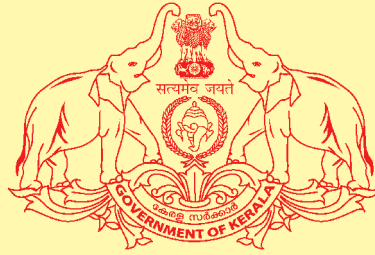


**STATE FINANCE AUDIT REPORT
OF
THE COMPTROLLER
AND AUDITOR GENERAL OF INDIA
for the year ended March 2019**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Kerala
Report No.2 of the year 2020

**STATE FINANCE AUDIT REPORT
OF
THE COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

for the year ended 31 March 2019

**Government of Kerala
Report No. 2 of 2020**

Table of contents		
	Reference to	
	Paragraph	Page no
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	6
Revenue Receipts	1.3	8
Collection and utilisation of various Cess	1.4	13
Capital Receipts	1.5	20
Public Account Receipts	1.6	22
Application of Resources	1.7	22
Quality of Expenditure	1.8	30
Financial Analysis of Government Investments, Loans and Advances	1.9	34
Assets and Liabilities	1.10	37
Debt Management	1.11	44
Fiscal Imbalances	1.12	47
Conclusion and Recommendations	1.13	51
Chapter II		
Financial Management and Budgetary Control		
Introduction	2.1	55
Summary of Appropriation Accounts	2.2	56
Financial Accountability and Budget Management	2.3	59
Non-reconciliation of departmental figures	2.4	68
Review on Budgetary Process and Appropriation Control	2.5	68
Overstated expenditure	2.6	73
Inspection of Treasuries	2.7	73
Conclusion and Recommendations	2.8	75

Table of contents		
	Reference to	
	Paragraph	Page no
Chapter III		
Financial Reporting		
Delay in furnishing utilisation certificates	3.1	77
Non-submission/delay in submission of Accounts	3.2	78
Delay in submission of accounts/Audit Reports of Autonomous Bodies	3.3	78
Departmentally Managed Commercial Undertakings	3.4	78
Amounts booked under Minor Head “800”	3.5	79
Misappropriations, losses, defalcations, etc.	3.6	79
Conclusion and Recommendations	3.7	80

APPENDICES		
No.		Page no
1.1	State Profile	83
1.2	Structure and form of Government Accounts	84
Part A		
Part B	Layout of Finance Accounts	84
1.3	Methodology adopted for assessment of fiscal position	85
Part A		
Part B	Medium Term Fiscal Plan 2018-19	86
1.4	Abstract of receipts and disbursements for the year 2018-19	87
Part A		
Part B	Summarised financial position of the Government of Kerala as on 31 March 2019	90
1.5	Time series data on the State Government finances	92
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	95
1.7	Details of major Capital Expenditure incurred under PSUs	96
2.1	Details showing savings in Grants/Appropriations during the year	97
2.2	Details of Grant-wise Plan/Non-plan savings (exceeding ₹100 crore) during the year	100
2.3	Schemes with more than ₹25 crore savings in Grants/Appropriations having substantial savings	101
2.4	Statement of persistent savings for the last three years	105
2.5	Schemes showed excess expenditure under Grants which exceeded budget allocation	107
2.6	Schemes in which expenditure was incurred after budget was re-appropriated/surrendered	108
2.7	Excess over provision of previous years requiring regularisation	109
2.8	Grants/Appropriations where supplementary provision (₹one crore or more in each case) proved unnecessary	111
2.9	Cases of excessive supplementary Grants/Appropriations (Savings of ₹ one crore and above)	112
2.10	Re-appropriation of funds (in excess of ₹one crore) proved unnecessary as the final expenditure was less than original/supplementary budget allocation	113
2.11	Sub-heads in which injudicious re-appropriation led to final excess	117
2.12	Sub-heads in which re-appropriation proved insufficient	118
2.13	Heads in which entire budget allocation (₹five crore and above) surrendered	119
2.14	Surrender (₹one crore or more in each case) in excess of actual savings	121
2.15	Sub-heads in which injudicious surrender (exceeding ₹one crore) led to excess expenditure	122
2.16	Rush of Expenditure	124

APPENDICES		
No.		Page no
2.17	List of Chief Controlling Officers/Controlling Officers who did not reconcile the expenditure figures during 2018-19	142
2.18	Schemes with repeated savings (more than ₹ one crore)	143
2.19	Schemes in which injudicious surrender of funds led to excess expenditure	146
2.20	Advances pending settlement by Drawing and Disbursing Officers	150
3.1	Statement showing names of bodies and authorities, the accounts of which were not received as of March 2019	153
3.2	Statement showing performance of Autonomous Bodies	154
3.3	Statement of finalisation of <i>pro forma</i> accounts and Government investment in departmentally managed commercial and quasi-commercial undertakings	157
3.4	Operation of Minor Head '800-Other Expenditure'(50 <i>per cent</i> and above of total expenditure)	158
3.5	Operation of Minor Head '800-Other Receipts'(50 <i>per cent</i> and above of total receipts)	159
3.6	Department/duration-wise break-up of cases of misappropriation, defalcation, etc.	160
3.7	Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material	162
	Glossary of terms used in the Report	163

PREFACE

1. This Report is prepared for submission to the Governor of Kerala under Article 151 of the Constitution of India for being placed in the State Legislature.
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 2019. 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.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



**EXECUTIVE
SUMMARY**

EXECUTIVE SUMMARY

Background

Kerala is located at the southern end of the country, sharing borders with Tamil Nadu and Karnataka. Geographical area-wise, the State is ranked 22nd in the country with an area of 38,863 sq.km. The State has a population of 3.63 crore (12th in the country) and it is ranked as the third most densely populated State with a density of 860 persons per sq.km. The decadal growth rate of population was 6.23 *per cent* (3.42 crore in 2009 to 3.63 crore in 2019), which is the second lowest rate among Indian states. The literacy rate of Kerala (94 *per cent*) is the highest among the Indian states. Gross State Domestic Product (GSDP) of the State in 2018-19 at current prices was ₹7,81,653 crore.

About the Report

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 2018-19 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 is made to compare the achievements with the targets envisaged by the State Government in the budget estimates of 2018-19. Based on the audited accounts of the Government of Kerala for the year ended March 2019, 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 2019. It provides an insight into trends in committed expenditure, borrowing pattern and quality of expenditure, besides giving comparison on State's expenditure with other General Category States.

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 brings together the data compiled from various Government departments/organizations in support of the findings.

Audit findings and recommendations

Chapter I: Finances of the State Government

Overall financial status

Revenue deficit increased from ₹13,796 crore in 2014-15 to ₹17,462 crore in 2018-19 and fiscal deficit increased from ₹18,642 crore in 2014-15 to ₹26,958

crore in 2018-19. The ratio of fiscal deficit to GSDP improved from 3.6 *per cent* in 2014-15 to 3.4 *per cent* in 2018-19. State did not achieve any of the targets fixed in its Medium Term Fiscal Plan or Kerala Fiscal Responsibility Act during 2018-19. As per the recommendation of the Fourteenth Finance Commission, Fiscal deficit to GSDP ratio was to be anchored at 3 *per cent* but it was 3.4 *per cent* during 2018-19.

Revenue resources of the State

Revenue receipts of the State increased from ₹57,950 crore in 2014-15 to ₹92,854 crore in 2018-19 recording a growth rate of 60 *per cent* during last five years. Share of State's own tax revenue being the main source of revenue in revenue receipts, decreased from 61 *per cent* in 2014-15 to 55 *per cent* in 2018-19 indicating low growth rate of tax revenue during the period. Receipts under State Lotteries was the main source of non-tax revenue and it constituted 74 to 81 *per cent* of non-tax revenue during the period.

Revenue expenditure of the State

Revenue Expenditure of the State increased from ₹71,746 crore in 2014-15 to ₹1,10,316 crore in 2018-19 recording a growth rate of 54 *per cent* during the period. Revenue expenditure as a percentage of total expenditure ranged between 89 to 93 *per cent* during the period showing predominance of revenue expenditure. Share of committed expenditure in revenue expenditure was 63 *per cent* during 2018-19 and it consumed 75 *per cent* of revenue receipts during the year. Interest payments consumed 18 *per cent* of revenue receipts and is a matter of concern for the State Government.

Quality of expenditure

Capital expenditure increased from ₹4,255 crore in 2014-15 to ₹7,431 crore in 2018-19 recording a growth of 75 *per cent* during the period. However, capital expenditure is showing a declining trend during 2017-18 and 2018-19. It decreased by ₹1,377 crore during 2017-18 and further decreased by ₹1,318 crore in 2018-19 showing low priority of Government towards capital expenditure during last two years. State's share of expenditure on health and education sector in total expenditure was more than General Category States, but the share of capital expenditure and development expenditure in total expenditure was less than that of General Category States. The average return on investment made by State Government was 1.40 *per cent* in the last five years while the Government paid an average interest rate of 7.29 *per cent* on its borrowings during the same period. The interest receipt on loans and advances given by State Government was 0.24 *per cent* during 2018-19 against the average cost of borrowing of 7.34 *per cent*.

Reserve Funds and liabilities

Consolidated Sinking Fund was constituted with the aim to amortize the outstanding liabilities of Government, but Government did not contribute to the fund during 2018-19. Similarly, Government has to constitute a Guarantee Redemption Fund for crediting guarantee commission collected for meeting

future liability arising out of guarantees given by the Government. This fund has not been constituted so far. The accumulated balance in State Disaster Response Fund (SDRF) at the end of March 2019 was ₹2,113.98 crore. As per the guidelines issued by Government of India, the accretions to SDRF were to be invested in GoI Securities/Treasury Bills by State Executive Committee constituted for the management of the Fund. However, this has not been done till date.

Off-Budget Borrowing

KIIFB borrowed / raised funds amounting to ₹3,106.57 crore from financial institutions till 2018-19 by issue of bonds etc., which were to be re-paid from the petroleum cess and part of motor vehicle tax set apart by the Government of Kerala from its own revenue resources for transfer to KIIFB. This included an amount of ₹ 2,150 crore raised through Masala Bonds in foreign countries.

Since KIIFB has no source of income, the borrowings by KIIFB for which State Government stood as a guarantor, may ultimately turn out to be a direct liability of the State Government. Any servicing of these debts by the State Government would entail surpassing the FFC and KFR fiscal deficit target of 3 *per cent* (in the current year it already stands at 3.45 *per cent*) and the debt-GSDP ratio of 30 *per cent* (in the current year it stands at 30.91 *per cent*). Further, such off-budget borrowings are not in accordance with Article 293 (1) of the Constitution of India.

Debt management

Open market borrowings have a major share (54 *per cent*) in total fiscal liabilities of the State. The net debt available with State for development activities was only ₹3,168 crore (13 *per cent* of public debt receipts) during 2018-19. Maturity profile of the State shows that about 51.22 *per cent* (₹81,056.92 crore) of the debt is to be repaid by March 2026.

Chapter II: Financial Management and Budgetary Control

The overall savings of ₹16,653.31 crore (10.38 *per cent*) in 2018-19 against the total budget allocation of ₹1,60,374.90 crore was 2.49 *per cent* more than the savings noticed during 2017-18 (7.89 *per cent*). Persistent savings exceeding ₹100 crore were noticed in nine Grants under revenue section and five Grants under capital section. Excess expenditure of ₹4,463.15 crore occurred during 2018-19 under two Grants and four Appropriations is to be regularized under Article 205 of the Constitution along with excess expenditure of ₹4,735.00 crore relating to previous years (2011-12 to 2017-18). Supplementary provisions aggregating to ₹6,107.21 crore obtained in 30 Grants/Appropriations proved unnecessary as the expenditure did not come up to the level of even the original provisions. During 2018-19, 12.90 *per cent* of the total budget allocation was surrendered at the end of the financial year, which includes six grants having surrender more than ₹1,000 crore. Unnecessary and injudicious re-appropriations indicated that departmental officers failed in assessing actual requirement of funds in heads of account under their control. Excess payment of pension and non-settlement of

advances by drawing and disbursing officers were noticed in Inspection of Treasuries.

Chapter III: Financial Reporting

The accounts of District Legal Services Authorities, Ernakulam, Kollam, Wayanad and Kasaragod, the audit of which was 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, were due for four years (from 2014-15).



CHAPTER I

**FINANCES OF THE
STATE GOVERNMENT**

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Profile of Kerala

The State is located at the southern end of the country, sharing borders with Tamil Nadu and Karnataka. Geographical area-wise, Kerala is ranked 22nd in the country with an area of 38,863 sq.km. The State has a population of 3.63 crore (12th in the country) and is ranked as the third¹ most densely populated State with a density of 860 persons per sq.km. The decadal growth rate of population was 6.23 *per cent* (3.42 crore in 2009 to 3.63 crore in 2019), which is the second lowest² among Indian states. The literacy rate of Kerala (94 *per cent*) is the highest³ among the Indian states. The Gross State Domestic Product (GSDP) in 2018-19 of the State at current prices was ₹7,81,653 crore. The General data relating to the State is given in **Appendix 1.1**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognized final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's GDP and that of the State at current prices are indicated below:

Table 1.1: Trends in annual growth of GDP and GSDP (at current prices)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
India's GDP (₹ in crore)	1,24,67,959	1,37,71,874	1,53,62,386	1,70,95,005	1,90,10,164
Growth rate of GDP (percentage)	10.99	10.46	11.55	11.28	11.20
State's GSDP (₹ in crore)	5,12,564	5,61,994	6,34,871	7,00,532	7,81,653
Growth rate of GSDP (percentage)	10.22	9.64	12.97	10.34	11.58

Source: Ministry of Statistics and Programme Implementation website as on 1.8.2019

The State's GSDP increased by 11.58 *per cent* in 2018-19, which was higher than the growth rate of GDP during the year (11.20 *per cent*).

1.1 Introduction

This chapter is based on the audit of the Finance Accounts and makes an assessment of the fiscal position of the Government of Kerala as on 31 March 2019. It provides a broad perspective of the finances of the State during 2018-19 along with analysis of the critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure and form of Government Accounts are 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 is given in **Appendix 1.3 Part A**. As per the Kerala Fiscal Responsibility Act, 2003, the State Government has to present a Medium Term Fiscal Policy and Strategy Statement with a Medium Term

¹As per Census of India 2001 (Population Projection 2001-2026, Table 14) (furnished by Economic Adviser, Office of the C&AG of India, New Delhi)

²Furnished by Economic Adviser

³Economic Survey 2018-19, Vol.II, Page A 164 (furnished by Economic Adviser)

Fiscal Plan, along with the budget document. The Medium Term Fiscal Plan for 2018-19 to 2020-21 was presented in the State Legislature in February 2018. It is included as **Appendix 1.3 Part B** of this Report.

1.1.1 Summary of Fiscal Transactions during the current year

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2018-19) *vis-à-vis* the previous year (2017-18). **Appendix 1.4 (Part A and Part B)** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of fiscal operations in 2018-19 (₹ in crore)

Receipts	2017-18	2018-19	Disbursements	2017-18	2018-19			
Section –A: Revenue						Non-plan	Plan	Total
Revenue Receipts	83020.14	92854.47	Revenue Expenditure	99948.35	96425.83	13890.56	110316.39	
Tax Revenue	46459.61	50644.10*	General Services	45523.77	49883.54	943.59	50827.13	
Non-tax Revenue	11199.61	11783.24	Social Services	35876.27	29160.17	9050.60	38210.77	
Share of Union Taxes/ Duties	16833.08	19038.17**	Economic Services	11351.08	8483.40	3896.37	12379.77	
Grants from Government of India	8527.84	11388.96***	Grants-in-aid and Contribution	7197.23	8898.72		8898.72	
Section –B: Capital and Others								
Miscellaneous Capital Receipts	29.28	46.50	Capital Outlay	8748.87	652.00	6778.54	7430.54	
Recoveries of Loans and Advances	350.98	210.54	Loans and Advances Disbursed	1540.59	994.04	1328.85	2322.89	
Public Debt Receipts	30233.77	33445.92	Repayment of Public Debt	13132.10			18195.99	
Contingency Fund	0.00	0.00	Contingency Fund	0.00			0.00	
Public Account Receipts	215992.46	254069.02	Public Account Disbursements	207174.17			242890.37	
Opening Cash Balance	3650.33	2732.88	Closing Cash Balance	2732.88			2203.15	
Total	333276.96	383359.33	Total	333276.96			383359.33	

Source: Finance Accounts for 2017-18 and 2018-19

* including SGST of ₹21,014.71 crore, ** including CGST of ₹4,699.14 crore & IGST of ₹375 crore, ***including compensation for loss of revenue arising out of implementation of GST of ₹2,884 crore

Following are the significant changes noticed during 2018-19 when compared to the previous year.

- During 2018-19, the revenue receipts of the State increased by ₹9,834.33 crore with a growth rate of 11.85 per cent when compared to the previous year. This was mainly due to increase in receipts under 'State's own tax revenue' by ₹4,184.49 crore (9.01 per cent), 'Grants-in-aid from GoI' by ₹2,861.12 crore (33.55 per cent), 'State's share of Union taxes and duties' by ₹2,205.09 crore (13.10 per cent) and 'non-tax revenue' by ₹583.63 crore (5.21 per cent) compared to last year.

- Revenue expenditure of the State recorded an increase of ₹10,368.04 crore (increase of 10.37 *per cent* over the previous year), due to the increase in expenditure on General Services by ₹5,303.36 crore (11.65 *per cent*), Social Services by ₹2,334.50 crore (6.51 *per cent*), Grants-in-aid and Contributions to Panchayati Raj Institutions by ₹1,701.49 crore (23.64 *per cent*) and Economic Services by ₹1,028.69 crore (9.06 *per cent*).
- Capital expenditure decreased by ₹1,318.33 crore showing a decline in growth of 15.07 *per cent* over the previous year.
- Recoveries of Loans and Advances decreased by ₹140.44 crore (40.01 *per cent*) whereas Disbursement of Loans and Advances increased by ₹782.30 crore (50.78 *per cent*).
- Public Debt receipts increased by ₹3,212.15 crore (10.62 *per cent*) mainly due to more receipts under ‘internal debt’ (including ways & means advances from the Reserve Bank of India) by ₹3,204.75 crore (10.76 *per cent*). Public Debt repayment increased by ₹5,063.89 crore (38.56 *per cent*) mainly due to more repayment of internal debt (including ways & means advances from Reserve Bank of India) by ₹4,946.05 crore (39.39 *per cent*) and more repayment of Loans and Advances to Government of India by ₹117.84 crore (20.50 *per cent*).
- Public Account receipts and disbursements increased by ₹38,076.56 crore (17.63 *per cent*) and ₹35,716.20 crore (17.24 *per cent*) respectively.
- The Cash balance position of the State decreased from ₹2,732.88 crore at the end of 2017-18 to ₹2,203.15 crore at the end of 2018-19.

1.1.2 Review of the fiscal situation

The State Government enacted the Kerala Fiscal Responsibility Act, 2003, to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management. This Act came into force on 5 December 2003. Since then the State Government has amended the Fiscal Responsibility Act twice keeping in view the fiscal parameters prescribed by successive Finance Commissions.

Based on the recommendations of the Fourteenth Finance Commission, the State Government amended the Kerala Fiscal Responsibility Act by enacting the Kerala Fiscal Responsibility (Amendment) Act, 2018 on 31 March 2018 with revised fiscal targets for the Finance Commission period. According to the Act, the Government shall eliminate revenue deficit completely during the period from 2017-18 to 2019-20 and shall maintain the fiscal deficit to 3 *per cent* of GSDP during the same period.

Major fiscal variables provided in the budget based on the recommendations of the Fourteenth Finance Commission (FFC) and as targeted in the Kerala Fiscal Responsibility (Amendment) Act, 2018 along with actual thereof are given in **Table 1.3**.

Table 1.3: Comparison of fiscal variable targets

Fiscal variables	Targets for 2018-19				Actual
	FFC	KFR Act ⁴	MTFP ⁵	Revised BE	
Revenue Deficit (₹in crore)	-	0 ⁶	12,860	13,027	17,462
Fiscal Deficit/GSDP(in per cent)	3	3	3.10	3.06	3.45
Total outstanding debt of the Government to GSDP(in per cent)	30.01	30.01	30.70	30.49	30.91
Interest payment/revenue receipts	13.78	-	14.53	15.63	18.04

Source: Fourteenth Finance Commission Report and Budget documents

The above table shows that the State could not achieve any of the targets fixed in the KFR Act or in the MTFP or the revised targets fixed subsequently. The State Government needs to control the various fiscal parameters so as to achieve the targets fixed in KFR Act, MTFP and by the Fourteenth Finance Commission.

1.1.3 Accuracy of estimation in Budget documents

The estimated statement of receipts and expenditure for a financial year mentioned in the Constitution as the 'Annual Financial Statement', commonly known as the 'Budget', is prepared according to Article 202 of the Constitution of India and placed before the State Legislature by the Government. The budget is the Government's most important economic policy tool, that translates Government's policies, commitments, goals into decisions on plans to raise the estimated revenue and how to use these funds to meet the State's competing needs. A budget system that functions well is crucial in developing sustainable fiscal policies and economic growth.

Comparison of the State's budget estimates *vis-à-vis* actual for the year 2018-19 is detailed in **Table 1.4**.

Table 1.4: Budget estimates and actuals for 2018-19
(₹in crore)

Particulars	Budget Estimate	Revised Estimate	Actual
Revenue Receipts	1,02,801.24	1,00,006.58	92,854.47
Revenue Expenditure	1,15,661.05	1,13,033.57	1,10,316.39
Revenue Deficit	12,859.81	13,026.98	17,461.92
Capital Expenditure	10,330.31	9,810.71	7,430.54
Loans and Advances (Net)	804.97	887.01	2,112.35
Public Debt (Net)	22,288.87	19,191.16	15,249.93
Public Account (Net)	1592.53	4,058.70	11,734.65

Source: Annual Financial Statement 2019-20 and Finance Accounts for 2018-19

The revised estimate needs to be more accurate than the original budget estimate as it was done after analysing the receipts and expenditure of the first six months of the financial year. However, it was observed that actual revenue receipts were short by ₹7,152.11 crore with respect to the revised estimate and short by ₹9,946.77 crore with respect to the original estimate. Own tax revenue collected during 2018-19 (₹50,644.10 crore) was short by ₹7,944.34 crore (13.56 per cent) with respect to original estimate and short by ₹2,466.48 crore (4.64 per cent) with respect to revised estimate. Non tax revenue

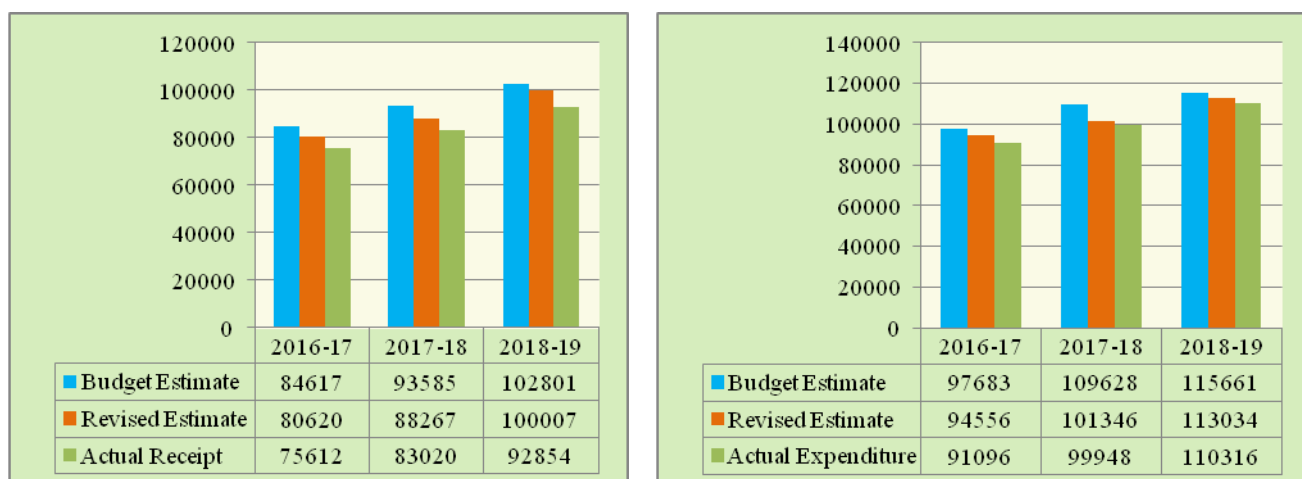
⁴ Kerala Fiscal Responsibility (Amendment) Act, 2018

⁵ Medium Term Fiscal Plan 2018-19

⁶Eliminate revenue deficit during 2017-18 to 2019-20

collected during 2018-19 (₹11,783.24 crore) was short by ₹2,487.90 crore (17.43 per cent) with respect to original estimate and short by ₹1,208.73 crore (9.31 per cent) with respect to revised estimate. The actual revenue deficit was more by ₹4,602.11 crore with respect to the original estimate and ₹4,434.94 crore with respect to the revised estimate. Apart from these, substantial variation was noticed in the case of net Public Account accretions. Against the revised estimation of ₹4,058.70 crore, net accretions under ‘Public Accounts’ were ₹11,734.65 crore mainly due to increase in net accretions under ‘Small Savings, PF etc.’(₹3,264.87 crore), ‘Suspense and Miscellaneous’ (₹2,138.64 crore) and ‘Reserve Funds’ (₹2,123.28 crore) when compared to the revised estimates. The comparison of the last three years’ budget estimates, revised estimates, actuals in respect of revenue receipt and revenue expenditure is given in **Chart 1.1**.

Chart 1.1 : Comparison of budget estimates and actuals
Revenue Receipts (₹ in crore) **Revenue Expenditure (₹ in crore)**



1.1.4 Status of implementation of new initiatives announced in the budget speech

While presenting the budget for 2018-19, 14 new schemes were announced for implementation by 12 institutions/departments during the year 2018-19 with budget allocation of ₹188 crore. Audit observed that an amount of ₹18.47 crore was incurred in respect of five⁷ schemes. Nine schemes were not implemented during 2018-19 due to reasons such as non receipt of revised administrative sanction, not identifying the transaction advisor for mobilizing funds, non receipt of communication from government etc. Further, of these nine schemes, no budget provision was made in respect of seven⁸ schemes. Thus, the majority of the schemes announced in the budget speech were not implemented during the year.

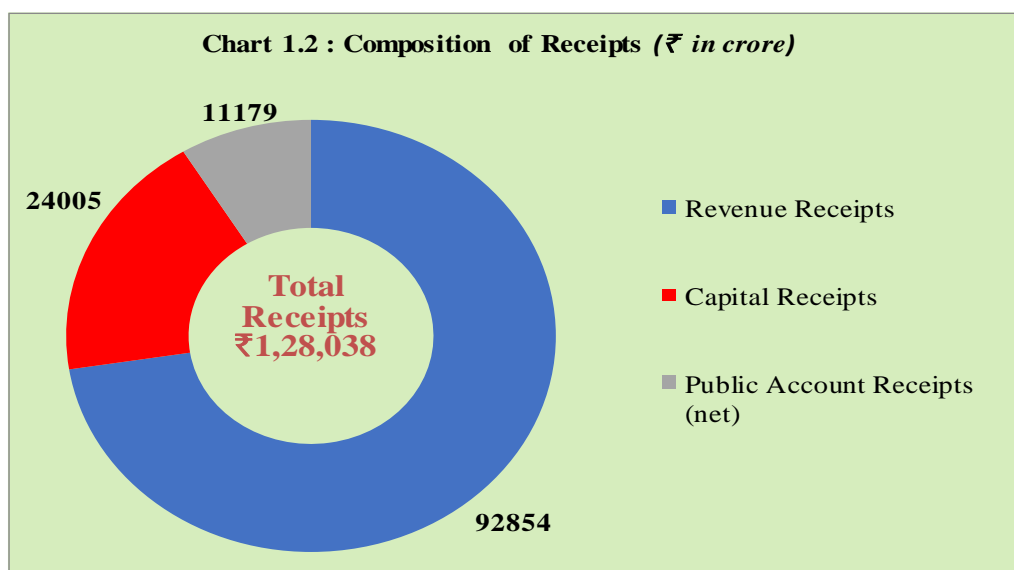
⁷Carbon neutral Wayanad ; Young innovators programme; Skill delivery platform Kerala; Industrial Park; Kerala Co-operative Bank

⁸ Women friendly village; Fibre mills; Pollution control plant; Construct injectable factory; Cancer medicine factory; Kerala Arab Cultural study Center; Company in model of CIAL.

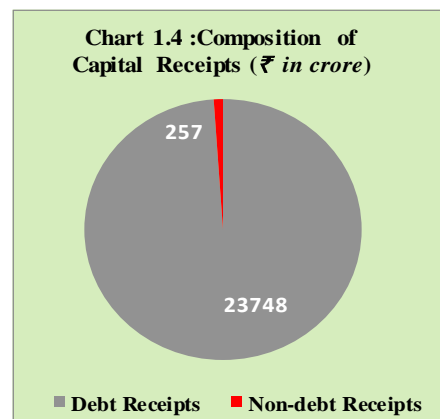
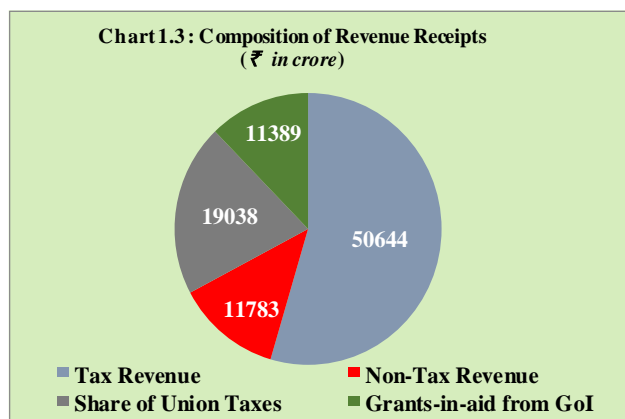
1.2 Resources of the State

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of Tax revenues, Non-tax revenues, State's share of union taxes and duties and Grants-in-aid from the Government of India (GoI). Capital receipts comprise of miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from other financial institutions/commercial banks) and loans and advances from GoI. The funds available in the Public Accounts after disbursement are also utilised by the Government to finance its deficit. **Charts 1.2, 1.3 and 1.4** depict the composition of resources of the State during the current year.



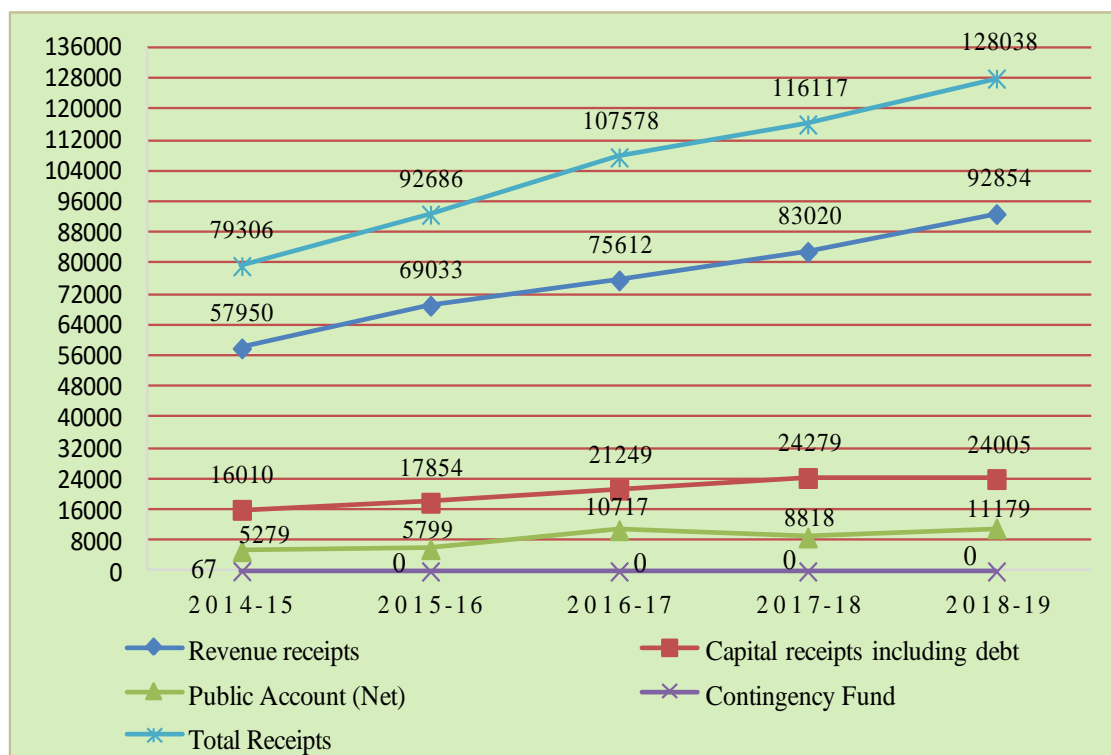
Note: Under Capital Receipts, transactions under 'Ways and Means advances' was excluded and under Public Accounts only net receipts was considered.



Capital Receipts of the State include Debt Receipts and Non-debt receipts. Debt receipts consist of loans raised by the State from various sources (open market sources and financial institutions) and loans received from the

Government of India. Non-Debt receipts are receipts from Miscellaneous capital receipts (disinvestment of shares) and recovery of Loans and Advances disbursed by the State Government. Total receipts⁹ of the State Government increased from ₹79,306 crore in 2014-15 to ₹1,28,038 crore in 2018-19 showing an increase of 61.45 per cent during the last five years. Trend in total receipts and its components during the last five years are given in **Chart 1.5**.

Chart 1.5: Trends in total receipts during the last five years (₹ in crore)



1.2.2 Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget)

Though the system of direct release of funds to state level implementing agencies of the GoI flagship programmes was dispensed by GoI from 2014-15 onwards, GoI continues transferring funds directly to the State implementing agencies for implementation of various schemes/programmes which are recognized as critical. As these funds are not routed through the State Budget, 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 are understated.

To present a holistic picture on the availability of aggregate resources, details of funds directly transferred to the State Implementing agencies during 2015-16 to 2018-19 for seven GoI schemes are presented in **Table 1.5**. The details of funds transferred directly to the State Implementing Agencies outside the State Budget are included in Appendix VI of the Finance Accounts by capturing data from the website of Controller General of Accounts (CGA) (unaudited figures).

⁹Consists of Revenue receipts, Capital receipts (including Debt receipts but excluding Ways and Means advances) and Public Account net receipts.

Table 1.5: Funds transferred directly to State Implementing Agencies*(₹ in crore)*

Sl. No.	Name of GoI scheme	Implementing Agency/ Recipient in the State	2015-16	2016-17	2017-18	2018-19
1.	Metro Projects	Kochi Metro Rail Limited	643.96	634.00	303.91	58.68
2.	Food subsidy for decentralized Procurement of food grains under NFSA	Kerala State Civil Supplies Corporation Limited	...	...	782.06	620.22
3.	Pradhan Mantri Matru Vandana Yojana	Directorate of Social Justice, Kerala	...	...	51.51	32.09
4.	National AIDS and STD control programme	Kerala State AIDS Control Society	...	26.40	26.76	27.63
5.	Swadesh Darshan	Kerala Tourism Development Corporation	...	38.49	56.03	39.30
6.	MP's Local Area Development Scheme	District Collectors	127.50	157.50	95.00	115.00
7.	Mahatma Gandhi National Rural Employment Guarantee Scheme	Mahatma Gandhi National Rural Employment Guarantee Fund Society, Kerala	364.98	1,797.61	1,652.04	2051.57
8.	Others		1,375.26	1,068.96	2,275.08	2,015.62
	Total		2,511.70	3,722.96	5,242.39	4,960.11

Source: Finance Accounts of respective years

1.3 Revenue Receipts

Statement No.14 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, share of central tax transfers and grants-in-aid from GoI.

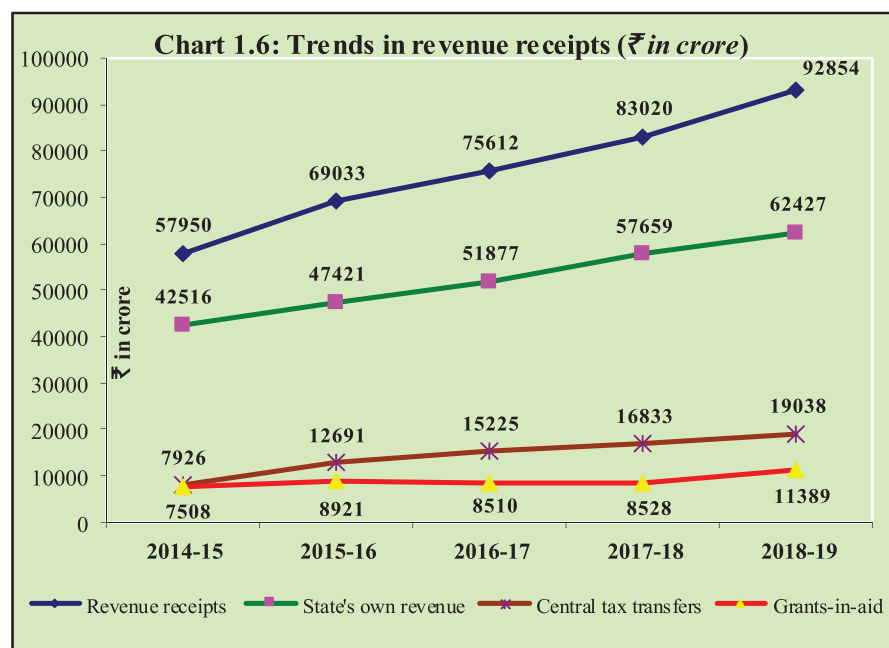
During the last five years (2014-15 to 2018-19), revenue receipts of the State increased from ₹57,950 crore in 2014-15 to ₹92,854 crore in 2018-19, recording a growth of 60 per cent. Over these years, the State's own receipts (tax and non-tax) were the major component of the revenue receipts, but there was a decline in their share in the revenue receipts during the last five years from 73 per cent in 2014-15 to 68 per cent in 2018-19. This was mainly due to the reduced growth rate of the State's own tax revenue during the period. The trend of revenue receipts over the period 2014-15 to 2018-19 is presented in **Appendix 1.5** and also depicted in **Chart 1.6**.

As per the Medium Term Fiscal Plan (MTFP) (**Appendix 1.3 Part B**), the projected revenue receipts of the State during 2018-19 were ₹1,02,801 crore but the actual realisation was ₹92,854 crore. Variations in components of revenue receipts are shown in the **Table 1.6**.

Table 1.6: Comparison of MTFP projections with amount realized (₹ in crore)

Components	Own Tax Revenue	Non-tax Revenue	Resources from GoI
MTFP projection	58,588	14,271	29,942
Amount realised	50,644	11,783	30,427

Table 1.6 shows that the State could not collect/receive revenue as estimated in the MTFP and the major shortfall occurred in the realisation of the State's own taxes.



The Compounded annual growth rate of the State for the period 2009-10 to 2017-18 and 2017-18 to 2018-19 in respect of revenue receipts was compared with General Category States and it was observed that though the State's growth rate was higher than that of General Category States during 2009-10 to 2017-18, it was below the General Category States' growth rate during 2017-18 to 2018-19. (Details are given in **Appendix 1.1**).

The trends in revenue receipts relative to GSDP are presented in **Table 1.7**

Table 1.7: Trends in revenue receipts relative to GSDP during 2014-2019

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Receipts (RR) (₹ in crore)	57,950	69,033	75,612	83,020	92,854
Rate of growth of RR (per cent)	17.84	19.13	9.53	9.80	11.85
State's own tax revenue (₹ in crore)	35,232	38,995	42,177	46,460	50,644
Rate of growth of own tax revenue (per cent)	10.12	10.68	8.16	10.15	9.01
Percentage of own tax revenue in RR	61	57	56	56	55
GSDP (₹ in crore)	5,12,564	5,61,994	6,34,871	7,00,532	7,81,653
Rate of Growth of GSDP	10.22	9.64	12.97	10.34	11.58
RR/GSDP (per cent) *	11.31	12.28	11.91	11.85	11.88
State's own tax/GSDP (per cent)	6.87	6.94	6.64	6.63	6.48
Revenue buoyancy w.r.t GSDP*	1.75	1.98	0.73	0.95	1.02
State's Own Tax Buoyancy w.r.t GSDP*	0.99	1.11	0.63	0.98	0.78

Source: Finance Accounts and information furnished by the Economics and Statistics Department, Government of Kerala

*Change in ratio with respect to the previous Report was due to adoption of revised GSDP figures

- The above table shows that the growth rate of revenue receipts during 2018-19 was 11.85 per cent when compared to the growth rate of 17.84 per cent in 2014-15. Percentage of own tax revenue in revenue receipts steadily decreased from 61 per cent in 2014-15 to 55 per cent in 2018-19.
- The Revenue receipts as a percentage of GSDP slightly increased during 2018-19 compared to the previous year. Buoyancy of revenue receipts with GSDP was also more than one during the year which indicated that the

revenue receipts of the State have grown in pace with GSDP during 2018-19.

- Buoyancy of own tax revenue with GSDP was less than one during the period 2014-2019 (except during 2015-16) indicating low growth rate of own tax revenue when compared to the growth in GSDP.
- Own tax revenue as a percentage of GSDP was better for Kerala State (6.48 *per cent*) during 2018-19 when compared to the neighbouring state of Tamil Nadu (6.34 *per cent*) but is lower than that of the other neighbouring state of Karnataka (6.88 *per cent*).

1.3.1 Own resources of the State

As the State's share in central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising own tax and non-tax sources.

Taxes collected and grants-in-aid received from GoI during the last five years are given in **Table 1.8**.

Table 1.8: Resources of the State during last five years (₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	35,232	38,995	42,177	46,460	50,644
Non-tax Revenue	7,284	8,426	9,700	11,199	11,783
Share of Union taxes /Duties	7,926	12,691	15,225	16,833	19,038
Grants-in-aid from Government of India	7,508	8,921	8,510	8,528	11,389
Total Revenue Receipts	57,950	69,033	75,612	83,020	92,854

Source: Finance Accounts of respective years

Table 1.8 shows that State's own tax revenue has the lowest growth rate during the five year period when compared to the other components of revenue receipts and its share in revenue has come down from 61 *per cent* in 2014-15 to 55 *per cent* in 2018-19. The State Government needs to address this reduced growth as own tax revenue is the main source of revenue of the State.

1.3.1.1 Tax Revenue

The State's own tax revenue increased from ₹46,460 crore in 2017-18 to ₹50,644 crore in 2018-19, recording a growth rate of 9.01 *per cent*. This was lower than the growth rate (10.15 *per cent*) in 2017-18. Various components of the State's own tax revenue are given in **Table 1.9**.

Table 1.9: Components of own tax revenue (₹ in crore)

Revenue Head	2014-15	2015-16	2016-17	2017-18	2018-19
Taxes on Sales, Trade etc.	27,908	30,737	33,453	24,578	19,226
State Goods and Services Tax				12,008	21,015
Stamps and Registration fees	2,659	2,878	3,007	3,453	3,693
State Excise	1,777	1,964	2,019	2,240	2,521
Taxes on Vehicles	2,365	2,814	3,107	3,663	3,709
Land Revenue	139	182	124	162	203
Taxes on Agricultural income	9	2	2	3	1
Other Taxes	375	418	465	353	276
Total	35,232	38,995	42,177	46,460	50,644

Source: Finance Accounts of respective years

State Goods and Service Tax was the major component in tax revenue during 2018-19 comprising 42 *per cent* of the tax revenue. This was followed by taxes on sales, trade etc. (38 *per cent*), Taxes on Vehicles (7 *per cent*), Stamps and Registration fees (7 *per cent*) and State Excise (5 *per cent*).

Goods and Services Tax (GST):

With automation of the collection of Goods and Services Tax (GST) having taken place, it is essential for Audit to transition from sample checks to a comprehensive check of all transactions, to fulfil the CAG's Constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipts. The accounts for the year 2018-19 are, therefore, certified on the basis of test audit as was done when records were manually maintained, as a one-time exception.

The State Government implemented the Goods and Services Tax (GST) Act, which became effective from 1 July 2017. According to the GST (Compensation to States) Act 2017, the Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the CAG of India. A base year (2015-16) revenue figure of taxes subsumed under GST was finalized for each state under the GST Act. In case of the State of Kerala, the revenue was ₹16,821.37 crore during the base year (2015-16).

The projected revenue for the year in a State shall be calculated by applying the projected growth rate (14 *per cent* per annum) over the base year revenue of that State. For the State of Kerala, the projected revenue for the year 2018-19 in accordance with the base year figure was ₹24,921.60 crore (₹16,821.37 x 1.14 x 1.14 x 1.14). The Revenue figure under GST for the year 2018-19 has been depicted in the Finance Accounts as per the nature of receipts i.e., State Goods and Services Tax (SGST), Input Tax Credit cross utilization of SGST and IGST (Integrated Goods and Services Tax), Apportionment of IGST-transfer-in of Tax component to SGST and Advance apportionment from IGST. Against the projected revenue of ₹24,921.60 crore, the revenue receipt of the State Government under GST during the year 2018-19 is given in **Table 1.10**.

Table 1.10: Pre-GST and SGST collected, provisional apportionment of IGST and compensation of IGST received from Government of India against the projected revenue of the State for the period from April 2018 to March 2019 (₹ in crore)

Month	Revenue to be projected	Pre GST taxes collected ¹⁰	SGST collected ¹¹	Provisional apportionment of IGST	Total amount received	Compensation received ¹²	Deficit(+)/ Surplus(-)
	1	2	3	4	5 (2+3+4)	6	7=[1-(5+6)]
April & May 2018	4153.60	110.55	1718.72	(-)147.20	1682.07	330.00	2141.53
June & July 2018	4153.60	105.33	973.38	1788.00	2866.71	67.00	1219.89
August & September 2018	4153.60	97.98	1979.38	(-)336.80	1740.56	780.00	1633.04
October & November 2018	4153.60	68.32	2058.26	631.04	2757.62	1033.00	362.98
December 2018 & January 2019	4153.60	72.77	1663.20	378.63	2114.60	195.00	1844.00
February & March 2019	4153.60	2.86	9887.40	420.70	10310.96	479.00	(-)6636.36
Total	24921.60	457.81	18280.34	2734.37	21472.52	2884.00	565.08

Source: Data furnished by AG (ERSA)

As seen from **Table 1.10**, against the projected revenue of ₹24,921.60 crore during April 2018 to March 2019, the receipt was ₹24,356.52 crore under the new tax regime, which worked out to a growth of 11.42 per cent as against the projected growth of 14 per cent. The growth rate of revenue under GST during 2018-19 (11.42 per cent) is showing a declining trend when compared to 2017-18 (12.90 per cent) requiring higher amount of compensation from Government of India.

1.3.1.2 Non-tax Revenue

Receipts under 'State Lotteries' is the major source of non-tax revenue of the State for the last five years and its share in non-tax revenue ranged between 74 per cent and 81 per cent during 2014-15 to 2018-19 and it was 79 per cent in 2018-19. During the five-year period, receipts from State Lotteries also recorded an increase of 70 per cent. Major sources of non-tax revenue of the State are given in **Table 1.11**.

Table 1.11: Components of non-tax revenue (₹ in crore)

Revenue Head	2014-15	2015-16	2016-17	2017-18	2018-19
Interest receipts	102	105	144	144	132
Dividends and profits	74	90	96	126	132
State Lotteries	5,445	6,271	7,283	9,034	9,265
Forestry and Wildlife	300	283	297	245	287
Other non-tax receipts	1,363	1,677	1,880	1,650	1,967
Total	7,284	8,426	9,700	11,199	11,783

Source: Finance Accounts of respective years

Though the receipts under State Lotteries was ₹9,265 crore, an equally high expenditure of ₹7,589 crore on distribution of prizes, agent commission, etc. was incurred reducing the net yield to ₹1,676 crore during the year. The net

¹⁰Includes VAT&CST (net of refund) and revenue from the taxes subsumed in GST by excluding VAT and CST on petroleum products and liquor. Figures are based on data available in Finance Accounts 2018-19.

¹¹Figures are based on VLC data/ Finance Accounts

¹²Figures for compensation are provisional

yield from lotteries have increased progressively from ₹960 crore in 2014-15 to ₹1,676 crore in 2018-19.

1.3.2 Grants-in-aid from Government of India

Grants-in-aid from the GoI increased by ₹2,861 crore (33.55 per cent) from ₹8,528 crore in 2017-18 to ₹11,389 crore in 2018-19 as detailed in **Table 1.12**.

Table 1.12: Status of Grants-in-aid received from Government of India(₹in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-plan grants	1,984	5,178	5,250	...	...
Grants for State plan schemes	4,929	3,406	2,727	...	...
Grants for central plan schemes	158	170	71	...	...
Grants for Centrally sponsored Plan schemes	437	167	462	...	(-)
Centrally sponsored schemes	...	...	...	3,213	3,771
Finance Commission Grants	...	...	...	3,182	1,646
Other Transfer/Grants to States	...	...	...	2,133	5,973
Total	7,508	8,921	8,510	8,528	11,389

Source: Finance Accounts of respective years

The major increase in grants-in-aid from GoI during 2018-19 when compared to the previous year occurred under Other Transfer/Grants to States (₹3,840 crore). The increase was mainly under ‘Grants towards contribution to NDRF’ (₹2,740 crore) and ‘Compensation for loss of revenue arising out of implementation of GST’(₹1,112 crore).

1.3.3 Efficiency in Tax collection

The average expenditure on tax collection in respect of four major revenue sources of the State compared with all India average, during the last five years, is given in **Appendix 1.6**. It shows that during the period 2014-15 to 2017-18, the average tax collection expenditure of the State was much higher than the all India average in respect of two major revenue sources, viz. Stamps (Non-judicial) and Registration fees (60 to 133 per cent higher than all India average) and State Excise (239 to 577 per cent higher than all India average). During 2015-16 to 2017-18, expenditure on collection was also higher than the all India average in respect of VAT, GST etc. (11 to 25 per cent higher than all India average). During 2014-15 and 2015-16, expenditure on collection was lower than the all India average in respect of taxes on vehicles (32 to 38 per cent lower than all India average) which became higher than the all India average in 2016-17 and 2017-18 (30 to 48 per cent higher than all India average).

1.4 Collection and utilisation of various Cess

A cess is an additional tax levied by the Government to raise funds for a specific purpose. A study was conducted by Audit to examine the collection and utilisation of various cess, and to ascertain whether:

- Cess collected has been properly accounted in the Government Accounts
- Cess collected has been utilised for the intended purpose.

Based on the substantial collection over the years, the following categories of cess were selected for detailed study:

- Building and Other Construction Workers Welfare Cess
- Medical Cess
- Rehabilitation Cess
- Social Security Cess

The following points were noticed during the course of audit

1.4.1 Building and Other Construction Workers Welfare Cess

The Government of India (GoI) introduced ‘The Building and Other Construction Workers’ Welfare Cess Act, 1996’ for the levy and collection of a cess at one *per cent* on the cost of construction of the building and other construction works incurred by employers¹³. GoI framed ‘The Building and Other Construction Workers Welfare Cess Rules’ in March 1998. As per Rule 5 of these Rules, the cess collected is to be transferred to the Building and Other Construction Workers Welfare Board (Board) to augment its resources to provide safety, health and various welfare measures¹⁴ to the building and other construction workers.

In Kerala, the cess collected by the State Government departments is being remitted directly to the special treasury saving bank (STSB) account of the Board at District Treasury, Thiruvananthapuram. The Public Sector undertakings, quasi-Government institutions and Central Government institutions remit the cess collected through demand drafts (DDs)/ cheques or deposit the same in the savings bank account of the Board opened for the purpose. The Labour department collects cess in respect of private employers and remits the cess collected directly to the Board by way of DDs.

The year-wise position of the receipt and utilisation of cess by the Board for the period 2013-14 to 2018-19 is detailed in **Table 1.13**:

Table 1.13: Year-wise receipt and utilisation of Building and Other Construction Workers’ Welfare Cess by Board (₹ in crore)

Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Balance	762.69	841.72	940.06	1138.12	1259.88	1069.62
Building cess Received by Board	136.38	175.31	189.11	203.58	192.45	248.95
Interest on investment/other receipts	98.97	108.23	212.60	185.41	35.04	77.88
Total	998.04	1125.26	1341.77	1527.11	1487.37	1396.45
Amount utilised¹⁵	156.32	185.20	203.65	267.23	417.75	449.79
Amount unspent (Closing Balance)	841.72	940.06	1138.12	1259.88	1069.62	946.66

Source: Details collected from Building and Other Construction Workers’ Welfare Board

¹³ Employer, in relation to an establishment means the owner thereof and includes

(i) Head of department where work carried out by Government department
(ii) Chief executive officer where work carried on behalf of local authority/ other establishment
(iii) Contractor where work carried out by contractor

¹⁴ Pension, Assistance during accidents, Housing loans, Group insurance scheme, Assistance for Education, Medical expenses, maternity benefit etc.

¹⁵ The Board is providing welfare benefits and Pension benefits to 19,89,368 registered members and 2,88,248 Pensioners (as on 31 March 2019) respectively.

The State Government introduced a new procedure in July 2017 for determining the workers' welfare cess based on the plinth area of the buildings, which made the assessment easier and simpler. This enabled the assessing officers to assess significantly higher number of building workers' cess cases and issue assessment orders, resulting in higher cess collection in 2018-19. The utilisation of cess increased from 2017-18 onwards due to revision in the rates of pension and marriage assistance given by the Board. An amount of ₹946.66 crore (including other receipts) is remaining unutilised with the Board as on 31 March 2019. The expenditure over and above the cess amount collected each year is met from the unspent balances of the previous years and other receipts of the Board.

1.4.1.1 Arrears of cess pending collection with the Labour department

The details of overall collection of cess from 14 District Labour offices in respect of private employers during 2014-15 to 2018-19 is as follows:

Table 1.14: Details of arrears of cess pending collection (₹ in crore)

Sl No.	Year	No. of assessed cases	Total amount of cess due	No. of cases in which cess collected	Total cess collected	Balance cess to be collected
1	2014-15	23579	68.55	15981	56.67	11.88
2	2015-16	20996	61.91	14038	49.15	12.76
3	2016-17	9503	36.19	5600	23.47	12.72
4	2017-18	25073	73.81	12067	48.02	25.79
5	2018-19	43506	122.42	27814	77.63	44.79
	Total	122657	362.88	75500	254.94	107.94

Source: Details collected from office of the Labour Commissioner, Kerala

Audit noticed that every year, a huge amount of cess was pending from private employers.

The Labour Commissionerate attributed (December 2019) the huge arrears to the large number of building owners¹⁶ living abroad and unavailability of adequate details of building owners received from Taluk offices. The reply is not tenable as Labour Officers could have taken steps to obtain the details of building owners from Local Bodies that issue building permits /building numbers after completion of construction.

In reply to the Audit observation the Board stated (November 2019) that a proposal was sent to the Government to make necessary amendments in the Kerala Building Rules so as to ensure that Local Bodies issue building permits to applicants only after remitting 50 per cent of the cess amount and issue the completion certificate only after remitting the full amount to the Board.

1.4.1.2 Non-endorsement by the Assessing Officers of the orders of assessment to the Board

As per Rule 7 (1) and (2) of the Cess Rules 1998, the Assessing Officer¹⁷, on receipt of information in Form I from an employer, shall make a scrutiny of

¹⁶ As per Section 2(1)(J) of Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, an employer also includes an individual who employs such workers in any building or construction work in relation to his own residence and such construction cost being more than Rupees Ten lakh.

¹⁷ Assessing Officer means a Gazetted Officer of a State Government or an officer of a local authority holding an equivalent post to a Gazetted Officer of the State Government appointed by such State Government for assessment of Cess under the Act.

such information furnished, and if he is satisfied about the correctness of the particulars so furnished, shall make an order of assessment within a period not exceeding six months from the date of receipt of such information, indicating the amount of cess payable by the employer. He shall endorse a copy thereof to the employer, to the Board and to the cess collector and dispatch such order within five days of the date on which such order is made. The order shall *inter alia* specify the amount of cess due, cess already paid by the employer or deducted at source and the balance amount payable and the date, consistent with the provision of Rule 4, by which the cess shall be paid to the cess collector. The State Government had assigned (March 1999) Assistant Labour Officers of all the districts as Assessing Officers for assessment of cess.

Audit noticed that the orders of assessment in respect of private employers were not being forwarded by the Assessing Officers to the Board resulting in the inability of the Board to verify the demand, collection, balance in respect of cess to be collected, penalty to be imposed for non-payment of cess within the specified time etc.

Five¹⁸ District Labour Offices replied that they were not sending the assessment orders to the Board due to shortage of manpower and lack of stamps/ stationery. The replies are not tenable as the Assessing Officers are required to endorse the order of assessment to the Board in accordance with Rule 7 of Cess Rules, 1998.

1.4.1.3 Excessive collection charges paid to the Labour Department by the Board

As per Section 3(3) of the Cess Act 1996, the proceeds of the cess collected shall be paid by the State Government to the Board after deducting the cost of collection, which should not exceed one *per cent* of the amount collected.

The Labour department deducts one *per cent* of such amount collected by the Collection Officers and remits it to the treasury under head of account '0230-00-800-90-other receipts-other items Labour department'. Even after deducting one *per cent* of the cess collected towards cost of collection, the District Labour Offices are demanding postage and stationery charges from the Board. Consequently, the Board is making payment to District Labour offices towards postage and stationery charges incurred for collection of cess which is over and above the limit of one *per cent* cost of collection stipulated under the Act. This had resulted in an excess expenditure of ₹99 lakh to the Board towards cost of collection from 2011-12 onwards.

The Board replied (November 2019) that it had accorded sanction for the payment of stationery and stamp charges on the condition that the amount shall subsequently be reimbursed to the Board by the Labour department. However, the Labour department had not given any reimbursement to the Board till date.

The State Government instructed the Board (November 2019) to continue meeting the expenses towards stamp and stationery till proper heads of account were opened by the Government for accounting the collection and utilisation of one *per cent* service charge collected. The directions issued by

¹⁸ District Labour Offices at Kannur, Ernakulam, Thrissur, Kasaragod, Idukki.

the Government in this regard are also in contravention of the provisions of the Building and Other Construction Workers' Welfare Cess Act, 1996.

1.4.1.4 Non-recovery of cess due to time barred cheques/ demand draft

The cess is being remitted to the Board by employers in the form of DDs/cheques. Audit noticed delayed receipt of DDs/cheques resulting in them becoming time barred. Even though online remittance of cess was introduced from 2015-16, employers are remitting the cess in the form of DDs/cheques. The details of time barred DDs/cheques sent for revalidation from 2013-14 to 2018-19 are as follows:

Table 1.15: Details of time barred DDs/ cheques

Sl No	Year	DDs/cheques sent for revalidation		DDs/cheques revalidated		DDs/cheques not yet revalidated	
		No. of DDs/cheques	Amount (₹ in lakh)	No. of DDs/cheques	Amount (₹ in lakh)	No. of DDs/cheques	Amount (₹ in lakh)
1	2013-14	2378	34.38	1878	29.75	500	4.63
2	2014-15	10202	456.23	7347	405.21	2855	51.02
3	2015-16	8218	300.72	8170	300.62	48	0.10
4	2016-17	7896	323.15	5994	302.95	1902	20.20
5	2017-18	584	85.34	137	2.37	447	82.97
6	2018-19	339	224.99	86	149.84	253	75.15
Total		29,617	1,424.81	23,612	1190.74	6005	234.07

Source: Details collected from Building and Other Construction Workers' Welfare Board

Audit observed that 6,005 DDs/cheques for ₹2.34 crore pertaining to the period from 2013-14 to 2018-19 are pending revalidation.

The Board replied (November 2019) that notices had been issued to the concerned DDOs to revalidate the DDs/cheques. It was also stated that a list of defaulters was being prepared by the Board and would be sent to the Assessing Authorities for appropriate action.

1.4.2 Medical Cess

The State Government introduced Medical cess¹⁹ in 2012, which is to be deducted at a rate of one *per cent* on the tax payable under the Kerala General Sales Tax Act (KGST²⁰) by the Kerala State Beverages Corporation Limited (KSBCL) on sale of foreign liquor in order to provide generic medicines free of cost to the patients of Government Hospitals who are not income tax payers. The cess amount was to be transferred to the Kerala Medical Services Corporation Limited (KMSCL) for implementing the scheme. A distinct receipt head of account '0040-00-102-93-Medical Cess on Sales Tax Payable by Kerala State Beverages Corporation Limited' was opened for booking the Medical cess collected. The transfer of Medical cess to KMSCL was to be booked under head of account '2210-80-190-96(NP)-Transfer proceeds of Medical cess on sales tax to KMSCL'. An amount of ₹307.02 crore was collected as Medical cess during the period 2012-13 to 2017-18 as shown below. The cess has been discontinued²¹ from 2018-19.

¹⁹ As per sub section 2(A), section 8 of Kerala Finance Act, 2012(Act 16 of 2012)

²⁰ As per clause(b) of sub-section(1) of section 5 of the Kerala General Sales Tax Act, 1963

²¹ As per sub section 2(A), section 11 of Kerala Finance Act, 2018(Act 5 of 2018)

Table 1.16: Year wise details of Medical Cess collected (₹ in crore)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Medical cess collected by KSBCL	26.02	44.03	50.14	58.75	61.75	66.33	Nil	307.02

Source: Details collected from KSBCL

Out of ₹307.02 crore collected as medical cess during the period 2012-13 to 2017-18, only an amount of ₹30 crore had been released to KMSCL till date (July 2019).

The Health and Family Welfare department replied (January 2020) that no specific proposals for release of Medical cess were received from KMSCL. The reply is not tenable as the Health and Family Welfare department, being the administrative department, is responsible for ensuring the release of medical cess to KMSCL collected over the years and no specific proposal needs be obtained from KMSCL. Moreover, an amount of ₹277.02 crore collected as Medical cess from 2012-13 onwards is lying unutilised with the Government.

1.4.3 Rehabilitation Cess

The State Government introduced Rehabilitation cess²² in 2014 at the rate of five per cent on the tax payable under Kerala General Sales Tax Act (KGST²³) by Kerala State Beverages Corporation Limited (KSBCL) on the sale of foreign liquor for the purpose of rehabilitation of bar hotel workers who had lost employment pursuant to the closure of bar hotels as per Abkari policy of 2014-15. A distinct receipt head of account '0040-00-102-92 'Rehabilitation Cess on Sales Tax Payable by Kerala State Beverages Corporation' was opened for booking the rehabilitation cess collected.

KSBCL collected and remitted ₹1,059.04 crore as rehabilitation cess during the period from 2014-15 to 2017-18 as shown below. The cess has been discontinued²⁴ from 2018-19.

Table 1.17: Year wise collection and utilisation of Rehabilitation cess(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Rehabilitation Cess Collected by KSBCL	124.92	293.75	308.74	331.63	Nil	1,059.04
Amount Utilised	8.73	1.43	5.92	2.93	11.98	30.99

Source: Details collected from KSBCL

Audit noticed that out of the rehabilitation cess of ₹1,059.04 crore collected during the period from 2014-15 to 2017-18, ₹8.73 crore (0.8 per cent) has been distributed as financial assistance to 5851 displaced bar hotel workers till date. The State Government decided (September 2015) to utilise the cess amount for a new scheme 'Subodham' to achieve the objective of addiction free Kerala. The State Government introduced another new scheme 'Vimukthi' (October 2016) replacing 'Subodham' to conduct awareness campaigns against alcoholism and drug abuse by giving emphasis on abstinence, de-addiction and rehabilitation activities. The rehabilitation cess

²² As per sub-section (2A) of section 9 of 'The Kerala Taxation Laws (Amendment) Act, 2014'

²³ As per clause (b) of subsection (1) of section 5 of the Kerala General Sales Tax Act, 1963

²⁴ As per sub section 2(A), section 11 of Kerala Finance Act, 2018(Act 5 of 2018)

collected was expended for activities under ‘Subodham’ and ‘Vimukthi’ involving an expenditure of ₹1.43 crore²⁵ and ₹20.83 crore²⁶ respectively.

As the utilisation of rehabilitation cess for rehabilitation of bar hotel workers who were rendered jobless consequent to Abkari policy of 2014-15 was meagre, a writ petition was filed by the displaced bar hotel workers in the Hon’ble High Court to intervene in the matter.

In compliance with orders dated November 2017 of Hon’ble High Court, the State Government formulated and finalised a scheme ‘Suraksha Swayam Tozhil Padhathi’ in January 2019 to rehabilitate the displaced bar hotel workers by utilizing the rehabilitation cess collected. The scheme is still in the initial stages of implementation.

The failure of the State Government to implement a scheme for the rehabilitation of the displaced bar hotel workers even after a lapse of more than four years since the introduction of rehabilitation cess had resulted in huge amount of cess collected (₹1,028.05 crore) remaining unutilised.

1.4.4 Social Security Cess

The State Government introduced Social Security cess²⁷ in 2008 at a rate of one *per cent* on the tax payable by Kerala State Beverages Corporation Limited (KSBCL²⁸) on sales of foreign liquor under Kerala General Sales Tax Act (KGST), and other dealers²⁹ on sale of various goods under KGST/ Kerala Value Added Tax Act (KVAT) to provide and finance a ‘Comprehensive Social Security Scheme’. The rate of cess was amended to six³⁰ *per cent* in 2011 and ten³¹ *per cent* in 2012 on the tax payable by KSBCL. KSBCL has been exempted from collecting the Social Security cess from 2018-19³².

Audit noticed that an amount of ₹3,448.41 crore was collected as Social Security cess by KSBCL and credited to Government as revenue receipts along with sales tax collected during the period 2008-09 to 2017-18 as shown below.

²⁵ Activities under ‘Subodham’: ₹1.43 crore (2015-16)

²⁶ Activities under ‘Vimukthi’: ₹5.92 crore (2016-17), ₹2.93 crore (2017-18) and ₹11.98 crore (2018-19)

²⁷ As per Section 6(1) of Kerala Finance Act of 2008 (Act 21 of 2008)

²⁸ Dealer at section 5(1)(b) of KGST Act, 1963

²⁹ Tax payable by dealers under sections 6 and 8 of the Kerala Value Added Tax Act (KVAT), 2003 (30 of 2004) and section 5 and section 7 of the Kerala General Sales Tax (KGST) Act, 1963 (15 of 1963)

³⁰ The rate of cess was amended to six *per cent*, for tax payable by dealers under section 5(1)(b) of the KGST Act vide Kerala Finance Act, 2011 and the rate for rest of the dealers remained the same.

³¹ As per Kerala Finance Act 2012, the rate of cess was amended to 10 *per cent* for tax payable by dealers under section 5(1) (b) of the KGST Act and the rate of tax payable by rest of the dealers under section 5 and section 7 of KGST Act remained the same. However, dealers under section 6 and 8 of the KVAT Act, 2003 were omitted.

³² As per section 11 of Kerala Finance Act, 2018 (Act 5 of 2018) Petroleum Companies and dealers of Petroleum products, dealers of Opium etc. alone are liable to pay Social Security Cess at a rate of one *per cent* of tax payable under KGST from 2018-19 onwards

Table 1.18: Year wise details of Social Security Cess collected (*₹ in crore*)

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Social Security Cess collected by KSBCL	3.45	25.65	32.64	169.03	407.63	440.29	501.48	587.50	617.49	663.25	3,448.41

Source: Details collected from KSBCL

The details of cess remitted by other dealers in respect of sale of other goods had not been received from the Commissionerate of Taxes.

It was seen that the State Government had not opened a separate head of account for the cess collected, but had booked the amount collected along with Sales Tax, making it difficult to ascertain the amount of actual cess collected over the years. It is also seen that the State Government had not framed any rules/ guidelines for implementation of the 'Comprehensive Social Security Scheme' till date. Consequently, the Social Security cess collected over the years was not utilised for the intended scheme for which it was collected.

The Finance Department replied (December 2019) that a separate head of account for Social Security cess would be opened after Rules are formulated for the implementation of the scheme. The reply is not tenable as Government has failed to frame rules for implementation of the scheme even after a lapse of more than ten years since the introduction of Social Security cess in 2008.

1.5 Capital Receipts

Capital receipts comprise of Miscellaneous Capital Receipts, Recovery of Loans and Advances released to Government institutions and Public Debt Receipts. Trends in receipts under capital sector are detailed in **Table 1.19**.

Table 1.19: Trends in growth and composition of capital receipts(₹ in crore)

Sources of Receipts	2014-15	2015-16	2016-17	2017-18	2018-19
Capital Receipts (CR)					
Miscellaneous Capital Receipts	28	28	30	29	47
Recovery of Loans and Advances	124	153	292	351	211
Public Debt Receipts³³	15,858	17,673	20,927	23,899	23,748
Internal Debt Receipts	15,106	17,142	20,075	23,454	23,296
Loans and Advances from GoI	752	531	852	445	452
Total CR	16,010	17,854	21,249	24,279	24,006
Rate of growth of debt capital receipts (<i>per cent</i>)	10.57	11.45	18.41	14.20	(-0.63)
Rate of growth of CR (<i>per cent</i>)	10.68	11.52	19.02	14.26	(-1.12)
Rate of Growth of GSDP (<i>per cent</i>) ^(*)	10.22	9.64	12.97	10.34	11.58
Buoyancy of Debt receipts w.r.t GSDP	1.03	1.19	1.42	1.37	(-0.05)

Source: Finance Accounts of respective years

(*) change in figures with respect to previous Report is due to adoption of revised GSDP figures

Table 1.19 shows that total capital receipts increased from ₹16,010 crore in 2014-15 to ₹24,279 crore in 2017-18 but decreased thereafter to ₹24,006 crore in 2018-19. Debt receipts had a predominant share in capital receipts which

³³Transactions under 'Ways and Means Advances' are excluded as they are not actual capital receipts.

ranged between 98 and 99 *per cent* during 2014-15 to 2018-19. The growth rate of debt receipts decreased from 14.20 *per cent* in 2017-18 to (-) 0.63 *per cent* in 2018-19. The decrease in public debt receipts during 2018-19 was due to decrease of ₹158 crore in internal debt receipts of State Government during the year.

1.5.1 Proceeds from disinvestment

As of March 2019, the State Government invested ₹8,545.35 crore in Statutory Corporations, Government Companies, Joint Stock companies and Co-operatives and received ₹45.97 crore from retirement of capital/disinvestment of shares of co-operative societies/banks and accounted for under Miscellaneous Capital Receipts.

1.5.2 Recoveries of loans and advances

During the year, the State Government released an amount of ₹2,322.89 crore as loans and advances to various institutions and an amount of ₹17,275.38 crore was outstanding under this head at the end of March 2019. Against this balance, the principal amount recovered was ₹210.14 crore, which was 1.2 *per cent* of the outstanding balance under loans and advances. Government have also written off an amount of ₹0.40 crore as irrecoverable loans and advances during the year.

1.5.3 Public Debt receipts

Public Debt receipts of the State Government consist of funds raised from internal sources and loans and advances from GoI. As shown in **Table 1.19**, internal debt receipts were the main source of public debt receipts and they ranged from 95 to 98 *per cent* of public debt receipts during the last five years. Internal Debt includes Open Market Borrowings, other borrowings from financial institutions like National Bank for Agriculture and Rural Development (NABARD), National Co-operative Development Corporation (NCDC), etc. and Special Securities issued to National Small Savings Fund (NSSF). The composition of Internal Debt during the last five years is given in **Table 1.20**.

Table 1.20: Composition of Internal Debt

(₹ in crore)

Sources of Internal Debt	2014-15	2015-16	2016-17	2017-18	2018-19
Open Market Borrowings	13,200.00	15,000.00	17,300.00	20,500.00	19,500
NABARD	551.37	600.00	827.89	600.00	625.85
NCDC	222.16	39.13	47.79	180.42	53.78
NSSF	1,132.10	1,455.20	1,861.22	2,123.08	2,370.24
Others	0.00	47.25	37.72	50.00	745.76
Total	15,105.63	17,141.58	20,074.62	23,453.50	23,295.63

Source: Finance Accounts of respective years

Though open market borrowings were the main source of borrowing of the State, there was considerable increase in the loans raised from other sources like NSSF etc.

The Government transferred (September 2018) the principal portion of the outstanding House Building Advance granted to State Government employees from 2009-10 onwards to two banks viz, Federal Bank Limited and Punjab National Bank. A total of 13,925 accounts involving ₹745.76 crore were

assigned to the banks with an interest rate of 8.45 per cent with one year reset. The Government, on behalf of the employees, would be remitting the EMI to the banks. The State Government received an amount of ₹745.76 crore from the two banks on account of transfer of principal portion of housing loans to the banks. This amount and its monthly repayments thereon by the State Government had been accounted under Internal Debt- loans from other institutions.

1.6 Public Account Receipts

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. Here, the Government acts as banker/trustee for custody of public money, since these transactions are mere pass-through transactions. The net transactions under Public Account covering the period 2014-15 to 2018-19 are indicated in **Table 1.21**.

Table 1.21: Net receipts under Public Account heads (₹in crore)

Resources under various heads	2014-15	2015-16	2016-17	2017-18	2018-19
Public Account receipts					
a. Small Savings, Provident Funds etc.	3,764.77	8,332.07	12,931.64	7,206.84	9,619.21
b. Reserve Funds	66.00	64.90	162.22	308.98	1,981.02
c. Deposits and Advances	1,364.50	(-) 3,280.29	105.65	265.91	392.17
d. Suspense and Miscellaneous	57.90	774.28	(-) 2,169.09	1,202.53	(-)762.23
e. Remittances	25.95	(-) 92.19	(-) 313.01	(-) 165.97	(-)51.52
Total	5,279.12	5,798.77	10,717.41	8,818.29	11,178.65

Source: Finance Accounts of respective years

The Table 1.21 shows that during 2018-19, an amount of ₹11,178.65 crore was added to the existing balance of the Public Account. Substantial net addition of ₹9,619.21 crore under the sector ‘Small Savings, Provident Funds, etc.’, was mainly due to the accumulations of ₹6,759.16 crore under ‘8031-102-State Savings Bank Deposits’ and ₹2,191.99 crore under ‘8009-State Provident Funds’. These accumulations under public account are utilised by the State Government for covering its fiscal deficit. As State Government didn't have sufficient borrowing space on account of substantial accretions in public account, the GoI gave consent to raise Open Market Borrowing amounting to ₹3,200 crore only as against ₹5,000 crore requested by the State for the last quarter of the financial year 2018-19.

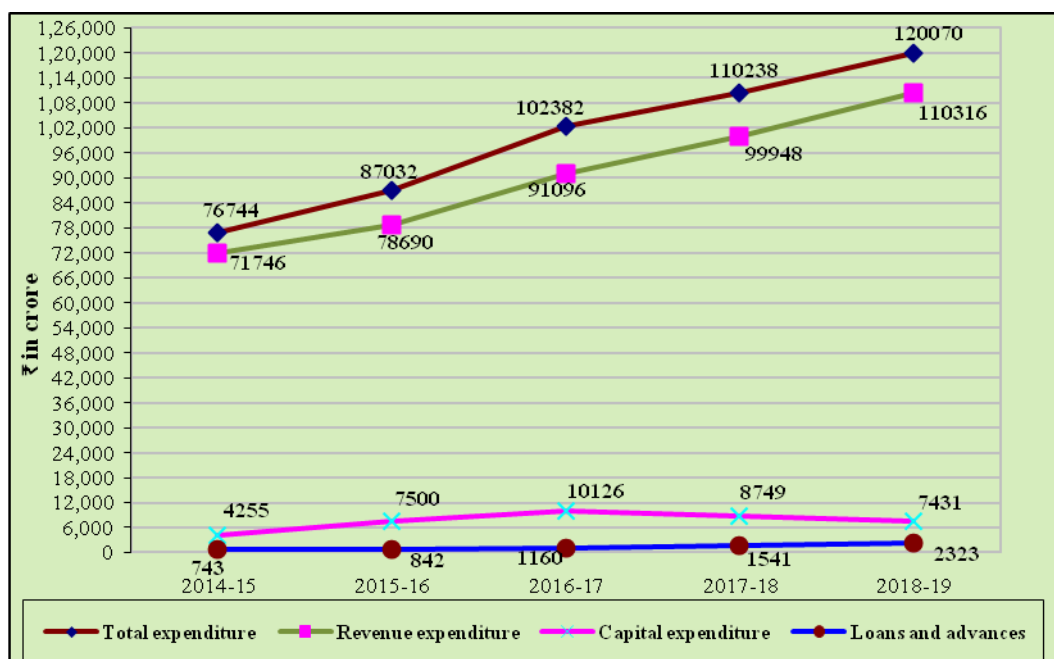
1.7 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted to the State Governments. 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 the expenditure directed towards development of social sector.

1.7.1 Growth and Composition of Expenditure

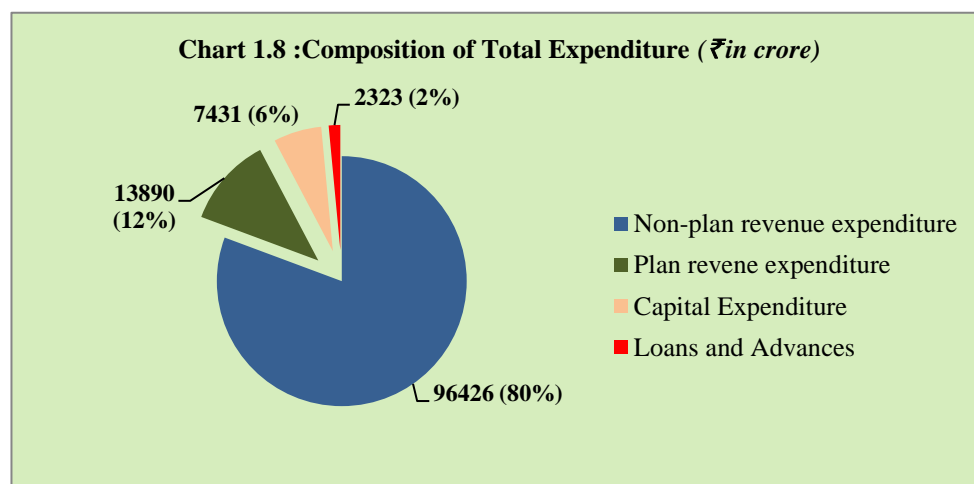
The trends in total expenditure (aggregate of revenue, capital and loans and advances expenditure) and various components of total expenditure-Plan and Non-Plan revenue expenditure, committed expenditure such as salaries and wages, interest payments, pension payments and subsidies, financial assistance 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 (2014-15 to 2018-19).

Chart 1.7: Total expenditure: trends and composition



During the last five years, the total expenditure of the State increased by 56 per cent from ₹76,744 crore in 2014-15 to ₹1,20,070 crore in 2018-19. While revenue expenditure recorded a growth of 54 per cent as compared to 2014-15, capital expenditure recorded a growth of 75 per cent during the same period.

Total expenditure of the State for 2018-19 was ₹1,20,070 crore, out of which, ₹1,10,316 crore (92 per cent) was revenue expenditure. Composition of total expenditure during 2018-19 is given in **Chart 1.8**.



The total expenditure, its annual growth rate, the ratio of expenditure to the GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are given in **Table 1.22**.

Table 1.22: Total expenditure – basic parameters

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total expenditure (TE) (₹ in crore)	76,744	87,032	1,02,382	1,10,238	1,20,070
Rate of growth (<i>per cent</i>)	15.85	13.41	17.64	7.67	8.92
Revenue Expenditure (₹ in crore)	71,746 (18.62)	78,690 (9.68)	91,096 (15.77)	99,948 (9.72)	1,10,316 (10.37)
Capital Expenditure (₹ in crore)	4,255 (-0.91)	7,500 (76.26)	10,126 (35.01)	8,749 (-13.60)	7,431 (-15.06)
Disbursement of Loans and advances (₹ in crore)	743 (-49.25)	842 (13.32)	1,160 (37.77)	1,541 (32.84)	2,323 (50.75)
Revenue Receipts (RR) (₹ in crore)	57,950	69,033	75,612	83,020	92,854
Rate of growth of RR (<i>per cent</i>)	17.84	19.13	9.53	9.80	11.85
GSDP (₹ in crore)	5,12,564	5,61,994	6,34,871	7,00,532	7,81,653
Rate of growth of GSDP	10.22	9.64	12.97	10.34	11.58
TE/GSDP ratio (<i>per cent</i>) ^(*)	14.97	15.49	16.13	15.74	15.36
Revenue Receipt/TE ratio (<i>per cent</i>)	75.51	79.32	73.85	75.31	77.33
Buoyancy of TE with reference to ;					
GSDP (ratio) ^(*)	1.55	1.39	1.36	0.74	0.77
RR (ratio)	0.89	0.70	1.85	0.78	0.75

Source: Finance Accounts of respective years

(*) change in figures with respect to previous Report is due to adoption of revised GSDP figures

Figures in parenthesis represents rate of growth

Table 1.22 shows that

- Growth rate of total expenditure during the last two years was very low when compared to 2014-15 to 2016-17 period. The lower growth rate was mainly due to negative growth rate of capital expenditure in 2017-18 (-14 *per cent*) and 2018-19 (-15 *per cent*)
- Ratio between revenue receipts and total expenditure indicate the sufficiency of revenue receipts for meeting total expenditure. In 2017-

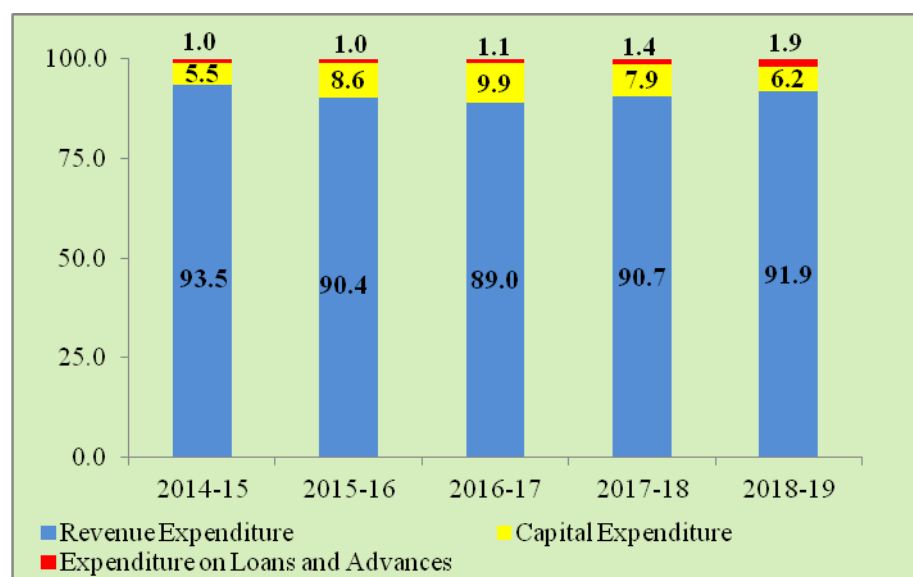
18, revenue receipts of the State were sufficient to meet 75.31 *per cent* of the total expenditure which improved marginally to 77.33 *per cent* in 2018-19 due to increased growth of revenue receipts when compared to the growth rate of total expenditure. Even though growth rate of revenue receipts increased during the year, revenue expenditure constituted 91.88 *per cent* of total expenditure whereas revenue receipts collected was only 77.33 *per cent* of total expenditure which indicated insufficiency of revenue receipts in meeting total expenditure during the year.

- The buoyancy of the total expenditure with respect to GSDP was less than one during 2017-18 and 2018-19 which indicated lower growth rate of total expenditure compared to GSDP during the last two years.
- The buoyancy of total expenditure with respect to revenue receipts also declined in 2017-18 and 2018-19.

Compounded annual growth rate of total expenditure of the State was higher than that of General Category States for the period 2009-10 to 2017-18 whereas it was lower than the General Category States during the period 2017-18 to 2018-19. (Details are given in **Appendix 1.1**)

Trend in share of various components of total expenditure is given in **Chart 1.9**.

Chart 1.9: Share of various expenditure in total expenditure



1.7.2 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 different components of total expenditure are given in **Table 1.23**.

Table 1.23: Components of expenditure – relative shares (in per cent)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
General Services	41.13	41.76	40.44	41.54	42.50
<i>of which, Interest Payments</i>	12.73	12.77	11.84	13.72	13.95
Social Services	32.05	32.91	34.24	33.82	33.31
Economic Services	17.51	19.88	18.83	16.71	14.85
Grants-in-aid	8.34	4.45	5.36	6.53	7.41
Loans and Advances	0.97	0.97	1.13	1.40	1.93

Source: Finance Accounts of respective years

Table 1.23 reveals that:

- While relative share of General Services in total expenditure increased, share of Social Services and Economic Services decreased during 2018-19 when compared to 2017-18. Share of Grants-in-aid increased from 6.53 per cent in 2017-18 to 7.41 per cent in 2018-19.
- During 2018-19, share of interest payments in total expenditure was the highest during the five-year period.
- Relative share of loans and advances in total expenditure increased during 2018-19 due to increase in release of loans and advances by the State Government.

1.7.3 Revenue Expenditure

During 2018-19, revenue expenditure recorded an increase of ₹10,368 crore (10.37 per cent), compared to the previous year. The increase in revenue expenditure was mainly due to increase in expenditure under the major heads ‘Miscellaneous General Services’ (₹ 4,291 crore), ‘Relief on Account of Natural Calamities’ (₹ 2,758 crore), ‘Compensation and Assignments to Local Bodies and Panchayati Raj Institutions’ (₹1,701 crore), ‘Interest Payments’ (₹1,628 crore), and ‘Urban Development’ (₹ 1,155 crore).

1.7.3.1 Incidence of revenue expenditure

During the last five years, the share of revenue expenditure in total expenditure, to maintain the current level of services and payment for past obligations was between 89 and 93 per cent and it showed an increasing trend during the last two years. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in **Table 1.24**.

Table 1.24: Revenue expenditure – basic parameters (₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue expenditure (RE)	71,746	78,690	91,096	99,948	1,10,316
Non-plan revenue expenditure (NPRE)	61,464	66,611	77,604	83,766	96,426
Plan revenue expenditure (PRE)	10,282	12,079	13,492	16,182	13,890
Rate of growth of					
RE (<i>per cent</i>)	18.62	9.68	15.77	9.72	10.37
NPRE (<i>per cent</i>)	15.08	8.37	16.50	7.94	15.11
PRE (<i>per cent</i>)	45.35	17.48	11.70	19.94	(-)14.16
Revenue expenditure as percentage to TE	93.49	90.42	88.98	90.67	91.88
NPRE/GSDP (<i>per cent</i>) ^(*)	11.99	11.85	12.22	11.96	12.34
NPRE as percentage of TE	80.09	76.54	75.80	75.99	80.31
NPRE as percentage of RR	106.06	96.49	102.63	100.90	103.85
Buoyancy of revenue expenditure with					
GSDP (ratio) ^(*)	1.82	1.00	1.22	0.94	0.90
Revenue receipts (ratio)	1.04	0.51	1.65	0.99	0.88

Source: Finance Accounts of respective years

(*) change in figures with respect to previous Report is due to adoption of revised GSDP figures

Table 1.24 reveals the following:

- Though there was considerable increase in the growth rate of NPRE in 2018-19 compared to the previous year, PRE showed a negative growth rate during the year.
- Revenue expenditure as a percentage of total expenditure ranged between 89 *per cent* and 93 *per cent* during the five year period which indicated inadequacy of resources for expansion of services and creation of assets.
- The share of Revenue expenditure in total expenditure increased from 90.67 *per cent* in 2017-18 to 91.88 *per cent* in 2018-19 indicating lower priority assigned for capital expenditure during the year.
- NPRE as a percentage of RR was above 100, which indicated that State's revenue receipts were not sufficient to meet its NPRE during 2018-19.
- Since revenue receipts are not sufficient to meet NPRE, recourse to borrowed funds has to be taken for meeting PRE which is not a good indicator of a prudent fiscal path.

1.7.3.2 Expenditure on salaries, wages, interest payments, pension, etc.

The trends of the committed expenditure of the State Government during 2014-15 to 2018-19 are given in **Table 1.25**

Table 1.25: Components of committed expenditure (*₹ in crore*)

Components of committed expenditure	2014-15	2015-16	2016-17	2017-18	2018-19	
					Budget estimate	Actual Expenditure
Salaries* and Wages	21,621	23,757	28,373	32,243	32,635	32,521
Non-plan head	20,977	23,075	27,610	31,395	31,827	31,670
Plan heads**	644	682	763	848	808	851
Interest payments (MH 2049)	9,770	11,111	12,117	15,120	14,938	16,748
Expenditure on pensions (MH 2071)	11,253	13,063	15,277	19,938	18,221	19,012
Subsidies	1,252	1,372	1,731	1,584	1,777	1,663
Total	43,896	49,303	57,498	68,885	67,571	69,944
Revenue Expenditure	71,746	78,690	91,096	99,948	1,15,661	1,10,316
Revenue Receipts	57,950	69,033	75,612	83,020	1,02,801	92,854
Percentage of committed expenditure to Revenue expenditure	61	63	63	69	58	63
Percentage of committed expenditure to Revenue receipts	76	71	76	83	66	75
* 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						

Source: Finance Accounts of respective years

The share of committed expenditure in revenue expenditure decreased from 69 per cent in 2017-18 to 63 per cent in 2018-19. Similarly, the percentage of committed expenditure with respect to revenue receipts decreased from 83 per cent during 2017-18 to 75 per cent in 2018-19.

While interest payments showed a growth rate of 11 per cent in 2018-19 pension payments decreased by 5 per cent during the year compared to the previous year. Interest payments consumed 18 per cent of revenue receipts which is a matter of concern for the State Government.

1.7.4 Subsidies

The subsidies (₹1,663 crore) given during 2018-19 were ₹79 crore more than subsidies (₹1,584 crore) given in the previous year. The main items of subsidies given during 2018-19 included Ration subsidy (₹934 crore), amount for Paddy procurement through Kerala State Civil Supplies Corporation (₹285 crore), grant to Kerala State Civil Supplies Corporation Limited for market intervention operations (₹125 crore), subsidy to Co-operatives for conducting festival markets (₹68 crore) and State Investment Subsidy (₹55 crore).

1.7.5 Financial assistance to Local Bodies and Other Institutions

The 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 1.26**.

Table 1.26: Financial assistance to local bodies, educational institutions, etc. (₹ in crore)

Financial Assistance to Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	7,769.01	8,409.89	9,602.98	16,511.23	11,532.60
Municipal Corporations and Municipalities	1,836.39	1,405.77	2,756.55	3,178.62	3,287.46
Zilla Parishads and Other Panchayati Raj Institutions	8,423.74	7,767.62	7,775.98	11,335.87	10,426.56
Development Agencies	6.23	5.91	14.73	20.91	16.93
Hospitals and Other Charitable Institutions	305.76	407.60	812.18	686.29	696.91
Other Institutions ³⁴	1,602.60	2,104.35	2,927.71	3,196.28	5,526.36
Total	19,943.73	20,101.14	23,890.13	34,929.20	31,486.82
Assistance as percentage of revenue expenditure	28	26	26	35	29

Source: Finance Accounts and information received from the State Government

The financial assistance to local bodies and other institutions increased from ₹19,943.73 crore in 2014-15 to ₹34,929.20 crore in 2017-18 but declined thereafter to ₹31,486.82 crore in 2018-19. The table above shows that the percentage of assistance with reference to revenue expenditure was 29 per cent during 2018-19. Substantial decrease was noticed in the release of Grants in respect of Educational institutions and Zilla Parishads and Other Panchayat Raj Institutions during 2018-19 whereas assistance to other institutions increased during 2018-19 compared to the previous year.

1.7.6 Non-compliance of existing Accounting Standards

The Ministry of Finance, Government of India had notified three accounting standards viz., ‘Indian Government Accounting Standards (IGAS) 1 – Guarantees given by Government’, ‘IGAS 2 – Accounting and Classification of Grants-in-aid’ and ‘IGAS 3 – Loans and Advances made by Governments’.

IGAS 2 prescribes the principles for accounting and classification of Grants-in-aid in the Financial Statements of Government. Paragraph 10 of IGAS 2 stipulates that Grants-in-aid that are in the form of pass-through grants, from the Union Government to the State Government to be disbursed to the ultimate grantee shall be classified and accounted for as revenue expenditure in the Financial Statements of both Union Government and State Governments irrespective of the purpose for which such grants are to be spent by the ultimate grantee. The Government of India (GoI) was transferring grants-in-aid for the scheme Pradhan Mantri Gram Sadak Yojana (PMGSY) directly to the implementing agency viz., Kerala State Rural Roads Development Agency till 2013-14. From 2014-15 onwards, grants-in-aid from GoI for PMGSY were routed through the State budget for onward transfer to Kerala State Rural Roads Development Agency. The State Government released ₹53.02 crore received as grants-in-aid from GoI under the scheme during 2018-19 to Kerala State Rural Roads Development Agency and classified it as capital

³⁴Major institutions under ‘Other institutions’ are Kerala Infrastructure Investment Fund Board (₹1,600.68 crore), Kerala State Road Transport Corporation (₹1,056.35 crore), Kerala Road Fund Board (₹366.93 crore), Kerala Water Authority (₹359.02 crore), Kudumbasree (₹188.62 crore), State Council for Science, Technology & Environment (₹117.37 crore), Kerala Social Security Mission (₹106.55 crore), Kerala State Information Technology Mission (₹103.57 crore) and Kerala Agricultural Workers’ Welfare Fund Board (₹100 crore).

expenditure in the Financial Statement of State Government violating the provisions of IGAS 2.

The Government replied (February 2020) that steps had been taken to classify the expenditure of the grants-in-aid received from the Government of India pertaining to PMGSY as revenue expenditure during 2019-20.

1.8 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 involves whether adequate funds were provided for public expenditure (i.e. adequate provisions for providing public services) and whether the fund was spent efficiently and effectively to achieve the intended objectives.

1.8.1 Adequacy of public expenditure

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 total expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.27** analyses the fiscal priority of the State Government with regard to Development Expenditure, Social Sector Expenditure and Capital Expenditure during 2014-15, 2017-18 and 2018-19.

Table 1.27: Fiscal priority of the State in 2014-15, 2017-18 and 2018-19(in per cent)

Fiscal Priority by the State		TE/ GSDP	DE [#] / TE	SSE/ TE	CE/ TE	Education/ TE	Health/ TE
Kerala	2014-15	14.97	50.26	32.16	5.54	17.07	5.51
	2017-18	15.74	51.87	33.98	7.94	17.27	5.98
	2018-19	15.36	49.79	33.46	6.19	16.19	6.05
General Category States' Average	2014-15	15.99	68.51	36.15	14.02	16.54	4.92
	2017-18	16.05	67.84	36.66	14.38	15.45	5.09
	2018-19	16.05	67.04	36.59	14.28	14.99	5.07
Karnataka	2018-19	14.45	75.95	39.41	19.24	12.06	4.66
Tamil Nadu	2018-19	13.70	61.22	34.74	10.66	14.85	5.48

TE: 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).

Source: Information furnished by Economic Adviser and based on Finance Accounts

Table 1.27 shows that:

- In all the three years, 2014-15, 2017-18 and 2018-19, Development Expenditure (DE) as a proportion of Total Expenditure (TE) for the State was lower than General Category States' average. Development Expenditure consists of both Economic Sector Expenditure and Social Sector Expenditure.
- Adequate fiscal priority has not been given to Social Sector (except Health and Education Sectors) during 2014-15, 2017-18 and 2018-19 when compared to General Category States.

- Development Expenditure (DE) as a percentage of Total Expenditure (TE) for the State decreased in 2018-19 when compared to the previous year. Education Expenditure/Total Expenditure also decreased during the year whereas Health Expenditure / Total Expenditure showed a marginal increase during the year.
- The proportion of Capital Expenditure in Total Expenditure for the State was much lower as compared to General Category States during all the three years. The Government may consider enhancing the proportion of expenditure on capital sector especially in the Development Sectors (which had declined during the current year by 15 *per cent* over the previous year) in order to create much needed assets to stimulate growth and give priority to physical capital formation.

1.8.1.1 Capital Expenditure

Capital expenditure had declined by 15 *per cent* during the current year. The decrease was mainly under Economic Services Sector (23 *per cent*) and General Services Sector (26 *per cent*).

Under General Services Sector, the reduction in capital expenditure was witnessed mainly under the sub sectors- ‘Police’ (30 *per cent*) and ‘Public Works’ (29 *per cent*). Though capital expenditure under ‘Public Works’ and ‘Police’ sub sectors had decreased during the current year, it contributed to the major share of capital expenditure in the General Services (95 *per cent*).

Under Social Services Sector, the major share of capital expenditure was incurred by sub sectors, ‘Water Supply, Sanitation, Housing and Urban Development’ (35 *per cent*) followed by ‘Education, Sports Art and Culture’ (26 *per cent*) and ‘Health and Family Welfare’ (14 *per cent*).

Under Economic Services Sector, the reduction in capital expenditure was witnessed mainly under the sub-sectors ‘Irrigation and Flood Control’ (50 *per cent*), ‘Industry and Minerals’ (50 *per cent*) and ‘Other Rural Development Programmes’ (39 *per cent*). The major share of capital expenditure was incurred under the sub-sectors ‘Transport’ (41 *per cent*) followed by ‘General Economic Services’ (32 *per cent*) and ‘Agriculture and Allied Activities’ (11 *per cent*).

Capital expenditure incurred by various Public Sector Undertakings in Kerala during 2018-19 amounted to ₹148 crore. The major share of Capital Expenditure was incurred in ‘Kerala Social Security Pension Ltd’ (₹100 crore), ‘Kerala Rail Infrastructure Development Corporation Ltd’ (₹42 crore) and ‘Kerala State Development Corporation for Scheduled Castes and Scheduled Tribes Limited’ (₹30 crore) towards share capital contribution/capital grants.

The details of capital expenditure incurred in various PSUs for the period 2014-15 to 2018-19 are given in **Appendix 1.7**.

1.8.2 Efficiency of expenditure

It is important for the State to take appropriate expenditure rationalisation measures and incur public expenditure on development heads from the point of view of social and economic development. Development expenditure comprised of revenue expenditure, capital expenditure and loans and advances in socio-economic services. **Table 1.28** presents the trends in development expenditure relative to the total expenditure of the State during last five years. **Chart 1.10** presents component-wise development expenditure during 2014-15 to 2018-19.

Table 1.28: Development expenditure

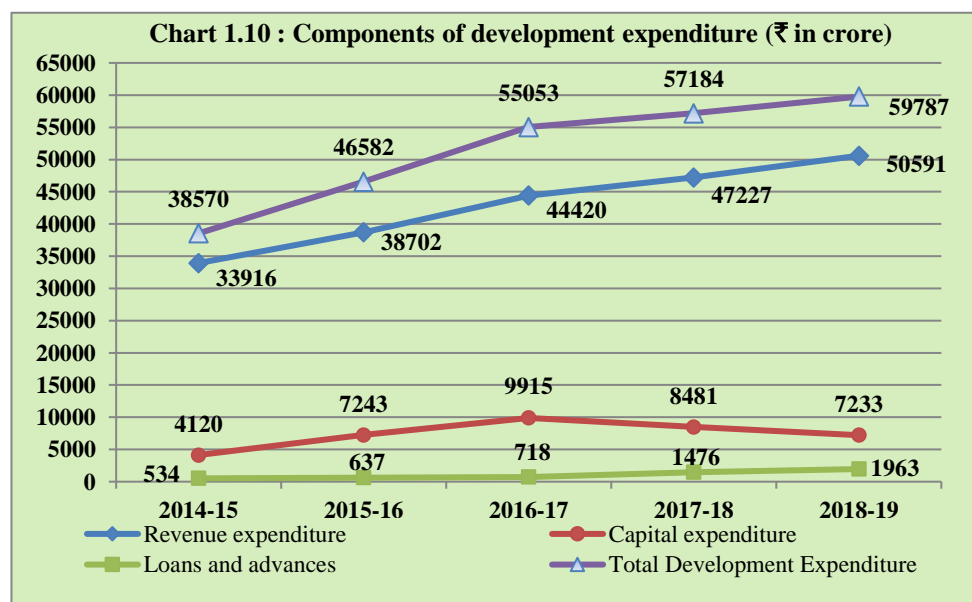
(₹ in crore)

Components of Development Expenditure	2014-15	2015-16	2016-17	2017-18	2018-19
Development Expenditure (a to c)					
a. Revenue expenditure	33,916 (44.19)	38,702 (44.47)	44,420 (43.39)	47,227 (42.84)	50,591 (42.13)
b. Capital expenditure	4,120 (5.37)	7,243 (8.32)	9,915 (9.68)	8,481 (7.69)	7,233 (6.02)
c. Loans and advances	534 (0.70)	637 (0.73)	718 (0.70)	1,476 (1.34)	1,963 (1.64)
Total Development Expenditure	38,570 (50.26)	46,582 (53.52)	55,053 (53.77)	57,184 (51.87)	59,787 (49.79)
Total Expenditure	76,744	87,032	1,02,382	1,10,238	1,20,070

Source: Finance Accounts of respective years

Figures in parenthesis are its share in total expenditure

The share of development expenditure in total expenditure is showing a declining trend during the last two years which is a matter of concern. During the period 2014-15 to 2018-19, the share of revenue expenditure in development expenditure ranged from 81 to 88 *per cent*, which indicated predominance of revenue expenditure items in development expenditure. Capital expenditure in absolute terms and its share in total development expenditure during the last two years showed a declining trend, which is not a positive indicator on the development expenditure of the State (**Table 1.28**).



Development expenditure increased from ₹38,570 crore in 2014-15 to ₹59,787 crore in 2018-19, recording an increase of 55 per cent in five years. During 2018-19, share of revenue expenditure in development expenditure increased whereas the share of capital expenditure decreased indicating low fiscal priority given to capital expenditure.

Revenue expenditure on development sector increased by 49 per cent during the last five years from ₹33,916 crore in 2014-15 to ₹50,591 crore in 2018-19 and it increased by ₹3,364 crore (7 per cent) during 2018-19 over the previous year. The increase in 2018-19 was due to increase in expenditure under Social Services (₹2,335 crore) and under Economic Services (₹1,029 crore).

In Social Services, this increase was mainly under ‘Relief on account of Natural Calamities’(₹2,758 crore), ‘Urban Development’(₹1,155 crore), ‘Medical and Public Health’(₹680 crore) and ‘General Education’(₹348 crore). The main increase in expenditure in Economic Services was under ‘Other Agricultural Programmes’ (₹199 crore), ‘Fisheries’(₹179 crore), ‘Roads and Bridges’(₹175 crore), ‘Secretariat Economic Services’(₹172 crore) etc.

Capital expenditure on development sector decreased by ₹1,248 crore mainly due to decrease of expenditure of ₹1,626 crore under the Economic sector in 2018-19 over the previous year partly offset by increase of expenditure of ₹378 crore under the Social Sector. Decrease of expenditure in the Economic Sector was mainly under the sub-sectors ‘Transport’ (₹1,197 crore), ‘Irrigation and Flood Control’ (₹273 crore), ‘Industry and Minerals’(₹271 crore) and ‘Other rural development programmes’ (₹199 crore), partly offset by increase of expenditure under ‘General Economic Services’(₹440 crore). The development capital expenditure of ₹7,233 crore, included ₹1,601 crore released to KIIFB during 2018-19 as petrol cess and share of motor vehicle tax.

1.8.3 Incomplete projects/works

Department-wise information pertaining to incomplete projects/works (each costing above ₹one crore) as on 31 March 2019 is given in **Table 1.29**.

Table 1.29: 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 2019
1.	Irrigation Department – (Irrigation and Minor Irrigation Works)	20	414.57	252.09
2.	Public Works Department – (Roads including NH)	118	767.38	402.79
3.	Public Works Department – (Bridges)	40	624.92	425.67
4.	Public Works Department – (Buildings)	89	283.26	168.21
5.	Harbour Engineering Department	3	34.34	43.47
	Total	270	2,124.47	1,292.23

Source: Appendix IX of Finance Accounts 2018-19

As per the Finance Accounts 2018-19, there was delay ranging from one to 27 years in completion of 270 projects/works and this would result in time overrun and cost overrun, besides denying the desired benefit to the beneficiaries.

1.9 Financial Analysis of Government Investments, Loans and Advances

In the post-Fiscal Responsibility and Budget Management 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. 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.

1.9.1 Investment and returns

As of March 2019, the State Government had invested ₹8,545.35 crore in Statutory Corporations (3 nos.), Government Companies (working 101 nos., non-working 16 nos.) Joint Stock Companies (40 nos.) and Co-operatives (**Table 1.30**). The average return on these investments was 1.40 *per cent* in the last five years while the Government paid an average interest rate of 7.29 *per cent* on its borrowings during 2014-15 to 2018-19.

Table 1.30: Return on investments

Investment/Return/Cost of Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Amount of Investment (₹ in crore)	6,085.13	6,733.85	7,240.03	8,211.47	8,545.35
Return (₹ in crore)	74.18	90.23	96.37	126.48	132.12
Return (<i>per cent</i>)	1.22	1.34	1.33	1.54	1.55
Average rate of interest on Government borrowing (<i>per cent</i>)	7.35	7.35	6.92	7.48	7.34
Difference between interest rate and return (<i>per cent</i>)	6.13	6.01	5.59	5.94	5.79

Source: Finance Accounts of the State Government

During 2018-19, the State Government invested ₹5.60 crore in Statutory Corporations, ₹362.11 crore in Government Companies, ₹150.17 crore in Co-operative Banks and Societies. Progressive expenditure on investments was increased by ₹1.61 crore under Government companies and decreased by ₹45.97 crore (due to proceeds of retirement of share capital transferred to capital receipts) under Co-operative banks and societies. Out of the total investment of ₹8,545.35 crore, ₹33.87 crore was in 16 non-working companies and ₹ 2,897.66 crore was in 55³⁵ loss making Companies and two loss making Corporations.

1.9.2 Loans and advances by the State

In addition to investments in Co-operative Societies, Statutory Corporations and Government Companies, the Government also provides loans and advances to many institutions. **Table 1.31** presents the outstanding loans and advances as on 31 March 2019 and interest receipts during the last five years.

Table 1.31: Details of loans and advances during the last five years(₹ in crore)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Opening balance	11,713 ³⁶	12,320 ³⁷	13,010	13,877	15,163 ³⁸
Amount advanced during the year	743	842	1,160	1,541	2,323
Amount repaid during the year	124	152	292 ³⁹	351	211 ⁴⁰
Closing balance	12,332	13,010	13,878	15,067	17,275
Net addition	619	690	868	1,190	2,112
Interest receipts	27	32	31	38	41

Source: Finance Accounts of the State Government.

³⁵ Major loss making Companies /Corporations include Kerala State Electricity Board (₹9776.61 crore) , Kerala State Road Transport Corporation (₹ 5041.08 crore), The Kerala State Cashew Development Corporation Ltd (₹1120.38 crore) , Kerala State Electronic Development Corporation Ltd (₹211.90 crore), Kerala Electrical and Allied Engineering Company Ltd (₹185.74 crore), Autokast Ltd. (₹162.68 crore), Kerala State Textile Corporation Ltd.(₹161.79 crore.) The figures in parenthesis represent the accumulated loss.

³⁶Difference of ₹eight crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (o) of Statement no.18 of Finance Accounts 2014-15.

³⁷ Difference of ₹12 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (q) of Statement no.18 of Finance Accounts 2015-16.

³⁸ Difference of ₹96 crore with reference to previous year's closing balance was on account of *pro forma* adjustments vide footnote (p) of Statement no. 18 of Finance Accounts 2018-19.

³⁹ Includes ₹126 crore being the irrecoverable loans written off.

⁴⁰Includes ₹ 0.40 crore being the irrecoverable loans written off

The total outstanding loans and advances as on 31 March 2019 increased by ₹2,112 crore compared to those of the previous year. The major disbursement of loans and advances during the current year was to Kerala State Road Transport Corporation (₹1,056 crore), Pariyaram Medical College (₹163 crore) and to Bharat Petroleum Corporation Limited (₹110 crore). Interest received against these loans remained less than one *per cent* during the period 2014-15 to 2018-19 and was 0.24 *per cent* during 2018-19 as against the average cost of borrowing of 7.34 *per cent* during the year.

1.9.2.1 Arrears in loan repayment

The Government provides loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., and the same is treated as assets in the Government accounts. As per Finance Accounts, an amount of ₹17,275 crore was outstanding as loan at the end of March 2019. Also, at the end of March 2019, repayment of loans advanced to 70 institutions were in arrears from 1960-61 to 2017-18 amounting to ₹13,723 crore (Principal: ₹8,740 crore and Interest: ₹4,983 crore). About 86 *per cent* of the above arrears pertained to six institutions *viz.*, Kerala Water Authority (₹4,440 crore), Kerala State Electricity Board Limited (₹1,768 crore), Kerala State Road Transport Corporation (₹2,512 crore), Kerala State Housing Board (₹1,719 crore), Kerala Industries Infrastructure Development Corporation (₹704 crore), and Kerala State Cashew Development Corporation Ltd (₹668 crore). The State Government accorded sanction (February 2017) to convert loans amounting to ₹713.22 crore outstanding as on 31 March 2007 in respect of Kerala Water Authority as capital contribution of KWA. For this, provision had been made in SDG in June 2019 for making necessary pro forma correction for conversion of loan into capital contribution of Kerala Water Authority.

It was also observed that the State Government released 81 loans to 19 institutions amounting to ₹84.55 crore during the period from 1991-92 to 2005-06, without specifying the terms and conditions for repayment.

In order to provide a true and fair picture of the State Government accounts, the Government needs to reduce the arrears in recovery of loans advanced.

1.9.3 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 1.32**.

Table 1.32: Cash balances and Investment of cash balances (₹ in crore)

Particulars	As on 31 March 2018	As on 31 March 2019	Increase(+)/ Decrease(-)
(a) General Cash balances			
Cash in Treasuries and other banks	34.16	34.16	
Deposit with Reserve Bank	(-)80.81 ⁴¹	(-)52.17	28.64
Remittances in transit -Local	2.57	0.20	(-)2.37
Total (a)	(-)44.08	(-)17.81	26.27

⁴¹ There was a difference of ₹57.15 crore (debit) under the head 'Deposit with Reserve Bank' between the figures reflected in the accounts (credit item ₹52.17 crore) and that communicated by the Reserve Bank of India (credit item ₹4.98 crore). The difference of ₹57.15 crore (debit) is under reconciliation.

Particulars	As on 31 March 2018	As on 31 March 2019	Increase(+)/ Decrease(-)
(b) Investments from cash balances			
GoI Treasury Bills	885.88	187.86	(-)698.02
GoI Securities	5.15	1.67	(-)3.48
Total (b)	891.03	189.53	(-)701.50
(c) Investments in earmarked funds			
Reserve funds not bearing interest	1,885.66	2,031.93	146.27
Total (c)	1,885.66	2,031.93	146.27
(d) Departmental cash balances including Permanent advances	0.27	(-)0.50	(-)0.77
Total Cash Balance - (a) to (d)	2,732.88	2,203.15	(-)529.73
Interest realised during the year on investment of cash balances	47.66	37.13	(-)10.53

Source: Finance Accounts of the State Government

Table 1.32 shows that the cash balance of the State at the end of March 2019, decreased by ₹529.73 crore compared to the closing balance at the end of March 2018. This was mainly due to the decrease in investments under GoI Treasury Bills (₹698.02 crore) partly offset by increase in investments in earmarked funds (₹146.27 crore). The interest realised on investment of cash balance also decreased by ₹10.53 crore, compared to the previous year.

1.9.3.1 Outstanding balances under the head 'Cheques and Bills'

This head is an intermediary accounting head for initial recording of transactions which are to be cleared eventually. As per accounting rules, 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 un-encashed cheques.

As on 31 March 2019, there was an outstanding balance (cumulative) of ₹1,036.93 crore. This represents expenditure originally booked under different major heads of the Consolidated Fund, which did not result in any cash outflow till the end of March 2019.

1.10 Assets and Liabilities

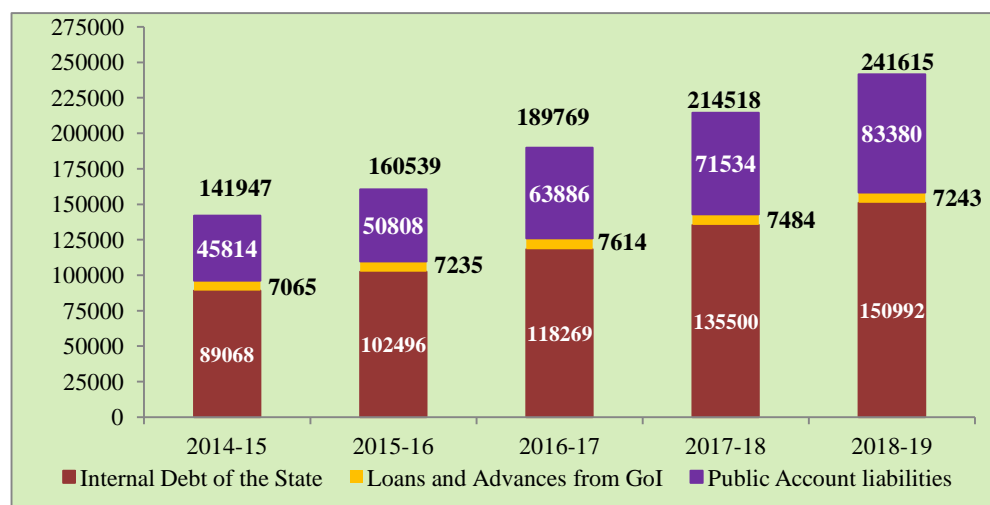
1.10.1 Growth and composition of assets and liabilities

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 Part B** gives an abstract of such liabilities and assets as on 31 March 2019, compared with the corresponding position as on 31 March 2018. 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 of the capital outlay and loans and advances given by the State Government and its cash balances.

1.10.2 Fiscal liabilities

The trends of outstanding fiscal liabilities of the State are presented in **Appendix 1.5**. The composition of fiscal liabilities during the last five years are presented in **Chart 1.11**.

Chart 1.11: Composition of Fiscal Liabilities (₹in crore)



The overall fiscal liabilities of the State increased from ₹1,41,947 crore in 2014-15 to ₹2,41,615 crore in 2018-19, thus recording an increase of 70 per cent during the five year period. During 2018-19, the growth rate of fiscal liabilities was 12.63 per cent and it was the lowest during the five-year period.

Fiscal liabilities of the State comprised of Consolidated Fund liabilities and Public Account liabilities. Consolidated Fund liabilities (₹1,58,235 crore) comprised of Market Loans (₹1,29,719 crore), Loans from the Government of India (₹7,243 crore) and Other Loans (₹21,273 crore). The Public Account liabilities (₹83,380 crore) comprised of liabilities under Small Savings, Provident Funds, etc., (₹77,397 crore)⁴², interest bearing obligations (₹2,114 crore) and non-interest bearing obligations like Deposits and other earmarked funds (₹3,869 crore).

1.10.3 Reserve Funds

The balance under Reserve Funds was ₹4,464.28 crore as on 31 March 2019. The details in respect of two of the major Reserve Funds (balance ₹4,132.52 crore) are given in succeeding paragraphs.

1.10.3.1 State Disaster Response Fund

The State Disaster Response Fund (SDRF) was set up in 2010-11 replacing the existing Calamity Relief Fund. At the beginning of 2018-19, there was ₹287.08 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2018-19 (fixed by the Fourteenth Finance Commission) was ₹214 crore, 90 per cent (₹192.60 crore) of which was to be contributed by the Central Government and 10 per cent (₹21.40 crore) by the State Government. During the year, an amount of ₹233.17 crore was credited to the Fund (Central

⁴² This includes liabilities under Savings Bank Deposits (₹8,873 crore) and Fixed and Time Deposits (₹30,785 crore).

Share of ₹192.60 crore, State Share of ₹ 21.40 crore and arrears of interest on un-invested balance in the Fund kept under Public Accounts for the period 2010-11 to 2014-15 amounting to ₹19.17 crore provided by the State Government). An amount of ₹2,904.85 crore received from National Disaster Response Fund during the year was also credited to the fund. After setting off the expenditure for disaster relief operations to the extent of ₹1,311.12 crore, the balance in SDRF as on 31 March 2019 was ₹2,113.98 crore.

According to the guidelines issued by the Government of India, the accretions to SDRF are to be invested in GoI securities/ Treasury Bills/ interest earning deposits with scheduled commercial Banks by the State Executive Committee constituted for the management of the fund. However, this was not done till date.

1.10.3.2 Consolidated Sinking Fund

The State Government set up a Consolidated Sinking Fund with effect 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 the Consolidated Sinking Fund of Kerala, the rate of contribution to the Consolidated Sinking Fund was 0.50 per cent of the outstanding liabilities at the end of the previous year. According to this, the State Government may contribute ₹1,072.59 crore during 2018-19 to the Consolidated Sinking Fund. However, the State Government did not contribute any amount to the Fund, during the current year. The State Government stated that as it is continuously running in revenue deficit, the contribution to Consolidated Sinking Fund (CSF) can materialise only from borrowed funds. Government also stated that the yield on Consolidated Sinking Fund investment as against the cost of borrowings would give a negative carry and hence it is not prudent to contribute to CSF, given the high cost of borrowings. However, audit observes that non-contribution to the Consolidated Sinking Fund has reduced the reserve fund for future amortization of loan liability.

As per the guidelines of the fund, the balance at the credit of the Fund is required to be invested in the Government of India Securities. During the year, an amount of ₹146.27 crore was received as interest from the investment made out of the fund. At the beginning of the year, ₹1,872.27 crore was available and with the interest received on the investment, the outstanding balance at the end of year was ₹2,018.54 crore.

1.10.4 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund of the State in cases of default by borrowers for whom the guarantees have been extended. The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2014-15 are given in **Table 1.33**.

Table 1.33: Guarantees given by the Government of Kerala (₹ in crore)

Guarantees	2014-15	2015-16	2016-17	2017-18	2018-19
Maximum amount guaranteed	13,123.30	13,712.77	20,204.10	25,104.33	46,795.99
Outstanding amount of guarantees	11,126.87	12,438.52	16,245.56	17,356.47	26,834.65
Percentage of maximum amount guaranteed to total revenue receipts	23	20	27	30	50

Source: Finance Accounts of the State Government

As per the Kerala Ceiling on Government Guarantee Act, 2003 amended with effect from April 2018, the outstanding Government guarantee during the year should not exceed five *per cent* of the State GSDP for the year. The outstanding guarantee as on 31 March 2019 (3.4 *per cent*) was well within the limit of five *per cent* of GSDP. The above table shows that there was steady increase in the outstanding guarantees at the end of each of the last five years and it increased from ₹11,126.87 crore in 2014-15 to ₹26,834.65 crore in 2018-19. As a percentage of revenue receipts, the guaranteed amount increased from 23 *per cent* in 2014-15 to 50 *per cent* in 2018-19.

As per Section 6 of the Act, the Government has 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 was not constituted and consequently, guarantee commission of ₹1,099.79 crore collected during 2003-04 to 2018-19 was not 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. Non-crediting of guarantee commission collected to the Guarantee Redemption Fund resulted in understatement of revenue expenditure to that extent.

During the year, an amount of ₹124.50 crore was received as guarantee commission and as of March 2019, ₹228.38 crore was due as arrears in this regard.

1.10.5 Off-budget borrowings

Entity through whom off-budget borrowings being resorted to

The Kerala Infrastructure Investment Fund Board (KIIFB) is a statutory body constituted (November 1999) and controlled by the State Government under the Kerala Infrastructure Investment Fund Act to manage the Kerala Infrastructure Investment fund with the objective of providing investment for critical and large infrastructure projects in Kerala. The State Government guarantees the payment of principal and interest of the loans raised by Kerala Infrastructure Investment Fund Board as per section 10(1) of the Kerala Infrastructure Investment Fund (Amendment) Act, 2016. KIIFB borrowed / raised funds amounting to ₹3,106.57 crore from financial institutions till 2018-19 by issue of bonds etc. and paid interest amounting to ₹17.07 crore till 2018-19 on these borrowings as shown in **Table 1.34**.

Table 1.34: Details of funds raised/ borrowed by KIIFB and its utilisation

Name of institution from where funds borrowed	Borrowed amount		Amount Repaid	
	2017-18	2018-19	Principal	Interest
NABARD	100.80	100.00	Nil	2.65 (2017-18) 9.51 (2018-19)
Term Loan from Banks		750.00	Nil	4.80 (2018-19)
Amount raised through Masala Bonds		2,150.00	Nil	Nil
Amount raised through KSFE Bonds		5.77	Nil	0.11 (2018-19)
Total	100.80	3,005.77		17.07

Source: Details furnished by KIIFB

KIIFB had incurred an expenditure of ₹1,511.67 crore for various Government approved infrastructure projects till 2018-19. Ironically, KIIFB had also ‘paid’ guarantee fee to the State Government amounting to ₹24.06 crore (for the loan raised up to 2018-19) from the moneys it had received from the Government.

Every year the State Government sets apart petroleum cess and a share of Motor Vehicle Tax collected and transfers it to KIIFB through a regular budget provision under capital account. As per section 8 of the Kerala Infrastructure Investment Fund (Amendment) Act, 2016, the share of Motor vehicle taxes to be paid is 10 *per cent* for the first year (2016-17) and increased by 10 *per cent* every year up to 50 *per cent* of the tax in the fifth year. The State Government confirmed to Audit that the servicing of principal and interest of loans raised by KIIFB would be done by the share of taxes and petroleum cess. The State Government has set apart ₹3,372.85 crore to KIIFB as petroleum cess and share of motor vehicle tax till 2018-19 as shown in the **Table 1.35** given below:

Table 1.35: Details of funds received from State Government
(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	Total
Petroleum cess	Nil	448.10	421.19	501.82	1,371.11
Share of Motor Vehicle Tax	Nil	281.43	621.45	1,098.86	2,001.74
Grand Total					3,372.85

Source: Details furnished by KIIFB

In addition to petroleum cess and share of Motor Vehicle Tax, the State Government had also provided funds amounting to ₹2,498.41 crore to KIIFB as corpus fund (2015-16 - ₹873.85 crore and 2016-17 - ₹1,624.56 crore). KIIFB stated that the above fund would not be utilized for normal project funding and would be used to service debt under exigent circumstances.

Non Adherence to Constitutional Provisions

The borrowings of the State Government are governed by Article 293(1) of the Constitution of India, the guiding principle of which is that the State Government is free to borrow money *within the territory of India* upon security of the Consolidated Fund of the State, and the limits on such borrowings can be regulated under Article 293(3) of the Constitution of India. The State Government is, therefore, required to furnish to GOI the financial statements showing the estimates of receipts and repayments of all sources of

borrowings including Open Market Borrowings, other liabilities arising out of Public Account transfers etc, based on which the GOI gives the consent for raising loans and fixes the borrowing ceiling for the State Government. In respect of Kerala the limit fixed for 2018-19 was 3 *per cent* of the estimated GSDP.

KIIFB's borrowings, represent off-budget borrowings, which bypasses the limits set on Government borrowings under Article 293 of the Constitution of India. These borrowings are not taken into the disclosure statements in the budget documents or in the accounts. Hence such borrowings do not have legislative approval.

Further, from Table 1.34 above, it is observed that the maximum amount of borrowings is done from Masala bonds, which are, by their very nature, *external commercial borrowings*. However, entry 37 of List I of the 7th Schedule of Constitution of India gives the powers of raising foreign loans only to the Central Government. The entire repayment is being done through Government's own revenue resources and therefore, such foreign borrowings are, for all practical purposes, borrowings of the State Government. Hence, they appear to be in violation of the provisions of the Indian Constitution and encroachment by the State on the powers of the Centre. The approval given by RBI to KIIFB to issue Masala bonds is also questionable because its permission has allowed the State Government to route its own foreign borrowings through KIIFB. If this model were to be followed by other States as well, then the external liabilities of the country would increase substantially, without the Central Government even knowing that such liabilities are being created. The purpose and intent of Entry 37 in List I would be defeated.

Direct Liability of the State

A State may have a number of PSUs, ABs etc, who may also borrow from the market; repayments of these borrowings and interest thereon are a charge on the income of the concerned PSUs/ABs. However, depending on the financial health of the PSUs/ABs, such borrowings may sometimes have to be against Government guarantees. Such guarantees are obviously in the nature of contingent liabilities. It is for this reason that the relevant Acts of most States prescribe a maximum limit or extent to which Government guarantees may be given. In the case of Kerala, the Kerala Ceiling on Government Guarantee Act, 2003, amended w.e.f. April 2018, provides a limit of five *per cent* of GSDP. However, even in cases where Government guarantees are given, the basic presumption is that the PSU/AB would be able to repay the borrowed sum along with interest from its own sources of revenue. That is why it is not considered fully as the State's liabilities, but only a contingent liability, because the State would have to discharge the liability *only in the contingency that the PSU/AB fails to discharge its debt obligation*. It may be noted that a guarantee can be treated as contingent liability only when the borrowing entity generates its own resources and is expected to repay the borrowings from such resources; only in the contingency of the borrowing entity failing to repay does it become the liability of the State as the guarantor. The meaning of the English word 'contingent' in this case is very clear, and brings into focus the nature of the liability.

As a corollary, if the PSU/AB has no sources of income and has to depend on

flow of funds from the State Government to meet its debt obligation, then such liability is obviously fully the liability of the State. In other words, if the resources of the PSU/AB are to come from revenue raised by the Government by way of taxes and cesses, raised on the tax-raising authority of the State, and the PSU/AB has no income of its own, then *there is nothing contingent about the liability*; the liability is tied up to the revenue resources of the State and is, therefore, a direct charge on the State revenues. It is obvious that there is nothing ‘contingent’ about a liability which has to be repaid in this manner.

Merely because the borrowing is not reflected in the budget of the State, does not, in such cases, at all detract from the fact that such borrowings have to be totally and fully repaid by the State Government. In fact, such borrowings are no different from the borrowings reflected in the budget, in so far as the liability of the State is concerned; these may be off budget borrowings, but the liability created on the State Government itself is real and complete.

Conclusion

KIIFB’s response was that the Government was providing guarantee for principal and interest for the loans received by KIIFB and therefore the borrowings of KIIFB can be termed as contingent liabilities. It would become a liability on the Government only when there is default by KIIFB. KIIFB also stated that it can comfortably repay its liabilities using the petroleum cess and share of Motor Vehicle Tax being received every year from the Government

It is surprising that the Government of Kerala should seek to treat the borrowings of KIIFB as contingent liabilities. If any state government borrows money in the name of any PSU/AB, which has no independent source of income, and the loan is to be repaid by setting apart a share of the Government’s own resources, then for that reason, the loan is not a contingent liability but a liability on its own income, directly and fully as explained above. As the Government of Kerala chooses to raise funds in the name of KIIFB, and the debt is to be discharged from the Government’s own revenue, such as cess on petroleum and a part of the motor vehicle tax, then the State Government has definitely created a liability on its own revenue resources. This is a classic case of off budget borrowings, which (i) bypasses the limits set on Government borrowings under Article 293 of the Constitution of India and (ii) violates the provision of Entry 37 of List I. In fact, such borrowings for all practical purpose, represent fiscal deficit of the State and should be treated as such. Creating such liabilities, without disclosing them in the budget, raises questions both of transparency, and of inter-generational equity. Merely because the borrowing is not shown in the budget does not mean that the liability of discharging it from the State revenues will disappear.

1.11 Debt Management

1.11.1 Debt Profile

The revenues of the Government are of two types *viz.*, current revenues, which are termed as revenue receipts, realized through administration of taxes, user charges and grants received from GoI and capital receipts that comprise of borrowings, non-debt receipts and surplus from Public Accounts.

Table 1.36 gives details of outstanding fiscal liabilities of the Government under Consolidated Fund and Public Account compared with the per capita liability.

Table 1.36: Debt profile of the State

	(₹ in crore)				
Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Open market loans	71,960	84,846	99,532	1,15,735	1,29,719
Loans from financial institutions	4,735	4,670	4,777	4,625	4,460
Special securities issued to NSSF	11,806	12,537	13,509	14,557	15,608
Others	567	443	451	583	1,205
GOI loans	7,065	7,235	7,614	7,484	7,243
Public Account Borrowings	45,814	50,808	63,886	71,534	83,380
Total Fiscal Liabilities	1,41,947	1,60,539	1,89,769	2,14,518	2,41,615
Population (in crore)	3.34	3.56	3.58	3.60	3.63
Per capita debt (in ₹)	42,499	45,095	53,008	59,588	66,561

Source: Finance Accounts of respective years

The per capita debt increased significantly from ₹42,499 in 2014-15 to ₹66,561 in 2018-19.

1.11.2 Debt sustainability

Debt sustainability implies the State's ability to service the debt in future. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section analyses sustainability of overall debt liability of the State Government in terms of growth rate of debt and GSDP, Debt-GSDP ratio, net debt available to the State etc. These indicators for the last five years are given in **Table 1.37** below.

Table 1.37: Debt sustainability: indicators and trends

	(₹ in crore)				
Indicators of Debt Sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
Outstanding Debt* of the State	96,133	1,09,731	1,25,883	1,42,984	1,58,235
Growth rate of Debt*	15.17	14.14	14.72	13.58	10.67
Gross State Domestic Product (GSDP)	5,12,564	5,61,994	6,34,871	7,00,532	7,81,653
Growth rate of GSDP	10.22	9.64	12.97	10.34	11.58
Debt*/GSDP ratio (<i>per cent</i>)	18.76	19.53	19.83	20.41	20.24
Debt-Revenue Receipt ratio	1.66	1.59	1.66	1.72	1.70
Average interest ⁴³ paid on outstanding debt	10.88	10.79	10.29	11.25	11.12
Burden of Interest payments(Interest	16.86	16.10	16.03	18.21	18.04

⁴³Average interest rate = Interest paid/average of opening and closing balance of debt for the year

Indicators of Debt Sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
payment/ Revenue Receipts) Ratio					
Debt Repayment/Debt Receipts**	20.12	23.06	22.82	28.44	35.78
Net Debt available ** (₹in crore) ⁴⁴	5,366	5,240	6,736	6,164	3,168
Maturity profile (in years) (₹in crore)					
Up to one year					6948.14 (4.39)
One to three years					16,870.66 (10.66)
Three to five years					26,865.91 (16.98)
Five to seven years					30,372.21 (19.19)
Seven years and above					70,013.73 (44.25)
Maturity profile details not furnished by State Government					7,163.79 (4.53)

* excluding Public Account liabilities **excluding Ways and Means Advances

Figures in parenthesis are percentage of total public debt

Source: Finance Accounts of respective years

- The rate of growth of outstanding debt was 10.67 per cent in 2018-19 which was 4.5 per cent points lower than the growth rate for 2014-15.
- Interest payment on debt totaling ₹16,748 crore constituted 18.04 per cent of revenue receipts during 2018-19 when compared to 18.21 per cent in the previous year. The decrease in Interest Payment/Revenue Receipts ratio during 2018-19 was due to lower growth of interest payment (10.77 per cent) when compared to increase in revenue receipts (11.85 per cent) during the year. Since a significant portion of borrowed funds was used for repayment of borrowings and interest thereon, the net debt available with the State for development activities was only ₹3,168 crore (13 per cent) during 2018-19.
- The debt maturity profile of the State given in the Table above shows that 32.03 per cent of the debt amounting to ₹50,684.71 crore has to be repaid within five years. Also 51.22 per cent (₹81,056.92 crore) of the debt has to be repaid by March 2026 (within seven years). The State Government has to ensure additional revenue resources and formulate a well thought out debt strategy to meet this debt burden.

Domar's approach towards debt stability

Public debt sustainability refers to sustainability of the Government's debt without the threat of a default. Therefore, to examine debt sustainability, it becomes important to study the growth in the debt and also assess the fiscal balance (especially primary balance) being generated which would worsen or improve the debt situation.

The public debt sustainability of Kerala was analysed based on Domar's model. E.D. Domar (1944) explained that a continuous Government borrowing results in an ever rising public debt, the servicing of which will

⁴⁴ Net Debt available to the State = Public debt receipt during the year - repayment of principal amount - payment of interest amount (excluding ways and means advances)

require higher taxes which would destroy the economy. Hence, he assumed that the indebtedness degree needs to converge to a finite value, in order to avoid further increasing of the tax burden. Thus, Domar model concludes that for sustainability of public debt, the real growth of economy should remain higher than the real interest rates. The conditions to ensure the stability of public indebtedness are indicated in the **Table 1.38** given below.

Table 1.38 : The dynamics of public debt depending on the interest rate, the growth rate of GDP and the primary budget balance

g-r (g: real economic growth rate; r: real interest rate)	s <0 (primary deficit)	s >0 (primary surplus)
g-r>0 (strong economic growth)	public debt will converge to a stable level greater than zero	public debt will converge to a stable level less than zero leading to public savings
g-r<0 (slow economic growth)	public debt will increase indefinitely, without converging to a stable level	undefined situation

An analysis of Public Debt Sustainability based on Domar model in respect of Kerala is shown in the **Table 1.39** given below.

Table 1.39: Public Debt Sustainability-real growth and real interest

Year	Real Growth (g)	Real Interest (r)	g-r	Primary deficit (-)/ Surplus (+) (s) (₹ in crore)	Remarks
2015-16	7.44	3.15	4.29	(-) 6,707	As g-r >0 and s<0; public debt will converge to a stable level
2016-17	7.56	2.82	4.74	(-) 14,331	
2017-18	7.27	1.49	5.78	(-) 11,718	
2018-19	7.46	2.44	5.02	(-) 10,210	
Real Growth rate calculated for Real GDP					
Real Interest rate calculated as interest rate minus inflation					

As the economic growth rate had exceeded the interest rate on government loans, Public debt may not increase indefinitely and may converge to a stable level.

However, an area of concern remains with the present debt position. Debt raised is not utilized for servicing its capital obligations but is used mainly for servicing its debt liabilities and financing the revenue deficit. The fiscal deficit had been contained (fiscal deficit increased by just 2 *per cent* in the last two years) by compressing capital expenditure. Less expenditure on the capital sector may lead to decline in the real growth rate in the near future, in that

case, as per the Domar model, the debt may increase indefinitely without converging to a stable level.

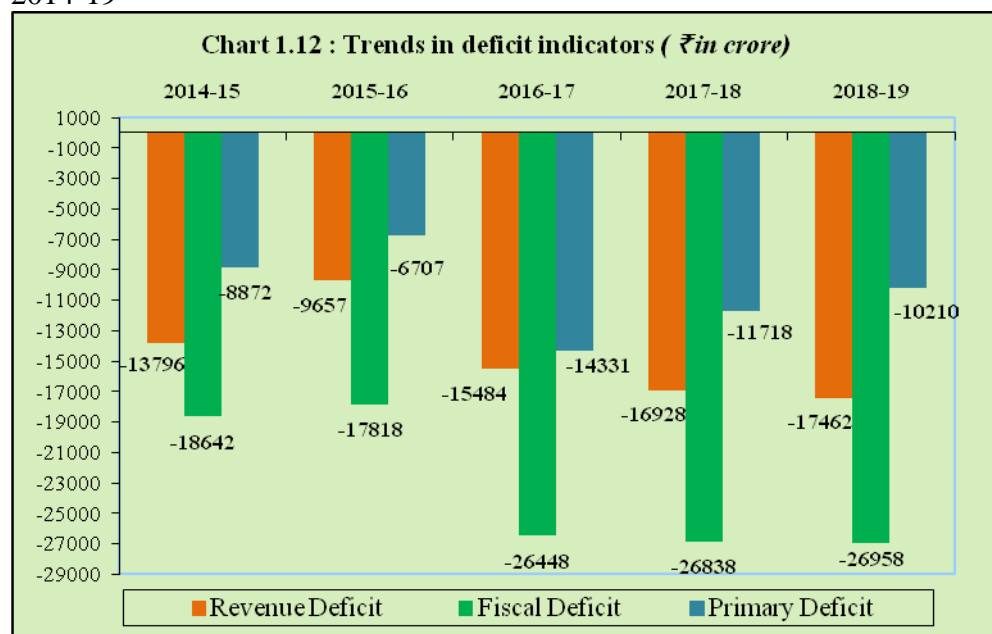
Moreover, other factors such as public account liabilities and force majeure events⁴⁵ and/or any other un-inventoried losses of revenue also have to be reckoned in assessing the debt sustainability/stability of the State⁴⁶.

1.12 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 2018-19.

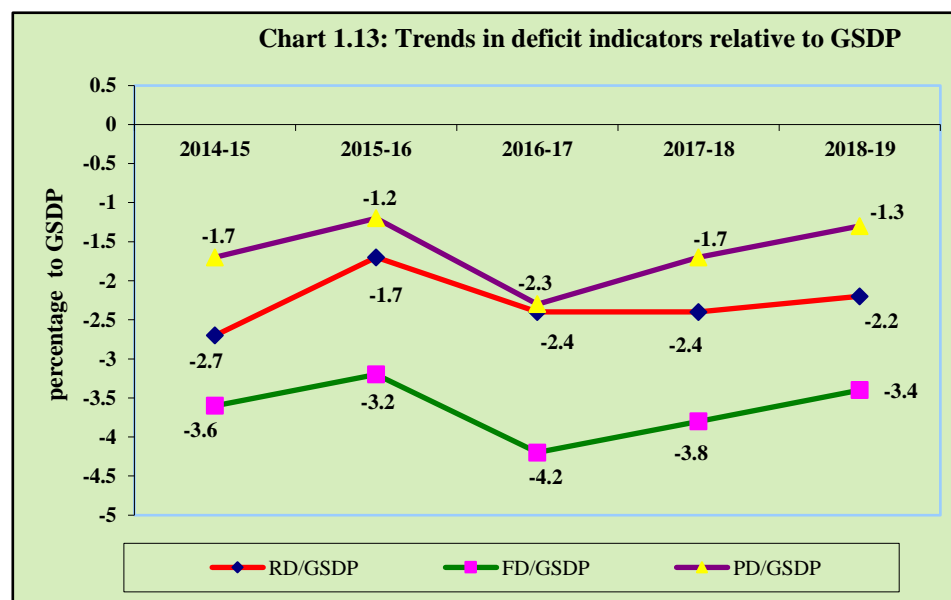
1.12.1 Trends in deficits

Charts 1.12 and 1.13 present the trends in deficit indicators over the period 2014-19



⁴⁵ Like current Coronavirus crisis & its effect on GSDP.

⁴⁶ As these cannot be anticipated or determined statistically, they have not been factored in the analysis.



The revenue deficit of the State, which indicates the excess of its revenue expenditure over revenue receipts, increased steadily during 2014-19 (except during 2015-16) from ₹13,796 crore in 2014-15 to ₹17,462 crore in 2018-19 indicating increased growth of revenue expenditure over revenue receipts. Revenue deficit increased by 3.2 *per cent* (₹534 crore) during the year when compared to the increase of 9.3 *per cent* in the previous year. However, ratio of revenue deficit to GSDP showed an improvement from 2.4 *per cent* in 2017-18 to 2.2 *per cent* in 2018-19. Revenue deficit as percentage of revenue expenditure also showed a reduction from 16.94 *per cent* in 2017-18 to 15.83 *per cent* in 2018-19. Borrowings to meet the revenue deficit year after year would not augur well for the State Finances in the long run.

The fiscal deficit, which represents the total borrowings of the Government also increased during the last five years (except during 2015-16) from ₹18,642 crore in 2014-15 to ₹26,958 crore in 2018-19. The fiscal deficit increased by ₹120 crore during the year when compared to the previous year. The ratio of FD to GSDP showed an improvement from 3.83 *per cent* in 2017-18 to 3.45 *per cent* in 2018-19 but was still higher than the target of 3 *per cent* set by Fourteenth Finance Commission for the year.

GoI fixed Net Borrowing Ceiling of Kerala for 2018-19 at ₹22,353 crore in March 2018 (3 *per cent* of estimated GSDP of ₹7,45,089 crore for 2018-19). On the basis of NBC of ₹22,353 crore for 2018-19, State Government furnished borrowing statement for 2018-19 to GoI in March 2018 showing the estimates of receipts and repayments of all sources of borrowings including Open Market Borrowings (OMB), Negotiated Loans from Financial Institutions, National Small Savings Fund loans, Central Government loans and other liabilities arising out of Public Account transfers under Small Savings, PFs, Reserve Funds, Deposits etc. in the prescribed format for getting consent from GoI for raising OMB during 2018-19. As per the borrowing statement, the net accretions under Public Accounts during 2018-19 was estimated as ₹3,500 crore but the actual net accretions under Public Accounts worked out to ₹11,846 crore. These over borrowings under Public Accounts

have resulted in fiscal deficit exceeding limit of three *per cent* fixed by GoI. When compared with the target of three *per cent* for fiscal deficit/GSDP fixed by Fourteenth Finance Commission for 2018-19, the targets in respect of FD/GSDP set by the State in Medium Term Fiscal Policy and revised Budget estimates for 2018-19 were 3.10 *per cent* and 3.06 *per cent* respectively. However actual FD/GSDP ratio worked out to 3.45 *per cent* during 2018-19.

Primary deficit decreased from ₹11,718 crore in 2017-18 to ₹10,210 crore in 2018-19 mainly due to increase in interest payment (₹1,628 crore) during the year.

As per the targets contained in the Kerala Fiscal Responsibility (Amendment) Act 2018, revenue deficit of the state would be eliminated completely during the period 2017-18 to 2019-20 and fiscal deficit would be maintained at three *per cent* of GSDP during 2017-18 to 2019-20. However, none of these targets could be achieved during the year.

1.12.2 Components of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit had undergone a compositional shift as reflected in the **Table 1.40**. Receipts and disbursements under the components of financing the fiscal deficit during 2018-19 are given in **Table 1.41**.

Table 1.40: Components of fiscal deficit and its financing pattern (₹ in crore)

Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
Break down of fiscal deficit						
1.	Revenue deficit	13,796	9,657	15,484	16,928	17,462
2.	Net capital expenditure	4,227	7,472	10,096	8,720	7,384
3.	Net loans and advances	619	689	868	1190	2,112
Total fiscal deficit		18,642	17,818	26,448	26,838	26,958
Financing pattern of fiscal deficit*						
1.	Market borrowings	11,777	12,886	14,686	16,203	13,984
2.	Loans from Government of India	402	169	379	(-) 130	(-)240
3.	Special Securities Issued to National Small Savings Fund	525	731	972	1,048	1,051
4.	Loans from Financial Institutions	(-)69	(-)64	107	(-)19	455
5.	Small Savings, PF, etc.	3,765	8,332	12,932	7,207	9,619
6.	Deposits and Advances	1,365	(-)3,280	105	266	392
7.	Suspense and Miscellaneous	58	774	(-)2,169	1,203	(-)762
8.	Remittances	26	(-)93	(-) 313	(-)166	(-)52
9.	Others	164	(-)59	170	309	1,981
10.	Total (1 to 9)	18,013	19,396	26,869	25,921	26,428
11.	Increase (-)/Decrease (+) in Cash Balance	629	(-)1,578	(-) 421	917	530
12.	Overall deficit	18,642	17,818	26,448	26,838	26,958

*All these figures are net of disbursements/outflows during the year.

Source: Finance Accounts of respective years

Table 1.41: Receipts and disbursements under components financing the fiscal deficit during 2018-19 (₹ in crore)

Sl.No.	Particulars	Receipt	Disbursement	Net
1.	Market borrowings	19,500	5,516	13,984
2.	Loans from Government of India	452	692	(-)240
3.	Special Securities Issued to National Small Savings Fund	2,370	1,319	1,051
4.	Loans from Financial Institutions	1,425	970	455
5.	Small Savings, PF, etc.	1,06,577	96,958	9,619
6.	Deposits and Advances	3,020	2,628	392
7.	Suspense and Miscellaneous	1,38,790	1,39,552	(-)762
8.	Remittances	2,382	2,434	(-)52
9.	Others	3,300	1,319	1,981
10.	Total (1 to 9)	2,77,816	2,51,388	26,428
11.	Increase (-)/Decrease (+) in Cash Balance	2,733	2,203	530
12.	Overall deficit			26,958

Source: Finance Accounts of the State Government

Table 1.40 reveals that during the last five years, market borrowings and net accretions in Public Account (especially in Small Savings, PF, etc.) are the main sources of the State Government to finance the fiscal deficit. During 2018-19, net market borrowings (₹13,984 crore) and net accretions in Small savings, PF, etc., (₹9,619 crore) were mainly used for financing the fiscal deficit of the State.

During 2018-19, the State Government raised ₹19,500 crore as market loans at a weighted average interest rate of 8.34 *per cent*, loans amounting to ₹625.85 crore from NABARD at interest rates of 4.75 *per cent* to 5.25 *per cent*, ₹2,370.24 crore from National Small Savings Fund at an interest rate of 8.20 *per cent* and ₹53.78 crore from NCDC at interest rates of 10.25 to 11.20 *per cent*. The State Government also received loans amounting to ₹745.76 crore from Federal Bank (₹369.22 crore) and Punjab National Bank (₹376.54 crore) during the year by transferring the principal portion of outstanding House Building Advance granted to State Government employees at an interest rate of 8.45 *per cent*. The State Government also received loans amounting to ₹452.17 crore from the Government of India during the year.

The State Government mobilised deposits from its employees, pensioners, institutions and general public through treasuries and accounted them under '102- State Savings Bank Deposits' below '8031- Other Savings Deposits'. During 2018-19, the State Government received ₹78,877.30 crore as deposits through Treasury Saving Bank accounts at interest rates ranging from 4 *per cent* to 4.5 *per cent* and ₹18,171.08 crore as Treasury Fixed Deposits at interest rates ranging between 6.50 *per cent* and 9.0 *per cent*. The balance of such deposits as on 31 March 2019 was ₹39,659.25 crore. This is ₹6,759.15 crore more than the previous year's balance. These accumulations under Savings Bank Deposit were utilised by the State Government for financing its fiscal deficit.

1.12.3 Quality of deficit

The ratio of revenue deficit to fiscal deficit and the break down 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 indicate 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 break down of the primary deficit (**Table 1.42**) indicates the extent to which the deficit was increased on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.42: Primary deficit/surplus – break down 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 (-)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2014-15	58,102	61,976	4,255	743	66,974	(-) 3,874	(-) 8,872
2015-16	69,214	67,579	7,500	842	75,921	1,635	(-) 6,707
2016-17	75,934	78,979	10,126	1,160	90,265	(-) 3,045	(-) 14,331
2017-18	83,400	84,828	8,749	1,541	95,118	(-) 1,428	(-)11,718
2018-19	93,112	93,568	7,431	2,323	1,03,322	(-)456	(-)10,210

Source: Finance Accounts of respective years

The bifurcation of the factors leading to primary deficit of the State revealed that during 2014-15 to 2018-19, non-debt receipts (NDR) of the State were not enough to meet the primary revenue expenditure⁴⁷ of the State (except during 2015-16). Primary deficit which was ₹8,872 crore in 2014-15 increased to ₹10,210 crore in 2018-19.

1.13 Conclusion and Recommendations

Fiscal position of the State

The Revenue deficit increased from ₹13,796 crore in 2014-15 to ₹17,462 crore in 2018-19 and the fiscal deficit increased from ₹18,642 crore in 2014-15 to ₹26,958 crore in 2018-19. The ratio of fiscal deficit to GSDP improved from 3.6 per cent in 2014-15 to 3.4 per cent in 2018-19. The State did not achieve any of the targets fixed in its Medium Term Fiscal Plan or the Kerala Fiscal Responsibility Act during 2018-19. As per the recommendation of the Fourteenth Finance Commission, fiscal deficit to GSDP ratio was to be anchored at 3 per cent but it was 3.4 per cent during 2018-19.

The State Government needs to control the revenue and fiscal deficits so as to achieve the targets fixed in the KFRA and by the Fourteenth Finance Commission.

Revenue resources

Revenue receipts of the State increased from ₹57,950 crore in 2014-15 to ₹92,854 crore in 2018-19, recording a growth of 60 per cent during the last five years. The State's own tax revenue, being the main source of revenue in revenue receipts increased by only 44 per cent during the period and its share in revenue receipts also decreased from 61 per cent in 2014-15 to 55 per cent in 2018-19 indicating a low growth rate of tax revenue during the period.

⁴⁷ Primary revenue expenditure represents revenue expenditure less expenditure on interest.

Receipts from State Lotteries was the main source of non-tax revenue and it constituted 74 to 81 *per cent* of non-tax revenue during 2014-15 to 2018-19.

The Government needs to address the decreasing trend in growth of its own tax revenue and take measures to improve the same.

Revenue Expenditure

Revenue Expenditure of the State increased from ₹71,746 crore in 2014-15 to ₹1,10,316 crore in 2018-19 recording a growth of 54 *per cent* during the five-year period. Revenue expenditure as a percentage of total expenditure ranged between 89 to 93 *per cent* during the period showing predominance of revenue expenditure in total expenditure. Share of committed expenditure in revenue expenditure was 63 *per cent* during 2018-19 and it consumed 75 *per cent* of the revenue receipts during the year. Interest payments consumed 18 *per cent* of revenue receipts during 2018-19 and is a matter of concern for the State Government.

Quality of expenditure

Capital Expenditure of the State increased from ₹4,255 crore in 2014-15 to ₹7,431 crore in 2018-19 recording a growth of 75 *per cent* during the five year period. However, capital expenditure is showing a declining trend during the last two years as it decreased by ₹1,377 crore (14 *per cent*) in 2017-18 and further decreased by ₹1,318 crore (15 *per cent*) in 2018-19 showing low priority of the Government towards capital expenditure. The State's share of expenditure on the health and education sectors in the total expenditure was more than General Category States, but the share of capital expenditure and development expenditure in total expenditure was less than that of General Category States. Though the State Government invested ₹8,545.35 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives, average return on these investments was 1.40 *per cent* in the last five years while the Government paid an average interest rate of 7.29 *per cent* on its borrowings during 2014-15 to 2018-19. The interest receipt on loans and advances given by State Government was 0.24 *per cent* during 2018-19 against the average cost of borrowing of 7.34 *per cent*. At the end of the year, repayment of loans advanced to 70 institutions were in arrears amounting to ₹13,723 crore (Principal: ₹8,740 crore and Interest: ₹4,983 crore).

The State needs to improve its capital expenditure to match the status of General Category States. Also steps should be taken to reduce arrears in repayment of loan.

Reserve Funds and liabilities

The Consolidated Sinking Fund was constituted with the aim to amortize the outstanding liabilities of the Government, but the Government did not contribute to the fund during 2018-19. Similarly, the Government has to constitute a Guarantee Redemption Fund for crediting guarantee commission collected for meeting future liabilities arising out of guarantees given by the Government. The Guarantee Redemption Fund has not been constituted so far

and guarantee commission of ₹1,099.79 crore collected during 2003-04 to 2018-19 was not credited to the Fund. The State Disaster Response Fund (SDRF) had an accumulated balance of ₹2,113.98 crore by the end of March 2019. As per the guidelines issued by GoI, accretions to SDRF have to be invested in GoI Securities/Treasury Bills by the State Executive Committee constituted for the management of the fund. However, this was not done.

Off-budget Borrowing

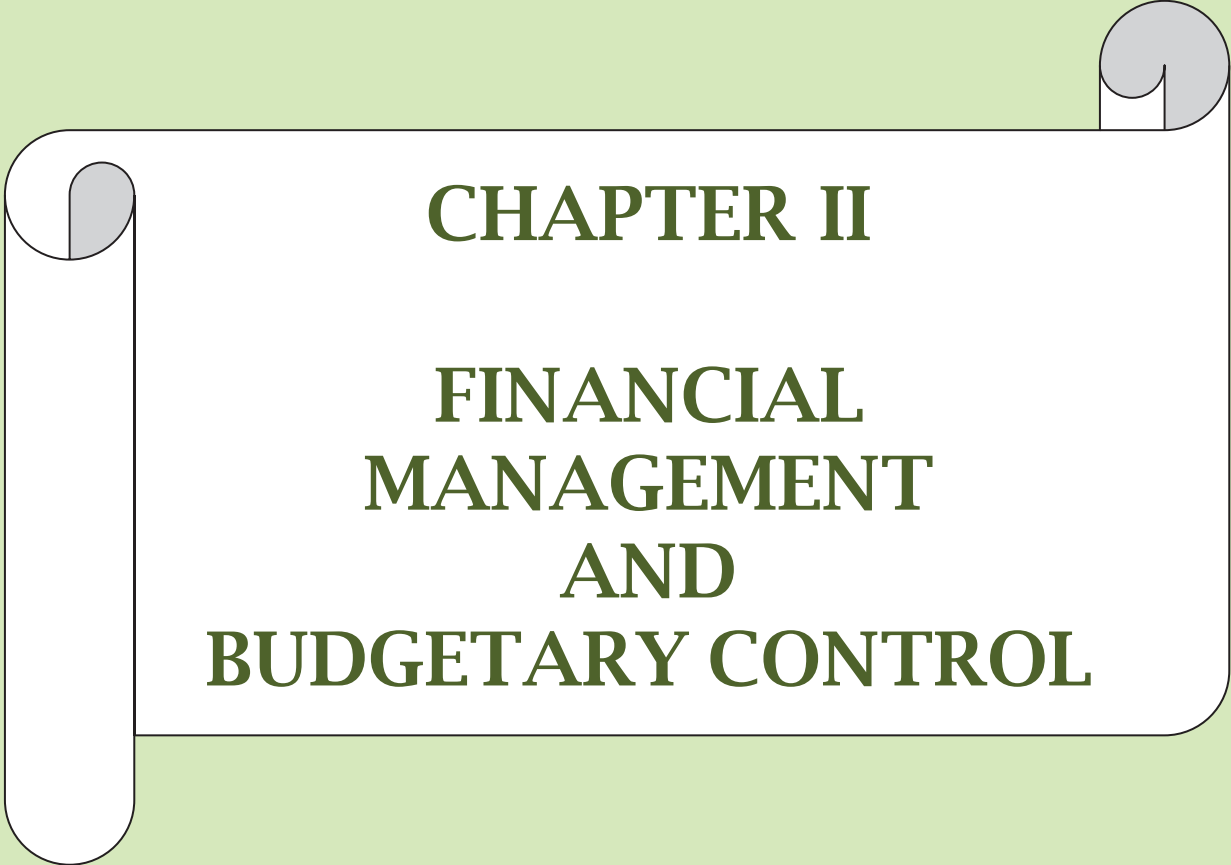
KIIFB borrowed / raised funds amounting to ₹3,106.57 crore from financial institutions till 2018-19 by issue of bonds etc., which were to be re-paid from the petroleum cess and part of motor vehicle tax set apart by the Government of Kerala from its own revenue resources for transfer to KIIFB. This included an amount of ₹ 2,150 crore raised through Masala Bonds in foreign countries.

Since KIIFB has no source of income, the borrowings by KIIFB for which State Government stood as a guarantor, may ultimately turn out to be a direct liability of the State Government. Any servicing of these debts by the State Government would entail surpassing the FFC and KFR fiscal deficit target of 3 *per cent* (in the current year it already stands at 3.45 *per cent*) and the debt-GSDP ratio of 30 *per cent* (in the current year it stands at 30.91 *per cent*). Further, such off budget borrowings are not in accordance with Article 293 (1) of the Constitution of India.

Debt Management

Open market Loans had a major share (54 *per cent*) in the total fiscal liabilities of the State. The net debt available with the State for development activities was only ₹3,168 crore (13 *per cent* of public debt receipts) during 2018-19.

Debt maturity profile of the State showed that 32.03 *per cent* of the debt amounting to ₹50,684.71 crore has to be repaid within five years and 51.22 *per cent* (₹81,056.92 crore) by March 2026 (within seven years).



CHAPTER II

**FINANCIAL
MANAGEMENT
AND
BUDGETARY CONTROL**

CHAPTER II FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 The 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 charged Appropriations 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 whether the expenditure required to be charged under the provisions of the Constitution is so charged. It also seeks to ascertain whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions on the subject.

2.1.3 As per the Kerala Budget Manual, the Finance Department is responsible for the 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 foresight in anticipating revenue and 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 it should not be over or under expenditure. 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 the Budget Manual noticed in audit are discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2018-19 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	Savings(-)/ Excess expenditure (+)	Percentage of savings/ excess expenditure
Voted							
I	Revenue	101074.46	12536.22	113610.68	98026.35	(-)15584.33	13.72
II	Loans and Advances	1102.09	1340.08	2442.17	2321.12	(-)121.05	4.96
III	Capital	10262.00	2636.33	12898.33	7676.24	(-)5222.09	40.49
Total Voted		112438.55	16512.63	128951.18	108023.71	(-)20927.47	16.23
Charged							
IV	Revenue Charged	15451.63	965.79	16417.42	17377.99	(+)960.57	5.85
V	Public Debt Repayment charged	14832.15	0.00	14832.15	18195.99	(+)3363.84	22.68
VI	Loans and Advances charged	0.00	2.57	2.57	1.77	(-)0.80	31.13
VII	Capital charged	87.55	84.03	171.58	122.14	(-)49.44	28.82
Total Charged		30371.33	1052.39	31423.72	35697.89	(+)4274.17	13.60
Appropriation to Contingency Fund (if any)		Nil	Nil	Nil	Nil	Nil	Nil
Grand Total		142809.88	17565.02	160374.90	143721.60	(-)16653.30	10.38

Source: Appropriation Accounts 2018-19 and Appropriation Acts

The overall savings of ₹16,653.30 crore were the result of savings of ₹21,116.45 crore in 42 Grants and 19 Appropriations under the Revenue Section and 29 Grants and Six Appropriations under the Capital Section (**Appendix 2.1**), offset by excess of ₹ 4,463.15 crore in two Grants and two appropriations under the Revenue Section and two appropriations under the Capital section. The overall savings increased by 2.49 per cent from 7.89 per cent in the last year to 10.38 per cent in 2018-19. It was observed that deficiencies persisted in estimating budgetary requirements with respect to a few Grants (**Table 2.6**).

Audit further analysed utilisation of budget allocation under voted category in revenue and capital sections separately and observed that in 34 Grants (each having savings exceeding ₹100 crore) budget allocation of ₹19,845.65 crore remained unutilised in plan and non-plan category as detailed in **Table 2.2**.

Table 2.2: Savings under Plan and Non-plan category (₹ in crore)

Category	Number of Grants	Original Budget	Supplementary	Final Expenditure	Savings
Revenue-Plan	11	17298.83	2309.24	11080.03	8528.04
Revenue-Non-Plan	10	72305.16	8504.02	74603.00	6206.18
Capital-Plan	12	6450.09	3044.29	5186.21	4308.17
Capital-Non-plan	1	876.10	0.00	72.84	803.26
Total	34	96930.18	13857.55	90942.08	19845.65

Source: Appropriation Accounts 2018-19

Grant-wise details for the above information are given in **Appendix 2.2**. Further, it was observed that 8 Grants in voted category had more than 50 per cent of the budget allocation remaining unutilised as detailed in **Table 2.3**.

Table 2.3: Grants having substantial savings (₹ in crore)

Sl.No.	Grant number and name	Budget allocation	Expenditure	Savings	Percentage of savings
Revenue –Plan					
1	XXII Urban Development	2753.15	970.51	1782.64	64.75
2	XXXVI Rural Development	3614.70	941.51	2673.19	73.95
Capital Plan					
3	XXVIII Miscellaneous Economic Services	3246.17	1602.08	1644.09	50.65
4	XXXIII Fisheries	334.86	160.96	173.90	51.93
5	XXXV Panchayat	506.52	85.04	421.48	83.21
6	XXXVII Industries	1025.42	500.39	525.03	51.20
7	XXXVIII Irrigation	391.79	188.74	203.05	51.83
Capital Non-Plan					
8	XV Public Works	876.10	72.84	803.26	91.69

Source: Appropriation Accounts 2018-19

Further scrutiny revealed that 24 schemes of the above Grants had substantial savings (more than 50 per cent of the budget allocation and more than ₹30 crore) in the voted category as detailed in **Table 2.4**.

Table 2.4: Schemes having substantial savings under voted category (₹ in crore)

Sl. No.	Grant No.	Scheme/activity	Budget allocation	Expenditure	Savings
1.	XV	5054-03-337-94 Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS) (NP)	160.00	38.90	121.10
2.		5054-04-337-80 Payment of compensation for land acquisition (NP)	100.00	3.35	96.65
3.		5054-80-800-66 Additional Public Works (NP)	500.00	0.00	500.00
4.	XXII	2217-05-191-69 Smart City Mission (50% CSS) (P)	400.00	165.32	234.69
5.		2217-05-191-74 Pradhan Mantri Awas Yojana (PMAY) (60% CSS) (P)	250.00	19.56	230.44
6.		2217-05-191-77 National Urban Livelihood Mission (NULM) (60% CSS) (P)	40.00	6.96	33.04
7.		2217-05-192-72 Pradhan Mantri Awas Yojana (PMAY) (60% CSS) (P)	1000.00	78.32	921.68
8.	XXII	2217-05-192-74 National Urban Livelihood Mission (NULM) (60% CSS) (P)	60.00	18.60	41.40
9.		2217-80-800-62 Interest Subsidy to	200.00	9.19	190.81

Sl. No.	Grant No.	Scheme/activity	Budget allocation	Expenditure	Savings
		KURDFC towards loan availed from HUDCO for the implementation of LIFE-Parppida Mission scheme (P)			
10.	XXVIII	5475-00-115-99 Major Infrastructural Development Projects (P)	1638.31	0.00	1638.31
11.	XXXIII	4405-00-103-93 Basic Infrastructural Facilities and Human Development of Fisher folk (P)	180.00	87.53	92.47
12.		4405-00-104-36 Development of Marine Fisheries, Infrastructure & Post Harvest Operations (CSS 60%)(P)	43.25	13.24	30.01
13.	XXXV	4515-00-800-98 Prime Minister's Grama Sadak Yojana (60% CSS) (P)	500.52	85.04	415.48
14.	XXXVI	2501-06-796-98 Pradhan Mantri Awas Yojana (PMAY - Gramin) (60% CSS) (P)	52.80	16.81	35.99
15.		2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (90% CSS) (P)	2806.34	345.53	2460.81
16.	XXXVII	4851-00-101-90 Construction of Multistoried Industrial Estate (State Share) (P)	36.66	5.31	31.35
17.		4859-02-004-95 Land Acquisition and Infrastructure Development under IT (P)	83.00	22.46	60.54
18.		4859-02-190-90 One time financial assistance for re-structuring IITM-K as deemed university(P)	50.00	0.00	50.00
19.		4885-60-800-96 Provision for Revival/ Diversification of State Public Sector Undertakings Lumpsum Provision (P)	57.85	0.00	57.85
20.		6860-01-190-95 Loans to Kerala State Textile Corporation (P)	65.00	22.20	42.80
21.		6885-60-190-99 Loans to Kerala Industrial Infrastructure Development Corporation (P)	61.60	22.67	38.93
22.		4701-18-800-87 NABARD assistance for Chamravattom (P)	41.14	0.12	41.02
23.	XXXVIII	4701-80-800-77 Dam Rehabilitation and Improvement Project (DRIP) (P)	137.12	50.53	86.59
24.		4711-01-103-86 Pradhan Mantri Krishi Sinchai Yojana-Kuttanadu Flood Management Component 50% CSS (P)	116.14	48.16	67.98

Source: Appropriation Accounts 2018-19

Audit further analysed savings under voted category in revenue and capital sections excluding salary/establishment expenses and observed savings of ₹11,699.90 crore (each having savings exceeding ₹100 crore) in 22 grants under plan and non-plan category as shown in **Table 2.5**.

Table 2.5: Savings under Plan and Non-plan category excluding salary/establishment charges

Category	Number of Grants	Original Budget	Final Expenditure	Savings
Revenue Plan	8	15374.02	8901.42	6472.60
Revenue Non-Plan	5	16519.75	14263.56	2256.19
Capital Plan	8	4092.48	1924.63	2167.85
Capital Non-Plan	1	876.10	72.84	803.26
Total	22	36862.35	25162.45	11699.90

Source: Appropriation Accounts 2018-19

The savings of 32 per cent of the original budget (excluding projections for salary/establishment charges) indicate failure of the State Government to utilise funds earmarked in the budget for development expenditure/creation of assets.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

Audit of Appropriation Accounts revealed that savings exceeded ₹100 crore and also more than 25 per cent of the total budget provision in seventeen Grants/Appropriations as detailed in Table 2.6.

Table 2.6: Grants/Appropriations showing substantial savings (₹ in crore)

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings	Percentage of savings	
Revenue – Voted						
1	XXII	Urban Development	2901.86	1118.33	1783.53	61
2	XXVIII	Miscellaneous Economic Services	291.38	187.25	104.13	36
3	XXX	Food	1916.42	1407.29	509.13	27
4	XXXVI	Rural Development	3870.96	1181.87	2689.09	69
5	XXXIX	Power	153.70	22.67	131.03	85
6	XLVI	Social Security and welfare	5449.88	3785.77	1664.11	31
Capital-Voted						
7	XVII	Education, Sports, Art and culture	661.72	457.92	203.80	31
8	XX	Water Supply and sanitation	1041.26	538.94	502.32	48
9	XXV	Welfare of Scheduled castes, scheduled tribes, other backward classes and minorities.	302.56	176.83	125.73	42
10	XXVIII	Miscellaneous Economic Services	3276.17	1612.21	1663.96	51
11	XXIX	Agriculture	341.76	192.84	148.92	44
12	XXXIII	Fisheries	436.36	234.58	201.78	46
13	XXXV	Panchayat	756.36	316.70	439.66	58
14	XXXVII	Industries	1035.42	610.17	425.25	41
15	XXXVIII	Irrigation	405.10	195.19	209.91	52
16	XLII	Tourism	243.66	123.66	120.00	49
17	XLVI	Social Security and Welfare	227.66	121.14	106.52	47
		Total	23312.23	12283.36	11028.87	47

Source: Appropriation Accounts 2018-19

Further, the savings under the above seventeen Grants were 66 per cent of the total savings of all the Grants during 2018-19, (₹16,653.31 crore). Government had not attached adequate fiscal priority to the development sectors as is evident from Table 2.6.

Analysis of the savings in the above seventeen Grants revealed that 65 schemes had savings of more than ₹25 crore during 2018-19. Details are given in **Appendix 2.3**.

2.3.2 Persistent savings

Fourteen Grants had savings of more than ₹100 crore during the last three financial years as detailed in **Table 2.7**.

Table 2.7: Grants/Appropriation having persistent savings during last three years

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation		Amount of savings (Percentage)		
			2016-17	2017-18	2018-19
Revenue – Voted					
1.	XII	Police	180.43(5)	278.20(7)	372.93(9)
2.	XVII	Education, sports, art and culture	337.73(2)	1198.32 (6)	1650.99 (8)
3.	XXII	Urban development	631.19 (42)	1114.46 (67)	1783.52 (61)
4.	XXV	Welfare of scheduled castes, scheduled tribes, other backward classes and minorities	277.20 (10)	400.81 (12)	592.04(19)
5.	XXIX	Agriculture	308.75(10)	763.22 (21)	863.42(22)
6.	XXX	Food	156.90(9)	338.97 (19)	509.13(27)
7.	XXXVI	Rural development	2270.10 (74)	3033.33 (75)	2689.09 (69)
8.	XLIII	Compensation and assignments	1881.46 (25)	1036.33 (13)	1526.68 (15)
9.	XLVI	Social security and welfare	1136.67 (18)	574.88(8)	1664.11 (31)
Capital-voted					
10.	XX	Water supply and sanitation	299.37 (53)	186.09 (37)	502.31 (48)
11.	XXVIII	Miscellaneous economic services	952.75 (29)	1591.22 (58)	1663.96(51)
12.	XXIX	Agriculture	280.41 (40)	111.35 (26)	148.92 (44)
13.	XXXVII	Industries	236.17 (23)	267.28 (23)	425.25 (41)
14.	XLI	Transport	179.35 (16)	233.69 (11)	215.43 (12)

Source: Appropriation Accounts for respective years.

Figures in parenthesis are percentage of savings with respect to budget allocation

Further analysis revealed that overall savings under the above 14 Grants were due to persistent savings under a few sub-heads (schemes/activity), which indicated failure of the respective Controlling Officers and the Finance department in making a realistic assessment of the budget requirement based on the expenditure of the previous year and the ability of the department to utilise the funds. Details of schemes, where persistent savings of ₹50 crore or more was noticed, are given in **Appendix 2.4**.

2.3.3 Excess expenditure over provision during 2018-19

The Appropriation Accounts disclosed excess expenditure in two⁴⁸ grants and two⁴⁹ appropriations under Revenue Section amounting to ₹1,098.28 crore and two⁵⁰ Appropriation under Capital Section amounting to ₹3,364.87 crore, which require regularization under Article 205 of the Constitution. Further analysis revealed that 10 schemes under the above Grants and Appropriations had excess expenditure of more than ₹five crore. Details are given in **Appendix 2.5**. Similar observation was raised in the previous Audit Reports as well and the Government is yet to initiate any action in accordance with Article 205.

It was also observed that in four schemes, expenditure was incurred without any budget allocation. Details are given in **Table 2.8**.

Table 2.8: Expenditure incurred without budget allocation (₹in crore)

Sl. No.	Grant number and scheme name		Budget allocation	Expenditure	Excess
1.	Debt charges	2049-01-200-85 Interest on Loans raised from Federal Bank in September 2018 on the strength of HBA to State Government Employees (NP)	0	1.15	1.15
2.		2049-01-200-84-Interest on loans raised from PNB in September 2018 on the strength of HBA to State Government Employees (NP)	0	0.79	0.79
3.	Public Debt Repayment	6003-00-109-90 Loan raised from PNB in September 2018 on the strength of HBA to State Government Employees (NP)	0	31.63	31.63
4.		6003-00-109-91 Loan raised from Federal Bank in September 2018 on the strength of HBA to State Government Employees(NP)	0	34.07	34.07

Source: Detailed Appropriation Accounts 2018-19

Scheme-wise analysis of the remaining Grants/Appropriations also revealed incurring of expenditure after budget allocations were injudiciously re-appropriated/surrendered. Details of such seven schemes are given in **Appendix 2.6**.

2.3.4 Persistent excess expenditure

Persistent excess expenditure was noticed in two schemes under Grant No.XIX Family Welfare during the financial years 2017-18 and 2018-19 as shown in **Table 2.9**.

⁴⁸Grant No. I State Legislature: ₹0.65 crore; Grant No. XIX Family Welfare: ₹39.81 crore;

⁴⁹Debt Charges ₹ 1057.69 crore ; Grant No. .XXXIV Forest ₹ 0.13 crore

⁵⁰Grant No.. XVII Education, Sports, Art and Culture: ₹1.02 crore and Public Debt Repayment ₹3,363.85 crore.

Table 2.9: Persistent excess expenditure for the last two financial years**(₹ in crore)**

Sl. No.	Head of account	Year	Budget allocation	Expenditure	Surrender	Reappropriation	Excess expenditure
1.	2011-02-103-99 Legislative Secretariat (V)- (NP)	2017-18	73.07	74.07	0.28	0.13	1.15
		2018-19	75.46	76.05	0.36	-0.27	1.22
2.	2211-00-101-95-Sub Centres - (CSS - 60:40)(P)	2017-18	280.00	377.99	0.00	54.36	43.63
		2018-19	300.00	373.90	0.00	31.66	42.24

Source: Detailed Appropriation Accounts 2017-18 and 2018-19

Further analysis revealed that the excess expenditure was due to insufficient augmentation of provision through re-appropriation under the heads of account 2011-02-103-99 and 2211-00-101-95. Injudicious surrender/re-appropriation of funds also attributed to excess expenditure under these heads of account.

Repeated excess expenditure over grants approved by the State Legislature is in violation of the will of the Legislature and the principle that no expenditure can be incurred without the approval of the Legislative Assembly and, therefore, this needs to be viewed seriously. All the existing cases of excess expenditure need to be regularized at the earliest and, in future, such un-voted expenditure may be completely stopped, except in case of dire and extreme emergency, the cost of which can be met from the Contingency Fund.

2.3.5 Excess expenditure over provisions relating to previous years requiring regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund except under appropriation made by law by the State legislature and Article 205 stipulates that the Government should get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Articles, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the corresponding Audit Report by the Public Accounts Committee (PAC). Excess expenditure under 28 Grants and 11 Appropriations amounting to ₹4,735.00 crore for the years 2011-12 to 2017-18 was to be regularised (December 2019) as summarized in **Table 2.10**. For the last eight consecutive years i.e. from 2011-12 to 2018-19, the State Government had been incurring expenditure in excess of appropriation. The year-wise and Grant-wise amounts of excess expenditure pending regularisation and the stage of consideration by the PAC are detailed in **Appendix 2.7**. This is in violation of Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

Table 2.10: Excess over provisions relating to previous years requiring regularization**(₹ in crore)**

Year	Number of		Amount of excess expenditure over provision
	Grant	Appropriation	
2011-12	2	..	24.50
2012-13	5	..	40.43
2013-14	6	4	560.68
2014-15	..	1	192.00
2015-16	1	3	230.78
2016-17	8	..	141.17
2017-18	6	3	3545.44
Total	28	11	4735.00

Source: As per records maintained by the Accountant General (G&SSA)

2.3.6 Unnecessary/excessive Supplementary provision

Supplementary provisions aggregating to ₹6,107.21 crore, obtained in 30 Grants/Appropriations (₹one crore or more in each case) during the year, proved unnecessary as the expenditure did not come up to the level of even the original provisions as detailed in **Appendix 2.8**. Since there were sufficient savings in the original budget allocation, the option of re-appropriation of funds between heads of account (where savings were noticed) within the Grant/Appropriation could have been resorted to by the Chief Controlling Officers (for heads of accounts, which require funds) instead of proposing Supplementary Demands for Grants (SDG).

Further scrutiny revealed that supplementary grants obtained in respect of a few schemes/activities proved wholly unnecessary as the funds obtained through SDG were not utilised and were surrendered fully at the end of the year. The details are given in **Table 2.11**

Table 2.11: Surrender of entire provision obtained through SDG (₹ in crore)

Sl.No	Grant No.	Name of the scheme	SDG obtained	Month of SDG
1	XII	2055-00-101-95-Crime and Criminal Tracking Network Systems (CCTNS)	5.85	January 2019
2		2205-00-105-99-Kerala State Library Council	19.53	January 2019
3	XVII	4202-04-800-94-Land acquisition charges of Cultural institutions	5.00	January 2019
4		3435-04-103-96- “Kerala State Pollution Control Board”	4.03	December 2018
The final expenditure under the sub head (₹9.85 crore) was less than the original budget allocation (₹13.50 crore) and the final surrender (₹7.65 crore) from the head of account was more than the amount obtained through SDG.				
5	XXV	4225-04-277-98-Construction of Building for Govt.Higher Secondary School, Eranjimangad, Chaliyar under Pradan Mantri Jan Vikas Karyakram (60 % CSS)	2.07	January 2019
6	XXX	2408-01-102-99-Grant to Kerala State Civil Supplies Corporation Ltd. for market intervention operations	50.00	December 2018
The final expenditure under the sub head (₹125 crore) was less than the original budget allocation (₹150 crore) and the final surrender (₹75 crore) from the head of account was more than the amount obtained through SDG.				
7	XXXV	4515-800-94-Completion of construction and land acquisition activities of convention centre at Pinarayi Grama Panchayat	6.00	June 2018
The SDG remained unutilised and was surrendered at the end of the financial year. The same lapse was also observed in the financial year 2017-18.				
8	XLIII	3604-200-86-Funds for development expenditure-5 th SFC Recommendations	63.46	January 2019
The final expenditure under the sub head (₹4588.63 crore) was less than the original budget allocation (₹5260.44 crore) and the final surrender (₹733.39 crore) from the head of account was more than the amount obtained through SDG.				
9		2235-02-102-32- Procurement of ADHAAR Enrollment Kits (60% CSS)	11.61	June 2018
10		2235-02-102-33- Upgradation of Anganwadi Centres (60 % CSS)	8.00	
11	XLVI	2235-02-103-54- Mahila Sakthi Kendra (60 % CSS)	1.23	

Sl.No	Grant No.	Name of the scheme	SDG obtained	Month of SDG
12		4235-02-101-98-Creation of Barrier free environment to Persons with Disabilities under Accessible India Campaign (100 % CSS)	4.30	January 2019
13	II	3451-092-90-Wi-Fi connection at Public Places and Libraries	28.00	June 2018
The amount was not surrendered till the end of the financial year.				

Source: Appropriation accounts 2018-19

Further, in 17 Grants/Appropriation, against the additional requirement of ₹7,537.50 crore, supplementary budget allocation of ₹10,423.22 crore obtained during the year proved excessive (**Appendix 2.9**) by ₹2,885.72 crore which resulted in avoidable savings to that extent.

2.3.7 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. Augmentation of funds through re-appropriation was resorted to by departmental officers. However, audit analysis revealed that augmentation of budget allocation was wholly unnecessary in some sub-heads as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it. Sub-heads in which augmentation was done through re-appropriation (exceeding ₹one crore) but no part was utilised are given in **Appendix 2.10**.

Failure of the departmental officers in assessing the actual requirement of funds also resulted in excess withdrawal of funds from units of appropriation, which finally led to excess expenditure over provision in certain sub-heads. Cases of such injudicious re-appropriations noticed in six schemes/activities are given in **Appendix 2.11**. It was also observed that even though augmentation through re-appropriation was done in 11 schemes/activities, the final expenditure exceeded the budget allocation available under the heads of account by more than ₹one crore. Details are given in **Appendix 2.12**.

2.3.8 Surrender of budget allocations

As per Paragraph 91 of the Kerala Budget Manual, the Administrative Departments should surrender all anticipated savings before the close of the financial year to the Finance Department as and when they are foreseen, unless they are required to meet the excesses under other units of appropriation.

During 2018-19, ₹20,687.91 crore (12.90 per cent) out of the total budget allocation (₹1,60,374.90 crore) was surrendered at the end of the financial year. More than ₹1,000 crore was surrendered in six Grants as detailed in **Table 2.12**. Though Savings amounting to ₹21,116.46 crore were available, an amount of ₹20,687.91 crore only was surrendered which has resulted in non-surrender of ₹428.55 crore.

Table 2.12: Grants in which more than ₹1000 crore was surrendered*(₹ in crore)*

Grant number		Budget allocation	Amount surrendered	Percentage of surrender
Revenue – Voted				
XVII	Education, sports, art and culture	20777.89	1515.06	7
XXII	Urban Development	2901.86	1782.73	61
XXXVI	Rural Development	3870.96	2685.58	69
XLIII	Compensation and Assignments	10441.29	1525.73	15
XLVI	Social Security and Welfare	5449.88	1598.69	29
Capital voted				
XXVIII	Miscellaneous Economic Services	3276.17	1663.96	51

Source: Appropriation Accounts 2018-19

Further scrutiny revealed that in 28 schemes/activities (Table 2.13) the final surrenders were more than ₹100 crore, which included 18 schemes/activities of the above mentioned Grants.

Table 2.13: Schemes in which more than ₹100 crore was surrendered (₹ in crore)

Sl. No.	Grant number and name of the scheme		Budget allocation	Expenditure	Surrender
1.	XII	2055-00-109-99 District Force (NP)	2645.18	2458.75	291.62
2.		2071-01-101-99 Pension to Kerala Government Pensioners (NP)	8456.18	7993.37	339.59
3.	XVI	2071-01-102-99 Payments in India (NP)	3142.01	2911.65	237.94
4.		2075-00-800-68 Government contribution to Chief Minister's Janasanthwana Fund (NP)	200.00	0.00	200.00
5.		2202-03-103-57 Rashtriya Uchchatar Shiksha Abhiyan - RUSA (60% CSS) (P)	250.00	104.02	110.04
6.	XVII	2202-03-104-99 Salaries to the staff under the Direct Payment System (NP)	1305.79	1003.23	334.44
7.		2202-03-105-97 Additional Skill Acquisition Programme (ASAP)(P)	282.20	117.82	126.14
8.		4202-01-202-93 Infrastructure - School Education (P)	120.00	13.10	106.90
9.	XVIII	2210-06-101-19 National Health Mission (CSS 60:40) (P)	730.28	496.48	234.04
10.		2217-05-191-69 Smart City Mission (50%CSS)(P)	400.00	165.32	234.68
11.		2217-05-191-74 Pradhan Mantri Awas Yojana (PMAY) (60% CSS)(P)	250.00	19.56	115.03
12.	XXII	2217-05-192-72 Pradhan Mantri Awas Yojana (PMAY) (60% CSS)(P)	1000.00	78.32	918.52
13.		2217-80-800-62 Interest Subsidy to KURDFC towards loan availed from HUDCO for the implementation of LIFE-Parppida Mission scheme(P)	200.00	9.19	190.81

Sl. No.	Grant number and name of the scheme	Budget allocation	Expenditure	Surrender
14.	2245-02-101-94 Other Items (NP)	366.62	210.14	157.35
15.	XXVI 2245-02-122-99 Repairs and Restoration of damaged irrigation and flood control works (NP)	452.44	0.64	194.56
16.	XXVIII 5475-00-115-99 Major Infrastructural Development Projects (P)	1638.31	0.00	1638.31
17.	XXIX 2401-00-109-65 Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS)(P)	420.82	221.71	174.56
18.	XXX 2408-01-101-96 Paddy procurement through Kerala State Civil Supplies Corporation and Other Agencies(NP)	525.00	285.48	233.77
19.	XXXV 4515-00-800-98 Prime Minister's Grama Sadak Yojana (60% CSS) (P)	500.52	85.04	415.39
20.	2501-06-197-48 Block Grants for CSS (P)	228.34	121.10	107.24
21.	XXXVI 2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (90% CSS) (P)	2806.34	345.53	2433.97
22.	3604-00-200-86 Funds for Development Expenditure - 5th SFC Recommendations (NP)	5323.90	4588.63	733.39
23.	XLIII 3604-00-200-87 Funds for Maintenance Expenditure (Non - Road Assets) - 5th SFC Recommendations (NP)	703.16	564.93	138.22
24.	3604-00-200-90 Expansion and Development under XIV Finance Commission Recommendations(NP)	1739.56	1156.88	582.63
25.	2235-02-102-47 Integrated Child Development Service (60 % CSS)(P)	499.00	363.24	152.68
26.	XLVI 2235-02-198-50 Block Grant for Revenue Expenditure (NP)	412.76	152.35	248.78
27.	2235-60-192-50 Block Grant for Revenue Expenditure(NP)	226.31	64.20	162.11
28.	2235-60-198-50 Block Grant for Revenue Expenditure(NP)	1685.80	1134.35	551.44

Source: Detailed Appropriation Accounts 2018-19

Further analysis revealed substantial surrenders (surrenders involving more than 50 per cent of the total allocation and more than ₹one crore in each case) in 475 sub-heads amounting to ₹11,529.12 crore. In 150 sub-heads, entire budget allocation (above ₹one lakh) amounting to ₹3,175.88 crore was surrendered and in 31 cases, this was ₹10 crore and above as detailed in **Appendix 2.13**.

In seven schemes as indicated in **Table 2.14**, the budget allocation was provided through re-appropriation (no allocation was made through original or supplementary budget) and the entire allocation remained unutilised and was surrendered at the end of the year.

Table 2.14: Surrender of entire allocation provided through re-appropriation**(₹ in crore)**

Sl. No.	Grant No.	Category	Name of Scheme	Amount
1	XVII	Cap Voted	4202-03-102-87 (V) (P) Priority Programmes under Special Projects	0.65
2	XVIII	Cap Voted	4210-01-110-53 (V) (P) Strengthening the Ophthalmic wing of District/General/Taluk Hospitals	2.44
3	XXIV	Rev Voted	2230-03-101-57 (V) (P) Skill Strengthening for Industrial Value Enhancement (STRIVE) Programme (100% CSS)	0.025
4	XXIV	Rev Voted	2230-03-101-94 (V) (P) Setting up of Model ITIs (70% CSS)	1.2
5	XXIX	Rev Voted	2401-00-789-89(V) (P) Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (MIDH)	6.92
6	XXIX	Rev Voted	2401-00-796-88 (V) (P) Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (PMKSY)	0.085
7	XXIX	Rev Voted	2401-00-796-90 (V) (P) Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (MIDH)	0.71

Source: Detailed Appropriation Accounts 2018-19

2.3.9 Surrender in excess of actual savings

In 10 Grants/Appropriations, the amounts surrendered (₹one crore or more in each case) was in excess of the actual savings indicating lack of or inadequate financial control. As against savings of ₹775.36 crore, the amount surrendered was ₹1,047.41 crore, resulting in excess surrender of ₹272.05 crore under these Grants/Appropriations. Audit observed that the number and amount of excess surrender decreased from ₹1,510.60 crore (40 cases) in 2017-18 to ₹272.05 crore (10 cases) in 2018-19. Details are given in **Appendix 2.14**. Further, Audit analysed the budget management of Departmental officers in respect of schemes/activities under their control and observed that injudicious surrender of budget allocation led to final excess expenditure (in excess of ₹one crore) in 28 schemes/activities as detailed in **Appendix 2.15**. Final expenditure in respect of the 26 schemes out of the above 28 schemes was less than the original budget allocation provided for implementation of the schemes. However, injudicious surrender led to final excess expenditure under these schemes.

2.3.10 Unexplained re-appropriations

Paragraph 86 (3) of the Kerala Budget Manual lays down that the authority sanctioning re-appropriations should satisfy itself 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 was 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 702 out of 950 items (73.89

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.

2.3.11 Rush of Expenditure

According to Article 91(2) of the Kerala Budget Manual, appropriation which cannot be utilised to good effect should be surrendered. It is contrary to the interests of the Government to spend money hastily or in an ill-conceived manner, merely because it is available, or just to avoid lapse of funds. The flow of expenditure should be so regulated throughout the year that there is no rush of expenditure, particularly during the closing months of the financial year. Contrary to this, in 264 sub-heads as listed in **Appendix 2.16**, it was noticed that more than 50 per cent of the total expenditure in each sub-head was incurred in March 2019. Rush of expenditure at the end of the year shows poor expenditure control.

2.4 Non-reconciliation of departmental figures

2.4.1 Un-reconciled receipts and expenditure

According to Paragraph 74 of the Kerala Budget Manual, the expenditure recorded in the books of the Controlling Officer of the department should be reconciled every month with that recorded in the books of the AG (A&E), Kerala to exercise effective control over expenditure and to keep it within the budget grants and also to ensure accuracy of their accounts. During the year, reconciliation for 64.98 per cent of the total receipts (₹42,866.56 crore out of ₹65,966.76 crore) and 86.90 per cent of the total expenditure (₹97,148.25 crore out of ₹1,11,779.46 crore) was completed. However, 21 Chief Controlling Officers, whose total transactions exceeded ₹10 crore did not reconcile their expenditure with the accounts maintained by the AG (A&E) as shown in **Appendix 2.17**. This was not only in violation of the provisions of Paragraph 74 of the Kerala Budget Manual but also casts doubt about the correctness of the expenditure figures supplied by the departments concerned and the figures booked by AG (A&E), Kerala.

2.5 Review on Budgetary process and Appropriation Control - Grant No. XXIX-Agriculture

The department of Agriculture development and Farmer's welfare, Kerala in its present set up started functioning from 1987 for the overall development of Agriculture in the State. The vision of the department is to attain self sufficiency in food production through enhanced agricultural productivity of Agricultural commodities so as to make Agriculture a sustainable and viable vocation providing livelihood support.

The Grant No. XXIX Agriculture is controlled by 18 Controlling officers. The controlling officers are responsible for ensuring appropriation control in each unit of appropriation of the Grant. A review was conducted to ascertain the budgetary process and utilisation of funds earmarked for various schemes implemented by three controlling officers viz., Director of Agriculture, Director of Soil Survey and Soil conservation and Chief Engineer, Irrigation and Administration. Defective budgetary and appropriation control was noticed in the schemes implemented by these three controlling officers.

2.5.1 Budget allocation and expenditure

Budget allocation and expenditure under revenue and capital sections of the Grant during the last three years is given in **Table 2.15**.

Table 2. 15: Budget allocation and expenditure for last three years

(₹ in crore)					
Year	Category	Budget allocation	Expenditure	Savings	Percentage of savings
2016-17	Revenue	3197.86	2889.11	308.75	9.65
	Capital	699.09	418.68	280.41	40.11
2017-18	Revenue	3646.46	2883.23	763.23	20.93
	Capital	429.69	318.33	111.36	25.92
2018-19	Revenue	3907.89	3044.46	863.43	22.09
	Capital	341.76	192.84	148.92	43.57

Source: Appropriation Accounts of respective years

Table 2.15 shows that more than 20 per cent of the budget allocation remained unutilised during the last three years (except under revenue section during 2016-17). The savings under capital portion during 2018-19 work out to the highest rate of 43.57 per cent. Further scrutiny revealed that 67 schemes had savings of more than ₹one crore in 2018-19, of which 29 schemes had persistent savings for three years as detailed in **Appendix 2.18**.

It was also observed that in 25 schemes, as detailed in **Table 2.16**, the entire budget allocation remained unutilised in the respective years and was surrendered at the end of the year.

Table 2.16: Schemes in which entire budget allocation was surrendered (₹ in crore)

Sl. No.	Scheme	Year	Budget allocation	Amount surrendered
1.	2401-00-109-63 Implementation of Gender Equality and Woman's Empowerment Policy (NP)	2017-18	0.10	0.10
2.	2401-00-109-76 Farmers' Welfare Fund Board (P)	2017-18	0.25	0.25
		2018-19	0.30	0.30
3.	2401-00-111-98 Agro Ecological Planning and Development. (P)	2016-17	0.75	0.75
4.	2401-00-111-99 Agricultural Census(Central Sector Scheme 100%)(P)	2017-18	0.01	0.01
5.	2401-00-191-50 Block Grants for Revenue Expenditure (NP)	2017-18	0.01	0.01
6.	2401-00-800-48 World Trade Organisation Cell in the Government Secretariat (NP)	2017-18	0.17	0.17
		2018-19	0.08	0.08
7.	2415-01-277-86 Assistance to Kerala Agricultural University to support the training and extension needs of KFD (P)	2018-19	0.50	0.50
8.	2435-01-101-75 Support for Innovative projects of Farmer's Collectives/Farmer Producer Organisations (P)	2018-19	2.00	2.00
	Department stated that the entire budget allocation was surrendered since the scheme was included in 20 per cent plan cut implemented during 2018-19 after the flood of August 2018.			
9.	2551-60-101-98 Sabarimala Master Plan (P)	2016-17	25.00	25.00
10.	2702-01-102-97 National Hydrology Project (Surface Water) – 100% CSS (P)	2017-18	0.01	0.01
11.	2702-03-101-98 Other maintenance Expenditure (NP)	2018-19	0.10	0.10

Sl. No.	Scheme	Year	Budget allocation	Amount surrendered
12.	2702-80-799-99 Stock (NP)	2017-18	0.03	0.03
13.	4401-00-001-98 Projects under Legislative Assembly Constituency Asset Development Scheme (LAC-ADS) (NP)	2017-18	0.09	0.09
		2018-19	0.10	0.10
14.	4401-00-190-97 Kerala State Horticultural Products Development Corporation Ltd. – Investments (P)	2016-17	0.25	0.25
15.	4402-00-101-96 Institute for Watershed Development and Management, Kerala - Completion of Trainee Hostel (P)	2018-19	1.50	1.50
16.	4402-00-203-92 Improvements to Padasekharams deepening of inner Chals of Ponnani Kole (P)	2018-19	1.40	1.40
17.	4402-00-203-97 Development and Upgradation of Kole Lands (NP)	2016-17	0.47	0.47
18.	4402-00-800-76 Infrastructure development works and Sahasra Sarovar Scheme RIDF XXII (P) The Project was entrusted to Kerala Land Development Corporation (KLDC) for its implementation, which stated that the allotted funds could not be utilized as the works under this scheme were in e-tendering process and were in the initial stages. Hence surrendered.	2018-19	6.00	6.00
19.	4702-00-101-64 Renovation of Tanks and Ponds - Revival, Conservation and Upgradation of Local Water Resources (P) Department stated that the non-utilisation of funds was due to the delay in receipt of Letter of Credit (LoC) and Administrative sanction issued by Government. Consequently, the expenditure was not incurred even though the work has been completed.	2017-18	3.00	3.00
20.	4702-00-101-65 Minor Irrigation Class II - Schemes under Haritha Keralam (P) Department stated that the non-utilisation of funds was due to delay in receipt of Administrative sanction under the heads of accounts relating to 'Haritha Keralam' on account of some technical issues.	2017-18	5.00	5.00
		2018-19	7.00	7.00
21.	4702-00-101-66 Minor Irrigation Class I - Schemes under Haritha Keralam (P) Department stated that the non-utilisation of funds was due to delay in receipt of Administrative sanction under the heads of accounts relating to "Haritha Keralam" on account of some technical issues.	2017-18	5.00	5.00
22.	4702-00-101-68 Pradhan Manthri Krishi Sinchayee Yojana (60% CSS) (P) Department attributed non- utilisation of budget provision to non- sanctioning of works under the scheme 'PMKSY'.	2016-17	60.00	60.00
		2017-18	60.00	60.00
		2018-19	72.50	72.50
23.	4702-00-101-69 Minor Irrigation Projects in Cauvery Basin (NABARD Assistance) (P) Department stated that the non-utilisation of funds was due to the delay in receipt of Letter of Credit (LoC) and Administrative sanction issued by Government. Consequently, the expenditure was not incurred even though the work has been completed.	2016-17	60.00	60.00
24.	4702-00-101-71 Bhavani Basin - Check dams in Attapady (P) Department stated that the non-utilization of funds was due to the delay in receipt of Letter of Credit (LoC) and Administrative sanction issued by Government. Consequently, the expenditure was not incurred even though the work has been completed.	2017-18	5.00	5.00
		2018-19	5.00	5.00
25.	4702-00-102-96 Meenachil Check Dams (P)	2016-17	15.00	15.00

Source: Detailed Appropriation Accounts of respective years

2.5.2 Injudicious surrender of funds

During the course of the financial year, if it is found that the budget grant cannot be utilised in full, then the funds in excess of requirements are to be surrendered by the Disbursing Officers. Subsequently, the Chief Controlling Officer has to remit back the savings of the Grant to the Finance Department. Scrutiny of the last three years' detailed Appropriation Accounts revealed injudicious surrender in revenue and capital section separately in 2016-17 and 2017-18, as detailed in **Table 2.17**.

Table 2.17: Excess surrender of funds (₹ in crore)

Year	Category	Budget allocation	Savings	Amount surrendered	Excess surrender
2016-17	Revenue Voted	3197.86	308.75	332.01	23.26
2017-18	Capital Voted	429.69	111.35	111.68	0.33

Source: Appropriation Accounts 2017-18

Further scrutiny revealed that injudicious surrender led to excess expenditure in the schemes shown in **Appendix 2.19**, during the last three years. This indicated inadequate appropriation check exercised by departmental officers in heads of account under their control.

When the injudicious surrender in the above schemes was brought to notice, the department stated that the injudicious surrender was due to clerical errors in the accounts which would be avoided in future. Such errors may be taken seriously so as to take remedial action in time as this type of error in accounts leads to faulty surrenders resulting in defective budgetary control.

2.5.3 Unnecessary re-appropriation

Augmentation of funds through re-appropriation was resorted to by departmental officers, if the funds provided through original/supplementary demands for grants are found insufficient and savings are available under another unit of appropriation within the Grant. However, audit analysis revealed that augmentation of budget allocation was wholly unnecessary in the sub-heads detailed in **Table 2.18** as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it.

Table 2.18: Unnecessary re-appropriations (₹ in crore)

Sl. No.	Scheme	Year	Budget allocation	Net Re-appropriation	Final Expenditure
1.	2401-00-001-92 Project Preparation and Monitoring Cell (V) - (NP)	2018-19	1.19	0.06	1.18
2.	2401-00-001-96 Strengthening of Agricultural Administration and introduction of Training and Visiting System of Extension (V) - (NP)	2018-19	367.42	0.66	335.20
3.	2401-00-001-98 Superintendence - Regional and District Control (V) - (NP)	2018-19	14.19	0.07	12.78
4.	2401-00-001-99 Directorate of Agriculture (NP)	2018-19	10.48	0.12	9.89
5.	2401-00-102-92-Intensive Paddy Development Units (V) - (NP)	2018-19	1.52	0.11	1.36
6.	2401-00-102-99- Intensive Rice Cultivation (V) - (NP)	2018-19	1.49	0.02	1.14

Sl. No.	Scheme	Year	Budget allocation	Net Re-appropriation	Final Expenditure
7.	2401-00-103-97- Integrated seed development (V) - (NP)	2018-19	1.80	0.14	1.43
8.	2401-00-103-98- Seed production centre for vegetables (V) - (NP)	2018-19	1.04	0.04	0.74
9.	2401-00-103-99- Production and distribution of improved seeds (V) - (NP)	2018-19	35.40	4.04	35.26
10.	2401-00-104-82-Punja Cultivation (V) - (NP)	2017-18	2.51	0.03	2.36
		2018-19	2.63	0.04	2.31
11.	2401-00-107-83- Integrated Pest Management (V) - (NP)	2018-19	1.79	0.16	1.50
12.	2401-00-107-96- Plant Protection Service (District Plan) (V) - (NP)	2018-19	0.70	0.08	0.66
13.	2401-00-108-96- Production of T X D Hybrid Coconut Seedling (Centrally Sponsored Scheme 50%) (V) - (NP)	2018-19	2.04	0.08	1.04
14.	2401-00-108-98 Development of Coconut (V) - (NP)	2018-19	5.92	0.31	5.69
15.	2401-00-108-99 Irrigation facilities for Coconut Gardens (V) - (NP)	2018-19	0.59	0.03	0.55
16.	2401-00-109-97- Agricultural Information, Propaganda and Publicity (V) - (NP)	2018-19	4.06	0.23	4.01
17.	2401-00-113-96- Expansion of Agricultural Engineering Service (V) - (NP)	2018-19	9.80	0.11	9.18
18.	2401-00-113-98 -Research-Cum-Training (V) - (NP)	2018-19	1.06	0.04	0.96
19.	2401-00-119-95- Tissue culture facility for Horticulture Development (V) - (NP)	2018-19	1.94	0.20	1.83
20.	2401-00-119-98 -Vegetables (V) - (NP)	2018-19	2.45	0.14	2.42
21.	2401-00-800-28- Soil Health Management and Productivity Improvement (V) - (P)	2017-18	27.00	1.44	26.83
		Department stated that re-appropriation was sought for providing assistance to farmers but it was received only on 31.3.2018. It became saving as it could not be allotted to the districts due to treasury restriction.			
22.	2402-00-001-98- Land Use Board (V) - (NP)	2018-19	2.77	0.03	2.18
23.	2402-00-001-99- Directorate and District Offices (V) - (NP)	2017-18	7.46	0.13	6.71
24.	2402-00-101-95- Reconnaissance Soil Survey (V) - (NP)	2018-19	1.14	0.02	1.11
25.	2402-00-101-99- Soil Survey and Land Use Demonstration (V) - (NP)	2017-18	4.29	0.03	3.92
		2018-19	4.49	0.02	3.85
26.	2402-00-102-85- Training Programme for Departmental Staff and other Staff (V) - (P)	2018-19	1.95	0.05	0.53
27.	2402-00-102-90 Evaluation Programme of Soil Conservation (V) - (NP)	2018-19	0.37	0.05	0.36
28.	2402-00-102-95 Soil Conservation in the Catchment of River Valley Projects (Other than those coming under Centrally Sponsored Schemes) (V) - (NP)	2017-18	2.04	0.05	1.78
		2018-19	1.86	0.02	1.80
29.	2402-00-102-99 Soil and Water Conservation in	2017-18	36.78	0.12	30.68

Sl. No.	Scheme	Year	Budget allocation	Net Re-appropriation	Final Expenditure
	Arable Land (District Plan) (V) - (NP)	2018-19	34.14	0.07	30.53
	Department stated that re-appropriation proposals in respect of the above heads shown against Sl. Nos from 22 to 29 were submitted to provide for additional expenditure under establishment heads of account such as salary, wages, Pay, DA, HRA,OA and consolidated pay etc.				
30.	2415-01-004-96 Soil Testing Service (V) - (NP)	2017-18	9.07	0.06	8.15
		2018-19	9.18	0.06	8.41
31.	2415-01-004-97 Soil Testing Laboratories (V) - (NP)	2018-19	0.96	0.07	0.94
32.	2702-02-005-99 Ground Water Investigation and Development (V) - (NP)	2018-19	41.48	0.31	35.41
33.	2702-03-101-98 Other Maintenance Expenditure (V) - (P)	2018-19	3.50	0.09	1.18
	Department stated that re-appropriation was sanctioned to regularize the additional authorization for Rs.0.09 crore				

Source: Detailed Appropriation Accounts of respective years

2.6 Overstated expenditure

Financial Rules prohibit withdrawal of money from the treasury unless it is required for immediate disbursement. However, in some cases, departmental officers withdraw the budget allocation at the fag end of the year, to avoid lapse of budget, and keep it either in Treasury Savings Bank account or outside the Government account, without actually spending it. This results in overstatement of the total expenditure of the Grant as the amount actually was not spent and remained unutilised even after the close of the financial year. Audit noticed a few instances of under-utilisation of Government funds as detailed in **Table 2.19**

Table 2.19: Details of overstated expenditure (₹ in crore)

Sl. No.	Name of Department/ Implementing institution	Year of drawal	Amount drawn	Unutilised amount
General Education Department				
1.	Deputy Director of Education, Thiruvananthapuram /Commissioner of Examination	2017-18	0.41	0.41
	The amount was released for meeting the contingent expenditure in connection with SSLC and other public examinations. Reasons for non-utilisation have been sought for from the District Education Officers.			
Higher Education Department				
2.	Director of Collegiate Education, Thiruvananthapuram	2017-18	0.08	0.08
	The fund released to Government Brennen College, Thalassery which maintains a SB A/c for Miscellaneous purpose.			
Cultural Affairs Department				
3.	Kerala Sangeeta Nataka Academy	2018-19	4.64	1.47
	The fund is released for Making payment to beneficiaries. Reasons for non utilisation not furnished.			
	Total		5.13	1.96

Source: Information compiled from inspection reports

2.7 Inspection of Treasuries

As of March 2019, there were 23 District Treasuries (22 banking and 1 non-banking), 200 sub treasuries (185 banking and 15 non-baking), 12 Stamp depots and one e-treasury functioning in the State. The Accountant General (A&E), Kerala inspected 129 units (Directorate of Treasuries, 23 District Treasuries, 105

Sub-treasuries) during 2018-19. Irregularities and deficiencies noticed during the inspection of treasuries are mentioned in the succeeding paragraphs.

2.7.1 Excess payment of pension

During the course of treasury inspection, excess payment on account of pension/family pension amounting to ₹0.93 crore was noticed in 181 cases. The main reasons for these excess payments were errors in calculation of revised pension, continuance of higher rate of family pension after expiry of authorised period, non-deduction of commuted portion of pension from basic pension, payment of ineligible festival allowance and medical allowance to family pensioners who are also in receipt of regular pension, excess payment of MLA Pension, and incorrect calculation of dearness relief. Out of the above excess payment, ₹0.04 crore, involved in 22 cases was already recovered as shown in **Table 2.20**

Table 2.20: Excess pension that remains to be recovered (₹ in crore)

Sl. No.	Details of Excess paid pension	Excess paid		Recovered		Balance	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1	Excess payment of pension	7	0.03			7	0.03
2	Excess payment of family pension	87	0.47			87	0.47
3	Early restoration of commuted portion of pension	12	0.02			12	0.02
4	Payment of pension after death	1	0.01			1	0.01
5	Excess payment of Dearness Relief on Revised Pension/Family Pension	13	0.23			13	0.23
6	Excess payment of festival allowance	24	0.01	9	*	15	0.01
7	Payment of Family Pension without mustering (Rule 280 (a) of KTC Vol. I	3	0.10			3	0.10
8	Excess payment of Medical allowance	22	0.01	3	*	19	0.01
9	Excess payment of commuted portion of pension	12	0.05	10	0.04	2	0.01
Total		181	0.93	22	0.04	159	0.89

Source: Data compiled by the Accountant General (A&E), Kerala

*Clearance Amount negligible

2.7.2 Retention of excess cash balance

According to Rule 309 of the Kerala Treasury Code Volume I, every year in January, the Government fixes the maximum cash balance for each District Treasury for the next financial year. The District Treasury Officer in turn fixes the cash balance for each Sub Treasury in the district. The actual cash balance in the treasury should ordinarily be kept much below the normal maximum balance fixed for a treasury so that the Government's credit balance in the Reserve Bank of India may be as large as possible. Moreover, excess retention of cash balance in treasuries may cause loss of revenue to the State by way of loss of interest on investment, payment of interest on ways and means advances, etc. Excess retention of cash balance was noticed in 124 treasuries/sub treasuries on 1294 occasions during the financial year. Out of these, in 78 treasuries the cash balance exceeded 100 per cent of the maximum limit prescribed on 1008 occasions.

2.7.3 Pending adjustment of advances drawn by Drawing and Disbursing Officers

During the audit of the Treasury Information System, the Accountant General (A&E) observed that 73 Drawing and Disbursing Officers drew an amount of ₹52.72 crore, of which an amount of ₹49.27 crore drawn by 50 Drawing and Disbursing Officers, during the period from July 2012 to May 2016, was pending for final settlement (February 2020). Details are given in **Appendix 2.20**. Non-settlement of advances distorts the correctness of expenditure booked in Government accounts.

2.7.4 Un-operated Savings Bank Accounts

Rule 28 and 40 of the Treasury Savings Bank Rules stipulate that Savings Bank accounts in respect of which no transactions have taken place for five complete financial years and more have to be treated as un-operated accounts. The balance in such accounts is to be transferred to Revenue Deposit in Government accounts. However, inspection of treasuries by the Accountant General (A&E) revealed that 1577 un-operated savings bank accounts and one Treasury Public Account with a balance of ₹1.69 crore were retained in 72 treasuries during 2018-19 without transferring the same to the Revenue Deposit head.

2.8 Conclusion and Recommendations

- Compared to the previous year, overall savings from the budget allocation increased by 2.49 per cent (from 7.89 per cent in 2017-18 to 10.38 per cent in 2018-19) showing deficiency in the budgetary process.
- Persistent savings exceeding ₹100 crore during the last three years were noticed in nine grants under Revenue section and five grants under Capital section.
- Surrender of budget allocations obtained through supplementary demands for grants at the end of the year showed laxity on the part of Departmental Officers in assessing the actual requirement of funds.
- Unnecessary and injudicious re-appropriations indicated that departmental officers failed in assessing the actual requirement of funds in heads of account under their control.
- Surrender of money in excess of actual savings indicated improper maintenance of appropriation control registers at all levels.
- Persistence of excess payment of pension showed that treasury officers are not plugging the loopholes in the system.

In the light of increase in overall savings, the Government may ensure that funds allotted for the implementation of various schemes are utilized in time for the purpose for which they were sanctioned.

The Government may review grants showing persistent savings to assess the reasons for savings and control the same.

Necessary checks should be put in place to avoid withdrawal of funds in excess of budget allocation by departmental officers.



CHAPTER III

FINANCIAL REPORTING

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, 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

Article 208 of the Kerala Financial Code stipulates that the State may make such grants-in-aid for public purposes or activities carried out by private institutions or local bodies as are in conformity with Article 282 of the Constitution of India. Financial rules⁵¹ stipulate that the authority sanctioning grant-in-aid has to stipulate, in every order sanctioning the grant, a time limit not exceeding one year from the date of sanction for utilisation of the grant and a time-limit of nine months for the submission of audited accounts. The utilisation certificate should be furnished within three months from the date of receipt of audited accounts. The Utilisation Certificates (UC) for grants-in-aid exceeding ₹2,00,000 have to be forwarded to the Accountant General (Accounts and Entitlement), Kerala. It was observed that four utilisation certificates for ₹5.45 crore were not received (June 2019) by the AG (A&E), in respect of grants for which UCs were due during the period from 2012-13 to 2014-15 and no UC was pending for submission since 2015-16. The age-wise position of delays in submission of Utilisation Certificates is summarised in **Table 3.1**.

Table 3.1: Age-wise arrears in submission of Utilisation Certificates

		(₹ in crore)		
Grant-in-aid released	UC due	Utilisation certificates outstanding as on June 2019		
		Delay	Number	Amount
Up to 2012-13	Up to 2014-15	More than four years	4	5.45
Total			4	5.45

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

The pendency of UCs was fraught with the risk of fraud and misappropriation of funds. Timely submission of UCs should not only be insisted upon but also ensured.

⁵¹Article 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 detailed information about the financial assistance provided to various institutions, the purpose of assistance granted and the total expenditure of the institutions to Audit every year.

As of March 2019, the annual accounts of twelve autonomous bodies/authorities due up to 2017-18 were not furnished to the Accountant General (Economic and Revenue Sector Audit), Kerala as detailed in **Appendix 3.1**.

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

The audit of accounts of 25 Autonomous Bodies in the field of legal aid, human rights, development of khadi, etc., in the State was 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 (SAR) and their placement in the Legislature are indicated in **Appendix 3.2**.

Audit observed that accounts of District Legal Services Authorities, Kollam, Ernakulam, Wayanad, Kasargod were due for four years (from 2014-15). Apart from the above, accounts of three⁵² and four⁵³ autonomous bodies were due from 2015-16 and 2016-17 respectively.

3.4 Departmentally managed Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *pro forma* accounts annually in the prescribed format, showing the working results of their financial operations so that the Government can assess the overall financial strength and efficiency of these departments in conducting their business. Non-finalisation of accounts in time prevents the above scrutiny and also puts the investment of the Government outside the scrutiny of Audit.

Heads of Department in the Government are also required to ensure that the undertakings prepare such accounts and submit them to the Accountants General (General and Social Sector Audit/Economic and Revenue Sector Audit), Kerala within the specified timeframe.

⁵²District Legal Services Authorities, Kozhikode, Kannur, Kerala Water Authority.

⁵³District Legal Services Authorities, Pathanamthitta, Palakkad, Malappuram, Kerala Khadi and Village Industries Board, Thiruvananthapuram

The department-wise position of arrears in preparation of *pro forma* accounts and investments made by the Government in respect of three such undertakings, are given in **Appendix 3.3**. Out of the three, two were running in loss (State Water Transport Department and Text Book Office). Accounts of Text Book Office were in arrears from 1987-88. In the absence of up-to-date accounts, the current financial status of the Text Book Office could not be ascertained.

3.5 Amounts booked under Minor Head “800”

Booking of receipts or expenditure under the 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 amounts relate. These minor heads normally accommodate the receipts/expenditure which cannot be classified under the available programme minor heads or due to incorrect identification of receipts/expenditure under the available heads of account at the state of budget preparation.

During 2018-19, under 12 major heads in the Revenue and Capital sections, expenditure aggregating to ₹1015.46 crore (88.27 *per cent* of the total expenditure amounting to ₹1,150.42 crore in these heads) was classified under the minor head ‘800-Other Expenditure’. The entire expenditure under ‘Road Transport’, ‘Capital Outlay on Urban Development’, ‘Capital Outlay on Hill Areas’ and ‘Capital Outlay on New and Renewable Energy’ was classified under the omnibus Minor head ‘800-Other Expenditure’, instead of depicting the same under relevant minor heads below the functional major heads as indicated in **Appendix 3.4**

Similarly, under 17 major heads, revenue receipts aggregating ₹458.23 crore (92.47 *per cent* of the total receipt amounting to ₹495.56 crore under these heads), were classified under minor head ‘800- Other Receipts’. The entire receipts under nine Major heads were classified under the omnibus Minor head ‘800-Other Receipts’ as in **Appendix 3.5**.

Classification of large amounts under the omnibus Minor head “800-Other Expenditure/Receipts” reflected lack of transparency in financial reporting.

3.6 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 Accountant General (General and Social Sector Audit)/Accountant General (Economic and Revenue Sector Audit), Kerala as well as to the Heads of Departments.

The final action on 140⁵⁴ cases of misappropriation, defalcation, etc., involving

⁵⁴ This includes cases detected by Audit during local audit as well as cases reported by Government departments as per codal provisions.

Government money amounting to ₹22.41 crore was pending with the State Government. The position up to June 2019 is detailed in **Appendix 3.6** and **Appendix 3.7**. 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.

A. Age-profile of the pending cases			B. 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	34	1397.18	Theft	22	126.61
5 – 10	25	230.27	Misappropriation/ loss of material	118	2114.46
10 – 15	20	274.06			
15 – 20	29	256.14			
20 – 25	15	59.23			
25 and above	17	24.19			
Total	140	2241.07	Total pending cases	140	2241.07

Source: Cases reported by departments of the State Government

The reasons for delay in finalisation of outstanding cases were analysed by Audit and are summarised 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	Range of delay in years	Amount (₹ in lakh)
1.	Awaiting departmental and criminal investigation	9	0-8	169.62
2.	Departmental action initiated but not finalised	26	0-21	1159.56
3.	Awaiting orders for recovery or write off	90	0-51	809.64
4.	Pending in the courts of law	15	4-44	102.25
Total		140		2241.07

Source: Information received from Departments of the State Government

Timely action needs to be taken to settle the misappropriation cases in order to bring defaulters to book and to have a deterrent effect on others.

3.7 Conclusion and Recommendations

The Accounts of four Autonomous Bodies, the audit of which was 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, were due for four years. Final action on 140 cases of misappropriation, defalcation amounting to ₹22.41 crore was pending with the State Government.

The Government may ensure timely submission of the accounts of the autonomous bodies, the audit of which was entrusted to the Comptroller and Auditor General of India under Sections 19(2), 19(3) and 20(1) of the DPC Act.

The Government may take timely action to settle cases of misappropriation/defalcation, theft and loss of public money.

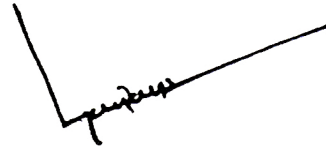


(K.P. ANAND)

Accountant General
(Audit-II), Kerala

Thiruvananthapuram,
The **29 September 2020**

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi,
The **19 October 2020**



APPENDICES

Appendix 1.1
State Profile
(Reference: Page 1, Paragraphs 1.3; Page 9 and 1.7.1; Page 25)

A. General Data

Sl. No.	Particulars	Figures
1.	Area	38863 sq. km.
2.	Population	
	a. In 2009	3.42 crore
	b. In 2019	3.63 crore
3.	Density of Population (as per 2011 Census) (All India Density = 382 persons per sq.km)	860 persons per sq. km.
4.	Population Below Poverty Line (BPL) (All India Average = 21.9 per cent)	7.10 per cent
5.	Literacy (as per 2011 Census) (All India Average = 73.0 per cent)	94 per cent
6.	Infant mortality (per 1000 live births)(All India Average =33 per 1000 live births)	10
7.	Life Expectancy at birth (All India Average = 68.7 years)	75.1 years
	Gini Coefficient	
8.	a. Rural (All India = 0.29)	0.42
	b. Urban (All India = 0.38)	0.50
9.	Human Development Index 2017 (All India = 0.643)	0.79
	Gross State Domestic Product (GSDP) 2018-19 at current prices	₹7,81,653 crore
10.	Per capita GSDP Compounded Annual Growth Rate (2011-12 to 2018-19)	Kerala General Category States
		10.99 per cent 10.99 per cent
11.	GSDP Compounded Annual Growth Rate (2011-12 to 2018-19)	Kerala General Category States
		11.53 per cent 12.23 per cent
12.	Population Growth (2009 to 2019)	Kerala General Category States
		6.23 per cent 12.46 per cent
13.	Per capita GSDP (in ₹)	Kerala All India
		₹ 2,25,484 ₹ 1,42,719

B. Financial Data (In per cent)

Compounded Annual Growth Rate		Particulars					
		2009-10 to 2017-18		2013-14 to 2017-18		2017-18 to 2018-19	
		General Category States	Kerala	General Category States	Kerala	General Category States	Kerala
a.	Revenue Receipts	15.03	15.56	13.54	13.99	12.77	11.85
b.	Own Tax Revenue	14.84	12.88	11.17	9.77	12.72	9.01
c.	Non Tax Revenue	9.88	25.23	7.48	19.05	19.78	5.21
d.	Total Expenditure	14.20	15.81	13.86	13.58	12.73	8.92
e.	Capital Expenditure	13.53	19.82	15.35	19.47	11.93	-15.06
f.	Revenue Expenditure on Education	13.44	15.44	10.69	12.21	9.38	2.23
g.	Revenue Expenditure on Health	16.50	17.91	17.59	15.18	11.09	10.90
h.	Salary and Wages	11.72	15.91	10.47	13.32	11.03	0.86
i.	Pension	16.12	19.78	13.83	18.91	14.31	-4.64

Source: Information furnished by the Economic Adviser, O/o the C&AG of India, New Delhi

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 a summarised form while the details are presented in Volume 2.

Statement No.	Details of Statements
1.	Statement of Financial Position
2.	Statement of Receipts and Disbursements
3.	Statement of Receipts (Consolidated Fund)
4.	Statement of Expenditure (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 Investments of the Government
9.	Statement of Guarantees given by the Government
10.	Statement of Grants-in-aid given by the Government
11.	Statement of Voted and Charged Expenditure
12.	Statement on sources and application of funds for expenditure other than on revenue account
13.	Summary of balances under Consolidated Fund, Contingency Fund and Public Account
14.	Detailed Statement of Revenue and Capital Receipts by minor heads
15.	Detailed Statement of Revenue Expenditure by minor heads
16.	Detailed Statement of Capital Expenditure by minor heads and sub heads
17.	Detailed Statement on Borrowings and Other Liabilities
18.	Detailed Statement on Loans and Advances given by the Government
19.	Detailed Statement of Investments of the Government
20.	Detailed Statement of Guarantees given by the Government
21.	Detailed Statement on Contingency Fund and Other Public Account transactions
22.	Detailed Statement on Investments of earmarked balances

Appendix 1.3

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

The norms/ceilings prescribed by the Fourteenth Finance Commission (FFC) 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:

	2014-15	2015-16	2016-17	2017-18	2018-19
GSDP (₹ in crore)	5,12,564	5,61,994	6,34,871	7,00,532	7,81,653
Growth rate of GSDP	10.22	9.64	12.97	10.34	11.58

Source: GSDP figures from Ministry of Statistics and Programme Implementation website as on 1.8.2019

Appendix 1.3
Part B: Medium Term Fiscal Plan 2018-19
(Reference: Paragraphs 1.1; Page 2 and 1.3; Page 8)

(₹ in crore)

Item	2012-13 Accounts	2013-14 Accounts	2014-15 Accounts	2015-16 Accounts	2016-17 Accounts	2017-18 Revised Estimates	2018-19 Budget Estimates	Forward Estimates	
								2019-20	2020-21
Revenue Receipts (A)	44138	49177	57950	69033	75612	88267	102801	122164	145207
State's Own Tax Revenue	30077	31995	35233	38995	42176	48823	58588	70306	84367
Non Tax Revenue	4199	5575	7284	8425	9700	11729	14271	17125	20550
Resources from Centre	9862	11607	15434	21612	23735	27715	29942	34732	40289
Revenue Expenditure(B)	53489	60486	71746	78689	91096	101346	115661	135323	158328
Non-Interest Revenue Expenditure	46284	52220	61977	67579	78980	87820	100723	116671	137597
Interest	7205	8265	9770	11111	12117	13526	14938	18652	20731
Salaries	17257	19280	21344	23450	27954	31347	32929	35640	39643
Pensions	8867	9971	11253	13063	15277	17065	18221	20623	23342
Non SPI Revenue Expenditure	20160	22969	29381	31066	35749	39409	45859	60408	74613
Subsidies	1265	1252	1248	1343	1634	1867	1869	2194	2577
Devolution to LSGs	4739	5926	7454	5029	6060	7052	10771	12943	15111
Other Revenue Expenditure	14156	15791	20679	24694	28055	30490	33219	45270	56925
Revenue Deficit(-) /Surplus (+)	-9351	-11309	-13796	-9657	-15485	-13080	-12860	-13160	-13121
Capital Expenditure	5739	5759	4998	8342	11286	10005	11432	13595	16183
Capital outlay	4603	4294	4255	7500	10126	8668	10330	12413	14916
Loan disbursements	1136	1464	743	842	1160	1337	1102	1182	1268
Non Debt Capital Receipts	88	123	152	181	322	310	335	434	561
Fiscal Deficit (-)/Surplus (+)	-15002	-16944	-18642	-17818	-26448	-22774	-23957	-26321	-28744
Primary Fiscal Deficit/Surplus	-7797	-8679	-8872	-6708	-14332	-9248	-9019	-7669	-8013
End of the Period Debt	96490	111285	127225	146405	171912	184080	224028	250366	278271
Debt Service	7205	8265	9770	11111	12117	13526	14938	18652	20731
Salary + Pension + Interest	33329	37516	42366	47624	55347	61938	66088	74915	83716
Debt Stock	103561	119009	135440	157370	186454	210789	237266	263467	293074
Interest/Revenue Receipts (%)	16	17	17	16	16	15	15	15.27	14.28
Debt/ Revenue (%)	235	242	234	228	247	239	231	215.67	201.83
(Salary+Pen+Interest) /Revenue (%)	75.51	76.29	73.11	68.99	73.20	70.17	64.29	61.32	57.65
(Salary+Pen+Interest) /GSDP (%)	8.08	8.07	8.05	8.09	8.97	9.02	8.55	8.58	8.48
(Salary +Pension)/GSDP (%)	6.34	6.29	6.20	6.21	7.01	7.05	6.62	6.44	6.38
Rev Deficit/ Rev Receipt (%)	21.19	23.00	23.81	13.99	20.48	14.82	12.51	10.77	9.04
RD/GSDP (%)	2.27	2.43	2.62	1.64	2.51	1.91	1.66	1.51	1.33
FD/GSDP (%)	3.64	3.64	3.54	3.02	4.29	3.32	3.10	3.01	2.91
Debt stock/GSDP (%)	25.12	25.59	25.75	26.75	30.22	30.71	30.70	30.17	29.7
GSDP	412313	465041	526002	588337	617035	686498	772894	873370	986908
Nominal GSDP Growth Rate (%)	13.26	12.79	13.11	11.85	4.88	11.26	12.59	13	13
Average Interest rate (%)	7.47	7.43	7.68	7.59	7.05	6.81	6.67	7.45	7.45
Domar Gap	5.79	5.36	5.43	4.26	-2.17	4.45	5.92	5.55	5.55

Appendix 1.4
Part A : Abstract of receipts and disbursements for the year 2018-19
(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)

Receipts			Disbursements						
2017-18		2018-19	2017-18	2018-19					
	Section – A: Revenue				Non-Plan	Plan	Total		
83020.14	I. Revenue Receipts	92854.47	99948.35	I. Revenue Expenditure	96425.83	13890.56	110316.39	110316.39	
46459.61	Own Tax Revenue	50644.10	45523.77	General Services	49883.54	943.59	50827.13		
11199.61	Non-Tax Revenue	11783.24	35876.27	Social Services	29160.17	9050.60	38210.77		
16833.08	State's share of Union Taxes and Duties	19038.17	18514.86	Education, Sports, Art and Culture	16967.25	2001.01	18968.26		
8527.84	Grants from Government of India	11388.96	6174.40	Health and Family Welfare	5206.89	1640.16	6847.05		
			737.27	Water Supply, Sanitation, Housing and Urban Development	575.15	1004.57	1579.72		
			82.85	Information and Broadcasting	57.81	35.24	93.05		
			2803.77	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	460.82	2094.12	2554.94		
			976.66	Labour and Labour Welfare	687.39	579.60	1266.99		
			6502.23	Social Welfare and Nutrition	5102.05	1695.90	6797.95		
			84.23	Others	102.81		102.81		
			11351.08	Economic Services	8483.40	3896.37	12379.77		
			5528.45	Agriculture and allied activities	4711.08	1482.32	6193.40		
			1445.45	Rural Development	513.38	1108.68	1622.06		
			(-) 5.46	Special Area Programmes		31.34	31.34		
			596.14	Irrigation and Flood control	566.14	10.49	576.63		
			115.40	Energy	3.37	19.30	22.67		
			611.63	Industry and Minerals	355.42	252.61	608.03		
			2255.38	Transport	1968.32	514.22	2482.54		
			148.31	Science, Technology and Environment	70.56	73.27	143.83		
			655.78	General Economic Services	295.13	404.14	699.27		
			7197.23	Grants-in-aid and Contributions	8898.72		8898.72		
16928.21	II. Revenue Deficit carried over to Section B	17461.92		Revenue Surplus carried over to Section B					
99948.35	Total - Section A	110316.39	99948.35	Total - Section A				110316.39	

Appendix 1.4 Part A – Contd.

(₹ in crore)

Receipts				Disbursements						
2017-18			2018-19	2017-18	2018-19					
	Section B: Others					Non-Plan	Plan	Total		
3650.33	III. Opening Cash Balance including Permanent Advances, Cash Balance Investment and Investment of earmarked funds		2732.88	0	III. Opening Overdraft from Reserve Bank of India					
29.28	IV. Miscellaneous Capital Receipts		46.50	8748.87	IV. Capital Outlay	652.00	6778.54	7430.54	7430.54	
				268.01	General Services	21.88	176.08	197.96		
				1405.88	Social Services	155.84	1628.45	1784.29		
				528.10	Education, Sports, Art and Culture	125.86	346.80	472.66		
				307.39	Health and Family Welfare	28.91	222.60	251.51		
				405.36	Water Supply, Sanitation, Housing and Urban Development		623.34	623.34		
				2.43	Information and publicity		3.25	3.25		
				99.94	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		176.82	176.82		
				40.43	Social Welfare and Nutrition	1.07	120.07	121.14		
				22.23	Other Social Services		135.57	135.57		
				7074.98	Economic Services	474.28	4974.01	5448.29		
				701.59	Agriculture and allied activities	132.01	461.62	593.63		
				515.47	Other rural development programmes	231.67	85.28	316.95		
				4.94	Special Area Programme		8.71	8.71		
				544.49	Irrigation and Flood Control	11.45	260.33	271.78		
				23.47	Power projects		0.93	0.93		
				548.06	Industry and Minerals	0.12	276.62	276.74		
				3442.44	Transport	88.61	2156.49	2245.10		
				-	Science, Technology and Environment	-		-		
				1294.52	General Economic Services	10.42	1724.03	1734.45		

Appendix 1.4 Part A – Concl'd.

(₹ in crore)

Receipts				Disbursements			
2017-18			2018-19	2017-18		2018-19	
350.98	V.	Recoveries of Loans and Advances	210.54*	1540.59	V.	Loans and Advances Disbursed	2322.89
		From Power Projects		35.28		For Power Projects	
151.92		From Government Servants	171.47	60.78		To Government Servants	356.94
199.06		From Others	39.07	1444.53		To Others	1965.95
	VI.	Revenue Surplus brought down		16928.21	VI.	Revenue Deficit brought down	17461.92
30233.77	VII.	Public Debt Receipts	33445.92	13132.10	VII.	Repayment of Public Debt	18195.99
23453.50		Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	23295.63	6221.69		Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	7805.12
6335.50		Net transactions under Ways and Means Advances excluding overdraft	9698.12	6335.50		Net transactions under Ways and Means advances excluding overdraft	9698.12
444.77		Loans and Advances from Central Government	452.17	574.91		Repayment of Loans and Advances to Central Government	692.75
	VIII.	Appropriation from the Consolidated Fund			VIII.	Appropriation to Contingency Fund	
	IX.	Amount transferred to Contingency Fund			IX.	Expenditure from Contingency Fund	
215992.46	X.	Public Account Receipts	254069.02	207174.17	X.	Public Account Disbursements	242890.37
85770.92		Small Savings, Provident Funds, etc.	106577.13	78564.08		Small Savings, Provident Funds, etc.	96957.92
516.12		Reserve Funds	3299.64	207.14		Reserve Funds	1318.62
3264.36		Deposits and Advances	3019.82	2998.45		Deposits and Advances	2627.65
122352.14		Suspense and Miscellaneous	138789.71	121149.61		Suspense and Miscellaneous	139551.94
4088.92		Remittances	2382.72	4254.89		Remittances	2434.24
	XI.	Closing Overdraft from Reserve Bank of India		2732.88	XI.	Cash Balance at end	2203.15
				34.16		Cash in Treasuries	34.16
				2.57		Local Remittances	0.20
				(-) 80.81		Deposits with Reserve Bank	(-)52.17
				0.27		Departmental cash balance including Permanent Advance	(-)0.50
				891.03		Cash Balance Investment	189.53
				1885.66		Investment from earmarked funds	2031.93
250256.82		Total – Section B	290504.86	250256.82		Total – Section B	290504.86

*including ₹ 0.40 crore written off

Appendix 1.4**Part B: Summarised financial position of the Government of Kerala
as on 31 March 2019****(Reference: Paragraphs 1.1.1; Page 2 and 1.10.1; Page 37)***(₹ in crore)*

As on 31 March 2018	Liabilities		As on 31 March 2019
135500.53	Internal Debt		150991.04
115734.93	Market Loans bearing interest	129719	
0.04	Market Loans not bearing interest	0.04	
1413.18	Loans from Life Insurance Corporation of India	1145.64	
190.28	Loans from General Insurance Corporation of India	171.54	
3021.17	Loans from National Bank for Agriculture and Rural Development	3142.74	
413.40	Loans from National Co-operative Development Corporation	393.37	
170.99	Loans from other institutions	811.09	
14556.54	Special securities issued to National Small Savings Fund of the Central Government	15607.62	
	Ways and Means Advances from Reserve Bank of India excluding Overdrafts		
	Overdrafts from Reserve Bank of India		
7483.99	Loans and Advances from Central Government		7243.41
1.16	Pre 1984-85 Loans	1.16	
16.21	Non-Plan Loans	14.32	
7461.93	Loans for State Plan Schemes	7214.32	
(*)	Loans for Central Plan Schemes	(*)	
4.69	Other loans	13.61	
100.00	Contingency Fund(Net)		100.00
67777.85	Small Savings, Provident Funds, etc.		77397.06
3158.25	Deposits		3550.65
2483.26	Reserve Funds		4464.28
895.23	Suspense and Miscellaneous		133.56
217399.11	Total		243880.00

(*) ₹ 7,000 only.

Appendix 1.4 – Part B Concl'd.

(₹ in crore)

As on 31 March 2018	Assets		As on 31 March 2019
64258.28 ⁵⁵	Gross Capital Outlay on Fixed Assets -		71642.85
8211.22	Investments in shares of Companies, Corporations, etc.	8545.35	
56047.06	Other Capital Outlay	63097.50	
15163.04 ⁵⁶	Loans and Advances -		17275.39
2714.92	Loans for Power Projects	2714.92	
11484.51	Other Development Loans	13410.82	
963.61	Loans to Government servants and Miscellaneous loans	1149.65	
0.43	Advances		0.66
	Suspense and Miscellaneous Balances		
1147.62	Remittance Balances		1199.14
224.33	Adjustment on account of retirement/disinvestment		270.30
2732.88	Cash -		2203.15
36.73	Cash in Treasuries and Local Remittances	34.36	
(-)80.81	Deposits with Reserve Bank	(-)52.17	
(-) 0.15	Departmental Cash Balance	(-)0.98	
0.42	Permanent Advances	0.48	
891.03	Cash Balance Investments	189.53	
1885.66	Reserve Fund Investments	2031.93	
133872.53 ⁵⁷	Deficit on Government Account -		151288.51
116973.46	Accumulated deficit at the beginning of the year	133872.53	
16928.21	Add: (i) Revenue Deficit of the current year	17461.92	
0.14	(ii) Miscellaneous Government account	0.56	
29.28	Less: Miscellaneous Capital Receipts	46.50	
217399.11	Total		243880.00

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 ₹57.15 crore (debit) under the head 'Deposit with Reserve Bank' between the figures reflected in the accounts (credit item ₹52.17 crore) and that communicated by the Reserve Bank of India (credit item ₹4.98 crore). The difference of ₹57.15 crore (debit) is under reconciliation.

⁵⁵Balance as on 31 March 2018 differs from those shown in the previous year's account due to pro forma adjustment vide foot notes(b) and (c) of statement No.1 of Finance Accounts 2018-19.

⁵⁶Balance as on 31 March 2018 differs from those shown in the previous year's account due to pro forma adjustment vide foot notes(d) of statement No.1 of Finance Accounts 2018-19.

⁵⁷Balance as on 31 March 2018 differs from those shown in the previous year's account due to pro forma adjustment vide foot notes(e) of statement No.1 of Finance Accounts 2018-19.

Appendix 1.5
Time series data on the State Government finances
(Reference: Paragraph 1.3; Page 8 and Paragraph 1.10.2; Page 38)

(₹ in crore)

Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
Part A: Receipts						
1.	Revenue Receipts	57950	69033	75612	83020	92854
(i)	Tax Revenue	35232 (61)	38995 (57)	42177 (56)	46460 (56)	50644 (55)
	Taxes on Agricultural Income	9 ⁵⁸	2 ⁵⁸	2 ⁵⁸	3 ⁵⁸	1 ⁵⁸
	Taxes on Sales, Trade, etc.	27908 (79)	30737 (79)	33453 (79)	24578 (53)	19226 (38)
	State Excise	1777 (5)	1964 (5)	2019 (5)	2240 (5)	2521 (5)
	Taxes on Vehicles	2365 (7)	2814 (7)	3107 (7)	3663 (8)	3709 (7)
	Stamps and Registration fees	2659 (8)	2878 (7)	3007 (7)	3453 (7)	3693 (7)
	Land Revenue	139 ⁵⁸	182 ⁵⁸	124 ⁵⁸	162 ⁵⁸	203 ⁵⁸
	Other Taxes	375 (1)	418 (1)	465 (1)	353 (1)	276 (1)
	State Goods and Services Tax				12008 (26)	21015 (42)
(ii)	Non Tax Revenue	7284 (12)	8426 (12)	9700 (13)	11199 (14)	11783 (13)
(iii)	State's share in Union taxes and duties	7926 (14)	12691 (18)	15225 (20)	16833 (20)	19038 (20)
(iv)	Grants in aid from Government of India	7508 (13)	8921 (13)	8510 (11)	8528 (10)	11389 (12)
2.	Miscellaneous Capital Receipts	28	28	30	29	47
3.	Recovery of Loans and Advances	124	153	292	351	211
4.	Total revenue and Non debt capital receipts (1+2+3)	58102	69214	75934	83400	93112
5.	Public Debt Receipts	18509	19658	23858	30234	33446
	Internal Debt (excluding Ways & Means Advances and Overdraft)	15106 (82)	17141 (87)	20075 (84)	23454 (78)	23296 (70)
	Net transactions under Ways and Means Advances excluding Overdraft	2651 (14)	1986 (10)	2931 (12)	6335 (21)	9698 (29)
	Loans and advances from Government of India	752 (4)	531 (3)	852 (4)	445 (1)	452 (1)
6.	Total receipts in the Consolidated Fund (4+5)	76611	88872	99792	113634	126558
7.	Contingency Fund Receipts	67	..	..	..
8.	Public Account receipts	141522	168623	190628	215992	254069
9.	Total receipts of State (6+7+8)	218200	257495	290420	329626	380627
Part B: Expenditure/Disbursement						
10.	Revenue Expenditure	71746 (93)	78690 (90)	91096 (89)	99948 (91)	110316 (92)
	Plan	10282 (14)	12079 (15)	13492 (15)	16182 (16)	13890 (13)
	Non-Plan	61464 (86)	66611 (85)	77604 (85)	83766 (84)	96426 (87)
	General Services (incl. Interest payment)	31433 (44)	36085 (46)	41195 (45)	45524 (46)	50827 (46)
	Social Services	23718 (33)	27603 (35)	33765 (37)	35876 (36)	38211 (35)
	Economic Services	10197 (14)	11099 (14)	10655 (12)	11351 (11)	12380 (11)
	Grants-in-aid and Contributions	6398 (9)	3903 (5)	5481 (6)	7197 (7)	8898 (8)
11.	Capital Expenditure	4255 (6)	7500 (9)	10126 (10)	8749 (8)	7431 (6)
	Plan	3881 (9)	6518 (87)	8946 (88)	7994 (91)	6779 (91)
	Non-Plan	374 (91)	982 (13)	1180 (12)	755 (9)	652 (9)
	General Services	135 (3)	257 (3)	211 (2)	268 (3)	198 (3)
	Social Services	875 (21)	1035 (14)	1293 (13)	1406 (16)	1784 (24)
	Economic Services	3245 (76)	6208 (83)	8622 (85)	7075 (81)	5449 (73)
12.	Disbursement of Loans and Advances	743 (1)	842 (1)	1160 (1)	1541 (1)	2323 (2)
13.	Total (10+11+12)	76744	87032	102382	110238	120070

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

⁵⁸ Insignificant

Appendix 1.5- Contd.

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Part B: Expenditure/Disbursement					
14. Repayment of Public Debt	5843	6061	7706	13132	18196
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2842	3713	4302	6222	7805
Net transactions under Ways and Means Advances excluding Overdrafts	2651	1986	2931	6335	9698
Loans and Advances from Government of India	350	362	473	575	693
15. Appropriation to Contingency Fund	...	...	...	...	...
16. Total disbursement out of Consolidated Fund (13+14+15)	82587	93093	110088	123370	138266
17. Contingency Fund disbursements	...	...	...	...	...
18. Public Account disbursements	136243	162825	179910	207174	242890
19. Total disbursement by the State (16+17+18)	218830	255918	289998	330544	381156
Part C: Deficits					
20. Revenue Deficit (1-10)	13796	9657	15484	16928	17462
21. Fiscal Deficit (4-13)	18642	17818	26448	26838	26958
22. Primary Deficit (21-23)	8872	6707	14331	11718	10210
Part D: Other Data					
23. Interest Payments (included in revenue expenditure)	9770	11111	12117	15120	16748
24. Financial Assistance to local bodies, etc.	19944	20101	23890	34929	31487
25. Ways & Means Advances/Overdrafts availed (days)	30	23	25	50	67
Ways and Means Advances availed (days)	23	23	25	50	67
Overdraft availed (days)	7	Nil	Nil	Nil	Nil
26. Interest on WMA/Overdraft	2	1.37	2.12	1.54	3.55
27. Gross State Domestic Product (GSDP) at current prices ⁵⁹	512564	561994	634871	700532	781653
28. Outstanding Fiscal Liabilities (year-end)	141947	160539	189769	214518	241615
29. Outstanding guarantees (year-end)	11127	12439	16246	17356	26835
30. Maximum amount guaranteed (during the year)	13123	13713	20204	25104	46796
31. Number of incomplete projects/works	229	263	226	300	270
32. Capital blocked in incomplete projects/works ⁶⁰	959	1198	974	1208	1292

⁵⁹ GSDP figures from Ministry of Statistics and Programme Implementation website as on 1.8.2019.

⁶⁰ Represents progressive amount blocked in incomplete projects/works at the end of the year based on figures collected from departmental heads.

Appendix 1.5- Concl.d.

(₹ in crore)

		2014-15	2015-16	2016-17	2017-18	2018-19
Part E: Fiscal Health Indicators						
I	Resource Mobilisation					
	Own Tax revenue/GSDP	6.9	6.9	6.6	6.6	6.5
	Own non-tax revenue/GSDP	1.4	1.5	1.5	1.6	1.5
	Central Transfers/GSDP	3.0	3.8	3.7	3.6	3.9
II	Expenditure Management					
	Total Expenditure/GSDP	15.0	15.5	16.1	15.7	15.4
	Total Expenditure/Revenue Receipts	132.4	126.1	135.4	132.8	129.3
	Revenue Expenditure/Total Expenditure	93.5	90.4	89.0	90.7	91.9
	Revenue Expenditure on Social Services/Total Expenditure	30.9	31.7	33.0	32.5	31.8
	Revenue Expenditure on Economic Services/Total Expenditure	13.3	12.8	10.4	10.3	10.3
	Capital Expenditure/Total Expenditure	5.5	8.6	9.9	7.9	6.2
	Capital Expenditure on Social and Economic Services/Total Expenditure	5.4	8.3	9.7	7.7	6.0
III	Management of Fiscal Imbalances					
	Revenue deficit/GSDP	(-)2.7	(-)1.7	(-)2.4	(-)2.4	(-)2.2
	Fiscal deficit/GSDP	(-)3.6	(-)3.2	(-)4.2	(-)3.8	(-)3.4
	Primary Deficit /GSDP	(-)1.7	(-)1.2	(-)2.3	(-)1.7	(-)1.3
	Revenue Deficit/Fiscal Deficit	74.0	54.2	58.5	63.1	64.8
IV	Management of Fiscal Liabilities					
	Fiscal Liabilities/GSDP	27.7	28.6	29.9	30.6	30.9
	Fiscal Liabilities/Revenue Receipts	244.9	232.6	250.9	258.4	260.2
	Primary deficit <i>vis-à-vis</i> quantum spread	(-)5311	(-)3456	(-)4618	(-)6291	(-)1114
	Debt Redemption (Principal +Interest)/ Total Debt Receipts (in <i>per cent</i>)	87.6	89.7	80.3	91.5	92.4
V	Other Fiscal Health Indicators					
	Return on Investment (<i>per cent</i>)	1.2	1.3	1.3	1.5	1.5
	Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.4

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 1.3.3; Page 13)

(₹ 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.	2014-15	31913.47	27908.33	210.16	0.75	0.91
		2015-16	34712.28	30736.78	225.09	0.73	0.66
		2016-17	37452.98	33453.49	282.10	0.84	0.69
		2017-18	42187.57	36585.51*	313.15	0.86	0.69
		2018-19	46791.10	40240.46*	310.53	0.77	Not available
2.	Stamps (non-judicial) and registration fees	2014-15	3612.37	2560.83	147.11	5.74	3.59
		2015-16	4165.77	2778.99	172.28	6.19	2.87
		2016-17	3303.62	2890.38	201.55	6.97	2.99
		2017-18	3339.00	3335.81	205.36	6.16	2.96
		2018-19	3596.21	3562.13	226.09	6.35	Not available
3.	State excise	2014-15	1513.36	1777.42	187.28	10.54	2.09
		2015-16	2600.66	1964.15	213.87	10.89	3.21
		2016-17	2397.36	2019.30	253.93	12.58	2.01
		2017-18	2945.34	2240.42	277.45	12.38	1.83
		2018-19	2804.42	2521.40	284.06	11.27	Not available
4.	Taxes on vehicles	2014-15	2799.82	2364.95	88.52	3.74	6.08
		2015-16	3087.35	2814.30	95.13	3.38	4.99
		2016-17	3406.49	3107.23	120.05	3.86	2.61
		2017-18	3890.64	3662.85	124.63	3.40	2.61
		2018-19	4683.41	3708.61	147.86	3.99	Not available

* including SGST

Appendix 1.7
Details of major Capital Expenditure incurred under PSUs
(Reference: Paragraph 1.8.1.1; Page 31)

(₹ in crore)

Sl. No	Investment in PSUs	2014-15	2015-16	2016-17	2017-18	2018-19
1	Kerala State Road Transport Corporation	63	23	55	38	6
2	Kerala State Cashew Development Corporation Ltd	28	28	110	50	34
3	Kerala State Development Corporation for Scheduled Castes and Scheduled Tribes Ltd	10	10	25	18	30
4	Kerala State Backward Classes Development Corporation	8	11	13	11	14
5	Kerala State Minorities Development Finance Corporation	1	15	15	5	15
6	Kerala Rail Infrastructure Development Corporation	0	0	36	15	42
7	Kerala State Social Security Pension Ltd	0	0	0	0	100
8	Kannur International Airport Ltd	0	88	193	552	-220*
9	Kochi Metro Rail Ltd	150	150	112	-132**	0
10	Others	42	258	79	148	127
	Total Investment	311	583	638	705	148

* An amount of ₹220 crore released for acquisition of land for Kannur Airport in 2017-18 refunded in 2018-19. Kannur International Airport Ltd has been included under 'Other Joint Stock Companies' in 2018-19.

**An amount of ₹132 crore resumed from the STSB account of Kochi Metro Rail Ltd to the Consolidated fund by the State Government during 2017-18

Appendix 2.1
Details showing savings in Grants/Appropriations during the year
(Reference: Paragraph 2.2: Page 56)

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Grant/Appropriation	Expenditure	Savings
Revenue – Voted				
1.	II Heads of States, Ministers and Headquarters Staff	793.42	620.05	173.37
2.	III Administration of Justice	769.94	723.18	46.76
3.	IV Elections	81.34	72.03	9.30
4.	V Goods and Services Tax, Agricultural Income Tax and Sales Tax	363.92	339.23	24.69
5.	VI Land Revenue	725.39	653.56	71.83
6.	VII Stamps and Registration	240.20	230.40	9.80
7.	VIII Excise	319.83	284.17	35.66
8.	IX Taxes on Vehicles	153.74	147.90	5.84
9.	X Treasury and Accounts	302.71	287.98	14.73
10.	XI District Administration and Miscellaneous	751.36	719.60	31.76
11.	XII Police	4022.09	3649.15	372.94
12.	XIII Jails	157.67	145.60	12.07
13.	XIV Stationery and Printing and other Administrative Services	560.27	499.90	60.37
14.	XV Public Works	3037.25	3024.36	12.89
15.	XVI Pensions and Miscellaneous	29098.37	28136.29	962.08
16.	XVII Education, Sports, Art and Culture	20777.89	19126.90	1650.99
17.	XVIII Medical and Public Health	7024.36	6284.82	739.54
18.	XX Water Supply and Sanitation	483.69	414.33	69.36
19.	XXI Housing	125.79	51.32	74.47
20.	XXII Urban Development	2901.86	1118.33	1783.53
21.	XXIII Information and Publicity	106.63	93.07	13.56
22.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	1451.00	1268.41	182.59
23.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	3163.03	2570.99	592.04
24.	XXVI Relief on Account of Natural Calamities	4893.90	4452.92	440.98
25.	XXVII Co-operation	442.22	335.41	106.81
26.	XXVIII Miscellaneous Economic Services	291.38	187.25	104.13
27.	XXIX Agriculture	3907.89	3044.46	863.43
28.	XXX Food	1916.42	1407.29	509.13
29.	XXXI Animal Husbandry	736.08	654.15	81.93

Appendix 2.1 – Contd.

Sl. No.	Number and Name of Grant	Total Grant/ Appropriation	Expen- diture	Savings
30.	XXXII Dairy	206.69	179.32	27.37
31.	XXXIII Fisheries	483.41	390.96	92.45
32.	XXXIV Forest	614.06	547.96	66.10
33.	XXXV Panchayat	637.54	508.23	129.31
34.	XXXVI Rural Development	3870.96	1181.87	2689.09
35.	XXXVII Industries	714.60	609.40	105.20
36.	XXXVIII Irrigation	436.34	369.15	67.19
37.	XXXIX Power	153.70	22.67	131.03
38.	XL Ports	72.48	52.85	19.63
39.	XLI Transport	66.10	63.50	2.60
40.	XLII Tourism	224.07	176.63	47.44
41.	XLIII Compensation and Assignments	10441.29	8914.60	1526.69
42.	XLVI Social Security and Welfare	5449.88	3785.77	1664.11
	Total	112970.75	97345.96	15624.79
Capital-Voted				
1.	XII Police	115.05	33.83	81.22
2.	XIV Stationery and Printing and other Administrative Services	11.05	10.28	0.77
3.	XV Public Works	2461.65	2086.29	375.36
4.	XVII Education, Sports, Art and Culture	661.72	457.92	203.80
5.	XVIII Medical and Public Health	545.35	413.63	131.72
6.	XX Water Supply and Sanitation	1041.26	538.94	502.32
7.	XXI Housing	69.01	15.56	53.45
8.	XXII Urban Development	11.05	11.04	0.01
9.	XXIII Information and Publicity	6.60	3.25	3.35
10.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	202.15	144.72	57.43
11.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	302.56	176.83	125.73
12.	XXVII Co-operation	556.34	478.43	77.91
13.	XXVIII Miscellaneous Economic Services	3276.17	1612.21	1663.96
14.	XXIX Agriculture	341.76	192.84	148.92
15.	XXX Food	98.84	85.17	13.67
16.	XXXI Animal Husbandry	33.85	17.57	16.28
17.	XXXII Dairy	5.36	4.36	1.00
18.	XXXIII Fisheries	436.36	234.58	201.78
19.	XXXIV Forest	118.85	49.67	69.18
20.	XXXV Panchayat	756.37	316.71	439.66
21.	XXXVI Rural Development	0.97	0.24	0.73

Appendix 2.1 – Concl'd.

Sl. No.	Number and Name of Grant	Total Grant/ Appropriation	Expen- diture	Savings
22	XXXVII Industries	1035.42	610.17	425.25
23	XXXVIII Irrigation	405.10	195.19	209.91
24	XXXIX Power	41.18	0.93	40.25
25	XL Ports	211.75	163.08	48.67
26	XLI Transport	1755.02	1539.59	215.43
27	XLII Tourism	243.66	123.66	120.00
28	XLV Miscellaneous Loans and Advances	368.40	359.54	8.86
29	XLVI Social Security and Welfare	227.66	121.14	106.52
	Total	15340.51	9997.37	5343.14
Revenue-Charged				
1.	I State Legislature	0.83	0.68	0.15
2.	II Heads of States, Ministers and Head Quarters Staff	216.92	178.98	37.94
3.	III Administration of Justice	139.87	135.03	4.84
4.	V Goods and Services Tax, Agricultural Income Tax and Sales Tax	0.62	0.28	0.34
5.	VI Land Revenue	0.02	0.00	0.02
6.	VIII Excise	0.10	0.00	0.10
7.	XI District Administration and Miscellaneous	1.07	1.00	0.07
8.	XII Police	5.92	5.26	0.66
9.	XIV Stationery and Printing and other Administrative Services	0.06	0.00	0.06
10	XV Public Works	2.93	2.33	0.60
11	XVI Pensions and Miscellaneous	106.89	103.42	3.47
12	XVII Education, Sports, Art and Culture	0.20	0.15	0.05
13	XVIII Medical and Public Health	0.16	0.01	0.15
14	XIX Family Welfare	0.01	0.00	0.01
15	XXI Housing	0.02	0.00	0.02
16	XXIV Labour, Labour Welfare and Welfare of Non-Residents	2.79	2.12	0.67
17	XXIX Agriculture	0.10	0.00	0.10
18	XXXVIII Irrigation	0.12	0.00	0.12
19	XLI Transport	70.30	22.42	47.88
	Total	548.93	451.68	97.25
Capital-Charged				
1.	XV Public Works	85.69	38.82	46.87
2.	XVIII Medical and Public Health	1.25	0.95	0.30
3.	XXII Urban Development	63.32	62.85	0.47
4.	XXXVII Industries	0.03	0.00	0.03
5.	XXXVIII Irrigation	7.54	4.74	2.80
6.	XLI Transport	2.58	1.78	0.80
	Total	160.41	109.14	51.27
	Grand Total	129020.60	107904.15	21116.45

Appendix 2.2

Details of Grant-wise Plan/Non-plan savings (exceeding ₹100 crore) during the year
(Reference: Paragraph 2.2: Page 57)

(₹ in crore)

Sl. No.	Grant Number	Original Budget	Supple-mentary	Total Budget	Final Expenditure	Savings	Percentage of saving
Revenue Voted (Plan)							
1.	II	306.93	48.00	354.93	203.54	151.39	43
2.	XVII	2999.03	374.80	3373.83	2077.38	1296.45	38
3.	XVIII	1388.65	357.31	1745.96	1215.42	530.54	30
4.	XXII	2553.15	200.00	2753.15	970.51	1782.64	65
5.	XXIV	707.99	47.50	755.49	580.31	175.18	23
6.	XXV	2459.76	207.19	2666.95	2098.20	568.75	21
7.	XXIX	1407.83	120.01	1527.84	880.18	647.66	42
8.	XXXV	261.60	22.63	284.23	168.52	115.71	41
9.	XXXVI	3614.70	0.00	3614.70	941.51	2673.19	74
10.	XXXVII	317.99	36.17	354.16	253.44	100.72	28
11.	XXX	1281.20	895.63	2176.83	1691.02	485.81	22
Total		17298.83	2309.24	19608.07	11080.03	8528.04	
Revenue Voted (Non-Plan)							
1.	XII	3866.36	11.44	3877.80	3560.94	316.86	8
2.	XV	3006.54	1.04	3007.58	2513.03	494.55	16
3.	XVI	26454.86	1954.65	28409.51	27414.00	995.51	4
4.	XVII	17353.86	50.20	17404.06	17049.51	354.55	2
5.	XVIII	4890.16	388.24	5278.40	5069.40	209.00	4
6.	XXVI	434.00	4449.90	4883.90	4441.04	442.86	9
7.	XXIX	2228.93	151.13	2380.06	2164.29	215.77	9
8.	XXX	1668.52	185.00	1853.52	1381.43	472.09	25
9.	XLIII	9129.88	1311.42	10441.30	8914.61	1526.69	15
10.	XLVI	3272.05	1.00	3273.05	2094.75	1178.30	36
Total		72305.16	8504.02	80809.18	74603.00	6206.18	
Capital-Plan (Voted)							
1.	XVII	371.57	120.64	492.21	332.06	160.15	33
2.	XX	1021.26	0.00	1021.26	538.94	482.32	47
3.	XXV	300.28	2.18	302.46	176.82	125.64	42
4.	XXVIII	1645.49	1600.68	3246.17	1602.08	1644.09	51
5.	XXIX	321.80	0.00	321.80	187.57	134.23	42
6.	XXXIII	332.55	2.31	334.86	160.96	173.90	52
7.	XXXV	500.52	6.00	506.52	85.04	421.48	83
8.	XXXVII	985.43	39.99	1025.42	500.39	525.03	51
9.	XXXVIII	391.79	0.00	391.79	188.74	203.05	52
10.	XLI	216.63	1168.19	1384.82	1170.98	213.84	15
11.	XLII	239.66	0.00	239.66	122.56	117.10	49
12.	XLVI	123.11	104.30	227.41	120.07	107.34	47
Total		6450.09	3044.29	9494.38	5186.21	4308.17	
Capital-Non-Plan (Voted)							
1.	XV	876.10	0.00	876.10	72.84	803.26	92
Total		876.10	0.00	876.1	72.84	803.26	
Grand Total		96930.18	13857.55	110787.73	90942.08	19845.65	

Appendix 2.3
Schemes with more than ₹25 crore savings in Grants/Appropriations having
substantial savings
(Reference: Paragraph 2.3.1: Page 60)

(₹ in crore)

Sl. No.	Grant No.	Name of the Scheme	Budget allocation	Expenditure	Savings
1.	XVII	4202-01-202-93 Infrastructure - School Education(V)(P)	120.00	13.10	106.90
2.		4202-02-105-85 ITI Building Works (V) (P)	35.50	0.00	35.50
3.		4202-02-800-85 Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS) (V) (NP)	60.00	9.30	50.70
4.	XX	4215- 01-101-97 Rehabilitation/ Improvement works of Urban Water Supply Scheme(V) (P)	50.00	15.00	35.00
5.		4215-01-102-94 Add on project of Jananidhi (World Bank aided)(V) (P)	216.00	126.45	89.55
6.		4215-01-102-95 Completion of on-going National Rural Drinking Water (NRDWP) programme (V) (P)	100.00	0.00	100.00
7.		4215-01-102-97 Rural Water Supply schemes (V) (P)	80.00	28.00	52.00
8.		4215-01-190-96 Kerala Water Supply Project, JICA (One time sustenance support under the state plan)(V) (P)	75.00	20.56	54.44
9.		4215-01-190-97 Optimisation of production and transmission (V) (P)	140.00	44.32	95.68
10.		4215-02-190-99 Sewerage schemes of Kerala Water Authority (V) (P)	50.00	0.00	50.00
11.		XXII	2217-05-191-69 Smart City Mission (50%CSS)(V) (P)	400.00	165.31	234.69
12.	2217-05-191-74 Pradhan Mantri Awas Yojana (PMAY) (60% CSS)(V) (P)		250.00	19.56	230.44
13.	2217-05-191-77 National Urban Livelihood Mission (NULM) (60% CSS) (V) (P)		40.00	6.96	33.04
14.	2217-05-192-69 AMRUT (Atal Mission for Rejuvenation and Urban Transformation) (50%CSS) (V) (P)		200.00	125.35	74.65
15.	2217-05-192-72 Pradhan Mantri Awas Yojana (PMAY) (60% CSS) (V) (P)		1000.00	78.32	921.68
16.	2217-05-192-74 National Urban Livelihood Mission (NULM) (60% CSS) (V) (P)		60.00	18.60	41.40
17.	2217-80-001-91 Contribution to the Municipal common service Central Pension Fund(V) (NP)		100.00	21.14	78.86
18.	2217-80-800-62 Interest Subsidy to KURDFC towards loan availed from HUDCO for the implementation of LIFE-Parppida Mission scheme(V) (P)		200.00	9.19	190.81

Appendix 2.3 – Contd.

Sl. No.	Grant No.	Name of the Scheme	Budget allocation	Expenditure	Savings
19.	XXV	4225-01-190-99 Share capital contribution to Kerala State Development Corporation for SCs/STs (51% State Share) (V) (P)	58.82	30.00	28.82
20.	XXVIII	3475-00-800-96 Technical Assistance Fund(V) (P)	100.00	15.89	84.11
21.		5475-00-115-99 Major Infrastructural Development Projects(V)(P)	1638.31	0.00	1638.31
22.	XXIX	4702-00-101-68 Pradhan Manthri Krishi Sinchayee Yojana (60% CSS)(V) (P)	72.50	0.00	72.50
23.		4702-00-101-93 Minor Irrigation Class I Works-NABARD Assisted Scheme(V) (P)	61.00	35.07	25.93
24.	XXX	2408-01-101-94 Ration Subsidy(V) (NP)	1089.49	934.01	155.48
25.		2408-01-101-96 Paddy procurement through Kerala State Civil Supplies Corporation and Other Agencies(V) (NP)	525.00	285.48	239.52
26.		2408-01-102-99 Grant to Kerala State Civil Supplies Corporation Limited for market intervention operations(V) (NP)	200.00	125.00	75.00
27.	XXXIII	4405-00-103-93 Basic Infrastructural Facilities and Human Development of Fisher folk (V) (P)	180.00	87.53	92.47
28.		4405-00-103-94 Upgradation of Coastal Roads (V) (NP)	100.00	73.16	26.84
29.		4405-00-104-36 Development of Marine Fisheries, Infrastructure & Post Harvest Operations (CSS 60%)(V) (P)	43.25	13.24	30.01
30.		4405-00-104-54 Rural Infrastructure Development Fund (NABARD assisted Scheme) (V) (P)	40.00	10.27	29.73
31.	XXXV	4515-00-800-98 Prime Minister's Grama Sadak Yojana (60% CSS)(V) (P)	500.52	85.04	415.48
32.	XXXVI	2501-06-197-48 Block Grants for CSS(V) (P)	228.34	121.10	107.24
33.		2501-06-789-99 National Rural Livelihoods Mission (NRLM) – Deendayal Antyodaya Yojana, Deen Dayal Upadhyaya Grameen KaushalyaYojana, SVEP and MKSP (60% CSS) (V) (P)	91.85	63.95	27.90
34.		2501-06-796-98 Pradhan Mantri AwasYojana (PMAY - Gramin) (60% CSS)(V) (P)	52.80	16.81	35.99
35.		2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (90% CSS) (V) (P)	2806.34	345.53	2460.81
36.	XXXVII	4851-00-101-90 Construction of Multistoried Industrial Estate (State Share) (V)(P)	36.66	5.31	31.35
37.		4859-02-004-94 Info parks(V)(P)	66.05	36.01	30.04
38.		4859-02-004-95 Land Acquisition and Infrastructure Development under IT(V) (P)	83.00	22.46	60.54

Appendix 2.3 – Contd.

Sl. No.	Grant No.	Name of the Scheme	Budget allocation	Expenditure	Savings
39		4859-02-190-90 One time financial assistance for re-structuring IIITM-K as deemed university(V) (P)	50.00	0.00	50.00
40		4859-02-190-94 Kerala State Information Technology Infrastructure (KSITIL) (V)(P)	52.37	25.00	27.37
41		4885-01-200-95 Industrial Promotional Activities implemented through KSIDC(V) (P)	118.25	72.57	45.68
42		4885-60-800-96 Provision for Revival/ Diversification of State Public Sector Undertakings Lump sum Provision(V) (P)	57.85	0.00	57.85
43		6851-00-106-84 Re-organization of coir industry - second phase(V) (P)	30.00	0.00	30.00
44		6859-02-190-99 Loans to Kerala State Electronics Development Corporation Limited(V) (P)	40.00	10.57	29.43
45		6860-01-190-95 Loans to Kerala State Textile Corporation(V) (P)	65.00	22.20	42.80
46		6885-60-190-99 Loans to Kerala Industrial Infrastructure Development Corporation(V) (P)	61.60	22.67	38.93
47		4701-18-800-87NABARD assistance for Chamravattom (V) (P)	41.14	0.11	41.03
48	XXXVIII	4701-80-800-77 Dam Rehabilitation and Improvement Project (DRIP)(V)(P)	137.12	50.53	86.59
49		4711-01-103-86 Pradhan Mantri Krishi Sinchai Yojana-Kuttanadu Flood Management Component (50%CSS) (V) (P)	116.14	48.16	67.98
50		2801-80-101-91 Innovation Fund and ESCOT (Energy Savings and Co-ordination Team) (V)(P)	27.79	0.00	27.79
51	XXXIX	2801-80-101-92 Assistance to KSEB to compensate the loss sustained on account of write off of the electricity charges of KWA(V) (NP)	52.40	0.00	52.40
52		2810-00-800-90 Schemes to be implemented by ANERT(V) (P)	53.00	11.90	41.10
53	XLII	5452-01-101-99 Upgradation, Creation of Infrastructure and Amenities(V)(P)	132.00	71.26	60.74
54		5452-01-800-84 Heritage and Spice Route Projects (V)(P)	40.00	12.76	27.24
55		2235-02-102-40 Rajiv Gandhi Scheme for empowerment of adolescent girls (50% CSS) (V)(P)	26.62	0.02	26.60
56		2235-02-102-47 Integrated Child Development Service (60 % CSS) (V) (P)	499.00	363.24	135.76
57	XLVI	2235-02-103-56 Pradhan Manthri Mathru Vandana Yojana (60% CSS) (V)(P)	75.00	48.60	26.40
58		2235-02-192-50 Block Grant for Revenue Expenditure (V) (NP)	56.06	18.71	37.35
59		2235-02-198-50 Block Grant for Revenue Expenditure (V)(NP)	412.76	152.35	260.41

Appendix 2.3 – Concl.

Sl. No.	Grant No.	Name of the Scheme	Budget allocation	Expenditure	Savings
60		2235-03-192-48 Block Grant for Centrally Sponsored Schemes (V) (P)	123.73	95.23	28.50
61		2235-03-198-48 Block Grant for Centrally Sponsored Schemes (V)(P)	805.45	755.70	49.75
62		2235-60-191-50 Block Grant for Revenue Expenditure(V) (NP)	136.96	41.81	95.15
63		2235-60-192-50 Block Grant for Revenue Expenditure (V)(NP)	226.31	64.20	162.11
64		2235-60-198-50 Block Grant for Revenue Expenditure(V) (NP)	1685.80	1134.35	551.45
65		2235-60-200-72 Kerala Social Security Mission(V) (P)	130.85	103.30	27.55

Appendix 2.4
Statement of persistent savings for the last three years
(Reference: Paragraph 2.3.2, Page 60)

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Budget allocation	Expenditure	Savings
Revenue-Voted					
Grant No. XII					
1.	2055-00-109-99 District force (NP)	2016-17	2221.17	2162.51	58.66
		2017-18	2634.21	2410.08	224.13
		2018-19	2645.18	2458.75	186.43
Grant No. XVII					
2.	2202-03-103-57 Rashtriya Uchchar Shiksha Abhiyan - RUSA (60% CSS) (P)(V)	2016-17	160.95	80.32	80.63
		2017-18	207.00	17.83	189.17
		2018-19	250.00	104.02	145.98
3.	2202-03-105-97 Additional Skill Acquisition Programme (ASAP)(P)	2016-17	234.68	117.20	117.48
		2017-18	429.63	100.00	329.63
		2018-19	282.20	117.82	164.38
Grant No. XXII					
4.	2217-05-191-74 Pradhan Mantri Awas Yojana (PMAY) (60% CSS)(P)	2016-17	150.00	32.28	117.72
		2017-18	216.00	36.57	179.43
		2018-19	250.00	19.56	230.44
5.	2217-05-192-72 Pradhan Mantri Awas Yojana (PMAY) (60% CSS)(P)	2016-17	100.00	36.30	63.70
		2017-18	244.00	111.37	132.63
		2018-19	1000.00	78.32	921.68
Grant No. XXV					
6.	2225-01-277-57 Assistance for education of SC students (P)	2016-17	380.00	52.90	327.10
		2017-18	404.10	236.76	167.34
		2018-19	305.49	198.50	106.99
Grant No. XXIX					
7.	2401-00-109-65 Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (P)	2016-17	305.00	195.94	109.06
		2017-18	340.95	222.26	118.69
		2018-19	420.82	221.71	199.11
Grant No. XXX					
8.	2408-01-101-96 Paddy procurement through Kerala State Civil Supplies Corporation and Other Agencies (NP)	2016-17	600.00	486.51	113.49
		2017-18	525.00	325.14	199.86
		2018-19	525.00	285.48	239.52
Grant No. XXXVI					
9.	2501-06-197-48 Block Grants for CSS (P)	2016-17	100.00	29.86	70.14
		2017-18	375.00	115.73	259.27
		2018-19	228.34	121.10	107.24
10.	2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (90% CSS) (P)	2016-17	2247.70	227.77	2019.93
		2017-18	2994.00	264.47	2729.53
		2018-19	2806.34	345.53	2460.81

Appendix 2.4 – Concl.

Sl. No.	Scheme/Activity	Year	Budget allocation	Expenditure	Savings
Grant No. XLIII					
11.	3604-00-200-86 Funds for Development Expenditure - 5th SFC Recommendations(NP)	2016-17	3844.95	2864.32	980.63
		2017-18	4654.61	3818.45	836.16
		2018-19	5323.90	4588.63	735.27
12.	3604-00-200-87 Funds for Maintenance Expenditure (Non - Road Assets) - 5th SFC Recommendations (NP)	2016-17	645.93	422.26	223.67
		2017-18	655.03	567.27	87.76
		2018-19	703.16	564.93	138.23
13.	3604-00-200-90 Expansion and Development under XIV Finance Commission Recommendations(NP)	2016-17	1310.05	782.59	527.46
		2017-18	1507.89	1183.43	324.46
		2018-19	1739.56	1156.88	582.68
Grant No. XLVI					
14.	2235-02-102-47 Integrated Child Development Service (60 % CSS) (P)	2016-17	499.00	355.84	143.16
		2017-18	499.00	364.74	134.26
		2018-19	499.00	363.24	135.76
15.	2235-02-198-50 Block Grant for Revenue Expenditure (NP)	2016-17	423.13	267.62	155.51
		2017-18	382.22	50.78	331.44
		2018-19	412.76	152.35	260.41
16.	2235-60-198-50 Block Grant for Revenue Expenditure (NP)	2016-17	2339.96	1647.78	692.18
		2017-18	1757.86	73.73	1684.13
		2018-19	1685.80	1134.35	551.45
Capital Voted					
Grant No. XXIX					
17.	4702-00-101-68 Pradhan Manthri Krishi Sinchayee Yojana (60% CSS) (P)	2016-17	60.00	0.00	60.00
		2017-18	60.00	0.00	60.00
		2018-19	72.50	0.00	72.50
Grant No. XXXVII					
18.	4885-60-800-96 Provision for Revival/ Diversification of State Public Sector Undertakings Lumpsum Provision (P)	2016-17	50.25	0.00	50.25
		2017-18	98.45	0.00	98.45
		2018-19	57.85	0.00	57.85
Grant No. XLI					
19.	5075-60-800-94 Inland Navigation (State Sector) Direction and Administration(P)	2016-17	70.32	14.80	55.52
		2017-18	70.00	11.97	58.03
		2018-19	85.18	17.70	67.48

Appendix 2.5
Schemes showed excess expenditure under Grants which exceeded budget allocation
(Reference: Paragraph 2.3.3, Page 61)

(₹ in crore)

Sl. No.	Grant number and scheme		Net Budget	Expenditure	Excess
Revenue Voted					
1.	XIX	2211-00-101-95 Sub Centres - (CSS - 60:40) (P)	331.66	373.90	42.24
Revenue Charged					
2.		2049-03-104-99 Interest on General Provident Funds(NP)	1873.76	2132.61	258.85
3.	Debt Charges	2049-03-115-98 Fixed Time Deposits(NP)	1426.84	2213.08	786.24
4.		2049-04-101-99 Block Loans for State Plan Schemes(NP)	202.37	213.43	11.06
Capital Charged					
5.		6003-00-109-90 Loan raised from PNB in September 2018 on the strength of HBA to State Government Employees (NP)	0.00	31.63	31.63
6.		6003-00-109-91 Loan raised from Federal Bank in September 2018 on the strength of HBA to State Government Employees(NP)	0.00	34.07	34.07
7.	Public Debt Repayment	6003-00-110-98 Special Ways and Means advances (NP)	1000.00	1181.67	181.67
8.		6003-00-110-99 Ways and Means Advances(NP)	5627.02	8516.45	2889.43
9.		6003-00-111-99 Special Securities issued to National Small Savings Fund of the Central Government(NP)	1309.38	1319.16	9.78
10.		6004-02-101-95 Central Assistance- Externally Aided Projects(NP)	229.71	442.03	212.32

Appendix 2.6

Schemes in which expenditure was incurred after budget was re-appropriated/surrendered

(Reference: Paragraph 2.3.3, Page 61)

(₹ in crore)

Sl. No.		Budget allocation	Reappropriation	Surrender	Expenditure	
1.	XV	3054-01-001-98 Supervision and Execution(NP) (C)	1.00	-0.49	0.51	0.06
2.		2202-04-001-93 Centre for Continuing Education(P) (V)	5.00	0.00	5.00	2.57
3.	XVII	2205-00-102-39 Federation of Film Societies of India - Kerala Chapter(NP) (V)	0.50	0.00	0.50	0.25
4.		2205-00-102-46 Swathi Sangeethotsavam (NP) (V)	0.10	0.00	0.10	0.10
5.		2205-00-105-99 Kerala State Library Council(P) (V)	1.15	0.00	1.15	0.40
6.	XXVIII	3475-00-201-87 Write back from Capital Account on account of 4.5% the Kerala Land Reforms (Payment of compensation for excess lands) Bonds 16 Years (NP) (V)	0.01	0.00	0.01	0.32
7.	XXXVIII	2701-01-001-99 Direction and Administration (NP) (V)	1.08	0.00	1.08	0.43

Appendix 2.7
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.5; Page 62)

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
2011-12	2 Grants	Revenue-XLI	14,90,73,882	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XLII	9,58,81,595	Notes considered by PAC. Appropriation Act not yet passed.
2012-13	5 Grants	Revenue-IX	80,65,569	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XVII	29,71,81,076	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XXXI	4,79,92,489	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue- XLII	3,92,53,979	Notes considered by PAC. Appropriation Act not yet passed.
		Capital- XVII	1,18,49,442	Notes considered by PAC. Appropriation Act not yet passed.
2013-14	6 Grants	Revenue-I	32,74,452	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-IV	2,10,27,603	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XIII	3,74,75,050	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XVI	3,71,23,54,719	Notes discussed by PAC. Appropriation Act not yet passed.
		Capital-XV	72,52,76,458	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XXXII	19,774	Notes considered by PAC. Appropriation Act not yet passed.
	4 Appropriations	Revenue-I	7,79,857	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-Debt Charges	1,09,10,96,321	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XV	27,21,676	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XVI	1,27,63,774	Notes considered by PAC. Appropriation Act not yet passed.
2014-15	1 Appropriation	Revenue-Debt Charges	1,92,00,43,541	Notes considered by PAC. Appropriation Act not yet passed.

Appendix 2.7 – Concl.

Year	Number of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
2015-16	1 Grant	Capital XV	69,23,18,442	Notes considered by PAC. Appropriation Act not yet passed.
	3 Appropriations	Revenue - Debt Charges	154,71,31,239	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue XV	9,39,925	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue XVI	6,73,41,582	Notes considered by PAC. Appropriation Act not yet passed.
2016-17	8 Grants	Revenue-III	67,20,391	Initial note not received. Not discussed by PAC.
		Revenue-VII	2,82,62,799	Initial note not received. Not discussed by PAC.
		Revenue-X	10,80,38,497	Final copies of notes received. Not discussed by PAC.
		Revenue-XI	1,80,62,932	Initial note not received. Not discussed by PAC.
		Revenue-XIX	13,93,07,240	Final copies of notes received. Not discussed by PAC.
		Revenue-XX	42,04,35,584	Initial note not received. Not discussed by PAC.
		Capital-XV	67,46,17,972	Final copies of notes received. Not discussed by PAC.
		Capital-XXX	1,63,02,089	Final copies of notes received. Not discussed by PAC.
2017-18	6 Grants	Revenue - I	69,28,210	Initial note not received. Not discussed by PAC.
		Revenue – XV	65,46,74,799	Final copies of notes received. Not discussed by PAC.
		Revenue – XVI	22,73,73,14,119	Final copies of notes received. Not discussed by PAC.
		Revenue – XIX	54,53,82,062	Initial note not received. Not discussed by PAC.
		Capital – XIV	9,17,981	Initial note not received. Not discussed by PAC.
		Capital – XVII	53,27,39,118	Initial note not received. Not discussed by PAC.
	3 Appropriations	Revenue-Debt charges	10,97,60,71,248	Final copies of notes received. Not discussed by PAC.
		Revenue – XIX	2,25,400	Initial note not received. Not discussed by PAC.
		Revenue – XXXIV	1,74,186	Initial note not received. Not discussed by PAC.
	Total			47,35,00,37,072

Appendix 2.8
Grants/Appropriations where supplementary provision (₹ one crore or more in each case) proved unnecessary
(Reference: Paragraph 2.3.6, Page 63)

(₹ in crore)

Sl. No.	Grant Number and name	Budget allocation	Final Expenditure	Total SDG	SDG in January 2019
Revenue – voted					
1	II	793.42	620.05	48.00	0.00
2	III	769.94	723.18	8.33	8.33
3	V	363.92	339.23	10.48	10.48
4	VIII	319.83	284.17	19.00	19.00
5	XII	4022.09	3649.15	50.53	26.73
6	XIV	560.28	499.90	6.84	6.84
7	XV	3037.25	3024.36	1.04	0.04
8	XVII	20777.89	19126.90	425.00	283.16
9	XX	483.69	414.33	31.22	31.22
10	XXII	2901.86	1118.33	300.00	50.00
11	XXIII	106.63	93.07	6.61	6.61
12	XXV	3163.04	2570.99	229.20	200.00
13	XXVIII	291.38	187.25	100.00	0.00
14	XXIX	3907.89	3044.46	271.14	271.14
15	XXX	1916.42	1407.29	191.00	30.00
16	XXXI	736.08	654.15	20.15	20.15
17	XXXIII	483.41	390.96	84.03	24.53
18	XXXV	637.54	508.23	30.76	20.76
19	XLIII	10441.29	8914.61	1311.42	1311.42
20	XLVI	5449.88	3785.77	896.63	0.00
Total		61163.73	51356.38	4041.38	2320.41
Capital – voted					
21	XVII	661.72	457.93	125.35	125.35
22	XVIII	545.35	413.63	96.97	96.97
23	XXV	302.56	176.82	2.18	2.18
24	XXVIII	3276.17	1612.21	1600.68	1600.68
25	XXX	98.84	85.17	4.62	4.62
26	XXXIII	436.36	234.58	2.31	0.00
27	XXXV	756.37	316.70	83.75	2.75
28	XXXVII	1035.42	610.17	39.99	39.99
29	XLVI	227.66	121.14	104.30	4.30
Total		7340.45	4028.35	2060.15	1876.84
Capital – charged					
30	XV	85.69	38.82	5.68	5.68
Total		85.69	38.82	5.68	5.68
Grand Total		68589.87	55423.55	6107.21	4202.93

SDG: Supplementary Demands for Grants

Appendix 2.9
Cases of excessive supplementary Grants/Appropriations
(Savings of ₹one crore and above)
(Reference: Paragraph 2.3.6, Page 64)

(₹ in crore)

Sl. No.	Grant number	Original Budget allocation	Final Expenditure	Funds required as SDG	SDG obtained	Excess SDG
Revenue-Voted						
1.	IV	63.63	72.03	8.40	17.71	9.31
2.	VII	225.47	230.40	4.93	14.73	9.80
3.	IX	133.17	147.90	14.73	20.57	5.84
4.	XI	674.04	719.60	45.56	77.31	31.75
5.	XIII	143.27	145.60	2.33	14.40	12.07
6.	XVI	26454.86	28136.29	1681.43	2643.51	962.08
7.	XVIII	6278.81	6284.81	6.00	745.55	739.55
8.	XXIV	1091.61	1268.41	176.80	359.39	182.59
9.	XXVI	444.00	4452.92	4008.92	4449.90	440.98
10.	XXXII	176.20	179.32	3.12	30.49	27.37
11.	XXXVII	600.34	609.40	9.06	114.26	105.20
Total		36285.40	42246.68	5961.28	8487.82	2526.54
Revenue-charged						
12.	III	133.59	135.03	1.44	6.28	4.84
13.	XVI	81.47	103.42	21.95	25.42	3.47
Total		215.06	238.45	23.39	31.70	8.31
Capital-voted						
14.	XXVII	131.39	478.43	347.04	424.95	77.91
15.	XL	111.06	163.08	52.02	100.69	48.67
16.	XLI	586.83	1539.59	952.76	1168.19	215.43
17.	XLV	158.52	359.53	201.01	209.87	8.86
Total		987.80	2540.63	1552.83	1903.70	350.87
Grand Total		37488.26	45025.76	7537.50	10423.22	2885.72

SDG: Supplementary Demands for Grants

Appendix 2.10
Re-appropriation of funds (in excess of ₹one crore) proved unnecessary as
the final expenditure was less than original/Supplementary budget
allocation

(Reference: Paragraph 2.3.7; Page 64)

(₹ in crore)

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
1.	II	2052-00-090-99 Administrative Secretariat (NP)	132.74	1.71	0.05	134.40	125.32
2.	III	2014-00-114-93 Kerala State Legal Services Authority (NP)	17.74	1.08	3.98	14.84	14.88
3.		2014-00-114-99 Law Officers(NP)	52.80	1.76	3.08	51.48	52.76
4.		2014-00-116-99 Kerala Administrative Tribunal(NP)	9.52	1.09	1.60	9.01	8.99
5.	V	2043-00-101-97 Offices of Goods and Services Tax (NP)	251.37	6.12	12.35	245.14	242.51
6.	VI	2029-00-101-99 Village Establishment (NP)	388.33	11.73	15.49	384.57	377.80
7.		2029-00-102-95 Preparation of Land Records for the Implementation of Land Reforms - Resurvey of Areas where the Records are in bad condition (Cadastral Survey)(NP)	164.25	7.48	11.40	160.33	158.08
8.	VIII	2039-00-001-99 Superintendence (NP)	128.05	4.83	5.26	127.62	126.33
9.	X	2054-00-098-99 Local Fund Audit Department(NP)	82.39	2.03	1.55	82.87	81.99
10.	XII	2055-00-001-99 Superintendence (NP)	78.22	1.45	7.07	72.60	76.65
11.		2055-00-101-98 Special Branch C.I.D (NP)	112.19	5.39	1.80	115.78	107.83
12.		2055-00-104-98 India Reserve Battalion (NP)	60.65	1.06	10.11	51.60	51.79
13.		2055-00-104-99 Armed Police (NP)	486.22	1.25	61.41	426.06	435.82
14.		2055-00-109-99 District Force(NP)	2645.21	3.41	291.66	2356.96	2458.75
15.		2055-00-115-98 Modernisation of Police Department(P)	91.00	3.26	26.91	67.35	67.72
16.		2055-00-116-99 Forensic Science(NP)	8.93	5.34	0.51	13.76	7.63
17.	XV	3054-01-001-98 Supervision and Execution (NP)	55.23	1.98	2.93	54.28	54.39
18.		3054-80-001-97 Execution (NP)	175.35	5.86	6.30	174.91	172.73

Appendix 2.10 – Contd.

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
19.	XVI	2071-01-104-98 Pensionary charges transferred from Government of Tamilnadu on account of allocation of Pensions as per State Reorganisation Act 1956 (NP)	0.61	2.43	0.00	3.04	0.00
20.		2075-00-800-09 Repayment of Interest Subvention in connection with HBA take over by Punjab National bank and Federal Bank (NP)	0.28	1.56	0.00	1.84	0.00
21.	XVII	2202-01-101-97 Pre-Primary Education Nursery Schools(NP)	6.14	1.43	1.48	6.09	6.03
22.		2202-01-101-99 Lower Primary Schools(NP)	1230.10	66.39	86.47	1210.02	1194.07
23.		2202-01-104-99 Inspection(NP)	101.76	2.71	3.61	100.86	99.40
24.		2202-02-108-99 Examination Wing(NP)	30.81	1.92	2.42	30.31	27.76
25.		2202-02-110-95Aided Vocational Higher Secondary Schools - Teaching Grant(NP)	203.04	4.62	7.00	200.66	198.70
26.		2202-03-103-99 Arts and Science Colleges(NP)	357.13	20.18	75.99	301.32	298.22
27.		2202-03-104-99Salaries to the staff under the Direct Payment System(NP)	1305.79	8.04	334.44	979.39	1003.23
28.		2202-80-003-99 Basic Training Schools and Institutions(NP)	30.61	1.03	0.83	30.81	30.50
29.		2203-00-003-99Faculty Development in Engineering Colleges(P)	8.00	1.13	2.40	6.73	7.07
30.		2203-00-103-99 Development of Technical High Schools(NP)	77.33	1.31	9.66	68.98	68.81
31.		2203-00-104-97 Private Polytechnics(NP)	40.20	3.63	6.95	36.88	36.97
32.		2203-00-105-99 Government Polytechnics(NP)	156.93	11.30	1.02	167.21	143.16
33.		2203-00-112-81 New Engineering Colleges(NP)	65.07	16.28	22.40	58.95	60.04
34.		2203-00-112-82 Thrissur Engineering College (NP)	43.04	1.07	7.02	37.09	40.63
35.		2203-00-112-99 Engineering College, Thiruvananthapuram (NP)	76.52	1.57	27.02	51.07	50.65

Appendix 2.10 – Contd.

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
36.	XXVIII	2210-01-110-94 Allopathy Medical College Hospital, Thrissur(NP)	61.07	2.78	5.84	58.01	57.27
37.		2210-01-110-95 Allopathy Medical College Hospital, Alappuzha(NP)	45.02	1.45	2.78	43.69	42.89
38.		2210-02-102-99 Hospitals and Dispensaries(NP)	140.77	4.41	3.87	141.31	140.12
39.		2210-05-101-66 Direct payment of salaries to the teaching and non-teaching staff Ayurveda Medical College, Kottakkal (NP)	15.91	2.03	3.58	14.36	15.11
40.		2210-05-102-88 Direct payment of salaries to the staff of private Homoeo Medical Colleges(NP)	26.01	4.28	5.07	25.22	23.99
41.		2210-05-105-94 Allopathy Medical College, Thrissur(NP)	97.98	3.31	3.48	97.81	97.24
42.		2210-05-105-96 Allopathy Medical College, Kottayam(NP)	104.89	3.96	7.46	101.39	100.41
43.		2210-05-105-98 Allopathy Medical College, Thiruvananthapuram(NP)	221.76	1.69	12.35	211.10	209.98
44.		2210-05-200-96 Assistance to Malabar Cancer Centre(P)	38.50	4.17	7.33	35.34	35.34
45.		XXIII	2220-60-800-77 Sutharya Keralam - Phone-in-Programme through Doordarshan/All India Radio (P)	5.00	2.57	2.58	4.99
46.	XXIV	2230-01-001-99 Direction(NP)	6.48	1.43	0.61	7.30	6.11
47.		2230-02-001-99 Employment Exchanges(NP)	57.67	1.97	1.94	57.70	56.91
48.	XXV	2225-01-277-67 Industrial Training Centres (NP)	12.91	1.84	2.00	12.74	12.56
49.		2225-01-277-94 Pre matric Hostels (NP)	12.93	1.28	1.79	12.43	12.17
50.	XXVI	2245-02-101-94 Other Items(NP)	366.62	2.10	157.35	211.37	210.14
51.		2245-02-101-98 Food and Clothing(NP)	315.34	10.40	49.65	276.09	275.59
52.		2245-02-112-99 Evacuation of Population(NP)	7.31	2.40	3.77	5.94	5.87
53.		2245-80-800-80 Other Miscellaneous Relief Expenditure (NP)	5.59	2.00	3.42	4.17	4.04
54.	XXVII	2425-00-001-98 District Administration(NP)	82.90	2.85	2.85	82.90	81.79
55.		2425-00-101-99 General(NP)	120.99	1.43	4.43	117.99	116.36

Appendix 2.10 – Concl.d.

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
56.	XXIX	2401-00-103-99 Production and distribution of improved seeds(NP)	35.40	4.04	4.01	35.43	35.26
57.	XXX	3456-00-001-97 District Offices(NP)	14.86	5.61	0.43	20.04	14.42
58.		2403-00-101-97 Strengthening and Re-organisation of Veterinary Hospitals(NP)	71.03	1.58	4.74	67.87	67.30
59.	XXXI	2403-00-101-98 Hospitals and Dispensaries(NP)	193.27	5.11	6.89	191.49	189.90
60.		2403-00-102-99 Intensive Cattle Development Projects(NP)	83.24	1.94	2.57	82.61	81.78
61.		2403-00-103-99 Poultry Farms(NP)	14.30	1.55	2.50	13.34	13.28
62.		2405-00-001-99 Direction (NP)	31.21	1.36	1.04	31.53	31.13
63.	XXXIII	4405-00-104-54 Rural Infrastructure Development Fund (NABARD assisted Scheme)(NP)	40.00	1.22	30.95	10.27	10.27
64.	XXXIV	2406-01-001-95 District Offices(NP)	133.24	4.45	2.35	135.35	133.09
65.		2406-01-101-81 Forest protection(NP)	50.00	1.82	4.12	47.70	48.22
66.	XXXV	2515-00-001-92 Engineering wing for Local Self Government Institutions - Execution(NP)	214.61	3.67	8.53	209.75	207.63
67.		2515-00-001-97 District Administration(NP)	53.91	2.70	1.47	55.14	53.67
68.	XXXVI	2515-00-001-49 Recurring expenditure on personnel retained on N.E.S pattern(NP)	206.00	1.48	7.35	200.13	197.22
69.		6858-01-190-96 Loans to Kerala Electrical and Allied Engineering Company Limited(P)	10.00	3.00	4.00	9.00	9.00
70.	XXXVII	6858-03-190-99 Kerala Automobiles Limited Three Wheeler Project(P)	10.00	3.33	3.50	9.83	9.83
71.		2700-16-001-97 Execution(NP)	5.21	2.55	1.90	5.86	4.18
72.	XXXVIII	2701-80-001-97 Execution(NP)	83.82	1.52	5.94	79.40	78.77
73.		4701-18-001-97 Execution(P)	6.86	2.41	6.84	2.43	2.40
74.	XL	5051-02-200-83 Development of Azheekkal Port (P)	3.00	3.84	5.27	1.57	1.57
75.	XLII	3452-80-104-98 Marketing(P)	82.50	9.00	9.16	82.34	82.34
76.	XLVI	2235-02-102-47 Integrated Child Development Service(60 % CSS)(P)	499.00	18.25	152.68	364.57	363.24

Appendix 2.11
Sub-heads in which injudicious re-appropriation led to final excess
(Reference: Paragraph 2.3.7; Page 64)

(₹ incrore)

Sl. No.	Grant number	Scheme/Activity	Budget allocation	Net Re-appropriation	Net Budget	Expenditure	Excess
1.	II	2052-00-090-90 Modernisation of Finance Department and Training of Staff(NP)	1.10	-0.15	0.95	0.96	0.01
2.	XI	2250-00-103-89 Administrative Grant to WAKF Board(NP)	0.72	-0.72	0.00	0.72	0.72
3.	XVIII	2210-06-107-99 Public Health Laboratories(P)	3.00	-0.77	2.23	2.27	0.04
4.	XXIII	2220-01-001-98 District Publicity Offices(NP)	9.57	-2.00	7.57	8.56	0.99
5.		2220-60-103-99 Press Facilities(NP)	1.14	-0.77	0.37	0.38	0.01
6.	XXVI	2245-02-106-99 Repairs and restoration of damaged roads and bridges(NP)	144.61	-14.37	130.24	130.27	0.03

Appendix 2.12
Sub-heads in which re-appropriation proved insufficient
(Reference: Paragraph 2.3.7; Page 64)

(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Budget allocation	Amount Reappropriated	Final expenditure	Excess over provision
1.	XV	4059-80-001-99 Establishment Charges transferred on percentage basis from '2059-Public Works'(P)	8.88	6.45	17.93	2.60
2.	XVI	2071-01-104-99 Gratuities(NP)	1758.90	22.43	1784.36	3.03
3.		4202-02-104-91 Land Acquisition charges for Polytechnics(P)	11.26	0.12	12.40	1.02
4.	XVIII	2210-06-101-40 Financial assistance to Leprosy and Cancer patients in indigent circumstances(NP)	1.38	0.78	12.22	10.06
5.	XIX	2211-00-101-95 Sub Centres - (CSS - 60:40)(P)	300.00	31.66	373.90	42.24
6.	XXXVIII	4700-22-800-90 Distributories (P)	4.29	2.73	8.63	1.61
7.	XLVI	4235-02-102-90 Convergence of Pre-School and Pre-Primary Education Centres in Anganwadies(P)	0.00	0.57	1.82	1.25
8.	Debt Charges	2049-03-115-98 Fixed Time Deposits	1375.00	51.84	2213.08	786.24
9.	Public Debt Repayment	6003-00-110-99 Ways and Means Advances	3600.00	2027.02	8516.45	2889.43
10.		6004-02-101-95 Central Assistance-Externally Aided Projects	0.00	229.71	442.03	212.32
11.		6004-02-105-99 State Plan Loans consolidated in terms of recommendations of the 12th Finance Commission	0.00	208.83	213.33	4.50

Appendix 2.13
Heads in which entire budget allocation (₹five crore and above)
surrendered
(Reference: Paragraph 2.3.8; Page 66)

(₹ in crore)

Sl. No.	Grant Number	Name of scheme	Budget allocation	Amount of Surrender
1.	XII	4055-00-207-95 National scheme for modernisation of police and other forces (CSS)	46.00	46.00
2.	XV	4059-01-051-61 Basic Amenities in Village Offices	14.00	14.00
3.	XVI	2075-00-800-68 Government contribution to Chief Minister's Janasanthwana Fund	200.00	200.00
4.	XVII	3435-60-800-95 Kerala center for integrated Coastal Management(KCICM)	59.60	59.60
5.		4202-02-105-85 ITI Building Works	35.50	35.50
6.	XVIII	2210-06-104-94 Strengthening of Drug Regulatory system(60%CSS)	13.42	13.42
7.	XX	2215-01-101-97 Implementation of Priority Schemes under the Kerala Perspective Plan 2030	20.00	20.00
8.		4215-01-102-95 Completion of on-going National Rural Drinking Water (NRDWP) programme	100.00	100.00
9.		4215-01-800-93 Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)	20.00	20.00
10.	XXI	2216-80-800-89 EMS Housing scheme-Assistance to LSGI's to meet interest liability of loans availed from Co-operative Banks and Commercial Banks(NP)	20.82	20.82
11.		4216-01-700-86 Construction of quarters for Judges (60% CSS)	15.00	15.00
12.	XXII	2217-05-051-98 Construction of new building for the newly formed Municipalities	15.00	15.00
13.	XXIV	2230-03-001-91 Pradhan Mantri Kaushal Vikas Yojana (General Component)	16.13	16.13
14.	XXV	2225-01-277-53 Additional state assistance to post-matric students	15.00	15.00
15.		4225-01-277-88 Purchase of land for the construction of building for new MRS and hostels	25.00	25.00
16.		4225-04-102-99 Multisectoral development programme in minority concentrated block (60 % CSS)	25.00	25.00
17.	XXVII	2425-00-107-66 Modernisation of Credit Co-operatives - introduction of new technology in Co-operative sector	25.00	25.00
18.	XXVIII	5475-00-115-99 Major Infrastructural Development Projects	1638.31	1638.31

Appendix 2.13 – Concl.d.

Sl. No.	Grant Number	Name of scheme	Budget allocation	Amount of Surrender
19.	XXIX	4702-00-101-68 Pradhan Manthri Krishi Sinchayee Yojana (60% CSS)	72.50	72.50
20.	XXXV	2515-00-101-56 Rashtriya Gram Swaraj Abhiyan (RGSA) (60% CSS)	15.00	15.00
21.	XXXVI	2515-00-102-31 Incentivising District Plans – Rural	30.00	30.00
22.	XXXVII	4859-02-190-90 One time financial assistance for re-structuring IITM-K as deemed university	50.00	50.00
23.		6851-00-106-84 Re-organization of coir industry - second phase	30.00	30.00
24.	XXXIX	2801-80-101-91 Innovation Fund and ESCOT (Energy Savings and Co-ordination Team)	27.79	27.79
25.		6801-00-190-86 Dam Safety works including Dam Rehabilitation and Improvement Programme-DRIP (External Aided Project)	36.00	36.00
26.	XLI	5075-60-190-99Konkan Railway Corporation Limited Investments	11.76	11.76
27.	XLII	3452-80-800-54 Kerala Shopping Festival	15.00	15.00
28.	XLVI	2235-02-102-32 Procurement of ADHAAR Enrollment Kits(60% CSS)	11.61	11.61
29.		4235-02-101-99 Barrier Free Kerala Scheme	18.00	18.00
30.		4235-02-102-89 Construction of Anganwadi Centres under MGNREGS in convergence with ICDS - 60% CSS	20.00	20.00
31.		4235-02-103-95 Setting up of Vanitha Mithra Kendra-Construction of Working Women's Hostel (60% CSS)	25.00	25.00

Appendix 2.14
Surrender (₹one crore or more in each case) in excess of actual savings
(Reference: Paragraph 2.3.9; Page 67)

(₹ in crore)

Sl. No.	Number and name of grant		Budget allocation	Savings	Surrender	Excess surrender
Revenue-Voted						
1.	I	State legislature	111.96	-0.65	2.02	2.67
2.	III	Administration of justice	769.94	46.75	61.78	15.03
3.	VII	Stamps and registration	240.20	9.80	11.64	1.84
4.	XII	Police	4022.09	372.94	492.89	119.95
5.	XV	Public works	3037.25	12.89	131.17	118.28
6.	XXVIII	Miscellaneous economic services	291.38	104.13	106.64	2.51
7.	XXXIX	Power	153.70	131.03	134.17	3.14
		Total	8626.52	676.89	940.31	263.42
Revenue Charged						
8.	II	Heads of states, ministers and headquarters staff	216.92	37.94	39.67	1.73
		Total	216.92	37.94	39.67	1.73
Capital Voted						
9.	XXX	Food	98.84	13.67	17.68	4.01
		Total	98.84	13.67	17.68	4.01
Capital Charged						
10.	XV	Public works	85.69	46.86	49.75	2.89
		Total	85.69	46.86	49.75	2.89
Grand Total			9027.97	775.36	1047.41	272.05

Appendix 2.15
Sub-heads in which injudicious surrender (exceeding ₹one crore) led to
excess expenditure
(Reference: Paragraph 2.3.9, Page 67)

(₹ in crore)

Sl. No.	Grant number and Scheme/Activity	Original Budget	Reappropriation	Surrender	Expenditure	Excess
1.	2051-00-102-99 Public Service Commission (NP)	204.02	0.00	39.11	166.90	1.99
2.	3451-00-102-99 District Planning Machinery (NP)	16.76	0.10	3.08	16.29	2.51
3.	2014-00-114-99 Law Officers(NP)	52.80	1.76	3.08	52.76	1.28
4.	2030-03-001-95 Sub Registry Offices (NP)	137.75	-2.80	6.61	129.68	1.34
5.	2055-00-001-99 Superintendence(NP)	78.09	1.45	7.03	76.56	4.05
6.	2055-00-104-99Armed Police(NP)	486.22	1.25	61.41	435.82	9.76
7.	2055-00-109-99 District Force(NP)	2645.18	3.41	291.62	2458.75	101.78
8.	2055-00-112-98 Coastal Police Stations(NP)	46.57	0.56	20.52	31.44	4.83
9.	2071-01-102-99 Payments in India(NP)	3142.01	-8.13	237.94	2911.65	15.71
10.	2202-03-102-72 Thunchath Ezhuthachan Malayalam University (P)	8.50	0.00	4.72	5.62	1.84
11.	2202-03-102-92 Kannur University (P)	25.00	0.00	8.27	23.61	6.88
12.	2202-03-102-99 Kerala University(P)	27.00	0.00	19.00	17.54	9.54
13.	2202-03-104-99 Salaries to the staff under the Direct Payment System (NP)	1305.79	8.04	334.44	1003.23	23.84
14.	2202-04-001-93 Centre for Continuing Education(P)	5.00	0.00	5.00	2.57	2.57
15.	2203-00-112-60 Institute of Human Resources Development(IHRD)(NP)	43.85	0.00	3.79	41.36	1.30
16.	2203-00-112-81New Engineering Colleges (NP)	65.07	16.28	22.40	60.04	1.09
17.	2203-00-112-82 Thrissur Engineering College(NP)	43.04	1.07	7.02	40.63	3.54
18.	2204-00-102-99 National Cadet Corps (NP)	64.04	-2.49	6.25	56.33	1.03
19.	2205-00-105-99 Kerala State Library Council(NP)	45.78	0.00	19.53	28.48	2.23
20.	3435-03-101-87 State Wetland Authority Kerala (60% CSS)(P)	72.73	0.00	71.55	4.10	2.92

Appendix 2.15 – Concl.d.

Sl. No.	Grant number and Scheme/Activity	Original Budget	Reappropriation	Surrender	Expenditure	Excess
21.	2210-05-101-69 Assistance to Kerala Ayurveda Studies and Research Societies (P)	4.55	0.00	3.40	3.81	2.66
22.	2210-05-200-92 Cochin Cancer and Research Centre, Ernakulam (P)	10.00	0.00	7.39	9.67	7.06
23.	4210-03-101-82 International Level Laboratory and Education Centre for Research Linking Ayurveda to Modern Bio Technology (P)	6.00	0.00	5.81	1.95	1.76
24.	2225-02-277-49 Running of Ashramam School/ Model Residential School (P)	60.00	7.21	8.22	61.95	2.96
25.	3475-00-201-99 Land Board and Land Tribunals under the Kerala Land Reforms Act 1963 (NP)	41.37	0.88	5.28	39.83	2.86
26.	4700-20-001-97 Execution (P)	1.92	10.57	1.92	11.57	1.00
27.	2810-00-800-90 Schemes to be implemented by ANERT (P)	53.00	0.00	44.29	11.90	3.19
28.	2235-60-110-99 State Insurance Department (NP)	7.67	0.15	2.61	6.30	1.09

Appendix 2.16
Rush of Expenditure
(Reference: Paragraph 2.3.11; Page 68)

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
(₹ in crore)							
1	2204-00-104-10	Rowing Association	0.30	0.30	0.30	100.00	100.00
2	2204-00-104-11	SDV Table Tennis Academy	0.10	0.10	0.10	100.00	100.00
3	2210-01-110-11	Developing Super Specialty Facilities in selected District/General Hospitals	4.85	4.85	4.85	100.00	100.00
4	2210-01-110-13	Strengthening of Emergency Medical Care	4.86	4.86	4.86	100.00	100.00
5	2210-01-110-14	Setting up of Dialysis Units in Major Hospitals	3.92	3.92	6.14	63.84	63.84
6	2075-00-800-15	Interim Relief/Compensation/Ex-Gratia Payment based on Directions of Human Rights Commissions etc.	0.38	0.38	0.59	64.41	64.41
7	2210-06-101-24	Travel allowance/financial aid to Aids patients and to the spouse of the patients who have died of Aids	6.96	6.96	9.16	75.98	75.98
8	4210-03-105-25	Setting up of molecular diagnostic facility in Medical Colleges.	0.50	0.46	0.63	79.37	73.02
9	2851-00-103-25	Yuva weave scheme	0.66	0.66	1.30	50.77	50.77
10	4425-00-108-27	Assistance to Artisans Development Co-operative Limited	1.00	1.00	1.00	100.00	100.00
11	2405-00-800-27	Insurance coverage of fishing implements	0.16	0.15	0.16	100.00	93.75
12	2235-02-102-29	Implementation of National Nutrition Mission in Kerala (60% CSS)	1.37	1.31	1.37	100.00	95.62

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
13	2210-01-110-30	Women and Children Hospitals	12.79	12.79	12.79	100.00	100.00
14	4425-00-108-30	Assistance to primary marketing Co-operatives to strengthen the agricultural marketing sector	0.39	0.36	0.50	78.00	72.00
15	2425-00-108-31	Assistance to Vanitha Co-operatives and Vanithafed	0.25	0.23	0.33	75.76	69.70
16	2515-00-102-34	LIFE - Parppida Mission	24.83	24.83	24.83	100.00	100.00
17	2851-00-106-35	Apex Body for Coir	0.25	0.25	0.25	100.00	100.00
18	4405-00-104-35	Munnakkakadavu Fish landing centre (State scheme)	0.04	0.04	0.04	100.00	100.00
19	2210-01-110-35	Strengthening of Institutions under Directorate of Health Services (State Plan General)	38.81	38.46	38.81	100.00	99.10
20	2405-00-800-35	Distribution of free ration to fishermen of mechanised boats during the Trawl ban period	0.04	0.04	0.04	100.00	100.00
21	2217-05-191-36	Trivandrum Development Authority	10.33	10.33	10.33	100.00	100.00
22	2225-02-277-36	Financial Assistance to traditional Tribal Healers	0.28	0.28	0.28	100.00	100.00
23	2425-00-108-36	Assistance to primary marketing Co-operatives to strengthen the agricultural marketing sector	0.33	0.31	0.40	82.50	77.50
24	2425-00-108-37	Farmers service centre	1.17	1.17	1.17	100.00	100.00
25	2225-02-277-37	Pre matric scholarship for Scheduled Tribe students studying in classes IX-X (100% CSS)	2.83	2.36	2.83	100.00	83.39
26	2851-00-102-38	Employment Generation in Traditional Sector	0.61	0.61	0.61	100.00	100.00
27	2851-00-103-39	Self-Employment Scheme under Handloom Sector	0.27	0.21	0.40	67.50	52.50

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure		
						January to March 2019	March 2019	
			(₹ in crore)					
28	2210-06-101-40	Financial assistance to Leprosy and Cancer patients in indigent circumstances	10.21	10.00	12.22	83.55	81.83	
29	2210-06-101-41	Cancer Care Programmes	1.57	1.22	2.24	70.09	54.46	
30	4210-03-105-42	Medical College, Ernakulam	2.25	2.25	3.52	63.92	63.92	
31	2230-01-103-42	NORKA Business Facilitation Centre	0.09	0.06	0.09	100.00	66.67	
32	2515-00-001-44	Modernisation and Strengthening of E-Governance initiatives in Rural Development Department	0.26	0.24	0.27	96.30	88.89	
33	2205-00-102-46	Swathi Sangeethotsavam	0.10	0.10	0.10	100.00	100.00	
34	2203-00-112-46	Re-usable Building System in RIT, Kottayam	0.12	0.12	0.13	92.31	92.31	
35	2230-01-103-47	Awareness campaign on illegal recruitment & visa check	0.51	0.48	0.76	67.11	63.16	
36	2406-02-110-48	Zoological Park, Wildlife Protection and Research Centre, Puthur	1.93	1.73	2.62	73.66	66.03	
37	2425-00-108-49	Assistance to Consumer Co-operatives and Neethi Stores	0.18	0.17	0.23	78.26	73.91	
38	2403-00-196-50	Block Grants for Revenue Expenditure	0.02	0.02	0.02	100.00	100.00	
39	2202-01-196-50	Block Grant for Revenue Expenditure	0.32	0.32	0.33	96.97	96.97	
40	2210-40-198-50	Block Grants for Revenue Expenditure	0.02	0.02	0.02	100.00	100.00	
41	2235-02-102-50	First 1000 days programme for infants in Attappadi	2.27	2.01	2.33	97.42	86.27	
42	2202-02-191-50	Block Grant for Revenue Expenditure	0.10	0.10	0.12	83.33	83.33	
43	2202-01-191-50	Block Grant for Revenue Expenditure	0.02	0.02	0.03	66.67	66.67	
44	2235-02-196-50	Block Grant for Revenue Expenditure	11.09	10.98	15.05	73.69	72.96	
45	2401-00-198-50	Block Grants for Revenue Expenditure	7.11	5.38	10.72	66.32	50.19	

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
46	2203-00-112-53	Technology Business Incubation Centres in Polytechnics and Engineering Colleges	0.21	0.21	0.25	84.00	84.00
47	2406-01-800-53	Forest Fire Prevention and Management Scheme (FPMS)	3.29	2.21	3.57	92.16	61.90
48	4210-01-110-54	Construction of OP block and labour rooms for Community Health Centre at Wandoor, Malappuram (NABARD-RIDF)	0.76	0.76	0.76	100.00	100.00
49	2205-00-102-55	Kumaranasan National Institute of Culture, Thonnakkal	0.35	0.35	0.45	77.78	77.78
50	2205-00-102-56	Financial Assistance to Vayalar Ramavarma Trust	0.03	0.03	0.03	100.00	100.00
51	2405-00-101-56	Matsya Samrudhi	0.10	0.08	0.13	76.92	61.54
52	4210-03-105-57	Establishment of new Medical College at Wayanad	0.54	0.54	1.00	54.00	54.00
53	4210-01-110-58	Strengthening of Dental Units under DHS	2.25	2.25	2.25	100.00	100.00
54	2205-00-102-59	Raja Ravi Varma Puraskaram	0.02	0.02	0.02	100.00	100.00
55	2225-01-277-59	Pre matric scholarship for SC students studying in classes IX-X(CSS)	15.00	15.00	22.00	68.18	68.18
56	2230-03-101-60	Group Insurance for Trainees	0.10	0.10	0.10	100.00	100.00
57	2210-05-101-60	State Medicinal Plants Board	0.16	0.16	0.31	51.61	51.61
58	2210-05-105-61	Maintenance of Assets in the Department of Medical Education- Expenditure met out of Asset Maintenance Fund	0.44	0.44	0.67	65.67	65.67
59	2515-00-102-62	Information Centres in Blocks	0.24	0.24	0.24	100.00	100.00
60	2403-00-800-62	Animal Resource Development	4.04	2.73	4.26	94.84	64.08
61	2202-03-102-63	Chancellor's Award	6.00	6.00	6.00	100.00	100.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
(₹ in crore)							
62	2210-01-110-63	Strengthening the Ophthalmic wing of District/General/Taluk Hospital	2.00	2.00	2.00	100.00	100.00
63	4702-00-101-63	Renovation of Tanks and Ponds - Schemes under Haritha Keralam	1.01	0.81	1.21	83.47	66.94
64	2851-00-103-63	Quality raw material for Weavers	0.33	0.31	0.53	62.26	58.49
65	4220-60-101-64	Modernisation of Tagore Theatre	1.31	1.30	1.40	93.57	92.86
66	4059-01-051-64	Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)	0.42	0.42	0.77	54.55	54.55
67	5057-60-800-65	Reimbursement of unutilised Central Grant under National Lake Conservation Programme	4.30	4.30	4.30	100.00	100.00
68	2403-00-101-65	Livestock Health and Disease Control	1.82	1.76	1.95	93.33	90.26
69	2235-02-101-66	Niramaya Health Insurance Scheme for Persons with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities	0.85	0.85	1.33	63.91	63.91
70	2210-05-101-67	Ayurveda Medical College Ollur, Grant-in-Aid	0.50	0.50	0.50	100.00	100.00
71	2235-60-200-69	National Social Assistance Programme (100 % CSS)	2.62	2.62	2.62	100.00	100.00
72	2210-05-101-69	Assistance to Kerala Ayurveda Studies and Research Societies	3.19	2.06	3.81	83.73	54.07
73	2210-01-110-70	Strengthening of Dental Units in Health Services Department (Improvement of Dental Clinics)	2.01	1.69	3.06	65.69	55.23

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
74	2205-00-102-70	Apex Body for Culture	0.42	0.27	0.50	84.00	54.00
75	4425-00-108-71	Integrated Development of Primary Agricultural Credit Societies (100% NCDC)	8.06	7.54	8.06	100.00	93.55
76	2202-02-109-71	Academic Excellence	12.72	10.20	17.69	71.91	57.66
77	2205-00-102-71	Livelihood for Artists/Rural art hubs	1.08	1.08	1.93	55.96	55.96
78	4059-60-051-71	Modernisation of Prisons	0.94	0.89	1.71	54.97	52.05
79	2851-00-105-72	Establishment and strengthening of Departmental Village Industries Units	0.22	0.22	0.22	100.00	100.00
80	2425-00-107-72	Stimulus interest subsidy on prompt repayment of agricultural loans taken from Co-operative institutions	4.82	4.79	4.82	100.00	99.38
81	2210-02-102-72	Opening New Homeo Hospitals and Dispensaries	0.91	0.88	0.91	100.00	96.70
82	5051-02-200-72	Port Infrastructure Development for Shipping Operations- Development of Kodungallur (Munambam) Port.	0.42	0.42	0.49	85.71	85.71
83	5051-80-800-72	Eravipuram - Paravoor Coastal Road	0.44	0.44	0.60	73.33	73.33
84	2205-00-102-72	Development and Networking of Museums	0.04	0.03	0.04	100.00	75.00
85	2202-03-103-73	IT Grid	0.17	0.13	0.22	77.27	59.09
86	2851-00-103-74	Training and Development	1.31	1.29	1.46	89.73	88.36
87	2202-03-103-74	Accreditation of Colleges with National Assessment and Accreditation Council (N.A.A.C)	2.30	1.99	3.03	75.91	65.68
88	2405-00-103-74	Preparation of DPR for Coastal Area Development Package	0.14	0.09	0.15	93.33	60.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
89	5051-80-800-75	Renovation of Survey Vessels	0.48	0.48	0.50	96.00	96.00
90	2204-00-102-75	Bharath Scouts & Guides	1.29	1.00	1.29	100.00	77.52
91	2210-05-101-76	Maintenance and Repairs of Buildings of Ayurveda Colleges	0.50	0.50	0.50	100.00	100.00
92	4202-01-203-76	Annuity Scheme	0.46	0.38	0.50	92.00	76.00
93	2405-00-103-76	Sea safety & sea rescue operations	1.53	1.35	1.81	84.53	74.59
94	2202-03-103-76	Development of Laboratories and Libraries in Government Colleges	4.23	2.69	4.47	94.63	60.18
95	2235-02-103-77	Financial Assistance for higher education to the children of widows	0.02	0.02	0.02	100.00	100.00
96	4402-00-800-77	Drainage and Flood Protection Project - Infrastructure development works and Sahasrasarovar Scheme RIDF XXI	11.30	11.30	12.09	93.47	93.47
97	2205-00-103-77	Archaeological Publications	0.05	0.05	0.06	83.33	83.33
98	3456-00-001-77	Infrastructure for Civil Supplies Department	0.49	0.41	0.56	87.50	73.21
99	4210-01-110-78	Establishment of New Women and Children Hospitals	0.24	0.24	0.29	82.76	82.76
100	2220-60-800-78	Setting up of a Government Website and maintenance of a Mail Server	0.62	0.55	0.88	70.45	62.50
101	2402-00-102-78	Revival of traditional waterbodies	0.12	0.08	0.15	80.00	53.33
102	2202-02-001-78	Governance & Monitoring	0.96	0.66	1.17	82.05	56.41
103	2075-00-800-78	Special Grant to the WAKF Board for its Social Welfare Activities	1.30	1.30	2.50	52.00	52.00
104	2250-00-103-79	Survey of Waqf properties in the State	0.30	0.30	0.30	100.00	100.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
(₹ in crore)							
105	2401-00-104-79	National Mission for Sustainable Agriculture (NMSA) (General)	0.77	0.77	0.77	100.00	100.00
106	5051-02-200-79	Development of Ponnani Port	0.33	0.33	0.33	100.00	100.00
107	2401-00-102-79	Special Agriculture Zone	1.83	1.44	2.22	82.43	64.86
108	2235-60-200-79	State Commissioner for Persons with disabilities under Persons with disabilities(Equal Opportunities Protection of Rights and Full Participation) Act,1995	1.05	0.91	1.54	68.18	59.09
109	2235-02-103-80	Gender Park	0.90	0.90	0.90	100.00	100.00
110	2250-00-103-80	Protection of Kavus, Ponds and Altharas attached to temples	0.74	0.74	1.00	74.00	74.00
111	5054-80-800-81	Railway Safety Works	5.02	3.00	5.02	100.00	59.76
112	2075-00-800-81	Kerala State Haj Committee Contribution	0.85	0.50	0.85	100.00	58.82
113	3456-00-001-82	End to End Computerisation of Targeted Public Distribution System Operations (50% CSS)	1.02	1.02	1.03	99.03	99.03
114	5051-02-200-82	Vizhinjam Cargo Harbour (Port)	0.82	0.81	1.00	82.00	81.00
115	2405-00-103-83	Production Bonus to Fishermen	1.93	1.93	1.93	100.00	100.00
116	5054-04-337-83	Projects under Anti-Recession Stimulus Package - Public Works (Roads)	1.49	1.48	1.49	100.00	99.33
117	4210-01-110-83	Improvement of Hospitals	2.35	1.60	2.85	82.46	56.14
118	2235-60-200-83	New Social Security Initiatives for the unorganised groups	7.40	6.40	12.45	59.44	51.41
119	2402-00-101-83	Soil Museum	0.07	0.07	0.13	53.85	53.85

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
120	4202-01-800-84	Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS) - Other Projects	1.42	1.42	1.42	100.00	100.00
121	2202-80-004-85	Kairali Research Awards	0.75	0.75	0.75	100.00	100.00
122	2225-01-283-85	Ambedkar Village Development Scheme	2.37	2.37	2.37	100.00	100.00
123	2225-03-800-85	Assistance to traditional pottery workers	0.05	0.05	0.05	100.00	100.00
124	2401-00-789-85	Laying out Demonstration Plot under Coconut Development (100% CSS)	0.01	0.01	0.01	100.00	100.00
125	4202-01-202-85	Secondary School Buildings- Works assigned to other agencies.	0.63	0.63	0.63	100.00	100.00
126	5452-01-800-85	Upgradation of Roads to Tourist Destination	0.30	0.30	0.30	100.00	100.00
127	2235-60-200-85	Grant to Rajya Sainik Board for construction and maintenance of Sainik Centre	0.25	0.25	0.35	71.43	71.43
128	4202-01-203-85	Accreditation of colleges with National Assessment and Accreditation Council (N.A.A.C) - One Time ACA	1.66	1.65	2.75	60.36	60.00
129	4851-00-101-86	Infrastructure development under MSME sector	0.46	0.45	0.46	100.00	97.83
130	3452-01-102-86	Development of Innovative Tourism products	1.03	1.03	1.17	88.03	88.03
131	2515-00-001-86	Modernisation, Computerisation and Capacity Building - Engineering wing for Local Self Government Department	1.28	1.22	1.46	87.67	83.56

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
132	2515-00-800-86	Computerisation of three tier Panchayats (Information Kerala Mission)	10.38	10.38	14.28	72.69	72.69
133	2225-02-283-86	Implementation of Scheduled Tribes and other traditional forest dwellers (Recognition of Forest Right) Act, 2006 under Article 275 (1)	0.42	0.40	0.66	63.64	60.61
134	2235-02-103-87	Grant to Abhaya	0.30	0.30	0.30	100.00	100.00
135	4202-01-800-87	Setting up of infrastructure facilities in G.V. Raja Sports School, TVM and GVHSS, Kannur	0.31	0.31	0.37	83.78	83.78
136	2402-00-102-87	Stabilisation of land slide areas	1.34	1.04	1.82	73.63	57.14
137	2401-00-789-88	Umbrella Scheme on Krishi Unnathi Yojana and other CSS-NMAET-SMAE (60% CSS)	1.70	1.30	1.70	100.00	76.47
138	2230-02-101-88	Conversion of Employment Exchanges into Centres of Skill and Employability Development	1.14	1.00	1.50	76.00	66.67
139	2425-00-003-88	Assistance to training in Co-operative department	0.16	0.16	0.29	55.17	55.17
140	4210-03-101-89	Ayurveda College, Thiruvananthapuram (ACA)	0.58	0.58	0.70	82.86	82.86
141	2235-02-001-89	Upgradation of Social Justice Offices, Institutions and Vocational Training Centres under WCD	0.78	0.71	0.95	82.11	74.74
142	4225-01-277-89	Construction of Medical College, Palakkad	41.56	29.85	51.87	80.12	57.55
143	2203-00-003-90	Academic Staff College & ICA Cell	0.10	0.10	0.10	100.00	100.00
144	3452-80-800-90	Other Schemes of the Department of Tourism	0.05	0.05	0.05	100.00	100.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure		
						January to March 2019	March 2019	
			(₹ in crore)					
145	2225-03-277-90	Employability Enhancement Programme/Training	5.55	5.46	6.00	92.50	91.00	
146	2425-00-001-90	Co-operative propaganda	0.13	0.13	0.15	86.67	86.67	
147	4059-01-051-90	Treasury and Accounts Administration	0.50	0.50	0.59	84.75	84.75	
148	3475-00-106-90	Training Programme	0.25	0.19	0.25	100.00	76.00	
149	4405-00-101-90	Aquaculture Development	1.69	1.58	2.22	76.13	71.17	
150	2225-02-102-90	Pooled fund for Special Projects proposed by other Departments under TSP	2.29	2.29	3.64	62.91	62.91	
151	2210-05-200-90	Strengthening trauma care facilities in Government Medical colleges	1.17	1.14	2.07	56.52	55.07	
152	3454-02-112-91	Implementation of Gender Equality and Women Empowerment Policy	0.09	0.09	0.10	90.00	90.00	
153	4235-02-102-91	Upgradation of Anganwadi Buildings	0.02	0.02	0.02	100.00	100.00	
154	4202-02-105-91	Rajiv Gandhi Institute of Technology, Kottayam (One Time ACA)	0.42	0.42	0.51	82.35	82.35	
155	2203-00-103-91	National Vocational Education Qualification Framework in Technical High Schools and Polytechnics (NVEQF)	2.03	1.95	2.58	78.68	75.58	
156	2202-80-004-91	State Council of Education Research and Training (SCERT)	2.65	1.98	2.76	96.01	71.74	
157	3451-00-101-91	Information Technology	2.74	2.74	3.91	70.08	70.08	
158	5054-04-337-91	Improvement of roads in the cities of Thiruvananthapuram, Kochi, Kollam, Kozhikode and Thrissur	0.35	0.35	0.52	67.31	67.31	
159	2225-02-277-91	Incentive to parents of tribal students	1.01	0.60	1.02	99.02	58.82	

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
(₹ in crore)							
160	2205-00-103-91	Archaeological Museum at Ernakulam	0.30	0.30	0.58	51.72	51.72
161	2039-00-001-92	District Mobile Analytical Laboratories	0.02	0.02	0.02	100.00	100.00
162	2225-03-277-92	Pre matric scholarship for OBC (50% CSS)	26.98	26.98	26.98	100.00	100.00
163	2408-01-190-92	Revamping of Outlets of SUPPLYCO	4.00	4.00	4.00	100.00	100.00
164	2701-80-005-92	Modernisation of Hydrology Information System	0.02	0.02	0.02	100.00	100.00
165	4700-25-800-92	Canals	8.60	8.60	8.60	100.00	100.00
166	4860-01-195-92	Modernisation of Powerloom Co-operative Societies under TEXFED	0.70	0.70	0.70	100.00	100.00
167	2401-00-789-92	Soil Health Card Scheme (NMSA)	0.34	0.31	0.34	100.00	91.18
168	2401-00-796-92	Soil Health Card Scheme (NMSA)	0.11	0.10	0.11	100.00	90.91
169	4701-13-800-92	Canals	2.57	2.38	3.52	73.01	67.61
170	2701-80-001-92	Modernisation of the Department and E-Governance	0.24	0.20	0.34	70.59	58.82
171	2029-00-102-93	Modernisation of Survey Training Schools	0.44	0.44	0.44	100.00	100.00
172	2055-00-113-93	Special Compensation to Professional Hazards	0.01	0.01	0.01	100.00	100.00
173	2425-00-107-93	Agricultural Production Cost Relief Scheme	3.61	3.61	3.61	100.00	100.00
174	4217-60-800-93	Payment of compensating in LAR cases	0.92	0.92	0.92	100.00	100.00
175	4402-00-203-93	Drainage and Flood Protection works under RIDF XVIII	0.62	0.62	0.62	100.00	100.00
176	4701-13-800-93	Buildings	0.01	0.01	0.01	100.00	100.00
177	5051-80-001-93	Construction and renovation of Office Buildings, Boat Shelters and Quarters of Hydrographic Survey Wing (HSW)	0.27	0.27	0.27	100.00	100.00
178	4202-02-800-93	Technical Education Directorate - Buildings Works	0.83	0.83	1.01	82.18	82.18

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
179	4210-04-200-93	Commissionerate for Prevention of Food Adulteration and Administration	0.61	0.61	0.74	82.43	82.43
180	2204-00-101-93	Kerala Institute of Sports	0.09	0.08	0.09	100.00	88.89
181	3451-00-101-93	Surveys, studies and project preparation	0.93	0.84	1.63	57.06	51.53
182	2204-00-101-94	Assistance to Students in Sports Schools and Sport Divisions	0.06	0.06	0.06	100.00	100.00
183	2515-00-800-94	Maintenance of Railway Crossing etc. Grant-in-Aid	0.03	0.03	0.03	100.00	100.00
184	4055-00-207-94	Projects under Legislative Assembly Constituency Asset Development Scheme (LAC-ADS)	0.15	0.15	0.15	100.00	100.00
185	4235-02-190-94	Share Capital Investment in Kerala Social Security Pension Limited	100.00	100.00	100.00	100.00	100.00
186	2071-01-101-94	Medical Allowance to Pensioners	161.01	161.01	175.89	91.54	91.54
187	2235-60-200-94	Financial Help for the Children of Ex-Service Men	0.26	0.22	0.26	100.00	84.62
188	2059-60-053-94	Electronic Maintenance	0.18	0.18	0.34	52.94	52.94
189	2055-00-001-95	Upgradation of the Police Department (XIII Finance Commission)	2.30	2.30	2.30	100.00	100.00
190	2225-03-800-95	Justice Rajendra Babu commission for looking into the various aspects of creamy layer among the Backward classes	0.01	0.01	0.01	100.00	100.00
191	2851-00-195-95	Pension scheme for Dinesh Beedi Co-operative Society workers	0.02	0.02	0.02	100.00	100.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
192	2217-80-001-95	Computerisation Schemes	0.09	0.08	0.09	100.00	88.89
193	2220-60-106-95	Video Wall Network	1.01	1.00	1.14	88.60	87.72
194	4250-00-800-95	Setting up of new ITIs	2.33	1.86	2.34	99.57	79.49
195	2225-02-277-95	Boarding Grants	0.10	0.09	0.15	66.67	60.00
196	2203-00-104-95	Industrial Schools	0.25	0.19	0.35	71.43	54.29
197	2070-00-105-96	State Level Committee to deal with problems of Linguistic Minorities	0.02	0.02	0.02	100.00	100.00
198	2403-00-108-96	National Livestock Mission	3.25	3.25	3.25	100.00	100.00
199	4250-00-800-96	Upgradation of Women ITIs	0.20	0.20	0.20	100.00	100.00
200	3056-00-001-96	Investigation of IWT Schemes	1.00	1.00	1.05	95.24	95.24
201	3435-04-103-96	Kerala State Pollution Control Board	9.82	9.17	9.85	99.70	93.10
202	2055-00-113-96	Police Welfare Measures	0.06	0.06	0.06	100.00	100.00
203	2202-03-001-96	Modernisation of Directorate and Zonal Offices of Collegiate Education	0.71	0.69	0.86	82.56	80.23
204	2210-05-001-96	Modernisation and Computerisation of Directorate of Ayurvedic Education-Publication Division and Continuing Medical Education	0.12	0.11	0.14	85.71	78.57
205	2401-00-112-96	Development of Pulses and Tubers	1.68	1.15	1.87	89.84	61.50
206	2235-02-101-96	Physically Handicapped Persons Undergoing Training In The Rehabilitation Centres-Stipend	0.01	0.01	0.01	100.00	100.00
207	2202-80-003-96	Edusat Scheme with Tele-Training in Government Colleges	0.13	0.11	0.19	68.42	57.89
208	2203-00-001-96	Capacity Building of the Staff in the Directorate of Technical Education and its Regional Offices	0.04	0.04	0.07	57.14	57.14

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
209	2011-02-800-97	Digitisation of Kerala Assembly Proceedings	0.02	0.02	0.02	100.00	100.00
210	2401-00-789-97	National Mission on Agricultural Extension and Technology (NMAET)	0.47	0.47	0.47	100.00	100.00
211	2403-00-796-97	Livestock Health and Disease Control Programme (60% CSS)	0.40	0.40	0.40	100.00	100.00
212	2425-00-003-97	Co-Operative Institutes -Grant-In-Aid	0.01	0.01	0.01	100.00	100.00
213	2701-80-005-97	Investigation and Design	0.13	0.13	0.13	100.00	100.00
214	3451-00-090-97	Court Cases Monitoring Solution for Law Offices	0.15	0.15	0.15	100.00	100.00
215	4405-00-104-97	Development of Vizhinjam Fishing Harbour (Centrally Sponsored Scheme - 50% Central Assistance)	0.02	0.02	0.02	100.00	100.00
216	4851-00-105-97	Legislative Assembly Constituency- Asset Development Scheme (LAC ADS)	0.12	0.12	0.12	100.00	100.00
217	2220-01-001-97	Strengthening and modernisation of scrutiny wing	0.15	0.15	0.15	100.00	100.00
218	2700-80-800-97	Bill Discounting Charges	0.52	0.52	0.53	98.11	98.11
219	2853-02-001-97	Implementation of e-Governance Project	0.19	0.19	0.22	86.36	86.36
220	2204-00-101-97	Kit Allowance to Physical Education Teachers	0.05	0.04	0.05	100.00	80.00
221	4702-00-102-97	Scheme for Ground Water Conservation and Recharge	1.17	0.94	1.29	90.70	72.87
222	3054-80-107-97	Manning of Unmanned Level Crossing	8.54	8.54	11.84	72.13	72.13
223	2220-60-106-97	Inter State Public Relations	0.01	0.01	0.01	100.00	100.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
224	2852-80-102-97	Public Sector Restructuring and Internal Audit Board	2.60	2.60	3.70	70.27	70.27
225	2055-00-117-98	Security related expenditure for curbing Left Wing Extremism (60% CSS)	2.72	2.72	2.72	100.00	100.00
226	2056-00-001-98	E - Prisons project (CSS)	1.42	1.42	1.42	100.00	100.00
227	2210-06-113-98	Public Health	0.07	0.07	0.07	100.00	100.00
228	2216-80-101-98	The Laurie Baker Nirmithi Training & Research Institute	0.03	0.03	0.03	100.00	100.00
229	2403-00-789-98	Livestock Health and Disease Control Programme	0.80	0.80	0.80	100.00	100.00
230	2405-00-110-98	Motorization of traditional Fishing Crafts	0.60	0.60	0.60	100.00	100.00
231	3054-04-105-98	Maintenance and Repairs (XIII FC Recommendation)	0.05	0.05	0.05	100.00	100.00
232	3451-00-090-98	Modernisation of Law Department	0.84	0.84	0.84	100.00	100.00
233	4401-00-113-98	Setting up of Agro Service Centres	2.99	2.47	2.99	100.00	82.61
234	2225-02-794-98	Special Central Assistance for Tribal Sub Plan	4.81	4.21	5.45	88.26	77.25
235	2202-01-102-98	Maintenance Grant	5.50	4.33	5.81	94.66	74.53
236	3475-00-106-98	Weights and Measures improvement in the quality and efficiency of verification	2.38	1.97	2.65	89.81	74.34
237	2202-02-110-98	Maintenance	0.83	0.64	0.87	95.40	73.56
238	4059-01-051-98	Administration of Justice	2.85	2.85	4.04	70.54	70.54
239	2230-02-001-98	Computerisation of Employment Exchanges and Directorate of Employment	0.39	0.34	0.50	78.00	68.00

Appendix 2.16 – Contd.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure		
						January to March 2019	March 2019	
			(₹ in crore)					
240	2225-03-102-98	Assistance for modernisation of Barber shops	0.71	0.62	0.93	76.34	66.67	
241	4405-00-109-98	Completion of Ongoing Works of Aquaculture Training Centres and Establishment/Strengthening of Matsyabhavans	0.24	0.24	0.39	61.54	61.54	
242	2700-25-101-98	Other Maintenance Expenditure	0.15	0.15	0.27	55.56	55.56	
243	2230-03-102-98	Strengthening of Apprenticeship Training Scheme(ATS)	0.10	0.10	0.18	55.56	55.56	
244	4401-00-104-98	Augmenting production of planting materials through departmental farms	1.98	1.70	3.06	64.71	55.56	
245	5452-01-800-98	Tourist Accommodation (Guest Houses)	0.39	0.37	0.67	58.21	55.22	
246	2055-00-115-99	Modernisation of Police Force	1.30	1.30	1.30	100.00	100.00	
247	2245-02-107-99	Repairs and restoration of damaged Government office buildings	0.10	0.10	0.10	100.00	100.00	
248	3475-00-115-99	Post Flood Projects under the Rebuild Kerala Initiative	0.04	0.04	0.04	100.00	100.00	
249	2245-02-102-99	Drinking Water Supply	2.48	2.30	2.55	97.25	90.20	
250	2245-02-115-99	Assistance to farmers to clear Sand/Silt/Salinity from Lands	49.44	46.54	51.97	95.13	89.55	
251	3054-01-800-99	National Highways within Municipal Reach - Maintenance	0.28	0.26	0.30	93.33	86.67	
252	2071-01-106-99	Pensionary Charges in respect of High Court Judges	3.95	3.88	4.66	84.76	83.26	
253	2225-01-793-99	Special Central Assistance to Special Component Plan (SCA to SCP)	6.59	6.05	7.32	90.03	82.65	
254	2406-01-070-99	Roads and Bridges	0.15	0.15	0.19	78.95	78.95	
255	4711-01-103-99	Civil Works	0.72	0.68	1.03	69.90	66.02	

Appendix 2.16 – Concl.d.

Sl No.	Head of Account	Description	Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Total Expenditure	Percentage to total Expenditure	
						January to March 2019	March 2019
			(₹ in crore)				
256	2220-60-001-99	IT Service	0.28	0.27	0.43	65.12	62.79
257	4406-01-070-99	Roads	2.00	1.79	2.88	69.44	62.15
258	2235-02-104-99	Sri Chitra Home Grant-In-Aid	0.75	0.45	0.75	100.00	60.00
259	2245-02-110-99	Assistance for repairs and restoration of damaged Water Supply, Drainage and Sewerage Works	5.73	3.43	5.86	97.78	58.53
260	5056-00-104-99	Purchase of new engines and re-construction of old Boats	0.98	0.97	1.68	58.33	57.74
261	2225-01-102-99	Developmental Programme for Vulnerable Groups among SC	16.20	13.27	24.01	67.47	55.27
262	2220-60-103-99	Press Facilities	0.23	0.21	0.38	60.53	55.26
263	2210-06-001-99	Waste Treatment Facilities in Medical Colleges	1.67	1.46	2.71	61.62	53.87
264	4225-02-102-99	Infrastructure Development for PVTGs under NABARD RIDF	5.23	5.23	9.87	52.99	52.99
		Total	864.29	815.47	982.21	87.99	83.02

Appendix 2.17
List of Chief Controlling Officers/Controlling Officers who did not
reconcile the expenditure figures during 2018-19
(Reference: Paragraph 2.4.1: Page 68)

		(₹ in crore)
Sl. No.	Name of the Chief Controlling Officers/Controlling Officers	Amount not reconciled
1.	The Secretary to Government ,Cultural Affairs Department.	83.89
2.	The Secretary to Government, Electronics and Information Technology Department	135.83
3.	The Secretary, Revenue Department	674.36
4.	The Secretary to Government, Science & Technology Department	80.98
5.	The Commissioner, State Goods and Services Tax	190.6
6.	The Secretary State land Board, Public Office Building	39.72
7.	The Inspector General of Registration.	181.92
8.	The Directorate of treasuries.	255.96
9.	The Stationery Controller.	16.53
10.	The Director of Museums and Zoos	32.09
11.	The Director of Archaeology	28.45
12.	The Director of Culture Department of Culture	21.01
13.	The Principal, Government Ayurveda College	33.99
14.	The Principal, Government Ayurveda Medical College	185.7
15.	The Director of Health Services	460.54
16.	The Director of Agriculture	796.39
17.	The Director, Groundwater Directorate	49.00
18.	The Director of Panchayats.	1413.81
19.	The Commissioner, Rural Development	216.40
20.	The Director of Industries and Commerce	177.54
21.	The Director of Ports.	27.78
Total		5102.49

Appendix 2.18
Schemes with repeated savings (more than ₹ one crore)
(Reference: Paragraph 2.5.1: Page 69)

(₹ in crore)

Sl. No.	Schemes	Year	Budget allocation	Expenditure	Savings
1.	2401-00-001-96 Strengthening of Agricultural Administration and introduction of Training and Visiting System of Extension(NP)	2016-17	305.98	291.22	14.76
		2017-18	337.36	327.21	10.15
		2018-19	367.42	335.20	32.22
2.	2401-00-001-97 Package Programme for Agricultural Demonstration and Propaganda (NP)	2016-17	10.29	5.56	4.73
		2017-18	11.38	5.59	5.79
		2018-19	7.90	5.92	1.98
3.	2401-00-001-98 Superintendence - Regional and District Control (NP)	2016-17	15.38	11.23	4.15
		2017-18	18.28	12.42	5.86
		2018-19	14.19	12.78	1.41
4.	2401-00-103-87 Coconut Development (P)	2016-17	45.00	38.03	6.97
		2017-18	45.00	40.82	4.18
		2018-19	50.00	38.96	11.04
5.	2401-00-105-86 Establishment of Modern Laboratories (P)	2016-17	5.40	3.07	2.33
		2017-18	5.40	4.24	1.16
		2018-19	8.00	4.75	3.25
6.	2401-00-107-78 Crop Health Management (P)	2016-17	16.90	11.98	4.92
		2017-18	17.94	12.28	5.36
		2018-19	16.48	11.56	4.92
7	2401-00-109-64 Umbrella Scheme on Krishi Unnathi Yojana and other CSS - NMAET-SMAE (60% CSS) (P)	2016-17	50.00	30.51	19.49
		2017-18	50.00	17.12	32.88
		2018-19	50.00	12.05	37.95
8.	2401-00-109-65 Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (P)	2016-17	305.00	195.94	109.06
		2017-18	340.95	222.26	118.69
		2018-19	420.82	221.71	199.11
9	2401-00-109-80 Strengthening of Agricultural Extension (P)	2016-17	40.00	28.33	11.67
		2017-18	43.00	34.44	8.56
		2018-19	44.00	18.60	25.40
10	2401-00-113-83 Agro Service Centres and Service Delivery(P)	2016-17	19.35	6.42	12.93
		2017-18	20.35	11.53	8.82
		2018-19	23.27	12.92	10.35
11	2401-00-119-85 Vegetable promotion through Department of Agriculture(P)	2016-17	68.30	57.72	10.58
		2017-18	79.00	71.16	7.84
		2018-19	80.00	70.11	9.89
12	2401-00-800-27 Wayanad Package.(P)	2016-17	19.00	12.75	6.25
		2017-18	19.00	12.51	6.49
		2018-19	19.00	15.86	3.14
13	2402-00-102-85 Training Programme for Departmental Staff and other Staff (P)	2016-17	3.55	0.22	3.33
		2017-18	3.30	0.70	2.60
		2018-19	1.95	0.53	1.42

Appendix 2.18 – Contd.

Sl. No.	Schemes	Year	Budget allocation	Expenditure	Savings
14	2415-01-277-99 Kerala Agricultural University - Grant-in-aid (P)	2016-17	65.50	42.25	23.25
		2017-18	75.00	38.91	36.09
		2018-19	82.50	15.00	67.50
15	2415-03-277-98 Infrastructure Development of Kerala Veterinary and Animal Science under NABARD Assistance (PV) (P)	2016-17	15.00	0.00	15.00
		2017-18	15.00	0.00	15.00
		2018-19	28.00	0.00	28.00
16	2415-03-277-99 Kerala Veterinary and Animal Sciences University (P)	2016-17	42.00	34.00	8.00
		2017-18	46.00	42.25	3.75
		2018-19	50.00	15.00	35.00
17	2415-05-277-99 Kerala University of Fisheries and Ocean Studies (P)	2016-17	30.00	24.00	6.00
		2017-18	41.00	13.70	27.30
		2018-19	41.00	19.13	21.87
18	2551-60-101-97 Kasaragod Package (P)	2016-17	87.98	84.87	3.11
		2017-18	90.00	35.28	54.72
		2018-19	95.00	2.75	92.25
19	2702-02-005-99 Ground Water Investigation and Development (NP)	2016-17	42.98	33.70	9.28
		2017-18	47.42	37.12	10.30
		2018-19	41.48	35.41	6.07
20	2702-02-005-99 Ground Water Investigation and Development (P)	2016-17	11.06	8.70	2.36
		2017-18	12.10	8.56	3.54
		2018-19	14.00	6.96	7.04
Capital Voted					
21	4401-00-104-98 Augmenting production of planting materials through departmental farms (P)	2016-17	7.50	4.55	2.95
		2017-18	7.60	4.35	3.25
		2018-19	6.10	3.06	3.04
22	4401-00-113-98 Setting up of Agro Service Centres (P)	2016-17	11.65	4.49	7.16
		2017-18	11.65	9.34	2.31
		2018-19	8.40	2.99	5.41
23	4402-00-203-92 Improvements to Padasekharams deepening of inner Chals of Ponnani Kole (P)	2016-17	5.50	0.00	5.50
		2017-18	1.40	0.00	1.40
		2018-19	1.40	0.00	1.40
24	4702-00-101-68 Pradhan Manthri Krishi Sinchayee Yojana (60% CSS) (P)	2016-17	60.00	0.00	60.00
		2017-18	60.00	0.00	60.00
		2018-19	72.50	0.00	72.50
25	4702-00-101-71 Bhavani Basin - Check dams in Attapady (P)	2016-17	5.00	0.00	5.00
		2017-18	5.00	0.00	5.00
		2018-19	5.00	0.00	5.00
26	4702-00-101-77 Minor Irrigation Projects in Cauvery Basin (P)	2016-17	22.00	0.28	21.72
		2017-18	22.00	2.87	19.13
		2018-19	16.19	0.00	16.19

Appendix 2.18 – Concl.

Sl. No.	Schemes	Year	Budget allocation	Expenditure	Savings
27	4702-00-101-88 Malabar Irrigation Package (MIRPA) - Special Package for Ernakulam - Revamping of Existing Lift Irrigation Schemes (NP)	2016-17	3.00	0.08	2.92
		2017-18	3.00	0.51	2.49
		2018-19	3.00	0.17	2.83
28	4702-00-101-89 Malabar Irrigation Package (MIRPA) - Revamping and Rejuvenation of Lift Irrigation Schemes and Regulators (NP)	2016-17	8.00	0.88	7.12
		2017-18	8.00	0.43	7.57
		2018-19	8.00	1.34	6.66
29	4702-00-101-93 Minor Irrigation Class I Works-NABARD Assisted Scheme (P)	2016-17	231.29	190.21	41.08
		2017-18	100.00	78.00	22.00
		2018-19	61.00	35.07	25.93

Appendix 2.19
Schemes in which injudicious surrender of funds led to excess expenditure
(Reference: Paragraph 2.5.2 , Page 71)

(₹ in crore)

Sl. No.	Scheme	Year	Net Budget	Amount surrendered	Expenditure	Excess expenditure
1.	2401-00-001-92 Project Preparation and Monitoring Cell (V)- (NP)	2017-18	1.07	0.21	1.12	0.05
2.	2401-00-001-95 Strengthening of Administration Machinery at the Headquarters, District and Sub District level (V) – (NP)	2016-17	1.71	0.87	1.84	0.13
		2017-18	1.64	1.59	1.68	0.04
3.	2401-00-001-96 Strengthening of Agricultural Administration and introduction of Training and Visiting System of Extension (V) – (NP)	2016-17	263.39	36.66	291.22	27.83
		2017-18	317.96	19.40	327.21	9.25
4.	2401-00-001-97 Package Programme for Agricultural Demonstration and Propaganda (V) – (NP)	2016-17	3.98	6.31	5.56	1.58
5.	2401-00-001-99 Directorate of Agriculture (V) –(NP)	2016-17	7.12	4.66	8.57	1.45
		2017-18	9.02	3.07	9.52	0.50
6.	2401-00-102-91 Establishment of additional Intensive Paddy Development Units (V) – (NP)	2016-17	1.08	0.11	1.13	0.05
7.	2401-00-102-92 Intensive Paddy Development Units (V) – (NP)	2016-17	1.01	0.40	1.15	0.14
8.	2401-00-103-93 Production and distribution of quality Coconut seedlings and centralised seed collection in Departmental Nurseries(V) – (NP)	2016-17	1.73	1.23	1.90	0.17
9.	2401-00-103-97 Integrated seed development (V) - (NP)	2016-17	1.39	0.43	1.48	0.09
10.	2401-00-103-98 Seed production centre for vegetables (V) – (NP)	2016-17	0.55	0.12	0.59	0.04
11.	2401-00-103-99 Production and distribution of improved seeds (V) – (NP)	2016-17	18.64	7.63	24.91	6.27
12.	2401-00-104-82 Punja Cultivation (V) - (NP)	2017-18	2.29	0.25	2.36	0.07
13.	2401-00-104-97 Starting new farms each at Malappuram, Thrissur and Idukki (V) –(NP)	2016-17	1.40	0.17	1.53	0.13
		2018-19	2.14	0.15	2.15	0.01
14.	2401-00-104-99 Composite Farms (V) – (NP)	2016-17	13.64	4.93	17.69	4.05
15.	2401-00-105-97 Quality control of fertilizers and pesticides - Additional facilities for existing Laboratories (V) – (NP)	2016-17	0.90	0.12	1.00	0.10
		2017-18	0.98	0.14	0.99	0.01

Appendix 2.19 – Contd.

Sl. No.	Scheme	Year	Net Budget	Amount surrendered	Expenditure	Excess expenditure
16.	2401-00-107-96 Plant Protection Service (District Plan)(V) – (NP)	2016-17	0.47	0.11	0.53	0.06
17.	2401-00-107-99 Pesticides Testing Laboratory (V) – (NP)	2016-17	3.63	2.08	3.89	0.26
		2017-18	4.27	0.84	4.41	0.14
18.	2401-00-108-86 Scheme for the establishment of Progeny Garden for Cashew (V) – (NP)	2016-17	0.75	0.43	0.96	0.21
19.	2401-00-108-95 Development of Sugarcane Cultivation (V)- (NP)	2018-19	1.31	0.17	1.32	0.01
20.	2401-00-108-96 Production of T X D Hybrid Coconut Seedling (Centrally Sponsored Scheme 50%)(V) – (NP)	2017-18	1.00	0.60	1.07	0.07
21.	2401-00-108-98 Development of Coconut (V) – (NP)	2016-17	1.87	2.73	4.60	2.73
		2017-18	4.87	0.88	5.23	0.36
22.	2401-00-108-99 Irrigation facilities for Coconut Gardens(V) – (NP)	2016-17	0.36	0.14	0.45	0.09
23.	2401-00-109-64 Umbrella Scheme on Krishi Unnathi Yojana and other CSS - NMAET-SMAE (60% CSS) (V) – (P)	2018-19	12.03	36.01	12.05	0.02
24.	2401-00-109-65 Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS)(V) – (P)	2016-17	190.10	109.31	195.94	5.84
25.	2401-00-109-80 Strengthening of Agricultural Extension (V) – (P)	2016-17	28.31	5.18	28.34	0.03
26.	2401-00-109-97 Agricultural Information, Propaganda and Publicity (V) – (NP)	2016-17	2.04	1.65	3.22	1.18
		2017-18	3.69	0.59	3.75	0.06
27.	2401-00-109-98 National Agricultural Extension Project (50% CSS) (V) – (NP)	2017-18	2.68	0.15	2.81	0.13
28.	2401-00-113-83 Agro Service Centres and Service Delivery (V) – (P)	2016-17	6.28	3.07	6.42	0.14
29.	2401-00-113-96 Expansion of Agricultural Engineering Service (V) - (NP)	2016-17	5.25	4.94	7.90	2.65
		2017-18	8.60	2.08	8.73	0.13

Appendix 2.19 – Contd.

Sl. No.	Scheme	Year	Net Budget	Amount surrendered	Expenditure	Excess expenditure
30.	2401-00-113-97 Purchase of Tractors and Bulldozers for hiring to Cultivators (V) – (NP)	2016-17	1.14	1.04	1.74	0.60
		2017-18	2.07	0.41	2.10	0.03
31.	2401-00-113-98 Research-Cum-Training (V) – (NP)	2016-17	0.74	0.09	0.78	0.04
32.	2401-00-113-99 Development General (V) – (NP)	2016-17	1.61	1.13	2.55	0.94
33.	2401-00-119-85 Vegetable promotion through Department of Agriculture (V) – (P)	2016-17	56.73	8.87	57.72	0.99
34.	2401-00-119-95 Tissue culture facility for Horticulture Development (V) – (NP)	2017-18	1.65	0.04	1.68	0.03
35.	2401-00-119-98 Vegetables (V) – (NP)	2018-19	2.15	0.43	2.41	0.26
36.	2401-00-800-80 Scheme for attracting Youths for Commercial Agriculture (V) – (NP)	2016-17	3.12	1.02	3.43	0.31
		2017-18	3.71	0.66	3.81	0.10
37.	2402-00-001-98 Land Use Board (V) – (NP)	2018-19	2.16	0.64	2.18	0.02
38.	2402-00-001-99 Directorate and District Offices(V)-(NP)	2016-17	6.04	0.19	6.07	0.03
		2017-18	6.33	1.26	6.71	0.38
39.	2402-00-101-90- Establishment of Regional Soil Analytical Laboratory and Strengthening of existing Lab at Konni (V) – (NP)	2017-18	2.63	0.24	2.69	0.06
		2018-19	2.55	0.67	2.60	0.05
40.	2402-00-101-90-Establishment of Regional Soil Analytical Laboratory and Strengthening of existing Lab at Konni (V) – (P)	2016-17	1.08	0.18	1.09	0.01
41.	2402-00-101-96Strengthening of Soil Survey Organisation (V) – (NP)	2017-18	0.60	0.15	0.64	0.04
42.	2402-00-101-98 Soil Survey in Command Areas and Problem Areas (V) –(NP)	2017-18	1.94	0.21	1.96	0.02
43.	2402-00-101-99 -Soil Survey and Land Use Demonstration(V) – (NP)	2017-18	3.74	0.58	3.92	0.18
44.	2402-00-102-83-River Valley Project - Kabini (90% CSS) under Macro Management Mode (V) – (NP)	2016-17	4.52	0.43	4.55	0.03
		2017-18	5.12	0.93	5.21	0.09
		2018-19	5.24	0.18	5.39	0.15
45.	2402-00-102-94-Soil Conservation in Irrigated Lands (V) – (NP)	2016-17	0.66	0.14	0.74	0.08

Appendix 2.19 – Concl.d.

Sl. No.	Scheme	Year	Net Budget	Amount surrendered	Expenditure	Excess expenditure
46.	2402-00-102-99 Soil and Water Conservation in Arable Land (District Plan) (V) – (NP)	2017-18	30.53	6.37	30.68	0.15
47.	2402-00-109-99 Soil Conservation Research and Training (V) – (NP)	2016-17	1.36	0.13	1.41	0.05
48.	2415-01-004-96 Soil Testing Service (V) – (NP)	2016-17	6.62	0.94	7.35	0.73
49.	2415-01-277-95 Farmers' Training (V) – (NP)	2016-17	0.47	0.11	0.50	0.03
50.	2415-05-277-99 Kerala University of Fisheries and Ocean Studies (V) – (P)	2016-17	22.00	8.00	24.00	2.00
51.	2551-60-101-97 Kasaragod Package (V) – (P)	2016-17	84.80	3.18	84.87	0.07
52.	2551-60-101-98 Sabarimala Master Plan(V) – (P)	2016-17	0.00	25.00	12.18	12.18
53.	2702-01-001-99 Establishment (V) – (NP)	2016-17	91.35	3.62	93.69	2.34
54.	2702-02-005-99 Ground Water Investigation and Development (V) – (NP)	2017-18	36.86	2.46	37.12	0.26
55.	2702-03-101-98 Other Maintenance Expenditure (V) – (NP)	2018-19	6.35	6.65	6.44	0.09
56.	4401-00-105-99 Manure Supply Scheme (V) – (NP)	2017-18	0.07	0.94	0.71	0.64
57.	4435-01-101-93Strengthening of Market Infrastructure (V) – (P)	2016-17	0.77	3.98	1.92	1.15
58.	4702-00-101-79 Check Dams and Regulators (V) – (P)	2016-17	13.83	0.29	14.11	0.28
59.	4702-00-101-82 Minor Irrigation Class-II (V) – (P)	2016-17	10.49	0.07	10.54	0.05
60.	4702-00-101-84 Priority Works under Minor Irrigation (V) – (NP)	2016-17	19.66	0.09	19.70	0.04
61.	4702-00-101-87 Renovation of Ponds (V) – (P)	2016-17	27.49	1.06	27.92	0.43
62.	4702-00-101-89 Malabar Irrigation Package (MIRPA) - Revamping and Rejuvenation of Lift Irrigation Schemes and Regulators(V) – (NP)	2016-17	0.79	7.21	0.88	0.09

Source: Detailed Appropriation Accounts of respective years

Appendix 2.20
Advances pending settlement by Drawing and Disbursing Officers
(Reference: Paragraph 2.7.3; Page 75)

			(₹ in lakh)
Sl. No.	Name of the Drawing and Disbursing Officer	Month of drawal	Amount
1.	Assistant Executive Engineer, Agriculture, Thrissur	19-01-2016	10.89
2.	Principal Agriculture Officer, Thrissur	29-01-2016	0.75
3.	Superintendent, Sub Jail, Viyyur	27-01-2016	0.10
		18-02-2016	0.50
		18-02-2016	0.30
		26-02-2016	0.15
		11-02-2016	0.04
4.	Superintendent, State Museum and Zoo, Thrissur	21-04-2016	0.20
		21-04-2016	0.03
		21-04-2016	0.20
		21-04-2016	0.20
5.	Training Superintendent, Industrial Training Center, Nadathara	24-03-2016	0.68
6.	Assistant Director of Agriculture, Ponnani	29-09-2015	1.33
7.	Deputy Director of Fisheries, Ponnani	15-10-2015	0.50
		02-11-2015	0.30
8.	Principal, Higher Secondary School, Shornur	12-03-2015	0.70
9.	Principal, Government Higher Secondary School, Shornur	24-02-2015	1.24
10.	Principal, Government Vocational Higher Secondary School, Shornur	13-04-2016	14.00
11.	Superintendent, District Live Stock Farm, Kudappanakunnu	18-10-2012	0.50
		26-11-2012	0.50
12.	Principal, Training Officer, Live Stock Management Kudappanakunnu	10-08-2012	1.00
		18-10-2012	1.00
		21-12-2013	1.00
13.	Administrative Assistant, Directorate of Coir Development, Thiruvananthapuram	31-03-2013	16.31
		31-03-2013	1350.60
		02-04-2013	168.54
		29-03-2014	462.37
14.	Assistant Director, Quality Control Dairy Development, Thiruvananthapuram	15-03-2013	1.31
15.	Deputy Director, Dairy Development Pattom	31-03-2013	14.83
		31-03-2013	6.29
		31-03-2013	10.00
			209.85
16.	Administrative Officer, Commissionerate of Excise	07-09-2012	5.03
		08-12-2012	2.34
17.	Manager, Fire Force Headquarters	31-03-2014	46.27
18.	Administrative Officer, Directorate of Ground Water	27-03-2013	900.00
		31-03-2014	7.84
19.	Commanding Officer, NCC 3 rd Battalion, Manacaud	26-06-2014	1.52
		03-10-2013	0.17

Appendix 2.20 – Contd.

Sl. No.	Name of the Drawing and Disbursing Officer	Month of drawal	Amount
20.	Commanding Officer, NCC 1 Kerala Girls Jawahar Nagar, Thiruvananthapuram	27-12-2013	1.93
21.	Joint Director of panchayat, Directorate of Panchayat	31-03-2013	1400.00
		31-03-2013	50.00
22.	Accounts Officer, Police Headquarters, Thiruvananthapuram	27-07-2012	2.95
		15-03-2013	12.71
		11-07-2013	1.55
		19-11-2013	110.00
		20-02-2016	1.20
23.	Administrative Assistant, District Medical Officer, Kollam	16-03-2016	1.91
24.	Principal SN Trust Higher Secondary School, Kollam	14-11-2014	2.40
25.	Veterinary Surgeon, Veterinary Hospital, Mannar	25-10-2012	0.10
26.	District Education Officer, Kottarakkara	17-01-2013	0.32
		17-10-2013	0.50
		24-01-2014	0.35
		24-01-2014	0.12
27.	Assistant Education Officer, Kulakkada	19-03-2013	0.26
28.	Principal, DIET, Kottarakkara	02-04-2013	0.60
29.	Taluk Supply Officer, Kottarakkara	24-06-2013	0.02
30.	District Police Office Kollam Rural, Kottarakkara	19-02-2013	0.90
		18-10-2013	20.52
		11-03-2014	0.20
31.	Project Officer, ICDC, Kottarakkara	15-01-2014	1.08
		24-12-2014	0.24
		21-01-2015	0.47
32.	Medical Officer In Charges, CHC Kulakkada	23-02-2015	0.23
33.	Administrative Assistant, District Police Office, Pathanamthitta	16-10-2015	5.00
		07-11-2015	2.00
		20-01-2016	4.00
34.	Tahsildar, Taluk Officer, Kozhencherry	09-05-2016	2.00
		11-05-2016	5.00
35.	District Planning Officer, Pathanamthitta	12-01-2015	1.20
36.	Administrative Assistant, District Medical Officer Pathanamthitta	18-02-2013	0.35
37.	Assistant Education Officer, Thalavadi	27-02-2015	0.12
		12-03-2015	0.03
		15-03-2015	0.16
		15-03-2015	0.03
38.	Principal. Government Vocational Higher Secondary School Thalavadi	19-12-2014	0.05
39.	Principal, Lourdes Matha Higher Secondary School, Pacha, Alappuzha	23-02-2013	0.23
40.	Electoral Registration Officer, Kodungalloor	13-05-2016	14.00

Appendix 2.20 – Concl.

Sl. No.	Name of the Drawing and Disbursing Officer	Month of drawal	Amount
41.	Medical Officer, Community Health Centre, Kadungallur	18-02-2016	0.10
		25-02-2016	0.12
		25-02-2016	0.28
42.	Superintendent of Police DPO, Alappuzha	29-01-2016	8.28
43.	Deputy Collector (General), Alappuzha	16-01-2016	8.50
44.	Administrative Assistant, Deputy Director Education, Kasaragod	18-01-2016	3.91
		23-02-2016	0.23
45.	District TB Officer, Kasaragod	17-03-2016	1.15
46.	Administrative Assistant, District Police Chief, Kasaragod	15-01-2016	4.00
		26-02/201	0.50
47.	District Officer, Kerala Public Service Commission, Kasaragod	12-04-2016	2.75
		21-04-2016	0.12
		21-04-2016	0.88
		21-04-2016	3.54
48.	Assistant Collector, Kasaragod	25-02-2016	7.20
49.	Executive Engineer, LSGD Division, Kasaragod	21-03-2016	1.00
50.	Principal, Government Higher Secondary School, Kunnakkavu	17-02-2016	0.63
Total			4,927.10

Appendix 3.1
Statement showing names of bodies and authorities, the accounts of
which were not received as of March 2019
(Reference: Paragraph 3.2; Page 78)

Sl. No.	Name of department and body/authority	Year for which accounts had not been received	Grant received (₹ in crore)
1.	Agency for Non-conventional Energy and Rural Technology	2017-18	37.96
2.	Energy Management Centre	2016-18	7.06
3.	Kerala Khadi and Village Industries Board	2016-18	71.74
4.	Kerala Khadi Workers Welfare Fund Board	2016-18	1.02
5.	Kerala Institute of Tourism and Travel Studies	2017-18	4.00
6.	Malabar Botanical Garden and Institute for Plant Sciences	2017-18	2.12
7.	Kerala State Pollution Control Board	2014-15	3.83
		2015-16	7.16
		2016-17	6.58
		2017-18	4.17
8.	Thenmala Eco Tourism Promotion Society	2017-18	1.62
9.	International Centre for Free and Open Source Software	2017-18	5.00
10.	Info Park	2017-18	45.25
11.	Cyber Park	2017-18	4.85
12.	Kerala State Information Technology Mission	2016-18	1.31
Total			203.67

Appendix 3.2
Statement showing performance of Autonomous Bodies
(Reference: Paragraph 3.3; Page 78)

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 2017-18	2015-16	2015-16	2015-16	05.11.2019	23.07.2018	26 months
2.	Kerala State Commission for Backward classes, Thiruvananthapuram	Up to 2021-22	2017-18	2017-18	2016-17	05.02.2020	30.05.2019	11 months
3.	Kerala Institute of Labour and Employment, Thiruvananthapuram	For five years from 2017-18	2017-18	2016-17	2014-15	30.11.2018	19.11.2019	16 months 19 days
4.	Kerala Building and Other Construction Worker's Welfare Board, Thiruvananthapuram	1998-99 onwards, Act enacted by Parliament	2017-18	2016-17	2016-17	13.06.2019	19.06.2019	11 months 19 days
5.	Kerala State Human Rights Commission, Thiruvananthapuram	1998-99 onwards Act enacted by Parliament	2016-17	2016-17	2015-16	30.11.2018	12.09.2018	14 months 12 days
6.	Kerala State Legal Services Authority, Kochi	1998-99 onwards Act enacted by Parliament	2017-18	2016-17	2014-15	20.10.2016	01.01.2020	18 months 1 day
7.	District Legal Services Authority, Thiruvananthapuram	1998-99 onwards Act enacted by Parliament	2017-18	2017-18	2016-17	05.02.2020	14.03.2019	8 months 14 days
8.	District Legal Services Authority, Kollam	1998-99 onwards Act enacted by Parliament	2013-14	2013-14	2013-14	19.03.2018	30.03.2016	21 months
9.	District Legal Services Authority, Pathanamthitta	1998-99 onwards Act enacted by Parliament	2015-16	2013-14	2013-14	30.11.2018	05.02.2019	31 months 5 days

Appendix 3.2 – Contd.

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		
10.	District Legal Services Authority, Alappuzha	1998-99 onwards Act enacted by Parliament	2016-17	2016-17	2015-16	30.01.2018	11.10.2017	3 months 11 days
11.	District Legal Services Authority, Kottayam	1998-99 onwards Act enacted by Parliament	2016-17	2016-17	2016-17	29.05.2019	16.07.2018	12 months 16 days
12.	District Legal Services Authority, Idukki	1998-99 onwards Act enacted by Parliament	2017-18	2017-18	2014-15	28.02.2017	18.06.2019	11 months 18 days
13.	District Legal Services Authority, Ernakulam	1998-99 onwards Act enacted by Parliament	2013-14	2013-14	2011-12	11.03.2015	09.05.2019	58 months 9 days
14.	District Legal Services Authority, Thrissur	1998-99 onwards Act enacted by Parliament	2016-17	2016-17	2016-17	29.10.2019	30.01.2019	19 months
15.	District Legal Services Authority, Palakkad	1998-99 onwards Act enacted by Parliament	2015-16	2015-16	2010-11	28.06.2016	18.06.2018	23 months 18 days
16.	District Legal Services Authority, Malappuram	1998-99 onwards Act enacted by Parliament	2015-16	2015-16	2015-16	30.11.2018	23.05.2017	10 months 23 days
17.	District Legal Services Authority, Kozhikode	1998-99 onwards Act enacted by Parliament	2014-15	2014-15	2013-14	16.12.2015	22.02.2016	7 months 22 days
18.	District Legal Services Authority, Wayanad	1998-99 onwards Act enacted by Parliament	2013-14	2012-13	2012-13	30.01.2018	09.05.2019	58 months 9 days

Appendix 3.2 – Concl.

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		
19.	District Legal Services Authority, Kannur	1998-99 onwards Act enacted by Parliament	2014-15	2014-15	2012-13	08.08.2017	04.01.2018	30 months 4 days
20.	District Legal Services Authority, Kasaragod	1998-99 onwards Act enacted by Parliament	2013-14	2011-12	2011-12	01.12.2015	09.01.2020	66 months 9 days
21.	Permanent Lok Adalath, Thiruvananthapuram	1998-99 onwards Act enacted by Parliament	2017-18	2017-18	2015-16	30.01.2018	31.05.2019	11 months
22.	Permanent Lok Adalath, Ernakulam	2011-12 onwards Act enacted by Parliament	2018-19	2017-18	2013-14	20.10.2016	01.01.2020	6months 1 day
23.	Permanent Lok Adalath, Kozhikode	2013-14 onwards Act enacted by Parliament	2016-17	2014-15	2014-15	20.10.2016	01.01.2020	30 months 1 day
24.	Kerala Water Authority	Till 2019-20	2014-15	2013-14	2013-14	30.11.2018	22.10.2018	33 months 22days
25.	Kerala State Commission for Scheduled Caste and Scheduled Tribes ⁶¹	2008-09 onwards	2016-17	2016-17	2014-15	29.10.2019	02.08.2018	13 months 2 days

⁶¹ Accounts for the period from 2007-08 to 2012-13 were not submitted.

Appendix 3.3
Statement of finalisation of *pro forma* accounts and Government investment
in departmentally managed commercial and quasi-commercial
undertakings
(Reference: Paragraph 3.4; Page 79)

(₹ in crore)

Sl. No.	Name of the undertaking	Accounts finalized up to	Government investment as per the last accounts finalized	Profit/loss as per the last accounts
1.	State Water Transport Department	2014-15	403.42	(-) 41.97
2.	Kerala State Insurance Department	2013-14	Nil	0.32
3.	Text Book Office ⁶²	1986-87	21.26	(-) 5.61

⁶²Government decided (December 2008) to dispense with the preparation of *pro forma* accounts for the period from 1975-76 to 1986-87. Decision on preparation of *pro forma* accounts for the period from 1987-88 to 2003-04 was pending with the Government.

Appendix 3.4
Operation of Minor Head '800-Other Expenditure' (50 per cent and above of total expenditure)
(Reference: Paragraph 3.5; Page79)

(₹ in crore)

Sl. No	Major Head	Description	Total Expenditure	Expenditure under Minor Head -800	Percentage of expenditure under minor Head-800
1.	3055	Road transport	22.39	22.39	100.00
2.	4217	Capital Outlay On Urban Development	73.90	73.90	100.00
3.	4551	Capital Outlay On Hill Areas	8.71	8.71	100.00
4.	4810	Capital Outlay On New And Renewable Energy	0.93	0.93	100.00
5.	4515	Capital Outlay On Other Rural Development Programmes	316.95	316.70	99.92
6.	4701	Capital Outlay On Medium Irrigation	67.92	61.48	90.52
7.	2810	New And Renewable Energy	22.67	20.33	89.67
8.	5075	Capital Outlay On Other Transport Services	398.26	355.20	89.19
9.	2040	Taxes On Sales, Trade Etc.	26.14	20.04	76.67
10.	4250	Capital Outlay On Other Social Services	135.57	95.56	70.49
11.	4700	Capital Outlay On Major Irrigation	73.23	38.34	52.36
12.	3075	Other Transport Services	3.75	1.88	50.13
Total			1150.42	1015.46	88.27

Appendix 3.5
Operation of Minor Head '800-Other Receipts' (50 per cent and above of total receipts)
(Reference: Paragraph 3.5; Page79)

(₹ in crore)

Sl. No	Major Head	Description	Total Receipts	Receipts under Minor Head -800	Percentage of receipts under minor head-800
1.	1054	Roads and Bridges	31.26	31.26	100.00
2.	0211	Family Welfare	0.21	0.21	100.00
3.	0217	Urban Development	7.51	7.51	100.00
4.	0235	Social Security and Welfare	0.18	0.18	100.00
5.	0404	Dairy development	1.34	1.34	100.00
6.	1056	Inland Water Transport	7.06	7.06	100.00
7.	1075	Other Transport Services	0.04	0.04	100.00
8.	1452	Tourism	8.78	8.78	100.00
9.	1456	Civil Supplies	138.47	138.47	100.00
10.	0515	Other Rural Development Programmes	8.4	8.39	99.88
11.	0702	Minor Irrigation	5.48	5.3	96.72
12.	1051	Ports and Light House	53.82	51.93	96.49
13.	0425	Co-operation	186.57	168.83	90.49
14.	0220	Information and Publicity	0.11	0.09	81.82
15.	0059	Public Works	9.25	6.43	69.51
16.	0056	Jails	4.05	2.48	61.23
17.	0230	Labour and Employment	33.03	19.93	60.34
Total			495.56	458.23	92.47

Appendix 3.6
Department/duration-wise break-up of cases of misappropriation, defalcation, etc.
(Reference: Paragraph 3.6; Page 80)

(₹ in lakh)

Sl. No	Name of the Department	Up to 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			4	29.88	2	28.42	1	20.07	2	5.71	1	5.53	10	89.61
2.	Animal Husbandry	3	1.82	4	1.30	1	0.02							8	3.14
3.	Archives Department											1	0.20	1	0.2
4.	Co-operation					1	1.92			1	3.80			2	5.72
5.	Cultural Affairs	3	379.03											3	379.03
6.	Finance-National Savings											1	0.45	1	0.45
7.	Finance - Treasuries	1	0.66	2	64.49	2	68.14	3	32.69	3	40.76	3	4.80	14	211.54
8.	Fisheries and Ports	1	3.85			1	0.53							2	4.38
9.	General Education	4	36.77	3	5.83	3	4.91	7	11.07	3	0.76	4	4.68	24	64.02
10.	Health and Family Welfare – Health Services	2	0.41	3	17.09	4	14.24	2	149.03	1	0.81	1	1.64	13	183.22
11.	Health and Family Welfare – Indian System of Medicine	1	0.20	1	9.30					1	1.84			3	11.34
12.	Health and Family Welfare – Medical Education	3	63.57	2	8.53			3	18.03			1	0.69	9	90.82
13.	Higher Education – Collegiate Education	3	42.88					2	0.93			1	0.02	6	43.83
14.	Home Department-Police	3	15.44									1	0.38	4	15.82
15.	Industries and Commerce			1	40.00					1	0.31			2	40.31
16.	Information and Public Relations	1	13.78											1	13.78

Appendix 3.6 – Concl.d.

Sl. No	Name of the Department	Up to 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	
17.	Local Self Government	1	83.98	1	0.42	1	11.22	4	6.51	2	2.63			9	104.76
18.	Motor Vehicles					1	0.10	1	7.93					2	8.03
19.	Mining & Geology Department	1	17.46											1	17.46
20.	Planning and Economic Affairs	1	6.86											1	6.86
21.	Public Works			1	1.88			3	5.88					4	7.76
22.	Revenue – Survey and Land records											2	5.63	2	5.63
23.	Scheduled Castes and Scheduled Tribes Development	1	0.26	2	2.52							1	0.17	4	2.95
24.	Social Justice	1	14.95			1	8.92							2	23.87
25.	Taxes	1	53.32	1	49.03					1	2.61			3	104.96
26.	Technical Education	1	35.10											1	35.10
27.	Water Resources	2	626.84			3	135.64	3	4.00					8	766.48
	Total	34	1397.18	25	230.27	20	274.06	29	256.14	15	59.23	17	24.19	140	2241.07

Appendix 3.7
Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation and loss of Government material
(Reference: Paragraph 3.6; Page 80)

(₹ in lakh)

Sl. No.	Name of the Department	Theft		Misappropriation/Loss of Government material		Total	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1.	Agriculture			10	89.61	10	89.61
2.	Animal Husbandry	6	2.30	2	0.84	8	3.14
3.	Archives Department			1	0.20	1	0.2
4.	Co-operation			2	5.72	2	5.72
5.	Cultural Affairs			3	379.03	3	379.03
6.	Finance – National Savings			1	0.45	1	0.45
7.	Finance - Treasuries			14	211.54	14	211.54
8.	Fisheries and Ports			2	4.38	2	4.38
9.	General Education	11	4.46	13	59.56	24	64.02
10.	Health and Family Welfare – Health Services			13	183.22	13	183.22
11.	Health and Family Welfare – Medical Education			9	90.82	9	90.82
12.	Health and Family Welfare – Indian System of Medicine			3	11.34	3	11.34
13.	Higher Education – Collegiate Education	2	0.22	4	43.61	6	43.83
14.	Home Department- Police			4	15.82	4	15.82
15.	Industries and Commerce			2	40.31	2	40.31
16.	Information and Public Relations			1	13.78	1	13.78
17.	Local Self Government	1	83.98	8	20.78	9	104.76
18.	Planning and Economic Affairs			1	6.86	1	6.86
19.	Motor Vehicles			2	8.03	2	8.03
20.	Mining & Geology			1	17.46	1	17.46
21.	Public Works			4	7.76	4	7.76
22.	Revenue – Survey and Land records			2	5.63	2	5.63
23.	Scheduled Castes and Scheduled Tribes Development			4	2.95	4	2.95
24.	Social Justice			2	23.87	2	23.87
25.	Taxes			3	104.96	3	104.96
26.	Technical Education	1	35.10	0	0	1	35.10
27.	Water Resources	1	0.55	7	765.93	8	766.48
Total		22	126.61	118	2114.46	140	2241.07

Glossary of terms used in the Report

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
Gross State Domestic Product (GSDP)	It is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices
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)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] \times 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] \times 100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received}/[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] \times 100$
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
Domar Gap	Nominal GSDP Growth Rate - Average interest Rate
Net availability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payment) 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.

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**

www.agker.cag.gov.in