



# STATE FINANCES AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

for the year ended 31 March 2023



**SUPREME AUDIT INSTITUTION OF INDIA**  
**लोकहितार्थ सत्यनिष्ठा**  
**Dedicated to Truth in Public Interest**



**Government of Kerala**  
**Report No. 5 of the year 2024**



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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. Chapter I of this Report contains the basis and approach to the Report and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/ surplus.
3. Chapters II and III of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts, of the State Government for the year ended 31 March 2023. Information has also been obtained from the Government of Kerala, wherever necessary.
4. Chapter IV on 'Quality of Accounts and Financial Reporting Practices' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the financial year 2022-23.
5. Chapter V presents the financial performance of State Public Sector Undertakings.
6. 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

### *About the Report*

*This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.*

*This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.*

Gross State Domestic Product (GSDP)(at current prices) grew at an average growth rate of 8.69 *per cent* from ₹7,88,286 crore in 2018-19 to ₹10,46,188 crore in 2022-23. Budget Outlay of the State grew at an average growth rate of 11.46 *per cent* from ₹1,60,374.90 crore in 2018-19 to ₹2,47,628.77 crore in 2022-23.

There was 11.95 *per cent* growth in GSDP over 2021-22. The revenue receipts grew at 13.79 *per cent* and the percentage of revenue receipts over GSDP slightly improved from 12.48 *per cent* in 2021-22 to 12.69 *per cent* in 2022-23. The tax revenue increased by 18.47 *per cent* during the period and the State's own tax revenue increased by 23.36 *per cent*. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Kerala decreased from ₹1,63,225.53 crore in 2021-22 to ₹1,58,738.42 crore decreasing by 2.75 *per cent*. Of this, revenue expenditure showed 2.89 *per cent* decrease from 2021-22. Revenue deficit decreased from ₹29,539.27 crore to ₹9,226.28 crore registering 68.77 *per cent* decrease over 2021-22, while fiscal deficit decreased from ₹46,045.78 crore in 2021-22 to ₹25,554.54 crore in 2022-23 decreasing by 44.50 *per cent*.

### *Receipt-Expenditure Mismatch*

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, etc.).

From 2018-19 to 2022-23, revenue receipts grew from ₹92,854.47 crore to ₹1,32,724.65 crore, with an average annual growth rate of 10.10 *per cent*. Capital receipts also increased from ₹24,004.84 crore to ₹38,721.39 crore during this period. The share of Grants-in-aid in revenue receipts rose from 12.27 *per cent* in 2018-19 to 20.63 *per cent* in 2022-23, indicating increased reliance on support

from the Government of India. The State Government received ₹4,587.79 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2018-19 and 2022-23, revenue expenditure increased from ₹1,10,316 crore (13.99 *per cent* of GSDP) to ₹1,41,950.93 crore (13.57 *per cent* of GSDP). It consistently made up a significant portion (89 to 92 *per cent*) of the total expenditure during this period, growing at an average annual rate of 7.74 *per cent*.

### ***Result of expenditure beyond means***

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The revenue deficit of the State decreased to ₹9,226.28 crore (0.88 *per cent* of GSDP) in the current year from ₹17,461.92 crore (2.22 *per cent* of GSDP) in the year 2018-19.

The State Government spent ₹13,996.56 crore only on capital account. This was 8.82 *per cent* of the total expenditure in the year 2022-23. Capital expenditure was just 2.12 *per cent* of the total borrowings. Thus, the borrowed funds were being used mainly for meeting current consumption and repayment of borrowings instead of capital creation/development activities.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State decreased to ₹25,554.54 crore (2.44 *per cent* of GSDP) in 2022-23 from ₹26,958.31 crore (3.42 *per cent* of GSDP) in 2018-19.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 56-68 *per cent* of revenue expenditure during the period 2018-19 (61.89%) to 2022- 23 (63.86%). The Committed expenditure increased at an average rate of 7.28 *per cent* i.e. from ₹ 68,280.52 crore in 2018-19 to ₹90,656.05 crore in 2022-23 {a decrease of 5.55 *per cent* over 2021-22 (₹95,981.59 crore)}.

In addition to the committed expenditure, inflexible expenditure decreased from 17.24 *per cent* to 12.66 *per cent* of revenue expenditure during 2018-19 to 2022-23. The inflexible expenditure increased from ₹16,549.96 crore in 2021-22 to ₹17,975.34 crore in 2022-23 registering an increase of 8.61 *per cent*.

Taken together, the committed and inflexible expenditure in 2022-23 was ₹1,08,631.39 crore; 76.53 *per cent* of the revenue expenditure. The huge share of committed and inflexible expenditure in revenue expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

### ***Subsidies constitute major portion of the non-committed expenditure***

Within the non-committed expenditure, there is a fluctuating trend of subsidies. Subsidies increased from ₹1,663.01 crore in 2018-19 to ₹1,847.04 crore in 2022-23, however as a percentage of Revenue expenditure the subsidies decreased from 1.51 *per cent* in 2018-19 to 1.30 *per cent* in 2022-23.

### ***Off-budget borrowings***

The State Government, through Public Sector Undertakings, raised ₹8,058.91 crore as off-budget borrowings; which did not flow into the Consolidated Fund of the State but are required to be repaid and serviced through budget.

### ***Contingent Liabilities on account of Guarantees***

In 2022-23, the amount guaranteed by the State Government is ₹6,184.94 crore. No guarantee was invoked during the year.

### ***Fiscal sustainability***

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, *etc.* So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, *etc.* and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, *etc.*

### ***FRBM requirements and compliance with fiscal parameters***

The FRBM Act/ Rules prescribes certain limits within which, revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be maintained. In 2022-23, revenue deficit was 0.88 *per cent* as against the limit of 0.80 *per cent* revenue surplus; fiscal deficit was 2.44 *per cent* as against the limit of four *per cent*; debt was 35.42 *per cent* as against limit of 34.50 *per cent*.

Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (Includes Public Debt and Public Account Liabilities) of the Government was 38.23 *per cent* of the GSDP. Going by the fiscal trends, the State finances are heavily stressed.

As per the debt stabilisation analysis, the public debt of the Government of Kerala has grown on an average at a rate of 12.10 annually of the outstanding public debt between 2018-19 to 2022-23. Public debt-GSDP ratio of Kerala has increased from 20.07 *per cent* in 2018-19 to 24.14 *per cent* in 2022-23.

The Domar gap (g-r) was positive during the period from 2018-19 to 2022-23, except in 2020-21. During the pre-Covid period of 2018-19 and 2019-20, the real

growth rate of the GSDP was 4.80 *per cent* and Domar gap (expressed as g-r) remained positive but there was primary deficit in the State. Covid -19 affected the real growth rate of GSDP during 2020-21 and the Domar gap turned negative during the year. In the subsequent years (2021-22 and 2022-23), the Domar gap became positive along with the primary deficit, which reflect that Public debt as a percentage of GSDP tends towards a stable value and is therefore sustainable. Depending on the stock of debt, it will either increase or decrease in time to reach a stable level greater than zero. Further, the sustainability of Public Debt will depend on whether the State economy maintains the real growth rate in the long run keeping the real interest rate under control.

*Going by the analysis and results as discussed above, the finances of the State of Kerala is marked by increasing trend of liabilities (debt, guarantees, implicit subsidies, off-budget borrowings, etc.) which pose risk to target of debt stabilisation and debt sustainability.*

### ***Budget performance***

#### ***Aggregate expenditure outturn***

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Capital section, deviation in outturn compared with Budget Estimates (BE) was (-)26.16 *per cent*. This was due to deviation up to  $\pm 25$  *per cent* in seven grants, between  $\pm 25$  *per cent* and  $\pm 50$  *per cent* in 12 grants; between  $\pm 50$  *per cent* and  $\pm 75$  *per cent* in six grants, between  $\pm 75$  *per cent* and  $\pm 100$  *per cent* in three grants and more than  $\pm 100$  *per cent* in two grants.

#### ***Expenditure composition outturn***

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. In the Revenue section, deviation in outturn compared with Revised Estimates (RE) was (-) 0.29 *per cent*. This was due to deviation up to  $\pm 25$  *per cent* in 41 grants and between  $\pm 25$  *per cent* and  $\pm 50$  *per cent* in four grants. In the Capital section, deviation in outturn compared with RE was (-) 0.58 *per cent*. This was due to deviation upto  $\pm 25$  *per cent* in 15 grants, between  $\pm 25$  *per cent* and  $\pm 50$  *per cent* in nine grants and between  $\pm 50$  *per cent* and  $\pm 75$  *per cent* in six grants. No provision in Capital section was made in respect of 16 grants and one appropriation.

It was noticed that supplementary provisions of ₹719.80 crore during the year 2022-23 in 16 cases (more than ₹50 lakh in each case) proved unnecessary, as the expenditure did not come up even to the level of original provisions.

*Overall Budget reliability assessment indicates that though the deviations between the actual expenditure and the final budget was 18.07 per cent, there*

were deviations between 30 and 50 per cent in two grants. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even up to the original grant. A reliable budget practice should need to deal with such deviations.

### ***Quality of Accounts and Financial Reporting***

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non- or short – discharging of liabilities and misclassification of transactions and data gaps.

### ***Regularisation of Excess over Grants/ Appropriations***

The State Government has to get excesses over grants/ appropriations regularised by the State Legislature as per Article 204 and 205(1)(b) of the constitution. It was observed that in 2022-23 there was excess expenditure of ₹2.23 crore under three appropriations which required regularization. Further, excess expenditure of ₹10,546.40 crore pertaining to the period from 2016-17 to 2021-22 were yet to be regularized.

### ***Misclassification in accounts***

During 2022-23, capital expenditure amounting to ₹12.35 crore in four schemes were wrongly classified as revenue expenditure even though the expenditure were of capital in nature.

### ***Compliance with IGAS***

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government complied with IGAS-1: ‘Guarantees given by the Government–Disclosure requirements’, however, IGAS-2: ‘Accounting and Classification of Grants-in- Aid’ and IGAS-3: ‘Loans and Advances made were partly complied by the Government.

### ***Operation of Treasury Savings Bank (TSB)Accounts***

The Government of Kerala does not follow the system of operating PD Accounts for implementation of schemes by transferring funds from the Consolidated Fund. This purpose is served through TSB Accounts maintained in the State Treasuries as per Rule 37 of Kerala Treasury Code. As on 31 March 2023, the amount lying in TSB Accounts under the head 8031-00-102- 99 was ₹833.56 crore. An amount of ₹73,900.05 crore was also outstanding under Term Fixed Deposit accounts in Treasuries as on 31 March 2023 under the head of account ‘8031-00-102-98’. State Government resumed funds amounting to ₹6,859.18 crore parked in the TSB Accounts of various Government departments and state-

owned PSUs, Autonomous Bodies etc. into the Consolidated Fund of the State on 31 March 2023. Out of ₹6,859.18 crore resumed, an amount of ₹6,243.94 crore was resumed to a common head of account '2075-00-911-94 Deduct Recoveries-Refund of amounts resumed from the idling STSB accounts' during the year.

An amount of ₹1,116.87 crore was resumed from the STSB account of Kerala Social Security Pension Limited (KSSPL) and written back (by deduct debiting) to the head '2075-00-911-94'. The resumption of funds (raised by KSSPL) to the Consolidated fund of the State is irregular. By making such resumption on the last day of the year, the Government had understated the Revenue deficit and Fiscal deficit to that extent.

### ***Funds to Single Nodal Agency***

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account. As per information available on the PFMS portal, ₹8,349.22 crore (₹4,031.43 crore share of the Government of India and ₹4,317.79 crore share of the State Government) was transferred to the SNAs as on 31 March 2023. An amount of ₹3,407.28 crore is lying unspent in the bank accounts of SNAs as on 31 March 2023.

### ***Utilisation Certificates against conditional grants***

Despite the requirement of submitting Utilisation Certificates (UCs) against grants within a stipulated time period, 126 outstanding UCs of ₹89.44 crore were pending as on 31st March 2023.

### ***Advance Contingent Bills***

As on 31 March 2023, 24,867 advance contingent bills/ temporary advances amounting to ₹1,951.09 crore were pending adjustments.

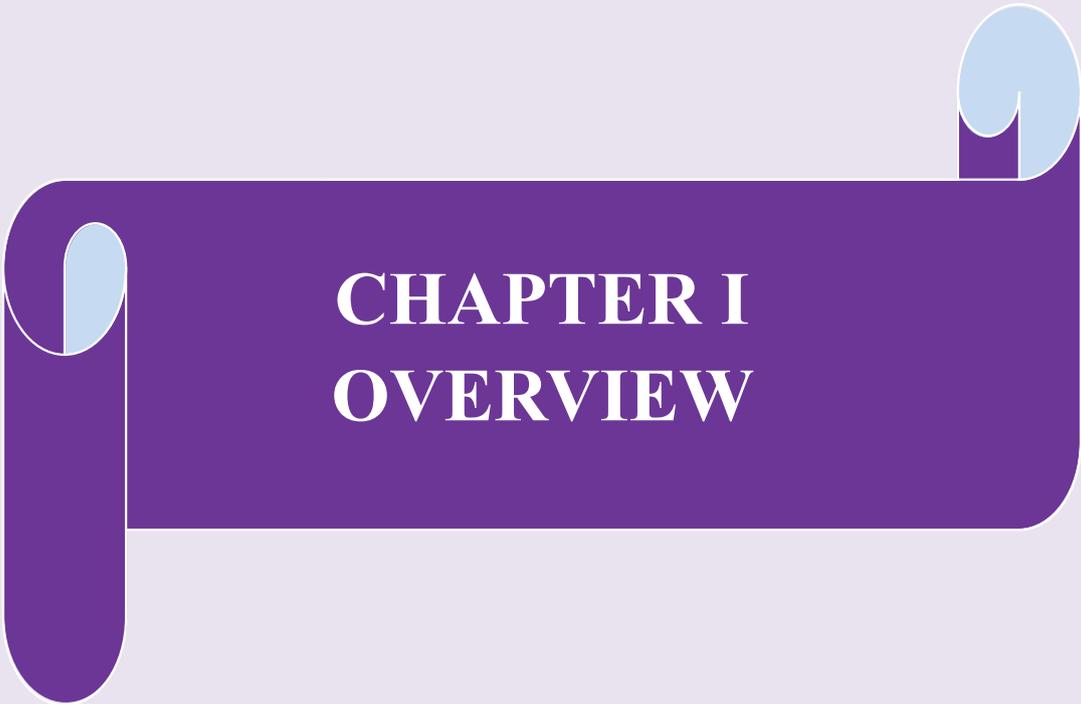
### ***Working of State Public Sector Undertakings***

As on 31 March 2023, there were 149 State Public Sector Undertakings (SPSUs) in Kerala, including four Statutory Corporations and 130 Government Companies (including nine non-working Government Companies) and 15 Government Controlled Other Companies under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 115 PSUs whose 270 accounts were in arrears. Out of the total profit of ₹1,368.72 crore earned by 58 working SPSUs, 61.50 *per cent* was contributed by two SPSUs. Out of total loss of ₹1,873.89 crore incurred by 66 working SPSUs, loss of ₹1,113.99 crore was incurred by two PSUs. The financial impact of amendments of financial statements as a result of supplementary audit of PSUs by the CAG

was ₹35.17 crore on profitability and ₹35.72 crore on assets and liabilities.

*The State Government may impress upon the managements of SPSUs to ensure timely submission of their financial statements. In the absence of finalised accounts, Government investments in such SPSUs remain outside the oversight of the State Legislature. The State Government may also analyse the reasons of losses in loss making SPSUs and initiate steps to make their operations efficient and profitable.*





# CHAPTER I OVERVIEW



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## 1.1 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 22<sup>nd</sup> in the country with an area of 38,863 sq.km. The State has a population of 3.58 crore (14<sup>th</sup> in the country) and is ranked as the seventh most densely populated State with a density of 921 persons per sq.km. The decadal growth rate of population was 5.61 *per cent*, which is the second lowest among Indian States. The literacy rate of Kerala (94 *per cent*) is the highest among the Indian States. The general data relating to the State is given in **Appendix 1.1**.

## 1.2 Gross State Domestic Product of Kerala

Gross Domestic Product (GDP) is the value of all the goods and services produced within the boundaries of a country in a given period of time; whereas Gross State Domestic Product (GSDP) is the value of goods and services produced in a State.

Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period. Though the GSDP increased from ₹9,34,542 crore in 2021-22 to ₹10,46,188 crore recording a growth rate of 11.95 *per cent* in 2022-23, it was lower as compared to the growth rate of GDP. Growth rate of GSDP and GDP for the period from 2018-19 to 2022-23 are shown in **Table 1.1**.

**Table 1.1: Trends in GSDP compared to GDP (at current prices)**

Sl No	Year	2018-19	2019-20	2020-21	2021-22	2022-23
<b>India</b>						
1	GDP (₹ in crore) (2011-12 Series)	1,88,99,668	2,01,03,593	1,98,29,927	2,34,71,012	2,72,40,712
2	GVA (₹ in crore)	1,71,75,128	1,83,81,117	1,81,88,780	2,14,38,883	2,47,42,871
3	Growth rate of GDP over previous year (in <i>per cent</i> )	10.59	6.37	(-1.36)	18.36	16.06
4	Growth rate of GVA over previous year (in <i>per cent</i> )	10.77	7.02	(-1.05)	17.87	15.41
5	Per capita GDP (in ₹)	1,42,424	1,49,915	1,46,301	1,71,498	1,96,983

Sl No	Year	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Kerala<sup>1</sup></b>						
6	GSDP (₹ in crore) (2011-12 Series)	7,88,286	8,12,935	7,71,724	9,34,542	10,46,188
7	GSVA (₹ in crore)	6,96,182	7,30,193	6,85,793	8,30,233	9,25,184
8	Growth rate of GSDP over previous year (in per cent)	12.36	3.13	(-5.07)	21.10	11.95
9	Growth rate of GSVA over previous year (in per cent)	9.66	4.89	(-6.08)	21.06	11.44
10	Per capita GSDP (in ₹)	2,27,397	2,33,338	2,20,400	2,65,560	2,95,787

Source: Details furnished by Directorate of Economics and Statistics, Kerala and the Economic Advisor

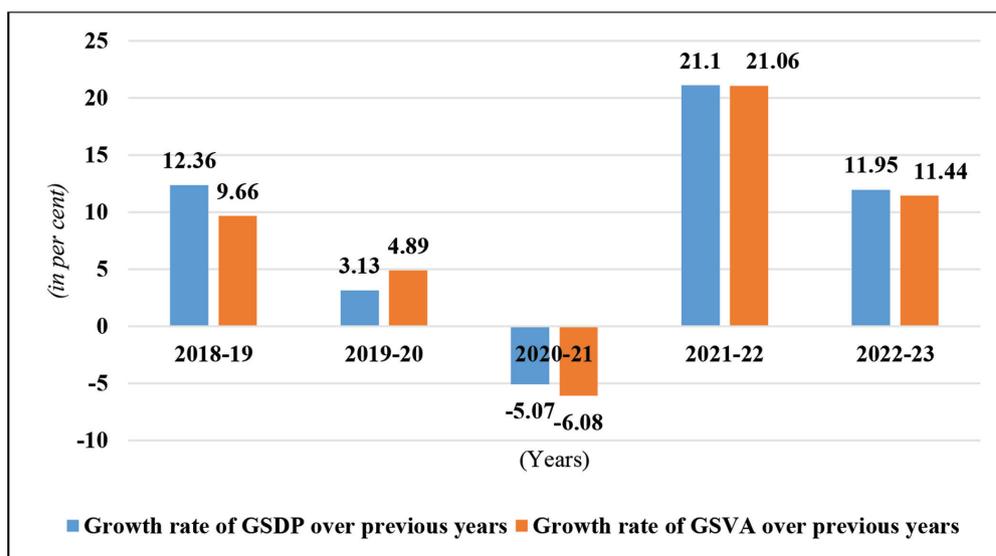
Kerala ranked 11<sup>th</sup> among all the States in the contribution to National GDP. During the five-year period from 2018-19 to 2022-23, the growth rate of GSDP shows a downward trend except in 2021-22. The significant growth in the year 2021-22 was mainly due to the fall in the GSDP in the previous year (negative growth) due to COVID 19 pandemic.

The per capita GSDP of the State for the year 2022-23 was ₹2,95,787 while that of the country was ₹1,96,983 which was 33.40 per cent lower than that of the State.

Gross Value Added (GVA) is being used for economic analysis by Government of India and international organisations like IMF and World Bank as GVA is considered better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. While GDP can be and is also computed as the sum total of the various expenditures incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or investment spending reflecting essentially on the demand conditions in the economy. Both measures have difference in treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

The trends of GSDP and GSVA for the period from 2018-19 to 2022-23 are indicated in **Chart 1.1** below:

<sup>1</sup> Figures obtained from Directorate of Economics and Statistics, Government of Kerala

**Chart 1.1: Growth rate of GSDP vs GSVA (2018-19 to 2022-23)**

Source: Details furnished by Directorate of Economics and Statistics, Kerala and the Economic Advisor

### 1.2.1 Sectoral Contribution to GSDP

The economic activities are generally divided into Primary sector consisting of agriculture, mining, forestry, fishing etc., Secondary sector consisting of manufacturing, construction etc., and Tertiary sector consisting of services.

The comparison of sectoral contribution to GSDP over the years from 2018-19 to 2022-23 is given in **Table 1.2** below:

**Table 1.2: Sectoral contribution to GSDP**

<i>(in per cent)</i>						
Sl No.	Sector	2018-19	2019-20	2020-21	2021-22	2022-23
1	Primary	10.26	10.32	11.43	10.09	9.46
2	Secondary	21.58	20.93	21.89	21.84	22.27
3	Tertiary	56.48	58.57	55.55	56.91	56.70
4	<b>Total*</b>	<b>88.32</b>	<b>89.82</b>	<b>88.87</b>	<b>88.84</b>	<b>88.43</b>

\* Taxes and subsidies excluded

Source: Details furnished by Directorate of Economics and Statistics, Government of Kerala.

The Tertiary sector continues to be the prime mover of the Kerala economy by contributing 56.70 per cent of GSDP during the current year. The contribution of Primary Sector to GSDP decreased from 10.26 per cent in 2018-19 to 9.46 per cent in 2022-23. However, the contribution of Secondary Sector to GSDP slightly increased from 21.58 per cent in 2018-19 to 22.27 per cent in the current year. Sector wise growth of GSDP in 2022-23 compared to 2021-22 and percentage contribution of some major economic activities to GSDP is given in the **Table 1.3** below:

**Table 1.3: Some major economic activities and their contribution to GSDP***(₹ in crore)*

Sl No.	Sectors	Components	2021-22 (P)	2022-23 (Q)	Percentage increase/decrease (-)	Percentage contribution to GSDP
A	Primary	Agriculture, forestry and fishing	91,801.29	96,146.45	4.73	9.19
		Mining and quarrying	2,466.89	2,801.97	13.58	0.27
B	Secondary	Industries-Manufacturing	77,185.55	88,008.23	14.02	8.41
		Construction	1,12,857.28	1,27,889.57	13.32	12.22
		Electricity, gas, water supply & other utility services	14,028.47	17,121.53	22.05	1.64
C	Tertiary	Trade, repair, hotels and restaurants	1,50,193.53	1,68,977.51	12.51	16.15
		Real estate, ownership of dwelling & professional services	1,39,607.84	1,57,149.56	12.56	15.02
		Others + Taxes on Products - Subsidies	3,46,400.90	3,88,093.32	12.04	37.10
<b>D</b>		<b>GSDP</b>	<b>9,34,541.75</b>	<b>10,46,188.14</b>	<b>11.95</b>	<b>100.00</b>

*P - Provisional Estimate**Q - Quick Estimate**Source: Details furnished by Directorate of Economics and Statistics, Kerala.*

The major components in GSDP such as Agriculture and Industries Sectors which are crucial in determining the development, continue to lag far behind among the sectors. The Secondary sector recorded a positive growth in 2022-23 due to sharp increase in all the components in the sector *viz.* Manufacturing (14.02 per cent), Construction (13.32 per cent) and Electricity, gas, water supply & other utility services (22.05 per cent).

There was a decrease in the growth rate in all the three sectors during 2022-23 and as a result the overall growth rate of GSDP of the State during 2022-23 declined to 11.95 per cent when compared to the growth rate of 21.10 per cent in 2021-22.

### 1.3 Basis and Approach to State Finances Audit Report

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151(2) of the Constitution of India.

The Principal Accountant General (Accounts and Entitlement) prepares the Finance Accounts and Appropriation Accounts of the State annually from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities vis-à-vis projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Offices of the Principal Accountants General (Audit I & II);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

An entry meeting was held (25 October 2023) with Finance Secretary, Finance Department, Government of Kerala, wherein the audit approach was explained, and the draft report was forwarded to the State Government for comments. Exit conference was conducted on 12 December 2023.

### 1.4 Overview of Government Accounts

The Accounts of the State Government are kept in three parts:

#### 1. Consolidated Fund of the State {Article 266(1) of the Constitution of India}

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc.*), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance

with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

**2. Contingency Fund of the State {Article 267(2) of the Constitution of India}**

This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

**3. Public Accounts of the State {Article 266(2) of the Constitution}**

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Annual Financial Statement, a statement of estimated receipts and expenditures of the Government in respect of every financial year constitutes the main budget document. The budget must distinguish expenditure on the revenue account from other expenditures.

**Revenue Receipts** consists of tax revenue, non-tax revenue, share of Union Taxes/ Duties, and Grants from Government of India.

**Revenue Expenditure** consists of all those expenditures of the Government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital Receipts** consist of:

- **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, *etc.*;

- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

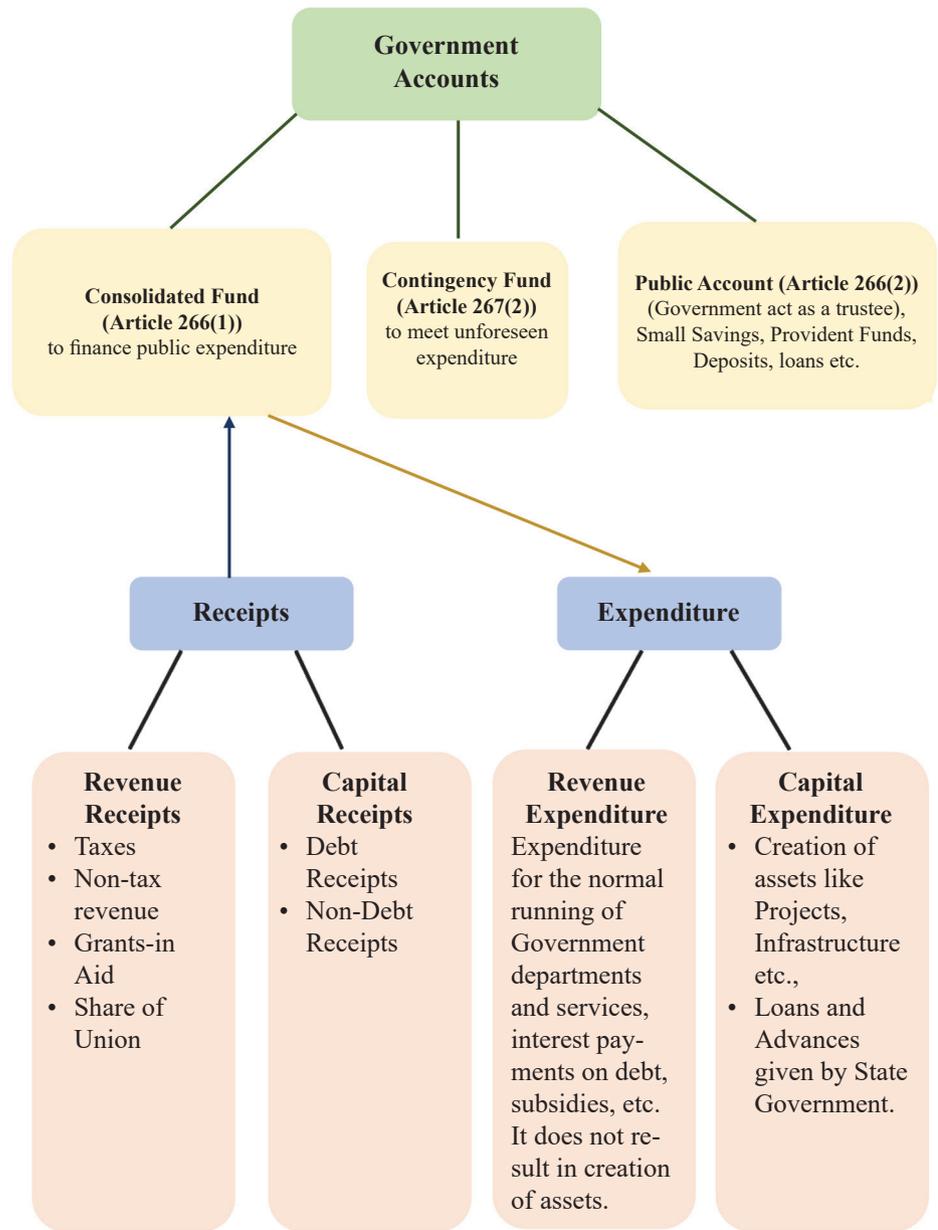
**Capital Expenditure** includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the Government to PSUs and other parties.

**Public Debt and Public Liability:** In this Report ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government etc. For this purpose, the major heads 6003 and 6004 - Public Debt have been taken into consideration.

Further, the transactions relating to ‘Small Savings, Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. In this Report, ‘Public Liability’ has been taken to include the transactions under major heads 8009 to 8554 relating to ‘Small Savings, Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposit and Advances’ along with the transactions under major heads 6003 and 6004.

A pictorial representation of the structure of Government accounts is given in **Chart 1.2** below

**Chart 1.2: Structure of Government Accounts**



## 1.5 Snapshot of Finances of the State Government

A snapshot of the various aspects of the finances of the State Government are as follows:

### 1.5.1 Snapshot of the Finances

**Table 1.4** provides the details of Actuals *vis-a-vis* Budget Estimates for the year 2022-23 *vis-a-vis* actuals of 2021-22. Details of five years is given in **Appendix 1.2**.

Table 1.4: Snapshot of the Finances

(*₹ in crore*)

Sl. No.	Components	2021-22 (Actuals)	2022-23 (Budget Estimate)	2022-23 (Actuals)	Percentage of Actuals to B.E	Percentage of Actuals (2022-23) to GSDP
<b>1.</b>	<b>Tax Revenue</b>	<b>76,160.61</b>	<b>91,818.30</b>	<b>90,228.84</b>	<b>98.27</b>	<b>8.62</b>
i	Own Tax Revenue	58,340.52	74,097.80	71,968.16	97.13	6.88
ii	Share of Union taxes/duties	17,820.09	17,720.50	18,260.68	103.05	1.75
<b>2</b>	<b>Non-Tax Revenue</b>	<b>10,462.51</b>	<b>11,769.55</b>	<b>15,117.95</b>	<b>128.45</b>	<b>1.45</b>
<b>3.</b>	<b>Grants-in-aid and Contributions</b>	<b>30,017.12</b>	<b>30,509.95</b>	<b>27,377.86</b>	<b>89.73</b>	<b>2.62</b>
<b>4.</b>	<b>Revenue Receipts (1+2+3)</b>	<b>1,16,640.24</b>	<b>1,34,097.80</b>	<b>1,32,724.65</b>	<b>98.98</b>	<b>12.69</b>
<b>5.</b>	<b>Recovery of Loans and Advances</b>	<b>479.24</b>	<b>323.50</b>	<b>409.29</b>	<b>126.52</b>	<b>0.04</b>
<b>6.</b>	<b>Other Receipts</b>	<b>60.27</b>	<b>49.60</b>	<b>49.94</b>	<b>100.69</b>	<b>0</b>
<b>7.</b>	<b>Borrowings and other Liabilities</b>	<b>45,958.35</b>	<b>39,086.02</b>	<b>26,031.09</b>	<b>66.60</b>	<b>2.49</b>
<b>8.</b>	<b>Capital Receipts (5+6+7)</b>	<b>46,497.86</b>	<b>39,459.12</b>	<b>26,490.32</b>	<b>67.13</b>	<b>2.53</b>
<b>9</b>	<b>Total Receipts (4+8)</b>	<b>1,63,138.10</b>	<b>1,73,556.92</b>	<b>1,59,214.97</b>	<b>91.74</b>	<b>15.22</b>
<b>10.</b>	<b>Revenue Expenditure</b>	<b>1,46,179.51</b>	<b>1,57,065.89</b>	<b>1,41,950.93</b>	<b>90.38</b>	<b>13.57</b>
<b>11.</b>	<b>Interest payments (included in Sl. No.10)</b>	<b>23,302.82</b>	<b>25,965.86</b>	<b>25,176.36</b>	<b>96.96</b>	<b>2.41</b>
<b>12.</b>	<b>Capital Expenditure</b>	<b>14,191.73</b>	<b>14,890.76</b>	<b>13,996.56</b>	<b>93.99</b>	<b>1.34</b>
<b>13</b>	<b>Loans and advances</b>	<b>2,854.29</b>	<b>1,630.87</b>	<b>2,790.93</b>	<b>171.13</b>	<b>0.27</b>
<b>14</b>	<b>Total Expenditure (10+12+13)</b>	<b>1,63,225.53</b>	<b>1,73,587.52</b>	<b>1,58,738.42</b>	<b>91.45</b>	<b>15.17</b>
<b>15</b>	<b>Revenue Deficit (4-10)</b>	<b>29,539.27</b>	<b>22,968.09</b>	<b>9,226.28</b>	<b>40.17</b>	<b>0.88</b>
<b>16</b>	<b>Fiscal Deficit {14-(4+5+6)}</b>	<b>46,045.78</b>	<b>39,116.62</b>	<b>25,554.54</b>	<b>65.33</b>	<b>2.44</b>
<b>17</b>	<b>Primary Deficit (16-11)</b>	<b>22,742.96</b>	<b>13,150.76</b>	<b>378.18</b>	<b>2.88</b>	<b>0.04</b>
	<b>Buoyancy Ratio</b>					
	<b>Revenue Receipt</b>	0.92	0.20	1.15		
	<b>Revenue Expenditure</b>	0.87	0.52	(-)0.24		

Source: Statement 2 of Finance Accounts for 2021-22 and 2022-23.

The State received compensation of ₹7,245.97 crore as grants under revenue receipts on account of loss of revenue arising out of the implementation of GST during 2022-23.

The revenue receipts of the State increased by ₹16,084.41 crore (13.79 per cent) during 2022-23 as compared to the previous year, and revenue expenditure decreased by ₹4,228.58 crore (2.89 per cent). This led to a decrease in revenue deficit by ₹20,312.99 crore during the year as compared to the previous year. Fiscal deficit also decreased by ₹20,491.24 crore during 2022-23 as compared to 2021-22.

### 1.5.2 Snapshot of Assets and Liabilities as on 31 March 2023

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 capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Table 1.5** give an abstract of such assets and liabilities as on 31 March 2023. While the liabilities consist mainly of internal borrowings, loans and advances from GoI, and receipts from the Public Account, the assets mainly comprises the capital outlay and loans and advances given by the State Government and its cash balances.

**Table 1.5: Summarised position of Assets and Liabilities**

(₹ in crore)

Liabilities				Per cent increase(+)/ decrease(-)	Assets				
	2021-22	2022-23			2021-22	2022-23	Per cent increase(+)/ decrease(-)		
<b>Consolidated Fund</b>									
A	Internal Debt	2,10,791.59	2,27,137.07	7.75	a	Gross Capital Outlay	1,07,723.92	1,21,670.54	12.95
B	Loans and Advances from GOI	23,688.27	25,369.21	7.10	b	Loans and Advances	22,086.89	24,468.53	10.78
	Contingency Fund	100	100	0.00					
<b>Public Account</b>									
A	Small Savings, Provident Funds, etc.	1,15,666.60	1,24,190.92	7.37	a	Advances	60.29	59.64	(-1.08)
B	Deposits	6,419.34	7,603.72	18.45	b	Remittance	1,473.31	1,125.12	(-23.63)
C	Reserve Funds	3,374.97	3,452.19	2.29	c	Suspense and Miscellaneous			
D	Suspense and Miscellaneous	322.03	229.25	(-28.81)		Cash balance (including investment in Earmarked Fund)	7,477.96	9,991.68	33.62
E	Remittance								
						<b>Total</b>	<b>1,38,822.37</b>	<b>1,57,315.51</b>	<b>13.32</b>
						Deficit in Revenue Account	2,21,540.43	2,30,766.85	4.16
	<b>Total</b>	<b>3,60,362.80</b>	<b>3,88,082.36</b>	<b>7.69</b>		<b>Total</b>	<b>3,60,362.80</b>	<b>3,88,082.36</b>	<b>7.69</b>

Summarised position of Assets and Liabilities as on 31 March 2023 is given in the **Appendix 1.3**. As on 31 March 2023, the State Government had an accumulation of liabilities of ₹3,88,082.36 crore for its activities against which, only ₹1,21,670.54 crore (31.35 per cent) was used for capital creation. The State

had utilised ₹2,30,766.85 crore (59.46 per cent) for meeting the cumulative revenue deficit of the State. In other words, in each financial year more than 50 per cent of additional liabilities were being created to meet its revenue expenditure. The same pattern was repeated in 2022-23, wherein 59.46 per cent of the additional liabilities created was for meeting the revenue deficit of the State.

## 1.6 Fiscal Balance: Achievement of deficit and total debt target

When a Government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture Government deficit.

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 Kerala Fiscal Responsibility Act (KFR) for the financial year 2022-23 are detailed below.

### 1.6.1 Revenue Deficit

Revenue Deficit is the difference between revenue expenditure and revenue receipts in the Consolidated fund. When the Government incurs a revenue deficit, it implies that the Government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. As per KFR (Amendment) Act 2022, Government shall achieve Revenue Surplus of 0.80 per cent of GSDP during 2022-23. However, revenue deficit for the year 2022-23 was ₹9,226.28 crore. The revenue deficit of the State decreased by ₹20,312.99 crore (68.77 per cent) from ₹29,539.27 crore in 2021-22 to ₹9,226.28 crore in 2022-23.

### 1.6.2 Fiscal Deficit

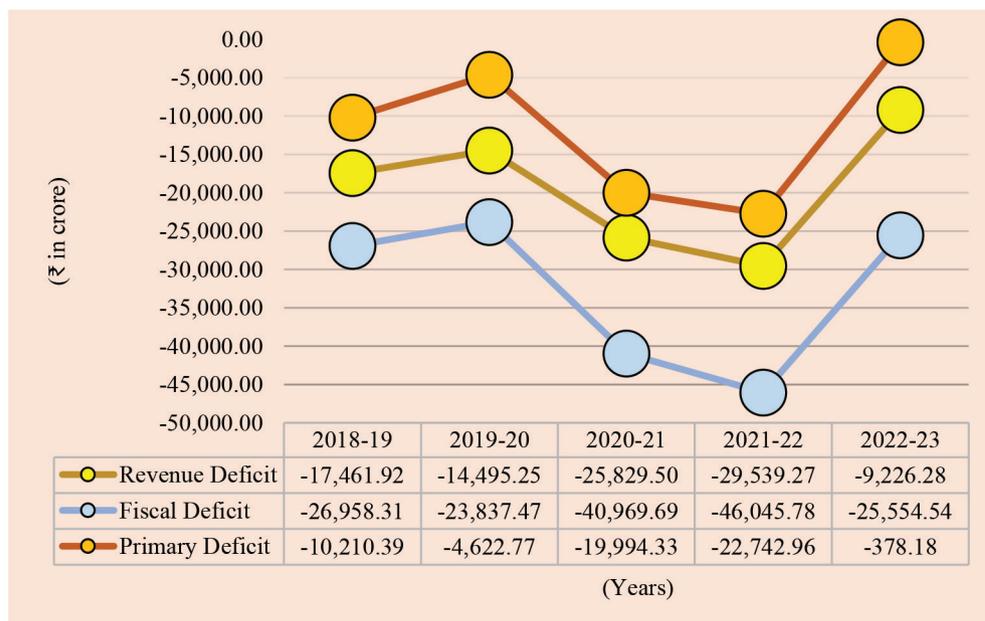
Fiscal deficit (FD) is the gap between total receipts (excluding borrowings) and total expenditure in the Consolidated fund. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. The fiscal deficit for the year was ₹25,554.54 crore as compared to ₹46,045.78 crore in 2021-22. In the year 2022-23, fiscal deficit which represents the total borrowings of the Government decreased by ₹20,491.24 crore (44.50 per cent) in comparison to previous year. As per KFR (Amendment) Act 2022, the target for fiscal deficit as percentage to GSDP was 4 per cent. During the current year the FD/GSDP ratio stood at 2.44 per cent against 4.93 per cent in the previous year.

### 1.6.3 Primary Deficit

Primary deficit refers to the fiscal deficit minus the interest payments. The primary deficit for the year 2022-23 was ₹378.18 crore which highlights that out of the borrowed funds of ₹25,554.54 crore, ₹25,176.36 crore (98.52 per cent) was utilised for the payment of interest and only a meagre amount of ₹378.18 crore was available for growth and developmental activities.

The trends of deficits over the period 2018-19 to 2022-23 are presented in **Appendix 1.2. Chart 1.3** presents the trends in deficit indicators over the period 2018-19 to 2022-23.

**Chart 1.3: Trends in Deficit Parameters**



Source: Finance Accounts of respective years.

As per Government of India FRBM Act, the Central Government Debt at any date includes total outstanding liabilities on the security of the Consolidated Fund of India, including external debt valued at current exchange rates; total outstanding liabilities in the Public Account of India; and such financial liabilities of any body corporate or other entity owned or controlled by the Central Government which the Government is to repay or service from the annual financial Statement reduced by the cash balance at the end of that date. However, such a definition was not seen in the Kerala Fiscal Responsibility Act, 2003 or its subsequent amendments thereon.

#### 1.6.4 Manner of Financing Deficits

Deficits are to be financed by borrowings, which lead to Government debt. The concepts of deficits and debt are closely related. Deficits can be thought of as a flow which add to the stock of debt. If the Government continues to borrow year after year, it leads to the debt accumulation and increases the burden of interest payment. These interest payments themselves contribute to the debt. Fiscal liabilities of the State comprises of Consolidated Fund liabilities and Public Account liabilities. Details of outstanding liabilities for the year 2022-23 compared to previous year are given in **Table 1.6** below:

**Table 1.6 Fiscal liabilities of the State**

(₹ in crore)

	Fiscal liabilities	2021-22	2022-23	Difference Increase(+) Decrease(-)
<b>A</b>	<b>Total Consolidated Fund liabilities</b>	<b>2,34,479.86</b>	<b>2,52,506.28</b>	<b>18,026.42</b>
i	Market loans	1,83,522.04	1,99,142.04	15,620.00
ii	Loans from the GoI*	23,688.27	25,369.21	1,680.94
iii	Other Loans	27,269.55	27,995.03	725.48
<b>B</b>	<b>Off Budget Borrowings</b>	<b>24,272.67</b>	<b>29,475.97</b>	<b>5,203.30</b>
<b>C</b>	<b>Total Public Account liabilities</b>	<b>1,22,912.90</b>	<b>1,32,524.10</b>	<b>9,611.20</b>
i	Small Savings, PF etc.	1,15,666.60	1,24,190.92	8,524.32
ii	Interest bearing obligations	472.25	395.01	(-)77.24
iii	Non-interest-bearing obligations like Deposits and other earmarked funds	6,774.05	7,938.17	1,164.12
	<b>Total Liabilities (A+B+C)</b>	<b>3,81,665.43</b>	<b>4,14,506.35</b>	<b>32,840.92</b>

\*Effective Loans and Advances from GoI for the year 2022-23 would be ₹10,863.90 crore (for the year 2021-22 ₹9,182.96 crore) as the Department of Expenditure, GoI had decided that GST compensation of ₹14,505.31 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

The Consolidated fund liabilities increased by 7.69 per cent and the Public Account Liabilities increased by 7.82 per cent during 2022-23 when compared to 2021-22.

### 1.6.5 Achievement of fiscal targets

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. The State Government amended its Fiscal Responsibility Act from time to time keeping in view the fiscal parameters prescribed by successive Finance Commissions.

As per KFR (Amendment) Act, 2022, Government shall eliminate the Revenue deficit completely during the period from 2021-22 to 2025-26 and shall make Revenue Surplus in the order of 0.50 per cent, 0.80 per cent, 1.20 per cent, 1.70 per cent and 2.50 per cent of the GSDP in the respective years. Government could reduce the RD/GSDP ratio from (-)3.16 per cent in 2021-22 to (-)0.88 per cent in 2022-23 which is an indication that efforts are underway to reduce the deficit. Major fiscal parameters as targeted in the KFR (Amendment) Act, 2022 along with actuals thereof are given in **Table 1.7**.

**Table 1.7: Compliance with provisions of KFR Act**

Sl No.	Fiscal Parameters	Fiscal targets	Actuals				
			2018-19	2019-20	2020-21	2021-22	2022-23
1	Revenue Deficit (₹ in crore)	zero	(-)17,461.92	(-)14,495.25	(-)25,829.50	(-)29,539.27	(-)9,226.28
2		3 per cent (up to 2019-20)	3.42	2.93	-	-	-
3	Fiscal Deficit (as percentage of GSDP)	5 per cent in 2020-21, 4 per cent in 2021-22 and 4 per cent in 2022-23	-	-	5.31	4.93	2.44
4	Ratio of total outstanding liability to GSDP (in per cent)	34.50 per cent in 2022-23 <sup>2</sup>	30.65	32.64	39.21	36.69	35.42

Source: Statement 2 of Finance Accounts and KFR Act.

The ratio of total outstanding liability to GSDP (35.42 per cent) during 2022-23 has been arrived at after excluding GST compensation of ₹14,505.31 crore given to the State as back-to-back loan under debt receipts from the total outstanding liabilities as the Department of Expenditure, GoI had decided that it would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

The State Government had not made any disclosure on the Off-budget borrowings through KIIFB (₹17,742.68 crore) and KSSPL (₹11,733.29 crore) in the State budget, which led to an understatement of Government liabilities by ₹29,475.97 crore. Taking into account the off-budget borrowing of the State, the liability/GSDP ratio stands at 38.23 per cent.

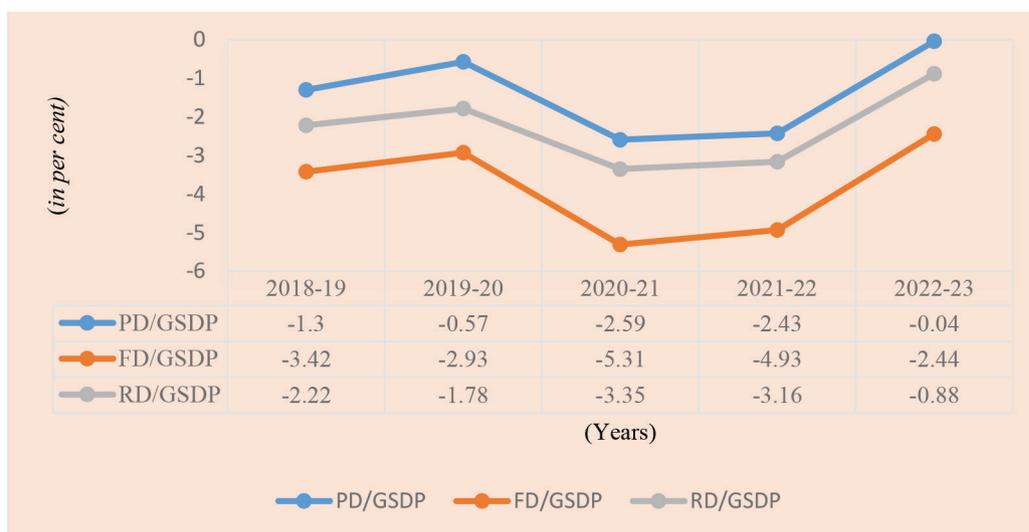
Though the target prescribed in KFR Act over the years was to eliminate Revenue deficit completely and to achieve revenue surplus during 2017-18 to 2022-23, the State continued to be revenue deficit during the period. The ratio of total outstanding liability to GSDP (i.e 35.42 per cent also remained beyond the target fixed in the Act for the year 2022-23 (i.e. 34.50 per cent). However, the State had been able to contain the fiscal deficit to GSDP ratio within 4 per cent.

**Chart 1.4** provides the trends in deficit indicators relative to GSDP for the period

<sup>2</sup> 30.01 per cent in 2018-19, 29.67 per cent in 2019-20 and 2020-21 and 34.70 per cent in 2021-22

from 2018-19 to 2022-23.

**Chart 1.4: Trends in deficit indicators relative to GSDP**



Source: Compiled from Finance Accounts of respective years

From the above, it can be seen that the ratio of revenue deficit, fiscal deficit and primary deficit to GSDP decreased in 2022-23 as compared to the previous year. The post audit deficit figures are explained in paragraph 1.7.

The fiscal deficit as a percentage to GSDP was recorded at 2.44 *per cent* during 2022-23 which is below the fiscal deficit target of four per cent. This is mainly attributable to the fact that the revenue expenditure has exceeded the revenue receipts only by 6.95 *per cent* during the current year. Further, the total expenditure of the State decreased by ₹4,487.11 crore (2.75 *per cent*) during 2022-23 as compared to the previous year.

In accordance with the Kerala Fiscal Responsibility Act, 2003 the State Government presents the Medium-Term Fiscal Policy (MTFP) and Strategy Statement (included as **Appendix 1.4**) before the State Legislature every year.

A comparison of targets for fiscal parameters projected in MTFP presented to the State Legislature with actuals for the current year is given below in **Table 1.8**.

**Table 1.8: Actuals vis-à-vis projection in MTFP for 2022-23**

(₹ in crore)				
Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2022-23)	Variation (in per cent) with reference to Projections as per MTFP
1	Own Tax Revenue	74,097.80	71,968.16	(-2.87
2	Non-Tax Revenue	11,769.55	15,117.95	28.45

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2022-23)	Variation (in per cent) with reference to Projections as per MTFP
3	Resources from Centre (Share of Central taxes and Grant-in-aid from GoI)	48,230.45	45,638.54	(-)5.37
4	Revenue Receipts (1+2+3)	1,34,097.80	1,32,724.65	(-)1.02
5	Revenue Expenditure	1,57,065.89	1,41,950.93	(-)9.62
6	Revenue Deficit (-) (4 - 5)	(-)22,968.09	(-)9,226.28	(-)59.83
7	Fiscal Deficit (-)/ Surplus (+)	(-)39,116.61	(-)25,554.54	(-)34.67
8	FD/GSDP	3.91	2.44	
9	Liability-GSDP ratio (per cent)	37.18	35.42*	
10	GSDP growth rate at current prices (per cent)	10.83	11.95	

Source: Statement No.2 of Finance Accounts and Medium Term Fiscal Policy.

\* The back-to-back Loan (₹14,505.31 crore) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

Taking into account the off-budget borrowing of the State, the liability/ GSDP ratio stands at 38.23 per cent.

Though revenue and fiscal deficits were less than the projections as per MTFP, the state could not achieve many of the targets fixed by the State Government in its MTFP during 2022-23. This indicates that the fiscal parameters achieved by the State during 2022-23 stands clearly outside the fiscal policies and indicators as laid out in the MTFP.

Post audit analysis revealed that Revenue deficit and Fiscal deficit of the State during 2022-23 were understated by ₹2,186.36 crore and ₹1,998.71 crore respectively. As a result, the Fiscal deficit as a percentage of GSDP was 2.63 per cent.

## 1.7 Deficits and total debt after examination in Audit

Audit examination has revealed misclassification in accounts and off-budget fiscal operations which impact the total deficit and debt figures. The deficit and debt figures after examination by audit is explained below.

### 1.7.1 Post audit Analysis

Misclassification of revenue expenditure as capital and off budget fiscal operations impacts deficit figures. Besides, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme, sinking and redemption funds, etc. also impacts the revenue and fiscal deficit figures. In order to arrive at actual deficit figures, the impact of such irregularities need to be rectified.

**Table 1.9: Revenue and Fiscal Deficit post examination by Audit***(₹ in crore)*

Sl No.	Particulars	Revenue Deficit	Fiscal Deficit	Paragraph reference
1	Pre Audit deficit	9,226.28	25,554.54	
2	Audit findings having an impact on deficit \$			
a	Non-contribution to Guarantee Redemption Fund	(+)268.45	(+)268.45	2.8.2
b	Expenditure booked under Revenue section instead of Capital	(-)12.35		3.5.2
c	Deferment of clear cut liabilities	(+)556.00	(+)556.00	4.1
d	Non discharge of Interest liabilities • Interest on State Compensatory Afforestation Fund - ₹1.83 crore	(+)1.83	(+)1.83	2.5.2.2
e	Resumption of Funds from State Treasury Savings Bank Account	(+)200		4.7.2
f	Resumption of non-Governmental funds of KSSPL	(+)1,116.87	(+)1,116.87	4.7.2
g	Non-transfer of Kerala Road Safety Fund	(+)55.56	(+)55.56	4.4
<b>3</b>	<b>Total of all post audit findings</b>	<b>2,186.36</b>	<b>1,998.71</b>	
<b>4</b>	<b>Post Audit deficit (1+3)</b>	<b>11,412.64</b>	<b>27,553.25</b>	

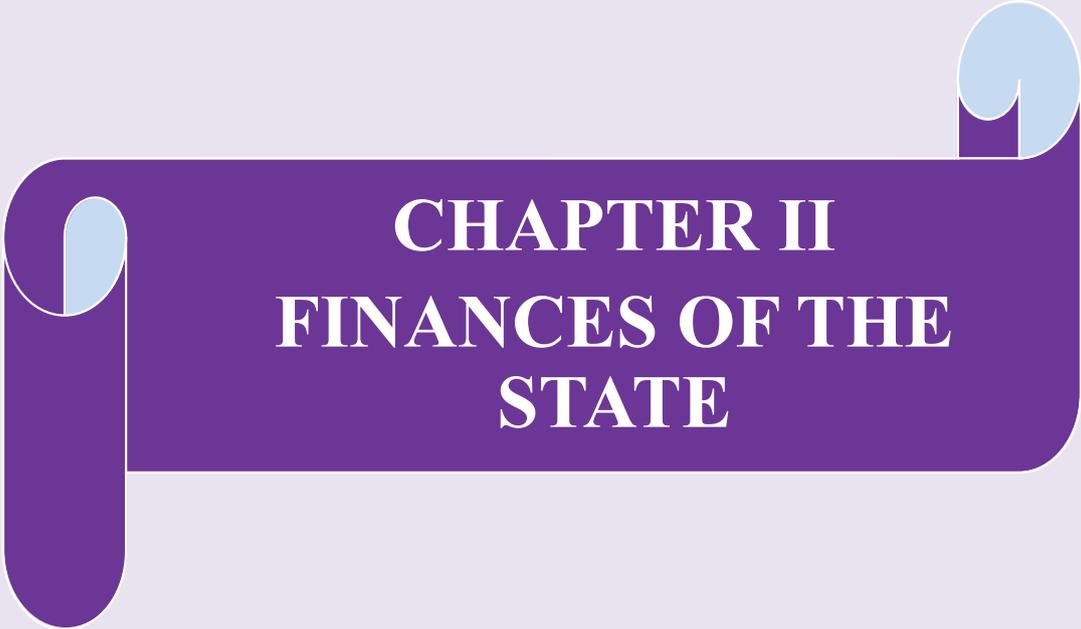
Source: Compiled from Finance Accounts and audit analysis.

\$ Understated (+) and overstated (-).

The Revenue and Fiscal deficit of the State are understated by ₹2,186.36 crore and ₹1,998.71 crore respectively. On post audit analysis, the fiscal deficit as percentage of GSDP was 2.63 per cent.

Further, the post audit analysis also reveals that the State Government resorted to off-budget borrowing of ₹8,058.91 crore through Kerala Infrastructure Investment Fund Board (KIIFB) (₹5,109.24 crore), and Kerala Social Security Pension Limited (KSSPL) (₹2,949.67 crore) in 2022-23. It was in addition to the liabilities of ₹3,85,030.38 crore as mentioned in Finance Accounts 2022-23. As on 31 March 2023, KIIFB and KSSPL together have an outstanding liability of ₹29,475.97 crore (Chapter II). Thus, taking into account the off-budget borrowing, the overall liability of the State stands at ₹4,14,506.35 crore and the Liability/GSDP ratio stands at 38.23 per cent (excluding back-to-back loan of ₹14,505.31 crore) which is way above the fiscal target of 34.50 per cent.





**CHAPTER II**  
**FINANCES OF THE**  
**STATE**



## CHAPTER II FINANCES OF THE STATE

This Chapter analyses the Finance Accounts of the State for the year 2022-23 to unravel the underlying causes of deficit and areas of fiscal concern as well as positive trends.

### 2.1 Major Changes in Key Fiscal Aggregates vis-a-vis 2021-22

The major changes in key fiscal aggregates of the State during the year 2022-23, compared to the previous year are given in **Table 2.1**.

**Table 2.1: Changes in key fiscal aggregates in 2022-23 compared to 2021-22**

		(₹ in crore)			
	Particulars	2021-22	2022-23	Increase (+)/ Decrease (-) (in per cent)	
<b>A</b>	<b>Revenue Receipts</b>	<b>1,16,640.24</b>	<b>1,32,724.65</b>	<b>13.79</b>	
	Own Tax Revenue	58,340.52	71,968.16	23.36	
	Non-Tax Revenue	10,462.51	15,117.95	44.50	
	State's share of Union taxes and duties	17,820.09	18,260.68	2.47	
	Grants- in-aid from Govt. of India	30,017.12	27,377.86	(- )8.79	
	Revenue Receipts of the State increased by ₹16,084.41 crore mainly due to increase in Own tax Revenue by ₹13,627.64 crore followed by non-tax revenue by ₹4,655.44 crore				
<b>B</b>	<b>Revenue Expenditure</b>	<b>1,46,179.51</b>	<b>1,41,950.93</b>	<b>(-)2.89</b>	
	Social Services	50,695.61	50,275.91	(-)0.83	
	Economic Services	15,713.81	12,280.82	(-)21.85	
	General Services	70,110.00	69,831.68	(-)0.40	
	Grants in Aid	9,660.09	9,562.52	(-)1.01	
	The revenue expenditure under Economic Services decreased by ₹3,432.99 crore which contributed to a decrease of ₹4,228.58 crore in the total revenue expenditure of the State.				
<b>C</b>	<b>Capital Receipts</b>				
	Debt Capital Receipts	64,932.14	54,007.17	(-)16.83	
	Non-debt Capital Receipts	539.51	459.23	(-)14.88	
Debt capital receipts and non-debt capital receipts decreased by 16.83 per cent and 14.88 per cent respectively.					

	Particulars	2021-22	2022-23	Increase (+)/ Decrease (-) (in per cent)	
<b>D</b>	<b>Capital Expenditure</b>	Capital Outlay	14,191.73	13,996.56	(-)1.38
		Social Services	3,342.63	3,030.08	(-)9.35
		Economic Services	10,580.84	10,659.59	0.74
		General Services	268.26	306.89	14.40
		The capital expenditure under Social Services decreased by ₹312.55 crore and increased under Economic Services and General Services by ₹78.75 crore and ₹38.63 crore respectively resulting in a decrease of ₹195.17 crore in the total Capital expenditure of the State.			
<b>E</b>	<b>Loans and Advances</b>	Disbursement of Loans and Advances	2,854.29	2,790.93	(-)2.22
		Recovery of Loan & Advances	479.24	409.29	(-)14.60
		The recovery of Loans and Advances decreased by ₹69.95 crore when compared to the previous year.			
<b>F</b>	<b>Public Debt</b>	PD Receipts*	64,932.14	54,007.17	(-)16.83
		PD Disbursement	35,900.00	35,980.76	0.22
<b>G</b>	<b>Public Account</b>	PA Receipts	3,55,961.24	3,37,441.36	(-)5.20
		PA Disbursement	3,36,440.12	3,27,399.51	(-)2.69
<b>H</b>	<b>Cash balance</b>	Closing Balance	7,475.46	9,991.68	33.66

\* Effective Public Debt Receipts for the year 2021-22 would be ₹56,192.83 crore as the Department of Expenditure, GOI had decided that GST compensation of ₹8,739.31 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

The major pattern evolving from these aggregates are

1. The revenue receipts of the State including GoI transfers could fund only 93.5 per cent of the revenue expenditure. Though the revenue expenditure during the current year has decreased by 2.89 per cent when compared to the previous year, the fact, however, remains that 6.5 per cent of the revenue expenditure was still to be met from the borrowed funds.
2. Expenditure on Capital Account represents only 8.82 per cent of the total expenditure. This was due to the insufficiency of revenue receipts to fund the revenue expenditure.

## 2.2 Sources and Application of Funds

The components of the sources and application of funds of the State during the financial year compared to the previous year is given below in **Table 2.2**.

**Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23**

(₹ in crore)

Particulars		2021-22	2022-23	Increase (+)/ Decrease (-) (in per cent)
Sources	Opening Cash Balance	4,967.98	7,477.96*	50.52
	Revenue Receipts	1,16,640.24	1,32,724.65	13.79
	Capital Receipts	60.27	49.94	(-) 17.14
	Recoveries of Loans and Advances	479.24	409.29	(-) 14.60
	Public Debt Receipts (Net) **	29,032.14	18,026.41	(-) 37.91
	Public Account Receipts (Net)	19,521.12	10,041.85	(-) 48.56
	Contingency fund	0	0	0
	<b>Total</b>	<b>1,70,700.99</b>	<b>1,68,730.10</b>	<b>(-) 1.15</b>
Application	Revenue Expenditure	1,46,179.51	1,41,950.93	(-) 2.89
	Capital Expenditure	14,191.73	13,996.56	(-) 1.38
	Disbursement of Loans and Advances	2,854.29	2,790.93	(-) 2.22
	Closing Cash Balance	7,475.46	9,991.68	33.66
	Contingency fund	0	0	0
	<b>Total</b>	<b>1,70,700.99</b>	<b>1,68,730.10</b>	<b>(-) 1.15</b>

\* Difference is due to rectification of misclassification of previous year

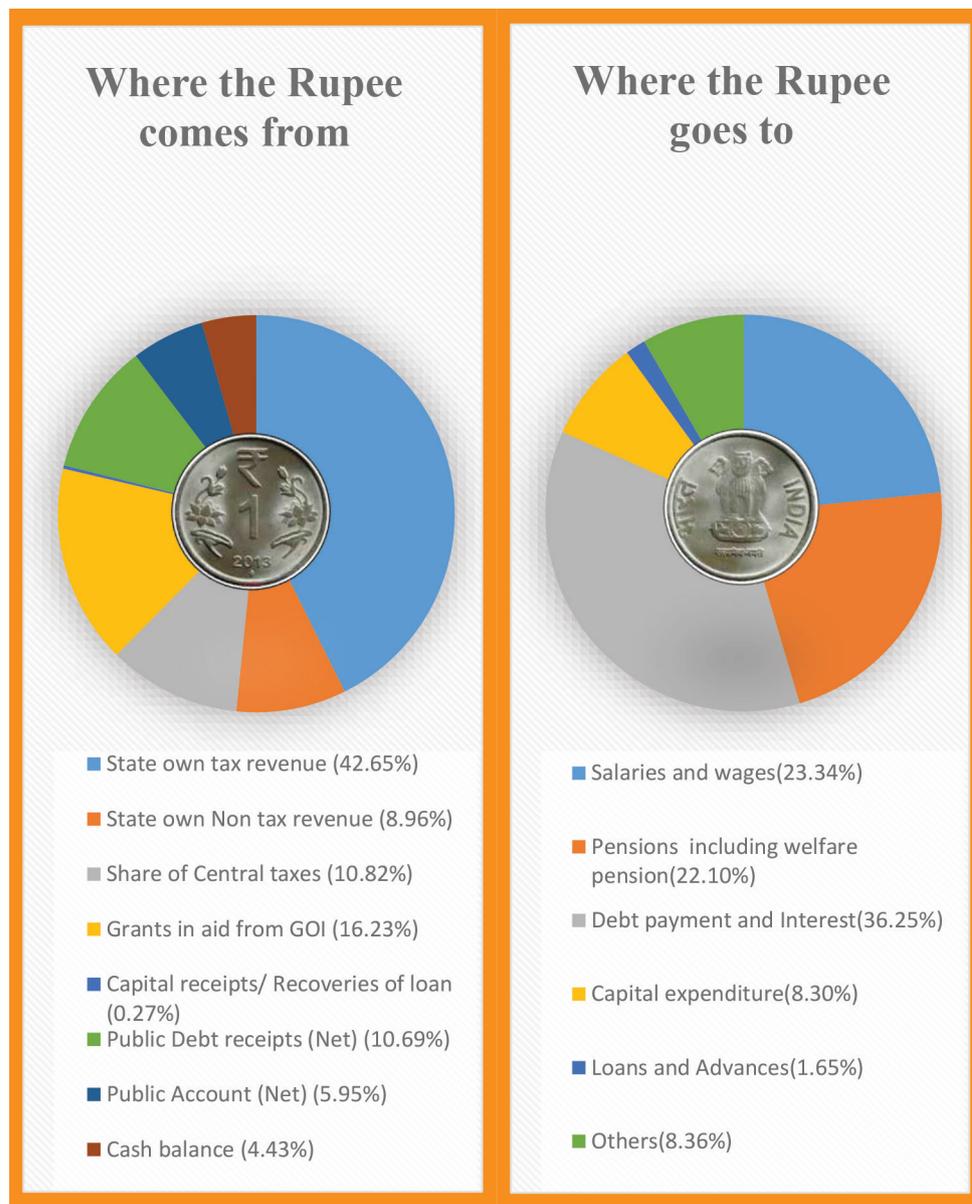
\*\* Effective Public Debt Receipts (Net) for the year 2021-22 would be ₹20,292.83 crore as the Department of Expenditure, GOI had decided that GST compensation of ₹8,739.31 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Source: Finance Accounts for 2021-22 and 2022-23

The details of the sources and application of funds of the State during the financial year 2022-23 are given in **Chart 2.1** and **Chart 2.2** as “where the rupee comes from” and “where the rupee goes to”.

**Chart 2.1 Composition of resources**  
(in per cent)

**Chart 2.2 Application of resources**  
(in per cent)



The comparison of various components of Resources available with the State during 2022-23 as compared to previous year along with growth rate has been detailed in **Table 2.3**.

**Table 2.3: Growth rate of Resources***(₹ in crore)*

SI No.	Components	2021-22	2022-23
1	<b>Tax Revenue</b>	<b>76,160.61 (28.60)</b>	<b>90,228.84 (18.47)</b>
	Own Tax Revenue	58,340.52 (22.41)	71,968.16 (23.36)
	Share of Union taxes/duties	17,820.09 (54.15)	18,260.68 (2.47)
2	<b>Non-Tax Revenue</b>	<b>10,462.51 (42.79)</b>	<b>15,117.95 (44.50)</b>
3	<b>Grants-in-aid and Contributions</b>	<b>30,017.12 (-3.38)</b>	<b>27,377.86 (-8.79)</b>
4	<b>Revenue Receipts (1+2+3)</b>	<b>1,16,640.24 (19.49)</b>	<b>1,32,724.65 (13.79)</b>
5	Recovery of Loans and Advances	479.24 (81.65)	409.29 (-14.60)
6	Misc Capital Receipts	60.27 (76.49)	49.94 (-17.14)
7	Public Debt receipts	64,932.14 (-6.89)	54,007.17 (-16.83)
8	Public Account (net) including cash balance(net)	17,013.64 (68.66)	7,528.13 (-55.75)

The figures in parenthesis shows the growth rate as compared to previous year.

- The annual growth rate of Tax revenue decreased from 28.60 *per cent* in 2021-22 to 18.47 *per cent* in 2022-23. However, non-tax revenue increased from 42.79 *per cent* to 44.50 *per cent* during the same period. Grant-in-aid from GoI on the other hand had registered a negative annual growth rate of 3.38 *per cent* during 2021-22 which further decreased to 8.79 *per cent* in 2022-23.
- The non-debt receipts namely Recoveries of loans and advances and miscellaneous capital receipts registered a negative annual growth rate of 14.60 *per cent* and 17.14 *per cent* during 2022-23 as against an annual growth rate of 81.65 *per cent* and 76.49 *per cent* during 2021-22 respectively.
- The receipts under public debt registered a negative annual growth rate of 6.89 *per cent* and 16.83 *per cent* during 2021-22 and 2022-23 respectively.

The details of actual receipts during 2022-23 *vis-à-vis* budgeted estimates are given in **Table 2.4** below:

**Table 2.4: Actual receipts during 2022-23 *vis-à-vis* budgeted estimates***(₹ in crore)*

SI No.	Components	2022-23 (Budget Estimate)	2022-23 (Actuals)	Percentage of Actuals to BE during 2022-23
<b>1</b>	<b>Tax Revenue</b>	<b>91,818.30</b>	<b>90,228.84</b>	<b>98.27</b>
	Own Tax Revenue	74,097.80	71,968.16	97.13
	Share of Union taxes/duties	17,720.50	18,260.68	103.05
<b>2</b>	<b>Non-Tax Revenue</b>	<b>11,769.55</b>	<b>15,117.95</b>	<b>128.45</b>
<b>3</b>	<b>Grants-in-aid and Contributions</b>	<b>30,509.95</b>	<b>27,377.86</b>	<b>89.73</b>
<b>4</b>	<b>Revenue Receipts (1+2+3)</b>	<b>1,34,097.80</b>	<b>1,32,724.65</b>	<b>98.98</b>
5	Recovery of Loans and Advances	323.50	409.29	126.52
6	Misc Capital Receipts	49.60	49.94	100.69
7	Public Debt receipts	83,053.77	54,007.17	65.03
8	Public Account (net) including cash balance(net)	11,260.59	7,528.13	66.85

Against the budgeted estimates of ₹1,34,097.80 crore during 2022-23, actual revenue receipts were ₹1,32,724.65 crore which was about 99 *per cent* of the budgeted estimates. The actual receipts on account of Recoveries of loans and advance and miscellaneous capital receipts were more than the budgeted estimates. However, actual receipts under Public debt was only 65 *per cent* of the budgeted estimates.

The Revenue buoyancy and Tax buoyancy w.r.t GSDP during 2022-23 *vis-à-vis* 2021-22 are given in **Table 2.5** below:

**Table 2.5: Revenue and Tax Buoyancy ratios w.r.t GSDP**

Sl No.	Components	2021-22	2022-23
1	GSDP (₹ in crore)	9,34,542	10,46,188
2	Growth rate of GSDP (in <i>per cent</i> )	21.10	11.95
3	Tax Revenue (₹ in crore)	76,160.61	90,228.84
4	Growth rate of Tax revenue (in <i>per cent</i> )	28.60	18.47
5	Total Revenue (₹ in crore)	1,16,640.24	1,32,724.65
6	Growth rate of total revenue (in <i>per cent</i> )	19.49	13.79
7	Revenue Buoyancy w.r.t GSDP (ratio)	0.92	1.15
8	Tax buoyancy w.r.t GSDP (ratio)	1.36	1.55

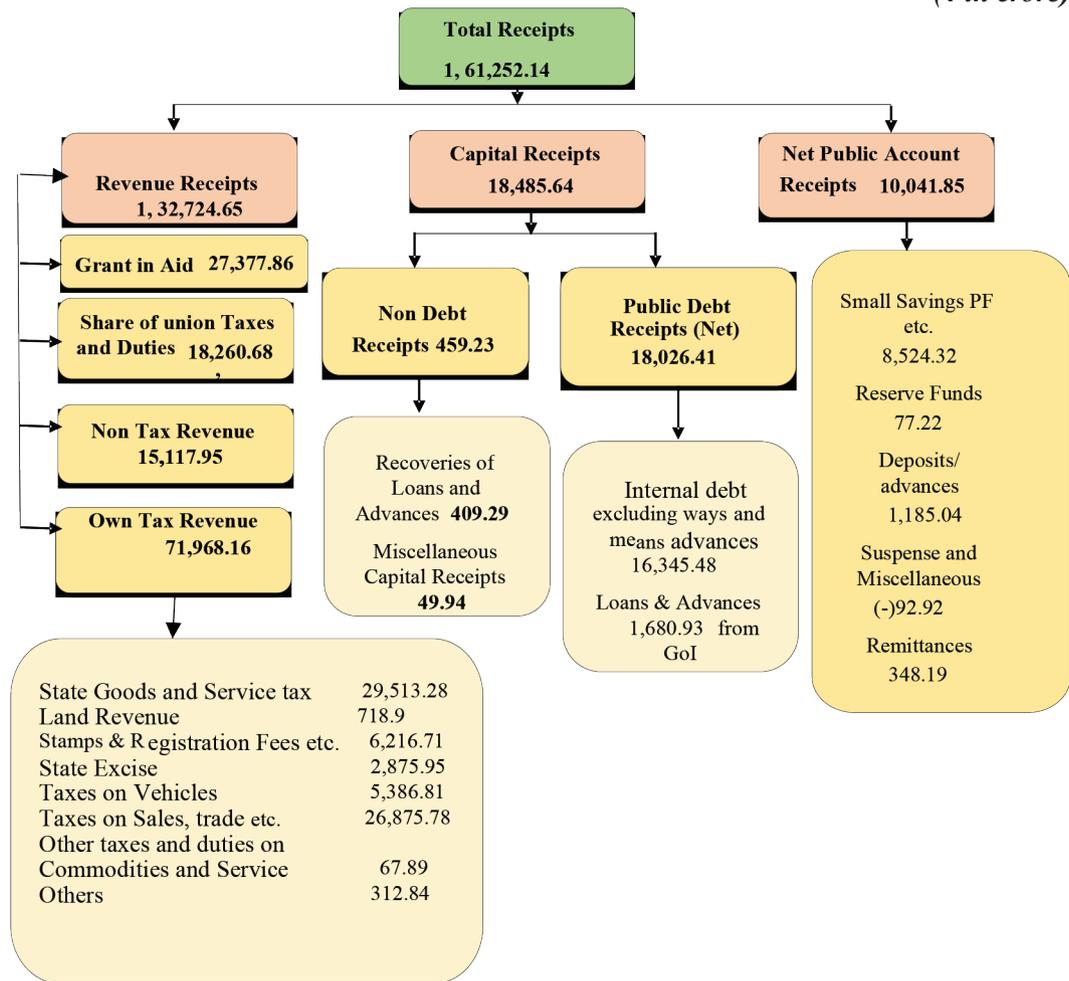
Both revenue buoyancy and tax buoyancy w.r.t GSDP improved during 2022-23 as compared to previous year as shown in **Table 2.5**.

### 2.3 Resources of the State

The resources of the State come mainly from revenue receipts, capital receipts and from net public account receipts. 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. This is supplemented by capital receipts (debts and loans). Besides the capital and revenue receipts, funds available in the Public Account are also utilised by the Government to finance its deficit. FRBM Act defines revenue deficit as the excess of revenue expenditure over revenue receipts in a given financial year. The composition of the receipts of the State is as given in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during 2022-23

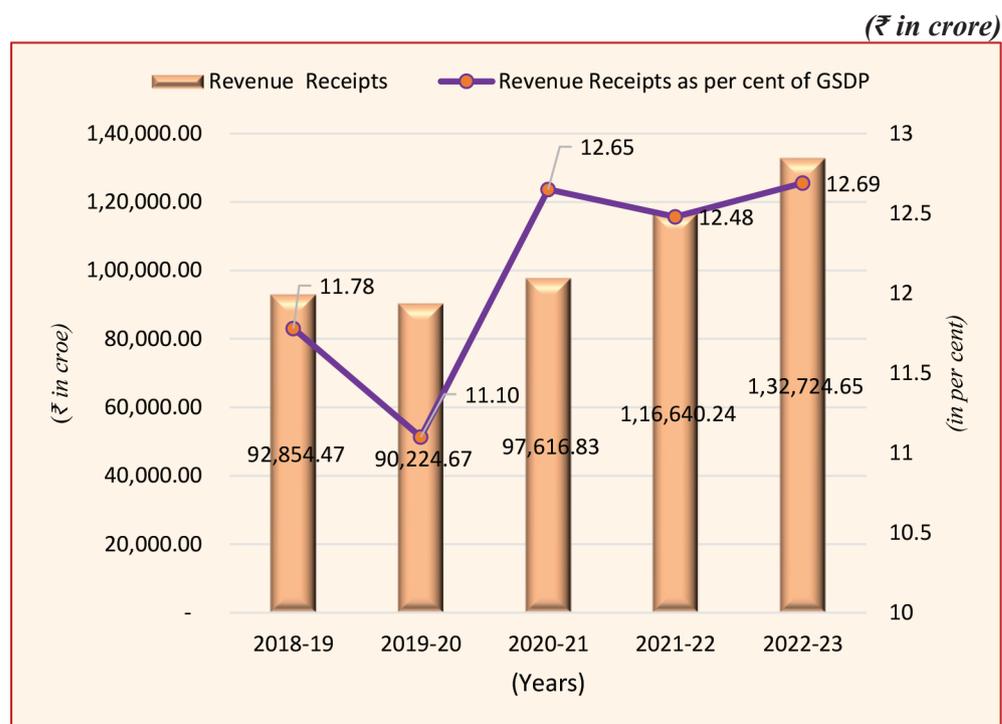
₹ in crore)



### 2.3.1 State's Revenue Receipts

The paragraph gives the trend of the revenue receipts, its components and its relation with GSDP for a period of five years (2018-2023) as shown in **Chart 2.4**.

Chart 2.4: Trend of Revenue Receipts



### 2.3.1.1 Trends and growth of Revenue Receipts

The total revenue receipts of the State during 2022-23 was ₹1,32,724.65 crore. There was an increase of ₹16,084.41 crore (13.79 per cent) when compared to ₹1,16,640.24 crore in 2021-22. When compared to the year 2018-19 the total revenue receipts increased by 42.94 per cent.

A major portion (65.61 per cent) of revenue receipts during 2022-23 came from State's own revenue. The trends of components of revenue receipts is given in **Table 2.6** below.

Table 2.6: Trend in Revenue Receipts

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Revenue Receipts (RR)</b> (₹ in crore)	<b>92,854.47</b>	<b>90,224.67</b>	<b>97,616.83</b>	<b>1,16,640.24</b>	<b>1,32,724.65</b>
Rate of growth of RR (per cent)	11.85	(-) 2.83	8.19	19.49	13.79
Own Tax Revenue (₹ in crore)	50,644.10	50,323.14	47,660.84	58,340.52	71,968.16
Non-Tax Revenue (₹ in crore)	11,783.24	12,265.22	7,327.31	10,462.51	15,117.95
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	8.27	0.26	(-) 12.14	25.12	26.57

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Grants-in-aid from GOI ( <i>₹ in crore</i> )	11,388.96	11,235.26	31,068.28	30,017.12	27,377.86
Rate of growth of Grants-in-aid ( <i>per cent</i> )	33.55	(-) 1.35	176.52	(-) 3.38	(-) 8.79
Gross State Domestic Product ( <i>₹ in crore</i> )	7,88,285.57	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14
Rate of growth of GSDP ( <i>per cent</i> )	12.36	3.13	(-) 5.07	21.10	11.95
RR/GSDP ( <i>per cent</i> )	11.78	11.10	12.65	12.48	12.69
<b>Buoyancy Ratios <sup>3</sup></b>					
<b>Revenue Buoyancy w.r.t GSDP</b>	0.96	-	-	0.92	1.15
<b>State's Own Revenue Buoyancy w.r.t GSDP</b>	0.67	0.08	2.39	1.19	2.22

Source: Finance Accounts of respective years; for GSDP, Department of Economics & Statistics

- During 2022-23, Own Revenue (tax plus non-tax) of the State increased by ₹18,283.08 crore recording a growth rate of 26.57 *per cent* as compared to the previous year.
- The revenue receipts as a percentage of GSDP showed a meagre increase from 12.48 *per cent* in 2021-22 to 12.69 *per cent* in 2022-23.
- Grants-in-aid from GOI increased by 140.39 *per cent* during the period 2018-19 to 2022-23. It however decreased by ₹2,639.26 crore (8.79 *per cent*) in 2022-23 as compared to 2021-22. The grants-in-aid decreased in 2022-23 mainly due to decrease in receipt of post devolution revenue deficit grant.

### 2.3.2 State's own revenue

State's revenue consists of own tax revenue and non-tax revenue.

#### 2.3.2.1 Own tax revenue

Own tax revenue of the State consists of State specific taxes like State GST, Excise etc. The trend of own tax revenue and analysis of its components during the period 2018-2023 are shown in **Table 2.7**.

<sup>3</sup> Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Table 2.7: Components of States' own tax revenue

(₹ in crore)

Sl No.	Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	As Percentage of total Own Tax revenue during 2022-23
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	State Goods and Services tax	21,014.71	20,446.95	20,028.31	24,169.81	29,513.28	41.01
2	Taxes on Sales, Trade etc.	19,225.75	19,649.64	17,689.17	22,487.42	26,875.78	37.34
3	Stamps and Registration Fees	3,693.17	3,615.01	3,489.59	4,857.33	6,216.71	8.64
4	State Excise	2,521.40	2,255.28	2,329.22	2,032.23	2,875.95	4.00
5	Taxes on Vehicles	3,708.61	3,721.14	3,386.28	4,037.10	5,386.81	7.48
6	Land Revenue	202.78	332.42	493.35	470.84	718.90	1.00
7	Other Taxes and Duties on Commodities and Services	37.57	39.31	48.80	56.04	67.89	0.09
8	Others	240.11	263.39	196.12	229.75	312.84	0.44
9	<b>Total</b>	<b>50,644.10</b>	<b>50,323.14</b>	<b>47,660.84</b>	<b>58,340.52</b>	<b>71,968.16</b>	<b>100.00</b>
10	Growth rate in (per cent)	9.01	(-)0.63	(-)5.29	22.41	23.36	

Source: Statement 3 of Finance Accounts of respective years

- State's own tax revenue increased by ₹13,627.64 crore from ₹58,340.52 crore in 2021-22 to ₹71,968.16 crore in 2022-23 marking a growth of 23.36 per cent. As percentage to Revenue Receipts, State's own tax revenue was 54.22 per cent during 2022-23.
- The revenue collection under all components of State's own tax revenue shows an increasing trend in 2022-23.

The growth rate of revenue collection under Stamps and Registration and Taxes on Sales, Trade etc. declined from 39.19 per cent and 27.13 per cent in 2021-22 to 27.99 per cent and 19.51 per cent in 2022-23 respectively.

### 2.3.2.2 State Goods and Services Tax

Goods and Services Tax (GST) was introduced with effect from 1 July 2017. During the year 2022-23, against the estimated SGST collection of ₹36,818.28 crore the State collected ₹29,513.28 crore. When compared to 2021-22 (₹24,169.81 crore), there was an increase of ₹5,343.47 crore (22.11 per cent) during 2022-23. This includes Advance Apportionment of IGST amounting to ₹960.14 crore. In addition, the State received ₹5,165.39 crore as its share of net proceeds assigned to the State under Central Goods and Services Tax. The total receipts under GST were ₹34,678.67 crore. The State received, compensation of

₹7,245.97 crore as Grant-in-aid from Government of India on account of loss of revenue arising out of implementation of GST during 2022-23. During the year 2022-23, adjustment entries for ₹584.30 crore of State GST(SGST) relating to the previous years from 2017-18 to 2021-22 were carried out by the Office of the Principal Accountant General (A&E) based on the alteration memorandum received from the Treasury Department due to difference between the RBI's figures and figures booked in the Finance Accounts. Increase in SGST of ₹584.30 crore in 2022-23 is due to the adjustment.

### 2.3.3 Analysis of arrears of revenue

The arrears of revenue indicate delayed realisation of revenue due to the Government. It deprives the State of potential revenue receipts and ultimately affects the revenue deficit.

#### 2.3.3.1 Arrears of revenue

Audit noticed that there were huge arrears of revenue in 16 cases in fifteen departments pending realisation. The arrears of revenue as on 31 March 2023 amounted to ₹27,902.45 crore of which ₹1,204.79 crore was outstanding for more than five years, as detailed in **Table 2.8**.

**Table 2.8: Arrears of revenue as on 31 March 2023**

*(₹ in crore)*

Sl. No	Name of Department/Heads of Account	Amount	Outstanding for more than 5 years
1	Police Department (MH 0055)	454.35	239.83
2	Kerala State Audit Department (MH 0070)	105.49	20.63
3	Factories & Boilers (MH 0230)	1.90	0.06
4	Finance Department-Arrears in interest receipts (MH 0049)	6,855.62	0
5	Finance Department-Arrears in Guarantee commission (MH 0075)	323.68	0
6	Taxes and duties on electricity (MH 0043)	3,800.92	0
7	Registration Department (MH 0030)	719.95	0
8	Excise Department (MH 0039)	285.26	285.26
9	Mining and Geology Department (MH 0853)	198.96	0.00
10	Printing (MH 0058)	52.74	40.32
11	Stationery (MH 0058)	31.02	22.87
12	Labour Department (MH 0230)	2.56	0.17

Sl. No	Name of Department/Heads of Account	Amount	Outstanding for more than 5 years
13	Kerala Maritime Board (Erstwhile Department of Ports) (MH 1051)	2.48	0.39
14	State Goods and Services Tax Department	13,559.58	0.06
15	Motor vehicles Department (MH 0041)	1,109.91	328.45
16	Forest Department (MH 0406)	398.03	266.75
	<b>Total arrears</b>	<b>27,902.45</b>	<b>1,204.79</b>

### 2.3.3.2 Evasion of tax detected by the department

The cases of evasion of taxes detected by the department, cases finalised and demands for additional tax raised are important indicators of revenue collection efforts of the State Government. The promptness in disposal of these cases is an important indicator of performance of the departments concerned.

The details of cases of evasion of tax detected by five departments, cases finalised and demands for additional tax raised, as reported by the departments are given in **Table 2.9** below:

**Table 2.9: Details of evasion of tax**

Sl No	Particulars	0030- Stamps & Registration fees	0029- Land Revenue	0406 - For-estry and Wildlife	0041- Motor vehi-cles	SGST	
1	Number of Cases pending as on 31 March 2022	1,47,394	2,585	3	38	12,355	
2	Number of Cases detected during 2022-23	16,066	2,907	0	1	16,081	
<b>3</b>	<b>Total</b>	<b>1,63,460</b>	<b>5,492</b>	<b>3</b>	<b>39</b>	<b>28,436</b>	
4	Cases in which as-sessment/ investiga-tion completed and additional demand with penalty etc. raised	Number of cases	21,610	3,031	0	23	9,331
		Amount of demand (₹ in crore)	20.81	4.87	0	1.11	1,189.76
5	Number of cases pending for finalisa-tion as on 31 March 2023	1,41,850	2,461	3	16	19,105	

Source: Information collected from departments

The details of cases of evasion of tax detected by the departments were called for by Audit from 16 departments out of which five <sup>4</sup> departments did not detect any case of evasion of tax. The details from Health, Electrical Inspectorate, Printing Department, PWD Roads, PWD Bridges, Transport have been called for (September 2023), their remarks are awaited.

Registration department (December 2023) replied that a proposal has been forwarded to the State Government for the expeditious disposal of pending cases of tax evasion.

### 2.3.4 Non-Tax Revenue

Non-Tax revenue consists of State lotteries, dividends and profits, Forestry and wildlife, interest receipts, *etc.* as shown in **Table 2.10**.

**Table 2.10: Main components of State's non-tax revenue**

(₹ in crore)

Sl No	Revenue Heads	2018-19	2019-20	2020-21	2021-22	2022-23
1	State Lotteries	9,264.66	9,973.67	4,873.01	7,134.93	11,892.87
2	Dividends and profits	132.12	100.33	110.19	227.98	48.93
3	Forestry and Wildlife	287.21	255.85	236.61	200.57	290.61
4	Interest receipts	132.38	84.95	246.64	177.05	171.95
5	Other non-tax receipts	1,966.87	1,850.42	1,860.86	2,721.98	2,713.60
<b>6</b>	<b>Non Tax revenue</b>	<b>11,783.24</b>	<b>12,265.22</b>	<b>7,327.31</b>	<b>10,462.51</b>	<b>15,117.96</b>
7	Total Revenue Receipts	92,854.47	90,224.67	97,616.83	1,16,640.24	1,32,724.65
8	Non-tax revenue as a percentage of revenue receipts	12.69	13.59	7.51	8.97	11.39
9	GSDP	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14
10	Non-Tax revenue as a percentage of GSDP	1.49	1.51	0.95	1.12	1.45
<b>Share in Non-tax revenue</b>						
11	Share of Lotteries	78.63	81.32	66.50	68.20	78.67
12	Share of Dividends / Profits	1.12	0.82	1.50	2.18	0.32
13	Share of Forestry & Wildlife	2.44	2.09	3.23	1.92	1.92
14	Share of Interest receipts	1.12	0.69	3.37	1.69	1.14
15	Other non-tax receipts	16.69	15.08	25.40	26.01	17.95

Source: Statement 14 of Finance Accounts of respective years

The non-tax revenue which ranged between 7.51 per cent and 13.59 per cent of the revenue receipts of the State during the last five years increased by ₹4,655.45 crore (44.50 per cent) during 2022-23 over the previous year. Receipts from

4 Excise Department, Stationery Department, Animal Husbandry Department, Department of Lotteries, Agriculture Department

State Lotteries is the major source of non-tax revenue and its share in non-tax revenue ranged between 66 *per cent* and 81 *per cent* of Non-Tax Revenue during the period from 2018-19 to 2022-23. During 2022-23, revenue from State Lotteries increased by 66.69 *per cent* (₹4,757.94 crore) over the previous year and it constituted 78.67 *per cent* of the non-tax revenue.

### 2.3.4.1 State Lotteries

Lotteries yield GST on the sales value, as well as non-tax revenue on the sales value of tickets are shown in **Table 2.11** below:

**Table 2.11: Revenue from State Lotteries for the period 2018-2023**

(₹ in crore)

Sl No	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Sales Revenue	9,264.66	9,973.67	4,873.01	7,134.93	11,892.87
2	GST	1,111.52	1,273.56	1,375.03	2,000.47	1,660.52
3	<b>Total Revenue</b>	<b>10,376.18</b>	<b>11,247.23</b>	<b>6,248.04</b>	<b>9,135.40</b>	<b>13,553.39</b>

Lotteries organised by GoI or Government of a State is a Union subject but the tax on sale of such lotteries is a State subject. States are allowed to organise the lotteries subject to observance of the provisions in the ‘Lotteries Regulation Act, 1998’ and rules made there under. Against the actual sale proceeds of ₹11,892.87 crore during 2022-23, the GST collected on sales value is ₹1,660.52 crore. Thus, revenue from State lotteries is a very important source of own revenue of the Government contributing ₹13,553.39 crore.

### 2.3.5 State’s performance in mobilisation of resources

The State’s actual tax and non-tax revenue for the year 2022-23 *vis-à-vis* projections made by XV-FC and Budget Estimates are presented in **Table 2.12** below.

**Table 2.12: Tax and Non-Tax receipts *vis-à-vis* projections for the year 2022-23**

(₹ in crore)

Particulars	XV-FC Projections	Budget Estimates	Actual	Percentage variation of actual over	
				FC Projections	Budget Estimates
Own Tax Revenue	74,868.00	74,097.80	71,968.16	(-3.87)	(-2.87)
Non-Tax Revenue	4,080.00	11,769.55	15,117.95	270.54	28.45
<b>Total</b>	<b>78,948.00</b>	<b>85,867.35</b>	<b>87,086.11</b>	<b>10.31</b>	<b>1.42</b>

Source: XV-FC report, Annual Financial Statement and Statement 2 of Finance Accounts of 2022-23

The actual own revenue of the State in 2022-23 was higher than the projections made in the XV-FC and budget estimates. This was mainly attributed to the

actual non tax revenue which was higher than both XV-FC and budget estimates.

As seen from the table above, XV-FC projections in respect of own tax revenue was not achieved with variations being 3.87 *per cent* against FC projections and 2.87 *per cent* against budget estimates.

A major part of the State's tax and non-tax revenue is collected from few commodities like Petroleum, Alcoholic Beverages, and Lotteries etc. As per the budget estimate of the State, the total own revenue of the State was estimated at ₹85,867.35 crore, whereas the total own revenue collected during the year was ₹87,086.11 crore which is 1.42 *per cent* more than the budget estimates. Significant increase in the Own tax revenue of the State when compared to the budget estimate was noticed in all the components except State Goods and Services Tax where it reduced by 19.84 *per cent*.

**Table 2.13: Analysis of Own Revenue of the State for the year 2022-23 in comparison with the Budget Estimates**

Sl No	Particulars	Budget Estimate	Actual	Difference	
<b>A</b>	<b>Own Tax Revenue</b>			<i>(₹ in crore)</i>	<i>(in per cent)</i>
1	State Goods and Services Tax	36,818.28	29,513.28	(-7,305.00)	(-19.84)
2	Land Revenue	509.51	718.90	209.39	41.10
3	Stamps and Registration Fees	4,687.40	6,216.71	1,529.31	32.63
4	State Excise	2,655.52	2,875.95	220.43	8.30
5	Taxes on Sales, Trade etc.	24,964.65	26,875.78	1,911.13	7.66
6	Taxes on vehicles	4,138.59	5,386.81	1,248.22	30.16
7	Other Taxes and Duties on Commodities and Services	52.19	67.89	15.70	30.08
8	Others	271.66	312.84	41.18	15.15
<b>9</b>	<b>Total (1 to 8)</b>	<b>74,097.80</b>	<b>71,968.16</b>	<b>(-2,129.64)</b>	<b>(-2.87)</b>
<b>B</b>	<b>Non Tax Revenue</b>				
10	State Lotteries	8,402.00	11,892.87	3,490.87	41.55
11	Dividends and profits	257	48.93	(-208.07)	(-80.96)
12	Forestry and Wildlife	292.15	290.61	(-1.54)	(-0.53)

Sl No	Particulars	Budget Estimate	Actual	Difference	
13	Interest receipts	128.42	171.95	43.53	33.90
14	Other non-tax receipts	2,689.98	2,713.59	23.61	0.88
<b>15</b>	<b>Total (10 to14)</b>	<b>11,769.55</b>	<b>15,117.95</b>	<b>3,348.40</b>	<b>28.45</b>
<b>16</b>	<b>Grand Total (9+15)</b>	<b>85,867.35</b>	<b>87,086.11</b>	<b>1,218.76</b>	<b>1.42</b>

Source: Annual Financial Statement and Statement 2 of Finance Accounts of 2022-23

### 2.3.6 Capital Receipts (Debt and non-debt capital receipts)

Capital receipts comprise public debt receipts and non-debt receipts. The share of public debt receipts to capital receipts stood at 98.81 *per cent* in 2022-23 as shown in **Table 2.14**.

**Table 2.14: Trends in growth and composition of capital receipts**

(₹ in crore)

Sl No	Sources of State's Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
<b>1</b>	<b>Capital Receipts</b>	<b>24,004.84</b>	<b>24,984.68</b>	<b>40,810.58</b>	<b>42,597.17</b>	<b>38,721.39</b>
<b>2</b>	<b>Non-Debt Receipts</b>	<b>257.04</b>	<b>322.80</b>	<b>297.97</b>	<b>539.51</b>	<b>459.23</b>
	<i>i. Miscellaneous Capital Receipts</i>	46.50	27.48	34.15	60.27	49.94
	<i>ii. Recovery of Loans and Advances</i>	210.54	295.32	263.82	479.24	409.29
<b>3</b>	<b>Public Debt Receipts*</b>	<b>23,747.80</b>	<b>24,661.88</b>	<b>40,512.61</b>	<b>42,057.66</b>	<b>38,262.16</b>
4	<i>Internal Debt</i>	23,295.63	22,511.19	33,493.87	32,592.64	35,737.73
5	<i>Loans and advances from GoI</i>	452.17	2,150.69	7,018.74	9,465.02	2,524.43
6	Rate of growth of Debt Capital Receipts (in per cent)	(-) 0.63	3.85	64.27	3.81	(-)9.02
7	Rate of growth of Non-Debt Capital Receipts (in per cent)	(-) 32.40	25.58	(-) 7.69	81.06	(-)14.88
8	GSDP	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14
9	Rate of growth of GSDP (in per cent)	12.36	3.13	(-)5.07	21.10	11.95
10	Debt Receipts/Capital Receipts (in per cent)	98.93	98.71	99.27	98.73	98.81
11	Rate of growth of Capital Receipts (in per cent)	(-) 1.13	4.08	63.34	4.38	(-)9.10

Source: Statement 2 and 6 of Finance Accounts of respective years; for GSDP, data furnished by Directorate of Economics and Statistics.

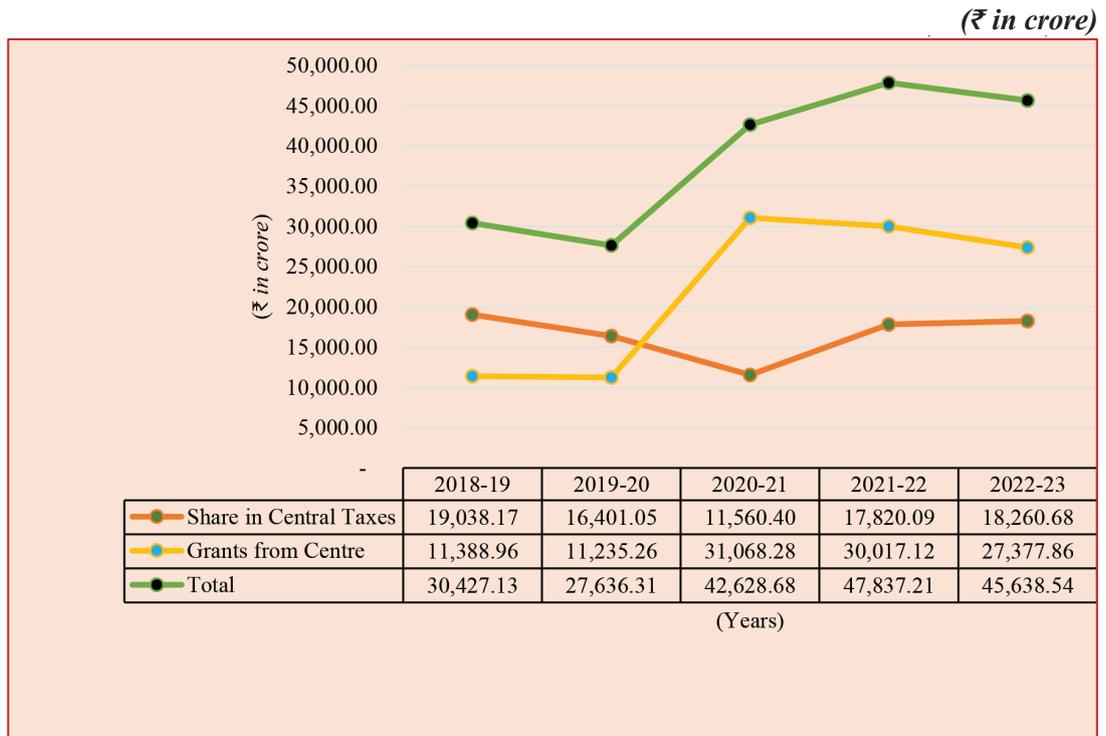
\*excluding ways and means advance

Capital Receipts decreased by 9.10 *per cent* from ₹42,597.17 crore in 2021-22 to ₹38,721.39 crore in 2022-23. During 2022-23, 92.29 *per cent* of Capital Receipts came from net internal debt.

### 2.3.7 Transfers from the Centre

Transfers from Centre include State's share of Union taxes and Grants-in-aid from Government of India. The details of these transfers during the period from 2018-19 to 2022-23 are shown in **Chart 2.5**.

**Chart 2.5: Transfers from the Centre**



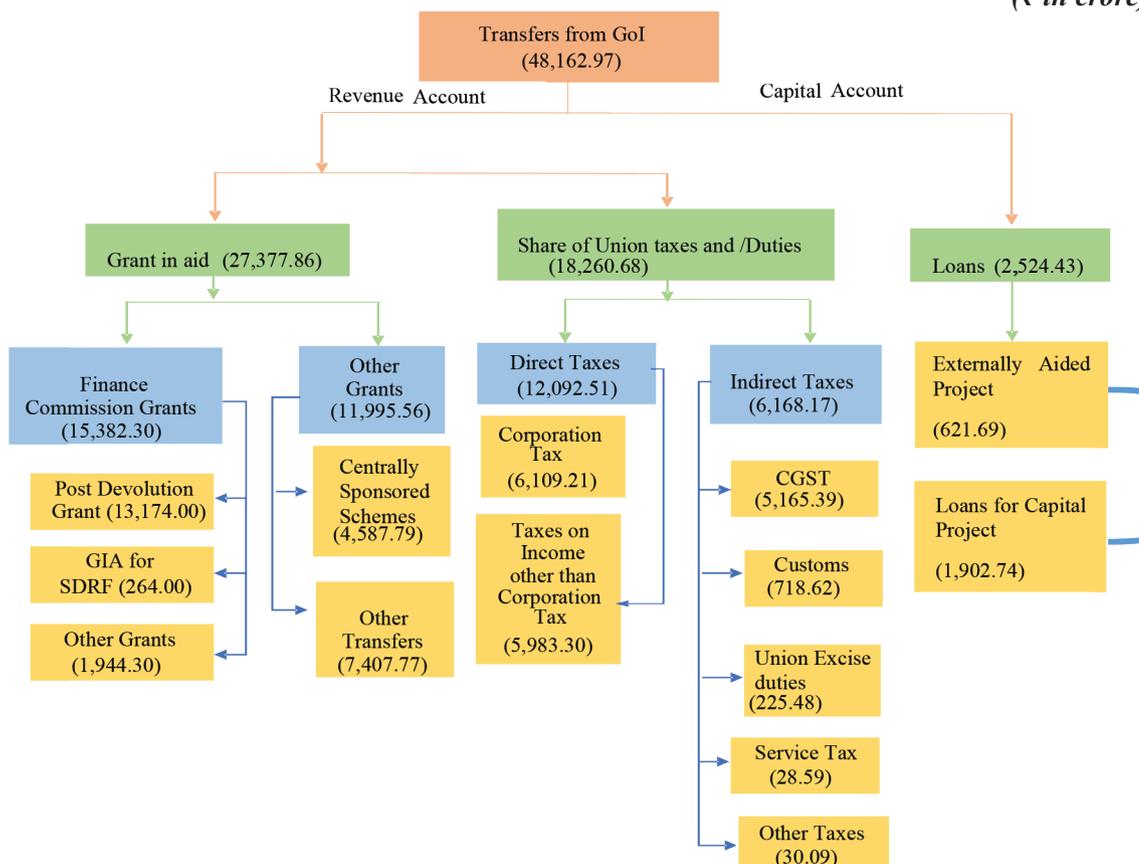
Source: Statement 2 of Finance Accounts of respective years

From the Chart above, it is evident that the grants from Centre had decreased by 8.79 *per cent* during 2022-23 over the previous year. The decline is mainly on account of reduction in the Post Devolution Revenue Deficit Grant by 33.77 *per cent* over the previous year. The Post Devolution Revenue Deficit Grants are provided to the States under Article 275 of the Constitution. The grants are released to the States as per the recommendations of the successive Finance Commissions to meet the gap in Revenue Accounts of the States post devolution.

Component wise transfers from GoI for the year 2022-23 are given in **Chart 2.6**.

**Chart 2.6: Component wise transfer of funds from the Centre**

(₹ in crore)



The transfers from Centre increased from ₹30,427.13 crore to ₹47,837.21 crore from 2018-19 to 2021-22, but decreased to ₹45,638.54 crore in 2022-23. The Finance Commission grants consisted of Post devolution Revenue deficit grant, SDRF & Other Grants.

### Share of Central Tax

The XV Finance Commission recommended an aggregate share of 41 per cent of the net proceeds of Union taxes (divisible pool) to be devolved to States in the year 2022-23. Inter se share of Kerala in the net proceeds of the taxes (divisible pool) as recommended by the Commission is 1.925 per cent out of the 41 per cent of the net proceeds of Union taxes. The XIV Finance Commission (FC) had recommended the States' share of Central taxes as 42 per cent and Kerala's share in the net proceeds of Central tax and Service tax was fixed at 2.500 per cent and 2.526 per cent respectively for the award period 2015-20. Further details of Central tax transfers to the State during the 2018-19 to 2022-23 are given in **Table 2.15**.

**Table 2.15: Details of divisible share of Central Tax to the State***(₹ in crore)*

Sl No.	Head	2018-19	2019-20	2020-21	2021-22	2022-23
<b>1</b>	<b>Direct taxes</b>					
2	Corporation Tax	6,621.02	5,592.06	3,546.02	5,238.12	6,109.21
3	Taxes on Income other than Corporation Tax	4,876.10	4,381.76	3,642.70	5,104.81	5,983.30
4	Taxes on Wealth	2.44	0.25	0	1.48	0
<b>5</b>	<b>Total of Direct Taxes (A)</b>	<b>11,499.56</b>	<b>9,974.07</b>	<b>7,188.72</b>	<b>10,344.41</b>	<b>12,092.51</b>
<b>6</b>	<b>Indirect taxes</b>					
7	Central Goods and Services Tax (CGST)	4,699.14	4,654.19	3,325.63	4,832.67	5,165.39
8	Integrated Goods and Services Tax (IGST)	375.00	0	0	0	0
9	Customs	1,349.57	1,039.60	591.59	1,431.33	718.62
10	Union Excise Duties	897.00	722.80	380.78	898.09	225.48
11	Service Tax	174.00	0.00	62.54	294.96	28.59
12	Other Taxes <sup>5</sup>	44.31	10.39	11.14	18.63	30.09
<b>13</b>	<b>Total of Indirect Taxes (B)</b>	<b>7,538.61</b>	<b>6,426.98</b>	<b>4,371.68</b>	<b>7,475.68</b>	<b>6,168.17</b>
<b>14</b>	<b>Central Tax transfers (A+B)</b>	<b>19,038.17</b>	<b>16,401.05</b>	<b>11,560.40</b>	<b>17,820.09</b>	<b>18,260.68</b>
15	Percentage of increase over previous year	13.10	(-) 13.85	(-) 29.51	54.15	2.47
16	Percentage of Central tax transfers to Revenue Receipts	20.50	18.18	11.84	15.28	13.76

Source: Statement 3 of Finance Accounts of respective years

The Central tax transfers stood at ₹18,260.68 crore in 2022-23, registering an increase of 2.47 per cent (₹440.59 crore) over the previous year. Of the total Central tax transfers, the direct tax transfers were ₹12,092.51 crore and indirect tax transfers was ₹6,168.17 crore which included the Central Goods and Services Tax of ₹5,165.39 crore.

### 2.3.7.1 Grants-in-aid from GoI

Grant-in-aid (GIA) received from the Government of India contributed to 20.63 per cent of the revenue receipts of the State during 2022-23. Details of GIA received by the State Government from GoI during 2018-19 to 2022-23 is given in **Table 2.16**.

<sup>5</sup> Include Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services.

**Table 2.16: Grants-in-aid from Government of India**

(₹ in crore)						
Sl No	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Grants for Plan Schemes	(-)0.97	-	-	(-) 0.74	0
2	Grants for Centrally Sponsored Schemes	3,771.07	3,262.65	5,141.92	3,801.74	4,587.79
3	Finance Commission Grants	1,646.22	2,343.01	18,048.80	22,171.13	15,382.30
4	Other transfers/ Grants to States/ Union Territories with Legislature	5,972.64	5,629.60	7,877.56	4,044.99	7,407.77
<b>5</b>	<b>Total</b>	<b>11,388.96</b>	<b>11,235.26</b>	<b>31,068.28</b>	<b>30,017.12</b>	<b>27,377.86</b>
<b>6</b>	<b>Percentage of increase over the previous year</b>	33.55	(-) 1.35	176.52	(-) 3.38	(-)8.79
<b>7</b>	<b>Percentage of GIA to Revenue Receipts</b>	12.27	12.45	31.83	25.73	20.63

Source: Statement 3 of Finance Accounts of respective years

During the year 2022-23, the Grants-in-Aid from GoI decreased by ₹2,639.26 crore (8.79 per cent) over the previous year, the reason for which was attributable to reduction in the Finance Commission grants by ₹6,788.83 crore (out of which, reduction of ₹6,717 crore pertained to Post Devolution Deficit Grants). However, the Grants for Centrally Sponsored Schemes and other transfers/ Grants to States/ Union Territories with Legislature increased by ₹786.05 crore and ₹3,362.78 crore respectively.

### 2.3.7.2 Transfer of funds to Single Nodal Agency (SNA)

Ministry of Finance, Government of India vide letter No. 1(13) PFMS/FCD/2020 dated 23-03-2021 had notified the procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through SNA. For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with the corresponding State share.

As per the SNA Report (2022-23) of PFMS portal, the State Government received ₹4,171.95 crore being the Central share during the year 2022-23 in its Treasury Accounts. As on 31 March 2023, the Government transferred ₹4,031.43 crore Central Share received in Treasury Accounts and State Share of ₹4,317.79 crore to SNAs. An amount of ₹3,407.28 crore is lying unspent in the bank accounts of SNAs as on 31 March 2023.

### 2.3.7.3 Fifteenth Finance Commission award amount in 2022-23

The Fifteenth Finance Commission (XV-FC, henceforth) was constituted by the President of India under Article 280 of the Constitution of India and was

mandated to make recommendations on i) the distribution of net proceeds of taxes between the Union and the States, ii) the Principles which should govern the Grants-in-aid of the revenues of the States and iii) the measures needed to augment the Consolidated Fund of the State to supplement the resources of Local Bodies.

Later, the XV-FC was mandated to submit two reports, one for the year 2020-21 and the final Report for the period 2021-22 to 2025-26. The XV-FC submitted its first Report covering the financial year 2020-21 to the President on 5th December 2019.

The Grants-in-aid for the State of Kerala recommended by the XV-FC under Article 275 of the Constitution of India for 2022-23 amounted to ₹15,922 crore.

State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections is given in **Table 2.17**.

**Table 2.17: State's share in Union taxes and duties: Actual devolution *vis à-vis* Finance Commission projections**

(₹ in crore)

SI No.	Year	Projections in XV FCR	Actual tax devolution	Difference	
				Amount	In per cent
1	2020-21	16,616	11,560	(-)5,056	(-)30.43
2	2021-22	12,678	17,820	5,142	40.56
3	2022-23	14,103	18,261	4,158	29.48

Source: Report of the XV-FC and Statement 2 of Finance Accounts.

From 2021-22 onwards, the amount of actual tax devolution was more than the projections made by the Finance Commission.

The Grants-in-aid recommended by XV-FC and the grants released to the State is shown in **Table 2.18**.

**Table 2.18: Grants recommended by XV-FC for the State of Kerala in 2022-23**

(₹ in crore)

SI No.	Particulars	Award amount for 2022-23	Amount Released
1	Revenue deficit grant	13,174.00	13,174.00
2	Grants to Local Bodies	1,859.00	1,850.00
3	Disaster Management Grants	330.00	264.00
4	Grant for Health Sector	558.98	94.30
	<b>Total</b>	<b>15,921.98</b>	<b>15,382.30</b>

Source: Statement 2 of Finance Accounts for 2022-23

During the award period 2022-23, the State received an amount of ₹15,382.30 crore and the shortfall in release is ₹539.68 crore (Disaster Management Grants-₹66 crore and Health Sector ₹464.68 crore) than the amount recommended by the XV-FC.

## 2.4 Application of Resources

The State Government is vested with the responsibility of improving the quality of life of its citizens by spending its resources on health, education, agriculture, industry, infrastructure etc. An analysis of growth and composition of expenditure is detailed in the succeeding paragraphs.

### 2.4.1 Trend of expenditure

State's total expenditure consists of Revenue Expenditure, Capital Outlay and disbursement of loans and advances as given in the **Table 2.19**.

The total expenditure showed a steady increase from ₹1,14,384.94 crore in 2019-20 to ₹1,63,225.53 crore in 2021-22 and decreased to ₹1,58,738.42 crore in 2022-23. The capital expenditure increased from ₹7,430.54 crore in 2018-19 to ₹14,191.73 crore in 2021-22 and decreased to ₹13,996.56 crore in 2022-23.

**Table 2.19: Total Expenditure and its compositions**

(₹ in crore)						
Sl No.	Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
1	Total Expenditure (TE)	1,20,069.82	1,14,384.94	1,38,884.49	1,63,225.53	1,58,738.42
2	Change (in per cent)	8.92	(-)4.73	21.42	17.53	(-)2.75
3	Revenue Expenditure (RE)	1,10,316.39	1,04,719.92	1,23,446.33	1,46,179.51	1,41,950.93
4	Change (in per cent)	10.37	(-)5.07	17.88	18.42	(-)2.89
5	Capital Expenditure (CE)	7,430.54	8,454.80	12,889.65	14,191.73	13,996.56
6	Change (in per cent)	(-)15.07	13.78	52.45	10.10	(-)1.38
7	Loans and Advances	2,322.89	1,210.22	2,548.51	2,854.29	2,790.93
8	Change (in per cent)	50.78	(-)47.90	110.58	12.00	(-)2.22

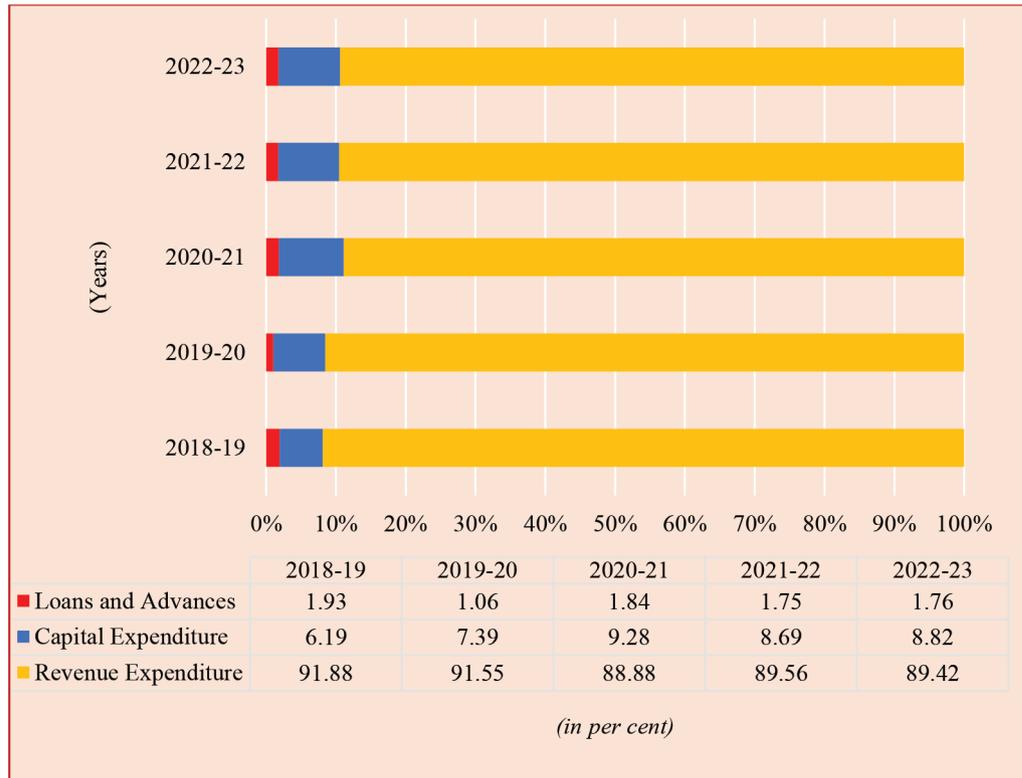
Source: Statement 2 of Finance Accounts of respective years

In 2022-23, revenue expenditure and Capital expenditure showed negative growth rate of 2.89 and 1.38 per cent respectively.

#### 2.4.1.1 Trend of growth of Components of Expenditure

The focus of the expenditure remained on revenue expenditure rather than the development activities and disbursement of loans and advances to PSUs, ABs, other bodies etc., over the years.

The share of Revenue Expenditure, Capital Expenditure and Loans and Advances for the years 2018-19 to 2022-23 are given in **Chart 2.7**.

**Chart 2.7: Total Expenditure: Trends in share of its components**

Source: Statement 2 of Finance Accounts of respective years

In terms of activities, the Total Expenditure is composed of expenditure on General Services including Interest Payments, Social Services, Economic Services and Others. Relative share of these components in the Total Expenditure during 2018-19 to 2022-23 is given in **Table 2.20**.

**Table 2.20: Relative share of various sectors of expenditure**

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	51,025.09 (42.50)	55,661.45 (48.66)	50,620.56 (36.45)	70,380.26 (43.12)	70,138.58 (44.19)
Social Services	39,995.06 (33.31)	35,135.41 (30.72)	47,110.34 (33.92)	54,113.75 (33.15)	53,345.02 (33.61)
Economic Services	17,828.06 (14.85)	16,313.99 (14.26)	29,112.63 (20.96)	29,051.70 (17.80)	25,039.10 (15.77)
Others (Grants to Local Bodies and Loans and Advances)	11,221.61 (9.34)	7,274.09 (6.36)	12,040.96 (8.67)	9,679.82 (5.93)	10,215.72 (6.43)
<b>Total</b>	<b>1,20,069.82</b>	<b>1,14,384.94</b>	<b>1,38,884.49</b>	<b>1,63,225.53</b>	<b>1,58,738.42</b>

The figures in parentheses show the percentage to total expenditure

The movement of relative share of General, Social and Economic Services exhibited a fluctuating trend during 2018-19 to 2022-23. The relative share of General Services and Social Services in total expenditure increased during 2022-23 when compared to 2021-22, whereas the relative share of Economic Services

decreased during the year. Even though, expenditure under General Services and Social Services decreased by ₹241.68 crore and ₹768.73 crore respectively during 2022-23 when compared to previous year, their share in total expenditure increased during the year mainly due to huge decrease in expenditure under Economic Services amounting to ₹4,012.60 crore. The major decrease in expenditure under Economic Service during the year occurred under 2408 Food, Storage and Warehousing (₹2,227.64 crore), 5054 Capital Outlay on Roads & Bridges (₹819.09 crore), 3054 Roads and Bridges (₹313.05 crore) and 2403 Animal Husbandry (₹152.96 crore).

**Table 2.21: Expenditure in relation to GSDP**

Sl No	Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
1	GSDP (₹ in crore)	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14
2	TE/GSDP	15.23	14.07	18.00	17.47	15.17
3	RE/GSDP	13.99	12.88	16.00	15.64	13.57
4	CE/GSDP	0.94	1.04	1.67	1.52	1.34
5	Loans and advances/ GSDP	0.29	0.15	0.33	0.31	0.27

Source: Compiled from Finance Accounts of respective years; for GSDP, data furnished by Directorate of Economics and Statistics

In 2022-23, the total expenditure to GSDP ratio, the revenue expenditure to GSDP ratio and the capital expenditure to GSDP ratio declined as compared to the previous year.

#### 2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and to pay for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network.

The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-a-vis* GSDP and Revenue Receipts are indicated in **Table 2.22** and the sectoral distribution of Revenue expenditure pertaining to 2022-23 is given in **Chart 2.8**.

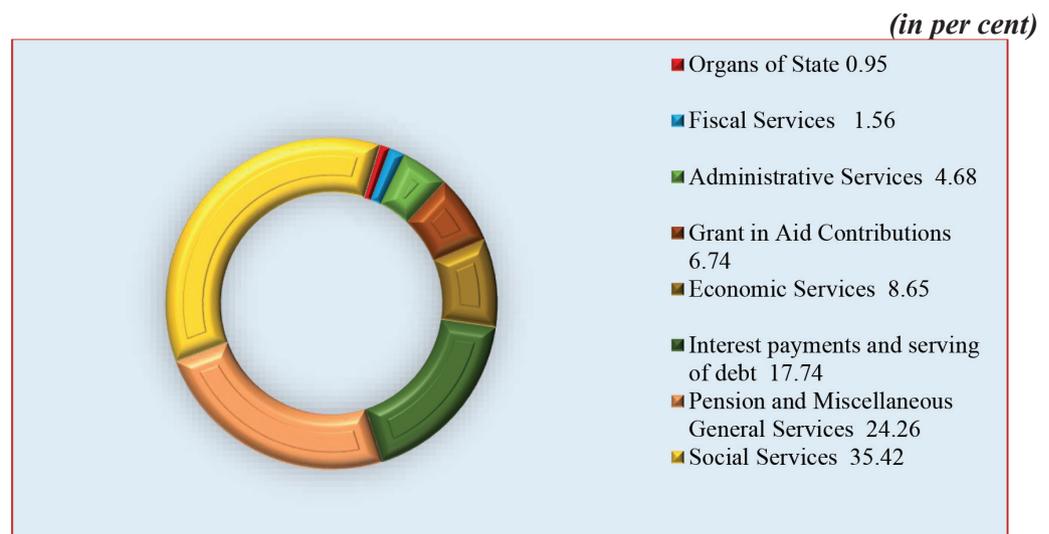
**Table 2.22: Revenue expenditure – Basic parameters**

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Total Expenditure (TE)</b>	<b>1,20,069.82</b>	<b>1,14,384.94</b>	<b>1,38,884.49</b>	<b>1,63,225.53</b>	<b>1,58,738.42</b>
<b>Revenue expenditure (RE)</b>	<b>1,10,316.39</b>	<b>1,04,719.92</b>	<b>1,23,446.33</b>	<b>1,46,179.51</b>	<b>1,41,950.93</b>
Rate of Growth of RE ( <i>per cent</i> )	10.37	(-)5.07	17.88	18.42	(-)2.89
Revenue Receipts (RR)	92,854.47	90,224.67	97,616.83	1,16,640.24	1,32,724.65
Rate of growth of Revenue Receipts	11.85	(-)2.83	8.19	19.49	13.79
GSDP	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Rate of growth of GSDP	12.36	3.13	(-)5.07	21.10	11.95
Revenue expenditure as percentage to TE	91.88	91.55	88.88	89.56	89.42
RE as percentage of RR	118.81	116.07	126.46	125.33	106.95
RE/GSDP ( <i>per cent</i> )	13.99	12.88	16.00	15.64	13.57
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.84	-	-	0.87	-
Revenue Receipts (ratio)	0.88	1.79	2.18	0.94	-

Source: Finance Accounts of respective years; for GSDP, data furnished by Directorate of Economics and Statistics

**Chart 2.8: Sector-wise distribution of revenue expenditure**



Source: Finance Accounts

- The expenditure pattern of the State revealed that, revenue expenditure hovered around 89 to 92 *per cent* of the total expenditure during the period (2018-19 to 2022-23) leaving inadequate resources for creation of assets.
- The share of revenue expenditure in total expenditure during 2022-23 was 89.42 *per cent* compared to 89.56 *per cent* in 2021-22, indicating meagre improvement in priority assigned for capital expenditure during the year.
- The revenue receipts were not sufficient to meet its revenue expenditure during the year. The State had to resort to borrowed funds for meeting the revenue expenditure which is not a good indicator of a prudent fiscal path.
- The revenue expenditure for the year 2022-23 decreased by ₹4,228.58 crore (2.89 *per cent*) as compared to 2021-22.
- When compared to 2021-22, during 2022-23 Economic Services (Revenue Sector) decreased by ₹3,432.98 crore (21.85 *per cent*) mainly due to decrease in expenditure in the components like ‘Agriculture and Allied Activities’ (35.22 *per cent*), ‘Special Area Programmes’ (23.31 *per cent*), ‘Irrigation and Flood Control’ (23.76 *per cent*), ‘Industry and Minerals’ (8.17 *per cent*),

‘Transport’ (15.75 per cent) and ‘General Economic Services’ (17.02 per cent) which was partly offset by increase in expenditure in the components ‘Rural Development’ (26.04 per cent) and ‘Science, Technology and Environment’ (5.71 per cent).

- When compared to 2021-22, during 2022-23 there was a slight decrease (less than one per cent) in General Services and Social Services.

**Table 2.23** shows the five major heads of account where there was significant variation (₹1,000 crore and above) with regard to revenue expenditure of the State during the current year and the previous year.

**Table 2.23: Variations in Revenue Expenditure during 2022-23 compared to 2021-22**

(₹ in crore)					
Sl No.	Major Head of Account	2021-22	2022-23	Increase (+)/ Decrease (-)	Variation (in per cent)
1	2049 - Interest Payment	23,302.82	25,176.36	1,873.54	8.04
2	2202 - General Education	23,258.38	20,543.81	(-),2,714.57	(-),11.67
3	2210 - Medical and Public Health	10,910.66	9,270.90	(-),1,639.76	(-),15.03
4	2235 - Social Security and Welfare	8,661.04	12,940.59	4,279.55	49.41
5	2408 - Food, Storage and Warehousing	3,656.16	1428.53	(-),2,227.63	(-),60.93

Source: Statement 15 of Finance Accounts

- Increase in ‘2049 Interest payment’ is mainly due to increase under ‘Interest on Market loans’ (₹725.40 crore), ‘Interest on Special securities issued to NSSF (₹377.01 crore) and ‘Interest on Other Saving Deposits’ (₹613.73 crore)
- Increase in ‘2235 - Social Security and Welfare’ is mainly due to increase under ‘Pensions under Social Security Schemes’ (₹4,162.88 crore).
- Decrease in ‘2202 - General Education’ is mainly due to decrease in ‘Assistance to Non-Government Primary Schools’ (₹945.22 crore), ‘Government Primary Schools’ (₹443.53 crore) ‘Government Secondary Schools’ (₹541.82 crore), and ‘Assistance to Non-Government Secondary Schools’ (₹955.41 crore)
- Decrease in ‘2210 - Medical and Public Health’ is mainly due to decrease under ‘Hospitals and Dispensaries’ (₹374.64 crore), ‘Primary Health Centres’ (₹114.97 crore), ‘Prevention and Control of Diseases’ (₹410.74 crore) and ‘Assistance to Public sector and Other Undertakings’ (₹513.33 crore)
- Decrease in ‘2408 - Food, Storage and Warehousing’ is mainly due to decrease under ‘Assistance to Public Sector and other undertakings’ (₹1,424.83 crore) and ‘Food subsidies’ (₹803.66 crore)

### 2.4.2.1 Committed expenditure

Interest payments, expenditure on salaries and wages, pension etc. have the first charge on the Government resources as committed expenditure. Higher the committed expenditure leaves the Government with lesser flexibility for development sector.

Apart from above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis unlike for variable transactions such as capital expenditure etc. For example, the following items may be considered as inflexible expenditure:

- i. Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure).
- ii. Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF) etc.
- iii. Share contribution of CSS against the Central Fund received - Amount of State share to be transferred to SNAs / spent by the State.
- iv. Transfer of cess to reserve fund / other body, which are statutorily required.
- v. Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure - interest Payment.

**Table 2.24** presents the trends in the components of committed and inflexible expenditure during 2018-19 to 2022-23. Percentage of component wise committed expenditure in Revenue Expenditure during 2018-19 to 2022-23 is given in **Chart 2.9**.

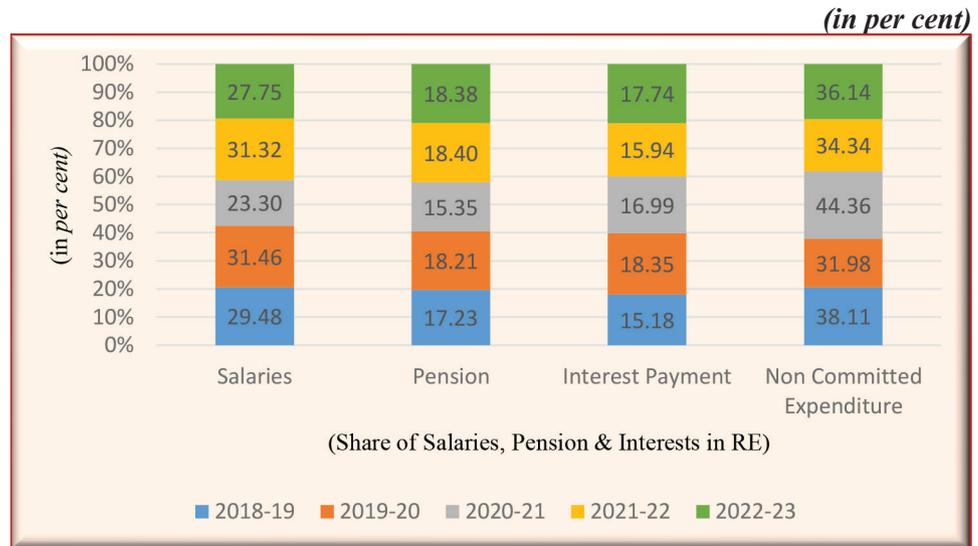
**Table 2.24: Components of Committed Expenditure and Inflexible Expenditure**

(₹ in crore)

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries & Wages	32,520.66	32,942.28	28,767.46	45,780.08	39,389.65
Expenditure on Pensions	19,011.94	19,064.29	18,942.85	26,898.69	26,090.04
Interest Payments	16,747.92	19,214.70	20,975.36	23,302.82	25,176.36
<b>Total Committed Expenditure</b>	<b>68,280.52</b>	<b>71,221.27</b>	<b>68,685.67</b>	<b>95,981.59</b>	<b>90,656.05</b>
Components of inflexible expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Statutory devolution to local bodies	13,710.02	8,007.35	12,345.16	10,186.09	12,375.71
Contribution to Reserve Funds - SDRF	214.00	225.00	419.00	335.20	352.00

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Share contribution of CSS against the Central Fund received	3,476.22	2,091.50	4,959.78	3,859.50	2,739.00
Transfer of Motor Vehicle Tax/Cess to KIIFB	1,600.68	2,200.00	2,172.86	2,068.08	2,469.69
Payment of interest on the balances of the interest-bearing funds as if they could have been invested - SDRF	19.17	24.27	171.85	101.09	38.94
<b>Total of inflexible expenditure</b>	<b>19,020.09</b>	<b>12,548.12</b>	<b>20,068.65</b>	<b>16,549.96</b>	<b>17,975.34</b>
<b>As a percentage of Revenue Receipts</b>					
<b>Committed Expenditure</b>					
Salaries & Wages	35.02	36.51	29.47	39.25	29.68
Expenditure on Pensions	20.47	21.13	19.41	23.06	19.66
Interest Payments	18.04	21.30	21.49	19.98	18.97
<b>Total</b>	<b>73.53</b>	<b>78.94</b>	<b>70.37</b>	<b>82.29</b>	<b>68.30</b>
<b>Inflexible Expenditure</b>					
<b>Total</b>	<b>20.48</b>	<b>13.91</b>	<b>20.56</b>	<b>14.19</b>	<b>13.54</b>
<b>As a percentage of Revenue Expenditure</b>					
Salaries & Wages	29.48	31.46	23.3	31.32	27.75
Expenditure on Pensions	17.23	18.21	15.35	18.4	18.38
Interest Payments	15.18	18.35	16.99	15.94	17.74
<b>Total</b>	<b>61.89</b>	<b>68.02</b>	<b>55.64</b>	<b>65.66</b>	<b>63.86</b>
<b>Inflexible Expenditure</b>					
<b>Total</b>	<b>17.24</b>	<b>11.98</b>	<b>16.26</b>	<b>11.32</b>	<b>12.66</b>
Non-committed Revenue Expenditure	42,035.87	33,498.65	54,760.66	50,197.92	51,294.88
Percentage of non-committed Revenue Expenditure to total Revenue Expenditure	38.11	31.98	44.36	34.34	36.14

Source: Statement 2 and 4 of Finance Accounts of respective years.

**Chart 2.9: Share of Salaries, Pension & Interests in RE**

Source: compiled from Finance Accounts of respective years.

Salaries, Pension and Interests expenditure constituted over 63.86 *per cent* of the revenue expenditure of the State in 2022-23, while it accounted for over 68.30 *per cent* of the revenue receipts during the year. As a percentage of revenue expenditure, the committed expenditure showed a fluctuating trend from 2018-19 to 2022-23. The committed expenditure decreased by ₹5,325.54 crore (5.55 *per cent*) in 2022-23 as compared to the previous year.

The components of committed expenditure are discussed in the succeeding paragraphs.

### Salaries and wages

Expenditure on Salaries & wages showed a fluctuating trend from 2018-19 to 2022-23. During 2021-22, the State had implemented the 11th State Pay Revision, due to which the salary and wages increased by 59.14 *per cent*. However, during the current year, it decreased by 13.96 *per cent* when compared to 2021-22. During the five year period from 2018-19 to 2022-23, the salary and wages increased by 21.12 *per cent*.

Salaries and wages contributed to 27.75 *per cent* of the total revenue expenditure during the year 2022-23. The expenditure under the head salaries and wages ranged between 23.30 and 31.46 *per cent* during the period from 2018-19 to 2022-23. Salaries and wages as a percentage of revenue receipts also decreased from 39.25 *per cent* in 2021-22 to 29.68 *per cent* in 2022-23.

### Pensions

The expenditure during the year 2022-23 on pension and other retirement benefits to employees of State Government, Aided institutions, personal staff of Ministers *etc.* was ₹26,090.04 crore (19.66 *per cent* of Revenue Receipts),

showing a decrease of ₹808.65 crore when compared to ₹26,898.69 crore for the year 2021-22.

### **Interest Payments**

Interest payments increased from ₹16,747.92 crore in 2018-19 to ₹25,176.36 crore in 2022-23. Interest payments increased by 8.04 *per cent* in 2022-23 over the previous year by ₹1,873.54 crore. The interest paid on market loan stood at 56.68 *per cent* (₹14,269.28 crore) of the total interest payment; while on Small Savings, Provident Fund etc. accounted for 32.61 *per cent* (₹8,210.73 crore) of the total interest payment.

The expenditure on interest payment as percentage of revenue receipts decreased from 19.98 *per cent* in 2021-22 to 18.97 *per cent* in 2022-23 due to increase in Revenue receipts by ₹16,084.41 crore during the year.

#### **2.4.2.2 National Pension System**

The Government of Kerala introduced the Defined Pension Scheme Contribution, (NPS) to all new entrants joining the State Government Service on or after 01 April 2013.

As per the guidelines of the Scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance every month which is matched by the State Government and the entire amount is transferred to the designated fund manager through National Securities Depositories Limited (NSDL)/ Trustee Bank. The employees' and employer's contribution are initially credited to Public Account and then transferred to designated fund manager through NSDL/Trustee Bank.

During the year 2022-23, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹1,763.66 crore (Employees contribution ₹881.36 crore and Government's contribution ₹882.30 crore) which has been transferred to the Public Account under Major Head '8342-117 Defined Contribution Pension scheme'.

Out of the total contribution of ₹1,764.00 crore (including opening balance of ₹0.35 crore), an amount of ₹1,763.81 crore was transferred to NSDL/Trustee Bank during the year 2022-23.

#### **2.4.2.3 Subsidies**

There was a significant decrease in expenditure on subsidies by ₹2306.93 crore, from ₹4,153.97 crore in 2021-22 to ₹1,847.04 crore in 2022-23. The subsidies as a percentage of revenue receipts and revenue expenditure during the year are 1.39 and 1.30 respectively as detailed in **Table 2.25** below:

**Table 2.25: Expenditure on subsidies during 2018-2023**

(₹ in crore)

SI No	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Subsidies	1,663.01	1,429.01	6,547.48	4,153.97	1,847.04
2	Revenue Receipts	92,854.47	90,224.67	97,616.83	1,16,640.24	1,32,724.65
3	Revenue Expenditure	1,10,316.39	1,04,719.92	1,23,446.33	1,46,179.51	1,41,950.93
4	Subsidies as percentage of Revenue Receipts	1.79	1.58	6.71	3.56	1.39
5	Subsidies as percentage of Revenue Expenditure	1.51	1.36	5.30	2.84	1.30

Source: Statement 2 of Finance Accounts of respective years

The main items of subsidies given during the year 2022-23 included Grant to Kerala State Civil Supplies Corporation Limited for market intervention operations (₹400 crore), Ration Subsidy (₹699.63 crore), Paddy Procurement through Kerala State Civil Supplies Corporation and Other Agencies (₹274.36 crore), Interest Subsidy to Kerala Urban and Rural Development Finance Corporation (KURDFC) towards the loan availed from HUDCO (₹259.48 crore).

#### 2.4.2.4 Financial assistance to Local Bodies and Others

Financial assistance is provided by the State Government to Local Bodies and Other Institutions by way of Grants-in-aid to meet the pay and allowances, other Miscellaneous expenses and for creation of capital assets. The quantum of assistance provided by way of grants to Local Bodies, and other institutions during 2018-19 to 2022-23 is presented in **Table 2.26**.

**Table 2.26: Financial assistance to Local Bodies, Educational Institutions etc.**

(₹ in crore)

Financial Assistance to Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
<b>(A) Local Bodies</b>					
Municipal Corporation and Municipalities	3,287.46	2,296.24	3,653.02	2,584.33	3,676.97
Panchayati Raj Institutions	10,426.56	5,711.11	8,692.14	7,601.76	8,698.74
<b>Total (A)</b>	<b>13,714.02</b>	<b>8,007.35</b>	<b>12,345.16</b>	<b>10,186.09</b>	<b>12,375.71</b>
<b>(B) Others</b>					

Financial Assistance to Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
Public Sector Undertakings (Government Companies and Statutory Corporations)	478.80	365.92	774.92	972.19	770.45
Educational Institutions (Universities)	1,524.64	1,564.63	1,569.61	1,713.01	1,714.52
Cooperative Institutions	64.7	50.5	91.71	47.43	54.96
Other Institutions	1,277.57	933.42	3,174.94	3,339.83	928.07
<b>Total (B)</b>	<b>3,345.71</b>	<b>2,914.47</b>	<b>5,611.18</b>	<b>6,072.46</b>	<b>3,468.00</b>
<b>Total (A +B)</b>	<b>17,059.73</b>	<b>10,921.82</b>	<b>17,956.34</b>	<b>16,258.55</b>	<b>15,843.71</b>
GIA for Salary	1,843.99	1,958.11	1,915.98	1,938.79	1,871.62
GIA for creation of Capital Asset	5,957.22	4,107.55	7,170.60	7,136.33	7,024.58
GIA for non-salary	1,203.21	798.99	1,452.32	1,626.76	974.26
GIA given in kind	Information not provided by State Government				
<b>Revenue Expenditure</b>	<b>1,10,316.39</b>	<b>1,04,719.92</b>	<b>1,23,446.33</b>	<b>1,46,179.51</b>	<b>1,41,950.93</b>
<b>Assistance as percentage of Revenue Expenditure</b>	<b>15.46</b>	<b>10.43</b>	<b>14.55</b>	<b>11.12</b>	<b>11.16</b>

Source: Statement 10 of Finance Accounts of respective years

The financial assistance to local bodies and other institutions decreased from ₹16,258.55 crore in 2021-22 to ₹15,843.71 crore in 2022-23. The table above shows that the percentage of assistance with reference to revenue expenditure was 11.16 *per cent* during 2022-23 as compared to 11.12 *per cent* in 2021-22. The grants-in-aid given for salary, non-salary and creation of capital assets also decreased during 2022-23 over the previous year.

#### 2.4.2.5 Allocation of expenditure booked under Centrally Sponsored Schemes

The total expenditure booked under Centrally Sponsored Schemes (CSS) as on 31 March 2023, is ₹2,739.00 crore (Revenue expenditure ₹1,520.51 crore and Capital expenditure ₹1,218.49 crore), which includes expenditure out of Central Assistance and State share for CSS.

#### 2.4.2.6 State Finance Commission

The State Finance Commission is constituted by Government of Kerala<sup>6</sup> to study the financial position of the Panchayats and Urban Local Bodies and to make recommendations to the Governor.

6 Under clause 1 of Article 243 (I) and (Y) of the Constitution of India read with sections 186 of the Kerala Panchayat Raj Act, 1994 and Section 205 of the Kerala Municipalities Act, 1994

Starting with the first SFC formed in 1994, State is in the middle of the sixth State Finance commission (latest) which started functioning from 1 November 2019. The Finance Commission would review the financial position of the Panchayats and Municipalities and make recommendations on devolution aspects and non-devolution aspects which were to be given by December 2020 and August 2021 respectively.

Pursuant to the above, the sixth SFC made recommendations vide first report of December 2020 and second report of September 2021.

State Government approved the recommendations of the second report of sixth State Finance Commission on 22 June, 2022 with amendments.

### 2.4.3 Capital Expenditure

Capital Expenditure is the expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges etc. The overall capital expenditure, its growth over previous year and its percentage to GSDP during the last five years (2018-2023) are indicated in **Table 2.27**.

**Table 2.27: Trend of Capital Expenditure during the last five years (2018-23)**

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Capital expenditure (CE)	7,430.54	8,454.80	12,889.65	14,191.73	13,996.56
Growth in CE (in per cent)	(-)15.08	13.78	52.45	10.10	(-)1.38
Total expenditure (TE)	1,20,069.82	1,14,384.94	1,38,884.49	1,63,225.53	1,58,738.42
CE/TE (in per cent)	6.19	7.39	9.28	8.69	8.82
GSDP	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14
CE/GSDP (in per cent)	0.94	1.04	1.67	1.52	1.34
Budget for Capital expenditure*	13,050.66	17,179.27	15,455.54	18,086.52	19,438.36
CE/Budget (in per cent)	56.94	49.22	83.40	78.47	72.00

\*Including Supplementary budget

Source: Statement 2 of Finance Accounts of respective years

Capital expenditure increased from ₹7,430.54 crore in 2018-19 to ₹14,191.73 crore in 2021-22 but decreased to ₹13,996.56 crore in 2022-23. The decline has been mainly in Social Services where capital expenditure decreased by 9.35 per cent when compared to the previous year. Of the total capital expenditure of ₹13,996.56 crore incurred in 2022-23, ₹3,997.49 crore (28.56 per cent) was spent on 'Other General Economic Services' followed by ₹2,451.90 crore (17.52 per cent) on Roads and Bridges. The capital expenditure incurred over these five years ranged between 0.94 to 1.67 per cent of the GSDP. Utilisation of budget for capital expenditure ranged between 49 per cent and 83 per cent from 2018-19 to 2022-23.

### 2.4.3.1 Major changes in Capital Expenditure

Significant variations under various Heads of Account with regard to Capital Expenditure of the State during the current year and the previous year is given in **Appendix 2.1**.

Capital expenditure under the component 'Water Supply and Sanitation' under Social Services decreased by ₹397.21 crore during the year 2022-23 as compared to previous year. This was due to the decrease in the expenditure of ₹188.30 crore under the project 'Jal Jeevan Mission (NRDWP-50 per cent CSS)', ₹51.87 crore under the scheme 'Rural Water Supply Schemes', ₹127.95 crore under the scheme 'Optimisation of Production and Transmission'. Capital expenditure of ₹83.73 crore was incurred under a new scheme 'Punargaeham for Rehabilitation of fishermen' during 2022-23.

### 2.4.3.2 Quality of Capital Expenditure

This section presents an analysis of Investments and other Capital Expenditure undertaken by the Government.

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-a-vis* previous years. **Table 2.28** shows the return on investments from 2018-19 to 2022-23.

**Table 2.28: Return on investments**

(₹ in crore)

Investment/ return/ cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
Investment at the end of the year (₹ in crore)	8,246.22	8,775.35	9,354.02	9,767.48	10,602.67
Return (₹ in crore)	132.12	100.33	110.19	227.98	48.93
Return (in per cent) <sup>7</sup>	1.60	1.14	1.18	2.33	0.46
Average rate of interest on Government Borrowings (in per cent)	7.34	7.58	7.31	7.00	6.78
Difference between interest rate and return (in per cent)	5.74	6.44	6.13	4.67	6.32
Difference between interest on Government borrowings and return on investment (₹ in crore) <sup>8</sup>	(-)473.33	(-)565.13	(-)573.40	(-)456.14	(-)670.09

Source: Statement 8 Finance Accounts of respective years.

7 Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2] \*100.

8 Investment at the end of the year \*Difference between interest rate and return.

During 2022-23, the Government invested ₹212.67 crore in Statutory Corporations, ₹213.97 crore in Government Companies, ₹212.16 crore in Joint Stock Companies, ₹235.78 crore in Co-operative Banks and Societies. Progressive expenditure on investments increased by ₹10.54 crore in Government Companies whereas it decreased by ₹49.94 crore in Co-operative Banks and Societies. The State Government's investment increased by ₹2,356.45 crore from ₹8,246.22 crore in 2018-19 to ₹10,602.67 crore in 2022-2023.

The average return on investments during 2018-23 in these companies/corporations/ institutions was 1.34 *per cent* while the Government paid an average interest of 7.20 *per cent* on its borrowing during the same period.

### 2.4.3.3 Loans and Advances by the State

In addition to investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Societies, the Government also provides loans and advances to these institutions. **Table 2.29** presents the status of loans and advances disbursed, repayments and interest received *vis-à-vis* interest paid by the State Government on its borrowings during 2018-19 to 2022-23.

**Table 2.29: Quantum of loans disbursed and recovered during five years**

(₹ in crore)

Sl No.	Quantum of Loans disbursed and recovered	2018-19	2019-20	2020-21	2021-22	2022-23
1	Opening Balance of loans outstanding	15,163.04 <sup>9</sup>	16,557.18 <sup>10</sup>	17,472.08	19,725.39 <sup>11</sup>	22,086.89 <sup>12</sup>
2	Amount advanced during the year	2,322.89	1,210.22	2,548.51	2,854.29	2,790.93
3	Amount recovered during the year	210.54 <sup>13</sup>	295.32 <sup>14</sup>	263.82 <sup>15</sup>	479.24 <sup>16</sup>	409.29 <sup>17</sup>
4	Closing Balance of the Loans Outstanding	17,275.39	17,472.08	19,756.77	22,100.44	24,468.53
5	Net addition	2,112.35	914.90	2,284.69	2,375.05	2,381.64
6	Interest received	40.81	50.59	42.83	53.36	118.98
7	Interest rate on loans and Advances given by the Government <sup>18</sup> (in <i>per cent</i> )	0.25	0.30	0.23	0.26	0.51

9 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. 18 of Finance Accounts 2018-19.

10 Difference of ₹718 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 2019-20.

11 Decreased *proforma* due to reclassification of conversion of loan into equity for Kerala Electrical and Allied Engineering Company Limited (₹31.38 crore).

12 Difference of ₹13.55 crore with previous years closing balance was on account of *pro forma* adjustments vide foot note (f) of Statement no 18 of Finance Accounts 2022-23.

13 Includes ₹0.40 crore being the irrecoverable loans written off.

14 Includes ₹0.30 crore being the irrecoverable loans written off.

15 Includes ₹0.23 crore being the irrecoverable loans written off.

16 Includes ₹0.15 crore being the irrecoverable loans written off.

17 Includes ₹0.38 crore being the irrecoverable loans written off

18 Interest Received/ {(Opening balance + Closing balance of Loans and Advances)/2}\*100.

SI No.	Quantum of Loans disbursed and recovered	2018-19	2019-20	2020-21	2021-22	2022-23
8	Rate of Interest paid on the outstanding borrowings of the Government (in per cent)	7.34	7.58	7.31	7.00	6.78
9	Difference between the rate of interest paid and interest received (in per cent)	7.09	7.28	7.08	6.74	6.27

Source: Statement 7 of Finance Accounts of respective years.

#### 2.4.3.4 Expenditure Priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like Education, Health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

**Table 2.30** analyses the fiscal priority of the State Government with regard to Health, Education and Capital Expenditure during 2018-19 and 2022-23.

**Table 2.30: Expenditure priority of the State with regards to Health, Education and Capital expenditure**

	TE/GSDP	CE/TE	Education/TE	Health & FW/TE
General Category States (2018-19)	16.38	15.58	14.76	5.07
Kerala (2018-19)	15.23	6.19	15.86	6.05
General Category States (2022-23)	15.79	15.22	14.85	5.68
Kerala (2022-23)	15.17	8.82	14.02	6.43

TE- Total Expenditure, CE- Capital Expenditure

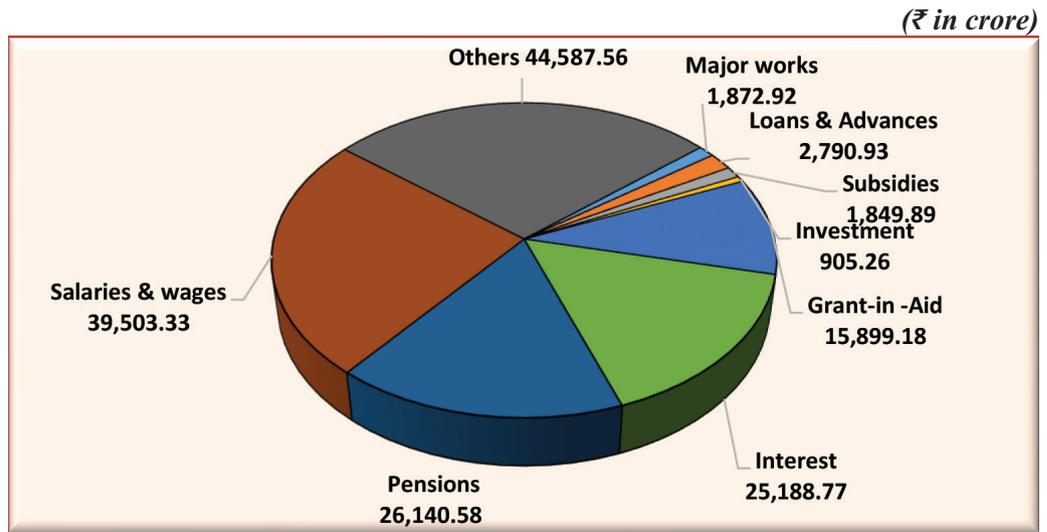
Source: Information furnished by Economic Advisor and based on Finance Accounts.

In 2022-23, the percentage of capital expenditure to total expenditure for the State was much lower than that of the General Category States whereas the percentage of health & family welfare to Total Expenditure for the State was higher.

#### 2.4.3.5 Object head wise expenditure

The Total Expenditure for the year 2022-23 was ₹1,58,738.42 crore. The **Chart 2.10** below gives information about object/purpose of the expenditure.

Chart 2.10: Object head wise expenditure



From the above Chart, it can be seen that out of the total expenditure, the expenditure on salaries and wages were the highest followed by pension and interest payments.

## 2.5 Public Accounts

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. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

### 2.5.1 Net Public Account Balances

Component-wise net balances in Public Account of the State as on 31 March 2023 are shown below in **Table 2.31**.

Table 2.31: Components-wise net balances

(₹ in crore)

Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
<b>I. Small Savings, Provident Funds etc.</b>	Small Savings Provident Funds	9,619.21	8,274.11	11,547.96	18,447.47	8,524.31
<b>J. Reserve Funds</b>	(a) Reserve Funds bearing Interest	1,826.90	(-),478.41	83.97	(-),247.82	(-),77.08
	(b) Reserve Funds not bearing Interest	154.12	127.99	260.08	(-),11.49	(-),20.43

Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
<b>K. Deposits and Advances</b>	(a) Deposits bearing Interest	(-)0.30	0.23	(-)0.15	0.17	(-)0.15
	(b) Deposits not bearing interest	392.70	584.93	497.22	1,786.29	1,184.53
	(c) Advances	(-)0.23	(-)59.42	(-)2.19	1.98	0.65
<b>L. Suspense and Miscellaneous</b>	(a) Suspense	(-)534.98	17.05	(-)328.46	814.09	(-)127.94
	(b) Other Accounts	(-)226.68	(-)270.19	967.49	(-)3,432.55	1,827.29
	(c) Accounts with Government of Foreign Countries	0	0	0	0	0
	(d) Miscellaneous	(-)0.57	(-)0.06	(-)20.39	(-)0.81	(-)0.14
<b>M. Remittances</b>	(a) Money Orders, and other Remittances	(-)90.82	35.18	86.49	(-)460.35	349.65
	(b) Inter Governmental Adjustment Account	39.30	82.36	(-)47.08	29.23	(-)1.45
<b>Total</b>		<b>11,178.65</b>	<b>7,313.77</b>	<b>13,044.94</b>	<b>16,926.21</b>	<b>8,004.67</b>

Source: Finance Accounts of respective years

The net receipts from the Public Account decreased by ₹8,921.54 crore (52.71 per cent) from ₹16,926.21 crore in 2021-22 to ₹8,004.67 crore in 2022-23, mainly due to decrease under Small Savings, PF etc. (₹9,923.16 crore).

### 2.5.2 Reserve Funds

Reserve funds are created for specific and defined purposes under the Public Account of the State Government. These Funds are met from contribution of grants from the Consolidated Fund of the State. The fund balances lying in the Reserve Funds as on 31 March 2023 are given in **Table 2.32**.

**Table 2.32: Details of Reserve Funds**

(₹ in crore)

Sl. No.	Name of Reserve Fund	Balance as on 31 March 2023
<b>1</b>	<b>Reserve Funds bearing interest</b>	<b>394.65</b>
2	State Disaster Response Fund	165.47
3	State Disaster Mitigation Fund	182.76
4	State Compensatory Afforestation Fund	46.42
<b>5</b>	<b>Reserve Funds not bearing interest</b>	<b>3,057.54</b>
6	Sinking Funds	2,706.84
7	Development Funds for Agricultural purposes	10.27
8	Mines Welfare Funds	0.89
9	Consumer Welfare Fund	21.08
10	Other Development and Welfare Funds	318.46
<b>Grand Total</b>		<b>3,452.19</b>

Details of Significant Reserve funds are given below:

**Reserve Funds bearing Interest:**

***2.5.2.1 State Disaster Risk Management Fund (SDRMF)***

On the recommendation of XV Finance Commission the SDRMF was divided into State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF) for addressing the full cycle of disaster management needs-response and relief, recovery and reconstruction, preparedness, capacity building and mitigation. The SDRF receives 80 *per cent* of the total SDRMF while the State Disaster Mitigation Fund (SDMF) receives 20 *per cent* of the allocation.

***State Disaster Response Fund (SDRF)***

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under overdraft Regulation Guidelines of the RBI. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, Auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks. However, this was not done till date.

The size of the Fund for Kerala for the year 2022-23 fixed by XV Finance Commission is ₹352.00 crore, 75 *per cent* of which was to be contributed by the Central Government and 25 *per cent* by the State Government.

During the year, an amount of ₹387.63 crore was credited to the Fund, Central share of ₹264.00 crore, ₹88.00 crore of State share and ₹35.63 crore on account of interest on uninvested balances for the year (i.e. upto September 2022). In the beginning of the year 2022-23, there was a balance of ₹333.26 crore in the Fund. An amount of ₹95.71 crore which was credited under SDRF during 2020-21 was reclassified and credited to SDMF during the year 2022-23. After setting off the expenditure for disaster relief operations to the extent of ₹459.71 crore, the balance in SDRF as on 31 March 2023 is ₹165.47 crore.

***State Disaster Mitigation Fund (SDMF)***

State Disaster Mitigation Fund was constituted (2021-22) in the Public Account under Reserve Fund bearing interest in the Major Head 8121-General and Other Reserve Funds-130-State Disaster Mitigation Fund in the accounts of the State. As per guidelines, the State Government shall invest the SDMF as per provisions in the guidelines and pay interest to SDMF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI for the amount not invested from SDMF.

The opening balance of SDMF as on 01 April 2022 was ₹83.80 crore. ₹95.71 crore (SDMF contribution for the year 2020-21 and interest) which was credited under SDRF during 2020-21 was reclassified and credited to SDMF during the year 2022-23. During the year, ₹3.31 crore being interest for the period from April 2022 to September 2022 was credited to the Fund. An expenditure of ₹0.07

crore has been incurred from the Fund. The balance lying under SDMF as at the end of 31 March 2023 was ₹182.75 crore.

### **2.5.2.2 State Compensatory Afforestation Fund**

The Compensatory Afforestation Fund Act, 2016, is an Act to provide for the establishment of funds under the Public Accounts of India and the Public Accounts of each State and crediting thereto the monies received from the user agencies towards compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, net present value and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980; constitution of an authority at national level and at each of the State and Union territory Administration for administration of the funds and to utilise the monies so collected for undertaking artificial regeneration (plantations), assisted natural regeneration, protection of forests, forest related infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

The monies received by the State Governments from the user agencies is credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State below the Major Head 8336-Civil Deposits. Further as per Section 3(4) of the Act, 90 *per cent* of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Funds in Public Account of the State and balance 10 *per cent* to be credited to the National Fund on yearly basis.

There was an opening balance of ₹54.66 crore in the fund. Expenditure of ₹8.24 crore was incurred from the fund. The balance in the State Compensatory Afforestation Fund as on 31st March 2023 was ₹46.42 crore. No amount was received from Central Fund during the year 2022-23. As per Finance Accounts, ₹1.83 crore was the interest due on the opening balance in the fund. Non-payment of interest resulted in understatement of Revenue and Fiscal deficit by ₹1.83 crore.

### **Reserve Funds not bearing Interest:**

#### **2.5.2.3 Consolidated Sinking Fund**

In line with the recommendations of the XII Finance Commission, the State Government set up Consolidated Sinking Fund (CSF) with effect from the financial year 2007-08. The Fund is to be utilised as an amortisation fund for redemption of all outstanding liabilities of the Government commencing from the financial year 2012-13. The State Government may contribute to the CSF at least 0.5 *per cent* of the outstanding liabilities as at the end of the previous financial year. Against a requirement of ₹1,786.96 crore (0.50 *per cent* of their outstanding liabilities of ₹3,57,392.76 crore as on 01 April 2022) the State Government did not contribute any amount to the fund during the year. In view of the above stated non-contribution, the Revenue Deficit and the Fiscal Deficit is understated.

### 2.5.3 Management of Cash Balance

As per agreement with the Reserve Bank of India, State Government has to maintain a minimum daily cash balance of ₹1.66 crore with the Bank. The amount over and above the minimum cash balance on a day is invested in short term treasury bills by RBI. The interest earned from such investments are credited as receipts under the head '0049-Interest Receipts'. During the year 2022-23, interest of ₹15.85 crore was earned against short term investments with a closing balance of ₹7,092.74 crore in 14 days treasury bills.

If the daily cash balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Drawing Facility (SDF)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government during the year 2022-23 was ₹1,683.00 crore

- During the year the State Government resorted to WMA of ₹15,745.01 crore and paid an interest of ₹5.66 crore. The State Government was able to maintain a minimum cash balance of ₹1.66 crore for 313 days during 2022-23 without taking any advance. However, the State Government had to resort to Ways and Means Advance (₹14,385.13 crore) for 50 days, Special Drawing Facility (₹1,130.98 crore) for 4 days to maintain minimum cash balance. There was a shortfall from the agreed minimum cash balance amounting to ₹1.66 crore.
- Overdraft (₹227.24 crore) was taken on one day.

The State Government repaid the amount of ₹15,745.01 crore obtained under Special Drawing Facility, Ways and Means Advances etc. leaving no amount to be repaid. The cash balance and Investments of cash balances made by the State Government during the year are shown in **Table 2.33**.

**Table 2.33: Cash balances and Investment of cash balance**

(₹ in crore)

Sl No.	Particulars	Opening balance on 01 April 2022	Closing Balance on 31 March 2023
	<b>A. General Cash Balance</b>		
1	Cash in treasuries	35.92	35.99
2	Deposits with Reserve Bank of India	(-)330.31	146.16 <sup>19</sup>
3	Deposits with other Banks <sup>20</sup>		
4	Remittance in transit-Local	0.54	0.54
	<b>Total</b>	<b>(-)293.85</b>	<b>182.69</b>
	Investment held in Cash Balance investment account (14 days Treasury bills)	5,230.30	7,092.74
	<b>Total (A)</b>	<b>4,936.45</b>	<b>7,275.43</b>

19 There was a difference of ₹145.44 crore (credit) between the figures reflected in accounts ₹146.16 crore (debit) and that communicated by Reserve Bank of India (credit item ₹0.72 crore) as on 31 March 2023. Out of the difference, an amount of ₹0.04 crore (net credit) has been cleared in 2022-23. The balance difference of ₹145.40 crore (net debit) is under reconciliation

20 Represents cash held with State Bank of India (amount negligible)

Sl No.	Particulars	Opening balance on 01 April 2022	Closing Balance on 31 March 2023
	<b>B. Other Cash Balances and Investments</b>		
1	Cash with departmental officers viz., Public Works, Forest Officers	(-)7.63	(-)7.63
2	Permanent advances for contingent expenditure with department officers	1.13	1.15
3	Investment in earmarked funds	2,548.01	2,722.73
	<b>Total (B)</b>	<b>2,541.51</b>	<b>2,716.25</b>
	<b>Total (A+B)</b>	<b>7,477.96</b>	<b>9,991.68</b>
	<b>Interest realised</b>	<b>14.80</b>	<b>15.85</b>

Source: Statement 2 of Finance Accounts

No investments were made in Long term GoI Securities by the State Government for the past several years being a Revenue Deficit State.

## 2.6 Public Liability Management

Total liability of the State Government typically comprises Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities. In addition, Government also resorts to Off Budget borrowings which add up to the total liability of the State Government.

The component-wise debt liability trends of the State for the period from 2018-19 to 2022-23 are shown in **Table 2.34**.

**Table 2.34: Components of Total liability**

Components of Fiscal liabilities	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Outstanding total liabilities</b>	<b>2,41,614.50</b>	<b>2,65,362.36</b>	<b>3,02,620.01</b>	<b>3,42,887.45</b>	<b>3,70,525.07</b>
<b>Public Debt</b>	<b>1,58,234.44</b>	<b>1,74,640.22</b>	<b>1,99,681.73</b>	<b>2,19,974.55</b>	<b>2,38,000.97</b>
Internal Debt	1,50,991.03	1,65,960.03	1,90,474.09	2,10,791.59	2,27,137.07
Loans from GOI*	7,243.41	8,680.19	9,207.64	9,182.96	10,863.90
<b>Public Account liabilities</b>	<b>83,380.06</b>	<b>90,722.14</b>	<b>1,02,938.28</b>	<b>1,22,912.90</b>	<b>1,32,524.10</b>
Small Savings, Provident Fund etc.	77,397.06	85,671.17	97,219.13	1,15,666.60	1,24,190.92
Reserve Funds bearing interest	2,113.98	635.57	719.55	471.73	394.65
Reserve Funds not bearing interest	318.37	279.59	366.72	355.23	334.81
Deposits bearing interest	0.27	0.49	0.34	0.52	0.36
Deposits not bearing interest	3,550.38	4,135.32	4,632.54	6,418.82	7,603.36
Rate of growth of outstanding total liability ( <i>per cent</i> )	12.63	9.83	14.04	13.31	8.06
Gross State Domestic Product (GSDP)	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14

Components of Fiscal liabilities	2018-19	2019-20	2020-21	2021-22	2022-23
Liability/GSDP ( <i>per cent</i> )	30.65	32.64	39.21	36.69	35.42
Borrowings and other liabilities (as per Statement 6 of Finance Accounts)					
Total receipts#	1,46,499.36	1,83,509.21	2,45,780.87	2,40,321.38	2,16,432.9
Total repayments	1,19,403.07	1,59,761.36	2,02,757.22	1,91,314.63	1,88,795.28
Net funds available	27,096.29	23,747.85	43,023.65	49,006.75	27,637.62
Repayments/receipts ( <i>per cent</i> )	81.50	87.06	87.06	82.50	87.23
Off Budget borrowings (OBB)	9,925.39	14,142.20	16,469.05	24,272.67	29,475.97
Outstanding liabilities including OBB	2,51,539.89	2,79,504.56	3,19,089.06	3,67,160.12	4,00,001.04
Liabilities including OBB/GSDP	31.91	34.38	41.35	39.29	38.23

\* During the year 2020-21, 2021-22 and 2022-23, it excludes ₹5,766 crore, ₹14,505.31 crore (5,766.00 + 8,739.31) and ₹14,505.31 crore respectively, as back-to-back loans from GOI in lieu of GST compensation shortfall, would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

# During the year 2020-21 and 2021-22, these have been calculated after excluding ₹5,766.00 crore and ₹8,739.31 crore respectively, as back-to-back loans from GOI in lieu of GST compensation shortfall, would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

The total liabilities of the State Government increased from ₹2,41,614.50 crore in 2018-19 to ₹3,70,525.07 crore in 2022-23 recording a growth of 53.35 *per cent* during the last five years. Taking into account the off budget borrowings of the State, the total liabilities of the State increased from ₹2,51,539.89 crore in 2018-19 to ₹4,00,001.04 crore in 2022-23 recording a growth of 59.02 *per cent* during the same period. Public debt increased by ₹79,766.53 crore (50.41 *per cent*) during the period from 2018-19 to 2022-23, wherein Internal debt increased by ₹76,146.04 crore (50.43 *per cent*) and Loans from GOI increased by ₹3,620.49 crore (49.98 *per cent*). Public Account liabilities increased by ₹49,144.04 crore (58.94 *per cent*) during the same period. Major increase was under Small Savings, Provident Fund etc. (₹46,793.86 crore: 60.46 *per cent*).

## 2.7 Liabilities Upon Consolidated Fund

The Public Debt consists of Internal debt and Loans and Advances from the Central Government. The internal debt comprises of Market loans, Loans from *Special Securities issued to National Small Savings Fund of the Central Government*, loans from banks/ financial institutions and Ways & Means advances from RBI. The amount outstanding under various components of Public Debt as well as receipts and payments during the year 2022-23 are given in **Table 2.35**.

**Table 2.35: Outstanding loans under various components of Public Debt***(₹ in crore)*

SI No	Particulars	2022-23				
		OB	Receipt	Repayment	Net	CB
<b>1</b>	<b>A. Internal Debt</b>					
2	Market Loans	1,83,522.03	30,839.00	15,219.00	15,620.00	1,99,142.03
3	Special Securities issued to National Small Savings Fund of the Central Government	22,566.54	4,108.54	3,075.08	1,033.46	23,600.00
4	Loans from National Co-operative Development Corporation	495.97	307.04	106.43	200.61	696.58
5	Loans from NABARD	2,973.46	483.15	659.03	(-)175.88	2,797.58
6	Loans from Bank - Securitisation of House Building Advance	587.85	0	123.35	(-)123.35	464.50
7	Loans from Banks/Financial Institutions	645.74	0	209.36	(-)209.36	436.38
8	Ways and Means Advances from the RBI	0	15,745.01	15,745.01	0	0
9	Total (A)	2,10,791.59	51,482.74	35,137.26	16,345.48	2,27,137.07
<b>10</b>	<b>B. Loans and Advances from Central Government</b>					
11	Loans for Externally Aided Projects	8,134.56	621.69	841.72	(-)220.03	7,914.53
12	Loans for Capital Projects	321.53	1,902.74	0	1,902.74	2,224.27
13	Loans for shortfall in GST Compensation	14,505.31	0	0	0	14,505.31
14	Others	726.87	0	1.77	(-)1.77	725.10
15	Total (B)	23,688.27	2,524.43	843.49	1,680.94	25,369.21
<b>16</b>	<b>Total (A+B)</b>	<b>2,34,479.86</b>	<b>54,007.17</b>	<b>35,980.75</b>	<b>29,032.14</b>	<b>2,52,506.28*</b>

\* Effective outstanding Public Debt as on 31 March 2023 would be ₹2,38,000.97 crore (₹1,99,681.73 crore as on March 2021, ₹2,19,974.55 crore as on March 2022) as the Department of Expenditure, GOI had decided that GST compensation of ₹14,505.31 crore (₹8,739.31 crore for 2021-22 and ₹5,766 crore for 2020-21) given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

### 2.7.1 Trend of Public Debt

The details relating to total outstanding Debt, repayment of debt and the actual quantum of debt available to the State during the five-year period 2018-19 to 2022-23 are given in the **Table 2.36**.

**Table 2.36: Trend of Public Debt**

(₹ in crore)

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Outstanding Public Debt	1,58,234.45	1,74,640.22	2,05,447.73	2,34,479.86	2,52,506.28 <sup>21</sup>
2	Rate of growth of outstanding debt ( <i>per cent</i> )	10.67	10.37	17.64	14.13	7.69
3	Total Public Debt Receipts	33,445.92	60,407.05	69,735.36	64,932.13	54,007.17
4	Total Public Debt Repayments	18,196.00	44,001.28	38,927.85	35,900.00	35,980.75
5	Interest on Public Debt	12,086.29	13,273.79	14,409.57	15,774.79	16,882.59
6	Net Public Debt Available	3,163.63	3,131.98	16,397.94	13,257.34	1,143.83
7	Debt Repayments (including interest) /Debt Receipts ( <i>per cent</i> )	90.54	94.82	76.49	79.58	97.88

Total outstanding Public Debt of the State grew from ₹1,58,234.45 crore to ₹2,52,506.28 crore during the five-year period 2018-2023. The outstanding debt as on 31 March 2023 grew by 7.69 *per cent* when compared to the previous year. The total public debt raised during the year decreased by ₹10,924.96 crore (16.83 *per cent*) which is a positive indicator of the Government. However, from the **Table 2.36**, it is obvious that 76.49 *per cent* to 97.88 *per cent* of the debt receipts were utilised for repayment of outstanding Debt. This indicates a poor debt management by the State Government.

## 2.8 Other Liabilities of the State

The State Government also has liabilities such as, off budget borrowings, guarantees given by the Government on repayment of principal and interest on loans raised by Statutory Corporations/ Government Companies, Local Bodies, Joint Stock Companies, Cooperative Institutions etc. Details of other liabilities for 2021-22 and 2022-23 are shown in **Table 2.37**.

**Table 2.37: Details of Other liabilities**

(₹ in crore)

Sl. No	Particulars	As of March 2022	As of March 2023
1	Off-budget borrowings	24,272.67	29,475.97
2	Guarantees	44,369.85	50,374.49
	<b>Total</b>	<b>68,642.52</b>	<b>79,850.46</b>

<sup>21</sup> Effective outstanding Public Debt as on 31 March 2023 would be ₹2,38,000.97 crore (₹1,99,681.73 crore as on March 2021, ₹2,19,974.55 crore as on March 2022) as the Department of Expenditure, GOI had decided that GST compensation of ₹14,505.31 crore (₹8,739.31 crore for 2021-22 and ₹5,766 crore for 2020-21) given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

As of March 2023, the other liabilities of the State increased by ₹11,207.94 crore (16.33 per cent) from ₹68,642.52 crore in 2021-22 to ₹79,850.46 crore in 2022-23.

### 2.8.1 Off-budget borrowing

Off-Budget Borrowings by State Public Sector companies/corporations, Special purpose vehicles (SPVs) and other equivalent instruments, where principal and/or interest are to be serviced out of the State Budgets and/or by assignment of taxes/cess or any other State's revenue, shall be considered as Borrowings made by the State itself for the purpose of issuing the consent under Article 293(3) of the Constitution of India.

As per the recommendations of the XV Finance Commission, all committed expenditures and developmental expenditures should be met from the augmented borrowing space recommended for the State Governments, without resorting to off-budget or any non-transparent means of financing for any expenditures.

State Government resorted to off budget borrowings for infrastructural projects through KIIFB and for social security and welfare pensions through KSSPL. The outstanding balance of loans as on 31 March 2023 borrowed by KIIFB was ₹17,742.68 crore (**Appendix 2.2 - Part A**) and KSSPL ₹11,733.29 crore (**Appendix 2.3 - Part A**). Total off-budget borrowing of the above two institutions comes to ₹29,475.97 crore. The entity wise details of off budget borrowings is shown in **Table 2.38**.

**Table 2.38: Entity-wise details of off-budget borrowings**

(₹ in crore)

Name of the Entity	Outstanding Off Budget Borrowings as on 31 March 2022	Off Budget Borrowings during 2022-23	Repayment during 2022-23		Closing Balance
			Principal	Interest	
Kerala Infrastructure Investment Fund Board	13,066.18	5,109.24	432.74	1,254.56	17,742.68
Kerala Social Security Pension Limited	11,206.49	2,949.67	2,422.87	833.17	11,733.29
<b>Total</b>	<b>24,272.67</b>	<b>8,058.91</b>	<b>2,855.61</b>	<b>2,087.73</b>	<b>29,475.97</b>

Source: Information furnished by KIIFB and KSSPL

Off-budget borrowing through KIIFB and KSSPL are explained in the succeeding paras:

#### 2.8.1.1 Kerala Infrastructure Investment Fund Board (KIIFB)

The Kerala Infrastructure Investment Fund Board (KIIFB) is a statutory body constituted (November 1999) and controlled by the State Government under the Kerala Infrastructure Investment Fund Act to manage the Kerala Infrastructure Investment fund with the objective of providing investment for critical and large infrastructure projects in Kerala. The State Government undertakes for the

payment of principal and interest of the loans raised by Kerala Infrastructure Investment Fund Board as per section 9(1) of the Kerala Infrastructure Investment Fund (Amendment) Act, 2016. Thus, the loan taken by KIIFB are the direct liabilities of the State Government, and are therefore, off-budget borrowings for the State. The State Government has allotted the petroleum cess and 50 *per cent* of the Motor Vehicle Tax for servicing the loans of KIIFB.

During the year 2022-23, KIIFB raised off-budget loans amounting to ₹5,109.24 crore from various sources as detailed in **Appendix 2.2 (Part B)**.

Government (November 2023) replied that KIIFB's borrowings are neither on budget or in the nature of off budget borrowings of Government of Kerala but are done by KIIFB as part of its agency function to build infrastructure projects for Government of Kerala. It was also stated that there was no liability/contingency associated with KIIFB's borrowing liabilities on the State Government.

The contention of the Government is not acceptable, as KIIFB has no revenue of its own and the State Government has to defray the debt obligations of KIIFB by transferring its own revenue through budget every year which otherwise could have been used for financing the deficits of the State.

#### **2.8.1.2 Kerala Social Security Pension Limited (KSSPL)**

Kerala Social Security Pension Limited was incorporated in August 2018 under the Companies Act 2013. The Company is wholly owned by the Government of Kerala under Finance Department and the Company was formed with the objective of improving the disbursement of various Social Security and welfare pensions to the beneficiaries in Kerala.

As per the Government Order G.O (Ms) No 232/2018/FIN dated 26 June 2018 of Finance(SS) Department, anticipated expenditure for Social Security Pension would be provided through Budget every year and amount from Government of India under National Social Assistance Programme (NSAP) would also be infused into the Company. The Government would bear the repayment liabilities of the Company arising on account of pension disbursement. The Company is also authorised to raise funds from the Public, Public Sector Undertakings and other institutions through suitable financial instruments including deposits and loans which would be serviced / redeemed with the funds provided by the Government through its budget. The funds required for repayment of loans are mobilised through short term financial instruments and financial assistance from the Government.

As the loans raised by KSSPL were for meeting the liability of the State Government and the repayment of loan and interest are from the Consolidated Fund of the State, the loan raised by KSSPL is an off-budget borrowing of the State Government. During 2022-23 KSSPL raised off-budget loans amounting to ₹2,949.67 crore as detailed in **Appendix 2.3 (Part B)**.

As per the information received from KSSPL, a loan amount of ₹11,733.29 crore was outstanding as on 31 March 2023 as detailed in **Appendix 2.3 (Part A)**. Since KSSPL is a Government company having no revenue of its own, the outstanding loan of ₹11,733.29 crore is also an additional liability of the Government.

Thus, resorting to the off-budget borrowing by the State Government during 2022-23 through the above two entities, had led to an additional burden on the State exchequer, which had an impact on the Liability-GSDP ratio as well. The liability-GSDP ratio for the State stands at 35.42 *per cent* during 2022-23 (**Table 1.8**). But if the liabilities on account of off-budget borrowings are taken into account, the actual outstanding liability-GSDP ratio stands at 38.23 *per cent*, which is way above the Fiscal target of 34.50 *per cent*.

## **2.8.2 Guarantees**

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee was extended.

The Government provides guarantees for repayment of loans, etc. raised by Statutory Corporations, Government Companies, Co-operative Banks, and Societies etc. In terms of the Section 3 of Government Guarantees Act, 2003, amended vide 'Kerala Finance (No.2) Act, 2022', the total outstanding Government Guarantees as on the first day of April of any year shall be 100 per cent of the total revenue receipts as per the annual financial statement of the State in the preceding year or at 10 *per cent* of the Gross State Domestic Product (GSDP), whichever is lower. During the year 2022-23, the amount guaranteed by the State Government was ₹6,184.94 crore. The outstanding guarantees of ₹50,374.49 crore (Principal plus interest) as on 31 March 2023 works out to 4.82 *per cent* of the GSDP of the year 2022-23 (₹10,46,188.14 crore) which was within the limit of 10 *per cent* of the GSDP for the year.

As per the Act, 0.75 *per cent* of outstanding guarantee at the beginning of the year should be collected as guarantee commission every year. While ₹268.45 crore was received as guarantee commission during the year, ₹323.68 crore of guarantee commission was pending collection from various institutions as on 31 March 2023. Major defaulters are shown in **Appendix 2.4**.

### **2.8.2.1 Non-Constitution of Guarantee Redemption Fund**

As per the recommendations of the Twelfth Finance Commission (2005-2010), State Governments are required to constitute a Guarantee Redemption Fund (GRF) to be utilised for meeting the payment of obligations arising out of the guarantees issued by the Government. The Fund is operated outside the State Government account and administered by the Reserve Bank of India.

Under the guidelines, the State Government is required to make minimum annual contribution of 0.50 *per cent* of outstanding guarantee at the beginning of the year. The amount to be contributed by the State Government in the Fund during the year is ₹221.85 crore.

In terms of the Kerala Ceiling on Government Guarantees Act, 2003, the guarantee commission received annually are to be transferred to the Public Account and these contributions shall form the corpus of the Guarantee Redemption Fund under Public Account of the State. As the State Government has not constituted GRF, Guarantee commission of ₹1,966.37 crore collected from 2003-04 to 2022-23 was credited under the revenue receipts head '0075-108 Guarantee Fee'.

## 2.9 Cost of Public Debt and other liabilities

The cost of debt is the effective interest rate that the Government is required to pay on its long-term debt obligations. Interest paid on Public Debt and other liabilities during the last five years' period are shown in **Table 2.39**.

**Table 2.39: Cost of debt and other liabilities**

Item	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt	1,58,234.35	1,74,640.22	2,05,447.73	2,34,479.86	2,52,506.28*
Interest on Market loans	9,996.20	11,159.82	12,203.37	13,543.89	14,269.28
Interest on other debt	2,090.09	2,113.97	2,206.20	2,230.90	2,613.31
Total Interest on Public Debt	12,086.29	13,273.79	14,409.57	15,774.79	16,882.59
Average interest rate on Public Debt**	8.02	7.98	7.58	7.17	6.93
Outstanding Public Account	83,380	90,722	1,02,938	1,22,913	1,32,524.10
Interest paid on Public Account	4,812.35	5,911.47	6,531.40	7,510.29	8,249.70
Average interest rate on public Accounts**	6.21	6.79	6.75	6.48	6.46
Total Interest Paid #	16,898.64	19,185.26	20,940.97	23,285.08	25,132.29
Revenue Receipts	92,854.47	90,224.67	97,616.83	1,16,640.24	1,32,724.65
Interest paid on total debt as percentage of revenue receipts	18.20	21.26	21.45	19.96	18.94

\* Effective outstanding Public Debt as on 31 March 2023 would be ₹ 2,38,000.97 crore (₹1,99,681.73 crore as on March 2021, ₹2,19,974.55 crore as on March 2022) as the Department of Expenditure, GOI had decided that GST compensation of ₹14,505.31 crore (₹8,739.31 crore for 2021-22 and ₹5,766 crore for 2020-21) given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

\*\*Average interest rate = Interest payment/ (Average of opening and closing balance of debt)\*100  
# Interest payment is not inclusive of charges for management of debt. The amount for the year 2022-23 is ₹44.25 crore.

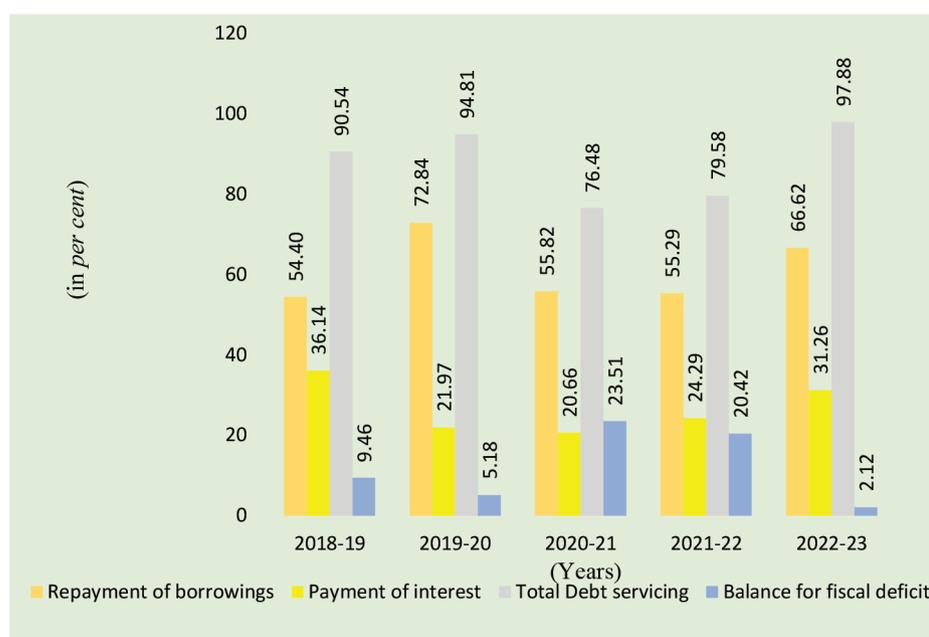
Although, the average interest rate on Debt showed a declining trend, the actual interest paid on debt consistently increased across the five-year period. The interest paid in 2018-19 was ₹12,086.29 crore which increased to ₹16,882.59 crore in 2022-23, an increase of 39.68 per cent over the five-year period, due

to increase in Public Debt. The interest on Public Account also increased from ₹4,812.35 crore in 2018-19 to ₹8,249.70 crore in 2022-23. Out of ₹8,249.70 crore, interest paid on Treasury Savings Bank Deposits was ₹4,818.76 crore, State Provident Fund ₹2,607.25 crore, Insurance and Pension Fund ₹784.71 crore and SDRF ₹38.94 crore. On an average, about 19 *per cent* of the revenue receipts are utilised for payment of interest on overall debt of the State alone.

## 2.10 Utilisation of borrowed funds

During 2022-23, Government had borrowed ₹54,007.17 crore. Details of utilisation of borrowed funds are given in **Chart 2.11** below.

**Chart 2.11: Trends of Utilisation of borrowed funds**



In all the five years, major portion of the borrowed funds is utilized for repayment of borrowings. Borrowed funds should ideally be used to fund capital creation and development activities. During 2022-23, 97.88 *per cent* of the borrowed funds was utilised for debt servicing leaving only 2.12 *per cent* of borrowed funds for capital expenditure.

## 2.11 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Debt Sustainability Analysis (DSA) considers the feasibility of meeting debt related financial obligations during a period beginning with the present, and is a crucial aspect for assessing financial health of an economy. The cornerstone of DSA is the Debt-GSDP ratio. A sustainable fiscal policy is one where the debt to GSDP ratio is stable or declining over the long term.

### 2.11.1 Debt Stabilisation – Debt Sustainability Indicators

This section assesses the sustainability of the debt of the Government in terms of rate of growth of public debt, ratio of total outstanding debt to GSDP, ratio of interest payment to revenue receipt, debt repayment to debt receipt, net debt available to the State etc. Trends in fiscal variables determining the debt stabilisation are shown in **Table 2.40**.

**Table 2.40: Trends in Debt Sustainability Indicators**

(₹ in crore)

Sl No.	Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
1	Outstanding Public Debt* (₹ in crore)	1,58,234.45	1,74,640.22	1,99,681.73	2,19,974.55	2,38,000.97
2	Rate of Growth of outstanding Public Debt	10.67	10.37	14.34	10.16	8.19
3	Outstanding Public Debt including OBB (₹ in crore)	1,68,159.83	1,88,782.42	2,16,150.78	2,45,848.94	2,67,476.94
4	Rate of Growth of outstanding Public Debt including OBB	17.61	12.26	14.50	13.74	8.80
5	GSDP (₹ in crore)	7,88,285.58	8,12,934.63	7,71,723.89	9,34,541.75	10,46,188.14
6	Rate of Growth of GSDP	12.36	3.13	(-5.07)	21.10	11.95
7	Public Debt/GSDP	20.07	21.48	25.87	23.54	22.75
8	Public Debt including OBB/GSDP	21.33	23.22	28.01	26.31	25.57
9	Interest paid on Public Debt (₹ in crore)	12,086.29	13,273.79	14,409.57	15,774.79	16,882.59
10	Interest paid on OBB (₹ in crore)	156.79	1,018.06	1,241.43	1,483.60	2,087.73
11	Interest paid on Public Debt including OBB (₹ in crore)	12,243.08	14,291.85	15,651.00	17,258.39	18,970.32
12	Average interest rate of outstanding Public Debt[1] <sup>22</sup>	8.02	7.98	7.70	7.52	7.37
13	Average interest rate of outstanding Public Debt including OBB	7.87	8.01	7.73	7.47	7.39
14	Percentage of Interest payment to Revenue Receipt	13.02	14.71	14.76	13.52	12.72
15	Net debt available to State <sup>23</sup> (₹ in crore)	3,163.64	3,131.98	16,397.94	13,257.35	1,143.83
16	Debt repayment to Debt receipt	54.4	72.84	55.82	55.29	66.62
17	Interest Spread <sup>24</sup>	4.34	(-4.85)	(-12.77)	13.58	5.58
18	Quantum Spread <sup>25</sup>	6,867.38	(-8,470.05)	(-25,499.36)	29,872.54	10,900.44
19	Fiscal deficit (₹ in crore)	(-26,958.31)	(-23,837.47)	(-40,969.69)	(-46,045.78)	(-25,554.54)
20	Primary deficit (₹ in crore)	(-10,210.39)	(-4,622.78)	(-19,994.33)	(-22,742.96)	(-378.18)
21	Debt Stabilisation (Quantum spread + Primary Deficit) (₹ in crore)	(-3,343.01)	(-13,092.83)	(-45,493.69)	7,129.58	10,522.26

22 Average interest rate = Interest paid / (OB of Public Debt + CB of Public Debt)/2 x 100

23 Net Debt available = Public debt receipt during the year-repayment of principal amount -Interest paid on public debt

24 Interest Spread =Rate of Growth of GSDP – Average interest rate of outstanding Public Debt

25 Quantum Spread = Outstanding Public Debt X Interest Spread/100

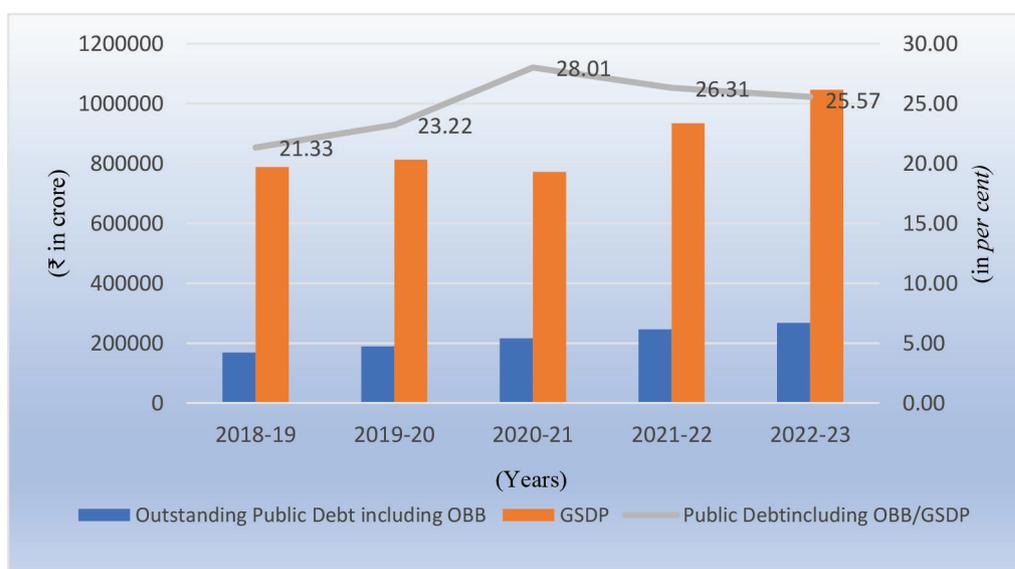
\* During the year 2020-21, 2021-22 and 2022-23, it excludes ₹5,766 crore, ₹14,505.31 crore (5,766.00 + 8,739.31) and ₹14,505.31 crore respectively, as back-to-back loans from GOI in lieu of GST compensation shortfall, would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

The sustainability of the debt of the State is analysed through the following Debt Sustainability Indicators.

### 2.11.1.1 Ratio of outstanding debt to GSDP

The debt-to-GSDP ratio is the metric comparing a State's public debt to its Gross State Domestic Product (GSDP). By comparing what a State owes with what it produces, the debt-to-GSDP ratio reliably indicates the State's ability to pay back its debts. A low debt-to-GDP ratio indicates that an economy produces goods and services sufficient to pay back debts without incurring further debt. A falling debt-to-GSDP ratio can be considered as leading towards stability. If debt-to-GSDP ratio increases rapidly and goes above a threshold, then the current level of the primary balance is not sufficient to stabilize the debt-to-GSDP ratio. The debt to GSDP ratio for the period from 2018-19 to 2022-2023 is given in **Chart 2.12**.

**Chart 2.12: Ratio of total outstanding public debt to GSDP**



The debt- GSDP ratio ranged between 20.07 per cent and 25.87 per cent during the last five-year period.

The debt including off budget borrowing (OBB)- GSDP ratio increased from 21.33 per cent in 2018-19 to 28.01 per cent in 2020-21 and it has declined thereafter to 26.31 per cent in 2021-22 and further to 25.57 per cent in 2022-23.

### 2.11.1.2 Ratio of Revenue receipts to total outstanding debt including OBB

If ratio of revenue receipts to total outstanding debt is increasing, it would be easier for the Government to repay its debt using its own resources. Though

revenue receipts increased from ₹92,854.47 crore in 2018-19 to ₹1,32,724.65 crore in 2022-23, the percentage of revenue receipts to total outstanding debt including off budget borrowing decreased from 55.22 *per cent* in 2018-19 to 49.62 *per cent* in 2022-23. This will put more stress on the State Government for meeting the debt obligations.

### 2.11.1.3 Cost of Public borrowings to Growth of GSDP and primary balance

The rate of interest payable on the outstanding debt should be lower than the rate of growth of GSDP and there should be a primary surplus. If the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. It can be seen from **Table 2.40** that during the last five years, except in 2019-20 and 2020-21, the rate of growth of economy (rate of growth of GSDP) exceeded the interest rate or cost of public borrowings. Though primary balances (primary deficit) remained highly negative for the period from 2018-19 to 2021-22, during 2022-23 the primary deficit was only (-) ₹378.18 crore.

### 2.11.1.4 Domar's approach towards debt stability

Fiscal liabilities are considered sustainable if the Government is able to service the stock of these liabilities over the foreseeable future and the debt-GSDP ratio does not grow to unmanageable proportions. The Domar model is one of the models for analysis of public debts, which lays down that the debt-GDP ratio is likely to be stable if the rate of growth of the economy exceeds the rate of interest on the debt. **Table 2.41** provides the Domar sustainability condition, while **Table 2.42** provides Public Debt Sustainability *vis-à-vis* real growth and real interest.

**Table 2.41: The dynamics of public debt depending on the interest rate, the growth rate of GDP and the primary budget balance**

$g-r$ (g: real economic growth rate; r: real interest rate), called Domar gap	$s < 0$ (primary deficit)	$s > 0$ (primary surplus)
$g-r > 0$ (strong economic growth)	Public debt as a percentage of GSDP tends towards a stable value and is therefore sustainable. Depending on the stock of debt, it will either increase or decrease in time to reach a stable level greater than zero.	Public debt as a percentage of GSDP should converge to a stable level less than zero leading to public savings
$g-r < 0$ (slow economic growth)	Public debt as a percentage of GSDP will increase indefinitely, without converging to a stable level	Undefined situation

**Table 2.42: Public Debt Sustainability-real growth and real interest**

Year	Real economic growth (g)	Real Interest rate (r)	Domar gap (g-r)	Primary deficit (-)/ Surplus (+)
	(in per cent)			(₹ in crore)
2018-19	7.37	2.44	4.93	(-)10,210.39
2019-20	2.22	1.48	0.74	(-)4,622.77
2020-21	(-)9.20	1.31	(-)10.51	(-)19,994.33
2021-22	7.10	3.00	4.10	(-)22,742.96
2022-23	6.60	0.51	6.09	(-)378.18

• Real economic growth rate has been calculated for real GSDP (i.e., at constant prices\*).

• Real interest rate is calculated as average interest rate on fiscal liabilities minus inflation. Average inflation\*\* has been obtained from RBI

\* Information furnished by Directorate of Economics and Statistics

\*\* As published by Ministry of Statistics & Programme Implementation on March 13, 2023

Applying the DOMAR analysis to Kerala showed that the Domar gap (g-r) was positive during the period from 2018-19 to 2022-23, except in 2020-21. During the pre-Covid period of 2018-19 and 2019-20, the real growth rate of the GSDP was 4.80 *per cent* and Domar gap (expressed as g-r) remained positive but there was primary deficit in the State. Covid -19 affected the real growth rate of GSDP during 2020-21 and the Domar gap turned negative during the year. In the subsequent years (2021-22 and 2022-23), the Domar gap became positive along with the primary deficit, which reflect that Public debt as a percentage of GSDP tends towards a stable value and is therefore sustainable. Depending on the stock of debt, it will either increase or decrease in time to reach a stable level greater than zero.

It may be mentioned that the sustainability of Public Debt will depend on whether the State economy maintains the real growth rate in the long run keeping the real interest rate under control.

*Going by the analysis and results as discussed above, the finances of the State of Kerala is marked by increasing trend of liabilities (debt, guarantees, implicit subsidies, off-budget borrowings, etc.,) which pose risk to target of debt stabilisation and debt sustainability.*

## 2.12 Maturity and Repayment of Public Debt

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. As per Finance Accounts for the year 2022-23, the maturity profile of the public debt is as shown in **Table 2.43**.

**Table 2.43: Debt Maturity profile**

Sl. No.	Year of Maturity	Maturity Profile	Amount (₹ in crore)			Per cent of total Public Debt
			Internal Debt	Loans & Advances from GoI	Total	
1	By 2023-24	0-1 year	18,655.65	722.18	19,377.83	7.67
2	Between 2024-25 & 2025-26	1-3 years	38,566.16	1,248.29	39,814.45	15.77
3	Between 2026-27 & 2027-28	3-5 years	39,176.28	1,141.79	40,318.07	15.97
4	Between 2028-29 & 2029-30	5-7 years	36,093.02	964.42	37,057.44	14.68
5	2029-2030 onwards	Above 7 years	86,242.53	3,696.03	89,938.56	35.62
6	Amount for which Maturity profile details not yet reconciled.		8,403.43	17,596.50	25,999.93	10.30
<b>Total</b>			<b>2,27,137.07</b>	<b>25,369.21</b>	<b>2,52,506.28</b>	<b>100.00</b>

Source: Finance Accounts

The debt maturity profile showed that ₹1,36,567.79 crore (54.08 per cent) of the debt is repayable within the next seven years and ₹89,938.56 crore (35.62 per cent) repayable beyond seven years.

## 2.13 Conclusions

### 1. Revenue resources

Revenue receipts of the State increased from ₹92,854.47 crore in 2018-19 to ₹1,32,724.65 crore in 2022-23, recording a growth of 42.94 per cent during the last five years. The State's own tax revenue, being the main source of revenue in revenue receipts increased by 42.11 per cent during the period 2018-23 and as compared to previous year, it grew by 23.36 per cent. There was a further scope to increase the revenue collection in view of the fact that ₹27,902.45 crore pertaining to 15 Departments are falling in arrears.

### 2. Revenue Expenditure

Revenue Expenditure of the State increased from ₹1,10,316.39 crore in 2018-19 to ₹1,41,950.93 crore in 2022-23 recording a growth of 28.68 per cent during the five-year period. Revenue expenditure as a percentage of total expenditure ranged between 88.88 and 91.88 per cent during the period showing predominance of revenue expenditure in total expenditure. Share of committed expenditure in revenue expenditure was 63.86 per cent during 2022-23 and it consumed 68.30 per cent of the revenue receipts during the year. Interest payments consumed 18.97 per cent of revenue receipts during 2022-23.

### 3. Quality of Expenditure

Capital expenditure during the current year showed a negative growth of 1.38 per cent over the previous year. Though the State Government invested ₹10,602.67 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives, average return on these investments was only 0.46 per cent

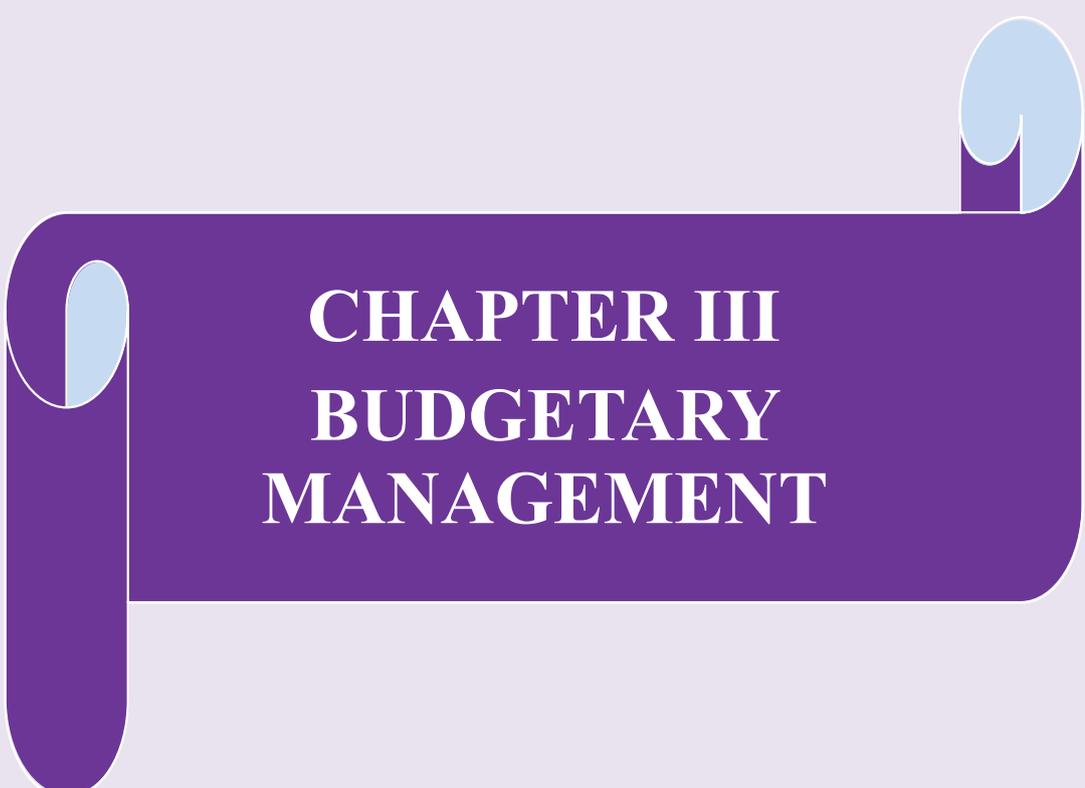
during the year while the Government paid an average interest rate of 6.78 *per cent* on its borrowings during 2022-23.

#### **4. Borrowed Funds**

Generally, borrowed funds are to be utilized for creation of capital assets as the revenue generated from these assets are to be utilized for servicing of the debt. During the year 98 *per cent* of the borrowed funds were utilised for repayment of debt including interest. The maturity profile of State debt indicates that the Government will have to repay 54 *per cent* of its debt within the next seven years.

### **2.14 Recommendations**

- 1. The Government should adopt a fiscal consolidation path so that the targets fixed in the Kerala Fiscal Responsibility Act could be achieved especially with regard to the Debt-GSDP ratio.*
- 2. The Government should make all efforts to ensure that the revenue that are falling in arrears are realised.*
- 3. The Government should ensure that Capital expenditure in the Social Services Sector are increased and take measures to improve its capital expenditure to augment its growth and development.*
- 4. The State Government needs to mobilise additional revenue resources to fund its various socio-economic developmental schemes to avoid financing of revenue expenditure through debt.*



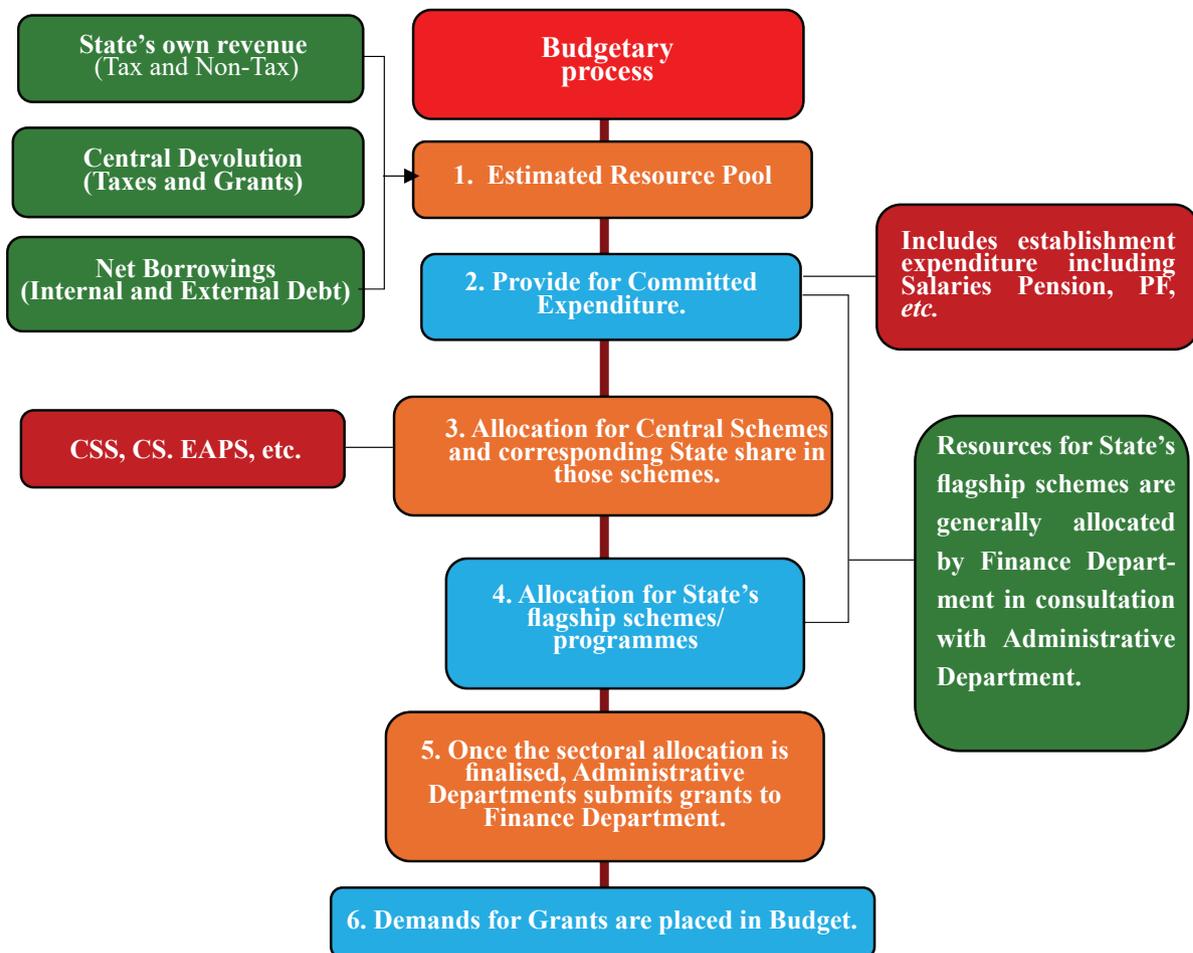
**CHAPTER III  
BUDGETARY  
MANAGEMENT**



## CHAPTER III BUDGETARY MANAGEMENT

### 3.1 Budget Process

As per Article 202 of the Constitution of India, the Governor of a State shall, cause to be laid before the House or Houses of the Legislature of the State a statement of the estimated receipts and expenditure of the State for a financial year. This estimated statement of receipt and expenditure for a financial year named in the Constitution as the 'Annual Financial Statement' is commonly known as 'Budget'. A typical budget preparation process is given in the flow chart below:



*CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAP: Externally Aided Projects*

As per the paragraph 3(1) of Kerala Budget Manual (KBM), the Budget Wing of the Finance Department is responsible for the preparation of the Annual budget. Every year, in July the Budget Wing issues a circular to all Heads of Departments and other Estimating Officers, requesting them to take steps for the preparation and submission of the Departmental Estimates of Revenue and Expenditure for the ensuing financial year.

The process of formulation of Budget for financial year 2022-23 started with the issuance (July 2021) of circular directing the Heads of Departments and other Estimating Officers under paragraph 31 of the KBM to furnish proposals for the Budget Estimates 2022-23 through a web based application, namely 'Budget Monitoring System'(BMS). As such, the dates for submission of Non-Plan estimates and Plan budget estimates were fixed at 31 August 2021 and 10 September 2021 respectively, and also revenue and other receipts by 15 September 2021. The controlling officers were directed to furnish proposals for the Revised Estimates for 2021-22 and Budget Estimates for 2022-2023 under Non-Plan heads (Salary/Non-Salary), Receipt heads, Debt heads, estimates of Grant-in-aid institutions and LSGs and estimates under Public Account using the relevant modules in the Tasks menu of the BMS. The estimates as generated in the 'BMS application' were to be sent to the Finance Department and Administrative Department simultaneously. The Administrative Department should record their comments and recommendations on the estimates and forward it to the Finance Department electronically within 10 days of receipt of the estimates from the controlling officers.

As soon as the Departmental Estimates are received, they are scrutinised (paragraph 3(3) of KBM) by the Finance Department minutely, in the light of the comments of the Administrative Departments, the figures of actual expenditure made available by the Accountant General, and the information available with the Finance Department and modified, wherever necessary. The availability of funds is then reviewed, and new schemes provided for to the extent practicable. The budget is ready for presentation to the Legislature by the end of February.

Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. Rule 41 of the Kerala Financial Code states that the rules regarding the preparation and consolidation of the budget estimates and their passage through Legislature are contained in KBM.

The procedure for obtaining supplementary appropriations are also contained in paragraph 89 of KBM. Paragraph 62 of KBM prescribes the distribution of appropriations among controlling and disbursing officers, the responsibility of these officers for watching the progress of expenditure and ensuring that it does not exceed the appropriations, and fixes the authorities competent to sanction re-appropriation.

As per the provisions contained in paragraph 69 of the KBM, the control of expenditure is exercised by the Administrative Departments through the hierarchy consisting of the Chief Controlling Officer, the Subordinate Controlling Officer

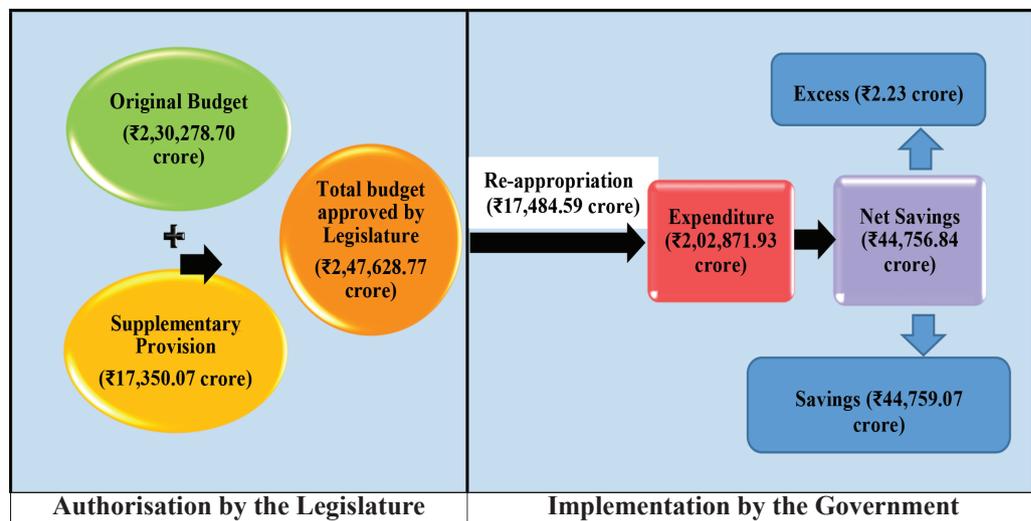
and the Disbursing Officer.

Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within a Grant in accordance with the procedure mentioned in paragraph 86(3) of KBM. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the voted Grant or Charged Appropriation. Separate statements should be prepared in respect of appropriations affecting the “charged” and “voted” sections and revenue, capital portions under each grant.

The annual budget is tabled in the State Legislature by the Finance Minister each year. The Finance Minister of Kerala presented the Budget for the State for the financial year 2022-23 on March 11, 2022.

The various components of expenditure authorised by the Legislature and implemented by the Government are depicted in **Chart 3.1**.

**Chart 3.1: Expenditure authorised by the Legislature and actual implementation by the Government**



Source: Compilation from VLC data

The accounts depicted an overall savings of ₹44,759.07 crore offset by excess of ₹2.23 crore during the year 2022-23 resulting in net savings of ₹44,756.84 crore. However, the fact remains that these savings were notional as there were no actual receipts / funds for surrender as detailed in **Table 3.1** below:

**Table 3.1: Budget vs Actuals**

(₹ in crore)

Sl No.	Budget		Actual Expenditure		Savings
	Original	Supplementary	Original	Supplementary	
1	2,30,278.70	17,350.07	2,02,871.93	-	44,756.84

Source: Appropriation Accounts for the year ended March 2023

The overall savings seen from above works out to ₹44,756.84 crore. It is also pertinent to mention here that the actual receipt in the Consolidated Fund was ₹1,95,343.80 crore and the actual expenditure was ₹2,02,871.93 crore during the year. This had led to an excess expenditure of ₹7,528.13 crore, which was met from the Public Account. Thus, the savings as worked out here (₹44,756.84 crore) is actually a notional savings, which had happened due to unnecessary supplementary budget.

The overall budget savings of ₹44,756.84 crore (more than supplementary provision) is indicative of the fact that instead of taking supplementary provision of ₹17,350.07 crore, Government could have made re-appropriations for meeting its additional requirements. This indicates poor budgetary management.

### 3.2 Gender Budgeting in Kerala

Gender Budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes, which are designed to benefit women fully or partly. Government of Kerala started placing the Gender Budget statement as a separate document along with the budget papers in the Legislature from 2017-18 onwards. Kerala Gender Budget has two Parts: Part A includes 90 to 100 per cent women specific schemes and Part B includes 30 to 90 per cent women specific schemes.

The total allocation earmarked for women across different departments for the period 2017-18 to 2022-23 under Part A and Part B schemes along with their percentage to total State Plan outlay is shown in **Table 3.2**.

**Table 3.2: Comparison of category wise Gender Budget allocation against Total State Plan outlay excluding allocation to Local Bodies from 2017-18 to 2022-23**

(₹ in crore)

Year	Total State Plan outlay*	Total Part 'A' Scheme allocation**	Total Part 'B' scheme allocation	Percentage of allocation in Part A scheme to total State Plan outlay	Percentage of allocation in Part B scheme of total State Plan outlay
(1)	(2)	(3)	(4)	(5) = (3/2) x100	(6) = (4/2) x100
2017-18	20,273.00	916.50	1,399.32	4.52	6.90
2018-19	22,150.00	1,267.28	1,973.05	5.72	8.91
2019-20	23,110.00	1,420.15	2,461.48	6.15	10.65
2020-21	20,707.00	1,509.33	2,300.54	7.29	11.11
2021-22	20,607.00	1,346.91	2,678.49	6.54	13.00
2022-23	22,322.00	1,619.82	3,045.38	7.26	13.64

\* Excludes allocation to Local Bodies

\*\*Includes allocation for Transgenders: ₹5.8 crore in 2022-23, ₹ five crore in 2019-20 to 2021-22, ₹ four crore in 2018-19 and ₹ three crore in 2017-18

Source: Gender budget document of respective years

The Gender budget document displays the Part A and Part B scheme categories against the Total State Plan outlay wherein both the categories showed an increasing trend as compared to the previous year.

The Part A and Part B categories when compared against the Original Budget Provision of respective years, the percentage allocation of the Part A category and Part B category were less than one *per cent* and two *per cent* respectively over the years as shown in **Table 3.3**.

**Table 3.3: Comparison of category-wise Gender Budget allocation against Original Budget provision from 2017-18 to 2022-23**

(₹ in crore)

Year	Budget Provision (Original)	Total Part 'A' scheme allocation	Total Part 'B' scheme allocation	Percentage of Part 'A' to Original Budget Provision	Percentage of Part 'B' to Original Budget Provision
(1)	(2)	(3)	(4)	(5) = (3/2) *100	(6) = (4/2) *100
2017-18	1,33,897.86	916.50	1,399.32	0.68	1.05
2018-19	1,42,809.88	1,267.28	1,973.05	0.89	1.38
2019-20	1,60,613.01	1,420.15	2,461.48	0.88	1.53
2020-21	1,70,431.18	1,509.33	2,300.54	0.89	1.35
2021-22	2,15,813.79	1,346.91	2,678.49	0.62	1.24
2022-23	2,30,278.70	1,619.82	3,045.38	0.70	1.32

Source: Appropriation Accounts and Gender budget document of respective years

During 2022-23, an amount of ₹1,619.82 crore was allocated in Part A category for 89 schemes under 15 grants/ sub sectors. The schemes of four grants as shown in the **Table 3.4** were examined and it was observed that there were savings under the grants/ sub sectors. The details of Schemes are given in **Appendix 3.1**.

**Table 3.4: Savings in Grants/ sub-sectors under Part A schemes (Women schemes with allocation of 90-100 per cent)**

(₹ in crore)

Sl No.	Grants/ Sub sectors	No. of Schemes	Budget allocation	Expenditure	Savings	Percentage of savings against Budget allocation
1	XII-Police	2	6.08	3.29	2.79	45.89
2	XXIV- Labour, Labour Welfare and Welfare of Non-residents	3	23.20	14.57	8.63	37.19
3	XXXVI-Rural Development	3	325.75	166.17	159.58	48.99
4	XLVI-Social Security and Welfare	24	165.42	105.10	60.32	36.46
	<b>Total</b>	<b>32</b>	<b>520.45</b>	<b>289.13</b>	<b>231.32</b>	<b>44.45</b>

Source: Gender budget document 2022-23, VLC compilation and reply furnished by State Planning Board

There was an overall savings of about 45 *per cent* in women schemes in Part A as shown in **Table 3.4** above. Savings under these women specific schemes indicate that the allocations for gender budgeting were not translated into effective implementation of the schemes.

To take stock of what the Gender budget schemes have achieved on the ground, it was envisaged in the Gender budget document of 2019-20 to present a Statement on the Financial Performance of the Gender Budget schemes of previous year together with a Gender audit of major schemes. Though it was informed by Finance Department that these performance reporting of Gender Budget schemes will be taken up by Kerala State Planning Board, no document was presented till date. State Planning Board has replied (September 2023) that Financial Performance of Gender Budget schemes is being prepared and will be submitted to the State Government along with the Annual Plan documents 2024-25.

### 3.3 Summary of Appropriation Accounts 2022-23

At the end of the financial year, the office of the Principal Accountant General (A&E) prepares Appropriation accounts along with Finance Accounts. Appropriation accounts are accounts of expenditure during a financial year compared with the sums specified in the schedules to Appropriation Act passed under Article 204 and 205 of the Constitution. Appropriation Accounts thus facilitate the understanding of utilization of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

This chapter is based on the audit of Appropriation Accounts of the State which compares the allocative priorities in the various schedules of the Appropriation Act with actual expenditure.

#### 3.3.1 Reconciliation between Finance Accounts and Appropriation Accounts

**As the grants and appropriation in Appropriation Accounts are for gross amounts required for expenditure, the expenditure figures shown against them do not include recoveries of overpayments (ROP) pertaining to previous years adjusted in the accounts in reduction of expenditure. However, ROPs are deducted from the Gross expenditure and only the net expenditure figures shown are shown in the Finance Accounts.**

**As per Para 3.10 and 4.3 of General Directions contained in List of Major and Minor Heads (LMMH) of Controller General of Accounts, Recoveries of Overpayments pertaining to previous year(s) under Revenue Expenditure are to be recorded under the distinct minor head 'Deduct Recoveries of Overpayments (code 911)', below the concerned Major/Sub Major head and in the case of Capital Expenditure 'Deduct-Receipts and Recoveries on Capital Account' are to be opened, wherever necessary below the relevant minor head under various Capital Major/Sub Major heads where the expenditure was initially incurred.**

The reconciliation between the total expenditure as per Appropriation accounts for the year 2022-23 and that shown in the Finance accounts for that year is given in **Table 3.5** below:

**Table 3.5: Comparison of figures in Appropriation accounts and Finance Accounts**

(₹ in crore)

Particulars	Revenue Voted	Capital Voted	Revenue Charged	Capital Charged	Total
Figures as per Appropriation Accounts	1,24,106.77	16,835.45	25,795.97	36,133.74	2,02,871.93
Deduct recoveries	7,948.15	200.88	3.65	0.07	8,152.75
Figures as per Finance Accounts	1,16,158.62	16,634.57	25,792.32	36,133.67	1,94,719.18

### 3.3.2 Summary of total budget provision, actual disbursements and savings/ excess during the financial year

The State was authorised to incur expenditure through 45 Grants and two Appropriations during 2022-23. Grants include either revenue or capital heads of expenditure or both. While 16 out of 45 Grants contain only voted items of expenditure, 29 Grants contained both voted and charged items of expenditure. Of the two charged appropriations, debt charges are revenue in nature whereas Public debt repayment are capital in nature. A summarised position of total budget provision and disbursement with its further bifurcation into voted/ charged during the year 2022-23 is given below in **Table 3.6**.

**Table 3.6: Number of Grants/ Appropriations operated by the State in 2022-23**

(₹ in crore)

Sl No.	Description	Total No. of Grants/ Appropriations	Items of Expenditure Voted/ Charged	Revenue	Capital	Budget Provision	Disbursements
A	Grants	45	Voted/ Charged	44	29	1,66,426.22	1,41,714.63
B	Appropriations	02	Charged	1	1	81,202.55	61,157.30
<b>Total (A+B)</b>						<b>2,47,628.77</b>	<b>2,02,871.93</b>

Source: Appropriation Accounts

The overall savings of ₹44,759.07 crore, when offset by excess of ₹2.23 crore in certain Grants/ Appropriations, led to a net savings of ₹44,756.84 crore under 44 Grants/ Appropriations. The savings/excess under Grants/ Appropriations can be further split up into revenue/ capital account of expenditure as given below in **Table 3.7**.

**Table 3.7: Grants and Appropriations with excesses and savings**

Description	Savings			Excess			Net Savings (₹ in crore)
	Revenue	Capital	Total amount (₹ in crore)	Revenue	Capital	Total amount (₹ in crore)	
Grants (Voted/Charged)	44	29	44,759.07	2	1	2.23	44,756.84
Appropriations (only Charged)	01	01		-	-		

Source: Summary of Appropriation Accounts

### 3.3.3 Charged and Voted Disbursements

The summarised position of voted and charged disbursements for the period from 2018-19 to 2022-23 is shown in **Table 3.8**.

**Table 3.8: Charged and Voted disbursements during the five-year period 2018- 2023**  
(₹ in crore)

Sl No.	Year	Provisions		Disbursements		Savings(-)/ excess(+) (percentage of variation in bracket)	
		Voted	Charged	Voted	Charged	Voted	Charged
1	2018-19	1,28,951.18	31,423.72	1,08,023.71	35,697.89	(-) 20,927.47(16)	(+) 4,274.17(14)
2	2019-20	1,31,064.55	63,398.06	1,00,174.27	63,641.53	(-) 30,890.28(24)	(+) 243.47(0.4)
3	2020-21	1,43,219.41	65,727.38	1,24,436.83	60,440.56	(-) 18,782.58(13)	(-) 5,286.82(8)
4	2021-22	1,60,240.49	76,775.63	1,45,510.41	59,940.99	(-) 14,730.08(9)	(-) 16,834.64(22)
5	2022-23	1,65,469.06	82,159.71	1,40,942.23	61,929.70	(-) 24,526.83(15)	(-)20,230.01(25)

Source: Appropriation Accounts for the respective years

Voted disbursements increased by 30.47 per cent from ₹1,08,023.71 crore in 2018-19 to ₹1,40,942.23 crore in 2022-23. Similarly, charged disbursements increased by 73.48 per cent from ₹35,697.89 crore in 2018-19 to ₹61,929.70 crore in 2022-23.

The savings under voted and charged items of expenditure increased during 2022-23 as compared to the previous year and as a result the overall savings (variation between grant/ appropriation and expenditure) increased by 4.76 per cent from 13.31 per cent in 2021-22 to 18.07 per cent in 2022-23.

### 3.3.4 Budget marksmanship

Budget Marksmanship is about examining the relations between the budget

projections of revenue and expenditure against actual receipt and spending. The World Bank's Public Expenditure and Financial Accountability (PEFA) measures the Budget Reliability in terms of Aggregate Expenditure Outturn and Expenditure Composition Outturn.

### 3.3.4.1 Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. During 2022-23, out of 45 Grants and two appropriations, the provision under revenue section was made in 44 grants and one appropriation and provision under Capital section was made in 29 grants and one appropriation.

**Table 3.9: Extent to which the actual expenditure reflects the original approved Budget**

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn (percentage in brackets)	Difference between Actual and BE*
Revenue	1,58,541.44	1,49,902.74 (95)	(-) 8,638.70
Capital	71,737.26	52,969.19 (74)	(-) 18,768.07
<b>Total</b>	<b>2,30,278.70</b>	<b>2,02,871.93 (88)</b>	<b>(-) 27,406.77</b>

\*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure

In Capital section, deviation in outturn compared with BE was (-) 26.16 %. This was due to deviation between 0 and  $\pm 25$  per cent in seven grants, between  $\pm 25$  to  $\pm 50$  per cent in 12 grants/ appropriation, between  $\pm 50$  per cent to  $\pm 75$  per cent in six grants, between  $\pm 75$  per cent to  $\pm 100$  in three grant and more than 100 per cent in two grants.

### 3.3.4.2 Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

**Table 3.10: Extent to which the re-allocation (Revised Estimate) between the budget categories contributed to variance in Actual expenditure**

(₹ in crore)

Description	Original Approved Budget (BE)	Revised Estimate (RE)	Actual	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	1,58,541.44	1,50,332.75	1,49,902.74	8,208.69	(-)430.01
Capital	71,737.26	53,279.61	52,969.19	18,457.65	(-)310.00
<b>Total</b>	<b>2,30,278.70</b>	<b>2,03,612.36</b>	<b>2,02,871.93</b>	<b>26,666.34</b>	<b>(-)740.43</b>

\*Excess of actuals over revised estimate is denoted as (+) figure and shortage of actuals over revised estimate is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was (-) 0.29 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 41 grants/ appropriation, between  $\pm 25$  per cent to  $\pm 50$  per cent in four grants.

In Capital section, deviation in outturn compared with RE was (-) 0.58 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 15 grants/ appropriation, between  $\pm 25$  to  $\pm 50$  per cent in nine grants and between  $\pm 50$  per cent to  $\pm 75$  per cent in six grants. No provision in capital section, was made in respect of 16 grants<sup>26</sup> and one appropriation.

### 3.4 Appropriation Accounts 2022-23

Audit of Appropriations by the CAG of India seeks to ascertain

- Whether the expenditure actually incurred under various Grants is in accordance with the authorisation given in the Appropriation Act.
- Whether the expenditure required to be charged under the provisions of the Constitution is so charged.
- Whether the expenditure incurred is in confirmation with laws, relevant rules, regulations and instructions.

The results of audit scrutiny of Appropriation Accounts are detailed in the subsequent paragraphs.

### 3.5 Comments on integrity of Budgetary and Accounting process

#### 3.5.1 Non-regularisation of expenditure incurred by way of additional authorisation

Paragraph 95(3) of the KBM provides for additional authorization of funds by the Administrative department with the concurrence of the Finance Department in cases not involving 'new service' and where the requirement of funds is urgent and expenditure cannot be postponed till the supplementary grants of next batch are voted. But all such cases are required to be regularised before the close of the financial year by providing additional funds to cover the expenditure either through re-appropriation or by obtaining supplementary grant.

It was observed that an expenditure of ₹231.68 crore was incurred in seven cases under five grants during 2022-23 without having any provision in the original budget estimates/ Supplementary demands and without issuing any re-appropriation orders to this effect to regularise the expenditure as shown in **Table 3.11** below:

<sup>26</sup> Grant no. 1 to 11, 13,16,19,26 & 43 and Appropriation 'Debt Charges'

**Table 3.11: Expenditure incurred by way of additional authorisation pending regularisation**  
(₹ in crore)

Sl No.	Grant	Scheme	Expenditure
1	IV-Elections	2015-00-103-99-C-Assembly and Parliament	2.10
2	XII-Police	4055-00-207-88-V-Installation of CCTV cameras in Police Stations	3.00
3	XII-Police	4055-00-207-97-C-Other Buildings	0.08
4	XXI-Housing	4216-80-201-94-V-Flats/ quarters for Govt. Employees/ Higher Officers at KSHB Land in Kozhikode	1.35
5	XXXVII-Industries	4859-02-004-88-V-Scheme for Special Assistance as loan from Government of India for Capital Expenditure	25.00
6	XXXVII-Industries	4885-01-190-98-V-The Kerala Financial Corporation -Investments	200.00
7	XXXVIII-Irrigation	4711-02-103-99-C-Civil Works	0.15
		<b>Total</b>	<b>231.68</b>

Source: Appropriation Accounts

Incurring of expenditure by the department on the strength of additional authorisation without regularising it either through re-appropriation or by obtaining supplementary grant is in violation of the provision of para 95(3) of the KBM.

### 3.5.2 Misclassification of Expenditure in Government Accounts

Misclassification of transactions as revenue/capital are characterised by lack of application of rules of classification of transactions under relevant heads.

During 2022-23, capital expenditure amounting to ₹12.35 crore were shown as revenue expenditure even though the expenditure were of capital in nature as detailed in **Table 3.12**.

**Table 3.12: Incorrect classification of expenditure**

(₹ in crore)

Sl No.	Head of Account	Nature of expenditure	Amount of expenditure	Name of DDO
1	2055-00-115-98-41(P)(V) Modernisation of Police Department	Setting up of Cyber Security Centre (Cyber-Dome)	0.52	State Police Chief, Police Headquarters
2	2225-02-102-71(P)(V) Edamalakudi Comprehensive Development Package	Road Construction	3.25	Director of ST Development
3	2230-03-101-80(P)(V) Setting up of New ITIs	Construction of ITI building	4.45	The Director of Training, Industrial Training Department
4	2551-60-101-97(P)(V) Development of Hill Areas Kasaragod Package	Construction of residential facilities (Girl's hostel and teachers' quarter)	4.13	Director of Medical Education
		<b>Total</b>	<b>12.35</b>	

Source: Compiled from vouchers received at A&E office

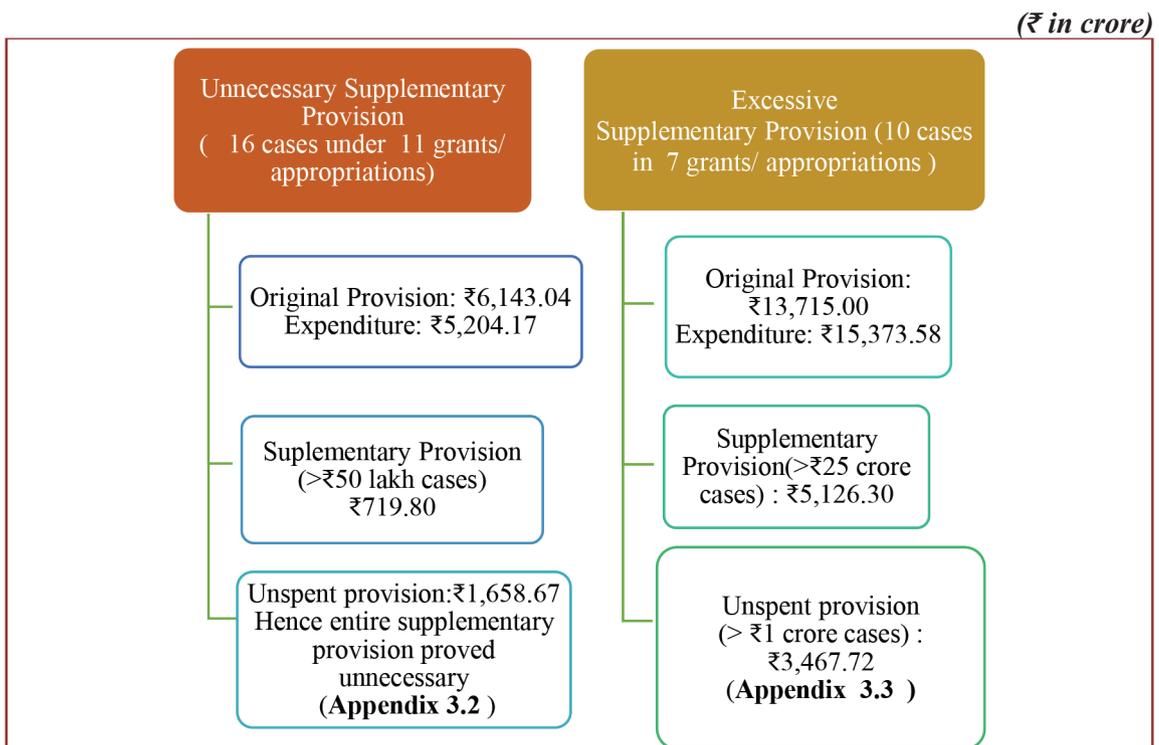
Misclassification between revenue and capital expenditure has a bearing on revenue account and the fiscal indicator viz., revenue surplus/deficit.

In reply (October 2023) to audit enquiry, Finance Department informed that directions have already been given to the concerned Administrative Departments for issuing sanction orders for the reclassification of the expenditure.

### 3.5.3 Unnecessary /Excessive supplementary grants

Test checked cases of supplementary provisions showed instances of unnecessary and excessive provisions (**Appendix 3.2** and **Appendix 3.3**) as detailed in **Chart 3.2**.

**Chart 3.2: Unnecessary/Excessive Supplementary provision**



Source: Compilation from VLC data

From the above, it was noticed that there were instances where supplementary provision provided were unnecessary/excessive as original provisions were enough to take care of the expenditure. The State Government should ensure that supplementary estimates are made based on realistic requirements.

### 3.5.4 Re-appropriation

As per Para 83 of KBM, 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. However, considerable re-appropriation from one sub-head to another must always be avoided and the process of re-appropriation should not be merely used to rectify omissions and lack of foresight.

Audit scrutiny of re-appropriations of above ₹one crore in schemes having savings / excess of above ₹25 crore disclosed unnecessary and excessive re-appropriations. There were cases of insufficient re-appropriations of above ₹one crore which resulted in final excess expenditure of above ₹one crore indicating inaccurate and unrealistic budgeting.

#### ***3.5.4.1 Unnecessary/ Excessive/ insufficient re-appropriation of Funds***

Audit scrutiny of re-appropriations of funds during 2022-23 revealed cases of unnecessary/excessive /insufficient re-appropriation of funds (**Appendix 3.4**) as detailed below:

- In 16 cases under seven grants, additional funds (cases above ₹one crore) of ₹1,691.46 crore provided by way of re-appropriations proved unnecessary, as it resulted in unspent provision (cases above ₹25 crore) of ₹3,515.97 crore.
- In 11 cases under six grants, additional funds (cases above ₹one crore) of ₹1,944.64 crore provided through re-appropriations were excessive resulting in unspent provision (cases above ₹25 crore) of ₹1,116.26 crore.
- In five cases under four grants, additional funds of ₹625.76 crore provided through re-appropriation (cases above ₹one crore) were insufficient as it resulted in excess expenditure of ₹20.68 crore.

#### **3.5.5 Unspent provisions against budget allocation and large savings/surrenders**

As per para 14 of KBM, the estimates should always receive the careful personal attention of the officers who submit them, who should ensure that they are neither inflated nor underpitched, but as accurate as practicable. This is possible only if the Estimating Officers keep themselves thoroughly acquainted with the flow of revenue and expenditure. While provision should be made for all items that can be foreseen, it is essential that it is restricted to the amount required for actual expenditure during the year. The general tendency to underestimate expenditure should be avoided, and a realistic picture of the finances of the department presented.

Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation / weak internal controls promote release of funds towards the end of the financial year and increase the propensity of the Departments to retain huge balances outside the Government account in Bank Accounts. Excessive savings also deprives other Departments of the funds which they could have utilised.

##### ***3.5.5.1 Grants having large savings***

There were 33 cases of unspent provisions, each exceeding ₹100 crore and above under 25 grants/appropriation, which aggregated ₹43,074.45 crore. Large unspent provisions, i.e., more than ₹2,000 crore were in the areas of Revenue Voted under ‘Education, Sports, Art and Culture’, ‘Rural Development’, ‘Social Security and Welfare’, Capital Voted under ‘Water Supply and Sanitation’ Revenue Charged

under Public Debt Repayment as indicated in the **Appendix 3.5**.

In nine grants/ appropriations, there was recurrence of savings of above 10 per cent against the Budget Provision during the period 2018-19 to 2022-23 as shown in **Table 3.13**. The details are given in **Appendix 3.6**.

**Table 3.13: Grants with savings above 10 per cent against the Budget Provision during the period 2018-2023**

(in percentage)

Sl No.	Grant	2018-19	2019-20	2020-21	2021-22	2022-23
1	21-Housing	66	61	12	26	36
2	22-Urban development	60	51	38	55	19
3	24-Labour, Labour Welfare and Welfare of Non-Residents	15	47	24	20	46
4	28-Micellaneous Economic Services	50	61	27	15	12
5	29-Agriculture	24	44	17	21	30
6	36- Rural Development	70	72	46	68	60
7	37-Industries	30	55	12	23	28
8	38-Irrigation	33	37	41	12	25
9	40-Ports	24	34	22	23	26

Source: Compilation from VLC data

### 3.5.5.2 Surrender of savings

The following **Table 3.14** depicts the distribution of the number of grants/ appropriations grouped by percentage of utilisation along with total savings in each group and surrender thereon.

**Table 3.14: Grants/appropriations grouped by the percentage of utilisation, savings and surrender thereon**

(₹ in crore)

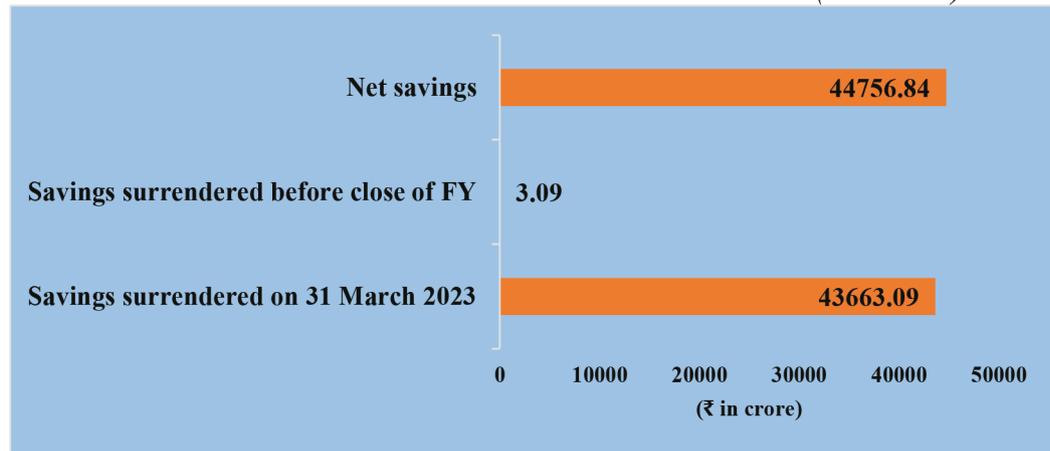
Sl No.	Category (Budget Utilisation in percentage)	No. Grant/ Appropriation	Provision	Expenditure	Savings	Surrender	Balance
1	Less than 30	0	0	0	0	0	0
2	30-50	2	9,969.62	4,313.85	5,655.77	5,649.90	5.87
3	50-70	6	60,625.96	39,419.30	21,206.66	20,898.61	308.05
4	70-90	22	85,356.59	71,587.44	13,769.15	13,293.65	475.50
5	90-100	17	91,676.60	87,551.34	4,125.26	3,824.02	301.24
	<b>Total</b>	<b>47</b>	<b>2,47,628.77</b>	<b>2,02,871.93</b>	<b>44,756.84</b>	<b>43,666.18</b>	<b>1,090.66</b>

Source: Compilation from VLC data

As per para 91 of KBM, all anticipated savings should be surrendered to the Finance Department, through the Administrative Department, explaining the reason therefore, immediately as they are foreseen, without waiting till the end of the year, unless they are required to meet excesses under other units, which are definitely foreseen at the time. In contravention to the above provision of KBM, out of the net savings of ₹44,756.84 crore, an amount of ₹3.09 crore only was surrendered before 31 March 2023 and a huge amount of ₹43,663.09 crore was surrendered on 31 March 2023 as shown in **Chart 3.3**.

**Chart 3.3: Savings and surrenders before close of financial year 2022-23**

(₹ in crore)



Source: VLC data and details collected from A&E office

\*An amount of ₹1,090.66 crore was not surrendered at the close of the financial year 2022-23.

### 3.5.6 Excess expenditure and its regularisation

Article 204(3) of the Constitution provides that subject to the provisions of Articles 205 and 206, no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature.

Article 205(1) (b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that, it is mandatory for a State Government to get excesses over Grants/ Appropriations regularised by the State Legislature for the financial year.

Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability by the Legislature over utilisation of public money by the Executive.

### 3.5.6.1 Excess expenditure relating to financial year 2022-23

**As per para 97(1) of KBM, it is always the responsibility of the department administering a grant to ensure that the actual expenditure does not exceed the amount placed at its disposal by the Legislature. If expenditure over and above this amount becomes unavoidable, it is open to the department to obtain a supplementary grant before the close of the financial year. As such, excess expenditure which comes to notice after the expiry of the financial year is always looked upon as an irregularity.**

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of poor planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

A summary of excess disbursements over Grants/ Appropriations during 2022-23 are furnished in **Table 3.15**.

**Table: 3.15: Summary of excess disbursements over Grants/ Appropriations during the year 2022-23**

(₹ in crore)

Sl No.	Name of Department/Grant	Charged	
		Revenue	Capital
1	IV- Elections	2.10	
2	XXV- Welfare of Scheduled castes, scheduled tribes, other backward classes and minorities	0.05	
3	XII-Police		0.08
	<b>Total Excess</b>	<b>2.15</b>	<b>0.08</b>
	<b>Grand Total</b>		<b>2.23</b>

Source: Summary of Appropriation Accounts

Excess expenditure incurred in three appropriations amounting to a total of ₹2.23 crore requires regularisation. The reasons given by the departments in this regard are given in **Table 3.16**.

**Table 3.16: Reasons furnished by Finance Department for excess expenditure**

Sl No.	Name of Grant/ HoA	Reasons for excess expenditure
1	IV-Elections (Revenue Charged) 2015-00-103-99 – Assembly and Parliament	Excess expenditure of ₹2.10 crore was incurred to pay printing charges to Keltron. This additional expenditure was not regularised either by Supplementary demand for grant (SDG) or Final re-appropriation as Final SDG was already presented in the Legislature at that time and there was only a token provision under the Charged Section of Grant IV for re-appropriation.

Sl No.	Name of Grant/ HoA	Reasons for excess expenditure
2	XXV- Welfare of Scheduled castes, scheduled tribes, other backward classes and minorities (Revenue Charged) 2225-01-800-23 Debt Waiver of Scheduled Castes	Excess expenditure of ₹0.05 crore was due to reclassification of expenditure from 2225-01-800-57 to 2225-01-800-23 towards disbursement of amount to Udumbannor Service Co-operative Bank. Finance Department informed that specific instructions have been given to the concerned Administrative Department for initiating action for regularising the excess expenditure.
3	XII-Police (Capital Charged) 4055-00-207-97-01-Other Buildings	Excess expenditure of ₹0.08 crore was incurred for which the Finance department did not receive any proposal from the Controlling Officer 'The Chief Engineer, PWD Buildings and Local Works' to regularise the excess expenditure by way of re-appropriation or by Supplementary grant.

Source: Compiled from the reply received from Finance department

Incurring expenditure in excess of Grants approved by the State Legislature is in violation of the Article 205 of the Constitution of India.

### 3.5.6.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining without regularisation for extended periods dilutes legislative control over the executive.

Year-wise details of excess expenditure to be regularised upto the year ending 31 March 2022 are shown in **Table 3.17**.

**Table 3.17: Abstract of pendency of regularisation**

(₹ in crore)

Sl No.	Year	Number of Grants/ Appropriations	Excess expenditure to be regularised
1	2016-17	8	141.17
2	2017-18	9	3,545.44
3	2018-19	6	4,463.16
4	2019-20	3	665.37
5	2020-21	14	1,462.79
6	2021-22	9	268.47
<b>Total</b>		<b>49</b>	<b>10,546.40</b>

Source: Details collected from Public Accounts Committee (PAC) section

Excess expenditure of previous financial years amounting to ₹10,546.40 crore from the year 2016-17 to 2021-22 as detailed in **Appendix 3.7** are yet to be regularised. This is in violation of the Article 205 of the Constitution of India.

## 3.6 Comments on transparency of budgetary and accounting process

### 3.6.1 Unnecessary token provision in Original Grant

It was observed that from 2018-19 to 2022-23, token provisions were made in 140 subheads(schemes) persistently under various grants as shown in **Table 3.18**

which remained token provisions without augmentation of the provisions through re-appropriations or Supplementary grant. The list of 140 schemes is detailed in **Appendix 3.8**.

**Table 3.18: Grants with the number of schemes where token provision was made repeatedly from 2018-19 to 2022-23 with no expenditure**

Sl No.	Grant	No. of Sub-heads (Schemes)
1	XVI-Pensions and Miscellaneous	16
2	XV-Public Works	13
3	XXV-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	12
4	XVIII-Medical and Public Health	12
5	LX-Debt Charges	10
6	XVII-Education, Sports, Art and Culture	8
7	XII-Police	8
8	VI-Land Revenue	7
9	XXVIII-Miscellaneous Economic Services	6
10	XXIV-Labour, Labour Welfare and Welfare of Non-Residents	6
11	XXIX-Agriculture	5
12	XI-District Administration and Miscellaneous	5
13	II-Heads of States, Ministers and Headquarters Staff	4
14	XXXVII-Industries	3
15	XXXV-Panchayat	3
16	XLI-Transport	3
17	XIV-Stationery and Printing and Other Administrative Services	3
18	XXXVIII-Irrigation	2
19	XXXIV-Forest	2
20	XLVI-Social Security and Welfare	2
21	XLV-Miscellaneous Loans and Advances	2
22	XXI-Housing	1
23	VIII-Excise	1
24	XXX-Food	1
25	XIX-Family Welfare	1
26	IX-Taxes on Vehicles	1
27	XXXIX-Power	1
28	XLII-Tourism	1
29	VII-Stamps and Registration	1
	<b>Total</b>	<b>140</b>

Source: Compilation from VLC data

The schemes were kept alive during the last five years without the budgetary implications being worked out or any expenditure being incurred during the years. This indicates department lacked proper estimation of provision and execution of financial plan. Also, the practice of meeting expenditure with an

anticipation of savings in other heads was indicative of poor budgetary process.

The State Government should review the schemes where repeated token provisions are made in the Budget estimates over the years.

### 3.7 Comments on effectiveness of budgetary and accounting process

#### 3.7.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/ other receipts and public expenditure holds the balance for the achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

The total provision for expenditure in 2022-23 was ₹2,47,628.77 crore. The actual gross expenditure during the year was ₹2,02,871.93 crore. This resulted in savings of ₹44,756.84 crore in 2022-23 of which ₹43,663.09 crore (97.56 per cent) was surrendered on 31 March 2023 and ₹3.09 crore (0.01 per cent) was surrendered before the close of the financial year.

Summarised position of Actual Expenditure vis-a-vis Budget (Original/ Supplementary) provisions during the financial year 2022-23 is given below in **Table 3.19**.

**Table 3.19: Summarised position of Actual expenditure and Budget**

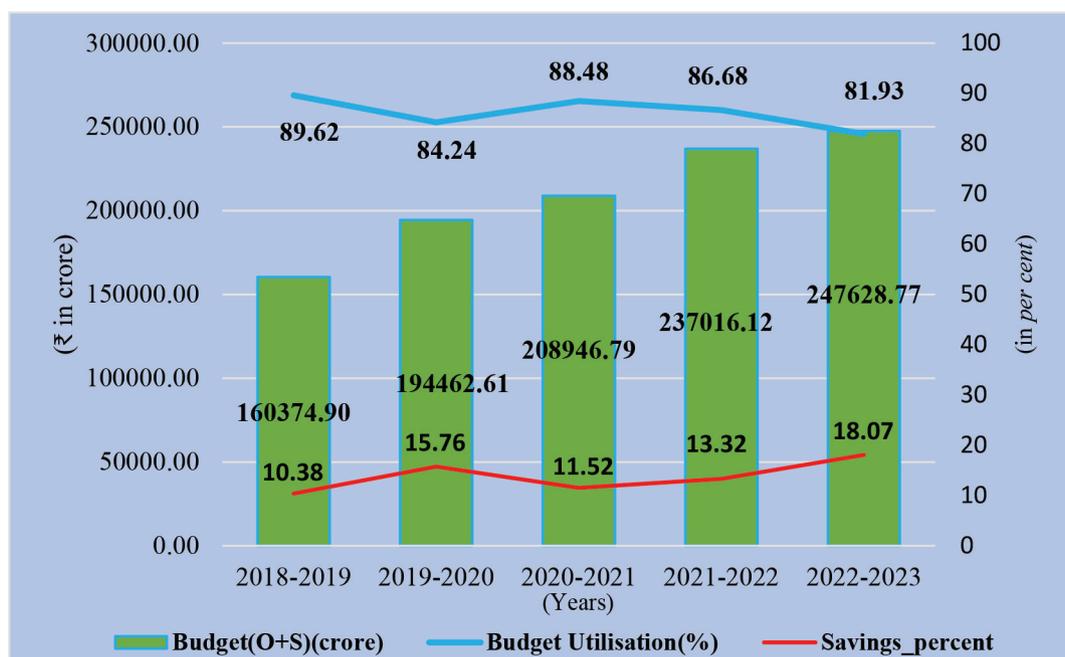
(₹ in crore)

Nature of expenditure		Original Grant/ App	Supplementary Grant/ App.	Total	Actual expenditure	Savings	Surrender during 2022-23	per cent of expenditure to Provision
Voted	I. Revenue	1,32,051.77	11,193.19	1,43,244.96	1,24,106.77	(-)19,138.19	17,931.15	86.64
	II. Loans and Advances	1,630.86	1,346.23	2,977.09	2,790.76	(-)186.33	351.67	93.74
	III. Capital Voted	14,878.05	4,368.96	19,247.01	14,044.69	(-)5,202.32	5,226.59	72.97
<b>Total</b>		<b>1,48,560.68</b>	<b>16,908.38</b>	<b>1,65,469.06</b>	<b>1,40,942.22</b>	<b>(-) 24,526.84</b>	<b>23,509.41</b>	<b>85.18</b>
Charged	Revenue	26,489.67	262.75	26,752.42	25,795.97	(-)956.45	883.17	96.42
	Public Debt	55,197.75	0	55,197.74	35,980.76	(-)19,216.99	19,216.99	65.19
	Loans and Advances	0	0.31	0.31	0.17	(-)0.14	0.14	54.84
	Capital	30.60	178.63	209.24	152.81	(-) 56.42	56.47	73.03
<b>Total</b>		<b>81,718.02</b>	<b>441.69</b>	<b>82,159.71</b>	<b>61,929.71</b>	<b>(-) 20,230.00</b>	<b>20,156.77</b>	<b>75.38</b>
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total</b>		<b>2,30,278.70</b>	<b>17,350.07</b>	<b>2,47,628.77</b>	<b>2,02,871.93</b>	<b>(-) 44,756.84</b>	<b>43,666.18</b>	<b>81.93</b>

Source: Appropriation Accounts

The **Chart 3.4** displays the budget utilisation, the utilisation percentage in relation to budget allocation, and the percentage of savings for the period 2018–19 to 2022–23.

**Chart 3.4: Budget Utilisation during 2018-19 to 2022-23**



Source: Compilation from VLC data

From the **Chart 3.4** above, it is evident that the utilisation of budget provision ranged from 81.93 per cent to 89.62 per cent during the five-year period with the lowest recorded in 2022-23 with a huge savings of 18.07 per cent of the Budget Provision. Trends in the original budget, revised estimate, and actual expenditure for the period 2018-19 to 2022-23 are given in **Table 3.20**.

**Table 3.20: Trends in overall savings against overall provision**

	(₹ in crore)				
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Original Budget	1,42,809.88	1,60,613.01	1,70,431.18	2,15,813.79	2,30,278.70
Supplementary Budget	17,565.02	33,849.60	38,515.61	21,202.33	17,350.07
Total Budget (TB)	1,60,374.90	1,94,462.61	2,08,946.79	2,37,016.12	2,47,628.77
Revised Estimate (RE)	1,46,750.35	1,71,536.69	1,64,292.70	2,08,086.26	2,03,612.36
Actual Expenditure (AE)	1,43,721.59	1,63,815.80	1,84,877.38	2,05,451.40	2,02,871.93
Savings	16,653.31	30,646.81	24,069.41	31,564.72	44,756.84
Percentage of Supplementary to the original provision	12.30	21.08	22.60	9.82	7.53

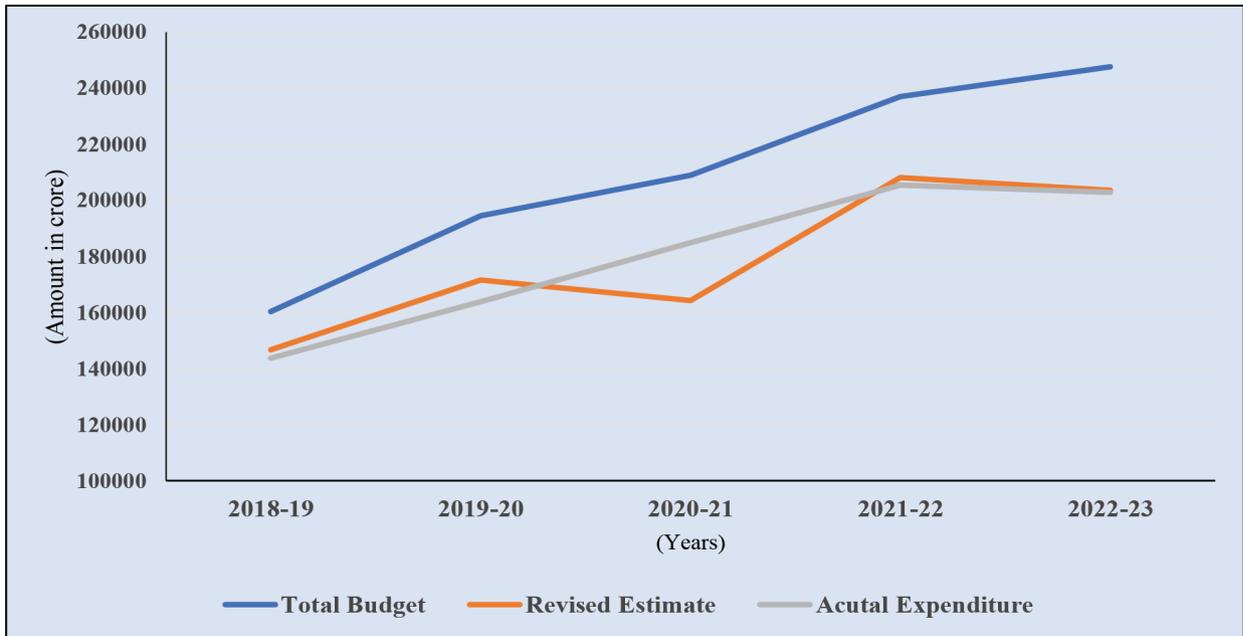
	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Percentage of overall Savings/excess to the overall provision	10.38	15.76	11.52	13.32	18.07
TB-RE	13,624.55	22,925.92	44,654.09	28,929.86	44,016.41
RE-AE	3,028.76	7,720.89	(-)20,584.68	2,634.86	740.43
(TB-RE) as per cent of TB	8.50	11.79	21.37	12.21	17.78
(RE-AE) as per cent of TB	1.89	3.97	(-)9.85	1.11	0.30

Source: Appropriation Accounts, VLC data and demand for grants

Although, the supplementary provision of ₹17,350.07 crore during the year constituted only seven *per cent* of the original provision as against nine *per cent* in the previous year (2021-22), yet the overall savings against the overall provision increased significantly from 13.32 *per cent* in 2021-22 to 18.07 *per cent* in 2022-23.

The trends of Total budget, Revised Estimate and Actuals during 2018-19 to 2022-23 are shown in **Chart 3.5**.

**Chart 3.5: Trends of Total Budget, Revised Estimate and Actuals during 2018-19 to 2022-23**



Source: Appropriation Accounts, VLC data and demand for grants

From the above **Chart 3.5**, it can be seen that during the period from 2018-19 to 2022-23, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the State. The gap between the RE and the TB showed a fluctuating trend wherein during the first three years, the gap rose sharply from below 10 *per cent*

to about 21 per cent and then fell sharply to 12 per cent in 2021-22. However, the gap again rose to about 18 per cent in 2022-23 indicating larger estimation error during the year.

### 3.7.2 Missing/ incomplete explanation for variation from the budget

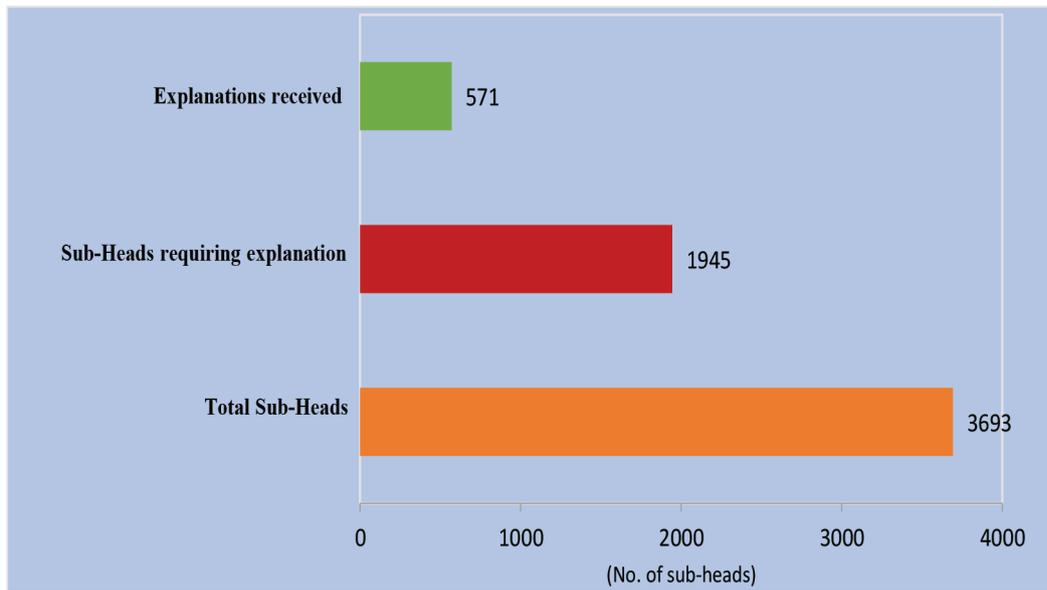
Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision including supplementary provision.

The threshold levels for inclusion of detailed comments in the Appropriation Accounts are as per the limits approved by the PAC. The norms for selection of sub-heads for comments and for detailed comments are given in the introductory portion of the Appropriation Account of the respective years.

In audit of Appropriation Accounts of 2022-23, it was noticed that the Controlling Officers have not provided explanation/specific reasons for the variations in the expenditure vis-à-vis budgeted allocation in about 70.64 per cent of the cases.

Out of the total 3,693 Sub-heads, explanation for variation were required in respect of 1,945 Sub-heads. However, appropriate reasons for variations in 1,374 Sub-heads were not furnished by the Controlling Officers of Government Departments. In respect of the Sub-heads involved, the total number of Sub-heads in the accounts, those requiring explanation for variation, and the Sub-heads where explanation was received for variations from allocations, are given in **Chart 3.6**.

**Chart 3.6: Summary of Explanation for Variation in Appropriation Accounts**



Source: Appropriation Accounts

Absence of explanation for variation between the budgeted allocation and its utilisation, limits legislative control over budget as a means of ensuring financial accountability of the Government.

### 3.7.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Every year, budget is placed before the Kerala Legislative Assembly. The Budget Speech by the State Finance Minister provides the broad framework of expenditure for the current financial year in different sectors and explains the priorities of the Government by way of pronouncement of new projects/ schemes for the social and economic welfare of the people of the State.

As per information furnished by the Finance department (October 2023), the State Government initiated 27 new schemes during 2022-23 of which 14 schemes were implemented or in final Stages of implementation, and 13 schemes were not implemented. No budget provision was provided for any of these 13 schemes, of which in eight schemes no project proposals were submitted by the Administrative department. The summarised details of new schemes are given in **Table 3.21** below and the detailed list of the schemes are given in **Appendix 3.9**.

**Table 3.21: Summarised details of new schemes/ projects announced in budget speech 2022-23**

Sl No.	Category	Numbers	Remarks
1	Schemes commenced/ implemented	14	Schemes were either commenced or in the final stages of implementation.
2	Schemes not implemented	13	<ul style="list-style-type: none"> <li>➤ In all 13 Schemes there was no actual budget provision provided.</li> <li>➤ In eight schemes, the Administrative departments did not submit any proposals</li> </ul>
	<b>Total Schemes</b>	<b>27</b>	

The State Government should back the schemes announced with adequate funds and timely submission of project proposals for its implementation and also to ensure that the provisions and allocations are translated into effective implementation of the schemes followed by robust monitoring mechanism.

### 3.7.4 Rush of Expenditure

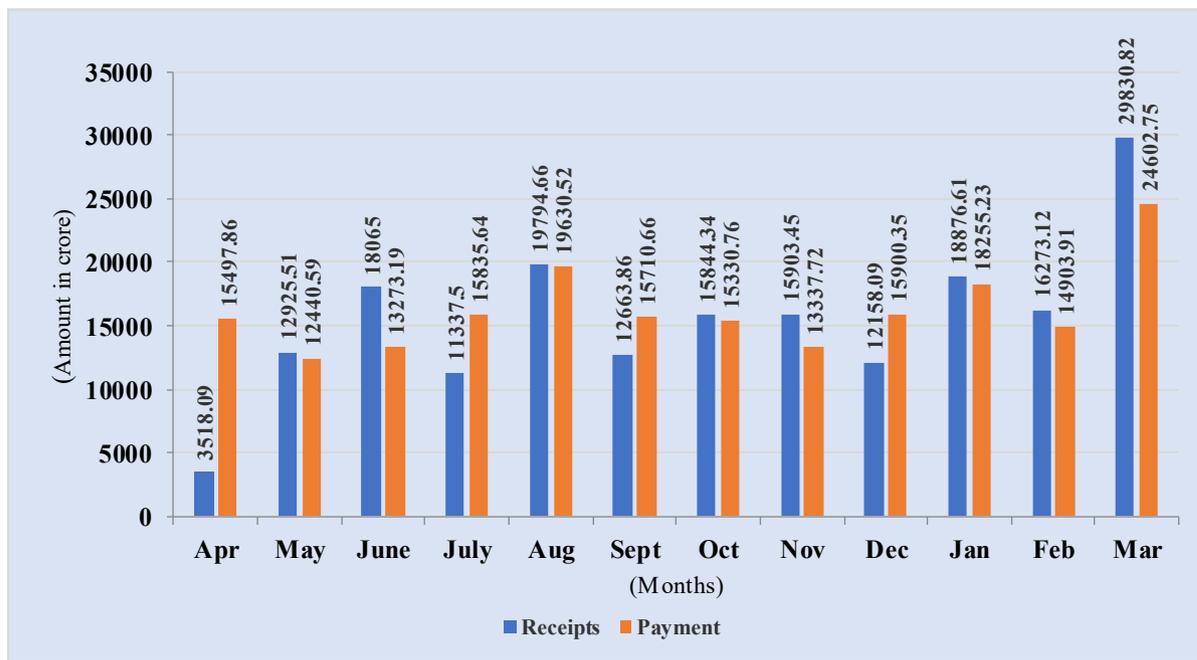
Government Funds should be spent evenly throughout the year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure.

As per para 91(2) of the KBM, the flow of expenditure should be so regulated

throughout the year that there is no rush of expenditure, particularly during the closing months of the financial year.

**Chart 3.7: Monthly receipts and expenditure during the financial year for the State**

(₹ in crore)



Source: Monthly Civil Accounts 2022-23

**Chart 3.7** shows that for 2022-23, the monthly spread of receipts and expenditure of the State were not generally even across all the months.

Audit scrutiny also revealed that under nine grants, the expenditure incurred in the month of March alone was more than 20 per cent of total expenditure incurred under the grant. The expenditure incurred during the 4<sup>th</sup> quarter of the year in the above grants ranged between 25 per cent and 61 per cent. The details of expenditure in March alone (in order of descending percentage) and quarterly basis are shown in **Table 3.22**.

**Table 3.22: Grants with more than 20 per cent of expenditure in March alone (Descending order of percentage)**

(₹ in crore)

Sl No	Grant	Allocation during 2022-23	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Expenditure in March	Total Expenditure during 2022-23	Expenditure in 4th qtr as percentage of total expenditure	Expenditure in March 2023 as percentage of total expenditure
1	XXXIX-Power	472.30	6.01	124.42	87.76	209.94	190.21	428.14	49.04	44.43
2	XX-Water Supply and Sanitation	4,201.21	25.06	670.20	86.92	1,214.35	572.64	1,996.53	60.82	28.68
3	XV-Public Works	7,371.58	1,241.83	895.68	1,056.36	2,037.80	1,355.43	5,231.67	38.95	25.91

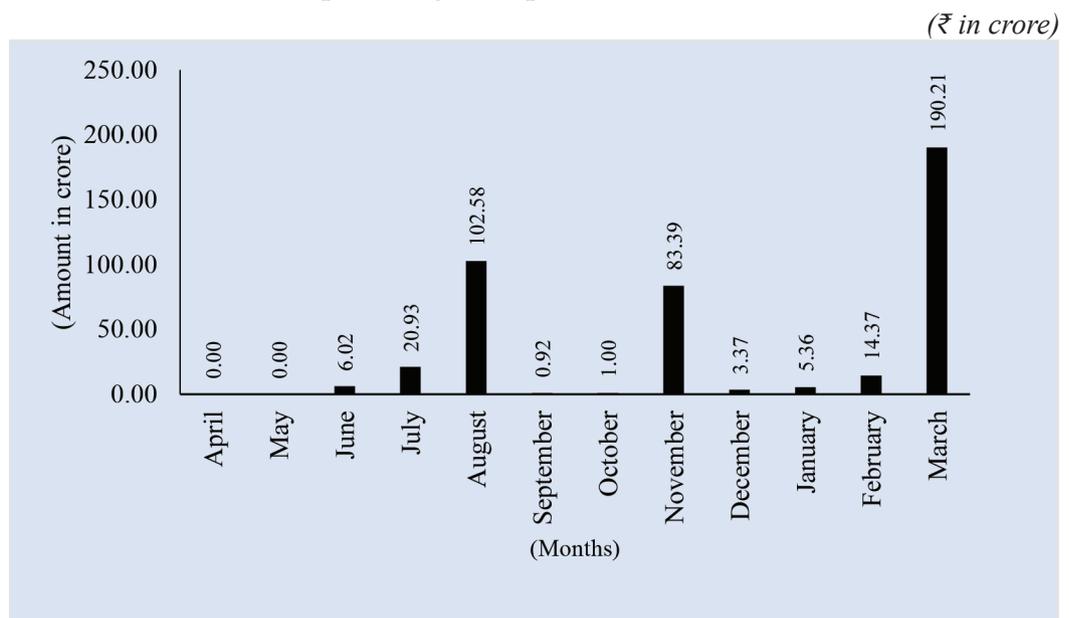
Sl No	Grant	Allocation during 2022-23	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Expenditure in March	Total Expenditure during 2022-23	Expenditure in 4th qtr as percentage of total expenditure	Expenditure in March 2023 as percentage of total expenditure
4	XLIII-Compensation and Assignments	11,053.66	1,249.07	1,538.51	2,547.41	4,227.53	2,394.77	9,562.52	44.21	25.04
5	XLV-Miscellaneous Loans And Advances	660.43	152.19	165.48	172.88	162.65	161.31	653.20	24.90	24.69
6	XLI-Transport	3,065.73	558.05	504.00	613.69	937.33	640.84	2,613.07	35.87	24.52
7	XXXVI-Rural Development	5,768.41	455.22	1,265.12	623.08	1,060.52	766.13	3,403.94	31.16	22.51
8	XXXVII-Industries	1,926.71	232.06	286.60	290.63	548.67	292.45	1,357.96	40.40	21.54
9	XXII-Urban Development	1,931.72	537.48	232.12	372.60	421.16	322.68	1,563.36	26.94	20.64

Source: Monthly Appropriation accounts

The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety.

The month wise expenditure of the Grant XXXIX-Power with very high percentage of expenditure in March are shown in **Chart 3.8**:

**Chart 3.8: Month wise expenditure of Grant XXXIX-Power with very high percentage of expenditure in March**



Source: Compilation from VLC data

Further, the scheme wise analysis of expenditure of rupee one crore or more, as mentioned in **Appendix 3.10**, has revealed that the entire expenditure was incurred in March during the year 2022-23 in 47 schemes, the incurrence of expenditure in March was very high in three schemes viz. one scheme in Grant No. XXVIII - Miscellaneous Economic Services (₹200.00 crore) and two schemes in Grant No. XLI - Transport (₹397.35 crore).

## 3.8 Review of Selected Grant - Review on Budgetary Process and Appropriation Control

### Introduction

A review of Budgetary Procedures followed, and methodology employed for control over expenditure in respect of three selected grants during a three-year period from 2020-21 to 2022-23 was conducted for this report. These grants are.

1. Grant No. XXIV- Labour, Labour Welfare and Welfare of Non Residents
2. Grant No. XLII - Tourism
3. Grant No. XL – Ports

### 3.8.1 Review of Grant No. XXIV- Labour, Labour Welfare and Welfare of Non-Residents

#### 3.8.1.1 Introduction

The broad objectives of the Department are to maintain peaceful atmosphere in the labour sector as a whole; decent working conditions and improved quality of life to the workers; ensure co-operation and healthy relation between the employers and the employed; systematic implementation of the various labour laws throughout the State; enhancing social security coverage of workers through better policies and programmes etc. The policies, programmes and schemes of the Department are implemented through seven<sup>27</sup> Controlling Officers (CO's) and 11 various Tribunals in two<sup>28</sup> Administrative Departments

Grant No. XXIV provides for allocation of ₹1,421.85 crore during 2022-23 under the following functional Major Heads

1. 2230 – Labour, Employment and skill development ₹1,233.85 crore
2. 4250 – Capital outlay on other social services ₹173.20 crore
3. 6250 – Loans for other social services ₹14.80 crore

The review was conducted in respect of schemes implemented by three Controlling officers *viz.*, Labour Commissioner, Director of Training-Industrial Training Department and Secretary to Government-Department of Non-Resident Keralite's Affairs (NORKA) based on quantum of expenditure incurred by them.

The Controlling Officers are responsible for ensuring appropriation control in each unit of appropriation of the Grant. The review was conducted to ascertain the budgetary process and utilisation of funds earmarked for various schemes implemented by the three Controlling Officers.

27 The Labour Commissioner, The Director of Employment, The Director of Training, The Director Factories & Boilers, The Special Officer (Cashew), The Secretary to Government-Department of NOR-KA, The Resident commissioner Kerala House.

28 Labour and Skills Department and Non-Resident Keralites Affairs Department

### 3.8.1.2 Budget allocation, expenditure and savings

Budget allocation and expenditure under revenue and capital sections of Grant XXIV during the last three years are given in **Table 3.23**.

**Table 3.23: Budget allocation expenditure and savings for the last three years**  
(₹ in crore)

Year	Category	Budget allocation	Expenditure	Savings	Percentage of Savings
2020-21	Revenue	1,151.02	849.24	301.78	26.22
	Capital	158.88	149.23	9.65	6.07
2021-22	Revenue	1,226.19	975.62	250.57	20.43
	Capital	184.31	153.28	31.03	16.84
2022-23	Revenue	1,233.85	637.62	596.23	48.32
	Capital	188.00	125.61	62.39	33.19

Source: Appropriation Accounts 2020-21 to 2022-23, Government of Kerala

**Table 3.23** shows that during 2020-21 to 2022-23 as a percentage of total provision, unutilized provision ranged between 20.43 per cent and 48.32 per cent under Revenue Section, and between 6.07 per cent and 33.19 per cent under Capital Section.

### 3.8.1.3 Persistent savings

Scrutiny of Appropriation Accounts for the years 2020-21 to 2022-23 showed that there were persistent savings under fourteen heads of accounts during the above period. The details are given in **Table 3.24**.

**Table 3.24: Persistent savings under Grant No. XXIV**  
(₹ in crore)

Sl. No.	Head of Account	Savings		
		2020-21	2021-22	2022-23
<b>The Labour Commissioner</b>				
1	2230-01-103-33-P Income Support to Workers in Traditional Sector Activities	5.31 (7.07)	19.46 (24.95)	40.51 (47.11)
2	2230-01-103-35-NP Kerala Head Load Workers' (Scattered Section) Welfare Scheme	2.65 (72.64)	2.74 (75.05)	3.65 (100)
3	2230-01-103-51-NP Flagship Programme on Social Security	13.86 (100)	13.86 (100)	13.86 (100)
4	2230-01-103-52-P Health Insurance for Inter State Migrant Workers (AAWAZ)	1.33 (66.30)	1.45 (72.28)	1.04 (69.43)
5	2230-01-103-72-NP Kerala Agricultural Workers Welfare Fund Board - Contribution	103.7 (65.22)	24.24 (24.24)	80.00 (80)
6	2230-01-103-73-NP Kerala Beedi and Cigar Workers Welfare Fund - Contribution	22.16 (100)	21.43 (97.14)	22.06 (100)
7	2230-01-103-87-NP Cash relief to workers of closed cashew factories	5.33 (53.11)	5.60 (55.81)	5.62 (56.02)
8	2230-01-103-92-NP Kerala Handloom Workers Welfare Scheme	5.08 (62.88)	7.27 (89.91)	8.08 (100)

Sl. No.	Head of Account	Savings		
		2020-21	2021-22	2022-23
9	2230-01-103-96-NP Welfare Fund for Cashew Workers - Contribution	60.37 (86.36)	62.17 (88.94)	68.7 (98.28)
10	4250-00-201-91-P Studio Apartment for Working Women in Urban Areas	1.80 (100)	1.89 (99.32)	2.00 (100)
<b>The Director of Training, Industrial Training Department</b>				
11	2230-03-001-96-P Skill Development Programme of Industrial Training Department (KASE)	15.62 (45.46)	9.56 (47.78)	8.02 (47.15)
12	2230-03-101-87-P Modernisation of ITIs	5.66 (37.74)	7.90 (49.39)	5.06 (28.10)
<b>The Principal Secretary to Government, Department of NORKA</b>				
13	2230-01-103-11-P Rehabilitation of Returnee Migrants	1.71 (9.5)	5.40 (22.13)	8.71 (34.86)
14	2230-01-103-82-P New Initiative for Market Research, Skilling, Pre-recruitment, Recruitment and Post Recruitment Services	1.21 (48.5)	1.70 (85.13)	1.04 (52.24)

Source – Appropriation accounts

Figures in parenthesis indicate percentage of savings to total provision

As can be seen from the above table, savings as a percentage of budget provision ranged between 7.07 per cent and 100 per cent during 2020-2023. The budget allocations were made without considering the previous years' expenditure as required under Para 48 of the KBM. Persistent huge savings is indicative of incorrect assessment of actual needs and requires a critical review of budget preparation exercise of the Department.

#### 3.8.1.4 Expenditure incurred without budget provision

A scrutiny of the detailed Appropriation Accounts for the period 2020-21 to 2022-23, revealed that in respect of 18 schemes expenditure was incurred without any original/supplementary budget provision but through re-appropriation as shown in the **Appendix 3.11**. Moreover, in the following two schemes, expenditure has been incurred for the past three years through re-appropriation only.

#### ➤ Comprehensive Health Insurance Scheme (CHIS and CHIS plus)

An amount of ₹47.44 crore was incurred under the head 2230-01-103-30 Comprehensive Health Insurance Scheme (CHIS and CHIS plus) for the period from 2020-21 to 2022-23 only through re-appropriation as shown in **Table 3.25**.

**Table 3.25: Expenditure on Comprehensive Health Insurance Scheme (CHIS and CHIS plus)**

(₹ in crore)

Sl. No.	Year	Amount
1	2020-21	16.77
2	2021-22	5.97
3	2022-23	24.70
	<b>Total</b>	<b>47.44</b>

In 2020-21, the State Government converged all the State Government sponsored health insurance schemes viz. Rashtriya Swasthya Bima Yojana (RSBY), Comprehensive Health Insurance Scheme (CHIS, CHIS Plus) Senior Citizen Health Insurance Scheme (SCHIS) etc. and formulated a new assurance scheme called Karunya Arogya Suraksha Padhathi (KASP). Since then, the Budget provision and subsequent expenditure for the scheme were made under the head ‘2210-06-800-81 Pradhanmantri Jan Aarogya Yojana/ Karunya Aarogya Suraksha Padhathi - State Scheme’. Audit observed that expenditure is still being booked under the head of account ‘2230-01-103-30 - Comprehensive Health Insurance Scheme’ (CHIS and CHIS plus) by drawing amount through Additional Authorisation for clearing the arrear payments related to various hospitals under CHIS PLUS scheme which was subsequently regularised through re-appropriation. As the payments are in arrears and the expenditure continues to be booked under the head of account ‘2230-01-103-30’ all these years, appropriate provision for the scheme should have been provided in the budget.

➤ **Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100 per cent CSS)**

An amount of ₹22.62 crore was incurred for the scheme STRIVE during the period from 2020-21 to 2022-23 through additional authorisation, which was subsequently regularised by re-appropriation, as shown in **Table 3.26** below:

**Table 3.26: Expenditure on STRIVE from 2020-21 to 2022-23**

(₹ in crore)

Sl. No.	Year	Head of Account	Amount
1	2020-21	2230-03-101-57-P Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100% CSS)	15.78
2	2021-22	2230-03-101-57-P Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100% CSS)	3.21
3.	2022-23	2230-03-101-50 Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100% CSS)	3.63
<b>Total</b>			<b>22.62</b>

The estimating officer should make necessary provision for all the Centrally Sponsored Schemes approved by GOI in the State Budget, for smooth implementation of the scheme. Incurring expenditure on an ongoing Centrally Sponsored Scheme like STRIVE without budget provision is irregular.

**3.8.1.5 Entire budget provision remained unutilised**

Audit observed that in 17 schemes the entire budget allocation remained unutilised during the years as shown in **Table 3.27**.

**Table 3.27: Non-utilisation of entire budget provision****(₹ in crore)**

Sl. No	Head of Account - Scheme	Year	Budget provision
<b>The Labour Commissioner</b>			
1	2230-01-103-16-P Providing Decent Accommodation for ISM workers & Workers from the State	2020-2021	3.75
		2021-2022	3.50
2	2230-01-103-17-NP The Un-Organised Workers Social Security Scheme	2022-2023	22.50
3	2230-01-103-29-P Aam Admi Bima Yojana (50% CSS)	2020-2021	5.60
4	2230-01-103-35-NP Kerala Head Load Workers' (Scattered Section) Welfare Scheme	2022-2023	3.65
5	2230-01-103-51-NP Flagship Programme on Social Security	2020-2021	13.86
		2021-2022	13.86
		2022-2023	13.86
6	2230-01-103-59-NP Kerala Shops and Commercial Establishment Workers Welfare Fund	2022-2023	1.50
7	2230-01-103-71-NP Kerala Bamboo, Kattuvally and Pandanus Leaf Workers Welfare Fund Board - Contribution	2022-2023	7.86
8	2230-01-103-73-NP Kerala Beedi and Cigar Workers Welfare Fund - Contribution	2020-2021	22.16
		2022-2023	22.06
9	2230-01-103-86-NP Kerala Tailoring Workers Welfare Scheme and Other New Welfare Schemes	2022-2023	62.30
10	2230-01-103-92-NP Kerala Handloom Workers Welfare Scheme	2022-2023	8.08
11	4250-00-201-91-P Studio Apartment for Working Women in Urban Areas	2020-2021	1.80
		2022-2023	2.00
12	6250-60-190-98-P Loans to OKIH Ltd	2022-2023	2.00
<b>The Director of Training, Industrial Training Department</b>			
13	2230-03-101-53-P Up-gradation of Women ITIs (60% CSS)	2021-2022	5.10
14	2230-03-101-62-P Upgradation of ITIs	2020-2021	3.95
		2021-2022	4.00
		2022-2023	4.00
15	2230-03-101-65-P Jobs and Skill Development Programme (60%CSS)	2021-2022	18.84
<b>The Principal Secretary to Government, Department of NORKA</b>			
16	2230-01-103-64-P Global Kerala Cultural Festival	2020-2021	2.00
17	2230-01-800-91-P Loka Kerala Kendram	2020-2021	3.00

No reasons were furnished as to why no amounts could be spent on the above schemes.

### 3.8.1.6 Unnecessary/excessive supplementary grants

Article 205 of the Constitution provides that a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year. While requesting for additional funds through supplementary demands for grants, departmental officers should make sure that the additional funds are actually required for

meeting the expenditure during the year. However, audit scrutiny revealed that supplementary provisions of ₹59.00 crore during the year 2020-21 in one scheme (₹ one crore or more cases) proved unnecessary as the expenditure did not come up even to the level of original provision. Similarly, supplementary provisions of ₹37.19 crore in six cases (₹one crore or more in each case) proved excessive as entire amount of supplementary provisions could not be utilised. Schemes having Unnecessary/excessive supplementary grants are detailed in **Table 3.28** below.

**Table 3.28: Unnecessary/excessive supplementary grants***(₹ in crore)*

The Labour Commissioner, Labour and Skill department						
Unnecessary supplementary grants (₹ one crore or more)						
Year	Head of Account	Original Budget	Supplementary Budget	Total Budget	Expenditure	Savings out of original provision
2020-21	2230-01-103-72-NP Kerala Agricultural Workers Welfare Fund Board - Contribution	100.00	59.00	159.00	55.30	44.70
Excessive supplementary grants (₹ one crore or more)						
Year	Head of Account	Original Budget	Supplementary Budget	Total Budget	Expenditure	Savings out of total budget
2020-21	2230-01-103-46-P-Assistance to Labour Welfare Fund Boards	0	30.42	30.42	20.04	10.38
2021-22	2230-01-103-17-NP-The Un-Organised Workers Social Security Scheme	0	22.50	22.50	22.10	0.40
2021-22	2230-01-103-46-P-Assistance to Labour Welfare Fund Boards	0	25.04	25.04	17.24	7.80
2021-22	2230-01-103-59-NP-Kerala Shops and Commercial Establishment Workers Welfare Fund	1.50	21.00	22.50	17.57	4.93
2021-22	2230-01-103-60-P-Social Protection for Un-Organised Sector Workers	7.50	53.87	61.37	52.47	8.90
2021-22	4250-00-190-93-P-Share Capital Contribution to OKIH Ltd	0	6.89	6.89	2.11	4.78
<b>Total</b>						<b>37.19</b>

### 3.8.1.7 Unnecessary 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. Scrutiny of Detailed Appropriation Accounts revealed that in seven cases augmentation of budget allocation was wholly un-necessary in the sub heads

because expenditure did not come up to the level of original / supplementary budget provision (Sl. No 1, 2, 11 to 14, 19 and 20 of the **Appendix 3.12**).

In one case (Sl. No. 10 of **Appendix 3.12**) reduction of provision by re-appropriation proved injudicious as there was excess expenditure under this scheme.

Further, in eleven schemes, though reappropriation of amount were made to meet the expenditure, the reappropriated amount was not fully utilized. This resulted in excess re-appropriation in the schemes as detailed in (Sl. No 3 to 9, 15 to 18 of the **Appendix 3.12**).

### 3.8.1.8 Error in classification

#### ➤ Misclassification of capital expenditure into revenue expenditure

During 2022-23, budget provision of ₹8.50 crore had been made under the revenue head 2230-03-101-80 for Setting up of New ITIs. Government vide G.O(Rt) No. 317/2023/LBR dated 15 Mach 2023, accorded administrative sanction for ₹ 6.20 crore for the construction of building for ITI Vazhakkad. The Director of Training, Industrial Training Department allotted an amount of ₹ 4.45 crore to the Principal, ITI Vazhakkad for the construction of the building and the Principal transferred the amount to PWD by debiting the head 2230-03-101-80. As per Rule 31 of Government Accounting Rules 1990, construction of buildings should be accounted under Capital head. Hence, expenditure on construction of building booked under revenue head is irregular. This resulted in overstatement of revenue expenditure and understatement of capital expenditure by ₹4.45 crore.

#### ➤ Assistance to Rehabilitation Plantation Limited

During 2020-21, Government released financial assistance of ₹7.50 crore to Rehabilitation Plantation Ltd by debiting the head 2230-01-103-62 Planation Workers' Relief Fund as shown in **Table 3.29** below:

**Table 3.29: Assistance to Rehabilitation Plantation Limited**

<i>(₹ in crore)</i>			
Sl. No.	Order No. & date	Purpose	Amount
1	G.O.(Rt) No.2772/2020/ Fin dated 15/04/2020	Financial Assistance to the Rehabilitation Plantation Ltd	5.00
2	G.O.(Rt) No.865/2021/Fin dated 01/02/2021	Modernisation of Factory Complex at Kulathupuzha Estate	2.50
<b>Total</b>			<b>7.50</b>

Plantation Workers' Relief Fund is constituted for the purpose of initiating welfare measures to workers of closed plantations such as pension to workers,

educational assistance to children of the workers, medical assistance for critically ill workers, financial assistance to partially disabled, dependence in case of the death of worker, for marriage of daughters of the plantation workers *etc.*

Expenditure relating to the above measures can only be accounted under the sub head 62 Plantation Workers’ Relief Fund. As per LMMHA, assistance given to PSUs should be booked under a sub head below the Minor head ‘190-Assistance to Public Sector and Other undertakings’. Hence, booking of ₹2.5 crore as assistance to the PSU (Rehabilitation Plantation Limited) for the purpose of modernisation of Factory complex under the head of Account ‘2230-01-103-General Labour Welfare- 62 Plantation Workers’ Relief Fund is irregular.

### 3.8.2 Grant No. XLII- Tourism

#### 3.8.2.1 Introduction

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.

Grant No. XLII Tourism provides for allocation of ₹436.28 crore during 2022-23 under the following functional Major Heads

1. 3452 Tourism ₹250.06 crore
2. 5452 Capital Outlay on Tourism ₹186.22 crore

#### 3.8.2.2 Budget allocation and expenditure

The budget provisions under grant No. XLII are distributed among four<sup>29</sup> Controlling Officers (CO’s) under Tourism Department. Budget allocation and expenditure under revenue and capital section of the Grant during the last three years is given in **Table 3.30**.

**Table 3.30: Budget allocation and expenditure in respect of Grant XLII Tourism**

(₹ in crore)

Year	Category	Budget allocation	Expenditure	Savings (-) / Excess	Percentage of Savings (-) / Excess
2020-21	Revenue	182.44	188.62	6.18	3.39
	Capital	233.34	245.27	11.93	5.11

29 The Director of Tourism, The Resident commissioner Kerala House, The Chief Engineer Buildings and Local Works PWD, The Principal Secretary (ACS) -General Administration (Political) Dept, Govt Secretariat, TVM.

Year	Category	Budget allocation	Expenditure	Savings (-) / Excess	Percentage of Savings (-) / Excess
2021-22	Revenue	201.05	163.67	(-)37.38	(-)18.59
	Capital	187.04	170.76	(-)16.28	(-)8.70
2022-23	Revenue	250.06	202.25	(-)47.81	(-)19.12
	Capital	186.22	117.98	(-)68.24	(-)36.64

Source: Appropriation Accounts of respective years

The review on budgetary process and appropriation control was conducted in respect of schemes implemented by Director of Tourism as 90 per cent of expenditure are being incurred by the Director.

### 3.8.2.3 Persistent savings

Scrutiny of Appropriation Accounts for the years 2020-21 to 2022-23 showed that there were persistent savings (₹50 lakh and above) under five schemes during the above period which is indicative of poor budgetary monitoring or shortfall in performance or both.

Audit observed that budget allocations remained unutilized every year indicating non-achievement of the projected financial outlays in the respective years. The budget allocations were made without considering the previous years' expenditure as required under Para 48 of the KBM, which resulted in persistent savings under the Heads of Accounts as shown in **Table 3.31** below.

**Table 3.31: Persistent savings in schemes from 2020-21 to 2022-23**

(₹ in crore)

Sl. No.	Head of Account	Savings		
		2020-21	2021-22	2022-23
1	3452-80-104-99-V-P-Conservation, Preservation and Promotion of Heritage, Environment and Culture	6.31 (35.06)	15.63 (86.84)	0.66 (2.88)
2	3452-80-800-20-V-P-Boat race on League basis	3.91 (30.66)	12.74 (100)	5.28 (35.23)
3	3452-80-800-90-V-P-Other Schemes of the Department of Tourism	0.73 (73.06)	8.67 (68.29)	14.49 (90.58)
4	5452-01-190-96-V-P-Bakel Resort Development Corporation Limited	0.50 (20)	1.50 (60)	1.00 (100)
5	5452-01-800-37-V-P-Tourism Complex/ Vinoda Sanchara Bhavan	3.00 (100)	1.90 (94.79)	2.00 (100)

Source: Appropriation Accounts of respective years

Figures in parentheses indicate percentage of savings to total provision

### 3.8.2.4 Expenditure incurred without budget provision

A scrutiny of the detailed Appropriation Account for the period 2020-21 to 2022-23 has revealed that in seven schemes, expenditure was incurred without any original/supplementary budget provision in the financial year against the Sub

heads/schemes as shown in the **Appendix 3.13**. The funds for expenditure were brought through re-appropriation orders.

Further, the scheme ‘Safety at Tourist Destinations’ under the Head of Account ‘3452-80-800-21-V-P’, the expenditure was incurred repeatedly for the years from 2020-21 to 2022-23 without budget allocation as shown in **Table 3.32** below.

**Table 3.32: Expenditure incurred without budget provision repeatedly during the period 2020-21 to 2022-23**

(₹ in crore)

Schemes	Year	Expenditure
3452-80-800-21-V-P- Safety at Tourist Destinations	2020-21	4.34
	2021-22	5.03
	2022-23	4.42

Source: Detailed Appropriation Accounts of respective years

The funds for expenditure were brought through reappropriation orders for incurring of expenditure for schemes without original budget provision, which could have been foreseen while proposing budget estimates, is in contravention to the provisions of budget manual (Para 48 of the KBM).

### 3.8.2.5 Entire budget provision remained unutilised

Audit observed that the entire budget allocation remained unutilised under seven schemes with budget allocation of ₹ one crore and above during the years mentioned as shown in **Table 3.33**. This indicates non-implementation of the schemes during the respective years.

**Table 3.33: Schemes where entire budget provision remained unutilised**

(₹ in crore)

Sl. No	Year	Head of Account - Scheme	Original/ Supp Budget
1	2021-22	3452-80-800-78-V-P-HR Development in Tourism through Kerala Institute of Tourism and Travel Studies (KITTS), Food Craft Institute (FCI) and State Institute of Hospitality Management (SIHM)	10.00
2	2022-23	5452-01-190-99-V-P-Kerala Tourism Development Corporation	10.00
3	2021-22	3452-80-800-34-V-P-Responsible Tourism	6.00
4	2021-22	3452-80-800-35-V-NP-Food Craft Institute, Kalamassery and Extension Centres	2.34
5	2021-22	5452-01-101-84-V-P-Infrastructure Facilities and Matching Grants for Schemes sponsored by Govt. of India.	2.00
6	2022-23	5452-01-800-37-V-P-Tourism Complex/Vinoda Sanchara Bhavan	2.00
7	2022-23	5452-01-190-96-V-P-Bakel Resort Development Corporation Limited	1.00

Source: Detailed Appropriation Accounts of respective years

**3.8.2.6 Unnecessary 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. Scrutiny of detailed Appropriation accounts revealed that in five schemes, augmentation of budget allocation was wholly un-necessary in the sub heads because expenditure did not come up to the level of original / supplementary budget provision as detailed in **Table 3.34** below.

**Table 3.34: Details of cases of unnecessary re-appropriation***(₹ in crore)*

Sl. No	Year	Head of Account - Scheme	Original/ Supp Budget	Re-apprpn	Expenditure
1	2022-23	3452-80-001-95-V-NP-Guest Houses, Yatri Nivases and Tourist Lodges	26.68	1.4	25.74
2	2022-23	5452-01-101-91-V-P-Green Tourism Circuit, Kottayam	0	0.54	0
3	2022-23	3452-80-001-96-V-NP-District Offices	3.11	0.18	3.08
4	2022-23	3452-80-800-88-V-NP-Tourist Information Centre	2.47	0.15	2.26
5	2021-22	3452-80-001-97-V-NP-Offices of the Regional Joint Director of Tourism	1.97	0.14	1.82

Source: Detailed Appropriation Accounts of respective years

Further, in six schemes, though reappropriation of amounts were made to meet the expenditure, Audit noticed that the reappropriated amount was not fully utilized. This resulted in excess re-appropriation in the schemes as detailed in **Table 3.35** below.

**Table 3.35: Details of cases of excess re-appropriation***(₹ in crore)*

Sl. No	Year	Head of Account - Scheme	Original/ Supp Budget	Re-appropriation	Expenditure	Excess Re-appropriation
1	2020-2021	5452-01-101-99-V-P-Upgradation, Creation of Infrastructure and Amenities	117.00	21.40	127.41	10.99
2	2022-2023	5452-01-800-84-V-P-Muziris Heritage and Spice Route Projects	15.00	15.00	22.40	7.60
3	2020-2021	3452-80-104-91-V-P-District Tourism Promotion Councils (DT-PCs) and Destinations Management Councils (DMCs)	5.00	7.57	10.19	2.38
	2022-2023		2.75	2.25	3.65	1.35
4	2021-2022	3452-80-104-89-V-P-Responsible Tourism	0	3.81	2.16	1.65
5	2022-2023	3452-01-103-99-V-NP-Transport	12.43	1.42	12.48	1.37
6	2021-2022	3452-80-001-99-V-NP-Administration	7.59	1.61	8.09	1.11
	2022-2023		7.99	1.24	8.17	1.06

Source: Detailed Appropriation Accounts of respective years

### 3.8.3 Grant No. XL- Ports

#### 3.8.3.1 Introduction

The major heads under the Grant XL -Ports are ‘3051’ and ‘5051’. The budget provisions under the Grant No. XL for the last three years (2020-21 to 2022-23) are distributed among four<sup>30</sup> Controlling Officers (CO’s) under Ports Department. Budget allocation and expenditure under Revenue and Capital section of the Grant during the last three years is given in **Table 3.36**.

**Table 3.36: Budget allocation and expenditure for the last three years**

(₹ in crore)

Year	Category	Budget allocation	Expenditure	Savings (-) / Excess	Percentage of Savings (-) / Excess
2020-21	Revenue	63.11	46.19	(-)16.92	(-)26.81
	Capital	158.41	126.32	(-)32.09	(-)20.26
2021-22	Revenue	72.38	72.83	0.45	0.62
	Capital	73.13	39.79	(-)33.34	(-)45.59
2022-23	Revenue	71.50	61.95	(-)9.55	(-)13.36
	Capital	69.23	42.37	(-)26.86	(-)38.80

Source: Appropriation Accounts 2020-21 to 2022-23, Government of Kerala

In the years 2020-21 and 2022-23, the unutilised provision as a percentage of total provision under Revenue Section, was 26.81 per cent and 13.36 per cent respectively, whereas during 2021-22 there was an excess expenditure of 0.62 per cent. In the Capital Section, the unutilised provision as a percentage of total provision ranged between 20.26 per cent and 45.59 per cent during the period 2020-21 to 2022-23.

The review was conducted in respect of schemes implemented by Director of Ports based on the quantum of budget allocation and expenditure incurred by the CO as given in **Table 3.37**.

**Table 3.37: Quantum of budget allocation and expenditure**

Sl. No.	CCOs	2020-21		2021-22		2022-23	
		Budget allocation	Expenditure	Budget allocation	Expenditure	Budget allocation	Expenditure
(₹ in crore)							
1	The Director of Ports Valiyathura, Vallakkadavu, Thiruvananthapuram	164.97	133.03	83.70	54.63	79.80	55.30
	Percentage	74.48	77.11	57.52	48.51	56.70	53.02
2	Others	56.54	39.48	61.81	57.99	60.93	49.01
	Grant Total	221.51	172.51	145.51	112.62	140.73	104.31

Source: Detailed Appropriation Accounts of respective years

30 The Director of Ports, The Chief Engineer, Harbour Engineering Department, The Chief Hydrographer, Hydrographic Survey Wing and Secretary to Government, Ports Dept, Govt Secretariat

### 3.8.3.2 Persistent savings

Scrutiny of Appropriation Accounts for the years 2020-21 to 2022-23 showed that there were persistent savings (₹ one crore and above) under six heads of accounts during the above period which is indicative of poor budgetary monitoring or shortfall in performance or both.

It was observed that budget allocations remained unutilized every year indicating non-achievement of the projected financial outlays in the respective years. The budget allocations were made without considering the previous years' expenditure as required under Para 48 of the KBM, which resulted in persistent savings under the Heads of Accounts as shown in **Table 3.38** below.

**Table 3.38: Table showing persistent savings**

(₹ in crore)

Sl. No.	Head of Account	Savings		
		2020-21	2021-22	2022-23
1	3051-02-001-88-V-P-e-Governance and capacity building - Maritime training and allied activities	1.31 (65.57)	2.10 (93.31)	2.14 (94.99)
2	5051-02-200-80-V-P-Development of Non Major Ports - Alappuzha Port	9.12 (91.23)	2.38 (86.61)	2.45 (97.81)
3	5051-02-200-81-V-P-Port Infrastructure Development for Shipping Operations - Development of Thangassery Port	8.33 (69.43)	7.87 (78.70)	8.44 (84.42)
4	5051-02-200-82-V-P-Port Infrastructure Development for Shipping Operations - Development of Vizhinjam Cargo Harbour	1.24 (12.42)	4.13 (37.54)	9.92 (99.17)
5	5051-02-200-86-V-P-Development of other Non-Major Ports	2.11 (42.26)	3.67 (73.33)	1.91 (54.52)
6	5051-80-800-98-V-P-Augmentation of Workshop and Stores Organisation	3.33 (83.20)	1.61 (36.56)	2.24 (64.06)

Source: Appropriation accounts of respective years

Figures in parentheses indicate percentage of savings to total provision

### 3.8.3.3 Expenditure incurred without budget provision

A scrutiny of the detailed Appropriation Account for the period 2020-21 to 2022-23, has revealed that there are four schemes in which expenditure was incurred without any original/supplementary budget provision in the financial year against the Sub heads/schemes as shown in **Table 3.39** below.

**Table 3.39: Expenditure incurred without any budget provision**

(₹ in crore)

Sl. No	Schemes	Year	Budget allotment	Expenditure
1	3051-02-001-97-V-NP-Establishment of Central Workshop and Stores Organisation	2022-23	0	1.37
2	3051-02-102-98-V-NP-Search and Rescue Operations	2022-23	0	1.10
3	3051-02-102-99-V-NP-Port Offices and Establishments	2022-23	0	9.86
4	3051-02-103-97-V-NP-Dredging Unit	2022-23	0	0.33

The expenditure for the schemes were incurred through reappropriation without original budget provision, which could have been foreseen while proposing budget estimates is in contravention to the provisions of Para 95 of KBM.

### 3.8.3.4 Entire budget provision remained unutilised

A scrutiny of Detailed Appropriation Accounts for the period from 2020-21 to 2022-23 disclosed that the entire budget amount of ₹50 lakh remained unutilised during 2022-23 in the scheme ‘5051-02-200-71-V-NP-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)’, which indicates non-implementation of the scheme during the year.

### 3.8.3.5 Unnecessary 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. Scrutiny of detailed Appropriation Accounts revealed that in five schemes augmentation of budget allocation was wholly un-necessary in the sub heads because expenditure did not come up to the level of original / supplementary budget provision as detailed in **Table 3.40** below.

**Table 3.40: Unnecessary re-appropriation of funds**

(₹ in lakh)

Sl. No	Year	Head of Account - Scheme	Original/ Supplementary Budget	Re-appropriation	Expenditure
1	2020-21	3051-02-001-97-V-NP-Establishment of Central Workshop and Stores Organisation	117.47	1.07	106.94
2	2020-21	3051-02-001-99-V-NP-Directorate of Ports	226.06	5.58	178.14
3	2020-21	3051-02-102-98-V-NP-Search and Rescue Operations	118.3	2.71	109.63
4	2020-21	3051-02-102-99-V-NP-Port Offices and Establishments	958.87	24.20	777.83
5	2020-21	3051-02-103-97-V-NP-Dredging Unit	42.97	1.19	34.56

Source: Detailed Appropriation Accounts

Further, for the scheme ‘Development of Vizhinjam Deep Water International Transshipment Terminal’ (5051-01-001-99-V-P) for two periods, though reappropriation of amounts were made to meet the expenditure, Audit observed that the re-appropriated amount was not fully utilised. This resulted in excess re-appropriation in the scheme as detailed in **Table 3.41** below.

**Table 3.41: Excess re-appropriation**

(₹ in crore)

Sl. No	Year	Head of Account - Scheme	Original/ Supplementary Budget	Re-appropriation	Expenditure	Excess Reappropriation
1	2021-2022	5051-01-001-99-V-P - Development of Vizhinjam Deep Water International Transshipment Terminal	0.01	17.33	12.00	5.34
	2022-2023		0.01	20.50	13.85	6.66

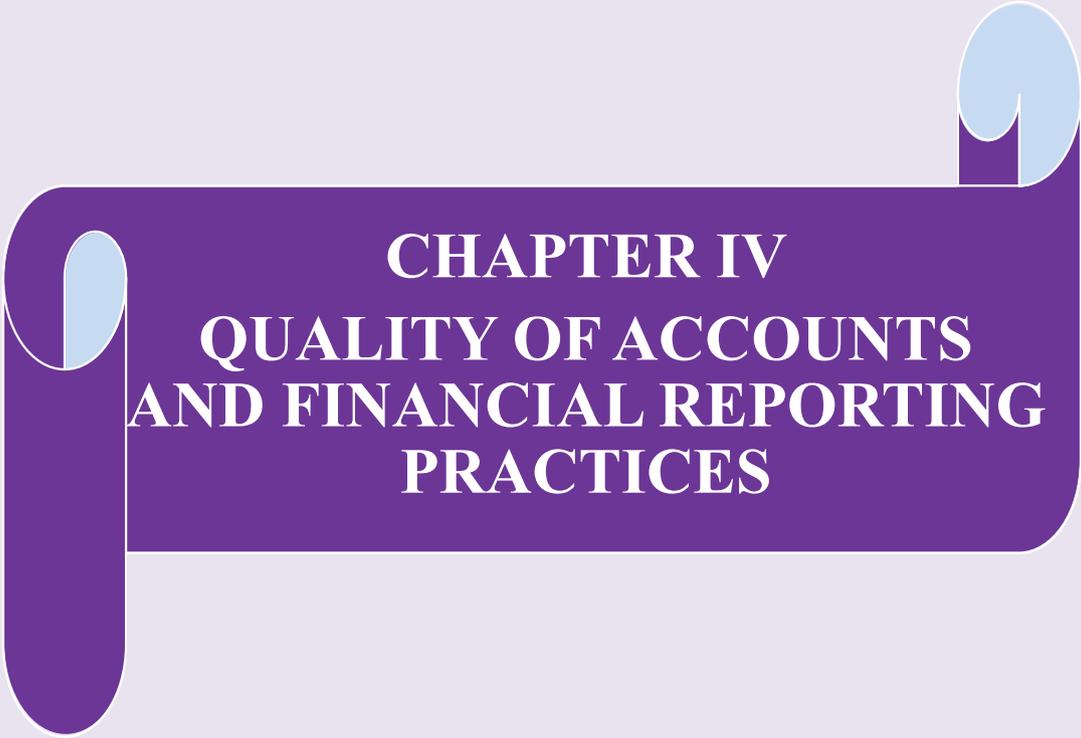
Source: Detailed Appropriation Accounts of respective years

### 3.9 Conclusions

1. Variations between the total Grants/Appropriation and expenditure incurred led to savings which indicates improper scrutiny of budget estimates at various levels of Government and poor budget management. These savings may also be seen in the context that the actual receipts in the Consolidated Fund was ₹1,95,343.80 crore and the actual expenditure was ₹2,02,871.93 crore during the year. This had led to an excess expenditure of ₹7,528.13 crore, which was met from the Public Account. This implied that the savings of ₹44,756.84 crore are notional, which had happened due to unnecessary supplementary budget. This indicates poor budgetary management.
2. The supplementary demands for grants obtained in cases where the final expenditure either did not come up to the level of original grants or no expenditure was incurred even after obtaining supplementary demands for grants shows laxity on the part of departmental officers in assessing actual requirement of funds.
3. Excess, unnecessary or insufficient re-appropriation indicated that departmental officers failed in assessing actual requirement of funds in heads of accounts under their control.
4. Excess expenditure requiring regularisation indicates inadequate expenditure control.

### 3.10 Recommendations

1. *State Government should assess and formulate to the extent possible a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.*
2. *An appropriate budget monitoring and control mechanism needs to be instituted to ensure that anticipated savings are identified and surrendered within the specified time and demands for supplementary grants made as per actual requirements depending on the remaining budgetary positions of the departments.*
3. *Expenditure exceeding the limits approved by the Legislature is in contravention to Article 205 of the Constitution and need to be regularised at the earliest.'*
4. *The State Government should review the schemes where repeated token provisions are made in the Budget estimates over the years.*
5. *Performance report of previous year needs to be incorporated in the Gender Budget of respective year to ascertain the effectiveness of the schemes targeted to benefit women.*



**CHAPTER IV**  
**QUALITY OF ACCOUNTS**  
**AND FINANCIAL REPORTING**  
**PRACTICES**



## CHAPTER IV

### QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance are, thus, the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

#### A. Issues related to Completeness of Accounts

Completeness of Accounts means that the accounts have incorporated every item/transaction that should be included for a financial year. Thus, completeness ensures that there are no omissions of significance.

#### 4.1 Non-discharge of liability in respect of State Incentive Bonus for procurement of paddy in the State

Under the Decentralised procurement Scheme (DCP) of Government of India (GoI), the Government of Kerala (GoK) through Kerala State Civil Supplies Corporation (a State-owned Company also known as Supplyco) undertakes direct purchase of paddy from the farmers of the State. The procurement price of paddy was declared by the GoK of which the GoI provides the approved Minimum Support Price (MSP)<sup>31</sup> and any amount over and above this MSP is provided by the State Government as State Incentive Bonus (SIB). SIB is disbursed as a budgetary allocation and is booked in the Government Accounts under the head of account '2408-01-101-96-33-Subsidies-NP'. As on 31 March 2023, the State Government owes Supplyco ₹556 crore towards paddy procurement as unpaid SIB. This also includes an additional amount of ₹34 crore by way of interest accrued against monthly outstanding SIB during the year. Non-discharge of liabilities of ₹556 crore during the year resulted in understatement of revenue deficit and fiscal deficit to that extent.

In reply (November 2023), State Government agreed to the Audit observation and stated that due to the financial crisis of the State the SIB could not be released. It was also stated that the State Government is taking earnest efforts for the timely

31 MSP is announced by the Central Government on the recommendation of CACP - Commission for Agricultural Cost and Prices - under the Union Ministry of Agriculture.

disbursement of the procurement price (MSP and SIB) without arrears.

#### 4.2 Non- discharge of liability in respect of interest towards interest bearing deposits

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits (Major Heads of Accounts 8336 to 8342).

However, audit scrutiny has revealed that no provision has been made in the year 2022-23 in the Budget for the discharge of the interest liability on interest bearing deposits as shown in **Table 4.1**.

**Table 4.1 Non-discharge of liability in respect of interest towards interest bearing Deposits**

(₹ in crore)

Sl. No.	Name of the Interest bearing deposit	Opening Balance as on 01.04.2022	Interest Rate (percentage)	Interest due	Interest paid	Interest short paid
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	State Compensatory Afforestation Fund	54.67	3.35	1.83	Nil	1.83
<b>Total</b>				<b>1.83</b>	<b>Nil</b>	<b>1.83</b>

Source: Finance Accounts for the year 2022-23.

Non-payment/ short payment of the interest has resulted in understatement of Revenue and Fiscal Deficit by ₹1.83 crore.

#### 4.3 Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget)

Government of India (GoI) transfers substantial funds directly to State Implementing Agencies for implementation of various Schemes and Programmes. The details of Funds transferred by Government of India directly to State Implementing Agencies as per the Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA) is listed in Appendix VI of Volume-II of the Finance Accounts. During the year 2022-23, as per the PFMS portal of the CGA, an amount of ₹10,341.03 crore was directly received by the implementing agencies including ₹21.72 crore received by the intermediaries (Societies, NGOs, Trusts etc.) in the State. The details of Direct transfer of Central Scheme Funds to Implementing Agencies in the State during 2022-23 are given in **Appendix 4.1**.

#### 4.4 Non Transfer of Compounding Fee to Kerala Road Safety Fund-

As per section 11(3) of Kerala Road Safety Authority Act 2007, State Government shall contribute to the fund every year, an amount equal to 50 per cent of the compounding fee collected in the previous year. Out of total collection of compounding fee of ₹111.11 crore during 2021-22, ₹55.56 crore

have to be transferred to the Kerala Road Safety Fund. However, this was not done resulting in understatement of Revenue deficit and fiscal deficit by ₹55.56 crore.

## B. Issues related to transparency

Transparency ensures that everything should be properly disclosed and easily understandable.

### 4.5 Unadjusted Abstract Contingent (AC)/Temporary Advance Bills

The Government of Kerala discontinued the system of drawal of Abstract Contingent (AC) bills followed by submission of Detailed Contingency (DC) bills to the Office of the Principal Accountant General (A&E). Instead, the Drawing and Disbursing Officers (DDOs) have been empowered to draw Temporary Advances (TAs) under Article 99 of Kerala Financial Code (KFC) Volume I.

Out of temporary advances pending adjustments amounting to ₹1.86 crore drawn during the year 2022-23, bills amounting to ₹0.22 crore (11.83 *per cent*) were drawn in March 2023. Details of advance contingent bills pending as on 31.03.2023 is shown in the **Table 4.2** given below.

**Table 4.2: Details of advance contingent bills pending as on 31.03.2023**

Year	No. of pending Temporary Advances	Amount (₹ in crore)
Upto 2021-22	24,268	1,949.23
2022-23	599	1.86*
<b>Total</b>	<b>24,867</b>	<b>1,951.09</b>

Source: Finance Accounts

\*Also includes Temporary advances taken in January-March 2023 which become due between April-June 2023.

At the end of 31 March 2022 (previous year), Detailed Contingency Bills in respect of a total of 24,268 AC bills amounting to ₹1,949.23 crore were not received.

### 4.6 Delay in Submission of Utilisation Certificates

In terms of Article 210(1) Chapter VIII of Kerala Financial Code 1963 as amended, Utilization Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, within two years (maximum time limit of one year as period of utilisation, nine months for submission of audited accounts to the signing or countersigning authority from the expiry of the period fixed for the utilisation of the grant and three months for submission of Utilisation Certificates from the date of receipt of audited accounts) from the date of receipt of grant or before applying for a further grant on the same object, whichever is earlier. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts

may not have reached the beneficiaries.

During the year 2022-23, ₹7.74 crore pertaining to six outstanding UCs for the period upto 2021-22 was cleared as against the balance of 11 UCs valuing ₹8.56 crore as at 31<sup>st</sup> March 2022. The position of outstanding UCs as on 31 March 2023 is shown in **Table 4.3**.

**Table 4.3 Details of Pending Utilisation Certificates**

(₹ in crore)

Year*	Number of UCs Outstanding	Amount
Upto 2021-22 (As on 31 <sup>st</sup> March 2022)	5	0.82
2022-23	121	88.62
<b>Total</b>	<b>126</b>	<b>89.44</b>

\* The year mentioned above relates to "Due year" i.e., after 24 months/2 years of actual drawal.

The State Government replied (December 2023) that a software application is being developed to strengthen loans and grants-in-aid sanctioned by the Government to avoid non submission and delayed submission of UCs by the institutions concerned.

## 4.7 Treasury Savings Bank Accounts

### 4.7.1 Introduction

The Government of Kerala does not follow the system of operating PD Accounts for implementation of schemes by transferring funds from the Consolidated Fund. This purpose is served through Treasury Savings Bank Accounts maintained in the State Treasuries as per Rule 37 of Kerala Treasury Code.

The objective of the Government in establishing Treasury Savings Bank Scheme was to provide a ready means for the deposit of savings and to encourage thrift. Subsequently, funds released for various purposes from the Consolidated Fund such as grants-in-aid, loans and investments to State PSUs & Statutory Corporations were also credited to the Special Treasury Savings Bank Account (STSB) temporarily for keeping the unspent balance for a specified period on the basis of various Government Orders. Government also permits Public Sector Undertakings/Autonomous Bodies/ Institutions and Welfare Fund Boards to deposit their own funds in the Treasury Savings Bank accounts. The amounts credited to TSB Accounts are booked under sub head '99' below minor head '102 Savings Bank Deposits' below Major Head '8031-Other Savings Deposits'. Deposits under Term Fixed Deposits are booked under '8031-00-102-98-Fixed & Time Deposits'.

The TSB account by any person in treasury of the State is being regulated by the instructions contained in Appendix 3 to the Kerala Treasury Code. As on 31 March 2023, the amount lying in TSB Accounts under the head 8031-00-102- 99 was ₹ 833.56 crore. An amount of ₹ 73,900.05 crore was also outstanding under Term Fixed Deposit accounts in Treasuries as on 31 March 2023 under the head

of account ‘8031-00-102-98’

#### 4.7.2 Resumption of Funds from Treasury Savings Bank Accounts

Audit conducted a field study on Resumption of funds from TSB account to the Consolidated fund of the State. A few important observations noticed in audit are detailed in the succeeding paragraphs.

##### ➤ Irregular method of Resumption of funds from TSB accounts into a common head of account.

State Government vide orders dated 23 March 2023 resumed funds amounting to ₹6,859.18 crore parked in the TSB Accounts of various Government departments and state-owned PSUs, Autonomous Bodies etc. into the Consolidated Fund of the State on 31 March 2023 as given in **Table 4.4** below.

**Table 4.4 Details of Funds resumed to Consolidated fund of State**

(₹ in crore)

Sl. No.	TSB Account type <sup>32</sup>	Number of resumed TSB Accounts and amount resumed		TSB Accounts where the resumed fund credited to ‘2075-00-911-94’	
		Number	Amount	Number	Amount
1	STSB	12,186	5,156.39	12,185	5,156.39
2	PSTSB	207	640.18	25	24.94
3	LGTSB	2,697	1,032.62	2,697	1,032.62
4	JVTSB	11	1.54	11	1.54
5	SDTSB	4	0.19	4	0.19
6	Inoperative STSB	3,040	24.84	3,040	24.84 <sup>33</sup>
7	Inoperative PSTSB	172	3.42	172	3.42
<b>Total</b>		<b>18,317</b>	<b>6,859.18</b>	<b>18,134</b>	<b>6,243.94</b>

Source: As per the information furnished by the Treasury department

Out of ₹6,859.18 crore resumed, an amount of ₹6,243.94 crore was resumed to a common head of account ‘2075-00-911-94 Deduct Recoveries-Refund of amounts resumed from the idling STSB accounts’ during the year.

As per para 3.10 of General Directions contained in List of Major and Minor Heads of Accounts, recoveries of overpayments pertaining to previous year/years under revenue expenditure are to be recorded under distinct Minor Head (Deduct Recoveries of Overpayments) below the concerned major/sub major head from where the expenditure was initially incurred. Recovery of over payment during the same financial year in which such over payments are made shall be recorded as reduction of expenditure under the concerned expenditure head of account.

As per para 4.3 of the General Directions, in the case of Capital Expenditure,

32 STSB – Special Treasury Savings Bank, PSTSB – Plan Scheme TSB, LGTSB – Local Government TSB, JVTSB – Joint Venture TSB, SDTSB – Security Deposit TSB

33 Includes ₹0.06 crore credited to subheads other than ‘94’ in the Major head ‘2075-00-911’

distinct subheads (Deduct Receipts and Recoveries on Capital Account) are to be opened below the relevant minor heads under the various Capital major/sub major heads where the capital expenditure was initially incurred.

Credit back of amounts originally debited under various Revenue and Capital heads of accounts to the common head of account '2075-00-911' is in violation of the General Directions contained in paragraphs 3.10 and 4.3 of the List of Major and Minor Heads (LMMH) published by the Controller General of Accounts and will distort all key indicators of fiscal position of Government.

Audit also observed that as per the norms of the Public Account Committee, all heads of accounts having Savings/Excess more than the prescribed limit should be commented in the Appropriation accounts. But due to crediting of unutilized amount to the common head of account instead of crediting to the heads of accounts from where original debit was made, the schemes which otherwise would have been qualified for inclusion in the Appropriation Accounts may escape inclusion or may result in overstatement.

State Government replied (March 2024) that an automated mechanism developed by NIC to effect resumption from PSTSB accounts and remitting it to the concerned source plan head would be operational from 2023-24 onwards.

➤ **Resumption of funds from STSB account of Kerala Social Security Pension Ltd. (KSSPL)**

KSSPL is a State-owned company constituted in June 2018 for disbursing various social security pensions and welfare pensions. Government provides funds in the state budget under 2235-60-102-89 for disbursement of pension. These funds are released to the STSB Accounts of KSSPL maintained in the Public Account. KSSPL also mobilise fund as loan from the Consortium of Primary Co-operative Societies for the distribution of Social Security Pension. This fund was also credited to the same STSB account.

- Audit noticed that on 31.03.2023 ₹1,651.92 crore was released by Government to KSSPL by debiting the head 2235-60-102-89 Assistance to Kerala Social Security Pension Limited and credited to the STSB Account of KSSPL. However, on the same day itself this amount was resumed from the Public Account and written back (by deduct debiting) to head '2075-00-911-94' instead of original head '2235-60-102-89'. This resulted in overstatement of expenditure to the tune of ₹1,651.92 crore in the Appropriation Accounts under the major head '2235' and understatement of expenditure under the head '2075' for the year 2022-23.
- On 31.03.2023, an amount of ₹1,116.87 crore was resumed from the STSB account of KSSPL and written back (by deduct debiting) to the head '2075-00-911-94'. This amount was mobilised by KSSPL from the Consortium of Co-operative Societies and maintained in STSB Account of KSSPL. The resumption of funds (raised by KSSPL)

to the Consolidated fund of the State is irregular. Further, since this amount had been taken as loan from the Co-operative Societies, the servicing of which in form of Principal and Interest are done by the State Government, this amount is off-budget borrowing of the State Government. By making such resumption on the last day of the year, the Government had understated the Revenue deficit and Fiscal deficit to that extent.

➤ **Resumption of funds provided to Kerala State Electricity Board (KSEB) Limited.**

As per G.O.(Rt)No.71/2023/Power dated 29.03.2023, Government sanctioned an amount of ₹171.67 crore to Kerala State Electricity Board Limited (KSEBL) for settling the dues of electricity charges of Kerala Water Authority payable to KSEB Limited. The amount was credited to the STSB account of KSEB on 31-03-2023 by debiting the head of account '2801-80-101-92' (NP). However, the amount was resumed on the same day itself and written back (by deduct debiting) to the head of account 2075-00-911-94 instead of '2801-80-101-92' (NP). This resulted in overstatement of expenditure in the head '2801-80-101-92'-Assistance to Electricity Boards. Thus, the Appropriation Accounts for the year 2022-23 reflects only a savings of ₹7.60 crore instead of ₹179.27 crore (171.67 + 7.60), which is factually incorrect.

➤ **Resumption of funds provided to Kerala State Civil Supplies Corporation Limited.**

The Civil Supplies Corporation Ltd is the holder of STSB Account No. 711101400000002 to which the Commissioner of Civil Supplies transfers the amount by debiting the Subhead 94 - Ration Subsidy under the minor head 101 – Procurement and Supply below the Major head 2408– Food ('2408-01-101-94'). Audit observed that an amount of ₹86.88 crore was resumed from the STSB Account on 31.03.2023 and written back (by deduct debiting) to the Head '2075-00-911-94' instead of the head '2408-01-101-94'. This resulted in overstatement of expenditure to the tune of ₹86.88 crore under the head '2408-01-101-94' and understatement of Major head 2075.

➤ **Resumption of funds provided to Kerala Books and Publications Society (KBPS)**

Government provides funds to Kerala Books and Publications Society for printing charges of textbooks by debiting the head of account 2202-02-106-99 – Secondary Education – Textbooks Publication. The amount is credited to the STSB account of KBPS. Audit observed that as on 31 March 2023 an amount of ₹28.83 crore was resumed from the STSB account and written back (by deduct debiting) to the head 2075-00-911-94 instead of the head '2202-02-106-99'. This resulted in overstatement of expenditure to the tune of ₹28.83 crore under the head 2202-02-106-99 and understatement of expenditure under the major head 2075.

➤ **Overstatement of Investment by ₹200 crore**

Government, vide order dated 30.03.2023 had accorded sanction to increase the authorized share capital of Kerala Financial Corporation (KFC) from ₹500 crore to ₹1,000 crore and to infuse ₹200 crore into its Paid up Capital. ₹200 crore was released by debiting the head 4885-01-190-98 Kerala Financial Corporation – Investments and transfer credited the amount in the STSB Accounts of KFC maintained in the Public Account on 31.03.2023. On the same day the amount was deduct debited to the revenue expenditure head 2075 instead of deduct debiting under the capital head 4885. This has resulted in overstatement of Capital Expenditure and investment by ₹200 crore and understatement of Revenue Expenditure by ₹200 crore.

**4.8 Clubbing of unrelated expenditure in common heads**

**4.8.1 Indiscriminate operation of Minor Head 800 – Other receipts and other expenditure**

Minor Head 800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate Minor Head has not been provided in the accounts. Routine operation of Minor Head 800 is to be discouraged, since it renders the accounts opaque.

➤ **Minor Head 800-Other Expenditure**

During 2022-23, expenditure aggregating to ₹7,248.36 crore, constituting 4.65 *per cent* of the total Revenue and Capital expenditure (₹1,55,947.49 crore), was classified under Minor Head 800-Other Expenditure in respect of 67 Major Heads of account involving both Revenue and Capital sections. The total Revenue and Capital expenditure during 2021-22 was ₹1,60,371.24 crore. Out of this, ₹9,413.23 crore under 68 Major Heads of account constituting 5.87 *per cent* of the total expenditure were classified under the Minor Head 800-Other expenditure. Compared to the previous year, expenditure under Minor Head-800 decreased by 23 *per cent*. It was observed that in respect of nine Major Heads, expenditure of more than ₹100 crore was classified under the Minor Head 800 during 2022-23 as shown in **Table 4.5**.

**Table 4.5: Expenditure of more than ₹100 crore under the Minor Head 800**

(₹ in crore)

Sl.No	Major Head	Expenditure booked under Minor Head 800
1	2075 – Miscellaneous General Services	3,666.86
2	2210 – Medical and Public Health	901.79
3	5075 – Capital outlay on Other Transport Services	534.06
4	4515 – Capital outlay on Other Rural Development Programme	385.69
5	2217 – Urban Development	192.78

Sl.No	Major Head	Expenditure booked under Minor Head 800
6	2515- Other rural development programme	169.65
7	3054 – Roads and Bridges	155.09
8	2014 – Administration of Justice	119.75
9	4250- Capital outlay on other social services	103.86

Further, Audit examined selected cases of booking under Minor Head 800, and noted that in some instances, a valid Minor Head, other than 800 was available in the List of Major and Minor Head (LMMH) for booking these transactions which is summarised in **Table 4.6**.

**Table 4.6 : Booking under Minor Head 800 instead of Valid Minor Head**

(₹in crore)

Sl. No.	Heads of Account as per State budget	Amount	Suitable Minor head as per LMMHA
1	2040-00-800-99 Gulati Institute of Finance and Taxation (GIFT)	0.90	2040-00-188 Assistance to Autonomous bodies
2	3055-00-800-94 Implementation of e- Governance in MVD-Training and Capacity Building	1.04	3055-00-003 Training
3	6250-60-800-94 Loan to Rehabilitation Plantation Ltd	1.00	6250-60-190 Loans to Public Sector and other Undertakings
4	2075-00-800-98 Rajiv Gandhi Academy for Aviation Technology - Grant-In-aid	1.50	2075-00-188 Assistance to Autonomous bodies
5	2203-00-800-91 C-apt-Kerala State Centre For Advanced Printing And Training	3.70	2203-00-188 Assistance to Autonomous bodies
6	2210-06-800-81 Pradhanmantri Jan Aarogya Yojana/ Karunya Aarogya Suraksha Padhathi State Scheme	807.00	2210-80-101 Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY)
7	2210-06-800-80 Pradhanmantri Jan Aarogya Yojana/ Karunya Aarogya Suraksha Padhathi-CSS	93.00	2210-80-101 Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana (PMJAY)

#### ➤ Minor Head 800-Other Receipts

During 2022-23, receipts aggregating to ₹1,459.48 crore under 48 Major Heads of account constituting 1.10 *per cent* of the total revenue receipts (₹1,32,724.65 crore) were classified under the Minor Head 800-‘Other Receipts’ in the Accounts. During the previous year ₹2,066.08 crore under 48 Major Heads of account constituting 1.77 *per cent* of the total revenue receipts (₹1,16,640.24 crore) were classified under 800 – ‘Other Receipts’ in the accounts. Compared to the previous year, booking of receipts under Minor Head-800 also decreased by 29.36 *per cent*.

It was observed that in respect of 3 Major Heads, receipts aggregating more than ₹100 crore were classified under the Minor Head 800 during 2022-23 as shown in **Table 4.7**.

**Table 4.7: Receipts of more than ₹100 crore under the Minor Head 800**

(₹ in crore)

SI No.	Major Head	Receipts booked under Minor Head 800
1	0029 – Land Revenue	491.24
2	0030 – Stamps and Registration Fees	151.86
3	0425 – Co-operation	126.43

#### 4.8.2 Operation of Omnibus Object Head 34 – ‘Other Charges’

The object head, being the sixth tier of classification, represents the purpose and objective of expenditure. Paragraph 9(7) of Kerala Budget Manual (KBM) necessitates the need to analyse these object heads meant primarily for itemized control over expenditure indicating the nature of expenditure on a scheme in terms of inputs such as ‘salaries’, ‘grant-in-aid’, ‘travel expenses’, ‘hire charges of motor vehicles’, etc. A list of 99 separate standard object heads suitable for adoption by all Governments and representing the common items of Government expenditure, is given in Appendix 3 of KBM. Statement 4(b) of Volume I of Finance Accounts captures the expenditure booked under these object heads and displays it in terms of nature of expenditure.

Paragraph 29 of KBM, defines Object head 34 – ‘Other Charges’ as a residuary head that will embrace all charges which cannot appropriately be brought to account under any other object head. Object head 34- other charges is intended to be operated only when the appropriate object head has not been provided in the Accounts. Routine and indiscriminate use of object head-‘other charges’ renders the accounts opaque and prevents in identifying the exact economic nature of expenditure for accounting in Statement 4(b) of Finance Accounts. The expenditure booked under object head 34-other charges during the five-year period 2018-19 to 2022-23 is shown in **Table 4.8** below.

**Table 4.8: Expenditure booked under object head 34 other charges from 2018-19 to 2022-23**

(₹ in crore)

SI No.	Year	Total Expenditure*	Expenditure booked under object head-Other Charge
1	2018-19	1,17,746.93	1,704.60
2	2019-20	1,13,174.72	1,332.94
3	2020-21	1,36,335.98	2,236.30
4	2021-22	1,60,371.24	2,264.14
5	2022-23	1,55,947.49	2,463.12
*	Total expenditure includes revenue and Capital expenditure but excludes disbursement of loans and advances		

Source: Finance Accounts 2022-23 and VLC data

The table shows that over the five-year period 2018-19 to 2022-23 the expenditure booked under object head ‘other charges’ during 2022-23 was highest over last five years.

Audit examined the vouchers of 311 cases of expenditure of more than ₹10 lakh booked under the object head 34-‘other charges’ pertaining to the month of March 2023. It was noticed that out of 311 cases pertaining to 116 DDOs amounting to ₹244.57 crore, 171 cases in respect of 79 DDOs amounting to 140.92 crore were wrongly classified under the object Head 34- other charges, though appropriate object heads were available for booking the requisite expenditures. The list of misclassified cases is given in **Appendix 4.2**.

As a result of these incorrect classification of expenditure under object heads by various DDOs, the exact economic nature of expenditure is not reflected in Accounts.

State Government should issue specific directions to all the Controlling Officers/ Drawing and disbursing officers to assess the economic nature of the expenditure in relation to the object heads given in the KBM prior booking of the same.

## C. Issues related to Measurement

### 4.9 Outstanding balance under Major Suspense and DDR heads

Certain intermediary/ adjusting heads of accounts known as ‘Suspense Heads’ are opened in Government accounts to reflect transactions of receipt and payments which cannot be booked to a final head of account due to lack of information such as non-furnishing of Schedule of Settlement by the Treasuries/ PAOs, Non-receipt of clearance memos from RBI, non-receipt of vouchers etc. These heads of accounts are finally cleared by minus debit or minus credit when the accounts under them are booked to their respective final heads of accounts. If these amounts remain unclear, the balance under the suspense heads would accumulate and does not reflect the Government’s receipts and expenditures accurately.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

The net balances under Suspense and Remittance Heads can be obtained from Finance Accounts. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads.

Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Public Works and Forest Divisions, etc. The details of outstanding balances under a few major suspense and remittance heads from 2020-21 to 2022-23 are given in **Table 4.9**.

**Table 4.9: Balances under Suspense and Remittance Heads***(₹ in crore)*

Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	359.03	0.48	392.72	0.82	440.62	0.20
<b>Net</b>	<b>358.55</b>		<b>391.90</b>		<b>440.42</b>	
102 - Suspense Account-Civil	704.46	13.11	951.21	14.78	25.04	11.22
<b>Net</b>	<b>(-)691.35</b>		<b>936.43</b>		<b>13.82</b>	
107 - Cash Settlement Suspense Account	0		0		0	
<b>Net</b>	<b>0</b>		<b>0</b>		<b>0</b>	
109 – Reserve Bank Suspense – Headquarters	4.57		2.69		2.50	
<b>Net</b>	<b>4.57</b>		<b>2.69</b>		<b>2.50</b>	
110 - Reserve Bank Suspense - CAO	4.48		7.84		(-)423.28	
<b>Net</b>	<b>4.48</b>		<b>7.84</b>		<b>(-)423.28</b>	
112 - Tax Deducted at Source (TDS) Suspense		5.59		1,099.52		176.29
<b>Net</b>	<b>5.59</b>		<b>1,099.52</b>		<b>176.29</b>	
123 - A.I.S Officers' Group Insurance Scheme		0.16		0.19		0.25
<b>Net</b>	<b>0.16</b>		<b>0.19</b>		<b>0.25</b>	
Major Head 8782-Cash Remittances						
102 - P.W. Remittances	732.54	92.26	1,015.06		484.12	
<b>Net</b>	<b>640.28</b>		<b>1,015.06</b>		<b>484.12</b>	
103 - Forest Remittances	1.68	-	-		-	
<b>Net</b>	<b>1.68</b>		<b>-</b>		<b>-</b>	

Source: Finance Accounts of respective years

Accumulations under 101- 'PAO Suspense' showed an increasing trend from the year 2020-21 to 2022-23. As the balances under this head are to be cleared, these accumulations affect the accuracy of the Government Accounts.

#### 4.10 Reconciliation of Cash Balances

There should be no difference between the Cash Balance of the State as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India.

However, a scrutiny of Finance Accounts for the year 2022-23 has revealed that the cash balance of the State of Kerala for the year ending March 2023 as per the books of Accountant General (A&E) was ₹146.16 crore (Debit) whereas the Cash balance reported by Reserve Bank of India was ₹0.72 crore (Credit). Thus, there was a difference of ₹145.44 crore (Credit) as on 31 March 2023. Out of the difference, an amount of ₹0.04 crore (net credit) has been cleared in 2022-23. The balance difference of ₹145.40 crore (net debit) is under reconciliation.

### 4.11 Adverse balance under DDR Heads

Adverse balances are negative balances appearing under the heads of accounts where there should not be a negative balance. As on 31st March 2023, there was adverse balance under eight heads. Minus balances appearing in the accounts during the year are shown in **Table 4.10** below.

**Table 4.10: Minus balances appearing in the accounts during the year 2022-23**

(₹ in crore)

Major Heads	Major Head Description	Minus balance	Year from which outstanding
6408	Loans for Food, Storage and Warehousing	(-)0.07	2019-20
6425	Loans for Co-operations	(-)0.16	2019-20
6250	Loans for Other Social Services	(-)0.01	2021-22
6851	Loans for Village and Small Industries	(-)0.41	2019-20
6885	Other Loans to Industries and Minerals	(-)0.08	2018-19
7610	Loans to Government Servants	(-)2.21	2010-11
7615	Miscellaneous Loans	(-)0.03	1995-96
8448	Deposit with Local Funds	(-)227.81	2015-16
<b>Total</b>		<b>(-)230.78</b>	

Negative balance under loan heads indicate more repayment than the original amount advanced and negative balance under deposit head indicates more withdrawal than the amount deposited. The minus balances under these heads were due to misclassification. Hence, necessary action for clearing the adverse balances is required to be taken.

### 4.12 Opening of New Sub Heads/Detailed Heads of Accounts without advice

According to Article 150 of the Constitution of India the accounts of the State are to be kept in the form as advised by the Comptroller and Auditor General of India. During 2022-23, the State Government opened 38 new Sub Heads (30 under the Revenue Section, eight under Capital section and Loan heads) in the budget, without seeking the advice of the Comptroller and Auditor General as required under the Constitution. The State Government provided budget provisions under these heads and incurred expenditure of ₹4.73 crore under the Revenue Section and ₹2.21 crore under the Capital Section in these heads during 2022-23.

### 4.13 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. Further, the Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the

Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by Government of Kerala in 2022-23 and deficiencies therein are detailed in **Table 4.11**.

**Table 4.11: Compliance to Accounting Standards**

Sl. No.	Essence of IGAS	Compliance by State Government	Impact of deficiency
1	<b>IGAS-1</b> : Guarantees given by the Government – Disclosure requirements		
	IGAS-1 requires that sector-wise and class-wise disclosures on guarantees given by State Government should be incorporated in Finance Accounts	Complied (Statement 9 & 20 of Finance Accounts)	The Statements 9 & 20 are prepared in accordance with the provisions of IGAS-1 based on the information provided by the State Government.
2	<b>IGAS-2</b> : Accounting and Classification of Grants-in- Aid		
	As per IGAS-2, expenditure relating to Grants-in-aid should be classified as revenue expenditure even if it involves creation of assets, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India.	Partly Complied (Statement 10 of Finance Accounts).	Accounting and classification of Grants-in-aid given by the State Government have been depicted in Statement 10 and Appendix III which are prepared as per the requirements of IGAS-2. However, detailed information in respect of Grants-in-aid given in kind has not been furnished by the State Government.
3	<b>IGAS-3</b> : Loans and Advances made by Government		
	<b>IGAS – 3</b> requires disclosures on Loans and Advances made by the Union and the State Governments.	Partly complied (Statement No. 7 & 18 of Finance Accounts).	The details of loans and advances reported in Statement No.7 & 18 of the Finance Accounts are based on information received through the accounts rendered to the Principal Accountant General (Accounts & Entitlement) and detailed accounts maintained by the Principal Accountant General (Accounts & Entitlement) in respect of loans and advances made to Government servants. The closing balances depicted in Statements 7 & 18 as on 31 March 2023 have not been reconciled with the Loanee Entities/State Government. The State Government has also not furnished the figures in respect of certain loans and advances for which they maintain detailed accounts (Extent of compliance not included).

#### D. Issues related to Disclosure

Disclosure in the accounts means that the recorded transactions have been properly classified and disclosed wherever appropriate. This implies that the Receipts and Expenditures are booked to the proper account head and the disclosures in the notes and footnotes in the accounts are appropriate and adequate.

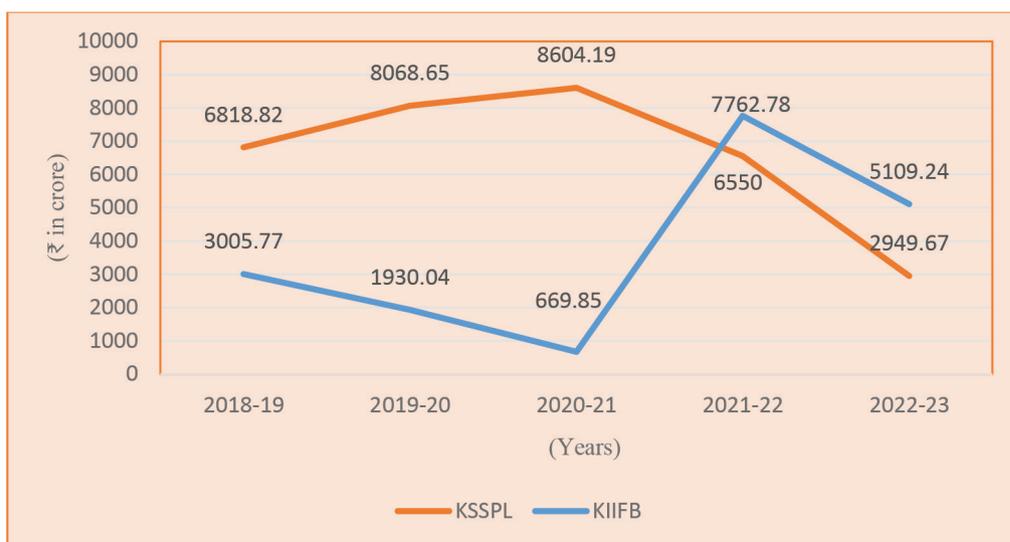
#### 4.14 Off Budget borrowings

The borrowings of the State Government are governed by Article 293(1) of the Constitution of India, under which the State Governments can borrow money within the territory of India upon security of the Consolidated Fund of the State. The limits on such borrowings are regulated under Article 293(3) of the Constitution of India under which the State must obtain prior consent of the Government of India (GoI) to raise any loan. The State Government is, therefore, required to furnish to GoI, the financial statements showing the estimates of receipts and repayments of all sources of borrowings including open market borrowings, other liabilities arising out of Public Account transfers, etc. based on which the GoI gives the consent for raising loans and fixes the borrowing ceiling for the State Government. GoI had fixed Net Borrowing of the State for 2022-23 in line with the recommendations of Finance Commission at four *per cent* of the estimated GSDP in April 2022.

The details of the off-budget borrowings are given in Para 2.8.1 of this Report, wherein it has been stated that the State Government has an outstanding liability of ₹29,475.97 crore as at the end of March 2023, towards servicing the off-budget borrowings. Though the Government had undertaken to service these borrowings through its own revenue resources, the details of these borrowings have not been disclosed in the State Budget.

**Chart 4.1** presents the trends in off budget borrowings over the period 2018-19 to 2022-23.

**Chart 4.1: Trends in off budget borrowings over the period 2018-19 to 2022-23**



Though the off budget borrowings of the State Government during 2022-23 decreased by ₹6,253.87 crore, the total cumulative outstanding liability of the State Government on account of off-budget borrowings at the end of March 2023 had increased by 21.44 *per cent*. Non-disclosure of off-budget borrowings in the State budget has the impact of diluting public financial management and oversight

role of the Legislature and placing major sources of funding of Government's crucial infrastructure projects beyond the control of the Legislature.

#### **4.15 Reconciliation of Receipts and Expenditure between CCOs and Principal Accountant General (A&E)**

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the Principal Accountant General (A&E), Kerala. During the year 2022-23, receipts amounting to ₹90,680.28 crore (88.02 *per cent* of total reconcilable receipts of ₹1,03,019.59 crore) and expenditure amounting to ₹1,42,817.30 crore (95.63 *per cent* of total reconcilable expenditure of ₹1,49,340.54 crore) were reconciled by the State Government.

In comparison, receipts amounting to ₹66,442.18 crore (95.00 *per cent* of total reconcilable receipts of ₹69,939.14 crore) and expenditure amounting to ₹1,38,431.10 crore (93.00 *per cent* of total reconcilable expenditure of ₹1,48,850.65 crore) were reconciled by the State Government during 2021-22.

Non-reconciliation of receipts and expenditure of Government with the figures accounted by the Principal Accountant General (A&E) would lead to probable misclassification of receipts and expenditure in the accounts of the State Government.

#### **4.16 Submission of Accounts /Separate Audit Reports of Autonomous Bodies**

As per Section 19(2) of the CAG's DPC Act, the duties and powers of Comptroller and Auditor General in relation to the audit of accounts of Corporations established by or under law made by Parliament shall be performed and exercised by him in accordance with the provisions of the respective legislations. As per Section 19(3) of the CAG's DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a Corporation established by law made by the Legislature of the State or of the Union Territory, as the case may be, and where such request has been made, the CAG shall audit the accounts of such Corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such Corporation.

Apart from Section 19, where the audit of the accounts of any body or authority has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority under Section 20(1) of CAG's DPC Act.

On completion of financial audit, audit certificate is issued in case of above stated Autonomous Bodies and Authorities provided CAG is the sole auditor.

Apart from audit certificate, the audit office also issues separate audit report (SAR) that is part of the audit certificate on the accounts. These SARs are to be placed before the State Legislature.

The audit of accounts of 26 Autonomous Bodies 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 4.3**.

The Autonomous bodies coming under the audit purview as per Section 19 or 20 of CAG’s DPC Act are required to submit annual accounts to audit before 30 June every year. In respect of 24 Autonomous bodies which were to render annual accounts to C&AG, 79 accounts were in arrears ranging from one to 10 years as shown in **Table 4.12**. The institution wise details are shown in **Appendix 4.4**.

**Table 4.12: Arrears in accounts of Autonomous bodies**

Years from which accounts pending	No. of Autonomous bodies	Years of pendency	No. of Accounts pending
2013-14	01	10	10
2015-16	02	8	16
2016-17	01	7	7
2017-18	01	6	6
2018-19	02	5	10
2019-20	02	4	8
2020-21	01	3	3
2021-22	05	2	10
2022-23	09	1	9
	<b>24</b>		<b>79</b>

The State Government should issue specific directions to all the Administrative departments to instruct the autonomous bodies under them to clear the arrears in accounts and to fix responsibility on the heads of autonomous bodies which defaulted in clearing the accounts.

#### 4.17 Departmental Commercial Undertakings

The departmental undertakings of certain Government Departments performing activities of commercial and quasi-commercial nature are required to prepare Proforma Accounts in the prescribed format annually, showing the working results of financial operations, so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business.

In the absence of timely finalisation of accounts, the results of the investment

of the Government remain outside the purview of State Legislatures and escape the scrutiny by Audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay renders the system vulnerable to the risk of fraud and leakage of public money.

The Heads of Departments in the Government are to ensure that the departmental undertakings prepare such accounts and submit the same to the Accountant General (Audit) within a specified time frame.

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 **Table 4.13**.

**Table 4.13: Statement of finalisation of *pro forma* accounts and Government investment in Departmentally managed commercial and quasi-commercial undertakings**

(₹ 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	Government investment for the last four years (2019-20 to 2022-23)	Remarks	
1	State Water Transport Department	2020-21	776.63	(-)59.24	2019-20	0.66	
					2020-21	0.71	
					2021-22	0.89	
					2022-23*		
2	Kerala State Insurance Department	2016-17	Nil	563.76	Accounts not finalised from 2019-20 to 2022-23	Receipt of revised accounts for 2017-18 awaited	
3	Text Book Office	1986-87	21.26	(-) 5.61	Nil	<i>pro forma</i> Accounts due from 1987-88	
4	Rubber Plantations at Open Prison & Correctional Home, Nettukalthery	2020-21	Reply awaited	0.15	Reply awaited	Receipt of revised accounts is awaited	

\* Information yet to be collected from the institution

Accounts of Text Book Office were in arrears from 1987-88. The State Government decided (December 2008) to dispense with the preparation of *pro forma* accounts for the period from 1975-76 to 1986-87 in respect of State Text Book Office. Decision on preparation of *pro forma* accounts for the period from 1987-88 to 2003-04 was pending with the Government. In the absence of up-to-date accounts, the current financial status of the Text Book Office could not be ascertained.

## 4.18 Misappropriations, Losses and Defalcations

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 (Audit I)/ Accountant General (Audit II), Kerala as well as to the Heads of Departments.

The final action on 92<sup>34</sup> cases of misappropriation, defalcation, involving Government money amounting to ₹20.16 crore was pending with the State Government.

**Table 4.14: Profile of misappropriations, losses and defalcations**

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	21	766.44	Theft	6	15.62
5 – 10	10	266.68			
10 – 15	13	713.32	Misappropriation/ loss of material	86	2,000.17
15 – 20	10	104.38			
20 – 25	16	81.32			
25 and above	22	83.65			
<b>Total</b>	<b>92</b>	<b>2,015.79</b>	<b>Total pending cases</b>	<b>92</b>	<b>2,015.79</b>

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 4.15**. Department-wise details are shown in **Appendix 4.5**.

**Table 4.15: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.**

(₹ in lakh)			
Sl. No.	Reasons for the delay/ outstanding pending cases	Number of cases	Amount
1.	Awaiting departmental and criminal investigation	12	41.87
2.	Departmental action initiated but not finalised	48	1,518.77
3.	Awaiting orders for recovery or write off	11	19.88
4.	Pending in the courts of law	21	435.27
<b>Total</b>		<b>92</b>	<b>2,015.79</b>

Source: Information received from Departments of the State Government

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

Timely action needs to be taken to settle the misappropriation cases in order to bring defaulters to book and to have a deterrent effect on others.

#### 4.19 Follow up Action on State Finances Audit Report

In Kerala State the Public Accounts Committee (PAC)/ Finance Department requires the line Departments to provide a *suo motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within two months of placing the Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within two months of tabling the Reports.

At the instance of the PAC, the Finance Department issues instructions to all the Departments to initiate *suo motu* action on all paragraphs and reviews featuring in the Audit Reports irrespective of whether the cases had been taken up for examination by PAC or not.

The receipt of ATNs from the line departments in respect of the State Finances Audit Report from the year 2017-18 to 2020-21 are pending. The details are shown in **Table 4.16**.

**Table 4.16: Number of Audit Paras for which ATN due from Government**

Sl. No.	Year of Audit Report	Total Number of ATNs
1	2017-18	3
2	2018-19	7
3	2019-20	19
4	2020-21	11
	<b>Total</b>	<b>40</b>

The discussion of paras in the State Finances Audit Report upto the year 2016-17 was completed on 05 July 2023.

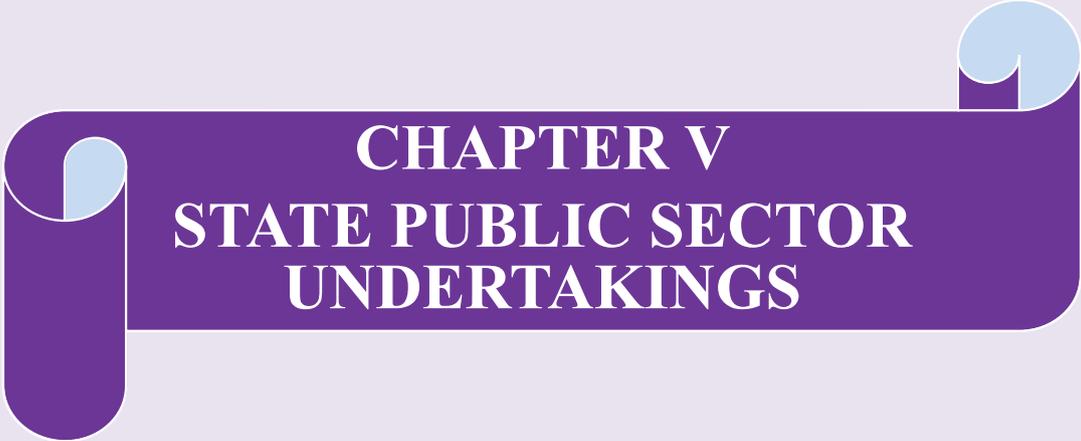
#### 4.20 Conclusions

- Autonomous bodies (24 numbers) were to render annual accounts to C&AG. The arrears in submission of accounts ranged from one to 10 years. There were delays in initiating departmental action, fixing liability, issuing orders of recovery, etc, in respect of cases of misappropriation/loss of public money.
- As compared to previous year, the expenditure booked under Minor head 800-other expenditure and receipts booked under Minor Head 800- other receipts declined by 23 *per cent* and 29 *per cent* respectively, which was a positive indicator.

## 4.21 Recommendations

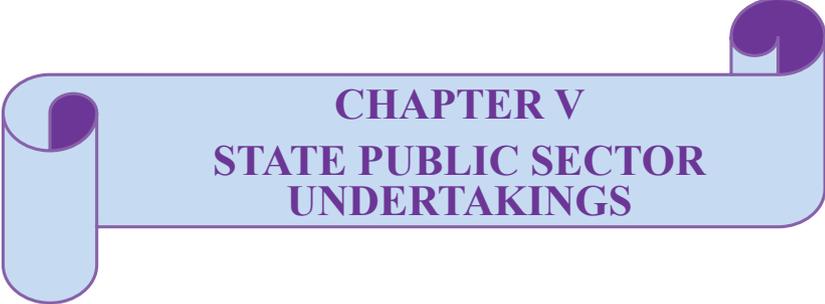
- 1. The Finance Department should ensure that the administrative departments releasing grants collect UCs as per the time limits stipulated in the grant orders and to not release further grants to defaulting grantees. It is also recommended that Government shall fix responsibility on the defaulting officials. Further, the Government may consider adopting a module similar to Expenditure Advance Transfer (EAT) available in Public Financial Management System (PFMS) to address the problem of pending UCs.*
- 2. Finance Department may consider evolving a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position.*





**CHAPTER V**  
**STATE PUBLIC SECTOR**  
**UNDERTAKINGS**





## CHAPTER V STATE PUBLIC SECTOR UNDERTAKINGS

This Chapter discusses the financial performance of Government Companies, Statutory Corporations and Government controlled other companies as revealed from their accounts. Impact of significant comments issued as a result of supplementary audit of the financial statements of these State Public Sector Undertakings (PSU) conducted by the C&AG of India for the year 2022-23 (or of earlier years which were finalised during the current year) has also been discussed.

### 5.1 Definition of Government companies

A Government company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government company.

Besides, any other company<sup>35</sup> owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other companies.

### 5.2 Mandate of Audit

Audit of Government companies and Government controlled other companies is conducted by the C&AG of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the C&AG appoints the Chartered Accountants as statutory auditors for Companies and gives directions on the manner in which the accounts are to be audited. In addition, C&AG has the right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by the C&AG.

### 5.3 PSUs and their contribution to the GSDP of the State

PSUs consist of State Government companies and Statutory Corporations. PSUs are established to carry out activities of commercial nature keeping in view the

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35 Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 4 September 2014.

welfare of people and occupy an important place in the State economy. As on 31 March 2023, there were 149 PSUs in Kerala, including 130 Government companies (including nine non-working Government companies), 15 Government controlled other companies (including nine non-working companies) and four Statutory Corporations<sup>36</sup> under the audit jurisdiction of the C&AG.

No PSUs were listed in the Stock Exchange. The inactive PSUs<sup>37</sup> have investment of ₹147.71 crore towards capital (₹95.92 crore) and long-term loans (₹51.79 crore) as per their latest finalised accounts. This is a critical area as the investments in inactive PSUs do not contribute to the economic growth of the State.

This Chapter deals with the analysis of financial performance of 131 working PSUs<sup>38</sup>. A ratio of turnover of the PSUs to the GSDP shows the extent of activities of the PSUs in the State economy. The details of turnover of PSUs and GSDP for a period of three years ending 31 March 2023 are given in **Table 5.1** below:

**Table 5.1: Details of turnover of PSUs vis-à-vis GSDP of Kerala**

(₹ in crore)

Particulars	2020-21	2021-22	2022-23
Turnover	34,769.57	35,767.90	38,781.41
GSDP	7,71,724	9,34,542	10,46,188
Percentage of Turnover to GSDP	4.51	3.83	3.71

Source: Latest finalised accounts of PSUs

It may be seen from the table above, that the turnover of PSUs recorded increase of 8.43 *per cent* during the period 2021-22 to 2022-23 and growth rate of GSDP showed an increase of 11.95 *per cent* during 2022-23 as compared to 2021-22. However, turnover as a percentage of GSDP is in a declining trend.

## 5.4 Investment in PSUs and Budgetary support

### 5.4.1 Equity holding and Loans in PSUs

The sector-wise total equity, equity contribution by State Government and long term loans including the loans given by State Government as on 31 March 2023 for 131 working PSUs are given below in **Table 5.2**.

36 Kerala State Road Transport Corporation, Kerala Industrial Infrastructure Development Corporation, Kerala Financial Corporation and Kerala State Warehousing Corporation.

37 Keltron Power Devices Limited, Keltron Rectifiers Limited, Kunnathara Textiles Limited, Vanjinad Leathers Limited, The Kerala Premo Pipe Factory Limited, The Kerala Asbestos Cement Pipe Factory Limited, Kerala State Wood Industries Limited, Kanjikode Electronics and Electricals Limited, Kerala School Teachers and Non-teaching Staff Welfare Corporation Limited, Pratheeksha Bus Shelters Kerala Limited, Ashwas Public Amenities Kerala Limited, Kerala Garments Limited, Kerala Special Refractories Limited, SIDCO Mohan Kerala Limited, SIDKEL Televisions Limited, Kerala High Speed Rail Corporation Limited, Kerala State Housing Development Finance Corporation Limited and Keltron Counters Limited..

38 131 includes 121 Government companies, six Government controlled other companies and four Statutory Corporations..

**Table 5.2: Sector-wise investment in PSUs***(₹ in crore)*

Name of Sector	Total Equity	State Government Equity	Total Long Term Loans	State Government Loans	Total Equity and Long Term Loans
Agriculture and Allied	88.43	69.71	102.88	24.29	191.31
Finance	1,409.32	1,326.22	6,926.17	9.08	8,335.49
Infrastructure	1,726.19	1,024.15	4,340.87	583.99	6,067.06
Manufacturing	2,268.73	2,140.34	1,708.89	1,536.25	3,977.62
Power	3,499.37	3,499.05	7,336.90	65.91	10,836.27
Service	2,173.95	1,955.99	24,288.43	10,083.11	26,462.38
<b>Total</b>	<b>11,165.99</b>	<b>10,015.46</b>	<b>44,704.14</b>	<b>12,302.63</b>	<b>55,870.13</b>

Source: Details received from PSUs; including provisional figures

The thrust of investment was mainly in service and power sectors. These sectors have received 47.36 per cent (₹26,462.38 crore) and 19.40 per cent (₹10,836.27 crore) of total investment of ₹55,870.13 crore.

The details of budgetary support to PSUs by State Government towards equity, loans and grants/subsidies for the period from 2020-21 to 2022-23 are shown in **Table 5.3**.

**Table 5.3: Details regarding budgetary support to PSUs by State Government***(₹ in crore)*

Sl.No	Particulars	2020-21		2021-22		2022-23	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity Capital	20	215.52	16	119.54	17	728.35
2	Loans given	32	2,362.18	30	2,202.65	21	1,553.24
3	Grants/subsidy provided	37	13,514.25	32	7,471.87	32	11,422.72
4	Total	89	16,091.95	78	9,794.06	70	13,704.31
5	Waiver of loans and interest	0	0	0	0	0	0
6	Guarantees issued	18	22,244.31	17	5,270.36	19	32,604.93
7	Guarantee commitment	20	19,099.32	18	5,009.78	18	29,654.51

Source: Compiled based on information received from PSUs

#### 5.4.2 Market Capitalisation of equity investment in PSUs

No PSU had its shares listed on the Stock Exchanges.

#### 5.4.3 Disinvestment, Restructuring and Privatisation

During the year 2022-23 there was no case of privatisation of PSUs.

#### 5.4.4 Power Distribution Companies

As on 31 March 2023, there was only one Power Sector PSU namely Kerala State Electricity Board Limited. The State Government has been providing financial support to KSEBL. During 2022-23 the budgetary outgo towards loans and grants/subsidies amounted to ₹20.19 crore and ₹30.61 crore respectively.

### 5.4.5 Reconciliation with Finance Accounts of Government of Kerala

The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Kerala. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of the differences. In this regard, the position of 105 PSUs as on 31 March 2023 is stated in **Table 5.4**.

**Table 5.4: Equity, loans and guarantees as per Finance Accounts of GoK vis-a-vis records of State PSUs**

(₹ in crore)

Sl. No.	Particulars	Amount as per Finance Accounts	Amount as per records of PSUs	Amount (Numbers)* - PSU accounts figures exceed the figures of Finance Accounts	Amount (Numbers)* - Finance Accounts figures exceed the figures of PSU Accounts
1	Equity	7,153.56	9,879.22	4,503.66 (51)	1,778 (34)
2	Loans	16,208.17	12,225.20	36.37 (13)	4,019.34 (42)
3	Guarantees Outstanding	24,847.41	32,683.02	10,983.95 (15)	3,148.34 (8)

Source: Compiled based on information received from PSUs and Finance Accounts

\*Number of PSUs are mentioned in brackets

The above differences are persisting for many years. Major difference was observed in Kerala State Electricity Board Limited. The details of difference (PSU wise) were brought to the notice (December 2022) of Chief Secretary as well as Additional Chief Secretary, Finance Department, Government of Kerala. The Government should take steps for time bound reconciliation to avoid inaccurate financial reporting which will undermine the financial accountability and transparency of both the Government Accounts and the records of PSUs in terms of equity, loans and guarantee.

## 5.5 Returns from PSUs

### 5.5.1 Profit earned by PSUs

As per the latest finalised accounts submitted till 30 September 2023, 58 PSUs earned a total profit of ₹1,368.72 crore. Whereas for the period ended 30 September 2022, there were 55 PSUs which earned a profit of ₹654.99 crore. The Return on Equity (RoE) of these 58 PSUs mentioned above (including the three Statutory Corporations) was 32.37 per cent as compared to 10.32 per cent in 55 PSUs during 2021-22. The increase in the ROE was due to increase in the profit of PSUs from ₹654.99 crore to ₹1,368.72 crore.

The overall Return on Equity of all the 128 working PSUs (excluding three working PSUs which have not submitted their first accounts) i.e., including 58 profit earning, 66 loss making and four zero profit/loss companies was negative as the overall net income and shareholders' fund of these PSUs were negative during 2022-23.

The list of PSUs which earned profit of more than ₹100 crore is given in **Table 5.5**.

**Table 5.5: Top two PSUs which contributed maximum profit**

Sector	Name of PSU	Period of Accounts	Net profit after Interest and Tax (₹ in crore)	Percentage of profit to total profit of profit earning PSUs
Power	Kerala State Electricity Board Limited	2021-22	736.27	53.79
Finance	The Kerala State Financial Enterprises Limited	2021-22	105.49	7.71
<b>Total</b>			<b>841.76</b>	<b>61.50</b>

Source: As per the latest finalised accounts of PSUs

Net profit of ₹841.76 crore constituting 61.50 per cent of total profit (₹1,368.72 crore) of PSUs was contributed by these two PSUs.

### 5.5.2 Dividend paid by PSUs

The details of profit earned and dividend declared by Government companies and Statutory Corporation are given in the **Table 5.6**.

**Table 5.6: Profit earned and dividend declared**

(₹ in crore)

Particulars	No. of PSUs	Paid up capital	Net profit	Dividend declared
Government company <sup>39</sup>	6	293.58	206.47	14.50
Statutory Corporation <sup>40</sup>	1	626.50	50.19	21.33
<b>Total</b>	<b>7</b>	<b>920.08</b>	<b>256.66</b>	<b>35.83</b>

Source: As per latest finalised accounts of PSUs

Out of 131 working PSUs, seven PSUs (including one Statutory Corporation) declared a dividend of ₹35.83 crore as per their latest finalised accounts as against ₹3.23 crore by three PSUs in 2021-22. The dividend declared as a percentage of net profit of these PSUs decreased from 22.11 per cent in 2021-22 to 13.96 per cent in 2022-23.

## 5.6 Debt Servicing

### 5.6.1 Interest Coverage Ratio

Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by interest expenses of the same

39 The Pharmaceutical Corporation (Indian Medicines) Kerala Limited (2021-22), Oil Palm India Limited (2021-22), Kerala Tourism Infrastructure Limited (2020-21), The Kerala State Women's Development Corporation (2021-22), The Kerala State Backward Classes Development Corporation Limited (2021-22) and The Kerala Minerals and Metals Limited (2022-23)

40 Kerala Financial Corporation (2022-23).

period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of 67 PSUs, which had interest expenses for long term/ short term loans/ cash credit/ overdraft *etc.*, for the period 2022-23 are given in **Table 5.7**.

**Table 5.7: Interest Coverage Ratio**

Particulars	PSUs having Interest Coverage Ratio <1			PSUs having Interest Coverage Ratio ≥1		
	No of PSUs	Interest	EBIT	No of PSUs	Interest	EBIT
		(₹ in crore)			(₹ in crore)	
Government companies	34	356.19	(-)307.57	30	3,349.96	4,836.30
Statutory corporations	1	495.73	(-)511.45	2	372.38	460.49
<b>Total</b>	<b>35</b>	<b>851.92</b>	<b>(-)819.02</b>	<b>32</b>	<b>3,722.34</b>	<b>5,296.79</b>

Source: As per the latest finalised accounts of PSUs wherein finance cost was incurred

It was observed that 32 PSUs (including two Statutory Corporations) having interest liability had ICR equal to or more than one indicating that sufficient revenues were available to meet the interest liability. Similarly, 35 PSUs (including one Statutory Corporation) had ICR less than one indicating that these PSUs could not generate adequate revenue to pay off their interest liability.

## 5.7 Performance of PSUs

### 5.7.1 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by the Capital Employed<sup>41</sup>. The consolidated RoCE of PSUs during the period from 2020-21 to 2022-23 is given in **Table 5.8**.

**Table-5.8: Return on Capital Employed**

Year	Number of PSUs	EBIT	Capital Employed	(₹ in crore)
				RoCE (in percentage)
2020-21	126	(-)862.32	26,411.34	(-)3.26
2021-22	131 <sup>42</sup>	(-)14.98	29,336.30	(-)0.05
2022-23	131 <sup>43</sup>	4,487.81	51,601.96	8.70

Source: As per latest finalised accounts of PSUs

41 Capital employed= Paid up capital+Free reserves and surplus+ Long Term loans-Accumulated losses-Deferred Revenue Expenditure

42 Excluding nine PSUs which had not finalised their first accounts.

43 Excluding three PSUs which had not finalised their first accounts.

- It was observed that the overall EBIT and RoCE of 126 PSUs and 122 PSUs was negative during 2020-21 and 2021-22 respectively which became positive for 128 PSUs in 2022-23. The overall EBIT improved in 2022-23 as compared to 2021-22.
- There was overall increase in capital employed by ₹22,265.60 crore due to inclusion of public deposit payable as long term loan in the case of Kerala State Financial Enterprises.
- The overall negative EBIT improved by ₹4,502.79 crore in 2022-23 mainly due to improved revenue from operations of KSEBL. However, KSEBL incurred losses amounting to ₹ 1,023.62 crore (2022-23) due to increase in finance cost, employee benefit expenses, depreciation & amortization expenditure.

### 5.7.2 Return on Equity of PSUs

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. ROE is calculated by dividing net income (i.e. net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if both net income and shareholders' fund are positive numbers.

Shareholders' fund is calculated by adding paid up capital and free reserves minus net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders if all assets were sold and all debts paid. A positive shareholders' fund reveals that the company has enough assets to cover its liabilities while negative shareholders' equity means liabilities exceed assets.

The consolidated ROE of PSUs during the period from 2020-21 to 2022-23 shows that both the Net Profit after Tax and Shareholders' Equity were negative, thus no return was available for the last 3 years.

## 5.8 PSUs incurring losses

### 5.8.1 Losses incurred by PSUs

As per the latest finalised accounts submitted till 30 September 2023, 66 PSUs (including one Statutory Corporation) incurred loss of ₹1,873.89 crore when compared to ₹4,065.38 crore incurred by 63 PSUs which submitted the accounts till 30 September 2022 as given in **Table 5.9**.

**Table 5.9: Number of PSUs that incurred losses during the three year period ending 31 March 2023***(₹ in crore)*

Year <sup>44</sup>	No. of loss making PSUs	Net Loss for the year	Accumulated loss	Net worth <sup>45</sup>
2020-21	68	4,496.12	16,651.62	(-) 9,058.15
2021-22	63	4,065.38	18,047.00	(-)10,412.90
2022-23	66	1,873.89	10,834.15	(-)6,378.68

Source: As per latest finalised accounts of PSUs

- Out of a total loss of ₹1,873.89 crore incurred by 66 PSUs, a significant loss of ₹1,113.99 crore was incurred by two PSUs (including one Statutory corporation) as shown in Table 5.10.
- The State Government had invested ₹3,546.30 crore as on 31 March 2023 in the form of equity in 54 out of these 66 loss making PSUs.

**Table 5.10: PSUs that incurred loss of more than ₹ 100 crore***(₹ in crore)*

Sl. No	Name of Company/Corporation	Period of Accounts	Net Loss after tax and interest
1	Kerala State Road Transport Corporation	2015-16	1,007.18
2	The Kerala State Civil Supplies Corporation Limited	2017-18	106.81

Source: As per latest finalised accounts of respective PSUs

- Out of 66 PSUs, 40 PSUs reported loss of ₹1,684.48 crore with erosion of net worth (₹ 9,347.25 crore) thus vitiating the going concern concept.

Out of 66 PSUs the net worth of 45 PSUs was just half of the paid-up capital which indicated the potential sickness of the PSUs. 29 PSUs were having interest coverage ratio less than one which indicated the PSUs were not generating sufficient revenue to meet its expenses on interest. Similarly, nine PSUs had debt asset ratio more than one which indicates the potential difficulty to meet financial obligations as the value of total assets of these PSUs was less than the loans outstanding.

### 5.8.2 Erosion of Capital in PSUs

As per their latest finalised accounts submitted till 30 September 2023, out of the 131 working PSUs, 77 had accumulated losses aggregating to ₹18,026.49 crore.

44 The figures from the latest available accounts have been considered in this Report for the purpose of arriving at working results.

45 Net worth= Paid up capital+Free reserve+Accumulated profit/(loss)-Deferred revenue expenditure.

Net worth of 44 out of these 77 PSUs had been completely eroded<sup>46</sup> by accumulated losses and their net worth was negative. The net worth of these 44 PSUs was (-) ₹11,227.04 crore against equity investment of ₹5,954.33 crore. Out of 44 PSUs, whose capital had been eroded, 40 PSUs reported loss of ₹1,684.48 crore and three PSUs reported a profit of ₹ 736.97 crore and one PSU (Vizhinjam International Sea Port Limited) reported no-profit-no loss as per their latest accounts as mentioned in Para 5.8.1.

In the overall, net worth of all the 131 (including three companies yet to finalise their first accounts) working PSUs was negative at ₹2,098.34 crore against their paid up capital of ₹10,889.88 crore.

As per the latest finalised accounts, the actual expenses and receipts of the 44 PSUs which had erosion of net worth was ₹24,465.48 crore and ₹24,641.65 crore respectively. Despite the erosion of net worth in the 44 PSUs, it's noteworthy that the actual receipts slightly exceeded the expenses, indicating potential avenues for financial stability and recovery within these entities.

A review of financial statements received during 2017-18 to 2022-23 from 44 PSUs with negative net worth revealed that 19 PSUs sustained negative net worth for periods ranging from one to 13 years. Two recently formed PSUs reported negative net worth right from the commencement of their operations. The remaining 23 PSUs had continuous negative net worth throughout the review period. The detailed list of PSUs having negative net worth as per their latest finalised accounts is shown in **Appendix 5.1**. The age analysis of accounts in arrears of PSUs whose Net worth has eroded are shown in **Table 5.11**.

**Table 5.11 : Age-wise pendency of 44 PSUs with negative net worth**

Particulars	Number of PSUs	Number of accounts in arrears
up to date accounts submitted for 2022-23	4	
one to three year	32	59
four to six years	5	23
seven to eight years	3	22
<b>Total</b>	<b>44</b>	<b>104</b>

## 5.9 Audit of PSUs

C&AG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. C&AG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the C&AG and a report be submitted to the Legislature.

<sup>46</sup> The funding of liabilities and establishment expenditures of PSUs, experiencing continuous erosion in net worth, mainly comprised working capital loans, term loans from the Government of Kerala, as well as grants and subsidies from both state and central government.

## 5.10 Appointment of statutory auditors of PSUs by C&AG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the C&AG within a period of 180 days from the commencement of the financial year.

The statutory auditors of such PSUs for the year 2022-23 were appointed by CAG from September 2022 onwards.

## 5.11 Submission of accounts by PSUs

### 5.11.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting<sup>47</sup> (AGM). As soon as may be after such preparation, the Annual Report must be laid before the State Legislature, together with a copy of the Audit Report and comments of the C&AG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited financial statements for the financial year have to be placed in the said AGM for their consideration.

Section 129(7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non - compliance with the provisions of Section 129 of the Companies Act, 2013.

The annual accounts of several PSUs were pending as on 30 September 2023<sup>48</sup>, as detailed in the following paragraph.

### 5.11.2 Timeliness in preparation of accounts by PSUs

As of 31 March 2023, there were 131 working PSUs comprising 121 Government companies and six Government controlled other companies and four Statutory corporations under the purview of CAG's audit. A total of 16 PSUs (including one Statutory Corporation as discussed below) submitted their accounts for the financial year 2022-23 for audit within the stipulated period. It is noticed

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47 In case of the first AGM, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case within a period of six months, from the date of closing of the financial year *i.e.* 30 September

48 Due date of holding AGM of Companies for the financial year 2022-23 is 30 September 2023 as per the Companies Act 2013.

that accounts up to the financial year 2022-23 were due from 115 Government Companies. 197 accounts (including accounts of previous years) were submitted by 112 PSUs for audit by C&AG during October 2022 to September 2023. Details of arrears in submission of accounts of Government companies and Government controlled other companies for the year 2022-23 are given in **Table 5.12** below:

**Table: 5.12: Details showing the arrears in submission of accounts**

Particulars		Government companies	Government controlled other companies	Statutory Corporations	Total
Total number of PSUs under the purview of CAG's audit as on 31.03.2023		130	15	4	149
Working PSUs- Unlisted		121	6	4	131
Listed Companies		0	0	0	0
Number of PSUs which presented the accounts for 2022-23 for CAG's audit		14	1	1	16
Number of PSUs from which accounts till 2022-23 were due (Total Number of accounts due)		107 (256)	5 (5)	3 (9)	115 (270)
Age wise analysis of arrears of working PSUs	One year (2022-23)	40 (40)	5 (5)	2 (2)	47 (47)
	Two years (2021-22 and 2022-23)	32 (64)	0 (0)	0 (0)	32 (64)
	Three years to five years (2018-19 to 2022-23)	29 (108)	0 (0)	0 (0)	29(108)
	Six years and above (beyond 2017-18)	6 (44)	0 (0)	1 (7)	7 (51)

Source: As per latest finalised accounts of PSUs

It could be seen from the above table that:

- Out of the total of 131 working PSUs, only 16 submitted their accounts for the year 2022-23 to the CAG for audit, thus representing merely 12.21 *per cent* of the total companies under its audit jurisdiction. A total of 270 accounts were due from 115 companies for the year 2022-23.
- Age-wise analysis revealed that for six years and above (i.e., beyond 2017-18), 51 accounts were pending from seven companies; for three years to five years (i.e., 2018-19 to 2022-23), 108 accounts were pending from 29 companies, for 2 years (i.e., 2021-22 and 2022-23), 64 accounts were pending from 32 companies.

Though the matter regarding arrear in finalisation of accounts of PSUs is being taken up regularly (July 2023) and also order (August 2023) has been issued by Planning & Economic Affairs (BPE) Department, GoK to all the Chief Executive Officers to finalise the accounts within the stipulated time, the pendency in finalisation of accounts is a matter of concern.

## **5.12 C&AG's oversight - Audit of accounts and supplementary audit**

### **5.12.1 Financial reporting framework**

Companies are required to prepare their financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with the National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the C&AG and any other specific provision relating to accounts in the Act governing such Corporations.

### **5.12.2 Audit of accounts of Government companies by statutory auditors**

The statutory auditors appointed by the C&AG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the Government companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The C&AG plays an oversight role by monitoring the performance of the statutory auditors in audit of PSUs with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power to:

- issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

### **5.12.3 Supplementary Audit of accounts of Government companies**

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is vested with the management of an entity. The statutory auditors appointed by the C&AG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the C&AG. The statutory auditors are required to submit the Audit Report to the C&AG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government companies along with the report of the statutory auditors are reviewed by C&AG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the AGM.

## 5.13 Result of C&AG's oversight role

### 5.13.1 Audit of accounts of Government companies under Section 143 of the Companies Act, 2013

Out of the 131 working PSUs, 112 PSUs (103 Government companies, six Government controlled other companies and three Statutory Corporations) forwarded 197 audited accounts to Principal Accountants General, Kerala during the period from October 2022 to September 2023. These included financial statements from the year 2011-12 to 2022-23. Out of the 197 accounts, 16 accounts were for the year 2022-23. Out of 197, 109 financial statements of PSUs were reviewed in audit by the C&AG, and issued 24 Comment certificates for 21 PSUs. 88 Non-Review Certificates were issued for 58 PSUs. The results of the review are detailed below:

### 5.13.2 Amendment of financial statements

Four Government companies amended their financial statements as a result of supplementary audit conducted by the C&AG before laying the same in the AGM. The financial impact of amendments was ₹35.17 crore on profitability and ₹35.72 crore on assets and liabilities.

### 5.13.3 Revision of Auditors Report

The statutory auditors reports on 19 financial statements were revised as a result of supplementary audit of the financial statements conducted by the C&AG.

The significant comments of the C&AG issued as supplement to the Statutory auditors report on PSUs and where CAG is sole auditor in case of Statutory Corporations is separately compiled in the Separate Commercial Audit Report of PSUs for the year ended 31 March 2023.

## 5.14 Management letters

One of the objectives of financial audit is to establish communication, on audit matters arising from the audit of financial statements, between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of Public Sector Undertakings were reported as comments by the C&AG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by C&AG in the financial reports or in the reporting process, were also communicated to the management through 'Management Letter' for taking corrective action. During the year, C&AG issued 24 Management Letters to 21 PSUs (for which comments were issued) regarding the deficiencies related to accounting treatment and policies, non-compliance to accounting standards on disclosures and non-compliance to assurances to audit on rectification of errors, *etc.*

## 5.15 Conclusion

This Chapter presents the financial performance of Public Sector Undertakings measured by ratios indicating their operating efficiency and return on investment. This Chapter also deals with oversight role of CAG by monitoring the performance of the statutory auditors with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

- Analysis revealed that 77 out of 131 working PSUs had an aggregate accumulated losses of ₹18,026.49 crore and of these 77 PSUs, the net worth of 44 PSUs had been completely eroded by accumulated loss and their net worth was negative. The net worth of these 44 PSUs was (-)₹11,227.04 crore against equity investment of ₹5,954.33 crore.
- A review of financial statements received during 2017-18 to 2022-23 from 44 PSUs with negative net worth revealed that nineteen PSUs sustained negative net worth for periods ranging from one to 13 years and two recently formed PSUs reported negative net worth right from the commencement of their operations. The remaining 23 PSUs had continuous negative net worth throughout the review period.
- The overall Return on Equity in all PSUs was negative as the overall net income and shareholders' fund of these PSUs were negative during 2022-23.
- A total of 16 PSUs (including one Statutory Corporation) submitted their accounts for the financial year 2022-23 for audit within the stipulated period representing 12.21 per cent of the total number of working PSUs. Age-wise analysis of the PSUs from which accounts were pending showed that in 115 PSUs 270 accounts were pending up to the financial year 2022-23.

## 5.16 Recommendations

1. *The State Government needs to decide on the business models of the loss-making PSUs in order to address the root cause of the losses. Government may further consider setting up a committee to assess the viability of the loss making PSUs, especially those whose net worth have been completely eroded, so that further straining of the public exchequer can be avoided.*
2. *The State Government and the respective PSUs should reconcile the differences relating to equity, loan and guarantees in a time-bound manner.*

3. *Government should establish a robust monitoring and accountability mechanism to ensure that all PSUs comply with the statutory time limit for finalisation and submission of accounts, thereby promoting transparency and financial discipline within these organizations.*



**(S. SUNIL RAJ)**

Principal Accountant General  
(Audit II), Kerala

Thiruvananthapuram,  
The 01 JULY 2024

Countersigned



**(GIRISH CHANDRA MURMU)**  
Comptroller and Auditor General of India

New Delhi,  
The 03 JULY 2024





**APPENDICES**



**Appendix 1.1**  
**State Profile**  
**(Reference: Paragraph 1.1; Page No. 1)**  
**A. General Data**

Sl. No.	Particulars		Figures
1.	Area		38,863 sq.km
2.	Population		
	a. In 2013		3.39 crore
	b. In 2023		3.58 crore
3.	Density of Population (as per 2011 Census) (All India Density = 422.26 persons per sq. km)		921
4.	Population Below Poverty Line (BPL) (All India Average = 21.92 per cent)		7.05 per cent
5.	Literacy (as per 2011 census) (All India Average = 73.00 per cent)		94 per cent
6.	Infant mortality (per 1000 live births) (All India Average= 28 per 1000 live births)		5.05
7.	Life Expectancy at birth (All India Average = 70)		75.2
8.	Gross State Domestic Product (GSDP) 2022-23 at current prices(₹ in crore)		₹10,46,188.14
9.	Per capita GSDP Compounded Annual Growth Rate (2012-13 to 2022-23)	Kerala	9.23
10.	GSDP Compounded Annual Growth Rate (2012-13 to 2022-23)	Kerala	9.76
11.	Population Growth (2013 to 2023)	Kerala	5.61
12.	Per Capita GDP (in ₹)	Kerala	2,95,787
		All India	1,96,983

**Appendix 1.2**  
**Time series data on the State Government Finances**  
**(Reference: Paragraph 1.5.1; Page No.8 and Paragraph 1.6.3; Page No. 12)**

(₹ in crore)

Particulars		2018-19		2019-20		2020-21		2021-22		2022-23	
<b>Part A: Receipts</b>											
<b>1.</b>	<b>Revenue Receipts</b>	<b>92854.47</b>		<b>90224.67</b>		<b>97616.83</b>		<b>116640.24</b>		<b>132724.65</b>	
<b>(i)</b>	<b>Tax Revenue</b>	<b>50644.10</b>	<b>(55)</b>	<b>50323.14</b>	<b>(56)</b>	<b>47660.84</b>	<b>(48)</b>	<b>58340.52</b>	<b>(50)</b>	<b>71,968.16</b>	<b>(54)</b>
	Taxes on Sales, Trade, etc.	19225.75	(38)	19649.64	(39)	17689.17	(37)	22487.42	(39)	26,875.78	(37)
	State Excise	2521.40	(5)	2255.28	(4)	2329.22	(5)	2032.23	(4)	2,875.95	(4)
	Taxes on Vehicles	3708.61	(7)	3721.14	(7)	3386.28	(7)	4037.10	(7)	5,386.81	(8)
	Stamps and Registration fees	3693.17	(7)	3615.01	(7)	3489.59	(7)	4857.33	(8)	6,216.71	(9)
	Land Revenue	202.78		332.42		493.35		470.84	1	718.90	(1)
	Other Taxes	240.11		263.39		196.12		229.75		312.84	
	State Goods and Services Tax	21014.71	(42)	20446.95	(41)	20028.31	(42)	24169.81	(41)	29,513.28	(41)
	Other taxes and Duties on commodities and Services	37.57		39.31		48.80		56.04		67.89	
<b>(ii)</b>	<b>Non-Tax Revenue</b>	<b>11783.24</b>	<b>(13)</b>	<b>12265.22</b>	<b>(14)</b>	<b>7327.31</b>	<b>(8)</b>	<b>10462.51</b>	<b>(9)</b>	<b>15,117.95</b>	<b>(11)</b>
<b>(iii)</b>	<b>State's share in Union taxes and duties</b>	<b>19038.17</b>	<b>(20)</b>	<b>16401.05</b>	<b>(18)</b>	<b>11560.40</b>	<b>(12)</b>	<b>17820.09</b>	<b>(15)</b>	<b>18,260.68</b>	<b>(14)</b>
<b>(iv)</b>	<b>Grants in aid from Government of India</b>	<b>11388.96</b>	<b>(12)</b>	<b>11235.26</b>	<b>(12)</b>	<b>31068.28</b>	<b>(32)</b>	<b>30017.12</b>	<b>(26)</b>	<b>27,377.86</b>	<b>(21)</b>
<b>2.</b>	<b>Miscellaneous Capital Receipts</b>	<b>46.50</b>		<b>27.48</b>		<b>34.15</b>		<b>60.27</b>		<b>49.94</b>	
<b>3.</b>	<b>Recovery of Loans and Advances</b>	<b>210.54</b>		<b>295.32</b>		<b>263.82</b>		<b>479.24</b>		<b>409.29</b>	
<b>4.</b>	<b>Total revenue and Non debt capital receipts (1+2+3)</b>	<b>93111.51</b>		<b>90547.47</b>		<b>97914.80</b>		<b>117179.75</b>		<b>1,33,183.88</b>	
<b>5.</b>	<b>Public Debt Receipts</b>	<b>33445.92</b>		<b>60407.05</b>		<b>69735.36</b>		<b>64932.14</b>		<b>54,007.17</b>	
	Internal Debt (excluding Ways & Means Advances and Overdraft)	232965.63	(70)	22511.19	(37)	33493.87	(48)	32592.64	(50)	35,737.73	(66)
	Net transactions under Ways and Means Advances excluding Overdraft	9698.12	(29)	35745.17	(59)	29222.75	(42)	22874.48	(35)	15745.01	(29)
	Loans and advances from Government of India	452.17	(1)	2150.69	(4)	7018.74	(10)	9465.02	(15)	2524.43	(5)
<b>6.</b>	<b>Total receipts in the Consolidated Fund (4+5)</b>	<b>126557.43</b>		<b>150954.52</b>		<b>167650.16</b>		<b>182111.89</b>	<b>(50)</b>	<b>187191.05</b>	
<b>7.</b>	<b>Contingency Fund Receipts</b>	<b>..</b>		<b>..</b>		<b>..</b>		<b>..</b>		<b>..</b>	
<b>8.</b>	<b>Public Account receipts</b>	<b>254069.02</b>		<b>261788.85</b>		<b>350861.93</b>		<b>355961.24</b>		<b>3,37,441.36</b>	
<b>9.</b>	<b>Total receipts of State (6+7+8)</b>	<b>380626.45</b>		<b>412743.37</b>		<b>518512.09</b>		<b>538073.13</b>		<b>5,24,632.41</b>	
<b>10.</b>	<b>Revenue Expenditure</b>	<b>110316.39</b>	<b>(92)</b>	<b>104719.92</b>	<b>(92)</b>	<b>123446.33</b>	<b>(89)</b>	<b>146179.51</b>	<b>(90)</b>	<b>141950.93</b>	<b>(89)</b>
	Plan	13890	(13)	12036	(11)	17939.54	(15)	18433.01	(13)	17358.53	(12)
	Non-Plan	96426	(87)	92684	(88)	105506.79	(85)	127746.49	(87)	124592.40	(88)
	General Services (incl. Interest payment)	50827.13	(46)	55504.03	(53)	50360.72	(41)	70110.00	(48)	69831.68	(49)
	Social Services	38210.77	(35)	34044.77	(33)	44832.44	(36)	50695.61	(35)	50275.91	(35)
	Economic Services	12379.77	(11)	9107.25	(9)	18760.72	(15)	15713.81	(11)	12280.82	(9)
	Grants-in-aid and Contributions	8898.72	(8)	6063.87	(6)	9492.45	(8)	9660.09	(7)	9562.52	(7)
<b>11.</b>	<b>Capital Expenditure</b>	<b>7430.54</b>	<b>(6)</b>	<b>8454.80</b>	<b>(7)</b>	<b>12889.65</b>	<b>(9)</b>	<b>14191.73</b>	<b>(9)</b>	<b>13996.56</b>	<b>(9)</b>
	Plan	6779	(91)	7953	(94)	11935.76	(93)	13207.69	(93)	13260.46	(95)
	Non-Plan	652	(9)	502	(6)	953.89	(7)	984.04	(7)	736.10	(5)
	General Services	197.96	(3)	157.42	(2)	259.84	(2)	268.26	(2)	306.89	(2)
	Social Services	1784.29	(24)	1090.64	(13)	2277.90	(18)	3342.63	(24)	3030.08	(22)
	Economic Services	5448.29	(73)	7206.74	(85)	10351.91	(80)	10580.84	(74)	10659.59	(76)
<b>12.</b>	<b>Disbursement of Loans and Advances</b>	<b>2322.89</b>	<b>(2)</b>	<b>1210.22</b>	<b>(1)</b>	<b>2548.51</b>	<b>(2)</b>	<b>2854.29</b>	<b>(2)</b>	<b>2790.93</b>	<b>(2)</b>
<b>13.</b>	<b>Total (10+11+12)</b>	<b>120069.82</b>		<b>114384.94</b>		<b>138884.49</b>		<b>163225.53</b>		<b>158738.42</b>	

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

## Appendix 1.2- Contd.

(` in crore)

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
<b>Part B: Expenditure/Disbursement</b>						
14.	<b>Repayment of Public Debt</b>	<b>18195.99</b>	<b>44001.28</b>	<b>38927.85</b>	<b>35900.00</b>	<b>35,980.76</b>
	Internal Debt (excluding Ways and Means Advances and Overdrafts)	7805.12	8072.02	8449.99	12275.14	19392.26
	Transactions under Ways and Means Advances excluding Overdrafts	9698.12	35215.35	29752.57	22874.48	15745.01
	Loans and Advances from Government of India	692.75	713.91	725.29	750.38	843.49
15.	<b>Appropriation to Contingency Fund</b>	...	...	...	...	
16.	<b>Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>138265.81</b>	<b>158386.22</b>	<b>177812.33</b>	<b>199125.53</b>	<b>194719.18</b>
17.	<b>Contingency Fund disbursements</b>	...	75	0	0	0
18.	<b>Public Account disbursements</b>	<b>242890.37</b>	<b>254475.08</b>	<b>337817.00</b>	<b>336440.12</b>	<b>3,27,399.50</b>
19.	<b>Total disbursement by the State (16+17+18)</b>	<b>381156.18</b>	<b>412936.30</b>	<b>515629.33</b>	<b>535565.65</b>	<b>522118.68</b>
<b>Part C: Deficits</b>						
20.	<b>Revenue Deficit (1-10)</b>	<b>17461.92</b>	<b>14495.25</b>	<b>25829.50</b>	<b>29539.27</b>	<b>9226.28</b>
21.	<b>Fiscal Deficit (4-13)</b>	<b>26958.31</b>	<b>23837.47</b>	<b>40969.69</b>	<b>46045.78</b>	<b>25554.54</b>
22.	<b>Primary Deficit (21-23)</b>	<b>10210.39</b>	<b>4622.77</b>	<b>19994.33</b>	<b>22742.96</b>	<b>378.18</b>
<b>Part D: Other Data</b>						
23.	Interest Payments (included in revenue expenditure)	16747.92	19214.70	20975.36	23302.82	25,176.36
24.	Financial Assistance to local bodies, etc.	19382.62	12132.04	20504.85	16258.55	15843.71
25.	Ways and Means Advances availed /special drawing facility (days)	67	234	195	110	54
26.	Overdraft availed (days)	Nil	57	35	14	1
27.	Interest on WMA/Overdraft	3.55	28.21	26.95	13.90	5.66
28.	Gross State Domestic Product (GSDP) at current prices	788285.58	812934.63	771723.89	934541.75	1046188.14
29.	Outstanding Fiscal Liabilities (year-end)	241614.51	265362.36	308386.01	357392.76	358030.38
30.	Outstanding guarantees (year-end)	26834.65	27757.01	31714.27	44369.85	50374.49
31.	Maximum amount guaranteed (during the year)	46796	43433.30	49076.88	60604.04	75895.65
32.	Number of incomplete projects/works	270	295	354	274	233
33.	Capital blocked in incomplete projects/works	1292	1302	1362.35	1199.78	85.45

**Appendix 1.2- Concl.**

Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
<b>Part E: Fiscal Health Indicators</b>						
<b>I</b>	<b>Resource Mobilisation</b>					
	Own Tax revenue/GSDP	6.42	6.19	6.18	6.24	6.88
	Own non-tax revenue/GSDP	1.49	1.51	0.95	1.12	1.45
	Central Transfers/GSDP	3.86	3.40	5.52	5.12	4.36
<b>II</b>	<b>Expenditure Management</b>					
	Total Expenditure/GSDP	15.23	14.07	18.00	17.47	15.17
	Total Expenditure/Revenue Receipts	129.31	126.78	142.28	139.94	119.6
	Revenue Expenditure/Total Expenditure	91.88	91.55	88.88	89.56	89.42
	Revenue Expenditure on Social Services/Total Expenditure	31.82	29.76	32.28	31.06	31.67
	Revenue Expenditure on Economic Services/Total Expenditure	10.31	7.96	13.51	9.63	7.74
	Capital Expenditure/Total Expenditure	6.19	7.39	9.28	8.69	8.82
	Capital Expenditure on Social and Economic Services/Total Expenditure	6.02	7.25	9.09	8.53	8.62
<b>III</b>	<b>Management of Fiscal Imbalances</b>					
	Revenue deficit/GSDP	-2.22	-1.78	-3.35	-3.16	-0.88
	Fiscal deficit/GSDP	-3.42	-2.93	-5.31	-4.93	-2.44
	Primary Deficit /GSDP	-1.3	-0.57	-2.59	-2.43	-0.04
	Revenue Deficit/Fiscal Deficit	64.77	60.81	63.05	64.15	36.1
<b>Part E: Fiscal Health Indicators</b>						
<b>IV</b>	<b>Management of Fiscal Liabilities</b>					
	Fiscal Liabilities/GSDP	30.65	32.64	39.96	38.24	36.80
	Fiscal Liabilities/Revenue Receipts	260.21	294.11	315.91	306.41	290.1
<b>V</b>	<b>Other Fiscal Health Indicators</b>					
	Return on Investment (per cent)	1.60	1.14	1.18	2.33	0.46
	Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.41

**Appendix 1.3**  
**Summarised financial position of the Government of Kerala**  
**as on 31 March 2023**  
**(Reference: Paragraph 1.5.2; Page No. 10)**

(₹ in crore)

As on 31 March 2022	Liabilities		As on 31 March 2023
<b>210791.59</b>	<b>Internal Debt</b>		<b>227137.07</b>
1,83,522.00	Market Loans bearing interest	1,99,142.00	
0.04	Market Loans not bearing interest	0.04	
447.83	Loans from Life Insurance Corporation of India	26,7.03	
117.79	Loans from General Insurance Corporation of India	100.98	
2973.45	Loans from National Bank for Agriculture and Rural Development	2,797.58	
495.97	Loans from National Co-operative Development Corporation	696.58	
667.09	Loans from other institutions	532	
22566.54	Special securities issued to National Small Savings Fund of the Central Government	23,599.99	
0.88	Compensation and other bonds	0.87	
0	Ways and Means Advances from Reserve Bank of India excluding Overdrafts	0	
0	Overdrafts from Reserve Bank of India	0	
<b>23688.27</b>	<b>Loans and Advances from Central Government</b>		<b>25,369.21</b>
1.16	Pre 1984-85 Loans	1.16	
8.84	Non-Plan Loans	7.07	
6023.76	Loans for State Plan Schemes	5186.23	
(*)	Loans for Central Plan Schemes	(*)	
17654.51	Other loans	20174.75	
<b>100</b>	<b>Contingency Fund (Net)</b>		<b>100</b>
<b>115666.60</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>1,24,190.92</b>
<b>6419.34</b>	<b>Deposits</b>		<b>7,603.72</b>
<b>3374.97</b>	<b>Reserve Funds</b>		<b>3,452.19</b>
<b>322.03</b>	<b>Suspense and Miscellaneous</b>		<b>229.25</b>
<b>360362.80</b>	<b>Total</b>		<b>3,88,082.36</b>

(\*) ₹ 7,000 only.

## Appendix 1.3- Concl'd.

(₹ in crore)

As on 31 March 2022	Assets		As on 31 March 2023
107707.11	<b>Gross Capital Outlay on Fixed Assets -</b>		121663.27
10481.95	Investments in shares of Companies, Corporations, etc.	11346.81	
97225.16	Other Capital Outlay	110316.46	
22100.44	<b>Loans and Advances -</b>		24468.53
2812.04	Loans for Power Projects	2851.24	
18643.36	Other Development Loans	20,622.95	
645.04	Loans to Government servants and Miscellaneous loans	994.34	
0	<b>Contingency fund</b>		0
60.29	<b>Advances</b>		59.64
0	<b>Suspense and Miscellaneous Balances</b>		0
1473.31	<b>Remittance Balances</b>		1125.12
392.20	<b>Adjustment on account of retirement/disinvestment</b>		442.14
7477.96	<b>Cash</b>		9991.68
36.46	Cash in Treasuries and Local Remittances	36.53	
(-)330.31	Deposits with Reserve Bank	146.16	
(-)7.63	Departmental Cash Balance	(-)7.63	
1.13	Permanent Advances	1.15	
5230.30	Cash Balance Investments	7092.74	
2548.01	Reserve Fund Investments	2722.73	
221151.49	<b>Deficit on Government Account -</b>		230331.98
191671.69	Accumulated deficit at the beginning of the year	2,21,155.50	
29539.27	Add: (i) Revenue Deficit of the current year	9,226.28	
0.80	(ii) Miscellaneous Government account	0.14	
60.27	Less: Miscellaneous Capital Receipts	49.94	
360362.80	<b>Total</b>		3,88,082.36

**Appendix 1.4**  
**Medium Term Fiscal Plan 2022-23**  
**(Reference: Paragraph 1.6.5; Page No.15)**

(₹ in crore)

Item	2018-19 A Accounts	2019-20 Accounts	2020-21 Accounts	2021-22 Revised Estimates	2022-23 Budget Estimates	Forward Estimates	
						2023-24	2024-25
<b>Revenue Receipts (A)</b>	92854.47	90224.67	97616.83	117888.15	134097.80	144385.05	160705.66
State's Own Tax Revenue	50644.10	50323.14	47660.84	58867.89	74097.80	84471.49	96297.50
Non-Tax Revenue	11783.24	12265.22	7327.31	10038.04	11769.55	13534.98	15565.23
Resources from Centre	30427.13	27636.31	42628.68	48982.22	48230.45	46378.58	48842.93
<b>Revenue Expenditure(B)</b>	<b>110316.39</b>	<b>104719.92</b>	<b>123446.33</b>	<b>149803.21</b>	<b>157065.89</b>	<b>169371.03</b>	<b>185399.88</b>
Non-Interest Revenue Expenditure	93568.47	85505.22	102470.97	127687.80	131100.03	139904.02	152769.29
Interest	16747.92	19214.70	20975.36	22115.41	25965.86	29467.01	32630.59
Salaries	31405.69	31774.87	27810.86	44405.74	42079.55	45622.03	49262.58
Pensions	19011.94	19064.29	18942.85	26959.22	26834.03	30012.41	33413.28
<b>Non-SPI Revenue Expenditure</b>	<b>43150.84</b>	<b>34666.06</b>	<b>55717.26</b>	<b>56322.84</b>	<b>62195.73</b>	<b>64269.58</b>	<b>70093.43</b>
Subsidies	1663.01	1378.19	6300.41	3627.56	2170.43	2050.00	2000.00
Devolution to LSGs	10278.46	6861.97	11399.78	11649.09	12903.30	17889.69	20217.16
Other Revenue Expenditure	31209.37	26425.90	38017.07	41046.19	47122.00	44329.89	47876.28
<b>Revenue Deficit (-) / Surplus (+)</b>	<b>-17461.92</b>	<b>-14495.25</b>	<b>-20063.50</b>	<b>-23176.06</b>	<b>-22968.09</b>	<b>-24985.98</b>	<b>-24694.22</b>
<b>Capital Expenditure</b>	<b>9753.43</b>	<b>9665.02</b>	<b>15438.16</b>	<b>14996.98</b>	<b>16521.62</b>	<b>14766.61</b>	<b>20391.78</b>
Capital outlay	7430.54	8454.80	12889.65	12226.29	14890.76	13054.30	18593.76
Loan disbursements	2322.89	1210.22	2548.51	2770.69	1630.86	1712.40	1798.02
<b>Non-Debt Capital Receipts</b>	<b>257.04</b>	<b>322.80</b>	<b>297.97</b>	<b>516.56</b>	<b>373.10</b>	<b>391.76</b>	<b>411.34</b>
<b>Fiscal Deficit (-) / Surplus (+)</b>	<b>-26958.31</b>	<b>-23837.47</b>	<b>-35203.70</b>	<b>-37656.48</b>	<b>-39116.61</b>	<b>-39360.93</b>	<b>-44674.66</b>

## Appendix 1.4- Concl.d.

(₹ in crore)

Item	2018-19 A Accounts	2019-20 Accounts	2020-21 Accounts	2021-22 Revised Estimates	2022-23 Budget Estimates	Forward Estimates	
						2023-24	2024-25
<b>Primary Fiscal Deficit/Surplus</b>	<b>-10210.39</b>	<b>-4622.77</b>	<b>-14228.34</b>	<b>-15541.07</b>	<b>-13150.75</b>	<b>-9893.92</b>	<b>-12044.07</b>
End of the Period Debt	223196.94	247971.44	278606.11	315246.50	334296.52	391372.65	433390.44
Debt Service	16747.92	19214.70	20975.36	22115.41	25965.86	24737.94	28961.58
Salary + Pension + Interest	67165.55	70053.86	67729.07	93480.37	94870.16	105101.45	115306.45
Debt Stock	235631.50	260311.37	296900.85	333592.15	371692.18	411053.11	455727.77
Government Guarantees	26834.65	27757.01	31714.27				
<b>Interest/Revenue Receipts (%)</b>	<b>18.04</b>	<b>21.30</b>	<b>21.49</b>	<b>18.76</b>	<b>19.36</b>	<b>20.41</b>	<b>20.30</b>
Debt/ Revenue (%)	253.76	288.51	304.15	282.97	277.18	284.69	283.58
(Salary +Pen +Interest) /Reve- nuce (%)	72.33	77.64	69.38	79.30	70.75	72.79	71.75
(Salary +Pen +Interest) /GSDP (%)	8.50	8.50	8.47	10.36	9.49	9.35	9.03
(Salary +Pension)/GSDP (%)	6.38	6.17	5.85	7.91	6.89	6.73	6.48
Rev Deficit/ Rev Receipt (%)	18.81	16.07	20.55	19.66	17.13	17.31	15.37
<b>RD/GSDP (%)</b>	<b>2.21</b>	<b>1.76</b>	<b>2.51</b>	<b>2.57</b>	<b>2.30</b>	<b>2.22</b>	<b>1.93</b>
<b>FD/GSDP (%)</b>	<b>3.41</b>	<b>2.89</b>	<b>4.40</b>	<b>4.17</b>	<b>3.91</b>	<b>3.50</b>	<b>3.50</b>
<b>Debt stock/GSDP (%)</b>	<b>29.82</b>	<b>31.58</b>	<b>37.13</b>	<b>36.98</b>	<b>37.18</b>	<b>36.55</b>	<b>35.70</b>
<b>GSDP</b>	<b>790302</b>	<b>824374</b>	<b>799571</b>	<b>901998</b>	<b>999643</b>	<b>1124598</b>	<b>1276419</b>
<b>Nominal GSDP Growth Rate (%)</b>	<b>12.64</b>	<b>4.31</b>	<b>-3.01</b>	<b>12.81</b>	<b>10.83</b>	<b>12.50</b>	<b>13.50</b>
Average Interest rate (%)	7.50	7.75	7.53	7.02	7.36	7.53	7.53

**Appendix - 2.1**  
**Capital expenditure during 2022-23 compared to 2021-22**  
**(Reference: Paragraph 2.4.3.1; Page No. 52 )**

(₹ in crore)

Major Heads of Account	2022-23	2021-22	Increase (+)/ Decrease (-)
4202 - Capital Outlay on Education, Sports, Art and Culture	564.90	488.32	76.58
4215 - Capital Outlay on Water Supply and Sanitation	1751.79	2149.01	-397.22
4217 - Capital Outlay on Urban development	41.43	19.19	22.24
4225 - Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	174.93	199.77	-24.84
4235 - Capital Outlay on Social Security and Welfare	19.75	16.95	2.8
4402 - Capital Outlay on Soil and water Conservation	47.95	49.69	-1.74
4405 - Capital Outlay on Fisheries	330.53	281.11	49.42
4408 - Capital Outlay on Food, Storage and Warehousing	74.05	80.39	-6.34
4425 - Capital Outlay on Co-operation	225.49	17.81	207.68
4515 - Capital Outlay on other Rural Development Programmes	1446.86	1,194.05	252.81
4700 - Capital Outlay on Major Irrigation	107.50	112.35	-4.85
4702 - Capital Outlay on Minor Irrigation	130.39	165.83	-35.44
4711 - Capital Outlay on Flood Control Projects	96.70	97.49	-0.79
4860 - Capital Outlay on Consumer Industries	9.35	37.10	-27.75
4885 - Other Capital Outlay on Industries and Minerals	243.73	244.97	-1.24
5051 - Capital Outlay on Ports and Light Houses	41.61	39.36	2.25
5053 - Capital Outlay on Civil Aviation	212.16	10.99	201.17
5054 - Capital Outlay on Roads and Bridges	2451.90	3,270.99	-819.09
5055 - Capital Outlay on Road Transport	65.88	47.18	18.7
5056 - Capital Outlay on Inland Water Transport	31.57	93.13	-61.56
5075 - Capital Outlay on Other Transport Services	534.06	757.51	-223.45
5452 - Capital Outlay on Tourism	107.07	152.52	-45.45
5465 - Investments in General Financial and Training Institutions	..	94.12	-94.12
5475 - Capital Outlay on Other General Economic Services	3997.49	3,373.66	623.83

**Appendix 2.2**

**Part A: Details of outstanding loans as on 31 March 2023 availed by KIIFB  
(Reference: Paragraph 2.8.1; Page No.64)**

(₹ in crore)

Sl. No	Name of Entity from which borrowed	Total Amount borrowed upto 31.03.2023	Balance principal amount as on 31.03.2023
1.	Masala Bond	2,150.00	2,150.00
2.	NABARD	1,365.00	1173.30
3.	SBI	1,000.00	750.00
4.	UBI	500.00	364.59
5.	Indian Bank	1,000.00	890.80
6.	Syndicate Bank	200.00	170.00
7.	Corporation Bank	250.00	222.92
8.	Bank of Baroda	2000	2000
9.	KIIFB Bonds To KSFE-PRAVASI	1003.52	911.12
10.	Loan from Kerala Non-resident Keralites-Welfare Board	313.97	313.93
11.	Bank of India	700.00	700.00
12.	Bank of Maharashtra	1000.00	1000.00
13.	Canara Bank	500.00	500.00
14.	REC Ltd	3796.00	3796.02
15.	HUDCO	1500.00	1500.00
16.	ICICI	200.00	200.00
17.	Kotak Mahindra Bank	100.00	100.00
18.	Kerala Financial Corporation	1000.00	1000.00
	<b>Total</b>	<b>18,578.50</b>	<b>17,742.68</b>

**Part B: Details of loans raised by KIIFB during 2022-23  
(Reference: Paragraph 2.8.1.1; Page No.65 )**

Sl. No	Name of Entity from which borrowed	Amount raised during 2022-23 (₹ in crore)
1	Bank of Baroda	350.00
2	Bank of India	175.00
3	Bank of Maharashtra	110.00
4	KIIFB Bonds To KSFE-PRAVASI Chitty	356.73
5	Loan from Kerala Non-resident Keralites-Welfare Board	22.59
6	REC Ltd	1794.92
7	HUDCO	1000
8	ICICI	200
9	Kotak Mahindra Bank	100
10	Kerala Financial Corporation	1000
	<b>Total</b>	<b>5,109.24</b>

**Appendix 2.3**  
**Part A: Institution-wise details of loans availed by KSSPL and**  
**loans outstanding as on 31 March 2023.**  
**(Reference: Paragraph 2.8.1; Page No.64 and**  
**Paragraph 2.8.1.2; Page No.66)**

(₹ in crore)

Sl. No.	Name of Institutions	2018-19 to 2022-23		Loans Outstanding as on 31 March 2023
		Total Loans availed	Loans Repaid	
1.	Kerala State Beverages Corporation (KSBC)	1000.00	500.00	500.00
2.	Kerala State Financial Enterprises (KSFE)	5470.69	1750.00	3,720.69
3.	Primary Agricultural Credit Societies (PACS)	5,185.47	172.87	5,012.60
4.	Kerala Motor Transport Workers Welfare Fund Board (KTWWB)	2000.00	0.00	2000.00
5.	Kerala Financial Corporation (KFC)	500.00	0.00	500.00
<b>Total</b>		<b>14,156.16</b>	<b>2,422.87</b>	<b>11,733.29</b>

**Part B: Institution-wise details of loans availed by KSSPL during the year**  
**2022-23**  
**(Reference: Paragraph 2.8.1.2; Page No.65)**

Sl. No.	Name of Institutions	Amount (₹ in crore)
1.	Primary Agricultural Credit Societies (PACS)	1,599.67
2.	Kerala State Financial Enterprises (KSFE)	1,350.00
<b>Total</b>		<b>2949.67</b>

**Appendix 2.4**  
**Major defaulters in contributing Guarantee Commission**  
**(Reference: Paragraph 2.8.2; Page No.66)**

*(₹ in crore)*

Sl. No.	Name of the Institution	Amount
1	Kerala State Road Transport Corporation	126.11
2	Kerala Urban and Rural Development Finance Corporation Limited	66.04
3	KELTRON	17.09
4	Cashew Development Corporation	11.74
5	Travancore Rayons Limited	18.09
6	Kerala Water Authority	42.10
7	Kerala State Co-Operative Hospital Complex and Centre For Advanced Medical Service Limited	13.49

**Appendix 3.1**  
**Savings under Gender Budget Part A women specific schemes with**  
**allocation of 90-100 per cent during 2022-23**  
**(Reference: Paragraph 3.2; Page No.79)**

*(₹ in lakh)*

Sl No.	Grant	Scheme	Head of Account	Budget allocation	Expenditure (Accounts)	savings	% of savings against budget provision
1	XII-Police	Gender awareness and gender friendly infrastructure facilities in Police department	2055-00-001-90	510.00	278.65	-231.35	45.36
2		Construction of new building for Women Police Station (PS), Pathanamthitta	4055-00-207-92(30)	98.00	50.00	-48.00	48.98
3	24-Labour, Labour Welfare and Welfare of Non-residents	Upgradation of Women ITI	2230-03-101-72	210.00	132.79	-77.21	36.77
4		Studio Apartment for working women in urban area	4250-00-201-91	210.00	0.00	-210.00	100.00
5		Self-Employment Scheme for the Registered Unemployed Widows/ Deserted/ Divorced/ Unmarried woman/ Unwed Mothers, Differently Abled women, wife of Bed-ridden Persons (SARANYA)	2230-02-101-91	950.00	659.39	-290.61	30.59
			6250-60-800-96	950.00	664.90	-285.10	30.01

## Appendix 3.1- Contd.

(₹ in lakh)

Sl No.	Grant	Scheme	Head of Account	Budget allocation	Expenditure (Accounts)	savings	% of savings against budget provision	
6	36-Rural De-velopment	Kudumbashree	2515-00-102-29	26000.00	16608.35	-9391.65	36.12	
7		Deendayal Antyodaya Yojana- NRLM (40 % SS)	2501-06-197-48(4)	6500.00	0.00	-6500.00	100.00	
8		Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP)	2505-02-101-99(02)	75.00	9.15	-65.85	87.80	
9	46-Social Security And Welfare	Programmes of Kerala State Women's Development Corporation	2235-02-190-99	1590.00	856.06	-733.94	46.16	
10		Gender awareness programmes of KSWDC	2235-02-103-90(2)	140.00	50.00	-90.00	64.29	
11		Programme on Finishing School for women--REACH (KSWDC)	2235-02-103-89	200.00	47.00	-153.00	76.50	
12		Setting up of Vanitha Mithra Kendra-Working Women's Hostel (40% State Share) by KSWDC	4235-02-103-95(2)	640.00	0.00	-640.00	100.00	
13		First 1000 days programme for infants in Attappadi	2235-02-102-50	350.00	307.21	-42.79	12.23	
14		Capacity building in service training to officers in WCD	2235-02-1-88	70.00	41.22	-28.78	41.11	
15		Women development programmes		2235-02-103-68(1)	900.00	769.37	-130.63	14.51
				2235-02-103-68(2)	100.00	55.68	-44.32	44.32
			2235-02-103-68(3)	1400.00	1014.42	-385.58	27.54	

## Appendix 3.1- Contd.

(` in lakh)

SI No.	Grant	Scheme	Head of Account	Budget allocation	Expenditure (Accounts)	savings	% of savings against budget provision
16	46-Social Security And Welfare	Gender awareness programmes of KWC	2235-02-103-90(3)	213.00	143.28	-69.72	32.73
17		Assistance to after care programmes / follow up service/ victim relief fund	2235-02-106-93	250.00	152.41	-97.59	39.04
18		Psycho social services for adolescent girls	2235-02-102-62(1)	3000.00	2926.34	-73.66	2.46
19		Gender Park	2235-02-103-80	1000.00	346.79	-653.21	65.32
20		Aswasakiranam– assistance to care givers (largely women)	2235-60-200-72(2)	4250.00	2421.09	-1828.91	43.03
21		Snehasparsham– rehabilitation of unwed mothers and their children	2235-60-200-72(3)	200.00	200.00	0	0
22		Ente koodu	2235-02-101-75	50.00	30.72	-19.28	38.56
23		Nirbhaya programmes (construction of homes and One stop centre)	4235-02-103-99	150.00	4.90	-145.10	96.73
24		Mahila Shaktikendra (40 %SS)	2235-02-103-54(2)	80.00	19.53	-60.47	75.59
25		ICDS training programme (40% SS)	2235-02-102-44(2)	120.00	0.00	-120.00	100.00
26	Integrated Rural Technology Centre Training to Anganwadi functionaries in Pre-school Education (Training to Anganwadi functionaries)	2235-02-102-41	150.00	135.10	-14.90	9.93	

## Appendix 3.1- Concl'd.

(₹ in lakh)

Sl No.	Grant	Scheme	Head of Account	Budget allocation	Expenditure (Accounts)	savings	% of savings against budget provision
27		Mazhavillu - Scheme for transgender persons	2235-60-198-50(2)	20.00	0.00	-20.00	100.00
			2235-60-192-50(2)	15.00	0.00	-15.00	100.00
			2235-60-191-50(2)	15.00	0.00	-15.00	100.00
			2235-60-200-64	450.00	0.00	-450.00	100.00
28	46-Social Security And Welfare	Swadhar Greh (40% SS)	2235-02-103-65(02)	48.00	30.68	-17.32	36.08
29		Ujjawala scheme (30% SS)	2235-02-103-49(2)	30.00	0.00	-30.00	100.00
30		Kaithirinaalam	2235-02-103-53	10.00	0	-10.00	100.00
31		Skill Development Training and Employment for Women	2235-02-103-51	1.00	0	-1.00	100.00
32		Development of Anganwadi Centres as Community Resource Centres for women and children	2235-02-102-56	1100.00	957.91	-142.09	12.92
			<b>Total</b>	<b>52,045.00</b>	<b>28,912.94</b>	<b>(-)23,132.06</b>	<b>44.45</b>

**Appendix 3.2**  
**Details of cases where supplementary provision (greater than ₹ 50 lakh) proved unnecessary**  
**(Reference: Paragraph 3.5.3; Page No.86)**

(₹ in crore)

Sl No.	Name of the Grant/ Appropriation	Scheme	Original	Supplementary	Total Budget	Actual expenditure	Saving out of Provisions	Chief Controlling Officer
(1)	(2)	(3)	(4)	(5)	(6)=(4+5)	(7)	(8)=(7-6)	(9)
1	I-State Legislature	2011-02-103-99(V)-Legislative Secretariat	93.08	7.05	100.13	91.27	-8.86	The Secretary, Kerala Legislature Secretariat
2	III-Administration of Justice	2014-00-102-99(C)-High Court	179.88	0.94	180.82	166.27	-14.55	The Registrar General, High Court of Kerala
3	IV-Elections	2015-00-102-99(V)-Electoral Officers	10.96	0.58	11.54	10.20	-1.34	The Chief Electoral Officer, Election Dept.
4	XII-Police	2055-00-001-99(V)-Superintendence	75.88	4.00	79.88	73.99	-5.89	The Director General of Police, Police Headquarters
		2055-00-109-99(V)-District Force	3,115.12	27.71	3,142.83	2,971.57	-171.26	
5	XIII-Jails	2056-00-001-88(V)-Modernisation of Prisons (100% CSS)	-	7.00	7.00	-	-7.00	The Director General of Prisons and Correctional Services
6	XIV-Stationery and Printing and Other Administrative Services	2070-00-108-98(V)-Protection and Control	298.66	2.25	300.91	277.43	-23.48	The Commandant General, Fire & Rescue Services
7	XVII-Education, Sports, Art and Culture	2202-01-111-96(V)-Project Directorate of Samagra Siksha Abhiyan	585.50	251.60	837.10	257.30	-579.80	The Director of Public Instruction
		4202-02-800-95(V)-I T I Buildings Works	12.50	2.87	15.37	8.08	-7.29	The Director of Training, Industrial Training Department

## Appendix 3.2- Concl.d.

Sl No.	Name of the Grant/ Ap-propriation	Scheme	Original	Supple-mentary	Total Budget	Actual expenditure	Saving out of Provisions	Chief Controlling Officer
(1)	(2)	(3)	(4)	(5)	(6)=(4+5)	(7)	(8)=(7-6)	(9)
8	XVIII-Medi-cal and Public Health	2210-05-105-45(V)-Dental College, Thrissur	15.61	1.09	16.70	14.43	-2.27	The Director of Medical Educa-tion
		2210-05-105-48(V)-Gov-ernment Dental College, Alappuzha	16.19	6.34	22.53	13.34	-9.19	
		2210-05-105-53(V)-Med-ical College, Parippally, Kollam	69.36	3.61	72.97	66.24	-6.73	
		2210-80-190-99(V)-Grant-in-Aid to the Kerala Med-ical Services Corporation Limited (KMSCL)	356.40	278.26	634.66	349.06	-285.60	The Secretary to Government Health and Family Welfare Depart-ment
9	XXV-Welfare of Sched-uled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2225-03-277-99(V)-Post matriculation Studies	227.00	60.00	287.00	205.16	-81.84	The Director of Backward Classes Development Department
10	XXX-Food	2408-01-101-94(V)-Ra-tion Subsidy	1,084.90	64.00	1,148.90	699.83	-449.07	The Director of Civil Supplies
11	XLI-Transport	5075-60-800-61(V)-Green Field Airport, Sabarimala	2.00	2.50	4.50	-	-4.50	The Secretary, Transport Depart-ment, Secretariat
<b>Total</b>		<b>16 cases</b>	<b>6,143.04</b>	<b>719.80</b>	<b>6,862.84</b>	<b>5,204.17</b>	<b>-1,658.67</b>	

Source: Compilation from VLC data

\*V- voted, C-charged

**Appendix 3.3**  
**Details of cases where supplementary provision (₹25 crore or more in each case)**  
**proved excessive.**  
**(Reference: Paragraph 3.5.3; Page No.86)**

(₹ in crore)

Sl No.	Name of the Grant	Scheme	Original	Supplementary	Total Budget	Actual expenditure	Savings out of Provisions
(1)	(2)	(3)	(4)	(5)	(6=4+5)	(7)	(8=7-6)
1	II-Heads of States, Ministers and Headquarters Staff	3451-00-092-92(V)-Development and Innovation Strategic Council of Kerala - (K-DISC)	26.48	34.40	60.88	35.13	-25.75
2	XV-Public Works	5054-04-337-80(C)-Payment of Compensation for Land Acquisition	10.00	115.00	125.00	83.94	-41.06
3	XVII-Education, Sports, Art and Culture	2202-01-111-95(V)-Strengthening Teaching - Learning and Results for States (STARS) (Implementing through Samagra Shiksha Kerala) - (60%CSS)	-	312.91	312.91	127.62	-185.29
4	XVII-Education, Sports, Art and Culture	4202-01-202-93(V)-Infrastructure - School Education	85.00	67.86	152.86	144.43	-8.43
5	XX-Water Supply and Sanitation	4215-01-800-83(V)-Scheme for Special Assistance to States for Capital Investment	-	243.01	243.01	47.93	-195.08

## Appendix 3.3- Concl'd.

(₹ in crore)

Sl No.	Name of the Grant	Scheme	Original	Supplementary	Total Budget	Actual expenditure	Savings out of Provisions
(1)	(2)	(3)	(4)	(5)	(6=4+5)	(7)	(8=7-6)
6	XX-Water Supply and Sanitation	4215-01-102-92(V)- Jal Jeevan Mission (NRD-WP) - 50% CSS	1500.00	1655.05	3155.05	1616.29	-1538.76
7	XXXV-Panchayat	4515-00-800-96(V)- Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)	300.00	50.00	350.00	338.79	-11.21
8	XLI-Transport	5075-60-800-83(V)- Metro Rail System in Kochi City (MIDP)	0.01	537.06	537.07	442.72	-94.35
9	XLI-Transport	7055-00-190-99(V)- Loans to Kerala State Road Transport Corporation	1,000.00	631.01	1,631.01	1,434.81	-196.20
10	XLVI-Social Security and Welfare	2235-60-102-89(V)- Assistance to Kerala Social Security Pension Limited	10,793.51	1,480.00	12,273.51	11,101.92	-1,171.59
<b>Total</b>		<b>10 cases</b>	<b>13,715.00</b>	<b>5,126.30</b>	<b>18,841.30</b>	<b>15,373.58</b>	<b>-3,467.72</b>

Source: Compilation from VLC data

\*V- voted, C-charged

**Appendix 3.4**  
**Schemes with unnecessary/ excessive/ insufficient re-appropriation of Funds**  
**(Reference: Paragraph 3.5.4.1; Page No. 87)**

(₹ in crore)

Unnecessary Reappropriation								
Sl No.	Grant	Head of accounts	Original	Supple- menta- ry	Reap- ropri- ation	Total	Actual Expendi- ture	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4+5+6)	(8)	(9) = (8)-(7)
1	XII-Police	2055-00-104-99- Armed Police(V) (NP)	567.06	0	1.93	568.99	469.15	-99.84
2	XV-Public Works	5054-04-337-80- Payment of Compensation for Land Acquisi- tion(C)(P)	0	115.00	10.00	125.00	83.94	-41.06
3	XVII-Educa- tion, Sports, Art and Culture	2202-01-101-98- Upper Primary Schools(V)(NP)	1,371.54	0	42.54	1,414.09	1247.33	-166.75
4	XVII-Educa- tion, Sports, Art and Culture	2202-01-101-99- Lower Primary Schools(V)(NP)	1,539.53	0	41.44	1,580.97	1456.71	-124.26
5	XVII-Educa- tion, Sports, Art and Culture	2202-01-102-99- Teaching Grant(V)(NP)	5,054.96	0	37.95	5,092.91	4511.91	-581.00
6	XVII-Educa- tion, Sports, Art and Culture	2202-02-109-78- Government Vocational Higher Secondary Schools(V)(NP)	300.22	0	2.54	302.76	275.47	-27.29
7	XVII-Educa- tion, Sports, Art and Culture	2202-02-109-86- Higher Secondary Education (Plus Two Courses) (V) (NP)	1,493.26	0	5.22	1,498.48	1389.92	-108.56
8	XVII-Educa- tion, Sports, Art and Culture	2202-02-109-99- Secondary Schools(V)(NP)	1,734.99	0	49.29	1,784.28	1638.62	-145.66
9	XVII-Educa- tion, Sports, Art and Culture	2202-02-110-95- Aided Vocational Higher Secondary Schools - Teach- ing Grant(V)(NP)	262.97	0	2.88	265.85	232.45	-33.40
10	XVII-Educa- tion, Sports, Art and Culture	2202-02-110-99- Teaching Grant(V)(NP)	3,502.93	0	2.45	3,505.38	2886.91	-618.47

## Appendix 3.4- Contd.

(₹ in crore)

Unnecessary Reappropriation								
Sl No.	Grant	Head of accounts	Original	Supplementa-ry	Reap-propri-ation	Total	Actual Expendi-ture	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4+5+6)	(8)	(9) = (8)-(7)
11	XVIII-Medical and Public Health	2210-03-110-99-Hospitals and Dispensaries except General District Taluk Hospi-tals(V)(NP)	545.02	0	2.64	547.66	482.82	-64.84
12	XXVI-Relief on Account of Natural Calam-ities	2245-07-101-98-SDMF-Non Structural Mitiga-tion(V)(NP)	0	0	88.00	88.00	0	-88.00
13	XXVI-Relief on Account of Natural Calam-ities	2245-08-101-99-Transfer to Reserve Fund and Deposit Accounts-State Disaster Mitiga-tion Fund(V)(NP)	0	0	88.00	88.00	0	-88.00
14	XXIX-Agricul-ture	2401-00-001-96-Strengthening of Agricultural Administration and introduction of Training and Visiting System of Extension(V)(NP)	388.34	0	13.19	401.53	376.08	-25.45
15	XLVI-Social Security and Welfare	2235-03-101-99-National Old Age Pension(V)(P)	0	0	862.38	862.38	0	-862.38
16	XLVI-Social Security and Welfare	2235-60-102-88-National Widow Pension(V)(P)	0	0	441.01	441.01	0	-441.01
		<b>Total</b>	<b>16760.82</b>	<b>115.00</b>	<b>1691.46</b>	<b>18567.28</b>	<b>15051.31</b>	<b>-3515.97</b>

## Appendix 3.4 – Contd.

(` in crore)

Excessive Reappropriation								
Sl No.	Grant	Head of accounts	Original	Supple- menta- ry	Reap- propri- ation	Total	Actual Expendi- ture	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4+5+6)	(8)	(9) = (8)-(7)
1	XV-Public Works	3054-80-191-37- Maintenance of Road Assets as per Sixth SFC Rec- ommendations (V) (NP)	63.17	0	72.04	135.21	89.03	-46.18
2	XV-Public Works	3054-80-196-37- Maintenance of Road Assets as per Sixth SFC Rec- ommendations (V) (NP)	66.34	0	371.10	437.44	276.84	-160.60
3	XV-Public Works	3054-80-800-92- Kerala Road Fund(V)(P)	0	0	282.27	282.27	140.87	-141.40
4	XV-Public Works	5054-04-337-80- Payment of Com- pensation for Land Acquisition(V)(P)	0	0	75.00	75	26.71	-48.29
5	XVII-Educa- tion, Sports, Art and Culture	2202-01-107-90- District Institute of Education and Training (DIET) 60% C.S.S(V)(P)	0	0	52.90	52.90	22.53	- 30.37
6	XVII-Educa- tion, Sports, Art and Culture	2202-02-106-99- Text Books Publica- tion(V)(NP)	68.05	0	38.84	106.89	80.86	-26.03
7	XVII-Educa- tion, Sports, Art and Culture	2202-03-104-99- Salaries to the staff under the Direct Payment System(V) (NP)	1140.68	0	270.53	1411.21	1,384.81	-26.40
8	XXII-Urban Development	2217-05-191-48- Block Grants for Centrally Spon- sored Schemes(V) (P)	839.53	0	70.63	910.16	872.78	-37.38

## Appendix 3.4- Concl.d.

Excessive Reappropriation								
Sl No.	Grant	Head of accounts	Original	Supplementa-ry	Reap-propri-ation	Total	Actual Expendi-ture	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4+5+6)	(8)	(9) = (8)-(7)
9	XXVI-Relief on Account of Natural Calamities	2245-07-101-99-SDMF-Structural Mitigation Measures(V)(NP)	0	0	83.80	83.80	0.07	-83.73
10	XXXVI-Rural Development	2501-06-197-48-Block Grants for CSS(V)(P)	187.50	0	169.09	356.59	270.94	- 85.65
11	XLVI-Social Security and Welfare	2235-02-102-18-Integrated Child Development Service (60% CSS) (V)(P)	0	378.09	458.44	836.53	406.30	-430.23
		<b>Total</b>	<b>2365.27</b>	<b>378.09</b>	<b>1944.64</b>	<b>4688.00</b>	<b>3571.74</b>	<b>-1116.26</b>

Insufficient Reappropriation								
Sl No.	Grant	Head of accounts	Original	Supplementa-ry	Reap-propri-ation	Total	Actual Expendi-ture	Final Excess (+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (4+5+6)	(8)	(9) = (8)-(7)
1	XVI-Pensions and Miscellaneous	2071-01-102-99-Payments in India(V)(NP)	3036.40	500	594.50	4130.90	4134.03	3.13
2	XVIII-Medical and Public Health	4210-03-105-63-New Medical College at Manjeri, Malappuram (V)(P)	10	3.83	6.45	20.28	24.62	4.34
3	XXIX-Agriculture	2401-00-789-78-Sub Mission on Agricultural Mechanisation (SMAM) (60% CSS) (V)(P)	7	0	11.67	18.67	23.05	4.38
4	XXIX-Agriculture	4702-00-101-77-Minor Irrigation Projects in Cauvery Basin(V)(P)	2.6	4.53	2.35	9.48	10.94	1.46
5	XXXVIII-Irrigation	4711-01-103-99-Civil Works(V)(P)	0	23.63	10.79	34.42	41.79	7.37
		<b>Total</b>	<b>3056.00</b>	<b>531.99</b>	<b>625.76</b>	<b>4213.75</b>	<b>4234.43</b>	<b>20.68</b>

**Appendix - 3.5**  
**List of grants having large savings (savings above ₹100 crore) and**  
**surrender therefrom during the year**  
**(Reference: Paragraph 3.5.5.1; Page No. 88)**

(₹ in crore)

Sl No.	Number and name of the grant	Original	Supplemen- tary	Total	Actual	Saving	Surren- der	Per cent age of surren- der	Savings excluding surren- der
(1)	(2)	(3)	(4)	(5)=(3+4)	(6)	(7)=(6-5)	(8)	(9)	(10)
<b>Revenue (Voted)</b>									
1	II-Heads of States, Ministers and Headquarters Staff	686.18	64.40	750.58	643.08	-107.50	99.94	92.97	7.56
2	XII-Police	4,635.81	79.70	4,715.51	4,351.22	-364.29	291.20	79.94	73.09
3	XV-Public Works	3,772.32	133.46	3,905.78	3,013.22	-892.56	883.07	98.94	9.49
4	XVI-Pensions and Miscellaneous	35,408.36	6,615.87	42,024.23	40,731.10	-1,293.13	1,295.02	100.15	-1.89
5	XVII-Education, Sports, Art and Culture	25,220.28	564.66	25,784.94	22,208.80	-3,576.14	3,343.26	93.49	232.88
6	XVIII-Medical and Public Health	9,162.57	1,153.45	10,316.02	9,315.59	-1,000.43	920.87	92.05	79.56
7	XX-Water Supply and Sanitation	440.09	0.00	440.09	244.75	-195.34	194.77	99.71	0.57
8	XXII-Urban Development	1,706.77	0.00	1,706.77	1,531.39	-175.38	172.36	98.28	3.02
9	XXIV-Labour, Labour Welfare and Welfare of Non-Residents	1,233.85	0.00	1,233.85	637.62	-596.23	560.57	94.02	35.66

## Appendix 3.5- Contd.

(₹ in crore)

Sl No.	Number and name of the grant	Original	Supplemen- tary	Total	Actual	Saving	Surren- der	Per cent age of surren- der	Savings excluding surren- der
(1)	(2)	(3)	(4)	(5)=(3+4)	(6)	(7)=(6-5)	(8)	(9)	(10)
<b>Revenue (Voted)</b>									
10	XXV-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	3,071.95	60.00	3,131.95	2,421.81	-710.14	691.79	97.42	18.35
11	XXVI-Relief on Account of Natural Calamities	1,270.04	0.00	1,270.04	840.33	-429.71	414.00	96.34	15.71
12	XX-VII-Co-Operation	448.31	0.00	448.31	318.18	-130.13	124.07	95.34	6.06
13	XXIX-Agriculture	3,207.06	64.16	3,271.22	2,300.73	-970.49	932.35	96.07	38.14
14	XXX-Food	1,930.21	284.00	2,214.21	1,487.91	-726.30	491.50	67.67	234.80
15	XXXI-Animal Husbandry	836.72	0.00	836.72	685.08	-151.64	141.99	93.64	9.65
16	XXXV-Panchayat	915.48	0.00	915.48	809.26	-106.22	84.59	79.64	21.63
17	XXXVI-Rural Development	4,326.01	0.00	4,326.01	1,242.80	-3,083.21	3,077.95	99.83	5.26
18	XXXVII-Industries	661.41	1.41	662.83	477.34	-185.48	166.07	89.54	19.41
19	XLIII-Compensation and Assignments	11,053.66	0.00	11,053.66	9,618.00	-1,435.66	1,417.41	98.73	18.25
20	XLVI-Social Security and Welfare	13,154.46	1,858.09	15,012.55	12,923.88	-2,088.67	1,817.20	87.00	271.47
<b>Total</b>		<b>1,23,141.54</b>	<b>10,879.20</b>	<b>1,34,020.74</b>	<b>1,15,802.09</b>	<b>-18,218.65</b>	<b>17,119.98</b>	<b>93.97</b>	<b>1,098.67</b>
<b>Revenue (Charged)</b>									
21	LX-Debt Charges	25,965.86	38.94	26,004.80	25,176.54	-828.26	753.57	90.98	74.69
<b>Total</b>		<b>25,965.86</b>	<b>38.94</b>	<b>26,004.80</b>	<b>25,176.54</b>	<b>-828.26</b>	<b>753.57</b>	<b>90.98</b>	<b>74.69</b>

## Appendix 3.5- Concl'd.

(₹ in crore)

Sl No.	Number and name of the grant	Original	Supplementary	Total	Actual	Saving	Surrender	Per cent age of surrender	Savings excluding surrender
(1)	(2)	(3)	(4)	(5)=(3+4)	(6)	(7)=(6-5)	(8)	(9)	(10)
<b>Capital (Voted)</b>									
22	XV-Public Works	2,493.91	817.34	3,311.25	2,754.94	-556.31	555.46	99.85	0.85
23	XVII-Education, Sports, Art and Culture	435.69	228.16	663.85	550.49	-113.36	113.39	100.03	-0.03
24	XX-Water Supply and Sanitation	1,863.06	1,898.06	3,761.12	1,753.36	-2,007.76	2,006.98	99.96	0.78
25	XXII-Urban Development	198.00	0.00	198.00	14.94	-183.06	182.24	99.55	0.82
26	XXV-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	261.47	20.00	281.47	175.13	-106.34	106.34	100.00	0.00
27	XXVIII-Miscellaneous Economic Services	4,521.01	18.11	4,539.12	3,998.65	-540.47	515.04	95.29	25.43
28	XXIX-Agriculture	292.35	51.06	343.41	242.17	-101.24	112.68	111.30	-11.44
29	XXXVI-Rural Development	1,442.40	0.00	1,442.40	1,072.94	-369.46	370.20	100.20	-0.74
30	XXXVII-Industries	819.53	12.08	831.61	553.61	-278.00	333.33	119.90	-55.33
31	XXXVIII-Irrigation	382.00	48.63	430.63	265.46	-165.17	163.18	98.80	1.99
32	XLI-Transport	479.20	753.85	1233.05	843.67	-389.38	384.10	98.64	5.28
<b>Total</b>		<b>13,188.62</b>	<b>3,847.29</b>	<b>17,035.91</b>	<b>12,225.36</b>	<b>-4,810.55</b>	<b>4,842.94</b>	<b>100.67</b>	<b>-32.39</b>
<b>Public Debt</b>									
33	LXI-Public Debt Repayment	55,197.75	0	55,197.75	35,980.76	-19,216.99	19,216.99	100.00	0
<b>Total</b>		<b>55,197.75</b>	<b>0</b>	<b>55,197.75</b>	<b>35,980.76</b>	<b>-19,216.99</b>	<b>19,216.99</b>	<b>100.00</b>	<b>0</b>
<b>Grant Total</b>		<b>2,17,493.77</b>	<b>14,765.43</b>	<b>2,32,259.20</b>	<b>1,89,184.75</b>	<b>-43,074.45</b>	<b>41,933.48</b>	<b>97.35</b>	<b>1,140.97</b>

**Appendix: 3.6**  
**Recurrence of savings (above 10 per cent against budget provision) in Grants**  
**during five year period from 2018-19 to 2022-23**  
**(Reference: Paragraph 3.5.5.1; Page No. 88)**

(₹ in crore)

SI No.	Grant	Year	Total-Grant	Expenditure	Savings	percent-age of savings	percent-age of utilisation
1	XXI-Housing	2018-19	194.82	66.88	127.94	65.67	34.33
		2019-20	208.83	82.55	126.28	60.47	39.53
		2020-21	184.73	161.78	22.95	12.42	87.58
		2021-22	176.78	131.10	45.68	25.84	74.16
		2022-23	163.15	104.87	58.28	35.72	64.28
2	XXII-Urban Development	2018-19	2976.25	1192.24	1784.01	59.94	40.06
		2019-20	2208.59	1093.98	1114.61	50.47	49.53
		2020-21	2564.54	1590.94	973.60	37.96	62.04
		2021-22	2102.18	956.00	1146.18	54.52	45.48
		2022-23	1931.72	1572.82	358.90	18.58	81.42
3	XXIV-Labour, Labour Welfare and Welfare of Non-Residents	2018-19	1655.94	1415.24	240.70	14.54	85.46
		2019-20	1562.55	831.70	730.85	46.77	53.23
		2020-21	1309.90	998.48	311.42	23.77	76.23
		2021-22	1410.50	1128.90	281.60	19.96	80.04
		2022-23	1421.85	763.23	658.62	46.32	53.68
4	XXVIII-Miscellaneous Economic Services	2018-19	3567.54	1799.45	1768.09	49.56	50.44
		2019-20	6185.16	2385.69	3799.47	61.43	38.57
		2020-21	4649.87	3409.89	1239.98	26.67	73.33
		2021-22	4390.56	3714.27	676.30	15.40	84.60
		2022-23	4796.04	4202.20	593.84	12.38	87.62
5	XXIX-Agriculture	2018-19	4249.76	3237.30	1012.46	23.82	76.18
		2019-20	3945.06	2210.55	1734.51	43.97	56.03
		2020-21	3519.56	2939.99	579.57	16.47	83.53
		2021-22	3820.05	3020.32	799.73	20.94	79.06
		2022-23	3615.66	2545.04	1070.62	29.61	70.39

## Appendix 3.6 Concl'd.

(` in crore)

Sl No.	Grant	Year	Total-Grant	Expendi-ture	Savings	percent-age of savings	percent-age of utilisati-on
6	XXXVI-Rural Develop-ment	2018-19	3871.93	1182.11	2689.82	69.47	30.53
		2019-20	5466.53	1550.72	3915.81	71.63	28.37
		2020-21	5366.38	2881.35	2485.03	46.31	53.69
		2021-22	5640.50	1828.74	3811.76	67.58	32.42
		2022-23	5768.41	2315.74	3452.67	59.85	40.15
7	XXXVII-Industries	2018-19	1750.06	1219.59	530.47	30.31	69.69
		2019-20	1618.07	734.35	883.72	54.62	45.38
		2020-21	1693.92	1499.53	194.39	11.48	88.52
		2021-22	1764.12	1358.11	406.01	23.01	76.99
		2022-23	1926.71	1389.37	537.34	27.89	72.11
8	XXXVIII-Irrigation	2018-19	849.11	569.09	280.02	32.98	67.02
		2019-20	794.19	500.21	293.98	37.02	62.98
		2020-21	867.89	512.29	355.60	40.97	59.03
		2021-22	902.39	797.48	104.91	11.63	88.37
		2022-23	887.39	670.19	217.20	24.48	75.52
9	XL-Ports	2018-19	284.22	215.93	68.29	24.03	75.97
		2019-20	169.01	112.34	56.67	33.53	66.47
		2020-21	221.51	172.51	49.00	22.12	77.88
		2021-22	145.51	112.62	32.89	22.60	77.40
		2022-23	140.73	104.32	36.41	25.87	74.13

**Appendix - 3.7**  
**Excess expenditure relating to previous years requiring regularisation**  
**(Reference: Paragraph 3.5.6.2; Page No.91)**

(₹ in crore)

Year	Grant No./ Appropriation	Grant/ Appropriation details	Amount of Excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2016-17	8 Grants	Revenue-III	0.67	Initial note not received. Not discussed by PAC.
		Revenue-VII	2.83	Final copies of notes received. Not discussed by PAC.
		Revenue-X	10.80	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XI	1.81	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue -XIX	13.93	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XX	42.04	Final copies of notes received. Not discussed by PAC.
		Capital-XV	67.46	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XXX	1.63	Notes considered by PAC. Appropriation Act not yet passed.
2017-18	6 Grants	Revenue- I	0.69	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XV	65.47	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue- XVI	2273.73	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue -XIX	54.54	Notes considered by PAC. Appropriation Act not yet passed.
		Capital- XIV	0.09	Initial note not received. Not discussed by PAC.
		Capital-XVII	53.27	Initial note not received. Not discussed by PAC.
	3 Appropriations	Revenue-Debt charges	1097.61	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue -XIX	0.02	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue -XXXIV	0.02	Final copies of notes received. Not discussed by PAC.

## Appendix 3.7 Contd.

(*₹ in crore*)

Year	Grant No./ Appropriation	Grant/ Appropriation details	Amount of Excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2018-19	2 Grants	Revenue- I	0.64	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue -XIX	39.81	Initial note not received. Not discussed by PAC.
	4 Appropriations	Revenue -XXXIV	0.13	Final copies of notes received. Not discussed by PAC.
		Debt Charges	1057.69	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XVII	1.03	Initial note not received. Not discussed by PAC.
		Public Debt Repayment	3363.85	Notes considered by PAC. Appropriation Act not yet passed.
2019-20	1 Grant	Revenue-XXVI	109.10	Initial note not received. Not discussed by PAC.
	2 Appropriations	Debt Charges	219.64	Initial note not received. Not discussed by PAC.
		Public Debt Repayment	336.63	Notes considered by PAC. Appropriation Act not yet passed.
2020-21	12 Grants	Revenue-IV	54.74	Final copies of notes received. Not discussed by PAC.
		Revenue-XV	268.10	Final copies of notes received. Not discussed by PAC.
		Revenue-XX	4.47	Initial note not received. Not discussed by PAC.
		Revenue-XLI	0.74	Initial note not received. Not discussed by PAC.
		Revenue -XLII	6.18	Initial note not received. Not discussed by PAC.
		Capital-XV	141.14	Final copies of notes received. Not discussed by PAC.
		Capital -XVIII	26.59	Initial note not received. Not discussed by PAC.
		Capital-XX	108.41	Initial note not received. Not discussed by PAC.
		Capital-XX-VII	19.30	Initial note not received. Not discussed by PAC.

## Appendix 3.7 Concl'd.

(₹ in crore)

Year	Grant No./ Appropriation	Grant/ Appropriation details	Amount of Excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
	2 Appropriations	Capital -XXXIII	23.12	Final copies of notes not received. Not discussed by PAC.
		Capital -XXXIV	0.40	Final copies of notes received. Not discussed by PAC.
		Capital-XLII	11.93	Initial note not received. Not discussed by PAC.
		Debt charges	797.61	Initial note not received. Not discussed by PAC.
		Capital -XVIII	0.06	Initial note not received. Not discussed by PAC.
2021-22	8 Grants	Revenue-VII	4.10	Initial note not received. Not discussed by PAC.
		Revenue -XIII	17.69	Initial note not received. Not discussed by PAC.
		Revenue -XVI	190.28	Initial note not received. Not discussed by PAC.
		Revenue -XXVIII	0.83	Initial note not received. Not discussed by PAC.
		Revenue-XXXI	24.34	Initial note not received. Not discussed by PAC.
		Revenue-XL	0.45	Final copies of notes not received. Not discussed by PAC.
		Capital-XVII	15.78	Initial note not received. Not discussed by PAC.
		Capital -XXXIV	0.20	Initial note not received. Not discussed by PAC.
	1 Appropriation	Capital-XII	14.81	Initial note not received. Not discussed by PAC.
<b>Total</b>			<b>10546.40</b>	

**Appendix 3.8**  
**Schemes where token provision were made repeatedly from 2018-19 to 2022-23**  
**(Reference: Paragraph 3.6.1; Page No. 92)**

Sl No.	Grant	Schemes
1	02	2012-03-800-98-Travel Expenses of Governor on Appointment and on Retirement
2	02	2052-00-090-67-Chief Minister's Jana Samparka Paripadi -comprehensive computerised system and video documentation
3	02	2052-00-090-68-Institute for Imparting Legislative Training for Staff of Law Department
4	02	2052-00-090-75-Maintenance of Assets in Government Secretariat - Expenditure met out of Asset Maintenance Fund
5	06	2029-00-800-79-Maintenance of Assets in Revenue Department - Expenditure met of Asset Maintenance Fund
6	06	2029-00-800-81-Payment of Compensation under the Service Inam Lands (Vesting and Enfranchisement) Act 1981
7	06	2029-00-800-85-Payment of Compensation under the Kanam Tenancy (Abolition Act) 1976
8	06	2029-00-800-90-Other Miscellaneous Charges
9	06	2029-00-800-91-Compensation in Lieu of Beriz Deduction
10	06	2029-00-800-93-Michavaram
11	06	2029-00-800-95-Compensation for Acquisition or Extinguishment of Edavakai Rights under the TC Edavakai Rights Acquisition Act 1955
12	07	2030-02-101-98-Loss Write Off
13	08	2039-00-001-89-Medical Insurance Scheme to the Uniformed Officials of the Excise Department
14	09	2041-00-001-97-Implementation of complete E-Governance project for the modernisation of Motor Vehicle Department (FAST Project)
15	11	2047-00-103-88-Incentives to District Collectors
16	11	2053-00-093-95-Introduction of Revenue Card in the State
17	11	2250-00-103-81-Assistance to Kanichukulangara Temple for the Establishment of a Waste Treatment Plant
18	11	2250-00-103-82-Vaikkam Kshethra Kala Peedom (One Time Assistance)
19	11	2250-00-103-91-Government Contribution to the Welfare Fund for the Temple Employees and Executive Officers of the Temple in Malabar Area
20	12	2055-00-001-87-Maintenance of Assets in Police Department - Expenditure met out of Asset Maintenance Fund
21	12	2055-00-109-92-Setting up of District Passport Cells
22	12	2055-00-113-99-Welfare Grant
23	12	4055-00-207-89-Construction of Police Headquarters Building
24	12	4055-00-207-90-Purchase of land for construction of Police Stations, Quarters and other buildings
25	12	4055-00-207-91-Construction of Coastal Police Headquarters
26	12	4055-00-207-96-New Police Stations
27	12	4055-00-208-98-Construction of buildings for India Reserve Battalion
28	14	2058-00-104-99-Printing at Private Presses
29	14	2070-00-106-95-Other Disaster Management Projects (including School Safety)
30	14	2070-00-113-99-Advisory Board under the Prevention of Illicit Traffic in Narcotic Drugs and Psychotropic Substance Act 1988
31	15	2059-80-053-91-Electronic Maintenance
32	15	2059-80-053-98-Electrical Maintenance

**Appendix 3.8 Contd.**

Sl No.	Grant	Schemes
33	15	2059-80-800-97-Machinery Hired out at Subsidised or Concessional Rates
34	15	2059-80-800-98-Loss on Stock
35	15	2059-80-800-99-Properties Leased out at Subsidised or Concessional Rates of Rent
36	15	3054-01-800-97-Expenditure Met on National Highways Maintenance Disallowed by PAO (NH)-Writeback to State Government Account
37	15	3054-01-800-99-National Highways within Municipal Reach - Maintenance
38	15	3054-03-103-98-Maintenance and Repairs of State Highways (XIII FC Recommendation)
39	15	3054-80-799-96-Work Shop Suspense
40	15	3054-80-799-99-Stock
41	15	5054-01-800-98-Expenditure met on National Highways disallowed by PAO (NH)-Writeback to State Government Account
42	15	5054-04-101-94-Payment of Compensation for Land Acquisition (Bridges)
43	15	5054-04-337-83-Projects under Anti-Recession Stimulus Package - Public Works (Roads)
44	16	2071-01-108-96-Government contribution to Provident Fund of Pensionable Staff of Private Colleges
45	16	2071-01-800-94-Cost of Printing Charges of Pension Payment Order
46	16	2071-01-800-95-Pensioner's Medical Benefit Scheme
47	16	2075-00-795-90-Personel computer advance-write off
48	16	2075-00-800-17-Reward to Journalists or Public who provide information on corruption in Public Offices
49	16	2075-00-800-21-Installation of Rain Gauges
50	16	2075-00-800-24-Injuries/casualties while on duty - Fund for relief to Police, Excise, Fire and Rescue personnel
51	16	2075-00-800-33-Repayment of unclaimed balance under Jenmikaram Payment (Abolition) Bonds
52	16	2075-00-800-38-Printing charges of Government documents in private presses
53	16	2075-00-800-79-Infrastructural facilities to Naval Academy at Ezhimala
54	16	2075-00-800-80-Land acquisition for establishment of Naval Academy at Ezhimala
55	16	2075-00-800-84-(V)-Land acquisition for State purpose
56	16	2075-00-800-84-(C)-Land acquisition for State purpose
57	16	2075-00-800-87-Share due to the Government of Tamilnadu on account of allocation of pension as per Reorganisation Act - Pension
58	16	2075-00-800-93-Acquisition charges for land and buildings for union purposes - Other charges
59	16	2075-00-800-95-Payment of Principal value and interest of Government Securities in time barred cases
60	17	2202-02-053-96-Asset Maintenance Fund in Vocational Education-Expenditure met out of Asset Maintenance Fund
61	17	2202-02-053-97-Asset Maintenance Fund in Primary, Middle and High Schools-Expenditure met out of Asset Maintenance Fund
62	17	2202-02-053-98-Asset Maintenance Fund in Higher Secondary Schools-Expenditure met out of Asset Maintenance Fund
63	17	2202-03-102-70-Performance Fund for Universities
64	17	2202-03-104-96-Maintenance Grant
65	17	2202-03-107-99-National Scholarships for Postmatric, Post Intermediate and Post Graduate Studies

## Appendix 3.8 Contd.

Sl No.	Grant	Schemes
66	17	2202-03-800-63-Chair for Gandhian Studies in Calicut University
67	17	2202-03-800-85-R. Sankar Award
68	18	2210-01-191-50-Block Grants for Revenue Expenditure
69	18	2210-02-101-63-Poulose Master Memmorial Herbal Garden
70	18	2210-05-101-53-Ayurveda Advisory Committee
71	18	2210-05-105-16-Private medical institutions etc. Grant-in-aid
72	18	2210-05-200-93-Cancer Centre and early cancer detection centre in Pala
73	18	2210-06-101-15-Assistance to the Ailing Elephantiasis patients
74	18	2210-06-101-25-Assistance to kidney patients who undergo regular dialysis
75	18	2210-06-101-43-Rehabilitation Scheme for T.B. patients
76	18	2210-06-200-99-Centre for Integrated medicine and public health in the Institute of Applied Dermatology, Kasargode
77	18	2210-80-190-96-Transfer of Proceeds of Medical Cess on Sales Tax to Kerala Medical Services Corporation Ltd.
78	18	2210-80-190-97-Karunya Community Pharmacy under KMSCL(One time Grant)
79	18	4210-02-110-85-Establishment of Hospital Building at Pumpa and Sannidhanam
80	19	2211-00-800-95-Compensation/Damages to Victims of FP Operation
81	21	2216-05-053-98-Other Maintenance Expenditure
82	24	2230-01-103-36-Welfare Fund for the Labourers from other states
83	24	2230-01-103-37-Committee for the study of Social Welfare Programme
84	24	2230-01-103-38-Special Study on Return Emigrants in Kerala
85	24	2230-01-103-49-Cess collected under Kerala Handloom Workers' Welfare Cess Act, 2007- Net proceeds transferred to Kerala Handloom Workers Welfare Fund
86	24	2230-01-103-55-Kerala Shell Collection Workers Welfare Fund
87	24	2230-01-103-56-Special scheme for Tea and Cardamom Plantation Workers in Idukki District
88	25	2225-01-277-54-Administrative Expense of Medical College, Palakkad
89	25	2225-01-800-20-Loss-Write off
90	25	2225-01-800-43-Honorarium and Training to SCP Promoters
91	25	2225-01-800-85-Matching Grant to the Travancore Temple Entry Proclamation Endowment Board
92	25	2225-02-800-92-Members of Tribal Boards Travel Expenses
93	25	2225-02-800-94-Vocational training to Most Backward Tribals
94	25	2225-03-191-50-Block Grant for Revenue Expenditure
95	25	2225-03-192-50-Block Grant for Revenue Expenditure
96	25	2225-80-190-93-Assistance to Kerala State Development Corporation for SC/ST for implementation of Arrear Loan-Waiver Scheme in respect of Scheduled Tribes
97	25	2225-80-190-94-Assistance to Kerala State Development Corporation for SC/ST for implementation of Arrear Loan-waiver Scheme in respect of Scheduled Castes
98	25	6225-01-800-96-Interest free loans to Advocates belonging to Scheduled Castes for the purchase of books
99	25	6225-01-800-99-Loans to Scheduled Castes for Starting an Industry, Trade or Profession
100	28	3475-00-201-94-Payment of compensation for vesting interests of Tenants under K L R Act 1963 - Other Charges

**Appendix 3.8 Contd.**

Sl No.	Grant	Schemes
101	28	3475-00-797-98-Transfer to Kudikidappukars Benefit Fund under the Kerala Land Reforms Act 1963 - Contributions
102	28	3475-00-797-99-Transfer to Agriculturists Rehabilitation Funds under the Kerala Land Reforms Act 1963 Contribution
103	28	5465-01-190-97-Kerala State Financial Enterprises Limited Investment
104	28	5465-01-190-99-Participation in the issue of shares in State Bank of India
105	28	5475-00-101-99-4% Jenmikaram payment (Abolition) Bond
106	29	2401-00-109-63-Implementation of Gender Equality and Womwn's Empowerment Policy
107	29	2401-00-800-29-Full Pumping Subsidy to Backwater Farmers
108	29	2401-00-800-30-Kissan Pass Book
109	29	2702-03-101-96-Maintenance of Irrigation Scheme under XIV Finance Commission Award
110	29	4402-00-203-98-Upgradation of Thrissur Kole Land
111	30	4408-01-101-94-Payment of differential cost of the opening stock of ration materials consequent on revision of Central Issue Price of ration materials
112	34	2406-01-001-92-Forest Development Fund Collection of additional tax on sales of forest produce
113	34	4406-01-102-96-Acquisition Charges of Land Notified as Ecologically Fragile under Kerala Forest(Vesting and Management of Ecologically Fragile Lands) Act-2003
114	35	2515-00-003-98-Training of Departmental Officers
115	35	2515-00-101-62-ISO Certification to selected Panchayats
116	35	4515-00-800-95-Construction of Bus Terminal and AGRO Market at Cheruthoni in Idukki District
117	37	2851-00-190-90-Assistance to Kerala Financial Corporation for Disbursement of Subsidy to Young Entrepreneurs towards Interest Subvention
118	37	2853-02-102-94-Committee for submitting Report for Establishing Industrial Complex for Value Added Products of Mineral Sand
119	37	4851-00-106-78-Legislative Assembly Constituency Asset Development Scheme (LAC ADS)
120	38	2700-16-800-97-Pamba River Basin Authority
121	38	2701-17-101-99-Work Charged Establishment
122	39	2801-80-101-99-Subsidy to the K S E Board towards Power Tariff Concessions
123	41	3053-02-190-99-Grant to Kannur International Airport Promotion Society
124	41	3075-60-800-88-Reimbursement of fare of underwritten seats in intra-state flights
125	41	3075-60-800-96-Metro Rail System in Kochi City
126	42	3452-01-800-99-Buildings
127	45	7610-00-201-96-Judicial Officers
128	45	7610-00-202-98-Motor Conveyance Advance to Judicial Officers
129	46	2235-02-107-94-Financial Assistance to Non-profit Organisations for the welfare of Transgender Persons
130	46	2235-02-800-86-Renewal of Assets in Social Welfare Department - Expenditure Met Out of Asset Maintenance Fund.
131	Debt Charges	2048-00-101-99-Appropriation to the Consolidated Sinking Fund for redemption of Public Debt
132	Debt Charges	2049-03-107-98-Interest on Trusts created under the Edavagai Rights Acquisition Act, 1955

## Appendix 3.8 Concl.

Sl No.	Grant	Schemes
133	Debt Charges	2049-03-107-99-Interest on other Special Loans - Endowment for Charitable and Educational Institutions - Sree Rama Varma Endowment Fund
134	Debt Charges	2049-03-108-88-Accident Death Benefit Rider Fund(Dhana Varsha)
135	Debt Charges	2049-03-108-89-Dhana Varsha Term Insurance Fund
136	Debt Charges	2049-03-108-90-Accident Death Benefit Rider Fund(Dhana Samrudhi)
137	Debt Charges	2049-03-108-91-Dhana Samrudhi Insurance Fund
138	Debt Charges	2049-03-108-92-Dhana Samrudhi Savings Fund
139	Debt Charges	2049-05-101-98-Text Book Publications
140	Debt Charges	2049-05-101-99-Water Transport

**Appendix 3.9**  
**Schemes announced in Budget speech 2022-23 and its implementation.**  
**(Reference: Paragraph 3.7.3; Page No.97)**

(₹ in crore)

Sl. No	Para No. in Budget Speech	Name of the Scheme	Amount Announced	Head of Account	Total Budget	Expenditure	Remarks
1	35, 36	Kerala Genomic Data Centre	50	3451-00-092-92-34-03 PV – Development and Innovation Strategic Council of Kerala – (K-Disc)	59.40	33.13	Implemented
2	37	Centre for Excellence of Microbiomes	5	3451-00-092-87-00 – PV Knowledge Economy Fund	48.44*	48.44	Implemented
3	51	Work Near Home Scheme	50	3451-00-092-87-00- PV Knowledge Economy Fund			Implemented
4	81	Scheme to form work force at local level in Construction sector by providing loan of ₹one crore for purchase of Machineries or subsidy of 20 lakh /25 per cent whichever is less.	20	Nil	Nil	Nil	Proposal is yet to be submitted by the Administrative department
5	120	Irrigation museum at Idukki	1	4701-80-800-74	token	0	Government Entrusted CMD (Centre for Management Development) to prepare detailed concept note and master plan
6	127(2)	Punargeham	16	4405-00-103-89-00-34-03-P-V	83.75	83.73	Implementation in the final stage
7	127 (3)	Fish Seed Certification	5	Not assigned	Nil	Nil	Proposal is yet to be submitted by the Administrative department
8	128	Aquaculture Extension Service Programme	7.11	2405-00-101-48-00-34-03-P-V	7.11	5.86	Implementation in the final stage
9	265	Interest subvention for the loan to rejuvenate and to develop the Tourism Sector	20	3452-01-800-95 PV	Nil	Nil	Proposals from Banks have been obtained and the same is under examination with Govt.

\*Includes a reappropriated amount of ₹18.44 crore

## Appendix 3.9 Contd.

(₹ in crore)

Sl. No	Para No. in Budget Speech	Name of the Scheme	Amount Announced	Head of Account	Total Budget	Expenditure	Remarks
10	270	Launch of cruise tourism connecting Kovalam, Kollam, Kochi, Beypore, Manglore and Goa will give impetus to tourism sector	5	5452-01-101-83 PV	Nil	Nil	Steps have been taken for DPR preparation and KTIL has submitted draft DPR to Govt. and is under examination
11	289	Establishment of Drug Testing Laboratory at Centre for Professional and Advanced studies (CPAS), Kottayam	3	4202-01-203-65- Establishment of Drug Testing Laboratory at Centre for Professional and Advanced studies (CPAS), Kottayam	Nil	Nil	Proposal is yet to be submitted by the Administrative department
12	306	Kottarakkara thampuram Kathakali learning Centre	2	2205-00-102-08-69- Kottarakkara thampuram Kathakali learning Centre	Nil	Nil	Proposal is yet to be submitted by the Administrative department
13	307	Cherussery Cultural Centre	2	2205-00-102-08-70- Cherussery Cultural Centre	Nil	Nil	Proposal is yet to be submitted by the Administrative department
14	308	Chavara Cultural Research Centre at Mannanam	1	2205-00-102-08-72- Chavara Cultural Research Centre at Mannanam in Memorial of St. Chavara Achan (N)	Nil	Nil	Proposal is yet to be submitted by the Administrative department
15	310	M.S. Viswanathan Memorial	1	2205-00-102-08-71-M.S. Viswanathan Memorial	Nil	Nil	Proposal is yet to be submitted by the Administrative department

Appendix 3.9 Contd.

Sl. No	Para No. in Budget Speech	Name of the Scheme	Amount Announced	Head of Account	Total Budget	Expenditure	Remarks
16	311	Pandit Karuppan Monument	0.3	2205-00-800-82-Pandit Karuppan Memorial-Financial Assistance	Nil	Nil	Proposal is yet to be submitted by the Administrative department
17	344	Operation Break Through	10	2215-02-105-91-PV	0.0001	0	Administrative Sanction has been given for the following projects under this new scheme. <ul style="list-style-type: none"> <li>Kochi flood – OBT Phase IV – Flood Mitigation in Kamattipadam area.</li> <li>OBT – Phase IV Renovation of Thevara Perandoor Canal from Ch.0 to 9.95 km in Kochi Corporation – Ernakulam District.</li> </ul>
18	361	Kerala Athidhi Mobile App Scheme	0.4	2230-01-800-87-P-V	0.40	0.14	Implemented
19	373	Kerala Tribal Plus	35	2225-02-102-72-P-V	35.00	35.00	Implemented
20	374	Edamalakkudi Comprehensive Development Package	15	2225-02-102-71-P-V	5.00	3.25	Implemented
				4225-02-102-96-PV	10.00	10.00	
21	382	Special scholarship to girl students from other backward classes who have lost either one or both parents	1	2225-03-277-87-00-12-P-V	1.00	0.17	Implemented
22	400	FARE Food – Inclusion of Egg and Milk in Anganwadi menu	61.5	2235-02-102-22-00-34-03-P-V	61.50	23.52	Implemented

## Appendix 3.9 Concl.

Sl. No	Para No. in Budget Speech	Name of the Scheme	Amount Announced	Head of Account	Total Budget	Expenditure	Remarks
23	402 & 403	Assistance to Children orphaned by Covid 19 pandemic	2	2235-02-102-21-00-34-03-P-V	2	0.55	Implemented
24	418	E-Wallet System	Nil	2054-00-095-99-00-99-PV	0.77	0.11	Implemented
25	419	Door step Service Pension Adalath	Nil	2054-00-095-96-PV(Reclassified to the head of account '2054-00-095-93-(02)	19.19*	19.07	Implemented
26	446	Lucky Bill App	5	2043-00-001-90-PV	3.36**	3.36	Implemented
27	Reply Speech	Establishment of Research Study Centre in memorial of Justice V.R. Krishna Iyer	0.0001	2014-00-800-78 NPV	Nil	Nil	Notification process for Land Acquisition for the project is going on

\* Includes a reappropriated amount of ₹7.16 crore

\*\* This includes a token provision and a reappropriated amount of ₹3.36 crore

**Appendix - 3.10**  
**Sub-Head (Schemes), where entire expenditure of ₹ one crore or more incurred in**  
**March 2023 (Descending amount of expenditure)**  
**(Reference: Paragraph 3.7.4 ; Page No. 99 )**

Sl No.	Grant	Head of Account (up to Sub-Head)	100 per cent expenditure during March only (₹ in crore)
1	XXXVII	4885-01-190-98-The Kerala Financial Corporation -Investments	200.00
2	XLI	7053-02-190-97-Loans for Land Acquisition for Kannur Airport (KIAL)	197.35
3	XLI	5053-02-190-99-Equity participation by Government in the Cochin International Airport Limited	186.00
4	XXX	2408-01-101-92-Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS)	50.00
5	XXIX	2435-01-101-80-Rubber production incentive scheme	40.00
6	LX	2049-05-105-99-State Disaster Response Fund	35.63
7	XXXVII	4859-02-004-88-Scheme for Special Assistance as loan from Government of India for Capital Expenditure	25.00
8	XXIV	2230-01-103-30-Comprehensive Health Insurance Scheme (CHIS and CHIS plus)	24.69
9	XXVIII	5475-00-800-90-Land Acquisition for Government purposes	18.11
10	XV	5054-04-337-78-Scheme for Special Loan Assistance from GOI for Capital Investment	11.44
11	XXXVII	4857-01-190-98-Travancore Cochin Chemicals Ltd.	9.87
12	XXXIV	2406-01-102-86-National Afforestation Programme - National Mission for Green India (60:40 between Centre and State)	9.67
13	XVIII	2210-06-101-31-Arogya Kiranam - Rashtriya Bal Swasthya Karyakram	8.65
14	XXXIII	2405-00-789-99-PMMSY-Integrated Development and Management of Fisheries (60%CSS)	6.79
15	XXV	2225-04-277-91-Scholarship for Talented Minority Students	5.26
16	XXIX	4401-00-190-86-Investment to Kerala Agro Machinery Corporation Limited	5.00
17	XXXVII	2851-00-103-24-Setting up of Textile Processing Centre at Nadukani	5.00
18	XXIV	2230-03-101-80-Setting up of New ITIs	4.45
19	LXI	6004-09-101-96-Central Assistance -Externally Aided Projects	140.05

## Appendix 3.10 Contd.

Sl No.	Grant	Head of Account (up to Sub-Head)	100 per cent expenditure during March only (₹ in crore)
20	XXV	2225-04-277-94-Skill training reimbursement of fees to the minority BPL students studying in two years courses in ITC	4.02
21	XXVII	2425-00-107-72-Stimulus Interest Subsidy on Prompt Repayment of Agricultural Loans Taken from Co-operative Institutions	3.28
22	XXV	2225-02-102-71-Edamalakkudi Comprehensive Development Package	3.25
23	XLVI	2235-02-102-49-Beti Bachao Beti Padhao-100%	3.10
24	XXXII	4404-00-195-97-Assistance to Kerala Co-operative Milk Marketing Federation	3.08
25	XII	4055-00-207-88-Installation of CCTV cameras in Police Stations	3.00
26	XVII	2202-02-800-78-Special Grant to Sainik School, Kazhakootam	3.00
27	XXXI	2403-00-789-96-National Livestock Mission (60% CSS)	2.95
28	XV	5054-01-337-95-NH Bye Passes Kollam and Alappuzha (Cost Sharing Basis with GOI)	2.44
29	XXVII	6425-00-108-19-Assistance to PACS, Primary Societies, Wholesale Stores and Federations (NCDC Assisted)	10.89
30	XXXVII	2852-08-600-79-Revival of Small and Medium Scale Cashew Factory Units for Rebuilding Lost Livelihoods	2.20
31	XX	4215-01-800-85-Conversion of Domestic Wells into Protected and sustainable Drinking Water Sources	2.00
32	XXVII	2425-00-107-63-Comprehensive Agricultural Development Project (through PACS)	1.96
33	XII	2055-00-109-90-Setting up/Strengthening of Women Help Desks in Police Stations under Nirbhaya Fund (One Time ACA)	1.59
34	XXVII	4425-00-108-30-Assistance to Primary Marketing Co-operatives to strengthen the agricultural marketing sector	1.51
35	XXI	4216-80-201-94-Flats/ quarters for Govt. Employees/ Higher Officers at KSHB Land in Kozhikode	1.35
36	XII	2055-00-101-93-Modernisation of Police Force-Criminal Investigation and Vigilance- CCTNS	1.25
37	XXXI	2403-00-101-65-Livestock Health and Disease Control (60% CSS)	1.15
38	XXXVII	2851-00-101-89-Interest Subvention on Deffered Land Cost Investments to Entrepreneurs Industrial Areas/ Parks	1.15
39	XXXIII	2405-00-800-52-Compensation to Fishermen for the removal of licensed/unlicensed stake/chinese nets	1.13
40	XXXI	6403-00-190-99-Loans to Meat Product of India Limited	1.10

**Appendix 3.10 Concl.d.**

Sl No.	Grant	Head of Account (up to Sub-Head)	100 per cent expenditure during March only (₹ in crore)
41	XVII	4202-01-203-67-Performance Linked Encouragement for Academic Studies and Endeavour(PLEASE)	1.05
42	XVII	2202-03-102-57-N.R.Madhava Menon Interdisciplinary Centre for Research Ethics and Protocols	1.00
43	XXXIV	4406-01-190-99-Kerala Forest Development Corporation Investments	1.00
44	XXXVII	2852-07-202-74-Internship training programme for educated candidates in IT and other Industrial Institutions	1.00
45	XXXVII	2852-80-800-66-One Time Assistrance to the Centre for Management Development	1.00
46	XXXIX	4801-80-101-98-Total Electrification Project by utilizing the funds under LAC ADS	1.00
47	XLVI	2235-02-102-27-Establishment of Apex Training Centre and Balabhavan at Pinarayi Grama Panchayath	1.00

**Appendix 3.11**  
**Expenditure without budget allocation**  
**(Reference: Para 3.8.1.4; Page No.102)**

(₹ in crore)

Sl. No	Schemes	Year	Budget allotment	Expenditure
<b>The Labour Commissioner, Labour and Skills Department</b>				
1	2230-01-103-30-P Comprehensive Health Insurance Scheme (CHIS and CHIS plus)	2020-21	0	16.77
		2021-22	0	5.97
		2022-23	0	24.70
2	2230-01-800-84-P e-SHRAM Portal-National Database for Un-organised Workers	2022-23	0	0.50
3	6250-60-800-94-NP Loan to Rehabilitation Plantation Ltd	2021-22	0	3.00
4	4250-00-201-89-P Providing Decent Accommodation for ISM Workers and Workers from the State (APNAGHAR)	2021-22	0	5.31
5	2230-01-103-17-NP The Un-Organised Workers Social Security Scheme	2020-21	0	20.69
<b>The Director of Training, Industrial Training Department</b>				
6	2230-03-101-72-P Upgradation of Women ITIs	2021-2022	0	1.91
7	2230-03-796-97-P Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100%CSS) (TSP)	2022-2023	0	0.05
8	2230-03-789-97-P Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100%CSS) (SCP)	2022-2023	0	0.32
9	2230-03-101-50-P Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100%CSS)	2022-2023	0	3.63
10	2230-03-101-57-P Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100% CSS)	2020-2021	0	15.78
		2021-2022	0	3.21
11	2230-03-101-94-P Setting up of Model ITIs (70% CSS)	2020-2021	0	2.09
		2022-2023	0	0.22
12	2230-03-796-99-P Pradhan Mantri Kaushal Vikas Yojana (TSP)	2020-2021	0	0.80
		2021-2022	0	1.08
13	2230-03-789-99-P Pradhan Mantri Kaushal Vikas Yojana (SCP)	2020-2021	0	1.33
		2021-2022	0	2.09
14	2230-03-102-97-P National Apprenticeship Promotion Scheme-Stipend Re-imburement from GoI (TSP)	2021-2022	0	7.48
15	2230-03-796-98-P National Apprenticeship Promotion Scheme-Stipend Re-imburement from GoI (TSP)	2021-2022	0	0.86
16	2230-03-789-98-P National Apprenticeship Promotion Scheme-Stipend Re-imburement from GoI (SCP)	2021-2022	0	1.66
17	4250-00-203-99-P ITI's Strengthening in Linguistic Minority Area	2021-2022	0	0.55
18	4250-00-190-95-P Equity Contribution - KASE	2020-2021	0	1.00

**Appendix 3.12**  
**Unnecessary / Excess Re-appropriation (Savings above ₹ 50 lakh or more)**

(Reference: Para 3.8.1.7; Page No.106)

(₹ in lakh)

Sl. No.	Year	Head of Account and Scheme	Original Budget	Supp Budget	Re-apprn	Total	Exp	Savings(-) / Excess(+)
<b>Labour Commissioner, Thiruvananthapuram</b>								
1	2021-22	4250-00-201-90-P Better Accommodation for Plantation Workers and Affordable Housing for Unorganised Poor Urban Labour (Bhavanam & Janani)	0.00	0.00	77.00	77.00	0.00	-77.00
2	2021-22	2230-01-103-60-P Social Protection for Un-Organised Sector Workers	750.00	5387.19	68.27	6205.46	5246.63	-958.83
3	2020-21	2230-01-103-17-NP The Un-Organised Workers Social Security Scheme	0.00	0.00	2750.00	2750.00	2069.39	-680.61
4	2020-21	2230-01-103-15-P Better Accommodation for Plantation Workers & Affordable Housing for Unorganised Poor Urban Labour (BHAVANAM & JANANI)	80.00	0.00	696.00	776.00	166.93	-609.07
5	2021-22	2230-01-001-98-NP District Offices	2765.10	0.00	307.35	3072.45	2815.37	-257.08
6	2021-22	2230-01-103-99-NP Welfare Works (General)	2197.98	0.00	239.24	2437.22	2247.84	-189.38
7	2021-22	2230-01-103-62-NP Plantation Workers' Relief Fund	110.00	0.00	597.07	707.07	578.01	-129.06
8	2020-21	2230-01-103-60-P Social Protection for Un-Organised Sector Workers	450.00	0.00	134.78	584.78	468.26	-116.52
9	2021-22	2230-01-001-99-NP Direction	809.74	0.00	96.52	906.26	824.73	-81.53

## Appendix 3.12 Concl'd.

(` in lakh)

Sl. No.	Year	Head of Account and Scheme	Original Budget	Supp Budget	Re-apprn	Total	Exp	Savings(-) / Excess(+)
<b>Director Industrial Training, Thiruvananthapuram</b>								
10	2020-21	2230-03-101-99 Industrial Training Institutes	17094.09	0.00	-3131.23	13962.86	14033.79	70.93
11	2022-23	2230-03-001-99-NP Directorate of Training	775.30	0.00	9.73	785.03	716.945	-68.085
12	2022-23	2230-03-101-99-NP Industrial Training Institutes	20056.44	0.00	33.22	20089.66	17434.662	-2654.998
13	2020-21	2230-03-102-99-NP National Apprenticeship Scheme	483.44	0.00	1.61	485.05	381.648	-103.402
14	2021-22	2230-03-102-99-NP National Apprenticeship Scheme	618.47	0.00	52.96	671.43	587.535	-83.895
15	2021-22	2230-03-101-99-NP Industrial Training Institutes	21515.38	0.01	1976.98	23492.37	22268.73	-1223.64
16	2020-21	2230-03-101-65-P Jobs and Skill Development Programme (60%CSS)	506.00	0.00	675.32	1181.32	1015.50	-165.82
17	2020-21	2230-03-101-94-P Setting up of Model ITIs (70% CSS)	0.00	0.00	334.18	334.18	208.55	-125.63
18	2021-22	2230-03-001-99-NP Directorate of Training	869.09	0.00	81.08	950.17	872.43	-77.74
<b>NORKA</b>								
19	2021-22	2230-01-103-28-NP Non-Resident Indians' (Keralites) Commission	89.84	0.00	6.47	96.31	86.86	-9.45
20	2022-23	2230-01-103-28-NP Non-Resident Indians' (Keralites) Commission	128.29	0.00	3.89	132.18	60.25	-71.93

**Appendix 3.13**  
**Expenditure incurred without budget provision**  
**(Reference: Paragraph 3.8.2.4; Page No. 109)**

*(₹ in crore)*

Sl. No.	Head of account	Year	Re-appropriation	Expenditure
1	3452-01-102-76-V-NP-Repairs and Maintenance of Guest House and other Prestigious Buildings	2021-22	0.13	0.13
2	3452-80-003-96-V-NP-Food Craft Institute, Kalamassery and Extension Centres	2021-22	2.34	2.34
3	3452-80-003-97-V-P-Human Resources Development and Training	2021-22	4.38	4.38
4	3452-80-104-89-V-P-Responsible Tourism	2021-22	3.81	2.16
5	3452-80-104-91-V-NP-District Tourism Promotion Councils (DTPCs) and Destinations Management Councils (DMCs)	2020-21	5.20	5.20
6	3452-80-800-21-V-P-Safety at Tourist Destinations	2021-22	5.03	5.03
		2022-23	4.42	4.42
		2020-21	4.34	4.34
7	5452-01-800-84-V-NP-Muziris Heritage and Spice Route Projects	2020-21	2.00	2.00

**Appendix 4.1**  
**Direct transfer of Central Scheme Funds to Implementing Agencies in the State**  
**(Schemes with total release of ₹ five crore and above during 2022-23)**  
**(Reference: Paragraph 4.3; Page No. 116)**

(₹ in crore)

Sl. No	Government of India Scheme	Government of India releases during 2022-23
1	National Hydrology Project	14.02
2	MP's Local Area Development Scheme (MPLADS)	61.50
3	Rashtriya Gokul Mission	12.84
4	Sugar Subsidy Payable under PDS	21.50
5	Pradhan Mantri Kisan Sampada Yojana	11.18
6	Pradhan Mantri Kisan Samman Nidhi	1,599.56
7	Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (PMJAY)	151.34
8	SAMARTHYA	47.13
9	Blood Transfusion Services	5.27
10	Integrated Scheme on Agriculture Census and Statistics	59.65
11	Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	2,206.61
12	National Rural Livelihood Mission (CS)	16.09
13	Mahatma Gandhi National Rural Employment Guarantee Scheme	2,966.46
14	National Service Scheme	17.50
15	National AIDS and STD control Programme	41.77
16	Food Subsidy for Decentralised Procurement of Foodgrains under NFSA	1,544.89
17	Others (Schemes below 5 crore rupees)	1,563.72
	<b>Total</b>	<b>10,341.03</b>

**Appendix 4.2**  
**Cases of expenditure booked under object head 34 – ‘Other charges’**  
**(above ₹10 lakh) during the month of March 2023**  
**(Reference: Paragraph 4.8.2; Page No. 125)**

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
1	The Director, Directorate of Vocational Higher Secondary Education	2202-02-001-95-34-Other Charges-Vocational higher secondary education	10.00	Training for Career master.	91-Training
2	The Controller of Entrance Examinations Thiruvananthapuram	2202-03-001-95-34 -Commissionerate for entrance examination for admission to professional colleges	80.00	Shifting of the office of the Commissioner for Entrance examinations –for civil works and other allied facilities.	50-Advances
3	The Assistant Project Officer, DEO Office, Nedumangad	2225-02-277-49-34-Other charges - Running of Ashramam school/ model residential school	10.08	Payment towards rent	06-Rent, Rates and Taxes
4	The Excise Commissioner Commissionerate of Excise	2039-00-001-94-34-Other charges -Modernisation of Excise Department	12.60	Advance given for the implementation of track and trace system in the field of Toddy.	50-Advances
5	The Principal College of Engineering Thiruvananthapuram	2203-00-112-41-00-34-03-Other Charges-Other items development of engineering colleges	20.69	Purchase of firewalls	99-Information Technology
6	The Election Commission Thiruvananthapuram	2015-00-109-99-34-Other charges - Conduct of elections to panchayats/local bodies	12.72	Payment to National Informatics Centre Services for extension of manpower for maintenance and support of the SEC Portal, ERMS, Nomination system, Election Result system, Expenditure monitoring system and Vacancy reporting system.	99-Information Technology
7	The Director, Directorate of Treasuries, Thiruvananthapuram	2054-00-095-99-34-Other charges - Directorate of treasuries	60.92	Implementation of broad band based VPN connection.	99-Information Technology
8	The Principal, New Engineering College, Barton Hill, Thiruvananthapuram	2203-00-112-41-34-Other charges - Development of engineering colleges	10.62	Purchase of software	99-Information Technology
9	The Training Inspector Thiruvananthapuram South Zone	2225-01-277-57-34-Other charges - Assistance for education of SC students	11.14	Cost of computers	99-Information Technology

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
10	The Superintendent, Government Medical College, Thiruvananthapuram	2210-01-110-36-34-Other charges - Standardisation of facilities in maternal and child health units in medical college hospitals	24.20	Payment of Anaesthesia Workstation for the Department of Obstetrics & Gynaecology.	19-Machinery and equipment
11		2210-01-110-36-34 - Other charges - Standardisation of facilities in maternal and child health units in Medical College Hospitals	11.95	Purchase of horizontal rectangular autoclav-300L (Rs.8,81,460) and Anaesthesia Workstation (Rs.3,13,600).	19-Machinery and equipment
12		2210-01-110-36-34-Other charges -Standardisation of facilities in maternal and child health units in medical college hospitals	24.20	Payment of Anaesthesia Work station	19-Machinery and equipment
13		2210-01-110-65-34-Other charges- Deceased donor multi organ transplantation (Mritha sanjeevani)	11.78	Purchase of surgical instruments for transplantation.	19-Machinery and equipment
14	The Director General, Fire Force Headquarters, Pattom, Thiruvananthapuram.	2070-00-108-94-34-Other charges - Modernisation of fire force	30.95	Purchase of Desktop computers	99-Information Technology
15		2070-00-108-94-34-Other charges - Modernisation of fire force	230.79	Purchase of 130 nos of Breathing apparatus.	19-Machinery and equipment
16		2070-00-108-94-34-Other charges - Modernisation of fire force	54.06	Fabrication of scuba van	21- Motor Vehicles
17		2070-00-108-94-34-Other charges - Modernisation of fire force	22.52	Purchase of Tyres	21- Motor vehicles
18		2070-00-108-94-34-Other charges - Modernisation of fire force	13.65	Purchase of 3500 numbers of hand gloves	24-Materials and supplies
19		2070-00-108-94-34-Other charges - Modernisation of fire force	15.88	Purchase of 230 numbers of search lights from M/s.Rex Hi Tech Solutions.	24-Materials and supplies
20	2070-00-108-94-34-Other charges - Modernisation of fire force	379.01	Purchase of 100 numbers of scuba sets with diving suits.	24-Materials and supplies	

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
21		2070-00-108-94-34-Other charges - Modernisation of fire force	13.05	Purchase of Tubeless Tyres from M/s.Shiv. Trader (Order dated 13/03/2023).	24-Materials and supplies
22	The Superintendent, Government Medical College, Kollam.	2210-05-105-53-34-Other charges - Medical College, Paripally	18.42	Operation & Maintenance charges to M/s.HLL for major installations in Govt. Medical college.	18-Maintenance.
23	The Principal, State Institute of Health and Family Welfare Training Centre, Thiruvananthapuram	2210-06-003-90-34-Other charges - State Institute of Health and Family Welfare Training Centre, Thiruvananthapuram	25.00	Road tarring, maintenance of water tank.	18-Maintenance.
24	The Commissioner of Excise Thiruvananthapuram	2039-00-001-94-34-Other charges - Modernisation of Excise department	214.73	Purchase of 23 Mahindra Bolero Neo vehicles (order dated 17/02/2023).	21- Motor vehicles
25			37.34	Purchase of 4 Mahindra Bolero Neo vehicles (order dated 20/03/2023).	21- Motor vehicles
26	The Managing Director, Kerala Medical Service Corporation, Thiruvananthapuram	2210-01-110-26-34-Other charges - De-addiction Centres	16.50	Purchase of medicine via KMSCL for implementation of plan scheme- De-Addiction Centers.	24-Materials and supplies
27	The Directorate of ST Development, Thiruvananthapuram.	2225-02-102-72-34-Other charges - Kerala Tribal Plus (additional wage employment under MGNREGS)	510.00	Additional wages for Kerala Tribal Plus scheme under MGNREGS	02-wages
28			1050.59	Additional wages for Kerala Tribal Plus scheme under MGNREGS	02-wages
29	The Chief Electoral Officer, Thiruvananthapuram	2015-00-103-99 -34-Other charges - Preparation and printing of electoral rolls assembly and parliament	14.48	Booking of speed post for sending Electoral photo identity cards.	05-Office expenses
30			155.78	Printing of Final Electoral roll for 140 LACs of Kerala	05-Office expenses

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
31	The Text Book Officer, Thiruvananthapuram	2202-02-106-99-34 Other charges - Text books publication	924.55	Printing charge of text books comes under the object head 07 Publications	07 Publications
32	The Director Directorate of Higher Secondary Education	2202-02-001-94-34 - Other charges -Directorate of higher secondary education (plus two)	44.93	Purchase of Maplitho paper (stationery) for answer sheet from M/s.Radex stationery.	05-Office expenses
33		2202-02-001-94-34 -Other charges-Directorate of higher secondary education (plus two)	47.09	Purchase of Maplitho paper (stationery) for answer sheet from M/s.Radex stationery.	05-Office expenses
34		2202-02-001-94-34 -Other charges-Directorate of higher secondary education (plus two)	58.28	Printing and postage charges of data printed certificates.	05-Office expenses
35		2202-02-001-94-34 -Other charges - Directorate of higher secondary education (plus two)	168.55	Printing charges of question paper	07 Publications
36		2202-02-001-94-34 -Other charges - Directorate of higher secondary education (plus two)	221.88	Printing charges of question paper	07 Publications
37		2202-02-001-94-34-Other charges - Directorate of higher secondary education (plus two)	16.59	Printing charges of Answer sheet.	07 Publications
38		2202-02-001-94-34 -Other charges - Directorate of higher secondary education (plus two)	213.31	Printing charges of question paper	07 Publications
39		2202-02-001-94-34-Oth-er charges-Directorate of higher secondary education (plus two)	168.22	Printing charges of question paper	07 Publications
40		2202-02-001-94-34-Oth-er charges-Directorate of higher secondary education (plus two)	20.38	Printing charges of Answer sheet.	07 Publications

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
41	The Administrative Officer, Directorate of Scheduled Caste Development	2225-01-001-94-34-Other charges-Modernization and e-governance initiatives in development department	39.31	Purchase of furniture and other related items.	05-Office expenses
42		2225-01-277-57-34-Other charges-Assistance for education of SC students	35.28	Overseas scholarship	12-Scholarships and stipends
43		2225-01-277-57-34-Other charges-Assistance for education of SC students	40.29	Overseas scholarship	12-Scholarships and stipends
44		2225-01-277-57-34-Other charges-Assistance for education of SC students	68.53	Overseas scholarship	12-Scholarships and stipends
45		2225-01-277-57-34-Other charges-Assistance for education of SC students	70.86	Overseas scholarship	12-Scholarships and stipends
46		2225-01-277-57-34-Other charges-Assistance for education of SC students	54.19	Overseas scholarship	12-Scholarships and stipends
47		2225-01-277-57-34-Other charges-Assistance for education of SC students	14.65	Overseas scholarship	12-Scholarships and stipends
48		2225-01-277-57-34-Other charges-Assistance for education of SC students	36.50	Overseas scholarship	12-Scholarships and stipends
49		2225-01-277-57-34-Other charges-Assistance for education of SC students	35.63	Overseas scholarship	12-Scholarships and stipends
50		2225-01-277-57-34-Other charges-Assistance for education of SC students	28.48	Overseas scholarship	12-Scholarships and stipends

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
51		2225-01-277-57-34-Other charges-Assistance for education of SC students	70.19	Overseas scholarship	12-Scholarships and stipends
52		2225-01-277-57-34-Other charges-Assistance for education of SC students	25.27	Overseas scholarship	12-Scholarships and stipends
53	Minor Irrigation Sub Division, Kottayam	2702-03-101-98-03-34-Other maintenance expenditure	10.38	Protecting sides of Meleparambu thodu	17- Minor Works
54	Irrigation Division, Thrissur	2701-80-800-97-00-34-Maintenance and repairs of other irrigation works	11.29	Putting up temporary bund at Munayam	17- Minor Works
55	Harbour Engineering Division, Kasargod	2551-60-101-97-00-34-Kasaragod package	136.36	Construction of approach road to Ananthapuram Industrial Estate	17- Minor Works
56	The Executive Engineer Irrigation Division, Alappuzha	2711-02-103-99-00-34-Maintenance of anti-sea erosion works	28.36	Anti sea erosion works – procurement of materials for the work	17-Minor works
57	O/o the Asst. Director of Agriculture, Kalliassery	2401-00-109-80-00-34-Strengthening of agricultural extension	19.29	Establishment of smart Krishi Bhavans	99-Information Technology
58	Vypin Govt. Arts and Science College	2202-03-103-76-00-34-Development of libraries, laboratories and furniture in Government colleges	15.81	Purchase of computers and accessories and other equipment	99-Information Technology
59	Govt. Arts and Science College, Balusserry	2202-03-103-76-00-34-Development of libraries, laboratories and furniture in Government colleges	14.22	Purchase of computers and accessories and other equipment	99-Information Technology
60	Asst. Director, Animal Husbandry Rinderpest Eradication Programme	2403-00-101-97-00-34-Strengthening and reorganisation of veterinary hospitals	10	Installation of CCTV camera for Rinderpest Checkposts in Palakkad	99-Information Technology
61	Deputy Director of Fisheries, Thrissur	4405-00-101-95-00-34-Setting up of nurseries	36	Development of fish seed farm	16-Major Works
62	Minor Irrigation Sub Division, Aluva	2702-01-800-94-00-34-Minor irrigation projects maintenance	26.6	Annual maintenance of Lift Irrigation Schemes under Minor Irrigation sections	18-Maintenance

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
63	Minor Irrigation SubDivision, Irinjalakkuda	2702-01-800-94-00-34-Minor irrigation projects maintenance	10.79	Annual maintenance of various Lift Irrigation schemes under Minor Irrigation Division	18-Maintenance
64	Minor irrigation Division, Pathanamthitta	2702-01-800-94-00-34-Minor irrigation projects maintenance	15.96	Urgent rectification works	18-Maintenance
65	Irrigation Division, Thalasserry	2711-02-103-99-00-34-Maintenance of anti-sea erosion works	39.42	Urgent maintenance to the damaged sea wall	18-Maintenance
66	Government Medical College, Kozhikode	2210-01-110-36-00-34-Standardisation of facilities in maternal and child health units in medical college hospitals	14.03	Purchase of Ultrasound Colour Doppler, bio medical waste disposal, repair charges etc	19-Machinery and Equipment
67	Harbour Engineering Division, Alappuzha	4405-00-104-54-00-34-Rural infrastructure development fund (nabard assisted scheme)	130	Additional infrastructure facilities at Valiyazheekkal Fish Landing Centre, Alappuzha	16-Major Works
68	Regional Drugs Testing Laboratory, Ernakulam	2210-06-104-98-00-34-Drugs testing laboratory	14.29	Annual operational contract for electrical installation	18-Maintenance
69	Govt Medical College, Ernakulam	2210-05-105-30-00-34-Revamping of existing infrastructure and maintenance of high end equipment in medical colleges	12.52	Annual maintenance contract for Cathlab	18-Maintenance
70	General Hospital, Moovattupuzha	2210-01-110-99-00-34-Hospitals and dispensaries	17.02	Arrears of water charges paid to KWA	05-Office Expenses
71	Central Prison, Kannur	2056-00-101-99-00-34-Jails	16.65	Wages of prisoners	02-Wages
72	St.Marys CGHSS, Ernakulam	2202-02-001-94-00-34-Directorate of higher secondary education (plus two)	18.03	Centralised Valuation Camp	28-Payment for professional and Special Services
73	Govt. HSS (Boys), Thrippunithura	2202-02-001-94-00-34-Directorate of higher secondary education (plus two)	13.86	Centralised valuation camp	28-Payment for professional and Special Services

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
74	Minor Irrigation Sub Division, Kalpetta	2702-01-800-94-00-34-Minor irrigation projects maintenance	15.32	Reconstruction of existing damaged canal	17- Minor Works
75		2210-05-105-30-00-34-Re-vamping of existing infrastructure and maintenance of high end equipment in medical colleges	63.72	CAMC for Linear Accelerator	18-Maintenance
76	Govt. Medical College, Kottayam	2210-05-105-30-00-34-Re-vamping of existing infrastructure and maintenance of high end equipment in medical colleges	27.29	CAMC for Multichannel Monitors	18-Maintenance
77		2210-01-110-65-00-34-Deceased donor multi organ transplantation (mritha sanjeevani)	25.77	Supply of Anaesthesia Workstation	19-Machinery and Equipment
78	ITDP Nilambur	2225-02-277-49-00-34-Running of ashramam school/ model residential school	31.15	Painting works at Girls hostel and mess hall at IGMRS Nilambur	18-Maintenance
79	Distict Woman & Child Development Office, Thrissur	2235-02-103-68-01-34-Women development programmes	10	Working Fund	31- Grant-in-aid-General - Salary
80	District Animal Husbandry office, Malappuram	2403-00-102-81-00-34-Strengthening of department farms	32.32	Construction of hatchery and Poultry feed store building	17-Minor works
81	Regional Poultry Farm, Mundayad, Kannur	2403-00-102-81-00-34-Strengthening of department farms	14.18	Purchase of poultry feed	24-Material and Supplies
82	Minor Irrigation Division, Ernakulam	2701-80-800-97-00-34-Maintenance and repairs of other irrigation works	253	Shifting of water supply and sewage utilities under KWA	18-Maintenance
83	Harbour Engineering Division, Kozhikode	4405-00-104-54-00-34-Rural infrastructure development fund (NABARD assisted scheme)	75.73	Construction of Net mending shed, toilet block and compound wall	17-Minor works
84	LSGD Division, Kasargode	2551-60-101-97-00-34-Kasargode package	141.79	Infrastructure development of GHS Bare, GLPS Moukadu etc	17-Minor works

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
85	Harbour Engineering Division, Ponnani	4405-00-104-54-00-34-Rural infrastructure development fund (nabard assisted scheme)	50.63	Infrastructure facilities to Thanur Fishing Harbour, construction of low level wharf	16-Major Works
86	Minor Irrigation Division, Kattappana	2702-03-101-98-03-34-Other maintenance expenditure	27.18	Construction of Side protection wall of Churuli river	17-Minor works
87	Asst. Director of Agriculture, Karadukka	2435-01-800-94-00-34-Post harvest management and value addition	10	Post harvest management and value addition	33-Subsidies
88	Tribal Development Office, Chalakkudy	2225-02-277-49-00-34-Running of ashramam school/ model residential school	11	Electrical works in the Model Residential School and Hostel building	05-Office Expenses
89	Veterinary Dispensary, Kuttiyilpeedika	2403-00-101-97-00-34-Strengthening and reorganisation of veterinary hospitals	50	Construction of new building for Kuttiyilpeedika Veterinary hospital	17-Minor works
90	Assistant Director of Agriculture, Ettumanoor	2401-00-109-80-00-34-Strengthening of agricultural extension	20	Establishment of Smart Krishi Bhavans, Renovation work of Krishi Bhavan	99-Information Technology
91	The Secretary, General Administration(Accounts)Department	2235-02-190-97-Assistance to Kerala State Welfare Corporation for forward communities (plan/voted)	845.42	Merit scholarship project of KSWC	12-scholarships & stipend
92			50.00	term loan assistance-interest subsidy scheme-promoting self employment	23-loans
93	The Director Directorate of Factories & Boilers	2230-01-102-95-00-31-factories & boilers department occupational safety and health action (osha) (plan/voted)	17.46	Implementation of Remote sensing enabled online Chemical Emergency Response System(ROCERS)	99-Information Technology
94			52.17	Modification, Enhancement & Technology upgradation of online system(FABOS)	99-Information Technology
95	Kerala Development and Innovation Strategic Council Thiruvananthapuram	3451-00-092-92-Development and innovation strategic council of kerala - (K-disc) (Plan/Voted)	15.82	Video Conferencing equipments	99-Information Technology
96			14.97		
97			183.50	To ICT academy of Kerala imparting training programme and associated activities to the ideators of Young Innovators Programme-2022	91-Training

## Appendix 4.2 Contd.

(*₹ in lakh*)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
98			34.00	Refurbishing of HQ office, KSIDC-Payment to ULCCS	95-Improvements
99			117.77		
100		3451-00-092-92-Development and innovation strategic council of Kerala - (k-disc) (Plan/Voted)	31.86	Innovation & Design thinking to mentors of K DISC -payment to IIM Kozhikode	28-Payment for Professional and Special Services
101			41.03	Engaging Kerala Start Up Mission for assisting K Disc in nurturing strategic Partnership in assessment, mentoring and market connect for YIP	28-Payment for Professional and Special Services
102			58.76	to ICT academy of Kerala for delivering training programme and associated activities to the ideators of YIP 2021	91-Training
103	Senior Administrative Officer Kerala State Planning Board, Pattom,, Thiruvananthapuram		3451-00-101-93 - Surveys, studies and project preparation (P/V)	31.71	Project financial assistance to the Kerala University of Digital Sciences, Innovation & Technology for the implementation of PLANSACE and Continuous Development and new version of Plan Space 2.0 Technology
104		3452-80-001-99 Administration	25.00	Meeting expenses in connection with visit of Hon'ble President of India	13- Hospitality/ Entertainment Expenses
105		3452-80-104-98 Marketing (P/V)	495.79	International Trade fair, summer holiday campaign, BtoB meeting, WTM, London, Advertising in NewsPapers	08-Advertising & Publicity
106	Director of Tourism		10.00	Social Face Book video promotion	
107			82.10	RT Seminar at London, National summer campaign, social media management, hosting and sponsorship of 3rd edition of influenza award	
108			15.62	sending publicity materials-payment of courier charges	

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
109	Director of Tourism	3452-80-104-98 Marketing (P/V)	43.71	Payment to M/s Invis Pvt Ltd for creation of short film, multilingual content development for RT mission and Kerala tourism international online painting competition	
110			78.66	to M/s Invis Pvt Ltd Kerala You tube channel management & promotion, re-designing & restructuring of Kerala Tourism Website, production of short videos	
111			164.01	To M/s STARK Communication Pvt Ltd- Social media middle east campaign 2022 first part payment, kerala tourism marketing promotion through maya, whatsapp etc, social media middle east campaign 2022, National Social Media Campaign 2022 first part payment	
112			493.23	To M/s STARK Communication Pvt Ltd- National Festival Campaign, National Holiday Campaign, International Europe Campaign, etc	
113			91.31	Payment to STARK Communications - Destination wedding campaign, Bto B meets at Stockholm and Warsaw, Zurich and Geneva and Production of reel/ short video for social media platforms etc	
114			332.46	Payment to STARK Communications - National Print Media Campaign, National Summer campaign, organising B2B meet at Frankfurt & Munich, Promotional Video-Destination Wedding campaign, social media management of tourism department Participation of Kerala Tourism in International Trade Fair 2023	

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head	
115	The Registrar of Co-operative Societies, Thiruvananthapuram, Kerala	4425-00-108-34 - Share capital contribution for development of SC/ST cooperatives (plan/voted)	10.00	Share Capital Assistance to Service Co-op under Special Revival Scheme for SC/ST Co-op Societies	22-Investment	
116			13.77	Share Capital Assistance to Service Co-op under Punarjini Scheme for making SC/ST Co-op Societies self sufficient		
117		4425-00-108-37 - Investment in model co-operatives (plan/voted)	10.00	Share Capital Assistance to Service Co-op		
118			10.00			
119			10.00			
120			10.00			
121			4425-00-108-42 assistance to PACS, primary societies, wholesale stores and federations (NCDC assisted) (Plan/Voted)	16.00		NCDC assistance to State Government - Share capital assistance to SCBs
122				1062.39		
123				10.27		
124				20.00		
125				25.31		
126				40.00		
127			4425-00-108-50 assistance to co-operatives for promotion of large-scale commercial operations	40.00		Expansion & Diversification scheme- Share Capital Assistance to SCBs
128			4425-00-108-71 integrated development of primary agricultural credit societies (100% NCDC) (Plan/Voted)	55.86		ICDP Thrissur Phase2 - Share Capital assistance to 9 co-operatives
129	The Principal Industrial Training Institute, Chackai, Thiruvananthapuram	2230-03-101-87 -Modernisation of ITIS (Plan/Voted)	118.09	To HMT Machine Ltd -Purchase of equipment for Turner, Machinist for Govt. ITI Chackai	19-Machinery & Equipment	
130	The Director Directorate of Fisheries, Thiruvananthapuram	4405-00-101-95 Setting up of nurseries (Plan/Voted)	18.00	Transformer installation which enables the shrimp production of the locality Mundrothuruth	19-Machinery & Equipment	

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
131	The Executive Engineer Office of Executive Engineer Minor Irrigation Division, Kollam	2702-01-800-94-Minor irrigation projects - maintenance (NP/V)	16.42	Improving Irrigation facilities	18-Maintenance
132			11.12		
133		2711-01-103-98-Repairs due to flood damages (Nonplan/Voted)	27.63	Urgent rectification works to the right bank of kallumkadavu thodu	18-Maintenance
134	The Director Office of the Director of Dairy Development, Pattom, Thiruvananthapuram	4404-00-195-97 -Assistance to Kerala co-operative milk marketing federation (plan/voted)	397.50	Subsidy amount for establishing infrastructure development	33-Subsidies
135			90.00		
136	The Commissioner Commissionerate of Civil Supplies & Consumer Affairs, Thiruvananthapuram, Kerala	3456-00-001-78 -Assistance for the implementation of national food security act (State scheme) (Plan/Voted)	68.15	Advance given to Kerala University to Conduct Social Audit in selected ration shops	28-Payment for Professional and Special Services
137	The Principal Government Industrial Training Institute Chandanathope, Kollam, Kerala	2230-03-101-87 -Modernisation of ITIS (P/V)	104.59	To HMT - Purchase of Heavy machines, Govt. ITI, Chandanathope, Kollam	19-Machinery & Equipment
138	The Director Directorate of Animal Husbandry Thiruvananthapuram.	2403-00-101-97 - Strengthening and reorganisation of veterinary hospitals (Plan/Voted)	22.45	To Steel Industries, Kerala Ltd - Establishing State Level Call centre at Thiruvananthapuram office for starting mobile veterinary units	17-Minor works
139			92.36	To KMSCL - purchase of medicine, medicinal equipment and consumable	47-Stores & Equipment
140			43.62	To Kerala University of Digital Sciences Innovation & Technology for implementation of GIS based disease mapping scheme	28-Payment for Professional and Special Services

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
141		2403-00-190-93 - Assistance to meat products of India (Plan/Voted)	36.00	Assistance to MPI for establishment of Value Added Processed Meat Production Facility Plant	35-Grant for creation of Capital Assets
142	The Assistant Director O/o Assistant Director of Agriculture, Chathannoor	2401-00-109-80 Strengthening of agricultural extension (Plan/Voted)	20.30	Smart Krishi Bhavan Paravur as deposit work through PWD	99-Information Technology
143		2405-00-103-76 - Sea safety & sea rescue operations (Plan/Voted)	90.10	Purchase of mounting type GPS for distribution to fishermen	24-Materials & Supplies
144			72.61		
145		2405-00-103-91 - Conservation and management of fish resources (marine fisheries) (Plan/Voted)	37.05	Purchase of mobile Sea Rescue Units-Mahindra Bolero B6	21-Motor Vehicles
146			37.78	Purchase of CCTV camera for installation at three Fishing Harbours	19-Machinery & Equipment
147		The Director, Directorate of Fisheries, Thiruvananthapuram	2405-00-109-91 extension and modernisation of department - strengthening of training centres (Plan/Voted)	22.52	BSNL lease line circuit charges - yearly recurring charges (KSWAN)
148		2405-00-110-98 motorization of traditional fishing crafts (Plan/Voted)	36.59	Purchase of insulated fish box for distribution to traditional fishermen	24-Materials & Supplies
149		2405-00-800-21 Kerala fishermen debt relief commission (Nonplan/Voted)	21.14	Debt relief to fishermen who availed loan from Societies included in adalath list of Kerala State Debt Relief Commission	40-Discount on loans
150	The Commissioner of Rural Development, Thiruvananthapuram	2505-02-101-97-Social Audit cell for Mahatma Gandhi National Rural Employment Guarantee Programme (Plan/Voted)	597.40	Social Audit Fund by MORD, GOI transfer credited to the SNA account of Society by CRD	58-Central State Transfer of Resources
151	The Registrar of Co-operative Societies Thiruvananthapuram.	2425-00-001-90 - Assistance to co-operative propaganda (Plan/Voted)	17.12	Campaign in FM, Red FM, Radio Mango towards Deposit Mobilisation Scheme	08-Advertising & Publicity
152		2425-00-108-42-Assistance for development of SC/ST Co-operatives (Plan/Voted)	10.50	Subsidy assistance to Revival Scheme of SC/ST Co-op Societies	33-Subsidies
153			10.50		
154			10.50		

## Appendix 4.2 Contd.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head	
155			13.73	Subsidy Assistance to Punarjini scheme for SC/ST Co-op Societies		
156			19.67			
157	The Chief Engineer Local Self Government Department, Thiruvananthapuram	2515-00-001-86 -Modernisation, Computerisation, and Capacity Building - Engineering Wing for Local Self Government Department (plan/voted)	14.38	Purchase of laptops	99-IT	
158			13.72			
159			49.48	Purchase of tablets in CE/LSGD office		
160	The Chief Engineer, Irrigation Division, Thiruvananthapuram	2711-01-103-98 - Repairs due to flood damages (Non Plan/Voted)	22.40	Protecting left side of Ayiroor river between Ayiroor Bridge & Villikkadavu bridge	18-Maintenance	
161			13.12	Constructing rubble mout care wall at Kollamkode in Neyyattinkara (Anti sea ersion work)	17-Minor works	
162			2711-02-103-99 - Maintenance of anti-sea erosion works (Non-plan/Voted)	71.85	Construction of protection wall at Valiyathura(Anti sea ersion work)	17-Minor works
163				39.08	Reformation sea wall at Poonthura (Anti sea ersion work)	18-Maintenance
164				20.54	Construction of care wall near Shangumugham	17-Minor works
165	The Secretary, Electronics & IT Department, Thiruvananthapuram	2852-07-202-76-Marketing, Brand building and promotional activities of cyberpark (Plan/Voted)	12.00	To Cyber park for marketing & brand building	08-Advertising & Publicity	
166		2852-07-202-80 Marketing of Technopark and IT units in SME sector within Technopark (Plan/Voted)	10.00	To Technopark for marketing IT units in SME Sector within Technopark		
167	The Secretary , Finance Department, Government of Kerala, Thiruvananthapuram	3451-00-090-service and pay roll administrative repository for kerala(spark) (Non Plan/Voted)	11.23	Payment to Keltron - cost of digital signature certiicate to DDOs all over Kerala	99-Information Technology	
168	The Accounts Officer Farm Information Bureau, Thiruvananthapuram	2401-00-109-84 - Farm information and communication	42.08	Printing Kerala Karshaka Magazine including transportation charges	07-Publications	
169			10.00	Printing cover for despatching magazine		

## Appendix 4.2 Concl.d.

(₹ in lakh)

Sl. No.	Office of DDO	Head of Account under which expenditure booked and expenditure incurred	Amount	Remarks	Appropriate Object Head
170	The Principal Soil Chemist Central Soil Analytical Laboratory, Thiruvananthapuram	2402-00-101-90 -Establishment of regional soil analytical laboratory and strengthening of existing lab at Konni (P/V)	36.50	Purchase of Atomic Absorption Spectrophotometer for RSAL Kde & HSAL,Wayanad	19-Machinery & Equipment
171	The Administrative Assistant District Animal Husbandry Office, Thiruvananthapuram	2403-00-101-97 -Strengthening and reorganisation of veterinary hospitals (P/V)	25.25	Purchase of medicine from KSDP for Central Veterinary Store, TVM	47-Stores & Equipment
79 DDOs		<b>Total</b>	<b>14091.60</b>		

**Appendix 4.3**  
**Statement showing performance of Autonomous Bodies**  
**(Reference: Paragraph 4.16; Page No. 131)**

Sl. No.	Name of Autonomous body	Period of entrustment	Year up to which accounts were rendered	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
				Year of Latest SAR	Date of Placement		
1	Kerala Institute of Labour & Employment, Thiruvananthapuram	For five years from 2017-18	2018-19	2017-18	28.06.2022	04.02.2022	2y 7m 3d
			2019-20			12.08.2022	2y 1m 11d
			2020-21			01.02.2023	1y 7m
2	Kerala State Commission for Backward classes, Thiruvananthapuram	From 2017-18 to 2021-22	2020-21	2018-19 (Annual report)	01.06.2021	28.02.2022	7m 27d
			2021-22			31.08.2022	2m
3	Kerala State Commission for Scheduled Castes and Scheduled Tribes	From 2009 onwards	2019-20	2020-21 (State Audit Report)	28.02.2023	26.04.2021	9m 25d
			2020-21	2021-22 (Annual report)	01.02.2023	03.02.2022	7m 2d
			2021-22			04.10.2022	3m 3d
4	Kerala Building & Other Construction Workers Welfare Board, Thiruvananthapuram	1998-99 onwards Act enacted by Parliament	2020-21	2018-19	09.08.2023	21.06.2022	11m 20d
5	Kerala State Human Rights Commission	1998-99 onwards Act enacted by Parliament	2019-20	2020-21	14.09.2023	17.11.2022	2y 4m 16d
			2020-21			17.11.2022	1y 4m 16d
6	Kerala State Legal Services Authority, Ernakulam.	1998-99 onwards Act enacted by Parliament	2017-18	2017-18	05.10.2021	01.01.2020	1y 6m 1d
7	District Legal Services Authority, Thiruvananthapuram	1998-99 onwards Act enacted by Parliament	2018-19	2017-18	06.12.2022	21.06.2022	2y 11m 20d

## Appendix 4.3 Contd.

Sl. No.	Name of Autonomous body	Period of entrustment	Year up to which accounts were rendered	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
				Year of Latest SAR	Date of Placement		
8	District Legal Services Authority, Kollam	1998-99 onwards Act enacted by Parliament	2014-15	2013-14	19.03.2018	30.06.2022	7y
			2015-16			12.05.2022	5y 11m 12d
			2016-17			12.05.2022	4y 11m 12d
			2017-18			12.05.2022	3y 11m 12d
			2018-19			12.05.2022	2y 11m 12d
			2019-20			12.05.2022	1y 11m 12d
9	District Legal Services Authority, Pathanamthitta	1998-99 onwards Act enacted by Parliament	2018-19	2020-21	09.08.2023	01.01.2022	2y 6m
			2019-20			14.03.2022	1y 8m 13d
			2020-21			18.08.2022	1y 1m 17d
			2021-22			01.12.2022	5m
10	District Legal Services Authority, Idukki	1998-99 onwards Act enacted by Parliament	2019-20	2017-18	13.01.2021	24.01.2022	1y 6m 23d
			2020-21			26.09.2022	1y 3m 25d
11	District Legal Services Authority, Ernakulam	1998-99 onwards Act enacted by Parliament	2015-16	2011-12 2012-13	11.03.2015 for laying	09.09.2021	5y 2m 9d
12	District Legal Services Authority, Thrissur	1998-99 onwards Act enacted by Parliament	2018-19	2017-18	18.03.2022	14.12.2021	2y 5m 13d
			2019-20			14.12.2021	1y 5m 13d
			2020-21			15.09.2022	1y 2m 14d
			2021-22			15.09.2022	2m 14d
13	District Legal Services Authority, Palakkad	1998-99 onwards Act enacted by Parliament	2016-17	2021-22	09.08.2023	10.05.2022	4y 10m 9d
			2017-18			10.05.2022	3y 10m 9d
			2018-19			10.05.2022	2y 10m 9d
			2019-20			10.05.2022	1y 10m 9d
			2020-21			10.05.2022	10m 9d
			2021-22			10.05.2022	
			2022-23			04.07.2023	

**Appendix 4.3 Contd.**

Sl. No.	Name of Autonomous body	Period of entrustment	Year up to which accounts were rendered	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
				Year of Latest SAR	Date of Placement		
14	District Legal Services Authority, Malappuram	1998-99 onwards Act enacted by Parliament	2016-17	2014-15	08.11.2016	6.12.2022	5y 5m 5d
			2017-18			10.03.2023	4y 8m 9d
15	District Legal Services Authority, Kozhikode	1998-99 onwards Act enacted by Parliament	2020-21*	2013-14	16.12.2015	16.09.2022	1y 2m 15d
16	District Legal Services Authority, Wayanad	1998-99 onwards Act enacted by Parliament	2014-15	2012-13	30.01.2018	07.02.2023	7y 7m 6d
			2015-16			07.02.2023	6y 7m 6d
			2016-17			07.02.2023	5y 7m 6d
			2017-18			07.02.2023	4y 7m 6d
			2018-19			09.08.2023	4y 1m 8d
			2019-20			09.08.2023	3y 1m 8d
			2020-21			09.08.2023	2y 1m 8d
			2021-22			09.08.2023	1y 1m 8d
			2022-23			09.08.2023	1m 8d
17	District Legal Services Authority, Kannur.	1998-99 onwards Act enacted by Parliament	2018-19	2012-13	08.08.2017	21.10.2022	3y 3m 20d
18	District Legal Services Authority, Kasaragod	1998-99 onwards Act enacted by Parliament	2014-15	2011-12	01.12.2015	26.11.2021	6y 4m 25d
			2015-16			26.11.2021	5y 4m 25d
			2016-17			26.11.2021	4y 4m 25d
			2017-18			26.11.2021	3y 4m 25d
			2018-19			26.11.2021	2y 4m 25d
			2019-20			26.11.2021	1y 4m 25d
			2020-21			26.11.2021	4m 25d
			2021-22			14.07.2022	13d

## Appendix 4.3 Concl'd.

Sl. No.	Name of Autonomous body	Period of entrustment	Year up to which accounts were rendered	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
				Year of Latest SAR	Date of Placement		
19	District Legal Services Authority, Kottayam	1998-99 onwards Act enacted by Parliament	2017-18	2019-20	09.08.2023	25.01.2022	3y 6m 24d
			2018-19			25.01.2022	2y 6m 24d
			2019-20			25.01.2022	1y 6m 24d
			2020-21			20.04.2022	9m 19d
			2021-22			09.01.2023	6m 8d
20	District Legal Services Authority, Alappuzha	1998-99 onwards Act enacted by Parliament	2018-19	2015-16	30.01.2018	04.08.2022	3y 1m 3d
			2019-20			04.08.2022	2y 1m 3d
			2020-21			04.08.2022	1y 1m 3d
21	Kerala Real Estate Regulatory Authority	1998-99 onwards Act enacted by Parliament	2020-21	2020-21 (Annual Report)	09.08.2023	02.03.2022	8m 1d
			2021-22			17.11.2022	4m 16d
22	Kerala Water Authority	2020-21 to 2024-25	2021-22	2018-19	09.08.2023	23.12.2022	5m 22d
23	National and State Commissions for Protection of Child Rights (CPCR)*	1998-99 onwards Act enacted by Parliament					
24	Kerala Khadi and Village Industries Board	For five Years from 2022-23	2018-19	2017-18	10.01.2023	24.04.2023	3y 11m
25	Kerala Financial Corporation	Entrustment not required	2022-23	2021-22	06.12.2022	05.07.2023	No Delay
26	Kerala Industrial Infrastructure Development Corporation	Entrustment not required	2021-22	2020-21	05.09.2022	22.02.2023	4 m

\*Currently, the revision of accounts from the year of formation (2013-14) is going on and hence no accounts have been received till now.

**Appendix 4.4**  
**Arrears of accounts of Autonomous bodies due up to financial year**  
**2022-23**  
**(Reference: Paragraph 4.16; Page No.131)**

Sl. No.	Name of Autonomous body	Accounts pending since	No. of accounts pending up to FY 2022-23
1	Kerala Institute of Labour & Employment, Thiruvananthapuram	2021-22	2
2	Kerala State Human Rights Commission, Thiruvananthapuram	2021-22	2
3	Kerala State Legal Services Authority, Kochi.	2018-19	5
4	District Legal Services Authority, Thiruvananthapuram	2019-20	4
5	District Legal Services Authority, Kollam	2020-21	3
6	District Legal Services Authority, Pathanamthitta	2022-23	1
7	District Legal Services Authority, Ernakulam	2016-17	7
8	District Legal Services Authority, Thrissur	2022-23	1
9	District Legal Services Authority, Malappuram	2018-19	5
10	District Legal Services Authority, Kozhikode	2015-16	8
11	District Legal Services Authority, Kannur.	2015-16	8
12	District Legal Services Authority, Kottayam	2022-23	1
13	District Legal Services Authority, Alappuzha	2021-22	2
14	District Legal Services Authority, Idukki	2021-22	2
15	District Legal Services Authority, Kasaragode	2022-23	1
16	Kerala State Commission for SC and ST	2022-23	1
17	Kerala State Commission for Economically Backward Classes among Forward Communities	2017-18	6
18	Kerala State Commission for Backward Classes, Thiruvananthapuram	2022-23	1
19	Kerala Building & Other Construction Workers Welfare Board, Thiruvananthapuram	2021-22	2
20	Kerala Real Estate Regulatory Authority	2022-23	1
21	Kerala Water Authority	2022-23	1
22	National and State Commissions for Protection of Child Rights (CPCR)*	2013-14	10
23	Kerala Khadi and Village Industries Board	2019-20	4
24	Kerala Industrial Infrastructure Development Corporation	2022-23	1

*Source: Information collected from respective functional wings handling the autonomous bodies*

**Appendix 4.5**  
**Department wise break-up of cases of misappropriation, defalcation etc.**  
**(Reference: Paragraph 4.18; Page No. 133)**

(₹ in lakh)

Name of Department	Cases of mis-appropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.							
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery of the amount pending		Cases pending in the Court of law	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Agriculture	8	44.57	3	6.01	3	28.57	1	9.76	1	0.23
Animal Husbandry	1	0.35	0	0	1	0.35	0	0	0	0
Archives Department	1	0.2	0	0	1	0.2	0	0	0	0
Co-operative Department	2	297.27	0	0	2	297.27	0	0	0	0
Diary Development Department	1	1.20	0	0	0	0	1	1.20	0	0
Directorate of Health Services	13	15.20	3	7.24	7	3.91	2	0.03	1	4.03
Directorate of Medical Education	2	0.8	0	0	2	0.8	0	0	0	0
Fisheries	1	0	0	0	1	0	0	0	0	0
Forest and Wild life	3	28.19	0	0	3	28.19	0	0	0	0
General Education	7	25.36	0	0	3	20.60	3	3.66	1	1.10
Higher Education	4	35.53	1	15.43	2	19.38	0	0	1	0.73
Home	1	19.12	0	0	1	19.12	0	0	0	0
Industries	1	0.31	0	0	1	0.31	0	0	0	0

## Appendix 4.5 Concl'd.

(₹ in lakh)

Name of Department	Cases of mis-appropriation/ losses /theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.							
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery of the amount pending		Cases pending in the Court of law	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Indian System of Medicine	1	1.84	0	0	1	1.84	0	0	0	0
Information and Public relations	1	10.67	0	0	0	0	0	0	1	10.67
Insurance Medical Services Department	1	38.36	0	0	0	0	0	0	1	38.36
Kerala Water Authority	2	176.00	0	0	1	4	0	0	1	172
Local Self Government	10	101.91	3	3.11	4	95.06	1	0	2	3.74
Mining and Geology	4	94.45	1	8.20	3	86.25	0	0	0	0
Public Works	3	6.74	1	1.88	1	2.37	0	0	1	2.49
Schedule Caste and Schedule Tribe	2	0.67	0	0	0	0	1	0.5	1	0.17
Lottery Department	2	62.56	0	0	0	0	0	0	2	62.56
Transport	2	8.03	0	0	2	8.03	0	0	0	0
Treasury	15	411.77	0	0	5	267.85	2	4.73	8	139.19
Water Resources	3	629.24	0	0	3	629.24	0	0	0	0
Women and Child development	1	5.45	0	0	1	5.45	0	0	0	0
<b>Total</b>	<b>92</b>	<b>2015.79</b>	<b>12</b>	<b>41.87</b>	<b>48</b>	<b>1518.78</b>	<b>11</b>	<b>19.88</b>	<b>21</b>	<b>435.27</b>

**Appendix-5.1**  
**List of Government Companies and Statutory Corporations having negative Net worth as per their latest finalised accounts**  
**(Referred to in Paragraph 5.8.2; Page No. 145)**

(₹ in crore)

Sl. No.	Name of PSUs	Latest year of Account	Total Paid up capital	Net profit (+) / (-) after interest and tax	Accumulated losses	Net worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
1	Trivandrum Spinning Mills Limited	2018-19	11.84	-4.2	-47.30	-35.46	2006-07	4.64	26.10
2	Travancore Titanium Products	2020-21	13.76	-67.07	-124.48	-110.72	2012-13	13.43	47.90
3	The Kerala Agro Industries Corporation Limited	2017-18	4.74	-8.68	-31.02	-26.28	2013-14	3.04	9.09
4	Kerala State Horticultural Products Development Corporation Limited	2019-20	7.48	-3.13	-18.65	-11.17	2014-15	8.43	0.00
5	Kerala State Poultry Development Corporation Limited	2017-18	1.97	-3.42	-17.05	-15.08	2014-15	1.97	0.00
6	Meat Products of India Limited	2020-21	2.31	-1.58	-38.44	-36.13	2014-15	2.31	2.63
7	Kerala Aqua Ventures International Limited	2019-20	3.99	-0.19	-7.62	-3.63	2014-15	2.10	0.00
8	Forest Industries (Travancore) Limited	2019-20	0.38	0.44	-17.85	-17.47	2014-15	0.29	12.94
9	Muziris Projects Limited	2020-21	0.05	-1.16	-5.62	-5.57	2015-16	0.05	0.00

## Appendix 5.1 - Contd. (₹ in crore)

Sl. No.	Name of PSUs	Latest year of Account	Total Paid up capital	Net profit (+) / (-) after interest and tax	Accumulat- ed losses	Net worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
10	Vazhakulam Agro and Fruit Processing Company Limited	2022-23	0.05	-1.7	-17.08	-17.03	2016-17	0.03	0.50
11	Kinfra International Apparel Parks Limited	2021-22	0.25	-0.64	-17.07	-16.82	2016-17	0.00	0.00
12	Vizhinjam International Seaport Limited	2019-20	12	0	-60.11	-48.11	2016-17	12.00	0.00
13	Kerala State Electricity Board Limited	2021-22	3499.05	736.27	-5304.37	-1805.32	2016-17	3499.05	65.91
14	Foam Mattings (India) Limited	2020-21	6.67	-1.8	-13.58	-6.91	2017-18	6.67	0.15
15	KCCP Limited	2022-23	1.32	-2.33	-17.92	-16.6	2017-18	1.32	17.87
16	Kerala Transport Development Finance Corporation Limited	2020-21	43.83	-68.38	-258.88	-215.05	2018-19	43.83	0.00
17	Kerala Tourism Development Corporation Limited	2020-21	180.24	-54.62	-189.32	-9.08	2019-20	180.24	16.92
18	Kerala Rubber Limited	2021-22	0.05	-0.41	-0.43	-0.38	2020-21	4.09	0.00

**Appendix 5.1 - Contd.**

Sl. No.	Name of PSUs	Latest year of Account	Total Paid up capital	Net profit (+) / (-) after interest and tax	Accumulated losses	Net worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
19	Kerala Electrical and Allied Engineering Company Limited	2021-22	190.44	-17.58	-229.09	-38.65	2020-21	190.44	28.70
<b>PSUs which reported negative networth right from their commencement of operations</b>									
20	Champs Boat League Limited	2019-20	1	-4.33	-4.33	-3.33	First accounts	0.00	0.00
21	Additional Skill Acquisition Programme Kerala	2021-22	5	-9.55	-9.55	-4.55	First accounts	0.00	0.00
<b>PSUs which had continuous negative net worth throughout the review period</b>									
22	The Kerala State Cashew Development Corporation Limited	2021-22	579.34	-77.62	-1800.93	-1221.59	---	582.34	326.62
23	Aralam Farming Corporation (Kerala) Limited	2014-15	0.01	-0.02	-0.31	-0.3	---	0.01	0.00
24	Kerala State Coconut Development Corporation Limited	2019-20	2.85	-0.54	-20.33	-17.48		2.85	10.89
25	Kerala Police Housing and Construction Corporation Limited	2021-22	0.27	0.26	-9.16	-8.89		0.27	0.00

## Appendix 5.1 – Contd. (₹ in crore)

Sl. No.	Name of PSUs	Latest year of Account	Total Paid up capital	Net profit (+) / (-) after interest and tax	Accumulated losses	Net worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
26	The Kerala Land Development Corporation Limited	2020-21	7.13	-0.98	-39.64	-32.51		6.79	1.85
27	Autokast Limited	2021-22	124.3	-16.98	-213.56	-89.26		124.29	60.70
28	Kerala Automobiles Limited	2020-21	10.98	-7.76	-91.56	-80.58		10.98	73.21
29	Kerala State Bamboo Corporation Limited	2015-16	10.31	-13.51	-64.64	-54.33		19.31	57.28
30	Kerala State Mineral Development Corporation Limited	2021-22	1.76	-17.32	-19.94	-18.18		1.76	11.75
31	Kerala State Textile Corporation Limited	2020-21	94.52	-48.29	-452.2	-357.68		64.26	244.11
32	Sitaram Textiles Limited	2021-22	42.46	-6.99	-102.1	-59.64		42.45	29.74
33	SAIL-SCL Kerala Limited	2020-21	26.43	-19.31	-139.24	-112.81		13.02	18.07
34	The Kerala Ceramics Limited	2022-23	12.46	-21.92	-136.08	-123.62		12.46	65.37
35	The Metal Industries Limited	2020-21	1.52	-1.69	-24.25	-22.73	--	1.97	12.85
36	The Travancore Cements Limited	2019-20	2.71	-13.66	-101.19	-98.48		2.47	60.21

Appendix 5.1 – Concl'd. (₹ in crore)

Sl. No.	Name of PSUs	Latest year of Account	Total Paid up capital	Net profit (+) / (-) after interest and tax	Accumulated losses	Net worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government Loans as on 31 March 2023
37	Traco Cable Company Limited	2021-22	57.22	-42.37	-186.43	-129.21		77.67	39.27
38	United Electrical Industries Limited	2021-22	4.99	-12.04	-97.97	-92.98		3.88	63.41
39	The Kerala State Civil Supplies Corporation Limited	2017-18	141.56	-106.81	-866.86	-725.3		141.56	0.00
40	Handicrafts Development Corporation of Kerala Limited	2022-23	3	-4.34	-70.3	-67.3		2.45	29.26
41	Kerala Small Industries Development Corporation Limited	2018-19	33.59	-3.6	-137.56	-103.97		24.09	32.94
42	Kerala State Handloom Development Corporation Limited	2021-22	58.99	-10.17	-124.94	-65.95		69.91	17.80
43	Kerala State Palmyrah Products Development and Workers' Welfare Corporation Limited	2019-20	0.87	-0.61	-4.16	-3.29		0.87	1.10
44	Kerala State Road Transport Corporation	2015-16	750.64	-1007.18	-6048.26	-5297.62		873.96	9967.47





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