

**REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA**
on
STATE FINANCES

for the year ended 31 March 2017

Government of Kerala
Report No. 1 of 2018

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PREFACE

1. This Report is prepared for submission to the Governor of Kerala under Article 151 of the Constitution of India for being placed in the State Legislature.
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 2017. 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

EXECUTIVE SUMMARY

Background

The State is located at the southern end of the country, sharing borders with Tamil Nadu and Karnataka. Geographical area-wise, Kerala is ranked 22nd in the country with an area of 38,863 sq.km. The State has a population of 3.58 crore (12th in the country) and it is ranked as the third most densely populated State with a density of 860 persons per sq.km. The decadal growth rate of population was 6.20 *per cent* (3.37 crore in 2007 to 3.58 crore in 2016), which is the lowest rate among Indian states. The literacy rate of Kerala (94 *per cent*) is the highest among the Indian states. Gross State Domestic Product (GSDP) of the State in 2016-17 at current prices was ₹6,55,205 crore. The per capita income (2016-17) of the State at current prices stands at ₹1,83,039.

About the Report

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 2016-17 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 is made to compare the achievements with the targets envisaged by the State Government in the budget estimates of 2016-17. Based on the audited accounts of the Government of Kerala for the year ended March 2017, 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 2017. It provides an insight into trends in committed expenditure, borrowing pattern and quality of expenditure, besides giving comparison on State's expenditure with other General Category States.

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 compiled from various Government departments/organizations in support of the findings.

Audit findings and recommendations

Chapter I: Finances of the State Government

Overall financial status

In 2016-17, fiscal position of the State deteriorated as compared to 2015-16 in terms of three key fiscal parameters *viz.*, revenue, fiscal and primary deficits, which were at the higher side during 2016-17. Revenue deficit increased from ₹ 9,657 crore in 2015-16 to ₹ 15,484 crore in 2016-17 and fiscal deficit increased from ₹ 17,818 crore in 2015-16 to ₹ 26,448 crore in 2016-17. The revenue receipts were insufficient to meet its non-plan revenue expenditure, indicating insufficiency of revenue receipts for routine expenditure of the State. State did not achieve any of the targets fixed in its Medium Term Fiscal Plan. As per the recommendation of the Fourteenth Finance Commission, Fiscal deficit to GSDP ratio was to be anchored at 3 *per cent* but it was 4 *per cent* during 2016-17 indicating increased growth of expenditure with respect to the growth of GSDP.

Revenue resources of the State

Revenue receipts of the State increased from ₹69,033 crore in 2015-16 to ₹75,612 crore in 2016-17 and recorded a growth of 9.53 *per cent*, which was the lowest growth rate shown during the last five years period. State's own tax revenue, being the main source of revenue in revenue receipts also recorded lowest growth rate (8.16 *per cent*) in 2016-17. Though, State's share of Union taxes and Duties and Grants-in-aid from GoI doubled during last five years, there was considerable reduction in grants-in-aid released for State plan schemes and Central plan schemes. Though the receipts under State Lotteries was ₹7,283 crore (75 *per cent* of Non-tax revenue) an equally high expenditure of ₹5,992 crore on distribution of prizes, agent commission, etc. reduced the net yield to ₹1,291 crore during the year.

Revenue expenditure of the State

Revenue Expenditure of the State increased from ₹78,690 crore in 2015-16 to ₹91,096 crore in 2016-17 recording a growth of 15.77 *per cent* over the previous year. Though Plan and Non-plan Revenue expenditure were increasing, revenue expenditure as a percentage of total expenditure showed a declining trend during the last two years which indicated shifting of Government's priority towards capital expenditure. As in the previous year, share of committed expenditure in revenue expenditure was 63 *per cent* and it consumed more than 76 *per cent* of the revenue receipt. When interest payments showed a reduced growth rate compared to previous year, pension payments showed increased growth rate. Interest payments and pension payments consumed 16 *per cent* and 20 *per cent* respectively of revenue receipts and is a matter of concern for the State Government.

Quality of expenditure

Though share of capital expenditure in total expenditure increased during last two years, it was on the lower side compared to General Category States in 2016-17. State's share of expenditure on health and education sector in total expenditure was more than General Category States, but the share of capital expenditure and development expenditure in total expenditure was less than that of General Category States. The average return on investment made by State Government was 1.35 *per cent* in the last five years while the Government paid an average interest rate of 7.18 *per cent* on its borrowings. The interest receipt on loans and advances given by State Government was 0.22 *per cent* during 2016-17 against the average cost of borrowing of 6.92 *per cent*.

Reserve Funds and liabilities

Consolidated Sinking Fund was constituted with the aim to amortize the outstanding liabilities of Government, but Government did not contribute to the fund. Similarly, Government has to constitute a Guarantee Redemption Fund for crediting guarantee commission collected for meeting future liability arising out of guarantees given by the Government. Fund was not constituted so far and guarantee commission of ₹ 854.08 crore collected during 2003-04 to 2016-17 was not credited to the Fund. The accumulated balance in State Disaster Response Fund, at the end of March 2017 was ₹ 115.86 crore. As per the guidelines Government has to credit interest equal to the amount of interest rate applicable to overdraft under overdraft regulation scheme of Reserve Bank of India. However, this was not done and also interest payable on the un-invested balances of the earlier years was not estimated by the Government.

Debt management

As per the recommendations of Fourteenth Finance Commission, Fiscal Liability-GSDP ratio was to be less than 25 *per cent*, but during the last five years it showed an increasing trend (from 26.31 in 2012-13 to 28.96 in 2016-17) due to increased growth of fiscal liability with respect to GSDP. Almost 68 *per cent* of the loans raised during 2016-17 was used for servicing the debt. Maturity profile of the State shows that about 50 *per cent* of the debt (₹ 62,478.65 crore) is to be repaid by March 2024.

Management of loans raised from financial institutions

Departmental Officers are responsible for arranging prompt re-payment of loans and to maintain the records relating to receipt and repayment of loans raised from financial institutions. Deficiencies in loan accounting, repayment and monitoring was noticed in respect of loans raised from NCDC and HUDCO.

Chapter II: Financial Management and Budgetary Control

The overall savings of ₹ 20,460.29 crore (15.49 *per cent*) in 2016-17 against the total budget allocation of ₹1,32,058 crore was 5.13 *per cent* less than the savings noticed during 2015-16 (20.62 *per cent*). Persistent savings exceeding ₹ 100 crore, which was more than 25 *per cent* of the total budget provision were noticed in two Grants under revenue section and three grants and one appropriation in capital section. Excess expenditure of ₹ 141.17 crore in 2016-17 under eight Grants is to be regularized under Article 205 of the Constitution along with excess expenditure of ₹ 1,048.39 crore relating to previous years (2011-12 to 2015-16). Supplementary provisions aggregating to ₹ 1,238.23 crore obtained in 11 Grants/Appropriations proved unnecessary as the expenditure did not come up to the level of even the original provisions. During 2016-17, 16 *per cent* of the total budget allocation was surrendered at the end of the financial year, which includes four grants and one appropriation having surrender more than ₹ 1,000 crore. Unnecessary and injudicious re-appropriations indicated that departmental officers failed in assessing actual requirement of funds in heads of account under their control. Excess payment of pension and non-settlement of advances by drawing and disbursing officers were noticed in Inspection of Treasuries.

Chapter III: Financial Reporting

The audit of accounts of autonomous bodies, which was 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, are pending from 2011-12 onwards (2011-12 onwards for one institution, 2012-13 onwards for two, 2013-14 onwards for one and 2014-15 onwards for six institutions) due to delay in submission of accounts.

The funds released to District Collectors for implementing various programmes were accumulated in Treasury Savings Bank accounts or Nationalised banks without refunding the unutilised balance.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

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Profile of Kerala

The State is located at the southern end of the country, sharing borders with Tamil Nadu and Karnataka. Geographical area-wise, Kerala is ranked 22nd in the country with an area of 38,863 sq.km. The State has a population of 3.58 crore (12th in the country) and is ranked as the third most densely populated State with a density of 860 persons per sq.km. The decadal growth rate of population was 6.20 *per cent* (3.37 crore in 2007 to 3.58 crore in 2016), which is lowest among Indian states. The literacy rate of Kerala (94 *per cent*) is the highest among the Indian states. Gross State Domestic Product (GSDP) in 2016-17 of the State at current prices was ₹6,55,205 crore. The per capita income (2016-17) of the State at current prices stands at ₹1,83,039. 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	2012-13	2013-14	2014-15	2015-16	2016-17
India's GDP (₹ in crore)	99,44,013	1,12,33,522	1,24,45,128	1,36,82,035	1,51,83,709
Growth rate of GDP (percentage)	13.83	12.97	10.79	9.94	10.98
State's GSDP (₹ in crore)	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Growth rate of GSDP (percentage)	13.26	12.79	13.11	11.85	11.37

Source: Figures furnished by Economics and Statistics Department, Government of Kerala

Though the growth rate of GSDP declined from 13.11 *per cent* in 2014-15 to 11.37 *per cent* in 2016-17, growth rate of GSDP was higher as compared to the growth rate of GDP during last three years.

1.1 Introduction

This chapter is based on the audit of Finance Accounts and makes an assessment of the fiscal position of the Government of Kerala as on 31 March 2017. It provides a broad perspective of the finances of the State during 2016-17 along with analysis of the critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure and form of Government Accounts are 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 is given in **Appendix 1.3 Part A**. As per the Kerala Fiscal Responsibility Act, 2003, the State Government has to present a Medium Term Fiscal Policy and Strategy Statement with Medium Term Fiscal Plan, along with the budget document. The Medium Term Fiscal Plan for 2016-17 to 2018-19 was presented in the State Legislature in July 2016. It is included as **Appendix 1.3 Part B** of this Report.

1.1.1 Summary of Fiscal Transactions during the current year

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2016-17) *vis-à-vis* the previous year (2015-16). **Appendix 1.4 (Part A and Part B)** 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 2016-17 (₹ in crore)

Receipts	2015-16	2016-17	Disbursements	2015-16	2016-17		
Section –A: Revenue					Non-plan	Plan	Total
Revenue Receipts	69032.66	75611.72	Revenue Expenditure	78689.47	77603.96	13492.35	91096.31
Tax Revenue	38995.15	42176.37	General Services	36084.68	41013.94	181.39	41195.33
Non-tax Revenue	8425.49	9699.98	Social Services	27603.29	23991.38	9773.34	33764.72
Share of Union Taxes/Duties	12690.67	15225.02	Economic Services	11098.42	7117.73	3537.62	10655.35
Grants from Government of India	8921.35	8510.35	Grants-in-aid and Contribution	3903.08	5480.91		5480.91
Section-B : Capital and Others							
Miscellaneous Capital Receipts	28.08	30.24	Capital Outlay	7500.04	1180.30	8945.65	10125.95
Recoveries of Loans and Advances	152.63	292.24	Loans and Advances Disbursed	842.25	785.04	375.25	1160.29
Public Debt Receipts	19658.74	23857.89	Repayment of Public Debt	6060.73			7706.01
Contingency Fund	0.00	0.00	Contingency Fund	0.00			0.00
Public Account Receipts	168623.44	190627.84	Public Account Disbursements	162824.67			179910.43
Opening Cash Balance	1651.00	3229.39	Closing Cash Balance	3229.39			3650.33
Total	259146.55	293649.32	Total	259146.55			293649.32

Source: Finance Accounts for 2015-16 and 2016-17

Following are the significant changes noticed during 2016-17 compared to the previous year.

- Though the revenue receipt of the State showed an increase of ₹ 6,579.06 crore, its growth rate (9.53 per cent) was much less than the growth rate

(19.12 *per cent*) of 2015-16. During 2016-17, State's own tax revenue and State's share of union taxes and duties recorded an increase of ₹ 3,181.22 crore and ₹ 2,534.35 crore respectively, compared to last year.

- Revenue expenditure of the State recorded an increase of ₹12,406.84 crore (increase of 15.77 *per cent* over the previous year), due to the increase in expenditure on General Services by ₹ 5,110.65 crore, Social Services by ₹ 6,161.43 crore and Grants-in-aid and Contributions to Panchayati Raj Institutions by ₹ 1,577.83 crore. This increase was partly offset by the decrease in expenditure on Economic Services by ₹ 443.07 crore.
- Capital expenditure increased by ₹ 2,625.91 crore showing a growth of 35.01 *per cent* over the previous year.
- Net accretions in the Public Account showed considerable increase (₹ 10,717.41 crore) compared to 2015-16 (₹ 5,798.77 crore) due to increase in net accumulations under Small Savings, Provident Fund, etc.
- Cash balance position of the State slightly increased from ₹ 3,229.39 crore at the end of 2015-16 to ₹ 3,650.33 crore at the end of 2016-17.

1.1.2 Review of fiscal situation

The State Government enacted the Kerala Fiscal Responsibility Act, 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. This Act came into force on 5 December 2003. Based on the recommendations of Thirteenth Finance Commission, the State amended Kerala Fiscal Responsibility Act and Kerala Fiscal Responsibility (Amendment) Act, 2011, came into force from 8 November 2011 with revised fiscal targets, which were to be adhered to by the year 2014-15.

The Fourteenth Finance Commission recommended a set of rules for the State relating to fiscal targets and annual borrowing limits.

- Fiscal deficit of the State will be anchored to an annual limit of 3 *per cent* of GSDP. The State will be eligible for flexibility of 0.25 *per cent* over and above this for any given year for which the borrowing limits are to be fixed if their debt-GSDP ratio is less than or equal to 25 *per cent* in the preceding year.
- State will be further eligible for an additional borrowing limit of 0.25 *per cent* of GSDP in a given year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 *per cent* of the revenue receipts in the preceding year.
- The two options under these flexibility provisions can be availed of by a State either separately, if any of the above criteria is fulfilled, or simultaneously if both the above stated criteria are fulfilled. Thus, a State can have a maximum fiscal deficit-GSDP limit of 3.50 *per cent* in any given year.

- The flexibility in availing the additional limit under either of the two options or both will be available to a State only if there is no revenue deficit in the year in which borrowing limits are to be fixed and in the immediately preceding year.
- If a State is not able to fully utilise its sanctioned borrowing limit of 3 *per cent* of GSDP in any particular year during the first four years of our award period (2015-16 to 2018-19), it will have the option of availing this un-utilised borrowing amount only in the following year but within the award period.

The first two years of the Fourteenth Finance Commission award period are already over and the State is yet to amend the Fiscal Responsibility Act by re-fixing the targets for the Finance Commission period. In this regard, Finance Department stated (December 2017) that the process of amending the Act is in progress.

In the Medium Term Fiscal Plan (MTFP) statement presented in the State Legislature along with the presentation of Budget for the year 2016-17, the State fixed targets for all the fiscal variables. **Table 1.3** shows the targets and its achievement at the end of the year.

Table 1.3: Comparison of fiscal variable targets

Fiscal variables	MTFP targets	Revised target as per budget 2017-18	Status at the end of the year
Revenue Deficit/GSDP	1.98	2.10	2.36
Fiscal Deficit/GSDP	3.51	3.54	4.04
Debt liability/GSDP	26.82	27.27	28.96

The above table shows that the State neither achieved the original target fixed in MTFP nor the revised target fixed subsequently. Moreover, as per the recommendations of Fourteenth Finance Commission, State has to anchor the fiscal deficit-GSDP ratio at three *per cent* and Debt-GSDP ratio less than or equal to 25 *per cent*, to have the extra flexibility of 0.25 *per cent* on borrowing limit. Since the State failed to achieve both the targets, State became ineligible for the increased borrowing limit.

1.1.3 Accuracy of estimation in Budget documents

The estimated statement of receipts and expenditure for a financial year mentioned in the Constitution as the ‘Annual Financial Statement’, commonly known as ‘Budget’, is prepared according to Article 202 of the Constitution of India and placed before the State Legislature by the Government. The budget is Government’s most important economic policy tool, that translates Government’s policies, commitments, goals into decisions on plans to raise the estimated revenue and how to use these funds to meet the State’s competing needs. A budget system that functions well is crucial in developing sustainable fiscal policies and economic growth.

Comparison of State's budget estimates *vis-à-vis* actuals for the year 2016-17 is detailed in **Table 1.4**.

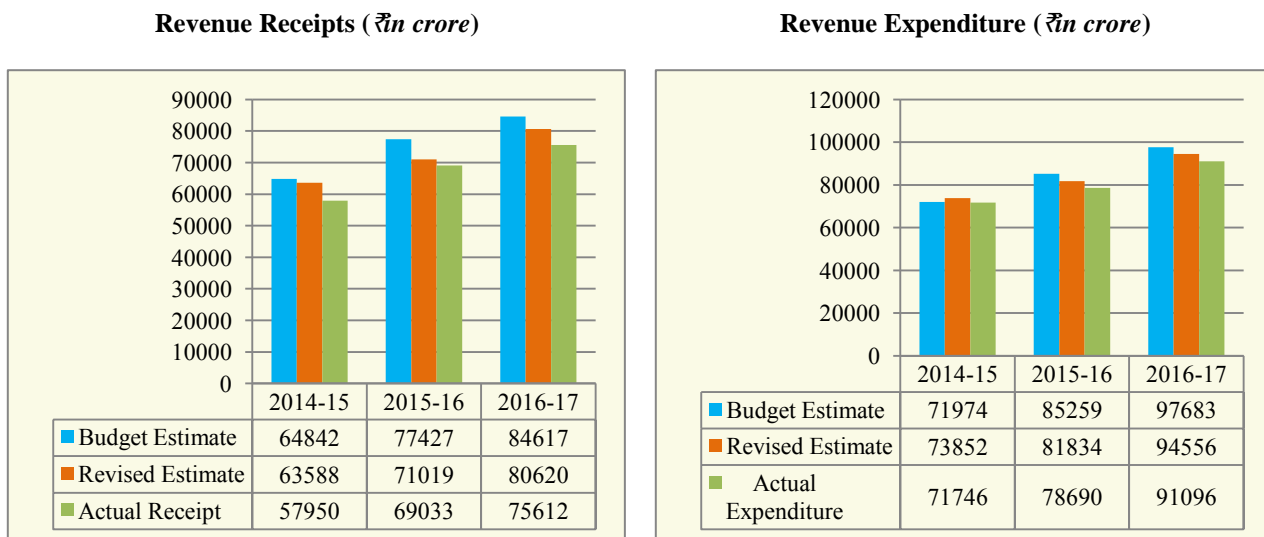
Table 1.4: Budget estimates and actuals for 2016-17 (₹ in crore)

Particulars	Budget Estimate	Revised Estimate	Actual
Revenue Receipts	84,616.85	80,620.09	75,611.72
Revenue Expenditure	97,683.10	94,555.63	91,096.31
Revenue Deficit	13,066.25	13,935.53	15,484.59
Capital Expenditure	9,572.92	8,748.48	10,125.95
Loans and Advances (Net)	(-532.78)	(-810.33)	(-868.05)
Public Debt (Net)	17,926.14	17,749.87	16,151.88
Public Account (Net)	4,502.37	5,399.67	10,717.41

Source: Budget in brief for 2017-18 and Finance Accounts for 2016-17

The revised estimate needs to be more accurate than the original budget estimate as it was done after analysing the receipts and expenditure of the first six months of the financial year. However, it was observed that revenue receipt was short by ₹ 5,008 crore with respect to revised estimate and short by ₹ 9,005 crore with respect to original estimate. Apart from revenue receipts, substantial variation was noticed in the case of net Public Account receipts. Against the estimation of ₹ 5,400 crore, net receipt was ₹ 10,717 crore and major accumulation was noticed under Savings Bank Deposits and Fixed and Time Deposits, in this section. The comparison of last three years budget estimates, revised estimates, actuals in respect of revenue receipt and revenue expenditure is given in **Chart 1.1**.

Chart 1.1 : Comparison of budget estimates and actuals



1.1.4 Status of new schemes announced in the budget speech

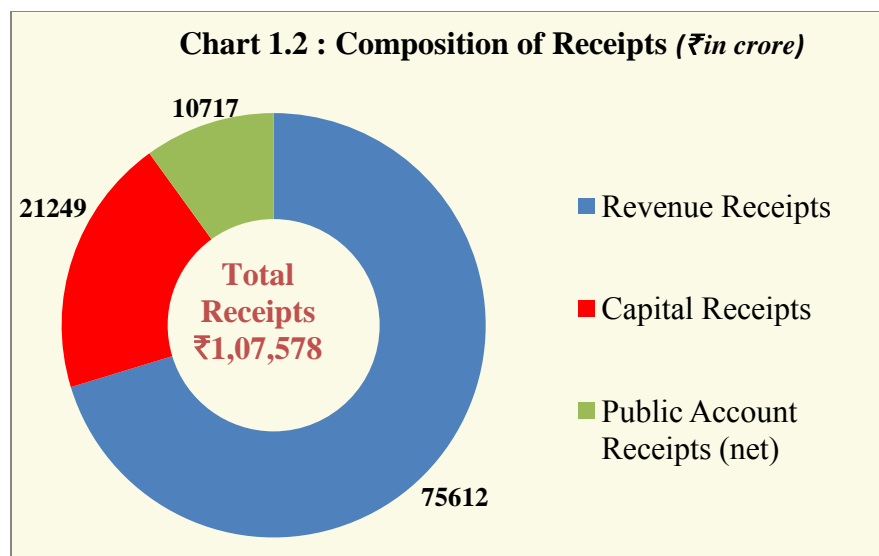
A Special Investment Plan scheme was introduced by State Government while presenting the budget speech for the year 2016-17 with the objective to finance large projects like roads, bridges, buildings and infrastructure parks and others. Expenditure of ₹ 2,500 crore was expected during 2016-17 from the Special Investment Plan. Eighteen new initiatives were also announced in the Budget Speech. Audit observed that funding for nine schemes with an outlay of ₹ 865 crore was to be made from the Special Investment Plan scheme (funds through Kerala Infrastructure Investment Fund Board - KIIFB). Funding for the remaining nine schemes with an outlay of ₹ 55.25 crore was to be met from the budgetary allocation provided by State Government. Though an amount of ₹ 865 crore was expected to be incurred during 2016-17 for the nine schemes through KIIFB, no amount was incurred in any of these schemes till November 2017.

In respect of nine schemes, which were to be funded through State budget, ₹ 22.43 crore was expended in only two schemes during 2016-17.

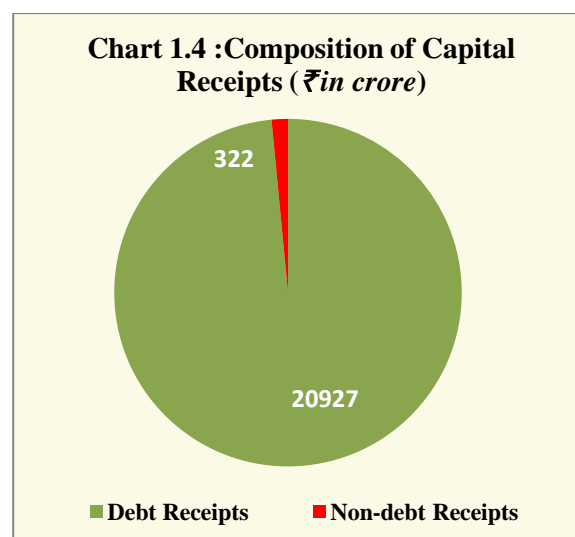
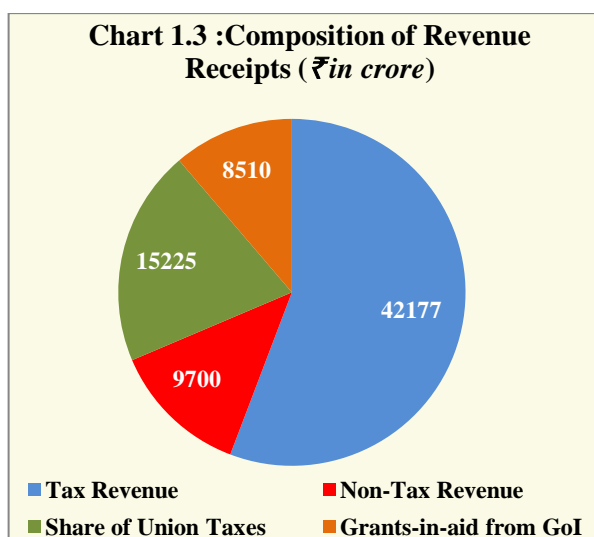
1.2 Resources of the State

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 of 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. The funds available in the Public Accounts after disbursement are also utilised by the Government to finance its deficit. **Charts 1.2, 1.3 and 1.4** depict the composition of resources of the State during the current year.



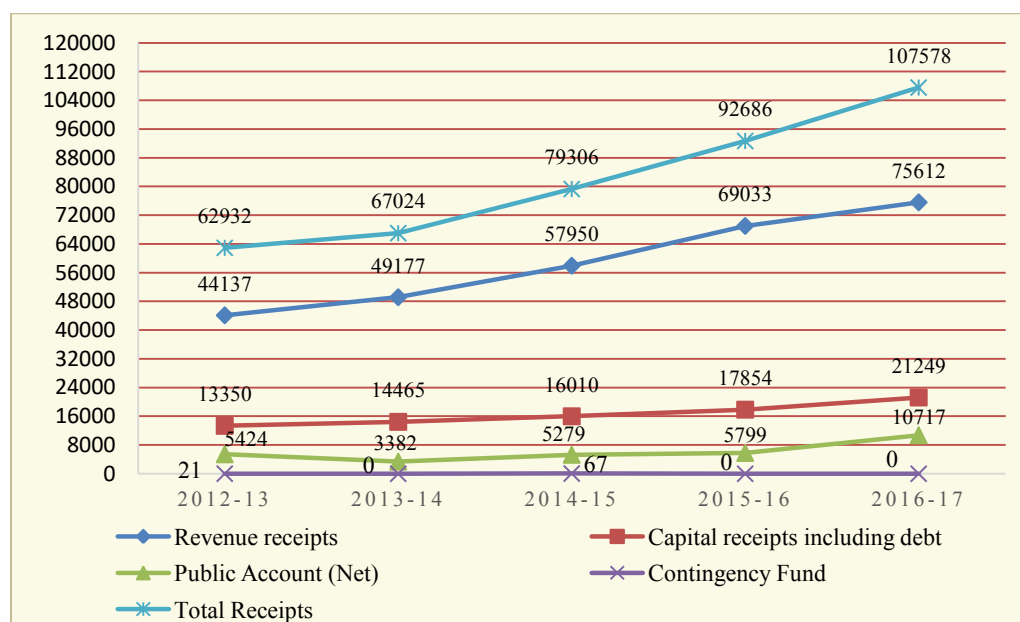
Note: Under Capital Receipts, transactions under 'Ways and Means advances' was excluded and under Public Accounts only net receipts was considered.



Capital Receipts of the State includes Debt Receipts and Non-debt receipts. Debt receipts consist of loans raised by the State from various sources (open market sources and financial institutions) and loans received from Government of India. Non-Debt receipts are receipts from Miscellaneous capital receipts (disinvestment of shares) and recovery of Loans and Advances disbursed by the State Government. Total receipts¹ of the State Government increased from ₹ 62,932 crore in 2012-13 to ₹ 1,07,578 crore in 2016-17, showing an increase of 70.94 per cent during the last five years. Trend in total receipts and its components during the last five years is given in **Chart 1.5**.

¹ Consists of Revenue receipts, Capital receipts (including Debt receipts but excluding Ways and Means advances) and Public Account receipts.

Chart 1.5: Trends in total receipts during the last five years (₹ in crore)



1.2.2 Receipt and utilisation of Government of India flagship programme

State level implementing agencies are implementing flagship programmes of Government of India and sizeable amounts are passed on to them through State budget. Details of Central funds received and passed on to the implementing agencies along with the State shares during 2016-17 are given in **Appendix 1.6**. An amount of ₹ 3,509.34 crore (GoI share: ₹ 2,403.74 crore and State share: ₹ 1105.60 crore) was released to the implementing agencies for 12 flagship programmes of GoI and at the end of March 2017, an amount of ₹ 697.74 crore remained unutilised with these agencies. The major portion of the unutilised balance belongs to Indira Awas Yojana (₹ 236.97 crore), National Rural Health Mission (₹ 108.47 crore), National Rural Drinking Water Programme (₹ 89.92 crore) and Rashtriya Madhyamik Shiksha Abhiyan (₹ 76.16 crore).

Though the system of direct release of funds to state level implementing agencies of GoI flagship programme was dispensed by GoI from 2014-15 onwards, GoI continues to release funds directly to implementing agencies without routing through State budget. As per Appendix VI of Finance Accounts 2016-17, an amount of ₹ 2,861.44 crore (schemes having total release more than ₹ 5 crore) was released by GOI directly to implementing agencies for 19 GoI schemes. Information collected from 11 implementing agencies for 16 schemes revealed that ₹ 20.74 crore out of ₹ 2,008.31 crore released to these agencies by GoI remained unutilised at the end of October 2017.

1.3 Revenue Receipts

Statement No. 14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, share of central tax transfers and grants-in-aid from GoI.

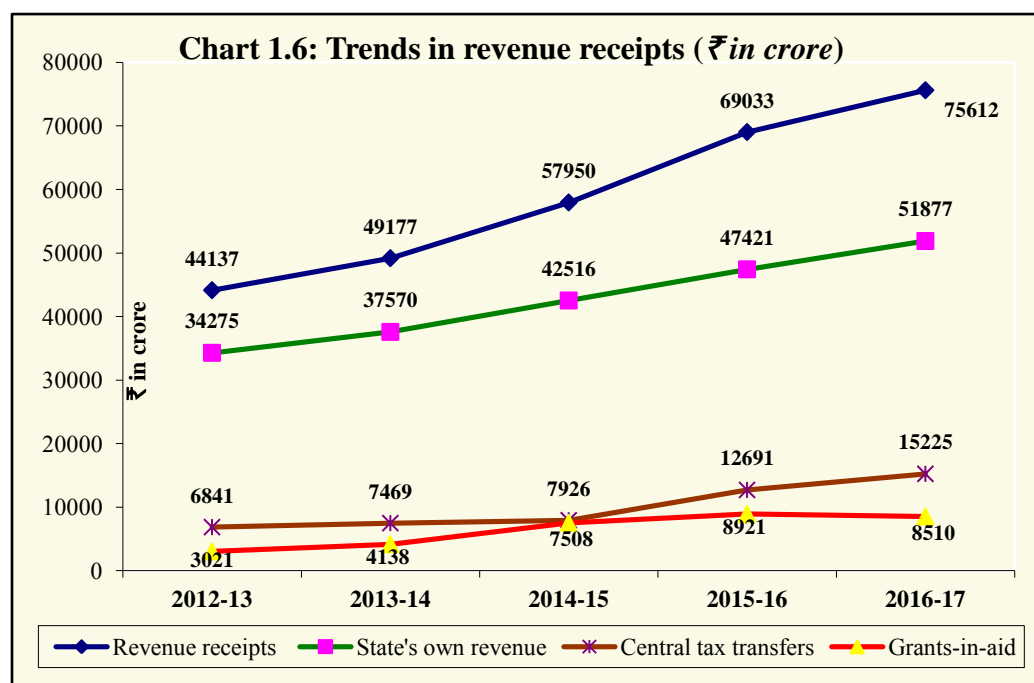
During the last five years (2012-2017), revenue receipts of the State increased from ₹ 44,137 crore in 2012-13 to ₹ 75,612 crore in 2016-17, recording a growth of 71 per cent. Over these years State's own receipts (tax and non-tax) was the major component of the revenue receipts, but there was steady decline in its share in revenue receipts during the last five years from 78 per cent in 2012-13 to 69 per cent in 2016-17. This was mainly due to increase in the share of other components like central tax receipts and grants-in-aid from GoI and also due to reduced growth rate of State's own tax revenue, compared to the growth rate of revenue receipts. Share of own tax receipt in revenue receipt also showed decreasing trend during the last five years (decreased from 68 per cent in 2012-13 to 56 per cent in 2016-17-Table 1.6). The trend of revenue receipts over the period 2012-2017 is presented in **Appendix 1.5** and also depicted in **Chart 1.6**.

As per Medium Term Fiscal Plan (MTFP) (**Appendix 1.3 Part B**), projected revenue receipts of the State during 2016-17 was ₹84,093 crore but the actual realisation was ₹ 75,612 crore. Variations in components of revenue receipts are shown in the **Table 1.5**:

Table 1.5 : Comparison of MTFP projections with amount realized (₹in crore)

Components	Own Tax Revenue	Non-tax Revenue	Resources from GoI
MTFP projection	47,614	11,360	25,644
Amount realised	42,177	9,700	23,735

Table 1.5 shows that the State could not collect/receive revenue as estimated in the MTFP and the major shortfall occurred in the realisation of State's own taxes.



Compounded annual growth rate of the State for the two periods, i.e. 2007-08 to 2015-16 and 2015-16 to 2016-17 in respect of revenue receipts was compared with General Category States and it was observed that though in the first period State's average was better than that of General Category States, it was not so in the second period. (Details are given in **Appendix 1.1**).

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 2012-2017

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Receipts (RR) (₹ in crore)	44,137	49,177	57,950	69,033	75,612
Rate of growth of RR (per cent)	16.12	11.42	17.84	19.13	9.53
State's own tax revenue (₹ in crore)	30,077	31,995	35,232	38,995	42,177
Rate of growth of own tax revenue (per cent)	16.94	6.38	10.12	10.68	8.16
Percentage of own tax revenue in RR	68	65	61	57	56
GSDP	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Rate of Growth of GSDP	13.26	12.79	13.11	11.85	11.37
RR/GSDP (per cent) *	10.70	10.57	11.02	11.73	11.54
Revenue buoyancy w.r.t GSDP*	1.22	0.89	1.36	1.61	0.84
State's Own Tax Buoyancy w.r.t GSDP*	1.28	0.50	0.77	0.90	0.72

Source: Finance Accounts and information furnished by the Economics and Statistics Department, Government of Kerala

*Change in ratio with respect to the previous Report was due to adoption of revised GSDP figures

- The above table shows that during the last five year period, the State had the lowest revenue receipt growth rate (9.53 per cent) in 2016-17. Percentage of own tax revenue in revenue receipt also steadily decreased from 68 per cent in 2012-13 to 56 per cent 2016-17. This indicated reduced growth rate of own tax revenue compared to other components of revenue receipts. During the last two years, state received ₹7,990 crore as post devolution revenue deficit grant, based on the recommendations of Fourteenth Finance Commission, which also resulted in increase of other components of revenue receipts.
- Revenue receipt as a percentage of GSDP decreased during the year compared to previous year and revenue buoyancy with GSDP was the lowest during the last three years period. Buoyancy less than one in 2016-17 indicated that revenue receipt of the State is not growing in pace with GSDP.
- Buoyancy of own tax revenue with GSDP is also the lowest during the last three years period.

1.3.1 Own resources of the State

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

Taxes collected and grants-in-aid received from GoI during the last five years are given in **Table 1.7**:

Table 1.7: Resources of the State during last five years (₹in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	30,077	31,995	35,232	38,995	42,177
Non-tax Revenue	4,198	5,575	7,284	8,426	9,700
Share of Union taxes /Duties	6,841	7,469	7,926	12,691	15,225
Grants-in-aid from Government of India	3,021	4,138	7,508	8,921	8,510
Total Revenue Receipts	44,137	49,177	57,950	69,033	75,612

Source: Finance Accounts of respective years

Table 1.7 shows that all the revenue resources (except State's own tax revenue) of the State doubled during the five year period. However, State's own tax revenue increased only by 40 *per cent* during the same period. State Government need to address this reduced growth as own tax revenue is the main source of revenue of the State.

1.3.1.1 Tax Revenue

The State's own tax revenue increased from ₹ 38,995 crore in 2015-16 to ₹ 42,177 crore in 2016-17, recording a growth rate of 8.16 *per cent*. This was much less than the growth rate (10.68 *per cent*) shown in 2015-16. Decrease in growth rate (8.84 *per cent*) was also noticed in Taxes on Sales, Trade, etc., compared to the growth rate shown in 2015-16 (10.14 *per cent*). Various components of State's own tax revenue are given in **Table 1.8**.

Table 1.8: Components of own tax revenue (₹in crore)

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Sales, Trade etc.	22,511	24,885	27,908	30,737	33,453
Stamps and Registration fees	2,938	2,593	2,659	2,878	3,007
State Excise	2,314	1,942	1,777	1,964	2,019
Taxes on Vehicles	1,925	2,161	2,365	2,814	3,107
Land Revenue	122	89	139	182	124
Taxes on Agricultural income	19	22	9	2	2
Other Taxes	248	303	375	418	465
Total	30,077	31,995	35,232	38,995	42,177

Source: Finance Accounts of respective years

During the last five years, two major tax sources, *viz.* Taxes on Sales, Trade etc. and Taxes on vehicles increased by 48.61 *per cent* and 61.40 *per cent* respectively. But, Stamps and Registration fees increased by only 2.35 *per cent* and State Excise showed a negative growth rate (12.75 *per cent*) during the five years period.

As in the previous year, 'Taxes on Sales, Trade etc.' was the single largest source of the State's own tax revenue and it increased by ₹ 2,716 crore during 2016-17. This increase was mainly under 'Value Added Tax (VAT) Receipts' (₹1,431 crore) and 'Receipts under the State Sales Tax Act' (₹ 1,256 crore).

Tax revenue under 'Taxes on Vehicles' also recorded an increase of ₹ 293 crore during 2016-17 and this was due to 'Receipts under the State Motor Vehicles Taxation Act' (₹355 crore) and 'Receipts under Indian Motor Vehicles Act' (₹ 93 crore). This increase was partly offset by decrease in 'Other Receipts' (₹ 155 crore).

1.3.1.2 Non-tax Revenue

Receipts under 'State Lotteries' is the major source (75 per cent) of non-tax revenue of the State for the last five years and its share in non-tax revenue increased from 64 per cent in 2012-13 to 75 per cent in 2016-17. During the five year period, receipts from State Lotteries also recorded an increase of 172 per cent. Major sources of non-tax revenue of the State are given in **Table 1.9**.

Table 1.9: Components of non-tax revenue (₹ in crore)

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Interest receipts	172	149	102	105	144
Dividends and profits	48	101	74	90	96
State Lotteries	2,674	3,796	5,445	6,271	7,283
Forestry and Wildlife	237	330	300	283	297
Other non-tax receipts	1,067	1,199	1,363	1,677	1,880
Total	4,198	5,575	7,284	8,426	9,700

Source: Finance Accounts of respective years

Though the receipts under State Lotteries was ₹ 7,283 crore, an equally high expenditure of ₹ 5,992 crore on distribution of prizes, agent commission, etc. reduced the net yield to ₹ 1,291 crore during the year.

1.3.2 Grants-in-aid from Government of India

Grants-in-aid from the GoI decreased by ₹ 411 crore (4.61 per cent) from ₹ 8,921 crore in 2015-16 to ₹ 8,510 crore in 2016-17 as detailed in **Table 1.10**.

Table 1.10: Status of Grants-in-aid received from Government of India (₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Non-plan grants	657	1,679	1,984	5,178	5,250
Grants for State plan schemes	1,163	1,154	4,929	3,406	2,727
Grants for central plan schemes	60	87	158	170	71
Grants for Centrally sponsored schemes	1,141	1,218	437	167	462
Total	3,021	4,138	7,508	8,921	8,510

Source : Finance Accounts of respective years

Table 1.10 shows that there was considerable reduction in grant released for State plan schemes and central plan schemes. However, Grants for centrally sponsored schemes increased by ₹ 295 crore. This was mainly under 'Other Urban Development Schemes' (₹257 crore). Out of ₹5,250 crore received as 'Non-plan Grants', ₹3,350 crore was 'Post Devolution Revenue Deficit Grant' based on the recommendations of Fourteenth Finance Commission to cover the revenue deficit of the State Government.

1.3.3 Efficiency in Tax collection

The average expenditure on tax collection in respect of four major revenue sources of the State compared with all India average, during the last five years, is given in **Appendix 1.7**. It shows that State had better average on the tax collection expenditure compared to all India average during the period from 2012-13 to 2015-16 in respect of two revenue sources, *viz.* Tax on Sales, Trade, etc. (except during 2015-16) and Taxes on Vehicles. However, in respect of other two major revenue sources, *viz.* Stamps (Non-judicial) and Registration fees and State Excise, the average tax collection expenditure of the State was much higher than the all India average from 2012-13 to 2015-16.

1.4 Capital Receipts

Capital receipts comprise of Miscellaneous Capital Receipts, Recovery of Loans and Advances released to Government institutions and Public Debt Receipts. Trends in receipts under capital sector are detailed in **Table 1.11**.

Table 1.11: Trends in growth and composition of capital receipts (₹ in crore)

Sources of Receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Capital Receipts (CR)					
Miscellaneous Capital Receipts	15	19	28	28	30
Recovery of Loans and Advances	74	104	124	153	292
Public Debt Receipts²	13,261	14,342	15,858	17,673	20,927
Internal Debt Receipts	12,709	13,950	15,106	17,142	20,075
Loans and Advances from GoI	552	392	752	531	852
Total CR	13,350	14,465	16,010	17,854	21,249
Rate of growth of debt capital receipts (per cent)	35.33	8.15	10.57	11.45	18.41
Rate of growth of CR (per cent)	35.26	8.35	10.68	11.52	19.02
Rate of Growth of GSDP (per cent) ^(*)	13.26	12.79	13.11	11.85	11.37
Buoyancy of Debt receipts w.r.t GSDP	2.66	0.64	0.81	0.97	1.62

Source: Finance Accounts of respective years

(*) change in figures with respect to previous Report is due to adoption of revised GSDP figures

Table 1.11 shows that growth rate of debt capital receipt was the highest during the last four years, which indicated increase in borrowings of the State in 2016-17. Similarly, buoyancy of debt receipts with respect to GSDP was 1.62, which indicated that growth rate of Government's borrowings was higher than growth rate of GSDP.

1.4.1 Proceeds from disinvestment

As of March 2017, the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock companies and Co-operatives and received ₹30.24 crore from retirement of capital/disinvestment of shares of

²Transactions under 'Ways and Means Advances' are excluded as they are not actual capital receipts.

co-operative societies/banks and accounted for under Miscellaneous Capital Receipts.

1.4.2 Recoveries of loans and advances

During the year, the State Government released an amount of ₹1,160.29 crore as loans and advances to various institutions and an amount of ₹13,877.94 crore was outstanding under this head at the end of March 2017. Against this balance, principal amount recovered was ₹166.52 crore, which was around one *per cent* of the outstanding balance under loans and advances. During the year, State had also written off loans and advances amounting to ₹125.72 crore, which were found irrecoverable and the same were accounted as receipt under loans and advances.

1.4.3 Public Debt receipts

Public Debt receipts of the State Government consist of funds raised from internal sources and loans and advances from GoI. As shown in Table 1.11, internal debt receipts was the main source of public debt receipts and it was around 95 *per cent* during the last five years. Internal Debt includes Open Market Borrowings, other borrowings from financial institutions like National Bank for Agriculture and Rural Development (NABARD), National Co-operative Development Corporation (NCDC), etc. and Special Securities issued to National Small Savings Fund (NSSF). Composition of Internal Debt during the last five years is given in **Table 1.12**.

Table 1.12: Composition of Internal Debt (₹ in crore)

Sources of Internal Debt	2012-13	2013-14	2014-15	2015-16	2016-17
Open Market Borrowings	11,582.99	12,800.00	13,200.00	15,000.00	17,300.00
NABARD	410.02	501.25	551.37	600.00	827.89
NCDC	0.00	0.00	222.16	39.13	47.79
NSSF	630.04	565.14	1,132.10	1,455.20	1,861.22
Others	85.84	83.85	0.00	47.25	37.72
Total	12,708.89	13,950.24	15,105.63	17,141.58	20,074.62

Though, open market borrowings was the main source for borrowing of the State, there was considerable increase in the loans raised from other sources like NABARD and NSSF. Consequently, share of open market borrowings in Internal Debt reduced from 92 *per cent* in 2013-14 to 86 *per cent* in 2016-17. However, Internal Debt of the State Government recorded an increase of 58 *per cent* during the last five years.

1.5 Public Account 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/trustee for custody of public money, since these transactions are mere pass-through transactions. The net transactions under Public Account covering the

period 2012-13 to 2016-17 are indicated in **Table 1.13**.

Table 1.13: Net receipts under Public Account heads (₹in crore)

Resources under various heads	2012-13	2013-14	2014-15	2015-16	2016-17
Public Account receipts					
a. Small Savings, Provident Fund etc.	3,685.54	4,231.86	3,764.77	8,332.07	12,931.64
b. Reserve Fund	-145.58	78.02	66.00	64.90	162.22
c. Deposits and Advances	1,140.93	187.43	1,364.50	-3,280.29	105.65
d. Suspense and Miscellaneous	712.44	-946.60	57.90	774.28	-2,169.09
e. Remittances	30.49	-168.48	25.95	-92.19	-313.01
Total	5,423.82	3,382.23	5,279.12	5,798.77	10,717.41

Source : Finance Accounts of respective years

The above table shows that during 2016-17, an amount of ₹10,717.41 crore was added to the existing balance of the Public Account. This was ₹4,918.64 crore more than net additions (₹5,798.77 crore) during 2015-16. Substantial net addition of ₹12,931.64 crore under the sector ‘Small Savings, Provident Fund, etc.’, was mainly due to the accumulations of ₹9,361.60 crore occurred under ‘8031-102-State Savings Bank Deposits’ and ₹2,938.13 crore under ‘8009-State Provident Fund’. These accumulations under public account are utilised by the State Government for covering their fiscal deficit.

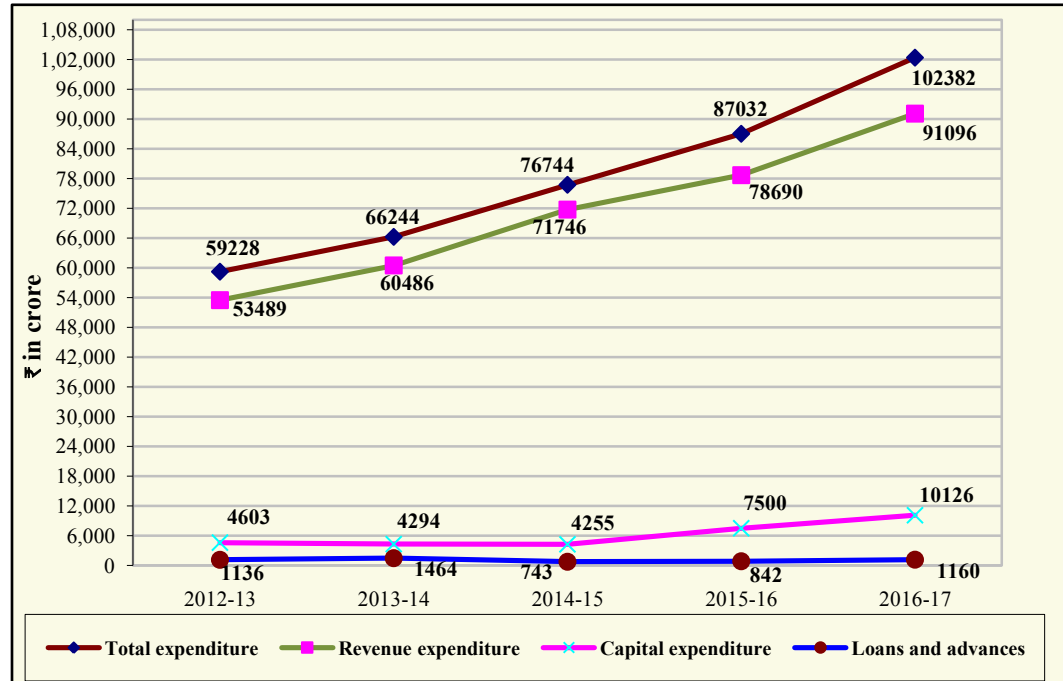
1.6 Application of Resources

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.

1.6.1 Growth and Composition of Expenditure

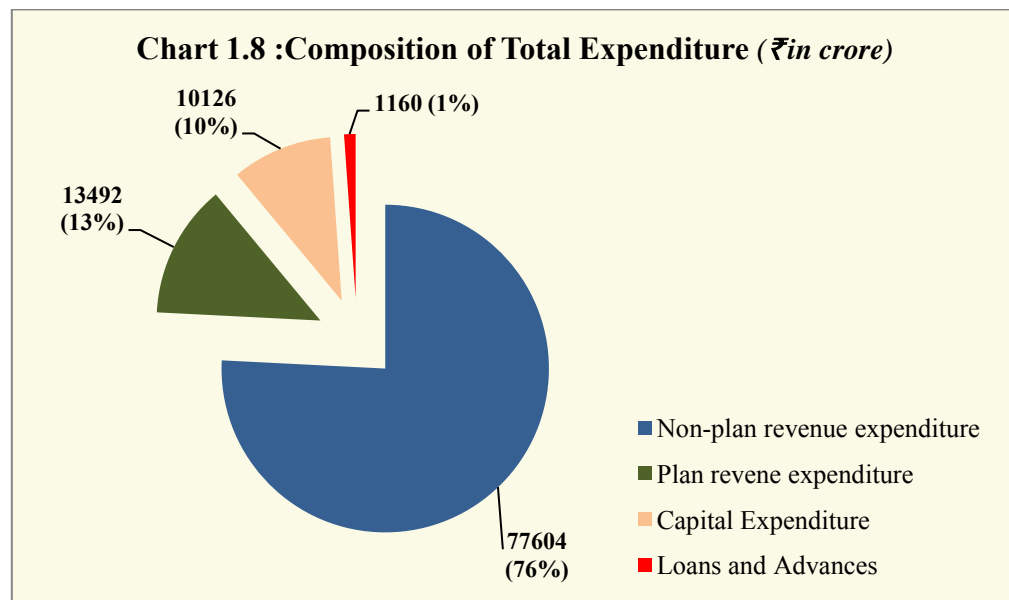
The trends in total expenditure (aggregate of revenue, capital and loans and advances expenditure) and various components of total expenditure-Plan and Non-Plan revenue expenditure, committed expenditure such as salaries and wages, interest payments, pension payments and subsidies, financial assistance 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 (2012-13 to 2016-17).

Chart 1.7: Total expenditure: trends and composition



During the last five years, the total expenditure of the State increased by 73 per cent from ₹59,228 crore in 2012-13 to ₹1,02,382 crore in 2016-17. While revenue expenditure recorded a growth of 70 per cent, capital expenditure recorded a growth of 120 per cent due to increased spending of the State during the last five years.

Total expenditure of the State for 2016-17 was ₹1,02,382 crore, out of which, ₹91,096 crore (89 per cent) was revenue expenditure. Composition of total expenditure during 2016-17 is given in **Chart 1.8** below.



The total expenditure, its annual growth rate, the ratio of expenditure to the GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are given in **Table 1.14**.

Table 1.14: Total expenditure – basic parameters

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Total expenditure (TE) (₹ in crore)	59,228	66,244	76,744	87,032	1,02,382
Rate of growth (<i>per cent</i>)	16.37	11.85	15.85	13.41	17.64
Revenue Receipts (RR) (₹ in crore)	44,137	49,177	57,950	69,033	75,612
Rate of growth of RR (<i>per cent</i>)	16.12	11.42	17.84	19.13	9.53
GSDP	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Rate of growth of GSDP	13.26	12.79	13.11	11.85	11.37
TE/GSDP ratio (<i>per cent</i>) ^(*)	14.36	14.24	14.59	14.79	15.63
Revenue Receipt/TE ratio (<i>per cent</i>)	74.52	74.24	75.51	79.32	73.85
Buoyancy of TE with reference to:					
GSDP (ratio) ^(*)	1.23	0.93	1.21	1.13	1.55
RR (ratio)	1.02	1.04	0.89	0.70	1.85

(*) change in figures with respect to previous Report is due to adoption of revised GSDP figures

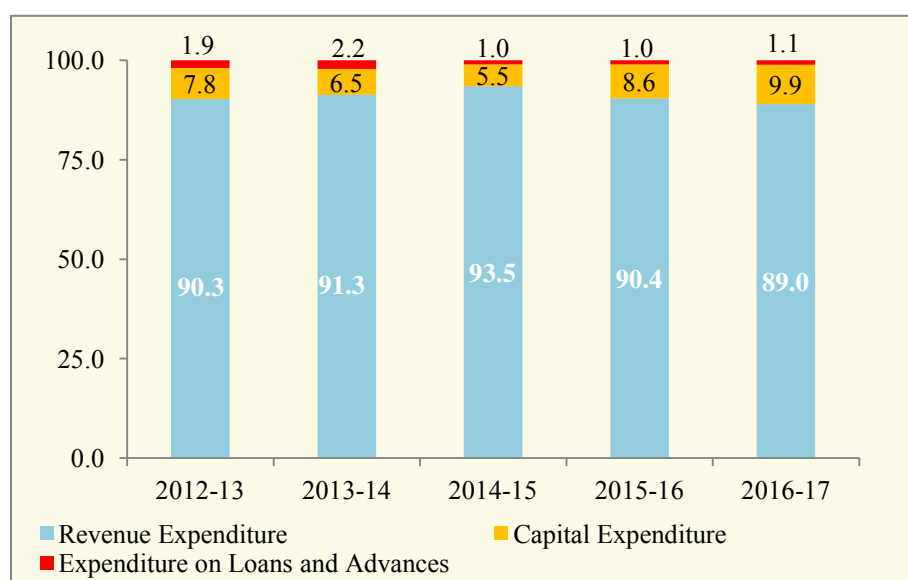
Table 1.14 shows that

- Growth rate of total expenditure in 2016-17 was the highest during the last five year period. Similarly, ratio between total expenditure and GSDP was also the highest in 2016-17, during last five years period.
- Ratio between revenue receipt and total expenditure indicate the sufficiency of revenue receipt for meeting total expenditure. In 2015-16, revenue receipt of the State was sufficient to meet 79.32 *per cent* of the total expenditure but it reduced to 73.85 *per cent* in 2016-17 due to increased growth of total expenditure as well as reduced growth of revenue receipts.
- During the last three years, the Buoyancy of the total expenditure with respect to GSDP was more than one, which indicated higher growth rate of total expenditure compared to GSDP during 2014-2017. Further, the growth rate of total expenditure in 2016-17 was 1.55 times of GSDP, which is the highest during last five years.
- Buoyancy of total expenditure with revenue receipt showed declining trend during the period 2014-16, which was a positive indicator. But, in 2016-17, it increased to 1.85 indicating increased growth rate of total expenditure compared to revenue receipt. This needs to be addressed.

While compounded annual growth rate of total expenditure of the State for the period 2007-08 to 2015-16 was lower than that of General Category States, it was higher during the period 2015-16 to 2016-17. (Details are given in **Appendix 1.1**)

Trend in share of various components of total expenditure is given in **Chart 1.9**.

Chart 1.9: Share of various expenditure in total expenditure



1.6.2 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 different components of total expenditure are given in **Table 1.15**.

Table 1.15: Components of expenditure – relative shares (in per cent)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
General Services	38.72	40.39	41.13	41.76	40.44
<i>of which, Interest Payments</i>	12.16	12.48	12.73	12.77	11.84
Social Services	32.82	32.60	32.05	32.91	34.24
Economic Services	19.76	17.30	17.51	19.88	18.83
Grants-in-aid	6.78	7.51	8.34	4.45	5.36
Loans and Advances	1.92	2.20	0.97	0.97	1.13

Table 1.15 reveals that:

- While relative share of General Services and Economic Services in total expenditure decreased, share of Social Services increased during 2016-17. Similarly, share of Grant-in-aid to LSGIs also increased from 4.45 *per cent* in 2015-16 to 5.36 *per cent* in 2016-17.
- During 2016-17, share of interest payments in total expenditure was the lowest during the five year period.
- Relative share of loans and advances in total expenditure increased marginally due to increase in release of loans and advances by the State Government.

1.6.3 Revenue Expenditure

During 2016-17, revenue expenditure recorded an increase of ₹12,406 crore (15.77 per cent), compared to the previous year and this was highest increase during the last five year period in terms of value. The increase in revenue expenditure was mainly due to increase in expenditure under the major heads ‘General Education’ (₹2,988 crore), ‘Pension and Other Retirement Benefits’ (₹2,214 crore), ‘Compensation and Assignments to Local Bodies and Panchayati Raj Institutions’ (₹1,578 crore), ‘Medical and Public Health’ (₹1,103 crore), ‘Interest Payments’ (₹1,006 crore) and ‘Social Security and Welfare’ (₹924 crore), etc.

1.6.3.1 Incidence of revenue expenditure

During the last five years, the share of revenue expenditure in total expenditure, to maintain the current level of services and payment for past obligations was between 89 and 94 per cent and it showed a declining trend during the last two years. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in **Table 1.16**.

Table 1.16: Revenue expenditure – basic parameters (₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue expenditure (RE)	53,489	60,486	71,746	78,690	91,096
Non-plan revenue expenditure (NPRE)	46,640	53,412	61,464	66,611	77,604
Plan revenue expenditure (PRE)	6,849	7,074	10,282	12,079	13,492
Rate of Growth of					
RE (per cent)	16.17	13.08	18.62	9.68	15.77
NPRE (per cent)	14.54	14.52	15.08	8.37	16.50
PRE (per cent)	28.57	3.29	45.35	17.48	11.70
Revenue expenditure as percentage to TE	90.31	91.31	93.49	90.42	88.98
NPRE/GSDP (per cent) ^(*)	11.31	11.49	11.69	11.32	11.84
NPRE as percentage of TE	78.75	80.63	80.09	76.54	75.80
NPRE as percentage of RR	105.67	108.61	106.06	96.49	102.63
Buoyancy of revenue expenditure with					
GSDP (ratio) ^(*)	1.22	1.02	1.42	0.82	1.39
Revenue receipts (ratio)	1.00	1.15	1.04	0.51	1.65

Source: Finance Accounts of respective years

(*) change in figures with respect to previous Report is due to adoption of revised GSDP figures

Table 1.16 reveals the following;

- Though there was considerable increase in growth rate of RE and NPRE compared to previous year, growth rate of PRE decreased considerably. This indicates Government’s expenditure during 2016-17 was more inclined towards committed liabilities. However, decreasing trend of RE as a percentage of TE was seen from 2015-16.

- Non-Plan Revenue Expenditure as a percentage of GSDP was steady during the last five years and also its percentage with respect to TE was declining from 2014-15, which is a positive sign. However, NPRE as a percentage of RR was above 100, which indicated that State's revenue receipts were not sufficient to meet its NPRE for 2016-17.
- Although the increase in revenue receipts was less than the projection made in the MTFP, yet the Revenue Expenditure increased, which is of serious concern as the Revenue deficit was also increasing.

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

The trends of the committed expenditure of the State Government during 2012-13 to 2016-17 is given in **Table 1.17**.

Table 1.17: Components of committed expenditure (₹ in crore)

Components of committed expenditure	2012-13	2013-14	2014-15	2015-16	2016-17	
					Budget estimate	Actual Expenditure
Salaries* and Wages	17,505	19,554	21,621	23,757	29,371	28,373
Non-plan head	16,939	18,954	20,977	23,075	28,763	27,610
Plan heads**	566	600	644	682	608	763
Interest payments (MH 2049)	7,205	8,265	9,770	11,111	12,630	12,117
Expenditure on pensions (MH 2071)	8,867	9,971	11,253	13,063	15,503	15,277
Subsidies	1,268	1,279	1,252	1,372	1,808	1,731
Total	34,845	39,069	43,896	49,303	59,312	57,498
Revenue Expenditure	53,489	60,486	71,746	78,690	97,683	91,096
Revenue Receipts	44,137	49,177	57,950	69,033	84,617	75,612
Percentage of committed expenditure to Revenue expenditure	65	65	61	63	61	63
Percentage of committed expenditure to Revenue receipts	79	79	76	71	70	76
* 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						

Source: Finance Accounts of respective years

The share of committed expenditure in revenue expenditure was the same as in the previous year. However, compared to previous year, its percentage with respect to revenue receipts increased. Though Government estimated to spend 70 per cent of the revenue receipts for committed expenditure, it was exceeded by six percentage points.

While interest payments showed a reduced growth rate (9 per cent) compared to previous year (14 per cent), pension payments increased by 17 per cent compared to previous year's 16 per cent. However, interest payments and pension payments consumed 16 per cent and 20 per cent respectively of revenue receipts which is a matter of concern for the State Government.

1.6.4 Subsidies

The subsidies (₹1,731 crore) given during 2016-17 were ₹359 crore more than subsidies (₹1,372 crore) given in the previous year. These mainly included amount given to Food Corporation of India in respect of reimbursement of price difference of ration rice and wheat (₹806 crore), for Paddy procurement through Kerala State Civil Supplies Corporation (₹487 crore), grant to Kerala State Civil Supplies Corporation Limited for market intervention (₹200 crore) and subsidy to Co-operatives for conducting festival markets (₹53 crore).

1.6.5 Financial assistance to Local Bodies and Other Institutions

The 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 1.18**.

Table 1.18: Financial assistance to local bodies, educational institutions, etc. (₹ in crore)

Financial Assistance to Institutions	2012-13	2013-14	2014-15	2015-16	2016-17
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	6,204.36	6,934.56	7,769.01	8,409.89	9,602.98
Municipal Corporations and Municipalities	1,177.77	1,358.09	1,836.39	1,405.77	2,756.55
Zilla Parishads and Other Panchayati Raj Institutions	5,279.31	6,421.60	8,423.74	7,767.62	7,775.98
Development Agencies	5.15	6.42	6.23	5.91	14.73
Hospitals and Other Charitable Institutions	153.33	94.19	305.76	407.60	812.18
Other Institutions ³	896.42	1,323.46	1,602.60	2,104.35	2,927.71
Total	13,716.34	16,138.32	19,943.73	20,101.14	23,890.13
Assistance as percentage of revenue expenditure	26	27	28	26	26

Source: Finance Accounts and information received from the State Government

The financial assistance to local bodies and other institutions increased from ₹13,716.34 crore in 2012-13 to ₹23,890.13 crore in 2016-17. The table above

³ Major institutions under 'Other institutions' are Kerala Water Authority (₹461.81 crore), Loans to Kerala State Road Transport Corporation (₹305 crore), Suchitwa Mission (₹138.48 crore), Kudumbasree (₹130 crore), State Council for Science, Technology & Environment (₹128.80 crore), Kerala Social Security Mission (₹112.18 crore), Kerala Road Fund Board (₹105 crore), Kerala Veterinary and Animal Sciences University (₹101.06 crore), Kerala State Information Technology Mission (₹55.71 crore), Loans to Kerala Industrial Infrastructure Development Corporation (₹52.65 crore) and Kerala Sports Council (₹40.97 crore).

shows that though the aggregate financial assistance increased during 2016-17 compared to 2015-16, the percentage of assistance with reference to revenue expenditure remained unchanged during the last two years. Substantial increase was noticed in the release of Grants in respect of Urban Local Bodies and Educational institutions.

1.7 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 involves whether adequate funds were provided for public expenditure (i.e. adequate provisions for providing public services) and whether the fund was spent efficiently and effectively to achieve the intended objectives.

1.7.1 Adequacy of public expenditure

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 total expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.19** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2012-13 and 2016-17.

Table 1.19: Fiscal priority of the State in 2012-13 and 2016-17 (in per cent)

Fiscal Priority by the State	TE/ GSDP	DE [#] / TE	SSE/ TE	CE/ TE	Education/ TE	Health/ TE
General Category States' Average, 2012-13	14.80	70.00	38.20	13.70	17.70	4.60
Kerala, 2012-13	14.36	54.24	33.74	7.77	17.52	5.48
General Category States' Average, 2016-17	16.70	70.90	32.20	19.70	15.20	4.80
Kerala, 2016-17	15.63	53.77	34.30	9.89	16.66	5.85
TE: 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).						

Table 1.19 shows that;

- In 2012-13, State's share of Development expenditure, Social Sector expenditure and Capital expenditure in Total expenditure was much less than that of General Category States. However, State's share of social sector expenditure in total expenditure in 2016-17 was higher than that of General Category States.
- In 2016-17 State's share of expenditure on education and health in total expenditure was higher than that of General Category States, indicating State Government's priority in these services.

- In respect of development expenditure and capital expenditure, while General Category States improved their position in 2016-17 compared to 2012-13, State could improve its position only in capital expenditure. Drop in share of development expenditure in total expenditure needs to be addressed.

1.7.2 Efficiency of expenditure

It is important for the State to take appropriate expenditure rationalisation measures and incur public expenditure on development heads from the point of view of social and economic development. Development expenditure comprised of revenue expenditure, capital expenditure and loans and advances in socio-economic services. **Table 1.20** presents the trends in development expenditure relative to the total expenditure of the State during last five years. **Chart 1.10** presents component-wise development expenditure during 2012-13 to 2016-17.

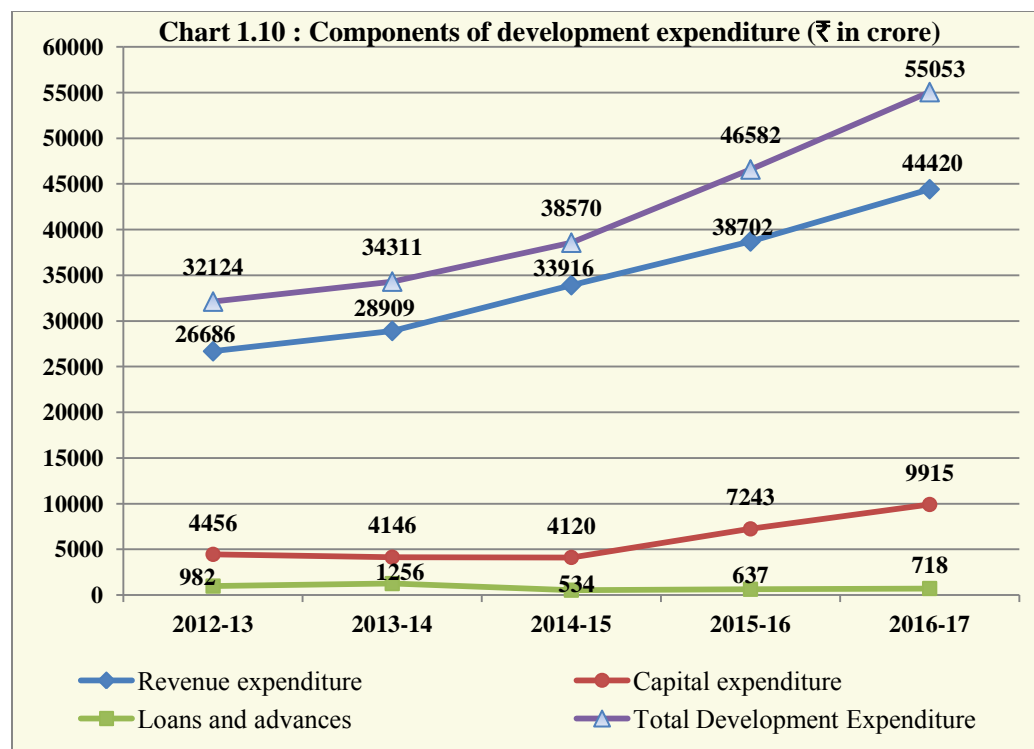
Table 1.20: Development expenditure (₹in crore)

Components of Development Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17
Development Expenditure (a to c)					
a. Revenue expenditure	26,686 (45.06)	28,909 (43.64)	33,916 (44.19)	38,702 (44.47)	44,420 (43.39)
b. Capital expenditure	4,456 (7.52)	4,146 (6.26)	4,120 (5.37)	7,243 (8.32)	9,915 (9.68)
c. Loans and advances	982 (1.66)	1,256 (1.90)	534 (0.70)	637 (0.73)	718 (0.70)
Total Development Expenditure	32,124 (54.24)	34,311 (51.80)	38,570 (50.26)	46,582 (53.52)	55,053 (53.77)
Total Expenditure	59,228	66,244	76,744	87,032	1,02,382

Source: Finance Accounts of respective years

Figures in parenthesis are its share in total expenditure

During 2016-17, growth rate of total expenditure was 17.64 *per cent* but the growth rate of development expenditure was 18.19 *per cent*, which is encouraging. Though 53.77 *per cent* of total expenditure was utilised for development expenditure, major share (43.39 *per cent*) was that of revenue expenditure, which indicated predominance of revenue expenditure items in development expenditure. However, the share of capital expenditure in total development expenditure during last two years showed an increasing trend, which is positive indicator on development expenditure of the State (**Table 1.20**).



Development expenditure increased from ₹32,124 crore in 2012-13 to ₹55,053 crore in 2016-17, recording an increase of 71 *per cent* in five years. During the last three years, share of revenue expenditure in development expenditure showed a declining trend (declined from 88 *per cent* in 2014-15 to 81 *per cent* in 2016-17), which is an encouraging factor.

Revenue expenditure on development sector increased by 66 *per cent* during the last five years, increased from ₹26,686 crore in 2012-13 to ₹44,420 crore in 2016-17. The increase of ₹5,718 crore in 2016-17 was mainly due to increase in expenditure under Social Services (₹6,162 crore), which was partly offset by decrease in expenditure under Economic Services (₹444 crore).

In Social Services, this increase was mainly under the sub-sectors ‘Education, Sports, Art and Culture’ (₹2,941 crore), ‘Health and Family Welfare’ (₹1,179 crore) and ‘Social Welfare and Nutrition’ (₹901 crore).

Capital expenditure on development sector increased by ₹2,672 crore mainly due to increase of ₹2,414 crore under Economic sector in 2016-17 over the previous year. Increase in Economic Sector was mainly under the sub-sectors ‘Other General Economic Services’ (₹1,524 crore), ‘Transport’ (₹259 crore) and ‘Other rural development programmes’ (₹191 crore).

1.7.3 Incomplete projects/works

Department-wise information pertaining to incomplete projects/works (each costing above ₹ one crore) as on 31 March 2017 is given in **Table 1.21**.

Table 1.21: 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 2017
1.	Irrigation Department – (Irrigation and Minor Irrigation Works)	11	108.62	76.00
2.	Public Works Department – (Roads)	68	373.47	244.83
3.	Public Works Department – (Bridges)	50	523.22	357.28
4.	Public Works Department – (Buildings)	94	384.97	261.37
5.	Harbour Engineering Department	3	34.34	34.94
	Total	226	1,424.62	974.42

Source: Appendix IX of Finance Accounts 2016-17

As per the Finance Accounts 2016-17, there was a delay in completion of 226 projects/works and this would result in time overrun and cost overrun, besides denying the desired benefit to the beneficiaries.

1.8 Financial Analysis of Government Investments, Loans and Advances

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. 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.

1.8.1 Investment and returns

During 2016-17, the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives (**Table 1.22**). The average return on these investments was 1.35 *per cent* in the last five years while the Government paid an average interest rate of 7.18 *per cent* on its borrowings during 2012-13 to 2016-17.

Table 1.22: Return on investments

Investment/Return/Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Amount of Investment (₹ in crore)	4,511.03	5,623.61	6,085.13	6,733.85	7,240.03
Return (₹ in crore)	48.15	100.58	74.18	90.23	96.37
Return (<i>per cent</i>)	1.07	1.79	1.22	1.34	1.33
Average rate of interest on Government borrowing (<i>per cent</i>)	7.15	7.11	7.35	7.35	6.92
Difference between interest rate and return (<i>per cent</i>)	6.08	5.32	6.13	6.01	5.59

Source: Finance Accounts of the State Government

During 2016-17, State Government invested ₹55.29 crore in Statutory Corporations, ₹582.32 crore in Government Companies, ₹81.63 crore in Co-operative Banks and Societies. Progressive expenditure on investments was decreased (due to reclassification of investments) by ₹241.33 crore under Government companies and decreased (due to disinvestment of shares) by ₹29.59 crore under Co-operative banks and societies.

1.8.2 Loans and advances by the State

In addition to investments in Co-operative Societies, Statutory Corporations and Government Companies, the Government also provides loans and advances to many institutions. **Table 1.23** presents the outstanding loans and advances as on 31 March 2017 and interest receipts during the last five years.

Table 1.23: Details of loans and advances during the last five years (₹ in crore)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Opening balance	9,394 ⁴	10,360 ⁵	11,713 ⁶	12,320 ⁷	13,010
Amount advanced during the year	1,136	1,464	743	842	1,160
Amount repaid during the year	74	103	124	152	292 ⁸
Closing balance	10,456	11,721	12,332	13,010	13,878
Net addition	1,062	1,361	619	690	868
Interest receipts	19	21	27	32	31

Source: Finance Accounts of the State Government.

⁴ 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.

⁵ Difference of ₹96 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (p) of Statement no.16 of Finance Accounts 2013-14.

⁶ Difference of ₹eight crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (o) of Statement no.18 of Finance Accounts 2014-15.

⁷ Difference of ₹12 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (q) of Statement no.18 of Finance Accounts 2015-16.

⁸ Includes ₹126 crore being the irrecoverable loans written off.

The total outstanding loans and advances as on 31 March 2017 increased by ₹868 crore compared to those of the previous year. The major disbursement of loans and advances during the current year was to the Kerala State Road Transport Corporation (₹305 crore) and House building advance to State Service Officers (₹427 crore). Interest received against these loans remained less than one *per cent* during the period 2012-13 to 2016-17 and was 0.22 *per cent* during 2016-17 as against the average cost of borrowing of 6.92 *per cent* during the year.

1.8.2.1 Defaulters on loan repayment

Government provides loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., and the same was treated as assets in the Government accounts. As per Finance Accounts, an amount of ₹13,878 crore was outstanding as loan at the end of March 2017. Also, at the end of March 2017, 83 institutions defaulted in repayment of loans advanced to them and arrears in respect of this were ₹10,579 crore (Principal: ₹6,656 crore and Interest: ₹3,923 crore). About 87 *per cent* of the above arrears pertained to five institutions *viz.*, Kerala Water Authority (₹4,127 crore), Kerala State Electricity Board Limited (₹1,760 crore), Kerala State Road Transport Corporation (₹1,668 crore), Kerala State Housing Board (₹1,421 crore) and TEXFED (₹210 crore). During the year, State Government also released loans to 13 institutions amounting to ₹434 crore whose previous loan repayments are in arrears.

It was also observed that State Government released 81 loans to 19 institutions amounting to ₹84.55 crore during the period from 1991-92 to 2005-06, without specifying the terms and conditions for repayment. In order to provide a true and fair picture of the State Government accounts, Government needs to reduce the arrears in recovery of loans released.

1.8.3 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 1.24**.

Table 1.24: Cash balances and Investment of cash balances (₹ in crore)

Particulars	As on 31 March 2016	As on 31 March 2017	Increase(+)/ Decrease(-)
(a) General Cash balances			
Cash in Treasuries and other banks	5.43	37.23	31.80
Deposit with Reserve Bank	(-)45.88	(-)91.73	(-)45.85
Remittances in transit -Local	1.07	6.80	5.73
Total (a)	(-) 39.38	(-) 47.70	(-) 8.32
(b) Investments from cash balances			
GoI Treasury Bills	1,631.60	1,939.35	(+) 307.75
GoI Securities	5.15	5.15	-
Total (b)	1,636.75	1,944.50	(+)307.75
(c) Investments in earmarked funds			
Reserve funds not bearing interest	1,630.37	1,751.94	(+)121.57
Total (c)	1,630.37	1,751.94	(+)121.57

Particulars	As on 31 March 2016	As on 31 March 2017	Increase(+)/ Decrease(-)
(d) Departmental cash balances including Permanent advances	1.65	1.59	(-)0.06
Total Cash Balance - (a) to (d)	3,229.39	3,650.33	(+)420.94
Interest realised during the year on investment of cash balances	40.85	78.32	37.47

Source: Finance Accounts of the State Government

Table 1.24 shows that cash balance of the State, at the end of March 2017, increased by ₹420.94 crore compared to the closing balance at the end of March 2016. This was due to the increase in investments under GoI Treasury Bills (₹307.75 crore) and investments in earmarked funds (₹121.57 crore). The interest realised on investment of cash balance also increased by ₹37.47 crore, compared to the previous year.

1.8.3.1 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediary accounting head for initial recording 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 un-encashed cheques.

As on 31 March 2017, there was an outstanding balance (cumulative) of ₹755.37 crore. This represents expenditure originally booked under different major heads of Consolidated Fund, which did not result in any cash outflow till the end of March 2017.

During the audit of treasuries, AG (A&E) observed that 70 pay order cheques (drawn between March 2010 and November 2016) for ₹96.68 lakh in 16 treasuries remained un-encashed. Since these cheques remained un-encashed, the amount booked against these cheques in Consolidated Fund will over-state the expenditure till it is encashed.

1.9 Assets and Liabilities

1.9.1 Growth and composition of assets and liabilities

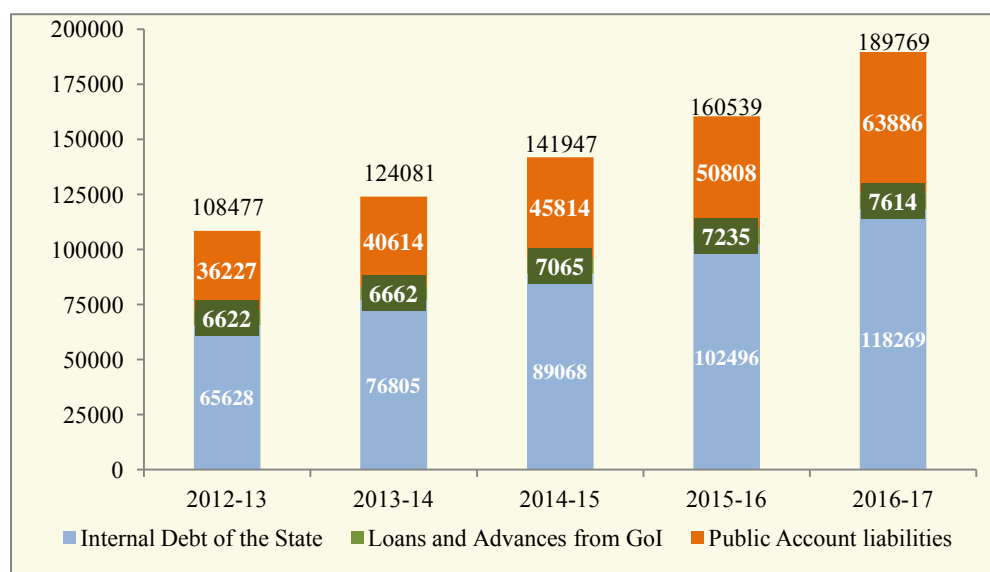
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4 Part B** gives an abstract of such liabilities and assets as on 31 March 2017, compared with the corresponding position as on 31 March 2016. 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 of the capital outlay and loans and advances given by the State Government and its cash balances.

1.9.2 Fiscal liabilities

The trends of outstanding fiscal liabilities of the State are presented in **Appendix 1.5**. The composition of fiscal liabilities during the last five years are presented in **Chart 1.11**.

Chart 1.11: Composition of Fiscal Liabilities (₹ in crore)



The overall fiscal liabilities of the State increased from ₹1,08,477 crore in 2012-13 to ₹1,89,769 crore in 2016-17, thus, recording an increase of 75 per cent during the five year period. During the period from 2012-13 to 2015-16 the growth rate of fiscal liabilities was steadily declining (declined from 16.5 per cent in 2012-13 to 13.1 per cent in 2015-16), but it increased to 18.2 per cent in 2016-17. Incidentally, it was much higher than the growth rate of GSDP (11.37 per cent), which is a matter of concern.

Fiscal liabilities of the State comprised of Consolidated Fund liabilities and Public Account liabilities. Consolidated Fund liabilities (₹1,25,883 crore) comprised of Market Loans (₹99,532 crore), Loans from the Government of India (₹7,614 crore) and Other Loans (₹18,737 crore). The Public Account liabilities (₹63,886 crore) comprised of liabilities under Small Savings, Provident Funds, etc., (₹60,571 crore)⁹, interest bearing obligations (₹118 crore) and non-interest bearing obligations like Deposits and other earmarked funds (₹3,197 crore).

The overall liabilities of the State include balance under Reserve Funds amounting to ₹2,174.28 crore (as on 31 March 2017). The details in respect of two of the reserve funds are given in succeeding paragraphs:

⁹ This includes liabilities under Savings Bank Deposits (₹15,535 crore) and Fixed and Time Deposits (₹15,341 crore).

(a) State Disaster Response Fund

The State Disaster Response Fund (SDRF) was set up on 1 April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year, there was ₹72.52 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2016-17 (fixed by the Fourteenth Finance Commission) was ₹194 crore, 75 per cent (₹145.5 crore) of which was to be contributed by the Central Government and 25 per cent (₹48.5 crore) by the State Government. During the year, an amount of ₹194 crore was credited to the Fund. After setting off the expenditure for disaster relief operations to the extent of ₹150.66 crore, the balance in SDRF as on 31 March 2017 was ₹115.86 crore.

According to the guidelines issued by the Government of India, SDRF shall be kept in the Public Account of the State on which the State should pay interest to the Fund at the rate applicable to overdrafts under the Overdrafts Regulation Scheme of RBI. This was not done and also interest payable on the un-invested balances of the earlier years was also not estimated by the Government and credited to the Fund so far (December 2017). Non-transfer of interest amount resulted in under-statement of revenue expenditure and also reduced balance under SDRF.

(b) Consolidated Sinking Fund

The State Government set up a Consolidated Sinking Fund with effect 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 0.50 per cent of the outstanding liabilities at the end of the previous year. According to this, the State Government had to contribute ₹802.69 crore during 2016-17 to the Consolidated Sinking Fund. However, the State Government did not contribute any amount to the Fund, during the current year. Non-contribution resulted in under-statement of revenue expenditure and also reduced reserve fund for future amortization of loan liability.

As per the guidelines of the fund, the balance at credit of the Fund is required to be invested in the Government of India Securities. During the year, an amount of ₹121.57 crore was received as interest from the investment made out of the fund. At the beginning of the year, ₹1,615.81 crore was available and with the interest received on investment, the outstanding balance at the end of year was ₹1,737.38 crore.

1.9.3 Status of guarantees – contingent liabilities

Guarantees are contingent liabilities 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 (Amendment) Act, 2015¹⁰ 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 ₹21,000 crore. The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2012-13 are given in **Table 1.25**.

Table 1.25: Guarantees given by the Government of Kerala (₹ in crore)

Guarantees	2012-13	2013-14	2014-15	2015-16	2016-17
Maximum amount guaranteed	11,482.25	12,275.21	13,123.30	13,712.77	20,204.10
Outstanding amount of guarantees	9,099.50	9,763.36	11,126.87	12,438.52	16,245.56
Percentage of maximum amount guaranteed to total revenue receipts	26	25	23	20	27
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	21,000	21,000

Source: Finance Accounts of the State Government

The above table shows that there was steady increase in the outstanding guarantees at the end of each of last five years and it increased from ₹9,099.50 crore in 2012-13 to ₹16,245.56 crore in 2016-17. As a percentage of revenue receipts, the guaranteed amount showed steady decline from 26 per cent in 2012-13 to 20 per cent in 2015-16, but it increased to 27 per cent in 2016-17.

As per Section 6 of the Act, the Government has 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 was not constituted and consequently, guarantee commission of ₹854.08 crore collected during 2003-04 to 2016-17 was not 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. Non-constitution of Guarantee Redemption Fund resulted in under-statement of revenue expenditure to that extent.

During the year, an amount of ₹101.30 crore was received as guarantee commission and as of March 2017, ₹120.03 crore was due as arrears in this regard.

¹⁰ Kerala Ceiling on Government Guarantees Act, 2003 was amended in 2015 and ceiling on outstanding Government guarantee at the end of the year was revised from ₹14,000 crore to ₹21,000 crore.

1.10 Debt Management

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section analyses sustainability of overall debt liability of the State Government in terms of growth rate of debt and GSDP, Debt-GSDP ratio, Debt-RR ratio, impact of growing debt on interest payments, etc. These indicators for the last five years are given in **Table 1.26**.

Table 1.26: fiscal liability sustainability: indicators and trends (₹ in crore)

Indicators of Debt Sustainability	2012-13	2013-14	2014-15	2015-16	2016-17
Outstanding Debt of the State	1,08,477	1,24,081	1,41,947	1,60,539	1,89,769
Growth rate of Debt	16.48	14.38	14.40	13.10	18.21
Gross State Domestic Product(GSDP)	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Growth rate of GSDP	13.26	12.79	13.11	11.85	11.37
Debt-GSDP ratio (<i>per cent</i>)	26.31	26.68	26.99	27.29	28.96
Debt-Revenue Receipt ratio	2.46	2.52	2.45	2.33	2.51
Average interest ¹¹ paid on outstanding debt	7.15	7.11	7.35	7.35	6.92
Percentage of interest paid on revenue Receipt	16.32	16.81	16.86	16.10	16.03
Per capita debt of the State	32,478	37,150	42,499	45,095	53,008

Source: Finance Accounts of respective years

Table 1.26 showed a decreasing trend in growth rate of debt from 2012-13 to 2015-16, but it increased to 18.21 *per cent* in 2016-17.

The adjoining States of Tamil Nadu and Karnataka had Debt-GSDP ratio of 21.82 and 19.81 *per cent* respectively but that of Kerala was increasing. During the last five years, it increased from 26.31 *per cent* in 2012-13 to 28.96 *per cent* in 2016-17, which is worrisome. Moreover, the per capita debt of Kerala for the year 2016-17 (₹53,008) was higher as compared to Tamil Nadu (₹39,305) and Karnataka (₹36,222).

Interest payments as a percentage of revenue receipt showed a decreasing trend during the last two years, which indicated that State's interest liability was not growing with increase in debt liability.

1.10.1 Public Debt management

Public debt of the State comprises of debt raised from internal sources as well as loans and advances received from Government of India. Over the years, loans raised from open market has been the main source for the State Government to meet its fiscal needs. Loans raised by the State Government during the last five

¹¹ Average interest rate = Interest paid/average of opening and closing balance of debt for the year

years, repayments made with interest and net amount available from the resources are given in **Table 1.27**.

Table 1.27: Net resources available in Public Debt (₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Public Debt					
Internal Debt					
Open Market Borrowings	11,583	12,800	13,200	15,000	17,300
Loans from Financial Institutions	410	501	552	600	828
Special securities issued to NSSF	630	565	1,132	1,455	1,861
Others	86	84	222	87	86
Total Internal Debt	12,709	13,950	15,106	17,142	20,075
Loans and Advances from GOI	552	392	752	531	852
Total Public Debt Receipts	13,261	14,342	15,858	17,673	20,927
Total Public Debt Payments	2,804	3,126	3,191	4,075	4,775
Total interest paid on Public Debt	5,255	6,151	7,301	8,358	9,416
Net Debt available	5,202	5,065	5,366	5,240	6,736

Source: Finance Accounts of respective years

Table 1.27 shows that though the total public debt receipt increased from ₹13,261 crore in 2012-13 to ₹20,927 crore in 2016-17, there was not much increase in the net debt available with the State for its development activities. Also, during 2016-17, almost 68 per cent of the loans raised by the State Government was utilised for servicing debt, since the State had no surplus revenue to meet this liability. Status of State's non-debt receipt against total expenditure in last five years is given in **Table 1.28**.

Table 1.28: Incremental non-debt receipts and total expenditure (₹ in crore)

Year	Non-Debt Receipt	Growth compared to last year	Total Expenditure	Growth compared to last year	Resource Gap
2012-13	44,226	6,145	59,228	8,332	-2,187
2013-14	49,300	5,074	66,244	7,016	-1,942
2014-15	58,102	8,802	76,744	10,500	-1,698
2015-16	69,214	11,112	87,032	10,288	824
2016-17	75,934	6,720	1,02,382	15,350	-8,630

Source: Finance Accounts of respective years

The resource gap (gap between incremental non-debt receipts and incremental total expenditure) was negative from 2012-13 to 2016-17, except in 2015-16 which indicated that incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden. Though the resource gap decreased from 2012-13 to 2015-16, it increased considerably in 2016-17.

Table 1.29: Maturity profile of Public Debt (₹in crore)

Debt maturing	2012-13	2013-14	2014-15	2015-16	2016-17
Upto one year	2,569.25 (3.56)	2,674.90 (3.21)	3,289.26 (3.42)	3,751.61 (3.42)	5,682.54 (4.51)
One to three years	5,791.05 (8.01)	6,829.83 (8.18)	9,139.85 (9.51)	12,243.13 (11.16)	13,331.80 (10.59)
Three to five years	9,100.72 (12.60)	12,058.34 (14.45)	13,265.26 (13.80)	13,284.34 (12.11)	16,677.73 (13.25)
Five to seven years	13,181.39 (18.24)	13,165.08 (15.77)	16,667.64 (17.34)	22,808.05 (20.78)	26,786.58 (21.28)
Seven years and above	36,932.83 (51.12)	44,048.78 (52.77)	48,958.69 (50.93)	52,857.95 (48.17)	58,456.21 (46.44)
Maturity profile details not furnished by State Government	4,674.95 (6.47)	4,689.63 (5.62)	4,812.26 (5.00)	4,785.90 (4.36)	4,948.00 (3.93)

Source: Finance Accounts of respective years

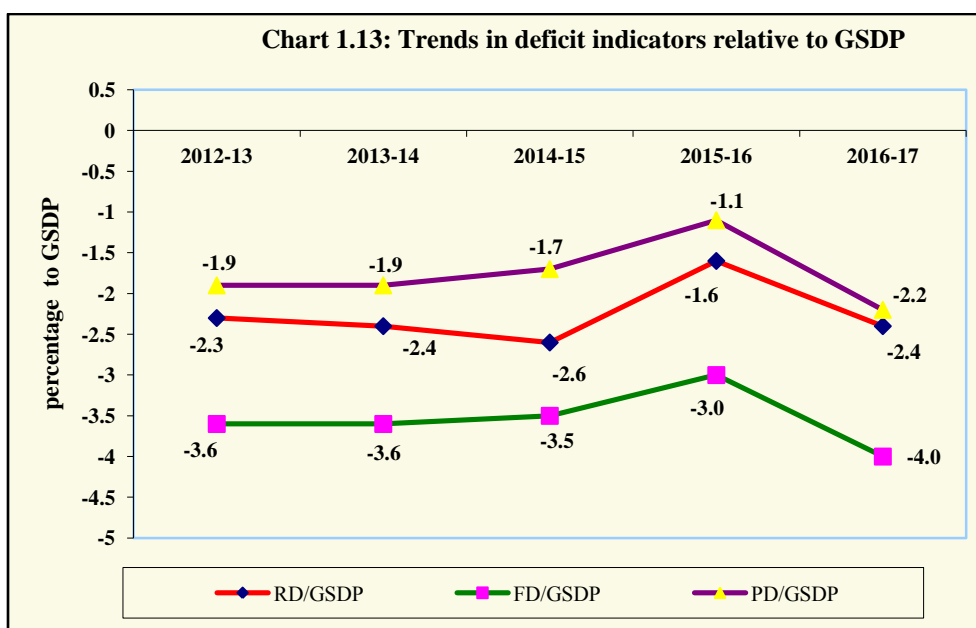
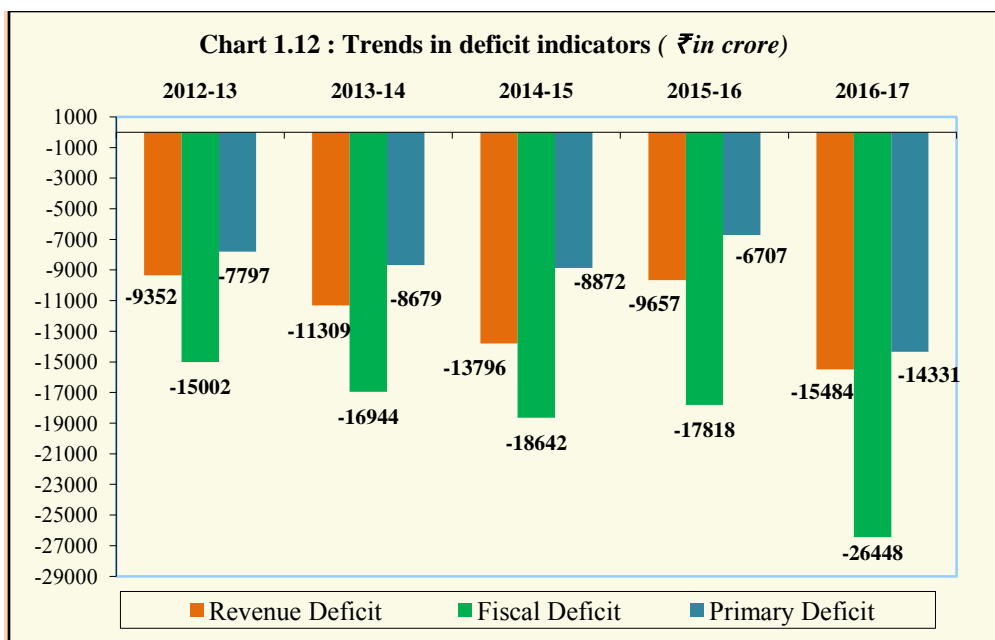
The debt maturity profile of the State given in the **Table 1.29** shows that 28.35 per cent of the debt amounting to ₹35,692.07 crore has to be repaid within five years. Also about 50 per cent (₹62,478.65 crore) of the debt has to be repaid by March 2024 (within seven years). Steep increase in State Government's open market borrowings occurred from 2007-08 onwards and this will have adverse impact on State finances from 2017-18 onwards. State Government has to ensure additional revenue resources and well thought out debt strategy to meet this debt burden.

1.11 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 2016-17.

1.11.1 Trends in deficits

Charts 1.12 and **1.13** present the trends in deficit indicators over the period 2012-17.



The revenue deficit of the State, which indicates the excess of its revenue expenditure over revenue receipts, increased steadily since 2012-17 (except during 2015-16) indicating increased growth of revenue expenditure over revenue receipts. Based on the recommendations of Fourteenth Finance Commission, during 2016-17, GoI released an amount of ₹3,350 crore as Post Devolution Revenue Deficit Grant. However, revenue deficit increased from ₹9,657 crore in 2015-16 to ₹15,484 crore in 2016-17. This indicates that State Government could not control revenue deficit even after receipt of substantial assistance from GoI.

The fiscal deficit, which represents the total borrowings of the Government increased during the last five years (except during 2015-16). It increased from

₹15,002 crore in 2012-13 to ₹18,642 crore in 2014-15, but reduced to ₹17,818 crore in 2015-16 due to receipt of Post Devolution Revenue Deficit Grant. However, fiscal deficit increased to ₹26,448 crore in 2016-17, even after receipt of ₹3,350 crore as Post Devolution Revenue Deficit Grant. Primary deficit also increased considerably during the five years period from ₹7,797 crore in 2012-13 to ₹14,331 crore in 2016-17.

As a proportion of GSDP, primary, revenue and fiscal deficits were lowest during 2015-16, but increased during 2016-17 due to increased growth of expenditure with respect to revenue receipt. Consequently, none of the target set in Medium Term Fiscal Plan (**Appendix 1.3**) could be achieved.

1.11.2 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 1.30**. Receipts and disbursements under the components of financing the fiscal deficit during 2016-17 are given in **Table 1.31**.

Table 1.30: Components of fiscal deficit and its financing pattern (₹ in crore)

Particulars		2012-13	2013-14	2014-15	2015-16	2016-17
Decomposition of fiscal deficit						
1.	Revenue deficit	9,352	11,309	13,796	9,657	15,484
2.	Net capital expenditure	4,588	4,275	4,227	7,472	10,096
3.	Net loans and advances	1,062	1,360	619	689	868
Total fiscal deficit		15,002	16,944	18,642	17,818	26,448
Financing pattern of fiscal deficit*						
1.	Market borrowings	10,571	11,373	11,777	12,886	14,686
2.	Loans from Government of India	226	40	402	169	379
3.	Special Securities Issued to National Small Savings Fund	32	(-)42	525	731	972
4.	Loans from Financial Institutions	(-)118	(-)77	(-)69	(-)64	107
5.	Small Savings, PF, etc.	3,686	4,231	3,765	8,332	12,932
6.	Deposits and Advances	1,141	188	1,365	(-)3,280	105
7.	Suspense and Miscellaneous	712	(-)946	58	774	(-)2,169
8.	Remittances	31	(-)168	26	(-)93	(-) 313
9.	Others	(-)379	(-)68	164	(-)59	170
10.	Total (1 to 9)	15,902	14,531	18,013	19,396	26,869
11.	Increase (-)/Decrease (+) in Cash Balance	(-)900	2,413	629	(-)1,578	(-) 421
12.	Overall deficit	15,002	16,944	18,642	17,818	26,448

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

Source: Finance Accounts of respective years

Table 1.31: Receipts and disbursements under components financing the fiscal deficit during 2016-17 (₹ in crore)

Sl. No.	Particulars	Receipt	Disbursement	Net
1.	Market borrowings	17,300	2,614	14,686
2.	Loans from Government of India	852	473	379
3.	Special Securities Issued to National Small Savings Fund	1,861	889	972
4.	Loans from Financial Institutions	828	721	107
5.	Small Savings, PF, etc.	61,708	48,776	12,932
6.	Deposits and Advances	3,286	3,181	105
7.	Suspense and Miscellaneous	1,21,717	1,23,886	(-)2,169
8.	Remittances	3,587	3,900	(-) 313
9.	Others	415	245	170
10.	Total (1 to 9)	2,11,554	1,84,685	26,869
11.	Increase (-)/Decrease (+) in Cash Balance	3,229	3,650	(-) 421
12.	Overall deficit			26,448

Source: Finance Accounts of the State Government

Table 1.30 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 of the State Government to finance the fiscal deficit. During 2016-17, net market borrowings (₹14,686 crore) and net accretions in Small savings, PF, etc., (₹12,932 crore) were used for financing the fiscal deficit of the State.

During 2016-17, the State Government raised ₹17,300 crore as market loans at a weighted average interest rate of 7.58 *per cent*, loans amounting to ₹827.89 crore from NABARD at an interest rate of 5.25 *per cent* to 5.50 *per cent*, ₹1,861.22 crore from National Small Savings Fund at an interest rate of 9.50 *per cent* and ₹47.79 crore from NCDC at an interest rate of 10.61 *per cent*. The State Government also received loans amounting to ₹852.14 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 mobilised deposits from its employees, pensioners, institutions and general public through treasuries. During 2016-17, the State Government received ₹41,495.18 crore as deposits through Treasury Saving Bank accounts at an average interest rate of five *per cent* and ₹12,233.61 crore as Treasury Fixed Deposits at interest rates ranging between 7.50 *per cent* and 9.50 *per cent*. The balance of such deposits as on 31 March 2017 was ₹30,876.64 crore. This is ₹9,361.60 crore more than the previous year's balance. The above increased accumulation also resulted in non-achievement of fiscal liability-GSDP ratio set for the year.

1.11.3 Quality of deficit

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 1.32**) indicates the extent to which the deficit was increased on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.32: 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 (-)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2012-13	44,226	46,284	4,603	1,136	52,023	(-) 2,058	(-) 7,797
2013-14	49,300	52,221	4,294	1,464	57,979	(-) 2,921	(-) 8,679
2014-15	58,102	61,976	4,255	743	66,974	(-) 3,874	(-) 8,872
2015-16	69,214	67,579	7,500	842	75,921	1,635	(-) 6,707
2016-17	75,934	78,979	10,126	1,160	90,265	(-) 3,045	(-) 14,331

Source: Finance Accounts of respective years

The bifurcation of the factors leading to primary deficit of the State revealed that during 2012-13 to 2016-17, non-debt receipts (NDR) of the State were not enough to meet the primary revenue expenditure¹² of the State (except during 2015-16). Though the position showed an improving trend from 2012-13 to 2015-16, it worsened during 2016-17. Government had to depend on borrowed funds even for meeting primary expenditure during 2016-17.

1.12 Management of loans raised from financial institutions

1.12.1 Introduction

Article 293 (1) of the Constitution of India empowers State Governments to borrow, within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may be fixed from time to time. Using such powers, State Government raise loans from financial institutions like National Bank for Agriculture and Rural Development (NABARD), Life Insurance Corporation of India (LIC), National Co-operative Development Corporation (NCDC), General Insurance Corporation (GIC), Housing and Urban Development Corporation (HUDCO), etc., for supporting the plan programme of the State. The departmental officers are responsible for maintaining the records relating to scheme-wise borrowings and arranging prompt repayment of principal and interest thereon.

The records relating to loans raised from Life Insurance Corporation of India, General Insurance Corporation, National Co-operative Development Corporation

¹² Primary revenue expenditure represents revenue expenditure less expenditure on interest.

and National Bank for Agriculture and Rural Development are being maintained by Finance Department and loan raised from Housing and Urban Development Corporation is being maintained by Director of Scheduled Tribes Development Department (STDD). Audit was conducted covering the period from 2012-13 to 2016-17 in Finance Department and Directorate of Scheduled Tribes Development to assess whether:

- the accounting of the loans was correctly done; and
- the loans raised were released to implementing department/agency through budget for intended purposes.

During the last five years (2012-17) the State Government raised an amount of ₹3454.40 crore from three¹³ financial institutions and ₹3264.33 crore was outstanding¹⁴ at the end of March 2017. Records of the Finance Department, STDD and financial institutions were test-checked in audit and noticed some deficiencies in accounting of the receipts as well as repayments, which are discussed in the succeeding paragraphs.

Audit observations

1.12.2 Discrepancies in the accounting of loans

1.12.2.1 Loan account of National Co-operative Development Corporation

Accounting of the loans availed from NCDC is the responsibility of Finance Department of the State Government and audit observed a difference of ₹45.03 crore between the books of NCDC (₹250.35 crore) and Finance Accounts (₹295.38 crore) at the end of March 2017. Reasons for this difference was analysed in audit as detailed below:

- Loans raised from NCDC coming under Credit Linked Capital investment subsidy scheme (Central Sector Scheme) comprises of loan as well as subsidy amount. As the subsidy is back-ended¹⁵, it shall be initially provided as interest free loan, which shall be converted into subsidy after the entire term loan (excluding subsidy) is repaid along with interest and on fulfilment of all the norms, guidelines and conditions laid down under the scheme. Since the initial accounting of loan and subsidy was done under the loan head of account '6003-108', Finance Department has to propose for transfer of the subsidy amount and based on this, Accountant General (A&E) has to carry out account adjustment. Test-check of 17 out of 50¹⁶ subsidy linked loans (loan amount ₹8.25 crore and subsidy: ₹0.68 crore) revealed that Finance department did not propose account adjustment for the subsidy portion of ₹0.68 crore. Consequently, it remained unadjusted in the loan account.

¹³ NCDC: ₹478.86 crore, NABARD: ₹2890.54 crore and HUDCO: ₹85 crore.

¹⁴ NCDC: ₹295.38 crore, NABARD: ₹2883.95 crore and HUDCO: ₹85 crore.

¹⁵ Subsidy portion is the last component of the amount availed and benefit of it would be available only if loan portion was repaid as per the terms and conditions.

¹⁶ Loans completely repaid during audit period.

- Loans sanctioned by NCDC are directly transferred to the current account of the State Government maintained in the State Bank of Travancore (now State Bank of India) and Finance Department had to withdraw and remit it to the State Treasury for accounting under Government accounts. Loan amount of ₹0.46 crore credited in the bank account of the State on 8 January 2015 was transferred to Government account (6003-108) on 9 January 2015 by the Finance Department. However, Finance Department repeated this action again on 14 January 2015 without the receipt of any amount from NCDC, which led to overstatement of loan balance in Government account to the tune of ₹0.46 crore.

It was observed that ₹21.38 crore related to subsidy amount in respect of loans released during 2012-17, which would be due for transfer between 2020 and 2025. The remaining difference (₹22.51 crore¹⁷) needs to be reconciled by the Finance department. The matter was referred to Government in October 2017 and reply was awaited (January 2018).

1.12.2.2 Loan account of Housing and Urban Development Corporation

During the year 2014-15, State Government permitted the Director of Scheduled Tribes Development Department to avail ₹135 crore from HUDCO as loan for the housing scheme of homeless tribes and HUDCO released the loan in three instalments. The first instalment of ₹50 crore was released in March 2015 by demand draft and the same was credited to the Treasury Savings Bank Account of the Director without routing through Government accounts. Consequently, the loan balance of the State was understated by ₹50 crore in Finance Accounts. Even after two years, no effort was made to rectify the mistake though repeatedly pointed out by Accountant General (A&E/Audit).

Finance Department replied (November 2017) that sanction was accorded for effecting the account adjustment and action was being taken to allocate sufficient budget provision in the ensuing Supplementary Demands for Grants.

1.12.3 Deficiencies noticed in payment of interest on loans

1.12.3.1 National Co-operative Development Corporation loan

In May 2012, State Government sought details of outstanding loans from NCDC for pre-closure of loans and NCDC informed that pre-closure of outstanding loans (in the case of credit linked subsidy schemes) would entail refund of the subsidy assistance by State Government. When Government pre-closed outstanding loan of ₹152.56 crore, which had interest rate above 10.25 per cent on 5 November 2012, NCDC requested (November 2012) the State Government to refund the subsidy amount of ₹4.09 crore related to the projects for which funds were released. Subsequently, the State Government informed (December 2012) NCDC that the pre-payment of loans in respect of subsidy linked schemes (₹19.05 crore out of ₹152.56 crore) was not intended and informed their willingness to re-avail loan on the schemes for which advance refund was made on the existing terms

¹⁷ ₹22.51 crore = ₹45.03 crore – (₹21.38 crore + ₹0.46 crore + ₹0.68 crore).

and conditions. Consequently, NCDC further released the subsidy linked loan amounting to ₹19.05 crore on 13 February 2013. In November 2013, Finance Department made an avoidable payment of ₹61.21 lakh as interest to NCDC for the intervening period (5 November 2012 to 13 February 2013). The matter was referred to Government in October 2017 and reply was awaited (January 2018).

1.12.3.2 Housing and Urban Development Corporation loan

HUDCO released loan amount of ₹97.25 crore in two instalments (March 2015 and January 2016) to the Director of Scheduled Tribes Development and the due date for payment of interest was fixed as the last dates of February, May, August and November of every year. For belated payments, HUDCO charges compound interest and penal interest @ 8.75/9.25 per cent and 3 per cent respectively. Director of ST Development was effecting interest payments based on the demand sent by HUDCO and made 10 quarterly interest payments till June 2017 and it was observed that nine out of 10 payments were made belatedly and this attracted compound interest and penal interest as detailed in **Appendix 1.8**. Consequently, an additional burden of ₹5.07 lakh was to be borne by the State Government for the total delay of 133 days, which occurred during the period from May 2015 to June 2017. The department did not ensure budgetary allocation for arranging payment of interest on due dates, which led to delayed payment to HUDCO and additional expenditure to the State Government.

Audit further noticed that HUDCO demanded excess penal and compound interest due to wrong depiction of date of actual payment. Non-verification of demands raised by HUDCO at department level resulted in excess payment of ₹ 25,580 towards compound and penal interest for 11 days out of ₹ 5,07,088.

Finance Department replied (November 2017) that the lapse was due to administrative failure and that necessary directions have since been issued to the Administrative Department to take urgent action for avoiding similar instances in future.

1.12.4 Non/delayed utilisation of loans raised

In order to have optimum benefit of the loan availed, Finance Department has to transfer the funds to Government account (from the current account of the agency bank) immediately and release it to needy department for implementation of the scheme. However, delay ranging from one to ten months was noticed in transfer of nine NCDC loans amounting to ₹3.21 crore availed during 2013-16. Consequently, utilisation of funds for intended purposes was also delayed to that extent.

As part of modernisation of four textile mills, NCDC approved (₹154.49 crore) the proposals of the State Government and released an amount of ₹86.88 crore in two instalments (March 2015 and July 2015), based on the State's request to release the loan, promoter contribution and subsidy portion of the amount sanctioned by NCDC as advance to the textile mills. NCDC released this advance with the condition that the same should be provided to the spinning mills within one month of the receipt of the same. However, even after two years, Industries

Department released only ₹55.36 crore to beneficiary mills (that too with a delay of 8 to 24 months) and ₹31.52 crore (36 per cent) remained unutilised and blocked up with Government as on September 2017. The Director of Handloom and Textiles replied that the funds were released as per budget provision available in each year and in accordance with the release order of Government of Kerala. However, Government should have ensured timely budgeting and release of funds as the funds were obtained based on State Government's specific request.

Out of ₹135 crore released by HUDCO, State Government did not release ₹37.75 crore to STDD. Out of ₹97.25 crore available with STDD, ₹12.46 crore remained blocked in Special Treasury Savings Bank account as of July 2017. This matter was referred to Government in October 2017 and reply was awaited (January 2018).

1.13 Conclusion and Recommendations

Fiscal position of the State

In 2016-17, fiscal position of the State deteriorated as compared to 2015-16 in terms of three key fiscal parameters viz., revenue, fiscal and primary deficits, which were at the higher side during 2016-17. Revenue deficit increased from ₹9,657 crore in 2015-16 to ₹15,484 crore in 2016-17 and fiscal deficit increased from ₹17,818 crore in 2015-16 to ₹26,448 crore in 2016-17. State did not achieve any of the targets fixed in its Medium Term Fiscal Plan. During the year, revenue receipts were insufficient to meet its non-plan revenue expenditure, indicating insufficiency of revenue receipts for routine expenditure of the State. Incremental non-debt receipts during the year were inadequate to finance incremental primary expenditure and incremental interest burden, which indicated inadequacy of resources to meet primary expenditure. As per the recommendation of the Fourteenth Finance Commission, Fiscal deficit to GSDP ratio was to be anchored at 3 per cent but it was 4 per cent during 2016-17 indicating increased growth of expenditure with respect to the growth of GSDP.

State Government needs to control the fiscal deficit to make it eligible for benefits recommended in Fourteenth Finance Commission Report.

Revenue resources

Revenue receipts of the State increased from ₹44,137 crore in 2012-13 to ₹75,612 crore in 2016-17, recording a growth of 71 per cent during last five years. However, revenue receipt recorded lowest growth rate of 9.53 per cent in 2016-17. State's own tax revenue, being the main source of revenue in revenue receipts also recorded lowest growth rate (8.16 per cent) in 2016-17. Though, State's share of Union taxes and duties and Grants-in-aid from GoI doubled during last five years, there was considerable reduction in grant released for State plan schemes and Central plan schemes. Receipts from State Lotteries was the main source of non-tax revenue and it was more than 75 per cent during 2016-17.

Government needs to address the decreasing trend in growth of its own tax revenue and measures should be taken to improve the same.

Revenue Expenditure

Revenue Expenditure of the State increased from ₹78,690 crore in 2015-16 to ₹91,096 crore in 2016-17 recording a growth of 15.77 *per cent* over the previous year. Though Plan and Non-plan Revenue expenditure were increasing, revenue expenditure as a percentage of total expenditure showed a declining trend during the last two years which indicated shifting of Government's priority towards capital expenditure. As in the previous year, share of committed expenditure in revenue expenditure was 63 *per cent* and it consumed more than 76 *per cent* of the revenue receipt. When interest payments showed a reduced growth rate compared to previous year, pension payments showed increased growth rate. Interest payments and pension payments consumed 16 *per cent* and 20 *per cent* respectively of revenue receipts and is a matter of concern for the State Government.

Quality of expenditure

Though share of capital expenditure in total expenditure increased during last two years, it was on the lower side compared to General Category States in 2016-17. State's share of expenditure on health and education sector in total expenditure was more than General Category States, but the share of capital expenditure and development expenditure in total expenditure was less than that of General Category States. Though the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives, average return on these investments was 1.35 *per cent* in the last five years while the Government paid an average interest rate of 7.18 *per cent* on its borrowings during 2012-13 to 2016-17. The interest receipt on loans and advances given by State Government was 0.22 *per cent* during 2016-17 against the average cost of borrowing of 6.92 *per cent*. At the end of the year, 83 institutions defaulted in repayment of loans advanced to them and arrears in respect of this was ₹10,579 crore (Principal: ₹6,656 crore and Interest: ₹3,923 crore).

State needs to improve its expenditure on Capital section to match the status of General Category States. Also steps should be taken to reduce arrears in repayment of loan.

Reserve Funds and liabilities

Consolidated Sinking Fund was constituted with the aim to amortize the outstanding liabilities of Government, but Government did not contribute to the fund. Similarly, Government has to constitute a Guarantee Redemption Fund for crediting guarantee commission collected for meeting future liability arising out of guarantees given by the Government. Guarantee Redemption Fund has not been constituted so far and guarantee commission of ₹854.08 crore collected during 2003-04 to 2016-17 was not credited to the Fund. State Disaster Response Fund had accumulated balance of ₹115.86 crore by the end of March 2017. As per the guidelines, Government has to credit interest at the rate applicable to

overdrafts under the Overdraft Regulation Scheme of RBI. This was not done and also interest payable on the un-invested balances of the earlier years was not estimated by the Government.

Steps should be taken to credit the interest payable to State Disaster Response Fund without further delay.

Debt Management

As per the recommendations of Fourteenth Finance Commission Debt-GSDP ratio has to be less than 25, but during the last five years it showed an increasing trend (from 26.31 in 2012-13) and it was 28.96 in 2016-17 due to disproportionate growth of debt with respect to GSDP. Almost 68 *per cent* of the loans raised during 2016-17 was used for servicing the debt. Maturity profile of the State showed that 28.35 *per cent* of the debt amounting to ₹35,692.07 crore has to be repaid within five years and about 50 *per cent* (₹62,478.65 crore) by March 2024 (within seven years).

Management of loans raised from financial institutions

State Government has been raising loans from financial institutions and it is the responsibility of departmental officers to arrange for prompt re-payment of loans and to maintain the records relating to receipt and repayment of loans. Absence of proper accounting system and monitoring of receipt and repayment of NCDC loan resulted in accumulation of subsidy portion in loan head of account. Negligence of Finance Department resulted in avoidable payment of ₹61.21 lakh as interest to NCDC on non-existent loans.

First instalment of ₹50 crore received during 2014-15, for the housing scheme to homeless tribes was omitted to be reckoned under Government accounts for the last two years. Laxity on the part of Scheduled Tribes Development Department resulted in avoidable payment of compound and penal interest amounting to ₹5.07 lakh during 2015-2017.

Finance Department should introduce a comprehensive accounting system for NCDC loans and prepare repayment schedules to avoid excess payments and timely transfer of subsidy portion to revenue account.

Scheduled Tribes Development Department may ensure budgetary allocation at the beginning of the year to avoid payment of compound and penal interest.

CHAPTER II

**FINANCIAL MANAGEMENT
AND
BUDGETARY CONTROL**

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 charged Appropriations 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 whether the expenditure required to be charged under the provisions of the Constitution is so charged. It also seeks to ascertain whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions on the subject.

2.1.3 As per the Kerala Budget Manual, the Finance Department is responsible for the 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 foresight in anticipating revenue and 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 it should not be over or under expenditure. 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 are discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2016-17 against 47 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	Savings	Percentage of Savings
Voted						
I Revenue	85,217.75	5,577.28	90,795.03	79,959.15	10,835.88	11.93
II Capital	9,501.00	3,311.62	12,812.62	10,245.70	2,566.92	20.03
III Loans and Advances	740.58	535.32	1,275.90	1,160.30	115.60	9.06
Total Voted	95,459.33	9,424.22	1,04,883.55	91,365.15	13,518.40	12.89
Charged						
IV Revenue	13,062.58	28.87	13,091.45	12,461.29	630.16	4.81
V Capital	96.81	11.42	108.23	65.26	42.97	39.70
VI Public Debt Repayment	13,974.78	0.00	13,974.78	7,706.01	6,268.77	44.86
Total Charged	27,134.17	40.29	27,174.46	20,232.56	6,941.89	25.55
Appropriation to Contingency Fund (if any)	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total	1,22,593.50	9,464.50	1,32,058.00	1,11,597.71	20,460.29	15.49

Source: Appropriation Accounts 2016-17 and Appropriation Acts

The overall savings of ₹20,460.29 crore was the result of savings of ₹20,601.46 crore in 38 Grants and 26 Appropriations under the Revenue Section and 27 Grants and six Appropriations under the Capital Section (**Appendix 2.1**), offset by excess of ₹141.17 crore in six Grants under the Revenue Section and two Grants under Capital section. Though overall savings decreased (5.13 per cent) from 20.62 per cent in the last year to 15.49 per cent in 2016-17, deficiencies persisted in estimating budgetary requirements with respect to a few grants (**Table 2.6**).

Audit further analysed utilisation of budget allocation under voted category in revenue and capital sections separately and observed that in 20 Grants (each having savings exceeding ₹100 crore) budget allocation of ₹13,467.57 crore remained unutilised in plan and non-plan category as detailed in **Table 2.2**.

Table 2.2: Savings under Plan and Non-plan category (₹ in crore)

Category	No. of Grants	Original Budget	Supplementary	Final Expenditure	Savings
Revenue-Plan	7	12,117.60	2,617.04	10,048.42	4,686.22
Revenue-Non-Plan	6	41,114.82	1,465.41	36,484.36	6,095.87
Capital-Plan	6	4,466.82	1,853.75	4,306.52	2,014.05
Capital-Non-plan	1	1,008.18	150.00	486.75	671.43
Total	20	58,707.42	6,086.20	51,326.05	13,467.57

Source: Appropriation Accounts 2016-17

Grant-wise details for the above information are given in **Appendix 2.2**. Further, it was observed that three Grants in voted category had more than 50 per cent of the budget allocation remaining un-utilised as detailed in **Table 2.3**.

Table 2.3: Grants having substantial savings (₹ in crore)

Grant number and name	Total Grant	Expenditure	Savings	Percentage of savings
Revenue -Plan				
XXXVI Rural Development	2,856.82	607.88	2,248.94	79
Capital-Plan				
XX Water Supply and Sanitation	544.46	204.91	339.55	62
Capital-Non-Plan				
XV Public Works	1,158.18	486.75	671.43	58

Source: Appropriation Accounts 2016-17

Further scrutiny revealed that ten schemes of the above Grants had substantial savings in the voted category as detailed in **Table 2.4**.

Table 2.4: Schemes having substantial savings under voted category (₹ in crore)

Sl. No.	Grant No.	Scheme/Activity	Budget	Expenditure	Savings
1.	XXXVI	2501-01-197-48 Block Grants for CSS (P)	287.60	137.59	150.01
2.		2501-06-197-48 Block Grants for CSS (P)	100.00	29.86	70.14
3.		2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (P)	2,247.70	227.77	2,019.93
4.		2515-00-102-37 Pradhan Mantri Krishi Sinchai Yojana (PMKSY) (P)	75.00	28.61	46.39
5.	XX	4215-01-190-96 Kerala Water Supply Project, JICA (One time sustenance support under the State plan) (P)	150.00	0.00	150.00
6.		4215-01-102-97 Rural Water Supply schemes (P)	87.35	15.00	72.35
7.		4215-01-190-97 Optimisation of production and transmission (P)	105.36	45.00	60.36
8.		4215-01-102-96 Ensuring Accessibility to drinking water in Identified Panchayats (P)	11.00	0.00	11.00
9.		4215-01-101-96 Modernisation of Aruvikkara Pumping Station (P)	10.00	0.00	10.00
10.		XV	5054-80-800-66 Investment in Major Capital Projects (NP)	700.00	0.00

Source: Appropriation Accounts 2016-17

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation *vis-à-vis* Allocative Priorities

Audit of Appropriation Accounts revealed that savings exceeded ₹100 crore and also more than 25 *per cent* of the total budget provision in eight Grants/Appropriation as detailed in **Table 2.5**.

Table 2.5: Grants/Appropriations showing substantial savings

(₹ in crore)

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expen- diture	Savings	Percentage of savings
Revenue – Voted					
1	XXII Urban Development	1,497.61	866.41	631.20	42
2	XXXVI Rural Development	3,081.16	811.06	2,270.10	74
3	XLIII Compensation and Assignments	7,379.07	5,497.60	1,881.47	26
Capital – Voted					
4	XVIII Medical and Public Health	361.94	256.44	105.50	29
5	XX Water Supply and Sanitation	564.46	265.08	299.38	53
6	XXVIII Miscellaneous Economic Services	3,336.82	2,384.07	952.75	29
7	XXIX Agriculture	699.09	418.68	280.41	40
Capital – Charged					
8	Public Debt Repayment	13,974.78	7,706.01	6,268.77	45
Total		30,894.93	18,205.35	12,689.58	41

Source: Appropriation Accounts 2016-17

Further, the savings under the above eight Grants/Appropriation was 62 *per cent* of the total savings during 2016-17, indicating the gravity of the savings in these Grants/Appropriation.

Analysis of the savings in the above eight Grants/Appropriation revealed that 43 schemes had savings more than ₹10 crore during 2016-17. Details are given in **Appendix 2.3**.

2.3.2 Persistent savings

Twelve Grants and one Appropriation had savings more than ₹100 crore during the last three financial years as detailed in **Table 2.6**.

Table 2.6: Grants/Appropriation having persistent savings during last three years
(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Amount of savings		
		2014-15	2015-16	2016-17
Revenue - Voted				
1	XII Police	238.92 (9)	515.75 (16)	180.43 (5)
2	XV Public Works	245.57 (10)	675.17 (21)	440.22 (17)
3	XVI Pensions and Miscellaneous	114.68 (1)	1,204.46 (6)	2,447.51 (10)
4	XVII Education, Sports, Art and Culture	1,285.38 (9)	2,384.74 (14)	337.73 (2)
5	XXII Urban Development	948.83 (75)	645.83 (69)	631.20 (42)
6	XXXVI Rural Development	1,031.40 (33)	740.04 (25)	2,270.10 (74)
7	XLVI Social Security and Welfare	301.12 (9)	632.93 (13)	1,136.67 (18)
Capital-Voted				
8	XX Water Supply and Sanitation	140.30 (52)	174.90 (52)	299.38 (53)
9	XXVIII Miscellaneous Economic Services	1,361.72 (96)	1,178.88 (56)	952.75 (29)
10	XXIX Agriculture	126.08 (45)	149.22 (34)	280.41 (40)
11	XXXVII Industries	365.83 (51)	133.35 (19)	236.18 (23)
12	XLI Transport	118.61 (16)	559.08 (46)	179.35 (16)
Capital-Charged				
13	Public Debt Repayment	8,349.59 (59)	8,917.24 (60)	6,268.77 (45)

Source: Appropriation Accounts for respective years.

Figures in parenthesis are percentage of savings with respect to budget allocation

Further analysis revealed that overall savings under the above twelve Grants and one Appropriation was due to persistent savings under a few sub-heads (schemes/activity), which indicated failure of the respective Controlling Officers and the Finance department in making a realistic assessment of the budget requirement based on the expenditure of the previous year and also the ability of the department to utilise the funds. Details of schemes, where persistent savings of ₹one crore or more was noticed, are given in **Appendix 2.4**.

2.3.3 Excess over provision during 2016-17

The Appropriation Accounts disclosed excess expenditure in six¹⁸ grants under Revenue Section amounting to ₹72.08 crore and two¹⁹ grants under Capital Section amounting to ₹69.09 crore, which require regularisation under Article 205 of the Constitution. Further analysis revealed that 30 schemes under the above

¹⁸Administration of Justice: ₹0.67 crore; Stamps and Registration: ₹2.83 crore; Treasury and Accounts: ₹10.80 crore; District Administration and Miscellaneous: ₹1.81 crore; Family Welfare: ₹13.93 crore and Water Supply and Sanitation: ₹42.04 crore.

¹⁹Public Works: ₹67.46 crore and Food: ₹1.63 crore.

Grants had excess expenditure more than ₹one crore. Details are given in **Annexure 2.5**. In these 30 schemes, seven schemes had excess expenditure exceeding 25 per cent of the budget allocation. Details are given in **Table 2.7**.

Table 2.7: Schemes in which expenditure exceeded 25 per cent or more of the allocation (₹in crore)

Sl. No.	Grant number and scheme name		Budget allocation	Expenditure	Excess
1.	XI	2250-00-103-87 Malabar Devaswom Board (NP)	25.45	45.41	19.97(78)
2.	XV	2059-01-053-96 Maintenance and Repairs (Civil and Electrical) of Secretariat (NP)	0.14	1.49	1.35(964)
3.		3054-80-192-38 Maintenance of Road Assets as per fifth SFC Recommendation (NP)	56.84	74.23	17.39(31)
4.		3054-80-800-95 Road Safety Works (P)	11.40	20.84	9.44(83)
5.		5054-80-001-99 Establishment Charges transferred on percentage basis from '3054-Roads and Bridges' (P)	265.79	332.57	66.78(25)
6.	XIX	2211-00-101-96 Rural Family Welfare Centres and Post Partum Centres (Block PHCs) (NP)	71.43	100.35	28.92(40)
7.		2211-00-200-96 Post Partum Centres MC Hospital, District Hospital and Other Major Hospitals (NP)	7.04	9.56	2.53(36)

Source: Detailed Appropriation Accounts 2016-17

Figures in parenthesis are percentage of excess over budget allocation

It was also observed that in five schemes, expenditure was incurred without any budget allocation. Details are given in **Table 2.8**.

Table 2.8: Expenditure incurred without budget allocation (₹in crore)

Sl. No.	Grant number and scheme name		Budget allocation	Expenditure	Excess
1.	XI	2053-00-094-50 Disaster Management, Mitigation and Rehabilitation (P)	0.00	6.17	6.17
2.	XV	3054-04-198-39 One time assistance for maintenance of Rural Roads (NP)	0.00	1.00	1.00
3.	XX	2215-01-101-98 Special package for completing ongoing Urban Water Supply Schemes (P)	0.00	27.50	27.50
4.		2215-01-102-81 Rural Water Supply Scheme (P)	0.00	15.91	15.91
5.		2215-01-190-94 Replacement of old and unusable pipes (P)	0.00	33.00	33.00

Source: Detailed Appropriation Accounts 2016-17

Scheme-wise analysis of remaining Grants/Appropriations also revealed incurring of expenditure after budget allocations were injudiciously re-appropriated/surrendered. Details of 17 such cases are given in **Appendix 2.6**.

2.3.4 Excess expenditure 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 under 14 Grants and eight Appropriations amounting to ₹1,048.39 crore for the years 2011-12 to 2015-16 was to be regularised (December 2017) as summarised in **Table 2.9**. Government of Kerala has been incurring expenditure in excess of appropriation since 2011-12 i.e. for six consecutive years. For the last six years i.e from 2011-12 to 2016-17, Government of Kerala has been persistently violating the intent of the legislature, which is a matter of serious concern. The year-wise and Grant-wise amounts of excess expenditure pending regularisation and the stage of consideration by the PAC are detailed in **Appendix 2.7**.

Table 2.9: Excess over provisions relating to previous years requiring regularization (₹ in crore)

Year	Number of		Amount of excess over provision
	Grant	Appropriation	
2011-12	2	..	24.50
2012-13	5	..	40.43
2013-14	6	4	560.68
2014-15	..	1	192.00
2015-16	1	3	230.78
Total	14	8	1,048.39

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

2.3.5 Unnecessary/Excessive Supplementary provision

Supplementary provisions aggregating to ₹1238.23 crore, obtained in 11 Grants/Appropriations (₹one crore or more in each case) during the year, proved unnecessary as the expenditure did not come up to the level of even the original provisions as detailed in **Appendix 2.8**. Since there was sufficient savings in the original budget allocation, the option of re-appropriation of funds between heads of account (where savings are noticed) within the Grant/Appropriation could have been resorted to by the Chief Controlling Officers (for heads of accounts, which require funds) instead of proposing Supplementary Demands for Grants (SDG).

Further scrutiny revealed that supplementary grants obtained in respect of a few schemes/activities proved wholly unnecessary as the funds were surrendered at the end of the year. Instances are detailed in succeeding paragraphs.

(i) Grant number I - State Legislature (Revenue Voted)

The supplementary grant of ₹1.09 crore, obtained in March 2017 was to meet the additional expenditure on medical reimbursement under the head of account

2011-02-101-99 and expenditure on wages and other items under the head of account 2011-02-103-99. But the entire supplementary grant remained unutilised and surrendered at the end of the year.

(ii) Grant number II - Heads of States, Ministers and Headquarters Staff (Revenue charged)

Supplementary grant of ₹14.09 crore obtained in March 2017 under the head of account 2051-102-99-28 Payments for professional and special services, proved unnecessary as the final expenditure (₹154.29 crore) under the subhead was less than original budget allocation (₹159.08 crore) and the final surrender (₹15.73 crore) from the head of account was more than the amount obtained through supplementary grant in March 2017.

(iii) Grant number III - Administration of Justice (Revenue Charged)

Supplementary grant of ₹0.80 crore obtained in March 2017, for meeting medical reimbursement and other items expenditure under the head of account 2014-102-99, remained unutilised and surrendered at the end of the year.

(iv) Grant number XIV - Stationery and Printing and other Administrative Services (Revenue Voted)

Entire Supplementary grant of ₹2.40 crore obtained in March 2017 under the heads of account 2070-106-96-Civil Defence Institute (₹2.26 crore) and 2070-105-95-Other Disaster Management Projects (₹0.14 crore) remained unutilised and surrendered at the end of the year. Similarly, ₹10.27 crore obtained under the head of account 2070-108-99-Direction and Administration and ₹1.04 crore obtained under 2070-108-98-Protection and Control proved unnecessary as the surrenders under these heads were more than the amounts obtained through supplementary grants.

Further, in 26 Grants/Appropriation, against the additional requirement of ₹2,942.43 crore, supplementary budget allocation of ₹5,708.03 crore obtained during the year proved excessive (**Appendix 2.9**) by ₹2,765.60 crore. The departmental officers while making proposals for supplementary grants did not assess the actual requirement of funds, which resulted in avoidable savings.

2.3.6 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. Augmentation of funds through re-appropriation was resorted to by departmental officers. However, audit analysis revealed that augmentation of budget allocation was wholly unnecessary in some sub-heads as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it. Sub-heads in which augmentation was done through re-appropriation (exceeding ₹one crore) but no part was utilised are given in **Appendix 2.10**.

Failure of the departmental officers in assessing the actual requirement of funds also resulted in excess withdrawal of funds from units of appropriation, which finally led to excess expenditure over provision in certain sub-heads. Cases of such injudicious re-appropriations noticed in 31 schemes/activities are given in **Appendix 2.11**. It was also observed that even though augmentation through re-appropriation was done in 18 schemes/activities, the final expenditure exceeded the budget allocation available under the heads of account by more than ₹one crore. Details are given in **Appendix 2.12**.

2.3.7 Surrender of budget allocations

As per Paragraph 91 of the Kerala Budget Manual, the Administrative Departments should surrender all anticipated savings before the close of the financial year to Finance Department as and when they are foreseen, unless they are required to meet the excesses under other units of appropriation.

During 2016-17, ₹20,727.08 crore (16 per cent) out of the total budget allocation (₹1,32,058.00 crore) was surrendered at the end of the financial year. More than ₹1,000 crore was surrendered in four Grants and one Appropriation, as detailed in **Table 2.10**.

Table 2.10: Grants in which more than ₹1000 crore was surrendered (₹in crore)

Grant number	Budget Allocation	Amount surrendered	Percentage of surrender
Revenue – Voted			
XVI Pensions and Miscellaneous	23924.35	2448.57	10
XXXVI Rural Development	3081.16	2265.46	74
XLIII Compensation and Assignments	7379.07	2055.70	28
XLVI Social Security and Welfare	6401.26	1116.36	17
Capital –Charged			
Public Debt Repayment	13974.78	6402.22	46

Source: Appropriation Accounts 2016-17

Further scrutiny revealed that in 19 schemes/activities (**Table 2.11**) the final surrenders were more than ₹100 crore which included 14 schemes/activities of the above mentioned Grants/Appropriations.

Table 2.11: Schemes in which more than ₹100 crore was surrendered (₹in crore)

Sl. No.	Grant number and name of the scheme	Budget	Expenditure	Surrender
1.	XV 3054-80-196-38 Maintenance of Road Assets as per Fifth SFC recommendation (V-NP)	305.54	116.72	124.07
2.	XVI 2071-01-101-99 Pension to Kerala Government Pensioners (V-NP)	7415.38	7107.63	229.35
3.		2075-00-800-72 Spill Over Schemes (V-NP)	2315.00	0.00
4.	XXII 2217-05-191-74 Pradhan Mantri Awas Yojana (40% State Share) (V-P)	150.00	32.28	117.72

Sl. No.	Grant number and name of the scheme		Budget	Expenditure	Surrender
5.	XXVIII	5475-00-800-92 Major Infrastructural Development Projects (V-P)	2536.07	1624.57	911.50
6.	XXIX	2401-00-109-65 Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (V-P)	305.00	195.94	109.31
7.	XXX	2408-01-101-96 Paddy procurement through Kerala State Civil Supplies Corporation and Other Agencies (V-NP)	600.00	486.51	113.51
8.	XXXVI	2501-01-197-48 Block Grants for CSS (V-P)	287.60	137.59	138.45
9.		2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (V-P)	2247.70	227.77	2010.01
10.	XLIII	3604-00-200-86 Funds for Development Expenditure - 5th SFC Recommendations (V-NP)	3844.95	2864.32	1069.47
11.		3604-00-200-87 Funds for Maintenance Expenditure (Non - Road Assets) - 5th SFC Recommendations (V-NP)	645.93	422.26	258.35
12.		3604-00-200-89 Performance Grant under Kerala Local Government and Service Delivery Project (KLGSDP) - World Bank Aided (V-NP)	345.00	197.85	147.29
13.		3604-00-200-90 Expansion and Development under XIV Finance Commission Recommendations (V-NP)	1310.05	782.59	572.48
14.		2235-02-198-50 Block Grants for Revenue Expenditure (V-NP)	423.13	267.62	114.22
15.	XLVI	2235-60-198-50 Block Grants for Revenue Expenditure (V-NP)	2339.96	1647.78	514.69
16.		2235-60-198-50 Block Grants for Revenue Expenditure (V-P)	1264.89	0.00	113.27
17.	Public Debt Repayment	6003-00-110-96 Overdrafts (C-NP)	2000.00	0.00	1739.51
18.		6003-00-110-98 Special Ways and Means advances(C-NP)	2000.00	320.64	1679.39
19.		6003-00-110-99 Ways and Means Advances (C-NP)	5500.00	2610.49	2889.51

Source: Detailed Appropriation Accounts 2016-17

Further analysis revealed substantial surrenders (surrenders involving more than 50 per cent of the total allocation and more than ₹one crore in each case) in 254 sub-heads, amounted to ₹13,556.49 crore. In 215 sub-heads, entire budget allocation (above ₹one lakh) amounting to ₹832.15 crore was surrendered and in 41 cases, this was ₹five crore and above as detailed in **Appendix 2.13**.

In two schemes of Grant number XXXVII (6858-60-190-95- Loans to Metal Industries Shornur (voted-plan)-₹1.50 crore and 6858-60-190-95- Loans to Steel Industrials Kerala Limited (voted-plan)-₹3.00 crore), the budget allocation was provided through re-appropriation (no allocation was made through original or supplementary budget), but the entire allocation remained unutilised and was surrendered at the end of the year.

2.3.8 Surrender in excess of actual savings

In 37 Grants/Appropriations, the amounts surrendered (₹ one crore or more in each case) was in excess of the actual savings indicating lack of or inadequate

financial control. As against savings of ₹13,546.86 crore, the amount surrendered was ₹14,596.97 crore, resulting in excess surrender of ₹1,050.11 crore under these Grants/Appropriations. Details are given in **Appendix 2.14**. Further, Audit analysed the budget management of Departmental officers in respect of schemes/activities under their control and observed that injudicious surrender of budget allocation led to final excess expenditure (in excess of ₹one crore) in 64 schemes/activities as detailed in **Appendix 2.15**. Final expenditure in respect of all the above 64 schemes were less than the original budget allocation provided for implementation of the schemes. However, injudicious surrender led to final excess under these schemes.

2.3.9 Unexplained re-appropriations

Paragraph 86 (3) of the Kerala Budget Manual lays down that the authority sanctioning re-appropriations should satisfy itself 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 was 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 228 out of 1007 items (23 *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.

2.4 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 thereagainst. 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 to which they relate. The DC bills pertaining to a month’s claim should reach the AG (A&E), Kerala not later than the 20th of the succeeding month for accounting and monitoring of the AC Bills posing higher risk of fraud and misappropriation of funds.

As per the records maintained by the AG (A&E) Kerala, 71 AC bills drawn by 34 DDOs up to March 2017 involving ₹1.08 crore were not adjusted as of November 2017 due to non-receipt of DC bills as detailed in **Appendix 2.16**. Year-wise

details are given in **Table 2.12**. Non-submission of DC bills would lead to retention of advance amount drawn with the drawing officers without accounting under the proper heads of account.

Table 2.12: Pendency in submission of Detailed countersigned Contingent bills against Abstract Contingent bills

(₹ in crore)

Year	AC bills		Outstanding DC bills	
	No. of Items	Amount	No. of Items	Amount
2016-17	187	2.60	71	1.08
Total	187	2.60	71	1.08

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

2.4.2 Un-reconciled receipts and expenditure

According to Paragraph 74 of the Kerala Budget Manual, the expenditure recorded in the books of the Controlling Officer of the department should be reconciled every month with that recorded in the books of the AG (A&E), Kerala to exercise effective control over expenditure and to keep it within the budget grants and also to ensure accuracy of their accounts. During the year, reconciliation for 59.82 per cent of the total receipts (₹32,120.19 crore out of ₹53,690.29 crore) and 84.61 per cent of the total expenditure (₹83,968.73 crore out of ₹99,244.35 crore) were completed. However, 21 Chief Controlling Officers, whose total transactions exceeded ₹50 crore did not reconcile their expenditure with the accounts maintained by AG (A&E) as shown in **Appendix 2.17**. This was not only in violation of the provisions of Paragraph 74 of Kerala Budget Manual but also casts doubts about the correctness of the expenditure figures supplied by departments concerned and the figures booked by AG (A&E), Kerala.

2.5 Review on Budgetary process and Appropriation Control - Grant No. XLII Tourism

Department of Tourism is a significant department, which has three major functions such as (i) Hospitality wing of the State Government (ii) Estate Office duty and (iii) Tourism Development. Director of Tourism is the Chief Controlling Officer of the Grant and responsible for ensuring appropriation control in each unit of appropriation of the Grant. The review was conducted to ascertain budgetary process and utilisation of funds earmarked for various functions of the department.

2.5.1 Budget allocation and expenditure

Budget allocation and expenditure under revenue and capital section of the Grant during the last three years is given in **Table 2.13**.

Table 2.13: Budget allocation and expenditure for last three years
(₹ in lakh)

Year	Category	Budget Allocation	Expenditure	Savings	Percentage of savings
2014-15	Revenue	15,195.77	14,534.88	660.89	4.35
	Capital	17,247.64	13,416.57	3,831.07	22.21
2015-16	Revenue	21,426.54	13,863.32	7,563.22	35.30
	Capital	15,516.00	12,652.78	2,863.22	18.45
2016-17	Revenue	19,080.41	17,073.59	2,006.82	10.52
	Capital	21,593.04	17,543.12	4,049.92	18.76

Source: Appropriation Accounts of respective years

Table 2.13 shows that more than 10 per cent of the budget allocation remained unutilised during last three years (except under revenue section during 2014-15). Further scrutiny revealed that 20 schemes had savings of more than ₹one crore, of which, seven schemes had persistent savings as detailed in **Table 2.14**.

Table 2.14: Schemes with repeated savings (more than ₹one crore in each case)
(₹ in crore)

Sl. No.	Schemes	Year	Budget allocation	Expenditure	Savings
1.	3452-80-800-54 Kerala Shopping Festival(NP)	2014-15	15.00	10.00	5.00
		2015-16	15.00	9.50	5.50
		2016-17	15.00	0.00	15.00
	Department stated that savings was due to non-issue of orders to release funds to Grant Kerala Shopping Festival				
2.	3452-80-800-78 HR development in Tourism through Kerala Institute of Tourism and Travel Studies (KITTS), Food Craft Institute (FCI) and State Institute of Hospitality Management (SIHM) (P)	2014-15	8.50	6.71	1.79
		2015-16	8.50	5.92	2.58
3.	5452-01-101-99 Upgradation, Creation of Infrastructure and Amenities(P)	2015-16	85.54	80.32	5.22
		2016-17	130.65	114.19	16.46
4.	5452-01-190-96Bakel Resort Development Corporation Limited(P)	2015-16	1.50	0.00	1.50
		2016-17	1.50	0.30	1.20
	Department stated that savings was due to non-issue of administrative sanction by the Government for the proposals of Bakel Resort Development Corporation.				
5.	5452-01-190-99 Kerala Tourism Development Corporation(P)	2014-15	6.50	0.00	6.50
		2015-16	6.50	5.00	1.50
	Department stated that though budget allocation was available, administrative sanction was issued for ₹5.00 crore only during 2015-16.				
6.	5452-01-800-85 Upgradation of Roads to Tourist Destination(NP)	2014-15	20.00	1.59	18.41
		2015-16	20.00	3.21	16.79
		2016-17	20.00	0.00	20.00
7.	5452-01-800-94RIDF-Scheme for Tourism(P)	2014-15	4.62	0.00	4.62
		2015-16	4.62	0.00	4.62
	Department stated that savings was due to absence of viable projects under RIDF scheme.				

Source: Detailed Appropriation Accounts of respective years

It was also observed that in the schemes, detailed in **Table 2.15** entire budget allocation remained unutilised in respective years and surrendered at the end of the year.

Table 2.15 : Schemes in which entire budget allocation was surrendered (₹ in crore)

Sl. No.	Scheme	Year	Budget allocation	Amount surrendered
1.	3452-01-101-94-Implementation of Priority Schemes under The Kerala Perspective Plan 2030(P)	2015-16	1.00	1.00
2.	3452-01-101-95-Product/Infrastructure development for Destination and Circuits (100% CSS)(P)	2015-16	58.15	58.15
	Department stated that surrender was due to non-receipt of Government of India funds.			
3.	3452-80-104-93-Publicity and Marketing (50% CSS)(P)	2015-16	0.90	0.90
	Department replied that savings was due to non-taking up of projects during year.			
4.	3452-80-800-54-Kerala Shopping Festival(NP)	2016-17	15.00	15.00
	Department stated that Government have not issued administrative sanction for releasing the fund to Kerala Shopping Festival during 2016-17.			
5.	5452-01-101-98-Trivandrum water supply scheme in Kovalam Tourism area(P)	2014-15	2.00	2.00
	Department stated that administrative sanction from government was not received for releasing the fund to Kerala Water Authority hence entire amount surrendered.			
6.	5452-01-190-99-Kerala Tourism Development Corporation(P)	2014-15	6.50	6.50
	Department stated that Government did not issue administrative sanction for releasing the fund to Kerala Tourism Development Corporation.			
7.	5452-01-800-85-Upgradation of Roads to Tourist Destination(NP)	2016-17	20.00	20.00
8.	5452-01-800-94-RIDF Schemes for Tourism(P)	2014-15	4.62	4.62
		2015-16	4.62	4.62
	Department stated that there were no projects available under RIDF during the period and hence, surrendered.			

Source: Detailed Appropriation Accounts of respective years

While the Grant closed with savings in each of the last three years, some of the schemes had excess expenditure even after augmentation of funds through re-appropriation. Schemes closed with excess expenditure during the last three years are given in **Table 2.16**.

Table 2.16: Schemes in which expenditure exceeded budget allocation (₹ in crore)

Sl. No	Scheme	Year	Net Budget	Expenditure	Excess
1.	3452-01-103-99 Transport (NP)	2014-15	7.25	7.45	0.20
		2015-16	7.10	7.36	0.25
		2016-17	6.72	7.06	0.34
2.	3452-80-001-95 Guest Houses, Yatri Nivases and Tourist Lodges (NP)	2014-15	13.65	14.38	0.73
		2015-16	14.13	15.13	1.00
		2016-17	15.99	18.73	2.74
3.	3452-80-001-96 District Offices (NP)	2014-15	1.34	1.47	0.14
		2015-16	1.47	1.62	0.15
		2016-17	1.87	1.99	0.12
4.	3452-80-001-97 Offices of the Regional Joint Director of Tourism (NP)	2016-17	0.72	0.82	0.11
5.	3452-80-001-99 Administration (NP)	2014-15	4.27	4.58	0.31
		2015-16	6.51	6.83	0.32
6.	3452-80-800-88 Tourist Information Centre (NP)	2015-16	1.34	1.50	0.17
		2016-17	1.44	1.56	0.12
7.	5452-01-190-98 Kerala Tourism Infrastructure Limited (P)	2015-16	0.00	5.91	5.91
8.	5452-01-800-84 Muziris Heritage and Spice Route Projects (P)	2014-15	18.00	18.71	0.71
9.	5452-01-800-87 Upgradation, Creation of Infrastructure and Amenities- Government Guest Houses (P)	2016-17	10.00	10.79	0.79

Source: Detailed Appropriation Accounts of respective years

2.5.2 Injudicious surrender of funds

During the course of the financial year, if it is found that the budget grant cannot be utilised in full, then the funds in excess of requirements are to be surrendered by the Disbursing Officers. Subsequently, the Chief Controlling Officer has to remit back the savings of the Grant to the Finance Department. Scrutiny of the last three years' detailed appropriation accounts revealed injudicious surrender in revenue and capital section separately, as detailed in **Table 2.17**.

Table 2.17: Excess surrender of funds (₹ in lakh)

Year	Category	Budget Allocation	Final savings	Amount surrendered	Excess surrender
2014-15	Revenue	15,195.77	660.89	815.49	154.60
	Capital	17,247.64	3,831.07	3,884.21	53.14
2015-16	Capital	15,516.00	2,863.22	3,133.37	270.15
2016-17	Revenue	19,080.41	2,006.82	2,188.89	182.07

Source: Appropriation Accounts 2016-17

Further scrutiny revealed that injudicious surrender led to excess expenditure in the schemes shown in **Table 2.18**, during the last three years. This indicated inadequate appropriation check exercised by departmental officers in heads of account under their control.

Table 2.18: Schemes in which surrender of funds led to excess expenditure
(₹ in lakh)

Sl. No.	Scheme	Year	Net Budget	Amount surrendered	Final Expenditure	Excess expenditure
1	3452-01-103-99 Transport (NP)	2014-15	769.56	44.21	745.45	20.10
		2015-16	755.80	45.35	735.83	25.38
		2016-17	690.57	18.36	705.79	33.58
2	3452-80-001-95 Guest Houses, Yatri Nivases and Tourist Lodges (NP)	2014-15	1,477.56	112.48	1,438.34	73.26
		2015-16	1,533.51	120.88	1,512.70	100.07
		2016-17	1,927.70	328.49	1,873.11	273.90
3	3452-80-001-96 District Offices (NP)	2014-15	160.58	27.02	147.17	13.61
		2015-16	178.47	31.58	161.74	14.85
		2016-17	188.07	1.54	198.54	12.01
4	3452-80-001-97 Offices of the Regional Joint Director of Tourism (NP)	2014-15	81.03	6.99	78.52	4.48
		2015-16	99.03	26.02	77.43	4.42
		2016-17	72.48	0.65	82.35	10.52
5	3452-80-001-99 Administration (NP)	2014-15	503.32	76.37	457.81	30.86
		2015-16	716.53	65.43	683.06	31.96
6	3452-80-800-88 Tourist Information Centre (NP)	2014-15	164.14	30.20	142.09	8.15
		2015-16	181.45	47.85	150.34	16.74
		2016-17	154.52	10.52	155.67	11.67
7	5452-01-190-98 Kerala Tourism Infrastructure Limited (P)	2015-16	100.00	100.00	591.44	591.44

Source: Detailed Appropriation Accounts of respective years

2.5.3 Unnecessary Re-appropriation

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. Augmentation of funds through re-appropriation was resorted to by departmental officers, if the funds provided through original/supplementary demands for grants are found insufficient and savings are available under another units of appropriation within the Grant. However, audit analysis revealed that augmentation of budget allocation was wholly unnecessary in the sub-heads detailed in **Table 2.19** as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it.

Table 2.19: Unnecessary re-appropriations (₹ in lakh)

Sl. No.	Scheme	Year	Total Budget	Net Re-appropriation	Final Expenditure
1.	3452-80-001-96 District Offices (NP)	2014-15	155.00	5.58	147.17
		2015-16	176.55	1.92	161.74
2.	3452-80-001-97 Offices of the Regional Joint Director of Tourism (NP)	2015-16	98.19	0.84	77.43

Sl. No.	Scheme	Year	Total Budget	Net Re-appropriation	Final Expenditure
3.	3452-80-001-98 Kerala House, New Delhi (NP)	2015-16	1,034.88	35.54	875.69
		2016-17	1,038.31	37.02	956.24
4.	3452-80-104-97 Kerala Tourism Promotion and Marketing Mechanism (P)	2016-17	1,843.27	7.25	1,782.35
5.	3452-80-104-98 Marketing (NP)	2014-15	68.63	0.26	66.87
		2015-16	70.64	0.12	60.79
6.	3452-80-800-88 Tourist Information Centre (NP)	2014-15	158.77	5.37	142.09
		2015-16	178.98	2.47	150.34
7.	3452-80-800-97 Modernisation and Strengthening of Tourism Institutions (P)	2016-17	165.00	8.74	160.00
8.	5452-01-800-84 Muziris Heritage and Spice Route Projects (P)	2016-17	1,800.00	307.04	1,800.00
9.	5452-01-800-98 Tourist Accommodation (Guest Houses) (P)	2014-15	50.00	1.59	48.93

Source: Detailed Appropriation Accounts of respective years

2.6 Overstated expenditure

Financial Rules prohibit withdrawal of money from treasury unless it is required for immediate disbursement. However, in some cases, departmental officers withdraw budget allocation at the end of the year, to avoid lapse of budget, and keep them either in Treasury Savings Bank account or outside Government account, without actually spending. This results in overstatement of the total expenditure of the Grant as the amount remained unutilised even after the close of financial year. Audit noticed a few instances of under-utilisation of Government funds as detailed in **Table 2.20**.

Table 2.20: Details of overstated expenditure (₹ in crore)

Sl. No.	Name of Department/ Implementing institution	Year of drawal	Amount drawn	Unutilised balance
Health and Family Welfare				
1.	Edamulakkal Grama Panchayat	2015-16	0.80	0.80
District Medical Officer, Kollam transferred (October 2015) the amount for construction of pay ward in Government Ayurveda Hospital, Ayoor, Kollam. The work not yet started.				
Higher Education				
2.	Institute of Human Resources Development	Up to 2015-16	0.51	0.21
Setting up of Mini Fab Labs at Engineering Colleges. ₹0.05 crore was utilized and ₹0.25 crore refunded to Government account. It was replied that balance amount would be refunded after completion of audit for the years (2013-14 and 2014-15) by Chartered Accountants.				
3.	APJ Abdul Kalam Technological University	2015-16	40.20	40.20
The grant was released for setting up of University and miscellaneous construction. Non-utilisation was due to delay in acquiring land by Government.				

Sl. No.	Name of Department/ Implementing institution	Year of drawal	Amount drawn	Unutilised balance
Cultural Affairs				
4.	Folklore Academy	2014-15	2.80	1.17
Grant was released for renovation of Kannur Museum and International Folk Festival.				
Total			44.31	42.38

Source: Information compiled from inspection reports

2.7 Inspection of Treasuries

As of March 2017, there were 23 District Treasuries (19 banking and four non-banking), 200 sub treasuries (175 banking and 25 non-banking), 12 Stamp depots and one e-treasury functioning in the State. The Accountant General (A&E), Kerala inspected 125 units (Directorate of Treasuries, 23 District Treasuries, 101 Sub-treasuries). Irregularities and deficiencies noticed during the inspection of treasuries are mentioned in the succeeding paragraphs.

2.7.1 Excess payment of pension

During the course of treasury inspection, excess payment on account of pension/ family pension amounting to ₹0.63 crore was noticed in 850 cases. The main reasons for these excess payments were errors in calculation of revised pension, continuance of higher rate of family pension after expiry of authorised 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 above excess payment, ₹0.10 crore, involved in 430 cases was already recovered as shown in **Table 2.21**.

Table 2.21: Excess pension that remains to be recovered (₹in crore)

Sl. No.	Details of Excess paid pension	Excess paid		Recovered		Balance	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Excess payment of pension	132	0.25	57	0.05	75	0.20
2.	Excess payment of family pension	36	0.18	9	0.01	27	0.17
3.	Excess payment of festival allowance	579	0.05	302	0.03	277	0.02
4.	Excess payment of Medical allowance	98	0.04	62	0.01	36	0.03
5.	Irregular crediting of MLA pension	2	0.01	0	0.00	2	0.01
6.	Excess payment of judiciary pension	1	0.04	0	0.00	1	0.04
7.	Excess payment of inter-state pension	2	0.06	0	0.00	2	0.06
Total		850	0.63	430	0.10	420	0.53

Source: Data compiled by the Accountant General (A&E), Kerala

2.7.2 Retention of excess cash balance

According to Rule 309 of Kerala Treasury Code Volume I, every year in January, Government fixes the maximum cash balance for each District Treasury for the next financial year. The District Treasury Officer in turn fixes the cash balance for

each Sub Treasury in the district. The actual cash balance in treasury should ordinarily be kept much below the normal maximum balance fixed for a treasury so that Government's credit balance in the Reserve Bank of India may be as large as possible. Moreover, excess retention of cash balance in treasuries may cause loss of revenue to the State by way of loss of interest on investment, payment of interest on ways and means advances, etc. Excess retention of cash balance was noticed in 91 treasuries/sub treasuries on 725 occasions during the financial year.

2.7.3 Pending adjustment of advances drawn by Drawing and Disbursing Officers

During the audit of Treasury Information System, Accountant General (A&E) observed that 12 Drawing and Disbursing Officers drew an amount of ₹6.25 crore during 2014-15 and 2015-16, which remained pending for final settlement. Details are given in **Appendix 2.18**. Non-settlement of advances distorts the correctness of expenditure booked in Government accounts.

2.8 Conclusion and Recommendations

Compared to previous year, overall savings from the budget allocation decreased by five *per cent* (from 20.62 *per cent* in 2015-16 to 15.49 *per cent* in 2016-17) which showed an improvement in budgetary process. However, following deficiencies in financial management continued as in the previous year.

- Persistent savings exceeding ₹100 crore, which was more than 25 *per cent* of the total budget provision were noticed in Grants 'Urban Development', and 'Rural Development' under Revenue section and 'Water Supply and Sanitation', 'Miscellaneous Economic Services', 'Agriculture' and 'Public Debt Repayment' under Capital Section.
- Failure of the departmental officers was evident in some of the budget allocations obtained through Supplementary Demands, as the allocations obtained through Supplementary Demands for Grants were surrendered at the end of the year.
- Unnecessary and injudicious re-appropriations indicated that departmental officers failed in assessing actual requirement of funds in heads of account under their control.
- Surrender of money in excess of actual savings indicated improper maintenance of appropriation control registers at all levels.
- Persistence of excess payment of pension showed that treasury officers are not plugging the loopholes in the system.

Government may review grants showing persistent savings to assess the reasons for savings and control the same.

Necessary checks should be put in place to avoid withdrawal of funds in excess of budget allocation by departmental officers.

CHAPTER III

FINANCIAL REPORTING

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, 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

Article 208 of the Kerala Financial Code stipulates that the State may make such grants-in-aid for public purposes or activities carried out by private institutions or local bodies as are in conformity with Article 282 of the Constitution of India. Financial rules²⁰ stipulate that the authority sanctioning grant-in-aid has to stipulate, in every order sanctioning the grant, a time limit not exceeding one year from the date of sanction for utilisation of the grant and a time-limit of nine months for the submission of audited accounts. The utilisation certificate should be furnished within three months from the date of receipt of audited accounts. The Utilisation Certificate (UC) for grants-in-aid exceeding ₹10,000 has to be forwarded to the Accountant General (Accounts and Entitlement), Kerala. It was observed that 12 utilisation certificates for ₹32.92 crore²¹ were not received (June 2017) by the AG (A&E), in respect of grants for which UCs were due during the period from 2014-15 to 2016-17. The age-wise position of delays in submission of Utilisation Certificates is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears in submission of Utilisation Certificates

(₹in crore)

Grant-in-aid released	UC due	Utilisation certificates outstanding as on June 2017		
		Delay	Number	Amount
Up to 2012-13	Up to 2014-15	More than two years	7	5.71
During 2014-15	During 2016-17	Up to one year	5	27.21
Total			12	32.92

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

Delay in furnishing of UCs increases the risk of unutilized fund being misused. Timely submission of UCs should not only be insisted upon but also ensured.

²⁰Article 210 of the Kerala Financial Code (Vol. I)

²¹One UC for ₹ 0.25 crore out of ₹ 32.92 crore was received after finalization of accounts for 2016-17.

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 detailed information about the financial assistance provided to various institutions, the purpose of assistance granted and the total expenditure of the institutions to Audit every year.

As of March 2017, the annual accounts of four autonomous bodies/authorities due up to 2015-16 were not furnished to the Accountant General (Economic and Revenue Sector Audit), Kerala as detailed in **Appendix 3.1**.

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

The audit of accounts of 26 Autonomous Bodies in the field of legal aid, human rights, development of khadi, etc., in the State was 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 (SAR) and their placement in the Legislature are indicated in **Appendix 3.2**.

Audit observed that accounts of District Legal Services Authority, Palakkad are due for five years (from 2011-12), accounts of District Legal Services Authorities, Ernakulam and Kasaragod are due for four years (from 2012-13) and that of District Legal Service Authority, Wayanad is due for three years (from 2013-14). Apart from above, accounts of six bodies are due from 2014-15 onwards.

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 annually in the prescribed format, showing the working results of financial operations so that the Government can assess the overall financial strength and efficiency of these departments in conducting their business. Non-finalisation of accounts in time prevents the above scrutiny and also puts the investment of the Government outside the scrutiny of Audit.

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

The department-wise position of arrears in preparation of *pro forma* accounts and investments made by the Government in respect of four such undertakings, are

given in **Appendix 3.3**. Out of the four, three are running in loss (State Water Transport Department, Text Book Office and Rubber Plantation at Open Prison Nettukaltheri) and accounts of Text Book Office are in arrears from 1987-88. In the absence of up-to-date accounts, financial status of Text Book Office could not be ascertained.

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 Accountant General (General and Social Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala as well as to the Heads of Departments.

The final action on 106²² cases of misappropriation, defalcation, etc., involving Government money amounting to ₹8.43 crore was pending with State Government. In 79 out of 106 cases, FIRs were lodged. The government should expedite action to register FIRs in remaining 27 cases. The position up to June 2017 is detailed in **Appendix 3.4** and **Appendix 3.5**. 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.

A. Age-profile of the pending cases			B. 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	17	179.69	Theft	16	1.85
5 – 10	16	86.84			
10 – 15	26	457.15	Misappropriation/ loss of material	90	840.87
15 – 20	24	74.63			
20 – 25	10	25.87			
25 and above	13	18.54			
Total	106	842.72	Total pending cases	106	842.72

Source: Cases reported by departments of the State Government

The reasons for delay in finalisation of outstanding cases were analysed by Audit and are summarised in **Table 3.3**.

²² This includes cases detected by Audit during local audit as well as cases reported by Government departments as per codal provisions.

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	20	208.23
2.	Departmental action initiated but not finalised	28	372.38
3.	Awaiting orders for recovery or write off	43	204.57
4.	Pending in the courts of law	15	57.54
Total		106	842.72

Source: Information received from Departments of the State Government

3.6 Management of funds entrusted to District Collectors

District Collector being the executive head of the district, is responsible for implementation of various schemes/programmes under his/her area of jurisdiction. Programmes include relief operation, land acquisition, development projects, etc. Funds received for implementation of these programmes are temporarily kept in a Special Treasury Savings Bank Account (STSB), a non-interest bearing account maintained in Treasury or in a Savings Bank/Current account maintained in a nationalised bank (outside Government account). Objectives of audit were to ascertain whether:

- the funds entrusted for the implementation of schemes were utilised in full, and if not, balance refunded back in time; and
- the monitoring system ensures timely utilisation of funds and accounting of the transactions.

Audit was conducted during the period April to July 2017, covering the receipts and utilisation of funds received between 2012 and 2017 in seven²³ out of fourteen district collectorates of Kerala. Scrutiny of files/records relating to STSB/Bank accounts maintained by the district collectorate and transactions carried out for implementation of various Central/State schemes was undertaken. Selection of district collectorates was made by grouping them region-wise and by using simple random sampling method without replacement.

3.6.1 Audit observations

Funds for implementing various schemes (entrusted with District Collector) are released by State level departments/agencies with detailed guidelines/directions for implementation of the same. Accordingly, district administration has to plan for timely implementation of the schemes. However, there was delay in identification of projects, absence of timely action to execute the projects/schemes, failure to review utilised/unspent balances, etc., which led to blocking up of funds for many years in STSB/Bank accounts. Records of 34 schemes in the

²³Alappuzha, Ernakulam, Kannur, Kollam, Palakkad, Thiruvananthapuram and Wayanad.

selected district collectorates were scrutinised and it was observed that an amount of ₹126.88²⁴ crore (**Appendix 3.6**) remained unutilised at the end of March 2017. Reasons for blockage of funds are summarised below:

3.6.1.1 *Delayed execution leading to blockage of funds*

District Collectors were receiving funds from State level implementing agencies or departments for execution of schemes. In respect of schemes where District Collector has to plan and identify works for execution, allotted funds were not fully utilised due to delay in identifying works, beneficiaries and for reasons beyond the control of district authorities. Consequently, funds received were retained in STSB/Bank account. Instances where substantial amount of funds remained unutilised and blocked up with District Collectors are detailed below:

- Rajiv Gandhi National Rural Drinking Water Supply Programme is a Centrally sponsored scheme and District Collectors are responsible for implementing the scheme in SC/ST habitations²⁵. It was observed that out of the seven districts test checked, ₹8.23 crore remained unutilised with four²⁶ districts at the end of March 2017. At the same time, Wayanad district faced scarcity of funds and could not honour the bills for ₹2.39 crore of 46 works completed. This indicated deficiency in distribution of funds by Kerala Water Authority (State level implementing agency). District Collector, Alappuzha stated that difficulty in getting the feasibility report due to scattered living of SC/ST population and lack of water sources were the reasons for delayed implementation of the project. Kannur and Palakkad districts collectors stated that the delayed execution was due to lack of projects/requirement.

In respect of Accelerated Rural Water Supply Scheme (renamed as National Rural Drinking Water supply Programme in 2009) a centrally sponsored scheme the District Collector, Thiruvananthapuram maintained a STSB account in Additional Sub Treasury, Vanchiyoor and it was observed that the STSB account had an unutilised balance of ₹15.81 lakh as on 31.3.2017 and no amount was utilised from the account since 30.3.2007. This fact was reported to Government in October 2017, but reply still awaited (January 2018).

- As part of Tsunami Rehabilitation Programme, funds were released to Thiruvananthapuram (₹29.06 crore) and Kollam (₹140.19 crore) districts between 2007-08 and 2012-13 for various activities like construction of houses, water supply schemes, etc. However, at the end of March 2017 ₹7.03 crore remained unutilised with these districts (Kollam: ₹6.27 crore

²⁴ Out of ₹126.88 crore, ₹78.75 crore was pending for more than one year and the balance of ₹48.13 crore received during 2016-17.

²⁵ Habitations in which more than 40 *per cent* of the population belongs to SC/ST community.

²⁶ Alappuzha (₹1.02 crore), Kannur (₹5.06 crore), Palakkad (₹1.05 crore) and Thiruvananthapuram (₹1.10 crore).

and Thiruvananthapuram: ₹76 lakh). The District Collectors, Kollam and Thiruvananthapuram stated funds are being utilised for intended purposes. As per provisions of Kerala Financial Code (Rule 40(c)) funds should not be kept out of Government accounts even though it was covered by proper sanction. Hence the replies of the District Collectors are not tenable.

- During the last three years, ₹10.76 crore (₹3 crore: 31.3.2015, ₹5 crore: 31.3.2016, ₹2.76 crore: 31.3.17) was released to the District Collector, Thiruvananthapuram for executing the work relating to Attukal Pongala²⁷ preparedness. It was observed that due to absence of definite projects, more than 50 per cent of the released funds (₹6.76 crore) remained blocked up in two different accounts at the end of March 2017, of which, ₹four crore was pending for more than one year. District Collector replied that non-submission of bills in time by the implementing agencies was the reason for accumulation of funds. The reply was not tenable as the details of pending works/bills were not available in the files produced before Audit.
- During 2011-12, ₹1.18 crore was placed at the disposal of Special Tahsildar (LA), Thalassery, for the acquisition of 5.46 hectares of land for elephant corridor in Kottiyoor village of Kannur district. However, even after five years, only ₹21.33 lakh was utilised and the remaining amount (₹96.67 lakh) was blocked up in Deposit head (8443). District Collector stated that objection of the title holders in the compensation fixed for land was reason for delay in acquisition of land.
- In November 2015, ₹15 crore was released to District Collector, Alappuzha for paying compensation to the title holders of the land identified for setting up Medical College in Karthikappalli Taluk, Karuvatta village. ₹1108.66 lakh was paid as compensation and the balance was blocked up in work deposit account for the last two years. District Collector stated that land acquisition process was not continuing and further directions were awaited from Government.
- At the end of March 2017, an amount of ₹9.10 crore out of ₹35.28²⁸ crore, meant for various tribal development programmes, remained blocked in STSB account of District Collector, Palakkad. This included ₹3.72 crore meant for conservation cum development plan of Primitive and Vulnerable Tribal Groups and ₹3.15 crore meant for HUDCO housing scheme to the tribal people. District Collector replied that delay in completion of work by the beneficiaries was the reason for non-utilisation of funds under HUDCO housing scheme and non-availability of suitable

²⁷ A famous festival organized in Attukal Devi Temple in Thiruvananthapuram, during the month of February-March every year.

²⁸ ₹20.78 crore in 2014-15, ₹10.77 crore in 2015-16 and ₹3.73 crore in 2016-17.

projects was the reason for non-utilisation of funds under conservation cum development plan.

- In Wayanad district, as part of implementing the project ‘Multi Sector Development Programme’, State Government released an amount of ₹24.30 crore (in four installments between March 2014 and March 2016) in the first phase and ₹15.77 crore was released (in three installments from March 2016 to April 2017) in the second phase. However, ₹7.31 crore released in the first phase and the entire amount of the second phase remained unutilised. It was replied that delay in getting administrative sanction for the work was reason for non-utilisation of funds under second phase and works under health sector included in phase I was in progress. The reply was not tenable as it was indicative of inaction in the matter by the Government.
- A project named ‘Valsalyam’ for making Kannur a child friendly district, in line with the provisions contained in Protection of Children from Sexual Offences Act, 2012, was conceived in the district. An amount of ₹33.73 lakh was released (2013-14) by the Social Justice Department for implementation of the project. However, even after four years district administration could utilise only ₹nine lakh for the project. District Collector replied that there was no time frame prescribed for utilisation of fund. Since the amount was shown as expenditure in Government accounts, retention of funds without utilization was against the provisions of Kerala Financial Code (Rule 40(c)). Hence the reply of the District Collector is not tenable.

3.6.1.2 *Blockage of funds due to non-implementation of schemes*

In respect of certain schemes, though the funds were released for implementing the programme defined by State level implementing agency, lack of initiative on the part of district administration has led to blockage of substantial portion of the fund in STSB/bank accounts. Instances noticed in Audit are detailed below;

- State Disaster Management Authority since its constitution in 2011, was releasing funds to District Collectors for various disaster preparedness activities and training programme. Programme includes strengthening of district emergency response capabilities, formation of emergency response teams and provide them training, preparation of district disaster management plans, implementation of district disaster management plan, drought relief operations, etc. It was observed that out of ₹341.16 lakh (funds released between 2012 and 2016), ₹192.40 lakh (56.40 per cent) remained unutilised in the test-checked districts at the end of March 2017. District Collector, Thiruvananthapuram replied that it was difficult to implement the schemes with the conditions stipulated by State Disaster Management authority (SDMA) and their request for relaxation was refused by SDMA. District Collectors of Alappuzha, Ernakulam, Kollam

and Wayanad stated that as per the orders dated 31.10.2016, Government permitted them to utilise the balance fund within one year. Further, District Collectors received funds for disaster mitigation programme as part of United Nation's Development Programme (UNDP) during 2008-09. In spite of the specific directions to utilise funds before June 2009, unutilised balances (₹8.36 lakh out of ₹38.60 lakh) were noticed in Ernakulam, Kannur and Kollam collectorates. Though, ₹11.25 lakh was released to Thiruvananthapuram collectorate under UNDP, no records were available to ensure receipt and utilisation of funds. Reply in this regard was awaited (January 2018).

- During 2012-13, the State Government decided to elevate the Government Schools to international standards and decided to provide basic facilities like toilets, girls friendly toilets, urinals and also to provide drinking water facilities which are deficient in Government schools of Kerala. Accordingly, funds were released to District Collectors for implementing the programme in their districts. It was observed that the District Collectors failed to utilise entire release even after four years and in four²⁹ district collectorates 31.26 per cent (₹319.18 lakh out of ₹1021.10 lakh) of the fund remained unutilised with them at the end of March 2017. Similarly, funds received for construction of girls friendly toilets, urinals, etc., in Vocational Higher Secondary Education schools were also not fully utilised (₹30.34 lakh out of ₹145.50 lakh) in the test-checked districts (except in Ernakulam and Wayanad). District Collectors, Kollam, Kannur and Palakkad stated that delay in submission of final bills was the reason for non-utilisation of balance funds. However, keeping the un-utilised balance out of Government account is against the provisions of Kerala Financial Code and also efforts were not there to complete the projects in time.
- State Government accorded administrative sanction for setting up of Virtual/Smart Classrooms in selected minority schools and funds amounting to ₹75 lakh (₹5 lakh for each school) were released (2014-15) to District Collectors (except Wayanad in test-checked districts) for implementation of the scheme in 15 schools. It was observed that though 47 per cent of the funds received by District Collectors were released (September 2015) to M/s Keltron for setting up of virtual classrooms in selected schools, the same was not established till the end of March 2017 and the remaining 53 per cent of the funds were blocked up with District Collectors for more than one year. District Collectors Alappuzha and Kollam stated that installation work was completed by M/s Keltron but final payment was pending for want of bills from M/s Keltron. District Collectors Ernakulam, Kannur and Palakkad stated that work was not completed and hence the balance fund was retained by them.

²⁹Kannur (₹45.48 lakh), Kollam (₹121 lakh), Palakkad (₹60.21 lakh) and Thiruvananthapuram (₹92.49 lakh).

3.6.1.3 Retention of un-utilised balance after implementation of schemes

Under ordinary circumstances, every programme may have a portion of the funds allocated remaining unutilised and in this situation it is the duty of the departmental officer to refund the unutilised balance as early as possible. It was observed in audit that in the following cases funds were retained by District Collectors without taking necessary steps to refund the unutilised balance.

- As per the Member of Parliament Local Area Development Scheme (MPLAD), each Member of Parliament (Lok Sabha and Rajya Sabha) was allotted a certain amount (₹1 crore from 1993-94, ₹2 crore from 1998-99 and ₹5 crore from 2011-12) in each year for execution of works of his/her choice in the constituency he/she represents. Nominated Members of the Lok Sabha and Rajya Sabha may also select works for implementation in one or more districts, anywhere in the country. Funds allotted would be kept in a savings bank account opened in the name of MP and administered by the District Collector. Once MP demits office, unutilised balance in the account is to be transferred to the account of his successor in the case of Lok Sabha MP and distributed among other MPs in the case of Rajya Sabha MP. Audit scrutiny revealed that in five districts³⁰, an amount of ₹12.34 crore remained blocked up in the bank account of 33 MPs who demitted office one to seven years back, without being transferred or distributed. District Collectors stated that action was being taken to refund/transfer un-utilised balance immediately. However, undue delay was noticed on the part of District Collectors to surrender/distribute the unutilized balance, thereby violating the provisions of MPLAD scheme.
- During 2015-16, State Government decided to provide interest subsidy to jobless students of BPL category, who availed education loan from April 2004 to March 2009. In this regard, ₹1.90 crore (out of ₹12.28 crore) and ₹0.58 crore (out of ₹0.81 crore) remained unutilised in Alappuzha and Ernakulam respectively, as some of the bank accounts of students already closed. District Collector, Alappuzha stated that non-refund of balance fund was due to non-receipt of statement from State Bank of Travancore (bank entrusted to transfer the fund to beneficiaries account) and District Collector, Ernakulam was waiting for further direction from Government to refund the balance. Replies were not tenable, since the unutilised balances were not refunded to Government account immediately as per the provisions of Kerala Financial Code.
- As per the recommendations of Thirteenth Finance Commission (XIII FC) BPL families were to be given cash incentive (₹150/- per BPL family) for enrolling in UID. Out of ₹3.14 crore released to Ernakulam, Palakkad and

³⁰Alappuzha (₹0.74 crore), Ernakulam (₹3.55 crore), Kannur (₹1.54 crore) Kollam (₹1.06 crore) and Thiruvananthapuram (₹5.45 crore).

Thiruvananthapuram district collectorates, unspent balance of ₹0.20 crore was idling even after the expiry (March 2015) of XIII FC period. District Collectors, Ernakulam and Palakkad stated that they were waiting for directions from Information and Technology Department to refund unutilised balance. Replies of the District Collectors were not tenable, as the refund could have been done much earlier as per the provisions of the General Financial Rules, without waiting for further directions.

- District Collector, Kollam, received an amount of ₹65 lakh in March 2014 for the construction of hospital ward building in THQ Hospital, Kottarakkara and construction was completed in November 2014. Unspent balance of ₹3.96 lakh was not remitted back to Government Account. District Collector, Kollam stated that balance fund was being utilised for purchase of furniture in the Hospital.

3.6.1.4 Accumulation in MLASDF

'Special Development Fund for Members of Legislative Assembly (MLA)' was constituted in the year 2001 for carrying out development activities as per the choice of MLA in his/her Constituency. Every year ₹one crore would be released to the District Collector under whose jurisdiction the constituency of the MLA falls and the same would be kept in a Special Treasury Savings Bank (STSB) account opened for the purpose. Projects/works would be executed by the District Collectors based on the suggestions received from the MLA and meet the expenditure from the funds entrusted to them. Audit collected the details of receipt and utilisation of funds from all the fourteen districts of the State and observed that against the release of ₹718 crore, utilisation was ₹656 crore resulting in a accumulation of ₹62 crore in STSB during the last five years. At the end of March 2017, STSB had an unspent balance of ₹290 crore. Considering this accumulation year after year, it is proposed to review the transfer of funds from Consolidated Fund to Public Account year after year and not being utilised fully in the year of its release.

The above facts were reported to Government in October 2017 and reply was awaited (January 2018).

3.7 Conclusion and Recommendation

The Audit of Accounts of Autonomous Bodies, which was 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, are pending in respect of four bodies due to delay in submission of accounts for 2015-16.

Though funds for implementing various schemes were released to the District Collectors with detailed guidelines/directions, efforts were lacking from district authorities to implement it on time and utilise the funds fully in the year of release

or in the succeeding year. Funds released for specific programme of State Disaster Management Authority were not utilised fully by any of the District Collectors test-checked in audit. District authorities failed to refund the unspent balance in respect of MPLAD scheme, Education loan interest subsidy, Incentives for enrolling in UID, etc.

It is recommended that a review of utilisation may be conducted at the District Collector level in every six months to avoid blockage of unspent balance.



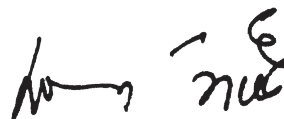
(S. SUNIL RAJ)

Accountant General

(General and Social Sector Audit), Kerala

Thiruvananthapuram,
The

Countersigned



(RAJIV MEHRISHI)

Comptroller and Auditor General of India

New Delhi,
The

APPENDICES

Appendix 1.1 State Profile

(Reference: Page 1, Paragraphs 1.3; Page 10 and 1.6.1; Page 17)

A. General Data

Sl. No.	Particulars	Figures
1.	Area	38863 sq. km.
2.	Population	
a.	In 2007	3.37 crore
b.	In 2016	3.58 crore
3.	Density of Population (as per 2011 Census) (All India Density = 382 persons per sq.km)	860 persons per sq. km.
4.	Population Below Poverty Line (BPL) (All India Average = 21.9 per cent)	7.10 per cent
5.	Literacy (as per 2011 Census) (All India Average = 73.0 per cent)	94 per cent
6.	Infant mortality (per 1000 live births)(All India Average =37 per 1000 live births)	12
7.	Life Expectancy at birth (All India Average = 68.3 years)	75.2 years
8.	Gini Coefficient	
a.	Rural (All India = 0.29)	0.42
b.	Urban (All India = 0.38)	0.50
9.	Gross State Domestic Product (GSDP) 2016-17 at current prices	₹6,55,205 crore
10.	Per capita GSDP Compounded Annual Growth Rate (2007-08 to 2016-17)	
	Kerala	15 per cent
	General Category States	13.20 per cent
11.	GSDP Compounded Annual Growth Rate (2007-08 to 2016-17)	
	Kerala	15.80 per cent
	General Category States	15.20 per cent
12.	Population Growth (2007 to 2016)	
	Kerala	6.20 per cent
	General Category States	11.90 per cent
13.	Per capita income at current prices (2016-17)	
	Kerala	₹1,83,039
	All India	₹1,18,830

B. Financial Data (In per cent)

		Particulars			
		2007-08 to 2015-16		2015-16 to 2016-17	
		General Category States	Kerala	General Category States	Kerala
a.	Revenue Receipts	14.58	15.97	11.52	9.53
b.	Own Tax Revenue	14.80	14.00	13.50	8.16
c.	Non Tax Revenue	9.45	27.46	12.10	15.13
d.	Total Expenditure	15.84	15.62	15.31	17.64
e.	Capital Expenditure	14.53	22.55	17.91	35.01
f.	Revenue Expenditure on Education	16.86	15.28	9.86	20.94
g.	Revenue Expenditure on Health	18.43	17.63	14.92	25.92
h.	Salary and Wages	14.89	14.96	13.06	19.43
i.	Pension	17.17	12.97	10.63	16.95

Source: Information furnished by the Economic Advisor, O/o the C&AG of India, New Delhi

Appendix 1.2

Part A : Structure and form of Government Accounts (Reference: Paragraph 1.1; Page 1 and 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 a summarised form while the details are presented in Volume 2.

Statement No.	Details of Statements
1.	Statement of Financial Position
2.	Statement of Receipts and Disbursements
3.	Statement of Receipts (Consolidated Fund)
4.	Statement of Expenditure (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 Investments of the Government
9.	Statement of Guarantees given by the Government
10.	Statement of Grants-in-aid given by the Government
11.	Statement of Voted and Charged Expenditure
12.	Statement on sources and application of funds for expenditure other than on revenue account
13.	Summary of balances under Consolidated Fund, Contingency Fund and Public Account
14.	Detailed Statement of Revenue and Capital Receipts by minor heads
15.	Detailed Statement of Revenue Expenditure by minor heads
16.	Detailed Statement of Capital Expenditure by minor heads and sub heads
17.	Detailed Statement on Borrowings and Other Liabilities
18.	Detailed Statement on Loans and Advances given by the Government
19.	Detailed Statement of Investments of the Government
20.	Detailed Statement of Guarantees given by the Government
21.	Detailed Statement on Contingency Fund and Other Public Account transactions
22.	Detailed Statement on Investments of earmarked balances

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:

	2012-13	2013-14	2014-15	2015-16	2016-17
GSDP (₹ in crore)	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Growth rate of GSDP	13.26	12.79	13.11	11.85	11.37

Source : Details furnished by the Director of Economics and Statistics of the State Government. The figures for 2014-15 are provisional estimate, 2015-16 are quick estimates and 2016-17 are advance estimate.

Appendix 1.3
Part B: Medium Term Fiscal Plan 2016-17
(Reference: Paragraphs 1.1; Page 2 and 1.3; Page 9)

(₹ in crore)

Item	2012-13 Accounts	2013-14 Accounts	2014-15 Accounts	2015-16 Revised Estimates	2016-17 Budget Estimates	Forward estimates	
						2017-18	2018-19
Revenue Receipts (A)	44,138	49,177	57,950	71,020	84,617	1,03,390	1,26,463
State's Own Tax Revenue	30,077	31,995	35,233	39,882	47,614	58,089	70,868
Non Tax Revenue	4,199	5,575	7,284	8,911	11,360	14,938	19,644
Resources from Centre	9,862	11,607	15,434	22,227	25,644	30,363	35,951
Revenue Expenditure (B)	53,489	60,486	71,746	81,834	97,683	1,15,435	1,36,413
Interest	7,205	8,265	9,770	10,861	12,630	14,439	16,268
Salaries	17,257	19,280	21,411	23,236	27,742	33,718	35,425
Pensions	8,867	9,971	11,253	13,126	15,503	20,521	25,484
Non SIP Revenue Expenditure	20,160	22,969	29,313	34,611	41,808	46,757	59,236
Subsidies	1,265	1,252	1,248	1,232	1,808	2,226	2,741
Devolution to LSGs	4,739	5,926	6,398	6,493	7,379	9,236	11,560
Other Revenue Expenditure	14,156	15,791	21,668	26,886	32,621	35,296	44,936
Revenue Surplus/Deficit (A) – (B)	- 9,351	-11,309	-13,796	-10,814	-13,066	-12,045	-9,950
Capital Expenditure (C)	5,739	5,759	4,998	7,125	10,314	12,819	15,586
Capital outlay	4,603	4,294	4,255	6,206	9,573	12,103	14,893
Loan disbursements (net)	1,136	1,464	743	919	741	716	693
Non Debt Capital Receipts (D)	88	123	152	225	240	268	299
Fiscal Deficit/Surplus (A) - (B) - (C) + (D)	-15,002	-16,944	-18,642	-17,715	-23,140	-24,597	-25,237
Primary Fiscal Deficit/Surplus	-7,797	-8,679	-8,872	-6,854	-10,510	-10,157	-8,969
End of the Period Debt	96,490	1,11,285	1,27,225	1,44,749	1,65,448	1,88,014	2,11,817
Debt Service	7,205	8,265	9,770	10,861	12,630	14,297	16,125
Salary + Interest + Pension (SIP)	33,329	37,516	42,433	47,223	55,875	68,678	77,177
Debt Stock	1,03,561	1,19,009	1,35,440	1,54,057	1,76,839	1,99,189	2,24,445
Government Guarantees	9,100	9,763	11,127	12,417			
Interest/Revenue Receipts (per cent)	16.32	16.81	16.86	15.29	14.93	13.97	12.86
Debt/ Revenue Receipts(per cent)	234.63	242.00	233.72	216.92	208.99	192.66	177.48
SIP/Revenue (per cent)	75.51	76.29	73.22	66.49	66.03	66.43	61.03
SIP/GSDP (per cent)	8.08	8.10	8.16	8.07	8.47	9.22	9.17
(Salary +Pension)/GSDP (per cent)	6.34	6.32	6.28	6.21	6.56	7.28	7.23
Revenue Deficit/ Revenue Receipt (per cent)	21.19	23.00	23.81	15.23	15.44	11.65	7.87
Revenue Deficit/GSDP (per cent)	2.27	2.44	2.65	1.85	1.98	1.62	1.18
Fiscal Deficit/GSDP (per cent)	3.64	3.66	3.59	3.02	3.51	3.30	3.00
Debt stock/GSDP (per cent)	25.12	25.71	26.05	26.31	26.82	26.74	26.66
GSDP	4,12,313	4,62,916	5,19,896	5,85,467	6,59,309	7,45,019	8,41,871
Nominal GSDP Growth Rate (per cent)	13.26	12.27	12.31	12.61	12.61	13.00	13.00
Average Interest rate (per cent)	7.47	7.43	7.68	7.50	7.63	7.68	7.68
Domar Gap	5.79	4.85	4.63	5.11	4.98	5.32	5.32

Appendix 1.4
Part A : Abstract of receipts and disbursements for the year 2016-17
(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)

Receipts				Disbursements					
2015-16			2016-17	2015-16	2016-17				
	<u>Section – A: Revenue</u>					Non-Plan	Plan	Total	
69032.66	I. Revenue Receipts		75611.72	78689.47	I. Revenue Expenditure	77603.96	13492.35	91096.31	91096.31
38995.15	Own Tax Revenue	42176.37		36084.68	General Services	41013.94	181.39	41195.33	
8425.49	Non-Tax Revenue	9699.98		27603.29	Social Services	23991.38	9773.34	33764.72	
12690.67	State's share of Union Taxes and Duties	15225.02		14120.05	Education, Sports, Art and Culture	15181.78	1879.31	17061.09	
5177.80	Non-Plan Grants	5250.37		4551.57	Health and Family Welfare	4292.29	1438.83	5731.12	
3406.37	Grants for State Plan Schemes	2726.92		1334.84	Water Supply, Sanitation, Housing and Urban Development	409.25	1471.89	1881.14	
337.18	Grants for Central Plan and Centrally Sponsored Plan Schemes	533.06		78.73	Information and Broadcasting	52.18	27.31	79.49	
				2119.81	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	510.55	2065.59	2576.14	
				806.91	Labour and Labour Welfare	428.95	473.58	902.53	
				4528.58	Social Welfare and Nutrition	3013.14	2416.83	5429.97	
				62.80	Others	103.24		103.24	
				11098.42	Economic Services	7117.73	3537.62	10655.35	
				4798.94	Agriculture and allied activities	4532.87	1555.26	6088.13	
				2522.55	Rural Development	416.82	863.34	1280.16	
				109.03	Special Area Programmes		166.76	166.76	
				488.91	Irrigation and Flood control	481.64	26.54	508.18	
				74.96	Energy	48.50	36.47	84.97	
				345.46	Industry and Minerals	239.32	268.49	507.81	
				2156.75	Transport	1086.52	198.54	1285.06	
				136.65	Science, Technology and Environment	57.84	93.59	151.43	
				465.17	General Economic Services	254.22	328.63	582.85	
				3903.08	Grants-in-aid and Contributions	5480.91		5480.91	
9656.81	II. Revenue Deficit carried over to Section B		15484.59		Revenue Surplus carried over to Section B				
78689.47	Total - Section A		91096.31	78689.47	Total - Section A	77603.96	13492.35	91096.31	91096.31

Appendix 1.4 Part A – Contd.

(₹ in crore)

Receipts				Disbursements					
2015-16			2016-17	2015-16	2016-17				
	Section B: Others				Non-Plan	Plan	Total		
1651.00	Opening Cash Balance including Permanent III. Advances, Cash Balance Investment and Investment of earmarked funds		3229.39	0.00	III. Opening Overdraft from Reserve Bank of India			Nil	0
28.08	IV. Miscellaneous Capital Receipts		30.24	7500.04	IV. Capital Outlay	1180.30	8945.65	10125.95	10125.95
				256.60	General Services	40.22	170.64	210.86	
				1035.03	Social Services	183.73	1108.95	1292.68	
				439.75	Education, Sports, Art and Culture	86.53	258.55	345.08	
				219.67	Health and Family Welfare	87.59	168.86	256.45	
				138.36	Water Supply, Sanitation, Housing and Urban Development	9.00	238.67	247.67	
				2.00	Information and publicity		4.06	4.06	
				57.01	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.36	189.65	190.01	
				21.95	Social Welfare and Nutrition	0.25	94.91	95.16	
				156.29	Other Social Services		154.25	154.25	
				6208.41	Economic Services	956.35	7666.06	8622.41	
				532.57	Agriculture and allied activities	153.59	497.92	651.51	
				442.40	Other rural development programmes	240.05	392.94	632.99	
				526.23	Irrigation and Flood Control	35.83	638.99	674.82	
				8.80	Power projects		0.82	0.82	
				334.94	Industry and Minerals		516.79	516.79	
				3326.97	Transport	507.45	3078.27	3585.72	
				0.75	Science, Technology and Environment		0.30	0.30	
				1035.75	General Economic Services	19.43	2540.03	2559.46	

Appendix 1.4 Part A – Concl.

(`in crore)

Receipts				Disbursements			
2015-16			2016-17	2015-16			2016-17
152.63	V. Recoveries of Loans and Advances		292.24	842.25	V. Loans and Advances Disbursed		1160.29
0.00	From Power Projects			0.00	For Power Projects	17.99	
101.10	From Government Servants	119.08		205.13	To Government Servants	439.15	
51.53	From Others	173.16		637.12	To Others	703.15	
	VI. Revenue Surplus brought down			9656.81	VI. Revenue Deficit brought down		15484.59
19658.74	VII. Public Debt Receipts		23857.89	6060.73	VII. Repayment of Public Debt		7706.01
17141.58	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	20074.62		3713.22	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	4302.16	
1985.82	Net transactions under Ways and Means Advances excluding overdraft	2931.13		1985.82	Net transactions under Ways and Means advances excluding overdraft	2931.13	
531.34	Loans and Advances from Central Government	852.14		361.69	Repayment of Loans and Advances to Central Government	472.72	
	VIII. Appropriation from the Consolidated Fund				VIII. Appropriation to Contingency Fund		
	IX. Amount transferred to Contingency Fund				IX. Expenditure from Contingency Fund		
168623.44	X. Public Account Receipts		190627.84	162824.67	X. Public Account Disbursements		179910.43
50247.43	Small Savings, Provident Funds, etc.	61707.78		41915.36	Small Savings, Provident Funds, etc.	48776.12	
322.75	Reserve Funds	329.28		257.85	Reserve Funds	167.07	
4546.57	Deposits and Advances	3286.70		7826.86	Deposits and Advances	3181.05	
103331.39	Suspense and Miscellaneous	121716.74		102557.11	Suspense and Miscellaneous	123885.84	
10175.30	Remittances	3587.34		10267.49	Remittances	3900.35	
	XI. Closing Overdraft from Reserve Bank of India			3229.39	XI. Cash Balance at end		3650.33
				5.43	Cash in Treasuries	37.23	
				1.07	Local Remittances	6.80	
				-45.88	Deposits with Reserve Bank	(-) 91.73	
				1.65	Departmental cash balance including Permanent Advance	1.59	
				1636.75	Cash Balance Investment	1944.50	
				1630.37	Investment from earmarked funds	1751.94	
190113.89	Total – Section B		218037.60	190113.89	Total – Section B		218037.60

Appendix 1.4
Part B : Summarised financial position of the Government of Kerala
as on 31 March 2017
(Reference: Paragraphs 1.1.1; Page 2 and 1.9.1; Page 28)

(₹ in crore)

As on 31 March 2016	Liabilities		As on 31 March 2017
102496.26	Internal Debt		118268.72
84845.72	Market Loans bearing interest	99531.69	
0.05	Market Loans not bearing interest	0.05	
1954.03	Loans from Life Insurance Corporation of India	1682.04	
231.80	Loans from General Insurance Corporation of India	210.80	
2484.53	Loans from National Bank for Agriculture and Rural Development	2883.94	
300.65	Loans from National Co-operative Development Corporation	295.37	
142.66	Loans from other institutions	156.02	
12536.82	Special securities issued to National Small Savings Fund of the Central Government	13508.81	
	Ways and Means Advances from Reserve Bank of India excluding Overdrafts		
	Overdrafts from Reserve Bank of India		
7234.71	Loans and Advances from Central Government		7614.13
1.16	Pre 1984-85 Loans	1.16	
20.07	Non-Plan Loans	18.12	
7213.48	Loans for State Plan Schemes	7594.85	
(*)	Loans for Central Plan Schemes		
-	Loans for Centrally Sponsored Plan Schemes		
100.00	Contingency Fund(Net)		100.00
47639.36	Small Savings, Provident Funds, etc.		60571.02
2786.66	Deposits		2892.34
2012.06	Reserve Funds		2174.28
1861.64	Suspense and Miscellaneous		-307.46
164130.69	Total		191313.03

(*) ₹ 7,000 only.

Appendix 1.4 – Part B Concl'd.

(₹ in crore)

As on 31 March 2016	Assets		As on 31 March 2017
45556.11³¹	Gross Capital Outlay on Fixed Assets -		55651.82
6493.17 ³¹	Investments in shares of Companies, Corporations, etc.	7240.03	
39062.94 ³¹	Other Capital Outlay	48411.79	
13009.89	Loans and Advances -		13877.94
2661.64	Loans for Power Projects	2679.64	
9618.92	Other Development Loans	10146.52	
729.33	Loans to Government servants and Miscellaneous loans	1051.78	
0.39	Advances		0.43
	Suspense and Miscellaneous Balances		
668.64	Remittance Balances		981.64
164.80	Adjustment on account of retirement/disinvestment		195.04
3229.39	Cash -		3650.34
6.50	Cash in Treasuries and Local Remittances	44.04	
-45.88	Deposits with Reserve Bank	-91.73	
1.27	Departmental Cash Balance	1.18	
0.38	Permanent Advances	0.41	
1636.75	Cash Balance Investments	1944.5	
1630.37	Reserve Fund Investments	1751.94	
101501.47³²	Deficit on Government Account -		116955.82
91990.24	Accumulated deficit at the beginning of the year	101501.47	
9656.81	Add: (i) Revenue Deficit of the current year	15484.58	
-117.50	(ii) Miscellaneous Government account	0.01	
28.08	Less: Miscellaneous Capital Receipts	30.24	
164130.69	Total		191313.03

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 ₹102.04 crore (debit) between the figures reflected in the accounts (credit item ₹91.73 crore) and that communicated by the Reserve Bank of India (credit item ₹10.31 crore). The net debit of ₹102.04 crore is under reconciliation.

³¹ Balance as on 31 March 2016 differs from those shown in the previous year's account due to pro forma adjustment vide foot notes (b), (c) and (d) of Statement No.1 of Finance Accounts.

³² Balance as on 31 March 2016 differs from those shown in the previous year's accounts due to reclassification of initial expenditure towards registration charges met from revenue expenditure as equity vide foot note (J) of Statement No.16 of Finance Accounts 2016-17.

Appendix 1.5
Time series data on the State Government finances
 (Reference: Paragraph 1.3; Page 9 and Paragraph 1.9.2; Page 29)

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Part A: Receipts					
1. Revenue Receipts	44137	49177	57950	69033	75612
(i) Tax Revenue	30077 (68)	31995 (65)	35232 (61)	38995 (57)	42177 (56)
Taxes on Agricultural Income	19 ³³	22 ³³	9 ³³	2 ³³	2 ³³
Taxes on Sales, Trade, etc.	22511 (75)	24885 (78)	27908 (79)	30737 (79)	33453 (79)
State Excise	2314 (8)	1942 (6)	1777 (5)	1964 (5)	2019 (5)
Taxes on Vehicles	1925 (6)	2161 (7)	2365 (7)	2814 (7)	3107 (7)
Stamps and Registration fees	2938 (10)	2593 (8)	2659 (8)	2878 (7)	3007 (7)
Land Revenue	122 ³³	89 ³³	139 ³³	182 ³³	124 ³³
Other Taxes	248 (1)	303 (1)	375 (1)	418 (1)	465 (1)
(ii) Non Tax Revenue	4198 (10)	5575 (11)	7284 (12)	8426 (12)	9700 (13)
(iii) State's share in Union taxes and duties	6841 (15)	7469 (15)	7926 (14)	12691 (18)	15225 (20)
(iv) Grants in aid from Government of India	3021 (7)	4138 (9)	7508 (13)	8921 (13)	8510 (11)
2. Miscellaneous Capital Receipts	15	19	28	28	30
3. Recovery of Loans and Advances	74	104	124	153	292
4. Total revenue and Non debt capital receipts (1+2+3)	44226	49300	58102	69214	75934
5. Public Debt Receipts	13261	14461	18509	19658	23858
Internal Debt (excluding Ways & Means Advances and Overdraft)	12709 (96)	13950 (96)	15106 (82)	17141 (87)	20075 (84)
Net transactions under Ways and Means Advances excluding Overdraft	...	119 (1)	2651 (14)	1986 (10)	2931 (12)
Loans and advances from Government of India	552 (4)	392 (3)	752 (4)	531 (3)	852 (4)
6. Total receipts in the Consolidated Fund (4+5)	57487	63761	76611	88872	99792
7. Contingency Fund Receipts	21		67
8. Public Account receipts	105880	124374	141522	168623	190628
9. Total receipts of State (6+7+8)	163388	188135	218200	257495	290420
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	53489 (90)	60486 (91)	71746 (93)	78690 (90)	91096 (89)
Plan	6849 (13)	7074 (12)	10282 (14)	12079 (15)	13492 (15)
Non-Plan	46640 (87)	53412 (88)	61464 (86)	66611 (85)	77604 (85)
General Services (incl. Interest payment)	22787 (43)	26605 (44)	31433 (44)	36085 (46)	41195 (45)
Social Services	18878 (35)	20980 (35)	23718 (33)	27603 (35)	33765 (37)
Economic Services	7808 (15)	7929 (13)	10197 (14)	11099 (14)	10655 (12)
Grants-in-aid and Contributions	4016 (7)	4972 (8)	6398 (9)	3903 (5)	5481 (6)
11. Capital Expenditure	4603 (8)	4294 (7)	4255 (6)	7500 (9)	10126 (10)
Plan	3466 (75)	3497 (81)	3881 (9)	6518 (87)	8946 (88)
Non-Plan	1137 (25)	797 (19)	374 (91)	982 (13)	1180 (12)
General Services	147 (3)	148 (3)	135 (3)	257 (3)	211 (2)
Social Services	562 (12)	617 (15)	875 (21)	1035 (14)	1293 (13)
Economic Services	3894 (85)	3529 (82)	3245 (76)	6208 (83)	8622 (85)
12. Disbursement of Loans and Advances	1136 (2)	1464 (2)	743 (1)	842 (1)	1160 (1)
13. Total (10+11+12)	59228	66244	76744	87032	102382

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

³³ Insignificant

Appendix I.5- Contd.

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Part B: Expenditure/Disbursement					
14. Repayment of Public Debt	2804	3245	5843	6061	7706
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2478	2774	2842	3713	4302
Net transactions under Ways and Means Advances excluding Overdrafts	...	119	2651	1986	2931
Loans and Advances from Government of India	326	352	350	362	473
15. Appropriation to Contingency Fund
16. Total disbursement out of Consolidated Fund (13+14+15)	62032	69489	82587	93093	110088
17. Contingency Fund disbursements	...	67
18. Public Account disbursements	100456	120992	136243	162825	179910
19. Total disbursement by the State (16+17+18)	162488	190548	218830	255918	289998
Part C: Deficits					
20. Revenue Deficit (1-10)	9352	11309	13796	9657	15484
21. Fiscal Deficit (4-13)	15002	16944	18642	17818	26448
22. Primary Deficit (21-23)	7797	8679	8872	6707	14331
Part D: Other Data					
23. Interest Payments (included in revenue expenditure)	7205	8265	9770	11111	12117
24. Financial Assistance to local bodies, etc.	13716	16138	19944	20101	23890
25. Ways & Means Advances/Overdrafts availed (days)	Nil	1	30	23	25
Ways and Means Advances availed (days)	Nil	1	23	23	25
Overdraft availed (days)	Nil	Nil	7	Nil	Nil
26. Interest on WMA/Overdraft	Nil	0.02	2	1.37	2.12
27. Gross State Domestic Product (GSDP) at current prices ³⁴	412313	465041	526002	588337	655205
28. Outstanding Fiscal Liabilities (year-end)	108477	124081	141947	160539	189769
29. Outstanding guarantees (year-end)	9099	9763	11127	12439	16246
30. Maximum amount guaranteed (during the year)	11482	12275	13123	13713	20204
31. Number of incomplete projects/works	215	228	229	263	226
32. Capital blocked in incomplete projects/works ³⁵	539	759	959	1198	974

³⁴ GSDP figures are communicated by the Director of Economics and Statistics Department, Government of Kerala. The figures for 2014-15 are provisional and that for 2015-16 are Quick Estimates.

³⁵ Represents progressive amount blocked in incomplete projects/works at the end of the year based on figures collected from departmental heads.

Appendix 1.5- Concl'd.

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17	
Part E: Fiscal Health Indicators						
I	Resource Mobilisation					
	Own Tax revenue/GSDP	7.3	6.9	6.7	6.6	6.4
	Own non-tax revenue/GSDP	1.0	1.2	1.4	1.4	1.5
	Central Transfers/GSDP	2.4	2.5	2.9	3.7	3.7
II	Expenditure Management					
	Total Expenditure/GSDP	14.4	14.2	14.6	14.8	15.6
	Total Expenditure/Revenue Receipts	134.2	134.7	132.4	126.1	135.4
	Revenue Expenditure/Total Expenditure	90.3	91.3	93.5	90.4	89.0
	Revenue Expenditure on Social Services/Total Expenditure	31.9	31.7	30.9	31.7	33.0
	Revenue Expenditure on Economic Services/Total Expenditure	13.2	12.0	13.3	12.8	10.4
	Capital Expenditure/Total Expenditure	7.8	6.5	5.5	8.6	9.9
	Capital Expenditure on Social and Economic Services/Total Expenditure	7.5	6.3	5.4	8.3	9.7
III	Management of Fiscal Imbalances					
	Revenue deficit/GSDP	(-)2.3	(-)2.4	(-)2.6	(-)1.6	(-) 2.4
	Fiscal deficit/GSDP	(-)3.6	(-)3.6	(-)3.5	(-)3.0	(-) 4.0
	Primary Deficit /GSDP	(-)1.9	(-)1.9	(-)1.7	(-)1.1	(-) 2.2
	Revenue Deficit/Fiscal Deficit	62.3	66.7	74.0	54.2	58.5
IV	Management of Fiscal Liabilities					
	Fiscal Liabilities/GSDP	26.3	26.8	27.3	27.4	28.9
	Fiscal Liabilities/Revenue Receipts	245.8	252.3	244.9	232.6	250.9
	Primary deficit <i>vis-à-vis</i> quantum spread	(-)2023	(-)2496	(-)1675	(-)177	(-)7107
	Debt Redemption (Principal +Interest)/ Total Debt Receipts (in <i>per cent</i>)	82.3	86.5	87.6	89.7	80.3
V	Other Fiscal Health Indicators					
	Return on Investment (<i>per cent</i>)	1.1	1.8	1.2	1.3	1.3
	Balance from Current Revenue	(-)4867	(-)6694	(-)9038	(-)622	(-) 5252
	Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.4

Appendix 1.6
Receipt and utilisation of GoI Flagship Programmes
(Reference: Paragraph 1.2.2; Page 8)

(₹ in crore)

Sl. No.	Programme/ Scheme and implementing agency	Unutilised balance at the end of March 2016	Amount received during the year		Interest/ other receipts	Amount utilised during 2016-17	Unutilised balance at the end of March 2017
			From GoI	From the State			
1	Mahatma Gandhi National Rural Employment Guarantee Scheme – MGNREGS State Mission	90.79	1582.49	31.39	3.04	1673.51	34.20
2	Pradhan Mantri Gram Sadak Yojana – Kerala State Rural Roads Development Authority	0.05	175.95	129.72	1.08	250.84	55.96
3	Rural Housing – Indira Awas Yojana – Poverty Alleviation Unit (Commissioner for Rural Development)	96.05	91.13	60.75	173.74	184.70	236.97
4	Rashtriya Madhyamik Shiksha Abhiyan – Secondary Education Development Authority, Kerala	99.33	49.69	78.26	0.00	151.12	76.16
5	Ajeevika - State Poverty Eradication Mission (Kudumbashree)	5.39	11.63	14.82	0.40	24.28	7.96
6	National Horticulture Mission - Kerala State horticulture Mission	27.56	10	6.67	0.23	42.41	2.05
7	National Rural Drinking Water Programme – Kerala Water Authority	84.65	69.77	278.81	0.00	343.31	89.92
8	Sarva Shiksha Abhiyan – Primary Education Development Society of Kerala	121.78	113.17	143.01	3.95	321.41	60.50
9	Swarna Jayanthi Shahari Rozgar Yojana – State Poverty Eradication Mission (Kudumbashree)	32.41	0.00	1.67	20.45	47.95	6.58
10	National Rural Health Mission – State Health and Family Welfare Society	41.26	198.27	302.80	1.16	435.02	108.47
11	Rashtriya Swasthya Bima Yojana – Comprehensive Health Insurance Agency of Kerala	0.00	80.02	43.27	0.00	114.16	9.13
12	Integrated Watershed Management Programme – Poverty Alleviation Unit (Commissioner for Rural Development)	10.80	21.62	14.43	0.18	37.19	9.84
Total		610.07	2403.74	1105.60	204.23	3625.90	697.74

Appendix 1.7
Gross collection in respect of major taxes and duties vis-à-vis budget estimates and the expenditure incurred on their collection
(Reference: Paragraph 1.3.3; Page 13)

(₹ 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.	2012-13	23450.52	22511.09	162.05	0.72	0.73
		2013-14	28456.62	24885.25	178.23	0.72	0.88
		2014-15	31913.47	27908.33	210.16	0.75	0.91
		2015-16	34712.28	30736.78	225.09	0.73	0.66
		2016-17	37452.98	33453.49	282.10	0.84	Not available
2.	Stamps (non-judicial) and registration fees	2012-13	3775.71	2862.06	128.73	4.50	3.25
		2013-14	4086.44	2504.04	135.34	5.40	3.37
		2014-15	3612.37	2560.83	147.11	5.74	3.59
		2015-16	4165.77	2778.99	172.28	6.19	2.87
		2016-17	3303.62	2890.38	201.55	6.97	Not available
3.	State excise	2012-13	2550.65	2313.95	146.81	6.34	2.96
		2013-14	2801.75	1941.72	164.32	8.46	1.81
		2014-15	1513.36	1777.42	187.28	10.54	2.09
		2015-16	2600.66	1964.15	213.87	10.89	3.21
		2016-17	2397.36	2019.30	253.93	12.58	Not available
4.	Taxes on vehicles	2012-13	1694.49	1924.62	58.30	3.03	4.17
		2013-14	2570.65	2161.09	74.61	3.45	6.25
		2014-15	2799.82	2364.95	88.52	3.74	6.08
		2015-16	3087.35	2814.30	95.13	3.38	4.99
		2016-17	3406.49	3107.23	120.05	3.86	Not available

Appendix 1.8
Statement showing quarter-wise due dates and delays in making payment of interest on HUDCO loan
(Reference: Paragraph 1.12.3.2; Page 41)

Sl. No.	Due date of payment	Interest amount due (in ₹)	Interest paid (in ₹)	Compound and penal interest paid due to delayed payment (in ₹)	DD date/ date of transfer	Days of delay for which compound and penal interest claimed by HUDCO and paid in the next quarter (Actual delay in days)
1.	31.05.2015	7431507	7541918	110411	24.06.2015	24 (24)
2.	31.08.2015	11027397	10974402	-52995*	30.09.2015	31 (30)
3.	30.11.2015	10907534	11017201	109518	01.12.2015	4 (1)
4.	29.02.2016	10907534	10921720	14186	08.03.2016	10 (8)
5.	29.02.2016	4155411	4155411	0	23.03.2016	28 (23)
6.	31.05.2016	21646781	21719945	73164	03.06.2016	3 (3)
7.	31.08.2016	21646781	21667908	21127	26.09.2016	26 (26)
8.	30.11.2016	21411490	21594156	182666	07.12.2016	7 (7)
9.	28.02.2017	21176199	21225210	49011	23.02.2017	0
10.	31.05.2017	28166129	28166129	...	02.06.2017	not due for payment
Total				507088		133 (122)

*Negative figure is due to adjustment of excess interest charged during last quarter i.e., on 31.5.2015.

Appendix 2.1
Details showing savings in Grants/Appropriations during the year
(Reference: Paragraph 2.2: Page 46)

(₹ in crore)

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings
Revenue – Voted				
1	I State Legislature	92.33	90.47	1.86
2	II Heads of States, Ministers and Headquarters Staff	586.79	519.35	67.44
3	IV Elections	151.09	141.76	9.33
4	V Agricultural Income Tax and Sales Tax	323.10	304.89	18.21
5	VI Land Revenue	580.93	558.69	22.24
6	VIII Excise	269.99	253.71	16.28
7	IX Taxes on Vehicles	127.59	120.08	7.51
8	XII Police	3367.27	3186.84	180.43
9	XIII Jails	122.42	120.66	1.76
10	XIV Stationery and Printing and other Administrative Services	471.82	413.47	58.35
11	XV Public Works	2606.47	2166.25	440.22
12	XVI Pensions and Miscellaneous	23924.35	21476.84	2447.51
13	XVII Education, Sports, Art and Culture	17566.74	17229.01	337.73
14	XVIII Medical and Public Health	5286.12	5232.96	53.16
15	XXI Housing	104.59	88.12	16.47
16	XXII Urban Development	1497.61	866.41	631.20
17	XXIII Information and Publicity	100.56	79.54	21.02
18	XXIV Labour, Labour Welfare and Welfare of Non-Residents	987.29	905.98	81.31
19	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2910.71	2633.51	277.20
20	XXVI Relief on Account of Natural Calamities	441.14	347.13	94.01
21	XXVII Co-operation	444.00	435.38	8.62
22	XXVIII Miscellaneous Economic Services	160.35	155.82	4.53
23	XXIX Agriculture	3197.86	2889.11	308.75
24	XXX Food	1743.68	1586.77	156.91
25	XXXI Animal Husbandry	628.54	577.52	51.02
26	XXXII Dairy	173.57	156.29	17.28
27	XXXIII Fisheries	377.21	370.24	6.97
28	XXXIV Forest	565.40	541.66	23.74
29	XXXV Panchayat	590.02	532.54	57.48
30	XXXVI Rural Development	3081.16	811.06	2270.10
31	XXXVII Industries	539.97	515.78	24.19
32	XXXVIII Irrigation	423.72	363.46	60.26

Appendix 2.1-contd.

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings
33	XXXIX Power	162.96	85.07	77.89
34	XL Ports	56.39	48.39	8.00
35	XLI Transport	64.65	53.88	10.77
36	XLII Tourism	190.80	170.73	20.07
37	XLIII Compensation and Assignments	7379.07	5497.60	1881.47
38	XLVI Social Security and Welfare	6401.26	5264.59	1136.67
Total		87699.52	76791.56	10907.96
Capital-Voted				
1	XII Police	73.11	23.74	49.37
2	XIV Stationery and Printing and Other Administrative Services	2.00	1.03	0.97
3	XVII Education, Sports, Art and Culture	434.79	345.38	89.41
4	XVIII Medical and Public Health	361.94	256.44	105.50
5	XX Water Supply and Sanitation	564.46	265.08	299.38
6	XXI Housing	48.30	19.08	29.22
7	XXII Urban Development	80.49	18.62	61.87
8	XXIII Information and Publicity	8.50	4.06	4.44
9	XXIV Labour, Labour Welfare and Welfare of Non-Residents	157.73	154.25	3.48
10	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	259.03	191.34	67.69
11	XXVII Co-operation	76.87	73.93	2.94
12	XXVIII Miscellaneous Economic Services	3336.82	2384.07	952.75
13	XXIX Agriculture	699.09	418.68	280.41
14	XXXI Animal Husbandry	63.30	19.25	44.05
15	XXXII Dairy	(*)	(*)	(*)
16	XXXIII Fisheries	362.33	339.78	22.55
17	XXXIV Forest	110.03	95.89	14.14
18	XXXV Panchayat	664.17	615.82	48.35
19	XXXVI Rural Development	1.58	0.00	1.58
20	XXXVII Industries	1028.15	791.97	236.18
21	XXXVIII Irrigation	458.42	383.50	74.92
22	XXXIX Power	96.20	18.81	77.39
23	XL Ports	117.91	99.31	18.60
24	XLI Transport	1149.05	969.70	179.35
25	XLII Tourism	215.93	175.43	40.50
26	XLV Miscellaneous Loans and Advances	449.31	442.05	7.26
27	XLVI Social Security and Welfare	134.46	95.15	39.31
Total		10953.97	8202.36	2751.61

Appendix 2.1-concl.d.

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings
Revenue-Charged				
1	I State Legislature	0.71	0.40	0.31
2	II Heads of States, Ministers and Head Quarters Staff	191.69	171.84	19.85
3	III Administration of Justice	107.32	104.99	2.33
4	V Agricultural Income Tax and Sales Tax	0.80	0.52	0.28
5	VI Land Revenue	0.02	0.00	0.02
6	VII Stamps and Registration	0.01	0.00	0.01
7	VIII Excise	0.33	0.33	0.00
8	IX Taxes on Vehicles	(*)	(*)	(*)
9	XI District Administration and Miscellaneous	1.07	1.05	0.02
10	XII Police	6.19	4.58	1.61
11	XIV Stationery and Printing and other Administrative Services	(*)	(*)	(*)
12	XV Public Works	3.71	1.27	2.44
13	XVI Pensions and Miscellaneous	59.18	59.06	0.12
14	XVII Education, Sports, Art and Culture	0.20	(*)	0.20
15	XVIII Medical and Public Health	0.16	0.06	0.10
16	XIX Family Welfare	0.01	0.01	(*)
17	XXI Housing	0.01	0.01	(*)
18	XXVIII Miscellaneous Economic Services	(*)	(*)	(*)
19	XXIX Agriculture	0.10	0.03	0.07
20	XXXIII Fisheries	0.05	0.05	(*)
21	XXXIV Forest	0.05	0.00	0.05
22	XXXVI Rural Development	(*)	(*)	(*)
23	XXXVII Industries	(*)	(*)	(*)
24	XXXVIII Irrigation	0.16	0.11	0.05
25	XLI Transport	85.35	0.16	85.19
26	Debt Charges	12634.33	12116.82	517.51
Total		13091.45	12461.29	630.16
Capital-Charged				
1	XV Public Works	48.59	45.66	2.93
2	XVIII Medical and Public Health	0.03	0.02	0.01
3	XXXIII Fisheries	0.02	0.01	0.01
4	XXXVIII Irrigation	9.59	8.46	1.13
5	XLI Transport	50.00	11.12	38.88
6	Public Debt Repayment	13974.78	7706.01	6268.77
Total		14083.01	7771.28	6311.73
Grand Total		125827.95	105226.49	20601.46

(*) insignificant/token provision

Appendix 2.2

Details of Grant-wise Plan/Non-plan savings (exceeding ₹100 crore) during the year
(Reference: Paragraph 2.2: Page 47)

(₹ in crore)

Sl. No.	Grant Number	Original Budget	Supplementary	Total Budget	Final Expenditure	Savings	% of Saving
Revenue Voted (Plan)							
1.	XVII	2268.31	515.61	2783.92	1974.52	809.40	29
2.	XVIII	1053.14	173.05	1226.19	1067.64	158.56	13
3.	XXII	1276.00	178.00	1454.00	826.94	627.06	43
4.	XXV	2490.21	0.50	2490.71	2067.14	423.57	17
5.	XXIX	1159.41	182.56	1341.97	1087.40	254.57	19
6.	XXXVI	2806.82	50.00	2856.82	607.88	2248.94	79
7.	XLVI	1063.71	1517.32	2581.03	2416.90	164.12	6
Total		12117.60	2617.04	14734.64	10048.42	4686.22	32
Revenue Voted (Non-Plan)							
1.	XII	3275.34	19.79	3295.13	3113.20	181.93	5
2.	XV	2436.47	0.00	2436.47	1971.97	464.50	19
3.	XVI	23066.73	857.61	23924.34	21476.84	2447.50	10
4.	XXX	1635.88	89.11	1724.99	1577.07	147.92	9
5.	XLIII	7379.07	0.00	7379.07	5497.60	1881.47	25
6.	XLVI	3321.33	498.90	3820.23	2847.68	972.55	25
		41114.82	1465.41	42580.23	36484.36	6095.87	14
Capital-Plan (Voted)							
1.	XVIII	276.92	0.00	276.92	168.85	108.07	39
2.	XX	544.46	0.00	544.46	204.91	339.55	62
3.	XXVIII	2540.57	729.53	3270.10	2364.85	905.25	28
4.	XXIX	360.02	306.48	666.50	396.85	269.65	40
5.	XXXVII	517.10	146.64	663.74	521.17	142.57	21
6.	XLI	227.75	671.10	898.85	649.89	248.96	28
		4466.82	1853.75	6320.57	4306.52	2014.05	32
Capital-Non-Plan (Voted)							
1.	XV	1008.18	150.00	1158.18	486.75	671.43	58
Grand Total		58707.42	6086.20	64793.62	51326.05	13467.57	21

Appendix 2.3
Schemes with more than ₹10 crore savings in Grants/Appropriations having substantial savings

(Reference: Paragraph 2.3.1: Page 48)

(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme	Funds allocated	Expenditure	Savings
1.	XXII	2217-05-191-36-Trivandrum Development Authority-(V-P)	30.00	3.00	27.00
2.		2217-05-191-71-Swachh Bharat Mission (Urban) (40% State Share)-(V-P)	37.50	11.27	26.23
3.		2217-05-191-74-Pradhan Mantri Awas Yojana (40% State Share)-(V-P)	150.00	32.28	117.72
4.		2217-05-191-75-Rajiv Awas Yojana (RAY) (50% State Share)-(V-P)	24.00	0.87	23.13
5.		2217-05-191-77-National Urban Livelihood Mission (NULM) (40% State Share)-(V-P)	14.80	0.67	14.13
6.		2217-05-192-70-Swachh Bharat Mission (URBAN) (40% State Share)-(V-P)	87.50	26.31	61.19
7.		2217-05-192-71-Atal Mission for Rejuvenation and Urban Transformation (AMRUT) (40% State Share)-(V-P)	75.00	64.74	10.26
8.		2217-05-192-72-Pradhan Mantri Awas Yojana (PMAY) (40% State Share)-(V-P)	100.00	36.30	63.70
9.		2217-05-192-73-Integrated Housing and Slum Development Programme (HSDP) (50% State Share)-(V-P)	12.00	0.00	12.00
10.		2217-05-192-74-National Urban livelihood Mission (NULM) (40% State Share)-(V-P)	22.20	1.01	21.19
11.		2217-05-800-89-Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance)-(V-P)	200.00	54.63	145.37
12.		2217-80-800-71-Solid Waste Management Scheme for Urban Areas-(V-P)	28.09	5.80	22.29
13.		2217-80-800-91-Kerala Sustainable Urban Development Project-(V-P)	61.21	10.00	51.21
14.	XXXVI	2501-01-197-48-Block Grants for CSS-(V-P)	276.04	137.59	138.45
15.		2501-06-197-48-Block Grants for CSS-(V-P)	100.00	29.86	70.14
16.		2505-02-101-99-Mahatma Gandhi National Rural Employment Guarantee Programme(V-P)	2237.70	227.77	2009.93
17.		2515-00-001-49-Recurring expenditure on personnel retained on N.E.S pattern-(V-NP)	177.19	166.09	11.10
18.		2515-00-102-37-Pradhan Mantri Krishi Sinchai Yojana (PMKSY)-(V-P)	56.45	28.61	27.85
19.	XLIII	3604-00-200-86-Funds for Development Expenditure - 5th SFC Recommendations-(V-NP)	3844.85	2864.32	980.53
20.		3604-00-200-87-Funds for Maintenance Expenditure (Non - Road Assets) - 5th SFC Recommendations-(V-NP)	645.93	422.26	223.67
21.		3604-00-200-89-Performance Grant under Kerala Local Government and Service Delivery Project (KLGSDP) - World Bank Aided-(V-NP)	345.00	197.85	147.15

Appendix 2.3- *concl.*

(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme	Funds allocated	Expenditure	Savings
22.	XLIII	3604-00-200-90-Expansion and Development under XIV Finance Commission Recommendations-(V-NP)	1310.05	782.59	527.46
23.	XVIII	4210-02-800-95-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(V-NP)	83.24	32.99	50.24
24.		4210-03-105-57-Establishment of new Medical College at Wayanad (V-P)	22.00	0.00	22.00
25.	XX	4215-01-101-97-Rehabilitation/Improvement works of Urban Water Supply Scheme-(V-P)	60.00	32.50	27.50
26.		4215-01-102-96-Ensuring Accessibility to drinking water in Identified Panchayats-(V-P)	11.00	0.00	11.00
27.		4215-01-102-97-Rural Water Supply schemes-(V-P)	87.35	15.00	72.35
28.		4215-01-190-96-Kerala Water Supply Project, JICA-One time sustenance support under the state plan(V-P)	98.83	0.00	98.83
29.		4215-01-190-97-Optimisation of production and transmission-(V-P)	105.36	45.00	60.36
30.		4215-01-800-93-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(V-NP)	20.00	9.00	11.00
31.		XXVIII	5475-00-800-91-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(V-NP)	60.46	19.22
32.	5475-00-800-92-Major Infrastructural Development Projects-(V-P)		2536.07	1624.57	911.50
33.	XXIX	4551-01-800-98-Hill Area Development Agency (RIDF)-(V-P)	60.00	17.42	42.58
34.		4702-00-101-68-Pradhan Manthri Krishi Sinchayee Yojana (60% CSS)-(V-P)	60.00	0.00	60.00
35.		4702-00-101-69-Minor Irrigation Projects in Cauvery Basin (NABARD Assistance)-(V-P)	60.00	0.00	60.00
36.		4702-00-101-77-Minor Irrigation Projects in Cauvery Basin-(V-P)	22.00	0.28	21.72
37.		4702-00-101-93-Minor Irrigation Class I Works-NABARD Assisted Scheme-(V-P)	224.24	190.21	34.03
38.		4702-00-102-96-Meenachil Check Dams-(V-P)	15.00	0.00	15.00
39.	Public Debt Repayment	6003-00-108-99-Loans from the National Co-Operative Development Corporation-(C-NP)	100.00	53.07	46.93
40.		6003-00-110-96-Overdrafts-(C-NP)	1739.51	0.00	1739.51
41.		6003-00-110-97-Short Fall in Cash Balances- (C-NP)	25.00	0.00	25.00
42.		6003-00-110-98-Special Ways and Means advances-(C-NP)	2000.00	320.64	1679.36
43.		6003-00-110-99-Ways and Means Advances-(C-NP)	5500.00	2610.49	2889.51

Appendix 2.4
Statement of persistent savings for the last three years
(Reference: Paragraph 2.3.2, Page 49)

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
Revenue-Voted					
Grant No. XII					
1.	2055-00-101-96-Agency Charges for Immigration Wing of Airports and Seaports(NP)	2015-16	2.50	1.13	1.37
		2016-17	2.37	0.34	2.04
2.	2055-00-115-99-Modernisation of Police Force-(NP)	2014-15	32.64	14.46	18.18
		2016-17	27.08	9.69	17.39
Grant No. XV					
3.	2059-60-051-83-Kerala House, New Delhi-(NP)	2014-15	3.27	1.52	1.75
		2015-16	5.50	0.01	5.49
		2016-17	2.96	0.00	2.96
4.	2059-60-053-98-Electrical Maintenance-(NP)	2014-15	4.75	2.97	1.78
		2015-16	6.45	4.52	1.93
		2016-17	6.45	3.31	3.14
5.	3054-80-004-96-Feasibility Study for New Schemes/Project-(P)	2014-15	4.53	0.61	3.92
		2015-16	3.98	2.49	1.49
		2016-17	6.00	1.57	4.43
6.	3054-80-800-92-Kerala Road Fund-(NP)	2014-15	38.39	0.00	38.39
		2016-17	197.29	105.00	92.29
Grant No. XVI					
7.	2075-00-800-72-Spill Over Schemes-(NP)	2015-16	801.30	0.00	801.30
		2016-17	2216.14	0.00	2216.14
Grant No. XVII					
8.	2202-02-109-75-Infrastructure Development of Government Higher Secondary Schools-(P)	2014-15	11.00	5.86	5.14
		2015-16	11.00	6.65	4.35
		2016-17	14.00	7.17	6.83
9.	2202-02-196-50-Block Grant for Revenue Expenditure-(NP)	2014-15	2.72	1.39	1.33
		2015-16	2.72	1.12	1.60
		2016-17	2.72	0.76	1.96
10.	2202-03-107-85-Post-Matric Scholarship for Minorities (100% CSS)-(P)	2014-15	32.00	0.24	31.76
		2015-16	19.50	0.00	19.50
		2016-17	5.00	0.00	5.00
11.	2202-80-800-51-IDMI (Infrastructure Development in Minority Institutions) (100%CSS)-(P)	2014-15	33.52	0.56	32.96
		2015-16	38.52	1.08	37.44
		2016-17	5.87	0.56	5.31
12.	2203-00-107-92-Merit-cum Means Scholarship for Minorities for Professional and Technical Courses(100%CSS)-(P)	2015-16	35.00	0.26	34.74
		2016-17	35.00	0.00	35.00
13.	2203-00-112-65-QIP Centres in three Colleges-(P)	2014-15	3.50	2.50	1.00
		2015-16	3.90	2.31	1.59
		2016-17	4.21	2.96	1.25
14.	2204-00-103-98-Youth Welfare Board-(P)	2014-15	18.64	13.00	5.64
		2015-16	18.64	13.40	5.24
		2016-17	18.65	8.61	10.04

Appendix 2.4-contd.

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
15.	2204-00-104-96-Development of Multipurpose Sports/Play Spaces-(P)	2014-15	3.00	0.00	3.00
		2015-16	3.00	0.58	2.42
		2016-17	3.00	1.78	1.22
16.	2204-00-104-45-Sports Infrastructure Facilities-(P)	2014-15	1.58	0.58	1.00
		2015-16	4.51	1.22	3.29
		2016-17	2.39	1.03	1.37
17.	2205-00-103-94-Museum Development and Display Techniques-(P)	2014-15	3.20	2.19	1.01
		2015-16	3.80	1.15	2.65
		2016-17	3.99	2.07	1.92
18.	3425-60-200-67-Special programmes of Kerala State Council for Science, Technology and Environment-(P)	2014-15	2.50	0.42	2.08
		2015-16	3.00	0.30	2.70
		2016-17	3.15	0.50	2.65
19.	3435-04-103-96-Kerala State Pollution Control Board-(P)	2014-15	8.00	2.96	5.04
		2015-16	9.00	6.30	2.70
		2016-17	9.50	5.72	3.78
Grant No. XXII					
20.	2217-05-800-89-Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance)-(P)	2014-15	535.13	85.59	449.54
		2015-16	458.95	114.53	344.42
		2016-17	200.00	54.63	145.37
21.	2217-80-001-97-Municipal Secretaries-(NP)	2014-15	5.67	3.08	2.59
		2015-16	6.94	3.47	3.47
		2016-17	9.79	3.65	6.14
22.	2217-80-800-91-Kerala Sustainable Urban Development Project-(P)	2014-15	123.60	50.00	73.60
		2015-16	140.00	62.99	77.01
		2016-17	61.21	10.00	51.21
23.	2217-80-800-71-Solid Waste Management Scheme for Urban Areas-(P)	2014-15	19.45	4.45	15.00
		2015-16	24.98	5.44	19.54
		2016-17	28.09	5.80	22.29
Grant No. XXXVI					
24.	2501-06-197-48-Block Grants for CSS-(P)	2014-15	71.70	44.25	27.45
		2015-16	120.00	14.82	105.18
		2016-17	100.00	29.86	70.14
25.	2505-02-101-99-Mahatma Gandhi National Rural Employment Guarantee Programme-(P)	2014-15	2371.60	1627.62	743.98
		2015-16	1640.00	1186.37	453.63
		2016-17	2237.70	227.77	2009.93
Grant No. XLVI					
26.	2235-02-102-93-C.H.Muhammed Koya Memorial State Institute for the Mentally Handicapped, Pangappara-(P)	2014-15	7.00	3.55	3.45
		2015-16	7.00	1.70	5.30
		2016-17	7.00	4.37	2.63
27.	2235-02-102-56-Development of Anganwadi centres as community resource centres for women and children - A life cycle approach-(P)	2014-15	2.00	0.99	1.01
		2015-16	2.20	0.45	1.75
		2016-17	3.00	0.86	2.14

Appendix 2.4-contd.

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
Capital – Voted					
Grant No. XX					
28.	4215-01-800-93-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(NP)	2014-15	29.00	8.95	20.05
		2015-16	40.00	6.00	34.00
		2016-17	20.00	9.00	11.00
Grant No. XXVIII					
29.	5475-00-800-92-Major Infrastructural Development Projects-(P)	2014-15	1225.00	53.85	1171.15
		2015-16	2000.00	873.86	1126.14
		2016-17	2536.07	1624.57	911.50
30.	5475-00-800-91-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(NP)	2014-15	182.80	0.00	182.80
		2015-16	49.12	1.20	47.92
		2016-17	60.46	19.22	41.25
Grant No. XXIX					
31.	4551-01-800-98-Hill Area Development Agency (RIDF)-(P)	2014-15	40.00	0.00	40.00
		2015-16	43.00	4.82	38.18
		2016-17	60.00	17.42	42.58
32.	4702-00-101-89-Malabar Irrigation Package (MIRPA) - Revamping and Rejuvenation of Lift Irrigation Schemes and Regulators-(NP)	2014-15	9.44	3.78	5.67
		2015-16	6.84	3.26	3.58
		2016-17	8.00	0.88	7.12
33.	4702-00-101-77-Minor Irrigation Projects in Cauvery Basin-(P)	2014-15	5.00	0.00	5.00
		2015-16	21.00	0.00	21.00
		2016-17	22.00	0.28	21.72
34.	4702-00-101-73-Rehabilitation of Lift Irrigation Schemes-(P)	2014-15	5.72	0.00	5.72
		2015-16	5.22	0.00	5.22
		2016-17	5.72	1.28	4.44
Grant No. XXXVII					
35.	4859-02-190-94-Kerala State Information Technology Infrastructure (KSITIL)-(P)	2014-15	16.00	0.00	16.00
		2015-16	36.00	21.00	15.00
		2016-17	17.63	3.00	14.63
36.	4885-01-190-99-The Kerala State Industrial Development Corporation-(P)	2014-15	40.04	0.00	40.04
		2015-16	62.49	24.09	38.40
37.	4885-60-800-96-Provision for Revival/Diversification of State Public Sector Undertakings Lumpsum Provision-(P)	2014-15	46.41	0.00	46.41
		2016-17	3.35	0.00	3.35
38.	6885-60-190-99-Loans to Kerala Industrial Infrastructure Development Corporation-(P)	2014-15	148.79	17.12	131.67
		2016-17	92.20	52.65	39.55
Grant No. XLII					
39.	5452-01-800-85-Upgradation of Roads to Tourist Destination-(NP)	2014-15	20.00	1.59	18.41
		2015-16	20.00	3.21	16.79
		2016-17	20.00	0.00	20.00

Appendix 2.4-concl.d.

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
Capital -Charged					
Public Debt Repayment					
40.	6003-00-110-96-Overdrafts-(NP)	2014-15	1500.00	724.78	775.22
		2015-16	1378.19	0.00	1378.19
		2016-17	1739.51	0.00	1739.51
41.	6003-00-110-98-Special Ways and Means advances-(NP)	2014-15	4000.00	502.23	3497.77
		2015-16	4000.00	705.44	3294.56
		2016-17	2000.00	320.64	1679.36
42.	6003-00-110-99-Ways and Means Advances-(NP)	2014-15	5500.00	1422.40	4077.60
		2015-16	5500.00	1280.38	4219.62
		2016-17	5500.00	2610.49	2889.51

Appendix 2.5
Schemes showed excess expenditure under Grants which exceeded budget allocation
(Reference: Paragraph 2.3.3, Page 50)

(₹ in crore)

Sl. No.	Grant number and scheme	Budget allocation	Expenditure	Excess	
1.	2014-00-108-99-Criminal Courts(NP)	92.19	96.65	4.47	
2.	III 2014-00-800-86-Improvement of Justice Delivery - XIII Finance Commission Recommendation(NP)	14.31	15.66	1.35	
3.	VII 2030-02-102-99-Expenses on Sales of Stamps(NP)	25.25	28.89	3.64	
4.	X 2054-00-097-98-Sub Treasury Establishment(NP)	99.69	108.49	8.80	
5.		2054-00-098-99-Local Fund Audit Department(NP)	65.74	71.18	5.44
6.	XI 2053-00-093-99-Collectors and Magistrates(NP)	127.52	129.55	2.04	
7.		2053-00-094-99-Taluk offices(NP)	191.00	192.97	1.97
8.		2053-00-094-50-Disaster Management, Mitigation and Rehabilitation(P)	0.00	6.17	6.17
9.		2250-00-103-87-Malabar Devaswom Board(NP)	25.45	45.41	19.97
10.	XV 2059-01-053-99-Maintenance and Repairs of Office Buildings(NP)	21.15	23.10	1.95	
11.		2059-01-053-96-Maintenance and Repairs (Civil and Electrical) of Secretariat(NP)	0.14	1.49	1.35
12.		2059-60-053-99-Maintenance and Repairs of other Buildings(NP)	36.17	39.84	3.67
13.		2059-60-053-97-Maintenance of other Government Buildings in Thiruvananthapuram City(NP)	12.84	13.96	1.12
14.		3054-04-198-39-One time assistance for maintenance of Rural Roads(NP)	0.00	1.00	1.00
15.		3054-80-192-38-Maintenance of Road Assets as per Fifth SFC Recommendation (NP)	56.84	74.23	17.39
16.		3054-80-196-38-Maintenance of Road Assets as per Fifth SFC recommendation (NP)	109.82	116.72	6.90
17.		3054-80-800-95-Road Safety Works(P)	11.40	20.84	9.44
18.		4059-01-051-91-Secretariat General Service(P)	15.58	17.29	1.71
19.		5054-04-101-99-Major District Roads - Bridges and Culverts(P)	185.95	193.61	7.66
20.	5054-80-001-99-Establishment Charges transferred on percentage basis from '3054-Roads and Bridges'(P)	265.79	332.57	66.78	

Appendix 2.5-Concl.d.

(₹ in crore)

Sl. No.	Grant number and scheme	Budget allocation	Expenditure	Excess
21.	2211-00-001-95-City and District Family Welfare Bureaus (Including Mobile IUCD Unit - CSS - 60:40)(P)	15.19	17.73	2.55
22.	2211-00-101-96-Rural Family Welfare Centres and Post Partum Centres (Block PHCs)(NP)	71.43	100.35	28.92
23.	XIX 2211-00-101-94-Expansion of ICDS Programme (CSS 60:40)(P)	10.83	12.24	1.41
24.	2211-00-200-96-Post Partum Centres MC Hospital, District Hospital and Other Major Hospitals(NP)	7.04	9.56	2.53
25.	2211-00-200-94-Post Partum Centre Sub/Division and Taluk Level Hospitals(NP)	25.30	30.83	5.53
26.	2215-01-101-98-Special package for completing ongoing urban water supply schemes(P)	0.00	27.50	27.50
27.	2215-01-102-81-Rural Water Supply Scheme(P)	0.00	15.91	15.91
28.	XX 2215-01-190-99-Grant-in-Aid to the Kerala Water Authority(NP)	257.72	271.68	13.96
29.	2215-01-190-94-Replacement of old and unusable pipes(P)	0.00	33.00	33.00
30.	XXX 4408-01-101-99-Grain Supply Scheme(NP)	56.97	60.70	3.72

Appendix 2.6

**Schemes in which expenditure was incurred after budget was re-appropriated/surrendered
(Reference: Paragraph 2.3.3, Page 50)**

(₹ in crore)

Sl. No.	Grant number and scheme name	Budget allocation	Reappropriation	Surrender	Expenditure	
1.	XI 2053-00-094-50-Disaster Management, Mitigation and Rehabilitation(P)	5.00	0.00	5.00	6.17	
2.	XVII 3425-60-200-67-Special Programmes of Kerala State Council for Science, Technology and Environment(P)	3.15	0.00	3.15	0.50	
3.		4202-02-104-93-Centrally Sponsored Schemes for Polytechnic Colleges - Construction of Women's Hostels(P)	10.00	0.00	10.00	0.40
4.		4202-04-190-99-Kerala State Film Development Corporation(P)	4.00	0.00	4.00	4.00
5.	XVIII 4210-03-105-41-New Medical College at Pathanamthitta(P)	7.50	0.00	7.50	7.50	
6.		4210-03-105-49- Medical College, GH Campus, Thiruvananthapuram (P)	21.00	0.00	21.00	21.00
7.		4210-03-105-65-New Medical College at Kasaragode (NABARD-RIDF)(P)	7.50	-7.25	0.25	7.50
8.		4210-03-105-63-New Medical College at Malappuram (P)	21.00	-21.00	0.00	21.00
9.		4210-03-105-66-New Medical College at Idukki(P)	7.50	-7.50	0.00	7.50
10.	XXIV 2230-01-103-17-The Un-Organised Workers Social Security Scheme(P)	0.05	0.00	0.05	0.05	
11.	XXVI 2245-80-102-96-State Disaster Mitigation Fund(NP)	10.10	0.00	10.10	1.00	
12.		2245-80-102-97-Capacity Building Disaster Management Grant under XIII Finance Commission Recommendations(NP)	1.04	0.00	1.04	1.04
13.	XXVII 4425-00-108-29-Legislative Assembly Constituency-Asset Development Scheme (LAC ADS)(NP)	1.00	0.00	1.00	0.45	
14.	XXIX 2551-60-101-98-Sabarimala Master Plan(P)	25.00	0.00	25.00	12.18	
15.	XXXVIII 2700-16-101-99-Work Charged Establishment(NP)	0.65	0.00	0.65	0.12	
16.	XXXIX 2810-00-800-99-Agency for Non-Conventional Energy and Rural Technology(ANERT) Grant-in-Aid(NP)	2.98	0.00	2.98	2.98	
17.	XL 5051-02-200-71-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)(NP)	1.00	0.00	1.00	0.27	

Appendix 2.7
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.4; Page 51)

Year	Number of Grants/Appropriations	Grant/Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
2011-12	2 Grants	Revenue-XLI	14,90,73,882	Notes discussed by PAC. Appropriation Act not yet passed.
		Capital-XLII	9,58,81,595	Notes discussed by PAC. Appropriation Act not yet passed.
2012-13	5 Grants	Revenue-IX	80,65,569	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XVII	29,71,81,076	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XXXI	4,79,92,489	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue- XLII	3,92,53,979	Notes discussed by PAC. Appropriation Act not yet passed.
		Capital- XVII	1,18,49,442	Notes discussed by PAC. Appropriation Act not yet passed.
2013-14	6 Grants	Revenue-I	32,74,452	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-IV	2,10,27,603	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XIII	3,74,75,050	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XVI	3,71,23,54,719	Notes discussed by PAC. Appropriation Act not yet passed.
		Capital-XV	72,52,76,458	Notes discussed by PAC. Appropriation Act not yet passed.
		Capital-XXXII	19,774	Notes discussed by PAC. Appropriation Act not yet passed.
	4 Appropriations	Revenue-I	7,79,857	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-Debt Charges	1,09,10,96,321	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XV	27,21,676	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XVI	1,27,63,774	Notes discussed by PAC. Appropriation Act not yet passed.
2014-15	1 Appropriation	Revenue-Debt Charges	1,92,00,43,541	Notes discussed by PAC. Appropriation Act not yet passed.
2015-16	1 Grant	Capital XV	69,23,18,442	Initial notes not received. Not discussed by PAC.
	3 Appropriations	Revenue - Debt Charges	154,71,31,239	Final copies of notes received. Not discussed by PAC.
		Revenue XV	9,39,925	Initial notes not received. Not discussed by PAC.
		Revenue XVI	6,73,41,582	Initial notes not received. Not discussed by PAC.
Total			1048,38,62,445	

Appendix 2.8
Grants/Appropriations where supplementary provision (₹ one crore or more in each case)
proved unnecessary
(Reference: Paragraph 2.3.5, Page 51)

(₹ in crore)

Sl. No.	Grant Number and name	Budget allocation	Final Expenditure	Total SDG	SDG in March 2017
Revenue - voted					
1	I State Legislature	91.14	90.47	1.19	1.19
2	IX Taxes On Vehicles	120.09	120.08	7.50	7.50
3	XIV Stationery and Printing and Other Administrative Services	421.57	413.47	50.25	50.25
4	XXIII Information and Publicity	81.12	79.54	19.44	19.44
5	XXIX Agriculture	2957.68	2889.11	240.18	240.18
6	XXX Food	1654.57	1586.77	89.11	69.11
7	XXXII Dairy	163.47	156.29	10.10	10.10
Total		5489.64	5335.73	417.77	397.77
Revenue – charged					
8	II Heads of States, Ministers and Headquarters Staff	172.76	171.84	18.93	18.93
9	III Administration of Justice	105.84	104.99	1.47	1.47
Total		278.60	276.83	20.40	20.40
Capital – voted					
10	XVII Education, Sports, Art and Culture	364.26	345.38	70.53	65.88
11	XXVIII Miscellaneous Economic Services	2607.29	2384.07	729.53	729.53
Total		2971.55	2729.45	800.06	795.41
Grand Total		8739.79	8342.01	1238.23	1213.58

SDG-Supplementary Demands for Grants.

Appendix 2.9
Cases of excessive supplementary Grants/Appropriations
(Savings of ₹ one crore and above)
(Reference: Paragraph 2.3.5, Page 52)

(₹ in crore)

Sl. No.	Grant number	Original Budget allocation	Final Expenditure	Funds required as SDG	SDG obtained	Excess SDG
Revenue-Voted						
1.	IV	136.53	141.76	5.23	14.56	9.33
2.	V	287.26	304.90	17.64	35.84	18.20
3.	XIII	117.01	120.66	3.65	5.41	1.76
4.	XVII	16986.91	17229.01	242.10	579.83	337.73
5.	XVIII	4935.42	5232.97	297.55	350.70	53.15
6.	XXIV	864.79	905.98	41.19	122.50	81.31
7.	XXVII	315.37	435.38	120.01	128.63	8.62
8.	XXVIII	155.12	155.83	0.71	5.24	4.53
9.	XXXIII	295.75	370.24	74.49	81.46	6.97
10.	XXXV	531.36	532.55	1.19	58.66	57.47
11.	XXXVII	456.75	515.78	59.03	83.23	24.20
12.	XLVI	4385.04	5264.59	879.55	2016.21	1136.66
Total		29467.31	31209.65	1742.34	3482.27	1739.93
Revenue-charged						
13.	V	0.36	0.52	0.16	0.43	0.27
Capital-voted						
14.	XXII	10.00	18.62	8.62	70.49	61.87
15.	XXIV	143.98	154.25	10.27	13.75	3.48
16.	XXV	169.47	191.34	21.87	89.55	67.68
17.	XXIX	372.85	418.68	45.83	326.23	280.40
18.	XXXIII	272.05	339.78	67.73	90.28	22.55
19.	XXXV	535.00	615.83	80.83	129.17	48.34
20.	XXXVII	695.10	791.97	96.87	333.05	236.18
21.	XXXVIII	331.09	383.50	52.41	127.33	74.92
22.	XLI	417.95	969.70	551.75	731.10	179.35
23.	XLV	221.67	442.05	220.38	227.64	7.26
24.	XLVI	59.12	95.15	36.03	75.34	39.31
Total		3228.28	4420.87	1192.59	2213.93	1021.34
Capital-charged						
25.	XV	45.00	45.66	0.66	3.59	2.93
26.	XXXVIII	1.78	8.46	6.68	7.81	1.13
Total		46.78	54.12	7.34	11.40	4.06
Grand Total		32742.73	35685.16	2942.43	5708.03	2765.60

SDG-Supplementary Demands for Grants

Appendix 2.10

**Re-appropriation of funds (in excess of ₹one crore) proved unnecessary as the final expenditure was less than original/Supplementary budget allocation
(Reference: Paragraph 2.3.6; Page 52)**

(₹ in crore)

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
1.	V	2045-00-103-99-Electrical Inspectorate(NP)	25.36	1.49	0.00	26.85	21.74
2.	VIII	2039-00-001-98-Range Offices(NP)	146.05	1.21	42.88	104.38	132.11
3.	XII	2055-00-101-98-Special Branch C.I.D(NP)	89.79	2.70	4.67	87.82	86.42
4.		2055-00-104-98-India Reserve Battalion(NP)	46.46	3.81	6.99	43.28	42.77
5.		2055-00-112-98-Coastal Police Stations(NP)	31.54	1.63	9.81	23.36	18.94
6.	XV	2059-60-051-83-Kerala House, New Delhi(NP)	1.80	1.16	0.00	2.96	0.00
7.		3054-01-001-98-Supervision and Execution(NP)	52.26	1.51	2.84	50.93	42.51
8.	XVII	2202-01-101-98-Upper Primary Schools(NP)	911.73	56.98	21.11	947.60	906.04
9.		2202-01-112-93-Mid-day meals to Primary school pupils(NP)	37.96	3.09	8.91	32.15	32.05
10.		2202-02-109-63-Mission on Comprehensive Modernisation of School Education(P)	0.00	19.00	0.00	19.00	0.00
11.		2203-00-003-99-Faculty Development in Engineering Colleges(P)	7.25	3.69	4.28	6.66	6.53
12.		2203-00-103-99-Development of Technical High Schools(NP)	66.88	5.36	0.70	71.55	60.80
13.		2203-00-104-97-Private Polytechnics(NP)	36.45	3.67	7.69	32.43	31.15
14.		2203-00-104-99-Private Engineering Colleges(NP)	86.27	9.67	12.01	83.93	72.53
15.		2203-00-105-99-Government Polytechnics(NP)	129.63	1.50	5.49	125.65	120.18
16.		2203-00-112-82-Thrissur Engineering College(NP)	35.27	2.79	2.95	35.12	34.98
17.		2203-00-112-88-Government College of Engineering, Kannur(NP)	19.02	1.53	2.73	17.83	16.92
18.	2203-00-112-99-Engineering College, Thiruvananthapuram(NP)	52.05	13.70	4.73	61.02	49.42	

Appendix 2.10-Concl.d.

(₹ in crore)

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
19.	XVIII	2210-01-110-96-Allopathy Medical College Hospital, Kottayam (NP)	52.21	2.57	0.00	54.78	51.64
20.		2210-05-105-34- Dental College, Kottayam(NP)	15.43	1.60	1.88	15.15	14.00
21.		2210-05-105-53-Medical College,Parippally,Kollam (P)	10.00	2.58	3.39	9.20	8.94
22.		2210-05-105-94-Allopathy Medical College, Thrissur(NP)	83.83	1.90	2.26	83.47	82.93
23.	XX	2215-01-190-99-Grant-in-Aid to the Kerala Water Authority(P)	200.75	9.95	0.00	210.70	165.25
24.	XXVI	2245-01-101-99-Supply of Seeds, Fertilizers and Agricultural Implements (NP)	17.05	2.45	9.53	9.97	9.98
25.		2245-01-102-99-Water Supply (NP)	61.53	8.40	38.88	31.05	31.04
26.	XXXI	2403-00-102-99-Intensive Cattle Development Projects(NP)	76.21	6.72	0.00	82.93	70.96
27.	XXXIV	2406-01-001-99-Office of the Chief Conservator (NP)	15.30	2.05	2.32	15.03	15.17
28.	XXXV	2515-00-001-90-Engineering wing of Local Self Government Institutions (Expenditure on posts originally created in Municipal Corporations, Municipalities and Panchayats) (NP)	41.93	1.81	7.56	36.18	33.88
29.	XXXVII	2851-00-102-84-Entrepreneur Support Scheme/State Investment Subsidy (P)	45.00	1.32	0.00	46.32	44.51
30.		2851-00-106-26-Restructuring of Coir Production Societies and Managerial Subsidies (P)	0.00	3.00	3.00	0.00	0.00
31.	XLV	7610-00-800-95-Interest Free Advances to Government Employees(NP)	10.75	1.10	0.00	11.85	10.47
32.	XLVI	2235-60-200-72-Kerala Social Security Mission (P)	126.87	4.28	20.97	110.19	110.19
33.	Debt charges	2049-01-123-00 (NP)	1199.14	4.17	0.00	1203.31	1100.71
34.		2049-03-115-98-Fixed Time Deposits(NP)	650.00	19.79	0.00	669.79	534.74

Appendix 2.11
Sub-heads in which Injudicious Re-appropriation led to final excess
(Reference: Paragraph 2.3.6; Page 53)

(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Total Budget	Net Re-appropriation	Net Budget	Expenditure	Excess
1.	II	2052-00-090-96-Finance Department (NP)	50.86	-0.42	50.44	53.21	2.77
2.		2052-00-092-88-State Information Commission, Kerala (NP)	3.73	-1.46	2.28	2.38	0.11
3.	XV	5054-03-337-94-Projects under LAC ADF(NP)	150.00	-49.54	100.46	100.62	0.16
4.	XVII	2202-02-109-86-Higher Secondary Education (Plus Two Courses)(NP)	796.34	-0.03	796.31	912.48	116.17
5.		2202-02-110-94-Aided Higher Secondary Schools - Teaching Grant(NP)	1068.14	-0.07	1068.07	1160.19	92.12
6.		2202-03-103-57-Rashtriya Uchcharat Shiksha Abhiyan - RUSA (60% CSS)(P)	160.95	-84.20	76.75	80.32	3.57
7.	XVIII	4210-03-105-63-New Medical College at Malappuram (P)	21.00	-21.00	0.00	21.00	21.00
8.		4210-03-105-66-New Medical College at Idukki (P)	7.50	-7.50	0.00	7.50	7.50
9.		2210-01-110-94-Allopathy Medical College Hospital, Thrissur (NP)	52.90	-13.55	39.35	45.66	6.31
10.		2210-05-105-92-Dental College, Thiruvananthapuram (NP)	20.44	-3.14	17.30	19.72	2.42
11.		2210-05-101-96-Ayurveda Medical College, Thrippunithura(NP)	8.75	-0.87	7.88	9.52	1.63
12.		2210-02-101-99-Collegiate Hospitals and Maternity Ward, Thiruvananthapuram(NP)	10.62	-0.09	10.53	12.16	1.63
13.		2210-01-110-98-Allopathy Medical College Hospital, Thiruvananthapuram(NP)	62.39	-3.20	59.19	60.75	1.56
14.		2210-02-101-98-Collegiate Hospital, Thrippunithura(NP)	8.33	-0.57	7.76	8.29	0.53
15.		2210-01-110-97-Allopathy Medical College Hospital, Kozhikode(NP)	78.74	-6.47	72.27	72.72	0.44
16.		2210-03-101-99-Health Unit Pangappara, Thiruvananthapuram(NP)	1.28	-0.06	1.22	1.58	0.36
17.		2210-01-110-95-Allopathy Medical College Hospital, Alappuzha(NP)	38.54	-6.14	32.40	32.73	0.33
18.		4210-03-105-90-Medical College, College Hospital, College Hostel, Thiruvananthapuram - Land Acquisition and Buildings(P)	11.00	-8.90	2.10	2.41	0.32

Appendix 2.11-Concl'd.

(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Total Budget	Net Re-appropriation	Net Budget	Expenditure	Excess
19.	XVIII	2210-02-001-97-Improvement of Ayurvedic Central Stores and Establishment of District Stores(NP)	0.14	0.00 ³⁶	0.14	0.33	0.19
20.		2210-01-110-60-Chest Hospital, Kozhikode(NP)	3.15	-0.31	2.84	2.99	0.15
21.		2210-02-101-94-Pharmacognosy Unit(NP)	0.91	-0.34	0.57	0.68	0.11
22.		2210-03-101-98-Health Unit, Cherupa, Calicut(NP)	1.32	-0.14	1.18	1.28	0.10
23.		2210-05-001-99-Directorate of Medical Education(NP)	7.73	-0.33	7.40	7.50	0.10
24.	XIX	2211-00-001-95-City and District Family Welfare Bureaus (Including Mobile IUCD Unit - CSS - 60:40)(P)	17.56	-2.37	15.19	17.73	2.55
25.		2211-00-101-94-Expansion of ICDS Programme (CSS 60:40)(P)	12.29	-1.46	10.83	12.24	1.41
26.		2211-00-003-96-Regional Family Welfare Training Centres (CSS 60:40)(P)	2.84	-0.61	2.22	2.63	0.41
27.		2211-00-104-95-Maintenance and Supply of Vehicles to PH Centres (CSS 60:40)(P)	0.70	-0.68	0.02	0.22	0.19
28.	XXV	2225-02-282-89-Janani-Janma Raksha(P)	10.00	-0.23	9.77	9.90	0.14
29.	XXVIII	3454-02-111-93-Strengthening of Vital Statistical Units in Municipalities(NP)	2.29	-0.16	2.13	2.45	0.33
30.	XXXI	2403-00-101-98-Hospitals and Dispensaries(NP)	156.74	-1.19	155.55	164.63	9.08
31.		2403-00-102-97-Livestock Farms(NP)	13.66	-2.48	11.17	11.69	0.52

³⁶ ₹ 21,000 only

Appendix 2.12
Sub-heads in which Re-appropriation proved insufficient
(Reference: Paragraph 2.3.6; Page 53)

(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Budget allocation	Amount Reappropriated	Final expenditure	Excess over provision
1.	II	2251-00-090-99-Secretariat(V-NP)	46.10	0.15	49.37	3.12
2.		2052-00-090-99-Administrative Secretariat(V-NP)	111.33	3.90	117.60	2.37
3.	VII	2030-02-102-99-Expenses on Sales of Stamps(V-NP)	22.00	3.25	28.89	3.64
4.	XV	5054-80-001-99-Establishment Charges transferred on percentage basis from '3054-Roads and Bridges'(V-P)	89.08	176.71	332.57	66.78
5.		3054-80-800-95-Road Safety Works(V-P)	3.52	7.88	20.84	9.44
6.		5054-04-101-99-Major District Roads - Bridges and Culverts(V-P)	13.86	172.09	193.61	7.66
7.		4059-01-051-91-Secretariat General Service(V-P)	9.55	6.03	17.29	1.71
8.		2059-60-053-97-Maintenance of other Government Buildings in Thiruvananthapuram City(V-NP)	11.00	1.84	13.96	1.12
9.		XVI	2071-01-106-99-Pensionary Charges in respect of High Court Judges(V-NP)	0.02	5.29	6.44
10.	XVII	4202-01-203-99-Construction of Buildings for Colleges and Hostels including Law Colleges(V-P)	2.20	7.85	20.41	10.36
11.		2202-01-800-81-Assistance to Teachers and Aayas in Pre-primary Classes controlled by PTA(V-NP)	36.77	3.06	42.97	3.14
12.		4202-01-202-99-Secondary School Buildings(V-P)	0.00	11.20	12.77	1.58
13.	XVIII	4210-01-110-75-Completion of ongoing Construction Works (Major/Minor) - GH/WCH/Other Hospitals under DHS (NABARD)(V-NP)	0.00	20.98	26.79	5.81
14.		2210-01-102-99-Administrative Unit(V-NP)	5.91	0.63	8.45	1.92
15.		4210-01-110-93-Allopathy - Improvement of Health Facilities - Land Acquisition and Buildings(V-NP)	0.00	5.34	6.47	1.13
16.	XX	2215-01-190-99-Grant-in-Aid to the Kerala Water Authority(V-NP)	251.68	6.04	271.68	13.96
17.	XXIX	2401-00-800-91-Contingency Programme to meet Natural Calamities(V-P)	30.00	21.32	53.17	1.85
18.	XXXI	2403-00-102-96-Expansion of Cross Breeding facilities(V-NP)	20.97	2.87	26.39	2.55

Appendix 2.13
Heads in which entire budget allocation (₹ five crore and above) surrendered
(Reference: Paragraph 2.3.7; Page 54)

(₹ in crore)

Sl. No.	Grant	Grant number and scheme	Budget allocation	Amount of Surrender	
1.	II	3451-00-101-37-Integration of Kerala Perspective Plan 2030 with the Annual Plans/Five Year Plan(V-P)	8.50	8.50	
2.	VI	2506-00-103-94-National Land Records Modernisation Programmes (NLRMP) Computerisation of Land Records (100% CSS)(V-P)	12.49	12.49	
3.	XI	2053-00-094-50-Disaster Management, Mitigation and Rehabilitation(V-P)	5.00	5.00	
4.	XVII	2203-00-107-92-Merit-cum Means Scholarship for Minorities for Professional and Technical Courses(100%CSS)(V-P)	35.00	35.00	
5.		2202-02-109-66-Setting up of Infrastructure Facilities in G.V.Raja Sports School, Thiruvananthapuram &GVHSS Kannur(V-P)	17.00	17.00	
6.		4202-01-202-86-Construction of multi-storied buildings for Government Higher Secondary Schools(NABARD-RIDF)(V-P)	12.00	12.00	
7.		4202-02-104-93-Centrally Sponsored Schemes for Polytechnic Colleges - Construction of Women's Hostels (V-P)	10.00	10.00	
8.		3425-60-200-63-Karamana River Scientific Management Project (Pilot) (V-P)	8.00	8.00	
9.		2202-03-107-85-Post-Matric Scholarship for Minorities (100% CSS) (V-P)	5.00	5.00	
10.		XVIII	4210-03-105-57 Establishment of new Medical College at Wayanad (V-P)	22.00	22.00
11.			4210-03-105-49 Medical College, GH Campus, Thiruvananthapuram (V-P)	21.00	21.00
12.	4210-01-200-93-Institute for Human Resource Development in health sector (V-P)		8.50	8.50	
13.	4210-03-105-41-New Medical College at Pathanamthitta (V-P)		7.50	7.50	
14.	4210-03-105-42-Medical College, Ernakulam(V-P)		6.00	6.00	
15.	4210-03-102-97-Strengthening of Nursing/Pharmacy College in Homoeopathy(V-P)		5.00	5.00	
16.	XX	4215-01-102-96-Ensuring Accessibility to drinking water in Identified Panchayats(V-P)	11.00	11.00	
17.		4215-01-101-96-Modernisation of Aruvikkara Pumping Station(V-P)	10.00	10.00	
18.	XXII	6217-60-190-99-Loans to Kerala Urban Development Corporation Market borrowing(V-P)	55.70	55.70	

Appendix 2.13-Concl.d.

(₹ in crore)

Sl. No.	Grant	Grant number and scheme	Budget allocation	Amount of Surrender
19.	XXVI	2245-80-102-96-State Disaster Mitigation Fund(V-NP)	10.10	10.10
20.	XXIX	4702-00-101-68-Pradhan Manthri Krishi Sinchayee Yojana (60% CSS)(V-P)	60.00	60.00
21.		4702-00-101-69-Minor Irrigation Projects in Cauvery Basin (NABARD Assistance)(V-P)	60.00	60.00
22.		2551-60-101-98-Sabarimala Master Plan(V-P)	25.00	25.00
23.		4702-00-102-96-Meenachil Check Dams(V-P)	15.00	15.00
24.		XXXI	6403-00-190-92-Loans to Kerala State Poultry Development Corporation (RIDF)(V-P)	10.00
25.	6403-00-190-95-Loans to Cattle Feed Manufacturing Unit at Thodupuzha in Idukki (RIDF)(V-P)		8.00	8.00
26.	4403-00-800-97-Implementation of projects under NABARD Assisted RIDF Scheme(V-P)		5.00	5.00
27.	XXXII	2404-00-102-72-Rashtriya Pashudhan Vikas Yojana (Dairy) (60%CSS)(V-P)	15.83	15.83
28.	XXXIV	4406-02-110-97-Zoological Park, Wild Life Protection and Research Centre, Puthur (NABARD RIDF)(V-P)	8.00	8.00
29.	XXXVII	6860-60-190-91-Loans to Kerala State Cashew Development Corporation(V-P)	65.00	65.00
30.	XXXVIII	4700-29-800-97-Dam and Appurtenant Works(V-P)	50.00	50.00
31.		2701-80-799-99-Stock(V-NP)	7.00	7.00
32.	XLI	5056-00-104-85-Implementation of priority schemes under the Kerala Perspective Plan 2030(V-P)	10.01	10.01
33.		5056-00-190-93-Construction of Cargo Barges (Kerala State Inland Navigation Corporation Ltd.)(V-P)	5.50	5.50
34.	XLII	5452-01-800-85-Upgradation of Roads to Tourist Destination(V-NP)	20.00	20.00
35.		3452-80-800-54-Kerala Shopping Festival(V-NP)	15.00	15.00
36.	XLVI	4235-02-190-95-Investment in Kerala State Welfare Corporation for Forward Communities(V-P)	10.00	10.00
37.		2235-60-200-67-Programme for mainstreaming persons with disabilities into society(V-P)	8.50	8.50
38.		4235-02-102-91-Upgradation of Anganwadi Buildings(V-P)	8.22	8.22
39.		2235-60-200-66-Assisted technology for persons with disabilities(V-P)	5.00	5.00
40.	Debt Charges	2049-01-115-97-Interest on Overdraft Account with Reserve Bank of India(C-NP)	9.00	9.00
41.	Public Debt Repayment	6003-00-110-97-Shortfall in Cash Balances(C-NP)	25.00	25.00
Total			714.85	714.85

Appendix 2.14
Surrender (₹ one crore or more in each case) in excess of actual savings
(Reference: Paragraph 2.3.8; Page 55)

(₹ in crore)

Sl. No.	Grant number and name	Budget allocation	Savings	Surrender	Excess surrender
Revenue-Voted					
1.	II Heads of States, Ministers and Headquarters Staff	586.80	67.44	76.70	9.26
2.	III Administration of Justice	598.06	-0.67	5.02	5.69
3.	IV Elections	151.09	9.33	14.02	4.69
4.	V Agricultural Income Tax and Sales Tax	323.10	18.21	20.24	2.03
5.	VI Land Revenue	580.93	22.24	26.20	3.96
6.	VIII Excise	269.99	16.28	56.16	39.88
7.	IX Taxes on Vehicles	127.59	7.51	35.19	27.68
8.	X Treasury and Accounts	250.44	-10.80	4.41	15.21
9.	XI District Administration and Miscellaneous	658.60	-1.81	28.29	30.10
10.	XII Police	3367.27	180.43	192.82	12.39
11.	XVI Pensions and Miscellaneous	23924.35	2447.51	2448.57	1.06
12.	XVII Education, Sports, Art and Culture	17566.75	337.73	611.53	273.80
13.	XVIII Medical and Public Health	5286.12	53.16	145.57	92.41
14.	XIX Family Welfare	498.43	-13.93	28.56	42.49
15.	XXIII Information and Publicity	100.56	21.02	21.30	0.28
16.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	987.30	81.31	84.23	2.92
17.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2910.71	277.20	298.18	20.98
18.	XXVI Relief on Account of Natural Calamities	441.14	94.01	94.35	0.34
19.	XXIX Agriculture	3197.86	308.75	332.01	23.26
20.	XXXII Dairy	173.57	17.28	18.64	1.36
21.	XXXIII Fisheries	377.21	6.97	14.36	7.39
22.	XXXIV Forest	565.40	23.74	38.19	14.45
23.	XXXVII Industries	539.97	24.19	43.40	19.21
24.	XL Ports	56.39	8.00	8.43	0.43
25.	XLI Transport	64.65	10.77	11.42	0.65
26.	XLII Tourism	190.80	20.07	21.89	1.82
27.	XLIII Compensation and Assignments	7379.07	1881.47	2055.70	174.23
Total		71174.15	5907.41	6735.38	827.97

Appendix 2.14-Concl.d.

(₹ in crore)

Sl. No.	Grant number and name	Budget allocation	Savings	Surrender	Excess surrender
Revenue-Charged					
28.	XVI Pensions and Miscellaneous	59.18	0.12	1.64	1.52
Capital-Voted					
29.	XIV Stationery and Printing and other Administrative Services	2.00	0.97	1.04	0.07
30.	XVIII Medical and Public Health	361.94	105.5	174.76	69.26
31.	XXVIII Miscellaneous Economic Services	3336.82	952.75	952.96	0.21
32.	XXX Food	83.92	-1.63	2.02	3.65
33.	XXXI Animal Husbandry	63.3	44.05	46.04	1.99
34.	XXXIV Forest	110.03	14.14	14.15	0.01
35.	XXXVII Industries	1028.15	236.18	246.13	9.95
36.	XL Ports	117.91	18.6	20.63	2.03
	Total	5104.07	1370.56	1457.73	87.17
Capital-Charged					
37.	Public Debt Repayment	13974.78	6268.77	6402.22	133.45
	Grand Total	90312.18	13546.86	14596.97	1050.11

Appendix 2.15
Sub-heads in which injudicious surrender (exceeding ₹one crore) led to excess expenditure
(Reference: Paragraph 2.3.8, Page 55)

(₹ in crore)

Sl. No.	Grant number and Scheme/Activity		Original Budget	Reappropriation	Surrender	Expenditure	Excess
1.	II	3451-00-101-96-Evaluation Unit(V-NP)	1.54	0.02	1.49	1.46	1.40
2.	V	2040-00-101-97-Offices of Commercial Taxes(V-NP)	249.75	-2.36	19.49	235.20	7.31
3.	VIII	2039-00-001-98-Range Offices(V-NP)	146.05	1.21	42.88	132.11	27.73
4.	IX	2041-00-001-99-Administration Charges (V-NP)	72.77	0.32	21.31	68.20	16.42
5.		2041-00-102-99-Inspection of Motor Vehicles(V-NP)	47.14	-0.33	13.87	44.20	11.25
6.	XI	2053-00-094-99-Taluk offices(V-NP)	190.90	3.40	3.30	192.97	1.97
7.	XII	2055-00-109-99-District Force(V-NP)	2221.17	-16.59	60.42	2162.51	18.35
8.		2055-00-104-99-Armed Police(V-NP)	401.72	-19.58	24.18	361.25	3.29
9.	XV	3054-80-192-38-Maintenance of Road Assets as per fifth SFC Recommendation(V-NP)	156.50	0.00	99.66	74.23	17.39
10.		3054-80-196-38-Maintenance of Road Assets as per Fifth SFC recommendation (V-NP)	305.54	-71.64	124.07	116.72	6.90
11.		2059-60-053-99-Maintenance and Repairs of other Buildings(V-NP)	40.00	0.00	3.83	39.84	3.67
12.		2059-01-053-96-Maintenance and Repairs (Civil and Electrical) of Secretariat(V-NP)	2.25	0.00	2.11	1.49	1.35
13.		2202-01-101-99-Lower Primary Schools (V-NP)	1163.27	-59.99	38.73	1083.58	19.03
14.	XVII	2204-00-102-99-National Cadet Corps(V-NP)	55.85	0.17	17.21	53.87	15.06
15.		3425-60-200-71-Kerala State Council for Science, Technology and Environment(V-P)	86.14	0.00	28.71	71.81	14.38
16.		2202-03-103-99-Arts and Science Colleges(V-NP)	362.17	-63.96	42.32	266.94	11.04
17.		2202-02-110-95-Aided Vocational Higher Secondary Schools - Teaching Grant(V-NP)	163.80	7.32	9.49	170.93	9.30
18.		2202-03-102-97-Mahatma Gandhi University(V-P)	29.25	0.00	5.50	29.15	5.40
19.		2202-03-800-58-Kerala Council for Historical Research(V-P)	8.00	0.00	6.00	6.00	4.00
20.		2202-03-105-95-Walk With a Scholar (WWS)(V-P)	7.00	0.00	4.65	5.86	3.52
21.		2202-03-103-93-Training Colleges(V-NP)	9.29	0.00	2.72	8.87	2.29
22.		4202-02-800-95-I T I Buildings Works(V-P)	20.00	0.00	3.85	17.98	1.84
23.		2202-02-001-99-Directorate of Public Instruction(V-NP)	22.75	0.10	2.53	21.41	1.09
24.		2202-03-103-98-Sanskrit Colleges(V-NP)	8.08	0.00	2.31	6.84	1.08

Appendix 2.15-Contd.

(₹ in crore)

Sl. No.	Grant number and Scheme/Activity		Original Budget	Reappropriation	Surrender	Expenditure	Excess
25.	XVII	2203-00-001-99-Directorate of Technical Education(V-NP)	11.56	0.16	1.12	11.63	1.03
26.		4210-03-105-51-Quarters to Residents to all Medical Colleges(V-P)	7.50	0.00	4.45	5.99	2.94
27.		2210-06-102-99-Food Administration (V-NP)	17.93	-0.28	3.12	16.78	2.26
28.	XVIII	4210-02-800-95-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)(V-NP)	85.00	-1.76	51.84	32.99	1.60
29.		2210-06-107-98-Government Analyst's Laboratory, Thiruvananthapuram(V-NP)	13.53	0.07	6.32	8.56	1.28
30.		2211-00-200-94-Post Partum Centre Sub/Division and Taluk Level Hospitals(V-NP)	35.50	-0.05	10.16	30.83	5.53
31.	XIX	2211-00-200-96-Post Partum Centres MC Hospital, District Hospital and Other Major Hospitals(V-NP)	21.13	-0.06	14.04	9.56	2.53
32.		2230-01-103-99-Welfare Works (General)(V-NP)	15.14	0.52	1.95	14.98	1.26
33.	XXIV	2230-02-198-50-Block Grant for Revenue Expenditure(V-NP)	35.36	0.00	10.53	25.98	1.15
34.		2225-01-800-57-Corpus Fund for SCP (critical GAP filling scheme)(V-P)	245.23	0.00	24.16	239.91	18.84
35.	XXV	2225-01-793-99-Special Central Assistance to Special Component Plan (SCA to SCP)(V-P)	24.00	0.00	19.67	10.76	6.44
36.		2225-02-277-94-Tribal Hostels(V-NP)	29.20	-1.00	5.09	27.02	3.92
37.	XXVI	2245-80-102-96-State Disaster Mitigation Fund(V-NP)	10.10	0.00	10.10	1.00	1.00
38.		2401-00-001-96-Strengthening of Agricultural Administration and introduction of Training and Visiting System of Extension(V-NP)	305.98	-5.93	36.66	291.22	27.83
39.		2551-60-101-98-Sabarimala Master Plan (V-P)	25.00	0.00	25.00	12.18	12.18
40.		2401-00-103-99-Production and distribution of improved seeds(V-NP)	26.27	0.00	7.63	24.91	6.27
41.	XXIX	2401-00-109-65-Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS)(V-P)	305.00	-5.59	109.31	195.94	5.84
42.		2401-00-104-99-Composite Farms(V-NP)	18.57	0.00	4.93	17.69	4.05
43.		2401-00-108-98-Development of Coconut(V-NP)	4.61	0.00	2.73	4.60	2.73
44.		2401-00-113-96-Expansion of Agricultural Engineering Service(V-NP)	10.19	0.00	4.94	7.90	2.65

Appendix 2.15-Concl.d.

(₹ in crore)

Sl. No.	Grant number and Scheme/Activity		Original Budget	Reappropriation	Surrender	Expenditure	Excess
45.	XXIX	2702-01-001-99-Establishment(V-NP)	94.97	0.00	3.62	93.69	2.34
46.		2415-05-277-99-Kerala University of Fisheries and Ocean Studies(V-P)	30.00	0.00	8.00	24.00	2.00
47.		2401-00-001-97-Package Programme for Agricultural Demonstration and Propaganda(V-NP)	10.29	0.00	6.31	5.56	1.58
48.		2401-00-001-99-Directorate of Agriculture(V-NP)	11.77	0.00	4.66	8.57	1.46
49.		2401-00-109-97-Agricultural Information, Propaganda and Publicity(V-NP)	3.69	0.00	1.65	3.23	1.18
50.		4435-01-101-93-Strengthening of Market Infrastructure(V-P)	5.00	-0.25	3.98	1.92	1.15
51.	XXXIV	2406-01-102-98-Ecology Development (World Bank Assisted Social Forestry)(V-NP)	24.45	0.23	3.06	22.81	1.18
52.	XXXVII	6885-60-190-99-Loans to Kerala Industrial Infrastructure Development Corporation (V-P)	110.20	-18.00	49.55	52.65	10.00
53.	XXXIX	2810-00-800-90-Schemes to be implemented by ANERT Renewable Energy Programmes of ANERT(V-P)	43.88	0.88	32.96	12.80	1.00
54.	XLI	5075-60-800-94-Inland Navigation (State Sector) Direction and Administration (V-P)	70.32	0.00	57.57	14.80	2.05
55.	XLII	3452-80-001-95-Guest Houses, Yatri Nivases and Tourist Lodges(V-NP)	19.47	-0.19	3.28	18.73	2.74
56.	XLIII	3604-00-200-86-Funds for Development Expenditure-5th SFC Recommendations (V-NP)	3844.95	-0.10	1069.47	2864.32	88.94
57.		3604-00-200-90-Expansion and Development under XIV Finance Commission Recommendations(V-NP)	1310.05	0.00	572.48	782.59	45.02
58.		3604-00-200-87-Funds for Maintenance Expenditure (Non - Road Assets) - 5 th SFC Recommendations(V-NP)	645.93	0.00	258.35	422.26	34.68
59.		3604-00-200-88-General Purpose Fund/Funds for Traditional Functions - 5th SFC Recommendations(V-NP)	1233.14	0.10	8.10	1230.59	5.45
60.	XLVI	2235-60-198-50-Block Grants for Revenue Expenditure(V-NP)	2339.96	-365.68	514.69	1647.78	188.20
61.		2235-60-191-50-Block Grants for Revenue Expenditure(V-NP)	156.62	-27.00	23.04	118.00	11.43
62.		2235-60-107-99-Freedom Fighters Pension (V-NP)	57.00	0.00	10.58	47.78	1.36
63.		2235-02-191-50-Block Grants for Revenue Expenditure(V-NP)	34.66	0.00	10.10	25.62	1.06
64.	Debt Charges	2049-04-101-99-Block Loans for State Plan Schemes(C-NP)	208.76	0.00	85.01	192.22	68.47

Appendix 2.16
Pendency in submission of Detailed Contingent bills against Abstract
Contingent bills drawn during 2016-17
(Reference: Paragraph 2.4.1, Page 55)

(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Month of drawal	Amount
1.	Director, SICA, Thiruvananthapuram	July 2016	75000
2.	Superintendent, Women's Prison, Thiruvananthapuram	July 2016	50000
3.	Superintendent, Special Sub Jail, Neyyattinkara	August 2016	45000
		September 2016	50000
4.	Superintendent, Sub Jail, Attingal	August 2016	30000
		September 2016	10000
		December 2016	10000
		October 2016	30000
5.	Superintendent, District Jail, Kollam	September 2016	100000
		December 2016	100000
		December 2016	100000
		October 2016	100000
		October 2016	100000
		October 2016	200000
6.	Accounts Officer, Prisons HQ., Thiruvananthapuram	September 2016	25000
		October 2016	25000
		December 2016	25000
		December 2016	25000
7.	Accounts Officer, Central Jail, Viyyur	September 2016	400000
		November 2016	300000
		November 2016	300000
8.	Superintendent, Special Sub Jail, Thiruvananthapuram	October 2016	50000
		October 2016	100000
		October 2016	50000
9.	Superintendent, Special Sub Jail, Chittur	October 2016	75000
10.	Superintendent, District Jail, Thiruvananthapuram	November 2016	100000
11.	Superintendent, Open Prison, Kattakkada	November 2016	301440
12.	Superintendent, Sub Jail, Alathur	November 2016	50000
13.	Accounts Officer, Sub Jail, Chavakkad	November 2016	30000
14.	Accounts Officer, Sub Jail, Thiruvananthapuram	December 2016	50000
15.	Superintendent, Women's Prison, Viyyur	December 2016	40000
16.	Principal, Maharaja Technical Institute, Thrissur	January 2017	200000
17.	Assistant Executive Engineer, Kazhakottam	January 2017	430682
18.	District Employment Officer, Kollam	February 2017	596000
19.	Excise Inspector, Excise Regional Office, Wayanad	February 2017	460000
20.	Secretary, Vellamunda Grama Panchayath	March 2017	350000
21.	Municipal Secretary (Gr.I), Kunnankulam Municipality	March 2017	459636
22.	Secretary, Valakom Grama Panchayath, Valakom	March 2017	62536

Appendix 2.16-Concl.d.

(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Month of drawal	Amount
23.	Head Master, Government High School, Thazhathuvadakara	March 2017	5000
24.	Secretary, Amarambalam Grama Panchayath	March 2017	45000
25.	Superintendent, Central Prison, Thiruvananthapuram	December 2016	300000
		December 2016	200000
		December 2016	99907
		December 2016	50000
		December 2016	200000
		December 2016	200000
		December 2016	200000
		December 2016	50000
		December 2016	40000
		December 2016	200000
		December 2016	200000
		December 2016	300000
		December 2016	100000
		December 2016	200000
December 2016	150000		
		March 2017	450000
26.	Deputy Superintendent of Police (HG) S C R B, Thiruvananthapuram	March 2017	200000
27.	Secretary, Mylapra Panchayath	March 2017	60000
28.	Secretary, Chavara Grama Panchayath	March 2017	150000
29.	Secretary, Parappanangadi Municipality	March 2017	300000
		March 2017	71000
30.	Municipal Secretary (Gr.I), Chengannur Municipality	March 2017	134580
31.	Secretary, Nooranad Panchayath	March 2017	360000
32.	Secretary, Krishnapuram Panchayath	March 2017	150000
		March 2017	390000
33.	Under Secretary, Social Justice Department, Thiruvananthapuram	March 2017	240000
		March 2017	100000
34.	Secretary, Peringalmala Panchayath, Nedumangad	March 2017	30000
		March 2017	9000
		March 2017	30000
Total			10819781

Appendix 2.17
List of Chief Controlling Officers/Controlling Officers who did not reconcile the
expenditure figures during 2016-17
(Reference: Paragraph 2.4.2: Page 56)

(₹ in crore)

Sl. No.	Name of the Chief Controlling Officers/Controlling Officers	Amount not reconciled
1.	The Additional Secretary, Higher Education Department	110.00
2.	The Chief Electoral Officer, Thiruvananthapuram	117.50
3.	The Chief Engineer, Irrigation & Research Board	52.95
4.	The Chief Engineer, Revenue Complex	264.12
5.	The Chief Engineer, Project-II, (Irrigation)	257.85
6.	The Director of Coir Development	126.85
7.	The Director of Employment	81.81
8.	The Director of Panchayats	3514.79
9.	The Director of Technical Education	451.91
10.	The Director of Tourism	150.83
11.	The Director of Printing	80.94
12.	The Director of Treasuries	195.66
13.	The Director of Local Fund Audit	53.39
14.	The Director of Public Relations Department	53.25
15.	The Excise Commissioner	184.04
16.	The Inspector General of Registration	107.63
17.	The Secretary to Government, Power Department	58.33
18.	The Secretary to Government, Science and Technology Department	129.01
19.	The Secretary, Kerala Public Service Commission	122.06
20.	The Transport Commissioner & Ex-Officio Road Safety Commissioner	85.24
21.	The Director of Civil Supplies	1158.68
Total		7356.84

Appendix 2.18
Advances pending settlement by Drawing and Disbursing Officers
(Reference: Paragraph 2.7.3: Page 63)

(₹ in lakh)

Sl. No.	Name of the Drawing and Disbursing Officer	Month of drawal	Amount
1.	The Accounts Officer, Directorate of Agriculture, Thiruvananthapuram	December 2014	41.00
2.	The Administrative Officer, Directorate of State Archives, Thiruvananthapuram	March 2015	10.00
		October 2015	21.34
3.	Principal, University College, Thiruvananthapuram	October 2015	0.50
4.	Principal, Government Sanskrit College, Thiruvananthapuram	January 2015	1.75
5.	Joint Commissioner for Government Exams, Thiruvananthapuram	June 2015	3.00
6.	Accounts Officer, DPI, Thiruvananthapuram	September 2015	6.40
		October 2015	15.90
7.	District Employment Officer, Thiruvananthapuram	February 2015	1.86
8.	Director of Fisheries, Thiruvananthapuram	January 2015	1.52
9.	Administrative Assistant, Directorate of Industries and Commerce, Thiruvananthapuram	March 2015	1.10
10.	Deputy Director of State Lotteries, Thiruvananthapuram	May 2015	350.20
11.	Accounts Officer, City Police Commissioner's Office, Thiruvananthapuram	May 2015	20.00
12.	Administrative Assistant, Directorate of Handlooms Textiles, Thiruvananthapuram	March 2015	150.00
Total			624.57

Appendix 3.1
Statement showing names of bodies and authorities, the accounts of
which were not received as of March 2017
(Reference: Paragraph 3.2; Page 66)

Sl. No.	Name of department and body/authority	Year for which accounts had not been received	Grant received (₹ in crore)
1.	Centre for Water Resources Development and Management	2015-16	25.18
2.	Agency for Non-conventional Energy and Rural Technology	2015-16	18.89
3.	Public Sector Restructuring and Internal Audit Board	2015-16	1.60
4.	Kerala Khadi and Village Industries Board	2015-16	50.98
	Total		96.65

Appendix 3.2
Statement showing performance of Autonomous Bodies
(Reference: Paragraph 3.3; Page 66)

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 2017-18	2014-15	2013-14	2012-13	28.6.2016	13.09.2017	27 months 13 days
2.	Command Area Development Authority, Thrissur	Up to 2017-18	2013-14	2013-14	2012-13	16.12.2015	10.9.2015	14 months 10 days
3.	Kerala State Commission for Backward classes, Thiruvananthapuram	Upto 2016-17	2015-16	2015-16	2014-15	26.04.2017	8.05.2017	10 months 8 days
4.	Kerala Institute of Labour and Employment, Thiruvananthapuram	For five years from 2012-13	2014-15	2014-15	2007-08	17.2.2016	22.06.2016	11 months 22 days
5.	Kerala Building & Other Construction Worker's Welfare Board, Thiruvananthapuram	1998-99 onwards, Act enacted by Parliament	2015-16	2014-15	2012-13	18.7.2016	19.7.2017	12 months 19 days
6.	Kerala State Human Rights Commission, Thiruvananthapuram	1998-99 onwards	2015-16	2015-16	2014-15	28.02.2017	11.11.2016	4 months 11 days
7.	Kerala State Legal Services Authority, Kochi	1998-99 onwards	2015-16	2015-16	2014-15	20.10.2016	09.05.2017	10 months 9 days
8.	District Legal Services Authority, Thiruvananthapuram	1998-99 onwards	2015-16	2015-16	2014-15	08.08.2017	23.06.2017	11 months 23 days
9.	District Legal Services Authority, Kollam	1998-99 onwards	2013-14	2013-14	2012-13	1.12.2015	30.03.2016	20 months 30 days
10.	District Legal Services Authority, Pathanamthitta	1998-99 onwards	2013-14	2012-13	2012-13	1.12.2015	07.09.2017	38 months 7 days
11.	District Legal Services Authority, Alappuzha	1998-99 onwards	2016-17	2015-16	2015-16	To be laid in the next session	11.10.2017	3 months 11 days
12.	District Legal Services Authority, Kottayam	1998-99 onwards	2015-16	2015-16	2015-16	To be laid in the next session	16.12.2016	5 months 16 days

Appendix 3.2-Concl.

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		
13.	District Legal Services Authority, Idukki	1998-99 onwards	2014-15	2014-15	2014-15	28.02.2017	09.12.2015	5 months 9 days
14.	District Legal Services Authority, Ernakulam	1998-99 onwards	2011-12	2011-12	2011-12	11.3.2015	20.02.2014	19 months 20 days
15.	District Legal Services Authority, Thrissur	1998-99 onwards	2014-15	2014-15	2013-14	11.05.2017	09.05.2017	22 months 9 days
16.	District Legal Services Authority, Palakkad	1998-99 onwards	2010-11	2010-11	2010-11	28.6.2016	13.10.2011	3 months 13 days
17.	District Legal Services Authority, Malappuram	1998-99 onwards	2015-16	2015-16	2014-15	8.11.2016	23.05.2017	10 months 23 days
18.	District Legal Services Authority, Kozhikode	1998-99 onwards	2014-15	2014-15	2013-14	16.12.2015	22.02.2016	7 months 22 days
19.	District Legal Services Authority, Wayanad	1998-99 onwards	2012-13	2012-13	2012-13	To be laid in the next session	01.08.2016	37 months 1 day
20.	District Legal Services Authority, Kannur	1998-99 onwards	2014-15	2012-13	2012-13	08.08.2017	15.09.2017	26 months 15 days
21.	District Legal Services Authority, Kasaragod	1998-99 onwards	2011-12	2011-12	2011-12	01.12.2015	01.11.2013	16 months 1 day
22.	Permanent Lok Adalath, Thiruvananthapuram	1998-99 onwards	2015-16	2015-16	2015-16	To be laid in the next session	01.10.2016	3 months 1 day
23.	Permanent Lok Adalath, Ernakulam	2011-12 onwards	2013-14	2013-14	2012-13	20.10.2016	29.01.2016	18 months 29 days
24.	Permanent Lok Adalath, Kozhikode	2013-14 onwards	2014-15	2014-15	2014-15	20.10.2016	05.02.2016	7 months 5 days
25.	Kerala Water Authority	Till 2019-20	2013-14	2013-14	2012-13	28.02.2017	29.12.2015	17 months 29 days
26.	Kerala State Commission for Scheduled Caste and Scheduled Tribes ³⁷	Not specified	2013-14	2013-14	Not available		3.6.2016	23 months 3 days

³⁷ Accounts for the period from 2007-08 to 2012-13 were not submitted.

Appendix 3.3
Statement of finalisation of *pro forma* accounts and Government investment in
departmentally managed commercial and quasi-commercial undertakings
(Reference: Paragraph 3.4; Page 67)

(₹ 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	2013-14	359.13	(-) 39.11
2.	Kerala State Insurance Department	2013-14	Nil	0.32
3.	Text Book Office ³⁸	--	21.26	(-) 5.61
4.	Rubber Plantation at Open Prison, Nettukaltheri	2014-15	...	(-) 0.76

³⁸Government 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 was pending with the Government. Preparation of Accounts from 2003-04 onwards were entrusted with Institute of Public Auditors, but the same was not submitted to Accountant General (G&SSA) for certification.

Appendix 3.4
Department/duration-wise break-up of cases of misappropriation, defalcation, etc.
(Reference: Paragraph 3.5; Page 67)

(₹ in lakh)

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	1	1.96	4	27.00	1	9.76	2	0.77	1	5.53	1	0.23	10	45.25
2.	Animal Husbandry			1	0.35									1	0.35
3.	Co-operation							1	3.80					1	3.80
4.	Cultural Affairs - Archives											1	0.20	1	0.20
5.	Finance – National Savings											1	0.45	1	0.45
6.	Finance - Treasuries			2	1.99	4	96.45	4	58.33	1	0.07	3	5.32	14	162.16
7.	Fisheries and Ports			1	0.53									1	0.53
8.	General Education	3	10.84	2	1.73	2	10.34	7	1.27	2	0.16	2	4.52	18	28.86
9.	Technical Education							1	-					1	0
10.	Health and Family Welfare – Health Services	2	14.79	3	12.21	2	149.03			3	4.71	1	1.64	11	182.38
11.	Health and Family Welfare – Medical Education	3	64.87	1	1.16	1	15.00	2	2.97					7	84.00
12.	Health and Family Welfare – Indian System of Medicine	1	9.30					1	1.85					2	11.15
13.	Higher Education – Collegiate Education					1	0.20	1	0.73	1	0.02			3	0.95
14.	Home Department-Police	1	4.57									1	0.38	2	4.95
15.	Industries and Commerce			1	40.00			1	0.31					2	40.31
16.	Local Self Government					3	13.90	4	4.60	1	1.85			8	20.35
17.	Planning and Economic Affairs	1	11.80											1	11.80
18.	Public Works			1	1.87	3	5.88							4	7.75
19.	Revenue – Survey and Land records											2	5.63	2	5.63
20.	Scheduled Castes and Scheduled Tribes Development	3	2.77									1	0.17	4	2.94
21.	Social Justice	1	5.46			1	8.92							2	14.38
22.	Taxes	1	53.33							1	13.53			2	66.86
23.	Motor Vehicles					2	8.03							2	8.03
24.	Water Resources					6	139.64							6	139.64
Total		17	179.69	16	86.84	26	457.15	24	74.63	10	25.87	13	18.54	106³⁹	842.72

³⁹ Includes three theft cases, one each in Technical Education, Health and Family Welfare – Health Services and Local Self Government Departments and one misappropriation case in Health and Family Welfare – Medical Education Department for which amount involved was not assessed.

Appendix 3.5
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 67)

(₹ in lakh)

Sl. No.	Name of the Department	Theft		Misappropriation/Loss of Government material		Total	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1.	Agriculture			10	45.25	10	45.25
2.	Animal Husbandry			1	0.35	1	0.35
3.	Co-operation			1	3.80	1	3.80
4.	Cultural Affairs - Archives			1	0.20	1	0.20
5.	Finance – National Savings			1	0.45	1	0.45
6.	Finance - Treasuries			14	162.16	14	162.16
7.	Fisheries and Ports			1	0.53	1	0.53
8.	General Education	9	1.05	9	27.81	18	28.86
9.	Technical Education	1	...	0	0	1	0.00
10.	Health and Family Welfare – Health Services	2	0.03	9	182.35	11	182.38
11.	Health and Family Welfare – Medical Education			7	84.00	7	84.00
12.	Health and Family Welfare – Indian System of Medicine			2	11.15	2	11.15
13.	Higher Education – Collegiate Education	2	0.22	1	0.73	3	0.95
14.	Home Department- Police			2	4.95	2	4.95
15.	Industries and Commerce			2	40.31	2	40.31
16.	Local Self Government	1	...	7	20.35	8	20.35
17.	Planning and Economic Affairs			1	11.80	1	11.80
18.	Public Works			4	7.75	4	7.75
19.	Revenue – Survey and Land records			2	5.63	2	5.63
20.	Scheduled Castes and Scheduled Tribes Development			4	2.94	4	2.94
21.	Social Justice			2	14.38	2	14.38
22.	Taxes			2	66.86	2	66.86
23.	Motor Vehicles			2	8.03	2	8.03
24.	Water Resources	1	0.55	5	139.09	6	139.64
Total		16	1.85	90	840.87	106	842.72

Appendix 3.6
Scheme-wise unutilised funds retained by District Collectors as on 31 March 2017
(Reference: Paragraph 3.6.1; Page 69)

Sl. No.	Name of the scheme	Funds blocked up in District Collectorates (₹ in lakh)								Total
		Trivandrum	Kollam	Alappuzha	Ernakulam	Palakkad	Kannur	Wayanad		
1.	Disaster Management Programme	29.04	35.96	30.79	39.52	12.61	105.84 ⁴⁰	26.22		279.98
2.	UNDP Disaster Management programme	424.11 ⁴¹	1.63	0	1.90	0	4.77	0		432.41
3.	Education Loan Interest subsidy	0	0	190.22	58.21	0	0	0		248.43
4.	Elevation of Government schools to international standards	92.49	121.00	6.50	1.06	60.21	45.48	1.92		328.66
5.	Infrastructure in VHSE schools	6.06	6.21	2.21	0	9.61	6.25	0		30.34
6.	Road Safety Fund	3.81	0	51.99	1.24	0.01	3.80	3.23		64.08
7.	Unutilised funds of MPs demitted office	544.78	106.32	74.42	355.26	0	153.57	4.49		1238.84
8.	Rajiv Gandhi National Rural Drinking Water Supply Programme	109.72	1.15	101.53	0.46	105.00	505.87	2.13		825.86
9.	Zero landless Keralam, 2015	0	0	0	215.00	0	6.16	0.99		222.15
10.	Death Compensation	0	396.00	0	54.57	186.63	107.84	0		745.04
11.	SVEEP	5.12	2.27	0	0	4.45	0	1.55		13.39
12.	Drinking Water supply in drought affected areas	0	0	0	0	0	0	94.48		94.48
13.	Housing scheme for divorced women and widows	227.33	0	186.95	166.30	15.00	60.50	21.80		677.88
14.	General account maintained	0	0	268.26	0	0	0	204.69		472.95
15.	Voluntary relocation of people	0	0	0	0	0	0	387.61		387.61
16.	District e-Governance Society	0	0	0	0	0	0	96.90		96.90

⁴⁰ This includes ₹ 87.58 lakh relating to Operation Anantha, Kannur.

⁴¹ Includes ₹400 lakh relating to Attukal Pongala released up to 2015-16.

Appendix 3.6-Concl.

Sl. No.	Name of the scheme	Funds blocked up in District Collectorates (₹ in lakh)								Total
		Trivandrum	Kollam	Alappuzha	Ernakulam	Palakkad	Kannur	Wayanad		
17.	Multi-sector development programme	0	0	0	0	0	0	2434.9	2434.90	
18.	Unutilised fund of Dr.TN Seema, Ex.MP	0	19.83	32.19	0.05	0	5.26	0	57.33	
19.	Eco-restoration of wetlands	0	0	0	0	0	40.80	0	40.80	
20.	Valsalyam Project	0	0	0	0	0	24.72	0	24.72	
21.	Elephant Corridor at Kottiyoor	0	0	0	0	0	96.67	0	96.67	
22.	Barrier free Kannur	0	0	0	0	0	646.81	0	646.81	
23.	Virtual Smart Class room	5.00	5.00	2.50	12.50	5.00	10.00	0	40.00	
24.	Tribal Development Programme	0	0	0	0	910.31	0	0	910.31	
25.	Conversion of Government MGHSS to digital school	0	0	0	0	651.00	0	0	651.00	
26.	Incentive grant for UID	4.28	0	0	13.18	2.76	0	0	20.22	
27.	Suchi @ school project	0	0	0	2.47	0	0	0	2.47	
28.	General Elections, 2016	23.34	2.14	0	5.07	0	0	0	30.55	
29.	Land acquisition-Medical College Haripad	0	0	391.34	0	0	0	0	391.34	
30.	Karunya Benevolent Fund	0	2.93	0	0	0	0	0	2.93	
31.	Construction of THQ Hospital, Kottarakkara	0	3.96	0	0	0	0	0	3.96	
32.	Attukal Pongala	276.06	0	0	0	0	0	0	276.06	
33.	Titanium Welfare scheme	195.59	0	0	0	0	0	0	195.59	
34.	Tsunami Housing scheme	76.00	627.33	0	0	0	0	0	703.33	
	Total	2022.73	1331.73	1338.90	926.79	1962.59	1824.34	3280.91	12687.99	

Glossary of terms used in the Report

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
Gross State Domestic Product (GSDP)	It is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices
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 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
Net availability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payment) 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.