



GOVERNMENT OF KERALA  
FINANCE (NODAL CENTRE) DEPARTMENT

CIRCULAR

No.40/2012/Fin

Dated, Thiruvananthapuram, 21.06.2012

**Sub:** *Utilisation of Special Development Fund for MLAs – Guidelines - Compliance of Instructions issued..*

**Ref:** 1. *G.O. (P) No. 247/04/Fin dated 27.05.2004.*  
2. *Report of Comptroller and Auditor General of India for the year ended 31.03.2011.*

The report of Comptroller and Auditor General of India for the year ended 31.03.2011, contains several observations on utilisation of funds under the MLA Special Development Fund Scheme. Taking into consideration the observations in the report on the utilisation of Special Development Fund for MLAs, the following instructions are reiterated for strict compliance by the sanctioning and implementing authorities.

1. Special Development Fund for MLAs should not be used for:
  - (a) Construction of office buildings, residential buildings and other buildings relating to Central or State Governments, Departments, Agencies or Organisations;
  - (b) Works belonging to commercial organisations, private institutions or co-operative institutions;
  - (c) Repair and maintenance works of any type other than special repairs for restoration/up-gradation of any durable asset;
  - (d) Providing Grants or loans;
  - (e) Construction/Repair of memorials or memorial buildings;
  - (f) Purchase of inventory or stock of any type;
  - (g) Acquisition of land or any compensation for land acquired;
  - (h) Creation of assets for individual benefit, except those which are part of approved schemes;
  - (i) Construction/Repair of places for religious worship;
  - (j) Development activities of un-aided institutions.
2. The District Collectors should avoid approaching Government for relaxation of existing guidelines relating to MLA Special Development Fund.
3. Special Development Fund for MLAs should be utilised only as per the guidelines appended to the Government Order read as 1st paper above, and the modifications thereto issued from time to time. The funds from MLA SDF should be used for creation of durable assets, which would always be available

for public use at large. The ownership of such assets created with Special Development Fund should vest with the Government.

4. While implementing works for Registered Societies/Trusts, Para 6 (3) of the guidelines should be strictly followed. Any violation of the same will be viewed seriously.
5. District Collectors should assess the competency of beneficiary Committees before awarding the works to avoid delay in execution of works.
6. The time limit for completion of works under MLA Special Development Fund, the time limit for issuing administrative sanction, furnishing quarterly report to MLAs and constitution of consultative committees as laid down in G.O.(P)No.518/09/Fin., dated 20.11.2009 and subsequent Government Orders should be strictly adhered to.
7. Monthly Plan Progress report of each month incorporating financial progress and physical achievement should be furnished to Finance (Nodal Centre) Department on or before 5<sup>th</sup> of the ensuing month.
8. The District Collectors should ensure the feasibility of the proposed works before issuing administrative sanctions.
9. Consultative committees comprising District Collector and representatives of implementing agencies should be constituted at district level to monitor progress of execution of works taken up under the scheme and to ensure timely and proper utilisation of the assets created using the funds.

**V.P. JOY,**  
**PRINCIPAL SECRETARY (FINANCE).**

To

The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.

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

All District Collectors.

All Members of Legislative Assembly.

Private Secretary to Ministers.

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

The Office Copy/Stock file.

Forwarded/By Order,

  
Accounts Officer.