

**REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA**

**on
STATE FINANCES**

for the year ended 31 March 2013

Government of Kerala

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PREFACE

1. This Report has been prepared for submission to the Governor of Kerala under Article 151 of the Constitution of India.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2013. Information has also been obtained from the Government of Kerala, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

Background

The State is located at the southern end of the country, sharing borders with Tamil Nadu and Karnataka. In terms of geographical area, Kerala is ranked 21st in the country with an area of 38,863 sq.km. While the State is having a population of 3.34 crore (12th in the country), it remains the third most densely populated State with a density of 859 persons per sq.km. The State's population increased from 3.18 crore in 2001 to 3.34 crore in 2011 recording a decadal growth of five *per cent*. The State's percentage of population below the poverty line is less than the all-India average. The State's Gross State Domestic Product (GSDP) in 2012-13 at current prices was ₹3,63,305 crore. The State's literacy rate increased from 90.92 *per cent* (as per 2001 census) to 93.91 *per cent* (as per 2011 census). The per capita income of the State at current prices (Economic Review 2012) stands at ₹90,816 against the country average of ₹68,491.

This Report of the Finances of the Government of Kerala is being brought out with a view to assess objectively, the financial performance of the State during 2012-13 and to provide the State Government and the State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in the budget estimates of 2012-13.

The Report

Based on the audited accounts of the Government of Kerala for the year ended March 2013, this Report provides an analytical review of the Annual Accounts of the State Government. This Report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of the Kerala Government's fiscal position as on 31 March 2013. It provides an insight into trends in committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to the State implementing agencies through the off-budget route.

Chapter 2 is based on the audit of Appropriation Accounts and gives a Grant-by-Grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of the Kerala Government's compliance with various reporting requirements and financial rules. The report also compiles the data collated from various Government departments/organizations in support of the findings.

Audit findings and recommendations

Chapter I

Finances of the State Government

Performance of the State : The State had revenue deficit during the last five years (2008-2013). With a view to ensuring prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management, the State Government has passed Kerala Fiscal Responsibility Act in 2003 and based on the recommendations of Thirteenth Finance Commission, the Act was amended in 2011. However, the State Government failed to achieve the revenue and fiscal deficit targets fixed in the Act (Amended) during the last two years.

Revenue Receipts : During the current year, the State's Revenue receipts (₹44,137 crore) increased by 16 *per cent* (₹6,127 crore) over the previous year. This increase was mainly under Tax revenue (₹4,358 crore) and Non-tax revenue (₹1,606 crore). As in the preceding two years, current year also the growth rate of revenue receipt (16 *per cent*) was higher than the growth rate of Gross State Domestic Product (15.3 *per cent*). However, the revenue collected during the year was eight *per cent* lower the projections made (₹48,141 crore) in the Medium Term Fiscal Plan. 'Taxes on Sales, Trade, etc.' and 'State Lotteries' were the major sources of State's own tax revenue and non-tax revenue respectively.

Revenue Expenditure : Revenue expenditure also increased by 16 *per cent* during the year. Of the total expenditure of ₹59,228 crore during 2012-13, share of revenue expenditure was 90 *per cent* (₹53,489 crore). Above 65 *per cent* of the Revenue expenditure was incurred on salaries, wages, pension payments, interest payments and subsidies. Though the growth rate of revenue expenditure was almost in line with that of revenue receipts, it was ₹1,884 crore more than the projections (₹51,605 crore) made in the Medium Term Fiscal Plan.

Capital Expenditure : During the year Capital expenditure (₹4,603 crore) increased by ₹750 crore (19 *per cent*) over the previous year and it accounted for eight *per cent* of the total expenditure of the State. Though there was increase in capital expenditure (mainly under Economic Services), proportion of Capital expenditure to total expenditure has been much lower as compared to General Category States during 2009-10 and 2012-13.

Investment and returns : As of 31 March 2013, the State had invested ₹4,511.03 crore in Statutory Corporations, Government companies, Joint Stock Companies and Co-operatives. The average return on these investments was 1.3 *per cent* during the last five years, while the Government paid an average interest rate ranging from 7.1 *per cent* to 7.5 *per cent* on its borrowings during the same period.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increase in non-developmental expenditure like salaries, interest payments, pension

and subsidies year after year reduce the net availability of funds from the borrowings for infrastructure development. The State's low return on investments indicates an implicit subsidy and use of high cost borrowings for investments, which yields low return and is not sustainable.

Loans and Advances : Outstanding loans and advances given by the State Government to Statutory Corporations, Government companies and Co-operative Societies was ₹10,456 crore, recording an increase of ₹1,062 crore over the previous year. There was huge arrears in repayment of loan from 68 institutions amounting to ₹6,382.47 crore (including interest), which include Kerala Water Authority (₹2,922.55 crore), Kerala State Electricity Board (₹1,536.21 crore), Kerala State Road Transport Corporation (₹459.97 crore) and Kerala State Cashew Development Corporation (₹395.32 crore). In spite of these arrears, ₹771.83 crore was released to defaulting loanees during 2012-13. This includes Kerala State Housing Board (₹267.59 crore), Kerala Water Authority (₹256.91 crore) and Kerala State Road Transport Corporation (₹175 crore). Before release of loans to statutory corporations/ Government companies, Government should review the repaying capacity of these institutions and alternate methods may be considered for releasing funds.

Debt Management: Fiscal liabilities at the end of the current year worked out to ₹1,08,477 crore and stood at 29.9 *per cent* of GSDP, which was better than the target of 31.7 *per cent* fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011. The quantum spread along with primary decreased steadily from 2010-11 to 2012-13 and became negative in 2012-13 showing rising trend of Debt-GSDP ratio. The resource gap (sufficiency of non-debt receipts) was negative during the period 2008-13 (except during 2010-11) which showed that the incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden. The maturity profile of debt of the State shows that the State will have to repay 42.4 *per cent* of its debt between one and seven years.

There has been a decline in net availability of funds from its borrowings as large portion of these funds are being used for debt servicing. The ratio of financial assets to liabilities has also deteriorated indicating the greater part of liabilities was without an asset backup. The Balance from Current Revenue (BCR) plays a critical role in determining the State's plan size. A negative BCR adversely affects the same and reduces the availability of funds for additional infrastructure requirement.

Deficit : All the key fiscal parameters, i.e., revenue, fiscal and primary deficits increased during 2012-13 when compared to previous year. The revenue, fiscal and primary deficit increased to ₹9,352 crore, ₹15,002 crore and ₹7,797 crore in 2012-13 from ₹8,035 crore, ₹12,815 crore and ₹6,521 crore respectively in 2011-12. The ratio of revenue deficit to fiscal deficit decreased from 62.7 *per cent* in 2011-12 to 62.3 *per cent* in 2012-13. As a proportion of GSDP, the revenue deficit increased to 2.6 *per cent* in 2012-13. These percentages were more than the targets fixed (0.89 *per cent* and 2.74 *per cent*) in the Medium Term Fiscal Plan for 2012-13 to 2014-15.

Increasing revenue and fiscal deficit shows growing fiscal imbalance of the State. Similarly, increase in the ratio of revenue deficit and fiscal deficit indicates that the application of borrowed funds has largely been to meet current expenditure.

Monitoring of funds transferred directly from the GOI to the State implementing agencies: Government of India directly transferred ₹2,289.26 crore to the state implementing agencies during the year. But transfer of funds from Government of India to the state implementing agencies directly ran the risk of inadequate monitoring of utilisation of funds by these agencies in the absence of uniform accounting procedures and effective monitoring system. The State Government have to put in place an appropriate control mechanism to ensure proper accounting and timely utilisation of funds flowing directly to implementing agencies through off-budget route

Chapter II

Financial Management and Budgetary Control

During 2012-13, expenditure of ₹62,958.33 crore was incurred against total grants and appropriation of ₹73,854.87 crore, resulting in savings of ₹10,896.54 crore. The overall savings were the net result of savings of ₹11,384.55 crore off set by excess of ₹488.01 crore that require regularisation. Apart from this, regularization of excess expenditure under Article 205 of the Constitution of India was pending for ₹1104.75 crore from 1990-91 to 2011-12. In 45 cases, ₹3,927.33 crore was surrendered on the last day of the financial year, while in seven grants/appropriation savings amounting to ₹86.66 crore were not surrendered. In 127 cases, augmentation/reduction of provision by re-appropriation proved injudicious as the final expenditure of the re-appropriated sub heads resulted in savings/excess by more than rupees two crore. Fifty five Controlling Officers did not reconcile expenditure amounting to ₹6,920.44 crore for the year 2012-13.

Budgetary controls need to be strengthened in all Government Departments. Reappropriation/surrender of funds may also be done at the earliest in order to make the funds available to the needy departments of the Government.

Chapter III

Financial Reporting

The Government's compliance with various rules, procedures and directives was lacking in various departments, which was evident from delays in furnishing of utilisation certificates against loans and grants by various grantee institutions. Delays were also noticed in submission of annual accounts by autonomous bodies and departmentally managed commercial undertakings. There were instances of outstanding cases of losses and misappropriations for which departmental action was pending for long periods. Significant amounts of expenditure and receipts under Central and State schemes, booked under the Minor head '800-Other Expenditure'

and '800-Other Receipts' were not distinctly depicted in the Finance Accounts of 2012-13, affecting the correctness in financial reporting. During 2012-13, expenditure aggregating ₹4,321.11 crore and receipts aggregating ₹715.78 crore were classified under the Minor Heads '800 Other Expenditure' and '800-Other Receipts' respectively.

The departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes to the grantee institutions and the annual accounts in respect of the autonomous bodies to the Principal Accountant General (Accounts and Entitlement), Kerala and the Principal Accountant General (Social and General Sector Audit), Kerala respectively. Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases. Large amounts received or expended under various schemes should be depicted in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts' to ensure correctness in financial reporting.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Profile of Kerala

The State is located at the southern end of the country, sharing borders with Tamil Nadu and Karnataka. In terms of geographical area, Kerala is ranked 21st in the country with an area of 38,863 sq.km. While the State is having a population of 3.34 crore (12th in the country), it remains the third most densely populated State with a density of 859 persons per sq.km. As indicated in **Appendix 1.1**, the State's population increased from 3.18 crore in 2001 to 3.34 crore in 2011 recording a decadal growth of five *per cent*. The State's percentage of population below the poverty line is less than the all-India average. The State's Gross State Domestic Product (GSDP) in 2012-13 at current prices was ₹3,63,305 crore. The State's literacy rate increased from 90.92 *per cent* (as per 2001 census) to 93.91 *per cent* (as per 2011 census). The per capita income of the State at current prices (Economic Review 2012) stands at ₹90,816 against the country average of ₹68,491. General data relating to the State is given in **Appendix 1.1**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognized final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's GDP at current prices are indicated below:

Table 1.1: Trends in annual growth of GDP and GSDP (at current prices)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
India's GDP (₹ in crore)	5303567	6108903	7266967	8353495	9461013
Growth rate of GDP (percentage)	15.75	15.18	18.96	14.95	13.26
State's GSDP (₹ in crore)	202783	231999	269474	315206	363305
Growth rate of GSDP (percentage)	15.78	14.41	16.15	16.97	15.26

Source : figures furnished by Economics and Statistics Department

During the last two years, the GSDP growth rate of the State was better than the growth rate of GDP of the country. This indicates the better economic performance of the State during the above period.

1.1 Introduction

This chapter is based on the audit of Finance Accounts and makes an assessment of the Kerala Government's fiscal position as on 31 March 2013. It provides a broad perspective of the finances of the Government of Kerala during 2012-13

and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view of the overall trends during the last five years. The structure and form of Government Accounts have been explained in **Appendix 1.2 Part A** and the layout of the Finance Accounts is shown in **Appendix 1.2 Part B**. The methodology adopted for the assessment of the fiscal position of the State and norms/ceilings prescribed by the Kerala Fiscal Responsibility Act, 2003 are given in **Appendix 1.3**. As prescribed in the Act, the Government laid its Medium Term Fiscal Policy and Strategy Statement with Medium Term Fiscal Plan for 2012-13 to 2014-15 in the State legislature in March 2012.

1.1.1 Summary of Current Year's Fiscal Transactions

The **Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2012-13) vis-à-vis the previous year (2011-12), while **Appendix 1.4** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of Fiscal operations in 2012-13

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
					Non-plan	Plan	Total
Section –A:Revenue							
Revenue Receipts	38010.36	44137.30	Revenue Expenditure	46044.62	46639.41	6849.33	53488.74
Tax Revenue	25718.60	30076.61	General Services	20300.02	22718.03	68.58	22786.61
Non-tax Revenue	2592.18	4198.51	Social Services	16223.86	14565.47	4312.02	18877.49
Share of Union Taxes/ Duties	5990.36	6840.65	Economic Services	6131.66	5339.69	2468.73	7808.42
Grants from Government of India	3709.22	3021.53	Grants-in-aid and contribution	3389.08	4016.22		4016.22
Section-B : Capital and Others							
Miscellaneous Capital Receipts	16.05	14.81	Capital Outlay	3852.92	1137.63	3465.66	4603.29
Recoveries of Loans and Advances	54.90	73.61	Loans and Advan- ces disbursed	998.54	533.06	603.09	1136.15
Public Debt Receipts	9798.96	13261.19	Repayment of Public Debt	2893.06			2804.08
Contingency Fund	33.92	20.80	Contingency Fund	20.80			..
Public Account Receipts	95829.74	105879.64	Public Account disbursements	91200.26			100455.82
Opening Cash Balance	5059.73	3793.46	Closing Cash Balance	3793.46			4692.73
Total	148803.66	167180.81	Total	148803.66			167180.81

(Source : Finance Accounts for the respective years)

The following are the major changes in fiscal transactions during 2012-13 over the previous year

- The Revenue receipts grew by 16 *per cent* relative to previous year. The increase in revenue receipts (₹6,126.94 crore) was contributed by increase in tax revenue by ₹4,358.01 crore, non-tax revenue by ₹1,606.33 crore and Share of Union Taxes/Duties by ₹850.29 crore. This increase was partly offset by decrease in Grants from Government of India by ₹687.69 crore. Though the total tax revenue collected during 2012-13 (₹30,076.61 crore) was higher than the normative assessment (₹28,355.99 crore) made by the Thirteenth Finance Commission (ThFC), it was less than the projections made (₹32,122 crore) in the Medium Term Fiscal Plan (MTFP) for the year. However, non-tax revenue collection for the year (₹4,198.51 crore) was higher than the projections in ThFC report (₹2,187.16 crore) and MTFP (₹3,495 crore).
- The Revenue expenditure increased by ₹7,444.12 crore (16 *per cent*) due to increase in expenditure under General Services (₹2,486.59 crore), Social Services (₹2,653.63 crore), Economic Services (₹1,676.76 crore) and Grants-in-aid and Contributions (₹627.14 crore). Crucially, the actual Non-plan revenue expenditure for 2012-13 (₹46,639.41 crore) exceeded the normative assessment made by the ThFC (₹34,752.86 crore) by ₹11,886.55 crore (34 *per cent*).
- Capital expenditure increased by ₹750.37 crore (19 *per cent*) mainly due to increase in expenditure under major heads ‘Other Transport Services’ (₹354.66 crore) and ‘Roads and Bridges’ (₹338.31 crore).
- Public debt receipts increased by ₹3,462.23 crore due to increase in internal debt receipts by ₹3317.08 crore and increase in borrowings from GOI by ₹145.15 crore.
- Public Account receipts and disbursements increased by ₹10,049.90 crore and ₹9,255.56 crore respectively over the previous year.
- The cash balance of the State increased by ₹899.27 crore from ₹3,793.46 crore as on 31 March 2012 to ₹4,692.73 crore as on 31 March 2013.

1.1.2 Review of the fiscal situation

The State Government enacted the Kerala Fiscal Responsibility Act, 2003 which came into force on 5 December 2003 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or thereto. As per the stipulation in the Kerala Fiscal Responsibility Act, 2003, a Medium Term Fiscal Policy (MTFP) and Strategy Statement is to be prepared, covering fiscal targets fixed for ensuing three financial years, and submitted along with the budget documents to

the State Legislature. The State has resumed its fiscal consolidation efforts with the amendment to Kerala Fiscal Responsibility Act 2003, incorporating target put forth by the ThFC in the revised roadmap for fiscal consolidation.

Accordingly, major fiscal variable targets set by the State Government in budget estimates for 2012-13 and corresponding targets given in the ThFC report are detailed below;

Table 1.3: Comparison of fiscal variable targets

Fiscal variables	2012-13		
	Targets fixed by ThFC	Targets fixed in BE	Actual Ratio
Revenue deficit/ GSDP	0.9	0.89	2.6
Fiscal deficit/ GSDP	3.5	2.74	4.1
Outstanding Debt to GSDP	31.7	25.86	29.9

Source : ThFC report and budget documents for 2012-13

According to the Act, the Government is committed to reduce the revenue deficit to 'nil' within a period of four years commencing on the 1 April 2011 and ending with the 31 March 2015 by reducing the revenue deficit in the years 2011-12, 2012-13, 2013-14 and 2014-15 in the order of 1.4 *per cent*, 0.9 *per cent*, 0.5 *per cent* and zero *per cent*, respectively, of the GSDP. The Government is also committed to reduce the fiscal deficit to 3 *per cent* of the estimated GSDP within a period of three years commencing on the 1 April, 2011 and ending with the 31 March, 2014 by maintaining the fiscal deficit at a level not exceeding 3.5 *per cent* of the gross state domestic product in the years 2011-12 and 2012-13 and reducing it to 3 *per cent* in 2013-14.

It was observed that the State could not achieve the revenue/fiscal deficit targets set in the revised fiscal consolidation path stipulated in the ThFC report as well as that estimated in the budget documents. Disproportionate growth of revenue expenditure together with non-realisation of estimated revenue collection led to increase in revenue/fiscal deficit and consequent non-achievement of fiscal targets. However, State's Debt-GSDP ratio was well within the target fixed by the ThFC.

1.1.3 Budget estimates and actual

As per Article 202 of the Constitution of India, the Governor of the State shall, cause to be laid before the House of the Legislature of the State a statement of the estimated receipts and expenditure of the State for a financial year. This estimated statement of receipt and expenditure for a financial year named in the Constitution as the 'Annual Financial Statement' is commonly known as 'Budget'. The budget is Government's most important economic policy tool, that translates Government's policies, political commitments, and goals into decisions on how much revenue to raise, how it plans to raise it and how to use these funds to meet the State's competing needs. A budget system that functions well is crucial to developing sustainable fiscal policies and economic growth.

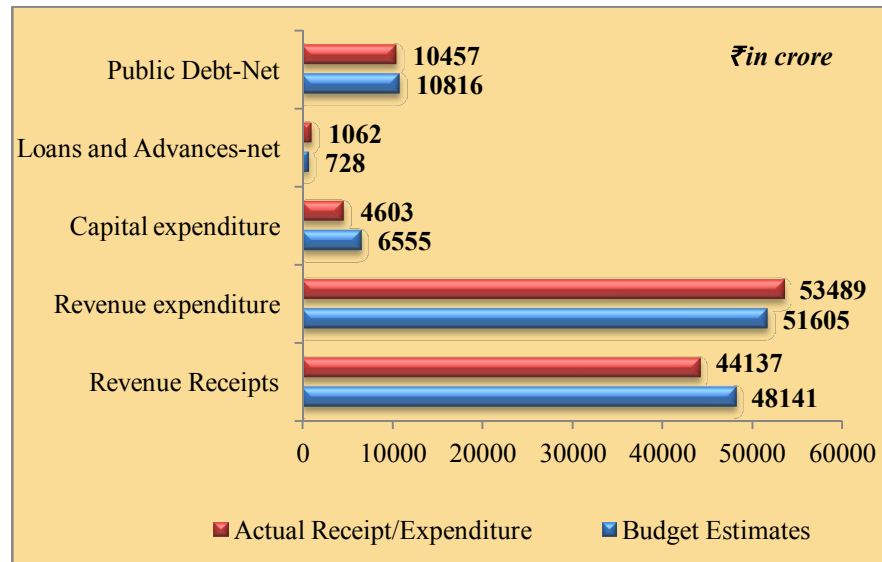
Comparison of State’s budget estimates vis-à-vis actuals for the year 2012-13 is detailed in **Table 1.4** and **Chart 1.1** given below:

Table 1.4: Budget estimates and actual for 2012-13

(₹ in crore)

Particulars	Budget Estimate	Revised Estimate	Actual
Revenue Receipts	48141	48269	44137
Revenue Expenditure	51605	51676	53489
Revenue Deficit	3464	3407	9352
Capital Expenditure	6555	6903	4603
Loans and Advances (Net) ¹	(-728)	(-1057)	(-1062)
Public Debt (Net) ²	10816	10754	10457
Public Account (Net) ³	176	482	5424

Chart 1.1: Budget estimation vis-à-vis actuals



During the year revenue receipts were lower than the estimated amount as receipts in respect of tax revenue and grants-in-aid were much lower than the amount estimated by the State Government. However, non-tax revenue collection was higher than the estimated amount. Similarly, Revenue expenditure and loans and

¹ Minus figure was due to loan disbursement more than loan repayment

Particulars	Receipt	Expenditure	Net
2. Public Debt	13261	2804	10457
Internal Debt	12709	2478	10231
Loans & Advances from GOI	552	326	226
3. Public Account	105880	100456	5424
Small Savings	23821	20135	3686
Reserves	382	528	(-) 146
Deposit and Advances	7840	6699	1141
Suspense	64132	63420	712
Remittances	9705	9674	31

advances (net) were higher than the estimated amount and capital expenditure was less than the estimated amount. Wide variation in estimates and actuals, in respect of tax-revenue and revenue expenditure led to disproportionate growth of revenue deficit during the year.

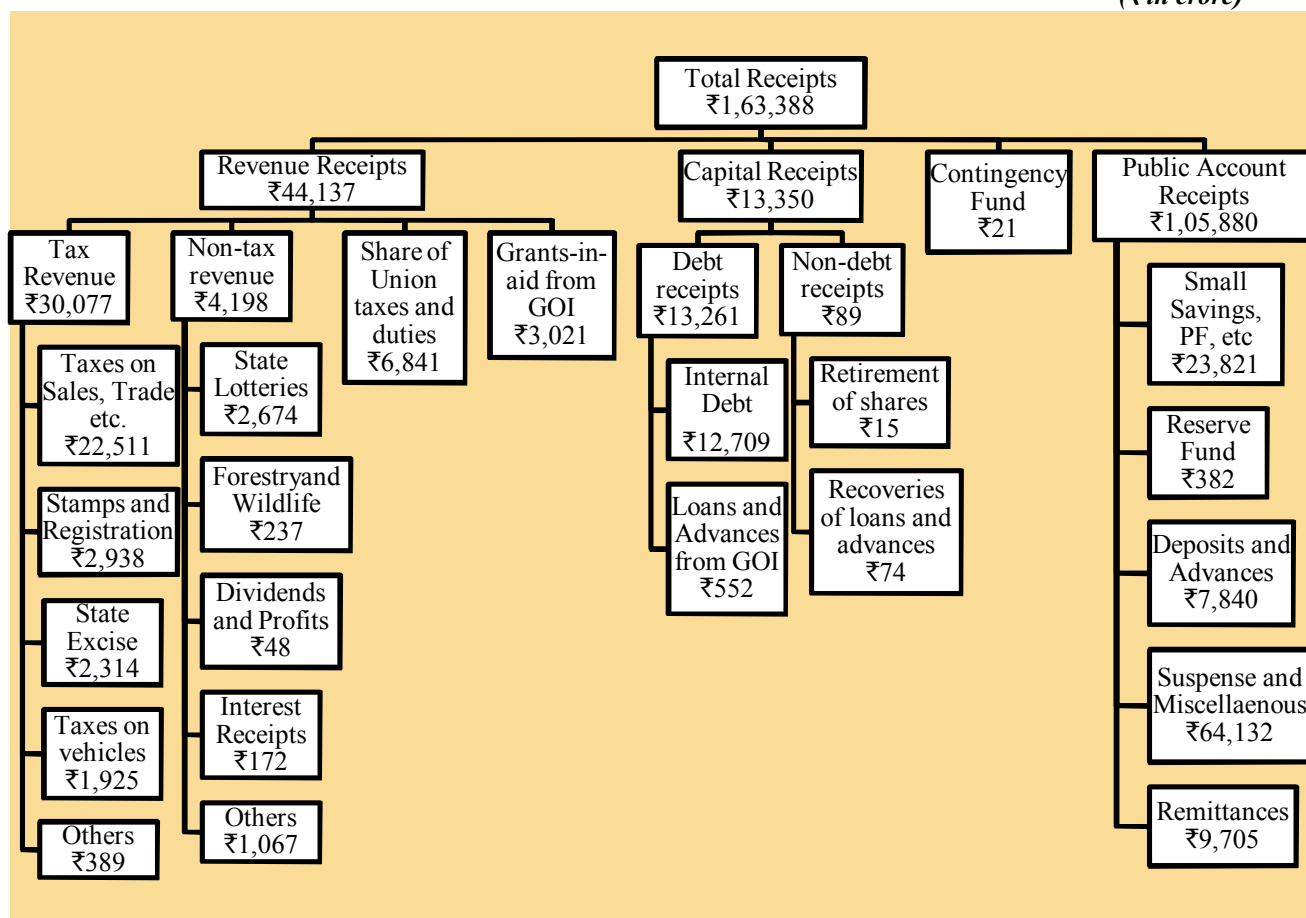
1.2 Resources of the State

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of Tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from other financial institutions/commercial banks) and loans and advances from GOI. Besides the funds available in the Public Accounts after disbursement is also utilized by the Government to finance its deficit. **Chart 1.2** depicts the composition of resources of the State during the current year.

Chart 1.2 : Composition of receipts

(₹in crore)



Total receipts⁴ of the State Government increased from ₹87,843 crore in 2008-09 to ₹1,63,388 crore in 2012-13, recorded an increase of 86 per cent during the last five years. Public Account receipt has the major share in total receipts of the State Government and it was ranged between 64 to 67 per cent during the last five years. Trend in total receipt during the last five years is given in **Chart 1.3** and composition of total receipt during 2012-13 is given in **Chart 1.4**.

Chart 1.3: Trend in total receipts during the last five years(₹ in crore)

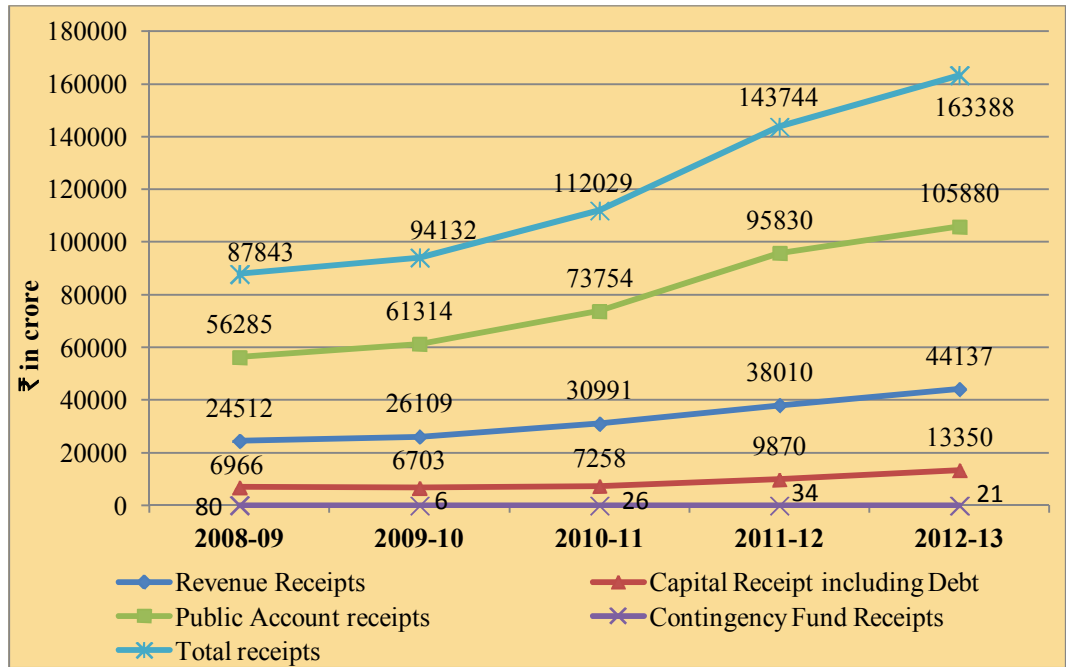
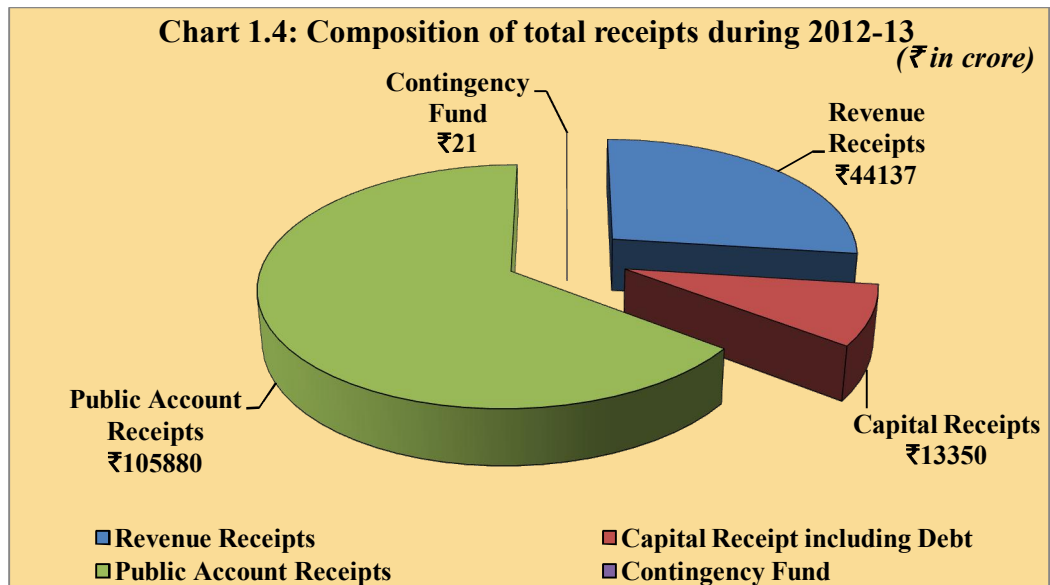


Chart 1.4: Composition of total receipts during 2012-13 (₹ in crore)



⁴ Consists of Revenue receipts, Capital receipts including Debt receipts and Public Account receipts.

1.2.2 Funds transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State implementing agencies⁵ for implementation of various schemes/programmes in social and economic sectors, which are recognized as critical. In the present system these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government. To present the holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies, implementing 12 major centrally sponsored schemes, are presented in **Table 1.5**.

Table 1.5: Funds transferred directly to State implementing agencies

(₹ in crore)

Sl. No.	Programme/scheme and implementing agency	Un-utilised balance as on 1 April 2012	GOI release during 2012-13	State release	Other receipts	Amount utilised	Balance as on 31 March 2013
1.	Mahatma Gandhi National Rural Employment Guarantee scheme-District Rural Development Agencies (Poverty Alleviation Unit)	85.81	1311.18	21.02	14.65	1416.35	16.31
2.	Pradhan Mantri Gram Sadak Yojana-Kerala State Rural Roads Development Agency	187.84	1.50	0.00	0.00	57.00	132.34
3.	Rural Housing-Indira Awaas Yojana-District Rural Development Agencies (Poverty Alleviation Unit)	62.52	153.44	53.02	37.41	218.31	88.08
4.	Rashtriya Madhyamik Shiksha Abhiyan-Secondary Education Development Society Kerala	33.10	15.27	30.00	0.10	21.09	57.38
5.	Ajeevika-District Rural Development Agencies (Poverty Alleviation Unit)	0.00	35.86	6.56	0.00	20.66	21.76
6.	National Horticulture Mission-Kerala State Horticulture Mission	4.83	35.00	11.00	0.00	41.02	9.81
7.	National Rural Drinking Water Programme-Kerala Water Authority	0.25	249.04	31.73	3.67	246.77	37.92
8.	Sarva Shiksha Abhiyan-Primary Education Development Society of Kerala	189.19	134.49	128.03	31.96	429.70	53.97

⁵ State implementing agencies include any organization/institution including Non-Governmental organization which is authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State.

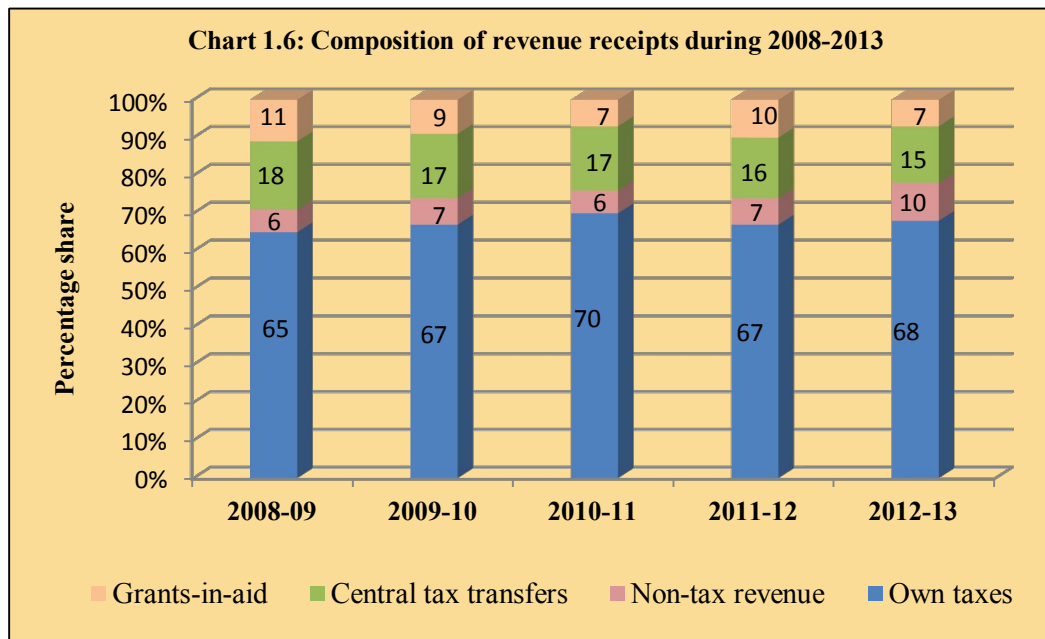
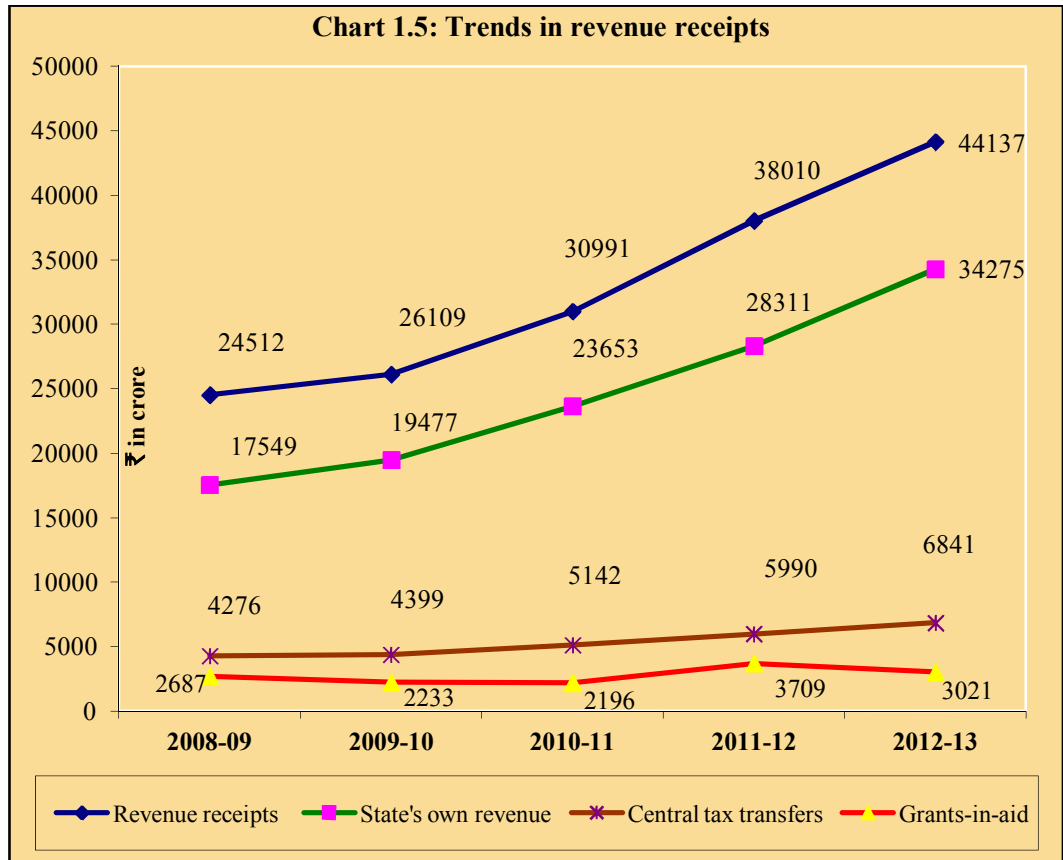
Sl. No.	Programme/scheme and implementing agency	Un-utilised balance as on 1 April 2012	GOI release during 2012-13	State release	Other receipts	Amount utilised	Balance as on 31 March 2013
9.	Swarna Jayanthi Shahari Razgar Yojana-State Poverty Eradication Mission (Kudumbashree)	25.19	32.28	11.85	7.83	23.39	53.76
10.	National Rural Health Mission State Health and Family Welfare Society	117.79	196.87	234.18	0.00	537.11	11.73
11.	Rashtriya Swasthya Bima Yojana-Comprehensive Health Insurance Agency of Kerala	0.00	118.56	95.00	0.00	213.56	0.00
12.	Integrated Watershed Management Programme-District Rural Development Agencies (Poverty Alleviation Unit)	2.01	5.77	0.58	0.00	5.92	2.44
Total		708.53	2289.26	622.97	95.62	3230.88	485.50

Source : Information furnished by respective implementing agencies

As per the information furnished by these implementing agencies, an amount of ₹485.50 crore remaining un-utilised (March 2013) with them. Due to inadequate monitoring on the part of State Government on these direct transfers, there was risk of improper utilisation of funds by implementing agencies. Unless uniform accounting practices are followed by all these agencies, with proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, share of central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2008-13 are presented in **Appendix 1.5** and also depicted in **Charts 1.5** and **1.6** respectively.



The revenue receipts of the State increased by 80 per cent during the last five years (2008-2013). Though, during the same period State's own revenue recorded an increase of 95 per cent, increase in Central tax transfers (60 per cent) and

Grants-in-aid and contributions from GOI (12 *per cent*) was not to that extent. As shown in **Chart 1.6**, during 2012-13, the share of Central tax transfers and Grants-in-aid and contributions from GOI in revenue receipts decreased by one and three percentage points respectively, as compared to previous year (2011-12).

During 2003-04 to 2011-12, the compounded annual growth rate of revenue receipts (15.20) was less than the growth rate of other General Category States (17.48). This growth rate for the period 2003-04 to 2012-13 was 15.77 *per cent* (**Appendix 1.1**).

Revenue collected (₹44,137 crore) during the year was lower than the projections made (₹48,141 crore) in the Medium Term Fiscal Plan by ₹4,004 crore (eight *per cent*).

The trends in revenue receipts relative to GSDP are presented in **Table 1.6**.

Table 1.6: Trends in Revenue receipts relative to GSDP during 2008-13

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹ in crore)	24512	26109	30991	38010	44137
Rate of growth of RR (<i>per cent</i>)	16.1	6.5	18.7	22.6	16.1
State's own tax revenue (₹ in crore)	15990	17625	21722	25719	30077
Rate of growth of own tax revenue (<i>per cent</i>)	17.0	10.2	23.2	18.4	16.9
RR/GSDP (<i>per cent</i>)	12.1	11.3	11.5	12.1	12.1
Revenue buoyancy w.r.t GSDP	1.0	0.5	1.2	1.3	1.1
State's Own Tax Buoyancy w.r.t GSDP	1.1	0.6	1.4	1.08	1.1
Revenue Buoyancy with reference to State's own taxes	0.95	0.64	0.80	1.23	0.95

Source : Finance Accounts and information furnished by the Economics and Statistics Department

- The growth rate of revenue receipts has shown an increasing trend during 2009-12. However, it decreased from 22.6 *per cent* in 2011-12 to 16.1 *per cent* in 2012-13 due to decrease in receipts, in respect of central tax transfers and grants-in-aid from GOI.
- Revenue buoyancy with reference to GSDP was above one during the last three years (2010-13), indicating that growth rate of revenue receipts was better than the growth rate of GSDP in the State.
- The State's own tax buoyancy with respect to GSDP was also more than one during 2010-13 indicating own tax growth was better than GSDP growth.

1.3.1 State's own resources

As the State's share in central taxes and grant-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilization of resources was assessed in terms of its own resources comprising own tax and non-tax sources.

The States actual tax and non tax receipts for the year 2012-13 vis-à-vis assessment made by Thirteenth Finance Commission and Medium Term Fiscal Plan are given in the **Table 1.7** below:

Table 1.7: Projections and realization of revenue

(₹ in crore)

Particulars	ThFC projection	Budget estimates and MTFP projection	Actual
Tax Revenue	28356	32122	30077
Non-tax Revenue	2187	3495	4198

Source : ThFC report, Budget documents and Finance Accounts

The total of tax revenues collected during 2012-13 (₹30,077 crore) was six *per cent* more than the normative assessment made by the ThFC (₹28,356 crore) for the year but it was six *per cent* less than the projections made by the Government in Medium Term Fiscal Plan and Annual Budget estimates (₹32,122 crore). However, non-tax revenue collection was higher than normative assessment made by ThFC and projections in Annual budget and MTFP, due to increased receipts under State Lotteries.

1.3.1.1 Tax Revenue

The State's own tax revenue increased by 16.9 *per cent* from ₹25,719 crore to ₹30,077 crore during the current year. The gross collections in respect of major taxes and duties, during the last five years are given in **Table 1.8**:

Table 1.8: Components of State's own Tax Revenue during 2008-13

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Taxes on Sales, Trade etc.	11377	12771	15833	18939	22511
Stamps and Registration fees	2003	1896	2552	2987	2938
State Excise	1398	1515	1700	1883	2314
Taxes on vehicles	937	1131	1331	1587	1925
Land Revenue	48	54	56	61	122
Taxes on Agricultural income	12	28	47	43	19
Other Taxes	215	230	203	219	248
Total	15990	17625	21722	25719	30077

Source : Finance Accounts of respective years

'Taxes on Sales, Trade etc.', was the major source of the State's own tax revenue during the last five years and its share increased from 71 *per cent* (2008-09) to 75 *per cent* (2012-13). 'Stamps and Registration fees' (10 *per cent*), 'State Excise' (eight *per cent*) and 'Taxes on Vehicles' (six *per cent*) were the remaining major source of State's own tax revenue.

‘Taxes on Sales, Trade etc.’ increased by 19 *per cent* (₹3,572 crore) during 2012-13 over the previous year. This increase in revenue was mainly under ‘Value Added Tax’ (₹2,368 crore) and ‘Receipts under State Sales Tax Act’ (₹1,167 crore).

Receipts under ‘State Excise’ increased by 23 *per cent* (₹431 crore) during 2012-13 over the previous year. The increase was mainly under ‘Foreign Liquors and Spirits’ (₹584 crore). This was partly offset by decrease in receipts under ‘Country Fermented Liquors’ (₹109 crore) and ‘Malt Liquor’ (₹47 crore).

Receipts under ‘Taxes on Vehicles’ increased by 21 *per cent* (₹337 crore) due to increased receipts under ‘Receipts under the State Motor Vehicles Taxation Act’ (₹324 crore).

1.3.1.2 Non-tax revenue

Collection under non-tax revenue increased by 62 *per cent* from ₹2,592 crore in 2011-12 to ₹4,198 crore in 2012-13. Major components of non-tax revenue, during the last five years are detailed in **Table 1.9**.

Table 1.9: Composition of non-tax revenue during 2008-13

(₹ in crore)					
Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Interest receipts	51	153	172	136	172
Dividends and profits	35	27	75	67	48
State Lotteries	420	624	571	1283	2674
Forestry and Wildlife	191	273	274	221	237
Other non-tax receipts	862	775	839	885	1067
Total	1559	1852	1931	2592	4198

Source : Finance Accounts of respective years

State’s non-tax revenue sources mainly comprised receipts from ‘State Lotteries’ (64 *per cent*), ‘Forestry and Wildlife’ (six *per cent*), ‘Dividends and profits’ (one *per cent*) and ‘Interest Receipts’ (four *per cent*). During 2012-13 substantial increase in revenue was recorded under ‘State Lotteries’ (₹1391 crore). Increase was also recorded under ‘Interest Receipts’ (₹36 crore) and ‘Forestry and Wildlife’ (₹16 crore). Though the receipts under ‘State Lotteries’ (₹2,674 crore) recorded an increase of 108 *per cent* over the previous year, with an equally high expenditure (₹2,083 crore) during the current year the net yield from lotteries was only ₹591 crore, which was higher by ₹210 crore than the net yield of ₹381 crore of the previous year.

1.3.2 Grants-in-aid from Government of India

Grants-in-aid from the Government of India decreased by ₹688 crore (18.54 *per cent*) from ₹3,709 crore in 2011-12 to ₹3,021 crore in 2012-13. The decrease was mainly under ‘Non-plan grants’ (₹776 crore) and ‘Grants for Centrally sponsored

schemes' (₹157 crore). This decrease was partly offset by increase in 'Grants for State plan schemes' (₹259 crore). Trends in receipt of grants-in-aid from GOI are detailed in **Table 1.10**.

Table 1.10: Status of Grants-in-aid received from Government of India

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-plan grants	589	646	490	1433	657
Grants for State plan schemes	1376	975	934	904	1163
Grants for central plan schemes	48	48	43	74	60
Grants for Centrally sponsored schemes	674	564	729	1298	1141
Total	2687	2233	2196	3709	3021
Percentage of increase over previous year	23.46	(-)16.90	(-)1.66	68.90	(-)18.55
Total grants as a percentage of Revenue Receipts	11	9	7	10	7

Source : Finance Accounts of respective years

Grants from Central Government for State Plan schemes showed declining trend, during the period from 2008-09 to 2011-12. However, it increased by ₹259 crore during 2012-13 mainly due to receipt of Additional Central Assistance of ₹123 crore, for State annual plan under 'Jawaharlal Nehru Urban Renewal Mission-Urban Infrastructure Development for Small and Medium Towns'.

1.3.3 Central Tax transfers

Central tax transfers increased by ₹851 crore (14.2 per cent) from ₹5,990 crore in 2011-12 to ₹6,841 crore in 2012-13. The increase was mainly under 'Service tax' (₹284 crore), 'Taxes on income other than corporation tax' (₹273 crore), 'Union Excise Duties' (₹100 crore), 'Corporation tax' (₹99 crore) and 'Customs' (₹98 crore).

1.3.4 Efficiency in Tax collection

The expenditure on tax collection in respect of four major revenue sources of the State was more than all India average during the period 2008-12 (except for Taxes on sales, trade etc (2010-11) and Taxes on vehicles (2009-10 and 2010-11)). Details are given in **Appendix 1.6**. However, the percentage of expenditure to gross collection in respect of State's major source of revenue i.e. Taxes on Sales, Trade etc. showed a declining trend during the last five years (except during 2009-10 and 2011-12).

1.3.5 Revenue forgone

During the year, the Government has allowed remission of stamp duty charges amounting to ₹4.55 crore in 12 cases in the public interest. Also during the year, the State Government has written off liabilities pertaining to individuals, amounting to ₹0.34 crore in 28 cases.

1.4 Receipt and Utilisation of Thirteenth Finance Commission Award for the first three years of award period (2010-13)

1.4.1 Introduction

The Thirteenth Finance Commission (ThFC) was constituted by the President of India under Article 280 of the Constitution to make recommendations for the period 2010-2015. The Commission has the mandate to recommend the principles which should govern the grants-in-aid of revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States, which are in need of assistance under Article 275 of the Constitution of India. For the award period (2010-11 to 2014-15), the Commission has recommended an amount of ₹6715.56⁶ crore, under various sectors. Of this, ₹3,112.70 crore was due to the State for the first three years (2010-2013). A review of the receipt and utilisation of ThFC award amount for three years period was conducted to assess:-

- Whether the award amount for the first three years has been actually received, if not reason for the shortfall;
- Whether amount received as Grant has been provided in the annual budget for utilisation by respective implementing departments;
- Whether the amount provided in the budget has been utilized fully;
- Whether the utilisation of award amounts was for the purposes for which they were actually provided; and
- Whether there existed effective monitoring and evaluation system.

Audit findings

1.4.2 Release of award amount by Government of India

During the period 2010-11 to 2012-13, the State Government received an amount of ₹2,222.15 crore, out of an award amount of ₹3112.70 crore, resulting in a short-release of ₹890.55 crore (details are given in **Appendix 1.7**). Sector-wise short-release and specific reasons for the same are as follows:

(i) *Environment related grants*

As against an amount of ₹67.76 crore due for the forest related activities, the State had received ₹59.29 crore resulting in a short-release of ₹8.47 crore. Central-State Finance Commission Cell⁷ stated that shortfall in receipt was due to non-achievement of projected Non-plan revenue expenditure (NPRE) during 2010-11, under the major head 2406-Forestry and Wildlife. In response to Audit's observations, Government replied that non-achievement of projected NPRE was due to booking of forest grant (as per earlier direction of GoI) on the plan side. Government reply cannot be accepted because the booking of ThFC grant under plan or non-plan would not alter the actual NPRE as the net of grant (after

⁶ Includes interest relief of ₹329.22 crore for the loan taken from National Small Savings Fund.

⁷ Cell functioning in the Kerala Government secretariat to monitor the receipt of Finance Commission award.

deducting the ThFC grant utilized from NPRES) alone was considered for ascertaining NPRES.

Under water sector management, grant was for meeting non-salary expenses like maintenance of major, medium and minor irrigation schemes, in addition to normal assistance of the State. The grant was to be released in two equal instalments. The conditions for release were:-

- The State should set up an independent Water Regulatory Authority and notify by 31 March 2012.
- The State should achieve the recovery rate as projected by the ThFC.

Non-adherence to the above two conditions resulted in shortfall of ₹44 crore in the first three years.

(ii) Improving outcomes

For improving justice delivery⁸ an amount of ₹84.03 crore was due to the State in the first three years. However, the State received ₹42.02 crore, resulting in a shortfall of ₹42.01 crore. This was due to under-utilisation of amount released during the first year.

An amount of ₹29.76 crore was due to the State under incentive grant for UID; against this, release was only ₹4.96 crore, resulting in shortfall of ₹24.80 crore. The release was based on the progress of enrolment of 'Below Poverty Line' beneficiaries. Slow pace in enrolment contributed to the shortfall.

For improving Statistical systems at district and state level, ₹8.40 crore was awarded and the State received only ₹2.80 crore due to non-achievement of milestones (resulting in under-utilisation of first instalment) fixed by the Finance Commission.

(iii) Maintenance of Roads and Bridges

This grant is provided for maintenance of roads and bridges, and the yearly release was in single instalment during the month of July. The release was based on the condition that the NPRES of a particular year should reach the NPRES projected to the ThFC. As the NPRES (₹552.27 crore) for the year 2010-11 was below the projected NPRES (₹574.12 crore), the award amount (₹232 crore) for the year 2012-13 was not released to the State. The Department attributed the shortfall in expenditure to delayed settlement of work bills and stated that the expenditure would be booked during the earlier part of the next year.

(iv) Grant for capacity building

ThFC has awarded an amount of ₹20 crore (₹ four crore in each year) to undertake measures to build capacity amongst those handling response and creating awareness amongst people for effective disaster response. Out of the

⁸ Speedy disposal of cases by holding morning/evening/shift courts, enhancing support to Lok Adalath, providing additional funding to State Legal Service Authorities, etc.

award amount of ₹12 crore (for the first three years), the State received only ₹ eight crore, resulting in a short-release of ₹ four crore (award amount for 2012-13). This was due to low utilisation of grant released in the first two years.

(v) Local Bodies Grant

An amount of ₹1,206.50 crore was due to the State Government as Basic Grant and Performance Grant. The State had received ₹1,023.76 crore resulting in a shortfall of ₹182.74 crore. The shortfall in receipt was due to delayed transfer of funds to Local Self Government Institutions by the State Government.

(vi) State Specific Grants

In respect of State Specific Grants, instructions issued by Ministry of Finance stipulate that 2/3rd of the first year release was to be utilized for getting second year release. Owing to short utilisation of first release, against the award amount of ₹750 crore, ₹346.93 crore was not released by the Government of India. Sector-wise short-release is as follows:

Table 1.11: Short-release of funds under State Specific Grants

(₹ in crore)				
Sl. No.	Name of the Sector	Award amount by ThFC	Amount released by GOI	Shortfall in receipt
1.	Inland water ways/coastal zone management	100.00	40.02	59.98
2.	Primitive tribal group	74.00	11.55	62.45
3.	Health infrastructure	99.00	49.50	49.50
4.	Fisheries	100.00	50.00	50.00
5.	Animal Husbandry	75.00	37.50	37.50
6.	Kuttanad Development	150.00	75.00	75.00
7.	Water bodies	25.00	12.50	12.50
Total		623.00⁹	276.07	346.93

Source : Compiled from Detailed Appropriation Accounts and information furnished by departments

In the case of inland water ways/coastal zone management and primitive tribal groups, apart from the condition mentioned above, submission of working plan for lesser amount also contributed to the short-release.

1.4.3 Allocation of ThFC Grant to implementing agencies and its utilisation

For the efficient utilisation of ThFC grant, amount received by the State Government has to be provided in the budget and released to the implementing offices/agencies in time. Audit scrutiny revealed that ThFC grant received by the State Government during the first three years has been included in the budget for respective years for utilisation by implementing offices/agencies. However,

⁹ There was no shortfall in receipt under upgradation of police (₹50 crore) and up-gradation of prisons (₹77 crore)

under-utilisation of the above allocation was noticed in some sectors as detailed below:

Table 1.12: Utilisation of funds released

(₹ in crore)

Sl. No.	Name of the Sector	Amount received	Amount utilised	Amount not utilised
	Environment related grants			
1.	Water sector management	44.00	39.20	4.80
	Improving outcomes			
2.	Improving justice delivery	42.02	12.56	29.46
3.	Improving statistical systems at district and state level	2.80	1.90	0.90
4.	Data base for employees and pensioners	2.50	...	2.50
	State specific grants			
5.	Inland waterways/coastal zone management	40.02	26.29	13.73
	Total	131.34	79.95	51.39

Source : Information furnished by departments

Delay in awarding the work was stated as the reason for under-utilisation of budget allocation in water sector management. As regards improving justice delivery, the Registrar General of High Court, Ernakulam stated that practical difficulties experienced for setting up morning/evening courts, non-arrangement of training to judicial officers due to delay in construction of State Judicial Academy, etc. are the reasons for under utilization of funds released. In respect of improving statistical systems at district and state level, delay in getting administrative sanction for the action plan and non-completion of activities, particularly surveys and studies proposed by ThFC, attributed to under utilisation of released grant. Procedural delay was the reason stated for reduced utilisation of budget allocation in the case of Inland waterways/coastal zone management.

1.4.4 Parking of funds in Treasury Savings Bank and other commercial bank accounts

When an amount was drawn from the treasury, it was shown as expenditure in Government account. However, it was noticed that, an amount ₹51.71 crore shown as expenditure, was actually parked in Treasury Savings Bank (TSB) account, maintained as part of Public Account, or in other commercial bank accounts. Instances are detailed below:

(i) Incentive grant for UID

State may use the incentive, to directly assist the intended beneficiary or create convenient facilities for them such that the cost of registration is minimal to Below Poverty Line beneficiaries. Audit scrutiny revealed that entire release of ₹4.96 crore was kept in fixed deposit (State Bank of Travancore) as the Kerala IT Mission failed to utilize the fund for intended purpose. The Director, Kerala State IT Mission stated that non-utilisation of fund was due to non-identification of beneficiaries.

(ii) Upgradation of infrastructure for police force

An amount of ₹24.40 crore was given (from November 2011 to January 2012) to Kerala Police Housing Construction Corporation for constructing community police resource centres, tourist protection and police assistance centres, etc. It was noticed that out of the above amount, an amount of ₹10.71 crore remained unutilized and was kept in the Public Account of Kerala Police Housing Construction Corporation (December 2013), maintained in the Treasury. However, the utilisation certificate for entire amount was given to GOI.

(iii) Fisheries

Under fisheries sector, for development of Model fishing villages by constructing houses and providing water supply, sanitation and power, an amount ₹50 crore was released (December 2011) to Deputy Directors (Fisheries) of eight districts and to Managing Director, Kerala State Coastal Area Development Corporation (₹ five crore). It was proposed to construct 284 houses in each of 11 Model villages. As the list of beneficiaries was finalized only at the end of 2012, ₹34.21 crore only could be paid (December 2013) to beneficiaries. As a result, ₹15.79 crore remained unutilized in the TSB accounts of various District Officers. However, the utilisation certificate for entire amount of ₹50 crore was given to GOI.

(iv) Animal Husbandry

To strengthen the animal husbandry sector, including constitution of hi-tech dairy complexes, commercial layer farm and setting up of pharmaceutical production unit an amount of ₹37.50 crore was drawn by the Director of Dairy Development and disbursed as given below:

Table 1.13: Utilisation of funds released under Animal Husbandry*(₹ in crore)*

Amount received by	Purpose	Amount released	Amount utilized
Director of Animal Husbandry	Calf protection programme, Multi speciality complex at Kudappanakunnu, Pharmaceutical division at Veterinary Biological Institute, Palode, Hi-tech dairy complexes at Vithura and Kuriottumala	26.12	15.93
Managing Director, Kerala Livestock Development Board	Hi-tech dairy complex at Dhoni, Palakkad	5.38	0.00
MD, Kerala State Poultry Development Corporation	Hi-tech layer farm at Kudappanakunnu	3.00	0.10
Director of Dairy Development	Automation in milk collection in dairy co-operatives	3.00	1.22
Total		37.50	17.25

Source : Information furnished by departments

Delayed execution of these components resulted in blocking up of ₹20.25 crore in TSB account.

Thus, an amount of ₹51.71 crore shown as expenditure in Government account is actually blocked up in TSB account/commercial banks. While submitting the utilisation certificate to GOI, actual utilisation of the amount was not ensured. Amounts certified as fully utilized were parked in TSB accounts. In response to audit observations, the Principal Secretary, Finance Department stated (August 2013) that a proposal for engaging Finance Inspection Wing to inspect departmental offices to detect parking of funds to overstate utilisation was under consideration.

1.4.5 Utilisation of award amount for unintended purposes

District Innovation Fund was aimed at increasing the efficiency of capital assets already created and the investment was to be used for filling the vital gaps in public infrastructure already available in the district, which was not being fully utilised for want of a relatively small investment. ThFC awarded an amount ₹14.00 crore (₹ one crore for each district and the release of funds would be in two instalments in 2011-12 and 2014-15) and the first instalment of ₹ seven crore was received by Government of Kerala in 2011-12. Audit noticed that in Palakkad and Thiruvananthapuram districts, the funds were not utilized for the purpose, covered under the guidelines, as stated below:

- In Thiruvananthapuram District, the entire amount of ₹50 lakh was utilized for establishment of DC suite project¹⁰, for which estimate was ₹100.03 lakh. The award was intended for capital assets already created and not for new projects.
- In Palakkad District, the entire fund of ₹50 lakh was used for construction of play area including galleries in Indoor stadium, Palakkad.

As the funds are to be used to fill in vital gaps in public infrastructure already available in the district which is not fully utilized for want of relatively small investments, utilisation of funds for bigger projects was irregular.

1.4.6 Monitoring and submission of utilisation certificate

As per the guidelines a State level empowered committee headed by Chief Secretary to the State government was constituted to monitor utilization of grants for its stated objectives. Though the committee was convened in every quarter to ensure proper utilisation of the award amount, audit noticed some deficiency in ensuring timely utilisation of funds. Due to deficient utilisation of funds an amount of ₹890.55 crore (29 per cent) was not received till 2012-13.

1.5 Capital Receipts

Capital receipts comprise miscellaneous capital receipts, recovery of loans and advances released to institutions/organizations and public debt receipts. Trends in receipts under capital sector during the period 2008-13 are detailed in **Table 1.14**.

¹⁰ Office automation programme to provide speedy and efficient service to the public

Table 1.14: Trends in growth and composition of Capital Receipts*(₹ in crore)*

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)					
Miscellaneous Capital Receipts	9	49	25	16	15
Recovery of Loans and Advances	36	38	44	55	74
Public Debt Receipts	6921	6616	7189	9799	13261
Internal Debt Receipts	6153	6053	6828	9392	12709
Loans and Advances from GOI	768	563	361	407	552
Total CR	6966	6703	7258	9870	13350
Rate of growth of debt capital receipts (per cent)	22.6	(-)4.4	8.7	36.3	35.3
Rate of growth of non-debt capital receipts (per cent)	(-)15.1	93.3	(-)20.7	2.9	25.4
Rate of Growth of GSDP(per cent)	15.8	14.4	16.2	17.0	15.3
Rate of growth of CR (per cent)	22.3	(-)3.8	8.3	36.0	35.3
Buoyancy of Debt receipts w.r.t GSDP	1.4	(-)0.3	0.5	2.1	2.3

Source : Finance Accounts of respective years

In Capital receipts share of 'Miscellaneous Capital receipts' and 'Recovery of loans and advances' was less than one *per cent* during the last five years (except during 2009-10). During the period share of 'Internal Debt' in Public Debt receipts increased from 89 *per cent* in 2008-09 to 96 *per cent* in 2012-13. Internal Debt mainly comprised Open Market Borrowings of the State and growth rate shown by debt capital receipts in last two years was mainly due to increased open market borrowing in these years. During the last two years buoyancy of debt receipts with respect to GSDP was more than two due to increased market borrowings.

1.5.1 Proceeds from disinvestment

As of March 2013, the State Government had an amount of ₹4,511.03 crore as investment in Statutory Corporations, Government Companies, Joint Stock companies and Co-operatives. During the year, ₹14.75 crore was received from retirement of capital/disinvestment of shares of co-operative societies/banks and accounted under Miscellaneous Capital Receipts.

1.5.2 Recoveries of loans and advances

During the year, the State Government had released an amount of ₹1,136.15 crore as loans and advances to various institutions/organizations and at the end of March 2013 an amount of ₹10,456.93 crore was outstanding under this head. Against this balance, principal amount recovered was ₹73.47 crore, which was only 0.7 *per cent* of the outstanding balance under loans and advances. As per the details furnished by the Departments (Finance Accounts 2012-13), the repayment arrears from various loanee entities as of March 2013 was ₹6382.47 crore (Principal: ₹3,745.87 crore and Interest: ₹2,636.60 crore), which indicate that State Government's receipts under loans and advances were much less than the amount actually due.

1.5.3 Debt receipts from internal sources

Public Debt receipts of the State Government increased (35 per cent) from ₹9,799 crore in 2011-12 to ₹13,261 crore in 2012-13. This includes, Open Market Borrowing (₹11,583 crore), Special Securities issued to National Small Savings Fund (₹630 crore) and Loans from Financial Institutions (₹496 crore).

Consequent on resetting of interest rates on National Small Savings Fund loans for 2010-11 and 2011-12, as per recommendations of the ThFC, ₹6.90 crore was credited back to Government Account during 2012-13.

1.5.4 Loans and advances from GOI

During the year the State Government received ₹552 crore from GOI as Loans for State Plan schemes and this was 35.6 per cent more than the receipt (₹407 crore) during the previous year.

1.6 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution. Here the Government acts as banker. The balance after disbursements is the fund available with the government for use.

Table 1.15: Net receipts under Public Account heads

(₹ in crore)

Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Account receipts					
a. Small Savings, Provident Fund etc.	5531.33	2849.29	2489.94	3839.05	3685.54
b. Reserve Fund	381.59	328.42	407.21	146.93	-145.58
c. Deposits and Advances	131.91	436.87	468.89	-51.47	1140.93
d. Suspense and Miscellaneous	-85.04	370.14	-197.30	852.37	712.44
e. Remittances	23.45	57.31	26.92	-157.40	30.49
Total	5983.24	4042.03	3195.66	4629.48	5423.82

Compared to previous year, overall net receipts under public account increased by ₹794.34 crore during 2012-13 from ₹4,629.48 crore to ₹5,423.82 crore. Substantial increase was noticed under Deposit and Advances (₹1,192.40 crore) and Remittances (₹187.89 crore). This was partly offset by decrease in other sectors. However, net accretions in the above Public Account heads were the main source of fund to the State Government, for meeting its fiscal gap during the last five years.

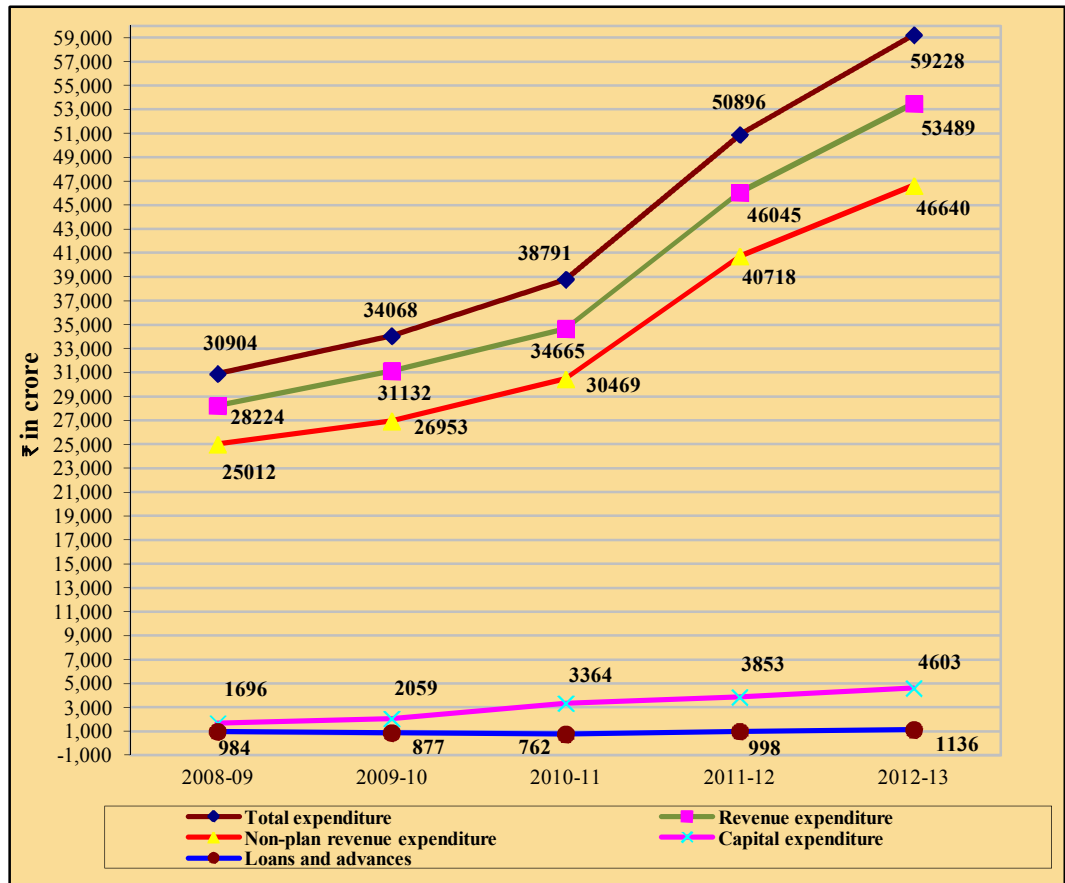
1.7 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

1.7.1 Growth and Composition of Expenditure

The total expenditure of the State Government consists of revenue expenditure as well as capital expenditure which include expenditure on loans and advances. The trends in various components of total expenditure-Plan and Non-Plan revenue expenditure, committed expenditure such as salaries and wages, interest payments, pension payments and subsidies, financial assistance to local bodies, etc., are discussed in the succeeding paragraphs. **Chart 1.7** presents the trends in total expenditure of the State Government over a period of five years (2008-13).

Chart 1.7: Total expenditure: trends and composition



The total expenditure increased by 16.4 per cent in 2012-13 to ₹59,228 crore from

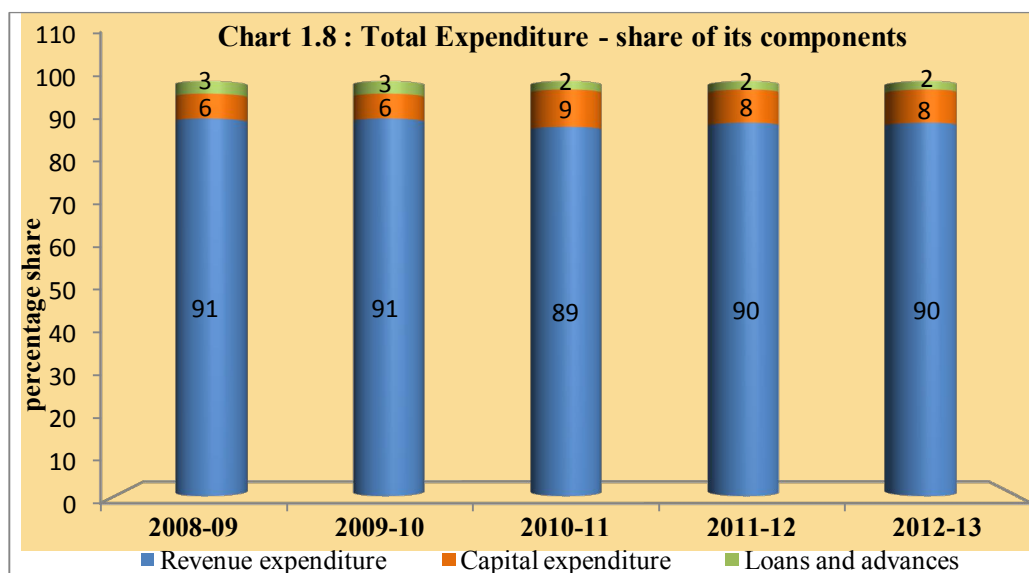
₹50,896 crore in the previous year. The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.16**. During 2003-04 to 2011-12, the compounded annual growth rate of total expenditure (13.96 per cent) was less than the growth rate of other General Category States (14.15 per cent). For the period 2003-04 to 2012-13 the growth rate of the State was further increased to 14.56 per cent (**Appendix 1.1**).

Table 1.16: Total expenditure – basic parameters

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Total expenditure (TE) (₹ in crore)	30904	34068	38791	50896	59228
Rate of growth (per cent)	13.4	10.2	13.9	31.2	16.4
TE/GSDP ratio (per cent)	15.2	14.7	14.4 ^(*)	16.1 ^(*)	16.3
RR/TE ratio (per cent)	79.3	76.6	79.9	74.7	74.5
Buoyancy of TE with reference to:					
GSDP (ratio)	0.8	0.7	0.9 ^(*)	1.8 ^(*)	1.1
RR (ratio)	0.8	1.6	0.7	1.4	1.0

(*) change in figures is due to adoption of new series of GSDP figures

The increase (₹8,332 crore) of total expenditure during 2012-13 was on account of increase of ₹7,444 crore in revenue expenditure, ₹750 crore in capital expenditure and ₹138 crore in disbursement of loans and advances. Decreasing trend in ratio between revenue receipt and total expenditure, during last three years, indicates the widening gap in receipt and expenditure amounts of the State Government. Buoyancy of the total expenditure with respect to GSDP and revenue receipt was more than one during 2011-12 and declining of this ratio during 2012-13 was a positive indicator. The composition of the total expenditure is depicted in **Chart 1.8**.



During the five-year period 2008-13, the share of revenue expenditure ranged between 89 to 91 *per cent* of the total expenditure whereas the share of capital expenditure ranged between six and nine *per cent* of the total expenditure. The revenue expenditure increased in absolute terms from ₹28,224 crore in 2008-09 to ₹53,489 crore in 2012-13 but its percentage to total expenditure remained almost static during the last five year period. Capital expenditure increased from ₹1,696 crore in 2008-09 to ₹4,603 crore in 2012-13 and its percentage in total expenditure increased from six *per cent* to eight *per cent*.

1.7.2 Trends in total expenditure in terms of activities

In terms of the activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. Relative shares of these components in the total expenditure are indicated in **Table 1.17**.

Table 1.17: Components of expenditure – relative shares

Particulars	<i>(in per cent)</i>				
	2008-09	2009-10	2010-11	2011-12	2012-13
General Services	41.2	41.1	40.0	40.2	38.7
<i>of which, Interest Payments</i>	15.1	15.5	14.7	12.4	12.2
Social Services	31.2	31.8	32.4	33.0	32.8
Economic Services	17.1	17.2	18.4	18.1	19.8
Grants-in-aid	7.3	7.3	7.2	6.7	6.8
Loans and Advances	3.2	2.6	2.0	2.0	1.9

The movement of the relative shares of the above components of expenditure indicated that the shares of Economic Services in the total expenditure increased during 2012-13 over the previous year. This increase was set off by the decreases in General and Social Services.

The share of Economic Services in total expenditure during 2012-13 increased mainly on account of increase in expenditure under sub sectors ‘Transport’ (₹1,440.21 crore), ‘Agriculture and allied activities’ (₹576.17 crore), ‘Irrigation and Flood control’ (₹213.93 crore) and ‘Rural Development’ (₹107.77 crore).

1.7.3 Revenue Expenditure

Revenue expenditure increased by 16 *per cent* (₹7,444 crore) during 2012-13 when compared to previous year. The increase in revenue expenditure during 2012-13 was mainly due to increase in expenditure under the major heads ‘Miscellaneous General Services¹¹’ (₹1,185 crore), ‘Interest Payments’ (₹911 crore), ‘General Education’ (₹886 crore), ‘Compensation and Assignments to Local Bodies and Panchayati Raj Institutions’ (₹627 crore), ‘Social Security and Welfare’ (₹524 crore), ‘Roads and Bridges’ (₹483 crore), ‘Medical and Public

¹¹ Includes ₹1,181 crore towards expenditure under ‘State Lotteries’

Health' (₹316 crore), Crop Husbandry (₹252 crore), 'Police' (₹250 crore), 'Labour and Employment' (₹236 crore), 'Pension and Other Retirement Benefits' (₹167 crore), etc.

1.7.3.1 Incidence of revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State's infrastructure and service network. During the last five years Revenue expenditure had the predominant share of around 90 per cent in the total expenditure. The overall revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in **Table 1.18**.

Table 1.18: Revenue expenditure – basic parameters

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue expenditure (RE)	28224	31132	34665	46045	53489
Non-plan revenue expenditure (NPRE)	25012	26953	30469	40718	46640
Plan revenue expenditure (PRE)	3212	4179	4196	5327	6849
Rate of Growth of					
RE (<i>per cent</i>)	13.4	10.3	11.3	32.8	16.2
NPRE (<i>per cent</i>)	10.6	7.8	13.0	33.6	14.5
PRE (<i>per cent</i>)	41.1	30.1	0.4	27.0	28.6
Revenue expenditure as percentage to TE	91.3	91.4	89.4	90.5	90.3
NPRE/GSDP (<i>per cent</i>) ^(*)	12.3	11.6	11.3	12.9	12.8
NPRE as percentage of TE	80.9	79.1	78.5	80.0	78.7
NPRE as percentage of RR	102.0	103.2	98.3	107.1	105.7
Buoyancy of revenue expenditure with					
GSDP (ratio) ^(*)	0.8	0.7	0.7	1.9	1.1
Revenue receipts (ratio)	0.8	1.6	0.6	1.5	1.0

Source : Finance Accounts

(*) change in figures is due to adoption of new series of GSDP figures

The revenue expenditure increased during 2012-13 by ₹7,444 crore (16.2 per cent) over the previous year. This was ₹1,884 crore more than the projections (₹51,605 crore) made in the Medium Term Fiscal Plan.

In absolute terms Non-Plan revenue expenditure (NPRE) and Plan revenue expenditure (PRE) showed an increasing trend during the period 2008-13. NPRE showed an increase of 14.5 per cent in 2012-13 and this was very less when compared to growth rate (33.6 per cent) shown in 2011-12. The actual NPRE for 2012-13 (₹46,640 crore) exceeded the normative assessment made by the ThFC (₹34,753 crore) by ₹11,887 crore (34 per cent).

During the year, Plan Revenue Expenditure (PRE) showed a higher growth (28.6 *per cent*) rate, when compared to NPRES and it increased by ₹1,522 crore.

As in the previous year, buoyancy of revenue expenditure with respect to GSDP was more than one, indicating that growth rate of revenue expenditure was more than the growth rate of GSDP. However, it declined from 1.9 *per cent* to 1.1 *per cent* which is a good indicator

1.7.3.2 Expenditure on salaries, wages, interest payments, pension, etc.

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.19** and **Chart 1.9** present the trends in the expenditure on these components during 2008-13.

Table 1.19: Components of Committed Expenditure

Components of committed expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actuals
Salaries* and Wages,	9,146	9894	11,178	16,229	16,919	17,505
Non-plan head	8,895	9,529	10,815	15,681	16,415	16,939
Plan heads**	251	365	363	548	504	566
Interest payments (MH 2049)	4,660	5,292	5,690	6,294	7,234	7,205
Expenditure on pensions (MH 2071)	4,686	4,706	5,767	8,700	8,178	8,867
Subsidies	355	442	627	1,014	769	1,268
Total	18,847	20,334	23,262	32,237	33,100	34,845
Revenue Expenditure	28,224	31,132	34,665	46,045	51,605	53,489
Revenue Receipts	24,512	26,109	30,991	38,010	48,141	44,137
Percentage of committed expenditure to Revenue Expenditure	67	65	67	70	64	65
Percentage of committed expenditure to Revenue Receipts	77	78	75	85	69	79
* Salaries include teaching grant paid to aided educational institutions like schools and colleges to meet the salaries of their teaching and non-teaching staff.						
**The plan heads also include the salaries and wages paid under Centrally Sponsored schemes						

During the current year, the percentage of State's committed expenditure with respect to Revenue Expenditure and Revenue Receipt has decreased, compared to previous year. However, consumption of 79 *per cent* of the Revenue receipts for committed expenditure was high when compared to the State's estimation of 69 *per cent*.

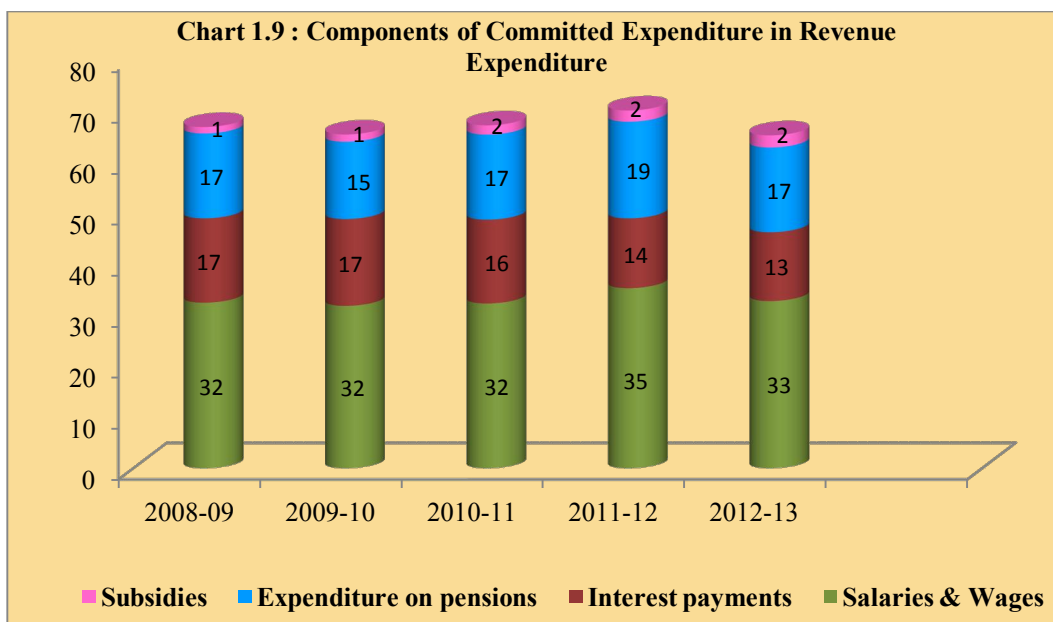


Chart 1.9 shows that share of salaries/wages and pensions in revenue expenditure remained static during last five years, though there was slight increase in 2011-12 due to implementation of recommendations of Ninth State Pay Revision Commission. However, share of interest payments in revenue expenditure showed a declining trend during the last five years.

During 2011-12, expenditure on salaries under Non-plan and Plan heads increased to ₹16,939 crore and ₹566 crore respectively from ₹15,681 crore and ₹548 crore in the previous year. Similarly, pension payment also increased from ₹8,700 crore to ₹8,867 crore during the year. Expenditure on pension exceeded the projections made in the Medium Term Fiscal Plan (₹8,178 crore) by ₹689 crore.

Interest payments increased by 14.5 *per cent* during 2012-13, (₹7,205 crore) when compared to the previous year (₹6,294 crore). This was mainly due to increase in interest payment on 'Market Loans' availed by the State Government. However, expenditure on interest payments was in line with the projections made by the State Government in the Medium Term Fiscal Plan (₹7,234 crore).

1.7.3.3 Subsidies

In any welfare State, it is not uncommon to provide subsidies/subventions to disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidized public service to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the Government fall in the category of implicit subsidies. As an exhaustive statement of implicit subsidies given by the State Government could not be compiled easily from the accounts, information collected from Finance department in respect of department-wise implicit subsidy provided during 2012-13 is given in **Table 1.20**.

Table 1.20: Implicit subsidies given in 2012-13*(₹ in crore)*

Name of the Department	Purpose	Expenditure incurred
Coir Development Department	Incentive provided to coir co-operatives based on their production	34.40
Food and Civil Supplies Department	Handling charges given to retailers under Antyodaya Annapoorna scheme	17.71
Land Revenue Department	Tax concessions given under various items	24.79
Total		76.90

Source : Information furnished by Finance Department, Government of Kerala

As per Finance Accounts an amount of ₹1,268 crore was given as explicit subsidy during 2012-13. It mainly includes amount given to Food Corporation of India in respect of reimbursement of price difference of ration rice and wheat (₹640 crore), for Paddy procurement through Kerala State Civil Supplies Corporation (₹120 crore), to Kerala State Civil Supplies Corporation Limited for market intervention (₹135 crore) and towards special support schemes for farm sector (₹95 crore).

1.7.4 Capital Expenditure

Capital expenditure increased by 19 *per cent* (₹750 crore) during 2012-13 and the increase was mainly under 'Roads and Bridges' (₹338 crore), 'Civil Aviation' (₹174 crore), 'Flood control projects' (₹117 crore), 'Other Transport services' (₹355 crore), etc. This increase was partly offset by decrease in expenditure mainly under 'Co-operation' (₹126 crore), 'Industries and Minerals' (₹93 crore) and 'Urban Development' (₹83 crore).

1.7.5 Financial assistance by State Government to Local Bodies and other institutions

The quantum of assistance provided by the Government as grants and loans to local bodies, educational institutions, Government companies, Welfare Fund Boards, etc during the current year relative to the previous years is presented in **Table 1.21**.

Table 1.21: Financial assistance to local bodies, educational institutions, etc.*(₹ in crore)*

Financial Assistance to Institutions	2008-09	2009-10	2010-11	2011-12	2012-13
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	3306.81	3546.61	4087.83	5605.77	6204.36
Municipal Corporations and Municipalities	966.99	834.46	901.87	1073.78	1177.77
Zilla Parishads and Other Panchayati Raj Institutions	2600.11	2996.66	3411.65	4203.98	5279.31
Development Agencies	1.95	2.04	5.25	5.50	5.15

Financial Assistance to Institutions	2008-09	2009-10	2010-11	2011-12	2012-13
Hospitals and Other Charitable Institutions	56.66	76.40	139.02	144.46	153.33
Other Institutions ¹²	658.83	1159.47	1252.58	1065.96	896.42
Total	7591.35	8615.64	9798.20	12099.45	13716.34
Assistance as percentage of revenue expenditure	27	28	28	26	26

Source: Finance Accounts and information received from the State Government

The financial assistance to local bodies and other institutions increased from ₹7,591.35 crore in 2008-09 to ₹13,716.34 crore in 2012-13. During 2012-13, financial assistance to Educational Institutions, Panchayati Raj institutions, etc. increased by ₹1,616.89 crore compared to the previous year. As a percentage of revenue expenditure it was 26 per cent as in the previous year.

1.8 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy of public expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for select services).

1.8.1 Adequacy of public expenditure

The responsibilities relating to expenditure on the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.22** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2009-10 and 2012-13.

¹² Other institutions, *inter alia*, include Kerala State Road Transport Corporation (₹175 crore), Kerala Sports Council (₹34.89 crore), Kerala Water Authority (₹18.25 crore) State Council for Science, Technology & Environment (₹98.10 crore), Welfare fund for Cashew workers (₹35.78 crore), Kudumbasree (₹84.17 crore), Kerala Khadi and Village Industries Board (₹11.50 crore), Kerala State Information Technology Mission (₹26.30 crore), etc.

Table 1.22: Fiscal priority of the State in 2009-10 and 2012-13*(in per cent)*

Fiscal Priority by the State*	AE/ GSDP	DE[#]/ AE	SSE/ AE	CE/ AE	Education/ AE	Health/ AE
General Category States' Average, 2009-10	17.06	66.05	35.73	14.96	16.19	4.24
Kerala's Average, 2009-10	14.68	49.02	31.79	6.04	17.04	5.04
General Category States' Average, 2012-13	15.93	65.79	32.77	13.23	17.23	4.47
Kerala's Average, 2012-13	16.30	54.24	33.74	7.77	17.52	5.48
<p>* As per cent to GSDP AE: Aggregate (Total) Expenditure DE: Development Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure. # Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed (Social and Economic sector). General category States exclude Delhi, Goa and Puducherry.</p>						

- Though, during 2009-10 the State's aggregate expenditure as a proportion of its GSDP was less comparing to General Category States, it was higher than the General category state's proportion in 2012-13.
- In 2009-10 and 2012-13, development expenditure as a proportion of aggregate expenditure has been lower than the General Category States' average. Developmental expenditure consists of both economic sector expenditure and social sector expenditure.
- Though the State has not been given adequate priority to Social sector during 2009-10, it was better than the General Category States during 2012-13. As far as health sector and education sector's fiscal priority is concerned, the State has the better statistics compared to General Category States.
- The proportion of capital expenditure has been much lower as compared to General Category States during 2009-10 and 2012-13. However, it is observed that the State has shown some improvement in 2012-13 as compared to 2009-10 by increasing expenditure on capital but it is still lower than General Category States' average.

The Government may consider enhancing the proportion of expenditure on capital sector in order to create the much needed assets to stimulate growth and give priority to physical capital formation that will further increase the growth prospects of the State by creating durable assets.

1.8.2 Efficiency of expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalisation measures and lay

emphasis on provision of core public and merit goods¹³. Apart from improving the allocation towards development expenditure¹⁴, particularly in view of the fiscal space being created on account of decline in expenditure on debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. Development expenditure comprised revenue and capital expenditure including loans and advances in socio-economic services. **Table 1.23** presents the trends in development expenditure relative to the aggregate expenditure of the State during the period 2008-09 to 2012-13. **Chart 1.10** presents component-wise development expenditure during 2008-13.

Table 1.23: Development expenditure

(₹ in crore)

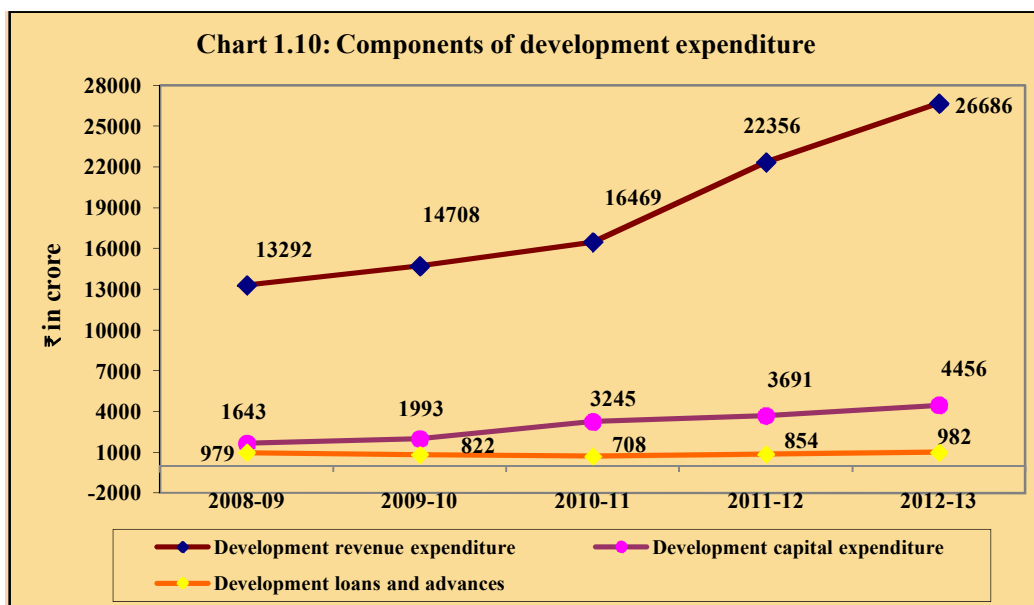
Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE	Actuals
Development Expenditure (a to c)						
a. Development revenue expenditure	13,292 (43.0)	14,708 (43.2)	16,469 (42.5)	22,356 (43.9)	26,578	26,686 (45.1)
b. Development capital expenditure	1,643 (5.3)	1,993 (5.9)	3,245 (8.4)	3,691 (7.3)	6,495	4,456 (7.5)
c. Development loans and advances	979 (3.2)	822 (2.4)	708 (1.8)	854 (1.7)	665	982 (1.7)
Total Development expenditure	15,914	17,523	20,422	26,901	33,738	32,124
Figures in parentheses indicate percentage to aggregate expenditure						

Source: Finance Accounts and Annual Financial Statement of the State Government for 2012-13

¹³ *Core public goods* are goods which all citizens enjoy in common in the sense that each individual's consumption of such goods leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc.

Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

¹⁴ The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.



Development expenditure increased by 102 per cent (₹16,210 crore) from ₹15,914 crore in 2008-09 to ₹32,124 crore in 2012-13. Development revenue expenditure during 2012-13 constituted 83 per cent of development expenditure whereas the share of development capital expenditure, including loans and advances was only 17 per cent.

Development revenue expenditure increased by 19.4 per cent (₹4,330 crore) from ₹22,356 crore in 2011-12 to ₹26,686 crore in 2012-13. The increase was mainly due to increase in expenditure under the sub-sectors ‘General Education’ (₹886 crore), ‘Social Security and Welfare’ (₹524 crore), ‘Roads and Bridges’ (₹483 crore), ‘Medical and Public Health’ (₹316 crore) and ‘Crop Husbandry’ (₹252 crore).

Development capital expenditure increased by 20.7 per cent (₹765 crore) from ₹3,691 crore in 2011-12 to ₹4,456 crore in 2012-13. The increase was mainly due to increase in expenditure under the accounts heads; ‘Roads and Bridges’ (₹338 crore), and ‘Other Transport Services’ (₹355 crore).

Details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services are given in **Table 1.24**.

Table 1.24: Efficiency of expenditure in selected Social and Economic Services

Social/Economic Infrastructure	2011-12			2012-13		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S&W	O&M		S&W	O&M
Social Services (SS)						
General Education	0.2	89.2	(*)	0.6	86.9	0.0
Health and Family Welfare	4.1	73.9	0.1	4.0	72.0	0.3
Water Supply, Sanitation, Housing and Urban Development	13.4	5.9	2.3	7.2	4.9	3.1
Total (SS)	3.4	67.0	0.7	2.8	62.2	0.8
Economic Services (ES)						
Agriculture and Allied Activities	9.5	28.4	0.1	5.4	25.2	0.1
Irrigation and Flood Control	40.6	66.1	32.7	41.4	51.8	48.3
Power and Energy	0.1	0.3		0.0	0.3	
Transport	58.3	16.2	39.5	59.7	12.0	37.2
Total (ES)	32.4	29.5	10.6	32.1	24.7	11.8
Total (SS+ES)	13.7	56.7	3.4	13.9	51.3	4.0
TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations and Maintenance.						

(*) insignificant

The ratio of capital expenditure to total expenditure under Social Services decreased from 3.4 *per cent* in the previous year to 2.8 *per cent* in the year 2012-13. However, ratio of capital expenditure to total expenditure under General Education sector increased from 0.2 *per cent* in the previous year to 0.6 *per cent* in 2012-13 indicating State's more investment in the sector. In all other sectors the ratio was less than the previous year.

The percentage of capital expenditure to total expenditure under Economic Services also decreased from 32.4 *per cent* in 2011-12 to 32.1 *per cent* in 2012-13. However, this percentage increased in 'Irrigation and Flood Control' and 'Transport' sectors due to more expenditure in Flood control projects and Transport.

During 2012-13, the share of salaries and wages in revenue expenditure decreased from 67 *per cent* to 62.2 *per cent* and 29.5 *per cent* to 24.7 *per cent* in Social Services and Economic Services respectively, compared to previous year.

1.9 Financial Analysis of Government Expenditure and Investments

In the post-Fiscal Responsibility and Budget Management framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/ investment (including loans and advances) requirements from its own sources of revenue. In addition, in a transition to complete dependence on market-based resources, the State Government is required to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies. The State is also required to take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

1.9.1 Financial results of irrigation works

In the case of eight irrigation projects, which have been declared commercial, with a cumulative capital outlay of ₹136.27 crore as on 31 March 2013, the revenue realised from them during 2012-13 was ₹2.07 crore, which was only 1.5 *per cent* of the total outlay. After considering the working and maintenance expenses of ₹40.20 crore and interest charges of ₹12.81 crore, these projects suffered a net loss of ₹50.94 crore (as detailed in Appendix IX to Finance Accounts).

1.9.2 Incomplete projects/works

Department-wise information pertaining to incomplete projects/works (each costing above ₹ one crore) as on 31 March 2013 is given in **Table 1.25**.

Table 1.25: Status of incomplete projects in the State

(₹ in crore)

Sl. No	Name of the department/project	No. of incomplete projects/works	Initial budgeted cost	Cumulative actual expenditure as on 31 March 2013
1.	Water Resources Department – (Irrigation and Minor Irrigation Works)	16	37.24	20.38
2.	Public Works Department – (Roads)	86	285.15	184.98
3.	Public Works Department – (Bridges)	32	163.57	104.35
4.	Public Works Department – (Buildings)	75	263.65	166.62
5.	Harbour Engineering Department	6	59.49	62.73
	Total	215	809.10	539.06

Source: Appendix X of Finance Accounts 2012-13

According to information included in the Finance Accounts, 215 projects/works

on which an expenditure of ₹539.06 crore was incurred up to March 2013 were not completed at the end of March 2013 though the stipulated period of completion was over. Delay in completion of projects/works may result in cost overrun.

1.9.3 Investment and returns

As of 31 March 2013, the State Government had invested ₹4,511.03 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives (**Table 1.26**). The average return on these investments was 1.3 *per cent* in the last five years while the Government paid an average interest rate ranging from 7.1 *per cent* to 7.5 *per cent* on its borrowings during 2008-2013.

Table 1.26: Return on investments

(₹ in crore)

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)	3153.10	3328.25	3807.52	4206.43	4511.03
Return (₹ in crore)	33.53	27.29	75.46	67.44	48.15
Return (<i>per cent</i>)	1.1	0.8	2.0	1.6	1.1
Average rate of interest on Government borrowing (<i>per cent</i>)	7.5	7.5	7.3	7.2	7.1
Difference between interest rate and return (<i>per cent</i>)	6.4	6.7	5.3	5.6	6.0

Source: Finance Accounts of the State Government

During 2012-13, the State Government invested ₹0.50 crore in Statutory Corporations, ₹ 224.38 crore in Government Companies and ₹ 84.40 crore in Co-operative Banks and Societies. Two Statutory Corporations and 45 Government Companies with aggregate Government investments of ₹1,751.53 crore were incurring losses and their accumulated losses amounted to ₹ 3,829.63 crore as per the latest accounts furnished by these Companies.

As per the latest accounts finalized by the companies/statutory corporations, three statutory corporations and 36 Government companies are running on profits. Of these, ten major companies which had accumulated profits above ₹100 crore are listed in **Table 1.27**.

Table 1.27: Major profit making companies

			(₹ in crore)
Sl. No.	Name of Government Company	Accounts for the year ended	Accumulated profit
1.	Kerala State Electricity Board	2012-13	2208.32 ¹⁵
2.	The Kerala Minerals and Metals Limited	2012-13	577.25
3.	Kerala State Beverages (Manufacturing and Marketing) Corporation Limited	2010-11	550.87
4.	Malabar Cements Limited	2011-12	188.99
5.	The Kerala State Financial Enterprises Limited	2010-11	171.13
6.	The Rehabilitation Plantations Limited	2012-13	138.40
7.	The Kerala Agro-Machinery Corporation Limited.	2011-12	100.12
8.	The Plantation Corporation of Kerala Limited	2012-13	132.40
9.	Kerala State Industrial Development Corporation Limited	2012-13	126.91
10.	Kerala Industrial Infrastructure Development Corporation	2012-13	124.87

Source: Annexure 2 of Audit Report (Commercial) for the year ended 31 March 2013

1.9.4 Loans and advances by the State Government

In addition to investments in Co-operative Societies, Statutory Corporations and Government Companies, the Government has also been providing loans and advances to many institutions/organisations. **Table 1.28** presents the outstanding loans and advances as on 31 March 2013 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 1.28: Average interest received on loans advanced by the State Government
(₹ in crore)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Opening balance	6,280 ¹⁶	6910 ¹⁷	7749	8461 ¹⁸	9394 ¹⁹
Amount advanced during the year	984	877	762	998	1136
Amount repaid during the year	36	38	44	55	74

¹⁵ As per the notification issued by the Central Electricity Regulatory Commission, electricity utility of every State has to show a return of 15.5 *per cent* return on equity. In compliance with this, the accounts of KSEB for the year 2012-13 showed an accumulated profit of ₹2208.32 crore whereas the operations resulted in accumulated loss of ₹7,118.56 crore.

¹⁶ Difference of ₹130 crore with reference to the previous year's closing balance was on account of *pro forma* adjustments vide footnotes (b), (d) and (e) of Statement no.5 of the Finance Accounts 2008-09.

¹⁷ Difference of ₹318 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (pp) of Statement no.16 of Finance Accounts 2009-10.

¹⁸ Difference of ₹ six crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (Z) of Statement no.16 of Finance Accounts 2011-12.

¹⁹ Difference of ₹10 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (q) of Statement no.16 of Finance Accounts 2012-13.

Quantum of Loans/Interest Receipts/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Closing balance	7228	7749	8467	9404	10456
Net addition	948	839	718	943	1062
Interest receipts	48	46	44	23	19

Source: Finance Accounts of the State Government.

The total outstanding loans and advances as on 31 March 2013 increased by ₹1,062 crore compared to those of the previous year. The major disbursement of loans during the current year was mainly to the Kerala State Housing Board for the settlement of dues with Housing Development Finance Corporation (₹265 crore), to the Kerala Water Authority for implementing the Water Supply Project assisted by the Japan International Co-operation Agency (₹257 crore) and to the Kerala State Road Transport Corporation (₹175 crore). Interest received against these loans remained less than one *per cent* during the period 2008-09 to 2012-13 and was 0.2 *per cent* during 2012-13 as against the cost of borrowing of 7.1 *per cent* during the year.

1.9.4.1 Defaulters on loan repayment

Government has been providing loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies/Authorities etc., and the same was treated as assets in the Government accounts. As per Finance Accounts, outstanding balance at end of March 2013 was ₹10,456.93 crore. Though the institutions/organizations have the liability to repay the loan in stipulated installments, they have defaulted in this regard and arrears in repayment at the end March 2013 from 68 institutions/organizations was ₹6,382.47 crore (Principal: ₹3,745.87 crore and Interest : ₹2,636.60 crore). More than 83 *per cent* of the above arrears pertains to four institutions/organizations viz. Kerala Water Authority (₹2,922.55 crore), Kerala State Electricity Board (₹1,536.21 crore), Kerala State Road Transport Corporation (₹459.97 crore) and Kerala State Cashew Development Corporation (₹395.32 crore). In spite of this arrears in repayment, ₹771.83 crore was released to 18 institutions/organizations (defaulted loanees) during the current year, from whom repayment of earlier loans are in arrears. This includes Kerala State Housing Board (₹267.59 crore), Kerala Water Authority (₹256.91 crore) and Kerala State Road Transport Corporation (₹175 crore).

It was also observed that State Government released 81 loans to 19 institutions/organizations amounting to ₹939.42 crore, during the period from 1990-91 to 2009-10, without specifying the terms and conditions for repayment. In order to provide a true and fair status to the balance sheet of the State Government, Government needs to take effective steps to reduce these non-performing assets.

1.9.5 Cash Balances and investment of cash balances

The cash balances and investments made by the State Government out of the cash balances during the year are shown in **Table 1.29**.

Table 1.29: Cash balances and investment of cash balances

(₹ in crore)

Particulars	As on 31 March 2012	As on 31 March 2013	Increase/ Decrease(-)
Cash balances	3793.46	4692.73	899.27
Investments from cash balances (a + b)	2709.85	3201.71	491.86
a. GOI Treasury Bills	2702.62	3194.48	491.86
b. GOI Securities	7.23	7.23	...
Fund-wise break-up of investments from earmarked balances (a to d)	1608.50	1402.19	(-)206.31
a. Reserve funds bearing interest	...		...
b. Reserve funds not bearing interest	1608.50	1402.19	(-)206.31
c. Deposit bearing interest	...		...
d. Deposit not bearing interest	...		...
Interest realised during the year on investment of cash balances	82.38	123.38	41.00

Source: Finance Accounts of the State Government

- The cash balance as on 31 March 2013 increased by ₹899.27 crore over the previous year.
- The interest received during the year on investment of cash balances also increased by ₹41 crore as compared to the previous year.

1.9.5.1 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediary accounting head for initial record of transactions which are to be cleared eventually. As per accounting rules, when a cheque is issued, the functional head is debited and the Major Head-8670-Cheques and Bills is credited. On clearance of the cheque by the bank, the minus credit is given to Major Head 8670-Cheques and Bills by crediting the Major Head- 8675-Deposits with Reserve Bank and thereby reducing the cash balance of the Government. Thus, the outstanding balance under the Major Head 8670-Cheques and Bills represents the amount of uncashed cheques.

As on 31 March 2013, there was an outstanding balance (cumulative) of ₹2,340.88 crore and to this extent, the Government cash balance stood overstated.

1.10 Assets and Liabilities

1.10.1 Growth and composition of assets and liabilities

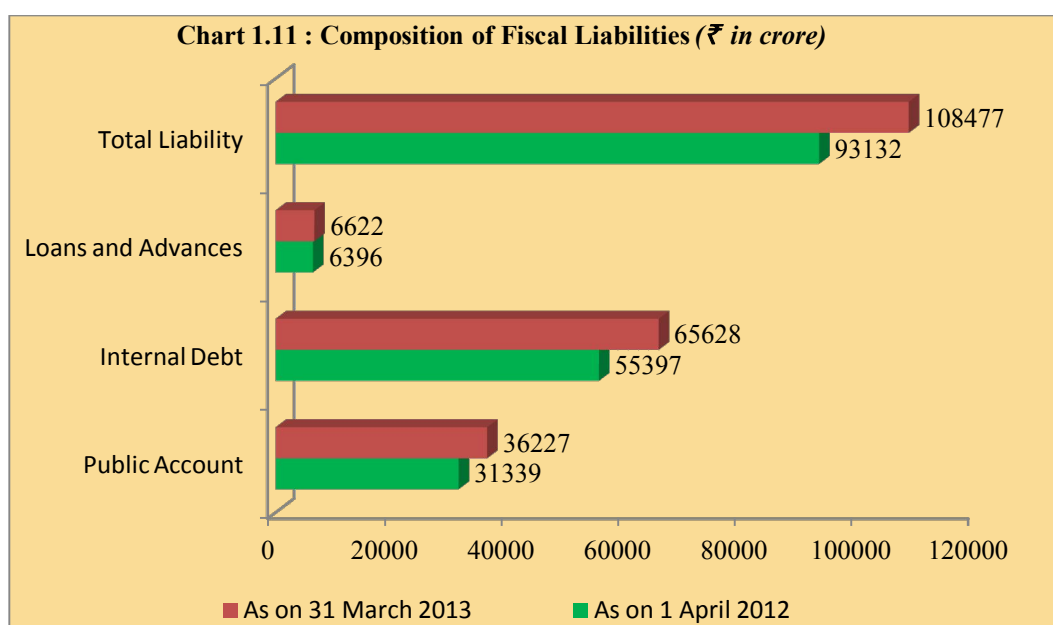
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the

Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and assets as on 31 March 2013, compared with the corresponding position as on 31 March 2012. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GOI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and its cash balances.

According to the definition given in the Kerala Fiscal Responsibility Act, 2003, total liabilities mean liabilities upon the Consolidated Fund and the Public Account of the State. The ratio of financial liabilities *vis-à-vis* assets, indicates that 60 *per cent* of liabilities are without any backup due to unbridled increasing revenue expenditure.

1.10.2 Fiscal liabilities

The trends of outstanding fiscal liabilities of the State are presented in **Appendix 1.5**. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.11**.



The overall fiscal liabilities of the State increased from ₹93,132 crore in 2011-12 to ₹1,08,477 crore in 2012-13, a growth rate of 16 *per cent*. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. As at the end of March 2013, the Consolidated Fund liabilities (₹72,250 crore) comprised Market Loans (₹48,810 crore), Loans from the Government of India (₹6,622 crore) and Other Loans (₹16,818 crore). The Public Account liabilities (₹36,227 crore) comprised Small Savings, Provident Funds,

etc., (₹31,311 crore)²⁰, interest bearing obligations (₹112 crore) and non-interest bearing obligations like Deposits and other earmarked funds (₹4,804 crore). The fiscal liabilities which were 29.5²¹ per cent of GSDP in 2011-12 increased to 29.9 per cent of GSDP in 2012-13. As in the previous year, fiscal liabilities stood at 2.5 times the revenue receipts. As per the Kerala Fiscal Responsibility (Amendment) Act, 2011 the State has to reduce the State's total debt liabilities to 29.8 per cent of the estimated GSDP within a period of four years commencing on the 1 April 2011 and ending with the 31 March 2015 by reducing the total debt liability in the years of 2011-12, 2012-13, 2013-14 and 2014-15 to the order of 32.3 per cent, 31.7 per cent, 30.7 per cent and 29.8 per cent respectively of the gross state domestic product. During 2012-13 the percentage of State's fiscal liabilities to GSDP (29.9) was much better than the target (31.7) fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011.

The overall liabilities of the State include balance under Reserve Funds amounting to ₹1803.14 crore (as on 31 March 2013). The details in respect of two of the reserve funds are given in succeeding paragraphs:

(a) State Disaster Response Fund

The State Disaster Response Fund (SDRF) has been set up from 1 April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year there was ₹44.48 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2012-13 fixed by the ThFC was ₹144.51 crore, 75 per cent (₹108.38 crore) of which was to be contributed by the Central Government and 25 per cent (₹36.13 crore) by the State Government. During the year the Government of India contributed ₹100.68²² crore and the State Government contributed its matching contribution (25 per cent). In addition to the yearly contribution the State Government had received an amount of ₹109.69 crore from National Disaster Response Fund (March 2012) towards relief on account of Flood/Landslide of 2011 which has been credited to the Fund during 2012-13. After setting off the expenditure for disaster relief operations (₹176.21 crore), the balance in SDRF as on 31 March 2013 was ₹112.20 crore.

According to the guidelines issued by the Government of India, the accretions to SDRF were to be invested in Central Government dated securities and/or Auctioned Treasury Bills and/or interest earning deposits and Certificates of deposits with Scheduled Commercial Banks. However, no such investments were made by the State Government so far.

²⁰ This includes liabilities from the Treasury Savings Bank Account (₹6,876 crore) and Treasury Fixed Deposits (₹5,992 crore).

²¹ Change in figure is due to adoption of new series of GSDP figures.

²² Balance contribution of ₹7.70 crore was received in April 2013.

(b) Consolidated Sinking Fund

The State Government had set up a Consolidated Sinking Fund from the financial year 2007-08, according to which the Fund was to be utilised as an Amortisation Fund for redemption of all outstanding liabilities of the Government commencing from the financial year 2012-13. The Fund was to be credited with contributions from revenue at the prescribed rate and interest accrued on investments made out of the Fund. Only the interest accrued and credited in the Fund was to be utilised for redemption of the outstanding liabilities of the Government. As per paragraph 5 of revised model scheme for the constitution and administration of Consolidated Sinking Fund of Kerala, the rate of contribution to the Consolidated Sinking Fund was 0.5 per cent of the outstanding liabilities as at the end of the previous year. According to this, the State Government had to contribute ₹ 465.66 crore during 2012-13 to the Consolidated Sinking Fund. However, the State Government has not contributed any amount to the Fund, during the current year.

During 2012-13, an amount of ₹340.05 crore was utilized (from the interest receipts of re-investment of accretion in the fund) during the year for repayment of loans availed from National Co-operative Development Corporation and Life Insurance Corporation of India. The balance outstanding in the Sinking Fund as on 31 March 2013 was ₹1,387.63 crore.

1.10.3 Status of guarantees – contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by borrowers for whom the guarantees have been extended. Section 3 of the Kerala Ceiling on Government Guarantees Act, 2003 which came into effect on 5 December 2003 stipulates that the total outstanding Government Guarantees as on the first day of April every year shall not exceed ₹14,000 crore. As per Section 6 of the Act, the Government was to constitute a Guarantee Redemption Fund. The guarantee commission charged under Section 5 of the Act was to form the corpus of the Fund. However, the Fund had not been constituted and consequently, guarantee commission of ₹510.28 crore collected during 2003-04 to 2012-13 had not been credited to the Fund but was treated as non-tax revenue in the relevant years and used for meeting the revenue expenditure of the Government.

The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2008-09 are given in **Table 1.30**.

Table 1.30: Guarantees given by the Government of Kerala*(₹ in crore)*

Guarantees	2008-09	2009-10	2010-11	2011-12	2012-13
Maximum amount guaranteed	11,385.54	10,225.78	12,625.07	11332.11	11482.25
Outstanding amount of guarantees	7,603.32	7,495.00	7,425.79	8277.44	9099.50
Percentage of maximum amount guaranteed to total revenue receipts	46	39	41	30	26
Criteria as per Kerala Ceiling on Government Guarantees Act, 2003 (Outstanding amount of guarantees as on the first day of April)	14,000	14,000	14,000	14,000	14000

Source: Finance Accounts of the State Government

The outstanding guarantees at the end of the past five years i.e. 2008-13 ranged between ₹7,426 crore and ₹9,099 crore, which were well within the ceiling prescribed by the Kerala Ceiling on Government Guarantees Act.

The State Government guaranteed payment of minimum dividend of 3.5 per cent on the share capital up to ₹10 crore and 7.5 per cent on the share capital beyond ₹10 crore in respect of Kerala Financial Corporation. The total payment made by Government towards subvention to the Kerala Financial Corporation was ₹2.52 crore of which ₹0.002 crore only has been received (March 2013).

During the year an amount of ₹35.75 crore was received as guarantee commission and ₹159.89 crore was due as arrears in this regard as of March 2013.

1.11 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability²³ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation²⁴; sufficiency of non-debt receipts²⁵; net availability of

²³ Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that the rise in fiscal deficits should match the increase in the capacity to service the debts.

²⁴ A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or the cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt x Interest spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or that debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling, which is a positive sign.

²⁵ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

borrowed funds²⁶; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government securities. **Table 1.31** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2008-09.

Table 1.31: Debt sustainability: indicators and trends

(₹ in crore)

Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Stabilisation (Quantum Spread ²⁷ + Primary Deficit)	3136(*)	1981(*)	4565(*)	1556(*)	(-)160
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 247	(-) 1,525	141	(-)5,084	(-)2187
Net Availability of Borrowed Funds	3,334	2,834	2,507	4,426	8154
Burden of Interest Payments (Interest Payment/Revenue Receipts <i>per cent</i>)	19	20	18	17	16
Maturity Profile of debt					
Up to one year	1.59	1587.67 (3.2)	2566.98 (4.7)	2154.64 (3.5)	2569.25 (3.6)
One to three years	5852.42 (13.1)	4503.59 (9.1)	5205.33 (9.5)	8401.13 (13.6)	5791.05 (8.0)
Three to five years	5349.27 (11.9)	5215.70 (10.5)	6260.17 (11.4)	9100.09 (14.7)	9100.72 (12.6)
Five to seven years	6241.10 (13.9)	6786.36 (13.7)	9314.78 (17.0)	13156.00 (21.3)	13181.39 (18.2)
Seven years and above	26576.50 (59.3)	27363.90 (55.1)	28162.37 (51.3)	24240.81 (39.2)	36932.83 (51.1)
Maturity profile details not furnished by State Government	801.97 (1.8)	4216.09 (8.4)	3377.55 (6.1)	4740.42 (7.7)	4674.95 (6.5)

Figures in parentheses indicate the percentage to total State debt

Source: Finance Accounts of the State Government

(*) change in figure is due to adoption of new series of GSDP figures

During 2008-09 to 2010-11, the quantum spread together with primary deficit was positive and increased from ₹3,136 crore to ₹4,565 crore (though decreased to ₹1,981 crore in 2009-10) indicating a declining trend in Debt-GSDP ratio. However, it decreased steadily from 2010-11 to 2012-13 and became negative in 2012-13 showing rising trend of Debt-GSDP ratio. The resource gap (sufficiency of non-debt receipts) was negative during the period 2008-13 (except during 2010-11) which showed that the incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden.

²⁶ Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

²⁷ Quantum spread = Debt x Interest spread.

During 2012-13, total borrowed funds under ‘Public Debt’ was ₹13,261 crore (including open market borrowings of ₹11,583 crore). After providing for interest and repayment of principal, the net availability was only ₹5,204 crore. Similarly, the accumulations in ‘Public Account’ (Small savings, Provident Fund, Reserve Fund, Deposit Account, etc. which were used by the State for bridging the fiscal resource gap), were ₹32,853 crore during the year. Under this sector, net availability of funds after disbursement with interest was only ₹2,950 crore. As the non-debt receipt of the State was also insufficient, some portion of this borrowing was also used for bridging revenue deficit. Consequently, State Government was left with ₹8,154 crore, for developmental activities from the total borrowings.

The maturity profile of State debt indicates that the Government will have to repay 42.4 *per cent* of its debt between one and seven years. A well thought out debt management strategy will ensure that no additional borrowings which mature in these critical years are undertaken.

1.12 A Study on Market Borrowings of the State

1.12.1 Introduction

Governments resort to borrowing when the resources available are insufficient to meet their commitments. Open Market Borrowing (OMB) is one of the preferred sources of borrowing as it provides attractive terms and is flexible enough to meet Government’s requirement over a longer term and when there is strong demand for Government securities in the market.

State Governments are empowered to borrow funds from various sources under the provisions of Article 293 of the Constitution of India, subject to any statutory limits prescribed by State Governments. No such statutory limit has been prescribed in Kerala so far. The only restriction for the State is that it requires permission of the Government of India (GOI) for its borrowings under the provisions of Article 293(3) of the Constitution.

The study on OMB was conducted to assess:

- the efficiency of the State Government in assessing resource requirements before resorting to open market borrowing;
- effectiveness in utilisation of borrowed funds; and
- debt sustainability status of the State Government.

1.12.2 Borrowing process

The resources required and the size for annual plans are determined by the State Government and submitted to the Planning Commission for approval. The proposal includes estimated requirement of market borrowing also, as it is one of the major sources for financing the plan expenditure. Once the Planning Commission approves the Plan size and associated borrowings, proposal for market borrowings and borrowings from Financial Institutions (FIs) are sent to

Ministry of Finance, GOI for their approval. For the funds to be raised from the market, Finance Department of Government of Kerala prepares a borrowing schedule (months in which funds are required) and the funds are arranged through the Reserve Bank of India (RBI), on the dates decided by RBI in consultation with the State Government. Before raising each tranche of loan from the market, the State Government has to obtain sanction from Ministry of Finance (GOI) for raising the loan. The borrowing is carried out in a phased manner throughout the year based on actual requirement of funds and market conditions. The method of issuance of market loans has, however, migrated from the administratively controlled system to an auction based system²⁸ for all the states since 2006-07. A uniform 10 year period is followed for all the market loans taken by State Government, without any call option.

1.12.3 Untimely borrowings leading to surplus cash balance

As per the agreement with Reserve Bank of India, the State Government has to maintain a minimum cash balance of ₹1.66 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time. On any day, if the cash balance is found in excess of the stipulated minimum, excess cash balance will be invested by Reserve Bank in Government of India securities (short/long term Treasury Bills) under the directions of the State Government.

Open market borrowings of the State Government made through Reserve Bank of India are invested in 14-day Treasury Bills on the subsequent day of auction, if the cash balance of the State is found to be in excess of the stipulated minimum. Audit scrutiny of daily statement of cash balances maintained in Finance Department revealed that funds borrowed from the market at higher interest were retained in low interest bearing Treasury Bills for long periods, indicating improper assessment of need to borrow. A few instances noticed during the scrutiny of daily balance statements for the period from 2010-11 to 2012-13 are given below:

- State Government had raised an amount of ₹1000 crore from open market on 16 March 2011 at an interest rate of 8.36 *per cent* when there was cash balance investment in 14-day Treasury Bills (interest five *per cent*) in excess of ₹3000 crore. It was also noticed that, during the period up to the next borrowing on 24 August 2011 the balance in Treasury Bills was less than ₹1000 crore only on nine days. Replying to audit observation, Principal Secretary (Finance) stated that, as the Government departments have the tendency to withdraw huge amounts during the fag end of the financial year, the accumulations in the Treasury Bills would drain out before the end of April. However, in the above instance there were more

²⁸ In administratively controlled system, rate of the interest of the State Development Loan is fixed by the State Government, whereas in auction based system it is as per the offer of the investor.

than ₹1000 crore lying in Treasury Bills for a substantial period even after April.

- Government have raised ₹1000 crore (8.85 *per cent*), ₹2000 crore (8.92 *per cent*), ₹1000 crore (8.80 *per cent*), ₹1000 crore (8.93 *per cent*) and ₹850 crore (8.93 *per cent*) on 18 July 2012, 8 August 2012, 25 October 2012, 21 November 2012 and 19 December 2012 respectively. While making all the above borrowings the State had more than ₹1000 crore invested in Treasury Bills²⁹. Principal Secretary stated that State Government opted to borrow in batches instead of bulk borrowing. This was done to avail loan with lower interest rate. However, the fact remains that while staggering the borrowings, the Government could have considered the balance available in the Treasury Bills as well as actual requirement of funds, to avoid accumulation of high cost borrowing in low-interest earning deposits.
- The State Government had borrowed ₹2500 crore in January 2013 (₹1000 crore on 9 January 2013 and ₹1500 crore on 23 January 2013). After these borrowings, the balance in the Treasury Bills shot up to more than ₹3500 crore and remained at this high level till the end of March 2013. The Principal Secretary stated that going for OMB at the end of the year proves costly as there is heavy demand from all the other States for market borrowing. This leads to interest rate going up. However, if the borrowings are made for meeting the future requirements, Government could have invested the surplus cash in long term securities. As this was not done to optimize interest burden, the action of the State Government in undertaking borrowings when substantial amounts were already invested in Treasury Bills, was injudicious.

The above cited instances point towards the need for a more efficient and well-thought out plan to streamline the borrowing schedules and subsequent fund management to optimize the interest burden of the Government.

1.12.4 Market borrowing component in Public Debt

The Public Debt of the State consists of market borrowings, loans and advances from Government of India and loans from other financial institutions like Life Insurance Corporation of India, General Insurance Corporation, National Bank for Agriculture and Rural Development, National Co-operative Development Corporation, etc. Following the recommendations of the Twelfth Finance Commission, the Central Government dis-intermediated State Government borrowing from 2005-06 onwards, resulting in sharp decline in the inflows of loans from the Centre in the subsequent years. Loans from the National Small Savings Fund which formed a substantial source of the funding between 2003-04 and 2006-07, declined substantially thereafter. Consequently, there has been significant increase in market loans raised by the State Government from 2007-08

²⁹ Interest on Treasury Bills investment is five *per cent*.

onwards to finance its developmental activities. The share of market borrowing in Public Debt increased significantly during the last five years as shown below:

Table 1.32: Share of market borrowing in Public Debt

(₹ in crore)

Year	Market Borrowing(MB)	Weighted average interest	Public Debt ³⁰ (PD)	Percentage of MB in PD
2008-09	5516	7.70	6921	79.70
2009-10	5456	8.22	6616	82.47
2010-11	5500	8.42	7189	76.51
2011-12	8880	8.81	9799	90.62
2012-13	11583	8.85	13261	87.35

Source : Finance Accounts for respective years

It was observed that:

- During the five year period, substantial increase was noticed in the share of market loan component in public debt (ranged between 76 and 90 per cent) indicating State's over dependence on open market borrowing. In 2003-04, this was only 27.62 per cent, thus showing more than three times increase in the share of market loan during the last 10 year period.
- Since the rate of interest and subscription by Financial Institutions depend on market conditions including liquidity, dependence on a single source for its financial requirements is fraught with the risk of non-availability of funds at advantageous rates at the required time due to possible adverse financial conditions in the market. It was noted that the weighted average interest rate on market loans has shown an increasing trend over the years, mainly due to increased dependence on market borrowing by the state governments.
- Over the years, net accretions to National Small Savings Fund (NSSF) have come down and this has resulted in reduced availability of loan to the State Government from NSSF. Consequently, the State Government had opted for additional open market borrowing, in lieu of the shortfall under NSSF.

1.12.5 Investment of Borrowed funds

Generally, borrowed funds are to be utilized for creation of capital assets as the revenue generated from these assets are to be utilized for servicing of the debt. Notification specifying the auction for open market loans disclosed the objective of the loan as 'loan for development activities of the State'. However, the State Government has not raised any open market loan during the last five years for any specific project.

Prudent financial management requires utilisation of borrowed funds for generating income sufficient at least to meet the interest payments on the debt. In

³⁰ Receipts under Major heads 6003 and 6004

the State, only a small portion of the annual borrowing of market loans were invested in such assets like investments in PSUs and loans to various bodies as shown in the **Table 1.33**:

Table 1.33: Investment of borrowed funds in revenue generating assets
(₹ in crore)

Year	Market Borrowing	Investment in revenue generating assets			Percentage of total investment to Market borrowing
		Share capital	Loan	Total	
2008-09	5516	279	984	1263	22.90
2009-10	5456	187	877	1064	19.50
2010-11	5500	504	762	1266	23.02
2011-12	8880	409	998	1407	15.84
2012-13	11583	309	1136	1445	12.48
Total	36935	1688	4757	6445	17.45

Source : Finance Accounts and Audit Report on State Finances for respective years

It was also seen that the income earned by way of dividend and interest on the investments including loans made out of the borrowed funds was insignificant compared to the interest liability of the state on the borrowed funds as shown in the **Table 1.34**:

Table 1.34: Return on investments from revenue generating assets
(₹ in crore)

Year	Outstanding Market Borrowings	Interest paid on market borrowings	Return on investment		
			Dividend	Loan+ interest	Total
2008-09	21263	1383	34	84	118 (9)*
2009-10	25973	1722	27	84	111 (6)
2010-11	30744	2007	75	88	163 (8)
2011-12	38239	2485	67	78	145 (6)
2012-13	48810	3296	48	93	141 (4)
Total		10893	251	427	678 (6)

* Figures in brackets are percentage w.r.t to total interest paid on market borrowings

Source : Finance Accounts and Audit Report on State Finances for respective years

Audit scrutiny revealed the following:-

- During the last five years, the State Government had received only ₹678 crore as dividend/interest on loan against ₹10,893 crore paid as interest on funds borrowed from open market. Thus, State's revenue generation out of investment of borrowed funds was only six *per cent* of its liability towards open market loan, indicating that the bulk of borrowed funds did not generate any income for servicing the debt.
- During 2008-13, out of the ₹4851.62 crore (loan: ₹3912.57 crore and Investment: ₹939.05 crore) released/made as loan/investment to State owned PSUs, ₹1222.41 crore (loan: ₹1014.11 crore and Investment:

₹208.30 crore) was in Government Companies/Statutory Corporations having huge negative net worth at the end of March 2012. As such, no revenue can be expected from these investments in the near future.

- Major institutions like Kerala State Road Transport Corporation (Accumulated loan balance: ₹665.76 crore), Kerala Water Authority (Accumulated loan balance: ₹2666.98 crore) and Kerala State Housing Board (Accumulated loan balance: ₹886.26 crore) with a past history of loan defaults, received ₹2845.03 crore as loan and ₹124 crore as investment during 2008-13.

Though, the negligible return on investments of these funds was repeatedly commented in Audit Reports, no action has been taken by the Government to ensure that adequate returns are received on such assets.

Despite defaults in loan repayments and deficient functioning of these PSUs, Government continued to provide further funds to such undertakings without safeguarding its financial interest. As the funds invested under capital heads do not generate any significant returns to cover the cost of servicing of debt, the increasing expenditure on servicing of debt is being met from other sources, thus pushing up the revenue/fiscal deficit further.

1.12.6 Net availability of borrowed funds

It was found in audit that a significant portion of borrowed funds had to be used for repayment of previous outstanding loan, including interest. The net availability of borrowed funds for financing development activities was as shown below:

Table 1.35: Net availability of borrowed funds

(₹ in crore)

Year	Market Borrowing	Borrowings Repaid	Interest	Funds Available(*)	Percentage of funds available for developmental activities
2008-09	5516	734	1383	3399	62
2009-10	5456	746	1722	2988	55
2010-11	5500	729	2007	2764	50
2011-12	8880	1384	2485	5011	56
2012-13	11583	1012	3296	7275	63

Source : Finance Accounts for respective years

(*) Borrowing less repayment and interest payments

The loan repayment burden coupled with ever increasing interest payments due to increased borrowing in recent years would reduce the net availability of borrowed funds significantly in coming years. Though the State's market borrowing recorded an increase of over 100 per cent during the last five years, net availability of funds did not show any significant increase and remained practically stagnant, ranging between 50 and 63 per cent of the borrowings. Audit

observed that substantial portion of the borrowed funds are being used for financing revenue deficit/servicing of debt, instead of being invested in development activities. Principal Secretary stated that increasing Revenue deficit is a concern for the State and this situation is a result of increasing non-plan revenue expenditure coupled with average growth in revenue receipts.

1.12.7 Maturity profile of Open Market Borrowing – fiscal pressure on the State from 2017-18

Open market borrowings of the State increased considerably after 2007-08. As these loans are taken for a maturity period of 10 years, repayment would start from 2017-18 onwards. Maturity profile of the open market borrowings outstanding as on 31 March 2013 for the next 10 years is given below:

Table 1.36: Maturity profile of market borrowings

Maturity Period	Amount going to mature (₹ in crore)	Percentage of total loan
Upto one year	1426	3
One to three years	3538	7
Three to Five years	6911	14
Above Five years	36935	76
Total	48810	100

Source : Compiled from Finance Accounts

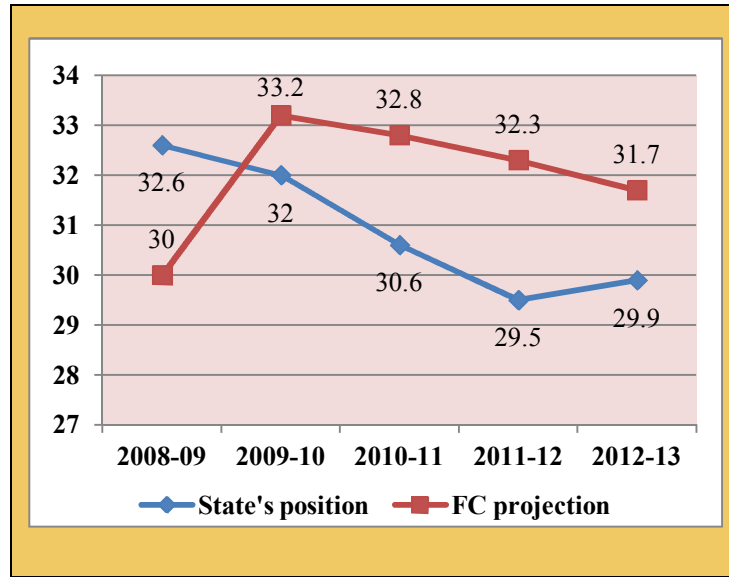
The huge annual repayments becoming due from 2018-19 onwards is likely to put considerable fiscal pressure on the resources of the State. This points towards the need for effective action to raise additional resource through revenue generation, reduce revenue/fiscal deficit and thus contain the ever increasing debt to manageable limits. The Principal Secretary stated that as long as the Gross State Domestic Product (GSDP) grows, the debts can easily be repaid. It would become a threat only if the economy slows down. However, as things stand today, the huge annual repayment from 2018-19 would pose a serious threat to the annual fiscal situation unless the economic growth as envisaged is sustained.

1.12.8 Fiscal sustainability indicators

(i) Debt-GSDP ratio

The Debt-GSDP ratio represents the final outcome of all the budgetary transactions, particularly the borrowings contracted to finance fiscal deficits over the years, and is an important indicator of required fiscal correction. Ratio of fiscal liability to GSDP showed a declining trend during 2008-12. However, during 2012-13, it was increased to 29.9 per cent from 29.5 per cent in the previous year. Trend in Debt-GSDP ratio, during the last five years is shown in **Chart 1.12**.

Chart 1.12: Debt-GSDP ratio comparison

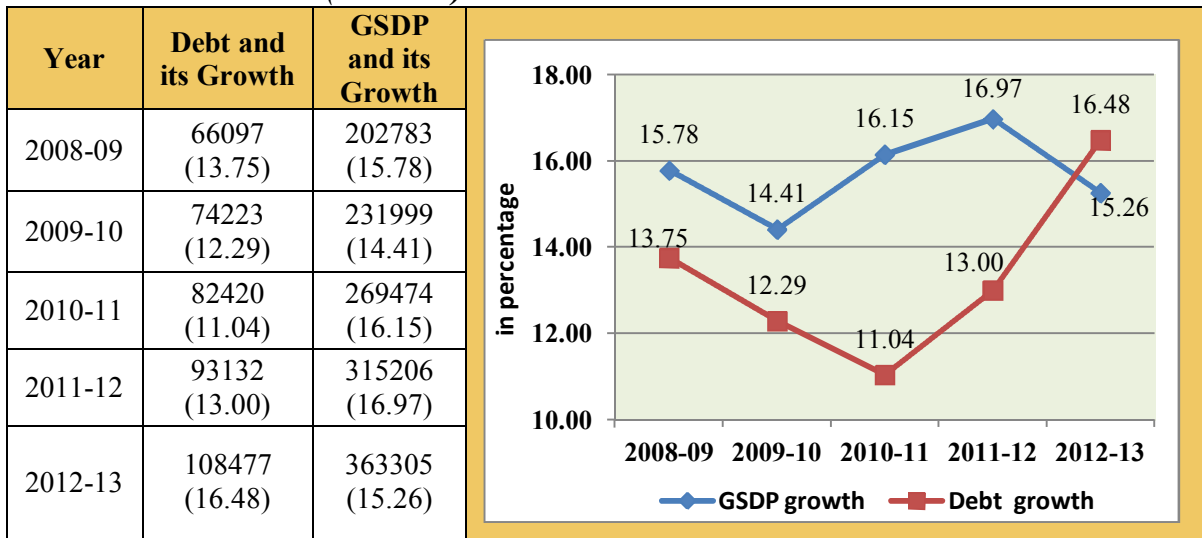


(ii) Growth rate of GSDP and Debt

One of the indicators of debt sustainability is that growth rate of debt should be less than the nominal growth rate of GSDP. It was observed that State's debt showed lesser growth rate than that of GSDP during the first four years. However, during 2012-13 it was higher than GSDP growth as shown below;

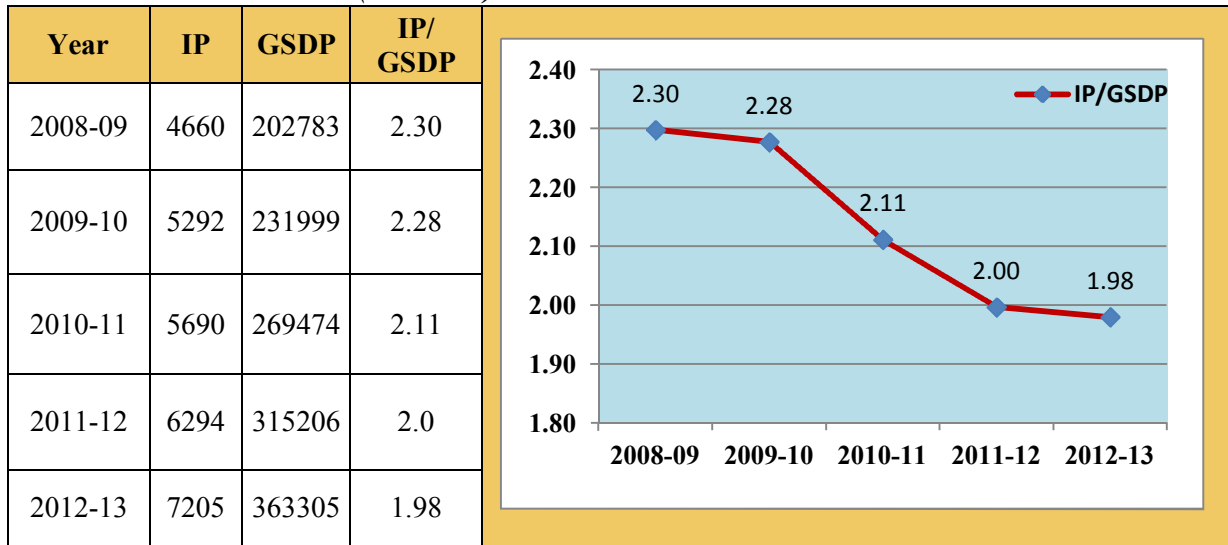
Chart 1.13: Growth of GSDP and Debt

(₹ in crore)



(iii) Interest payments to GSDP

Expected behaviour of this indicator is that it should decline over a period time. In such a situation, debt liability of the State is considered at a manageable level. Ratio of interest payments to GSDP showed a declining trend during the last five years as shown below:

Chart 1.14: Interest payments (IP) to GSDP*(₹in crore)***(iv) Interest payments to Revenue Expenditure and Revenue Receipts**

Burden of interest payments will increase with more and more borrowing. However, comparatively less growth rate of interest payments (when compared with Revenue Expenditure and Revenue Receipts) indicates better debt sustainability path for the State. Percentages of interest payments with reference to Revenue Expenditure and Revenue Receipts over a period of five years ending 2012-13 are given in **Charts 1.15** and **1.16** respectively.

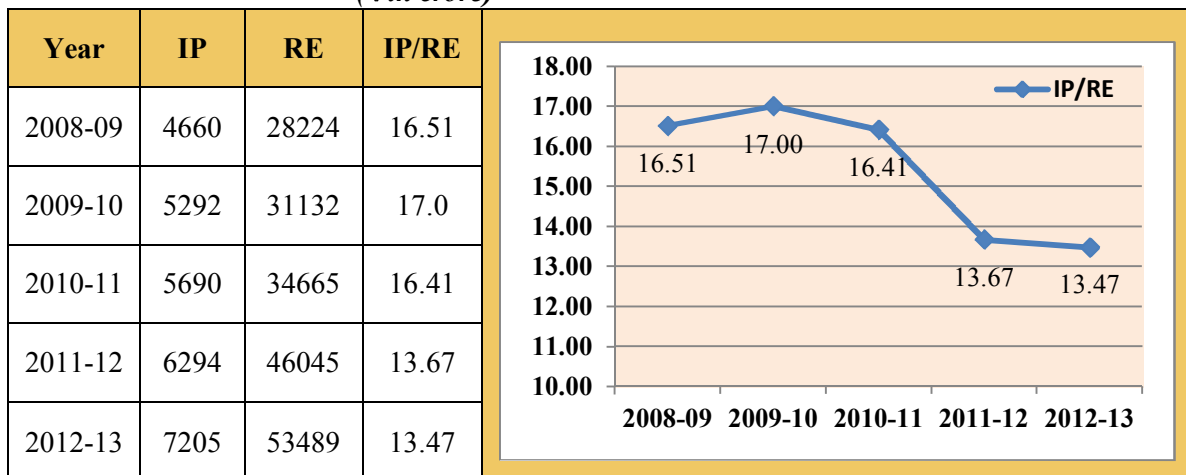
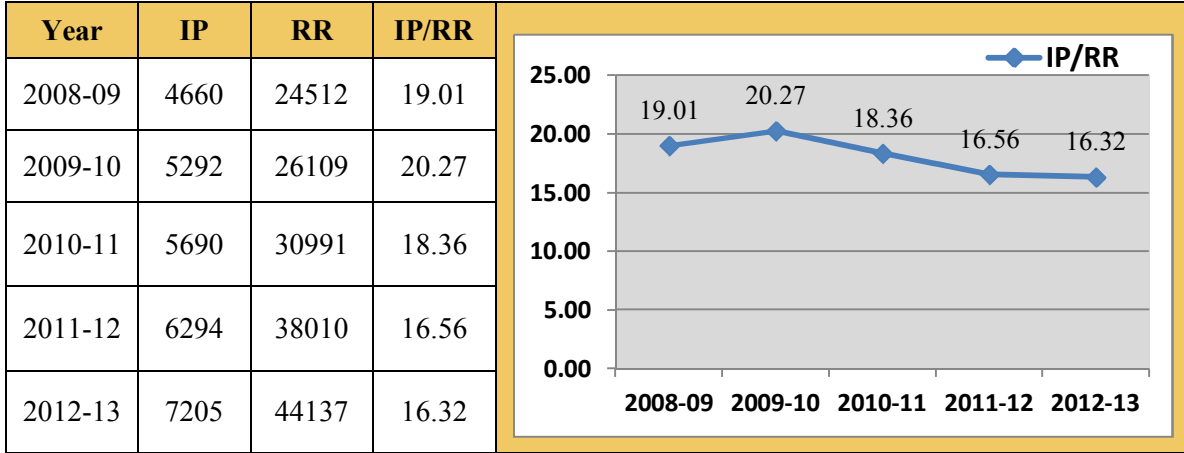
Chart 1.15: Interest payments (IP) to Revenue Expenditure(RE)*(₹in crore)*

Chart 1.16: Interest payments (IP) to Revenue Receipts (RR)
(₹ in crore)



In absolute terms interest payments during last five years showed an increase of 55 *per cent*. However, the percentage of interest payments to revenue expenditure and revenue receipts showed a declining trend during the last four years, which is a good indicator.

Despite these indicators, the future does not portend a better picture for the State, as the three key fiscal parameters i.e. revenue, fiscal and primary deficits showed enormous increase during the last two years, due to disproportionate growth of revenue expenditure and non-realisation of anticipated revenue receipts. Coupled with this, huge annual repayments of open market borrowing due from 2017-18 onwards will place considerable fiscal burden on the State Finances. With increasing reliance on market borrowings, high interest liability will also add to this pressure.

1.12.9 Efficiency in Debt Redemption initiatives

In accordance with the guidelines issued by the Reserve Bank of India, Government of Kerala constituted a Consolidated Sinking Fund (CSF) during 2005-06 for redeeming its open market loans. A revised scheme of CSF was constituted during 2007-08 as an Amortization Fund for redemption of outstanding liabilities in replacement of the existing scheme of CSF which was operative till the end of the year 2006-07. An amount of ₹132.54 crore outstanding in the Fund at the end of March 2007 was merged with the new Fund.

The Fund was to be credited with contributions made by Government each year amounting to not less than 0.5 *per cent* of the outstanding liabilities at the end of the previous year. The accretions to the Fund are invested in Government of India Securities by RBI in consultation with the State Government. Interest from the investments made out of the Fund upto the year 2011-12 and accumulated in the Fund can be utilized for redemption of outstanding liabilities from the year 2012-13 and the contributions forming corpus of the Fund will remain intact.

Audit scrutiny revealed the following:-

- As per the provisions of the Fund Rules, the State had to contribute an amount of ₹1950.84 crore till March 2013. Against this, the contribution was only ₹1128.12 crore resulting in a shortfall of ₹822.72 crore.
- Till 2011-12, an amount of ₹340.68 crore was credited to the Fund as interest on investments made out of the Fund. Out of this, ₹340.05 crore has been utilized during 2012-13, for repayment of loans availed from NCDC and LIC.

The Fund may not serve the intended purpose at the current rate of contribution as the interest income generated from the investment of the Fund is too meagre to meet the repayment liabilities in the coming years. The Principal Secretary stated that contribution to the Fund is not advisable in the case of Kerala as the State has to invest in CSF from the Funds Borrowed. The return on Sinking Fund is just seven *per cent*, while the interest on borrowings would be minimum nine *per cent*, hence a loss of two *per cent* accrues with every contribution made in the Fund and, therefore maintaining the fund would not be good economics.

1.12.10 Conclusion

The State Government borrowed ₹36,935 crore from the open market during the five year period 2008-09 to 2012-13. Instances of raising open market loans even when government had substantial investments in short term treasury bills have been noticed. During the last five years, the State Government could invest only 17 *per cent* of the market borrowing in revenue generating assets and Government's return on this investment was mere six *per cent* of the total interest paid on market borrowing during the period. Substantial portion of borrowed funds were provided as loans or investments in PSUs having negative net worth with no returns. Despite huge increase in market borrowings, net availability of the funds for development after meeting the debt servicing obligations did not show any significant increase. The huge annual repayments becoming due from 2018-19 onwards are likely to put considerable fiscal pressure on the resources of the State. The Consolidated Sinking Fund constituted in 2005-06 to finance repayments of the fiscal liabilities from 2012-13 onwards may not serve the intended purpose in view of the low rate of contribution and shortfall in making even the prescribed contribution to the Fund.

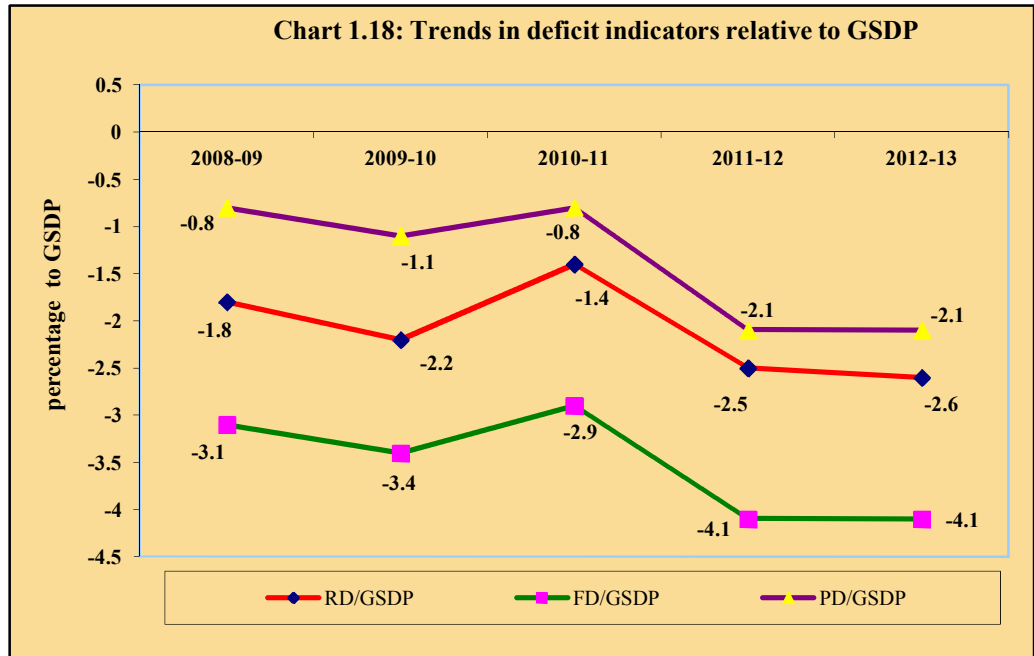
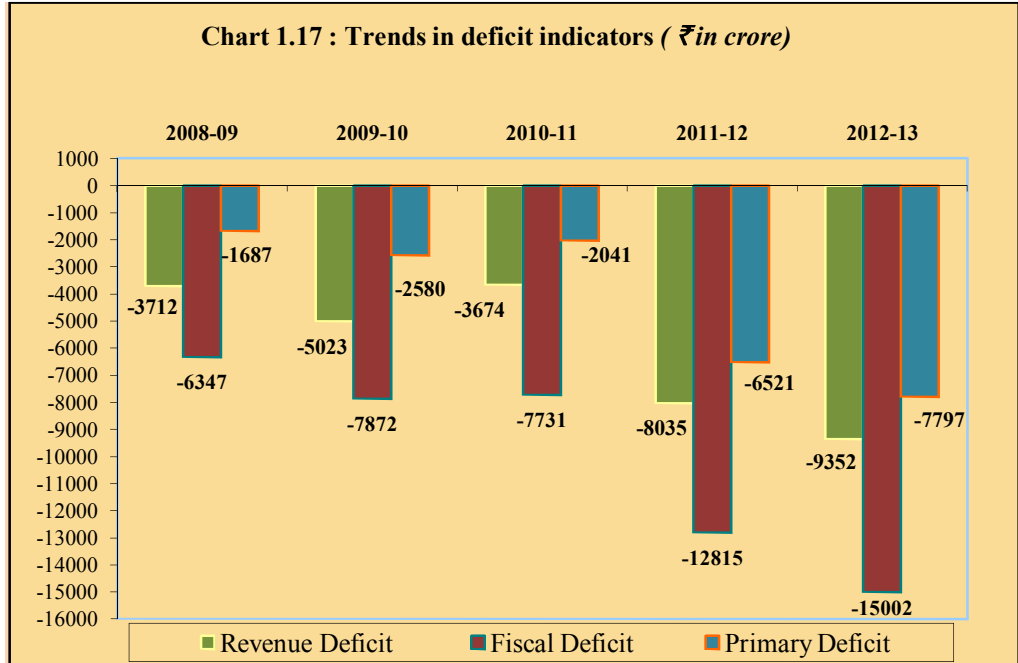
1.13 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources are raised and applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the

manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under the Fiscal Responsibility Act/Rules for the financial year 2012-13.

1.13.1 Trends in deficits

Charts 1.17 and 1.18 presents the trends in deficit indicators over the period 2008-13.



The revenue deficit of the State which indicates the excess of its revenue expenditure over revenue receipts showed an increasing trend during the last five years (except during 2010-11). Revenue deficit of State increased from ₹3,712 crore in 2008-09 to ₹9,352 crore in 2012-13.

The fiscal deficit, which represents the total borrowing of the Government and its total resource gap also increased during the last five years (except during 2010-11). It increased from ₹6,347 crore in 2008-09 to ₹15,002 crore in 2012-13.

During the last five years, more than 4.5 times increase was noticed in the case of primary deficit and it increased from ₹1,687 crore in 2008-09 to ₹7,797 crore in 2012-13. Increase in revenue deficit, fiscal deficit and primary deficit indicate the disproportionate growth of expenditure with regard to revenue realization.

As a proportion of GSDP, the revenue deficit (1.4 per cent) and fiscal deficit (2.9 per cent) in 2010-11 were the lowest during the last five year period. These percentages increased to 2.6 per cent and 4.1 per cent respectively in 2012-13. These were more than the targets fixed (0.89 per cent and 2.74 per cent) in the Medium Term Fiscal Plan for 2012-13 to 2014-15.

1.13.2 Components of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.37**. Receipts and disbursements under the components of financing the fiscal deficit during 2012-13 are given in **Table 1.38**.

Table 1.37: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2008-09	2009-10	2010-11	2011-12	2012-13
Decomposition of fiscal deficit						
1.	Revenue deficit	3712	5023	3674	8035	9352
2.	Net capital expenditure	1687	2010	3339	3837	4588
3.	Net loans and advances	948	839	718	943	1062
Total fiscal deficit		6347	7872	7731	12815	15002
Financing pattern of fiscal deficit*						
1.	Market borrowings (net)	4782	4710	4770	7496	10571
2.	Loans from Government of India	476	297	54	36	226
3.	Special Securities Issued to National Small Savings Fund	(-) 102	(-) 140	42	(-)491	32
4.	Loans from Financial Institutions	116	(-) 16	348	(-)7	(-)118
5.	Small Savings, PF etc	2589	2849	2490	3839	3686
6.	Deposits and Advances	132	437	469	(-)52	1141
7.	Suspense and Miscellaneous	(-) 85	370	(-) 197	852	712
8.	Remittances	23	57	27	(-)157	31
9.	Others	72	(-) 31	399	32	(-)379
10.	Total (1 to 9)	8003	8533	8402	11548	15902
11.	Increase (-)/Decrease (+) in Cash Balance	(-)1656	(-) 661	(-) 671	1267	(-)900
12.	Overall deficit	6347	7872	7731	12815	15002

*All these figures are net of disbursements/outflows during the year.

Source: Finance Accounts of the State Government

Table 1.38: Receipts and disbursements under components financing the fiscal deficit during 2012-13

(₹ in crore)

Sl. No.	Particulars	Receipt	Disbursement	Net
1.	Market borrowings	11583	1012	10571
2.	Loans from Government of India	552	326	226
3.	Special Securities Issued to National Small Savings Fund	630	598	32
4.	Loans from Financial Institutions	410	528	-118
5.	Small Savings, PF etc	23821	20135	3686
6.	Deposits and Advances	7840	6699	1141
7.	Suspense and Miscellaneous	64132	63420	712
8.	Remittances	9705	9674	31
9.	Others	489	868	-379
10.	Total (1 to 9)	119162	103260	15902
11.	Increase (-)/Decrease (+) in Cash Balance			-900
12.	Overall deficit			15002

Source: Finance Accounts of the State Government

Table 1.37 reveals that during the last five years market borrowings and net accretions in Public Account (especially in Small Savings, PF etc.) are the main source utilized by the State Government to finance the fiscal deficit. During 2012-13, ninety five *per cent* of the fiscal deficit was financed through net Market borrowings (₹10,571 crore) and accretions in the Small Savings, PF, etc. (₹3,686 crore).

During 2012-13, the State Government raised ₹11,583 crore as market loans at an average interest rate of 8.86 *per cent*, loans amounting to ₹410.02 crore from NABARD at an interest rate of 7.35 *per cent* and ₹85.77 crore from NCDC at interest rates of 12.90 *per cent*. The State Government also received loans amounting to ₹552.30 crore from the Government of India during the year for which the details of interest rate on all loans were not available.

The State Government has been mobilising deposits from its employees, pensioners, institutions and general public through treasuries. During 2012-13, the State Government received ₹16,722.38 crore as deposits through Treasury Saving Bank accounts at an average interest rate of five *per cent* and ₹1,714.84 crore as Treasury Fixed Deposits at interest rates ranging between 7.25 *per cent* and 9 *per cent*. The balance of such deposits as on 31 March 2013 was ₹12,868.71 crore.

1.13.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds

were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (**Table 1.39**) indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.39: Primary deficit/surplus – bifurcation of factors*(₹ in crore)*

Year	Non-debt receipts (NDR)	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure	Primary revenue deficit (-)/surplus (+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2008-09	24,557	23,564	1,696	984	26,244	(+) 993	(-) 1,687
2009-10	26,196	25,840	2,059	877	28,776	(+) 356	(-) 2,580
2010-11	31,060	28,975	3,364	762	33,101	(+) 2,085	(-) 2,041
2011-12	38,081	39,751	3,853	998	44,602	(-) 1,670	(-) 6,521
2012-13	44,226	46,284	4603	1136	52,023	(-) 2,058	(-) 7,797

Source: Finance Accounts of the State Government

The bifurcation of the factors leading to primary deficit or surplus of the State reveals that during the period from 2008-09 to 2010-11 non-debt receipts (NDR) of the State were enough to meet the primary revenue expenditure³¹ of the State. However, during the last two years NDR was not sufficient to meet the primary revenue expenditure indicating disproportionate growth of primary revenue expenditure with respect to NDR.

1.14 Conclusion

Revenue Receipts : During the current year, the State's Revenue receipts (₹44,137 crore) increased by 16 *per cent* over the previous year. There was increase in Tax revenue (₹4,358 crore) and Non-tax revenue (₹1606 crore) during the year. Though State's tax revenue collected (₹30,077 crore) during 2012-13 was higher than the normative assessment (₹28,356 crore) made by ThFC it was less than the projections made (₹32,122 crore) in Medium Term Fiscal Plan for the year.

Revenue Expenditure : The revenue expenditure increased by 16 *per cent* during the year. Of the total expenditure of ₹59,228 crore during 2012-13, share of revenue expenditure was more than 90 *per cent* (₹53,489 crore). More than 65 *per cent* of the Revenue expenditure was incurred on salaries, wages, pension payments, interest payments and subsidies.

³¹ Primary revenue expenditure represents revenue expenditure less expenditure on interest.

Capital Expenditure : During the year Capital expenditure (₹4,603 crore) increased by ₹750 crore (19 per cent) over the previous year and it accounted for eight per cent of the total expenditure of the State. However, proportion of Capital expenditure was much lower as compared to General Category States.

Investment and returns : As of 31 March 2013, the State had invested ₹4,511.03 crore in Statutory Corporations, Government companies, Joint Stock Companies and Co-operatives. The average return on these investments was 1.3 per cent during the last five years, while the Government paid an average interest rate ranging from 7.1 per cent to 7.5 per cent on its borrowings during the same period.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increase in non-developmental expenditure like salaries, interest payments, pension and subsidies year after year reduces the net availability of funds from the borrowings for infrastructure development. The State's low return on investments indicates an implicit subsidy and use of high cost borrowings for investments, which yields low return and is not sustainable.

Loans and Advances : Outstanding loans and advances given by the State Government to Statutory Corporations, Government companies and Co-operative Societies at the end of March 2013 was ₹10,456 crore, recording an increase of ₹1062 crore over the previous year. Arrears in repayment of loan as on 31 March 2013 from 68 institutions was ₹6,382.47 crore, which includes interest amounting to ₹2,636.60 crore.

Deficit : All the key fiscal parameters, ie revenue, fiscal and primary deficits increased during 2012-13 when compared to previous year. The revenue, fiscal and primary deficit increased to ₹9,352 crore, ₹15,002 crore and ₹7,797 crore in 2012-13 from ₹8,035 crore, ₹12,815 crore and ₹6,521 crore respectively in 2011-12. The ratio of revenue deficit to fiscal deficit reduced from 62.7 per cent in 2011-12 to 62.3 per cent in 2012-13. As a proportion of GSDP, the revenue deficit stood at 2.6 per cent and fiscal deficit at 4.1 per cent, which was far off from the target fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011.

Increasing revenue and fiscal deficit shows growing fiscal imbalance of the State. Similarly, increase in the ratio of revenue deficit and fiscal deficit indicates that the application of borrowed funds has largely been to meet current expenditure.

Debt Management : Fiscal liabilities at the end of the current year worked out to ₹1,08,477 crore and stood at 29.9 per cent of GSDP in 2012-13, which was below the target of 31.7 per cent fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011. The net availability of borrowed funds (including market borrowings) after providing interest and repayment of principal was ₹8,154 crore against ₹4,426 crore in 2011-12. As the non-debt receipt of the State was also

insufficient, some portion of this borrowing was used for bridging fiscal gap. Consequently, the State was left with only ₹5,204 crore for developmental activities from the total borrowings of ₹13,261 crore. The maturity profile of State shows that the State will have to repay 42.4 *per cent* of its debt between one and seven years.

There has been a decline in net availability of funds from its borrowings as large portion of these funds are being used for debt servicing. The ratio of financial assets to liabilities has also deteriorated indicating the greater part of liabilities was without an asset backup. The Balance from Current Revenue (BCR) which plays a critical role in determining its plan size and a negative BCR adversely affects the same and reduces the availability of funds for additional infrastructure requirement.

Monitoring of funds transferred directly from the GOI to the State implementing agencies : Government of India directly transferred ₹2,289.26 crore to the 12 implementing agencies of the State during the year and at the end of March 2013 an amount of ₹485.50 crore was remaining un-utilised with these implementing agencies. But transfer of funds from Government of India to the state implementing agencies directly ran the risk of inadequate monitoring of utilisation of funds by these agencies in the absence of uniform accounting procedures and effective monitoring system.

1.15 Recommendations

- Realistic assessment of Revenue Receipts and Revenue Expenditure may be made, so that achievable goals can be set in the fiscal reform path of the State.
- Management Information Systems may be established and existing Central Plan Scheme Monitoring System may be utilized effectively for real time accounting and monitoring of funds transferred directly to State Implementing agencies of Central sector schemes.
- The Government may review the low return from investments in Government companies/Statutory corporations/Public Sector Undertakings and huge arrears in repayment of loans released to them for giving true and fair status to the balance sheet of the State Government.
- Statutory contributions to Reserve Funds may be made so as to meet the possible future liability, envisaged while constituting the Funds. The State Government should also ensure re-investment of fund balances for possible accretions to the fund balance.

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 The Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of voted Grants and Appropriations charged for different purposes, as specified in the schedules appended to the Appropriation Acts. These accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.1.3 As per the Kerala Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by the Heads of Departments and other Estimating Officers and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demands for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of foresight both in anticipating revenue and estimating expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither in excess nor lesser. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees, etc.

Deficiencies in the management of budget and expenditure and violation of the provisions of Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 48 Grants/Appropriations is given in **Table 2.1**.

Table 2.1: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions

(₹in crore)

Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving
Voted					
I Revenue	44604.11	4122.88	48726.99	46863.55	1863.44
II Capital	6487.21	275.68	6762.89	4696.58	2066.31
III Loans and Advances	815.96	298.86	1114.82	1136.15	-21.33
Total Voted	51907.28	4697.42	56604.70	52696.28	3908.42
Charged					
IV Revenue	7438.32	51.22	7489.54	7410.83	78.71
V Capital	75.80	2.36	78.16	47.14	31.02
VI Public Debt Repayment	9682.47	0	9682.47	2804.08	6878.39
Total Charged	17196.59	53.58	17250.17	10262.05	6988.12
Appropriation to Contingency Fund (if any)	Nil	Nil	Nil	Nil	Nil
Grand Total	69103.87	4751.00	73854.87	62958.33	10896.54

Source: Appropriation Accounts 2012-13 and Appropriation Acts

The overall savings of ₹10896.54 crore was the result of savings of ₹11,384.55 crore in 34 Grants and 21 Appropriations under the Revenue Section and 25 Grants and six Appropriations under the Capital Section (**Appendix 2.1**), offset by excess of ₹488.01 crore in 10 Grants and one Appropriation under the Revenue Section and four Grants under Capital Section.

The status of savings/excess (as per Appropriation Accounts) was intimated (July 2013) to the Controlling Officers, requesting them to explain the significant variations. Out of 1250 sub-heads in respect of which savings/excess were reported, explanations for variations were not received (August 2013) in respect of 826 sub-heads.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The appropriation audit revealed that in 17 cases, savings exceeded ₹10 crore in each case and were also more than 20 per cent of the total provision. Details are given in **Table 2.2**.

Table 2.2: List of Grants/Appropriation with savings of ₹10 crore and above in each case and more than 20 per cent of the total provision*(₹in crore)*

Sl.No.	Grant number and Name	Total Grant/ Appropriation	Savings	Percentage of savings
Revenue - Voted				
1.	II Heads of States, Ministers and Headquarters Staff	375.44	75.94	20.23
2.	XX Water Supply and Sanitation	665.25	134.23	20.18
3.	XXII Urban Development	1048.97	730.68	69.66
4.	XXVI Relief on Account of Natural Calamities	556.99	135.57	24.34
5.	XLI Transport	190.33	45.48	23.90
Total		2836.98	1121.9	
Capital – Voted				
6.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	90.92	60.31	66.33
7.	XXVII Co-operation	85.85	18.59	21.65
8.	XXIX Agriculture	236.68	129.92	54.89
9.	XXXIII Fisheries	161.65	53.18	32.89
10.	XXXV Panchayat	51.86	42.16	81.30
11.	XXXVIII Irrigation	554.13	294.30	53.11
12.	XXXIX Power	23.75	23.75	100.00
13.	XL Ports	570.78	307.13	53.81
14.	XLI Transport	1360.09	457.08	33.61
Total		3135.71	1386.42	
Revenue – Charged				
15.	III Administration of Justice	97.53	23.81	24.41
Capital – Charged				
16.	XV Public Works	75.05	30.66	40.85
17.	Public Debt Repayment	9682.47	6878.39	71.04
Total		9757.52	6909.05	
Grand Total		15827.74	9441.18	

Source: Appropriation Accounts 2012-13

Savings exceeding ₹100 crore in each case are discussed below:

(i) Grant No. 'XX-Water Supply and Sanitation' (Revenue-Voted)

The grant closed with a saving of ₹134.23 crore. Saving occurred mainly under the head 2215 - Water Supply and Sanitation - 01 Water Supply, 800 - other expenditure, 67 Add-on project of 'Jalanidhi', which stood at ₹69.82 crore against the allotment of ₹109.82 crore. Reason for the saving has not been intimated. Also savings of ₹33.65 crore was noticed under 2215-01-Water Supply, 190-Assistance to Public sector and other undertakings, 99- Grant-in-Aid to the Kerala Water Authority.

(ii) Grant No. 'XXII-Urban Development' (Revenue – Voted)

Against the original provision of ₹1047.94 crore, the expenditure was ₹318.29 crore resulting in a savings of ₹730.68 crore. Eighty eight *per cent* of the savings (₹647.60 crore) was surrendered only on 30 March 2013. Savings occurred mainly under the heads 2217-Urban Development-05-Other Urban Development Schemes, 800-Other Expenditure, 89-Jawaharlal Nehru National Urban Renewal Mission (Central Assistance) (₹263.05 crore), 2217-Urban Development-80-General, 800-Other Expenditure, 91-Kerala Sustainable Urban Development Project (₹173.00 crore) and 2217-03-Integrated Development of Small and Medium Towns, 191-Assistance to Municipal Corporations, 74-Urban Infrastructure Development Scheme for Small and Medium Towns(ACA) (₹129.21 crore). Reasons for the savings have not been intimated.

(iii) Grant No. 'XXVI-Relief on Account of Natural Calamities' (Revenue-Voted)

The Grant closed with savings of ₹135.57 crore. In view of the above savings, the supplementary grant of ₹263.86 crore obtained in August 2012 proved excessive. Against the savings ₹124.63 crore was surrendered only on 30 March 2013. Savings occurred mainly under the heads 2245-Relief on account of Natural Calamities-02 Floods, Cyclones, etc., 106-Repairs and restoration of damaged roads and bridges, 99- Repairs and restoration of damaged roads and bridges due to non-incurring of anticipated expenditure.

(iv) Grant No. 'XXIX-Agriculture' (Capital-Voted)

The Grant closed with savings of ₹129.92 crore. As the expenditure of ₹106.76 crore did not come up to the original allocation of ₹226.47 crore, the supplementary grant of ₹10.21 crore obtained in February 2013 proved wholly un-necessary. Of the available saving of ₹129.92 crore, ₹103.73 crore was surrendered only on 30 March 2013. Savings occurred mainly under the head, 4702-Capital Outlay on Minor Irrigation-101-Surface Water, 84-Priority works under Minor Irrigation (₹47.13 crore). Reasons for savings has not been intimated.

(v) Grant No. 'XXXVIII – Irrigation' (Capital-Voted)

The grant closed with a savings of ₹294.30 crore. In view of the expenditure of ₹259.83 crore against the original provision of ₹529.13 crore, the Supplementary grant of ₹25.00 crore obtained in August 2012 proved wholly un-necessary. Against the available saving, ₹261.26 crore was surrendered only on 30 March 2013. Savings occurred mainly under the head, 4701-Capital Outlay on Medium Irrigation-80 General, 800-other expenditure, 79-AIBP-Support for other need based programme (₹141.50 crore). Out of this savings, ₹86.62 crore was due to non-receipt of approved projects under the scheme. Reasons for the balance savings have not been intimated.

(vi) Grant No. 'XL-Ports' (Capital -Voted)

Against the total grant of ₹570.78 crore, expenditure was only ₹263.65 crore resulting in a savings of ₹307.13 crore. Of this saving, ₹306.43 crore was surrendered only on 30 March 2013. Savings occurred mainly under 5051-Capital Outlay on Ports and Light Houses-01 Major Ports, 001-Direction and Administration, 98-Investments in Major Capital Projects (Ports) (₹300.00 crore). Withdrawal of the entire provision under this head by resumption was due to non-implementation of the proposed activities.

(vii) Grant No. 'XLI-Transport' (Capital -Voted)

The Grant closed with a saving of ₹457.08 crore, out of which ₹384.40 crore was surrendered on 24 July 2012 and 30 March 2013. Saving occurred mainly under 5075-Capital Outlay on Other Transport Services-60 Others, 800-other expenditure, 79-Investment in Major Capital Projects (other Transport Services) (₹9.48 crore) and 5075 Capital Outlay on Other Transport Services -60 others, 800-other expenditure, 84 Priority Schemes under ThFC (₹25.00 crore).

2.3.2 Persistent savings

In six cases, there were persistent savings in excess of ₹50 lakh in each case and also by 20 per cent or more of the provision for the last three years as shown in **Table 2.3**.

Table 2.3: Persistent savings*(₹in crore)*

Sl. No.	Number and Name of Grant/Appropriation	Amount of saving (percentage)		
		2010-11	2011-12	2012-13
Revenue – Voted				
1.	XX Water Supply and Sanitation	263.16 (40)	220.79 (37)	134.23 (20)
2.	XXII Urban Development	563.04 (60)	371.44 (58)	730.68 (70)
Capital – Voted				
3.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	37.90 (34)	51.42 (51)	60.31 (66)
4.	XXIX Agriculture	77.29 (61)	135.03 (59)	129.92 (55)
5.	XXXVIII Irrigation	204.65 (44)	576.13 (78)	294.30 (53)
Capital – Charged				
6.	Public Debt Repayment	10376.07 (84)	6252.31 (68)	6878.40 (71)

Source: Appropriation Accounts 2010-11, 2011-12 and 2012-13.

In 45 subheads, there were persistent savings in excess of ₹ five crore in each case of the provision for the last three years. Details are given in **Appendix 2.2**.

2.3.3 Excess over provision during 2012-13

The Appropriation Accounts disclosed excess expenditure of ₹469.75 crore under Revenue Section (10 Grants and one appropriation) and ₹18.26 crore under

Capital Section (four Grants). This excess expenditure of ₹488.01 crore requires regularization under Article 205 of the Constitution as summarized in **Table 2.4**.

Table 2.4: Excess over provision requiring regularization during 2012-13
(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
Voted Grants – Revenue				
1.	I State Legislature	57.51	57.72	0.21
2.	V Agricultural Income Tax and Sales Tax	170.60	180.38	9.78
3.	IX Taxes on Vehicles	57.43	58.24	0.81
4.	X Treasury and Accounts	150.53	151.73	1.20
5.	XII Police	1819.17	1975.32	156.15
6.	XIII Jails	72.07	72.59	0.52
7.	XVI Pensions and Miscellaneous	10765.04	11027.60	262.56
8.	XVII Education, Sports, Art and Culture	10634.21	10663.93	29.72
9.	XXXI Animal Husbandry	371.93	376.73	4.80
10.	XLII Tourism	206.27	210.20	3.93
Total – Voted Grants – Revenue		24304.76	24774.44	469.68
Charged Appropriations - Revenue				
11.	I State Legislature	0.45	0.52	0.07
Total – Charged Appropriations – Revenue		0.45	0.52	0.07
Total-Revenue		24305.21	24774.96	469.75
Voted Grants – Capital				
12.	XVII Education, Sports, Art and Culture	141.22	142.40	1.18
13.	XIX Family Welfare	0.24	0.24	... ³²
14.	XX Water Supply and Sanitation	336.00	352.91	16.91
15.	XXVIII Miscellaneous Economic Services	1.77	1.94	0.17
Total - Voted Grants – Capital		479.23	497.49	18.26
Grand Total		24784.44	25272.45	488.01

Source: Appropriation Accounts 2012-13

2.3.4 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). Excess expenditure occurred under 41 Grants and eight Appropriations amounting to ₹1104.75 crore for the years 1990-91 to 2011-12, was to be regularised (September 2013) as

³² ₹41,000 only

summarised in **Table 2.5**. The year-wise and Grant-wise amounts of excess expenditure pending regularisation and the stage of consideration by the PAC are detailed in **Appendix 2.3**.

Table 2.5: Excess over provisions relating to the previous years requiring regularisation
(₹ in crore)

Year	Number of		Amount of excess over provision
	Grant	Appropriation	
1990-91	1		0.36
1992-93	1		0.04
1995-96	1		21.12
1996-97		1	... ³³
1997-98	1		3.93
1998-99	1		7.88
2000-01	1		14.65
2001-02	2		29.08
2003-04	3		128.61
2006-07	1		1.28
2008-09	5	1	103.57
2009-10	8	2	23.07
2010-11	1	2	0.15
2011-12	15	2	771.01
Total	41	8	1104.75

Source: As per records maintained by the Principal Accountant General (G&SSA)

2.3.5 Unnecessary/Excessive/Inadequate Supplementary provision

Supplementary provisions aggregating ₹548.31 crore, obtained in 26 cases of ₹50 lakh or more in each case during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in **Appendix 2.4**.

In 18 cases, against the additional requirement of ₹1,732.86 crore, supplementary grants of ₹2,412.29 crore were obtained, resulting in savings aggregating ₹679.43 crore (**Appendix 2.5**).

In eight cases, supplementary provision of ₹1,762.41 crore proved inadequate by more than ₹ one crore in each case, leaving uncovered excess expenditure of ₹469.30 crore (**Appendix 2.6**).

2.3.6 Excessive/unnecessary/insufficient re-appropriation of funds

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. There were excesses/savings of more than ₹ two crore in 127 sub-heads even after re-appropriation as detailed in **Appendix 2.7**. Reasons for the variations were not furnished by the department/Government.

³³ ₹32,791 only

2.3.7 Substantial surrenders

Substantial surrenders (surrender involving more than 50 *per cent* of the total provision) were made in respect of 302 sub-heads on account of either non-implementation or slow implementation of plan schemes/programmes. Out of the total provision amounting to ₹3,129.78 crore in these 302 sub-heads, ₹2,496.77 crore (80 *per cent*) was surrendered which included cent *per cent* surrender in 39 sub-heads amounting to ₹914.79 crore as indicated in **Appendix 2.8**. Major surrenders include (i) ₹129.21 crore under 2217-03-191-74 Urban Infrastructure Development scheme for small and medium towns (ACA)(Plan) and (ii) ₹300 crore under 5051-01-001-98-Investment in major capital projects (Ports)(Non-plan).

2.3.8 Surrender in excess of actual saving

In 25 Grants the amounts surrendered (₹50 lakh or more in each case) was in excess of the actual savings indicating lack of or inadequate financial control. As against savings of ₹620.13 crore, the amount surrendered was ₹892.56 crore, resulting in excess surrender of ₹272.43 crore. Details are given in **Appendix 2.9**. Out of ₹272.43 crore, ₹108.94 crore was under the Grant no.XV-Public Works.

2.3.9 Injudicious surrender

In six Grants, surrender of ₹486.40 crore (₹10 lakh or more in each case) proved injudicious as there were eventual excesses under these Grants/Appropriations at the close of the financial year. Of this, ₹463.22 crore was under Grant no.XVII Education, Sports, Art and Culture, which includes ₹175.50 crore under 2202-02-800-50 Right of Children to Free and Compulsory Education. Details are given in **Appendix 2.10**.

2.3.10 Anticipated savings not surrendered

As per Paragraph 91 of the Kerala Budget Manual, spending departments are required to surrender Grants/Appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the close of the year 2012-13, there were, however, seven Grants/Appropriations in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹86.66 crore, the details of which are given in **Appendix 2.11**.

Similarly, out of the total savings of ₹10,676.87 crore under 32 Grants/Appropriations with savings of rupees one crore and above in each Grant/Appropriation, 38 *per cent* of savings amounts aggregating ₹4,066.91 crore were not surrendered, details of which are given in **Appendix 2.12**. Besides, in 45 major heads under 29 Grants ₹3,927.33 crore (**Appendix 2.13**) was surrendered on 31 March 2013 (surrender of funds in excess of ₹10 crore in each major head), indicating inadequate financial control and the fact that these funds could not be utilised for other development purposes.

2.3.11 Rush of expenditure at the end of financial year 2012-13

According to Paragraph 91 (2) of the Kerala Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 60 sub-heads listed in **Appendix 2.14**, expenditure of ₹10 crore and above and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2013. In 24 Major Heads, more than 50 *per cent* of expenditure was incurred during the last month of the financial year, details are given in **Appendix 2.15**. Some major withdrawals made during March 2013, for which budget allocations were available at the beginning of the financial year, were ₹223.68 crore under 5051-01-001-99 Development of Vizhinjam Deep Water International Transshipment terminal and ₹796.04 crore under 2075-00-103-98 Commission for agents in ‘State Lotteries’.

2.3.12 Unexplained re-appropriations

Paragraph 86 (3) of the Kerala Budget Manual lays down that the authority sanctioning re-appropriations should satisfy himself that the reasons given in the sanctions are full, frank and forthright and are not in vague terms such as ‘based on actual requirement’, ‘based on trend of expenditure’, ‘expenditure is less than that anticipated’, etc. as they have to be incorporated in the Appropriation Accounts which are examined by the Public Accounts Committee of Legislature. However, a test check of re-appropriation orders relating to 12 Grants issued by the Finance Department revealed that in respect of 1137 out of 2105 items (54 *per cent*), the reasons given for withdrawal of provision/additional provision in re-appropriation orders were of general nature like ‘expenditure is less than anticipated’, ‘reduced provision is sufficient to meet the expenditure’, etc.

2.3.13 Drawal of funds to avoid lapse of budget grant

As per the provision of Article 40 (c) (7) of the Kerala Financial Code Volume I, a Government servant should not, on any account, reserve or appropriate by transfer to a deposit or any other head or draw from the treasury and keep in a cash chest, any portion of an appropriation remaining unexpended during the year in order to prevent it from lapsing and use it for expenditure after the end of the year. Funds provided in the budget are for actual expenditure to be incurred during the year and any unspent provision lapses at the close of the financial year. Audit scrutiny revealed that out of ₹290.88 crore transferred and deposited in Treasury Savings Bank/Treasury Public Accounts by the department officers in 57 cases to avoid lapsing of funds, ₹220.42 crore remained unutilized as on July 2013. Out of the above 57 cases, the unutilised amount totaling ₹179.64 crore (out of ₹225.12 crore) exceeded ₹ five crore in each case in 14 cases as detailed in **Appendix 2.16**.

The irregular deposit of funds enabled the departments to avoid lapse of budget provision and to bypass budgetary compulsions to spend the amount before the close of the financial year. Further, utilising funds voted for expenditure during a financial year in the subsequent year amounted to bypassing the control of the Legislature over expenditure out of the Consolidated Fund of the State. Moreover,

as the funds drawn were not spent during the financial year, the Government accounts did not reflect the factual position.

2.4 Non-reconciliation of departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent bills against Abstract Contingent bills

According to Rule 187 (d) of the Kerala Treasury Code, all contingent claims that require the countersignature of the controlling authority after payment are to be initially drawn by the Drawing and Disbursing Officer (DDO) from the treasury by presenting Abstract Contingent bills in the prescribed form (Form TR 60). Abstract Contingent (AC) bills can be drawn only by an authorised officer for the items of expenditure listed in Appendix 5 to the Kerala Financial Code. The DDO should maintain a register of AC bills and monitor submission of detailed bills there against. The Detailed Contingent (DC) bills in respect of such claims should be submitted to the controlling authority for countersignature not later than the 10th of the month succeeding that to which they relate. The detailed bills pertaining to a month's claim should reach the Principal Accountant General (A&E), Kerala not later than the 20th of the succeeding month.

According to the records maintained by the Principal Accountant General (A&E) Kerala, 75 AC bills drawn by 47 DDOs up to March 2013 involving ₹1.75 crore were not adjusted as of June 2013 due to non-receipt of DC bills, details of which are enumerated in **Appendix 2.17**. Year-wise details are given in **Table 2.6**. Non-submission of DC bills leads to retention of advance amount drawn with the drawing officer and the advance drawn remains unaccounted under the proper heads of account.

Table 2.6: Pendency in submission of Detailed countersigned Contingent bills against Abstract Contingent bills

(₹ in crore)

Year	AC bills		Outstanding AC bills	
	No. of Items	Amount	No. of Items	Amount
2009-10	367	5.98	1	0.10
2010-11	395	3.52	1	0.06
2011-12	384	4.04	13	0.72
2012-13	417	3.84	60	0.87
Total	1563	17.38	75	1.75

Source: Information compiled by Principal Accountant General (A&E)

Audit noticed that one AC bill for ₹10 lakh drawn by Principal Agricultural Officer, Thrissur during 2009-10 and one AC bill for ₹5.50 lakh drawn by District Educational Officer, Malappuram during 2010-11 were not settled by presenting DC bills, even after lapse of two years.

2.4.2 Unreconciled expenditure

To enable the Controlling Officers of the departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, Paragraph 74 of the Kerala Budget Manual stipulates that the expenditure recorded in their books should be reconciled by them every month during the financial year with that recorded in the books of the Principal Accountant General (A&E), Kerala. Even though non-reconciliation of departmental figures is being pointed out regularly in CAG's Audit Reports, lapses on the part of the Controlling Officers in this regard continued to persist during 2012-13 also. Fifty five Controlling Officers did not reconcile expenditure amounting to ₹6920.44 crore as of June 2013. In respect of 30 Controlling Officers, amounts exceeding ₹10 crore in each case amounting to ₹6866.29 crore remained un-reconciled during 2012-13. The details are shown in **Appendix 2.18**.

2.5 Review of Selected Grants

Review of budget proposals, actual expenditure and fund management in respect of Grant No. XXIX Agriculture revealed the following.

2.5.1 Budget provision and expenditure

During 2012-13, provision was made in 220 sub-heads for this Grant, which included 112 plan heads and 108 non plan heads. Persistent savings were noticed under Capital Section during the last five years as shown in **Table 2.7**.

Table 2.7: Budget provision, expenditure and savings in Capital Section during the last five years

(₹ in crore)

Year	Budget Provision	Expenditure	Savings and its percentage
2008-09	82.00	31.37	50.63 (61.75)
2009-10	101.48	36.50	64.98 (64.03)
2010-11	126.95	49.67	77.28 (60.87)
2011-12	227.45	92.39	135.06 (59.37)
2012-13	236.68	106.76	129.92 (54.89)

Source : Detailed Appropriation Accounts for respective years

Savings ranged from 55 per cent to 64 per cent in the Capital Section. The high percentage of savings indicates over-estimation of actual requirements or poor control over expenditure during these years.

2.5.2 Savings under several heads

The Government in their Budget circular for 2012-13 (August 2011) instructed to prepare the budget estimates of expenditure as accurately as possible so that the amounts proposed did not turn out to be either excessive or inadequate. But contrary to this, provisions made under many sub heads during 2012-13 were excessive, resulting in huge savings in the Grant. Scrutiny of records and

Appropriation Accounts revealed a total savings of ₹353.81 crore under 151 sub heads. Savings of ₹ one crore and above out of these, noticed under 44 sub heads amounting to ₹312.76 crore are shown in **Appendix 2.19**. Further, analysis of the reasons for savings revealed that in the case of non-plan heads, savings was mainly due to over-estimation of pay, dearness allowance and wages and in the case of plan heads on account of non-implementation or slow implementation of the schemes/programmes. Although the outlay fixed for each scheme in the Annual Plan programme is usually taken as the basis for proposing provision in the Budget for plan schemes, the Controlling Officers had not taken into account the past performance and the institutional capacity of the department for effective implementation of schemes during formulation of budget. Huge savings and excess expenditure under several heads show the non-observance of Government direction.

2.5.3 Excess expenditure

Although the Grant showed an overall saving of ₹256.28 crore, the department exceeded the expenditure limit set by the Legislature through grants by ₹97.53 crore in 57 cases. Excess expenditure was more than ₹ one crore and also by more than 10 *per cent* of the total provision in each case under 11 sub heads amounting to ₹82 crore as shown in **Appendix 2.20**.

2.5.4 Rush of expenditure

It was noticed that more than 80 *per cent* in excess of budget provision was seen expended during the last two months under 21 schemes as shown in **Appendix 2.21**. The rush of expenditure was attributed mainly to delay in issuing Administrative Sanctions, in receiving plan proposal, etc.

2.5.5 Non-surrender/Non-re-appropriation of savings

As per Para 91 of the Kerala Budget Manual, spending departments are required to surrender Grants/Appropriations or portions thereof as and when savings are anticipated. Although substantial savings occurred under seven heads, no part of it was re-appropriated or surrendered. Details are given in **Table 2.8**.

Table 2.8: Non-surrender/Non-re-appropriation of savings

(₹ in crore)

Sl. No.	Head of account	Budget	Expenditure	Saving
1.	2415 Agricultural Research and Education-01-277-99-Kerala Agricultural University - Grant-in-Aid (P)	55.00	54.00	1.00
2.	2415 Agricultural Research and Education - 03-277-98-Infrastructure Development of Kerala Veterinary & Animal Sciences University – Rural Infrastructure Development Fund (RIDF) XVI (P)	20.00	0.00	20.00
3.	2415 Agricultural Research and Education - 03-277-99-Kerala veterinary and Animal sciences University (NP)	39.26	37.26	2.00

Sl. No.	Head of account	Budget	Expenditure	Saving
4.	2702 Minor Irrigation -01-800-88-Punja dewatering by pumps-subsidy (NP)	6.25	4.75	1.50
5.	4702 Capital Outlay on Minor Irrigation-00-102-98-National Hydrology Project (P)	1.87	0.94	0.93
6.	2551 Hill Areas-01-800-92-Other Programmes: Research, Monitoring & Evaluation and Training(P)	3.37	0.45	2.92
7.	4551 Capital Outlay on Hill Areas-01-800-99-Hill Area Development Authority (RIDF) (P)	25.00	0.00	25.00

Source: VLC data compiled by O/o the PAG (A&E), Kerala

On this being pointed out by Audit, the Government stated that the saving of ₹25.00 crore under ‘4551 Capital Outlay on Hill Areas -01-800-99-Hill Area Development Authority (RIDF) (P)’ was due to the non-sanctioning of RIDF scheme by Government even though proposals for ₹24.50 crore were furnished by Hill Area Development Agency. Government had decided not to recommend fresh projects to NABARD. As the Government was expecting an enhancement in allocation of RIDF during 2013-14, the Hill Area Development Agency presumed that budget provision of ₹25.00 crore need not be surrendered. The unutilized amount should have been surrendered sufficiently early so that it could be utilized for other schemes.

2.5.6 Surrender/Re-appropriation of savings on the last working day of the financial year

According to paragraph 93 (1) of the Kerala Budget Manual, the proposals for re-appropriation and surrender should reach Finance Department not later than 25 February every year. But the Director of Agriculture had submitted the proposals for surrender of funds to Government on 31 March 2013.

During 2012-13, out of the total saving of ₹353.81 crore, an amount of ₹246.85 crore was surrendered on the last working day of the financial year indicating lack of realistic financial planning and weak financial control which resulted in deprivation of funds for other development purposes. Also, the re-appropriations in respect of 108 heads for a total amount of ₹56.29 crore were made on the last working day of the year.

2.5.7 Inadequate/Unnecessary Supplementary Grants

The supplementary provision of ₹10.24 crore under the head ‘4702 Capital Outlay on Minor Irrigation -00-101-93-Minor Irrigation Class I Works-NABARD Assisted Scheme (P)’ proved inadequate as an amount of ₹5.04 crore was reappropriated later to provide for the excess expenditure under the same head.

The supplementary provisions of ₹22.02 crore shown in **Table 2.9**, obtained for various schemes proved unnecessary as the entire supplementary provision was not utilized.

Table 2.9: Unnecessary supplementary grant

(₹ in crore)

Sl. No.	Details of Scheme	Amount obtained as supplementary
1.	'2415-03-277-99-Kerala Veterinary and Animal Sciences University (NP)'	2.00
2.	2401-00-001-96-Strengthening of Agricultural Administration and introduction of training and visiting system of extension (NP)	0.02
3.	2401-00-104-86-Special Support Scheme for Farm Sector (NP)	20.00
Total		22.02

Source: Detailed Appropriation Accounts 2012-13

2.5.8 Insufficient/Injudicious surrender

The reduction made through surrender proved insufficient under 16 heads as even after the withdrawal of ₹24.02 crore through surrender, an amount of ₹3.99 crore remained unutilized.

Analysis of the resumption orders revealed that reduction through surrender amounting to ₹3.89 crore under 17 schemes were unnecessary as the expenditure incurred under these schemes exceeded the budget provisions. The surrender of non-existent surplus funds indicates the inability of the department to assess the eventual savings/excess accurately.

2.5.9 Re-appropriation and surrender of funds without ensuring availability

According to paragraph 84(3) of the Kerala Budget Manual, if the appropriation under a unit is reduced by re-appropriation or resumption, the expenditure debitable to the unit should be restricted to the reduced re-appropriation/surrender. It was noticed that, under 12 heads where allotments were reduced on the basis of resumption orders, excess expenditure amounting to ₹4.49 crore had occurred. The availability of funds was not properly assessed while issuing re-appropriation/resumption orders.

2.5.10 Surrender/Re-appropriation of major part of budget provision without utilization

Major portion of the grant is seen surrendered in the case of nine schemes. Out of the total budget provision of ₹62.97 crore under these heads, an amount of ₹59.17 crore was surrendered without utilization. Major part of the budget provision is seen re-appropriated without utilization under eight heads. Out of the total budget provision of ₹24.45 crore, amount of ₹24.13 crore was re-appropriated.

2.6 Inspection of treasuries

There were 23 District Treasuries, 188 sub-treasuries and 12 Stamp depots in the State as of March 2013. The Principal Accountant General (A&E), Kerala

inspected 133 treasuries (District Treasuries: 23; sub-treasuries: 107 and Check-post treasury: 3). Irregularities and deficiencies noticed during the inspection of treasuries are mentioned in the succeeding paragraphs.

2.6.1 Excess payment of pension

There was excess payment of pension/family pension amounting to ₹1.29 crore in 454 cases in 114 treasuries (including 17 district treasuries) during 2012-13. The main reasons for these excess payments were errors in calculation of revised pension, continuance of higher rate of family pension after expiry of authorized period, non-deduction of commuted portion of pension from basic pension, payment of ineligible festival allowance and medical allowance to family pensioners who are also in receipt of regular pension, and incorrect calculation of dearness relief. Out of the excess payment of ₹1.29 crore, treasuries recovered ₹0.48 crore and the balance amount of ₹0.81 crore remained to be recovered as of March 2013.

Year-wise details of excess pension including those pointed out during treasury inspection in earlier years that remains to be recovered as on 31 March 2013, were as shown below:

Table 2.10: Excess pension that remains to be recovered

(₹ in crore)

Year	Excess payment of Pension	Amount yet to be recovered
2008-09	0.35	0.01
2009-10	0.32	0.03
2010-11	0.59	0.01
2011-12	0.88	0.06
2012-13	1.29	0.81
Total	3.43	0.92

Source: Data furnished by O/o the PAG (A&E), Kerala

2.6.2 Non-submission of vouchers in support of payments

Two hundred and eighty one items of vouchers for expenditure of ₹2.56 crore were not received from 19 District Treasuries during 2012-13 (**Appendix 2.22**), out of which 102 vouchers (amounting ₹1.49 crore) related to Thiruvananthapuram District Treasury.

2.7 Analysis of Budgetary Assumptions

Every year while presenting the budget the details of the proposals of projected receipts and expenditure including new schemes to be implemented during the ensuing financial year are announced. An analysis of the budgetary assumptions relating to the new schemes proposed to be implemented in six Departments were made to ascertain:

- whether funds were made available for the schemes announced in the budget and
- whether these schemes were implemented.

The details of new schemes announced in the budget speech 2012-13 falling under these six departments, their budget provision and expenditure were as shown below:

Table 2.11: Status of implementation of schemes during the year

(₹ in crore)

Sl. No.	Name of Department	Number of new schemes			Amount		No of schemes implemented
		Announced in the budget speech	For which amount was specifically stated in the Budget speech		Provision made in the Budget	Expenditure	
			Number	Amount			
1.	Sports and Youth Affairs	9	8	10.85	@	0.76*	Nil
2.	Agriculture	10	8	536.00	12.00	13.97	2
3.	Scheduled Caste Development	6	5	117.50	@	53.45 ³⁴	2
4.	Social Justice	5	4	17.30	6.63	6.80	1
5.	Scheduled Tribe Development	5	4	3.40	@	0.27	Nil
6.	Tourism	5	3	15.45	15	3.97	1
	Total	40	32	700.50	33.63	79.22	6

Source : Budget documents and information collected from departments

@ Only token provisions are made

* Funds transferred to implementing agencies were not utilized (August 2013)

The scheme-wise details of amount announced in the budget speech, provision, expenditure and status of implementation are shown in **Appendix 2.23**.

Out of 40 new schemes announced, only six schemes were implemented. The total amount required for implementation of 32 schemes announced in the budget was ₹700.50 crore. But a provision of only ₹33.63 crore was made in the budget. However, an amount of ₹79.22 crore was spent for the implementation.

Government stated (September 2013) that after presentation of budget, Finance Department would send instructions to all Departments to initiate steps for implementation of the schemes mentioned in the budget speech. Initially token provision is made in the budget and sufficient funds provided after completing the procedures like formulation of DPR, issue of Administrative Sanction, etc. No separate mechanism was established in Finance Department for monitoring implementation of budget announcements. Government have constituted a monitoring committee in June 2013 chaired by Chief Secretary to monitor implementation of schemes announced in the budget.

³⁴ Diverted from SC corpus fund, meant for implementation of other schemes.

2.7.1 Non-implementation of schemes in the previous two years

Audit also examined the schemes announced in the budget speech for the years 2010-11 and 2011-12 in respect of Sports and Youth Affairs department and Tourism department. The extent of implementation of new schemes was as detailed below:

Table 2.12: Status of implementation of schemes in the past two years

(₹ in crore)

Sl. No.	Name of Department	Number of new schemes			Amount	
		Announced in the budget speech	For which amount was specifically stated in the Budget speech		Provision made in the Budget	Expenditure
			Number	Amount		
Sports and Youth Affairs						
1.	2010-11	7	6	424.20	1.00	1.00
2.	2011-12	6	3	1.75	-	6.25 ³⁵
Tourism						
1.	2011-12	6	4	1.65	0.50	0.50
Total		19	13	427.60	1.50	7.75

Source : Budget documents and information collected from departments

Out of 19 schemes announced no schemes were implemented. The amount required for the implementation of schemes as announced in the budget speech was ₹427.60 crore. However, provision made during the respective years was only ₹1.50 crore. Even though provision was made in the subsequent years the schemes were not implemented.

The budget speech reflects the priority of the Government and is a reflection of policy direction for the citizen. If the schemes announced are not implemented, the sanctity and importance of the budget speech gets defeated.

2.8 Conclusion

Against the total provision of ₹73,854.87 crore, the expenditure was ₹62,958.33 crore, which led to a saving of ₹10,896.54 crore (15 per cent³⁶). An excess of ₹488.01 crore was also incurred under 15 Grants/Appropriation, requiring regularization under Article 205 of the Constitution. An excess expenditure of ₹1,104.75 crore was not regularized so far. While supplementary provision of ₹548.31 crore obtained in 26 cases was unnecessary, re-appropriation of funds in 127 cases was made injudiciously, resulting in either unutilized provision or excess over provision. In 45 cases, ₹3,927.33 crore was surrendered on the last day of the financial year, while in seven grants/appropriation savings amounting to ₹86.66 crore were not surrendered. Even though, non-reconciliation of departmental figures is being pointed out regularly in CAG's Audit Reports,

³⁵ ₹6.25 crore was drawn during 2012-13 in respect of two schemes and transferred to National Games Secretariat.

³⁶ Saving in capital section was 31 per cent.

during 2012-13 also 55 Controlling Officers did not reconcile expenditure amounting to ₹6,920.44 crore as of June 2013. Adequate provisions were not being made for new schemes announced in the budget.

2.9 Recommendations

In addition to reiterating the recommendations made in the previous Audit Reports for exercising the much needed appropriation control in incurring expenditure, re-appropriating budget allocations and surrendering unutilized budget allocations, Audit specifically recommends that real time integrated Management Information System should be put in place. This would enable the Controlling officers as well as Finance Department in judicious allocation and utilisation of funds.

Government may also ensure that necessary budget allocations are made for implementing the new schemes announced in the budget speech.

CHAPTER III

FINANCIAL REPORTING

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by a State Government. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting on the status of such compliances are some of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist a State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing utilisation certificates

Financial rules³⁷ of the Government require that the authority sanctioning grant-in-aid is to stipulate, in every order sanctioning the grant, a time limit for utilisation of the grant not exceeding one year from the date of sanction. The utilisation certificate for grants-in-aid exceeding ₹10,000 is to be forwarded to the Principal Accountant General (Accounts and Entitlement), Kerala. In the case of sanction not exceeding ₹10,000, the utilisation certificate is to be watched by the Head of Department who is required to send a statement to the Principal Accountant General (Accounts and Entitlement), Kerala indicating the number and date of sanction, authority issuing sanction, name of grantee institution, etc., not later than 30 June. It was observed that 222 utilisation certificates for ₹487.18 crore were yet to be received as of June 2013 in respect of grants paid during the period 2009-10 to 2012-13. Details of department-wise breakup of outstanding utilisation certificates are given in **Appendix 3.1**. The age-wise position of delays in submission of utilisation certificates is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of utilisation certificates

(₹ in crore)

Range of delay in number of years	Total grants paid		Utilisation Certificates outstanding	
	Number	Amount	Number	Amount
Less than one year	193	584.24	156	341.70
Above one year	292	257.96	66	145.48
Total	485	842.20	222	487.18

Source: Details furnished by Principal Accountant General (A&E)

³⁷ Article 210 of the Kerala Financial Code (Vol. I)

3.2 Non-submission/delay in submission of Accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of Department are required to furnish to Audit every year, detailed information about the financial assistance provided to various institutions, the purpose of assistance granted and the total expenditure of the institutions.

As of March 2013, annual accounts of 10 autonomous bodies/authorities due up to 2011-12 had not been received by the Principal Accountant General (Social and General Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala. The details of these accounts are given in **Appendix 3.2**

3.3 Delay in submission of accounts/Audit Reports of Autonomous Bodies

There are 23 autonomous bodies in the field of legal aid, human rights, development of khadi, etc. The audit of accounts of these bodies in the State has been entrusted to the Comptroller and Auditor General of India under Sections 19(2), 19(3) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature are indicated in **Appendix 3.3**.

3.4 Departmentally managed Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually, showing the working results of financial operations so that the Government can assess their working. The finalised accounts reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of Audit. Consequently, corrective measures cannot be taken in time and the delay may also open the system to the risk of fraud and leakage of public money.

Heads of Department in the Government are required to ensure that the undertakings prepare such accounts and submit the same to the Principal Accountant General (General and Social Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala within a specified timeframe.

The department-wise position of arrears in preparation of *pro forma* accounts and investments made by the Government in respect of three³⁸ such undertakings, is given in **Appendix 3.4**.

³⁸ Kerala State Insurance Department, State Water Transport Department and Text Book Office

3.5 Misappropriations, losses, defalcations, etc.

Article 297 of the Kerala Financial Code provides that cases of defalcation or loss of public money, stamps, stores or other property should be reported to the Principal Accountant General (Social and General Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala as well as to the Heads of Department.

The State Government reported 123 cases of misappropriation, defalcation, etc., involving Government money amounting to ₹7.76 crore up to the period June 2013 on which final action was pending. The department-wise break up of pending cases and age-wise analysis are given in **Appendix 3.5** and the nature of these cases is given in **Appendix 3.6**. The pending cases in each category as emerged from these appendices are summarised in **Table 3.2**.

Table 3.2: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
Less than 5 years	19	86.93	Theft	14	4.24
5 - 10	35	345.71	Misappropriation/loss of material	109	772.10
10 - 15	33	254.67	Total	123	776.34
15 - 20	17	71.96	Cases of losses written off during the year	Nil	Nil
20 - 25	8	3.31	Total pending cases	123	776.34
25 and above	11	13.76			
Total	123	776.34			

Source: Cases reported by departments of the State Government

Further analysis indicates that the reasons for which the cases were outstanding could be classified under the four categories listed in **Table 3.3**.

Table 3.3: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Sl. No.	Reasons for the delay/outstanding pending cases	Number of cases	Amount (₹ in lakh)
1.	Awaiting departmental and criminal investigation	Nil	Nil
2.	Departmental action initiated but not finalised	62	611.83
3.	Awaiting orders for recovery or write off	43	56.05
4.	Pending in the courts of law	18	108.46
Total		123	776.34

Source: Information received from Departments of the State Government

3.6 Operation of Minor Head - 800

Bookings of receipts and expenditure under Minor Head '800 – Other Receipts' and '800-Other Expenditure' is considered opaque classification of receipts and expenditure as these heads do not disclose the schemes, programmes, etc, to

which the amount relate. These heads accommodate expenditure/receipts which cannot be classified under the available programme minor heads.

During 2012-13, expenditure aggregating ₹4,321.11 crore was classified under the Minor Head '800 Other Expenditure' in the accounts under 71 Major Heads of Accounts which constituted more than seven *per cent* of the total expenditure recorded under these Major Heads. Some significant expenditure on schemes such as 'Land acquisition for Government purposes' (₹294.01 crore), 'Metro Rail System in Kochi city' (₹289.68 crore), 'Rashtriya Krishi Vikas Yojana' (₹252.55 crore), Land to agricultural labourers and land for construction of houses' (₹168.74 crore), 'Special Development Fund for MLAs' (₹141 crore), 'Medical Allowance to Pensioners' (₹117.53 crore), 'Pooled Fund for SCP' (₹114.79 crore), 'Small scale-nominal farmers pension' (₹101.06 crore), 'Kerala Sustainable Urban Development Project' (₹100.00 crore), etc. are not depicted distinctly in the Finance Accounts, but are classified under the minor head '800-Other Expenditure'.

Similarly, Revenue Receipts aggregating ₹715.78 crore were classified under the Minor Head '800-Other Receipts' under 51 Major Head of accounts which represents 1.62 *per cent* of the total receipts under these Major Heads. Major amounts of Tax Revenue under Taxes on Sales, Trade, etc., Land Revenue, etc. and Non-tax Revenue under Co-operation, Other Administrative Services, Ports and Light Houses, Roads and Bridges, etc. were classified under this Minor Head.

Classification of large amounts under the omnibus Minor head '800-Other Expenditure/Receipts' affected the transparency in financial reporting.

3.7 Transfer of funds to Personal Deposit Accounts

Transfer to Personal Deposit Accounts (PD Accounts) is booked as expenditure in the Consolidated Fund (service major heads) of the State. Article 282 (d) of the Kerala Financial Code stipulates that the PD Accounts administered by Government officers, which are created by transferring money from the Consolidated Fund of the State should be closed at the end of the financial year and the balance credited back to the Consolidated Fund unless such PD Accounts were created by law or Rules having the force of law. The aggregate balance in the PD Accounts as on 31 March 2012 was ₹83.26 crore. During 2012-13, an amount of ₹1,147.95 crore was credited to PD Accounts and ₹1,129.22 crore was debited to these accounts. The aggregate balance in the PD Accounts as on 31 March 2013 was ₹101.99 crore.

3.8 Conclusion

As of June 2013, 222 utilisation certificates for ₹487.18 crore were to be received in respect of grants paid during 2009-10 to 2012-13. Annual accounts of ten autonomous bodies/authorities due upto 2011-12 had not been received as of March 2013. The departmental compliance towards disposal of cases of losses, misappropriation, etc., was deficient and 123 cases involving ₹7.76 crore were

pending final action as on June 2013. Significant amount of expenditure and receipts under Central and State schemes, booked under Minor head ‘800-Other Expenditure’ and ‘800-Other receipts’ were not distinctly depicted in the State Finance Accounts 2012-13 affecting the correctness of financial reporting.

3.9 Recommendations

- As the number of utilisation certificate due from departmental officers are increasing and utilisation certificates from 2009-10 onwards are also pending, Government should issue necessary directions to departmental officers for timely submission of Utilisation Certificate to Principal Accountant General (A&E).
- Departmental enquiry procedures in respect of defalcation, misappropriation, etc cases and revenue recovery procedures in respect of revenue realization cases should be expedited to bring defaulters to book and also have a deterrent effect on others.
- Major Central sector/State schemes so far classified under minor head ‘800-Other Expenditure’ may be classified under relevant functional minor heads to ensure correctness in financial reporting.

Thiruvananthapuram,
The

(R.N.GHOSH)
Principal Accountant General
(General and Social Sector Audit), Kerala

Countersigned

New Delhi,
The

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Appendix 1.1

State Profile

(Reference: Page 1, Paragraphs 1.3; Page 11 and 1.7.1; Page 24)

A. General Data

Sl. No.	Particulars	Figures
1.	Area	38863 sq. km.
2.	Population	
	a. As per 2001 Census	3.18 crore
	b. As per 2011 Census	3.34 crore
3.	a. Density of Population (as per 2001 Census) (All India Density = 325 persons per sq.km)	819 persons per sq. km.
	b. Density of Population (as per 2011 Census) (All India Density = 382 persons per sq.km)	859 persons per sq. km.
4.	³⁹ Population Below Poverty Line (BPL) (All India Average = 21.92 per cent)	7.05 per cent
5.	a. Literacy (as per 2001 Census) (All India Average = 64.8 per cent)	90.92 per cent
	b. Literacy (as per 2011 Census) (All India Average = 74.04 per cent)	93.91 per cent
6.	Infant mortality ⁴⁰ (per 1000 live births)(All India Average =42 per 1000 live births)	12
7.	Life Expectancy at birth ⁴¹ (All India Average = 66.1 years)	74.2 years
8.	Gini Coefficient ⁴²	
	a. Rural (All India = 0.29)	0.42
	b. Urban (All India = 0.38)	0.50
9.	Gross State Domestic Product (GSDP) 2012-2013 at current prices	₹3,63,305 crore
	Per capita GSDP CAGR (2003-04 to 2012-13)	
	Kerala	15.30 per cent
	General Category States	14.94 per cent
10.	GSDP CAGR (2003-04 to 2012-13)	
	Kerala	15.94 per cent
	General Category States	16.37 per cent
11.	Population Growth (2001 to 2011)	
	Kerala	4.86 per cent
	General Category States	13.22 per cent
12.	Per capita income at current prices	
	Kerala	₹90,816
	All India	₹68,491

B. Financial Data

		Particulars		
		2003-04 to 2011-12		2003-04 to 2012-13
CAGR		General Category States	Kerala	Kerala
		(In per cent)		
a.	of Revenue Receipts	17.48	15.20	15.77
b.	of Own Tax Revenue	17.44	15.01	15.71
c.	of Non Tax Revenue	12.64	16.07	20.11
d.	of Total Expenditure	14.15	13.96	14.56
e.	of Capital Expenditure	16.83	20.89	24.52
f.	of Revenue Expenditure on Education	16.85	13.70	14.54
g.	of Revenue Expenditure on Health	15.35	15.51	15.79
h.	of Salary and Wages	14.18	16.05	14.64
i.	of Pension	18.36	16.03	15.58

³⁹ Source of General Data: Planning Commission Poverty Estimates for 2011-12, 23rd July 2013 press release.

⁴⁰ Infant mortality rate (SRS Bulletin September 2013).

⁴¹ Economic Survey 2012-13 (Office of the Registrar General of India, Ministry of Home Affairs)

⁴² Gini Coefficient (Unofficial estimates of Planning Commission, 2009-10 URP; 66th Round)

Gini Coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher.

Appendix 1.2
Part A : Structure and form of Government Accounts
(Reference: Paragraph 1.1; Page 2)

Structure of Government Accounts: The accounts of the State Government are kept in three parts: (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of the State' established under Article 266 (1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267 (2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

Part B : Layout of Finance Accounts

The Finance Accounts have been divided into two volumes. Volume 1 presents the financial statements of the Government in the form of commonly understood summarised form while the details are presented in volume 2.

Statement No.	About
1.	Statement of Financial Position.
2.	Statement of Receipts and Disbursements.
3.	Statement of Receipts in Consolidated Fund.
4.	Statement of Expenditure in Consolidated Fund.
5.	Statement of Progressive Capital Expenditure.
6.	Statement of Borrowings and other Liabilities.
7.	Statement of Loans and Advances given by the Government.
8.	Statement of Grants-in-aid given by the Government.
9.	Statement of Guarantees given by the Government.
10.	Statement of Voted and Charged Expenditure.
11.	Detailed Statement of Revenue and Capital Receipts by minor heads.
12.	Detailed Statement of Revenue Expenditure by minor heads.
13.	Detailed Statement of Capital Expenditure.
14.	Detailed Statement of Investments of the Government.
15.	Detailed Statement on Borrowings and Other Liabilities.
16.	Detailed Statement on Loans and Advances made by Government.
17.	Detailed Statement on Sources and Application of funds for expenditure other than on revenue account.
18.	Detailed Statement on Contingency Fund and Public Account transactions.
19.	Detailed Statement on Investments of earmarked funds.

Appendix 1.3
Part A : Methodology adopted for assessment of fiscal position
(Reference: Paragraph 1.1; Page 2)

The norms/ceilings prescribed by the Twelfth Finance Commission (TFC) for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other statements required to be laid in the legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess whether the mobilisation of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

	2008-09	2009-10	2010-11	2011-12	2012-13
GSDP ⁴³ (₹ in crore)	2,02,783	2,31,999	2,69,474	3,15,206	3,63,305
Growth rate of GSDP	15.78	14.41	16.15	16.97	15.26

Source : Details furnished by the Director of Economics and Statistics of the State Government. The figures for 2010-11 are provisional and that for 2011-12 are Quick Estimates. The figures for 2012-13 are adopted from the budget documents for 2013-14.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] \times 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] \times 100$
Interest spread	GSDP growth rate – Average Interest Rate
Quantum spread	Debt stock X Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] \times 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenues (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Domar Gap	Nominal GSDP Growth Rate - Average interest Rate

⁴³ Base year 2004-05

Appendix 1.3

Part B : The Kerala Fiscal Responsibility Act

The State Government enacted the Kerala Fiscal Responsibility Act, 2003 which came into force on 5 December 2003 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or thereto.

The Thirteenth Finance Commission has prescribed a fiscal consolidation map which required the State to eliminate revenue deficit by 2014-15 and to achieve fiscal deficit of 3 *per cent* of GSDP by 2013-14. The State was also required to amend their Fiscal Responsibility Act to conform to the above fiscal reform path. Accordingly, the State Government passed the Kerala Fiscal Responsibility (Amendment) Act, 2011 (Act 17 of 2011) on 8 November 2011. According to the Act, the Government is committed to

- reduce the revenue deficit to 'nil' within a period of four years commencing on the 1 April 2011 and ending with the 31 March 2015 by reducing the revenue deficit in the years 2011-12, 2012-13, 2013-14 and 2014-15 in the order of 1.4 *per cent*, 0.9 *per cent*, 0.5 *per cent* and zero *per cent*, respectively, of the gross state domestic product,
- build up surplus amount of revenue and utilise such amount for discharging liabilities in excess of assets;
- reduce the fiscal deficit to 3 *per cent* of the estimated gross state domestic product within a period of three years commencing on the 1 April, 2011 and ending with the 31 March, 2014 by maintaining the fiscal deficit at a level not exceeding 3.5 *per cent* of the gross state domestic product in the years 2011-12 and 2012-13 and reducing it to 3 *per cent* in 2013-14;
- reduce the State's total debt liabilities to 29.8 *per cent* of the estimated gross domestic product within a period of four years commencing on the 1 April, 2011 and ending with the 31 March, 2015 by reducing the total debt liability in the years of 2011-12, 2012-13, 2013-14 and 2014-15 to the order of 32.3 *per cent*, 31.7 *per cent*, 30.7 *per cent* and 29.8 *per cent* respectively of the gross state domestic product;

Outcome indicators given in the Medium Term Fiscal Plan for 2012-13 to 2014-15 are given in the following table.

**Outcome indicators set out in the Medium Term Fiscal Plan for the years
2012-13 to 2014-15**

(₹ in crore)

Sl. No.	Item	2009-10 Accounts	2010-11 Accounts	2011-12 Revised Estimates	2012-13 Budget Estimates	Forward estimates	
						2013-14	2014-15
1.	Revenue Receipts	26109	30991	39588	48141	56061	65296
1 (a)	State's Own Tax Revenue	17625	21722	26446	32122	37744	44349
1 (b)	Non Tax Revenue	1852	1931	2751	3495	3915	4385
1 (c)	Resources from Centre	6632	7338	10391	12524	14403	16563
2.	Revenue Expenditure	31132	34665	45060	51605	57864	65204
2 (a)	Non-interest Revenue Expenditure	25840	28975	38701	44371	49664	55908
2 (b)	Interest	5292	5690	6358	7234	8200	9296
2 (c)	Salaries	9799	11032	15763	16724	18152	20028
2 (d)	Pensions	4706	5767	7731	8178	9159	10259
2 (e)	Non - SPI Revenue Expenditure	11335	12176	15207	19469	22352	25622
2 (e) (i)	Subsidies	441	624	851	769	845	930
2 (e) (ii)	Power Subsidy	0	0	0	0	0	0
2 (e) (iii)	Maintenance and repair	734	734	791	748	860	989
2 (e) (iv)	Devolution to LSGs	2083	2971	3953	4845	6228	7843
2 (e) (v)	Administrative Expenditure	1154	1315	1553	2119	2331	2564
2 (e) (vi)	Other Revenue Expenditure	6924	6533	8059	10988	12087	13296
3.	Revenue Surplus/Deficit	-5023	-3674	-5472	-3464	-1803	92
4.	Effective Revenue Surplus/Deficit	-2972.13	-1325.65	-2726.58	-189.51	NA	NA
5.	Capital Expenditure	2936	4126	5924	7371	11757	15612
5 (a)	Capital outlay	2059	3364	4949	6555	10859	14625
5 (b)	Loan disbursements (Net)	877	762	974	816	898	987
5 (c)	Non Debt Capital Receipts	87	69	95	108	119	130
6.	Fiscal Deficit/Surplus	-7872	-7731	-11300	-10727	-13441	-15390
7.	Primary Fiscal Deficit/Surplus	-2579	-2041	-4942	-3493	-5241	-6094
8.	End of the period Debt	67120	67120	74821	95232	107900	122315
9.	Debt Service	5569	5965	6368	7234	8200	9296
10.	Salary + Pension + Interest	19797	22489	29852	32136	35512	39582
11.	Explicit Power subsidy	0	0	0	0	0	0
12.	Debt Stock	70969	78673	89284	101179	114620	130010
13.	Government Guarantees	7496	7426	NA	NA	NA	NA
14.	Interest/ Revenue (<i>per cent</i>)	20.27	18.36	16.06	15.03	14.63	14.24
15.	Debt/ Revenue (<i>per cent</i>)	271.81	253.86	225.53	210.17	204.46	199.11
16.	(Salary + Pension + Interest)/ Revenue (<i>per cent</i>)	75.82	72.57	75.41	66.75	63.35	60.62
17.	(Salary + Pension + Interest)/ GSDP (<i>per cent</i>)	8.52	8.12	9.14	8.21	7.93	7.72
18.	(Salary + Pension)/ GSDP (<i>per cent</i>)	6.24	6.06	7.19	6.36	6.10	5.90
19.	Revenue Deficit/ Revenue Receipt (<i>per cent</i>)	19.24	11.86	13.82	7.19	3.22	-0.14
20.	RD/GSDP (<i>per cent</i>)	2.16	1.33	1.67	0.89	0.40	-0.02
21.	FD/GSDP (<i>per cent</i>)	3.39	2.79	3.46	2.74	3.00	3.00
22.	Effective RD as percentage of GSDP	1.28	0.48	0.83	0.05	NA	NA
23.	Debt stock / GSDP (<i>per cent</i>)	30.54	28.40	27.33	25.86	25.58	25.34
24.	GSDP	232381	276997	326693	391293	448030	512995
25.	Nominal GSDP Growth Rate (<i>per cent</i>)	14.60	19.20	17.94	19.77	14.50	14.50
26.	Average Interest rate (<i>per cent</i>)	7.89	7.60	7.57	7.60	7.60	7.60
27.	Domar Gap	6.71	11.59	10.37	12.18	6.90	6.90

Appendix 1.4

Part A : Abstract of receipts and disbursements for the year 2012-13
(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)

Receipts				Disbursements					
2011-12			2012-13	2011-12		Non-Plan	Plan	Total	2012-13
	Section – A: Revenue								
38010.36	I. Revenue Receipts		44137.30	46044.62	I. Revenue Expenditure	46639.41	6849.33	53488.74	53488.74
25718.60	Own Tax Revenue	30076.61		20300.02	General Services	22718.03	68.58	22786.61	
2592.18	Non-Tax Revenue	4198.51		16223.86	Social Services	14565.47	4312.02	18877.49	
5990.36	State's share of Union Taxes and Duties	6840.65		9424.74	Education, Sports, Art and Culture	9567.66	964.36	10532.02	
1433.38	Non-Plan Grants	657.46		2779.99	Health and Family Welfare	2437.48	675.34	3112.82	
904.34	Grants for State Plan Schemes	1163.46		762.55	Water Supply, Sanitation, Housing and Urban Development	358.60	589.54	948.14	
1371.50	Grants for Central Plan and Centrally Sponsored Plan Schemes	1200.61		60.94	Information and Broadcasting	43.36	21.41	64.77	
				1058.92	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	251.32	966.59	1217.91	
				426.59	Labour and Labour Welfare	255.62	406.90	662.52	
				1653.78	Social Welfare and Nutrition	1593.71	687.88	2281.59	
				56.35	Others	57.72	..	57.72	
				6131.66	Economic Services	5339.69	2468.73	7808.42	
				3098.89	Agriculture and allied activities	2514.62	1272.53	3787.15	
				414.36	Rural Development	255.58	285.10	540.68	
				33.97	Special Areas Programmes	-0.08	94.41	94.33	
				362.17	Irrigation and Flood control	453.17	29.52	482.69	
				98.13	Energy	130.02	21.78	151.80	
				315.86	Industry and Minerals	132.87	240.25	373.12	
				1330.67	Transport	1619.97	216.78	1836.75	
				83.54	Science, Technology and Environment	46.44	71.61	118.05	
				394.07	General Economic Services	187.10	236.75	423.85	
				3389.08	Grants-in-aid and Contributions	4016.22	..	4016.22	
8034.26	II. Revenue Deficit carried over to Section B		9351.44		Revenue Surplus carried over to Section B				
46044.62	Total - Section A		53488.74	46044.62	Total - Section A	46639.41	6849.33	53488.74	53488.74

Appendix 1.4 Part A – Contd.

(₹ in crore)

Receipts				Disbursements					
2011-12			2012-13	2011-12		Non-Plan	Plan	Total	2012-13
	Section B: Others								
5059.73	Opening Cash Balance including Permanent Advances, Cash Balance Investment and Investment of earmarked funds		3793.46	0.00	III. Opening Overdraft from Reserve Bank of India			Nil	0
16.05	IV. Miscellaneous Capital Receipts		14.81	3852.92	IV. Capital Outlay	1137.63	3465.66	4603.29	4603.29
				162.34	General Services	66.02	80.89	146.91	
				594.88	Social Services	0.50	561.39	561.89	
				79.52	Education, Sports, Art and Culture		138.21	138.21	
				117.65	Health and Family Welfare		130.65	130.65	
				197.62	Water Supply, Sanitation, Housing and Urban Development		114.79	114.79	
				0.92	Information and publicity	..	..	..
				49.09	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		30.50	30.50	
				1.34	Social Welfare and Nutrition	0.50	2.11	2.61	
				148.74	Other Social Services		145.13	145.13	
				3095.70	Economic Services	1071.11	2823.38	3894.49	
				329.82	Agriculture and allied activities	65.60	152.15	217.75	
				29.05	Other rural development programmes		10.50	10.50	
				247.19	Irrigation and Flood Control	58.75	281.85	340.60	
				0.05	Power projects			0.00	
				314.47	Industry and Minerals	0.04	273.90	273.94	
				2052.23	Transport	912.60	2073.76	2986.36	
				0.19	Science, Technology and Environment		0.20	0.20	
				122.70	General Economic Services	34.12	31.02	65.14	

Appendix 1.4 Part A – Concl'd.

(₹ in crore)

Receipts				Disbursements			
2011-12			2012-13	2011-12			2012-13
54.90	V. Recoveries of Loans and Advances		73.61 ⁴⁴	998.54	V. Loans and Advances Disbursed		1136.15
--	From Power Projects			0.00	For Power Projects		
23.98	From Government Servants	40.34		144.52	To Government Servants	151.06	
30.92	From Others	33.27		854.02	To Others	985.09	
	VI. Revenue Surplus brought down			8034.26	VI. Revenue Deficit brought down		9351.44
9798.96	VII. Public Debt Receipts		13261.19	2893.06	VII. Repayment of Public Debt		2804.08
9391.81	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	12708.89		2522.52	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	2477.88	
Nil	Net transactions under Ways and Means Advances excluding overdraft			Nil	Net transactions under Ways and Means advances excluding overdraft		
407.15	Loans and Advances from Central Government	552.30		370.54	Repayment of Loans and Advances to Central Government	326.20	
	VIII. Appropriation from the Consolidated Fund				VIII. Appropriation to Contingency Fund		
33.92	IX. Amount transferred to Contingency Fund		20.80	20.80	IX. Expenditure from Contingency Fund		
95829.74	X. Public Account Receipts		105879.64	91200.26	X. Public Account Disbursements		100455.82
22981.93	Small Savings, Provident Funds, etc.	23820.83		19142.88	Small Savings, Provident Funds, etc.	20135.29	
284.59	Reserve Funds	382.37		137.66	Reserve Funds	527.95	
6370.75	Deposits and Advances	7839.67		6422.22	Deposits and Advances	6698.74	
56922.33	Suspense and Miscellaneous	64132.05		56069.96	Suspense and Miscellaneous	63419.61	
9270.14	Remittances	9704.72		9427.54	Remittances	9674.23	
	XI. Closing Overdraft from Reserve Bank of India			3793.46	XI. Cash Balance at end		4692.73
				19.83	Cash in Treasuries	9.29	
				-12.11	Local Remittances	0.62	
				-536.95	Deposits with Reserve Bank	76.23	
				4.34	Departmental cash balance including Permanent Advance	2.69	
				2709.85	Cash Balance Investment	3201.71	
				1608.50	Investment from earmarked funds	1402.19	
110793.30	Total – Section B		123043.51	110793.30	Total – Section B		123043.51

⁴⁴ including ₹ 0.14 crore written off

Appendix 1.4
Part B : Summarised financial position of the Government of Kerala
as on 31 March 2013
(Reference: Paragraphs 1.1.1; Page 2 and 1.10.1; Page 40)

(₹ in crore)

As on 31 March 2012	Liabilities		As on 31 March 2013
55397.39	Internal Debt		65628.40
38239.27	Market Loans bearing interest	48809.86	
0.10	Market Loans not bearing interest	0.05	
3053.41	Loans from Life Insurance Corporation of India	2777.13	
318.39	Loans from General Insurance Corporation of India	296.30	
1626.35	Loans from National Bank for Agriculture and Rural Development	1807.12	
229.34	Loans from National Co-operative Development Corporation	108.98	
640.08	Loans from other institutions	506.19	
11290.45	Special securities issued to National Small Savings Fund of the Central Government	11322.77	
6395.69	Loans and Advances from Central Government		6621.79
1.16	Pre 1984-85 Loans	1.16	
28.31	Non-Plan Loans	26.16	
6366.22	Loans for State Plan Schemes	6594.47	
(*)	Loans for Central Plan Schemes		
-	Loans for Centrally Sponsored Plan Schemes		
79.20	Contingency Fund(Net)		100.00
27625.11	Small Savings, Provident Funds, etc.		31310.65
3374.02	Deposits		4514.95
1948.72	Reserve Funds		1803.14
1720.93	Suspense and Miscellaneous		2093.53
96541.06	Total		112072.46

(*) ₹ 7,000 only.

Appendix 1.4 – Part B Concl'd.

(₹ in crore)

As on 31 March 2012	Assets		As on 31 March 2013
24877.64⁴⁵	Gross Capital Outlay on Fixed Assets -		29466.18
4385.08	Investments in shares of Companies, Corporations, etc.	4947.69	
20492.56	Other Capital Outlay	24518.49	
9394.39⁴⁵	Loans and Advances -		10456.93
2661.64	Loans for Power Projects	2661.64	
6496.23	Other Development Loans	7445.74	
236.52	Loans to Government servants and Miscellaneous loans	349.55	
0.32	Advances		0.32
464.40	Remittance Balances		433.91
74.62	Adjustment on account of retirement/disinvestment		89.37⁴⁶
3793.46	Cash -		4692.73
7.72	Cash in Treasuries and Local Remittances	9.91	
-536.95	Deposits with Reserve Bank	76.23	
3.95	Departmental Cash Balance	2.36	
0.39	Permanent Advances	0.33	
2709.85	Cash Balance Investments	3201.71	
1608.50	Reserve Fund Investments	1402.19	
57936.23	Deficit on Government Account -		66933.02
49918.02	Accumulated deficit at the beginning of the year	57936.23	
8034.26	Add: (i) Revenue Deficit of the current year	9351.44	
(*)	(ii) Miscellaneous Government account	-339.84	
16.05	Less: Miscellaneous Capital Receipts	14.81	
96541.06	Total		112072.46

(*) ₹ 8,213

Explanatory Notes

The abridged accounts in Appendix 1.4 have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.4 indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable, depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payment made on behalf of the State and others pending settlement, etc. There was a difference of ₹0.41 crore (net credit) between the figures reflected in the accounts (₹76.23 crore) and that communicated by the Reserve Bank of India (₹75.82 crore). Out of the difference an amount of ₹0.03 crore (net credit) has been cleared in 2013-14. The balance difference (₹0.38 crore) is under investigation.

⁴⁵ Balances as on 31 March 2012 differ from those shown in the previous year's account due to *pro forma* adjustments of ₹10.07 crore due to conversion of loans in to share capital which were explained in foot notes (b) and (c) of Statement no. 1 of Finance Accounts 2012-13.

⁴⁶ Represents the adjustments consequent on reducing the capital outlay due to retirement of capital vide foot note (l) of Statement no.17 of Finance Accounts 2012-13.

Appendix 1.5
Time series data on the State Government finances
(Reference: Paragraphs 1.3; Page 9 and Paragraph 1.10.2; Page 40)

(₹ in crore)

Particulars		2008-09	2009-10	2010-11	2011-12	2012-13
Part A: Receipts						
1.	Revenue Receipts	24512	26109	30991	38010	44137
(i)	Tax Revenue	15990 (65)	17625 (67)	21722 (70)	25719 (67)	30077 (68)
	Taxes on Agricultural Income	12 ⁴⁷	28 ⁴⁷	47 ⁴⁷	43 ⁴⁷	19 ⁴⁷
	Taxes on Sales, Trade, etc.	11377 (71)	12771 (72)	15833 (73)	18939 (74)	22511 (75)
	State Excise	1398 (9)	1515 (9)	1700 (08)	1883 (8)	2314 (8)
	Taxes on Vehicles	937 (6)	1131 (6)	1331 (06)	1587 (6)	1925 (6)
	Stamps and Registration fees	2003 (13)	1896 (11)	2552 (12)	2987 (12)	2938 (10)
	Land Revenue	48 ⁴⁷	54 ⁴⁷	56 ⁴⁷	61 ⁴⁷	122 ⁴⁷
	Other Taxes	215 (01)	230 (01)	203 (01)	219 (1)	248 (1)
(ii)	Non Tax Revenue	1559 (6)	1852 (7)	1931 (6)	2592 (7)	4198 (10)
(iii)	State's share in Union taxes and duties	4276 (18)	4399 (17)	5142 (17)	5990 (16)	6841 (15)
(iv)	Grants in aid from Government of India	2687 (11)	2233 (9)	2196 (7)	3709 (10)	3021 (7)
2.	Miscellaneous Capital Receipts	9	49	25	16	15
3.	Recovery of Loans and Advances	36	38	44	55	74
4.	Total revenue and Non debt capital receipts (1+2+3)	24557	26196	31060	38081	44226
5.	Public Debt Receipts	6921	6616	7189	9799	13261
	Internal Debt (excluding Ways & Means Advances and Overdraft)	6153	6053	6828	9392 (96)	12709 (96)
	Net transactions under Ways and Means Advances excluding Overdraft	...	...	...	...	...
	Loans and advances from Government of India	768	563	361	407 (4)	552 (4)
6.	Total receipts in the Consolidated Fund (4+5)	31478	32812	38249	47880	57487
7.	Contingency Fund Receipts	80	6	26	34	21
8.	Public Account receipts	56285	61314	73754	95830	105880
9.	Total receipts of State (6+7+8)	87843	94132	112029	143744	163388
Part B: Expenditure/Disbursement						
10.	Revenue Expenditure	28224 (91)	31132 (91)	34665 (89)	46045 (90)	53489 (90)
	Plan	3212 (11)	4179 (13)	4196 (12)	5327 (12)	6849 (13)
	Non-Plan	25012 (89)	26953 (87)	30469 (88)	40718 (88)	46640 (87)
	General Services (incl. Interest payment)	12667 (45)	13935 (45)	15418 (44)	20300 (44)	22787 (43)
	Social Services	9363 (33)	10467 (34)	12111 (35)	16224 (35)	18878 (35)
	Economic Services	3929 (14)	4241 (14)	4358 (13)	6132 (13)	7808 (15)
	Grants-in-aid and Contributions	2265 (8)	2489 (8)	2778 (8)	3389 (8)	4016 (7)
11.	Capital Expenditure	1696 (5)	2059 (6)	3364 (9)	3853 (8)	4603 (8)
	Plan	1671 (99)	1902 (92)	2766 (82)	3398 (88)	3466 (75)
	Non-Plan	25 (1)	157 (8)	598 (18)	455 (12)	1137 (25)
	General Services	53 (3)	67 (3)	119 (4)	162 (4)	147 (3)
	Social Services	291 (17)	363 (18)	479 (14)	595 (16)	562 (12)
	Economic Services	1352 (80)	1629 (79)	2766 (82)	3096 (80)	3894 (85)
12.	Disbursement of Loans and Advances	984 (3)	877 (3)	762 (2)	998 (2)	1136 (2)
13.	Total (10+11+12)	30904	34068	38791	50896	59228

⁴⁷ Insignificant

(₹ in crore)

		2008-09	2009-10	2010-11	2011-12	2012-13
Part B: Expenditure/Disbursement						
14.	Repayment of Public Debt	1650	1765	1975	2893	2804
	Internal Debt (excluding Ways and Means Advances and Overdrafts)	1358	1499	1667	2522	2478
	Net transactions under Ways and Means Advances excluding Overdrafts	...	...	...	...	...
	Loans and Advances from Government of India	292	266	308	371	326
15.	Appropriation to Contingency Fund	...	...	...	...	...
16.	Total disbursement out of Consolidated Fund (13+14+15)	32554	35833	40766	53789	62032
17.	Contingency Fund disbursements	6	26	34	21	...
18.	Public Account disbursements	53628	57272	70558	91200	100456
19.	Total disbursement by the State (16+17+18)	86188	93131	111358	145010	162488
Part C: Deficits						
20.	Revenue Deficit (1-10)	3712	5023	3674	8035	9352
21.	Fiscal Deficit (4-13)	6347	7872	7731	12815	15002
22.	Primary Deficit (21+23)	1687	2580	2041	6521	7797
Part D: Other data						
23.	Interest Payments (included in revenue expenditure)	4660	5292	5690	6294	7205
24.	Financial Assistance to local bodies, etc.	7591	8616	9798	12099	13716
25.	Ways & Means Advances/Overdrafts availed (days)	90	18	Nil	Nil	Nil
	Ways and Means Advances availed (days)	90	18	Nil	Nil	Nil
	Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26.	Interest on WMA/Overdraft	5	0.54	Nil	Nil	Nil
27.	Gross State Domestic Product (GSDP) at current prices ⁴⁸	202783	231999	269474	315206	363305
28.	Outstanding Fiscal Liabilities (year-end)	66097	74223	82420	93132	108477
29.	Outstanding guarantees (year-end)	7603	7495	7426	8277	9099
30.	Maximum amount guaranteed (during the year)	11386	10226	12625	11332	11482
31.	Number of incomplete projects/works	121	187	241	263	215
32.	Capital blocked in incomplete projects/works ⁴⁹	1643	973	1117	484	539

⁴⁸ GSDP figures communicated by Director of Economics and Statistics Department of Government of Kerala. The figures for 2010-11 are provisional and that for 2011-12 are Quick Estimates. The figures for 2012-13 are adopted from the Budget documents 2013-14.

⁴⁹ Represents progressive amount blocked in incomplete projects/works at the end of the year based on figures collected from departmental heads.

(₹ in crore)

		2008-09	2009-10	2010-11	2011-12	2012-13
Part E: Fiscal Health Indicators						
I	Resource Mobilisation					
	Own Tax revenue/GSDP	7.9	7.6	8.1	8.2	8.3
	Own non-tax revenue/GSDP	0.8	0.8	0.7	0.8	1.2
	Central Transfers/GSDP	3.4	2.9	2.7	3.1	2.7
II	Expenditure Management					
	Total Expenditure/GSDP	15.2	14.7	14.4	16.1	16.3
	Total Expenditure/Revenue Receipts	126.1	130.5	125.2	133.9	134.2
	Revenue Expenditure/Total Expenditure	91.3	91.4	89.4	90.5	90.3
	Revenue Expenditure on Social Services/Total Expenditure	30.3	30.7	31.2	31.9	31.9
	Revenue Expenditure on Economic Services/Total Expenditure	12.7	12.4	11.2	12.0	13.2
	Capital Expenditure/Total Expenditure	5.5	6.0	8.7	7.6	7.8
	Capital Expenditure on Social and Economic Services/Total Expenditure.	5.3	5.8	8.4	7.3	7.5
III	Management of Fiscal Imbalances					
	Revenue deficit/GSDP	(-) 1.8	(-) 2.2	(-) 1.4	(-)2.5	-2.6
	Fiscal deficit/GSDP	(-) 3.1	(-) 3.4	(-) 2.9	(-)4.1	-4.1
	Primary Deficit /GSDP	(-) 0.8	(-) 1.1	(-) 0.8	(-)2.1	(-)2.1
	Revenue Deficit/Fiscal Deficit	58.5	63.8	47.5	62.7	62.3
IV	Management of Fiscal Liabilities					
	Fiscal Liabilities/GSDP	32.6	32.0	30.6	29.5	29.9
	Fiscal Liabilities/RR	269.7	284.3	265.9	245.0	245.8
	Primary deficit vis-à-vis quantum spread	3136	1981	4565	1556	(-)160
	Debt Redemption (Principal +Interest)/ Total Debt Receipts (in per cent)	86.8	88.8	91.9	88.8	82.3
V	Other Fiscal Health Indicators					
	Return on Investment	1.1	0.8	2.0	1.6	1.1
	Balance from Current Revenue	(-) 2254	(-) 2155	(-) 910	(-)4974	(-)4867
	Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.4

Figures in brackets represent percentages (rounded) to total of each sub-heading.

Appendix 1.6
Gross collection in respect of major taxes and duties vis-à-vis budget estimates and the expenditure incurred on their collection
(Reference: Paragraph 1.3.4; Page 14)

(₹ in crore)

Sl. No.	Head of revenue	Year	Budget Estimate	Collection	Expenditure on collection of revenue	Percentage of expenditure to gross collection	All India average percentage of expenditure to gross collection
1.	Tax on sales, trade etc.	2008-09	10616.39	11377.13	102.59	0.90	0.88
		2009-10	12733.94	12770.89	126.01	0.99	0.96
		2010-11	15125.69	15833.11	115.61	0.73	0.75
		2011-12	19427.90	18938.83	166.55	0.88	0.83
		2012-13	23450.52	22511.09	162.05	0.72	Not available
2.	Stamps (non-judicial) and registration fees	2008-09	2320.46	1931.75	82.97	4.30	2.77
		2009-10	2630.30	1812.89	100.70	5.55	2.47
		2010-11	2095.43	2477.19	101.56	4.10	1.60
		2011-12	3148.42	2906.90	144.85	4.98	1.89
		2012-13	3775.71	2862.06	128.73	4.50	Not available
3.	State excise	2008-09	1299.85	1397.64	72.84	5.21	3.66
		2009-10	1440.52	1514.81	83.31	5.50	3.64
		2010-11	1836.21	1699.54	92.51	5.44	3.05
		2011-12	2059.05	1883.18	144.69	7.68	2.98
		2012-13	2550.65	2313.95	146.81	6.34	Not available
4.	Taxes on vehicles	2008-09	1008.64	937.45	30.05	3.21	2.93
		2009-10	958.63	1131.10	33.96	3.00	3.07
		2010-11	1301.88	1331.37	35.55	2.67	3.71
		2011-12	1410.73	1587.13	53.26	3.36	2.96
		2012-13	1694.49	1924.62	58.30	3.03	Not available

Appendix 1.7

**Details of Thirteenth Finance Commission award and release
during 2010-11 to 2012-13
(Reference: Paragraph 1.4.2; Page 15)**

(₹ in crore)

Sl.No	Name of the Sector	Award Amount by FC	Amount Released by GOI	Shortfall in Release
I	Elementary Education.	80.00	80.00	Nil
II	Environmental related grants			
1.	Forest	67.76	59.29	8.47
2.	Water Sector Management	88.00	44.00	44.00
	Total	155.76	103.29	52.47
III	Improving Outcomes			
1.	Improving justice delivery	84.03	42.02	42.01
2.	Incentive Grant for UID	29.76	4.96	24.80
3.	Incentive grant for reduction of IMR	14.84	14.84	Nil
4.	District Innovation Fund	7.00	7.00	Nil
5.	Improving Statistical Systems at Districts and State Level	8.40	2.80	5.60
6.	Database for employees and pensioners	2.50	2.50	Nil
	Total	146.53	74.12	72.41
IV	Maintenance of Roads & Bridges	452.00	220.00	232.00
V	State Disaster Response Fund			
1.	Centre Share	309.91	309.91	Nil
2.	Grant for Capacity Building	12.00	8.00	4.00
	Total	321.91	317.91	4.00
VI	Local Bodies Grant			
1.	Basic grant	875.90	730.35	145.55
2.	Performance grant	330.60	293.41	37.19
	Total	1206.50	1023.76	182.74
VII	State Specific Grants	750.00	403.07	346.93
	Grand Total	3112.70	2222.15	890.55

Appendix 2.1
Details showing savings in Grants/Appropriation during the year
(Reference: Paragraph 2.2: Page 64)

(₹ in crore)

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings	
Revenue - Voted					
1.	II	Heads of States, Ministers and Headquarters Staff	375.44	299.50	75.94
2.	III	Administration of Justice	368.35	336.67	31.68
3.	IV	Elections	32.64	32.47	0.17
4.	VI	Land Revenue	353.37	326.12	27.25
5.	VII	Stamps and Registration	137.17	130.64	6.53
6.	VIII	Excise	153.96	146.88	7.08
7.	XI	District Administration and Miscellaneous	357.01	344.62	12.39
8.	XIV	Stationery and Printing and Other Administrative Services	321.49	291.13	30.36
9.	XV	Public Works	2249.24	2146.55	102.69
10.	XVIII	Medical and Public Health	2889.92	2800.85	89.07
11.	XIX	Family Welfare	398.55	323.75	74.80
12.	XX	Water Supply and Sanitation	665.25	531.02	134.23
13.	XXI	Housing	107.36	100.24	7.12
14.	XXII	Urban Development	1048.97	318.29	730.68
15.	XXIII	Information and Publicity	74.98	64.85	10.13
16.	XXIV	Labour, Labour Welfare and Welfare of Non-Residents	741.42	665.86	75.56
17.	XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1385.51	1225.71	159.80
18.	XXVI	Relief on Account of Natural Calamities	556.99	421.42	135.57
19.	XXVII	Co-operation	244.86	226.02	18.84
20.	XXVIII	Miscellaneous Economic Services	103.93	95.71	8.22
21.	XXIX	Agriculture	1983.45	1857.09	126.36
22.	XXX	Food	940.69	939.48	1.21
23.	XXXII	Dairy	142.01	135.59	6.42
24.	XXXIII	Fisheries	235.11	230.56	4.55
25.	XXXIV	Forest	376.32	359.40	16.92
26.	XXXV	Panchayat	274.85	229.88	44.97
27.	XXXVI	Rural Development	409.37	368.88	40.49
28.	XXXVII	Industries	426.95	393.87	33.08

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings
29.	XXXVIII Irrigation	332.37	330.76	1.61
30.	XXXIX Power	175.50	151.82	23.68
31.	XL Ports	37.43	31.10	6.33
32.	XLI Transport	190.33	144.85	45.48
33.	XLIII Compensation and Assignments	4163.98	4026.28	137.70
34.	XLVI Social Security and Welfare	2167.46	2061.27	106.19
Total		24422.23	22089.13	2333.10
Revenue - Charged				
1.	II Heads of States, Ministers and Headquarters Staff	96.96	89.57	7.39
2.	III Administration of Justice	97.53	73.72	23.81
3.	V Agricultural Income Tax and Sales Tax	0.04	(*)	0.04
4.	VI Land Revenue	0.02	0.01	0.01
5.	VIII Excise	0.10	0.00	0.10
6.	IX Taxes on Vehicles	0.10	0.10	(*)
7.	Debt Charges	7257.33	7212.82	44.51
8.	XI District Administration and Miscellaneous	1.05	1.02	0.03
9.	XII Police	0.09	0.08	0.01
10.	XIV Stationery and Printing and Other Administrative Services	(*)	0.00	(*)
11.	XV Public Works	1.79	1.64	0.15
12.	XVI Pensions and Miscellaneous	18.62	16.16	2.46
13.	XVII Education, Sports, Art and Culture	0.10	0.00	0.10
14.	XVIII Medical and Public Health	0.13	0.07	0.06
15.	XXI Housing	(*)	0.00	(*)
16.	XXIX Agriculture	0.05	0.05	(*)
17.	XXXIV Forest	0.05	0.00	0.05
18.	XXXVI Rural Development	0.01	0.00	0.01
19.	XXXVII Industries	0.02	0.02	(*)
20.	XXXVIII Irrigation	0.08	0.05	0.03
21.	XLI Transport	15.03	15.00	0.03
Total		7489.10	7410.31	78.79
Capital - Voted				
1.	XII Police	2.57	1.55	1.02
2.	XIV Stationery and Printing and Other Administrative Services	2.50	1.79	0.71
3.	XV Public Works	2764.30	2223.39	540.91

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings
4.	XVIII Medical and Public Health	146.33	130.41	15.92
5.	XXI Housing	332.64	297.72	34.92
6.	XXII Urban Development	13.60	3.60	10.00
7.	XXIII Information and Publicity	(*)	0.00	(*)
8.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	145.90	145.13	0.77
9.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	90.92	30.61	60.31
10.	XXVII Co-operation	85.85	67.26	18.59
11.	XXIX Agriculture	236.68	106.76	129.92
12.	XXX Food	63.43	58.58	4.85
13.	XXXI Animal Husbandry	11.44	4.57	6.87
14.	XXXII Dairy	0.35	0.30	0.05
15.	XXXIII Fisheries	161.64	108.47	53.17
16.	XXXIV Forest	29.10	25.64	3.46
17.	XXXV Panchayat	51.86	9.70	42.16
18.	XXXVII Industries	520.25	471.87	48.38
19.	XXXVIII Irrigation	554.13	259.83	294.30
20.	XXXIX Power	23.75	0.00	23.75
21.	XL Ports	570.78	263.64	307.14
22.	XLI Transport	1360.09	903.01	457.08
23.	XLII Tourism	70.86	63.20	7.66
24.	XLV Miscellaneous Loans and Advances	154.68	153.54	1.14
25.	XLVI Social Security and Welfare	2.79	2.62	0.17
Total		7396.44	5333.19	2063.25
Capital-Charged				
1.	XV Public Works	75.06	44.40	30.66
2.	XVII Education, Sports, Art and Culture	(*)	(*)	(*)
3.	XVIII Medical and Public Health	0.25	0.00	0.25
4.	XXXVII Industries	0.04	0.04	(*)
5.	XXXVIII Irrigation	1.79	1.68	0.11
6.	Public Debt Repayment	9682.47	2804.08	6878.39
Total		9759.61	2850.20	6909.41
Grand Total		49067.38	37682.83	11384.55

(*) insignificant/token provision

Appendix 2.2
Statement of persistent savings for the last three years
(Savings of ₹ five crore and above in each case)
(Reference: Paragraph 2.3.2, Page 67)

(₹ in crore)

Sl. No.	Grant number	Head of account	Financial year	Budget provision	Actual Expenditure	Savings
1.	III	2014-00-800-86-Improvement of Justice Delivery - 13th Finance Commission Recommendation (NP)	2010-2011	28.01	0.00	28.01
			2011-2012	28.01	2.78	25.23
			2012-2013	21.78	2.51	19.27
2.	VI	2029-00-102-95-Preparation of Land Records for the Implementation of Land Reforms-Resurvey of Areas where the Records are in bad condition (Cadastral Survey) (NP)	2010-2011	66.49	55.46	11.03
			2011-2012	90.20	80.47	9.73
			2012-2013	90.11	82.66	7.45
3.	VI	2029-00-102-99-Survey Department (General) (NP)	2010-2011	14.29	4.48	9.81
			2011-2012	13.14	6.85	6.29
			2012-2013	13.80	7.27	6.53
4.	XII	2055-00-104-98-India Reserve Battalion (NP)	2010-2011	16.84	2.17	14.67
			2011-2012	22.96	8.76	14.20
			2012-2013	25.02	14.20	10.82
5.	XII	2055-00-104-99-Armed Police (NP)	2010-2011	145.44	114.41	31.03
			2011-2012	202.44	188.14	14.30
			2012-2013	258.91	230.70	28.21
6.	XIV	2070-00-108-98-Protection and Control (NP)	2010-2011	65.51	46.18	19.33
			2011-2012	92.44	71.71	20.73
			2012-2013	98.50	74.22	24.28
7.	XV	5054-04-101-86-Projects under Anti-Recession Stimulus Package-Public Works(Bridges) (NP)	2010-2011	435.00	0.00	435.00
			2011-2012	75.00	0.00	75.00
			2012-2013	75.00	0.00	75.00
8.	XV	5054-04-800-88-Payment of Compensation for land acquisition (NP)	2010-2011	72.00	33.40	38.60
			2011-2012	125.00	24.22	100.78
			2012-2013	45.00	17.06	27.94
9.	XV	2059-80-001-97-Execution (NP)	2010-2011	69.41	61.79	7.62
			2011-2012	93.98	88.43	5.55
			2012-2013	103.82	90.08	13.74
10.	XVI	2071-01-102-99-Payments in India (NP)	2010-2011	700.01	502.90	197.11
			2011-2012	1050.01	994.43	55.58
			2012-2013	900.01	890.70	9.31
11.	XVII	2202-02-109-86-Higher Secondary Education (Plus Two Courses) (NP)	2010-2011	396.08	280.20	115.88
			2011-2012	579.06	402.20	176.86

Sl. No.	Grant number	Head of account	Financial year	Budget provision	Actual Expenditure	Savings
			2012-2013	525.01	460.37	64.64
12.	XVII	4202-02-800-95-I T I Buildings Works (P)	2010-2011	9.00	0.57	8.43
			2011-2012	11.25	1.73	9.52
			2012-2013	15.00	7.07	7.93
13.	XVII	2202-03-104-99-Salaries to the staff under the Direct Payment System (NP)	2010-2011	560.25	504.05	56.20
			2011-2012	957.48	754.08	203.40
			2012-2013	854.66	829.04	25.62
14.	XVII	3425-60-200-71-State Council for Science, Technology and Environment Grant-in-Aid (P)	2010-2011	48.25	20.08	28.17
			2011-2012	48.25	40.17	8.08
			2012-2013	62.75	52.29	10.46
15.	XVIII	2210-01-102-98-Dispensaries (NP)	2010-2011	71.88	56.78	15.10
			2011-2012	100.92	77.47	23.45
			2012-2013	106.48	85.37	21.11
16.	XVIII	4210-01-110-75-Completion of ongoing Construction Works (Major/ Minor)- GH / WCH / Other Hospitals under DHS (NABARD) (P)	2010-2011	16.40	0.00	16.40
			2011-2012	20.00	0.00	20.00
			2012-2013	16.40	1.81	14.59
17.	XVIII	2210-01-110-96-Allopathy Medical College Hospital, Kottayam (NP)	2010-2011	22.52	10.68	11.84
			2011-2012	31.74	18.33	13.41
			2012-2013	31.46	18.69	12.77
18.	XVIII	2210-01-110-97-Allopathy Medical College Hospital, Kozhikode (NP)	2010-2011	40.29	28.93	11.36
			2011-2012	47.31	40.04	7.27
			2012-2013	50.16	43.88	6.28
19.	XVIII	2210-06-101-91-Leprosy Control Scheme (NP)	2010-2011	23.05	6.24	16.81
			2011-2012	31.85	9.25	22.60
			2012-2013	32.61	10.29	22.32
20.	XIX	2211-00-101-96-Rural Family Welfare Centres and Post Partum Centres (Block PHCs) (NP)	2010-2011	42.03	35.31	6.72
			2011-2012	61.34	47.21	14.13
			2012-2013	75.62	48.94	26.68
21.	XX	2215-01-190-99-Grant-in-Aid to the Kerala Water Authority (P)	2010-2011	91.30	23.30	68.00
			2011-2012	139.20	63.60	75.60
			2012-2013	141.30	54.85	86.45
22.	XX	2215-01-800-67-Add-on project of 'Jalanidhi' (P)	2010-2011	100.00	6.00	94.00
			2011-2012	112.50	25.00	87.50
			2012-2013	109.82	40.00	69.82
23.	XXII	2217-03-191-74-Urban Infrastructure Development Scheme for Small and	2010-2011	169.20	90.44	78.76
			2011-2012	70.30	0.06	70.24

Sl. No.	Grant number	Head of account	Financial year	Budget provision	Actual Expenditure	Savings
		Medium Towns (ACA) (P)	2012-2013	129.21	0.00	129.21
24.	XXII	2217-05-191-80-Integrated Housing and Slum Development Programme (State Scheme) (P)	2010-2011	20.62	1.75	18.87
			2011-2012	16.50	0.00	16.50
			2012-2013	12.00	0.00	12.00
25.	XXII	2217-05-192-81-Integrated Housing and Slum Development Programme (State Scheme) (P)	2010-2011	48.12	38.92	9.20
			2011-2012	38.50	6.75	31.75
			2012-2013	28.00	13.90	14.10
26.	XXII	2217-05-192-82-Swarna Jayanthi Shahari Rozgar Yojana (S.J.S.R.Y.) (75 per cent CA) (P)	2010-2011	8.95	0.00	8.95
			2011-2012	9.46	2.36	7.10
			2012-2013	12.00	3.00	9.00
27.	XXII	2217-05-800-83-Basic Services to the Urban Poor (BSUP) (P)	2010-2011	102.00	74.82	27.18
			2011-2012	121.00	0.83	120.17
			2012-2013	57.28	43.14	14.14
28.	XXII	2217-05-800-89-Jawaharlal Nehru National Urban Renewal Mission(Central Assistance) (P)	2010-2011	223.59	32.49	191.10
			2011-2012	175.60	108.18	67.42
			2012-2013	374.67	66.62	308.05
29.	XXII	2217-80-192-91-Modernisation of Slaughter Houses(50 per cent CSS) (P)	2010-2011	13.00	4.59	8.41
			2011-2012	13.00	0.00	13.00
			2012-2013	15.00	0.00	15.00
30.	XXII	2217-80-800-91-Kerala Sustainable Urban Development Project (P)	2010-2011	279.67	71.00	208.67
			2011-2012	105.00	50.00	55.00
			2012-2013	273.00	100.00	173.00
31.	XXVI	2245-01-101-99-Supply of Seeds, Fertilizers and Agricultural Implements (NP)	2010-2011	13.00	0.55	12.45
			2011-2012	14.02	0.00	14.02
			2012-2013	6.19	0.53	5.66
32.	XXIX	2702-01-001-99-Establishment (NP)	2010-2011	47.51	39.89	7.62
			2011-2012	65.47	57.32	8.15
			2012-2013	67.52	52.90	14.62
33.	XXXV	2515-00-800-81-Engineering Wing for Local Self Government Institutions - Execution (NP)	2010-2011	67.40	61.63	5.77
			2011-2012	89.76	0.00	89.76
			2012-2013	107.76	0.00	107.76
34.	XXXVI	2515-00-001-49-Recurring expenditure on personnel retained on N.E.S pattern (NP)	2010-2011	83.73	67.55	16.18
			2011-2012	119.95	98.82	21.13
			2012-2013	113.67	103.98	9.69
35.	XXXVI	2515-00-102-61-Restructured Central Rural Sanitation Programme (CSS 75:25) (P)	2010-2011	40.00	11.32	28.68
			2011-2012	40.00	0.73	39.27
			2012-2013	40.00	0.00	40.00

Sl. No.	Grant number	Head of account	Financial year	Budget provision	Actual Expenditure	Savings
36.	XXXVII	4885-60-800-96-Provision for Revival/Diversification of State Public Sector Undertakings Lumpsum Provision (P)	2010-2011	101.13	1.99	99.14
			2011-2012	54.10	0.00	54.10
			2012-2013	70.20	0.54	69.66
37.	XXXVIII	4711-01-103-90-Kuttanadu package (75 per cent CSS) (P)	2010-2011	84.63	36.48	48.15
			2011-2012	350.00	2.78	347.22
			2012-2013	200.00	100.96	99.04
38.	XXXVIII	4701-80-800-79-AIBP-Support for other need based programme (P)	2010-2011	22.50	0.00	22.50
			2011-2012	114.50	0.00	114.50
			2012-2013	141.50	0.00	141.50
39.	XXXVIII	4701-80-800-80-AIBP-Assistance for MI class I Scheme (P)	2010-2011	7.50	0.00	7.50
			2011-2012	7.50	0.00	7.50
			2012-2013	7.50	0.00	7.50
40.	XLI	3056-00-001-98-Operation (NP)	2010-2011	26.52	18.37	8.15
			2011-2012	35.62	25.25	10.37
			2012-2013	31.96	25.04	6.92
41.	XLI	5075-60-800-84-Priority Scheme under 13th Finance Commission (P)	2010-2011	56.25	0.00	56.25
			2011-2012	50.00	0.90	49.10
			2012-2013	50.00	3.19	46.81
42.	XLI	5075-60-800-86-Development of feeder canals connecting the National Water Way III (RIDF scheme) (P)	2010-2011	40.00	0.00	40.00
			2011-2012	40.00	4.75	35.25
			2012-2013	40.00	11.62	28.38
43.	XLVI	2235-02-102-61-Integrated Child Protection Scheme (P)	2010-2011	23.66	5.51	18.15
			2011-2012	23.66	5.55	18.11
			2012-2013	15.00	0.02	14.98
44.	XLVI	2235-02-103-84-Conditional Maternity Scheme (100 per cent CSS) (P)	2010-2011	50.00	3.58	46.42
			2011-2012	50.00	23.32	26.68
			2012-2013	30.00	8.52	21.48
45.	XLVI	2235-60-200-76-National Social Assistance Programme (P)	2010-2011	100.34	16.22	84.12
			2011-2012	57.77	18.25	39.52
			2012-2013	42.24	23.93	18.31

Appendix 2.3
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.4; Page 69)

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
1990-91	1 Grant	Revenue - XXVIII	3658715	Notes considered by PAC. Appropriation Act not yet passed
1992-93	1 Grant	Capital - XXV	367400	Notes considered by PAC. Appropriation Act not yet passed
1995-96	1 Grant	Revenue - XXVI	211210533	Notes considered by PAC. Appropriation Act not yet passed
1996-97	1 Appropriation	Capital- XXV	32791	Notes considered by PAC. Appropriation Act not yet passed
1997-98	1 Grant	Capital - XXV	39265631	Notes considered by PAC. Appropriation Act not yet passed
1998-99	1 Grant	Revenue - XXV	78764570	Notes considered by PAC. Appropriation Act not yet passed
2000-01	1 Grant	Revenue - XXV	146560697	Notes considered by PAC. Appropriation Act not yet passed
2001-02	2 Grants	Revenue - XI	193559472	Notes considered by PAC. Appropriation Act not yet passed
		Capital - XVIII	97209059	Notes considered by PAC. Appropriation Act not yet passed
2003-04	3 Grants	Revenue - XVII	1218609617	Notes considered by PAC. Appropriation Act not yet passed
		Revenue - XI	41122987	Notes considered by PAC. Appropriation Act not yet passed
		Revenue - XLIII	26400000	Notes considered by PAC. Appropriation Act not yet passed
2006-07	1 Grant	Revenue - XLII	12772873	Notes considered by PAC. Appropriation Act not yet passed
2008-09	5 Grants	Revenue-VII	35486464	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-IX	2422867	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-XII	2837441	Notes considered by PAC. Appropriation Act not yet passed

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
		Capital-XII	1986814	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-XV	992290290	Notes considered by PAC. Appropriation Act not yet passed
	1 Appropriation	Capital- XXXVIII	662216	Notes considered by PAC. Appropriation Act not yet passed
	2009-10	2 Appropriations	Revenue – XI	161640	Notes considered by PAC. Appropriation Act not yet passed
Revenue – XVI			27128083	Notes considered by PAC. Appropriation Act not yet passed
8 Grants		Revenue-III	1040075	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-XXVIII	13036755	Notes considered by PAC. Appropriation Act not yet passed
		Revenue –XXXIV	32216217	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-IX	16630122	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-V	58149523	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-VII	55510479	Notes considered by PAC. Appropriation Act not yet passed
		Capital-XIX	4016	Notes considered by PAC. Appropriation Act not yet passed
		Revenue – XXXI	26833060	Notes considered by PAC. Appropriation Act not yet passed
2010-11	1 Grant	Capital – XII	1439000	Notes considered by PAC. Appropriation Act not yet passed
	2 Appropriations	Capital-XXIX	54916	Notes considered by PAC. Appropriation Act not yet passed
		Capital-XXXII	83	Notes considered by PAC. Appropriation Act not yet passed
2011-12	15 Grants	Revenue – I	2382620	Notes considered by PAC. Appropriation Act not yet passed
		Revenue – V	26907419	Final copies of the notes not received. Not discussed by PAC

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
		Revenue – VII	6045000	Notes considered by PAC. Appropriation Act not yet passed
		Revenue – VIII	47489272	Final copies of the notes not received. Not discussed by PAC
		Revenue – XI	82823107	Initial notes not received. Not discussed by PAC
		Revenue – XII	1044742687	Final copies of the notes not received. Not discussed by PAC
		Revenue – XIII	10342841	Final copies of the notes not received. Not discussed by PAC
		Revenue – XVI	5701688879	Initial notes not received. Not discussed by PAC
		Revenue – XIX	488693678	Final copies of the notes not received. Not discussed by PAC
		Revenue – XXVIII	22791084	Initial notes not received. Not discussed by PAC
		Revenue – XLI	149073882	Initial notes not received. Not discussed by PAC
		Capital – XII	1181652	Final copies of the notes not received. Not discussed by PAC
		Capital – XIV	4104486	Initial notes not received. Not discussed by PAC
		Capital – XLII	95881595	Initial notes not received. Not discussed by PAC
		Capital – XLVI	115740	Initial notes not received. Not discussed by PAC
	2 Appropriations	Revenue – II	25530919	Final copies of the notes not received. Not discussed by PAC
		Revenue – XII	301000	Final copies of the notes not received. Not discussed by PAC
Total			11047520267	(₹1104.75 crore)

Appendix 2.4

**Cases where supplementary provision (₹50 lakh or more in each case) proved unnecessary
(Reference: Paragraph 2.3.5, Page 69)**

(₹ in crore)

Sl. No.	Number and name of Grant		Original Provision	Actual Expenditure	Savings out of original provision	Supplementary provision
Revenue - Voted						
1.	II	Heads of States, Ministers and Headquarters Staff	366.61	299.50	67.11	8.83
2.	III	Administration of Justice	364.23	336.67	27.56	4.12
3.	VI	Land Revenue	345.66	326.12	19.54	7.71
4.	VII	Stamps and Registration	136.38	130.64	5.74	0.80
5.	VIII	Excise	153.25	146.88	6.37	0.71
6.	XI	District Administration and Miscellaneous	355.53	344.62	10.91	1.48
7.	XIV	Stationery and Printing and Other Administrative Services	307.58	291.13	16.45	13.91
8.	XVIII	Medical and Public Health	2810.08	2800.85	9.23	79.85
9.	XXII	Urban Development	1047.94	318.29	729.65	1.03
10.	XXIV	Labour, Labour Welfare and Welfare of non-Residents	689.04	665.86	23.18	52.39
11.	XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1330.02	1225.71	104.31	55.49
12.	XXXIV	Forest	369.90	359.40	10.50	6.41
13.	XXXV	Panchayat	238.68	229.88	8.80	36.17
14.	XXXVI	Rural Development	396.76	368.87	27.89	12.60
15.	XXXVII	Industries	398.63	393.87	4.76	28.32
16.	XLI	Transport	160.21	144.85	15.36	30.12
17.	XLIII	Compensation and Assignments	4138.03	4026.28	111.75	25.96

Sl. No.	Number and name of Grant		Original Provision	Actual Expenditure	Savings out of original provision	Supplementary provision
Capital - Voted						
18.	XII	Police	2.00	1.55	0.45	0.57
19.	XV	Public Works	2666.99	2223.40	443.59	97.31
20.	XXIX	Agriculture	226.47	106.76	119.71	10.21
21.	XXXI	Animal Husbandry	10.25	4.57	5.68	1.19
22.	XXXIII	Fisheries	138.85	108.47	30.38	22.80
23.	XXXV	Panchayat	51.35	9.70	41.65	0.51
24.	XXXVIII	Irrigation	529.13	259.83	269.30	25.00
Revenue - Charged						
25.	XVI	Pensions and Miscellaneous	16.81	16.16	0.65	1.82
26.		Debt Charges	7234.33	7212.82	21.51	23.00
Total			24484.71	22352.68	2132.03	548.31

Appendix 2.5
Cases of excessive supplementary Grants/Appropriations
(Savings of ₹ one crore and above)
(Reference: Paragraph 2.3.5, Page 69)

(₹ in crore)

Sl. No.	Number and name of Grant/Appropriation		Original	Supplementary	Total	Expenditure	Savings	Additional requirement actually needed (Expenditure – Original)
Revenue - Voted								
1.	XV	Public Works	1792.23	457.00	2249.23	2146.55	102.68	354.32
2.	XXI	Housing	91.14	16.22	107.36	100.24	7.12	9.10
3.	XXIII	Information and Publicity	52.28	22.70	74.98	64.84	10.14	12.56
4.	XXVI	Relief on Account of Natural Calamities	293.13	263.86	556.99	421.42	135.57	128.29
5.	XXVII	Co-operation	177.14	67.72	244.86	226.02	18.84	48.88
6.	XXIX	Agriculture	1811.80	171.65	1983.45	1857.09	126.36	45.29
7.	XXX	Food	639.01	301.68	940.69	939.48	1.21	300.47
8.	XXXII	Dairy	133.23	8.78	142.01	135.58	6.43	2.35
9.	XXXIII	Fisheries	201.82	33.29	235.11	230.56	4.55	28.74
10.	XXXIX	Power	100.50	75.00	175.50	151.82	23.68	51.32
11.	XLVI	Social Security and Welfare	1608.77	558.68	2167.45	2061.27	106.18	452.50
Revenue – Charged								
12.	III	Administration of Justice	72.52	25.01	97.53	73.72	23.81	1.20
Capital - Voted								
13.	XVIII	Medical and Public Health	92.70	53.62	146.32	130.41	15.91	37.71
14.	XXI	Housing	117.05	215.59	332.64	297.72	34.92	180.67
15.	XXX	Food	45.60	17.83	63.43	58.58	4.85	12.98
16.	XXXVII	Industries	441.62	78.63	520.25	471.87	48.38	30.25
17.	XLII	Tourism	29.65	41.21	70.86	63.20	7.66	33.55
18.	XLV	Miscellaneous Loans and Advances	150.87	3.82	154.69	153.55	1.14	2.68
Total			7851.06	2412.29	10263.35	9583.92	679.43	1732.86

Appendix 2.6
Statement of various Grants/Appropriations where Supplementary provision
proved insufficient by more than ₹ one crore each
(Reference: Paragraph 2.3.5, Page 69)

(₹ in crore)

Sl. No.	Number and name of Grant	Original provision	Supplementary provision	Total	Expenditure	Excess
Revenue - Voted						
1.	V Agricultural Income Tax and Sales Tax	170.09	0.51	170.60	180.38	9.78
2.	X Treasury and Accounts	149.55	0.98	150.53	151.73	1.20
3.	XII Police	1778.59	40.58	1819.17	1975.32	156.15
4.	XVI Pensions and Miscellaneous	9265.99	1499.05	10765.04	11027.60	262.56
5.	XVII Education, Sports, Art and Culture	10428.59	205.63	10634.22	10663.93	29.71
6.	XXXI Animal Husbandry	364.90	7.04	371.94	376.73	4.79
7.	XLII Tourism	201.65	4.62	206.27	210.20	3.93
Capital - Voted						
8.	XVII Education, Sports, Art and Culture	137.22	4.00	141.22	142.40	1.18
Total		22496.58	1762.41	24258.99	24728.29	469.30

Appendix 2.7
Excess/Unnecessary/Insufficient re-appropriation of funds
(Reference: Paragraph 2.3.6; Page 69)

(₹ in crore)

Sl. No.	Grant number and description	Head of account	Re-appropriation	Final Excess (+) / Saving (-)
1.	II State Legislature	2051-00-102-99(NP)	1.33	(-) 7.05
2.		2052-00-090-99 (NP)	0.09	9.66
3.		2052-00-090-97 (NP)	0.02	3.93
4.		2251-00-090-99 (NP)	(-) 0.06	2.82
5.	V Agricultural Income Tax and Sales Tax	2040-00-101-97(NP)	0.34	7.94
6.	VI Land Revenue	2029-00-102-95 (NP)	(-) 11.11	3.66
7.	VII Stamps and Registration	2030-03-001-95 (NP)	(-) 0.20	(-) 3.78
8.	VIII Excise	2039-00-001-98 (NP)	(-) 9.75	4.86
9.		2039-00-001-99 (NP)	(-) 8.26	8.02
10.	IX Taxes on Vehicles	2041-00-001-99 (NP)	(-) 4.14	2.26
11.	X Treasury and Accounts	2054-00-097-99(NP)	0.12	4.28
12.		2054-00-098-99(NP)	(-) 0.07	2.79
13.	XII Police	2055-00-101-99(NP)	(-) 2.39	13.34
14.		2055-00-104-99 (NP)	(-) 24.88	(-) 3.34
15.		2055-00-109-99 (NP)	66.05	140.20
16.	XIV Stationery and Printing and Other Administrative Services	2058-00-103-99 (NP)	(-) 2.02	6.04
17.		2070-00-104-99 (NP)	1.21	4.95
18.	XV Public Works	3054-03-103-98 (NP)	(-) 21.75	2.54
19.		3054-03-337-93 (NP)	0.52	4.04
20.		3054-04-105-98 (NP)	(-) 26.29	(-) 4.32
21.		5054-03-337-99 (P)	5.52	(-) 5.52
22.		5054-04-101-96 (P)	(-) 19.61	(-) 8.84
23.		5054-04-337-99 (P)	537.87	2.51
24.		5054-05-337-97 (P)	100.91	5.84
25.		5054-80-800-66(NP)	(-) 996.37	(-) 3.63
26.		5054-80-800-67 (NP)	(-) 344.11	(-) 360.89
27.		XVI Pensions and Miscellaneous	2071-01-101-99 (NP)	(-) 67.58	2.50
28.	2071-01-104-99 (NP)		0.00	21.64
29.	2071-01-105-99 (NP)		36.14	34.93
30.	XVII Education, Sports, Art and Culture	2202-01-101-99 (NP)	(-) 0.68	51.58
31.		2202-01-101-98 (NP)	(-) 0.12	24.45
32.		2202-01-102-99 (NP)	(-) 0.88	98.17
33.		2202-01-196-50(NP)	0.40	(-) 2.50
34.		2202-02-001-98 (NP)	(-) 0.01	3.32

Sl. No.	Grant number and description	Head of account	Re-appropriation	Final Excess (+) / Saving (-)
35.		2202-02-001-94 (NP)	(-) 0.42	(-) 2.14
36.		2202-02-001-99 (NP)	(-) 1.07	2.79
37.		2202-02-109-78 (NP)	(-) 0.57	(-) 19.90
38.		2202-02-109-86 (NP)	(-) 0.06	(-) 64.59
39.		2202-02-109-99 (NP)	(-) 0.41	27.26
40.		2202-02-110-96 (NP)	(-) 0.04	2.06
41.		2202-02-110-94 (NP)	0.00	81.89
42.		2202-02-110-99 (NP)	(-) 0.36	208.42
43.		2202-02-196-50 (NP)	1.20	4.22
44.		2202-03-103-99 (NP)	(-) 35.10	4.24
45.		2202-03-104-99 (NP)	(-) 33.59	7.97
46.		2202-80-004-91 (P)	(-) 9.00	6.00
47.		2202-80-800-52(NP)	(-) 0.07	10.52
48.		2203-00-105-99 (NP)	(-) 14.84	20.63
49.		2203-00-105-91 (NP)	(-) 3.45	2.59
50.		2203-00-105-85 (P)	(-) 38.55	3.89
51.		2203-00-112-99 (NP)	(-) 5.21	12.25
52.		2203-00-112-81 (NP)	(-) 4.12	5.44
53.		2203-00-112-82 (NP)	(-) 1.04	3.82
54.		4202-02-105-99 (P)	15.84	3.27
55.		2210-01-104-99 (NP)	(-) 0.09	(-) 3.94
56.		2210-01-110-98 (NP)	(-) 4.35	(-) 7.19
57.		2210-01-110-95 (NP)	0.28	(-) 4.18
58.		2210-01-110-96 (NP)	(-) 2.30	(-) 10.46
59.		2210-01-110-97 (NP)	(-) 1.17	(-) 5.12
60.		2210-01-110-94 (NP)	(-) 0.06	(-) 3.16
61.		2210-01-110-99 (NP)	(-) 3.89	16.22
62.		2210-01-110-90 (NP)	(-) 0.03	(-) 3.96
63.		2210-03-103-99 (NP)	(-) 5.77	48.32
64.	XVIII Medical and Public Health	2210-05-105-95 (NP)	(-) 21.36	29.89
65.		2210-05-105-96 (NP)	(-) 26.81	5.70
66.		2210-05-105-97(NP)	2.99	12.98
67.		2210-05-105-98 (NP)	0.83	14.45
68.		2210-05-105-94 (NP)	1.45	4.91
69.		2210-05-105-93 (NP)	0.18	(-) 3.41
70.		2210-05-105-74 (NP)	0.33	(-) 2.18
71.		2210-05-800-61 (P)	(-) 2.50	(-) 5.50
72.		2210-06-003-97 (NP)	(-) 0.09	19.15
73.		2210-06-101-79 (NP)	(-) 0.01	(-) 6.58

Sl. No.	Grant number and description	Head of account	Re-appropriation	Final Excess (+) / Saving (-)
74.		2210-06-101-80 (NP)	(-) 0.02	2.32
75.		2210-06-101-97(NP)	(-) 0.17	(-) 5.11
76.		2210-06-101-85(NP)	(-) 0.06	(-) 5.51
77.		2210-06-101-91 (NP)	(-) 0.13	(-) 22.18
78.		2211-00-001-98(P)	(-) 0.11	(-) 5.37
79.		2211-00-003-98 (P)	(-) 0.06	(-) 9.44
80.	XIX Family Welfare	2211-00-101-96 (NP)	(-) 0.02	(-) 26.66
81.		2211-00-101-99 (P)	(-) 0.04	(-) 24.01
82.		2211-00-200-96 (NP)	(-) 0.09	(-) 4.86
83.	XX Water Supply and Sanitation	6215-01-190-98 (P)	(-) 60.00	16.91
84.		2217-03-051-99 (P)	5.00	(-) 5.00
85.	XXII Urban Development	2217-05-800-89 (P)	(-) 263.05	(-) 45.00
86.	XXIV Labour, Labour	2230-01-103-99 (NP)	(-) 0.90	(-) 2.92
87.	Welfare and Welfare of Non-Residents	4250-00-201-96 (P)	(-) 3.00	3.00
88.	XXV Welfare of Scheduled	2225-01-277-67 (NP)	(-) 3.32	2.35
89.	Castes, Scheduled Tribes, Other Backward Classes and Minorities	2225-04-102-96 (P)	76.00	(-) 76.00
90.		2425-00-001-98 (NP)	(-) 11.90	5.66
91.	XXVII Co-operation	2425-00-101-99 (NP)	(-) 12.56	11.61
92.		2401-00-001-96 (NP)	(-) 4.34	(-) 2.44
93.		2401-00-103-99 (NP)	(-) 0.02	8.98
94.		2401-00-104-99 (NP)	(-) 1.06	3.66
95.	XXIX Agriculture	2401-00-104-98 (NP)	(-) 0.88	5.80
96.		2401-00-104-86 (NP)	(-) 18.84	18.94
97.		2415-01-004-96 (NP)	(-) 3.09	2.18
98.		2702-02-005-99 (NP)	0.00	2.99
99.	XXX Food	4408-01-101-99 (NP)	(-) 0.28	2.85
100.		2403-00-101-98 (NP)	(-) 0.02	7.68
101.		2403-00-102-96(NP)	(-) 0.04	5.09
102.		2403-00-102-99 (NP)	0.04	3.64
103.	XXXI Animal Husbandry	2403-00-102-97 (NP)	(-) 0.05	2.52
104.		2403-00-103-99 (NP)	(-) 0.01	(-) 3.32
105.		2403-00-800-88 (NP)	(-) 0.01	2.84
106.		2403-00-800-88 (P)	(-) 0.07	(-) 2.81
107.	XXXII Dairy	2404-00-001-97 (NP)	(-) 7.13	2.06
108.		2406-01-001-95 (NP)	10.11	2.30
109.	XXXIV Forest	2406-01-101-99 (NP)	0.38	2.35

Sl. No.	Grant number and description	Head of account	Re-appropriation	Final Excess (+) / Saving (-)
110.	XXXV Panchayat	2515-00-001-92 (NP)	98.63	(-) 7.98
111.		2515-00-001-90 (NP)	18.17	8.74
112.	XXXVI Rural Development	2515-00-001-49 (NP)	(-) 16.98	7.28
113.	XXXVII Industries	2851-00-102-86 (NP)	(-) 2.83	2.68
114.		2851-00-102-84 (P)	(-) 1.60	(-) 2.53
115.		4859-02-800-98 (P)	(-) 0.51	(-) 12.23
116.		4860-01-190-90 (P)	27.60	(-) 27.60
117.	XL Ports	5051-02-200-74 (P)	6.06	(-) 6.25
118.		5051-02-200-73 (P)	0.90	5.75
119.	XLI Transport	5075-60-800-86 (P)	(-) 4.99	(-) 23.38
120.		5075-60-800-84 (P)	(-) 25.00	(-) 21.81
121.	XLIII Compensation and Assignments	3604-00-200-91 (NP)	(-) 1.85	(-) 132.40
122.	XLVI Social Security and Welfare	2235-02-102-98 (P)	85.33	10.61
123.		2235-02-198-50 (NP)	(-) 6.57	(-) 8.96
124.		2235-60-192-50 (P)	(-) 3.88	(-) 8.70
125.		2235-60-198-50 (NP)	(-) 7.00	119.07
126.		2235-60-198-50 (P)	(-) 4.38	(-) 140.33
127.	Debt Charges	2049-03-104-99 (NP)	69.41	6.80

Appendix 2.8
Results of review of substantial surrenders made during the year
(Reference: Paragraph 2.3.7; Page 70)

(₹ in crore)

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
1.	III Administration of Justice	2014-00-114-91-ThFC Recommendation - Assistance to KELSA for improvement of Justice Delivery (NP)	5.42	100.00	Sanction was not received to transfer credit the amount to TP account of KELSA
2.	XI District Administration and Miscellaneous	2053-00-094-59-Special staff for acquisition of land for Rail Coach Factory, Palakkad (NP)	1.04	100.00	Expenditure less than anticipated
3.	XIV Stationery and Printing and Other Administrative Services	2070-00-108-92-Strengthening of fire & emergency services(75 per cent CSS) (P)	2.64	100.00	Purchase formalities could not be completed before the close of the financial year
4.		2070-00-108-94-Modernisation of Fire Force (P)	8.50	100.00	-do-
5.	XV Public Works	5054-04-101-86-Projects under Anti-Recession Stimulus Package-Public Works(Bridges) (NP)	75.00	100.00	Reasons not intimated
6.	XVII Education, Sports, Art and Culture	2202-02-107-91-Incentive to Girls for Secondary Education (100 per cent CSS) (P)	6.79	100.00	Plan activities could not be implemented due to administrative reasons
7.		2202-02-107-92-Means cum Merit Scholarship (100 per cent CSS) (P)	2.08	100.00	-do-

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
8.		2202-02-800-49-Rashtriya Madhyamik Siksha Abhiyan (RMSA)-(50 per cent CSS) (P)	30.00	100.00	-do-
9.		2202-02-800-50-Right of children to free and compulsory education (90 per cent CSS) (P)	175.50	100.00	-do-
10.		2202-02-800-60-Right of Children to Free and Compulsory Education (10 per cent CSS) (P)	19.50	100.00	-do-
11.		2202-80-004-91-State Council of Education Research and Training (P)	9.00	100.00	-do-
12.		4210-02-110-85-Establishment of Hospital Building at Pumpa and Sannidhanam (NP)	5.00	100.00	Due to slow progress of work
13.	XVIII Medical and Public Health	4210-03-105-60-Lecture Theatre Complex and Auditorium for Medical College, Thiruvananthapuram and Kozhikode (P)	2.00	100.00	-do-
14.		4210-03-105-61-Super speciality Hospital of Biomedical Research Institute, Thalappady (P)	1.00	100.00	-do-
15.		4210-04-107-99-Public Health Laboratory - Land Acquisition and Buildings (P)	1.00	100.00	-do-
16.	XXI Housing	6216-80-190-98-Saphalyam housing scheme for EWS/LIG category (Right to shelter scheme for houseless people to be implemented by Housing Board.) (P)	17.00	100.00	Reasons not furnished
17.		6216-80-201-99-Loans to Kerala State Housing Board (P)	2.00	100.00	-do-

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
18.	XXII Urban Development	2217-03-191-74-Urban Infrastructure Development Scheme for Small and Medium Towns (ACA) (P)	129.21	100.00	Sufficient amount was available in the TSB account of UIDSSMT. Hence this amount was resumed
19.		2217-05-191-80-Integrated Housing and Slum Development Programme (State Scheme) (P)	12.00	100.00	Due to non-implementation of the scheme
20.		2217-80-800-74-Integrated low cost sanitation project (100 per cent CSS) (P)	7.93	100.00	-do-
21.	XXIII Information and Publicity	2220-60-106-95-Video Wall Network (P)	2.75	100.00	Expenditure less than anticipated
22.		2220-60-800-65-Cyber Security Implementation (C-Safe) 100 per cent CSS (P)	5.23	100.00	-do-
23.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	4250-00-201-96-Construction of a Building for the Office of the Labour Commissioner (P)	3.00	100.00	Due to non-implementation of plan activities
24.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	4225-02-277-87-Model Residential School, Pookot, Wayanad District (100 per cent CSS) (P)	1.00	100.00	Construction works could not be undertaken due to technical reasons
25.		4225-02-800-93-Construction of Tribal Complex (100 per cent CSS) (P)	2.50	100.00	-do- and due to slow progress of works
26.	XXVI Relief on Account of Natural Calamities	2245-02-107-99-Repairs and restoration of damaged Government Office Buildings (NP)	1.50	100.00	Expenditure under relief activity was limited to necessity

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
27.	XXXIII Fisheries	4405-00-104-65-Fishing Harbour at Muthalapozyhy (75 per cent CSS) (P)	6.00	100.00	Administrative sanction not received
28.		4405-00-104-66-Fishing Harbour at Thalai (75 per cent CSS) (P)	6.00	100.00	-do-
29.		4405-00-800-81-Integrated Coastal Area Development Project under RIDF (P)	11.00	100.00	Project under the scheme were not approved by NABARD
30.	XXXV Panchayat	2515-00-800-92-Setting up of Slaughter Houses in selected Panchayats (P)	5.00	100.00	No claims were received
31.	XXXVII Industries	2851-00-101-91-Acquiring New Land & Developing PPPP Mode (P)	2.00	100.00	Reasons not furnished
32.		2851-00-101-92-Improving Infrastructure in Existing DA/DP (P)	2.00	100.00	-do-
33.		2851-00-102-44-Interest Subsidy for project under Kerala State Entrepreneur Development Mission - Subsidies (NP)	25.00	100.00	Expenditure less than anticipated
34.	XXXVIII Irrigation	4700-29-800-97-Dam and Appurtenant works (P)	15.00	100.00	No approval projects under the scheme
35.		4701-80-800-80-AIBP-Assistance for MI class I Scheme (P)	7.50	100.00	-do-
36.	XL Ports	5051-01-001-98-Investment in Major Capital Projects (Ports) (NP)	300.00	100.00	Could not be implemented due to administrative reasons

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
37.	XLI Transport	5055-00-800-86-Modernisation of Motor Vehicle Check Posts (P)	1.50	100.00	Due to administrative reasons
38.	XLII Tourism	5452-01-800-94-RIDF-Tourism Road Projects (P)	4.20	100.00	Due to non-completion of under processes by PWD
39.	XLV Miscellaneous Loans and Advances	7615-00-200-89-House Building Advance to MLAs (NP)	1.00	100.00	Due to delay in finalisation of rules regarding the scheme
	Total		914.79		

Appendix 2.9
Surrender (₹50 lakh or more in each case) in excess of actual savings
(Reference: Paragraph 2.3.8; Page 70)

(₹ in crore)

Sl. No.	Number and name of the Grant	Total Grant/	Savings	Amount surrendered	Amount surrendered in excess
Revenue - Voted					
1.	III Administration of Justice	368.35	31.68	32.68	1.00
2.	IV Elections	32.64	0.17	0.73	0.56
3.	VI Land Revenue	353.36	27.25	32.01	4.76
4.	VIII Excise	153.96	7.08	20.06	12.98
5.	XI District Administration and Miscellaneous	357.01	12.39	13.48	1.09
6.	XIV Stationery and Printing and Other Administrative Services	321.49	30.36	42.41	12.05
7.	XV Public Works	2249.24	102.69	211.63	108.94
8.	XVIII Medical and Public Health	2889.92	89.08	140.28	51.20
9.	XXIII Information and Publicity	74.98	10.13	10.32	0.19
10.	XXVII Co-operation	244.86	18.84	38.90	20.06
11.	XXVIII Miscellaneous Economic Services	103.93	8.22	10.86	2.64
12.	XXIX Agriculture	1983.45	126.36	143.12	16.76
13.	XXX Food	940.69	1.21	2.56	1.35
14.	XXXII Dairy	142.01	6.42	10.08	3.66
15.	XXXIV Forest	376.32	16.92	25.78	8.86
16.	XXXVI Rural Development	409.37	40.49	49.91	9.42
17.	XXXVII Industries	426.95	33.08	36.97	3.89
18.	XXXVIII Irrigation	332.37	1.61	7.01	5.40
19.	XXXIX Power	175.50	23.68	23.86	0.18
20.	XL Ports	37.42	6.33	6.63	0.30
Capital - Voted					
21.	XVIII Medical and Public Health	146.32	15.92	16.43	0.51
22.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	145.90	0.77	3.77	3.00
23.	XXX Food	63.43	4.85	7.69	2.84
24.	XXXIV Forest	29.10	3.46	3.67	0.21
25.	XLV Miscellaneous Loans and Advances	154.68	1.14	1.72	0.58
Total		12513.25	620.13	892.56	272.43

Appendix 2.10

Statement of surrenders (₹10 lakh or more in each case) under various Grants which proved injudicious (Reference: Paragraph 2.3.9; Page 70)

(₹ in crore)

Sl. No.	Number and name of the Grant	Total Grant	Actual expenditure	Excess	Amount surrendered
Revenue - Voted					
1.	I State Legislature	57.51	57.72	0.21	0.75
2.	IX Taxes on Vehicles	57.44	58.24	0.80	1.86
3.	X Treasury and Accounts	150.53	151.73	1.20	8.20
4.	XVII Education, Sports, Art and Culture	10634.22	10663.93	29.71	463.32
5.	XXXI Animal Husbandry	371.94	376.73	4.79	10.66
Capital - Voted					
6.	XXVIII Miscellaneous Economic Services	1.77	1.94	0.17	1.61
Total		11273.41	11310.29	36.88	486.40

Appendix 2.11
Statement of Grants/Appropriations in which savings occurred but no part of which
had been surrendered

(Reference: Paragraph 2.3.10, Page 70)

(₹ in crore)

Sl. No.	Number and name of Grant/Appropriation	Savings
Revenue - Charged		
1.	II Heads of States, Ministers and Headquarters Staff	7.39
2	Debt charges	44.51
Capital - Voted		
3.	XIV Stationery and Printing and Other Administrative Services	0.71
4.	XXII Urban Development	10.00
5.	XXXII Dairy	0.05
6.	XXXIX Power	23.75
Capital - Charged		
7.	XVIII Medical and Public Health	0.25
Total		86.66

Appendix 2.12
Details of saving of ₹ one crore and above not surrendered
(Reference: Paragraph 2.3.10, Page 70)

(₹ in crore)

Sl. No.	Number and name of the Grant/Appropriation	Savings	Amount surrendered	Savings which remained to be surrendered
Revenue - Voted				
1.	II Heads of States, Ministers and Headquarters Staff	75.94	46.20	29.74
2.	VII Stamp and Registration	6.53	2.80	3.73
3.	XIX Family Welfare	74.80	1.51	73.29
4.	XX Water Supply and Sanitation	134.23	132.60	1.63
5.	XXI Housing	7.12	5.34	1.78
6.	XXII Urban Development	730.68	647.60	83.08
7.	XXIV Labour, Labour Welfare and welfare of non-Residents	75.56	74.69	0.87
8.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	159.80	106.75	53.05
9.	XXVI Relief on Account of Natural Calamities	135.57	124.63	10.94
10.	XXXIII Fisheries	4.55	1.08	3.47
11.	XXXV Panchayat	44.97	29.61	15.36
12.	XLI Transport	45.48	6.90	38.58
13.	XLIII Compensation and Assignments	137.70	7.63	130.07
14.	XLVI Social Security and Welfare	106.19	50.59	55.60
Total		1739.12	1237.93	501.19
Revenue -Charged				
15.	III Administration of Justice	23.81	23.45	0.36
16.	XVI Pensions and Miscellaneous	2.46	2.42	0.04
Total		26.27	25.87	0.4

Sl. No.	Number and name of the Grant/Appropriation	Savings	Amount surrendered	Savings which remained to be surrendered
Capital -Voted				
17.	XII Police	1.02	... ⁵⁰	1.02
18.	XV Public Works	540.91	173.95	366.96
19.	XXI Housing	34.92	33.05	1.87
20.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	60.31	50.18	10.13
21.	XXVII Co-operation	18.59	18.08	0.51
22.	XXIX Agriculture	129.92	103.73	26.19
23.	XXXI Animal Husbandry	6.87	1.50	5.37
24.	XXXIII Fisheries	53.18	52.93	0.25
25.	XXXV Panchayat	42.16	37.85	4.31
26.	XXXVII Industries	48.38	27.61	20.77
27.	XXXVIII Irrigation	294.30	261.26	33.04
28.	XL Ports	307.13	306.43	0.70
29.	XLI Transport	457.08	384.40	72.68
30.	XLII Tourism	7.66	4.50	3.16
Total		2002.43	1455.47	546.96
Capital-Charged				
31.	XV Public Works	30.66	13.13	17.53
32.	Public Debt Repayment	6878.39	3877.56	3000.83
Total		6909.05	3890.69	3018.36
Grand Total		10676.87	6609.96	4066.91

⁵⁰ ₹2,000 only

Appendix 2.13
Cases of surrender of funds in excess of ₹10 crore on 31 March 2013
(Reference: Paragraph 2.3.10, Page 70)

(₹ in crore)

Sl. No.	Grant number and major head		Amount of surrender	Percentage of total provision
1.	II	3451 Secretariat-Economic Services	45.97	23.61
2.	III	2014 Administration of Justice	56.13	12.05
3.	VI	2029 Land Revenue	12.46	3.79
4.		2506 Land Reforms	19.56	80.86
5.	VIII	2039 State Excise	20.16	13.09
6.	XIV	2070 Other Administrative Services	36.15	16.50
7.	XV	2059 Public Works	17.21	6.95
8.		3054 Roads and Bridges	194.52	9.71
9.		5054 Capital Outlay on Roads and Bridges	177.85	6.62
10.	XVII	2202 General Education	357.11	3.72
11.		2203 Technical Education	75.72	12.82
12.		2205 Art and Culture	13.91	9.89
13.		3425 Other Scientific Research	12.71	10.64
14.	XVIII	2210 Medical and Public Health	140.34	4.86
15.		4210 Capital Outlay on Medical and Public Health	16.43	11.21
16.	XX	2215 Water Supply and Sanitation	132.60	19.93
17.	XXI	6216 Loans for Housing	30.76	9.93
18.	XXII	2217 Urban Development	647.60	61.74
19.	XXIII	2220 Information and Publicity	10.32	13.76
20.	XXIV	2230 Labour and Employment	74.69	10.07
21.	XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	106.75	7.70
22.		Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	50.04	55.13
23.	XXVI	2245 Relief on account of Natural Calamities	124.63	22.38
24.	XXVII	2425 Co-operation	38.90	15.89
25.	XXIX	2401 Crop Husbandry	91.90	7.56
26.		2702 Minor Irrigation	33.90	15.15
27.		4402 Capital Outlay on Soil and Water Conservation	24.94	55.15
28.		4702 Capital Outlay on Minor Irrigation	78.44	49.18

Sl. No.	Grant number and major head		Amount of surrender	Percentage of total provision
29.	XXXI	2403 Animal Husbandry	10.66	2.87
30.	XXXII	2404 Dairy Development	10.08	7.10
31.	XXXIII	4405 Capital Outlay on Fisheries	52.93	36.85
32.	XXXIV	2406 Forestry and Wildlife	25.80	6.85
33.	XXXV	2515 Other Rural Development Programmes	29.61	10.77
34.		4515 Capital Outlay on Other Rural Development Programmes	37.85	73.71
35.	XXXVI	2515 Other Rural Development Programmes	46.22	15.48
36.	XXXVII	2851 Village and Small Industries	36.73	10.88
37.		4851 Capital Outlay on Village and Small Industries	10.81	22.55
38.	XXXVIII	4700 Capital Outlay on Major Irrigation	16.75	19.41
39.		4701 Capital Outlay on Medium Irrigation	145.76	64.27
40.		4711 Capital Outlay on Flood Control Projects	98.81	40.69
41.	XXXIX	2810 New and Renewable Energy	23.86	50.58
42.	XL	5051 Capital Outlay on Ports and Light Houses	306.43	53.59
43.	XLI	5055 Capital Outlay on Road Transport	11.58	15.16
44.		5075 Capital Outlay on Other Transport Services	371.16	34.05
45.	XLVI	2235 Social Security and Welfare	50.59	2.33
Total			3927.33	

Appendix 2.14
Subheads of account showing rush of expenditure towards the end of the year
(Reference: Paragraph 2.3.11, Page 71)

(₹ in crore)

Sl. No.	Grant No	Head of account	Total Expenditure	Expenditure incurred during January - March 2013	Expenditure incurred during March 2013	Percentage of total expenditure incurred during	
						January-March 2013	March-2013
1.	XX	2215-01-800-67	40.00	40.00	40.00	100	100
2.	XVIII	2210-05-105-88	25.00	25.00	25.00	100	100
3.	XXXVII	4860-01-195-91	13.64	13.64	13.64	100	100
4.	XL	5051-01-001-99	223.68	223.68	223.68	100	100
5.	XXI	2216-80-800-89	40.00	40.00	40.00	100	100
6.	XXIX	2551-01-800-88	25.00	25.00	25.00	100	100
7.	XXIX	2551-01-800-90	11.30	11.30	11.30	100	100
8.	XVII	2202-02-800-64	40.73	40.73	40.73	100	100
9.	XXXVII	4851-00-101-91	15.00	15.00	15.00	100	100
10.	XVII	2202-80-800-51	27.09	27.09	27.09	100	100
11.	XVII	2202-02-109-75	12.79	12.79	12.79	100	100
12.	XXXIII	2405-00-800-89	45.69	45.69	45.69	100	100
13.	XLI	5075-60-800-79	52.00	52.00	52.00	100	100
14.	XXXVII	4860-01-190-99	13.96	13.96	13.96	100	100
15.	XXXVII	4859-02-190-94	17.00	17.00	17.00	100	100
16.	XVII	2202-03-102-70	12.50	12.50	12.50	100	100
17.	XXV	2225-01-277-59	19.84	19.84	19.84	100	100
18.	XVII	2202-02-800-62	30.00	30.00	30.00	100	100
19.	XXIX	2551-60-101-98	25.00	25.00	25.00	100	100
20.	XXXIX	2810-00-800-90	16.13	16.13	16.13	100	100
21.	XVII	2202-03-102-71	20.00	20.00	20.00	100	100
22.	XXV	2225-03-800-87	10.50	10.50	10.50	100	100
23.	XXXVI	2515-00-800-14	26.39	26.39	26.39	100	100
24.	XXXV	2515-00-800-75	11.28	11.28	11.28	100	100
25.	XV	5054-80-052-99	18.67	18.67	18.67	100	100
26.	XVIII	2210-01-110-30	35.00	35.00	35.00	100	100

Sl. No.	Grant No	Head of account	Total Expenditure	Expenditure incurred during January - March 2013	Expenditure incurred during March 2013	Percentage of total expenditure incurred during	
						January-March 2013	March-2013
27.	XVIII	2210-05-105-15	12.44	12.44	12.33	100.00	99.12
28.	XXIV	4250-00-800-99	141.00	140.25	139.75	99.47	99.11
29.	XVII	2202-80-800-47	26.30	25.31	24.81	96.24	94.33
30.	XV	5054-80-800-69	27.25	25.00	25.00	91.74	91.74
31.	XLVI	2235-02-800-92	24.15	22.16	22.10	91.76	91.51
32.	XVI	2075-00-103-98	891.47	817.53	796.04	91.71	89.3
33.	XXIX	2551-01-101-08	29.00	27.20	25.23	93.79	87
34.	XV	5054-80-800-65	294.01	281.97	255.52	95.90	86.91
35.	XVII	2202-02-107-93	87.64	75.14	75.14	85.74	85.74
36.	XLVI	2235-60-200-76	23.93	20.75	20.47	86.71	85.54
37.	XLI	5075-60-190-96	105.00	105.00	88.50	100.00	84.29
38.	XVII	2202-02-800-53	90.26	86.57	75.64	95.91	83.8
39.	XXII	2217-05-800-83	43.14	35.25	35.25	81.71	81.71
40.	XV	3054-03-103-98	55.79	44.49	43.58	79.75	78.11
41.	XL	5051-02-200-81	13.28	10.07	10.06	75.83	75.75
42.	XXXIII	2405-00-105-94	49.21	42.62	36.86	86.61	74.9
43.	XX	2215-01-102-97	35.00	25.00	25.00	71.43	71.43
44.	XXVII	4425-00-108-42	14.90	10.42	10.41	69.93	69.87
45.	XXXVII	4859-02-800-98	93.96	65.61	65.61	69.83	69.83
46.	XXXIV	2406-01-101-84	26.71	21.36	18.52	79.97	69.34
47.	XXXV	2515-00-101-68	35.50	24.50	24.50	69.01	69.01
48.	XLVI	2235-02-101-95	22.82	17.77	15.74	77.87	68.97
49.	XI	2250-00-103-87	22.49	22.49	14.99	100	66.65
50.	XV	3054-04-105-98	126.39	87.85	84.13	69.51	66.56
51.	XXXVII	2851-00-106-34	23.4	15.51	15.51	66.28	66.28
52.	XXVI	2245-02-101-95	19.09	15.54	12.38	81.4	64.85
53.	XXXIII	4405-00-800-80	41.53	27.14	25.61	65.35	61.67
54.	XXXVIII	2700-80-800-99	26.57	25.00	16.15	94.09	60.78
55.	XV	5054-80-800-81	23.94	13.93	13.93	58.19	58.19

Sl. No.	Grant No	Head of account	Total Expenditure	Expenditure incurred during January - March 2013	Expenditure incurred during March 2013	Percentage of total expenditure incurred during	
						January-March 2013	March-2013
56.	XXIX	2435-01-101-85	45.07	35.68	25.60	79.17	56.8
57.	XXIV	2230-03-101-87	28.95	17.99	16.39	62.14	56.61
58.	XVII	2203-00-112-71	33.57	19.05	19.00	56.75	56.6
59.	XLVI	2235-02-102-69	54.15	32.1	30.22	59.28	55.81
60.	XXV	2225-01-800-57	114.79	97.07	63.69	84.56	55.48

Appendix 2.15
Major heads in which rush of expenditure occurred towards the end of the
financial year 2012-13

(Reference: Paragraph 2.3.11, Page 71)

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2020 Collection of taxes on income and expenditure	0.14	0.14	100.00	0.14	100.00
2.	2216 Housing	100.24	66.08	65.92	53.31	53.18
3.	2245 Relief on account of natural calamities	421.42	328.09	77.85	300.49	71.30
4.	2250 Other social services	26.03	24.29	93.32	16.42	63.08
5.	2501 Special programmes for rural development	93.79	71.46	76.19	71.32	76.04
6.	2551 Hill areas	94.51	92.00	97.34	89.01	94.18
7.	2810 New and renewable energy	23.49	21.46	91.36	20.24	86.16
8.	4216 Capital outlay on housing	18.79	10.89	57.96	9.57	50.93
9.	4225 Capital outlay on welfare of scheduled castes, scheduled tribes, other backward classes and minorities	30.60	19.42	63.46	17.79	58.14
10.	4250 Capital outlay on other social services	145.13	141.13	97.24	140.43	96.76
11.	4401 Capital outlay on crop husbandry	1.34	0.85	63.43	0.76	56.72
12.	4402 Capital outlay on soil and water conservation	20.39	13.28	65.13	10.73	52.62
13.	4404 Capital outlay on dairy development	0.30	0.18	60.00	0.18	60.00
14.	4425 Capital outlay on co-operation	43.05	32.83	76.26	31.95	74.22
15.	4435 Capital outlay on other agricultural programmes	5.00	3.86	77.20	2.88	57.60
16.	4515 Capital outlay on other rural development programmes	10.50	9.97	94.95	8.97	85.43
17.	4851 Capital outlay on village and small industries	37.13	24.73	66.60	24.28	65.39

Sl. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
18.	4859 Capital outlay on telecommunication and electronic industries	142.55	97.04	68.07	85.04	59.66
19.	4860 Capital outlay on consumer industries	42.00	34.30	81.67	31.60	75.24
20.	5051 Capital outlay on ports and light houses	264.66	257.00	97.11	255.62	96.58
21.	5053 Capital outlay on civil aviation	256.08	230.72	90.10	208.02	81.23
22.	5056 Capital outlay on inland water transport	17.57	16.77	95.45	15.98	90.95
23.	5075 Capital outlay on other transport services	386.05	374.62	97.04	356.14	92.25
24.	5475 Capital outlay on other general economic services	1.94	1.84	94.85	1.84	94.85

Appendix 2.16
Drawal of funds during 2012-13 to avoid lapse of budget grant
(Reference: Paragraph 2.3.13, Page 71)

(₹ in crore)

Sl. No.	Name of the Drawing Officer	Head of account and purpose of drawal	Amount drawn and month of drawal	Amount un-utilised	Remarks
1.	Director of Archaeology	2205-00-103-80 - Archaeology/ Heritage Museums at District level	6.04 March 2013	6.04	The Government had entrusted Kerala Museum of History & Heritage, Park View, Trivandrum as the nodal agency for setting up Heritage Museum at district level. The MOU and monitoring mechanisms has not been finalized and ₹6.04 crore remained unutilised in TSB Account (July 2013)
2.	The Drugs Controller	2210-06-104-98- Drugs Testing Laboratory	5.95 March 2013	5.95	The Drugs Controller informed that the tender proceedings going on (i) for purchase of equipments for Drug Testing Laboratory, Thiruvananthapuram and (ii) for procuring machinery and equipments for Regional Drug Testing Laboratory, Ernakulam. The amount transfer credited to TSB Account and ₹5.95 crore remained unutilised (July 2013)
3.	The Project Director, KSUDP	2217-05-800-89 Jawaharlal Nehru National Urban Renewal Mission(Central Assistance)	12.82 March 2013	10.38	The fund relates to the "Procurement of Buses" under JNNURM and the buses are being purchased by the Kerala State Road Transport Corporation since it is the implementing agency. The payments are made to the suppliers as and when KSRTC recommends payment and out of the total central assistance of ₹12.82 crore under JNNURM, ₹10.38 crore (81 per cent) remained unutilised (July 2013)

Sl. No.	Name of the Drawing Officer	Head of account and purpose of drawal	Amount drawn and month of drawal	Amount un-utilised	Remarks
4.	Additional Development Commissioner, Hill Area Development Agency	2551-01-800-88- Hill Area Development Agency (One time ACA) State Plan	25.00 March 2013	19.05	Amount transfer credited to TSB Account. ₹19.05 crore remained unutilised (July 2013). Since the Project directors of PAU did not intimate the requirements based on the progress of works, the balance amount could not be released.
5.	Director, Collegiate Education	2202-03-102-70- Performance fund for Universities	7.50 March 2013	7.38	Amount transfer credited to TSB Account and ₹7.38 crore remained unutilised (July 2013).
6.	Administrative Officer, Directorate of Scheduled Caste Development	2225-01-800-26 - Pooled fund for special project proposed by other Departments under SCP	44.99 January 2013, February 2013 & March 2013	44.99	Amount transfer credited to TSB Account. Details of utilisation not furnished (July 2013) by Special Officer, Palakkad to the Directorate.
7.	-Do-	2225-01-800-57- Pooled fund for SCP	11.25 March 2013	11.25	Sanction for purchase of 3750 laptops was received only in April 2013. The amount transfer credited to TSB Account and ₹11.25 crore remained unutilised (July 2013).
8.	Registrar of Co-operative Societies	4425-00-108-42 - Assistance to PACS, Primary Societies, Wholesale Stores and Federations (NCDC Assisted)	8.37 March 2013	8.37	Awaiting withdrawal proposal from Joint Registrars as of July 2013. Amount transfer credited to TSB Account and ₹8.37 crore remained unutilised (July 2013).
9.	-Do-	4425-00-108-32- Farmers service centre (one time ACA)	6.66 March 2013	6.23	Amount transfer credited to TSB Account and ₹6.23 crore remained unutilised (July 2013).
10.	Director of Panchayats	2515-00-101-68 - Clean Kerala Mission	24.50 March 2013	7.93	Amount transfer credited to TSB Account and ₹7.93 crore remained unutilised (July 2013).

Sl. No.	Name of the Drawing Officer	Head of account and purpose of drawal	Amount drawn and month of drawal	Amount un-utilised	Remarks
11.	Director of Social Justice	2235-02-103-80- Gender Park	6.00 March 2013	5.88	Amount transfer credited to TSB Account and ₹5.88 crore remained unutilised (July 2013).
12.	-Do-	2235-02-800-92 - Modernisation of Existing Social Welfare Institutions	20.13 March 2013	14.55	Amount transfer credited to TSB Account and ₹14.55 crore remained unutilised (July 2013).
13.	Director of Fisheries	2405-00-105-94 - XIII th Finance Commission Award - Development of model fishing village and setting up of fishing marketing centres	8.00 March 2013	5.18	Transfer credited to TSB Account and ₹5.18 crore remained unutilised (Sep 2013) due to non-execution of agreement deed by the beneficiaries
14.	-Do-	2405-00-800-89 - Integrated Development of fishing villages	37.91 March 2013	26.46	Transfer credited to TSB Account and ₹26.46 crore remained unutilised (Sep 2013)
		Total	225.12	179.64	

Appendix 2.17
Pendency in submission of Detailed Contingent bills against Abstract
Contingent (AC) bills drawn from 2009-10 to 2012-13
(Reference: Paragraph 2.4.1, Page 72)

(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Year	Number of AC bills	Amount
1.	Accounts Officer, City Police Office, Kochi	2012-13	1	6,88,850
2.	Block Development Officer, Mannarkkad	2012-13	1	5,91,279
3.	Cattle Sterility Officer, Alwaye	2012-13	1	2,00,000
4.	Chief Veterinary Officer, District Veterinary Centre, Ernakulam	2012-13	1	4,08,000
5.	Child Development Project Officer, ICDS Cell, Palakkad	2012-13	2	79,500
6.	Child Development Project Officer, ICDS, Kothamangalam	2012-13	1	50,750
7.	Child Development Project Officer, ICDS, Mannarkkad	2012-13	2	98,500
8.	Child Development Project Officer, Kannur (Urban)	2011-12	1	1,30,000
		2012-13	1	1,38,600
9.	Child Development Project Officer, Kondotty Addl., Cherukavu, Malappuram	2011-12	1	2,94,000
10.	Child Development Project Officer, Perinthalmanna (Addl.), Malappuram	2011-12	1	3,10,600
11.	Child Development Project Officer, Tirur, Malappuram	2011-12	1	2,72,800
12.	District Educational Officer, Malappuram	2010-11	1	5,50,000
13.	District Officer, Kerala Public Service Commission, Ernakulam.	2012-13	2	50,400
14.	District Police Officer, Thrissur	2012-13	4	7,95,000
15.	District Police Officer, Thrissur (Rural)	2012-13	3	5,39,350
16.	District Social Welfare Officer, Wayanad	2012-13	1	9,750
17.	Headmaster, Govt. Oriental High School, Edathunattukara	2012-13	1	55,000
18.	Headmistress, GHS, Alanallur	2012-13	1	55,000
19.	Joint Director, Curriculum Development Centre, Kalamassery	2012-13	1	2,50,000
20.	Personal Assistant to District Educational Officer, Kannur	2011-12	1	8,00,000
21.	Personal Assistant to District Educational Officer, Kozhikode	2011-12	1	10,97,050
22.	Personal Assistant to District Educational Officer, Palakad	2012-13	5	6,28,050
23.	Principal Agricultural Officer, Palakad	2011-12	1	2,50,000
		2012-13	1	30,000

Sl. No.	Name of Drawing and Disbursing Officer	Year	Number of AC bills	Amount
24.	Principal Agricultural Officer, Thrissur	2009-10	1	10,00,000
		2011-12	1	15,00,000
		2012-13	3	21,57,500
25.	Principal, Diet, R V Puram, Thrissur	2012-13	2	1,60,000
26.	Principal, Govt. Polytechnic College, Kothamangalam	2012-13	1	41,862
27.	Programme Officer, ICDS Level Cell, Malappuram	2011-12	2	11,49,500
28.	Regional Officer, Kerala Public Service Commission, Ernakulam.	2012-13	1	1,00,000
29.	Sr. Veterinary Surgeon, Veterinary Dispensary, Kothamangalam	2012-13	2	40,000
30.	Superintendent, Central Prison, Kannur	2011-12	2	11,00,000
31.	Superintendent, Central Prison, Viyyur	2012-13	3	5,99,500
32.	Superintendent, Central Prison, Viyyur	2012-13	3	4,24,000
33.	Superintendent, Open Prison, Chimeni	2011-12	1	2,70,000
34.	Superintendent, Sub Jail, Alathur	2012-13	2	1,00,000
35.	Superintendent, Sub Jail, Attingal	2012-13	1	10,000
36.	Superintendent, Sub Jail, Ottappalam	2012-13	1	40,000
37.	Tribal Development Officer, Palakad	2012-13	2	98,280
38.	Veterinary Surgeon, Veterinary Dispensary, Cherai	2012-13	1	11,475
39.	Veterinary Surgeon, Veterinary Dispensary, Chottanikara	2012-13	1	11,475
40.	Veterinary Surgeon, Veterinary Dispensary, Chranallur	2012-13	1	30,000
41.	Veterinary Surgeon, Veterinary Dispensary, Malayattur	2012-13	1	30,000
42.	Veterinary Surgeon, Veterinary Dispensary, Marady	2012-13	1	30,000
43.	Veterinary Surgeon, Veterinary Dispensary, Marathancode	2012-13	1	36,250
44.	Veterinary Surgeon, Veterinary Dispensary, Mazhuvannur	2012-13	1	28,000
45.	Veterinary Surgeon, Veterinary Dispensary, Oonnakal	2012-13	1	60,000
46.	Veterinary Surgeon, Veterinary Dispensary, Peringala	2012-13	1	60,000
47.	Veterinary Surgeon, Veterinary Dispensary, Varappatty	2012-13	1	10,000
Total			75	1,74,70,321

Appendix 2.18
List of controlling officers where amounts exceeding ₹10 crore in each case
remained unreconciled during 2012-13
(Reference: Paragraph 2.4.2, Page 73)

Sl. No.	Name of the controlling officer	Amount not reconciled (₹ in crore)
1.	The Secretary to Government, Information Technology Department, Thiruvananthapuram	139.62
2.	The Secretary to Government, Water Resources Department, Thiruvananthapuram.	463.29
3.	The Secretary to Government, Local Self Government Department, Thiruvananthapuram.	21.65
4.	The Secretary, Revenue Department, Thiruvananthapuram.	211.04
5.	The Secretary to Government, Scheduled Castes and Scheduled Tribes Development Department, Thiruvananthapuram.	51.12
6.	The Chief Electoral Officer, Legislative Complex, Thiruvananthapuram	26.14
7.	The Director, Survey and Land Records, Thiruvananthapuram	90.03
8.	The Commandant General, Fire & Rescue Services Headquarters, Thiruvananthapuram	111.70
9.	The Director, Vocational Higher Secondary Education, Thiruvananthapuram	213.96
10.	The Director, Sports and Youth Affairs, Jimmy George Indoor Stadium, Thiruvananthapuram	52.93
11.	The Director of NCC, Vazhuthacaud, Thiruvananthapuram	31.96
12.	The Secretary, Kerala Sports Council, Thiruvananthapuram	46.25
13.	The Member Secretary, Kerala State Youth Welfare Board, Thiruvananthapuram	15.19
14.	The Director, Higher Secondary Education, Thiruvananthapuram	3448.90
15.	The Text Book Officer, Text Book Publications, Fort, Thiruvananthapuram	33.03
16.	The Director, Indigenous Medicines, Thiruvananthapuram	66.08
17.	The Director, Insurance Medical Services Department, Thiruvananthapuram	98.57
18.	The Director, Regional Cancer Centre, Thiruvananthapuram	56.58
19.	The Director, Indian Systems of Medicine, Thiruvananthapuram	79.93
20.	The Director, Kerala Sustainable Urban Development Project, Thiruvananthapuram	100.33
21.	The Director, Scheduled Caste Development Department, Thiruvananthapuram	740.76
22.	The Director, Scheduled Tribe's Development Department, Thiruvananthapuram	250.21

Sl. No.	Name of the controlling officer	Amount not reconciled
23.	The Director of Backward Communities Development Department, Thiruvananthapuram	46.76
24.	The Secretary to Government, Backward Classes Development Department, Secretariat, Thiruvananthapuram	10.90
25.	The Director, Groundwater Directorate, Thiruvananthapuram	41.79
26.	The Director, Mining and Geology Department	10.44
27.	The Director of Ports	47.30
28.	The District Collector, Ernakulam	328.27
29.	The Managing Director, Kerala Land Development Corporation Ltd.	15.39
30.	The Principal, Homoeo College, Thiruvananthapuram	16.17
Total		6866.29

Appendix 2.19

Substantial savings of ₹ one crore and above noticed under Grant no. XXIX - Agriculture
(Reference: Paragraph 2.5.2; Page 74)

(₹ in crore)

Sl. No.	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
1.	2401-00-001-96-Strengthening of Agricultural Administration and introduction of training and visiting system of extension (NP)	190.16	183.39	6.77	3.56	Savings mainly in pay and dearness allowance.
2.	2401-00-001-97-Package Programme for Agricultural Demonstration and Propaganda (NP)	6.65	3.29	3.36	50.53	-Do-
3.	2401-00-001-98-Superintendence - Regional and District Control (NP)	9.48	7.59	1.89	19.94	Due to non-filling of vacancies.
4.	2401-00-102-92-Intensive Paddy Development Units (NP)	3.61	0.84	2.77	76.73	Savings mainly in pay and dearness allowance.
5.	2401-00-107-99-Pesticides Testing Laboratory (NP)	3.92	2.41	1.51	38.52	-Do-
6.	2401-00-108-96-Production of T x D Hybrid Coconut Seedling (Centrally Sponsored Scheme 50 per cent) (NP)	1.66	0.62	1.04	62.65	-Do-
7.	2401-00-108-98-Development of Coconut (NP)	4.39	2.65	1.74	39.63	-Do-
8.	2401-00-113-96-Expansion of Agricultural Engineering Service (NP)	6.22	5.08	1.14	18.32	-Do-
9.	2401-00-113-97-Purchase of Tractors and Bulldozers for hiring to Cultivators (NP)	2.23	1.05	1.18	52.91	-Do-
10.	2401-00-105-85-Organic Farming (P)	10.00	2.80	7.20	72.00	Due to lack of certification on account of technical reasons and non-marketing of organic produce.

Sl. No.	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
11.	2401-00-105-86-Establishment of Modern Laboratories (P)	4.40	2.42	1.98	45.00	Due to non-purchasing of Atomic Absorption Spectro-photo meter unit.
12.	2401-00-108-59-Development of Spices (P)	19.00	10.03	8.98	47.26	Saving of ₹606.80 lakh was due to non-achievement of area expansion component consequent on non-availability of good quality planting materials. Reasons for the balance saving of ₹290.70 lakh have not been intimated.
13.	2401-00-109-76-Farmers Welfare Fund Board. (P)	2.50	0.00	2.50	100.00	Due to non-receipt of sanction for implementing the scheme and delay in constituting the Farmer's Welfare fund Board.
14.	2401-00-109-80-Strengthening of agricultural extension (P)	17.25	12.44	4.81	27.88	Reasons not given.
15.	2401-00-113-83-Agro Service Centres and Service Delivery (P)	20.00	9.66	10.34	51.70	Mainly due to non-completion of the purchase of machineries included under the scheme.
16.	2401-00-800-26-Pilot Scheme on Income Support (P)	4.00	0.00	4.00	100.00	Reasons not given.
17.	2401-00-800-27-Wayanad Package (P)	25.00	22.53	2.47	9.88	Reasons not given.
18.	2401-00-800-28-Soil Health Management and Productivity Improvement (P)	7.00	1.09	5.91	84.43	Saving of ₹373.30 lakh were on account of non-completion of scheme due to delay in completing the studies on zonal productivity aspects. Reasons for the balance saving not given.

Sl. No.	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
19.	2401-00-800-32-XIII Finance Commission Award (P)	75.00	56.83	18.17	24.23	Administrative Sanction has not been obtained fully for the budget provision from the Government of Kerala.
20.	2401-00-800-37-Rashtriya Krishi Vikas Yojana (ACA) (P)	258.75	252.55	6.20	2.40	Reasons not given.
21.	2401-00-800-61-Centrally Sponsored Schemes under the Macro Management (90 per cent CSS) (P)	13.00	11.23	1.77	13.62	Saving mainly in Subsidy and Grants-in-aid
22.	2435-01-800-94-Value Addition (P)	15.00	11.11	3.89	25.93	Saving attributed to non-receipt of suitable value addition projects. The assistance sanctioned for establishment of Rice Mill at Wayanad could not be achieved.
23.	2435-01-800-99-Market Development (P)	25.00	18.60	6.40	25.60	Due to non-utilisation of amount earmarked for mobile market units.
24.	2551-01-101-08-Integrated Development for Watersheds of Western Ghats Region (P)	45.46	28.97	16.50	36.30	Reasons not given.
25.	2551-01-103-94-Forest based programmes for Western Ghats (P)	4.11	2.79	1.32	32.12	Reasons not given.
26.	2551-01-800-92-Other Programmes: Research, Monitoring & Evaluation and Training (P)	3.37	0.45	2.92	86.65	Reasons not given.
27.	4551-01-800-99-Hill Area Development Authority (RIDF) (P)	25.00	0.00	25.00	100.00	Due to the non-sanctioning of RIDF Scheme by Government.
28.	2705-00-101-81-Kanhirapuzha Project (Plan) (50 per cent CSS) (P)	2.10	1.09	1.01	48.10	Due to non-reclamation of water-logged areas and correction of system deficiency for want of approval of the Project Report by Government of India.

Sl. No.	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
29.	2705-00-101-82-Pazhassi Project (Plan) (50 per cent CSS) (P)	1.70	0.56	1.14	67.06	Out of the total saving of ₹114.15 lakh, saving of ₹88.46 lakh were mainly due to (i) slow progress of field channel works due to non-availability of water in the ayacut area (ii) non-enforcement of warabandhi due to shortage of water in the canal system. Reasons for the balance saving not furnished.
30.	4702-00-101-87-Renovation of Ponds (P)	35.00	8.16	26.84	76.69	Administrative sanction was accorded only during February and March 2013.
31.	4702-00-101-92-Minor Irrigation Works - NABARD Assisted Scheme (Lift Irrigation Works) (P)	5.00	0.02	4.98	99.60	No new works arranged under this scheme.
32.	2415-03-277-98-Infrastructure Development of Kerala Veterinary & Animal Sciences University - RIDF XVI (P)	20.00	0.00	20.00	100.00	Reasons not given.
33.	2415-03-277-99-Kerala veterinary and Animal sciences University (NP)	39.26	37.26	2.00	5.09	Reasons not given.
34.	4402-00-203-96-Infrastructure development in Kole lands - Marangattupadavu punja and Nooradithodu canal (P)	25.00	5.00	20.00	80.00	Saving of ₹1656.75 lakh was due to non-completion of tender formalities consequent on revision of schedule of rates. The revised Administrative sanction was given only in January 2013.
35.	4402-00-800-81-Drainage and Flood Protection Project under RIDF XV (P)	3.00	1.36	1.64	54.67	The work was terminated due to problems in execution.

Sl. No.	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
36.	4402-00-800-83-Drainage & Flood Protection Project by KLDC (P)	2.00	0.53	1.47	73.50	Non-availability of land for construction and non-receipt of sanction for transportation of red earth from the Revenue authorities.
37.	4402-00-800-86- Drainage and Flood Protection Project under RIDF XII NABARD Assisted Project (P)	3.00	0.30	2.70	90.00	Dropping of certain items of work due to the objection of local people, request of Padasekhara Samithy, non-availability of land ,etc.
38.	4402-00-800-88-Drainage and Flood Protection Project (P)	3.00	0.44	2.56	85.33	Due to site condition, non-availability of land and stay order of High Court for the works.
39.	2702-01-001-99-Establishment (NP)	67.52	52.90	14.62	21.65	Reasons not given.
40.	2702-01-800-88-Punja dewatering by pumps-subsidy (NP)	6.25	4.75	1.50	24.00	Reasons not given.
41.	2702-01-800-94-Minor Irrigation Projects Maintenance (NP)	80.91	76.16	4.75	5.87	Expenditure limited to actual for payment of bills.
42.	4702-00-101-84-Priority Works under Minor Irrigation (NP)	50.00	2.87	47.13	94.26	LC proposals upto October 2012 only issued.
43.	4702-00-101-88-Malabar Irrigation Package (MIRPA) - Special Package for Ernakulam - Revamping of Existing Lift Irrigation Schemes (NP)	10.00	6.53	3.47	34.70	-Do-
44.	4702-00-101-89-Malabar Irrigation Package (MIRPA) - Revamping and Rejuvenation of Lift Irrigation Schemes and Regulators (NP)	17.50	12.31	5.19	29.66	-Do-
	Total			312.76		

Source: VLC data, O/o the PAG (A&E), Kerala.

Appendix 2.20
Excess expenditure of ₹ one crore and above over budget allocation noticed under Grant No.
XXIX – Agriculture
(Reference: Paragraph 2.5.3; Page 74)

(₹ in crore)

Sl. No	Head of account	Budget	Expenditure	Excess	Percentage	Reason
1.	2401-00-800-91-Contingency Programme to meet Natural Calamities (P)	0.80	2.11	1.32	165.00	To meet the expenses in connection with crop loss due to breach of bund in Kuttanad region in Alappuzha.
2.	2435-01-101-85 Market intervention support for Price stabilization (P)	5.00	45.07	40.07	801.40	Due to (i) providing fund for the release of procuring coconut through Krishi Bhavans, converting them to Kopra and issuing to NAFED (₹980 lakh) (ii) meeting the expenditure towards market interventions support made by Vegetable and Fruit Promotion Council, Kerala and HortiCorp and Kerafed (₹2537 lakh) and (iii) providing financial assistance to ginger cultivation under commodity safety net scheme (₹489.55 lakh).
3.	2401-00-103-99-Production and distribution of improved seeds (NP)	9.94	18.90	8.96	90.14	Major excess in pay, dearness allowances and wages.
4.	2401-00-104-98-District Agricultural Farms (NP)	4.15	9.07	4.92	118.55	Major excess in pay and wages.
5.	2401-00-104-99-Composite Farms (NP)	8.83	11.43	2.60	29.45	Major excess in wages.
6.	2702-02-005-99-Ground water Investigation and Development (NP)	19.91	22.89	2.98	15.01	Excess in pay, dearness allowances and wages.
7.	2702-02-005-77-Rajiv Gandhi Drinking Water Mission(State Plan) (P)	1.00	10.00	9.00	900	Due to regularization of additional expenditure incurred towards drought relief works undertaken by the Groundwater department.

Sl. No	Head of account	Budget	Expenditure	Excess	Percentage	Reason
8.	4402-00-800-80- Drainage and flood Protection project under RIDF XVI (P)	7.00	11.50	4.50	64.28	Excess expenditure occurred to (i) meet the re-imbursement of claims submitted by Kerala land Development Corporation for the projects under RIDF XVII and (ii) to meet expenditure incurred towards release of funds to KLDC against the re-imbursement sanctioned by NABARD.
9.	4702-00-101-93-Minor Irrigation Class I Works-NABARD Assisted Scheme (P)	25.21	30.25	5.04	19.99	Excess expenditure incurred to (i) provide funds for adjustment of establishment and tools and plant, share debit charges corresponding to works (₹319.44 lakh) (ii) for clearing pending bill of works having Nabard assistance (₹184.89 lakh).
10.	4702-00-101-99-Minor Irrigation Works (P)	2.00	3.13	1.13	56.50	Due to clearing of pending bills of contractors and providing funds for adjustment of establishment and tools and plant, share debit charges corresponding to works.
11.	2705-00-101-75-Muvattupuzha Valley Irrigation Project (P)	0.20	1.67	1.47	735.00	Mainly for meeting the additional expenditure towards salaries and other establishment charges of various irrigation projects.
	Total			81.99		

Source: VLC data, O/o the PAG (A&E), Kerala

Appendix 2.21
Rush of expenditure noticed under Grant No. XXIX – Agriculture
(Reference: Paragraph 2.5.4; Page 74)

(₹ in crore)

Sl. No.	Head of account	Total expenditure during the year	Expenditure during the last two months	Percentage of total expenditure	Reasons
1.	2401-00-800-31-Small Scale-nominal farmers pension (NP)	101.06	91.06	90.10	Reasons not given.
2.	2402-00-102-79-Thrissur Kole Development Samithi (NP)	0.35	0.35	100.00	-Do-
3.	6401-00-800-74-Loans to Malabar Market Committee (NP)	0.21	0.21	100.00	-Do-.
4.	2401-00-105-85-Organic Farming (P)	2.80	2.28	81.42	-Do-.
5.	2401-00-113-83-Agro Service Centres and Service Delivery. (P)	9.66	8.92	92.33	-Do-.
6.	2401-00-113-85-Promotion and Strengthening of Agricultural Mechanisation (100 per cent CSS) (P)	0.20	0.18	90.00	-Do-
7.	4401-00-107-97-Establishment of Modern Laboratories (P)	0.53	0.52	98.11	-Do-.
8.	2551-01-101-08-Integrated Development for Watersheds of Western Ghats Region (P)	29.00	26.56	91.59	Annual plan proposals from the Western Ghats Cell were received very late and funds were released only in December.
9.	2551-01-103-94-Forest based programmes for Western Ghats (P)	2.79	2.30	82.44	Annual plan proposals from the Western Ghats Cell were received very late and funds were released only in December.

Sl. No.	Head of account	Total expenditure during the year	Expenditure during the last two months	Percentage of total expenditure	Reasons
10.	2551-01-800-88-Hill Area Development Agency (One Time ACA) State Plan (P)	25.00	25.00	100.00	Administrative Sanction received in January 2013 and the funds were released according to the progress of work.
11.	2551-01-800-90-Hill Area Development Authority (P)	11.30	11.30	100.00	Administrative Sanction received in January 2013 and the funds were released according to the progress of work.
12.	2551-01-800-92-Other Programmes: Research, Monitoring & Evaluation and Training (P)	0.45	0.45	100.00	Annual plan proposals from the Western Ghats Cell were received very late and funds were released only in December 2012.
13.	2551-60-101-98-Sabarimala Master Plan (P)	25.00	25.00	100.00	Reasons not given.
14.	4402-00-203-98-Upgradation of Thrissur Kole Land (NP)	0.36	0.36	100.00	The fund was sanctioned at the end of the financial year.
15.	4402-00-203-96-Infrastructure development in Kole lands - Marangattupadavu punja and Nooradithodu canal (P)	5.00	5.00	100.00	Revised Administrative Sanction received in January 2013 only.
16.	4402-00-800-84-Purakkad Kari Land Development Project(NABARD Assisted RIDF) (P)	0.12	0.12	100.00	Reasons not given.
17.	4402-00-800-89-Improvements to Pazhangattuchal(north& south) in Pattanakkad Grama Panchayat (P)	0.38	0.38	100.00	-Do-

Sl. No.	Head of account	Total expenditure during the year	Expenditure during the last two months	Percentage of total expenditure	Reasons
18.	2415-05-277-99-Fisheries and Ocean Science University (P)	12.00	12.00	100.00	-Do-
19.	2702-02-005-77-Rajiv Gandhi Drinking Water Mission(State Plan) (P)	10.00	9.68	96.82	-Do-
20.	2702-02-005-80-Scheme for Ground Water Conservation and Recharge (P)	0.44	0.39	88.64	-Do-
21.	2702-02-005-93-Scheme for Control and Regulation of Ground Water (P)	0.11	0.09	90.00	-Do-
	Total	236.76	222.15		

Source: VLC data, O/o the PAG (A&E), Kerala

Appendix 2.22
Non-submission of vouchers in support of payments
(Reference: Paragraph 2.6.2; Page 77)

(In ₹)

Sl. No.	Name of Treasury	Item	Amount
1	Thiruvananthapuram	102	1,49,09,255
2	Kattakkada	6	1,21,368
3	Kollam	14	7,28,927
4	Alleppey	5	30,889
5	Chengannur	8	6,38,812
6	Kottarakkara	15	23,93,418
7	Pathanamthitta	5	54,270
8	Kottayam	8	35,716
9	Pala	2	9,562
10	Idukki	13	2,26,194
11	Ernakulam	47	21,61,266
12	Muvattupuzha	7	2,72,553
13	Malappuram	12	9,29,387
14	Kozhikode	11	15,19,279
15	Kozhikode Rural	6	3,02,566
16	Wayanad	6	7,37,248
17	Kannur	10	4,47,801
18	Mattannur	1	10,152
19	Kasargode	3	58,901
	Total	281	2,55,87,564

Appendix 2.23

Statement showing scheme-wise fund allotment and status of implementation for the year 2012-13 in selected departments
(Reference: Paragraph 2.7; Page 78)

(₹ in crore)

Sl. No.	Name of scheme	Amount announced in the budget speech	Provision	Expenditure	Status of implementation
Sports and Youth Affairs department					
1.	Sports Development Fund	1	Token	...	Government approval was not obtained for registration of the trust.
2.	Indoor Stadium at Peravoor	0.25	Token	0.76	Only a token provision was made in the budget. Amount was re-appropriated and transferred to NGS.
3.	Sports stadium of international standard at Kozhikode	1	Token	...	Proposal was not received.
4.	Sports Academy at Pulloorampara	0.10	Token	...	Administrative sanction was not obtained
5.	Stadium and bicycle velodrome at Painavu	1	Token	...	Land was not identified.
6.	Construction of Headquarters building for Youth Affairs Department	0.50	..	...	Land has been acquired. Construction yet to be started.
7.	Laying of synthetic track at High Altitude Training Centre at Munnar	1	Token	...	Proposal not received from National Games Secretariat.
8.	Acquiring double engine aircraft	6	...	...	Administrative sanction was received in March 2013. No fund was provided in the budget.
9.	Starting of new courses such as air craft maintenance	...	...	...	No provision was made in the budget and new courses were not commenced.
	Total	10.85	...	0.76	
Agriculture department					
10.	Hi-tech agriculture – green house scheme	45	12	11.97	Major portion of the fund was transferred to implementing agencies. Out of ₹5.075 crore transferred to State Horticulture Mission ₹3.32 crore was remained as balance amount.

Sl. No.	Name of scheme	Amount announced in the budget speech	Provision	Expenditure	Status of implementation
11.	Providing 25 per cent subsidy for two wheeler purchase		Token	....	Even though proposal was given during 2012-13, no fund was provided. The scheme will be implemented during 2013-14.
12.	25 per cent capital cost over and above the assistance given by Coconut Development Board		Token	2	Expenditure was met from another head of account. The amount was not fully utilized.
13.	Kerafed-FIT venture	5	Token	....	No fund was provided hence the scheme was not implemented
14.	Agri Super Malls at Anayara, Maradu and Vengeri.	50	Token	....	The scheme will commence during 2013-14.
15.	Pineapple Mission	1	Token	....	The scheme was not implemented.
16.	Rice bio-park	10	Token	....	Preliminary work started.
17.	Coconut bio-park	15	Token	....	Preliminary work started.
18.	International Research Centre for below sea level farming in Kuttanad	10	Token	....	Preliminary work started.
19.	Development of kole fields in Thrissur	400	Token	...	Scheme is being implemented with the assistance of NABARD.
	Total	536	12	13.97	
Scheduled Caste Development department					
20.	Financial assistance up to ₹ one lakh to poor those afflicted with fatal diseases	115	...	8.72	Since no separate provision was made in the budget, expenditure was met from the corpus fund of the department.
21.	QRG scheme by forming self help groups of SC women		...	0.60	Fund was transferred to Animal Husbandry Directorate from the Corpus fund of the department for 'Goat rearing'
22.	Toilet construction in SC families		Token	43.80	Only a token provision was available in the concerned head of account. Hence expenditure was met from the corpus fund.

Sl. No.	Name of scheme	Amount announced in the budget speech	Provision	Expenditure	Status of implementation
23.	Development of existing vocational training centres to skill development centres		...	...	Absence of clear guidelines from Government resulted in non-implementation of the scheme.
24.	Community College at Vandoor	...	Token	...	No proposal was received from Nettur Technical Training Foundation (NTTF). It was also stated that there was practical difficulty in implementation.
25.	Community Clinic	2.50	....	0.33	Expended from corpus fund
	Total	117.5	....	53.45	
Social Justice department					
26.	Setting up of Child Right Commission	1	Token	...	No expenditure during 2012-13. The commission started functioning only in June 2013.
27.	Model Anganwadi in each legislative assembly	5	..	Out of this ₹ 0.63 lakh was drawn from another account	Finance Department stated that expenditure for the scheme was to be met from 2235-02-102-56. But the department had drawn ₹54.52 crore from 2235-02-102-69 (P) 50 per cent CSS Supplementary Nutrition Programme under ICDS and transferred to the TSB account of the Director for construction of anganwadis.
28.	Children's Home in Idukki District	..	Token	...	Revised Administrative sanction was obtained only on 29 June 2013.
29.	Nirbhaya scheme	1.3	0.63	0.17	The scheme is for boy's home of ₹0.46 crore was kept in the TSB account of the Director.
30.	'Thantedom' Gender Park at Kozhikode	10	6	6	The scheme was announced in 2011-12 budget speech also. An amount of ₹ three crore and ₹ six crore was drawn during 2011-12 and 2012-13 respectively. The scheme was yet to be started. Rupees 7.52 crore remained unutilized as on April 2013 in the TSB account of the Director.
	Total	17.3	6.63	6.80	Balance amount spent

Sl. No.	Name of scheme	Amount announced in the budget speech	Provision	Expenditure	Status of implementation
Scheduled Tribe Development department					
31.	Training to unemployed young women in Auto rickshaw driving	..	Token	...	AS was received during 2012-13. Even though the department moved for additional authorization of ₹8.14 crore, no amount was provided during 2012-13.
32.	Monthly assistance of ₹1000 for sickle cell anemia patients	2	Token	0.27	Fund was given through additional authorization
33.	Tribal traditional medical education centre at Vithura	0.20	Token	...	AS for the project was received on 17 July 2013. Proposal for additional authorization of ₹20 lakh submitted to Government.
34.	Residential school at Kuttichal grama Panchayat	1	...	...	Land was identified. Further action is in progress
35.	Construction of Royal mansion for Kovilmala Raja Mannan	0.20	Token	...	Scheme was not implemented due to non-availability of suitable land
Total		3.40	...	0.27	
Tourism department					
36.	Setting up of Tourism Promotion Board	15	15	3.97	Tourism Promotion Board was not set up. Amount spent was for Trade Fairs, Advertisements, etc.
37.	Harippad Pilgrim Mega Tourism Project	0.20	Token	....	Preparation of the DPR for the project was under process.
38.	Developing Munderi Thaneerthadam in Kannur into a bird sanctuary		Token	...	The Department did not take up this project.
39.	Hop on Hop off	...	Token		Fund of ₹0.25 crore was drawn from another head of account.
40.	Integrated Pilgrim Tourist Circuit connecting Murukanmala, Thangalpara, etc. , with Kurisumutam Pilgrim Centre, etc.	0.25	Token	...	No fund was provided in the budget. This project was included in a mega tourism project 'Green Tourism Circuit'. No separate sanction was given for this project.
Total		15.45	15	3.97	
Grand Total		700.50	33.63	79.22	

APPENDIX 3.1
Utilisation Certificates outstanding as on 30 June 2013
(Reference: Paragraph 3.1; Page 81)

(₹ in crore)

Department	Year of payment of grant	Total grants paid		Utilisation certificates			
		Number	Amount	Received		Outstanding	
				Number	Amount	Number	Amount
Agriculture	2010-11	3	1.23	0	0.00	3	1.23
Agriculture	2011-12	5	25.00	2	10.00	3	15.00
Animal Husbandry	2012-13	5	29.90	0	0.00	5	29.90
Co-operation	2010-11	1	0.24	0	0.00	1	0.24
Co-operation	2012-13	4	6.55	0	0.00	4	6.55
Cultural Affairs	2009-10	17	2.78	13	1.75	4	1.03
Cultural Affairs	2010-11	89	45.88	80	35.98	9	9.90
Cultural Affairs	2011-12	74	21.90	66	16.00	8	5.90
Cultural Affairs	2012-13	76	25.42	6	0.36	70	25.06
Dairy Development	2011-12	1	5.00	0	0.00	1	5.00
Environment	2012-13	1	5.67	0	0.00	1	5.67
Fisheries	2010-11	4	1.00	0	0.00	4	1.00
Fisheries	2011-12	6	20.64	2	1.39	4	19.25
Food	2012-13	1	56.65	0	0.00	1	56.65
General Administration	2012-13	2	3.50	0	0.00	2	3.50
General Education	2010-11	16	17.43	14	17.07	2	0.36
General Education	2011-12	21	31.49	20	31.29	1	0.20
General Education	2012-13	5	71.04	2	23.22	3	47.82
General Service	2011-12	1	1.80	0	0.00	1	1.80
Health	2012-13	17	62.38	13	56.50	4	5.88
Higher Education	2010-11	19	33.14	17	33.03	2	0.11
Higher Education	2011-12	4	5.21	3	4.41	1	0.80
Higher Education	2012-13	37	185.86	16	111.46	21	74.40
Information Technology	2012-13	8	13.89	0	0.00	8	13.89
Labour	2012-13	1	1.00	0	0.00	1	1.00
Other Administrative Service	2012-13	7	2.28	0	0.00	7	2.28
Panchayat	2010-11	4	6.15	0	0.00	4	6.15
Panchayat	2011-12	2	8.55	0	0.00	2	8.55
Parliamentary Affairs	2012-13	4	0.65	0	0.00	4	0.65
Planning	2010-11	3	0.83	1	0.23	2	0.60
Planning	2011-12	1	0.20	0	0.00	1	0.20
Power	2012-13	1	50.93	0	0.00	1	50.93
Sales Tax	2012-13	4	3.19	0	0.00	4	3.19
Scheduled Caste & Tribe	2012-13	9	6.37	0	0.00	9	6.37
Social Welfare	2012-13	5	4.24	0	0.00	5	4.24

Department	Year of payment of grant	Total grants paid		Utilisation certificates			
				Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
Sports & Youth Affairs	2010-11	3	0.85	0	0.00	3	0.85
Sports & Youth Affairs	2011-12	14	20.94	6	4.83	8	16.11
Sports & Youth Affairs	2012-13	4	0.97	0	0.00	4	0.97
Tourism	2012-13	2	2.75	0	0.00	2	2.75
Urban Development	2011-12	4	58.70	2	7.50	2	51.20
Total		485	842.20	263	355.02	222	487.18

Appendix 3.2
Statement showing names of bodies and authorities, the accounts of
which had not been received as of March 2013
(Reference: Paragraph 3.2; Page 82)

(₹ in crore)

Sl. No.	Name of department and body/authority	Year for which accounts had not been received	Grants received
Agriculture			
1.	Kerala Veterinary and Animal Science University	2010-11	60.11
Power			
1.	Agency for non-conventional energy and rural technology	2009-10	27.94
Tourism			
1.	Thenmala Eco Tourism Promotion Society	2009-10	0.59
Industries			
1.	Public Sector Restructuring and Internal Audit Board	2010-11	0.50
Social Welfare			
1.	Kerala Anganwadi Workers Welfare Board, Thiruvananthapuram	2010-11 2011-12	1.46 1.96
Science and Technology			
1.	Kerala State Remote Sensing and Environment Centre, Thiruvananthapuram	2010-11 2011-12	0.50 1.09
Revenue			
1.	Project Director, Bhoomi Kerala Project, Thiruvananthapuram	2008-09 2009-10 2010-11	8.45 9.95 0.24
2.	CH Mohammed Koya memorial State Institute for mentally handicapped, Thiruvananthapuram	2011-12	0.95
Labour and Rehabilitation			
1.	Kerala Agricultural Workers' Welfare Fund Board	2011-12	1.22
2.	Kerala Cashew Workers' Welfare Fund Board	2011-12	-
Total number of accounts : 10			

Appendix 3.3
Statement showing performance of Autonomous Bodies
(Reference: Paragraph 3.3; Page 82)

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report (SAR) is issued	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
					Year of SAR	Date of placement		
1.	Kerala Khadi and Village Industries Board, Thiruvananthapuram	Up to 2014-15	2011-12	2009-10	Information not received		07.11.2013	30 months 11 days
2.	Command Area Development Authority, Thrissur	Up to 2014-15	2011-12	2009-10	Information not received		24.7.2013	12 months 24 days
3.	Kerala State Commission for Backward classes, Thiruvananthapuram	2011-12	2011-12	2011-12	Information not received		23.1.2013	6 months 22 days
4.	Kerala Institute of Labour and Employment, Thiruvananthapuram	Up to 2011-12	2007-08	2007-08	Information not received		19.11.2010	28 months 18 days
5.	Kerala Building & Other Construction Worker's Welfare Board, Thiruvananthapuram	1998-99 onwards	2009-10	2008-09	2007-08	22.9.2011	14.3.13	44 months 13 days
6.	Kerala State Human Right Commission, Thiruvananthapuram	1998-99 onwards	2011-12	2011-12	Information not received		22.11.2012	4 months 21 days
7.	Kerala State Legal Services Authority, Kochi	1998-99 onwards	2010-11	2009-10	2009-10	6.3.2012	4.1.2012	6 months 3 days
8.	District Legal Services Authority, Thiruvananthapuram	1998-99 onwards	2010-11	2009-10	2008-09	6.3.2012	16.11.2012	16 months 15 days
9.	District Legal Services Authority, Kollam	1998-99 onwards	2011-12	2009-10	2009-10	6.3.2012	30.1.2013	6 months 29 days
10.	District Legal Services Authority, Pathanamthitta	1998-99 onwards	2011-12	2009-10	2009-10	6.3.2012	4.1.2013	6 months 3 days
11.	District Legal Services Authority, Alappuzha	1998-99 onwards	2010-11	2009-10	2009-10	6.3.2012	12.8.2011	1 month 11 days
12.	District Legal Services Authority, Kottayam	1998-99 onwards	2011-12	2009-10	Information not received		04.10.2012	3 months 3 days
13.	District Legal Services Authority, Idukki	1998-99 onwards	2011-12	2009-10	Information not received		25.6.2012	No Delay

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report (SAR) is issued	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
					Year of SAR	Date of placement		
14.	District Legal Services Authority, Ernakulam	1998-99 onwards	2010-11	2009-10	2009-10	23.3.2012	6.1.2012	6 months 5 days
15.	District Legal Services Authority, Thrissur	1998-99 onwards	2010-11	2009-10	2008-09	18.7.2011	6.1.2012	6 months 5 days
16.	District Legal Services Authority, Palakkad	1998-99 onwards	2010-11	2009-10	2009-10	23..3.2012	13.10.2011	3 months 12 days
17.	District Legal Services Authority, Malappuram	1998-99 onwards	2010-11	2009-10	Information not received		20.6.2011	No delay
18.	District Legal Services Authority, Kozhikode	1998-99 onwards	2010-11	2009-10	2009-10	18.7.2011	17.7.2012	12 months 16 days
19.	District Legal Services Authority, Wayanad	1998-99 onwards	2010-11	2009-10	2008-09	22.12.2010	23.10.2012	15 months 22 days
20.	District Legal Services Authority, Kannur	1998-99 onwards	2010-11	2009-10	Information not received		29.3.2013	20 months 28 days
21.	District Legal Services Authority, Kasaragod	1998-99 onwards	2010-11	2009-10	Information not received		24.2.2012	7 months 23 days
22.	Permanent Lok Adalath, Thiruvananthapuram	1998-99 onwards	2010-11	2010-11	Information not received		4.1.2012	6 months 3 days
23.	Kerala Water Authority	1984-85 onwards	2008-09	2007-08	2007-08	09.12.2011	22.02.2013	43 months

Appendix 3.4
Statement of finalization of *pro forma* accounts and Government investment in departmentally managed commercial and quasi-commercial undertakings
(Reference: Paragraph 3.4; Page 82)

(₹ in crore)

Sl.No.	Name of the undertaking	Accounts finalized up to	Government investment as per the last accounts finalized	Profit/loss as per the last accounts
1.	State Water Transport Department	2009-10	207.91	(-)20.52
2.	Kerala State Insurance Department	2011-12	Nil	223.58
3.	Text Book Office ⁵¹	2003-04	21.26	(-) 5.61

Note: Besides, *pro forma* accounts in respect of rubber plantation activities of Open Prison, Nettukaltheri received upto 2011-12 showed a trading profit during the year amounting to ₹16.16 lakh.

⁵¹ Government decided (December 2008) to dispense with the preparation of *pro forma* accounts for the period from 1975-76 to 1986-87. Decision on preparation of *pro forma* accounts for the period from 1987-88 to 2003-04 is pending with the Government (October 2013).

Appendix 3.5
Department /duration-wise break-up of cases of misappropriation, defalcation, etc.
(Reference: Paragraph 3.5; Page 83)

Sl. No.	Name of the Department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years and above	Total number of cases
1.	Agriculture	5 (28.96)	3 (9.41)	2 (0.95)	3 (7.15)	1 (0.23)		14 (46.70)
2.	Animal Husbandry	1 (0.35)					1 (0.25)	2 (0.60)
3.	Co-operation				1 (11.30)			1 (11.30)
4.	Cultural Affairs -Archives						1 (0.20)	1 (0.20)
5.	Finance-National Savings						1 (0.45)	1 (0.45)
6.	Finance – Treasuries		5 (99.11)	3 (19.62)	5 (39.38)		4 (2.19)	17 (160.30)
7.	Fisheries and Ports				1 (1.32)			1 (1.32)
8.	Forest and Wildlife		1 (0.73)	3 (29.59)				4 (30.32)
9.	General Education	1 (5.25)	3 (11.93)	8 (1.41)	1 (1.51)	2 (0.16)	2 (4.52)	17 (24.78)
10.	Health and Family Welfare – Health Services	8 (42.83)	1 (3.91)	3 (151.16)	2 (4.98)	3 (2.37)	1 (0.55)	18 (205.80)
11.	Health and Family Welfare – Medical Education	1 (1.16)		2 (17.97)				3 (19.13)
12.	Health and Family Welfare - Indian Systems of Medicine				1 (1.84)			1 (1.84)
13.	Higher Education – Collegiate Education		1 (0.20)	1 (0.73)	1 (0.02)			3 (0.95)
14.	Higher Education - Technical Education		1 (7.44)					1 (7.44)
15.	Home Department – Police	1 (3.93)				1 (0.38)		2 (4.31)
16.	Industries			2 (0.47)				2 (0.47)
17.	Legal Metrology		1 (55.00)					1 (55.00)
18.	Local Self Government		2 (8.54)	4 (6.46)	1 (1.85)			7 (16.85)
19.	Public Works Department	1 (1.87)	1 (4.37)	2 (5.81)				4 (12.05)
20.	Revenue – Survey and Land Records						1 (5.60)	1 (5.60)
21.	Scheduled Castes and Scheduled Tribes Development	1 (2.58)				1 (0.17)		2 (2.75)
22.	Social Welfare		2 (9.25)					2 (9.25)
23.	Taxes – Lotteries				1 (2.61)			1 (2.61)
24.	Motor Vehicles			1 (10.20)				1 (10.20)
25.	Water Resources		14 (135.82)	2 (10.30)				16 (146.12)
Total		19 (86.93)	35 (345.71)	33 (254.67)	17 (71.96)	8 (3.31)	11 (13.76)	123 (776.34)

Figures in brackets indicate ₹ in lakh

Appendix 3.6

**Department /category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material
(Reference: Paragraph 3.5; Page 83)**

(₹ in lakh)

Name of Department	Theft		Misappropriation/ loss of Government material		Total	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Agriculture			14	46.70	14	46.70
Animal Husbandry			2	0.60	2	0.60
Cultural Affairs -Archives			1	0.2	1	0.2
Co-operation			1	11.30	1	11.30
Finance-National Savings			1	0.45	1	0.45
Finance – Treasuries			17	160.30	17	160.30
Fisheries and Ports			1	1.32	1	1.32
Forest and Wildlife			4	30.32	4	30.32
General Education	8	0.99	9	23.79	17	24.78
Health and Family Welfare – Health Services	2	2.16	16	203.64	18	205.80
Health and Family Welfare - Medical Education			3	19.13	3	19.13
Health and Family Welfare – Indian Systems of Medicine			1	1.84	1	1.84
Higher Education – Collegiate Education	2	0.22	1	0.73	3	0.95
Higher Education - Technical Education			1	7.44	1	7.44
Home Department – Police			2	4.31	2	4.31
Industries			2	0.47	2	0.47
Legal Metrology			1	55.00	1	55.00
Local Self Government			7	16.85	7	16.85
Public Works Department			4	12.05	4	12.05
Revenue – Survey and Land Records			1	5.60	1	5.60
Scheduled Castes and Scheduled Tribes Development			2	2.75	2	2.75
Social Welfare	1	0.32	1	8.93	2	9.25
Taxes – Lotteries			1	2.61	1	2.61
Motor Vehicles			1	10.20	1	10.20
Water Resources	1	0.55	15	145.57	16	146.12
Total	14	4.24	109	772.10	123	776.34