



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

# Report of the Comptroller and Auditor General of India on State Finances for the year 2024-25



**Government of Kerala**  
**Report No. 1 of 2026**  
**(State Finances Audit Report)**

**Report of the  
Comptroller and Auditor General of India  
on State Finances for the year 2024-25**

**Government of Kerala  
Report No. 1 of 2026**



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# *Preface*

This Report has been prepared for submission to the Governor of Kerala under Article 151 of the Constitution.

The State Finances Audit Report of the Government of Kerala intends to assess the financial performance of the State, during the financial year 2024-25 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

## **Chapter I – Overview of the Finances of the State**

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the State. It includes a macro-fiscal analysis of key indices and State's fiscal position including deficits/ surplus, debt profile and key Public Account transactions.

## **Chapter II – Budgetary Management**

This chapter is based on the Appropriation Accounts of the State and reports on deviations from Constitutional provisions relating to budgetary management.

## **Chapter III – Financial Reporting Practices**

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.

The Reports 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 the Revenue Receipts will be presented separately.



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**BASIS AND APPROACH  
TO STATE FINANCES  
AUDIT REPORT**



## **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 Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the State based on vouchers, challans, and initial and subsidiary accounts submitted by treasuries, offices, and departments under the control of the State Government, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Accountant General (Audit) and certified by the Comptroller and Auditor General of India.

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 office of the Accountant General (Audit)
- Other data with departmental authorities and treasuries (accounting as well as MIS)
- GSDP data and other State related statistics
- State's Fiscal Responsibility and Budget Management (FRBM) Act
- Finance Commission recommendations
- Various audit reports of the CAG of India
- Best practices and guidelines of the Government of India (GoI)

An Entry Conference was held on 17 September 2025, with the Additional Chief Secretary, Finance, Government of Kerala wherein the audit approach followed in the preparation of the SFAR was explained. Exit meeting was held with Additional Chief Secretary, Finance Department on 17 January 2026 wherein Audit findings were discussed. The responses of the Government have been incorporated in the Report appropriately.

## **Structure of the Government Account**

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.

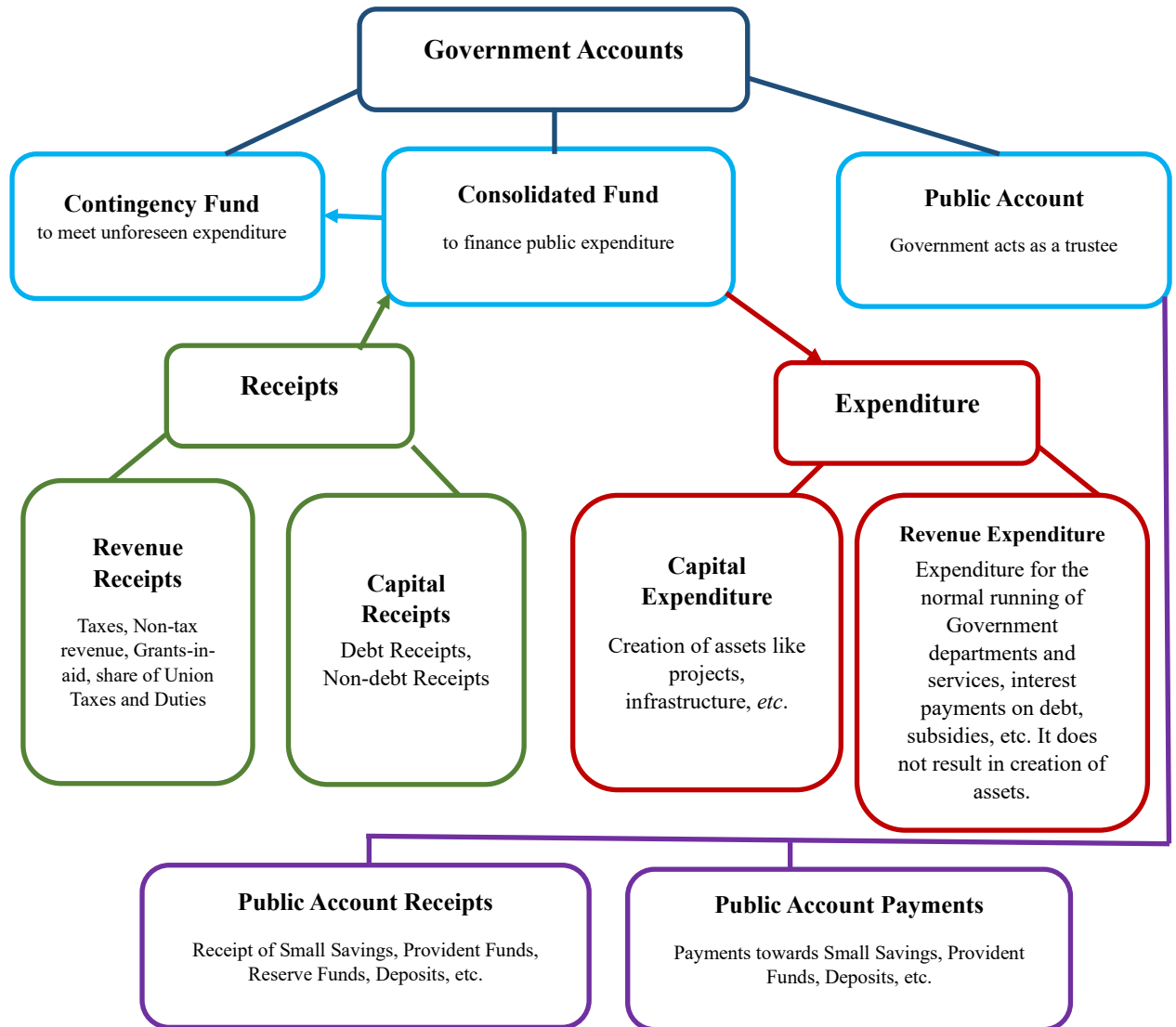
### **2. Contingency Fund of the State (Article 267 (2) of the Constitution of India)**

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.

**Structure of Government Accounts**







**EXECUTIVE  
SUMMARY**



## Executive Summary

This Report on the finances of the State Government of Kerala provides an independent assessment of the fiscal position of the state for financial year (FY) 2024-25. It analyses the State's overall financial health and reviews its revenue and expenditure trends, assesses the State's debt position and borrowing patterns, evaluates its compliance with fiscal responsibility laws and compares its performance against fiscal health indicators. The report also discusses issues related to budgetary management and financial reporting practices which have implications for the overall transparency and quality of expenditure reflected in the appropriation and finance accounts of the State Government.

During the FY 2024-25, Kerala's economy (GSDP in nominal terms) registered a growth of 9.97 *per cent* as against the growth of 9.30 *per cent* in previous FY. The State contributed 3.78 *per cent* to GDP of India. This contribution, which was declining over last two years, slightly improved during the financial year 2024-25.

However, the growth in economy did not result in concomitant growth in the collection of taxes. The State's Own Tax Revenue (SOTR) buoyancy (0.31) remained significantly less than one, fluctuating significantly from 1.89 in 2022-23 to 0.35 and 0.31 in 2023-24 and 2024-25 respectively.

The State Goods and Services Tax (42.16 *per cent*) and taxes on sales, trade, etc. (36.13 *per cent*) contributed significantly to the State Own Tax Revenue (SOTR), the growth in taxes on sales, trade, etc. remained low at 0.01 *per cent*. The State Goods and Services Tax experienced a growth at 5.73 *per cent*. Stamp duty and Registration fees and taxes on vehicles with a share of about 8 *per cent* each in SOTR grew moderately at 7.60 *per cent* and 4.65 *per cent* during the year.

Though the State Lotteries constituted 77 *per cent* of the non-tax revenue and 14 *per cent* of the own revenue, the net receipts from State Lotteries decreased by ₹140.51 crore during the year. This was mainly due to increase in expenditure under 'Distribution of prizes and Commission for agents amounting to ₹204.58 crore.

The Central tax devolution grew significantly by about 14 *per cent*. However, Grants-in-aid received from GoI declined by 42 *per cent*. This was mainly due to the discontinuation of Post devolution revenue deficit grant under the Finance Commission grants during the year based on recommendation of Fifteenth Finance Commission.

The total expenditure grew by 8.97 *per cent* during 2024-25, mainly driven by a 9.32 *per cent* (₹13,294.44 crore) increase in revenue expenditure during 2024-25. General Services (50 *per cent*) constituted the major share in revenue expenditure followed by Social Services (34 *per cent*) during the year. Major increase in revenue expenditure was under pensions for social security schemes amounting to ₹6,736 crore of which ₹6,641 crore was routed through a

Government Company ‘Kerala Social Security Pension Limited.’ The State has been regular in constituting the State Finance Commissions and release of funds to Local Self Government Institutions (LSGIs) The devolution of funds to LSGIs increased by ₹5,227.70 crore to ₹15,348.04 crore during 2024-25 which constituted about 10 *per cent* of the revenue expenditure.

Committed expenditure in the form of salaries and wages (₹41,550.15 crore), interest payment (₹29,138.23 crore) and pension (₹27,875.21 crore) together with subsidies (₹1,856.60 crore) accounted for 64.40 *per cent* of revenue expenditure and consumed about 80 *per cent* of the revenue receipts. Committed Expenditure together with subsidies accounted for 64.40 *per cent* of the Revenue Expenditure during 2024-25, which was higher than that of the other States (excluding UTs) at 58.49 *per cent*. In addition, the State is also committed to its share in Centrally sponsored schemes amounting to ₹2,720.74 crore.

In the meanwhile, Capital expenditure (including loans and advances) by the State Government registered a decadal high of ₹17,886.78 crore during the financial year. Interest free 50 years loan of ₹2,715.67 crore during 2024-25 from GoI as special assistance for Capital expenditure contributed to 15.18 *per cent* of the total Capital expenditure (including loans and advances disbursed) during the year. However, the ratio of Capital Expenditure to Total Expenditure of all States (excluding UTs) was 16.59 *per cent*, which was higher than that of Kerala’s at 10.29 *per cent* during 2024-25.

The Capital expenditure included projects (developmental) expenditure of ₹14,539.45 crore, loans and advances of ₹2,804.37 crore and investments of ₹542.96 crore. Economic Services (65 *per cent*) constituted the major share of Capital Expenditure of which major expenditure was incurred towards ‘Share of KIIFB from Cess on Petrol and Diesel’ and ‘Share of KIIFB from Motor Vehicle Tax’ (₹3,695.18 crore), ‘Capital Outlay on Road and Bridges’ (₹1,859.35 crore) and ‘Rebuild Kerala Initiative-Post Flood Projects’ (₹996.47 crore).

Revenue deficit as a percentage of GSDP increased from 1.60 *per cent* in 2023-24 to 2.49 *per cent* in 2024-25 and fiscal deficit increased from 3.02 *per cent* to 3.86 *per cent* as *per centage* of GSDP during the same period. This exceeded the aggregate of all States (excluding UTs) of Revenue Deficit (0.67 *per cent*) and Fiscal Deficit (3.23 *per cent*) during 2024-25. The State Government also carried forward ₹3,511.62 crore of undischarged liabilities in 2024-25, including liabilities towards Guarantee Redemption Fund (GRF), interest payments, pending refund cases, National Pension System (NPS), Kerala Road Safety Fund *etc.* We also noticed irregular withdrawal of unspent balances of public contribution amounting to ₹262.06 crore relating to Chief Ministers Disaster Relief Fund (CMDRF) into the Consolidated Fund of the State. This understated the Revenue deficit and Fiscal deficit of the State by ₹262.06 crore.

The outstanding liabilities of ₹4,45,901.49 crore (35.71 *per cent* of GSDP) was high compared to 28.02 *per cent* of all States (excluding UTs) average. This did not include the outstanding off-budget borrowings (₹39,230.33 crore) which if included would constitute 38.86 *per cent* of GSDP. Besides the State also has

contingent liabilities in the form of outstanding guarantees (₹74,297.58 crore) to which the State Government is committed to discharge the liabilities in case of default.

During the last 10 years (except for fiscal deficit during 2022-23), State fiscal indicators relative to GSDP have exceeded the aggregate of all States (excluding UTs) indicating weak fiscal position of the State compared to other States. The growth rate of overall debt exceeded the GSDP growth during 2024-25. The debt-stabilization metric which was positive during 2021-22 to 2023-24 turned negative during 2024-25 due to increase in the primary deficit impairing State's ability to take benefit of economic growth towards debt stabilisation.

Under budgetary management, we noticed that the excess expenditure amounting to ₹2,684.44 crore was incurred during the year mainly under appropriation 'Public Debt Repayment' which occurred due to unpredictability in the short-term borrowings that the State government had resorted due to liquidity mismatch. Excess expenditure to the tune of ₹2,629.79 crore incurred from 2016-17 to 2023-24 pertaining to 45 grants are also pending regularisation from the State Legislature. Savings in excess of ₹50 crore and 20 *per cent* of the budget provision were witnessed in 13 grants.

The State continues to resort to significant off-budget borrowings through two SPSEs (namely KIIFB and KSSPL) which are serviced from the Consolidated Fund of the State. These off-budget borrowings are not disclosed at the presentation of budget as mandated by the KFR, Act 2003. We also noticed variation in disclosure of off-budget borrowings to the Union Government amounting to ₹12,669.92 crore.

On review of the Guarantees given by the State based on test check of records of 20 institutions, we found significant gaps in guarantee management by the State Government, which included non-calculation of the default risks, non-remittance of guarantee fees by 14 institutions amounting to ₹422.68 crore and non-monitoring of guarantee fee and lack of transparency on actual invocation of guarantees.

State Government in order to become eligible for an additional borrowing space of 0.50 *per cent* of GSDP during 2024-25, transferred ₹494.29 crore to Kerala State Electricity Board Limited (KSEBL) being the 90 *per cent* of losses incurred by DISCOMs. This amount was credited to the Special Treasury Savings Bank (STSB) account of KSEBL on 26 December 2024. After getting consent from GoI on 24 March 2025 to raise additional borrowings of ₹6,149 crore during 2024-25, State Government resumed ₹494.29 crore from the STSB account on 26 March 2025 into the Consolidated fund of the State. This action belies the taking over of losses of DISCOMs by the State and was a breach of financial propriety and guidelines issued by Government of India for availing additional borrowing space.

We commend the efforts taken by the State Government to bring down arrears in submission of accounts, in respect of Autonomous Bodies (ABs) from 61 (25 ABs) as of 31 March 2024 to 45 (16 ABs) as of 31 March 2025. We also

commend the efforts taken by the State Government in reducing substantial number of arrears in assessment in respect of SGST department. We also acknowledge the efforts taken by the State Government in onboarding 31 notified Centrally Sponsored Schemes and corresponding 95 State Linked Schemes to SNA SPARSH as on January 2026.

In conclusion, audit is of the opinion that to embark upon a fiscally sustainable path, state government needs to take immediate measures to augment the State's Own Revenue to mitigate the decline in grants-in-aid and to keep the State's Own Tax Revenue buoyancy above one *per cent*. The State needs to continue its effort in clearing arrears in assessment and collection of taxes.

Further, we also recommend to the State Government to make proactive disclosures on its off-budget borrowings in the state budget and documents submitted to Government of India. State government may take immediate measures to regularise the excess expenditure made that are pending from 2016-17 and contain the recurring trends in registering the excess expenditure in various grants. An emphasis of matter highlighting the excess disbursement of ₹2,684.44 crore over the authorisation made by the State Legislature under three grants/ appropriation during the financial year 2024-25 and excess disbursement of ₹2,629.79 crore pertaining to the years 2016-17 to 2023-24 pending regularisation by the State Legislature was given in Appropriation Accounts 2024-25. Misclassification of accounting in reduction of expenditure amounting to ₹6,112 crore to an omnibus single account head '2075-911' in violation of accounting directions of the 'List of Major and Minor Heads of Account' was also included in the emphasis of matter on Appropriation Accounts 2024-25. We recommend that concerted efforts may be taken by the State Government to resolve the issues pointed out in the emphasis of matter on Appropriation Accounts 2024-25.

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**CHAPTER I**  
**OVERVIEW OF FINANCES**  
**OF THE STATE**



## Chapter-I: Overview of Finances of the State

This chapter provides a snapshot of Kerala's finances for 2024-25, covering demographics, economic indicators, and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments *etc.*

### 1.1 Profile of Kerala

Kerala, a State in southern part of India covers 38,863 sq.km and comprises 14 districts and 1,666 villages. As of 2025, its population stood at 3.60 crore (2.56 per cent of India's Total) with a density of 928 persons per sq.km. The literacy rate of Kerala (95 per cent) is high compared to the National average (81 per cent). The State has an Infant Mortality Rate of five per 1,000 live births which is significantly lower than the National average of 25 per 1,000 live births. The Maternal Mortality Rate of the State (one per lakh women) was also lower than the National average (five per lakh women).

#### 1.1.1 Demography of the State

The State's demographic details *vis-à-vis* national average are presented in Table 1.1 below.

**Table 1.1: Demographic profile of the State**

	Kerala	National average
Rural Population ( <i>per cent</i> ) (2025)	20.58	64.30
Urban Population ( <i>per cent</i> ) (2025)	79.42	35.70
Population density ( <i>number per sq.km</i> ) (2025)	928	430
Sex Ratio per 1,000 Males (2025)	1,082	947
Infant Mortality Rate per 1,000 Live births (2023)	5.00	25.00
Maternal Mortality Rate (per lakh women in the age group of 15-49) (2021-23)	1.00	5.00
Total Fertility Rate ( <i>Children per women</i> ) (2019-21)	1.79	1.99
Life Expectancy at Birth ( <i>Years</i> ) (2019-23)	75.10	70.30
Population below Poverty Line ( <i>Headcount Ratio</i> ) ( <i>per cent</i> ) (2019-21)	0.55	14.96
Literacy Rate ( <i>per cent</i> ) (2023-24)	95.30	80.90

#### *Sources*

<b>Rural/ Urban Population</b> :	Report of the Technical Group on Population Projections on 'Population Projection for India and States 2011 – 2036', submitted by National Commission on Population
<b>Infant Mortality Rate</b> :	SRS Bulletin September 2025 (Ref. Year 2023)- RGI, GoI
<b>Maternal Mortality Rate</b> :	SRS Bulletin September 2025 (Ref. Year 2021-23), RGI, GoI
<b>Total Fertility Rate</b> :	NFHS-5 (2019-21), MoHFW, GoI
<b>Life Expectancy at Birth</b> :	SRS Based Abridged Life Table 2019-23, RGI, GoI
<b>Population Density</b> :	Census of India 2011 (Population Projections for India and States 2011-2036), MoHFW
<b>Literacy Rate</b> :	Periodic Labour Force Survey (2023-24), MoSPI
<b>Population below poverty line: (Headcount Ratio)</b>	Multidimensional Poverty Index, Niti Aayog 2019-21 (Headcount Ratio), NITI Aayog,
<b>Sex Ratio</b> :	Census of India 2011 (Population Projections for India and States 2011-2036), MoHFW, GoI

### 1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita GSDP are important indicators of the State’s economy as discussed in succeeding paragraphs.

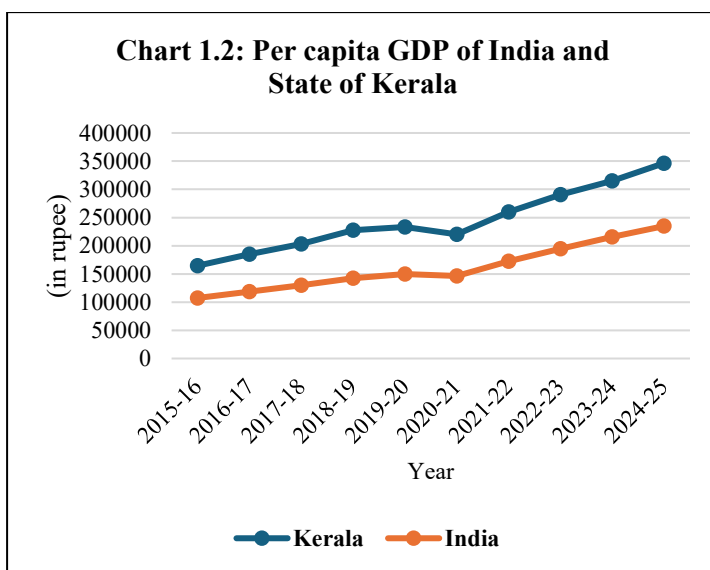
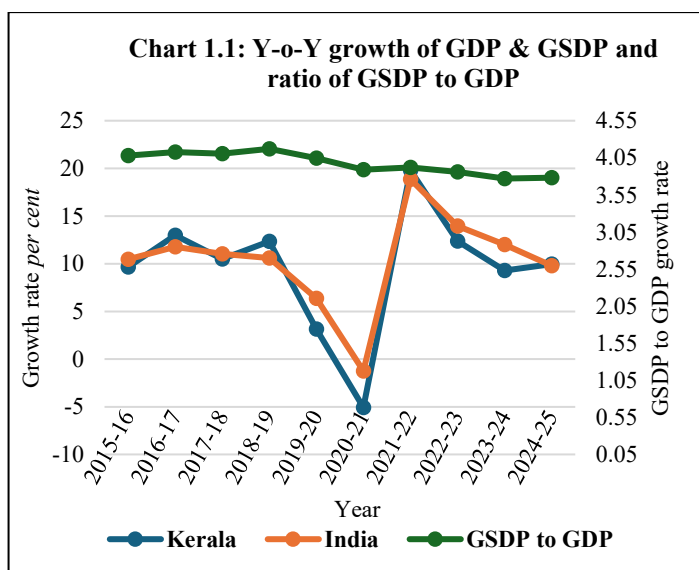
#### 1.1.2.1 Gross State Domestic Product and Per capita GSDP

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress. Trends of GSDP and GDP is given in **Table 1.2**. Year on year growth of GSDP and GDP and GSDP contribution in GDP is given in **Chart 1.1** and per capita GDP of the country and per capita GSDP of the State is depicted in **Chart 1.2**.

**Table 1.2: Trends in GSDP compared to GDP of India (at current prices)**

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
GDP of India (₹ in crore)	1,37,71,874	1,53,91,669	1,70,90,042	1,88,99,668	2,01,03,593	1,98,54,096	2,35,97,399	2,68,90,473	3,01,22,956	3,30,68,145
GSDP of Kerala (₹ in crore)	5,61,994	6,34,886	7,01,588	7,88,286	8,12,935	7,71,724	9,24,465	10,38,734	11,35,372	12,48,533
Per Capita GDP of India (in ₹)	1,07,341	1,18,489	1,30,061	1,42,424	1,49,915	1,46,480	1,72,422	1,94,451	2,15,935	2,34,859
Per Capita GSDP of Kerala (in ₹)	1,64,554	1,84,979	2,03,399	2,27,397	2,33,338	2,20,400	2,59,878	2,90,832	3,16,612	3,46,437

Source: Ministry of Statistics and Programme Implementation, GoI

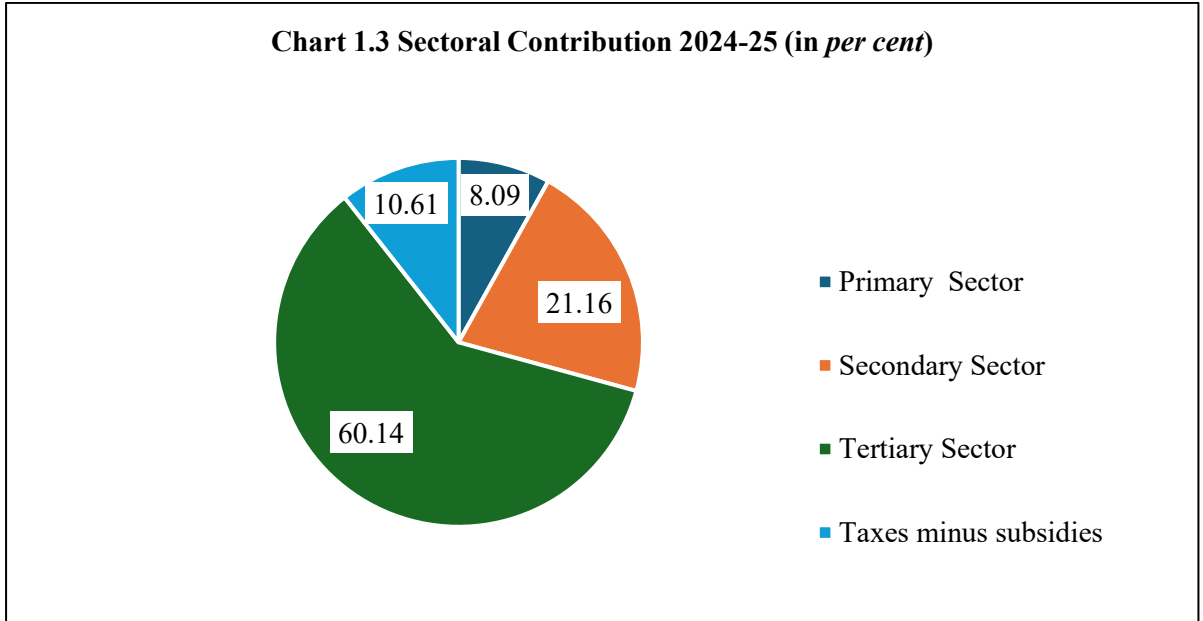


Source: Ministry of Statistics and Programme Implementation, GoI

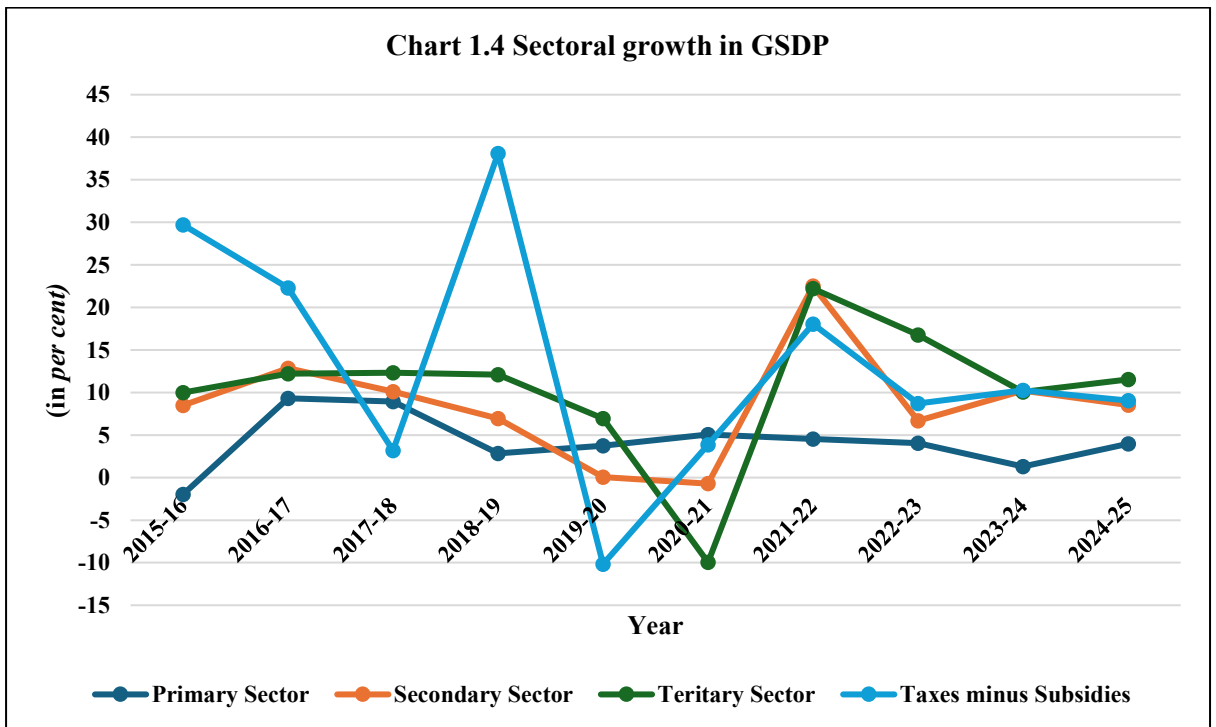
The GSDP of the State grew at a rate of 9.97 per cent during the financial year 2024-25. The State’s share in the national GDP, after reaching a 10-year high of 4.17 per cent in 2018-19, declined to four per cent in 2020-21 and remained below four per cent thereafter. The State's per capita GSDP has been consistently higher than the national average during the period 2015-16 to 2024-25.

**1.1.2.2 Sectoral contribution to GSDP**

The sectoral contribution by various sector during 2024-25 and sectoral growth in GSDP during the last ten years are depicted in **Chart 1.3** and **Chart 1.4** respectively.



Source: Ministry of Statistics and Programme Implementation, GoI

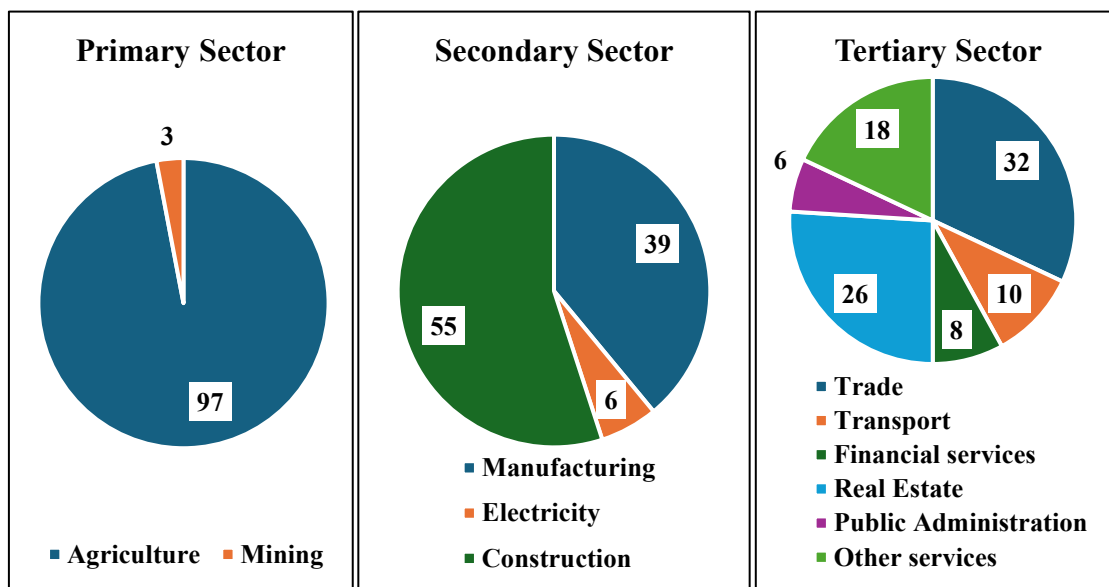


Source: Ministry of Statistics and Programme Implementation, GoI

**Chart 1.5** shows the composition of each sectors during FY 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, FY 2024-25

(in per cent)



Source: Ministry of Statistics and Programme Implementation, GoI

The tertiary sector remained the largest contributor to the Gross State Domestic Product of the State throughout the period 2015-16 to 2024-25. Secondary sector showed post pandemic recovery while Primary sector showed positive growth rate throughout the period except for 2015-16. Sector wise growth of GSDP in 2024-25 compared to 2023-24 in **Table 1.3** below:

Table 1.3: Sector wise growth of GSDP in 2024-25 compared to 2023-24

Sl No.	Sectors	Components	2023-24	2024-25	Percentage increase/decrease (-)
A	Primary	Agriculture, forestry and fishing	94329.30	98019.50	3.91
		Mining and quarrying	2815.90	2993.77	6.32
B	Secondary	Manufacturing	92427.07	102251.33	10.63
		Construction	136488.65	146617.12	7.42
		Electricity, gas, water supply & other utility services	14479.95	15262.37	5.40
C	Tertiary	Trade, repair, hotels and restaurants	204537.69	239620.36	17.15
		Transport, storage, communication & services related to broadcasting	70749.66	76304.21	7.85
		Financial services	51643.01	58134.50	12.57
		Real estate, ownership of dwelling & professional services	177611.17	196486.00	10.63
		Public Administration	45664.51	47542.69	4.11
		Other Services	123045.71	132718.39	7.86

Source: Ministry of Statistics and Programme Implementation, GoI

### 1.1.3 Snapshot of Finances

**Table 1.4** shows the details of actual financial results of State Government for the years 2023-24 and 2024-25 *vis-a-vis* Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

**Table 1.4: Snapshot of Finances**

(₹ in crore)

Sl No.	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1.	Tax Revenue	96,071.93	1,08,765.91	1,07,177.29	1,01,414.57	93.24	8.12
(i)	Own Tax Revenue	74,329.01	84,883.51	81,627.29	76,642.19	90.29	6.14
(ii)	Share of Union taxes/duties	21,742.92	23,882.40	25,550.00	24,772.38	103.73	1.98
2.	Non-Tax Revenue	16,345.96	18,356.46	17,905.65	16,486.62	89.81	1.32
3.	Grants-in-aid and Contributions	12,068.26	11,532.80	7,846.87	6,959.87	60.35	0.56
<b>4.</b>	<b>Revenue Receipts (1+2+3)</b>	<b>1,24,486.15</b>	<b>1,38,655.16</b>	<b>1,32,929.80</b>	<b>1,24,861.06</b>	<b>90.05</b>	<b>10.00</b>
5.	Recovery of Loans and Advances	714.80	1,076.90	1,049.99	667.16	61.95	0.05
6.	Other Receipts	47.51	66.30	45.00	31.20	47.06	0
7.	Borrowings and other liabilities*	34,258.05	44,528.96	44,747.05	48,248.14	108.35	3.86
<b>8.</b>	<b>Capital Receipts (5+6+7)</b>	<b>35,020.36</b>	<b>45,672.16</b>	<b>45,842.04</b>	<b>48,946.50</b>	<b>107.17</b>	<b>3.92</b>
<b>9.</b>	<b>Total Receipts (4+8)</b>	<b>1,59,506.51</b>	<b>1,84,327.32</b>	<b>1,78,771.84</b>	<b>1,73,807.56</b>	<b>94.29</b>	<b>13.92</b>
<b>10.</b>	<b>Revenue Expenditure</b>	<b>1,42,626.34</b>	<b>1,66,501.21</b>	<b>1,62,125.69</b>	<b>1,55,920.78</b>	<b>93.65</b>	<b>12.49</b>
11.	Interest payments	26,986.22	28,694.24	29,739.32	29,138.23	101.55	2.33
12.	Capital Expenditure	13,584.45	15,663.22	14,069.86	15,082.41	96.29	1.21
13.	Loans and advances	3,295.72	2,162.90	2,576.30	2,804.37	129.66	0.22
<b>14.</b>	<b>Total Expenditure (10+12+13)</b>	<b>1,59,506.51</b>	<b>1,84,327.33</b>	<b>1,78,771.85</b>	<b>1,73,807.56</b>	<b>94.29</b>	<b>13.92</b>
<b>15.</b>	<b>Revenue Surplus (+)/ Deficit (-) (4-10)</b>	<b>(-)18,140.19</b>	<b>(-)27,846.05</b>	<b>(-)29,195.89</b>	<b>(-)31,059.72</b>	<b>111.54</b>	<b>2.49</b>
<b>16.</b>	<b>Fiscal Surplus (+)/Deficit(-) {(4+5+6)-14}</b>	<b>(-)34,258.05</b>	<b>(-)44,528.97</b>	<b>(-)44,747.06</b>	<b>(-)48,248.14</b>	<b>108.35</b>	<b>3.86</b>
<b>17.</b>	<b>Primary Deficit (-)/ Surplus(+) (16+11)</b>	<b>(-) 7,271.83</b>	<b>(-)15,834.73</b>	<b>(-)15,007.74</b>	<b>(-)19,109.91</b>	<b>120.68</b>	<b>1.53</b>

Source: Annual Financial Statement and Finance Accounts of respective years

\*Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

It was observed that there was wide variation between the budget estimates and actuals in respect of grants-in-aid and contributions received from GoI and recovery of loans and advances during 2024-25.

The State Government replied (January 2026) that decrease in releases under Centrally Sponsored Schemes and Finance Commission grants were the main reason for the variation between the Budget estimates and the actuals reflected under Grant-in-aid from GoI. It was also replied that after the implementation of SNA SPARSH, the GoI no longer releases advance funds under CSS. As

regards to Recoveries of loans and advances, State Government replied that the major item under Recoveries of loans and advances is the recoupment of advances from the MEDISEP, which constitutes about 75 per cent of the Budget Estimate. Advances are released to the Insurance Company on the assumption that the amount can be recouped within the same financial year. However, a portion of the amount could be recouped only during the next financial year.

The reply regarding the variation in estimates and actuals in respect of grant-in-aid is not tenable as the amounts recommended by Fifteenth Finance Commission is already available in the public domain. Accordingly, the budgeted amount could have been adjusted to that extent to avoid variation between budgeted and actual figures. It was also seen that there was an increase in receipts of grants under CSS by ₹248.05 crore during 2024-25 over the previous year.

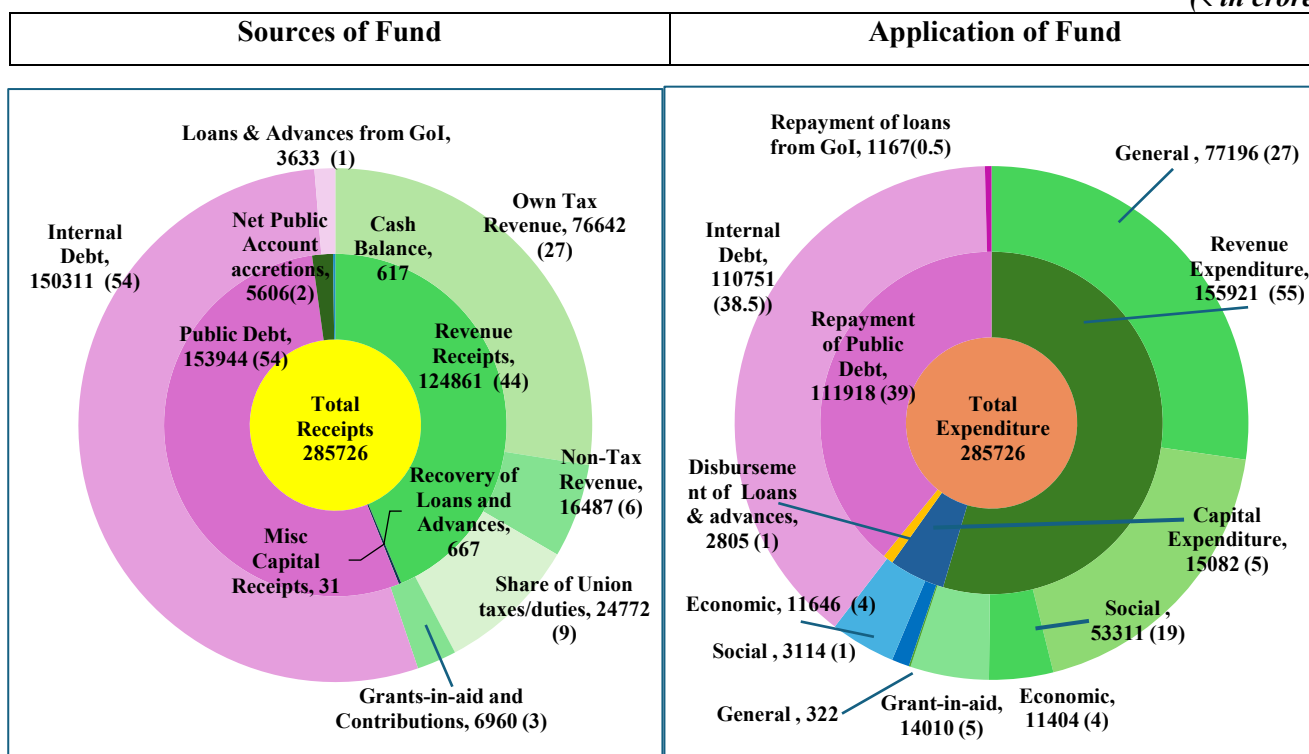
The details of State Government Finances for the FY 2020-21 to 2024-25 are given in **Appendix 1.1**.

### 1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6**.

**Chart 1.6: Details of sources and application of funds during 2024-25**

(₹ in crore)



Source: Finance Accounts for the year 2024-25

**Appendix 1.2** provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

### 1.1.5 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.5**.

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

(₹ in crore)

Liabilities					Assets				
		2023-24	2024-25	Per cent increase (+) decrease (-)		2023-24	2024-25	Per cent increase (+) decrease (-)	
<b>Consolidated Fund</b>									
A	Internal Debt	2,57,157.92	2,96,717.59	15.38	A	Gross Capital Outlay	1,35,295.41	1,50,346.62	11.12
B	Loans and Advances from GOI	14,542.21	17,008.42	16.96	B	Loans and Advances	26,965.74	29,102.95	7.93
	Contingency Fund	100.00	100.00	-					
<b>Public Account</b>									
A	Small Savings, Provident Funds, etc.	1,23,944.24	1,25,297.78	1.09	A	Advances	59.43	59.53	0.17
B	Deposits	7,672.17	9,140.55	19.14	B	Remittance	-	-	
C	Reserve Funds	4,156.65	4,839.28	16.42	C	Suspense and Miscellaneous	-	-	
D	Suspense and Miscellaneous	143.98	705.41	389.94		Cash balance (including investment in Earmarked Fund)	7,367.38	5,119.33	(-30.51)
E	Remittance	81.91	7.07	(-91.37)		<b>Total</b>	<b>1,69,687.96</b>	<b>1,84,628.43</b>	<b>8.80</b>
						Deficit in Revenue Account	2,38,111.12	2,69,187.67	13.05
	<b>Total</b>	<b>4,07,799.08</b>	<b>4,53,816.10</b>	<b>11.28</b>		<b>Total</b>	<b>4,07,799.08</b>	<b>4,53,816.10</b>	<b>11.28</b>

Source: Finance Accounts of respective years

## 1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans forms part of the Consolidated fund of the State.

### 1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over a ten-year period (2015-16 to 2024-25) are shown in Table 1.6.

**Table 1.6: Trends in Revenue Receipts**

(₹ in crore)

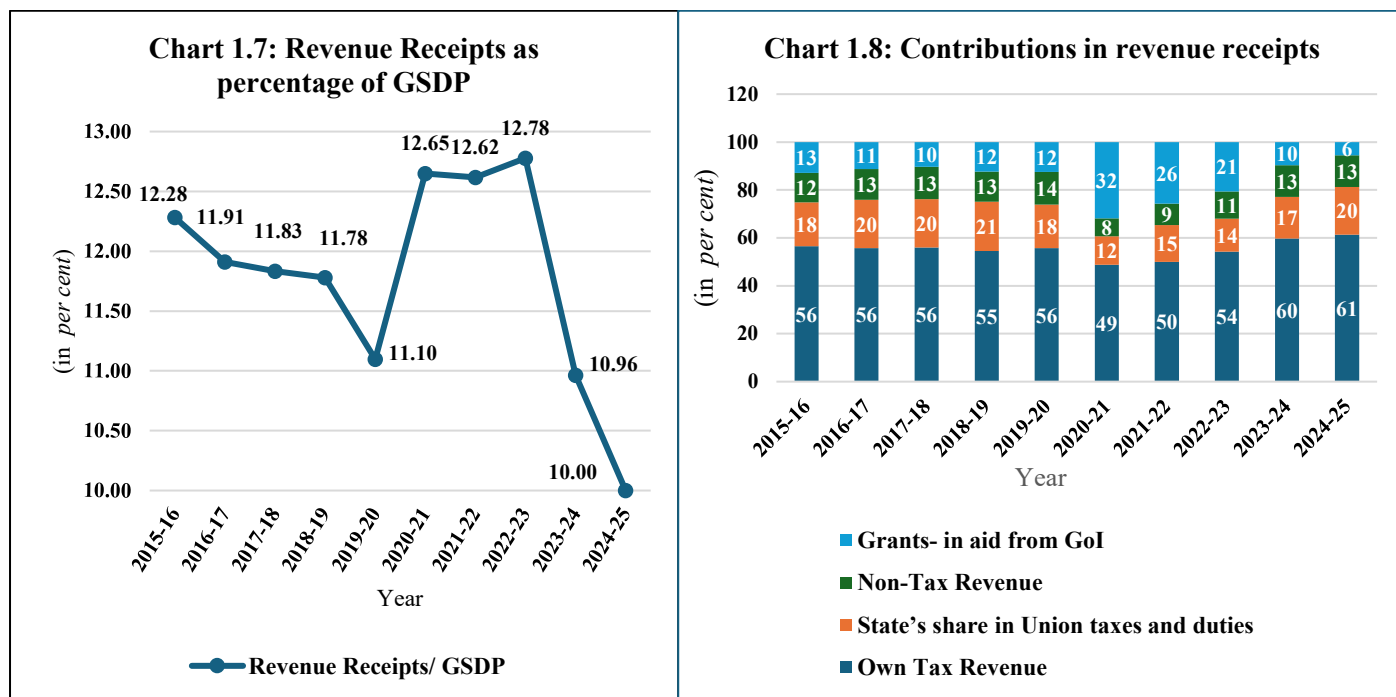
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Revenue Receipts (RR)</b>	<b>69,032.66</b>	<b>75,611.72</b>	<b>83,020.14</b>	<b>92,854.47</b>	<b>90,224.67</b>	<b>97,616.83</b>	<b>1,16,640.24</b>	<b>1,32,724.65</b>	<b>1,24,486.15</b>	<b>1,24,861.06</b>
<b>Tax Revenue</b>	51,685.82	57,401.39	63,292.69	69,682.27	66,724.19	59,221.24	76,160.61	90,228.84	96,071.93	1,01,414.57
Own Tax Revenue	38,995.15	42,176.37	46,459.61	50,644.10	50,323.14	47,660.84	58,340.52	71,968.16	74,329.01	76,642.19
State's share in Union taxes and duties	12,690.67	15,225.02	16,833.08	19,038.17	16,401.05	11,560.40	17,820.09	18,260.68	21,742.92	24,772.38
<b>Non-Tax Revenue</b>	8,425.49	9,699.98	11,199.61	11,783.24	12,265.22	7,327.31	10,462.51	15,117.95	16,345.96	16,486.62
<b>Grants- in aid from GoI</b>	8,921.35	8,510.35	8,527.84	11,388.96	11,235.26	31,068.28	30,017.12	27,377.86	12,068.26	6,959.87
State's Own Revenue (Own Tax and Non-Tax Revenue)	47,420.64	51,876.35	57,659.22	62,427.34	62,588.36	54,988.15	68,803.03	87,086.11	90,674.97	93,128.81
GSDP (2011-12 series)	5,61,993.61	6,34,886.40	7,01,588.26	7,88,285.58	8,12,934.63	7,71,723.89	9,24,465.42	10,38,734.06	11,35,371.56	12,48,533.01
<b>Year-on-year growth rates (in per cent)</b>										
Rate of growth of RR (per cent)	19.12	9.53	9.80	11.85	(-)2.83	8.19	19.49	13.79	(-)6.21	0.30
State's Own Revenue	11.54	9.40	11.15	8.27	0.26	(-)12.14	25.12	26.57	4.12	2.71
GSDP (2011-12 series)	9.64	12.97	10.51	12.36	3.13	(-)5.07	19.79	12.36	9.30	9.97
Rate of growth of State's Own Tax Revenue (per cent)	10.68	8.16	10.16	9.01	(-)0.63	(-)5.29	22.41	23.36	3.28	3.11
<b>Buoyancy Ratios<sup>1</sup></b>										
Revenue Buoyancy w.r.t GSDP	1.98	0.73	0.93	0.96	*	*	0.98	1.12	*	0.03
State's Own Revenue Buoyancy w.r.t GSDP	1.20	0.72	1.06	0.67	0.08	*	1.27	2.15	0.44	0.27
State's Own Tax Buoyancy w.r.t GSDP	1.11	0.63	0.97	0.73	*	*	1.13	1.89	0.35	0.31

Source: Finance Accounts for Revenue Receipts and Economic and Statistical Organisation, MoSPI for GSDP figures

\* Buoyancy ratio was not calculated as GSDP growth was negative.

<sup>1</sup> Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.7** and **Chart 1.8**.



Source: Finance Accounts of respective years

Revenue Receipts as percentage of GSDP has registered a decadal low in 2024-25 during the period 2015-16 to 2024-25. The growth in the State's revenue receipts has been very discouraging after 2021-22. From 19.49 per cent in 2021-22, the growth rate decelerated to 13.79 per cent in 2022-23 and thereafter declined by (-) 6.21 per cent in 2023-24. Revenue receipts recorded a negligible growth of 0.30 per cent in 2024-25 over the financial year 2023-24. The decline in Revenue receipts during 2023-24 and low growth during 2024-25 was largely attributed to the reduction in the share of Grants-in-aid received from GoI in revenue receipts. The decrease was mainly under Post Devolution Revenue deficit grant keeping in line with the recommendations of Fifteenth Finance Commission. The Revenue Receipts as a percentage of GSDP at 10 per cent during the year was below all States (excluding UTs) average of 12.49 per cent.

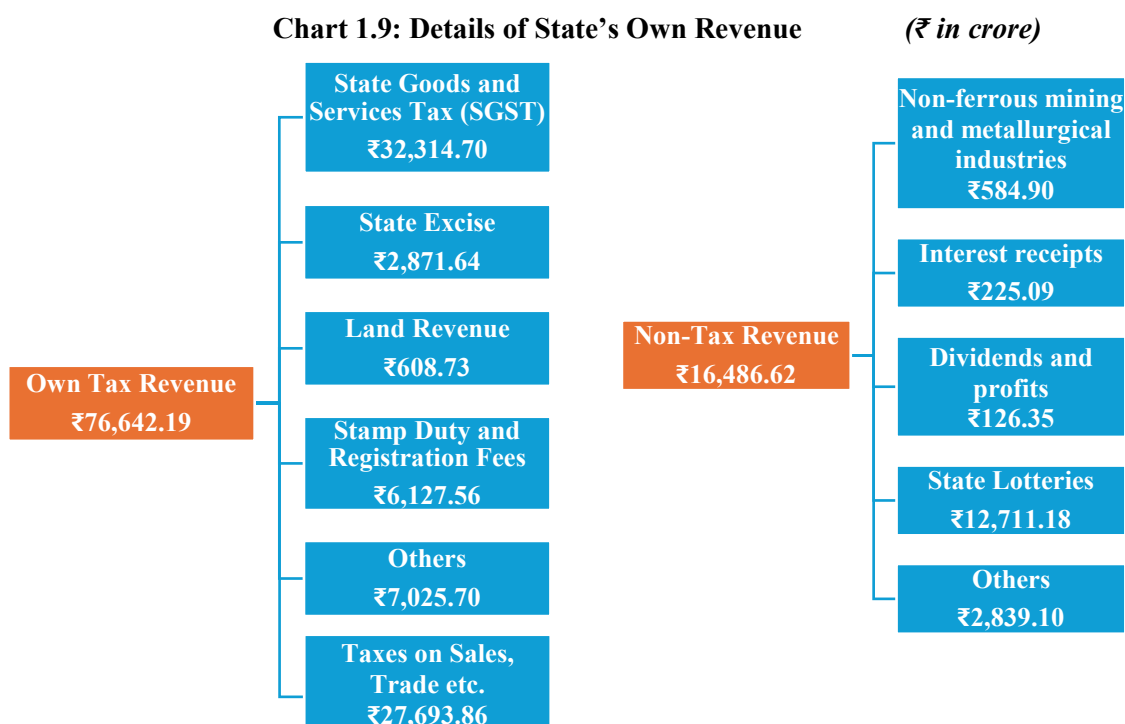
The growth rate of State's own revenue and State's own tax revenue during 2023-24 and 2024-25 were also very low resulting in overall decline in the growth rate of Revenue Receipts. Though the economy grew by 9.97 per cent in FY 2024-25, it did not result in concomitant growth in the collection of taxes as State's Own Tax Revenue (SOTR) buoyancy (0.31) remained significantly less than one. The Own Tax buoyancy fluctuated significantly during the last three years from 1.89 in 2022-23 to 0.35 and 0.31 in 2023-24 and 2024-25 respectively. The State witnessed a high growth of 23.36 per cent in own tax revenue in 2022-23 which was mainly due to increase in SGST by 22.11 per cent (₹5,343.47 crore) and taxes on sales trade etc. by 19.51 per cent (₹4,388.35 crore). This was mainly due to the significant growth in 'Tax component' and 'input tax credit cross utilisation of SGST and IGST' component under SGST by 31.78 per cent (₹3,038.22 crore) and 22.24 per cent (₹2,452.57 crore) respectively during 2022-23. The increase in taxes on sales, trade etc, during

2022-23 was mainly due increase in ‘Receipts under State Sales Tax Act’ by 20.31 per cent (₹4,466.04 crore) during 2022-23. Thereafter the growth in own tax revenue remained below 4 per cent in subsequent years including 2024-25.

State’s Revenue buoyancy (0.03) and State’s Own Tax buoyancy (0.31) during 2024-25 were very low indicating that the State’s revenue was not keeping pace with the growth in GSDP (9.97 per cent).

The State need to revamp the revenue mobilisation efforts to increase its Own Tax and Non-Tax Revenue in order to achieve sustainable fiscal growth, given the contingent nature of grants-in-aid receipts and the extremely low buoyancy ratios with regard to State’s Own Revenue.

### A. State’s Own Resources



Source: Finance Accounts for the year 2024-25

#### (i) Own Tax Revenue

Tax Revenue is the revenue collected by the State Government through taxes it levies under the Constitution. Actuals for 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Own Tax Revenue for 2024-25 are given in Table 1.7.

**Table 1.7: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)**

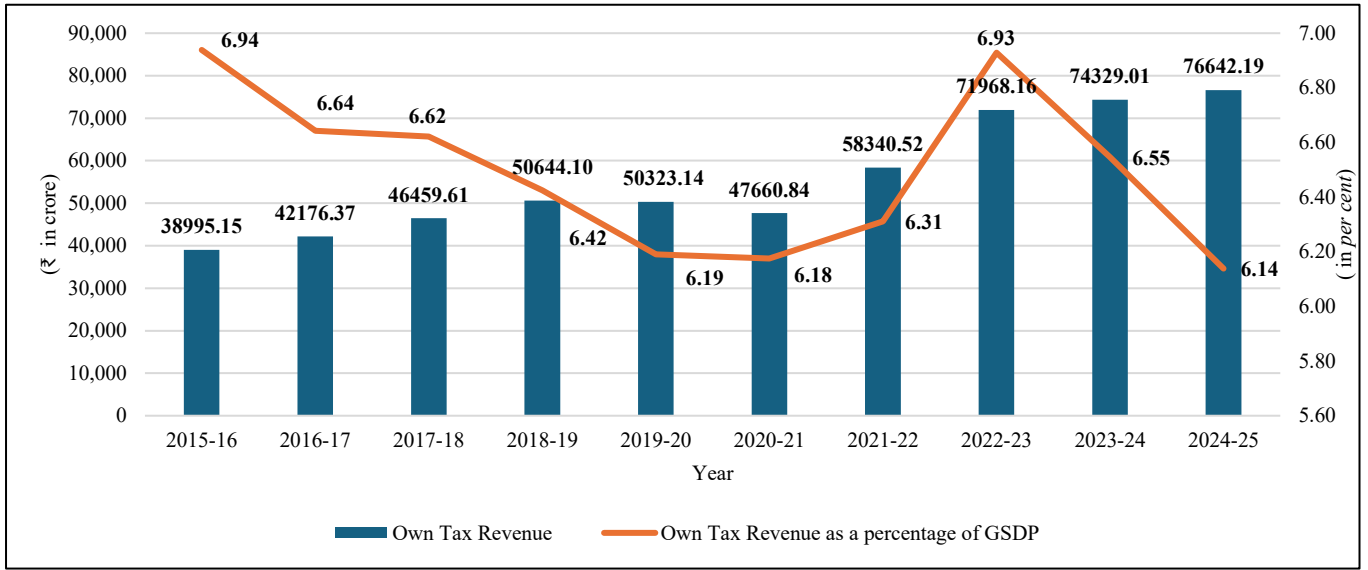
Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	30,563.60	35,874.63	33,581.61	32,314.70
Taxes on Sales, Trade etc.	27,690.43	30,267.31	30,451.00	27,693.86
State Excise	2,944.02	3,107.46	2,948.90	2,871.64
Land Revenue	711.71	841.90	761.60	608.73

Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Stamp Duty and Registration Fees	5,694.88	6,661.84	6,620.22	6,127.56
Vehicle Tax	6,340.46	6,704.22	6,846.63	6,634.98
Others	383.91	1,426.15	417.33	390.72
<b>TOTAL</b>	<b>74,329.01</b>	<b>84,883.51</b>	<b>81,627.29</b>	<b>76,642.19</b>

Source: Finance Accounts and Budget documents of the State

Trends of own tax revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

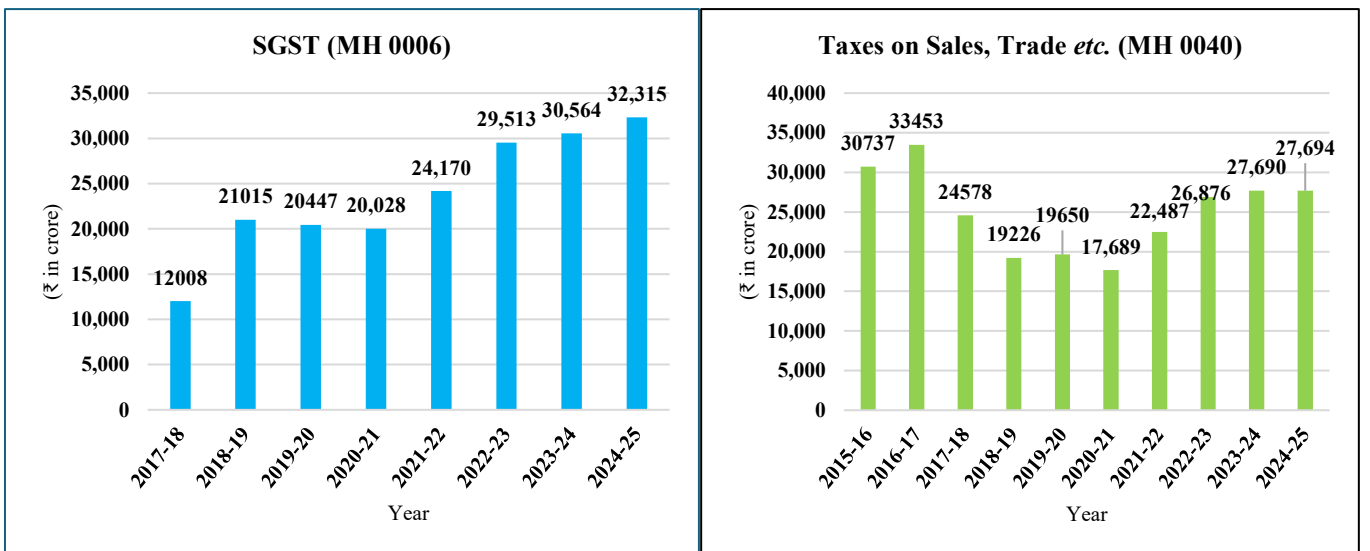
**Chart 1.10: Trends of Own Tax Revenue during 2015-16 to 2024-25**

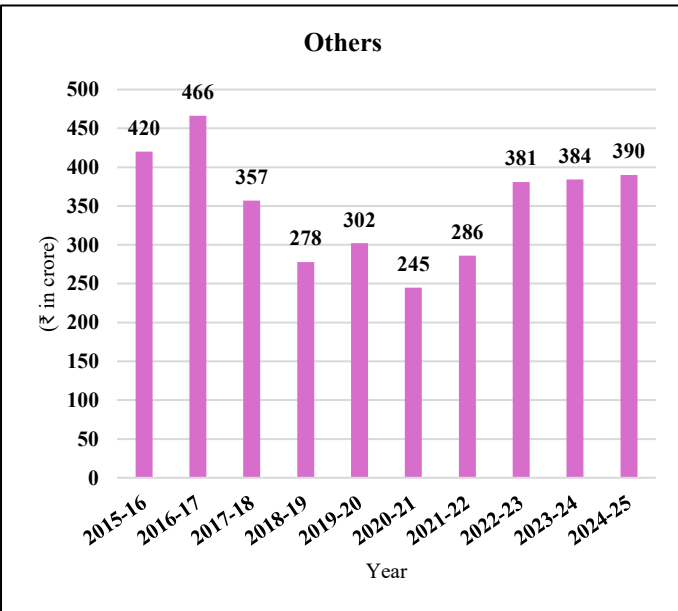
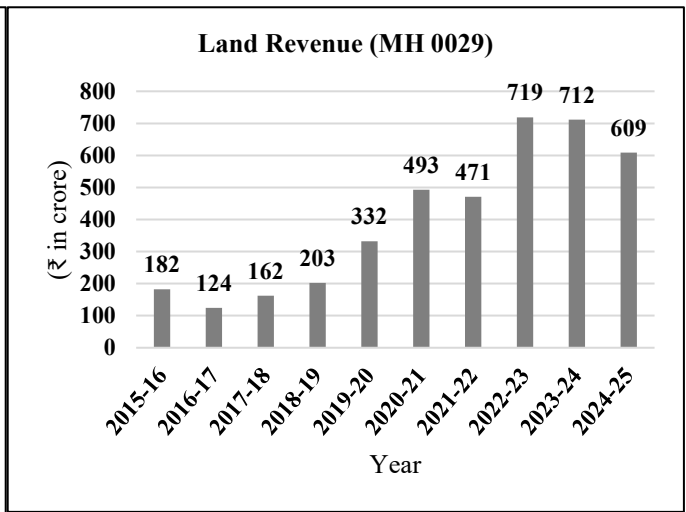
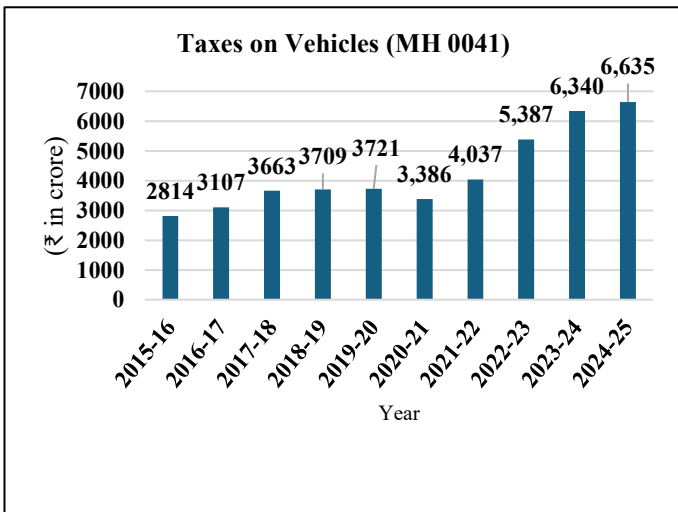
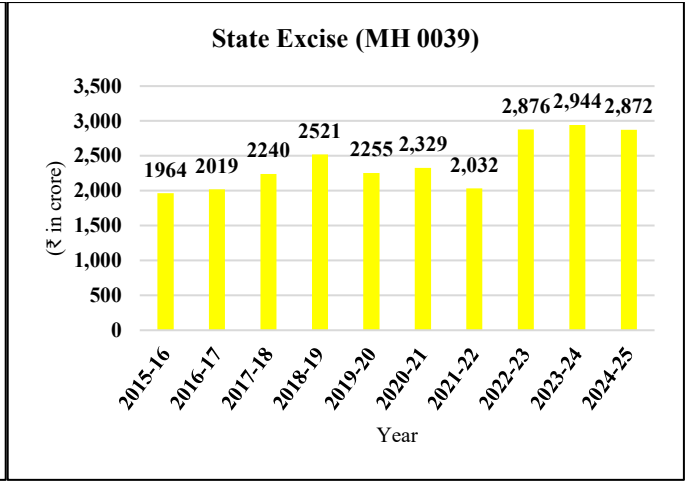
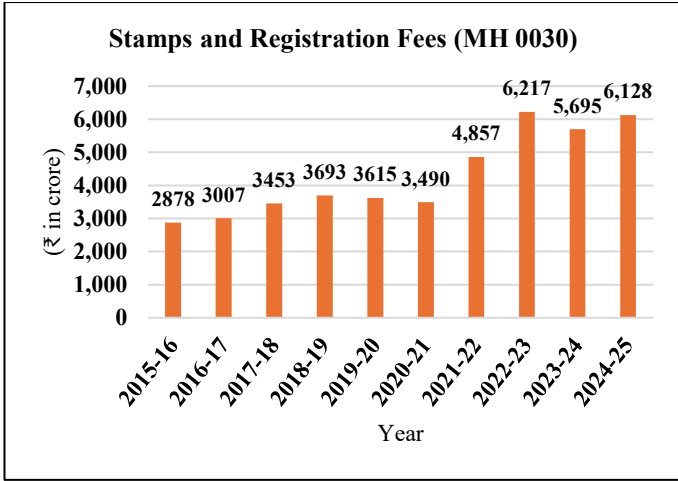


Source: Finance Accounts of respective years

**Chart 1.11: Trends of major components of State's Own Tax Revenue**

(₹ in crore)





Source: Finance Accounts of respective years

The own tax revenue of the State constitutes the dominant share of total revenue. As compared to all States (excluding UTs) average on Own Tax Revenue/GSDP of 6.26 *per cent* during 2024-25, the Own Tax Revenue/GSDP of the State stood at 6.14 *per cent*.

During 2024-25, there was only a meagre increase of 3.11 *per cent* in the own tax revenue compared to the previous year. This was due to a marginal increase in tax collection under SGST, Sales tax and taxes on vehicles and decrease in tax collection under State Excise and Land Revenue.

Although the State Goods and Services Tax (42.16 *per cent*) and taxes on sales, trade, etc. (36.13 *per cent*) contributed significantly to the State Own Tax Revenue (SOTR), the growth in taxes on sales, trade, etc. was significantly low at 0.01 *per cent*, while the State Goods and Services Tax experienced a reasonable growth rate of 6 *per cent*. Stamp duty and Registration fees and taxes on vehicles with a share of about 8 *per cent* each in SOTR grew moderately at 7.60 *per cent* and 4.65 *per cent* during the year. There was a notable decline in the growth of State Excise by (-) 2.46 *per cent* and Land Revenue by (-) 14.47 *per cent*.

State Goods and Services Tax Department replied that (August 2025) low growth rate on 'Taxes on Sales, Trade, etc.' during 2024-25 was due to decrease in growth rate under 'sales of petrol and diesel' because of shift towards use of battery-operated electric vehicles.

Regarding the low buoyancy in respect of SGST during 2024-25, the department stated that the increase in GSDP was mainly due to the growth in sectors which were exempt from SGST or having lower SGST, which might not be proportionately reflected in SGST revenue.

Motor Vehicles Department attributed (August 2025) the low growth rate on 'Taxes on Vehicles' during 2024-25 to increase in the registration of electrical vehicles during 2024-25, which were registered at a lower rate of tax. The response from the State Government on decline in 'State Excise' is awaited.

State Government replied (December 2025) that the decrease in collection under Land Revenue was due to transfer credit of receipts under Kerala Conservation of Paddy and Wetland (Amendment) Act 2018 to the Treasury account created for 'Agricultural Promotion Fund' as per the judgement of Hon'ble High Court of Kerala.

During exit conference, Additional Chief Secretary (Finance) replied that revenue of the State is coming down due to IGST tax evasion and hence suggested that GoI have to bring in open protocol for all ecommerce and online transactions to ensure transparency. It was also stated that number of GST registration cases are not increasing.

In this context, we would like to highlight that in our previous Audit Reports on the Government of Kerala, we had identified weaknesses in taxes administration

in the State. These included lack of sharing of inter-departmental data<sup>2</sup> to plug revenue leakage, instances of short collection of revenue in State GST Department, Kerala Motor Vehicles Department and Registration Department *etc*<sup>3</sup>. These gaps arise predominantly from non-compliance with rules and regulations by Assessing Authorities/ Taxpayers and lack of regular revision in fair values and classifications.

On a review of Remedial Measures Taken, it was seen that the State government is yet to fix fair value of all sub-divisions under a mother survey number for all classifications of land by use leading to potential undervaluation of land and consequent revenue loss. The RMTs furnished have also not mentioned about any effort initiated by the government to comprehensively share inter-departmental data to plug revenue leakages. In the case of short assessment of tax because of non-compliance of rules by assessing authorities/Taxpayers, though the Department has initiated action by issuing revised demand notices in several objections, more concerted efforts are required to be taken by the State Government to implement the recommendations made by the Audit and Public Accounts Committee<sup>4</sup>.

## (ii) Non-Tax Revenue

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts, of the State Government from sources other than taxes.

Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-Tax Revenue for the FY 2024-25 are given in **Table 1.8**.

**Table 1.8: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)**

<i>(₹ in crore)</i>				
Non-Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Interest Receipts	175.35	177.46	269.63	225.09
Dividends and Profits	242.68	165.00	248.80	126.35
User charges <sup>5</sup>	658.12	955.51	843.43	741.74
Others	15,269.81	17,058.49	16,543.79	15,393.44
<b>Total</b>	<b>16,345.96</b>	<b>18,356.46</b>	<b>17,905.65</b>	<b>16,486.62</b>

Source: Finance Accounts and Budget documents of respective years

Trends of Non-Tax revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

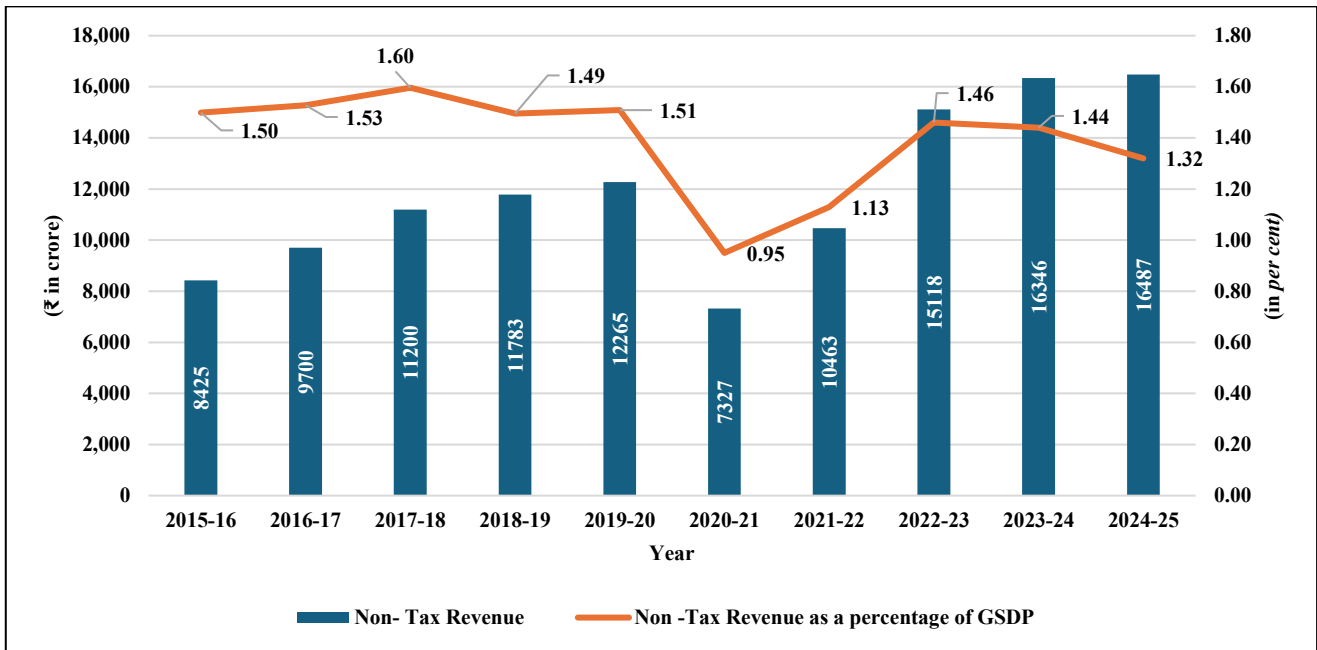
<sup>2</sup> Report No. 3 of the year 2018, Report No. 6 of the year 2022

<sup>3</sup> Report No. 3 of the year 2018, Report No. 3 of the year 2019, Report No. 2 of the year 2023

<sup>4</sup> PAC Report No. 47 of 2019-21, PAC Report No. 42 and 48 of 2023-26

<sup>5</sup> User charges include Major Heads 0202 (Education, Sports, Art and Culture), 0210 (Medical and Public Health), 0215 (Water Supply and Sanitation), 0700 (Major Irrigation), 0701 (Medium Irrigation), 1054 (Roads and Bridges) and 1452 (Tourism)

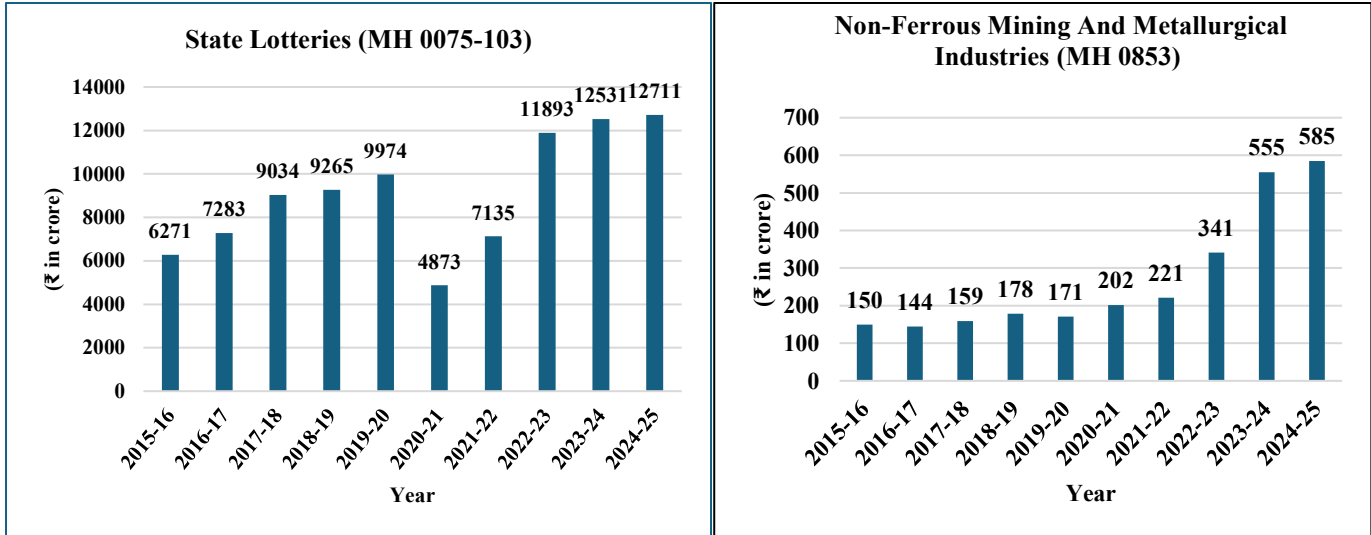
**Chart 1.12: Trends in Non-Tax Revenue**

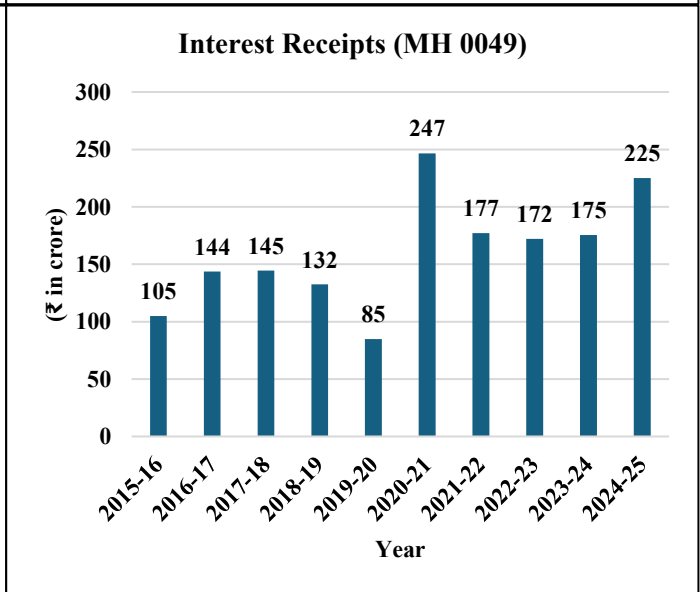
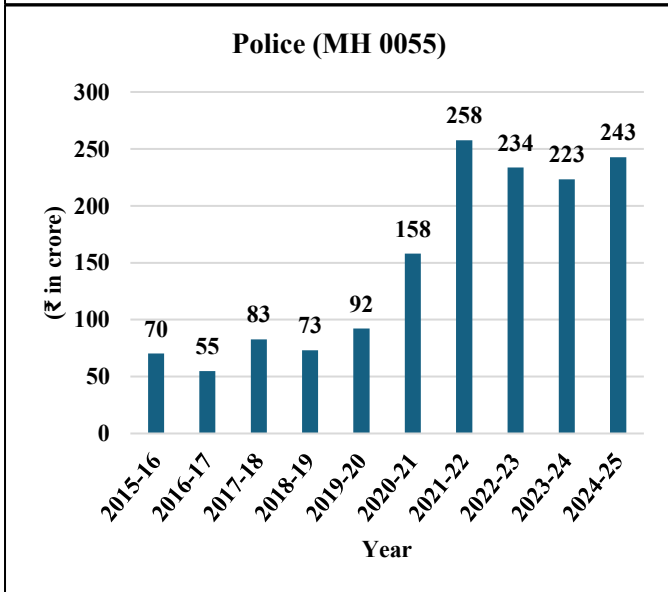
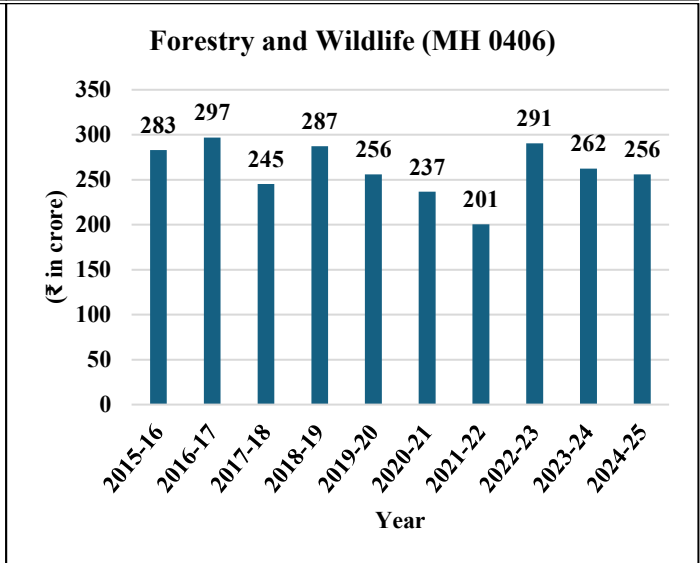
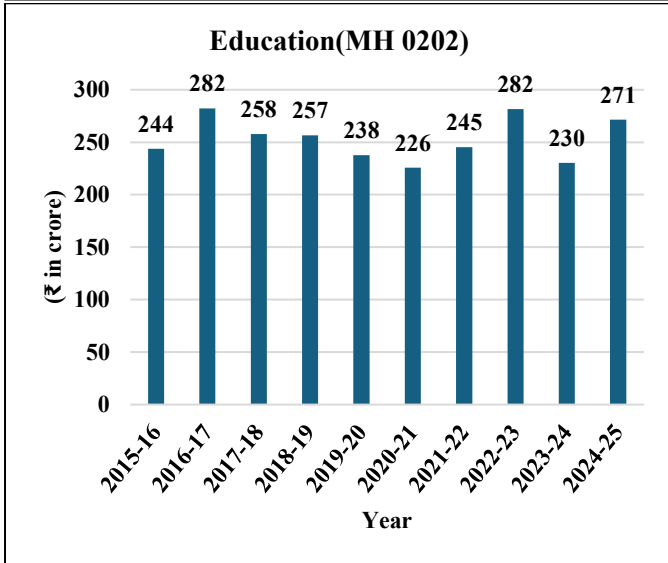
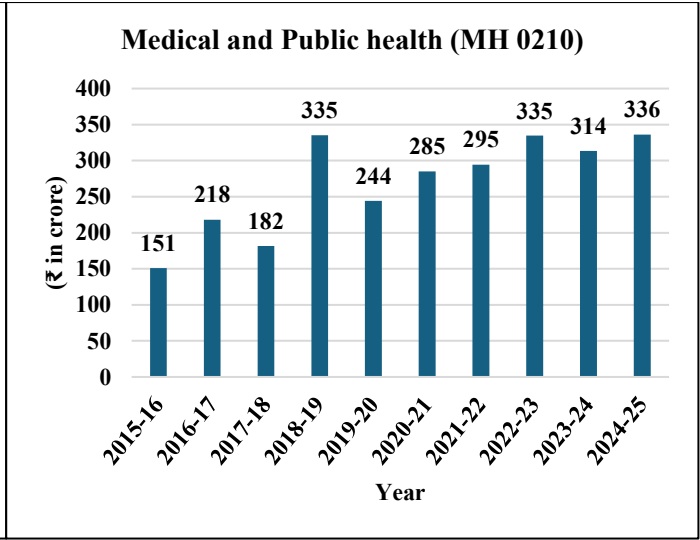
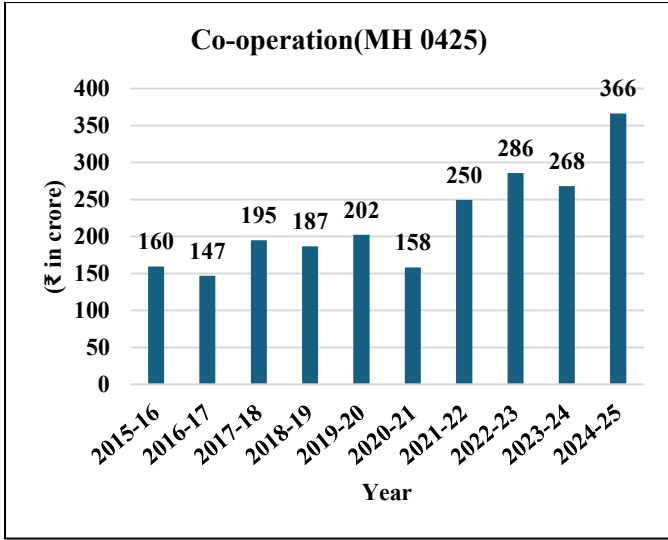


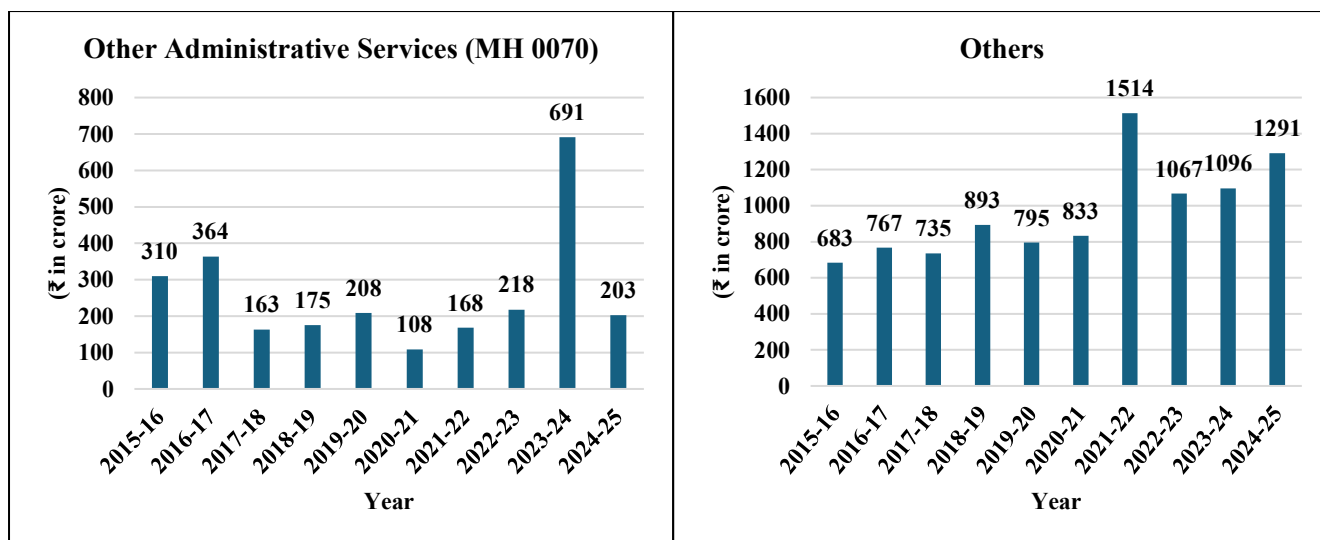
Source: Finance Accounts of respective years

**Chart 1.13: Major components of State's Non-Tax Revenue**

(₹ in crore)







Source: Finance Accounts of respective years

During 2024-25, there was an increase of ₹140.66 crore (0.86 per cent) in non-tax revenue collection over the previous year. There was an increase of ₹180.27 crore (1.44 per cent) in State Lotteries, ₹49.74 crore (28.37 per cent) in interest receipts and ₹29.65 crore (5.34 per cent) in Non-ferrous Mining and Metallurgical Industries. Non-tax revenue collection decreased by ₹116.33 crore (47.94 per cent) in Dividend and Profits, and by ₹6.64 crore (2.53 per cent) in Forestry and Wildlife during 2024-25. Non-tax revenue collection under user charges increased by ₹83.62 crore (12.71 per cent) during 2024-25.

During 2024-25, State Lotteries constituted 77 per cent of the non-tax revenue and 14 per cent of own revenue. Revenue from State Lotteries grew by 1.44 per cent during 2024-25 as against a growth rate of 5.36 per cent in 2023-24. The low growth during 2024-25 was attributed by the State Lotteries Department to non-availability of drawing machines for expansion of lottery series and heavy rainfall.

Though the receipts from State Lotteries constituted a significant portion in the total non-tax revenue of the State, an equally high expenditure amounting to ₹11,721.98 crore was incurred during the period reducing the net yield to ₹989.20 crore during the year. The net yield during the period 2020-21 to 2024-25 is given in **Table 1.9**.

**Table 1.9: Net yield from State Lotteries during 2020-21 to 2024-25**

	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Receipts</b>	4,873.01	7,134.93	11,892.88	12,530.91	12,711.18
<b>Expenditure</b>	4,626.81	6,664.15	10,971.96	11,401.20	11,721.98
<b>Net receipt</b>	246.20	470.78	920.92	1,129.71	989.20

Source: Finance Accounts of respective years

The expenditure under State Lotteries increased steadily during the period 2020-21 to 2024-25. Due to the disproportionate high growth in expenditure under State Lotteries when compared to the revenue collection, the net yield from

State Lotteries decreased by ₹140.51 crore during the year. The increase in expenditure was mainly under ‘Distribution of prizes and Commission for agents amounting to ₹204.58 crore. In this context, it may also be noted that through the sale of lotteries, the State also generated a GST collection of ₹3,559.34 crore during the financial year 2024-25.

GST collection on the sales of States Lotteries for the last five years is shown in **Table 1.10** given below:

**Table 1.10 : GST collection from sale of Lotteries during the period 2020-21 to 2024-25**

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>CGST</b>	687.52	1,000.24	1,664.74	1,754.09	1,779.67
<b>SGST</b>	687.52	1,000.24	1,664.74	1,754.09	1,779.67

Source: Details furnished by Department

State Government attributed (September 2025) the increase in the non-tax revenue collection under ‘Non-ferrous Mining and Metallurgical Industries’ during 2024-25 to the enhancement of royalty and other fees of minor minerals in March 2023.

User charges are collected by the States against supply or use of different service, goods and products and facilities such as Education, Health, Water Supply and sanitation, Irrigation, Transport and Tourism etc. Major increase was under Medical and Public Health (7.26 per cent) and Education, Sports, Art and Culture (17.82 per cent).

Revenue from Dividend and profit decreased by 47.94 per cent during 2024-25 compared to previous year. State Government attributed (October 2025) the low collection under Dividend and profit to backlog in finalisation of accounts by PSUs and delay in summoning of Annual General Meeting by PSUs.

Given the large number of State PSUs and huge investments, low dividends and earnings from these entities is a cause of concern. As such, the State needs to establish a strong mechanism to review the performance of these State PSEs. Details on Dividend receipts are discussed in Paragraph 1.2.4.2 (B) of this report.

State Government replied (December 2025) that the decrease in non-tax revenue under Forest and Wildlife was due to delay in cutting plantation on account of adverse weather conditions, court cases, slow down in sale of timber products etc.

## **B. State’s share in Union Taxes and Duties**

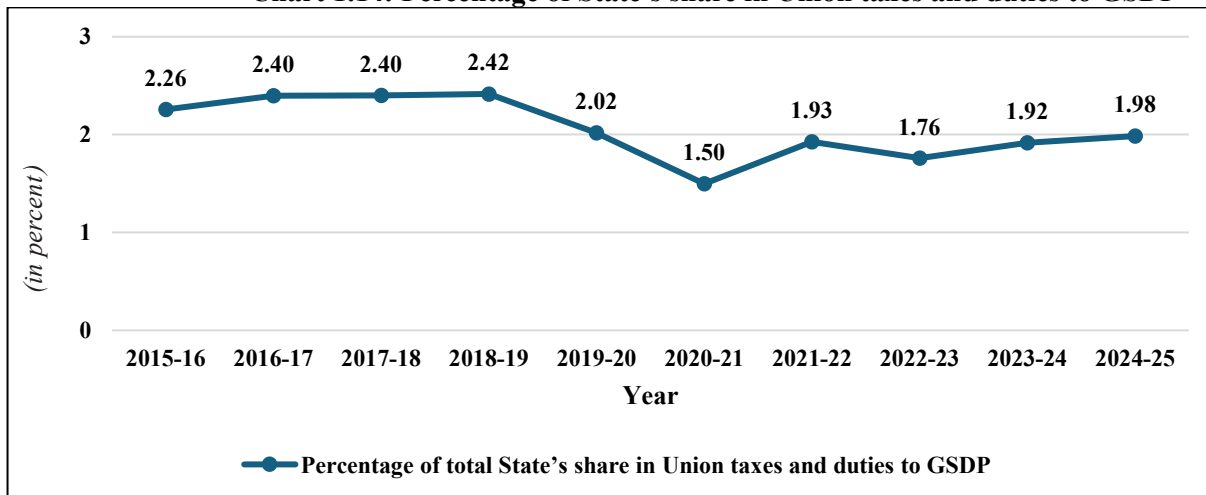
Trends in the components of State’s share in Union taxes and duties are shown in **Table 1.11**.

**Table 1.11: State's share in Union Taxes and Duties**(*₹ in crore*)

Components	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Central Goods and Services Tax (CGST)	0	0	239.88	4,699.14	4,654.19	3,325.63	4,832.67	5,165.39	6,598.65	7,235.09
Integrated Goods and Services Tax (IGST)	0	0	1,699.96	375.00	0	0	0	0	0	0
Corporation Tax	4,001.37	4,885.98	5,156.64	6,621.02	5,592.06	3,546.02	5,238.12	6,109.21	6,526.25	7,029.35
Taxes on Income other than Corporation Tax	2,783.33	3,395.77	4,354.40	4,876.10	4,381.76	3,642.70	5,104.81	5,983.30	7,537.02	8,964.40
Customs	2,031.61	2,101.76	1,699.40	1,349.57	1,039.60	591.59	1,431.33	718.62	761.95	1,260.31
Union Excise Duties	1,688.82	2,400.03	1,776.40	896.86	722.80	380.78	898.09	225.48	288.31	242.55
Service Tax	2,175.85	2,430.25	1,906.55	173.73	0.00	62.54	294.96	28.59	4.07	0.82
Other Taxes <sup>6</sup>	9.69	11.23	(-0.15)	46.75	10.64	11.14	20.11	30.09	26.67	39.86
<b>Total</b>	<b>12,690.67</b>	<b>15,225.02</b>	<b>16,833.08</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>	<b>21,742.92</b>	<b>24,772.38</b>

Source: Finance Accounts of respective years

Percentage of total State's share in Union taxes and duties to GSDP is given in **Chart 1.14**

**Chart 1.14: Percentage of State's share in Union taxes and duties to GSDP**

Source: Finance Accounts of respective years

Share of Central Tax Transfers in Revenue Receipts increased from 18.38 per cent in 2015-16 to 19.84 per cent in 2024-25 indicating growing contribution from Central Tax transfers to State's Revenue. However, percentage of Central Tax Transfers to GSDP decreased from 2.26 per cent in 2015-16 to 1.98 per cent in 2024-25.

<sup>6</sup> Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on Commodities and Services.

### C. Grants-in-aid from Government of India

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 1.12**.

**Table 1.12: Grants-in-aid from Government of India**

(₹ in crore)

Components	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Grants for Centrally Sponsored Plan Schemes*	166.70	461.75	-0.47	-0.97	0	0	(-) 0.74	0	(-) 17.87	0
Grants for Centrally Sponsored Schemes <sup>#</sup>	---	---	3,213.58	3,771.07	3,262.65	5,141.92	3,801.74	4,587.79	3,936.74	4,184.79
Finance Commission Grants <sup>#</sup>	---	---	3,182.04	1,646.22	2,343.01	18,048.80	22,171.13	15,382.30	7,245.68	2,531.85 <sup>§</sup>
Other transfers/Grants to States/Union Territories with Legislature <sup>#</sup>	---	---	2,132.69	5,972.64	5,629.60	7,877.56	4,044.99	7,407.77	903.71	243.23
Non-plan grants*	5,177.80	5,250.37	---	---	---	---	---	---	---	---
Grants for State Plan Schemes*	3,406.37	2,726.92	---	---	---	---	---	---	---	---
Grants for Central Plan Schemes*	170.48	71.31	---	---	---	---	---	---	---	---
<b>Total</b>	<b>8,921.35</b>	<b>8,510.35</b>	<b>8,527.84</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>12,068.26</b>	<b>6,959.87</b>

Source: Finance Accounts of respective years

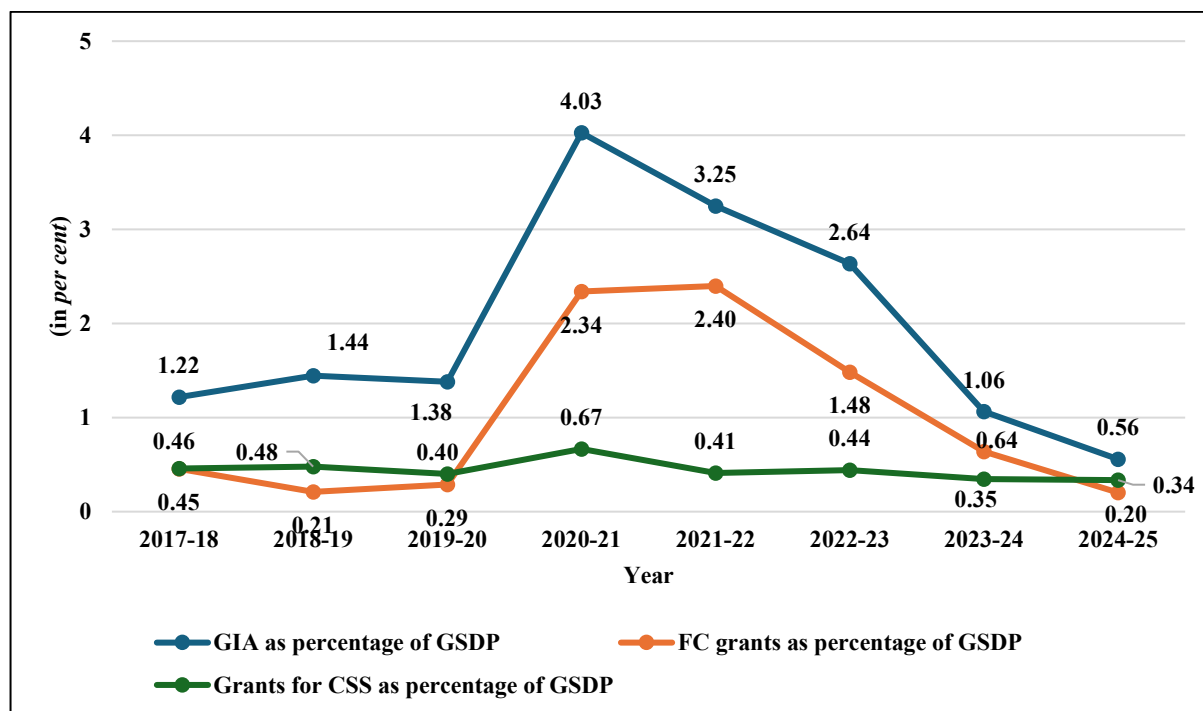
\*Not operational from 01 April 2017 consequent on merger of Plan and Non-Plan classification by GoI

<sup>#</sup> New sub major heads opened for fresh transactions w.e.f 01 April 2017

<sup>§</sup> This figure differs from the Finance commission grants given in Table 1.13 which includes State's share amounting to ₹ 120.40 crore also.

Percentage of Grant-in-aid from Government of India to GSDP is given in **Chart 1.15**.

Chart 1.15: Percentage of Grant-in-aid from Government of India to GSDP



Grants-in-aid from GoI show a declining trend from 2021-22 onwards. The decrease was mainly due to the decrease in Finance Commission grants during the last three years. Percentage of grants-in-aid to GSDP is also on a declining trend from 2021-22 onwards.

The major decline in grants-in-aid received from GoI during the year was under Finance Commission Grants which decreased by ₹4,713.83 crore (65 per cent). This was mainly due to the discontinuation of Post devolution revenue deficit grant under the Finance Commission grants during the year based on recommendation of Fifteenth Finance Commission.

#### (i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹4,184.79 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.13**.

Table 1.13: Major Schemes receiving grants

Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
Mahatma Gandhi National Rural Employment - Programme Component -MGNREGA	685.77	578.94	18.45
Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission	629.10	-	#
Integrated Child Development Services-Anganwadi Services	435.74	312.99	39.22
Family Welfare-Infrastructural Maintenance-Maintenance of State/District Family Welfare Bureaux	382.65	13.79	2674.84
Family Welfare - Infrastructure Maintenance-Sub Centres	316.26	86.85	264.15
National Rural Livelihood Mission- Aajeevika-NRLM	178.72	109.66	62.97
Pradhan Mantri Gram Sadak Yojana	122.27	54.25	125.38

# percentage not applicable

Source: Finance Accounts of respective years

**(ii) Fifteenth Finance Commission Grants**

The Fifteenth Finance Commission (15<sup>th</sup> FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and health sector grants. Details of grants provided by GoI are given in **Table 1.14**. The recommended amount and the actual release during the period 2020-21 to 2024-25 are given in **Appendix 1.4**.

**Table 1.14: Recommended amount, actual release and transfers of Grant-in-aid**

(₹ in crore)

Transfers	Recommendation of 15 <sup>th</sup> FC for 2024-25	Actual release by GoI, during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
<b>(i) Grants to PRIs</b>	<b>1,334.00</b>	<b>1,334.00</b>	<b>1,712.00<sup>^</sup> (100)</b>
(a) Performance/Tied Grants	800.40	800.40	1,178.40 <sup>^</sup> (100)
(b) Untied Grants	533.60	533.60	533.60 (100)
<b>(ii) Grants to ULBs</b>	<b>687.00</b>	<b>455.49</b>	<b>377.49 (83)</b>
(a) Million Plus Cities Tied Grant	297.00	155.40 <sup>#</sup>	155.40 (100)
(b) Non-Million Plus Cities (Performance/Tied Grant)	234.00	133.25 <sup>#</sup>	133.25 (100)
(c) Non-Million Plus Cities (General Basic/Untied Grant)	156.00	166.84 <sup>*</sup>	88.84 (53)
<b>(iii) Grant for Health Sector</b>	<b>616.00</b>	<b>380.07<sup>@</sup></b>	<b>314.08 (82.64)</b>
<b>Total for Local Bodies (i+ii+iii)</b>	<b>2,637.00</b>	<b>2,169.56</b>	<b>2,403.57 (100)</b>
State Disaster Response Fund (SDRF)	Central Share	291.20	291.20 (100)
	State Share	96.80	96.80 (100)
State Disaster Mitigation Fund (SDMF)	Central Share	72.80	71.10 <sup>&amp;</sup> (100)
	State Share	24.20	23.60 <sup>&amp;</sup> (100)
<b>Total for SDRMF</b>	<b>485.00</b>	<b>482.70</b>	<b>482.70 (100)</b>
<b>Post devolution revenue deficit grant</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

Source: 15<sup>th</sup> FC Report and departmental information

PRIs - Panchayati Raj Institutions and ULBs - Urban Local Bodies.

<sup>^</sup> ₹378 crore relates to XV-FC grants for 2023-24

<sup>#</sup> Entire amount relates to 2023-24

<sup>\*</sup> ₹78 crore relates to 2024-25 and ₹88.84 crore relates to 2023-24.

<sup>@</sup> ₹137.16 crore relates to 2022-23 and ₹242.91 crore relates to 2023-24

<sup>&</sup> ₹34.70 crore Central Share and ₹11.50 crore State Share relates to 2023-24

State Government did not release Fifteenth Finance Commission Grants amounting to ₹143.99 crore received during 2024-25 for Non-Million Plus Cities (₹78.00 crore) and Health Sector (₹65.99 crore) to Local Bodies during

the year. The State Government (November 2025) replied that Fifteenth Finance Commission Grants amounting to ₹143.99 crore<sup>7</sup> were not released to Local Bodies during 2024-25, as these funds were received from GoI only during the fag end of the financial year 2024-25.

## 1.2.2 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Trends of capital receipts and its components during 2015-16 to 2024-25 are shown in **Table 1.15**.

**Table 1.15: Trends in growth and composition of capital receipts**

(₹ in crore)

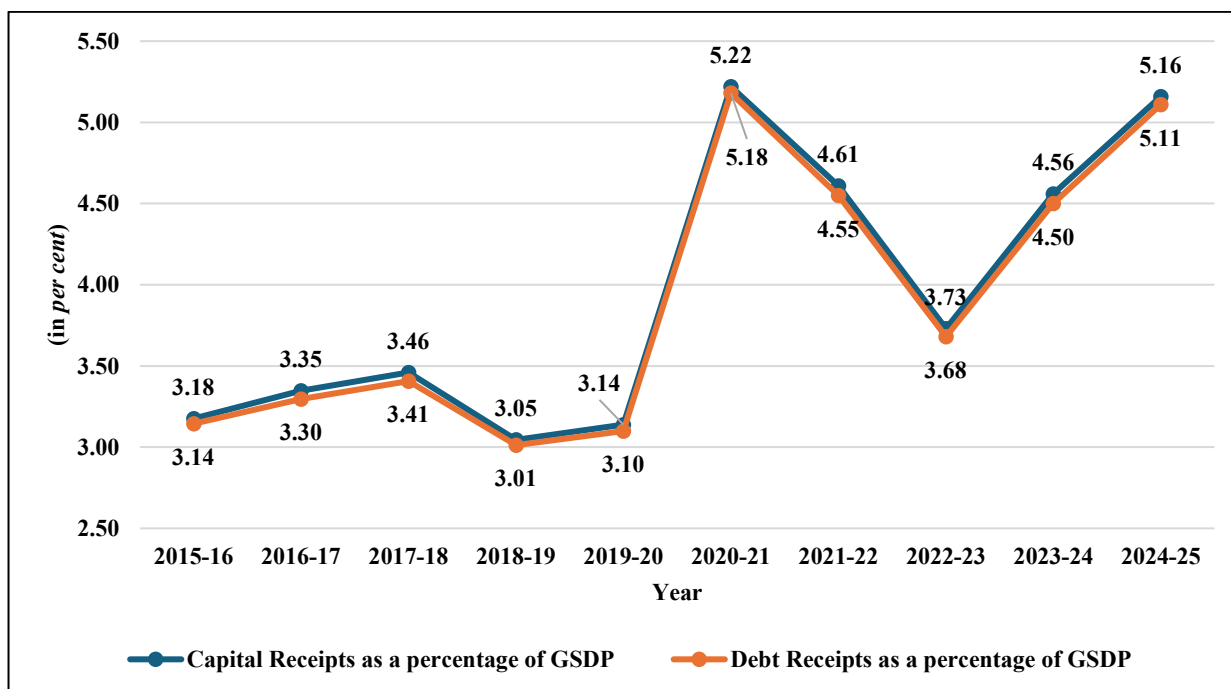
Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Capital Receipts</b>	<b>17,853.64</b>	<b>21,249.24</b>	<b>24,278.53</b>	<b>24,004.84</b>	<b>25,514.50</b>	<b>40,280.76</b>	<b>42,597.17</b>	<b>38,721.39</b>	<b>51,810.65</b>	<b>64,479.17</b>
Miscellaneous Capital Receipts	28.08	30.24	29.28	46.50	27.48	34.15	60.27	49.94	47.51	31.20
Recovery of Loans and Advances	152.63	292.24	350.98	210.54	295.32	263.82	479.24	409.29	714.80	667.16
<b>Public Debt Receipts</b>	<b>17,672.93</b>	<b>20,926.76</b>	<b>23,898.27</b>	<b>23,747.8</b>	<b>25,191.70</b>	<b>39,982.79</b>	<b>42,057.66</b>	<b>38,262.16</b>	<b>51,048.34</b>	<b>63,780.81</b>
<i>Internal Debt*</i>	17,141.58	20,074.62	23,453.50	23,295.63	23,041.01	32,964.05	32,592.64	35,737.73	50,147.42	60,147.39
<i>Loans and advances from GoI</i>	531.35	852.14	444.77	452.17	2,150.69	7,018.74	9,465.02	2,524.43	900.92	3,633.42
<b>Year-on Year growth rates (in percent)</b>										
GSDP	9.64	12.97	10.51	12.36	3.13	(-5.07)	19.79	12.36	9.30	9.97
Capital Receipts	11.52	19.02	14.26	(-) 1.13	6.29	57.87	5.75	(-) 9.10	33.80	24.45
Public Debt Receipts	11.44	18.41	14.20	(-) 0.63	6.08	58.71	5.19	(-) 9.02	33.41	24.94
Internal Debt	13.48	17.11	16.83	(-) 0.67	(-) 1.09	43.07	(-) 1.13	9.65	40.32	19.94
Loans and advances from GoI	(-) 29.39	60.38	(-) 47.81	1.66	375.64	226.35	34.85	(-) 73.33	(-) 64.31	303.3

Source: Finance Accounts of respective years

\* Including net figure under Ways and Means Advances/Overdraft/Special Drawing Facility

Capital Receipts as percentage of GSDP is depicted in **Chart 1.16**.

<sup>7</sup> ₹78 crore received on 31 March 2025, ₹54.94 crore received on 28 March 2025 and ₹11.04 crore received on 24 March 2025

**Chart: 1.16 Capital Receipts as percentage of GSDP**


The State has very meagre non-debt capital receipts, as it has not carried out any asset monetisation. The Debt Receipts has increased rapidly during the last two years. The Debt Receipts to GSDP ratio is also significantly high at 5.11 *per cent* in FY 2024-25 in comparison with 3.14 *per cent* in FY 2015-16. This indicates states growing reliance on debt. The rising trend of the debt-to-GSDP ratio is a cause of concern, and if the State continues this trajectory, it could result in a greater interest burden for the State in the future.

### 1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the 15<sup>th</sup> Finance Commission and actuals for the FY 2020-21 to FY 2024-25 are given in the **Table 1.16**.

**Table 1.16: 15<sup>th</sup> FC Projection *vis-à-vis* actuals**

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
GSDP (2011-12 Series - Current Prices)	9,45,755	7,71,724	9,78,206	9,24,465	10,95,590	10,38,734	12,32,539	11,35,372	13,92,153	12,48,533
Own Revenue Receipts	77,151	54,988.15	67,762	68,803.03	78,948	87,086.11	92,523	90,674.97	1,09,006	93,128.81
State's Own Tax Revenue	72,665	47,660.84	64,233	58,340.52	74,868	71,968.16	87,780	74,329.01	1,03,465	76,642.19
State's Own Non-Tax Revenue	4,486	7,327.31	3,529	10,462.51	4,080	15,117.95	4,743	16,345.96	5,541	16,486.62
State's share in Union Taxes/Duties	16,616	11,560.40	12,678	17,820.09	14,103	18,260.68	15,869	21,742.92	18,029	24,772.38

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
Revenue Deficit (-)/ Surplus (+) as percentage of GSDP	Nil	(-) 3.35 <sup>#</sup>	Nil	(-) 3.20 <sup>#</sup>	Nil	(-) 0.89	Nil	(-) 1.60	(+) 0.46	(-) 2.51*
Fiscal Deficit as percentage of GSDP	3	5.31 <sup>#</sup>	3	4.98 <sup>#</sup>	3	2.46	3	3.02	3	3.89*

\*Revenue and Fiscal deficit are post Audit figures.

<sup>#</sup>State Government replied (January 2026) that if the back-to-back loan received from GoI in lieu of GST compensation is taken into account as grant-in-aid, the Revenue deficit as a percentage of GSDP for 2020-21 and 2021-22 would be 2.60 per cent and 2.25 per cent respectively and the Fiscal deficit would be 4.56 per cent and 4.04 per cent respectively

## 1.2.4 Expenditure

Government expenditure is classified into revenue expenditure and capital expenditure (including loans and advances). Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses and expenditure on the schemes falling under these departments. Capital expenditure relates to expenditure related to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time.

Details of expenditure, total expenditure as percentage of GSDP and share of its components are given in **Table 1.17**, **Chart 1.17** and **Chart 1.18** respectively.

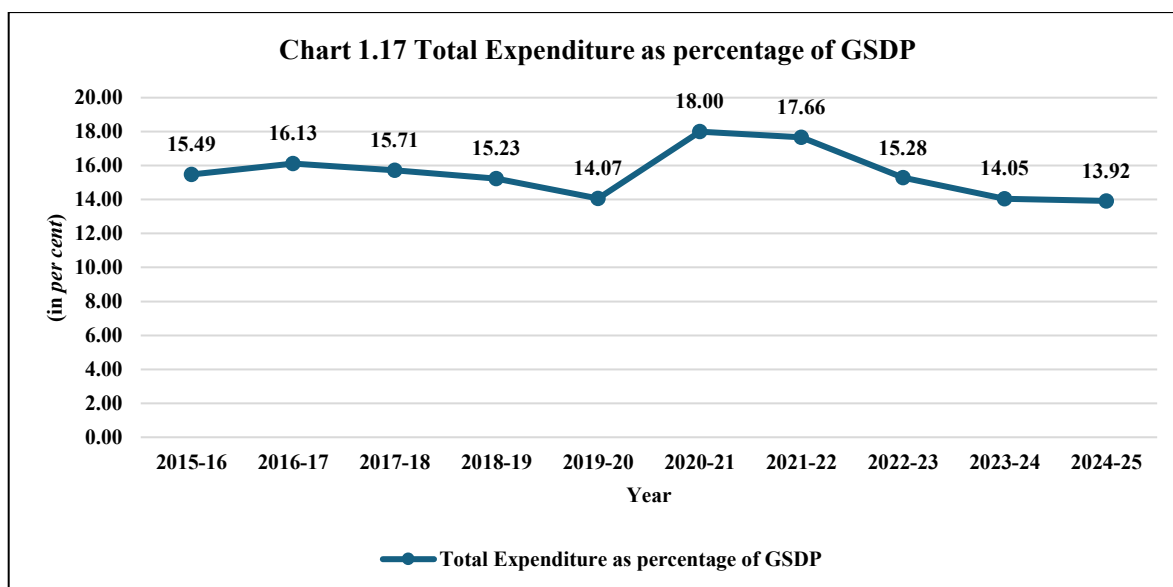
**Table 1.17: Total expenditure and its composition**

Parameters	(₹ in crore)									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	87,031.76	1,02,382.55	1,10,237.81	1,20,069.82	1,14,384.94	1,38,884.49	1,63,225.53	1,58,738.42	1,59,506.51	1,73,807.56
Revenue Expenditure (RE)	78,689.47	91,096.31	99,948.35	1,10,316.39	1,04,719.92	1,23,446.33	1,46,179.51	1,41,950.93	1,42,626.34	1,55,920.78
Capital Expenditure (including loans and advances) (CE)	8,342.29	11,286.24	10,289.46	9,753.43	9,665.02	15,438.16	17,046.02	16,787.49	16,880.17	17,886.78
Of which loans and advances	842.25	1,160.29	1,540.59	2,322.89	1,210.22	2,548.51	2,854.29	2,790.93	3,295.72	2,804.37
Appropriation to contingency fund	-	-	-	-	-	-	-	-	-	-

Source: Finance Accounts of respective years

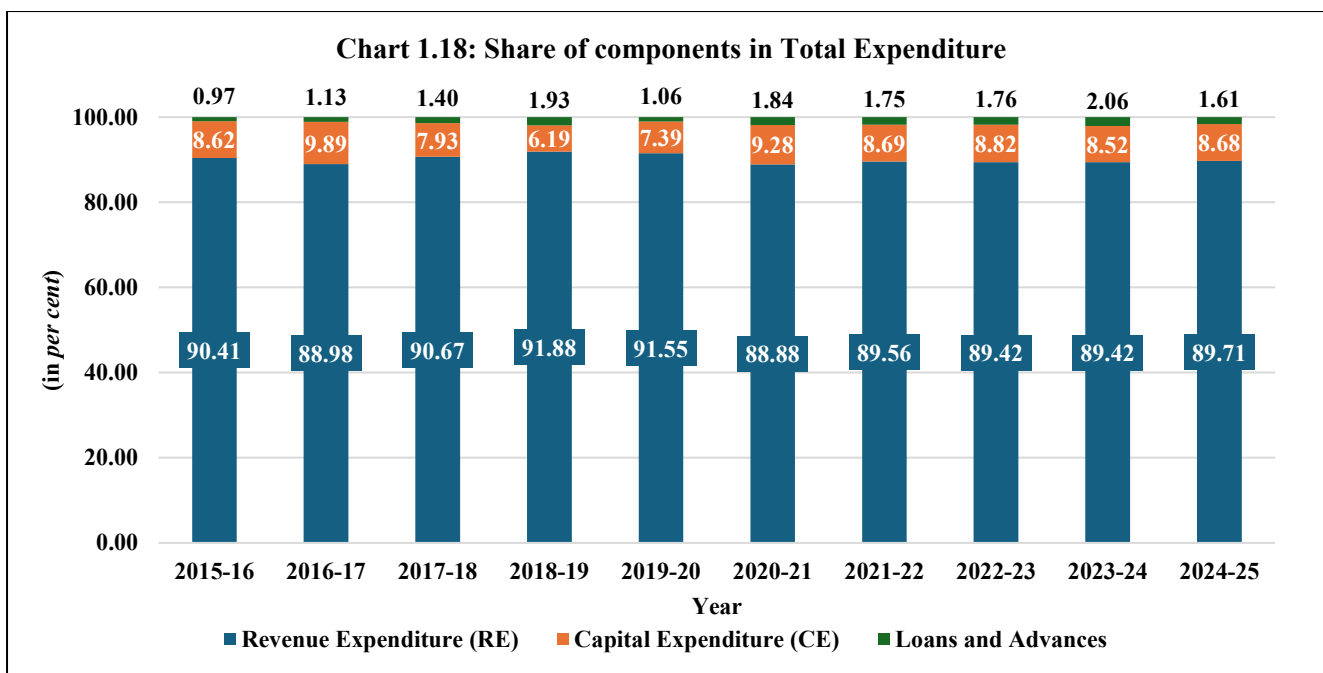
Revenue Expenditure of the State continued to increase over the years (except during 2019-20 and 2022-23) and continued its dominance over the total expenditure. On decadal parlance, the State's Revenue Expenditure has witnessed an increase of over 98 *per cent*. The ratio of Revenue Expenditure to Total Expenditure of the State remained continuously higher than that of all States (excluding UTs) during the last 10-year period 2015-16 to 2024-25. The share of Revenue Expenditure of the State in Total Expenditure was significantly higher at 89.71 *per cent* during 2024-25 compared to the share of Revenue Expenditure of all the States (excluding UTs) in Total Expenditure which was 83.41 *per cent* during the period.

Capital Expenditure (including loans and advances) have registered a decadal high during 2024-25. However, the ratio of Capital Expenditure to Total Expenditure of the State consistently remained lower than that of all States (excluding UTs) during the last 10 year period 2015-16 to 2024-25. The share of Capital Expenditure of the State in Total Expenditure was much lower at 10.29 *per cent* during 2024-25 compared to the share of Capital Expenditure of all States (excluding UTs) in Total Expenditure which was 16.59 *per cent* during the period. The State is also carrying out significant expenditure on infrastructure projects through an off-budget entity Kerala Infrastructure Investment Fund Board (KIIFB) due to substantially high revenue expenditure and limited fiscal space from the State's borrowings. During 2024-25, an expenditure of ₹6,876.01 crore<sup>8</sup> was incurred by KIIFB for infrastructure projects.



Source: Finance Accounts of respective years and MoSPI, GoI

<sup>8</sup> Information furnished by KIIFB (January 2026)



Source: Finance Accounts of respective years

Out of the total expenditure of ₹ 1,73,807.56 crore incurred by the State during the financial year 2024-25, a portion of ₹2,765.87 crore pertained to pass-through transactions such as Finance Commission grants.

### Sector-wise Total Expenditure

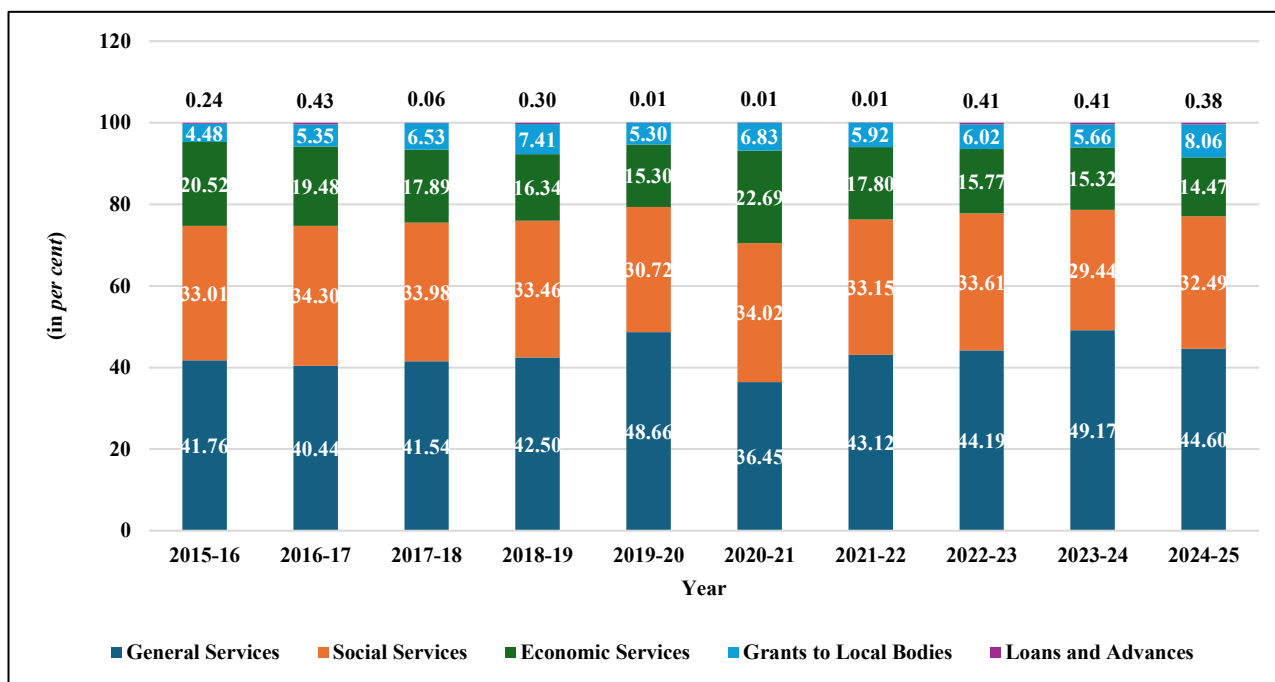
Sector-wise composition of expenditure is given in **Table 1.18** and relative share of various sectors in total expenditure is depicted in **Chart 1.19**.

**Table 1.18: Sector-wise Total expenditure**

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	36,341.28	41,406.20	45,791.78	51,025.09	55,661.45	50,620.56	70,380.26	70,138.57	78,432.42	77,517.75
Social Services	28,725.78	35,112.50	37,458.65	40,170.38	35,142.66	47,243.52	54,113.75	53,345.02	46,963.95	56,462.39
Economic Services	17,855.97	19,940.90	19,725.45	19,616.10	17,502.99	31,518.02	29,051.70	25,039.10	24,432.04	25,156.66
Grants to Local Bodies	3,903.08	5,480.91	7,197.23	8,898.72	6,063.87	9,492.45	9,660.09	9,562.52	9,021.07	14,010.05
Loans and Advances	205.65	442.04	64.70	359.53	13.97	9.94	19.73	653.21	657.03	660.71

Source: Finance Accounts of respective years

**Chart 1.19: Relative share of various sectors in Total expenditure**



Source: Finance Accounts of respective years

During the last ten years (2015-16 to 2024-25), expenditure on General Services constituted the largest portion of States Total Expenditure, followed by expenditure on Social Services. The expenditure share of State's General Services in total expenditure was also much higher at 44.60 per cent during 2024-25 compared to the expenditure share of general services of all States (excluding UTs) in Total Expenditure which was 29.79 per cent during the period.

The expenditure on social services which was on a decreasing trend during 2022-23 and 2023-24, increased during 2024-25. The increase was mainly due to increase in expenditure under 'Social Security and Welfare' by ₹7,001.35 crore (87.81 per cent). However, the expenditure share of State's Social Services in Total Expenditure was much lower at 32.49 per cent during 2024-25 compared to the Share of expenditure on Social Services of all States (excluding UTs) in Total Expenditure which was 39 per cent.

Share of Economic Services under Total Expenditure decreased steadily during the last ten year (except during 2020-21) indicating low financial support for development programs. The expenditure share of State's Economic Services in Total Expenditure stood significantly lower at 14.47 per cent during 2024-25 compared to the expenditure share of Economic Services of all States (excluding UTs) in Total Expenditure which was 28.68 per cent during the year.

#### 1.2.4.1 Revenue Expenditure

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. The Revenue Expenditure of all States (excluding UTs) exceeded its total Revenue Receipts by around 5.36 per

cent during 2024-25, whereas the State's Revenue Expenditure surpassed its Revenue Receipts by 24.88 per cent during the year.

Growth in revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.19**.

**Table 1.19: Revenue Expenditure – Basic Parameters**

<i>(₹ in crore)</i>										
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	87,031.76	1,02,382.55	1,10,237.81	1,20,069.82	1,14,384.94	1,38,884.49	1,63,225.53	1,58,738.42	1,59,506.51	1,73,807.56
Revenue Expenditure (RE)	78,689.47	91,096.31	99,948.35	1,10,316.39	1,04,719.92	1,23,446.33	1,46,179.51	1,41,950.93	1,42,626.34	1,55,920.78
RE as percentage of Revenue Receipts	113.99	120.48	120.39	118.81	116.07	126.46	125.33	106.95	114.57	124.88
RE as percentage of TE	90.41	88.98	90.67	91.88	91.55	88.88	89.56	89.42	89.42	89.71
RE/GSDP (per cent)	14.00	14.35	14.25	13.99	12.88	16.00	15.81	13.67	12.56	12.49
<b>Year-on-year growth (in per cent)</b>										
Revenue Expenditure	9.68	15.77	9.72	10.37	(-) 5.07	17.88	18.42	(-) 2.89	0.48	9.32
GSDP Growth	9.64	12.97	10.51	12.36	3.13	(-) 5.07	19.79	12.36	9.30	9.97

Source: Finance Accounts of respective years

### A. Sector-wise Revenue Expenditure

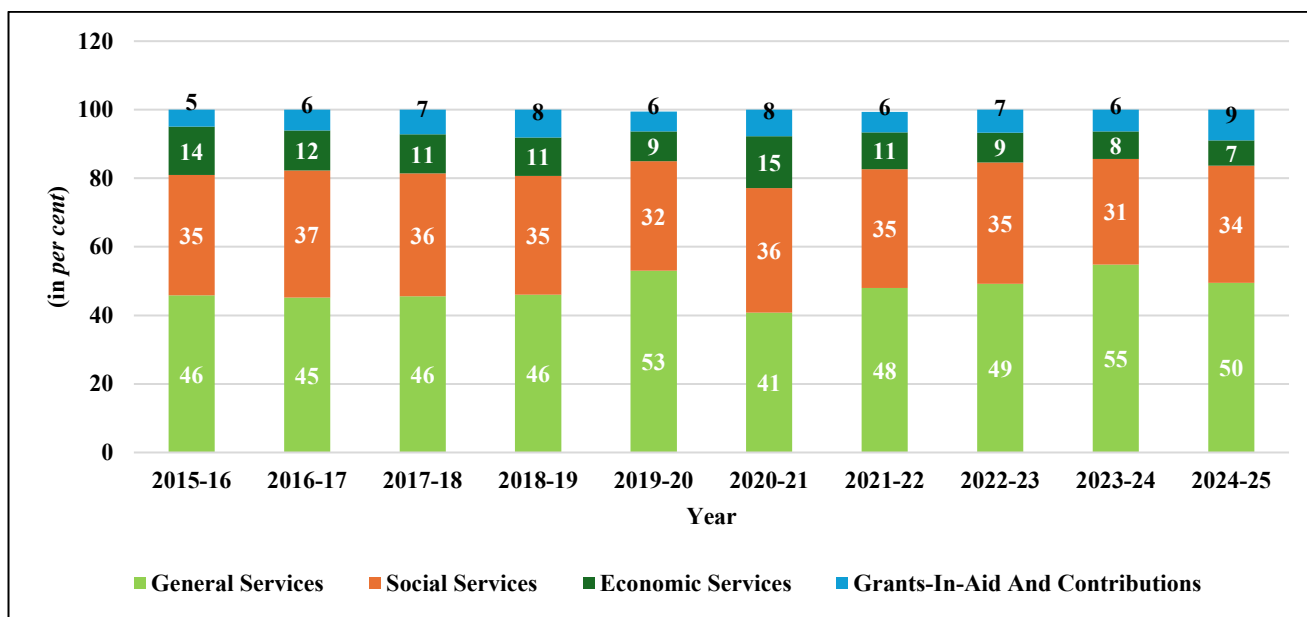
Sector-wise composition of Revenue expenditure is given in **Table 1.20** and Relative share of various sectors in Revenue expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

**Table 1.20: Sector-wise Revenue expenditure**

<i>(₹ in crore)</i>										
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	36,084.68	41,195.33	45,523.77	50,827.13	55,504.03	50,360.72	70,110.00	69,831.68	78,185.16	77,195.59
Social Services	27,603.29	33,764.72	35,876.27	38,210.77	34,044.77	44,832.44	50,695.61	50,275.91	44,005.28	53,310.68
Economic Services	11,098.42	10,655.35	11,351.08	12,379.77	9,107.25	18,760.72	15,713.81	12,280.82	11,414.83	11,404.46
Grants-In-Aid And Contributions	3,903.08	5,480.91	7,197.23	8,898.72	6,063.87	9,492.45	9,660.09	9,562.52	9,021.07	14,010.05

Source: Finance Accounts for the respective years

**Chart 1.20: Relative share of various sectors in Revenue expenditure**



Source: Finance Accounts for the respective years

General Services (50 per cent) constituted the major share in revenue expenditure followed by Social Services (34 per cent) during the year. Major increase in revenue expenditure was under pensions for social security schemes amounting to ₹6,736 crore of which ₹6,641 crore was routed through a Government Company ‘Kerala Social Security Pension Limited’.

During the period 2015-16 to 2024-25, the State’s Revenue expenditure continuously exceeded its revenue receipts, indicating the stressed fiscal position of the State. The ratio of revenue expenditure to total expenditure remained very high.

## B. Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. The components of committed expenditure are given in **Table 1.21** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.21**.

**Table 1.21: Components of Committed Expenditure**

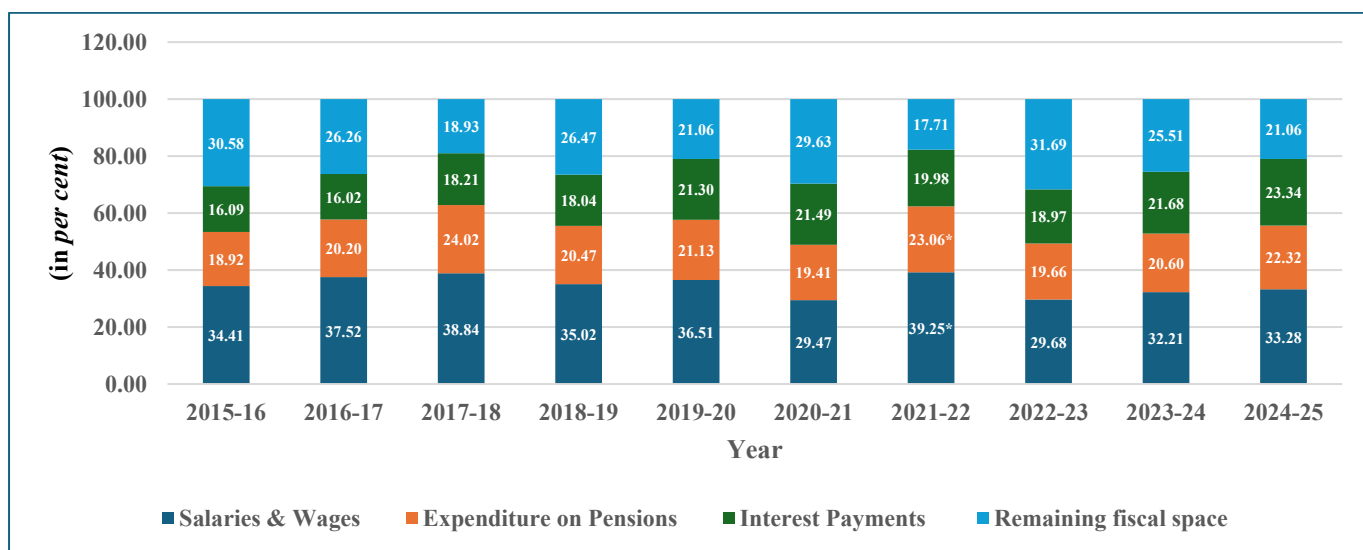
Components of Committed Expenditure	₹ in crore									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries & Wages	23757.02	28373.10	32242.99	32520.66	32942.28	28,767.46	45,780.08*	39,389.65	40,097.69	41,550.15
Rate of growth	9.88	19.43	13.64	0.86	1.30	(-)12.67	59.14	(-)13.96	1.80	3.62
Expenditure on Pensions	13062.86	15277.03	19938.41	19011.94	19064.29	18,942.85	26,898.69*	26,090.04	25,644.24	27,875.21
Rate of growth	16.09	16.95	30.51	(-)4.65	0.28	(-)0.64	42.00	(-)3.01	(-)1.71	8.70
Interest Payments	11110.62	12116.50	15119.93	16747.92	19214.7	20,975.36	23,302.82	25,176.36	26,986.22	29,138.23

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Rate of growth	13.73	9.05	24.79	10.77	14.73	9.16	11.10	8.04	7.19	7.97
<b>Total</b>	<b>47,930.5</b>	<b>55,766.64</b>	<b>67,301.33</b>	<b>68280.52</b>	<b>71221.27</b>	<b>68,685.67</b>	<b>95,981.59</b>	<b>90,656.05</b>	<b>92,728.15</b>	<b>98,563.59</b>
Committed Expenditure as a percentage of Revenue Expenditure	60.91	61.22	67.34	61.90	68.01	55.64	65.66	63.86	65.01	63.21

Source: Finance Accounts of respective years

\* Salaries and Wages (grew by 59.14 per cent), and Pension (grew by 42 per cent) showed a substantial increase during 2021-22 which was due to the revision of pay and allowance and pension (paid from April 2021) as per the 11<sup>th</sup> State pay revision commission recommendations.

**Chart 1.21: Committed Expenditure as a percentage of Revenue receipts and remaining fiscal space**



Source: Finance Accounts of respective years

\* There was also a drastic increase in the share of expenditure on Salaries and Wages (39.25 per cent), and Pension (23.06 per cent) in Revenue Receipts during 2021-22. The State revises the pay and allowance of its employees once in five years.

Committed Expenditure of the State continued to increase over the years (except 2020-21 and 2022-23) and its share in Revenue Expenditure remained above 60 per cent (except 2020-21). On decadal parlance, Committed Expenditure has witnessed an increase of over 105 per cent. The share of Committed Expenditure of the State in Revenue Expenditure was also significantly higher at 63.21 per cent during 2024-25 compared to the share of Committed Expenditure of all States (excluding UTs) in Revenue Expenditure which was 48.41 per cent.

Considering the decline in fiscal space due to high percentage of committed expenditure to revenue receipts, State government need to undertake detailed review of the committed expenditure by bringing in reforms in expenditure management, employee cost realisation and debt servicing.

### C. Subsidies

The expenditure on subsidies remained relatively stable during the period 2015-16 to 2024-25 except during 2020-21 and 2021-22. During 2024-25 expenditure

on subsidies increased by ₹132.95 crore compared with the previous year. The increase was mainly due to increase of ₹17.79 crore on account of Food and Civil Supplies, ₹71.91 crore for Rural Development and ₹2.14 crore for Agriculture. The reason for the increase in subsidies under the above departments is awaited from the State Government.

Department-wise major subsidies for the period 2015-16 to 2024-25 are shown in **Table 1.22**.

**Table 1.22: Department-wise Subsidies during the period 2015-16 to 2024-25**

(₹ in crore)

Sl. No.	Departments	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	Food and Civil Supplies	1,106.35	1,492.16	1,309.53	1,346.69	1,175.91	5,944.00*	3,654.07*	1,375.20	1,275.64	1,293.43
2	Rural Development <sup>#</sup>	0	0	0	0	0	175.43	184.01	185.77	183.31	255.22
3	Agriculture	32.13	34.85	34.42	37.70	34.58	56.78	28.76	62.63	50.10	52.24
4	Co-operation	62.40	54.71	53.55	74.32	21.68	75.04	35.20	21.37	36.30	45.05
5	Other Departments <sup>9</sup>	171.51	148.96	186.34	204.30	196.83	296.23	251.93	202.07	178.30	210.66
<b>Total Subsidy</b>		<b>1,372.39</b>	<b>1,730.68</b>	<b>1,583.84</b>	<b>1,663.01</b>	<b>1,429.00</b>	<b>6,547.48</b>	<b>4,153.97</b>	<b>1,847.04</b>	<b>1,723.65</b>	<b>1,856.60</b>

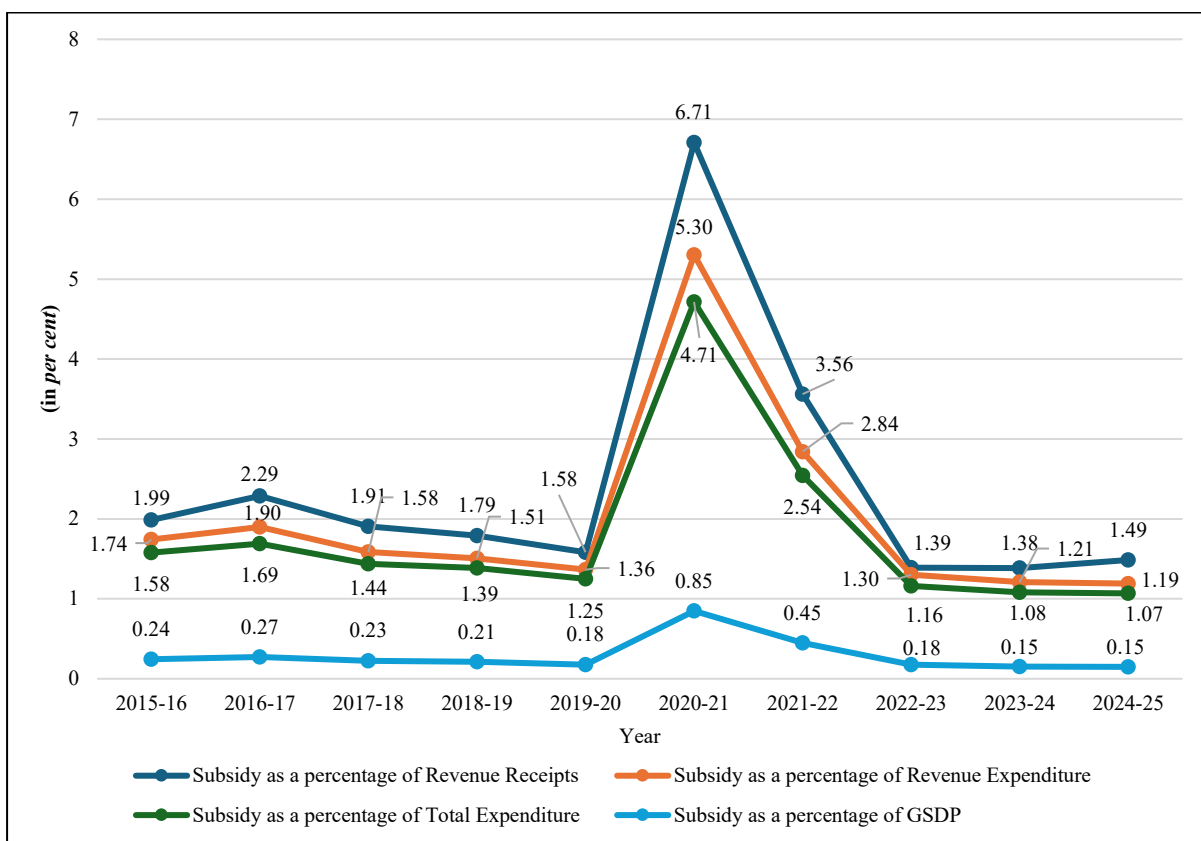
Source: Finance Accounts of respective years, Government of Kerala

\*Increase in subsidies during 2020-21 and 2021-22 was due to increase in subsidies given to the Food and Civil Supplies department for ration subsidy and paddy procurement.

<sup>#</sup>State Government started providing interest subsidy to Kerala Urban and Rural Development Finance Corporation (KURDFC) towards the loan availed from HUDCO for the implementation of welfare scheme LIFE Parappida Mission Scheme (Housing Scheme) from 2020-21 onwards.

<sup>9</sup> Other Departments includes Urban Development, Secretariat General Services, Pensions and Other retirement benefits, Other Transport Services, Welfare of SC, ST, other backward classes and Minorities, New and Renewable Energy,

Chart 1.22: Trend analysis of subsidies



Source: Finance Accounts of respective years

During 2024-25, subsidies in respect of all States' (excluding Uts) accounted for 10.08 per cent of its Revenue Expenditure, while State subsidies accounted for only 1.19 per cent of its Revenue Expenditure.

Committed expenditure in the form of salaries and wages (₹41,550.15 crore), interest payment (₹29,138.23 crore) and pension (₹27,875.21 crore) together with subsidies (₹1,856.60 crore) accounted for 64.40 per cent of revenue expenditure and consumed about 80 per cent of the revenue receipts. Committed expenditure and subsidies increased by ₹5,968.39 crore during 2024-25. The share of Committed Expenditure together with subsidies of the State in Revenue Expenditure was also significantly higher at 64.40 per cent during 2024-25 compared to the share of Committed Expenditure including subsidies of all States (excluding UTs) in Revenue Expenditure which was 58.49 per cent. In addition, the State is also committed to its share in Centrally sponsored schemes amounting to ₹2,720.74 crore under Revenue Expenditure.

#### D. Financial assistance by the State Government to Local Bodies and Other Institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in Table 1.23.

**Table 1.23: Financial assistance to Local Bodies and other institutions**

Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
<i>(₹ in crore)</i>					
<b>(A) Local Bodies</b>					
Municipal Corporations and Municipalities	3,653.02	2,584.33	3,676.97	2,806.69	4,338.11
<b>GIA for creation of Capital assets to Municipal Corporations and Municipalities</b>	1,645.37	1,140.67	1,616.52	1,384.56	2,350.98
Zilla parishads and other Panchayati Raj Institutions	8,692.14	7,601.76	8,698.74	7,313.65	11,009.93
<b>GIA for creation of Capital assets to PRIs</b>	4,825.04	4,156.06	5,245.37	4,647.36	6,061.91
<b>Total (A)</b>	<b>12,345.16</b>	<b>10,186.09</b>	<b>12,375.71</b>	<b>10,120.34</b>	<b>15,348.04</b>
<b>(B) Others</b>					
Educational Institutions (Aided Schools, Colleges, Universities, etc.)	1,569.61	1,713.01	1,714.52	1,758.30	1,769.22
Development Authorities	0	0	0	0	0
Hospitals and Other Charitable Institutions	0	0	0	0	0
Other Institutions	4,041.57	4,359.45	1,753.48	1,939.32	2,164.47
<b>Total (B)</b>	<b>5,611.18</b>	<b>6,072.46</b>	<b>3,468.00</b>	<b>3,697.62</b>	<b>3,933.69</b>
<b>Total (A+B)</b>	<b>17,956.34</b>	<b>16,258.55</b>	<b>15,843.71</b>	<b>13,817.96</b>	<b>19,281.73</b>
<b>Total GIA for creation of Capital assets</b>	7,170.60	7,136.33	7,024.58	6,146.13	8,546.97
Revenue Expenditure	<b>1,23,446.33</b>	<b>1,46,179.51</b>	<b>1,41,950.93</b>	<b>1,42,626.34</b>	<b>1,55,920.78</b>
Assistance as percentage of Revenue Expenditure	<b>14.55</b>	<b>11.12</b>	<b>11.16</b>	<b>9.69</b>	<b>12.37</b>

Source: Finance Accounts of respective years

The devolution to LSGIs increased by ₹5,227.70 crore to ₹15,348.04 crore during 2024-25 which constituted about 10 per cent of the revenue expenditure. During the current year, financial assistance to the local bodies and other institutions increased by ₹ 5,463.77 crore (39.54 per cent) to ₹19,281.73 crore over the previous year which constituted about 12.37 per cent of the revenue expenditure. The increase was mainly due to increase in assistance to Zilla parishads and other Panchayati Raj Institutions (₹3,696.28 crore: 50.54 per cent) and Municipal Corporations and Municipalities (₹1,531.42 crore: 54.56 per cent). The overall quantum of financial assistance to the local bodies and other institutions as percentage of revenue expenditure increased to 12.37 per cent during the current year from 9.69 per cent of the previous year.

The State Finance Commissions are constituted by Government of Kerala 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. The State Finance Commission shall review the financial position of the Panchayats and the Municipalities and make recommendations to improve the financial management and achieving economy and efficiency in expenditure and achieving fiscal responsibility.

Starting with the first SFC constituted in 1994, State is in the penultimate year (2024-25) of the sixth State Finance Commission for the award period 2021-22

to 2025-26. Sixth SFC has submitted their recommendations by way of two reports.

The status of 6<sup>th</sup> State Finance Commission Recommendation for the award period 2021-22 to 2025-26 are given in **Table 1.24**.

**Table 1.24 : Status of Sixth State Finance Commission Recommendations**

SFC Period	Total No. of Recommendations	Accepted by Government of Kerala	Deferred	Not Accepted
2021-22 to 2025-26	136	109 <sup>10</sup>	3	20

The Major share of financial resources of LSGIs comprised grants recommended by SFC. The SFC recommended Development funds, Maintenance funds and General Purpose funds for LSGIs. SFC allocation accepted by State Government and funds released to LSGIs during the first four years of the Sixth Finance Commission award period 2021-22 to 2024-25 are given in **Table 1.25**.

**Table 1.25: Details of grants due and released to LSGIs during the first four years of the Sixth Finance Commission award period 2021-22 to 2024-25**

(₹ in crore)

Year	Funds recommended by Sixth SFC and as accepted by State for LSGIs			Actual release by State Government			Short release (-) / Excess (+)
	RLB	ULB	Total	RLB	ULB	Total	
1	2	3	4	5	6	7	8=7-4
2021-22	7,922.05	1,964.19	9,886.24	8,103.43	2,184.48	10,287.91	(+) 401.67
2022-23	8,332.48	2,152.85	10,485.33	8,303.39	2,194.45	10,497.84	(+) 12.51
2023-24	9,121.94	2,321.41	11,443.35	9,135.94	2,318.94	11,454.88	(+) 11.53
2024-25	9,879.00	2,509.18	12,388.18	9,891.00	2,514.18	12,405.18	(+) 17.00

Source: Data furnished by SFC Cell, Finance Department

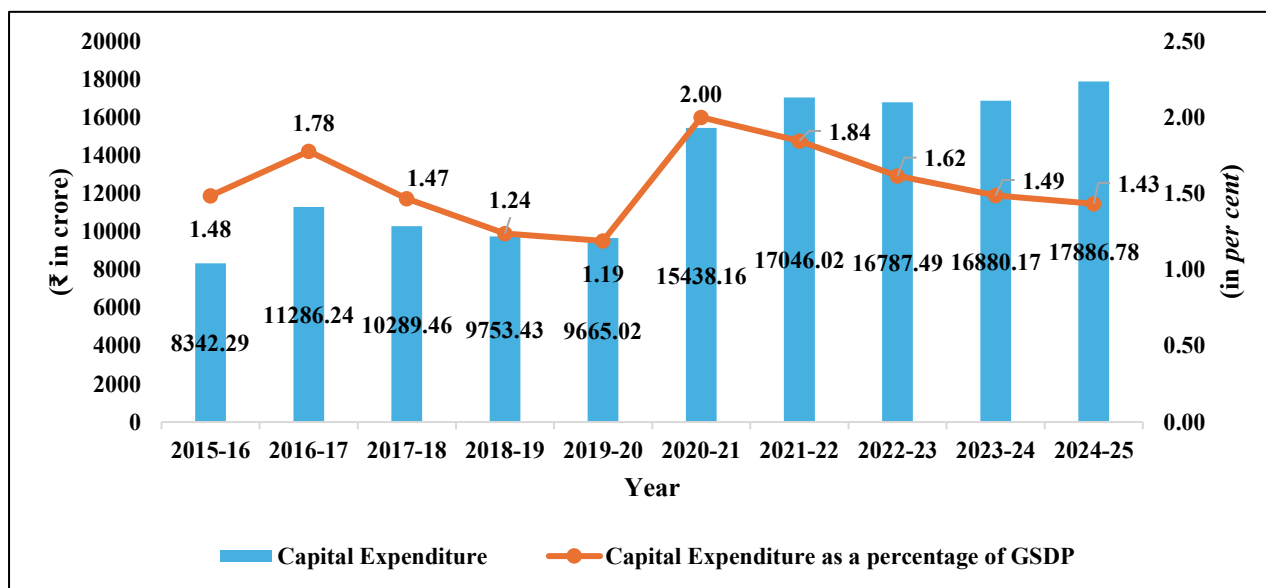
#### 1.2.4.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, etc. Capital expenditure, in the State, is being met from budgetary support and extra budgetary resources/ off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations.

Trend of Capital Expenditure including loans and advances in the State over the last ten years *i.e.* 2015-16 to 2024-25 is given in **Chart 1.23**.

<sup>10</sup> Out of 109 accepted recommendations of Sixth SFC, only 44 recommendations have been implemented.

Chart 1.23: Capital Expenditure in the State



Source: Finance Accounts and Annual Financial Statements of respective years

The Capital Expenditure (including Loans and Advances) registered a growth rate of about 114 per cent during the period 2015-16 to 2024-25 and was highest in 2024-25 during the last ten year period. The share of Capital Expenditure in Total Expenditure increased from 9.59 per cent in 2015-16 to 10.58 per cent in 2023-24, however, it decreased to 10.29 per cent in 2024-25. However, the ratio of Capital Expenditure to GSDP has continuously declined from 2020-21 to 2024-25.

The State received 50 years interest free loan of ₹2,715.67 crore during 2024-25 from GoI as special assistance for Capital Expenditure which constituted 15.18 per cent of the Capital Expenditure (including loans and advances disbursed) during the year.

The Capital expenditure incurred during 2024-25 includes development expenditure of ₹14,539.45 crore, loans and advances of ₹2804.37 crore and investments of ₹542.96 crore. Economic Services (65 per cent) constituted the major share of Capital Expenditure of which major expenditure was incurred towards 'Share of KIIFB from Cess on Petrol and Diesel' and 'Share of KIIFB from Motor Vehicle Tax' (₹3,695.18 crore), 'Capital Outlay on Road and Bridges (₹1,859.35 crore)' and 'Rebuild Kerala Initiative-Post Flood Projects'(₹996.47 crore). During 2024-25, the ratio of Capital Expenditure to Total Expenditure of all States (excluding UTs) was 16.59 per cent, whereas the percentage of State Capital Expenditure to Total Expenditure was significantly lower at 10.29 per cent.

Apart from Capital expenditure of ₹17,886.78 crore, State government also transferred ₹8,546.97 crore as Grant-in-Aid for creation of capital assets to the local bodies and other institutions. Grants-in aid given for creation of Capital Assets during 2024-25 has increased compared to the previous year and was highest during the last five years period.

Further, percentage of Capital Expenditure (including loans and advances) as compared to overall Debt receipts was 5.54 *per cent* and as compared to net Debt receipts<sup>11</sup> stood at 39.59 *per cent* which indicates that the borrowings were not proportionately converted to infrastructural development.

### A. Sector-wise Capital Expenditure

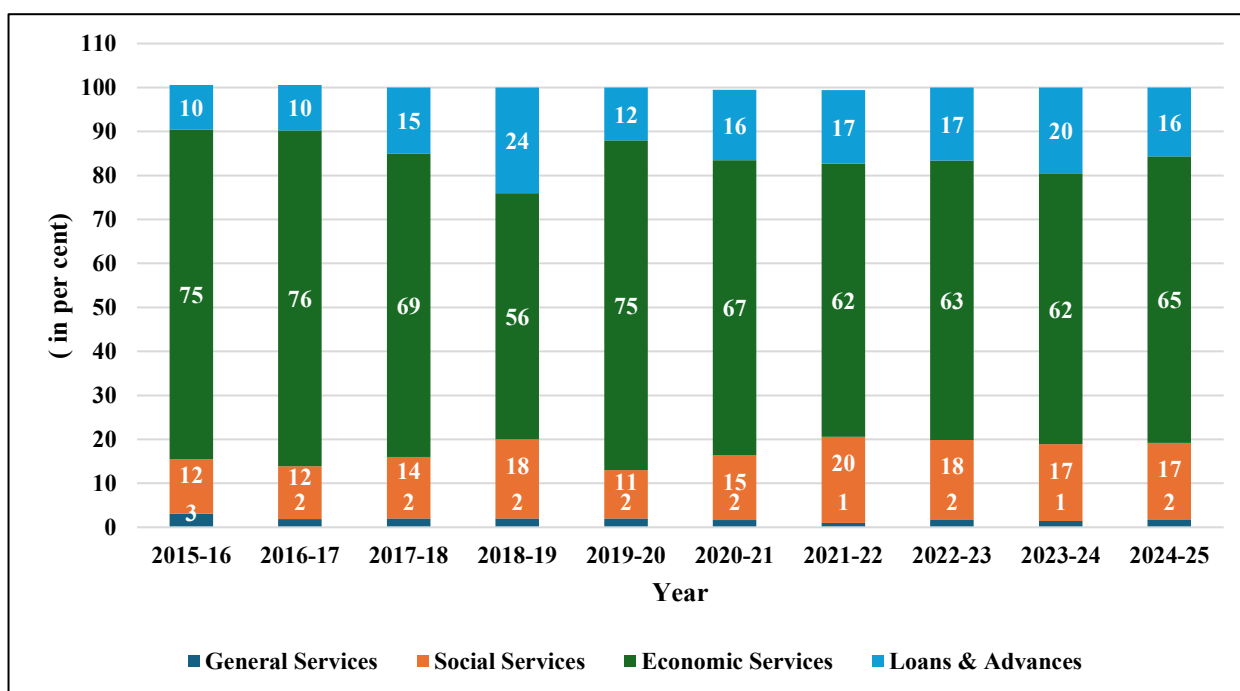
Sector-wise composition of Capital expenditure is given in **Table 1.26**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

**Table 1.26: Sector-wise Capital expenditure**

Parameters	(₹ in crore)									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	256.60	210.87	268.01	197.96	157.42	259.84	268.26	306.89	247.26	322.16
Social Services	1,035.03	1,292.67	1,405.89	1,784.29	1,090.64	2,277.90	3,342.63	3,030.08	2,945.57	3,113.78
Economic Services	6,208.41	8,622.41	7,074.97	5,448.29	7,206.74	10,351.91	10,580.84	10,659.59	10,391.62	11,646.47
Loans & Advances	842.25	1,160.29	1,540.59	2,322.89	1,210.22	2,548.51	2,854.29	2,790.93	3,295.72	2,804.37

Source: Finance Accounts of respective years

**Chart 1.24: Relative share of various sectors in Capital expenditure**



Source: Finance Accounts of respective years

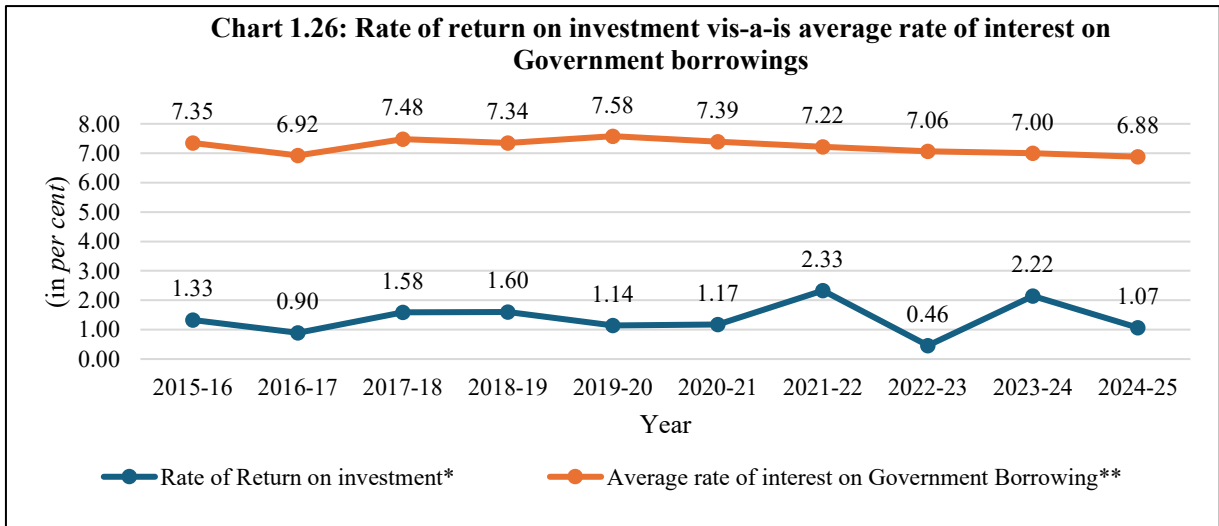
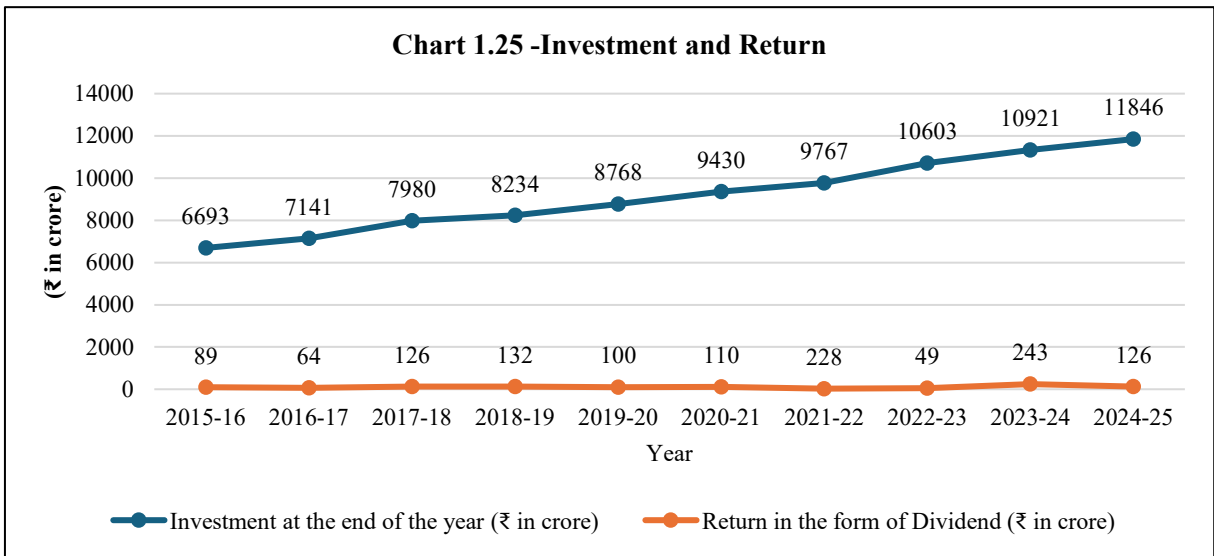
The economic services constituted major share of Capital Expenditure throughout the ten year period 2015-16 to 2024-25, followed by expenditure on Social Services and General Services.

<sup>11</sup> Net debt receipts are debt receipts after deducting repayment of the principal amount of earlier borrowings.

**B. Quality of investments in companies, corporations and other bodies**

As of 31 March 2025, the State Government’s investment in companies, corporations and other bodies stood at ₹11,846.25 crore, comprising Government Companies (₹ 5,849.80 crore), Co-operative Societies (₹ 1,779.96 crore), Statutory Corporations (₹ 1,855.77 crore) and Other Joint Stock Companies and Partnerships (₹ 2,360.72 crore).

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on investment is depicted in **Chart 1.25**. Rate of return on investment made vis-à-vis average rate of interest on government borrowing is depicted in **Chart 1.26**.



Sources: Finance Accounts of respective years

\*Rate of return on investment = Return/ Investment at the year end

\*\*Average rate of interest on Government borrowing = Interest payment/((Opening balance + Closing balance of Outstanding liabilities)/2)\*100

During 2024-25, the return on investment was ₹ 126.35 crore<sup>12</sup> (1.07 per cent) (based on historical cost and not on net present value basis). The return was only between 0.46 per cent and 2.33 per cent during the period 2015-16 to 2024-25 while the average rate of interest paid by the State Government on its borrowings was between 6.88 per cent and 7.58 per cent during the same period. Over the past ten years, the difference in cost of Government borrowings and return on investments in PSUs was to the tune of ₹ 5,315.13 crore<sup>13</sup>.

As on 31 March 2025, the State Government had invested ₹11,846.25 crore in three Statutory Corporations (₹1,855.77 crore), 127 Government Companies (₹5,849.80 crore), 42 Joint Stock Companies (₹2,360.72 crore) and Cooperative Banks and Societies (1,779.96 crore). The return on investments in these Companies/ Corporations/ Institutions during 2024-25 was 1.07 per cent (₹126.35 crore) while State Government paid an average interest of 6.88 per cent on its borrowings during the same period.

The persistently lower returns far below the cost of Government borrowings shows inefficient use of public funds.

### ***Dividend Policy of the State Government***

A well-defined dividend policy mandating a minimum return from profit making enterprises, enables the State Government to optimise its returns from investments in SPSEs and enhance monitoring of the SPSE's financial performance. As per the dividend policy formulated by State Government (June 2023) all SPSEs with profit after tax above ₹50 crore have to pay a minimum dividend of 20 per cent of profit after tax and SPSEs with profit less than ₹50 crore have to pay 15 per cent dividend to State Government.

### ***Forgone Revenue from Non-realisation of Dividends***

According to the latest accounts submitted by SPSEs<sup>14</sup>, 25 SPSEs earned profit for the accounts relating to 2022-23, while 11 SPSEs earned profit for the accounts relating to 2023-24.

However, it was observed that the State Government did not ensure timely and full collection of dividends from these entities as on 31 March 2025. Against the total eligible dividend of ₹42.78 crore from 25 profit making SPSEs for the year 2022-23, only one<sup>15</sup> SPSE had paid dividend of ₹0.41 crore (out of ₹2.04 crore of dividend only ₹0.41 crore was paid) as on 31 March 2025, leaving a balance of uncollected dividend of ₹42.37 crore from 25 profit making SPSEs. Further, for the year 2023-24, against a total eligible dividend of ₹194.82 crore from 11 profit making SPSEs only two<sup>16</sup> SPSEs paid dividend of ₹41.18 crore

<sup>12</sup> Government Companies (₹77.35 crore); Statutory Corporations (₹35.83 crore), Joint Stock Companies (₹8.46 crore); and Co-operative Banks and Societies (₹4.71 crore).

<sup>13</sup> Difference between cost of Government borrowings and return of investment = Investment at the end of the year \* Difference between average rate of interest rate and rate of return on investment.

<sup>14</sup> 151 SPSEs falling under the Audit jurisdiction of C&AG

<sup>15</sup> Oil Palm India Limited (₹0.41 crore)

<sup>16</sup> The Kerala State Financial Enterprises Limited (₹35.00 crore); The Kerala Minerals and Metals Limited (₹6.18 crore)

as on 31 March 2025, leaving a balance of uncollected dividend of ₹153.64 crore from 11 SPSEs. The details are given in **Appendix 1.5**.

Out of 151 SPSEs in the State, 16 SPSEs were defunct, and investment of ₹145.01 crore therein had remained un-recouped.

State Government replied (January 2026) that steps are being taken to improve the functioning of SPSEs by appointing more professionals, taking various steps to make the SPSEs more profitable. State Government replied that there was laxity on the part of SPSEs in complying with the directions of Dividend policy framed in 2023. It has also been replied that steps would be taken in future to ensure that Government would collect its due share of profit.

### C. Loans and advances by State Government

In addition to the investments, the State Government also provides loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., and the same was treated as assets in the Government accounts. **Table 1.27** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts *vis-à-vis* interest payments by the State Government on its borrowings during the last ten years.

**Table 1.27: Quantum of loans disbursed and recovered during the period 2015-16 to 2024-25**

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of loans outstanding	12320.27	13009.89	13877.23	15163.04	16557.18	17,472.08	19,725.39	22,086.89	24,357.02	26,965.74
Amount advanced during the year	842.25	1160.29	1540.59	2322.89	1210.22	2,548.51	2,854.29	2,790.93	3,295.72	2,804.37
Amount recovered during the year	152.63	292.24	350.98	210.54	295.32	263.82	479.24	409.29	714.80	667.16
Closing Balance of the loans outstanding	13009.89	13877.94	15066.84	17275.39	17472.08	19,756.77	22,100.44	24,468.53	26,937.94	29,102.95
Net addition	689.62	868.05	1189.61	2112.35	914.90	2,284.69	2,375.05	2,381.64	2,580.92	2,137.21
Interest received	32.31	30.53	37.53	40.81	50.59	42.83	53.36	118.98	116.70	187.90
Interest rate on Loans and Advances given by the Government	0.26	0.23	0.26	0.25	0.30	0.23	0.26	0.51	0.46	0.67
Average rate of interest on Government Borrowings (per cent)	7.35	6.92	7.48	7.34	7.58	7.39	7.22	7.06	7.00	6.88

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Difference between the rate of interest received and interest paid( <i>per cent</i> )	(-7.09)	(-) 6.69	(-) 7.22	(-) 7.09	(-) 7.28	(-) 7.16	(-) 6.96	(-) 6.55	(-) 6.54	(-) 6.21

Source: Finance Accounts of respective years

As per Finance Accounts, an amount of ₹29,102.95 crore was outstanding as loan at the end of March 2025. Also, at the end of March 2025, repayment of loans advanced to 63 institutions were in arrears amounting to ₹25,179.66 crore (Principal: ₹16,699.41 crore and Interest: ₹8,480.25 crore). About 83 *per cent* of the above arrears pertained to six institutions *viz.*, Kerala State Road Transport Corporation (₹11,678.64 crore), Kerala Water Authority (₹3,929.82 crore), Kerala State Electricity Board Limited (₹1,837.04 crore), Kerala State Housing Board (₹1,761.54 crore), Kerala State Cashew Development Corporation Ltd (₹861.51 crore) and Kerala State Co-operative Textile Federation Limited (₹780.24 crore).

During the year, State Government also released loans to 28 institutions amounting to ₹192.65 crore whose previous loan repayments amounting to ₹3,993.48 crore were in arrears.

### 1.3 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

#### 1.3.1 Net Public Account balances

The component-wise net balances in Public Account of the State during the period 2020-21 to 2024-25 is given in **Table 1.28** below. The details of the net balances of the Public Account from financial year 2015-16 to 2024-25 are given at **Appendix 1.6**.

**Table 1.28: Component-wise net balances in Public Account**

		(₹ in crore)				
Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-) 97,219.13	(-) 1,15,666.60	(-) 1,24,190.92	(-) 1,23,944.24	(-)1,25,297.78
Reserve Funds	(a) Reserve Funds bearing Interest	(-)719.55	(-)471.73	(-)394.65	(-)770.89	(-)1,110.43
	(b) Reserve Funds not bearing Interest	(-)366.72	(-)355.23	(-)334.81	(-)338.55	(-)336.86
Deposits and Advances	(a) Deposits bearing Interest	(-)0.34	(-)0.51	(-)0.36	(-)0.30	(-)1.24
	(b) Deposits not bearing Interest	(-) 4,632.53	(-) 6,418.82	(-)7,603.36	(-)7,671.87	(-)9,139.31

Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
	(c) Advances	62.27	60.29	59.64	59.43	59.53
Suspense and Miscellaneous	(a) Suspense	1,057.03	242.94	370.88	240.24	(-)118.55
	(b) Other Accounts	1,226.28	4,658.84	6,486.12	3,660.59	1,482.22
	(c) Accounts with Governments of Foreign Countries	0	0	0	0	-
	(d) Miscellaneous	0	0	0	0	-
Remittances	(a) Money Orders, and other Remittances	952.43	1,412.78	1,063.13	(-)148.25	(-)74.28
	(b) Inter- Governmental Adjustment Account	89.76	60.54	61.98	66.33	67.21
<b>Total</b>		<b>(-) 99,550.50</b>	<b>(-) 1,16,477.50</b>	<b>(-) 1,24,482.35</b>	<b>(-) 1,28,847.51</b>	<b>(-)1,34,469.49</b>

Source: Finance Accounts of respective years

Note: +ve figures denote debit balance and -ve figures denote credit balances.

### 1.3.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were three interest bearing funds and five Reserve Funds not bearing interest as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.29**.

**Table 1.29: Detail of Major Reserve Funds**

(₹ in crore)

Sl. No.	Name of Reserve Fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 March 2025
<b>A</b>	<b>Reserve Funds bearing Interest</b>	<b>770.89</b>	<b>491.45</b>	<b>59.51</b>	<b>211.42</b>	<b>1,110.43</b>
1.	SDRF	394.99	388.00	19.79	190.94	611.84
2.	State Compensatory Afforestation Fund	56.16	8.75	9.96	7.19	67.68
3.	SDMF	319.74	94.70	29.76	13.29	430.91
<b>B</b>	<b>Reserve Funds not bearing Interest</b>	<b>3,385.77</b>	<b>133.26</b>	<b>225.71</b>	<b>15.89</b>	<b>3,728.85</b>
1.	Sinking Fund	3,031.33	120	224.77	-	3,376.10
2.	Development fund for Agricultural Purposes	10.37	0.25	-	0.14	10.48
3.	Mines Welfare Funds	1.32	0.47	-	0.50	1.29
4.	Consumer Welfare Funds	21.66		0.94	0.32	22.28
5.	Other Development Welfare Fund	321.09	12.54	-	14.93	318.70
	<b>Grand Total</b>	<b>4,156.66</b>	<b>624.71</b>	<b>285.22</b>	<b>227.31</b>	<b>4,839.28</b>

Source: Finance Accounts of respective years

### 1.3.3 Cash Balances

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. If the

balance falls below this minimum, the shortfall is met through instruments like Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD), with the WMA limit revised periodically by RBI.

During the year the State Government resorted to WMA/SDF/OD amounting to ₹90,163.50 crore and paid an interest of ₹133.43 crore, the highest during the last ten-year period 2015-16 to 2024-25, indicating the State's stressed financial position. The State Government was able to maintain a minimum cash balance of ₹1.66 crore for 40 days during 2024-25 without taking any advance. However, the State Government had to resort to Ways and Means Advance (₹53,251.92 crore) for 207 days, Special Drawing Facility (₹11,910.01 crore) for 34 days to maintain minimum cash balance. Overdraft (₹24,966.71 crore) was taken on 84 days.

The State Government repaid the amount of ₹90,163.50 crore obtained under Special Drawing Facility, Ways and Means Advances *etc.* leaving no amount to be repaid. The State Government raised market loan amounting to ₹53,666.00 crore during the year 2024-25.

The State Government invests surplus cash balances, including those from earmarked reserve funds in GoI securities and Treasury Bills. Earnings from these investments are credited under '0049-Interest Receipts'. During the year 2024-25, interest of ₹0.55 crore was earned against short term investments with a closing balance of ₹2,075.23 crore in 14 days treasury bills.

Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.30**.

**Table 1.30: Cash Balances and their investment**

	(₹ in crore)	
	Opening balance as on 1 April 2024	Closing balance as on 31 March 2025
<b>A. General Cash Balances</b>		
Deposits with Reserve Bank of India	238.68	(-) 378.42
Investments held in Cash Balance Investment Account	4,051.26	2,075.23
Cash in Treasury & Local Remittances	36.68	36.68
<b>Total (A)</b>	<b>4,326.62</b>	<b>1,733.49</b>
Cash with departmental officers <i>viz.</i> Forest and Public Works	(-) 7.63	(-) 7.63
Permanent advances with departmental officers for contingent expenditure	1.18	1.48
Investment of earmarked funds	3,047.21	3,391.99
<b>Total (B)</b>	<b>3,040.76</b>	<b>3,385.84</b>
<b>Total (A + B)</b>	<b>7,367.38</b>	<b>5,119.33</b>
<b>Interest realised</b>	<b>4.96</b>	<b>0.55</b>

Source: Finance Accounts of respective years

Details of Cash Balance Investment Account during the last five years is given in **Table 1.31**.

**Table 1.31: Cash Balance Investment Account (Major Head-8673)**

(₹ in crore)

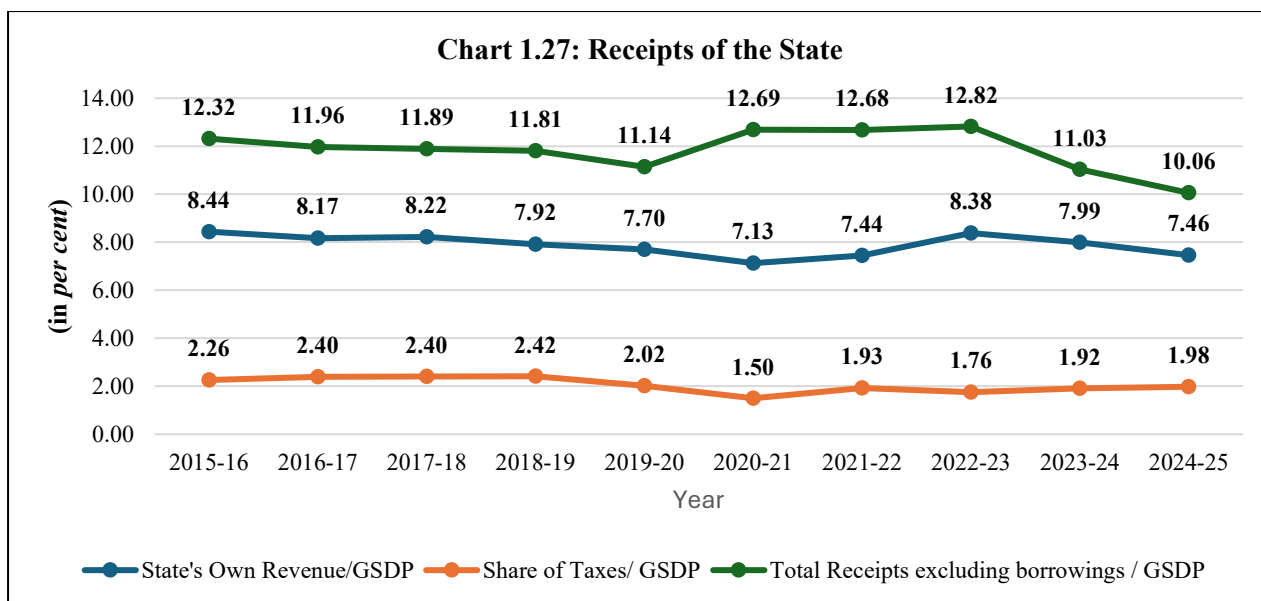
Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2020-21	1.67	2,809.86	2,808.19	4.05
2021-22	2,809.86	5,230.30	2,420.44	14.80
2022-23	5,230.30	7,092.74	1,862.44	15.85
2023-24	7,092.74	4,051.26	(-) 3,041.48	4.96
2024-25	4,051.26	2,075.23	(-)1,976.03	0.55

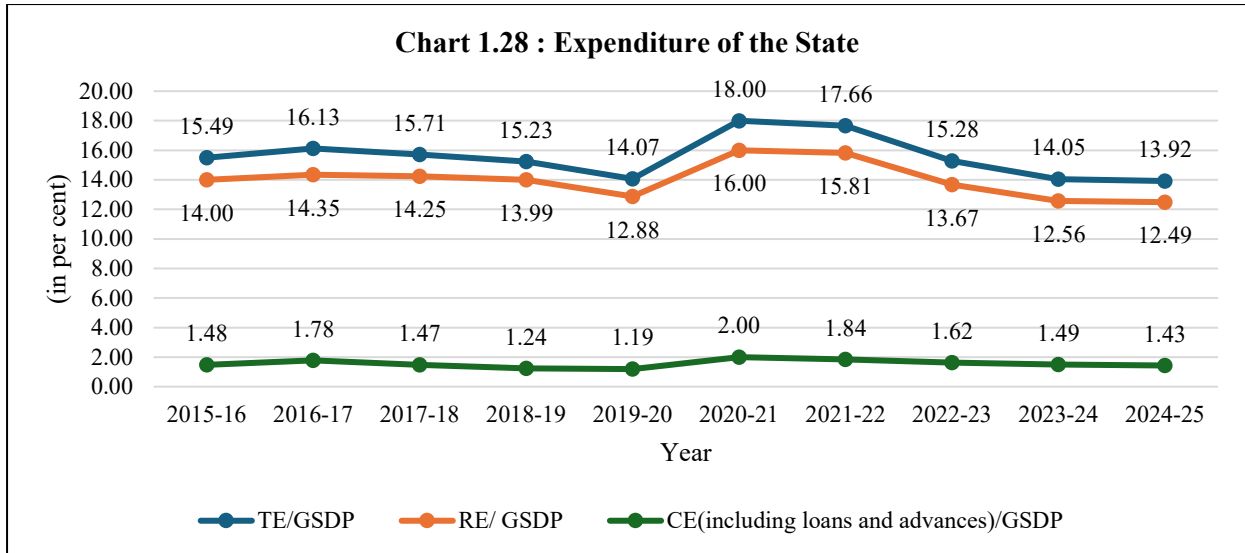
Source: Finance Accounts of respective years

At the end of March 2025, general cash balance was ₹1,733.49 crore.

## 1.4 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.27** and **Chart 1.28** shows receipts and expenditure of the State as a percentage of GSDP, during 2015-16 to 2024-25 respectively.



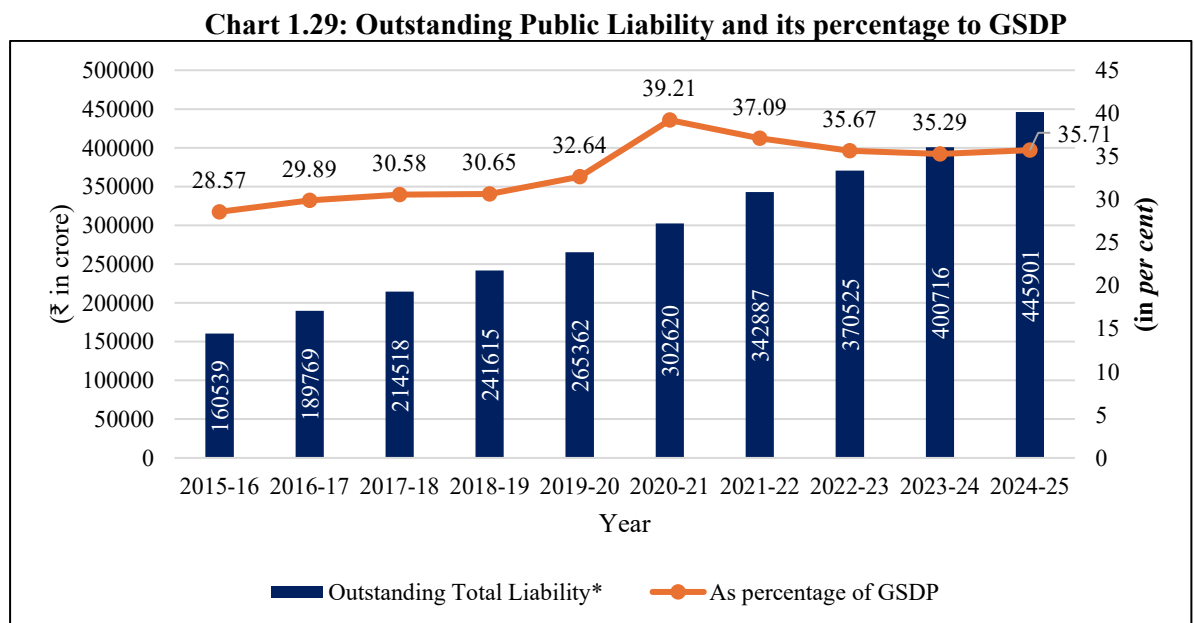


TE- Total Expenditure, RE – Revenue Expenditure, CE – Capital Expenditure

During 2024-25, Total Own Revenue as a percentage of GSDP of all States (excluding UTs) was 7.28 per cent while State Own Revenue as a percentage of GSDP stood higher at 7.46 per cent. Revenue Expenditure of all States (excluding UTs) as a percentage of its GSDP was 13.16 per cent during 2024-25 while State's Revenue Expenditure as a percentage of its GSDP was lower at 12.49 per cent during the period. During 2024-25, Capital Expenditure of all States (excluding UTs) as a percentage of its GSDP was 2.62 per cent while State Capital Expenditure as a percentage of its GSDP was significantly lower at 1.43 per cent.

#### 1.4.1 Public Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2015-16 to 2024-25 is depicted in **Chart 1.29**.



Source: Finance Accounts of respective years

\*Overall liabilities excludes ₹5,766 crore during 2020-21, ₹14,505.31 crore during 2021-22 to 2023-24 and ₹3,710.14 crore during 2024-25 as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-21 and 2021-22 are not to be repaid by the State from its sources

During 2024-25, aggregate Outstanding Public Liability of all States (excluding Uts) compared to aggregate GSDP was 27.94 per cent whereas Outstanding Public Liability of the State relative to GSDP remained much higher at 35.71 per cent. In absolute terms, on decadal parlance, the outstanding liability of the State has registered an increase of 177.75 per cent.

#### 1.4.1.1 Liability profile: Components

Total liabilities of the State Government typically constitute 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. The component-wise liability trends of the State for the period of five years beginning from 2020-21 to 2024-25 are presented in **Table 1.32**. The last ten years data on the liability components are detailed in **Appendix 1.7**.

**Table 1.32: Component-wise liability trends**

(₹ in crore)					
Components of fiscal liability	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Outstanding Total Liability</b>	<b>3,02,620.01</b>	<b>3,42,887.45</b>	<b>3,70,525.07</b>	<b>4,00,715.84</b>	<b>4,45,901.49<sup>#</sup></b>
<b>Public Debt</b>	<b>1,99,681.73</b>	<b>2,19,974.55</b>	<b>2,38,000.97</b>	<b>2,67,989.99</b>	<b>3,10,015.87</b>
<i>Internal Debt</i>	<i>1,90,474.09</i>	<i>2,10,791.59</i>	<i>2,27,137.07</i>	<i>2,57,157.92</i>	<i>2,96,717.59</i>
<i>Loans from GoI*</i>	<i>9,207.64</i>	<i>9,182.96</i>	<i>10,863.90</i>	<i>10,832.07</i>	<i>13,298.28</i>
<b>Public Account Liabilities</b>	<b>1,02,938.28</b>	<b>1,22,912.90</b>	<b>1,32,524.10</b>	<b>1,32,725.85</b>	<b>1,35,885.62</b>
<i>Small Savings, Provident Funds, etc.</i>	<i>97,219.13</i>	<i>1,15,666.60</i>	<i>1,24,190.92</i>	<i>1,23,944.24</i>	<i>1,25,297.78</i>
<i>Reserve Funds bearing Interest</i>	<i>719.55</i>	<i>471.73</i>	<i>394.65</i>	<i>770.89</i>	<i>1,110.43</i>
<i>Reserve Funds not bearing Interest</i>	<i>366.72</i>	<i>355.23</i>	<i>334.81</i>	<i>338.55</i>	<i>336.86</i>
<i>Deposits bearing Interest</i>	<i>0.34</i>	<i>0.52</i>	<i>0.36</i>	<i>0.30</i>	<i>1.24</i>
<i>Deposits not bearing Interest</i>	<i>4,632.54</i>	<i>6,418.82</i>	<i>7,603.36</i>	<i>7,671.87</i>	<i>9,139.31</i>
Rate of growth of outstanding total liability (per cent)	14.04	13.31	8.06	8.15	11.28
Gross State Domestic Product (GSDP)	7,71,723.89	9,24,465.42	10,38,734.06	11,35,371.56	12,48,533.01
Outstanding Total Liability/GSDP (per cent)	39.21	37.09	35.67	35.29	35.71
<b>Borrowings and Other Liabilities</b>					
<i>Total Receipts</i>	<i>2,40,014.87</i>	<i>2,31,582.08</i>	<i>2,16,432.89</i>	<i>2,61,358.70</i>	<i>3,22,577.19</i>
<i>Total Repayments</i>	<i>2,02,757.22</i>	<i>1,91,314.63</i>	<i>1,88,795.28</i>	<i>2,31,167.92</i>	<i>2,77,391.54</i>
<i>Net funds available</i>	<i>37,257.65</i>	<i>40,267.45</i>	<i>27,637.61</i>	<i>30,190.78</i>	<i>45,185.65</i>
<i>Repayments/ Receipts (per cent)</i>	<i>84.48</i>	<i>82.61</i>	<i>87.23</i>	<i>88.45</i>	<i>85.99</i>

Source: Finance Accounts of respective years

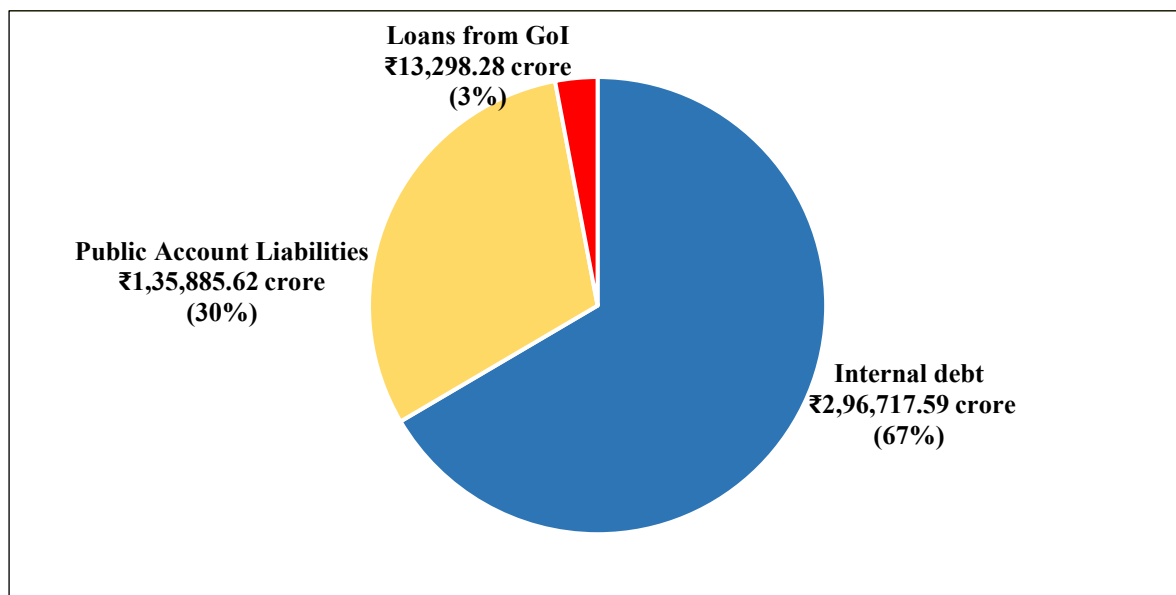
# Post Audit figures are given in Table 1.35

\* Loans from GoI excludes ₹5,766 crore during 2020-21, ₹14,505.31 crore during 2021-22 to 2023-24 and ₹3,710.14 crore during 2024-25 as back to back loans from GoI in lieu of GST compensation shortfall, which are not to be repaid by the State from its sources.

§ This did not include the outstanding off-budget borrowings (₹39,230.33 crore) which if included would constitute 38.86 per cent of GSDP.

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.30**.

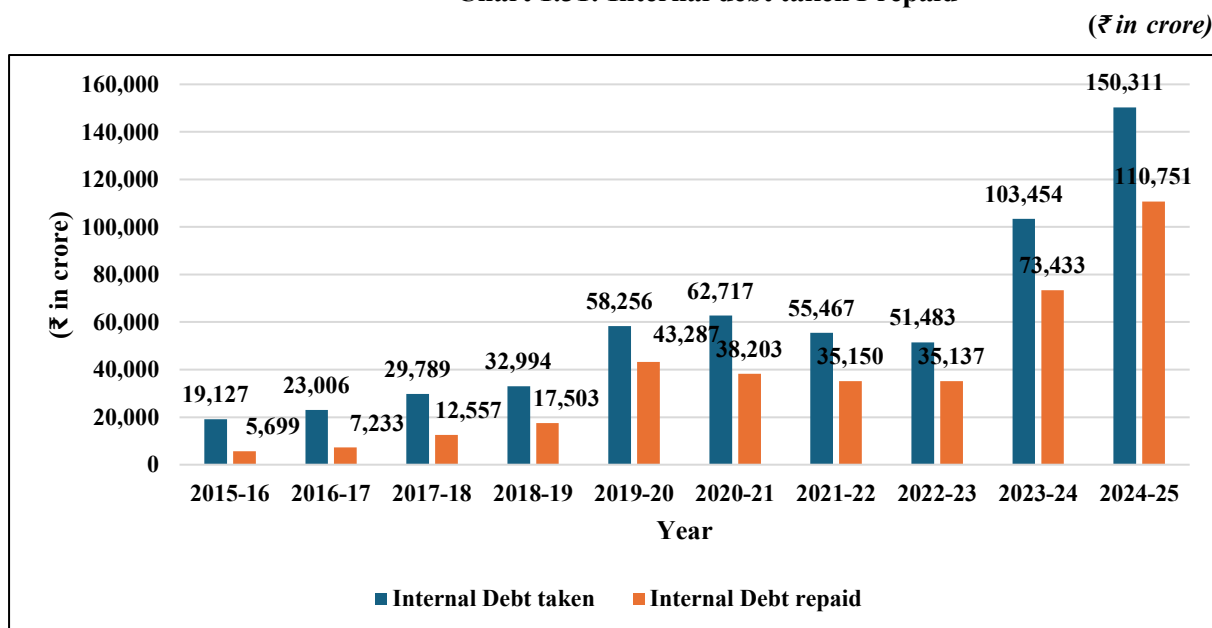
Chart 1.30: Break-up of outstanding total liabilities at the end of 2024-25



Source: Finance Accounts of respective years

The quantum of internal debt taken *vis-à-vis* repaid during the period of ten years *i.e.* 2015-16 to 2024-25 is depicted in **Chart 1.31**.

Chart 1.31: Internal debt taken / repaid



Source: Finance Accounts of respective years

Internal debt constituted major share of outstanding liabilities during the ten year period. Internal debt increased by ₹1,94,221.33 crore (189.49 per cent) from ₹ 1,02,496.26 crore in 2015-16 to ₹ 2,96,717.59 crore in 2024-25. An amount of ₹20,260 crore was paid towards interest on internal debt during 2024-25.

### 1.4.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and infrastructure development. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.33 and Chart 1.32** depict the utilisation and trends of borrowed funds during the period 2015-16 to 2024-25 respectively.

**Table 1.33: Utilisation of borrowed funds**

(₹ in crore)

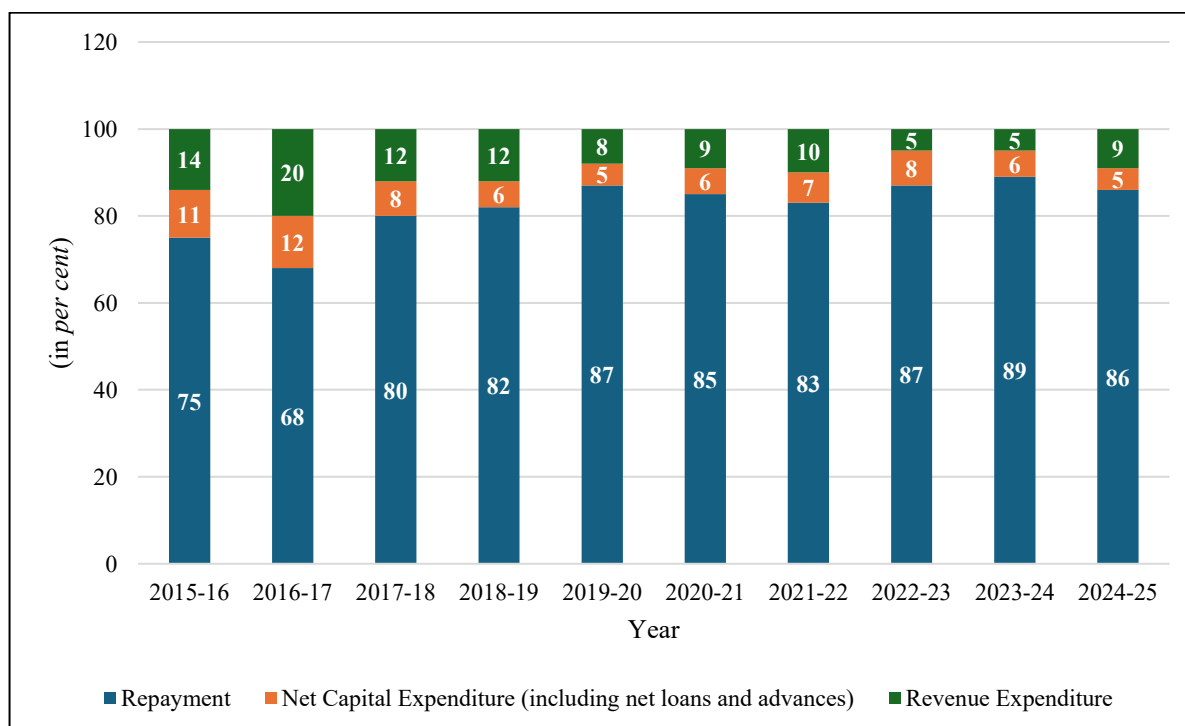
Sl. No.	Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Total borrowings*	75,062.62	89,787.12	1,20,227.77	1,46,499.36	1,83,509.22	2,40,014.87	2,31,582.08	2,16,432.89	2,61,358.70	3,22,577.19
2.	Repayment of earlier borrowings (Principal)	56,470.83 (75)	60,557.25 (68)	95,478.10 (80)	1,19,403.07 (82)	1,59,761.36 (87)	2,02,757.22 (85)	1,91,314.63 (83)	1,88,795.28 (87)	2,31,167.92 (89)	2,77,391.54 (86)
3.	Net capital expenditure (including net loans and advances)	8,161.58 (11)	10,963.76 (12)	9,909.20 (8)	9,496.39 (6)	9,342.22 (5)	15,140.19 (6)	16,506.51 (7)	16,328.26 (8)	16,117.86 (6)	17,188.42 (5)
	Of which net loans and advances	689.62	868.05	1,189.61	2,112.35	914.90	2,284.69	2,375.05	2,381.64	2,580.92	2,137.21
4.	Portion of Revenue expenditure met out of net available borrowings	10,430.21 (14)	18,266.11 (20)	14,840.47 (12)	17,599.90 (12)	14,405.64 (8)	22,117.46 (9)	23,760.94 (10)	11,309.35 (5)	14,072.92 (5)	27,997.23 (9)

Source: Finance Accounts of respective years

Figures in parenthesis indicate percentage to total borrowings

\*Includes borrowings under Public Debt and Public Accounts. Borrowings under Public Debt excludes ₹5,766.00 crore and ₹8,739.31 crore received as back-to-back loans from GoI during 2020-21 and 2021-22 respectively, in lieu of GST compensation shortfall, which are not to be repaid by the State from its sources.

**Chart 1.32: Trends of utilisation of borrowed funds**



Source: Finance Accounts of respective years

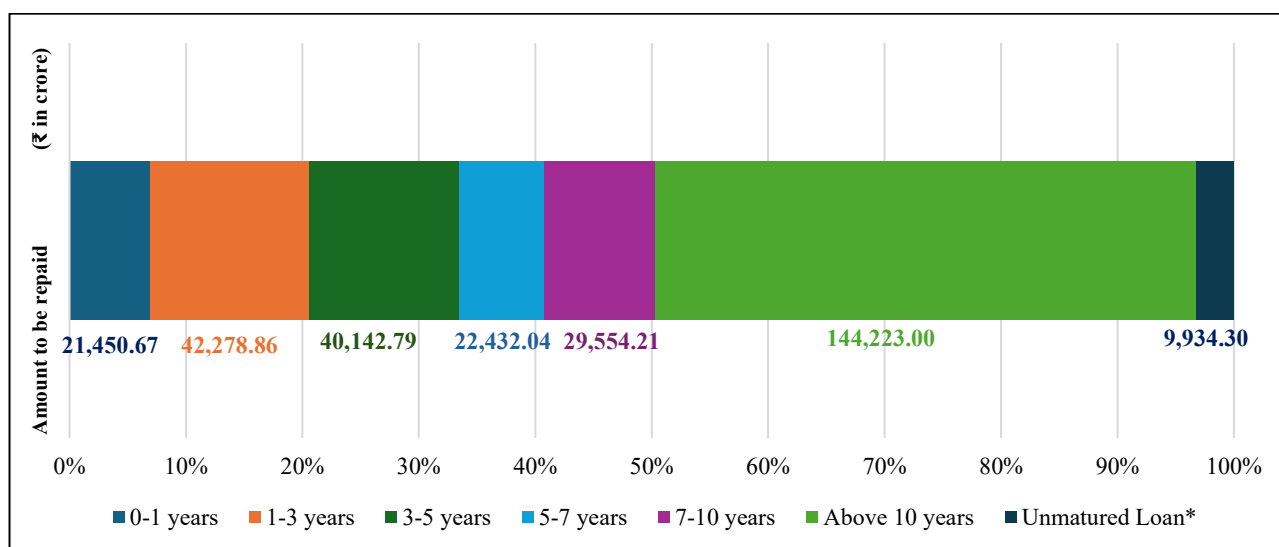
From the chart above, it is evident that major portion of borrowed funds are being utilised by the State towards debt repayment and revenue spending which continues to limit the State's ability to channel borrowed funds for Capital Expenditure and increases dependence on debt for routine needs.

The State needs to adopt a disciplined borrowing strategy focused on asset creation, strengthen revenue mobilisation, control committed expenditure, and strictly adhere to FRBM norms.

#### 1.4.1.3 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. As on 31 March 2025, the outstanding Public Debt of the State is ₹3,10,015.87 crore<sup>17</sup>. The Debt maturity profile of the State is depicted in **Chart 1.33**.

**Chart 1.33: Maturity Profile of Public Debt**



Source: Finance Accounts of respective years

\* Excluding ₹ 3,710.14 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-22, which are not to be repaid by the State from its sources.

A high concentration of liabilities maturing within short to medium term (0-7 years) (40.74 per cent of the total Public Debt) indicates potential debt bunching, increasing refinancing and liquidity pressure on the State.

<sup>17</sup> This amount excludes ₹ 3,710.14 crore received as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-22.

### 1.4.1.4 Financing pattern of fiscal deficit

Financing pattern of the fiscal deficit during 2015-25 is depicted in Table 1.34.

**Table 1.34: Components of fiscal deficit and its financing pattern**

		(₹ in crore)									
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
<b>Fiscal Deficit</b>	<b>17,818.39</b>	<b>26,448.35</b>	<b>26,837.41</b>	<b>26,958.31</b>	<b>23,837.47</b>	<b>40,969.69</b>	<b>46,045.78</b>	<b>25,554.54</b>	<b>34,258.05</b>	<b>48,248.14<sup>#</sup></b>	
1 Revenue Deficit	9,656.81	15,484.59	16,928.21	17,461.92	14,495.25	25,829.50	29,539.27	9,226.28	18,140.19	31,059.72	
2 Net Capital Expenditure	8,161.58	10,963.76	9,909.2	9,496.39	9,342.22	15,140.19	16,506.51	16,328.26	16,117.86	17188.42	
<i>Of which net loans and advances</i>	<i>689.62</i>	<i>868.05</i>	<i>1,189.61</i>	<i>2,112.35</i>	<i>914.90</i>	<i>2,284.69</i>	<i>2,375.05</i>	<i>2,381.64</i>	<i>2,580.92</i>	<i>2,137.21</i>	
<b>Financing Pattern of Fiscal Deficit</b>											
1 Market Borrowings	12,885.61	14,685.97	16,203.24	13,984.07	12,617.00	23,066.00	18,120.00	15,620.00	26,638.00	37,965.98	
2 Loans from GoI	169.66	379.43	(-)130.15	(-)240.58	1436.77	6,293.45	8,714.63	1,680.94	(-)31.83	2,466.21	
3 Special Securities issued to NSSF	730.96	971.99	1,047.73	1,051.08	1,787.92	2,438.18	2,732.83	1,033.46	3,818.00	1,885.44	
4 Loans from Financial Institutions	(-)188.23	114.50	(-)19.16	455.35	564.08	(-)990.11	(-) 535.33	(-)307.98	(-)435.16	(-)291.75	
5 Small Savings, PF, etc.	8,332.07	12,931.66	7,206.83	9,619.21	8,274.11	11,547.96	18,447.47	8,524.31	(-)246.68	1,353.54	
6 Reserve Funds	64.90	162.22	308.98	1981.02	(-)1350.42	344.05	(-)85.44	77.21	704.46	682.63	
7 Deposits and Advances	(-) 3,280.29	105.65	265.90	392.17	525.74	494.88	1,788.44	1,185.03	68.67	1,468.28	
8 Suspense and Miscellaneous	774.29	-2169.12	1,202.56	(-)762.22	(-) 253.20.	618.64	(-)198.23	(-)92.91	(-)88.74	544.60	
9 Remittances	(-)92.19	(-)313.01	(-)165.97	(-)51.52	117.54	39.41	(-)431.12	348.19	1207.03	(-)74.84	
10 Contingency Fund	-	-	-	-	(-)75	75.00	-	-	-	-	
<b>11 Overall Deficit</b>	<b>19,396.78</b>	<b>26,869.29</b>	<b>25,919.96</b>	<b>26,428.58</b>	<b>23,644.54</b>	<b>43,927.46</b>	<b>48,553.26</b>	<b>28,068.26</b>	<b>31,633.75</b>	<b>46,000.09</b>	
12 Increase/Decrease in cash balance	(-) 1,578.39	(-)420.94	917.45	529.73	192.93	(-)2,957.77	2,507.48	(-)2,513.72	2,624.30	2,248.05	
<b>13 Gross Fiscal Deficit</b>	<b>17,818.39</b>	<b>26,448.35</b>	<b>26,837.41</b>	<b>26,958.31</b>	<b>23,837.47</b>	<b>40,969.69</b>	<b>46,045.78</b>	<b>25,554.54</b>	<b>34,258.05</b>	<b>48,248.14</b>	

Source: Finance Accounts of respective years

# Post Audit figures are given in Table 1.35

### 1.4.2 Post Audit Deficit Indicators

As per Finance Accounts of the State for the FY 2024-25 the Revenue Deficit of the State was ₹31,059.72 crore (2.49 per cent of GSDP), Fiscal Deficit was ₹48,248.14 (3.86 per cent of GSDP) whereas primary deficit was ₹19,109.91 crore (1.53 per cent of GSDP) and overall liabilities as on 31 March 2025 was ₹4,45,901.49 crore (35.71 per cent of GSDP). However, Audit found that, during 2024-25, the State Government misclassified, ₹5.85 crore towards reduction of Capital Expenditure as reduction of Revenue expenditure. State Government also resumed non-government funds amounting to ₹262.06 crore lying in the STSB account into the Consolidated Fund of the State (Details discussed in paragraph no 3.7 (A)&(D) of Chapter III).

This resulted in understatement of Revenue Deficit by ₹267.91 crore. Fiscal Deficit, Primary Deficit and overall liabilities were understated by ₹262.06 crore. The post audit Revenue Deficit works out to ₹31,327.63 crore (2.51 per cent of GSDP). The post audit Fiscal Deficit and Primary Deficit works out to ₹48,510.20 crore (3.89 per cent of GSDP) and ₹19,371.97 crore (1.55 per cent

of GSDP) respectively. The post audit overall liabilities comes out to ₹4,46,163.55 crore (35.74 per cent of GSDP).

### 1.4.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the Kerala Fiscal Responsibility Act of 2003 and its amendments aligned with the 15<sup>th</sup> Finance Commission, State aims to:

- eliminate revenue deficit and make revenue surplus in the order of 0.5 per cent, 0.8 per cent, 1.2 per cent, 1.7 per cent and 2.5 per cent of the Gross State Domestic Product in the years of 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026 respectively.
- To reduce fiscal deficit to 3.0 per cent of GSDP within a period of five years commencing from 1<sup>st</sup> April, 2021 and ending on 31<sup>st</sup> March, 2026 by maintaining the fiscal deficit at a level not exceeding 4.5 per cent, 4 per cent, 3.5 per cent, 3.5 per cent of the GSDP in the years 2021-2022, 2022-2023, 2023-2024 and 2024-2025 respectively and reducing it to 3 per cent in 2025-2026;
- Reduce the total debt liabilities of the State in the order of 34.7 per cent, 34.5 per cent, 33.7 per cent, 32.8 per cent and 32 per cent of the GSDP in the years of 2021-2022, 2022-2023, 2023-2024, 2024-2025 and 2025-2026 respectively

Achievements, *vis-à-vis* the fiscal targets, prescribed in the Kerala Fiscal Responsibility Act for the year 2015-16 to 2024-25, post audit are detailed in **Table 1.35**.

**Table 1.35: Compliance with provisions of KFR Act**

(in per cent)

Fiscal Parameters		Achievement (A) / targets (T) set in the KFR									
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25*
Revenue Deficit (-) / Surplus (+)	T	0 <sup>&amp;</sup>	0 <sup>&amp;</sup>	Revenue Surplus <sup>@</sup>	Revenue Surplus <sup>@</sup>	Revenue Surplus <sup>@</sup>	Revenue Surplus <sup>@</sup>	Revenue Surplus 0.5	Revenue Surplus 0.8	Revenue Surplus 1.2	Revenue Surplus 1.7
	A	(-)1.72	(-)2.44	(-)2.41	(-)2.22	(-)1.78	(-)3.35	(-)3.20	(-)0.89	(-)1.60	(-)2.51
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	T	(-)3 <sup>&amp;</sup>	(-)3 <sup>&amp;</sup>	(-)3	(-)3	(-)3	(-)5	(-)4	(-)4	(-)3.5	(-)3.5
	A	(-)3.17	(-)4.17	(-)3.83	(-)3.42	(-)2.93	(-)5.31	(-)4.98	(-)2.46	(-)3.02	(-)3.89
Ratio of total outstanding liability to GSDP	T	29.80 <sup>&amp;</sup>	29.80 <sup>&amp;</sup>	30.40	30.01	29.67	29.67	34.70	34.50	33.70	32.80
	A	28.57	29.89	30.58	30.65	32.64	39.21	37.09	35.67	35.29	35.74
Interest payment as percentage of Revenue Receipts#	T	-	-	-	-	-	-	-	-	-	-
	A	16.09	16.02	18.21	18.04	21.30	21.49	19.98	18.97	21.68	23.34

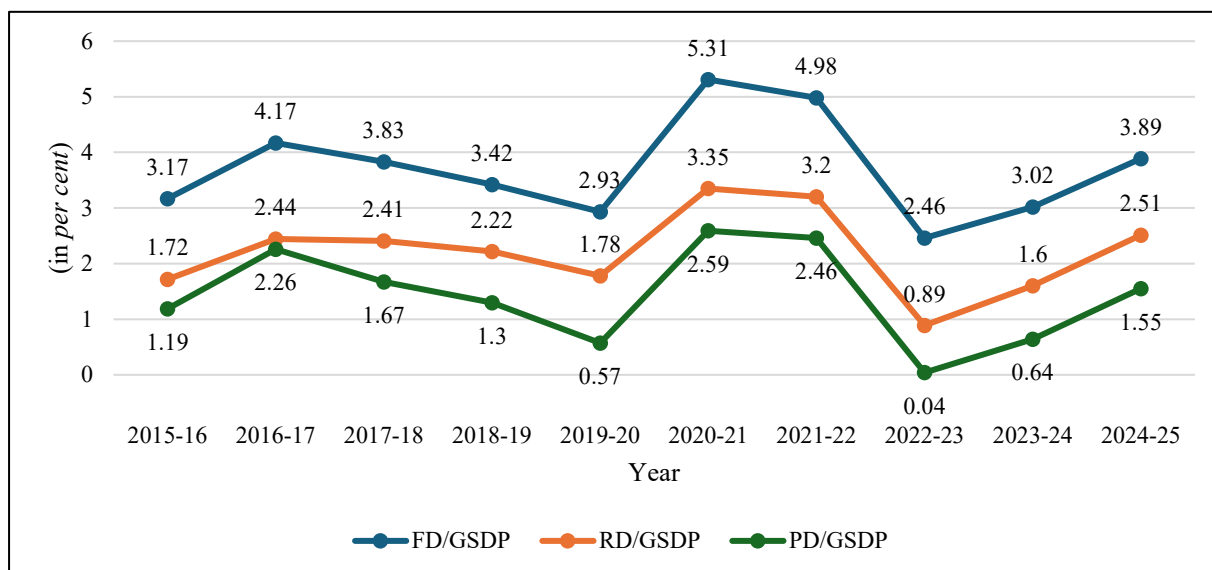
\*Post audit figures. Revenue deficit, fiscal deficit and outstanding liabilities as percentage of GSDP during 2024-25 without considering the post audit figures are 2.49 per cent, 3.86 per cent and 35.71 per cent respectively

<sup>@</sup> No specific target of revenue surplus as percentage of GSDP prescribed

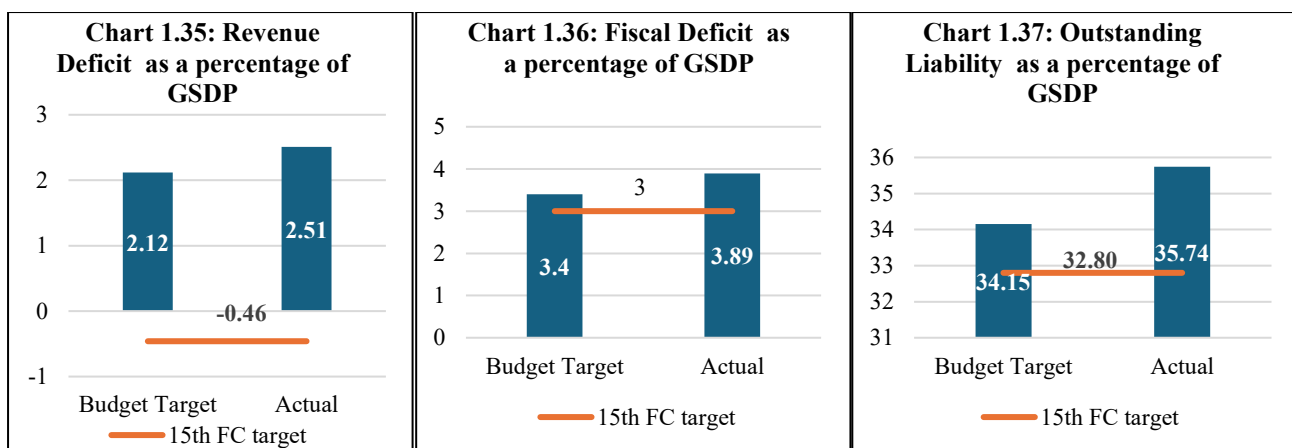
<sup>#</sup> No specific target prescribed in Kerala Fiscal Responsibility Act

<sup>&</sup>No targets for fiscal indicators were set in KFR Act, 2011 for the years 2015-16 and 2016-17 as the Act was not amended for the period 2015-16 and 2016-17. As such, the targets for the year 2014-15 in respect of Revenue deficit and outstanding liabilities in the KFR Act, 2011 have been considered as targets for the years 2015-16 and 2016-17. The target of fiscal deficit for 2014-15 was also not prescribed in the KFR Act, 2011 and hence the target for the year 2013-14 as given in the Act has been considered as targets for fiscal deficit for the years 2015-16 and 2016-17.

**Chart 1.34: Trend analysis of deficits post audit**



The targets set by 15<sup>th</sup> FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.35**, **Chart 1.36** and **Chart 1.37**.

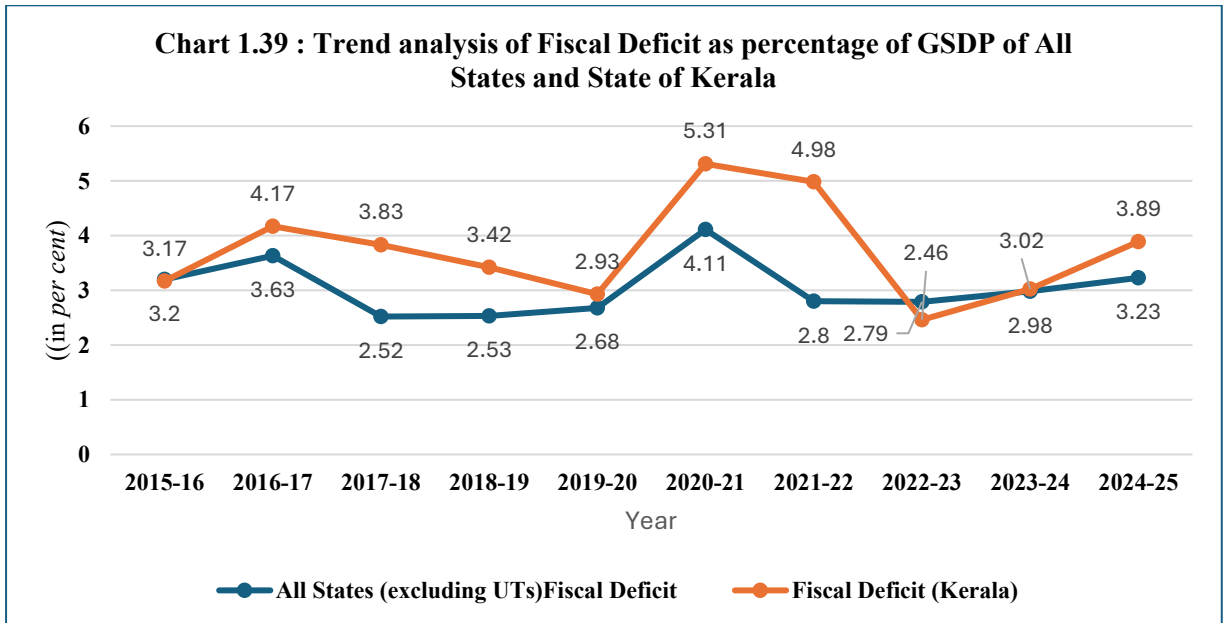
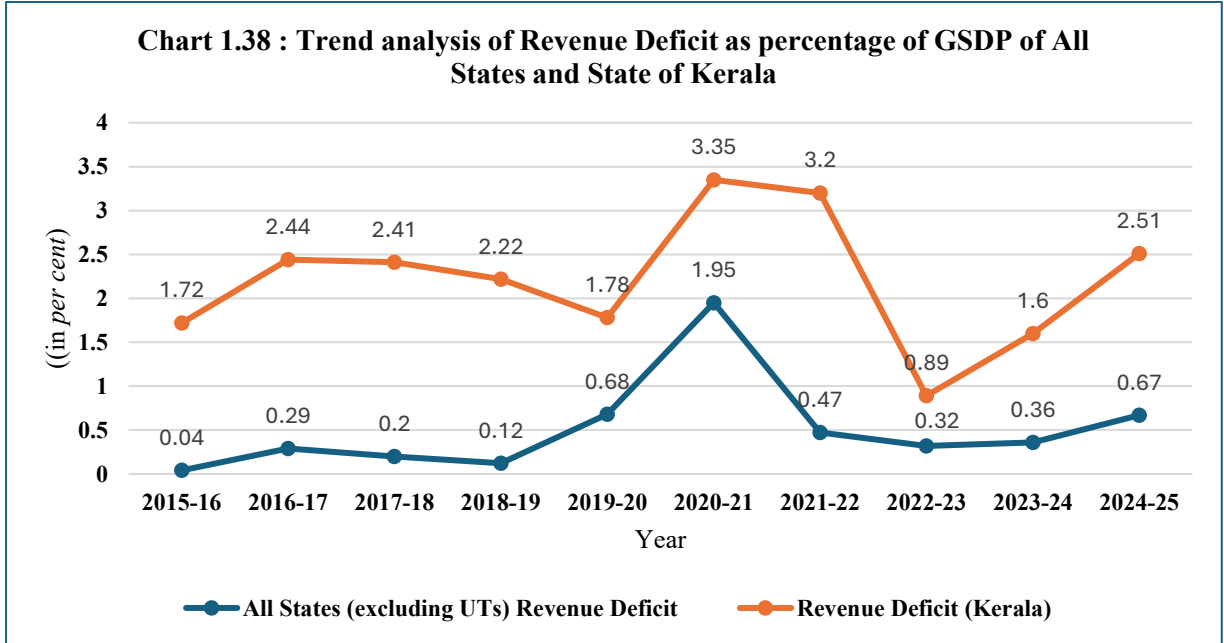


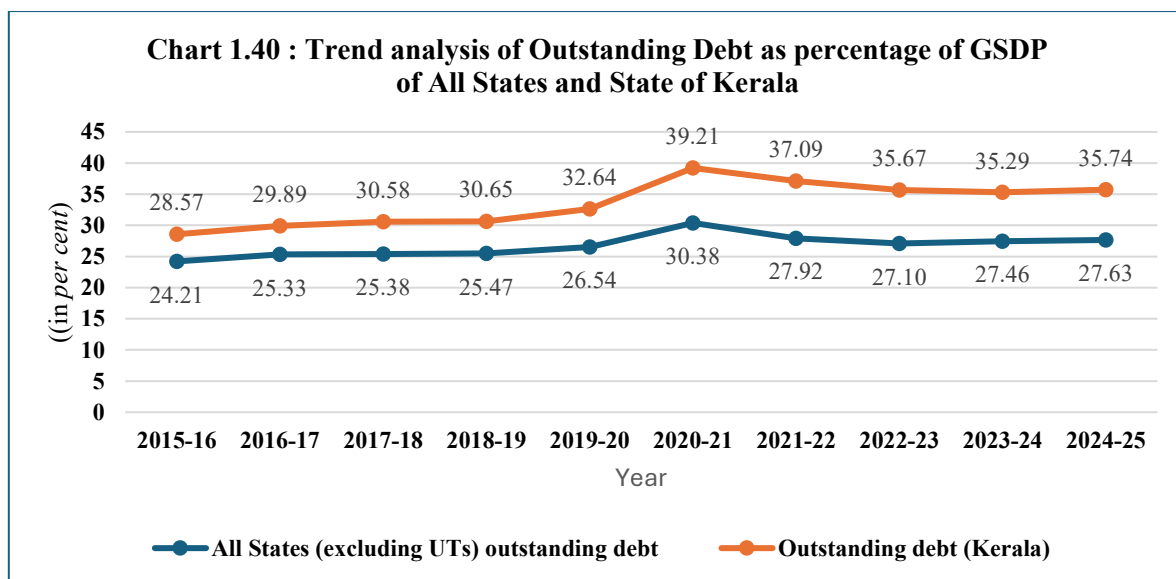
Source: Finance Accounts and budget documents

None of the targets in the KFR Act could be achieved over the years except for fiscal deficit targets of 2019-20, 2022-23 and 2023-24 and outstanding liability to GSDP ratio of 2015-16. Non-achievement of KFR targets was due to the inability of the State to enhance Own Revenue (Tax and Non-tax revenue) and contain Revenue Expenditure during the years. The ability of the State to convert GSDP growth to proportionate growth in revenue also remained a challenge to the State Government. Low growth rate of Own tax revenue and Non-tax revenue during 2024-25 resulted in large deviations from the KFR targets for the current year.

**1.4.4 Comparison of State’s key fiscal indicators with aggregate of all States**

The comparison of key fiscal indicators of the State relative to GSDP viz. Revenue Deficit, Fiscal Deficit and debt with aggregate of all States(excluding UTs) for the period 2015-16 to 2024-25 are given in **Charts 1.38, 1.39 and 1.40.**





During the period 2015-16 to 2024-25 (except for fiscal deficit during 2022-23), all key fiscal indicators of the State, such as Revenue Deficit, Fiscal Deficit and Outstanding liabilities as percentages to GSDP remained well above the aggregate of all States (excluding UTs) indicating weak fiscal position of the State compared to other States.

#### 1.4.5 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators for the period from 2020-21 to 2024-25 is given in **Table 1.36**. The last ten year data is given at **Appendix 1.8**.

**Table 1.36: Trends in Debt Sustainability Indicators**

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt*	3,02,620.01	3,42,887.45	3,70,525.07	4,00,715.84	4,46,163.55 <sup>#</sup>
2	Rate of Growth of Overall Debt ( <i>per cent</i> )	14.04	13.31	8.06	8.15	11.34
3	GSDP (in nominal terms)	7,71,723.89	9,24,465.42	10,38,734.06	11,35,371.56	12,48,533.01
4	Nominal GSDP growth ( <i>per cent</i> )	(-)5.07	19.79	12.36	9.30	9.97
5	Overall Debt/GSDP ( <i>per cent</i> )	39.21	37.09	35.67	35.29	35.74
6	Repayment (including interest paid) to Gross Borrowings ( <i>per cent</i> )	93.22	92.67	98.86	98.77	95.03
7	Net borrowings available as a percentage of Gross Borrowings	6.78	7.33	1.14	1.23	4.97
8	Interest payments on Overall Debt	20,975.36	23,302.82	25,176.36	26,986.22	29,138.23

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
9	Effective rate of interest on Overall Debt <sup>18</sup> (per cent)	7.51	7.36	7.23	7.19	7.09
10	Interest payment to Revenue Receipts ( <i>per cent</i> )	21.49	19.98	18.97	21.68	23.34
11	Revenue Deficit/Surplus	(-)25,829.50	(-)29,539.27	(-)9,226.28	(-)18,140.19	(-)31,327.63 <sup>#</sup>
12	Primary Revenue Balance (PRB)	(-)4854.14	(-)6236.44	15950.08	8846.03	(-)2,189.40
13	Primary Balance (PB)	(-)19,994.33	(-)22,742.96	(-)378.18	(-)7,271.83	(-)19,371.97 <sup>#</sup>
14	PB/GSDP ( <i>per cent</i> )	(-)2.59	(-)2.46	(-)0.04	(-)0.64	(-)1.55
15	Outstanding Loan & Advances Disbursed	19725.39	22086.89	24357.02	26965.74	29102.95
16	Average of outstanding loan and advances disbursed	18598.74	20906.14	23221.96	25661.38	28034.35
17	Interest Receipts on Outstanding Loan & Advances Disbursed	42.83	53.36	118.98	116.70	187.90
18	Return on Investment (RoI) <sup>19</sup>	0.23	0.26	0.51	0.45	0.67
19	Difference between RoI and effective rate of interest on Overall Debt	(-) 7.28	(-) 7.10	(-) 6.72	(-) 6.74	(-) 6.42
20	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	29,222.75 (230)	22,874.48 (124)	15,745.01 (55)	53,306.52 (192)	90,163.50 (325)
21	Debt Stabilisation (Quantum spread + Primary balance) <sup>20</sup>	-57,424.77	18,996.16	18,108.50	967.35	-6,937.60
22	<b>Domar gap</b>					
a	GSDP (in constant terms)	5,11,702.92	5,71,982.96	6,04,632.74	6,45,310.02	6,85,283.16
b	Real Growth (in constant terms)	(-)8.49	11.78	5.71	6.73	6.19
c	Inflation based on CPI ( <i>per cent</i> )	5.35	4.17	5.79	4.96	5.89
d	Effective Rate of interest	7.51	7.36	7.23	7.19	7.09
e	Real effective rate of interest (Effective rate of interest-Inflation)	2.16	3.19	1.44	2.23	1.20
f	Growth Interest Differential (Real growth-Real effective rate of interest)	(-)10.65	8.59	4.27	4.50	4.99
g	Primary Balance (PB)	(-)19,994.33	(-)22,742.96	(-)378.18	(-)7,271.83	(-)19,371.97 <sup>#</sup>

Source: Finance Accounts of respective years

\* Figures relating to off-budget borrowings have not been included in overall liabilities. Overall liabilities excludes ₹5,766 crore during 2020-21, ₹14,505.31 crore during 2021-22 to 2023-24 and ₹ 3,710.14 crore during 2024-25 as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-21 and 2021-22 are not to be repaid by the State from its sources.

<sup>#</sup> Post Audit figures

<sup>18</sup> Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure.  
Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non- interest-bearing liabilities) \* 100

<sup>19</sup> Return on Investment (RoI) as measured by effective rate of interest receipts. RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed \* 100

<sup>20</sup> Quantum Spread = Interest Spread x Debt (excluding non- interest bearing liabilities)

From the analysis of the data in **Table 1.36** and **Appendix 1.8**, it can be seen that:

The growth rate of overall debt was more than the growth rate of GSDP except during 2021-22 to 2023-24. However, the growth rate of overall debt exceeded the GSDP growth during 2024-25. Debt as percentage of GSDP targets in KFR Act was also not achieved during the last 10 year period except for 2015-16.

The share of repayments in gross borrowings during the period was consistently on a very high side during the ten year period, indicating that borrowings are used largely to service past debt. The low net borrowing availability indicates constrained fiscal space throughout the period.

The interest payment to revenue receipts ratio has increased during the last two years indicating lesser availability of resources for meeting other productive purposes during the period.

Primary balances and debt-stabilization metric was negative during the 10 year period except on 2018-19 and during 2021-22 to 2023-24. However, it again turned negative during 2024-25 indicating that the State is deviating from a debt stabilisation path.

The frequency of utilizing RBI's liquidity facilities was very high during the period 2019-20 to 2024-25 except for 2022-23 and was the highest during the year 2024-25. Frequent use of RBI's liquidity facilities reflects weak cash management.

Debt maturity profile shows that 40.74 *per cent* of total public debt amounting to ₹ 1,26,304.36 crore has to be repaid within next seven years which indicates potential debt bunching and liquidity pressure on State in future.

The above trends indicate the need for the State Government to address fiscal imbalances and work towards adopting a sustainable debt management strategy.

#### **1.4.6 Status of Guarantees – Contingent Liabilities**

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The State extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions. As per Government Guarantees Act, 2003 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 GSDP, whichever is lower.

Details of the guarantees and status of outstanding guarantees to total receipts for the last five years is given in **Table 1.37**.

**Table 1.37: Guarantees given by the State Government**

<b>Guarantees</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Ceiling applicable to the outstanding amount of guarantees (5 per cent of GSDP upto 2021-22 & 10 per cent of GSDP from 2022-23)	38,586.20	46,223.27	1,03,873.40	1,13,537.16	1,24,853.30
Outstanding amount of guarantees at the beginning of the year	27,757.01	36,600.99	44,369.85	50,374.49	62,868.15
Outstanding guarantees at the end of the year*	36,600.99	44,369.85	50,374.49	62,868.15	74,297.58

Source: Finance Accounts of respective years  
\*including interest

The outstanding guarantees for ₹74,297.58 crore as on 31 March 2025 was in respect of Co-operatives (₹6,323.39 crore); Roads and Transport (₹ 2,837.58 crore); and Other Institutions (₹65,136.61 crore).

The Government gave guarantees within the limits prescribed in the Kerala ceiling on Government Guarantees Act, 2003 during the period 2020-21 to 2024-25.

Out of the outstanding guarantees for ₹74,297.58 crore during the current year, the State Government had given guarantees amounting to ₹6,388.14 crore to 16 PSUs as on 31 March 2025 whose net worth had become negative.

A study conducted by Audit on the guarantees given by the State to assess the system of management of Government Guarantees in the State is discussed in the succeeding paragraphs.

#### **1.4.6.1 Review on guarantees given by State Government**

##### **Introduction**

As per article 293(1) of the Constitution of India, a State Government can give guarantee within the limits fixed by the legislature of the State. Guarantees are liabilities contingent on the consolidated fund of the State in cases of default by the borrower for whom the guarantee was extended. State Government provides guarantees for repayment of loans raised by Statutory Corporations, Government Companies, Co-operative Societies etc. Government of Kerala enacted the Kerala Ceiling on Government Guarantees Act, 2003 prescribing ceiling on outstanding Government guarantees. Further Finance Department has issued broad guidelines<sup>21</sup> prescribing the rates of calculation of guarantee commission, conditions for extension of guarantee, penal interest for default of guarantee commission etc.

Audit conducted a study on the guarantees given by the State to assess the system of management of Government Guarantees and to examine the scope for strengthening the underlying processes/mechanisms for managing Government Guarantees. As per the Finance Accounts of Kerala for the year 2024-25, Government stood guarantee for 55<sup>22</sup> institutions as on 31 March 2025.

<sup>21</sup> GO(MS) No.487/04/Fin dated 16.10.2004

<sup>22</sup> Source : Finance Accounts 2024-2025, Statement No.20

Audit issued several requisitions to Finance department asking for files/registers/documents maintained by them for the management of Government Guarantees. However, the Finance Department has not furnished any records/files called for by audit in a timely manner Hence, Audit could not draw assurance on the controls embedded by the Finance Department in monitoring the management of Govt. Guarantees.

Audit test checked records relating to 20 institutions<sup>23</sup> that have availed loans against guarantee from State Government covering the period from 2020-21 to 2024-25. Audit scrutiny revealed the following.

#### **A. Discrepancies in the Statement of Guarantees in Annual Budget**

As per rule 7 of the Kerala Fiscal Responsibility Rules, 2005 the details of guarantees given by the Government are to be included in the Annual Budget in Form B-3.

During the period 2019-20, the opening balance of outstanding guarantees as on 01 April 2019 was shown as ₹31,585.89 crore. There was an addition of guarantee amounting to rupees six crore and deletion of guarantee amounting to ₹81.62 core during the year. After accounting for the additions and deletions during the year, the guarantees outstanding as on 31 March 2020 worked out to ₹31,510.27 crore. However, the closing balance of guarantees as on 31 March 2020 had been recorded as ₹27,756.39 crore in the budget documents. Similar discrepancies were observed in 2020-21 and 2021-22 also. Further, scrutiny of Form B-3 in budget documents revealed that there is wide discrepancy between outstanding guarantees at the end of a financial year and opening balance of the next financial year. The closing balance of outstanding guarantees as on 31<sup>st</sup> March 2020 was ₹27,756.39 crore whereas the opening balance as on 01 April 2020 was recorded as ₹29,529.72 crore. Discrepancies observed in above financial years (2019-20 to 2021-22) are detailed in **Appendix 1.9**.

There is also wide variation between guarantee commission receipts reported in the budget documents and Finance Accounts figures from 2019-20 to 2021-22 to the tune of ₹10.71 crore (**Appendix 1.10**). These discrepancies indicate inaccurate disclosure of information relating to guarantees in the budget documents.

Finance Department replied (October 2025) that they are not calculating the guarantee commission payable or the interest due on default and the guarantee commission is being calculated by the PSUs themselves. It was also replied that an application software 'GIMS' developed in Finance Department is being revamped for monitoring payment and calculation of Guarantee Commission. The reply is not acceptable as non-calculation of guarantee commission payable and interest due thereof on default by Finance Department may lead to short payment of guarantee commission by various institutions. Considering the significant contingent liabilities the State is carrying and also factoring in the

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<sup>23</sup> Consumerfed, Greater Cochin Development Authority, Keltron, Kerala Automobile Ltd, Kerala State Backward Classes Development Corporation Ltd, Kerala State Financial Enterprises Ltd, Kerala State Women's Development Corporation Ltd, Kerala Water Authority, Kochi Metro Rail Ltd, Kerala State Road Transport Corporation/, Kerala Transport Development Corporation, , Kerala Urban and Rural Development Finance Corporation, Malappuram Cooperative Spinning Mills Ltd, Marketfed, Matsyafed, National University of Advanced legal Studies, Kollam Co-operative Spinning Mills Ltd, Kerala Financial Corporation, Supplyco, Vizhinjam International Seaport Ltd

financial status of the state PSUs for which the government guarantees have been given, relying solely on the State PSUs for calculating the guarantee commission will be fraught with the risks of accuracy and timely payment. Therefore, Audit is of the opinion that stricter monitoring of timely payment of guarantee commissions should be put in place by the finance department.

**B. Non-disclosure of Guarantees invoked in Budget documents**

As per the budget documents no guarantees were invoked during 2020-21 to 2024-25. However, audit found that, government granted financial assistance to three institutions amounting to Rs.439.82 crore as grant-in-aid for repayment of loans, taken by them on government guarantees, as detailed below:

**National University of Advanced Legal Studies (NUALS):** NUALS had availed two term loans on Govt. Guarantee, amounting to Rs.10 crore each during 2010 and 2012 from Kerala State Cooperative Bank for the development of basic infrastructure facilities. As NUALS did not make prompt repayment of the loan, Government in August 2022 released financial assistance amounting to ₹ 14.39 crore towards settlement of the principal amount of loan availed by NUALS from Kerala State Cooperative Bank, Ernakulam as one-time settlement.

**Kerala Automobiles Ltd (KAL):** KAL had availed cash credit loan of ₹4.93 crore from SBI for working capital support and an additional loan on adhoc basis amounting to ₹50 lakh. However, KAL did not make prompt repayment of the loan and the account became NPA in 2013. Government granted financial assistance amounting to ₹1.36 crore (March 2024) and ₹4.07 crore (March 2025) to KAL for settling principal amount of loans dues with SBI as a one-time settlement.

**Kerala State Road Transport Corporation (KSRTC):** KSRTC had availed a term loan of ₹3100 crore for 10 years on Govt. Guarantee (March 2018) from a consortium of banks towards restructuring of its previous loans. KSRTC also availed an overdraft loan from SBI for an amount of ₹50 crore to meet its operational expenses. Government granted financial assistance amounting to ₹420 crore to KSRTC in seven instalments from 2020 to 2022 towards the repayment of these loans.

Thus, the loans availed by these three institutions on government guarantees were, in effect, repaid by the State Government. Finance Department replied (October 2025) that no guarantees have been invoked as per available records.

State Government replied that (January 2026) that Government have sanctioned loans for the repayment of loans from the budget allocation and as such do not come under the purview of invocation of Government guarantees.

The reply of the Government is not tenable since Government extended financial assistance to the institutions for repayment of loans which, essentially, was for prevention of invocation guarantees. The extension of financial assistance by the Government without invocation of guarantees and non-disclosure of such financial assistance explicitly in the budget documents defeats the very purpose of such disclosure provision under the related acts and rules.

In this context attention is invited to Rule 283 (3) of General Financial Rules (GFR), 2017 which stipulates that in the event of invocation of guarantee, the obligation may be discharged by sanctioning loan to the borrowing entity equal to the amount of guarantee outstanding. Since there are no rules/guidelines in the State that stipulates how to manage invocation of guarantee, specific rules may be framed on the lines of relevant provisions of GFR, 2017.

### **C Absence of criteria for assessment of ‘Default Risk’**

As per section 5(1) of the Kerala Ceiling on Government Guarantee Act, 2003, the Government should charge a minimum of 0.75 *per cent* of outstanding loan<sup>24</sup> amount per annum as guarantee commission. Section 5(2) of the Act stipulates that depending on the default risk of the project, Government may specify the commission at an enhanced rate. The term ‘default risk’ has been explained as the probability of default by the borrower depending on the amount borrowed, type of industry and the economic situations.

However, it is seen that the state government is yet to prescribe any methodology through policy, rules or guidelines for assessing the default risk and the enhanced rate of guarantee commission. Audit noticed that, in the absence of such instructions for collecting guarantee commission at enhanced rate, guarantee commission is being charged at the minimum rate of 0.75 *per cent* of outstanding loan amount without considering the default risk factor of the project in all the test checked cases.

Finance Department replied (October 2025) that they could not invoke enhanced rate of Guarantee Commission as majority of the PSUs to which Government have provided guarantees are operating at loss continuously and are unable to pay guarantee commission promptly. It was also replied that most of these PSUs are functioning to discharge social responsibilities and not to make profits. The reply is not tenable as the act stipulates that enhanced rate may be levied from institutions whose default risk is higher and affirms the audit contention that guarantees are being extended without factoring the default risk and thereby hampering the ability of government to mitigate such risks.

### **D. Non-Constitution of Guarantee Redemption Fund**

The guarantee redemption funds are an important safeguard in public financial management to ensure that the governments are able to ensure that contingent liabilities arising from guarantees are discharged in timely manner without destabilizing the budget on its invocation.

As per section 6 of the Kerala Ceiling on Government Guarantee Act, 2003, the Government should constitute a Guarantee Redemption Fund for meeting the obligations arising out of the guarantees issued to various institutions. The Guarantee Commission charged under section 5 should form the corpus of the Guarantee Redemption Fund and have to be remitted in the Public Accounts of the State. However, State Government had not constituted Guarantee Redemption Fund till 2024-25. As Guarantee Redemption Fund was not constituted till 2024-25, Guarantee Commission of ₹2,695.08 crore collected

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<sup>24</sup> As per the guidelines 4 (1) of levy and accounting of guarantee commission issued (October 2004) by State Government, the guarantee commission payable will be 0.75 per cent of the actual balance outstanding, including interest, penal interest, etc. as on 31 March of the preceding year.

from 2003-04 to 2024-25 including ₹386.78 crore collected during 2024-25 was credited under the revenue receipt head '0075-108 Guarantee Fees' and utilised for meeting the revenue expenditure of the State. Non-constitution of Guarantee Redemption Fund and non-transfer of amount collected as guarantee commission to the fund would increase the financial risk on the State Government in the event of default by the loanee institutions. Audit has issued several requisitions to Finance department asking for files/registers/documents maintained by them to verify the details of guarantees extended to various institutions by the State Government. However, Finance Department did not produce any files/registers for scrutiny in a timely manner. As such, audit could not ensure the correctness of total outstanding guarantees given by the State Government to various institutions and consequently could not ascertain the accurate guarantee commission fee receivable from various institutions by the government.

Government replied (January 2026) that notification regarding the establishment of Guarantee Redemption Fund has been published in Kerala Gazette on 06 August 2025. It was also stated that an amount of ₹1,250 crore has been invested into GRF during 2025-26 as Government contribution. In the exit conference (17 January 2026) Finance Department stated that as per the notification State Government has to make contribution of five *per cent* of outstanding guarantees to the GRF corpus within a span of five years from the date of constitution of GRF.

#### **E. Non-remittance of Guarantee Commission and interest**

As per the section 5 (1) of the Kerala Ceiling on Government Guarantee Act, 2003, Government shall charge a minimum 0.75 *per cent* as Guarantee Commission, which shall not be waived under any circumstances. Further, as per guidelines<sup>25</sup> issued by State Government vide GO dated 16.10.2004 for the assessment, levy and collection of Guarantee Commission, simple Interest @ 12 *per cent* per annum, would be charged for the defaulted remittance of Guarantee Commission. Test check of records of 20 institutions revealed that there is pendency in remittance of Guarantee Commission by 14 institutions amounting to ₹ 422.68 crore as on 31 March 2025. The interest payment in respect of the defaulted payment of Guarantee Commission by these institutions worked out to ₹186.39 crore. The details are given in **Appendix 1.11**. Finance department had not demanded interest for defaulted payment of Guarantee Commission.

State Government replied (January 2026) that major defaulters have been directed to remit guarantee commission dues timely. It was also replied that fresh or renewed guarantees would not be given without clearing existing dues of Guarantee Commission. Application software GIMS is being revamped for monitoring the calculation and payment of Guarantee Commission.

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<sup>25</sup> GO (MS) No.487/2004/Fin dated 16.10.2004

## **F. Non-payment of interest for delayed remittance of Guarantee Commission**

As per section 5 of the Kerala Ceiling on Govt. Guarantees Act, 2003 Government should charge a minimum of 0.75 *per cent* per annum as guarantee commission. Govt. issued GO(MS)No.487/04/Fin dated 16.10.2004 as a guideline for the levy, mode of calculation, etc. of guarantee commission. Para 5 of the guideline state that the amount of guarantee commission due in a year has to be paid in two equal instalments, one on 1<sup>st</sup> April and the other on 1<sup>st</sup> October of every financial year. A grace period of 15 days will be allowed for making these payments. If payment is not made in the grace period, simple interest at 12 *per cent* will be charged for the defaulted payment with effect from 1<sup>st</sup> April and 1<sup>st</sup> October respectively.

Audit observed that there was delay in payment of guarantee commission by five institutions ranging from 15 to 229 days. Interest payable by these institutions for the delayed payment of guarantee commission worked out to ₹19.82 lakh. However, no interest was paid by these institutions so far. The details are given in **Appendix 1.12**.

## **G Ambiguity in the Act**

As per Kerala Ceiling on Government Guarantee Amendment Act, 2022, the total outstanding Government Guarantee on 1<sup>st</sup> day of April of every year shall be 100 *per cent* of total revenue receipts of the previous year or 10 *per cent* of GSDP whichever is lesser. Instead of prescribing a maximum limit for outstanding guarantees, the Act implies that the total guarantee should be equal to 100 *per cent* of the revenue receipts or 10 *per cent* of GSDP whichever is lower.

Such an interpretation may result in misuse of the statutory provision to allow excessive guarantees. The intention of ceiling is to set an upper limit and not to mandate a quantum for guarantees.

Government replied (October 2025) that decision has been taken to amend the Act suitably.

The abovementioned instances of non-verification of calculation of guarantee commissions, extension of guarantees without factoring the default risk and the enhanced rate of guarantee commission, non-constitution of guarantee redemption fund, and prevalence of non-remittance of guarantee commission and non-payment of interest for delayed payment of guarantee commission etc, points to the significant systemic weakness in the guarantee management by the state government.

### **1.4.7 Pathways to Fiscal Stability**

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritizing productive capital investment and improving debt management through transparent and

efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

#### 1.4.7.1 Improving revenues of the State

Untapped revenue potential that, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears is (tax and non-tax) another step towards enhancing the fiscal space.

#### A. Arrears of revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹41,188.44 crore, of which ₹12,951.77 crore were outstanding for more than five years, as depicted in **Table 1.38**.

**Table 1.38: Arrears of revenue**

(₹ in crore)			
Sl No.	Head of revenue	Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1.	Police	599.78	274.84
2.	Forestry and Wildlife	457.31	272.32
3.	State Excise	307.99	307.99
4.	Stamps and Registration Fee	718.52	459.27
5.	Stationery	31.21	26.08
6.	Printing	54.19	40.39
7.	Kerala State Audit Department	134.07	16.60
8.	Factories and Boilers	1.32	0.03
9.	Mining and Geology	648.41	34.40
10.	Arrears in Guarantee Commission	570.94	0
11.	Arrears of interest receipts	8,480.25	0
12.	State Goods and Services Tax	18,907.56	7,830.53
13.	Labour and Employment	1.07	0.01
14.	Taxes on Vehicles	2,876.07	2,023.22
15.	Land Revenue	567.82	110.36
16.	Taxes and Duties on Electricity	6,831.93	1,555.73
<b>Total</b>		<b>41,188.44</b>	<b>12,951.77</b>

Source: Information collected from various State Government Departments

Arrears of revenue of the State accounted for 44.23 per cent of the State's Own Revenue (₹93,128.81 crore) for 2024-25. Besides, there also exist an arrear in recovery of principal of loans amounting to ₹16,699.41 crore from the State PSEs. As such cumulative arrears in receipts is ₹57,887.85 crore. Given the persistent revenue deficits and fiscal deficits being experienced by the state government over the years, Government should put substantive efforts to realise these revenue and loan recovery arrears. State Government replied (December 2025) that a comprehensive amnesty scheme has been introduced in 2025 for collection of arrears under SGST and Excise.

## B. Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year, as furnished by the SGST Department and Land Revenue Department is depicted in **Table 1.39**.

**Table 1.39: Arrears of assessment**

Sl. No.	Head of Revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1.	State Goods and Services Tax	11,924	4,661	16,585	14,185	2,400	85.53
2.	Taxes on Sales, Trade etc.	1,378	1,517	2,895	1,322	1,573	45.66
3.	Taxes on Agricultural Income	92	0	92	82	10	89.13
4.	Building Tax	26,175	1,59,766	1,85,941	1,58,962	26,979	85.49
	<b>Total</b>	<b>39,569</b>	<b>1,65,944</b>	<b>2,05,513</b>	<b>1,74,551</b>	<b>30,962</b>	<b>84.93</b>

Source: Departmental information

The number of pending cases at the end of 2024-25 was 30,962 as against 39,569 cases at the beginning of the year 2024-25. During the year 1,74,551 pending cases were disposed. It should be noted that the State Government have reduced substantial number of arrears in assessment. However, state may strengthen the system of assessment of the Building tax, given the large closing balance and additions in the number of cases for its assessment.

## C. Details of evasion of tax detected by the Department, refund cases, etc.

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The details of cases of evasion of tax detected by the SGST department and Stamps and Registration department, cases finalised and the demand for additional tax raised during the year 2024-25, as reported by the departments concerned, are depicted in **Table 1.40**.

**Table 1.40: Evasion of tax detected**

Sl. No.	Head of revenue	Cases pending as on 31 March 2024	Cases detected during 2024-25	Total	No. of cases in which assessment / investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 March 2025
					No. of cases	Amount of demand (₹ in crore)	
1.	State Goods and Services Tax	11,997	7,527	19,524	15,534	2,827.58	3,990
2.	Taxes on Sales, Trade etc.	919	1,231	2,150	1,185	133.93	965
3.	Taxes on Agricultural Income	24	2	26	2	0.08	24
4.	Stamps and Registration	1,46,621	17,066	1,63,687	25,719	50.01	1,37,968
	<b>Total</b>	<b>1,59,561</b>	<b>25,826.00</b>	<b>1,85,387</b>	<b>42,440</b>	<b>3,011.60</b>	<b>1,42,947.00</b>

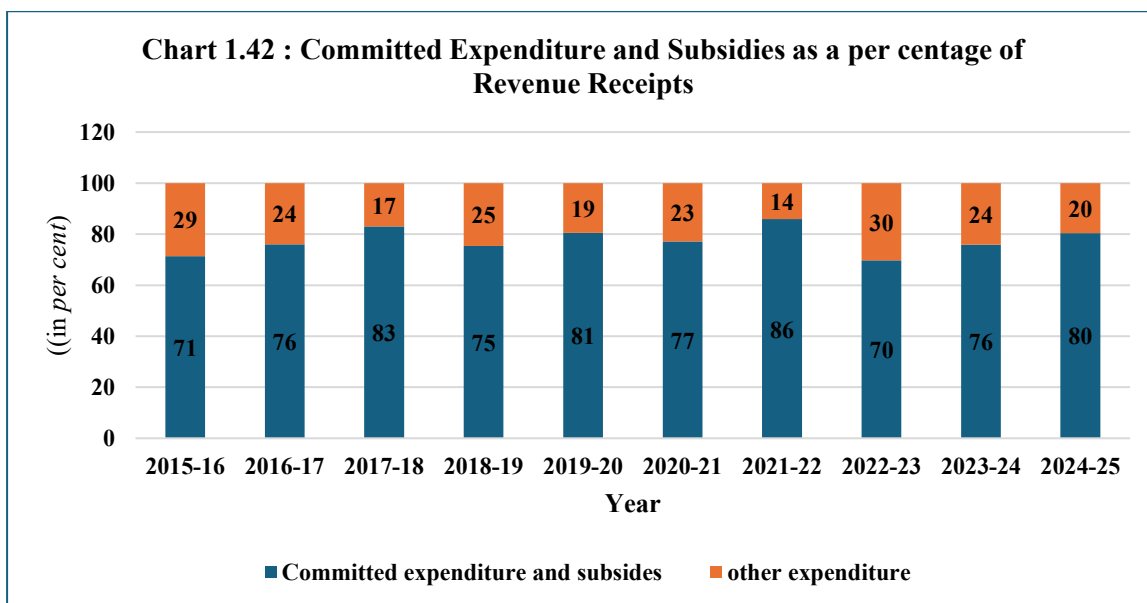
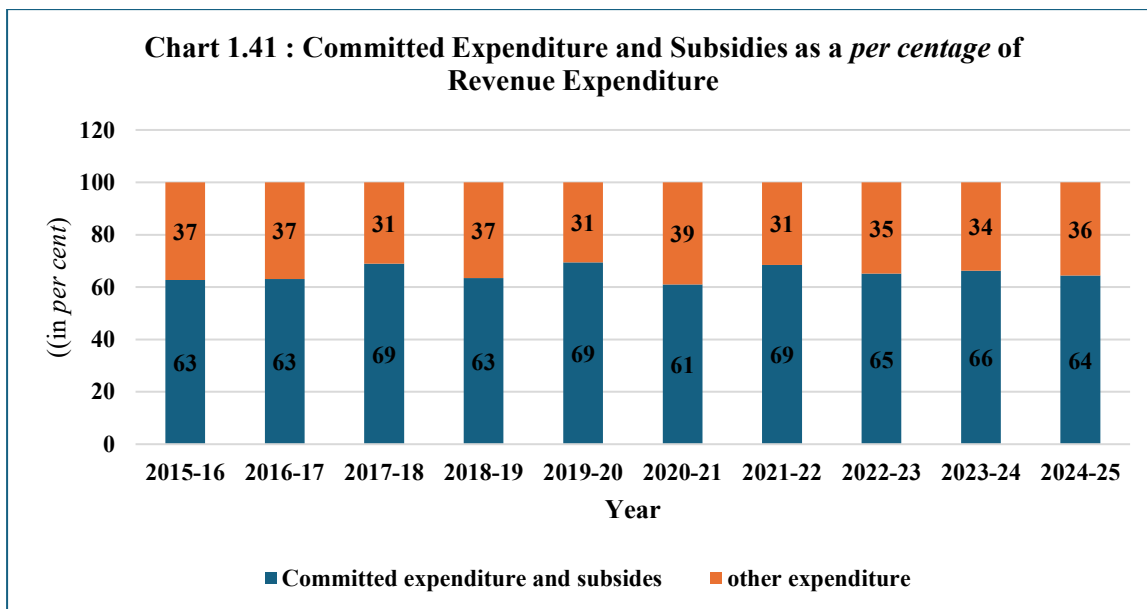
Source: Departmental information

Considering the substantial number of cases and the amounts involved in the above categories of tax evasion cases, the state may adopt a time bound approach to ensure completion of assessments and investigations and realising the revenues involved.

### 1.4.7.2 Issues on expenditure side

#### A. Fiscal stress from committed expenditure and subsidies

**Chart 1.41** and **Chart 1.42** depicts Committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the period 2015-16 to 2024-25 respectively.



Source: Finance Accounts of respective years

In 2024-25, the State's committed expenditure of ₹ 98,563.59 crore comprising salaries (₹41,550.15 crore), pensions (₹ 27,875.21 crore), and interest payments (₹29,138.23 crore), accounted for approximately 79 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹1,856.60 crore, bringing the total rigid expenditure to ₹1,00,420.19 crore, which was nearly 80 *per cent* of the State's revenue receipts.

The ratio of State's Committed expenditure including subsidies to Revenue Receipts (ranging from 70 to 86 *per cent*) and Revenue Expenditure (ranging

from 61 to 69 per cent) was consistently above that of all States (excluding Uts) during the last 10 years.

The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability, and reduces the government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through rationalization of subsidies, improved targeting, and prudent management of salary and pension commitments, to enhance fiscal flexibility and ensure a sustainable fiscal path.

### B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects are shown in **Table 1.41** (based on information provided by the State Government for *Appendix-IX* of the Finance Accounts for the year 2024-25).

**Table 1.41: Capital blocked in incomplete projects**

(₹ in lakh)

Age profile of incomplete projects as on				Department-wise profile of incomplete projects		
31 March 2025				till 31 March 2025		
Year	No. of incomplete projects	Estimated cost	Expenditure incurred	Department	No. of incomplete projects	Estimated Cost (Expenditure incurred)
1991	1	130	155.78	Canals	11	5,906.69 (3,358.10)
2006	1	162	68.65	Anti Sea Erosion works	8	26,916.61 (14,673.08)
2010	2	615	0	Irrigation projects	16	14,683.87 (2,403.42)
2011	2	2,174	0	Buildings	52	28,053.38 (15,007.88)
2014	1	25,533.5	14,216.19	Bridges	40	49,820.18 (24,412.86)
2015	3	3,684	570.15	Roads	109	78,929.75 (30,768.34)
2016	7	13,877.78	7,497.05			
2017	13	27,918.6	7,174.16			
2018	31	29,558.93	15,279.34			
2019	40	26,350.4	1,3279.07			
2020	33	19,340.76	10,544.68			
2021	62	29,945.3	13,760.06			
2022	30	18,856.59	6,306.598			
2023	10	6,163.62	1,771.95			
<b>Total</b>	<b>236</b>	<b>2,04,310.48</b>	<b>90,623.68</b>			

Source: Finance Accounts for the year 2024-25

Out of the estimated cost of ₹2,043.10 crore on these 236 ongoing projects, ₹906.24 crore was spent till 2024-25. This indicates that due to non-completion of these 236 projects, Capital Expenditure of ₹ 906.24 crore remained blocked.

Due to incomplete information in *Appendix-IX* (Commitments of the Government-List of Incomplete Capital Works) of the Finance Accounts for the year 2024-25 (provided by the State Government), Audit could not ascertain the actual progressive expenditure, physical progress of work, position of pending payment (future liability) and revised cost, if any, as on 31 March 2025.

Our previous Audit Reports have also covered instances of incomplete projects. The main reasons for the projects remaining incomplete as identified in the various audit reports include idling of three bridges due to non-acquisition of land for approach/access roads, lack of synchronisation between road and bridge constructions, idling of completed buildings pending power supply, purchase of furniture, installation of electrical and electronic equipment, delay in taking over of completed buildings by user departments due to lack of intended facilities/ non-issue of completion certificate. These instances besides affecting the quality of infrastructure expenditure, points to systemic deficiencies in project planning, implementation and monitoring.

The State Government has issued Remedial Measures Taken ((RMT) on the idling of bridges only, it was stated that out of three bridges, two bridges have been opened to Public after a delay of 6 to 8 years. One bridge completed in 2017 is yet to be opened for public use. The RMTs in respect of other audit findings are yet to be submitted by State Government.

### **Un-discharged liabilities/Off Budget Borrowings**

Undischarged/deferred liabilities, if not addressed timely, will reduce the fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Non-transfer of Guarantee Commission to Guarantee Redemption Fund (GRF) amounting to ₹2,695.08 crore. (Para 1.4.6.1 D)
- Short transfer of compounding fee to Kerala Road Safety Fund amounting to ₹565.78 crore. (Para 3.2.3)
- Un-discharged interest liabilities totalling ₹1.92 crore. (Para 3.2.1)

- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹39,230.33 crore<sup>26</sup>. (Para 3.1)
- Short/non-transfer of State Government's contribution to the National Pension System (NPS) amounting to ₹1.07 crore. (Para 3.2.2)
- Non-transfer of State and Central Finance Commission (SFC/CFC) grants to local bodies, aggregating ₹143.99 crore. (Para 1.2.1 C (ii))
- Pending refund cases amounting to ₹95.80 crore. (Para 3.2.5)
- Non remittance of interest accrued due to delay in transfer of CSS funds to SNA amounting to 7.98 crore.(Para 2.6.4 C, 2.7 (ii))

The cumulative value of these un-discharged liabilities and off-Budget Borrowings amounted to ₹42,741.95 crore, which is equivalent to 3.42 *per cent* of the GSDP and 88.59 *per cent* of the Fiscal Deficit for the year 2024-25.

Audit recommends that the State Government disclose and address all un-discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

## 1.5 Conclusions

During the financial year 2024-25, the State revenues grew meagrely in comparison with the growth in the revenue expenditure. State's own revenue buoyancy during 2023-24 and 2024-25 was very low indicating that the State's revenue was not keeping pace with the growth in economy. The ability of the State to convert growth in GSDP to proportionate growth in revenue remained a challenge to the State Government. As a result, the State could not achieve any of the targets prescribed in KFR Act 2003 during the financial year 2024-25.

During the last 10 years also, except for fiscal deficit target of 2019-20, 2022-23 and 2023-24, and outstanding debt to GSDP target of 2015-16, the State Government could not adhere to the fiscal limits imposed through the KFR, Act 2003. This consistent non-achievement of KFR 2003 targets, indicated need for systemic improvements in ensuring accuracy in the processes and methodologies in formulation, implementation and monitoring of budget by the state government.

Declining ability of Government to utilise the overall borrowings to undertake capital expenditure and revenue expenditure, presence of significant off budget liabilities, substantive committed liabilities, and systemic weaknesses in the managing the contingent liabilities pose significant fiscal risks to the State Government. Besides, the existence of large amounts of arrears in revenue and recovery of loans and locking of capital in incomplete projects etc., points to the need for systemic improvements in revenue and expenditure administration of the state government.

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<sup>26</sup> The State government replied (January 2026) that 25 *per cent* of borrowings of KIIFB are for revenue-generating projects, with ₹8,749.49 crore disbursed towards revenue-generating projects as on 31 March 2025. The State Government requested that, as the burden of repayment of borrowings of ₹8,749.49 crore disbursed for revenue-generating projects do not fall on the State Government, the amount may not be considered as off-budget borrowings of the State.

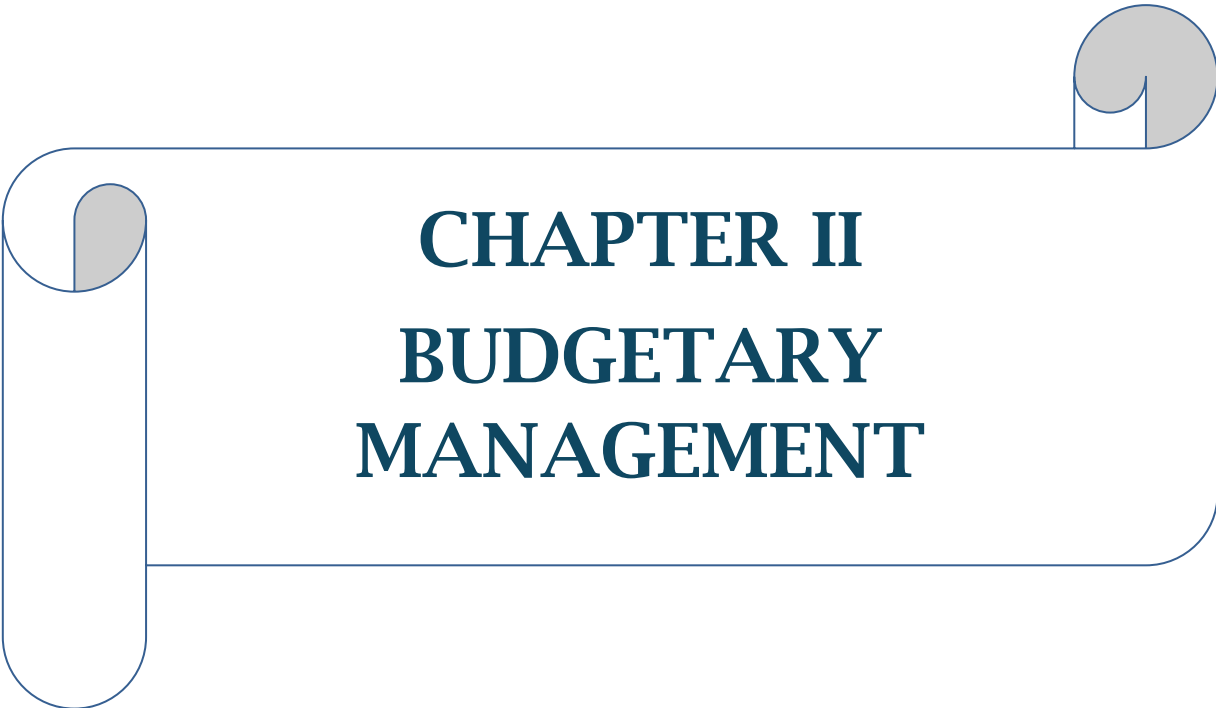
## **1.6 Good practices**

We commend the efforts taken by the State Government in reducing substantial number of arrears in assessment in respect of SGST department.

## **1.7 Recommendations**

- 1. The Government should adopt a fiscal consolidation path by achieving targets fixed in the Kerala Fiscal Responsibility Act 2003 through rationalizing the committed expenditure and increasing the own tax revenue buoyancy of the State.*
- 2. The Government should immediately take steps to strengthen its processes in the guarantee management by streamlining the procedures for calculation of default risks and enhanced guarantee commission, monitoring of timely payment of guarantee commission and constitution and earmarking the guarantee commission to the Guarantee Redemption Fund.*





**CHAPTER II**  
**BUDGETARY**  
**MANAGEMENT**



## Chapter - II: Budgetary Management

This chapter reviews Kerala's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting and timely fund utilisation. A review of two selected Grants namely Grant No. XXII-Urban Development and Grant No XXV-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities were conducted to review the Budgetary procedures followed methodology employed for control over expenditure over a three-year period from 2022-23 to 2024-25.

### 2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items<sup>27</sup> of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorization is necessary before incurring any expenditure by the State Government.

As per Kerala Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget majorly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ Detailed budget estimates of revenue
- ✓ Medium Term Fiscal Policy & Strategy Statement with Medium term Fiscal Plan for Kerala
- ✓ Detailed Estimates of receipts and disbursements under Debt heads
- ✓ Gender Budget and Child Budget
- ✓ Budget in Brief
- ✓ Others

### 2.2 Variation between Budget projection and Actuals

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal

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<sup>27</sup> **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from state legislature, actual expenditure and savings are summarized in **Table 2.1**.

**Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25**

(₹ in crore)

	Nature of Expenditure	Original Grant/ App.	Supplementary Grant/ App.	Total Budget	Actual Expenditure	Savings(-)/Excess(+)	Surrender during 2024-25	
							Amount	Per cent
Voted	I.Revenue	1,38,973.51	7,723.77	1,46,697.28	1,33,888.83	(-)12,808.45	12,846.36	100.30
	II.Capital	15,621.78	5,137.25	20,759.03	15,049.88	(-)5,709.15	5,323.43	93.24
	III.Loans and Advances	2,162.90	606.59	2,769.49	2,791.08	21.58	300.84	-
<b>Total</b>		<b>1,56,758.19</b>	<b>13,467.61</b>	<b>1,70,225.80</b>	<b>1,51,729.78</b>	<b>(-)18,496.02</b>	<b>18,470.63</b>	<b>99.86</b>
Charged	IV.Revenue	29,339.10	1,000.69	30,339.79	29,743.06	(-)596.73	596.67	99.99
	V.Capital	41.44	199.55	240.99	221.82	(-)19.17	19.17	99.99
	VI.Loans and Advances	0	14.75	14.75	13.29	(-)1.46	1.46	100.00
	VII.Public Debt Repayment	71,058.30	38,187.19	1,09,245.49	1,11,918.42	2,672.93	0	0
<b>Total</b>		<b>1,00,438.84</b>	<b>39,402.18</b>	<b>1,39,841.02</b>	<b>1,41,896.58</b>	<b>2,055.57</b>	<b>617.30</b>	<b>30.03</b>
Appropriation to Contingency Fund,if any		0	0	0	0	0	0	
<b>Grand Total</b>		<b>2,57,197.03</b>	<b>52,869.79</b>	<b>3,10,066.82</b>	<b>2,93,626.37</b>	<b>(-)16,440.45</b>	<b>19,087.93</b>	<b>100.00</b>

Source: Appropriation Accounts

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹7,711.09 crore) and Capital Heads (₹ 189.28 crore).

The amount surrendered under Revenue Voted section have exceeded the actual savings by ₹37.91 crore. This is indicative of systemic weakness in diligently monitoring the budget savings and surrender thereof. As per Appropriation Accounts for 2024-25, surrenders have exceeded savings in seven grants<sup>28</sup> to the tune of ₹ 72.72 crore under the Revenue Voted section which have been offset by shortage in surrender to the tune of ₹ 34.81 crore in the remaining 40 grants. Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

<sup>28</sup> Police (Grant No XII), Pensions and Miscellaneous (Grant No XVI), Animal Husbandry (Grant No XXXI), Ports (Grant No XL), Tourism (Grant No. XLII), Medical and Public Health (Grant No XVIII) and Labour Labour welfare and Welfare of Non-Residents (Grant No XXIV)

**Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during 2020-21 to 2024-25***(₹ in crore)*

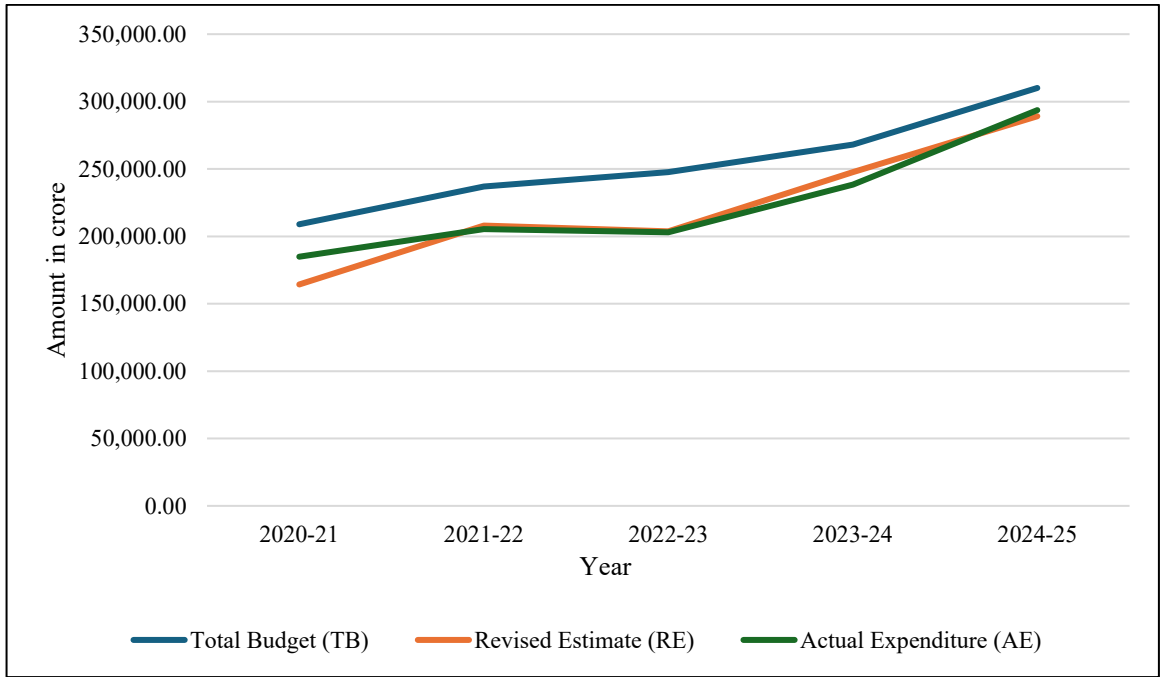
	2020-2021	2021-2022	2022-2023	2023-24	2024-25
Original Budget	1,70,431.18	2,15,813.79	2,30,278.70	2,27,149.60	2,57,197.03
Supplementary Budget	38,515.61	21,202.33	17,350.07	40,819.70	52,869.79
Total Budget (TB)	2,08,946.79	2,37,016.12	2,47,628.77	2,67,969.30	3,10,066.82
Revised Estimate (RE)	1,64,292.70	2,08,086.26	2,03,612.36	2,47,627.56	2,89,085.74
Actual Expenditure (AE)	1,84,877.38	2,05,451.40	2,02,871.93	2,38,434.96	2,93,626.37
Savings	24,069.41	31,564.72	44,756.84	29,534.34	16,440.45
Percentage of Supplementary to the original provision	22.60	9.82	7.53	17.97	20.56
Percentage of overall Savings/excess to the overall provision	11.52	13.32	18.07	11.02	5.30
TB-RE	44,654.09	28,929.86	44,016.41	20,341.74	20,981.07
RE-AE	(-)20,584.68	2,634.86	740.43	9,192.60	(-)4,540.62
(TB-RE) as per cent of TB	21.37	12.21	17.78	7.59	6.77
(RE-AE) as per cent of TB	(-)9.85	1.11	0.30	3.43	(-)1.46

Source: Annual Financial Statement and Appropriation Accounts

**Table 2.2** shows that supplementary provision of ₹ 52,869.79 crore during 2024-25 constituted 20.56 per cent of the original provision as against 17.97 per cent in the previous year.

The trends of Total Budget, Revised Estimate and Actual Expenditure during 2020-21 to 2024-25 are given in **Chart 2.1**.

**Chart 2.1: Trend showing BE, RE and Actuals during 2020-21 to 2024-25**



### 2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the FY 2024-25 is summarized in **Table 2.3**. The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2**.

**Table 2.3: Component Wise Budget and Expenditure for the year 2024-25**

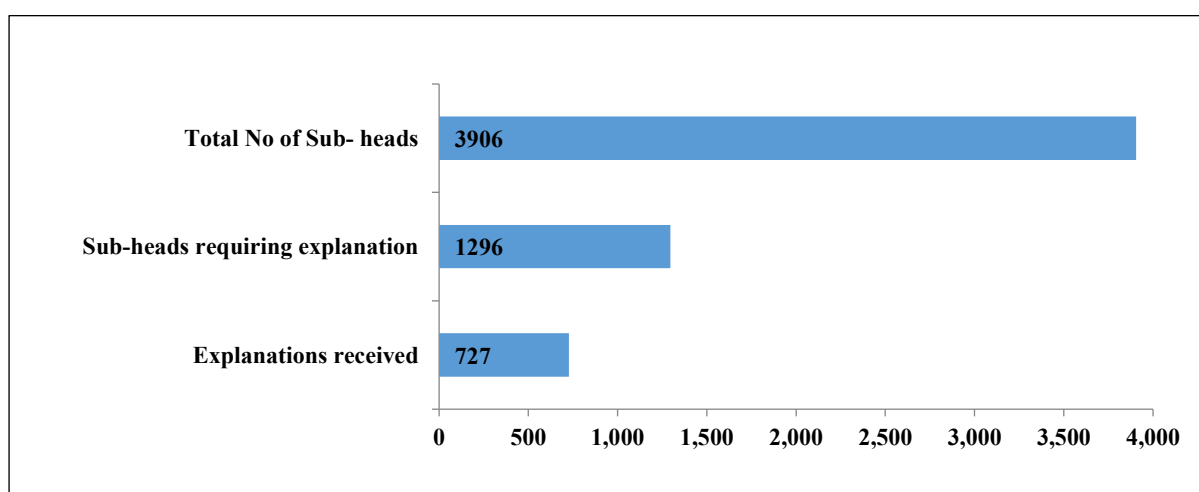
Component	Budget	Expenditure	Percentage of Total Gross Budget	Percentage of Total Expenditure	Percentage of expenditure against the allocated Budget
	₹ in crore)				
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
<b>Committed Expenditure</b>	1,00,763.12	98,563.59	32.49	33.58	97.81
<b>State Schemes</b>	1,96,202.83	1,85,688.95	63.27	63.22	94.64
<b>Central Share for CSS</b>	7,913.26	4,008.58	2.55	1.36	50.65
<b>State Share for CSS</b>	2,970.18	3,713.85	0.96	1.26	125.03 <sup>29</sup>
<b>EAP – Externally Aided Projects</b>	2,217.42	1,651.39	0.71	0.56	74.47

<sup>29</sup> In 19 schemes expenditure of ₹922.18 crore was incurred against a budget of ₹321.33 crore and in 14 schemes expenditure of ₹ 102.62 crore was incurred without any budget provision

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 2024-25, 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 44 per cent of the cases. The details are given in **Chart 2.2**.

**Chart 2.2: 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.

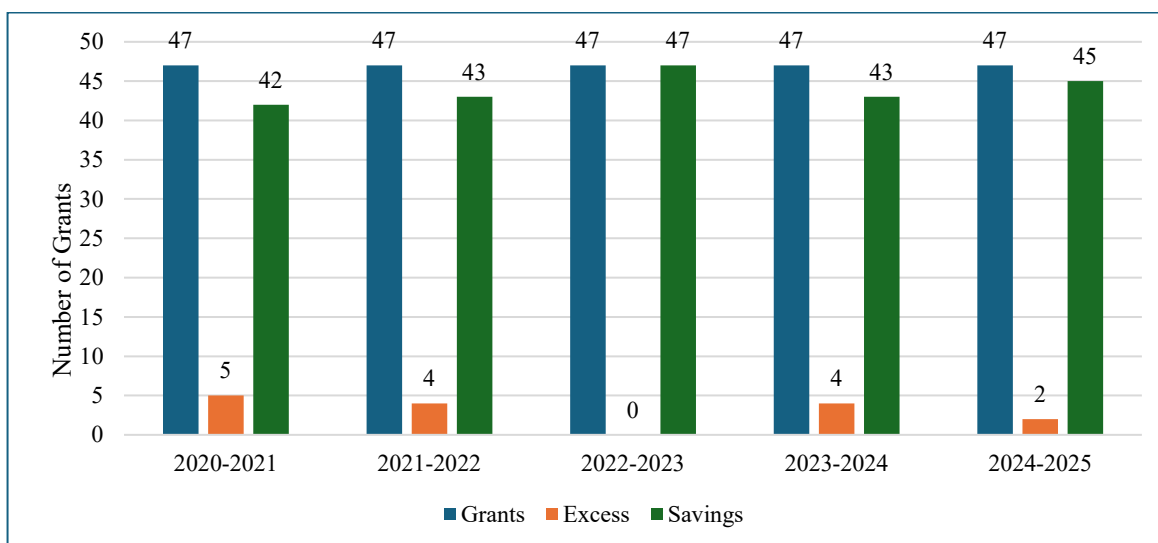
## 2.3 Budget marksmanship

### 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.

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. It has been depicted in **Chart 2.3**.

**Chart 2.3: Year-wise Grants, Excesses, and Savings**



The expenditure composition outturn for the FY 2024-25 is given in **Table 2.4**. This table enumerates the grants under each section into groups based on the percentage deviation of Actual Expenditure from Revised Estimates. The detailed breakdown of the table is detailed in **Appendix 2.1**.

**Table 2.4: Expenditure composition overall deviation FY 2024-25**

Section	Overall Deviation ( <i>per cent</i> )	Range of Deviation ( <i>per cent</i> )	Number of Grants
<b>Revenue (voted)</b>	(+) <b>0.82</b>	0 to ± 25	42
		± 25 to ± 50	5
		± 50 to ± 100	5
		≥ 100	1
<b>Capital (Voted)</b>	(+) <b>8.66</b>	0 to ± 25	17
		± 25 to ± 50	10
		± 50 to ± 100	13
		≥ 100	4
<b>Revenue (Charged)</b>	(-) <b>1.99</b>	0 to ± 25	16
		± 25 to ± 50	1
		± 50 to ± 100	5
		≥ 100	2
<b>Capital (Charged)</b>	(+) <b>2.47</b>	0 to ± 25	9
		± 25 to ± 50	1
		± 50 to ± 100	2
		≥ 100	3

Source: Appropriation accounts and Demand for Grants

Audit analysed recurring deviations across grants over multiple years and found that there were persistent deviations exceeding ±50 *per cent* in four grants<sup>30</sup> as

<sup>30</sup> Grant No XXVII-Co-operation, Grant No XLVI-Social Security and Welfare, Grant No XXII-Urban Development (Capital Voted) and Grant No. XLI-Transport (Revenue Charged)

detailed in **Appendix 2.1A**. These huge recurring deviations indicate need for strengthening the budget forecasting.

## **2.4 Appropriation Accounts**

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly on a gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

## **2.5 Budgetary and Accounting Process**

### **2.5.1 Expenditure without Budget provision**

In accordance with the provisions of Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law. Further according to Article 205 of the Constitution of India, if the amount authorised by the legislature for a particular service for the current financial year is found to be insufficient for the purposes of that year or for new services not contemplated in the annual financial statement of that year, the Governor shall cause to be presented to the Legislative Assembly of the State a demand for such supplementary/excess requirement, as the case may be.

Under Grant No XXII –Urban Development, scrutiny of the detailed Appropriation Accounts for the period 2022-23 to 2024-25 revealed that expenditure was incurred without any budget provision (original budget plus supplementary budget) but through re-appropriation in respect of nine schemes as shown in the **Table 2.5** below

**Table 2.5: Expenditure incurred without budget provision**

(₹ in crore)

Year	Head of Account	Budget Provision (Original + Supplementary)	Reappropriation Plus	Reappropriation Minus	Reappropriation Net	Expenditure
2022-23	2217-05-191-48(32) Smart Cities Mission Thiruvananthapuram (50% CSS) Central Share	0	106	0	106	106
2022-23	2217-05-191-48(33) Smart Cities Mission Thiruvananthapuram (50% CSS) State Share	0	98	0	98	98
2022-23	2217-05-192 48 (44) Atal Mission for Rejuvenation and Urban Transformation- (AMRUT2.0)(50%CSS)- Municipalities-LSG Institution Share Provided as Advance by State Govt	0	27.75	0	27.75	27.75
2022-23	2217-05-191-48 (47) Atal Mission for Rejuvenation and Urban Transformation- (AMRUT2.0)(33.33%CSS)- Corporations-LSG Institution Share Provided as Advance by State Govt	0	73.23	0	73.23	73.23
2023-24	4217-60-800-89-02 Infrastructure Development Projects under various sectors- Municipalities	0	77.37	0	77.37	77.37
2023-24	4217-60-800-89-01 Infrastructure Development Projects under various sectors- Corporations	0	41.68	0	41.68	41.68
2024-25	2217-05-192-48 (23) Atal Mission for Rejuvenation and Urban Transformation – (AMRUT) (50%CSS) Municipalities Central Share	0	31.61	0	31.61	31.61
2024-25	2217-05-191-48 (26) Atal Mission for Rejuvenation and Urban Transformation – (AMRUT) (50%CSS) Corporations Central Share	0	176.89	0	176.89	176.89
2024-25	2217-05-191-48 (27) Atal Mission for Rejuvenation and Urban Transformation – (AMRUT) (50%CSS) Corporations State Share	0	105.59	0	105.59	105.59

CEO Smart City Thiruvananthapuram Limited replied that (October 2025) separate heads of accounts were assigned to smart city after the budget finalisation for the year 2022-23. The expenditure for the scheme during 2022-23 was met by reappropriating the bulk provision provided under the head of

account 2217-05-191-48- (24) & (26) Smart Cities Mission Kochi during the year. The reply is not tenable because a supplementary Budget has to be laid in the legislature in order to incur expenditure under a new service not contemplated in the budget

Expenditure of ₹119.05 crore was incurred under the head of account '4217-60-800-89- Schemes for special assistance to States for Capital investment for 2023-24' during 2023-24 to release the special assistance to states for capital investment 2023-24, which was sanctioned as loan under capital expenditure by GoI in February 2024.

Funds for the implementation of AMRUT Scheme were provided by re-appropriating savings available under various heads of account below the Grant during 2022-23 to 2024-25. Reasons for incurring expenditure persistently over the years by way of reappropriation without original budget provision have been called for from Directorate of Urban Affairs and reply in this regard is awaited. Meeting the expenditure through re-appropriation during the years indicate that the Budget provision was made without considering the previous year's expenditure as required under paragraph 48 of Kerala Budget Manual. Incurring expenditure without budget provision violates the Constitutional requirement under articles 204 and 205 of getting approval of incurring expenditure from the Consolidated fund of the State. It may also be noted here that to incur an expenditure under a new service not contemplated in the Budget, a supplementary budget has to be laid out in the legislature. Any expenditure incurred under this new service by way of reappropriation even if there are savings in the grant is irregular.

## **2.5.2 Excess expenditure and its regularisation**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

### **2.5.2.1 Excess expenditure during current year**

There was an excess disbursement of ₹ 2684.44 crore over the authorisation made by the State Legislature under two Grants and one appropriation during 2024-25 as indicated in **Table 2.6**.

**Table 2.6: Excess expenditure during 2024-25 requiring regularisation**

(₹ in crore)

Grant No./ Appropriation	Grant/Appropriation details	Amount of excess expenditure required to be regularised
40	Ports (Capital Voted)	11.51
46	Social Security and Welfare (Revenue Charged)	0.0006
	Public Debt Repayment (Capital Charged)	2,672.93
<b>Total</b>		<b>2,684.44</b>

Source: Appropriation Accounts

Government stated (Appropriation Accounts) that excess expenditure under Grant No XLVI – Social Security and Welfare (Revenue Charged) occurred due to incurring of expenditure for the satisfaction of court decree. It was also replied that excess expenditure under Appropriation ‘Public debt Repayment’ occurred due to delay in getting borrowing consent from Government of India for the last quarter of 2024-25 and State Government had to rely more on overdrafts to overcome the short-term liquidity mismatches.

Thus, excess expenditure incurred in two grants and one appropriation amounting to ₹ 2684.44 crore requires regularisation.

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

Excess disbursements pertaining to previous years pending regularization from State Legislature are shown in **Table 2.7** below.

**Table 2.7: Excess expenditure relating to previous years requiring regularisation**  
(₹ in crore)

Year	Sl.No	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts
2016-17	1	03	Administration of Justice(Revenue-Voted)	0.67
	2	07	Stamps and Registration (Revenue-Voted)	2.83
	3	20	Water Supply & sanitation (Revenue-Voted)	42.04
2017-18	4	34	Forest (Revenue-Charged)	0.02
	5	14	Stationery & Printing & other Administrative services(Capital-Voted)	0.09
	6	17	Education, Sports, Arts & Culture (Capital -Voted)	53.27
2018-19	7	19	Family Welfare (Revenue-Voted)	39.81
	8	34	Forest (Revenue-Charged)	0.12
	9	17	Education, Sports, Arts & Culture (Capital - Charged)	1.02
2019-20	10		Debt Charges (Revenue-Charged)	219.64
	11	26	Relief on account of natural calamities – (Revenue Voted)	109.10
2020-21	12	04	Elections (Revenue-Voted)	54.74
	13	15	Public Works (Revenue-Voted)	268.10
	14	20	Water Supply and Sanitation (Revenue-Voted)	4.47
	15	41	Transport (Revenue-Voted)	0.74
	16	42	Tourism (Revenue-Voted)	6.18
	17		Debt Charges ( Revenue Charged)	797.61

Year	Sl.No	Grant No./ Appropriation	Grant/Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts
	18	15	Public Works (Capital-Voted)	141.14
	19	18	Medical and Public Health(Capital Voted)	26.59
	20	20	Water Supply and Sanitation (Capital Voted)	108.41
	21	27	Co-operation(Capital Voted)	19.30
	22	33	Fisheries( Capital-Voted)	23.12
	23	34	Forest (Capital-Voted)	0.40
	24	42	Tourism (Capital-Voted)	11.93
	25	18	Medical & Public Health (Capital-Charged)	0.06
2021-22	26	07	Stamps & Registration (Revenue-Voted)	4.10
	27	13	Jails(Revenue-Voted)	17.68
	28	16	Pensions & Miscellaneous (Revenue-Voted)	190.28
	29	28	Miscellaneous economic services (Revenue-Voted)	0.83
	30	31	Animal Husbandry(Revenue Voted)	24.34
	31	40	Ports (Revenue Voted)	0.45
	32	12	Police(Capital-Charged)	14.81
	33	17	Education, Sports, Arts & Culture (Capital - Voted)	15.78
2022-23	34	34	Forest( Capital-Voted)	0.20
	35	04	Election (Revenue-Charged)	2.10
	36	12	Police (Capital Charged)	0.08
	37	25	Welfare of SC,ST,OBC and Minorities (Revenue-Charged)	0.05
2023-2024	38	09	Taxes on Vehicles( Revenue-Voted)	5.49
	39		Debt Charges (Revenue -Charged)	60.66
	40	12	Police (Capital-Voted)	37.48
	41	15	Public Works (Revenue-Charged)	0.04
	42	25	Welfare of SC,ST,OBC and Minorities (Revenue-Voted)	6.89
	43	38	Irrigation(Capital-Charged)	0.34
	44	40	Ports(Capital-Voted)	84.02
	45	41	Transport(Capital-Voted)	232.74
<b>Total</b>				<b>2,629.79</b>

Source: Information furnished by O/o AG(Audit I)

According to the Handbook of instructions for speedy settlement of audit objections pertaining to PAC, initial notes for regularisation of excess expenditure has to be forwarded by Finance Department to Accountant General for vetting within two months of presentation of Appropriation Accounts in the Legislature. However, it was observed that out of the 45 grants pending regularization pertaining to previous years, initial notes were yet to be received in respect of 27 grants as shown in the **Table 2.8**.

**Table 2.8: No. of Grants where initial notes not received**

Financial Year	No of Grants for which Initial notes were yet to be received
2017-18	2
2018-19	1
2019-20	2
2020-21	8
2021-22	3
2022-23	3
2023-24	8
<b>Total</b>	<b>27</b>

Source: Information furnished by O/o AG(Audit I)

To strengthen the legislative oversight over the expenditure from Consolidated Fund of State, these excess expenditures need to be regularized at the earliest and measures to contain recurrence of such excess may be taken by the State.

State Government replied (January 2026) that the Public Accounts Committee has presented its 84<sup>th</sup> report (September 2025) recommending the regularisation of excess expenditure over voted grants/charged appropriations for the financial years 2016-17, 2017-18, 2020-21 and 2021-22. It was also stated that steps were being taken to present the demands for excess grants in the ensuing session of the Legislative Assembly. State Government also replied that efforts are being taken to update the Integrated Financial Management System (IFMS) software applications to avoid excess expenditure/ savings/ unnecessary reappropriation/ SDG etc.

### 2.5.2.3 Persistent excesses expenditure in certain Grants

Audit scrutiny revealed that in 13 cases under seven grants, there was persistent excess expenditure of more than ₹ five crore in each case during the last five years as detailed in **Table 2.9**. In one case (Sl. No. 3), the expenditure was incurred without any budget provision during 2020-25.

**Table 2.9: Persistent excess expenditure during Fys 2020-21 to 2024-25**

(₹ in crore)

Sl.No	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
1	15 – Public Works - 4059-01-051-86 – Public Works (Civil Works)					
	Grant	28.93	27.01	23.29	22.72	23.00
	Expenditure	43.83	51.74	44.90	36.11	40.34
	Excess	14.90	24.73	21.61	13.39	17.34

Sl.No	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
2	15- Public Works – 4059-80-001-99 – Establishment Charges Transferred on Percentage Basis from ‘2059-Public Works’					
	Grant	7.43	7.42	8.27	9.10	8.37
	Expenditure	19.88	23.29	18.78	19.26	24.88
	Excess	12.45	15.87	10.51	10.16	16.51
3	15-Public Works-5054-04-337-97-Other District Roads-Developments and Improvements-16 Major Works					
	Grant	0.00	0.00	0.00	0.00	0.00
	Expenditure	16.68	39.01	67.49	57.45	88.87
	Excess	16.68	39.01	67.49	57.45	88.87
4	15 – Public Works – 5054-04-337-99-Major District Roads – Developments and Improvements					
	Grant	601.44	955.66	686.29	543.77	237.45
	Expenditure	862.51	963.36	879.47	716.72	489.80
	Excess	261.08	7.69	193.18	172.95	252.35
5	15-Public Works -5054-80-001-99-Establishment Charges Transferred on Percentage Basis from ‘3054-Roads and Bridges’					
	Grant	98.50	102.18	117.88	159.42	101.81
	Expenditure	299.89	343.05	294.42	277.78	208.05
	Excess	201.39	240.87	176.54	118.35	106.24
6	15-Public Works-5054-80-052-99-Tools and Plants Charges Transferred on Percentage Basis from ‘3054 Roads and Bridges’					
	Grant	6.89	7.15	8.25	11.16	7.13
	Expenditure	20.99	24.01	20.61	19.44	14.56
	Excess	14.10	16.86	12.36	8.28	7.43

Sl.No	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
7	17-Education, Sports, Art and Culture-4202-01-202-91-Infrastructure Facilities-Higher Secondary Education					
	Grant	42.37	40.89	44.96	49.32	55.71
	Expenditure	48.23	56.21	55.91	63.99	68.97
	Excess	5.86	15.32	10.95	14.67	13.26
8	18-Medical And Public Health-2210-06-800-81-Pradhanmantri Jan Aarogya Yojana/Karunya Aarogya Suraksha Padhathi – State Scheme					
	Grant	175.00	675.61	707.00	542.50	546.54
	Expenditure	271.57	910.64	807.00	692.50	846.54
	Excess	96.57	235.03	100.00	150.00	300.00
9	28-Miscellaneous Economic Services-5475-00-115-93-Post Flood Projects Under the Rebuild Kerala Initiative (KfW Aided – RKDP Project Loan))					
	Grant					
	Expenditure	0.00	0.00	0.00	250.00	0.00
	Excess	100.00	125.00	280.00	406.15	246.98
		100.00	125.00	280.00	156.15	246.98
10	38-Irrigation-4711-01-103-99-Civil Works					
	Grant	0.00	0.00	23.63	10.90	28.41
	Expenditure	10.49	36.80	41.79	20.14	37.53
	Excess	10.49	36.80	18.16	9.24	9.12
11	40-PORTS-5051-01-001-99-Development of Vizhinjam Deep Water International Transshipment Terminal					
	Grant	61.44	0.01	0.01	114.04	838.09
	Expenditure	68.97	12.00	13.85	259.10	898.29
	Excess	7.53	11.99	13.84	145.06	60.20
12	Debt Charges-2049-03-108-99-State Life Insurance Official Branch					
	Grant	210.00	355.00	375.00	484.95	532.63
	Expenditure	362.08	404.12	463.86	535.34	610.32
	Excess	152.08	49.12	88.86	50.39	77.69

Sl.No	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
13	Debt Charges-2049-04-112-99-Interest on other Loans for State/Union Territory (with Legislature) Schemes					
	Grant					
	Expenditure	0.00	0.00	0.00	43.00	65.00
	Excess	42.43	38.25	57.03	120.24	158.80
		42.43	38.25	57.03	77.24	93.80

Source: Appropriation Accounts

The persistence of abovementioned excess expenditure points to the need within finance department and administrative departments for establishing stronger scrutiny of the budget proposals, both at the time of preparation of demands for grants and supplementary demands for grants. The department may also take necessary measures including use of IT systems for ensuring proper planning and effective monitoring of expenditure *vis-à-vis* voted grants as to avoid excess expenditure.

### 2.5.3 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions.

It was noticed that in 17 instances (**Appendix 2.2**) even though the supplementary provisions of ₹ 870.96 crore were made, the expenditure did not come up to original provisions during the year 2024-25. Similarly, supplementary provisions of ₹4,652.86 crore in 21 cases (more than ₹ three crore in each case) proved non-essential (**Appendix 2.3**) as full amount of supplementary provisions could not be utilized.

### 2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 46 grants amounting to ₹ 19,507.57 crore were issued.

Further, in two schemes (**Appendix 2.4 A**), reduction of provision exceeding ₹ three crore through re-appropriation orders effected by the department proved injudicious as there was excess expenditure under these cases. In 39 schemes, (**Appendix 2.4 B**) augmentation of provision also proved unnecessary because expenditure was either equal to or did not come up to the level of original/total budget provision.

Under the scheme Block Grants for Centrally Sponsored schemes (2217-05-191-48), in Grant No XXII Urban Development, augmentation of provision by re-appropriation to the tune of ₹ 232.65 crore was excessive resulting in savings of ₹73.31 crore.

### 2.5.5 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Budget proposals should strive to strike to optimize all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

#### 2.5.5.1 Entire budget provision remained unutilised

The analysis of grants and appropriations showed that in five grants during the year 2024-25, the savings (after surrender) exceeded ₹ 5 crore in each case (**Appendix 2.5**). It was further noticed that in one grant no expenditure vis-à-vis total grant amounting to ₹ 0.65 crore as given in **Table 2.10** was incurred during the year 2024-25.

**Table 2.10: Entire grant remaining unutilised during the financial year 2024-25**  
(₹ in crore)

Sl. No.	Number and Name of grant	Amount
1	05-Goods And Service Tax, Agricultural Income Tax and Sales Tax (Revenue Charged)	0.65
<b>Total</b>		<b>0.65</b>

Source: Appropriation Accounts

Under Grant No XXII- Urban Development, audit observed that the entire budget allocation remained unutilised in four schemes (cases where original budget provision is ₹30 crores and above) during 2022-23 & 2023-24 as shown in **Appendix 2.6**.

The reason for non-utilisation of entire budget provision with regard to the schemes have been called for from the department and response is awaited.

#### 2.5.5.2 Savings and Surrender

Further, it was also observed that in 24 cases under 20 grants, there was persistent savings exceeding ₹ 100 crore in each case (**Appendix 2.7**) during 2022-23 to 2024-25. Savings in excess of ₹50 crore and 20 per cent of the budget provision were witnessed in 13 grants. Details are given in **Table 2.11** below:

**Table 2.11: Savings in excess of ₹ 50 crore and 20 per cent of the budget provision***(₹ in crore)*

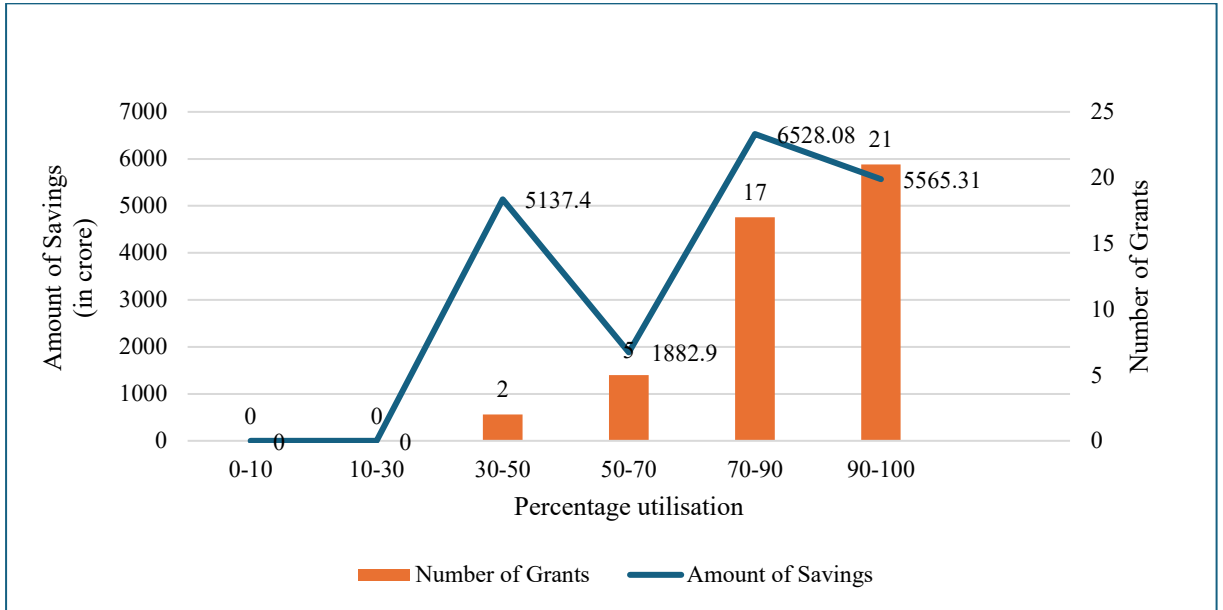
Sl.No.	No. and name of the Grant	Total Budget	Total Expenditure	savings	Percentage of utilisation
1.	42 Tourism	484.2	385.65	98.55	79.65
2.	15 Public Works	5,262.93	3,955.82	1,307.11	75.16
3.	41 Transport	3,628.65	2,698.6	930.05	74.37
4.	37 Industries	1,987.6	1,469.7	517.9	73.94
5.	38 Irrigation	932.25	658.79	273.46	70.67
6.	22 Urban Development	1,964.38	1,382.33	582.05	70.37
7.	27 Co-operation	550.69	382.09	168.6	69.38
8.	29 Agriculture	3,536.38	2427.04	1,109.34	68.63
9.	21 Housing	151.94	100.54	51.4	66.17
10.	32 Dairy	198.84	128.76	70.08	64.76
11.	24 Labour, Labour Welfare and Welfare of Non-Residents	1,239.76	756.28	483.48	61.00
12.	26 Relief on Account of Natural Calamities	1,617.03	687.99	929.05	42.55
13.	36 Rural Development	6,335.25	2,126.9	4,208.35	33.57

Detail of grants grouped by the percentage of utilisation along with total savings during the year 2024-25 has been shown in **Appendix 2.8** and **Chart 2.4**. The following two grants had percentage utilisation of less than 50 per cent.

In Grant No. 36, 'Rural Development', the percentage utilisation stood low at 33.57 per cent of total Budget. Of the total savings of ₹ 4,208.35 crore in the grant, ₹3,560.97 crore pertained to the scheme Mahatma Gandhi National Rural Employment Guarantee Programme (100% CSS)(2505-02-101-99). In Appropriation Accounts, it was stated that savings of ₹3,381.50 crore was mainly due to non-implementation of plan activities to the extent anticipated and savings of ₹236.37 crore was due to disbursement of unskilled wages through the Central DBT NREGA Soft platform under the scheme. There have been substantially persistent savings of more than ₹2,700 crores under this scheme for each of past five financial years (2020-21 to 2024-25) indicating weak budget planning and poor forecasting.

In Grant No 26, 'Relief on Account of Natural Calamities', the percentage utilisation stood at 42.55 per cent of total Budget. Against savings of ₹929.05 crore in this Grant, ₹274.70 crore pertains to Other items (2245-02-101-94), ₹171.96 crore against SDMF-Non Structural Mitigation (2245-07-101-98) and ₹191.79 crore in SDMF-Structural Mitigation Measures (2245-07-101-99). These substantial savings reinforce the systemic issues in Budget planning pointed out by Audit in the foregoing paragraph.

**Chart 2.4: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings**

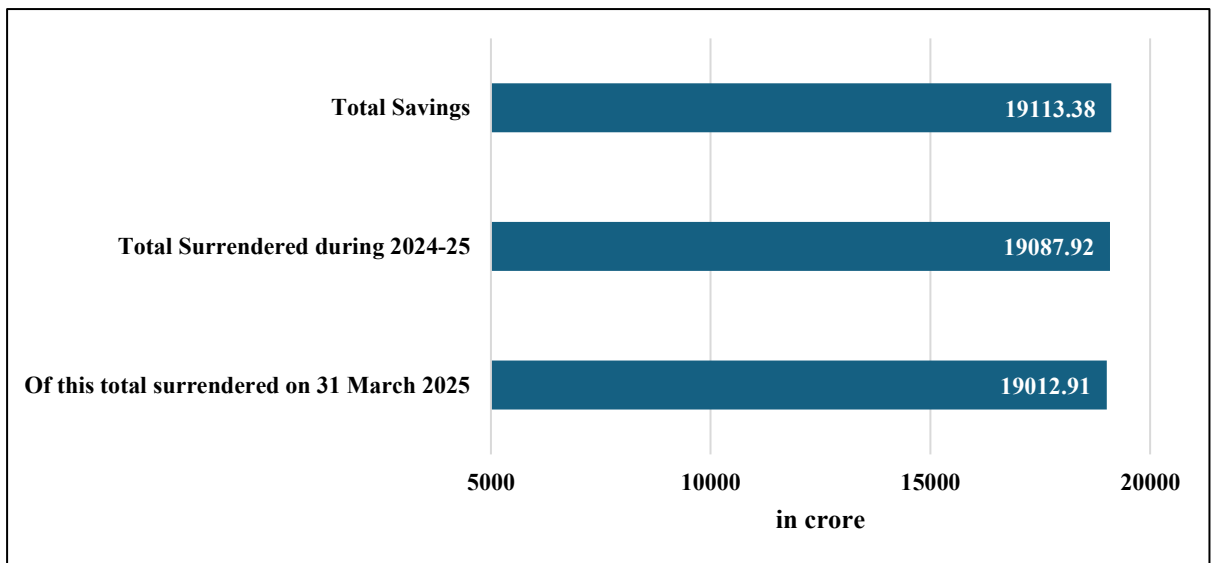


Source: Appropriation Accounts

It was noticed that savings under 10 grants amounting to ₹107.33 crore (**Appendix 2.9**) were not surrendered at all. Details of savings surrendered on the last day of March 2025 is given in **Appendix 2.10**. A comparison of total savings, total amount surrendered and surrender on last day of March 2025 is given in **Chart 2.5**.

**Chart 2.5: Savings and surrenders for the year 2024-25**

(₹ in crore)



Source: Appropriation Accounts

As per para 91 of Kerala Budget Manual, 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. This measure is critical as it ensures flow of funds to those departments that are in need of funds. In contravention to this provision, out of surrendered amount of ₹19,087.92 crore, ₹19,012.91 crore (99.60 per cent) was surrendered on 31 March 2025 as shown in **Chart 2.5**.

### 2.5.5.3 Substantial Savings in Schemes

A. Scrutiny of the Appropriation Accounts under Grant No XXII- Urban Development for the years 2022-23 to 2024-25 revealed substantial savings under various Heads of Account as shown in the **Table 2.12**.

**Table 2.12: Substantial Savings during 2022-23 to 2024-25**

(₹ in crore)

Sl. No.	Year	Head of Account/ Scheme	Original Budget	Supplementary Budget	Expenditure	Savings
1	2022-23	2217-05-191-48 V P Smart Cities Mission, Cochin (50%CSS) State Share	292.00	0	98.00	194.00
2	2022-23	2217-05-191-48-25 V P Smart Cities Mission, Cochin (50%CSS) Central Share	292.00	0	98.00	194.00
3	2022-23	4217-60-051-95-V P Total Housing Scheme – Urban (LIFE – Parpiddam Mission)	192.00	0	6.91	185.09
4	2022-23	2217-05-192-48-15V P Pradhan Mantri Awas Yojana (PMAY) (General) (60%CSS) Municipalities Central Share	220.90	0	111.28	109.62
5	2023-24	4217-60-051-95-V P Total Housing Scheme – Urban (LIFE – Parppida Mission)	192.00	0	8.70	183.30
6	2023-24	2217-05-192-48-15 V P Pradhan Mantri Awas Yojana (PMAY) (General) (60%CSS) Municipalities Central Share	220.90	0	80.98	139.92
7	2024-25	4217-60-051-95 V P Total Housing Scheme – Urban (LIFE – Parppida Mission)	192.00	0	2.28	189.72
8	2024-25	2217-05-192-48-15 V P Pradhan Mantri Awas Yojana (PMAY) (General) (60%CSS) Municipalities Central Share	282.49	0	57.13	225.36

The reason for substantial savings in the above schemes have been called for from the Government and the response is awaited.

- B.** Total savings under Grant No XXV, Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities during 2022-23 was ₹816.54 crore, ₹378.99 crore during 2023-24 and ₹628.61 crore during 2024-25. Further scrutiny of the Appropriation Accounts has revealed substantial savings under the following Heads of Account as given in **Table 2.13**.

**Table 2.13 : Substantial savings in schemes for the years 2022-23 to 2024-25**

(₹ in crore)

Sl. No.	Year	Head of Account/ Scheme	Original Budget	Supplementary Budget	Expenditure	Savings
<b>Directorate of Scheduled Castes Development</b>						
1	2022-23	2225-01-277-51-01-V-P Post Matric Scholarship to Scheduled Caste Students (60% CSS Central Share)	162.00	0	41.05	120.95
2	2024-25	2225-01-277-57-V-P Assistance for Education of SC Students	230.00	0	79.45	150.55

The reason for the huge savings in the schemes has been called for from the Government and response is awaited.

#### 2.5.5.4 Persistent savings in schemes

- A.** Rule 48 of Kerala Budget Manual mandates the Finance Department to examine the Budget estimates prepared by the Administrative Department in the lights of actual expenditure of previous year. Scrutiny of Appropriation Accounts under Grant No XXII- Urban Development for the years 2022-23 to 2024-25 showed that there were persistent savings above 50 per cent of the Total budget under three heads of accounts during the above period as shown in the **Table 2.14**.

**Table 2.14 : Persistent Savings in Grant XXII Schemes during 2022-23 to 2024-25**

(₹ in crore)

Sl. No.	Head of Account	Savings		
		2022-23	2023-24	2024-25
<b>Directorate of Urban Affairs</b>				
1	2217-05-191-35 Greater Cochin Development Authority	2.00 (100)	3.00 (100)	2.4 (80)
2	2217-80-800-71 Suchitwa Keralam – Solid Waste Management Scheme for Urban Areas	15.53 (73.96)	15.87 (72.15)	9.72 (57.17)
3	2217-05-191-36 Trivandrum Development Authority	4.24 (94.30)	4.00 (100)	3.82 (95.53)

Source: Appropriation Accounts

Figures in parenthesis indicate percentage of savings to total provision (original and supplementary budget combined)

The savings as a percentage of budget provision (original budget plus supplementary budget) in the above schemes ranged between 57.17 per cent and 100 per cent during the period 2022-23 to 2024-25. Persistent savings indicates that the budget allocations were made without considering the previous years' expenditure as required under Rule 48 of the Kerala Budget Manual. The reasons for the persistent savings have not been furnished by the State Government departments.

**B.** Scrutiny of Appropriation Accounts under Grant No XXV- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities for the years 2022-23 to 2024-25 showed that there were persistent savings (above 50 per cent of the Total Budget across each financial year) under five heads of accounts 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 Rule 48 of the KBM, which resulted in persistent savings under the Heads of Accounts as shown in **Table 2.15**.

**Table 2.15: Persistent savings in Grant XXV schemes for the years 2022-23 to 2024-25**

(₹ in crore)

Sl. No.	Head of Account	Savings		
		2022-23	2023-24	2024-25
<b>Directorate of Scheduled Castes Development</b>				
1	2225-01-800-57 Corpus Fund for SCP (Critical Gap Filling Scheme)	40.68 (90.4)	24.83 (55.19)	29.37 (65.27)
2	2225-01-102-91 Valsalyanidhi	15 (100)	10 (100)	10 (100)
<b>Directorate of KIRTADS<sup>31</sup></b>				
3	2225-02-001-96 Grant-in-Aid to KIRTADS for Research and Training	4.02 (100)	4.02 (100)	3.70 (71.17)
<b>Directorate of Scheduled Tribes Development</b>				
4	2225-02-102-75 Development Schemes under Grant-in-aid under Article 275 (1)	7.25 (100)	7.68 (100)	7.17 (93.36)
5	2225-02-102-85 Integrated Sustainable Development of Scheduled Tribe Population in Identified Locations/Settlements (ATSP Fund/ Special Package)	27.20 (68.01)	42.73 (85.46)	33.81 (84.54)

Source: Appropriation Accounts

Figures in parenthesis indicate percentage of savings to total provision

<sup>31</sup> Kerala Institute for Research, Training & Development Studies of Scheduled Castes and Scheduled Tribes

Directorate of Scheduled Tribes Development replied (October 2025) that in respect of Scheme at Sl.no. 4 on Grant-in-aid under Article 275(1)<sup>32</sup> during 2022-23, there was delay in appointing implementing agencies and preparing the DPRs (Detailed Project Reports), resulting in non-utilisation of funds during the year. While no reason for 2023-24 was furnished, it stated that as the selection of beneficiaries was not completed by February 2025, scheme could not be implemented fully during 2024-25 due to Treasury restrictions.

Further, towards the scheme at Sl.no. 5, the Directorate cited non-receipt of Central Assistance during 2022-23 and receipt of Central Assistance for 2023-24 in March 2024 as reasons for persistent savings. However, no reasons for savings under the scheme during 2024-25 were specified.

The relevant reasons for persistent savings during 2022-23 to 2024-25 were not furnished by Directorate of KIRTADS and Directorate of Scheduled Castes Development.

#### 2.5.5.5 Non-utilisation of funds under ‘Total Housing scheme-Urban (LIFE-Parppida Mission)’

The scheme ‘Total housing scheme-Urban (LIFE<sup>33</sup>-Parppida Mission)’ aims at providing safe housing to the homeless in the State and is implemented by the Local Governments using their plan grant as well as plan support from the State Government. It envisages construction of individual houses to the houseless coming under the extreme poverty list and for meeting the costs of construction of flats/housing complexes/housing clusters in urban areas. The Drawing and Disbursing Officer of the scheme is the Under Secretary, Local Self Government (FM) Department and is implemented by ‘Life Mission’, Kerala.

Audit observed that even though there was a consistent annual budget allocation of ₹192 crore for the scheme ‘4217-60-051-95’-Total Housing Scheme - Urban (LIFE-Parppida Mission) during the last three year period 2022-23 to 2024-25, the expenditure remained constantly very low indicating that the expenditure never aligned with the budgetary provision during the period as detailed in **Table 2.16**.

**Table 2.16 : Savings under ‘Total Housing Scheme - Urban (LIFE - Parppida Mission)’ during 2022-23 to 2024-25**

(₹ in crore)

Year	Budget Provision	Expenditure	Savings
2022-23	192.00	6.91	185.09
2023-24	192.00	8.70	183.50
2024-25	192.00	2.28	189.72

<sup>32</sup> Article 275(1) Grants is an additive to State Plan funds and efforts for Tribal Development. Funds under Article 275(1) must be utilized for raising socio-economic level of schedule Tribes.

<sup>33</sup> (Livelihood, Inclusion and Financial Empowerment) Mission

Scrutiny of vouchers drawn during the year 2024-25 revealed that although an amount of ₹27.00 crore was drawn from the head of account '4217-60-051-95' on 19 July 2024 and transfer credited into the Treasury Savings Account of LIFE Mission, an amount of ₹24.71 crore was seen resumed and credited back to the head of account '4217-60-051-95' as minus expenditure during the close of the financial year 2024-25.

The reasons for consistent non-utilization of the amount have been called for from the Government and response is awaited.

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

Several new schemes were announced in the Budget by the government for implementation. The details of a few new and prominent schemes are detailed in the **Appendix 2.11**.

Audit examined these cases and found that no outlay was set aside for the scheme 'setting up of ETP in fishing industry sector in Aroor-Chandiroor'. Further, though an amount of ₹ three crore for 'construction of cruise vessel for KSINC', ₹two crore for 'UNNATHI' scheme and ₹10 crore for 'Valsalyanidhi' scheme was set aside, no expenditure was incurred on the implementation of these schemes. It was also observed that while ₹100 crore was budgeted for the scheme 'Kerala Climate Resilient Agri Value Chain Modernization', only ₹6.15 crore was spent during the financial year.

The reply from the Government is awaited.

### 2.5.7 Non-adherence to the Quarterly Expenditure Limit

Para 91(2) of the Kerala Budget Manual stipulates that rush of expenditure during the closing months of the financial year should be avoided.

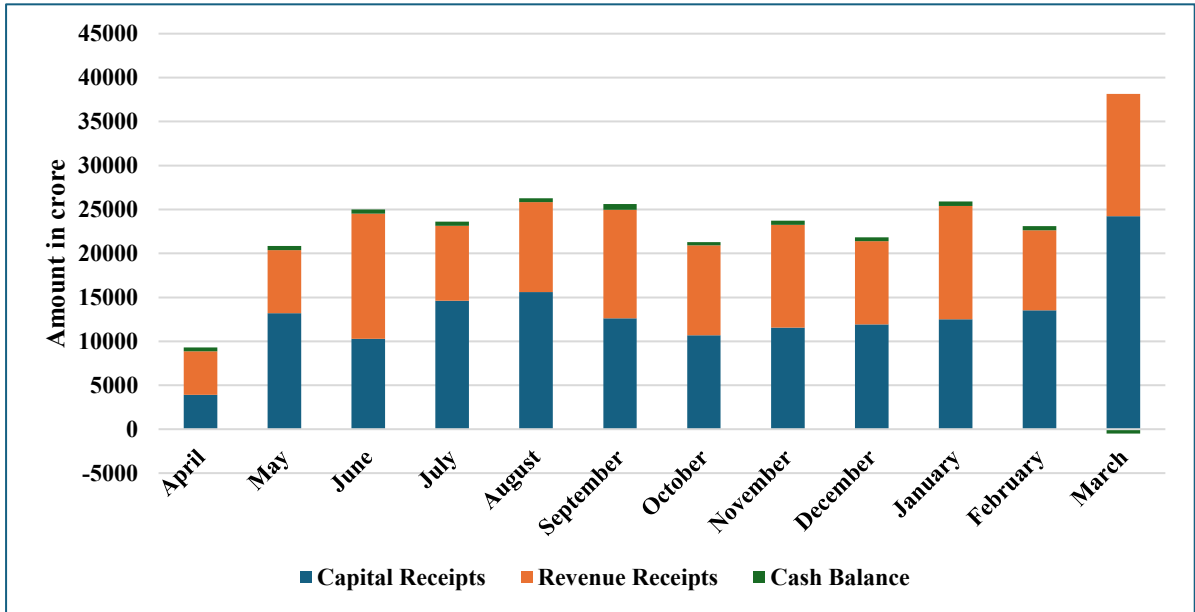
As against the net expenditure of ₹2,85,726 crore in 2024-25, the break-up of rush of expenditure has been presented in **Table 2.17**.

**Table 2.17: Rush of Expenditure during 2024-25**

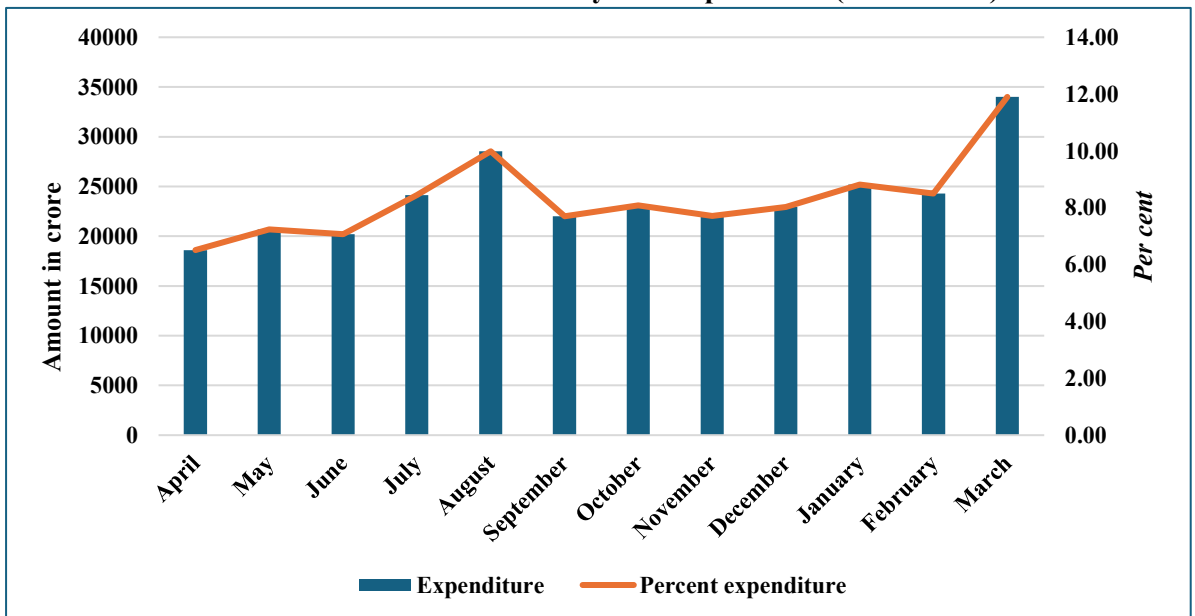
Particulars	Amount (₹ in crore)	As percentage of Net Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	83,480.81	29.22
Last month of the year (March 2025)	34,005.47	11.90
Last week of the year (25-31 March 2025)	6,312.27	2.21
Last day of the year (31st March 2025)	25.71	0.009

Trends of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 are shown in **Chart 2.6** and **Chart 2.7**.

**Chart 2.6: Trend analysis of receipts (Month wise)**



**Chart 2.7: Trend analysis of expenditure (Month wise)**



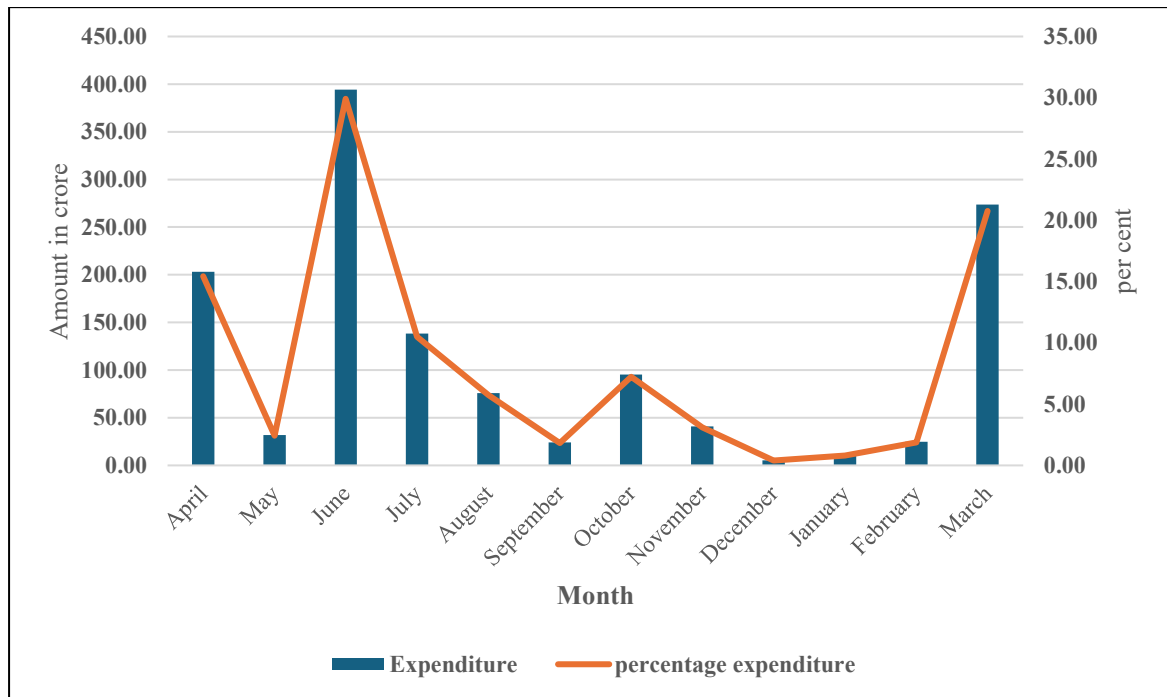
Further, in case of 45 sub-heads, their entire expenditure of ₹ 1,925.94 crore was incurred in the last month of March 2025 itself (**Appendix 2.12**).

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. The Finance Department sets quarterly ceiling under each unit of appropriation/grant based on the quarterly resource estimation, by exempting

certain inevitable items<sup>34</sup>. In respect of Plan schemes, the Finance department fixed 20 per cent of Budget estimate as limit for first quarter of 2024-25, 30 per cent for second quarter, 40 per cent for third quarter and 50 per cent for the last quarter. Analysis of data revealed that the limit was exceeded in eight grants in the first quarter, in 16 grants in second quarter, in 19 grants in third quarter and in 30 grants in fourth quarter. The details are shown in **Appendix 2.13**. The details of quarter wise expenditure of all major heads during 2024-25 are shown in **Appendix 2.14**.

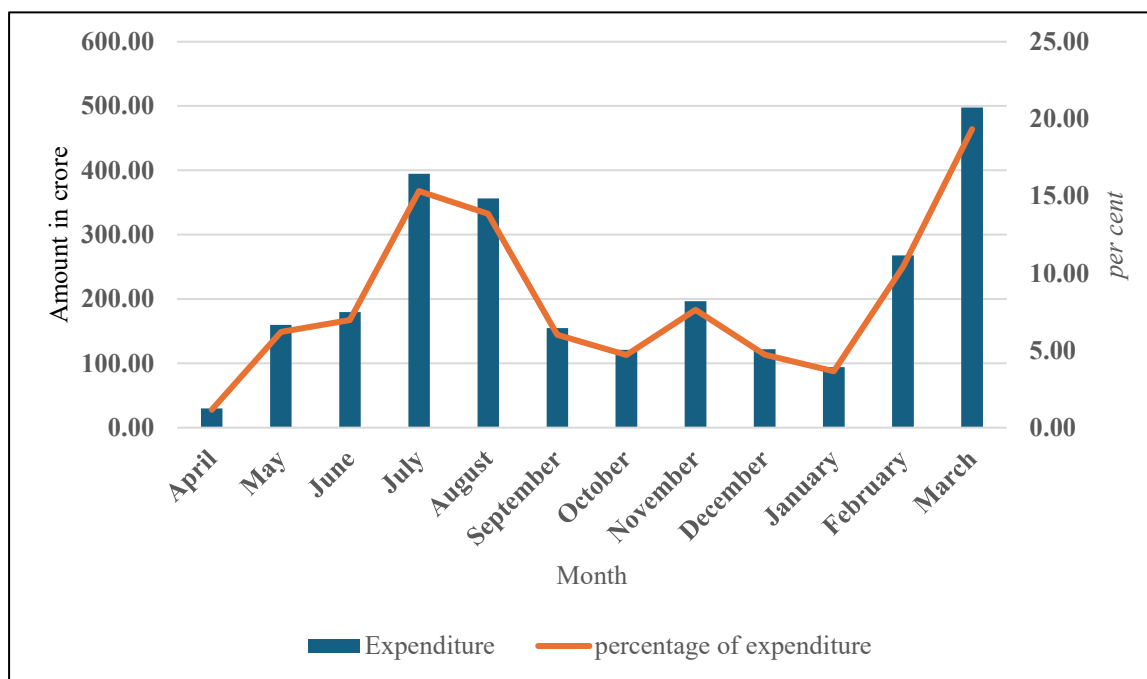
The trend analysis of expenditure of the selected Grants are depicted below

**Chart 2.8: Expenditure trend of Grant No XXII Urban Development**



<sup>34</sup> such as salaries, wages, pension, interest payments, scholarships & stipends, water charges, electricity charges, telephone charges, rent rate and taxes, insurance of vehicles, CSS/SNA-SPARSH schemes and EAP schemes

**Chart 2.9: Expenditure trend of Grant No XXV, Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Castes and other Minorities**



**Rush of Expenditure – Grant No XXII- Urban Development**

In Grant No XXII – Urban development, out of a total expenditure of ₹1,318.14 crore incurred during 2024-25, an expenditure of ₹273.68 crore (20.76 crore of total expenditure) was incurred in the last month (March 2025) of the financial year 2024-25, indicating a rush of expenditure towards the end of the financial year under the grant.

**Rush of Expenditure - Grant No XXV- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities**

In Grant No XXV, Scheduled castes, Scheduled tribes, other backward castes and other minorities, expenditure of ₹497.78 crore (19.34 per cent of total expenditure) was incurred in March 2025.

State Government introduced a new scheme ‘Margadeepam’ for providing Pre matric Scholarship for Minority students from class I to VIII whose parent’s/ guardian’s income from all sources does not exceed ₹2.50 lakh per annum. The scholarship scheme was to be implemented by Minority Welfare Department through a new portal which was being developed by C-DIT (Centre for Development of Imaging Technology). During 2024-25 an amount of ₹18.25 crore was incurred towards implementation of the Scheme as shown in **Table 2.18**.

**Table 2.18 : Expenditure incurred during March 2025****(₹ in crore)**

Sl. No.	Bill Reference Number	Treasury Bill Date	Amount
1	24011282000101652218	23-03-2025	2.25
2	24011282000101660119	24-03-2025	2.36
3	24011282000101664969	24-03-2025	2.37
4	24011282000101667891	24-03-2025	2.05
5	24011282000101671160	24-03-2025	0.0033
6	24011282000101673874	24-03-2025	2.37
7	24011282000101676081	24-03-2025	2.36
8	24011282000101676249	24-03-2025	2.38
9	24011282000101676749	24-03-2025	2.11
<b>Total</b>			<b>18.2533</b>

Source: Information compiled from Treasury data

It was observed that the the entire expenditure of ₹18.25 crore during 2024–25 was incurred in March 2025, indicating a rush of expenditure to implement the scheme at the fag end of the year.

Director of Minority Welfare replied (October 2025) that delay in developing and hosting a new scholarship web portal hindered the timely invitation of applications for the scholarship scheme, resulting in the entire budget allocation being utilised by the end of the financial year 2024-25.

The reply is not tenable as scheme planning and its implementation should be aligned to ensure timely execution. Any undue delay in scheme implementation leads to rush of expenditure towards the end of the financial year which is regarded as a breach of financial propriety and poor public financial management.

## **2.6 Implementation of Selected Centrally Sponsored Schemes in the State**

A review of the selected Centrally Sponsored Schemes (CSS) was conducted to ascertain the budgeting process, their accounting and the challenges associated with the timely release of funds for effective implementation and the status of migration to SNA SPARSH System.

### **2.6.1 State Linked Centrally Sponsored Schemes**

The following five State Linked CSSs were selected for detailed review.

#### **A. National Health Mission (60 per cent CSS)**

The State linked scheme, *National Health Mission (60% CSS- code 2898)* falls within the Government of India Scheme - *Flexible Pool for Reproductive and Child Health (RCH) & Health System Strengthening, National Health Programme and National Urban Health Mission (Code 4063)* with a 60 per cent Central and 40 per cent State Government funding pattern. The scheme aims to provide equitable, affordable, and quality healthcare, focusing on both rural and urban areas to achieve universal health coverage and improve the health status of all citizens.

**B. Mahatma Gandhi National Rural Employment Guarantee Programme (Material Cost) (75 per cent CSS)**

The State linked Scheme 'Mahatma Gandhi National Rural Employment Guarantee Program (Material Cost- Code 2876) is part of the Government of India Scheme 'National Rural Employment Guarantee Scheme (MGNREGP)' - Code 9219. The Material Cost under Capital outlay, is accounted with the Central share of 75 per cent and State share of 25 per cent. MGNREGP (Material cost) focuses on creating durable assets such as roads, ponds, and canals, contributing to the long-term development of rural infrastructure and natural resource management.

**C. Anganwadi Services (General) (ICDS) (60 per cent CSS)**

The State-linked Scheme - *Anganwadi Services (General-Code KL247)*, implemented under the Centrally Sponsored Scheme, *Saksham Anganwadi and Poshan 2.0 (code 3975)*, is funded in the ratio of 60 per cent Central share and 40 per cent State share. Saksham Anganwadi and Poshan 2.0 is an integrated nutrition support programme aimed at addressing malnutrition among children, adolescent girls, pregnant women, and lactating mothers. It focuses on improving nutrition content and delivery through a convergent ecosystem that promotes health, wellness, and immunity.

**D. Pradhan Mantri Poshan Shakti Nirman (60 per cent CSS)**

The State-linked Scheme - *Pradhan Mantri Poshan Shakti Nirman (code 2819)*, implemented under the CSS - Pradhan Mantri Poshan Shakti Nirman (Code 9165) (Erstwhile National Programme of Mid-Day Meal in Schools) is funded in the ratio of 60 per cent Central share and 40 per cent State share. The scheme is for providing one hot cooked meal per day to all school children studying in Classes I-VIII in Government and Government-Aided Schools.

**E. Revision of norms for Central Assistance Released to States/ UTs for meeting expenditure on intra-state movement handing of foodgrains and FPS dealers margin under NFSA, KERALA (50 per cent CSS)**

The State linked Scheme 'Revision of norms for Central Assistance Released to States/UTs for meeting expenditure on intra-state movement handing of foodgrains and FPS dealers' margin under NFSA KERALA'(Code - KL200), falls within the Government of India scheme 'Assistance to State Agencies for Intra-state movement of foodgrains under NFSA (50% CSS)'-code 4048. The scheme aims to ensure efficient delivery of subsidized food grains to eligible beneficiaries under the National Food Security Act (NFSA), 2013, by supporting States and UTs with financial assistance for key logistical and operational expenses.

**2.6.2 Single Nodal Agency- Central and State Share Transfer**

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank.

Audit analysed the VLC data of the Accountant General (A&E), the SNA reports in the PFMS portal, and the records of SNAs of the selected CSS/SLS

during the year 2024-25 and the following observations are made on the selected CSSs.

**A. National Health Mission (60 per cent CSS)**

The details on Central and State Share transfer in respect of National Health Mission (60 per cent CSS) during 2024-25 are given in **Table 2.19**.

**Table 2.19 : Central and State share transfer**

(₹ in crore)

Source of Data	Central Share received (Cash + commodity)	Central Share transferred to SNA	Short release of Central Share to SNA	State Share transferred to SNA
Head of Account		2210-06-101-19-(01)		2210-06-101-19-(02)
VLC figures	629.10	529.10	100	424.83
SNA PFMS Report	629.10	467.48	161.62	424.83
Difference between VLC figures and PFMS report	0	61.62	-	0

The shortfall in the release of the central share to SNA account during 2024-25 is due to the release of GoI fund amounting to ₹100 crore at the fag-end of the financial year, on 24 March 2025. The amount was credited to the SNA account on 10 April 2025.

The variation amounting to ₹61.62 crore occurred due to the booking of Grant-in-Kind released by the GoI in the accounts through a Transfer Entry, by debiting 2210-06-101-19-01 National Health Mission (60:40)(Central share) and Crediting 1601-06-210-75 - Flexible Pool for RCH & Health system CSS. The details of Grant-in-Kind was not seen accounted under 'Central share transferred to SNA' in the SNA PFMS Report. An amount of ₹ 4.62 crore was outstanding in the SNA account as on 31 March 2025.

State Government replied (January 2026) that grants-in-kind releases were not included in SNA report 'Central share transfer to SNA' as the releases were provided by GoI in commodities. The total value of commodities released by GoI were shown under 'GoI release on commodities' in SNA-01 report in PFMS. It was also replied that NHM was migrated to SNA SPARSH and Finance department has approved the calculations of unspent balances submitted by SNA which is to be approved by the ministry concerned.

**B. Mahatma Gandhi National Rural Employment Guarantee Programme (Material Cost) (75 per cent CSS)**

The details on Central and State Share transfer in respect of Mahatma Gandhi National Rural Employment Guarantee Programme (Material Cost) (75 per cent CSS) during 2024-25 are given in **Table 2.20**.

**Table 2.20: Central and State share transfer**

(₹ in crore)

Source of Data	Central Share received	Central Share transferred to SNA	State Share transferred to SNA
Head of Account		4515-00-103-97-(01)	4515-00-103-97-(02)
VLC figures	460.49	460.49	153.50
SNA PFMS Report	460.49	460.49	153.50
Difference between VLC figures and PFMS report	0	0	0

There was no shortfall in transfer of Central and State share to SNA. An amount of ₹ 9.33 crore was outstanding in the SNA account as on 31 March 2025. State Government replied (January 2026) that the scheme was onboarded to SNA SPARSH on January 2026 and the calculation of the unspent balances is under verification in Finance Department

**C. Saksham Anganwadi and Poshan 2.0 - Anganwadi Services (General) 60 per cent CSS**

The details on Central and State Share transfer in respect of Saksham Anganwadi and Poshan 2.0 - Anganwadi Services (General) 60 per cent CSS during 2024-25 are given in **Table 2.21**.

**Table 2.21 : Central and State share transfer**

(₹ in crore)

Source of Data	Central Share received	Central Share transferred to SNA	Shortfall in transfer of Central Share	State Share transferred to SNA	Matching State share to be transferred	Shortfall in transfer of State share
Source of Data						
VLC figures		186.25 <sup>35</sup>		101.86 <sup>36</sup>	174.51	72.65
SNA PFMS Report	261.77	186.25	75.52	101.86		
Difference between VLC figures and PFMS report		0		0		

An amount of ₹ 9.28 crore was outstanding in the SNA account as on 31 March 2025. There was a shortfall in release of matching State Share by ₹72.65 crore.

The State Government replied (January 2026) that out of a total of ₹ 261.77 crore released by the Central Government for the Anganwadi services Scheme, ₹ 104.93 crore was released in March 2025 and this amount was deposited in the SNA account in 2025-26. Further during 2023-24 there was delay in receiving Central share and consequently State Government had allocated ₹

<sup>35</sup> 2235-02-102-18-01 - ₹ 169.63 crore; 2235-02-789-90-01 - ₹ 14.27 crore; 2235-02-796-90-01 - ₹ 2.35 crore

<sup>36</sup> 2235-02-102-18-02 - ₹ 90.78 crore; 2235-02-789-90-02 - ₹ 9.51 crore; 2235-02-796-90-02 - ₹ 1.57 crore

22.31 crore in advance for the smooth implementation of the scheme. Therefore, the said State share has been adjusted in the release for the financial year 2024-25. Due to this, there has been a reduction of ₹22.31 crore in the State allocation for the financial year 2024-25. The scheme has been onboarded to SNA SPARSH on 07 January 2026 and the process of refund of unspent balance is under process.

#### **D. Pradhan Mantri Poshan Shakti Nirman (60 per cent CSS)**

The details on Central and State Share transfer in respect of Pradhan Mantri Poshan Shakti Nirman 60% CSS during 2024-25 are given in **Table 2.22**.

**Table 2.22: Central and State share transfer**

(₹ in crore)

Source of Data	Central Share received	Central Share transferred	Short fall in release of Central Share to SNA	State Share transferred	Short release by State
Head of Account		2202-01-112-90-(01)		2202-01-112-90-(02)	
VLC	240.67	236.03	4.64	140.56	16.79
SNA PFMS Report	240.67	239.15	1.52	140.56	18.87
Difference between VLC figure & PFMS report		3.12		0	

There was shortfall in release of matching State share amounting to ₹16.79 crore during 2024-25. There is also a variation of ₹ 3.12 crore in the central share of VLC data vis-a-viz SNA PFMS Report. Audit observed that this variation was due to a misclassification of resumption of funds from the PSTSB Account No. 799012700001649 of Kerala State Civil Supplies Corporation Ltd by Additional Sub-Treasury Ernakulam. The previous year recovery was accounted as a minus debit in the current year account head instead of Account head 2201-01-911. An amount of ₹ 97.98 crore was outstanding in the SNA account as on 31 March 2025.

State Government replied (January 2026) that as the OM for the release of fourth instalment of the Central share was issued only on 30 March 2025, the matching state share was released to SNA in the subsequent financial year resulting in shortfall in release of state share during 2024-25.

#### **E. Assistance to State Agencies for Intra-State movement of food grains and FPS dealers' margin under NFSA (50 per cent CSS)**

The details on Central and State Share transfer in respect of Intra-State movement of food grains and FPS dealers' margin under NFSA (50% CSS) during 2024-25 are given in **Table 2.23**.

**Table 2.23: Central and State share transfer**

(₹ in crore)

Source of Data	Central Share received	Central Share transferred (Total)	State Share transferred SNA
Total VLC	72.07	84.95 <sup>37</sup>	84.95 <sup>38</sup>
SNA PFMS Report	63.60	76.49	76.49
SPARSH PFMS Report	8.47	8.47	8.47
PFMS report Total	72.07	84.96	84.96

An amount of ₹ 1.57 crore was outstanding in the SNA account as on 31 March 2025.

State Government replied (January 2026) that in accordance with Sub-Rule 8, 9 of Rule 10 of Food Security (Assistance to State Governments) rules, 2015, 75 per cent of the expected amount was allocated as Central Share at the beginning of the each financial year by GoI for implementation of NFSA scheme. After the utilisation of Central share, the State Government incurs expenditure towards the Central Share for the remaining months from there on, along with the State share. State Government submits the settlement claim for the sanction of the balance Central share at the end of the financial year. This has resulted in the difference between the Central share received and released to SNA account.

The unspent balance in the SNA account has been refunded to the Consolidated Fund of India/ Consolidated Fund of the State.

### 2.6.3 Observations relating to Budgetary process of CSS

The selected Centrally Sponsored Schemes were reviewed for the effectiveness of their budgetary process. The findings are as under:

#### A. Mahatma Gandhi National Rural Employment Guarantee Programme (75 per cent CSS) - Substantial Savings in the Budget Provision

There are substantial savings in the budget provision under the Central / State share of the Scheme 'Mahatma Gandhi National Rural Employment Guarantee Scheme (Material Cost)' during the period 2023-24 and 2024-25 as detailed below in Table 2.24.

**Table 2.24 : Budget provision and Actual expenditure**

(₹ in crore)

Year	Head of Account	Original Budget	Central Share receipts	Expenditure	Savings / Excess	Percentage of Savings
2023-24	4515-00-103-97-(01)*	688.05	372.17	372.17	(-)315.88	45.91
	4515-00-103-97-(02)#	229.35		124.06	(-)105.29	45.91
2024-25	4515-00-103-97-(01)	688.05	460.49	460.49	(-)227.56	33.07
	4515-00-103-97-(02)	229.35		153.5	(-)75.85	33.07

\* Detailed head (01) represents Central Share of the CSS

# Detailed head (02) represents State Share of the CSS

<sup>37</sup> 2408-01-101-92 (01) – ₹ 31.08 crore and 2408-01-101-91 (01) – ₹ 53.87 crore

<sup>38</sup> 2408-01-101-92 (02) – ₹ 31.08 crore and 2408-01-101-91 (02) – ₹ 53.87 crore

Scrutiny of SNA reports revealed that there was variation between the actual release of funds for CSS from GoI and the budget provision in the State Accounts. This resulted in large unspent budget provision under the Centrally Sponsored Scheme for Central and State Share during 2023-24 and 2024-25.

The responses of the State Government for the variation in budget provision and actual release of CSS funds have been called for and reply in this regard is awaited.

**B. Saksham Anganwadi and Poshan 2.0 - Anganwadi Services (General)  
60% CSS - Substantial savings in the Budget provision in respect of  
Central / State share**

Scrutiny revealed that there were substantial savings in budget provision in respect of central and state share during 2023-24 and 2024-25 as detailed in **Table 2.25**.

**Table 2.25: Budget provision and Actual transfer of Central and Matching state share**

*(₹ in crore)*

Year	Head of Account	Total Budget	Expenditure	Savings	Percentage of Savings
2023-24	2235-02-102-18-(01)*	291.48	127.97 <sup>39</sup>	(-)163.51	56.10
	2235-02-102-18-(02)#	194.32	107.63	(-)86.69	44.61
2024-25	2235-02-102-18-(01)*	291.48	169.63 <sup>40</sup>	(-)121.85	41.80
	2235-02-102-18-(02)#	194.32	90.78	(-)103.54	53.29

\* Detailed head (01) represents Central Share of the CSS

# Detailed head (02) represents State Share of the CSS

Scrutiny of SNA reports revealed that there was variation between the actual release of funds for CSS from GoI and the budget provision in the State Accounts. This resulted in large unspent budget provision under the Centrally Sponsored Scheme for Central and State Share during 2023-24 and 2024-25,

The reasons for the variation in budget provision and actual release of funds for CSS for the period 2023-24 and 2024-25 have been called for from the State Government and reply in this regard is awaited.

**C. Assistance to State Agencies for Intra-State movement of food grains and FPS dealers' margin under NFSA (50% CSS) - Expenditure incurred without any budget provision**

A scrutiny of the detailed Appropriation Account and VLC data for the period from 2022-23 to 2024-25, revealed that there are instances of incurring expenditure without any original/supplementary budget provision in the financial year against the Sub heads/schemes as shown in **Table 2.26**.

<sup>39</sup> Includes ₹37.61 crore received during the fag-end of 2022-23 and excludes ₹ 29.42 crore received during the fag-end of 2023-24

<sup>40</sup> Includes ₹29.42 crore received during the fag-end of 2023-24 and excludes ₹ 56.59 crore received during the fag-end of 2024-25

**Table 2.26 : Expenditure without budget allocation**

(₹ in crore)

Sl No	Schemes	Year	Original Budget	Supple - mentary	Expenditure
1	2408-01-101-91-01 Central Share-Assistance to State Agencies for FPS dealers margin under NFSA (50% CSS).	2023-24	0	0	48.30
		2024-25	0	0	53.87
2	2408-01-101-91-02 – State Share-Assistance to State Agencies for FPS dealers margin under NFSA (50%CSS).	2023-24	0	0	48.30
		2024-25	0	0	53.87
3	2408-01-101-92-01 – Central share - Intra State movement of food grains under NFSA	2022-23	0	0	25.00
		2023-24	0	0	36.09
4	2408-01-101-92-02 – State share - Intra State movement of food grains under NFSA	2022-23	0	0	25.00
		2023-24	0	0	36.09
		2024-25	0	0	31.08

The expenditure for the schemes was met through reappropriation orders, as no budget provision had been made for this purpose. Audit observed that the funds for the scheme were initially provided under the Non-Plan Head of Accounts 2408-01-101-94-02 (FPS dealers margin under NFSA), and 2408-01-101-94-03 (Intra State movement of foods grains under NFSA). Subsequently, the required amount under the Plan Heads 2408-01-101-91, and 2408-01-101-92 were re-appropriated from the Non-Plan head of account 2408-01-101-94.

On this being pointed out, the Finance Officer, SNA stated that (October 2025) up to 2022-23, the ration dealer's commission for distribution of food grains was fully disbursed from the Non-Plan head of account 2408-01-101-94-(02), while transportation cost, related to ration distribution was met from 2408-01-101-94-(03) (NP). After the introduction of the SNA scheme through PFMS, although new Plan heads were created for the disbursement of ration dealer commission and for handling transportation expenses, the required funds continued to be allocated under the Non-Plan Heads 2408-01-101-94-(02) and 2408-01-101-94-(03). Subsequently, no separate budget provision was made under the plan head of accounts.

The reply is not acceptable as despite opening of new plan subheads for implementing the scheme, adequate budget provision was not provided under the requisite head of account during 2023-24 and 2024-25 indicating lack of Budget Planning. Meeting the expenditure repeatedly through reappropriation during the years indicates that the budget provision during 2024-25 was made without considering the previous year's expenditure as required under Paragraph 48 of Kerala Budget Manual.

#### 2.6.4 Single Nodal Agency - Unspent Balance in Single Nodal Accounts

The Government of India, Ministry of Finance, Department of Expenditure vide Office Memorandum dated 23 March 2021, provided that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The SNA will open the

dedicated bank account for each CSS at the State level, in a Scheduled Commercial Bank authorised to conduct the government business by the State Government.

On review of the Public Financial Management System (PFMS) reports of the selected five schemes regarding the unspent balance and interest accrued on funds in the Bank account of the SNAs, the following observations were made.

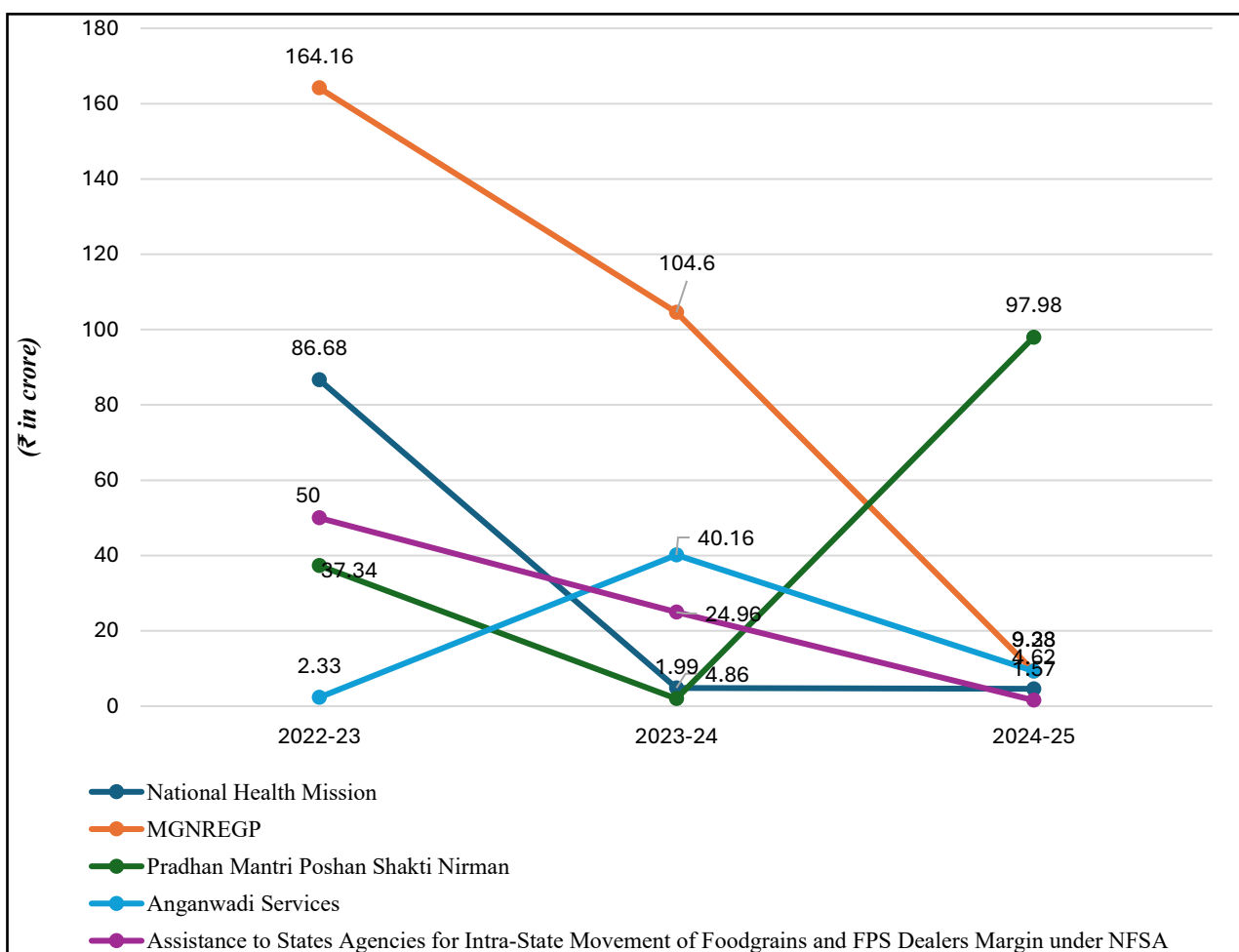
#### A. Unspent balance with SNA Accounts and interest accrued in the SNA Bank Account

During 2024-25, GoI released ₹1,594.01 crore being Central share of the Centrally Sponsored Schemes to State Government towards the five selected schemes. The State Government transferred an amount of ₹2,327.09 crore (₹1,429.85 crore being the Central Share and ₹897.24 being the State Share) to the SNA account during 2024-25. As on 31 March 2025, an amount of ₹ 122.78 crore remained unspent in the bank accounts of the SNAs in respect of the five Centrally Sponsored schemes as detailed in **Appendix 2.15**.

The trend of unspent balances in the selected five Centrally Sponsored Schemes during the period 2022-23 to 2024-25 is given in **Chart 2.10** below:

**Chart 2.10: Trends of unspent balances**

(₹ in crore)



The trend of unspent balances in respect of the five selected Centrally Sponsored Schemes indicate that the balances are declining over the period except in the case of 'Pradhan Mantri Poshan Shakti Nirman'.

Director of General Education, the SNA of PM Poshan, replied that (October 2025) the huge unspent balances at the end of year 2024-25 was due to receipt of third instalment of Central share from the Ministry of Education at the fag-end of the year.

#### **B. Refund of Interest earned on savings bank Accounts of SNAs**

As per OM F.No.1(13) PFMS/FCD/2020 issued by the Government of India, Ministry of Finance, Department of Expenditure, PFMS Division dated 23 March 2021, along with subsequent communications dated 30 June 2021 and 15 July 2022, interest earned from the funds released should be mandatorily remitted to the respective Consolidated funds on pro-rata basis in accordance with Rule 230(8) of GFR 2017. As per PFMS report, during the year 2024-25, a total interest amount of ₹ 8.02 crore was earned and credited to SNA's Accounts. Details are given in **Appendix 2.16**.

State Government replied (January 2026) that interest accrued in the SNA accounts till the end of financial year 2024-25 of Centrally Sponsored Scheme have been remitted to the Consolidated Fund of India and Consolidated Fund of State.

#### **C. Penal interest due on delayed transfer of Government of India funds to SNA account**

Government of India vide Letter F.No.1(13)/PFMS/2020 from MoF, Dept of Expenditure dated 16 February 2023 directed that State Government has to transfer both the Central Share and the commensurate State share to the SNA account within 30 days of the receipt of the Central share. Penal interest @ 7 per cent per annum w.e.f. 01 April 2023 would be levied on the number of days of delay beyond the stipulated 30 days in transferring the Central share to SNA account.

On review of PFMS portal, Audit observed that there were delay ranging from nine to 136 days in transfer of funds in respect of three SLS (NHM, MGNREGP and PM Poshan) out of five selected schemes. The delay in transfer of Central share to SNA within the prescribed time limit resulted in interest liability of ₹7.27 crore to the State (September 2025) as detailed in **Appendix 2.17**. The interest liability of ₹7.27 crore has not been discharged by the State Government till date.

State Government replied (January 2026) that SNA have been directed to verify the accuracy of the figures in PFMS report. It was also replied that the matter would be taken up with the Accountant General (A&E) to arrange remittance of penal interest due.

#### **2.6.5 Single Nodal Agency-SPARSH**

SNA-SPARSH (Single Nodal Agency, a Real-time System for Integrated Quick Transfers) was introduced by the Ministry of Finance in July 2023 as an alternative to the Single Nodal Agency (SNA) model for releasing funds for

CSS to State Governments. This system developed under the PFMS platform, aims to achieve “just-in time” fund flow for Centrally Sponsored Schemes by integrating the Public Financial Management System (PFMS), State Integrated Financial Management Information System (IFMIS), and e-Kuber of the Reserve Bank of India (RBI), facilitating efficient and transparent fund disbursement.

Ninety-Nine Centrally Sponsored Schemes are being implemented in Kerala as per Finance Accounts 2024-25. GoI notified to onboard (21 May 2024) 27 Centrally Sponsored Schemes to SNA-SPARSH and further notified (10 June 2025) to onboard additional 37 schemes to SNA-SPARSH. 11 Schemes and the corresponding State Linked schemes (SLS) have been completely onboarded to SNA-SPARSH as per the reply given by Government (October 2025). 42 schemes and the corresponding SLS are yet to be on-boarded to SNA – SPARSH. The remaining 11 schemes have been partly on-boarded as a few SLS in each of these schemes were yet to be onboarded completely.

State Government replied (January 2026) that the complete onboarding of 11 schemes could not be done as allocation from Ministries had been received for certain SLS only and SLSs which have not received allocation were not onboarded due to non-availability of Funds.

State Government also replied (January 2026) that 31 notified Centrally Sponsored Schemes and corresponding 95 State Linked Schemes have been onboarded to SNA SPARSH as on January 2026.

Out of the five selected schemes, four<sup>41</sup> have been notified<sup>42</sup> by Ministry of Finance for onboarding to SNA-SPARSH platform. Of the four, only one scheme/SLS, *Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS)- SLS code KL200*, has been onboarded (March 2025) to SNA SPARSH model. State Government replied (January 2026) that out of five schemes three<sup>43</sup> have been onboarded to SNA SPARSH. Two SLS under MGNREGP has also been onboarded. It was also replied that the Ministry concerned have directed the scheme ‘Pradhan Mantri Poshan Shakti Nirman’ to continue in SNA system.

#### **A. Migration from SNA to SNA - SPARSH Model**

A Single Nodal Agency (SNA) is a designated agency that manages funds for Centrally Sponsored Schemes (CSS) on behalf of a State, whereas SNA-SPARSH is a cash management initiative for Centrally Sponsored schemes fund flow from both the Centre and State Consolidated Funds through an integrated framework of PFMS, State IFMIS, and e-Kuber platform of RBI. SNA-SPARSH in an attempt to achieve the goal of “just-in-time” fund flow and to enable the stakeholders (Central Ministries/ Departments and State Government) to monitor the release of central share. As per OM F.No.1(27)/PFMS/2020 issued by the Ministry of Finance, Department of

<sup>41</sup> Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS), Mahatma Gandhi National Rural Employment Guarantee Programme (Material Cost) (75% CSS), National Health Mission (60% CSS), Pradhan Mantri Poshan Shakti Nirman (60% CSS).

<sup>42</sup> Notified vide F.No. 1(27)/PFMS/2020 dated 21 May 2024 & vide F.No.1(27)/PFMS/2020 dated 17 December 2024.

<sup>43</sup> National Health Mission, ICDS-Anganwadi Services and Assistance to State Agencies for intra state movement of food grains under NFSA

Expenditure, PFMS Division, Government of India, dated 13 July 2023, upon onboarding of a scheme to SNA- SPARSH platform, the SNA is required to close all the SNA accounts pertaining to the scheme and refund the Central share / State share of unspent balance lying in the SNA accounts to the respective Consolidated Funds. Further, the Central share under the scheme lying in State Treasury, should also be refunded to the Consolidated Fund of India as per the sharing pattern.

The CSS ‘Assistance to State Agencies for Intra-State Movement of Food Grains under NFSA (50% CSS)’ was onboarded onto the SNA-SPARSH system in March 2025 and first payment was made through SNA- SPARSH on 19 March 2025. It was observed that the unspent balances/ interest was refunded to the respective Consolidated Fund of India/State by the end of September 2025 only.

State Government replied (January 2026) that remitting of unspent balance involves vetting of calculation of central share and state share by Finance department and approval by Ministry concerned which is a time-consuming process. It has also been replied that NHM and ICDS Anganwadi service has since been fully onboarded to SNA Sparsh scheme in November 2025 and January 2026. It has also been replied that in respect of the CSS ‘Pradhan Mantri Poshan Shakti Nirman (60% CSS)’, the Ministry concerned has directed that the scheme may be continued in SNA system.

## **B. Government of India Incentive scheme for capital investment in IT**

Part XI of the guidelines of the ‘Scheme for Special Assistance to States for Capital Investments (SASCI) 2024-25’ stipulates that States would be eligible for an incentive amount of ₹250 crore upon onboarding of at least five CSS onto “SNA-SPARSH” model by 31 January 2025. The states which have onboarded a few CSS on the SNA SPARSH model in the financial year 2023-24 would also be eligible for the incentive. As per the above guidelines, onboarding of a scheme means successful transmission of at least one file per scheme by State IFMS to PFMS, release of central share to the Consolidated Fund of the State by the ministry concerned and release of payment (both Central and State share) by RBI to vendors/ beneficiaries. The State Government is also required to provide a list of capital projects for which it intends to utilize the eligible incentive amount.

State Government replied (January 2026) that though the State has intimated (June 2025) GoI regarding successful onboarding of six Centrally Sponsored Schemes for releasing the eligible incentive amount of ₹300 crore, the same has not been received from GoI till date.

## **2.7 Other Issues noticed in detailed Review of selected grants**

### **A. Single Nodal Agency**

#### **(i) Migration to SNA-Sparsh**

GoI notified (May 2024) to on-board 27 Centrally Sponsored Schemes to SNA-SPARSH platform with effect from 01 June 2024. Of the 27 schemes notified for onboarding to SNA-SPARSH, three schemes namely, AMRUT (Atal Mission for Rejuvenation and Urban Transformation), Swachh Bharat Mission

(SBM)-Urban, Pradhan Mantri Awas Yojna (PMAY) fall under Grant No XXII, Urban Development. As per the State Government reply (October 2025), under AMRUT scheme, out of five State Linked Schemes (SLS), four SLS were onboarded in March 2025, while one SLS is yet to be onboarded. Under SBM-Urban scheme, out of five SLS, two SLS were onboarded in July 2025, while another two SLS were onboarded in September 2025 and one SLS is yet to be onboarded. Under PMAY, out of two SLS, one SLS was onboarded in August 2025 and the other SLS (KL 375) was yet to be onboarded pending allocation from the concerned Ministry.

Further, in June 2025, GoI notified to on-board an additional 37 Centrally Sponsored Schemes to SNA-SPARSH with effect from 01 November 2025. Of these 37 schemes notified schemes, two schemes namely PM Young Achievers Scholarship Award Scheme for Vibrant India (PM YAASAVI) for OBCs, EBCs and DNT and PM Vanbandhu Kalyan Yojna fall under Grant No XXV. State Government replied (January 2026) that one CSS under 'PM Vanbandhu Kalyan Yojna' has been onboarded in December 2025. None of the other schemes were on-boarded to SNA-SPARSH platform. Government also stated that the process of on-boarding was going on and RBI accounts have been opened and mapped to PFMS and the mother sanctions have also been received.

**(ii) Non remittance of interest accrued due to delay in transfer of CSS funds**

As per the procedure<sup>44</sup> for the release of fund for Centrally Sponsored Schemes (CSSs), the State Government shall transfer the Central share as well as the commensurate State share to the SNA account within 30 days of receipt of Central share.

Further, a penal interest of 7 *per cent* per annum is to be charged w.e.f. 01 April 2023 on the number of days of delay in transfer of Central share beyond 30 days to the SNA account. The penal interest shall be deposited by the State Government to the Consolidated Fund of India.

Scrutiny of SNA Reports under Grant No XXII- Urban Development revealed that there was a delay ranging from three to 54 days in transferring the Central share of the CSS to the SNA account. State had also not provided any penal interest for the delay in transferring the Central share of CSS to the Consolidated Fund of India. The interest liability vis-à-vis the delay works out to ₹0.36 crore calculated at a rate of seven *per cent* per annum as given in **Table 2.27**:

<sup>44</sup> Para 16 of Letter No. 1(13)/PFMS/FCD/2020 dated 23<sup>rd</sup> March, 2021 and Letter No. F. No. 1(13)/PFMS/2020 dated 16<sup>th</sup> February, 2023

**Table 2.27 : Delay in transfer of CSS funds and total interest liability for the year 2024-25**

(₹ in crore)

Sl. No.	Centrally Sponsored Scheme	Central Share Amount released by State Treasury to SNA	Date of transfer of Central share to State Treasury	Date of transfer of State treasury to SNA	Delay in release (in days)	Interest Amount
1	Urban Rejuvenation Mission – 500 Cities	22.16	29 March 2024	20 June 2024	54	0.23
2	Mission for Development of 100 Cities	28.75	22 March 2024	23 April 2025	3	0.02
		49.00	25 June 2024	31 July 2024	7	0.07
		24.38	25 June 2024	01 August 2024	8	0.04
<b>Total</b>						<b>0.36</b>

Source: SNA – 15 Report generated from PFMS

The reasons for the delay in transferring the Central share of CSS to the SNA account have been called for from Finance Department, however, no reply has been received till date.

Scrutiny of SNA reports under the Grant No XXV- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities revealed that there was delay ranging from 53 to 212 days in transferring the Central share of various CSS to the SNA account as detailed in **Table 2.28**. State had also not provided any penal interest for the delay in transferring the Central share of CSS to the Consolidated Fund of India. The interest liability works out to ₹0.35 crore calculated at a rate of seven *per cent* per annum during the period as shown in **Table 2.28**:

**Table 2.28 : Delay in transfer of CSS funds and total interest liability for the year 2024-25**

(₹ in crore)

Sl. No	Centrally Sponsored Scheme	Central Share released by State Treasury to SNA	Date of transfer of Central share to State Treasury	Date of transfer of State treasury to SNA	Delay in release (in days)	Interest Amount
<b>Directorate of Scheduled Castes Development</b>						
1	Post-matric Scholarship - SCs	0.96	09-02-2024	29-10-2024	212	0.04
<b>Directorate of Scheduled Tribes Development</b>						
2	Pre-matric Scholarship - STs	1.50	28-02-2024	25-10-2024	208	0.06
<b>Directorate of Backward Classes Development</b>						
3	Pre-matric Scholarship for OBC, EBC and DNT students – PM YASASVI	8.80	31-03-2024	21-06-2024	53	0.09
		7.58	25-10-2024	10-03-2025	107	0.16
<b>Total</b>						<b>0.35</b>

Source : SNA – 15 Report generated from PFMS

The total penal interest of liability ₹0.71 crore under the two grants was yet to be discharged by the State to the Consolidated fund of India. State Government replied (January 2026) that SNA have been directed to verify the accuracy of the figures in PFMS report. It was also replied that the matter would be taken up with the Accountant General (A&E), Kerala to arrange remittance of penal interest due.

The reasons for the delay in transferring the Central share of CSS to the SNA account has been called for from the Finance Department and reply is awaited.

**(iii) Unspent balances in SNA account as on 31 March 2025 and interest earned during the year 2024-25**

As per the procedure<sup>45</sup> for the release of funds for Centrally Sponsored Schemes, the Single Nodal Agency should ensure that the interest earned from the funds released should be mandatorily remitted to the respective Consolidated Funds on pro-rata basis.

Interest is earned on the balances held in the SNA account associated with SLSs (State Linked Schemes) linked with CSSs (Centrally Sponsored Schemes) and the same has to be transferred to the Consolidated Fund of India and State Treasury in the scheme's Centre-State ratio.

As per SNA reports<sup>46</sup> generated from PFMS for Grant No XXII-Urban Development, the total interest earned during 2024-25 relating to the SNA accounts of the State Linked Schemes are yet to be transferred to the Consolidated Fund of India and the Consolidated Fund of State as detailed in **Table 2.29:**

**Table 2.29: Interest earned during the year 2024-25 and cumulative outstanding balances as on 31 March 2025**

<i>(₹ in crore)</i>				
Sl. No.	State Linked Scheme Code	State Linked Scheme Name	Total interest earned during 2024-25	Cumulative outstanding balances in SNA accounts as on 31 March 2025
1	KL312	Atal Mission for Rejuvenation and Urban Transformation AMRUT 2.0 - Municipality (50 %)	0.71	4.17
2	KL264	Local Area Plan/Town Planning Scheme	0.01	0.25
3	KL352	Amrut 2.0 Pilot Project National Urban Digital Mission	0.01	0.07
4	KL368	Sub Scheme on Formulation of GIS based Master Plans of Towns with population 50000 - 99999 under AMRUT 2.0	0.10	7.23
5	KL294	Smart City Mission, Cochin	1.54	39.33
6	KL298	Smart City Mission, Thiruvananthapuram	2.70	71.98
<b>Total</b>			<b>5.07</b>	<b>123.03</b>

Source: SNA Report No. 04<sup>47</sup> and SNA Report No. 01<sup>48</sup> generated from PFMS

<sup>45</sup> Para 16 of Letter No. 1(13)/PFMS/FCD/2020 dated 23<sup>rd</sup> March 2021

<sup>46</sup> SNA - 04 Report – Interest Income, SNA - 01 Report – Comprehensive Report for Releases and expenditure and outstanding balance.

<sup>47</sup> Report on Interest Income.

<sup>48</sup> Comprehensive Report for Release and Expenditure, and outstanding balances.

The reasons for the unspent balances in SNA accounts are awaited from Directorate of Urban Affairs.

The details of interest credited and total outstanding in SNA Accounts for Grant No XXV- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities at the end of 2024-25, are given in **Table 2.30**:

**Table 2.30: Interest earned during the year 2024-25 and cumulative outstanding interest balances as on 31 March 2025**

(₹ in crore)

Sl No	State Linked Scheme Code	State Linked Scheme Name	Total Interest Credited in 2024-25	Outstanding Balances as on 31 March 2025
<b>Directorate of Scheduled Castes Development</b>				
1	KL319	Post-matric Scholarship -SCs	0.39	1.77
2	KL290	Special Central Assistance to Special Component Plan (SCA to SCP) (Linked CSS - Pradhan Mantri Anusuchit Jaati Abhyuday Yojana (PM AJAY))	0.06	2.97
<b>Directorate of Scheduled Tribes Development</b>				
1	2921	Post-matric Scholarship to ST Students	0.85	3.08
2	2948	Pre-matric Scholarship to ST Students (Class IX and X)	0.04	1.80
<b>Directorate of Backward Classes Development</b>				
1	2924	Pre-matric scholarship for OBCs	1.04	29.96
2	2919	Post matric scholarship to students belonging to OBCs	1.17	42.89
<b>Total</b>			<b>3.55</b>	<b>82.47</b>

The reasons for outstanding balance at the end of the financial year in the SNAs have also been called from the Government and the reply is awaited.

## 2.8 Conclusions

Excess expenditure to the tune of ₹ 2,629.79 crore incurred from 2016-17 to 2023-24 pertaining to 45 grants are pending regularisation from the State Legislature. Further, in financial year 2024-25 also, the State Government incurred an excess expenditure of ₹ 2,684.44 crore in three grants. Besides, instances of incurring expenditure through re-appropriations, without the authority of law, were also noticed during the financial year. The persistence of excess expenditure, incurring irregular expenditure through re-appropriations and delay in taking timely action to regularize the excess expenditure is indicative of weak financial accountability towards legislature.

Audit of specific grants and selected State linked CSS schemes revealed existence of persistent savings across the years. This requires detailed evaluation by the Government for identifying the systemic weaknesses in incurring expenditure and reducing the errors in forecasting the budgetary

requirements for these schemes.

As on 06 January 2026, 31 Centrally Sponsored Schemes and corresponding 95 State Linked schemes have been onboarded to SNA SPARSH. The non-crediting of interest earned on the unspent balances of SNA accounts and delays in transferring CSS share to SNA accounts are other important areas which warrant immediate attention and action from the State Government towards strengthening of the implementation of centrally sponsored schemes.

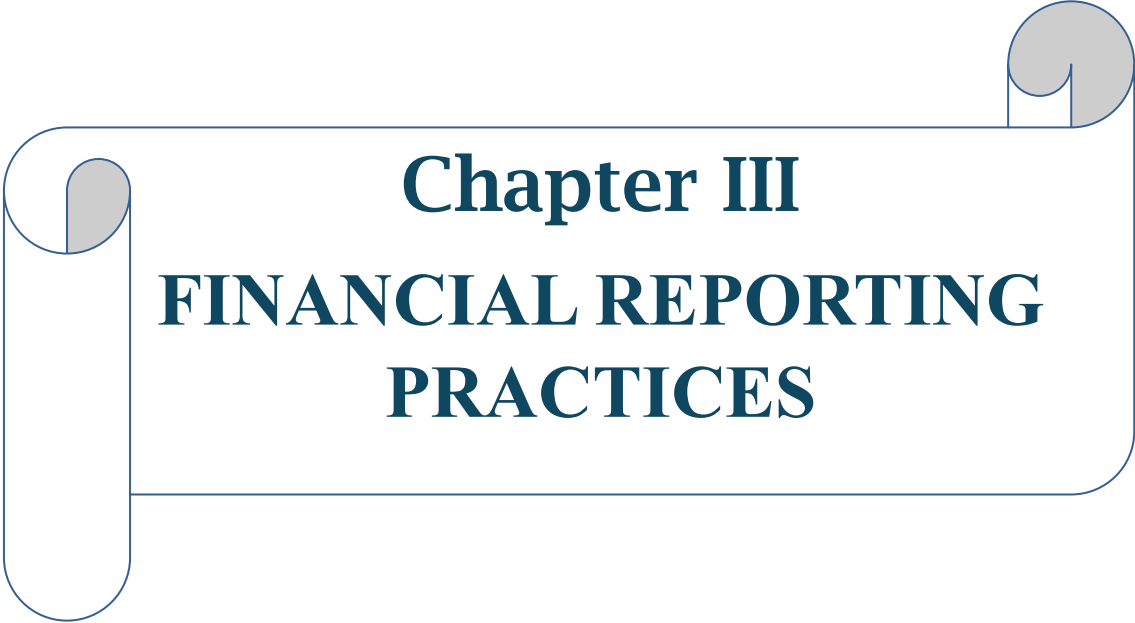
## **2.9 Good practices**

We also acknowledge the efforts taken by the State Government in onboarding 31 notified Centrally Sponsored Schemes and corresponding 95 State Linked Schemes to SNA SPARSH as on January 2026.

## **2.10 Recommendations**

- 1. State Government should undertake immediate steps to regularize the excess expenditure made from the financial year 2016-17 in contravention to the Article 205 of the Constitution of India.*
- 2. The State Government should implement systemic check to prevent incurring of excess expenditure in violation of Article 205 of the Constitution of India under various grants.*
- 3. Government may expedite the process of onboarding the remaining Centrally Sponsored Schemes to SNA-SPARSH platform to enable timely and efficient fund-flow management and address issues related to fund releases and management under the SNA accounts.*
- 4. Administrative Departments may be sensitised to prepare the budgetary requirements of Centrally Sponsored Schemes meticulously and realistically to avoid persistent savings and thus, facilitate efficient budget management.*



A decorative graphic of a scroll with a blue outline and grey shading on the rolled-up ends. The text is centered within the scroll.

**Chapter III**  
**FINANCIAL REPORTING**  
**PRACTICES**



## Chapter-III: Financial Reporting Practices

**This chapter provides broad based perspective of quality of the State Government Accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.**

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports

### Issues related to completeness of accounts

#### 3.1 Off-budget borrowings through State owned PSUs/Authorities

Article 293(3) of the Constitution of India mandates consent of Government of India (GoI) for a State Government's borrowing if it has any outstanding loans or guarantees from the Government of India. Further, the XV Finance Commission recommended that the normal net borrowing ceiling (NBC) to the State Governments for 2023-24 to 2025-26 may be fixed at three *per cent* of GSDP.

As per Kerala Fiscal Responsibility (Amendment) Act, 2022 the State has to maintain the Fiscal deficit at a level not exceeding 3.5 *per cent* of GSDP and reduce the debt liabilities of the State to 32.80 *per cent* of GSDP by 2024-25. The Kerala Fiscal Responsibility Act, 2003 also outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing off-budget borrowings and contingent liabilities created by way of guarantees having potential budgetary implications at the time of presentation of budget. Further, as envisaged in the Act, the Medium-Term Fiscal Policy statement laid before the Legislature along with the Annual Budget shall contain a three-year rolling targets for fiscal indicators.

Bypassing the above stipulated borrowing ceiling by routing loans outside budget through various State Government Public Sector Undertaking (SPSUs)/Corporations/ other Bodies despite the State being significantly responsible for repayment of such loans, and non-disclosure of the same pose serious risk to fiscal health and transparency in the government finances. Borrowing Ceilings for a financial year of the State Governments are now being adjusted by GoI to extent of off-budget Borrowings.

For the year 2024-25, debt stock was targeted as 34.15 *per cent* of GSDP under MTFP and 32.80 *per cent* of GSDP under KFR Act 2003. Besides, the GoI had fixed borrowing ceiling of ₹37,512 crore (3.00 *per cent* of GSDP) for the State during 2024-25.

State Government of Kerala do not disclose details of off-budget borrowings in its budget. However, for seeking consent of GoI for raising open market borrowings, the State Government provides details on borrowings by Kerala

Infrastructure Investment Fund Board (KIIFB) and Kerala Social Security Pension Limited (KSSPL) to GoI indicating that these borrowings outside State budget are serviced (both principal and/or interest) out of the State Budget and/or by assignment of taxes/ cess or any other receipt of the State.

Based on the details collected from these entities, the outstanding off-budget borrowing as on 31 March 2025 was ₹39,230.33 crore which included borrowings of ₹13,653.01 crore borrowed during 2024-25. The details of off-budget borrowing as on 31 March 2025 is given in **Table 3.1**.

**Table 3.1: Details of off-budget borrowings as on 31 March 2025**

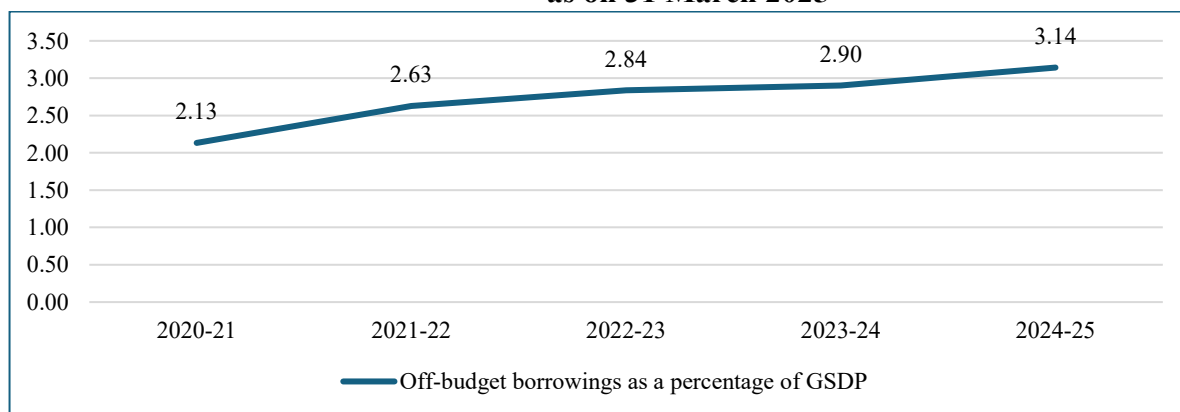
(₹ in crore)

Entities borrowed on behalf of Government	Loan Sanctioned	Loan availed/ disbursed	Amount Repaid	Purpose of loan	Outstanding loan as on 31 March 2025
Kerala Infrastructure Investment Fund Board	35,344.35	32,472.31	6,582.54	For infrastructure funding	25,889.77
Kerala Social Security Pension Limited	43,383.02	43,383.02	30,042.46	For payment of Social Security Pension and Welfare Fund Board Pension	13,340.56
<b>Total</b>	<b>78,727.37</b>	<b>75,855.33</b>	<b>36,625.00</b>		<b>39,230.33</b>

Source: Information provided by the respective entities

Total outstanding off-budget borrowings as a percentage of GSDP is depicted in **Chart 3.1**.

**Chart 3.1: Outstanding Off-Budget Borrowings as a percentage of GSDP as on 31 March 2025**



Source: Information provided by the respective entities

Out of ₹75,855.33 crore of off-budget borrowings, borrowings of ₹ 36,625.00 crore were repaid by KIIFB and KSSPL through financial assistance from the State Government as on 31 March 2025. This included repayment of off-budget borrowings of ₹7,364.82 crore during 2024-25. The details of repayment of borrowings in respect of KIIFB and KSSPL based on the financial year in which they were availed are given in **Appendix 3.1**.

The entity wise details of off budget borrowings for the period 2021-22 to 2024-25. are shown in **Table 3.2**.

**Table 3.2 : Entity-wise details of off-budget borrowings for the period 2021-22 to 2024-25****(₹ in crore)**

Name of the Entity	Opening Balance	Off Budget Borrowings during the year	Repayment during the year		Closing Balance
			Principal	Interest	
<b>Kerala Infrastructure Investment Fund Board</b>					
2021-22	5,610.82	7,762.78	307.42	739.66	13,066.18
2022-23	13,066.18	5,109.24	432.74	1,254.56	17,742.68
2023-24	17,742.68	5,803.86	3,505.02	1,639.64	20,041.52
2024-25	20,041.52	8,089.92	2,241.67	1,823.47	25,889.77
<b>Kerala Social Security Pension Limited</b>					
2021-22	10,848.61	6,550.00	6,192.12	743.94	11,206.49
2022-23	11,206.49	2,949.67	2,422.87	833.17	11,733.29
2023-24	11,733.29	4,828.60	3,661.27	970.18	12,900.62
2024-25	12,900.62	5,563.09	5,123.15	1,162.90	13,340.56

Source: Information furnished by KIIFB and KSSPL

The details of financial assistance given by State Government to the entities during 2024-25 are detailed in **Table 3.3**.

**Table 3.3: Details of financial assistance given by State Government during 2024-25****(₹ in crore)**

Sl.No.	Name of the Entities	Amount
1	Kerala Infrastructure Investment Fund Board (KIIFB)	3,695.18
2	Kerala Social Security Pension Limited (KSSPL)	12,741.00
<b>Total</b>		<b>16,436.18</b>

Source: Information provided by the respective entities

State Government replied that (December 2025) borrowings of KIIFB are not off-budgetary as KIIFB is provided grants by the State through allocations in the State Budget approved under Articles 202 and 203, based on powers conferred on the State under Article 282 of the Constitution. It was also stated that no additional money is needed for servicing the debt beyond what is devolved by Government annually in the State Budget and hence the infrastructure projects executed through KIIFB are fully covered in the Annual Budget. It was also replied that the borrowings of KIIFB are guaranteed by the Government and KIIFB pays an annual Guarantee Commission to the Government for the same. The State Government also replied (February 2026) that guarantees extended by Government to State owned entities constituted contingent liabilities which would devolve on the Consolidated fund of the State only in the event of default by borrowing entity in servicing principal and/ or interest. Hence, guarantees extended by the State Government to State owned entities therefore constitute contingent liabilities and not actual borrowing or debt of the State. It was also stated that as the matter being sub judice before the Hon'ble Supreme Court of India, any definitive audit conclusion on the

inclusion of guaranteed borrowings of State entities as State Government debt may be deferred.

During exit conference, Additional Chief Secretary (ACS) replied that 25 per cent of KIIFB's borrowings are used for financing revenue generating projects and KIIFB is earning interest out of these transactions. ACS also suggested that the burden of repayment do not fall on the State Government to the extent of revenue earned by these revenue generating projects and hence the borrowings of the KIIFB may be deducted to that extent for arriving at the off-budget borrowings of the State during the year. KIIFB replied (January 2026) that as on 31 March 2025, KIIFB disbursed an amount of ₹8,749.49 crore towards revenue generating projects and received a repayment of ₹1,552.29 crore thereon. Details of revenue generating projects as furnished by KIIFB are given in **Appendix 3.2**.

Audit does not deny that the State Government is providing financial assistance to KIIFB through budgetary allocations. From the reply of the State Government itself, it is very clear that the debt raised by KIIFB are repaid from the budgetary allocations as KIIFB does not have sufficient revenue base for servicing its debt. As such, the debt of KIIFB are repaid by the resources from the Consolidated Fund of the State and therefore essentially represents the debt of the State. Ideally, all debt of the State, in terms of Article 266 of the Constitution of India, should be part of the Consolidated Fund of the State and in terms of Article 202 the estimates of receipts of the State (including the debt receipts) require disclosure in the Annual Financial Statement/Budget. In case of debt raised by KIIFB and KSSPL, these debts though technically raised and accounted in the books of these entities, in essence are repaid by the State from the Consolidated Fund of the State. Paragraph No. 8 of Government of India letter dated 30 March 2024 communicating the Annual Borrowing Ceiling for the financial year 2024-25 treats borrowings by State Public Sector companies, Special Purpose Vehicles and other equivalent instruments, where principal and/or interest are serviced out of State Budget and/or by assignment of taxes/cess or any other State's revenue as Off-Budget borrowings. In the case of KIIFB and KSSPL, their borrowings fall well within the definition of Off-Budget borrowing. Therefore, contention of State Government that borrowing of KIIFB are not Off-Budget borrowing is not tenable. Besides, the argument that KIIFB's borrowings are guaranteed by the government does not take away the 'Off-Budget' nature of the borrowings and activities of the entity.

The State Government's argument that the borrowings made by KIIFB and KSSPL are contingent liabilities rather than debt of the State is not acceptable since the budgetary allocations of the State, are being utilised by KIIFB and KSSPL for repaying these liabilities, as these entities do not have a sufficient revenue base for servicing their debt. State Government's suggestion to defer any definitive audit conclusion to consider guaranteed borrowings of these entities as State's debt in view of the matter being pending before Hon'ble

Supreme Court of India is also not acceptable as the audit observation is on the nature of off-budget borrowings and its implication on the State Finances.

While we take note of the claim of the State Government that 25 per cent of KIIFB's borrowings are used for financing revenue generating projects and the repayment burden of which are not borne by the State Government, we could not verify the veracity of the figures furnished by KIIFB as the reply was received belatedly. The correctness of the figures would be examined during subsequent audits.

### 3.1.1 Variation in disclosure of borrowing details to GoI

Every year State Government furnishes details of off-budget borrowings raised by PSUs/ SPVs during the previous two years and proposed during the current year where principal and/ or interest are to be serviced out of the State Budget and or by assignment of taxes/ cess or any other State's revenue to GoI. The details are furnished to GoI for seeking consent for fixing gross borrowing ceiling of the State for the year. These borrowings are adjusted to arrive at the Open Market Borrowings (OMB) by the State Government.

While seeking consent of GoI for raising market loans for the year 2024-25, the State Government forwarded (May 2024) the proposed borrowing requirements of KIIFB and KSSPL for 2024-25 in Annexure VI of borrowing statement to GoI as given in **Table 3.4**:

**Table 3.4 : Borrowings details of KIIFB and KSSPL furnished by State Government during 2024-25**

<i>(₹ in crore)</i>		
Name of the Institution	Estimated Borrowings for 2024-25 reported by State Government to GoI	Actual Borrowings during 2024-25 reported by the Institutions
Kerala Infrastructure Investment Fund Board	0	8,089.92
Kerala Social Security Pension Limited	2,500	5,563.09
<b>Total</b>	<b>2,500</b>	<b>13,653.01</b>

As such, at the beginning of the financial year 2024-25, State Government intimated only ₹2,500 crore as off-budget borrowings proposed to be made in the financial year 2024-25. However, scrutiny of documents furnished by State Government to GoI for getting consent for market loans during 2025-26 and the information furnished to Audit revealed that there was variation in actual borrowings made by KIIFB and KSSPL during 2024-25 as given in **Table 3.5**:

**Table 3.5: Borrowings details of KIIFB and KSSPL furnished by State Government during 2025-26**

(₹ in crore)

Name of the Institution	Borrowings during 2024-25 reported by the Institutions	Borrowings reported by State Government to GoI for 2024-25	Variation
Kerala Infrastructure Investment Fund Board	8,089.92	0	8,089.92
Kerala Social Security Pension Limited	5,563.09	983.09	4,580.00
<b>Total</b>	<b>13,653.01</b>	<b>983.09</b>	<b>12,669.92</b>

It was observed that though KIIFB had borrowed an amount of ₹8,089.92 crore during 2024-25, the borrowing details furnished by State Government in respect of KIIFB showed that no amount been borrowed during 2024-25. Similarly, against an actual borrowing of ₹5,563.09 crore, the borrowings of KSSPL were shown as ₹983.09 crore. Accordingly, Audit observed that there was variation in off-budget borrowings amounting to ₹12,669.92 crore furnished in Annexure VI of borrowing statement furnished to GoI.

State Government replied (December 2025) that as KIIFB is a statutory body corporate established under a separate legislation, KIIFB's borrowings are not borrowings of the State and are independent borrowings of KIIFB.

The reply is not acceptable as the State Government have to provide the details of 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 assignment of taxes/cess or any other State's revenue in Annexure VI to Government of India for obtaining consent for raising OMB.

State Government replied (January 2026) that the variation in the borrowing details furnished to GoI was due to renewal of loans amounting to ₹4,580.00 crore availed by KSSPL during 2024-25 which were not treated as fresh borrowings during 2024-25 by the State Government.

Audit is of the opinion that State Government shall make full disclosure of the borrowings of KSSPL including the renewal of loans and repayments made during the year to GoI for obtaining consent for OMB. The State Government may also take up the matter of amending the format of Annexure VI of borrowing statement with GoI for including the details of repayment/ renewal of loans.

### 3.2 Undischarged liabilities of the Government

Undischarged liabilities, such as non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS), *etc.* can have significant long-term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the State. Further, delays in cess transfer, defeats the

purpose for which such levies were imposed. Similarly, short transfers to NPS not only violate statutory commitments but also compromise the financial security of employees. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby, constraining fiscal space and weakening fiscal sustainability. Such issues are discussed in succeeding paragraphs.

### 3.2.1 Undischarged Interest liability

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits/Reserve Funds.

Audit observed that ₹1.92 crore was required to be paid as interest on the balance of ₹ 56.16 crore lying under Interest bearing Deposits/Reserve Funds as on 1 April 2024 as shown in **Table 3.6**.

**Table 3.6: Details of interest liability not discharged in respect of Interest-bearing Deposits/Reserve Funds**

(₹ in crore)				
Sl. No.	Name/Head of the interest-bearing deposit	Opening Balance as on 1 April 2024	Basis for calculation of interest	Amount of interest not provisioned
1	State Compensatory Afforestation Fund	56.16	As per the circulars issued by the Ministry of Environment, Forest & Climate Change. (3.35 per cent for 2023-24, calculated on monthly progressive balance method)	1.92
<b>Total</b>		<b>56.16</b>		<b>1.92</b>

Source: Finance Accounts 2024-25

The State Government failed to pay the interest liability of ₹1.92 crore on State Compensatory Afforestation Fund balances during 2024-25.

State Government replied (January 2026) that necessary steps would be taken for adjusting the interest amount by placing it in the ensuing SDG.

### 3.2.2 Short contribution in National Pension System

The State Government implemented the Defined Contribution Pension Scheme (DCPS) under the National Pension System (NPS) for employees appointed on or after 1 April 2013, with a 10 per cent employee and 10 per cent employer contribution.

In 2024-25, ₹1,131.10 crore (employee share) and ₹1,133.24 crore (employer share) were booked, but against a Public Account balance of ₹2,264.34 crore, ₹2,263.41 crore was transferred to NSDL/Trustee Bank, leaving ₹ 0.93 crore un-transferred.

During 2013-25, out of total receipts under DCPS of ₹10,903.71 crore (employee: ₹5,449.08 crore, 0.11 crore opening balance 2013, employer: ₹5,454.60 crore), ₹10,902.74 crore was transferred to the NSDL/ Trustee Bank, resulting in a cumulative short transfer of ₹1.07 crore. The details of the receipts from employees' share, Government's contribution, interest accrued thereon and investment in pension fund are given in **Appendix 3.3**.

### **3.2.3 Non-transfer of cess to Kerala Road Safety Fund**

As per section 11(3) of Kerala Road Safety Authority Act, 2007 regarding Kerala Road Safety Fund, Government shall contribute to the fund every year, an amount equal to 50 *per cent* of the compounding fee collected in the previous year. Thus, out of the total collection of ₹ 170.06 crore during 2023-24, ₹ 85.03 crore towards compounding fee for Kerala Road Safety Fund was required to be transferred during 2024-25 by the State Government. However, the State Government has not transferred the cess amount of ₹85.03 crore to the Kerala Road Safety Fund during 2024-25. The Cumulative short transfer to Kerala Road Safety Fund from 2015-16 to 2024-25 works out to ₹565.78 crore.

### **3.2.4 State Mineral Exploration Trust/State Mineral Development Fund**

The Ministry of Mines, Government of India, vide its letter dated 19 November 2024, advised all State Governments to establish a State Mineral Exploration Trust (SMET)/ State Mineral Development Fund (SMDF) on the lines of the National Mineral Exploration Trust (NMET), as mandated under clause (g) of sub-section (A) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957.

Industries department (November 2025) replied that Kerala State Mineral Exploration Trust Rules, 2025 has been framed (31 October 2025) and as envisaged in para 7 of the Rules, the State Shall set up Kerala State Mineral Exploration Trust Fund.

As per Section 8(3) of the of Kerala State Mineral Exploration Trust Rules, 2025, the quarrying lease holders of minor minerals are required to contribute two *per cent* of the royalty paid in terms of the Schedule-I of the Kerala Minor Mineral Concession Rules, 2015 to the Trust Fund.

### **3.2.5 Pendency of refund cases**

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned.

The details of refund cases during the year 2024-25, as reported by SGST and Excise Departments are given in **Table 3.7**.

Table 3.7: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	Excise		Sales Tax		VAT		AIT		GST		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of Cases	Amount
1.	Claims outstanding at the beginning of the year	32	2.00	3	9.96	116	40.66	3	1.49	642	292.79	796	346.90
2.	Claims received during the year	11	0.42	5	1.29	284	89.01	8	3.58	2951	634.34	3259	728.64
3.	Refunds made during the year	20	1.84	2	0.95	252	75.35	8	3.58	3026	732.98	3308	814.70
4.	Refunds rejected during the year	0	0	0	0.00	28	10.09	0	0.00	480	154.95	508	165.04
5.	Balance outstanding at the end of year	23	0.58	6	10.30	120	44.23	3	1.49	87	39.20	239	95.80

Source: Departmental information

The undischarged liabilities on account of pending refund cases as on 31 March 2025 works out to ₹95.80 crore.

### 3.3 Error in Classification

NABARD has credited Rural Infrastructure Development Fund loan amounting to ₹ 7.80 crore to the current account No. 67146398542 of Government of Kerala maintained with SBI, Treasury Branch, Thiruvananthapuram in December 2024. Additional Chief Secretary (Finance) forwarded a duly filled up challan to the Manager of SBI and requested to transfer credit ₹ 7.80 crore to the Head of Account 6003-00-105-97- Loans from the Rural Infrastructure Development Fund of NABARD. But the amount was credited to the Head of Account 8011-00-105-89 Group Personal Accident Insurance Scheme, instead of crediting to the Head of Account 6003-00-105-97. This misclassification of loan has resulted in understatement of borrowed funds under head of account 6003-00-105-97 by ₹7.80 crore and overstatement of public account receipts during the year 2024-25.

Additional Chief Secretary replied (December 2025) that appropriate measures to correct the misclassification by submission of alteration memorandum to AG(A&E) have been taken for the 2025-26 accounts.

### Issues related to transparency

#### 3.4 Delay in submission of Utilisation Certificates (UCs)

In terms of Article 210(1) Chapter VIII of Kerala Financial Code 1963 as amended, Utilisation 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.

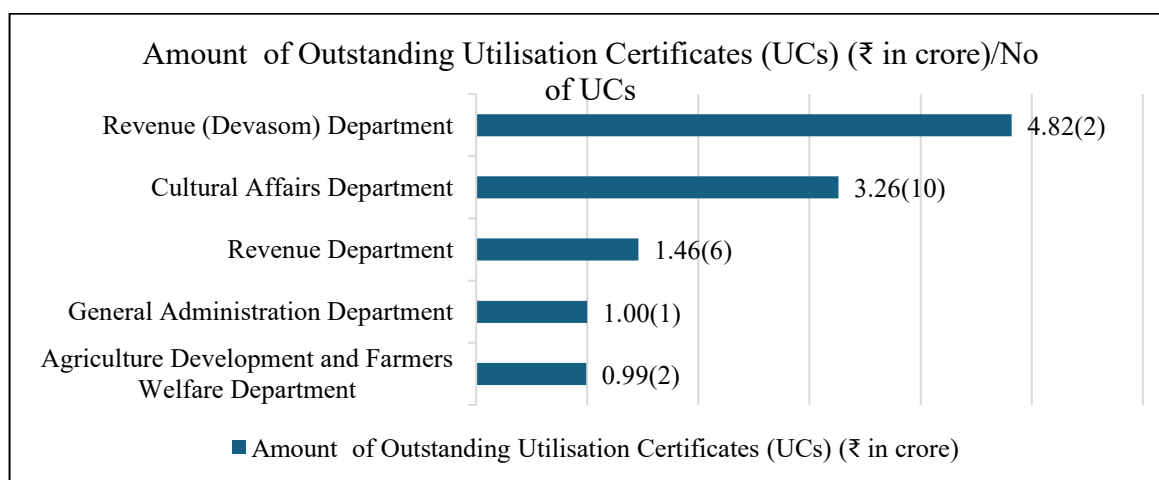
During the year 2024-25, UCs amounting to ₹1,189.13 crore in respect of grants-in-aid bills drawn upto 31 March 2023 became due for submission. In addition to that, UCs amounting to ₹ 1.88 crore were outstanding at the beginning of the year. During the year, outstanding UCs amounting to ₹1,179.31 crore were cleared, leaving outstanding UCs of ₹ 11.70 crore as on 31 March 2025 as given in **Table 3.8**.

**Table 3.8: Age-wise pendency of Utilisation Certificates**

UC due year <sup>49</sup>	Number of pending UCs	Amount (₹ in crore)
2022-23 (grants-in-aid sanctioned up to 31 March 2021)	3	0.29
2023-24 (grants-in-aid sanctioned up to 31 March 2022)	4	1.60
2024-25 (grants-in-aid sanctioned up to 31 March 2023)	16	9.81
<b>Total</b>	<b>23</b>	<b>11.70</b>

Source: Finance Accounts 2024-25 and Information furnished by Office of the Accountant General(A&E).

**Chart 3.2: Outstanding UCs in respect of five major Departments as on 31 March 2025**



Source: Information furnished by Office of the Principal Accountant General (A&E) Kerala

Since non-submission of UCs is fraught with the risk of misutilisation, it is imperative that the State Government should monitor this aspect closely and hold the persons concerned accountable for submission of UCs in a timely manner.

State Government replied (January 2026) that instructions have been given to Administrative Departments and Chief Controlling Officers to furnish UCs in respect of grant-in-aid directly to Accountant General. It was also stated that a

<sup>49</sup> The year mentioned above relates to "Due year", i.e., after 24 months of actual drawal

new module for monitoring grant-in-aid given by State Government is in final stage.

### 3.5 Unadjusted Temporary Advances

The Government of Kerala discontinued the system of drawal of Abstract Contingent (AC) bills followed by submission of Detailed Contingent (DC) bills to the office of the Accountant General (A&E). Instead, the Drawing and Disbursing Officers (DDOs) have been empowered to draw Temporary Advance (TAs) for specific purposes, and a time limit of three months is fixed for the presentation of final bill as per Article 99 of Kerala Financial Code (KFC) Volume-I.

As on 31 March 2025, an amount of ₹163.33 crore in respect of 4,737 Temporary Advance Bills drawn were pending, of which ₹42.44 crore in respect of 1,865 temporary advance bills were drawn during the year 2024-25 as shown in Table 3.9.

**Table 3.9 Details of Temporary Advance Bills pending as on 31 March 2025**

Due Year	No of pending Temporary Advance Bills	Amount (₹ in crore)
Up to 2023-24	2,872	120.89
2024-25	1,865	42.44
<b>Total</b>	<b>4,737</b>	<b>163.33</b>

Source: Finance Accounts 2024-25 and Information furnished by Office of the Principal Accountant General (A&E)

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of detailed vouchers against the Temporary Advance.

### 3.6 Irregular resumption of Funds from Treasury Savings Bank Accounts

State Government uses Treasury Savings Bank Accounts maintained in the State Treasuries formed as per Rule 37 of Kerala Treasury Code for transferring funds from the Consolidated Fund for implementing various schemes in the State.

Funds released from the Consolidated Fund for various purposes such as grants-in-aid, loans and investments to State PSUs & Statutory Corporations are also credited to the Special Treasury Savings Bank Account (STSB) temporarily for keeping the unspent balances for a specified period. 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 TSB account in State Treasury is regulated by the instructions contained in Appendix 3 to the Kerala Treasury Code.

The amounts credited to TSB Accounts are accounted under Heads of Account '8031-00-102-99 -Savings Bank Deposits' and '8031-00-102-98-Fixed & Time Deposits'. As on 31 March 2025, the amount under 'Savings Bank Deposits' was ₹10,551.83 crore and that lying under Fixed & Time Deposits' was ₹68,847.98 crore.

State Government vide Government Order<sup>50</sup> dated 26 March 2025 issued orders to resume funds lying in the STSB accounts of Government Departments, State owned Public-Sector Undertakings/Autonomous Bodies etc into the Consolidated Fund of the State. Accordingly, an amount of ₹7,171.55 crore kept in various STSB accounts of Government departments, Public Sector Undertakings/Autonomous Bodies were resumed to the Consolidated Fund of the State through District Treasury Officers.

Out of ₹7,171.55 crore resumed, an amount of ₹6,112.43 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, 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.

State Government replied (January 2026) that at the fag end of the financial year during the resumption process, Treasuries are unable to identify the programme wise split up of the remaining balance and the amount available against each individual project/ payment due to the absence of source wise segregation in the existing account procedure. This lack of traceability creates difficulty in ensuring accurate resumption of available balance under each programme.

The reply is not tenable, as resumption of funds from the STSB accounts to a common Head of Account instead of the actual Head of Accounts from which the amount was originally debited is violative of the accounting directions of the List of Major and Minor Heads of Account resulting in the overstatement of

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<sup>50</sup> G.O.(P) No.35/2025/Fin dated 26.03.2025 of Finance (Streamlining) Department

expenditure against the respective service heads and understatement of expenditure under the Head of Account '2075'.

Some of the issues relating to resumption of funds are covered in succeeding paragraphs.

**A. Irregular withdrawal of public contribution to Chief Minister's Disaster Relief Fund (CMDRF) towards the Consolidated Fund of the State**

During 2024-25, public contributions amounting to ₹262.06 crore lying in five STSB accounts relating to CMDRF were withdrawn to the Consolidated Fund of the State under Head of Account '2075-00-911-94 -Deduct Recoveries-Refund of Amounts Resumed from the Idling Treasury Accounts'. The funds lying in these STSB accounts were non-Government funds constituted for giving financial aid to children having cancer, 2018 floods, Wayanad landslide tragedy etc., by receiving contributions/ donations from Public, Government employees etc. Resuming these public contributions parked in the STSB account into the Consolidated Fund of the State is irregular and has understated the revenue deficit and fiscal deficit of the State by ₹262.06 crore during the year. Action may be taken by the State Government to prevent such accounting errors in future.

State Government replied (January 2026) that the unutilised funds kept in all STSB accounts at the end of a financial year are being resumed every year to reduce the Public Account size. The resumed CMDRF funds were reallocated to the STSB accounts in the first week of next financial year.

During the exit conference, Additional Chief Secretary (Finance) replied that such instances of resumption of CMDRF funds to the Consolidated Fund of the State would not happen in future.

While we note that the resumed funds have been reallocated in the first week of next financial year, resuming of non-government funds raised as contribution/ donation from Public/ Government employees towards consolidated fund of the State for reduction of public account liabilities and revenue/ fiscal deficit is highly irregular and contravenes the accounting norms.

**B. Irregular resumption of ₹494.29 crore transferred to Kerala State Electricity Board Limited**

Department of Expenditure, Ministry of Finance determines the Net Borrowing Ceiling (NBC) of States for each financial year on the basis of projected GSDP of the States and taking into consideration the recommendation of the Finance Commission. In line with the recommendations of the Fifteenth Finance Commission (15th FC), it has been decided to fix the normal NBC for the States for the financial year 2024-25 at three *per cent* of the projected GSDP. In addition, an additional borrowing ceiling of 0.50 *per cent* of GSDP over and above the aforesaid ceiling of three *per cent* of GSDP was also allowed to the States to promote a sustained increase in paid electricity consumption. As per GoI guidelines issued in this regard, the State in addition to other conditions has

to take over 90 *per cent* of the loss of all public sector DISCOMs for the year 2023-24 to become eligible for the additional borrowing space of 0.50 *per cent* of GSDP during 2024-25.

Accordingly, for availing the additional borrowing of 0.5 *per cent* of GSDP during 2024-25, State Government vide Government order dated 01 December 2024 accorded sanction to take over ₹494.29 crore being the 90 *per cent* of the total loss incurred by Kerala State Electricity Board Limited (KSEBL) and credited the amount to the STSB account of KSEBL on 26 December 2024. Subsequently, Government of India on 24 March 2025 accorded consent to the State Government to raise additional borrowing of ₹6,149 crore during 2024-25, through Open-Market-Borrowings.

However, subsequently the State Government resumed ₹494.29 crore lying in the STSB account of KSEBL on 26 March 2025 to the Consolidated Fund of the State under a common Head of Account '2075-00-911-94'. KSEBL stated (September 2025) that the resumed amount of ₹494.29 crore has not been refunded to KSEBL.

Resumption of ₹494.29 crore released to KSEBL towards taking over 90 *per cent* of the loss incurred by KSEBL for meeting the eligibility conditions after availing additional borrowing space of ₹6,149 crore during 2024-25 is a serious breach of financial propriety and therefore highly irregular.

State Government issued orders (02 November 2025) to net off the resumed amount of ₹494.29 crore against the electricity duty collected and retained by KSEBL.

State Government replied (January 2026) that resumed amount has been adjusted against the electricity duty retained by KSEBL in November 2025.

### **C. Resumption of ₹719.15 crore transferred to Kerala Water Authority for clearing outstanding dues of Urban Local Bodies**

As per the eligibility conditions issued by GoI (January 2024 and April 2024) to claim ULB/ RLB grants under 15th FC, the State have to submit a certificate in respect of unspent balances of grants of previous Finance Commission (14th FC) and the unspent balance should not exceed 10 *per cent* of the instalment under consideration. To fulfil the above condition, State Government released (March 2025) an amount of ₹719.15 crore being the unspent balance of 14<sup>th</sup> FC ULB Grants to Kerala Water Authority (KWA) for clearing the outstanding dues of public taps to be paid by Urban Local Bodies (ULBs) to KWA by debiting Head of Account '3604-00-200-90'. This amount was credited to the STSB account of KWA on 27 March 2025.

The entire amount transferred to KWA was subsequently resumed on 29 March 2025 and credited back to the Head of Account '2075-00-911-94 -Deduct Recoveries-Refund of Amounts Resumed from the Idling Treasury Accounts and booked as minus expenditure'. GoI had released an amount of ₹78 crore relating to 15<sup>th</sup> Finance Commission as 1<sup>st</sup> instalment of untied grants for ULBs on 31 March 2025.

The resumption has resulted in overstatement of expenditure amounting to ₹719.15 crore under head of account '3604-00-200-90' and corresponding understatement under Head of Account '2075-00-911-94'.

State Government replied that (January 2026) funds were resumed from STSB account no. 701011400000090 of KWA as the account was inoperative and funds kept unutilised. The reply is not tenable as the objection relates to resumption of funds amounting to ₹719.15 crore from the STSB Account no. 701011400000181 of KWA credited on 27 March 2025.

**D. Resumption of funds originally debited under Capital Head of Account to Revenue Head of Account**

Scrutiny revealed that funds amounting to ₹5.85 crore maintained in the STSB account of Kerala Water Authority originally given under Capital head of Account '4215-01-800-93 -Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)' was resumed to the common Head of Account 2075-00-911-94 - Deduct Recoveries-Refund of Amounts Resumed from the Idling Treasury Accounts. This has resulted in overstatement of Capital Expenditure by ₹5.85 crore under Capital Head of Account '4215-01-800-93.' The Revenue Expenditure and Revenue Deficit has been understated by ₹5.85 crore during the year.

**E. Resumption of ₹551.94 crore lying in the STSB account of Kerala State Civil Supplies Corporation Limited**

During 2024-25, State Government released (March 2025) an amount of ₹551.94 crore to the STSB account of Kerala State Civil Supplies Corporation Limited (KSCSCL) by debiting the heads of Account '2408-01-101-96-00-33-Paddy procurement through Kerala State Civil Supplies Corporation and Other Agencies'(₹352.50 crore), '2408-01-102-99-00-33 - Grant to Kerala State Civil Supplies Corporation Limited for market intervention operations' (₹100 crore), '2408-01-101-92-03 - Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS) - Additional State Assistance' (₹99.44 crore).

The State Government resumed (30 March 2025) the entire amount of ₹551.94 crore lying in the STSB account of KSCSCL to the Consolidated Fund of the State under Head of Account '2075-00-911-94. This has resulted in overstatement of expenditure under the Head of Account '2408-01-101-92-03' by ₹99.44 crore and in the overstatement of expenditure under subsidies by ₹452.50 crore<sup>51</sup>. Consequently, the Head of Account '2075-00-911-94' was understated by ₹551.94 crore.

**F. Error in classification of resumed funds to the head of account under which the expenditure was originally incurred**

Under the Grant No XXV- Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities, the LIFE Mission scheme provides outlay for the construction of new houses for those SC families with land who were identified under Extreme Poverty Survey 2021-22. It also provides funds for the construction of housing complexes or housing clusters for the homeless SC families without land.

<sup>51</sup> ₹352.50 crore under '2408-01-101-96-00-33' & ₹100.00 crore under '2408-01-102-99-00-33'

Director, Scheduled Caste Development Department, released an amount of ₹ 120 crore to the PSTSB account of Chief Executive Officer, LIFE Mission in three instalments<sup>52</sup> by debiting the Head of Account '4225-01-283-84(P)' Home for the homeless SC under life Mission' for implementing the scheme. However, no expenditure was incurred for the scheme during 2024-25. State Government resumed the entire amount lying unutilised to the Consolidated fund of the State in March 2025.

Though the entire amount of ₹120 crore released to the STSB account was resumed, only ₹60 crore was seen booked as minus expenditure under the Head of Account '4225-01-283-84' resulting in a final expenditure of ₹60 crore under the Head of Account '4225-01-283-84'. The incorrect booking of resumed funds under the Head of Account '4225-01-283-84' led to an overstatement of capital expenditure by ₹60 crore during 2024-25.

### 3.7 Operation of Minor Head-800

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. Regular operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2024-25, ₹7,164.24 crore under 68 Major Heads of Account, constituting 4.19 per cent of the total Revenue and Capital expenditure (₹1,71,003.19 crore<sup>53</sup>) was classified under the Minor Head-800-Other Expenditure in the accounts. Of these, ₹7.48 lakh under two Major Heads was classified under Minor Head-800-Other Expenditure despite availability of appropriate Minor Heads thereunder, as detailed in **Table 3.10**.

**Table 3.10: Expenditure misclassified under Minor Head 800-Other Expenditure during 2024-25**

(₹ in lakh)

Details of head under booking was wrongly classified	Amount	Nature of expenditure	Correct classification
5452-01-800-98 – Tourist Accommodation (Guest Houses)	5.66	Capital	5452-01-102 Tourist Accommodation
2211-00-800-95 Compensation/Damages to victims of Family Planning Operation	1.82	Revenue	2211-00-105 Compensation
<b>Total</b>	<b>7.48</b>		

Source: Finance Accounts and VLC data maintained by the PAG (A&E)

Similarly, ₹ 1,237.24 crore under 46 Major Heads of Account, constituting 0.99 per cent of the total Revenue Receipts (₹1,24,861.06 crore) was classified under 800-Other Receipts in the accounts during 2024-25.

It was also noticed that an expenditure of ₹289.26 crore was incurred under the Minor Head 800-'Other expenditure' below the Major Head 2217 during the year 2024-25, which constituted 23 per cent of the total expenditure under

<sup>52</sup> ₹ 60 crore in May 2024, ₹ 30 crore in October 2024 and ₹ 30 crore in November 2024.

<sup>53</sup> This amount excludes Loans and Advances and repayment of Public Debt.

Major Head 2217. Herein, Ayyankali Urban Employment Guarantee Scheme was the major scheme which accounted for ₹160.88 crore of this ₹289.26 crore expended under Minor Head 800. This scheme was introduced for the first time in the Budget speech of 2010-11. The scheme was intended to address the unemployment and under-employment problems in urban society and was structured in the pattern of Mahatma Gandhi National Rural Employment Guarantee Scheme. The expenditure incurred under this scheme during the period 2022-23 to 2024-25 is given in **Table 3.11** below:

**Table 3.11: Expenditure incurred under Ayyankali Urban Employment Guarantee Scheme during the period 2022-23 to 2024-25**

(₹ in crore)

Sl. No.	Year	Classification	Original Budget	Supplementary Budget	Expenditure
1	2022-23	2217-80-800-76	125.00	0	87.56
2	2023-24	2217-80-800-76	150.00	0	91.08
3	2024-25	2217-80-800-76	165.00	0	160.88

Audit observed that even though the scheme has marked more than a decade of implementation in the state, the expenditure has continued to be booked under the Minor Head 800, which is neither specific nor transparent in reflecting the true nature of the expenditure.

As per LMMH, there is a distinct Minor Head '108- Urban Oriented Employment Programme' under Major Head '3475- Other General Economic Service' below which a Sub-Head can be opened for booking Urban employment programmes.

State Government may examine the possibility of opening a suitable Sub-Head under '3475-00-108- Urban Oriented Employment Programme' for booking the State's Urban employment guarantee scheme.

### Issues related to measurement

#### 3.8 Outstanding balance under major Suspense and DDR Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items balances for the last three years have been shown in **Table 3.12**

**Table 3.12: Balances under Suspense and Remittance Heads**

(₹ in crore)

Head of Account		2022-23		2023-24		2024-25	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>8658</b>	<b>Suspense Account</b>						
101	Pay and Accounts Office-Suspense	440.63	0.20	407.06	0.53	226.25	0.61
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Dr. 440.43		Dr. 406.53		Dr. 225.64	
102	Suspense Account-(Civil)	25.04	11.22	21.69	189.08	3.96	166.19
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Cr. (-) 7.20		Cr. 167.39		Cr. 162.23	
109	Reserve Bank Suspense-(Headquarters)	2.50	-	6.10	-	4.11	-

Head of Account		2022-23		2023-24		2024-25	
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Dr. 2.50		Dr. 6.10		Dr. 4.11	
110	Reserve Bank Suspense- (Central Accounts Office)	93.55	-	263.74	-	287.57	-
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Dr. 93.55		Dr. 263.74		Dr. 287.57	
112	Tax Deducted at Source (TDS) Suspense	-	176.29	-	268.79	-	473.38
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Cr. 176.29		Cr. 268.79		Cr. 473.38	
123	AIS Officers' Group Insurance Scheme	-	0.25	-	0.23	-	0.26
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Cr. 0.25		Cr. 0.23		Cr. 0.26	
<b>8782</b>	<b>Cash Remittance and adjustments between officers rendering account to the same Accounts Officer</b>						
102	Public Works Remittances	484.12	-	(-)1,400.21	-	(-)3,705.61	-
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	Dr. 484.12		Dr. (-)1,400.21		Dr. (-)3,705.61	
103	Forest Remittances	-	-	-	-	-	-
	<b>Net Debit (Dr.) / Credit (Cr.)</b>						
<b>8793</b>	<b>Inter-State Suspense Account</b>	61.98	-	66.33	-	67.21	-
	<b>Net Debit (Dr.) / Credit (Cr.)</b>	<b>Dr 61.98</b>		<b>Dr 66.33</b>		Dr. 67.21	

Source: Finance Accounts of respective years

Balance under Public Works remittances has increased considerably during 2024-25. Reasons for the huge increase in balance during 2024-25 have been called for and reply is awaited. Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different Heads of Accounts (which are carried forward from year to year) of the State Government. Efforts have to be taken for the prompt clearance of balances through inter-departmental reconciliation.

### 3.9 Reconciliation of Departmental figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, State Financial Rules stipulate that Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E).

The status of reconciliation of figures by the Controlling Officers is given in **Table 3.13 and Chart 3.3.**

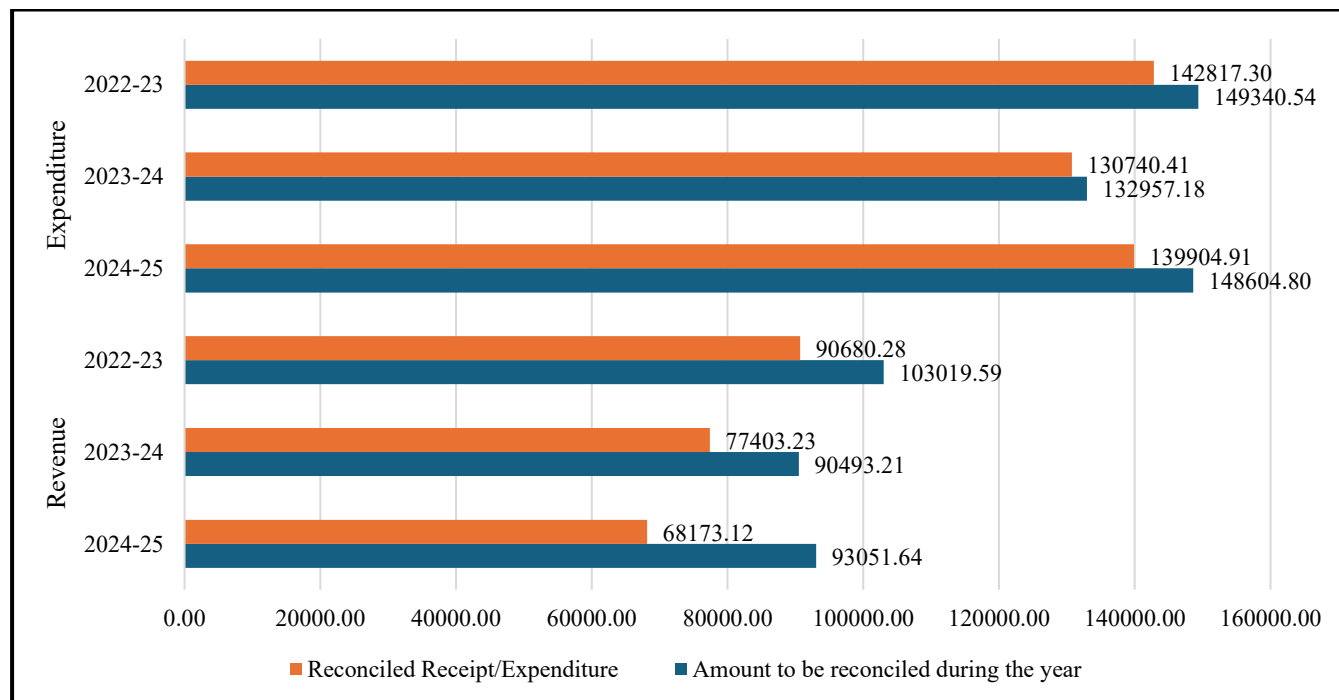
**Table 3.13: Status of Reconciliation of Receipts and Expenditure by Controlling Officers**

Year	Total No. of Controlling Officers	No. of Controlling Officers reconciled their receipts/ expenditure		
		Fully reconciled	Partially reconciled	Not reconciled
<b>Receipts</b>				
2022-23	67	65	1	1
2023-24	63	61	1	1
2024-25	88	29	17	42
<b>Expenditure</b>				
2022-23	199	196	2	1
2023-24	201	184	12	5
2024-25	203	115	74	14

Source: Information maintained by office of the Principal Accountant General (A&E)

**Chart 3.3: Status of Reconciliation of Receipts and Expenditure during the year 2022-25**

(₹ in crore)



Source: Information maintained by the office of the Principal Accountant General (A&E)

Necessary action may be taken for enforcing monthly reconciliation through stronger oversight, accountability measures and capacity building to ensure that receipts and expenditure figures between departmental records and Accounts of AG remain accurate and aligned.

### 3.10 Reconciliation of Cash Balances

As per accounts of the Accountant General (A&E) Kerala, the Cash Balance of the State Government as on 31 March 2025 was ₹ 378.42 crore (Credit) while the same was reported as ₹ 1.69 crore (Credit) by the Reserve Bank of India. As such, there was an unreconciled difference of ₹ 380.11 crore (Debit) which was under reconciliation between the Accountant General (A&E), Kerala and the State Government.

### 3.11 Unspent amount lying with divisional officers

As per Codal provisions, funds received by Public Works Divisions towards Deposit Works from non-government agencies are required to be credited under Minor Head '108 - Public Works Deposits' below Major Head '8443 - Civil Deposits'. The expenditure for related Deposit Works is also met from the same Head of Account. In the Monthly Divisional Accounts unremitted amount of such deposits are classified under Major Head '8671 -Departmental Balances, 101 – Civil', by the PW Divisions, under Public Account of the State and then form part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of Divisional Officers

operated by PW Divisions instead of remitting them into the Government Accounts and thus, are not forming part of cash balance of the State with Reserve Bank of India.

An amount of ₹20.04 crore was lying in the bank accounts of PWD-Roads and Irrigation Departments. Details of the amounts lying in bank accounts being operated by Divisional Officers is detailed in **Table 3.14**

**Table 3.14: Details showing unspent amount lying with Divisional Officers**

Sl. No.	Name of Department	Number of Divisional Officers operating Bank Accounts	Amount lying in Bank Accounts (₹ in crore)
1.	Irrigation	2	0.42
2.	PWD-Roads	15	19.62
<b>Total</b>		<b>17</b>	<b>20.04</b>

Source: Departments concerned

Depositing these funds in the treasury, would have impacted on the daily Cash Balance of the State Government. Urgent action may be taken to transfer the funds lying in bank accounts to the treasury accounts under designated heads.

### Issues related to disclosure

### 3.12 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 (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by the State Government during 2024-25 is detailed in **Table 3.15**.

**Table 3.15: Compliance to Accounting Standards**

Sl.No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiencies observed
1.	IGAS-1:	Guarantees Given by the Government – Disclosure requirements	Complied (Statement 9 and 20 of Finance Accounts)	No deficiencies were observed.
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	Complied (Statement 10 of Finance Accounts)	
3.	IGAS-3:	Loans and Advances made by Government	Complied (Statement 7 and 18 of Finance Accounts)	
4	IGAS-4:	Prior period adjustments	Complied (Statement 13 of Finance Accounts)	

Source: Finance Accounts

### 3.13 Submission of accounts of Autonomous Bodies

As on 31 March 2025, 45 accounts in respect of 16 Autonomous Bodies (ABs) were pending as detailed in **Table 3.16**.

**Table 3.16: Arrears of accounts of Autonomous Bodies as on 31 March 2025**

Sl. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending
1.	Kerala Institute of Labour and Employment (KILE)	2023-24	1
2.	Kerala Building and Other Construction Workers Welfare Board	2023-24	1
3.	Kerala State Legal Services Authority, Ernakulam	2023-24	1
4.	District Legal Services Authority, Thiruvananthapuram	2023-24	1
5.	District Legal Services Authority, Kottayam	2023-24	1
6.	District Legal Services Authority, Alappuzha	2023-24	1
7.	District Legal Services Authority, Kasargod	2023-24	1
8.	District Legal Services Authority, Ernakulam	2016-17	8
9.	District Legal Services Authority, Kollam	2020-21	4
10.	District Legal Services Authority, Kozhikode	2021-22	3
11.	District Legal Services Authority, Kannur	2019-20	5
12.	Kerala State Human Rights Commission	2023-24	1
13.	Kerala State Commission for Protection of Child Rights (CPCR)	2014-15	10
14.	Kerala State Commission for Scheduled Castes and Scheduled Tribes	2023-24	1
15.	Kerala Water Authority	2021-22	3
16.	Kerala Khadi and Village Industries Board	2021-22	3
<b>Total</b>			<b>45</b>

Source: Information collected from various Autonomous Bodies

Of the 16 institutions, loan amounting to ₹140.05 crore had been given to two<sup>54</sup> institutions and grants amounting to ₹1,533.02 crore had been given to 15 of these institutions. Delayed submission of accounts reduces transparency and hinders financial oversight. The administrative departments must regularly monitor the timely submission of accounts and address capacity constraints, if any, within these bodies to ensure up-to-date financial reporting. It should be noted that the State Government has reduced the arrears in submission of accounts in respect of Autonomous Bodies from 61(25 ABs) as of 31 March 2024 to 45 (16 ABs) as of 31 March 2025.

State Government replied that (December 2025) that accounts of Kerala State Commission for Scheduled Castes and Scheduled Tribes for 2023-24 has since been submitted to AG. Accounts for 2023-24 were submitted in July 2025.

<sup>54</sup> Kerala Building & Other Construction Workers Welfare Board, Thiruvananthapuram for ₹ 140.00 crore, and District Legal Services Authority, Kannur for ₹ 0.05 crore.

### 3.14 Other Issues

#### 3.14.1 Performance of State DISCOMs

Kerala State Electricity Board Ltd. (KSEBL) is the main State-owned power utility in Kerala that carries out the activities of generation, transmission and distribution of electricity<sup>55</sup>.

##### A. Implementation of UDAY scheme

With the objectives of improving the health of State-owned DISCOMs and to provide affordable and accessible 24x7 power for all, the Ministry of Power, GoI launched 'Ujwal DISCOM Assurance Yojna' (UDAY) in November 2015. The scheme envisaged the following reforms to achieve the above objectives

1. Financial turnaround of DISCOMs
2. Improving operational efficiency of DISCOM

A tripartite Memorandum of Understanding (MoU) was signed between Government of India, KSEBL and Government of Kerala (March 2017) for achieving operational parameters. Though the MoU did not cover financial turnaround part under UDAY, the MoU envisaged that KSEBL would improve its financial performance and report profits for 2017-18 and 2018-19. As per the MoU, KSEBL was also required to prepare a detailed action plan for various targeted activities focusing on Aggregate Technical and Commercial (AT&C) loss reduction for its implementation.

This office conducted a Performance Audit on 'Performance of KSEBL during pre and post Ujwal DISCOM Assurance Yojna' covering the period 2015-16 to 2020-21. The key Audit findings in the Report No 5 of the year 2022 and the latest status of the targets envisaged in the MoU for improving operational efficiency are summarised in **Appendix 3.4**.

##### B. Profit/Loss of KSEBL

The year wise details of Losses incurred/Profit earned by KSEBL during Pre-UDAY (2015-16 to 2016-17), UDAY (2017-18 to 2018-19) and Post-UDAY (2019-20 onwards) periods are given in **Table 3.17** below:

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<sup>55</sup> KINESCO Power and Utilities Pvt. Ltd. is a power distribution licensee operating in limited, notified areas, primarily within KINFRA industrial parks in Kerala (such as Infopark and KINFRA (Kerala Industrial Infrastructure Development Corporation)) and this entity has not been included in this analysis.

**Table 3.17 :Profit/(Loss) of KSEBL from 2015-16 to 2024-25**

(in crore)

Year	Profit /(Loss)
<b>Pre-UDAY period</b>	
2015-16	(696.97)
2016-17	(1494.63)
<b>UDAY Period</b>	
2017-18	(784.09)
2018-19	(290.00)
<b>Post-UDAY Period</b>	
2019-20	(269.55)
2020-21	(475.08)
2021-22	97.66
2022-23	(994.64)
2023-24	(1397.87)*
2024-25	571.22#

\* After adjusting for loss taken over by Government of Kerala - ₹ 767.72 crore

# After adjusting for loss taken over by Government of Kerala - ₹ 494.29 crore

Though the State did not opt for debt takeover under UDAY scheme, it undertook parallel measures such as Pension Liability Restructuring and Capital Investment in system strengthening. A Master Trust was created to service pension liabilities and KSEBL issued bonds worth ₹11,895 crore to fund the trust. These bonds were partly funded by the State Government as well (₹5,861 crore). Under Capital Investment in system strengthening programme, distribution systems were reinforced and High-Tension Lines were upgraded.

The reasons pointed out in performance audit on UDAY scheme were still the major reasons contributing to the losses of KSEBL. For the period from 2015-16 to 2024-25, the power purchase cost increased by 101.2 *per cent*, the employee cost increased by 39.71 *per cent*, and the finance costs increased by 116.83 *per cent*. During the same period, the total borrowings increased by 369.91 *per cent*, being ₹ 13,884.73 crore in 2024-25, mainly due to issuing bonds to fund the employee's Master Trust. KSEBL also took short-term loans of ₹1,500 crore during 2020-21 to 2021-22 to service its debt. A balance of ₹258.77 crore remains to be repaid of these loans availed for servicing debt.

The XV<sup>th</sup> Finance Commission has recommended performance based additional borrowing space of 0.50 *per cent* of Gross State Domestic Product to States linked to performance in the power sector. To avail this additional borrowing space the State Government had took over 75 *per cent* of losses of KSEBL for 2022-23 (₹767.71 crore) and 90 *per cent* of losses of KSEBL for 2023-24 (₹494.29 crore). The amount of ₹494.29 crore released to KSEBL was later resumed by (March 26, 2025) Government into the Consolidated fund of the State. This action belied the intention behind XV Finance Commission recommendation and is a serious breach of financial propriety. The audit observation on this is explained in para 3.7 B.

State Government replied (January 2026) that the amount of ₹494.29 crore resumed has been netted of against the electricity duty collected by KSEBL in November 2025.

### **C. Tariff Subsidies and Departmental electricity demand dues owed to KSEBL**

As per Kerala Electricity Duty Act, 1963, licensees are liable to remit the collected electricity duty to Government Account. However, KSEBL had not been remitting electricity duty to Government from 2002-03 onwards. Further, Government had permitted KSEBL (2013) to retain the collected electricity duty as a special and time-bound mechanism to meet the State's share of the unfunded pension liability. Further, the subsidies and electricity demand dues that Government Departments owe to KSEBL were also netted-off against the electricity duty collected by KSEBL.

From 2016-17 to 2024-25, an amount of ₹4,433.80 crore was netted off against the electricity duty collected to adjust for the tariff subsidy owed by Government to KSEBL. Similarly, ₹5,861 crore towards Government's contribution to KSEBL Pension Master Trust and ₹2,019.66 crore towards departmental dues were netted against the electricity duty collected by and kept with KSEBL.

Netting off subsidies and departmental dues that are owed to KSEBL without earmarking the required provision in the Budget, does not accurately reflect the true picture of these transactions in Government Accounts, thus, compromising the principle of transparency.

State Government replied (January 2026) that even though Finance Department had issued various Government orders provisionally netting of electricity charge arrears of Government department and other dues up to 30.09 2025 against the electricity duty collected and retained by KSEBL, the Administrative department (Power department) has neither issued final orders nor submitted proposal for proforma adjustment.

### **3.15 Misappropriations, losses, thefts, etc.**

Article 297 of 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, Kerala as well as to the Heads of Departments.

As on 31 March 2025, 71 cases of misappropriation, losses, theft, etc. involving ₹2,748.11 lakh were pending. The department-wise break-up of pending cases is given in **Table 3.18**.

**Table 3.18: Details of pending cases of misappropriation, losses, theft, etc.***(₹ in lakh)*

Name of Department/ Corporation	Cases of misappropriation/ losses /theft		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		Pending in court of Law	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Agriculture	9	45.85	1	1.28	0	0	6	34.58	2	9.99
Co-operation	1	293.47	0	0	0	0	1	293.47	0	0
Dairy Development	1	1.20	0	0	0	0	1	1.20	0	0
Archives	1	2.20	0	0	0	0	1	2.20	0	0
Finance-Treasury	11	408.16	0	0	1	200.00	5	71.80	5	136.36
Fisheries and Ports	1	1.04	1	1.04	0	0	0	0	0	0
Forest	2	27.46	0	0	0	0	2	27.46	0	0
General Education	7	11.60	0	0	1	1.68	5	9.01	1	0.91
Higher Education	3	32.35	1	15.43	0	0	0	0	2	16.92
Health	5	22.63	1	0.09	1	20.07	3	2.47	0	0
Directorate of Medical Education	4	7.87	0	0	0	0	3	1.80	1	6.07
Indian System of Medicine	1	1.84	0	0	0	0	1	1.84	0	0
Public Relations	1	3.12	0	0	0	0	1	3.12	0	0
Industries	1	0.31	0	0	0	0	0	0	1	0.31
Insurance Medical Services	1	38.36	0	0	0	0	0	0	1	38.36
Cultural Affairs	1	26.57	0	0	1	26.57	0	0	0	0
Lotteries	2	59.95	0	0	0	0	1	10.92	1	49.03
LSGD	12	1,130.21	2	1,025.00	0	0	8	101.47	2	3.74
PWD NH	1	2.37	0	0	0	0	1	2.37	0	0
PWD Roads Bridges	1	1.88	0	0	0	0	1	1.88	0	0
SC/ST Development	2	0.43	0	0	1	0.26	0	0	1	0.17
Water Resources	3	629.24	1	614	0	0	2	15.24	0	0
<b>Total</b>	<b>71</b>	<b>2,748.11</b>	<b>7</b>	<b>1,656.84</b>	<b>5</b>	<b>248.58</b>	<b>42</b>	<b>580.83</b>	<b>17</b>	<b>261.86</b>

Source: Departmental data/information

Out of the total 71 cases, in respect of five cases (₹2.49 crore), departmental action had been initiated but not finalised, while in seven cases (₹16.57 crore) departmental and criminal proceedings were pending.

The age-profile of the pending cases and the number of cases pending in each category-theft and misappropriation/loss of Government material is summarised in **Table 3.19**.

**Table 3.19: Profile of misappropriations, losses, defalcations, etc.***(₹ in lakh)*

A. Age-profile of the pending cases			B. Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature/Characteristics of the cases	Number of cases	Amount involved
0-5	10	1,255.42	Theft	4	1.09
5-10	15	1,076.91	Misappropriation	67	2,747.02
10-15	4	67.13			
Above 15	42	348.65			
<b>Total</b>	<b>71</b>	<b>2,748.11</b>	<b>Total</b>	<b>71</b>	<b>2,748.11</b>

Source: Departmental data/information

Out of the total cases, four cases amounting to ₹1.09 lakh were related to theft of Government money/stores, whereas 42 cases involving ₹348.65 lakh pertaining to misappropriation/loss of Government material were pending for more than 15 years.

State Government has to take immediate steps to clear misappropriation/loss cases that have been pending for more than five years.

### **3.16 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.

The Public Accounts Committee has completed the discussion of Reports on State Finances for 2018-19. Chapters I and II of report 2019-20 has also been discussed.

### **3.17 Conclusions**

State Government's continues to resort to significant amount of off budget borrowings through KIIFB and KSSPL during 2024-25 for infrastructure funding and for disbursement of Social Security and Welfare Pension respectively. These liabilities are being serviced from Consolidated Fund of the State. The upfront non-disclosure of these liabilities dilutes transparency in management of public finances and affects the quality of overall government accounts. The outstanding balance as on 31 March 2025 of the two institutions comes to ₹39,230.33 crore<sup>56</sup>. Discrepancies in reporting of off-Budget Borrowings to Government of India while seeking consent for raising market borrowings is another serious transparency concern noted by the audit.

Irregular resumption of funds from STSB accounts to the Consolidated Fund of State in violation of accounting principles and deliberate violation of GoI guidelines after availing additional borrowing space related to power sector reforms and irregular withdrawal of public money from CMDRF constituted serious breach of accountability and financial propriety.

Undischarged liabilities towards various reserve funds, delays in initiating departmental action, fixing liability, issuing orders of recovery, *etc*, in respect of cases of misappropriation/loss of public money are other significant concerns that require immediate remedial measures from the State Government to enhancing quality in financial reporting practices.

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<sup>56</sup> The State Government replied that 25 *per cent* of borrowings of KIIFB are for revenue-generating projects, with ₹8,749.49 crore disbursed towards revenue-generating projects as on 31 March 2025. The State Government requested that, as the burden of borrowings of ₹8,749.49 crore disbursed for revenue-generating projects do not fall on the State Government, the amount may not be considered as off-budget borrowings of the State.

### 3.18 Recommendations

1. *The Government may include the disclosure of the details of the off-budget borrowings done through various agencies of the State Government in the Budget and transparently disclose these borrowings to GoI.*
2. *State Government may institute systemic check to ensure adherence to the accounting rules while carrying resumption of unspent balances. The State Government may also issue instructions to ensure that public contributions and amounts due to the State PSUs kept in STSB accounts are not irregularly withdrawn towards the Consolidated Fund of the State.*
3. *The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft etc. and strengthening the internal control system to prevent recurrence of such cases.*

Thiruvananthapuram,  
The 30 April 2026



(VISHNUKANTH P. B)  
Accountant General (Audit II), Kerala

Countersigned

New Delhi,  
The 05 May 2026



(K. SANJAY MURTHY)  
Comptroller and Auditor General of India





**APPENDICES**



**Appendix – 1.1**  
**(Reference: Paragraph 1.1.3; Page No 6)**  
**Time Series data on the State Government Finances**

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>97616.83</b>	<b>116640.24</b>	<b>132724.65</b>	<b>124486.15</b>	<b>1,24,861.06</b>
(i) Tax Revenue (own)	47660.84	58340.52	71968.16	74329.01	76,642.19
State Goods and Services Tax (SGST)	20028.31	24169.81	29513.28	30563.60	32,314.70
Taxes on Agricultural Income	0.50	0	0.39	0.21	(-)3.87
Taxes on Sales, Trade, etc.	17689.17	22487.42	26875.78	27690.43	27,693.86
State Excise	2329.22	2032.23	2875.95	2944.02	2,871.64
Taxes on Vehicles	3386.28	4037.10	5386.81	6340.46	6,634.98
Stamps and Registration fees	3489.59	4857.33	6216.71	5694.88	6,127.56
Land Revenue	493.35	470.84(1)	718.90	711.71	608.73
Taxes on Goods and Passengers	0	0	0	0	0
Other Taxes*	244.42	285.79	380.34	383.70	394.59
(ii) Non-Tax Revenue	<b>7327.31</b>	<b>10462.51</b>	<b>15117.95</b>	<b>16345.96</b>	16,486.62
(iii) State's share of Union taxes and duties	<b>11560.40</b>	<b>17820.09</b>	<b>18260.68</b>	<b>21742.92</b>	24,772.38
(iv) Grants in aid from Government of India <sup>57</sup>	<b>31068.28</b>	<b>30017.12</b>	<b>27377.86</b>	<b>12068.26</b>	6,959.87
<b>2. Miscellaneous Capital Receipts</b>	<b>34.15</b>	<b>60.27</b>	<b>49.94</b>	<b>47.51</b>	<b>31.20</b>
<b>3. Recoveries of Loans and Advances</b>	<b>263.82</b>	<b>479.24</b>	<b>409.29</b>	<b>714.80</b>	<b>667.16</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>97914.80</b>	<b>117179.75</b>	<b>133183.88</b>	<b>125248.46</b>	<b>1,25,559.42</b>
<b>5. Public Debt Receipts</b>	<b>40512.61</b>	<b>42057.66</b>	<b>38262.16</b>	<b>51048.34</b>	<b>63,780.81</b>
Internal Debt (No Ways and Means Advances and Overdrafts)	33493.87	32592.64	35737.73	50147.42	60,147.39
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	7018.74	9465.02	2524.43	900.92	3,633.42
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>138427.41</b>	<b>159237.41</b>	<b>171446.04</b>	<b>176296.80</b>	<b>1,89,340.23</b>
<b>7. Contingency Fund Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>8. Public Account Receipts</b>	<b>383936.45</b>	<b>428497.81</b>	<b>426124.58</b>	<b>385201.12</b>	<b>3,68,571.00</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>522363.86</b>	<b>587735.22</b>	<b>597570.62</b>	<b>561497.92</b>	<b>5,57,911.23</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>123446.33</b>	<b>146179.51</b>	<b>141950.93</b>	<b>142626.34</b>	<b>1,55,920.78</b>
Plan	17939.54	18433.01	17358.53	18620.61	16471.89
Non-Plan	105506.79	127746.49	124592.40	124005.73	139448.89
General Services (including interest payments)	50360.72	70110.00	69831.68	78185.16	77,195.59
Social Services	44832.44	50695.61	50275.91	44005.28	53,310.69
Economic Services	18760.72	15713.81	12280.82	11414.83	11,404.46
Grants-in-Aid and Contributions	9492.45	9660.09	9562.52	9021.07	14,010.04

\*Include taxes on Immovable property other than Agriculture land, Taxes and Duties on electricity and other taxes and duties on Commodities and Services.

<sup>57</sup> Excludes funds transferred directly to NGOs/VOs in the State

**Appendix – 1.1 - Contd.**

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>11. Capital Expenditure</b>	<b>12889.65</b>	<b>14191.73</b>	<b>13996.56</b>	<b>13584.45</b>	<b>15,082.41</b>
Plan	11935.76	13207.69	13260.46	13056.42	14491.19
Non-Plan	953.89	984.04	736.10	528.03	591.22
General Services	259.84	268.26	306.89	247.26	322.16
Social Services	2277.90	3342.63	3030.08	2945.57	3,113.78
Economic Services	10351.91	10580.84	10659.59	10391.62	11,646.47
<b>12. Disbursement of Loans and Advances</b>	<b>2548.51</b>	<b>2854.29</b>	<b>2790.93</b>	<b>3295.72</b>	<b>2,804.37</b>
<b>13. Appropriation to the Contingency Fund</b>					-
<b>14. Total Expenditure (10+11+12+13)</b>	<b>138884.49</b>	<b>163225.53</b>	<b>158738.42</b>	<b>159506.51</b>	<b>1,73,807.56</b>
<b>15. Repayments of Public Debt</b>	<b>9705.10</b>	<b>13025.52</b>	<b>20235.75</b>	<b>21059.32</b>	<b>21,754.93</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	8449.99	12275.14	19392.26	20126.57	20,587.72
Net transactions under Ways and Means Advances and Overdraft	529.82	0	0	0	0
Loans and Advances from Government of India	725.29	750.38	843.49	932.75	1,167.21
<b>17. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>148589.59</b>	<b>176251.05</b>	<b>178974.17</b>	<b>180565.83</b>	<b>1,95,562.49</b>
<b>18. Contingency Fund disbursements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>19. Public Account disbursements</b>	<b>373870.74</b>	<b>411571.60</b>	<b>418119.90</b>	<b>380839.42</b>	<b>3,62,965.85</b>
<b>20. Total disbursement by the State (17+18+19)</b>	<b>522460.33</b>	<b>587822.65</b>	<b>597094.07</b>	<b>561405.25</b>	<b>5,58,528.34</b>
<b>Part C. Deficits</b>					
<b>21. Revenue Deficit (-)/Revenue Surplus (+) (1-10)</b>	(-) 25829.50	(-) 29539.27	(-)9226.28	(-)18140.19	(-)31,059.72
<b>22. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	(-)40969.69	(-)46045.78	(-)25554.54	(-)34258.05	(-)48,248.14
<b>23. Primary Deficit (-)/Primary Surplus(+) (21+23)</b>	(-)19994.33	(-)22742.96	(-)378.18	(-)7271.83	(-)19,109.91
<b>Part D. Other data</b>					
<b>24. Interest Payments (included in revenue expenditure)</b>	<b>20975.36</b>	<b>23302.82</b>	<b>25176.36</b>	<b>26986.22</b>	<b>29,138.23</b>
<b>25. Financial Assistance to local bodies etc.</b>	<b>20504.85</b>	<b>16258.55</b>	<b>15843.71</b>	<b>13817.96</b>	<b>19281.73</b>
<b>26. Ways and Means Advances/Overdraft availed (days)</b>	<b>29222.75</b> <b>(230)</b>	<b>22874.48</b> <b>(124)</b>	<b>15,745.01</b> <b>(55)</b>	<b>53306.52</b> <b>(192)</b>	<b>90,163.50</b> <b>(325)</b>
Ways and Means Advances availed (days)	23853.39 (195)	19613.15 (110)	15516.11 (54)	35,787.01 (125)	65,161.93 (241)
Overdraft availed (days)	234 (35)	3261.33 (14)	228.90 (1)	17519.51 (67)	25,001.57(84)
<b>27. Interest on Ways and Means Advances/ Overdraft</b>	<b>26.95</b>	<b>13.90</b>	<b>5.66</b>	<b>55.91</b>	<b>133.43</b>
<b>28. Gross State Domestic Product (GSDP)</b>	<b>771723.9</b>	<b>924465.42</b>	<b>1038734.06</b>	<b>1135371.56</b>	<b>1248533.01</b>
<b>29. Outstanding Fiscal liabilities (year-end) #</b>	<b>302620.01</b>	<b>342887.45</b>	<b>370525.07</b>	<b>400715.84</b>	<b>445901.49</b>

# Excludes back-to-back loans received from GoI in lieu of GST Compensation shortfall.

## Appendix – 1.1 - Concl.

	2020-21	2021-22	2022-23	2023-24	2024-25
<b>30. Outstanding guarantees (year-end) (including interest)</b>	<b>36600.99</b>	<b>44369.85</b>	<b>50374.49</b>	<b>62868.15</b>	<b>74297.58</b>
<b>31. Maximum amount guaranteed (year-end)</b>	<b>49076.88</b>	<b>60604.04</b>	<b>75895.65</b>	<b>84211.45</b>	<b>94366.65</b>
<b>Part E: Fiscal Health Indicators (in per cent)</b>					
<b>I Resource Mobilisation</b>					
Own Tax Revenue/GSDP	6.18	6.31	6.93	6.55	6.14
Own Non-Tax Revenue/GSDP	0.95	1.13	1.46	1.44	1.32
Own Revenue/ GSDP	7.13	7.44	8.38	7.99	7.46
Own Revenue/ Total Expenditure	39.59	42.15	54.86	56.85	53.58
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	18.00	17.66	15.28	14.05	13.92
Total Expenditure/Revenue Receipts	142.28	139.94	119.6	128.13	139.20
Revenue Expenditure/Total Expenditure	88.88	89.56	89.42	89.42	89.71
Expenditure on Social and Economic Services/Total Expenditure	56.71	50.95	49.38	44.76	46.96
Capital Expenditure/Total Expenditure	9.28	8.69	8.82	8.52	8.68
Capital Expenditure/ GSDP	1.67	1.54	1.35	1.20	1.21
<b>III Management of Fiscal Imbalances</b>					
Revenue Deficit/GSDP	(-3.35)	(-3.20)	(-0.89)	(-1.60)	(-2.49)
Fiscal Deficit (Surplus)/GSDP	(-5.31)	(-4.98)	(-2.46)	(-3.02)	(-3.86)
Primary Deficit (Surplus) /GSDP	(-2.59)	(-2.46)	(-0.04)	(-0.64)	(-1.53)
<b>IV Debt Sustainability</b>					
Outstanding Liabilities/GSDP	39.21	37.09	37.67	35.29	35.71
Interest Payments/Revenue Receipts	21.49	19.98	18.97	21.68	23.34

**Appendix – 1.2**  
**(Reference: Paragraph 1.1.4; Page No 6, 29 and 37)**  
**Abstract of receipts and disbursements for the year 2024-25**

(₹ in crore)

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Non-Plan	Plan	Total
<b>Section A: Revenue</b>							
<b>1,24,486.15</b>	<b>I. Revenue Receipts</b>	<b>1,24,861.06</b>	<b>142626.34</b>	<b>I. Revenue Expenditure</b>	<b>1,39,448.89</b>	<b>16,471.89</b>	<b>1,55,920.78</b>
74,329.01	Tax Revenue	76,642.19	78,185.16	General Services	73,963.33	3,232.26	77,195.59
	--		44,005.28	Social Services	43,826.13	9,484.56	53,310.69
16,345.96	Non-Tax Revenue	16,486.62	21,716.46	Education, Sports, Art and Culture	21,331.69	1,778.81	23,110.50
	--		9,228.54	Health and Family Welfare	7,282.09	2,946.46	10,228.55
21,742.92	State's Share of Union Taxes	24,772.38	1,270.57	Water Supply, Sanitation, Housing and Urban Development	237.15	1,303.23	1,540.38
	--		92.96	Information and Broadcasting	78.59	16.57	95.16
	Non-Plan Grants		2,492.04	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	512.88	1,746.89	2,259.77
	Grants for State Plan Schemes		646.31	Labour and Labour Welfare	437.23	172.75	609.98
	--		8,472.78	Social Welfare and Nutrition	13,844.44	1,519.85	15,364.29
(-17.87)	Grants for Central and Centrally Sponsored Plan Schemes		85.62	Others	102.06	-	102.06
	--		<b>11,414.83</b>	<b>Economic Services-</b>	<b>7,649.39</b>	<b>3,755.07</b>	<b>11,404.46</b>
3,936.74	Grants for Centrally Sponsored Scheme	4,184.79	5,927.52	Agriculture and Allied Activities	4,376.53	1,635.60	6,012.13
	--		1,513.94	Rural Development	604.98	1,086.71	1,691.69
7,245.68	Finance Commission Grants	2,531.85	71.41	Special Areas Programmes	-	1.62	1.62
	--		596.11	Irrigation and Flood Control	584.89	20.73	605.62
903.71	Other Transfer/Grants to States	243.23	838.60	Energy	491.81	51.22	543.03
	--		489.70	Industry and Minerals	223.55	341.21	564.76
	--		1,138.33	Transport	877.72	290.95	1,168.67
	--		116.11	Science, Technology and Environment	74.24	68.87	143.11
	--		723.12	General Economic Services	415.67	258.16	673.83
	--		<b>9,021.07</b>	<b>Grants-in-aid and Contributions</b>	<b>14,010.04</b>		14,010.04
<b>18,140.19</b>	<b>II. Revenue deficit carried over</b>	<b>31,059.72</b>		<b>II. Revenue Surplus carried over</b>			

## Appendix – 1.2- Contd.

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Non-Plan	Plan	Total
<b>Section B : Capital</b>							
9,991.68	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	7,367.38		III. Opening Overdraft from Reserve Bank of India			
47.51	IV. Miscellaneous Capital Receipts	31.20	13,584.45	IV. Capital Outlay	591.22	14,491.19	15,082.41
	--		247.26	General Services	21.17	300.99	322.16
	--		2,945.57	Social Services	75.81	3,037.97	3,113.78
	--		656.54	Education, Sports, Art and Culture	42.25	560.10	602.35
	--		348.11	Health and Family Welfare	15.05	300.45	315.50
	--		1,511.88	Water Supply, Sanitation, Housing and Urban Development	18.06	1,641.93	1,659.99
	--		0.81	Information and Broadcasting	-	0.91	0.91
	--		300.54	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	314.05	314.05
	--		33.48	Social Welfare and Nutrition	0.45	91.62	92.07
	--		94.21	Others	-	128.91	128.91
	--		10,391.62	Economic Services	494.24	11,152.23	11,646.47
	--		440.40	Agriculture and Allied Activities	84.83	466.75	551.58
	--		1,190.17	Rural Development	319.40	1059.69	1,379.09
	--		0.40	Special Areas Programmes	-	84.07	84.07
	--		341.05	Irrigation and Flood Control	28.20	391.23	419.43
	--		2.22	Energy	4.62	2.33	6.95
	--		547.89	Industry and Minerals	-	535.36	535.36
	--		3,054.49	Transport	26.55	3,641.04	3,667.59
	--		4,815.00	General Economic Services	30.64	4,971.76	5,002.40
714.80	V. Recoveries of Loans and Advances-	667.16	3,295.72	V. Loans and Advances disbursed-			2,804.37
13.53	From Power Projects	12.37	41.31	For Power Projects			3.71
596.09	From Government Servants	582.73	655.59	To Government Servants			660.31
105.18	From Others	72.06	2598.82	To Others			2,140.35
	VI. Revenue Surplus brought down		18,140.19	VI. Revenue Deficit brought down			31,059.72

**Appendix – 1.2- Concl.d.**

2023-24	Receipts	2024-25	2023-24	Disbursements	2024-25		
					Non-Plan	Plan	Total
<b>51048.34</b>	<b>VII. Public Debt Receipts-</b>	<b>63,780.81</b>	<b>21059.32</b>	<b>VII. Repayment of Public Debt-</b>			<b>21,754.93</b>
50,147.42	Internal debt other than Ways and Means Advances and Overdrafts	60,147.39	20,126.57	Internal Debt other than Ways and Means Advances and Overdrafts			20,587.72
	Net transactions under Ways and Means Advances			Net transactions under Ways and Means Advances			
	Net transactions under Overdraft			Net transactions under Overdraft			
900.92	Loans and Advances from Central Government	3633.42	932.75	Repayment of Loans and Advances to Central Government			1167.21
	<b>VIII. Appropriation from Contingency Fund</b>			<b>VIII. Appropriation to Contingency Fund</b>			
	<b>IX. Amount transferred to Contingency Fund</b>			<b>IX. Expenditure from Contingency Fund</b>			
<b>335221.46</b>	<b>X. Public Account Receipts-</b>	<b>357859.42</b>	<b>333576.73</b>	<b>X. Public Account Disbursements-</b>			<b>353885.21</b>
148966.14	Small Savings and Provident Funds	159570.84	149212.82	Small Savings and Provident Funds			158217.30
894.52	Reserve Funds	909.94	190.06	Reserve Funds			227.31
173987.73	Suspense and Miscellaneous	184503.28	174076.47	Suspense and Miscellaneous	174076.47		183958.67
4668.57	Remittance	5111.26	3461.54	Remittances			5186.10
6704.50	Deposits and Advances	7764.10	6635.84	Deposits and Advances			6295.83
	<b>XI. Closing Overdraft from Reserve Bank of India</b>		<b>7367.38</b>	<b>XI. Cash Balance at end-</b>			<b>5119.33</b>
	--		36.68	Cash in Treasuries and Local Remittances			36.68
	--		238.68	Deposits with Reserve Bank			(-) <sup>3</sup> 78.42
	--		(-) <sup>6</sup> .45	Departmental Cash Balance including permanent Advances			(-) <sup>6</sup> .15
	--		4051.26	Cash Balance Investment			2075.23
			3047.21	Investments in Earmarked funds			3391.99
<b>397023.79</b>	<b>TOTAL</b>	<b>429705.97</b>	<b>397023.79</b>	<b>TOTAL</b>			<b>429705.97</b>

Source: Finance Accounts of respective years, Government of Kerala

### Appendix – 1.3

(Reference: Paragraph 1.1.5; Page No 7)

#### Summarised financial position of the Government of Kerala as on 31 March 2025

(₹ in crore)

As on 31 March 2024			As on 31 March 2025
	<b>Liabilities</b>		
<b>257157.92</b>	<b>Internal Debt -</b>		<b>296717.59</b>
225780	Market Loans bearing interest	263746	
0.04	Market Loans not bearing interest	0.02	
146.55	Loans from Life Insurance Corporation of India	55.27	
31231.33	Loans from other Institutions	32916.30	
	Ways and Means Advances		
	Overdrafts from Reserve Bank of India		
<b>14542.21</b>	<b>Loans and Advances from Central Government -</b>		<b>17008.42</b>
1.16	Pre 1984-85 Loans	1.16	
5.32	Non-Plan Loans	3.57	
4341.31	Loans for State Plan Schemes	3410.38	
	Loans for Central Plan Schemes		
	Loans for Central Sponsored Schemes		
10194.42	Loans for State/UTs with Legislature Schemes	13593.31	
<b>100</b>	<b>Contingency Fund</b>		<b>100</b>
<b>123944.24</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>125297.78</b>
<b>7672.17</b>	<b>Deposits</b>		<b>9140.55</b>
<b>4156.65</b>	<b>Reserve Funds Advances</b>		<b>4839.28</b>
<b>143.98</b>	<b>Suspense and Miscellaneous Balances</b>		<b>705.41</b>
<b>81.91</b>	<b>Remittance Balances</b>		<b>7.07</b>
	<b>Cumulative excess of receipts over expenditure</b>		
<b>407799.08</b>	<b>TOTAL</b>		<b>453816.10</b>

**Appendix – 1.3 – Concl.d.**

As on 31 March 2024			As on 31 March 2025
	<b>Assets</b>		
<b>135295.41</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>150346.62</b>
11773.44	Investments in shares of Companies, Corporations etc.	12328.90	
123521.97	Other Capital Outlay	138017.72	
<b>26965.74</b>	<b>Loans and Advances -</b>		<b>29102.95</b>
2879.02	Loans for Power Projects	2870.37	
23032.88	Other Development Loans	25101.16	
1053.84	Loans to Government servants and Miscellaneous loans	1131.42	
<b>59.43</b>	<b>Advances</b>		<b>59.53</b>
<b>7367.38</b>	<b>Cash -</b>		
36.68	Cash in Treasuries and Local Remittances	36.68	<b>5119.33</b>
238.68	Deposits with Reserve Bank	(-)378.42	
(-)6.45	Departmental Cash Balance including Permanent Advances	(-)6.15	
3047.21	Investment of Earmarked Funds	3391.99	
4051.26	Cash Balance Investments	2075.23	
<b>238111.12</b>	<b>Deficit on Government Account -</b>		<b>269187.67</b>
219967.46	Accumulated deficit at the beginning of the year	238111.12	
18140.19	(i)Add Revenue deficit of the current year	31059.72	
3.47	(ii)Miscellaneous Government Accounts	16.83	
<b>407799.08</b>	<b>TOTAL</b>		<b>453816.10</b>

Source: Finance Accounts of respective years, Government of Kerala

**Explanatory Notes**

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in **Appendix 1.3.**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting.

## Appendix 1.4

(Reference: Paragraph 1.2.1 C (ii); Page No 22)

Recommended amount and actual release of Fifteenth Finance Commission Grants during the period 2020-21 to 2024-25

(₹ in crore)

Transfers	2020-21		2021-22		2022-23		2023-24		2024-25	
	Award amount	Release by GoI	Award amount	Release by GoI	Award amount	Release by GoI	Award amount	Release by GoI	Award amount	Release by GoI
<b>(i) Grants to Panchayati Raj Institutions (PRIs)</b>	<b>1628.00</b>	<b>1628.00</b>	<b>1203.00</b>	<b>1203.00</b>	<b>1246.00</b>	<b>1246.00</b>	<b>1260.00</b>	<b>1260.00</b>	<b>1334.00</b>	<b>1334.00</b>
(a) General Basic (untied) Grants	814.00	814.00	481.20	481.20	498.40	498.40	504.00	504.00	533.60	533.60
(b) Performance (tied) Grants	814.00	814.00	721.80	721.80	747.60	747.60	756.00	756.00	800.40	800.40
<b>(ii) Grants to Urban Local Bodies (ULBs)</b>	<b>784.00</b>	<b>784.00</b>	<b>592.00</b>	<b>336.00</b>	<b>613.00</b>	<b>603.28</b>	<b>649.00</b>	<b>400.36</b>	<b>687.00</b>	<b>455.49</b>
(a) One million plus cities (for solid waste management and sanitation)	339.00	339.00	256.00	0.00	265.00	256.00	281.00	265.00	297.00	155.40
(b) Non-million plus cities (untied grants for local needs)	222.50	222.50	134.40	134.40	139.20	139.20	147.20	54.14	156.00	166.84
(c) Non-million plus cities (tied grants for drinking water, rain water harvesting, solid waste management and sanitation)	222.50	222.50	201.60	201.60	208.80	208.08	220.80	81.22	234.00	133.25
<b>Total for Local Bodies (i+ii+iii)</b>	<b>2412.00</b>	<b>2412.00</b>	<b>1795.00</b>	<b>1539.00</b>	<b>1859.00</b>	<b>1849.28</b>	<b>1909.00</b>	<b>1660.36</b>	<b>2021.00</b>	<b>1789.49</b>
Grants for Health sector	0.00	0.00	559.00	427.13	558.98	94.30	587.00	458.03	<b>616.00</b>	<b>380.07</b>
SDRF-Central share	314.00	314.00	251.20	251.20	264.00	264.00	277.60	277.60	291.20	291.20
SDMF-Central share	0.00	0.00	62.80	62.80	66.00	0.00	69.40	100.70	72.80	71.10
<b>SDRMF</b>	<b>314.00</b>	<b>314.00</b>	<b>314.00</b>	<b>314.00</b>	<b>330.00</b>	<b>264.00</b>	<b>347.00</b>	<b>378.30</b>	<b>364.00</b>	<b>362.30</b>
<b>Post Devolution Revenue Deficit Grant</b>	<b>15323.00</b>	<b>15323.00</b>	<b>19891.00</b>	<b>19891.00</b>	<b>13174.00</b>	<b>13174.00</b>	<b>4749.00</b>	<b>4749.00</b>	<b>0.00</b>	<b>0.00</b>

**Appendix 1.5**  
**(Reference: Paragraph 1.2.4.2 B; Page No 40)**

**Details of PSUs that have not paid/short paid dividend for the years of accounts 2022-23 and 2023-24**  
**(₹ in crore)**

<b>A. For the year of accounts 2022-23</b>							
<b>Sl No.</b>	<b>Name of the SPSEs</b>	<b>Period of accounts</b>	<b>Net profit (+) / Loss (-) after tax and interest</b>	<b>Minimum dividend required to be declared</b>		<b>Dividend declared/paid</b>	<b>Amount not paid</b>
				<b>20 per cent of Profit if Profit is greater than 50 crore</b>	<b>15 per cent of Profit if Profit is lower than 50 crore</b>		
1	Oil Palm India Limited	2022-23	13.6	NA	2.04	0.41	1.63
2	Kerala Tourism Development Corporation Limited	2022-23	1.32	NA	0.198	0	0.20
3	Kerala State Ex-Servicemen Development and Rehabilitation Corporation Limited	2022-23	3.85	NA	0.5775	0	0.58
4	Bhavanam Foundation Kerala	2022-23	0.99	NA	0.1485	0	0.15
5	Trivandrum Engineering Science and Technology Research Park	2022-23	0.09	NA	0.0135	0	0.01
6	The Travancore Sugars and Chemicals Limited	2022-23	2.93	NA	0.4395	0	0.44
7	Overseas Development and Employment Promotion Consultants Limited	2022-23	0.52	NA	0.078	0	0.08
8	Norka Roots	2022-23	1.23	NA	0.1845	0	0.18
9	The Pharmaceutical Corporation (Indian Medicines) Kerala Limited	2022-23	42.47	NA	6.3705	0	6.37
10	Kerala State Development Corporation for Christian Converts from Scheduled Castes and the Recommended Communities Limited	2022-23	2.99	NA	0.4485	0	0.45
11	Kerala State Development Corporation for Scheduled Castes and Scheduled Tribes Limited	2022-23	2.84	NA	0.426	0	0.43
12	Kerala State Backward Classes Development Corporation Limited	2022-23	64.18	12.836	NA	0	12.84
13	Kerala Police Housing and Construction Corporation Limited	2022-23	0.76	NA	0.114	0	0.11
14	The Kerala State Coir Corporation Limited	2022-23	0.5	NA	0.075	0	0.08
15	Kerala State Industrial Development Corporation Limited	2022-23	64.73	12.946	NA	0	12.95
16	Marine Products Infrastructure Development Corporation Limited	2022-23	0.42	NA	0.063	0	0.06
17	Keltron Component Complex Limited	2022-23	4.63	NA	0.6945	0	0.69
18	Keltron Electro Ceramics Limited	2022-23	1.35	NA	0.2025	0	0.20
19	Kerala State Drugs and Pharmaceuticals Limited	2022-23	0.43	NA	0.0645	0	0.06
20	Kerala State Electronics Development Corporation Limited	2022-23	22.57	NA	3.3855	0	3.39
21	Kerala State Coir Machinery Manufacturing Company Limited	2022-23	0.78	NA	0.117	0	0.12
22	Kerala Life science Industries Parks Private Limited	2022-23	0.51	NA	0.0765	0	0.08
23	Kerala Rice Limited	2022-23	0.07	NA	0.0105	0	0.01
24	Kerala Artisans' Development Corporation Limited	2022-23	2.4	NA	0.36	0	0.36
25	Kerala Industrial Infrastructure Development Corporation	2022-23	6.08	NA	0.912	0	0.91
	<b>Total</b>			<b>25.782</b>	<b>16.9995</b>	<b>0.41</b>	<b>42.37</b>

## Appendix 1.5 – Concl'd.

(₹ in crore)

B. For the year of accounts 2023-24							
Sl No.	Name of the SPSEs	Period of accounts	Net profit (+) / Loss (-) after tax and interest	Minimum dividend required to be declared		Dividend declared/paid	Amount not paid
				20 per cent of Profit if Profit is greater than 50 crore	15 per cent of Profit if Profit is lower than 50 crore		
1	KINESCO Power and Utilities Private Limited	2023-24	5.81	NA	0.87	0.00	0.87
2	Kerala State Electricity Board Limited	2023-24	218.51	43.70	NA	0.00	43.70
3	Malabar Distilleries Limited	2023-24	0.22	NA	0.03	0.00	0.03
4	Overseas Keralites Investment and Holding Company Limited	2023-24	0.12	NA	0.02	0.00	0.02
5	The Kerala State Women's Development Corporation Limited	2023-24	8.07	NA	1.21	0.00	1.21
6	Kinfra Export Promotion Industrial Parks Limited	2023-24	2.26	NA	0.34	0.00	0.34
7	Steel and Industrial Forgings Limited	2023-24	0.36	NA	0.05	0.00	0.05
8	Kerala State Industrial Enterprises Limited	2023-24	3.72	NA	0.56	0.00	0.56
9	The Kerala State Financial Enterprises Limited	2023-24	404.10	80.82	NA	35.00	45.82
10	Kerala State Beverages (Manufacturing and Marketing) Corporation Limited	2023-24	236.29	47.26	NA	0.00	47.26
11	The Kerala Minerals and Metals Limited	2023-24	99.79	19.96	NA	6.18	13.78
	<b>Total</b>			<b>191.74</b>	<b>3.08</b>	<b>41.18</b>	<b>153.64</b>

Appendix 1.6

(Reference: Paragraph 1.3.1; Page No 41)

Component-wise net balances in Public Account for the period 2015-16 to 2024-25

(₹ in crore)

Sector	Sub-Sector	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-)47639.35	(-)60571.01	(-)67777.85	(-)77397.06	(-)85671.17	(-)97,219.13	(-)1,15,666.60	(-)1,24,190.92	(-)1,23,944.24	(-)1,25,297.78
	(a) Reserve Funds bearing Interest	(-)72.52	(-)115.86	(-)287.08	(-)2113.98	(-)635.57	(-)719.55	(-)471.73	(-)394.65	(-)770.89	(-)1,110.43
Reserve Funds	(b) Reserve Funds not bearing Interest	(-)309.17	(-)306.48	(-)310.52	(-)318.37	(-)279.59	(-)366.72	(-)355.23	(-)334.81	(-)338.55	(-)336.86
	(a) Deposits bearing Interest	(-)0.49	(-)1.89	(-)0.57	(-)0.27	(-)0.49	(-)0.34	(-)0.51	(-)0.36	(-)0.30	(-)1.24
Deposits and Advances	(b) Deposits not bearing Interest	(-)2786.18	(-)2890.46	(-)3157.68	(-)3550.38	(-)4135.32	(-)4,632.53	(-)6,418.82	(-)7,603.36	(-)7,671.87	(-)9,139.31
	(c) Advances	0.39	0.43	0.43	0.66	60.08	62.27	60.29	59.64	59.43	59.53
Suspense and Miscellaneous	(a) Suspense	(-)113.57	902.39	210.63	745.61	728.57	1,057.03	242.94	370.88	240.24	(-)118.55
	(b) Other Accounts	(-)109.67	1351.15	(-)214.56	(-)690.15	(-)612.5	1,226.28	4,658.84	6,486.12	3,660.59	1,482.22
	(c) Accounts with Governments of Foreign Countries	0	0.01	0	0	0	0	0	0	0	-
	(d) Miscellaneous	0	0	0	0	0	0	0	0	0	-
Remittances	(a) Money Orders, and other Remittances	554.32	921.65	983.27	1074.09	1038.91	952.43	1,412.78	1,063.13	(-)148.25	(-)74.28
	(b) Inter- Governmental Adjustment Account	114.32	59.99	164.34	125.05	42.68	89.76	60.54	61.98	66.33	67.21
<b>Total</b>		<b>(-)50361.92</b>	<b>(-)60650.08</b>	<b>(-)70389.59</b>	<b>(-)82124.80</b>	<b>(-)89464.40</b>	<b>(-)99,550.50</b>	<b>(-)1,16,477.50</b>	<b>(-)1,24,482.35</b>	<b>(-)1,28,847.51</b>	<b>(-)1,34,469.49</b>

Source: Finance Accounts of respective years

Note: +ve figures denote debit balance and -ve figures denote credit balances.

**Appendix 1.7**  
**(Reference: Paragraph 1.4.1.1; Page No 46)**  
**Component-wise liability trends during the period 2015-16 to 2024-25**

	(₹ in crore)										
Components of fiscal liability	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
<b>Outstanding Total Liability</b>	160538.68	189768.55	214518.22	241614.51	265362.36	3,02,620.01	3,42,887.45	3,70,525.07	4,00,715.84	445901.49	
Public Debt	109730.97	125882.85	142984.52	158234.45	174640.22	1,99,681.73	2,19,974.55	2,38,000.97	2,67,989.99	310015.87	
Internal Debt	102496.26	118268.72	135500.53	150991.04	165960.03	1,90,474.09	2,10,791.59	2,27,137.07	2,57,157.92	296717.59	
Loans from Govt*	7234.71	7614.13	7483.99	7243.41	8680.19	9,207.64	9,182.96	10,863.90	10,832.07	13298.28	
Public Account Liabilities	50807.71	63885.70	71533.70	83380.06	90722.14	1,02,938.28	1,22,912.90	1,32,524.10	1,32,725.85	135885.62	
Small Savings, Provident Funds, etc.	47639.35	60571.01	67777.85	77397.06	85671.17	97,219.13	1,15,666.60	1,24,190.92	1,23,944.24	125297.78	
Reserve Funds bearing Interest	72.52	115.86	287.08	2113.98	635.57	719.55	471.73	394.65	770.89	1110.43	
Reserve Funds not bearing Interest	309.17	306.48	310.52	318.37	279.59	366.72	355.23	334.81	338.55	336.86	
Deposits bearing Interest	0.49	1.89	0.57	0.27	0.49	0.34	0.52	0.36	0.30	1.24	
Deposits not bearing Interest	2786.18	2890.46	3157.68	3550.38	4135.32	4,632.54	6,418.82	7,603.36	7,671.87	9139.31	
Rate of growth of outstanding total liability (per cent)	13.10	18.21	13.04	12.63	9.83	14.04	13.31	8.06	8.15	11.28	
Gross State Domestic Product (GSDP)	561993.60	634886.39	701588.26	788285.57	812934.63	771723.89	924465.42	1038734.06	1135372.56	1248533.01	
Outstanding Total Liability/GSDP (per cent)	28.57	29.89	30.58	30.65	32.64	39.21	37.09	35.67	35.29	35.71	
<b>Borrowings and Other Liabilities</b>											
Total Receipts	75062.62	89787.12	120227.77	146499.36	183509.21	2,40,014.87	2,31,582.07	2,16,432.90	2,61,358.70	3,22,577.19	
Total Repayments	56470.83	60557.25	95478.10	119403.07	159761.36	2,02,757.22	1,91,314.63	1,88,795.28	2,31,167.92	2,77,391.54	
Net funds available	18591.79	29229.87	24749.67	27096.29	23747.85	37,257.65	40,267.44	27,637.62	30,190.78	45,185.65	
Repayments/ Receipts (per cent)	75.23	67.45	79.41	81.50	87.06	84.48	82.61	87.23	88.45	85.99	

Source: Finance Accounts of respective years

## Appendix 1.8

(Reference: Paragraph 1.4.5; Page No 54 and 56)

## Trends in Debt Sustainability Indicators

(` in crore)

Sl. No.	Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt*	160,538.68	189,768.55	214,518.22	241,614.50	265,362.36	3,02,620.01	3,42,887.45	3,70,525.07	4,00,715.84	44,6163.55#
2	Rate of Growth of Overall Debt (per cent)	13.10	18.21	13.04	12.63	9.83	14.04	13.31	8.06	8.15	11.34
3	GSDP (in nominal terms)	561,993.60	634,886.39	701,588.26	788,285.57	812,934.63	7,71,723.89	9,24,465.42	10,38,734.06	11,35,371.56	12,48,533.01
4	Nominal GSDP growth (per cent)	9.64	12.97	10.51	12.36	3.13	-5.07	19.79	12.36	9.30	9.97
5	Overall Debt/GSDP (per cent)	28.57	29.89	30.58	30.65	32.64	39.21	37.09	35.67	35.29	35.74
6	Repayment to Gross Borrowings (per cent)	90.03	80.94	91.99	92.94	97.53	93.22	92.67	98.86	98.77	95.03
7	Net borrowings available as a percentage of Gross Borrowings	9.97	19.06	8.01	7.06	2.47	6.78	7.33	1.14	1.23	4.97
8	Interest payments on Overall Debt	11,110.62	12,116.50	15,119.93	16,747.92	19,214.70	20,975.36	23,302.83	25,176.36	26,986.22	29,138.23
9	Effective rate of interest on Overall Debt (per cent) <sup>58</sup>	7.59	7.04	7.61	7.46	7.71	7.51	7.36	7.23	7.19	7.09
10	Interest payment to Revenue Receipts (per cent)	16.09	16.02	18.21	18.04	21.30	21.49	19.98	18.97	21.68	23.34
11	Revenue Deficit/Surplus	(-9656.81)	(-15484.59)	(-16928.21)	(-17461.92)	(-14495.25)	(-25,829.50)	(-29,539.27)	(-9,226.28)	(-18,140.19)	(-31,327.63#)
12	Primary Revenue Balance (PRB)	1453.81	(-3368.09)	(-1808.28)	(-714.00)	4719.45	(-4854.14)	(-6236.44)	15950.08	8846.03	(-2,189.40)
13	Primary Balance (PB)	(-6,707.77)	(-14,331.85)	(-11,717.48)	(-10,210.39)	(-4,622.77)	(-19,994.33)	(-22,742.95)	(-378.18)	(-7,271.83)	(-19,371.97#)

<sup>58</sup> Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure.

Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non- interest-bearing liabilities) \* 100

## Appendix 1.8 – Concltd.

(₹ in crore)

Sl. No	Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
14	PB/GSDP (per cent)	(-)1.19	(-)2.26	(-)1.67	(-)1.30	(-)0.57	(-)2.59	(-)2.46	(-)0.04	(-)0.64	(-)1.55
15	Difference between RoI and effective rate of interest on Overall Debt <sup>59</sup>	7.33	6.82	7.35	7.21	7.42	7.28	7.10	6.72	6.74	6.42
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	1985.82 (23)	2931.13 (25)	6335.50 (50)	9698.12 (67)	35,745.17 (291)	29,222.75 (230)	22,874.48 (124)	15,745.01 (55)	53,306.52 (192)	90,163.50 (325)
17	Debt Stabilisation (Quantum spread + Primary balance) <sup>60</sup>	(-)3480.18	(-)3268.15	(-)5597.03	1439.15	(-)16574.16	(-)57,424.77	18,996.16	18,108.50	967.35	(-)6,937.60
18	<b>Domar gap</b>										
a	GSDP (in constant terms)	451,210.00	485,302.00	516,190.00	554,228.00	559,194.18	5,111,702.92	5,71,982.96	6,04,632.74	6,45,310.02	6,85,283.16
b	Real Growth (in constant terms)	7.44	7.56	6.36	7.37	0.90	-8.49	11.78	5.71	6.73	6.19
c	Inflation based on CPI (per cent)	4.20	4.29	6.01	4.94	6.14	5.35	4.17	5.79	4.96	5.89
d	Effective Rate of interest	7.59	7.04	7.61	7.46	7.71	7.51	7.36	7.23	7.19	7.09
e	Real effective rate of interest (Effective rate of interest-Inflation)	3.39	2.75	1.60	2.52	1.57	2.16	3.19	1.44	2.23	1.20
f	Growth Interest Differential (Real growth-Real effective rate of interest)	4.06	4.80	4.77	4.85	(-)0.67	(-)10.65	8.59	4.27	4.50	4.99
g	Primary Balance (PB)	(-)6,707.77	(-)14,331.85	(-)11,717.48	(-)10,210.39	(-)4,622.77	(-)19,994.33	(-)22,742.95	(-)378.18	(-)7,271.83	(-)19,371.97 <sup>#</sup>

Source: Finance Accounts of respective years  
# Post audit figures

\*Figures relating to off-budget borrowings have not been included in overall liabilities. Overall liabilities excludes ₹5,766 crore during 2020-21, ₹14,505.31 crore during 2021-22 to 2023-24 and ₹ 3,710.14 crore during 2024-25 as back-to-back loans from GoI in lieu of GST Compensation shortfall received during 2020-21 and 2021-22 are not to be repaid by the State from its sources.

<sup>59</sup> Return on Investment (RoI) as measured by effective rate of interest receipts. RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed \*100

<sup>60</sup> Quantum Spread = Interest Spread x Debt (excluding non-interest bearing liabilities)

### Appendix 1.9

(Reference: Paragraph 1.4.6.1 A; Page No 58)

#### Details of outstanding Guarantees in Budget

(₹ in crore)

Year	O/s guarantees at the beginning of the year in Annual Budget	Addition during the year	Deletion during the year	Guarantees Invoked during the year	Outstanding guarantees at the end of the year in Annual Budget	Outstanding guarantees after adjusting additions and deletion (2+3-4)	Variation in guarantee O/s at the end of the year (7-6)
1	2	3	4	5	6	7	8
2019-20	31585.89	6.00	81.62	0	27756.39	31510.27	3753.88
2020-21	29529.72	6.00	129.42	0	31705.81	29406.3	2299.51
2021-22	36592.51	7667.15	345.75	0	44361.38	43913.92	447.46

**Appendix 1.10****(Reference: Paragraph 1.4.6.1 A; Page No 58)****Discrepancies between Guarantee Commission received as per Budget document and Finance Accounts***(₹ in crore)*

<b>Year</b>	<b>Guarantee Commission received (as per budget document)</b>	<b>Guarantee Commission booked in the Finance accounts</b>
2019-20	170.42	150.80
2020-21	218.52	216.57
2021-22	219.90	230.76

**Appendix 1.11**

(Reference: Paragraph 1.4.6.1 E; Page No 61)

**Details of outstanding guarantee commission to be paid and interest accrued thereof**

(₹ in crore)

Sl.No.	Name of Instituion	Guarantee Commission outstanding as on 31.03.2025	Penal interest calculated on defaulted Guarantee Commission
1	Greater Cochin Development Authority	2.37	4.49
2	Kerala Automobiles Ltd	0.47	0.32
3	Keltron	5.36	14.38
4	Kochi Metro Rail Ltd	29.39	7.05
5	Kerala Water Authority	28.04	56.89
6	National University for Advanced Legal Studies	5.09	1.80
7	Vizhinjam International Seaport Ltd	10.06	0.49
8	Kollam Co-operative Spinning Mills Ltd	0.47	0.72
9	Marketfed	2.81	3.75
10	Kerala Transport Development Finance Corporation	8.17	0.91
11	Kerala State Road Transport Corporation	162.2	59.68
12	Consumerfed	0.19	0.10
13	Kerala Urban and Rural Development Finance Corporation	124.96	32.22
14	SupplyCo	43.10	3.59
	<b>Total</b>	<b>422.68</b>	<b>186.39</b>

## Appendix 1.12

(Reference: Paragraph 1.4.6.1F; Page No 62)

Details of Institutions that have not paid interest for the delayed remittance of guarantee commission

*(Amount in rupees)*

Sl.No.	Name of Institution	Period - Instalment	Amount	Date of remittance	Period of delay (days)	Amount of interest
1	Matsyafed	2020-21 Ist	6816608	19.05.20	48	107572
		2020-21 IInd	7871882	02.12.20	62	160457
		2021-22 Ist	6306200	16.04.21	15	31099
		2022-23 Ist	6293902	18.05.22	47	97254
		2022-23 IInd	6293902	18.10.22	17	35177
		2024-25 Ist	5973681	10.06.24	70	137476
		2024-25 IInd	5973681	02.11.24	32	62846
2	Malappuram Cooperative Spinning Mill Ltd.	2020-21 Ist	86250	14.10.20	196	5558
		2020-21 IInd	86250	13.04.21	194	5501
		2021-22 Ist	86250	09.06.21	69	1957
		2022-23 Ist	86250	30.09.22	182	5161
		2022-23 IInd	86250	18.04.23	229	6494
		2023-24 Ist	86250	30.09.23	182	5161
		2023-24 IInd	86250	08.04.24	189	5359
		2024-25 Ist	86250	30.09.24	182	5161
2024-25 IInd	86250	29.03.25	179	5076		
2	Backward Classes Development Corporation	2023-24 IInd	54449256	15.11.23	45	805551
3	Kerala Water Authority	2021-22 Ist	1296926	17.04.21	16	6822
		2023-24 IInd	787744	18.11.23	48	12431
4	Kerala Women Development Corporation	2020-21 Ist	12680695	29.04.20	28	116732
		2021-22 Ist	14809087	17.04.21	16	77900
		2024-25 IInd	27086883	02.11.24	32	284969
<b>Total</b>						<b>1981714</b>

**Appendix 2.1**  
**(Reference: Paragraph 2.3 ; Page No 76)**  
**Expenditure Composition Outturn**

**Revenue Voted**

(₹)

Grant Code	Major Head	Category	Revised Estimate	Actual Expenditure	Deviation
29	2575	Revenue Voted	130000000.00	8178068.00	-93.71
29	2551	Revenue Voted	50000000.00	8066126.00	-83.87
29	2435	Revenue Voted	4357325000.00	951740826.00	-78.16
05	2020	Revenue Voted	10000.00	2477.00	-75.23
41	3055	Revenue Voted	66501000.00	23848342.00	-64.14
37	2407	Revenue Voted	22493000.00	9915017.00	-55.92
36	2505	Revenue Voted	2719445000.00	1920813054.00	-29.37
29	2402	Revenue Voted	1274712000.00	1016851724.00	-20.23
36	2501	Revenue Voted	4257512000.00	3554369998.00	-16.52
05	2040	Revenue Voted	141870000.00	120219667.00	-15.26
22	2217	Revenue Voted	14804604000.00	13193742302.00	-10.88
06	2035	Revenue Voted	4516000.00	4037732.00	-10.59
20	2215	Revenue Voted	2258727000.00	2020226954.00	-10.56
26	2245	Revenue Voted	7651550000.00	6879867430.00	-10.09
27	2425	Revenue Voted	4072089000.00	3662930683.00	-10.05
11	2250	Revenue Voted	555315000.00	500744643.00	-9.83
35	2515	Revenue Voted	5717776000.00	5202064929.00	-9.02
38	2711	Revenue Voted	743870000.00	680092498.00	-8.57
17	3435	Revenue Voted	176313000.00	161458684.00	-8.42
05	2043	Revenue Voted	3802308000.00	3500898220.00	-7.93
04	2015	Revenue Voted	5358474000.00	4952052554.00	-7.58
14	2058	Revenue Voted	1648899000.00	1533983686.00	-6.97
02	2251	Revenue Voted	551068000.00	513524162.00	-6.81
28	3454	Revenue Voted	1317786000.00	1229184828.00	-6.72
11	2053	Revenue Voted	6160594000.00	5747207073.00	-6.71
39	2801	Revenue Voted	5614705000.00	5243474369.00	-6.61
29	2401	Revenue Voted	12034605000.00	11242535276.00	-6.58
06	2029	Revenue Voted	8440289000.00	7885413620.00	-6.57
24	2230	Revenue Voted	6626568000.00	6208708532.00	-6.31
28	3475	Revenue Voted	977349000.00	916998208.80	-6.17
09	2041	Revenue Voted	2272370000.00	2133871726.00	-6.09
08	2039	Revenue Voted	3862692000.00	3639303464.00	-5.78
14	2070	Revenue Voted	4371113000.00	4123809299.00	-5.66
38	2701	Revenue Voted	1913327000.00	1810446578.00	-5.38
17	2205	Revenue Voted	2386921000.00	2260922434.00	-5.28
30	2236	Revenue Voted	7568000.00	7188351.00	-5.02
02	2052	Revenue Voted	3280442000.00	3128504318.00	-4.63
40	3051	Revenue Voted	648987000.00	618941217.00	-4.63
38	2700	Revenue Voted	1571392000.00	1501555057.00	-4.44
30	3456	Revenue Voted	655349000.00	627192372.00	-4.30
34	2406	Revenue Voted	6805577000.00	6519973565.00	-4.20

**Appendix 2.1 – Contd**

<b>Grant Code</b>	<b>Major Head</b>	<b>Category</b>	<b>Revised Estimate</b>	<b>Actual Expenditure</b>	<b>Deviation</b>
17	3425	Revenue Voted	1343318000.00	1287295732.00	-4.17
05	2045	Revenue Voted	368299000.00	354040232.00	-3.87
32	2404	Revenue Voted	1231400000.00	1185390176.00	-3.74
37	2853	Revenue Voted	214014000.00	206265966.00	-3.62
33	2405	Revenue Voted	3238587000.00	3127936486.00	-3.42
21	2216	Revenue Voted	871158000.00	843032059.00	-3.23
16	2075	Revenue Voted	154135767000.00	149176673952.00	-3.22
12	2062	Revenue Voted	1142319000.00	1105910143.00	-3.19
30	2408	Revenue Voted	20041669000.00	19406416662.00	-3.17
17	2203	Revenue Voted	11906728000.00	11602766112.00	-2.55
12	2055	Revenue Voted	46236686000.00	45137096173.00	-2.38
03	2014	Revenue Voted	11675875000.00	11421125799.00	-2.18
01	2011	Revenue Voted	1438719000.00	1412789661.00	-1.80
10	2054	Revenue Voted	3766000000.00	3701169913.00	-1.72
31	2403	Revenue Voted	8447942000.00	8334281676.00	-1.35
41	3056	Revenue Voted	798842000.00	790122123.00	-1.09
36	2515	Revenue Voted	7426830000.00	7381368866.00	-0.61
17	2202	Revenue Voted	216418504000.00	215959077517.90	-0.21
13	2056	Revenue Voted	2148781000.00	2154729728.00	0.28
46	2235	Revenue Voted	149717760000.00	150627112327.00	0.61
07	2030	Revenue Voted	2545607000.00	2570532485.00	0.98
16	2071	Revenue Voted	275724815000.00	278759014225.80	1.10
02	3451	Revenue Voted	2127779000.00	2152152848.00	1.15
15	2059	Revenue Voted	3694049000.00	3744107474.00	1.36
23	2220	Revenue Voted	936794000.00	951752455.00	1.60
42	3452	Revenue Voted	1838309000.00	1880349910.00	2.29
29	2415	Revenue Voted	4383357000.00	4580326104.00	4.49
11	2047	Revenue Voted	2373806000.00	2515813957.00	5.98
43	3604	Revenue Voted	132007300000.00	140367574021.00	6.33
17	2204	Revenue Voted	1496317000.00	1618727529.00	8.18
02	2013	Revenue Voted	140066000.00	152725018.00	9.04
18	2210	Revenue Voted	88243616000.00	97041361099.00	9.97
29	2702	Revenue Voted	2333492000.00	2620926465.00	12.32
37	2851	Revenue Voted	3922981000.00	4426584124.00	12.84
15	3054	Revenue Voted	10926319000.00	12717047013.00	16.39
41	3075	Revenue Voted	47210000.00	60797809.00	28.78
37	2852	Revenue Voted	684074000.00	893454343.00	30.61
25	2225	Revenue Voted	17976916000.00	24415598047.00	35.82
19	2211	Revenue Voted	4293630000.00	5976984529.00	39.21
39	2810	Revenue Voted	152723000.00	248331871.00	62.60
37	2885	Revenue Voted	290000000.00	714629327.00	146.42
<b>Total</b>			<b>1328021369000</b>	<b>1338888252021.50</b>	<b>0.82</b>

**Appendix 2.1 – Contd.**

**Capital Voted**

<b>Grant Code</b>	<b>Major Head</b>	<b>Category</b>	<b>Revised Estimate</b>	<b>Actual Expenditure</b>	<b>Deviation</b>
37	6853	Capital Voted	50000000	2465000	-95.07
27	4425	Capital Voted	277303000	79050025	-71.49
29	4575	Capital Voted	260000000	79122287	-69.57
22	4217	Capital Voted	504223000	155687799	-69.12
27	6425	Capital Voted	237730000	78921985	-66.80
45	7615	Capital Voted	10950000	4000000	-63.47
39	6801	Capital Voted	99925000	37154676	-62.82
37	4407	Capital Voted	19994000	8081106	-59.58
32	4404	Capital Voted	153503000	70387388	-54.15
30	4408	Capital Voted	147139000	68905936	-53.17
37	6859	Capital Voted	203125000	96686937	-52.40
25	4225	Capital Voted	5370388000	3140515464	-41.52
36	4515	Capital Voted	13200000000	8412420844	-36.27
30	6408	Capital Voted	31647000	20186907	-36.21
39	4810	Capital Voted	12500000	8314706	-33.48
21	4216	Capital Voted	242406000	162238164	-33.07
29	4551	Capital Voted	976000000	761553078	-21.97
39	6810	Capital Voted	274100000	218590929	-20.25
38	4701	Capital Voted	497413000	442889542	-10.96
35	4515	Capital Voted	5772714000	5378475681	-6.83
18	4210	Capital Voted	3304505000	3130649220	-5.26
23	4220	Capital Voted	9517000	9053264	-4.87
29	4401	Capital Voted	67486000	64653036	-4.20
41	5053	Capital Voted	53847000	52729898	-2.07
45	7610	Capital Voted	6607386000	6603127513	-0.06
39	4801	Capital Voted	61160000	61158478	0.00
32	6404	Capital Voted	31793000	31793000	0.00
14	4058	Capital Voted	49810000	49985748	0.35
28	5475	Capital Voted	47684664000	48084031981	0.84
24	6250	Capital Voted	62500000	64287500	2.86
24	4250	Capital Voted	1236900000	1289836793	4.28
38	4700	Capital Voted	857286000	901329155	5.14
12	4055	Capital Voted	362994000	381871590	5.20
29	4702	Capital Voted	1481061000	1594553371	7.66
15	5054	Capital Voted	17359368000	18744798960	7.98
41	7055	Capital Voted	14581266000	16024094461	9.90
37	4859	Capital Voted	1251899000	1402070410	12.00
37	4858	Capital Voted	22750000	25500000	12.09
20	4215	Capital Voted	14023857000	15815079913	12.77
29	4435	Capital Voted	757573000	855092223	12.87
41	7053	Capital Voted	331385000	385180142	16.23

**Appendix 2.1 – Contd.**

Grant Code	Major Head	Category	Revised Estimate	Actual Expenditure	Deviation
33	4405	Capital Voted	2524188000	2943320167	16.60
37	6860	Capital Voted	1685483000	2008310866	19.15
29	4402	Capital Voted	354090000	432511709	22.15
37	4860	Capital Voted	94150000	115186785	22.34
37	6858	Capital Voted	325125000	410783105	26.35
41	5056	Capital Voted	506700000	677917942	33.79
37	6885	Capital Voted	146063000	206765056	41.56
37	6857	Capital Voted	19250000	27448924	42.59
38	4711	Capital Voted	799288000	1148931441	43.74
34	4406	Capital Voted	624746000	907269018	45.22
17	6202	Capital Voted	215000000	315000000	46.51
40	5051	Capital Voted	5864625000	9123412179	55.57
17	4202	Capital Voted	3742102000	6021703881	60.92
40	7051	Capital Voted	188133000	332497305	76.74
41	5055	Capital Voted	220930000	391825478	77.35
41	7056	Capital Voted	340000000	608683000	79.02
15	4059	Capital Voted	1512126000	2809138610	85.77
37	6851	Capital Voted	149099000	277286837	85.97
41	5075	Capital Voted	3995173000	7826840919	95.91
33	6405	Capital Voted	60000000	120000000	100.00
42	5452	Capital Voted	873949000	1976111295	126.11
31	4403	Capital Voted	30000000	73119296	143.73
37	6854	Capital Voted	14000000	37500000	167.86
37	4885	Capital Voted	1064792000	3037385047	185.26
37	4851	Capital Voted	178754000	790274732	342.10
46	4235	Capital Voted	124125000	993803659	700.65
Total			164191958000	178409552361	8.66

**Revenue Charged**

Grant Code	Major Head	Category	Revised Estimate	Actual Expenditure	Deviation
29	2702	Revenue Charged	28585000	2214749	-92.25
21	2216	Revenue Charged	810000	81860	-89.89
11	2250	Revenue Charged	15000000	6400000	-57.33
12	2055	Revenue Charged	1650000	983315	-40.41
12	2062	Revenue Charged	86005000	53027621	-38.34
17	2202	Revenue Charged	14840000	11286319	-23.95
15	3054	Revenue Charged	11006000	8876003	-19.35
01	2011	Revenue Charged	9304000	7698755	-17.25
16	2075	Revenue Charged	14016000	12012422	-14.29
02	2012	Revenue Charged	134201000	122159325	-8.97
08	2039	Revenue Charged	2040000	1881682	-7.76
36	2515	Revenue Charged	15000	13842	-7.72

**Appendix 2.1 – Concl.d.**

Grant Code	Major Head	Category	Revised Estimate	Expenditure	Deviation
15	2059	Revenue Charged	18616000	17730894	-4.75
14	2058	Revenue Charged	2902000	2788766	-3.90
18	2210	Revenue Charged	8771000	8485517	-3.25
02	2051	Revenue Charged	2203456000	2131974462	-3.24
41	3056	Revenue Charged	600000	586791	-2.20
60	2049	Revenue Charged	297393235000	291383106213	-2.02
16	2071	Revenue Charged	91494000	90546721	-1.04
06	2029	Revenue Charged	5690000	5650500	-0.69
07	2030	Revenue Charged	390000	389017	-0.25
23	2220	Revenue Charged	507000	506488	-0.10
60	2048	Revenue Charged	1200000000	1200000000	0.00
03	2014	Revenue Charged	1952299000	1958753598	0.33
46	2235	Revenue Charged	404000	409502	1.36
30	2408	Revenue Charged	260196000	396477926	52.38
19	2211	Revenue Charged	182000	281866	54.87
17	3425	Revenue Charged	0	5352627	5352.6
29	2401	Revenue Charged	0	885989	8859.9
			303456214000	297430562770	-1.99

**Capital Charged**

Grant Code	Major Head	Category	Revised Estimate	Expenditure	Deviation
38	4711	Capital Charged	19300000	7883166	-59.15
17	4202	Capital Charged	7941000	4998239	-37.06
22	4217	Capital Charged	499250000	473861457	-5.09
12	4055	Capital Charged	900000	860979	-4.34
29	4702	Capital Charged	51000000	50135075	-1.70
37	4851	Capital Charged	413000	412000	-0.24
29	4435	Capital Charged	1097000	1096133	-0.08
41	5075	Capital Charged	10491000	10490932	0.00
18	4210	Capital Charged	28360000	28495301	0.48
61	6003	Capital Charged	1081324304000	1107512185761	2.42
15	5054	Capital Charged	1460975000	1516259383	3.78
61	6004	Capital Charged	10930713000	11672037742	6.78
38	4700	Capital Charged	74475000	93038791	24.93
41	7053	Capital Charged	75000000	132878531	77.17
33	4405	Capital Charged	3845000	28678896	645.88
38	4701	Capital Charged	20000	1704754	8423.77
15	4059	Capital Charged	1000	264386	26338.60
			1094488085000	1121535281526	2.47

**Appendix 2.1A**  
(Reference: paragraph 2.3; Page No 77)  
**Deviation of Actual Expenditure from Revised Estimate**

(₹ in crore)

Financial Year	Grant No	Grant Name	Category	Revised Grant	Expenditure	Percentage change
2021-2022	22	Urban Development	Capital Voted	113.85	19.19	-83.15
2022-2023	22	Urban Development	Capital Voted	121.92	14.94	-87.74
2023-2024	22	Urban Development	Capital Voted	61.13	136.03	122.52
2024-2025	22	Urban Development	Capital Voted	50.42	15.57	-69.12
2021-2022	27	Co-operation	Capital Voted	118.86	57.80	-51.37
2023-2024	27	Co-operation	Capital Voted	43.63	10.58	-75.75
2024-2025	27	Co-operation	Capital Voted	51.50	15.80	-69.33
2020-2021	41	Transport	Revenue Charged	20.04	0.04	-99.78
2022-2023	41	Transport	Revenue Charged	67.90	0.06	-99.92
2023-2024	41	Transport	Revenue Charged	61.99	0.04	-99.93
2024-2025	41	Transport	Revenue Charged	65.63	0.06	-99.91
2021-2022	46	Social Security and Welfare	Capital Voted	96.32	17.45	-81.89
2022-2023	46	Social Security and Welfare	Capital Voted	65.21	19.76	-69.70
2024-2025	46	Social Security and Welfare	Capital Voted	12.41	99.38	700.64 <sup>61</sup>

<sup>61</sup> The total budget for Capital voted section was ₹120.81 crore (₹41.61 crore original + ₹79.20 crore supplementary).

**Appendix 2.2**  
**(Reference: Paragraph 2.5.3; Page No 85)**  
**Cases where supplementary provision rendered non-essential**

(₹ in crore)

Sl.No	Number and Name of Grant		Original Provision	Supplementary Provision	Actual Expenditure	Savings out of Total Provision
<b>A-Revenue Voted</b>						
1	02	Heads of States, Ministers and Headquarters Staff	619.79	6.00	594.69	31.10
2	05	Goods and Service Tax, Agricultural Income Tax and Sales Tax	410.93	7.03	397.52	20.45
3	08	Excise	371.60	8.69	363.93	16.36
4	09	Taxes on Vehicles	225.99	3.68	213.39	16.28
5	10	Treasury and Accounts	375.66	5.60	370.12	11.14
6	11	District Administration and miscellaneous	909.96	18.06	876.38	51.65
7	15	Public Works	1983.62	70.16	1646.12	407.66
8	17	Education, Sports, Art and Culture	24036.66	260.39	23289.02	1008.02
9	22	Urban Development	1524.56	179.75	1319.37	384.94
10	23	Information and Publicity	106.73	9.80	95.18	21.36
11	33	Fisheries	418.82	17.90	312.79	123.93
<b>Total</b>			<b>30984.32</b>	<b>587.06</b>	<b>29478.51</b>	<b>2092.89</b>
<b>B-Capital Voted</b>						
12	22	Urban Development	196.00	13.15	15.57	193.58
13	29	Agriculture	379.38	128.41	378.75	129.04
14	34	Forest	95.80	20.00	90.73	25.07
15	35	Panchayat	545.10	40.06	537.85	47.31
16	37	Industries	1162.86	29.32	844.57	347.60
17	38	Irrigation	422.79	52.96	249.32	226.43
<b>Total</b>			<b>2801.93</b>	<b>283.90</b>	<b>2116.79</b>	<b>969.03</b>
<b>Grand Total</b>			<b>33786.25</b>	<b>870.96</b>	<b>31595.3</b>	<b>3061.92</b>

**Appendix 2.3**  
(Reference: Paragraph 2.5.3; Page No 85)  
Cases where Supplementary Provision proved excessive

(₹ in crore)

Sl.No	Number and Name of Grant		Original Provision	Supplementary Provision	Total Budget	Actual Expenditure	Excessive Supplementary Provision(Savings)
<b>A- Revenue Voted</b>							
1	01	State Legislature	137.02	8.90	145.92	141.28	4.65
2	03	Administration of Justice	1078.71	118.65	1197.36	1142.11	55.24
3	04	Elections	195.65	304.56	500.21	495.21	5.01
4	13	Jails	207.91	19.81	227.72	215.47	12.24
5	16	Pensions and Miscellaneous	41384.69	3020.12	44404.81	42793.57	1611.24
6	18	Medical and Public Health	9418.71	397.62	9816.34	9704.14	112.20
7	19	Family Welfare	424.49	197.24	621.73	597.70	24.04
8	21	Housing	76.95	20.14	97.10	84.30	12.79
9	25	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2354.82	100.00	2454.82	2441.56	13.26
10	30	Food	1895.89	219.44	2115.33	2004.08	111.25
11	39	Power	95.21	555.50	650.71	549.18	101.53
12	46	Social Security and Welfare	13115.91	2173.69	15289.60	15062.71	226.89
	<b>Total</b>		<b>70385.97</b>	<b>7135.68</b>	<b>77521.65</b>	<b>75231.31</b>	<b>2290.34</b>
<b>B-Capital Voted</b>							
13	17	Education, Sports, Art and Culture	444.64	216.20	660.84	633.67	27.17
14	18	Medical and Public Health	248.40	327.14	575.54	313.06	262.48
15	20	Water Supply and Sanitation	868.31	901.94	1770.25	1581.51	188.74
16	28	Miscellaneous Economic Services	4608.09	1094.68	5702.77	4808.40	894.37
17	33	Fisheries	250.22	80.53	330.75	306.33	24.42
18	39	Power	19.80	56.11	75.91	32.52	43.39
19	41	Transport	1672.29	1772.34	3444.63	2596.73	847.90
20	42	Tourism	187.31	62.92	250.23	197.61	52.62
21	46	Social Security and Welfare	41.61	79.20	120.81	99.38	21.43
	<b>Total</b>		<b>8340.67</b>	<b>4591.05</b>	<b>12931.73</b>	<b>10569.21</b>	<b>2362.52</b>
<b>Grand Total</b>			<b>78726.64</b>	<b>11726.73</b>	<b>90453.38</b>	<b>85800.52</b>	<b>4652.86</b>

**Appendix 2.4A**

(Reference: Paragraph 2.5.4; Page No 85)

**Injudicious re-appropriation of funds during 2024-2025 (Reduction of provision)**

(₹ in crore)

Sl. No	Head of Account	Original Grant	Supplementary Grant	Re-Appropriation	Net Budget	Expenditure	Sum(Savings (-) / Excess (+))
Reduction of provision through re-appropriation orders wherein expenditure in excess of Net Budget occurred							
1	2210-01-110-68-Comprehensive Mental Health Programme	7.00	0.00	-3.05	3.95	3.96	0.02
2	2210-06-101-19-National Health Mission (CSS 60:40)	913.00	0.00	-20.69	892.31	953.94	61.62

**Appendix 2.4 B**  
**(Reference: Paragraph 2.5.4; Page No 85)**  
**Injudicious re-appropriation of funds during 2024-2025 (Augmentation of provision)**  
**(₹ in crore)**

Sl. No	Head of Account	Original Grant	Supplementary Grant	Re-Appropriation	Total	Expenditure	Sum (Savings(-)/Excess(+))
<b>Augmentation of provision proved injudicious</b>							
1	2029-00-800-74-Expenditure under the Kerala Conservation of Paddy Land and Wet Land (Amendment) Act 2018	16.05	0.00	10.97	27.02	18.56	(-)8.45
2	2055-00-001-99-Superintendence	82.15	0.00	31.72	113.87	96.45	(-)17.43
3	2055-00-104-98-India Reserve Battalion	90.26	0.00	3.14	93.41	83.53	(-)9.87
4	2055-00-115-98-Modernisation of Police Department	96.22	0.00	7.48	103.70	90.33	(-)13.37
5	2070-00-108-98-Protection and Control	316.14	0.00	4.69	320.83	301.49	(-)19.34
6	2059-60-053-99-Maintenance and Repairs of other Buildings	45.91	0.00	3.77	49.68	35.14	(-)14.54
7	2075-00-103-99-Sale of Lottery Tickets	252.50	0.00	5.00	257.50	248.06	(-)9.44
8	2202-01-101-98-Upper Primary Schools	1318.79	0.00	7.40	1326.19	1290.78	(-)35.41
9	2202-01-101-99-Lower Primary Schools	1550.76	0.00	22.42	1573.18	1531.37	(-)41.82
10	2202-01-102-99-Teaching Grant	4604.51	0.13	202.77	4807.41	4730.91	(-)76.50
11	2202-01-107-90-District Institute of Education and Training (DIET) 60% C.S.S	15.00	0.00	18.55	33.55	18.55	(-)15.00
12	2202-02-001-94-Directorate of Higher Secondary Education (Plus Two)	76.33	0.00	14.93	91.26	86.02	(-)5.25
13	2202-02-110-95-Aided Vocational Higher Secondary Schools - Teaching Grant	230.24	0.00	6.90	237.13	230.78	(-)6.35
14	2203-00-104-97-Private Polytechnics	47.89	0.00	6.06	53.95	48.55	(-)5.41
15	2203-00-105-99-Government Polytechnics	200.56	0.00	7.16	207.72	202.43	(-)5.29

**Appendix 2.4 B - Contd**

(₹ in crore)

Sl.No	Head of Account	Original Grant	Supplementary Grant	Re-Appropriation	Total	Expenditure	Sum (Savings (-) / Excess (+))
16	2203-00-112-60-Institute of Human Resources Development(IHRD)	48.51	0.00	3.36	51.87	33.52	(-)18.36
17	2203-00-112-81- New Engineering Colleges	99.58	0.00	5.25	104.83	96.95	(-)7.88
18	2204-00-104-97-Assistance to Kerala State Sports Council	50.56	0.00	3.46	54.02	43.08	(-)10.94
19	3425-60-200-55-Institute of Advanced Virology (IAV)	50.00	0.00	5.42	55.42	22.58	(-)32.84
20	2217-05-191-48-Block Grants for Centrally Sponsored Schemes	416.47	179.75	232.65	828.87	755.57	(-)73.31
21	2401-00-103-93-Production and distribution of quality Coconut seedlings and centralised seed collection in Departmental Nurseries	5.34	0.00	10.81	16.15	6.00	(-)10.14
22	2401-00-109-57-Mission for Integrated Development of Horticulture (60% CSS)	26.70	0.00	7.51	34.21	27.42	(-)6.79
23	2401-00-109-58-Sub Mission on Agricultural Mechanisation (SMAM) (60% CSS)	44.50	0.00	17.49	61.99	47.02	(-)14.97
24	2401-00-109-59-Rashtriya Krishi Vikas Yojana (60% CSS)	33.38	0.00	8.96	42.33	25.38	(-)16.95
25	2401-00-109-64-Umbrella Scheme on Krishi Unnathi Yojana and other CSS - NMAET-SMAE (60% CSS)	22.25	0.00	4.47	26.72	19.70	(-)7.02
26	2401-00-109-65-Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS)	44.50	0.06	7.61	52.17	26.27	(-)25.89
27	2402-00-188-99-Kerala State Remote Sensing and Environment Centre (KSREC)	0.00	0.00	9.21	9.21	1.32	(-)7.89
28	2702-01-800-94-Minor Irrigation Projects Maintenance	45.65	0.00	3.02	48.68	41.77	(-)6.91

## Appendix 2.4 B - Concl'd

(` in crore)

Sl.No	Head of Account	Original Grant	Supplementary Grant	Re-Appropriation	Total	Expenditure	Sum (Savings(-)/Excess(+))
29	2408-01-101-92- Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS)	0.00	99.44	300.89	400.34	312.17	(-)88.16
30	2403-00-102-99- Intensive Cattle Development Projects	99.96	0.00	4.21	104.17	97.65	(-)6.51
31	2515-00-101-65- Swachh Bharat Mission (Gramin) - Nirmal Bharat Abhiyan (60% CSS)	15.38	0.00	11.67	27.04	19.45	(-)7.60
32	2501-06-198-48-Block Grants for Centrally Sponsored Schemes	212.10	0.00	52.43	264.53	245.40	(-)19.13
33	6858-60-190-89-Loans to Autokast Limited	8.50	0.00	3.40	11.90	6.23	(-)5.67
34	5075-60-800-86- Development of Feeder Canals Connecting the National Water Way III (RIDF scheme)	0.00	0.00	23.00	23.00	0.00	(-)23.00
35	3452-80-104-99- Conservation, Preservation and Promotion of Heritage, Environment and Culture	24.00	0.00	9.08	33.08	22.41	(-)10.67
36	3604-00-200-85- Expansion and Development under Fifteenth Finance Commission Recommendations	2637.28	0.00	170.32	2807.60	2528.22	(-)279.39
37	2235-02-103-77- Financial Assistance for Higher Education to the Children of Widows	0.48	0.00	6.03	6.52	0.48	(-)6.03
38	2235-60-200-72- Kerala Social Security Mission	128.19	0.00	5.49	133.68	102.22	(-)31.46
39	2049-03-104-99- Interest on General Provident Funds	2752.23	0.00	5.42	2757.66	2636.98	(-)120.68

**Appendix 2.5**

(Reference: paragraph 2.5.5.1; Page No 86)

**Grants having large savings, after surrender during 2024-2025**

(₹ in crore)

Sl. No	Grant No	Grant Name	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings after Surrender
	<b>Revenue Voted</b>						
1	29	Agriculture	3023.06	2042.86	980.20	971.07	9.13
2	38	Irrigation	445.31	399.21	46.11	37.86	8.24
	<b>Total</b>		3468.37	2442.07	1026.31	1008.93	17.37
	<b>Capital Voted</b>						
3	17	Education, Sports, Art and Culture	639.34	602.17	37.17	27.57	9.60
4	37	Industries	820.71	537.85	282.86	205.39	77.47
5	41	Transport	1899.46	894.93	1004.53	719.82	284.71
	<b>Total</b>		3359.51	2034.95	1324.56	952.78	371.78
	<b>Grand Total</b>		6827.88	4477.02	2350.87	1961.71	389.15

**Appendix 2.6**  
(Reference para No 2.5.5.1; Page No 86)

**Entire Budget provision remained unutilised in schemes during 2022-23 & 2023-24 for Grant No XXII**

*(₹ in crore)*

SI No	Year	Head of Account - Scheme	Original Budget	Supplementary Budget	Total Budget	Expenditure
1	2022-23	2217-05-192-48 Kerala Solid Waste Management Project - IBRD and AIIB Aided Project - Support to Municipalities for Solid Waste Management - EAP Component	70	0	70	0
2	2022-23	2217-05-191-48 Kerala Solid Waste Management Project - IBRD and AIIB Aided Project - Support to Corporations for Solid Waste Management - EAP Component	30	0	30	0
3	2023-24	2217-05-192-48 Kerala Solid Waste Management Project-IBRD & AIIB Aided Project-Development of Regional Solid Waste Management Facilities in Municipalities-EAP Component	42	0	42	0
4	2023-24	2217-05-191-48 AMRUT 2.0 (33.33% CSS) Corporations (State Share)	38.29	0	38.29	0

**Appendix 2.7**

(Reference: Paragraph 2.5.5.2; Page No 86)

**Grants having persistent savings (exceeding ₹ 100 crore) during 2022-23 to 2024-25**

(₹ in crore)

Sl.No	Grant No	Grant Name	Savings		
			2022-23	2023-24	2024-25
		<b>Capital Voted</b>			
1	15	Public Works	556.32	594.61	884.28
2	20	Water Supply and Sanitation	2007.76	878.75	188.74
3	25	Welfare Of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	106.34	385.77	615.35
4	28	Miscellaneous Economic Services	540.47	213.32	894.37
5	36	Rural Development	369.46	679.21	616.16
6	37	Industries	302.40	249.16	282.86
7	38	Irrigation	165.17	163.88	226.43
8	41	Transport	389.39	559.39	1004.53
		<b>Revenue voted</b>			
9	12	Police	364.29	312.92	155.33
10	15	Public Works	892.56	353.83	407.66
11	16	Pensions And Miscellaneous	1293.20	987.31	1611.24
12	17	Education, Sports, Art and Culture	3576.14	2236.58	1008.02
13	18	Medical And Public Health	1000.44	777.64	112.20
14	20	Water Supply and Sanitation	195.34	323.89	240.38
15	22	Urban Development	175.38	543.14	384.94
16	24	Labour, Labour Welfare and Welfare of Non-Residents	596.23	535.16	429.89
17	26	Relief On Account of Natural Calamities	429.71	575.30	929.05
18	29	Agriculture	970.50	918.90	980.20
19	30	Food	726.30	196.36	111.25
20	31	Animal Husbandry	151.64	132.31	114.75
21	36	Rural Development	3083.21	3408.16	3592.20
22	37	Industries	189.74	215.33	170.30
23	43	Compensation and Assignments	1435.66	5099.16	1168.70
24	46	Social Security and Welfare	2088.67	4209.75	226.89

**Appendix 2.8**  
(Reference: Paragraph 2.5.5.2; Page No 87)  
**Grant-wise percentage of utilisation of budget and savings during 2024-25**

(₹ in crore)

Sl No	Grant no.	Grant Name	Total Budget	Total Expenditure	Savings	Percentage of utilisation	Range of utilisation (per cent)
1	45	Miscellaneous Loans and Advances	666.62	660.71	5.91	99.11	91 to 100
2	4	Elections	500.21	495.21	5.01	99	
3	46	Social Security and Welfare	15410.45	15162.13	248.32	98.39	
4		Debt Charges	29761.99	29258.31	503.68	98.31	
5	10	Treasury and Accounts	381.26	370.12	11.14	97.08	
6	1	State Legislature	146.88	142.05	4.83	96.71	
7	18	Medical and Public Health	10395.62	10020.9	374.72	96.4	
8	12	Police	4843.04	4667.98	175.06	96.39	
9	16	Pensions and Miscellaneous	44416.63	42803.82	1612.81	96.37	
10	6	Land Revenue	821.1	789.51	31.59	96.15	
11	19	Family Welfare	621.76	597.73	24.04	96.13	
12	17	Education, Sports, Art And Culture	24960.8	23924.86	1035.95	95.85	
13	8	Excise	380.49	364.12	16.37	95.7	
14	3	Administration Of Justice	1400.61	1337.99	62.62	95.53	
15	2	Heads Of States, Ministers And Headquarters Staff	862.46	820.1	42.35	95.09	
16	5	Goods And Service Tax, Agricultural Income Tax And Sales Tax	418.61	397.52	21.1	94.96	
17	13	Jails	227.72	215.47	12.24	94.62	
18	11	District Administration And Miscellaneous	929.61	877.02	52.6	94.34	
19	30	Food	2192.63	2052.64	140	93.62	
20	9	Taxes On Vehicles	229.66	213.39	16.28	92.91	
21	43	Compensation And Assignments	15205.46	14036.76	1168.7	92.31	
		Total	154773.61	149208.34	5565.32		
22	35	Panchayat	1194.12	1058.05	136.06	88.61	70-90
23	14	Stationery And Printing and Other Administrative Services	646.84	571.06	75.79	88.28	
24	31	Animal Husbandry	968.53	840.74	127.79	86.81	

**Appendix 2.8 Concl'd**

(₹ in crore)

Sl No	Grant no.	Grant Name	Total Budget	Total Expenditure	Savings	Percentage of utilisation	Range of utilisation (per cent)	
25	34	Forest	862.11	742.72	119.39	86.15		
26	28	Miscellaneous Economic Services	5948.56	5023.02	925.53	84.44		
27	25	Welfare Of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	3384.22	2755.61	628.61	81.43		
28	23	Information And Publicity	118.68	96.13	22.55	81		
29	7	Stamps And Registration	317.95	257.09	60.86	80.86		
30	33	Fisheries	770.34	621.99	148.35	80.74		
31	20	Water Supply and Sanitation	2212.64	1783.53	429.11	80.61		
32	39	Power	726.62	581.7	144.91	80.06		
33	42	Tourism	484.2	385.65	98.55	79.65		
34	15	Public Works	5262.93	3955.82	1307.11	75.16		
35	41	Transport	3628.65	2698.6	930.05	74.37		
36	37	Industries	1987.6	1469.7	517.9	73.94		
37	38	Irrigation	932.25	658.79	273.46	70.67		
38	22	Urban Development	1964.38	1382.33	582.05	70.37		
		<b>Total</b>	<b>31410.62</b>	<b>24882.53</b>	<b>6528.08</b>			
39	27	Co-Operation	550.69	382.09	168.6	69.38		50-70
40	29	Agriculture	3536.38	2427.04	1109.34	68.63		
41	21	Housing	151.94	100.54	51.4	66.17		
42	32	Dairy	198.84	128.76	70.08	64.76		
43	24	Labour, Labour Welfare and Welfare of Non-Residents	1239.76	756.28	483.48	61		
		<b>Total</b>	<b>5677.61</b>	<b>3794.71</b>	<b>1882.9</b>			
44	26	Relief On Account of Natural Calamities	1617.03	687.99	929.05	42.55	30-50	
45	36	Rural Development	6335.25	2126.9	4208.35	33.57		
		<b>Total</b>	<b>7952.28</b>	<b>2814.89</b>	<b>5137.4</b>	<b>76.12</b>		

**Appendix 2.9**  
**(Reference: Paragraph 2.5.5.2 ; Page No 88)**  
**Savings not Surrendered**

(₹ in crore)

Sl .No	Grant No and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Surrender	Amount not surrendered
1	01-State Legislature	137.79	9.08	146.88	142.05	4.83	2.62	2.21
2	21-Housing	131.79	20.14	151.94	100.54	51.40	48.77	2.63
3	26-Relief on Account of Natural Calamities	1617.03	0.00	1617.03	687.99	929.05	926.74	2.30
4	29-Agriculture	3402.50	133.88	3536.38	2427.04	1109.34	1098.91	10.43
5	30-Food	1933.21	259.42	2192.63	2052.64	140.00	137.56	2.44
6	33-Fisheries	669.04	101.30	770.34	621.99	148.35	147.13	1.22
7	34-Forest	842.11	20.00	862.11	742.72	119.39	116.02	3.36
8	37-Industries	1958.24	29.36	1987.60	1469.70	517.90	454.35	63.55
9	38-Irrigation	868.05	64.20	932.25	658.79	273.46	264.03	9.43
10	41-Transport	1840.51	1788.14	3628.65	2698.60	930.05	920.29	9.76
	<b>Grand Total</b>	<b>13400.28</b>	<b>2425.53</b>	<b>15825.81</b>	<b>11602.06</b>	<b>4223.75</b>	<b>4116.42</b>	<b>107.33</b>

**Appendix 2.10**  
**(Reference: Paragraph 2.5.5.2 ; Page No 88)**  
**Surrender of funds on the last day of March 2025**

(₹ in crore)

Sl No	No and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Total Amount surrendered	Amount surrendered on 31.03.2025
1	01-State Legislature	137.79	9.08	146.88	142.05	4.83	2.62	2.62
2	02-Heads Of States, Ministers and Headquarters Staff	856.46	6.00	862.46	820.10	42.35	42.30	42.30
3	03-Administration Of Justice	1276.13	124.47	1400.61	1337.99	62.62	62.39	60.59
4	04-Elections	195.65	304.56	500.21	495.21	5.01	4.99	4.99
5	05-Goods and Service Tax, Agricultural Income Tax and Sales Tax	411.58	7.03	418.61	397.52	21.10	21.02	21.02
6	06-Land Revenue	820.55	0.56	821.10	789.51	31.59	31.59	31.59
7	07-Stamp And Registration	317.91	0.04	317.95	257.09	60.86	60.86	60.86
8	08-Excise	371.65	8.84	380.49	364.12	16.37	16.37	16.37
9	09-Taxes on Vehicles	225.99	3.68	229.66	213.39	16.28	16.28	16.28
10	10-Treasury and Accounts	375.66	5.60	381.26	370.12	11.14	11.15	11.15
11	11-District Administration and Miscellaneous	911.55	18.06	929.61	877.02	52.60	52.54	52.54
12	12-Police	4842.95	0.09	4843.04	4667.98	175.06	180.44	180.44
13	13-Jails	207.91	19.81	227.72	215.47	12.24	12.24	12.24
14	14-Stationery and Printing and Other Administrative Services	646.55	0.29	646.84	571.06	75.79	75.78	75.78
15	15-Public Works	5066.70	196.23	5262.93	3955.82	1307.11	1307.16	1307.16
16	16-Pensions And Miscellaneous	41394.28	3022.35	44416.63	42803.82	1612.81	1613.95	1613.95
17	17-Education, Sports, Art and Culture	24481.51	479.30	24960.80	23924.86	1035.95	1035.62	1022.91
18	18-Medical And Public Health	9667.18	728.44	10395.62	10020.90	374.72	436.23	436.23
19	19-Family Welfare	424.49	197.27	621.76	597.73	24.04	24.03	24.03
20	20-Water Supply and Sanitation	1310.71	901.94	2212.64	1783.53	429.11	429.10	429.10
21	21-Housing	131.79	20.14	151.94	100.54	51.40	48.77	48.77

## Appendix 2.10 – Concl.d.

(*₹ in crore*)

Sl No	No and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Total Amount surrendered	Amount surrendered on 31.03.2025
22	22-Urban Development	1720.56	243.82	1964.38	1382.33	582.05	582.05	582.05
23	23-Information And Publicity	108.83	9.85	118.68	96.13	22.55	22.55	22.55
24	24-Labour, Labour Welfare and Welfare of Non-Residents	1239.76	0.00	1239.76	756.28	483.48	483.78	480.28
25	25-Welfare Of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	3284.22	100.00	3384.22	2755.61	628.61	628.58	628.58
26	26-Relief On Account of Natural Calamities	1617.03	0.00	1617.03	687.99	929.05	926.74	926.74
27	27-Co-Operation	550.69	0.00	550.69	382.09	168.60	168.43	168.43
28	28-Miscellaneous Economic Services	4853.88	1094.68	5948.56	5023.02	925.53	924.67	924.67
29	29-Agriculture	3402.50	133.88	3536.38	2427.04	1109.34	1098.91	1043.91
30	30-Food	1933.21	259.42	2192.63	2052.64	140.00	137.56	137.56
31	31-Animal Husbandry	968.53	0.00	968.53	840.74	127.79	129.61	129.61
32	32-Dairy	198.84	0.00	198.84	128.76	70.08	70.07	70.07
33	33-Fisheries	669.04	101.30	770.34	621.99	148.35	147.13	147.13
34	34-Forest	842.11	20.00	862.11	742.72	119.39	116.02	116.02
35	35-Panchayat	1154.06	40.06	1194.12	1058.05	136.06	136.06	136.06
36	36-Rural Development	6335.25	0.00	6335.25	2126.90	4208.35	4208.35	4208.35
37	37-Industries	1958.24	29.36	1987.60	1469.70	517.90	454.35	452.35
38	38-Irrigation	868.05	64.20	932.25	658.79	273.46	264.03	264.03
39	39-Power	115.01	611.61	726.62	581.70	144.91	144.91	144.91
40	40-Ports	138.30	868.90	1007.19	1007.49	-0.29	12.90	12.90
41	41-Transport	1840.51	1788.14	3628.65	2698.60	930.05	920.29	920.29
42	42-Tourism	421.27	62.92	484.20	385.65	98.55	99.45	99.45
43	43-Compensation And Assignments	15205.46	0.00	15205.46	14036.76	1168.70	1168.70	1168.70
44	44-Miscellaneous Loans and Advances	666.62	0.00	666.62	660.71	5.91	5.91	5.91
45	45-Social Security and Welfare	13157.52	2252.93	15410.45	15162.13	248.32	247.77	247.77
46	46-Debt Charges	28814.24	947.75	29761.99	29258.31	503.68	503.68	503.68
	<b>Grand Total</b>	<b>186138.73</b>	<b>14682.60</b>	<b>200821.33</b>	<b>181707.94</b>	<b>19113.38</b>	<b>19087.93</b>	<b>19012.92</b>

**Appendix 2.11**  
**(Reference: Paragraph 2.5.6; Page No 93)**  
**Status of New schemes announced in Budget for 2024-25**

(₹ in crore)

Grant Code	Major Head	Scheme	Budget Original	Reappropriation increase	Reappropriation reduction	Budget surrender	Expenditure
29	2401	KERA - Kerala Climate Resilient Agri Value Chain Modernization (World Bank Assisted) – Project Preparation	100.00	0.00	90.28	3.57	6.16
29	2401	KERA - Kerala Climate Resilient Agri Value Chain Modernization (World Bank Assisted)	0.00	90.28	32.79	57.49	0.00
25	2225	Janani-Janma Raksha	17.00	2.50	1.14	0.00	18.36
25	2225	'Margadeepam' Pre-matric Scholarship for minority students from Ist to VIIIth Std	20.00	0.00	1.75	0.00	18.25
46	2235	Kerala Social Security Mission Snehapoorvam	17.39	0.00	0.00	3.48	13.91
41	5056	Construction of Cruise Vessel	3.00	0.00	0.00	3.00	0.00
25	2225	WINGS (Skill development programme in Aviation field)	2.00	0.00	1.88	0.00	0.13
46	2235	Kerala Social Security Mission Vayomithram	27.50	0.00	0.00	10.22	17.36
25	2225	UNNATHI- Entrepreneurship development programme and start -ups	2.00	0.00	2.00	0.00	0.00
25	2225	Valsalyanidhi	10.00	0.00	10.00	0.00	0.00
33	4405	Setting up a common effluent treatment plant in the fishing industry sector in Aroor-Chandiroor area	0.00	0.00	0.00	0.00	0.00

## Appendix 2.12

(Reference: Paragraph 2.5.7; Page No 94)

Sub-heads where entire expenditure was incurred in March 2025

₹ in crore)

Sl.No	Grant No and Name of Department	Head of Account	Name of Scheme	Total Budget	Actual Expenditure during March 2025
1	4-Elections	2015-00-111-99	Purchase and Maintenance of Electronic Voting Machines	0.00	18.7
2	7-Stamps and Regsitation	2030-02-101-99	Cost of Stamps	51.00	1.75
3	17-Education,Sports,Arts and Culture	2202-02-109-59	Financial assistance to institutions providing care for intellectually disabled children	50.00	49.19
4	18-Medical and Public Health	2210-01-110-14	Setting up of Dialysis Units in Major Hospitals	9.88	3.95
5	18-Medical and Public Health	2210-05-105-07	New Nursing Colleges under the Aegis of SIMET	4.00	4
6	21-Housing	2216-05-001-99	Direction and Administration Establishment Charges Transferred on Pro-rata basis from '2059 Public Works'	5.00	4.82
7	25-Welfare os SC,ST,OBC and other Minorities	2225-03-277-84	PM YASASVI Post-matric Scholarships for OBC, EBC and DNT Students (60:40)	145.00	42.57
8	25-Welfare os SC,ST,OBC and other Minorities	2225-04-277-86	'Margadeepam' Pre-matric Scholarship for minority students from Ist to VIII th std	20.00	18.25
9	46-Social Security & Welfare	2235-02-190-99	Kerala State Women's Development Corporation	14.50	7.25
10	46-Social Security & Welfare	2235-60-200-95	Family Benefit Fund Scheme	2.00	1.2
11	34-Forest	2406-01-797-30	Inter Account Transfers	15.80	12.54
12	27-Co-operation	2425-00-107-60	Formulation of Farmer Producer Organisations (FPOs) through Kerala Bank	0.00	1.08
13	29-Agriculture	2435-01-101-73	Green Cocounut Procurement through VFPCCK	10.00	1.38
14	35-Panchayat	2515-00-101-65	Swachh Bharat Mission (Gramin) - Nirmal Bharat Abhiyan (60% CSS)	15.38	19.45
15	38-Irrigation	2700-01-001-99	Direction and Administration - Establishment Expenses	1.33	1.11
16	38-Irrigation	2700-01-800-99	Interest and Pension on Capital Expenditure	9.02	8.62
17	38-Irrigation	2700-02-800-99	Interest and Pension on Capital Expenditure	1.89	1.8
18	37-Industries	2851-00-105-95	Kerala Khadi Workers Welfare Fund	0.00	1.15
19	43-Compensation and Assignments	3604-00-200-90	Expansion and Development under XIV Finance Commission Recommendations	0.00	719.17
20	15-Public Works	4059-80-001-96	Establishment Charges Transferred on Percentage Basis (60%CSS)	6.15	17.63

**Appendix 2.12 Contd**

(₹ in crore)

Sl.No	Grant No and Name of Department	Head of Account	Name of Scheme	Total Budget	Actual Expenditure during March 2025
21	15-Public Works	4059-80-001-99	Establishment Charges Transferred on Percentage Basis from '2059-Public Works'	8.37	24.88
22	15-Public Works	4059-80-052-96	Tools and Plant charges Transferred on Percentage Basis (60%CSS)	0.43	1.23
23	15-Public Works	4059-80-052-99	Tools and Plant Charges Transferred on Percentage Basis from '2059-Public Works'	0.59	1.74
24	17-Education,Sports,Arts and Culture	4202-01-203-68	Public University Campus Construction and Development (New Campus and Infrastructural facilities for Sree Narayana Guru Open University)	0.01	25.84
25	18-Medical and Public Health	4210-03-105-27	Providing modern imaging facilities including interventional radiology in Medical Colleges	10.00	6.64
26	18-Medical and Public Health	4210-03-105-28	Oncology and tertiary care centre in all Medical Colleges	14.00	1.45
27	18-Medical and Public Health	4210-03-105-68	Nursing College, Thrissur - Land Acquisition and Buildings	4.00	1.15
28	25-Welfare os SC,ST,OBC and other Minorities	4225-01-190-99	Share Capital Contribution to Kerala State Development Corporation for SCs/STs (51% State Share)	19.60	5
29	46-Social Security & Welfare	4235-02-103-90	Special Assistance to States for Capital Investment - Construction of Working Women Hostels	79.20	79.2
30	46-Social Security & Welfare	4235-02-190-95	Investment in Kerala State Welfare Corporation for Forward Communities	1.00	8.28
31	38-Irrigation	4701-21-800-96	Spillway	5.00	1.1
32	37-Industries	4851-00-102-86	Scheme for Special Assistance as loan from GoI for Capital Expenditure	0.00	60
33	37-Industries	4859-02-190-94	Kerala State Information Technology Infrastructure (KSITIL)	97.51	33.7
34	37-Industries	4885-01-190-98	The Kerala Financial Corporation - Investments	0.00	200
35	37-Industries	4885-60-800-86	KINFRA - Kochi Palakkad Hi-tech Industrial Corridor	200.00	67.5
36	40-Ports	5051-01-001-96	Implementation of projects with NABARD Assistance (RIDF) for the development of Vizhinjam International Seaport project	0.00	1.84

## Appendix 2.12 Concl'd

(*₹ in crore*)

Sl.No	Grant No and Name of Department	Head of Account	Name of Scheme	Total Budget	Actual Expenditure during March 2025
37	15-Public Works	5054-80-001-97	NABARD Assisted Schemes- Establishment Charges transferred on percentage basis from 3054-Roads and Bridges	46.13	28.11
38	15-Public Works	5054-80-001-99	Establishment Charges Transferred on Percentage Basis from '3054-Roads and Bridges'	101.81	208.05
39	15-Public Works	5054-80-052-96	NABARD Assisted Schemes - Tools and Plants charges transferred on percentage basis from 3054-Roads and Bridges	3.23	1.97
40	15-Public Works	5054-80-052-99	Tools and Plants Charges Transferred on Percentage Basis from '3054 Roads and Bridges'	7.13	14.56
41	41-Transport	5055-00-800-77	Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)	0.00	1.47
42	41-Transport	5075-60-190-96	Kochi Metro Rail Limited	0.00	190.22
43	33-Fisheries	6405-00-195-99	Loans to Matsyafed for Integrated Pilot Project for Fisheries Development (NCDC assisted)	12.00	12
44	37-Industries	6859-02-190-90	Kerala Spacepark (K Space)	0.00	9.02
45	41-Transport	7053-02-190-97	Loans for Land Acquisition for Kannur Airport (KIAL)	0.00	5.38
<b>Total</b>					<b>1925.94</b>

**Appendix 2.13**  
**(Reference: Paragraph 2.5.7; Page No 95)**  
**Quarter wise expenditure of plan funds and percentage of each against budget provision in 2024-25<sup>62</sup>**

(₹ in crore)

Grant No.	Grant name	Total budget	1 <sup>st</sup> Qtr expenditure	1 <sup>st</sup> Qtr (per cent)	Cumulative 2 <sup>nd</sup> Qtr expenditure	2 <sup>nd</sup> Qtr (per cent)	Cumulative 3 <sup>rd</sup> Qtr expenditure	3 <sup>rd</sup> Qtr (per cent)	Cumulative 4 <sup>th</sup> Qtr expenditure	4 <sup>th</sup> Qtr (per cent)
01	State Legislature	3.43	0.31	9.04	0.95	27.60	2.74	79.67	3.38	98.48
02	Heads Of States, Ministers And Headquarters Staff	74.52	15.32	20.56	31.38	42.12	45.28	60.76	78.57	105.44
03	Administration Of Justice	31.10	2.42	7.79	3.78	12.15	5.91	19.00	12.41	39.90
05	Goods And Service Tax, Agricultural Income Tax And Sales Tax	8.00	0.43	5.37	2.90	36.24	5.75	71.89	8.57	107.16
06	Land Revenue	7.50	0.00	0.00	0.27	3.55	1.27	16.90	3.46	46.08
07	Stamps And Registration	21.16	0.00	0.00	6.41	30.28	6.96	32.87	20.47	96.72
08	Excise	12.41	0.80	6.47	1.09	8.80	1.31	10.57	2.07	16.69
10	Treasury And Accounts	20.42	1.55	7.58	8.24	40.34	11.00	53.86	25.29	123.86
11	District Administration And Miscellaneous	9.50	0.82	8.65	2.60	27.39	4.72	49.65	8.55	89.97
12	Police	171.36	0.86	0.50	30.28	17.67	50.23	29.31	151.88	88.63
13	Jails	11.50	0.00	0.00	2.32	20.19	2.32	20.19	5.03	43.73

<sup>62</sup> Excludes items such as salaries, wages, pension, interest payments, scholarships & stipends, water charges, electricity charges, telephone charges, rent rate and taxes, insurance of vehicles, CSS/SNA-SPARSH schemes and EAP schemes

## Appendix 2.13 – Contd.

(₹ in crore)

Grant No.	Grant name	Total Budget	1 <sup>st</sup> Qtr expenditure	1st Qtr (per cent)	Cumulative 2 <sup>nd</sup> Qtr expenditure	2 <sup>nd</sup> Qtr (per cent)	Cumulative 3 <sup>rd</sup> Qtr expenditure	3 <sup>rd</sup> Qtr (per cent)	Cumulative 4 <sup>th</sup> Qtr expenditure	4 <sup>th</sup> Qtr (per cent)
14	Stationery And Printing and Other Administrative Services	61.00	2.66	4.36	10.42	17.09	16.39	26.86	20.97	34.38
15	Public Works	902.56	262.35	29.07	526.16	58.30	931.32	103.19	1558.41	172.67
16	Pensions And Miscellaneous	2933.95	2930.90	99.90	2932.78	99.96	2933.88	100.00	2938.76	100.16
17	Education, Sports, Art and Culture	2419.29	254.43	10.52	727.22	30.06	1050.31	43.41	1965.23	81.23
18	Medical And Public Health	2118.96	546.59	25.80	975.56	46.04	1430.10	67.49	2221.51	104.84
19	Family Welfare	0.02	0.00	0.70	0.00	2.88	0.00	2.88	0.00	12.46
20	Water Supply and Sanitation	1732.98	290.08	16.74	650.64	37.54	1045.82	60.35	1608.56	92.82
21	Housing	39.40	0.04	0.10	13.97	35.46	15.07	38.25	23.18	58.83
22	Urban Development	941.15	318.83	33.88	482.42	51.26	560.79	59.59	725.81	77.12
23	Information And Publicity	33.39	0.21	0.62	5.32	15.93	8.42	25.22	19.80	59.31
24	Labour, Labour Welfare And Welfare Of Non-Residents	472.51	12.38	2.62	122.05	25.83	193.27	40.90	314.56	66.57

**Appendix 2.13 - Concl.d.**

(₹ in crore)

Grant no.	Grant name	Total budget	1 <sup>st</sup> Qtr expenditure	1st Qtr (per cent)	Cumulative 2 <sup>nd</sup> Qtr expenditure	2 <sup>nd</sup> Qtr per cent	Cumulative 3 <sup>rd</sup> Qtr expenditure	3 <sup>rd</sup> Qtr Per cent	Cumulative 4 <sup>th</sup> Qtr expenditure	4 <sup>th</sup> Qtr per cent
25	Welfare Of Scheduled Castes, Scheduled Tribes, Other Backward Classes And Minorities	1907.71	229.94	12.05	478.14	25.06	702.68	36.83	1148.75	60.22
27	Co-Operation	101.98	2.85	2.80	9.36	9.18	15.92	15.61	35.67	34.98
28	Miscellaneous Economic Services	1670.19	1465.93	87.77	2772.57	166.00	3979.65	238.28	4821.26	288.66
29	Agriculture	1301.26	101.73	7.82	336.99	25.90	541.37	41.60	861.34	66.19
30	Food	73.51	72.95	99.23	180.07	244.95	182.44	248.16	368.76	501.61
31	Animal Husbandry	249.77	17.79	7.12	53.82	21.55	74.83	29.96	154.43	61.83
32	Dairy	106.96	9.61	8.98	14.39	13.45	26.65	24.91	52.03	48.64
33	Fisheries	430.19	109.04	25.35	172.12	40.01	229.66	53.39	362.53	84.27
34	Forest	227.18	40.90	18.01	79.23	34.88	111.18	48.94	186.04	81.89
37	Industries	1206.93	57.45	4.76	236.83	19.62	313.79	26.00	868.70	71.98
38	Irrigation	318.97	37.24	11.67	86.35	27.07	127.54	39.98	190.22	59.64
39	Power	124.67	0.53	0.43	16.37	13.13	18.91	15.17	108.87	87.32
40	Ports	899.42	37.28	4.15	47.47	5.28	576.16	64.06	1203.35	133.79
41	Transport	1624.30	91.46	5.63	291.21	17.93	405.07	24.94	920.88	56.69
42	Tourism	411.72	47.74	11.60	103.52	25.14	140.87	34.22	267.21	64.90
46	Social Security And Welfare	717.83	81.95	11.42	224.54	31.28	398.21	55.47	593.49	82.68

**Appendix 2.14**  
**(Reference: Paragraph 2.5.7; Page No 95)**  
**Quarter-wise expenditure for all major heads during 2024-2025**

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
2011	Parliament/State/Union Territory Legislatures	753.83	35.20	35.75	35.43	35.62	142.00	10.93	25.08	7.70
2012	President/Vice-President/Governor/Administrator of Union Territories	58.03	2.96	2.90	3.15	3.20	12.22	1.07	26.21	8.79
2013	Council of Ministers	71.24	4.91	3.25	3.47	3.63	15.27	1.27	23.80	8.34
2014	Administration of Justice	6105.11	319.14	336.34	326.24	354.89	1336.61	131.78	26.55	9.86
2015	Elections	1305.58	222.41	138.31	75.93	(-41.62)	395.04	(-85.36)	(-10.53)	(-21.61)
2020	Collection of Taxes on Income and Expenditure	0.03	0	0	0	0	0	0	100	100
2029	Land Revenue	4085.93	191.82	203.70	191.91	200.14	787.56	69.65	25.41	8.84
2030	Stamps and Registration	1521.92	59.58	64.87	57.55	75.05	257.05	25.90	29.20	10.08
2035	Collection of Other Taxes on Property and Capital Transactions	2.01	0.10	0.09	0.11	0.10	0.40	0.04	24.93	9.78
2039	State Excise	1808.15	89.95	94.15	88.87	90.54	363.51	32.10	24.91	8.83
2040	Taxes on Sales, Trade Etc.	107.01	2.54	2.87	2.90	3.69	12.01	1.81	30.76	15.10
2041	Taxes on Vehicles	1081.89	56.66	51.17	53.21	52.14	213.18	18.13	24.46	8.50
2043	Collection Charges Under State Goods and Services Tax	1734.88	79.99	93.49	79.81	96.68	349.97	36.74	27.63	10.50
2045	Other Taxes and Duties on Commodities and Services	178.91	8.59	8.90	8.63	9.29	35.40	3.30	26.23	9.32

**Appendix 2.14 - Contd**

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
2047	Other Fiscal Services	1152.07	62.50	82.58	62.73	43.75	251.56	20.74	17.39	8.24
2048	Appropriation For Reduction or Avoidance of Debt	240.00	0.00	0.00	0.00	120.00	120.00	120.00	100.00	100.00
2049	Interest Payments	126284.20	5523.38	7141.32	5611.10	10862.44	29138.23	6261.80	37.28	21.49
2051	Public Service Commission	1085.11	49.73	52.29	54.92	56.24	213.18	17.59	26.38	8.25
2052	Secretariat-General Services	1551.55	77.60	80.23	74.70	80.11	312.64	28.40	25.62	9.08
2053	District Administration	2951.16	142.92	146.82	140.03	144.57	574.34	51.04	25.17	8.89
2054	Treasury and Accounts Administration	1869.50	88.06	92.78	83.76	103.15	367.75	39.16	28.05	10.65
2055	Police	22660.83	1080.21	1140.64	1074.78	1214.11	4509.75	477.08	26.92	10.58
2056	Jails	990.24	56.31	56.92	49.13	52.03	214.39	17.52	24.27	8.17
2058	Stationery and Printing	847.82	36.78	35.71	41.01	40.13	153.62	12.36	26.12	8.04
2059	Public Works	1802.45	76.86	107.29	81.89	-53.62	212.42	-112.97	-25.24	-53.18
2062	Vigilance	591.47	28.87	28.51	28.43	29.92	115.73	10.93	25.86	9.44
2070	Other Administrative Services	2260.62	101.83	107.60	100.73	101.97	412.14	34.91	24.74	8.47
2071	Pensions and Other Retirement Benefits	132331.98	7218.34	8197.90	6088.01	6370.95	27875.21	2024.69	22.86	7.26
2075	Miscellaneous General Services	67817.31	4847.32	2187.36	3930.60	-2160.86	8804.41	-4174.32	-24.54	-47.41
2202	General Education	110233.25	4985.53	5354.16	5408.19	5818.48	21566.35	2182.89	26.98	10.12
2203	Technical Education	6228.93	268.86	311.58	290.30	287.68	1158.42	121.84	24.83	10.52
2204	Sports and Youth Services	1065.86	44.79	37.24	30.36	49.33	161.72	22.00	30.50	13.60
2205	Art and Culture	1548.37	44.80	55.68	44.59	78.95	224.01	35.77	35.24	15.97

## Appendix 2.14 – Contd

(*₹ in crore*)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
2210	Medical and Public Health	49406.09	2142.17	2337.21	2161.37	2990.56	9631.30	1281.41	31.05	13.30
2211	Family Welfare	3035.08	151.80	151.46	145.01	148.97	597.25	50.17	24.94	8.40
2215	Water Supply and Sanitation	2137.09	6.20	16.15	23.51	156.16	202.02	115.61	77.30	57.23
2216	Housing	562.20	22.40	21.22	17.61	21.65	82.88	9.67	26.12	11.67
2217	Urban Development	9335.29	628.70	203.10	130.16	293.53	1255.49	260.87	23.38	20.78
2220	Information and Publicity	554.04	15.92	28.13	27.57	23.55	95.16	10.81	24.75	11.36
2225	Welfare Of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	13957.55	281.37	832.32	358.20	787.88	2259.77	509.01	34.87	22.52
2230	Labour, Employment and Skill Development	5845.96	106.38	177.93	139.49	186.18	609.98	73.69	30.52	12.08
2235	Social Security and Welfare	67877.66	2312.47	5122.99	2849.23	4598.28	14882.97	2229.52	30.90	14.98
2236	Nutrition	4.10	0.18	0.18	0.17	0.19	0.72	0.06	26.38	8.11
2245	Relief on Account of Natural Calamities	6741.57	5.66	297.40	205.51	(-)27.98	480.60	(-)17.00	(-)5.82	(-)3.54
2250	Other Social Services	331.78	1.55	20.19	11.94	17.04	50.71	13.78	33.60	27.17
2251	Secretariat-Social Services	345.84	13.12	13.22	12.52	12.49	51.35	4.17	24.33	8.12
2401	Crop Husbandry	7846.58	192.97	302.20	269.96	355.05	1120.17	157.85	31.70	14.09
2402	Soil And Water Conservation	636.42	24.32	25.09	23.05	28.85	101.32	11.19	28.48	11.05
2403	Animal Husbandry	4243.33	191.72	213.18	188.94	237.78	831.62	89.34	28.59	10.74
2404	Dairy Development	836.96	27.21	23.44	30.05	37.69	118.39	15.53	31.83	13.12
2405	Fisheries	2223.62	87.28	72.97	60.72	87.51	308.48	36.13	28.37	11.71

**Appendix 2.14 – Contd**

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
2406	Forestry and Wildlife	3534.67	142.61	164.44	151.57	173.83	632.45	56.85	27.49	8.99
2407	Plantations	7.34	0.00	0.01	0.12	0.87	0.99	0.69	87.44	69.79
2408	Food, Storage and Warehousing	17151.10	301.20	598.32	260.06	820.36	1979.94	591.18	41.43	29.86
2415	Agricultural Research and Education	2934.24	106.06	145.05	111.89	95.03	458.03	(-)1.57	20.75	-0.34
2425	Co-Operation	2262.24	95.62	93.51	77.96	98.56	365.65	32.05	26.95	8.77
2435	Other Agricultural Programmes	2774.79	2.69	73.10	11.28	8.05	95.12	2.19	8.46	2.31
2501	Special Programmes for Rural Development	1516.61	77.47	12.15	179.96	85.86	355.44	78.92	24.16	22.20
2505	Rural Employment	16360.95	4.79	139.49	43.84	3.96	192.08	0.00	2.06	0.00
2515	Other Rural Development Programmes	8171.90	256.22	292.76	292.42	302.77	1144.17	115.85	26.46	10.13
2551	Hill Areas	308.32	0.17	0.13	0.37	0.13	0.81	0.04	16.69	5.29
2575	Other Special Area Programmes	368.00	0.00	0.79	0.00	0.03	0.82	0.03	3.87	3.87
2700	Major Irrigation	839.96	35.72	37.93	31.30	41.74	146.70	21.91	28.45	14.94
2701	Medium Irrigation	1004.17	44.36	42.15	40.51	29.62	156.65	(-)1.24	18.91	-0.79
2702	Minor Irrigation	1262.78	56.28	61.00	63.13	61.11	241.52	16.35	25.30	6.77
2711	Flood Control and Drainage	423.90	16.74	18.09	19.53	6.39	60.74	(-)2.78	10.52	(-)4.57
2801	Power	3022.31	0.00	7.52	495.12	15.56	518.20	0.10	3.00	0.02
2810	New and Renewable Energy	300.11	0.66	8.90	0.99	14.29	24.83	13.54	57.53	54.50
2851	Village And Small Industries	2598.61	78.60	148.18	90.94	120.86	438.59	53.85	27.56	12.28
2852	Industries	437.23	8.19	37.41	6.86	(-)18.36	34.10	(-)46.80	(-)53.84	(-)137.23
2853	Non-Ferrous Mining and Metallurgical Industries	106.87	4.67	4.99	4.73	6.21	20.61	2.41	30.14	11.69

## Appendix 2.14 – Contd

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
2885	Other Outlays on Industries and Minerals	243.94	14.22	6.04	6.13	45.07	71.46	23.83	63.07	33.34
3051	Ports and Light Houses	351.65	14.86	15.64	15.42	15.93	61.85	6.06	25.75	9.79
3054	Roads and Bridges	13706.20	191.12	324.32	308.84	195.02	1019.29	(-38.97)	19.13	(-3.82)
3055	Road Transport	482.83	0.30	0.24	3.16	(-1.31)	2.38	(-3.70)	(-55.03)	(-155.13)
3056	Inland Water Transport	356.97	20.26	20.53	19.25	19.01	79.06	7.39	24.05	9.35
3075	Other Transport Services	33.35	0.71	0.75	2.36	2.26	6.08	1.83	37.20	30.18
3425	Other Scientific Research	972.97	46.21	15.91	28.09	38.82	129.02	4.75	30.09	3.68
3435	Ecology and Environment	259.99	2.11	3.93	3.91	4.13	14.09	0.90	29.30	6.38
3451	Secretariat-Economic Services	1675.12	51.30	50.67	47.76	65.43	215.16	26.52	30.41	12.32
3452	Tourism	1106.28	42.41	43.31	40.54	56.18	182.44	35.36	30.79	19.38
3454	Census Surveys and Statistics	726.11	29.22	31.43	29.59	32.63	122.87	11.76	26.56	9.57
3456	Civil Supplies	369.46	14.24	15.38	16.25	15.97	61.84	6.13	25.82	9.92
3475	Other General Economic Services	477.50	22.68	23.36	22.53	22.95	91.52	7.97	25.08	8.71
3604	Compensation And Assignments to Local Bodies and Panchayati Raj Institutions	61671.98	1589.24	3193.55	2459.38	6767.88	14010.05	4247.13	48.31	30.31
4055	Capital Outlay on Police	318.83	0.00	6.83	7.89	23.11	37.82	10.05	61.12	26.57
4058	Capital Outlay on Stationery and Printing	44.73	1.42	0.93	1.11	1.50	4.95	1.16	30.18	23.47
4059	Capital Outlay on Public Works	778.32	31.37	51.75	24.18	172.09	279.38	69.70	61.60	24.95

**Appendix 2.14 - Contd**

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
4202	Capital Outlay on Education, Sports, Art and Culture	3008.93	58.26	110.74	152.74	280.61	602.36	205.93	46.59	34.19
4210	Capital Outlay on Medical and Public Health	2029.67	61.04	61.50	61.47	131.49	315.50	90.18	41.68	28.58
4215	Capital Outlay on Water Supply and Sanitation	11425.02	288.87	350.09	391.54	551.00	1581.51	526.14	34.84	33.27
4216	Capital Outlay on Housing	245.26	0.04	13.25	0.83	1.72	15.84	1.43	10.85	9.02
4217	Capital Outlay on Urban Development	1080.97	0.75	35.16	11.22	15.51	62.65	12.80	24.76	20.42
4220	Capital Outlay on Information and Publicity	17.40	0.00	0.22	0.18	0.50	0.91	0.48	55.54	53.22
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2428.95	87.63	73.67	81.28	71.47	314.05	(-)11.22	22.76	(-)3.57
4235	Capital Outlay on Social Security and Welfare	394.50	(-)2.36	4.08	1.87	88.48	92.07	86.53	96.10	93.98
4250	Capital Outlay on Other Social Services	845.54	4.71	49.71	26.70	47.79	128.91	24.11	37.07	18.70
4401	Capital Outlay on Crop Husbandry	55.68	0.20	0.59	2.14	3.52	6.45	2.02	54.62	31.35
4402	Capital Outlay on Soil and Water Conservation	304.84	0.69	16.69	13.44	12.44	43.25	11.21	28.76	25.92
4403	Capital Outlay on Animal Husbandry	58.35	0.30	1.73	0.84	4.45	7.31	3.62	60.80	49.44

## Appendix 2.14 – Contd

(*₹ in crore*)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
4404	Capital Outlay on Dairy Development	108.56	1.41	0.18	0.91	4.54	7.04	0.28	64.57	3.94
4405	Capital Outlay on Fisheries	1440.94	97.16	63.61	47.49	87.48	295.74	33.47	29.58	11.32
4406	Capital Outlay on Forestry and Wild Life	475.56	25.22	11.06	13.57	40.87	90.72	33.91	45.05	37.38
4407	Capital Outlay on Plantations	0	0	0	0	0.81	0.81	0.81	100.00	100.00
4408	Capital Outlay on Food, Storage and Warehousing	401.70	(-)0.01	1.32	0.42	5.16	6.89	(-)1.15	74.87	-16.73
4425	Capital Outlay on Co-Operation	435.57	0.16	2.46	1.63	3.50	7.75	2.16	45.18	27.88
4435	Capital Outlay on Other Agricultural Programmes	168.71	22.84	10.61	40.00	12.16	85.62	8.00	14.21	9.35
4515	Capital Outlay on Other Rural Development Programmes	9521.14	17.31	495.46	653.73	212.59	1379.09	23.30	15.42	1.69
4551	Capital Outlay on Hill Areas	215.50	1.95	20.09	17.55	36.56	76.16	14.03	48.01	18.42
4575	Capital Outlay on Other Special Areas Programmes	137.00	0	0	6.13	1.78	7.91	0.18	22.52	2.33
4700	Capital Outlay on Major Irrigation	625.32	23.22	27.07	20.03	24.50	94.82	12.12	25.84	12.78
4701	Capital Outlay on Medium Irrigation	526.70	6.48	9.11	10.39	18.48	44.46	10.60	41.57	23.85
4702	Capital Outlay on Minor Irrigation	864.09	42.87	37.82	37.02	46.75	164.47	31.73	28.43	19.30
4711	Capital Outlay on Flood Control Projects	992.44	20.48	20.00	23.26	51.94	115.68	27.07	44.90	23.40

**Appendix 2.14 - Contd**

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
4801	Capital Outlay on Power Project	16.36	0	0	1.50	4.62	6.12	0.00	75.48	0
4810	Capital Outlay On New and Renewable Energy	18.10	0.08	0.30	0.13	0.32	0.83	0.14	38.82	16.87
4851	Capital Outlay on Village And Small Industries	347.78	0.31	4.41	3.80	70.06	78.58	62.96	89.16	80.12
4858	Capital Outlay on Engineering Industries	48.71	0	1.50	0.00	1.05	2.55	1.05	41.18	41.18
4859	Capital Outlay on Telecommunication And Electronic Industries	1685.66	7.22	35.63	21.37	75.98	140.21	48.47	54.19	34.57
4860	Capital Outlay on Consumer Industries	168.50	4.20	3.10	0.00	4.12	11.42	0.47	36.07	4.10
4885	Other Capital Outlay on Industries and Minerals	1606.20	2.32	11.75	9.90	278.63	302.61	271.82	92.08	89.83
5051	Capital Outlay on Ports and Light Houses	1401.30	36.94	9.94	527.91	337.48	912.26	336.18	36.99	36.85
5053	Capital Outlay on Civil Aviation	392.19	0	0	2.29	2.98	5.27	0.05	56.50	0.94
5054	Capital Outlay on Roads and Bridges	16254.15	372.40	213.19	485.77	787.99	1859.35	365.55	42.38	19.66
5055	Capital Outlay on Road Transport	727.74	5.18	5.96	(-)0.14	28.18	39.18	5.16	71.91	13.17
5056	Capital Outlay on Inland Water Transport	1297.19	3.87	4.22	3.51	56.20	67.79	0.53	82.90	0.78

## Appendix 2.14 - Contd

(*₹ in crore*)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
5075	Capital Outlay on Other Transport Services	4487.64	82.05	189.69	103.01	408.99	783.73	373.11	52.18	47.61
5452	Capital Outlay on Tourism	1052.07	25.64	26.69	16.30	125.97	194.60	8.43	64.73	4.33
5475	Capital Outlay on Other General Economic Services	23749.83	1466.66	1330.04	1206.61	804.49	4807.80	135.75	16.73	2.82
6003	Internal Debt of the State Government	335675.41	20551.60	28584.51	27256.94	34358.17	110751.22	13036.46	31.02	11.77
6004	Loans And Advances from the Central Government	4195.63	125.51	410.26	310.57	320.86	1167.20	188.02	27.49	16.11
6202	Loans For Education, Sports, Art and Culture	78.50	1.50	0.00	10.00	20.00	31.50	10.00	63.49	31.75
6250	Loans For Other Social Services	68.10	0.37	2.85	1.17	2.04	6.43	0.53	31.75	8.23
6404	Loans For Dairy Development	62.26	1.19	0.00	0.00	1.99	3.18	0.00	62.61	0
6405	Loans For Fisheries	113.35	0.00	0.00	0.00	12.00	12.00	12.00	100.00	100.00
6408	Loans For Food, Storage And Warehousing	12.36	0.00	0.13	0.49	1.40	2.02	(-1.10)	69.14	(-54.29)
6425	Loans For Co-Operation	301.12	0.06	0.26	5.72	1.85	7.89	1.14	23.49	14.47
6801	Loans For Power Projects	193.24	1.22	2.49	0.00	0.00	3.72	0	0	0
6810	Loans for New and Renewable Energy	89.47	0	0	8.91	12.95	21.86	7.58	59.25	34.66

**Appendix 2.14 - Concl'd**

(₹ in crore)

Major Head code	Description	Sum (Total Budget)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total Expenditure	March Expenditure	Expenditure in 4th Quarter as % of total expenditure	Expenditure in March 2025 as % of total expenditure
6851	Loans For Village and Small Industries	246.44	0.31	10.36	2.71	14.34	27.73	11.36	51.73	40.95
6853	Loans For Non-Ferrous Mining and Metallurgical Industries	100.51	0	0	0	0.25	0.25	(-)4.75	100.00	(-)1928.40
6854	Loans For Cement and Non-Metallic Mineral Industries	110.00	0	1.20	0.30	2.25	3.75	0.00	60.00	
6857	Loans For Chemical and Pharmaceutical Industries	56.00	0.51	1.13	0.00	1.10	2.74	1.10	40.07	40.07
6858	Loans For Engineering Industries	339.99	4.14	13.70	2.34	20.91	41.08	7.27	50.90	17.70
6859	Loans For Telecommunication and Electronic Industries	298.24	0.75	3.87	0	5.05	9.67	0.05	52.26	0.55
6860	Loans For Consumer Industries	459.97	0	31.17	130.77	38.89	200.83	35.49	19.36	17.67
6885	Other Loans to Industries and Minerals	394.26	0	0	0.06	20.62	20.68	2.12	99.73	10.25
7051	Loans For Ports and Light Houses	18.81	0	0	18.81	14.44	33.25	14.44	43.42	43.42
7053	Loans For Civil Aviation	297.30	9.50	17.24	13.64	11.42	51.81	11.17	22.05	21.56
7055	Loans For Road Transport	7693.58	516.90	368.98	441.42	275.11	1602.41	101.51	17.17	6.34
7056	Loans For Inland Water Transport	195.58	15.49	17.89	13.80	13.69	60.87	3.87	22.49	6.37
7610	Loans To Government Servants etc.	2009.52	164.27	165.23	164.10	166.71	660.31	165.72	25.25	25.10
7615	Miscellaneous Loans	16.00	0.10	0.30	0	0	0.40	0	0	0

**Appendix 2.15**  
**(Reference: Paragraph 2.6.4; Page No 105)**

**Unspent balance in SNA Accounts**

GoI scheme	State Schemes	Linked	Unspent amount retained in SNA accounts as on 31st March (₹ in crore)			
			2021-22	2022-23	2023-24	2024-25
Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission (Code 4063)	2210-06-101-19 - National Health Mission (CSS 60:40) (SLS Code 2898)		0	86.68	4.86	4.62
Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) (Code 9219)	4515-00-103-97 Mahatma Gandhi National Rural Employment Guarantee Programme (Material Cost) (90% CSS) (SLS code-2876)		13.1	164.16	104.6	9.33
Pradhan Mantri Poshan Shakti Nirman (Code 9165)	2202-01-112-90 Pradhan Mantri Poshan Shakti Nirman (60% CSS)-(SLS code 2819)		84.46	37.34	1.99	97.98
Saksham Anganwadi and Poshan 2.0	Social Security and Welfare – 2235-02-102-18 Anganwadi Services (General) (60% CSS)		0	2.33	40.16	9.28
Assistance to States Agencies for Intra-State Movement of Foodgrains and FPS Dealers Margin under NFSA (Code-4048)	Food, Storage and Warehousing – 2408-01-101-92 - Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS) SLS code- KL200	No SLS KL 200		50.00	24.96	1.57
<b>Total</b>			97.56	340.51	176.57	122.78

Source:- PFMS Report- SNA 01

**Appendix 2.16**  
**(Reference: Paragraph 2.6.4; Page No 106)**

**Accumulation of interest in the Bank Accounts of SNAs.**

State Linked Schemes	Name of SNA	Bank A/c	Interest credited to Bank Account (₹ in crore)
			2024-25
2210-06-101-19 - National Health Mission (CSS 60:40)- (code 2898)	State Health & Family welfare Society	ICICI bank Ltd	0.75
4515-00-103-97 Mahatma Gandhi National Rural Employment Guarantee Programme (Code 2876) (Material Cost) (90% CSS)	Mahatma Gandhi National Rural Employment Guarantee Fund Society, Kerala	SBI	3.80
2202-01-112-90 Pradhan Mantri Poshan Shakti Nirman (60% CSS)- (Mid-day meal Kerala-code 2819)	Director of General Education	Canara Bank	0.97
Social Security and Welfare – 2235-02-102-18 Anganwadi Services (General) (60% CSS) - (KL247)	Directorate of WCD, Tvpm	Kerala Gramin Bank	0.89
Food, Storage and Warehousing – 2408-01-101-92 - Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS)-(Code KL 200)	Director of Civil supplies	Bank of Baroda	1.61
<b>Total</b>			<b>8.02</b>

Source: PFMS Report- SNA 04 Report

**Appendix 2.17**  
**(Reference: Paragraph 2.6.4; Page No 106)**

**Penal interest imposed on State Government for delayed transfer of funds to SNA account**

*(₹ in crore)*

<b>GoI scheme</b>	<b>State Linked Schemes</b>	<b>Penal interest due (As per SNA 15 report)</b>	<b>Total Delay interest due till date (September 2025)</b>
Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission (Code 4063)	2210-06-101-19 - National Health Mission (CSS 60:40) (SLS Code 2898)	0.12	0.12
Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP) (Code 9219)	4515-00-103-97 Mahatma Gandhi National Rural Employment Guarantee Programme (Material Cost) (90% CSS) (SLS code-2876)	3.27	3.79
Pradhan Mantri Poshan Shakti Nirman (Code 9165)	2202-01-112-90 Pradhan Mantri Poshan Shakti Nirman (60% CSS) (SLS code 2819)	3.09	3.36
Saksham Anganwadi and Poshan 2.0	Social Security and Welfare – 2235-02-102-18 Anganwadi Services (General) (60% CSS)	0.00	0.00
Assistance to States Agencies for Intra-State Movement of Foodgrains and FPS Dealers Margin under NFSA (Code-4048)	Food, Storage and Warehousing – 2408-01-101-92 - Assistance to State Agencies for Intra-state movement of food grains under NFSA (50% CSS) SLS code- KL200	0.00	0.00
	<b>Total</b>	6.48	7.27

*Source: PFMS Portal-SNA 11 & 15 Reports*

**Appendix 3.1**

(Reference Paragraph No 3.1; Page No 116)

**Details of repayment of borrowings of KIIFB and KSSPL during FY2024-25 based on the financial year in which it was availed**

Financial Year	Repayments (₹ in crore)	Year in which borrowing was raised	Repayment Component (₹ in crore)
<b>Kerala Infrastructure Investment Fund Board</b>			
2024-25	2,241.67	2017-18	10.25
		2018-19	99.08
		2019-20	212.52
		2020-21	35.62
		2021-22	1,064.43
		2022-23	652.76
		2023-24	167.02
<b>Total</b>			<b>2,241.67</b>
<b>Kerala Social Security Pension limited</b>			
2024-25	5123.15	2020-21	400
		2021-22	30
		2022-23	300
		2023-24	2,343.15
		2024-25	2050
<b>Total</b>			<b>5,123.15</b>

## Appendix 3.2

(Reference Paragraph No 3.1; Page No 118)  
Details of disbursements towards Revenue Generating Projects by KIIFB\*

Sl. No	Sub project Code	SPV	Sub Project Name	Disbursements made (₹ in crore)								
				2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	Total
1	CAD002-01	KSFDC	Alagappanagar Theatre Complex	-	0.50	1.53	1.67	1.17	-	-	-	4.87
2	CAD002-02	KSFDC	Perambra Theatre Complex	-	-	-	-	-	-	-	-	-
3	CAD002-03	KSFDC	Kayamkulam Theatre Complex	0.62	1.20	1.39	2.48	1.27	-	-	-	6.96
4	CAD002-05	KSFDC	Payyanur Theatre Complex	0.01	0.67	2.65	2.32	1.03	-	-	-	6.68
5	CAD002-08	KSFDC	Tanur Theatre Complex	-	-	-	-	-	-	-	-	-
6	CAD002-13	KSFDC	Vaikkom Theatre Complex	3.10	4.79	-	-	-	-	-	-	7.89
7	CAD002-14	KSFDC	Payam Theatre Complex	-	-	-	-	-	-	-	-	-
8	CAD002-15	KSFDC	Kakkanad Theatre Complex	-	-	-	-	-	-	-	-	-
9	CAD003-01	KSFDC	Modernisation of Chitranjali Film City	2.92	2.73	-	-	-	-	-	-	5.65
10	IND001-01	KINFRA	Land for Industrial Infra at Kannur & Palakkad and Land for Kochi Bangalore Industrial Corridor - Phase 1	804.22	10.95	82.48	1,189.47	399.00	3.00	-	-	2,489.12
11	IND002-01	KINFRA	Petrochemical Park, Kochi	-	-	-	-	-	977.47	-	-	977.47
12	IND003-01	KINFRA	Kochi-Bengaluru Industrial Corridor Project-Land Acquisition	144.67	94.76	-	827.85	1.00	-	-	-	1,068.28
13	IND003-02	KINFRA	Development of Gift City as part of KBIC-Land acquisition	840.00	-	-	-	-	-	-	-	840.00
14	IND004-01	KCL	Setting up of Carbon Neutral Coffee Park at Wayanad	9.81	-	-	-	-	-	-	-	9.81
15	IND005-01	KSDPL	Construction of Oncology Park	-	-	-	-	-	-	-	-	-
16	IND006-01	KSIDC	Life Science Park Phase-II	-	-	-	-	-	-	-	301.17	301.17
17	IND007-01	KINFRA	Development of Industrial park by takeover of land from M/s Hindustan Newsprint Ltd	-	-	-	-	145.60	-	-	-	145.60
18	ITD001-02	KSITIL	Kochi Innovation Zone	24.07	6.28	9.43	44.06	18.70	15.94	-	-	118.47
19	ITD001-03	KSITIL	First Building at Technocity	-	-	12.19	7.54	13.95	12.41	20.46	10.49	77.04
20	ITD002-01	KSITIL	Kerala Fibre Optic Network	191.35	132.55	89.99	137.12	74.85	53.94	-	-	679.79
21	ITD003-01	IIITMK	Construction of Executive International Hostel block for KUDSIT (DUK)	-	-	-	-	-	-	-	-	-

**Appendix 3.2 - Contd**

Sl. No	Sub project Code	SPV	Sub Project Name	Disbursements made (₹ in crore)								
				2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	Total
22	ITD004-01	IIITMK	Construction of Digital Science Park at Technopark Phase VI, Thiruvananthapuram, Kerala	-	-	-	-	-	-	-	-	-
23	ITD005-01	KSITIL	Construction of 5 Lakh sqft IT building for proposed IT park at Kannur	-	-	-	-	-	-	-	-	-
24	LSG003-01	IMPACT	Thiruvalla Abattoir	-	-	-	-	-	-	-	-	-
25	LSG003-02	IMPACT	Kannur DP Abattoir	-	-	-	-	-	-	-	-	-
26	LSG003-03	IMPACT	Punalur Municipality Abattoir	-	-	-	-	-	-	-	-	-
27	LSG003-03	IMPACT	Palakkad Municipality Abattoir	-	-	-	-	-	-	-	-	-
28	LSG003-04	IMPACT	Perinthalmanna Municipality Abattoir	-	-	-	-	-	-	-	-	-
29	LSG003-05	IMPACT	Attingal Municipality Abattoir	-	-	-	-	-	-	-	-	-
30	LSG003-05	IMPACT	Kozhikkode Corporation Abattoir	-	-	-	-	-	-	-	-	-
31	LSG003-07	IMPACT	Kochi Corporation Abattoir	-	-	-	-	-	-	-	-	-
32	LSG003-08	IMPACT	Modern Abattoir in Thrissur	-	-	-	-	-	-	-	-	-
33	LSG006-01	IMPACT	Modernization of Market in Kottakkal Municipality	-	-	-	-	-	-	-	-	-
34	LSG006-03	IMPACT	Modernization in Kalady GP	-	-	-	-	-	-	-	-	-
35	LSG006-04	IMPACT	Modernisation of Markets at Wadakkancherry Municipality	-	-	-	-	-	-	-	-	-
36	LSG006-05	IMPACT	Modernization of Markets in Nedumangad Municipality	-	-	-	-	-	-	-	-	-
37	LSG006-07	IMPACT	Modernization of Market in Aluva Municipality	-	-	-	-	-	-	-	-	-
38	LSG006-07	IMPACT	Modernization of Market in Vatakara Municipality	-	-	-	-	-	-	-	-	-
39	LSG007-01	KSEBL	Nilav Project	-	2.38	32.92	44.04	-	-	-	-	79.35
40	PEA001-01	KSITIL	Work Near Home Phase I	-	-	-	-	-	-	-	-	-
41	POW002-01	KSEBL	Transgrid 2.0: Sabari project	80.05	43.85	28.19	16.67	-	-	-	-	168.75
42	POW002-02	KSEBL	Transgrid 2.0: Vengallur GIS & Thrissivaperur Lines	27.98	-	-	1.29	-	-	-	-	29.27
43	POW002-03	KSEBL	Transgrid 2.0: Substation at Kothamangalam, Chitrapuram	-	-	8.46	37.38	50.80	35.01	-	-	131.66

## Appendix 3.2 - Concl'd

Sl. No	Sub project Code	SPV	Sub Project Name	Disbursements made (₹ in crore)								
				2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	Total
44	POW002-04	KSEBL	Transgrid 2.0: Kochi Lines Package	-	-	4.97	57.69	121.00	130.30	39.70	-	353.65
45	POW002-05	KSEBL	Transgrid 2.0: Quilon Package	-	-	-	-	-	-	-	-	-
46	POW002-06	KSEBL	Transgrid 2.0: Kottayam Lines package	34.13	23.98	8.15	35.18	68.39	5.30	-	-	175.13
47	POW002-07	KSEBL	Transgrid 2.0: Kolathunadu Line strengthening	36.15	39.88	56.74	28.20	26.14	9.61	-	-	196.72
48	POW002-08	KSEBL	Transgrid 2.0: GIS Kottayam	4.55	30.71	75.18	18.55	1.82	20.72	-	-	151.53
49	POW002-09	KSEBL	Transgrid 2.0: Thrissivaperur Lines Strengthening	0.71	-	12.91	40.85	18.70	2.45	-	-	75.62
50	POW002-10	KSEBL	Transgrid 2.0: GIS Thalassery	1.51	5.79	35.72	14.80	0.60	-	-	-	58.42
51	POW002-11	KSEBL	Transgrid 2.0: North Malabar Lines strengthening	2.29	8.51	13.84	29.83	38.25	1.10	-	-	93.82
52	POW002-13	KSEBL	Transgrid 2.0: North South Interlinking package	-	0.28	8.62	38.72	56.30	8.94	-	-	112.86
53	POW002-14	KSEBL	Transgrid 2.0: Ettumanoor GIS	2.38	7.99	62.94	59.56	26.06	-	-	-	158.93
54	POW002-15	KSEBL	Transgrid 2.0: Aluva Kaloore GIS	-	-	4.04	19.49	90.26	49.04	1.37	-	164.20
55	POW002-16	KSEBL	Transgrid 2.0: Travancore Lines Package	-	-	-	-	-	-	-	-	-
56	POW002-19	KSEBL	Transgrid 2.0: North South Interlink Package Phase 2	-	-	-	-	-	-	-	-	-
57	POW002-20	KSEBL	Transgrid 2.0: Travancore Lines Package 2	-	-	-	-	-	-	-	-	-
58	SCTD001-03	KSCSTE	Establishment of Science park at Kannur	-	-	-	-	-	-	-	-	-
59	TRA008-01	KSRTC	Procurement of Buses for KSRTC	-	9.24	36.98	-	-	-	-	-	46.22
60	TSM001-08	KTDC	3 star beach resort at Muzhuppilangad	3.26	3.32	8.00	-	-	-	-	-	14.58
<b>Total</b>				<b>2,213.77</b>	<b>430.35</b>	<b>597.31</b>	<b>2,654.77</b>	<b>1,154.90</b>	<b>1,325.22</b>	<b>61.52</b>	<b>311.66</b>	<b>8,749.49</b>

\* Audit could not verify the veracity of the figures furnished by KIIFB as the reply was received belatedly. The correctness of the figures would be examined during subsequent audits.

### Appendix 3.3

(Reference: Paragraph 3.2.2; Page No 122)

#### Details of contribution and investment under Defined Contributory Pension Scheme

(₹ in crore)

Year	Receipts				Disbursement (Transferred to NSDL)	Short transfer (-) /Excess transfer (+)
	Opening balance	Employee share	Government Contribution	Total		
1	2	3	4	5	6	7 = (6-5)
2013-14	0.11	0.13	0.02	0.15	0.03	(-)0.23
2014-15	0.23	22.02	21.99	44.01	43.92	(-)0.32
2015-16	0.32	68.13	68.21	136.34	136.17	(-)0.49
2016-17	0.49	126.75	126.25	253	251.6	(-)1.88
2017-18	1.88	215.73	216.40	432.14	433.46	(-)0.56
2018-19	0.56	293.28	293.35	586.63	586.93	(-)0.26
2019-20	0.26	417.69	417.69	835.38	835.31	(-)0.34
2020-21	0.34	472.77	472.45	945.22	945.39	(-)0.17
2021-22	0.17	833.42	834.98	1668.41	1668.23	(-)0.35
2022-23	0.35	881.38	882.28	1763.66	1763.81	(-)0.19
2023-24	0.19	986.68	987.74	1974.43	1974.48	(-)0.14
2024-25	0.14	1131.10	1133.24	2264.34	2263.41	(-)1.07
<b>Total</b>		<b>5449.08</b>	<b>5454.60</b>	<b>10903.71</b>	<b>10902.74</b>	<b>(-)1.07</b>

### Appendix 3.4

(Reference: Paragraph 3.15.2; Page No 136)

#### Targets and Achievements of KSEBL during UDAY period envisaged in the MoU signed by KSEBL

SI No	Targets	Achievements reported in Report No 5 of 2022	Latest position of achievements
1.	Gap Between Average cost of Supply and Average Revenue realised to be eliminated by 2018-19.	Gap increased from (-)₹0.31 per unit in 2015-16 to (-) ₹0.72 per unit in 2020-21.	Gap improved to (+)0.08 in 2023-24
2	Reduce AT&C loss to 11 <i>per cent</i> and transmission loss to 4.40 <i>per cent</i> by 2018-19.	AT&C loss fell to below 11 <i>per cent</i> during 2018-19 to 2019-20 and it increased to 11.18 <i>per cent</i> in 2020-21. Transmission losses fell to 3.63 <i>per cent</i> by 2020-21.	ATC loss fell to 6.61 <i>per cent</i> during 2024-25. Transmission loss fell to 2.90 <i>per cent</i> in 2024-25
3	Implementation of Smart metering for consumers having monthly usage of more than 200 units and implementation of ERP (Enterprise Resource Planning) software for improving efficiencies	Not implemented	Not implemented
4	Distribution of LED bulbs and replacement of at least 10 <i>per cent</i> of estimated five lakh inefficient agricultural pumpsets.	1.41 crore LED bulbs were distributed. However, it did not implement replacement of pumpsets.	Replacement of pumps not implemented
5	Report profits for 2017-18 and 2018-19.	Losses were reported during these years. KSEBL could not improve its financial performance because it was unable to curtail employee and power purchase costs.	Reported profit of ₹ 571.22 crore during 2024-25

The efforts taken by KSEBL in improving the gap between average cost of supply and average revenue realized, reducing the AT&C loss and transmission loss are commendable.

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