



**GOVERNMENT OF KERALA**

**ACCOUNTS AT A GLANCE  
2009-10**

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



**GOVERNMENT OF KERALA**

**ACCOUNTS AT A GLANCE  
2009-10**

**ACCOUNTANT GENERAL  
(ACCOUNTS AND ENTITLEMENT)  
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 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,  
The 08-02-2011

**J. MAHALEKSHMY MENON**  
**ACCOUNTANT GENERAL (A&E)**  
**KERALA**

## **TABLE OF CONTENTS**

	<b>Page</b>
<b>CHAPTER I</b>	
<b>Overview</b>	
<i>Finance Accounts</i>	1
<i>Appropriation Accounts</i>	1
<b>CHAPTER II</b>	
Highlights of Accounts	3
Receipts	4
Disbursements	5
Sectoral Distribution of Expenditure	6
Trend of Expenditure	7
Debt and Liabilities	8
Investments and Returns	8
Loans and Advances by the State Government	8
Financial Assistance to Local bodies and others	8
Committed Expenditure	9
Appropriation Accounts	10
Reconciliation of Accounts	13
Submission of Accounts by Treasuries and Divisions	15
<b>CHAPTER III</b>	
Trends in Government Revenue and Expenditure	16
Government Account	18
The Kerala Fiscal Responsibility Act, 2003	18
Liabilities	19
State Provident Fund	20
Guarantees	21
Ways and Means Advances	21
General Cash Balances	22
Contingency Fund	23

## **List of Tables**

	<b>Page</b>
Highlights of Accounts	3
Total Receipts and Disbursements	4
Revenue Receipts and Grants-in-aid and Contributions	5
Sectoral Distribution of Expenditure and its percentage to Total Revenue Expenditure	6
Trend of Expenditure – Statement of Expenditure in selected Sectors	7
Pension Payments, Interest Payments	9
Section-wise Expenditure against provision	10
Trend of Expenditure on selected Grants showing persistent savings	11
Excess requiring regularisation	11
Rush of Expenditure – Statement of Expenditure under selected Major Heads	12
Reconciliation of accounts	13
Revenue Receipts	16
Revenue Expenditure	16
Trend of Growth in Major areas of Revenue Expenditure	17
Trend in Government Account	18
Position of Fiscal Deficit	19
Trend in Liabilities	19
State Provident Funds Balances	20
Position of Guarantees	21
Trend in Ways and Means Advances	22
General Cash Balances – Sources and Application of Funds	22
Withdrawals from Contingency Fund	23

## CHAPTER I

### OVERVIEW

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted to the Accountant General (Accounts and Entitlement) by the District Treasuries, Public Works Divisions, Forest Divisions etc. In addition, the AG (A&E) prepares the Finance Accounts and the 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.

The accounts of Government are kept in the following three parts:

Part I	Consolidated Fund
Part II	Contingency Fund
Part III	Public Account

There are two main divisions under the Consolidated Fund:

- a) **Revenue Division (Revenue Account):** This division deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met therefrom, the net result of which represents the revenue surplus or deficit for the year.
- b) **Capital Division:** There are three sections. The section 'Receipt Heads (Capital Account)' deals with receipts of capital nature that cannot be set off against capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be set off against capital expenditure. The section 'Public Debt, Loans and Advances etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

The Contingency Fund records transactions connected with Contingency Fund established under Article 267 of the Constitution of India.

The Public Account records the transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense'.

The Annual Accounts of the Government of Kerala for the year 2009-10 were presented to the State Legislature on 08.02.2011.

### 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 the public debt and the liabilities and assets as worked out from the balances recorded in the accounts.

During 2009-10, total receipts amounted to ` 34068.44 crore comprising ` 26109.40 crore (76.64%) revenue receipts (` 22023.80 crore Tax revenue, ` 1852.22 crore Non-Tax revenue and ` 2233.38 crore Grants-in-aid and Contributions) and ` 7959.04 crore (23.36%) Capital Receipts.

Disbursements during the year were ` 34068.44 crore, of which, ` 31132.37 crore (91.38%) were on revenue account and ` 2936.07 crore (8.62 %) on capital account.

### 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, 21 are exclusively voted Grants, two are exclusively charged Appropriations and 24 include both voted Grants and charged Appropriations.

The Appropriation Act 2009-10 passed by the State Legislature had projected a gross expenditure of ` 50115.55 crore, including the Supplementary Provision totalling ` 3788.83 crore. An amount of ` 270.61 crore was projected as recoveries in reduction of expenditure.

The Appropriation Accounts 2009-10 show disbursements aggregating ` 36887.50 crore against the aggregate budget provision of ` 50115.55 crore, resulting in saving of ` 13228.05 crore against Grants and Appropriations. The overall savings of ` 13228.05 crore was the result of saving of ` 13317.11 crore in 35 grants and 18 appropriations under Revenue section, 24 grants and 11 appropriations under Capital section offset by excess of ` 89.06 crore under nine grants and two appropriations under Revenue Section, and one appropriation under Capital Section. The actual expenditure is less than the provisions under Revenue, Capital, Public Debt and Loans and Advances.

Recoveries in reduction of expenditure amounted to ` 413.38 crore reflecting an increase of ` 142.77 crore vis-à-vis budget estimates.

## CHAPTER II

### HIGHLIGHTS OF ACCOUNTS

(` in crore)

Sl. No.		B.E 2009-10	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(*)
1	Tax Revenue	23645.40	22023.80	93.14	10.26
2	Non-Tax Revenue	1459.58	1852.22	126.90	0.86
3	Grants-in-aid & Contributions	3048.92	2233.38	73.25	1.04
4	Revenue Receipts (1+2+3)	28153.90	26109.40	92.74	12.17
5	Recovery of Loans & Advances	72.90	38.47	52.77	0.02
6	Other Receipts	1.00	48.96	4896	0.02
7	Borrowings & Other Liabilities	9469.35	7871.61	83.13	3.67
8	Capital Receipts (5+6+7)	9543.25	7959.04	83.40	3.71
9	<b>Total Receipts (4+8)</b>	<b>37697.15</b>	<b>34068.44</b>	<b>90.37</b>	<b>15.88</b>
10	Non-Plan Expenditure (NPE)	28917.65	27283.03	94.35	12.71
11	NPE on Revenue Account	28337.47	26953.32	95.12	12.56
12	NPE on Interest Payments (out of 11)	5313.16	5292.48	99.61	2.47
13	NPE on Capital Account	580.18	329.71	56.83	0.15
14	Plan Expenditure (PE)	8779.50	6785.41	77.29	3.16
15	PE on Revenue Account	5263.41	4179.05	79.40	1.95
16	PE on Capital Account	3516.09	2606.36	74.13	1.21
17	<b>Total Expenditure (10+14)</b>	<b>37697.15</b>	<b>34068.44</b>	<b>90.37</b>	<b>15.88</b>
18	Expenditure on Revenue Account (11+15)	33600.88	31132.37	92.65	14.51
19	Expenditure on Capital Account (13+16) **	4096.27	2936.07	71.68	1.37
20	Revenue Deficit (18-4)	5446.98	5022.97	92.22	2.34
21	Fiscal Deficit (4+5+6)-17	9469.35	7871.61	83.13	3.67

(\*) Gross State Domestic Product figure communicated by Government adopted (` 214580 crore).

(\*\*) Expenditure on Capital Account consists of Capital Expenditure (` 2059.39 crore) and Loans and Advances disbursed (` 876.68 crore)



## RECEIPTS AND DISBURSEMENTS

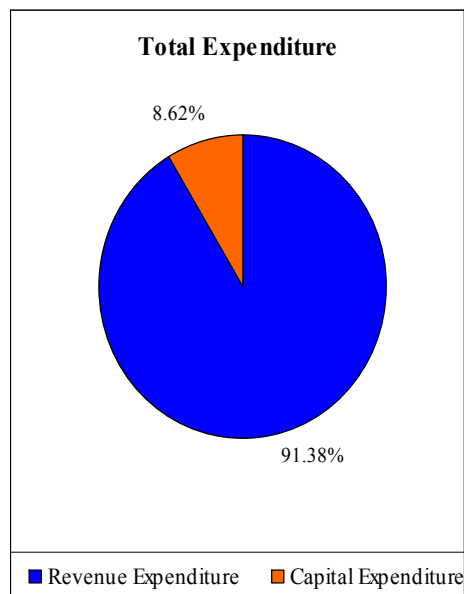
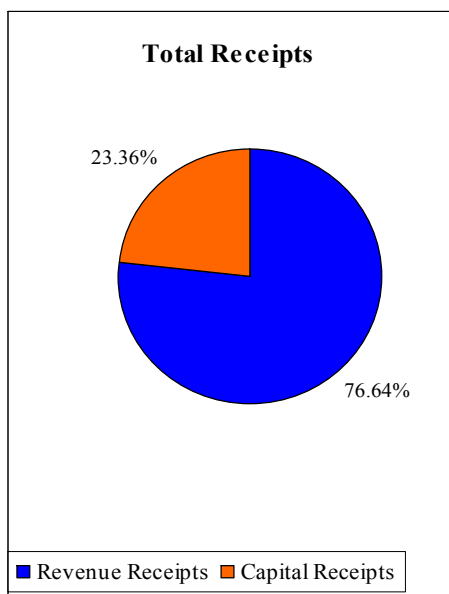
Total receipts and total disbursements during the year were ` 34068.44 crore.

The following table summarises the Accounts for 2009-10

### TOTAL RECEIPTS AND DISBURSEMENTS

(` in crore)

<b>Total Receipts</b>	<b>34068.44</b>	<b>Total Disbursements</b>	<b>34068.44</b>
Revenue Receipts	26109.40(76.64%)	Revenue Expenditure	31132.37(91.38%)
Capital Receipts	7959.04(23.36%)	Capital Expenditure	2936.07(8.62%)



## RECEIPTS

### Revenue Receipts

Gross Tax Revenue of ` 22023.80 crore and Non-Tax Revenue of ` 1852.22 crore formed 10.26 per cent and 0.86 per cent respectively of the GSDP. Major portion of it (` 12770.89 crore) was collected under Taxes on Sales, Trade etc. (5.95 per cent of the GSDP). Out of the Tax Revenue of ` 22023.80 crore, the contribution of State's Own taxes and Central tax transfers was ` 17625.02 crore and ` 4398.78 crore respectively.

Tax receipts during the year were lesser than the budget estimates by ` 1621.60 crore, mainly on account of decreased receipts under Stamps and Registration Fees, and Share proceeds on Customs and Union Excise duties.

Share of various taxes, non-tax revenue and grants-in-aid and contributions to total revenue receipts are given below:

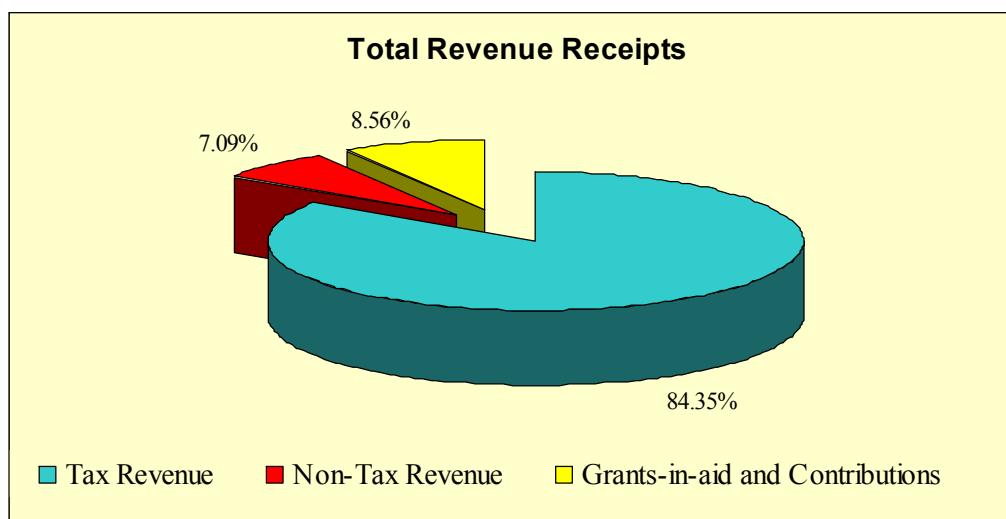
## REVENUE RECEIPTS AND GRANTS-IN-AID AND CONTRIBUTIONS

Components	Actuals (` in crore)	Percentage to total Revenue Receipts
<b>A. Tax Revenue</b>	<b>22023.80</b>	<b>84.35</b>
Taxes on Income and Expenditure (*)	2846.42	10.90
Taxes on Property and Capital Transactions(**)	2019.52	7.73
Taxes on Commodities and Services (#)	17157.86	65.72
<b>B. Non-tax Revenue</b>	<b>1852.22</b>	<b>7.09</b>
Interest Receipts, Dividends and Profits	179.78	0.69
General Services	1003.89	3.84
Social Services	187.48	0.72
Economic Services	481.07	1.84
<b>C. Grants-in-aid and Contributions</b>	<b>2233.38</b>	<b>8.56</b>
<b>Total-Revenue Receipts</b>	<b>26109.40</b>	<b>100.00</b>

(\*) Includes share of Corporation Tax (` 1810.29 crore) and share of Income Tax (` 1008.40 crore) received from Union Government.

(\*\*) Includes share of Taxes on Wealth (` 4.10 crore) received from Union Government.

(#) Includes share of Customs Duty (` 615.64 crore), share of Union Excise Duties ` 495.90 crore) and share of Service Tax (` 464.45 crore) received from Union Government.



### *Capital Receipts*

Compared to the Revised Budget Estimates, there was an increase of ` 1178.08 crore in Capital Receipts.

### DISBURSEMENTS

#### *Revenue Disbursements*

Revenue disbursements (net) were less than the budget estimates by ` 2468.51 crore (` 1384.15 crore less under 'Non-Plan' and ` 1084.36 crore less under 'Plan'), constituting 1.15 per cent of Gross State Domestic Product.

#### *Capital Disbursements*

Capital disbursements were less than the budget estimates by ` 1160.20 crore due to less disbursement under Non-Plan (` 250.47 crore) and Plan (` 909.73 crore), constituting 0.54 per cent of Gross State Domestic Product.

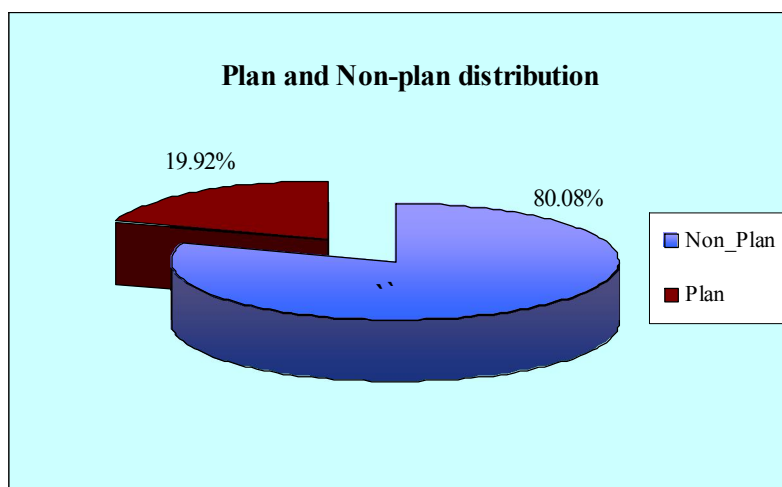
### **Plan Disbursements**

During the year 2009-10, Plan disbursements were ` 6785.41 crore comprising ` 5681.11 crore under State Plan, ` 155.93 crore under State share of Centrally Sponsored Schemes and ` 948.37 crore under Central plan and Government of India share of Centrally Sponsored plan schemes.

### **Non-Plan Disbursements**

Non-Plan disbursements during 2009-10 were ` 27283.03 crore, consisting of ` 26953.32 crore under Revenue and ` 329.71 crore under Capital.

The Pie-Chart below shows the distribution of disbursements under Plan and Non Plan:



## **SECTORAL DISTRIBUTION OF REVENUE EXPENDITURE**

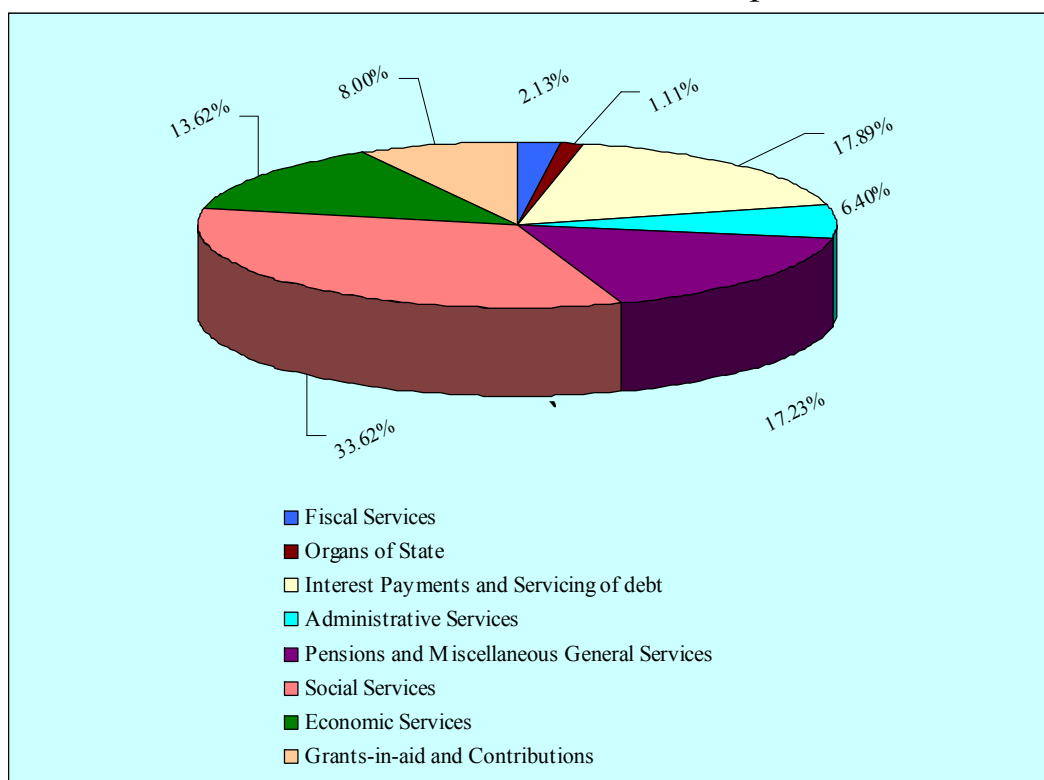
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

### **SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE**

(` in crore)

Components	Amount	Percentage to Total Revenue Expenditure
<b>A. Fiscal Services</b>	<b>664.15</b>	<b>2.13</b>
Collection of Taxes on Income and Expenditure	0.27	..
Collection of Taxes on Property, Capital and other transactions	301.08	0.97
Collection of Taxes on Commodities and Services	253.72	0.81
Other Fiscal Services	109.08	0.35
<b>B. Organs of State</b>	<b>345.58</b>	<b>1.11</b>
<b>C. Interest Payments and Servicing of debt</b>	<b>5568.83</b>	<b>17.89</b>
<b>D. Administrative Services</b>	<b>1993.02</b>	<b>6.40</b>
<b>E. Pensions and Miscellaneous General Services</b>	<b>5363.94</b>	<b>17.23</b>
<b>F. Social Services</b>	<b>10467.15</b>	<b>33.62</b>
<b>G. Economic Services</b>	<b>4240.72</b>	<b>13.62</b>
<b>H. Grants-in-aid and Contributions</b>	<b>2488.98</b>	<b>8.00</b>
<b>TOTAL-EXPENDITURE (REVENUE ACCOUNT)</b>	<b>31132.37</b>	<b>100.00</b>

## Sectoral Distribution of Revenue Expenditure



### TREND OF REVENUE EXPENDITURE

Trend of expenditure in some important sectors between 2005-06 and 2009-10.

### **STATEMENT OF REVENUE EXPENDITURE IN SELECTED SECTORS** (` in crore)

Sector	2005-06 % to BE/ % to RE	2006-07 % to B.E/ % to R.E	2007-08 % to BE/ % to R.E	2008-09 % to BE/ % to R.E	2009-10 % to BE/ % to R.E
<b>A. Social Services</b>					
i) Education, Sports, Art and Culture	3456.86 89.53/89.14	3917.11 79.27/78.59	4529.03 81.60/92.90	5403.33 97.78/98.27	5979.76 95.74/94.66
ii) Health and Family Welfare	941.10 82.26/83.17	1107.64 84.43/80.46	1242.00 89.05/87.77	1527.78 101.34/100.52	1652.93 101.07/102.64
<b>B. Economic Services</b>					
i) Agriculture and Allied Activities	867.45 93.56/92.79	1114.21 93.94/87.59	1086.61 91.80/85.61	1487.51 113.22/99.84	1762.58 127.53/114.21
ii) Rural Development	1337.54 66.05/71.07	248.38 51.69/59.99	216.74 84.37/80.58	304.37 90.55/82.48	413.22 106.18/100.70
iii) Irrigation and Flood Control	228.67 101.31/96.39	193.46 68.97/70.68	286.81 91.34/91.90	345.25 112.92/118.98	291.86 87.59 / 89.22
iv) Energy	99.61 109.03/125.74	45.12 69.90/82.82	36.24 60.49/61.01	84.45 76.78/76.78	69.15 173.48 /319.99
v) Transport	807.69 88.81/85.60	630.81 88.69/78.06	770.33 100.62/116.34	1162.51 144.49/116.35	1043.05 116.30/115.79
vi) General Economic Services	201.74 82.87/89.35	185.56 81.11/85.88	197.77 87.51/90.71	262.22 96.10/92.23	301.66 127.87 / 118.99

(B.E represents original budget estimates only)

## **DEBT AND LIABILITIES**

Outstanding Public Debt of the State at the end of 2009-10 was ` 49673.31 crore, comprising internal debt (` 43368.03 crore) and Loans and Advances from Central Government (` 6305.28 crore). Other liabilities accounted under Public Account were ` 24550.00 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 ` 3286.19 crore in respect of such liabilities of the State Government during 2009-10.

Interest payments on debt and other liabilities totalling ` 5292.48 crore constituted 17.00 percentage of revenue expenditure of ` 31132.37 crore. Interest payments on public debt were ` 3773.34 crore (Internal Debt: ` 3348.03 crore, Loans and Advances from Central Government: ` 425.31 crore) and ` 1514.00 crore on other liabilities. Expenditure on account of interest payments increased by ` 632.79 crore during 2009-10.

Internal debt of ` 6693.80 crore was raised during 2009-10. The debt obligations discharged were ` 2140.00 crore including repayment of Ways and Means Advance amounting to ` 640.62 crore and interest paid on internal debt was ` 3348.03 crore.

## **INVESTMENTS AND RETURNS**

Total investments as share capital in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies etc., stood at ` 3322.76 crore at the end of 2009-10 (excluding investment of ` 37.30 crore for which details are awaited). Dividends received during the year were ` 27.29 crore (0.82% of investment). During 2009-10, investments increased by ` 169.66 crore and dividend income decreased by ` 6.24 crore.

## **LOANS AND ADVANCES BY THE STATE GOVERNMENT**

Total Loans and Advances made by the State Government at the end of the year 2009-10 was ` 7748.53 crore. Recovery of principal amount aggregating ` 1569.95 crore and interest on loan amounting to ` 1335.75 crore were in arrears at the end of March 2010.

In respect of loans and advances, the detailed accounts of which are maintained by Accountant General (A&E), recovery of ` 2277.71 crore (Principal: ` 1231.16 crore and Interest: ` 1046.55 crore) was in arrears as on 31st March 2010. The terms and conditions of loan of ` 1871.78 crore have not been prescribed by Government.

Information furnished by the department of Agriculture and Industries revealed that the amount of outstanding loans pending recovery was ` 627.99 crore (Principal: ` 338.79 crore, Interest: ` 289.20 crore) as on 31st March 2010. This amount represents only part of the arrears. A few departmental officers did not furnish the details of overdue arrears.

## **FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS**

Assistance to local bodies etc. during the year 2009-10 was ` 8615.64 crore as against ` 5539.09 in 2005-06 reflecting 55.54 per cent increase in last five years. Out of the total financial assistance given to local bodies and others, the share for Educational Institutions was always high at 38.72%, 42.76%, 45.05%, 43.56% and 41.16% respectively for the years, 2005-06, 2006-07, 2007-08, 2008-09 and 2009-10.

During the year 2009-10, financial assistance given to Local Self Government Institutions was ` 3831.12 crore (Municipal Corporation and Municipalities: ` 834.46 crore, Panchayati Raj Institutions: ` 2996.66 crore) constituting 14.67 percent of the revenue receipts and 12.31 percent of the revenue expenditure. The share of Local Self Government Institutions was 44.47 percent of the total financial assistance to local bodies and others. The details of assets created by Local Self Government Institutions out of the grants-in-aid given by State Government have not been communicated by the Government.

### ***Commitments on account of incomplete Capital Works***

During the year 2009-10, a total expenditure of ` 47.18 crore was incurred on various projects taken up by Engineering Department.

During the year 2009-10, no project was abandoned by the department.

### **COMMITTED EXPENDITURE**

The committed expenditure on pension, interest and salaries constituted 75.82 per cent of the revenue receipts during 2009-10.

### ***Expenditure on Pension Payments***

Expenditure on Pension Payments during 2009-10 was ` 4705.50 crore constituting 18.02 per cent of Revenue Receipts. The year-wise break up of expenditure during the last five years is given below:-

#### **Pension Payments**

Year	Pension Payments (` in crore)	Percentage of pension payments with reference to	
		Revenue Receipts	Revenue payments
2005-06	2861.18	18.71	15.53
2006-07	3294.58	18.12	15.82
2007-08	4924.53	23.33	19.78
2008-09	4686.43	19.12	16.60
2009-10	4705.50	18.02	15.11

Pension payments during 2009-10 was less than the projection made by State Government in Medium Term Fiscal Plan (` 5006.00 crore) but exceeded the assessment made by the Twelfth Finance Commission (` 4125.00 crore).

### ***Interest Payments***

The Twelfth Finance Commission recommended that the States should endeavour to keep interest payments as a ratio of revenue receipts to 15 per cent by 2009-10. It was observed that interest payments constituted 20.27 per cent of the revenue receipts. The position of interest payments during the last five years is given below:-

#### **Interest Payments**

Year	Interest Payments (` in crore)	Percentage of Interest payments with reference to	
		Revenue Receipts	Revenue payments
2005-06	3799.25	24.84	20.62
2006-07	4189.70	23.04	20.12
2007-08	4329.65	20.51	17.39
2008-09	4659.69	19.01	16.51
2009-10	5292.48	20.27	17.00

Interest payments during 2009-10 remained lower than the projection made by the State Government in Medium Term Fiscal Plan (` 5312.00 crore).

### **Salary Expenditure**

The expenditure on Salaries (including the salary of staff of State aided educational institutions paid by Government) during the year 2009-10 was ` 9799.38 crore constituting 37.53 per cent of the revenue receipts and 31.48 per cent of the revenue expenditure. The salary expenditure is 46.37 per cent of revenue expenditure net of interest and pension payments and it remained lower than the projection made by State Government in Medium Term Fiscal Plan (` 10158.00 crore).

### **APPROPRIATION ACCOUNTS**

The Appropriation Accounts of the Government of Kerala for the year 2009-10 present the accounts of sums expended in the year ended 31st March 2010 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

The Appropriation Accounts show that in the year 2009-10, there was actual expenditure of ` 36887.50 crore comprising ` 31526.30 crore under Revenue, ` 2078.84 crore under Capital, ` 2405.68 crore under Public Debt and ` 876.68 crore under Loans and Advances. There were savings under Revenue/Capital/Public Debt/Loans and Advances Sections with reference to total grants/appropriations allocated by State Legislature, as detailed below:-

### **SECTION-WISE EXPENDITURE AGAINST PROVISION**

(` in crore)

Sl. No.	Nature of expenditure	Original Grant /Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Savings (-) Excess (+)
1.	<b>Revenue</b>					
	Voted	25712.74	2426.73	28139.47	25829.02	-2310.45
	Charged	5711.09	12.31	5723.40	5697.28	-26.12
2.	<b>Capital</b>					
	Voted	1647.91	944.80	2592.71	2076.09	-516.62
	Charged	70.87	2.73	73.60	2.75	-70.85
3.	<b>Public Debt</b>					
	Charged	12147.78	..	12147.78	2405.68	-9742.10
4.	<b>Loans and Advances</b>					
	Voted	1036.33	402.26	1438.59	876.68	-561.91
	<b>Total</b>	<b>46326.72</b>	<b>3788.83</b>	<b>50115.55</b>	<b>36887.50</b>	<b>-13228.05</b>

### Persistent Savings

In seven cases, during the last three years, there were persistent savings of more than Rupees one crore in each case and also by more than 20 per cent of the total grant.

#### TREND OF EXPENDITURE ON SELECTED GRANTS SHOWING PERSISTENT SAVINGS

( ` in crore)

Sl. No.	Number and name of grant/appropriation	Amount of savings (percentage in brackets)		
		2007-08	2008-09	2009-10
<b>REVENUE (VOTED)</b>				
1	XXII Urban Development	414.99 (63)	148.16 (22)	531.22 (61)
<b>CAPITAL (VOTED)</b>				
2	XXIX Agriculture	64.52 (68)	50.63 (62)	64.96 (64)
3	XXXI Animal Husbandry	13.74 (88)	3.72 (51)	2.97 (40)
4	XXXIV Forest	8.49 (44)	3.48 (20)	3.53 (21)
5	XXXVIII Irrigation	46.70 (22)	102.08(33)	120.06(34)
6	XXXIX Power	56.00(85)	63.79(92)	11.25(96)
7	XLII Tourism	4.96(32)	14.16(45)	60.02(79)

**Excess requiring regularisation** There was excess expenditure of ` 89.06 crore in the following grants and appropriations during 2009-10 as detailed below:-

Sl. No.	Number and name of Grant/Appropriation	Total grant/ appropriation	Expenditure	Excess
<b>Revenue (Voted)</b>				
1	III Administration of Justice	2034831000	2035871075	1040075
2	V Agri.Income Tax & Sales Tax	1309965000	1368114523	58149523
3	VII Stamps & Registration	987523000	1043033479	55510479
4	IX Taxes on Vehicles	323145000	339775122	16630122
5	XXVIII Misc.Economic Services	530320000	543356755	13036755
6	XXXI Animal Husbandry	2111451000	2138284060	26833060
7	XXXIV Forest	2124601000	2156817217	32216217
8	XL Ports	194198000	479652528	285454528
9	XLII Tourism	956116000	1330556206	374440206



Sl. No.	Number and name of Grant/Appropriation	Total grant/appropriation	Expenditure	Excess
<b>Revenue(Charged)</b>				
10	XI District Administration and Miscellaneous	10288000	10449640	161640
11	XVI Pensions and Miscellaneous	127807000	154935083	27128083
<b>Capital (Voted)</b>				
12	XIX Family Welfare	57000	61016	4016
<b>Total</b>		<b>10710302000</b>	<b>11600906704</b>	<b>890604704</b>

The excess of `65,98,94,734.00 crore in the Revenue portion (voted) of Grant No.XL – Ports(`28,54,54,528.00 crore) and Grant No. XLII - Tourism (`37,44,40,206.00 crore) arising due to change of classification of expenditure does not require regularisation as provision is available in Grant No. XI – District Administration. Excluding this amount, the excess of `20,34,20,247.00 crore in the voted expenditure and `2,72,89,723.00 crore in the charged expenditure requires regularisation

#### *Rush of Expenditure*

According to the financial rules rush of expenditure in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. Under nine major heads of account more than 80 % of the expenditure was incurred during the last month of the financial year.

#### **STATEMENT OF EXPENDITURE UNDER SELECTED MAJOR HEADS**

(` in crore)

Sl. No.	Major Head	Total Expenditure		Percentage of expenditure during March 2010 to total expenditure
		During the year	During March 2010	
1.	2501 Special Programmes for Rural Development	63.32	52.42	82.79
2.	2506 Land Reforms	11.72	11.72	100.00
3.	2551 Hill Areas	23.54	20.10	85.39
4.	2810 New and Renewable Energy	62.10	56.44	90.89
5.	4235 Capital Outlay on Social Security and Welfare	3.84	3.16	82.29
6.	4515 Capital Outlay on other Rural Development programmes	5.00	5.00	100.00
7.	4860 Capital Outlay on Consumer Industries	13.55	13.05	96.31
8.	5056 Capital Outlay on Inland and Water Transport	10.91	9.11	83.50
9.	5452 Capital Outlay on Tourism	15.59	14.15	90.76

## RECONCILIATION OF ACCOUNTS

Accuracy and reliability of accounts depend among other things, on timely reconciliation of the departmental figures with the accounts figures.

Departmental figures of expenditure are required to be reconciled every month with those booked in the accounts compiled by the Accountant General in order to enable Departmental Officers to exercise proper control over expenditure and to detect fraud and defalcations, if any, at an early stage. Such reconciliation has been completed in respect of 64 Chief Controlling Officers (CCOs) (20.13 per cent of CCOs) for expenditure of ` 8959.97 crore against the total expenditure of the Government amounting to ` 33191.76 crore. 98 CCOs have partially reconciled the expenditure of ` 1235.91 crore and 156 CCOs did not reconcile expenditure.

In respect of the following Controlling Officers, amounts exceeding ` 25 crore in each case remained unreconciled during 2009-10.

( ` in crore)

Name of Controlling Officer	Amount not reconciled
Principal Secretary to Government, Finance Department	8568.56
Director of Public Instruction	2525.47
Director of Higher Secondary Education	1920.53
Chief Engineer, Roads and Bridges, Public Works Department	1563.83
Director of Treasuries	733.22
Director of Health Services	699.17
Director of Scheduled Castes Development	539.55
Director of Collegiate Education	524.61
Secretary to Government, Water Resources (WS B) Department	507.53
Director of State Lotteries	501.79
Commissioner of Land Revenue	460.64
Director of Agriculture	449.42
Chief Engineer, Irrigation and Administration	327.54
Director of Social Welfare	309.84
Commissioner of Rural Development	280.21
Chief Engineer, Buildings and Local Works, Public Works Department	243.39
Chief Engineer, National Highways, Public Works Department	206.84
Principal Secretary to Government, Higher Education (B) Department	171.54
Director, Kerala Sustainable Urban Development Project	150.00
Director of Animal Husbandry	141.80
Secretary to Government, Health and Family Welfare Department	130.00
Secretary to Government, Revenue (SLMC) Department	121.93
Director of Vocational Higher Secondary Education	111.74
Director of Urban Affairs	102.48
Chief Conservator of Forests	101.98

Secretary to Government, General Administration (BW) Department	98.40
Labour Commissioner	86.15
Director of Industries and Commerce Department	82.00
Excise Commissioner	80.62
Director of Indian Systems of Medicine	79.68
Secretary to Government, Information Technology Department	77.67
Director, Sports and Youth Affairs	75.00
Director General of Police (Prisons)	74.19
Chairman, Science Technology and Environment Department	65.37
Administrative Officer, Employees State Insurance	58.18
Director of Tourism	55.48
Director of Survey and Land Records	51.48
Commandant, Fire and Rescue Services	46.78
Commissioner of Transport	46.48
Director of Printing	45.84
Text Book Officer	43.63
Director of Training	40.43
Director of Homoeopathy	39.23
Chief Engineer, Project I (Irrigation)	38.22
Chief Town Planner	37.27
Secretary to Government, Transport (C) Department	30.00
Director, Regional Cancer Centre	26.86
Director of Fisheries	26.59

## **SUBMISSION OF ACCOUNTS BY TREASURIES AND DIVISIONS**

### ***Rendition of Accounts to Accountant General (A&E)***

23 District Treasuries, 159 Public Works Divisions and 99 Forest Divisions are rendering accounts to the Accountant General. During 2009-10 only a few treasuries/divisions have rendered the accounts on the due dates. The delay in rendering accounts ranged from 1 to 19 days.

Out of the above, in the case of following treasuries the delays were persistent:

<b>Sl. No.</b>	<b>Name of treasury</b>	<b>Days of delay</b>
1.	Kottayam	1 to 14 days
2.	Idukki	1 to 8 days
3.	Pathanamthitta	1 to 10days
4.	Moovattupuzha	1 to 10 days
5.	Thrissur	1 to 7 days
6.	Kozhikode	1 to 4 days
7.	Thamarassery	1 to 7 days

In respect of Public Works and Forest Divisions, the delays ranged from 1 to 19 days.

An amount of ` 3.38 crore was taken to Suspense Account due to non-receipt of vouchers from various treasuries.

### CHAPTER III

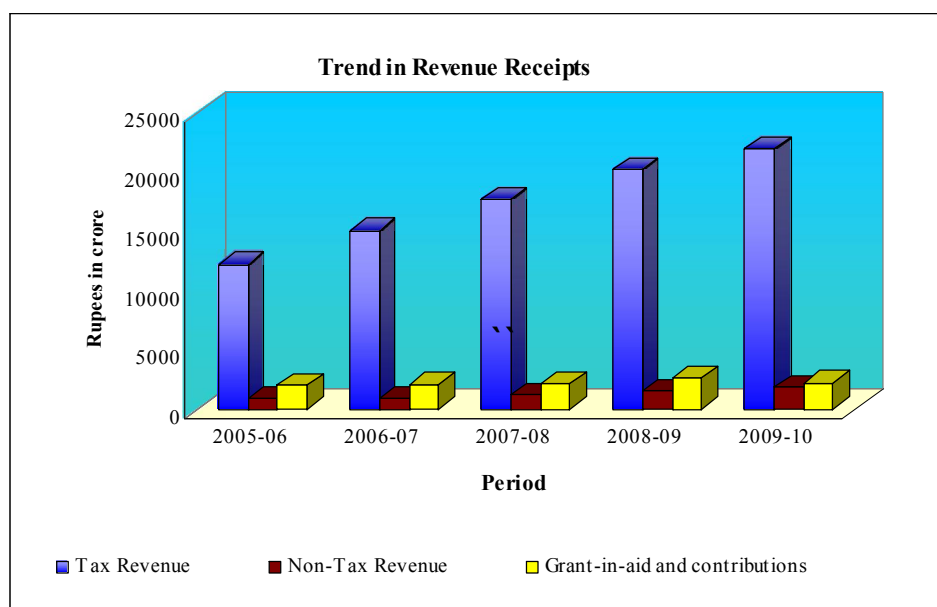
## TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2005-06 to 2009-10 are given below:

### Revenue Receipts

(` in crore)

Year	Tax Revenue	Non-Tax Revenue	Grants-in-aid and Contributions	Total Revenue Receipts	GSDP *	Percentage of Total Revenue Receipts to GSDP
2005-06	12296.82	936.78	2060.93	15294.53	125588	12.18
2006-07	15153.86	937.57	2095.20	18186.63	145009	12.54
2007-08	17720.65	1209.55	2176.59	21106.79	165722	12.74
2008-09	20265.70	1559.29	2687.19	24512.18	189841	12.91
2009-10	22023.80	1852.22	2233.38	26109.40	214580	12.17



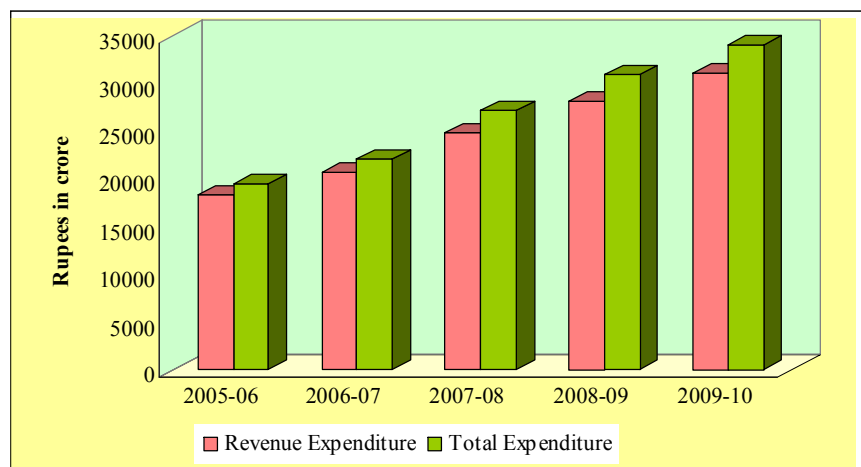
### Revenue Expenditure

(` in crore)

Year	Revenue Expenditure (Actuals)	Total Expenditure	GSDP <sup>(*)</sup>	Percentage increase over previous year			Percentage of Total Expenditure to GSDP
				Revenue Expenditure	Total Expenditure	GSDP	
2005-06	18423.68	19527.75	125588	7.31	8.20	13.90	15.55
2006-07	20824.57	22076.54	145009	13.03	13.05	15.46	15.22
2007-08	24891.64	27259.38	165722	19.53	23.48	14.28	16.45
2008-09	28223.86	30903.15	189841	13.39	13.37	14.55	16.28
2009-10	31132.37	34068.44	214580	10.31	10.24	13.03	15.88

### Trend in Revenue Expenditure with Total Expenditure

<sup>(\*)</sup>GSDP figures communicated by State Government adopted.



The overall increase in the Government's total expenditure during 2009-10 compared to 2005-06 has been ` 14540.69 crore. Growth in major areas of Revenue Expenditure is shown in the following table:

#### **TREND OF GROWTH IN MAJOR AREAS OF REVENUE EXPENDITURE**

(` in crore)

Areas of expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	Percentage increase in 2009-10 over last year
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	224.05	339.87	453.64	506.14	739.86	46.18
Administrative Services	1023.28	1210.25	1472.63	1647.61	1993.02	20.96
Social Welfare and Nutrition	483.07	575.16	857.18	818.34	974.61	19.10
Agriculture and Allied Activities	867.45	1114.21	1086.61	1487.51	1762.58	18.49
Interest Payment and Servicing of Debt	3929.84	4189.70	4552.17	5004.03	5568.83	11.29
Education, Sports, Art and Culture	3456.86	3917.11	4529.03	5403.33	5979.76	10.67
Health and Family Welfare	941.10	1107.64	1242.00	1527.78	1652.93	8.19

## GOVERNMENT ACCOUNT

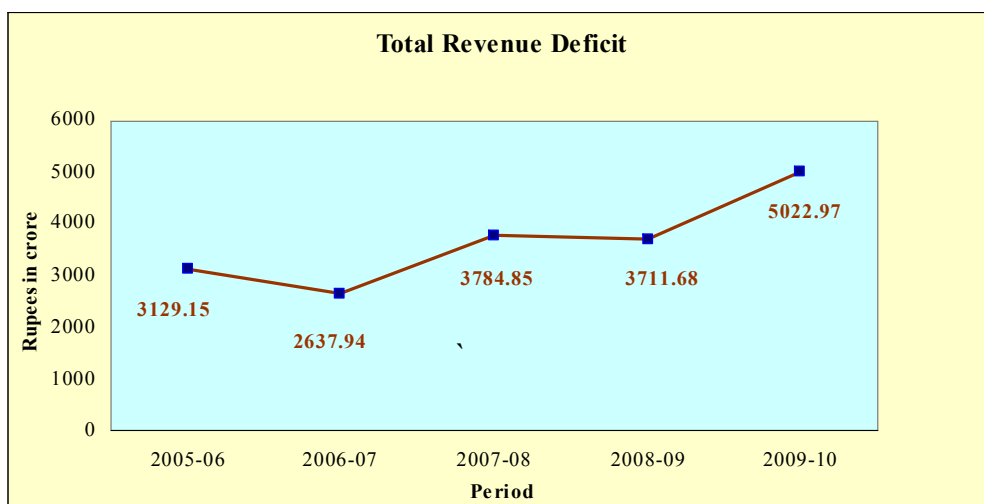
The total expenditure (Revenue and Capital) for the year is netted against total receipts (Revenue and Miscellaneous Capital receipts) of the year and the surplus/deficit thereof is transferred to a separate ledger called "Government Account". In addition, net effect of prior period adjustments, Miscellaneous Government Account, etc. is also transferred to the ledger "Government Account". Thus, the ledger "Government Account" represents the cumulative surplus/deficit of the operations of the Government. The details of the ledger "Government Account" for the past five years are given below.

### TREND IN GOVERNMENT ACCOUNT

(` in crore)

Year	Revenue Heads			Capital Heads			Other Heads (#)	Deficit (-) / Surplus(+) for the year	Cumulative deficit (-) / surplus (+) at the end of the year
	Receipts	Disbursements	Revenue Deficit (-)	Receipts	Disbursements	Deficit (-)	Surplus(+) / Deficit (-)		
2005-06	15294.53	18423.68	-3129.15	..	816.95	-816.95	66.55	-3879.55	-42152.49
2006-07	18186.63	20824.57	-2637.94	1.94	902.58	-900.64	-13.90	-3552.48	-45704.97
2007-08	21106.79	24891.64	-3784.85	7.54	1474.58	-1467.04	-152.43	-5404.32	-51109.29
2008-09	24512.18	28223.86	-3711.68	9.11	1695.60	-1686.49	-130.27	-5528.44	-56637.73
2009-10	26109.40	31132.37	-5022.97	48.96	2059.39	-2010.43	-317.94	-7351.34	-63989.07

(#) Includes Miscellaneous Government Account, transfer to Contingency Fund and *pro forma* adjustments. Loan heads are not included in Capital heads.



### THE KERALA FISCAL RESPONSIBILITY ACT, 2003

By introducing the Kerala Fiscal Responsibility Act, 2003, Government had committed to reduce fiscal deficit to two per cent of the estimated GSDP within a period of four years commencing from 1<sup>st</sup> April 2003. Percentage of Fiscal Deficit to GSDP was 6.15 at the beginning of April, 2003. This has come down to 3.67 % in 2009-10.

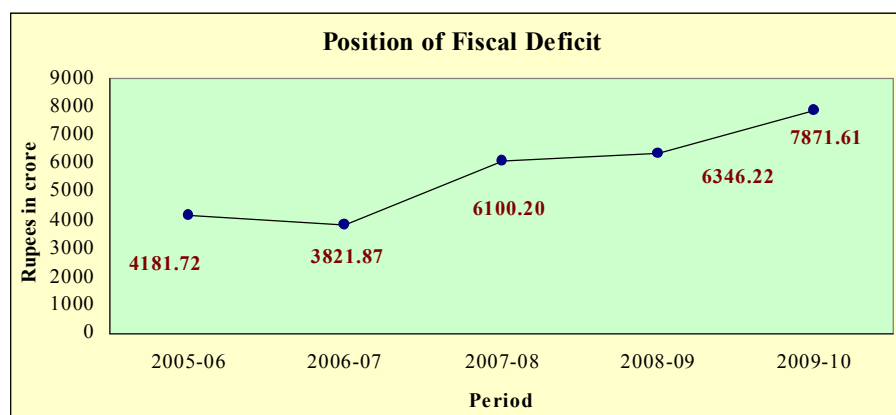
Budget Estimates for 2009-10 provided a Fiscal Deficit of ` 9469.35 crore (4.41 % of GSDP) where as the actual 'Fiscal Deficit' was ` 7871.61 crore (3.67 % of GSDP). The position for the last five years is as below:-

## POSITION OF FISCAL DEFICIT

(` in crore)

Year	Fiscal Deficit	GSDP (a)	Percentage to GSDP
2005-06	4181.72	125588	3.33
2006-07	3821.87	145009	2.64
2007-08	6100.20	165722	3.68
2008-09	6346.22	189841	3.34
2009-10	7871.61	214580	3.67

(a) See foot note (\*) on page 16



## LIABILITIES

Liabilities of the State Government increased by ` 26391.09 crore from ` 47832.22 crore in 2005-06 to ` 74223.31 crore during 2009-10. Public Debt comprising Internal Debt of the State Government and Loans and Advances from the Central Government increased by ` 18585.19 crore from ` 31088.12 crore in 2005-06 to ` 49673.31 crore at the end of the current year. No law under Article 293 of the Constitution of India has been passed by the State Legislature laying down the limits within which the Government may borrow on the security of the Consolidated Fund of the State. Details of Public Debt and total liabilities of the State Government as at the end of the last five years are as under:-

## TREND IN LIABILITIES

(` in crore)

Year	Internal Debt	Loans & Advances from Central Govt.	Total Public Debt	Small Savings (#)	Provident Funds	Other obligations(*)	Total Liabilities	GSDP (b)	Percentage of total liabilities to GSDP
2005-06	25670.72	5417.40	31088.12	8735.95	6104.98	1903.17	47832.22	125588	38.09
2006-07	29969.15	5371.77	35340.92	7755.91	6778.36	2286.15	52161.34	145009	35.97
2007-08	34019.16	5532.63	39551.79	7952.93	7904.85	2698.25	58107.82	165722	35.06
2008-09	38814.23	6008.62	44822.85	9308.67	9138.16	2827.55	66097.23	189841	34.82
2009-10	43368.03	6305.28	49673.31	11241.27	10054.85	3253.88	74223.31	214580	34.59

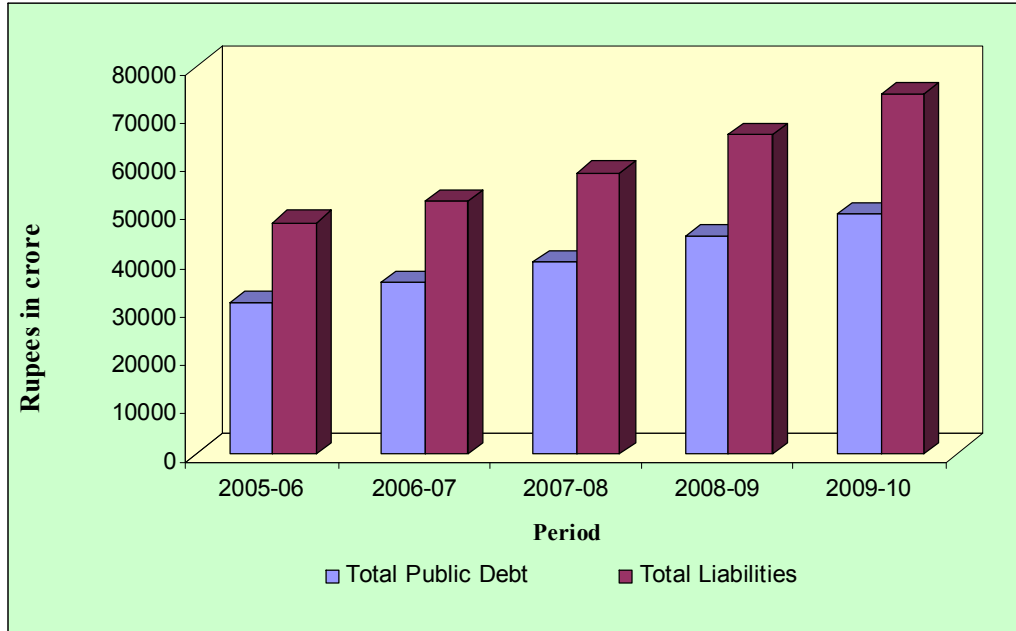
(#) Includes Trusts and Endowments and Insurance and Pension Funds

(\*) Includes Reserve Funds and Deposits

(b) See footnote (\*) on page 16



### Growth of Public Debt and Liabilities



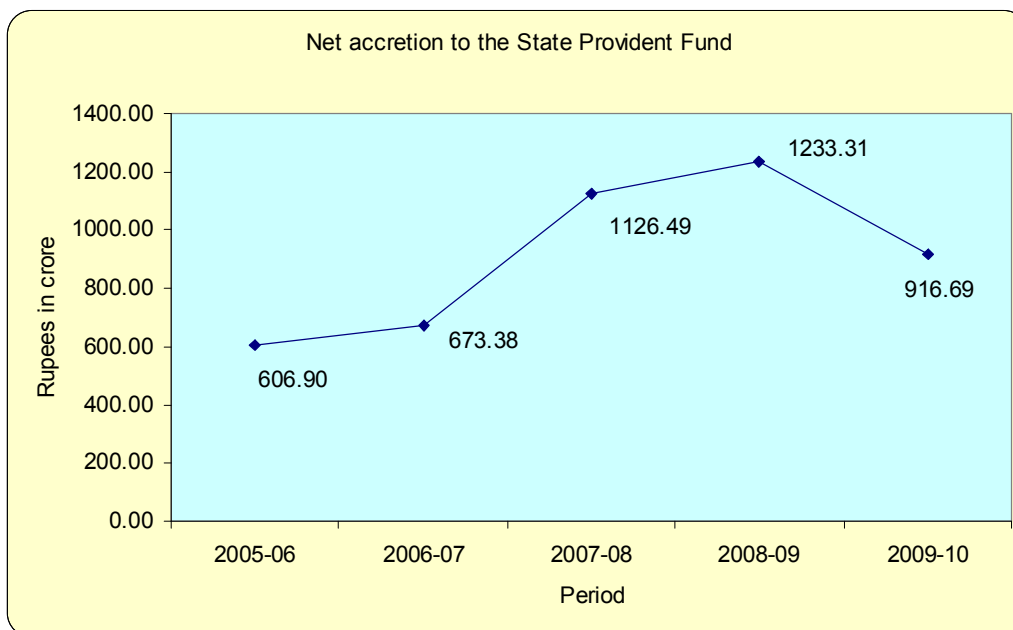
### STATE PROVIDENT FUNDS

The details of transactions relating to the State Provident Funds are shown below:

#### STATE PROVIDENT FUNDS BALANCES

(` in crore)

Year	Opening Balance	Receipts	Payments	Net accretion for the year	Closing Balance	Interest charged on balance of P.F
2005-06	5498.08	1595.75	988.85	606.90	6104.98	537.38
2006-07	6104.98	2058.83	1385.45	673.38	6778.36	500.68
2007-08	6778.36	2821.66	1695.17	1126.49	7904.85	624.21
2008-09	7904.85	3082.01	1848.70	1233.31	9138.16	699.62
2009-10	9138.16	2814.04	1897.35	916.69	10054.85	753.30



## 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. Section 3 of the Kerala Ceiling of Government Guarantees Act, 2003 which came into effect on 5<sup>th</sup> December 2003 stipulates that the total outstanding Government guarantees as on the first day of April every year shall not exceed ` 14000 crore.

The position of guarantee is given below:

(` in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
2005-06	13751.80	10126.65	1808.04
2006-07	12646.70	8243.67	1161.66
2007-08	14871.08	7575.28	742.06
2008-09	11385.55	6912.65	690.67
2009-10	10225.78	6889.22	605.78

As per the statement furnished by the Government in August 2010, the outstanding guarantees as on 31st March 2010 was ` 7495.00 crore. An amount of ` 32.01 crore was received by Government during 2009-10 towards guarantee fee and an amount of ` 113.99 crore was in arrears as on 31st March 2010 towards guarantee fees.

## 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 ` 166 lakh with 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.

### TREND IN WAYS AND MEANS ADVANCES

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>i) Number of days on which minimum balance was maintained</b>					
a) Without obtaining any advance	122	139	152	275	347
b) By obtaining Ways and Means Advance	179	164	163	90	18
<b>ii) Number of days on which overdraft was taken</b>	<b>61</b>	<b>61</b>	<b>47</b>	<b>nil</b>	<b>nil</b>
<b>iii) Number of days on which there was shortfall from the agreed minimum balance</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>nil</b>	<b>nil</b>

### GENERAL CASH BALANCES

The closing cash balance according to the RBI was ` 36.62 crore against the general cash balance of ` 41.88 crore reflected in Government accounts. Out of the total difference of ` 5.26 crore (net credit), ` 2.08 crore (net debit) has been cleared in 2010-11 accounts and the balance of ` 7.34 crore (net credit) is under reconciliation.

Investments held in the Cash Balance Investment Account as on 31st March 2010 were ` 3230.42 crore. Cash Balance Investment Account is intended for recording transactions connected with investments of cash balance e.g. in short term loans and other Government securities.

Other cash balances and investments comprising cash with departmental officers (` 1.95 crore), Permanent Advances with departmental officers (` 0.26 crore) and investment of earmarked funds (` 1097.23 crore) as on 31st March 2010 were ` 1099.44 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) increased from ` 38.14 crore at the beginning of the year 2009-10 to ` 58.40 crore at its end, the details of sources and application of funds being as follows:-

### SOURCES AND APPLICATION OF FUNDS

(` in crore)

SOURCES			APPLICATION				
Sl. No.	Items	Amount	Sl. No.	Items	Amount		
					Non-plan	Plan	Total
1.	Opening cash balance	38.14	1.	Revenue Expenditure	26953.32	4179.05	31132.37
2.	State's share of Union Taxes	4398.78	2.	Capital expenditure	157.23	1902.16	2059.39
3.	State's own revenue Collection	19477.24	3.	Repayment of Public Debt <sup>(*)</sup>			2405.68
4.	Central grants/assistance other than loans	2233.38	4.	Loans and advances given			876.68
5.	Miscellaneous Receipts	48.96	5.	Payment towards Small Savings and Deposits and Advances			14647.74
6.	Receipts from public debt, small savings, deposits and advances (Other than Central loans)	24627.70	6.	Closing cash balance			58.40
7.	Receipts from Central loans	562.34					
8.	Recoveries from borrowers	38.47					
9.	Net contribution from Contingency Fund	-20.43					
10.	Net effect of adjustment of suspense and remittance balances and increase/ decrease of reserve funds	-224.32					
	<b>Total</b>	<b>51180.26</b>		<b>Total</b>			<b>51180.26</b>

(\*)To Central Government (` 265.68) and others (` 2140.00 crore).

## **CONTINGENCY FUND**

The Contingency Fund of the State is intended to meet urgent unforeseen expenditure, pending authorization by Legislature. The following details indicate the extent to which this fund was used during the last five years.

### **WITHDRAWALS FROM CONTINGENCY FUND**

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
<b>Number of withdrawals from Contingency Fund</b>	<b>20</b>	<b>18</b>	<b>12</b>	<b>11</b>	<b>8</b>
<b>Total withdrawals from Contingency Fund (Rupees in crore)</b>	<b>63.00</b>	<b>102.94</b>	<b>135.39</b>	<b>58.76</b>	<b>55.65</b>
<b>Withdrawals from Contingency Fund as a percentage to total Budget provision</b>	<b>0.26</b>	<b>0.36</b>	<b>0.43</b>	<b>0.17</b>	<b>0.15</b>

\*\*\*