



सत्यमेव जयते

ACCOUNTS AT A GLANCE

2018-2019



लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest



GOVERNMENT OF KERALA



ACCOUNTS AT A GLANCE FOR THE YEAR 2018-2019

**PRINCIPAL ACCOUNTANT GENERAL
(ACCOUNTS AND ENTITLEMENT)
KERALA**

GOVERNMENT OF KERALA

PREFACE

The Annual Accounts of the State Government are prepared and examined by the Accountant General (A&E) under the directions of Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State.

The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. Appropriation Accounts show the Grant-wise expenditure against provision approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Government's activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented with brief explanations, statements and graphs.

We look forward to suggestions that will help us in improving this publication.



Thiruvananthapuram
30 June 2020

G SUDHARMINI
Principal Accountant General (A&E)
Kerala

Our Vision, Mission and Core Values

VISION

The Vision of the Office of the institution of Comptroller and Auditor General of India represents what we aspire to become.

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance

MISSION

Our mission enunciates our current role and describes what we are doing today.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders: the Legislature, the Executive and the Public- that public funds are being used efficiently and for the intended purposes.

CORE VALUES

Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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CHAPTER I

OVERVIEW

1.1 Introduction

The monthly accounts of the State Government are consolidated from the accounts submitted to the Accountant General (Accounts and Entitlement) by the District Treasuries, e-treasury and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the Office of the Accountant General (A&E) to the Government of Kerala. The Office of the Accountant General (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. In addition, the Accountant General (A&E) prepares the Finance Accounts and Appropriation Accounts annually under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

1.2 Structure of Government Accounts

1.2.1 Government Accounts are kept in three parts

Part I CONSOLIDATED FUND

Comprises all receipts of the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon). All expenditure and disbursements of the Government, including release of loans and repayment of loans taken (and interest thereon) are met from this Fund

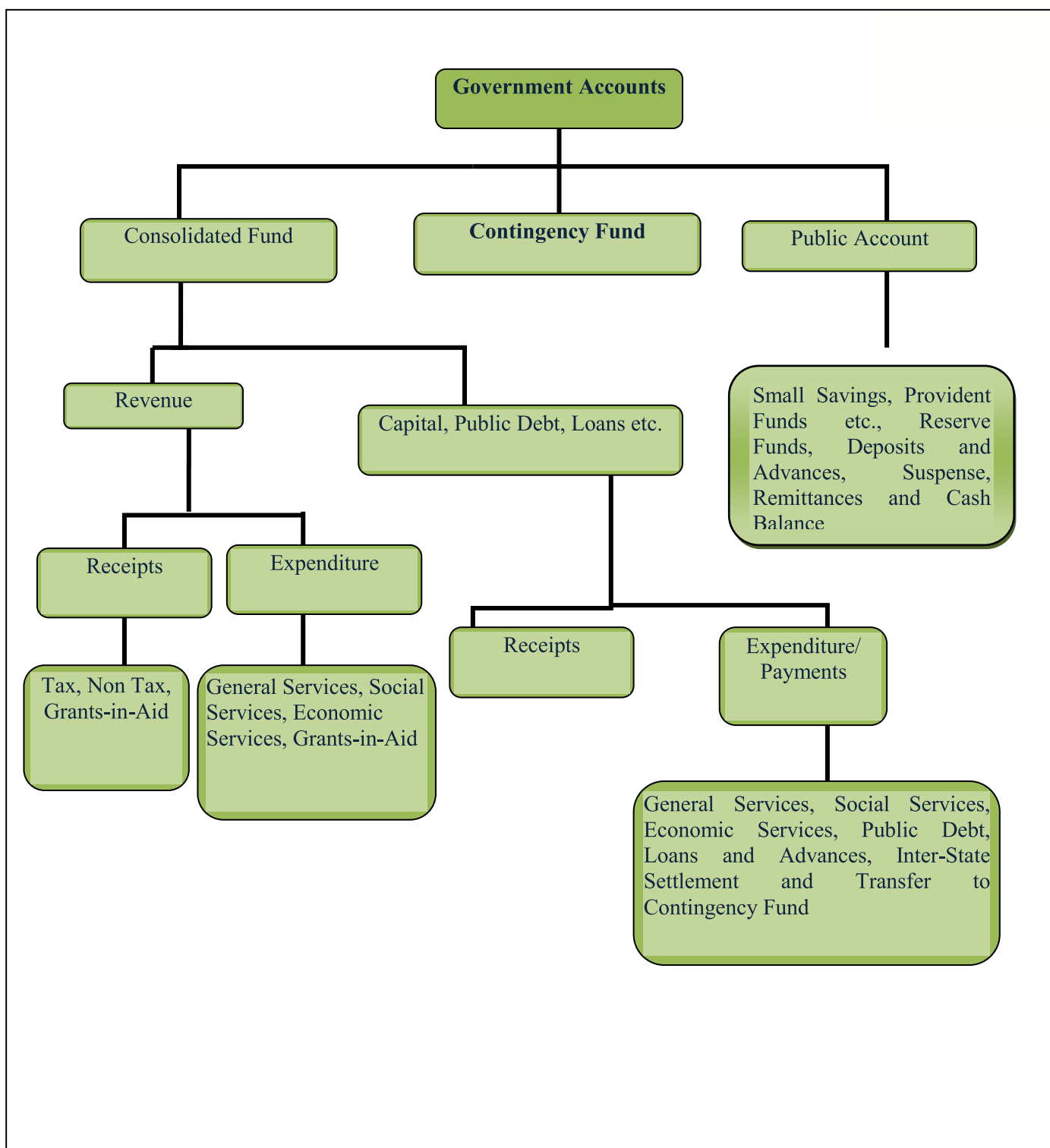
PART II CONTINGENCY FUND

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this Fund for the Government of Kerala is ₹100 crore.

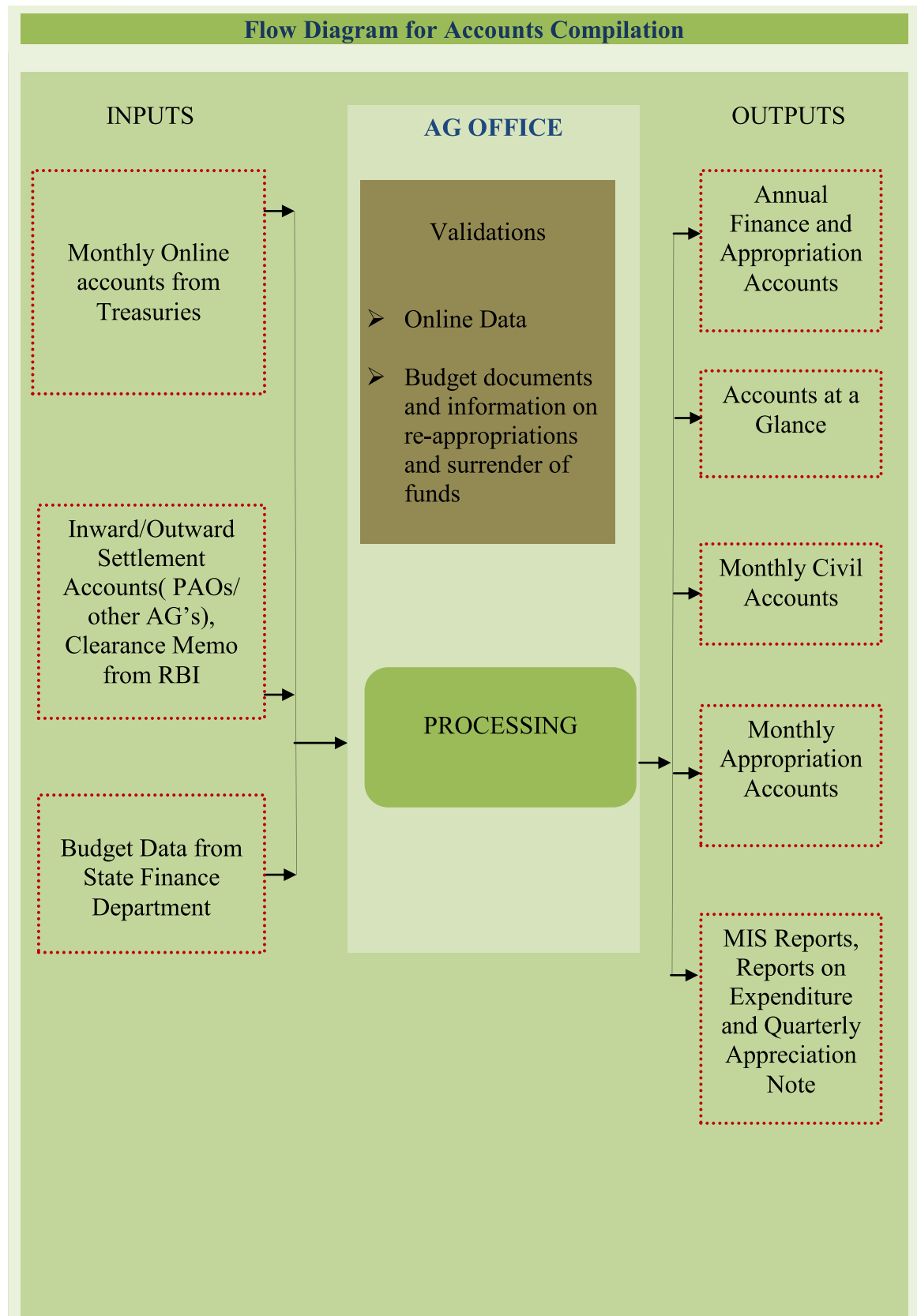
Part III PUBLIC ACCOUNT

In Public Account, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by booking to the final heads of accounts

1.2.2 Pictorial representation of Structure of Government Accounts



1.2.3 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

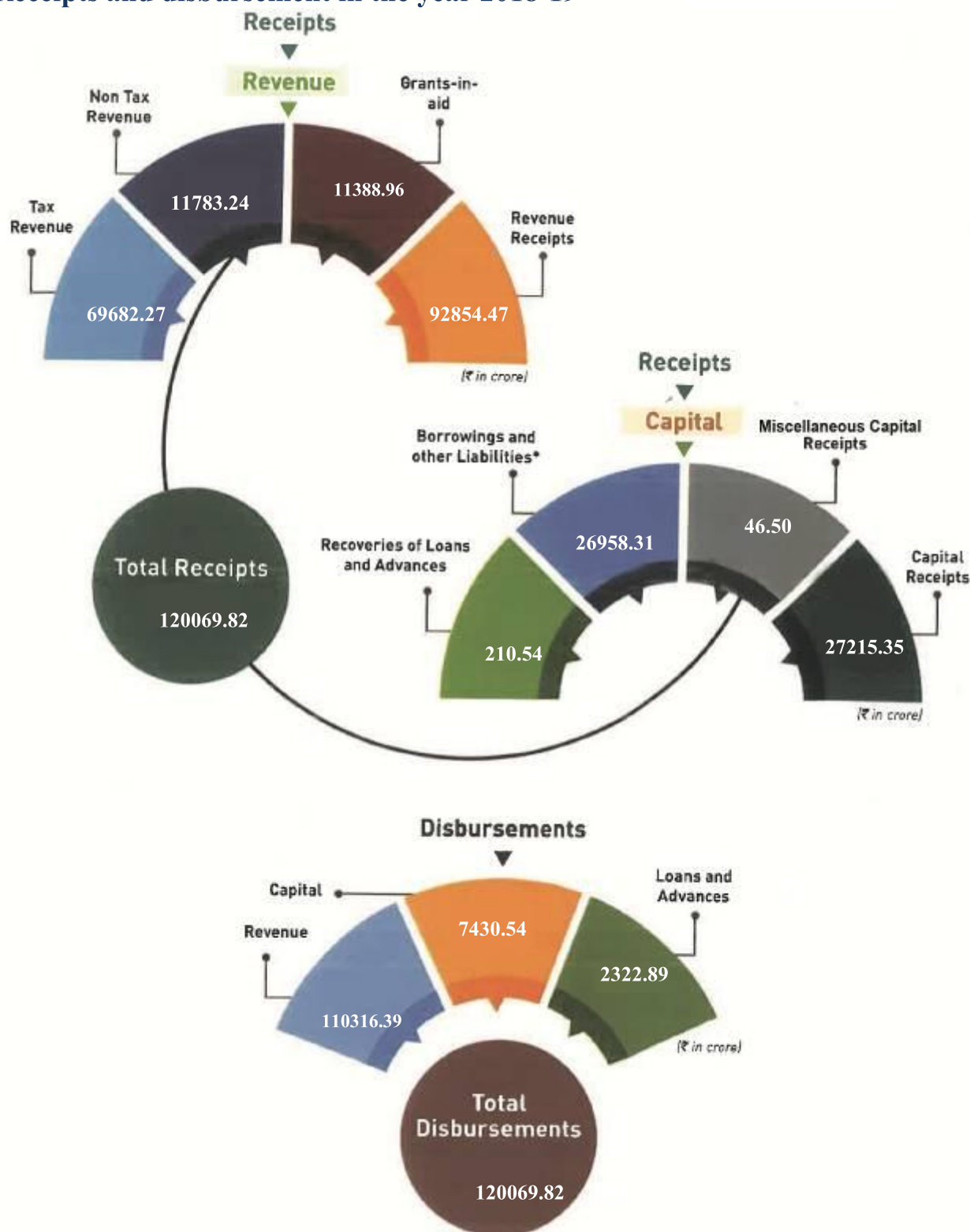
The Finance Accounts present the accounts of receipts and outgoings of the Government for the year together with the financial results disclosed by the revenue and capital accounts, the accounts of Public Debt and the Liabilities and Assets as worked out from the balances recorded in the accounts. Volume I contains the Certificate of the Comptroller and Auditor General of India, summarised Statements which give information on the financial position and transactions of the State Government for the financial year, 'Notes to Accounts' containing the summary of significant accounting policies, quality of accounts and other items and Annexure to the Notes to accounts. Volume II contains detailed Statements (Part I) and Appendices I to XII (Part II).

Receipts and Disbursements of the State Government during 2018-19 are as given below:-

(₹ in crore)			
Receipts Total: 120069.82	Revenue Total: 92854.47	Tax Revenue	69682.27
		Non -Tax Revenue	11783.24
		Grants-in-aid	11388.96
	Capital Total: 27215.35	Miscellaneous Capital Receipts	46.50
		Recovery of Loans and Advances	210.54
		Borrowings and other Liabilities(*)	26958.31
Disbursements Total: 120069.82	Revenue		110316.39
	Capital		7430.54
	Loans and Advances		2322.89

(*) 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 Balances.

Receipts and disbursement in the year 2018-19



(*) 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 Balances.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts and show the expenditure of the State Government against amounts charged and voted by the State Legislature. Excluding one Grant, viz., “Contingency Fund” there are 47 Grants, of which, 9 are exclusively voted Grants, two are exclusively charged Appropriations and 36 include both voted Grants and charged Appropriations.

1.3.3. Efficiency on Budget Preparation

The Appropriation Acts passed by the State Legislature had estimated a gross expenditure of ₹160374.90 crore, including the supplementary provision of ₹17565.02 crore during the year 2018-19. An amount of ₹ 884.29 crore was estimated as recoveries in reduction of expenditure.

The Appropriation Accounts 2018-19 show disbursements aggregating ₹143721.60 crore against the budget provision of ₹160374.90 crore, resulting in overall savings of ₹ 16653.30 crore against Grants and Appropriations. The overall savings of ₹16653.30 crore was the result of savings of ₹21116.45 crore in 42 Grants and 23 Appropriations under the Revenue section and 29 Grants and 20 Appropriations under Capital section, offset by excess of ₹1098.28 crore (State Legislature, Debt Charges, Family Welfare, and Forest) under the Revenue Section and ₹3364.87 crore (Education, Sports, Art and Culture and Public Debt repayment) in the Capital Section.

Recoveries in reduction of expenditure amounted to ₹5455.79 crore showing an increase of ₹ 4571.50 crore vis-à-vis budget estimates.

1.4 Source and Application of Funds

1.4.1 Ways and Means Advances

Government, in order to maintain and sustain its liquidity position, takes Ways and Means Advances from the Reserve Bank of India (RBI) and thereafter, draws upon overdraft whenever there is shortfall from the agreed minimum cash balance in its account with the RBI. The State Government is required to maintain a minimum cash balance of ₹1.66 crore with the RBI. The larger the amount and greater the number of times such ways and means advances are taken or drawals made, the more it reflects the adverse position of the cash balance of the Government. During 2018-19 Government of Kerala has availed ₹ 9698.12 crore as Ways and Means Advance on sixty five times (both Ordinary Ways and Means and Special Drawing Facility) . During the year 2018-19, no overdraft was drawn by the State.

1.4.2 Fund Flow Statement (Source and Application of Funds)

The State had a revenue deficit of ₹17461.92 crore and a fiscal deficit of ₹26958.31 crore representing 2.25 *per cent* and 3.48 *per cent* respectively of the Gross State Domestic Product (GSDP). The fiscal deficit constituted 22.45 *per cent* of the total expenditure. This deficit was financed from Public Debt (₹ 15249.93 crore) and other liabilities (₹ 11708.38 crore). 72.45 *per cent* of the revenue receipts (₹ 92854.47 crore) of the State Government was spent on committed expenditure like salaries (₹ 31510.37 crore), interest payments (₹ 16747.92 crore) and pensions (₹ 19011.94 crore).

Source and Application of Funds

(₹ in crore)

SOURCE	PARTICULARS	Amount
	Opening Cash Balance	-44.08
	Revenue Receipts	92854.47
	Capital Receipts	46.50
	Recovery of Loans & Advances	210.54
	Public Debt	33445.92
	Small Savings, Provident Fund and others	106577.13
	Reserves & Sinking Funds	3456.51
	Deposits Received	3019.80
	Civil Advances recovered	0.02
	Suspense & Miscellaneous	192858.83
	Contingency Fund	0.00
	Remittances	2382.72
	Total	434808.36

APPLICATION	PARTICULARS	Amount
	Revenue Expenditure	110316.39
	Capital Expenditure	7430.54
	Loans Given	2322.89
	Repayment of Public Debt (*)	18195.99
	Payment towards Small Savings, Provident Fund and others	96957.92
	Reserves & Sinking Funds	1621.76
	Deposits Returned	2627.40
	Civil Advances Given	0.25
	Suspense and Miscellaneous	192918.79
	Contingency Fund	0.00
	Remittances	2434.24
	Closing Cash Balance	-17.81
	Total	434808.36

(*)To Central Government (₹ 692.75 crore) and others (₹ 17503.24) crore

Source and Application of Funds

(₹in crore)

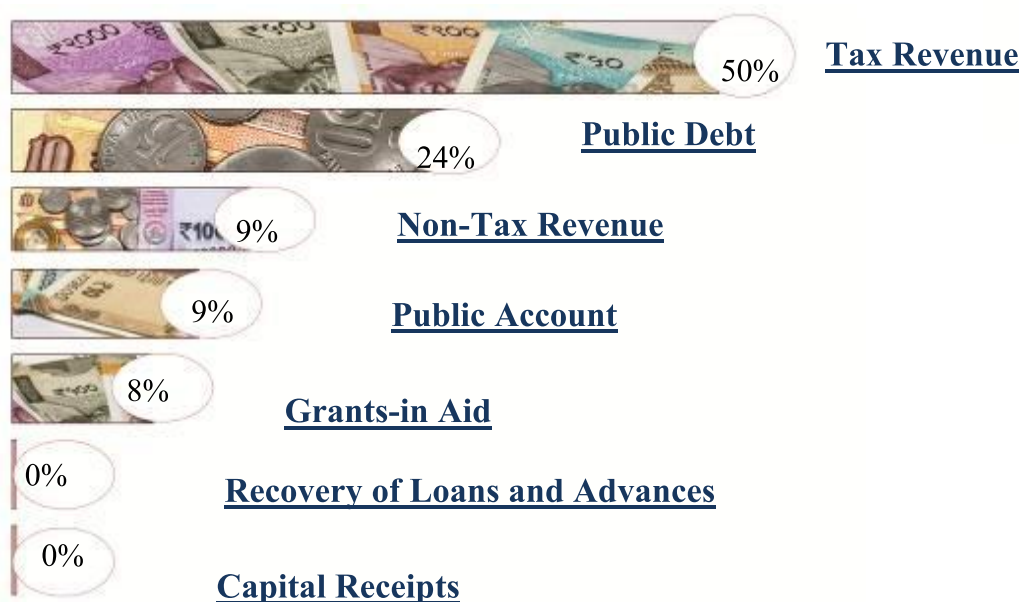
SOURCE

→	Opening Cash Balance	-44.08
→	Revenue Receipts	92854.47
→	Capital Receipts	46.50
→	Recovery of Loans & Advances	210.54
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→	Contingency Fund	0.00
→	Remittances	2382.72
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APPLICATION

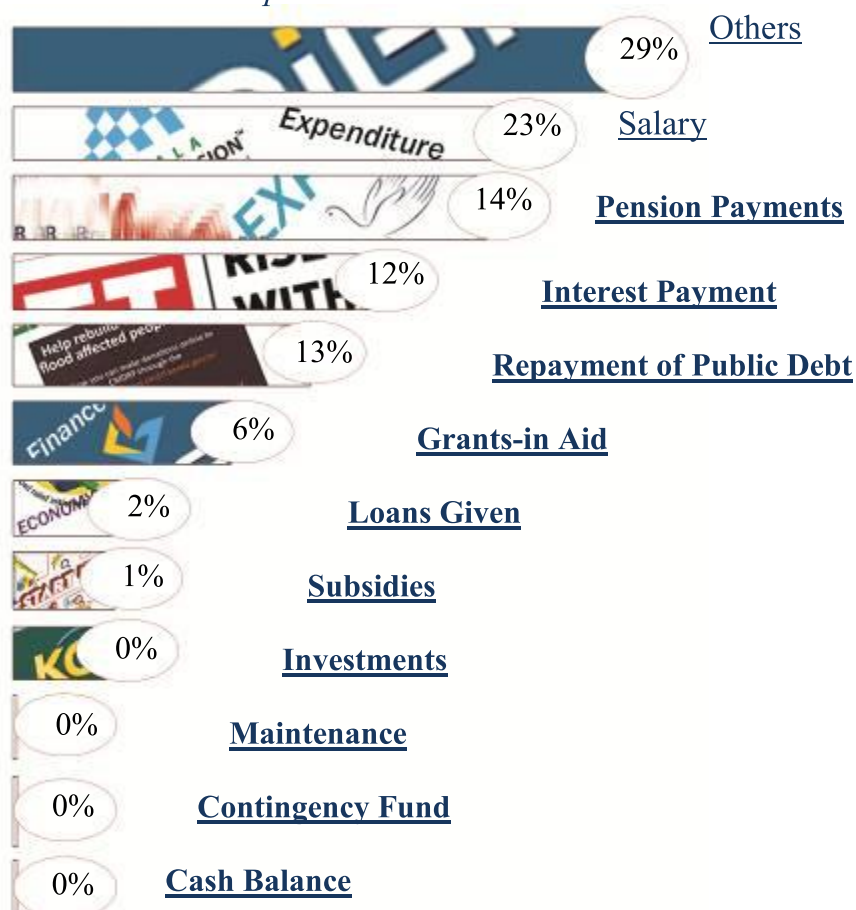
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→	Remittances	2434.24
→	Closing Cash Balance	-17.81
→	Total	434808.36

1.4.3 Where the Rupee came from



Note: (i) Public Account is taken as 'net' (ii) Zero depicts negligible amount

1.4.4 Where the Rupee went



Note: (i) Contingency Fund and Cash balance components above are taken as 'net'.
(ii) Zero depicts negligible amount

1.5. Highlights of Accounts

(₹ in crore)

Sl. No.	Particulars	B.E 2018-19	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(*)
1	Tax Revenue	78520.62	69682.27	88.74	8.99
2	Non-Tax Revenue	14271.14	11783.24	82.57	1.52
3	Grants-in-aid and Contributions	10009.39	11388.96	113.78	1.47
4	Revenue Receipts (1+2+3)	102801.15	92854.47	90.32	11.98
5	Recovery of Loans & Advances	297.12	210.54	70.86	0.03
6	Other Receipts	38.02	46.50	122.30	0.01
7	Borrowings & Other Liabilities (#)	41522.17	26958.31	64.93	3.48
8	Capital Receipts (5+6+7)	41857.31	27215.35	65.02	3.51
9	Total Receipts (4+8)	144658.46	120069.82	83.00	15.49
10	Non-Plan Expenditure (NPE)	109045.36	98071.87	89.94	12.65
11	NPE on Revenue Account	106422.58	96425.83	90.61	12.44
12	NPE on Interest Payments (out of 11)	15868.46	16747.92	105.54	2.16
13	NPE on Capital Account	2622.78	1646.04	62.76	0.21
14	Plan Expenditure	35613.10	21997.95	61.77	2.84
15	Plan Expenditure on Revenue Account	22740.48	13890.56	61.08	1.79
16	Plan Expenditure on Capital Account	12872.62	8107.39	62.98	1.05
17	Total Expenditure (10+14)	144658.46	120069.82	83.00	15.49
18	Expenditure on Revenue Account (11+15)	129163.06	110316.39	85.41	14.23
19	Expenditure on Capital Account (13 +16)**	15495.40	9753.43	62.94	1.26
20	Revenue Deficit[18-4]	26361.91	17461.92	66.24	2.25
21	Fiscal Deficit 17-(4+5+6)	41522.17	26958.31	64.93	3.48

(*) Gross State Domestic Product (₹774995 crore) (Projected Estimate) - Figures communicated by Director of Economics and Statistics of the State Government

(#) Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net of Public Account + Net of Opening and Closing Cash Balance.

(**) Expenditure on Capital Account consists of Capital Expenditure (₹ 7430.54 crore) and Loans and Advances disbursed (₹ 2322.89 crore)

1.6. What do the Deficits and Surpluses indicate?

● DEFICIT	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
● REVENUE DEFICIT/SURPLUS	Refers to the gap between Revenue Receipts and Revenue Expenditure
● FISCAL DEFICIT/SURPLUS	Refers to the gap between total Receipts (excluding Borrowings) and total Expenditure in the Consolidated Fund. This gap, therefore indicates the extent to which expenditure is financed by Borrowings

The revenue deficit of the State which indicates the excess of its revenue expenditure over revenue receipts showed inter-year variations during 2014-2019. It increased from ₹ 13795.96 crore in 2014-15 to ₹17461.92 crore in 2018-19.

The fiscal deficit increased from ₹18641.73 crore in 2014-15 to ₹26958.31 crore in 2018-19. The increase in fiscal deficit by ₹120.90 crore during the year over the previous year was the net effect of increase in revenue deficit (₹ 533.71 crore), decrease in non-debt capital receipts (₹ 123.22 crore), decrease in Capital expenditure (₹ 1318.33 crore) and increase in disbursement of loans and advances (₹ 782.30 crore).

As a proportion of GSDP, the revenue deficit decreased to 2.25 *per cent*, the fiscal deficit decreased to 3.48 *per cent* and State's total debt liabilities decreased to 31.18 *per cent* in 2018-19 from 2.47 *per cent*, 3.91 *per cent* and 31.27 *per cent* respectively in 2017-18.

1.6.1 Fiscal Responsibility Act, 2003

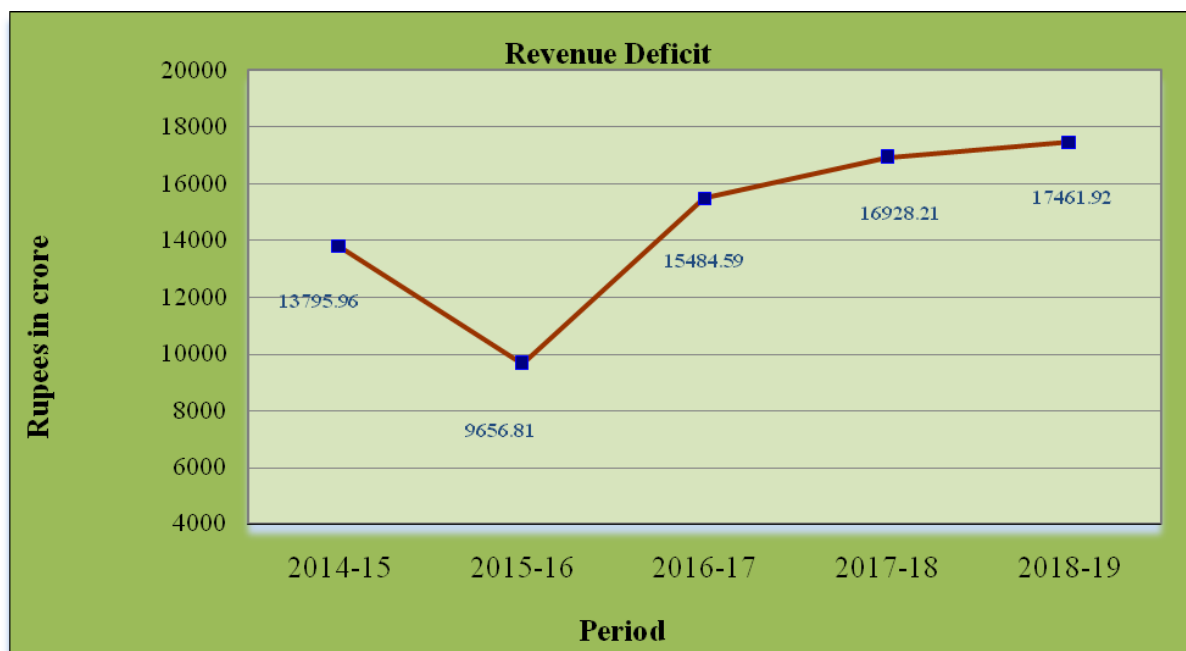
The Kerala Fiscal Responsibility Act, 2003, read with the Kerala Fiscal Responsibility (Amendment) Act 2018 based on the ceilings fixed by the Fourteenth Finance Commission has mandated the State to eliminate the revenue deficit completely during the period from 2018-19 to 2019-20 to maintain fiscal deficit to 3 *per cent* of GSDP and State's total debt

liabilities to 30.01 *per cent* of estimated GSDP during the year 2018-19. Achievements during the year 2018-19 against fiscal targets laid down in the Act and rules framed there under are as follows:

S.No	Financial Parameter	Actual(₹in crore)	Ratio to GSDP	
			Target	Achievement
1	Revenue Deficit	17461.82	Zero	2.25 <i>per cent</i>
2	Fiscal Deficit	26958.31	3 <i>per cent</i>	3.48 <i>per cent</i>
3	Debt and other obligations	241614.51	30.01 <i>per cent</i>	31.18 <i>per cent</i>

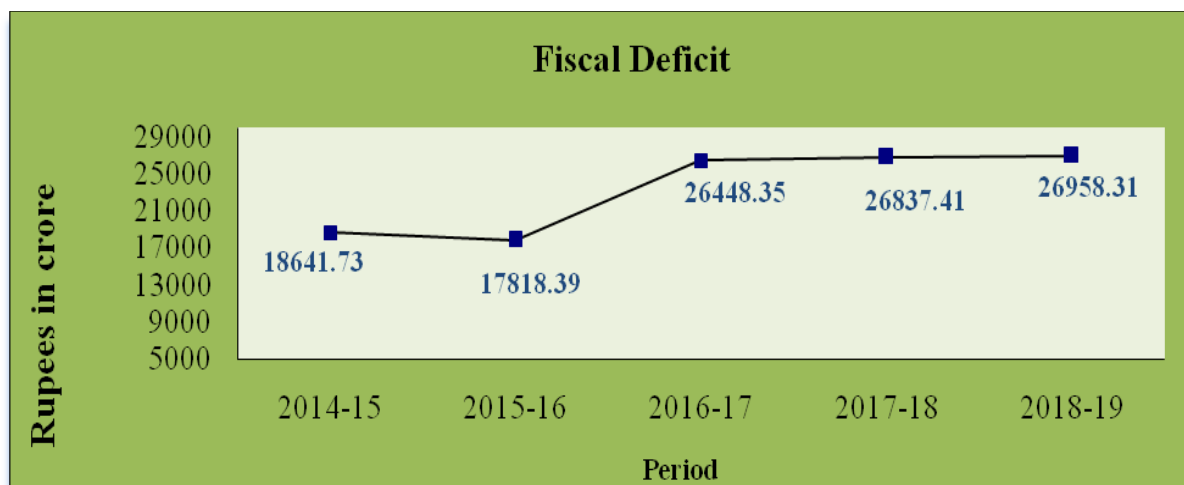
The percentages of revenue deficit and fiscal deficit during 2018-19 were more than the targets mandated in Kerala Fiscal Responsibility (Amendment) Act,2018.

1.6.2 Trend of Revenue Deficit



1.6.3 Trend of Fiscal Deficit

Budget Estimates for 2018-19 provided a fiscal deficit of ₹41522.17 crore (5.36 per cent of GSDP) where as the actual fiscal deficit was ₹26958.31 crore (3.48 per cent of GSDP). The position for the last five years is as below:

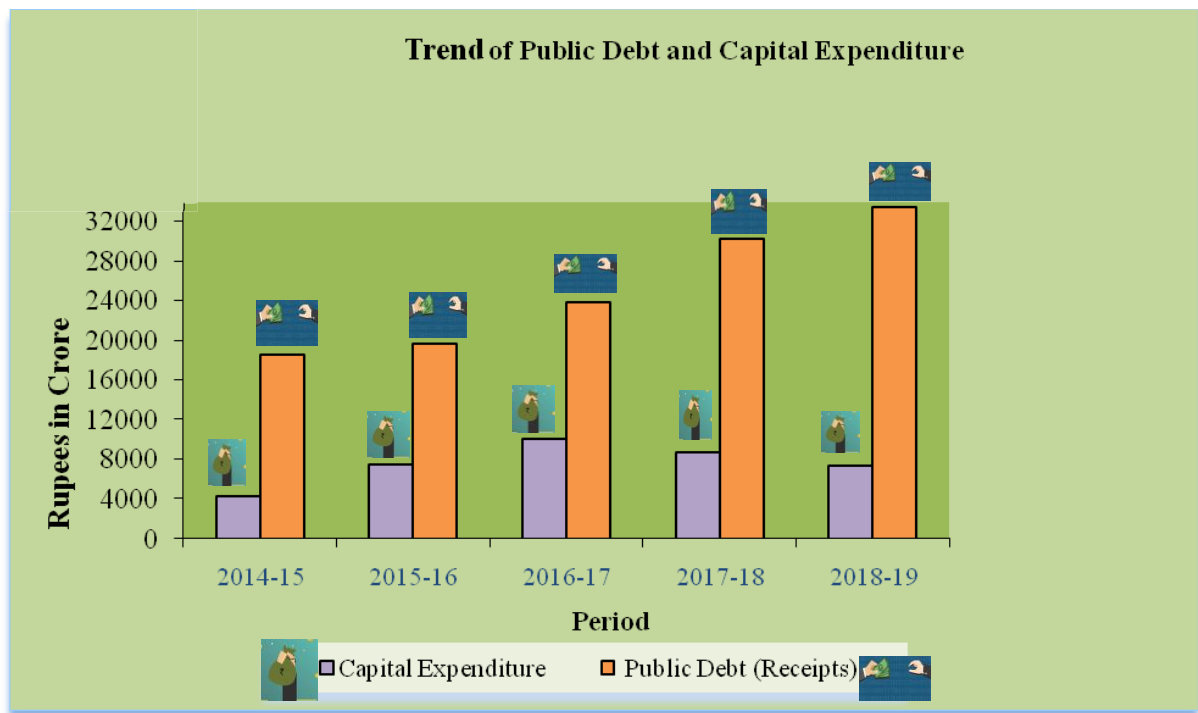


1.6.4 Proportion of borrowed funds spent on Capital expenditure

The capital expenditure is usually met from borrowed funds. It is desirable to fully utilise borrowed funds for the creation of capital assets. Total receipts under Public Debt and the Capital expenditure as a percentage of Public Debt receipts during the last five years are given below:

(₹ in crore)

Year	Public Debt (Receipt)	Capital Expenditure	Capital Expenditure as a percentage of Public Debt receipt
2014-15	18509.17	4254.59	22.99
2015-16	19658.74	7500.04	38.15
2016-17	23857.89	10125.95	42.44
2017-18	30233.77	8748.47	28.94
2018-19	33445.92	7430.54	22.22



CHAPTER II

RECEIPTS

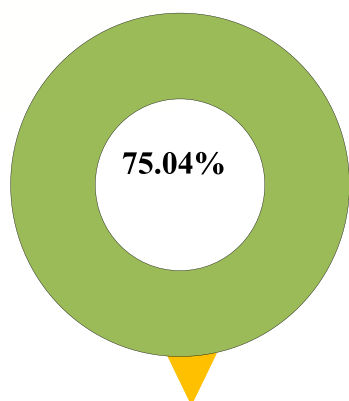
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2018-19 were ₹120069.82 crore (Revenue Receipts ₹92854.47 crore and Capital Receipts ₹27215.35 crore). Revenue receipts comprises Tax Revenue (₹ 69682.27 crore), Non-Tax Revenue (₹ 11783.24 crore) and Grants-in-aid and Contributions (₹ 11388.96 crore).

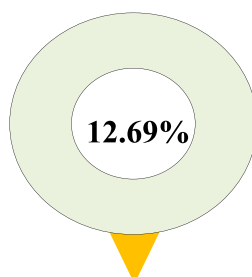
2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's Share of Union taxes under Article 280 (3) of the Constitution
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-aid	A form of assistance to the State Government from the Union Government. It includes 'External Grant' and 'Aid, Material & Equipment' received from foreign Governments and channelised through the Union Government

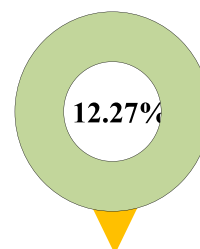
Revenue Receipts



Tax Revenue



Non-Tax Revenue



Grants-in-Aid and Contributions

2.3 Revenue Receipts Components (2018-2019)

Share of various Taxes, Non-Tax revenue and Grants-in-aid and Contributions to total revenue receipts are given below:

(₹ in crore)

Components	Actuals
A. Tax Revenue	69682.27
Goods and Services Tax	26088.85
Taxes on Income and Expenditure	11532.30
Taxes on Property, Capital and Other Transactions	4075.42
Taxes on Commodities and Services other than Goods and Services Tax	27985.70
B. Non-Tax Revenue	11783.24
Interest Receipts, Dividends and Profits	264.50
General Services	9846.75
Social Services	636.67
Economic Services	1035.32
C. Grants-in-aid and Contributions	11388.96
Total - Revenue Receipts	92854.47

2.4 Trend of Receipts

The trend of revenue receipts and its percentage to GSDP are presented below:

(₹ in crore)					
Particulars	2014-15	2015-16#	2016-17#	2017-2018#	2018-2019
Tax Revenue	43158.79	51685.82	57401.39	63292.69	69682.27
	(8.42)	(9.20)	(9.31)	(9.22)	(8.99)
Non-Tax Revenue	7283.69	8425.49	9699.98	11199.61	11783.24
	(1.42)	(1.50)	(1.57)	(1.63)	(1.52)
Grants-in-aid	7507.99	8921.35	8510.35	8527.84	11388.96
	(1.46)	(1.59)	(1.39)	(1.24)	(1.47)
Total Revenue Receipts	57950.47	69032.66	75611.72	83020.14	92854.47
	(11.31)	(12.28)	(12.27)	(12.09)	(11.98)
GSDP (*)	512564	561994	616357	686764	774995

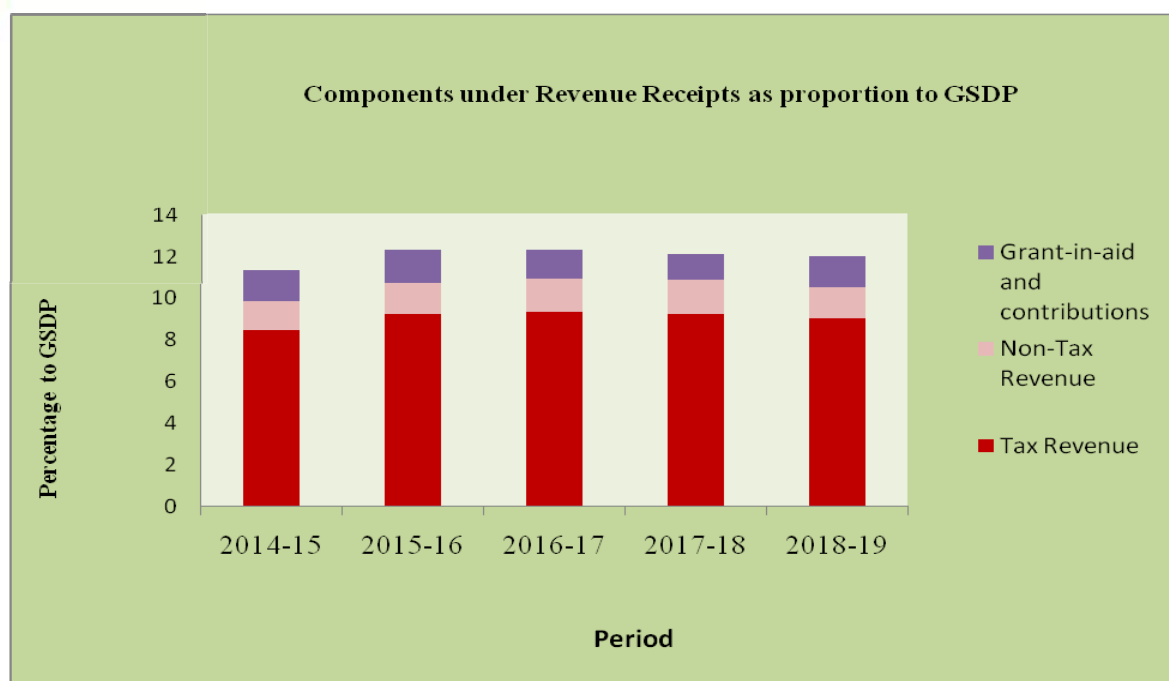
Note: (*) GSDP figures communicated by Director of Economics and Statistics of the State Government. The figures for 2016-17 are Provisional Estimate. The figures for 2017-18 are Quick Estimate and the figures for 2018-19 are Projected estimates.

Figures in parenthesis indicate percentage to GSDP.

(#) Change in figures with respect to previous report is due to adoption of revised GSDP figures.

The GSDP increased by 12.84 *per cent* between 2017-18 and 2018-19, while revenue receipts increased by 11.85 *per cent*. Tax Revenue of ₹69682.27 crore and Non-Tax Revenue of ₹11783.24 crore during 2018-19 formed 8.99 *per cent* and 1.52 *per cent* respectively of the GSDP. Major portion of Tax Revenue was collected under Taxes on Sales, Trade etc. i.e., ₹19225.75 crore representing 2.48 *per cent* of the GSDP. Out of the Tax Revenue of ₹69682.27 crore, the contributions of State's Own Taxes and Central Tax transfers were ₹50644.10 crore and ₹19038.17 crore respectively.

Trend of Revenue receipts relative to GSDP is presented below:

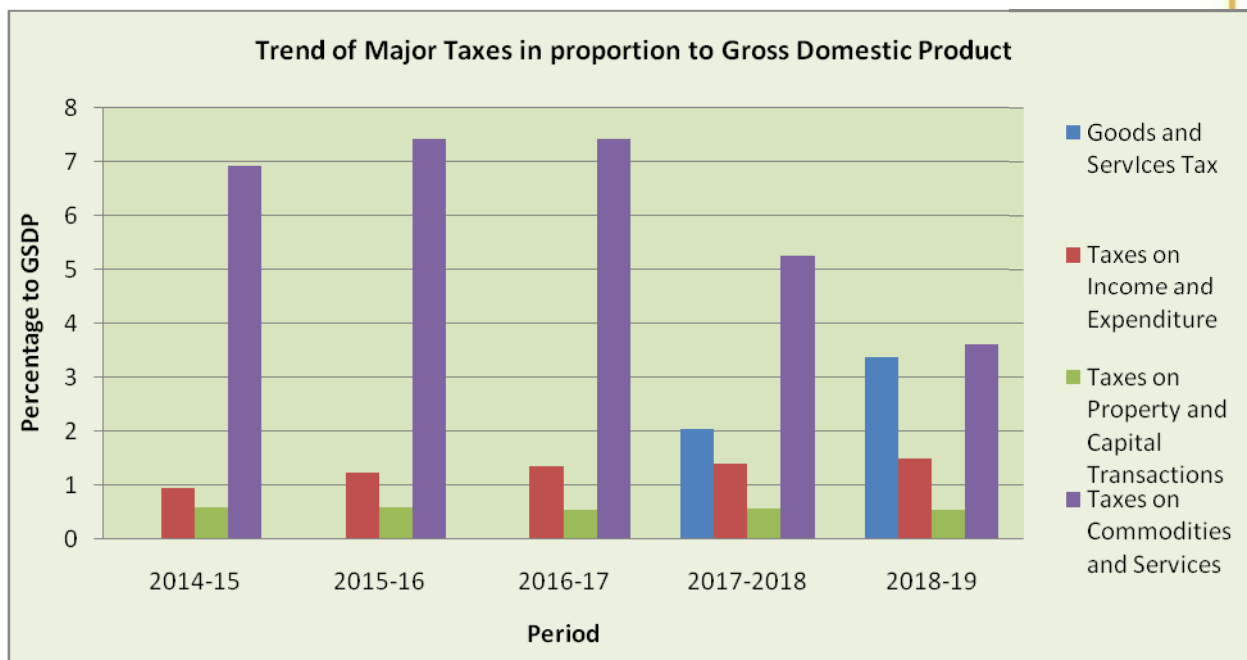


2.5 Tax Revenue

2.5.1 Sector-wise Tax Revenue

Sector-wise composition of Tax Revenue for the period 2014-15 to 2018-19 is given below:
(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax				13947.53	26088.85
Taxes on Income and Expenditure	4753.09	6786.80	8284.11	9513.90	11532.30
Taxes on Property and Capital Transactions	2918.97	3191.46	3301.11	3801.36	4075.42
Taxes on Commodities and Services other than Goods and Services Tax	35486.73	41707.56	45816.17	36029.90	27985.70
Total Tax Revenue	43158.79	51685.82	57401.39	63292.69	69682.27



2.6 Performance of State's Own Tax Revenue collection

An analysis of State's Own Tax Revenue and its percentage to GSDP for the period 2014-15 to 2018-19 are shown below:

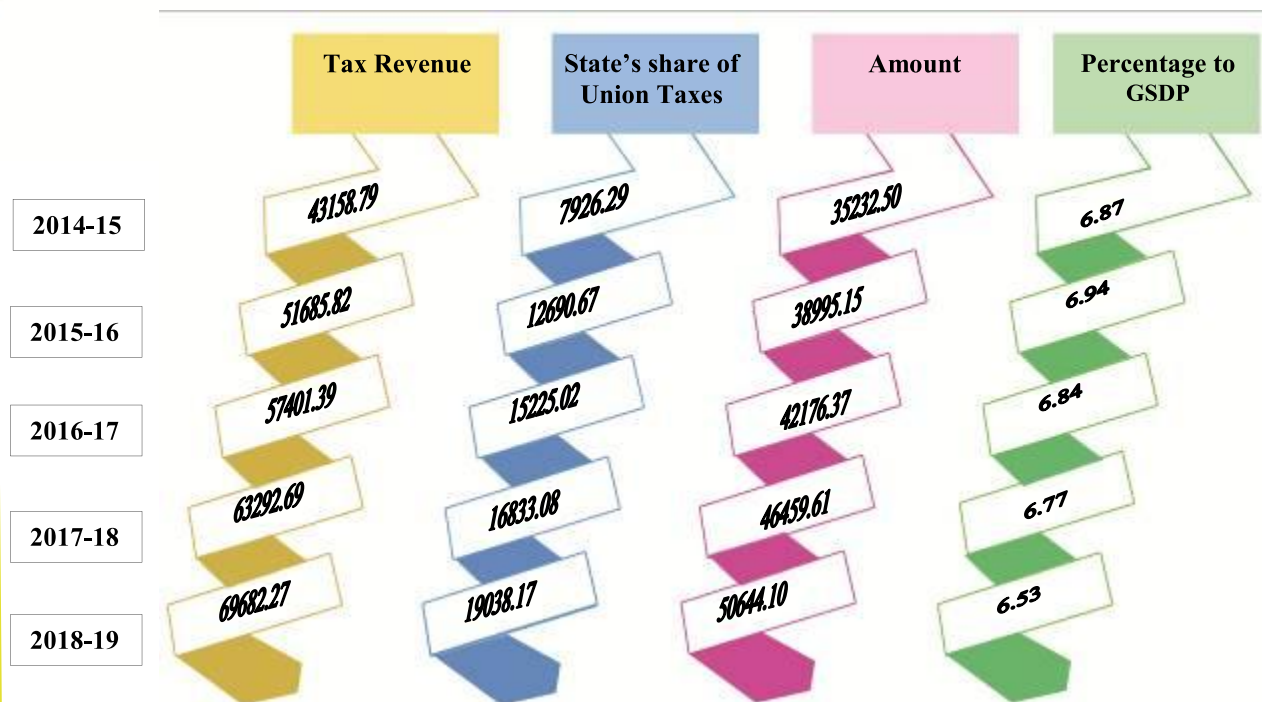
(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2014-15	43158.79	7926.29	35232.50	6.87
2015-16	51685.82	12690.67	38995.15	6.94
2016-17	57401.39	15225.02	42176.37	6.84
2017-18	63292.69	16833.08	46459.61	6.77
2018-19	69682.27	19038.17	50644.10	6.53

The State's Own Tax Revenue collected during 2018-19 was ₹4184.49 crore more than the year 2017-18 and ₹7943.90 crore less than the budget estimate for the year 2018-19 given in the Medium Term Fiscal Plan 2018-19 (₹ 58588.00 crore).

States Own Tax Revenue

(₹ in crore)



Following table depicts the comparative position of amount of Tax Revenue received from the two sources over a period of five years:

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
States own Tax collection	35232.50	38995.15	42176.37	46459.61	50644.10
Devolution of Union Taxes	7926.29	12690.67	15225.02	16833.08	19038.17
Total Tax Revenue	43158.79	51685.82	57401.39	63292.69	69682.27
Percentage of States own tax to Total tax revenue	81.63	75.45	73.48	73.40	72.68

2.7 Efficiency of Tax Collection

Tax collection under the major sectors and expenditure on collection for the period 2014-15 to 2018-19 are given below.

A. Taxes on Property, Capital and other Transactions

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Collection	2918.97	3191.46	3301.11	3801.36	4075.42
Expenditure on Collection	551.74	637.87	762.25	845.71	882.96
Percentage of expenditure on collection to revenue collection	18.90	19.99	23.09	22.25	21.66

B. Taxes on Commodities and Services other than Goods and Services Tax

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue collection	35486.73	41707.56	45816.17	36029.90	27985.70
Expenditure on collection	507.78	556.58	679.26	743.03	771.27
Percentage of expenditure on collection to Revenue collection	1.43	1.33	1.48	2.06	2.76

2.8 Trend in State's Share of Union Taxes over the past five years

Share of various taxes to total revenue receipts are given below:

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Corporation Tax	2767.88	4001.37	4885.98	5156.64	6621.02
Taxes on Income other than Corporation Tax	1976.54	2783.33	3395.77	4354.40	4876.10
Taxes on Wealth	7.47	0.89	11.18	(-)0.15	2.44
Customs	1281.91	2031.61	2101.76	1699.40	1349.57
Union Excise Duties	723.84	1688.82	2400.03	1776.40	896.86
Service Tax	1168.58	2175.85	2430.25	1906.55	173.73
Others	0.07	8.80	0.05	1939.84*	5118.45*
Total State Share of Union Taxes	7926.29	12690.67	15225.02	16833.08	19038.17
Total Tax Revenue	43158.79	51685.82	57401.39	63292.69	69682.27
Percentage of States share of Union Taxes to total Tax Revenue	18.37	24.55	26.52	26.60	27.32

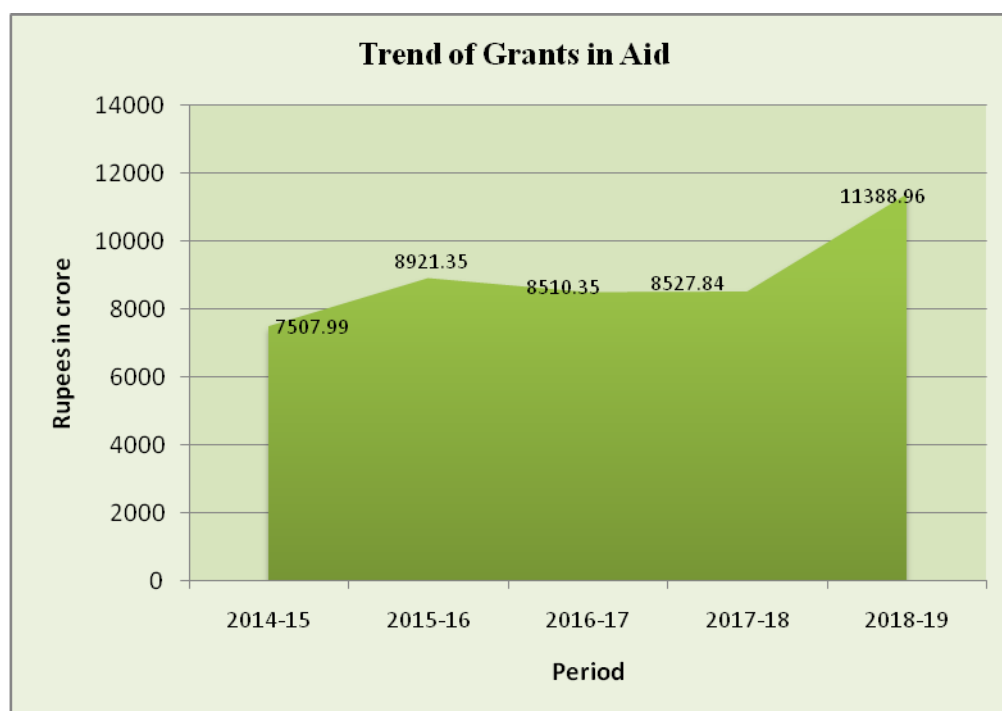
* Represents ₹4699.14 crores CGST, ₹ 375.00 crores IGST and ₹44.31 crores others

2.9 Grants-in-Aid

Grants-in-aid represent assistance from Government of India, and comprise Grants for Centrally Sponsored Schemes approved by NITI Aayog, Grants recommended by the Finance Commission and Other grants. Total receipts during the year 2018-19 under Grants-in-aid were ₹11388.96 crore as shown below



2.9.1 Trend of Grants-in-Aid received for the period 2014-15 to 2018-19 is given below:



2.10 Public Debt

The section Public Debt comprises 'Internal Debt' and 'Loans and Advances from Central Government and their repayments made by Government.

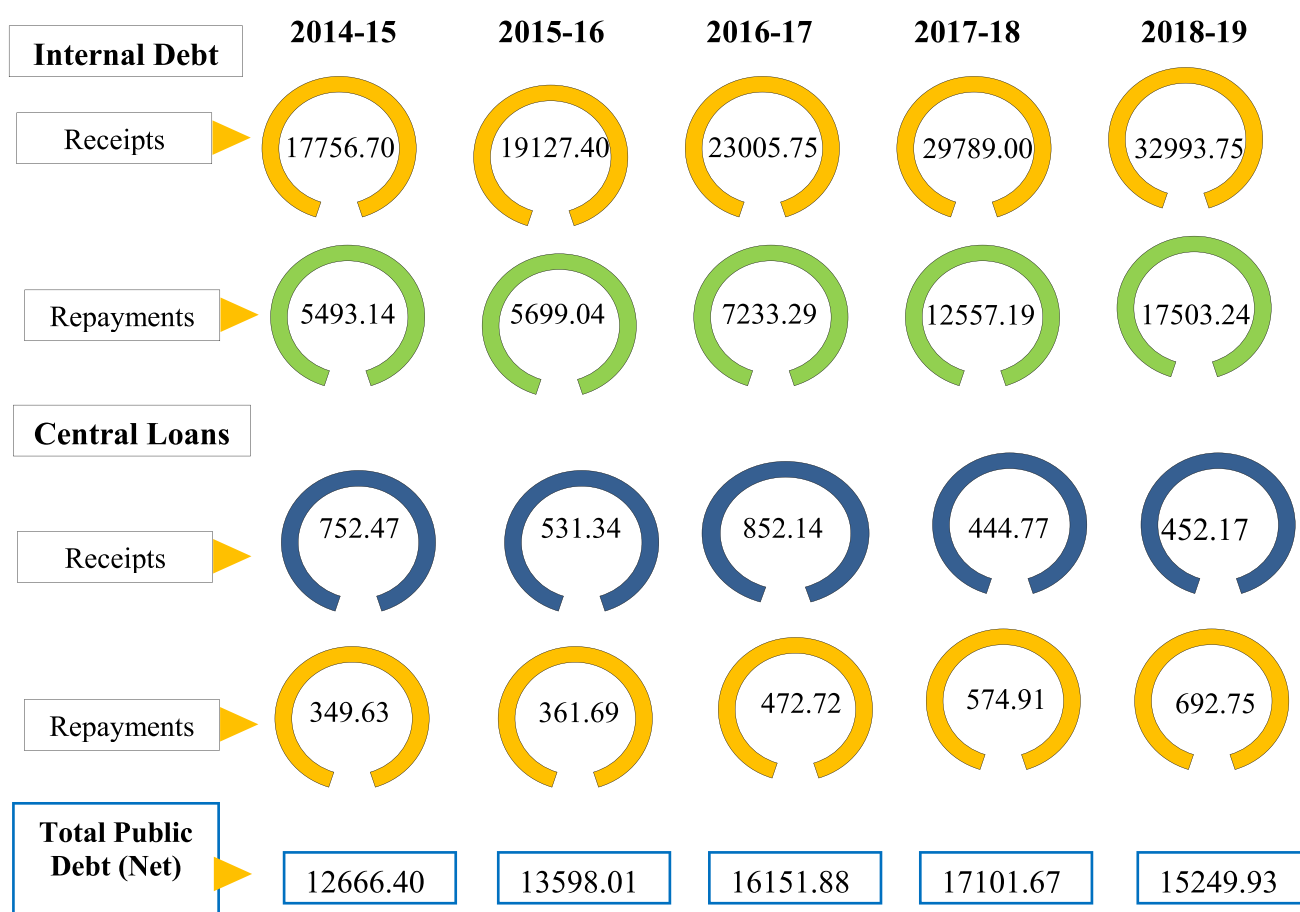
2.10.1 Trend of Public Debt over the past five years

The trend of Public Debt receipts and repayments over the past five years is as under:

(₹ in crore)

Year	Internal Debt		Loans and Advances from Central Government		Total Public Debt (Net)
	Receipts	Repayments	Receipts	Repayments	
2014-15	17756.70	5493.14	752.47	349.63	12666.40
2015-16	19127.40	5699.04	531.34	361.69	13598.01
2016-17	23005.75	7233.29	852.14	472.72	16151.88
2017-18	29789.00	12557.19	444.77	574.91	17101.67
2018-19	32993.75	17503.24	452.17	692.75	15249.93

(₹ in crore)



3.1 Introduction

Expenditure is classified as Revenue expenditure and Capital expenditure. It is further classified as Plan and Non-Plan. Revenue expenditure is incurred to meet expenses for the day-to-day running of the Government. Capital expenditure is used to create permanent assets to enhance the utility of such assets or to reduce permanent liabilities.

In Government accounts, expenditure is classified into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in table given below:

● General Services	Include Administration of Justice, Police, Jail, PWD, Pension etc.
● Social Services	Include Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
● Economic Services	Include Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue expenditure for 2018-19, ₹110316.39 crore (comprising Non-Plan expenditure of ₹96425.83 crore and Plan expenditure of ₹13890.56 crore) was less than the budget estimates by ₹18846.67 crore (less by ₹ 9996.75 crore under 'Non-Plan' and ₹ 8849.92 crore under 'Plan'). The shortfall of expenditure against Budget Estimates under Revenue Section during the past five years is given below.

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates	79550.60	91829.55	103289.25	116069.49	129163.06
Actuals	71746.43	78689.47	91096.31	99948.35	110316.39
Shortfall	7804.17	13140.08	12192.94	16121.14	18846.67
Percentage of shortfall over Budget Estimates	9.81	14.31	11.80	13.89	14.59

Around 63.40 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 32520.66 crore), Interest payment (₹16747.92) Pension Payments (₹19011.94) and subsidies (₹1663.01) which is the committed liability of the State Government.

The position of committed and uncommitted revenue expenditure over the last five years is given below:

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Total Revenue Expenditure	71746.43	78689.47	91096.31	99948.35	110316.39
Committed Revenue Expenditure	43895.42	49302.89	57497.31	68885.17	69943.53
Percentage of committed expenditure to Revenue Expenditure	61.18	62.66	63.12	68.92	63.40
Uncommitted revenue Expenditure	27851.01	29386.58	33599.00	31063.18	40372.86

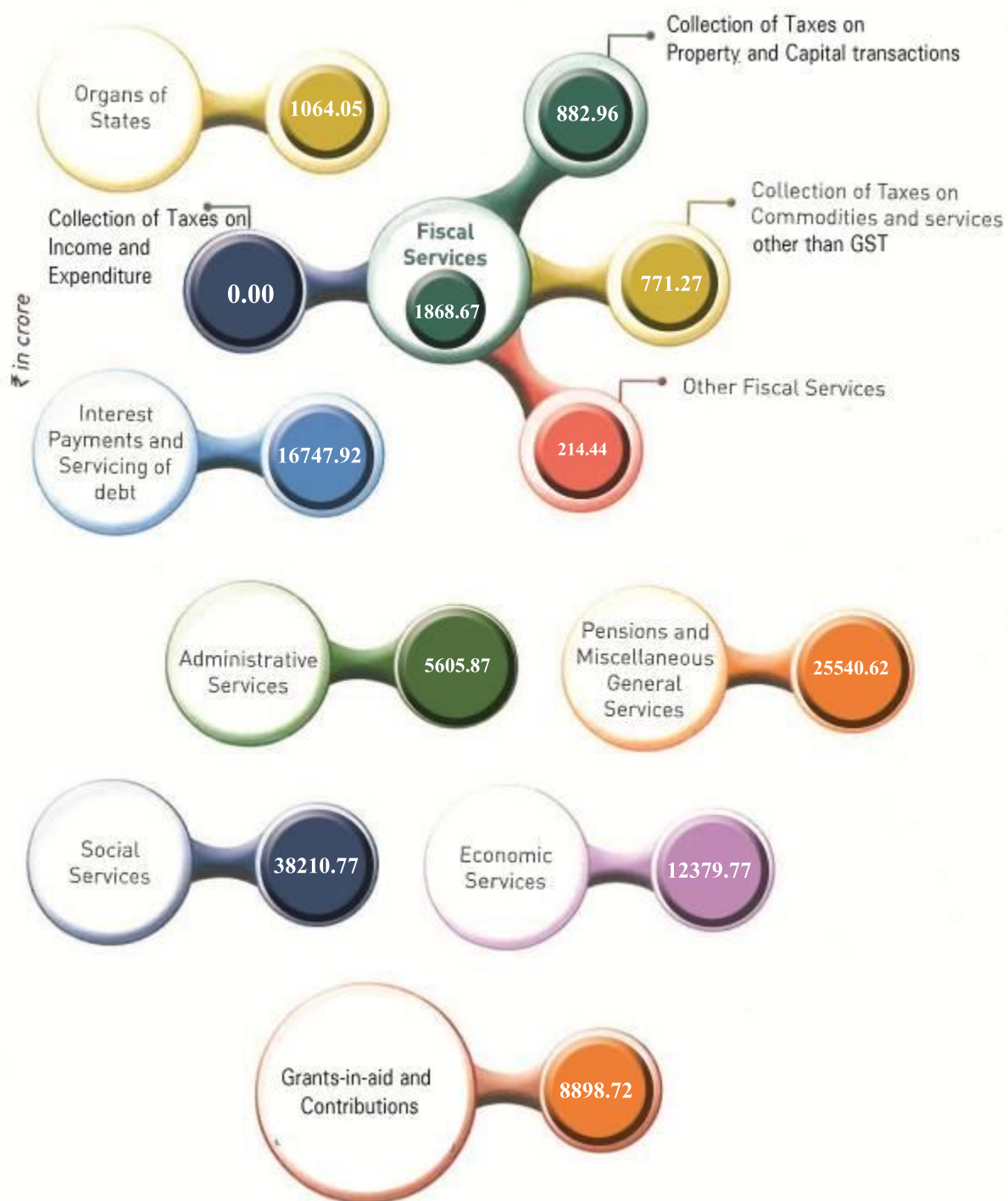
It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased during the year 2018-19. The total revenue expenditure increased by 53.76 *per cent* from ₹71746.43 crore in 2014-15 to ₹110316.39 crore in 2018-19 and committed revenue expenditure increased by 59.34 *per cent* over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure

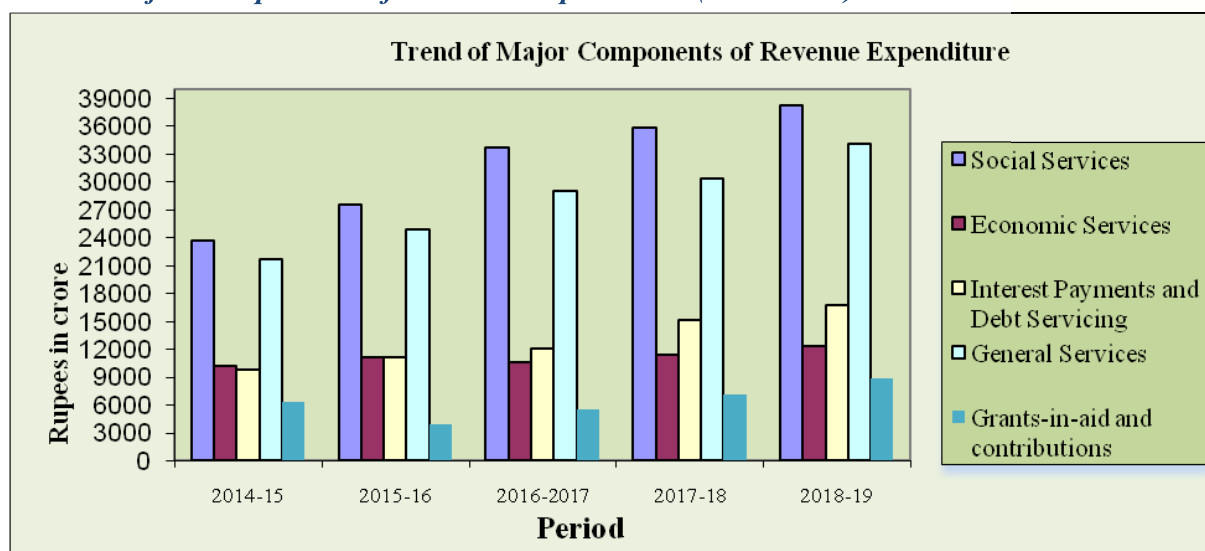
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

(₹ in crore)

	Components	Amount	Percentage to Total Revenue Expenditure
A	General Services	50827.13	46.07
a	Organs of State	1064.05	0.96
b	Fiscal Services	1868.67	1.69
i)	Collection of Taxes on Income and Expenditure	0	0.00
ii)	Collection of Taxes on Property and Capital transactions	882.96	0.80
iii)	Collection of Taxes on Commodities and Services other than Goods and Services Tax	771.27	0.70
iv)	Other Fiscal Services	214.44	0.19
c	Interest Payments and Servicing of Debt	16747.92	15.18
d	Administrative Services	5605.87	5.08
e	Pensions and Miscellaneous General Services	25540.62	23.15
B	Social Services	38210.77	34.64
C	Economic Services	12379.77	11.22
D	Grants-in-aid and Contributions	8898.72	8.07
	Total Expenditure (Revenue Account)	110316.39	100.00



3.2.2 Major Components of Revenue Expenditure (2014-2018)



Note: - General Services excludes MH 2049 (Interest payments).

3.3 Capital Expenditure

Capital disbursements for 2018-19, ₹9753.43 crore (comprising Non-Plan expenditure of ₹1646.04 crore and Plan expenditure of ₹8107.39 crore) were less than the budget estimates by ₹5741.97 crore due to less disbursement under Non-Plan (₹ 976.74 crore) and less under Plan (₹ 4765.23 crore).

The growth in capital expenditure and growth of GSDP since 2014-15 can be seen from the table below:

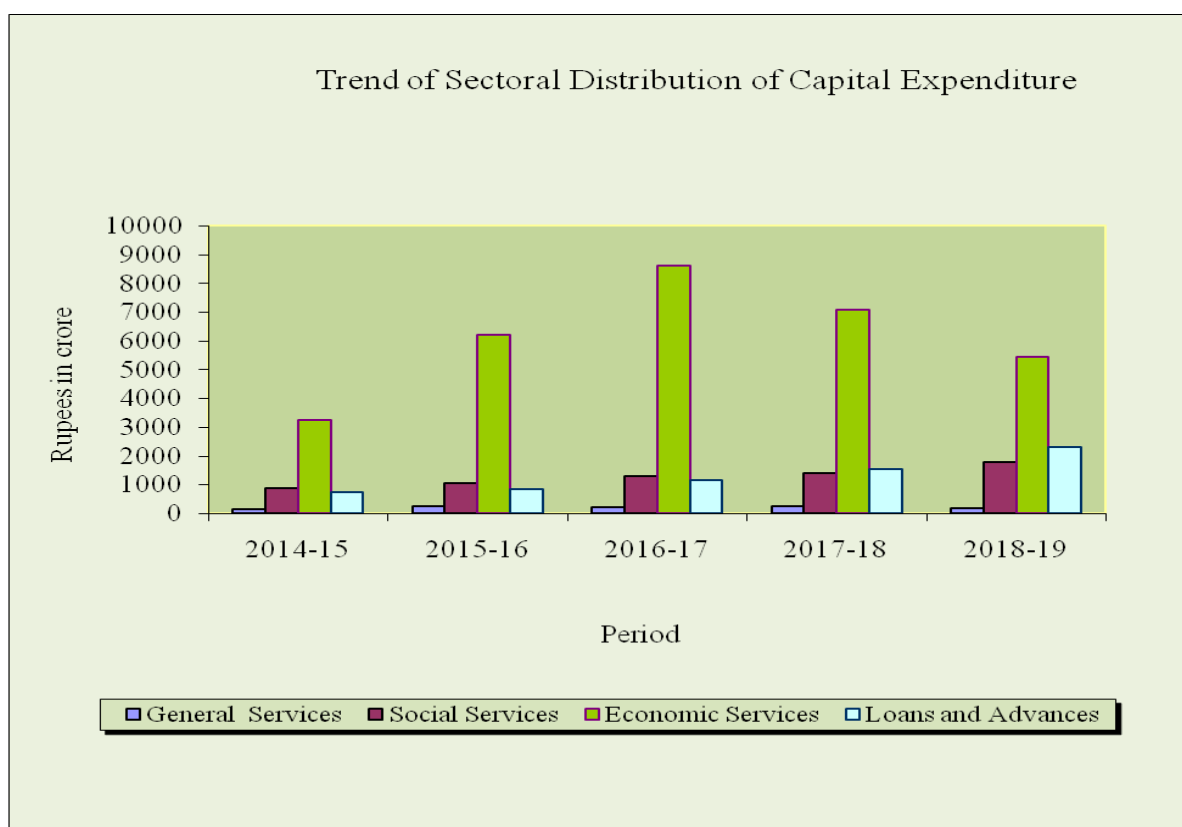
(₹ in crore)

S.No	Components	2014-15	2015-16	2016-17	2017-18	2018-19
1	Budget(B.E)	9265.66	11495.64	14171.86	14516.53	15495.4
2	Actual Expenditure	4997.68	8342.29	11286.24	10289.46	9753.43
3	Percentage of Actual Expenditure to B.E	53.94	72.57	79.64	70.88	62.94
4	Yearly Growth in Capital Expenditure	(-)13%	67%	35%	(-) 9%	-5.21%
5	GSDP	512564	561994	616357	686764	774995
6	Yearly Growth in GSDP	10%	9.6%	9.7%	11.4%	12.8%

3.3.1 Sectoral distribution of Capital Expenditure

Sectoral distribution of capital expenditure and its percentage to total capital expenditure is given below:

Sl No.	Sectors	Amount	(₹ in crore)
			Percentage to Capital Expenditure
1	General Services	197.96	2.03
2	Social Services	1784.29	18.29
3	Economic Services	5448.29	55.86
4	Loans and Advances	2322.89	23.82
	Total	9753.43	100.00



3.3.2 Sectoral distribution of capital expenditure and revenue expenditure over the past five years

The comparative sectoral distribution of capital and revenue expenditure over the past five years is given below:

(₹ in crore)

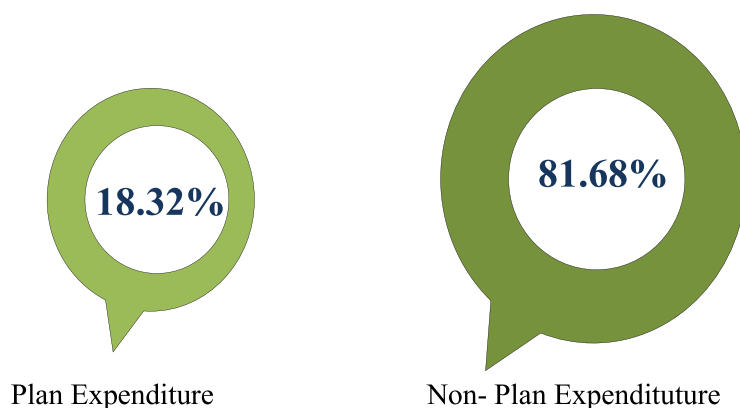
S.No	Sectors		2014-15	2015-16	2016-17	2017-2018	2018-19
1	General Services	Capital	134.66	256.60	210.86	268.01	197.96
		Revenue	31432.75	36084.68	41195.33	45523.77	50827.13
2	Social Services	Capital	875.26	1035.03	1292.68	1405.89	1784.29
		Revenue	23718.12	27603.29	33764.72	35876.27	38210.77
3	Economic Services	Capital	3244.67	6208.41	8622.41	7074.97	5448.29
		Revenue	10197.56	11098.42	10655.35	11351.08	12379.77
4	Grants-in-aid and contributions	Capital	-	-	-	-	-
		Revenue	6398.00	3903.08	5480.91	7197.23	8898.72

CHAPTER IV

PLAN & NON-PLAN EXPENDITURE

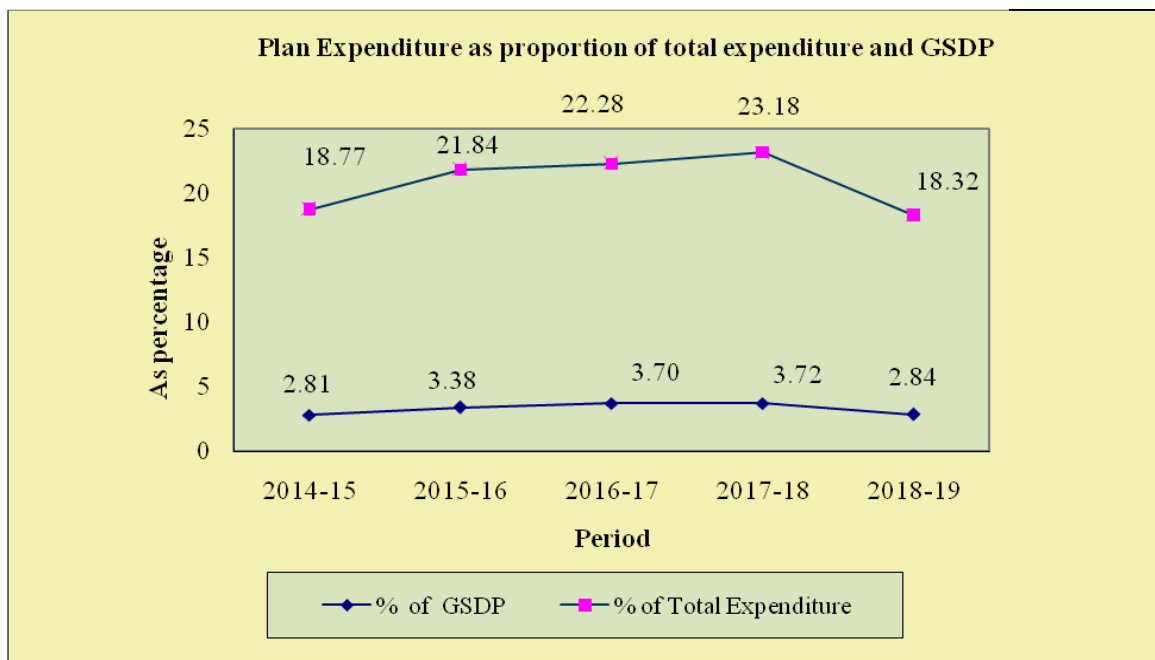
4.1 Distribution of Expenditure

The distribution of disbursement under Plan and Non-Plan expenditure is given below:



4.2 Plan Expenditure

Plan Expenditure during 2018-19 (₹ 21997.95 crore) consists of ₹13890.56 crore under Revenue and ₹8107.39 crore under Capital. It represents 18.32 *per cent* of the total expenditure of ₹120069.82 crore and comprises ₹18521.72 crore under State Plan and ₹ 3476.23 crore under Centrally Sponsored Schemes/Central Assistance Schemes.



4.2.1 Plan expenditure under Capital Account

The plan expenditure under Capital Account during the past five years is given below

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total Capital Expenditure	4997.68	8342.29	11286.24	10289.46	9753.43
Capital Expenditure (plan) (Includes Loans and Advances)	4124.12	6926.09	9320.90	9374.50	8107.39
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	82.52	83.02	82.59	91.11	83.12

(₹ in crore)

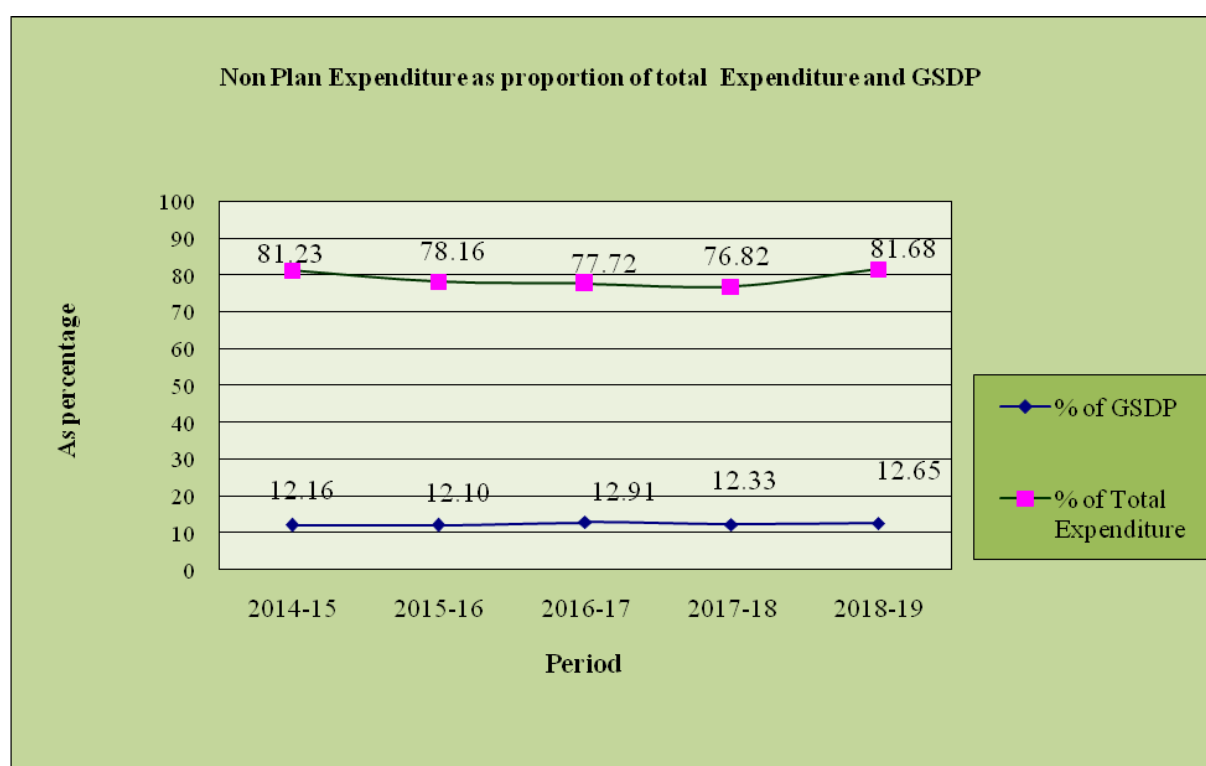
Total Capital Expenditure	4997.68	8342.29	11286.24	10289.46	9753.43
Capital Expenditure (plan)	4124.12	6926.09	9320.90	9374.50	8107.39
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	82.52	83.02	82.59	91.11	83.12
	2014-15	2015-16	2016-17	2017-18	2018-19

4.2.2 Plan expenditure on Loans and Advances

Plan expenditure on Loans and Advances during 2018-19 was ₹1328.85 crore under 16 Loan Heads of Account.

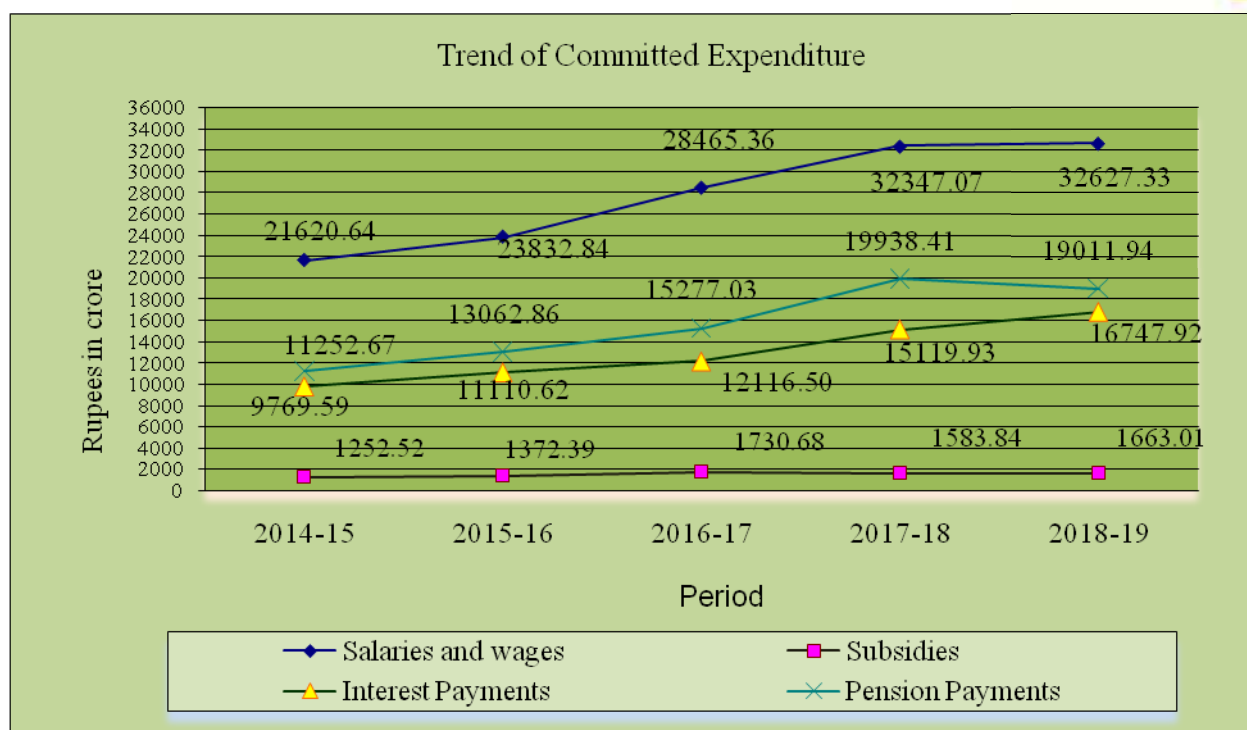
4.3 Non-Plan Expenditure

Non-Plan expenditure during 2018-19 (₹ 98071.87 crore) consists of ₹96425.83 crore under Revenue and ₹1646.04 crore under Capital. It represents 81.68 *per cent* of the total expenditure of ₹120069.82 crore.



4.4 Committed Expenditure

The committed expenditure of the State Government mainly consists of expenditure on interest, pension, salaries and wages and subsidies. Chart representing trends of committed expenditure during the last five years is given below:

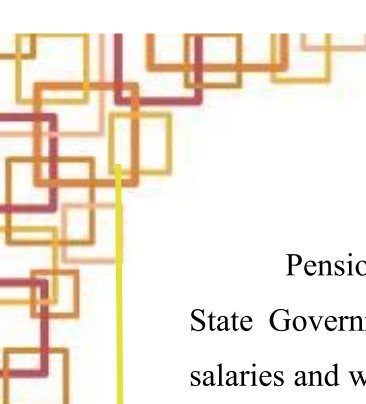


The ratio of salaries and wages, interest payments, pension and subsidies (Committed Expenditure) to Revenue Receipts of the State during the current year was 75.44 *per cent*.

Committed expenditure and its percentage to Revenue Receipts and Revenue Expenditure during the past five years are given below:

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	43895.42	49378.71	57589.57	68989.25	70050.20
Revenue Expenditure	71746.43	78689.47	91096.31	99948.35	110316.39
Percentage of committed expenditure to Revenue Receipts	75.75	71.53	76.16	83.10	75.44
Percentage of committed expenditure to Revenue Expenditure	61.18	62.75	63.22	69.03	63.50



Pension payments during 2018-19 was ₹790.94 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 18221.00 crore). The expenditure on salaries and wages (including the salary of staff of State aided educational institutions paid by Government) during the year 2018-19 was ₹32627.33 crore constituting 35.14 *per cent* of the revenue receipts and 29.58 *per cent* of the revenue expenditure. The salary expenditure is 43.76 *per cent* of revenue expenditure net of interest and pension payments and it is ₹301.67 crore less than the projection made by State Government in Medium Term Fiscal Plan (₹ 32929.00 crore).

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

The Appropriation Accounts of the Government of Kerala for the year 2018-19 present the accounts of sums expended in the year ended 31 March 2019 compared with the sums specified in the Schedules appended to the Appropriation Acts passed by the State Legislature under Articles 204 and 205 of the Constitution of India.

As per the Appropriation Accounts of the State for the year 2018-19, the actual expenditure was ₹143721.60 crore comprised ₹115404.34 crore Revenue Expenditure, ₹ 7798.38 crore Capital Expenditure, ₹18195.99 crore repayment of Public Debt and ₹ 2322.89 crore Loans and Advances. There were Savings under these sections with reference to total Grants/Appropriation allocated by the State Legislature as indicated below:

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/Appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue					
	Voted	101074.46	12536.22	113610.68	98026.35	-15584.33
	Charged	15451.62	965.80	16417.42	17377.99	960.57
2	Capital					
	Voted	10262	2636.33	12898.33	7676.24	-5222.09
	Charged	87.55	84.03	171.58	122.14	-49.44
3	Public Debt					
	Charged	14832.15		14832.15	18195.99	3363.84
4	Loans and Advances					
	Voted	1102.09	1340.08	2442.17	2321.12	-121.05
	Charged		2.57	2.57	1.77	-0.80
	Total	142809.87	17565.03	160374.90	143721.60	-16653.30

5.2 Trend of Savings/Excess during the past five years

Trend of Savings/Excess during the past five years is given below:

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2014-15	(-)7622.14	(-)4039.54	(-)8349.59	(-)146.70	(-)20157.97
2015-16	(-)12509.23	(-)2965.19	(-)8917.24	(-)121.96	(-)24513.62
2016-17	(-)11466.04	(-)2610.87	(-)6268.77	(-)114.61	(-)20460.29
2017-18	(-)7349.83	(-)3355.04	(-)473.91	(-)246.18	(-)11424.96
2018-19	(-)14623.76	(-)5271.53	3363.84	(-)121.85	(-)16653.30

5.2.1 Excess over provision requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹40.46 crore under Revenue voted Section, ₹1057.82 crore under Revenue Charged section, ₹3364.87 crore under Capital Charged section. This excess expenditure of ₹4463.15 crore requires regularisation under Article 205 of the Constitution of India.

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total grant/appropriation	Expenditure	Excess
Voted Grants - Revenue				
1	I State Legislature	111.95	112.60	0.65
2	XIX Family Welfare	527.97	567.78	39.81
	Total Voted Grants-Revenue	639.92	680.38	40.46
Charged Appropriation - Revenue				
3	Debt charges	15868.46	16926.15	1057.69
4	XXXIV Forest	*	0.13	0.13

Sl No.	Number and title of Grant/Appropriation	Total grant/ Appropriation	Expenditure	Excess
	Total Charged Appropriation- Revenue	15868.46	16926.28	1057.82
	Charged Appropriation - Capital			
5	Public Debt Repayment	14832.15	18195.99	3363.84
6	XVII Education, Sports, Art and Culture	13.71	14.74	1.03
	Total Charged Appropriation - Capital	14845.86	18210.73	3364.87
	Grand Total	31354.24	35817.39	4463.15

* Amount negligible

5.2.2 Significant Savings

Some Grants with significant savings (percentage) during the last five years are given below:

(₹ in crore)

Grant No.	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
REVENUE VOTED						
XXII	Urban Development	75	69	42	67	61
XXXVI	Rural Development	33	25	74	75	69
CAPITAL VOTED						
XXVIII	Miscellaneous Economic Services	96	56	29	57	51

5.2.3 Unnecessary Supplementary Grants

Supplementary provisions aggregating ₹6108.51 crore, obtained in 35 cases during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as given below:

(₹ in crore)

GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure
Revenue Voted				
II	Heads of States, Ministers and Headquarters Staff	745.42	48.00	620.05
III	Administration of Justice	761.61	8.33	723.18
V	Goods and Services Tax, Agricultural Income Tax and Sales Tax	353.44	10.48	339.23
VIII	Excise	300.83	19.00	284.16
XII	Police	3971.56	50.53	3649.15
XIV	Stationery and Printing and other Administrative Services	553.43	6.84	499.90
XV	Public Works	3036.21	1.03	3024.36
XVII	Education,Sports,Art and Culture	20352.89	425.00	19126.89
XX	Water Supply and Sanitation	452.47	31.22	414.33
XXII	Urban Development	2601.85	300.00	1118.33
XXIII	Information and Publicity	100.03	6.61	93.07
XXV	Welfare of SC,ST,OBC and Minorities	2933.84	229.20	2570.99
XXVII	Co-operation	441.94	0.27	335.41
XXVIII	Miscellaneous Economic Services	191.37	100.03	187.25
GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure

XXIX	Agriculture	3636.75	271.14	3044.46
XXX	Food	1725.42	191.00	1407.29
XXXI	Animal Husbandry	715.93	20.15	654.15
XXXIII	Fisheries	399.38	84.03	390.96
XXXV	Panchayat	606.78	30.76	508.23
XLIII	Compensation and Assignments	9129.88	1311.42	8914.61
XLVI	Social Security and Welfare	4553.25	896.63	3785.77
	Total	57564.28	4041.67	51691.77
Revenue Charged				
I	State Legislature	0.78	0.05	0.68
V	Goods and Services Tax, Agricultural Income Tax and Sales Tax	0.36	0.26	0.28
XII	Police	5.76	0.16	5.26
	Total	6.90	0.47	6.22
Capital – Voted				
XIV	Stationery and Printing and other Administrative Services	10.50	0.55	10.28
XVII	Education, Sports, Art and Culture	536.37	125.35	457.93
XVIII	Medical and Public Health	448.38	96.97	413.63
XXV	Welfare of SC, ST, OBC and Minorities	300.38	2.18	176.83
XXVIII	Miscellaneous Economic Services	1675.49	1600.68	1612.21
XXX	Food	94.22	4.62	85.17
XXXIII	Fisheries	434.05	2.30	234.58

XXXV	Panchayat	672.62	83.75	316.70
XXXVII	Industries	995.43	39.99	610.17
XLVI	Social Security and Welfare	123.36	104.30	121.14
	Total	5290.80	2060.69	4038.64
Capital-Charged				
XV	Public Works	80.00	5.68	38.82

5.3 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Kerala Contingency Fund Act, 1957 in terms of provisions of Article 267 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent nature, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its current corpus is ₹100 crore. The following details indicate the extent to which this fund was used during the last five years.

(₹ in crore)

	2014-15	2015-16	2016-17	2017-2018	2018-2019
Number of withdrawals from Contingency Fund	2	3	Nil	2	1
Total withdrawals from Contingency Fund (Rupees in crore)	17.79	2.61	Nil	88.08	2.12
Withdrawals from Contingency Fund as percentage to total Budget provision	0.02	0.003	Nil	0.07	0.001

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

In the existing Government accounting system, comprehensive accounting of fixed assets like land and building owned by the Government is not done. However, the government accounts do capture the financial liabilities of Government and the assets created out of the expenditure incurred.

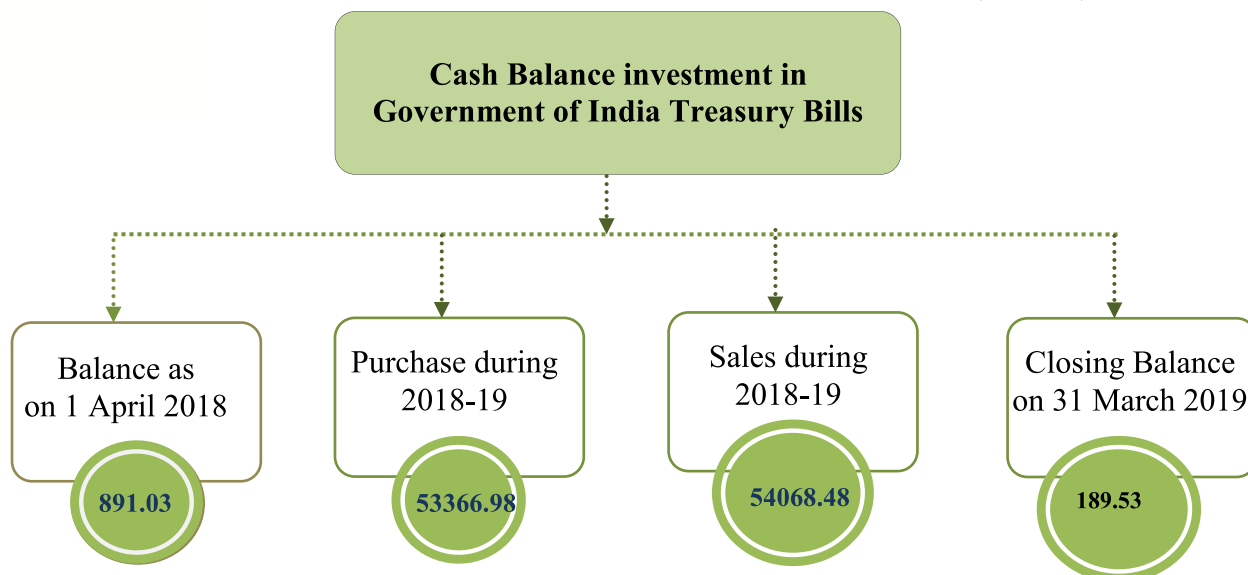
Total investments as share capital in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies etc. stood at ₹8545.35 crore at the end of 2018-2019. Dividends received during the year were ₹132.12 crore (1.55 per cent of investment). During 2018-19, investments increased by ₹253.52 crore and dividend income increased by ₹5.64 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) increased from ₹(-)44.08 crore at the beginning of the year 2018-19 to ₹(-)17.81 crore at its end. Government had invested an amount of ₹53366.98 crore on treasury bills on 92 occasions and rediscounted Treasury Bills worth ₹54068.48 crore on 231 occasions during the year 2018-19.

(₹ in crore)

Cash Balance investment in Government of India Treasury Bills			
Balance as on 1 April 2018	Purchases during 2018-19	Sales during 2018-19	Closing Balances on 31 March 2019
891.03	53366.98	54068.48	189.53

(₹ in crore)



6.2 Debt and Liabilities

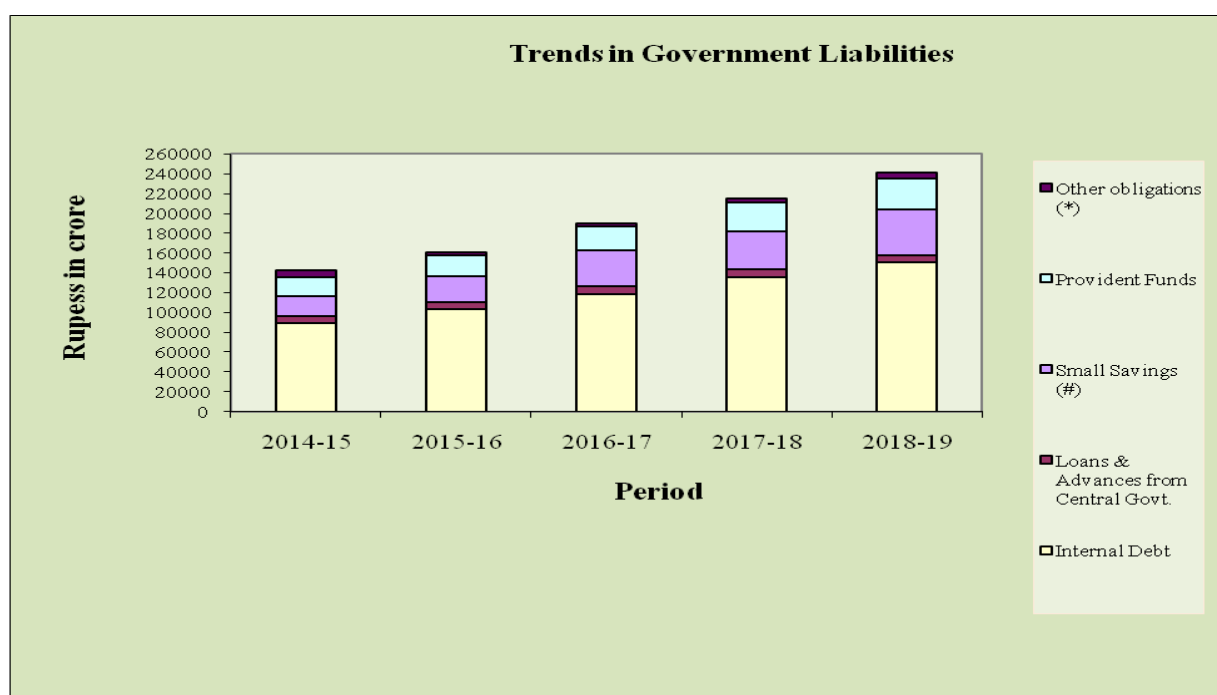
Outstanding Public Debt of the State at the end of 2018-19 was ₹158234.45 crore, comprising Internal Debt (₹ 150991.04 crore) and Loans and Advances from Central Government (₹ 7243.41 crore). Other liabilities accounted under Public Account were ₹ 83380.06 crore. The State also acts as a banker and trustee in respect of Small Savings, Provident Funds and Deposits. There was an overall increase of ₹10011.61 crore in respect of such liabilities of the State Government during 2018-19.

Interest payments on debt and other liabilities totaling ₹16898.64 crore constituted 15.32 percentage of revenue expenditure of ₹110316.39 crore. Interest payments on Public Debt were ₹12086.29 crore ((Internal Debt: ₹11762.12 crore (excluding Management of debt ₹27.51 crore, Recoveries of overpayments ₹0.14 crore), Loans and Advances from Central Government: ₹324.17 crore excluding recoveries of over payment ₹4.49 crore)). Expenditure on account of interest payments increased by ₹1802.89 crore during 2018-19.

Internal debt of ₹32993.75 crore was raised during 2018-19. The debt obligations discharged on this account were ₹17503.24 crore. Details of the Public Debt and the total liabilities of the State Government are as under:

(₹ in crore)

	Internal Debt	Loans & Advances from Central Govt.	Total Public Debt	Small Savings (#)	Provident Funds	Other obligations (*)	Total Liabilities	Percentage of total liabilities to GSDP
2014-15	89067.90	7065.06	96132.96	19929.74	19377.54	6506.65	141946.89	27.69
2015-16	102496.26	7234.71	109730.97	26046.55	21592.81	3168.35	160538.68	28.57
2016-17	118268.72	7614.13	125882.85	36040.07	24530.94	3314.69	189768.55	30.79
2017-18	135500.53	7483.99	142984.52	38974.15	28803.70	3755.85	214518.22	31.24
2018-19	150991.04	7243.41	158234.45	46401.37	30995.69	5983.00	241614.51	31.18



(*) Includes Reserve Funds and Deposits

(#) Includes Trusts and Endowments and Insurance and Pension Funds.

6.3 Guarantees

Government gives guarantees for due discharge of certain liabilities like repayment of loans, share capital, payment of interest, dividend etc. by Statutory Corporations, Government Companies, Co-operative Banks, Societies etc. As per section 3 of the Kerala Government Guarantees Act, 2003 amended vide 'Kerala Finance (No.2) Act, 2018', the total outstanding Government Guarantees shall be within the limit of 'five percent of the Gross State Domestic

Product (GSDP) of the State as, calculated by the Department of Economics and Statistics for the respective financial year'. This Act came into force with effect from 01 April 2018. The position of guarantees for the period 2014-15 to 2018-19 is given below:

(₹ in crore)

At the end of the year	Amount Guaranteed	Amount outstanding
2014-15	13123.30	11126.87
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56
2017-18	25104.33	17356.47
2018-19	46795.99	26834.65

(₹ in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding (Principal and Interest)
2014-15	13123.30	11126.87
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56
2017-18	25104.33	17356.47
2018-19	46795.99	26834.65

As per the statement furnished by the Government the outstanding guarantees as on 31 March 2019 was ₹ 26834.65 crore. An amount of ₹124.10 crore was received by Government during 2018-19 towards guarantee fee. Arrears of guarantee fee as on 31 March 2019 amounted to ₹ 228.38 crore.

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. State Government receives loans from Central Government, LIC of India, NCDC, NABARD, RBI etc. It also raises loans from open market to finance certain projects, schemes, etc. As on 31.3.2019 there are no instances of adverse balance under Internal Debt.

7.2 Loans and Advances by the State Government

Total Loans and Advances disbursed by the State Government at the end of the year 2018-19 was ₹17275.39 crore. During the year 2018-19, the State Government disbursed Loans and Advances amounting to ₹ 2322.89 crore. Recovery of ₹ 13717.08 crore (Principal: ₹ 8733.41 crore and Interest: ₹ 4983.67 crore) was in arrears as on 31 March 2019.

Of the above arrears 76.10 per *cent* pertains to four institutions/organisations viz., Kerala Water Authority (₹ 4439.75 crore), Kerala State Housing Board (₹ 1719.39 crore), Kerala State Electricity Board (₹ 1767.88 crore) and Kerala State Road Transport Corporation (₹ 2511.82 crore). The loans for which terms and conditions had not been fixed by Government is ₹84.56 crore (₹ 57.19 crore maintained by department and ₹ 27.37 crore maintained by AG (A&E)).

As on 31.3.2019 there are 20 instances of adverse balance under Loan major heads amounting to ₹3.50 crore.

7.3 Financial Assistance to Local Bodies and Others

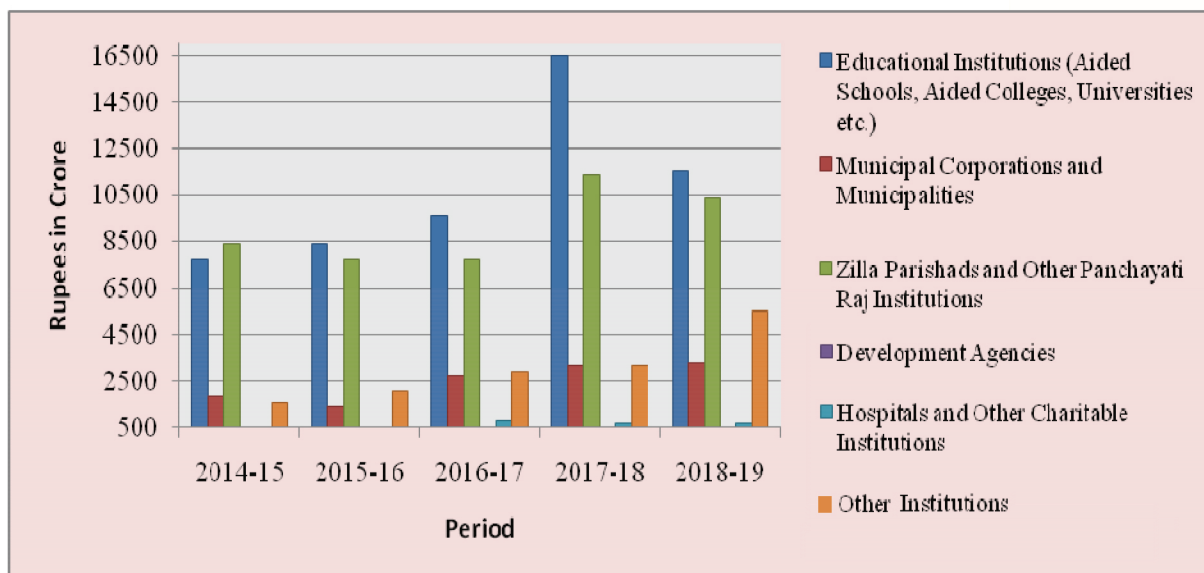
Assistance given to local bodies and others in 2018-19 was ₹31486.82 crore. It increased from ₹19943.73 crore in 2014-15 to ₹34929.20 crore in 2017-18 but decreased to ₹31486.82 crore in 2018-19. Out of the total financial assistance given to local bodies and others, the share of Educational Institutions was 38.95 *per cent*, 41.83 *per cent*, 40.20 *per cent*, 47.27 *per cent* and 36.63 *per cent* respectively for the years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19.

During the year 2018-19, financial assistance given to Local Self Government Institutions was ₹13714.02 crore (Municipal Corporation and Municipalities: ₹3287.46 crore, Panchayati Raj Institutions: ₹10426.56 crore) constituting 14.77 *per cent* of the revenue receipts and 12.43 *per cent* of the revenue expenditure. The share of Local Self Government Institutions alone was 43.55 *per cent* of the total financial assistance to Local bodies and Others.

Details of financial assistance to local bodies, educational institutions, etc.

Details of financial assistance to local bodies, educational institutions, etc. for the past five years are given below:

	(₹ in crore)				
Financial Assistance to Local bodies and Others	2014-15	2015-16	2016-17	2017-18	2018-19
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	7769.01	8409.89	9602.98	16511.23	11532.60
Municipal Corporations and Municipalities	1836.39	1405.77	2756.55	3178.62	3287.46
Zilla Parishads and Other Panchayati Raj Institutions	8423.74	7767.62	7775.98	11335.87	10426.56
Development Agencies	6.23	5.91	14.73	20.91	16.93
Hospitals and Other Charitable Institutions	305.76	407.60	812.18	686.29	696.91
Other Institutions	1602.60	2104.35	2927.71	3196.28	5526.36
Total	19943.73	20101.14	23890.13	34929.20	31486.82



7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Particulars	As on March 2018	As on March 2019	Increase(+)/ Decrease(-)
Cash balances	-44.08	-17.81	26.27
Investments from cash balances (a+b)	891.03	189.53	-701.50
a. GOI Treasury Bills	885.88	187.86	-698.02
b. GOI Securities	5.15	1.67	-3.48
Other Cash Balances	0.27	-0.5	-0.77
1) Departmental Balances	-0.15	-0.98	-0.83
2) Permanent Cash Imprest	0.42	0.48	0.06
Fund-wise break-up of investments from earmarked balances (a to d)	1883.80	2030.07	146.27
a. Sinking Fund	1870.41	2016.68	146.27
b. Agriculturists' Rehabilitation Fund	2.39	2.39	0
c. Kudikidappukars' Benefit Fund	1.00	1.00	0
d. Kerala Consumer Welfare Fund	10.00	10.00	0
Interest realised during the year on investment of cash balances	47.66	37.14	-10.52

The cash balance of the State Government had increased from ₹(-)44.08 crore in 2017-18 to ₹ (-)17.81 crore in 2018-19. The State Government had invested nearly ₹ 2219.60 crore in treasury bills, GOI Securities etc. Investments were made from earmarked fund balances also. There was 22.07 per cent decrease in interest realized on investment of cash balance.

7.5 Reconciliation of Accounts

All the Controlling Officers (COs) are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Accountant General (A&E). Such reconciliation has been completed in respect of 86.06 *per cent* of total reconcilable expenditure and 64.98 *per cent* of total reconcilable receipts. The Secretary, Cultural Affairs Department, Secretary, Electronics and Information Technology, Secretary, Revenue Department, Secretary, Science & Technology Department, Inspector General of Registration, Director, Treasuries Department, Principal, Government Ayurveda Medical College, Director, Health Services, Director, Agriculture Department, Director, Panchayats, Commissioner, Rural Development, Director, Industries and Commerce Department, Chief Engineer (Irrigation & Administration), Commissioner, State Goods and Services Tax department are some of the major Controlling Officers who have not reconciled the figures of expenditure during the year.

7.6 Submission of Accounts by Treasuries

There are 23 District Treasuries, e-treasury and Advices of Reserve Bank of India rendering accounts to the Accountant General (A&E). The Cheque drawing system by PWD/Forest Division had been withdrawn. The transaction of the Division are being routed through Treasuries like other departments. During 2018-19, despite delay in monthly rendition of accounts ranging from 7 days to 8 days by treasuries, no accounts were excluded at the end of the year.

7.7 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

According to Rule 187 (d) of the Kerala Treasury Code, all contingent claims that require the countersignature of the controlling authority after payment are to be initially drawn by the Drawing and Disbursing Officer (DDO) from the treasury by presenting Abstract Contingent bills in the prescribed form. The detailed bills pertaining to a month's claim should reach the Accountant General (A &E), Kerala not later than 20th of the succeeding month.

As on 31 March 2019, DC Bills in respect of 6 items amounting to ₹0.02 crore, have not been received in the office of the Accountant General (A&E).

(₹ in crore)

Year	No. of pending DC Bills	Amount
2018-19	6	0.02
TOTAL	6	0.02

7.8 Status of Suspense Account Balances

Details of outstanding balances under major suspense items below 8658 Suspense Account is as under:-

(₹ in crore)

Name of Minor Head	2016-17		2017-18		2018-19	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Account						
101-PAO Suspense	227.12	2.10	234.37	-24.42	307.76	14.87
Net	Dr. 225.02		Dr. 258.79		Dr. 292.89	
102-Suspense Account (Civil)	1,247.66	211.15	1036.51	814.63	38361.33	38151.71
Net	Cr.-1036.51		Cr.-221.88		Cr.-431.50	
107-Cash Settlement Suspense	44.18	0.01	44.18	0.00	43.10	0.00
Net	Dr. 44.17		Dr. 44.18		Dr. 43.10	
110-Reserve Bank Suspense (CAO)	4.42	2.53	14.44	15.22	97.38	85.19
Net	Dr. 1.89		Dr.-0.78		Dr. 12.19	

7.9 Status of Outstanding Utilisation Certificate

Details of Outstanding Utilisation Certificates in respect of Grants sanctioned by the State Govt are as under:-

(₹ in crore)

Year (*)	Number of Utilisation Certificates awaited	Amount
Upto 2016-17	4	5.45
2017-18	0	0
2018-19	0	0
Total	4	5.45

(*The year mentioned above relates to "Due year" i.e., after 24 months of actual drawal)

7.10 Commitments on account of Incomplete Projects/Works

There were 271 projects/work (each costing above rupees one crore) on which an expenditure of ₹1295.05 crore was incurred up to March 2019 which were not completed at the end of March 2019 though the stipulated period of completion was over.

7.11 New Pension Scheme

The expenditure on pension and other retirement benefits to State Government employees and employees of aided educational institutions, etc., during the year was ₹18718.41 crore (16.97 *per cent* of total revenue expenditure). This excludes Government's expenditure towards matching contribution for the New Pension Scheme (NPS). All India Service (AIS) officers recruited on or after 1 January 2004 and the State Government Employees recruited on or after 1 April 2013 are covered under the NPS, which is a defined contribution scheme. In terms of the scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance and the similar amount is being contributed by State Government. The entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

In 2018-19, ₹586.63 crore has been credited to MH 8342- Mnh 117 Defined Contribution Pension Scheme under Public Account which includes Government's contribution of ₹293.36 crore (including backlog contribution of ₹30.38 crore interest thereon ₹0.01 crore) and employees' contribution of ₹293.27 crore (including backlog contribution of ₹30.34 crore). The State Government remitted ₹586.93 crore (employees' contribution: ₹293.46 crore and Government's contribution ₹293.47 crore) to NSDL, leaving a balance of ₹0.26 crore under the head of account as on 31 March, 2019 on which the Government is required to pay interest, which was not done.

The interest outstanding to the Fund since its inception has not been estimated. Uncollected, unmatched and untransferred amounts, with accrued interest, represent outstanding liabilities under the New Pension Scheme.

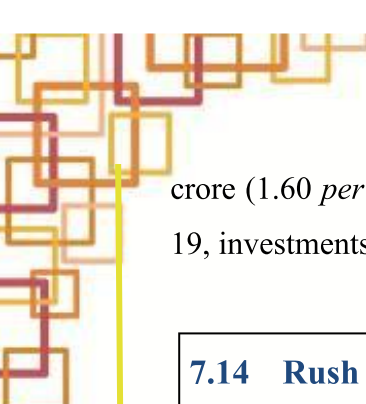
7.12 Personal Deposit Accounts

From time to time, the State Government orders the opening of Personal Deposit (PD) accounts for specific purposes, where, funds are transferred from the Consolidated Fund by booking the transfer as expenditure under Service heads. The Kerala Financial Code stipulates that Administrators of these PD accounts should close these PD accounts at the end of the financial year and credit the balances back to the Consolidated Fund, unless such PD accounts were created by Law or Rules having the force of Law. Details of balances in Personal Deposit Accounts are as follows:

(₹ in crore)					
PD Accounts as on 01.04.2018		PD Accounts opened during the year 2018-19	PD Accounts closed during the year 2018-19	Closing Balance (Live PD Accounts operated as on 31.03.2019)	
Number	Amount			Number	Amount
931	98.29	37	29	924	78.95

7.13 Investment

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts, the investment of Government as on 31st March, 2019 was ₹8233.72 crore excluding ₹311.63 crore being expenditure incurred for equity participation in Smart City Project (₹ 31.20 crore), State Institute for Hotel Management at Kottayam (₹0.01 crore), setting up of Electronics Fabrication Laboratory (₹3.55 crore), seed capital for NBCFDC and NMDFC schemes (₹4.50 crore) and Capital Assistance given to companies producing Neera (₹ 5.00 crore) and various schemes under Water Supply and Sanitations (₹ 250.03 crore), Projects under LAC-ADS (₹3.76 crore), Construction of Solar Cruise Boat (₹ 1.58 crore), Integrated Water Transport system to Kochi (₹ 10.00 crore), Kerala Maritime Board (amount negligible) and Construction of a PLO Tanker Barge (₹ 2.00 crore). An amount of ₹132.12



crore (1.60 *per cent* of investment) was received as dividends from 26 entities. During 2018-19, investments increased by ₹253.52 crore and dividend income increased by ₹5.64 crore.

7.14 Rush of Expenditure

According to Para 91 (2) of the Kerala Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. During March, 2019, however, the State Government incurred an expenditure of ₹9337.65 crore (7.93 *per cent* of the total expenditure of ₹117746.93 crore under Revenue and Capital heads for the year). Under three Major Heads of Account the expenditure during March 2019 ranged between 50 *per cent* and 100 *per cent* of the total expenditure indicating a tendency to utilize the budget at the close of the financial year.

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