

**PROCEEDINGS OF THE CHIEF EXECUTIVE OFFICER, KERALA INFRASTRUCTURE
INVESTMENT FUND BOARD, THIRUVANANTHAPURAM**

Present : Dr. KM ABRAHAM,CFA

ORDER NO : FA-1/615/2020/KIIFB Dated 28.02.2020

Sub:-LAPSE OF SANCTIONS AND NEED FOR REVALIDATION OR REAPPROVAL BY KIIF
BOARD

Read:-

Generally, the Administrative Sanction for a State Budget Scheme, a Centrally Sponsored Scheme or an Externally Aided Scheme will, unless the work has been started, lapse after a specified period of time.

Beginning from 2016-17, in every Annual Budget, Government have announced infrastructure projects to be implemented through KIIFB funding. These projects are to be submitted to KIIFB for funding sanction through SPVs designated by the Administrative Department. The KIIF Board chaired by the Hon. Chief Minister has approved projects worth over Rs.50,000 Cr. But due to the constraints of land acquisition, utility shifting, CRZ / Environmental / Forest clearances, the SPVs have only been able to roll out projects worth Rs 20,000 crore in the field. To some extent the inefficiencies of the SPVs have also been attributed to the slow turnover. Due to the time lag, it is natural for DSR / Cost Index to change resulting in hike in project cost. Consequently, KIIFB may have to bear additional financial burden, and may not be able to fund many of the projects that have already been accorded financial sanction.

After examining all these matters, the following procedures for delayed projects are issued:

1. If the project has not been submitted to KIIFB within **one year** from the date of Administrative Sanction or the date of announcement in the Budget, KIIFB will not accept the DPR unless a revalidation of the Administrative Sanction is issued from the concerned AD through a Government Order.
2. Funding sanction for any project which does not require land acquisition/statutory clearances etc. shall, unless it is specifically renewed from KIIFB, lapse if the SPV fails to issue Technical Sanction within a period of **six months** from the date of issue of the sanction. If the period of currency of the sanction is specified in the sanction itself, it shall lapse on the expiry of such period.
3. Funding sanction for Projects requiring land acquisition, utility shifting / environmental / CRZ clearances etc. shall, unless it is specifically renewed by the KIIF Board, lapse if no action is initiated from the part of SPV for the clearances during the period of **six months** from the date of sanction.
4. If the necessary land has not been acquired or clearances have not been obtained during the period of **one year** from the date of sanction, funding sanction will lapse unless revalidated.
5. Renewal/revalidation will not be allowed for vague or unsubstantiated reasons.
6. A detailed plan and estimate (incorporating revisions, if any) will have to be submitted for revalidation of funding sanction. All re-validation proposal should be submitted with the covering letter signed by the Secretary of the Administrative Department.

All such projects which need re-validation will be placed before the Governing Body/Executive Committee (based on the project outlay) for fresh approval.

Dr. K. M. Abraham CFA
Chief Executive Officer

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