

# **ACCOUNTS AT A GLANCE**

**FOR THE YEAR**

**2016-2017**

**GOVERNMENT OF KERALA**

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

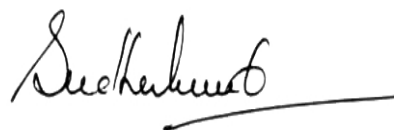


## **PREFACE**

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 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.



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**19.01.2018**



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CHAPTER I

OVERVIEW

1.1 Introduction

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, e-treasury and advices of Reserve Bank of India. The Cheque drawing system by PWD/Forest Division had been withdrawn and the transaction of the Divisions are being routed through Treasuries like other Departments. 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 Accounts

1.2.1 Government Accounts are kept in three parts

<b>Part I CONSOLIDATED FUND</b>	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.
<b>Part II CONTINGENCY FUND</b>	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.
<b>Part III PUBLIC ACCOUNT</b>	All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. Public Account comprises: Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous transactions (adjusting entries pending booking to final heads of account), Remittances between accounting entities and Cash Balances.

## 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 2016-17 are as given below:-

(₹ in crore)			
<b>Receipts</b> <b>Total: 102382.55</b>	<b>Revenue</b> <b>Total: 75611.72</b>	Tax Revenue	57401.39
		Non -Tax Revenue	9699.98
		Grants-in-aid	8510.35
	<b>Capital</b> <b>Total:26770.83</b>	Miscellaneous Capital Receipts	30.24
		Recovery of Loans and Advances	292.24
		Borrowings and other Liabilities(*)	26448.35
<b>Disbursements</b> <b>Total: 102382.55</b>	Revenue		91096.31
	Capital		10125.95
	Loans and Advances		1160.29

(\*) 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, 21 are exclusively voted Grants, two are exclusively charged Appropriations and 24 include both voted Grants and charged Appropriations.

The Appropriation Acts passed by the State Legislature had estimated a gross expenditure of ₹ 132058.00 crore, including the supplementary provision of ₹ 9464.50 crore during the year 2016-17. An amount of ₹ 622.12 crore was estimated as recoveries in reduction of expenditure.

The Appropriation Accounts 2016-17 show disbursements aggregating ₹ 111597.71 crore against the budget provision of ₹ 132058.00 crore, resulting in overall savings of ₹ 20460.29 crore against Grants and Appropriations. The overall savings of ₹ 20460.29 crore was the result of savings of ₹ 20601.46 crore in 38 Grants and 24 Appropriations under the Revenue section and 27 Grants and 6 Appropriations under Capital section, offset by excess of ₹ 72.08 crore (Administration of Justice, Stamps and Registration, Treasury and Accounts, District Administration and Miscellaneous, Family Welfare, Water Supply and Sanitation) under the Revenue Section and ₹69.09 crore (Public Works and Food) in the Capital Section..

Recoveries in reduction of expenditure amounted to ₹ 1509.15 crore showing an increase of ₹ 887.03 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 2016-17 Government of Kerala has availed ₹ 2931.13 crore as Ways and Means Advance on three times ( both Ordinary Ways and Means and Special Drawing Facility) .

### **1.4.2 Fund Flow Statement (Source and Application of Funds)**

The State had a revenue deficit of ₹ 15484.59 crore and a fiscal deficit of ₹ 26448.35 crore representing 2.36 *per cent* and 4.04 *per cent* respectively of the Gross State

Domestic Product (GSDP). The fiscal deficit constituted 25.83 *per cent* of the total expenditure. This deficit was financed from Public Debt (₹ 16151.88 crore) and other liabilities (₹ 10296.47 crore). 73.32 *per cent* of the revenue receipts (₹ 75611.72 crore) of the State Government was spent on committed expenditure like salaries (₹ 28046.69 crore), interest payments (₹ 12116.50 crore ) and pensions (₹ 15277.03 crore ).

### Source and Application of Funds

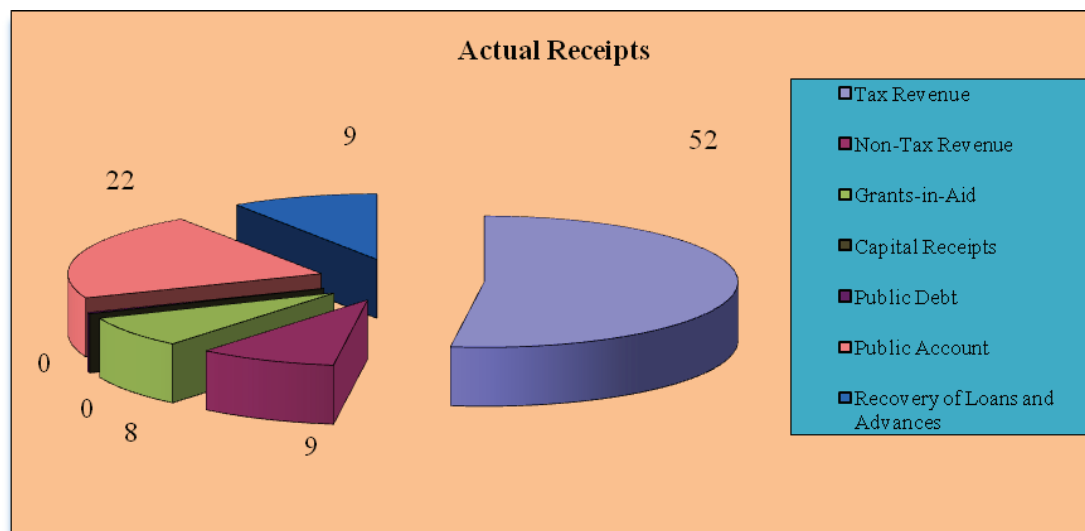
(₹ in crore)

SOURCE	PARTICULARS	Amount
	Opening Cash Balance	-39.38
	Revenue Receipts	75611.72
	Capital Receipts	30.24
	Recovery of Loans & Advances	292.24
	Public Debt	23857.89
	Small Savings, Provident Fund and Others	61707.78
	Reserves & Sinking Funds	934.75
	Deposits Received	3286.70
	Civil Advances recovered	0.00
	Suspense & Miscellaneous	178676.99
	Contingency Fund	0.00
	Remittances	3587.34
	<b>Total</b>	<b>347946.27</b>

APPLICATION	PARTICULARS	Amount
	Revenue Expenditure	91096.31
	Capital Expenditure	10125.95
	Loans Given	1160.29
	Repayment of Public Debt (*)	7706.01
	Payment towards Small Savings and Deposits and Advances	48776.12
	Reserves & Sinking Funds	894.10
	Deposits Returned	3181.02
	Civil Advances Given	0.04
	Suspense and Miscellaneous	181153.79
	Contingency Fund	0
	Remittances	3900.34
	Closing Cash Balance	-47.70
	<b>Total</b>	<b>347946.27</b>

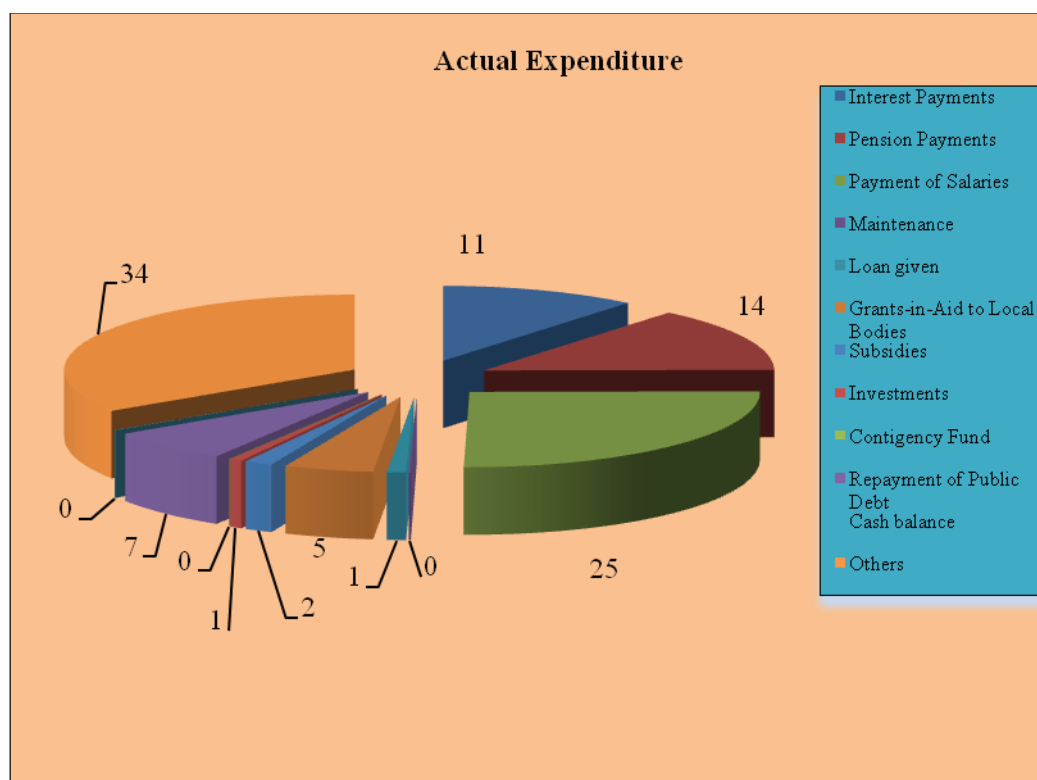
(\*)To Central Government (₹ 472.72 crore) and others (₹ 7233.29 crore)

### 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 2016-17	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(*)
1	Tax Revenue	61895.62	57401.39	92.74	8.76
2	Non-Tax Revenue	11359.52	9699.98	85.39	1.48
3	Grants-in-aid and Contributions	11361.72	8510.35	74.90	1.30
4	Revenue Receipts ( 1+2+3)	84616.86	75611.72	89.36	11.54
5	Recovery of Loans & Advances	207.80	292.24	140.64	0.04
6	Other Receipts	32.06	30.24	94.32	0.00
7	Borrowings & Other Liabilities (#)	32604.39	26448.35	81.12	4.04
8	Capital Receipts (5+6+7)	32844.25	26770.83	81.51	4.09
9	Total Receipts (4+8)	117461.11	102382.55	87.16	15.63
10	Non-Plan Expenditure (NPE)	87550.87	79569.30	90.88	12.14
11	NPE on Revenue Account	84733.89	77603.96	91.59	11.84
12	NPE on Interest Payments (out of 11)	12634.33	12116.50	95.90	1.85
13	NPE on Capital Account	2816.98	1965.34	69.77	0.30
14	Plan Expenditure	29910.24	22813.25	76.27	3.48
15	Plan Expenditure on Revenue Account	18555.36	13492.35	72.71	2.06
16	Plan Expenditure on Capital Account	11354.88	9320.90	82.09	1.42
17	Total Expenditure (10+14)	117461.11	102382.55	87.16	15.63
18	Expenditure on Revenue Account (11+15)	103289.25	91096.31	88.20	13.90
19	Expenditure on Capital Account (13 +16)**	14171.86	11286.24	79.64	1.72
20	Revenue Deficit[18-4]	18672.39	15484.59	82.93	2.36
21	Fiscal Deficit 17-(4+5+6)	32604.39	26448.35	81.12	4.04

(\*) Gross State Domestic Product (₹655205 crore) Source: 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 (₹ 10125.95 crore) and Loans and Advances disbursed (₹ 1160.29 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 2012-2017. It increased from ₹ 9351.44 crore in 2012-13 to ₹ 15484.59 crore in 2016-17.

The fiscal deficit increased from ₹ 15002.46 crore in 2012-13 to ₹ 26448.35 crore in 2016-17. The increase in fiscal deficit by ₹ 8629.96 crore during the year over the previous year was the net effect of increase in revenue deficit, (₹ 5827.78 crore), increase in non-debt capital receipts (₹ 141.77 crore), Capital expenditure (₹ 2625.91 crore) and disbursement of loans and advances (₹ 318.04 crore).

As a proportion of GSDP, the revenue deficit increased to 2.36 per cent, the fiscal deficit increased to 4.04 per cent and State's Total Debt liabilities increased to 28.96 per cent in 2016-17 from 1.65 per cent, 3.04 per cent and 27.28 per cent respectively in 2015-16. The Kerala Fiscal Responsibility and Budget Management Act, 2003, read with the Kerala Fiscal Responsibility and Budget Management (Amendment) Act 2011 based on the ceilings fixed by the Thirteenth Finance Commission had mandated the State to reduce the revenue deficit to zero, fiscal deficit to 3 per cent and State's total debt liabilities to 29.80 percent of estimated GSDP within a period of four years from 1 April 2011. The 14<sup>th</sup> Finance Commission, while keeping status

quo in revenue deficit and fiscal deficit targets, has recommended to bring down State's total debt liabilities to 30.84 percent of estimated GSDP by 2016-17.

Though the recommendations of the 14<sup>th</sup> Finance Commission had already been approved by the Central Government, the State is yet to make subsequent amendments in the FRBM Act 2003.

Fiscal targets given in the Medium Term Fiscal Plan (MTFP) for Kerala 2016-17 to 2018-19 are given below

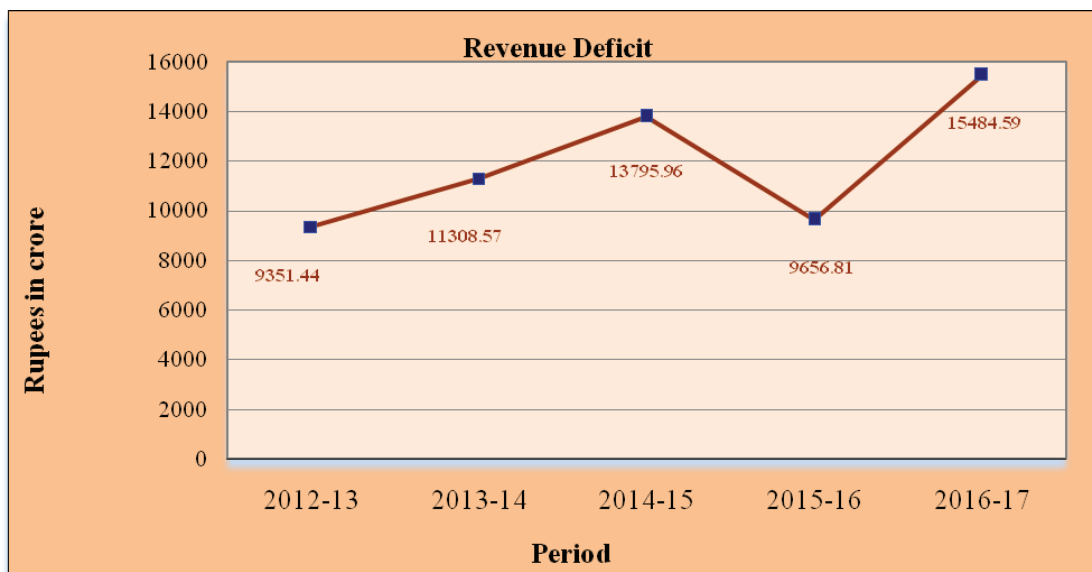
- Bring down the revenue deficit to 1.98 *per cent* of GSDP.
- Reduce Fiscal Deficit at a level not exceeding 3.51 *per cent* of the GSDP.
- Reduce the State's Debt to 26.82 *per cent* of GSDP

The percentages of revenue deficit and fiscal deficit during 2016-17 were more than the targets fixed in the Medium Term Fiscal Plan.

In this connection, the State Government has informed that the shortfall in achievement with respect to targets under MTFP is due to growing commitment to Health and Social Welfare Sectors. In the year 2016-17, the growth rate of States own Tax Revenue has declined and the growth of Revenue Expenditure increased over the previous year. The higher growth in Revenue Expenditure was mainly due to increased commitment on account of interest payment and additional commitment of Pay and Pension revision of State Govt. employees. It has further informed that the growing imbalance between Revenue Receipt and Revenue Expenditure mainly contributed to the increase of Revenue and Fiscal Deficit.

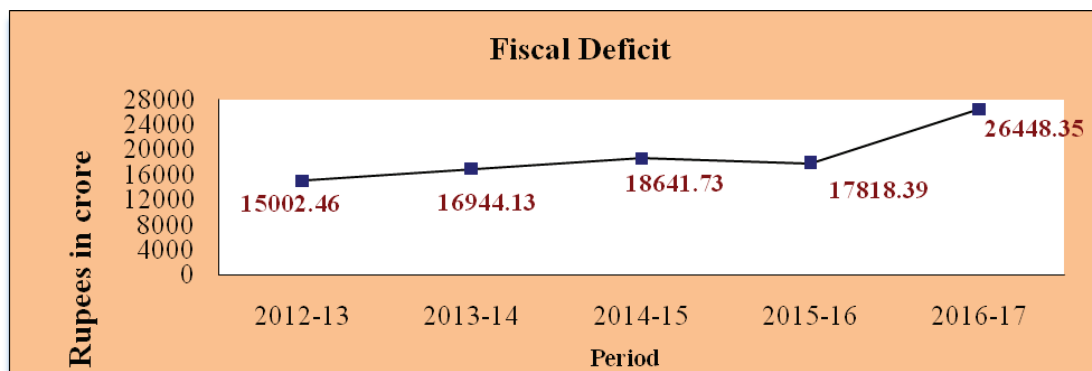
As regards the Total Debt liabilities, it has also informed that the large scale accumulation of Funds in the Public Account increased the liability of the State Government, due to which the State could not achieve the Debt/GSDP target as envisaged in the MTFP 2016-2017.

### 1.6.1 Trend of Revenue Deficit



### 1.6.2 Trend of Fiscal Deficit

Budget Estimates for 2016-17 provided a fiscal deficit of ₹ 32604.39 crore (4.98 per cent of GSDP) where as the actual fiscal deficit was ₹ 26448.35 crore (4.04 per cent of GSDP). The position for the last five years is as below:

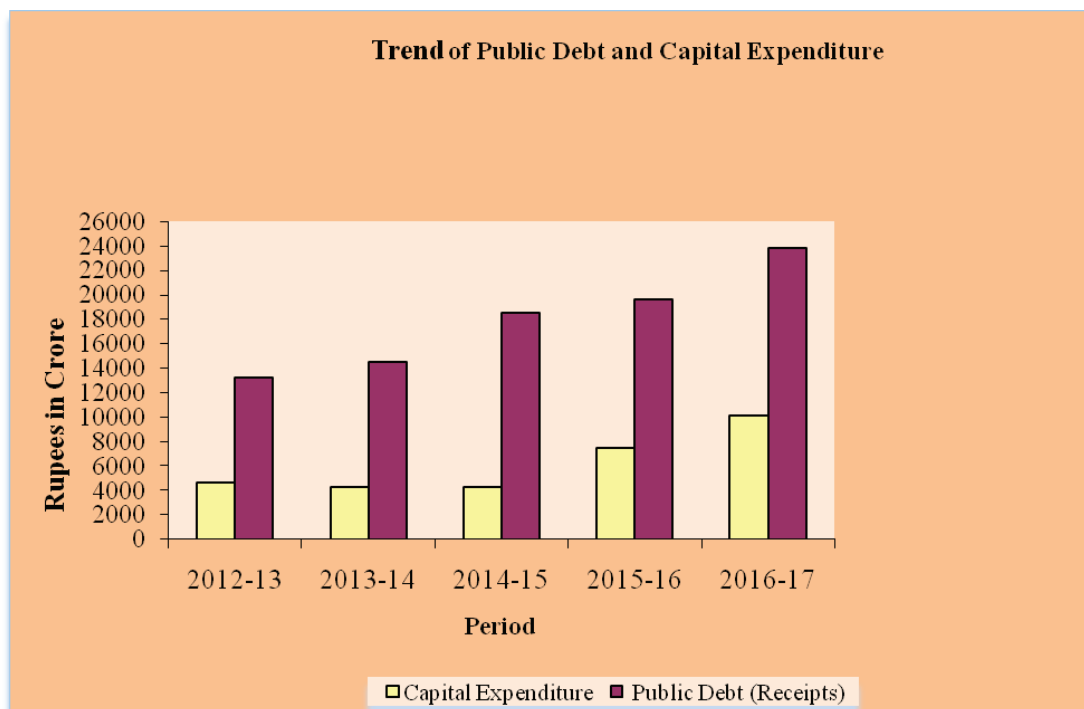


### 1.6.3 Proportion of borrowed funds spent on Capital expenditure

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
2012-13	13261.19	4603.29	34.71
2013-14	14461.18	4294.33	29.70
2014-15	18509.17	4254.59	22.99
2015-16	19658.74	7500.04	38.15
2016-17	23857.89	10125.95	42.44



## CHAPTER II

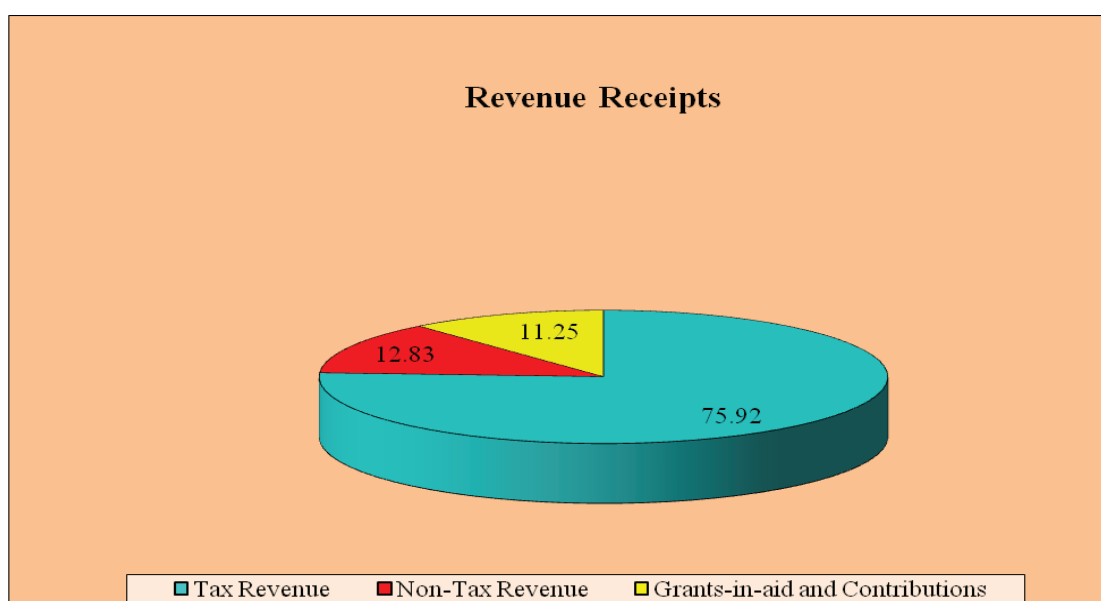
### RECEIPTS

#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2016-17 were ₹ 102382.55 crore (Revenue Receipt ₹ 75611.72 crore and Capital Receipts ₹ 26770.83 crore). Revenue receipts comprises Tax Revenue (₹ 57401.39 crore), Non-Tax Revenue (₹ 9699.98 crore) and Grants-in-aid and Contributions (₹ 8510.35 crore).

#### 2.2 Revenue Receipts

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's Share of Union taxes under Article 280 (3) of the Constitution.
<b>Non-Tax Revenue</b>	Includes interest receipts, dividends, profits etc.
<b>Grants-in-aid</b>	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 Components (2016-17)

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

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>57401.39</b>
Taxes on Income and Expenditure	8284.11
Taxes on Property, Capital and Other Transactions	3301.11
Taxes on Commodities and Services	45816.17
<b>B. Non-Tax Revenue</b>	<b>9699.98</b>
Interest Receipts, Dividends and Profits	239.88
General Services	8063.98
Social Services	539.56
Economic Services	856.56
<b>C. Grants-in-aid and Contributions</b>	<b>8510.35</b>
<b>Total - Revenue Receipts</b>	<b>75611.72</b>

### 2.3 Trend of Receipts

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

(₹ in crore)

Particulars	2012-13	2013-14(#)	2014-15(#)	2015-16(#)	2016-17
<b>Tax Revenue</b>	36917.26 (8.95)	39463.69 (8.48)	43158.79 (8.21)	51685.82 (8.78)	57401.39 (8.76)
<b>Non-Tax Revenue</b>	4198.51 (1.02)	5575.03 (1.20)	7283.69 (1.38)	8425.49 (1.43)	9699.98 (1.48)
<b>Grants-in-aid</b>	3021.53 (0.73)	4138.21 (0.89)	7507.99 (1.43)	8921.35 (1.52)	8510.35 (1.30)
<b>Total Revenue Receipts</b>	44137.30 (10.70)	49176.93 (10.57)	57950.47 (11.02)	69032.66 (11.73)	75611.72 (11.54)
<b>GSDP (*)</b>	412313	465041	526002	588337	655205

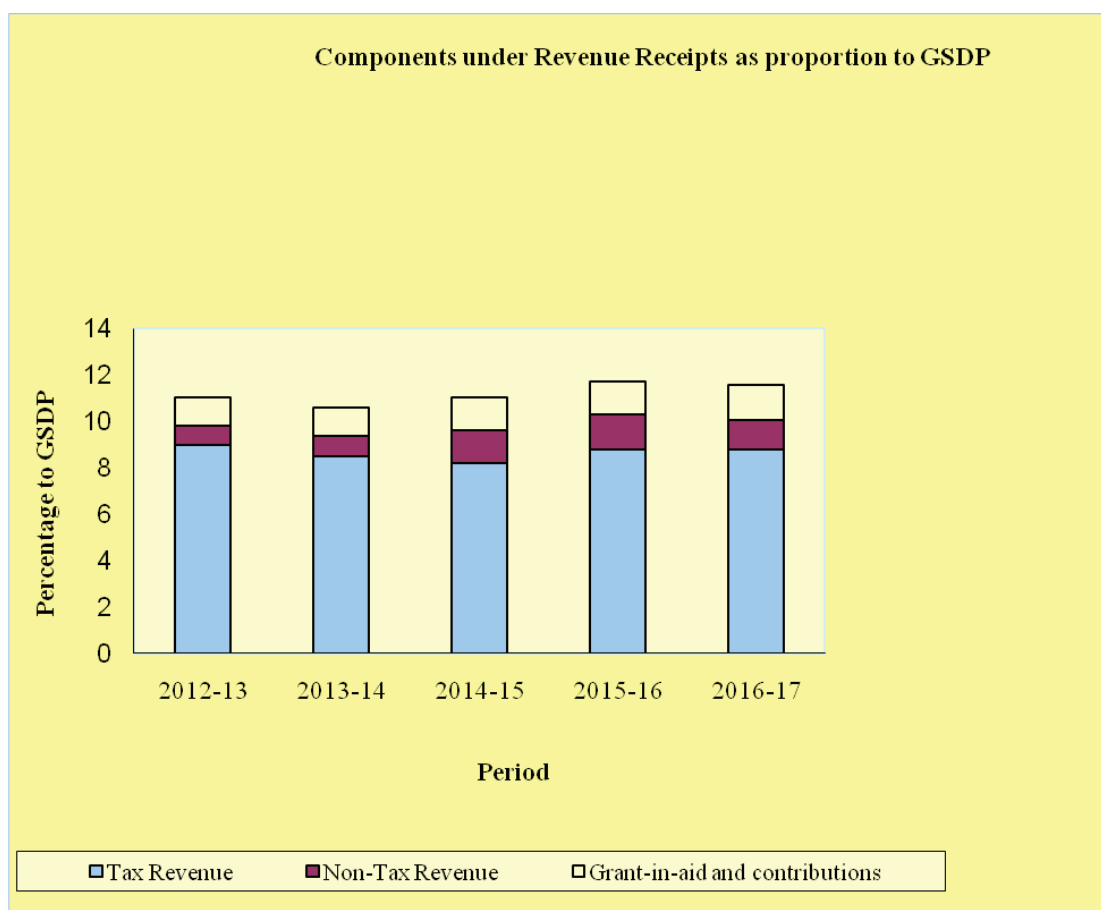
Note: (\*) GSDP figures communicated by Director of Economics and Statistics of the State Government. The figures for 2014-15 are provisional and that for 2015-16 are Quick Estimates. The figures for 2016-17 are advance estimates.

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 11.37 *per cent* between 2015-16 and 2016-17, while revenue collection increased by 9.53 *per cent*. Tax Revenue of ₹ 57401.39 crore and Non-Tax Revenue of ₹ 9699.98 crore during 2016-17 formed 8.76 *per cent* and 1.48 *per cent* respectively of the GSDP. Major portion of Tax Revenue was collected under Taxes on Sales, Trade etc. i.e, ₹ 33453.49 crore represent 5.11 *per cent* of the GSDP. Out of the Tax Revenue of ₹ 57401.39 crore, the contributions of State's Own Taxes and Central Tax transfers were ₹ 42176.37 crore and ₹ 15225.02 crore respectively.

Trend of Revenue receipts relative to GSDP is presented below:



### ***Sector-wise Tax Revenue***

Sector-wise composition of Tax Revenue for the period 2012-13 to 2016-17 is given below:

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Income and Expenditure	3947.20	4187.28	4753.09	6786.80	8284.11
Taxes on Property and Capital Transactions	3131.69	2765.09	2918.97	3191.46	3301.11
Taxes on Commodities and Services	29838.37	32511.32	35486.73	41707.56	45816.17
<b>Total Tax Revenue</b>	<b>36917.26</b>	<b>39463.69</b>	<b>43158.79</b>	<b>51685.82</b>	<b>57401.39</b>

### **2.4 Performance of State's Own Tax Revenue collection**

An analysis of State's Own Tax Revenue and its percentage to GSDP for the period 2012-13 to 2016-17 are shown below:

(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2012-13	36917.26	6840.65	30076.61	7.29
2013-14	39463.69	7468.68	31995.01	6.88
2014-15	43158.79	7926.29	35232.50	6.70
2015-16	51685.82	12690.67	38995.15	6.63
2016-17	57401.39	15225.02	42176.37	6.44

The State's Own Tax Revenue collected during 2016-17 was ₹ 3181.22 crore more than the year 2015-16 and ₹ 5437.63 crore less than the budget estimate for the year 2016-17 given in the Medium Term Fiscal Plan 2016-17 (₹ 47614 crore).

## 2.5 Efficiency of Tax Collection

Tax collection under the major sectors and expenditure on collection for the period 2012-13 to 2016-17 are given below

### A. Taxes on Property, Capital and other Transactions

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Revenue Collection</b>	3131.69	2765.09	2918.97	3191.46	3301.11
<b>Expenditure on Collection</b>	451.29	493.28	551.74	637.87	762.25
<b>Percentage of expenditure on collection to revenue collection</b>	14.41	17.84	18.90	19.99	23.09

### B. Taxes on Commodities and Services

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Revenue collection</b>	29838.37	32511.32	35486.73	41707.56	45816.17
<b>Expenditure on collection</b>	385.24	437.40	507.78	556.58	679.26
<b>Percentage of expenditure on collection to Revenue collection</b>	1.29	1.35	1.43	1.33	1.48

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

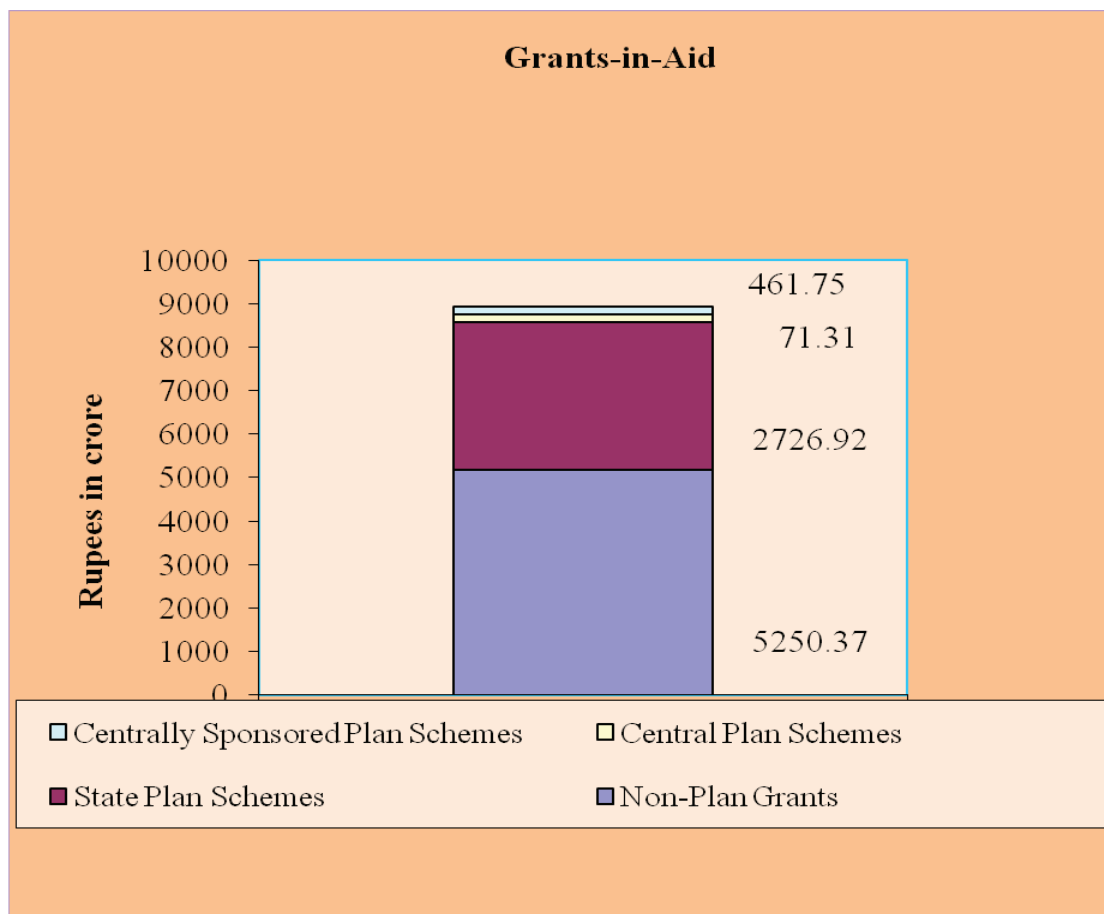
Share of various taxes to total revenue receipts are given below:

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	2457.20	2511.79	2767.88	4001.37	4885.98
Taxes on Income other than Corporation Tax	1471.08	1653.94	1976.54	2783.33	3395.77
Taxes on Wealth	4.16	6.89	7.47	0.89	11.18
Customs	1136.75	1218.58	1281.91	2031.61	2101.76
Union Excise Duties	772.54	860.66	723.84	1688.82	2400.03
Service Tax	998.92	1216.82	1168.58	2175.85	2430.25
Others	..		0.07	8.80	.05
<b>Total State Share of Union Taxes</b>	<b>6840.65</b>	<b>7468.68</b>	<b>7926.29</b>	<b>12690.67</b>	<b>15225.02</b>
<b>Total Tax Revenue</b>	<b>36917.26</b>	<b>39463.69</b>	<b>43158.79</b>	<b>51685.82</b>	<b>57401.39</b>
<b>Percentage of Union Taxes to total Tax Revenue</b>	<b>18.53</b>	<b>18.93</b>	<b>18.37</b>	<b>24.55</b>	<b>26.52</b>

## 2.7 Grants-in-aid

Grants-in-aid represent assistance from Government of India, and comprise Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by Niti Ayog and Non-Plan grants recommended by the Finance Commission and other grants. Total receipts during the year 2016-17 under Grants-in-aid were ₹ 8510.35 crore as shown below:



## 2.8 Public Debt

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

### *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	
2012-13	12708.89	2477.88	552.30	326.20	10457.11
2013-14	14069.17	2893.23	392.01	351.58	11216.37
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

## CHAPTER III

### EXPENDITURE

#### 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:

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

#### 3.2 Revenue Expenditure

Revenue expenditure for 2016-17, ₹ 91096.31 crore (comprising of Non-Plan expenditure of ₹ 77603.96 crore and Plan expenditure of ₹ 13492.35 crore) was less than the budget estimates by ₹ 12192.94 crore (less by ₹ 7129.93 crore under 'Non-Plan' and ₹ 5063.01 crore under 'Plan'). The shortfall of expenditure against Budget Estimates under Revenue Section during the past five years is given below:

(₹ in crore)

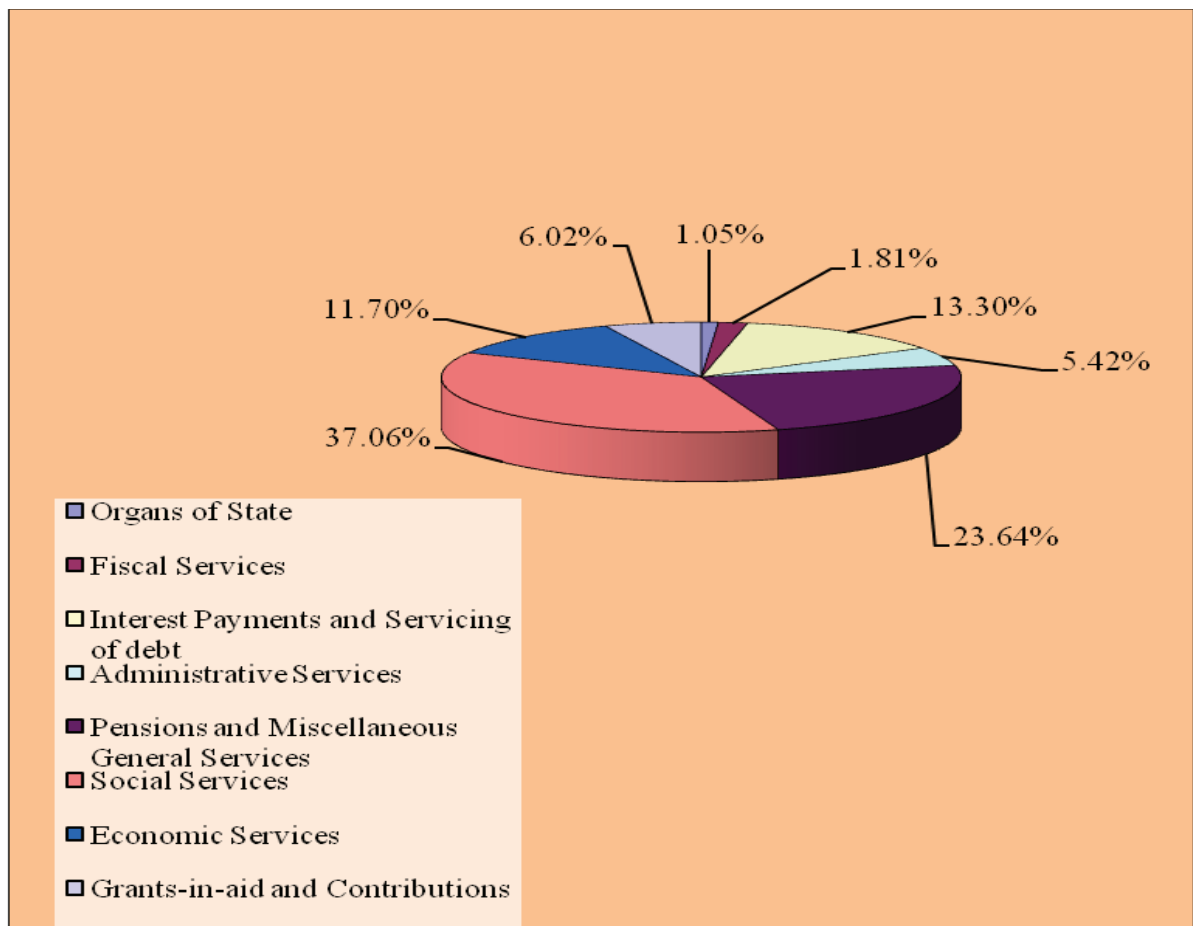
Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Budget Estimates</b>	55779.46	64500.23	79550.6	91829.55	103289.25
<b>Actuals</b>	53488.74	60485.5	71746.43	78689.47	91096.31
<b>Shortfall</b>	2290.72	4014.73	7804.17	13140.08	12192.94
<b>Percentage of shortfall over Budget Estimates</b>	4.11	6.22	9.81	14.31	11.80

### 3.2.1 Sectoral distribution of Revenue Expenditure

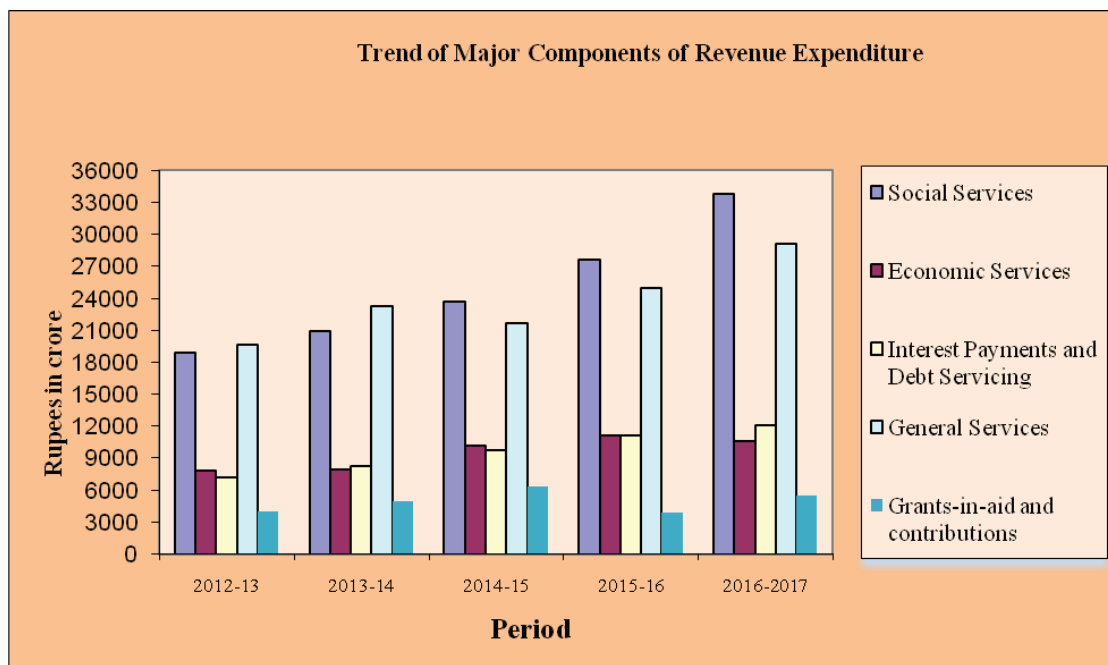
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

(₹ in crore)

	Components	Amount	Percentage to Total Revenue Expenditure
<b>A</b>	<b>Organs of State</b>	955.10	1.05
<b>B</b>	<b>Fiscal Services</b>	1651.58	1.81
	Collection of Taxes on Income and Expenditure	0.02	0.00
	Collection of Taxes on Property and Capital transactions	762.25	0.84
	Collection of Taxes on Commodities and Services	679.26	0.74
	Other Fiscal Services	210.05	0.23
<b>C</b>	<b>Interest Payments and Servicing of Debt</b>	12116.50	13.30
<b>D</b>	<b>Administrative Services</b>	4939.85	5.42
<b>E</b>	<b>Pensions and Miscellaneous General Services</b>	21532.30	23.64
<b>F</b>	<b>Social Services</b>	33764.72	37.06
<b>G</b>	<b>Economic Services</b>	10655.35	11.70
<b>H</b>	<b>Grants-in-aid and Contributions</b>	5480.91	6.02
	<b>Total Expenditure (Revenue account)</b>	91096.31	100.00



### 3.2.2 Major Components of Revenue Expenditure (2012-2017)



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

### 3.3 Capital Expenditure

Capital disbursements for 2016-17, ₹ 11286.24 crore (comprising Non-Plan expenditure of ₹ 1965.34 crore and Plan expenditure of ₹ 9320.90 crore) were less than the budget estimates by ₹ 2885.62 crore due to less disbursement under Non-Plan (₹ 851.64 crore) and less under Plan (₹ 2033.98 crore).

#### 3.3.1 Sectoral distribution of Capital Expenditure

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

(₹ in crore)

Sl No.	Sectors	Amount	Percentage to Capital Expenditure
1	General Services	210.86	1.87
2	Social Services	1292.68	11.45
3	Economic Services	8622.41	76.40
4	Loans and Advances	1160.29	10.28
	<b>Total</b>	<b>11286.24</b>	<b>100.00</b>

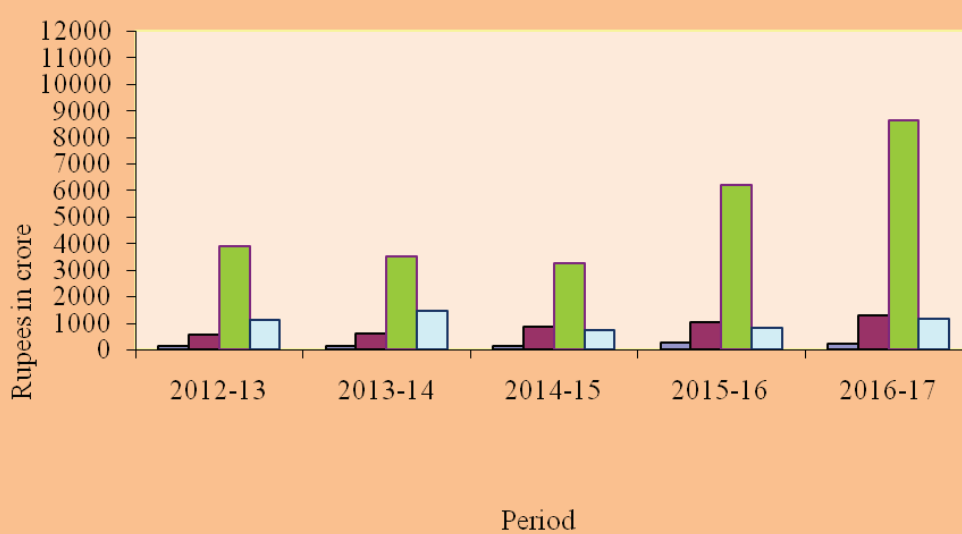
#### 3.3.2 Sectoral distribution of capital expenditure over the past five years

Sectoral distribution of capital expenditure over the past five years is given below:

(₹ in crore)

Sl. No	Sectors	2012-13	2013-14	2014-15	2015-16	2016-17
1	General Services	146.91	148.04	134.66	256.60	210.86
2	Social Services	561.89	617.12	875.26	1035.03	1292.68
3	Economic Services	3894.49	3529.17	3244.67	6208.41	8622.41
4	Loans and Advances	1136.15	1464.17	743.09	842.25	1160.29
	<b>Total</b>	<b>5739.44</b>	<b>5758.50</b>	<b>4997.68</b>	<b>8342.29</b>	<b>11286.24</b>

Trend of Sectoral Distribution of Capital Expenditure

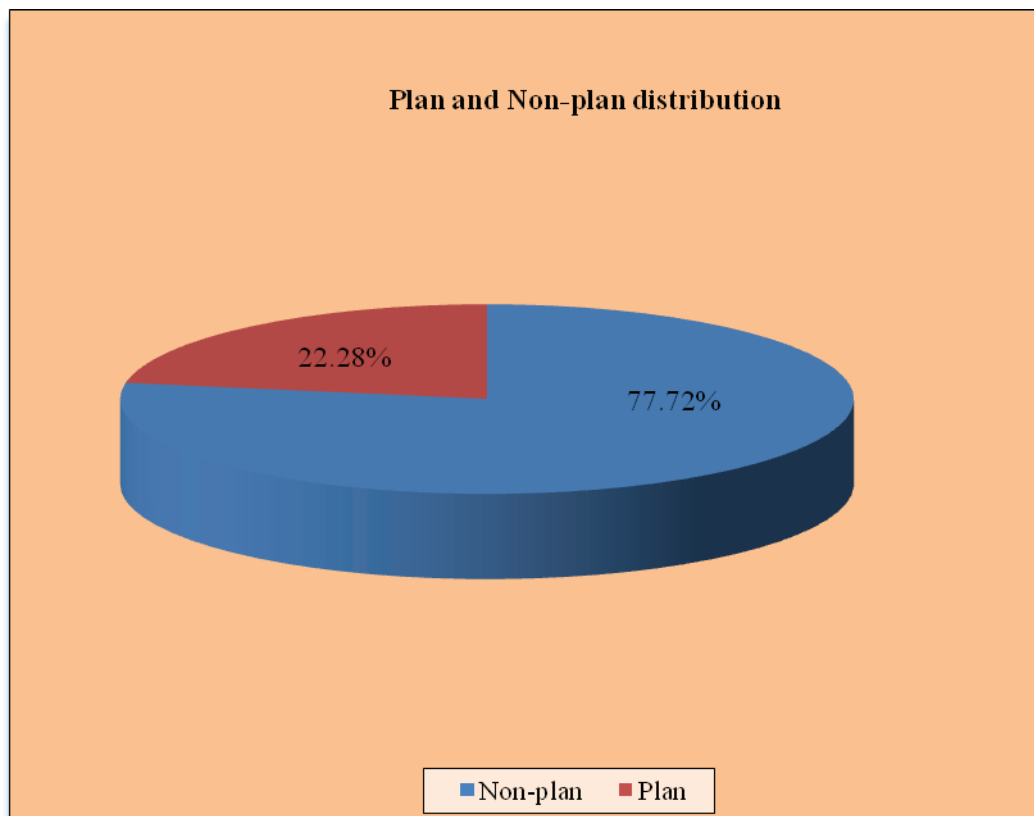


General Services Social Services Economic Services Loans and Advances

### PLAN & NON-PLAN EXPENDITURE

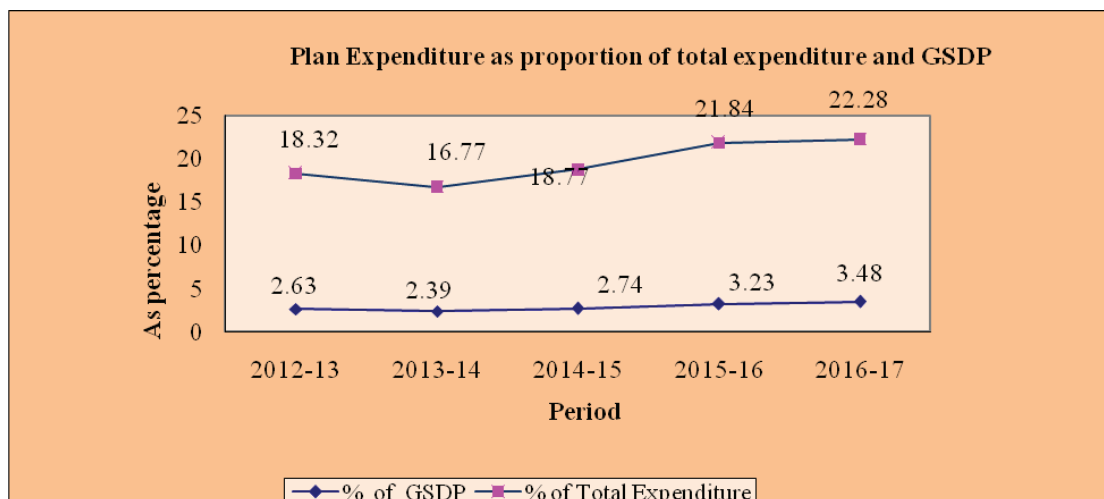
#### 4.1 Distribution of expenditure

The Pie-chart below shows the distribution of disbursement under Plan and Non-Plan expenditure.



#### 4.2 Plan Expenditure

Plan Expenditure during 2016-17 (₹ 22813.25 crore) consists of ₹ 13492.35 crore under Revenue and ₹ 9320.90 crore under Capital. It represents 22.28 *per cent* of the total expenditure of ₹ 102382.55 crore and comprises ₹ 19630.24 crore under State Plan and ₹ 3183.01 crore under Centrally Sponsored Schemes/Central Plan Schemes.



#### 4.2.1 Plan expenditure under Capital Account

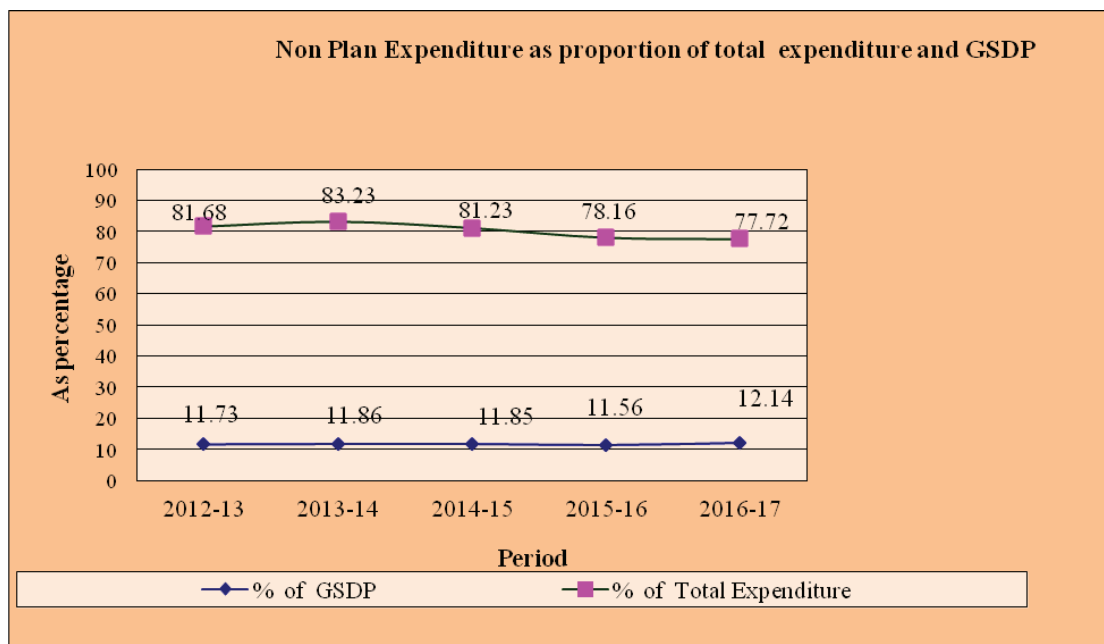
The plan expenditure under Capital Account during the past five years is given below:

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	5739.44	5758.50	4997.68	8342.29	11286.24
Capital Expenditure (plan) (Includes Loans and Advances)	3998.72	4035.15	4124.12	6926.09	9320.90
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	69.67	70.07	82.52	83.02	82.59

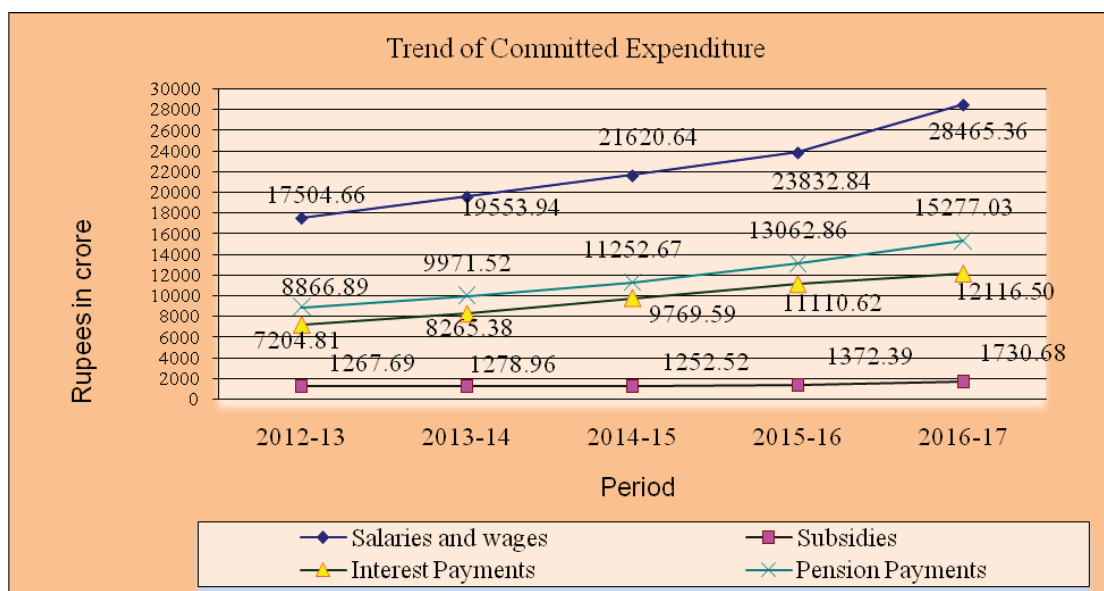
#### 4.3 Non-Plan Expenditure

Non-Plan expenditure during 2016-17 (₹ 79569.30 crore) consists of ₹ 77603.96 crore under Revenue and ₹ 1965.34 crore under Capital. It represents 77.72 *per cent* of the total expenditure of ₹ 102382.55 crore.



#### 4.4 Committed Expenditure

The committed expenditure of the State Government on revenue account 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 76.16 per cent.

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

(₹ in crore)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Committed Expenditure</b>	34844.05	39069.80	43895.42	49378.71	57589.57
<b>Revenue Expenditure</b>	53488.74	60485.50	71746.43	78689.47	91096.31
<b>Percentage of committed expenditure to Revenue Receipts</b>	78.94	79.45	75.75	71.53	76.16
<b>Percentage of committed expenditure to Revenue Expenditure</b>	65.14	64.59	61.18	62.75	63.22

Pension payments during 2016-17 was ₹ 126.55 crore less than the projection made by State Government in Medium Term Fiscal Plan (₹ 15403.58 crore). The expenditure on salaries and wages (including the salary of staff of State aided educational institutions paid by Government) during the year 2016-17 was ₹ 28465.36 crore constituting 37.65 *per cent* of the revenue receipts and 31.25 *per cent* of the revenue expenditure. The salary expenditure is 44.69 *per cent* of revenue expenditure net of interest and pension payments and it is ₹ 1133.16 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 27332.20 crore).

## CHAPTER V

### APPROPRIATION ACCOUNTS

#### 5.1 Summary of Appropriation Accounts

The Appropriation Accounts of the Government of Kerala for the year 2016-17 present the accounts of sums expended in the year ended 31 March 2017 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 2016-17, the actual expenditure was ₹ 111597.71 crore comprised ₹ 92420.44 crore Revenue Expenditure, ₹ 10310.97 crore Capital Expenditure, ₹ 7706.01 crore repayment of Public Debt and ₹ 1160.29 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	<b>Revenue</b> Voted Charged	85217.75 13062.58	5577.28 28.87	90795.03 13091.45	79959.15 12461.29	-10835.88 -630.16
2	<b>Capital</b> Voted Charged	9501.00 96.81	3312.61 11.42	12813.61 108.23	10245.71 65.26	-2567.90 -42.97
3	<b>Public Debt</b> Charged	13974.78		13974.78	7706.01	-6268.77
4	<b>Loans and Advances</b> Voted	740.58	534.32	1274.90	1160.29	-114.61
	<b>Total</b>	122593.50	9464.50	132058.00.	111597.71	-20460.29

## 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	
2012-13	(-)1942.15	(-)2097.33	(-)6878.39	(+)21.33	(-)10896.54
2013-14	(-)3647.38	(-)5208.34	(-)6859.49	(-)3.42	(-)15718.63
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

### 5.2.1 Excess over provision requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹ 72.08 crore under Revenue voted Section and ₹ 69.09 crore under Capital section. This excess expenditure of ₹ 141.17 crore requires regularisation under Article 205 of the Constitution of India.

### 5.2.2 Significant Savings

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

Grant No.	Nomenclature	2012-13	2013-14	2014-15	2015-16	2016-17
<b>REVENUE VOTED</b>						
XXII	Urban Development	70	84	75	69	42
<b>CAPITAL CHARGED</b>						
	Public Debt Repayment	71	68	59	60	45

### 5.2.3 Unnecessary Supplementary Grants

Supplementary provisions aggregating ₹ 2744.87 crore, obtained in 30 cases during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as given below:

GrantNo.	Nomenclature	Original provision	Supplement ary provision	Actual Expenditure
<b>Revenue Voted</b>				
I	State Legislature	91.14	1.19	90.47
VI	Land Revenue	577.04	3.89	558.69
VIII	Excise	261.98	8.01	253.72
IX	Taxes on Vehicles	120.09	7.50	120.08
XII	Police	3322.34	44.93	3186.84
XIV	Stationery and Printing and Other Administrative Services	421.57	50.25	413.47
XV	Public Works	2447.99	158.49	2166.25
XVI	Pension and Miscellaneous	23066.74	857.61	21476.84
XXII	Urban Development	1319.60	178.00	866.41
XXIII	Information and Publicity	81.12	19.44	79.54
XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2862.96	47.75	2633.51
XXVI	Relief on account of Natural Calamities	405.10	36.04	347.13
XXIX	Agriculture	2957.68	240.18	2889.11
XXX	Food	1654.57	89.11	1586.77
XXXI	Animal Husbandry	612.21	16.33	577.52
XXXII	Dairy	163.47	10.10	156.29
XXXIV	Forest	562.38	3.02	541.66

XXXVI	Rural Development	3031.16	50.00	811.06
XXXVIII	Irrigation	401.17	22.55	363.46
XXXIX	Power	138.96	24.00	85.07
XLI	Transport	62.15	2.50	53.88
XLII	Tourism	187.36	3.44	170.74
<b>Revenue Charged</b>				
II	Heads of States, Ministers and Headquarters Staff	172.76	18.93	171.84
III	Administration of Justice	105.84	1.47	104.99
	Debt Charges	12629.95	4.37	12116.82

<b>Capital - Voted</b>				
XVII	Education	364.26	70.53	345.38
XXVIII	Miscellaneous Economic Services	2607.29	729.53	2384.07
XXXI	Animal Husbandry	52.70	10.60	19.25
XXXIV	Forest	109.20	0.83	95.89
XXXIX	Power	61.92	34.28	18.81
	<b>Total</b>	60852.70	2744.87	54685.56

### 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.

	2012-13	2013-14	2014-15	2015-16	2016-17
Number of withdrawals from Contingency Fund	3	19	2	3	Nil
Total withdrawals from Contingency Fund (Rupees in crore)	23.36	219.36	17.79	2.61	Nil
Withdrawals from Contingency Fund as percentage to total Budget provision	0.11	0.03	0.25	0.003	Nil

## 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 ₹ 7140.91 crore at the end of 2016-17 excluding ₹ 99.12 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 (₹3.00 crore) and Capital Assistance given to companies producing Neera(₹ 6.86 crore) and various schemes under Water Supply and Sanitations (₹ 54.50 crore). Dividends received during the year were ₹ 96.37 crore (1.35 *per cent* of investment). During 2016-17, investments increased by ₹ 506.18 crore and dividend income increased by ₹ 6.14 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) decreased from ₹ -39.38 crore at the beginning of the year 2016-17 to ₹-47.70 crore at its end.

#### 6.2 Debt and Liabilities

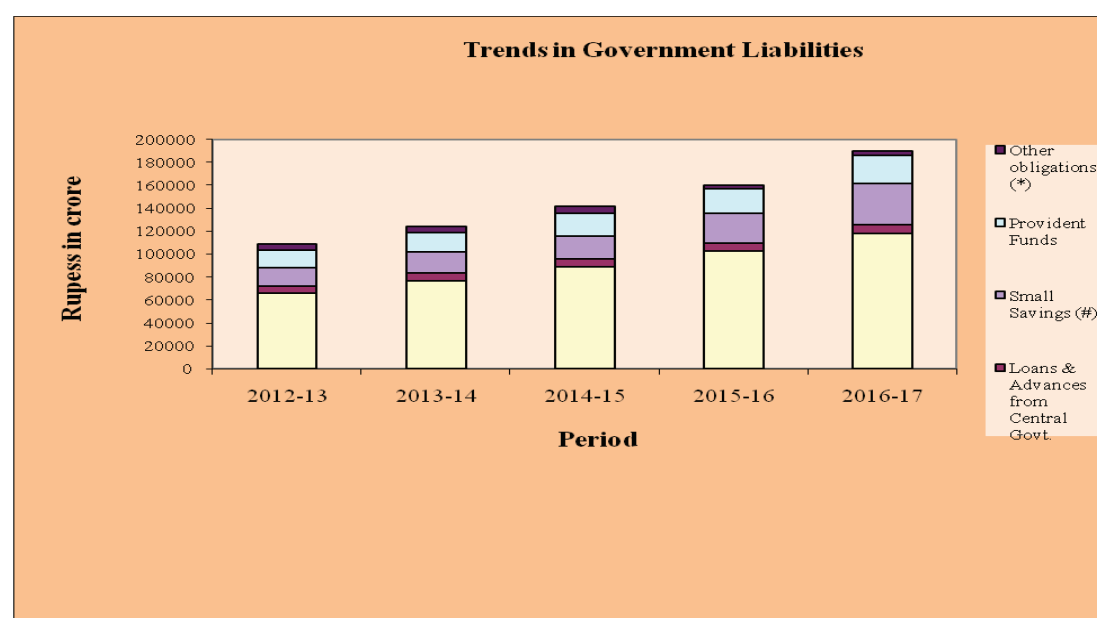
Outstanding Public Debt of the State at the end of 2016-17 was ₹ 125882.85 crore, comprising Internal Debt (₹ 118268.72 crore) and Loans and Advances from Central Government (₹ 7614.13 crore). Other liabilities accounted under Public Account were ₹ 63885.70 crore. The State also acts as a banker and trustee in respect of Small Savings, Provident Funds and Deposits. There was an overall increase of ₹ 13037.34 crore in respect of such liabilities of the State Government during 2016-17.

Interest payments on debt and other liabilities totaling ₹ 12096.01 crore constituted 13.28 percentage of revenue expenditure of ₹ 91096.31 crore. Interest payments on Public Debt were ₹ 9416.36 crore ((Internal Debt: ₹ 9081.61 crore (excluding Management of debt ₹ 20.81 crore, Recoveries of overpayments ₹ 0.13 crore), Loans and Advances from Central Government: ₹ 334.75 crore )) . Expenditure on account of interest payments increased by ₹ 1003.00 crore during 2016-17.

Internal debt of ₹ 23005.75 crore was raised during 2016-17. The debt obligations discharged on this account were ₹ 7233.29 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
2012-13	65628.40	6621.79	72250.19	15947.99	15362.66	4915.90	108476.74	26.31
2013-14	76804.34	6662.22	83466.56	18252.21	17290.30	5071.84	124080.91	26.68
2014-15	89067.90	7065.06	96132.96	19929.74	19377.54	6506.65	141946.89	26.99
2015-16	102496.26	7234.71	109730.97	26046.55	21592.81	3168.35	160538.68	27.28
2016-17	118268.72	7614.13	125882.85	36040.07	24530.94	3314.69	189768.55	28.96



(\*) 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. Section 3 of the Kerala Ceiling on Government Guarantees Act, 2003 read with the Kerala Ceiling on Government Guarantees (Amendment) Act, 2015 stipulates that the total outstanding Government guarantees as on the first day of April any year shall not exceed ₹ 21000 crore.

The position of guarantees for the period 2012-13 to 2016-17 is given below:

(₹ in crore)

At the end of the year	Amount Guaranteed	Amount outstanding
2012-13	11482.25	9099.50
2013-14	12275.21	9763.36
2014-15	13123.30	11126.87
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56

As per the statement furnished by the Government the outstanding guarantees as on 31 March 2017 was ₹ 16245.56 crore. An amount of ₹ 101.30 crore was received by Government during 2016-17 towards guarantee fee. Arrears of guarantee fee as on 31 March 2017 amounted to ₹ 120.03 crore.

## CHAPTER VII

### OTHER ITEMS

#### 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 31.3.2017 there are 45 instances of adverse balance under Loan major heads amounting to ₹ 33.50 crore.

#### 7.2 Loans and Advances by the State Government

Total Loans and Advances disbursed by the State Government at the end of the year 2016-17 was ₹ 13877.94 crore. During the year 2016-17, the State Government disbursed Loans and Advances amounting to ₹ 1160.29 crore.

In respect of loans and advances, the detailed accounts of which are maintained by the Accountant General (A&E), recovery of ₹ 11280.53 crore (Principal: ₹ 7014.96 crore and Interest: ₹ 4265.57 crore) was in arrears as on 31 March 2017.

Of the above arrears 63.96 per cent pertains to three institutions/organisations viz., Kerala Water Authority (₹ 4126.52 crore), Kerala State Road Transport Corporation (₹ 1667.62 crore), Kerala State Housing Board (₹ 1420.85 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)).

#### 7.3 Financial Assistance to Local Bodies and Others

Assistance given to local bodies and others in 2016-17 was ₹ 23890.13 crore. It increased from ₹ 13716.30 crore in 2012-13 to ₹ 23890.13 crore in 2016-17 reflecting 74.17 per cent increase in the last five years. Out of the total financial assistance given to local bodies and others, the share of Educational Institutions was 47.08 per cent, 42.97 per cent, 38.95 per cent, 41.83 per cent and 40.20 per cent respectively for the years 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17.

During the year 2016-17, financial assistance given to Local Self Government Institutions was ₹ 10532.53 crore (Municipal Corporation and Municipalities:

₹ 2756.55 crore, Panchayati Raj Institutions: ₹ 7775.98 crore) constituting 13.93 *per cent* of the revenue receipts and 11.56 *per cent* of the revenue expenditure. The share of Local Self Government Institutions alone was 44.09 *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)				
<b>Financial Assistance to Local bodies and Others</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
<b>Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)</b>	<b>6204.36</b>	<b>6934.56</b>	<b>7769.01</b>	<b>8409.89</b>	<b>9602.98</b>
<b>Municipal Corporations and Municipalities</b>	<b>1177.77</b>	<b>1358.09</b>	<b>1836.39</b>	<b>1405.77</b>	<b>2756.55</b>
<b>Zilla Parishads and Other Panchayati Raj Institutions</b>	<b>5279.31</b>	<b>6421.60</b>	<b>8423.74</b>	<b>7767.62</b>	<b>7775.98</b>
<b>Development Agencies</b>	<b>5.15</b>	<b>6.42</b>	<b>6.23</b>	<b>5.91</b>	<b>14.73</b>
<b>Hospitals and Other Charitable Institutions</b>	<b>153.33</b>	<b>94.19</b>	<b>305.76</b>	<b>407.60</b>	<b>812.18</b>
<b>Other Institutions</b>	<b>896.42</b>	<b>1323.46</b>	<b>1602.60</b>	<b>2104.35</b>	<b>2927.71</b>
<b>Total</b>	<b>13716.30</b>	<b>16138.32</b>	<b>19943.73</b>	<b>20101.14</b>	<b>23890.13</b>

## 7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Particulars	As on March 2016	As on March 2017	Increase(+)/ Decrease(-)
<b>Cash balances</b>	<b>-39.38</b>	<b>-47.70</b>	<b>-8.32</b>
<b>Investments from cash balances (a+b)</b>	<b>1636.75</b>	<b>1944.50</b>	<b>307.75</b>
a. GOI Treasury Bills	1631.60	1939.35	307.75
b. GOI Securities	5.15	5.15	0
<b>Other Cash Balances</b>	<b>1.65</b>	<b>1.59</b>	<b>-0.06</b>
1) Departmental Balances	1.27	1.18	-0.09
2) Permanent Cash Imprest	0.38	0.41	0.03
<b>Fund-wise break-up of investments from earmarked balances (a to d)</b>	<b>1630.37</b>	<b>1751.94</b>	<b>121.57</b>
a. Sinking Fund	1615.81	1737.38	121.57
b. Agriculturists' Rehabilitation Fund	2.39	2.39	0
c. Kudikidappukars' Benefit Fund	2.17	2.17	0
d. Kerala Consumer Welfare Fund	10.00	10.00	0
<b>Interest realised during the year on investment of cash balances</b>	<b>40.85</b>	<b>78.32</b>	<b>37.47</b>

The cash balance of the State Government had decreased from ₹ -39.38 crore in 2015-16 to ₹ -47.70 crore in 2016-17. The State Government had invested nearly ₹ 3696.44 crore in treasury bills, GOI Securities etc. Investments were made from earmarked fund balances also. There was 91.73 *per cent* increase 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 84.61 *per cent* of total reconcilable expenditure and 59.82 *per cent* of total reconcilable receipts. The Additional Secretary Higher Education Department, Chief Electoral Officer, Chief Engineer (Irrigation and Research Board), Chief Engineer Revenue complex, Chief Engineer, Project II (Irrigation), Director of Coir Development, Director of Employment, Director of Panchayat 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 Reserve Bank of India rendering accounts to the Accountant General (A&E). During 2016-17, despite delay in monthly rendition of accounts ranging from 1- 90 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 20<sup>th</sup> of the succeeding month. As on 31 March 2017, DC Bills in respect of 71 items amounting to ₹ 1.08 crore, have not been received in the office of the Accountant General (A&E).

## **7.8 Commitments on account of Incomplete Projects/Works**

There were 252 projects/work (each costing above rupees one crore) on which an expenditure of ₹ 948.19 crore was incurred up to March 2017 which were not completed at the end of March 2017 though the stipulated period of completion was over.

## **7.9 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. However, the expenditure incurred under certain Heads of Account during March 2017 ranged between 50 *per cent* and 100 *per cent* of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the four quarters of 2016-17 in the above mentioned heads are as below:

Major Head	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter (*)	Total	During March	Percent age of expend iture during March to total expend iture
2075 Miscellaneous General Services	193.32	1876.28	768.81	3416.86	6255.27	4726.72	75.56
2217 Urban Development	10.23	184.06	53.68	618.38	866.35	518.64	59.86
2551 Hill Areas	0.20	61.73	0.02	104.81	166.76	92.37	55.39
2885 Other outlays on Industries and Minerals	0.00	0.00	0.00	8.00	8.00	8.00	100
3435 Ecology and Environment	1.05	0.34	4.90	14.92	21.21	14.41	67.94
4215 Capital outlay on Water supply and Sanitation	0.00	15.59	9.00	189.32	213.91	145.63	68.08
4220 Capital Outlay on Information and Publicity	0.00	0.02	0.10	3.94	4.06	3.83	94.33
4225 Capital outlay on Welfare of SC,ST,OBCs and Minorities	5.41	10.43	19.44	154.72	190.00	121.23	63.81
4401 Capital Outlay on Crop Husbandry	0.16	1.23	1.37	9.35	12.11	7.00	57.80
4711 Capital Outlay on Flood control Projects	79.16	38.91	54.45	69.74	242.26	126.26	52.12
4851 Capital Outlay on Village and Small Industries	0.00	18.63	0.52	29.35	48.50	30.62	63.13
5051 Capital Outlay on ports and Light Houses	13.28	1.52	3.81	80.70	99.31	76.91	77.44
5055 Capital Outlay on road Transport	19.95	2.99	6.29	45.62	74.85	43.27	57.81
5425 Capital Outlay on Other Scientific and Environmental Research	0.00	0.00	0.02	0.28	0.30	0.26	86.67
5452 Capital Outlay on Tourism	10.74	18.61	30.82	115.26	175.43	91.90	52.39
5475 Capital Outlay on Other General Economic Services	1.06	4.81	483.14	1895.02	2384.03	1891.64	79.35

(\*) Includes Annual Adjustments/Book Adjustments effected.

