shows lack of proper scrutiny by the estimating officers while submitting proposals. The works should be properly and correctly worded while sending the budget proposals. The details of works included in 'Works Appendix' need be forwarded only in Malayalam.

16. The works proposed by the estimating officers under Plan should be linked to the Plan scheme concerned in the Plan Budget. This linking may be done duly furnishing the name of Work/Works coming under a particular Plan scheme indicating also the code number of the scheme. **Heads of Departments may note that the works, which are not linked to the connected Plan Scheme, will not be included in the "Works Appendix".**

Travel Expenses, Office Expenses, Rent, Rates and Taxes etc.

17. The estimates proposed against each detailed head should be accompanied by supporting statements. The estimates under Travel Expenses should be furnished showing separately the provisions required under, (1) Tour T.A, (2) Transfer TA, and (3) PCA/PTA. While preparing estimates under Travel Expenses, the following guidelines prescribed in the Ninth Report of the Kerala Administrative Reforms Committee shall be adhered to:

Head of Department should give a statement indicating the arrears of Travel Allowance in his Department and the requirement for the coming year. Both these figures should be split into following categories.

(a) For tours related to defending government cases in various courts of law.

(b) For tours which, if not undertaken, will directly result in financial loss to Government.

(c) For tours of inspection as per standing orders laying down such inspections.

(d) For journeys for training purposes.

(e) For other tours.

Administrative Departments concerned are required to make realistic assessment of estimates under Travel Expenses based on the information as detailed above.

The provision proposed under 'Office Expenses' should indicate the requirement of funds under *(1) Water Charges (2) Electricity charges (3) Telephone Charges and (4) Other items excluding petrol charges and repair/maintenance charges of vehicles. Relevant details of telephone connections as required in Annexure-VIII should also be furnished.* Provision for non-recurring items (furniture, equipment etc.) of expenditure should not be repeated merely on the basis of average expenditure for the previous years; but should be restricted to the actual requirement. Statements showing the requirements and the approximate cost should be furnished. A break-up of recurring and non-recurring expenditure should also be given in respect of each item. *The specific economy restrictions shall be kept in view while working out the requirements. Details of buildings taken on rent and the rate of rent fixed by Government for each building should be furnished separately.*

Motor Vehicles

18. The estimates for meeting the expenditure on fuel, lubricants etc. should be proposed under the detailed head 'P.O.L'. The provision proposed should indicate actual requirements. The estimates for fuel charges etc. should be prepared after taking into account the restrictions imposed by Government through various economy orders. The provision required for the purchase of new vehicles, repairs and maintenance of existing vehicles etc should be classified under the detailed head 'Motor Vehicles' itself. The estimates proposed under 'Motor Vehicles' should indicate separately the amount required under (i) purchase of new vehicles and (ii) repairs and maintenance. Copies of orders sanctioning purchase of vehicles should invariably be furnished in support of proposals relating to estimates under 'purchase of vehicles'.

19. The statement showing details of vehicles of each Department/Office as required in Annexure-IX should also be furnished in support of estimates proposed in respect of Motor Vehicles/P.O.L

Other Charges

20. The expenditure towards Water charges and Electricity charges for functional purposes (Medical Colleges and Hospitals, Colleges, Technical Institutions etc.) should be debited under

the object heads viz., (1) Water Charges (2) Electricity Charges and (3) Other items below the detailed head '34 Other Charges'.

Information Technology Related Expenditure

21. The proposals relating to Budget Estimates in respect of computer-related expenditure including training, acquisition of hardware/software as well as development and maintenance of software should invariably be classified under the detailed head '99-Information Technology' below the relevant sub head.

Interest on Loans

22. The payment of interest charges on loans availed by various Government Departments is an inevitable item of expenditure. The Heads of Departments/Administrative Departments should ensure that sufficient provision for payment of interest on loans availed by them from Financial Institutions concerned are duly proposed while sending budget proposals.

Decretal Claims

23. (i) *Provision should be proposed for meeting charged expenditure that may be necessary to satisfy court decrees*. - A special review of all claims that have gone to Courts or are likely to be taken to the Courts should be conducted for assessing the likely requirements. It is also desirable to provide for unforeseen expenditure arising from Court decrees.

(ii) *Decretal Claims – Land acquisition cases*. - For satisfaction of Court decrees relating to land acquisition cases, which have no scope for appeal, a charged appropriation is being made under the Major head of account '2075 – Miscellaneous General Services'. This appropriation will be provided under two sub heads viz., '54-Deposit of Decretal amount to Courts for satisfaction of Court decrees connected with land acquisition cases in respect of Government Departments – Lump provision' and '53-Deposit of Decretal amount to Courts for satisfaction of Court Decrees connected with the land acquisition cases in respect of Local Bodies/Public Sector Undertakings/Other Institutions – Lump Provision' under the Major head '2075- Miscellaneous General Services' for meeting the expenditure. Revenue Department in the Secretariat is the Chief Controlling Department in respect of the above Sub-heads of account. The Heads of Departments and Controlling Officers should assess the requirement on these items and propose the estimates for inclusion in the Revised Budget Estimates 2009-2010 and Budget Estimates 2010–2011 to the Revenue Department in the Secretariat. The Revenue Department in turn will send a consolidated proposal to the Finance (Budget Wing) Department for inclusion in the Budget.

Inter-Departmental Adjustments

24. The Estimating Officers shall ensure that adequate provision is proposed for carrying out inter-departmental adjustments and for effecting adjustments between different heads of

account. Proposals for Supplementary Demands for Grants for such purposes will not normally be entertained.

Plan Schemes

25. The outlay fixed for each scheme in the Annual Plan programme for 2010-2011 (Fourth year's Programme of Eleventh Five Year Plan 2007-2012) may be taken as the basis for proposing provision in the Budget for Plan schemes. For new schemes or expansion of existing schemes, separate statements containing sufficient details in support of the provision should be furnished. While making provision for a Plan scheme under a particular Head of Development, it should be ensured that the funds to be provided for execution of works, payment of loans/share participation etc., are well accommodated within the Annual Plan outlay fixed for the schemes. Formulation of estimates of Plan schemes shall be prepared with reference to the detailed guidelines to be issued by the Planning Commission of India and State Planning Board regarding classification of expenditure for the Eleventh Five Year Plan (2007-2012).

26. A consolidated statement showing the estimates proposed for Plan Schemes should be furnished in the form given in Annexure X. The physical and financial targets in respect of each scheme, stage of implementation and other relevant details should also be furnished. A copy of Annexure X and the statement regarding the physical and financial targets should be sent to the Planning and Economic Affairs Department as well.

27. While proposing provision for Centrally Sponsored Schemes, the instructions issued from Planning and Economic Affairs Department should be taken care of. Information regarding allocation approved by Government of India in 2008-2009 and 2009-2010 for each scheme may be furnished. If it is a new scheme pending approval of the Government of India, details of the scheme forwarded to the Government of India may be furnished.

28. The maintenance expenditure in respect of plan schemes completed during the past years of Tenth Five Year Plan (2002-2007) and yet to be transferred to the Non Plan side, should be treated as expenditure transferred to the Non Plan side during the Eleventh Plan Period. Estimate of committed expenditure on this account should be prepared on the basis of the detailed guidelines to be issued by the Planning Commission/ State Planning Board.

Foreign Exchange Budget

29. In order to initiate annual exercise on formulation of the Foreign Exchange Budget for the year 2010-2011 by Government of India, the Departments concerned may furnish to this Department the estimates of Foreign Exchange Commitments and outgoes (Payments) in respect of such Department or Departmental Undertakings/Public Sector Undertakings under their control for the current year (Revised Estimate) and for the next year (Budget Estimate) with specific supporting details.

Other Details

30. With a view to analysing the extent of Central Assistance due to the State, the Officers concerned should give a list separately of all Externally Aided Projects, 100% Centrally Sponsored Schemes and 50% Centrally Sponsored Schemes in the proforma given in Annexure XI to this Circular.

31. A list showing the total amount of subsidies/grants released during 2008-2009 and proposed to be released in 2009-2010 and 2010-2011 should also be given.

32. *The estimated cost of land acquisition for the year 2010-2011 may be given indicating separately amounts to be paid on account of court decrees and otherwise.*

33. New requirements not normally catered to like special maintenance, replacement of vehicles etc., should be given in a separate note for consideration by Finance Department.

34. Committee on Public Accounts (2004-06) in its 106th Report has made certain observations regarding futility of the budget provisions earmarked for computerisation of Government departments. It was noted by the Public Accounts Committee that the computers purchased as part of modernisation were either stacked in storerooms or were used merely as a substitute for typewriters. The Committee has further observed that investing on electronic items like computers merely to save the lapse of budget allotment that also without developing the software required for each department is mere waste of money and locking up of capital that could have been used for other purposes. Hence the Committee has suggested that before embarking on large-scale purchase of computers, the concerned departments should properly assess the requirements of both hardware and software and the feasibility of the projects for computerisation. All Controlling Officers/Heads of Departments should therefore furnish proposals for budget provision for computerisation of Government Departments/Offices only after ensuring that all requirements for the implementation of computerisation schemes with respect to both software and hardware are fully satisfied.

Scrutiny by Administrative Department

35. The Administrative Department may scrutinise the estimates in the light of the sanctions given from time to time particularly in regard to the necessity for the continuance of temporary staff during the year 2010-2011 and suggest modifications, if any, found necessary before the end of September 2009, in the case of Non-Plan estimates. *The Estimates received from the Departments may, however, be retained by the Administrative Department together with the office copies of their notes for future reference.* If, in the light of the subsequent orders or other developments, any alteration in the Budget Estimates are found necessary such alterations should be intimated to the Finance Department not later than 30th November 2009.

36. Certain schemes already under consideration in the Secretariat are sometimes left out in the Budget proposals and are sent to the Finance Department after the Budget Estimates are finalised. *As Finance Department cannot consider belated proposals for inclusion in the*

Budget, the Departments of the Secretariat are requested to ensure that all pending proposals are considered along with the budget proposals.

Explanatory Memorandum

37. A Statement of guarantee given by the Government of Kerala is given in Appendix IV to the Explanatory Memorandum. Similarly the particulars of Government properties leased out at subsidised or concessional rates of rent and for which standard rent has not been fixed are given in Appendix V. Heads of Departments and concerned Administrative Departments of the Secretariat are requested to examine these statements and indicate the changes necessary to make them up-to-date.

38. The following information has to be brought to the notice of the Legislature according to rules:

(a) Cases already approved by the Legislature but where the expenditure is subsequently expected to exceed appreciably the amount intimated to the Legislature. Full details with reasons for the variations may be furnished in the form given, in Annexure XII to this Circular.

(b) Full details of Government properties or assets proposed to be transferred free of cost or sold at concessional rates to outside bodies/institutions/parties. In the case of land, particulars relating to the extent, survey number, location, name of transferee and purpose for which transfer is made etc., may be furnished. The details given in Appendix VI of the Explanatory Memorandum may, therefore be verified and up-to-date details furnished.

(c) Statement showing the details of dues from Public Undertakings proposed to be waived should be sent as laid down in Circular No.54/79/Fin. Dated 7.6.1979 given as Annexure XIII to this Circular.

Schemes Implemented by Local Self Governments

39. Government in G.O.(P) No.189/95/LAD dated 18.09.1995 issued orders transferring administrative control of various schemes/functions to the Local Self Governments constituted as per the Kerala Panchayati Raj Act, 1994 and Kerala Municipalities Act, 1994. The amounts required for implementation of each scheme/function transferred to the Local Self Governments are to be exhibited individually in a separate budget document viz., 'Appendix-IV Details of provisions earmarked to Panchayat Raj/Nagarapalika Institutions'.

40. All the Heads of Departments and other Estimating Officers are required to prepare and furnish Revised Budget Estimates for 2009-10 and Budget Estimates for 2010-11 in respect of the Schemes/Functions/Programmes relating to subjects that stand transferred to Local Self Governments. Separate Budget proposal covering the Estimates in respect of Village Panchayats/Block Panchayats/District Panchayats/Municipalities and Corporations should be prepared. The Non-Plan Estimates for the subjects/schemes transferred to Local Self

Governments may be furnished head of account-wise (as per the classification existing in 'Appendix-IV Details of provisions earmarked to Panchayat Raj/ Nagarapalika Institutions') in the form appended (Annexure- XIV). Details of actual expenditure incurred on each scheme during 2008-09 may also be indicated in the proposals. Similarly, separate Budget Estimates for 2010-11 in respect of Plan schemes coming within the purview of Local Self Governments may also be prepared and furnished, head of account-wise. Commencing from the financial year 2004-05, a new system of providing a maintenance grant to the Local Self Governments for meeting running expenditure (viz; Office Expenses, Rent, Minor Works, Maintenance etc.) of those institutions transferred to their control has been introduced. Pursuant on this, the practice of providing budgetary allocation for such purposes under the functional heads of the departments concerned has been dispensed with. Therefore estimate need not be proposed on such items in respect of institutions, transferred to Local Self Governments. However, provisions towards wages, pensions, supply of medicines to Health Institutions, educational concessions/scholarships, supply of books, equipments and consumable to educational institutions, noon feeding programmes, etc. may be included. No estimate need be furnished separately in respect of the staff transferred to Local Self Governments, as their pay and allowances are presently met from the respective departmental head of account.

Measures for Fiscal Transparency

41. In accordance with clause (b) of sub-section (2) of section 5 of the Kerala Fiscal Responsibility Act, 2003, Government have to include in the document presented to the Legislature in the nature of Budget in Brief along with the annual budget, different statements on State's fiscal status as part of measures for fiscal transparency. This includes: (i) Statement of claims and commitments made by the Government on revenue demands, but not realized (in Form B-5) (ii) Statement on liability in respect of major works and contracts, committed liabilities in respect of land acquisition charges and claims on the government in respect of unpaid bills on works and supplies (in Form B-6) (iii) Statement of assets (in Form B-8) and (iv) Statement on the details of number of employees in Government, Public Sector and aided institutions and related expenditure on salaries (in Form B-9). All Administrative Departments/ Chief Controlling Officers/ Heads of Departments shall furnish along with their proposals on Budget Estimates 2010-11, the information relevant to their department/organisation in the formats prescribed as Annexure-XV, Annexure-XVI, Annexure-XVII and Annexure-XVIII respectively.

42. The Twelfth Finance Commission has, among other things, emphasised the need for the Central and State Governments changing over to the accrual based accounting system from the present cash based system of accounting so that complete financial information required for management of financial resources can be recorded and reported. The present system fails to reflect the accrued liabilities arising out of the future commitments and payments and also does not provide information on the assets held by the Governments. The Commission has therefore suggested that in the interim, some additional information in the form of statements should be appended to the present system of cash accounting to enable more informed decision-making. These statements are relating to data on committed liabilities in the future including *inter alia* accounts payable, salary/wages/pension, accrued debt, spill over liabilities in the form of transfer of Plan schemes to Non-Plan at the end of the Plan, liabilities arising from incomplete

projects etc, the Statement on implications of major policy decisions taken by the governments during the year, highlighting the impact thereof on the cash outflows in the ensuing years on account of decisions or announcements made in the budget and the Statement on maintenance expenditure with segregation into salary and non-salary components. All Administrative Departments , Chief Controlling Officers and Heads of Departments shall therefore furnish the information as in the format prescribed as Annexure –XIX, XX, XXI to this circular.

Initiative on Gender Responsive Budgeting

43. The Government intend to present in the Legislature a special statement on gender budgeting depicting the magnitude of budget allocations for various schemes/programmes that are substantially benefiting women along with the budget documents for 2010-11. The initiative on Gender Responsive Budgeting aims at categorization of specific schemes/ programmes in the budget with a direct focus on women and girls, specific schemes/ programmes which are stated to have components on women and the exact budget shares of these components. Gender Responsive Budgeting is to analyse how effectively Government policies, programmes and budgetary allocation respond to the needs and concerns of the females. This will also help to achieve gender equity and gender equality in allocations by identifying priorities for improvement of gender based targets.

44. The budget data have to be prepared in such a manner that the gender sensitiveness of the budgetary allocations is clearly highlighted. All Administrative Departments and Chief Controlling Officers and Heads of Departments shall therefore furnish along with other proposals on Budget Estimates 2010-11 information as in the format prescribed as Annexure – XXII for the formulation of Gender Responsive Budgeting.

Need for personal attention by the Controlling Authorities

45. As the preparation of the Budget involves the co-operation of all Departments of Government at different levels, it is necessary that the time schedule for the various stages of the work be strictly adhered to. Government also wish to emphasise that the preparation of the estimates should not be done in a routine manner in the accounts branches; but should receive the personal attention of all estimating and controlling authorities so that the estimates would, apart from being as close to reality as possible indicate the policies and directions of Government.

46. All the Controlling/Estimating Officers are requested to ensure that the time schedule prescribed in para 1 of this Circular is strictly adhered to.

L.C. GOYAL
Principal Secretary (Finance)

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E), Kerala, Thiruvananthapuram.
All Principal Secretaries/Secretaries/Special Secretaries to Government.

All Departments (All Sections) of the Secretariat.
All Heads of Departments and Offices.
The Secretary, Kerala Public Service Commission, Thiruvananthapuram (with C.L.)
The Registrar of High Court, Ernakulam (with C.L.)
The Registrar, Kerala Lokayukta, Thiruvananthapuram (with C.L.)
The Secretary, Ombudsman for Local Self Government Institutions, Thiruvananthapuram.
The Secretary, Kerala State Information Commission, Thiruvananthapuram.
The Registrar, University of Kerala/Cochin/Calicut/Kannur.
The Registrar, Mahatma Gandhi University, Kottayam/ Sanskrit University, Kalady.
The Registrar, Kerala Agricultural University, Mannuthy, Thrissur.
The Advocate General, Ernakulam (with C.L.)
The Secretary, Kerala State Road Transport Corporation, Thiruvananthapuram (with C.L.)
The Secretary, Kerala State Electricity Board, Thiruvananthapuram (with C.L.)
The Secretary to Governor.
The Additional Secretary to Chief Secretary.

ANNEXURE I

(Referred to in para 3)

Statement of arrears of Tax and Non Tax Revenue

Name of Department

I. Arrears of Tax

A. Tax Revenue

1.Item (Head of Account)

a) Arrears outstanding at the beginning of the year 2009-2010

b) The Demand for the year 2009-2010

c) The amount collected during the year 2009-2010

d) The amount remitted or written off during the year 2009-2010

B**. Non Tax Revenue**

II. The Amount of arrears as at the end of 2009-2010 is at the following stage of action (Rs. in lakh)

(a) Revenue Recovery proceedings

(b) Amount stayed by Court

(c) Amount stayed by Government

(d) Amount stayed by other authorities

(e) Others

.

TOTAL:

ANNEXURE - II
(Referred to in para 3)

Statement of Arrears of Loans and Advances

Name of Department

I. Item

(a) The arrears outstanding at the beginning of the year 2009-2010

(b) The demand for the year 2009-2010

(c) The amount collected during the year 2009-2010

(d) The amount remitted or written off during the year 2009-2010

ANNEXURE III

(Referred to in para 10)

***Statement of sanctioned strength in each Permanent and Temporary Establishment**

Major, Minor and Sub Head:
Name of Department:

Name of Office:

Permanent or Temporary Establishment	Name of post	Scale of pay	Gazetted/ Non - Gazetted	Different stages of pay in each scale of pay	No.of persons in each stage of pay	Provisions to be made in the budget estimates of the ensuing financial year on account of each class or category of officers or subordinates	Authority for change in the strength or scale of pay as compared with the current years Budget Estimates (Government Order No.and Date)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Total _____

*In the case of employees who are given the scales of pay equivalent to UGC or similar scale of pay, separate statement should be furnished.
In the case of officers belonging to All India Service also,these details should be invariably furnished.

ANNEXURE IV

(Referred to in para 10)

Statement of Fixed Allowances

1.Name of Department:

2. Major, Minor and Sub Head : **Name of office :**

Name of office and designation of the appointment	Station	Pay of the appoint-ment	Name of allowance *	Monthly rate of allowance	Provision to be made in the Budget Estimate of the ensuing financial year for each class of allowance and for each class or category of officers or subordinates.	Authority for change in the number or amount as compared with the current year's Budget Estimates (Government Order No. and date)	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				Total			

* C.C.A., Special Allowance, Conveyance Allowance etc.
Provision required for payment of Adhoc Bonus/Special Festival Allowance also has to be included in this statement.

ANNEXURE V

(Referred to in para 10)

*Statement showing the details of posts created/abolished

Major,Minor and Sub Head :

Sl. No	Name of Department and Name of Office	Category of Post and Scale of Pay	Number of posts					In the case of temporary posts, date of expiry of sanction	No.and date of the G.O. sanctioning creation, abolition, etc.	Details of sanction accorded for the continuance of temporary staff appointed exclusively for special work for specified peiod.	Remarks.
			Newly created	Abolished	Temporary Posts made Permanent	Posts up-graded/ down-graded	Posts declared as surplus				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

* In the case of the employees who are given the scales of pay equivalent to U.G.C. or similar other scales, separate similar statement should be furnished.

ANNEXURE VI

(Referred to in para 12)

*** Number of Government Servants Drawing Different Rates of House Rent Allowance**

Name of Department :

Major, Minior and Sub Head	Pay Range	Monthly rate of HRA in B Class Cities	No.of Government Servants	Monthly rate of HRA in Municipalities coming under C Class cities	No.of Government Servants	Monthly rate of HRA in District Headquarters, Municipal Towns, Taluk Head Quarters, Townships other than B and C class cities.	No. of Government Servants	Monthly rate of HRA in Unclassified Areas	No. of Government Servants	Grand Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Rs.		Rs.		Rs.		Rs.		
	4510-4589	250		190		190				
	4590-7299	400		280		280				
	7300-13699	600		390		340		150		
	13700-17099	750		500		380				
	17100-20199	1000		680		380				
	20200 and above	1200		790		380				
	AIS Officers (Rate to be specified)									

* In the case of employees who are given the scales of pay equivalent to the U.G.C. or similar other scales,separate statements should be furnished.
In the case of Officers belonging to All India Service, the actual rate at which H.R.A. is being drawn may be indicated.

ANNEXURE VII
CONTINGENT ESTABLISHMENT
(Referred to in para 12)

Details of Contingent Employees

Name of Department :

Major, Minor,and Sub head	Full time			Part time		
	Number	Pay	*Rate of allowances, if any admissible	Number	Pay	*Rate of allowances, if any admissible
(1)	(2)	(3)	(4)	(5)	(6)	(7)

*Category of the allowance should be specified.

ANNEXURE VIII

(Referred to in para 17)

Statement showing the details of Telephone Charges

Major,Minor and Sub Head :

Sl. No	Name of Department and Office to which the phone is attached	Telephone No.(Land phone/ Mobile phone)	Whether office/ residential	Whether with or without STD facility	Monthly/ Bi-monthly Rent	Permissible limit of Monthly/ Bi-monthly call charges	Permissible limit of Monthly/ Bi-monthly calls	Bi-monthly average of calls during 2008-09	Average of call charges during 2008-09	Actual expenditure on telephone charges during 2008-09
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Note: In the case of mobile phones being used, copy(ies) of Government orders permitting use of mobile phone(s) may be attached.

ANNEXURE IX

(Referred to in para 19)

Statement showing the details of Motor Vehicles

Major,Minor and Sub Head :

Sl. No	Name of Department and Office	Registra-tion No. of the Vehicle	Make & Year	Fuel used (Petrol / Diesel)	Monthly average expenditure on repairs & maintenance during 2008-09	Actual expenditure on repairs & maintenance during 2008-09	Average monthly consumption of fuel during 2008-09	Monthly average cost of fuel used during 2008-09	Actual expenditure under POL during 2008-09	Monthly ceiling fixed for fuel consumption
					Rupees in thousands			*Rupees in thousands*		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

ANNEXURE X

(Referred to in para 26)

Statement showing the schemes included under the Five Year Plan

Sector and Head of Development	Name of the Scheme	Financial Target2007-2012	Programmes provisionally accepted by the Planning Department for 2009-2010	Head of Account (Major, Minor and Sub Head)	Budget Estimate 2009-2010	Revised Estimate 2009-2010	Budget Provision for the plan scheme proposed under the head of account 2010-11	Remarks (The estimate to be provided under other head of account if any may be indicated here)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Part A			Spill over schemes and continuing schemes					
	1							
	2							
	3							
	4							
	etc.							
Part B			New Schemes					

Note : A break up of the provision as between expenditure on staff and contingencies (recurring and non-recurring) should be given in respect of the provision shown under column 8 with as much details as possible. Total plan allocation for the scheme and details of the provisions proposed under other heads of accounts should be clearly indicated for comparing the total budget provision with the plan allocation.

ANNEXURE - XI

(Referred to in para 30)

Statement showing details of Externally Aided Projects, 100% C.S.Ss and 50% C.S.Ss.

Sl. No.	Name of Scheme	Pattern of assistance	Head of account	2008-09				2009-10		2010-11	Remarks.
				Departmental figures of expenditure		Assistance receivable from Govt of India	Assistance received from Govt of India	Assistance receivable from Govt of India	Assistance received from Govt of India	Assistance receivable from Govt of India	
				State Share	Central Share						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
				Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	

ANNEXURE - XII

[Referred to in para 38 (a)]

List of cases/schemes where the expenditure is expected to exceed appreciably the amount originally intimated to the Legislature during 2009-10

Sl.No.	Name of the Scheme and Head of account	Amount sanctioned in the Original Estimate	Amount of Revised Estimate	Increase	Reasons for increase.
(1)	(2)	(3)	(4)	(5)	(6)

ANNEXURE XIII
[*Referred to in para 38 (c)*]

FINANCE DEPARTMENT

CIRCULAR

No. 54/79/Fin Dated, Thiruvananthapuram, 7th June, 1979

Sub: Waiver of Government dues - Recommendations of the Committee on Public Undertakings, 1973-74- Recommendation No 3 in Eleventh Report - Waiver of amounts due from Public Undertakings- instructions issued.

The Committee on Public Undertakings 1973-74, after examining the Audit Report 1970-71 relating to the waiver of recovery of interest on certain loans, had made the following recommendation on its Eleventh Report.

"The committee recommended that the waiver of amounts due from Public Undertakings should not be made in future without the prior consent of the Legislature. Subsequently the Committee clarified that the intention behind the recommendation is that the Legislature should be informed in advance of any move for relinquishment of revenue involving Rs 10,000 and above. This can be easily achieved if the details of waiver of such amounts proposed to be effected during a financial year are indicated in the Explanatory Memorandum of the budget for the year. This may serve the purpose of keeping the Legislature informed of the above, besides giving the Legislature an opportunity to consider the question before the waiver is actually given effect to".

The Secretaries to Government are requested to take note of the above recommendation of the Public Undertakings Committee. Whenever it is felt necessary (sufficient reasons to be recorded) to waive recovery of amounts involving Rs 10,000 and above due from Public Undertakings, details regarding such waiver should be incorporated in the Explanatory Memorandum of the Budget for the year. The details in the prescribed proforma (enclosed) should be sent to the Finance Department (Budget Wing) in triplicate by December every year for incorporation in the explanatory memorandum on the budget for the ensuing year.

S. Padmakumar
Special Secretary (Finance)

To

All Secretaries to Government etc.

PROFORMA (Vide Annexure XIII)

Statement showing details of Government dues from Public Undertakings (Rs.10,000 and above)

Proposed to be waived during ……

(Here enter the period)

Name of Public Undertakings for which the loan amount was sanctioned	Authority for sanctioning the loan	Purpose for which the loan was given	Rate of interest	Sums outstanding as on……		Amount proposed to be waived		Details of amount due other than loans and interest proposed to be waived	Reasons for waiver
				Principal	Interest	Principal	Interest		
				Rs	Rs	Rs	Rs		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

ANNEXURE - XIV

[Referred to in para 40]

Statement showing details of Schemes Implemented by Village Panchayat / Block Panchayat / District Panchayat / Muncipality / Municipal Corporation under Plan/Non-Plan*

Head of Account: **(As in the Detailed Budget Estimates)**

Sl.No.	Name of the Scheme /Function	Head of Account as adopted in Appendix IV to the Detailed Budget Estimates	Actuals 2008-09	Budget Estimates 2009-10	Expenditure for the first five months of 2009-10	Anticipated expenditure for the remaining period of 2009-10	Revised Estimates 2009-10	Budget Estimates 2010-11
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Total

**** Strike out which are not applicable***

Annexure XV(Referred to in Para 41)

(Form B-5)

TAX REVENUES RAISED BUT NOT REALISED (PRINCIPAL TAXES)

Name of Department:

(As at the end of 2008-09)

Major Head	Description	Amount under dispute (Rs.in Crore)					Amount not under dispute (Rs.in Crore)					
		Over 1 year but less than 2years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	total	Over 1 year but less than 2years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	total	Grand Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Taxes on Income and Expenditure											
	Agricultural Income Tax											
	Taxes on professions, trades, callings and employment											
	Taxes on Property and Capital Services											
	Land Revenue											
	Stamps and Registration Fees											
	Urban Movable property tax											
	Taxes on Commodities and Services											
	Sales Tax											
	Central Sales Tax											
	Sales Tax on Motor Spirit and Lubricants											
	Surcharge on Sales Tax											
	State Excise											
	Taxes on Vehicles											
	Other Taxes											
	TOTAL											

ANNEXURE XVI (Referred to in Para 41)

(FORM B 6)

STATEMENT OF MISCELLANEOUS LIABILITIES: OUTSTANDING

Name of Department:

(Rs. in crore)

	Outstanding amount as on 31.3.2009
Major works and Contracts	
Committed liabilities in respect of land acquisition charges	
Claims in respect of unpaid bills on works and supplies	
Total	

ANNEXURE XVII (Referred to in Para 41)

(FORM B 8)

STATEMENT OF ASSETS

Name of Department:

(Rs. Crore)

Item	Assets at the beginning of 2008-09	Assets acquired during 2008-09	Cumulative total of of assets at the end of 2008-09
	Book value	Book value	Book value
(1)	(2)	(3)	(4)
Financial Assets:			
Loans and Advances			
Loans to Local Bodies			
Loans to Companies			
Loans to Others			
Equity Investment			
Shares			
Bonus Shares			
Investment in GOI dated securities/ Treasury Bills			
Investment in 14-day Intermediate Treasury Bills			
Other financial Investments *(please specify)*			
Total			
Physical assets:			
Land			
Buildings-Office/Residential			
Roads			
Bridges			
Irrigation Projects			
Power Projects			
Other Capital Projects			
Machinery and Equipment			
Office Equipment			
Vehicles			
Total			

Notes:

1. Assets above the threshold value of Rs.two lakh only to be recorded.
2. The statement in respect of physical assets is to be prepared based on the Asset Register maintained by the departments. The value to be indicated would be book value i.e. acquisition cost netted for depreciation/impairment

ANNEXURE XVIII (Referred to in Para 41)
(FORM B-9)
NUMBER OF EMPLOYEES AND RELATED SALARIES

Name of Department:

		Number			*Salary expenditure (Rs. Crore)*		
Sl.No.	*Category*	*2008-09*	*2009-10*	*2010-11*	*2008-09*	*2009-10*	*2010-11*
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*	*(8)*
1	Employees in Government Departments						
2	Employees in Public sector						
3	Employees in aided institutions						
	(i) Aided educational institutions						
	(ii) Local Self Governments						
	(iii) Grant-in-aid institutions/cultural and other autonomous institutions						
4	Universities						
5	Welfare Fund Boards						

Annexure XIX

Statement on Committed Liabilities of the State in Future

(As on 31.03.2010)

(Rs in crore)

Sl. No	Nature of the Liability	Amount (Rs in crore)		Likely sources from which proposed to be met			Likely year of the Discharge	Liabilities discharged during the current year	Balance Remaining
		Plan	Non-Plan	States Own Resources	Central Transfers	Raising Debt(specify)			
I	**Accounts Payable ***								
1									
2									
3									
	Total								
II	**State's share in Centrally Sponsored Schemes**								
1									
2									
3									
	Total								
III	**Liabilities in the form of transfer of Plan Schemes to Non Plan Heads**								
1									
2									
3									
	Total								
IV	**Liabilities arising from Incomplete Projects**								
1									
2									
3									
	Total								
V	**Others/Miscellaneous**								
1									
2									
3									
	Total								
Grand Total									

* Accounts payable includes the committed liabilities in the form of nonplan salary expenditure,Pensions,interest payments,accrued debt,bills pending for payments etc.

* A brief explanatory note whereever necessary may be incorporated

Annexure XX

Statement on Implications for Major Policy Decisions during the Year on New Schemes proposed in the Budget for the Future Cash Flows

(As on 31.03.2010)

(Rs in crore)

Sl. No.	Nature of the Policy Decision/New Scheme	Implication for			In case of Recurring,Indicate the annual estimates of impact on net cash flows		Indicate the nature of annual expenditure in terms of				Likely sources from which Expenditure on new Scheme to be met		
		Receipts/Expenditure/Both	Recurring/One Time	If one time,indicate the impact	Definite period (Specify the period)	Permanent	Revenue		Capital		States Own Resources	Central Transfers	Raisinng Debt (Specify)
							Plan	Non Plan	Plan	Non Plan			
1													
2													
3													
4													
5													

* A brief explanatory note whereever necessary may be incorporated

Annexure XXI

Statement on Maintenance Expenditure of the State in Future

(Rs in crore)

Grant No	Name of the Grant	Heads of Expenditure						Plan /Non Plan	Description/ Nomenclature of Maintanence head of account	Components of Expenditure		
		Major	Sub Major Head	Minor Head	Sub Head	Detailed Head	Object Head			Salary	Non Salary	Total

ANNEXURE XXII
GENDER RESPONSIVE BUDGETTING
(Referred to in para 43)
Scheme-wise Provision & Physical Target for Plan/Non-Plan 2010-11

Name of Department :

(Rupees in lakh)

Sl No	Name of Scheme	Head of Account	Budget Estimates 2010-11				Women Component						
			Total	Estt. Expenditure	Infrastructure	Programmes	Estt. Expenditure		Infrastructure		Programmes		Number of female Beneficiaries
							Amount	% to total	Amount	% to total	Amount	% to total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)