

**REPORT OF THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA**

**on
STATE FINANCES**

for the year ended March 2012

**Government of Kerala
Report No.1 of the year 2012**

Table of Contents		
	Reference to	
	Paragraph	Page
Preface	-	v
Executive Summary	-	vii
Chapter I		
Finances of the State Government		
Profile of Kerala	-	1
Introduction	1.1	1
Resources of the State	1.2	3
Revenue Receipts	1.3	6
Application of Resources	1.4	11
Quality of Expenditure	1.5	19
Financial Analysis of Government Expenditure and Investments	1.6	23
Assets and Liabilities	1.7	28
Debt Sustainability	1.8	31
Fiscal Imbalances	1.9	33
Conclusion	1.10	37
Recommendations	1.11	39
Chapter II		
Financial Management and Budgetary Control		
Introduction	2.1	41
Summary of Appropriation Accounts	2.2	41
Financial Accountability and Budget Management	2.3	42
Non-reconciliation of departmental figures	2.4	50
Advances from Contingency Fund	2.5	51
Review of Selected Grants	2.6	52
Errors in budgeting	2.7	57
Outcome of inspection of treasuries	2.8	58
Conclusion	2.9	59
Recommendations	2.10	59
Chapter III		
Financial Reporting		
Delay in furnishing utilisation certificates	3.1	61
Non-submission/delay in submission of Accounts	3.2	62
Delay in submission of accounts/Audit Reports of Autonomous Bodies	3.3	62
Misappropriations, losses, defalcations, etc.	3.4	62
Operation of omnibus Minor Head - 800	3.5	63
Transfer of funds to Personal Deposit Accounts	3.6	64
Conclusion	3.7	64
Recommendations	3.8	65

APPENDICES		
No.	Description	Page
1.1	State Profile	67
1.2	Structure and form of Government Accounts	68
Part A		
Part B	Layout of Finance Accounts	68
1.3	Methodology adopted for assessment of fiscal position	69
Part A		
Part B	The Kerala Fiscal Responsibility Act	70
1.4	Abstract of receipts and disbursements for the year 2011-12	72
Part A		
Part B	Summarised financial position of the Government of Kerala as on 31 March 2012	75
1.5	Time series data on the State Government finances	77
1.6	Gross collection in respect of major taxes and duties <i>vis-à-vis</i> budget estimates and the expenditure incurred on their collection	80
1.7	Summarised financial statement of Departmentally managed Commercial/Quasi-commercial Undertakings	81
2.1	Savings in excess of ₹ 10 crore in each case and more than 20 <i>per cent</i> of the total provision	82
2.2	Statement of persistent savings for the last three years (Savings of ₹ five crore and above in each case)	83
2.3	Excess over provision of previous years requiring regularization	85
2.4	Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary	87
2.5	Cases of excessive supplementary Grants/Appropriations (Savings of ₹ one crore and above)	88
2.6	Statement of various Grants/Appropriations where supplementary provision proved insufficient by more than ₹ one crore each	89
2.7	Excess/Unnecessary/Insufficient reappropriation of funds	90
2.8	Results of review of substantial surrenders made during the year	94
2.9	Surrender (₹ 50 lakh or more in each case) in excess of actual savings	97
2.10	Statement of surrenders (₹ 10 lakh or more in each case) under various Grants/Appropriations which proved injudicious	98
2.11	Statement of Grants/Appropriations in which savings occurred but no part of which had been surrendered	99
2.12	Details of saving of ₹ one crore and above not surrendered	100
2.13	Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2012	102
2.14	Subheads of accounts showing rush of expenditure towards the end of the year	104
2.15	Major heads in which rush of expenditure noticed towards the end of the financial year 2011-12	106

APPENDICES		
No.	Description	Page
2.16	Drawal of funds during 2011-12 to avoid lapse of budget grant	108
2.17	Pendency in submission of Detailed Contingent bills against Abstract Contingent (AC) bills drawn during 2009-10 to 2011-12	110
2.18	List of controlling officers where amounts exceeding ₹ 10 crore in each case remained unreconciled during 2011-12	112
2.19	Substantial savings noticed under Grant no.XVIII-Medical and Public Health	114
2.20	Non-mustering of pensioners	116
3.1	Utilisation Certificates outstanding as on 30 June 2012	119
3.2	Statement showing names of bodies and authorities, the accounts of which had not been received as of March 2012	120
3.3	Statement showing performance of Autonomous Bodies	122
3.4	Department-wise/duration-wise break-up of cases of misappropriation, defalcation, etc.	124
3.5	Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material	125

PREFACE

1. This Report has been prepared for submission to the Governor of Kerala under Article 151 of the Constitution of India.
2. Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2012. Information has also been obtained from the Government of Kerala, wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

EXECUTIVE SUMMARY

Background

The State of Kerala, located at the southern end of the country, accounts for one *per cent* of the total area of the country and about three *per cent* of the population. The State ranks highest (0.790) in the Human Development Index as against the All India value of 0.467. The literacy rate of 93.91 *per cent* and life expectancy at birth of 74 years are the highest in the country. Further, the infant mortality rate of the State (12 per thousand) is the lowest in the country. The State has also less population below poverty line as compared to All India average. The State has shown marginally lower economic growth in the past decade. However, its Gross State Domestic Product (GSDP) for the period 2002-03 to 2011-12 has been 15.85 *per cent* as compared to 14.46 *per cent* in General Category States (GCS). During this period, its population also grew by 5.03 *per cent* only (lowest among General Category States) against 13.90 *per cent* in General Category States. The per capita income compound annual growth rate in Kerala (15.22 *per cent*) has been higher than that of the GCS (13.09 *per cent*) in the current decade. However, the State has slightly higher urban and rural inequality compared to the All India average.

This Report of the Finances of the Government of Kerala is being brought out with a view to assess objectively, the financial performance of the State during 2011-12 and to provide the State Government and the State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in the budget estimates of 2011-12.

The Report

Based on the audited accounts of the Government of Kerala for the year ended March 2012, this Report provides an analytical review of the Annual Accounts of the State Government. This Report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of the Kerala Government's fiscal position as on 31 March 2012. It provides an insight into trends in committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to the State implementing agencies through the off-budget route.

Chapter 2 is based on the audit of Appropriation Accounts and gives a Grant-by-Grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of the Kerala Government's compliance with various reporting requirements and financial rules. The report also compiles the data collated from various Government departments/organizations in support of the findings.

Audit findings and recommendations

Chapter I

Finances of the State Government

Revenue Receipts : During the current year, the State's Revenue receipts (₹ 38,010.36 crore) increased by 22.65 *per cent* over the previous year. There was increase in Tax revenue (₹ 3,996.91 crore) and Non-tax revenue (₹ 661.39 crore) during the year. The State's revenue receipt as a percentage of GSDP marginally declined from 12.1 *per cent* in 2007-08 to 11.6 *per cent* in 2011-12, which indicates that the growth in tax revenue had not kept in pace with that of GSDP.

Revenue Expenditure : Revenue expenditure recorded a steep growth of 32.83 *per cent* during the year. Of the total expenditure of ₹ 50,896 crore during 2011-12, share of revenue expenditure was 90.47 *per cent* (₹ 46,045 crore). Nearly 70 *per cent* of the Revenue expenditure was incurred on salaries, wages, pension payments, interest payments and subsidies.

Capital Expenditure : During the year Capital expenditure (₹ 3,853 crore) increased by ₹ 489.23 crore (14.54 *per cent*) over the previous year and it accounted for eight *per cent* of the total expenditure of the State. Proportion of Capital expenditure has been much lower as compared to General Category States during 2008-09 and 2011-12.

Investment and returns : As of 31 March 2012, the State had invested ₹ 4,206.43 crore in Statutory Corporations, Government companies, Joint Stock Companies and Co-operatives. The average return on these investments was 1.3 *per cent* during the last five years while the Government paid an average interest rate ranging from 7.2 *per cent* to 7.9 *per cent* on its borrowings during the same period.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increase in non-developmental expenditure like salaries, interest payments, pension and subsidies year after year reduces the net availability of funds from the borrowings for infrastructure development. The State's low return on investments indicates an implicit subsidy and use of high cost borrowings for investments, which yields low return and is not sustainable.

Loans and Advances : Outstanding loans and advances given by the State Government to Statutory Corporations, Government companies and Co-operative Societies was ₹ 9,404 crore, recording an increase of ₹ 943 crore over the previous year. Sixty five *per cent* of the outstanding loan balance was pertaining to Kerala State Road Transport Corporations (₹ 449.51 crore), Kerala Water Authority (₹ 2,410.17 crore), Kerala State Electricity Board (₹ 2,661.65 crore) and Kerala State Housing Board (₹ 617.67 crore). Before release of loans to statutory corporations/

Government companies, Government should review the repaying capacity of these institutions and alternate methods may be considered for releasing funds.

Deficit : All the key fiscal parameters, i.e., revenue, fiscal and primary deficits increased during 2011-12 when compared to previous year. The revenue, fiscal and primary deficit increased to ₹ 8,035 crore, ₹ 12,815 crore and ₹ 6,521 crore in 2011-12 from ₹ 3,674 crore, ₹ 7,731 crore and ₹ 2,041 crore respectively in 2010-11. The ratio of revenue deficit to fiscal deficit increased from 47.5 *per cent* in 2010-11 to 62.7 *per cent* in 2011-12. As a proportion of GSDP, the revenue deficit increased to 2.5 *per cent* and fiscal deficit to 3.9 *per cent* in 2011-12 from 1.3 *per cent* and 2.8 *per cent* respectively in 2010-11.

Increasing revenue and fiscal deficit shows growing fiscal imbalance of the State. Similarly, increase in the ratio of revenue deficit and fiscal deficit indicates that the application of borrowed funds has largely been to meet current expenditure.

Debt Management: Fiscal liabilities at the end of the current year worked out to ₹ 93,132 crore and stood at 28.5 *per cent* of GSDP in 2011-12, which was better than the target of 32.3 *per cent* fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011. During 2008-09 to 2011-12, the quantum spread together with primary deficit was positive indicating a declining trend in Debt-GSDP ratio. During 2011-12 though the State Government borrowed ₹ 8,880 crore from the market, the net availability funds was only ₹ 4,426 crore. Larger part of the borrowings in 2011-12 could not be used for developmental activities and used for non-developmental purposes only. The maturity profile of debt of the State shows that the State will have to repay 49.6 *per cent* of its debt between one and seven years.

There has been a decline in net availability of funds from its borrowings as large portion of these funds are being used for debt servicing. The ratio of financial assets to liabilities has also deteriorated indicating the greater part of liabilities was without an asset backup. The Balance from Current Revenue (BCR) which plays a critical role in determining its plan size and a negative BCR adversely affects the same and reduces the availability of funds for additional infrastructure requirement.

Monitoring of funds transferred directly from the GOI to the State implementing agencies: Government of India directly transferred ₹ 2,474 crore to the state implementing agencies during the year. But transfer of funds from Government of India to the state implementing agencies directly ran the risk of inadequate monitoring of utilisation of funds by these agencies in the absence of uniform accounting procedures and effective monitoring system. The State Government have to put in place an appropriate control mechanism to ensure proper accounting and timely utilisation of funds flowing directly to implementing agencies through off-budget route.

Chapter II

Financial Management and Budgetary Control

Against the total provision of ₹ 64,271.36 crore the expenditure was ₹ 54,414.63 crore, which led to a saving of ₹ 9,856.73 crore (15 per cent). An excess of ₹ 771.01 crore was also incurred under 17 Grants/Appropriation, requiring regularization under Article 205 of the Constitution. An excess expenditure of ₹ 333.74 crore incurred during 1990-91 to 2010-11 was also not regularized so far. While supplementary provision of ₹ 793.63 crore obtained in 22 cases was unnecessary, re-appropriation of funds in 127 cases was made injudiciously resulting in either unutilized provision or excess over provision. In 39 cases, ₹ 3,020.18 crore was surrendered on the last day of the financial year. Expenditure of ₹ 142.75 crore under 'Special Development Fund for MLAs' was wrongly classified under Capital Section instead of under Revenue Section of the accounts during 2011-12, resulting in understatement of revenue deficit to that extent.

Budgetary control should be exercised in all the departments to avoid cases of budget provision remaining unutilized. Expenditure in excess of budget allocation should be avoided. Excessive/unnecessary supplementary grant and injudicious re-appropriation of funds should be avoided. Budget provision should be made for transfer of Subventions from Central Road Fund, released by the Government of India.

Chapter III

Financial Reporting

The Government's compliance with various rules, procedures and directives was lacking in various departments, which was evident from delays in furnishing of utilisation certificates against loans and grants by various grantee institutions. Delays were also noticed in submission of annual accounts by autonomous bodies and departmentally managed commercial undertakings. There were instances of outstanding cases of losses and misappropriations for which departmental action was pending for long periods. Significant amounts of expenditure and receipts under Central and State schemes, booked under the Minor head '800-Other Expenditure' and '800-Other Receipts' were not distinctly depicted in the State Finance Accounts of 2011-12, affecting the correctness in financial reporting.

The departments should ensure timely submission of utilisation certificates in respect of the grants released for specific purposes to the grantee institutions and the annual accounts in respect of the autonomous bodies to the Principal Accountant General (Accounts and Entitlement), Kerala and the Principal Accountant General (Social and General Sector Audit), Kerala respectively. Departmental enquiries in respect of all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases. Large amounts received or expended under various schemes should be depicted in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts' to ensure correctness in financial reporting.

Chapter I

Finances of the State Government

Profile of Kerala

The State of Kerala, located at the southern end of the country, accounts for one *per cent* of the total area of the country and about three *per cent* of the population. The State ranks highest (0.790) in the Human Development Index as against the All India value of 0.467. The literacy rate of 93.91 *per cent* and life expectancy at birth of 74 years are the highest in the country. Further, the infant mortality rate of the State (12 per thousand) is the lowest in the country. As shown in the **Appendix 1.1**, the State has less population below poverty line as compared to All India average. The State has shown marginally lower economic growth in the past decade. However, its Gross State Domestic Product (GSDP) for the period 2002-03 to 2011-12 has been 15.85 *per cent* as compared to 14.46 *per cent* in General Category States. During this period, its population also grew by 5.03 *per cent* only (lowest among General Category States) against 13.90 *per cent* in General Category States. The per capita income compound annual growth rate in Kerala (15.22 *per cent*) has been higher than that of the General Category States (13.09 *per cent*) in the current decade. However, the State has slightly higher urban and rural inequality compared to the All India average.

1.1 Introduction

This chapter is based on the audit of Finance Accounts and makes an assessment of the Kerala Government's fiscal position as on 31 March 2012. It provides a broad perspective of the finances of the Government of Kerala during 2011-12 and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view of the overall trends during the last five years. The structure and form of Government Accounts have been explained in **Appendix 1.2 Part A** and the layout of the Finance Accounts is shown in **Appendix 1.2 Part B**. The methodology adopted for the assessment of the fiscal position of the State and norms/ceilings prescribed by the Kerala Fiscal Responsibility Act, 2003 are given in **Appendix 1.3**. As prescribed in the Act, the Government laid its Medium Term Fiscal Policy and Strategy Statement with Medium Term Fiscal Plan for 2011-12 to 2013-14 in the State legislature in July 2011.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2011-12) *vis-à-vis* the previous year, while **Appendix 1.4** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.1 Summary of Current Year's Fiscal Operations

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section-A: Revenue					Non Plan	Plan	Total
30990.95	Revenue receipts	38010.36	34664.81	Revenue expenditure	40717.41	5327.21	46044.62
21721.69	Tax revenue	25718.60	15418.39	General services	20227.04	72.98	20300.02
1930.79	Non-tax revenue	2592.18	12110.80	Social services	12821.94	3401.92	16223.86
5141.85	Share of Union Taxes/ Duties	5990.36	4357.46	Economic services	4279.35	1852.31	6131.66
2196.62	Grants from Government of India	3709.22	2778.16	Grants-in-aid and Contributions	3389.08		3389.08
Section-B: Capital					Non Plan	Plan	Total
24.61	Miscellaneous Capital Receipts	16.05	3363.69	Capital Outlay	454.82	3398.10	3852.92
44.23	Recoveries of Loans and Advances	54.90	761.74	Loans and Advances disbursed	581.86	416.68	998.54
7188.90	Public Debt receipts*	9798.96	1975.03	Repayment of Public Debt*			2893.06
26.27	Contingency Fund	33.92	33.92	Contingency Fund			20.80
73753.97	Public Account receipts	95829.74	70558.27	Public Account disbursements			91200.26
4388.26	Opening Cash Balance	5059.73	5059.73	Closing Cash Balance			3793.46
116417.19	Total	148803.66	116417.19	Total			148803.66

Source: Finance Accounts of the State for 2010-11 and 2011-12.

* Excluding net transactions under Ways and Means advances and overdraft

The following are the significant changes in fiscal transactions during 2011-12 over the previous year.

- The Revenue receipts, which include debt relief of ₹47.69 crore given by the Government of India during 2011-12 on the recommendations of Thirteenth Finance Commission (ThFC), grew by 22.65 per cent (₹ 7019.41 crore) relative to the previous year. The increase was due to increase in tax revenue (₹ 3,996.91 crore), grants-in-aid from the Government of India (₹ 1,512.60 crore), State's share of Union taxes and duties (₹ 848.51 crore) and non-tax revenue (₹ 661.39 crore). The total of tax revenues collected during 2011-12 (₹ 25,718.60 crore) was ₹ 953.54 crore more than the normative assessment made by the ThFC (₹ 24,765.06 crore) for the year but was lesser by ₹ 923.4 crore (3.5 per cent) than the projection made in the Medium Term Fiscal Plan (₹ 26,642 crore). The State's Own Non-tax revenue (₹ 2,592.18 crore) was in line

with the target fixed in the Medium Term Fiscal Plan (₹ 2,531 crore) for the year 2011-12.

- The Revenue expenditure increased by ₹ 11,379.81 crore (32.83 *per cent*) due to increase in expenditure under General Services (₹ 4,881.63 crore), Social Services (₹ 4,113.06 crore), Economic Services (₹ 1,774.20 crore) and Grants-in-aid and Contributions (₹ 610.92 crore). Actual Non-Plan Revenue Expenditure during 2011-12 (₹ 40,717.41 crore) exceeded the normative assessment made by the ThFC (₹ 30,775.81 crore) by ₹ 9,941.6 crore (32.30 *per cent*).
- Capital expenditure increased by ₹ 489.23 crore (14.54 *per cent*) mainly due to increase in expenditure under Economic Services (₹ 329.80 crore), especially under 'Roads and Bridges' (₹ 252.92 crore).
- Public debt receipts increased by ₹ 2,610.06 crore due to increase in internal debt receipts by ₹ 2,564.31 crore and increase in borrowings from GOI by ₹ 45.75 crore. Public debt repayment increased by ₹ 918.03 crore.
- Public Account receipts and disbursements increased by ₹ 22,075.77 crore and ₹ 20,641.99 crore respectively over the previous year.
- The cash balance of the State decreased by ₹ 1,266.27 crore from ₹ 5,059.73 crore as on 31 March 2011 to ₹ 3,793.46 crore as on 31 March 2012.

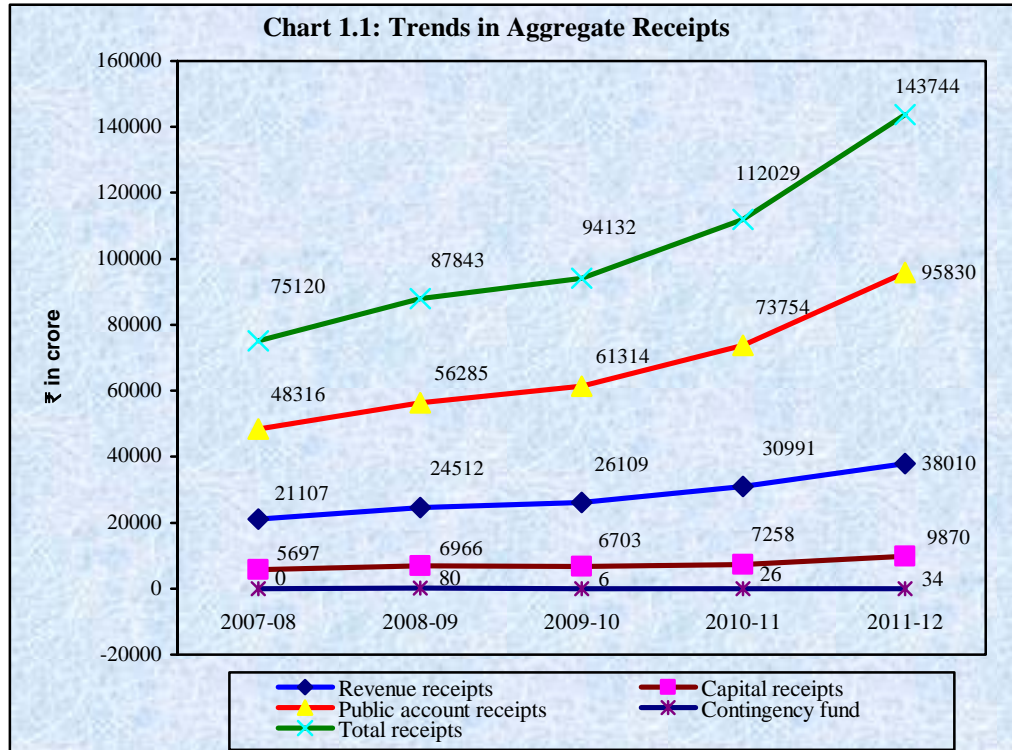
1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

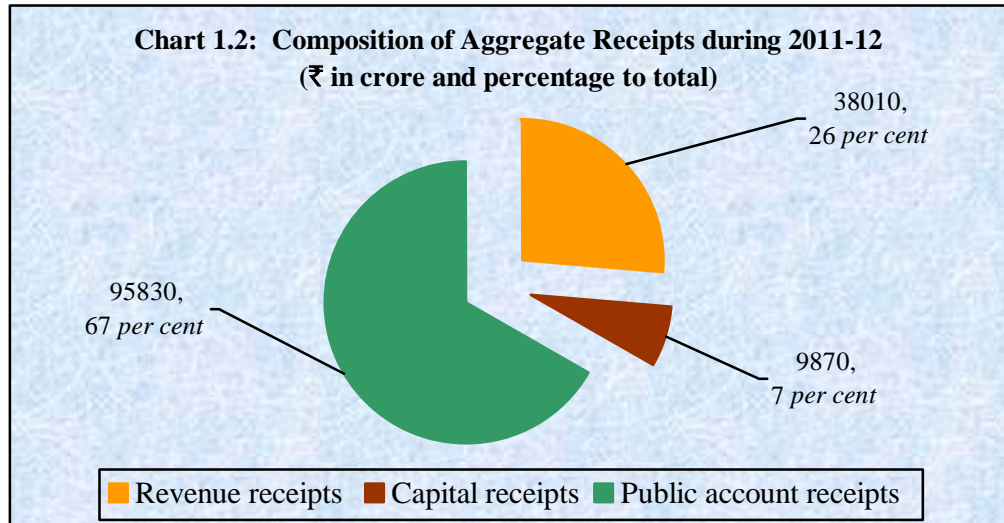
Revenue¹ and capital² are the two streams of receipts that constitute the resources of the Government. **Table 1.1** presents the receipts and disbursements of the Government during 2011-12 as recorded in the Finance Accounts 2011-12 while **Chart 1.1** depicts the trends in various components of the receipts of the State during 2007-12. **Chart 1.2** depicts the composition of resources of the State during 2011-12.

¹ Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from GOI.

² Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account.



Source : State Finance Accounts of respective years



Note: Share of Contingency Fund was insignificant

The total receipts of the State Government for the year 2011-12 were ₹ 1,43,744 crore. Of these, Public Account receipts constituted ₹ 95,830 crore (67 per cent), revenue receipts constituted ₹ 38,010 crore (26 per cent) and capital receipts constituted ₹ 9,870 crore (7 per cent).

1.2.2 Funds transferred to State implementing agencies outside the State Budgets

The Government of India (GOI) has been transferring a sizeable quantum of funds

directly to the State implementing agencies³ for the implementation of various schemes/programmes in social and economic sectors for human and social development of the population. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them remain understated. To present a holistic picture on the availability of aggregate resources in the State, details of funds directly transferred to the State implementing agencies during 2009-10 to 2011-12 are presented in **Table 1.2**.

Table-1.2: Funds transferred directly to State implementing agencies

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing agency in the State	2009-10	2010-11	2011-12
1.	Mahatma Gandhi National Rural Employment Guarantee Scheme	District Rural Development Agencies (Poverty Alleviation Unit)	467.71	704.23	951.05
2.	Pradhan Mantri Gram Sadak Yojana	Kerala State Rural Roads Development Agency	100.11	146.27	200.00
3.	Rural Housing - Indira Awaas Yojana	District Rural Development Agencies (Poverty Alleviation Unit)	194.71	185.91	196.20
4.	Rashtriya Madhyamik Shiksha Abhiyan	Secondary Education Development Society Kerala	8.93	15.13	19.10
5.	Ajeevika ⁴	District Rural Development Agencies (Poverty Alleviation Unit)	44.27	42.62	38.43
6.	National Horticulture Mission	Kerala State Horticulture Mission	Nil	44.00	53.63
7.	National Rural Drinking Water Programme	Kerala Water Authority	152.04	159.83	113.39
8.	Sarva Shiksha Abhiyan	Primary Education Development Society of Kerala	119.90	196.61	170.22
9.	Swarna Jayanti Shahari Rozgar Yojana	State Poverty Eradication Mission (Kudumbashree)	9.50	4.74	13.77
10.	National Rural Health Mission	State Health and Family Welfare Society	245.83	236.86	343.85
11.	Rashtriya Swasthya Bima Yojana	Comprehensive Health Insurance Agency of Kerala	18.34	52.69	65.92
12.	Integrated Watershed Management Programme	District Rural Development Agencies (Poverty Alleviation Unit)	3.20	16.88	10.82
13.	Others ⁵		237.59	358.14	297.62
	Total		1602.13	2163.91	2474.00

Source: Appendix VII of Finance Accounts 2011-12.

As per Finance Accounts 2011-12, GOI directly transferred ₹ 2,474 crore to the State implementing agencies for implementation of 30 central schemes (total release of ₹ five crore and above) during 2011-12. While the direct transfer of funds increased under Mahatma Gandhi National Rural Employment Guarantee Scheme, Pradhan Mantri Gram Sadak Yojana, National Rural Health Mission etc.,

³ State implementing agency includes any organisation/institution including non-governmental organisation which is authorised by the State Government to receive funds from the Government of India for implementing specific programmes in the State, e.g. Primary Education Development Society of Kerala for Sarva Shiksha Abhiyan, Kerala State Health and Family Welfare Society for the National Rural Health Mission and Kerala State Rural Roads Development Agency for Pradhan Mantri Gram Sadak Yojana.

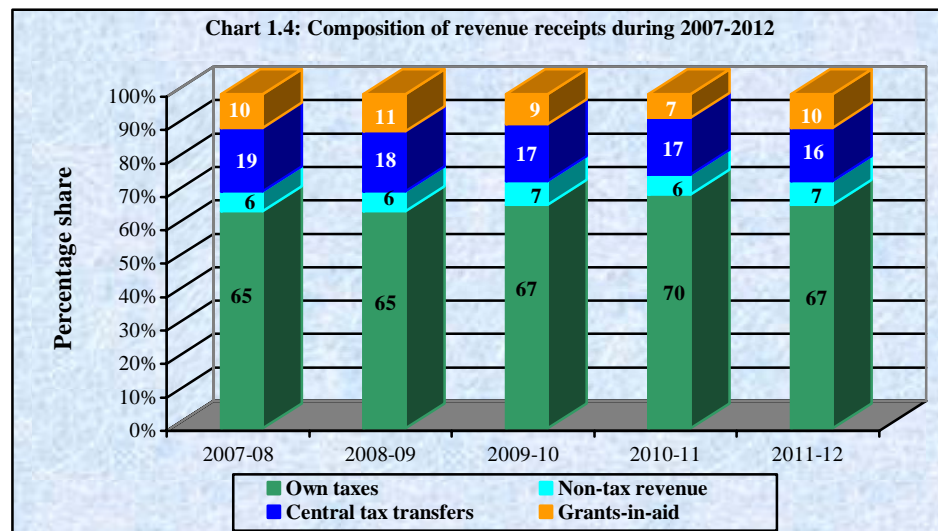
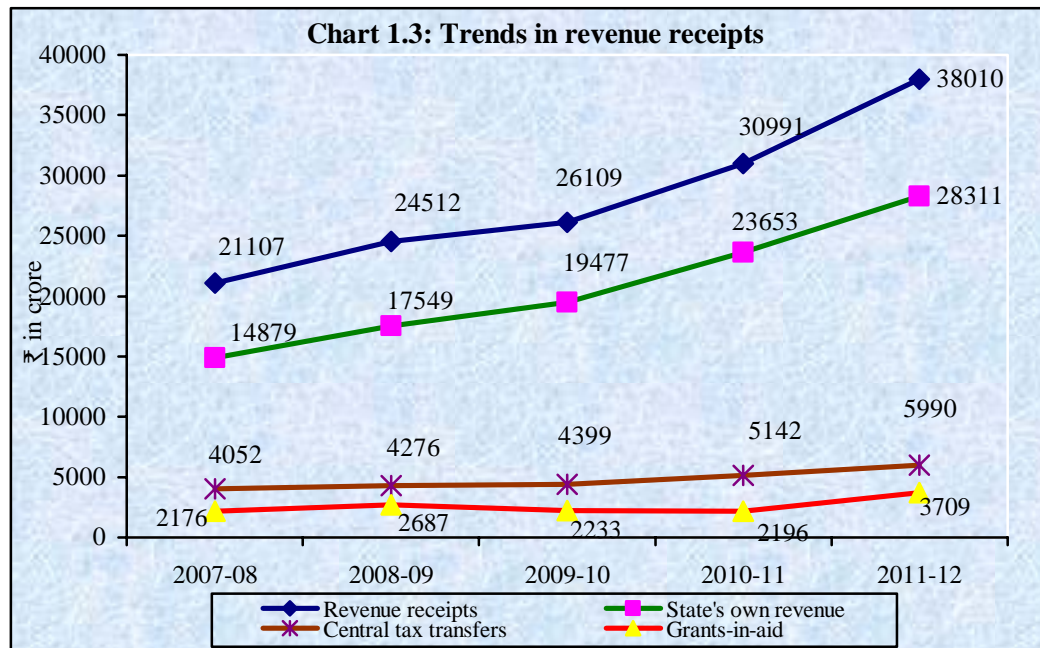
⁴ The scheme name 'Swaranjayanti Gram Swarozgar Yojana' was changed to 'Ajeevika'.

⁵ Please see Appendix VII of Finance Accounts – Vol.II for details of 18 individual programme/scheme.

it declined under Sarva Shiksha Abhiyan, Integrated Watershed Management Programme etc. Direct transfer of funds from the GOI to State implementing agencies which increased by 16 per cent ran the risk of improper monitoring of utilisation of funds by these agencies. Unless uniform accounting practices are followed by all these agencies, with proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GOI. The trend and composition of revenue receipts over the period 2007-12 are presented in **Appendix 1.5** and also depicted in **Charts 1.3** and **1.4** respectively.



The Revenue receipts of the State increased by 80 *per cent* during the period from 2007-08 to 2011-12. During the same period, the State's own revenue increased by 90 *per cent* and the grants-in-aid from GOI increased by 70 *per cent*. The share of the State's own revenue (tax revenue and non-tax revenue) in the total revenue though increased by two percentage points during 2007-12, its share declined by three percentage points during the year 2011-12. The share of central tax transfers also declined by three percentage points during 2007-12.

During 2002-03 to 2010-11, the compound growth rate of revenue receipts (14.31 *per cent*) was lesser than the growth rate of other General Category States (16.86 *per cent*). This growth rate for the period 2002-03 to 2011-12 increased to 15.20 *per cent* (**Appendix 1.1**).

Revenue collected (₹ 38,010 crore) during 2011-12 was lower than the projection made (₹ 39,428 crore) in the Medium Term Fiscal Plan by ₹ 1,418 crore.

The trends in revenue receipts relative to GSDP are presented in **Table 1.3**.

Table 1.3: Trends in revenue receipts relative to GSDP

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue receipts (RR) (₹ in crore)	21,107	24,512	26,109	30,991	38,010
State's own taxes (₹ in crore)	13,669	15,990	17,625	21,722	25,719
Rates of growth					
Revenue receipts (<i>per cent</i>)	16.1	16.1	6.5	18.7	22.6
State's own taxes (<i>per cent</i>)	14.5	17.0	10.2	23.2	18.4
RR/GSDP (<i>per cent</i>)	12.1	12.1	11.2	11.2	11.6
Buoyancy Ratios⁶					
Revenue Buoyancy w.r.t GSDP	1.2	1.0	0.4	1.0	1.3
State's own tax Buoyancy w.r.t GSDP	1.0	1.1	0.7	1.2	1.0

Source: Finance Accounts and information furnished by the Economics and Statistics department

- In 2007-08 and 2008-09, the growth rate of revenue receipts was 16.1 *per cent* each year. However, the growth rate declined to 6.5 *per cent* during 2009-10. Thereafter, the growth rate increased to 18.7 *per cent* in 2010-11 and 22.6 *per cent* in 2011-12. Increase in growth rate of revenue receipts was mainly due to increase of State's own tax revenue in respective years.
- Revenue buoyancy with reference to GSDP showed a declining trend from 2007-08 to 2009-10. However, it increased to 1.0 in 2010-11 and 1.3 in 2011-12 due to increased growth rate of revenue receipts in last two years.
- The State's own tax buoyancy with reference to GSDP was fluctuating during the last five years due to ups and downs in growth rate of State's own tax revenue. Buoyancy decreased from 1.2 in 2010-11 to 1.0 in

⁶ Buoyancy ratios indicate the elasticity or degree of responsiveness of fiscal variables with respect to a given change in the base variable. For instance, for 2011-12, revenue buoyancy at 1.3 implies that revenue receipts tend to increase by 1.3 percentage points, if the GSDP increases by one *per cent*.

2011-12 due to fall in growth rate of State's own tax revenue from 23.2 per cent in 2010-11 to 18.4 per cent in 2011-12.

Grants-in-aid from the Government of India

Grants-in-aid from the Government of India increased by ₹ 1,512.60 crore (68.9 per cent) from ₹ 2,196.62 crore in 2010-11 to ₹ 3,709.22 crore in 2011-12. The increase was under 'Non-Plan Grants' (₹ 943.32 crore) and under 'Grants for Central Plan Schemes and Centrally Sponsored Plan Schemes' (₹ 599.16 crore) and this was partly offset by decrease under 'Grants for State Plan Schemes' (₹ 29.88 crore).

Central tax transfers

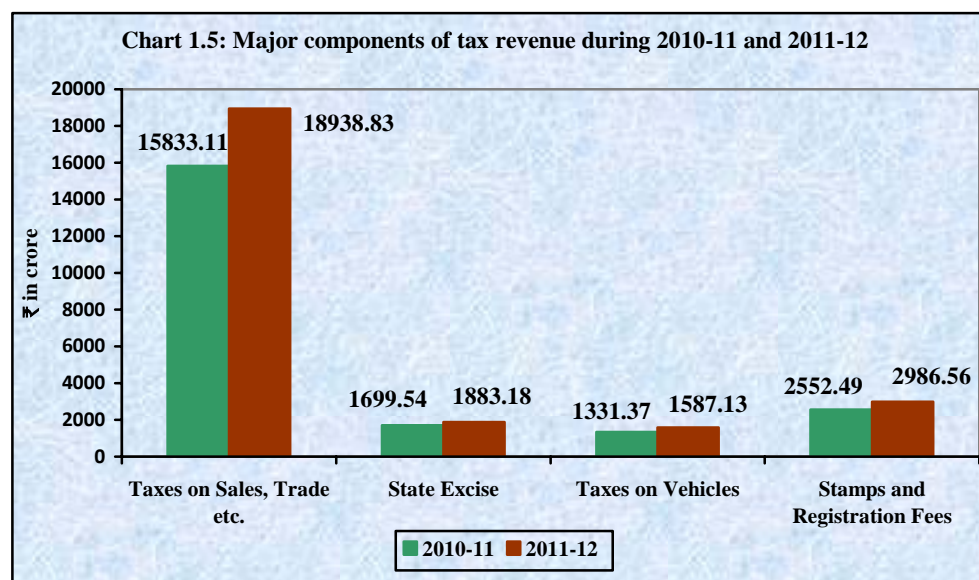
Central tax transfers increased by ₹ 848.51 crore (16.5 per cent), from ₹ 5,141.85 crore in 2010-11 to ₹ 5,990.36 crore in 2011-12. The increase was mainly under 'Corporation tax' (₹ 348.09 crore), 'Service tax' (₹ 202.29 crore), 'Customs' (₹ 139.51 crore) and 'Taxes on income other than corporation tax' (₹ 135.64 crore).

1.3.1 State's own resources

The State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes, etc. The State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

1.3.1.1 Own Tax Revenue

The State's own tax revenue increased by 18.4 per cent from ₹ 21,722 crore to ₹ 25,719 crore during the current year. Component-wise increase is indicated in **Chart 1.5**.



‘Taxes on Sales, Trade etc.’, was the major source of the State’s own tax revenue during the year (74 *per cent*) followed by ‘Stamps and Registration Fees’(12 *per cent*), ‘State Excise’ (seven *per cent*) and ‘Taxes on Vehicles’ (six *per cent*).

‘Taxes on Sales, Trade etc.’, increased by 19.6 *per cent* (₹ 3,105.72 crore) during 2011-12 over the previous year. This increase was mainly due to increase in receipts under ‘Value Added Tax’ (₹ 1,706.58 crore), ‘Receipts under State Sales Tax Act’ (₹ 1,352.32 crore) and ‘Other Receipts’ (₹ 64.59 crore). This was partly offset by decrease in receipts under ‘Receipts under Central Sales Tax Act’ (₹ 17.77 crore).

‘Stamps and Registration Fees’ increased by 17.01 *per cent* (₹ 434.07 crore) during 2011-12 over the previous year due to increase of receipts under ‘Sale of Non-Judicial Stamps’ (₹ 227.19 crore), ‘Fees for registering documents’ (₹ 154.33 crore) and ‘Duty on Impressing of Documents’ (₹ 43.77 crore).

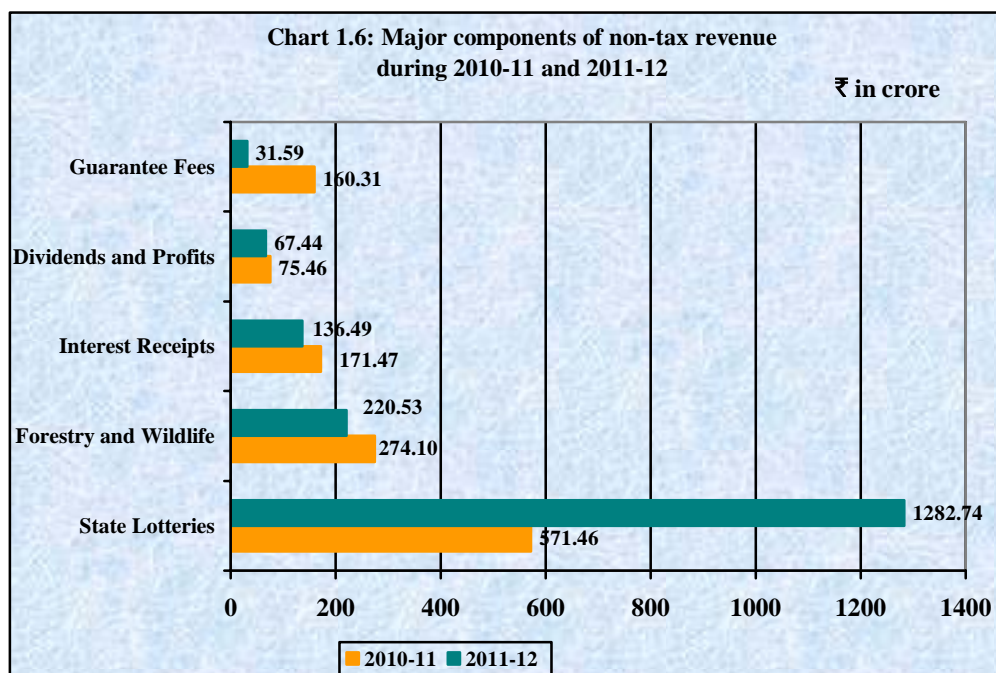
Receipts under ‘State Excise’ increased by 10.81 *per cent* (₹ 183.64 crore) during 2011-12 over the previous year. The increase was mainly under ‘Malt Liquor’ (₹ 113.16 crore), ‘Country Fermented Liquors’ (₹ 106.64 crore), and ‘Other Receipts’ (₹ 5.53 crore). This was partly offset by decrease in receipts under ‘Foreign Liquors and Spirits’ (₹ 41.36 crore).

Receipts under ‘Taxes on Vehicles’ increased by 19.21 *per cent* (₹ 255.77 crore) due to increased receipts mainly under ‘Receipts under the State Motor Vehicles Taxation Act’ (₹ 234.92 crore) and ‘Receipts under Indian Motor Vehicles Act’ (₹ 21.13 crore).

The total of tax revenues collected during 2011-12 (₹ 25,718.60 crore) was 3.9 *per cent* more than the normative assessment made by the ThFC (₹ 24,765.06 crore) for the year but it was 3.5 *per cent* less than the projections made in the Medium Term Fiscal Plan (₹ 26,642 crore) of the Government.

1.3.1.2 Non-Tax Revenue

Non-tax revenue, which includes debt relief of ₹47.69 crore given by the GOI during 2011-12 on the recommendations of ThFC, increased by ₹ 661.39 crore (34.25 *per cent*) during the current year (₹ 2,592.18 crore) over the previous year (₹ 1,930.79 crore). Component-wise details are shown in **Chart 1.6**.



Non-tax revenue sources mainly comprised receipts from ‘State Lotteries’ (49.5 per cent), ‘Forestry and Wildlife’ (8.5 per cent) and ‘Interest Receipts’ (5.3 per cent). During 2011-12 substantial increase in revenue was recorded under ‘State Lotteries’ (₹ 711.28 crore) but this was partly offset by decrease under ‘Guarantee Fees’ (₹ 128.72 crore), ‘Forestry and Wildlife’ (₹ 53.57 crore), ‘Interest Receipts’ (₹ 34.98 crore) and ‘Dividends and Profits’ (₹ 8.02 crore). Though the receipts under ‘State Lotteries’ (₹ 1,282.74 crore) recorded an increase of 124 per cent over the previous year, with an equally high expenditure (₹ 901.73 crore) during the current year the net yield from lotteries was only ₹ 381.01 crore, which was higher at ₹ 269.79 crore than the net yield of ₹ 111.22 crore of the previous year. Non-tax revenue realised during 2011-12 under various components *vis-à-vis* the budget estimates of 2011-12 was as in **Table 1.4**.

Table 1.4: Non-tax revenue realised *vis-à-vis* Budget estimates

(₹ in crore)

Sl. No.	Component of non-tax revenue	Budget estimates 2011-12	Actuals
1.	Forestry and Wildlife	330.12	220.53
2.	Interest receipts	192.43	136.49
3.	Dividends and profits	52.38	67.44
4.	State Lotteries	710.96	1282.74
Total		1285.89	1707.20

Source: Finance Accounts and Annual Financial Statement 2011-12 of the State Government

Though, the actual realization of non-tax revenue fell short of estimated projections under ‘Forestry and Wildlife’ and ‘Interest receipts’, the collection

exceeded the estimates under the heads ‘State Lotteries’ and ‘Dividends and profits’. The additional revenue generation of ₹ 421.31 crore under the four revenue heads as mentioned in table 1.4 leaves much to be desired about the accuracy of the budget projections.

Expenditure on tax collection

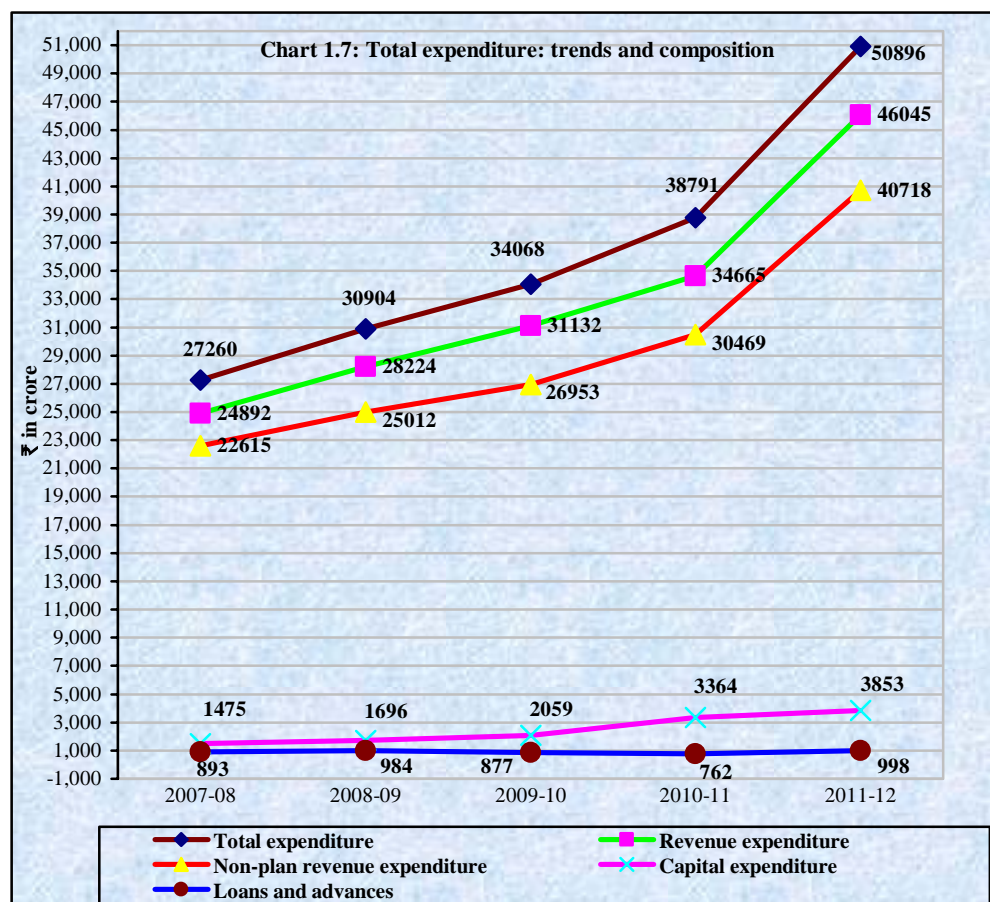
The expenditure on collection in respect of Stamps and Registration fees and State Excise was higher as compared to All India average during the period 2007-08 to 2010-11. However, it was lower than the All India average in respect of Taxes on Sales, Trade etc. (2010-11) and Taxes on vehicles (2009-10 and 2010-11). Details are given in **Appendix 1.6**. It would be prudent to improve the tax administration in order to increase the revenue and thereby reduce the cost of collection.

1.4 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since responsibilities for major expenditure are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

1.4.1 Growth and composition of expenditure

The total expenditure of the State Government consists of revenue expenditure as well as capital expenditure which include expenditure on loans and advances. The trends in various components of total expenditure-Plan and Non-Plan revenue expenditure, committed expenditure such as salaries and wages, interest payments, pension payments and subsidies, financial assistance to local bodies, etc., are discussed in the succeeding paragraphs. **Chart 1.7** presents the trends in total expenditure of the State Government over a period of five years (2007-12). Its composition, both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted respectively in **Charts 1.8 and 1.9**.



The total expenditure increased by 31.2 *per cent* in 2011-12 to ₹ 50,896 crore from ₹ 38,791 crore in the previous year. The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.5**. During 2002-03 to 2010-11, the compound growth rate of total expenditure (11.97 *per cent*) was less than the growth rate of other General Category States (14.58 *per cent*). The growth rate for the period 2002-03 to 2011-12 further increased to 13.96 *per cent* (**Appendix 1.1**).

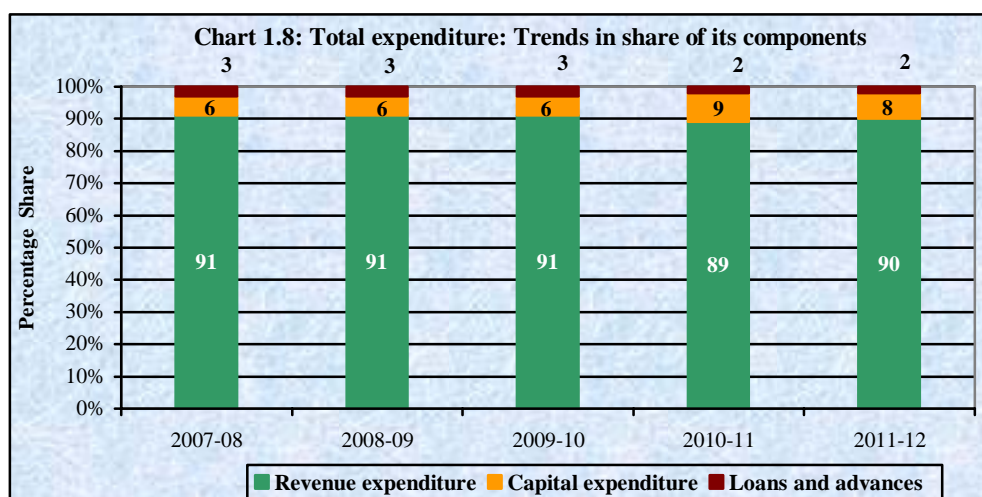
Table 1.5: Total expenditure – basic parameters

	2007-08	2008-09	2009-10	2010-11	2011-12
Total expenditure (TE) (₹ in crore)	27260	30904	34068	38791	50896
Rate of growth (per cent)	23.5	13.4	10.2	13.9	31.2
TE/GSDP ratio (per cent)	15.6	15.2	14.7	14.0	15.6
RR/TE ratio (per cent)	77.4	79.3	76.6	79.9	74.7
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)^(*)	1.7	0.8	0.7	0.7	1.7
RR (ratio)	1.5	0.8	1.6	0.7	1.4

(*) change in figures is due to adoption of new series of GSDP figures

The increase of ₹ 12,105 crore (31.2 *per cent*) in total expenditure in 2011-12

over the previous year was mainly on account of increase of ₹ 11,380 crore in revenue expenditure, ₹ 489 crore in capital expenditure and ₹ 236 crore in disbursement of loans and advances.



During the five-year period 2007-12, the share of revenue expenditure ranged between 89 to 91 *per cent* of the total expenditure whereas the share of capital expenditure ranged between six and nine *per cent* of the total expenditure during the same period. The revenue expenditure increased in absolute terms from ₹ 24,892 crore in 2007-08 to ₹ 46,045 crore in 2011-12 but its percentage to total expenditure remained almost static during the last five year period. Capital expenditure increased from ₹ 1,475 crore in 2007-08 to ₹ 3,853 crore in 2011-12 and its percentage to total expenditure increased from six *per cent* to nine *per cent* in 2010-11. However, it decreased to eight *per cent* in 2011-12.

Revenue expenditure increased by 32.8 *per cent* (₹ 11,380 crore) during 2011-12 when compared to previous year. The increase in revenue expenditure during 2011-12 was mainly due to increase in expenditure under the major heads 'Pension and Other Retirement Benefits' (₹ 2,933 crore), 'General Education' (₹ 2,433 crore), 'Medical and Public Health' (₹ 725 crore), 'Compensation and Assignments to Local Bodies and Panchayati Raj Institutions' (₹ 611 crore), 'Interest Payments' (₹ 604 crore), 'Police' (₹ 584 crore), 'Roads and Bridges' (₹ 494 crore), 'Social Security and Welfare' (₹ 449 crore), 'Food, Storage and Warehousing' (₹ 395 crore), 'Miscellaneous General Services' (₹ 379 crore), Crop Husbandry (₹ 337 crore), 'Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes' (₹ 307 crore) etc.

Capital expenditure increased by 14.5 *per cent* (₹ 489 crore) during 2011-12 when compared to previous year. This increase was mainly under the heads 'Roads and Bridges' (₹ 253 crore), 'Tourism' (₹ 88 crore), 'Public works' (₹ 52 crore) etc.

As per table 1.5, the buoyancy of total expenditure with reference to GSDP was more than one in 2007-08 and this ratio declined to less than one during the period 2008-09 to 2010-11 due to decrease in the rate of growth of total

expenditure as compared to the rate of growth of GSDP. However, the rate of growth of total expenditure increased and buoyancy stood at 1.7 during 2011-12. The sharp increase in buoyancy (from 0.7 to 1.7) during the 2011-12 indicates that the rate of growth of total expenditure was higher than that of GSDP growth.

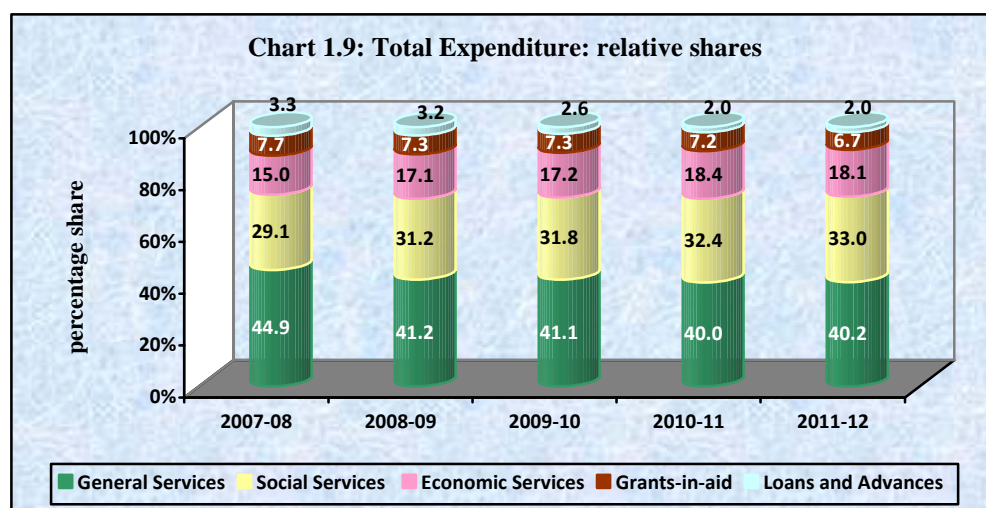
Trends in total expenditure in terms of activities

In terms of the activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. Relative shares of these components in the total expenditure are indicated in **Table 1.6**.

Table-1.6: Components of expenditure – relative shares

	(in per cent)				
	2007-08	2008-09	2009-10	2010-11	2011-12
General Services	44.9	41.2	41.1	40.0	40.2
<i>of which, Interest Payments</i>	15.9	15.1	15.5	14.7	12.4
Social Services	29.1	31.2	31.8	32.4	33.0
Economic Services	15.0	17.1	17.2	18.4	18.1
Grants-in-aid	7.7	7.3	7.3	7.2	6.7
Loans and Advances	3.3	3.2	2.6	2.0	2.0

The movement of the relative shares of the above components of expenditure indicated that the shares of General Services and Social Services in the total expenditure marginally increased during 2011-12 over the previous year. These increases were partially set off by the decreases in Economic Services and Grants-in-aid.



The share of Social Services in total expenditure during 2011-12 increased mainly on account of increase in expenditure under ‘Education, Sports, Art and Culture’ (₹ 2,571 crore), ‘Health and Family Welfare’ (₹ 834 crore), ‘Social Welfare and Nutrition’ (₹ 421 crore) and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 284 crore) whereas the share of General Services increased mainly due to increase in expenditure under ‘Pension and

Miscellaneous Services’ (₹ 3,312 crore) and ‘Interest payments and Servicing of Debt’ (₹ 339 crore).

Incidence of revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such, does not result in any addition to the State’s infrastructure and service network. Revenue expenditure had the predominant share of around 90 *per cent* in the total expenditure during 2011-12. The overall revenue expenditure, its rate of growth, the ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in **Table 1.7**.

Table 1.7: Revenue expenditure – basic parameters

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue expenditure (RE), of which	24892	28224	31132	34665	46045
Non-plan revenue expenditure (NPRE)	22615	25012	26953	30469	40718
Plan revenue expenditure (PRE)	2277	3212	4179	4196	5327
Rate of Growth of					
RE (<i>per cent</i>)	19.5	13.4	10.3	11.3	32.8
NPRE (<i>per cent</i>)	22.1	10.6	7.8	13.0	33.6
PRE (<i>per cent</i>)	(-) 1.4	41.1	30.1	0.4	27.0
Revenue expenditure as percentage to TE	91.3	91.3	91.4	89.4	90.5
NPRE/GSDP (<i>per cent</i>)	12.9	12.3	11.6	11.0	12.5
NPRE as percentage of TE	83.0	80.9	79.1	78.5	80.0
NPRE as percentage of RR	107.1	102.0	103.2	98.3	107.1
Buoyancy of revenue expenditure with					
GSDP (ratio) ^(*)	1.4	0.8	0.7	0.6	1.8
Revenue receipts (ratio)	1.2	0.8	1.6	0.6	1.4

Source : Finance Accounts

(*) change in figures is due to adoption of new series of GSDP figures

The revenue expenditure increased during 2011-12 by ₹ 11,380 crore (32.8 *per cent*) over the previous year. This was ₹ 2,282 crore more than the increase in the projections (₹ 9,098 crore) made in the Medium Term Fiscal Plan.

In absolute terms Non-Plan revenue expenditure (NPRE) and Plan revenue expenditure (PRE) showed an increasing trend during the period 2007-12. NPRE showed an increase of 33.6 *per cent* in 2011-12 (₹ 10,249 crore) over 2010-11. The increase in NPRE during the year compared to the previous year was mainly due to increase in expenditure under ‘Pension and other retirement benefits’ (₹ 2,933 crore), ‘General Education’ (₹ 2,427 crore), ‘Compensation and Assignment to Local Bodies and Panchayati Raj Institutions’ (₹ 611 crore), ‘Interest Payments’ (₹ 604 crore), ‘Roads and Bridges’ (₹ 584 crore), ‘Police’ (₹ 571 crore), ‘Medical and Public Health’ (₹ 554 crore), ‘Miscellaneous General Services’ (₹ 485 crore) and ‘Food, Storage and Warehousing’ (₹ 328 crore).

Plan Revenue Expenditure (PRE) also showed an increase of ₹ 1,131 crore in 2011-12 (₹ 5,327 crore) when compared to previous year (₹ 4,196 crore). This increase was mainly under 'Social Security and Welfare' (₹ 370 crore), 'Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes' (₹ 279 crore), 'Medical and Public Health' (₹ 171 crore) and 'Crop Husbandry' (₹ 155 crore).

Actual NPRE during 2011-12 (₹ 40,718 crore) exceeded the normative assessment made by the ThFC (₹ 30,776 crore) by ₹ 9,942 crore (32.30 per cent).

1.4.2 Expenditure on salaries, wages, pensions, interests, etc.

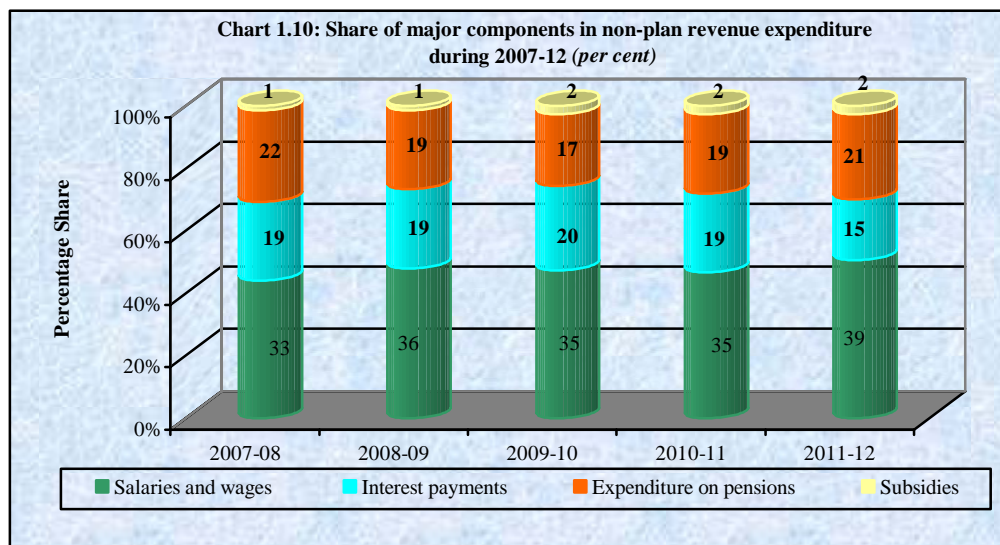
The expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.8** and **Chart 1.10** present the trends in the expenditure on these components during 2007-12.

Table 1.8: Major components of revenue expenditure

(₹ in crore)

Components of committed expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					Actuals	Percentage to NPRE
Salaries* and Wages, <i>Of which</i>	7,757 (36.8)	9,146 (37.3)	9,894 (37.9)	11,178 (36.1)	16,229 (42.7)	39.9
Non-Plan Heads	7,448	8,895	9,529	10,815	15,681	38.5
Plan Heads**	309	251	365	363	548	..
Interest Payments (MH 2049)	4,330 (20.5)	4,660 (19.0)	5,292 (20.3)	5,690 (18.4)	6,294 (16.6)	15.5
Expenditure on Pensions (MH 2071)	4,925 (23.3)	4,686 (19.1)	4,706 (18.0)	5,767 (18.6)	8,700 (22.9)	21.4
Subsidies	202 (1.0)	355 (1.4)	442 (1.7)	627 (2.0)	1,014 (2.7)	2.5
Revenue expenditure	24,892	28,224	31,132	34,665	46,045	..
Revenue receipts	21,107	24,512	26,109	30,991	38,010	..
* Salaries include teaching grant paid to aided educational institutions like schools and colleges to meet the salaries of their teaching and non-teaching staff.						
** The Plan heads also include the salaries and wages paid under Centrally Sponsored schemes						
NPRE: Non-plan Revenue Expenditure						
Figures in the parentheses indicate percentage to revenue receipts						

Source: Finance Accounts of the State Government



During 2011-12 expenditure on salaries under Non-Plan and Plan heads increased to ₹ 15,681 crore and ₹ 548 crore respectively from ₹ 10,815 crore and ₹ 363 crore in the previous year. This was 45 *per cent* and 51 *per cent* more than the Non-Plan and Plan expenditure of salaries recorded in the previous year. The increase in salary expenditure was due to payment of arrears of pay as a result of implementation of the recommendations of the Ninth State Pay Revision Commission. The expenditure on salaries was almost in line with the projections made (₹ 16,326 crore) in Medium Term Fiscal Plan for the year 2011-12.

Pension payment also increased to ₹ 8,700 crore in 2011-12 from ₹ 5,767 crore in 2010-11 and recorded an increase of 51 *per cent* over the previous year. Expenditure on pension exceeded the projections made by the State Government in the Medium Term Fiscal Plan (₹ 7,311 crore) by 19 *per cent* and the assessment made by the ThFC (₹ 6,051 crore) by 44 *per cent*.

Interest payments increased by 10.6 *per cent* during 2011-12 (₹ 6,294 crore) when compared to the previous year (₹ 5,690 crore). This was in line with the projections made by the State Government in the Medium Term Fiscal Plan (₹ 6,255 crore) but less than the assessment made by the ThFC (₹ 6,582 crore) by four *per cent*.

During the last five years, payment of subsidies increased steeply from ₹ 202 crore in 2007-08 to ₹ 1,014 crore in 2011-12. Subsidy payment of ₹ 1,014 crore in 2011-12 was 62 *per cent* more than the subsidy in previous year (₹ 627 crore). The huge increase in subsidy in 2011-12 over the previous year was mainly due to increase in the payment of subsidy to the Food Corporation of India (₹ 366 crore) in respect of reimbursement of price difference of ration rice and wheat and for 'Special support scheme for farm sector' (₹ 82 crore).

The expenditure on salaries, interest payments, pensions and subsidies which constituted 70 *per cent* of the revenue expenditure consumed 85 *per cent* of the

revenue receipts of the State during the current year. This was ten percentage points more than the previous year. Further, the State Government has been releasing funds to meet the salary and pension liabilities of employees working in Universities and State Autonomous Bodies, salaries/honorarium payments of Local Self Government Institutions (who have no revenue of their own), Pension payments of Municipalities/ Corporations etc. As these payments are considered obligatory in nature, there is very little scope for reduction in this category of payments. Consequently, State Government is left with less than 15 *per cent* of the revenue receipts for meeting other developmental activities.

1.4.2.1 New Pension Scheme

Realising the enormous burden arising due to payment towards pension, Government of India introduced a defined contribution based New Pension Scheme for Government servants recruited after 1 January 2004. Though a number of State Governments have adopted the scheme, Government of Kerala has not yet switched over to the new scheme (September 2012).

As per the new pension scheme, All India Service Officers recruited to Kerala cadre and who have joined service after 1 January 2004 have to make a mandatory contribution at the rate of 10 *per cent* of pay and dearness allowance while the Government will have to make an equal matching contribution. The contributions and investment returns are to be kept in a non-withdrawable Pension Account. Scrutiny of records revealed that in the case of 49⁷ All India Service Officers recruited after 1 January 2004 and posted in the State, mandatory contribution was not deducted from the salary of these officials and no provision was made in the State budget for payment of the matching Government's contribution. Though the Government nominated (May 2010) the Additional Secretary (Pension), Finance Department, as State Nodal Officer for implementing the scheme, no progress was achieved in this regard as of August 2012. Approximate contribution in respect of 49 All India Service Officers for the period from 1 January 2004 to 31 March 2012 as assessed by Audit (₹ 64.87 lakh) together with Government contribution comes to ₹ 1.30 crore. The Government's failure in implementing the scheme needs to be addressed to urgently.

1.4.3 Financial assistance given by the State Government to local bodies and other institutions

The quantum of assistance provided by the Government as grants and loans to local bodies, educational institutions, Government companies, Welfare Fund Boards, etc during the current year relative to the previous years is presented in **Table 1.9**.

⁷ Indian Administrative Service : 22, Indian Police Service : 18 and Indian Forest Service: 9

Table 1.9: Financial assistance to local bodies, educational institutions, etc.

	(₹ in crore)				
Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	2812.88	3306.81	3546.61	4087.83	5605.77
Municipal Corporations and Municipalities	485.85	966.99	834.46	901.87	1073.78
Zilla Parishads and Other Panchayati Raj Institutions	2421.93	2600.11	2996.66	3411.65	4203.98
Development Agencies	1.36	1.95	2.04	5.25	5.50
Hospitals and Other Charitable Institutions	53.98	56.66	76.40	139.02	144.46
Other Institutions ⁸	468.50	658.83	1159.47	1252.58	1065.96
Total	6244.50	7591.35	8615.64	9798.20	12099.45
Assistance as percentage of revenue expenditure	25	27	28	28	26

Source: Finance Accounts and information received from the State Government

The financial assistance to local bodies and other institutions increased from ₹ 6,244.50 crore in 2007-08 to ₹ 12,099.45 crore in 2011-12. As a percentage of revenue expenditure, it ranged between 25 to 28 *per cent* during the period 2007-12. The financial assistance to Zilla Parishads, Municipalities, Corporations, etc., increased (₹ 964.24 crore) to ₹ 5,277.76 crore in 2011-12 from ₹ 4,313.52 crore in 2010-11 which was mainly due to more devolution of funds to local bodies towards maintenance of assets, expansion and development and traditional functions.

1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy of public expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of public expenditure

The responsibilities relating to expenditure on the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.10** analyses the fiscal priority of the State Government with regard to development

⁸ Other institutions, *inter alia*, include Kerala Water Authority (₹ 240.12 crore), Kerala State Road Transport Corporation (₹ 140 crore), INFOPARK (₹ 83.50 crore), State Council for Science, Technology & Environment (₹ 69.56 crore), Kerala Industrial Infrastructure Development Corporation (₹ 39.79 crore), Kerala Khadi and Village Industries Board (₹ 26.50 crore), Kerala State Information Technology Mission (₹ 20.35 crore), State Horticulture Mission (₹ 17.73 crore), etc.

expenditure, social expenditure and capital expenditure during 2008-09 and 2011-12.

Table 1.10: Fiscal priority of the State in 2008-09 and 2011-12

(in per cent)

Fiscal Priority by the State*	AE/GSDP	DE [#] /AE	SSE/AE	CE/AE	Education/AE	Health/AE
General Category States' Average (Ratio) 2008-09	17.00	67.09	34.28	16.47	15.41	3.97
Kerala's Average (Ratio) 2008-09	15.24	51.49	33.32	5.49	17.58	5.09
General Category States' Average (Ratio) 2011-12	16.09	66.44	36.57	13.25	17.18	4.30
Kerala's Average (Ratio) 2011-12	15.58	52.85	34.06	7.57	18.67	5.69
<p>* As per cent to GSDP AE: Aggregate (Total) Expenditure DE: Development Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure. # Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed (Social and Economic sector). General category States exclude Delhi, Goa and Puducherry.</p>						

- In 2008-09 and 2011-12, the State Government spent relatively less as a proportion of its GSDP compared to the General Category States' average.
- In 2008-09 and 2011-12, development expenditure as a proportion of aggregate expenditure has also been lower than the General Category States' average. Developmental expenditure consists of both economic sector expenditure and social sector expenditure.
- Adequate priority has not been given to Social sector during 2008-09 and 2011-12. As far as health sector and education sector's fiscal priority is concerned, the State has given adequate priority to these sectors.
- The proportion of capital expenditure has been much lower as compared to General Category States during 2008-09 and 2011-12. However, it is observed that the State has shown some improvement in 2011-12 as compared to 2008-09 by increasing expenditure on capital but it is still lower than General Category States' average.
- The Government may consider enhancing the proportion of expenditure on economic and capital sectors in order to create the much needed assets to stimulate growth and give priority to physical capital formation that will further increase the growth prospects of the State by creating durable assets.

1.5.2 Efficiency of expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State

Government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving the allocation towards development expenditure¹⁰, particularly in view of the fiscal space being created on account of decline in expenditure on debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. Development expenditure comprised revenue and capital expenditure including loans and advances in socio-economic services. **Table 1.11** presents the trends in development expenditure relative to the aggregate expenditure of the State during the period 2007-08 to 2011-12. **Chart 1.11** presents component-wise development expenditure during 2007-12. **Table 1.12** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.11: Development expenditure

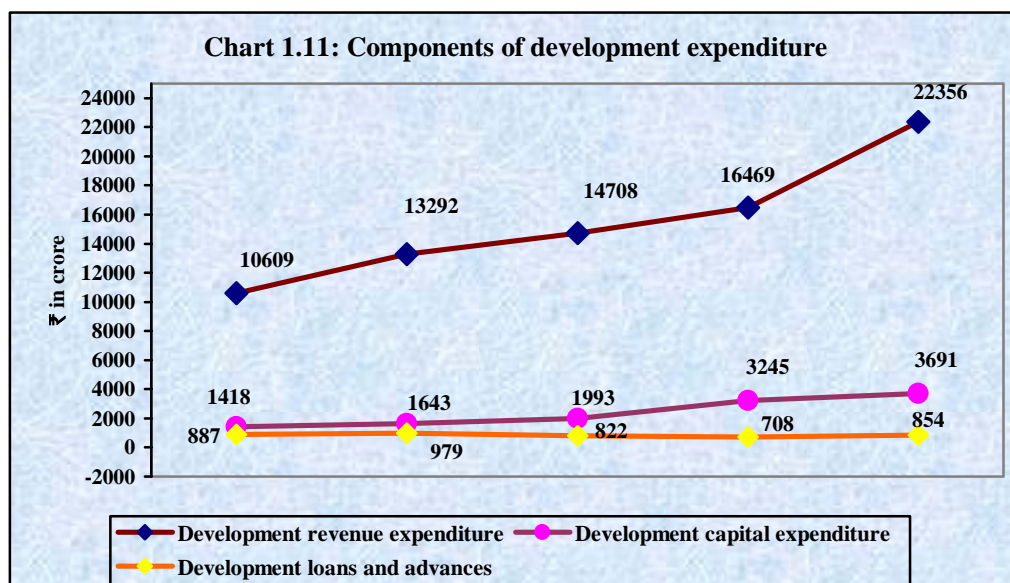
(₹ in crore)

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actuals
Development Expenditure (a to c)						
a. Development revenue expenditure	10609 (38.9)	13292 (43.0)	14,708 (43.2)	16,469 (42.5)	22,956	22,356 (43.9)
b. Development capital expenditure	1418 (5.2)	1643 (5.3)	1,993 (5.9)	3245 (8.4)	3,581	3,691 (7.3)
c. Development loans and advances	887 (3.3)	979 (3.2)	822 (2.4)	708 (1.8)	1,122	854 (1.7)
Figures in parentheses indicate percentage to aggregate expenditure						

Source: Finance Accounts and Annual Financial Statement of the State Government for 2011-12

⁹ *Core public goods* are goods which all citizens enjoy in common in the sense that each individual's consumption of such goods leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. *Merit goods* are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

¹⁰ The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.



Development expenditure increased by 108 per cent (₹ 13,987 crore) from ₹ 12,914 crore in 2007-08 to ₹ 26,901 crore in 2011-12. Development revenue expenditure constituted 83 per cent of development expenditure whereas the share of development capital expenditure, including loans and advances was only 17 per cent.

Development revenue expenditure increased by 35.7 per cent (₹ 5,887 crore) from ₹ 16,469 crore in 2010-11 to ₹ 22,356 crore in 2011-12. The increase was mainly due to increase in expenditure under the accounts heads; 'General Education' (₹ 2,433 crore), 'Medical and Public Health' (₹ 725 crore), 'Roads and Bridges' (₹ 494 crore), 'Social Security and Welfare' (₹ 449 crore), 'Food, Storage and Warehousing' (₹ 395 crore), 'Crop Husbandry' (₹ 337 crore) and 'Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes' (₹ 307 crore).

Development capital expenditure increased by 13.7 per cent (₹ 446 crore) from ₹ 3,245 crore in 2010-11 to ₹ 3,691 crore in 2011-12. The increase was mainly due to increase in expenditure under the accounts heads; 'Roads and Bridges' (₹ 253 crore), and 'Other Social Services' (₹ 144 crore).

Table 1.12: Efficiency of expenditure in selected Social and Economic Services
(in per cent)

Social/Economic Infrastructure	2010-11			2011-12		
	Ratio of CE to STE	In RE, the share of		Ratio of CE to STE	In RE, the share of	
		S&W	O&M		S&W	O&M
Social Services (SS)						
General Education	0.7	86.1	0.1	0.2	89.2	(*)
Health and Family Welfare	4.8	75.8	0.7	4.1	73.9	0.1
Water Supply, Sanitation, Housing and Urban Development	16.6	3.4	2.6	13.4	5.9	2.3
Total (SS)	3.8	62.8	1.0	3.4	67.0	0.7

Social/Economic Infrastructure	2010-11			2011-12		
	Ratio of CE to STE	In RE, the share of		Ratio of CE to STE	In RE, the share of	
		S&W	O&M		S&W	O&M
Economic Services (ES)						
Agriculture and Allied Activities	13.7	29.4	0.7	9.5	28.4	0.1
Irrigation and Flood Control	47.2	49.4	46.8	40.6	66.1	32.7
Power and Energy	--	0.1		0.1	0.3	
Transport	64.6	19.9	37.5	58.3	16.2	39.5
Total (ES)	36.0	28.1	10.2	32.4	29.5	10.6
Total (SS+ES)	15.9	53.6	3.4	13.7	56.7	3.4

STE : Sectoral total Expenditure under Capital and Revenue heads; CE: Capital Expenditure; RE: Revenue Expenditure; S&W :Salaries and Wages; O&M: Operations and Maintenance.

(*) insignificant

Source: Finance Accounts and information furnished by Accountant General (A&E)

The ratio of capital expenditure to total expenditure under Social Services decreased from 3.8 per cent in the previous year to 3.4 per cent in the year 2011-12. It shows that capital expenditure under Social Services was not commensurate with the increase recorded in revenue expenditure. The ratio of capital expenditure to total expenditure under all the sub-sectors in Social Services was less than the previous year.

The percentage of capital expenditure to total expenditure under Economic Services also decreased from 36 per cent in 2010-11 to 32.4 per cent in 2011-12. Though the capital expenditure under Economic Services recorded an increase of ₹ 330 crore, it was not commensurate with the increase recorded in the total Economic Sector Expenditure.

The share of salaries and wages in revenue expenditure under Social Services increased from 62.8 per cent in 2010-11 to 67 per cent in 2011-12. Similarly the expenditure increase under Economic services was from 28.1 per cent in 2010-11 to 29.5 per cent in 2011-12.

1.6 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements from its own sources of revenue. In addition, in a transition to complete dependence on market-based resources, the State Government is required to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies. The State is also required to take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

1.6.1 Financial results of irrigation works

In the case of eight irrigation projects, which have been declared commercial, with a cumulative capital outlay of ₹ 132.22 crore as on 31 March 2012, the revenue realised from them during 2011-12 was ₹ 1.86 crore which was only 1.4 per cent of the total outlay. After considering the working and maintenance expenses of ₹ 30.99 crore and interest charges of ₹ 11.76 crore, these projects suffered a net loss of ₹ 40.89 crore (as detailed in Appendix IX to Finance Accounts).

1.6.2 Incomplete projects/works

Department-wise information pertaining to incomplete projects/works (each costing above ₹ one crore) as on 31 March 2012 is given in **Table 1.13**.

Table 1.13: Status of incomplete projects in the State

(₹ in crore)

Sl. No	Name of the department/project	No. of incomplete projects/works	Initial budgeted cost	Cumulative actual expenditure as on 31 March 2012
1.	Water Resources Department – (Irrigation project)	11	31.94	29.59
2.	Water Resources Department – (Irrigation and Minor Irrigation Works)	34	63.00	31.58
3.	Public Works Department – (Roads and Bridges)	148	428.54	255.25
4.	Public Works Department – (Buildings)	62	195.56	130.84
5.	Harbour Engineering Department	4	62.28	44.72
	Total	259¹¹	781.32	491.98

Source: Appendix X of Finance Accounts 2011-12

According to information included in the Finance Accounts, 259 projects/works on which an expenditure of ₹ 491.98 crore was incurred up to March 2012 were not completed at the end of March 2012 though the stipulated period of completion was over. Delay in completion of projects/works may result in cost overrun.

1.6.3 Investment and returns

As of 31 March 2012, the State Government had invested ₹ 4,206.43 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives (**Table 1.14**). The average return on these investments was 1.3 per cent in the last five years, while the Government paid an average interest rate ranging from 7.2 per cent to 7.9 per cent on its borrowings during 2007-2012.

¹¹ Includes projects commenced upto 2011

Table 1.14: Return on investments

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)	2483.99	3153.10	3328.25	3807.52	4206.43
Return (₹ in crore)	28.63	33.53	27.29	75.46	66.99
Return (per cent)	1.2	1.1	0.8	2.0	1.6
Average rate of interest on Government borrowing (per cent)	7.9	7.5	7.5	7.3	7.2
Difference between interest rate and return (per cent)	6.7	6.4	6.7	5.3	5.6

Source: Finance Accounts of the State Government

During 2011-12, the State Government invested ₹ 52.44 crore in Statutory Corporations, ₹ 150.40 crore in Government Companies, ₹ 20.25 crore in Other Joint Stock Companies and ₹ 185.93 crore in Co-operative Banks and Societies. Two Statutory Corporations and 51 Government Companies with aggregate Government investments of ₹ 1632.60 crore were incurring losses and their accumulated losses amounted to ₹ 4,028.76 crore as per the latest accounts furnished by these Companies.

Nine major Companies which had accumulated profits as per the latest accounts furnished by them are listed in **Table 1.15**.

Table 1.15: Major profit making companies

Sl. No	Name of Government Company	Accounts for the year ended	Accumulated profit (₹ in crore)
1.	Kerala State Electricity Board	2011-12	1967.61
2.	The Kerala Minerals and Metals Limited	2011-12	550.35
3.	Kerala State Beverages (Manufacturing and Marketing) Corporation Limited	2009-10	330.89
4.	Malabar Cements Limited	2010-11	161.35
5.	The Kerala State Financial Enterprises Limited	2010-11	171.13
6.	The Rehabilitation Plantations Limited	2011-12	128.07
7.	The Kerala Agro-Machinery Corporation Limited	2010-11	96.51
8.	The Plantation Corporation of Kerala Limited	2011-12	147.22
9.	Kerala State Industrial Development Corporation Limited	2011-12	118.27

Source: Annexure 2 of Audit Report (Commercial) for the year ended 31 March 2012

1.6.4 Departmentally managed Commercial Undertakings

Activities of quasi-commercial nature are performed by certain Government departments. There were three¹² departmental commercial undertakings in the State as of March 2012. The department-wise position of the investments made by the Government up to the year for which *pro forma* accounts were finalised, net profit/loss as well as return on capital invested in these undertakings are given in **Appendix 1.7**. The following was observed:

¹² Kerala State Insurance Department, Text Book Office and State Water Transport Department

- There was three to eight years delay in finalization of accounts by these undertakings and no accounts were finalized by any of the undertakings during 2011-12. Present financial position of the undertakings could not be assessed due to delay in finalization of accounts.
- As per the latest accounts finalized by these undertakings an amount of ₹ 183.43 crore had been invested by the State Government in these undertakings. The Kerala State Insurance Department earned a net profit of ₹ 11.40 crore against the capital of ₹ 3.18 crore invested (accounts finalized upto 2008-09) by the Government.
- Two loss-making undertakings viz. State Water Transport Department and Text Book Office were incurring losses continuously for more than five years. The accumulated losses of the State Water Transport Department were ₹ 150.66 crore as against the total investment of ₹ 158.99 crore.

Timely finalization of accounts should be ensured by the Government to assess the financial status and to take corrective steps for their improvement.

1.6.5 Loans and advances by the State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/organisations. **Table 1.16** presents the outstanding loans and advances as on 31 March 2012 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 1.16: Average interest received on loans advanced by the State Government
(₹ in crore)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Opening balance	5,562 ¹³	6,280 ¹⁴	6910 ¹⁵	7749	8461 ¹⁶
Amount advanced during the year	893	984	877	762	998
Amount repaid during the year	45	36	38	44	55
Closing balance	6,410	7228	7749	8467	9404
Net addition	848	948	839	718	943
Interest receipts	51	48	46	54	23
Interest receipts as a percentage of outstanding loans and advances	0.9	0.7	0.6	0.7	0.2
Interest payments as a percentage of outstanding fiscal liabilities of the State Government	7.9	7.5	7.5	7.3	7.2
Difference between interest payments and interest receipts (<i>per cent</i>)	(-) 7.0	(-) 6.8	(-) 6.9	(-) 6.6	(-)7.0

Source: Finance Accounts of the State Government.

¹³ Difference of ₹ 152.42 crore with reference to the previous year's closing balance was on account of *pro forma* adjustments vide footnote (b) of Statement no.5 of the Finance Accounts 2007-08.

¹⁴ Difference of ₹ 130.26 crore with reference to the previous year's closing balance was on account of *pro forma* adjustments vide footnotes (b), (d) and (e) of Statement no.5 of the Finance Accounts 2008-09.

¹⁵ Difference of ₹ 317.93 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (pp) of Statement no.16 of Finance Accounts 2009-10.

¹⁶ Difference of ₹ 5.65 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (Z) of Statement no.16 of Finance Accounts 2011-12.

The total outstanding loans and advances as on 31 March 2012 increased by ₹ 943 crore compared to those of the previous year. The major disbursement of loans during the current year was mainly to the Kerala State Housing Board for the settlement of dues with Housing Development Finance Corporation (₹ 269 crore), to the Kerala Water Authority for implementing the Water Supply Project assisted by the Japan International Co-operation Agency (₹ 232.33 crore) and to the Kerala State Road Transport Corporation (₹ 140 crore). Interest received against these loans remained less than one *per cent* during the period 2007-08 to 2011-12 and was 0.2 *per cent* during 2011-12 as against the cost of borrowing of 7.2 *per cent* during the year.

1.6.5.1 Defaulted loan repayment

Government has been providing loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies/Authorities etc., and the same was treated as assets in the Government accounts. At end of March 2012, the State Government has ₹ 9,404.46 crore as loan balance outstanding in the accounts. Scrutiny of the accounts revealed that 65 *per cent* of the outstanding loan balance was pertaining to four institutions viz. Kerala State Road Transport Corporations (₹ 449.51 crore), Kerala Water Authority (₹ 2,410.17 crore), Kerala State Electricity Board (₹ 2,661.65 crore), Kerala State Housing Board (₹ 617.67 crore). In this regard, the following observations are made:-

- Government has been releasing the loan assistance to these institutions without ascertaining the repayment capacity of the institutions. This has resulted in default in repayment by these institutions. Audit observed that the Government subsequently issues orders to convert accumulated loan amount and interest thereon into share capital/grant based on the request of these institutions.
- During the last five years, Government released ₹ 2,867.84 crore to the above four institutions but received only ₹ 0.44 crore as repayment of loan.
- In respect of the above loans, at the end of March 2012 the arrears in recovery of amounts overdue was ₹ 4,056.43 crore (principal: ₹ 2,429.28 crore and interest: ₹ 1,627.15 crore)

Considering the above facts, Government should not only take stringent steps to recover the loan outstanding but also take necessary steps to write off irrecoverable loans to have clarity in financial status of the Government.

1.6.6 Cash Balances and investment of cash balances

The cash balances and investments made by the State Government out of the cash balances during the year are shown in **Table 1.17**.

Table 1.17: Cash balances and investment of cash balances

<i>(₹ in crore)</i>			
Particulars	As on 31 March 2011	As on 31 March 2012	Increase/ Decrease(-)
Cash balances	5059.73	3793.46	(-)1266.27
Investments from cash balances (a + b)	3517.46	2709.85	(-)807.61
a. GOI Treasury Bills	3506.98	2702.62	(-)804.36
b. GOI Securities	10.48	7.23	(-) 3.25
Fund-wise break-up of investments from earmarked balances (a to d)	1480.74	1608.50	127.76
a. Reserve funds bearing interest	...	...	...
b. Reserve funds not bearing interest	1480.74	1608.50	127.76
c. Deposit bearing interest	...	...	...
d. Deposit not bearing interest	...	...	...
Interest realised during the year on investment of cash balances	106.58	82.38	(-)24.20

Source: Finance Accounts of the State Government

- The cash balance as on 31 March 2012 decreased by ₹ 1,266.27 crore over the previous year.
- The interest realised during the year on investment of cash balances also decreased by ₹ 24.20 crore as compared to the previous year.

1.6.6.1 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediary accounting head for initial record of transactions which are to be cleared eventually. As per paragraph 3.2 of the Suspense Manual, when a cheque is issued, the functional head is debited and the Major Head-8670-Cheques and Bills is credited. On clearance of the cheque by the bank, the minus credit is given to Major Head 8670-Cheques and Bills by crediting the Major Head- 8675-Deposits with Reserve Bank and thereby reducing the cash balance of the Government. Thus, the outstanding balance under the Major Head 8670-Cheques and Bills represents the amount of uncashed cheques.

As on 31 March 2012, there was an outstanding balance (cumulative) of ₹ 1,895.52 crore and to this extent, the Government cash balance stood overstated.

1.7 Assets and Liabilities

1.7.1 Growth and composition of assets and liabilities

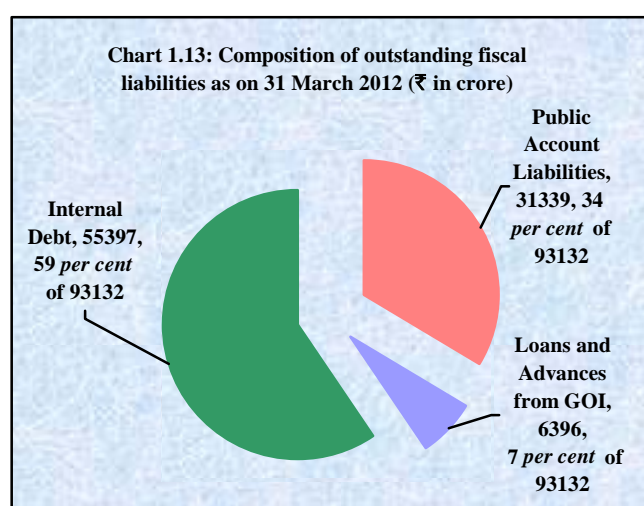
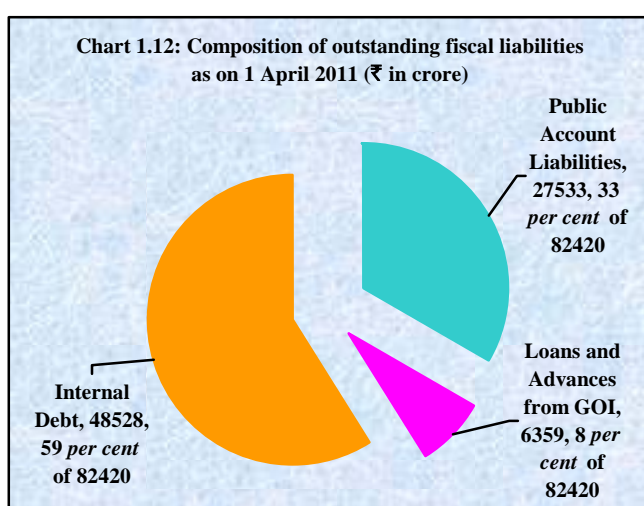
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and assets as on 31 March 2012, compared with the corresponding position as on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GOI, receipts from the Public Account and Reserve Funds, the assets mainly comprise

the capital outlay and loans and advances given by the State Government and its cash balances.

According to the definition given in the Kerala Fiscal Responsibility Act, 2003, total liabilities mean liabilities upon the Consolidated Fund and the Public Account of the State. The ratio of financial liabilities *vis-à-vis* assets, indicates that sixty *per cent* of liabilities are without any backup due to unbridled increasing revenue expenditure.

1.7.2 Fiscal liabilities

The trends of outstanding fiscal liabilities of the State are presented in **Appendix 1.5**. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.12** and **1.13**.



The overall fiscal liabilities of the State increased from ₹ 82,420 crore in 2010-11 to ₹ 93,132 crore in 2011-12, a growth rate of 13 *per cent*. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. As at the end of March 2012, the Consolidated Fund liabilities (₹ 61,793 crore) comprised Market Loans (₹ 38,239 crore), Loans from the Government of India (₹ 6,396 crore) and Other Loans (₹ 17,158 crore). The Public Account liabilities (₹ 31,339 crore) comprised Small Savings, Provident Funds, etc., (₹ 27,625 crore)¹⁷, interest bearing obligations (₹ 44 crore) and non-interest bearing obligations like Deposits and other earmarked funds (₹ 3,670 crore). The fiscal liabilities which were 29.8^(*) *per cent* of GSDP in 2010-11 decreased to 28.5 *per cent* of GSDP in 2011-12. These liabilities stood at 2.5 times the revenue receipts at the end of 2011-12 compared to 2.7 times at the end of 2010-11. As per the Kerala Fiscal Responsibility (Amendment) Act, 2011 the

¹⁷ This includes liabilities from the Treasury Savings Bank Account (₹ 5,645 crore) and Treasury Fixed Deposits (₹ 5,968 crore)

(*) change in figure is due to adoption of new series of GSDP figures

State has to reduce the State's total debt liabilities to 29.8 *per cent* of the estimated GSDP within a period of four years commencing on the 1 April, 2011 and ending with the 31 March, 2015 by reducing the total debt liability in the years of 2011-12, 2012-13, 2013-14 and 2014-15 to the order of 32.3 *per cent*, 31.7 *per cent*, 30.7 *per cent* and 29.8 *per cent* respectively of the gross state domestic product. During 2011-12 the percentage of State's fiscal liabilities to GSDP (28.5) was much better than the target (32.3) fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011.

The overall fiscal liabilities of the State include balance under Reserve Funds amounting to ₹ 1,948.72 crore (as on 31 March 2012). The details in respect of two of the reserve funds are given in succeeding paragraphs:

(a) State Disaster Response Fund

The State Disaster Response Fund (SDRF) has been set up from 1 April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year there was ₹ 37.56 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2011-12 fixed by the ThFC was ₹ 137.63 crore, 75 *per cent* (₹ 103.22 crore) of which was to be contributed by the Central Government and 25 *per cent* (₹ 34.41 crore) by the State Government. During the year the Central and the State Governments contributed their share. After setting off the expenditure for disaster relief operations (₹ 130.71 crore), the balance in SDRF as on 31 March 2012 was ₹ 44.48 crore.

In addition to the yearly contribution the State Government had received an amount of ₹ 109.69 crore from National Disaster Response Fund (March 2012) towards relief on account of Flood/Landslide of 2011 which has not been transferred to SDRF as of March 2012. This has also resulted in understatement of revenue expenditure and revenue deficit to the extent of ₹ 109.69 crore.

According to the guidelines issued by the Government of India, the accretions to SDRF were to be invested in Central Government dated securities and/or Auctioned Treasury Bills and/or interest earning deposits and Certificates of deposits with Scheduled Commercial Banks. However, no such investments were made by the State Government during 2011-12.

(b) Consolidated Sinking Fund

The State Government had set up a Consolidated Sinking Fund from the financial year 2007-08, according to which the Fund was to be utilised as an Amortisation Fund for redemption of all outstanding liabilities of the Government commencing from the financial year 2012-13. The Fund was to be credited with contributions from revenue at the prescribed rate and interest accrued on investments made out of the Fund. Only the interest accrued and credited in the Fund was to be utilised for redemption of the outstanding liabilities of the Government. As per paragraph 5 of revised model scheme for the constitution and administration of Consolidated Sinking Fund of Kerala, the rate of contribution to the Consolidated Sinking Fund was 0.5 *per cent* of the outstanding liabilities as at the end of the previous year. According to this, the State Government had to contribute ₹ 380.30 crore during

2011-12 to the Consolidated Sinking Fund. However, the State Government contributed only ₹ 10.00 crore to the Fund, which resulted in a shortfall of ₹ 370.30 crore during the year. The balance outstanding in the Sinking Fund as on 31 March 2012 was ₹ 1,601.44 crore.

1.7.3 Status of guarantees – contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by borrowers for whom the guarantees have been extended. Section 3 of the Kerala Ceiling on Government Guarantees Act, 2003 which came into effect on 5 December 2003 stipulates that the total outstanding Government Guarantees as on the first day of April every year shall not exceed ₹ 14,000 crore. As per Section 6 of the Act, the Government was to constitute a Guarantee Redemption Fund. The guarantee commission charged under Section 5 of the Act was to form the corpus of the Fund. However, the Fund had not been constituted and consequently, guarantee commission of ₹ 474.53 crore collected during 2003-04 to 2011-12 had not been credited to the Fund, but was treated as non-tax revenue in the relevant years and used for meeting the revenue expenditure of the Government.

The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2007-08 are given in **Table 1.18**.

Table 1.18: Guarantees given by the Government of Kerala

(₹ in crore)

Guarantees	2007-08	2008-09	2009-10	2010-11	2011-12
Maximum amount guaranteed	14,871.08	11,385.54	10,225.78	12,625.07	11332.11
Outstanding amount of guarantees	8,317.34	7,603.32	7,495.00	7,425.79	8277.44
Percentage of maximum amount guaranteed to total revenue receipts	70	46	39	41	30
Criteria as per Kerala Ceiling on Government Guarantees Act, 2003 (Outstanding amount of guarantees as on the first day of April)	14,000	14,000	14,000	14,000	14,000

Source: Finance Accounts of the State Government

The outstanding guarantees at the end of the past five years i.e. 2007-12 ranged between ₹ 7,426 crore and ₹ 8,317 crore, which were well within the ceiling prescribed by the Kerala Ceiling on Government Guarantees Act.

The arrears of guarantee commission receivable as of March 2012 were ₹ 132.34 crore.

1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability¹⁸ of the State. This

¹⁸ Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that the rise in fiscal deficits should match the increase in the capacity to service the debts.

section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹⁹; sufficiency of non-debt receipts²⁰; net availability of borrowed funds²¹; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government securities. **Table 1.19** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2007-08.

Table 1.19: Debt sustainability: indicators and trends

(₹ in crore)

Indicators of Debt Sustainability	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread + Primary Deficit)	1360	3,136 ^(*)	2,113 ^(*)	6,792 ^(*)	2,298
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 2278	(-) 247	(-) 1,525	141	(-)5,084
Net Availability of Borrowed Funds	1629	3,334	2,834	2,507	4,426
Burden of Interest Payments (Interest Payment/Revenue Receipts percent)	21	19	20	18	17
Maturity Profile of debt					
	2008-09	2009-10	2010-11	2011-12	
Up to one year	1.59	1587.67 (3.2)	2566.98 (4.7)	2154.64 (3.5)	
One to three years	5852.42 (13.1)	4503.59 (9.1)	5205.33 (9.5)	8401.13 (13.6)	
Three to five years	5349.27 (11.9)	5215.70 (10.5)	6260.17 (11.4)	9100.09 (14.7)	
Five to seven years	6241.10 (13.9)	6786.36 (13.7)	9314.78 (17.0)	13156.00 (21.3)	
Seven years and above	26576.50 (59.3)	27363.90 (55.1)	28162.37 (51.3)	24240.81 (39.2)	
Information not furnished by State Government	801.97 (1.8)	4216.09 (8.4)	3377.55 (6.1)	4740.42 (7.7)	

Figures in parentheses indicate the percentage to total State debt

Source: Finance Accounts of the State Government

(*) change in figure is due to adoption of new series of GSDP figures

During 2007-08 to 2011-12, the quantum spread together with primary deficit was positive, indicating a declining trend in Debt-GSDP ratio. The resource gap (sufficiency of non-debt receipts) was negative during the period 2007-12 (except during 2010-11) which showed that the incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest

¹⁹ A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or the cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt x rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, their debt-GSDP ratio would be constant or their debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.

²⁰ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

²¹ Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

burden. During 2011-12, the State Government borrowed ₹ 8,880 crore from the market against ₹ 5,500 crore in the previous year resulting in a net increase of ₹ 3,380 crore in market borrowings. The net availability of borrowed funds after providing interest and repayment of principal was ₹ 4,426 crore against ₹ 2,507 crore in 2010-11 resulted in a net increase of ₹ 1,919 crore. This shows that a larger part of the borrowings in 2011-12 could not be used for developmental activities and were used for meeting Government's current expenditure.

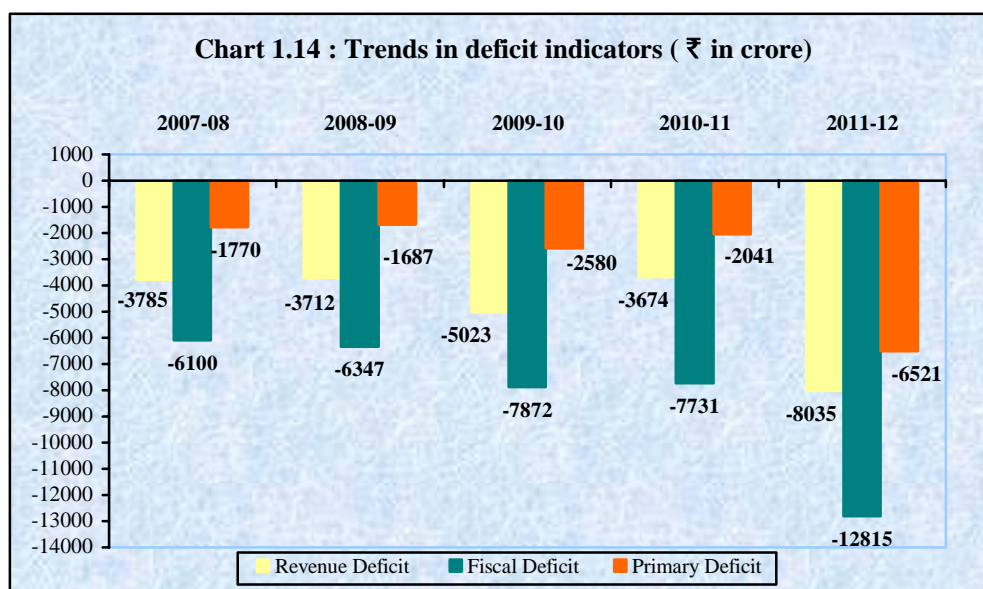
The maturity profile of State debt indicates that the Government will have to repay 49.6 *per cent* of its debt between one and seven years. A well thought out debt management strategy will ensure that no additional borrowings which mature in these critical years are undertaken.

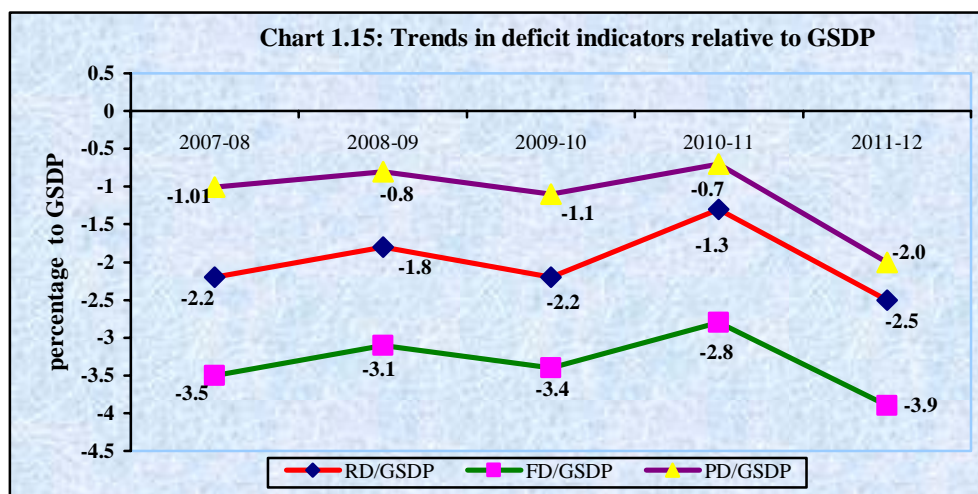
1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources are raised and applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under the Fiscal Responsibility Act/Rules for the financial year 2011-12.

1.9.1 Trends in deficits

Charts 1.14 and 1.15 presents the trends in deficit indicators over the period 2007-12.





The revenue deficit of the State which indicates the excess of its revenue expenditure over revenue receipts showed inter-year variations during 2007-12. Revenue deficit of ₹ 3,785 crore in 2007-08 increased to ₹ 5,023 crore in 2009-10 and decreased sharply to ₹ 3674 crore in 2010-11. However, in 2011-12 it increased enormously by ₹ 4,361 crore (119 per cent) and stood at ₹ 8,035 crore due to disproportionate growth of 32.8 per cent in revenue expenditure compared to the growth rate of 22.6 per cent in revenue receipts.

The fiscal deficit, which represents the total borrowing of the Government and its total resource gap increased steadily from ₹ 6,100 crore in 2007-08 to ₹ 7,872 crore in 2009-10 but narrowly decreased to ₹ 7,731 crore in 2010-11. However, it sharply increased to ₹ 12,815 crore in 2011-12, mainly due to enormous increase in revenue deficit (₹ 4,361 crore).

As a proportion of GSDP, the revenue deficit (1.3 per cent) and fiscal deficit (2.8 per cent) in 2010-11 were the lowest during the last five year period. These ratios declined further to 2.5 per cent and 3.9 per cent respectively in 2011-12. However, these percentages were more than the targets fixed (1.81 per cent and 3.43 per cent) in the Medium Term Fiscal Plan for 2011-12 to 2013-14.

Primary deficit also increased from ₹ 1,770 crore in 2007-08 to ₹ 6,521 crore in 2011-12, recording a three-fold increase during the last five years. Increase in revenue deficit, fiscal deficit and primary deficit indicate the disproportionate growth of expenditure with regard to revenue realization.

These deficits have been calculated after accounting for the debt relief of ₹47.69 crore, given by the GOI during 2011-12 as per the recommendations of the ThFC, as revenue receipts. If the debt relief of ₹47.69 crore is not accounted for as revenue receipts, as recommended by the ThFC, the Revenue deficit, Fiscal deficit and Primary deficit would be ₹8,083 crore, ₹12,863 crore and ₹6,569 crore respectively.

1.9.2 Components of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.20**. Receipts and disbursements under the components of financing the fiscal deficit during 2011-12 are given in **Table 1.21**.

Table 1.20: Components of fiscal deficit and its financing pattern

Particulars		2007-08	2008-09	2009-10	2010-11	2011-12
<i>(₹ in crore)</i>						
Decomposition of fiscal deficit						
1	Revenue deficit	3785	3712	5023	3674	8035
2	Net capital expenditure	1467	1687	2010	3339	3837
3	Net loans and advances	848	948	839	718	943
Total fiscal deficit		6100	6347	7872	7731	12815
Financing pattern of fiscal deficit*						
1	Market borrowings	3634	4782	4710	4770	7496
2	Loans from Government of India	161	476	297	54	36
3	Special Securities Issued to National Small Savings Fund	107	(-) 102	(-) 140	42	(-)491
4	Loans from Financial Institutions	309	116	(-) 16	348	(-)7
5	Small Savings, PF etc	1324	2589	2849	2490	3839
6	Deposits and Advances	492	132	437	469	(-)52
7	Suspense and Miscellaneous	118	(-) 85	370	(-) 197	852
8	Remittances	49	23	57	27	(-)157
9	Others	(-) 160	72	(-) 31	399	32
10	Total (1 to 9)	6034	8003	8533	8402	11548
11	Increase (-)/Decrease (+) in Cash Balance	66	(-)1656	(-) 661	(-) 671	1267
12	Overall deficit	6100	6347	7872	7731	12815
*All these figures are net of disbursements/outflows during the year.						

Source: Finance Accounts of the State Government

Table 1.21: Receipts and disbursements under components financing the fiscal deficit during 2011-12

Particulars		Receipt	Disbursement	Net
<i>(₹ in crore)</i>				
Sl.No.				
1	Market borrowings	8880	1384	7496
2	Loans from Government of India	407	371	36
3	Special Securities Issued to National Small Savings Fund	0	491	-491
4	Loans from Financial Institutions	457	464	-7
5	Small Savings, PF etc	22982	19143	3839
6	Deposits and Advances	6370	6422	-52
7	Suspense and Miscellaneous	56922	56070	852
8	Remittances	9270	9427	-157
9	Others	374	342	32
10	Total (1 to 9)	105662	94114	11548
11	Increase (-)/Decrease (+) in Cash Balance			1267
12	Overall deficit			12815

Source: Finance Accounts of the State Government

Table 1.20 reveals that during the last five years market borrowings and net accretions in Public Account (especially in Small Savings, PF etc.) are the main source utilized by the State Government to finance the fiscal deficit. During 2011-12 Market borrowings increased from ₹ 5,500 crore to ₹ 8,880 crore, recording an increase of 61.5 per cent over the previous year.

During the last five years (2007-12) fiscal deficit was financed mainly by market borrowings, provident funds and small savings. The net accretions from other sources in the Public Account such as deposits, suspense, remittance, etc., was also utilised to finance the fiscal deficit.

During 2011-12, the State Government raised ₹ 8,880 crore as market loans at an average interest rate of 8.85 per cent, loans amounting to ₹ 457 crore from NABARD at an interest rate of 6.5 per cent and ₹ 54.80 crore from NCDC at interest rates ranging from 8.50 to 13.00 per cent. The State Government also received loans amounting to ₹ 407.15 crore from the Government of India during the year for which the details of interest rate on all loans were not available.

The State Government has been mobilising deposits from its employees, pensioners, institutions and general public through treasuries. During 2011-12, the State Government received ₹ 15,218.06 crore as deposits through Treasury Saving Bank accounts at an average interest rate of five per cent and ₹ 2,345.50 crore as Treasury Fixed Deposits at interest rates ranging from 7.25 per cent and 9.5 per cent. The balance of such deposits as on 31 March 2012 was ₹ 11,612.49 crore.

1.9.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (Table 1.22) indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.22: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts (NDR)	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure	Primary revenue deficit (-)/surplus (+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2007-08	21,160	20,562	1,475	893	22,930	(+) 598	(-) 1,770
2008-09	24,557	23,564	1,696	984	26,244	(+) 993	(-) 1,687
2009-10	26,196	25,840	2,059	877	28,776	(+) 356	(-) 2,580
2010-11	31,060	28,975	3,364	762	33,101	(+) 2,085	(-) 2,041
2011-12	38,081	39,751	3,853	998	44,602	(-) 1,670	(-) 6,521

Source: Finance Accounts of the State Government

The bifurcation of the factors leading to primary deficit or surplus of the State reveals that during the period from 2007-08 to 2010-11 non-debt receipts (NDR) of the State was enough to meet the primary revenue expenditure²² of the State. However, during 2011-12 NDR was not sufficient to meet the primary revenue expenditure indicating disproportionate growth of primary revenue expenditure during the year and the shortfall being by ₹ 1,670 crore.

1.10 Conclusion

Revenue Receipts : During the current year, the State's Revenue receipts (₹ 38010.36 crore) increased by 22.65 *per cent* over the previous year. There was increase in Tax revenue (₹ 3,996.91 crore) and Non-tax revenue (₹ 661.39 crore) during the year. The State's revenue receipt as a percentage of GSDP marginally declined from 12.1 *per cent* in 2007-08 to 11.6 *per cent* in 2011-12, which indicates that the growth in tax revenue had not kept in pace with that of GSDP.

Revenue Expenditure : The revenue expenditure recorded a steep increase of 32.83 *per cent* during the year. Of the total expenditure of ₹ 50,896 crore during 2011-12, share of revenue expenditure was 90.47 *per cent* (₹ 46,045 crore). Nearly 70 *per cent* of the Revenue expenditure was incurred on salaries, wages, pension payments, interest payments and subsidies.

Capital Expenditure : During the year Capital expenditure (₹ 3,853 crore) increased by ₹ 489 crore (14.5 *per cent*) over the previous year and it accounted for eight *per cent* of the total expenditure of the State. Proportion of Capital expenditure has been much lower as compared to General Category States during 2008-09 and 2011-12.

Investment and returns : As of 31 March 2012, the State had invested ₹ 4,206.43 crore in Statutory Corporations, Government companies, Joint Stock Companies and Co-operatives. The average return on these investments was 1.3 *per cent* during the last five years, while the Government paid an average interest rate ranging from 7.2 *per cent* to 7.9 *per cent* on its borrowings during the same period.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increase in non-developmental expenditure like salaries, interest payments, pension and subsidies year after year reduces the net availability of funds from the borrowings for infrastructure development. The State's low return on investments indicates an implicit subsidy and use of high cost borrowings for investments, which yields low return and is not sustainable.

Loans and Advances : Outstanding loans and advances given by the State Government to Statutory Corporations, Government companies and Co-operative

²² Primary revenue expenditure represents revenue expenditure less expenditure on interest.

Societies was ₹ 9,404 crore, recording an increase of ₹ 943 crore over the previous year. Sixty five *per cent* of the outstanding loan balance was pertaining to Kerala State Road Transport Corporations (₹ 449.51 crore), Kerala Water Authority (₹ 2,410.17 crore), Kerala State Electricity Board (₹ 2,661.65 crore) and Kerala State Housing Board (₹ 617.67 crore).

Deficit : All the key fiscal parameters, ie revenue, fiscal and primary deficits increased during 2011-12 when compared to previous year. The revenue, fiscal and primary deficit increased to ₹ 8,035 crore, ₹ 12,815 crore and ₹ 6,521 crore in 2011-12 from ₹ 3,674 crore, ₹ 7,731 crore and ₹ 2,041 crore respectively in 2010-11. The ratio of revenue deficit to fiscal deficit increased from 47.5 *per cent* in 2010-11 to 62.7 *per cent* in 2011-12. As a proportion of GSDP, the revenue deficit increased to 2.5 *per cent* and fiscal deficit to 3.9 *per cent* in 2011-12 from 1.3 *per cent* and 2.8 *per cent* respectively in 2010-11.

Increasing revenue and fiscal deficit shows growing fiscal imbalance of the State. Similarly, increase in the ratio of revenue deficit and fiscal deficit indicates that the application of borrowed funds has largely been to meet current expenditure.

Debt Management: Fiscal liabilities at the end of the current year worked out to ₹ 93,132 crore and stood at 28.5 *per cent* of GSDP in 2011-12, which was below the target of 32.3 *per cent* fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011. During 2008-09 to 2011-12, the quantum spread together with primary deficit was positive indicating a declining trend in Debt-GSDP ratio. During 2011-12 though the State Government borrowed ₹ 8,880 crore from the market, the net availability funds was only ₹ 4,426 crore. Larger part of the borrowings in 2011-12 could not be used for developmental activities and were used for meeting the current expenditure of the Government. The maturity profile of State shows that the State will have to repay 49.6 *per cent* of its debt between one and seven years.

There has been a decline in net availability of funds from its borrowings as large portion of these funds are being used for debt servicing. The ratio of financial assets to liabilities has also deteriorated indicating the greater part of liabilities was without an asset backup. The Balance from Current Revenue (BCR) which plays a critical role in determining its plan size and a negative BCR adversely affects the same and reduces the availability of funds for additional infrastructure requirement.

Monitoring of funds transferred directly from the GOI to the State implementing agencies: Government of India directly transferred ₹ 2,474 crore to the state implementing agencies during the year. But transfer of funds from Government of India to the state implementing agencies directly ran the risk of inadequate monitoring of utilisation of funds by these agencies in the absence of uniform accounting procedures and effective monitoring system.

1.11 Recommendations

- The State Government should evolve an appropriate control mechanism to ensure proper accounting and timely utilisation of funds flowing directly to implementing agencies through off-budget route.
- Timely finalization of accounts of Departmental Commercial Undertakings should be ensured by the Government to assess the financial status and to take corrective steps for their improvement.
- Before release of loans to statutory corporations/Government companies, Government should review the repaying capacity of these institutions and alternate methods may be considered for releasing funds.
- The State Government should constitute Guarantee Redemption Fund as envisaged in the Kerala Ceiling on Government Guarantees Act, 2003 and credit guarantee commission collected so far, into the fund.
- The State Government should make yearly contribution to the Consolidated Sinking Fund as envisaged in view of the increase in the amount of debt servicing in the coming years.
- The State Government should ensure re-investment of fund balances for possible accretions to the fund balance.
- The State Government should take necessary steps to increase the net availability of borrowed funds for use in developmental activities.

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of voted Grants and Appropriations charged for different purposes, as specified in the schedules appended to the Appropriation Acts. These accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure incurred is in conformity with the law, relevant rules, regulations and instructions.

2.1.3 As per the Kerala Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by the Heads of Departments and other Estimating Officers and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demands for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands the exercise of foresight both in anticipating revenue and estimating expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither in excess nor lesser. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees, etc.

Deficiencies in the management of budget and expenditure and violation of the provisions of Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 47 Grants/Appropriations is given in **Table 2.1**.

Table 2.1: Summarised position of actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)					
Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure ^(*)	Saving
Voted					
I Revenue	38578.19	3381.35	41959.54	40151.10	1808.44
II Capital	3815.82	1256.12	5071.94	3834.87	1237.07
III Loans and Advances	1229.13	52.59	1281.72	998.54	283.18
Total Voted	43623.14	4690.06	48313.20	44984.51	3328.69
Charged					
IV Revenue	6734.04	40.37	6774.41	6501.41	273.00
V Capital	26.98	11.40	38.38	35.65	2.73
VI Public Debt Repayment	9145.37	0	9145.37	2893.06	6252.31
Total Charged	15906.39	51.77	15958.16	9430.12	6528.04
Appropriation to Contingency Fund (if any)	Nil	Nil	Nil	Nil	Nil
Grand Total	59529.53	4741.83	64271.36	54414.63	9856.73

Source: Appropriation Accounts 2011-12 and Appropriation Acts

^(*)Actual expenditure is understated to the extent of un-recouped contingency fund advances amounting to ₹20.80 crore and un-adjusted AC bills amounting to ₹1.35 crore

The overall savings of ₹ 9,856.73 crore was the result of savings of ₹ 10,627.74 crore in 33 Grants and 19 Appropriations under the Revenue Section and 24 Grants and 10 Appropriations under the Capital Section, offset by excess of ₹ 771.01 crore in 11 Grants and two Appropriations under the Revenue Section and four Grants under Capital Section.

The status of savings/excess (as per Appropriation Accounts) was intimated (July 2012) to the Controlling Officers, requesting them to explain the significant variations. Out of 1279 sub-heads in respect of which savings/excess were reported, explanations for variations were not received (August 2012) in respect of 843 sub-heads.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The appropriation audit revealed that in 15 cases, savings exceeded ₹ 10 crore in each case and were also more than 20 per cent of the total provisions (**Appendix 2.1**). Against the savings of ₹ 8,573.27 crore, savings of ₹ 8,398.55 crore (98 per

cent) occurred in eleven cases²³ relating to 10 Grants and one Appropriation as indicated in **Table 2.2**.

Table 2.2: List of Grants/Appropriation with savings of ₹ 50 crore and above
(₹ in crore)

Sl. No.	Number and name of Grant/Appropriation	Original	Supplementary	Total	Expenditure	Savings	Surrender	Net savings(-)/excess(+)
Revenue - Voted								
1.	XX Water Supply and Sanitation	602.83	1.00	603.83	383.04	220.79	220.38	(-)0.41
2.	XXII Urban Development	623.02	22.50	645.52	274.08	371.44	362.50	(-)8.94
3.	XXIV Labour and Labour Welfare	529.44	54.83	584.27	429.26	155.01	111.97	(-)43.04
4.	XXXVI Community Development	350.29	107.32	457.61	270.00	187.61	168.45	(-)19.16
5.	XXXVIII Irrigation	320.27	0.60	320.87	233.57	87.30	85.81	(-)1.49
Capital - Voted								
6.	XVII Education, Sports, Art and Culture	174.45	55.13	229.58	78.57	151.01	38.62	(-)112.39
7.	XX Water Supply and Sanitation	533.64	Nil	533.64	323.14	210.50	212.72	(+) 2.22
8.	XXV Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	100.51	Nil	100.51	49.09	51.42	43.27	(-)8.15
9.	XXIX Agriculture	154.94	72.36	227.30	92.27	135.03	82.23	(-)52.80
10.	XXXVIII Irrigation	532.87	206.36	739.23	163.10	576.13	536.20	(-)39.93
Capital - Charged								
11.	Public debt repayment	9145.37	Nil	9145.37	2893.06	6252.31	6298.30	(+)45.99
Total		13067.63	520.10	13587.73	5189.18	8398.55	8160.45	(-)238.10

Source: Appropriation Accounts 2011-12

Savings exceeding ₹ 100 crore in each case are discussed below :

i) Grant No. 'XX-Water Supply and Sanitation' (Revenue-Voted)

The Grant closed with a savings of ₹ 220.79 crore which included supplementary provision of ₹ 1.00 crore. Further, augmentation of funds (₹ 1.00 crore) through supplementary grants (March 2012) proved unnecessary as the total expenditure of ₹ 383.04 crore was less than even the original provision of ₹ 602.83 crore. Savings occurred mainly under the heads '2215-Water Supply and Sanitation, 01-Water Supply, 800-Other Expenditure, 67-Add-on project of Jalanidhi' (₹ 87.50 crore) due to slow progress of the scheme and '2215-01-190-Assistance to Public Sector and Other Undertakings, 99-Grant-in-aid to the Kerala Water Authority' (₹ 40.74 crore) due to non-release of Government of India's share through Government of Kerala. Further, savings were noticed under sub heads below '2215-01-800-Other Expenditure, 63-Replacement of old and unusable pipes' (₹ 25.00 crore), '61-New Drinking Water Supply scheme at Kumarakom and

²³ Savings of ₹ 50 crore and above in each case

Parassala' (₹ 20.00 crore), '68-Special Package for completing ongoing urban water supply schemes' (₹ 12.50 crore) and '55-Drinking water supply project for Kilimanoor, Pazhayakunnumel and Madavoor villages' (₹ 6.50 crore). Reasons for savings in these cases have not been intimated by the Government (July 2012).

ii) Grant No. 'XXII-Urban Development' (Revenue – Voted)

Against the original provision of ₹ 623.02 crore, the expenditure was only ₹ 274.08 crore resulting in a savings of ₹ 348.94 crore. Further, augmentation of funds (₹ 22.50 crore) through supplementary grant proved unnecessary as the expenditure was less than even the original provision. Savings occurred mainly under the heads '2217-Urban Development, 05-Other Urban Development Schemes, 800-Other Expenditure, 83-Basic Services to the Urban Poor' (₹ 120.18 crore) and '2217- 03-Integrated Development of Small and Medium Towns, 191-Assistance to Municipal Corporations, 74-Urban Infrastructure Development Scheme for Small and Medium Towns' (₹ 70.24 crore). Reasons for the savings occurred under the above heads of account have not been intimated by the Government (July 2012). Further, savings were noticed under '2217-05-800-89-Jawahar Lal Nehru National Urban Renewal Mission' (₹ 67.42 crore) due to non-completion of tender formalities in time and delay in acquisition of land, '2217-80-General, 800-Other Expenditure, 91-Kerala Sustainable Urban Development Project' (₹ 55.00 crore) due to non-completion of tender formalities and delay in disbursement to Kerala Local Government Development Fund consequent on delay in setting up of the Asset Management Company and '2217-Urban Development, 05-Other Urban Development Schemes, 192-Assistance to Municipalities/Municipal Councils, 81-Integrated Housing and Slum Development Programme' (₹ 31.75 crore).

iii) Grant No. 'XXIV-Labour and Labour Welfare' (Revenue-Voted)

The Grant closed with savings of ₹ 155.01 crore. As total expenditure under the Grant was less than the even original budget, the augmentation by way of the supplementary grant (October 2011: ₹ 29.35 crore and March 2012: ₹ 25.48 crore) could have been avoided or limited to a token amount. Further, out of the available savings of ₹ 155.01 crore only ₹ 111.97 crore (72 per cent) was surrendered. Savings occurred mainly under '2230-Labour and Employment, 01-Labour, 103-General Labour Welfare, 33-Income support to workers in traditional sector activities' (₹ 50.00 crore), '2230-01-103-30 Comprehensive Health Insurance Programme, Kerala' (₹ 49.96 crore), '2230-02-Employment Service, 198-Assistance to Gram Panchayats, 50-Block Grants for Revenue Expenditure' (₹ 16.59 crore) and '2230-03-Training, 101-Industrial Training Institutes, 87-Modernisation of Industrial Training Institutes' (₹ 13.87 crore) due to non-supply of machinery and equipments by the firms.

iv) Grant No. 'XXXVI-Community Development' (Revenue-Voted)

The Grant closed with savings of ₹ 187.61 crore against the budget provision of ₹ 457.61 crore. Considering the final savings, augmentation of funds (₹ 107.32 crore) through supplementary demands could have been avoided. The savings occurred mainly under '2505-Rural Employment, 01-National Programme, 800-

Other Expenditure, 99-National Rural Employment Guarantee Programme' (₹ 130.00 crore) due to reclassification of expenditure on the scheme under the head of account '2505-02-101-99' to adopt correct classification and '2515-Other Rural Development Programme, 102-Community Development, 61-Restructured Central Rural Sanitation Programme' (₹ 39.26 crore) due to limiting the expenditure proportionate to the funds released by Government of India.

v) **Grant No. 'XXXVIII – Irrigation' (Revenue-Voted)**

Against the original provision of ₹ 320.27 crore, the final expenditure was ₹ 233.57 crore, which led to a savings of ₹ 86.70 crore. Savings occurred mainly under '2700-Major Irrigation, 80-General, 800-Other Expenditure, 99-Maintenance of Irrigation scheme under XIII Finance Commission Award' (₹ 39.90 crore) and '2701-Medium Irrigation, 80-General, 800- Other Expenditure, 77- Maintenance of Irrigation scheme under XIII Finance Commission Award' (₹ 9.69 crore) due to non-implementation of the schemes.

vi) **Grant No. 'XVII-Education, Sports, Art and Culture' (Capital -Voted)**

An amount of ₹ 229.58 crore including ₹ 55.13 crore of supplementary grants was available under the Grant. Against this provision, final expenditure was only ₹ 78.57 crore resulting in a savings of ₹ 151.01 crore. Considering the final savings, supplementary grants (₹ 54.23 crore) could have been avoided or limited to token provision. Only ₹ 38.62 crore (26 per cent) was surrendered leaving savings of ₹ 112.39 crore unsurrendered at the close of the year. Savings occurred mainly under '4202-Capital outlay on Education, Sports, Art and Culture, 03-Sports and Youth Services, 800-Other Expenditure, 90-National Games' (₹ 100.00 crore) and '4202-02-Technical Education, 800-Other Expenditure, 95-ITI Building works' (₹ 9.51 crore) due to slow progress of works.

vii) **Grant No. 'XX-Water Supply and Sanitation' (Capital -Voted)**

The Grant closed with a saving of ₹ 210.50 crore against the available provision of ₹ 533.64 crore. The injudicious decision to surrender an amount of ₹ 212.72 crore was without assessing the final savings, which resulted in excess surrender of ₹ 2.22 crore. Savings occurred mainly under '6215-Loans for Water Supply and Sanitation, 01-Water Supply, 190-Loans to Public Sector and Other Undertakings, 98-Loans to the Kerala Water Authority for implementing JBIC Assisted Water Supply Project' (₹ 269.90 crore). This savings was partly offset by the excess under '4215-Capital outlay on Water Supply and Sanitation, 01-Water Supply, 800-Other Expenditure, 99-NABARD assisted Rural Water Supply Scheme (RIDF)' (₹ 57.18 crore).

viii) **Grant No. 'XXXVIII – Irrigation' (Capital-Voted)**

Against the budget allocation of ₹ 739.23 crore, including ₹ 206.36 crore obtained through supplementary grants, the final expenditure was only ₹ 163.10 crore resulting in a savings of ₹ 576.13 crore. Considering the final savings augmentation of provision through supplementary grants proved wholly unnecessary. Savings occurred mainly under '4711-Capital Outlay on Flood Control Projects, 01-Flood Control, 103-Civil Works, 90-Kuttanadu Package'

(₹ 347.22 crore) due to non-release of second instalment of Central Assistance, '4701-Capital Outlay on Medium Irrigation, 80-General, 800-Other Expenditure, 79-AIBP-Support for other need based programme' (₹ 114.50 crore) and '4701-80-800-76-Priority Works' (₹ 50 crore).

ix) Public Debt Repayment (Capital - Charged)

Savings under the Grant were ₹ 6,252.31 crore. Major savings of ₹ 6,525 crore occurred under '6003-Internal Debt of the State Government, 110-Ways and Means advances from the Reserve Bank of India' due to non-availing of Ways and Means Advances in view of the improved liquidity position of the state finances. This was partly offset by the excesses under '6004-Loans and Advances from the Central Government, 04-Loans for Centrally Sponsored Schemes' (₹ 42.96 crore), '6003-111-Special Securities issued to National Small Savings Fund of the Central Government' (₹ 4.65 crore) and '6004-03 Loans for Central Plan Schemes' (₹ 2.84 crore).

2.3.2 Persistent savings

In seven cases, there were persistent savings in excess of ₹ 50 lakh in each case and also 20 per cent or more of the provision for the last three years as shown in **Table 2.3**.

Table 2.3: Persistent savings

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Amount of saving (percentage)		
		2009-10	2010-11	2011-12
Revenue - Voted				
1.	XXII Urban Development	531.22 (61)	563.04 (60)	371.44 (58)
Capital - Voted				
2.	XVII Education, Sports, Art and Culture	37.71 (43)	22.31 (21)	151.01 (66)
3.	XX Water Supply and Sanitation	545.73 (51)	444.47 (68)	210.50 (39)
4.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	22.31 (37)	37.90 (34)	51.42 (51)
5.	XXIX Agriculture	64.96 (64)	77.29 (61)	135.03 (59)
6.	XXXVIII Irrigation	120.06 (34)	204.65 (44)	576.13 (78)
Capital - Charged				
7.	Public Debt Repayment	9742.10 (80)	10376.07 (84)	6252.31 (68)

Source: Appropriation Accounts 2009-10, 2010-11 and 2011-12.

In 28 subheads, there were persistent savings in excess of ₹ five crore in each case of the provision for the last three years. Details are given in **Appendix 2.2**.

2.3.3 Excess over provision during 2011-12 requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹ 760.88 crore under Revenue Section (11 Grants and two Appropriations) and ₹ 10.13 crore under Capital Section (four Grants) requiring regularization during 2011-12. This excess

expenditure of ₹ 771.01 crore requires regularization under Article 205 of the Constitution as summarized in **Table 2.4**.

Table 2.4: Excess over provision requiring regularisation during 2011-12

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
Voted Grants – Revenue				
1.	I State Legislature	50.69	50.93	0.24
2.	V Agricultural Income Tax and Sales Tax	180.87	183.56	2.69
3.	VII Stamps and Registration	145.71	146.31	0.60
4.	VIII Excise	140.02	144.77	4.75
5.	XI District Administration and Miscellaneous	353.07	361.35	8.28
6.	XII Police	1619.54	1724.02	104.48
7.	XIII Jails	63.73	64.76	1.03
8.	XVI Pensions and Miscellaneous	9102.13	9672.30	570.17
9.	XIX Family Welfare	257.54	306.41	48.87
10.	XXVIII Miscellaneous Economic Services	88.24	90.52	2.28
11.	XLI Transport	105.87	120.78	14.91
Total – Voted Grants - Revenue		12107.41	12865.71	758.30
Charged Appropriation-Revenue				
12.	II Heads of States, Ministers and Headquarters Staff	86.98	89.53	2.55
13.	XII Police	0.06	0.09	0.03
Total-Charged Appropriation-Revenue		87.04	89.62	2.58
Voted Grants – Capital				
14.	XII Police	0.91	1.03	0.12
15.	XIV Stationery and Printing and Other Administrative Services	1.70	2.11	0.41
16.	XLII Tourism	111.05	120.64	9.59
17.	XLVI Social Security and Welfare	1.33	1.34	0.01
Total - Voted Grants – Capital		114.99	125.12	10.13
Grand Total		12309.44	13080.45	771.01

Source: Appropriation Accounts 2011-12

2.3.4 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). Excess expenditure occurred under 26 Grants and six Appropriations amounting to ₹ 333.74 crore for the years 1990-91 to 2010-11, was to be regularised (September 2012) as summarised in **Table 2.5**. The year-wise and Grant-wise amounts of excess

expenditure pending regularisation and the stage of consideration by the PAC are detailed in **Appendix 2.3**.

Table 2.5: Excess over provisions relating to the previous years requiring regularisation
(₹ in crore)

Year	Number of		Amount of excess over provision
	Grant	Appropriation	
1990-91	1		0.36
1992-93	1		0.04
1995-96	1		21.12
1996-97		1	(²⁴)
1997-98	1		3.93
1998-99	1		7.88
2000-01	1		14.65
2001-02	2		29.08
2003-04	3		128.61
2006-07	1		1.28
2008-09	5	1	103.57
2009-10	8	2	23.07
2010-11	1	2	0.15
Total	26	6	333.74

Source: As per records maintained by the Principal Accountant General (SGSA)

2.3.5 Unnecessary/Excessive/Inadequate Supplementary provision

Supplementary provisions aggregating ₹ 793.63 crore, obtained in 22 cases of ₹ 50 lakh or more in each case during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in **Appendix 2.4**.

In 23 cases, against the additional requirement of ₹ 1,558.12 crore, supplementary grants of ₹ 2,408.21 crore were obtained, resulting in savings aggregating ₹ 850.09 crore (**Appendix 2.5**).

In 10 cases, supplementary provision of ₹ 1,413.24 crore proved inadequate by more than ₹ one crore in each case, leaving uncovered excess expenditure of ₹ 720.73 crore (**Appendix 2.6**).

2.3.6 Excessive/unnecessary/insufficient re-appropriation of funds

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. There were excesses/savings of more than ₹ two crore in 127 sub-heads even after re-appropriation as detailed in **Appendix 2.7**. Reasons for the variations were not furnished by the department/Government.

2.3.7 Substantial surrenders

Substantial surrenders (where more than 50 per cent of the total provision²⁵ was surrendered) were made in respect of 494 sub-heads on account of either non-

²⁴ ₹ 32,791 only

²⁵ Total provision refers to Original provision plus Supplementary provision

implementation or slow implementation of plan schemes/programmes. Out of the total provision amounting to ₹ 2,155.49 crore in these 494 sub-heads, ₹ 1,918.20 crore (89 *per cent*) was surrendered which included *cent per cent* surrender in 50 sub-heads amounting to ₹ 308.04 crore as indicated in **Appendix 2.8**.

2.3.8 Surrender in excess of actual saving

In 17 cases (Grants/Appropriations) the amounts surrendered (₹ 50 lakh or more in each case) was in excess of the actual savings indicating lack of or inadequate financial control. As against savings of ₹ 6,910.08 crore, the amount surrendered was ₹ 7,047.23 crore, resulting in excess surrender of ₹ 137.15 crore. Details are given in **Appendix 2.9**.

2.3.9 Injudicious surrender

In Seven Grants/Appropriations, surrender of ₹ 27.01 crore (₹ 10 lakh or more in each case) proved injudicious as there were eventual excesses under these Grants/Appropriations at the close of the financial year. Details are given in **Appendix 2.10**.

2.3.10 Anticipated savings not surrendered

As per Para 91 of the Kerala Budget Manual, spending departments are required to surrender Grants/Appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the close of the year 2011-12, there were, however, 11 Grants/Appropriations in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 52.67 crore the details of which are given in **Appendix 2.11**.

Similarly, out of the total savings of ₹ 3,209.49 crore under 26 Grants/Appropriations with savings of ₹ one crore and above in each Grant/Appropriation, 33 *per cent* of savings amounts aggregating ₹ 1,056.14 crore were not surrendered, details of which are given in **Appendix 2.12**. Besides, in 39 major heads under 26 Grants ₹ 3,020.18 crore (**Appendix 2.13**) was surrendered on 31 March 2012 (surrender of funds in excess of ₹ 10 crore in each major head), indicating inadequate financial control and the fact that these funds could not be utilised for other development purposes.

2.3.11 Rush of expenditure at the end of financial year 2011-12

According to Para 91 (2) of the Kerala Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 57 sub-heads listed in **Appendix 2.14**, expenditure of ₹ 10 crore and above and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2012. In 33 Major Heads where more than 50 *per cent* expenditure was incurred during the last month of the financial year, details are given in **Appendix 2.15**.

2.3.12 Unexplained re-appropriations

Para 86 (3) of the Kerala Budget Manual lays down that the authority sanctioning re-appropriations should satisfy himself that the reasons given in the sanctions are

full, frank and forthright and are not in vague terms such as ‘based on actual requirement’, ‘based on trend of expenditure’, ‘expenditure is less than that anticipated’, etc. as they have to be incorporated in the Appropriation Accounts which are examined by the Public Accounts Committee of Legislature. However, a test check of re-appropriation orders relating to 12 Grants issued by the Finance Department revealed that in respect of 747 out of 2129 items (35 per cent), the reasons given for withdrawal of provision/additional provision in re-appropriation orders were of general nature like ‘expenditure is less than anticipated’, ‘reduced provision is sufficient to meet the expenditure’, etc.

2.3.13 Drawal of funds to avoid lapse of budget grant

As per the provision of Article 40 (c) (7) of the Kerala Financial Code Volume I, a Government servant should not, on any account, reserve or appropriate by transfer to a deposit or any other head or draw from the treasury and keep in a cash chest, any portion of an appropriation remaining unexpended during the year in order to prevent it from lapsing and use it for expenditure after the end of the year. Funds provided in the budget are for actual expenditure to be incurred during the year and any unspent provision lapses at the close of the financial year. Audit scrutiny revealed that ₹ 81.25 crore was drawn by the departmental officers and deposited them in the Treasury Savings Banks/Treasury Public Accounts or released them to the implementing agencies towards the close of the financial year 2011-12 to prevent them from lapsing. Of this, ₹ 1.40 crore drawn (December 2011) by the Director of Handloom and Textiles, Thiruvananthapuram for the intensive campaign to popularize the use of Handloom/Khadi products in the State which could not be utilized due to delay in convening the monitoring committee meeting to draw the implementation programme was deposited in a bank account. Keeping the money outside Government account was irregular. This resulted in under-utilisation of 81 per cent (₹ 1.13 crore) of the fund for nine months (August 2012). The details are given in **Appendix 2.16**.

The irregular deposit of funds enabled the departments to avoid lapse of budget provision and to bypass budgetary compulsions to spend the amount before the close of the financial year. Further, utilising funds voted for expenditure during a financial year in the subsequent year amounted to bypassing the control of the Legislature over expenditure out of the Consolidated Fund of the State. Moreover, as the funds drawn were not spent during the financial year, the Government accounts did not reflect the factual position.

2.4 Non-reconciliation of departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent bills against Abstract Contingent 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 (Form TR 60). Abstract Contingent (AC) bills can be drawn only by an authorised officer for the

items of expenditure listed in Appendix 5 to the Kerala Financial Code. The DDO should maintain a register of AC bills and monitor submission of detailed bills there against. The Detailed Contingent (DC) bills in respect of such claims should be submitted to the controlling authority for countersignature not later than the 10th of the month succeeding that to which they relate. The detailed bills pertaining to a month's claim should reach the Principal Accountant General (A&E), Kerala not later than the 20th of the succeeding month.

According to the records maintained by the Principal Accountant General (A&E) Kerala, 51 AC bills drawn by 42 DDOs up to March 2012 involving ₹ 3.36 crore were not adjusted as of June 2012 due to non-receipt of DC bills, details of which are enumerated in **Appendix 2.17**. Year-wise details are given in **Table 2.6**. Non-submission of DC bills leads to retention of advance amount drawn with the drawing officer and the advance drawn remains unaccounted under the proper heads of account.

Table 2.6: Pendency in submission of Detailed countersigned Contingent bills against Abstract Contingent bills

(₹ in crore)

Year	AC bills		DC bills		DC bills as percentage of AC bills	Outstanding DC bills	
	Number	Amount	Number	Amount		Number	Amount
2009-10	367	5.98	365	4.58	99	2	1.40
2010-11	395	3.52	388	2.91	98	7	0.61
2011-12	384	4.04	342	2.69	89	42	1.35
Total	1146	13.54	1095	10.18		51	3.36

Source: Information furnished by Principal Accountant General (A&E)

2.4.2 Unreconciled expenditure

To enable the Controlling Officers of the departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, Paragraph 74 of the Kerala Budget Manual stipulates that the expenditure recorded in their books should be reconciled by them every month during the financial year with that recorded in the books of the Principal Accountant General (A&E), Kerala. Even though non-reconciliation of departmental figures is being pointed out regularly in CAG's Audit Reports, lapses on the part of the Controlling Officers in this regard continued to persist during 2011-12 also. One hundred Controlling Officers did not reconcile expenditure amounting to ₹ 38,009.24 crore as of June 2012. In respect of 70 Controlling Officers, amounts exceeding ₹ 10 crore in each case amounting to ₹ 37,233.16 crore remained un-reconciled during 2011-12. The details are shown in **Appendix 2.18**.

2.5 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) and 283 (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 corpus is ₹ 100 crore. Till the close of the year, a total amount of ₹ 20.80 crore under '6216-Loans for Housing' (₹ 19.79 crore drawn on 30 March 2012) and under '5051-Capital Outlay on Ports and Light Houses' (₹ 1.01 crore drawn on 31 March 2012) was not recouped to the Fund.

2.6 Review of Selected Grants

A review of budgetary procedure and control over expenditure for 2011-12 conducted during July-August 2012 relating to 'Grant No XVIII – Medical and Public Health' and 'Grant No. XXXIII – Fisheries' revealed the following:

2.6.1 XVIII – Medical and Public Health

2.6.1.1 Budget Allocation and Expenditure

There was only two to three *per cent* savings under Revenue Section of the Grant during the period 2009-10 to 2011-12. However, under Capital Section the savings ranged between 15 to 28 *per cent* indicating the deficiency in budgeting process under this section. Though overall Grant did not show substantial savings, persistent savings were noticed under some plan subheads. Details are given in **Table 2.7**.

Table 2.7 : Persistent Savings under plan heads

(₹ in lakh)

Head of account	Year	Budget allocation	Expenditure	Savings	Percentage of Savings
2210-01-110-83-Mental Health Centre, Kozhikode(Plan)	2009-10	15.00	12.12	2.88	19
	2010-11	30.00	13.35	16.65	55
	2011-12	30.00	8.17	21.83	72
2210-06-003-94-Opening school of nursing at Sasthamkotta, Kollam for SC/ST students (100% CSS)(Plan)	2009-10	38.00	22.76	15.24	40
	2010-11	55.20	24.70	30.50	55
	2011-12	24.90	20.65	4.25	17
2210-06-101-99-National Malaria Eradication Programme (50% CSS)(Plan)	2009-10	70.00	51.53	18.47	26
	2010-11	140.00	71.71	68.29	48
	2011-12	140.00	70.62	69.38	49
2210-06-101-97-Filariasis Control (50% CSS)(Plan)	2009-10	70.00	46.99	23.01	32
	2010-11	110.00	63.26	46.74	42
	2011-12	110.00	43.52	66.48	60
2210-05-105-93-Dental College, Kozhikode (Plan)	2009-10	50.00	33.81	16.19	32
	2010-11	60.00	47.72	12.28	20
	2011-12	70.00	26.80	43.20	62
2210-05-001-96-Modernisation and computerization of Directorate of Ayurvedic Education-Publication Division and Continuing Medical Education (Plan)	2009-10	100.00	11.82	88.18	88
	2010-11	85.00	35.29	49.71	58
	2011-12	100.00	12.78	87.22	87

Source: Detailed Appropriation Accounts for 2009-10 to 2011-12

During the year 2011-12 substantial savings were noticed under 18 subheads, details of which are given in **Appendix 2.19**. Persistent occurrence of huge savings indicated deficient control in the budgeting process existed in the department.

2.6.1.2 Unnecessary supplementary grants

As per paragraph 88 of the Kerala Budget Manual supplementary grant is to be obtained only in cases where expenditure cannot be postponed to the next financial year and in cases where expenditure has to be incurred during the year. An analysis of the utilisation of the supplementary grant obtained under Revenue (voted) Section for the last three years (2009-10 to 2011-12) revealed that supplementary grants obtained in March 2012 could have been avoided or limited to token provision as the final saving was more than the supplementary grant obtained.

Table 2.8 : Excessive of Supplementary grants

(₹ in crore)

Year	Original grant	Total supplementary grant	Supplementary grant obtained in March	Final Savings
2009-10	1433.82	69.64	65.14	46.03
2010-11	1730.58	68.24	53.57	37.07
2011-12	2406.39	171.32	32.06	100.66

Source: Detailed Appropriation Accounts for 2009-10 to 2011-12

Instances were also noticed where supplementary grant obtained under certain sub heads remained unutilized during 2011-12 are shown below:

Table 2.9 : Unnecessary Supplementary grants in certain subheads

(₹ in crore)

Head of account	Original provision	Supplementary provision	Total Grant	Expenditure	Saving
2210-05-105-96 (NP)	62.84	2.50	65.34	55.86	9.48
2210-05-105-42 (NP)	4.32	0.20	4.52	4.32	0.20
2210-05-105-20 (NP)	1.68	0.48	2.16	1.62	0.54
4210-02-110-86 (P)	Nil	6.00	6.00	Nil	6.00

Source: Detailed Appropriation Accounts for 2011-12

It is evident from the above table that supplementary grants obtained in the sub heads were without assessing the actual requirement. Final savings in excess of the supplementary grants obtained indicated that demand for supplementary grants was made without assessing actual requirement of additional funds under individual heads and availability of funds in other heads for re-appropriation.

2.6.1.3 Reduction/re-appropriation without ensuring availability

According to paragraph 84 (3) of Kerala Budget Manual, if the appropriation under a unit is reduced by re-appropriation or resumption, the expenditure debitable to the unit should be restricted to the reduced appropriation. However, it

was noticed that allotment under several subheads for the year 2011-12 was reduced and later excess expenditure was incurred as detailed below:

Table 2.10 : Re-appropriation of funds without ensuring availability

(₹ in crore)

Sl. No.	Head of account	Total Grant	Re-appropriation	Total	Expenditure	Excess expenditure
1.	2210-01-102-98 (NP)	100.92	(-)24.54	76.38	77.47	1.09
2.	2210-01-110-98 (NP)	39.80	(-)3.64	36.16	43.73	7.57
3.	2210-05-001-99 (NP)	4.21	(-)0.48	3.73	4.22	0.49
4.	2210-06-800-85 (P)	1.00	(-)0.51	0.49	0.84	0.35
5.	2210-05-105-97 (P)	3.01	(-)0.53	2.48	2.83	0.35
6.	2210-05-105-92 (NP)	9.89	(-)0.30	9.59	10.65	1.06

Source: Detailed Appropriation Accounts for 2011-12

2.6.1.4 Unreconciled expenditure

According to paragraph 74 of Kerala Budget Manual all Controlling Officers should reconcile the departmental figures of expenditure with the books of Principal Accountant General (A&E) and treasury and forward monthly reports regarding reconciliation to Government. Reconciliation of Departmental figures of expenditure with that booked by Principal Accountant General (A&E) is necessary to ensure accuracy of accounts and also to detect misclassification, fraud, defalcation etc. in time. Significant unreconciled variation between departmental figures and accounts figures have been noticed under the following heads.

Table 2.11 : Variations in booked figures

(₹ in lakh)

Head of Account	Departmental figure	Figure booked by AG	Difference
2210-06-101-59 (P)	0.78	2.51	1.73
2210-06-101-68 (P)	0.26	0.31	0.05
2210-06-800-86 (P)	18.93	0	18.93
2210-05-105-74 (P)	1.31	1.25	0.06
2210-02-102-98 (P)	0.28	0.27	0.01

Source: Detailed Appropriation Accounts for 2011-12 and data from department

Non-reconciliation of figures is fraught with risk of misclassification, fraud, defalcation, etc. remaining unnoticed in time.

2.6.1.5 Belated surrender/re-appropriation

According to paragraph 93 (1) of Kerala Budget Manual the proposals for re-appropriation and surrender should reach Finance Department not later than 25 February every year. But the Director of Health Services, Director of Medical Education and Director of Indian Systems of Medicine submitted the proposals for surrender of funds to Government on 31 March which resulted in non-allocation of funds to the needy departments.

2.6.1.6 Overstated expenditure

Financial Rules prohibit drawal of money from treasury unless it is required for immediate disbursement. However, it was noticed that funds were drawn and kept in Treasury Savings Bank account or kept outside the Government without being spent. This has resulted in overstatement of the total expenditure of the Grant as the amount remained unutilized even after the close of financial year. Instances are detailed below:

- The Director of Health Services drew ₹ 6.50 crore towards the implementation of two schemes viz. Special Support Schemes for patients suffering from cancer, heart and kidney diseases (₹ 5 crore) and Grant in aid to society for medical assistance to the Poor (₹ 1.5 crore). No part of the amount was utilized as of August 2012 and the amount remained deposited in the treasury savings bank account. In response to audit remarks it was stated that non-implementation of the scheme was due to the delay in getting confirmation letter of treatment and proper receipts from the patients.

2.6.2 Grant No.XXXIII – Fisheries

Funds required for the development and management of Fisheries Sector is provided under this Grant. Director of Fisheries and Chief Engineer of Harbour Engineering department are the Chief Controlling Officers operating this Grant. Review of budget allocation and expenditure for the last three years (2009-2012) revealed that there was persistent savings ranged between 14 to 19 per cent under Capital Section of the Grant.

2.6.2.1 Reduction/re-appropriation without ensuring availability

According to paragraph 84 (3) of Kerala Budget Manual, if the appropriation under a unit is reduced by re-appropriation or resumption, the expenditure debitable to the unit should be restricted to the reduced appropriation. However it was noticed that allotment under several sub heads for the year 2011-12 was reduced and later excess expenditure was noticed under that unit/head as detailed below :

Table 2.12 : Re-appropriation of funds without ensuring availability

(₹ in lakh)

Sl. No.	Head of account	Original	Re-appropriation	Total	Expenditure	Excess expenditure
1.	2405-00-101-97 (NP)	134.36	(-)6.08	128.28	147.30	19.02
2.	2405-00-101-96 (NP)	17.25	(-)12.61	4.64	8.48	3.84
3.	2405-00-103-99 (NP)	488.06	(-)117.89	370.17	410.70	40.53
4.	2405-00-109-99 (NP)	46.24	(-)16.09	30.15	38.24	8.09
5.	2405-00-800-97 (NP)	54.34	(-)17.82	36.52	42.01	5.49
6.	2405-00-800-98 (NP)	48.91	(-)17.91	31.00	34.50	3.50
7.	2405-00-800-86 (P)	300.00	(-)23.92	276.08	277.58	1.50

Source: Detailed Appropriation Accounts for 2011-12

2.6.2.2 Unreconciled expenditure

According to paragraph 74 (1) of Kerala Budget Manual all Controlling Officers should reconcile the departmental figures of expenditure with the books of Principal Accountant General (A&E)/treasury and forward monthly reports regarding reconciliation to Government. Reconciliation of Departmental figures of expenditure with that booked by Principal Accountant General (A&E) is necessary to ensure accuracy of accounts and also to detect misclassification, fraud, defalcation etc. in time. Significant variation between unreconciled departmental figures and accounts figures has been noticed under the following heads.

Table 2.13 : Variations in booked figures

(₹ in lakh)

Head of Account	Departmental figure	Figure booked by AG	Difference
2405-00-101-66 (P)	400.00	385.00	15.00
2405-00-103-94 (P)	24.79	22.29	2.50
4405-00-104-97 (P)	7.95	11.22	3.27

Source: Detailed Appropriation Accounts for 2011-12 and data from department

Non-reconciliation of figures is fraught with risk of misclassification, fraud, defalcation, etc. remaining unnoticed in time.

2.6.2.3 Overstated expenditure

Financial Rules prohibit drawal of money from treasury unless it is required for immediate disbursement. However, it was noticed that funds disbursed to various agencies during 2011-12 for implementation of various programmes in fisheries sector remained unutilized as of August 2012. Instances of amounts booked as expenditure in accounts, but blocked up with implementing agencies are as follows;

- During the year 2011-12, the Director of Fisheries had drawn and disbursed an amount of ₹1.64 crore to Chief Engineer, Harbour Engineering Department for execution of four²⁶ works. Audit noticed that no amount was incurred so far (August 2012).
- An amount of ₹ 28.94 crore was drawn by the Director of Fisheries during September 2011 to March 2012 and disbursed to Kerala State Coastal Area Development Corporation Limited (KSCADC) for execution of 20 works. KSCADC has utilized ₹ 0.31 crore for these works and balance of ₹ 28.63 crore remained unutilised as of August 2012.
- Thirteenth Finance Commission has awarded an amount of ₹ 200 crore to the State Government for development in fisheries sector to be

²⁶ (i) Construction of fishermen hospital at Udayanapuram, Vaikom, (ii) Construction of compound wall to the Hatchery at Neyyar Dam, (iii) Construction of awareness centre at Pannivelichira and (iv) Construction of building for Fisheries Technical School at Beypore.

implemented during 2011-2015. During 2011-12 ₹ 50 crore was provided in the budget for development of Model Fishing Villages and setting up of Fish Marketing centres. The Director of Fisheries allotted (December 2011) ₹ 45 crore to nine Deputy Directors for implementation of the scheme and disbursed ₹ five crore to KSCADC for implementation of the scheme in Kozhikode district. Audit scrutiny revealed that ₹ 45 crore drawn by nine Deputy Directors were not utilized and kept in Treasury Savings Bank Account. Similarly ₹ five crore released by the Director of Fisheries to KSCADC was also not utilized (July 2012).

2.7 Errors in budgeting

According to provisions of the Kerala Budget Manual (Paragraph 14), the budget estimates should always receive careful personal attention of the officers who submit them and should be as accurate as practicable. The estimates submitted by the Departments are scrutinized by the Administrative and the Finance Departments also to ensure their reasonableness and accuracy before presentation to the Legislature. The instances of omission to provide required funds and wrong classification of expenditure have been noticed during audit. A few significant cases are mentioned below.

- (a) Subventions from Central Road Fund are released by the Government of India as grants to State Governments for incurring expenditure on schemes of road development approved by the Government of India. The amounts so received are to be transferred to the reserve fund 'Subvention from Central Road Fund' by debit to the head of account '3054-05-797-99'. Though provision for the transfer of grant received is to be made every year in the budget, there was omission to make necessary provision in the budget for 2011-12. Consequently, on transfer of ₹ 4.44 crore received from the Government of India to the reserve fund, there was uncovered excess expenditure of an equivalent amount under the head of account '3054-05-797-99' as there was no budget provision to cover the expenditure. No budget provision was made in the year 2010-11 also, to transfer the Government of India grant received resulting in uncovered excess expenditure to the tune of ₹ 81.34 crore.
- (b) Special Development fund for MLAs was constituted in 2001 on the pattern of MP Local Area Development (MPLAD) Scheme for creation of assets for public use at large. Right from the inception of the Scheme, the expenditure was classified under the Revenue Section of the Government Accounts. However, during the current year ₹ 143.50 crore was provided under the Capital Section and an expenditure of ₹ 142.75 crore has been booked as expenditure under the scheme. As the assets created do not wholly belong to Government, there is no justification for capitalizing the expenditure under MLA fund. As the Special Development Fund for MLAs was constituted in line with MPLAD scheme, classification of

expenditure under MLA fund different from MPLAD scheme needs to be reconsidered (expenditure of MPLAD scheme is classified under Revenue Section-Major head 2553-MPs Local Area Development Scheme). Specific reasons changing the accounting classification from the Revenue Section to the Capital Section (2075-800-28 to 4250-800-99) for accounting transactions under Special Development fund for MLAs have not been furnished by Government (September 2012). Consequent on this wrong classification revenue expenditure and revenue deficit of the State Government is understated by ₹ 142.75 crore.

The above mentioned cases indicate that Departmental budget estimates were not prepared by the department with due care and attention and that scrutiny of the departmental proposals by the Administrative and the Finance Departments were inadequate to detect even the errors and omissions involving large amounts in the proposals.

2.8 Outcome of inspection of treasuries

There were 23 District Treasuries, 190 sub-treasuries and 12 Stamp depots in the State as of March 2012. The Principal Accountant General (A&E), Kerala inspected 147 treasuries (District Treasuries: 23; sub-treasuries: 110, Stamp depots-12, Check-post treasury: 1 and One-man treasury: 1). Irregularities and deficiencies noticed during the audit of treasuries are mentioned in the succeeding paragraphs.

2.8.1 Excess payment of pension

There was excess payment of pension/family pension amounting to ₹ 88.15 lakh in 1148 cases in 90 treasuries (including 12 district treasuries) during 2011-12. The main reasons for these excess payments were errors in calculation of revised pension, continuance of family pension after expiry of authorized period, non-deduction of commuted value from basic pension, payment of ineligible festival allowance, medical allowance to family pensioners who are also in receipt of regular pension, and incorrect calculation of dearness relief. Out of the excess payment of ₹ 88.15 lakh, treasuries recovered ₹ 28.23 lakh and the balance amount of ₹ 59.92 lakh remained to be recovered as of March 2012.

2.8.2 Mustering of pensioners

In terms of Rule 280 (a) of the Kerala Treasury Code Vol.I, the Treasury Officer should conduct mustering of pensioners annually in the case of pensioners/family pensioners/Pension Treasury Savings Bank Account holders and once in three years, where payment of pension is made through money orders. These provisions are made to prevent fraudulent payments. However, in 271 cases, in 85 treasuries as listed in **Appendix 2.20**, deficiency in mustering of pensioners was noticed.

2.9 Conclusion

Against the total provision of ₹ 64,271.36 crore the expenditure was ₹ 54,414.63 crore, which led to a saving of ₹ 9,856.73 crore (15 *per cent*). An excess of ₹ 771.01 crore was also incurred under 17 Grants/Appropriation, requiring regularization under Article 205 of the Constitution. An excess expenditure of ₹ 333.74 crore was not regularized so far. While supplementary provision of ₹ 793.63 crore obtained in 22 cases was unnecessary, re-appropriation of funds in 127 cases was made injudiciously resulting in either unutilized provision or excess over provision. In 39 cases, ₹ 3020.18 crore was surrendered on the last day of the financial year. Even though non-reconciliation of departmental figures is being pointed out regularly in CAG's Audit Reports, during 2011-12 also one hundred Controlling Officers did not reconcile expenditure amounting to ₹ 38,009.24 crore as of June 2012. There was persistent excess under the head of account '3054-05-797-99-Transfer to Deposit Head-Subventions from Central Road Fund' due to non-provision of budget allocation. Expenditure of ₹ 142.75 crore under 'Special Development Fund for MLAs' due to defective provision of funds under Capital Section instead of under Revenue Section of the accounts during 2011-12, resulted in understatement of revenue deficit to that extent.

2.10 Recommendations

Following recommendations are made after analyzing budgetary process and expenditure of the State during 2011-12:

- budgetary control should be exercised in all the departments to avoid cases of budget provision remaining unutilized;
- expenditure in excess of budget allocation should be avoided;
- excessive/unnecessary supplementary grant and injudicious re-appropriation of funds should be avoided; and
- instructions should be issued to all departmental officers to complete the reconciliation of departmental figures with that booked by the Principal Accountant General (A&E), before the close of accounts of each year.

Chapter III Financial Reporting

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by a State Government. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting on the status of such compliances are some of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist a State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making. This chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing utilisation certificates

Financial rules²⁷ of the Government require that the authority sanctioning grant-in-aid is to stipulate, in every order sanctioning the grant, a time limit for utilisation of the grant not exceeding one year from the date of sanction. The utilisation certificate for grants-in-aid exceeding ₹ 10,000 is to be forwarded to the Principal Accountant General (Accounts and Entitlement), Kerala. In the case of sanction not exceeding ₹ 10,000, the utilisation certificate is to be watched by the Head of Department who is required to send a statement to the Principal Accountant General (Accounts and Entitlement), Kerala indicating the number and date of sanction, authority issuing sanction, name of grantee institution, etc., not later than 30 June. It was observed that 160 utilisation certificates for ₹ 328.63 crore were yet to be received as of June 2012 in respect of grants paid during the period 2009-10 to 2011-12. Details of department-wise breakup of outstanding utilisation certificates are given in **Appendix 3.1**. The age-wise position of delays in submission of utilisation certificates is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears of utilisation certificates

(₹ in crore)

Range of delay in number of years	Total grants paid		Utilisation Certificates outstanding	
	Number	Amount	Number	Amount
Less than 1 year	180	331.65	145	320.86
More than one year	232	243.33	15	7.77
Total	412	574.98	160	328.63

Source: Details furnished by Principal Accountant General (A&E)

²⁷ Article 210 of the Kerala Financial Code (Vol.I)

3.2 Non-submission/delay in submission of Accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of Department are required to furnish to Audit every year, detailed information about the financial assistance provided to various institutions, the purpose of assistance granted and the total expenditure of the institutions. The accounts of 273 bodies/authorities received for the year 2010-11, attracted audit by the Comptroller and Auditor General of India. Of these 273 bodies/authorities, 107 were audited during 2011-12.

As of March 2012, annual accounts of 20 autonomous bodies/ authorities due up to 2010-11 had not been received by the Principal Accountant General (Social and General Sector Audit), Kerala. The details of these accounts are given in **Appendix 3.2**

3.3 Delay in submission of accounts/Audit Reports of Autonomous Bodies

There are 23 autonomous bodies in the field of legal aid, human rights, development of khadi, etc. The audit of accounts of these bodies in the State has been entrusted to the Comptroller and Auditor General of India under Sections 19(2), 19(3) and 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports and their placement in the Legislature are indicated in **Appendix 3.3**.

3.4 Misappropriations, losses, defalcations, etc.

Article 297 of the Kerala Financial Code provides that cases of defalcation or loss of public money, stamps, stores or other property should be reported to the Principal Accountant General (Social and General Sector Audit), Kerala as well as to the Heads of Department.

The State Government reported 115 cases of misappropriation, defalcation, etc., involving Government money amounting to ₹ 7.29 crore up to the period June 2012 on which final action was pending. The department-wise break up of pending cases and age-wise analysis are given in **Appendix 3.4** and the nature of these cases is given in **Appendix 3.5**. The pending cases in each category as emerged from these appendices are summarised in **Table 3.2**.

Table 3.2: Profile of misappropriations, losses, defalcations, etc.

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
Less than 5 years	14	64.94	Theft	15	4.30
5 - 10	44	452.31			
10 - 15	27	176.13	Misappropriation/loss of material	100	724.74
15 - 20	13	18.98			
20 - 25	10	6.02	Total	115	729.04
25 and above	7	10.66	Cases of losses written off during the year	Nil	Nil
Total	115	729.04	Total pending cases	115	729.04

Source: Cases reported by departments of the State Government

Further analysis indicates that the reasons for which the cases were outstanding could be classified under the four categories listed in **Table 3.3**.

Table 3.3: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Sl. No.	Reasons for the delay/outstanding pending cases	Number of cases	Amount (₹ in lakh)
1	Awaiting departmental and criminal investigation	Nil	Nil
2	Departmental action initiated but not finalised	60	582.86
3	Awaiting orders for recovery or write off	37	68.14
4	Pending in the courts of law	18	78.04
Total		115	729.04

Source: Information received from Departments of the State Government

3.5 Operation of omnibus Minor Head - 800

Bookings of receipts and expenditure under Minor Head '800 – Other Receipts' and '800-Other Expenditure' is considered opaque classification of receipts and expenditure as these heads do not disclose the schemes, programmes, etc, to which the amount relate. These heads accommodate expenditure/receipts which cannot be classified under the available programme minor heads.

During 2011-12, expenditure aggregating ₹ 3,568.16 crore was classified under the Minor Head '800 Other Expenditure' in the accounts under 75 Major Heads of Accounts which constituted more than nine *per cent* of the total expenditure recorded under these Major Heads. Some significant expenditure on schemes such as 'Rashtriya Krishi Vikas Yojana (ACA)' (₹ 211.34 crore), 'Special Development Fund for MLAs' (₹ 142.75 crore), 'Medical Allowance to

Pensioners' (₹ 133.67 crore), 'Pooled Fund for SCP' (₹ 124.00 crore), 'Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance)' (₹ 108.18 crore), etc. are not depicted distinctly in the Finance Accounts, but are rolled up in the minor head '800-Other Expenditure' though the details of the expenditure are depicted at the sub-head (scheme) level or below in the Detailed Demands for Grants and corresponding Head-wise Appropriation Accounts forming part of the State Government accounts.

Similarly, Revenue Receipts aggregating ₹ 648.62 crore were classified under the Minor Head '800-Other Receipts' under 47 Major Head of accounts which represents 2.04 *per cent* of the total receipts under these Major Heads. Major amounts of Non-tax Revenue under Co-operation, Other Administrative Services, Ports and Light Houses, etc. were classified under this Minor Head.

Classification of large amounts under the omnibus Minor head '800-Other Expenditure/Receipts' affected the transparency in financial reporting.

3.6 Transfer of funds to Personal Deposit Accounts

Transfer to Personal Deposit Accounts (PD Accounts) is booked as expenditure in the Consolidated Fund (service major heads) of the State. Article 282 (d) of the Kerala Financial Code stipulates that the PD Accounts administered by Government officers, which are created by transferring money from the Consolidated Fund of the State should be closed at the end of the financial year and the balance credited back to the Consolidated Fund unless such PD Accounts were created by law or Rules having the force of law. The aggregate balance in the PD Accounts as on 31 March 2011 was ₹ 128.18 crore. During 2011-12, an amount of ₹ 1,024.12 crore was credited to PD Accounts and ₹ 1,069.04 crore was debited to these accounts. The aggregate balance in the PD Accounts as on 31 March 2012 was ₹ 83.26 crore.

3.7 Conclusion

As of June 2012, 160 utilisation certificates for ₹ 328.63 crore were to be received in respect of grants paid during 2009-10 to 2011-12. Twenty annual accounts from 20 autonomous bodies/authorities due upto 2010-11 had not been received as of March 2012. The departmental compliance towards disposal of cases of losses, misappropriation, etc., was deficient and 115 cases involving ₹ 7.29 crore were pending final action as on June 2012. Significant amount of expenditure and receipts under Central and State schemes, booked under Minor head '800-Other Expenditure' and '800-Other receipts' were not distinctly depicted in the State Finance Accounts 2011-12 affecting the correctness of financial reporting.

3.8 Recommendations

The Government should ensure that:

- utilisation certificates in respect of the grants released for specific purposes are received in time;
- departmental enquiries in respect of all fraud and misappropriation cases are expedited to bring the defaulters to book and internal controls in all the organisations are strengthened to prevent such cases; and
- large amounts received or expended under various schemes are depicted in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts' to ensure correctness in financial reporting.

Thiruvananthapuram,
The

(R.N.GHOSH)
Principal Accountant General (Social and
General Sector Audit), Kerala

Countersigned

New Delhi,
The

(VINOD RAI)
Comptroller and Auditor General of India

Appendix 1.1

State Profile

(Reference: Page 1)

A. General Data

Sl. No.	Particulars	Figures
1	Area	38863 sq km
2	Population	
	a. As per 2001 Census	3.18 crore
	b. As per 2011 Census	3.34 crore
3	a. Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq.Km)	819 persons per sq. km.
	b. Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq.Km)	859 persons per Sq. km.
4	²⁸ Population Below Poverty Line (BPL) (All India Average = 27.5 per cent)	15 per cent
5	a. Literacy (as per 2001 Census) (All India Average = 64.8 per cent)	90.92 per cent
	b. Literacy (as per 2011 Census) (All India Average = 74.0 per cent)	93.91 per cent
6	Infant mortality ²⁹ (per 1000 live births) (All India Average = 47 per 1000 live births)	12
7	Life Expectancy at birth ³⁰ (All India Average =63.5 years)	74 years
8	Gini Coefficient ³¹	
	a. Rural (All India = 0.30)	0.34
	b. Urban (All India = 0.37)	0.40
9	Gross State Domestic Product (GSDP) 2011-2012 at current prices	₹ 3,26,693 crore
	Per capita GSDP CAGR (2002-03 to 2011-12)	
	Kerala	15.22 per cent
	General Category States	13.09 per cent
10	GSDP CAGR (2002-03 to 2011-12)	
	Kerala	15.85 per cent
	General Category States	14.46 per cent
11	Population Growth (2001 to 2011)	
	Kerala	5.03 per cent
	General Category States	13.90 per cent

B. Financial Data

CAGR	2002-03 to 2010-11		2002-03 to 2011-12
	General Category States	Kerala	Kerala
	(In per cent)		
a. of Revenue Receipts	16.86	14.31	15.20
b. of Own Tax Revenue	16.74	14.60	15.01
c. of Non Tax Revenue	12.84	13.98	16.07
d. of Total Expenditure	14.58	11.97	13.96
e. of Capital Expenditure	21.25	21.71	20.89
f. of Revenue Expenditure on Education	15.41	11.02	13.70
g. of Revenue Expenditure on Health	14.00	12.62	15.51
h. of Salary and Wages	13.43	12.85	16.05
i. of Pension	16.89	12.28	16.03

²⁸ Source of General Data: BPL (Planning Commission and NSSO data, 61 Round)

²⁹ Infant mortality rate (SRS Bulletin January 2011), Financial data is based on Finance Accounts of the State Government.

³⁰ Life Expectancy of birth (Office of the Registrar General of India, Ministry of Home Affairs) Economic Review 2010-11

³¹ Gini Coefficient (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP)

Gini Coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher.

Appendix 1.2
Part A : Structure and form of Government Accounts
(Reference: Paragraph 1.1; Page 1)

Structure of Government Accounts: The accounts of the State Government are kept in three parts: (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of the State' established under Article 266 (1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267 (2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

Part B: Layout of Finance Accounts

The Finance Accounts have been divided into two volumes. Volume 1 presents the financial statements of the Government in the form of commonly understood summarised form while the details are presented in volume 2.

Statement No.	About
1	Statement of Financial Position.
2	Statement of Receipts and Disbursements.
3	Statement of Receipts in Consolidated Fund.
4	Statement of Expenditure in Consolidated Fund.
5	Statement of Progressive Capital Expenditure.
6	Statement of Borrowings and other Liabilities.
7	Statement of Loans and Advances given by the Government.
8	Statement of Grants-in-aid given by the Government.
9	Statement of Guarantees given by the Government.
10	Statement of Voted and Charged Expenditure.
11	Detailed Statement of Revenue and Capital Receipts by minor heads.
12	Detailed Statement of Revenue Expenditure by minor heads.
13	Detailed Statement of Capital Expenditure.
14	Detailed Statement of Investments of the Government.
15	Detailed Statement on Borrowings and Other Liabilities.
16	Detailed Statement on Loans and Advances made by Government.
17	Detailed Statement on Sources and Application of funds for expenditure other than on revenue account.
18	Detailed Statement on Contingency Fund and Public Account transactions.
19	Detailed Statement on Investments of earmarked funds.

Appendix 1.3

Part A - Methodology adopted for assessment of fiscal position (Reference: Paragraph 1.1; Page 1)

The norms/ceilings prescribed by the Twelfth Finance Commission (TFC) for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other statements required to be laid in the legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess whether the mobilisation of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

	2007-08	2008-09	2009-10	2010-11	2011-12
GSDP ³² (₹ in crore)	1,75,141	2,02,783	2,32,381	2,76,997	3,26,693
Growth rate of GSDP	13.9	15.8	14.6	19.2	17.9
Source : Details furnished by the Director of Economics and Statistics of the State Government. The figures for 2009-10 are provisional and that for 2010-11 are Quick Estimates. The figures for 2011-12 are adopted from the budget documents for 2012-13.					

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth rate – Average Interest Rate
Quantum spread	Debt stock X Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenues (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Domar Gap	Nominal GSDP Growth Rate - Average interest Rate

³² Base year 2004-05

Appendix 1.3

Part B – The Kerala Fiscal Responsibility Act

The State Government enacted the Kerala Fiscal Responsibility Act, 2003 which came into force on 5 December 2003 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or thereto.

The Thirteenth Finance Commission has prescribed a fiscal consolidation map which required the State to eliminate revenue deficit by 2014-15 and to achieve fiscal deficit of 3 *per cent* of GSDP by 2013-14. The State was also required to amend their Fiscal Responsibility Act to conform to the above fiscal reform path. Accordingly, the State Government passed the Kerala Fiscal Responsibility (Amendment) Act, 2011 (Act 17 of 2011) on 8 November 2011. According to the Act, the Government is committed to

- reduce the revenue deficit to 'nil' within a period of four years commencing on the 1 April 2011 and ending with the 31 March 2015 by reducing the revenue deficit in the years 2011-12, 2012-13, 2013-14 and 2014-15 in the order of 1.4 *per cent*, 0.9 *per cent*, 0.5 *per cent* and zero *per cent*, respectively, of the gross state domestic product,
- build up surplus amount of revenue and utilise such amount for discharging liabilities in excess of assets;
- reduce the fiscal deficit to 3 *per cent* of the estimated gross state domestic product within a period of three years commencing on the 1 April, 2011 and ending with the 31 March, 2014 by maintaining the fiscal deficit at a level not exceeding 3.5 *per cent* of the gross state domestic product in the years 2011-12 and 2012-13 and reducing it to 3 *per cent* in 2013-14;
- reduce the State's total debt liabilities to 29.8 *per cent* of the estimated gross domestic product within a period of four years commencing on the 1 April, 2011 and ending with the 31 March, 2015 by reducing the total debt liability in the years of 2011-12, 2012-13, 2013-14 and 2014-15 to the order of 32.3 *per cent*, 31.7 *per cent*, 30.7 *per cent* and 29.8 *per cent* respectively of the gross state domestic product;

Outcome indicators given in the Medium Term Fiscal Plan for 2011-12 to 2013-14 are given in the following table.

**Outcome indicators set out in the Medium Term Fiscal Plan for the years
2011-12 to 2013-14**

(*₹ in crore*)

Sl. No.	Item	2008-09 Accounts	2009-10 Accounts	2010-11 Revised Estimates	2011-12 Budget Estimates	Forward estimates	
						2012-13	2013-14
1.	Revenue Receipts	24512	26109	32127	39428	44983	51329
1 (a)	State's Own Tax Revenue	15990	17625	21923	26642	30638	35233
1 (b)	Non Tax Revenue	1559	1852	2236	2531	2860	3232
1 (c)	Resources from Centre	6963	6632	7969	10255	11486	12864
2.	Revenue Expenditure	28224	31132	35863	44961	48111	53274
2(a)	Non-interest Revenue Expenditure	23564	25840	30345	38706	40947	45205
2 (b)	Interest	4660	5292	5518	6255	7164	8069
2 (c)	Salaries	9064	9799	11332	16326	16533	18050
2 (d)	Pensions	4686	4706	5788	7311	6668	7468
2 (e)	Non - SPI Revenue Expenditure	9814	11335	13225	15069	17747	19687
2(e)(i)	Subsidies	329	441	506	647	657	722
2 (e) (ii)	Power Subsidy	0	0	0	0	0	0
2 (e) (iii)	Maintenance and repair	858	734	614	527	580	638
2 (e) (iv)	Devolution to LSGs	2426	2083	2880	3839	5025	5403
2 (e) (v)	Administrative Expenditure	1620	1154	1461	1598	1758	1934
2 (e) (vi)	Other Revenue Expenditure	4581	6924	7764	8458	9727	10991
3.	Revenue Surplus/Deficit	-3712	-5023	-3736	-5533	-3127	-1945
4.	Capital Expenditure	2680	2936	3992	5064	9227	10150
4(a)	Capital outlay	1696	2059	3194	3835	7267	7993
4(b)	Loan disbursements (Net)	984	877	798	1229	1960	2156
4(c)	Non Debt Capital Receipts	45	87	68	91	100	110
5.	Fiscal Deficit/Surplus	-6347	-7872	-7660	-10506	-12254	-11985
6.	Primary Fiscal Deficit/Surplus	-1687	-2579	-2142	-4251	-5091	-3916
7.	End of the period Debt	59340	67120	74643	83532	94882	106871
8.	Debt Service	5004	5569	5842	6616	7573	8533
9.	Salary + Pension + Interest	18410	19797	22638	29892	30364	33586
10.	Explicit Power subsidy	0	0	0	0	0	0
11.	Debt Stock	63270	70969	78317	88747	101017	112724
12.	Government Guarantees	7992	7496	7193	7495	7495	7495
13.	Interest/ Revenue (%)	19.01	20.27	17.18	15.86	15.92	15.72
14.	Debt/ Revenue (%)	258.12	271.81	243.77	225.09	224.57	219.61
15.	(Salary + Pension + Interest)/Revenue (%)	75.11	75.82	70.46	75.81	67.50	65.43
16.	(Salary + Pension + Interest)/ GSDP (%)	9.16	8.60	8.53	9.76	8.66	8.37
17.	(Salary + Pension)/ GSDP (%)	6.84	6.30	6.45	7.72	6.62	6.36
18.	Revenue Deficit/ Revenue Receipt (%)	15.14	19.24	11.63	14.03	6.95	3.79
19.	RD/GSDP (%)	1.85	2.18	1.41	1.81	0.89	0.48
20.	FD/GSDP (%)	3.16	3.42	2.89	3.43	3.50	2.99
21.	Debt stock / GSDP (%)	31.47	30.81	29.52	28.99	28.82	28.08
22.	GSDP (in crore)	201020	230316	265322	306172	350567	401399
23.	Nominal GSDP Growth Rate (%)	21.30	14.57	15.20	15.40	14.50	14.50
24.	Average Interest rate (%)	7.85	7.89	7.39	7.04	7.55	7.55
25.	Domar Gap	13.45	6.69	7.81	8.36	6.95	6.95

Appendix 1.4
Part A-Abstract of receipts and disbursements for the year 2011-12
(Reference: Paragraph 1.1.1; Page 1)

(₹ in crore)

Receipts				Disbursements					
2010-11			2011-12	2010-11		Non-Plan	Plan	Total	2011-12
	Section – A: Revenue								
30990.95	I. Revenue Receipts		38010.36	34664.81	I. Revenue Expenditure	40717.41	5327.21	46044.62	46044.62
21721.69	Own Tax Revenue	25718.60		15418.39	General Services	20227.04	72.98	20300.02	
1930.79	Non-Tax Revenue	2592.18		12110.80	Social Services	12821.94	3401.92	16223.86	
5141.85	State's share of Union Taxes and Duties	5990.36		6847.77	Education, Sports, Art and Culture	8846.92	577.82	9424.74	
490.06	Non-Plan Grants	1433.38		1964.82	Health and Family Welfare	2198.41	581.58	2779.99	
934.22	Grants for State Plan Schemes	904.34		861.11	Water Supply, Sanitation, Housing and Urban Development	320.93	441.62	762.55	
772.34	Grants for Central Plan and Centrally Sponsored Plan Schemes	1371.50		29.72	Information and Broadcasting	22.51	38.43	60.94	
				751.66	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	225.97	832.95	1058.92	
				396.80	Labour and Labour Welfare	216.38	210.21	426.59	
				1218.67	Social Welfare and Nutrition	934.47	719.31	1653.78	
				40.25	Others	56.35		56.35	
				4357.46	Economic Services	4279.35	1852.31	6131.66	
				2064.79	Agriculture and allied activities	2065.37	1033.52	3098.89	
				385.53	Rural Development	246.99	167.37	414.36	
				24.33	Special Areas Programmes		33.97	33.97	
				327.59	Irrigation and Flood control	344.50	17.67	362.17	
				134.35	Energy	57.17	40.96	98.13	
				307.57	Industry and Minerals	109.25	206.61	315.86	
				740.00	Transport	1246.25	84.42	1330.67	
				49.61	Science, Technology and Environment	29.39	54.15	83.54	
				323.69	General Economic Services	180.43	213.64	394.07	
				2778.16	Grants-in-aid and Contributions	3389.08		3389.08	
3673.86	II. Revenue Deficit carried over to Section B		8034.26		Revenue Surplus carried over to Section B				
34664.81	Total - Section A	38010.36	46044.62	34664.81	Total - Section A	40717.41	5327.21	46044.62	46044.62

Appendix 1.4 Part A – Contd.

(₹ in crore)

Receipts				Disbursements					
2010-11			2011-12	2010-11		Non-Plan	Plan	Total	2011-12
	Section B: Others								
4388.26	III. Opening Cash Balance including Permanent Advances, Cash Balance Investment and Investment of earmarked funds		5059.73		III. Opening Overdraft from Reserve Bank of India			Nil	
24.61	IV. Miscellaneous Capital Receipts		16.05	3363.69	IV. Capital Outlay	454.82	3398.10	3852.92	3852.92
				118.55	General Services	67.54	94.80	162.34	
				479.24	Social Services	1.27	593.61	594.88	
				85.59	Education, Sports, Art and Culture	0.08	79.44	79.52	
				98.80	Health and Family Welfare	0.19	117.46	117.65	
				202.30	Water Supply, Sanitation, Housing and Urban Development	1.00	196.62	197.62	
					Information and publicity		0.92	0.92	
				72.37	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		49.09	49.09	
				15.28	Social Welfare and Nutrition		1.34	1.34	
				4.90	Other Social Services		148.74	148.74	
				2765.90	Economic Services	386.01	2709.69	3095.70	
				352.65	Agriculture and allied activities	191.61	138.21	329.82	
				22.49	Other rural development programmes		29.05	29.05	
				292.30	Irrigation and Flood Control	55.86	191.33	247.19	
					Power projects	0.05		0.05	
				364.29	Industry and Minerals		314.47	314.47	
				1698.32	Transport	105.71	1946.52	2052.23	
				1.07	Science, Technology and Environment		0.19	0.19	
				34.78	General Economic Services	32.78	89.92	122.70	

Appendix 1.4 Part A – Concl.

(₹ in crore)

Receipts				Disbursements			
2010-11			2011-12	2010-11			2011-12
44.23 ³³	V. Recoveries of Loans and Advances		54.90	761.74	V. Loans and Advances Disbursed		998.54
--	From Power Projects			--	For Power Projects		
19.29	From Government Servants	23.98		53.75	To Government Servants	144.52	
24.94	From Others	30.92		707.99	To Others	854.02	
	VI. Revenue Surplus brought down			3673.86	VI. Revenue Deficit brought down		8034.26
7188.90	VII. Public Debt Receipts		9798.96	1975.03	VII. Repayment of Public Debt		2893.06
6827.50	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	9391.81		1667.43	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	2522.52	
Nil	Net transactions under Ways and Means Advances excluding overdraft	Nil		Nil	Net transactions under Ways and Means advances excluding overdraft	Nil	
361.40	Loans and Advances from Central Government	407.15		307.60	Repayment of Loans and Advances to Central Government	370.54	
	VIII. Appropriation from the Consolidated Fund		Nil		VIII. Appropriation to Contingency Fund		Nil
26.27	IX. Amount transferred to Contingency Fund		33.92	33.92	IX. Expenditure from Contingency Fund		20.80
73753.97	X. Public Account Receipts		95829.74	70558.27	X. Public Account Disbursements		91200.26
16685.56	Small Savings, Provident Funds, etc.	22981.93		14195.62	Small Savings, Provident Funds, etc.	19142.88	
551.54	Reserve Funds	284.59		144.32	Reserve Funds	137.66	
5637.77	Deposits and Advances	6370.75		5168.86	Deposits and Advances	6422.22	
42746.81	Suspense and Miscellaneous	56922.33		42944.10	Suspense and Miscellaneous	56069.96	
8132.29	Remittances	9270.14		8105.37	Remittances	9427.54	
	XI. Closing Overdraft from Reserve Bank of India			5059.73	XI. Cash Balance at end		3793.46
				27.22	Cash in Treasuries	19.83	
				(-) 0.61	Local Remittances	(-)12.11	
				32.27	Deposits with Reserve Bank	(-)536.95	
				2.65	Departmental cash balance including Permanent Advance	4.34	
				3517.46	Cash Balance Investment	2709.85	
				1480.74	Investment from earmarked funds	1608.50	
85426.24	Total – Section B		110793.30	85426.24	Total – Section B		110793.30

³³ Including Loans and Advances written off ₹ 0.10 crore

Appendix 1.4
Part –B-Summarised financial position of the Government of Kerala
as on 31 March 2012
(Reference: Paragraphs 1.1.1; Page 1 and 1.7.1; Page 28)

(₹ in crore)

As on 31 March 2011	Liabilities		As on 31 March 2012
48528.10	Internal Debt		55397.39
30743.32	Market Loans bearing interest	38239.27	
0.30	Market Loans not bearing interest	0.10	
3330.28	Loans from Life Insurance Corporation of India	3053.41	
340.77	Loans from General Insurance Corporation of India	318.39	
1334.35	Loans from National Bank for Agriculture and Rural Development	1626.35	
224.92	Loans from National Co-operative Development Corporation	229.34	
772.73	Loans from other institutions	640.08	
11781.43	Special securities issued to National Small Savings Fund of the Central Government	11290.45	
6359.08	Loans and Advances from Central Government		6395.69
1.16	Pre 1984-85 Loans	1.16	
30.57	Non-Plan Loans	28.31	
6276.26	Loans for State Plan Schemes	6366.22	
3.71	Loans for Central Plan Schemes	(*)	
47.38	Loans for Centrally Sponsored Plan Schemes	-	
66.08	Contingency Fund(Net)		79.20
23786.06	Small Savings, Provident Funds, etc.		27625.11
3425.39	Deposits		3374.02
1801.79	Reserve Funds		1948.72
868.56	Suspense and Miscellaneous		1720.93
84835.06	Total		96541.06

(*) ₹ 7,000 only.

Appendix 1.4 – Part B Concl.

(₹ in crore)

As on 31 March 2011	Assets		As on 31 March 2012
21030.56³⁴	Gross Capital Outlay on Fixed Assets -		24867.57
3899.69	Investments in shares of Companies, Corporations, etc.	4375.01	
17130.87	Other Capital Outlay	20492.56	
8460.82³⁴	Loans and Advances -		9404.46
2661.65	Loans for Power Projects	2661.64	
5683.18	Other Development Loans	6506.30	
115.99	Loans to Government servants and Miscellaneous loans	236.52	
0.22	Advances		0.32
307.00	Remittance Balances		464.40
58.71	Adjustment on account of retirement/disinvestment		74.62³⁵
5059.73	Cash -		3793.46
26.61	Cash in Treasuries and Local Remittances	7.72	
32.27	Deposits with Reserve Bank	(-)536.95	
2.28	Departmental Cash Balance	3.95	
0.37	Permanent Advances	0.39	
3517.46	Cash Balance Investments	2709.85	
1480.74	Reserve Fund Investments	1608.50	
49918.02	Deficit on Government Account -		57936.23
46268.71	Accumulated deficit at the beginning of the year	49918.02	
3673.86	Add: (i) Revenue Deficit of the current year	8034.26	
0.06	(ii) Miscellaneous Government account	(*)	
24.61	Less: Miscellaneous Capital Receipts	16.05	
84835.06	Total		96541.06

(*) ₹ 8,213

Explanatory Notes

The abridged accounts in Appendix 1.4 have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.4 indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable, depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payment made on behalf of the State and others pending settlement, etc. There was a difference of ₹ 170.45 crore (net debit) between the figures reflected in the accounts ₹ 536.95 crore (credit) and that intimated by the Reserve Bank of India ₹ 366.50 crore (debit). Out of the difference, an amount ₹ 174.67 crore (net debit) has been cleared and the balance of ₹ 4.22 crore is under reconciliation.

³⁴ Balances as on 31 March 2011 differ from those shown in the previous year's account due to *pro forma* adjustments of ₹ 5.65 crore due to conversion of loans in to share capital which were explained in foot note (b)(i) and (d) of Statement no.1 of Finance Accounts 2011-12.

³⁵ Represents the adjustments consequent on reducing the capital outlay due to retirement of capital vide footnote (n) of Statement no.17 of Finance Accounts 2011-12.

Appendix 1.5
Time series data on the State Government finances
(Reference: Paragraphs 1.3; Page 6 and Paragraph 1.7.2; Page 29)

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Part A. Receipts					
1. Revenue Receipts	21107	24512	26109	30991	38010
(i) Tax Revenue	13669 (65)	15990 (65)	17625 (67)	21722 (70)	25719 (67)
Taxes on Agricultural Income	22 ³⁶	12 ³⁶	28 ³⁶	47 ³⁶	43 ³⁶
Taxes on Sales, Trade, etc.	9372 (69)	11377 (71)	12771 (72)	15833 (73)	18939 (74)
State Excise	1169 (9)	1398 (9)	1515 (9)	1700 (08)	1883 (7)
Taxes on Vehicles	853 (6)	937 (6)	1131 (6)	1331 (06)	1587 (6)
Stamps and Registration fees	2028 (15)	2003 (13)	1896 (11)	2552 (12)	2987 (12)
Land Revenue	47 ³⁶	48 ³⁶	54 ³⁶	56 ³⁶	61 ³⁶
Other Taxes	178 (1)	215 (1)	230 (1)	203 (1)	219 (1)
(ii) Non Tax Revenue	1210 (6)	1559 (6)	1852 (7)	1931 (6)	2592 (7)
(iii) State's share in Union taxes and duties	4052 (19)	4276 (18)	4399 (17)	5142 (17)	5990 (16)
(iv) Grants in aid from Government of India	2176 (10)	2687 (11)	2233 (9)	2196 (7)	3709 (10)
2. Miscellaneous Capital Receipts	8	9	49	25	16
3. Recovery of Loans and Advances	45	36	38	44	55
4. Total revenue and Non debt capital receipts (1+2+3)	21160	24557	26196	31060	38081
5. Public Debt Receipts	5644	6921	6616	7189	9799
Internal Debt (excluding Ways & Means Advances and Overdraft)	5227	6153	6053	6828	9392 (96)
Net transactions under Ways and Means Advances excluding Overdraft	...	...	...	...	...
Loans and advances from Government of India	417	768	563	361	407 (4)
6. Total receipts in the Consolidated Fund (4+5)	26804	31478	32812	38249	47880
7. Contingency Fund Receipts	...	80	6	26	34
8. Public Account receipts	48316	56285	61314	73754	95830
9. Total receipts of State (6+7+8)	75120	87843	94132	112029	143744
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	24892 (91)	28224 (91)	31132 (91)	34665 (89)	46045 (90)
Plan	2277 (9)	3212 (11)	4179 (13)	4196 (12)	5327 (12)
Non-Plan	22615 (91)	25012 (89)	26953 (87)	30469 (88)	40718 (88)
General Services (incl. Interest payment)	12184 (49)	12667 (45)	13935 (45)	15418 (44)	20300 (44)
Social Services	7790 (31)	9363 (33)	10467 (34)	12111 (35)	16224 (35)
Economic Services	2819 (11)	3929 (14)	4241 (13)	4358 (13)	6132 (13)
Grants-in-aid and Contributions	2099 (9)	2265 (8)	2489 (8)	2778 (8)	3389 (8)
11. Capital Expenditure	1475 (6)	1696 (6)	2059 (6)	3364 (9)	3853 (8)
Plan	1452 (98)	1671 (99)	1902 (92)	2766 (82)	3398 (88)
Non-Plan	23 (2)	25 (1)	157 (8)	598 (18)	455 (12)
General Services	57 (4)	53 (3)	67 (3)	119 (4)	162 (4)
Social Services	135 (9)	291 (17)	363 (18)	479 (14)	595 (16)
Economic Services	1283 (87)	1352 (80)	1629 (79)	2766 (82)	3096 (80)
12. Disbursement of Loans and Advances	893 (3)	984 (3)	877 (3)	762 (2)	998 (2)
13. Total (10+11+12)	27260	30904	34068	38791	50896

³⁶ Insignificant

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Part B. Expenditure/Disbursement					
14. Repayment of Public Debt	1433	1650	1765	1975	2893
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1177	1358	1499	1667	2522
Net transactions under Ways and Means Advances excluding Overdrafts	...	...	...	...	...
Loans and Advances from Government of India	256	292	266	308	371
15. Appropriation to Contingency Fund	...	...	...	...	...
16. Total disbursement out of Consolidated Fund (13+14+15)	28693	32554	35833	40766	53789
17. Contingency Fund disbursements	80	6	26	34	21
18. Public Account disbursements	46413	53628	57272	70558	91200
19. Total disbursement by the State (16+17+18)	75186	86188	93131	111358	145010
Part C. Deficits					
20. Revenue Deficit (1-10)	3785	3712	5023	3674	8035[#]
21. Fiscal Deficit (4-13)	6100	6347	7872	7731	12815[#]
22. Primary Deficit (21+23)	1770	1687	2580	2041	6521[#]
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	4330	4660	5292	5690	6294
24. Financial Assistance to local bodies, etc.	6245	7591	8616	9798	12099
25. Ways & Means Advances/Overdrafts availed (days)	214	90	18	Nil	Nil
Ways and Means Advances availed (days)	167	90	18	Nil	Nil
Overdraft availed (days)	47	Nil	Nil	Nil	Nil
26. Interest on WMA/Overdraft	13	5	0.54	Nil	Nil
27. Gross State Domestic Product (GSDP) at current prices ³⁷	175141	202783	232381	276997	326693
28. Outstanding Fiscal Liabilities (year end)	58108	66097	74223	82420	93132
29. Outstanding guarantees (year end)	8317	7603	7495	7426	8277
30. Maximum amount guaranteed (year end)	14871	11386	10226	12625	11332
31. Number of incomplete projects/works	140	121	187	241	259
32. Capital blocked in incomplete projects/works ³⁸ (₹ in crore)	1628	1643	973	1117	492

[#]If the debt relief of ₹47.69 crore is not accounted for as revenue receipts, as recommended by the ThFC, the Revenue deficit, Fiscal deficit and Primary deficit would be ₹8,083 crore, ₹12,863 crore and ₹6,569 crore respectively.

³⁷ GSDP figures communicated by Director of Economics and Statistics Department of Government of Kerala. The figures for 2009-10 are provisional and that for 2010-11 are Quick Estimates. The figures for 2011-12 are adopted from the Budget documents 2012-13.

³⁸ Represents progressive amount blocked in incomplete projects/works at the end of the year based on figures collected from departmental heads.

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	7.8	7.9	7.6	7.8	7.9
Own non-tax revenue/GSDP	0.7	0.8	0.8	0.7	0.8
Central Transfers/GSDP	3.6	3.4	2.9	2.6	3.0
II Expenditure Management					
Total Expenditure/GSDP	15.6	15.2	14.7	14.0	15.6
Total Expenditure/Revenue Receipts	129.2	126.1	130.5	125.2	133.9
Revenue Expenditure/Total Expenditure	91.3	91.3	91.4	89.4	90.5
Revenue Expenditure on Social Services/Total Expenditure	28.6	30.3	30.7	31.2	31.9
Revenue Expenditure on Economic Services/Total Expenditure	10.3	12.7	12.4	11.2	12.0
Capital Expenditure/Total Expenditure	5.4	5.5	6.0	8.7	7.6
Capital Expenditure on Social and Economic Services/Total Expenditure.	5.2	5.3	5.8	8.4	7.3
III Management of Fiscal Imbalances					
Revenue deficit/GSDP	(-) 2.2	(-) 1.8	(-) 2.2	(-) 1.3	(-)2.5
Fiscal deficit/GSDP	(-) 3.5	(-) 3.1	(-) 3.4	(-) 2.8	(-)3.9
Primary Deficit /GSDP	(-) 1.01	(-) 0.8	(-) 1.1	(-) 0.7	(-)2.0
Revenue Deficit/Fiscal Deficit	62.0	58.5	63.8	47.5	62.7
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	33.2	32.6	31.9	29.8	28.5
Fiscal Liabilities/RR	275.3	269.7	284.3	265.9	245.0
Primary deficit vis-à-vis quantum spread	1360	3136	2113	6792	2298
Debt Redemption (Principal +Interest)/ Total Debt Receipts (in per cent)	91.7	86.8	88.8	91.9	88.8
V Other Fiscal Health Indicators					
Return on Investment	1.2	1.1	0.8	2.0	1.6
Balance from Current Revenue (₹ in crore)	(-) 2713	(-) 2254	(-) 2155	(-) 910	(-)4974
Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.4

Figures in brackets represent percentages (rounded) to total of each sub-heading.

Appendix 1.6
Gross collection in respect of major taxes and duties *vis-à-vis* budget estimates and the expenditure incurred on their collection
(Reference: Paragraph 1.3.1.2; Page 11)

(₹ in crore)

Sl. No.	Head of revenue	Year	Budget Estimate	Collection	Expenditure on collection of revenue	Percentage of expenditure to gross collection	All India average percentage of expenditure to gross collection
1.	Tax on sales, trade etc.	2007-08	10035.51	9371.76	89.75	0.96	0.83
		2008-09	10616.39	11377.13	102.59	0.90	0.88
		2009-10	12733.94	12770.89	126.01	0.99	0.96
		2010-11	15125.69	15833.11	115.61	0.73	0.75
		2011-12	19427.90	18938.83	166.55	0.88	Not available
2.	Stamps (non-judicial) and registration fees	2007-08	1449.47	1946.08	77.64	3.99	2.09
		2008-09	2320.46	1931.75	82.97	4.30	2.77
		2009-10	2630.30	1812.89	100.70	5.55	2.47
		2010-11	2095.43	2477.19	101.56	4.10	1.60
		2011-12	3148.42	2906.90	144.85	4.98	Not available
3.	State excise	2007-08	986.86	1169.25	69.40	5.94	3.27
		2008-09	1299.85	1397.64	72.84	5.21	3.66
		2009-10	1440.52	1514.81	83.31	5.50	3.64
		2010-11	1836.21	1699.54	92.51	5.44	3.05
		2011-12	2059.05	1883.18	144.69	7.68	Not available
4.	Taxes on vehicles	2007-08	835.08	853.17	26.00	3.05	2.58
		2008-09	1008.64	937.45	30.05	3.21	2.93
		2009-10	958.63	1131.10	33.96	3.00	3.07
		2010-11	1301.88	1331.37	35.55	2.67	3.71
		2011-12	1410.73	1587.13	53.26	3.36	Not available

Appendix 1.7
Summarised financial statement of Departmentally managed Commercial/Quasi-commercial Undertakings
(Reference: Paragraph 1.6.4; Page 25)

(₹ in crore)

Sl. No.	Name of the Undertaking	Period of accounts	Government investment	Block assets at depreciated cost	Depreciation provided during the Year	Turnover	Net profit/ Loss	Interest on Capital	Total return
1	2	3	4	5	6	7	8	9	10 (8+9)
1.	State Water Transport Department	2007-08	158.99	7.17	0.61	4.50	(-) 17.23	1.44	(-) 15.80
2.	Kerala State Insurance Department	2008-09	3.18	0.20	0.03	127.00	11.40	Nil	11.40
3.	Text Book Office	2003-04	21.26	No fixed assets	..	24.73	(-) 5.61	1.36	(-) 4.25

Source : *pro forma* accounts of the respective undertakings.

Appendix 2.1
Savings in excess of ₹ 10 crore in each case and more than 20 per cent of the
total provision
(Reference: Paragraph 2.3.1; Page 42)

(₹ in crore)

Sl.No.	Grant number and Name	Total Grant/ Appropriation	Savings	Percentage of savings
Revenue - Voted				
1.	XX Water Supply and Sanitation	603.83	220.79	36.56
2.	XXII Urban Development	645.52	371.44	57.54
3.	XXIV Labour and Labour Welfare	584.27	155.01	26.33
4.	XXXVI Community Development	457.61	187.61	41.00
5.	XXXVIII Irrigation	320.87	87.30	27.21
6.	XLII Tourism	197.19	48.98	24.84
Capital - Voted				
7.	XVII Education, Sports, Art and Culture	229.58	151.01	65.78
8.	XVIII Medical and Public Health	162.20	44.74	27.58
9.	XX Water Supply and Sanitation	533.64	210.50	39.45
10.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	100.51	51.42	51.16
11.	XXIX Agriculture	227.30	135.03	59.41
12.	XXXV Panchayat	71.74	45.00	62.73
13.	XXXVIII Irrigation	739.23	576.13	77.94
14.	XXXIX Power	36.05	36.00	99.86
Capital - Charged				
15.	Public Debt Repayment	9145.37	6252.31	68.37
Total		14054.91	8573.27	

Appendix 2.2
Statement of persistent savings for the last three years
(Savings of ₹ five crore and above in each case)
(Reference: Paragraph 2.3.2, Page 46)

(₹ in crore)

Sl. No.	Grant number	Head of account	Financial year	Budget provision	Actual Expenditure	Savings
1.	VI	2029-00-102-99-Survey Department (General)	2009-2010	9.57	4.39	5.18
			2010-2011	14.29	4.48	9.81
			2011-2012	13.14	6.85	6.29
2.	XII	2055-00-104-99-Armed Police	2009-2010	145.16	89.95	55.21
			2010-2011	145.44	114.41	31.03
			2011-2012	202.44	188.14	14.30
3.	XV	2059-80-001-97-Execution	2009-2010	64.33	55.92	8.41
			2010-2011	69.41	61.79	7.62
			2011-2012	93.98	88.43	5.55
4.	XIV	2070-00-108-98-Protection and Control	2009-2010	54.54	46.79	7.75
			2010-2011	65.51	46.18	19.33
			2011-2012	92.44	71.71	20.73
5.	XVII	2202-02-109-99-Secondary Schools	2009-2010	525.93	443.29	82.64
			2010-2011	523.04	488.87	34.17
			2011-2012	767.96	717.71	50.25
6.	XVII	2202-02-109-86-Higher Secondary Education (Plus two Courses)	2009-2010	356.32	227.66	128.66
			2010-2011	397.08	280.94	116.14
			2011-2012	580.56	403.62	176.94
7.	XVII	2202-02-110-95-Aided Vocational Higher Secondary Schools-Teaching Grant	2009-2010	61.01	54.59	6.42
			2010-2011	71.97	62.98	8.99
			2011-2012	101.37	90.19	11.18
8.	XVII	2202-03-104-99-Salaries to the staff under the Direct Payment System	2009-2010	501.57	418.14	83.43
			2010-2011	560.25	504.05	56.20
			2011-2012	957.48	754.08	203.40
9.	XVII	2204-00-104-24-35 th National Games	2009-2010	20.25	4.30	15.95
			2010-2011	58.47	5.00	53.47
			2011-2012	20.50	0.50	20.00
10.	XVII	4202-02-800-95-ITI Buildings Works	2009-2010	7.14	0.17	6.97
			2010-2011	9.00	0.57	8.43
			2011-2012	11.25	1.73	9.52
11.	XVIII	2210-01-110-97-Allopathy Medical College Hospital, Kozhikode	2009-2010	34.24	27.98	6.26
			2010-2011	40.29	28.93	11.36
			2011-2012	47.31	40.04	7.27
12.	XVIII	2210-02-102-99-Hospitals and Dispensaries	2009-2010	44.84	39.15	5.69
			2010-2011	50.91	43.85	7.06
			2011-2012	69.71	61.96	7.75
13.	XVIII	2210-06-101-91-Leprosy Control Scheme	2009-2010	19.66	6.19	13.47
			2010-2011	23.05	6.24	16.81
			2011-2012	31.85	9.25	22.60

Sl. No.	Grant number	Head of account	Financial year	Budget provision	Actual Expenditure	Savings
14.	XX	2215-01-190-99-Grant-in-aid to the Kerala Water Authority	2009-2010	285.16	268.16	17.00
			2010-2011	258.43	190.43	68.00
			2011-2012	280.86	240.12	40.74
15.	XX	2215-01-800-67-Add-on Project of Jalanidhi	2009-2010	31.00	0.00	31.00
			2010-2011	100.00	6.00	94.00
			2011-2012	112.50	25.00	87.50
16.	XXII	2217-05-191-80- Integrated Housing and Slum Development Programme (State Scheme)	2009-2010	38.40	0.57	37.83
			2010-2011	20.62	1.75	18.87
			2011-2012	16.50	0.00	16.50
17.	XXII	2217-05-192-82-Swarna Jayanthi Shahari Rozgar Yojana (SJSRY) (75% CA)	2009-2010	7.68	0.00	7.68
			2010-2011	8.95	0.00	8.95
			2011-2012	9.46	2.36	7.10
18.	XXII	2217-05-192-81-Integrated Housing and Slum Development Programme (State Scheme)	2009-2010	89.60	35.08	54.52
			2010-2011	48.12	38.92	9.20
			2011-2012	38.50	6.75	31.75
19.	XXII	2217-05-800-89-Jawaharlal Nehru National Urban Renewal Mission (Central Assistance)	2009-2010	248.65	76.34	172.31
			2010-2011	223.59	32.49	191.10
			2011-2012	175.60	108.18	67.42
20.	XXII	2217-05-800-83-Basic Services to the Urban Poor (BSUP)	2009-2010	200.00	26.14	173.86
			2010-2011	102.00	74.82	27.18
			2011-2012	121.00	0.83	120.17
21.	XXII	2217-80-800-91-Kerala Sustainable Urban Development Project	2009-2010	220.91	150.00	70.91
			2010-2011	279.67	71.00	208.67
			2011-2012	105.00	50.00	55.00
22.	XXVI	2245-01-101-99-Supply of Seeds, Fertilizers and Agricultural Implements	2009-2010	9.00	0.13	8.87
			2010-2011	13.00	0.55	12.45
			2011-2012	14.02	0.00	14.02
23.	XXIX	2702-01-800-94-Minor Irrigation Projects Maintenance	2009-2010	77.60	58.77	18.83
			2010-2011	68.02	55.73	12.29
			2011-2012	61.65	48.45	13.20
24.	XXXVI	2515-00-001-49-Recurring expenditure on Personnel Retained on NES Pattern	2009-2010	79.52	74.35	5.17
			2010-2011	83.73	67.56	16.17
			2011-2012	119.95	98.82	21.13
25.	XXXVI	2515-00-102-61-Restructured Central Rural Sanitation Programme	2009-2010	20.42	4.44	15.98
			2010-2011	40.00	11.32	28.68
			2011-2012	40.00	0.73	39.27
26.	XLI	3056-00-001-98-Operation	2009-2010	23.97	16.70	7.27
			2010-2011	26.52	18.37	8.15
			2011-2012	35.62	25.25	10.37
27.	XLI	5075-60-800-86-Development of Feeder Canals connecting the National Water Way III (RIDF Scheme)	2009-2010	40.00	0.00	40.00
			2010-2011	40.00	0.00	40.00
			2011-2012	40.00	4.75	35.25
28.	XLVI	2235-60-200-76-National Social Assistance Programme	2009-2010	107.00	28.92	78.08
			2010-2011	100.34	16.22	84.12
			2011-2012	57.77	18.25	39.52

Appendix 2.3
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.4; Page 48)

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
1990-91	1 Grant	Revenue - XXVIII	3658715	Notes considered by PAC. Appropriation Act not yet passed
1992-93	1 Grant	Capital - XXV	367400	Notes considered by PAC. Appropriation Act not yet passed
1995-96	1 Grant	Revenue - XXVI	211210533	Notes considered by PAC. Appropriation Act not yet passed
1996-97	1 Appropriation	Capital- XXV	32791	Notes considered by PAC. Appropriation Act not yet passed
1997-98	1 Grant	Capital - XXV	39265631	Notes considered by PAC. Appropriation Act not yet passed
1998-99	1 Grant	Revenue - XXV	78764570	Notes considered by PAC. Appropriation Act not yet passed
2000-01	1 Grant	Revenue - XXV	146560697	Notes considered by PAC. Appropriation Act not yet passed
2001-02	2 Grants	Revenue - XI	193559472	Notes considered by PAC. Appropriation Act not yet passed
		Capital - XVIII	97209059	Notes considered by PAC. Appropriation Act not yet passed
2003-04	3 Grants	Revenue - XVII	1218609617	Final copies of the notes received. Not yet discussed by PAC
		Revenue - XI	41122987	Notes considered by PAC. Appropriation Act not yet passed
		Revenue - XLIII	26400000	Notes considered by PAC. Appropriation Act not yet passed
2006-07	1 Grant	Revenue - XLII	12772873	Notes considered by PAC. Appropriation Act not yet passed
2008-09	5 Grants	Revenue-VII	35486464	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-IX	2422867	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-XII	2837441	Notes considered by PAC. Appropriation Act not yet passed
		Capital-XII	1986814	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-XV	992290290	Notes considered by PAC. Appropriation Act not yet passed
	1 Appropriation	Capital- XXXVIII	662216	Notes considered by PAC. Appropriation Act not yet passed

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
2009-10	2 Appropriations	Revenue – XI	161640	Notes considered by PAC. Appropriation Act not yet passed
		Revenue – XVI	27128083	Initial notes not yet received. Not yet discussed by PAC
	8 Grants	Revenue-III	1040075	Notes considered by PAC. Appropriation Act not yet passed
		Revenue-XXVIII	13036755	Final copies of the notes received. Not yet discussed by PAC
		Revenue –XXXIV	32216217	Final copies of the notes received. Not yet discussed by PAC
		Revenue-IX	16630122	Notes vetted by Audit. Final copies of the notes not yet received. Not yet discussed by PAC
		Revenue-V	58149523	Initial notes not yet received. Not yet discussed by PAC
		Revenue-VII	55510479	Initial notes not yet received. Not yet discussed by PAC
		Capital-XIX	4016	Final copies of the notes received. Not yet discussed by PAC
		Revenue – XXXI	26833060	Initial notes not yet received. Not yet discussed by PAC
2010-11	1 Grant	Capital – XII	1439000	Initial notes not yet received. Not yet discussed by PAC
	2 Appropriations	Capital-XXIX	54916	Final copies of the notes received. Not yet discussed by PAC
		Capital-XXXII	83	Final copies of the notes received. Not yet discussed by PAC
Total			3337424406	

Appendix 2.4
Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary
(Reference: Paragraph 2.3.5, Page 48)

(₹ in crore)

Sl. No.	Number and name of Grant	Original Provision	Actual Expenditure	Savings out of original provision	Supplementary provision
Revenue - Voted					
1.	III Administration of Justice	339.71	330.52	9.19	15.15
2.	IV Elections	109.03	100.01	9.02	1.20
3.	VI Land Revenue	337.01	310.51	26.50	2.57
4.	X Treasury and Accounts	153.55	150.48	3.07	2.08
5.	XIV Stationery and Printing and Other Administrative Services	317.02	292.86	24.16	10.09
6.	XVII Education, Sports, Art and Culture	10019.15	9564.38	454.77	66.93
7.	XX Water Supply and Sanitation	602.83	383.04	219.79	1.00
8.	XXI Housing	122.49	105.54	16.95	4.12
9.	XXII Urban Development	623.02	274.08	348.94	22.50
10.	XXIV Labour and Labour Welfare	529.44	429.26	100.18	54.83
11.	XXVI Relief on account of Natural Calamities	314.82	272.89	41.93	9.03
12.	XXIX Agriculture	1451.97	1372.60	79.37	95.20
13.	XXXIV Forest	317.63	304.58	13.05	5.70
14.	XXXV Panchayat	191.70	185.31	6.39	16.79
15.	XXXVI Community Development	350.29	270.00	80.29	107.32
16.	XXXVIII Irrigation	320.27	233.57	86.70	0.60
17.	XLII Tourism	186.92	148.21	38.71	10.26
Capital - Voted					
18.	XVII Education, Sports, Art and Culture	174.45	78.57	95.88	55.13
19.	XXI Housing	301.34	299.15	2.19	7.07
20.	XXIX Agriculture	154.94	92.27	62.67	72.36
21.	XXXVIII Irrigation	532.87	163.10	369.77	206.35
22.	XLI Transport	361.39	319.25	42.14	27.35
Total		17811.84	15680.18	2131.66	793.63

Appendix 2.5
Cases of excessive supplementary Grants/Appropriations
(Savings of ₹ one crore and above)
(Reference: Paragraph 2.3.5, Page 48)

(₹ in crore)

Sl. No.	Number and name of Grant/Appropriation	Original	Supplementary	Total	Expenditure	Savings	Surrender of funds	Net Savings(-)/ Excess(+)
Revenue - Voted								
1.	II Heads of States, Ministers and headquarters staff	307.46	14.78	322.24	313.66	8.58	13.87	(-) 5.29
2.	XV Public Works	1477.14	314.10	1791.24	1601.36	189.88	84.46	105.42
3.	XVIII Medical and Public Health	2406.39	171.32	2577.71	2477.05	100.66	86.86	13.80
4.	XXIII Information and Publicity	47.37	18.06	65.43	61.07	4.36	3.42	0.94
5.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	940.55	197.78	1138.33	1062.87	75.46	63.05	12.41
6.	XXVII Co-operation	166.35	36.78	203.13	185.36	17.77	1.35	16.42
7.	XXX Food	619.05	208.95	828.00	813.25	14.75	16.16	(-) 1.41
8.	XXXI Animal Husbandry	323.50	23.75	347.25	336.23	11.02	17.41	(-) 6.39
9.	XXXII Dairy	98.46	9.07	107.53	106.04	1.49	0.55	0.94
10.	XXXIII Fisheries	151.41	62.94	214.35	211.99	2.36	3.02	(-) 0.66
11.	XXXVII Industries	299.64	24.94	324.58	317.80	6.78	2.51	4.27
12.	XLIII Compensation and Assignments	3336.48	83.35	3419.83	3398.76	21.07	0.27	20.80
13.	XLVI Social Security and Welfare	1255.01	398.36	1653.37	1531.80	121.57	55.28	66.29
Revenue - Charged								
14.	XVI Pensions and Miscellaneous	12.05	29.98	42.03	34.95	7.08	5.68	1.40
Capital - Voted								
15.	XV Public Works	1479.13	446.08	1925.21	1796.32	128.89	64.79	64.10
16.	XVIII Medical and Public Health	75.35	86.85	162.20	117.46	44.74	24.19	20.55
17.	XXIV Labour and Labour Welfare	147.10	3.85	150.95	148.74	2.21	1.46	0.75
18.	XXXI Animal Husbandry	21.25	1.89	23.14	21.27	1.87	2.85	(-) 0.98
19.	XXXIII Fisheries	103.47	20.56	124.03	106.99	17.04	16.81	0.23
20.	XXXV Panchayat	20.05	51.69	71.74	26.74	45.00	45.00	0.00
21.	XXXVII Industries	359.78	113.13	472.91	458.44	14.47	8.50	5.97
22.	XL Ports	174.76	50.00	224.76	214.07	10.69	10.67	0.02
23.	XLV Miscellaneous Loans and Advances	106.87	40.00	146.87	144.52	2.35	1.88	0.47
Total		13928.62	2408.21	16336.83	15486.74	850.09	530.04	

Appendix 2.6
Statement of various Grants/Appropriations where Supplementary provision
proved insufficient by more than ₹ one crore each
(Reference: Paragraph 2.3.5, Page 48)

(₹ in crore)

Sl. No.	Number and name of Grant	Original provision	Supplementary provision	Total	Expenditure	Excess
Revenue - Voted						
1.	V Agricultural Income Tax and Sales Tax	170.50	10.37	180.87	183.56	2.69
2.	VIII Excise	138.62	1.40	140.02	144.77	4.75
3.	XI District Administration and Miscellaneous	338.68	14.39	353.07	361.35	8.28
4.	XII Police	1609.83	9.71	1619.54	1724.02	104.48
5.	XIII Jails	60.31	3.42	63.73	64.76	1.03
6.	XVI Pensions and Miscellaneous	7886.78	1215.35	9102.13	9672.30	570.17
7.	XXVIII Miscellaneous Economic Services	84.63	3.61	88.24	90.52	2.28
8.	XLI Transport	45.32	60.55	105.87	120.78	14.91
Revenue - Charged						
9.	II Heads of States, Ministers and headquarters staff	83.07	3.91	86.98	89.53	2.55
Capital - Voted						
10.	XLII Tourism	20.52	90.53	111.05	120.64	9.59
Total		10438.26	1413.24	11851.50	12572.23	720.73

Appendix 2.7
Excess/Unnecessary/Insufficient re-appropriation of funds
(Reference: Paragraph 2.3.6; Page 48)

(₹ in crore)

Sl. No	Grant number and description	Head of account	Re-appropriation	Final Excess (+)/saving(-)
1	II Heads of States, Ministers and Headquarters Staff	2051-00-102-99(NP)	(-) 3.08	6.18
2.		2052-00-090-96(NP)	0.25	4.14
3.		2052-00-090-99(NP)	0.41	6.07
4.		2251-00-090-99(NP)	(-)0.01	3.20
5.		3451-00-090-99(NP)	(-)0.23	(-)3.06
6.		3451-00-101-53(P)	(-)4.88	11.40
7.		3451-00-101-87(P)	0.00	(-)10.13
8.	IV Elections	2015-00-103-99(NP)	12.72	(-)3.05
9.		2015-00-106-99(NP)	(-)16.58	(-)4.50
10.	V Agricultural Income Tax and Sales Tax	2040-00-101-97(NP)	(-)6.02	8.35
11.	VI Land Revenue	2029-00-101-99(NP)	2.12	6.19
12.		2029-00-102-95(NP)	(-)11.91	2.18
13.	VII Stamps and Registration	2030-02-102-99(NP)	0.83	2.17
14.	VIII Excise	2039-00-001-99(NP)	2.48	3.46
15.	Debt Charges	2049-03-104-99(NP)	89.86	15.01
16.		2049-03-115-98(NP)	46.50	(-)13.28
17.		2049-03-115-99(NP)	(-)89.75	16.44
18.	X Treasury and Accounts	2054-00-097-98(NP)	2.00	(-)2.44
19.	XI District Administration and Miscellaneous	2053-00-093-99(NP)	1.81	3.11
20.		2053-00-094-99(NP)	4.51	3.92
21.	XII Police	2055-00-003-98(NP)	3.81	(-)2.73
22.		2055-00-101-98(NP)	(-)5.15	6.67
23.		2055-00-101-99(NP)	5.28	5.01
24.		2055-00-104-99(NP)	(-)16.83	2.53
25.		2055-00-109-99(NP)	25.94	98.62
26.		2055-00-111-99(NP)	4.34	(-)2.47
27.		2055-00-114-99(NP)	0.19	(-)2.87
28.		2055-00-115-99(NP)	(-)2.56	3.36
29.		2055-00-800-84(P)	⁽³⁹⁾	(-)4.47
30.		2055-00-800-99(NP)	⁽⁴⁰⁾	3.06

³⁹ ₹ (-)10,000

⁴⁰ ₹ (-)1,000

Sl. No	Grant number and description	Head of account	Re-appropriation	Final Excess (+)/saving(-)
31.	XV Public Works	2059-80-001-97(NP)	1.73	(-)7.28
32.		3054-03-337-98(NP)	(-)9.51	(-)28.54
33.		3054-04-105-98(NP)	(-)49.20	(-)8.93
34.		3054-80-001-99(NP)	0.01	(-)2.04
35.		4059-01-051-71(NP)	(-)82.35	(-)28.53
36.		5054-03-337-95(P)	(-)3.13	(-)3.76
37.		5054-03-337-98(P)	16.02	2.88
38.		5054-04-101-96(P)	(-)46.27	(-)3.85
39.		5054-04-337-88(P)	(-)11.22	11.22
40.		5054-04-337-98(P)	8.83	(-)2.49
41.		5054-80-001-99(P)	174.45	(-)2.63
42.		5054-80-800-69(NP)	(-)154.51	(-)40.49
43.		XVI Pensions and Miscellaneous	2075-00-103-99(NP)	(-)10.92	(-)2.92
44.	XVII Education, Sports, Art and Culture	2202-01-101-98(NP)	(-)0.45	38.14
45.		2202-01-101-99(NP)	(-)1.54	97.61
46.		2202-01-102-99(NP)	(-)1.42	9.67
47.		2202-01-104-99(NP)	(-)0.07	3.97
48.		2202-01-107-97(P)	(-)3.60	5.29
49.		2202-02-001-98(NP)	(-)0.09	4.78
50.		2202-02-001-99(NP)	(-)0.18	2.32
51.		2202-02-101-99(NP)	(-)0.32	(-)2.06
52.		2202-02-109-78(NP)	(-)0.10	(-)26.02
53.		2202-02-109-86(NP)	0.25	(-)177.10
54.		2202-02-109-93(NP)	(-)0.04	(-)3.75
55.		2202-02-109-99(NP)	(-)1.45	(-)48.79
56.		2202-02-110-94(NP)	0.24	(-)23.56
57.		2202-02-110-95(NP)	0.02	(-)11.20
58.		2202-02-110-99(NP)	(-)0.60	(-)42.04
59.		2202-03-103-99(NP)	(-)40.66	14.43
60.		2202-03-104-99(NP)	(-)63.91	(-)139.49
61.		2202-80-800-52(NP)	(-)0.16	11.33
62.		2203-00-003-99(P)	(-)0.18	5.31
63.		2203-00-105-91(NP)	(-)3.84	2.06
64.		2203-00-105-99(NP)	(-)13.65	13.12
65.		2203-00-112-81(NP)	(-)1.86	8.37
66.		2203-00-112-82(NP)	2.91	5.50
67.		2203-00-112-99(NP)	6.51	9.27
68.	2204-00-104-88(P)	3.35	(-)3.35	

Sl. No	Grant number and description	Head of account	Re-appropriation	Final Excess (+)/saving(-)	
69.	XVIII Medical and Public Health	2210-01-104-99(NP)	(-)0.04	(-)2.97	
70.		2210-01-110-90(NP)	(-)0.02	(-)3.59	
71.		2210-01-110-91(NP)	(-)0.06	(-)2.01	
72.		2210-01-110-94(NP)	0.08	(-)3.47	
73.		2210-01-110-95(NP)	0.13	(-)2.66	
74.		2210-01-110-96(NP)	2.18	(-)15.59	
75.		2210-01-110-97(NP)	(-)1.04	(-)6.23	
76.		2210-01-110-98(NP)	(-)3.64	7.57	
77.		2210-02-101-97(NP)	(-)0.25	2.68	
78.		2210-02-101-99(NP)	5.69	(-)4.99	
79.		2210-02-102-99(NP)	(-)0.44	(-)7.31	
80.		2210-03-103-99(NP)	(-)5.12	47.62	
81.		2210-03-110-99(NP)	(-)5.26	(-)7.81	
82.		2210-05-105-75(NP)	(-)0.04	(-)4.32	
83.		2210-05-105-94(NP)	0.13	3.31	
84.		2210-05-105-95(NP)	(-)0.14	4.18	
85.		2210-05-105-96(NP)	0.15	(-)9.63	
86.		2210-05-105-97(NP)	(-)0.66	9.56	
87.		2210-05-105-98(NP)	(-)0.82	4.03	
88.		2210-06-003-97(NP)	⁽⁴¹⁾	19.53	
89.		2210-06-101-79(NP)	(-)0.01	(-)4.83	
90.		2210-06-101-80(NP)	(-)0.02	2.17	
91.		2210-06-101-85(NP)	(-)0.02	(-)5.47	
92.		2210-06-101-91(NP)	(-)0.12	(-)22.48	
93.		2210-06-101-97(NP)	0.07	(-)2.95	
94.		XIX Family Welfare	2211-00-101-96(NP)	0.11	(-)14.24
95.			2211-00-101-99(P)	0.43	64.86
96.			2211-00-200-96(NP)	(-)0.07	(-)2.66
97.		XXIV Labour and Labour Welfare	2230-01-103-30(P)	(-)49.96	3.85
98.		Welfare of Scheduled Castes/ XXV Scheduled Tribes and Other Backward Classes	2225-01-001-98(NP)	(-)0.72	2.25
99.			2225-01-197-50(P)	(-)4.62	(-)8.61
100.			2225-01-197-50(NP)	(-)0.39	4.15
101.			2225-01-800-26(P)	(-)7.71	(-)3.00
102.	2225-01-800-57(P)		(-)1.77	(-)10.36	
103.	2225-02-197-50(P)		(-)0.93	4.33	
104.	2225-02-794-99(NP)		(-)2.51	2.54	
105.	2225-02-800-20(P)		(-)0.79	(-)3.41	
106.	4225-02-277-51(P)		(-)13.07	(-)5.74	

⁴¹ ₹ 11,000

Sl. No	Grant number and description	Head of account	Re-appropriation	Final Excess (+)/saving(-)
107.	XXVII Co-operation	2425-00-001-98(NP)	(-)0.17	(-)5.59
108.		2425-00-101-99(NP)	(-)0.15	(-)8.73
109.	XXVIII Miscellaneous Economic Services	3475-00-201-99(NP)	(-)1.98	2.53
110.	XXIX Agriculture	2401-00-113-96(NP)	(-)3.86	2.51
111.		2702-02-005-99(NP)	(-)3.66	3.41
112.	XXX Food	4408-01-101-99(NP)	(-)2.00	2.63
113.	XXXI Animal Husbandry	2403-00-101-98(NP)	0.03	5.62
114.		2403-00-101-99(NP)	0.01	4.57
115.		2403-00-102-96(NP)	(-)0.07	3.82
116.		2403-00-103-99(NP)	0.05	(-)4.52
117.	XXXIV Forest	2406-01-101-83(P)	(-)2.69	2.51
118.	XXXV Panchayat	2515-00-001-90(NP)	19.79	(-)4.61
119.		2515-00-001-92(NP)	77.16	9.15
120.	XXXVI Community Development	2515-00-001-49(NP)	(-)7.26	(-)13.87
121.		2515-00-001-50(NP)	(-)0.01	(-)2.01
122.	XXXVIII Irrigation	2701-80-001-97(NP)	(-)0.21	(-)6.64
123.	XLII Tourism	5452-01-800-94(P)	6.51	8.73
124.	XLVI Social Security and Welfare	2235-02-102-98(P)	70.64	(-)3.71
125.		2235-60-107-99(NP)	6.45	(-)2.45
126.		2235-60-192-50(NP)	(-)0.10	(-)3.37
127.		2235-60-198-50(NP)	(-)4.69	(-)17.00

Appendix 2.8
Results of review of substantial surrenders made during the year
(Reference: Paragraph 2.3.7; Page 49)

(₹ in crore)

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
1.	VI Land Revenue	Digitisation Centres at Resurvey completed Taluk Headquarters (2029-00-103-96)	4.00	100	Due to Non-receipt of Administrative sanction.
2.	XV Public Works	Sainik School (4059-80-051-78)	1.25	100	Due to non-arrangement of works
3.	XVII Education, Sports, Art and Culture	Improved Chulah programme for total Housing Campaign (2810-00-800-85)	5.00	100	Non-implementation of Plan activities
4.		Demonstration project on smart building. (2810-00-800-88)	2.00	100	Reasons not intimated (July 2012)
5.		Non- Conventional Sources of Energy (2810-00-800-90)	1.00	100	Reasons not intimated (July 2012)
6.		Scheme for Small Hydrogeneration (RIDF) (2810-00-800-91)	5.00	100	Due to non-implementation of Plan activities.
7.		Toilets for girls in Higher Secondary Schools (one time ACA) (4202-01-202-94)	6.00	100	Reasons not intimated (July 2012)
8.		Toilets for girls in Higher Secondary Schools (4202-01-202-95)	4.00	100	Reasons not intimated (July 2012)
9.		Construction of building for Directorate of Higher Secondary Education and Vocational Higher Secondary Education Department. (4202-01-202-96)	6.00	100	Reasons not intimated (July 2012)
10.		Construction of Women's Hostels in Government Colleges. (4202-01-203-89)	3.50	100	Reasons not intimated (July 2012)
11.		Construction of Rest Rooms dressing Rooms and toilets for Women in ITIs (4202-02-800-86)	1.50	100	Reasons not intimated (July 2012)
12.		Construction of Women's Hostel in ITIs.(4202-02-800-87)	1.50	100	Reasons not intimated (July 2012)
13.	XVIII Medical and Public Health	Assistance to Kerala State Homoeo Co-operative Pharmacy Limited – Alappuzha (2210-02-001-94)	4.00	100	Delay in implementation of the project
14.		K.R.Narayanan Memorial Speciality Hospital in Uzhavoor – Phase II. (4210-01-110-71)	1.00	100	Due to slow progress of work.
15.		Indian Institute of Diabetes. (4210-01-200-95)	1.00	100	Due to slow progress of work.
16.		Construction Works under Directorate of Indian System of Medicine. (4210-02-103-94)	2.00	100	Due to slow progress of work.

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
17.	XVIII Medical and Public Health	Maintenance and Renovation of Homoeopathic Institutions under Directorate of Homoeopathy. (4210-02-110-87)	2.00	100	Due to slow progress of work.
18.		Establishment of Medical University. (4210-03-001-94)	5.00	100	Due to slow progress of work.
19.		Establishment of separate Directorate for Homoeo Medical Education. (4210-03-001-95)	2.00	100	Due to slow progress of work.
20.		Strengthening of Nursing/ Pharmacy College in Homoeopathy. (4210-03-102-97)	2.50	100	Due to slow progress of work.
21.	XX Water Supply and Sanitation	Installation of plants for the removal of iron content from drinking water. (2215-01-800-57)	1.00	100	Due to slow progress of work.
22.		Water Supply Scheme to Erumely Panchayat. (2215-01-800-58)	5.00	100	Due to slow progress of work.
23.		Water Supply Scheme to Malabar Cancer Centre, Thalassery. (2215-01-800-59)	1.40	100	Due to slow progress of work.
24.		Scaling up of Rain water Harvesting and GWR programme through KRWSA. (2215-01-800-64)	5.00	100	Non receipt of administrative sanction.
25.		Manufacturing units for bottled water. (2215-01-800-78)	1.00	100	Slow progress of work.
26.	XXII Urban Development	Integrated Housing and Slum Development programme. (2217-05-191-80)	16.50	100	Non-implementation of the Scheme
27.		Special Grant to the seven newly formed Municipalities for infrastructure Development. (2217-80-192-40)	10.50	100	Non-implementation of the Scheme
28.		Ayyankali Urban Development Guarantee Scheme. (2217-80-800-76)	5.00	100	Non-implementation of the Scheme
29.		Rajeev Awas Yojana. (2217-80-800-77)	1.00	100	Non-implementation of the Scheme
30.	XXIII Information and Publicity	Establishment of Software Testing lab at C-Dit. (4220-60-800-99)	1.40	100	Non-establishment of software testing lab.
31.	XXIV Labour and Labour Welfare	Pravasi Legal Aid Cell (PLAC) (2230-01-103-23)	2.14	100	Non-implementation of plan activities
32.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	Construction of hostels for girls (50% State share) (4225-03-277-99)	3.00	100	Reasons not intimated (July 2012)

Sl. No.	Number and title of the Grant	Name of the Scheme (Head of Account)	Amount of Surrender	Percentage of Surrender	Reasons
33.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	Dr.Ambedkar Bhavan. (4225-80-800-99)	3.00	100	Reasons not intimated (July 2012)
34.	XXVI Relief on account of Natural Calamities	Food and Clothing. (2245-01-101-98)	2.00	100	Due to less requirement of funds
35.		Assistance to farmers for purchase of Agricultural input. (2245-02-114-99)	2.99	100	Due to less requirement of funds
36.		Assistance to farmers to clear sand/silt salinity from lands. (2245-02-115-99)	1.50	100	Due to less requirement of funds
37.	XXVII Co-operation	Primary Land Mortgage Banks – Investments. (4425-00-107-97)	5.00	100	Non-approval of projects by NABARD
38.		Service co-operative Societies – Investments. (4425-00-107-98)	1.50	100	Non approval of projects by NABARD
39.		Apex and Central Banks – Investments. (4425-00-107-99)	4.50	100	Non approval of projects by NABARD
40.	XXIX Agriculture	Maintenance of Irrigation Scheme under 13 th Finance Commission Award. (2702-03-101-97)	6.81	100	Reasons not intimated (July 2012)
41.		Development and upgradation of Kole lands. (4402-00-203-97)	3.47	100	Reasons not intimated (July 2012)
42.		Minor Irrigation Works – NABARD Assisted Scheme (Lift Irrigation Works) (4702-00-101-92)	5.00	100	Due to non-receipt of any claims under the Scheme
43.	XXXIV Forest	Wetland Conservation (100% CSS) (2406-01-800-60)	1.39	100	Due to non- release of Central Assistance for the programme.
44.	XXXVI Community Development	Office building for Block Panchayat.(2515-00-197-36)	4.00	100	Reasons not intimated (July 2012)
45.	XXXVIII Irrigation	Stock (2701-80-799-99)	7.00	100	Reasons not intimated (July 2012)
46.		Maintenance of Irrigation Scheme under XIII FC award (2701-80-800-77)	9.69	100	Due to non-implementation of the Scheme.
47.		AIBP – Support for other Need Based Programme (4701-80-800-79)	114.50	100	Reasons not intimated (July 2012)
48.		AIBP-Assistance for MI Class I Scheme (4701-80-800-80)	7.50	100	Reasons not intimated (July 2012)
49.	XLII Toursim	Fort Kochi Mattenchery Heritage Project (3452-80-800-27)	10.00	100	Reasons not intimated (July 2012)
50.		Spices Route Project (3452-80-800-28)	5.00	100	Reasons not intimated (July 2012)
TOTAL			308.04		

Appendix 2.9
Surrender (₹ 50 lakh or more in each case) in excess of actual savings
(Reference: Paragraph 2.3.8; Page 49)

(₹ in crore)

Sl. No.	Number and name of the Grant	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
Revenue - Voted					
1.	II Heads of States, Ministers and Headquarters Staff	322.24	8.58	13.87	5.29
2.	III Administration of Justice	354.85	24.34	26.65	2.31
3.	IX Taxes on vehicles	55.13	1.85	2.19	0.34
4.	XXX Food	828.00	14.75	16.16	1.41
5.	XXXI Animal Husbandry	347.25	11.02	17.41	6.39
6.	XXXIII Fisheries	214.35	2.36	3.01	0.65
7.	XXXIV Forest	323.33	18.75	22.72	3.97
8.	XXXV Panchayat	208.49	23.18	28.10	4.92
Revenue - Charged					
9.	III Administration of Justice	54.40	0.47	1.45	0.98
10.	Debt Charges	6572.55	266.92	304.12	37.20
Capital - Voted					
11.	XX Water Supply and Sanitation	533.64	210.50	212.72	2.22
12.	XXIII Information and Publicity	1.90	0.98	1.40	0.42
13.	XXX Food	46.29	0.71	2.96	2.25
14.	XXXI Animal Husbandry	23.14	1.87	2.85	0.98
15.	XXXIV Forest	21.00	2.00	2.16	0.16
16.	XLI Transport	388.74	69.49	91.16	21.67
Capital - Charged					
17.	Public Debt Repayment	9145.37	6252.31	6298.30	45.99
Total		19440.67	6910.08	7047.23	137.15

Appendix 2.10
Statement of surrenders (₹ 10 lakh or more in each case) under various Grants/
Appropriations which proved injudicious
(Reference: Paragraph 2.3.9; Page 49)

(₹ in crore)

Sl. No.	Number and name of the Grant/ Appropriation	Total Grant/ Appropriation	Actual expenditure	Excess	Amount surrendered
Revenue - Voted					
1.	I State Legislature	50.69	50.93	0.24	0.66
2.	V Agricultural Income Tax and Sales Tax	180.87	183.56	2.69	6.53
3.	XII Police	1619.54	1724.02	104.48	1.48
4.	XIX Family Welfare	257.54	306.41	48.87	0.50
5.	XXVIII Miscellaneous Economic Services	88.24	90.52	2.28	2.58
6.	XLI Transport	105.87	120.78	14.91	11.68
Revenue - Charged					
7.	II Heads of States, Ministers and Headquarters Staff	86.98	89.53	2.55	3.58
Total		2389.73	2565.75	176.02	27.01

Appendix 2.11
Statement of Grants/Appropriations in which savings occurred but no part of which
had been surrendered

(Reference: Paragraph 2.3.10, Page 49)

(₹ in crore)

Sl.No.	Number and name of Grant/Appropriation	Savings
Revenue - Voted		
1.	XXXIX Power	0.55
Revenue - Charged		
2.	XXV Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes	0.04
3.	XLI Transport	0.03
Capital - Voted		
4.	XXI Housing	9.25
5.	XXII Urban Development	0.50
6.	XXVIII Miscellaneous Economic Services	1.33
7.	XXXII Dairy	3.00
8.	XXXIX Power	36.00
Capital - Charged		
9.	XV Public Works	1.65
10.	XVIII Medical and Public Health	0.31
11.	XXV Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes	0.01
Total		52.67

Appendix 2.12
Details of saving of ₹ one crore and above not surrendered
(Reference: Paragraph 2.3.10, Page 49)

(₹ in crore)

Sl. No.	Number and name of the Grant/Appropriation	Savings (₹ one crore and above)	Amount surrendered	Savings which remained to be surrendered
Revenue - Voted				
1.	IV Elections	10.21	2.89	7.32
2.	VI Land Revenue	29.07	20.03	9.04
3.	X Treasury and Accounts	5.16	3.78	1.38
4.	XV Public Works	189.89	84.46	105.43
5.	XVII Education, Sports, Art and Culture	521.70	157.34	364.36
6.	XVIII Medical and Public Health	100.66	86.86	13.80
7.	XXI Housing	21.07	3.45	17.62
8.	XXII Urban Development	371.44	362.50	8.94
9.	XXIII Information and Publicity	4.36	3.42	0.94
10.	XXIV Labour and Labour Welfare	155.02	111.97	43.05
11.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and other Backward Classes	75.46	63.05	12.41
12.	XXVII Co-operation	17.77	1.35	16.42
13.	XXIX Agriculture	174.58	136.45	38.13
14.	XXXVI Community Development	187.61	168.45	19.16
15.	XXXVII Industries	6.78	2.51	4.27
16.	XXXVIII Irrigation	87.30	85.81	1.49
17.	XLIII Compensation and Assignments	21.07	0.27	20.80
18.	XLVI Social Security and Welfare	121.57	55.28	66.29
Total		2100.72	1349.87	750.85
Revenue - Charged				
19.	XVI Pensions and Miscellaneous	7.08	5.68	1.40
Capital - Voted				
20.	XV Public Works	128.89	64.79	64.10
21.	XVII Education, Sports, Art and Culture	151.01	38.62	112.39

Sl. No.	Number and name of the Grant/Appropriation	Savings (₹ one crore and above)	Amount surrendered	Savings which remained to be surrendered
22.	XVIII Medical and Public Health	44.74	24.19	20.55
23.	XXV Welfare of Scheduled Castes/ Scheduled Tribes and other Backward Classes	51.42	43.27	8.15
24.	XXIX Agriculture	135.03	82.23	52.80
25.	XXXVII Industries	14.47	8.50	5.97
26.	XXXVIII Irrigation	576.13	536.20	39.93
Total		1101.69	797.80	303.89
Grand Total		3209.49	2153.35	1056.14

Appendix 2.13
Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2012
(Reference: Paragraph 2.3.10, Page 49)

(₹ in crore)

Sl. No.	Grant number and major head	Amount of surrender	Percentage of total provision
1.	II 3451 Secretariat-Economic Services	11.92	7.75
2.	III 2014 Administration of Justice	28.10	6.87
3.	VI 2029 Land Revenue	20.03	6.22
4.	2048 Appropriation for Reduction or Avoidance of Debt	131.84	41.46
5.	2049 Interest Payments	172.29	2.75
6.	XIV 2070 Other Administrative Services	31.05	13.93
7.	XV 3054 Roads and Bridges	78.95	4.86
8.	XV 4059 Capital Outlay on Public Works	64.79	25.70
9.	XVII 2202 General Education	98.97	1.07
10.	XVII 2810 New and Renewable Energy	47.89	52.18
11.	XVII 4202 Capital Outlay on Education, Sports, Art and Culture	38.61	17.20
12.	XVIII 2210 Medical and Public Health	86.96	3.35
13.	XVIII 4210 Capital Outlay on Medical and Public Health	24.19	14.87
14.	XX 2215 Water Supply and Sanitation	220.38	36.50
15.	XXII 2217 Urban Development	362.50	56.16
16.	XXIV 2230 Labour and Employment	111.97	19.15
17.	XXV 2225 Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	63.05	5.54
18.	XXV 4225 Capital Outlay on Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes	43.13	42.97
19.	XXVI 2245 Relief on account of Natural Calamities	50.18	10.87
20.	XXVII 4425 Capital Outlay on Co-operation	11.10	6.08
21.	XXIX 2401 Crop Husbandry	74.42	7.70
22.	XXIX 2702 Minor Irrigation	52.65	24.76
23.	XXIX 4702 Capital Outlay on Minor Irrigation	66.44	45.49
24.	XXX 2408 Food, Storage and Warehousing	14.38	1.79
25.	XXXI 2403 Animal Husbandry	17.41	5.01
26.	XXXIII 4405 Capital Outlay on Fisheries	16.79	15.35
27.	XXXIV 2406 Forestry and Wildlife	22.88	6.78

Sl. No.	Grant number and major head			Amount of surrender	Percentage of total provision
28.	XXXV	2515	Other Rural Development Programmes	84.00	16.94
29.	XXXV	4515	Capital Outlay on Other Rural Development Programmes	45.00	60.77
30.	XXXVI	2505	Rural Employment	104.89	80.51
31.	XXXVIII	2700	Major Irrigation	50.35	28.28
32.	XXXVIII	2701	Medium Irrigation	28.48	16.33
33.	XXXVIII	4701	Capital Outlay on Medium Irrigation	172.31	58.75
34.	XXXVIII	4711	Capital Outlay on Flood Control Projects	361.99	90.91
35.	XL	5051	Capital Outlay on Ports and Light Houses	10.67	4.75
36.	XLI	3056	Inland Water Transport	11.61	26.91
37.	XLI	5075	Capital Outlay on Other Transport Services	84.17	57.98
38.	XLII	3452	Tourism	48.56	24.63
39.	XLVI	2235	Social Security and Welfare	55.28	3.34
Total				3020.18	

Appendix 2.14
Subheads of account showing rush of expenditure towards the end of the year
(Reference: Paragraph 2.3.11, Page 49)

(₹ in crore)

Sl. No.	Grant No	MJH	SMH	MIH	SBH	Total Expenditure	Expenditure incurred during January-March 2012	Expenditure incurred during March 2012	Percentage of total expenditure incurred during	
									January-March 2012	March 2012
1	XVIII	2210	03	110	97	11.41	11.41	11.41	100	100
2.	XVIII	2210	05	105	09	34.00	34.00	34.00	100	100
3.	XVIII	2210	06	112	98	18.93	18.93	18.93	100	100
4.	XVIII	2210	80	190	98	25.00	25.00	25.00	100	100
5.	XX	2215	01	800	61	20.00	20.00	20.00	100	100
6.	XX	2215	01	800	63	25.00	25.00	25.00	100	100
7.	XX	2215	01	800	68	12.50	12.50	12.50	100	100
8.	XXI	2216	80	800	89	50.00	50.00	50.00	100	100
9.	XXII	2217	80	192	38	20.00	20.00	20.00	100	100
10.	XXIV	2230	01	103	33	30.00	30.00	30.00	100	100
11.	XXIV	2230	03	001	96	26.94	26.94	26.94	100	100
12.	XXVI	2245	05	101	99	137.63	137.63	137.63	100	100
13.	XXXIV	2406	01	797	30	10.75	10.75	10.75	100	100
14.	XXX	2408	01	800	82	68.35	68.35	68.35	100	100
15.	XXXVI	2505	02	101	99	24.90	24.90	24.90	100	100
16.	XXXV	2515	00	001	90	15.17	15.17	15.17	100	100
17.	XXXV	2515	00	001	92	86.31	86.31	86.31	100	100
18.	XXXIX	2801	80	101	99	54.60	54.60	54.60	100	100
19.	XVII	2810	00	800	83	12.50	12.50	12.50	100	100
20.	XLI	3055	00	800	95	15.00	15.00	15.00	100	100
21.	XV	4059	80	001	99	12.86	12.86	12.86	100	100
22.	XXII	4217	60	800	97	11.00	11.00	11.00	100	100
23.	XXII	4217	60	800	98	48.00	48.00	48.00	100	100
24.	XXXV	4515	00	800	98	25.05	25.05	25.05	100	100
25.	XXXVII	4859	02	190	94	24.00	24.00	24.00	100	100
26.	XXXVII	4860	01	800	99	12.21	12.21	12.21	100	100
27.	XXXVII	4885	60	800	93	50.00	50.00	50.00	100	100
28.	XV	5054	80	052	99	15.15	15.15	15.15	100	100
29.	XLII	5452	01	800	76	47.74	47.74	47.74	100	100
30.	XVIII	2210	05	105	15	17.14	17.13	17.14	100	99.89
31.	XVIII	2210	06	101	45	22.41	22.33	22.41	100	99.65
32.	XVII	2810	00	800	93	14.45	14.20	14.20	98.27	98.27

Sl. No.	Grant No	MJH	SMH	MIH	SBH	Total Expenditure	Expenditure incurred during January-March 2012	Expenditure incurred during March 2012	Percentage of total expenditure incurred during	
									January-March 2012	March 2012
33.	XXII	2217	01	800	99	10.32	10.02	10.04	97.29	97.07
34.	V	2040	00	800	99	10.93	10.23	10.23	93.64	93.64
35.	XVI	2075	00	103	98	415.20	387.36	408.04	98.28	93.29
36.	XVIII	2210	05	105	19	21.95	20.25	21.06	95.93	92.23
37.	XV	5054	05	337	97	24.08	21.95	24.08	100	91.13
38.	XXVII	4425	00	108	42	12.14	11.00	11.13	91.70	90.60
39.	XXXI	2403	00	800	70	12.50	10.96	12.11	96.90	87.66
40.	XXIX	2551	01	101	08	29.18	25.35	29.06	99.59	86.86
41.	XXXVII	4859	02	800	98	68.50	54.25	68.50	100	79.20
42.	II	3451	00	101	87	20.35	15.01	20.35	100	73.76
43.	XLI	5053	02	190	97	82.21	59.40	59.40	72.25	72.25
44.	XXV	2225	01	800	26	49.28	33.57	40.58	82.35	72.17
45.	XXIV	2230	02	198	50	30.17	21.31	21.63	71.69	70.63
46.	XLVI	2235	02	101	95	19.78	13.52	15.53	78.49	68.36
47.	XVI	2071	01	101	97	35.72	24.28	34.43	96.39	67.98
48.	XLVI	2235	02	102	60	15.55	10.38	12.22	78.58	66.78
49.	XI	2250	00	103	87	19.80	13.20	13.20	66.67	66.67
50.	XVIII	4210	03	105	90	19.79	12.99	14.30	72.24	65.62
51.	XXXIV	2406	01	101	84	18.82	12.06	15.46	82.16	64.06
52.	XV	3054	03	103	98	35.29	22.55	35.29	100	63.90
53.	XV	3054	04	105	98	111.87	69.17	111.87	100	61.83
54.	XXII	2217	05	800	89	108.18	64.84	64.84	59.94	59.94
55.	XV	5054	04	800	88	24.22	14.49	15.91	65.68	59.81
56.	XXV	2225	02	800	64	33.54	18.02	28.94	86.29	53.72
57.	XX	4215	01	800	99	89.82	47.00	57.18	63.66	52.33

MJH-Major Head, SMH-Sub-major head, MIH-Minor Head, SBH-Sub head

Appendix 2.15
Major heads in which rush of expenditure noticed towards the end of the
financial year 2011-12

(Reference: Paragraph 2.3.11, Page 49)

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2012	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2020 Collection of Taxes on Income and Expenditure	0.38	0.38	100.00	0.38	100.00
2.	2048 Appropriation for Reduction or Avoidance of Debt	10.00	10.00	100.00	10.00	100.00
3.	2075 Miscellaneous General Services	985.46	786.47	79.81	577.09	58.56
4.	2216 Housing	105.55	79.81	75.61	73.29	69.44
5.	2217 Urban Development	273.98	209.16	76.34	148.89	54.34
6.	2250 Other Social Services	25.78	19.00	73.70	16.82	65.24
7.	2506 Land Reforms	1.00	0.92	92.00	0.92	92.00
8.	2551 Hill Areas	33.97	33.35	98.17	29.51	86.87
9.	2801 Power	54.87	54.87	100.00	54.60	99.51
10.	2810 New and Renewable Energy	43.26	40.81	94.34	40.43	93.46
11.	2885 Other Outlays on Industries and Minerals	2.40	2.40	100.00	2.40	100.00
12.	3435 Ecology and Environment	12.98	10.50	80.89	10.04	77.35
13.	4055 Capital Outlay on Police	1.02	0.61	59.80	0.58	56.86
14.	4215 Capital Outlay on Water Supply and Sanitation	90.82	58.18	64.06	48.00	52.85
15.	4216 Capital Outlay on Housing	19.52	12.45	63.78	11.92	61.07
16.	4217 Capital Outlay on Urban Development	87.28	87.28	100.00	87.28	100.00
17.	4220 Capital Outlay on Information and Publicity	0.92	0.92	100.00	0.92	100.00
18.	4225 Capital Outlay on Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes	49.09	40.13	81.75	26.85	54.70
19.	4401 Capital Outlay on Crop Husbandry	1.59	1.16	72.96	0.99	62.26
20.	4402 Capital Outlay on Soil and Water Conservation	13.63	9.94	72.93	8.45	62.00
21.	4435 Capital Outlay on Other Agricultural Programmes	0.37	0.27	72.97	0.27	72.97
22.	4515 Capital Outlay on Other Rural Development Programmes	29.05	25.95	89.33	25.95	89.33
23.	4801 Capital Outlay on Power Project	0.05	0.05	100.00	0.05	100.00

Sl. No.	Major Head	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2012	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
24.	4858 Capital Outlay on Engineering Industries	0.75	0.75	100.00	0.75	100.00
25.	4859 Capital Outlay on Telecommunication and Electronic Industries	136.25	127.91	93.88	91.75	67.34
26.	4860 Capital Outlay on Consumer Industries	12.21	12.21	100.00	12.21	100.00
27.	4885 Capital Outlay on Industries and Minerals	137.49	127.60	92.81	75.00	54.55
28.	5051 Capital Outlay on Ports and Light Houses	214.07	160.25	74.86	109.24	51.03
29.	5053 Capital Outlay on Civil Aviation	82.21	59.40	72.25	59.40	72.25
30.	5056 Capital Outlay on Inland Water Transport	15.40	14.01	90.97	12.76	82.86
31.	5425 Capital Outlay on Other Scientific and Environmental Research	0.19	0.19	100.00	0.15	78.95
32.	5452 Capital Outlay on Tourism	122.30	84.22	68.86	70.78	57.87
33.	5475 Capital Outlay on Other General Economic Services	0.40	0.40	100.00	0.40	100.00

Appendix 2.16
Drawal of funds during 2011-12 to avoid lapse of budget grant
(Reference: Paragraph 2.3.13, Page 50)

(₹ in crore)

Sl. No.	Name of the drawing officer	Head of account and purpose of drawal	Amount drawn and month of drawal	Remarks
Industries Department				
1.	Director, Handloom and Textiles	2851-00-103-42(P)-Special Marketing Incentive Scheme	6.81 (March 2012)	This amount was to clear the arrears of Special Marketing Incentive to Primary Handloom Weavers Co-operative Societies for the period 2000-2009. The amount transfer credited to TSB Account and kept unutilized (August 2012) as reports from two more districts are to be received
2.	-do-	2851-00-003-92-Popularisation of Handloom and Khadi products	1.40 (December 2011)	Kept in Bank Account. Due to delay in convening monitoring committee, ₹ 1.13 crore remained unutilized (August 2012)
Scheduled Castes Development Department				
3.	Director, Scheduled Castes Development Department	2225-01-800-19-Electrification of Scheduled Castes Colonies	5.00 (March 2012)	Amount transfer credited to TSB Account. Entire amount remained unutilized (September 2012)
4.	-do-	2225-01-277-60-Strengthening and Modernisation of ITC	5.00 (March 2012)	Amount transfer credited to TSB account. Entire amount remained unutilized (September 2012)
5.	-do-	2225-01-800-57-Pooled fund for SCP	2.94 (March 2012)	Amount transfer credited to TSB account. Entire amount remained unutilized (September 2012)
6.	-do-	2225-01-800-26-Pooled Fund for special projects proposed by other departments under SCP	30.00 (March 2012)	Deposited in TSB account. Entire amount remained unutilized (September 2012)

Sl. No.	Name of the drawing officer	Head of account and purpose of drawal	Amount drawn and month of drawal	Remarks
Power Department				
7.	Director, Energy Management centre	2810-00-800-93- Energy Management centre GIA(for LED based energy sufficient street lighting)	8.50 (March 2012)	Transfer credited to TP account. ₹ 4.73 crore (out of ₹ 4.75 crore) remained unutilized (July 2012). Work orders yet to be issued
8.	-do-	2810-00-800-93- Energy Management Centre GIA (building for energy management centre and institute)		Amount transfer credited to TP account. ₹ 3.70 crore (out of ₹ 3.75 crore) remained unutilized (July 2012). Work orders yet to be issued
9.	-do-	2810-00-800-93- Energy Management Centre GIA(for Model Energy Efficient Building of the State Government)	5.12 (March 2012)	Transfer credited to TP Account. Entire amount (₹ 2.50 crore) remained unutilized (July 2012)
10.	-do-	2810-00-800-93- Energy Management Centre GIA(for energy efficient studies in SMEs)		Amount transfer credited to TP account. Out of ₹ 0.62 crore, only ₹16,000 was utilized (July 2012)
11.	-do-	2810-00-800-93- Energy Management Centre GIA (for energy information bureau)		Amount transfer credited to TP Account. ₹ 1.89 crore out of ₹ 2.00 crore remained unutilized (July 2012)
12.	-do-	2810-00-800-84-Kerala State Energy Conservation fund	2.00 (March 2012)	Amount transfer credited to TP Account. Entire amount remained unutilized (July 2012). Approval of State Committee not received. Programmes not commenced
13.	-do-	2810-00-800-83- Integrated Solar Electrification(Surya Jyothi)	12.50 (March 2012)	Amount transfer credited to TP Account. ₹ 12.46 crore remained unutilized
14.	-do-	2810-00-800-86-Total Electrification Programme using renewable energy for SC/ST and remote unelectrified areas	1.98 (March 2012)	Amount transfer credited to TP Account. ₹ 1.79 crore remained unutilized. Audit also noticed that out of the funds released during previous years, ₹ 5.54 crore remained unutilized (September 2012)

Appendix 2.17
Pendency in submission of Detailed Contingent bills against Abstract
Contingent (AC) bills drawn from 2009-10 to 2011-12
(Reference: Paragraph 2.4.1, Page 51)

(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Number of AC bills	Amount
1.	Assistant Educational Officer, Cherpulasery	1	399650
2.	Assistant Educational Officer, Ottappalam	1	352500
3.	Block Development Officer, Alathur	1	62500
4.	Child Development Project Officer, Kannur (Rural)	1	227000
5.	Child Development Project Officer, Kannur (Urban)	2	428000
6.	Child Development Project Officer, Kasaragod	1	227000
7.	Child Development Project Officer, Alathur	1	50,400
8.	Child Development Project Officer, Areacode (Additional), Malappuram district	1	300000
9.	Child Development Project Officer, Kasaragod	1	1560276
10.	Child Development Project Officer, Kondotty Additional, Cherukavu, Malappuram District	1	294000
11.	Child Development Project Officer, Kondotty, Malappuram District	1	315800
12.	Child Development Project Officer, Kuttippuram (Addl), Malappuram	1	261525
13.	Child Development Project Officer, Mankada, Malappuram	1	3999600
14.	Child Development Project Officer, Mannarkad	2	76000
15.	Child Development Project Officer, Mannarkad Additional	1	76000
16.	Child Development Project Officer, Ottappalam (additional)	1	76000
17.	Child Development Project Officer, Payyannur	1	745000
18.	Child Development Project Officer, Perinthalmanna (Addl), Malappuram	1	310600
19.	Child Development Project Officer, Tirur, Malappuram district	1	272800
20.	District animal Husbandry Office, Thiruvananthapuram	1	10000
21.	District Educational Officer, Malappuram	1	550000

Sl. No.	Name of Drawing and Disbursing Officer	Number of AC bills	Amount
22.	District Programme Officer, ICDS, Malappuram	2	1149500
23.	District Social Welfare Officer, Civil Station, Kozhikode	1	70000
24.	PA to District Educational Officer, Kanhangad	1	1137100
25.	PA to District Educational Officer, Kannur	1	800000
26.	PA to District Educational Officer, Kozhikode	1	1097050
27.	Polyclinic, Irinjalakuda	2	26000
28.	Principal Agricultural Officer, Palakkad	2	13278600
29.	Principal Agricultural Officer, Thrissur	3	2629000
30.	Principal, District Institute of Education and Training(DIET), Thrissur	1	100000
31.	Superintendent, Central Prison, Kannur	2	1100000
32.	Superintendent, Open Prison, Cheemani	2	1370000
33.	Superintendent, District Jail, Thiruvananthapuram	1	85800
34.	Superintendent, Government Juvenile Home, Thrissur	1	20000
35.	Superintendent, Sub Jail, Chavakkad	1	15000
36.	Superintendent, sub Jail, Viyyur	1	20,000
37.	Veterinary Dispensary, Valoor	1	25000
38.	Veterinary Hospital, Kannambra	1	10000
39.	Veterinary Hospital, Mathilakam	1	20000
40.	Veterinary Hospital, Pazhayannur	1	3500
41.	Veterinary Polyclinic, Irinjalakuda	1	3500
42.	Veterinary Polyclinic, Kodungallur	1	50000
Total		51	33,604,701

Appendix 2.18
List of controlling officers where amounts exceeding ₹ 10 crore in each case
remained unreconciled during 2011-12
(Reference: Paragraph 2.4.2, Page 51)

(₹ in crore)

Sl. No.	Name of the controlling officer	Amount not reconciled
1.	The Secretary, Kerala Public Service Commission, Thiruvananthapuram	82.83
2.	The Secretary to Government, General Administration Department, Thiruvananthapuram	150.30
3.	The Secretary to Government, Law Department, Thiruvananthapuram	10.06
4.	The Secretary, State Planning Board, Thiruvananthapuram	40.85
5.	The Secretary, Planning and Economic Affairs Department, Thiruvananthapuram	29.18
6.	The Principal Secretary to Government, Finance Department, Thiruvananthapuram	16346.40
7.	The Secretary to Government, Information Technology Department, Thiruvananthapuram	20.10
8.	The Secretary to Government, Water Resources Department, Thiruvananthapuram.	337.87
9.	The Secretary to Government, Local Self Government Department, Thiruvananthapuram.	86.31
10.	The Secretary, Personnel and Administrative Reforms Department, Thiruvananthapuram.	13.67
11.	The Secretary, Revenue Department, Thiruvananthapuram.	144.37
12.	The Secretary to Government, Higher Education Department, Thiruvananthapuram	266.87
13.	The Secretary to Government, Health and Family Welfare Department, Thiruvananthapuram	209.75
14.	The Secretary to Government, Housing Department, Thiruvananthapuram	63.46
15.	The Secretary to Government, Power Department, Thiruvananthapuram	54.60
16.	The Secretary to Government, Scheduled Caste's/Scheduled Tribe's development Department, Thiruvananthapuram.	21.23
17.	The Secretary to Government, Science & Technology Department, Thiruvananthapuram	69.56
18.	The Secretary to Government, Taxes Department, Thiruvananthapuram	25.81
19.	The Secretary to Government, Transport Department, Thiruvananthapuram	100.00
20.	The Chief Electoral Officer, Legislative Complex, Thiruvananthapuram	88.99
21.	The Commissioner, Land Revenue, Thiruvananthapuram	933.94
22.	The Director, Survey and Land Records, Thiruvananthapuram	80.36
23.	The Director of Treasuries, Thiruvananthapuram	616.20
24.	The Director of National Savings, Thiruvananthapuram.	110.77
25.	The Director General of Police, Police Headquarters, Thiruvananthapuram.	1673.46
26.	The Director General of Police (Prisons), Thiruvananthapuram	108.30
27.	The Director of Vigilance Investigation, Vigilance Directorate, Thiruvananthapuram	45.74
28.	The Commandant General, Fire & Rescue Services Headquarters, Thiruvananthapuram	98.00
29.	The Director of State Lotteries, Vikas Bhavan, Thiruvananthapuram.	510.01
30.	The Director of Public Instruction, Jagathy, Thiruvananthapuram	4059.16
31.	The Director of Collegiate Education, Thiruvananthapuram	942.47

Sl. No.	Name of the controlling officer	Amount not reconciled
32.	The Director of Technical Education, Thiruvananthapuram	332.33
33.	The Director, Vocational Higher Secondary Education, Thiruvananthapuram	195.39
34.	The Director of NCC, Vazhuthacaud, Thiruvananthapuram	30.64
35.	The Secretary, Kerala Sports Council, Thiruvananthapuram	24.26
36.	The Registrar, Cochin University of Science & Technology, Kochi	41.27
37.	The Director, Higher Secondary Education, Thiruvananthapuram	3066.11
38.	The Text Book Officer, Text Book Publications, Fort, Thiruvananthapuram	58.63
39.	The Director, ANERT, Kesavadasapuram, Thiruvananthapuram	12.50
40.	The Principal, Government Ayurveda College , Thiruvananthapuram	11.18
41.	The Director, Indigenous Medicines, Thiruvananthapuram	123.62
42.	The Director, Insurance Medical Services Department, Thiruvananthapuram	77.47
43.	The Director, Regional Cancer Centre, Thiruvananthapuram	50.00
44.	The Director of Homoeopathy, Thiruvananthapuram	61.95
45.	The Director of Health Services, Thiruvananthapuram	1241.97
46.	The Director of Medical Education, Thiruvananthapuram	585.53
47.	The Chief Town Planner, Thiruvananthapuram	11.66
48.	The Director, Kerala Sustainable Urban Development Project, Thiruvananthapuram	82.32
49.	The Director, Urban Affairs Department, Thiruvananthapuram.	108.18
50.	The Director of Urban Affairs, Thiruvananthapuram	20.00
51.	The Secretary, Revenue Department, Secretariat, Thiruvananthapuram	19.80
52.	The Director, Public Relations Department, Thiruvananthapuram.	36.19
53.	The Director of Scheduled Caste's Development, Thiruvananthapuram	713.01
54.	The Director of Scheduled Tribe's Development, Thiruvananthapuram	106.31
55.	The Special Officer for Minority Development, General Administration (MC) Department, Thiruvananthapuram	24.70
56.	The Director, Bureau of Economics and Statistics, Thiruvananthapuram	43.46
57.	The Director of Agriculture, Vikas Bhavan, Thiruvananthapuram	941.25
58.	The Director, Groundwater Directorate, Thiruvananthapuram	26.69
59.	The Director of Civil Supplies, Thiruvananthapuram	699.60
60.	The Secretary, Food and Civil Supplies, Thiruvananthapuram	68.35
61.	The Director of Animal Husbandry, Thiruvananthapuram	279.78
62.	The Director of Dairy Development, Thiruvananthapuram	50.94
63.	The Director of Fisheries, Thiruvananthapuram	139.15
64.	The Chief Conservator of Forests, Thiruvananthapuram	156.59
65.	The Director of Panchayats, Thiruvananthapuram	43.06
66.	The Commissioner, Rural Development, L M S Compound, Thiruvananthapuram	223.55
67.	The Secretary, Kerala Khadi and Village Industries Board, Thiruvananthapuram	26.10
68.	The Director of Industries and Commerce, Vikas Bhavan, Thiruvananthapuram.	36.22
69.	The Director, State Water Transport, Alleppey	25.21
70.	The Director of Tourism, Thiruvananthapuram	97.57
TOTAL		37233.16

Appendix 2.19
Substantial savings noticed under Grant no.XVIII-Medical and Public Health
(Reference: Paragraph 2.6.1.1; Page 53)

(₹ in lakh)

Sl. No	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
1.	2210-01-200-86-Indian Institute of Diabetes-XIII FC Award (P)	500.00	150.00	350.00	70	Reason not given
2.	2210-02-001-94-Assistance to Kerala State Homeo Co-operative Pharmacy Ltd. Alappuzha (P)	400.00	Nil	400.00	100	Since there is no utilization during 2010-11, the fund not released.
3.	2210-02-102-98-Homoeo College Hospital, Thiruvananthapuram. (P)	200.00	26.65	173.35	86	Reason not given
4.	2210-02-102-97-Homoeo College Hospital, Kozhikode (P)	120.00	66.46	53.54	44	Reason not given.
5.	2210-02-102-82-Opening of New Homoeo Dispensaries (P)	200.00	108.00	92.00	46	Due to non-sanctioning of posts in the new Homoeo dispensaries
6.	2210-02-800-97-Women Healthcare Centres (Seethalayam) (One Time ACA) (P)	380.00	194.25	185.75	49	As the One time ACA was received only at the end of the financial year, the amount allotted for construction purpose has not been utilized.
7.	2210-04-101-99-Rural Dispensaries (DPP) (P)	100.00	58.75	41.25	41	No expenditure under salary head. Hence the savings
8.	2210-04-101-92-Modernization of Directorate of Ayurveda (P)	50.00	39.55	10.45	21	Administrative Sanction for purchase of vehicle has not been received.
9.	2210-04-102-99-Rural Dispensaries (P)	200.00	90.00	110.00	55	Due to non-release of Ayush grant, 15 per cent State share of Rs 105 lakh has not been utilized
10.	2210-05-105-74-Training of non-Medical Leprosy Assistants and General Nurses in District Hospitals(P)	236.00	125.37	110.63	46	Reason not given
11.	2210-05-105-20-College of Nursing, Alappuzha (P)	75.00	9.28	65.72	88	
12.	2210-05-800-66-Starting of Paramedical Council (P)	70.00	0	70.00	100	
13.	2210-05-105-37-Directorate of Radiation Safety (P)	20.00	0	20.00	100	As the Directorate of Radiation Safety is an income generating institution necessity for State aid is minimal.

Sl. No	Head of account with nomenclature	Budget provision	Expenditure	Savings	Percentage of saving	Reason for saving
14.	2210-05-101-73-Establishment of Collegiate Pharmacy (P)	25.00	10.00	15.00	60	Reply not given
15.	4210-03-001-95-Establishment of Separate Directorate for Homoeo Medical Education (P)	200.00	...	200.00	100	As the proposal for construction of Homoeo Medical Education Directorate was declined the fund could not be utilized.
16.	4210-03-101-98-Ayurveda Medical College, College Hospital, College Hostel, Thripunithura – Land Acquisition and Buildings (P)	150.00	55.17	94.84	63	Administrative Sanction for the construction works has not been received.
17.	4210-03-101-93-Government Ayurveda College, Kannur – Land Acquisition and Buildings (P)	200.00	8.94	191.06	96	
18.	4210-03-102-98-Homoeo Medical College, College Hospitals, College Hostels Kozhikode – Land Acquisition and Buildings (P)	200.00	3.39	196.61	98	Reason not given.

Appendix 2.20
Non-mustering of pensioners
(Reference: Paragraph 2.8.2; Page 58)

Sl. No.	Name of Treasury	Number of cases
1.	District Treasury, Chengannur	3
2.	District Treasury, Ernakulam	4
3.	District Treasury, Kannur	1
4.	District Treasury, Kottarakkara	3
5.	District Treasury, Malappuram	1
6.	District Treasury, Mattannur	1
7.	District Treasury, Muvattupuzha	8
8.	District Treasury, Pathanmthitta	10
9.	District Treasury, Thiruvananthapuram	11
10.	District Treasury, Wayanad	1
11.	District Treasury, Thrissur	1
12.	Rural District Treasury, Kattakada	3
13.	Pension Payment Sub Treasury, Alappuzha	4
14.	Pension Payment Sub Treasury, Ernakulam	1
15.	Pension Payment Sub Treasury, Kollam	3
16.	Pension Payment Sub Treasury, Kozhikode	1
17.	Pension Payment Sub Treasury, Thalassery	1
18.	Principal Sub Treasury, Fort, Thiruvananthapuram	3
19.	Sub Treasury, Agali	1
20.	Sub Treasury, Aluva	1
21.	Sub Treasury, Angamaly	10
22.	Sub Treasury, Chakkarakkallu	1
23.	Sub Treasury, Chavakkad	1
24.	Sub Treasury, Chelakkara	1
25.	Sub Treasury, Chengannur	1
26.	Sub Treasury, Cherthala	4
27.	Sub Treasury, Devikulam	6
28.	Sub Treasury, Feroke	1
29.	Sub Treasury, Gandhi Nagar	6
30.	Sub Treasury, Kadakkal	3

Sl. No.	Name of Treasury	Number of cases
31.	Sub Treasury, Kaduthuruthy	6
32.	Sub Treasury, Kalloorkkad	10
33.	Sub Treasury, Kannur	1
34.	Sub Treasury, Karimannoor	4
35.	Sub Treasury, Karuvarakundu	1
36.	Sub Treasury, Kattachal	1
37.	Sub Treasury, Kayamkulam	4
38.	Sub Treasury, Kazhakuttam	5
39.	Sub Treasury, Kilimanoor	4
40.	Sub Treasury, Kolenchery	9
41.	Sub Treasury, Koothattukulam	6
42.	Sub Treasury, Koottanad	1
43.	Sub Treasury, Kottarakkara	3
44.	Sub Treasury, Kottayam	5
45.	Sub Treasury, Koyilandy	1
46.	Sub Treasury, Kozhenchery	1
47.	Sub Treasury, Kumbanad	1
48.	Sub Treasury, Makkaraparamba	1
49.	Sub Treasury, Mallappally	10
50.	Sub Treasury, Manjeri	1
51.	Sub Treasury, Mannarkkad	1
52.	Sub Treasury, Mattanchery	1
53.	Sub Treasury, Mavelikkara	1
54.	Sub Treasury, Medical College, Thiruvananthapuram	3
55.	Sub Treasury, Moncombu	4
56.	Sub Treasury, Mulanthuruthy	1
57.	Sub Treasury, Nedumkandam	5
58.	Sub Treasury, North Parur	8
59.	Sub Treasury, Palluruthy	3
60.	Sub Treasury, Pampady	4
61.	Sub Treasury, Pandalam	10
62.	Sub Treasury, Pathanapuram	4
63.	Sub Treasury, Pattambi	1

Sl. No.	Name of Treasury	Number of cases
64.	Sub Treasury, Payyannur	1
65.	Sub Treasury, Payyoli	1
66.	Sub Treasury, Pazhayangadi	1
67.	Sub Treasury, Peerumedu	4
68.	Sub Treasury, Peravoor	1
69.	Sub Treasury, Perinthalmanna	1
70.	Sub Treasury, Piravam	7
71.	Sub Treasury, Ponkunnam	3
72.	Sub Treasury, Poochakkal	3
73.	Sub Treasury, Pulpally	1
74.	Sub Treasury, Rajakumari	4
75.	Sub Treasury, Ranni	10
76.	Sub Treasury, Ranni Perunad	1
77.	Sub Treasury, Sreekrishnapuram	1
78.	Sub Treasury, Thaliparamba	1
79.	Sub Treasury, Thiruvalla	1
80.	Sub Treasury, Thrissur	1
81.	Sub Treasury, Tirurangadi	2
82.	Sub Treasury, Uzhavoor	7
83.	Sub Treasury, Vellarikundu	1
84.	Sub Treasury, Vythiri	1
85.	Sub Treasury, Wandoor	1
Total		271

Appendix 3.1
Utilisation Certificates outstanding as on 30 June 2012
(Reference: Paragraph 3.1; Page 61)

(₹ in crore)

Department	Year of payment of grant	Total grants paid		Utilisation certificates			
				Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
Administrative services	2011-12	10	13.67	0	0	10	13.67
Agriculture	2010-11	2	1.00	0	0	2	1.00
Agriculture	2011-12	5	25.00	0	0	5	25.00
Command Area Development	2011-12	2	2.15	0	0	2	2.15
Cultural Affairs	2009-10	17	2.78	13	1.72	4	1.06
Cultural Affairs	2010-11	89	45.89	80	39.98	9	5.91
Cultural Affairs	2011-12	74	21.90	43	11.43	31	10.47
Economic Affairs	2011-12	2	5.41	0	0	2	5.41
Energy Management	2011-12	1	2.69	0	0	1	2.69
Fisheries	2010-11	4	1.00	0	0	4	1.00
Fisheries	2011-12	6	20.64	0	0	6	20.64
Forest	2011-12	9	0.49	0	0	9	0.49
General Education	2010-11	16	17.43	13	16.57	3	0.86
General Education	2011-12	21	31.49	18	28.29	3	3.20
General Service	2011-12	1	1.80	0	0	1	1.80
Health and Family Welfare	2010-11	36	83.54	35	63.54	1	20.00
Health and Family Welfare	2011-12	34	115.36	5	5.00	29	110.36
Higher Education	2010-11	19	33.14	17	33.03	2	0.11
Higher Education	2011-12	4	5.21	0	0	4	5.21
Industries	2011-12	2	1.97	0	0	2	1.97
Information and Public Relations Department	2011-12	1	0.15	0	0	1	0.15
Panchayat	2010-11	4	6.15	0	0	4	6.15
Panchayat	2011-12	2	8.55	1	2.50	1	6.05
Planning	2010-11	3	0.83	0	0	3	0.83
Planning	2011-12	1	0.20	0	0	1	0.20
Registrar of Co-operative Societies	2010-11	7	0.56	6	0.32	1	0.24
Sports and Youth Affairs	2009-10	3	2.54	2	1.98	1	0.56
Sports and Youth Affairs	2010-11	3	2.54	1	2.25	2	0.29
Sports and Youth Affairs	2011-12	14	20.94	3	1.48	11	19.46
Technical Education	2011-12	16	41.26	15	38.26	1	3.00
Urban Development	2011-12	4	58.70	0	0	4	58.70
Total		412	574.98	252	246.35	160	328.63

Appendix 3.2
Statement showing names of bodies and authorities, the accounts of
which had not been received as of March 2012
(Reference: Paragraph 3.2; Page 62)

Sl. No	Name of department and body/authority	Year for which accounts had not been received	Grants received (₹ in lakh)
Cultural Affairs			
1.	Kerala State Chalachitra Academy, Thiruvananthapuram	2010-11	435.62
Fisheries			
1.	Matsyafed	2010-11	100.00
General Education			
1.	State Institute of Children's Literature, Thiruvananthapuram	2010-11	235.50
2.	State level institute of Educational Management and Training, Thiruvananthapuram	2010-11	-
Health and Family Welfare			
1.	Kerala Ayurvedic Studies and Research Society, Malappuram	2010-11	448.69
Higher Education			
1.	Cochin University of Science and Technology, Kochi	2010-11	4568.13
2.	Calicut University, Malappuram	2010-11	6799.10
3.	Kerala University, Thiruvananthapuram	2010-11	9651.59
Industries Department			
1.	Institute of Handloom and Textile Technology, Kannur	2010-11	-
Information and Public Relations			
1.	Centre for Development of Imaging Technology, Thiruvananthapuram	2010-11	220.00
Information and Technology Department			
1.	Kerala State IT Mission, Thiruvananthapuram	2010-11	2506.91
2.	Info Park, Ernakulam	2010-11	11618.00

Sl. No	Name of department and body/authority	Year for which accounts had not been received	Grants received (₹ in lakh)
Local Self Government Department			
1.	Trivandrum Development Authority	2010-11	-
2.	Greater Cochin Development Authority	2010-11	-
3.	Suchitwa Mission, Thiruvananthapuram	2010-11	910.78
Revenue Department			
1.	Sabarimala Sanitation Society	2010-11	63.70
Sports and Youth Affairs			
1.	National Games Secretariat, Thiruvananthapuram	2010-11	-
Taxes			
1.	Traders Welfare Board, Thiruvananthapuram	2010-11	100.00
Tourism			
1.	Thenmala Eco-Tourism promotion society, Thiruvananthapuram	2010-11	2.00
2.	Kerala Institute of Tourism and Travel studies, Thiruvananthapuram	2010-11	328.93
Total number of accounts : 20			

Appendix 3.3
Statement showing performance of Autonomous Bodies
(Reference: Paragraph 3.3; Page 62)

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report(SAR) is issued	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
					Year of SAR	Date of placement		
1.	Kerala Khadi and Village Industries Board, Thiruvananthapuram	Up to 2012-13	2008-09	2008-09	Information not received		12.1.2012	30 months 11 days
2.	Command Area Development Authority, Thrissur	Up to 2013-14	2009-10	2008-09	Information not received		30.3.2011	9 months
3.	Kerala State Commission for Backward classes, Thiruvananthapuram	Up to 2011-12	2010-11	2010-11	Information not received		9.12.2011	5 months 8 days
4.	Kerala Institute of Labour and Employment, Thiruvananthapuram	Up to 2011-12	2007-08	2007-08	Information not received		19.11.2010	28 months 18 days
5.	Kerala Building & Other Construction Worker's Welfare Board, Thiruvananthapuram	1998-99 onwards	2008-09	2008-09	2007-08	22.9.2011	27.9.2011	26 months 26 days
6.	Kerala State Human Right Commission, Thiruvananthapuram	1998-99 onwards	2010-11	2010-11	2009-10	28.6.2012	14.10.2011	3 months 13 days
7.	Kerala State Legal Services Authority, Kochi	1998-99 onwards	2010-11	2009-10	2009-10	6.3.2012	4.1.2012	6 months 3 days
8.	District Legal Services Authority, Thiruvananthapuram	1998-99 onwards	2009-10	2009-10	2008-09	6.3.2012	1.4.2011	9 months 1 day
9.	District Legal Services Authority, Kollam	1998-99 onwards	2010-11	2009-10	2009-10	6.3.2012	12.1.2012	6 months 11 days
10.	District Legal Services Authority, Pathanamthitta	1998-99 onwards	2010-11	2009-10	2009-10	6.3.2012	24.2.2012	7 months 23 days
11.	District Legal Services Authority, Alappuzha	1998-99 onwards	2009-10	2009-10	2009-10	6.3.2012	24.6.2010	Nil
12.	District Legal Services Authority, Kottayam	1998-99 onwards	2010-11	2009-10	Information not received		21.10.2011	3 months 20 days
13.	District Legal Services Authority, Idukki	1998-99 onwards	2010-11	2009-10	Information not received		25.6.2012	Nil

Sl. No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report(SAR) is issued	Placement of SAR in the Legislature		Date of submission of accounts	Period of delay in submission of accounts
					Year of SAR	Date of placement		
14.	District Legal Services Authority, Ernakulam	1998-99 onwards	2010-11	2009-10	2009-10	23.3.2012	6.1.2012	6 months 5 days
15.	District Legal Services Authority, Thrissur	1998-99 onwards	2010-11	2009-10	2008-09	18.7.2011	6.1.2012	6 months 5 days
16.	District Legal Services Authority, Palakkad	1998-99 onwards	2010-11	2009-10	2009-10	23..3.2012	10.10.2011	3 months 9 days
17.	District Legal Services Authority, Malappuram	1998-99 onwards	2010-11	2009-10	Information not received		4.7.2012	12 months 3 days
18.	District Legal Services Authority, Kozhikode	1998-99 onwards	2009-10	2009-10	2009-10	18.7.2011	16.7.2012	12 months 15 days
19.	District Legal Services Authority, Wayanad	1998-99 onwards	2009-10	2009-10	2008-09	22.12.2010	1.4.2011	9 months
20.	District Legal Services Authority, Kannur	1998-99 onwards	2009-10	2009-10	Information not received		28.11.2011	16 months 27 days
21.	District Legal Services Authority, Kasaragode	1998-99 onwards	2010-11	2009-10	Information not received		24.2.2012	7 months 23 days
22.	Permanent Lok Adalath, Thiruvananthapuram	1998-99 onwards	2010-11	2010-11	Information not received		4.1.2012	6 months 3 days

Appendix 3.4
Department-wise/duration-wise break-up of cases of misappropriation, defalcation, etc.
(Reference: Paragraph 3.4; Page 62)

S. No.	Name of the Department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years and above	Total number of cases
1.	Agriculture	3 (30.63)	1 (5.00)	2 (1.29)	2 (6.99)	1 (0.23)		9 (44.14)
2.	Animal Husbandry	1 (0.35)	1 (3.65)					2 (4.00)
3.	Consumer affairs			1 (55.35)				1 (55.35)
4.	Co-operation			1 (11.30)				1 (11.30)
5.	Cultural Affairs -Archives						1 (0.20)	1 (0.20)
6.	Finance-National Savings					1 (0.45)		1 (0.45)
7.	Finance – Treasuries		6 (77.76)	4 (58.33)	2 (0.17)	2 (1.53)	2 (0.66)	16 (138.45)
8.	Fisheries and Ports		1 (2.38)	1 (1.32)				2 (3.70)
9.	Forest and Wildlife		3 (29.16)	1 (1.16)				4 (30.32)
10.	General Education	2 (1.73)	2 (10.33)	7 (1.27)	3 (1.67)	1 (1.10)	2 (3.65)	17 (19.75)
11.	Health and Family Welfare – Health Services	5 (25.27)	3 (151.16)		3 (5.67)	2 (1.68)	1 (0.55)	14 (184.33)
12.	Health and Family Welfare – Medical Education	1 (1.16)		2 (17.97)				3 (19.13)
13.	Health and Family Welfare - Indian Systems of Medicine			1 (1.84)				1 (1.84)
14.	Higher Education – Collegiate Education		1 (0.20)	1 (0.73)	1 (0.02)			3 (0.95)
15.	Higher Education - Technical Education		1 (7.44)					1 (7.44)
16.	Home Department – Police	1 (3.93)				1 (0.38)		2 (4.31)
17.	Industries			2 (0.47)				2 (0.47)
18.	Local Self Government		3 (9.80)	3 (4.60)	1 (1.85)			7 (16.25)
19.	Public Works Department	1 (1.87)	3 (10.18)					4 (12.05)
20.	Revenue – Survey and Land Records						1 (5.60)	1 (5.60)
21.	Scheduled Castes and Scheduled Tribes Development					2 (0.65)		2 (0.65)
22.	Social Welfare		2 (9.25)					2 (9.25)
23.	Taxes – Lotteries				1 (2.61)			1 (2.61)
24.	Motor Vehicles			1 (10.20)				1 (10.20)
25.	Water Resources		15 (136.00)	2 (10.30)				17 (146.30)
Total		14 (64.94)	42 (452.31)	29 (176.13)	13 (18.98)	10 (6.02)	7 (10.66)	115 (729.04)

(Figures in brackets indicate ₹ in lakh)

Appendix 3.5
Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material
(Reference: Paragraph 3.4; Page 62)

Name of Department	Theft		Misappropriation/ loss of Government material		Total	
	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)
Agriculture			9	44.14	9	44.14
Animal Husbandry			2	4.00	2	4.00
Consumer Affairs			1	55.35	1	55.35
Cultural Affairs -Archives			1	0.2	1	0.2
Co-operation			1	11.30	1	11.30
Finance-National Savings			1	0.45	1	0.45
Finance – Treasuries			16	138.45	16	138.45
Fisheries and Ports			2	3.70	2	3.70
Forest and Wildlife			4	30.32	4	30.32
General Education	9	1.05	8	18.70	17	19.75
Health and Family Welfare – Health Services	2	2.16	12	182.17	14	184.33
Health and Family Welfare - Medical Education			3	19.13	3	19.13
Health and Family Welfare – Indian Systems of Medicine			1	1.84	1	1.84
Higher Education – Collegiate Education	2	0.22	1	0.73	3	0.95
Higher Education - Technical Education			1	7.44	1	7.44
Home Department – Police			2	4.31	2	4.31
Industries			2	0.47	2	0.47
Local Self Government			7	16.25	7	16.25
Public Works Department			4	12.05	4	12.05
Revenue – Survey and Land Records			1	5.60	1	5.60
Scheduled Castes and Scheduled Tribes Development			2	0.65	2	0.65
Social Welfare	1	0.32	1	8.93	2	9.25
Taxes – Lotteries			1	2.61	1	2.61
Motor Vehicles			1	10.20	1	10.20
Water Resources	1	0.55	16	145.75	17	146.30
Total	15	4.30	100	724.74	115	729.04