

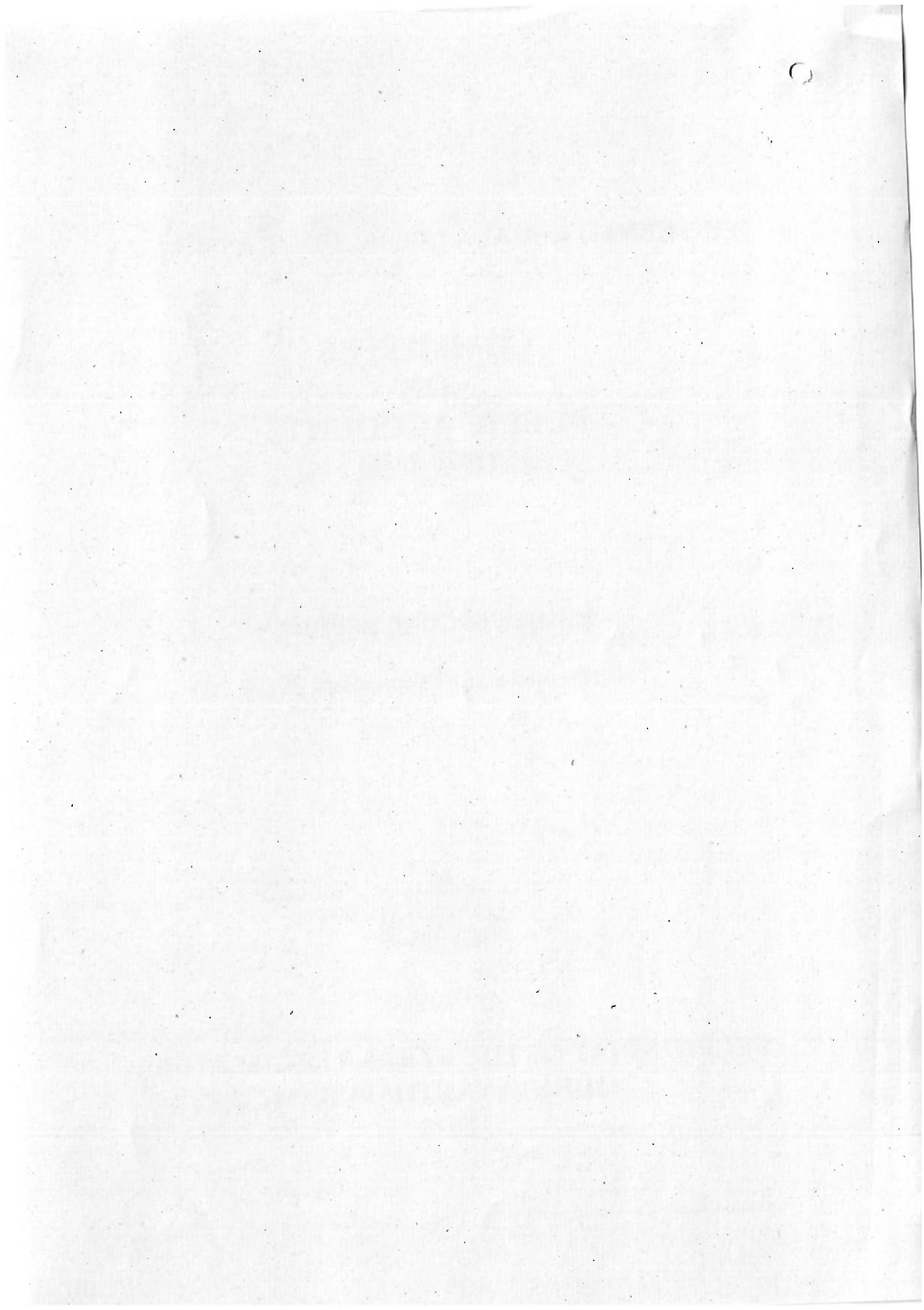
**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2023-2026)**

**EIGHTY SECOND REPORT  
(Presented on 18<sup>th</sup> September, 2025)**



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2025**



**FIFTEENTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2023-2026)**

**EIGHTY SECOND REPORT**

**on**

**Paragraphs relating to Finance Department contained in  
Chapter I & II in the Report of the Comptroller and Auditor  
General of India for the year ended 31<sup>st</sup> March, 2017**

**(State Finances)**

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**COMMITTEE ON PUBLIC ACCOUNTS**  
**(2023-2026)**  
**COMPOSITION**

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Shri. Sunny Joseph

**Members :**

Shri. Manjalamkuzhi Ali  
Shri. M. V. Govindan Master  
Dr. K. T. Jaleel  
Shri. C. H. Kunhambu  
Shri. Mathew T. Thomas  
Shri. M. Rajagopalan  
Shri. P. S. Supal  
Shri. Thomas K. Thomas  
Shri. K. N. Unnikrishnan  
Shri. M. Vincent

**Legislature Secretariat :**

Dr. N. Krishna Kumar, Secretary.  
Shri. Selvarajan P. S., Joint Secretary.  
Shri. Jomy K. Joseph, Deputy Secretary  
Smt. Beena O. M., Under Secretary.

## INTRODUCTION

I, the Chairperson, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Eighty Second Report on paragraphs relating to Finance Department contained in Chapter I & II in the Report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March, 2017 (State Finances).

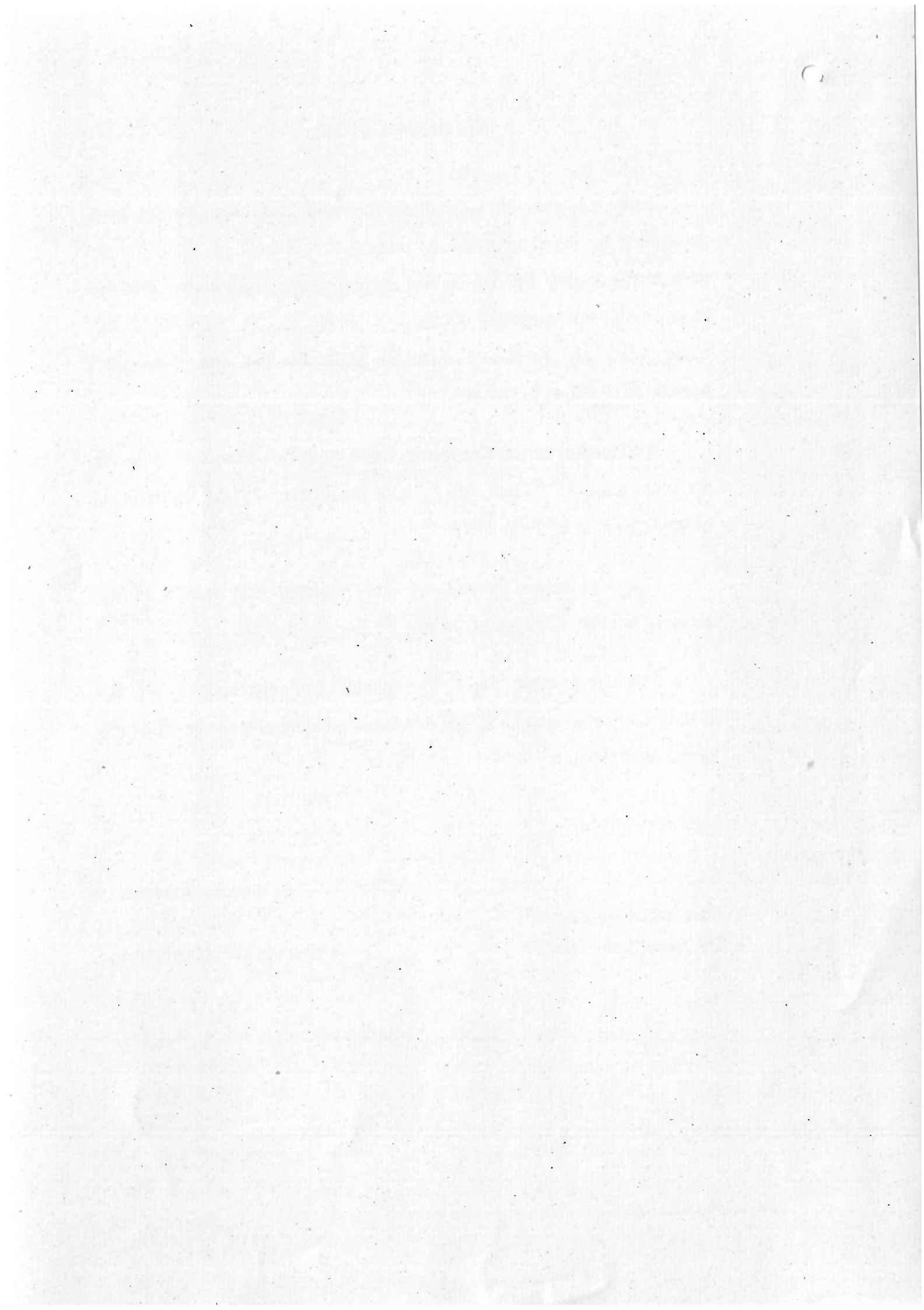
The Report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March, 2017 (State Finances) was laid on the Table of the House on 6<sup>th</sup> June, 2018.

The Committee considered and finalised this Report at the meeting held on 13<sup>th</sup> August, 2025.

The Committee place on records our appreciation of the assistance rendered to us by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram,  
18<sup>th</sup> September, 2025.

**SUNNY JOSEPH,**  
*Chairperson,*  
*Committee on Public Accounts.*



# **REPORT**

## **FINANCE DEPARTMENT**

### **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 22<sup>nd</sup> in the country with an area of 38,863 sq.km. The State has a population of 3.58 crore (12<sup>th</sup> in the country) and 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 6.20 per cent (3.37 crore in 2007 to 3.58 crore in 2016), which is lowest among Indian states. The literacy rate of Kerala (94 per cent) is the highest among the Indian states. Gross State Domestic Product (GSDP) in 2016-17 of the State at current prices was ₹6,55,205 crore. The per capita income (2016-17) of the State at current prices stands at ₹1,83,039. General data relating to the State is given in Appendix III(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 at current prices are indicated below:

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

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
India's GDP (₹in crore)	99,44,013	1,12,33,522	1,24,45,128	1,36,82,035	1,51,83,709
Growth rate of GDP (percentage)	13.83	12.97	10.79	9.94	10.98
State's GSDP (₹in crore)	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Growth rate of GSDP (percentage)	13.26	12.79	13.11	11.85	11.37

Source: Figures furnished by Economics and Statistics Department, Government of Kerala

Though the growth rate of GSDP declined from 13.11 per cent in 2014-15 to 11.37 per cent in 2016-17, growth rate of GSDP was higher as compared to the growth rate of GDP during last three years.

### 1.1 Introduction

This chapter is based on the audit of Finance Accounts and makes an assessment of the fiscal position of the Government of Kerala as on 31 March 2017. It provides a broad perspective of the finances of the State during 2016-17 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 III(2) Part A and the layout of the Finance Accounts is shown in Appendix III(2) Part B. The methodology adopted for the assessment of the fiscal position of the State is given in Appendix III(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 Medium Term Fiscal Plan, along with the budget document. The Medium Term Fiscal Plan for 2016-17 to 2018-19 was presented in the State Legislature in July 2016. It is included as Appendix III(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 (2016-17) vis-à-vis the previous year (2015-16). Appendix III(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 2016-17**

(₹ in crore)

Receipts	2015-16	2016-17	Disbursements	2015-16	2016-17		
Section-A: Revenue					Non-plan	Plan	Total
Revenue Receipts	69032.66	75611.72	Revenue Expenditure	78689.47	77603.96	13492.35	91096.31
Tax Revenue	38995.15	42176.37	General Services	36084.68	41013.94	181.39	41195.33



Non-tax Revenue	8425.49	9699.98	Social Services	27603.29	23991.38	9773.34	33764.72
Share of Union Taxes/ Duties	12690.67	15225.02	Economic Services	11098.42	7117.73	3537.62	10655.35
Grants from Government of India	8921.35	8510.35	Grants-in-aid and Contribution	3903.08	5480.91		5480.91
<b>Section-B: Capital and Others</b>							
Miscellaneous Capital Receipts	28.08	30.24	Capital Outlay	7500.04	1180.30	8945.65	10125.95
Recoveries of Loans and Advances	152.63	292.24	Loans and Advances Disbursed	842.25	785.04	375.25	1160.29
Public Debt Receipts	19658.74	23857.89	Repayment of Public Debt	6060.73			7706.01
Contingency Fund	0.00	0.00	Contingency Fund	0.00			0.00
Public Account Receipts	168623.44	190627.84	Public Account Disbursements	162824.67			179910.43
Opening Cash Balance	1651.00	3229.39	Closing Cash Balance	3229.39			3650.33
<b>Total</b>	<b>259146.55</b>	<b>293649.32</b>	<b>Total</b>	<b>259146.55</b>			<b>293649.32</b>

Source: Finance Accounts for 2015-16 and 2016-17

Following are the significant changes noticed during 2016-17 compared to the previous year.

- Though the revenue receipt of the State showed an increase of ₹6,579.06 crore, its growth rate (9.53 per cent) was much less than the growth rate (19.12 per cent) of 2015-16. During 2016-17, State's own tax revenue and State's share of union taxes and duties recorded an increase of ₹3,181.22 crore and ₹2,534.35 crore respectively, compared to last year.
- Revenue expenditure of the State recorded an increase of ₹12,406.84 crore (increase of 15.77 per cent over the previous year), due to the increase in expenditure on General Services by ₹5,110.65 crore, Social Services by ₹6,161.43 crore and Grants-in-aid and Contributions to Panchayati Raj Institutions by ₹1,577.83 crore. This increase was partly offset by the decrease in expenditure on Economic Services by ₹443.07 crore.

- Capital expenditure increased by ₹2,625.91 crore showing a growth of 35.01 per cent over the previous year.
- Net accretions in the Public Account showed considerable increase (₹10,717.41 crore) compared to 2015-16 (₹5,798.77 crore) due to increase in net accumulations under Small Savings, Provident Fund, etc.
- Cash balance position of the State slightly increased from ₹3,229.39 crore at the end of 2015-16 to ₹3,650.33 crore at the end of 2016-17.

### 1.1.2 Review of 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 consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith. This Act came into force on 5 December 2003. Based on the recommendations of Thirteenth Finance Commission, the State amended Kerala Fiscal Responsibility Act and Kerala Fiscal Responsibility (Amendment) Act, 2011, came into force from 8 November 2011 with revised fiscal targets, which were to be adhered to by the year 2014-15.

The Fourteenth Finance Commission recommended a set of rules for the State relating to fiscal targets and annual borrowing limits.

- Fiscal deficit of the State will be anchored to an annual limit of 3 per cent of GSDP. The State will be eligible for flexibility of 0.25 per cent over and above this for any given year for which the borrowing limits are to be fixed if their debt-GSDP ratio is less than or equal to 25 per cent in the preceding year.
- State will be further eligible for an additional borrowing limit of 0.25 per cent of GSDP in a given year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 per cent of the revenue receipts in the preceding year.

- The two options under these flexibility provisions can be availed of by a State either separately, if any of the above criteria is fulfilled, or simultaneously if both the above stated criteria are fulfilled. Thus, a State can have a maximum fiscal deficit - GSDP limit of 3.50 per cent in any given year.
- The flexibility in availing the additional limit under either of the two options or both will be available to a State only if there is no revenue deficit in the year in which borrowing limits are to be fixed and in the immediately preceding year.
- If a State is not able to fully utilise its sanctioned borrowing limit of 3 per cent of GSDP in any particular year during the first four years of our award period (2015-16 to 2018-19), it will have the option of availing this un-utilised borrowing amount only in the following year but within the award period.

The first two years of the Fourteenth Finance Commission award period are already over and the State is yet to amend the Fiscal Responsibility Act by re-fixing the targets for the Finance Commission period. In this regard, Finance Department stated (December 2017) that the process of amending the Act is in progress.

In the Medium Term Fiscal Plan (MTFP) statement presented in the State Legislature along with the presentation of Budget for the year 2016-17, the State fixed targets for all the fiscal variables. Table 1.3 shows the targets and its achievement at the end of the year.

**Table 1.3 Comparison of fiscal variable targets**

<b>Fiscal Variables</b>	<b>MTFP targets</b>	<b>Revised target as per budget 2017-18</b>	<b>Status at the end of the year</b>
Revenue Deficit / GSDP	1.98	2.10	2.36
Fiscal Deficit / GSDP	3.51	3.54	4.04
Debt liability / GSDP	26.82	27.27	28.96

The above table shows that the State neither achieved the original target fixed in MTFP nor the revised target fixed subsequently. Moreover, as per the recommendations of Fourteenth Finance Commission, State has to anchor the fiscal deficit-GSDP ratio at three per cent and Debt-GSDP ratio less than or equal to 25 per cent, to have the extra flexibility of 0.25 per cent on borrowing limit. Since the State failed to achieve both the targets, State became ineligible for the increased borrowing limit.

### 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 'Budget', is prepared according to Article 202 of the Constitution of India and placed before the State Legislature by the Government. The budget is 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 State's budget estimates vis-à-vis actuals for the year 2016-17 is detailed in Table 1.4.

**Table 1.4: Budget estimates and actuals for 2016-17**

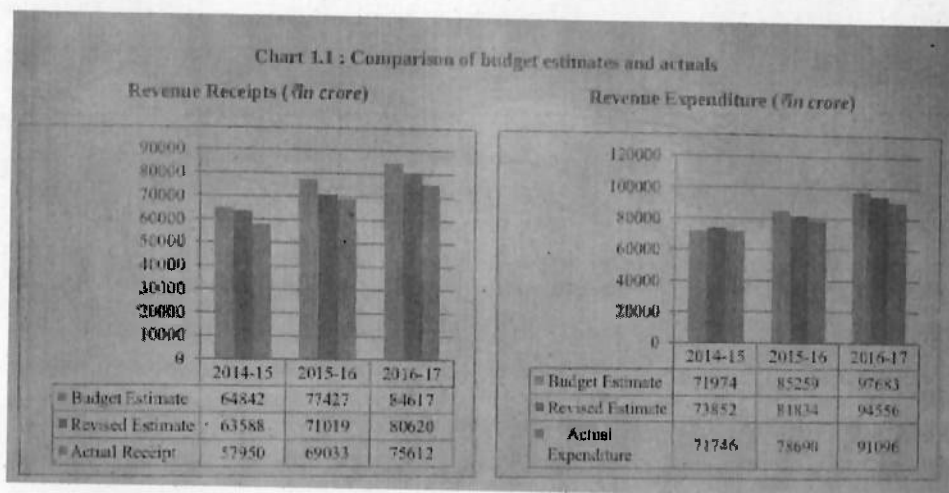
( ₹ in crore)

Particulars	Budget Estimate	Revised Estimate	Actual
Revenue Receipts <sup>1</sup>	84,616.85	80,620.09	75,611.72
Revenue Expenditure	97,683.10	94,555.63	91,096.31
Revenue Deficit	13,066.25	13,935.53	15,484.59
Capital Expenditure	9,572.92	8,748.48	10,125.95
Loans and Advances (Net)	(-)532.78	(-)810.33	(-)868.05
Public Debt (Net)	17,926.14	17,749.87	16,151.88
Public Account (Net)	4,502.37	5,399.67	10,717.41

Source: Budget in brief for 2017-18 and Finance Accounts for 2016-17



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 revenue receipt was short by ₹5,008 crore with respect to revised estimate and short by ₹9,005 crore with respect to original estimate. Apart from revenue receipts, substantial variation was noticed in the case of net Public Account receipts. Against the estimation of ₹5,400 crore, net receipt was ₹10,717 crore and major accumulation was noticed under Savings Bank Deposits and Fixed and Time Deposits, in this section. The comparison of last three years budget estimates, revised estimates, actuals in respect of revenue receipt and revenue expenditure is given in Chart 1.1



#### 1.1.4 Status of new schemes announced in the budget speech

A Special Investment Plan scheme was introduced by State Government while presenting the budget speech for the year 2016-17 with the objective to finance large projects like roads, bridges, buildings and infrastructure parks and others. Expenditure of ₹2,500 crore was expected during 2016-17 from the Special Investment Plan. Eighteen new initiatives were also announced in the Budget Speech. Audit observed that funding for nine schemes with an outlay of ₹865 crore was to be made from the Special Investment Plan scheme (funds through Kerala Infrastructure Investment Fund Board-KIIFB). Funding for the remaining nine schemes with an outlay of ₹55.25 crore was to be met from the budgetary allocation provided by State Government. Though an amount of ₹865



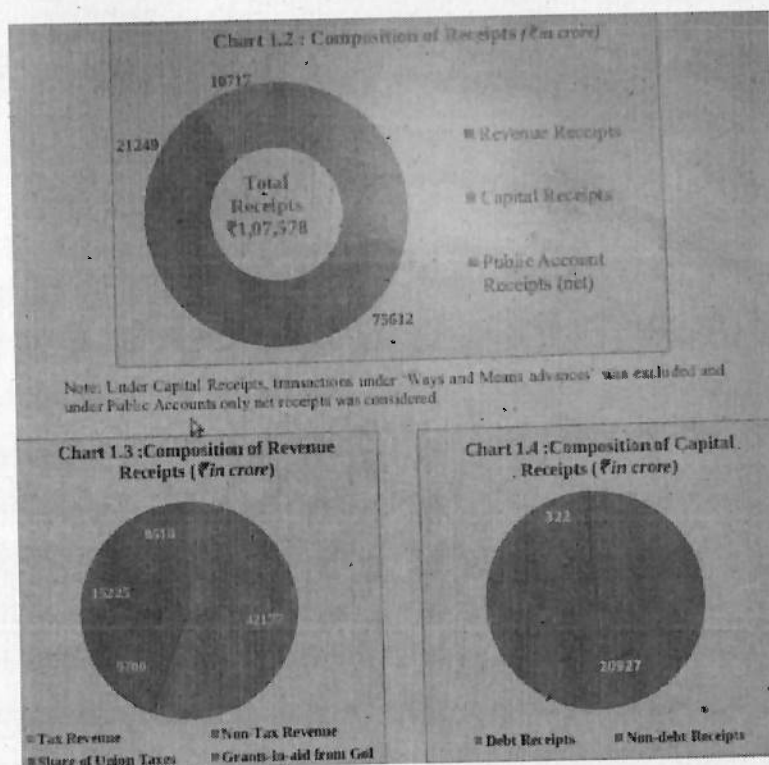
crore was expected to be incurred during 2016-17 for the nine schemes through KIIFB, no amount was incurred in any of these schemes till November 2017.

In respect of nine schemes, which were to be funded through State budget, ₹22.43 crore was expended in only two schemes during 2016-17.

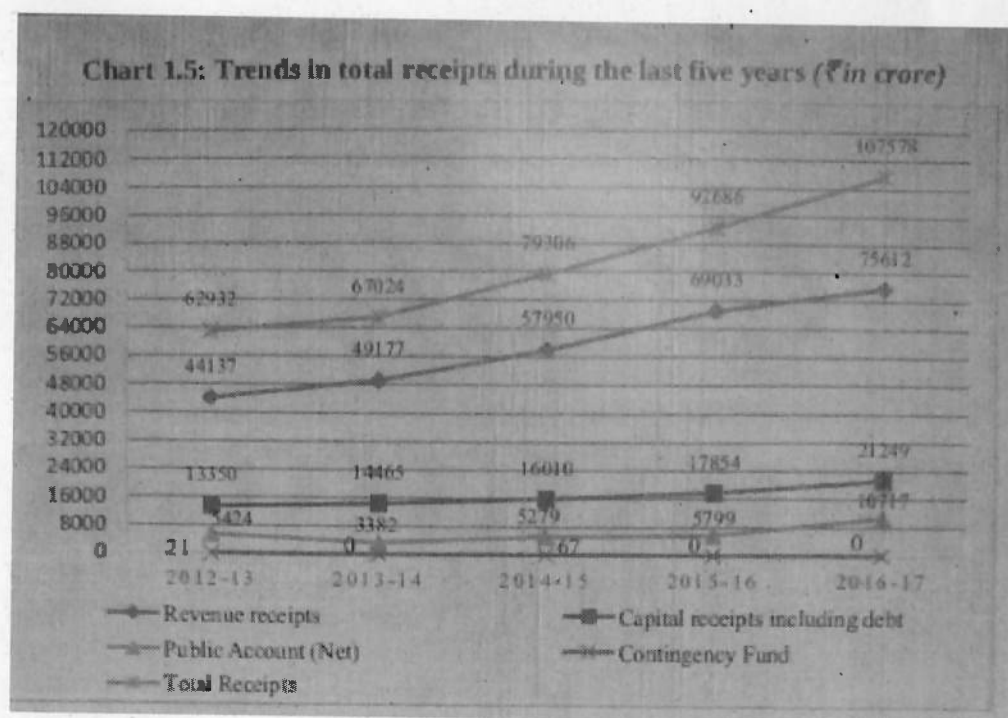
## 1.2 Resources of the State

### 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.



Capital Receipts of the State includes 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 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 receipts<sup>1</sup> of the State Government increased from ₹62,932 crore in 2012-13 to ₹1,07,578 crore in 2016-17, showing an increase of 70.94 per cent during the last five years. Trend in total receipts and its components during the last five years is given in Chart 1.5.



### 1.2.2 Receipt and utilisation of Government of India flagship programme

State level implementing agencies are implementing flagship programmes of Government of India and sizeable amounts are passed on to them through State budget. Details of Central funds received and passed on to the implementing agencies along with the State shares during 2016-17 are given in Appendix III(6). An amount of ₹3,509.34 crore (GoI share: ₹2,403.74 crore and

<sup>1</sup> Consists of Revenue receipts, Capital receipts (including Debt receipts but excluding Ways and Means advances) and Public Account receipts.

State share: ₹1105.60 crore) was released to the implementing agencies for 12 flagship programmes of GoI and at the end of March 2017, an amount of ₹697.74 crore remained unutilised with these agencies. The major portion of the unutilised balance belongs to Indira Awas Yojana (₹236.97 crore), National Rural Health Mission (₹108.47 crore), National Rural Drinking Water Programme (₹89.92 crore) and Rashtriya Madhyamik Shiksha Abhiyan (₹76.16 crore).

Though the system of direct release of funds to state level implementing agencies of GoI flagship programme was dispensed by GoI from 2014-15 onwards, GoI continues to release funds directly to implementing agencies without routing through State budget. As per Appendix VI of Finance Accounts 2016-17, an amount of ₹2,861.44 crore (schemes having total release more than ₹5 crore) was released by GOI directly to implementing agencies for 19 GoI schemes. Information collected from 11 implementing agencies for 16 schemes revealed that ₹20.74 crore out of ₹2,008.31 crore released to these agencies by GoI remained unutilised at the end of October 2017.

### 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 (2012-2017), revenue receipts of the State increased from ₹44,137 crore in 2012-13 to ₹75,612 crore in 2016-17, recording a growth of 71 per cent. Over these years State's own receipts (tax and non-tax) was the major component of the revenue receipts, but there was steady decline in its share in revenue receipts during the last five years from 78 per cent in 2012-13 to 69 per cent in 2016-17. This was mainly due to increase in the share of other components like central tax receipts and grants-in-aid from GoI and also due to reduced growth rate of State's own tax revenue, compared to the growth rate of revenue receipts. Share of own tax receipt in revenue receipt also showed decreasing trend during the last five years (decreased from 68 per cent in 2012-13 to 56 per cent in 2016-17-Table 1.6). The trend of revenue receipts over

the period 2012-2017 is presented in Appendix III(5) and also depicted in Chart 1.6.

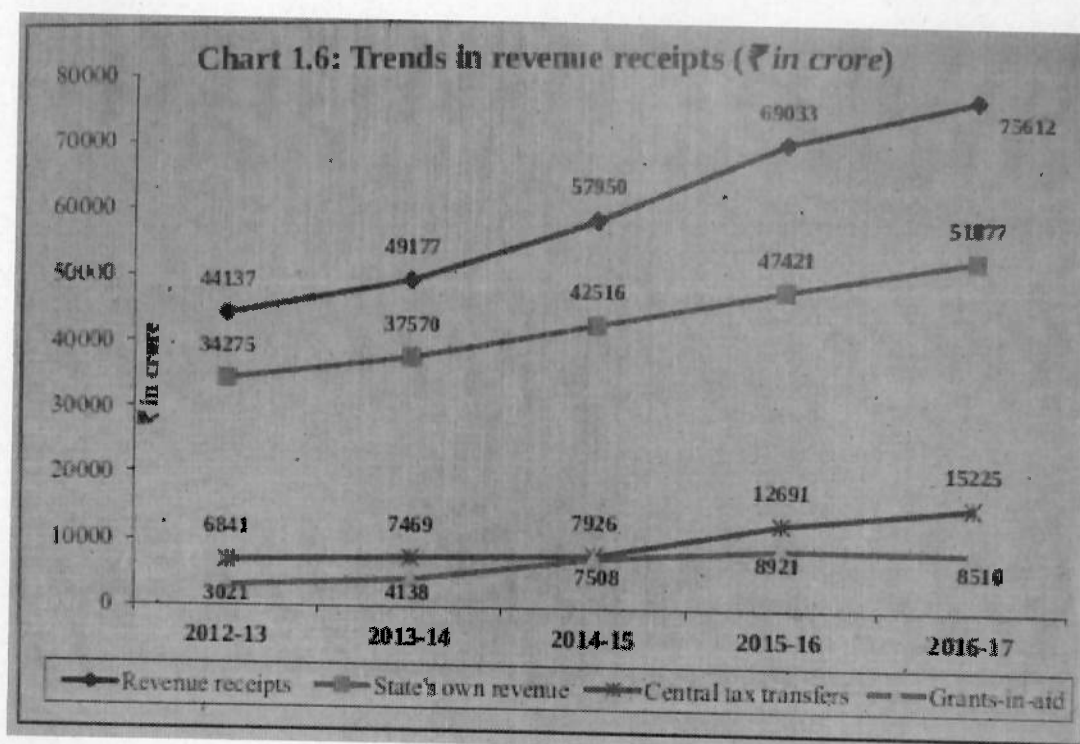
As per Medium Term Fiscal Plan (MTFP) (Appendix III(3) Part B), projected revenue receipts of the State during 2016-17 was ₹84,093 crore but the actual realisation was ₹75,612 crore. Variations in components of revenue receipts are shown in the Table 1.5:

**Table 1.5 : Comparison of MTFP projections with amount realized**

(₹ in crore)

Components	Own Tax Revenue	Non-tax Revenue	Resources from GoI
MTFP projection	47,614	11,360	25,644
Amount realised	42,177	9,700	23,735

Table 1.5 shows that the State could not collect/receive revenue as estimated in the MTFP and the major shortfall occurred in the realisation of State's own taxes.





Compounded annual growth rate of the State for the two periods, i.e. 2007-08 to 2015-16 and 2015-16 to 2016-17 in respect of revenue receipts was compared with General Category States and it was observed that though in the first period State's average was better than that of General Category States, it was not so in the second period. (Details are given in Appendix III(1).

The trends in revenue receipts relative to GSDP are presented in Table 1.6.

**Table 1.6: Trends in revenue receipts relative to GSDP during 2012-2017**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Receipts (RR) (₹ in crore)	44,137	49,177	57,950	69,033	75,612
Rate of growth of RR (per cent)	16.12	11.42	17.84	19.13	9.53
State's own tax revenue (₹ in crore)	30,077	31,995	35,232	38,995	42,177
Rate of growth of own tax revenue (per cent)	16.94	6.38	10.12	10.68	8.16
Percentage of own tax revenue in RR	68	65	61	57	56
GSDP	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Rate of Growth of GSDP	13.26	12.79	13.11	11.85	11.37
RR/GSDP (per cent)*	10.70	10.57	11.02	11.73	11.54
Revenue buoyancy w.r.t. GSDP*	1.22	0.89	1.36	1.61	0.84
State's Own Tax Buoyancy w.r.t. GSDP*	1.28	0.50	0.77	0.90	0.72

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 during the last five year period, the State had the lowest revenue receipt growth rate (9.53 per cent) in 2016-17. Percentage of own tax revenue in revenue receipt also steadily decreased from 68 per cent in 2012-13 to 56 per cent 2016-17. This indicated reduced growth rate of own tax revenue compared to other components of revenue receipts. During the last two years, state received ₹7,990 crore as post devolution revenue deficit grant, based on the recommendations of Fourteenth Finance Commission, which also resulted in increase of other components of revenue receipts.



- Revenue receipt as a percentage of GSDP decreased during the year compared to previous year and revenue buoyancy with GSDP was the lowest during the last three years period. Buoyancy less than one in 2016-17 indicated that revenue receipt of the State is not growing in pace with GSDP.
- Buoyancy of own tax revenue with GSDP is also the lowest during the last three years period.

### 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 1.7:

**Table 1.7: Resources of the State during last five years ( ₹ in crore)**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	30,077	31,995	35,232	38,995	42,177
Non-tax Revenue	4,198	5,575	7,284	8,426	9,700
Share of Union taxes / Duties	6,841	7,469	7,926	12,691	15,225
Grants-in-aid from Government of India	3,021	4,138	7,508	8,921	8,510
<b>Total Revenue Receipts</b>	<b>44,137</b>	<b>49,177</b>	<b>57,950</b>	<b>69,033</b>	<b>75,612</b>

Source: Finance Accounts of respective years

Table 1.7 shows that all the revenue resources (except State's own tax revenue) of the State doubled during the five year period. However, State's own tax revenue increased only by 40 per cent during the same period. State Government need 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 ₹38,995 crore in 2015-16 to ₹42,177 crore in 2016-17, recording a growth rate of 8.16 per cent. This was much less than the growth rate (10.68 per cent) shown in 2015-16. Decrease in growth rate (8.84 per cent) was also noticed in Taxes on Sales, Trade, etc., compared to the growth rate shown in 2015-16 (10.14 per cent). Various components of State's own tax revenue are given in Table 1.8.

**Table 1.8: Components of own tax revenue**

(₹ in crore)

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Sales, Trade etc.	22,511	24,885	27,908	30,737	33,453
Stamps and Registration fees	2,938	2,593	2,659	2,878	3,007
State Excise	2,314	1,942	1,777	1,964	2,019
Taxes on Vehicles	1,925	2,161	2,365	2,814	3,107
Land Revenue	122	89	139	182	124
Taxes on Agriculture income	19	22	9	2	2
Other Taxes	248	303	375	418	465
<b>Total</b>	<b>30,077</b>	<b>31,995</b>	<b>35,232</b>	<b>38,995</b>	<b>42,177</b>

Source: Finance Accounts of respective years

During the last five years, two major tax sources, viz. Taxes on Sales, Trade etc. and Taxes on vehicles increased by 48.61 per cent and 61.40 per cent respectively. But, Stamps and Registration fees increased by only 2.35 per cent and State Excise showed a negative growth rate (12.75 per cent) during the five years period.

As in the previous year, 'Taxes on Sales, Trade etc.' was the single largest source of the State's own tax revenue and it increased by ₹2,716 crore during 2016-17. This increase was mainly under 'Value Added Tax (VAT) Receipts' (₹1,431 crore) and 'Receipts under the State Sales Tax Act' (₹ 1,256 crore).

Tax revenue under 'Taxes on Vehicles' also recorded an increase of ₹293 crore during 2016-17 and this was due to 'Receipts under the State Motor Vehicles Taxation Act' (₹355 crore) and 'Receipts under Indian Motor Vehicles Act' (₹ 93 crore). This increase was partly offset by decrease in 'Other Receipts' (₹ 155 crore).

### 1.3.1.2 Non-tax Revenue

Receipts under 'State Lotteries' is the major source (75 per cent) of non-tax revenue of the State for the last five years and its share in non-tax revenue increased from 64 per cent in 2012-13 to 75 per cent in 2016-17. During the five year period, receipts from State Lotteries also recorded an increase of 172 per cent. Major sources of non-tax revenue of the State are given in Table 1.9.

**Table 1.9: Components of non-tax revenue**

(₹ in crore)

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17
Interest receipts	172	149	102	105	144
Dividends and profits	48	101	74	90	96
State Lotteries	2,674	3,796	5,445	6,271	7,283
Forestry and Wildlife	237	330	300	283	297
Other non-tax receipts	1,067	1,199	1,363	1,677	1,880
<b>Total</b>	<b>4,198</b>	<b>5,575</b>	<b>7,284</b>	<b>8,426</b>	<b>9,700</b>

Source: Finance Accounts of respective years

Though the receipts under State Lotteries was ₹7,283 crore, an equally high expenditure of ₹5,992 crore on distribution of prizes, agent commission, etc. reduced the net yield to ₹1,291 crore during the year.

### 1.3.2 Grants-in-aid from Government of India

Grants-in-aid from the GoI decreased by ₹411 crore (4.61 per cent) from ₹8,921 crore in 2015-16 to ₹8,510 crore in 2016-17 as detailed in Table 1.10.

**Table 1.10: Status of Grants-in-aid received from Government of India**

( ₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Non-plan grants	657	1,679	1,984	5,178	5,250
Grants for State plan schemes	1,163	1,154	4,929	3,406	2,727
Grants for Central plan schemes	60	87	158	170	71
Grants for Centrally Sponsored Schemes	1,141	1,218	437	167	462
<b>Total</b>	<b>3,021</b>	<b>4,138</b>	<b>7,508</b>	<b>8,921</b>	<b>8,510</b>

Source: Finance Accounts of respective years

Table 1.10 shows that there was considerable reduction in grant released for State plan schemes and central plan schemes. However, Grants for centrally sponsored schemes increased by ₹295 crore. This was mainly under 'Other Urban Development Schemes' (₹257 crore). Out of ₹5,250 crore received as 'Non-plan Grants', ₹3,350 crore was 'Post Devolution Revenue Deficit Grant' based on the recommendations of Fourteenth Finance Commission to cover the revenue deficit of the State Government.

### 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 III(7). It shows that State had better average on the tax collection expenditure compared to all India average during the period from 2012-13 to 2015-16 in respect of two revenue sources, viz. Tax on Sales, Trade, etc. (except during 2015-16) and Taxes on Vehicles. However, in respect of other two major revenue sources, viz. Stamps (Non-judicial) and Registration fees and State Excise, the average tax collection expenditure of the State was much higher than the all India average from 2012-13 to 2015-16.

## 1.4 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 1.11.



**Table 1.11: Trends in growth and composition of capital receipts**

( ₹ in crore)

Sources of Receipts	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Capital Receipts (CR)</b>					
Miscellaneous Capital Receipts	15	19	28	28	30
Recovery of Loans and Advances	74	104	124	153	292
<b>Public Debt Receipts<sup>2</sup></b>	<b>13,261</b>	<b>14,342</b>	<b>15,858</b>	<b>17,673</b>	<b>20,927</b>
Internal Debt Receipts	12,709	13,950	15,106	17,142	20,075
Loans and Advances from GoI	552	392	752	531	852
<b>Total CR</b>	<b>13,350</b>	<b>14,465</b>	<b>16,010</b>	<b>17,854</b>	<b>21,249</b>
Rate of growth of debt capital receipts (per cent)	35.33	8.15	10.57	11.45	18.41
Rate of growth of CR (per cent)	35.26	8.35	10.68	11.52	19.02
Rate of growth of GSDP (per cent)*	13.26	12.79	13.11	11.85	11.37
Buoyancy of Debt receipts w.r.t. GSDP	2.66	0.64	0.81	0.97	1.62

Source: Finance Accounts of respective years

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

Table 1.11 shows that growth rate of debt capital receipt was the highest during the last four years, which indicated increase in borrowings of the State in 2016- 17. Similarly, buoyancy of debt receipts with respect to GSDP was 1.62, which indicated that growth rate of Government's borrowings was higher than growth rate of GSDP.

#### 1.4.1 Proceeds from disinvestment

As of March 2017, the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock companies and Co-operatives and received ₹30.24 crore from retirement of capital/disinvestment of shares of co-operative societies/banks and accounted for under Miscellaneous Capital Receipts.

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



### 1.4.2 Recoveries of loans and advances

During the year, the State Government released an amount of ₹1,160.29 crore as loans and advances to various institutions and an amount of ₹13,877.94 crore was outstanding under this head at the end of March 2017. Against this balance, principal amount recovered was ₹166.52 crore, which was around one per cent of the outstanding balance under loans and advances. During the year, State had also written off loans and advances amounting to ₹125.72 crore, which were found irrecoverable and the same were accounted as receipt under loans and advances.

### 1.4.3 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 1.11, internal debt receipts was the main source of public debt receipts and it was around 95 per cent 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). Composition of Internal Debt during the last five years is given in Table 1.12.

**Table 1.12: Composition of Internal Debt**

(₹ in crore)

Sources of Internal Debt	2012-13	2013-14	2014-15	2015-16	2016-17
Open Market Borrowings	11,582.99	12,800.00	13,200.00	15,000.00	17,300.00
NABARD	410.02	501.25	551.37	600.00	827.89
NCDC	0.00	0.00	222.16	39.13	47.79
NSSF	630.04	565.14	1,132.10	1,455.20	1,861.22
Others	85.84	83.85	0.00	47.25	37.72
<b>Total</b>	<b>12,708.89</b>	<b>13,950.24</b>	<b>15,105.63</b>	<b>17,141.58</b>	<b>20,074.62</b>

Though, open market borrowings was the main source for borrowing of the State, there was considerable increase in the loans raised from other sources like NABARD and NSSF. Consequently, share of open market borrowings in

Internal Debt reduced from 92 per cent in 2013-14 to 86 per cent in 2016-17. However, Internal Debt of the State Government recorded an increase of 58 per cent during the last five years.

### 1.5 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 2012-13 to 2016-17 are indicated in Table 1.13.

**Table 1.13: Net receipts under Public Account heads**

(₹ in crore)

Resources under various heads	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Public Account Receipts</b>					
a. Small Savings, Provident Fund etc	3,685.54	4,231.86	3,764.77	8,332.07	12,931.64
b. Reserve Fund	-145.58	78.02	66.00	64.90	162.22
c. Deposits and Advances	1,140.93	187.43	1,364.50	-3,280.29	105.65
d. Suspense and Miscellaneous	712.44	-946.60	57.90	774.28	-2,169.09
e. Remittances	30.49	-168.48	25.95	-92.19	-313.01
<b>Total</b>	<b>5,423.82</b>	<b>3,382.23</b>	<b>5,279.12</b>	<b>5,798.77</b>	<b>10,717.41</b>

Source : Finance Accounts of respective years

The above table shows that during 2016-17, an amount of ₹10,717.41 crore was added to the existing balance of the Public Account. This was ₹4,918.64 crore more than net additions (₹5,798.77 crore) during 2015-16. Substantial net addition of ₹12,931.64 crore under the sector 'Small Savings, Provident Fund, etc.', was mainly due to the accumulations of ₹9,361.60 crore

occurred under '8031-102-State Savings Bank Deposits' and ₹2,938.13 crore under '8009-State Provident Fund'. These accumulations under public account are utilised by the State Government for covering their fiscal deficit.

**[Audit Paragraphs 1.1 to 1.5 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

1) The Additional Secretary, Finance Department informed that Chapter I of the Audit Report was about the facts and findings of the fiscal position analysis of the State for the year 2017 and that the fiscal position of the State improved at present compared to that during 2017. The Revenue Deficit which was 2.36% of GSDP during 2017 became 2.29% at present and the increased Fiscal Deficit was due to the increase in borrowing by the Central Government after the COVID period. The Additional Secretary added that the recommendation of the Fifteenth Finance Commission was to anchor the Debt-GSDP ratio at 36% in 2025-26, and the Debt-GSDP ratio which was 37% at present could possibly be confined to 36% in 2023-24.

2) The Committee wanted to know the present status of ₹ 697.74 crore which remained unutilised out of the total central fund released to the state level implementing agencies for Government of India flagship programmes. The Additional Secretary, Finance Department submitted that the Central fund was released directly to the implementing agencies till 2017. With the introduction of Public Financial Management System (PFMS) funds which remained unspent in the Consolidated fund and Treasury/Bank Accounts were transferred to the newly opened Single Nodal Agency (SNA) Account. She added that the Central share would be released only after verification by Central Government, and

earnest effort had been taken by Departments to ensure proper utilisation of the Central Share received.

- 3) The Committee wanted to know whether any priority had been given to the State for utilising the funds for the CSS properly. The Additional Secretary, Finance Department informed that central fund would be provided for all priority schemes and subsequent instalments of central share would be obtained only on utilising 75% of the funds received.
- 4) When asked about the routing of the fund for Central Schemes and the procedure for the release of the State shares, the Additional Secretary, Finance Department submitted that the central fund was being released directly for Mahatma Gandhi National Rural Employment Scheme (MGNREGS) and one of the projects related to Women and Children. For most of other schemes, the central share was being routed through Consolidated Fund. Separate accounts were being operated for state and central share. Regarding the release of central share, the Additional Secretary informed that fund was being released either in advance or by way of reimbursement, which could be decided at the implementation stage. Almost 90% of the schemes were in advance mode and, many schemes in reimbursement mode were changed to advance mode with the introduction of Single Nodal Agency (SNA) Account. The Committee agreed with the reply.
- 5) Regarding the audit para 1.3, the Special Secretary, Finance Department informed that in 2022-23, the growth rate achieved in tax revenue was 23% and that of non-tax revenue was 43% and, the Registration and GST revenue have now increased considerably. The Committee accepted the reply.
- 6) Regarding the audit para 1.3.1, the Special Secretary, Finance Department submitted that considerable growth was being achieved in State's own tax



revenue and revenue collection was being carried out with utmost importance. The Committee accepted the reply.

- 7) Regarding the audit para 1.3.1.1, the Additional Secretary, Finance Department informed that the tax revenue from the Oil companies had become noteworthy for the last two years whereas that from Beverages was moderate.
- 8) While considering the audit para 1.3.3, the Special Secretary, Finance Department submitted that with the objective of increasing the tax collection, adequate training was being provided through retired State/Central Government personnel and Gulati Institute of Finance and Taxation (GIFT) and, through conducting such training programmes, tax collection could be made more efficient. The Committee opined that the tax collection should be ramped up through speedy disposal of the court cases involved, and the inordinate delay on the part of the Government Pleaders for the timely disposal of the cases often led to the non-payment of tax for many years. The Committee wanted to know whether any training programme had been given to the Government Pleaders in that regard. The Special Secretary, Finance Department informed that legal services were available at District level and necessary directions had been issued at District level for vacating stay orders and, action could be taken to provide training to Law Officers, if needed.
- 9) When the Committee enquired about the action taken in the cases pending at High Court and the laxity of Government Pleaders causing prolongation or failure of cases, the Special Secretary, Finance Department submitted that necessary legal actions were being taken by the Law Department, with the support of the Finance Department if needed. In case of any laxity noticed on the part of Government Pleaders, adequate measures were being taken in concurrence with the Departments concerned. The Committee accepted the reply.



10) Regarding the audit para 1.4, the Additional Secretary, Finance Department informed that Capital Receipts would increase with State's borrowing limit and for maintaining the Capital Receipt, the annual borrowing had to be confined within the 3% ceiling prescribed by Government of India

11) While considering the audit para 1.4.1, the Additional Secretary, Finance Department informed that the State Government had not proceeded disinvestment of shares, even though the Government of India had repeatedly demanded it.

12) Regarding the audit para 1.4.2, the Additional Secretary, Finance Department pointed out the serious matter of nominal repayment of loans sanctioned to PSUs. When the Committee enquired about the sanctioning of loans, guarantee required etc., the Additional Secretary, Finance Department explained that as per the Kerala Financial Code, the application for loan should be supported with three years audit certificate of the firm, documents convincing the necessity of loan etc. But recently certain lapses had occurred on the part of the administrative departments that loans were being sanctioned, without insisting on such documents and proper scrutiny of applications. As per the Kerala Financial Code, the monitoring of loan repayment was delegated to the Audit wing of Accountant General. Repayment could be properly monitored and default, if any, could be identified only if the loans were sanctioned with proper terms and conditions. A software had been developed to ensure compliance with proper terms and conditions while loans were being sanctioned and to enable proper monitoring by Accountant General. Also some modules were being developed to capture Utilisation Certificates and to sanction loans by checking earlier pendency of loans, and by linking this software with treasury fund flow, such problems could be rectified in future.

13) The Committee recommended that proper utilisation of the loan sanctioned and the subsequent returns attained by the PSUs should be the

criteria for sanctioning further assistance in future and strict adherence of terms and conditions should be ensured while sanctioning loans.

### **Conclusion/Recommendation**

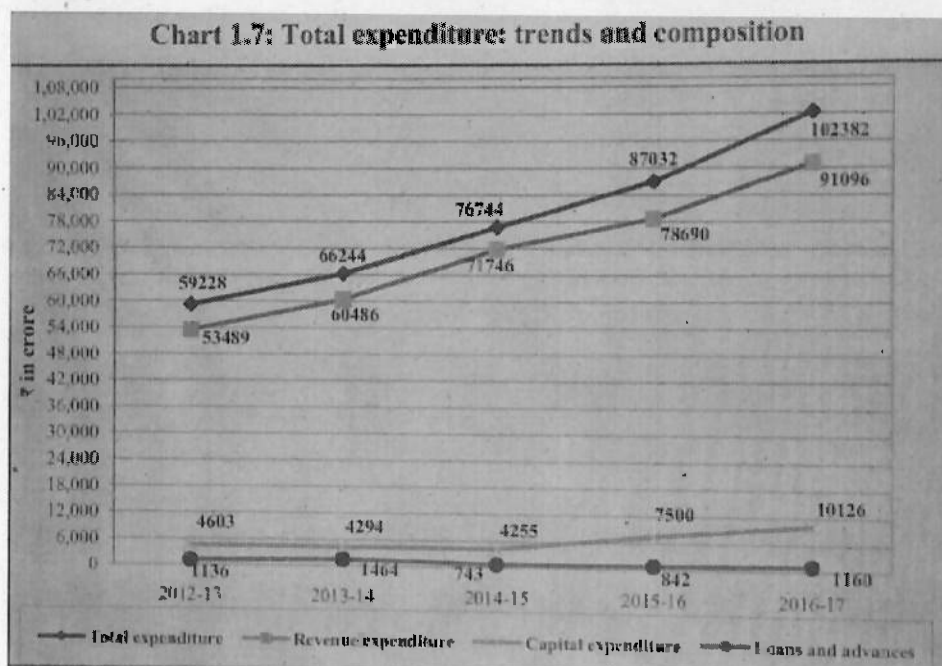
**14) The Committee takes serious note of the nominal repayment of loans sanctioned to various PSUs. The Committee recommends that proper utilisation of the loans sanctioned to the PSUs and the subsequent returns attained by them should be the criteria for sanctioning further assistance in future, and directs to ensure strict adherence of terms and conditions while sanctioning loans.**

### **1.6 Application of Resources**

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

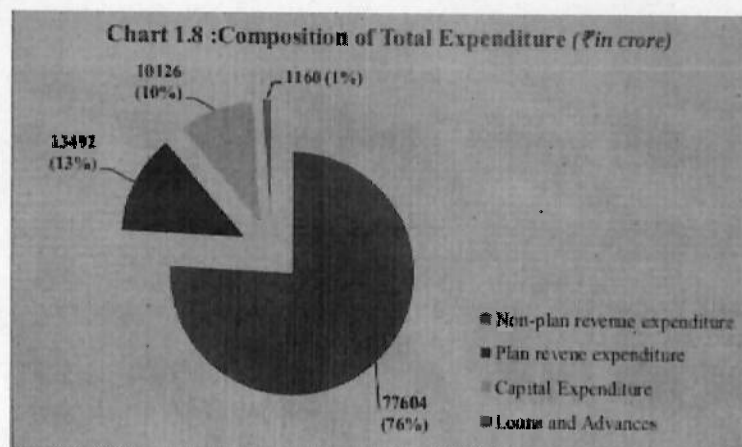
#### **1.6.1 Growth and Composition of Expenditure**

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 (2012-13 to 2016-17).



During the last five years, the total expenditure of the State increased by 73 per cent from ₹59,228 crore in 2012-13 to ₹1,02,382 crore in 2016-17. While revenue expenditure recorded a growth of 70 per cent, capital expenditure recorded a growth of 120 per cent due to increased spending of the State during the last five years.

Total expenditure of the State for 2016-17 was ₹1,02,382 crore, out of which, ₹91,096 crore (89 per cent) was revenue expenditure. Composition of total expenditure during 2016-17 is given in Chart 1.8 below.



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 1.14.

**Table 1.14: Total expenditure – basic parameters**

Sources of Internal Debt	2012-13	2013-14	2014-15	2015-16	2016-17
Total expenditure (TE) (₹in crore)	59,228	66,244	76,744	87,032	1,02,382
Rate of growth ( <i>per cent</i> )	16.37	11.85	15.85	13.41	17.64
Revenue Receipts (RR) (₹in crore)	44,137	49,177	57,950	69,033	75,612
Rate of growth RR ( <i>per cent</i> )	16.12	11.42	17.84	19.13	9.53
GSDP	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Rate of growth of GSDP	13.26	12.79	13.11	11.85	11.37
TE / GSDP ratio ( <i>per cent</i> )(*)	14.36	14.24	14.59	14.79	15.63
Revenue Receipt / TE ratio ( <i>per cent</i> )	74.52	74.24	75.51	79.32	73.85
<b>Buoyancy of TE with reference to:</b>					
GSDP ratio (*)	1.23	0.93	1.21	1.13	1.55
RR (ratio)	1.02	1.04	0.89	0.70	1.85

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

Table 1.14 shows that

- Growth rate of total expenditure in 2016-17 was the highest during the last five year period. Similarly, ratio between total expenditure and GSDP was also the highest in 2016-17, during last five years period.
- Ratio between revenue receipt and total expenditure indicate the sufficiency of revenue receipt for meeting total expenditure. In 2015-16, revenue receipt of the State was sufficient to meet 79.32 per cent of the total expenditure but it reduced to 73.85 per cent in 2016-17 due to increased growth of total expenditure as well as reduced growth of revenue receipts.
- During the last three years, the Buoyancy of the total expenditure with respect to GSDP was more than one, which indicated higher growth rate of total expenditure compared to GSDP during 2014-2017. Further, the

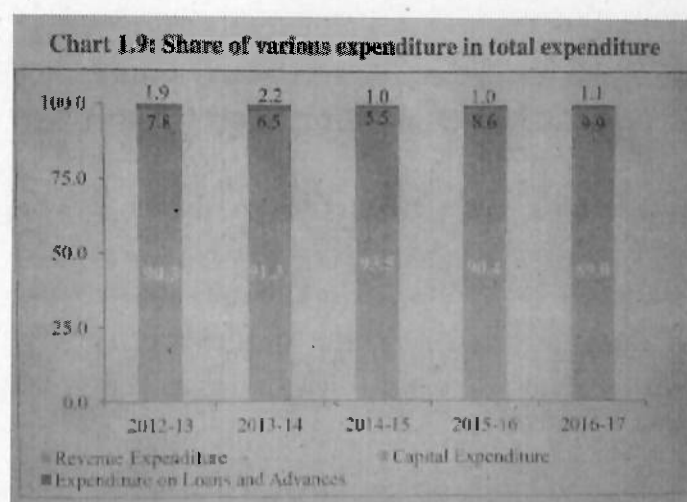


growth rate of total expenditure in 2016-17 was 1.55 times of GSDP, which is the highest during last five years.

- Buoyancy of total expenditure with revenue receipt showed declining trend during the period 2014-16, which was a positive indicator. But, in 2016-17, it increased to 1.85 indicating increased growth rate of total expenditure compared to revenue receipt. This needs to be addressed.

While compounded annual growth rate of total expenditure of the State for the period 2007-08 to 2015-16 was lower than that of General Category States, it was higher during the period 2015-16 to 2016-17. (Details are given in Appendix III(1).

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



### 1.6.2 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 1.15.



**Table 1.15: Components of expenditure – relative shares***(in per cent)*

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>General Services</b>	<b>38.72</b>	<b>40.39</b>	<b>41.13</b>	<b>41.76</b>	<b>40.44</b>
<i>of which, Interest Payments</i>	12.16	12.48	12.73	12.77	11.84
<b>Social Services</b>	<b>32.82</b>	<b>32.60</b>	<b>32.05</b>	<b>32.91</b>	<b>34.24</b>
<b>Economic Services</b>	<b>19.76</b>	<b>17.30</b>	<b>17.51</b>	<b>19.88</b>	<b>18.83</b>
<b>Grant-in-aid</b>	<b>6.78</b>	<b>7.51</b>	<b>8.34</b>	<b>4.45</b>	<b>5.36</b>
<b>Loans and Advances</b>	<b>1.92</b>	<b>2.20</b>	<b>0.97</b>	<b>0.97</b>	<b>1.13</b>

Table 1.15 reveals that:

- While relative share of General Services and Economic Services in total expenditure decreased, share of Social Services increased during 2016-17. Similarly, share of Grant-in-aid to LSGIs also increased from 4.45 per cent in 2015-16 to 5.36 per cent in 2016-17.
- During 2016-17, share of interest payments in total expenditure was the lowest during the five year period.
- Relative share of loans and advances in total expenditure increased marginally due to increase in release of loans and advances by the State Government.

### **1.6.3 Revenue Expenditure**

During 2016-17, revenue expenditure recorded an increase of ₹12,406 crore (15.77 per cent), compared to the previous year and this was highest increase during the last five year period in terms of value. The increase in revenue expenditure was mainly due to increase in expenditure under the major heads 'General Education' (₹2,988 crore), 'Pension and Other Retirement Benefits' (₹2,214 crore), 'Compensation and Assignments to Local Bodies and Panchayati Raj Institutions' (₹1,578 crore), 'Medical and Public Health' (₹1,103 crore), 'Interest Payments' (₹1,006 crore) and 'Social Security and Welfare' (₹924 crore), etc.

### 1.6.3.1 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 94 per cent and it showed a declining 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 1.16.

**Table 1.16: Revenue expenditure – basic parameters**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Revenue Expenditure (RE)</b>	<b>53,489</b>	<b>60,486</b>	<b>71,746</b>	<b>78,690</b>	<b>91,096</b>
Non-plan revenue expenditure (NPRE)	46,640	53,412	61,464	66,611	77,604
Plan revenue expenditure (PRE)	6,849	7,074	10,282	12,079	13,492
<b>Rate of Growth of</b>					
RE (per cent)	16.17	13.08	18.62	9.68	15.77
NPRE (per cent)	14.54	14.52	15.08	8.37	16.50
PRE (per cent)	28.57	3.29	45.35	17.48	11.70
Revenue expenditure as percentage to TE	90.31	91.31	93.49	90.42	88.98
NPRE / GSDP (per cent) (*)	11.31	11.49	11.69	11.32	11.84
NPRE as percentage of TE	78.75	80.63	80.09	76.54	75.80
NPRE as percentage of RR	105.67	108.61	106.06	96.49	102.63
<b>Buoyancy of revenue expenditure with</b>					
GSDP (ratio) (*)	1.22	1.02	1.42	0.82	1.39
Revenue receipts (ratio)	1.00	1.15	1.04	0.51	1.65

Source : Finance Accounts of respective years

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

Table 1.16 reveals the following;

- Though there was considerable increase in growth rate of RE and NPRE compared to previous year, growth rate of PRE decreased considerably. This indicates Government's expenditure during 2016-17 was more

inclined towards committed liabilities. However, decreasing trend of RE as a percentage of TE was seen from 2015-16.

- Non-Plan Revenue Expenditure as a percentage of GSDP was steady during the last five years and also its percentage with respect to TE was declining from 2014-15, which is a positive sign. However, NPRE as a percentage of RR was above 100, which indicated that State's revenue receipts were not sufficient to meet its NPRE for 2016-17.
- Although the increase in revenue receipts was less than the projection made in the MTFP, yet the Revenue Expenditure increased, which is of serious concern as the Revenue deficit was also increasing.

#### 1.6.3.2 Expenditure on salaries, wages, interest payments, pension, etc.

The trends of the committed expenditure of the State Government during 2012-13 to 2016-17 is given in Table 1.17.

**Table 1.17: Components of committed expenditure**

( ₹ in crore)

Components of committed expenditure	2012-13	2013-14	2014-15	2015-16	2016-17	
					Budget estimate	Actual Expenditure
<b>Salaries* and Wages</b>	17,505	19,554	21,621	23,757	29,371	28,373
Non-plan head	16,939	18,954	20,977	23,075	28,763	27,610
Plan heads**	566	600	644	682	608	763
<b>Interest payments (MH 2049)</b>	7,205	8,265	9,770	11,111	12,630	12,117
<b>Expenditure on pensions (MH 2071)</b>	8,867	9,971	11,253	13,063	15,503	15,277
<b>Subsidies</b>	1,268	1,279	1,252	1,372	1,808	1,731
<b>Total</b>	34,845	39,069	43,896	49,303	59,312	57,498
<b>Revenue Expenditure</b>	53,489	60,486	71,746	78,690	97,683	91,096
<b>Revenue Receipts</b>	44,137	49,177	57,950	69,033	84,617	75,612
Percentage of committed expenditure to Revenue expenditure	65	65	61	63	61	63
Percentage of committed expenditure to Revenue receipts	79	79	76	71	70	76

Components of committed expenditure	2012-13	2013-14	2014-15	2015-16	2016-17	
					Budget estimate	Actual Expenditure
* 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 was the same as in the previous year. However, compared to previous year, its percentage with respect to revenue receipts increased. Though Government estimated to spend 70 per cent of the revenue receipts for committed expenditure, it was exceeded by six percentage points.

While interest payments showed a reduced growth rate (9 per cent) compared to previous year (14 per cent), pension payments increased by 17 per cent compared to previous year's 16 per cent. However, interest payments and pension payments consumed 16 per cent and 20 per cent respectively of revenue receipts which is a matter of concern for the State Government.

#### 1.6.4 Subsidies

The subsidies (₹1,731 crore) given during 2016-17 were ₹359 crore more than subsidies (₹1,372 crore) given in the previous year. These mainly included amount given to Food Corporation of India in respect of reimbursement of price difference of ration rice and wheat (₹806 crore), for Paddy procurement through Kerala State Civil Supplies Corporation (₹487 crore), grant to Kerala State Civil Supplies Corporation Limited for market intervention (₹200 crore) and subsidy to Co-operatives for conducting festival markets (₹53 crore)

#### 1.6.5 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 1.18.



**Table 1.18: Financial assistance to local bodies, educational institutions, etc.****(₹ in crore)**

<b>Financial Assistance to Institutions</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	6,204.36	6,934.56	7,769.01	8,409.89	9,602.98
Municipal Corporations and Municipalities	1,177.77	1,358.09	1,836.39	1,405.77	2,756.55
Zilla Parishads and Other Panchayati Raj Institutions	5,279.31	6,421.60	8,423.74	7,767.62	7,775.98
Development Agencies	5.15	6.42	6.23	5.91	14.73
Hospitals and Other Charitable Institutions	153.33	94.19	305.76	407.60	812.18
Other Institutions <sup>3</sup>	896.42	1,323.46	1,602.60	2,104.35	2,927.71
<b>Total</b>	<b>13,716.34</b>	<b>16,138.32</b>	<b>19,943.73</b>	<b>20,101.14</b>	<b>23,890.13</b>
Assistance as percentage of revenue expenditure	26	27	28	26	26

Source: Finance Accounts and Information received from the State Government

The financial assistance to local bodies and other institutions increased from ₹13,716.34 crore in 2012-13 to ₹23,890.13 crore in 2016-17. The table above shows that though the aggregate financial assistance increased during 2016-17 compared to 2015-16, the percentage of assistance with reference to revenue expenditure remained unchanged during the last two years. Substantial increase was noticed in the release of Grants in respect of Urban Local Bodies and Educational institutions.

**[Audit Paragraphs 1.6 to 1.6.5 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

- 3 Major institutions under 'Other institutions' are Kerala Water Authority (₹461.81 crore), Loans to Kerala State Road Transport Corporation (₹305 crore), Suchitwa Mission (₹138.48 crore), Kudumbasree (₹130 crore), State Council for Science, Technology & Environment (₹128.80 crore), Kerala Social Security Mission (₹112.18 crore), Kerala Road Fund Board (₹105 crore), Kerala Veterinary and Animal Sciences University (₹101.06 crore), Kerala State Information Technology Mission (₹55.71 crore), Loans to Kerala Industrial Infrastructure Development Corporation (₹52.65 crore) and Kerala Sports Council (₹40.97 crore).



*(Excerpts from the discussion of Committee with officials concerned)*

15) While considering the audit para 1.6.3.2, to a query of the Committee, the Special Secretary, Finance Department submitted that there was a trend of increase in the expenditure on salaries and pension payments every year and earnest effort to increase the revenue receipts was being taken by Government.

16) Regarding the audit para 1.6.4, the Special Secretary, Finance Department submitted that subsidies were provided to the Kerala State Civil Supplies Corporation and other agencies for market intervention to control the prices of essential goods and commodities. When the Committee enquired about the effectiveness of subsidies, the Special Secretary, Finance Department informed that through subsidies, the market price could be controlled and essential commodities could be made available. The Committee accepted the reply.

17) Regarding the audit para 1.6.5, the Additional Secretary, Finance Department submitted that adequate hike in budget allocation to Local Bodies would be provided every year and no restriction was imposed in passing their bills and releasing finance commission grants. The Committee wanted to know whether Finance Department had enquired about the availability of sufficient funds to Local Bodies. The Additional Secretary, Finance Department submitted that funds were being released promptly from Treasury to District Panchayats and from District Panchayats to Panchayats, as scheduled by the Finance Commission. Unlike other bills, no treasury restrictions was imposed in the case of bills of Local Bodies and fund release would be done in three allotments, using a special software called 'Sankhya'. Even though the fund allocation was done in time by the Finance Department, the bills from local bodies were presented only at the end of the financial year. The expenditure would be limited to 30% up to the month of October. The Committee agreed with it and pointed out that the works were being assigned to some other agencies to whom funds were transferred. The Special Secretary, Finance Department added that fund

could be released to the accredited agencies, only after the completion of the work as per the schedule prescribed in the Government Order. Also in case of complaints if any, necessary action could be taken against such agencies. When the Committee pointed out certain instances in which the agencies lost money as the fund released to them was not included in the expenditure of Panchayats, the Special Secretary, Finance Department informed that such cases if any would be examined and rectified accordingly.

### **Conclusion/Recommendation**

#### **18) No comments**

#### **1.7 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.

##### **1.7.1 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 1.19 analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2012-13 and 2016-17.

**Table 1.19: Fiscal priority of the State in 2012-13 and 2016-17**

(in per cent)

<b>Fiscal Priority by the State</b>	<b>TE/GSDP</b>	<b>DE*/TE</b>	<b>SSE/TE</b>	<b>CE/TE</b>	<b>Education/TE</b>	<b>Health/TE</b>
General Category States' Average, 2012-13	14.80	70.00	38.20	13.70	17.70	4.60

Kerala, 2012-13	14.36	54.24	33.74	7.77	17.52	5.48
General Category States' Average, 2016-17	16.70	70.90	32.20	19.70	15.20	4.80
Kerala, 2016-17	15.63	53.77	34.30	9.89	16.66	5.85
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)						

Table 1.19 shows that;

- In 2012-13, State's share of Development expenditure, Social Sector expenditure and Capital expenditure in Total expenditure was much less than that of General Category States. However, State's share of social sector expenditure in total expenditure in 2016-17 was higher than that of General Category States.
- In 2016-17 State's share of expenditure on education and health in total expenditure was higher than that of General Category States, indicating State Government's priority in these services.
- In respect of development expenditure and capital expenditure, while General Category States improved their position in 2016-17 compared to 2012-13, State could improve its position only in capital expenditure. Drop in share of development expenditure in total expenditure needs to be addressed.

### 1.7.2 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 1.20 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 2012-13 to 2016-17.

Table 1.20: Development expenditure

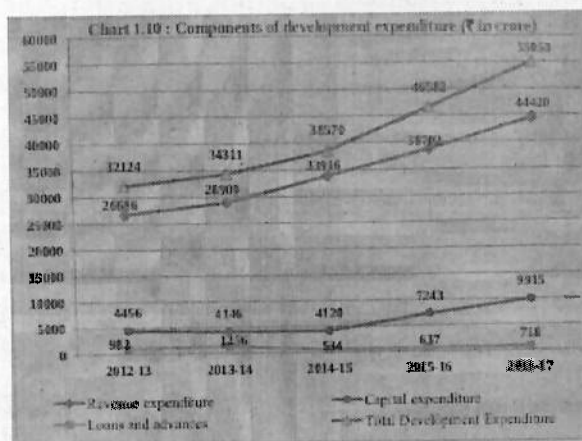
₹ in crore)

Components of Development Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Development Expenditure (a to c)</b>					
a. Revenue expenditure	26,686 (45.06)	28,909 (43.64)	33,916 (44.19)	38,702 (44.47)	44,420 (43.39)
b. Capital expenditure	4,456 (7.52)	4,146 (6.26)	4,120 (5.37)	7,243 (8.32)	9,915 (9.68)
c. Loans and advances	982 (1.66)	1,256 (1.90)	534 (0.70)	637 (0.73)	718 (0.70)
<b>Total Development Expenditure</b>	<b>32,124 (54.24)</b>	<b>34,311 (51.80)</b>	<b>38,570 (50.26)</b>	<b>46,582 (53.52)</b>	<b>55,053 (53.77)</b>
<b>Total Expenditure</b>	<b>59,228</b>	<b>66,244</b>	<b>76,744</b>	<b>87,032</b>	<b>1,02,382</b>

Source: Finance Accounts of respective years

Figures in parenthesis are its share in total expenditure

During 2016-17, growth rate of total expenditure was 17.64 per cent but the growth rate of development expenditure was 18.19 per cent, which is encouraging. Though 53.77 per cent of total expenditure was utilised for development expenditure, major share (43.39 per cent) was that of revenue expenditure, which indicated predominance of revenue expenditure items in development expenditure. However, the share of capital expenditure in total development expenditure during last two years showed an increasing trend, which is positive indicator on development expenditure of the State (Table 1.20).





**Development expenditure** increased from ₹32,124 crore in 2012-13 to ₹55,053 crore in 2016-17, recording an increase of 71 per cent in five years. During the last three years, share of revenue expenditure in development expenditure showed a declining trend (declined from 88 per cent in 2014-15 to 81 per cent in 2016-17), which is an encouraging factor.

**Revenue expenditure on development** sector increased by 66 per cent during the last five years, increased from ₹26,686 crore in 2012-13 to ₹44,420 crore in 2016-17. The increase of ₹5,718 crore in 2016-17 was mainly due to increase in expenditure under Social Services (₹6,162 crore), which was partly offset by decrease in expenditure under Economic Services (₹444 crore).

In Social Services, this increase was mainly under the sub-sectors 'Education, Sports, Art and Culture' (₹2,941 crore), 'Health and Family Welfare' (₹1,179 crore) and 'Social Welfare and Nutrition' (₹901 crore).

**Capital expenditure on development** sector increased by ₹2,672 crore mainly due to increase of ₹2,414 crore under Economic sector in 2016-17 over the previous year. Increase in Economic Sector was mainly under the sub-sectors 'Other General Economic Services' (₹1,524 crore), 'Transport' (₹259 crore) and 'Other rural development programmes' (₹191 crore).

### 1.7.3 Incomplete projects/works

Department-wise information pertaining to incomplete projects/works (each costing above ₹ one crore) as on 31 March 2017 is given in Table 1.21.

**Table 1.21: 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 2017
1	Irrigation Department – (Irrigation and Minor Irrigation Works)	11	108.62	76.00
2	Public Works Department – (Roads)	68	373.47	244.83



3	Public Works Department – (Bridges)	50	523.22	357.28
4	Public Works Department – (Buildings)	94	384.97	261.37
5	Harbour Engineering Department	3	34.34	34.94
	<b>Total</b>	<b>226</b>	<b>1,424.62</b>	<b>974.42</b>

Source: Appendix IX of Finance Accounts 2016-17

As per the Finance Accounts 2016-17, there was a delay in completion of 226 projects/works and this would result in time overrun and cost overrun, besides denying the desired benefit to the beneficiaries.

**[Audit Paragraphs 1.7 to 1.7.3 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

19) The Special Secretary, Finance Department submitted that the audit para 1.7.2 was related to some general remarks, and that the education and the health care sectors in Kerala State were being provided more allocation than that of other general category States.

20) The Special Secretary, Finance Department informed that the details regarding the audit para 1.7.3 need to be obtained from administrative departments. They were being reminded regularly and the report would be submitted, on getting the details.

### **Conclusion/Recommendation**

21) **The Committee directs the Department to furnish the present status of the incomplete projects/works related to various Departments mentioned in audit paragraph 1.7.3. within a period of two months.**

## 1.8 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.

### 1.8.1 Investment and returns

During 2016-17, the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives (Table 1.22). The average return on these investments was 1.35 per cent in the last five years while the Government paid an average interest rate of 7.18 per cent on its borrowings during 2012-13 to 2016-17.

**Table 1.22: Return on investments**

Investment/Return/Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Amount of Investment (₹ in crore)	4,511.03	5,623.61	6,085.13	6,733.85	7,240.03
Return (₹ in crore)	48.15	100.58	74.18	90.23	96.37
Return (per cent)	1.07	1.79	1.22	1.34	1.33
Average rate of interest on Government borrowing (per cent)	7.15	7.11	7.35	7.35	6.92
Difference between interest rate and return (per cent)	6.08	5.32	6.13	6.01	5.59

Source: Finance Accounts of the State Government

During 2016-17, State Government invested ₹55.29 crore in Statutory Corporations, ₹582.32 crore in Government Companies, ₹81.63 crore in

Co-operative Banks and Societies. Progressive expenditure on investments was decreased (due to reclassification of investments) by ₹241.33 crore under Government companies and decreased (due to disinvestment of shares) by ₹29.59 crore under Co-operative banks and societies.

### 1.8.2 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 1.23 presents the outstanding loans and advances as on 31 March 2017 and interest receipts during the last five years.

**Table 1.23: Details of loans and advances during the last five years**

(₹ in crore)

Quantum of Loans / Interest Receipts / Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Opening balance	9,394 <sup>4</sup>	10,360 <sup>5</sup>	11,713 <sup>6</sup>	12,320 <sup>7</sup>	13,010
Amount advanced during the year	1,136	1,464	743	842	1,160
Amount repaid during the year	74	103	124	152	292 <sup>8</sup>
Closing balance	10,456	11,721	12,332	13,010	13,878
Net addition	1,062	1,361	619	690	868
Interest receipts	19	21	27	32	31

Source: Finance Accounts of the State Government

The total outstanding loans and advances as on 31 March 2017 increased by ₹868 crore compared to those of the previous year. The major disbursement of loans and advances during the current year was to the Kerala State Road Transport Corporation (₹305 crore) and House building advance to State Service

4 Difference of ₹10 crore with reference to previous year's closing balance was on account pro forma adjustments vide footnote (q) of Statement no.16 of Finance Accounts 2012-13.

5 Difference of ₹96 crore with reference to previous year's closing balance was on account pro forma adjustments vide footnote (p) of Statement no.16 of Finance Accounts 2013-14.

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

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

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

Officers (₹427 crore). Interest received against these loans remained less than one per cent during the period 2012-13 to 2016-17 and was 0.22 per cent during 2016-17 as against the average cost of borrowing of 6.92 per cent during the year.

#### **1.8.2.1 Defaulters on loan repayment**

Government provides loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., and the same was treated as assets in the Government accounts. As per Finance Accounts, an amount of ₹13,878 crore was outstanding as loan at the end of March 2017. Also, at the end of March 2017, 83 institutions defaulted in repayment of loans advanced to them and arrears in respect of this were ₹10,579 crore (Principal: ₹6,656 crore and Interest: ₹3,923 crore). About 87 per cent of the above arrears pertained to five institutions viz., Kerala Water Authority (₹4,127 crore), Kerala State Electricity Board Limited (₹1,760 crore), Kerala State Road Transport Corporation (₹1,668 crore), Kerala State Housing Board (₹1,421 crore) and TEXFED (₹210 crore). During the year, State Government also released loans to 13 institutions amounting to ₹434 crore whose previous loan repayments are in arrears.

It was also observed that 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, Government needs to reduce the arrears in recovery of loans released.

#### **1.8.3 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 1.24.



Table 1.24: Cash balances and Investment of cash balances

(₹ in crore)

Particulars	As on 31 March 2016	As on 31 March 2017	Increase (+) / Decrease (-)
<b>(a) General Cash balances</b>			
Cash in Treasuries and other banks	5.43	37.23	31.80
Deposit with Reserve Bank	(-)45.88	(-)91.73	(-)45.85
Remittances in transit -Local	1.07	6.80	5.73
<b>Total (a)</b>	<b>(-)39.38</b>	<b>(-)47.70</b>	<b>(-)8.32</b>
<b>(b) Investments from cash balances</b>			
GoI Treasury Bills	1,631.60	1,939.35	(+)307.75
GoI Securities	5.15	5.15	-
<b>Total (b)</b>	<b>1,636.75</b>	<b>1,944.50</b>	<b>(+)307.75</b>
<b>(c) Investments in earmarked funds</b>			
Reserve funds not bearing interest	1,630.37	1,751.94	(+)121.57
<b>Total (c)</b>	<b>1,630.37</b>	<b>1,751.94</b>	<b>(+)121.57</b>
<b>(d) Departmental cash balances including Permanent advances</b>	<b>1.65</b>	<b>1.59</b>	<b>(-)0.06</b>
<b>Total Cash Balance - (a) to (d)</b>	<b>3229.39</b>	<b>3650.33</b>	<b>(+)420.94</b>
Interest realised during the year on investment of cash balances	40.85	78.32	37.47

Source: Finance Accounts of the State Government

Table 1.24 shows that cash balance of the State, at the end of March 2017, increased by ₹420.94 crore compared to the closing balance at the end of March 2016. This was due to the increase in investments under GoI Treasury Bills (₹307.75 crore) and investments in earmarked funds (₹121.57 crore). The interest realised on investment of cash balance also increased by ₹37.47 crore, compared to the previous year.

### 1.8.3.1 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 2017, there was an outstanding balance (cumulative) of ₹755.37 crore. This represents expenditure originally booked under different major heads of Consolidated Fund, which did not result in any cash outflow till the end of March 2017.

During the audit of treasuries, AG (A&E) observed that 70 pay order cheques (drawn between March 2010 and November 2016) for ₹96.68 lakh in 16 treasuries remained un-encashed. Since these cheques remained un-encashed, the amount booked against these cheques in Consolidated Fund will over-state the expenditure till it is encashed.

**[Audit Paragraphs 1.8 to 1.8.3.1 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

22) When the Committee enquired how the terms Investments, Advances and Loans were defined, the Additional Secretary, Finance Department informed that Investments were capital share provided to public sector undertakings for long term investments, and were non refundable whereas loans and advances were provided for their various operations. When the Committee wanted the details of

funds utilised in health education sector and the number of patients getting its benefits, the Special Secretary submitted that the Finance Department would get the details of funds received and utilised, from the Health Department every year. The details of number of patients and amount spent for them could also be obtained from the Health Department. The Special Secretary added that in Kerala, the infant mortality rate was brought down to 6 per cent and the maternal mortality rate was decreased from 42 to 19 per cent. The Committee accepted the reply.

23) While considering the audit para 1.8.1, the Committee opined that many public sector units were in loss as the return was only ₹ 96.37 crore for an investment of ₹ 7240.03 crore. The Additional Secretary, Finance Department submitted that the loans and investments were provided mainly to KSRTC and Kerala State Textile Corporation.

24) When the Committee enquired about the audit para 1.8.2, the Additional Secretary, Finance Department submitted that the dividend as return of investment was being received regularly from institutions such as KSFE, Oushadhi, KMML etc. For availing loans, the capital base of the public sector units which were in loss had to be scaled up, otherwise they had to avail loans against share capital, and as the institutions were not running in profit, there would not be any return from them. The Committee wanted to know whether there was any mechanism to enquire the reason for such losses. The Additional Secretary, Finance Department submitted that it was the responsibility of the departments concerned and a study in that regard was being conducted every year and the statistical details were being submitted to Legislative Assembly by Planning (BPE) Department. The physical achievement was also being analysed by Planning (BPE) Department and RIAB. The Committee enquired whether any guarantee was needed to provide loans to public sector units including KSRTC, and whether the assets of any such institutions had ever been

confiscated, the Additional Secretary, Finance Department informed that loans could be sanctioned on Government guarantee, and any case of confiscation of Government institutions was not noticed so far. The Committee accepted the reply.

25) Regarding the audit para 1.8.2.1, the Additional Secretary, Finance Department informed that, as part of the implementation of revival package in KSRTC, loan sanctioned by Government up to the year 2013-14 amounting to ₹ 1090.75 crore had been converted into equity. The same process was being followed in KWA also, after reconciliation of the accounts with Accountant General.

### **Conclusion/Recommendation**

26) **No comments**

## **1.9 Assets and Liabilities**

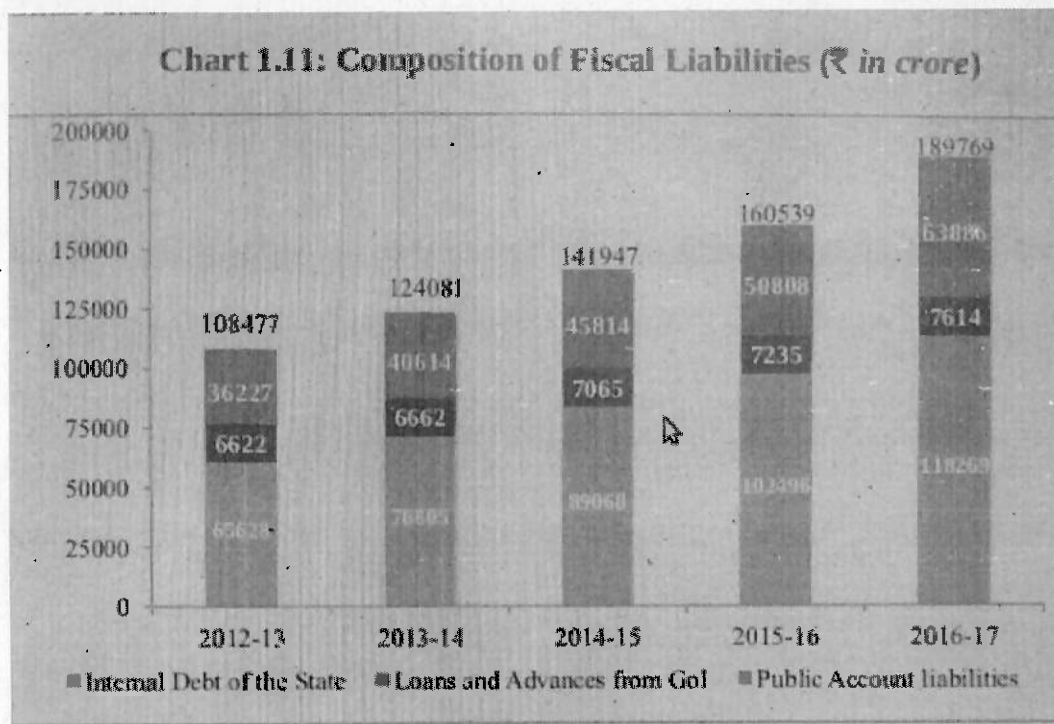
### **1.9.1 Growth and composition of assets and liabilities**

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 III(4) Part B gives an abstract of such liabilities and assets as on 31 March 2017, compared with the corresponding position as on 31 March 2016. 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.



### 1.9.2 Fiscal liabilities

The trends of outstanding fiscal liabilities of the State are presented in Appendix III(5). The composition of fiscal liabilities during the last five years are presented in Chart 1.11.



The overall fiscal liabilities of the State increased from ₹1,08,477 crore in 2012-13 to ₹1,89,769 crore in 2016-17, thus, recording an increase of 75 per cent during the five year period. During the period from 2012-13 to 2015-16 the growth rate of fiscal liabilities was steadily declining (declined from 16.5 per cent in 2012-13 to 13.1 per cent in 2015-16), but it increased to 18.2 per cent in 2016- 17. Incidentally, it was much higher than the growth rate of GSDP (11.37per cent), which is a matter of concern.

Fiscal liabilities of the State comprised of Consolidated Fund liabilities and Public Account liabilities. Consolidated Fund liabilities (₹1,25,883 crore) comprised of Market Loans (₹99,532 crore), Loans from the Government of India (₹7,614 crore) and Other Loans (₹18,737 crore). The Public Account liabilities (₹63,886 crore) comprised of liabilities under Small Savings,

Provident Funds, etc., (₹60,571 crore)<sup>9</sup>, interest bearing obligations (₹118 crore) and non-interest bearing obligations like Deposits and other earmarked funds (₹3,197 crore).

The overall liabilities of the State include balance under Reserve Funds amounting to ₹2,174.28 crore (as on 31 March 2017). The details in respect of two of the reserve funds are given in succeeding paragraphs:

**a) State Disaster Response Fund**

The State Disaster Response Fund (SDRF) was set up on 1 April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year, there was ₹72.52 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2016-17 (fixed by the Fourteenth Finance Commission) was ₹194 crore, 75 per cent (₹145.5 crore) of which was to be contributed by the Central Government and 25 per cent (₹48.5 crore) by the State Government. During the year, an amount of ₹194 crore was credited to the Fund. After setting off the expenditure for disaster relief operations to the extent of ₹150.66 crore, the balance in SDRF as on 31 March 2017 was ₹115.86 crore.

According to the guidelines issued by the Government of India, SDRF shall be kept in the Public Account of the State on which the State should pay interest to the Fund at the rate applicable to overdrafts under the Overdrafts Regulation Scheme of RBI. This was not done and also interest payable on the un-invested balances of the earlier years was also not estimated by the Government and credited to the Fund so far (December 2017). Non-transfer of interest amount resulted in under-statement of revenue expenditure and also reduced balance under SDRF.

**b) 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

<sup>9</sup> This includes liabilities under Savings Bank Deposits (₹15,535 crore) and Fixed and Time Deposits (₹15,341 crore).

Government commencing from the financial year 2012-13. The Fund was to be credited with contributions from revenue at the prescribed rate and interest accrued on investments made out of the Fund. Only the interest accrued and credited in the Fund was to be utilised for redemption of the outstanding liabilities of the Government. As per paragraph 5 of revised model scheme for the constitution and administration of Consolidated Sinking Fund of Kerala, the rate of contribution to the Consolidated Sinking Fund was 0.50 per cent of the outstanding liabilities at the end of the previous year. According to this, the State Government had to contribute ₹802.69 crore during 2016-17 to the Consolidated Sinking Fund. However, the State Government did not contribute any amount to the Fund, during the current year. Non-contribution resulted in under-statement of revenue expenditure and also reduced reserve fund for future amortization of loan liability.

As per the guidelines of the fund, the balance at credit of the Fund is required to be invested in the Government of India Securities. During the year, an amount of ₹121.57 crore was received as interest from the investment made out of the fund. At the beginning of the year, ₹1,615.81 crore was available and with the interest received on investment, the outstanding balance at the end of year was ₹1,737.38 crore.

### **1.9.3 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. Section 3 of the Kerala Ceiling on Government Guarantees (Amendment) Act, 2015<sup>10</sup> which came into effect on 5 December 2003 stipulates that the total outstanding Government Guarantees as on the first day of April every year shall not exceed ₹21,000 crore. The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2012-13 are given in Table 1.25.

<sup>10</sup> Kerala Ceiling on Government Guarantees Act, 2003 was amended in 2015 and ceiling on outstanding Government guarantee at the end of the year was revised from ₹14,000 crore to ₹21,000 crore.

**Table 1.25: Guarantees given by the Government of Kerala****(₹ in crore)**

<b>Guarantees</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Maximum amount guaranteed	11,482.25	12,275.21	13,123.30	13,712.77	20,204.10
Outstanding amount of guarantees	9,099.50	9,763.36	11,126.87	12,438.52	16,245.56
Percentage of maximum amount guaranteed to total revenue receipts	26	25	23	20	27
Criteria as per Kerala Ceiling on Government Guarantees Act, 2003 14,000 (Outstanding amount of guarantees as on the first day of April)	14,000	14,000	14,000	21,000	21,000

Source: Finance Accounts of the State Government

The above table shows that there was steady increase in the outstanding guarantees at the end of each of last five years and it increased from ₹9,099.50 crore in 2012-13 to ₹16,245.56 crore in 2016-17. As a percentage of revenue receipts, the guaranteed amount showed steady decline from 26 per cent in 2012-13 to 20 per cent in 2015-16, but it increased to 27 per cent in 2016-17.

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 ₹854.08 crore collected during 2003-04 to 2016-17 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-constitution of Guarantee Redemption Fund resulted in under-statement of revenue expenditure to that extent.

During the year, an amount of ₹101.30 crore was received as guarantee commission and as of March 2017, ₹120.03 crore was due as arrears in this regard.



**[Audit Paragraphs 1.9.1 to 1.9.3 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

27) On the audit paragraph 1.9.3, the Additional Secretary, Finance Department submitted that guarantee was increased to ten percentage of GSDP and guarantee commission of 0.75% was being levied from guarantor. The process of constituting the Guarantee Redemption Fund Rules was in its final stage and investments were also being made by constituting a Sinking Fund. The Committee accepted the reply.

### **Conclusion/Recommendation**

28) **No comments**

### **1.10 Debt Management**

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, Debt-RR ratio, impact of growing debt on interest payments, etc. These indicators for the last five years are given in Table 1.26.

**Table 1.26: fiscal liability sustainability: indicators and trends**

(₹ in crore)

<b>Indicators of Debt Sustainability</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Outstanding Debt of the State	1,08,477	1,24,081	1,41,947	1,60,539	1,89,769
Growth rate of Debt	16.48	14.38	14.40	13.10	18.21

Indicators of Debt Sustainability	2012-13	2013-14	2014-15	2015-16	2016-17
Gross State Domestic Product(GSDP)	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Growth rate of GSDP	13.26	12.79	13.11	11.85	11.37
Debt-GSDP ratio ( <i>per cent</i> )	26.31	26.68	26.99	27.29	28.96
Debt-Revenue Receipt ratio	2.46	2.52	2.45	2.33	2.51
Average interest <sup>11</sup> paid on outstanding debt	7.15	7.11	7.35	7.35	6.92
Percentage of interest paid on revenue Receipt	16.32	16.81	16.86	16.10	16.03
Per capita debt of the State	32,478	37,150	42,499	45,095	53,008

Source: Finance Accounts of respective years

Table 1.26 showed a decreasing trend in growth rate of debt from 2012-13 to 2015-16, but it increased to 18.21 per cent in 2016-17.

The adjoining States of Tamil Nadu and Karnataka had Debt-GSDP ratio of 21.82 and 19.81 per cent respectively but that of Kerala was increasing. During the last five years, it increased from 26.31 per cent in 2012-13 to 28.96 per cent in 2016-17, which is worrisome. Moreover, the per capita debt of Kerala for the year 2016-17 (₹53,008) was higher as compared to Tamil Nadu (₹39,305) and Karnataka (₹36,222).

Interest payments as a percentage of revenue receipt showed a decreasing trend during the last two years, which indicated that State's interest liability was not growing with increase in debt liability.

### 1.10.1 Public Debt management

Public debt of the State comprises of debt raised from internal sources as well as loans and advances received from Government of India. Over the years, loans raised from open market has been the main source for the State Government to meet its fiscal needs. Loans raised by the State Government

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

during the last five years, repayments made with interest and net amount available from the resources are given in Table 1.27.

**Table 1.27: Net resources available in Public Debt**

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Public Debt</b>					
<b>Internal Debt</b>					
Open Market Borrowings	11,583	12,800	13,200	15,000	17,300
Loans from Financial Institutions	410	501	552	600	828
Special securities issued to NSSF	630	565	1,132	1,455	1,861
Others	86	84	222	87	86
<b>Total Internal Debt</b>	<b>12,709</b>	<b>13,950</b>	<b>15,106</b>	<b>17,142</b>	<b>20,075</b>
Loans and Advances from GOI	552	392	752	531	852
<b>Total Public Debt Receipts</b>	<b>13,261</b>	<b>14,342</b>	<b>15,858</b>	<b>17,673</b>	<b>20,927</b>
<b>Total Public Debt Payments</b>	<b>2,804</b>	<b>3,126</b>	<b>3,191</b>	<b>4,075</b>	<b>4,775</b>
<b>Total interest paid on Public Debt</b>	<b>5,255</b>	<b>6,151</b>	<b>7,301</b>	<b>8,358</b>	<b>9,416</b>
<b>Net Debt available</b>	<b>5,202</b>	<b>5,065</b>	<b>5,366</b>	<b>5,240</b>	<b>6,736</b>

Source: Finance Accounts of respective years

Table 1.27 shows that though the total public debt receipt increased from ₹13,261 crore in 2012-13 to ₹20,927 crore in 2016-17, there was not much increase in the net debt available with the State for its development activities. Also, during 2016-17, almost 68 per cent of the loans raised by the State Government was utilised for servicing debt, since the State had no surplus revenue to meet this liability. Status of State's non-debt receipt against total expenditure in last five years is given in Table 1.28.

**Table 1.28: Incremental non-debt receipts and total expenditure****(₹ in crore)**

<b>Year</b>	<b>Non-Debt Receipt</b>	<b>Growth compared to last year</b>	<b>Total Expenditure</b>	<b>Growth compared to last year</b>	<b>Resource Gap</b>
2012-13	44,226	6,145	59,228	8,332	-2,187
2013-14	49,300	5,074	66,244	7,016	-1,942
2014-15	58,102	8,802	76,744	10,500	-1,698
2015-16	69,214	11,112	87,032	10,288	824
2016-17	75,934	6,720	1,02,382	15,350	-8,630

*Source: Finance Accounts of respective years*

The resource gap (gap between incremental non-debt receipts and incremental total expenditure) was negative from 2012-13 to 2016-17, except in 2015-16 which indicated that incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden. Though the resource gap decreased from 2012-13 to 2015-16, it increased considerably in 2016-17.

**Table 1.29: Maturity profile of Public Debt****(₹ in crore)**

<b>Debt maturing</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Upto one year	2,569.25 (3.56)	2,674.90 (3.21)	3,289.26 (3.42)	3,751.61 (3.42)	5,682.54 (4.51)
One to three years	5,791.05 (8.01)	6,829.83 (8.18)	9,139.85 (9.51)	12,243.13 (11.16)	13,331.80 (10.59)
Three to five years	9,100.72 (12.60)	12,058.34 (14.45)	13,265.26 (13.80)	13,284.34 (12.11)	16,677.73 (13.25)
Five to seven years	13,181.39 (18.24)	13,165.08 (15.77)	16,667.64 (17.34)	22,808.05 (20.78)	26,786.58 (21.28)
Seven years and above	36,932.83 (51.12)	44,048.78 (52.77)	48,958.69 (50.93)	52,857.95 (48.17)	58,456.21 (46.44)
Maturity profile details not furnished by State Government	4,674.95 (6.47)	4,689.63 (5.62)	4,812.26 (5.00)	4,785.90 (4.36)	4,948.00 (3.93)

*Source: Finance Accounts of respective years*



The debt maturity profile of the State given in the Table 1.29 shows that 28.35 per cent of the debt amounting to ₹35,692.07 crore has to be repaid within five years. Also about 50 per cent (₹62,478.65 crore) of the debt has to be repaid by March 2024 (within seven years). Steep increase in State Government's open market borrowings occurred from 2007-08 onwards and this will have adverse impact on State finances from 2017-18 onwards. State Government has to ensure additional revenue resources and well thought out debt strategy to meet this debt burden.

**[Audit Paragraphs 1.10 & 1.10.1 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

29) While considering the audit para 1.10.1, the Additional Secretary, Finance Department submitted that, as per the Fifteenth Finance Commission recommendations, the Debt-GSDP ratio should be maintained to 36 percentage by the year 2025-26, but the same was expected to be 36 percentage in 2023 itself. The increase in state's borrowing as the Central Government enhanced the borrowing limit, and the reduced revenue in the wake of the Covid-19 pandemic led to such an increased Debt-GSDP ratio, and the same was diminishing at present.

### **Conclusion/Recommendation**

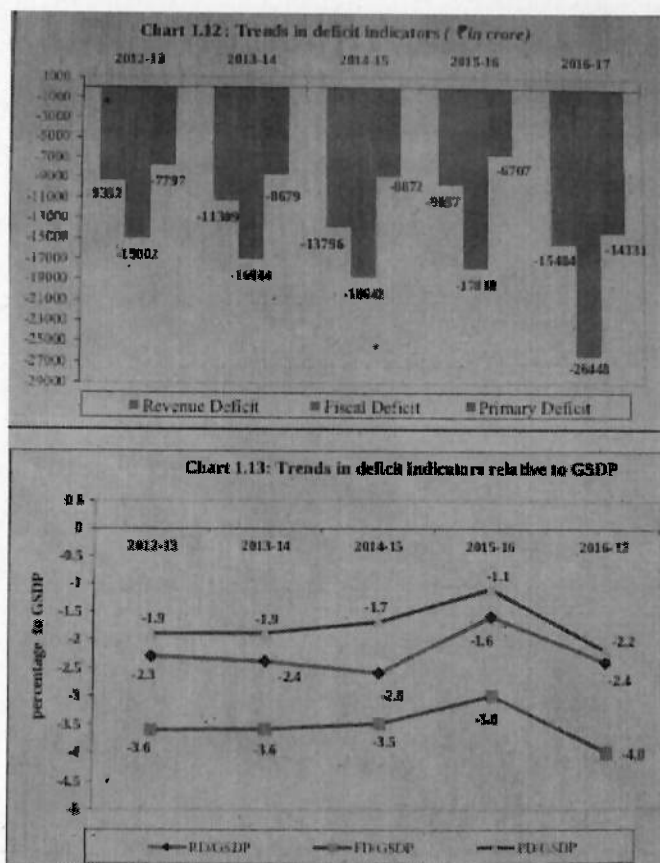
**30) No comments**

## 1.11 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 2016-17.

### 1.11.1 Trends in deficits

Charts 1.12 and 1.13 present the trends in deficit indicators over the period 2012-17.



The revenue deficit of the State, which indicates the excess of its revenue expenditure over revenue receipts, increased steadily since 2012-17 (except during 2015-16) indicating increased growth of revenue expenditure over revenue receipts. Based on the recommendations of Fourteenth Finance Commission, during 2016-17, GoI released an amount of ₹3,350 crore as Post Devolution Revenue Deficit Grant. However, revenue deficit increased from ₹9,657 crore in 2015-16 to ₹15,484 crore in 2016-17. This indicates that State Government could not control revenue deficit even after receipt of substantial assistance from GoI.

The fiscal deficit, which represents the total borrowings of the Government increased during the last five years (except during 2015-16). It increased from ₹15,002 crore in 2012-13 to ₹18,642 crore in 2014-15, but reduced to ₹17,818 crore in 2015-16 due to receipt of Post Devolution Revenue Deficit Grant. However, fiscal deficit increased to ₹26,448 crore in 2016-17, even after receipt of ₹3,350 crore as Post Devolution Revenue Deficit Grant. Primary deficit also increased considerably during the five years period from ₹7,797 crore in 2012-13 to ₹14,331 crore in 2016-17.

As a proportion of GSDP, primary, revenue and fiscal deficits were lowest during 2015-16, but increased during 2016-17 due to increased growth of expenditure with respect to revenue receipt. Consequently, none of the target set in Medium Term Fiscal Plan (Appendix III(3)) could be achieved.

### **1.11.2 Components of fiscal deficit and its financing pattern**

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1.30. Receipts and disbursements under the components of financing the fiscal deficit during 2016-17 are given in Table 1.31.

**Table 1.30: Components of fiscal deficit and its financing pattern**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Decomposition of fiscal deficit</b>					
1 Revenue deficit	9,352	11,309	13,796	9,657	15,484
2 Net capital expenditure	4,588	4,275	4,227	7,472	10,096
3 Net loans and advances	1,062	1,360	619	689	868
<b>Total fiscal deficit</b>	<b>15,002</b>	<b>16,944</b>	<b>18,642</b>	<b>17,818</b>	<b>26,448</b>
<b>Financing pattern of fiscal deficit*</b>					
1 Market borrowings	10,571	11,373	11,777	12,886	14,686
2 Loans from Government of India	226	40	402	169	379
3 Special Securities Issued to National Small Savings Fund	32	(-)42	525	731	972
4 Loans from Financial Institutions	(-)118	(-)77	(-)69	(-)64	107
5 Small Savings, PF, etc.	3,686	4,231	3,765	8,332	12,932
6 Deposits and Advances	1,141	188	1,365	(-)3,280	105
7 Suspense and Miscellaneous	712	(-)946	58	774	(-)2,169
8 Remittances	31	(-)168	26	(-)93	(-)313
9 Others	(-)379	(-)68	164	(-)59	170
<b>10 Total (1 to 9)</b>	<b>15,902</b>	<b>14,531</b>	<b>18,013</b>	<b>19,396</b>	<b>26,869</b>
11 Increase (-)/Decrease (+) in Cash Balance	(-)900	2,413	629	(-)1,578	(-)421
<b>12 Overall deficit</b>	<b>15,002</b>	<b>16,944</b>	<b>18,642</b>	<b>17,818</b>	<b>26,448</b>
*All these figures are net of disbursements/outflows during the year.					

Source: Finance Accounts of respective years

**Table 1.31: Receipts and disbursements under components financing the fiscal deficit during 2016-17**

(₹ in crore)

Sl No.	Particulars	Receipt	Disbursement	Net
1	Market borrowings	17,300	2,614	14,686
2	Loans from Government of India	852	473	379
3	Special Securities Issued to National Small Savings Fund	1,861	889	972



4	Loans from Financial Institutions	828	721	107
5	Small Savings, PF, etc.	61,708	48,776	12,932
6	Deposits and Advances	3,286	3,181	105
7	Suspense and Miscellaneous	1,21,717	1,23,886	(-)2,169
8	Remittances	3,587	3,900	(-)313
9	Others	415	245	170
10	<b>Total (1 to 9)</b>	<b>2,11,554</b>	<b>1,84,685</b>	<b>26,869</b>
11	Increase (-)/Decrease (+) in Cash Balance	3,229	3,650	(-)421
12	<b>Overall deficit</b>			<b>26,448</b>

Source: Finance Accounts of State Government

Table 1.30 reveals that during the last five years, market borrowings and net accretions in Public Account (especially in Small Savings, PF, etc.) are the main source of the State Government to finance the fiscal deficit. During 2016-17, net market borrowings (₹14,686 crore) and net accretions in Small savings, PF, etc., (₹12,932 crore) were used for financing the fiscal deficit of the State.

During 2016-17, the State Government raised ₹17,300 crore as market loans at a weighted average interest rate of 7.58 per cent, loans amounting to ₹827.89 crore from NABARD at an interest rate of 5.25 per cent to 5.50 per cent, ₹1,861.22 crore from National Small Savings Fund at an interest rate of 9.50 per cent and ₹47.79 crore from NCDC at an interest rate of 10.61 per cent. The State Government also received loans amounting to ₹852.14 crore from the Government of India during the year, for which, the details of interest rate on all loans were not available.

The State Government mobilised deposits from its employees, pensioners, institutions and general public through treasuries. During 2016-17, the State Government received ₹41,495.18 crore as deposits through Treasury Saving Bank accounts at an average interest rate of five per cent and ₹12,233.61 crore as Treasury Fixed Deposits at interest rates ranging between 7.50 per cent and 9.50 per cent. The balance of such deposits as on 31 March 2017 was ₹30,876.64 crore. This is ₹9,361.60 crore more than the previous year's balance.

The above increased accumulation also resulted in non-achievement of fiscal liability-GSDP ratio set for the year.

### 1.11.3 Quality of deficit

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also 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 bifurcation of the primary deficit (Table 1.32) 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 1.32: Primary deficit/surplus – bifurcation of factors**

(₹ in crore)

Year	Non-debt receipts (NDR)	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure	Primary revenue deficit(-) / surplus(+)	Primary deficit(-)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2012-13	44,226	46,284	4,603	1,136	52,023	(-)2,058	(-)7,797
2013-14	49,300	52,221	4,294	1,464	57,979	(-)2,921	(-)8,679
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

Source: Finance Accounts of respective years

The bifurcation of the factors leading to primary deficit of the State revealed that during 2012-13 to 2016-17, non-debt receipts (NDR) of the State were not enough to meet the primary revenue expenditure<sup>12</sup> of the State (except

<sup>12</sup> Primary revenue expenditure represents revenue expenditure less expenditure on interest.

during 2015-16). Though the position showed an improving trend from 2012-13 to 2015-16, it worsened during 2016-17. Government had to depend on borrowed funds even for meeting primary expenditure during 2016-17.

**[Audit Paragraphs 1.11 to 1.11.3 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

31) The Committee accepted the reply furnished by the Department.

### **Conclusion/Recommendation**

32) **No comments**

## **1.12 Management of loans raised from financial institutions**

### **1.12.1 Introduction.**

Article 293 (1) of the Constitution of India empowers State Governments to borrow, within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may be fixed from time to time. Using such powers, State Government raise loans from financial institutions like National Bank for Agriculture and Rural Development (NABARD), Life Insurance Corporation of India (LIC), National Co-operative Development Corporation (NCDC), General Insurance Corporation (GIC), Housing and Urban Development Corporation (HUDCO), etc., for supporting the plan programme of the State. The departmental officers are responsible for maintaining the records relating to scheme-wise borrowings and arranging prompt repayment of principal and interest thereon.

The records relating to loans raised from Life Insurance Corporation of India, General Insurance Corporation, National Co-operative Development Corporation and National Bank for Agriculture and Rural Development are

being maintained by Finance Department and loan raised from Housing and Urban Development Corporation is being maintained by Director of Scheduled Tribes Development Department (STDD). Audit was conducted covering the period from 2012-13 to 2016-17 in Finance Department and Directorate of Scheduled Tribes Development to assess whether:

- the accounting of the loans was correctly done; and
- the loans raised were released to implementing department/agency through budget for intended purposes.

During the last five years (2012-17) the State Government raised an amount of ₹3454.40 crore from three<sup>13</sup> financial institutions and ₹3264.33 crore was outstanding<sup>14</sup> at the end of March 2017. Records of the Finance Department, STDD and financial institutions were test-checked in audit and noticed some deficiencies in accounting of the receipts as well as repayments, which are discussed in the succeeding paragraphs.

### **Audit observations**

#### **1.12.2 Discrepancies in the accounting of loans**

##### **1.12.2.1 Loan account of National Co-operative Development Corporation**

Accounting of the loans availed from NCDC is the responsibility of Finance Department of the State Government and audit observed a difference of ₹45.03 crore between the books of NCDC (₹250.35 crore) and Finance Accounts (₹295.38 crore) at the end of March 2017. Reasons for this difference was analysed in audit as detailed below:

- Loans raised from NCDC coming under Credit Linked Capital investment subsidy scheme (Central Sector Scheme) comprises of loan as well as subsidy amount. As the subsidy is back-ended<sup>15</sup>, it shall be initially

13 NCDC: ₹478.86 crore, NABARD: ₹2890.54 crore and HUDCO: ₹85 crore.

14 NCDC: ₹295.38 crore, NABARD: ₹2883.95 crore and HUDCO: ₹85 crore.

15 Subsidy portion is the last component of the amount availed and benefit of it would be available only if loan portion was repaid as per the terms and conditions.



provided as interest free loan, which shall be converted into subsidy after the entire term loan (excluding subsidy) is repaid along with interest and on fulfilment of all the norms, guidelines and conditions laid down under the scheme. Since the initial accounting of loan and subsidy was done under the loan head of account '6003-108', Finance Department has to propose for transfer of the subsidy amount and based on this, Accountant General (A&E) has to carry out account adjustment. Test-check of 17 out of 50<sup>16</sup> subsidy linked loans (loan amount ₹8.25 crore and subsidy: ₹0.68 crore) revealed that Finance Department did not propose account adjustment for the subsidy portion of ₹0.68 crore. Consequently, it remained unadjusted in the loan account.

- Loans sanctioned by NCDC are directly transferred to the current account of the State Government maintained in the State Bank of Travancore (now State Bank of India) and Finance Department had to withdraw and remit it to the State Treasury for accounting under Government accounts. Loan amount of ₹0.46 crore credited in the bank account of the State on 8 January 2015 was transferred to Government account (6003-108) on 9 January 2015 by the Finance Department. However, Finance Department repeated this action again on 14 January 2015 without the receipt of any amount from NCDC, which led to overstatement of loan balance in Government account to the tune of ₹0.46 crore.

It was observed that ₹21.38 crore related to subsidy amount in respect of loans released during 2012-17, which would be due for transfer between 2020 and 2025. The remaining difference (₹22.51 crore<sup>17</sup>) needs to be reconciled by the Finance Department. The matter was referred to Government in October 2017 and reply was awaited (January 2018).

#### **1.12.2.2 Loan account of Housing and Urban Development Corporation**

During the year 2014-15, State Government permitted the Director of Scheduled Tribes Development Department to avail ₹135 crore from HUDCO

<sup>16</sup> Loans completely repaid during audit period.

<sup>17</sup> ₹22.51 crore = ₹45.03 crore - (₹21.38 crore + ₹0.46 crore + ₹0.68 crore).

as loan for the housing scheme of homeless tribes and HUDCO released the loan in three instalments. The first instalment of ₹50 crore was released in March 2015 by demand draft and the same was credited to the Treasury Savings Bank Account of the Director without routing through Government accounts. Consequently, the loan balance of the State was understated by ₹50 crore in Finance Accounts. Even after two years, no effort was made to rectify the mistake though repeatedly pointed out by Accountant General (A&E/Audit).

Finance Department replied (November 2017) that sanction was accorded for effecting the account adjustment and action was being taken to allocate sufficient budget provision in the ensuing Supplementary Demands for Grants.

### **1.12.3 Deficiencies noticed in payment of interest on loans**

#### **1.12.3.1 National Co-operative Development Corporation loan**

In May 2012, State Government sought details of outstanding loans from NCDC for pre-closure of loans and NCDC informed that pre-closure of outstanding loans (in the case of credit linked subsidy schemes) would entail refund of the subsidy assistance by State Government. When Government pre-closed outstanding loan of ₹152.56 crore, which had interest rate above 10.25 per cent on 5 November 2012, NCDC requested (November 2012) the State Government to refund the subsidy amount of ₹4.09 crore related to the projects for which funds were released. Subsequently, the State Government informed (December 2012) NCDC that the pre-payment of loans in respect of subsidy linked schemes (₹19.05 crore out of ₹152.56 crore) was not intended and informed their willingness to re-avail loan on the schemes for which advance refund was made on the existing terms and conditions. Consequently, NCDC further released the subsidy linked loan amounting to ₹19.05 crore on 13 February 2013. In November 2013, Finance Department made an avoidable payment of ₹61.21 lakh as interest to NCDC for the intervening period (5 November 2012 to 13 February 2013). The matter was referred to Government in October 2017 and reply was awaited (January 2018).

### **1.12.3.2 Housing and Urban Development Corporation loan**

HUDCO released loan amount of ₹97.25 crore in two instalments (March 2015 and January 2016) to the Director of Scheduled Tribes Development and the due date for payment of interest was fixed as the last dates of February, May, August and November of every year. For belated payments, HUDCO charges compound interest and penal interest @ 8.75/9.25 per cent and 3 per cent respectively. Director of ST Development was effecting interest payments based on the demand sent by HUDCO and made 10 quarterly interest payments till June 2017 and it was observed that nine out of 10 payments were made belatedly and this attracted compound interest and penal interest as detailed in Appendix III(8). Consequently, an additional burden of ₹5.07 lakh was to be borne by the State Government for the total delay of 133 days, which occurred during the period from May 2015 to June 2017. The Department did not ensure budgetary allocation for arranging payment of interest on due dates, which led to delayed payment to HUDCO and additional expenditure to the State Government.

Audit further noticed that HUDCO demanded excess penal and compound interest due to wrong depiction of date of actual payment. Non-verification of demands raised by HUDCO at department level resulted in excess payment of ₹25,580 towards compound and penal interest for 11 days out of ₹5,07,088.

Finance Department replied (November 2017) that the lapse was due to administrative failure and that necessary directions have since been issued to the Administrative Department to take urgent action for avoiding similar instances in future.

### **1.12.4 Non/delayed utilisation of loans raised**

In order to have optimum benefit of the loan availed, Finance Department has to transfer the funds to Government account (from the current account of the agency bank) immediately and release it to needy Department for implementation of the scheme. However, delay ranging from one to ten months was noticed in transfer of nine NCDC loans amounting to ₹3.21 crore availed

during 2013-16. Consequently, utilisation of funds for intended purposes was also delayed to that extent.

As part of modernisation of four textile mills, NCDC approved (₹154.49 crore) the proposals of the State Government and released an amount of ₹86.88 crore in two instalments (March 2015 and July 2015), based on the State's request to release the loan, promoter contribution and subsidy portion of the amount sanctioned by NCDC as advance to the textile mills. NCDC released this advance with the condition that the same should be provided to the spinning mills within one month of the receipt of the same. However, even after two years, Industries Department released only ₹55.36 crore to beneficiary mills (that too with a delay of 8 to 24 months) and ₹31.52 crore (36 per cent) remained unutilised and blocked up with Government as on September 2017. The Director of Handloom and Textiles replied that the funds were released as per budget provision available in each year and in accordance with the release order of Government of Kerala. However, Government should have ensured timely budgeting and release of funds as the funds were obtained based on State Government's specific request.

Out of ₹135 crore released by HUDCO, State Government did not release ₹37.75 crore to STDD. Out of ₹97.25 crore available with STDD, ₹12.46 crore remained blocked in Special Treasury Savings Bank account as of July 2017. This matter was referred to Government in October 2017 and reply was awaited (January 2018).

**[Audit Paragraphs 1.12.1 to 1.12.4 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

33) When the committee directed to give a reply on the audit para 1.12.2.1, the Additional Secretary, Finance Department submitted that the NCDC



(National Co-operative Development Corporation) loans from Central Government were being transferred to current account of the State Government and subsequently credited to their Consolidated Fund, and were reconciled by NCDC and Finance Department. As it was back ended subsidy, some issues were there regarding reconciliation and, if the instructions in that regard given to Accountant General got approved, the Finance Department could proceed with the reconciliation and necessary action could be taken in the subsequent years accordingly.

34) The Deputy Accountant General clarified that there would be a loan component and a subsidy component in NCDC loans. Initially the subsidy component would be accounted as loan, and the same could be credited back as subsidy only on the repayment of entire loan amount. The Deputy Accountant General added that if necessary Government Orders would be issued from Finance Department, the account adjustment could be carried out and the subsidy component could be credited to the co-operative's receipt head, 0425. The Additional Secretary, Finance Department informed that the NCDC loans were being repaid promptly and the action taken report had been forwarded to the Accountant General and necessary Government Order could be issued as soon as the reply for the said Report was made available to the Government. The Committee accepted the reply.

35) To a query of the Committee regarding the audit para 1.12.2.2, the Special Secretary, Finance Department submitted that necessary steps had been taken for getting ₹ 50 lakh from HUDCO, for effecting the account adjustment. The Committee accepted the reply.

36) When the Committee enquired about the audit para 1.12.3.1, the Additional Secretary, Finance Department submitted that, NCDC had requested to refund the entire subsidy amount related to those outstanding NCDC loans, which were pre-closed as per Government direction as their rate of interest was

10.25 per cent. Then it was decided to re-avail those loans to avoid such refund, but a payment of ₹ 61.21 lakh was already made to NCDC in 2013 towards interest and the mistake was realized later on reconciliation of accounts. Communication had been forwarded to NCDC that the said amount might be adjusted in the repayment for November 2023. The Committee accepted the reply.

37) Regarding the audit para 1.12.4, the Committee wanted to know whether there were any cases of non-disbursement of NCDC fund to textile mills. The Additional Secretary, Finance Department submitted that there were no such cases and added that the textile mills and co-operative mills were not repaying the NCDC loans, whereas the institutions like Matsyafed, KSFE, ULCCS have been promptly repaying the loan amount. The Committee pointed out the audit observation that NCDC loans specifically allotted to textile mills were not disbursed properly. The Special Secretary, Finance Department submitted that the explanation from Industries Department was awaited and reply in this regard would be furnished on receiving the same.

### **Conclusion/Recommendation**

**38) The Committee directs the Department to furnish the status report regarding the reconciliation of NCDC Loan account and recommends the Department to introduce a comprehensive accounting system for NCDC loans and prepare repayment schedules to ensure timely transfer of subsidy portion to revenue account and avoid excess payment in future.**

**39) The Committee expresses its displeasure over the non-disbursement of NCDC loan amount specifically allotted for the modernisation of textile mills and directs the Department to furnish report regarding the audit paragraph 1.12.4 within two months.**

### 1.13 Conclusion and Recommendations

#### **Fiscal position of the State**

In 2016-17, fiscal position of the State deteriorated as compared to 2015-16 in terms of three key fiscal parameters viz., revenue, fiscal and primary deficits, which were at the higher side during 2016-17. Revenue deficit increased from ₹9,657 crore in 2015-16 to ₹15,484 crore in 2016-17 and fiscal deficit increased from ₹17,818 crore in 2015-16 to ₹26,448 crore in 2016-17. State did not achieve any of the targets fixed in its Medium Term Fiscal Plan. During the year, revenue receipts were insufficient to meet its non-plan revenue expenditure, indicating insufficiency of revenue receipts for routine expenditure of the State. Incremental non-debt receipts during the year were inadequate to finance incremental primary expenditure and incremental interest burden, which indicated inadequacy of resources to meet primary expenditure. 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 4 per cent during 2016-17 indicating increased growth of expenditure with respect to the growth of GSDP.

*State Government needs to control the fiscal deficit to make it eligible for benefits recommended in Fourteenth Finance Commission Report.*

#### **Revenue resources**

Revenue receipts of the State increased from ₹44,137 crore in 2012-13 to ₹75,612 crore in 2016-17, recording a growth of 71 per cent during last five years. However, revenue receipt recorded lowest growth rate of 9.53 per cent in 2016-17. State's own tax revenue, being the main source of revenue in revenue receipts also recorded lowest growth rate (8.16 per cent) in 2016-17. Though, State's share of Union taxes and duties and Grants-in-aid from GoI doubled during last five years, there was considerable reduction in grant released for State plan schemes and Central plan schemes. Receipts from State Lotteries was the main source of non-tax revenue and it was more than 75 per cent during 2016-17.

*Government needs to address the decreasing trend in growth of its own tax revenue and measures should be taken to improve the same.*

### **Revenue Expenditure**

Revenue Expenditure of the State increased from ₹78,690 crore in 2015-16 to ₹91,096 crore in 2016-17 recording a growth of 15.77 per cent over the previous year. Though Plan and Non-plan Revenue expenditure were increasing, revenue expenditure as a percentage of total expenditure showed a declining trend during the last two years which indicated shifting of Government's priority towards capital expenditure. As in the previous year, share of committed expenditure in revenue expenditure was 63 per cent and it consumed more than 76 per cent of the revenue receipt. When interest payments showed a reduced growth rate compared to previous year, pension payments showed increased growth rate. Interest payments and pension payments consumed 16 per cent and 20 per cent respectively of revenue receipts and is a matter of concern for the State Government.

### **Quality of expenditure**

Though share of capital expenditure in total expenditure increased during last two years, it was on the lower side compared to General Category States in 2016-17. 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. Though the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives, average return on these investments was 1.35 per cent in the last five years while the Government paid an average interest rate of 7.18 per cent on its borrowings during 2012-13 to 2016-17. The interest receipt on loans and advances given by State Government was 0.22 per cent during 2016-17 against the average cost of borrowing of 6.92 per cent. At the end of the year, 83 institutions defaulted in repayment of loans advanced to them and arrears in respect of this was ₹10,579 crore (Principal: ₹6,656 crore and Interest: ₹3,923 crore).



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

### **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. 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. Guarantee Redemption Fund has not been constituted so far and guarantee commission of ₹854.08 crore collected during 2003-04 to 2016-17 was not credited to the Fund. State Disaster Response Fund had accumulated balance of ₹115.86 crore by the end of March 2017. As per the guidelines, Government has to credit interest at the rate applicable to overdrafts under the Overdraft Regulation Scheme of RBI. This was not done and also interest payable on the un-invested balances of the earlier years was not estimated by the Government.

*Steps should be taken to credit the interest payable to State Disaster Response Fund without further delay.*

### **Debt Management**

As per the recommendations of Fourteenth Finance Commission Debt-GSDP ratio has to be less than 25, but during the last five years it showed an increasing trend (from 26.31 in 2012-13) and it was 28.96 in 2016-17 due to disproportionate growth of debt with respect to GSDP. Almost 68 per cent of the loans raised during 2016-17 was used for servicing the debt. Maturity profile of the State showed that 28.35 per cent of the debt amounting to ₹35,692.07 crore has to be repaid within five years and about 50 per cent (₹62,478.65 crore) by March 2024 (within seven years).

### **Management of loans raised from financial institutions**

State Government has been raising loans from financial institutions and it is the responsibility of departmental officers to arrange for prompt re-payment of loans and to maintain the records relating to receipt and repayment of loans. Absence of proper accounting system and monitoring of receipt and repayment of NCDC loan resulted in accumulation of subsidy portion in loan head of account. Negligence of Finance Department resulted in avoidable payment of ₹61.21 lakh as interest to NCDC on non-existent loans.

First instalment of ₹50 crore received during 2014-15, for the housing scheme to homeless tribes was omitted to be reckoned under Government accounts for the last two years. Laxity on the part of Scheduled Tribes Development Department resulted in avoidable payment of compound and penal interest amounting to ₹5.07 lakh during 2015-2017.

*Finance Department should introduce a comprehensive accounting system for NCDC loans and prepare repayment schedules to avoid excess payments and timely transfer of subsidy portion to revenue account.*

*Scheduled Tribes Development Department may ensure budgetary allocation at the beginning of the year to avoid payment of compound and penal interest.*

**[Audit Paragraph 1.13 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraph is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

40) Regarding the audit para, the Special Secretary, Finance Department submitted that the interest payable to State Disaster Response Fund was not timely being received, but at present, all the arrears had been credited to SDRF, as per the order. The Committee accepted the reply.

## **Conclusion/Recommendation**

### **41) No comments**

## **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 Budget Manual noticed in audit are discussed in the subsequent paragraphs.

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2016-17 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	Percentage of Savings
<b>Voted</b>						
I Revenue	85,217.75	5,577.28	90,795.03	79,959.15	10,835.88	11.93
II Capital	9,501.00	3,311.62	12,812.62	10,245.70	2,566.92	20.03
III Loans and Advances	740.58	535.32	1,275.90	1,160.30	115.60	9.06
<b>Total Voted</b>	<b>95,459.33</b>	<b>9,424.22</b>	<b>1,04,883.55</b>	<b>91,365.15</b>	<b>13,518.40</b>	<b>12.89</b>
<b>Charged</b>						
IV Revenue	13,062.58	28.87	13,091.45	12,461.29	630.16	4.81
V Capital	96.81	11.42	108.23	65.26	42.97	39.70
VI Public Debt Repayment	13,974.78	0.00	13,974.78	7,706.01	6,268.77	44.86
<b>Total Charged</b>	<b>27,134.17</b>	<b>40.29</b>	<b>27,174.46</b>	<b>20,232.56</b>	<b>6,941.89</b>	<b>25.55</b>
<b>Appropriation to Contingency Fund (if any)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total</b>	<b>1,22,593.50</b>	<b>9,464.50</b>	<b>1,32,058.00</b>	<b>1,11,597.71</b>	<b>20,460.29</b>	<b>15.49</b>

Source: Appropriation Accounts 2016-17 and Appropriation Acts



The overall savings of ₹20,460.29 crore was the result of savings of ₹20,601.46 crore in 38 Grants and 26 Appropriations under the Revenue Section and 27 Grants and six Appropriations under the Capital Section (Appendix III(9), offset by excess of ₹141.17 crore in six Grants under the Revenue Section and two Grants under Capital section. Though overall savings decreased (5.13 per cent) from 20.62 per cent in the last year to 15.49 per cent in 2016-17, 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 20 Grants (each having savings exceeding ₹100 crore) budget allocation of ₹13,467.57 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	No. of Grants	Original Budget	Supplementary	Final Appropriation	Savings
Revenue-Plan	7	12,117.60	2,617.04	10,048.42	4,686.22
Revenue-Non-Plan	6	41,114.82	1,465.41	36,484.36	6,095.87
Capital-Plan	6	4,466.82	1,853.75	4,306.52	2,014.05
Capital-Non-Plan	1	1,008.18	150.00	486.75	671.43
<b>Total</b>	<b>20</b>	<b>58,707.42</b>	<b>6,086.20</b>	<b>51,326.05</b>	<b>13,467.57</b>

Source: Appropriation Accounts 2016-17

Grant-wise details for the above information are given in Appendix III(10). Further, it was observed that three Grants in voted category had more than 50 per cent of the budget allocation remaining un-utilised as detailed in Table 2.3.

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

Grant number and name	Total Grant	Expenditure	Savings	Percentage of savings
<b>Revenue-Plan</b>				
XXXVI Rural Development	2,856.82	607.88	2,248.94	79
<b>Capital-Plan</b>				
XX Water Supply and Sanitation	544.46	204.91	339.55	62
<b>Capital-Non-Plan</b>				
XV Public Works	1,158.18	486.75	671.43	58

Source: Appropriation Accounts 2016-17

Further scrutiny revealed that ten schemes of the above Grants had substantial savings 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	Expenditure	Savings
1	XXXVI	2501-01-197-48 Block Grants for CSS (P)	287.60	137.59	150.01
2		2501-06-197-48 Block Grants for CSS (P)	100.00	29.86	70.14
3		2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (P)	2,247.70	227.77	2,019.93
4		2515-00-102-37 Pradhan Mantri Krishi Sinchai Yojana (PMKSY) (P)	75.00	28.61	46.39
5	XX	4215-01-190-96 Kerala Water Supply Project, JICA (One time sustenance support under the State plan) (P)	150.00	0.00	150.00
6		4215-01-102-97 Rural Water Supply schemes (P)	87.35	15.00	72.35
7		4215-01-190-97 Optimisation of production and transmission (P)	105.36	45.00	60.36
8		4215-01-102-96 Ensuring Accessibility to drinking water in Identified Panchayats (P)	11.00	0.00	11.00
9		4215-01-101-96 Modernisation of Aruvikkara Pumping Station (P)	10.00	0.00	10.00
10	XV	5054-80-800-66 Investment in Major Capital Projects (NP)	700.00	0.00	700.00

Source: Appropriation Accounts 2016-17

## 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 eight Grants/Appropriation as detailed in Table 2.5.

**Table 2.5: Grants/Appropriations showing substantial savings**

(₹ in crore)

Sl No.	Grant Number and Name	Total Grant / Appropriation	Expenditure	Savings	Percentage of Savings
<b>Revenue - Voted</b>					
1	XXII Urban Development	1,497.61	866.41	631.20	42
2	XXXVI Rural Development	3,081.16	811.06	2,270.10	74
3	XLIII Compensation and Assignment	7,379.07	5,497.60	1,881.47	26
<b>Capital - Voted</b>					
4	XVIII Medical and Public Health	361.94	256.44	105.50	29
5	XX Water Supply and Sanitation	564.46	265.08	299.38	53
6	XXVIII Miscellaneous Economic Services	3,336.82	2,384.07	952.75	29
7	XXIX Agriculture	699.09	418.68	280.41	40
<b>Capital - Charged</b>					
8	Public Debt Repayment	13,974.78	7,706.01	6,268.77	45
	<b>Total</b>	<b>30,894.93</b>	<b>18,205.35</b>	<b>12,689.58</b>	<b>41</b>

Source: Appropriation Accounts 2016-17

Further, the savings under the above eight Grants/Appropriation was 62 per cent of the total savings during 2016-17, indicating the gravity of the savings in these Grants/Appropriation.

Analysis of the savings in the above eight Grants/Appropriation revealed that 43 schemes had savings more than ₹10 crore during 2016-17. Details are given in Appendix III(11).

### 2.3.2 Persistent savings

Twelve Grants and one Appropriation had savings more than ₹100 crore during the last three financial years as detailed in Table 2.6.

**Table 2.6: Grants/Appropriation having persistent savings during last three years**

(₹ in crore)

Sl No.	Number and Name of Grant/Appropriation	Amount of savings		
		2014-15	2015-16	2016-17
Revenue - Voted				
1	XII Police	238.92 (9)	515.75 (16)	180.43 (5)
2	XV Public Works	245.57 (10)	675.17 (21)	440.22 (17)
3	XVI Pension and Miscellaneous	114.68 (1)	1,204.46 (6)	2,447.51 (10)
4	XVII Education, Sports, Art and Culture	1,285.38 (9)	2,384.74 (14)	337.73 (2)
5	XXII Urban Development	948.83 (75)	645.83 (69)	631.20 (42)
6	XXXVI Rural Development	1,031.40 (33)	740.04 (25)	2,270.10 (74)
7	XLVI Social Security and Welfare	301.12 (9)	632.93 (13)	1,136.67 (18)
Capital - Voted				
8	XX Water Supply and Sanitation	140.30 (52)	174.90 (52)	299.38 (53)
9	XXVIII Miscellaneous Economic Services	1,361.72 (96)	1,178.88 (56)	952.75 (29)
10	XXIX Agriculture	126.08 (45)	149.22 (34)	280.41 (40)
11	XXXVII Industries	365.83 (51)	133.35 (19)	236.18 (23)
12	XLI Transport	118.61 (16)	559.08 (46)	179.35 (16)
Capital - Charges				
13	Public Debt Repayment	8,349.59 (59)	8,917.24 (60)	6,268.77 (45)

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 twelve Grants and one Appropriation was 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 also the ability of the Department to utilise the funds. Details of schemes, where persistent savings of ₹one crore or more was noticed, are given in Appendix III(12).

### 2.3.3 Excess over provision during 2016-17

The Appropriation Accounts disclosed excess expenditure in six<sup>18</sup> grants under Revenue Section amounting to ₹72.08 crore and two<sup>19</sup> grants under Capital Section amounting to ₹69.09 crore, which require regularisation under Article 205 of the Constitution. Further analysis revealed that 30 schemes under the above Grants had excess expenditure more than ₹one crore. Details are given in Appendix III(13). In these 30 schemes, seven schemes had excess expenditure exceeding 25 per cent of the budget allocation. Details are given in Table 2.7.

**Table 2.7: Schemes in which expenditure exceeded 25 per cent or more of the allocation**  
(₹ in crore)

Sl No.	Grant number and scheme name		Budget allocation	Expenditure	Excess
1	XI	2250-00-103-87 Malabar Devaswom XI Board (NP)	25.45	45.41	19.97 (78)
2	XV	2059-01-053-96 Maintenance and Repairs (Civil and Electrical) of Secretariat (NP)	0.14	1.49	1.35 (964)
3		3054-80-192-38 Maintenance of Road Assets as per fifth SFC Recommendation (NP)	56.84	74.23	17.39 (31)
4		3054-80-800-95 Road Safety Works (P)	11.40	20.84	9.44 (83)
5		5054-80-001-99 Establishment Charges transferred on percentage basis from '3054-Roads and Bridges' (P)	265.79	332.57	66.78 (25)

18 Administration of Justice: ₹0.67 crore; Stamps and Registration: ₹2.83 crore; Treasury and Accounts: ₹10.80 crore; District Administration and Miscellaneous: ₹1.81 crore; Family Welfare: ₹13.93 crore and Water Supply and Sanitation: ₹42.04 crore.

19 Public Works: ₹67.46 crore and Food: ₹1.63 crore.

6	XIX	2211-00-101-96 Rural Family Welfare Centres and Post Partum Centres (Block PHCs) (NP)	71.43	100.35	28.92 (40)
7		2211-00-200-96 Post Partum Centres MC Hospital, District Hospital and Other Major Hospitals (NP)	7.04	9.56	2.53 (36)

Source: Detailed Appropriation Accounts 2016-17

Figures in parenthesis are percentage of excess over budget allocation

It was also observed that in five 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	XI	2053-00-094-50 Disaster Management, Mitigation and Rehabilitation (P)	0.00	6.17	6.17
2	XV	3054-04-198-39 One time assistance for maintenance of Rural Roads (NP)	0.00	1.00	1.00
3	XX	2215-01-101-98 Special package for completing ongoing Urban Water Supply Schemes (P)	0.00	27.50	27.50
4		2215-01-102-81 Rural Water Supply Scheme (P)	0.00	15.91	15.91
5		2215-01-190-94 Replacement of old and unusable pipes (P)	0.00	33.00	33.00

Source: Detailed Appropriation Accounts 2016-17

Scheme-wise analysis of remaining Grants/Appropriations also revealed incurring of expenditure after budget allocations were injudiciously re-appropriated/ surrendered. Details of 17 such cases are given in Appendix III(14).

### 2.3.4 Excess expenditure over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). Excess expenditure under 14 Grants and eight Appropriations amounting to ₹1,048.39 crore for the years 2011-12 to 2015-16 was to be regularised (December 2017) as summarised in Table 2.9. Government of Kerala has been incurring expenditure in excess of appropriation since 2011-12 i.e. for six consecutive years. For the last six years i.e from 2011-12 to 2016-17, Government of Kerala has been persistently violating the intent of the legislature, which is a matter of serious concern. The year-wise and Grant-wise amounts of excess expenditure pending regularisation and the stage of consideration by the PAC are detailed in Appendix III(15).

**Table 2.9: Excess over provisions relating to previous years requiring regularization**

(₹ in crore)

Year	Number of		Amount of excess 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
<b>Total</b>	<b>14</b>	<b>8</b>	<b>1048.39</b>

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

### 2.3.5 Unnecessary/Excessive Supplementary provision

Supplementary provisions aggregating to ₹1238.23 crore, obtained in 11 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 III(16). Since there was sufficient savings in the original budget allocation, the option of re-appropriation of funds between heads of account (where savings are 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 were surrendered at the end of the year. Instances are detailed in succeeding paragraphs.

**(i) Grant number I - State Legislature (Revenue Voted)**

The supplementary grant of ₹1.09 crore, obtained in March 2017 was to meet the additional expenditure on medical reimbursement under the head of account 2011-02-101-99 and expenditure on wages and other items under the head of account 2011-02-103-99. But the entire supplementary grant remained unutilised and surrendered at the end of the year.

**(ii) Grant number II - Heads of States, Ministers and Headquarters Staff (Revenue charged)**

Supplementary grant of ₹14.09 crore obtained in March 2017 under the head of account 2051-102-99-28 Payments for professional and special services, proved unnecessary as the final expenditure (₹154.29 crore) under the subhead was less than original budget allocation (₹159.08 crore) and the final surrender (₹15.73 crore) from the head of account was more than the amount obtained through supplementary grant in March 2017.

**(iii) Grant number III - Administration of Justice (Revenue Charged)**

Supplementary grant of ₹0.80 crore obtained in March 2017, for meeting medical reimbursement and other items expenditure under the head of account 2014-102- 99, remained unutilised and surrendered at the end of the year.



**(iv) Grant number XIV - Stationery and Printing and other Administrative Services (Revenue Voted)**

Entire Supplementary grant of ₹2.40 crore obtained in March 2017 under the heads of account 2070-106-96-Civil Defence Institute (₹2.26 crore) and 2070- 105-95-Other Disaster Management Projects (₹0.14 crore) remained unutilised and surrendered at the end of the year. Similarly, ₹10.27 crore obtained under the head of account 2070-108-99-Direction and Administration and ₹1.04 crore obtained under 2070-108-98-Protection and Control proved unnecessary as the surrenders under these heads were more than the amounts obtained through supplementary grants.

Further, in 26 Grants/Appropriation, against the additional requirement of ₹2,942.43 crore, supplementary budget allocation of ₹5,708.03 crore obtained during the year proved excessive (Appendix III(17) by ₹2,765.60 crore. The departmental officers while making proposals for supplementary grants did not assess the actual requirement of funds, which resulted in avoidable savings.

### **2.3.6 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 III(18).

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 31 schemes/activities are given in Appendix III(19). It was also observed that even though augmentation through re-appropriation was done in 18 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 III(20).

### 2.3.7 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 Finance Department as and when they are foreseen, unless they are required to meet the excesses under other units of appropriation.

During 2016-17, ₹20,727.08 crore (16 per cent) out of the total budget allocation (₹1,32,058.00 crore) was surrendered at the end of the financial year. More than ₹1,000 crore was surrendered in four Grants and one Appropriation, as detailed in Table 2.10.

**Table 2.10: Grants in which more than ₹1000 crore was surrendered**

(₹ in crore)

Grant number	Budget Allocation	Amount surrendered	Percentage of surrender
<b>Revenue - Voted</b>			
XVI Pensions and Miscellaneous	23924.35	2448.57	10
XXXVI Rural Development	3081.16	2265.46	74
XLIII Compensation and Assignments	7379.07	2055.70	28
XLVI Social Security and Welfare	6401.26	1116.36	17
<b>Capital - Charged</b>			
Public Debt Repayment	13974.78	6402.22	46

Source: Appropriation Accounts 2016-17

Further scrutiny revealed that in 19 schemes/activities (Table 2.11) the final surrenders were more than ₹100 crore which included 14 schemes/activities of the above mentioned Grants/Appropriations.

**Table 2.11: Schemes in which more than ₹100 crore was surrendered****(₹ in crore)**

Sl No.	Grant number and scheme name		Budget	Expenditure	Surrender
1	XV	3054-80-196-38 Maintenance of Road Assets as per Fifth SFC recommendation (V-NP)	305.54	116.72	124.07
2	XVI	2071-01-101-99 Pension to Kerala Government Pensioners (V-NP)	7415.38	7107.63	229.35
3		2075-00-800-72 Spill Over Schemes (V-NP)	2315.00	0.00	2216.14
4	XXII	2217-05-191-74 Pradhan Mantri Awas Yojana (40% State Share) (V-P)	150.00	32.28	117.72
5	XXVIII	5475-00-800-92 Major Infrastructural Development Projects (V-P)	2536.07	1624.57	911.50
6	XXIX	2401-00-109-65 Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS) (V-P)	305.00	195.94	109.31
7	XXX	2408-01-101-96 Paddy procurement through Kerala State Civil Supplies Corporation and Other Agencies (V-NP)	600.00	486.51	113.51
8	XXXVI	2501-01-197-48 Block Grants for CSS (V-P)	287.60	137.59	138.45
9		2505-02-101-99 Mahatma Gandhi National Rural Employment Guarantee Programme (V-P)	2247.70	227.77	2010.01
10	XLIII	3604-00-200-86 Funds for Development Expenditure - 5 <sup>th</sup> SFC Recommendations (V-NP)	3844.95	2864.32	1069.47
11		3604-00-200-87 Funds for Maintenance Expenditure (Non - Road Assets) - 5 <sup>th</sup> SFC Recommendations (V-NP)	645.93	422.26	258.35
12		3604-00-200-89 Performance Grant under Kerala Local Government and Service Delivery Project (KLGSDP) -World Bank Aided (V-NP)	345.00	197.85	147.29
13		3604-00-200-90 Expansion and Development under XIV Finance Commission Recommendations (V-NP)	1310.05	782.59	572.48
14	XLVI	2235-02-198-50 Block Grants for Revenue Expenditure (V-NP)	423.13	267.62	114.22
15		2235-60-198-50 Block Grants for Revenue Expenditure (V-NP)	2339.96	1647.78	514.69
16		2235-60-198-50 Block Grants for Revenue Expenditure (V-P)	1264.89	0.00	113.27
17	Public Debt Repayment	6003-00-110-96 Overdrafts (C-NP)	2000.00	0.00	1739.51
18		6003-00-110-98 Special Ways and Means advances(C-NP)	2000.00	320.64	1679.39
19		6003-00-110-99 Ways and Means Advances (C-NP)	5500.00	2610.49	2889.51

Source: Detailed Appropriation Accounts 2016-17

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 254 sub-heads, amounted to ₹13,556.49 crore. In 215 sub-heads, entire budget allocation (above ₹one lakh) amounting to ₹832.15 crore was surrendered and in 41 cases, this was ₹five crore and above as detailed in Appendix III(21).

In two schemes of Grant number XXXVII (6858-60-190-95- Loans to Metal Industries Shornur (voted-plan)-₹1.50 crore and 6858-60-190-95- Loans to Steel Industrials Kerala Limited (voted-plan)-₹3.00 crore), the budget allocation was provided through re-appropriation (no allocation was made through original or supplementary budget), but the entire allocation remained unutilised and was surrendered at the end of the year.

### **2.3.8 Surrender in excess of actual savings**

In 37 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 ₹13,546.86 crore, the amount surrendered was ₹14,596.97 crore, resulting in excess surrender of ₹1,050.11 crore under these Grants/Appropriations. Details are given in Appendix III(22). 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 64 schemes/activities as detailed in Appendix III(23). Final expenditure in respect of all the above 64 schemes were less than the original budget allocation provided for implementation of the schemes. However, injudicious surrender led to final excess under these schemes.

### **2.3.9 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 228 out of 1007 items (23 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.

## **2.4 Non-reconciliation of departmental figures**

### **2.4.1 Pendency in submission of Detailed Countersigned Contingent bills against Abstract Contingent bills**

According to Rule 187 (d) of the Kerala Treasury Code, all contingent claims that require the countersignature of the controlling authority after payment are to be initially drawn by the Drawing and Disbursing Officer (DDO) from the treasury by presenting Abstract Contingent bills in the prescribed form (Form TR 60). Abstract Contingent (AC) bills can be drawn only by an authorised officer for the items of expenditure listed in Appendix 5 to the Kerala Financial Code. The DDO should maintain a register of AC bills and monitor submission of detailed bills there against. The Detailed Contingent (DC) bills in respect of such claims should be submitted to the controlling authority for countersignature not later than the 10<sup>th</sup> of the month succeeding to which they relate. The DC bills pertaining to a month's claim should reach the AG (A&E), Kerala not later than the 20<sup>th</sup> of the succeeding month for accounting and monitoring of the AC Bills posing higher risk of fraud and misappropriation of funds.

As per the records maintained by the AG (A&E) Kerala, 71 AC bills drawn by 34 DDOs up to March 2017 involving ₹1.08 crore were not adjusted as of November 2017 due to non-receipt of DC bills as detailed in Appendix III(24). Year-wise details are given in Table 2.12. Non-submission of DC bills would lead to retention of advance amount drawn with the drawing officers without accounting under the proper heads of account.

**Table 2.12: Pendency in submission of Detailed countersigned Contingent bills against Abstract Contingent bills**

( ₹ in crore)

Year	AC Bills		Outstanding DC Bills	
	No. of items	Amount	No. of items	Amount
2016-17	187	2.60	71	1.08
<b>Total</b>	<b>187</b>	<b>2.60</b>	<b>71</b>	<b>1.08</b>

*Source: Information compiled by Accountant General (A&E), Kerala*

#### **2.4.2 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 59.82 per cent of the total receipts (₹32,120.19 crore out of ₹53,690.29 crore) and 84.61 per cent of the total expenditure (₹83,968.73 crore out of ₹99,244.35 crore) were completed. However, 21 Chief Controlling Officers, whose total transactions exceeded ₹50 crore did not reconcile their expenditure with the accounts maintained by AG (A&E) as shown in Appendix III(25). This was not only in violation of the provisions of Paragraph 74 of Kerala Budget Manual but also casts doubts about the correctness of the expenditure figures supplied by departments concerned and the figures booked by AG (A&E), Kerala.

#### **2.5 Review on Budgetary process and Appropriation Control-Grant No. XLII Tourism**

Department of Tourism is a significant Department, which has three major functions such as (i) Hospitality wing of the State Government (ii) Estate Office duty and (iii) Tourism Development. Director of Tourism is the Chief Controlling Officer of the Grant and responsible for ensuring appropriation control in each unit of appropriation of the Grant. The review was conducted to

ascertain budgetary process and utilisation of funds earmarked for various functions of the Department.

### 2.5.1 Budget allocation and expenditure

Budget allocation and expenditure under revenue and capital section of the Grant during the last three years is given in Table 2.13.

**Table 2.13: Budget allocation and expenditure for last three years**

(₹ in lakh)

Year	Category	Budget Allocation	Expenditure	Savings	Percentage of savings
2014-15	Revenue	15,195.77	14,534.88	660.89	4.35
	Capital	17,247.64	13,416.57	3,831.07	22.21
2015-16	Revenue	21,426.54	13,863.32	7,563.22	35.30
	Capital	15,516.00	12,652.78	2,863.22	18.45
2016-17	Revenue	19,080.41	17,073.59	2,006.82	10.52
	Capital	21,593.04	17,543.12	4,049.92	18.76

Source: Appropriation Accounts of respective years

Table 2.13 shows that more than 10 per cent of the budget allocation remained unutilised during last three years (except under revenue section during 2014-15). Further scrutiny revealed that 20 schemes had savings of more than ₹one crore, of which, seven schemes had persistent savings as detailed in Table 2.14.

**Table 2.14: Schemes with repeated savings (more than ₹one crore in each case)**

(₹ in crore)

Sl No.	Schemes	Year	Budget allocation	Expenditure	Savings
1	3452-80-800-54 Kerala Shopping Festival(NP)	2014-15	15.00	10.00	5.00
		2015-16	15.00	9.50	5.50
		2016-17	15.00	0.00	15.00
Department stated that savings was due to non-issue of orders to release funds to Grant Kerala Shopping Festival					

Sl No.	Schemes	Year	Budget allocation	Expenditure	Savings
2	3452-80-800-78 HR development in Tourism through Kerala Institute of Tourism and Travel Studies (KITTS), Food Craft Institute (FCI) and State Institute of Hospitality Management (SIHM) (P)	2014-15	8.50	6.71	1.79
		2015-16	8.50	5.92	2.58
3	5452-01-101-99 Upgradation, Creation of Infrastructure and Amenities(P)	2015-16	85.54	80.32	5.22
		2016-17	130.65	114.19	16.46
4	5452-01-190-96Bakel Resort Development Corporation Limited(P)	2015-16	1.50	0.00	1.50
		2016-17	1.50	0.30	1.20
Department stated that savings was due to non-issue of administrative sanction by the Government for the proposals of Bakel Resort Development Corporation.					
5	5452-01-190-99 Kerala Tourism Development Corporation(P)	2014-15	6.50	0.00	6.50
		2015-16	6.50	5.00	1.50
Department stated that though budget allocation was available, administrative sanction was issued for ₹5.00 crore only during 2015-16.					
6	5452-01-800-85 Upgradation of Roads to Tourist Destination(NP)	2014-15	20.00	1.59	18.41
		2015-16	20.00	3.21	16.79
		2016-17	20.00	0.00	20.00
7	5452-01-800-94RIDF-Scheme for Tourism(P)	2014-15	4.62	0.00	4.62
		2015-16	4.62	0.00	4.62
Department stated that savings was due to absence of viable projects under RIDF scheme.					

Source: Detailed Appropriation Accounts of respective years

It was also observed that in the schemes, detailed in Table 2.15 entire budget allocation remained unutilised in respective years and surrendered at the end of the year.

**Table 2.15 : Schemes in which entire budget allocation was surrendered**

(₹ in crore)

Sl No.	Schemes	Year	Budget allocation	Amount surrendered
1	3452-01-101-94-Implementation of Priority Schemes under The Kerala Perspective Plan 2030(P)	2015-16	1.00	1.00
2	3452-01-101-95-Product/Infrastructure development for Destination and Circuits (100% CSS)(P)	2015-16	58.15	58.15
Department stated that surrender was due to non-receipt of Government of India funds.				



3	3452-80-104-93-Publicity and Marketing (50% CSS)(P)	2015-16	0.90	0.90
	Department replied that savings was due to non-taking up of projects during year.			
4	3452-80-800-54-Kerala Shopping Festival(NP)	2016-17	15.00	15.00
	Department stated that Government have not issued administrative sanction for releasing the fund to Kerala Shopping Festival during 2016-17.			
5	5452-01-101-98-Trivandrum water supply scheme in Kovalam Tourism area(P)	2014-15	2.00	2.00
	Department stated that administrative sanction from government was not received for releasing the fund to Kerala Water Authority hence entire amount surrendered.			
6	5452-01-190-99-Kerala Tourism Development Corporation(P)	2014-15	6.50	6.50
	Department stated that Government did not issue administrative sanction for releasing the fund to Kerala Tourism Development Corporation.			
7	5452-01-800-85-Upgradation of Roads to Tourist Destination(NP)	2016-17	20.00	20.00
8	5452-01-800-94-RIDF Schemes for Tourism(P)	2014-15	4.62	4.62
		2015-16	4.62	4.62
	Department stated that there were no projects available under RIDF during the period and hence, surrendered.			

Source: Detailed Appropriation Accounts of respective years

While the Grant closed with savings in each of the last three years, some of the schemes had excess expenditure even after augmentation of funds through re-appropriation. Schemes closed with excess expenditure during the last three years are given in Table 2.16.

**Table 2.16: Schemes in which expenditure exceeded budget allocation**

(₹ in crore)

Sl No.	Schemes	Year	Net Budget	Expenditure	Excess
1	3452-01-103-99 Transport (NP)	2014-15	7.25	7.45	0.20
		2015-16	7.10	7.36	0.25
		2016-17	6.72	7.06	0.34
2	3452-80-001-95 Guest Houses, Yatri Nivases and Tourist Lodges (NP)	2014-15	13.65	14.38	0.73
		2015-16	14.13	15.13	1.00
		2016-17	15.99	18.73	2.74

3	3452-80-001-96 District Offices (NP)	2014-15	1.34	1.47	0.14
		2015-16	1.47	1.62	0.15
		2016-17	1.87	1.99	0.12
4	3452-80-001-97 Offices of the Regional Joint Director of Tourism (NP)	2016-17	0.72	0.82	0.11
5	3452-80-001-99 Administration (NP)	2014-15	4.27	4.58	0.31
		2015-16	6.51	6.83	0.32
6	3452-80-800-88 Tourist Information Centre (NP)	2015-16	1.34	1.50	0.17
		2016-17	1.44	1.56	0.12
7	5452-01-190-98 Kerala Tourism Infrastructure Limited (P)	2015-16	0.00	5.91	5.91
8	5452-01-800-84 Muziris Heritage and Spice Route Projects (P)	2014-15	18.00	18.71	0.71
9	5452-01-800-87 Upgradation, Creation of Infrastructure and Amenities-Government Guest Houses (P)	2016-17	10.00	10.79	0.79

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, as detailed in Table 2.17.

**Table 2.17: Excess surrender of funds**

(₹ in lakh)

Year	Category	Budget Allocation	Final savings	Amount surrendered	Excess surrender
2014-15	Revenue	15,195.77	660.89	815.49	154.60
	Capital	17,247.64	3,831.07	3,884.21	53.14
2015-16	Capital	15,516.00	2,863.22	3,133.37	270.15
2016-17	Revenue	19,080.41	2,006.82	2,188.89	182.07

Source: Appropriation Accounts 2016-17

Further scrutiny revealed that injudicious surrender led to excess expenditure in the schemes shown in Table 2.18, during the last three years. This indicated inadequate appropriation check exercised by departmental officers in heads of account under their control.

**Table 2.18: Schemes in which surrender of funds led to excess expenditure**

(₹ in lakh)

Sl No.	Schemes	Year	Net Budget	Amount surrendered	Final Expenditure	Excess Expenditure
1	3452-01-103-99 Transport (NP)	2014-15	769.56	44.21	745.45	20.10
		2015-16	755.80	45.35	735.83	25.38
		2016-17	690.57	18.36	705.79	33.58
2	3452-80-001-95 Guest Houses, Yatri Nivases and Tourist Lodges (NP)	2014-15	1,477.56	112.48	1,438.34	73.26
		2015-16	1,533.51	120.88	1,512.70	100.07
		2016-17	1,927.70	328.49	1,873.11	273.90
3	3452-80-001-96 District Offices (NP)	2014-15	160.58	27.02	147.17	13.61
		2015-16	178.47	31.58	161.74	14.85
		2016-17	188.07	1.54	198.54	12.01
4	3452-80-001-97 Offices of the Regional Joint Director of Tourism (NP)	2014-15	81.03	6.99	78.52	4.48
		2015-16	99.03	26.02	77.43	4.42
		2016-17	72.48	0.65	82.35	10.52
5	3452-80-001-99 Administration (NP)	2014-15	503.32	76.37	457.81	30.86
		2015-16	716.53	65.43	683.06	31.96
6	3452-80-800-88 Tourist Information Centre (NP)	2014-15	164.14	30.20	142.09	8.15
		2015-16	181.45	47.85	150.34	16.74
		2016-17	154.52	10.52	155.67	11.67
7	5452-01-190-98 Kerala Tourism Infrastructure Limited (P)	2015-16	100.00	100.00	591.44	591.44

Source: Detailed Appropriation Accounts of respective years

### 2.5.3 Unnecessary Re-appropriation

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, if the funds provided through original/ supplementary demands for grants are found insufficient and savings are available under another units of appropriation within the Grant. However, audit

analysis revealed that augmentation of budget allocation was wholly unnecessary in the sub-heads detailed in Table 2.19 as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it.

**Table 2.19: Unnecessary re-appropriations**

(₹ in lakh)

Sl No.	Scheme	Year	Total Budget	Net Reappropriation	Final Expenditure
1	3452-80-001-96 District Offices (NP)	2014-15	155.00	5.58	14.17
		2015-16	176.55	1.92	161.74
2	3452-80-001-97 Offices of the Regional Joint Director of Tourism (NP)	2015-16	98.19	0.84	77.43
3	3452-80-001-98 Kerala House, New Delhi (NP)	2015-16	1034.88	35.54	875.69
		2016-17	1038.31	37.02	956.24
4	3452-80-104-97 Kerala Tourism Promotion and Marketing Mechanism (P)	2016-17	1843.27	7.25	1782.35
5	3452-80-104-98 Marketing (NP)	2014-15	68.63	0.26	66.87
		2015-16	70.64	0.12	60.79
6	3452-80-800-88 Tourist Information Centre (NP)	2014-15	158.77	5.37	142.09
		2015-16	178.98	2.47	150.34
7	3452-80-800-97 Modernisation and Strengthening of Tourism Institutions (P)	2016-17	165.00	8.74	160.00
8	5452-01-800-84 Muziris Heritage and Spice Route Projects (P)	2016-17	1,800.00	307.04	1,800.00
9	5452-01-800-98 Tourist Accommodation (Guest Houses) (P)	2014-15	50.00	1.59	48.93

Source: Detailed Appropriation Accounts of respective years

## 2.6 Overstated expenditure

Financial Rules prohibit withdrawal of money from treasury unless it is required for immediate disbursement. However, in some cases, departmental officers withdraw budget allocation at the end of the year, to avoid lapse of budget, and keep them either in Treasury Savings Bank account or outside Government account, without actually spending. This results in overstatement of the total expenditure of the Grant as the amount remained unutilised even after



the close of financial year. Audit noticed a few instances of under-utilisation of Government funds as detailed in Table 2.20.

**Table 2.20: Details of overstated expenditure**

(₹ in crore)

Sl No.	Name of Department/ Implementing institution	Year of drawal	Amount drawn	Unutilised Balance
<b>Health and Family Welfare</b>				
1	Edamulakkal Grama Panchayat	2015-16	0.80	0.80
District Medical Officer, Kollam transferred (October 2015) the amount for construction of pay ward in Government Ayurveda Hospital, Ayoor, Kollam. The work not yet started.				
<b>Higher Education</b>				
2	Institute of Human Resources Development	Upto 2015-16	0.51	0.21
Setting up of Mini Fab Labs at Engineering Colleges. ₹0.05 crore was utilized and ₹0.25 crore refunded to Government account. It was replied that balance amount would be refunded after completion of audit for the years (2013-14 and 2014-15) by Chartered Accountants.				
3	APJ Abdul Kalam Technological University	2015-16	40.20	40.20
The grant was released for setting up of University and miscellaneous construction. Non utilisation was due to delay in acquiring land by Government.				
<b>Cultural Affairs</b>				
4	Folklore Academy	2014-15	2.80	1.17
Grant was released for renovation of Kannur Museum and International Folk Festival.				
<b>Total</b>			<b>44.31</b>	<b>42.38</b>

Source: Information compiled from inspection reports

**[Audit Paragraphs 2.1 to 2.6 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

42) When the Committee enquired about the audit para 2.3.1, the Special Secretary, Finance Department submitted that, with the implementation of two

newly developed software, namely Integrated Financial Management Software and Balance Software, budgetary provisions could be properly monitored by Finance Department and Administrative Department.

43) The Committee wanted to know the reason for 74 per cent savings in the subsidy grant of Rural Development Department, and whether the non-utilisation of funds was due to the lack of realistic plan proposals. The Special Secretary, Finance Department submitted that the budget proposals were prepared at AD level. The initial stage of the planning process was usually done in anticipation of some ambitious projects and later during the implementation stage, some of them might not be sustainable while some others might demand more fund. Thus there would be savings of funds in some heads and excess expenditure in some others, and proper utilisation of overall budget was being achieved through re-appropriation of funds. The Special Secretary also informed that the budget allocation for each Department was now restricted once in every three months through Budgetary Control Provision.

44) The Committee opined that savings of huge amounts had occurred as projects were being prepared without proper study by the Departments, and suggested that such situations could be avoided in future. The Special Secretary, Finance Department informed that a revised checklist had also been prepared in the final stage incorporating the details of impact of the project and the benefit from the project.

45) Regarding the MGNREGS, the Committee wanted to know the reason for non-utilisation of funds to the tune of ₹ 2019 crore out of the budget provision of ₹ 2247 crore, and pointed out that MGNREGS being a major poverty alleviation project in rural areas for housewives, lapse of funds was a delinquency. The Additional Secretary, Finance Department submitted that in MGNREGS, the wages were being provided directly by Central Government and materials and administrative components were being provided by State

Government. Some payments were delayed due to the crisis in 2017, but at present, both Central and State shares could be released within 21 days as changes were made in SNA. No more payments were pending in materials components of MGNREGS at present. The Additional Secretary, Finance Department added that construction of small village roads were also being taken up for MGNREGS on priority basis.

46) The Additional Secretary, Finance Department further informed that the funds for wages were being credited directly to the beneficiary account by Central Government. But the same included in the budget by mistake was the reason for such savings and actually no lapse of funds was there. The Committee opined that such errors should not be repeated on the part of Finance Department in future. The Special Secretary, Finance Department submitted that the work load in Finance Department was comparatively more and mistakes whenever detected were being rectified accordingly and necessary care was being taken to avoid such mistakes in future.

47) Regarding the audit para 2.3.5, the Committee wanted to know whether supplementary allocations were sought without any idea about expenditure or by mistake, and remarked that there was a tendency on the part of the Finance Department to ignore even the reasonable demands made during the Subject Committee scrutiny. The Special Secretary, Finance Department submitted that through the newly developed software, such problems had been solved. At present, supplementary allocation was being made only after examining the present percentage of expenditure and assessing the amount that could be expended during the financial year and were properly monitored with the help of the software. It was further submitted that priority would be given to Subject Committee recommendations for additional funds. In order to balance the revenue deficit target, sufficient fund would be provided at first and additional fund if needed would be demanded later. The Committee accepted the reply.

48) To a query of the Committee about the audit para 2.3.7, the Additional Secretary, Finance Department informed that the unspent funds would be surrendered by Administrative Departments and about 80 per cent of funds were expended during the previous year. No fund transfer would be made to treasury accounts and bank accounts during the last two weeks in the month of March as it could not be expended and hence the same would be surrendered accordingly.

49) The Committee enquired whether there was any scientific system to prepare the budget in a very concise and understandable manner by avoiding repetitions. The Special Secretary, Finance Department informed that a circular from Finance (Budget) Department would be communicated to Working Groups. The Plan proposals and check list, prepared and submitted by Working Groups would be examined and fund to be provided as per the plan estimate by prioritising better projects. An idea about prioritising the projects would be obtained while following the checklist at AD level. The Committee opined that it would be more fruitful if allocation to Departments would be done district wise during budget preparation. As the plan expenditure data became available in public domain at present, plan related data analysis also could be included therein. The Additional Secretary, Finance Department informed that since 2019-20, no money could be expended in excess from those heads of account having appropriation control.

### **Conclusion/Recommendation**

50) **The Committee observes that the incidence of savings of huge amounts in various grants is a financial irregularity which occurs due to preparation of projects by the Departments without proper study. Also, failure of the Departmental officers in assessing the actual requirement of funds leads to unnecessary augmentation of allocation through re-appropriation. Hence, to avoid such situations in future, the Committee recommends to review the grants showing persistent savings in a case-to-case manner and to take appropriate steps to control the same.**



## 2.7 Inspection of Treasuries

As of March 2017, there were 23 District Treasuries (19 banking and four non-banking), 200 sub treasuries (175 banking and 25 non-banking), 12 Stamp depots and one e-treasury functioning in the State. The Accountant General (A&E), Kerala inspected 125 units (Directorate of Treasuries, 23 District Treasuries, 101 Sub-treasuries). 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 ₹0.63 crore was noticed in 850 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 and incorrect calculation of dearness relief. Out of the above excess payment, ₹0.10 crore, involved in 430 cases was already recovered as shown in Table 2.21.

**Table 2.21: Excess pension that remains to be recovered**

(₹ in crore)

Sl No.	Details of Excess paid pension	Excess paid		Recovered		Balance	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Excess payment of pension	132	0.25	57	0.05	75	0.20
2	Excess payment of family pension	36	0.18	9	0.01	27	0.17
3	Excess payment of festival allowance	579	0.05	302	0.03	277	0.02
4	Excess payment of Medical allowance	98	0.04	62	0.01	36	0.03
5	Irregular crediting of MLA pension	2	0.01	0	0.00	2	0.01
6	Excess payment of judiciary pension	1	0.04	0	0.00	1	0.04

7	Excess payment of inter-state pension	2	0.06	0	0.00	2	0.06
<b>Total</b>		<b>850</b>	<b>0.63</b>	<b>430</b>	<b>0.10</b>	<b>420</b>	<b>0.53</b>

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

### **2.7.2 Retention of excess cash balance**

According to Rule 309 of Kerala Treasury Code Volume I, every year in January, 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 treasury should ordinarily be kept much below the normal maximum balance fixed for a treasury so that 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 91 treasuries/sub treasuries on 725 occasions during the financial year.

### **2.7.3 Pending adjustment of advances drawn by Drawing and Disbursing Officers**

During the audit of Treasury Information System, Accountant General (A&E) observed that 12 Drawing and Disbursing Officers drew an amount of ₹6.25 crore during 2014-15 and 2015-16, which remained pending for final settlement. Details are given in Appendix III(26). Non-settlement of advances distorts the correctness of expenditure booked in Government accounts.

**[Audit Paragraphs 2.7 to 2.7.3 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraphs is included as Appendix II]

*(Excerpts from the discussion of Committee with officials concerned)*

51) While considering the audit para 2.7.1, the Committee enquired about the status of recovery of excess payment of pension, irregularities and misappropriations, pension disbursement etc. The Director, Treasury Department informed that necessary software control had been provided to obviate disbursement of excess festival allowance and medical allowance to those pensioners having both service pension and family pension. In case of any irregularities or misappropriations detected, departmental enquiry would be conducted and necessary disciplinary action would be taken. Also the internal audit was being conducted at Deputy Director, District Treasury Officer and Directorate levels. The Special Secretary, Finance Department added that random inspection by Treasury Inspection Wing was also being conducted.

52) The Additional Secretary, Finance Department submitted that the mustering of pensioners was done once in a year and failure in timely intimation of death of the pensioners to the treasury would let the excess payment of pension to the pensioner's PTSB account or SB account every month and the same could be withdrawn by their dependants. Such irregularities could be identified only at the time of subsequent mustering. The Committee suggested that strict punishment should be imposed in such cases. Regarding the repayment of the excess pension, the Director, Treasury Department informed that revenue recovery action was being proceeded and added that there were cases in which life certificate of deceased persons were issued by Gazetted Officers.

53) The Committee suggested that details of deceased pensioners to whom excess pension was disbursed as their death was not intimated to treasury in time should be published in the treasury notice board, and police case and departmental action should also to be taken against such deceitful acts and the Director, Treasury Department agreed with the suggestion. When the Committee asked whether the entire amount of excess pension had been recovered, the

Director, Treasury Department submitted that some pensioners might not be able to pay large amounts as lump sum and they were getting favourable court orders for repayment in instalments. The Committee opined that repayment in instalments could be allowed only in fortuitous cases, but could not be justified for those who received excess amount deliberately. The Special Secretary, Finance Department opined that action should be taken in such deliberate cases.

54) When the Committee enquired about the reports regarding the unclaimed money deposited in treasuries, the Director, Treasury Department submitted that deposits in SB accounts without legal heirs would be refunded to revenue heads after five years.

55) Regarding the audit para 2.7.3, the Committee wanted to know the status of adjustment of advances drawn by DDOs. The Additional Secretary, Finance Department submitted that necessary directions for the settlement of the advances within three months were issued to DDOs, and strict instructions had been given as many cases remained pending. The details of pending advances for a DDO could be obtained from IFMS DDO login at present, and a system had been developed that the number of bills that could be taken by DDOs had been limited to ten.

### **Conclusion/Recommendation**

56) **The Committee takes serious note of the excess payment of pension/ family pension in the PTSB Account or SB Account of the pensioner due to non reporting of the death of the pensioner to the Treasury in time and considers such omissions on the part of the dependants as fraudulent offence. The Committee directs that police case and departmental action should be taken and strict punishment should be imposed in such cases. The Committee recommends that details of deceased pensioners to whom excess pension was disbursed due to non timely reporting of the death shall be published on the Treasury notice board.**



## 2.8 Conclusion and Recommendations

Compared to previous year, overall savings from the budget allocation decreased by five per cent (from 20.62 per cent in 2015-16 to 15.49 per cent in 2016-17) which showed an improvement in budgetary process. However, following deficiencies in financial management continued as in the previous year.

- Persistent savings exceeding ₹100 crore, which was more than 25 per cent of the total budget provision were noticed in Grants 'Urban Development', and 'Rural Development' under Revenue section and 'Water Supply and Sanitation', 'Miscellaneous Economic Services', 'Agriculture' and 'Public Debt Repayment' under Capital Section.
- Failure of the departmental officers was evident in some of the budget allocations obtained through Supplementary Demands, as the allocations obtained through Supplementary Demands for Grants were surrendered at the end of the year.
- Unnecessary and injudicious re-appropriations indicated that departmental officers failed in assessing 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.

*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.*

**[Audit Paragraph 2.8 contained in the Report of the Comptroller and Auditor General of India on State Finances for the year ended 31<sup>st</sup> March, 2017.]**

[Note furnished by the Government on the above audit paragraph is included as Appendix II]

**Conclusion/Recommendation**

57) **No comments**

Thiruvananthapuram,  
18<sup>th</sup> September, 2025.

**SUNNY JOSEPH,**  
*Chairperson,*  
*Committee on Public Accounts.*

**APPENDIX I****SUMMARY OF MAIN CONCLUSIONS / RECOMMENDATIONS**

Sl No.	Para No.	Department concerned	Conclusion / Recommendation
1	14	Finance	The Committee takes serious note of the nominal repayment of loans sanctioned to various PSUs. The Committee recommends that proper utilisation of the loans sanctioned to the PSUs and the subsequent returns attained by them should be the criteria for sanctioning further assistance in future, and directs to ensure strict adherence of terms and conditions while sanctioning loans.
2	21	Finance	The Committee directs the Department to furnish the present status of the incomplete projects/works related to various Departments mentioned in audit paragraph 1.7.3. within a period of two months.
3	38	Finance	The Committee directs the Department to furnish the status report regarding the reconciliation of NCDC Loan account and recommends the Department to introduce a comprehensive accounting system for NCDC loans and prepare repayment schedules to ensure timely transfer of subsidy portion to revenue account and avoid excess payment in future.
4	39	Finance	The Committee expresses its displeasure over the non-disbursement of NCDC loan amount

			specifically allotted for the modernisation of textile mills and directs the Department to furnish report regarding the audit paragraph 1.12.4 within two months.
5	50	Finance	The Committee observes that the incidence of savings of huge amounts in various grants is a financial irregularity which occurs due to preparation of projects by the Departments without proper study. Also, failure of the Departmental officers in assessing the actual requirement of funds leads to unnecessary augmentation of allocation through re-appropriation. Hence, to avoid such situations in future, the Committee recommends to review the grants showing persistent savings in a case-to -case manner and to take appropriate steps to control the same.
6	56	Finance	The Committee takes serious note of the excess payment of pension/ family pension in the PTSB Account or SB Account of the pensioner due to non reporting of the death of the pensioner to the Treasury in time and considers such omissions on the part of the dependants as fraudulent offence. The Committee directs that police case and departmental action should be taken and strict punishment should be imposed in such cases. The Committee recommends that details of deceased pensioners to whom excess pension was disbursed due to non timely reporting of



			the death shall be published on the Treasury notice board.
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**APPENDIX II**  
**NOTES FURNISHED BY THE GOVERNMENT**

**GOVERNMENT OF KERALA**

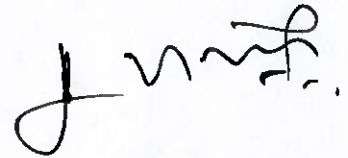
**FINANCE (PLANNING -A) DEPARTMENT**

**STATEMENT OF ACTION TAKEN ON THE RECOMMENDATIONS**  
**CONTAINED IN THE CAG'S REPORT ON STATE FINANCES FOR YEAR**  
**ENDED MARCH 2017**

Sl. No.	Para No.	Recommendations of the Committee	Action Taken by the Government																
1	1.1	<b>Introduction</b> The report provide a broad perspective of the finances of the State during 2016-17 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.	No specific comments are required as it is a general observation on the major fiscal aggregates of the State.																
2	1.1.1	<b>Summary of Fiscal Transactions during the current year</b> Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2016-17) vis-à-vis the previous year (2015-16).	No specific comments are required as it is a general observation on the resources of the State.																
3	1.1.2	<b>Review of Fiscal Situation</b> In the Medium Term Fiscal Plan (MTFP) statement presented in the State Legislature along with the presentation of Budget for the year 2016-17, the State fixed targets for all the fiscal variables. Below Table shows the targets and its achievement at the end of the year. <table border="1" data-bbox="405 1496 922 1921"> <thead> <tr> <th>Fiscal variables</th><th>MTFP targets</th><th>Revised targets as per budget 2017-18</th><th>Status at the end of the year</th></tr> </thead> <tbody> <tr> <td>Revenue Deficit/GSDP</td><td>1.98</td><td>2.10</td><td>2.36</td></tr> <tr> <td>Fiscal Deficit/GSDP</td><td>3.51</td><td>3.54</td><td>4.04</td></tr> <tr> <td>Debt liability/GSDP</td><td>26.82</td><td>27.27</td><td>28.96</td></tr> </tbody> </table>	Fiscal variables	MTFP targets	Revised targets as per budget 2017-18	Status at the end of the year	Revenue Deficit/GSDP	1.98	2.10	2.36	Fiscal Deficit/GSDP	3.51	3.54	4.04	Debt liability/GSDP	26.82	27.27	28.96	The State Government is committed to follow the fiscal consolidation path as envisaged in the Fiscal Responsibility Act. The State's financial position was severely affected by demonetization, less money remittance to the State of Kerala from non resident Keralites who worked in foreign countries due to the policies of nationalization implemented in the countries of GCC and the international and domestic financial crisis etc. Despite commitment to fiscal consolidation path, State had not been able to achieve the fiscal targets as laid down in the Act due to the increased expenditure commitment and declining trend in revenue.
Fiscal variables	MTFP targets	Revised targets as per budget 2017-18	Status at the end of the year																
Revenue Deficit/GSDP	1.98	2.10	2.36																
Fiscal Deficit/GSDP	3.51	3.54	4.04																
Debt liability/GSDP	26.82	27.27	28.96																

		<p>The above table shows that the State neither achieved the original target fixed in MTFP nor the revised target fixed subsequently. Moreover, as per the recommendations of Fourteenth Finance Commission, State has to anchor the fiscal deficit-GSDP ratio at three per cent and Debt-GSDP ratio less than or equal to 25 per cent, to have the extra flexibility of 0.25 per cent on borrowing limit. Since the State failed to achieve both the targets, State became ineligible for the increased borrowing limit.</p>	
4	1.10	<p><b>Debt Management</b></p> <p>The adjoining States of Tamil Nadu and Karnataka had Debt-GSDP ratio of 21.82 and 19.81 per cent respectively but that of Kerala was increasing. During the last five years, it increased from 26.31 per cent in 2012-13 to 28.96 per cent in 2016-17, which is worrisome. Moreover, the per capita debt of Kerala for the year 2016-17 (₹53,008) was higher as compared to Tamil Nadu (₹39,305) and Karnataka (₹36,222).</p>	<p>As regards the debt sustainability, the State has been able to achieve the Debt-GSDP target as stipulated in the Kerala Fiscal Responsibility and Budget Management Act. In the post Fiscal Responsibility and Budget Management Act period, State has been in a transition to depend mostly on market based borrowings (Open Market Borrowings) to meet its developmental expenditure due to the increasing revenue deficit because of its commitment in Social Sector and increase in salary, pension and interest payments. Various measures are being taken to enhance the tax and non-tax revenue collections by improving existing revenue collection system and to exercise strict control over non-plan revenue expenditure so as to contain these expenditure at reasonable and sustainable level.</p>
5	1.11	<p><b>Fiscal Imbalances:-</b> 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</p>	<p>State is not able to achieve the deficit targets such as Revenue Deficit and Fiscal Deficit etc. set under the FRBM Act due to the unprecedented decrease in revenue receipts and increase in salary, pension and interest payment and the growing commitment in social</p>

		receipts and expenditure.	and health sectors. Given the shortfall in anticipated revenue it is not easy to reach the fiscal targets stipulated in the FRBM act within a short span of time. However, the State is obliged to undertake a strategic endeavor to mobilise resources without impeding the development expenditure of the State.
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**P GOPAKUMAR**  
Joint Secretary  
Finance Department  
Govt. Secretariat  
Thiruvananthapuram





**STATEMENT OF ACTION TAKEN ON PARAS OF THE COMPTROLLER  
AND AUDITOR GENERAL REPORT OF THE YEAR ENDED 31<sup>st</sup> MARCH  
2017 ON STATE FINANCES**

Sl. No	Para No.	Action Taken
1	1.1.3	<p>The Budget estimates are usually prepared through a consultative process involving Government Departments and various stake holders. The Budget Wing of the Finance Department issues a circular to all heads of departments and controlling officers of Government, autonomous bodies for preparing and furnishing the Revised estimates of the current year and budget estimates for the next year. After the departments sent their demands, extensive scrutiny and consultations will be made. The Finance Department normally takes into account the trend in receipt /expenditure of the previous financial years while formulating budget estimates of a financial year. However variations have been occurred between the estimates and actual. This actually points out the failure of departments in achieving the targets set to them. This is mainly due to the under assessment of tax. Government have already taken many initiatives to enhance the income from taxes by eliminating corruption and mismanagement. As a part of its plan to intensify the tax collection, the government adopts different strategies in the administration and collection of taxes. Hopefully these measures will increase the revenue receipts and thereby the variations between the estimates and the actual can be curtailed. In the case of Public Account, Government will take systematic approach at the time of estimation so as to avoid instances of huge variations between estimates and actual. In the budget circular issued every year,</p>

		instructions to all estimating officers are being given to assess the requirements precisely so that the estimates do not turn out to be varied from the actual expenditure.
2	1.2.1,1.3,1.5, 1.6.2,1.6.3	No specific earmarks are required as it is General observations.
3	1.6	The State Government has taken arduous efforts for fiscal consolidation with a view to bringing back the state in the safe zone by means of improved own tax collection and through measures to rationalize expenditure. But it was falling back on from policies in all these financial years due to external and internal factors beyond the control of the State Government. The state has achieved high in human development indices. This indicates the quality of expenditure set apart on key social services like education, health etc. Government of Kerala is poised for accelerated investment in Infrastructure for ensuring sustainable growth in the economy. The government has made several achievements like taking the welfare of pensions to the homes of the needy, distribution of arrears of the social welfare pensions, complete electrification in the state, opening and revival of closed down factories and industries, intervention of Government in the Market for price control. State Government's priority for social and economic services in the State is clearly evident from the increased trend of development expenditure in recent years.

4

## 1.6.1

**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 this paragraphs. The audit para depicts the growth and trend in expenditure of the state for the period 2012-13 to 2016-17. The Growth in total expenditure in 2016-17 was highest with respect to the last Five Years. Similarly, ratio between total expenditure and GSDP was also highest in 2016-17. Ratio between Revenue Receipt and total expenditure indicates the sufficiency of Revenue Receipt for meeting total expenditure. Audit revealed that, in 2015-16, revenue receipt of the state was sufficient to meet 79.32 % of the total expenditure but it reduced to 78.32 % in 2016-17 due to increased growth of total expenditure as well as reduced growth of revenue receipts. Audit Para also reveals about the importance of ratio between total expenditure to GSDP. If the ratio is higher than one, it implies the higher growth rate of total expenditure compared to GSDP. During the Periods 2012-13 to 2016-17 the ratio between total expenditure and GSDP was more than one except for the year 2013-14. The audit also revealed the buoyancy of total expenditure with revenue receipt, it shows a declining trend for the period 2014-2016 which was a positive factor but it again increased to 1.85 during 2016-17 which indicates the increased growth rate of total expenditure compared to revenue receipts. The audit pointed out that this needs to be addressed.



		<p>Grants provided by the State to meet salaries and pension liabilities of employees in the Universities and State autonomous bodies and also the pension liabilities of employees of Panchayat Raj Institutions too, are classified under revenue expenditure. Major portion of funds devolved to LSGIs from the revenue account of the State government is utilized for the creation of capital assets of durable nature. Also a significant share of grant-in-aid set apart for universities and autonomous institutions are meant for creation of capital assets. Expenditure on social and economic services together constitutes development expenditure. Revenue expenditure has shown more than 70 per cent growth during the period from 2011-12 to 2015-16. The ratio of revenue expenditure relative to GSDP has shown signs of stabilization during the last few years and this trend continued in 2015-16 also. Government will take earnest efforts to increase the revenue receipts and to rationalize the expenditure so that the State could finance revenue expenditure within the revenue sources.</p>
7	1.6.3.1	<p>Incidence of Revenue Expenditure:-Audit Para reveals the comparative study of Revenue Expenditure (RE) Non-Plan Revenue Expenditure (NPRE), Plan Revenue Expenditure (PRE), Growth rate in respect of RE, PRE, PRE during the period 2012-13 to 2016-17. The Audit Para pointed out a major concern that the increase in Revenue Receipts was less than the projection made in MTFP, yet the Revenue Expenditure increased, which is of serious concern as the Revenue deficit was also increasing. The State Government has taken arduous</p>

		<p>efforts for fiscal consolidation with a view to bringing back the state in the safe zone by means of improved own tax collection and through measures to rationalize expenditure. But it was falling back on from policies in all these financial years due to external and internal factors beyond the control of the State Government. As the Kerala Economy has been integrally linked in different ways to the world economy, the global economic environment has been transmitted to the Kerala's regional economy. The state has achieved high in human development indices. This indicates the quality of expenditure set apart on key social services like education, health etc. Government of Kerala is poised for accelerated investment in Infrastructure for ensuring sustainable growth in the economy.</p>
8	1.6.3.2	<p>Audit Para reveals the trend in expenditures on Salaries, Wages, Interest payments, pensions, etc. The trend of committed expenditure of the State Government during the period 2012-13 to 2016-17 has been analyzed in this para. The audit observation pointed out a major concern that interest payments and pension payments consumed 16% and 20% respectively of the revenue receipts which is a matter of concern for the State Govt. Government will take earnest efforts to increase the revenue receipts and to rationalize the expenditure so that the State could finance revenue expenditure within the revenue sources. The various steps undertaken by the Government are strengthening of Tax Departments, Modernization of the departments, declaration of amnesty schemes,</p>

		imposing luxury tax, enhancement of various taxes such as stamps and registration, building tax etc.
9	1.7, 1.7.1 & 1.7.2	<p>The State Government has taken arduous efforts for fiscal consolidation with a view to bringing back the state in the safe zone by means of improved own tax collection and through measures to rationalize expenditure. But it was falling back on from policies in all these financial years due to external and internal factors beyond the control of the State Government. As the Kerala Economy has been integrally linked in different ways to the world economy, the global economic environment has been transmitted to the Kerala's regional economy. The state has achieved high in human development indices. This indicates the quality of expenditure set apart on key social services like education, health etc. Government of Kerala is poised for accelerated investment in Infrastructure for ensuring sustainable growth in the economy. The government has made several achievements like taking the welfare of pensions to the homes of the needy, distribution of arrears of the social welfare pensions, opening and revival of closed down factories and industries, intervention of Government in the Market for price control. State Government's priority for social and economic services in the State is clearly evident from the increased trend of development expenditure in recent years. Expenditure on committed liabilities viz. salaries, pension, interest payments, subsidies and devolution to LSGs constitutes major portion of revenue expenditure.</p>



		<p>Almost 80 per cent of the revenue receipts of the State was used for meeting the above committed expenditure. Important factors contributing to higher revenue expenditure have been government's active intervention to contain rise in prices of essential commodities, policy initiatives to bring all weaker sections of society under social security net and government's priority to impart quality services in health and education sectors.</p>
10.	1.9.1 & 1.9.2 (b)	<p>Audit Para reveals about the Fiscal liabilities of the state. The fiscal liabilities of the State comprises of the internal debt, loans and advances from Central Government and public account liabilities. The audit mentioned a concern that the growth rate of fiscal liabilities was higher than the growth rate of GSDP (10.36 per cent) during the year 2017-18. The State is overcoming its fiscal deficit through borrowings. One of the way to minimize the cost of borrowing is resource mobilization. Government will take earnest efforts to increase the revenue receipts and to rationalise the expenditure so that the State could finance revenue expenditure within the revenue sources. The various steps undertaken by the Government are strengthening of GST Department by setting apart 75% of offices for GST collection, Modernisation of the departments, declaration of amnesty schemes, imposing luxury tax, enhancement of various taxes such as stamps and registration, building tax etc.</p>
11	2.1, 2.1.1,	



**2.1.2 &  
2.1.3**

The Finance Department is responsible for the preparation of the annual budget by obtaining estimates from various departments. The utmost aim is to achieve as close an approximation to the actuals as far as possible. Kerala Budget Manual envisages the procedures and instructions for control of expenditure and appropriation required for achieving prudent fiscal management. Finance Department regularly issues specific instructions to all departments to ensure strict adherence to the relevant provisions in KBM with regard to the prudent management of budgetary appropriation. This department will continue its earnest efforts to ascertain that the expenditure incurred against the appropriation is in conformity with the law, relevant rules, regulations and instructions on the subject. The Government have already undertaken the initiative for the implementation of the Integrated Financial Management System (IFMS) by combining various online systems on receipt and expenditure by integrating State Budget with treasury transactions relating to line departments, Accountant General, RBI and other stakeholders. When the system of Integrated Financial Management System (IFMS) is implemented completely, monitoring of expenditure can be done more effectively and efficiently.

Signed by

Sobha V R

Date: 25-05-2023 13:15:01

സി & എജി യുടെ 2017 മാർച്ച് മാസം 31 ന് അവസാനിച്ച സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ കേരള ഇൻഫ്രാസ്ട്രക്ചർ ഇൻവെസ്റ്റ് മെന്റ് ഫണ്ട് ബോർഡിനെ സംബന്ധിക്കുന്ന ഖണ്ഡിക 1.1.4 നേലുള്ള നടപടി സ്റ്റേറ്റ്മെന്റ്

ക്രമ നം.	ഖണ്ഡിക നം.	റിപ്പോർട്ട്	സീകരിച്ച നടപടി
1	1.1.4	പ്രത്യേകനിക്കുപ പദ്ധതിയിൽ ഉൾപ്പെട്ട കിഫ്ബി വഴി ഫണ്ടിംഗ് പ്രഖ്യാപിച്ചിരുന്ന 865 കോടി ബഡ്ജറ്റ് ഔട്ട് ലേ ഉണ്ടായിരുന്ന 9 പദ്ധതികൾക്ക് 2017 നവംബർ വരെ തുകയൊന്നും ചെലവഴിച്ചിട്ടില്ല	പ്രത്യേകനിക്കുപ പദ്ധതിയിൽ ഉൾപ്പെട്ട കിഫ്ബി വഴി ഫണ്ടിംഗ് പ്രഖ്യാപിച്ചിരുന്ന 865 കോടി ബഡ്ജറ്റ് ഔട്ട് ലേ ഉണ്ടായിരുന്ന പദ്ധതികളിൽ 722.78 കോടി അടങ്കലുള്ള പദ്ധതികൾക്ക് കിഫ്ബി അംഗീകാരം നൽകിയിട്ടുണ്ട്. ഇതിൽ 225.64 കോടി രൂപ ഇവയിൽ ചില പദ്ധതികൾക്കായി ഇതുവരെ ചെലവഴിച്ചിട്ടുണ്ട്.



ജോയിന്റ് സെക്രട്ടറി (ധനകാര്യം)



**GOVERNMENT OF KERALA****FINANCE (PLANNING -A) DEPARTMENT****STATEMENT OF ACTION TAKEN ON THE RECOMMENDATIONS  
CONTAINED IN THE CAG'S REPORT ON STATE FINANCES FOR YEAR  
ENDED MARCH 2017**

<b>Sl. No.</b>	<b>Para No.</b>	<b>Recommendations of the Committee</b>	<b>Action Taken by the Government</b>
1	1.2.2	<b>Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budget)</b>	For implementation of various direct funding Central schemes, the funds are not routed through the State budget or State Treasury System. Hence, State Government has no control over the utilization of funds by these agencies. Besides, utilization certificates are also submitted directly to Government of India by these agencies. The State Government has already urged the Central Government to dispense with the practice of releasing the funds directly to the implementing agencies without routing through the Consolidated Fund of the State in order to ensure effective monitoring of such schemes. Since integration of treasury with PFMS interface has been completed, expenditure of these schemes could be monitored effectively if funds of these schemes are channelised through the Consolidated Fund of the State.

PREETHA B. S.  
PEN No. 110470  
Additional Secretary  
Finance Department  
Govt. Secretariat  
Thiruvananthapuram

*Preetha B. S.*



**STATEMENT OF REMEDIAL MEASURES TAKEN ON THE AUDIT PARA OF THE  
C&AG OF INDIA ON THE STATE FINANCES FOR THE YEAR ENED 31<sup>st</sup> MARCH 2017**

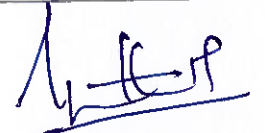
Sl No	Audit Para No.	Audit Para	Remedial Measures Taken																																										
1	1.3.1.2	<p><b>Non-tax Revenue</b></p> <p>Receipts under 'State Lotteries' is the major source (75 per cent ) of non-tax revenue of the State for the last five years and its share in non-tax revenue increased from 64 per cent in 2012-13 to 75 per cent in 2016-17. During the five year period, receipts from State Lotteries also recorded an increase of 172 per cent. Major source of non-tax revenue of the State are given in <b>Table 1.9</b>.</p> <p><b>Table 1.9: Components of non-tax revenue (₹ in crore)</b></p> <table><tr><th>Revenue Head</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th><th>2016-17</th></tr><tr><td>Interest receipts</td><td>172</td><td>149</td><td>102</td><td>105</td><td>144</td></tr><tr><td>Dividends and profits</td><td>48</td><td>101</td><td>74</td><td>90</td><td>96</td></tr><tr><td>State Lotteries</td><td>2674</td><td>3796</td><td>5445</td><td>6271</td><td>7283</td></tr><tr><td>Forestry and Wildlife</td><td>237</td><td>330</td><td>300</td><td>283</td><td>297</td></tr><tr><td>Other non-tax receipts</td><td>1067</td><td>1199</td><td>1363</td><td>1677</td><td>1880</td></tr><tr><td><b>Total</b></td><td><b>4198</b></td><td><b>5575</b></td><td><b>7284</b></td><td><b>8426</b></td><td><b>9700</b></td></tr></table> <p>Sources: Finance Accounts of Respective years</p> <p>Though the receipts under State Lotteries was ₹7283 crore, an equally high expenditure of ₹5992 crore on distribution of prizes, agent commission, etc. reduced the net yield to ₹1291 crore during the year.</p>	Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17	Interest receipts	172	149	102	105	144	Dividends and profits	48	101	74	90	96	State Lotteries	2674	3796	5445	6271	7283	Forestry and Wildlife	237	330	300	283	297	Other non-tax receipts	1067	1199	1363	1677	1880	<b>Total</b>	<b>4198</b>	<b>5575</b>	<b>7284</b>	<b>8426</b>	<b>9700</b>	This is a general observation made by the Accountant General and therefore no remedial action is needed.
Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17																																								
Interest receipts	172	149	102	105	144																																								
Dividends and profits	48	101	74	90	96																																								
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<b>Total</b>	<b>4198</b>	<b>5575</b>	<b>7284</b>	<b>8426</b>	<b>9700</b>																																								
2	1.3.3	<p><b>Efficiency in Tax collection</b></p> <p>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 <b>Appendix 1.7</b>. It shows that State had better average on the tax collection expenditure compared to all India average during the period from 2012-13 to 2015-16 in respect of two revenue sources, viz. Tax on Sales, Trade, etc. (except during 2015-16) and Taxes on Vehicles. However, in respect of other two major revenue sources, viz Stamps (Non judicial) and Registration fees and State Excise, the average tax collection expenditure of the State was much higher than the all India average from 2012-13 to 2015-16.</p>	Various measures are being taken to increase the tax collection and to reduce tax evasion with the use of technological tools, thereby improving tax efficiency.																																										

  
**J. P. GOPAKUMAR**  
 Joint Secretary  
 Finance Department  
 Govt. Secretariat

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**Action Taken Report on para 1.4.1 of the report of the Comptroller & Auditor General of India on State Finance for the year ended 31<sup>st</sup> March 2017**

Audit Para	Recommendation	Action taken Report
1.4.1	As of March 2017, the State Government invested ₹7,240.03 crore in Statutory Corporations, Government Companies, Joint Stock companies and Co-operatives and received ₹30.24 crore from retirement of capital/disinvestment of shares of Co-operative societies/banks and accounted for under Miscellaneous Capital Receipts.	Government has given financial assistance to Co-operative societies/ banks in the form of share capital under various schemes to strengthen its performance. Those Societies/ banks availed such financial assistance are required to repay the entire amount in instalments after the moratorium period as stipulated in the terms and conditions of sanctioning the amount. From the available details as on 31.03.2017, an amount of Rs.952.47 Crore was invested by the Government as shares of Co-operative institutions. During 2016-17 an amount of Rs.27.53 Crore was refunded by the Co-operative institutions as retirement of Capital. The refund amount of share capital are remitted to treasury in the head of account '4000-01-105-99', that head is classified under miscellaneous capital receipts.



**GEETHA. M**  
**ADDITIONAL SECRETARY**

എം. ഗീത  
ഫോൺ: 100473  
മുൻ: ജനറലിൽ സെക്രട്ടറി  
ധനകാര്യ വകുപ്പ്  
ഗവ: സെക്രട്ടേറിയറ്റ്  
തിരുവനന്തപുരം

## FINANCE (G.I.M.C) DEPARTMENT

### ACTION TAKEN REPORT ON PARA 1.4.2, 1.8.2 & 1.8.2.1 OF THE AUDIT REPORT OF C&AG OF INDIA ON STATE FINANCE FOR THE YEAR ENDED ON 31 MARCH 2017

Sl. No.	Audit Para No.	Recommendation	Action Taken Report
1	1.4.2	During the year, the State Government released an amount of Rs. 1,160.29 crore as loans and advances to various institutions and an amount of Rs. 13,877.94 crore was outstanding under this head at the end of March 2017. Against this balance, principal amount recovered was Rs. 166.52 crore, which was only one percent of the outstanding balance under loans and advances. During the year, State had also written off loans and advances amounting to Rs. 125.72 crore, which were found irrecoverable and the same were accounted as receipt under loans and advances.	As per circular No. 37/G.I.M.C-2/06/Fin dated 09/07/2006 and Circular No. 104/G.I.M.C-2/09/Fin dated 28/12/2009, strict guidelines have been issued to monitor the repayment of loans and advances sanctioned by the Government and the interest accrued thereon for various requirements of Public Sector Institutions, Local Self Government Institutions, Co-operative Institutions, industries coming under the purview of Public Sector Institutions etc. The sanctioning authority, before the sanction and disbursement of loans, should fix the date of commencement of disbursement of loan instalments, the terms and conditions of loans including the frequency of repayment and duration within which each loan is to be repaid with interest. It has been further stipulated by the Finance Department in the above mentioned circulars that if such terms and conditions were not fixed in the case of loans sanctioned earlier, it should be done forthwith without fail.
2	1.8.2	In addition to investments in Co-operative Societies, Statutory Corporations and Government Companies, the Government has also been providing loans and advances by the	Through the above circulars, it has also been directed to all Public



State

outstanding loans and advances as on 31 March 2017 and interest receipts during the last five years.

Quantum of 2012-13 Loans/Interest Receipts/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17
Opening balance	9394	10360	11713	12320
Amount advanced during the year	1136	1464	743	842
Amount repaid during the year	74	103	124	152
Closing balance	10456	11721	12332	13010
Net addition	1062	1361	619	690
Interest receipts	19	21	27	32

The total outstanding loans and advances as on 31 March 2017 increased by Rs. 868 crore compared to those of the previous year. The major disbursement of loans and advances during the current year was to the Kerala State Road Transport Corporation (Rs. 305 crore) and House building advances to State Service Officers

Sector Undertakings that as part of setting up of a special centralized mechanism in the Finance Department for the co-ordination and efficient monitoring of recovery of loans and interest, they have to furnish corresponding Government Orders issued for sanctioning the loans along with half yearly detailed statement in the prescribed format regarding the repayment of loans up to March 31 and September 30 before April 30 and October 31 respectively every year. According to circular No. 52/G.I.M.C-2/11/Fin dated 09/08/2011 and Circular No. 17/2018/Fin dated 06/03/2018 it has been reminded to strictly follow the guidelines stipulated in the Circulars issued earlier. Through Government Letter Numbered 95370/GIMC-2/12/Fin dated 23/11/2012, 02/05/2013, 20/11/2013, 30/04/2014, and Government letter numbered 1022633/GIMC-2/25/2018-FIN dated 29/12/2018 and 21/03/2019 the Public Sector Undertakings have been further directed to furnish the half yearly detailed statement regarding the repayment of loans and advances and the interest accrued thereon without any delay and also to initiate urgent actions for the repayment of loans and interest accrued thereon. The Director of Agriculture and the Registrar of Co-operative Societies have also been informed of the matter through Government letter e-office Number GIMC-2/5/2015/Fin dated

<p>(Rs. 427 crore). Interest received against these loans remained less than one percent during the period 2012-13 to 2016-17 and was 0.22 percent during 2016-17 as against the average cost of borrowing of 6.92 percent during the year.</p> <p>Government has been providing loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., and the same was treated as assets in the Government accounts. As per Finance Accounts, an amount of Rs. 13,878 crore was outstanding as loan at the end of March 2017. Also, at the end of March 2017, 83 institutions defaulted in repayment of loans advanced to them and arrears in respect of this were Rs. 10,579 crore (Principal: Rs. 6,656 crore and Interest: Rs. 3,923 crore). About 89 percent of the above arrears pertain to five institutions viz., Kerala Water Authority (Rs. 4,127 crore), Kerala State Electricity Board Limited (Rs. 1,760 crore), Kerala State Road Transport Corporation (Rs. 1,668 crore), Kerala State Housing Board (Rs. 1,421 crore) and</p>	<p>08/06/2015 and No. 17608/GIMC2/9/2014-FIN dated 18/04/2018, 29/05/2018, 13/09/2018, 27/10/2018 and 13/12/2018. All loan disbursing officers have been instructed to furnish before the corresponding Head of Departments, a statement regarding the repayment of Principal amount along with an affidavit as prescribed in the Article 264-A of Kerala Financial Code, before 10<sup>th</sup> of every month.</p> <p>As per Un-Official Note No. 13184/A1/2015/Transport dated 20/11/2015 Transport(A) Department has informed that, vide G.O (Ms) No. 46/2015/Tran dated 20/08/2015, Government have decided to convert the loans sanctioned by Government to KSRTC for the period from 2008-09 to 2013-14 amounting to Rs. 1,090.75 Crore into equity of Government in KSRTC and also to waive off interest &amp; penal interest on the above loans amounting to Rs. 172.37 Crore, as part of the implementation of a revival package in KSRTC. KSRTC authorities also informed that there was difference in the accounts of AG and KSRTC and the repayment of Government loans in KSRTC were pending due to financial crisis. In the above circumstances KSRTC was directed to take necessary steps in coordination with Accountant General to get KSRTC's account reconciled with that of AG's audited accounts.</p>
<p>1.8.2.1</p> <p>Defaulters on loan repayment</p>	

<p>TEXFED (Rs. 210 crore). During the year State Government also released loans to 13 institutions amounting to Rs. 434 crore whose previous loan repayment are in arrears.</p> <p>It was also observed that State Government released 81 loans to 19 institutions amounting to Rs. 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, Government needs to reduce the arrears in recovery of loans released.</p>	<p>In order to formulate means to ascertain the present status of the loans sanctioned by Government to various Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., a meeting was convened on 27/10/2017 by Principal Secretary (Finance) with the Additional/Joint Secretaries of the various wings of Finance Department which are approving the proposal from Administrative Departments to sanction loans to PSUs. It was decided in that meeting to conduct meeting with various PSUs in due course and to collect from them the details of loans and its repayment and also their plans for the repayment of arrears. The first batch of such a meeting was convened by Secretary (Finance Expenditure) on 10/11/2017 with representatives of Kerala State Electricity Board, Kerala Water Authority, Kerala State Housing Board, Kerala State Textile Corporation, CAPEX, Kerala State Coconut Development Corporation, Travancore Titanium Products Ltd, Kerala Agric Industries Corporation, Handicrafts Development Corporation of Kerala and Kerala Land Development Corporation.</p> <p>During the meeting, KSEB informed that they were working under Supply Act till 2006, after which it became a part of Government of Kerala and Government Orders were issued netting off its dues till then. They have also informed that as the</p>
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		<p>figures in Accountant General's report were different from KSEB's book of accounts even then, the same was intimated to Accountant General in 2013 itself. They have also informed that Rs. 27 Crore availed from World Bank for the Neryamangalam Project, is the only outstanding loan in the accounts of KSEB, for which Order is to be issued by Government of Kerala fixing the Terms &amp; Conditions of re-payment. Hence KSEB was directed to take necessary action in coordination with Accountant General to get KSEB's account reconciled with that of AG's audited accounts.</p> <p>Also, Kerala Water Authority has informed that a comprehensive financial restructuring package was proposed to be implemented in Kerala Water Authority during the budget speech for the FY 2008-09 by which the loan availed by KWA from Government as on 31/03/2007 was declared to be converted as interest free funds and the interest on them was declared to be written-off from the book of accounts, and the same was implemented vide GO(Rt) No. 122/2017/WRD dated 15/02/2017, by which loan amount of Rs. 713,22,51,632/- was converted as capital contribution of Kerala Water Authority and</p>
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	<p>the interest due as on 31/03/2007 amounting to Rs. 1004,80,79,006/- was written-off. They have also informed that Government of Kerala has also been addressed to implement the same procedure for the loan availed from 2007-08 to 2015-16 vide proposal No. KWA/HO/JB/A5/Accounts/2016 dated 01/06/2016. In view of this, Kerala Water Authority was directed to take necessary steps to coordinate with Accountant General for reconciling their book of accounts with the accounts maintained by AG.</p> <p>Kerala State Housing Board has informed that Government has granted loans to KSHB to repay the dues to HUDCC (1122.68 crore) and an amount of Rs. 89.95 crore ordered through guarantee commission. The total loan amount is 1212.63 crore. But Government has to give Rs. 1773.22 crore to KSHB. Also, it was informed that the projects of KSHB like Saphalym, Working women's hostel and Harippad Revenue Tower Building etc are under the consideration of Housing Department for converting the loans under Capital/Revenue heads.</p> <p>Since most of the other PSUs attended the meeting have</p>
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indicated that there are mismatches in their book of accounts with that of AG's audited accounts, they were directed to reconcile their accounts immediately with that of AG. Also, decided in the meeting, the matter of arrears in loan repayment and interest realization from various PSUs/Boards/Corporations etc., was discussed in the meeting held on 15/12/2017 by Chief Secretary with other Secretaries of the Government. As preparatory measure to conducting meeting with the next batch of PSUs, details are being collected from various PSUs/Corporations including KSCDC, TEXFED, KELTRON Consumerfed, RUBCO, KSDP etc and a meeting is proposed to be conducted with them in due course of time.



**K. BABU**  
Special Secretary  
Finance Department



**GOVERNMENT OF KERALA****FINANCE (PLANNING -A) DEPARTMENT****STATEMENT OF ACTION TAKEN ON THE RECOMMENDATIONS  
CONTAINED IN THE CAG'S REPORT ON STATE FINANCES FOR  
YEAR ENDED MARCH 2017**

<b>Sl. No.</b>	<b>Para No.</b>	<b>Recommendations of the Committee</b>	<b>Action Taken by the Government</b>
1	1.6	<p><b>Application of Resources</b></p> <p>Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.</p>	<p>State has been in a transition to depend mostly on market based borrowings (Open Market Borrowings) to meet its developmental expenditure due to the increasing revenue deficit because of its growing commitment in social and health sectors. Various measures are being taken to enhance the tax and non-tax revenue collections by improving existing revenue collection system and to exercise strict control over non-plan revenue expenditure so as to contain these expenditure at reasonable and sustainable level. However, the State is obliged to undertake a strategic endeavor to mobilise resources without impeding the development expenditure of the State.</p>

  
**GOPAKUMAR**  
 Joint Secretary  
 Finance Department  
 Govt Secretariat  
 Thiruvananthapuram





**STATEMENT OF ACTION TAKEN ON PARAS OF THE COMPTROLLER AND AUDITOR  
GENERAL'S REPORT ON STATE FINANCES FOR THE YEAR ENDED ON 31st MARCH  
2017**

Sl. No.	Para No.	Action Taken
1	1.6.4	<p>The State Government bears the expenses of providing rice and wheat at subsidized rates through the Public Distribution System to ensure the food security of the people in the State and the funds towards the subsidy thereof is given to the Kerala State Civil Supplies Corporation for arranging to procure food grains from the Food Corporation of India on the basis of the extent of allotment of food grains to the State from the Centre and to supply it under the Public Distribution System.</p> <p>The State Government is also providing funds to the Kerala State Civil Supplies Corporation for the procurement of paddy under price support scheme to ensure remunerative prices to the farmers for their produce in consideration of the cost of various agricultural inputs and reasonable margin for the farmers.</p> <p>Funds are also provided to the Kerala State Civil Supplies Corporation and other agencies for intervention in the market to control prices of essential commodities. Assistance is also provided to co-operative institutions such as Consumerfed for conducting festival markets so as to provide essential commodities to the general public at a lower price by controlling the inflation in retail trade during the festive season. These activities are aimed at ensuring the availability of essential food commodities to the weaker section in the society at affordable rates and also for protecting the interests of farmers in the State. The requirement of funds towards these purposes varies from year to year, mainly due to the factors such as price fluctuations in the market, number of beneficiaries, the extent of production of paddy and other food grains in the State, etc.</p>

Signed by

Sobha V R

Date: 30-05-2023 15:41:13

JOINT SECRETARY (FINANCE)

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# 13) **Action Taken Statement on C&AG Report on State Finance for the year ended 31<sup>st</sup> March 2017**

Scheme	Audit Observation						Action Taken																																																																																			
Para 1.6.5 Financial assistance to Local Bodies and Other Institutions	<p>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 1.18.</p> <p><b>Table 1.18: Financial assistance to local bodies, educational institutions, etc.</b></p> <p style="text-align: right;">(Rs. in crore)</p> <table><tr><th>Financial Assistance to Institutions</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th><th>2016-17</th></tr><tr><td>Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)</td><td>6,204.36</td><td>6,934.56</td><td>7,769.01</td><td>8,409.89</td><td>9,602.98</td></tr><tr><td>Municipal Corporations and Municipalities</td><td>1,177.77</td><td>1,358.09</td><td>1,836.39</td><td>1,405.77</td><td>2,756.55</td></tr><tr><td>Zilla Parishads and Other Panchayati Raj Institutions</td><td>5,279.31</td><td>6,421.60</td><td>8,423.74</td><td>7,767.62</td><td>7,775.98</td></tr><tr><td>Development Agencies</td><td>5.15</td><td>6.42</td><td>6.23</td><td>5.91</td><td>14.73</td></tr><tr><td>Hospitals and Other Charitable Institutions</td><td>153.33</td><td>94.19</td><td>305.76</td><td>407.60</td><td>812.18</td></tr><tr><td>Other Institutions<sup>21</sup></td><td>896.42</td><td>1,323.46</td><td>1,602.60</td><td>2,104.35</td><td>2,927.71</td></tr><tr><td>Total</td><td>13,716.34</td><td>16,138.32</td><td>19,943.73</td><td>20,101.14</td><td>23,890.13</td></tr><tr><td>Assistance as percentage of revenue expenditure</td><td>26</td><td>27</td><td>28</td><td>26</td><td>26</td></tr></table>						Financial Assistance to Institutions	2012-13	2013-14	2014-15	2015-16	2016-17	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	6,204.36	6,934.56	7,769.01	8,409.89	9,602.98	Municipal Corporations and Municipalities	1,177.77	1,358.09	1,836.39	1,405.77	2,756.55	Zilla Parishads and Other Panchayati Raj Institutions	5,279.31	6,421.60	8,423.74	7,767.62	7,775.98	Development Agencies	5.15	6.42	6.23	5.91	14.73	Hospitals and Other Charitable Institutions	153.33	94.19	305.76	407.60	812.18	Other Institutions <sup>21</sup>	896.42	1,323.46	1,602.60	2,104.35	2,927.71	Total	13,716.34	16,138.32	19,943.73	20,101.14	23,890.13	Assistance as percentage of revenue expenditure	26	27	28	26	26	<p>The actual release of funds to Local Bodies for the period from 2012-13 to 2016-17 is detailed below:</p> <p style="text-align: right;">(Rs in crores)</p> <table><tr><th>Financial Assistance to Institutions</th><th>2012-13</th><th>2013-14</th><th>2014-15</th><th>2015-16</th><th>2016-17</th></tr><tr><td>Municipal Corporations and Municipalities</td><td>926.03</td><td>1160.60</td><td>1418.42</td><td>1939.04</td><td>2222.11</td></tr><tr><td>Zilla Parishads and other Panchayati Raj institutions</td><td>3941.73</td><td>5074.19</td><td>6035.31</td><td>6293.63</td><td>6919.47</td></tr><tr><td>Total</td><td>4867.76</td><td>6234.79</td><td>7453.73</td><td>8232.67</td><td>9141.58</td></tr></table>						Financial Assistance to Institutions	2012-13	2013-14	2014-15	2015-16	2016-17	Municipal Corporations and Municipalities	926.03	1160.60	1418.42	1939.04	2222.11	Zilla Parishads and other Panchayati Raj institutions	3941.73	5074.19	6035.31	6293.63	6919.47	Total	4867.76	6234.79	7453.73	8232.67	9141.58
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<p><b>Source: Finance Accounts and information received from the State Government</b></p> <p>The financial assistance to local bodies and other institutions increased from Rs.13,716.34 crore in 2012-13 to Rs.23,890.13 crore in 2016-17. The table above shows that though the aggregate financial assistance increased during 2016-17 compared to 2015-16, the percentage of assistance with reference to revenue expenditure remained unchanged during the last two years. Substantial increase was noticed in the release of Grants in respect of Urban Local Bodies and Educational Institutions.</p> <p>This is only a general observation. The above data shows that there was increase of 14.6% and 9.94% in the release of fund to Municipal Corporations &amp; Municipalities and Zilla Parishads &amp; other Panchayati Raj Institutions respectively when compared to the previous year.</p>																																																																																										





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**സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ചുള്ള സി&എജിയുടെ 2016-17 സാമ്പത്തികവർഷത്തെ  
ഖണ്ഡിക 1.8.1 നേലുള്ള നടപടി റിപ്പോർട്ട്**

ഖണ്ഡിക നമ്പർ	ഓഡിറ്റ് നിരീക്ഷണം	നടപടി റിപ്പോർട്ട്
1.8.1	<p>2016-17 ൽ നിയമാനുസൃത കോർപ്പറേഷനുകൾ, സർക്കാർ കമ്പനികൾ, കൂട്ടുമകമ്പനികൾ, സഹകരണ സ്ഥാപനങ്ങൾ എന്നിവയിലെല്ലാം ചേർന്ന് സംസ്ഥാന സർക്കാർ 7240.03 കോടി രൂപ നിക്ഷേപിച്ചിരുന്നു. ഈ നിക്ഷേപത്തിൽനിന്നും കഴിഞ്ഞ അഞ്ചുവർഷക്കാലത്ത് ലഭിച്ച ശരാശരി ആദായം 1.35 ശതമാനമായിരുന്നു. 2012-13 മുതൽ 2016-17 വരെ കാലയളവിൽ സർക്കാർ-എടുത്ത വായ്പകളുടെ ശരാശരി പലിശ നിരക്ക് 7.18 ശതമാനമായിരുന്നു.</p> <p>2016-17 കാലയളവിൽ സംസ്ഥാന സർക്കാർ നിയമാനുസൃത കോർപ്പറേഷനുകളിൽ 55.29 കോടിയും സർക്കാർ കമ്പനികളിൽ 582.32 കോടിയും സഹകരണ ബാങ്കുകളിലും സൊസൈറ്റികളിലും 81.63 കോടിയും നിക്ഷേപിച്ചു. നിക്ഷേപത്തിലെ മൊത്തം ചെലവ് സർക്കാർ കമ്പനികളിൽ 241.33 കോടി കറയുകയും (നിക്ഷേപങ്ങളിലെ പുന:തരംതിരിവ് കാരണം) സഹകരണ ബാങ്കുകളിലും സൊസൈറ്റികളിലും 29.59 കോടി കറയുകയും (ഓഹരി വിറ്റഴിക്കൽ കാരണം) ചെയ്തു.</p>	<p>സംസ്ഥാനത്തെ പല പൊതുമേഖലാ സ്ഥാപനങ്ങളും നഷ്ടത്തിലാണ് പ്രവർത്തിക്കുന്നത്. ഇതിന് പല അടിസ്ഥാന കാരണങ്ങളുണ്ട്. എന്നാൽ ഇപ്രകാരം നഷ്ടത്തിൽ പ്രവർത്തിക്കുന്ന സ്ഥാപനങ്ങളെ അടച്ചുപൂട്ടി സാമൂഹ്യ പ്രതിബദ്ധതയിൽ നിന്നും ഒളിച്ചോടാൻ സർക്കാരിനാവില്ല. ഈ അവസ്ഥയിൽ സർക്കാരിന് ഇത്തരം സ്ഥാപനങ്ങളിലെ ജീവനക്കാരുടെ ശമ്പളം വേതനം ഉൾപ്പെടെയുള്ള ആവശ്യങ്ങൾക്ക് സാമ്പത്തിക സഹായം നൽകേണ്ടിവരുന്നു. സ്വന്തം വിഭവങ്ങളുടെ കുറവ് കാരണം പശ്ചാത്തല സൗകര്യ വികസനത്തിനായി ബോണ്ടുകൾ വഴി സ്വരൂപിക്കുന്ന ഫണ്ടുകളിൽ നിന്ന് സർക്കാർ പൊതു ആവശ്യങ്ങൾക്കായി തുക ചെലവഴിക്കുന്നു. നിക്ഷേപത്തിൽ നിന്ന് മതിയായ തിരിച്ചുപലവ് പ്രതീക്ഷിച്ച് കൊണ്ടല്ല സർക്കാർ ഇത്തരം ചെലവുകൾ നടത്തുന്നത്. എന്നിരുന്നാലും ജി.എസ്.ടി, ആദായനികുതി തുടങ്ങിയ നികുതി മാർഗ്ഗങ്ങളിൽ കൂടി വരുമാനം തിരിച്ചെടുക്കുന്നതുകണക്കാക്കിയാൽ അത്തരം നിക്ഷേപങ്ങൾ നിരുത്സാഹപ്പെടുത്തേണ്ടതില്ല. ആയതിനാൽ ഓഡിറ്റ് ഖണ്ഡിക 1.8.1-ലെ പരാമർശങ്ങൾ ഒഴിവാക്കണമെന്ന് അഭ്യർത്ഥിക്കുന്നു.</p>

  
 Director General  
 Accounts Department  
 Government of Kerala  
 Thiruvananthapuram



**Action Taken Report on C&AG Report on State Finances for the year ended March 2017**

**Para No. 1.8.3, 1.8.3.1**

**FINANCE (ESTABLISHMENT(C) DEPARTMENT**

No.	Para No.	Recommendation	Action Taken
1	1.8.3 (Page No. 27 of C&AG report 2017)	<p><b>Cash balances and Investment of cash balances</b></p> <p>The cash balances and investments made by the State Government out of the cash balances during the year are shown in Table 1.24.</p> <p>Table 1.24 as shown in <b>Annexure I</b></p> <p>Table 1.24 shows that cash balance of the State, at the end of March 2017, increased by 420.94 crore compared to the closing balance at the end of March 2016. This was due to the increase in investments under Gol Treasury Bills (₹307.75 crore) and investments in earmarked funds (₹121.57 crore). The interest realised on investment of cash balance also increased by ₹37.47 crore, compared to the previous year.</p>	<p>The 224 treasuries in the state including 23 district treasuries had kept an amount of Rs. 25,37,62,388/- (Twenty five Crores Thirty seven Lakhs sixty two thousands three hundred and eighty eight only) as cash balance as on 31/3/2017. The money was kept as imprest balance for the next day's early disbursement of pension and savings bank transactions. It was also because of the shortage of money circulation caused out of the demonetization and closing of many treasury chests in nationalized banks. Thus as per the imprest limit fixed by Government, treasury had kept the amount referred above.</p> <p>The Accountant General included this matter as an audit query and the Department of Treasuries issued strict instructions to the Treasury Officers to remit back entire amount to bank twice a year ie. On September 30<sup>th</sup> and March 31<sup>st</sup> every year. Thus all the treasuries in the state remitted the entire cash balance to agency banks on 31<sup>st</sup> March 2022. (copy of instructions issued in this regard by director of treasuries and cash close summary enclosed for ready reference).</p>
2	1.8.3.1 (Page No. 28)	<p><b>Outstanding balances under the head 'Cheques and Bills'</b></p> <p>This head is an intermediary accounting head for initial recording of transactions which are to be cleared eventually. As</p>	<p>Treasury officers were directed to remit back the balance shown as outstanding under Pay Order Cheques. But there was an</p>



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<p>of C&amp;AG report 2017)</p>	<p>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 a 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.</p> <p>As on 31 March 2017, there was an outstanding balance (cumulative) of ₹755.37 crore. This represents expenditure originally booked under different major heads of Consolidated Fund, which did not result in any cash outflow till the end of March 2017.</p> <p>During the audit of treasuries, AG (A&amp;E) observed that 70 pay order cheques (drawn between March 2010 and November 2016) for ₹96.68 lakh in 16 treasuries remained un-encashed. Since these cheques remained un-encashed, the amount booked against these cheques in Consolidated Fund will over-state the expenditure till it is encashed.</p>	<p>ambiguity regarding the Head of Account to which the amounts are to be remitted. Government clarified the issue and Treasury Officers were directed to remit back the amount under the same Head of Account in which the under Pay Order Cheques were issued. The process of the same is in progress and further updation in this matter will be done. It is also submitted that as the system of Direct Beneficiary Transfer (DBT), has come into effect now the issue of POC is disposed with.</p>
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**Annexure I**  
**(Amount in Crores)**

Sl.No.	Particulars	As on 31 March 2016	As on 31 March 2017	Increase (+) / Decrease(-)
(a)	<b>General Cash balances</b>			
	Cash in Treasuries and other banks	5.43	37.23	31.80
	Deposit with Reserve Bank	(-)45.88	(-)91.73	(-)45.85
	Remittances in transit - Local	1.07	6.80	5.73
	<b>Total (a)</b>	<b>(-)39.38</b>	<b>(-)47.70</b>	<b>(-)8.32</b>
(b)	<b>Investments from cash balances</b>			
	Gol Treasury Bills	1,631.60	1,939.35	(+)307.75
	Gol Securities	5.15	5.15	-
	<b>Total (b)</b>	<b>1,636.75</b>	<b>1,944.50</b>	<b>(+)307.75</b>
(c)	<b>Investments in earmarked funds</b>			
	Reserve funds not bearing interest	1,630.37	1,751.94	(+)121.57
	<b>Total (c)</b>	<b>1,630.37</b>	<b>1,751.94</b>	<b>(+)121.57</b>
(d)	<b>Departmental cash balances including Permanent advances</b>	<b>1.65</b>	<b>1.59</b>	<b>(-)0.06</b>
	<b>Total Cash Balance – (a) to (d)</b>	<b>3,229.39</b>	<b>3,650.33</b>	<b>(+)420.94</b>
	Interest realised during the year on investment of cash balances	<b>40.85</b>	<b>78.32</b>	<b>37.47</b>



**Joint Secretary**

**G. SREENI**

Joint Secretary  
Finance Department  
Govt Secretariat  
Thiruvananthapuram




**Action Taken Statement on C&AG Report on State Finance**

**for the year ended 31<sup>st</sup> March 2017**

Audit Para	Audit Observation	ATR														
Para 1.9.2  Fiscal liabilities  (a) State Disaster Response Fund	<p>The State Disaster Response Fund (SDRF) was set up on 1 April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year, there was Rs.72.52 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2016-17 (fixed by the Fourteenth Finance Commission) was Rs. 194 crore, 75% (Rs.145.5 crore) of which was to be contributed by the Central Government and 25% (Rs.48.5 crore) by the State Government. During the year, an amount of Rs. 194 crore was credited to the Fund. After setting off the expenditure for disaster relief operations to the extent of Rs. 150.66 crore, the balance in SDRF as on 31 March 2017 was Rs. 115.86 crore.</p> <p>According to the guidelines issued by the Government of India, SDRF shall be kept in the Public Account of the State on which the States should pay interest to the Fund at the rate applicable to overdrafts under the Overdrafts Regulation Scheme of RBI. This was not done and also interest payable on the un-invested balances of the earlier years was also not estimated by the Government and credited to the Fund so far (December 2017). Non-</p>	<p>As per G.O.(Rt)No. 228/2019/DMD dtd. 26/03/2019, G.O.(Rt)No. 367/2020/DMD dtd 19/03/2020, G.O.(Rt)No. 273/2021/DMD dtd 23/02/2021 &amp; G.O.(Rt)No. 477/2022/DMD dtd 27/05/2022 Disaster Manangement (A) Department has transfer credit the interest of SDRF unspent amount kept in the Public Account from the Head of Account 2049-05-105-99 to the Head of Account 8121-General and other Reserve Funds-00-122-State – State Disaster Response Fund-99-State Disaster Response Fund. The details of interest credited from 2010-11 to 2020-21 are as follows:</p> <table><tr><th>Financial Year</th><th>Amount of Interest (Rs) credited</th></tr><tr><td>2010-11</td><td>1,65,57,668</td></tr><tr><td>2011-12</td><td>3,51,78,781</td></tr><tr><td>2012-13</td><td>5,15,57,605</td></tr><tr><td>2013-14</td><td>6,47,78,073</td></tr><tr><td>2014-15</td><td>2,36,28,926</td></tr><tr><td>2015-16</td><td>3,54,75,764</td></tr></table>	Financial Year	Amount of Interest (Rs) credited	2010-11	1,65,57,668	2011-12	3,51,78,781	2012-13	5,15,57,605	2013-14	6,47,78,073	2014-15	2,36,28,926	2015-16	3,54,75,764
Financial Year	Amount of Interest (Rs) credited															
2010-11	1,65,57,668															
2011-12	3,51,78,781															
2012-13	5,15,57,605															
2013-14	6,47,78,073															
2014-15	2,36,28,926															
2015-16	3,54,75,764															

transfer of interest amount resulted in under-statement of revenue expenditure and also reduced balance under SDRF.	2016-17	6,86,51,937
	2017-18	13,85,66,485
	2018-19	27,53,55,292
	2019-20	144,31,81,282
	2020-21	101,08,63,000
(G.O.s enclosed)		

  
**P GOPAKUMAR**  
 Joint Secretary  
 Finance Department  
 Govt Secretariat  
 Thiruvananthapuram



37/3/19



## GOVERNMENT OF KERALA

Abstract

Disaster Management Department – Transfer crediting of Rs.19.17 crore to the State Disaster Response Fund – Sanctioned – Orders issued.

**DISASTER MANAGEMENT (A) DEPARTMENT**

**G.O.(Rt)No.228/2019/DMD** Dated, Thiruvananthapuram, 26/03/2019

- Read 1) Minutes of the meeting held on 23/06/2017 in the chamber of Chief Secretary regarding streamlining State Disaster Response Fund.  
2) Letter no.DAE-04/SDRF/2018-19/120 dated 17/09/2018 from Accountant General (A&E), Kerala

ORDER

As per the minutes read as first paper above, Government decided to request to Accountant General to provide calculation of cumulative interest at the rate of over draft (6%)+ 2% (in total 8%) on a monthly manner (balance on month end, calculated as on 1st of every month) from 2010-11 financial year to 2014-15 financial year (13<sup>th</sup> Finance Commission period) to the State Disaster Response Fund.

2) As per the letter read as second paper above, Accountant General have requested to credit the following amount to State Disaster Response Fund.

Financial year	Interest Amount
2010-11	16557668
2011-12	35178781
2012-13	51557605
2013-14	64778073
2014-15	23628926
Total	191701053

3) Government have examined the matter in detail and are pleased to accord sanction for the transfer credit of Rs.19.17 crore (Rupees Nineteen crore and Seventeen lakhs only) from the Head of Account 2049-05-105-99 to the Head of Account "8121-General and other Reserve Funds-00-122-State Disaster Response Fund-99-State Disaster Response Fund".

(By order of the Governor)

**REMESAN.M.K.**  
**ADDITIONAL SECRETARY**

Member Secretary, Kerala State Disaster Management Authority, Observatory hills Vikasbhavan,  
Thiruvananthapuram-33

The Principal Accountant General (Audit) Kerala, Thiruvananthapuram

The Accountant General (A&E) Kerala, Thiruvananthapuram

The Assistant Director, Finance Commission Division, Department of Expenditure, Ministry of  
Finance, Government of India

The Finance (CSFC-A) Department (CSFC-AI/20/2017-Fin )

The Finance (BW-A) Department / Finance (Expenditure-B) Department

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PS to Principal Secretary (Revenue & DM)

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GOVERNMENT OF KERALA



Abstract

Disaster Management Department – Transfer crediting of Interest amount during the financial year 2015-16 to 2017-18 to the State Disaster Response Fund – Sanctioned – Orders issued.

DISASTER MANAGEMENT (A) DEPARTMENT

G.O.(Rt)No.367/2020/DMD Dated, Thiruvananthapuram, 19/03/2020

- Read 1) Minutes of the meeting held on 23/06/2017 in the chamber of Chief Secretary regarding streamlining State Disaster Response Fund.  
2) Letter No. DM4/4/2017-DMD, dated 15.08.2019 & 26.11.2019  
3) Letter no.DAE-04/SDRF/2019-20/78 dated 19/12/2019 from Accountant General (A&E), Kerala

ORDER

As per the letter read as second paper above, Government of Kerala has requested Accountant General to provide a calculation of cumulative interest at the rate of over draft (6%)+ 2% (in total 8%) on a monthly (balance on month end, calculated as on 1st of every month) manner from 2010-11 financial year to 2014-15 financial year (13th FC period) and from 2015-16 financial year to 2016-17 financial year (14th FC period) to the State Disaster Response Fund and there after, interest as in the case of provident fund and provide a statement to Government.

As per the letter read as third paper above, Accountant General has calculated the interest from 2015 - 16 to 2017-18 and requested to credit the amount to SDRF as detailed below:

Financial year	Amount of Interest(Rs)
2015-16	3,54,75,764
2016-17	6,86,51,937
2017-18	13,85,66,485
Total	Rs.24,26,94,186/- (Twenty four crore twenty six lakh ninety four thousand one hundred and eighty six only)

Government have examined the matter in detail and are pleased to accord sanction for the transfer credit of Rs. 24,26,94,000 /- (Rupees Twenty four crore

1A)

twenty six lakhs ninety four thousand only) from the Head of Account 2049-05-105-99 to the Head of Account "8121-General and other Reserve Funds-00-122-State Disaster Response Fund-99-State Disaster Response Fund".

(By order of the Governor)

MADHU K

ADDITIONAL SECRETARY

To,

The Principal Accountant General (Audit) Kerala, Thiruvananthapuram

The Accountant General (A&E) Kerala, Thiruvananthapuram

The Assistant Director, Finance Commission Division, Department of Expenditure,

Ministry of Finance, Government of India

The Finance (CSFC-A) Department (549178/CSFC-A1/20/2017-Fin dated 10/03/2020)

The Finance (BW-A) Department / Finance (Expenditure-B) Department

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Section Officer



## GOVERNMENT OF KERALA

### Abstract

Disaster Management Department – Transfer crediting of Interest amount during the financial year 2018-19 to 2019-20 to the State Disaster Response Fund – Sanctioned– Orders issued.

### **DISASTER MANAGEMENT (A) DEPARTMENT**

**G.O.(Rt)No.273/2021/DMD** Dated, Thiruvananthapuram, 23/02/2021

- Read 1) Minutes of the meeting held on 23/06/2017 in the chamber of Chief Secretary regarding streamlining State Disaster Response Fund.  
 2) Letter No. DM4/4/2017-DMD, dated 15.08.2019 & 26.11.2019  
 3) Letter no.DAE-04/SDRF/2019-20 dated 06/11/2020 from the Accountant General (A&E), Kerala

### ORDER

As per the letter read as second paper above, Government of Kerala has requested Accountant General to provide a calculation of cumulative interest at the rate of over draft (6%)+ 2% (in total 8%) on a monthly (balance on month end, calculated as on 1st of every month) manner from 2010-11 financial year to 2014-15 financial year (13th FC period) and from 2015-16 financial year to 2016-17 financial year (14th FC period) to the State Disaster Response Fund and there after, interest as in the case of provident fund and provide a statement to Government.

As per the letter read as third paper above, Accountant General has calculated the interest from 2018-19 to 2019-20 and requested to credit the amount to SDRF as detailed below:

Financial year	Amount of Interest(Rs)
2018-19	27,53,55,292
2019-20	144,31,81,282



Total	171,85,36,574 (Rupees one hundred and seventy one crore eighty five lakh thirty six thousand five hundred and seventy four only)
-------	--

Government have examined the matter in detail and are pleased to accord sanction for the transfer credit of Rs. 171,85,37,000/- (Rupees one hundred and seventy one crore eighty five lakhs thirty seven thousand only) from the Head of Account 2049-05-105-99 to the Head of Account "8121-General and other Reserve Funds-00-122-State Disaster Response Fund-99-State Disaster Response Fund"

(By order of the Governor)  
**DR. A JAYATHILAK IAS**  
**PRINCIPAL SECRETARY**

To,

The Accountant General (Audit) (A&E) Kerala, Thiruvananthapuram  
The Assistant Director, Finance Commission Division, Department of Expenditure, Ministry of Finance, Government of India  
The Finance (CSFC-A) Department  
The Finance (BW-A) Department / Finance (Expenditure-B) Department  
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PS to Principal Secretary (Revenue & DM)

The Information Officer, Web & New Media, I&PRD

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Signature valid  
Digitally signed by JAYACHANDRAN K P  
Date: 2021.02.24 12:44:56 IST  
Reason: Approved  
Section Officer



## GOVERNMENT OF KERALA

### Abstract

Disaster Management Department – Transfer crediting of Interest amount during the financial year 2020-21 to the State Disaster Response Fund – Sanctioned– Orders issued.

### **DISASTER MANAGEMENT (A) DEPARTMENT**

G.O.(Rt)No.477/2022/DMD Dated,Thiruvananthapuram, 27-05-2022

Read:- 1.Minutes of the meeting held on 23/06/2017 in the chamber of Chief Secretary regarding streamlining State Disaster Response Fund.

2.Letter no.DAE-04/SDRF-Interest/2021-22/0208758/11 dated 03/12/2021 from the Accountant General (A&E), Kerala

### ORDER

As per the 1<sup>st</sup> paper read above, Government of Kerala had decided for requesting Accountant General to provide a calculation of cumulative interest at the rate of over draft (6%)+ 2% (in total 8%) on a monthly (balance on month end, calculated as on 1<sup>st</sup> of every month) manner from 2010-11 financial year to 2014-15 financial year (13<sup>th</sup> FC period) and from 2015-16 financial year to 2016-17 financial year (14<sup>th</sup> FC period) to the State Disaster Response Fund and there after, interest as in the case of provident fund and provide a statement to Government.

As per the letter read as second paper above, Accountant General has calculated the interest for the financial year 2020-21 and requested to credit the amount to SDRF as detailed below:

In the Final batch of Supplementary Demands for Grants to the financial year 2021-22( march 2022), Finance Department granted an amount of Rs.101.0863 crore as interest to State Disaster Response Fund.

Government have examined the matter in detail and are pleased to accord sanction for the transfer credit of Rs. 101.0863 crore (Rupees

one hundred and one crore eight lakhs sixty three thousand only) from the Head of Account 2049-05-105-99 to the Head of Account "8121-General and other Reserve Funds-00-122-State Disaster Response Fund-99-State Disaster Response Fund"

(By order of the Governor)

**DR A JAYATHILAK I A S**  
**ADDITIONAL CHIEF SECRETARY**

To:

The Accountant General (Audit) (A&E) Kerala, Thiruvananthapuram  
The Assistant Director, Finance Commission Division, Department of  
Expenditure, Ministry of Finance, Government of India  
The Finance (CSFC-A) Department  
The Finance (BW-A) Department / Finance (Expenditure-B)  
Department

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PS to Additional Chief Secretary (Revenue & DM)

The Information Officer, Web & New Media, I&PRD

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Signed by Bijumon K K

Date: 27-05-2022 18:01:46

Section Officer

**GOVERNMENT OF KERALA**  
**FINANCE (SECRET SECTION) DEPARTMENT**

**STATEMENT OF ACTION TAKEN ON AUDIT PARAS CONTAINED IN THE REPORT OF  
 COMPTROLLER AND AUDITOR GENERAL OF INDIA ON STATE FINANCES FOR THE YEAR  
 ENDED 31st MARCH 2017.**

Para No.	Recommendations	Action Taken
	<p><b>1.9.2(b) Consolidated Sinking Fund</b></p> <p>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 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 had to contribute Rs. 802.69 crore during 2016-17 to the Consolidated Sinking Fund. However, the State Government did not contribute any amount to the Fund, during the current year. Non-contribution resulted in under-statement of revenue expenditure and also reduced reserve fund for future amortization of loan liability.</p> <p>As per the guidelines of the fund, the balance at credit of the Fund is required to be invested in the Government of India Securities. During the year, an amount of Rs.121.57 crore was received as interest from the</p>	<p>The State is continuously recording Revenue Deficit. Hence the contribution to CSF has to be made/ can be materialised only from the borrowed funds. In the para 5 of the GO(P) No.384/2007/Fin dated 23.08.2017, detailing current CSF scheme, it is clearly stated that the Govt shall not fund its contribution to the fund out of borrowings from the Reserve bank. At present, in view of the above position, reckoning the fiscal position of the State the contribution to the Fund is almost impossible.</p> <p>The yield on CSF investments as against the cost of borrowings gives a negative carry and hence it is not prudent to contribute to CSF, given the high cost of borrowings.</p> <p>The appropriation for contribution to CSF, being a Revenue Expenditure, which would augment the Revenue Deficit of the State, making it difficult to avail the State-specific grants and benefits under debt-relief schemes.</p>





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	<p>investment made out of the fund. At the beginning of the year, Rs.1,615.81 crore was available and with the interest received on investment, the outstanding balance at the end of year was Rs.1,737.38 crore.</p>	<p>The cash balance of the state is only transitory in nature and will not be sufficient to meet obligations that have not been disclosed in the State Government's accounts maintained on cash basis, which the accrual accounting system would have revealed. So, the transfer to CSF and investments there-from cannot be considered as a viable choice of investment in the present situation.</p> <p>Considering the above, it will be difficult for the State to contribute to CSF till such-time the revenue account is balanced and the contribution is treated as capital expenditure.</p>
	<p><b>1.10.1 Public Debt management</b></p> <p>Public debt of the State comprises of debt raised from internal sources as well as loans and advances received from Government of India. Over the years, loans raised from open market has been the main source for the State Government to meet its fiscal needs. Loans raised by the State Government during the last five years, repayments made with interest and net amount available from the resources are given in Table 1.27</p>	<p>-Noted-</p>



Table 1.27: Net resources available in Public Debt (₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Public Debt</b>					
<b>Internal Debt</b>					
Open Market Borrowings	11,583	12,800	13,200	15,000	17,300
Loans from Financial Institutions	410	501	552	600	828
Special securities issued to NSSF	630	565	1,132	1,455	1,861
Others	86	84	222	87	86
<b>Total Internal Debt</b>	<b>12,709</b>	<b>13,950</b>	<b>15,106</b>	<b>17,142</b>	<b>20,075</b>
Loans and Advances from GOI	552	392	752	531	852
<b>Total Public Debt Receipts</b>	<b>13,261</b>	<b>14,342</b>	<b>15,858</b>	<b>17,673</b>	<b>20,927</b>
<b>Total Public Debt Payments</b>	<b>2,804</b>	<b>3,126</b>	<b>3,191</b>	<b>4,075</b>	<b>4,775</b>
<b>Total interest paid on Public Debt</b>	<b>5,255</b>	<b>6,151</b>	<b>7,301</b>	<b>8,358</b>	<b>9,416</b>
<b>Net Debt available</b>	<b>5,202</b>	<b>5,065</b>	<b>5,366</b>	<b>5,240</b>	<b>6,736</b>

Source: Finance Accounts of respective years

Table 1.27 shows that though the total public debt receipt increased from Rs. 13,261 crore in 2012-13 to Rs. 20,927 crore in 2016-17, there was not much increase in the net debt available with the State for its development activities. Also, during 2016-17, almost 68 per cent of the loans raised by the State Government was utilised for servicing debt, since the State had no surplus revenue to meet this liability. Status of State's non-debt receipt against total expenditure in last five years is given in Table 1.28.



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**Table 1.28: Incremental non-debt receipts and total expenditure (₹ in crore)**

Year	Non-Debt Receipt	Growth compared to last year	Total Expenditure	Growth compared to last year	Resource Gap
2012-13	44,226	6,145	59,228	8,332	-2,187
2013-14	49,300	5,074	66,244	7,016	-1,942
2014-15	58,102	8,802	76,744	10,500	-1,698
2015-16	69,214	11,112	87,032	10,288	824
2016-17	75,934	6,720	1,02,382	15,350	-8,630

Source: Finance Accounts of respective years

The resource gap (gap between incremental non-debt receipts and incremental total expenditure) was negative from 2012-13 to 2016-17, except in 2015-16 which indicated that incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden. Though the resource gap decreased from 2012-13 to 2015-16, it increased considerably in 2016-17.





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**Table 1.29: Maturity profile of Public Debt (₹ in crore)**

Debt maturing	2012-13	2013-14	2014-15	2015-16	2016-17
Upto one year	2,569.25 (3.56)	2,674.90 (3.21)	3,289.26 (3.42)	3,751.61 (3.42)	5,682.54 (4.51)
One to three years	5,791.05 (8.01)	6,829.83 (8.18)	9,139.85 (9.51)	12,243.13 (11.16)	13,331.80 (10.59)
Three to five years	9,100.72 (12.60)	12,058.34 (14.45)	13,265.26 (13.80)	13,284.34 (12.11)	16,677.73 (13.25)
Five to seven years	13,181.39 (18.24)	13,165.08 (15.77)	16,667.64 (17.34)	22,808.05 (20.78)	26,786.58 (21.28)
Seven years and above	36,932.83 (51.12)	44,048.78 (52.77)	48,958.69 (50.93)	52,857.95 (48.17)	58,456.21 (46.44)
Maturity profile details not furnished by State Government	4,674.95 (6.47)	4,689.63 (5.62)	4,812.26 (5.00)	4,785.90 (4.36)	4,948.00 (3.93)

Source: Finance Accounts of respective years

The debt maturity profile of the State given in the Table 1.29 shows that 28.35 per cent of the debt amounting to Rs. 35,692.07 crore has to be repaid within five years. Also about 50 per cent (Rs.62,478.65 crore) of the debt has to be repaid by March 2024 (within seven years). Steep increase in State Government's open market borrowings occurred from 2007-08 onwards and this will have adverse impact on State finances from 2017-18 onwards. State Government has to ensure additional revenue resources and well thought out debt strategy to meet this debt burden.

*B. S. PREETHA*

**B.S. PREETHA**  
Additional Secretary (Finance)



**ACTION TAKEN REPORT**

<b>Sl No.</b>	<b>Para No.</b>	<b>C&amp;AG Report on State finance for the year ending on 31.03.2017</b>	<b>Action Taken Statement</b>
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**1.9.3 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. Section 3 of the Kerala Ceiling on Government Guarantees (Amendment) Act, 2015 which came into effect on 5 December 2003 stipulates that the total outstanding Government Guarantees as on the first day of April every year shall not exceed Rs. 21,000 crore. The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2012-13 are given in Table 1.25

Table 1.25: Guarantees given by the Government of Kerala (₹ in crore)

<b>Guarantees</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Maximum amount guaranteed	11,482.25	12,275.21	13,123.30	13,712.77	20,204.10
Outstanding amount of Guarantees	9,099.50	9,763.36	11,126.87	12,438.52	16,245.56
Percentage of Maximum amount guaranteed to total revenue receipts	of 26	25	23	20	27
Criteria as per Kerala Ceiling on Government Guarantees Act, 2003 (Outstanding amount of guarantees as on the first day of April)	14,000	14,000	14,000	21,000	21,000

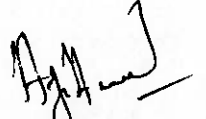
Source : Finance Accounts of the State Government

Sl. No.	Para No.	C&AG Report on State Finance for the year ending on 31/03/2017	Action Taken Statement
1.9.3		The above table shows that there was steady increase in the outstanding guarantees at the end of each of last five years and it increased from Rs. 9,099.50 crore in 2012-13 to Rs. 16,245.56 crore in 2016-17. As a percentage of revenue receipts, the guaranteed amount showed steady decline from 26 per cent in 2012-13 to 20 per cent in 2015-16, but it increased to 27 per cent in 2016-17.	Government guarantee includes the guarantee given by the State Government on behalf of the Government Departments, Public Sector Undertakings, Local authorities, Statutory bodies, Corporations and Co-operative institutions considering the purpose, prospects, etc within the ceiling on outstanding Government guarantee as on the first day of April of every year. As the purpose of the Act is for providing government guarantee, the state has to stand as a guarantor. The increase in the total guaranteed amount is in proportionate with the size of State's budget and GSDP. So as to maintain this liability in consonance with the size of the economy, the ceiling has been refixed as 5% of the GSDP of the State, thereby ensuing two benefits of keeping the liability in check and ensuring liquidity for the growth of the economy. The increase in guarantee during the period from 2013-14 to 2017-18 was due to the demand from the institutions for guarantee and Government initiatives for achieving its goals in the Social sectors. Hence the draft para in the report of C&AG may be excluded.
2)		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 had not been constituted and consequently, guarantee commission of ₹ 854.08 crore collected during 2003-04 to 2016-17 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-constitution of Guarantee Redemption Fund resulted in understatement of revenue expenditure to that extent.	2) Guarantee Redemption Fund (GRF) Rules have been prepared and is in its final stage. As an when the Guarantee Redemption Fund constituted, immediate action will be taken to credit the commission in the corpus Fund. There is no limitation in meeting it as revenue expenditure of the Government till the GRF is formed. Hence the objections raised on the report may be dropped.



3) During the year, an amount of ₹101.30 crore was received as Guarantee Commission and as of March 2017, ₹ 120.03 crore was due as arrears in this regard.

3) Constant efforts are being taken to get the dues and to ensure guarantee commission is being paid in time. In any circumstances fresh/renewal of guarantee would be given without clearing the guarantee commission dues.



**AJITH KUMAR A**  
**JOINT SECRETARY (FINANCE)**



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**GOVERNMENT OF KERALA**

**FINANCE (PLANNING -A) DEPARTMENT**

**STATEMENT OF ACTION TAKEN ON THE RECOMMENDATIONS  
CONTAINED IN THE CAG'S REPORT ON STATE FINANCES FOR  
YEAR ENDED MARCH 2017**

Sl. No	Para No.	Recommendations of the Committee	Action Taken by the Government
1	1.11.1	<p><b>Trends in deficits</b></p> <p>The revenue deficit of the State, which indicates the excess of its revenue expenditure over revenue receipts, increased steadily since 2012-17 (except during 2015-16) indicating increased growth of revenue expenditure over revenue receipts. Based on the recommendations of Fourteenth Finance Commission, during 2016-17, GoI released an amount of Rs.3,350 crore as Post Devolution Revenue Deficit Grant. However, revenue deficit increased from Rs.9,657 crore in 2015-16 to Rs.15,484 crore in 2016-17. This indicates that State Government could not control revenue deficit even after receipt of substantial assistance from GoI.</p> <p>The fiscal deficit, which represents the total borrowings of the Government increased during the last five years (except during 2015-16). It increased from Rs.15,002 crore in 2012-13 to Rs.18,642 crore in 2014-15, but reduced to Rs.17,818 crore in 2015-16 due to receipt of Post Devolution Revenue Deficit Grant. However, fiscal deficit increased to Rs.26,448 crore in 2016-17, even after receipt of Rs.3,350 crore as Post Devolution Revenue Deficit Grant. Primary deficit also increased considerably during the five years period from Rs.7,797 crore in 2012-13 to Rs.14,331 crore in 2016-17.</p> <p>As a proportion of GSDP, primary,</p>	<p>The State Government is obliged to follow the fiscal consolidation path as envisaged in the FRBM Act. The State's financial position was severely affected by demonetization, less money remittance to the State of Kerala from Non Resident Keralites who worked in foreign countries due to the policies of nationalization adopted by the Countries of GCC and the international and domestic financial crisis etc. Despite commitment to fiscal consolidation path, State had not been able to achieve the fiscal targets as laid down in the Act due to the increased expenditure commitment and declining trend in revenue.</p> <p>State has been in a transition to depend mostly on market based borrowings (Open Market Borrowings) to meet its developmental expenditure due to the increasing revenue deficit because of its growing commitment in social and health sectors. Various measures are being taken to enhance the tax and non-tax revenue collections by improving existing revenue</p>

		revenue and fiscal deficits were lowest during 2015-16, but increased during 2016-17 due to increased growth of expenditure with respect to revenue receipt.	collection system and to exercise strict control over non-plan revenue expenditure so as to contain these expenditure at reasonable and sustainable level. However, the State is obliged to undertake a strategic endeavor to mobilise resources without impeding the development expenditure of the State.
	1.11.2	<p><b>Components of fiscal deficit and its financing pattern</b></p> <p>During the last five years, market borrowings and net accretions in Public Account (especially in Small Savings, PF, etc.) are the main source of the State Government to finance the fiscal deficit. During 2016-17, net market borrowings (Rs.14,686 crore) and net accretions in Small savings, PF, etc., (Rs.12,932 crore) were used for financing the fiscal deficit of the State.</p> <p>During 2016-17, the State Government raised Rs.17,300 crore as market loans at a weighted average interest rate of 7.58 per cent, loans amounting to Rs.827.89 crore from NABARD at an interest rate of 5.25 per cent to 5.50 per cent, Rs.1,861.22 crore from National Small Savings Fund at an interest rate of 9.50 per cent and Rs.47.79 crore from NCDC at an interest rate of 10.61 per cent. The State Government also received loans amounting to Rs.852.14 crore from the Government of India during the year, for which, the details of interest rate on all loans were not available.</p> <p>The State Government mobilised deposits from its employees, pensioners, institutions and general public through treasuries. During 2016-17, the State Government received Rs.41,495.18 crore as deposits through Treasury Saving Bank accounts at an average interest rate of five per cent and Rs.12,233.61 crore as Treasury Fixed Deposits at interest rates ranging between 7.50 per cent and 9.50 per cent. The balance of such deposits as on 31 March 2017 was Rs.30,876.64</p>	

		crore. This is Rs.9,361.60 crore more than the previous year's balance. The above increased accumulation also resulted in non-achievement of fiscal liability-GSDP ratio set for the year.
	1.11.3	<p><b>Quality of deficit</b></p> <p>The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also 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 bifurcation of the primary deficit (Table 1.32) 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.</p> <p>The bifurcation of the factors leading to primary deficit of the State revealed that during 2012-13 to 2016-17, non-debt receipts (NDR) of the State were not enough to meet the primary revenue expenditure of the State (except during 2015-16). Though the position showed an improving trend from 2012-13 to 2015-16, it worsened during 2016-17. Government had to depend on borrowed funds even for meeting primary expenditure during 2016-17.</p>

*Preetha B*

**B.S. PREETHA**  
Additional Secretary (Finance)





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**GOVERNMENT OF KERALA**  
**FINANCE (SECRET SECTION) DEPARTMENT**

**STATEMENT OF ACTION TAKEN ON AUDIT PARAS CONTAINED IN THE REPORT OF  
 COMPTROLLER AND AUDITOR GENERAL OF INDIA ON STATE FINANCES FOR THE YEAR ENDED  
 31st MARCH 2017.**

Para No.	Recommendations	Action Taken
	<p><b>1.12.2.1 Loan account of National Co-operative Development Corporation.</b></p> <p>Accounting of the loans availed from NCDC is the responsibility of Finance Department of the State Government and audit observed a difference of Rs. 45.03 crore between the books of NCDC (Rs. 250.35 crore) and Finance Accounts (Rs. 295.38 crore) at the end of March 2017. Reasons for this difference was analysed in audit as detailed below:</p> <ul style="list-style-type: none"> <li>Loans raised from NCDC coming under Credit Linked Capital investment subsidy scheme (Central Sector Scheme) comprises of loan as well as subsidy amount. As the subsidy is back-ended, it shall be initially provided as interest free loan, which shall be converted into subsidy after the entire term loan (excluding subsidy) is repaid along with interest and on fulfilment of all the norms, guidelines and conditions laid down under the scheme. Since the initial accounting of loan and subsidy was done under the loan head of account '6003-108', Finance Department has to propose for transfer of the subsidy amount and based on this, Accountant General (A&amp;E) has to carry out account adjustment. Test-check of 17 out of 50 subsidy linked loans (loan amount Rs.8.25 crore and subsidy: Rs. 0.68 crore) revealed that Finance department did not propose account</li> </ul>	<p>In regard to NCDC assistance, Government in Finance Department is mainly undertaken the task of its repayment in order to avoid penal interest due to belated repayment. Lack of necessary details is the major bottleneck in addressing the issue in hand. However, Government had approached NCDC in this regard, but a fruitful reply is still pending. For the purpose of repayment scheduled annually, reconciliation of outstanding loans under NCDC have been done. So as a onetime measure to resolve the matter, actual loan portion under NCDC as on 31.03.2022, after completing exercise of reconciliation with NCDC, may be shared with Accountant General with a proposal to transfer the remaining loan as subsidy. Similar exercise may be continued thereafter subject to confinement of transactions occur during the financial year concerned</p>




<p>adjustment for the subsidy portion of Rs. 0.68 crore. Consequently, it remained unadjusted in the loan account.</p> <ul style="list-style-type: none"> <li>Loans sanctioned by NCDC are directly transferred to the current account of the State Government maintained in the State Bank of Travancore (now State Bank of India) and Finance Department had to withdraw and remit it to the State Treasury for accounting under Government accounts. Loan amount of Rs. 0.46 crore credited in the bank account of the State on 8 January 2015 was transferred to Government account (6003-108) on 9 January 2015 by the Finance Department. However, Finance Department repeated this action again on 14 January 2015 without the receipt of any amount from NCDC, which led to overstatement of loan balance in Government account to the tune of Rs. 0.46 crore.</li> </ul> <p>It was observed that Rs. 21.38 crore related to subsidy amount in respect of loans released during 2012-17, which would be due for transfer between 2020 and 2025. The remaining difference (Rs.22.51 crore) needs to be reconciled by the Finance department. The matter was referred to Government in October 2017 and reply was awaited (January 2018).</p>	<p>After completing the one-time settlement task detailed above, adjustment of excess credit may be made in the next financial year.</p>
<p><b>1.12.3.1 National Co-operative Development Corporation loan</b></p> <p>In May 2012, State Government sought details of outstanding loans from NCDC for pre-closure of loans and NCDC informed that pre-closure of outstanding loans (in the case of credit linked subsidy schemes) would entail refund of the subsidy assistance by State Government. When Government pre-closed outstanding loan of Rs. 152.56 crore, which had interest rate above 10.25 per cent on 5 November 2012, NCDC requested (November 2012) the State Government to refund the subsidy amount of Rs. 4.09 crore related</p>	<p>Noted. Government would be taken up the matter with NCDC for an amicable settlement.</p>





<p>to the projects for which funds were released. Subsequently, the State Government informed (December 2012) NCDC that the pre-payment of loans in respect of subsidy linked schemes (Rs.19.05 crore out of Rs.152.56 crore) was not intended and informed their willingness to re-avail loan on the schemes for which advance refund was made on the existing terms and conditions. Consequently, NCDC further released the subsidy linked loan amounting to Rs.19.05 crore on 13 February 2013. In November 2013, Finance Department made an avoidable payment of Rs. 61.21 lakh as interest to NCDC for the intervening period (5 November 2012 to 13 February 2013). The matter was referred to Government in October 2017 and reply was awaited (January 2018).</p>	
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**PREETHA B. S**  
 PEN No. 100470  
 Additional Secretary  
 Finance Department  
 Govt. Secretariat  
 Thiruvananthapuram



**സി & എ.ജിയുടെ 2017 മാർച്ചിൽ അവസാനിച്ച സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ പട്ടികജാതി പട്ടികവർഗ്ഗ വികസന വകുപ്പുമായി ബന്ധപ്പെട്ട 1.13 ഖണ്ഡികയിൽമേലുള്ള നടപടി റിപ്പോർട്ട്**

ഖണ്ഡിക നം	ഖണ്ഡിക	മുദ്രപടി						
1.13	നിഗമനവും ശിപാർശകളും							
	<b>സംസ്ഥാനത്തിന്റെ സാമ്പത്തിക സ്ഥിതി</b>							
	<p>2016-17-ൽ ഉയർന്നു നിന്ന മൂന്നു സുപ്രധാന സാമ്പത്തിക പരിമാത്രകൾ - റവന്യൂ ധന, പ്രാഥമിക കമ്മികളുടെ അടിസ്ഥാനത്തിൽ 2015-16 മായി താരതമ്യം ചെയ്യുമ്പോൾ 2016-17-ൽ സംസ്ഥാനത്തിന്റെ സാമ്പത്തിക സ്ഥിതി മോശപ്പെട്ടു. റവന്യൂ കമ്മി 2015-16 ലെ 9,657 കോടി രൂപയിൽ നിന്നും 2016-17-ൽ 15,484 കോടിയായി വർദ്ധിക്കുകയും ധനക്കമ്മി 2015-16 ലെ 17,818 കോടി രൂപയിൽ നിന്നും 2016-17-ൽ 26,448 കോടി രൂപയായി വർദ്ധിക്കുകയും ചെയ്തു. മിതകാല സാമ്പത്തിക പദ്ധതിയിലെ ലക്ഷ്യങ്ങളൊന്നും കൈവരിക്കുന്നതിന് സംസ്ഥാനത്തിന് സാധിച്ചില്ല. നടപ്പുവർഷത്തിൽ പദ്ധതിയേതര റവന്യൂ ചെലവുകൾ നേരിടുന്നതിൽ റവന്യൂ വരവുകൾ പര്യാപ്തമല്ലാതിരുന്നത്, സംസ്ഥാനത്തിന്റെ പതിവുചെലവുകൾ നേരിടുന്നതിനു റവന്യൂ വരവിന്റെ അപര്യാപ്തതയെ സൂചിപ്പിക്കുന്നു. പ്രാഥമിക ചെലവുകളുടെയും പലിശ ബാധ്യതയുടെയും</p>							
	<p>ഭവനരഹിതരായ പട്ടികവർഗ്ഗക്കാർക്ക് ധനസഹായം അനുവദിക്കുന്നതിന് ഹഡ്കോയിൽ നിന്നും ലഭ്യമായ വായ്പകളുടെ മുതലും പലിശയും ഒടുക്കുന്നതിലേയ്ക്ക് നടപ്പ് സാമ്പത്തിക വർഷാരംഭത്തിൽ ബജറ്റ് വിഹിതം ഉറപ്പ് വരുത്തിയിട്ടുണ്ട്. വിശദവിവരം ചുവടെ ചേർക്കുന്നു.</p>							
	<table> <tr> <th>ക്രമ നം.</th><th>ശീർഷകം</th><th>വകയിരുത്തിയിട്ടുള്ള തുക</th></tr> <tr> <td>1</td><td>Loan from HUDCO for housing scheme for the hamlet tribes</td><td>6003-00-109-92 11,25,00,000</td></tr> </table>	ക്രമ നം.	ശീർഷകം	വകയിരുത്തിയിട്ടുള്ള തുക	1	Loan from HUDCO for housing scheme for the hamlet tribes	6003-00-109-92 11,25,00,000	
ക്രമ നം.	ശീർഷകം	വകയിരുത്തിയിട്ടുള്ള തുക						
1	Loan from HUDCO for housing scheme for the hamlet tribes	6003-00-109-92 11,25,00,000						



	<p>വർദ്ധനവ് നേരിട്ടവർ നടപ്പു വർഷത്തിലെ കടമിതര വരവുകളുടെ വർദ്ധനവ് പര്യാപ്തമല്ലാതിരുന്നത്; പ്രാഥമിക ചെലവുകൾ നേരിടുന്നതിന് വിഭവങ്ങൾ അപര്യാപ്തമായിരുന്നുവെന്ന് സൂചിപ്പിക്കുന്നു. പതിനാലാം ധനകാര്യ കമ്മീഷൻ ശുപാർശ പ്രകാരം ധനക്കമ്മി - ജിഎസ്ഡിപി അനുപാതം മൂന്ന് ശതമാനത്തിൽ നിലനിർത്തേണ്ടതാണ്, എന്നാൽ 2016-17-ൽ ഇത് നാല് ശതമാനമായത് ജിഎസ്ഡിപിയുടെ വളർച്ചാ നിരക്കുമായി തുലനം ചെയ്യുമ്പോൾ ചെലവിന്റെ വർദ്ധിച്ച വളർച്ചയെ സൂചിപ്പിക്കുന്നു.</p> <p>പതിനാലാം ധനകാര്യകമ്മീഷൻ റിപ്പോർട്ടിലെ നേട്ടങ്ങൾ ലഭിക്കുന്നതിനായി സംസ്ഥാന സർക്കാർ ധനക്കമ്മി നിയന്ത്രിക്കേണ്ടത് അത്യാവശ്യമാണ്.</p> <p><b><u>റവന്യൂ വിഭവങ്ങൾ</u></b></p> <p>കഴിഞ്ഞ അഞ്ചുവർഷകാലായളവിൽ (2012-2017) സംസ്ഥാനത്തിന്റെ റവന്യൂ വരവ് 2012-13-ലെ 44,137 കോടി രൂപയിൽ നിന്നും 2016-17-ൽ 75,612 കോടി രൂപയായി വർദ്ധിച്ച് 71 ശതമാനത്തിന്റെ വർദ്ധനവ് രേഖപ്പെടുത്തി. എന്നാൽ 2016-17-ൽ റവന്യൂ വരവുകൾ 9.53 ശതമാനത്തിന്റെ ഏറ്റവും കുറഞ്ഞ വളർച്ചാ നിരക്ക് രേഖപ്പെടുത്തി. സംസ്ഥാനത്തിന്റെ റവന്യൂ വരവിന്റെ മുഖ്യസ്രോതസ്സായ തനതു നികുതി വരവും ഏറ്റവും കുറഞ്ഞ വളർച്ചാ നിരക്ക് (8.16 ശതമാനം) 2016-17-ൽ രേഖപ്പെടുത്തി. കേന്ദ്ര നികുതികളുടെയും ചുങ്കങ്ങളുടെയും സംസ്ഥാന</p>			
	<table><tr><td>2</td><td>2049-01-200-36-Interest on loans from HUDCO for housing scheme for the hamlet tribes</td><td>11,73,19,000</td></tr></table>	2	2049-01-200-36-Interest on loans from HUDCO for housing scheme for the hamlet tribes	11,73,19,000
2	2049-01-200-36-Interest on loans from HUDCO for housing scheme for the hamlet tribes	11,73,19,000		





വിഹിതം, ഇന്ത്യ ഗവൺമെന്റിൽ നിന്നുള്ള ധനസഹായം എന്നിവ അവസാന അഞ്ചു വർഷക്കാലയളവിൽ ഇരട്ടിച്ചപ്പോൾ, സംസ്ഥാന പദ്ധതിക്കുള്ള ധനസഹായത്തിലും കേന്ദ്ര സംസ്ഥാന പദ്ധതിക്കുള്ള ധനസഹായത്തിലും ഗണ്യമായ കുറവുണ്ടായി. “സംസ്ഥാന ഭാഗ്യക്കുറി” യിൽ നിന്നുള്ള വരുമാനം സംസ്ഥാനത്തിന്റെ നീകരിയേതര വരുമാനത്തിലെ മുഖ്യപ്രോതസ്സായിരിക്കുകയും ഇത് 2016-17-ൽ 75 ശതമാനത്തിൽ കൂടുതലും ആയിരുന്നു.

തന്നെ നീകരി വരുമാനത്തിന്റെ വളർച്ച കുറഞ്ഞു വരുന്ന പ്രവണത സർക്കാർ പരിശോധിക്കേണ്ടതും ഇത് മെച്ചപ്പെടുത്തുന്നതിനുമുള്ള നടപടികൾ സ്വീകരിക്കേണ്ടതുമാണ്.

**റവന്യൂ ചെലവ്**

റവന്യൂ ചെലവ് 2015-16-ലെ 78,690 കോടിയിൽ നിന്നും 2016-17-ൽ 91,096 കോടി രൂപയായി വർദ്ധിച്ച് 15.77 ശതമാനം വർദ്ധനവ് രേഖപ്പെടുത്തി. റവന്യൂ ചെലവും, പദ്ധതിയേതര റവന്യൂ ചെലവും വർദ്ധിക്കുന്നുവെങ്കിലും കഴിഞ്ഞ രണ്ടു വർഷങ്ങളിൽ മൊത്തം ചെലവിൽ റവന്യൂ ചെലവിന്റെ ശതമാനം കുറഞ്ഞു വരുന്ന പ്രവണത സർക്കാരിന്റെ മുൻഗണന മൂലധന ചെലവിലേയ്ക്ക് മാറുന്നതിനെ സൂചിപ്പിക്കുന്നു. മുൻവർഷത്തേതു പോലെ റവന്യൂ ചിലവിൽ മാറ്റി വയ്ക്കാൻ പറ്റാത്ത ചെലവിന്റെ വിഹിതം 63 ശതമാനമായിരുന്നു, ഇത് റവന്യൂ വരവിന്റെ 76 ശതമാനവും വിനിയോഗിച്ചു. മുൻവർഷവുമായി താരതമ്യം ചെയ്യുമ്പോൾ



പലിശ നൽകൽ കുറഞ്ഞ വളർച്ചാ നിരക്ക് കാണിച്ചപ്പോൾ, പെൻഷൻ നൽകൽ ഉയർന്ന വളർച്ചാ നിരക്ക് കാണിച്ചു പലിശ നൽകൽ, പെൻഷൻ എന്നിവയ്ക്ക് യഥാക്രമം റവന്യൂ വരുവിലിന്റെ 16 ശതമാനവും 20 ശതമാനവും വിനിയോഗിച്ചത് സംസ്ഥാന സർക്കാരിന് ആശങ്കയുണ്ടാക്കുന്നതാണ്.

**ചെലവിന്റെ ഗുണനിലവാരം**

കഴിഞ്ഞ രണ്ട് വർഷങ്ങളിൽ മൊത്തം ചെലവിൽ മൂലധന ചെലവിന്റെ പങ്ക് വർദ്ധിച്ചുവെങ്കിലും, പൊതുവിഭാഗത്തിലുള്ള സംസ്ഥാനങ്ങളുമായി താരതമ്യം ചെയ്യുമ്പോൾ 2016-17-ൽ ഇത് കുറഞ്ഞ തോതിലായിരുന്നു. മൊത്തം ചെലവിൽ വിദ്യാഭ്യാസം, ആരോഗ്യം എന്നീ മേഖലകളിലുള്ള സംസ്ഥാനത്തിന്റെ ചെലവിന്റെ വിഹിതം പൊതുവിഭാഗത്തിലുള്ള സംസ്ഥാനങ്ങളേക്കാൾ കൂടുതലായിരുന്നുവെങ്കിലും, മൊത്തം ചെലവിൽ മൂലധന ചെലവിന്റെയും വികസന ചെലവിന്റെയും വിഹിതം പൊതുവിഭാഗത്തിലുള്ള സംസ്ഥാനങ്ങളുടെ വിഹിതത്തിന് നേക്കാൾ കുറവായിരുന്നു. 2012-13 മുതൽ 2016-17 വരെ കാലയളവിൽ വായ്പകൾക്ക് സർക്കാർ 7.18 ശതമാനം ശരാശരി പലിശ നൽകിയപ്പോൾ, നിയമാനുസൃത കോർപ്പറേഷനുകൾ, സർക്കാർ കമ്പനികൾ, കൂടുതൽ കമ്പനികൾ, സഹകരണ സ്ഥാപനങ്ങൾ എന്നിവയിലേയ്ക്കും ചേർന്ന് സംസ്ഥാന സർക്കാർ 7,240.03 കോടി രൂപ നിക്ഷേപിച്ചിരുന്നുവെങ്കിലും, കഴിഞ്ഞ അഞ്ചു വർഷക്കാലത്ത് ഈ നിക്ഷേപത്തിൽ നിന്നും ലഭിച്ച ശരാശരി ആദായം 1.35 ശതമാനമായിരുന്നു. കടമെടുപ്പിന്റെ ശരാശരി



ചെലവായ 6.92 ശതമാനത്തിനെതിരെ, സർക്കാർ നൽകിയ വായ്പകൾക്കും മുൻകൂറുകൾക്കും 2016-17-ൽ ലഭിച്ച പലിശ 0.22 ശതമാനമായിരുന്നു. നടപ്പു വർഷാവസാനത്തിൽ 83 സ്ഥാപനങ്ങൾ അവർക്കു നൽകിയ വായ്പ തിരിച്ചടയ്ക്കുന്നതിൽ വീഴ്ച വരുത്തി, ഇവരുടെ കടിശ്ശിക 10,579 കോടി രൂപയായിരുന്നു. (മുതൽ : 6,656 കോടി രൂപ, പലിശ : 3,923 കോടി രൂപ).

പൊതുവിഭാഗത്തിലുള്ള സംസ്ഥാനങ്ങളുടെ നിലവാരവുമായി ചേർന്നു പോകുന്നതിനു മുമ്പേ വിഭാഗത്തിലെ ചെലവിന്റെ സ്ഥിതി മെച്ചപ്പെടുത്തുന്നതിനുള്ള നടപടികൾ സർക്കാർ സ്വീകരിക്കേണ്ടതാണ്. വായ്പകൾ തിരിച്ചടയ്ക്കുന്നതിലെ കടിശ്ശിക കുറയ്ക്കുന്നതിനുള്ള നടപടികളും എടുക്കേണ്ടതാണ്.

**കരുതൽ ഫണ്ടുകളും ബാധ്യതകളും**

സർക്കാരിന്റെ എല്ലാത്തരം ബാധ്യതകളും വീട്ടുന്നതിന് ഒരു ഏകീകൃത ജ്ഞമോചന ഫണ്ട് രൂപീകരിച്ചു എന്നാൽ സർക്കാർ ഫണ്ടിലേക്ക് സംഭാവനയൊന്നും നൽകിയിട്ടില്ല. അതുപോലെ, സർക്കാർ നൽകിയ ഗുറുണ്ടിൽ ഭാവിയിൽ ഉണ്ടാകുന്ന ബാധ്യതകൾ നേരിടുന്നതിനുവേണ്ടി ഈടാക്കുന്ന ഗുറുണ്ടി കമ്മീഷൻ വരവു വയ്ക്കുന്നതിന് സർക്കാർ ഒരു ഗുറുണ്ടി റിഡംപ്ഷൻ ഫണ്ട് രൂപീകരിക്കേണ്ടതാകുന്നു. എന്നാൽ ഗുറുണ്ടി റിഡംപ്ഷൻ ഫണ്ട് ഇതുവരെയും രൂപീകരിക്കപ്പെട്ടിട്ടില്ല. ആയതിനാൽ 2003-04 മുതൽ 2016-17 വരെ ഗുറുണ്ടി കമ്മീഷൻ





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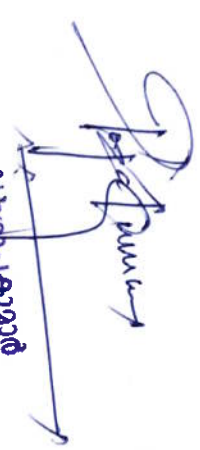
<p>ഇനത്തിൽ സ്വരൂപിച്ച 854.08 കോടി രൂപ ഫണ്ടിൽ വരവു വച്ചിട്ടില്ല. 2017 മാർച്ച് 31-ന് സംസ്ഥാന ഡിസാസ്റ്റർ റെസ്പോൺസ് ഫണ്ടിൽ 115.86 കോടി രൂപ മിച്ചമുണ്ട്. മാർഗ്ഗ നിർദ്ദേശങ്ങൾ അനുസരിച്ച്, ആർ.ബി.ഐയുടെ ഓവർ ഡ്രാഫ്റ്റ്സ് റെഗുലേഷൻ പദ്ധതിയുടെ കീഴിൽ ഓവർ ഡ്രാഫ്റ്റ്സ് ബാധകമായ പലിശ സംസ്ഥാനം നൽകേണ്ടതാണ്. ഇത് നിർവ്വഹിച്ചിട്ടില്ല, കൂടാതെ മുൻവർഷങ്ങളിലെ നിക്ഷേപം ചെയ്യാത്ത നീക്കിയിരിക്കുകൾക്ക് നൽകേണ്ടിയിരുന്ന പലിശ സർക്കാർ നിർണ്ണയിച്ചിട്ടുമില്ല.</p> <p>സംസ്ഥാന ഡിസാസ്റ്റർ റെസ്പോൺസ് ഫണ്ടിലേയ്ക്ക് നൽകേണ്ട പലിശ വരവു വെച്ചെന്നതിനുള്ള നടപടികൾ താമസം കൂടാതെ എടുക്കേണ്ടതാണ്.</p> <p><b><u>കടത്തിന്റെ നിയന്ത്രണം</u></b></p> <p>പതിനാലാം ധനകാര്യ കമ്മീഷൻ ശുപാർശ പ്രകാരം കടം-ജിഎസ്.ഡി.പി അനുപാതം 25 ശതമാനത്തിന് താഴെയായിരിക്കണം. എന്നാൽ ജിഎസ്.ഡി.പിയുമായി കടത്തിന്റെ അനുപാതമില്ലാത്ത വളർച്ച കാരണം കഴിഞ്ഞ അഞ്ചുവർഷമായി ഇതു വർദ്ധിക്കുന്ന പ്രവണത കാണിക്കുകയും (2012-13-ലെ 26.31-ൽ നിന്ന്) 2016-17-ൽ ഇത് 28.96 ആകുകയും ചെയ്തു. 2016-17-ൽ ലഭിച്ച വായ്പയുടെ ഏകദേശം 68 ശതമാനവും കടത്തിന്റെ തിരിച്ചടവിനായി വിനിയോഗിച്ചു. സംസ്ഥാനത്തിന്റെ കടത്തിന്റെ കാലാവധി പൂർത്തിയാക്കൽ രൂപരേഖ പ്രകാരം കടത്തിന്റെ 28.35 ശതമാനമായ 35,692.07 കോടി അടുത്ത</p>	
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<p>വർഷത്തിനുള്ളിൽ തിരിച്ചടയ്ക്കേണ്ടതും കടത്തിന്റെ ഏകദേശം 50 ശതമാനം (62,478.65 കോടി രൂപ) 2024 മാർച്ചിനുള്ളിൽ (ഏഴുവർഷത്തിനുള്ളിൽ) തിരിച്ചടയ്ക്കേണ്ടതുമാണ്.</p>	<p><b><u>ധനകാര്യസ്ഥാപനങ്ങളിൽ നിന്നും ലഭ്യമായ വായ്പകളുടെ നിയന്ത്രണം</u></b></p> <p>ധനകാര്യ സ്ഥാപനങ്ങളിൽ നിന്നും സംസ്ഥാന സർക്കാർ വായ്പകൾ ലഭ്യമാക്കുന്നു. വായ്പകൾ കൃത്യസമയത്ത് തിരിച്ചടയ്ക്കുന്നതിനുള്ള നടപടികൾ സ്വീകരിക്കേണ്ടതും വായ്പകളുടെ വരവും തിരിച്ചടവുമായി ബന്ധപ്പെട്ട രേഖകൾ സൂക്ഷിക്കേണ്ടതും വകുപ്പുതല ഉദ്യോഗസ്ഥരുടെ ഉത്തരവാദിത്വമാണ്. എൻസിഡിസി വായ്പകളുടെ കണക്കുകൾ ശരിയായി സൂക്ഷിക്കുന്നതിലും, വായ്പകളുടെ വരവും തിരിച്ചടവും മേൽ നിരീക്ഷിക്കുന്നതിലും ഉണ്ടായ അഭാവം സബ്സിഡിയുടെ ഭാഗം വായ്പാ ശീർഷകത്തിൽ ശേഖരിക്കുന്നതിന് കാരണമായി. ധനകാര്യ വകുപ്പിന്റെ ഉപേക്ഷ കാരണം നിലവിലില്ലാത്ത എൻസിഡിസി വായ്പകൾക്ക് 61.21 ലക്ഷം രൂപ പലിശ നൽകിയത് ഒഴിവാക്കുമായിരുന്ന ചെലവിനടിയാക്കി. വേനനംഗിതരായ പട്ടികവർഗ്ഗക്കാർക്കായി 2014-15-ൽ ലഭിച്ച ആദ്യ ഗഡുവായ 50 കോടി രൂപ കഴിഞ്ഞ രണ്ടു വർഷമായി സർക്കാർ കണക്കുകളിൽ ഉൾക്കൊള്ളിച്ചിട്ടില്ല. പട്ടികവർഗ്ഗ വികസന വകുപ്പിന്റെ അശ്രദ്ധ 2015-17-ൽ ഒഴിവാക്കുമായിരുന്ന കൂട്ടുപലിശയും പിഴപലിശയുമായ 5.07 ലക്ഷംരൂപ നൽകുന്നതിന് കാരണമായി.</p>
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	<p>അധികമായ തിരിച്ചടവ് ഒഴിവാക്കുന്നതിനും യഥാസ്ഥയത്ത് സബ്സിഡി വെന്യൂ കണക്കിലേയ്ക്ക് മാറ്റുന്നതിനുമായി എൻസിഡിസി വായ്പകൾക്ക് സമഗ്രമായ ഒരു അക്കൗണ്ടിംഗ് സംവിധാനം ധനകാര്യ വകുപ്പ് പ്രയോഗത്തിൽ കൊണ്ടു വരേണ്ടതും വായ്പകളുടെ തിരിച്ചടവിനുള്ള വിവരണപ്പെട്ടിക തയ്യാറാക്കേണ്ടതുമാണ്.</p> <p>കൂട്ടുപലിശയും പിഴപലിശയും നൽകുന്നത് ഒഴിവാക്കാനായി പട്ടികവർഗ്ഗ വികസന വകുപ്പ് വർഷാരംഭത്തിൽ തന്നെ ബജറ്റ് വിഹിതം ഉറപ്പാക്കേണ്ടതാണ്.</p>	
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**എൻ. ശ്യാമപ്രകാശ്**  
 നവ: ജോയിന്റ് സെക്രട്ടറി  
 ധനകാര്യ വകുപ്പ്  
 സെക്രട്ടറിയേറ്റ്  
 തിരുവനന്തപുരം





**STATEMENT OF ACTION TAKEN ON PARAS OF THE COMPTROLLER AND AUDITOR GENERAL REPORT OF THE  
YEAR ENDED 31<sup>st</sup> MARCH 2017 ON STATE FINANCES**

Sl. No.	Para No.	Audit Observation	Action Taken
1	2.2	The overall savings of ₹20,460.29 crore was the result of savings of ₹20,601.46 crore in 38 Grants and 26 Appropriations under the Revenue Section and 27 Grants and six Appropriations under the Capital Section, offset by excess of ₹141.17 crore in six Grants under the Revenue Section and two Grants under Capital section. Though Overall savings decreased (5.13 percent) from 20.62 percent in the last year to 15.49 per cent in 2016-17 deficiencies persisted in estimating budgetary requirements with respect to a few grants. Audit further analysed utilization of budget allocation under voted category in revenue and capital sections separately and observed that in 20 Grants (each having saving exceeding ₹100 crore) budget allocation of ₹13,467.57 crore remained unutilized in plan and non-plan category.	Chapter 8 of KBM contains provisions for control of appropriation for ensuring financial accountability and prudent budget management. However it has been noticed that several spending departments do not strictly adhere to these provisions thus paving the way for occurrence of variation between budgetary appropriation and actual expenditure. To ensure appropriation control and prudent execution of budget, Govt. issues necessary instructions to all departments time to time reiterating the need for adherence to the relevant provisions in the KBM to avoid recurrence of such instances in the ensuing years. In the budget circular issued every year, all heads of departments and controlling officers are given specific instructions to personally ensure that estimates are prepared with utmost care and accuracy taking into account all aspects that are normally available at the time of estimation so as to avoid instances of huge variations between estimates and actuals. Asper Circular No.70/2018/Fin dated 30-07-2018, instructions to this effect was given in 2018 also. This department has issued stringent instructions to all controlling officers and Heads of Departments for taking urgent measures to rectify the errors and to prevent the recurrence of these instances in future. In the special working groups and departmental working groups and in the Secretary level meetings special instructions are given to the controlling Officers for prompt and timely utilization of outlay earmarked for various developmental schemes.
2	2.3.1	Audit of Appropriation of Accounts revealed that savings exceeded ₹100 crore and also more than 25 per cent of the total budget provision in eight Grants/Appropriations.	The Budget estimates are usually prepared on the basis of the estimates furnished by the heads of departments and controlling officers. In the budget circular issued every year, all heads of departments and controlling officers are given

<p>2.3.2</p>	<p>Twelve Grants and one Appropriation had savings more than ₹ 100 crore during the last three financial years. Further analysis revealed that overall savings under the above twelve Grants and one Appropriation was 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 also the ability of the department to utilize the funds.</p>	<p>specific instructions to personally ensure that estimates are prepared with utmost care and accuracy taking into account all aspects that are normally available at the time of estimation so as to avoid instances of huge variations between estimates and actual. The Finance Department normally takes into account the trend in expenditure of the previous financial years under each unit of appropriation while formulating budget estimates of a financial year. The State Planning Board had been requested to ensure that provisions are to be made in the Annual Plan only to the extent based on spending efficiency and realistic assessment of previous years' progress in implementation of schemes and the expenditure incurred against the budget provision made in previous years while making head of development allocation for various schemes. Finance (Budget) Department will take utmost care and earnest efforts to make budget estimates realistic by analyzing the instances of persistent savings in a case to case manner. All Heads of Departments/ Controlling Officers have been instructed in budget circular to take into account the excess expenditure or savings of the previous years while formulating the budget estimates for succeeding years in order to make budget estimate as realistic as possible based on the recommendation of the 90<sup>th</sup> report of the Public Accounts Committee.</p>
<p>3</p>	<p>2.3.4</p> <p>As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). Excess expenditure under 14 Grants and eight Appropriations amounting to ₹1,048.39 crore for the years 2011-12 to 2015-</p>	<p>The regularisation of excess expenditure is done after the completion of the discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). The Public Accounts Committee recommendations in this regard has been enacted during the previous sessions of Legislative assembly. Government have already implemented online computerised system Budget Allocation and Monitoring System (BAMS) to distribute budget and to authorize expenditure. As soon as the budget is released, the departments can allocate funds to their field</p>

		<p>16 was to be regularised (December 2017). Government of Kerala has been incurring expenditure in excess of appropriation since 2011-12 ie: for six consecutive years. For the last six years ie: from 2011-12 to 2016-17, Government of Kerala has been persistently violating the intent of the legislature, which is a matter of serious concern.</p>	<p>officers through this system. All the expenditure is thereafter not only checked for budget availability before the bills can be submitted, but also the monthly cash flows are controlled against pre-determined targets. The expenditure monitoring system now gives proposed expenditure data to the Government on a real time basis and thus practice of drawing excess expenditure will strictly be restricted. This department will take necessary action for the regularization of items included in the audit report on receipt of the Public Accounts Committee recommendations on the same.</p>
4	2.3.5	<p>Supplementary provisions aggregating to ₹1238.23 crore, obtained in 11 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. Since there was sufficient savings in the original budget allocation, the option of re-appropriation of funds between heads of account (where savings are 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 grant obtained in respect of a few schemes/activities proved wholly unnecessary as the funds were surrendered at the end of the year</p>	<p>Normally the items included in the SDG are those require New Service Procedure and the items recommended by Administrative Department, reported as expenditure of unavoidable nature and those schemes having assistance from Central Government has been received after the finalization of budget. Even the budget proposals from Administrative Department are closely scrutinized before including them in the SDG based on the necessity recommended by the Administrative Department. Strict instructions are issued to all Administrative Departments in Circulars seeking SDG proposals to conduct a detailed scrutiny of the proposals furnished by the Heads of Departments to ensure that the proposals are in order in all respects alone need be recommended to the Finance Department. The latest instructions in this regard were issued in Government Circular No.102/2018/Fin dated 02-11-2018. The instances of unnecessary Supplementary Grants /reappropriation point to the lapses from the part of the Controlling Officers, who are primarily responsible for furnishing proposals for Supplementary Grants with utmost care and caution. Circular instructions are issued every year to all Heads of Departments to ensure that the actual</p>

2.3.6	<p>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. Subheads in which augmentation was done through reappropriation (exceeding ₹one crore) but no part was utilized.</p>	<p>requirement of funds are promptly assessed before furnishing proposals for Supplementary Grants /reappropriation so that the additional appropriation does not result in savings/excess. It is expected that Finance Department is now possible to access the upto date trend in expenditure after the introduction of IFMS so that unnecessary SDGs and re-appropriation can be avoided to a greater extent.</p>
5	<p>2.3.7 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 Finance Department as and when they are foreseen, unless they are required to meet the excesses under other units of appropriation. During 2016-17, ₹20,727.08 crore (16 per cent) out of the total budget allocation (₹1,32,058.00 crore) was surrendered at the end of the financial year. More than ₹1,000 crore was surrendered in four Grants and one Appropriation. 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 254 sub-heads, amounted to ₹13,556.49 crore. In 215 subheads, entire budget allocation (above ₹ one lakh) amounting to ₹832.15 crore was surrendered and in 41 cases, this was ₹ five crore and above.</p>	<p>The lack of observance of the due procedures and instructions laid down in Kerala Budget Manual for control of expenditure and appropriation required for achieving the objective of proper and effective spending of the allotted budget provision from the part of some departments has resulted in instances of persistent savings under certain demands. Specific instructions are regularly issued to all departments to ensure strict adherence to the relevant provisions in KBM with regard to the prudent management of budgetary appropriation. In the budget circular issued every year, instructions to all estimating officers are being given to assess the requirements precisely so that the estimates do not turn out to be varied from the actual expenditure. The latest instructions in this regard were issued in Govt. Circular No.70/2018/Fin dated: 30.07.2018. Instructions were also given in Govt. Circular No.90/2013/Fin dated: 08.11.2013 to all departments to devolve a proper system for tracking expenditure incurred against appropriations placed at their disposal on regular a basis for ensuring financial accountability and effective budget management system. Finance Department is of the view that introduction of IFMS will be helpful for prudent management of expenditure in the coming years.</p>

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2.3.8

In 37 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 ₹13,546.86 crore, the amount surrendered was ₹14,596.97 crore, resulting in excess surrender of ₹1,050.11 crore under these Grants/Appropriations. 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 64 schemes/activities.

2.3.9

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 228 out of 1007 items (23 percent), 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.

  
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Finance Department  
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Chief Controlling Officers and Heads of Departments are responsible for the surrender of all anticipated saving to Finance Department through the concerned administrative department without waiting till the end of the year when such savings are foreseen and unless they are required to meet excesses foreseen at that time under other units. The lack of effective financial mechanism in place to trace the exact data on the actual expenditure incurred against the appropriations placed at the disposal of sub officers by the controlling officers is viewed as the main reason for the occurrence of the instances of surrender in excess of actual savings or non surrender of actual savings. Instructions have already been issued in Government Circular No. 90/2013/Fin dated: 08.11.2013 to all controlling officers to evolve a proper system for tracking expenditure incurred against appropriations placed at their disposal on regular basis. It is stipulated in para 93(1) of Kerala Budget Manual that Controlling officers/ Administrative departments shall furnish surrender of savings to Finance Department by before 25th February every year. Specific instructions are being issued regularly during the month of January/February to all Chief Controlling Officers and Heads of Departments to surrender funds found to be in excess of requirements under each unit of appropriation. Latest instructions in this regard were issued in Government Circular No.16/2018/Fin dtd: 05.03.2018. Government have now been able to monitor the progress of expenditure with the implementation of Integrated Financial Management System (IFMS) by combining various online systems on receipt and expenditure by integrating State Budget with treasury transactions relating to line departments, Accountant General, RBI. Henceforth Finance Department will make all efforts to track down the injudicious surrender of budget allocation by the controlling officers.





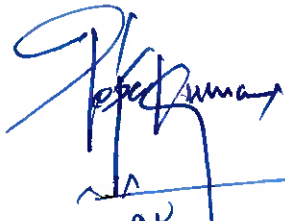
**GOVERNMENT OF KERALA**  
**PLANNING & ECONOMIC AFFAIRS (F) DEPARTMENT**

**STATEMENT OF ACTION TAKEN ON THE AUDIT PARAGRAPHS  
PERTAINING TO PLANNING & ECONOMIC AFFAIRS (F) DEPARTMENT**

Sl. No	Para. No	RECOMMENDATIONS	ACTION TAKEN BY THE GOVERNMENT
33	2.3.1 & 2.3.2	<p>4551-01-800-98 Hill Area Development Agency (RIDF)- V-NP)</p> <p>The overall savings under the XXIX grants was due to persistant savings under a few sub heads 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 also the liability of the Department to utilise the funds</p>	<p>In 2014-15, the budget outlay provided was Rs.40 crores. After physical verification of proposed projects of HADA by NABARD, 88 projects were accorded sanction vide Lr. No. NB (Kerala) SPD/5591 /RIDF-40A/2014-15 dated 24.12.2014 .The administrative sanction was issued in the financial year 2014-15 vide G.O.(MS) 3/15/Plg dtd.07.01.2015. Though projects commenced, yet could not be completed in 2014-15. Consequently no expenditure was incurred during 2014-15.</p> <p>In 2015-16, HADA proposed new 100 projects for Rs.60 crore. The budget outlay was 43 crores. HADA submitted 99 projects comprising 68 roads and 31 check dams to NABARD,RIDF(Tranche XXI). In the financial year 2015-16, vide G.O(MS) 6/16/Plg dtd.21.01.2016 sanction was accorded for 31 check dams. These projects could not be completed during 2015-16. The incurred expenditure was on account of the expenses on the spillover projects of 2014-15 amounting to Rs. 481.54 lakhs. The unspent balance of Rs. 3818.46 lakhs was surrendered.</p>



31	2.4	4551-01-800-98 Hill Area Development Agency (RIDF)- (P)	<p>In the subsequent year 2016-17, the budget outlay was Rs.60 crore. Vide G.O(MS) 25/16/Plg dtd.22.06.2016 sanction was accorded for 31 roads RIDF (Tranche XXI) and vide G.O(MS) 52/16/Plg dtd.29.11.2016 (modified order G.O (MS) 10/17/Plg dtd.23.02.2017) 29 road projects were accorded sanction by NABARD under RIDF (Tranche XXII). In the absence of governing body owing to resignation of Chairman and Vice chairman, selection of new projects under RIDF (Tranche XXII) was not initiated. Therefore expenditure was incurred only on the spillover projects of 2014-15, RIDF (Tranche XX) and 2015-16 RIDF (Tranche XXI) . Hence this period also experienced a paramount reduction in the expenditure. The amount disbursed was Rs.1741.64 lakhs .The balance unspent amount of Rs.4258.36 lakhs was surrendered.</p>
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 GOPAKUMAR. N  
 Joint Secretary to Govt.  
 Finance Department  
 Govt. Secretariat  
 Thiruvananthapuram

  
 SHINI GEORGE  
 Additional Secretary  
 Planning & Economic Affairs Dept  
 Govt. Secretariat, Thiruvananthapuram

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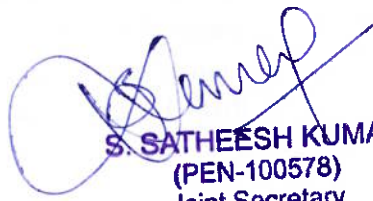
**STATEMENT OF ACTION TAKEN ON PARA 2.3.3 AND 2.8 OF THE  
COMPTROLLER AND AUDITOR GENERAL'S REPORT ON STATE  
FINANCE FOR THE YEAR ENDED 31st MARCH 2017.**

(The Finance (Budget Wing E) Department)

Para No.	Audit Observation	Action Taken
2.3.3	<p><u>Excess over provision during 2016-17</u></p> <p>The Appropriation Accounts disclosed excess expenditure over provision and expenditure was incurred without any budget allocation, which require regularization under Article 205 of the Constitution.</p>	<p>Excess expenditure of previous years is usually regularized as and when the Public Accounts Committee's report recommending, under Article 205, regularization of excess expenditure, is received. The Forty Fourth Report of the Public Accounts Committee (2019-21) was presented on 7<sup>th</sup> February 2021. The Report, after scrutiny of the reasons for excess submitted by the Administrative Departments concerned, recommended regularizing the excess expenditure incurred from 2011-12 to 2015-16. Accordingly action was taken to regularize 14 Grants and 11 Appropriations and the Demand for Excess Grants for Expenditure of Government of Kerala for the years 2011-12 to 2015-16 was presented on the floor of the Assembly on 11.03.2022. Subsequently, the Appropriation Acts have been issued in the Kerala Appropriation (No. 2 to 5) Acts 2022.</p> <p>The file leading to the above excess regularization has already been forwarded to the Accountant General for vetting the ATR to be submitted to Legislature Secretariat for the final disposal of the case.</p> <p>It is further submitted that regularisation of excess expenditure is done when the recommendation for the same is received from Public Accounts Committee and the Committee have so far recommended regularizing the excess grants/ Appropriations up to the year 2015-16. As soon as the recommendation is received from the PAC, Finance (Budget -E) Department shall take</p>

Joint Secretary  
Finance Department  
Govt. Secretariat  
Thiruvananthapuram


		timely action to regularise the excess expenditure during 2016 -17 and there is no lag in this regard.
2.8	<p><u>Conclusion and Recommendation</u></p> <p>Government may review grants showing persistent saving to assess the reasons for savings and control the same.</p> <p>Necessary checks should be put in place to avoid withdrawal of funds in excess of budget allocation by departmental officers.</p>	<p>The Finance Department normally takes into account the trend in expenditure of the previous financial years and expenditure of the first five months of the current financial year under each unit of appropriation while formulating budget estimates of a financial year. The State Planning Board had been requested to ensure that provisions need be made in the Annual Plan to the extent of the minimum requirement. Finance (Budget) Department will take utmost care and earnest efforts to make budget estimates realistic by analyzing the instances of persistent savings in case to case manner. All Heads of Departments will also be apprised of the situation and separate instructions will be issued in the Budget Circular to look into instances of savings while furnishing proposals for Budget estimates to the Finance Department. This department will continue its earnest efforts to ascertain that the expenditure incurred against the appropriation is in conformity with the law, relevant rules, regulations and instructions on the subject. The Government have already implemented the Integrated Financial Management System (IFMS) by combining various online systems on receipt and expenditure by integrating State Budget with treasury transactions relating to line departments, Accountant General, RBI and other stakeholders. It will help in a great extent to ascertain the up to date collection of receipts / expenditure at each unit of appropriation and make budget estimation and its utilization in a fruitful manner without accumulating savings / incur excess expenditure.</p>

  
**S. SATHEESH KUMAR**  
 (PEN-100578)  
 Joint Secretary  
 Finance Department  
 Govt. Secretariat  
 Thiruvananthapuram



**സി & എ.ജി യുടെ 31.03.2017 വരെയുള്ള സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച റിപ്പോർട്ടിലെ ഖണ്ഡിക 2.3.6 - നേൽ സ്വീകരിച്ച പരിഹാര നടപടി റിപ്പോർട്ട്**

വർഷം	ഖണ്ഡിക	ഓഡിറ്റ് നിരീക്ഷണം	പരിഹാര നടപടി റിപ്പോർട്ട്
2016-17	2.3.6	<p>ഫണ്ടുകളുടെ പുനഃക്രമീകരണം</p> <p>സംരംഭകത്വ പദ്ധതി/സ്റ്റേറ്റ് ഇൻവെസ്റ്റ്മെന്റ് സബ്സിഡി യിനത്തിൽ 2851-00-102-84 ശീർഷകത്തിൽ പദ്ധതി വിഹിതമായി അനുവദിക്കപ്പെട്ട തുക പൂർണ്ണമായും വിനിയോഗിക്കാതിരിക്കെ Re-appropriation മുഖേന അധികമായി അനുവദിച്ച തുകയും ചെലവഴിച്ചിട്ടില്ല.</p>	<p>2016-17 സാമ്പത്തിക വർഷത്തെ സംരംഭക സഹായ പദ്ധതിയുടെ പദ്ധതി വിഹിതമായ 45 കോടി രൂപയും 28.04.2016-ലെ ജി.ഒ(ആർ.ടി) നം. 3879/16/ഫിൻ പ്രകാരം അഡീഷണൽ ഓതറൈസേഷൻ വഴി ലഭിച്ച 1,33,91,000/- (ഒരു കോടി മൂപ്പത്തി മൂന്ന് ലക്ഷത്തി തൊണ്ണൂറ്റിയൊന്നായിരം രൂപയും 46,33,91,000/- (നാൽപ്പത്തിയാറു കോടി മൂപ്പത്തി മൂന്ന് ലക്ഷത്തി തൊണ്ണൂറ്റിയൊന്നായിരം)രൂപ മുഴുവനായും പദ്ധതി നടത്തിപ്പുമായി ബന്ധപ്പെട്ട് കേരള ഫിനാൻഷ്യൽ കോർപ്പറേഷനും ജില്ലാ വ്യവസായ കേന്ദ്രങ്ങൾക്കും അനുവദിച്ചിട്ടുണ്ട്. ആയതിനാൽ അലോട്ട് ചെയ്തിട്ടുള്ള മുഴുവൻ തുകയും വിനിയോഗിച്ചിട്ടുള്ളതാണ്.</p>

  
**എൻ ഗോപകുമാർ**  
 ഗവ. സെക്രട്ടറി  
 ഗവ. ക്ലൈമറ്റ് ഓഫീസ്  
 തിരുവനന്തപുരം

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2000-01-01

2000-01-01

2000-01-01

**Report of Remedial Measures Taken on the points noted in paras 2.4, 2.4.1, 2.7.2 & 2.7.3 of the report of the C&AG of India on State finance for the year ended March 2017**

**Para 2.4 : - Non reconciliation of Departmental figures**

The Department of Treasuries has completed reconciliation of departmental figures both receipts and payments booked with the Accountant General for the year 2017.

**Para 2.4.1: Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bill.**

As per rule 187(d) KTC Vol. 1 the responsibility of submission of Detailed Contingent Bills to the Accountant General is vested with the DDOs and CCOs of the departments concerned. This office cannot locate the details of such pending bills from the available table 2.12. The details such as the name of the department, number of bills, name of Treasuries, Bill Reference Number of such Abstract Contingent Bills passed are required to identify such pending cases. If the office of the Accountant General provide the above details , Treasury Department will be directed to give instructions to the CCOs of that departments concerned to submit the Detailed Contingent Bills to the Accountant General direct as stipulated in Rule 187(d) of KTC Vol I.

According to Rule 187 (d) of KTC Vol.1, "All contingent expenditure that requires the counter signature of the Controlling Authority after payment, the DDO shall present Abstract Contingent Bill in Form TR 60 at treasury for payment and send monthly Detailed Bills in KFC Form No. 11 to the Controlling Authority for countersignature and transmission to the Accountant General. It shall be sent to the Accountant General direct not later the 20th of the month succeeding to which the bills relate".

Further, Government have issued direction with an emphasis upon Rule 187 (d) of KTC Vol. 1 to all departments to strictly comply with the provisions contained in it. Copy of the same along with copies of GO(P)No.238/2015/Fin dated 19-06-2015, GO(P)No.46/2016/Fin dated 04-04-2016 are enclosed herewith for kind perusal

2.7.2 Retention of excess cash balance

Strict instructions to keep the treasury cash balance to the limit prescribed by Government are issued to all Treasury Officers. The Treasury Officers take earnest efforts to keep the cash balance to the minimum level possible on all days except certain exceptional occasions, such as, the collection by Kerala State Lotteries and Kerala State Beverages Corporation in holidays and late remittance of receipts. Thus the number of cases are limited now.

2.7.3. Pending adjustment of advances drawn by Drawing and disbursing officers

The DDOs as specified in the report are requested to submit the details of the settlement of bills or to take urgent steps to forward the same to the Accountant General and to report the same to that office.

04-11-2022

**SURESH KUMAR O B**

**JOINT SECRETARY**

**Action Taken on the report of C & AG on State Finances for the year ended March 2017**

Sl.No	Para No	Audit Para	Statement of Action on the Audit Para
1	2.4	2.4.1&2.4.2	The reconciliation of the accounts for the Fys 2014-15, 2015-16, 2016-17 has already been completed in a time bound manner and the certificates in this regard has already been furnished to the Office of the Principal AG (A &E) Thiruvananthapuram.
2	Appendix 2.16		<p>1) It is seen in Appendix 2.16 of the report of C &amp;AG on State Finances for the year ended March 2017 that the Deputy Superintendent of Police (HG), SCRB was the DDO during the period of March 2017. But the Manager, SCRB was the Drawing and Disbursing Officer of SCRB unit during the period of March 2017 in place of Deputy Superintendent of Police (HG).</p> <p>2) On verification of the office Contingency Register and BIMS, it is found that, the advance amount of Rs.2,00,000/- drawn vide CB No.89/2016-17 has been adjusted vide CB No.110/2016-17.</p>



**LATHA .S**  
 Additional Secretary to Govt  
 Finance Department  
 Govt. Secretariat  
 Thiruvananthapuram







**കേരള സർക്കാർ  
ധനകാര്യ വകുപ്പ്**


**സി. & എ.ജിയുടെ 2017 മാർച്ച് 31 ന് അവസാനിച്ച വർഷത്തെ ഓഡിറ്റ് റിപ്പോർട്ട് നം.1 ലെ 2.4.2 ഖണ്ഡികയിലെ  
ശുപാർശകളിന്മേൽ സർക്കാർ സ്വീകരിച്ച നടപടി സംബന്ധിച്ച റിപ്പോർട്ട്**

ക്രമ നം.	ഖണ്ഡിക നമ്പർ	നിഗമനങ്ങൾ / ശുപാർശകൾ	നടപടി റിപ്പോർട്ട്
1	2.4.2	<p><b>Un-reconciled receipts and expenditure</b></p> <p>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&amp;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 59.82 per cent of the total receipts (₹ 32,120.19 crore out of ₹ 53,690.29 crore) and 84.61 per cent of the total expenditure (₹ 83,968.73 crore out of ₹ 99,244.35 crore) were completed. However, 21 Chief Controlling Officers, whose total transactions exceeded ₹ 50</p>	<p>13/09/2013 ലെ സ.ഉ. (പി)നം. 476 /2013 /ധന പ്രകാരം എല്ലാ കൺട്രോളിങ് ഉദ്യോഗസ്ഥരും റീകൺസിലിയേഷനുമായി ബന്ധപ്പെട്ട ധനകാര്യ വകുപ്പിൽ നിന്നും നൽകുന്ന നിർദ്ദേശങ്ങൾ കർശനമായി പാലിക്കുന്നതിനും പ്രതിമാസ റീകൺസിലിയേഷൻ സാക്ഷ്യപത്രങ്ങൾ വരുമ്പോൾ കണക്കുകളിൽ സംഭവിച്ച വീഴ്ചകൾക്കും തെറ്റായ തരത്തിലുള്ള സംഭവിച്ച പിഴവുകൾക്കുമുള്ള വിശദീകരണമുൾപ്പെടെ ബന്ധപ്പെട്ട വകുപ്പ് തലവന്മാർ/ മുഖ്യ നിയന്ത്രണാധികാരികൾ മുൻപാകെ എല്ലാ അടുത്ത മാസവും 15 നു മുൻപായി സമർപ്പിക്കുന്നതിനും അതേ അടുത്ത മാസാവസാനത്തിനു മുൻപായി എല്ലാ വകുപ്പ് തലവന്മാരും / മുഖ്യ നിയന്ത്രണാധികാരികളും സംഗ്രഹിച്ച വകുപ്പ്തല റീകൺസിലിയേഷൻ സാക്ഷ്യപത്രങ്ങൾ അക്കൗണ്ടന്റ് ജനറലിന്റെ കാര്യാലയത്തിൽ ലഭ്യമാക്കുന്നതിനും നിർദ്ദേശിച്ചിരുന്നു.</p> <p>നിശ്ചിത കാലയളവുകളിൽ ധനകാര്യ വകുപ്പിന് പ്രസ്തുത ഉദ്യമത്തിലെ പുരോഗതി വിലയിരുത്തുന്നതിനായി റീകൺസിലിയേഷന്റെ ത്രൈമാസ പുരോഗതി റിപ്പോർട്ട് നിർദ്ദിഷ്ട പ്രൊഫോർമയിൽ എല്ലാ വർഷവും ഓഗസ്റ്റ് 31 (ജൂൺ മാസം വരെയുള്ള റീകൺസിലിയേഷൻ യേഷൻ റിപ്പോർട്ട്), നവംബർ 30 (സെപ്റ്റംബർ മാസം വരെയുള്ള റീകൺസിലിയേഷൻ റിപ്പോർട്ട്), ഫെബ്രുവരി 28/29 (ഡിസംബർ മാസം വരെയുള്ള റീകൺസിലിയേഷൻ റിപ്പോർട്ട്), മെയ് 31 (മാർച്ച് മാസം വരെയുള്ള റീകൺസിലിയേഷൻ റിപ്പോർട്ട്) എന്നീ തീയതികളിൽ ധനകാര്യ (പ്രദിശോധന എൻ.ടി.കെ) വകുപ്പിൽ ലഭ്യമാക്കുന്നതിനും ബന്ധപ്പെട്ട</p>

	<p>crore did not reconcile their expenditure with the total transactions exceeded ₹ 50 crore did not reconcile their expenditure with the accounts maintained by AG(A&amp;E) as shown in Appendix 2.17. This was not only in violation of the provisions of Paragraph 74 of Kerala Budget Manual but also casts doubts about the correctness of the expenditure figures supplied by departments concerned and the figures booked by AG(A&amp;E), Kerala.</p> <p>വകുപ്പ് തലവന്മാർ/മുഖ്യ കൺട്രോളിങ് ഉദ്യോഗസ്ഥർ എന്നിവർക്ക് നിർദ്ദേശം നൽകിയിരുന്നു. കൂടാതെ എല്ലാ വകുപ്പുകളുടെയും ജില്ലാ ഉദ്യോഗസ്ഥർ മേലുറഞ്ഞ രീതിയിൽ പുരോഗതി റിപ്പോർട്ടുകൾ അതാത് ജില്ലാ ധനകാര്യ പരിശോധന ഉദ്യോഗസ്ഥന് മുൻപാകെ സമർപ്പിക്കുന്നതിനും നിർദ്ദേശം നൽകിയിരുന്നു.</p> <p>റീകൺസിലിയേഷൻ പ്രക്രിയ സമയബന്ധിതമായി പൂർത്തിയാക്കിക്കൊടുക്കണമെന്നും ബന്ധപ്പെട്ട ഡ്രോയിങ് &amp; ഡിസ് ബർസിങ് ഉദ്യോഗസ്ഥരുടെ വേതനം തടഞ്ഞു വയ്ക്കുന്നതുപോലെയുള്ള കർശന നടപടികൾക്ക് നിർബന്ധിതമാകുമെന്നും അതോടൊപ്പം സർക്കാർ നിർദ്ദേശം പാലിക്കുന്നതിൽ വിമുഖത പ്രകടിപ്പിക്കുന്ന വകുപ്പുകളുടെ അലോട്ട്മെന്റ് മരവിപ്പിക്കുന്നതായിരിക്കും എന്നും താക്കീതു നൽകിയിരുന്നു. റീകൺസിലിയേഷൻ പ്രക്രിയയിൽ അകാരണമായി കാലതാമസം വരുത്തുന്ന കാര്യപ്പത്രങ്ങളിൽ പരിശോധന നടത്തി കടുക്കാരായ ഉദ്യോഗസ്ഥരെ കണ്ടെത്തുന്നതിനുള്ള ഉത്തരവാദിത്തം ധനകാര്യ പരിശോധന (എൻ.ടി) വിഭാഗത്തിൽ നിക്ഷിപ്തമാക്കുകയും ചെയ്തു.</p> <p>അക്കൗണ്ടന്റ് ജനറൽ ബുക്ക് ചെയ്ത കണക്കുകൾ സത്യാത്മമായി വകുപ്പുകൾക്ക് ലഭിക്കുന്നതിനും അക്കൗണ്ടന്റ് ജനറലിനു താമസം കൂടാതെ വകുപ്പുകൾക്കുള്ള സ്റ്റേറ്റ് മെന്റുകൾ കൈമാറുന്നതിന് സാധ്യമാകുന്നതിനും വേണ്ടി എല്ലാ വകുപ്പ് തലവന്മാർ/മുഖ്യ നിയന്ത്രണ ഉദ്യോഗസ്ഥർ എന്നിവരോട് രണ്ടാഴ്ചയ്ക്കുള്ളിൽ ഒരു ഇ-മെയിൽ വിലാസം സൃഷ്ടിക്കുവാനും മേൽ സർക്കാർ ഉത്തരവിലൂടെ നിർദ്ദേശം നൽകിയിരുന്നു. സമയബന്ധിതമായി ഇ-മെയിൽ വിലാസം സൃഷ്ടിച്ച അക്കൗണ്ടന്റ് ജനറലിന്റെ കാര്യപ്പത്രത്തിൽ അറിയിക്കാതെ വിവിധ വകുപ്പുകൾ പ്രസ്തുത പരിശോധനയ്ക്കു ശേഷമുള്ള കർശന നിർദ്ദേശങ്ങളെ തുടർന്ന് ഇ-മെയിൽ വിലാസം സൃഷ്ടിച്ച അക്കൗണ്ടന്റ് ജനറലിന്റെ കാര്യപ്പത്രത്തിൽ കൈമാറിയിരുന്നു. നിലവിൽ റീകൺസിലിയേഷന് ആവശ്യമായ കമ്പൈലേഷൻ ഷീറ്റ് അക്കൗണ്ടന്റ് ജനറലിന്റെ വെബ് സൈറ്റിൽ നിന്നും യൂസർ ഐ.ഡി , പാസ് വേർഡ് എന്നിവ ഉപയോഗിച്ച് അതതു വകുപ്പ് അധികാരികൾക്ക് ഡൗൺലോഡ് ചെയ്തു ഉപയോഗിക്കാവുന്ന രീതിയിലാണ് വ്യവസ്ഥ ചെയ്തിരിക്കുന്നത്.</p> <p>തുടർന്ന് 15/05/2014 ലെ നം. 42/2014/ധന, 07/04/2015 ലെ നം. 43/2015/ധന, 09/06/2016 ലെ നം.50/2016/ധന, 28/12/2016 ലെ നം. 95/2016/ധന,29/04/2017 ലെ നം.29/2017/ധന, 13/07/2018 ലെ നം.63/2018/ധന എന്നീ പരിപത്രങ്ങളിലൂടെ റീകൺസിലിയേഷൻ പ്രക്രിയ സമയബന്ധിതമായി പൂർത്തിയാക്കുന്നതിനു ബന്ധപ്പെട്ട വകുപ്പ് അധികാരികൾക്ക് കർശന നിർദ്ദേശം നൽകുകയും ചെയ്തു.</p> <p>13/07/2018 ലെ നം.63/2018/ധന പരിപത്രത്തിലൂടെ റീകൺസിലിയേഷൻ പ്രക്രിയ ത്വരിതപ്പെടുത്തുന്നതിലേയ്ക്കായി ധനകാര്യ വകുപ്പിന്റെ 'ബി.സ് - ബി'ൽ ഇൻ്റർമേഷൻ</p>
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		<p>മാനേജ് മന്ത്രി സിസ്റ്റം വെബ് ആപ്ലിക്കേഷനിലെ ബിൽ സെക്ഷനിൽ 'റീകൺസിലിയേഷൻ റിപ്പോർട്ട്സ്' എന്ന ഒരു പുതിയ മൊഡ്യൂൾ പ്രവർത്തനക്ഷമമാക്കിയിരുന്നു. ഡ്രോയിങ് ആൻഡ് ഡിസ് ബർസിങ് ഉദ്യോഗസ്ഥർക്ക് ലോഗ് ഇൻ ചെയ്ത ശേഷം സ്റ്റാർക്ക് ബില്ലുകളും മറ്റ് ബില്ലുകളും സംബന്ധിച്ച് റിപ്പോർട്ട് ടി ആപ്ലിക്കേഷൻ മുഖേന ജനറേറ്റ് ചെയ്യാവുന്നതും അത് ബിൽബുക്കുമായി താരതമ്യം ചെയ്ത കണക്കുകൾ പരിശോധിക്കാവുന്നതുമാണ്. ഇതിലൂടെ ഡ്രോയിങ് ആൻഡ് ഡിസ് ബർസിങ് ഉദ്യോഗസ്ഥർക്ക് റീകൺസിലിയേഷനായി ട്രഷറികൾ സന്ദർശിക്കേണ്ടതിന്റെ ആവശ്യകത ഒഴിവാക്കുകയും റീകൺസിലിയേഷൻ പ്രക്രിയ ത്വരിതപ്പെടുകയും ചെയ്യും. കൂടാതെ ധനകാര്യ പരിശോധനാ വിഭാഗത്തിനും ജില്ലാ ധനകാര്യ പരിശോധന സ്റ്റാഫുകൾക്കും ആകസ്മിക പരിശോധനകൾ നടത്തി റീകൺസിലിയേഷനിൽ വീഴ്ച വരുത്തുന്ന സ്ഥാപനങ്ങളെയും ഉദ്യോഗസ്ഥരെയും കണ്ടെത്തുന്നതിനും കർശന നിർദ്ദേശം നൽകിയിരുന്നു.</p> <p>സി.എ.ജി.യുടെ റിപ്പോർട്ടിലെ അപ്രെന്റിസ് 2.17 ൽ പ്രതിപാദിച്ചിരിക്കുന്ന റീകൺസിലിയേഷനിൽ വീഴ്ചവരുത്തിയ മുഖ്യ നിയന്ത്രണാധികാരികൾക്ക് അവരവരുടെ സ്ഥാപനത്തിന്റെ /വകുപ്പിന്റെ വരവ്-ചെലവ് കണക്കുകളുടെ റീകൺസിലിയേഷൻ, മേൽ സർക്കാർ ഉത്തരവിന്റെയും പരിപത്രങ്ങളുടെയും നിർദ്ദേശങ്ങൾക്കനുസൃതമായി സത്യാത്മമായി കാലികമാക്കുന്നതിലേക്കായി 05/01/2019 ലെ അർദ്ധ ഔദ്യോഗിക കറിപ്പൂ നം:2162/Fin-K2/2018/Fin മുഖേന കർശന നിർദ്ദേശം നൽകിയിട്ടുണ്ട്.</p> <p>ഓഡിറ്റ് റിപ്പോർട്ടിലെ കണ്ടെത്തലുകൾ ഗൗരവത്തോടെ ഉൾക്കൊള്ളുന്നുവെന്നും റീകൺസിലിയേഷൻ പ്രക്രിയ കാര്യക്ഷമമാക്കുന്നതിനായുള്ള സാധ്യമായ പരമാവധി പരിഹാര നടപടികൾ സ്വീകരിച്ചിട്ടുണ്ടെന്നും, വരവ്-ചെലവ് കണക്കുകളുടെ നൂറ് ശതമാനം റീകൺസിലിയേഷൻ സമയബന്ധിതമായി സാധ്യമാക്കുന്നതിനായി ഓഡിയിൽ എല്ലാ നടപടികളും സ്വീകരിക്കുമെന്നും അറിയിക്കുന്നു.</p>
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 അനിൽ കുമാർ. എസ്  
 അഡീഷണൽ സെക്രട്ടറി  
 ധനകാര്യ വകുപ്പ്  
 സെക്രട്ടേറിയറ്റ്  
 തിരുവനന്തപുരം



**കേരള സർക്കാർ**  
**ധനകാര്യ (ബജറ്റ് വിംഗ് - എഫ് ) വകുപ്പ്**

**കംപ്യൂട്ടറൈസ്ഡ് ബജറ്റ് 2017 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ ഖണ്ഡികകളിലേയ്ക്കുള്ള നടപടി വിവരണം.**

ക്രമ നം	ഓഡിറ്റ് ഖണ്ഡിക	നടപടി കുറിപ്പ്
1	<p><b>2.5</b></p> <p><b>ബജറ്റ് പ്രക്രിയയുടെയും ധന വിനിയോഗ നിയന്ത്രണത്തിന്റെയും അവലോകനം-ഗ്രാന്റ് നമ്പർ XLI</b></p> <p>വിനോദ സഞ്ചാര വകുപ്പ് വളരെ പ്രധാനപ്പെട്ട വകുപ്പാണ്. വകുപ്പിന് മൂന്ന് പ്രമുഖ കർത്തവ്യങ്ങളാണ് ഉള്ളത് (1) സംസ്ഥാന സർക്കാരിന്റെ ഹോസ്പിറ്റാലിറ്റി വിഭാഗം (2) എസ്റ്റേറ്റ് ഓഫീസ് ജോലി (3) വിനോദ സഞ്ചാര വികസനം. ഗ്രാന്റിന്റെ മുഖ്യ നിയന്ത്രണ അധികാരി ടൂറിസം ഡയറക്ടറാണ്. ഗ്രാന്റിനു കീഴിലുള്ള ഓരോ ധനവിനിയോഗ യൂണിറ്റിലെയും ധനവിനിയോഗ നിയന്ത്രണം ഉറപ്പു വരുത്തേണ്ടത് ഡയറക്ടറുടെ ഉത്തരവാദിത്വമാണ് . ബജറ്റ് പ്രക്രിയയും, ഓരോ പദ്ധതികൾക്കു വേണ്ടി നീക്കിവച്ച ഫണ്ടുകളുടെ ഉപയോഗവും നിജപ്പെടുത്തുന്നതിനു വേണ്ടിയാണ് ഈ ഗ്രാന്റിന്റെ അവലോകനം നടത്തിയത്.</p>	<p>ബജറ്റിൽ ഓരോ പദ്ധതികൾക്കും ആവശ്യമായ വിഹിതം അനുവദിക്കുന്നത് ബന്ധപ്പെട്ട ഭരണവകുപ്പ് പ്രസ്തുത പദ്ധതിയ്ക്കായി ശുപാർശ ചെയ്യുന്ന തുക കൂടി കണക്കിലെടുത്തുകൊണ്ടാണ്. അനുവദിക്കപ്പെടുന്ന ബജറ്റ് വിഹിതം ആവശ്യമായ നടപടിക്രമങ്ങൾ പാലിച്ചുകൊണ്ട് ഫലപ്രദമായി വിനിയോഗിക്കേണ്ട ഉത്തരവാദിത്വം അതത് ഭരണ വകുപ്പിലാണ് നിക്ഷിപ്തമായിരിക്കുന്നത്. ഇപ്രകാരം ടൂറിസം വകുപ്പിന്റെ ശുപാർശയെ അടിസ്ഥാനപ്പെടുത്തിയാണ് വിവിധ പദ്ധതികൾക്ക് ബജറ്റ് വിഹിതം വകയിരുത്തിയിട്ടുള്ളത്. നിർവ്വഹണ തലത്തിലുള്ള പ്രായോഗികത കൂടി കണക്കിലെടുത്ത് അനുയോജ്യമായ തുകയ്ക്കുള്ള എസ്റ്റിമേറ്റ് സമർപ്പിക്കാതിരുന്നതു കാരണമാണ് ചില പദ്ധതികളിൽ സ്ഥിരമായി മിച്ചം വന്നത്. എന്നാൽ മുൻ വർഷങ്ങളിലെ കുറഞ്ഞ തോതിലുള്ള ചെലവ് കണക്കിലെടുത്ത് ടൂറിസ്റ്റ് കേന്ദ്രങ്ങളിലേയ്ക്കുള്ള റോഡുകളുടെ നിലവാരം മെച്ചപ്പെടുത്തൽ എന്ന സ്കീമിന് 2018-19 സാമ്പത്തിക വർഷത്തേയ്ക്കുള്ള വിഹിതം ധനവകുപ്പ് ഓക്കണായി പരിമിതപ്പെടുത്തിയിട്ടുണ്ട്. കൂടാതെ തുടർച്ചയായി മിച്ചം വരുന്ന പദ്ധതി ശീർഷകങ്ങളിലെ ബജറ്റ് വിഹിതങ്ങൾ ഓഡിറ്റ് നിർദ്ദേശം കൂടി കണക്കിലെടുത്ത് വരും വർഷങ്ങളിൽ ഉചിതമായ രീതിയിൽ ദേശാതി വരുത്തണമെന്ന നിർദ്ദേശം ആസൂത്രണ സാമ്പത്തിക കാര്യ വകുപ്പിന് നൽകിയിട്ടുണ്ട്.</p> <p>ഗസ്റ്റ് ഹൗസുകളും യാത്രി നിവാസികളും ടൂറിസം</p>
2.5.1	<p><b>ബജറ്റ് വകയിരുത്തലും ചെലവും-അവസാന മൂന്ന് വർഷങ്ങളിൽ (2014-15 വസ്തു വിഭാഗത്തിൽ ഒഴികെ) ബജറ്റ് വിഹിതത്തിന്റെ 10 ശതമാനത്തിൽ കൂടുതൽ വിനിയോഗിക്കാതെ അവശേഷിച്ചിട്ടുണ്ട്. കൂടാതെ 20 പദ്ധതികളിൽ ഒരു കോടിയിലധികം രൂപ മിച്ചമുണ്ടെന്നും അതിൽ ഏഴ് പദ്ധതികളിലെ മിച്ചങ്ങൾ സ്ഥിരമായിട്ടുള്ളതാണെന്നും പരിശോധനയിൽ വെളിപ്പെട്ടിട്ടുണ്ട്. ബജറ്റിൽ വകയിരുത്തിയ മുഴുവൻ തുകയും ഉപയോഗിക്കാതെ അതാത് വർഷാവസാനം തിരിച്ചെടുത്ത് പദ്ധതികൾ ഓഡിറ്റ് കണ്ടെത്തി. അവസാന മൂന്നു വർഷങ്ങളിലും</b></p>	





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	ഗ്രാന്റിൽ മിച്ചം ഉണ്ടായിരുന്നെങ്കിലും ചില പദ്ധതികളിൽ പുകൻ ധനവിനിയോഗത്തിലൂടെ ഫണ്ട് വർദ്ധിപ്പിച്ചിട്ടും അധിക ചെലവ് ഉണ്ടായി.	ലോഡ്ജുകളും, ജില്ലാ ഓഫീസുകൾ, ടൂറിസം ഇൻഫ്രാസ്ട്രക്ചർ ക്ലിപ്തം തുടങ്ങിയ പദ്ധതികൾക്ക് മതിയായ വിഹിതം ഈ വർഷങ്ങളിൽ വകയിരുത്തിയിരുന്നെങ്കിലും ചെലവിനുശേഷം ഉണ്ടായിരുന്ന യഥാർത്ഥ മിച്ചത്തോളമുള്ള തുകകൾ സറണ്ടർ ചെയ്തതുകൊണ്ടാണ് ബന്ധപ്പെട്ട ശീർഷകങ്ങളിലെ ചെലവ് അന്തിമ ധനവിനിയോഗ കണക്കുകൾ പ്രകാരമുള്ള ബജറ്റ് വിഹിതത്തോടൊത്ത് അധികമിട്ടത്. അന്തിമ ധനപുനർവിനിയോഗ/സറണ്ടർ ശിപാർശയിൽ വകുപ്പ് റിപ്പോർട്ട് ചെയ്ത ചെലവ് സംബന്ധിച്ച വിശദാംശങ്ങളിലെ കൃത്യത കുറവാണ് ഇതിനു കാരണം. ഇപ്രകാരം യഥാർത്ഥ മിച്ചത്തോടൊത്ത് കൂടുതൽ തുക വകുപ്പുകൾ സറണ്ടർ ചെയ്യുന്നത് ഒഴിവാക്കാൻ വേണ്ടി അന്തിമ ധന പുനർവിനിയോഗ ശിപാർശ സമർപ്പിക്കുമ്പോൾ ഓരോ ധനവിനിയോഗ യൂണിറ്റിൽ നിന്നും ചെലവഴിച്ച തുകയുടെ കൃത്യത നിയന്ത്രണ അധികാരികൾ ഉറപ്പാക്കി വേണം അന്തിമ ധനപുനർവിനിയോഗ ശിപാർശകൾ സമർപ്പിക്കേണ്ടതെന്ന നിർദ്ദേശം 15.03.2018-ലെ 16/2018/ധന- നമ്പർ സർക്കുലർ പ്രകാരം വകുപ്പ് മേധാവികൾക്ക് ധനവകുപ്പ് നൽകിയിട്ടുണ്ട്. 2017-18 സാമ്പത്തിക വർഷം മുതൽ പൂർണ്ണതോതിൽ പ്രവർത്തന സജ്ജമാക്കിയ BAMS എന്ന പുതിയ വെബ് അഡിഷ്റീത ഫണ്ട് അലോട്ട്മെന്റ് സംവിധാനം വഴി ബജറ്റ് അലോട്ട്മെന്റോ ആതെറെസേഷനോ ഉണ്ടെങ്കിൽ മാത്രമേ ബജറ്റ് ശീർഷകങ്ങളിൽ നിന്നും തുക പിൻവലിക്കുവാൻ കഴിയൂ. ഓരോ ധനവിനിയോഗ യൂണിറ്റിൽ നിന്നും ചെലവഴിച്ച തുകയുടെ യഥാർത്ഥ കണക്കുകൾ സംബന്ധിച്ച തത്സമയ റിപ്പോർട്ടുകളും ഇതിൽ ലഭ്യമാണ്. ചെലവു സംബന്ധിച്ച കണക്കുകളുടെ കൃത്യത ഉറപ്പാക്കുന്നതിന് നിയന്ത്രണാധികാരികൾക്ക് ഈ പുതിയ സംവിധാനം ഉപയോഗപ്പെടുത്തിക്കൊണ്ട് ഇനി മുതൽ കൃത്യമായ തുകമാത്രം സറണ്ടർ ചെയ്യുന്നതിന് സാധിക്കുന്നതാണ്. ബജറ്റ് മാനേജ്മെന്റും ധനവിനിയോഗ നിയന്ത്രണവും കൂടുതൽ കാര്യക്ഷമമായി നിർവഹിക്കുന്നതിനും
2.5.2	<p><b>വിവേക രഹിതമായ തിരിച്ചെടുപ്പിക്കൽ-</b> ഒരു സാമ്പത്തിക വർഷത്തിനിടയിൽ ബജറ്റ് വിഹിതം മുഴുവനും വിനിയോഗിക്കുവാൻ കഴിയുകയില്ലായെന്ന് കണ്ടാൽ ആവശ്യത്തിലധികമുള്ള തുക ഡിസ്ബേഴ്സിംഗ് ഓഫീസർ തിരിച്ചെടുപ്പിക്കേണ്ടതാണ്. അതിനുശേഷം മുഖ്യ നിയന്ത്രണാധികാരി ഗ്രാന്റിലെ മിച്ചം ധനകാര്യ വകുപ്പിലേയ്ക്ക് തിരിച്ചയടയ്ക്കേണ്ടതാണ്. കഴിഞ്ഞ മൂന്ന് വർഷത്തെ വിശദമായ ധനവിനിയോഗ കണക്കുകളുടെ പരിശോധനയിൽ റവന്യൂ മൂലധന വിഭാഗങ്ങളിൽ വിവേകരഹിതമായ തിരിച്ചെടുപ്പിക്കലുണ്ടെന്ന് വെളിപ്പെട്ടു. കഴിഞ്ഞ മൂന്ന് വർഷങ്ങളിൽ ചില പദ്ധതികളിലെ വിവേകരഹിതമായ തിരിച്ചെടുപ്പിക്കൽ അധിക ചെലവിലേയ്ക്ക് നയിച്ചു. വകുപ്പു തല ഉദ്യോഗസ്ഥർ അവരുടെ അധികാര പരിധിയിലുള്ള ശീർഷകങ്ങളിൽ നടപ്പിലാക്കിയ ധന വിനിയോഗ നിയന്ത്രണത്തിന്റെ അപര്യാപ്തതയെ ഇത് കാണിക്കുന്നു.</p>	



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		BAMS സംവിധാനത്തിലൂടെ വകുപ്പുകൾക്ക് കഴിയും.
2.5.3	<p><b>അനാവശ്യ പുനർ ധനവിനിയോഗം -</b> ഒരു ധന വിനിയോഗ യൂണിറ്റിൽ മുൻകൂട്ടി കാണുന്ന മിച്ചം തുക അതേ ഗ്രാന്റിലെ കൂടുതൽ തുക ആവശ്യമുള്ള മറ്റൊരു ധനവിനിയോഗ യൂണിറ്റിലേയ്ക്ക് മാറ്റുന്നതാണ് പുനർ ധനവിനിയോഗം. അസ്സൽ/സ്ക്വിമെന്ററി ധനാഭ്യർത്ഥനയിലൂടെ ലഭിക്കുന്ന ഫണ്ട് അപ്രൊപ്തമാവുകയും അതേ ഗ്രാന്റിലെ മറ്റു ധന വിനിയോഗ യൂണിറ്റുകളിൽ ഫണ്ട് മിച്ചം വരുകയും ചെയ്താൽ പുനർ ധനവിനിയോഗത്തിലൂടെ മാർഗ്ഗം വകുപ്പിലെ ഉദ്യോഗസ്ഥർ അവലംബിക്കാറുണ്ട്. ചില ഉപ ശീർഷകങ്ങളിലെ അന്തിമ ചെലവ് ബജറ്റ് വകയിരുത്തലിനേക്കാൾ (അസ്സൽ/സ്ക്വിമെന്ററി) കുറവായതിനാൽ പുനർ ധന വിനിയോഗത്തിലൂടെ തുക വർദ്ധിപ്പിച്ച് അനാവശ്യമാണെന്ന് ഓഡിറ്റ് കണ്ടെത്തി.</p>	<p>BAMS സംവിധാനത്തിലൂടെ വകുപ്പുകൾക്ക് കഴിയും. അനുവദിക്കപ്പെട്ട ബജറ്റ് വിഹിതം വകുപ്പിന്റെ സുഗമമായ പ്രവർത്തനത്തിനും വിവിധ പദ്ധതികളുടെ നിർവ്വഹണത്തിനും പര്യാപ്തമാണെന്ന ഭരണവകുപ്പിന്റെ അഭിപ്രായം കണക്കിലെടുത്താണ് വിവിധ പദ്ധതി/പദ്ധതിയേതര കണക്കിനങ്ങളിൽ ധനപുനർവിനിയോഗം വഴി അധിക വിഹിതം അനുവദിക്കുന്നത്. മെച്ചപ്പെട്ടതും കാര്യക്ഷമവുമായ ബഡ്ജറ്റ് മാനേജ്മെന്റ് സംവിധാനത്തിന്റെ അഭാവം കാരണം ഈ കണക്കിനങ്ങളിലെ യഥാർത്ഥ ചെലവ് സംബന്ധിച്ച വിശദാംശങ്ങൾ കൃത്യമായി വിലയിരുത്താൻ വകുപ്പിനു കഴിയാതെ പോകുന്നത് കൊണ്ടാണ് ആവശ്യത്തിനുപരിയായ തുക ധനപുനർവിനിയോഗം വഴി വാങ്ങുന്നത്. സബ് ഓഫീസുകൾക്ക് നൽകിയ അലോട്ട്മെന്റിൽനിന്നും ചെലവഴിച്ച തുകകളുടെ കണക്കുകൾ ലഭ്യമല്ലാത്തതും ആവശ്യകത കൃത്യമായി കണക്കാക്കാൻ കഴിയാത്തതിന്റെ ഒരു കാരണമാണ്. 2017-18 സാമ്പത്തികവർഷം മുതൽ പൂർണ്ണതോതിൽ നടപ്പിൽവരുത്തിയ വെബ്ബ് അധിഷ്ഠിത സംവിധാനം വഴിയാണ് ബജറ്റ് അലോട്ട്മെന്റും (BAMS)-ൽ ബില്ലുകൾ തയ്യാറാക്കലും (BIMS) വകുപ്പുകൾ ചെയ്യുന്നത് എന്നതിനാൽ ഒരു കണക്കിനത്തിൽ അധിക തുകയ്ക്കുള്ള ശീപാർശ തയ്യാറാക്കുമ്പോൾ പ്രസ്തുത ശീർഷകത്തിൽ നിന്നും വിവിധ ഓഫീസുകൾ വഴി ചെലവഴിച്ച ആകെ തുകയുടെ തത്സമയ വിവരങ്ങൾ നിയന്ത്രണാധികാരിക്ക് പരിശോധിക്കാൻ കഴിയും. ഇതിന്റെ അടിസ്ഥാനത്തിൽ കൂടുതൽ കൃത്യതയോടുകൂടി അധികതുകകൾ സംബന്ധിച്ച ആവശ്യകത വിലയിരുത്തുന്നതിനും ഇതുവഴി അനാവശ്യ ധനപുനർവിനിയോഗം ഒഴിവാക്കുന്നതിനും വകുപ്പിനു സാധിക്കും.</p>

എസ് അനൂപ്  
 ഡയറക്ടർ സെക്രട്ടറി  
 വകുപ്പ് വകുപ്പ്  
 ഗവ. സെക്രട്ടറിയേറ്റ്  
 തിരുവനന്തപുരം



**Action Taken Report showing Remedial measures taken on para No. 2 of Audit Report of C &AG for the year ended in March 2017**

Sl.No	Para Number	Paragraph	Action Taken																																																					
1	2.6	<p><u>Overstated Expenditure</u></p> <p>Financial rules prohibit withdrawal of money from treasury unless it is required for immediate disbursement. However, in some cases, departmental officers withdraw budget allocation at fag end of the year, to avoid laspe of budget, and keep them either in Treasury Savings Bank account or outside Government account, without actually spending. This results in oversatement of the total expediture of the Grant as the amount remained untutlised even after the close of financial year. Audit noticed a few instances of under-utilisation of Government funds as detailed in</p>	<p>117 lakhs have been utiltised as spill over for the financial years 2015-16,2016-17 and 2017-18 respectively. The details are given below.</p> <table><tr><th>Sl. No</th><th>Items</th><th>2015-16</th><th>2016-17</th><th>2017-18, 2018-19</th><th>Remarks</th></tr><tr><td>1</td><td>Renovation of the museem at Kannur</td><td>8852952</td><td>292151</td><td>Nil</td><td></td></tr><tr><td>2</td><td>Internation al folk festival</td><td>Nil</td><td>Nil</td><td>Nil</td><td></td></tr><tr><td>3</td><td>Publication</td><td>308813</td><td>594300</td><td>109706</td><td></td></tr><tr><td>4</td><td>Provision for purchase of Traveler</td><td>Nil</td><td>Nil</td><td>Nil</td><td></td></tr><tr><td>5</td><td>Provsion for the installation of Generator</td><td>Nil</td><td>Nil</td><td>345000 500500</td><td></td></tr><tr><td>6</td><td>Kannapura m fold Village</td><td>Nil</td><td>Nil</td><td></td><td></td></tr><tr><td>7</td><td>Unspent balance</td><td>465000</td><td></td><td></td><td></td></tr></table> <p>Remaining amount Rs. 232578/- had been utilized for plan purposes for the year 2015-16.</p>						Sl. No	Items	2015-16	2016-17	2017-18, 2018-19	Remarks	1	Renovation of the museem at Kannur	8852952	292151	Nil		2	Internation al folk festival	Nil	Nil	Nil		3	Publication	308813	594300	109706		4	Provision for purchase of Traveler	Nil	Nil	Nil		5	Provsion for the installation of Generator	Nil	Nil	345000 500500		6	Kannapura m fold Village	Nil	Nil			7	Unspent balance	465000			
Sl. No	Items	2015-16	2016-17	2017-18, 2018-19	Remarks																																																			
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6	Kannapura m fold Village	Nil	Nil																																																					
7	Unspent balance	465000																																																						

  
**P.V. JAYAN**  
 PEN-100447  
 Additional Secretary  
 Finance Department  
 Govt. Secretariat  
 Thiruvananthapuram





**Action Taken Report on C&AG Report on State Finances for the year ended March 2017**  
**Para No.2.7, 2.7.1**  
**FINANCE (ESTABLISHMENT(C) DEPARTMENT**

1	Para No.	Recommendation	Action Taken
	2.7 (Page No.62 of C&AG report 2017)	<p><b>Inspection of Treasuries</b></p> <p>As of March 2017, there were 23 District treasuries (19 banking and four non-banking), 200 sub treasuries (175 banking and 25 non-banking), 12 Stamp depots and one e-treasury functioning in the State. The Accountant General (A&amp;E), Kerala inspected 125 units (Directorate of Treasuries, 23 District Treasuries, 101 Sub Treasuries), Irregularities and deficiencies noticed during the inspection of treasuries are mentioned in the succeeding paragraphs.</p>	<p>The para is regarding the internal inspection in Treasuries. Director of Treasuries has given necessary direction to all concerned Treasury officers for the time bound rectification of audit objections raised by Accountant General during the inspection conducted in the Directorate of Treasuries and other treasuries and also to furnish Action Taken Report to Accountant General in time.</p>
2	2.7.1 (Page No.62 of C&AG report 2017)	<p><b>Excess payment of pension</b></p> <p>During the course of treasury inspection, excess payment on account of pension/family pension amounting to Rs.0.63 crore was noticed in 850 cases. The main reason 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 and incorrect calculation of dearness relief. Out of the above excess of payment, 0.10 crore involved in 430 cases was already recovered as shown in table ( Table 2.21 as shown in Annexure I)</p>	<p>The para is regarding the recovery of excess payment made towards various pensions. Out of the total reported cases of 420 (amount 0.53 crore) action has been completed in 409 cases (amount involved is Rs.4452648/-) only 11 cases (Rs.847352/-) are pending. Action is being taken for the recovery in the above cases also. (Detailed Statement is at Annexure II)</p>



Sl. No	Details of Excess paid pension	Excess paid		Recovered		Balance	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	EXCESS PAYMENT OF PENSION	132	0.25	57	0.05	75	0.20
2	EXCESS PAYMENT OF FAMILY PENSION	36	0.18	9	0.01	27	0.17
3	EXCESS PAYMENT OF FESTIVAL ALLOWANCE	579	0.05	302	0.03	277	0.02
4	EXCESS PAYMENT OF MEDICAL ALLOWANCE	98	0.04	62	0.01	36	0.03
5	IRREGULAR CREDITING OF MLA PENSION	2	0.01	0	0.00	2	0.01
6	EXCESS PAYMENT OF JUDICIARY PENSION	1	0.04	0	0.00	1	0.04
7	EXCESS PAYMENT OF INTER-STATE PENSION	2	0.06	0	0.00	2	0.06
<b>Total</b>		850	0.63	430	0.10	420	0.53



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## Annexure II

**DETAILS OF PENDING PARAS AFTER SCRUTINY OF DATA COLLECTED FROM DISTRICT  
TREASURY OFFICERS AS ON 15/12/2018**

NO	ITEM	No. of reported cases	Amount involved in crores	Balance as on 15/12/18	Amount outstanding
1	EXCESS PAYMENT OF PENSION	75	0.20	5	169304
2	EXCESS PAYMENT OF FAMILY PENSION	27	0.17	3	303103
3	EXCESS PAYMENT OF FESTIVAL ALLOWANCE	277	0.02	0	0
4	EXCESS PAYMENT OF MEDICAL ALLOWANCE	36	0.03	0	0
5	IRREGULAR CREDITING OF MLA PENSION	2	0.01	0	0
6	EXCESS PAYMENT OF JUDICIARY PENSION	1	0.04	1	341920
7	EXCESS PAYMENT OF INTER-STATE PENSION	2	0.06	2	33025
		420	0.53	11	847352

  
**G. SREENI**





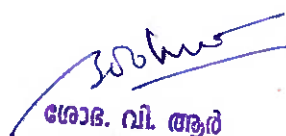
## Government of Kerala

### Finance (Budget Wing –C) Department

#### STATEMENT SHOWING ACTION TAKEN ON THE RECOMMENDATION IN THE C & AG's REPORT ON STATE FINANCE FOR THE YEAR ENDED 31 MARCH 2017

Para No.	Recommendation contained in C & AG's Report	Action Taken/Remarks
2.8	<p>Compared to previous year, overall savings from the budget allocation decreased by five per cent (from 20.62 per cent in 2015-16 to 15.49 per cent in 2016-17) which showed an improvement in budgetary process. However, following deficiencies in financial management continued as in the previous year.</p> <ul style="list-style-type: none"> <li>Persistent savings exceeding Rs. 100 crore, which was more than 25 per cent of the total budget provision were noticed in Grants 'Urban Development', and 'Rural Development' under Revenue section and 'Water Supply and Sanitation', 'Miscellaneous Economic Services', 'Agriculture' and 'Public Debt Repayment under Capital Section.</li> <li>Failure of the departmental officers was evident in some of the budget allocations obtained through Supplementary Demands, as the allocations obtained through Supplementary Demands for Grants were surrendered at the end of the year.</li> </ul>	<p>While preparing budget estimates, Finance Department always makes a very close scrutiny with an ultimate aim to achieve maximum possible approximation to the actual, after analyzing the trend in expenditure and previous year's accounts and other relevant factors.</p> <p>Finance Department regularly issues specific instructions to all departments in line with the same and also in line with the observations put forth by the Accountant General to ensure prudent management of budgetary appropriations. The Government have already implemented the Integrated Financial Management System (IFMS) by combining various online software applications by integrating State Budget with treasury transactions relating to line departments, the Accountant General, RBI and other</p>

<ul style="list-style-type: none"> <li>• Unnecessary and injudicious re-appropriations indicated that departmental officers failed in assessing actual requirement of funds in heads of account under their control.</li> <li>• Surrender of money in excess of actual savings indicated improper maintenance of appropriation control registers at all levels</li> <li>• Persistence of excess payment of pension showed that treasury officers are not plugging the loopholes in the system.</li> </ul> <p><i>Government may review grants showing persistent savings to assess the reasons for savings and control the same.</i></p> <p><i>Necessary checks should be put in place to avoid withdrawal of funds in excess of budget allocation by departmental officers.</i></p>	<p>stakeholders. It will help in a great extent to ascertain the up to date collection of receipts / expenditure at each unit of appropriation and make budget estimation and its utilization in a fruitful manner without accumulating savings/incur excess expenditure. Finance also continues its efforts to update the software applications with a view to avoid excess savings/incurred excess expenditure/unnecessary re appropriation, SDG etc as far as possible and to evolve a fruitful mechanism for better financial management and effective budgetary appropriation.</p>
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 ശോഭ. വി. ആർ  
 പെൻ: 100552  
 ജോയിന്റ് സെക്രട്ടറി  
 ധനകാര്യ വകുപ്പ്  
 ഗവ: സെക്രട്ടേറിയറ്റ്  
 തിരുവനന്തപുരം

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**APPENDIX III**  
**APPENDICES FROM AG's AUDIT REPORT**

Appendices

**Appendix III (i)**  
**State Profile**

(Reference: Page 1, Paragraphs 1.3; Page 10 and 1.6.1; Page 17)

**A. General Data**

Sl. No.	Particulars	Figures
1.	Area	38863 sq. km.
2.	Population	
a.	In 2007	3.37 crore
b.	In 2016	3.58 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 =37 per 1000 live births )	12
7.	Life Expectancy at birth (All India Average = 68.3 years)	75.2 years
8.	Gini Coefficient	
a.	Rural ( All India = 0.29 )	0.42
b.	Urban ( All India = 0.38)	0.50
9.	Gross State Domestic Product (GSDP) 2016-17 at current prices	₹6,55,205 crore
	Per capita GSDP Compounded Annual Growth Rate (2007-08 to 2016-17)	
	Kerala	15 per cent
	General Category States	13.20 per cent
10.	GSDP Compounded Annual Growth Rate (2007-08 to 2016-17)	
	Kerala	15.80 per cent
	General Category States	15.20 per cent
11.	Population Growth ( 2007 to 2016)	
	Kerala	6.20 per cent
	General Category States	11.90 per cent
12.	Per capita income at current prices (2016-17)	
	Kerala	₹1,83,039
	All India	₹1,18,830

**B. Financial Data (In per cent)**

		Particulars			
Compounded Annual Growth Rate		2007-08 to 2015-16		2015-16 to 2016-17	
		General Category States	Kerala	General Category States	Kerala
a.	Revenue Receipts	14.58	15.97	11.52	9.53
b.	Own Tax Revenue	14.80	14.00	13.50	8.16
c.	Non Tax Revenue	9.45	27.46	12.10	15.13
d.	Total Expenditure	15.84	15.62	15.31	17.64
e.	Capital Expenditure	14.53	22.55	17.91	35.01
f.	Revenue Expenditure on Education	16.86	15.28	9.86	20.94
g.	Revenue Expenditure on Health	18.43	17.63	14.92	25.92
h.	Salary and Wages	14.89	14.96	13.06	19.43
i.	Pension	17.17	12.97	10.63	16.95

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

Appendix 111(2)

**Part A : Structure and form of Government Accounts**  
(Reference: Paragraph 1.1; Page 1 and 2)

**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 III (3)

**Part A : Methodology adopted for assessment of fiscal position  
(Reference: Paragraph 1.1; Page 2)**

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

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

	2012-13	2013-14	2014-15	2015-16	2016-17
GSDP (₹ in crore)	4,12,313	4,65,041	5,26,002	5,88,337	6,55,205
Growth rate of GSDP	13.26	12.79	13.11	11.85	11.37

Source : Details furnished by the Director of Economics and Statistics of the State Government. The figures for 2014-15 are provisional estimate, 2015-16 are quick estimates and 2016-17 are advance estimate.



**Appendix III (3)**  
**Part B: Medium Term Fiscal Plan 2016-17**  
**(Reference: Paragraphs 1.1; Page 2 and 1.3; Page 9)**

(₹ in crore)

Item	2012-13 Accounts	2013-14 Accounts	2014-15 Accounts	2015-16 Revised Estimates	2016-17 Budget Estimates	Forward estimates	
						2017-18	2018-19
<b>Revenue Receipts (A)</b>	<b>44,138</b>	<b>49,177</b>	<b>57,950</b>	<b>71,020</b>	<b>84,617</b>	<b>1,03,390</b>	<b>1,26,463</b>
State's Own Tax Revenue	30,077	31,995	35,233	39,882	47,614	58,089	70,868
Non Tax Revenue	4,199	5,575	7,284	8,911	11,360	14,938	19,644
Resources from Centre	9,862	11,607	15,434	22,227	25,644	30,363	35,951
<b>Revenue Expenditure (B)</b>	<b>53,489</b>	<b>60,406</b>	<b>71,746</b>	<b>81,834</b>	<b>97,683</b>	<b>1,15,435</b>	<b>1,36,413</b>
Interest	7,205	8,265	9,770	10,861	12,630	14,439	16,268
Salaries	17,257	19,280	21,411	23,236	27,742	33,718	35,425
Pensions	8,867	9,971	11,253	13,126	15,503	20,521	25,484
Non SIP Revenue Expenditure	20,160	22,969	29,313	34,611	41,808	46,757	59,236
Subsidies	1,265	1,252	1,248	1,232	1,808	2,226	2,741
Devolution to LSGs	4,739	5,926	6,398	6,493	7,379	9,236	11,560
Other Revenue Expenditure	14,156	15,791	21,668	26,886	32,621	35,296	44,936
<b>Revenue Surplus/Deficit (A) - (B)</b>	<b>- 9,351</b>	<b>-11,309</b>	<b>-13,796</b>	<b>-10,814</b>	<b>-13,066</b>	<b>-12,045</b>	<b>-9,950</b>
<b>Capital Expenditure (C)</b>	<b>5,739</b>	<b>5,759</b>	<b>4,998</b>	<b>7,125</b>	<b>10,314</b>	<b>12,819</b>	<b>15,586</b>
Capital outlay	4,603	4,294	4,255	6,206	9,573	12,103	14,893
Loan disbursements (net)	1,136	1,464	743	919	741	716	693
<b>Non Debt Capital Receipts (D)</b>	<b>88</b>	<b>123</b>	<b>152</b>	<b>225</b>	<b>240</b>	<b>268</b>	<b>299</b>
<b>Fiscal Deficit/Surplus (A) - (B) - (C) + (D)</b>	<b>-15,002</b>	<b>-16,944</b>	<b>-18,642</b>	<b>-17,715</b>	<b>-23,140</b>	<b>-24,597</b>	<b>-25,237</b>
<b>Primary Fiscal Deficit/Surplus</b>	<b>-7,797</b>	<b>-8,679</b>	<b>-8,872</b>	<b>-6,854</b>	<b>-10,510</b>	<b>-10,157</b>	<b>-8,969</b>
End of the Period Debt	96,490	1,11,285	1,27,225	1,44,749	1,65,448	1,88,014	2,11,817
Debt Service	7,205	8,265	9,770	10,861	12,630	14,297	16,125
Salary + Interest + Pension (SIP)	33,329	37,516	42,433	47,223	55,875	68,678	77,177
Debt Stock	1,03,561	1,19,009	1,35,440	1,54,057	1,76,839	1,99,189	2,24,445
Government Guarantees	9,100	9,763	11,127	12,417			
<b>Interest/Revenue Receipts (per cent)</b>	<b>16.32</b>	<b>16.81</b>	<b>16.86</b>	<b>15.29</b>	<b>14.93</b>	<b>13.97</b>	<b>12.86</b>
<b>Debt/ Revenue Receipts(per cent)</b>	<b>234.63</b>	<b>242.00</b>	<b>233.72</b>	<b>216.92</b>	<b>208.99</b>	<b>192.66</b>	<b>177.48</b>
<b>SIP/Revenue (per cent)</b>	<b>75.51</b>	<b>76.29</b>	<b>73.22</b>	<b>66.49</b>	<b>66.03</b>	<b>66.43</b>	<b>61.03</b>
<b>SIP/GSDP (per cent)</b>	<b>8.08</b>	<b>8.10</b>	<b>8.16</b>	<b>8.07</b>	<b>8.47</b>	<b>9.22</b>	<b>9.17</b>
<b>(Salary + Pension)/GSDP (per cent)</b>	<b>6.34</b>	<b>6.32</b>	<b>6.28</b>	<b>6.21</b>	<b>6.56</b>	<b>7.28</b>	<b>7.23</b>
<b>Revenue Deficit/ Revenue Receipt (per cent)</b>	<b>21.19</b>	<b>23.00</b>	<b>23.81</b>	<b>15.23</b>	<b>15.44</b>	<b>11.65</b>	<b>7.87</b>
<b>Revenue Deficit/GSDP (per cent)</b>	<b>2.27</b>	<b>2.44</b>	<b>2.65</b>	<b>1.85</b>	<b>1.98</b>	<b>1.62</b>	<b>1.18</b>
<b>Fiscal Deficit/GSDP (per cent)</b>	<b>3.64</b>	<b>3.66</b>	<b>3.59</b>	<b>3.02</b>	<b>3.51</b>	<b>3.30</b>	<b>3.00</b>
<b>Debt stock/GSDP (per cent)</b>	<b>25.12</b>	<b>25.71</b>	<b>26.05</b>	<b>26.31</b>	<b>26.82</b>	<b>26.74</b>	<b>26.66</b>
<b>GSDP</b>	<b>4,12,313</b>	<b>4,62,916</b>	<b>5,19,896</b>	<b>5,85,467</b>	<b>6,59,309</b>	<b>7,45,019</b>	<b>8,41,871</b>
<b>Nominal GSDP Growth Rate (per cent)</b>	<b>13.26</b>	<b>12.27</b>	<b>12.31</b>	<b>12.61</b>	<b>12.61</b>	<b>13.00</b>	<b>13.00</b>
<b>Average Interest rate (per cent)</b>	<b>7.47</b>	<b>7.43</b>	<b>7.68</b>	<b>7.50</b>	<b>7.63</b>	<b>7.68</b>	<b>7.68</b>
<b>Domar Gap</b>	<b>5.79</b>	<b>4.85</b>	<b>4.63</b>	<b>5.11</b>	<b>4.98</b>	<b>5.32</b>	<b>5.32</b>



**Appendix III(A)**  
**Part A : Abstract of receipts and disbursements for the year 2016-17**  
**(Reference: Paragraph 1.1.1; Page 2)**

(₹ in crore)

Receipts				Disbursements				
2015-16			2016-17	2015-16	2016-17			
	Section – A: Revenue				Non-Plan	Plan	Total	
69032.66	I. Revenue Receipts		75611.72	78689.47	I. Revenue Expenditure	77603.96	13492.35	91096.31
38995.15	Own Tax Revenue	42176.37		36084.68	General Services	41013.94	181.39	41195.33
8425.49	Non-Tax Revenue	9699.98		27603.29	Social Services	23991.38	9773.34	33764.72
12690.67	State's share of Union Taxes and Duties	15225.02		14120.05	Education, Sports, Art and Culture	15181.78	1879.31	17061.09
5177.80	Non-Plan Grants	5250.37		4551.57	Health and Family Welfare	4292.29	1438.83	5731.12
3406.37	Grants for State Plan Schemes	2726.92		1334.84	Water Supply, Sanitation, Housing and Urban Development	409.25	1471.89	1881.14
337.18	Grants for Central Plan and Centrally Sponsored Plan Schemes	533.06		78.73	Information and Broadcasting	52.18	27.31	79.49
				2119.81	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	510.55	2065.59	2576.14
				806.91	Labour and Labour Welfare	428.95	473.58	902.53
				4528.58	Social Welfare and Nutrition	3013.14	2416.83	5429.97
				62.80	Others	103.24		103.24
				11098.42	Economic Services	7117.73	3537.62	10655.35
				4798.94	Agriculture and allied activities	4532.87	1555.26	6088.13
				2522.55	Rural Development	416.82	863.34	1280.16
				109.03	Special Area Programmes		166.76	166.76
				488.91	Irrigation and Flood control	481.64	26.54	508.18
				74.96	Energy	48.50	36.47	84.97
				345.46	Industry and Minerals	239.32	268.49	507.81
				2156.75	Transport	1086.52	198.54	1285.06
				136.65	Science, Technology and Environment	57.84	93.59	151.43
				465.17	General Economic Services	254.22	328.63	582.85
				3903.08	Grants-in-aid and Contributions	5480.91		5480.91
9656.81	II. Revenue Deficit carried over to Section B		15484.59		Revenue Surplus carried over to Section B			
78689.47	Total - Section A		91096.31	78689.47	Total - Section A	77603.96	13492.35	91096.31

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**Appendix ~~1~~ Part A – Contd.**

(₹ in crore)

Receipts				Disbursements					
2015-16			2016-17	2015-16	2016-17				
	<u>Section B: Others</u>					Non-Plan	Plan	Total	
1651.00	III. Opening Cash Balance including Permanent Advances, Cash Balance Investment and Investment of earmarked funds		3229.39	0.00	III. Opening Overdraft from Reserve Bank of India			Nil	0
28.08	IV. Miscellaneous Capital Receipts		30.24	7500.04	IV. Capital Outlay	1180.30	8945.65	10125.95	10125.95
				256.60	General Services	40.22	170.64	210.86	
				1035.03	Social Services	183.73	1108.95	1292.68	
				439.75	Education, Sports, Art and Culture	86.53	258.55	345.08	
				219.67	Health and Family Welfare	87.59	168.86	256.45	
				138.36	Water Supply, Sanitation, Housing and Urban Development	9.00	238.67	247.67	
				2.00	Information and publicity		4.06	4.06	
				57.01	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.36	189.65	190.01	
				21.95	Social Welfare and Nutrition	0.25	94.91	95.16	
				156.29	Other Social Services		154.25	154.25	
				6208.41	Economic Services	956.35	7666.06	8622.41	
				532.57	Agriculture and allied activities	153.59	497.92	651.51	
				442.40	Other rural development programmes	240.05	392.94	632.99	
				526.23	Irrigation and Flood Control	35.83	638.99	674.82	
				8.80	Power projects		0.82	0.82	
				334.94	Industry and Minerals		516.79	516.79	
				3326.97	Transport	507.45	3078.27	3585.72	
				0.75	Science, Technology and Environment		0.30	0.30	
				1035.75	General Economic Services	19.43	2540.03	2559.46	

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**Appendix Part A – Concl.**

(₹ in crore)

Receipts				Disbursements			
2015-16			2016-17	2015-16		2016-17	
152.63	V. Recoveries of Loans and Advances		292.24	842.25	V. Loans and Advances Disbursed		1160.29
0.00	From Power Projects			0.00	For Power Projects	17.99	
101.10	From Government Servants	119.08		205.13	To Government Servants	439.15	
51.53	From Others	173.16		637.12	To Others	703.15	
	VI. Revenue Surplus brought down			9656.81	VI. Revenue Deficit brought down		15484.59
19658.74	VII. Public Debt Receipts		23857.89	6060.73	VII. Repayment of Public Debt		7706.01
17141.58	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	20074.62		3713.22	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	4302.16	
1985.82	Net transactions under Ways and Means Advances excluding overdraft	2931.13		1985.82	Net transactions under Ways and Means advances excluding overdraft	2931.13	
531.34	Loans and Advances from Central Government	852.14		361.69	Repayment of Loans and Advances to Central Government	472.72	
	VIII. Appropriation from the Consolidated Fund				VIII. Appropriation to Contingency Fund		
	IX. Amount transferred to Contingency Fund				IX. Expenditure from Contingency Fund		
168623.44	X. Public Account Receipts		190627.84	162824.67	X. Public Account Disbursements		179910.43
50247.43	Small Savings, Provident Funds, etc.	61707.78		41915.36	Small Savings, Provident Funds, etc.	48776.12	
322.75	Reserve Funds	329.28		257.85	Reserve Funds	167.07	
4546.57	Deposits and Advances	3286.70		7826.86	Deposits and Advances	3181.05	
103331.39	Suspense and Miscellaneous	121716.74		102557.11	Suspense and Miscellaneous	123885.84	
10175.30	Remittances	3587.34		10267.49	Remittances	3900.35	
	XI. Closing Overdraft from Reserve Bank of India			3229.39	XI. Cash Balance at end		3650.33
				5.43	Cash in Treasuries	37.23	
				1.07	Local Remittances	6.80	
				-45.88	Deposits with Reserve Bank	(-) 91.73	
				1.65	Departmental cash balance including Permanent Advance	1.59	
				1636.75	Cash Balance Investment	1944.50	
				1630.37	Investment from earmarked funds	1751.94	
190113.89	Total – Section B		218037.60	190113.89	Total – Section B		218037.60

Appendix III (A)

Part B : Summarised financial position of the Government of Kerala  
as on 31 March 2017

(Reference: Paragraphs 1.1.1; Page 2 and 1.9.1; Page 28)

(₹ in crore)

As on 31 March 2016	Liabilities		As on 31 March 2017
<b>102496.26</b>	<b>Internal Debt</b>		<b>118268.72</b>
84845.72	Market Loans bearing interest	99531.69	
0.05	Market Loans not bearing interest	0.05	
1954.03	Loans from Life Insurance Corporation of India	1682.04	
231.80	Loans from General Insurance Corporation of India	210.80	
2484.53	Loans from National Bank for Agriculture and Rural Development	2883.94	
300.65	Loans from National Co-operative Development Corporation	295.37	
142.66	Loans from other institutions	156.02	
12536.82	Special securities issued to National Small Savings Fund of the Central Government	13508.81	
	Ways and Means Advances from Reserve Bank of India excluding Overdrafts		
	Overdrafts from Reserve Bank of India		
<b>7234.71</b>	<b>Loans and Advances from Central Government</b>		<b>7614.13</b>
1.16	Pre 1984-85 Loans	1.16	
20.07	Non-Plan Loans	18.12	
7213.48	Loans for State Plan Schemes	7594.85	
(*)	Loans for Central Plan Schemes		
-	Loans for Centrally Sponsored Plan Schemes		
<b>100.00</b>	<b>Contingency Fund(Net)</b>		<b>100.00</b>
<b>47639.36</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>60571.02</b>
<b>2786.66</b>	<b>Deposits</b>		<b>2892.34</b>
<b>2012.06</b>	<b>Reserve Funds</b>		<b>2174.28</b>
<b>1861.64</b>	<b>Suspense and Miscellaneous</b>		<b>-307.46</b>
<b>164130.69</b>	<b>Total</b>		<b>191313.03</b>

(\*) ₹ 7,000 only.



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Appendix ~~III~~ - Part B Concl'd.

(₹ in crore)

As on 31 March 2016	Assets		As on 31 March 2017
<b>45556.11<sup>31</sup></b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>55651.82</b>
6493.17 <sup>31</sup>	Investments in shares of Companies, Corporations, etc.	7240.03	
39062.94 <sup>31</sup>	Other Capital Outlay	48411.79	
<b>13009.89</b>	<b>Loans and Advances -</b>		<b>13877.94</b>
2661.64	Loans for Power Projects	2679.64	
9618.92	Other Development Loans	10146.52	
729.33	Loans to Government servants and Miscellaneous loans	1051.78	
<b>0.39</b>	<b>Advances</b>		<b>0.43</b>
	<b>Suspense and Miscellaneous Balances</b>		
<b>668.64</b>	<b>Remittance Balances</b>		<b>981.64</b>
<b>164.80</b>	<b>Adjustment on account of retirement/disinvestment</b>		<b>195.04</b>
<b>3229.39</b>	<b>Cash -</b>		<b>3650.34</b>
6.50	Cash in Treasuries and Local Remittances	44.04	
-45.88	Deposits with Reserve Bank	-91.73	
1.27	Departmental Cash Balance	1.18	
0.38	Permanent Advances	0.41	
1636.75	Cash Balance Investments	1944.5	
1630.37	Reserve Fund Investments	1751.94	
<b>101501.47<sup>32</sup></b>	<b>Deficit on Government Account -</b>		<b>116955.82</b>
91990.24	Accumulated deficit at the beginning of the year	101501.47	
9656.81	<b>Add:</b> (i) Revenue Deficit of the current year	15484.58	
-117.50	(ii) Miscellaneous Government account	0.01	
28.08	<b>Less:</b> Miscellaneous Capital Receipts	30.24	
<b>164130.69</b>	<b>Total</b>		<b>191313.03</b>

**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 ₹102.04 crore (debit) between the figures reflected in the accounts (credit item ₹91.73 crore) and that communicated by the Reserve Bank of India (credit item ₹10.31 crore). The net debit of ₹102.04 crore is under reconciliation.

<sup>31</sup> Balance as on 31 March 2016 differs from those shown in the previous year's account due to pro forma adjustment vide foot notes (b), (c) and (d) of Statement No.1 of Finance Accounts.

<sup>32</sup> Balance as on 31 March 2016 differs from those shown in the previous year's accounts due to reclassification of initial expenditure towards registration charges met from revenue expenditure as equity vide foot note (J) of Statement No.16 of Finance Accounts 2016-17.

**Appendix 11(5)**  
**Time series data on the State Government finances**  
(Reference: Paragraph 1.3; Page 9 and Paragraph 1.9.2; Page 29)

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Part A: Receipts</b>					
<b>1. Revenue Receipts</b>	<b>44137</b>	<b>49177</b>	<b>57950</b>	<b>69033</b>	<b>75612</b>
<b>(i) Tax Revenue</b>	<b>30077 (68)</b>	<b>31995 (65)</b>	<b>35232 (61)</b>	<b>38995 (57)</b>	<b>42177 (56)</b>
Taxes on Agricultural Income	19 <sup>33</sup>	22 <sup>33</sup>	9 <sup>33</sup>	2 <sup>33</sup>	2 <sup>33</sup>
Taxes on Sales, Trade, etc.	22511 (75)	24885 (78)	27908 (79)	30737 (79)	33453 (79)
State Excise	2314 (8)	1942 (6)	1777 (5)	1964 (5)	2019 (5)
Taxes on Vehicles	1925 (6)	2161 (7)	2365 (7)	2814 (7)	3107 (7)
Stamps and Registration fees	2938 (10)	2593 (8)	2659 (8)	2878 (7)	3007 (7)
Land Revenue	122 <sup>33</sup>	89 <sup>33</sup>	139 <sup>33</sup>	182 <sup>33</sup>	124 <sup>33</sup>
Other Taxes	248 (1)	303 (1)	375 (1)	418 (1)	465 (1)
<b>(ii) Non Tax Revenue</b>	<b>4198 (10)</b>	<b>5575 (11)</b>	<b>7284 (12)</b>	<b>8426 (12)</b>	<b>9700 (13)</b>
<b>(iii) State's share in Union taxes and duties</b>	<b>6841 (15)</b>	<b>7469 (15)</b>	<b>7926 (14)</b>	<b>12691 (18)</b>	<b>15225 (20)</b>
<b>(iv) Grants in aid from Government of India</b>	<b>3021 (7)</b>	<b>4138 (9)</b>	<b>7508 (13)</b>	<b>8921 (13)</b>	<b>8510 (11)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>15</b>	<b>19</b>	<b>28</b>	<b>28</b>	<b>30</b>
<b>3. Recovery of Loans and Advances</b>	<b>74</b>	<b>104</b>	<b>124</b>	<b>153</b>	<b>292</b>
<b>4. Total revenue and Non debt capital receipts (1+2+3)</b>	<b>44226</b>	<b>49300</b>	<b>58102</b>	<b>69214</b>	<b>75934</b>
<b>5. Public Debt Receipts</b>	<b>13261</b>	<b>14461</b>	<b>18509</b>	<b>19658</b>	<b>23858</b>
Internal Debt (excluding Ways & Means Advances and Overdraft)	12709 (96)	13950 (96)	15106 (82)	17141 (87)	20075 (84)
Net transactions under Ways and Means Advances excluding Overdraft	...	119 (1)	2651 (14)	1986 (10)	2931 (12)
Loans and advances from Government of India	552 (4)	392 (3)	752 (4)	531 (3)	852 (4)
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>57487</b>	<b>63761</b>	<b>76611</b>	<b>88872</b>	<b>99792</b>
<b>7. Contingency Fund Receipts</b>	<b>21</b>		<b>67</b>	<b>..</b>	<b>..</b>
<b>8. Public Account receipts</b>	<b>105880</b>	<b>124374</b>	<b>141522</b>	<b>168623</b>	<b>190628</b>
<b>9. Total receipts of State (6+7+8)</b>	<b>163388</b>	<b>188135</b>	<b>218200</b>	<b>257495</b>	<b>290420</b>
<b>Part B: Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>53489 (90)</b>	<b>60486 (91)</b>	<b>71746 (93)</b>	<b>78690 (90)</b>	<b>91096 (89)</b>
Plan	6849 (13)	7074 (12)	10282 (14)	12079 (15)	13492 (15)
Non-Plan	46640 (87)	53412 (88)	61464 (86)	66611 (85)	77604 (85)
General Services (incl. Interest payment)	22787 (43)	26605 (44)	31433 (44)	36085 (46)	41195 (45)
Social Services	18878 (35)	20980 (35)	23718 (33)	27603 (35)	33765 (37)
Economic Services	7808 (15)	7929 (13)	10197 (14)	11099 (14)	10655 (12)
Grants-in-aid and Contributions	4016 (7)	4972 (8)	6398 (9)	3903 (5)	5481 (6)
<b>11. Capital Expenditure</b>	<b>4603 (8)</b>	<b>4294 (7)</b>	<b>4255 (6)</b>	<b>7500 (9)</b>	<b>10126 (10)</b>
Plan	3466 (75)	3497 (81)	3881 (9)	6518 (87)	8946 (88)
Non-Plan	1137 (25)	797 (19)	374 (91)	982 (13)	1180 (12)
General Services	147 (3)	148 (3)	135 (3)	257 (3)	211 (2)
Social Services	562 (12)	617 (15)	875 (21)	1035 (14)	1293 (13)
Economic Services	3894 (85)	3529 (82)	3245 (76)	6208 (83)	8622 (85)
<b>12. Disbursement of Loans and Advances</b>	<b>1136 (2)</b>	<b>1464 (2)</b>	<b>743 (1)</b>	<b>842 (1)</b>	<b>1160 (1)</b>
<b>13. Total (10+11+12)</b>	<b>59228</b>	<b>66244</b>	<b>76744</b>	<b>87032</b>	<b>102382</b>

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

<sup>33</sup> Insignificant



III (S)  
Appendix ~~III~~ Contd.

		(₹ in crore)				
		2012-13	2013-14	2014-15	2015-16	2016-17
<b>Part B: Expenditure/Disbursement</b>						
14.	<b>Repayment of Public Debt</b>	<b>2804</b>	<b>3245</b>	<b>5843</b>	<b>6061</b>	<b>7706</b>
	Internal Debt (excluding Ways and Means Advances and Overdrafts)	2478	2774	2842	3713	4302
	Net transactions under Ways and Means Advances excluding Overdrafts	...	119	2651	1986	2931
	Loans and Advances from Government of India	326	352	350	362	473
15.	<b>Appropriation to Contingency Fund</b>	...	...	...	...	...
16.	<b>Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>62032</b>	<b>69489</b>	<b>82587</b>	<b>93093</b>	<b>110088</b>
17.	<b>Contingency Fund disbursements</b>	...	67	...	...	...
18.	<b>Public Account disbursements</b>	<b>100456</b>	<b>120992</b>	<b>136243</b>	<b>162825</b>	<b>179910</b>
19.	<b>Total disbursement by the State (16+17+18)</b>	<b>162488</b>	<b>190548</b>	<b>218830</b>	<b>255918</b>	<b>289998</b>
<b>Part C: Deficits</b>						
20.	<b>Revenue Deficit (1-10)</b>	<b>9352</b>	<b>11309</b>	<b>13796</b>	<b>9657</b>	<b>15484</b>
21.	<b>Fiscal Deficit (4-13)</b>	<b>15002</b>	<b>16944</b>	<b>18642</b>	<b>17818</b>	<b>26448</b>
22.	<b>Primary Deficit (21-23)</b>	<b>7797</b>	<b>8679</b>	<b>8872</b>	<b>6707</b>	<b>14331</b>
<b>Part D: Other Data</b>						
23.	Interest Payments (included in revenue expenditure)	7205	8265	9770	11111	12117
24.	Financial Assistance to local bodies, etc.	13716	16138	19944	20101	23890
25.	Ways & Means Advances/Overdrafts availed (days)	Nil	1	30	23	25
	Ways and Means Advances availed (days)	Nil	1	23	23	25
	Overdraft availed (days)	Nil	Nil	7	Nil	Nil
26.	Interest on WMA/Overdraft	Nil	0.02	2	1.37	2.12
27.	Gross State Domestic Product (GSDP) at current prices <sup>34</sup>	412313	465041	526002	588337	655205
28.	Outstanding Fiscal Liabilities (year-end)	108477	124081	141947	160539	189769
29.	Outstanding guarantees (year-end)	9099	9763	11127	12439	16246
30.	Maximum amount guaranteed (during the year)	11482	12275	13123	13713	20204
31.	Number of incomplete projects/works	215	228	229	263	226
32.	Capital blocked in incomplete projects/works <sup>35</sup>	539	759	959	1198	974

<sup>34</sup> GSDP figures are communicated by the Director of Economics and Statistics Department, Government of Kerala. The figures for 2014-15 are provisional and that for 2015-16 are Quick Estimates.

<sup>35</sup> Represents progressive amount blocked in incomplete projects/works at the end of the year based on figures collected from departmental heads.

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Appendix - Concl'd.

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Part E: Fiscal Health Indicators</b>					
<b>I Resource Mobilisation</b>					
Own Tax revenue/GSDP	7.3	6.9	6.7	6.6	6.4
Own non-tax revenue/GSDP	1.0	1.2	1.4	1.4	1.5
Central Transfers/GSDP	2.4	2.5	2.9	3.7	3.7
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	14.4	14.2	14.6	14.8	15.6
Total Expenditure/Revenue Receipts	134.2	134.7	132.4	126.1	135.4
Revenue Expenditure/Total Expenditure	90.3	91.3	93.5	90.4	89.0
Revenue Expenditure on Social Services/Total Expenditure	31.9	31.7	30.9	31.7	33.0
Revenue Expenditure on Economic Services/Total Expenditure	13.2	12.0	13.3	12.8	10.4
Capital Expenditure/Total Expenditure	7.8	6.5	5.5	8.6	9.9
Capital Expenditure on Social and Economic Services/Total Expenditure	7.5	6.3	5.4	8.3	9.7
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit/GSDP	(-)2.3	(-)2.4	(-)2.6	(-)1.6	(-) 2.4
Fiscal deficit/GSDP	(-)3.6	(-)3.6	(-)3.5	(-)3.0	(-) 4.0
Primary Deficit /GSDP	(-)1.9	(-)1.9	(-)1.7	(-)1.1	(-) 2.2
Revenue Deficit/Fiscal Deficit	62.3	66.7	74.0	54.2	58.5
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	26.3	26.8	27.3	27.4	28.9
Fiscal Liabilities/Revenue Receipts	245.8	252.3	244.9	232.6	250.9
Primary deficit vis-à-vis quantum spread	(-)2023	(-)2496	(-)1675	(-)177	(-)7107
Debt Redemption (Principal +Interest)/ Total Debt Receipts (in per cent)	82.3	86.5	87.6	89.7	80.3
<b>V Other Fiscal Health Indicators</b>					
Return on Investment (per cent)	1.1	1.8	1.2	1.3	1.3
Balance from Current Revenue	(-)4867	(-)6694	(-)9038	(-)622	(-) 5252
Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.4

**Appendix III(6)**  
**Receipt and utilisation of GoI Flagship Programmes**  
 (Reference: Paragraph 1.2.2; Page 8)

(₹ in crore)

Sl. No.	Programme/ Scheme and implementing agency	Unutilised balance at the end of March 2016	Amount received during the year		Interest/ other receipts	Amount utilised during 2016-17	Unutilised balance at the end of March 2017
			From GoI	From the State			
1	Mahatma Gandhi National Rural Employment Guarantee Scheme – MGNREGS State Mission	90.79	1582.49	31.39	3.04	1673.51	34.20
2	Pradhan Mantri Gram Sadak Yojana – Kerala State Rural Roads Development Authority	0.05	175.95	129.72	1.08	250.84	55.96
3	Rural Housing – Indira Awas Yojana – Poverty Alleviation Unit (Commissioner for Rural Development)	96.05	91.13	60.75	173.74	184.70	236.97
4	Rashtriya Madhyamik Shiksha Abhiyan – Secondary Education Development Authority, Kerala	99.33	49.69	78.26	0.00	151.12	76.16
5	Ajeevika - State Poverty Eradication Mission (Kudumbashree)	5.39	11.63	14.82	0.40	24.28	7.96
6	National Horticulture Mission - Kerala State horticulture Mission	27.56	10	6.67	0.23	42.41	2.05
7	National Rural Drinking Water Programme – Kerala Water Authority	84.65	69.77	278.81	0.00	343.31	89.92
8	Sarva Shiksha Abhiyan – Primary Education Development Society of Kerala	121.78	113.17	143.01	3.95	321.41	60.50
9	Swarna Jayanthi Shahari Rozgar Yojana – State Poverty Eradication Mission (Kudumbashree)	32.41	0.00	1.67	20.45	47.95	6.58
10	National Rural Health Mission – State Health and Family Welfare Society	41.26	198.27	302.80	1.16	435.02	108.47
11	Rashtriya Swasthya Bima Yojana – Comprehensive Health Insurance Agency of Kerala	0.00	80.02	43.27	0.00	114.16	9.13
12	Integrated Watershed Management Programme – Poverty Alleviation Unit (Commissioner for Rural Development)	10.80	21.62	14.43	0.18	37.19	9.84
<b>Total</b>		<b>610.07</b>	<b>2403.74</b>	<b>1105.60</b>	<b>204.23</b>	<b>3625.90</b>	<b>697.74</b>

Appendix III (7)

**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.	2012-13	23450.52	22511.09	162.05	0.72	0.73
		2013-14	28456.62	24885.25	178.23	0.72	0.88
		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	Not available
2.	Stamps (non-judicial) and registration fees	2012-13	3775.71	2862.06	128.73	4.50	3.25
		2013-14	4086.44	2504.04	135.34	5.40	3.37
		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	Not available
3.	State excise	2012-13	2550.65	2313.95	146.81	6.34	2.96
		2013-14	2801.75	1941.72	164.32	8.46	1.81
		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	Not available
4.	Taxes on vehicles	2012-13	1694.49	1924.62	58.30	3.03	4.17
		2013-14	2570.65	2161.09	74.61	3.45	6.25
		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	Not available



**Appendix 111(8)**  
**Statement showing quarter-wise due dates and delays in making payment of interest on HUDCO loan**  
**(Reference: Paragraph 1.12.3.2; Page 41)**

Sl. No.	Due date of payment	Interest amount due (in ₹)	Interest paid (in ₹)	Compound and penal interest paid due to delayed payment (in ₹)	DD date/ date of transfer	Days of delay for which compound and penal interest claimed by HUDCO and paid in the next quarter (Actual delay in days)
1.	31.05.2015	7431507	7541918	110411	24.06.2015	24 (24)
2.	31.08.2015	11027397	10974402	-52995*	30.09.2015	31 (30)
3.	30.11.2015	10907534	11017201	109518	01.12.2015	4 (1)
4.	29.02.2016	10907534	10921720	14186	08.03.2016	10 (8)
5.	29.02.2016	4155411	4155411	0	23.03.2016	28 (23)
6.	31.05.2016	21646781	21719945	73164	03.06.2016	3 (3)
7.	31.08.2016	21646781	21667908	21127	26.09.2016	26 (26)
8.	30.11.2016	21411490	21594156	182666	07.12.2016	7 (7)
9.	28.02.2017	21176199	21225210	49011	23.02.2017	0
10.	31.05.2017	28166129	28166129	...	02.06.2017	not due for payment
<b>Total</b>				<b>507088</b>		<b>133 (122)</b>

\*Negative figure is due to adjustment of excess interest charged during last quarter i.e., on 31.5.2015.

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**Appendix III (9)**  
**Details showing savings in Grants/Appropriations during the year**  
**(Reference: Paragraph 2.2: Page 46)**

(₹ in crore)

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings
<b>Revenue –Voted</b>				
1	I State Legislature	92.33	90.47	1.86
2	II Heads of States, Ministers and Headquarters Staff	586.79	519.35	67.44
3	IV Elections	151.09	141.76	9.33
4	V Agricultural Income Tax and Sales Tax	323.10	304.89	18.21
5	VI Land Revenue	580.93	558.69	22.24
6	VIII Excise	269.99	253.71	16.28
7	IX Taxes on Vehicles	127.59	120.08	7.51
8	XII Police	3367.27	3186.84	180.43
9	XIII Jails	122.42	120.66	1.76
10	XIV Stationery and Printing and other Administrative Services	471.82	413.47	58.35
11	XV Public Works	2606.47	2166.25	440.22
12	XVI Pensions and Miscellaneous	23924.35	21476.84	2447.51
13	XVII Education, Sports, Art and Culture	17566.74	17229.01	337.73
14	XVIII Medical and Public Health	5286.12	5232.96	53.16
15	XXI Housing	104.59	88.12	16.47
16	XXII Urban Development	1497.61	866.41	631.20
17	XXIII Information and Publicity	100.56	79.54	21.02
18	XXIV Labour, Labour Welfare and Welfare of Non-Residents	987.29	905.98	81.31
19	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2910.71	2633.51	277.20
20	XXVI Relief on Account of Natural Calamities	441.14	347.13	94.01
21	XXVII Co-operation	444.00	435.38	8.62
22	XXVIII Miscellaneous Economic Services	160.35	155.82	4.53
23	XXIX Agriculture	3197.86	2889.11	308.75
24	XXX Food	1743.68	1586.77	156.91
25	XXXI Animal Husbandry	628.54	577.52	51.02
26	XXXII Dairy	173.57	156.29	17.28
27	XXXIII Fisheries	377.21	370.24	6.97
28	XXXIV Forest	565.40	541.66	23.74
29	XXXV Panchayat	590.02	532.54	57.48
30	XXXVI Rural Development	3081.16	811.06	2270.10
31	XXXVII Industries	539.97	515.78	24.19
32	XXXVIII Irrigation	423.72	363.46	60.26



## Appendix III(9) - contd.

Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings.
33	XXXIX Power	162.96	85.07	77.89
34	XL Ports	56.39	48.39	8.00
35	XLI Transport	64.65	53.88	10.77
36	XLII Tourism	190.80	170.73	20.07
37	XLIII Compensation and Assignments	7379.07	5497.60	1881.47
38	XLVI Social Security and Welfare	6401.26	5264.59	1136.67
<b>Total</b>		<b>87699.52</b>	<b>76791.56</b>	<b>10907.96</b>
<b>Capital-Voted</b>				
1	XII Police	73.11	23.74	49.37
2	XIV Stationery and Printing and Other Administrative Services	2.00	1.03	0.97
3	XVII Education, Sports, Art and Culture	434.79	345.38	89.41
4	XVIII Medical and Public Health	361.94	256.44	105.50
5	XX Water Supply and Sanitation	564.46	265.08	299.38
6	XXI Housing	48.30	19.08	29.22
7	XXII Urban Development	80.49	18.62	61.87
8	XXIII Information and Publicity	8.50	4.06	4.44
9	XXIV Labour, Labour Welfare and Welfare of Non-Residents	157.73	154.25	3.48
10	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	259.03	191.34	67.69
11	XXVII Co-operation	76.87	73.93	2.94
12	XXVIII Miscellaneous Economic Services	3336.82	2384.07	952.75
13	XXIX Agriculture	699.09	418.68	280.41
14	XXXI Animal Husbandry	63.30	19.25	44.05
15	XXXII Dairy	(*)	(*)	(*)
16	XXXIII Fisheries	362.33	339.78	22.55
17	XXXIV Forest	110.03	95.89	14.14
18	XXXV Panchayat	664.17	615.82	48.35
19	XXXVI Rural Development	1.58	0.00	1.58
20	XXXVII Industries	1028.15	791.97	236.18
21	XXXVIII Irrigation	458.42	383.50	74.92
22	XXXIX Power	96.20	18.81	77.39
23	XL Ports	117.91	99.31	18.60
24	XLI Transport	1149.05	969.70	179.35
25	XLII Tourism	215.93	175.43	40.50
26	XLV Miscellaneous Loans and Advances	449.31	442.05	7.26
27	XLVI Social Security and Welfare	134.46	95.15	39.31
<b>Total</b>		<b>10953.97</b>	<b>8202.36</b>	<b>2751.61</b>

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Sl. No.	Grant Number and Name	Total Grant/ Appropriation	Expenditure	Savings
<b>Revenue-Charged</b>				
1	I State Legislature	0.71	0.40	0.31
2	II Heads of States, Ministers and Head Quarters Staff	191.69	171.84	19.85
3	III Administration of Justice	107.32	104.99	2.33
4	V Agricultural Income Tax and Sales Tax	0.80	0.52	0.28
5	VI Land Revenue	0.02	0.00	0.02
6	VII Stamps and Registration	0.01	0.00	0.01
7	VIII Excise	0.33	0.33	0.00
8	IX Taxes on Vehicles	(*)	(*)	(*)
9	XI District Administration and Miscellaneous	1.07	1.05	0.02
10	XII Police	6.19	4.58	1.61
11	XIV Stationery and Printing and other Administrative Services	(*)	(*)	(*)
12	XV Public Works	3.71	1.27	2.44
13	XVI Pensions and Miscellaneous	59.18	59.06	0.12
14	XVII Education, Sports, Art and Culture	0.20	(*)	0.20
15	XVIII Medical and Public Health	0.16	0.06	0.10
16	XIX Family Welfare	0.01	0.01	(*)
17	XXI Housing	0.01	0.01	(*)
18	XXVIII Miscellaneous Economic Services	(*)	(*)	(*)
19	XXIX Agriculture	0.10	0.03	0.07
20	XXXIII Fisheries	0.05	0.05	(*)
21	XXXIV Forest	0.05	0.00	0.05
22	XXXVI Rural Development	(*)	(*)	(*)
23	XXXVII Industries	(*)	(*)	(*)
24	XXXVIII Irrigation	0.16	0.11	0.05
25	XLI Transport	85.35	0.16	85.19
26	Debt Charges	12634.33	12116.82	517.51
<b>Total</b>		<b>13091.45</b>	<b>12461.29</b>	<b>630.16</b>
<b>Capital-Charged</b>				
1	XV Public Works	48.59	45.66	2.93
2	XVIII Medical and Public Health	0.03	0.02	0.01
3	XXXIII Fisheries	0.02	0.01	0.01
4	XXXVIII Irrigation	9.59	8.46	1.13
5	XLI Transport	50.00	11.12	38.88
6	Public Debt Repayment	13974.78	7706.01	6268.77
<b>Total</b>		<b>14083.01</b>	<b>7771.28</b>	<b>6311.73</b>
<b>Grand Total</b>		<b>125827.95</b>	<b>105226.49</b>	<b>20601.46</b>

(\*) insignificant/token provision

## Appendix III(10)

Details of Grant-wise Plan/Non-plan savings (exceeding ₹100 crore) during the year  
(Reference: Paragraph 2.2: Page 47)

(₹ in crore)							
Sl. No.	Grant Number	Original Budget	Supplementary	Total Budget	Final Expenditure	Savings	% of Saving
<b>Revenue Voted (Plan)</b>							
1.	XVII	2268.31	515.61	2783.92	1974.52	809.40	29
2.	XVIII	1053.14	173.05	1226.19	1067.64	158.56	13
3.	XXII	1276.00	178.00	1454.00	826.94	627.06	43
4.	XXV	2490.21	0.50	2490.71	2067.14	423.57	17
5.	XXIX	1159.41	182.56	1341.97	1087.40	254.57	19
6.	XXXVI	2806.82	50.00	2856.82	607.88	2248.94	79
7.	XLVI	1063.71	1517.32	2581.03	2416.90	164.12	6
<b>Total</b>		<b>12117.60</b>	<b>2617.04</b>	<b>14734.64</b>	<b>10048.42</b>	<b>4686.22</b>	<b>32</b>
<b>Revenue Voted (Non-Plan)</b>							
1.	XII	3275.34	19.79	3295.13	3113.20	181.93	5
2.	XV	2436.47	0.00	2436.47	1971.97	464.50	19
3.	XVI	23066.73	857.61	23924.34	21476.84	2447.50	10
4.	XXX	1635.88	89.11	1724.99	1577.07	147.92	9
5.	XLIII	7379.07	0.00	7379.07	5497.60	1881.47	25
6.	XLVI	3321.33	498.90	3820.23	2847.68	972.55	25
		<b>41114.82</b>	<b>1465.41</b>	<b>42580.23</b>	<b>36484.36</b>	<b>6095.87</b>	<b>14</b>
<b>Capital-Plan (Voted)</b>							
1.	XVIII	276.92	0.00	276.92	168.85	108.07	39
2.	XX	544.46	0.00	544.46	204.91	339.55	62
3.	XXVIII	2540.57	729.53	3270.10	2364.85	905.25	28
4.	XXIX	360.02	306.48	666.50	396.85	269.65	40
5.	XXXVII	517.10	146.64	663.74	521.17	142.57	21
6.	XLI	227.75	671.10	898.85	649.89	248.96	28
		<b>4466.82</b>	<b>1853.75</b>	<b>6320.57</b>	<b>4306.52</b>	<b>2014.05</b>	<b>32</b>
<b>Capital-Non-Plan (Voted)</b>							
1.	XV	1008.18	150.00	1158.18	486.75	671.43	58
<b>Grand Total</b>		<b>58707.42</b>	<b>6086.20</b>	<b>64793.62</b>	<b>51326.05</b>	<b>13467.57</b>	<b>21</b>



Appendix 10 (1)

Schemes with more than ₹10 crore savings in Grants/Appropriations having substantial savings

(Reference: Paragraph 2.3.1: Page 48)

(₹ in crore)					
Sl. No.	Grant No.	Name of the Scheme	Funds allocated	Expenditure	Savings
1.	XXII	2217-05-191-36-Trivandrum Development Authority-(V-P)	30.00	3.00	27.00
2.		2217-05-191-71-Swachh Bharat Mission (Urban) (40% State Share)-(V-P)	37.50	11.27	26.23
3.		2217-05-191-74-Pradhan Mantri Awas Yojana (40% State Share)-(V-P)	150.00	32.28	117.72
4.		2217-05-191-75-Rajiv Awas Yojana (RAY) (50% State Share)-(V-P)	24.00	0.87	23.13
5.		2217-05-191-77-National Urban Livelihood Mission (NULM) (40% State Share)-(V-P)	14.80	0.67	14.13
6.		2217-05-192-70-Swachh Bharat Mission (URBAN) (40% State Share)-(V-P)	87.50	26.31	61.19
7.		2217-05-192-71-Atal Mission for Rejuvenation and Urban Transformation (AMRUT) (40% State Share)-(V-P)	75.00	64.74	10.26
8.		2217-05-192-72-Pradhan Mantri Awas Yojana (PMAY) (40% State Share)-(V-P)	100.00	36.30	63.70
9.		2217-05-192-73-Integrated Housing and Slum Development Programme (HSDP) (50% State Share)-(V-P)	12.00	0.00	12.00
10.		2217-05-192-74-National Urban livelihood Mission (NULM) (40% State Share)-(V-P)	22.20	1.01	21.19
11.		2217-05-800-89-Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance)-(V-P)	200.00	54.63	145.37
12.		2217-80-800-71-Solid Waste Management Scheme for Urban Areas-(V-P)	28.09	5.80	22.29
13.		2217-80-800-91-Kerala Sustainable Urban Development Project-(V-P)	61.21	10.00	51.21
14.	XXXVI	2501-01-197-48-Block Grants for CSS-(V-P)	276.04	137.59	138.45
15.		2501-06-197-48-Block Grants for CSS-(V-P)	100.00	29.86	70.14
16.		2505-02-101-99-Mahatma Gandhi National Rural Employment Guarantee Programme(V-P)	2237.70	227.77	2009.93
17.		2515-00-001-49-Recurring expenditure on personnel retained on N.E.S pattern-(V-NP)	177.19	166.09	11.10
18.		2515-00-102-37-Pradhan Mantri Krishi Sinchai Yojana (PMKSY)-(V-P)	56.45	28.61	27.85
19.	XLIII	3604-00-200-86-Funds for Development Expenditure - 5th SFC Recommendations-(V-NP)	3844.85	2864.32	980.53
20.		3604-00-200-87-Funds for Maintenance Expenditure (Non - Road Assets) - 5th SFC Recommendations-(V-NP)	645.93	422.26	223.67
21.		3604-00-200-89-Performance Grant under Kerala Local Government and Service Delivery Project (KLGSDP) - World Bank Aided-(V-NP)	345.00	197.85	147.15

III(II)  
Appendix III - conclud.

Sl. No.	Grant No.	Name of the Scheme	(₹ in crore)		
			Funds allocated	Expenditure	Savings
22.	XLIII	3604-00-200-90-Expansion and Development under XIV Finance Commission Recommendations-(V-NP)	1310.05	782.59	527.46
23.	XVIII	4210-02-800-95-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(V-NP)	83.24	32.99	50.24
24.		4210-03-105-57-Establishment of new Medical College at Wayanad (V-P)	22.00	0.00	22.00
25.	XX	4215-01-101-97-Rehabilitation/Improvement works of Urban Water Supply Scheme-(V-P)	60.00	32.50	27.50
26.		4215-01-102-96-Ensuring Accessibility to drinking water in Identified Panchayats-(V-P)	11.00	0.00	11.00
27.		4215-01-102-97-Rural Water Supply schemes-(V-P)	87.35	15.00	72.35
28.		4215-01-190-96-Kerala Water Supply Project, JICA-One time sustenance support under the state plan(V-P)	98.83	0.00	98.83
29.		4215-01-190-97-Optimisation of production and transmission-(V-P)	105.36	45.00	60.36
30.		4215-01-800-93-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(V-NP)	20.00	9.00	11.00
31.	XXVIII	5475-00-800-91-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(V-NP)	60.46	19.22	41.25
32.		5475-00-800-92-Major Infrastructural Development Projects-(V-P)	2536.07	1624.57	911.50
33.	XXIX	4551-01-800-98-Hill Area Development Agency (RIDF)-(V-P)	60.00	17.42	42.58
34.		4702-00-101-68-Pradhan Manthri Krishi Sinchayee Yojana (60% CSS)-(V-P)	60.00	0.00	60.00
35.		4702-00-101-69-Minor Irrigation Projects in Cauvery Basin (NABARD Assistance)-(V-P)	60.00	0.00	60.00
36.		4702-00-101-77-Minor Irrigation Projects in Cauvery Basin-(V-P)	22.00	0.28	21.72
37.		4702-00-101-93-Minor Irrigation Class I Works-NABARD Assisted Scheme-(V-P)	224.24	190.21	34.03
38.		4702-00-102-96-Meenachil Check Dams-(V-P)	15.00	0.00	15.00
39.	Public Debt Repayment	6003-00-108-99-Loans from the National Co-Operative Development Corporation-(C-NP)	100.00	53.07	46.93
40.		6003-00-110-96-Overdrafts-(C-NP)	1739.51	0.00	1739.51
41.		6003-00-110-97-Short Fall in Cash Balances- (C-NP)	25.00	0.00	25.00
42.		6003-00-110-98-Special Ways and Means advances-(C-NP)	2000.00	320.64	1679.36
43.		6003-00-110-99-Ways and Means Advances-(C-NP)	5500.00	2610.49	2889.51

**Appendix III (12)**  
**Statement of persistent savings for the last three years**  
**(Reference: Paragraph 2.3.2, Page 49)**

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
<b>Revenue-Voted.</b>					
<b>Grant No. XII</b>					
1.	2055-00-101-96-Agency Charges for Immigration Wing of Airports and Seaports(NP)	2015-16	2.50	1.13	1.37
		2016-17	2.37	0.34	2.04
2.	2055-00-115-99-Modernisation of Police Force-(NP)	2014-15	32.64	14.46	18.18
		2016-17	27.08	9.69	17.39
<b>Grant No. XV</b>					
3.	2059-60-051-83-Kerala House, New Delhi-(NP)	2014-15	3.27	1.52	1.75
		2015-16	5.50	0.01	5.49
		2016-17	2.96	0.00	2.96
4.	2059-60-053-98-Electrical Maintenance-(NP)	2014-15	4.75	2.97	1.78
		2015-16	6.45	4.52	1.93
		2016-17	6.45	3.31	3.14
5.	3054-80-004-96-Feasibility Study for New Schemes/Project-(P)	2014-15	4.53	0.61	3.92
		2015-16	3.98	2.49	1.49
		2016-17	6.00	1.57	4.43
6.	3054-80-800-92-Kerala Road Fund-(NP)	2014-15	38.39	0.00	38.39
		2016-17	197.29	105.00	92.29
<b>Grant No. XVI</b>					
7.	2075-00-800-72-Spill Over Schemes-(NP)	2015-16	801.30	0.00	801.30
		2016-17	2216.14	0.00	2216.14
<b>Grant No. XVII</b>					
8.	2202-02-109-75-Infrastructure Development of Government Higher Secondary Schools-(P)	2014-15	11.00	5.86	5.14
		2015-16	11.00	6.65	4.35
		2016-17	14.00	7.17	6.83
9.	2202-02-196-50-Block Grant for Revenue Expenditure-(NP)	2014-15	2.72	1.39	1.33
		2015-16	2.72	1.12	1.60
		2016-17	2.72	0.76	1.96
10.	2202-03-107-85-Post-Matric Scholarship for Minorities (100% CSS)-(P)	2014-15	32.00	0.24	31.76
		2015-16	19.50	0.00	19.50
		2016-17	5.00	0.00	5.00
11.	2202-80-800-51-IDMI (Infrastructure Development in Minority Institutions) (100%CSS)-(P)	2014-15	33.52	0.56	32.96
		2015-16	38.52	1.08	37.44
		2016-17	5.87	0.56	5.31
12.	2203-00-107-92-Merit-cum Means Scholarship for Minorities for Professional and Technical Courses(100%CSS)-(P)	2015-16	35.00	0.26	34.74
		2016-17	35.00	0.00	35.00
13.	2203-00-112-65-QIP Centres in three Colleges-(P)	2014-15	3.50	2.50	1.00
		2015-16	3.90	2.31	1.59
		2016-17	4.21	2.96	1.25
14.	2204-00-103-98-Youth Welfare Board-(P)	2014-15	18.64	13.00	5.64
		2015-16	18.64	13.40	5.24
		2016-17	18.65	8.61	10.04



III(12)  
Appendix ~~III~~ contd.

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
15.	2204-00-104-96-Development of Multipurpose Sports/Play Spaces-(P)	2014-15	3.00	0.00	3.00
		2015-16	3.00	0.58	2.42
		2016-17	3.00	1.78	1.22
16.	2204-00-104-45-Sports Infrastructure Facilities-(P)	2014-15	1.58	0.58	1.00
		2015-16	4.51	1.22	3.29
		2016-17	2.39	1.03	1.37
17.	2205-00-103-94-Museum Development and Display Techniques-(P)	2014-15	3.20	2.19	1.01
		2015-16	3.80	1.15	2.65
		2016-17	3.99	2.07	1.92
18.	3425-60-200-67-Special programmes of Kerala State Council for Science, Technology and Environment-(P)	2014-15	2.50	0.42	2.08
		2015-16	3.00	0.30	2.70
		2016-17	3.15	0.50	2.65
19.	3435-04-103-96-Kerala State Pollution Control Board-(P)	2014-15	8.00	2.96	5.04
		2015-16	9.00	6.30	2.70
		2016-17	9.50	5.72	3.78
Grant No. XXII					
20.	2217-05-800-89-Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance)-(P)	2014-15	535.13	85.59	449.54
		2015-16	458.95	114.53	344.42
		2016-17	200.00	54.63	145.37
21.	2217-80-001-97-Municipal Secretaries-(NP)	2014-15	5.67	3.08	2.59
		2015-16	6.94	3.47	3.47
		2016-17	9.79	3.65	6.14
22.	2217-80-800-91-Kerala Sustainable Urban Development Project-(P)	2014-15	123.60	50.00	73.60
		2015-16	140.00	62.99	77.01
		2016-17	61.21	10.00	51.21
23.	2217-80-800-71-Solid Waste Management Scheme for Urban Areas-(P)	2014-15	19.45	4.45	15.00
		2015-16	24.98	5.44	19.54
		2016-17	28.09	5.80	22.29
Grant No. XXXVI					
24.	2501-06-197-48-Block Grants for CSS-(P)	2014-15	71.70	44.25	27.45
		2015-16	120.00	14.82	105.18
		2016-17	100.00	29.86	70.14
25.	2505-02-101-99-Mahatma Gandhi National Rural Employment Guarantee Programme-(P)	2014-15	2371.60	1627.62	743.98
		2015-16	1640.00	1186.37	453.63
		2016-17	2237.70	227.77	2009.93
Grant No. XLVI					
26.	2235-02-102-93-C.H.Muhammed Koya Memorial State Institute for the Mentally Handicapped, Pangappara-(P)	2014-15	7.00	3.55	3.45
		2015-16	7.00	1.70	5.30
		2016-17	7.00	4.37	2.63
27.	2235-02-102-56-Development of Anganwadi centres as community resource centres for women and children - A life cycle approach-(P)	2014-15	2.00	0.99	1.01
		2015-16	2.20	0.45	1.75
		2016-17	3.00	0.86	2.14

III (2)  
Appendix 24-contd.

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
Capital – Voted					
Grant No. XX					
28.	4215-01-800-93-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(NP)	2014-15	29.00	8.95	20.05
		2015-16	40.00	6.00	34.00
		2016-17	20.00	9.00	11.00
Grant No. XXVIII					
29.	5475-00-800-92-Major Infrastructural Development Projects-(P)	2014-15	1225.00	53.85	1171.15
		2015-16	2000.00	873.86	1126.14
		2016-17	2536.07	1624.57	911.50
30.	5475-00-800-91-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)-(NP)	2014-15	182.80	0.00	182.80
		2015-16	49.12	1.20	47.92
		2016-17	60.46	19.22	41.25
Grant No. XXIX					
31.	4551-01-800-98-Hill Area Development Agency (RIDF)-(P)	2014-15	40.00	0.00	40.00
		2015-16	43.00	4.82	38.18
		2016-17	60.00	17.42	42.58
32.	4702-00-101-89-Malabar Irrigation Package (MIRPA) - Revamping and Rejuvenation of Lift Irrigation Schemes and Regulators-(NP)	2014-15	9.44	3.78	5.67
		2015-16	6.84	3.26	3.58
		2016-17	8.00	0.88	7.12
33.	4702-00-101-77-Minor Irrigation Projects in Cauvery Basin-(P)	2014-15	5.00	0.00	5.00
		2015-16	21.00	0.00	21.00
		2016-17	22.00	0.28	21.72
34.	4702-00-101-73-Rehabilitation of Lift Irrigation Schemes-(P)	2014-15	5.72	0.00	5.72
		2015-16	5.22	0.00	5.22
		2016-17	5.72	1.28	4.44
Grant No. XXXVII					
35.	4859-02-190-94-Kerala State Information Technology Infrastructure (KSITIL)-(P)	2014-15	16.00	0.00	16.00
		2015-16	36.00	21.00	15.00
		2016-17	17.63	3.00	14.63
36.	4885-01-190-99-The Kerala State Industrial Development Corporation-(P)	2014-15	40.04	0.00	40.04
		2015-16	62.49	24.09	38.40
37.	4885-60-800-96-Provision for Revival/Diversification of State Public Sector Undertakings Lumpsum Provision-(P)	2014-15	46.41	0.00	46.41
		2016-17	3.35	0.00	3.35
38.	6885-60-190-99-Loans to Kerala Industrial Infrastructure Development Corporation-(P)	2014-15	148.79	17.12	131.67
		2016-17	92.20	52.65	39.55
Grant No. XLII					
39.	5452-01-800-85-Upgradation of Roads to Tourist Destination-(NP)	2014-15	20.00	1.59	18.41
		2015-16	20.00	3.21	16.79
		2016-17	20.00	0.00	20.00

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Appendix ~~III~~ conclud.

(₹ in crore)

Sl. No.	Scheme/Activity	Year	Allocation	Expenditure	Savings
<b>Capital -Charged</b>					
<b>Public Debt Repayment</b>					
40.	6003-00-110-96-Overdrafts-(NP)	2014-15	1500.00	724.78	.775.22
		2015-16	1378.19	0.00	1378.19
		2016-17	1739.51	0.00	1739.51
41.	6003-00-110-98-Special Ways and Means advances-(NP)	2014-15	4000.00	502.23	3497.77
		2015-16	4000.00	705.44	3294.56
		2016-17	2000.00	320.64	1679.36
42.	6003-00-110-99-Ways and Means Advances-(NP)	2014-15	5500.00	1422.40	4077.60
		2015-16	5500.00	1280.38	4219.62
		2016-17	5500.00	2610.49	2889.51

Appendix <sup>III(13)</sup>  
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**Schemes showed excess expenditure under Grants which exceeded budget allocation**  
(Reference: Paragraph 2.3.3, Page 50)

(₹ in crore)

Sl. No.	Grant number and scheme		Budget allocation	Expenditure	Excess
1.	III	2014-00-108-99-Criminal Courts(NP)	92.19	96.65	4.47
2.		2014-00-800-86-Improvement of Justice Delivery - XIII Finance Commission Recommendation(NP)	14.31	15.66	1.35
3.	VII	2030-02-102-99-Expenses on Sales of Stamps(NP)	25.25	28.89	3.64
4.	X	2054-00-097-98-Sub Treasury Establishment(NP)	99.69	108.49	8.80
5.		2054-00-098-99-Local Fund Audit Department(NP)	65.74	71.18	5.44
6.	XI	2053-00-093-99-Collectors and Magistrates(NP)	127.52	129.55	2.04
7.		2053-00-094-99-Taluk offices(NP)	191.00	192.97	1.97
8.		2053-00-094-50-Disaster Management, Mitigation and Rehabilitation(P)	0.00	6.17	6.17
9.		2250-00-103-87-Malabar Devaswom Board(NP)	25.45	45.41	19.97
10.	XV	2059-01-053-99-Maintenance and Repairs of Office Buildings(NP)	21.15	23.10	1.95
11.		2059-01-053-96-Maintenance and Repairs (Civil and Electrical) of Secretariat(NP)	0.14	1.49	1.35
12.		2059-60-053-99-Maintenance and Repairs of other Buildings(NP)	36.17	39.84	3.67
13.		2059-60-053-97-Maintenance of other Government Buildings in Thiruvananthapuram City(NP)	12.84	13.96	1.12
14.		3054-04-198-39-One time assistance for maintenance of Rural Roads(NP)	0.00	1.00	1.00
15.		3054-80-192-38-Maintenance of Road Assets as per Fifth SFC Recommendation (NP)	56.84	74.23	17.39
16.		3054-80-196-38-Maintenance of Road Assets as per Fifth SFC recommendation (NP)	109.82	116.72	6.90
17.		3054-80-800-95-Road Safety Works(P)	11.40	20.84	9.44
18.		4059-01-051-91-Secretariat General Service(P)	15.58	17.29	1.71
19.		5054-04-101-99-Major District Roads - Bridges and Culverts(P)	185.95	193.61	7.66
20.		5054-80-001-99-Establishment Charges transferred on percentage basis from '3054-Roads and Bridges'(P)	265.79	332.57	66.78



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Appendix ~~III~~ Concl'd.

(₹ in crore)

Sl. No.	Grant number and scheme		Budget allocation	Expenditure	Excess
21.	XIX	2211-00-001-95-City and District Family Welfare Bureaus (Including Mobile IUCD Unit - CSS - 60:40)(P)	15.19	17.73	2.55
22.		2211-00-101-96-Rural Family Welfare Centres and Post Partum Centres (Block PHCs)(NP)	71.43	100.35	28.92
23.		2211-00-101-94-Expansion of ICDS Programme (CSS 60:40)(P)	10.83	12.24	1.41
24.		2211-00-200-96-Post Partum Centres MC Hospital, District Hospital and Other Major Hospitals(NP)	7.04	9.56	2.53
25.		2211-00-200-94-Post Partum Centre Sub/Division and Taluk Level Hospitals(NP)	25.30	30.83	5.53
26.	XX	2215-01-101-98-Special package for completing ongoing urban water supply schemes(P)	0.00	27.50	27.50
27.		2215-01-102-81-Rural Water Supply Scheme(P)	0.00	15.91	15.91
28.		2215-01-190-99-Grant-in-Aid to the Kerala Water Authority(NP)	257.72	271.68	13.96
29.		2215-01-190-94-Replacement of old and unusable pipes(P)	0.00	33.00	33.00
30.	XXX	4408-01-101-99-Grain Supply Scheme(NP)	56.97	60.70	3.72

Appendix II) (1A)

Schemes in which expenditure was incurred after budget was re-appropriated/surrendered  
(Reference: Paragraph 2.3.3, Page 50)

(₹ in crore)

Sl. No.	Grant number and scheme name	Budget allocation	Reappropriation	Surrender	Expenditure
1.	XI 2053-00-094-50-Disaster Management, Mitigation and Rehabilitation(P)	5.00	0.00	5.00	6.17
2.	3425-60-200-67-Special Programmes of Kerala State Council for Science, Technology and Environment(P)	3.15	0.00	3.15	0.50
3.	XVII 4202-02-104-93-Centrally Sponsored Schemes for Polytechnic Colleges - Construction of Women's Hostels(P)	10.00	0.00	10.00	0.40
4.	4202-04-190-99-Kerala State Film Development Corporation(P)	4.00	0.00	4.00	4.00
5.	4210-03-105-41-New Medical College at Pathanamthitta(P)	7.50	0.00	7.50	7.50
6.	4210-03-105-49- Medical College, GH Campus, Thiruvananthapuram (P)	21.00	0.00	21.00	21.00
7.	XVIII 4210-03-105-65-New Medical College at Kasaragode (NABARD-RIDE)(P)	7.50	-7.25	0.25	7.50
8.	4210-03-105-63-New Medical College at Malappuram (P)	21.00	-21.00	0.00	21.00
9.	4210-03-105-66-New Medical College at Idukki(P)	7.50	-7.50	0.00	7.50
10.	XXIV 2230-01-103-17-The Un-Organised Workers Social Security Scheme(P)	0.05	0.00	0.05	0.05
11.	2245-80-102-96-State Disaster Mitigation Fund(NP)	10.10	0.00	10.10	1.00
12.	XXVI 2245-80-102-97-Capacity Building Disaster Management Grant under XIII Finance Commission Recommendations(NP)	1.04	0.00	1.04	1.04
13.	XXVII 4425-00-108-29-Legislative Assembly Constituency-Asset Development Scheme (LAC ADS)(NP)	1.00	0.00	1.00	0.45
14.	XXIX 2551-60-101-98-Sabarimala Master Plan(P)	25.00	0.00	25.00	12.18
15.	XXXVIII 2700-16-101-99-Work Charged Establishment(NP)	0.65	0.00	0.65	0.12
16.	XXXIX 2810-00-800-99-Agency for Non-Conventional Energy and Rural Technology(ANERT) Grant-in-Aid(NP)	2.98	0.00	2.98	2.98
17.	XL 5051-02-200-71-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)(NP)	1.00	0.00	1.00	0.27



Appendix 221 (15)

**Excess over provision of previous years requiring regularisation**  
(Reference: Paragraph 2.3.4; Page 51)

(Reference: Paragraph 2.3.4, Page 31)

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 discussed by PAC. Appropriation Act not yet passed.
		Capital-XLII	9,58,81,595	Notes discussed by PAC. Appropriation Act not yet passed.
2012-13	5 Grants	Revenue-IX	80,65,569	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XVII	29,71,81,076	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XXXI	4,79,92,489	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue- XLII	3,92,53,979	Notes discussed by PAC. Appropriation Act not yet passed.
		Capital- XVII	1,18,49,442	Notes discussed by PAC. Appropriation Act not yet passed.
2013-14	6 Grants	Revenue-I	32,74,452	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-IV	2,10,27,603	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XIII	3,74,75,050	Notes discussed 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 discussed by PAC. Appropriation Act not yet passed.
		Capital-XXXII	19,774	Notes discussed by PAC. Appropriation Act not yet passed.
	4 Appropriations	Revenue-I	7,79,857	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-Debt Charges	1,09,10,96,321	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XV	27,21,676	Notes discussed by PAC. Appropriation Act not yet passed.
		Revenue-XVI	1,27,63,774	Notes discussed by PAC. Appropriation Act not yet passed.
2014-15	1 Appropriation	Revenue-Debt Charges	1,92,00,43,541	Notes discussed by PAC. Appropriation Act not yet passed.
2015-16	1 Grant	Capital XV	69,23,18,442	Initial notes not received. Not discussed by PAC.
	3 Appropriations	Revenue - Debt Charges	154,71,31,239	Final copies of notes received. Not discussed by PAC.
		Revenue XV	9,39,925	Initial notes not received. Not discussed by PAC.
		Revenue XVI	6,73,41,582	Initial notes not received. Not discussed by PAC.
Total			1048,38,62,445	

## Appendix III (16)

**Grants/Appropriations where supplementary provision (₹ one crore or more in each case) proved unnecessary**

(Reference: Paragraph 2.3.5, Page 51)

(₹ in crore)

Sl. No.	Grant Number and name	Budget allocation	Final Expenditure	Total SDG	SDG in March 2017
<b>Revenue - voted</b>					
1	I State Legislature	91.14	90.47	1.19	1.19
2	IX Taxes On Vehicles	120.09	120.08	7.50	7.50
3	XIV Stationery and Printing and Other Administrative Services	421.57	413.47	50.25	50.25
4	XXIII Information and Publicity	81.12	79.54	19.44	19.44
5	XXIX Agriculture	2957.68	2889.11	240.18	240.18
6	XXX Food	1654.57	1586.77	89.11	69.11
7	XXXII Dairy	163.47	156.29	10.10	10.10
<b>Total</b>		<b>5489.64</b>	<b>5335.73</b>	<b>417.77</b>	<b>397.77</b>
<b>Revenue - charged</b>					
8	II Heads of States, Ministers and Headquarters Staff	172.76	171.84	18.93	18.93
9	III Administration of Justice	105.84	104.99	1.47	1.47
<b>Total</b>		<b>278.60</b>	<b>276.83</b>	<b>20.40</b>	<b>20.40</b>
<b>Capital - voted</b>					
10	XVII Education, Sports, Art and Culture	364.26	345.38	70.53	65.88
11	XXVIII Miscellaneous Economic Services	2607.29	2384.07	729.53	729.53
<b>Total</b>		<b>2971.55</b>	<b>2729.45</b>	<b>800.06</b>	<b>795.41</b>
<b>Grand Total</b>		<b>8739.79</b>	<b>8342.01</b>	<b>1238.23</b>	<b>1213.58</b>

SDG-Supplementary Demands for Grants.

## Appendix III (17)

**Cases of excessive supplementary Grants/Appropriations  
(Savings of ₹ one crore and above)  
(Reference: Paragraph 2.3.5, Page 52)**

(₹ in crore)

Sl. No.	Grant number	Original Budget allocation	Final Expenditure	Funds required as SDG	SDG obtained	Excess SDG
<b>Revenue-Voted</b>						
1.	IV	136.53	141.76	5.23	14.56	9.33
2.	V	287.26	304.90	17.64	35.84	18.20
3.	XIII	117.01	120.66	3.65	5.41	1.76
4.	XVII	16986.91	17229.01	242.10	579.83	337.73
5.	XVIII	4935.42	5232.97	297.55	350.70	53.15
6.	XXIV	864.79	905.98	41.19	122.50	81.31
7.	XXVII	315.37	435.38	120.01	128.63	8.62
8.	XXVIII	155.12	155.83	0.71	5.24	4.53
9.	XXXIII	295.75	370.24	74.49	81.46	6.97
10.	XXXV	531.36	532.55	1.19	58.66	57.47
11.	XXXVII	456.75	515.78	59.03	83.23	24.20
12.	XLVI	4385.04	5264.59	879.55	2016.21	1136.66
<b>Total</b>		<b>29467.31</b>	<b>31209.65</b>	<b>1742.34</b>	<b>3482.27</b>	<b>1739.93</b>
<b>Revenue-charged</b>						
13.	V	0.36	0.52	0.16	0.43	0.27
<b>Capital-voted</b>						
14.	XXII	10.00	18.62	8.62	70.49	61.87
15.	XXIV	143.98	154.25	10.27	13.75	3.48
16.	XXV	169.47	191.34	21.87	89.55	67.68
17.	XXIX	372.85	418.68	45.83	326.23	280.40
18.	XXXIII	272.05	339.78	67.73	90.28	22.55
19.	XXXV	535.00	615.83	80.83	129.17	48.34
20.	XXXVII	695.10	791.97	96.87	333.05	236.18
21.	XXXVIII	331.09	383.50	52.41	127.33	74.92
22.	XLI	417.95	969.70	551.75	731.10	179.35
23.	XLV	221.67	442.05	220.38	227.64	7.26
24.	XLVI	59.12	95.15	36.03	75.34	39.31
<b>Total</b>		<b>3228.28</b>	<b>4420.87</b>	<b>1192.59</b>	<b>2213.93</b>	<b>1021.34</b>
<b>Capital-charged</b>						
25.	XV	45.00	45.66	0.66	3.59	2.93
26.	XXXVIII	1.78	8.46	6.68	7.81	1.13
<b>Total</b>		<b>46.78</b>	<b>54.12</b>	<b>7.34</b>	<b>11.40</b>	<b>4.06</b>
<b>Grand Total</b>		<b>32742.73</b>	<b>35685.16</b>	<b>2942.43</b>	<b>5708.03</b>	<b>2765.60</b>

SDG-Supplementary Demands for Grants



## Appendix III (18)

**Re-appropriation of funds (in excess of ₹one crore) proved unnecessary as the final expenditure was less than original/Supplementary budget allocation**  
(Reference: Paragraph 2.3.6; Page 52)

(₹ in crore)

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
1.	V	2045-00-103-99-Electrical Inspectorate(NP)	25.36	1.49	0.00	26.85	21.74
2.	VIII	2039-00-001-98-Range Offices(NP)	146.05	1.21	42.88	104.38	132.11
3.	XII	2055-00-101-98-Special Branch C.I.D(NP)	89.79	2.70	4.67	87.82	86.42
4.		2055-00-104-98-India Reserve Battalion(NP)	46.46	3.81	6.99	43.28	42.77
5.		2055-00-112-98-Coastal Police Stations(NP)	31.54	1.63	9.81	23.36	18.94
6.	XV	2059-60-051-83-Kerala House, New Delhi(NP)	1.80	1.16	0.00	2.96	0.00
7.		3054-01-001-98-Supervision and Execution(NP)	52.26	1.51	2.84	50.93	42.51
8.	XVII	2202-01-101-98-Upper Primary Schools(NP)	911.73	56.98	21.11	947.60	906.04
9.		2202-01-112-93-Mid-day meals to Primary school pupils(NP)	37.96	3.09	8.91	32.15	32.05
10.		2202-02-109-63-Mission on Comprehensive Modernisation of School Education(P)	0.00	19.00	0.00	19.00	0.00
11.		2203-00-003-99-Faculty Development in Engineering Colleges(P)	7.25	3.69	4.28	6.66	6.53
12.		2203-00-103-99-Development of Technical High Schools(NP)	66.88	5.36	0.70	71.55	60.80
13.		2203-00-104-97-Private Polytechnics(NP)	36.45	3.67	7.69	32.43	31.15
14.		2203-00-104-99-Private Engineering Colleges(NP)	86.27	9.67	12.01	83.93	72.53
15.		2203-00-105-99-Government Polytechnics(NP)	129.63	1.50	5.49	125.65	120.18
16.		2203-00-112-82-Thrissur Engineering College(NP)	35.27	2.79	2.95	35.12	34.98
17.		2203-00-112-88-Government College of Engineering, Kannur(NP)	19.02	1.53	2.73	17.83	16.92
18.		2203-00-112-99-Engineering College, Thiruvananthapuram(NP)	52.05	13.70	4.73	61.02	49.42

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(₹ in crore)

Sl. No.	Grant Number	Scheme/Activity	Budget allocation	Re-appropriation	Surrender	Net Budget	Expenditure
19.	XVIII	2210-01-110-96-Allopathy Medical College Hospital, Kottayam (NP)	52.21	2.57	0.00	54.78	51.64
20.		2210-05-105-34- Dental College, Kottayam(NP)	15.43	1.60	1.88	15.15	14.00
21.		2210-05-105-53-Medical College, Parippally, Kollam (P)	10.00	2.58	3.39	9.20	8.94
22.		2210-05-105-94-Allopathy Medical College, Thrissur(NP)	83.83	1.90	2.26	83.47	82.93
23.	XX	2215-01-190-99-Grant-in-Aid to the Kerala Water Authority(P)	200.75	9.95	0.00	210.70	165.25
24.	XXVI	2245-01-101-99-Supply of Seeds, Fertilizers and Agricultural Implements (NP)	17.05	2.45	9.53	9.97	9.98
25.		2245-01-102-99-Water Supply (NP)	61.53	8.40	38.88	31.05	31.04
26.	XXXI	2403-00-102-99-Intensive Cattle Development Projects(NP)	76.21	6.72	0.00	82.93	70.96
27.	XXXIV	2406-01-001-99-Office of the Chief Conservator (NP)	15.30	2.05	2.32	15.03	15.17
28.	XXXV	2515-00-001-90-Engineering wing of Local Self Government Institutions (Expenditure on posts originally created in Municipal Corporations, Municipalities and Panchayats) (NP)	41.93	1.81	7.56	36.18	33.88
29.	XXXVII	2851-00-102-84-Entrepreneur Support Scheme/State Investment Subsidy (P)	45.00	1.32	0.00	46.32	44.51
30.		2851-00-106-26-Restructuring of Coir Production Societies and Managerial Subsidies (P)	0.00	3.00	3.00	0.00	0.00
31.	XLV	7610-00-800-95-Interest Free Advances to Government Employees(NP)	10.75	1.10	0.00	11.85	10.47
32.	XLVI	2235-60-200-72-Kerala Social Security Mission (P)	126.87	4.28	20.97	110.19	110.19
33.	Debt charges	2049-01-123-00 (NP)	1199.14	4.17	0.00	1203.31	1100.71
34.		2049-03-115-98-Fixed Time Deposits(NP)	650.00	19.79	0.00	669.79	534.74

**Appendix III (19)**  
**Sub-heads in which Injudicious Re-appropriation led to final excess**  
**(Reference: Paragraph 2.3.6; Page 53)**

(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Total Budget	Net Re-appropriation	Net Budget	Expenditure	Excess
1.	II	2052-00-090-96-Finance Department (NP)	50.86	-0.42	50.44	53.21	2.77
2.		2052-00-092-88-State Information Commission, Kerala (NP)	3.73	-1.46	2.28	2.38	0.11
3.	XV	5054-03-337-94-Projects under LAC ADF(NP)	150.00	-49.54	100.46	100.62	0.16
4.	XVII	2202-02-109-86-Higher Secondary Education (Plus Two Courses)(NP)	796.34	-0.03	796.31	912.48	116.17
5.		2202-02-110-94-Aided Higher Secondary Schools - Teaching Grant(NP)	1068.14	-0.07	1068.07	1160.19	92.12
6.		2202-03-103-57-Rashtriya Uchchar Shiksha Abhiyan - RUSA (60% CSS)(P)	160.95	-84.20	76.75	80.32	3.57
7.	XVIII	4210-03-105-63-New Medical College at Malappuram (P)	21.00	-21.00	0.00	21.00	21.00
8.		4210-03-105-66-New Medical College at Idukki (P)	7.50	-7.50	0.00	7.50	7.50
9.		2210-01-110-94-Allopathy Medical College Hospital, Thrissur (NP)	52.90	-13.55	39.35	45.66	6.31
10.		2210-05-105-92-Dental College, Thiruvananthapuram (NP)	20.44	-3.14	17.30	19.72	2.42
11.		2210-05-101-96-Ayurveda Medical College, Thrissur(NP)	8.75	-0.87	7.88	9.52	1.63
12.		2210-02-101-99-Collegiate Hospitals and Maternity Ward, Thiruvananthapuram(NP)	10.62	-0.09	10.53	12.16	1.63
13.		2210-01-110-98-Allopathy Medical College Hospital, Thiruvananthapuram(NP)	62.39	-3.20	59.19	60.75	1.56
14.		2210-02-101-98-Collegiate Hospital, Thrissur(NP)	8.33	-0.57	7.76	8.29	0.53
15.		2210-01-110-97-Allopathy Medical College Hospital, Kozhikode(NP)	78.74	-6.47	72.27	72.72	0.44
16.		2210-03-101-99-Health Unit Pangappara, Thiruvananthapuram(NP)	1.28	-0.06	1.22	1.58	0.36
17.		2210-01-110-95-Allopathy Medical College Hospital, Alappuzha(NP)	38.54	-6.14	32.40	32.73	0.33
18.		4210-03-105-90-Medical College, College Hospital, College Hostel, Thiruvananthapuram - Land Acquisition and Buildings(P)	11.00	-8.90	2.10	2.41	0.32



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(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Total Budget	Net Re-appropriation	Net Budget	Expenditure	Excess
19.	XVIII	2210-02-001-97-Improvement of Ayurvedic Central Stores and Establishment of District Stores(NP)	0.14	0.00 <sup>36</sup>	0.14	0.33	0.19
20.		2210-01-110-60-Chest Hospital, Kozhikode(NP)	3.15	-0.31	2.84	2.99	0.15
21.		2210-02-101-94-Pharmacognosy Unit(NP)	0.91	-0.34	0.57	0.68	0.11
22.		2210-03-101-98-Health Unit, Cherupa, Calicut(NP)	1.32	-0.14	1.18	1.28	0.10
23.		2210-05-001-99-Directorate of Medical Education(NP)	7.73	-0.33	7.40	7.50	0.10
24.	XIX	2211-00-001-95-City and District Family Welfare Bureaus (Including Mobile IUCD Unit - CSS - 60:40)(P)	17.56	-2.37	15.19	17.73	2.55
25.		2211-00-101-94-Expansion of ICDS Programme (CSS 60:40)(P)	12.29	-1.46	10.83	12.24	1.41
26.		2211-00-003-96-Regional Family Welfare Training Centres (CSS 60:40)(P)	2.84	-0.61	2.22	2.63	0.41
27.		2211-00-104-95-Maintenance and Supply of Vehicles to PH Centres (CSS 60:40)(P)	0.70	-0.68	0.02	0.22	0.19
28.	XXV	2225-02-282-89-Janani-Janma Raksha(P)	10.00	-0.23	9.77	9.90	0.14
29.	XXVIII	3454-02-111-93-Strengthening of Vital Statistical Units in Municipalities(NP)	2.29	-0.16	2.13	2.45	0.33
30.	XXXI	2403-00-101-98-Hospitals and Dispensaries(NP)	156.74	-1.19	155.55	164.63	9.08
31.		2403-00-102-97-Livestock Farms(NP)	13.66	-2.48	11.17	11.69	0.52

<sup>36</sup> ₹ 21,000 only

**Appendix III (2D)**  
**Sub-heads in which Re-appropriation proved insufficient**  
**(Reference: Paragraph 2.3.6; Page 53)**

(₹ in crore)

Sl. No.	Grant number	Scheme/Activity	Budget allocation	Amount Reappropriated	Final expenditure	Excess over provision
1.	II	2251-00-090-99-Secretariat(V-NP)	46.10	0.15	49.37	3.12
2.		2052-00-090-99-Administrative Secretariat(V-NP)	111.33	3.90	117.60	2.37
3.	VII	2030-02-102-99-Expenses on Sales of Stamps(V-NP)	22.00	3.25	28.89	3.64
4.	XV	5054-80-001-99-Establishment Charges transferred on percentage basis from '3054-Roads and Bridges'(V-P)	89.08	176.71	332.57	66.78
5.		3054-80-800-95-Road Safety Works(V-P)	3.52	7.88	20.84	9.44
6.		5054-04-101-99-Major District Roads - Bridges and Culverts(V-P)	13.86	172.09	193.61	7.66
7.		4059-01-051-91-Secretariat General Service(V-P)	9.55	6.03	17.29	1.71
8.		2059-60-053-97-Maintenance of other Government Buildings in Thiruvananthapuram City(V-NP)	11.00	1.84	13.96	1.12
9.	XVI	2071-01-106-99-Pensionary Charges in respect of High Court Judges(V-NP)	0.02	5.29	6.44	1.13
10.	XVII	4202-01-203-99-Construction of Buildings for Colleges and Hostels including Law Colleges(V-P)	2.20	7.85	20.41	10.36
11.		2202-01-800-81-Assistance to Teachers and Aayas in Pre-primary Classes controlled by PTA(V-NP)	36.77	3.06	42.97	3.14
12.		4202-01-202-99-Secondary School Buildings(V-P)	0.00	11.20	12.77	1.58
13.	XVIII	4210-01-110-75-Completion of ongoing Construction Works (Major/Minor) - GH/WCH/Other Hospitals under DHS (NABARD)(V-NP)	0.00	20.98	26.79	5.81
14.		2210-01-102-99-Administrative Unit(V-NP)	5.91	0.63	8.45	1.92
15.		4210-01-110-93-Allopathy - Improvement of Health Facilities - Land Acquisition and Buildings(V-NP)	0.00	5.34	6.47	1.13
16.	XX	2215-01-190-99-Grant-in-Aid to the Kerala Water Authority(V-NP)	251.68	6.04	271.68	13.96
17.	XXIX	2401-00-800-91-Contingency Programme to meet Natural Calamities(V-P)	30.00	21.32	53.17	1.85
18.	XXXI	2403-00-102-96-Expansion of Cross Breeding facilities(V-NP)	20.97	2.87	26.39	2.55

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**Heads in which entire budget allocation (₹ five crore and above) surrendered**  
**(Reference: Paragraph 2.3.7; Page 54)**

Sl. No.	Grant	Grant number and scheme	(₹ in crore)	
			Budget allocation	Amount of Surrender
1.	II	3451-00-101-37-Integration of Kerala Perspective Plan 2030 with the Annual Plans/Five Year Plan(V-P)	8.50	8.50
2.	VI	2506-00-103-94-National Land Records Modernisation Programmes (NLRMP) Computerisation of Land Records (100% CSS)(V-P)	12.49	12.49
3.	XI	2053-00-094-50-Disaster Management, Mitigation and Rehabilitation(V-P)	5.00	5.00
4.	XVII	2203-00-107-92-Merit-cum Means Scholarship for Minorities for Professional and Technical Courses(100%CSS)(V-P)	35.00	35.00
5.		2202-02-109-66-Setting up of Infrastructure Facilities in G.V.Raja Sports School, Thiruvananthapuram &GVHSS Kannur(V-P)	17.00	17.00
6.		4202-01-202-86-Construction of multi-storied buildings for Government Higher Secondary Schools(NABARD-RIDF)(V-P)	12.00	12.00
7.		4202-02-104-93-Centrally Sponsored Schemes for Polytechnic Colleges - Construction of Women's Hostels (V-P)	10.00	10.00
8.		3425-60-200-63-Karamana River Scientific Management Project (Pilot) (V-P)	8.00	8.00
9.		2202-03-107-85-Post-Matric Scholarship for Minorities (100% CSS) (V-P)	5.00	5.00
10.		4210-03-105-57 Establishment of new Medical College at Wayanad (V-P)	22.00	22.00
11.	XVIII	4210-03-105-49 Medical College, GH Campus, Thiruvananthapuram (V-P)	21.00	21.00
12.		4210-01-200-93-Institute for Human Resource Development in health sector (V-P)	8.50	8.50
13.		4210-03-105-41-New Medical College at Pathanamthitta (V-P)	7.50	7.50
14.		4210-03-105-42-Medical College, Ernakulam(V-P)	6.00	6.00
15.		4210-03-102-97-Strengthening of Nursing/Pharmacy College in Homoeopathy(V-P)	5.00	5.00
16.		4215-01-102-96-Ensuring Accessibility to drinking water in Identified Panchayats(V-P)	11.00	11.00
17.	XX	4215-01-101-96-Modernisation of Aruvikkara Pumping Station(V-P)	10.00	10.00
18.	XXII	6217-60-190-99-Loans to Kerala Urban Development Corporation Market borrowing(V-P)	55.70	55.70

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(₹ in crore)

Sl. No.	Grant	Grant number and scheme	Budget allocation	Amount of Surrender
19.	XXVI	2245-80-102-96-State Disaster Mitigation Fund(V-NP)	10.10	10.10
20.	XXIX	4702-00-101-68-Pradhan Manthri Krishi Sinchayee Yojana (60% CSS)(V-P)	60.00	60.00
21.		4702-00-101-69-Minor Irrigation Projects in Cauvery Basin (NABARD Assistance)(V-P)	60.00	60.00
22.		2551-60-101-98-Sabarimala Master Plan(V-P)	25.00	25.00
23.		4702-00-102-96-Meenachil Check Dams(V-P)	15.00	15.00
24.		6403-00-190-92-Loans to Kerala State Poultry Development Corporation (RIDF)(V-P)	10.00	10.00
25.	XXXI	6403-00-190-95-Loans to Cattle Feed Manufacturing Unit at Thodupuzha in Idukki (RIDF)(V-P)	8.00	8.00
26.		4403-00-800-97-Implementation of projects under NABARD Assisted RIDF Scheme(V-P)	5.00	5.00
27.	XXXII	2404-00-102-72-Rashtriya Pashudhan Vikas Yojana (Dairy) (60%CSS)(V-P)	15.83	15.83
28.	XXXIV	4406-02-110-97-Zoological Park, Wild Life Protection and Research Centre, Puthur (NABARD RIDF)(V-P)	8.00	8.00
29.	XXXVII	6860-60-190-91-Loans to Kerala State Cashew Development Corporation(V-P)	65.00	65.00
30.	XXXVIII	4700-29-800-97-Dam and Appurtenant Works(V-P)	50.00	50.00
31.		2701-80-799-99-Stock(V-NP)	7.00	7.00
32.	XLI	5056-00-104-85-Implementation of priority schemes under the Kerala Perspective Plan 2030(V-P)	10.01	10.01
33.		5056-00-190-93-Construction of Cargo Barges (Kerala State Inland Navigation Corporation Ltd.)(V-P)	5.50	5.50
34.	XLII	5452-01-800-85-Upgradation of Roads to Tourist Destination(V-NP)	20.00	20.00
35.		3452-80-800-54-Kerala Shopping Festival(V-NP)	15.00	15.00
36.	XLVI	4235-02-190-95-Investment in Kerala State Welfare Corporation for Forward Communities(V-P)	10.00	10.00
37.		2235-60-200-67-Programme for mainstreaming persons with disabilities into society(V-P)	8.50	8.50
38.		4235-02-102-91-Upgradation of Anganwadi Buildings(V-P)	8.22	8.22
39.		2235-60-200-66-Assisted technology for persons with disabilities(V-P)	5.00	5.00
40.	Debt Charges	2049-01-115-97-Interest on Overdraft Account with Reserve Bank of India(C-NP)	9.00	9.00
41.	Public Debt Repayment	6003-00-110-97-Shortfall in Cash Balances(C-NP)	25.00	25.00
Total			714.85	714.85



## Appendix III (22)

**Surrender (₹ one crore or more in each case) in excess of actual savings**  
(Reference: Paragraph 2.3.8; Page 55)

(₹ in crore)

Sl. No.	Grant number and name	Budget allocation	Savings	Surrender	Excess surrender
<b>Revenue-Voted</b>					
1.	II Heads of States, Ministers and Headquarters Staff	586.80	67.44	76.70	9.26
2.	III Administration of Justice	598.06	-0.67	5.02	5.69
3.	IV Elections	151.09	9.33	14.02	4.69
4.	V Agricultural Income Tax and Sales Tax	323.10	18.21	20.24	2.03
5.	VI Land Revenue	580.93	22.24	26.20	3.96
6.	VIII Excise	269.99	16.28	56.16	39.88
7.	IX Taxes on Vehicles	127.59	7.51	35.19	27.68
8.	X Treasury and Accounts	250.44	-10.80	4.41	15.21
9.	XI District Administration and Miscellaneous	658.60	-1.81	28.29	30.10
10.	XII Police	3367.27	180.43	192.82	12.39
11.	XVI Pensions and Miscellaneous	23924.35	2447.51	2448.57	1.06
12.	XVII Education, Sports, Art and Culture	17566.75	337.73	611.53	273.80
13.	XVIII Medical and Public Health	5286.12	53.16	145.57	92.41
14.	XIX Family Welfare	498.43	-13.93	28.56	42.49
15.	XXIII Information and Publicity	100.56	21.02	21.30	0.28
16.	XXIV Labour, Labour-Welfare and Welfare of Non-Residents	987.30	81.31	84.23	2.92
17.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2910.71	277.20	298.18	20.98
18.	XXVI Relief on Account of Natural Calamities	441.14	94.01	94.35	0.34
19.	XXIX Agriculture	3197.86	308.75	332.01	23.26
20.	XXXII Dairy	173.57	17.28	18.64	1.36
21.	XXXIII Fisheries	377.21	6.97	14.36	7.39
22.	XXXIV Forest	565.40	23.74	38.19	14.45
23.	XXXVII Industries	539.97	24.19	43.40	19.21
24.	XL Ports	56.39	8.00	8.43	0.43
25.	XLI Transport	64.65	10.77	11.42	0.65
26.	XLII Tourism	190.80	20.07	21.89	1.82
27.	XLIII Compensation and Assignments	7379.07	1881.47	2055.70	174.23
<b>Total</b>		<b>71174.15</b>	<b>5907.41</b>	<b>6735.38</b>	<b>827.97</b>

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(₹ in crore)

Sl. No.	Grant number and name	Budget allocation	Savings	Surrender	Excess surrender
<b>Revenue-Charged</b>					
28.	XVI Pensions and Miscellaneous	59.18	0.12	1.64	1.52
<b>Capital-Voted</b>					
29.	XIV Stationery and Printing and other Administrative Services	2.00	0.97	1.04	0.07
30.	XVIII Medical and Public Health	361.94	105.5	174.76	69.26
31.	XXVIII Miscellaneous Economic Services	3336.82	952.75	952.96	0.21
32.	XXX Food	83.92	-1.63	2.02	3.65
33.	XXXI Animal Husbandry	63.3	44.05	46.04	1.99
34.	XXXIV Forest	110.03	14.14	14.15	0.01
35.	XXXVII Industries	1028.15	236.18	246.13	9.95
36.	XL Ports	117.91	18.6	20.63	2.03
	<b>Total</b>	<b>5104.07</b>	<b>1370.56</b>	<b>1457.73</b>	<b>87.17</b>
<b>Capital-Charged</b>					
37.	Public Debt Repayment	13974.78	6268.77	6402.22	133.45
	<b>Grand Total</b>	<b>90312.18</b>	<b>13546.86</b>	<b>14596.97</b>	<b>1050.11</b>



## Appendix III (23)

Sub-heads in which injudicious surrender (exceeding ₹ one crore) led to excess expenditure  
(Reference: Paragraph 2.3.8, Page 55)

(₹ in crore)

Sl. No.	Grant number and Scheme/Activity	Original Budget	Reappropriation	Surrender	Expenditure	Excess
1.	II 3451-00-101-96-Evaluation Unit(V-NP)	1.54	0.02	1.49	1.46	1.40
2.	V 2040-00-101-97-Offices of Commercial Taxes(V-NP)	249.75	-2.36	19.49	235.20	7.31
3.	VIII 2039-00-001-98-Range Offices(V-NP)	146.05	1.21	42.88	132.11	27.73
4.	IX 2041-00-001-99-Administration Charges (V-NP)	72.77	0.32	21.31	68.20	16.42
5.		47.14	-0.33	13.87	44.20	11.25
6.	XI 2053-00-094-99-Taluk offices(V-NP)	190.90	3.40	3.30	192.97	1.97
7.	XII 2055-00-109-99-District Force(V-NP)	2221.17	-16.59	60.42	2162.51	18.35
8.		401.72	-19.58	24.18	361.25	3.29
9.	XV 3054-80-192-38-Maintenance of Road Assets as per fifth SFC Recommendation(V-NP)	156.50	0.00	99.66	74.23	17.39
10.		305.54	-71.64	124.07	116.72	6.90
11.		40.00	0.00	3.83	39.84	3.67
12.		2.25	0.00	2.11	1.49	1.35
13.		1163.27	-59.99	38.73	1083.58	19.03
14.	XVII 2202-01-101-99-Lower Primary Schools (V-NP)	55.85	0.17	17.21	53.87	15.06
15.		86.14	0.00	28.71	71.81	14.38
16.		362.17	-63.96	42.32	266.94	11.04
17.		163.80	7.32	9.49	170.93	9.30
18.		29.25	0.00	5.50	29.15	5.40
19.		8.00	0.00	6.00	6.00	4.00
20.		7.00	0.00	4.65	5.86	3.52
21.		9.29	0.00	2.72	8.87	2.29
22.		20.00	0.00	3.85	17.98	1.84
23.		22.75	0.10	2.53	21.41	1.09
24.		8.08	0.00	2.31	6.84	1.08

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(₹ in crore)

Sl. No.	Grant number and Scheme/Activity	Original Budget	Reappropriation	Surrender	Expenditure	Excess
25.	XVII 2203-00-001-99-Directorate of Technical Education(V-NP)	11.56	0.16	1.12	11.63	1.03
26.	4210-03-105-51-Quarters to Residents to all Medical Colleges(V-P)	7.50	0.00	4.45	5.99	2.94
27.	2210-06-102-99-Food Administration (V-NP)	17.93	-0.28	3.12	16.78	2.26
28.	XVIII 4210-02-800-95-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)(V-NP)	85.00	-1.76	51.84	32.99	1.60
29.	2210-06-107-98-Government Analyst's Laboratory, Thiruvananthapuram(V-NP)	13.53	0.07	6.32	8.56	1.28
30.	XIX 2211-00-200-94-Post Partum Centre Sub/Division and Taluk Level Hospitals(V-NP)	35.50	-0.05	10.16	30.83	5.53
31.	2211-00-200-96-Post Partum Centres MC Hospital, District Hospital and Other Major Hospitals(V-NP)	21.13	-0.06	14.04	9.56	2.53
32.	XXIV 2230-01-103-99-Welfare Works (General)(V-NP)	15.14	0.52	1.95	14.98	1.26
33.	2230-02-198-50-Block Grant for Revenue Expenditure(V-NP)	35.36	0.00	10.53	25.98	1.15
34.	XXV 2225-01-800-57-Corpus Fund for SCP (critical GAP filling scheme)(V-P)	245.23	0.00	24.16	239.91	18.84
35.	2225-01-793-99-Special Central Assistance to Special Component Plan (SCA to SCP)(V-P)	24.00	0.00	19.67	10.76	6.44
36.	2225-02-277-94-Tribal Hostels(V-NP)	29.20	-1.00	5.09	27.02	3.92
37.	XXVI 2245-80-102-96-State Disaster Mitigation Fund(V-NP)	10.10	0.00	10.10	1.00	1.00
38.	XXIX 2401-00-001-96-Strengthening of Agricultural Administration and introduction of Training and Visiting System of Extension(V-NP)	305.98	-5.93	36.66	291.22	27.83
39.	2551-60-101-98-Sabarimala Master Plan (V-P)	25.00	0.00	25.00	12.18	12.18
40.	2401-00-103-99-Production and distribution of improved seeds(V-NP)	26.27	0.00	7.63	24.91	6.27
41.	2401-00-109-65-Umbrella Scheme on Krishi Unnathi Yojana and other CSS (60% CSS)(V-P)	305.00	-5.59	109.31	195.94	5.84
42.	2401-00-104-99-Composite Farms(V-NP)	18.57	0.00	4.93	17.69	4.05
43.	2401-00-108-98-Development of Coconut(V-NP)	4.61	0.00	2.73	4.60	2.73
44.	2401-00-113-96-Expansion of Agricultural Engineering Service(V-NP)	10.19	0.00	4.94	7.90	2.65

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(₹ in crore)

Sl. No.	Grant number and Scheme/Activity		Original Budget	Reappropriation	Surrender	Expenditure	Excess
45.	XXIX	2702-01-001-99-Establishment(V-NP)	94.97	0.00	3.62	93.69	2.34
46.		2415-05-277-99-Kerala University of Fisheries and Ocean Studies(V-P)	30.00	0.00	8.00	24.00	2.00
47.		2401-00-001-97-Package Programme for Agricultural Demonstration and Propaganda(V-NP)	10.29	0.00	6.31	5.56	1.58
48.		2401-00-001-99-Directorate of Agriculture(V-NP)	11.77	0.00	4.66	8.57	1.46
49.		2401-00-109-97-Agricultural Information, Propaganda and Publicity(V-NP)	3.69	0.00	1.65	3.23	1.18
50.		4435-01-101-93-Strengthening of Market Infrastructure(V-P)	5.00	-0.25	3.98	1.92	1.15
51.	XXXIV	2406-01-102-98-Ecology Development (World Bank Assisted Social Forestry)(V-NP)	24.45	0.23	3.06	22.81	1.18
52.	XXXVII	6885-60-190-99-Loans to Kerala Industrial Infrastructure Development Corporation (V-P)	110.20	-18.00	49.55	52.65	10.00
53.	XXXIX	2810-00-800-90-Schemes to be implemented by ANERT Renewable Energy Programmes of ANERT(V-P)	43.88	0.88	32.96	12.80	1.00
54.	XLI	5075-60-800-94-Inland Navigation (State Sector) Direction and Administration (V-P)	70.32	0.00	57.57	14.80	2.05
55.	XLII	3452-80-001-95-Guest Houses, Yatri Nivases and Tourist Lodges(V-NP)	19.47	-0.19	3.28	18.73	2.74
56.	XLIII	3604-00-200-86-Funds for Development Expenditure-5th SFC Recommendations (V-NP)	3844.95	-0.10	1069.47	2864.32	88.94
57.		3604-00-200-90-Expansion and Development under XIV Finance Commission Recommendations(V-NP)	1310.05	0.00	572.48	782.59	45.02
58.		3604-00-200-87-Funds for Maintenance Expenditure (Non - Road Assets) - 5 <sup>th</sup> SFC Recommendations(V-NP)	645.93	0.00	258.35	422.26	34.68
59.		3604-00-200-88-General Purpose Fund/Funds for Traditional Functions - 5th SFC Recommendations(V-NP)	1233.14	0.10	8.10	1230.59	5.45
60.	XLVI	2235-60-198-50-Block Grants for Revenue Expenditure(V-NP)	2339.96	-365.68	514.69	1647.78	188.20
61.		2235-60-191-50-Block Grants for Revenue Expenditure(V-NP)	156.62	-27.00	23.04	118.00	11.43
62.		2235-60-107-99-Freedom Fighters Pension (V-NP)	57.00	0.00	10.58	47.78	1.36
63.		2235-02-191-50-Block Grants for Revenue Expenditure(V-NP)	34.66	0.00	10.10	25.62	1.06
64.	Debt Charges	2049-04-101-99-Block Loans for State Plan Schemes(C-NP)	208.76	0.00	85.01	192.22	68.47



Appendix III (2A)

**Pendency in submission of Detailed Contingent bills against Abstract  
Contingent bills drawn during 2016-17  
(Reference: Paragraph 2.4.1, Page 55)**

(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Month of drawal	Amount
1.	Director, SICA, Thiruvananthapuram	July 2016	75000
2.	Superintendent, Women's Prison, Thiruvananthapuram	July 2016	50000
3.	Superintendent, Special Sub Jail, Neyyattinkara	August 2016	45000
		September 2016	50000
4.	Superintendent, Sub Jail, Attingal	August 2016	30000
		September 2016	10000
		December 2016	10000
		October 2016	30000
5.	Superintendent, District Jail, Kollam	September 2016	100000
		December 2016	100000
		December 2016	100000
		October 2016	100000
		October 2016	100000
		October 2016	100000
		October 2016	200000
6.	Accounts Officer, Prisons HQ., Thiruvananthapuram	September 2016	25000
		October 2016	25000
		December 2016	25000
		December 2016	25000
7.	Accounts Officer, Central Jail, Viyyur	September 2016	400000
		November 2016	300000
		November 2016	300000
8.	Superintendent, Special Sub Jail, Thiruvananthapuram	October 2016	50000
		October 2016	100000
		October 2016	50000
9.	Superintendent, Special Sub Jail, Chittur	October 2016	75000
10.	Superintendent, District Jail, Thiruvananthapuram	November 2016	100000
11.	Superintendent, Open Prison, Kattakkada	November 2016	301440
12.	Superintendent, Sub Jail, Alathur	November 2016	50000
13.	Accounts Officer, Sub Jail, Chavakkad	November 2016	30000
14.	Accounts Officer, Sub Jail, Thiruvananthapuram	December 2016	50000
15.	Superintendent, Women's Prison, Viyyur	December 2016	40000
16.	Principal, Maharaja Technical Institute, Thrissur	January 2017	200000
17.	Assistant Executive Engineer, Kazhakottam	January 2017	430682
18.	District Employment Officer, Kollam	February 2017	596000
19.	Excise Inspector, Excise Regional Office, Wayanad	February 2017	460000
20.	Secretary, Vellamunda Grama Panchayath	March 2017	350000
21.	Municipal Secretary (Gr.I), Kunnankulam Municipality	March 2017	459636
22.	Secretary, Valakom Grama Panchayath, Valakom	March 2017	62536

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(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Month of drawal	Amount
23.	Head Master, Government High School, Thazhathuvadakara	March 2017	5000
24.	Secretary, Amarambalam Grama Panchayath	March 2017	45000
25.	Superintendent, Central Prison, Thiruvananthapuram	December 2016	300000
		December 2016	200000
		December 2016	99907
		December 2016	50000
		December 2016	200000
		December 2016	200000
		December 2016	200000
		December 2016	50000
		December 2016	40000
		December 2016	200000
		December 2016	200000
		December 2016	300000
		December 2016	100000
		December 2016	200000
December 2016	150000		
	March 2017	450000	
26.	Deputy Superintendent of Police (HG) S C R B, Thiruvananthapuram	March 2017	200000
27.	Secretary, Mylapra Panchayath	March 2017	60000
28.	Secretary, Chavara Grama Panchayath	March 2017	150000
29.	Secretary, Parappanangadi Municipality	March 2017	300000
		March 2017	71000
30.	Municipal Secretary (Gr.I), Chengannur Municipality	March 2017	134580
31.	Secretary, Nooranad Panchayath	March 2017	360000
32.	Secretary, Krishnapuram Panchayath	March 2017	150000
		March 2017	390000
33.	Under Secretary, Social Justice Department, Thiruvananthapuram	March 2017	240000
		March 2017	100000
34.	Secretary, Peringalmala Panchayath, Nedumangad	March 2017	30000
		March 2017	9000
		March 2017	30000
Total			10819781

Appendix III (25)

**List of Chief Controlling Officers/Controlling Officers who did not reconcile the expenditure figures during 2016-17**  
(Reference: Paragraph 2.4.2: Page 56)

Sl. No.	Name of the Chief Controlling Officers/Controlling Officers	(₹ in crore) Amount not reconciled
1.	The Additional Secretary, Higher Education Department	110.00
2.	The Chief Electoral Officer, Thiruvananthapuram	117.50
3.	The Chief Engineer, Irrigation & Research Board	52.95
4.	The Chief Engineer, Revenue Complex	264.12
5.	The Chief Engineer, Project-II, (Irrigation)	257.85
6.	The Director of Coir Development	126.85
7.	The Director of Employment	81.81
8.	The Director of Panchayats	3514.79
9.	The Director of Technical Education	451.91
10.	The Director of Tourism	150.83
11.	The Director of Printing	80.94
12.	The Director of Treasuries	195.66
13.	The Director of Local Fund Audit	53.39
14.	The Director of Public Relations Department	53.25
15.	The Excise Commissioner	184.04
16.	The Inspector General of Registration	107.63
17.	The Secretary to Government, Power Department	58.33
18.	The Secretary to Government, Science and Technology Department	129.01
19.	The Secretary, Kerala Public Service Commission	122.06
20.	The Transport Commissioner & Ex-Officio Road Safety Commissioner	85.24
21.	The Director of Civil Supplies	1158.68
<b>Total</b>		<b>7356.84</b>



**Appendix III (26)**  
**Advances pending settlement by Drawing and Disbursing Officers**  
**(Reference: Paragraph 2.7.3: Page 63)**

(₹ in lakh)

Sl. No.	Name of the Drawing and Disbursing Officer	Month of drawal	Amount
1.	The Accounts Officer, Directorate of Agriculture, Thiruvananthapuram	December 2014	41.00
2.	The Administrative Officer, Directorate of State Archives, Thiruvananthapuram	March 2015	10.00
		October 2015	21.34
3.	Principal, University College, Thiruvananthapuram	October 2015	0.50
4.	Principal, Government Sanskrit College, Thiruvananthapuram	January 2015	1.75
5.	Joint Commissioner for Government Exams, Thiruvananthapuram	June 2015	3.00
6.	Accounts Officer, DPI, Thiruvananthapuram	September 2015	6.40
		October 2015	15.90
7.	District Employment Officer, Thiruvananthapuram	February 2015	1.86
8.	Director of Fisheries, Thiruvananthapuram	January 2015	1.52
9.	Administrative Assistant, Directorate of Industries and Commerce, Thiruvananthapuram	March 2015	1.10
10.	Deputy Director of State Lotteries, Thiruvananthapuram	May 2015	350.20
11.	Accounts Officer, City Police Commissioner's Office, Thiruvananthapuram	May 2015	20.00
12.	Administrative Assistant, Directorate of Handlooms Textiles, Thiruvananthapuram	March 2015	150.00
	<b>Total</b>		<b>624.57</b>

