



सत्यमेव जयते

ACCOUNTS AT A GLANCE

2019-2020



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF KERALA



**ACCOUNTS AT A GLANCE
FOR THE YEAR 2019-2020**

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

GOVERNMENT OF KERALA

PREFACE

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

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

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

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

Thiruvananthapuram
16.07.2021


G SUDHARMINI
Principal Accountant General (A&E)
Kerala

Our Vision, Mission and Core Values

VISION

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

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

MISSION

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

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

CORE VALUES

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

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

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CHAPTER I

OVERVIEW

1.1 Introduction

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

1.2 Structure of Government Accounts

1.2.1 Government Accounts are kept in three parts

Part I CONSOLIDATED FUND

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

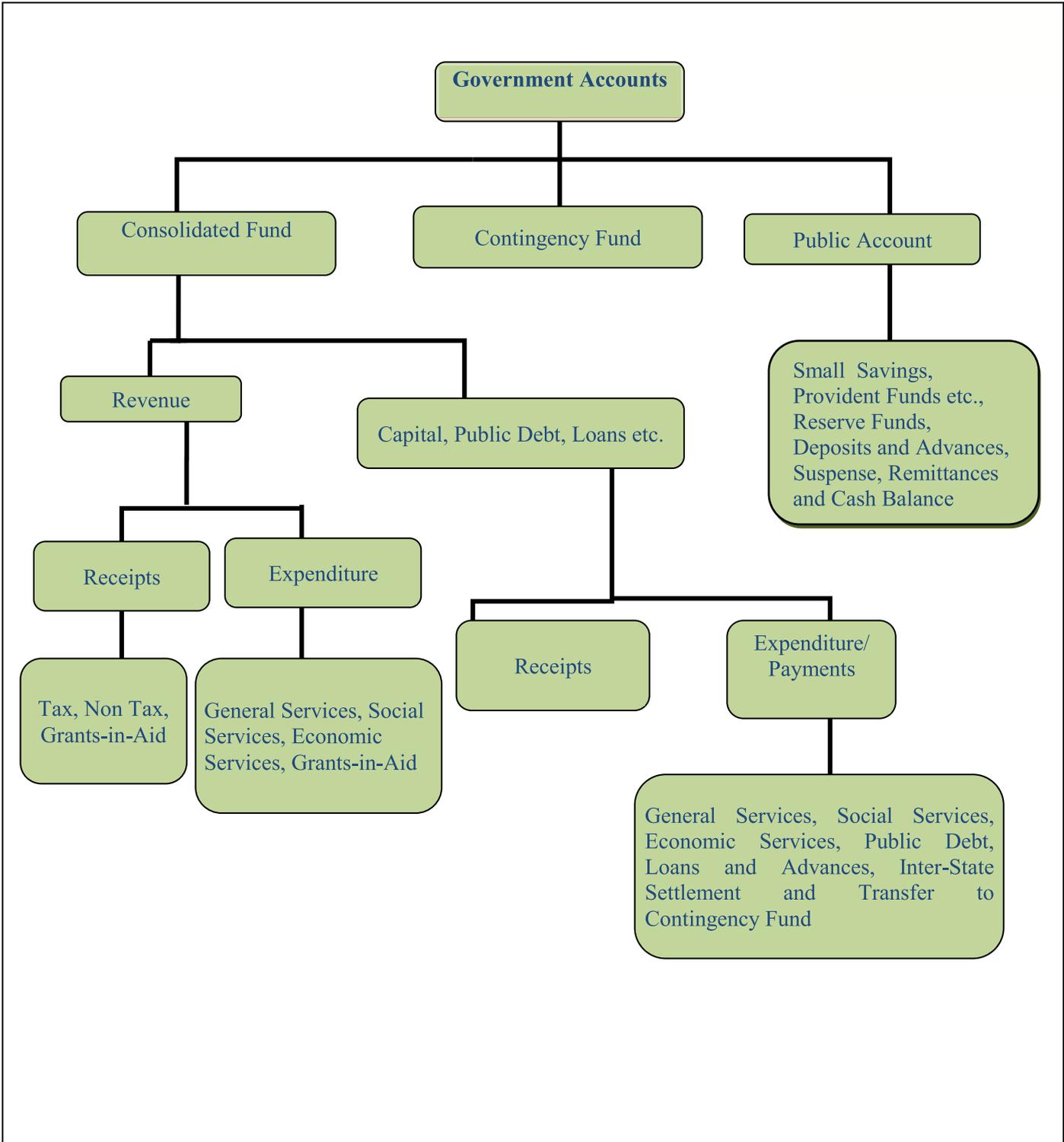
PART II CONTINGENCY FUND

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

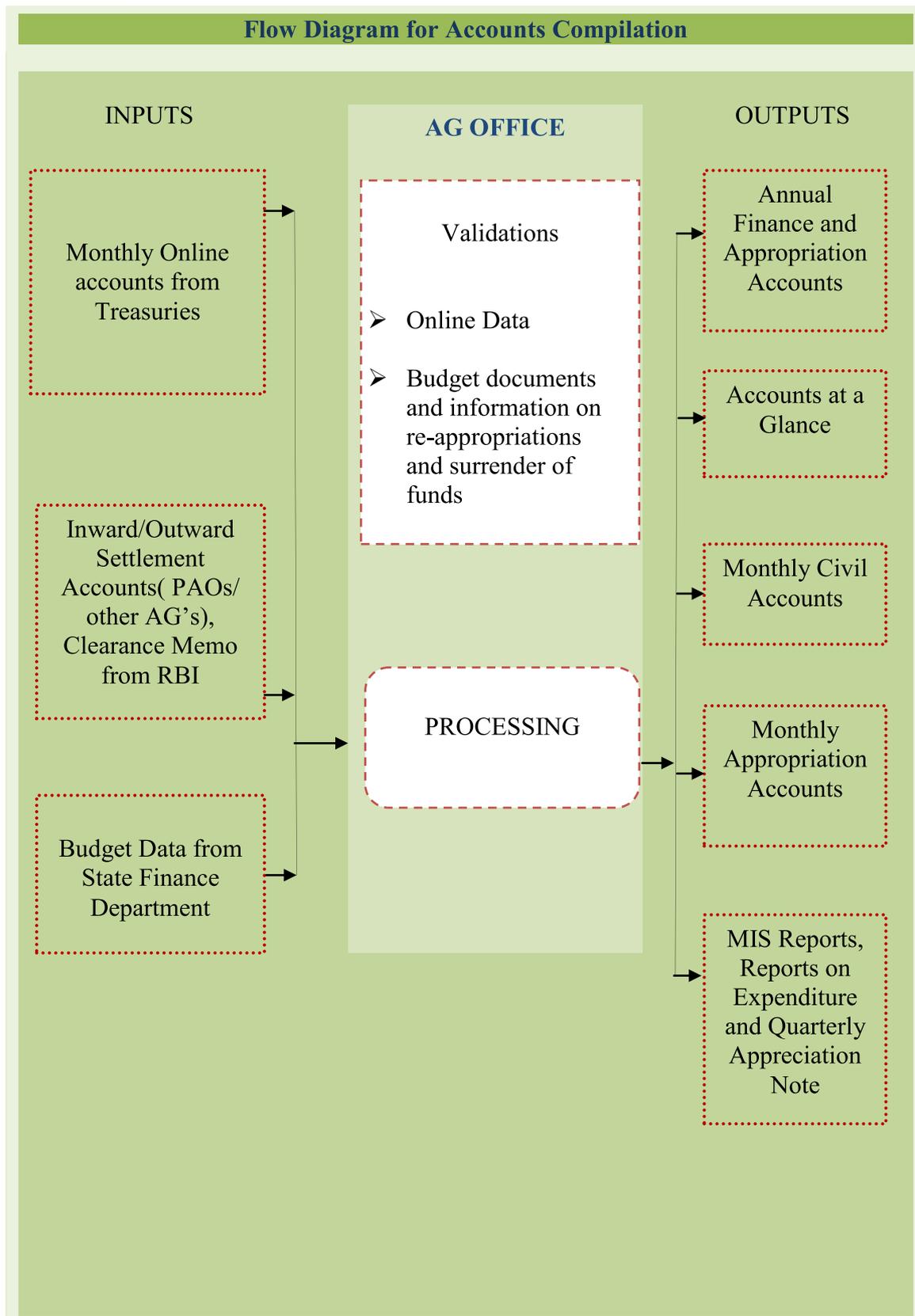
Part III PUBLIC ACCOUNT

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

1.2.2 Pictorial representation of Structure of Government Accounts



1.2.3 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

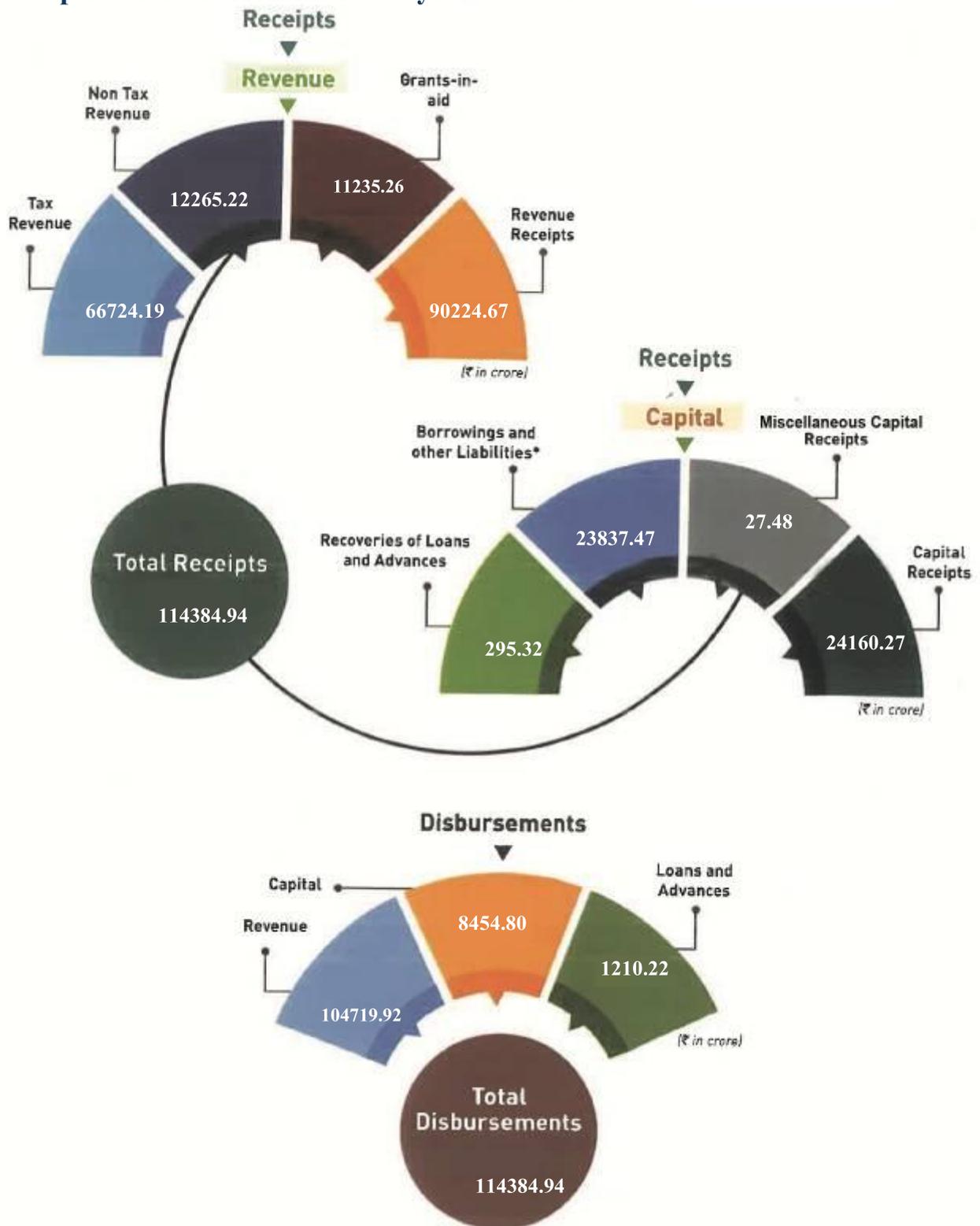
Receipts and Disbursements of the State Government during 2019-20 are as given below:-

(₹ in crore)

Receipts Total: 114384.94	Revenue Total: 90224.67	Tax Revenue	66724.19
		Non -Tax Revenue	12265.22
		Grants-in-aid	11235.26
	Capital Total: 24160.27	Miscellaneous Capital Receipts	27.48
		Recovery of Loans and Advances	295.32
		Borrowings and other Liabilities(*)	23837.47
Disbursements Total: 114384.94	Revenue		104719.92
	Capital		8454.80
	Loans and Advances		1210.22

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

Receipts and disbursement in the year 2019-20



(*) 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.

1.3.3 Efficiency on Budget Preparation

The Appropriation Acts passed by the State Legislature had estimated a gross expenditure of ₹194462.61 crore, including the supplementary provision of ₹33849.60 crore during the year 2019-20. An amount of ₹ 893.93 crore was estimated as recoveries in reduction of expenditure.

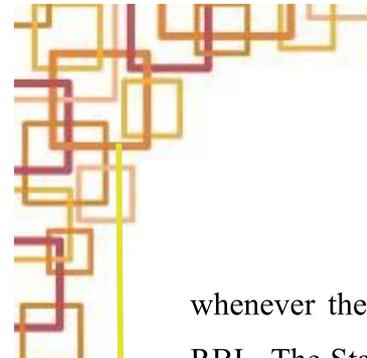
The Appropriation Accounts 2019-20 show disbursements aggregating ₹163815.80 crore against the budget provision of ₹194462.61 crore, resulting in overall savings of ₹ 30646.81 crore against Grants and Appropriations. The overall savings of ₹30646.81 crore was the result of savings of ₹31312.18 crore in 43 Grants and 22 Appropriations under the Revenue section and 29 Grants and 7 Appropriations under Capital section, offset by excess of ₹ 328.74 crore (Debt Charges and Relief on account of Natural Calamities) in the Revenue Section and ₹ 336.63 crore (Public Debt repayment) in the Capital Section.

Recoveries in reduction of expenditure amounted to ₹5429.57 crore showing an increase of ₹ 4535.64 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 2019-20 Government of Kerala has availed ₹35745.17 crore as Ways and Means Advance on one hundred and sixty one times (both Ordinary Ways and Means and Special Drawing Facility). During the year 2019-20, overdraft was drawn by the State Government on 57 times .

1.4.2 Fund Flow Statement (Source and Application of Funds)

The State had a revenue deficit of ₹ 14495.25 crore and a fiscal deficit of ₹ 23837.47 crore representing 1.70 *per cent* and 2.79 *per cent* respectively of the Gross State Domestic Product (GSDP). The fiscal deficit constituted 20.84 *per cent* of the total expenditure. This deficit was financed from Public Debt (₹ 16405.77 crore) and other liabilities (₹ 7431.70 crore). 77.64 *per cent* of the revenue receipts (₹ 90224.67 crore) of the State Government was spent on committed expenditure like salaries (₹ 31774.86 crore), interest payments (₹ 19214.70 crore) and pensions (₹ 19064.29 crore).

Source and Application of Funds

(₹ in crore)

SOURCE	PARTICULARS	Amount
	Opening Cash Balance	-17.81
	Revenue Receipts	90224.67
	Capital Receipts	27.48
	Recovery of Loans & Advances	295.32
	Public Debt	60407.05
	Small Savings, Provident Fund and others	118983.22
	Reserves & Sinking Funds	909.94
	Deposits Received	3209.00
	Civil Advances recovered	0.17
	Suspense & Miscellaneous	161281.10
	Contingency Fund	0.00
	Remittances	2025.37
	Total	437345.51

APPLICATION	PARTICULARS	Amount
	Revenue Expenditure	104719.92
	Capital Expenditure	8454.80
	Loans Given	1210.22
	Repayment of Public Debt (*)	44001.28
	Payment towards Small Savings, Provident Fund and others	110709.11
	Reserves & Sinking Funds	2427.13
	Deposits Returned	2623.84
	Civil Advances Given	59.59
	Suspense and Miscellaneous	161341.76
	Contingency Fund	75.00
	Remittances	1907.83
	Closing Cash Balance	-184.97
	Total	437345.51

(*)To Central Government (₹ 713.91 crore) and others (₹ 43287.37) crore

(₹ in crore)

SOURCE

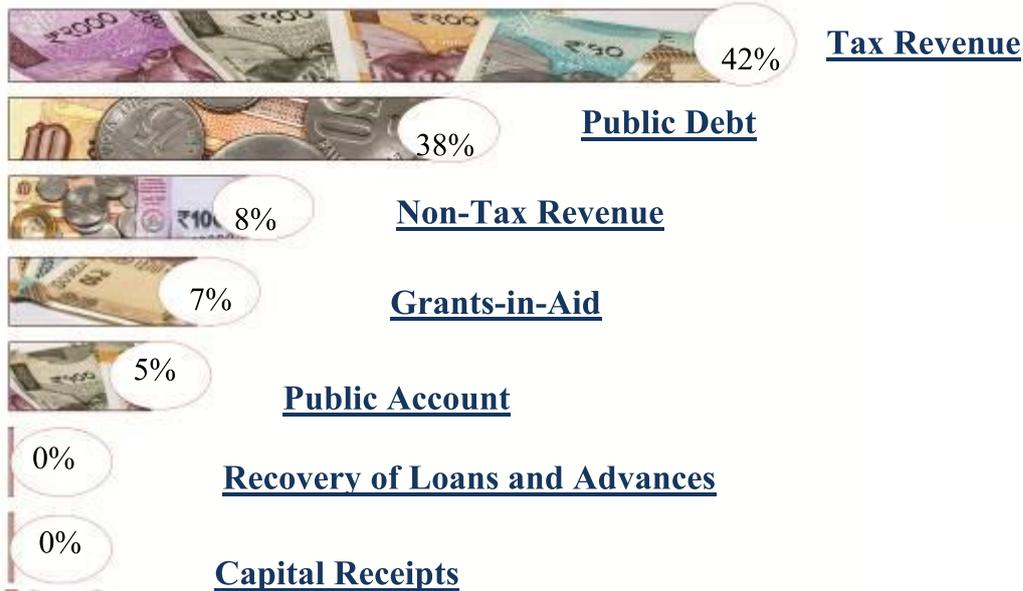
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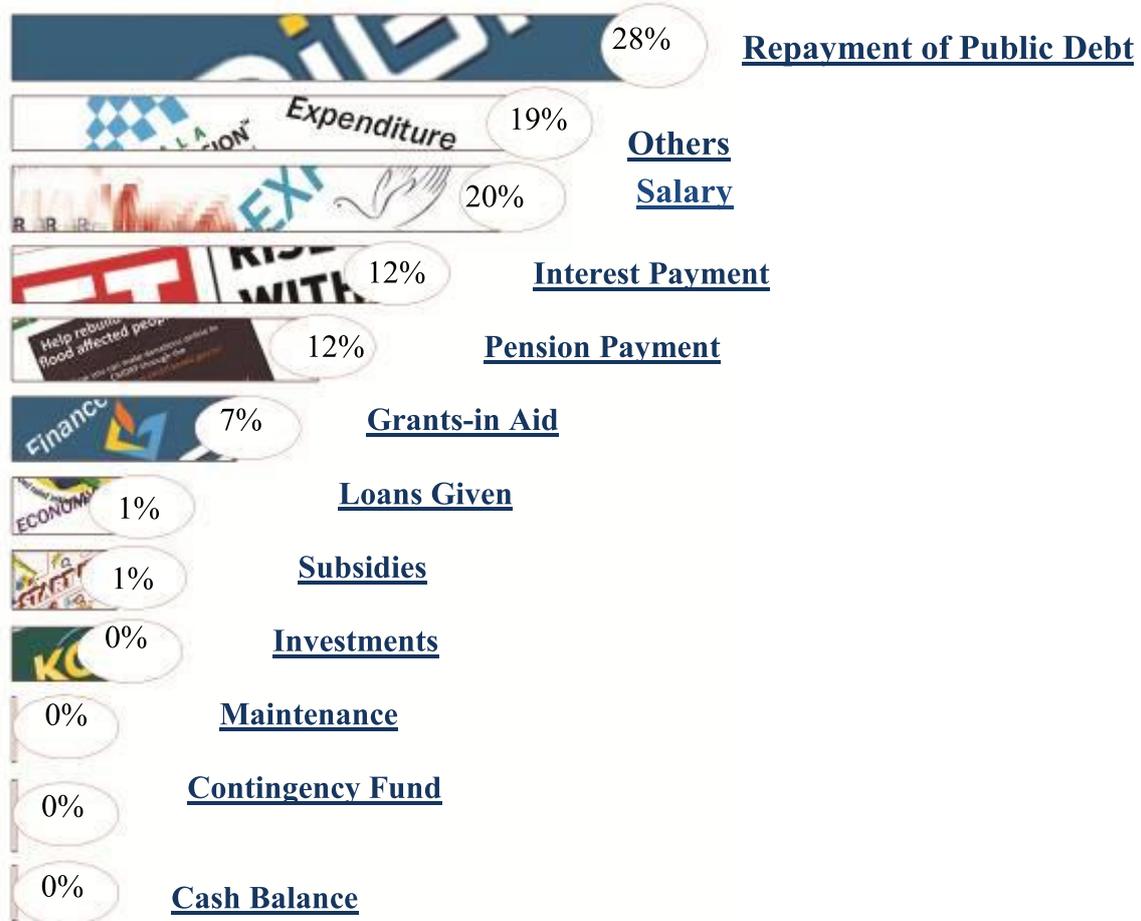
(*)To Central Government (₹ 713.91 crore) and others (₹ 43287.37) crore

1.4.3 Where the Rupee came from



Note: (i) Public Account is taken as 'net' (ii) Recovery of loans and advances and Capital receipts were ₹ 295.32 crores and ₹ 27.48 crores respectively which were negligible, hence value is shown as zero.

1.4.4 Where the Rupee went



Note: (i) Contingency Fund and Cash balance components above are taken as 'net'.
(ii) Investments, Maintenance, and Contingency Fund were ₹ 363.83, ₹ 84.40 and ₹ 75 crores respectively which were negligible, hence value is shown as Zero.

1.5 Highlights of Accounts

(₹ in crore)

Sl. No.	Particulars	B.E 2019-20	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(*)
1	Tax Revenue	88582.21	66724.19	75.32	7.81
2	Non-Tax Revenue	15070.07	12265.22	81.39	1.44
3	Grants-in-aid and Contributions	11702.43	11235.26	96.01	1.31
4	Revenue Receipts (1+2+3)	115354.71	90224.67	78.21	10.56
5	Recovery of Loans & Advances	292.14	295.32	101.09	0.03
6	Other Receipts	42.84	27.48	64.15	0.00
7	Borrowings & Other Liabilities (#)	34214.34	23837.47	69.67	2.79
8	Capital Receipts (5+6+7)	34549.32	24160.27	69.93	2.83
9	Total Receipts (4+8)	149904.03	114384.94	76.31	13.38
10	Non-Plan Expenditure (NPE)	115217.97	93202.22	80.89	10.90
11	NPE on Revenue Account	108231.27	92683.74	85.63	10.84
12	NPE on Interest Payments (out of 11)	18995.63	19214.70	101.15	2.25
13	NPE on Capital Account	6986.70	518.48	7.42	0.06
14	Plan Expenditure	34686.06	21182.72	61.07	2.48
15	Plan Expenditure on Revenue Account	22855.97	12036.18	52.66	1.41
16	Plan Expenditure on Capital Account	11830.09	9146.54	77.32	1.07
17	Total Expenditure (10+14)	149904.03	114384.94	76.31	13.38
18	Expenditure on Revenue Account (11+15)	131087.24	104719.92	79.89	12.25
19	Expenditure on Capital Account (13 +16)**	18816.79	9665.02	51.36	1.13
20	Revenue Deficit[18-4]	15732.53	14495.25	92.14	1.70
21	Fiscal Deficit 17-(4+5+6)	-34214.34	-23837.47	69.67	-2.79

(*) Gross State Domestic Product (₹854689 crore) (Quick Estimate) - Figures communicated by Director of Economics and Statistics of the State Government

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

(**) Expenditure on Capital Account consists of Capital Expenditure (₹ 8454.80 crore) and Loans and Advances disbursed (₹ 1210.22 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 2015-2020. It increased from ₹ 9656.81 crore in 2015-16 to ₹ 14495.25 crore in 2019-20.

The fiscal deficit increased from ₹ 17818.39 crore in 2015-16 to ₹ 23837.47 crore in 2019-20. The decrease in fiscal deficit by ₹ 3120.84 crore during the year over the previous year was mainly due to the net effect of decrease in revenue deficit (₹ 2966.67 crore), increase in non-debt capital receipts (₹ 65.76 crore), increase in Capital expenditure (₹ 1024.26 crore) and decrease in disbursement of loans and advances (₹ 1112.67 crore).

As a proportion of GSDP, the revenue deficit decreased to 1.70 *per cent*, the fiscal deficit decreased to 2.79 *per cent* and State's total debt liabilities decreased to 31.05 *per cent* in 2019-20 from 2.25 *per cent*, 3.48 *per cent* and 31.18 *per cent* respectively in 2018-19.

1.6.1 Fiscal Responsibility Act, 2003

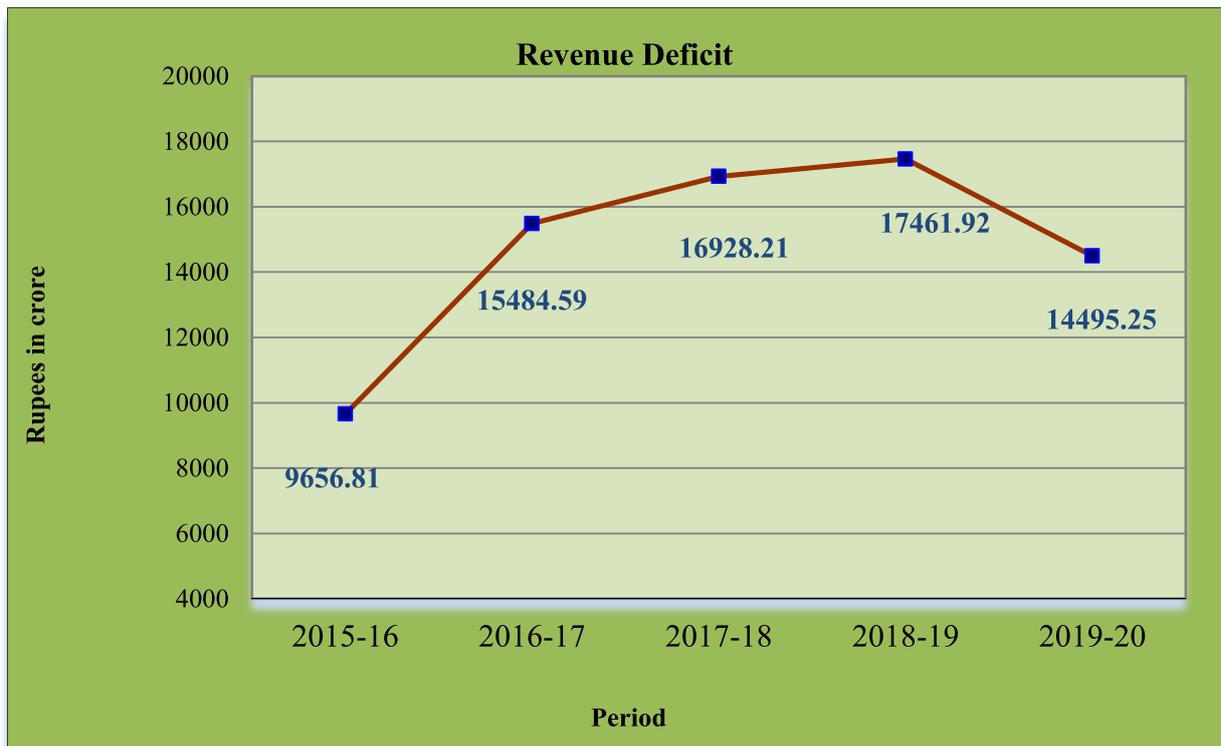
The Kerala Fiscal Responsibility Act, 2003, read with the Kerala Fiscal Responsibility (Amendment) Act 2018 based on the ceilings fixed by the Fourteenth Finance Commission has mandated the State to eliminate the revenue deficit completely during the period from

2019-20 to 2020-21 to maintain fiscal deficit to 3 per cent of GSDP and State's total debt liabilities to 29.67 per cent of estimated GSDP during the year 2019-20. Achievements during the year 2019-20 against fiscal targets laid down in the Act and rules framed there under are as follows:

S.No	Financial Parameter	Actual(₹in crore)	Ratio to GSDP	
			Target	Achievement
1	Revenue Deficit	14495.25	Zero	1.70
2	Fiscal Deficit	23837.47	3 per cent	2.79 per cent
3	Debt and other obligations	265362.36	29.67 per cent	31.05 per cent

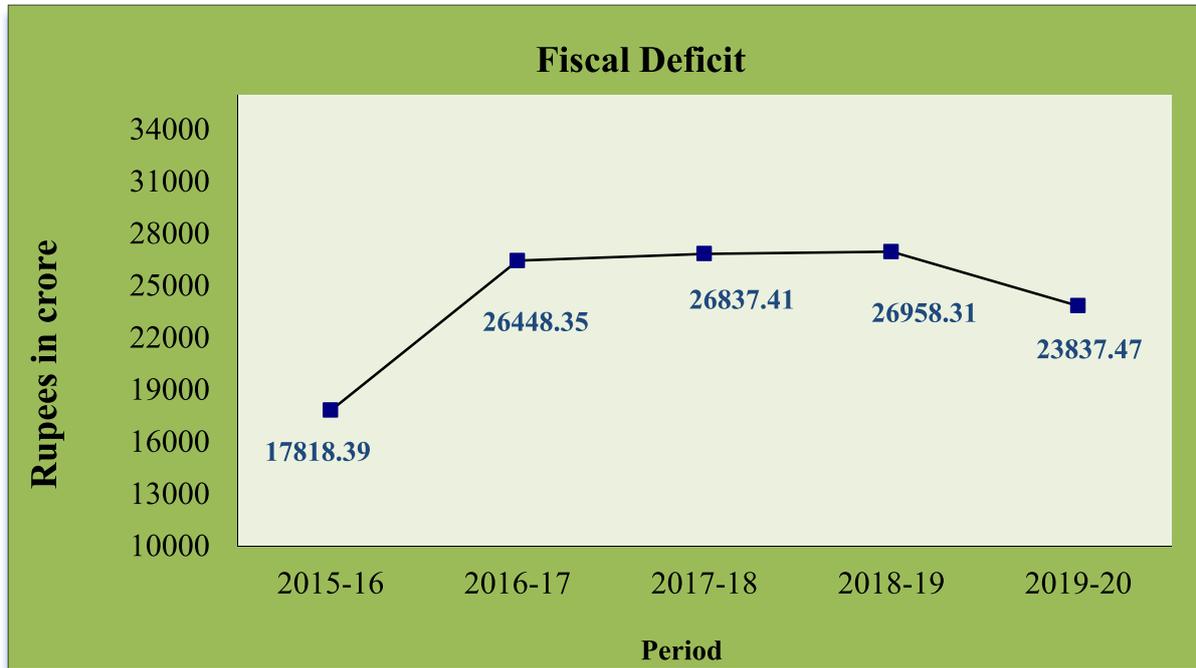
While the percentages of revenue deficit during 2019-20 is more than the targets mandated in Kerala Fiscal Responsibility (Amendment) Act,2018, Fiscal deficit is less than the target mandated.

1.6.2 Trend of Revenue Deficit



1.6.3 Trend of Fiscal Deficit

Budget Estimates for 2019-20 provided a fiscal deficit of ₹ 34214.34 crore (4.00 per cent of GSDP) where as the actual fiscal deficit was ₹ 23837.47 crore (2.79 per cent of GSDP). The position for the last five years is as below:

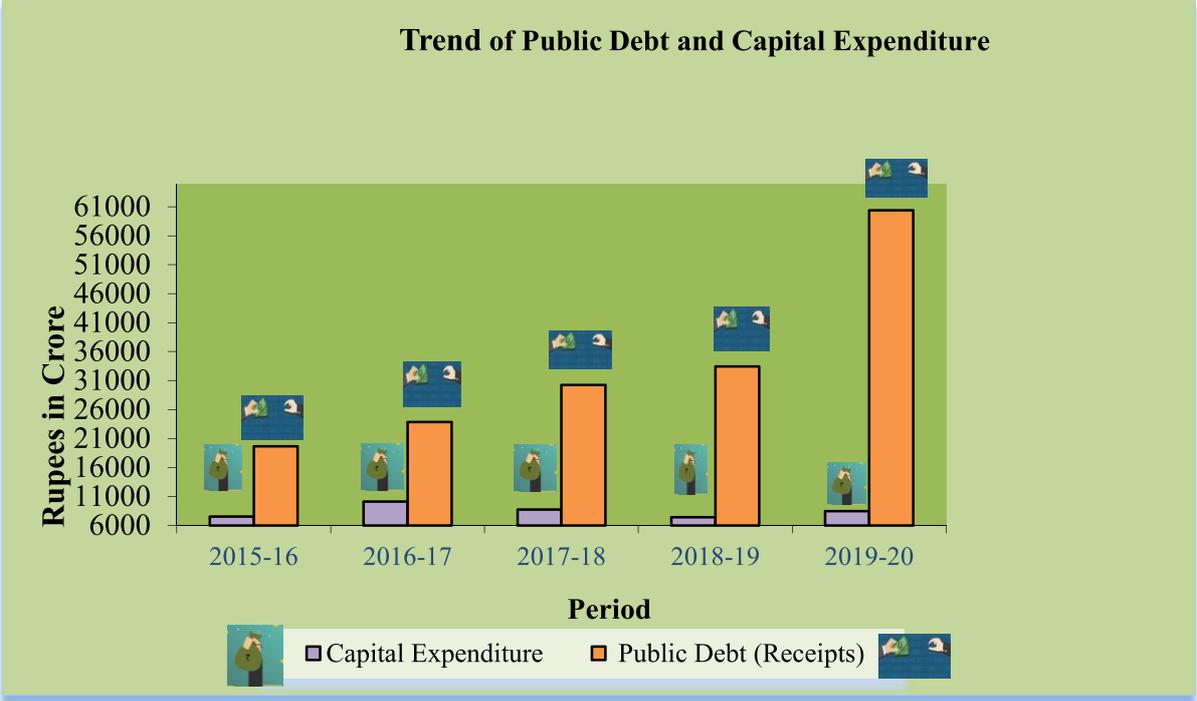
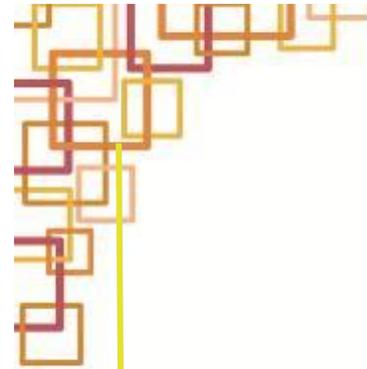


1.6.4 Proportion of borrowed funds spent on Capital expenditure

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

(₹ in crore)

Year	Public Debt (Receipt)	Capital Expenditure	Capital Expenditure as a percentage of Public Debt receipt
2015-16	19658.74	7500.04	38.15
2016-17	23857.89	10125.95	42.44
2017-18	30233.77	8748.47	28.94
2018-19	33445.92	7430.54	22.22
2019-20	60407.05	8454.80	14.00



CHAPTER II

RECEIPTS

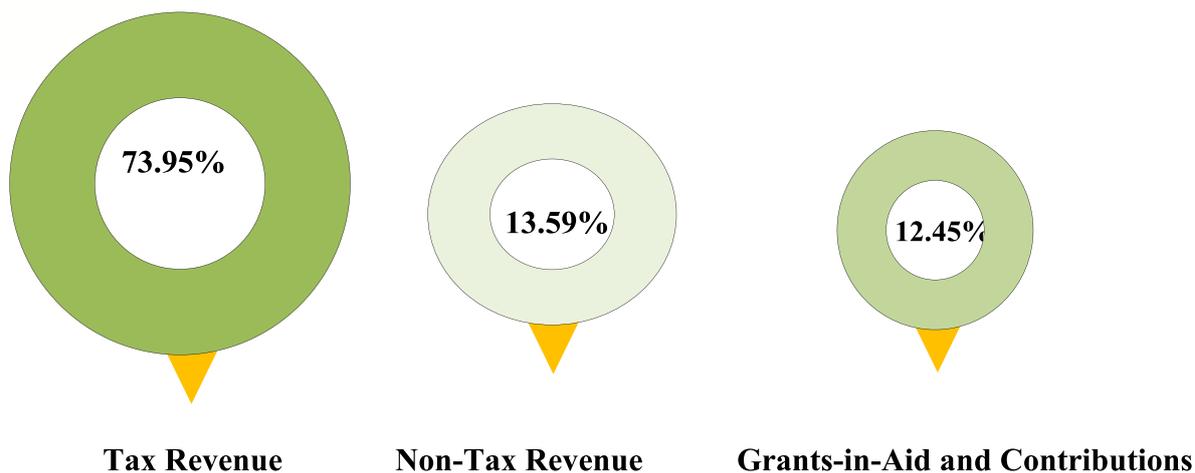
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2019-20 were ₹ 114384.94 crore (Revenue Receipts ₹ 90224.67 crore and Capital Receipts ₹ 24160.27 crore). Revenue receipts comprises Tax Revenue (₹ 66724.19 crore), Non-Tax Revenue (₹ 12265.22 crore) and Grants-in-aid and Contributions (₹ 11235.26 crore).

2.2 Revenue Receipts

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

Revenue Receipts



2.3 Revenue Receipts Components (2019-20)

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

(₹ in crore)

Components	Actuals
A. Tax Revenue	66724.19
Goods and Services Tax	25101.14
Taxes on Income and Expenditure	9974.66
Taxes on Property, Capital and Other Transactions	4142.31
Taxes on Commodities and Services other than Goods and Services Tax	27506.08
B. Non-Tax Revenue	12265.22
Interest Receipts, Dividends and Profits	185.28
General Services	10662.76
Social Services	530.79
Economic Services	886.39
C. Grants-in-aid and Contributions	11235.26
Total - Revenue Receipts	90224.67

2.4 Trend of Receipts

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

Particulars	₹ in crore)				
	2015-16	2016-17#	2017-18 #	2018-19 #	2019-20
Tax Revenue	51685.82	57401.39	63292.69	69682.27	66724.19
	(9.20)	(9.04)	(9.02)	(8.91)	(7.81)
Non-Tax Revenue	8425.49	9699.98	11199.61	11783.24	12265.22
	(1.50)	(1.53)	(1.60)	(1.51)	(1.44)
Grants-in-aid	8921.35	8510.35	8527.84	11388.96	11235.26
	(1.59)	(1.34)	(1.22)	(1.46)	(1.31)
Total Revenue Receipts	69032.66	75611.72	83020.14	92854.47	90224.67
	(12.28)	(11.91)	(11.83)	(11.88)	(10.56)
GSDP (*)	561994	634886	701577	781653	854689

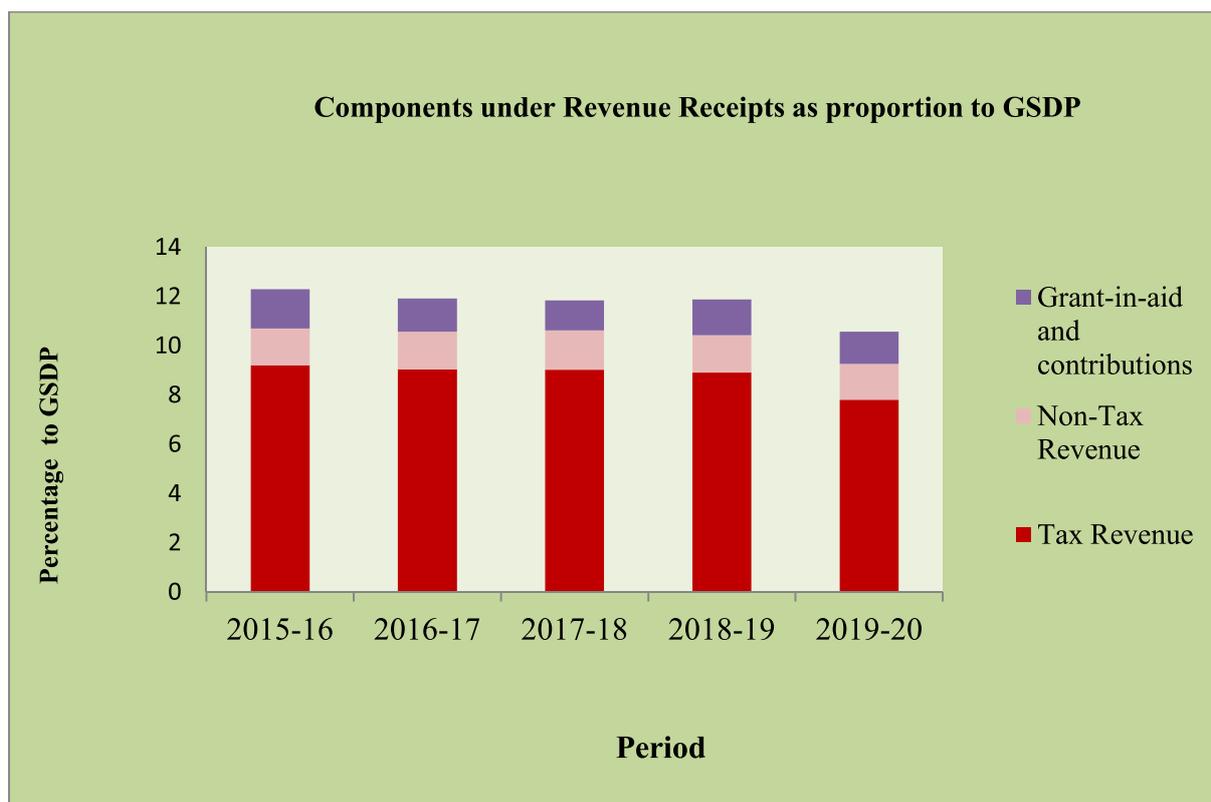
Note: (*) GSDP figures communicated by Director of Economics and Statistics of the State Government. The figures for 2018-19 are Provisional Estimate. The figures for 2019-20 are Quick Estimate .

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 9.34 *per cent* between 2018-19 and 2019-20, while revenue receipts decreased by 2.83 *per cent*. Tax Revenue of ₹ 66724.19 crore and Non-Tax Revenue of ₹ 12265.22 crore during 2019-20 formed 7.81 *per cent* and 1.44*per cent* respectively of the GSDP. Major portion of Tax Revenue was collected under Taxes on Sales, Trade etc. i.e, ₹ 19649.64 crore representing 2.30 *per cent* of the GSDP. Out of the Tax Revenue of ₹ 66724.19 crore, the contributions of State's Own Taxes and Central Tax transfers were ₹ 50323.14 crore and ₹ 16401.05 crore respectively.

Trend of Revenue receipts relative to GSDP is presented below:

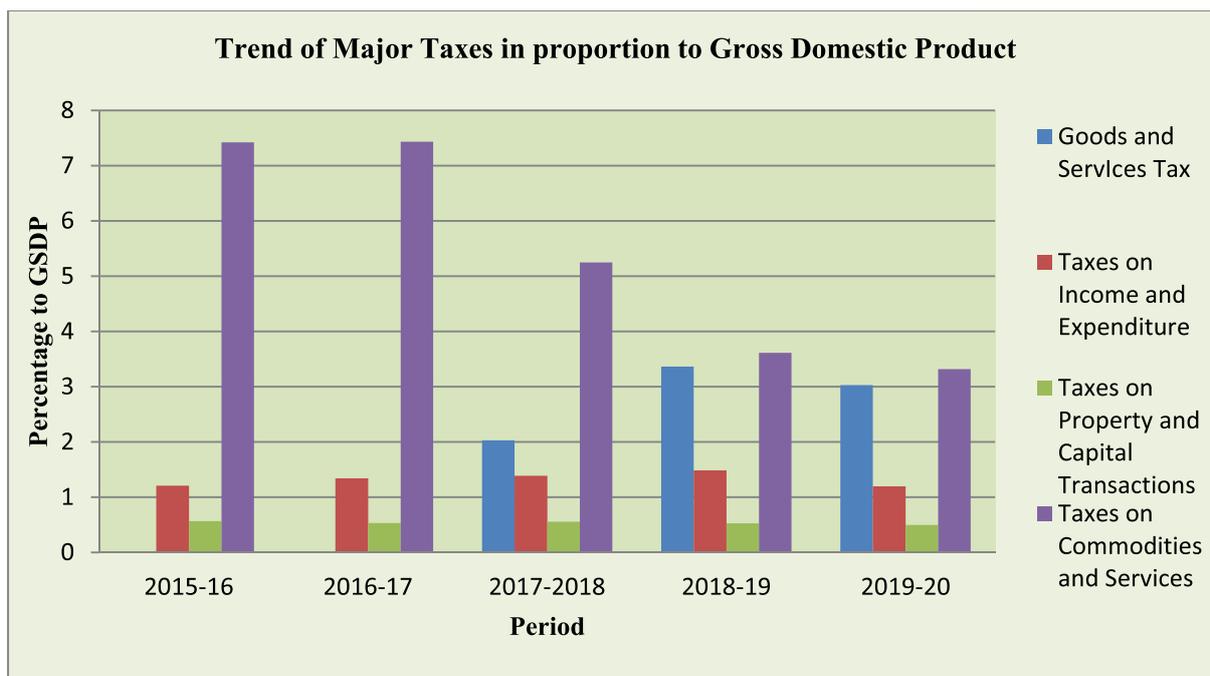


2.5 Tax Revenue

2.5.1 Sector-wise Tax Revenue

Sector-wise composition of Tax Revenue for the period 2015-16 to 2019-20 is given below:
(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax			13947.53	26088.85	25101.14
Taxes on Income and Expenditure	6786.80	8284.11	9513.90	11532.30	9974.66
Taxes on Property and Capital Transactions	3191.46	3301.11	3801.36	4075.42	4142.31
Taxes on Commodities and Services other than Goods and Services Tax	41707.56	45816.17	36029.90	27985.70	27506.08
Total Tax Revenue	51685.82	57401.39	63292.69	69682.27	66724.19



2.6 Performance of State's Own Tax Revenue collection

An analysis of State's Own Tax Revenue and its percentage to GSDP for the period 2015-16 to 2019-20 are shown below:

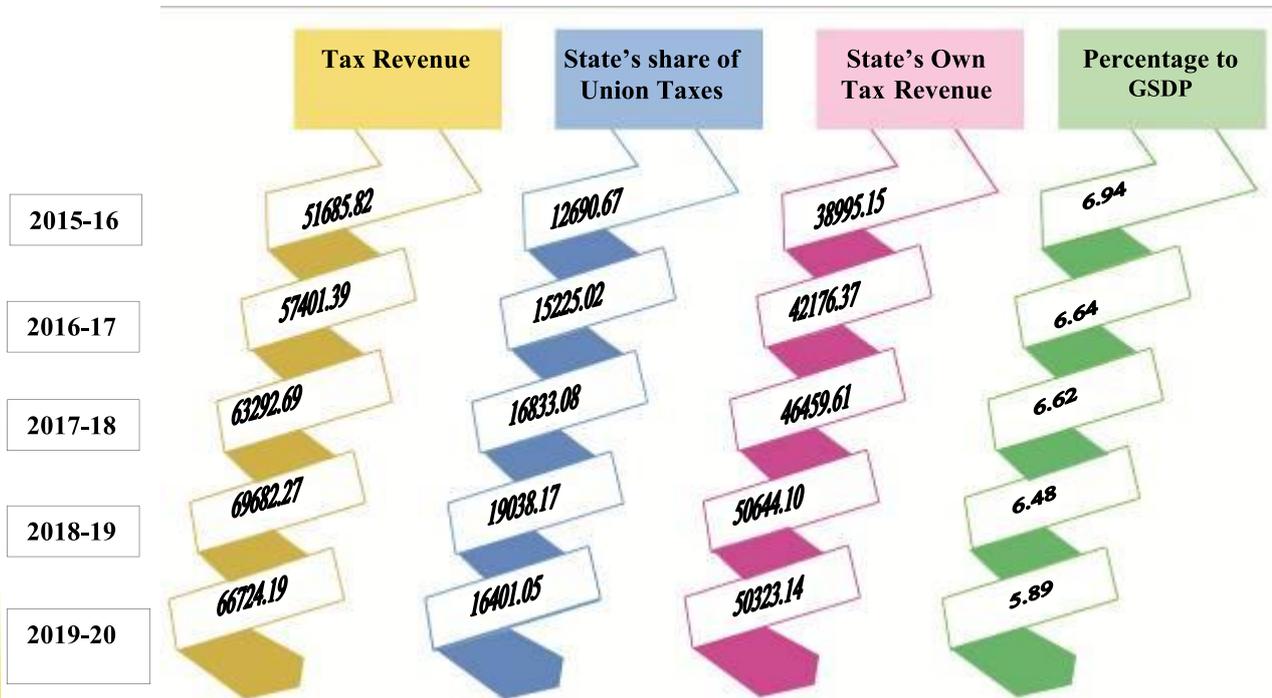
(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2015-16	51685.82	12690.67	38995.15	6.94
2016-17	57401.39	15225.02	42176.37	6.64
2017-18	63292.69	16833.08	46459.61	6.62
2018-19	69682.27	19038.17	50644.10	6.48
2019-20	66724.19	16401.05	50323.14	5.89

The State's Own Tax Revenue collected during 2019-20 was ₹ 320.96 crore less than the year 2018-19 and ₹ 15461.46 crore less than the budget estimate for the year 2019-20 given in the Medium Term Fiscal Plan 2019-20 (₹ 65784.60 crore).

State's Own Tax Revenue

(₹ in crore)



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

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
State's own Tax collection	38995.15	42176.37	46459.61	50644.10	50323.14
Devolution of Union Taxes	12690.67	15225.02	16833.08	19038.17	16401.05
Total Tax Revenue	51685.82	57401.39	63292.69	69682.27	66724.19
Percentage of State's own tax revenue to Total tax revenue	75.45	73.48	73.40	72.68	75.42

2.7 Efficiency of Tax Collection

Tax collection under the major sectors and expenditure on collection for the period 2015-16 to 2019-20 are given below.

A. Taxes on Property, Capital and other Transactions

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Collection	3191.46	3301.11	3801.36	4075.42	4142.31
Expenditure on Collection	637.87	762.25	845.71	882.96	872.09
Percentage of expenditure on collection to revenue collection	19.99	23.09	22.25	21.66	21.05

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

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue collection	41707.56	45816.17	36029.90	27985.70	27506.08
Expenditure on collection	556.58	679.26	743.03	771.27	765.33
Percentage of expenditure on collection to Revenue collection	1.33	1.48	2.06	2.76	2.78

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

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

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Corporation Tax	4001.37	4885.98	5156.64	6621.02	5592.06
Taxes on Income other than Corporation Tax	2783.33	3395.77	4354.40	4876.10	4381.76
Taxes on Wealth	0.89	11.18	(-)0.15	2.44	0.25
Customs	2031.61	2101.76	1699.40	1349.57	1039.60
Union Excise Duties	1688.82	2400.03	1776.40	896.86	722.80
Service Tax	2175.85	2430.25	1906.55	173.73	0
Others	8.80	0.05	1939.84	5118.45	4664.58*
Total State Share of Union Taxes	12690.67	15225.02	16833.08	19038.17	16401.05
Total Tax Revenue	51685.82	57401.39	63292.69	69682.27	66724.19
Percentage of State's share of Union Taxes to total Tax Revenue	24.55	26.52	26.60	27.32	24.58

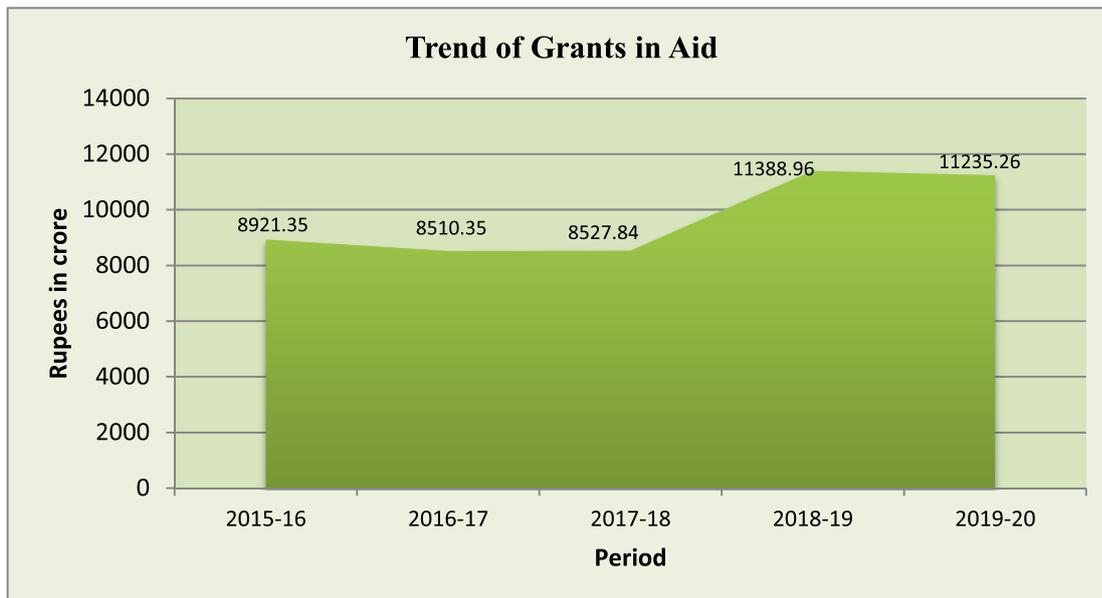
* Represents ₹ 4654.19 crores CGST and ₹ 10.39 crores others

2.9 Grants-in-Aid

Grants-in-aid represent assistance from Government of India and comprise Grants for Centrally Sponsored Schemes approved by NITI Aayog, Grants recommended by the Finance Commission and Other grants. Total receipts during the year 2019-20 under Grants-in-aid were ₹ 11235.26 crore as shown below



2.9.1 Trend of Grants-in-Aid received for the period 2015-16 to 2019-20 is given below:



2.10 Public Debt

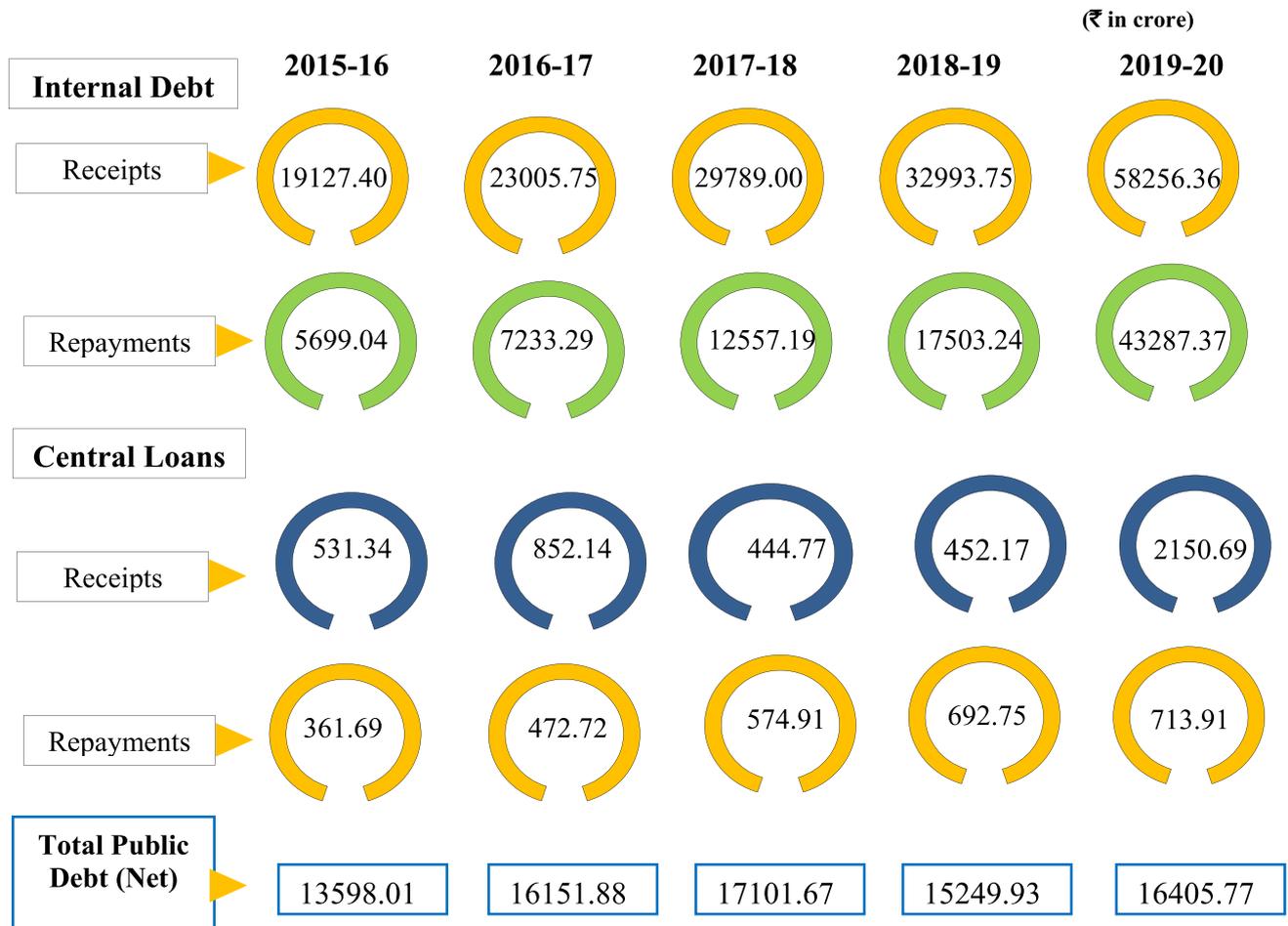
The section Public Debt comprises 'Internal Debt' and 'Loans and Advances from Central Government' and their repayments made by Government.

2.10.1 Trend of Public Debt over the past five years

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

(₹ in crore)

Year	Internal Debt		Loans and Advances from Central Government		Total Public Debt (Net)
	Receipts	Repayments	Receipts	Repayments	
2015-16	19127.40	5699.04	531.34	361.69	13598.01
2016-17	23005.75	7233.29	852.14	472.72	16151.88
2017-18	29789.00	12557.19	444.77	574.91	17101.67
2018-19	32993.75	17503.24	452.17	692.75	15249.93
2019-20	58256.36	43287.37	2150.69	713.91	16405.77



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:

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

3.2 Revenue Expenditure

Revenue expenditure for 2019-20, ₹ 104719.92 crore (comprising Non-Plan expenditure of ₹ 92683.74 crore and Plan expenditure of ₹ 12036.18 crore) was less than the budget estimates by ₹ 26367.32 crore (less by ₹ 15547.53 crore under 'Non-Plan' and ₹ 10819.79 crore under 'Plan'). The shortfall of expenditure against Budget Estimates under Revenue Section during the past five years is given below.

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	91829.55	103289.25	116069.49	129163.06	131087.24
Actuals	78689.47	91096.31	99948.35	110316.39	104719.92
Shortfall	13140.08	12192.94	16121.14	18846.67	26367.32
Percentage of shortfall over Budget Estimates	14.31	11.80	13.89	14.59	20.11

Around 69.38 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 32941.90 crore), Interest payment (₹19214.70) Pension Payments (₹19064.29) and subsidies (₹1429.01) which is the committed liability of the State Government.

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

(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Total Revenue Expenditure	78689.47	91096.31	99948.35	110316.39	104719.92
Committed Revenue Expenditure	49302.89	57497.31	68885.17	69943.53	72649.90
Percentage of committed expenditure to Revenue Expenditure	62.66	63.12	68.92	63.40	69.38
Uncommitted revenue Expenditure	29386.58	33599.00	31063.18	40372.86	32070.02

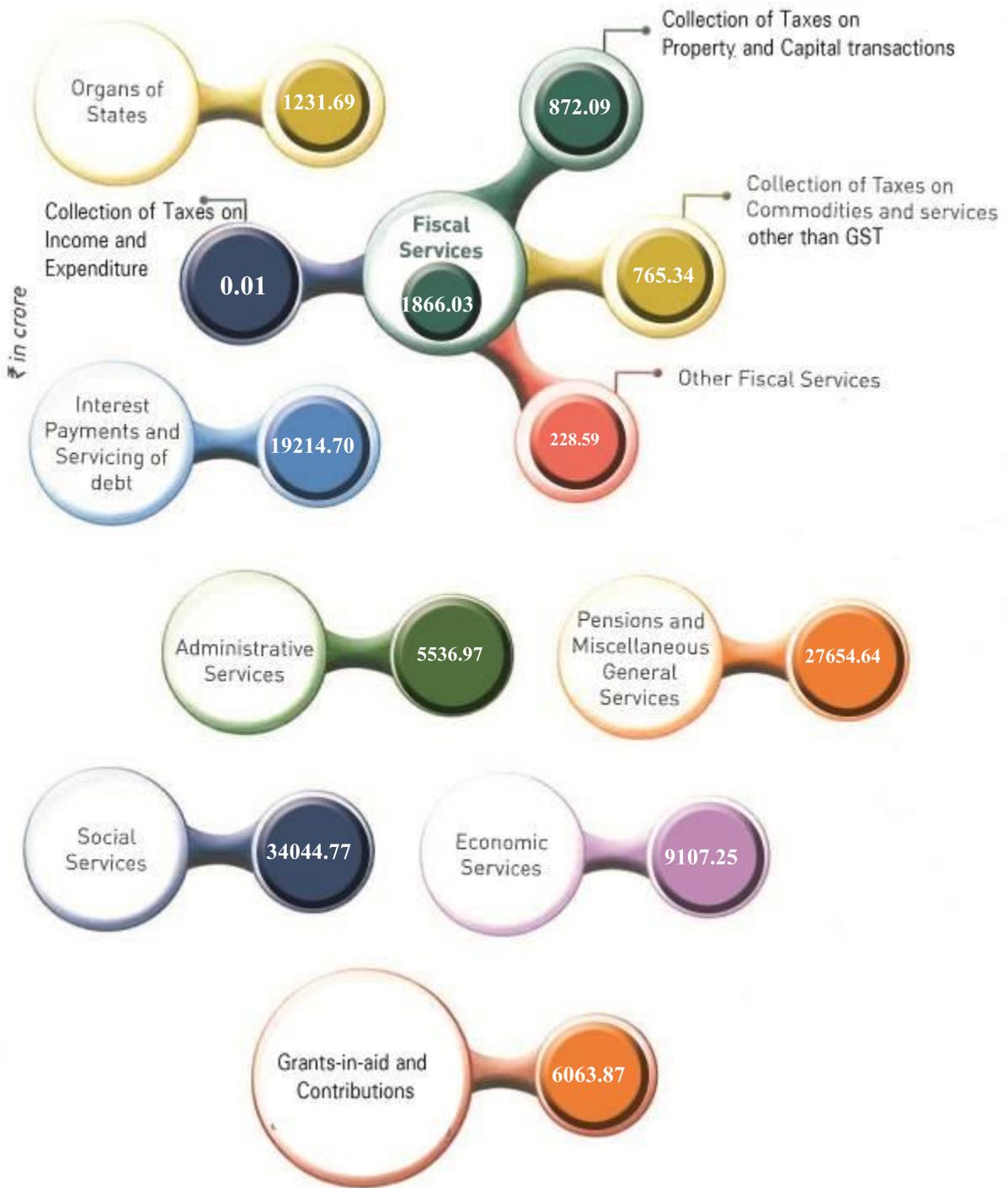
It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has decreased during the year 2019-20. The total revenue expenditure increased by 33.08 *per cent* from ₹ 78689.47 crore in 2015-16 to ₹ 104719.92 crore in 2019-20 and committed revenue expenditure increased by 47.35 *per cent* over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure

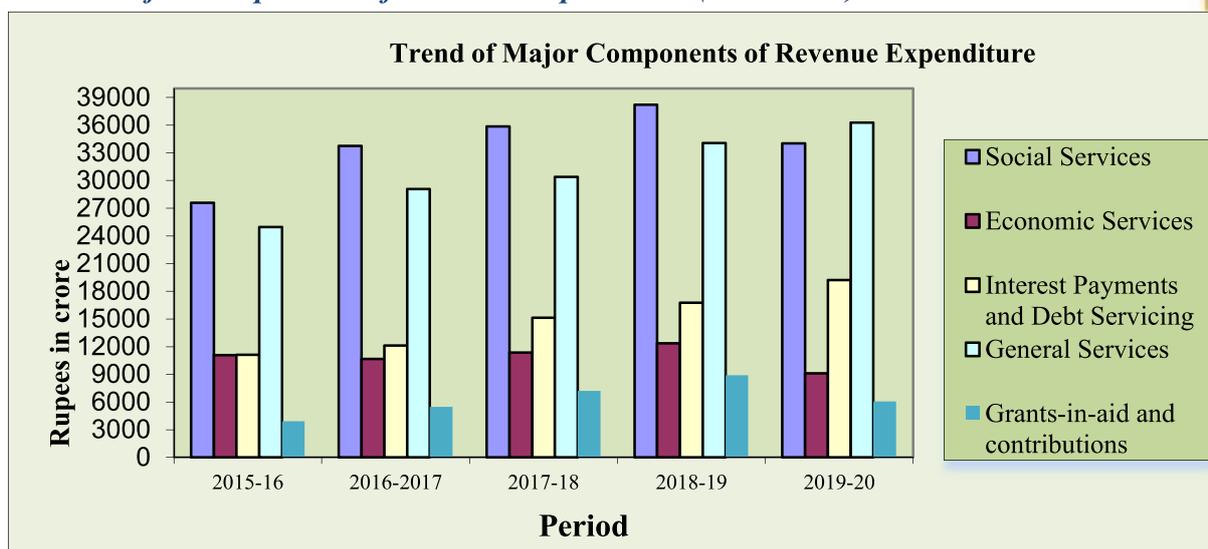
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

(₹ in crore)

	Components	Amount	Percentage to Total Revenue Expenditure
A	General Services	55504.03	53.00
a	Organs of State	1231.69	1.18
b	Fiscal Services	1866.03	1.78
i)	Collection of Taxes on Income and Expenditure	0.01	0.00
ii)	Collection of Taxes on Property and Capital transactions	872.09	0.83
iii)	Collection of Taxes on Commodities and Services other than Goods and Services Tax	765.34	0.73
iv)	Other Fiscal Services	228.59	0.22
c	Interest Payments and Servicing of Debt	19214.70	18.35
d	Administrative Services	5536.97	5.29
e	Pensions and Miscellaneous General Services	27654.64	26.41
B	Social Services	34044.77	32.51
C	Economic Services	9107.25	8.70
D	Grants-in-aid and Contributions	6063.87	5.79
	Total Expenditure (Revenue Account)	104719.92	100.00



3.2.2 Major Components of Revenue Expenditure (2015-2019)



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

3.3 Capital Expenditure

Capital disbursements for 2019-20, ₹ 9665.02 crore (comprising Non-Plan expenditure of ₹ 518.48 crore and Plan expenditure of ₹ 9146.54 crore) were less than the budget estimates by ₹ 9151.77 crore due to less disbursement under Non-Plan (₹ 6468.22 crore) and less under Plan (₹ 2683.55 crore).

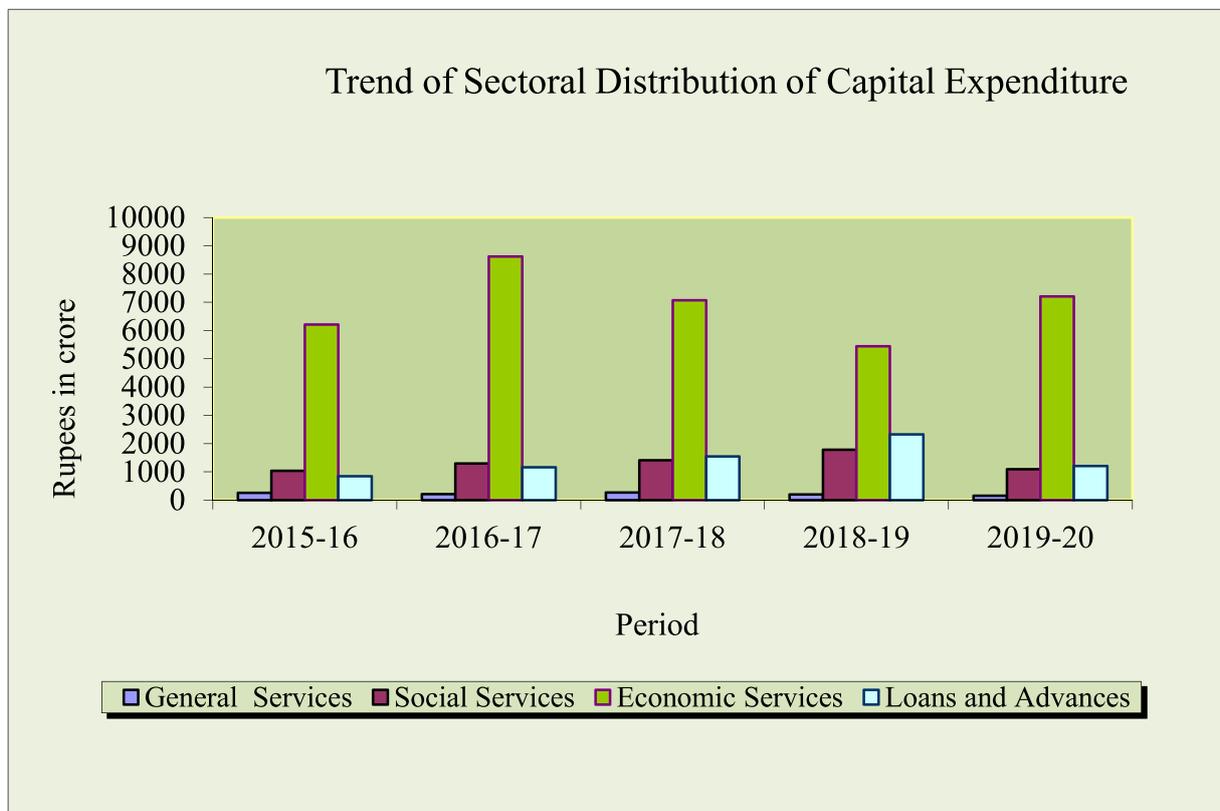
The growth in capital expenditure and growth of GSDP since 2015-16 can be seen from the table below:

		(₹ in crore)				
S.No	Components	2015-16	2016-17	2017-18	2018-19	2019-20
1	Budget(B.E)	11495.64	14171.86	14516.53	15495.40	18816.79
2	Actual Expenditure	8342.29	11286.24	10289.46	9753.43	9665.02
3	Percentage of Actual Expenditure to B.E	72.57	79.64	70.88	62.94	51.36
4	Yearly Growth in Capital Expenditure	67%	35%	(-) 9%	(-)5.21%	(-)0.91%
5	GSDP	561994	634886	701577	781653	854689
6	Yearly Growth in GSDP	9.6%	12.97%	10.50%	11.41%	9.34%

3.3.1 Sectoral distribution of Capital Expenditure

Sectoral distribution of capital expenditure and its percentage to total capital expenditure in 2019-20 is given below:

Sl No.	Sectors	Amount	(₹ in crore)
			Percentage to Capital Expenditure
1	General Services	157.42	1.63
2	Social Services	1090.64	11.28
3	Economic Services	7206.74	74.57
4	Loans and Advances	1210.22	12.52
	Total	9665.02	100.00



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

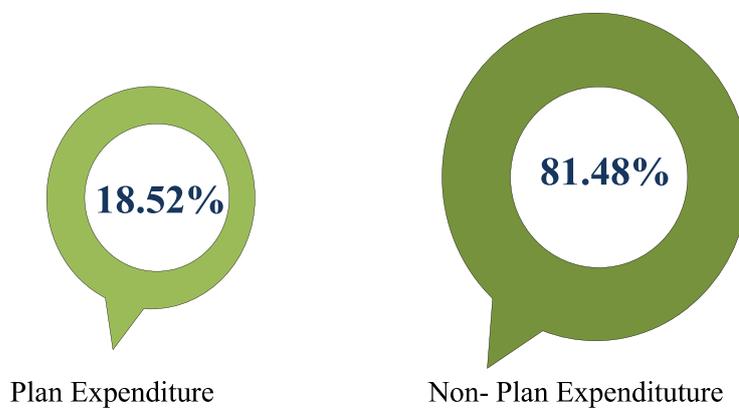
The comparative sectoral distribution of capital and revenue expenditure over the past five years is given below:

(₹ in crore)

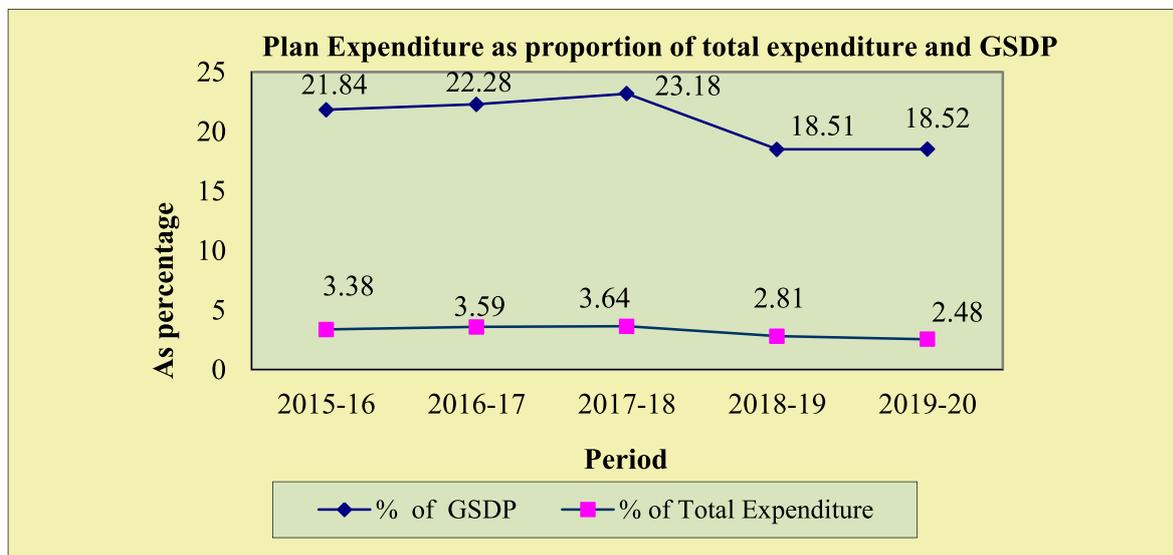
S.No	Sectors		2015-16	2016-17	2017-2018	2018-19	2019-20
1	General Services	Capital	256.60	210.86	268.01	197.96	157.42
		Revenue	36084.68	41195.33	45523.77	50827.13	55504.03
2	Social Services	Capital	1035.03	1292.68	1405.89	1784.29	1090.64
		Revenue	27603.29	33764.72	35876.27	38210.77	34044.77
3	Economic Services	Capital	6208.41	8622.41	7074.97	5448.29	7206.74
		Revenue	11098.42	10655.35	11351.08	12379.77	9107.25
4	Grants-in-aid and contributions	Capital	-	-	-	-	-
		Revenue	3903.08	5480.91	7197.23	8898.72	6063.87

4.1 Distribution of Expenditure

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

**4.2 Plan Expenditure**

Plan Expenditure during 2019-20 (₹ 21182.72 crore) consists of ₹ 12036.18 crore under Revenue and ₹ 9146.54 crore under Capital. It represents 18.52 *per cent* of the total expenditure of ₹ 114384.94 crore and comprises ₹ 19091.23 crore under State Plan and ₹ 2091.49 crore under Centrally Sponsored Schemes/Central Assistance Schemes.



4.2.1 Plan expenditure under Capital Account

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

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Total Capital Expenditure	8342.29	11286.24	10289.46	9753.43	9665.02
Capital Expenditure (plan) (Includes Loans and Advances)	6926.09	9320.90	9374.50	8107.39	9146.54
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	83.02	82.59	91.11	83.12	94.64

(₹ in crore)

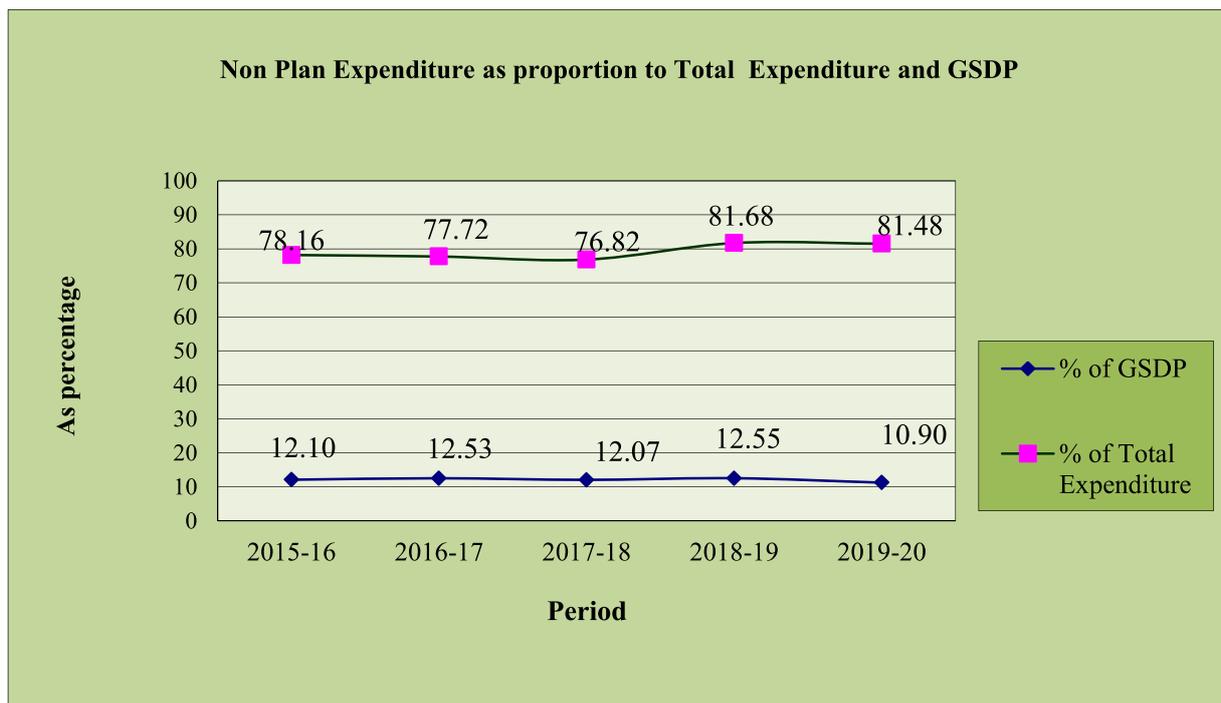
Total Capital Expenditure	8342.29	11286.24	10289.46	9753.43	9665.02
Capital Expenditure (plan)	6926.09	9320.90	9374.50	8107.39	9146.54
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	83.02	82.59	91.11	83.12	94.64
	2015-16	2016-17	2017-18	2018-19	2019-20

4.2.2 Plan expenditure on Loans and Advances

Plan expenditure on Loans and Advances during 2019-20 was ₹ 1193.98 crore under 18 Loan Major Heads of Account.

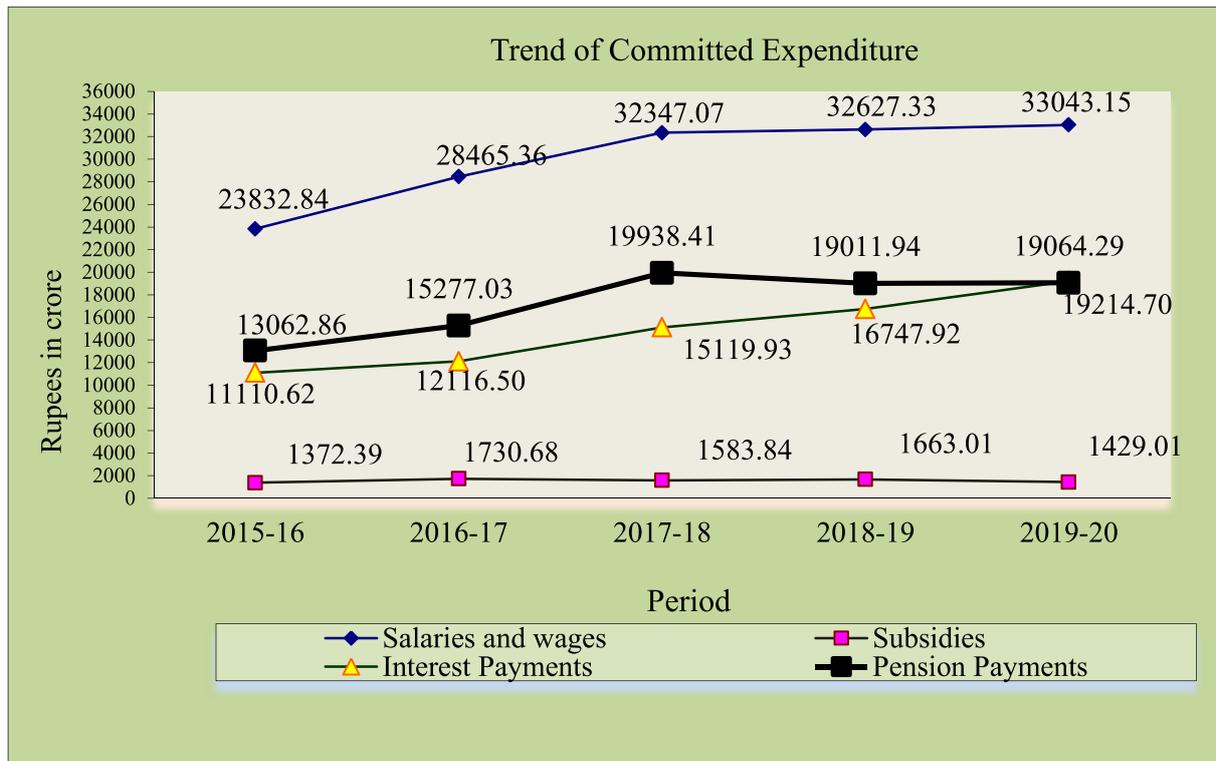
4.3 Non-Plan Expenditure

Non-Plan expenditure during 2019-20 (₹ 93202.22 crore) consists of ₹ 92683.74 crore under Revenue and ₹ 518.48 crore under Capital. It represents 81.48 *per cent* of the total expenditure of ₹ 114384.94 crore.



4.4 Committed Expenditure

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

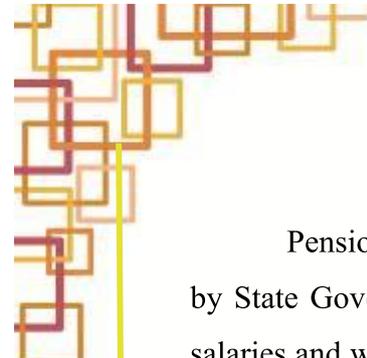


The ratio of salaries and wages, interest payments, pension and subsidies (Committed Expenditure) to Revenue Receipts of the State during the current year was 80.63 per cent.

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

(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	49378.71	57589.57	68989.25	70050.20	72751.15
Revenue Expenditure	78689.47	91096.31	99948.35	110316.39	104719.92
Percentage of committed expenditure to Revenue Receipts	71.53	76.16	83.10	75.44	80.63
Percentage of committed expenditure to Revenue Expenditure	62.75	63.22	69.03	63.50	69.47



Pension payments during 2019-20 was ₹ 152.46 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 18911.83 crore). The expenditure on salaries and wages (including the salary of staff of State aided educational institutions paid by Government) during the year 2019-20 was ₹ 33043.15 crore constituting 36.62 *per cent* of the revenue receipts and 31.55 *per cent* of the revenue expenditure. The salary expenditure is 49.73 *per cent* of revenue expenditure net of interest and pension payments and it is ₹ 309.11 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 32734.04 crore).

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

The Appropriation Accounts of the Government of Kerala for the year 2019-20 present the accounts of sums expended in the year ended 31 March 2020 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 2019-20, the actual expenditure was ₹163815.80 crore and it comprised ₹110099.18 crore Revenue Expenditure, ₹8505.12 crore Capital Expenditure, ₹44001.28 crore repayment of Public Debt and ₹1210.22 crore Loans and Advances. There were Savings under these sections with reference to total Grants/Appropriation allocated by the State Legislature as indicated below:

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue					
	Voted	107212.19	5164.05	112376.24	90549.13	-21827.11
	Charged	17790.90	1798.20	19589.10	19550.05	-39.05
2	Capital					
	Voted	16201.77	851.83	17053.60	8415.58	-8638.02
	Charged	83.44	58.05	141.49	89.54	-51.95
3	Public Debt					
	Charged	17738.77	25925.88	43664.65	44001.28	336.63
4	Loans and Advances					
	Voted	1585.94	48.77	1634.71	1209.56	-425.15
	Charged		2.82	2.82	0.66	-2.16
	Total	160613.01	33849.60	194462.61	163815.80	-30646.81

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	
2015-16	(-)12509.23	(-)2965.19	(-)8917.24	(-)121.96	(-)24513.62
2016-17	(-)11466.04	(-)2610.87	(-)6268.77	(-)114.61	(-)20460.29
2017-18	(-)7349.83	(-)3355.04	(-)473.91	(-)246.18	(-)11424.96
2018-19	(-)14623.76	(-)5271.53	3363.84	(-)121.85	(-)16653.30
2019-20	(-)21866.16	(-)8689.97	336.63	(-)427.31	(-)30646.81

5.2.1 Excess over provision requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹109.10 crore under Revenue voted Section, ₹ 219.64 crore under Revenue Charged section, ₹336.63 crore under Capital Charged section. This excess expenditure of ₹665.37 crore requires regularisation under Article 205 of the Constitution of India.

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total grant/appropriation	Expenditure	Excess
Voted Grants - Revenue				
1	XXVI Relief on Account of Natural Calamities	1935.22	2044.32	109.10
	Total Voted Grants-Revenue	1935.22	2044.32	109.10
Charged Appropriation - Revenue				
2	Debt charges	18995.63	19215.27	219.64
	Total Charged Appropriation-Revenue	18995.63	19215.27	219.64

Sl. No.	Number and title of Grant/Appropriation	Total grant/appropriation	Expenditure	Excess
	Charged Appropriation - Capital			
3	Public Debt Repayment	43664.65	44001.28	336.63
	Total Charged Appropriation - Capital	43664.65	44001.28	336.63
	Grand Total	64595.50	65260.87	665.37

5.2.2 Significant Savings

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

(₹ in crore)

Grant No.	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
REVENUE VOTED						
XXII	Urban Development	69	42	67	61	47
XXXVI	Rural Development	25	74	75	69	80
CAPITAL VOTED						
XX	Water Supply and Sanitations	52	53	37	48	69
XXVIII	Miscellaneous Economic Services	56	29	57	51	62
XXIX	Agriculture	34	40	26	44	40

5.2.3 Unnecessary Supplementary Grants

Supplementary provisions aggregating ₹ 3014.02 crore, obtained in 21 cases during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as given below:

(₹ in crore)

GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure
Revenue Voted				
II	Heads of States, Ministers and Headquarters Staff	740.84	1.91	524.59
III	Administration of Justice	787.69	10.99	760.75
VIII	Excise	298.40	3.00	288.47

GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure
XIII	Jails	146.56	1.41	140.00
XVI	Pensions and Miscellaneous	30280.55	1998.93	30016.14
XVII	Education, Sports, Art and Culture	20949.76	220.86	18721.05
XXI	Housing	122.26	36.63	74.16
XXII	Urban Development	1970.92	51.00	1071.78
XXIV	Labour, Labour welfare and Welfare of Non-Residents	1361.59	0.35	728.29
XXVII	Co-operation	441.44	0.10	281.46
XXVIII	Miscellaneous Economic Services	202.71	200.00	167.20
XXX	Food	1798.67	0.56	1229.64
XXXIV	Forest	587.06	5.57	529.64
XXXV	Panchayat	611.26	100.00	579.46
XLVI	Social Security and Welfare	4093.57	301.43	3860.79
	Total	64393.28	2932.74	58973.42
Revenue Charged				
III	Administration of Justice	143.91	1.51	132.38
XVII	Education, Sports, Art and Culture	0.20	.0094	0.16
	Total	144.11	1.52	132.54
Capital – Voted				
XXVII	Co-operation	129.81	28.37	98.88

GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure
XXXV	Panchayat	597.10	50.00	169.92
XXXVI	Rural Development	1376.62	0.73	746.40
	Total	2103.53	79.10	1015.20
Capital-Charged				
XXXVIII	Irrigation	3.43	0.66	2.65
	Total	3.43	0.66	2.65

5.3 Advances from Contingency Fund

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

(₹ in crore)

	2015-16	2016-17	2017-2018	2018-2019	2019-2020
Number of withdrawals from Contingency Fund	3	Nil	2	1	1
Total withdrawals from Contingency Fund (Rupees in crore)	2.61	Nil	88.08	2.12	75.00
Withdrawals from Contingency Fund as percentage to total Budget provision	0.003	Nil	0.07	0.001	0.05

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

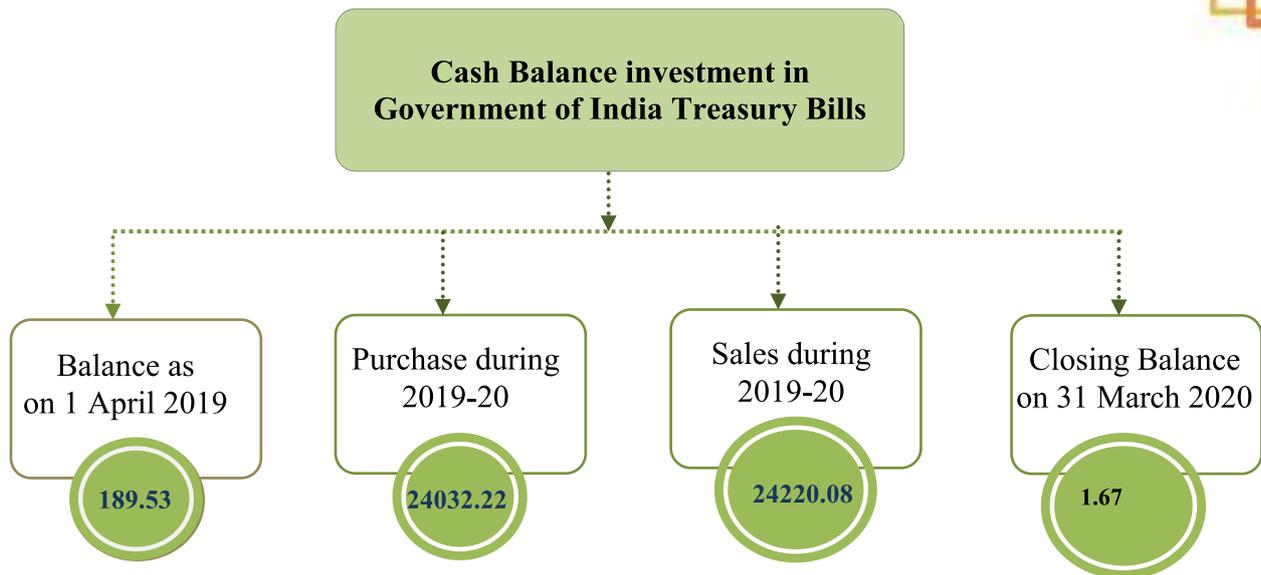
In the existing Government accounting system, comprehensive accounting of fixed assets like land and building owned by the Government is not done. However, the government accounts do capture the financial liabilities of Government and the assets created out of the expenditure incurred.

Total investments as share capital in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies etc. stood at ₹ 8881.71 crore at the end of 2019-20. Dividends received during the year were ₹ 100.33 crore (1.13 per cent of investment). During 2019-20, investments increased by ₹ 534.33 crore and dividend income decreased by ₹ 31.79 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) decreased from ₹ (-)17.81 crore at the beginning of the year 2019-20 to ₹(-)184.97 crore at its end. Government had invested an amount of ₹ 24032.22 crore on treasury bills on 45 occasions and rediscounted Treasury Bills worth ₹ 24220.08 crore on 103 occasions during the year 2019-20.

(₹ in crore)

Cash Balance investment in Government of India Treasury Bills			
Balance as on 1 April 2019	Purchases during 2019-20	Sales during 2019-20	Closing Balance on 31 March 2020
189.53	24032.22	24220.08	1.67



6.2 Debt and Liabilities

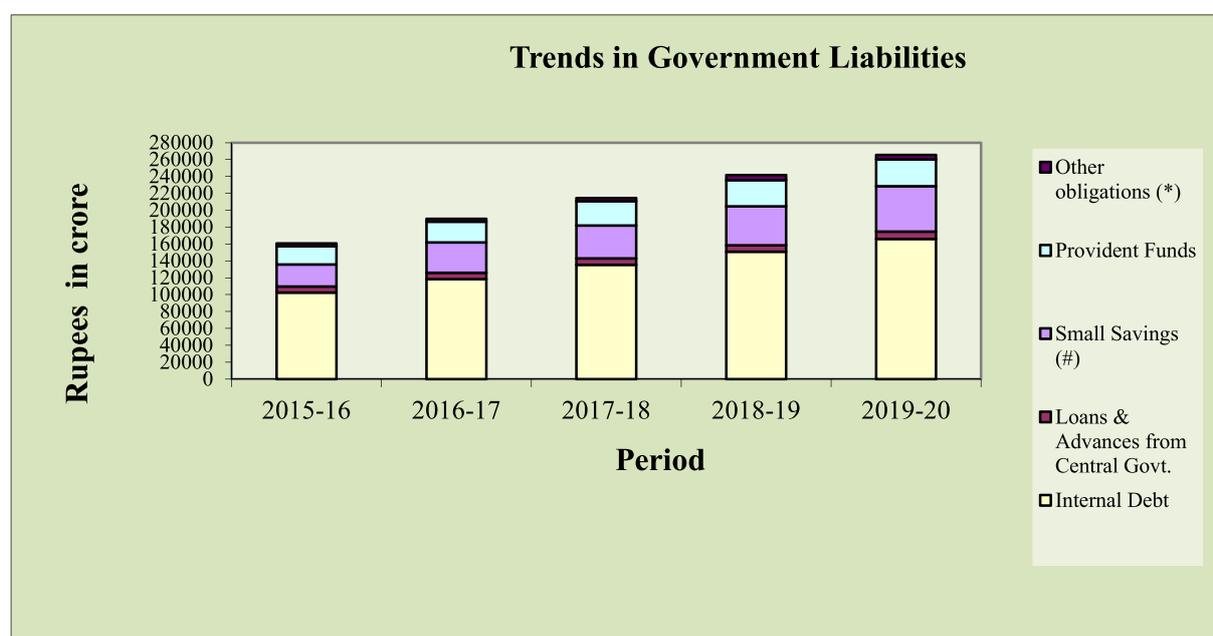
Outstanding Public Debt of the State at the end of 2019-20 was ₹174640.22 crore, comprising Internal Debt (₹165960.03 crore) and Loans and Advances from Central Government (₹8680.19 crore). Other liabilities accounted under Public Account were ₹ 90722.14 crore. The State also acts as a banker and trustee in respect of Small Savings, Provident Funds and Deposits. There was an overall increase of ₹ 8859.27 crore in respect of such liabilities of the State Government during 2019-20.

Interest payments on debt and other liabilities totalling ₹ 19185.26 crore constituted 18.32 percentage of revenue expenditure of ₹ 104719.92 crore. Interest payments on Public Debt were ₹ 13273.79 crore ((Internal Debt: ₹ 12961.52 crore (excluding Management of debt ₹ 30.01 crore), Loans and Advances from Central Government: ₹ 312.27 crore)). Expenditure on account of interest payments increased by ₹ 2286.62 crore during 2019-20.

Internal debt of ₹ 58256.37 crore was raised during 2019-20. The debt obligations discharged on this account were ₹ 43287.37 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
2015-16	102496.26	7234.71	109730.97	26046.55	21592.81	3168.35	160538.68	28.57
2016-17	118268.72	7614.13	125882.85	36040.07	24530.94	3314.69	189768.55	29.89
2017-18	135500.53	7483.99	142984.52	38974.15	28803.70	3755.85	214518.22	30.58
2018-19	150991.04	7243.41	158234.45	46401.37	30995.69	5983.00	241614.51	30.91
2019-20	165960.03	8680.19	174640.22	53597.11	32074.06	5050.97	265362.36	31.05



(*) Includes Reserve Funds and Deposits

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

6.3 Guarantees

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

Government Guarantees shall be within the limit of ‘five percent of the Gross State Domestic Product (GSDP) of the State as, calculated by the Department of Economics and Statistics for the respective financial year’. This Act came into force with effect from 01 April 2018. The position of guarantees for the period 2015-16 to 2019-20 is given below:

(₹ in crore)

At the end of the year	Amount Guaranteed	Amount outstanding
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56
2017-18	25104.33	17356.47
2018-19	46795.99	26834.65
2019-20	43433.30	27757.01

(₹ in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding (Principal and Interest)
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56
2017-18	25104.33	17356.47
2018-19	46795.99	26834.65
2019-20	43433.30	27757.01

As per the statement furnished by the Government the outstanding guarantees as on 31 March 2020 was ₹ 27757.01 crore. An amount of ₹ 150.80 crore was received by Government during 2019-20 towards guarantee fee. Arrears of guarantee fee as on 31 March 2020 amounted to ₹ 269.83 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 31.3.2020 there are no instances of adverse balance under Internal Debt.

7.2 Loans and Advances by the State Government

Total Loans and Advances disbursed by the State Government at the end of the year 2019-20 was ₹ 17472.08 crore. During the year 2019-20, the State Government disbursed Loans and Advances amounting to ₹ 1210.22 crore. Recovery of ₹ 13978.75 crore (Principal: ₹ 8670.91 crore and Interest: ₹ 5307.84 crore) was in arrears as on 31 March 2020.

Of the above arrears 75.32 per cent pertains to four institutions/organisations viz., Kerala Water Authority (₹ 3795.75 crore), Kerala State Housing Board (₹ 1734.95 crore), Kerala State Electricity Board (₹ 1775.77 crore) and Kerala State Road Transport Corporation (₹ 3222.94 crore). The loans for which terms and conditions had not been fixed by Government is ₹ 433.93 crore (₹ 406.56 crore maintained by State Government departments and ₹ 27.37 crore maintained by AG (A&E)).

As on 31.3.2020 there are 17 instances of adverse balances under Loan major heads amounting to ₹ 4.53 crore.

7.3 Financial Assistance to Local Bodies and Others

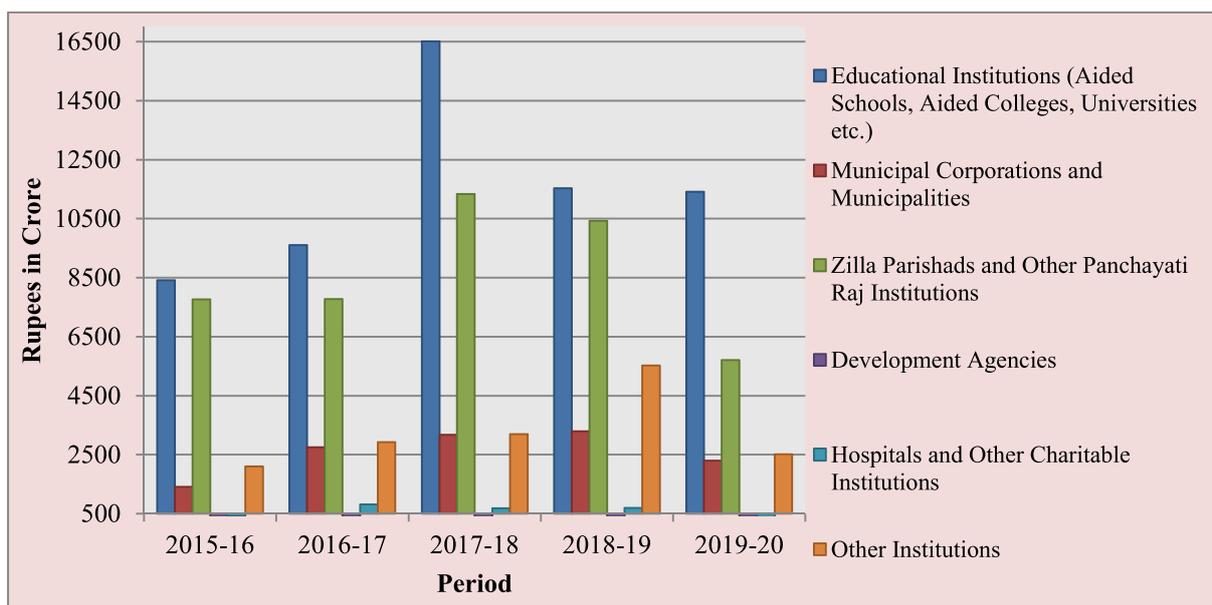
Assistance given to local bodies and others in 2019-20 was ₹ 22192.27 crore. It increased from ₹ 20101.14 crore in 2015-16 to ₹ 31486.82 crore in 2018-19 but decreased to ₹ 22192.27 crore in 2019-20. Out of the total financial assistance given to local bodies and others, the share of Educational Institutions was 41.83 per cent, 40.20 per cent, 47.27 per cent, 36.63 per cent and 51.41 per cent, respectively for the years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 .

During the year 2019-20, financial assistance given to Local Self Government Institutions was ₹ 8007.35 crore (Municipal Corporation and Municipalities: ₹ 2296.24 crore, Panchayati Raj Institutions: ₹ 5711.11 crore) constituting 8.87 per cent of the revenue receipts and 7.65 per cent of the revenue expenditure. The share of Local Self Government Institutions alone was 36.08 per cent of the total financial assistance to Local bodies and Others.

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

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

	(₹ in crore)				
Financial Assistance to Local bodies and Others	2015-16	2016-17	2017-18	2018-19	2019-20
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	8409.89	9602.98	16511.23	11532.60	11410.11
Municipal Corporations and Municipalities	1405.77	2756.55	3178.62	3287.46	2296.24
Zilla Parishads and Other Panchayati Raj Institutions	7767.62	7775.98	11335.87	10426.56	5711.11
Development Agencies	5.91	14.73	20.91	16.93	6.51
Hospitals and Other Charitable Institutions	407.60	812.18	686.29	696.91	256.47
Other Institutions	2104.35	2927.71	3196.28	5526.36	2511.83
Total	20101.14	23890.13	34929.20	31486.82	22192.27



7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Particulars	As on March 31.03.2019	As on March 31.03.2020	Increase(+)/ Decrease(-)
Cash balances	-17.81	-184.97	-167.16
Investments from cash balances (a+b)	189.53	1.67	-187.86
a. GOI Treasury Bills	187.86	0.00	-187.86
b. GOI Securities	1.67	1.67	0
Other Cash Balances	-0.5	-5.18	-4.68
1) Departmental Balances	-0.98	-5.70	-4.72
2) Permanent Cash Imprest	0.48	0.52	0.04
Fund-wise break-up of investments from earmarked balances (a to d)	2031.93	2198.70	166.77
a. Sinking Fund	2018.54	2185.31	166.77
b. Agriculturists' Rehabilitation Fund	2.39	2.39	0
c. Kudikidappukars' Benefit Fund	1.00	1.00	0
d. Kerala Consumer Welfare Fund	10.00	10.00	0
Interest realised during the year on investment of cash balances	37.13	7.85	-29.28

The cash balance of the State Government had decreased from ₹(-)17.81 crore in 2018-19 to ₹ (-)184.97 crore in 2019-20. An investment of ₹ 2200.37 crore were made from earmarked fund balances, GOI securities etc. There was 78.86 per cent decrease in interest realized on investment of cash balance.

7.5 Reconciliation of Accounts

All the Controlling Officers (COs) are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Principal Accountant General (A&E). Such reconciliation has been completed in respect of 93.10 *per cent* of total reconcilable expenditure and 96.92 *per cent* of total reconcilable receipts. The Principal Secretary to Government, General Administration Department, The Additional Chief Secretary to Government, Finance Department, The Secretary to Government, Electronics and Information, The Additional Chief Secretary, Water Resources Department, The Secretary, Revenue Department, The Secretary to Government Health and Family Welfare Department, The Secretary to Government, Science & Technology Department, The Secretary, Transport Department, Director of Panchayat, The Chief Electoral Officer, Election Department, The Commissioner, Land Revenue, The Director of Treasuries, The Director, Local Fund Audit Department, The Chief Engineer, Buildings and Local Works, Public Works Department, The Secretary to Government, LSG Department, The Director, General Education Department, The Director, Department of Culture, Secretary to Government, Higher Education Department, The Director of Health Services, The Director of Urban Affairs, The Labour Commissioner, The Director of Scheduled Caste's Development, The Director of Scheduled Tribe's Development, The Director of Social Justice, The Director of Economics & Statistics, The Director of Agriculture, The Director of Industries and Commerce, The Director of Coir Development, The Director of State Water Transport Department, The Secretary to Government, Department of NORKA are some of the major Controlling Officers who have not reconciled the figures of expenditure during the year.

7.6 Submission of Accounts by Treasuries

There are 23 District Treasuries, e-treasury and Advices of Reserve Bank of India rendering accounts to the Principal Accountant General (A&E). The Cheque drawing system by PWD/Forest Division had been withdrawn. The transaction of the Divisions are being routed through Treasuries like other departments. During 2019-20, there was no delay in monthly rendition of accounts by treasuries and no accounts were excluded at the end of the year.

7.7 Status of Suspense Account Balances

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

(₹ in crore)

Name of Minor Head	2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Account						
101-PAO Suspense	234.37	-24.42	307.76	14.87	333.57	-8.72
Net	Dr. 258.79		Dr.292.89		Dr 342.29	
102-Suspense Account (Civil)	1036.51	814.63	96.74	-334.76	21.21	-344.83
Net	Cr.-221.88		Cr.-431.50		Cr.-366.04	
107-Cash Settlement Suspense	44.18	0.00	43.10	0.00	20.03	0.00
Net	Dr. 44.18		Dr.43.10		Dr.20.03	
110-Reserve Bank Suspense (CAO)	14.44	15.22	97.38	85.19	-9.19	-78.31
Net	Dr.-0.78		Dr.12.19		Dr.69.12	

7.8 Commitments on account of Incomplete Projects/Works

There were 295 projects/works (each costing above rupees one crore) on which an expenditure of ₹ 1301.53 crore was incurred up to March 2020 which were not completed at the end of March 2020 though the stipulated period of completion was over.

7.9 New Pension Scheme

The expenditure on pension and other retirement benefits to State Government employees and employees of aided educational institutions, etc., during the year was ₹18648.04 crore (17.81 *per cent* of total revenue expenditure). This excludes Government's expenditure towards matching contribution for the New Pension Scheme (NPS). All India Service (AIS) officers recruited on or after 1 January 2004 and the State Government Employees recruited

on or after 1 April 2013 are covered under the NPS, which is a defined contribution scheme. In terms of the scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance and the similar amount is being contributed by State Government. The entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

In 2019-20, ₹835.38 crore has been credited to MH 8342- Mnh 117 Defined Contribution Pension Scheme under Public Account which includes Government's contribution of ₹ 417.69 crore (including backlog contribution of ₹ 42.72 crore). The State Government remitted ₹835.31 crore (employee's contribution: ₹ 417.25 crore and Government's contribution ₹418.06 crore) to NSDL, leaving a balance of ₹0.34 crore under the head of account as on 31 March, 2020 on which the Government is required to pay interest, which was not done.

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

7.10 Personal Deposit Accounts

From time to time, the State Government orders the opening of Personal Deposit (PD) accounts for specific purposes, where, funds are transferred from the Consolidated Fund by booking the transfer as expenditure under Service heads. Para 282(d) of Kerala Financial Code Vol-I, Chapter X, stipulates that Administrators of these Personal Deposit accounts should close these Personal Deposit accounts at the end of the financial year and credit the unspent balances back to the Consolidated Fund under the concerned expenditure heads of accounts from where the amount initially transferred, unless such Personal Deposit accounts were created by Law or Rules having the force of Law. During the year 2019-20, no amount was transferred from Consolidated Fund to the PD accounts under Public Account.

The number of live Personal Deposit Accounts under MH-8443-Civil Deposit-106-Personal Deposit was 1,233 as on 31 March 2020 and the aggregate balance in these Personal Deposit accounts was ₹ 67.48 crore as per records of the Principal Accountant General (A&E). However, as per information received from State Government, there were only 830 Personal Deposit Accounts amounting to ₹ 254.36 crore.

Director of Treasuries has confirmed that the mismatch of figures of PD Accounts as per the records of Principal Accountant General and as per details furnished by Director of

Treasuries was due to non-transfer of all PD Accounts data from Treasury Information System to Core Treasury information system. Treasury officials also stated that this discrepancy will be cleared after the closing of all the inoperative PD accounts. The difference between the figures of Principal Accountant General (A&E) and State Government is under reconciliation.

7.11 Investment

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts, the investment of Government as on 31st March, 2020 was ₹ 8768.05 crore excluding ₹ 113.66 crore being expenditure incurred for equity participation in Smart City Project (₹ 31.20 crore), State Institute for Hotel Management at Kottayam (₹0.01 crore), setting up of Electronics Fabrication Laboratory (₹3.55 crore), seed capital for NBCFDC and NMDFC schemes (₹4.50 crore) and Capital Assistance given to companies producing Neera (₹ 5.00 crore) and various schemes under Water Supply and Sanitations (₹ 44.55 crore), Projects under LAC-ADS (₹5.27 crore), Construction of Solar Cruise Boat (₹ 2.37 crore), Integrated Water Transport system to Kochi (₹ 10.00 crore), Kerala Maritime Board (₹ 0.01 crore), and Construction of a POL Tanker Barge (₹ 5.10 crore), Kerala State Pottery Manufacturing and Marketing Development Corporation (₹1.00 crore), Upgradation of infrastructure in existing industrial parks (₹ 0.60 crore) and providing common facilities for working women at Industrial Parks (₹ 0.50 crore). An amount of ₹ 100.33 crore (1.14 per cent of investment) was received as dividends from 24 entities. During 2019-20, investments increased by ₹ 534.33 crore and dividend income increased by ₹ 31.79 crore.

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