



सत्यमेव जयते

ACCOUNTS AT A GLANCE 2017-2018



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF KERALA



**ACCOUNTS AT A GLANCE
FOR THE YEAR 2017-2018**

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

GOVERNMENT OF KERALA

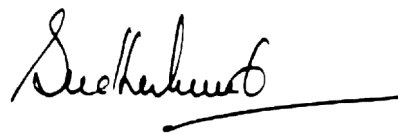
PREFACE

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

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

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

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



G SUDHARMINI
Accountant General (A&E)
Kerala

Thiruvananthapuram
15 March 2019

Our Vision, Mission and Core Values

VISION

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

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

MISSION

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

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

CORE VALUES

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

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

TABLE OF CONTENTS

		Page
Chapter 1	OVERVIEW	
1.1	Introduction	1
1.2	Structure of Accounts	2
1.3	Finance Accounts & Appropriation Accounts	5
1.4	Source and Application of Funds	8
1.5	Highlights of Accounts	12
1.6	What do the Deficits and Surpluses indicate	13
Chapter II	RECEIPTS	
2.1	Introduction	17
2.2	Revenue Receipts	17
2.3	Revenue Receipt Components	18
2.4	Trend of Receipts	19
2.5	Tax Revenue	20
2.6	Performance of State's Own Tax Revenue collection	21
2.7	Efficiency of Tax Collection	23
2.8	Trend in State's Share of Union Taxes over the past five years	24
2.9	Grants-in-Aid	24
2.10	Public Debt	26
Chapter III	EXPENDITURE	
3.1	Introduction	27
3.2	Revenue Expenditure	28
3.3	Capital Expenditure	31
Chapter IV	PLAN & NON –PLAN EXPENDITURE	
4.1	Distribution of Expenditure	34
4.2	Plan Expenditure	34
4.3	Non- Plan Expenditure	36
4.4	Committed Expenditure	36

TABLE OF CONTENTS

Chapter V	APPROPRIATION ACCOUNTS	
5.1	Summary of Appropriation Accounts	39
5.2	Trend of Savings/Excess during the past five years	40
5.3	Advances from Contingency Fund	44
Chapter VI	ASSETS AND LIABILITIES	
6.1	Assets	45
6.2	Debt and Liabilities	46
6.3	Guarantees	47
Chapter VII	OTHER ITEMS	
7.1	Adverse Balances under Internal Debt	49
7.2	Loans and Advances by the State Government	49
7.3	Financial Assistance to Local Bodies and Others	49
7.4	Cash Balance and investment of Cash Balance	51
7.5	Reconciliation of Accounts	52
7.6	Submission of Accounts by Treasuries	52
7.7	Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills	52
7.8	Status of Suspense Account Balances	53
7.9	Status of Outstanding Utilisation Certificate	53
7.10	Commitments on account of Incomplete Projects/works	53
7.11	New Pension Scheme	54
7.12	Personal Deposit Accounts	54
7.13	Investment	55
7.14	Rush of Expenditure	55



CHAPTER I

OVERVIEW

1.1 Introduction

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

1.2 Structure of Government Accounts

1.2.1 Government Accounts are kept in three parts

Part I CONSOLIDATED FUND

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

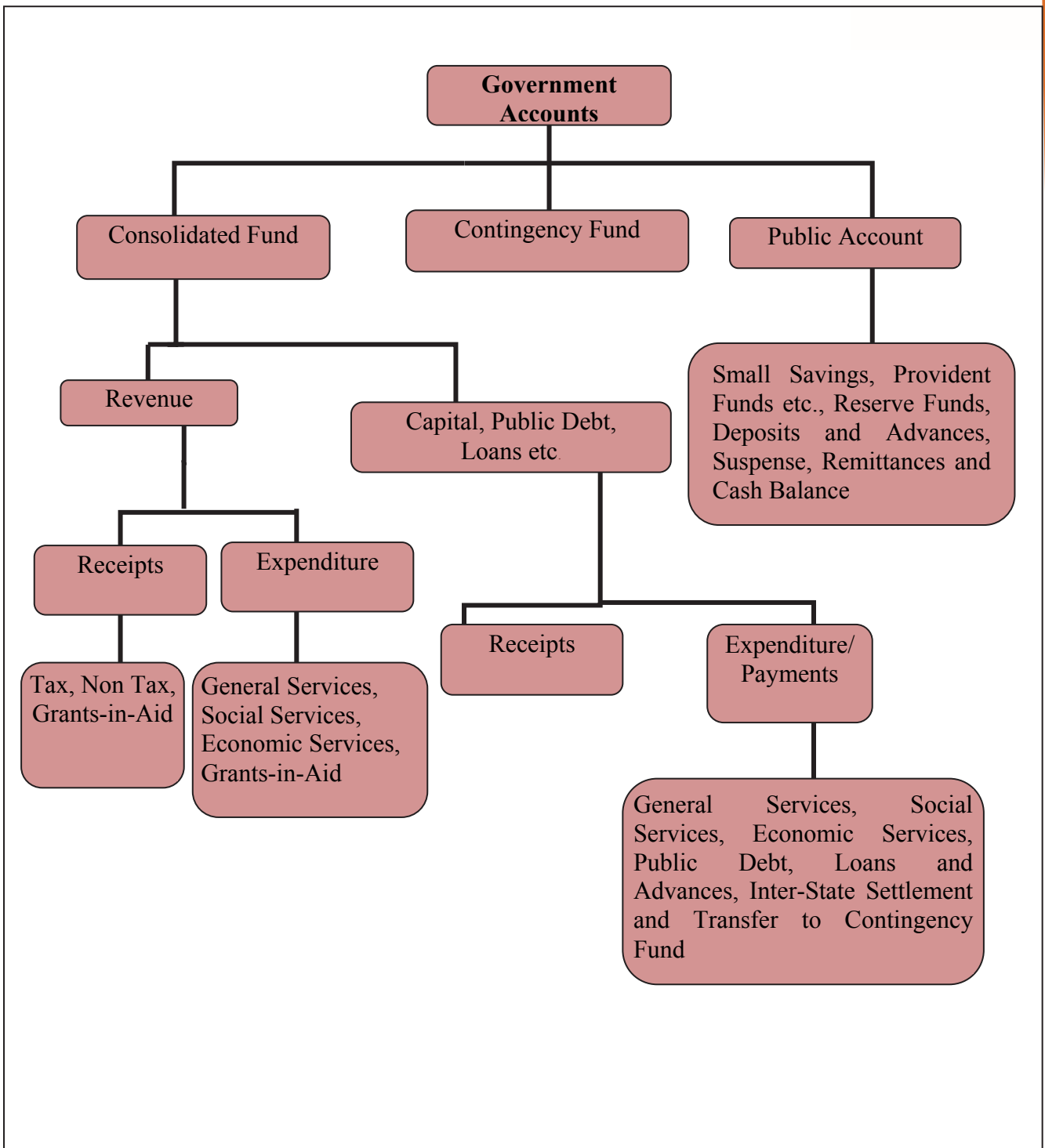
Part II CONTINGENCY FUND

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

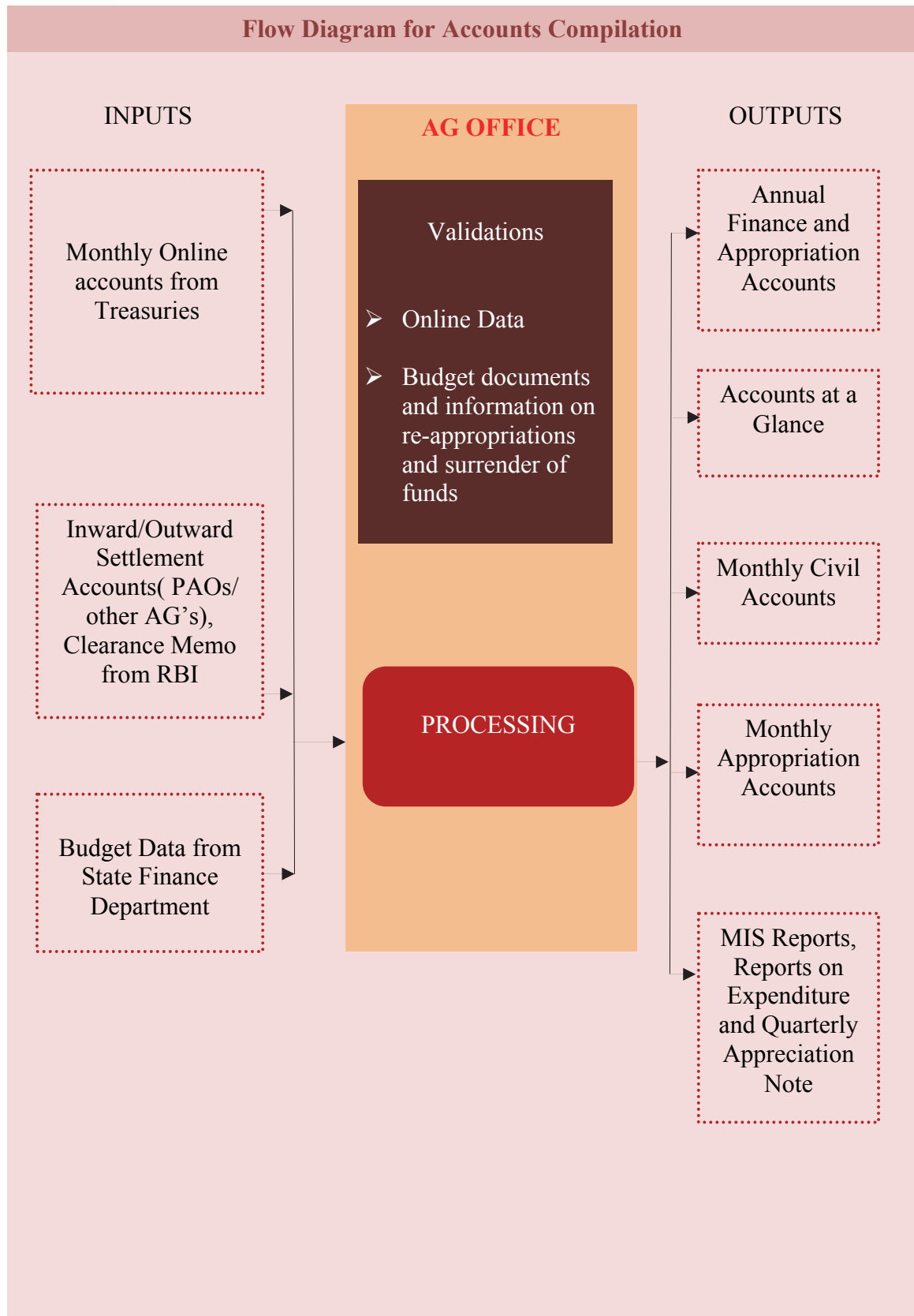
Part III PUBLIC ACCOUNT

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

1.2.2 Pictorial representation of Structure of Government Accounts



1.2.3 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

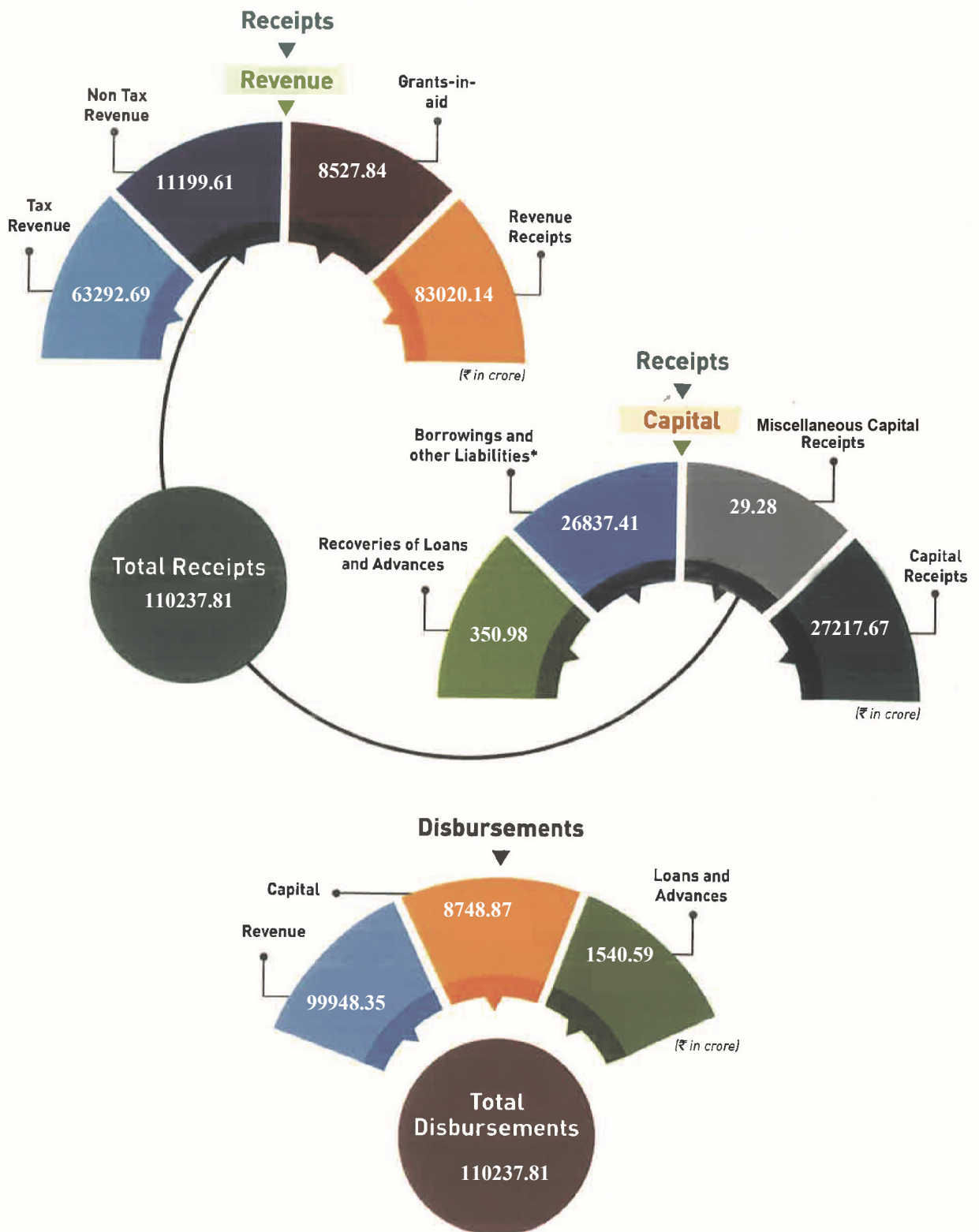
Receipts and Disbursements of the State Government during 2017-18 are as given below:-

(₹ in crore)

Receipts Total: 110237.81	Revenue	Tax Revenue	63292.69
	Total: 83020.14	Non -Tax Revenue	11199.61
		Grants-in-aid	8527.84
		Capital	Miscellaneous Capital Receipts
	Total: 27217.67	Recovery of Loans and Advances	350.98
		Borrowings and other Liabilities(*)	26837.41
Disbursements Total: 110237.81	Revenue		99948.35
	Capital		8748.87
	Loans and Advances		1540.59

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

Receipts and disbursement in the year 2017-18



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

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts and show the expenditure of the State Government against amounts charged and voted by the State Legislature. Excluding one Grant, viz., “Contingency Fund” there are 47 Grants, of which, 17 are exclusively voted Grants, two are exclusively charged Appropriations and 28 include both voted Grants and charged Appropriations.

1.3.3 Efficiency on Budget Preparation

The Appropriation Acts passed by the State Legislature had estimated a gross expenditure of ₹ 144881.93 crore, including the supplementary provision of ₹10984.07 crore during the year 2017-18. An amount of ₹ 689.90 crore was estimated as recoveries in reduction of expenditure.

The Appropriation Accounts 2017-18 show disbursements aggregating ₹ 133456.97 crore against the budget provision of ₹ 144881.93 crore, resulting in overall savings of ₹ 11424.96 crore against Grants and Appropriations. The overall savings of ₹ 11424.96 crore was the result of savings of ₹ 14970.41 crore in 40 Grants and 23 Appropriations under the Revenue section and 25 Grants and 6 Appropriations under Capital section, offset by excess of ₹ 3492.08 crore (State Legislature, Public Works, Pension and Miscellaneous, Family Welfare, and Forest) under the Revenue Section and ₹53.37 crore (Stationery and Printing and other Administrative Services and Education, Sports, Art and Culture) in the Capital Section.

Recoveries in reduction of expenditure amounted to ₹ 10087.06 crore showing an increase of ₹ 9397.16 crore vis-à-vis budget estimates.

1.4 Source and Application of Funds

1.4.1 Ways and Means Advances

Government, in order to maintain and sustain its liquidity position, takes Ways and Means Advances from the Reserve Bank of India (RBI) and thereafter, draws upon overdraft whenever there is shortfall from the agreed minimum cash balance in its account with the RBI. The State Government is required to maintain a minimum cash balance of ₹ 1.66 crore with the RBI. The larger the amount and greater the number of times such ways and means advances are taken or drawals made, the more it reflects the adverse position of the cash balance of the Government. During 2017-18 Government of Kerala has availed ₹ 6335.50 crore as Ways and Means Advance on fifty two times (both Ordinary Ways and Means and Special Drawing Facility) . During the year 2017-18, no overdraft was drawn by the State.

1.4.2 Fund Flow Statement (Source and Application of Funds)

The State had a revenue deficit of ₹ 16928.21 crore and a fiscal deficit of ₹ 26837.41 crore representing 2.47 *per cent* and 3.91 *per cent* respectively of the Gross State Domestic Product (GSDP). The fiscal deficit constituted 24.35 *per cent* of the total expenditure. This deficit was financed from Public Debt (₹ 17101.67 crore) and other liabilities (₹ 9735.74 crore). 80.66 *per cent* of the revenue receipts (₹ 83020.14 crore) of the State Government was spent on committed expenditure like salaries (₹ 31903.92 crore), interest payments (₹ 15119.93 crore) and pensions (₹ 19938.41crore).

Source and Application of Funds

(₹ in crore)

SOURCE	PARTICULARS	Amount
	Opening Cash Balance	-47.70
	Revenue Receipts	83020.14
	Capital Receipts	29.28
	Recovery of Loans & Advances	350.98
	Public Debt	30233.77
	Small Savings, Provident Fund and Others	85770.92
	Reserves & Sinking Funds	958.72
	Deposits Received	3264.36
	Civil Advances recovered	0.00
	Suspense & Miscellaneous	174691.42
	Contingency Fund	0.00
	Remittances	4088.92
	Total	382360.81

APPLICATION	PARTICULARS	Amount
	Revenue Expenditure	99948.35
	Capital Expenditure	8748.87
	Loans Given	1540.59
	Repayment of Public Debt (*)	13132.10
	Payment towards Small Savings and Deposits and Advances	78564.08
	Reserves & Sinking Funds	783.46
	Deposits Returned	2998.46
	Civil Advances Given	0.01
	Suspense and Miscellaneous	172434.08
	Contingency Fund	0
	Remittances	4254.89
	Closing Cash Balance	-44.08
Total	382360.81	

(*)To Central Government (₹ 574.91 crore) and others (₹ 12557.19) crore

Source and Application of Funds

(₹ in crore)

SOURCE

▶ Opening Cash Balance	-47.70
▶ Revenue Receipts	83020.14
▶ Capital Receipts	29.28
▶ Recovery of Loans & Advances	350.98
▶ Public Debt	30233.77
▶ Small Savings, Provident Fund and Others	85770.92
▶ Reserves & Sinking Funds	958.72
▶ Deposits Received	3264.36
▶ Civil Advances recovered	0.00
▶ Suspense & Miscellaneous	174691.42
▶ Contingency Fund	0.00
▶ Remittances	4088.92
Total	382360.81

APPLICATION

▶ Revenue Expenditure	99948.35
▶ Capital Expenditure	8748.87
▶ Loans Given	1540.59
▶ Repayment of Public Debt (*)	13132.10
▶ Payment towards Small Savings and Deposits and Advances	78564.08
▶ Reserves & Sinking Funds	783.46
▶ Deposits Returned	2998.46
▶ Civil Advances Given	0.01
▶ Suspense and Miscellaneous	172434.08
▶ Contingency Fund	0
▶ Remittances	4254.89
▶ Closing Cash Balance	-44.08
Total	382360.81

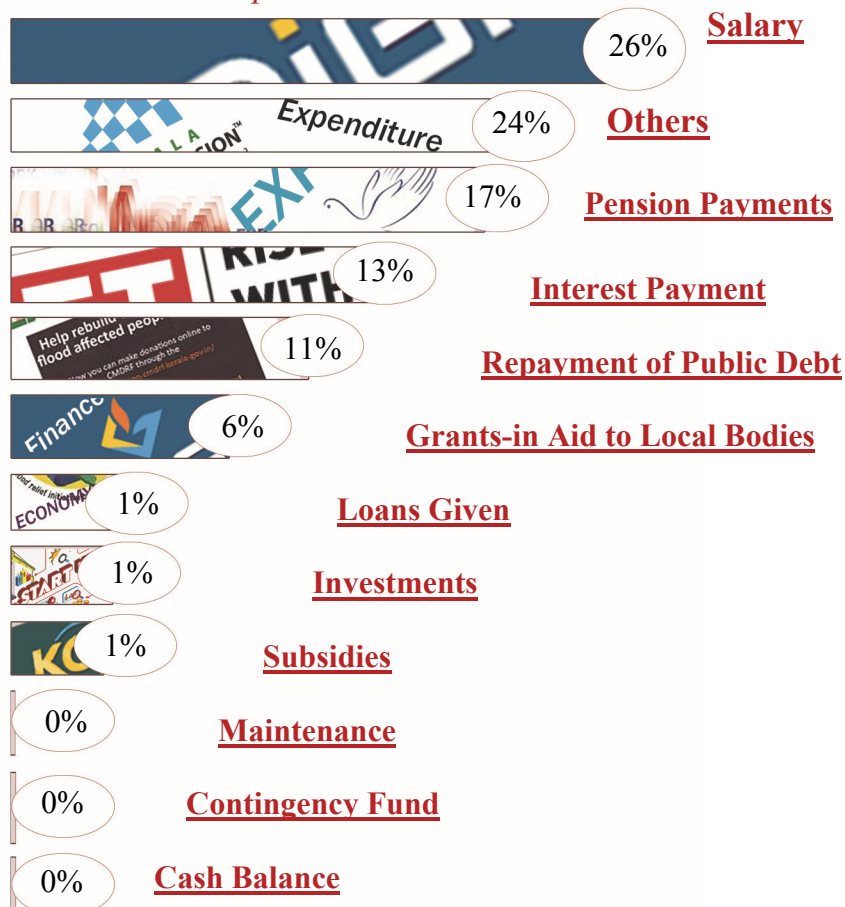
(*)To Central Government (₹ 574.91 crore) and others (₹ 12557.19) crore

1.4.3 Where the Rupee came from



Note: (i) Public Account is taken as 'net' (ii) Zero depicts negligible amount

1.4.4 Where the Rupee went



Note: (i) Contingency Fund and Cash balance components above are taken as 'net'.
(ii) Zero depicts negligible amount

1.5. Highlights of Accounts

(₹ in crore)

Sl. No.	Particulars	B.E 2017-18	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP(*)
1	Tax Revenue	70303.24	63292.69	90.03	9.22
2	Non-Tax Revenue	12037.79	11199.61	93.04	1.63
3	Grants-in-aid and Contributions	11243.71	8527.84	75.85	1.24
4	Revenue Receipts (1+2+3)	93584.74	83020.14	88.71	12.10
5	Recovery of Loans & Advances	223.87	350.98	156.78	0.05
6	Other Receipts	37.01	29.28	79.11	0.00
7	Borrowings & Other Liabilities (#)	36740.40	26837.41	73.05	3.91
8	Capital Receipts (5+6+7)	37001.28	27217.67	73.56	3.97
9	Total Receipts (4+8)	130586.02	110237.81	84.42	16.07
10	Non-Plan Expenditure (NPE)	95811.68	84681.58	88.38	12.34
11	NPE on Revenue Account	93187.86	83766.62	89.89	12.21
12	NPE on Interest Payments (out of 11)	14022.37	15119.93	107.83	2.20
13	NPE on Capital Account	2623.82	914.96	34.87	0.13
14	Plan Expenditure	34774.34	25556.23	73.49	3.72
15	Plan Expenditure on Revenue Account	22881.63	16181.73	70.72	2.36
16	Plan Expenditure on Capital Account	11892.71	9374.50	78.83	1.37
17	Total Expenditure (10+14)	130586.02	110237.81	84.42	16.07
18	Expenditure on Revenue Account (11+15)	116069.49	99948.35	86.11	14.57
19	Expenditure on Capital Account (13 +16)**	14516.53	10289.46	70.88	1.50
20	Revenue Deficit[18-4]	22484.75	16928.21	75.29	2.47
21	Fiscal Deficit 17-(4+5+6)	36740.40	26837.41	73.05	3.91

(*) Gross State Domestic Product (₹686116 crore) (Advance Estimate) - Figures communicated by Director of Economics and Statistics of the State Government

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

(**) Expenditure on Capital Account consists of Capital Expenditure (₹ 8748.87 crore) and Loans and Advances disbursed (₹ 1540.59 crore)

1.6. What do the Deficits and Surpluses indicate?

DEFICIT	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
REVENUE DEFICIT/SURPLUS	Refers to the gap between Revenue Receipts and Revenue Expenditure
FISCAL DEFICIT/SURPLUS	Refers to the gap between total Receipts (excluding Borrowings) and total Expenditure in the Consolidated Fund. This gap, therefore indicates the extent to which expenditure is financed by Borrowings

The revenue deficit of the State which indicates the excess of its revenue expenditure over revenue receipts showed inter-year variations during 2013-2018. It increased from ₹ 11308.57 crore in 2013-14 to ₹ 16928.21 crore in 2017-18.

The fiscal deficit increased from ₹ 16944.13 crore in 2013-14 to ₹ 26837.41 crore in 2017-18. The increase in fiscal deficit by ₹ 389.06 crore during the year over the previous year was the net effect of increase in revenue deficit (₹ 1443.62 crore), increase in non-debt capital receipts (₹ 57.78 crore), decrease in Capital expenditure (₹ 1377.08 crore) and increase in disbursement of loans and advances (₹ 380.30 crore).

As a proportion of GSDP, the revenue deficit increased to 2.47 *per cent*, the fiscal deficit decreased to 3.91 *per cent* and State's total debt liabilities increased to 31.27 *per cent* in 2017-18 from 2.36 *per cent*, 4.04 *per cent* and 28.96 *per cent* respectively in 2016-17.

1.6.1 Fiscal Responsibility and Budget Management Act, 2003

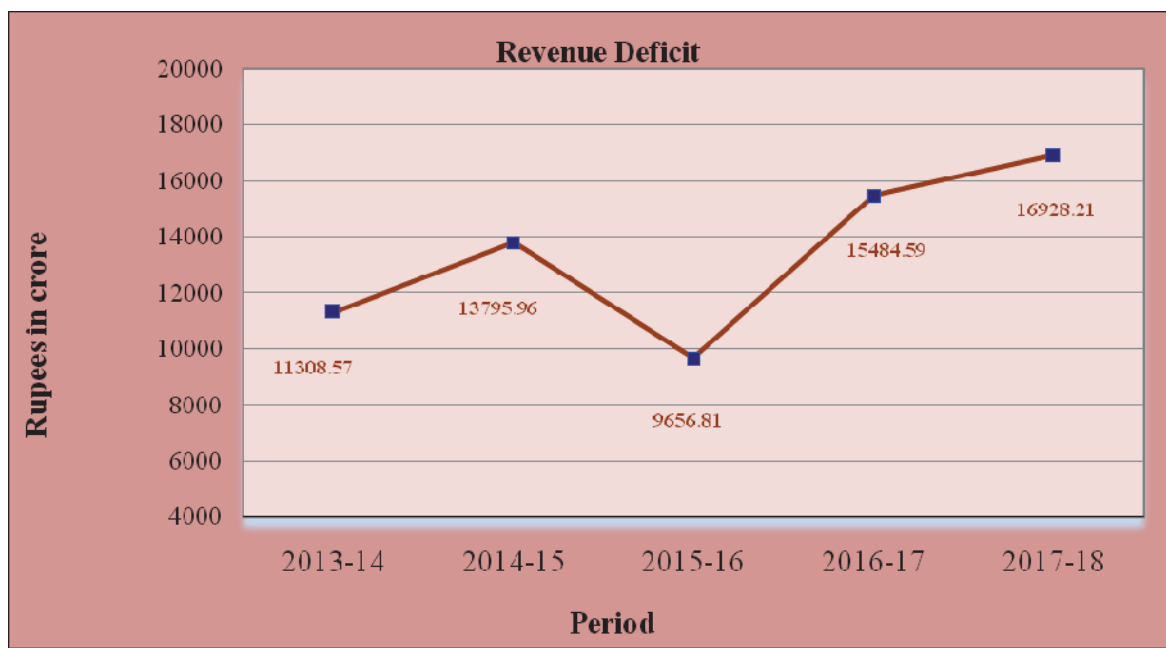
The Kerala Fiscal Responsibility and Budget Management Act, 2003, read with the Kerala Fiscal Responsibility and Budget Management (Amendment) Act 2018 based on the ceilings fixed by the Fourteenth Finance Commission has mandated the State to reduce the revenue deficit to zero, fiscal deficit to 3 *per cent* and State's total debt liabilities to 30.40 *per cent* of estimated GSDP during the year 2017-18. Achievements during the year

2017-18 against fiscal targets laid down in the Act and rules framed there under are as follows:

S.No	Financial Parameter	Actual(₹in crore)	Ratio to GSDP	
			Target	Achievement
1	Revenue Deficit	₹ 16928.21	Zero	2.47
2	Fiscal Deficit	₹ 26837.41	3 per cent	3.91 per cent
3	Debt and other obligations	₹ 214518.22	30.40 per cent	31.27 per cent

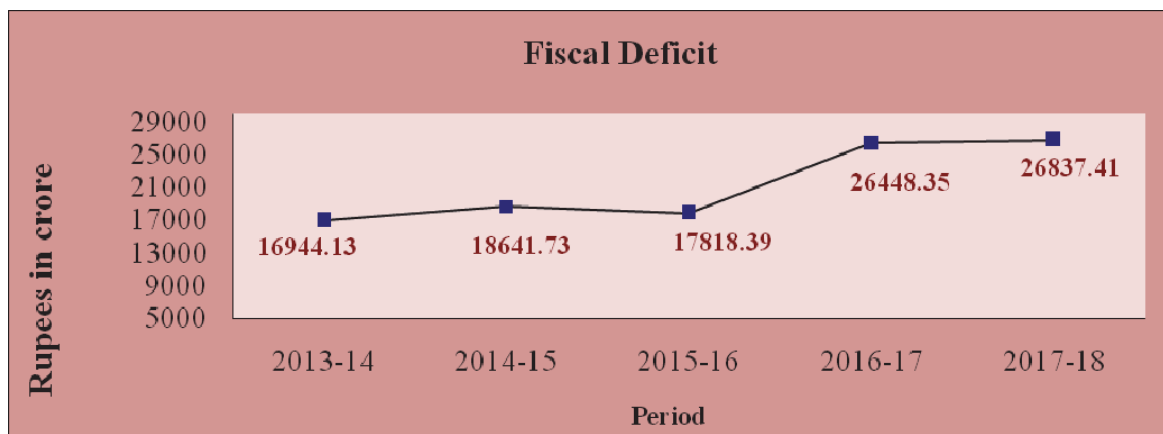
The percentages of revenue deficit and fiscal deficit during 2017-18 were more than the targets mandated in Kerala Fiscal Responsibility and Budget Management (Amendment) Act,2018.

1.6.2 Trend of Revenue Deficit



1.6.3 Trend of Fiscal Deficit

Budget Estimates for 2017-18 provided a fiscal deficit of ₹ 36740.40 crore (5.35 per cent of GSDP) where as the actual fiscal deficit was ₹ 26837.41 crore (3.91 per cent of GSDP). The position for the last five years is as below:



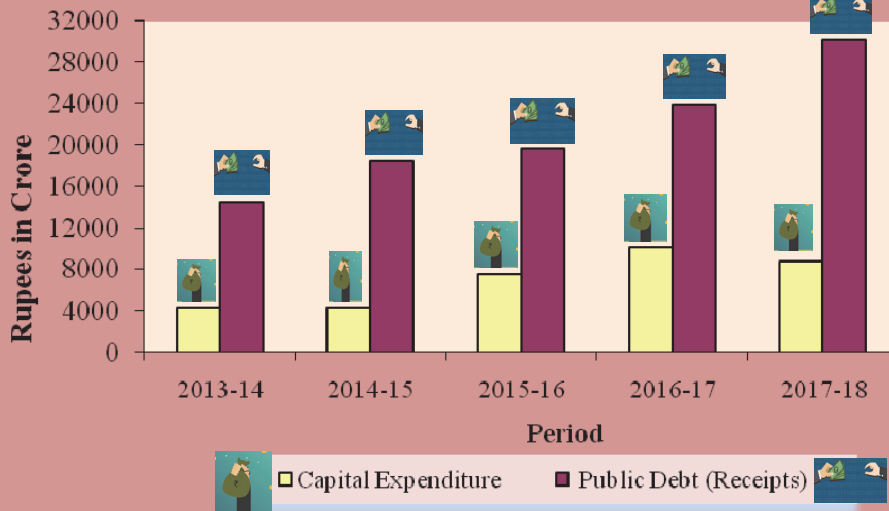
1.6.4 Proportion of borrowed funds spent on Capital expenditure

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

(₹ in crore)

Year	Public Debt (Receipt)	Capital Expenditure	Capital Expenditure as a percentage of Public Debt receipt
2013-14	14461.18	4294.33	29.70
2014-15	18509.17	4254.59	22.99
2015-16	19658.74	7500.04	38.15
2016-17	23857.89	10125.95	42.44
2017-18	30233.77	8748.47	28.94

Trend of Public Debt and Capital Expenditure



CHAPTER II

RECEIPTS

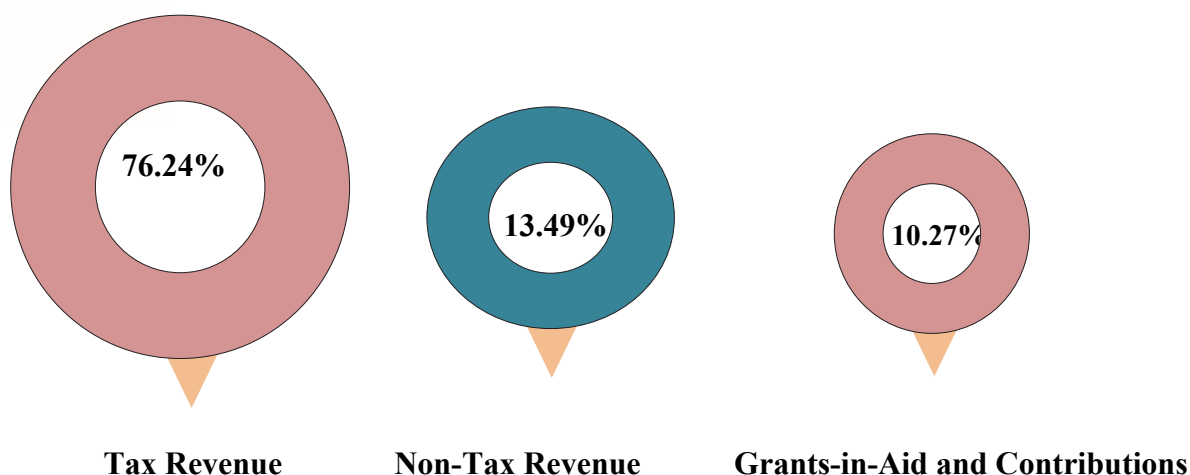
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2017-18 were ₹ 110237.81 crore (Revenue Receipt ₹ 83020.14 crore and Capital Receipts ₹ 27217.67 crore). Revenue receipts comprises Tax Revenue (₹ 63292.69 crore), Non-Tax Revenue (₹ 11199.61 crore) and Grants-in-aid and Contributions (₹ 8527.84 crore).

2.2 Revenue Receipts

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

Revenue Receipts



2.3 Revenue Receipts Components (2017-2018)

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

(₹ in crore)

Components	Actuals
A. Tax Revenue	63292.69
Goods and Services Tax	13947.53
Taxes on Income and Expenditure	9513.90
Taxes on Property, Capital and Other Transactions	3801.36
Taxes on Commodities and Services other than Goods and Services Tax	36029.90
B. Non-Tax Revenue	11199.61
Interest Receipts, Dividends and Profits	270.98
General Services	9615.69
Social Services	484.21
Economic Services	828.73
C. Grants-in-aid and Contributions	8527.84
Total - Revenue Receipts	83020.14

2.4 Trend of Receipts

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

(₹ in crore)					
Particulars	2013-14	2014-15#	2015-16#	2016-17#	2017-18
Tax Revenue	39463.69 (8.48)	43158.79 (8.42)	51685.82 (9.20)	57401.39 (9.23)	63292.69 (9.22)
Non-Tax Revenue	5575.03 (1.20)	7283.69 (1.42)	8425.49 (1.50)	9699.98 (1.56)	11199.61 (1.63)
Grants-in-aid	4138.21 (0.89)	7507.99 (1.46)	8921.35 (1.59)	8510.35 (1.37)	8527.84 (1.24)
Total Revenue Receipts	49176.93 (10.57)	57950.47 (11.31)	69032.66 (12.29)	75611.72 (12.16)	83020.14 (12.10)
GSDP (*)	465041	512564	561546	621700	686116

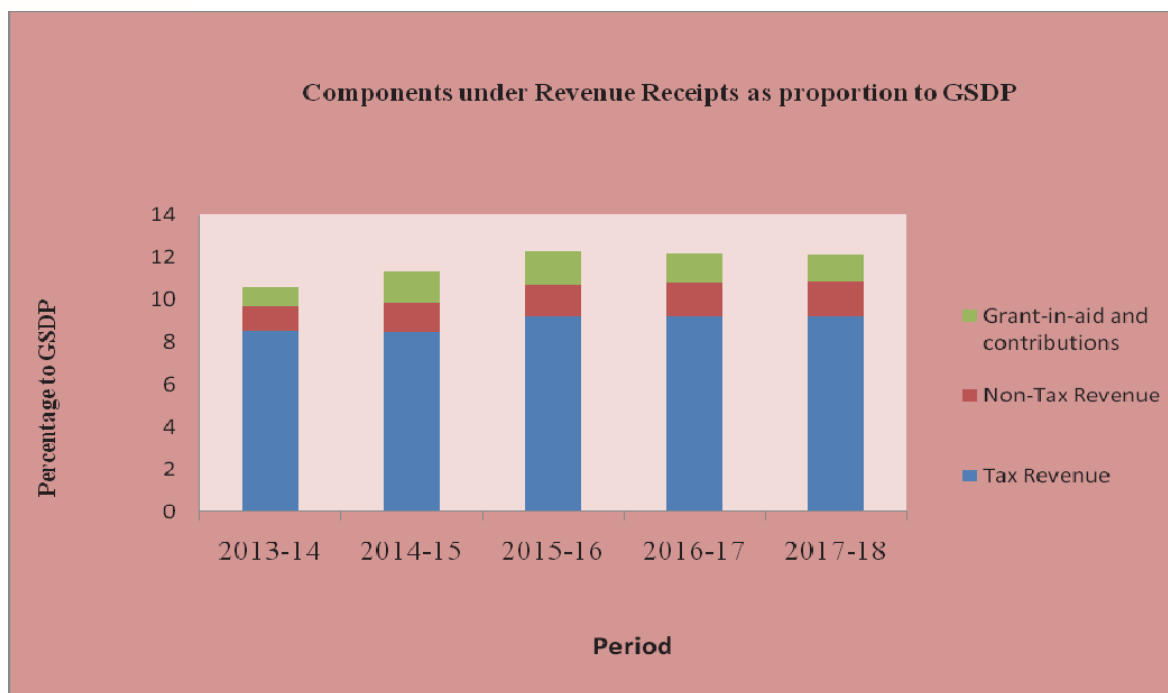
Note: (*) GSDP figures communicated by Director of Economics and Statistics of the State Government. The figures for 2016-17 are provisional Estimate. The figures for 2017-18 are Advance Estimate.

Figures in parenthesis indicate percentage to GSDP.

(#) Change in figures with respect to previous report is due to adoption of revised GSDP figures.

The GSDP increased by 10.36 *per cent* between 2016-17 and 2017-18, while revenue receipts increased by 9.80 *per cent*. Tax Revenue of ₹ 63292.69 crore and Non-Tax Revenue of ₹ 11199.61 crore during 2017-18 formed 9.22 *per cent* and 1.63 *per cent* respectively of the GSDP. Major portion of Tax Revenue was collected under Taxes on Sales, Trade etc. i.e, ₹ 24577.82 crore represent 3.58 *per cent* of the GSDP. Out of the Tax Revenue of ₹ 63292.69 crore, the contributions of State's Own Taxes and Central Tax transfers were ₹ 46459.61 crore and ₹ 16833.08 crore respectively.

Trend of Revenue receipts relative to GSDP is presented below:

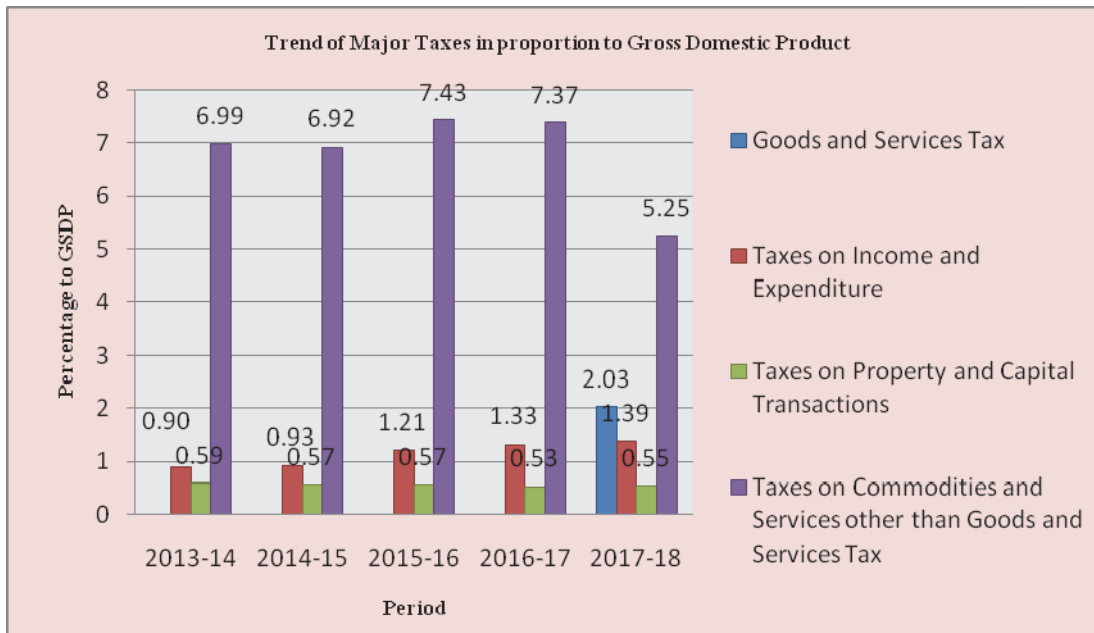


2.5 Tax Revenue

2.5.1 Sector-wise Tax Revenue

Sector-wise composition of Tax Revenue for the period 2013-14 to 2017-18 is given below:
(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Goods and Services Tax					13947.53
Taxes on Income and Expenditure	4187.28	4753.09	6786.80	8284.11	9513.90
Taxes on Property and Capital Transactions	2765.09	2918.97	3191.46	3301.11	3801.36
Taxes on Commodities and Services other than Goods and Services Tax	32511.32	35486.73	41707.56	45816.17	36029.90
Total Tax Revenue	39463.69	43158.79	51685.82	57401.39	63292.69



2.6 Performance of State's Own Tax Revenue collection

An analysis of State's Own Tax Revenue and its percentage to GSDP for the period 2013-14 to 2017-18 are shown below:

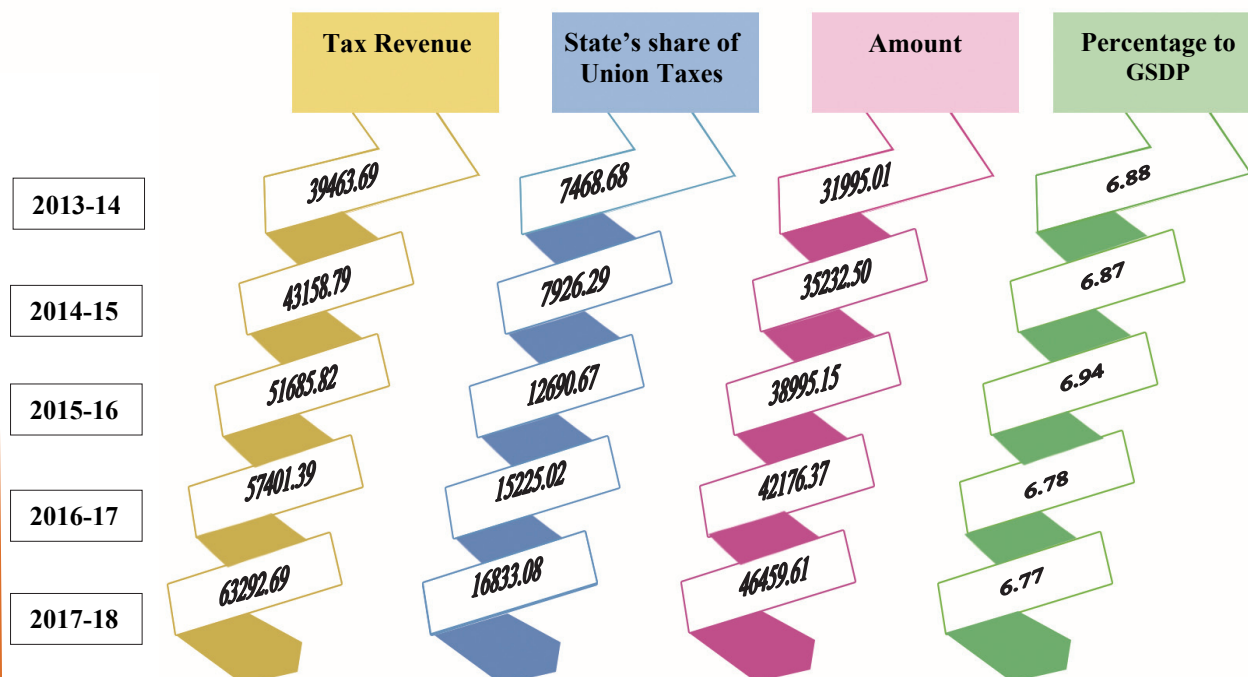
(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
2013-14	39463.69	7468.68	31995.01	6.88
2014-15	43158.79	7926.29	35232.50	6.87
2015-16	51685.82	12690.67	38995.15	6.94
2016-17	57401.39	15225.02	42176.37	6.78
2017-18	63292.69	16833.08	46459.61	6.77

The State's Own Tax Revenue collected during 2017-18 was ₹ 4283.24 crore more than the year 2016-17 and ₹ 6951.88 crore less than the budget estimate for the year 2017-18 given in the Medium Term Fiscal Plan 2017-18 (₹ 53411.49 crore).

States Own Tax Revenue

(₹ in crore)



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

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
States own Tax collection	31995.01	35232.5	38995.15	42176.37	46459.61
Devolution of Union Taxes	7468.68	7926.29	12690.67	15225.02	16833.08
Total Tax Revenue	39463.69	43158.79	51685.82	57401.39	63292.69
Percentage of States own tax to Total tax revenue	81.07	81.63	75.45	73.48	73.40

2.7 Efficiency of Tax Collection

Tax collection under the major sectors and expenditure on collection for the period 2013-14 to 2017-18 are given below.

A. Taxes on Property, Capital and other Transactions

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	2765.09	2918.97	3191.46	3301.11	3801.36
Expenditure on Collection	493.28	551.74	637.87	762.25	845.71
Percentage of expenditure on collection to revenue collection	17.84	18.90	19.99	23.09	22.25

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

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue collection	32511.32	35486.73	41707.56	45816.17	36029.90
Expenditure on collection	437.40	507.78	556.58	679.26	743.03
Percentage of expenditure on collection to Revenue collection	1.35	1.43	1.33	1.48	2.06

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

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

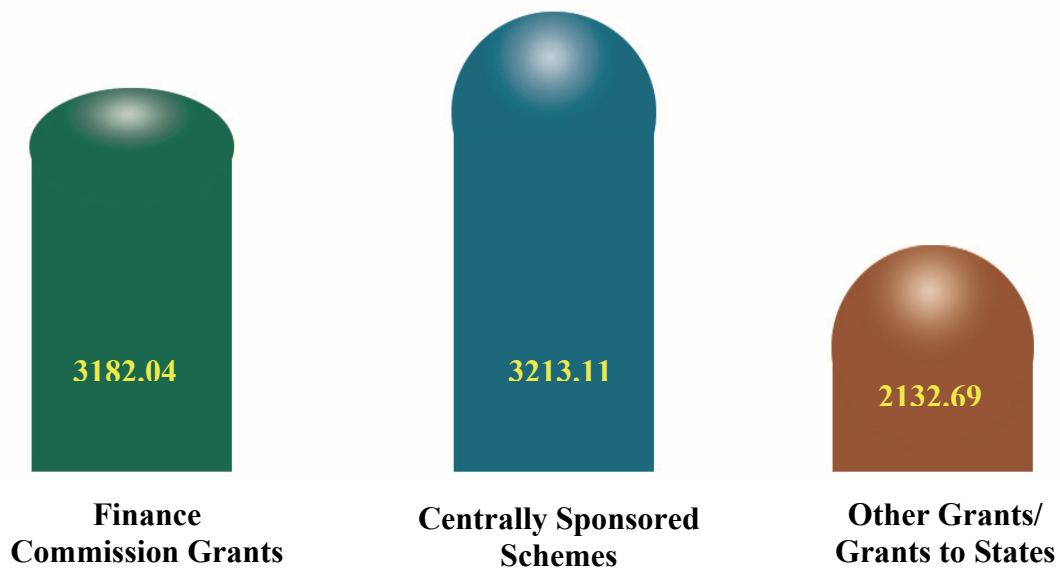
(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Corporation Tax	2511.79	2767.88	4001.37	4885.98	5156.64
Taxes on Income other than Corporation Tax	1653.94	1976.54	2783.33	3395.77	4354.40
Taxes on Wealth	6.89	7.47	0.89	11.18	(-)0.15
Customs	1218.58	1281.91	2031.61	2101.76	1699.40
Union Excise Duties	860.66	723.84	1688.82	2400.03	1776.40
Service Tax	1216.82	1168.58	2175.85	2430.25	1906.55
Others		0.07	8.80	0.05	1939.84*
Total State Share of Union Taxes	7468.68	7926.29	12690.67	15225.02	16833.08
Total Tax Revenue	39463.69	43158.79	51685.82	57401.39	63292.69
Percentage of States share of Union Taxes to total Tax Revenue	18.93	18.37	24.55	26.52	26.60

* Represents ₹ 239.88 crores CGST and ₹ 1699.96 IGST

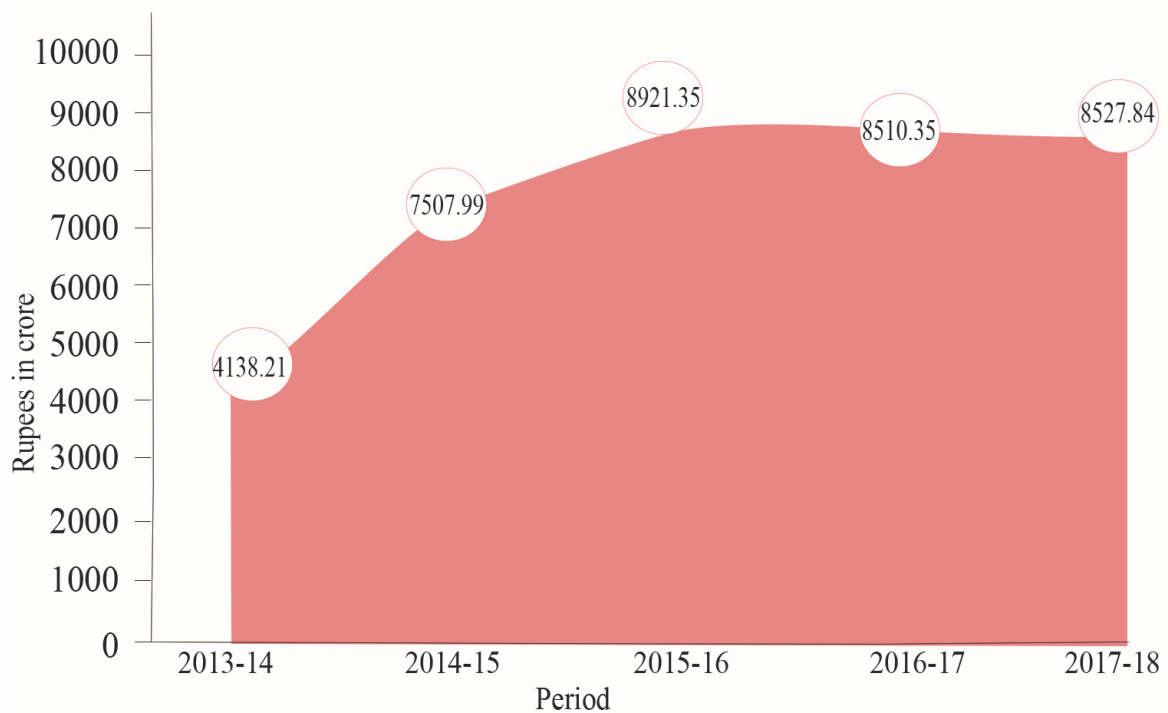
2.9 Grants-in-Aid

Grants-in-aid represent assistance from Government of India, and comprise Grants for Centrally Sponsored Schemes approved by NITI Aayog, Grants recommended by the Finance Commission and Other grants. Total receipts during the year 2017-18 under Grants-in-aid were ₹ 8527.84 crore as shown below:



2.9.1 Trend of Grants-in-Aid received for the period 2013-14 to 2017-18 is given below:

Trend of Grants in Aid



2.10 Public Debt

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

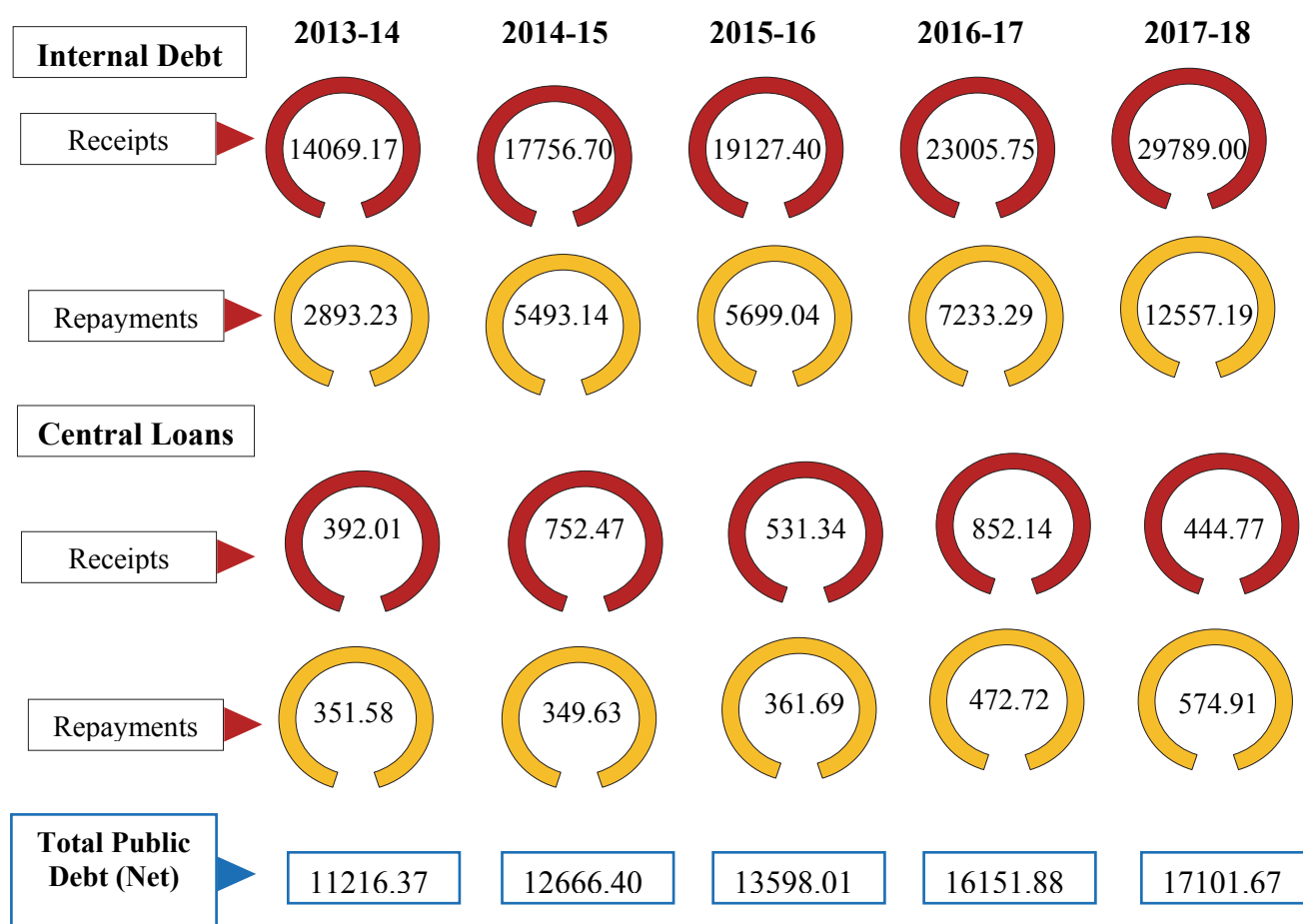
2.10.1 Trend of Public Debt over the past five years

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

(₹ in crore)

Year	Internal Debt		Loans and Advances from Central Government		Total Public Debt (Net)
	Receipts	Repayments	Receipts	Repayments	
2013-14	14069.17	2893.23	392.01	351.58	11216.37
2014-15	17756.70	5493.14	752.47	349.63	12666.40
2015-16	19127.40	5699.04	531.34	361.69	13598.01
2016-17	23005.75	7233.29	852.14	472.72	16151.88
2017-18	29789.00	12557.19	444.77	574.91	17101.67

(₹ in crore)



CHAPTER III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue expenditure and Capital expenditure. It is further classified as Plan and Non-Plan. Revenue expenditure is incurred to meet expenses for the day-to-day running of the Government. Capital expenditure is used to create permanent assets to enhance the utility of such assets or to reduce permanent liabilities.

In Government accounts, expenditure is classified into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in table given below:

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

3.2 Revenue Expenditure

Revenue expenditure for 2017-18, ₹ 99948.35 crore (comprising Non-Plan expenditure of ₹ 83766.62 crore and Plan expenditure of ₹ 16181.73 crore) was less than the budget estimates by ₹ 16121.14 crore (less by ₹ 9421.24 crore under 'Non-Plan' and ₹ 6699.90 crore under 'Plan'). The shortfall of expenditure against Budget Estimates under Revenue Section during the past five years is given below.

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates	64500.23	79550.60	91829.55	103289.25	116069.49
Actuals	60485.50	71746.43	78689.47	91096.31	99948.35
Shortfall	4014.73	7804.17	13140.08	12192.94	16121.14
Percentage of shortfall over Budget Estimates	6.22	9.81	14.31	11.80	13.89

Around 69.03 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹ 32347.07 crore), Interest payment (₹15119.93) Pension Payments (₹19938.41) and subsidies (₹1583.84) which is the committed liability of the State Government.

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

(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Total Revenue Expenditure	60485.50	71746.43	78689.47	91096.31	99948.35
Committed Revenue Expenditure	39069.80	43895.42	49378.71	57589.57	68989.25
Percentage of committed expenditure to Revenue Expenditure	64.59	61.18	62.75	63.22	69.03
Uncommitted revenue Expenditure	21415.70	27851.01	29310.76	33506.74	30959.10

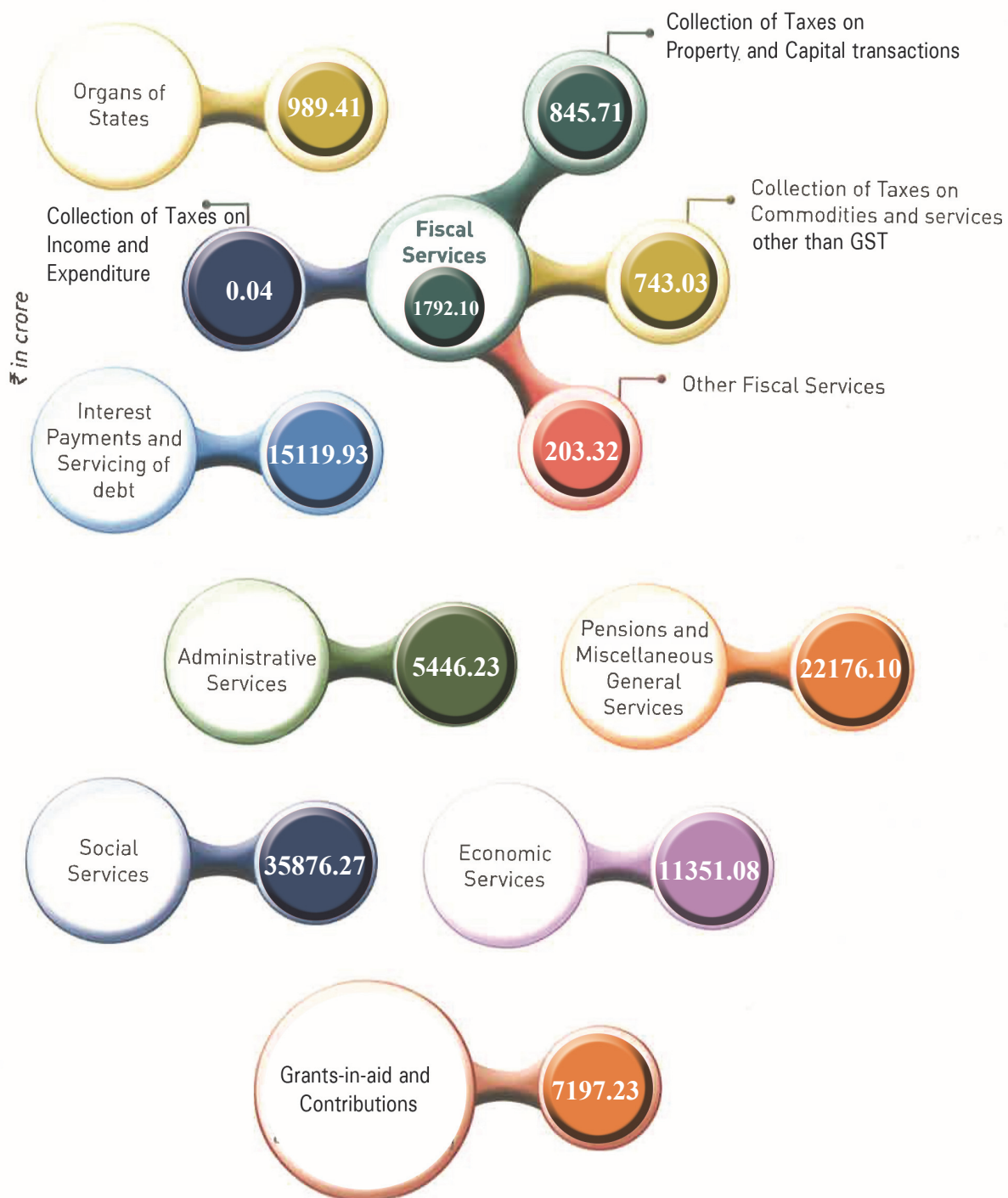
It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has decreased during the year 2017-18. The total revenue expenditure increased by 65.24 per cent from ₹ 60485.50 crore in 2013-14 to ₹ 99948.35 crore in 2017-18 and committed revenue expenditure increased by 76.58 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure

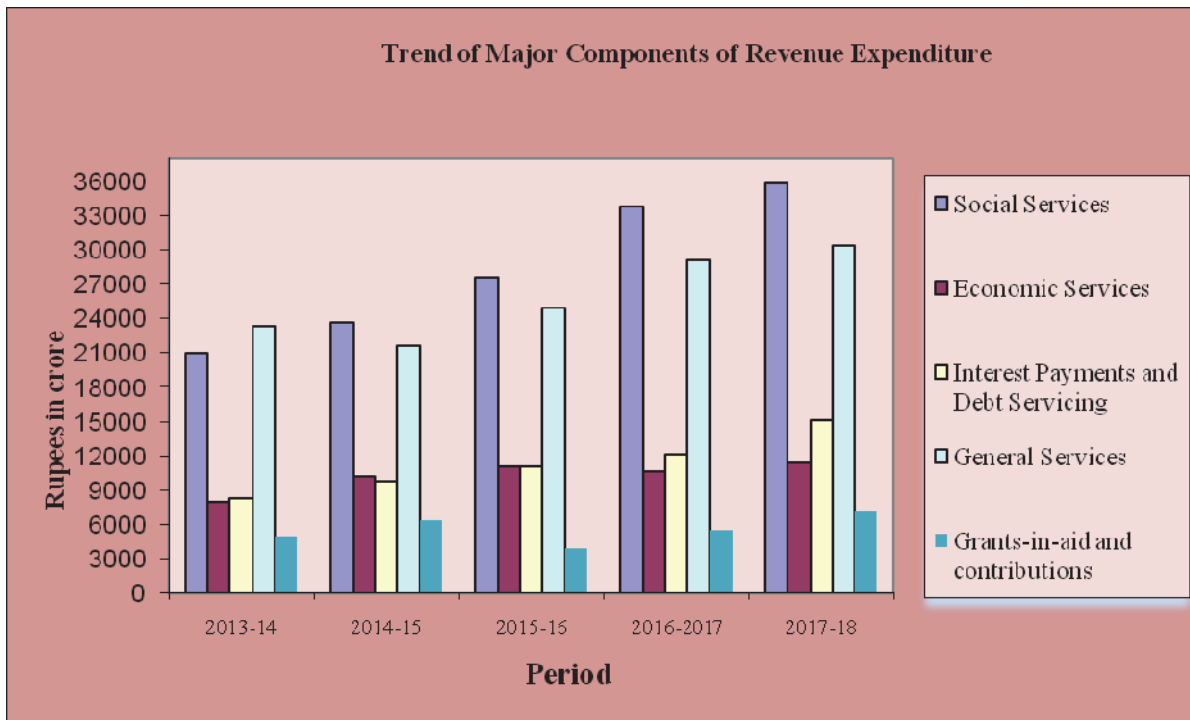
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

(₹ in crore)

	Components	Amount	Percentage to Total Revenue Expenditure
A	General Services	45523.77	45.55
a	Organs of State	989.41	0.99
b	Fiscal Services	1792.10	1.79
i)	Collection of Taxes on Income and Expenditure	0.04	0.00
ii)	Collection of Taxes on Property and Capital transactions	845.71	0.85
iii)	Collection of Taxes on Commodities and Services other than Goods and Services Tax	743.03	0.74
iv)	Other Fiscal Services	203.32	0.20
c	Interest Payments and Servicing of Debt	15119.93	15.13
d	Administrative Services	5446.23	5.45
e	Pensions and Miscellaneous General Services	22176.10	22.19
B	Social Services	35876.27	35.89
C	Economic Services	11351.08	11.36
D	Grants-in-aid and Contributions	7197.23	7.20
	Total Expenditure (Revenue Account)	99948.35	100.00



3.2.2 Major Components of Revenue Expenditure (2013-2018)



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

3.3 Capital Expenditure

Capital disbursements for 2017-18, ₹ 10289.46 crore (comprising Non-Plan expenditure of ₹ 914.96 crore and Plan expenditure of ₹ 9374.50 crore) were less than the budget estimates by ₹ 4227.07 crore due to less disbursement under Non-Plan (₹ 1708.86 crore) and less under Plan (₹ 2518.21 crore).

The growth in capital expenditure and growth of GSDP since 2013-14 can be seen from the table below:

(₹ in crore)

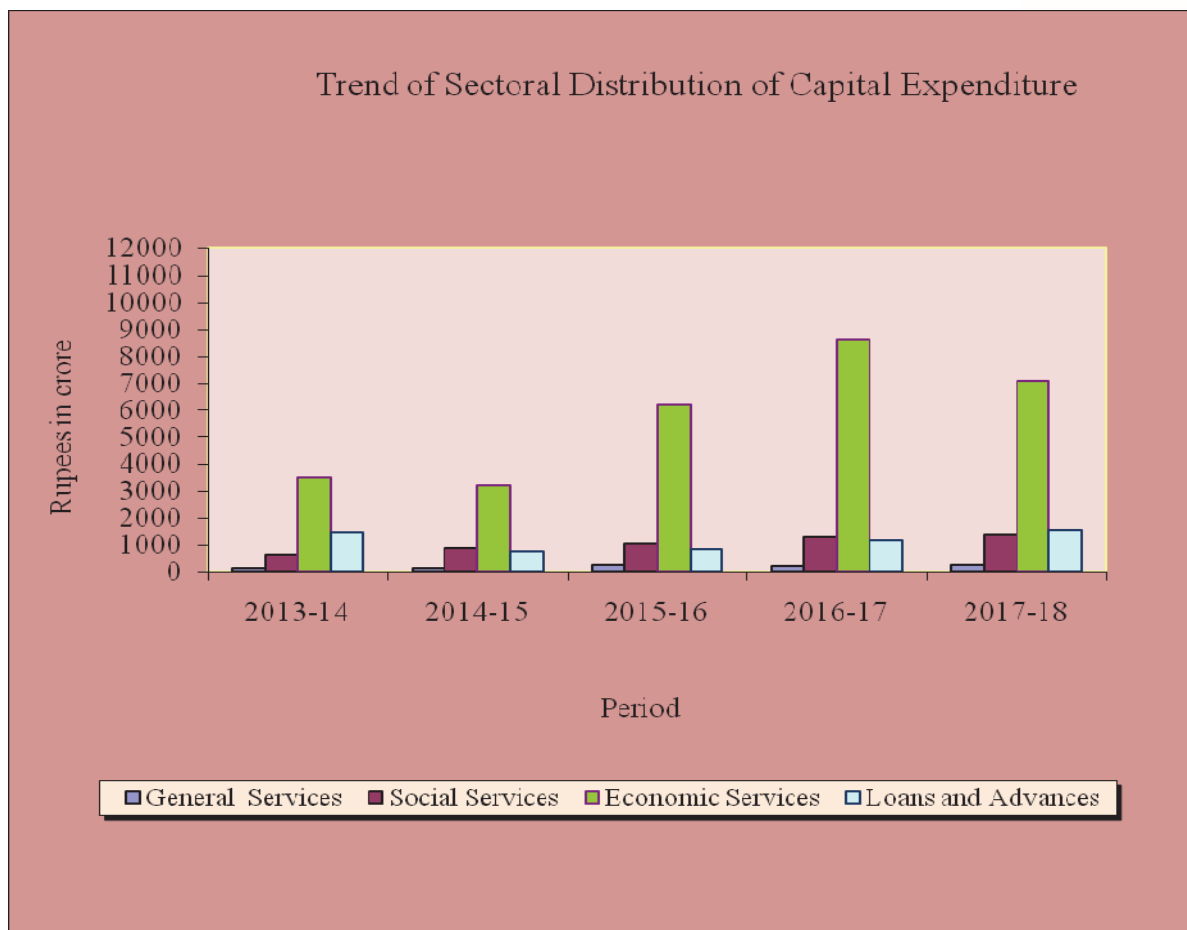
S.No	Components	2013-14	2014-15	2015-16	2016-17	2017-18
1	Budget(B.E)	11055.35	9265.66	11495.64	14171.86	14516.53
2	Actual Expenditure	5758.50	4997.68	8342.29	11286.24	10289.46
3	Percentage of Actual Expenditure to B.E	52.09	53.94	72.57	79.64	70.88
4	Yearly Growth in Capital Expenditure	0.3%	(-)13%	67%	35%	(-) 9%
5	GSDP	465041	512564	561546	621700	686116
6	Yearly Growth in GSDP	13%	10%	10%	11%	10%

3.3.1 Sectoral distribution of Capital Expenditure

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

(₹ in crore)

SI No.	Sectors	Amount	Percentage to Capital Expenditure
1	General Services	268.01	2.61
2	Social Services	1405.89	13.66
3	Economic Services	7074.97	68.76
4	Loans and Advances	1540.59	14.97
	Total	10289.46	100.00



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

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

(₹ in crore)

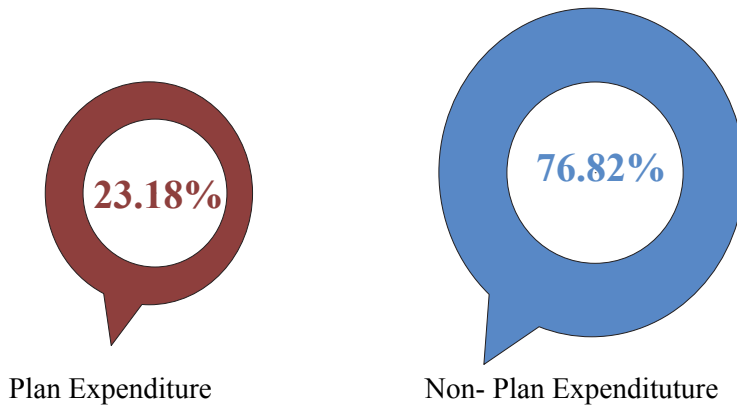
S.No	Sectors		2013-14	2014-15	2015-16	2016-17	2017-2018
1	General Services	Capital	148.04	134.66	256.60	210.86	268.01
		Revenue	26605.09	31432.75	36084.68	41195.33	45523.77
2	Social Services	Capital	617.12	875.26	1035.03	1292.68	1405.89
		Revenue	20979.88	23718.12	27603.29	33764.72	35876.27
3	Economic Services	Capital	3529.17	3244.67	6208.41	8622.41	7074.97
		Revenue	7929.05	10197.56	11098.42	10655.35	11351.08
4	Grants-in-aid and contributions	Capital	-	-	-	-	-
		Revenue	4971.48	6398.00	3903.08	5480.91	7197.23

CHAPTER IV

PLAN & NON-PLAN EXPENDITURE

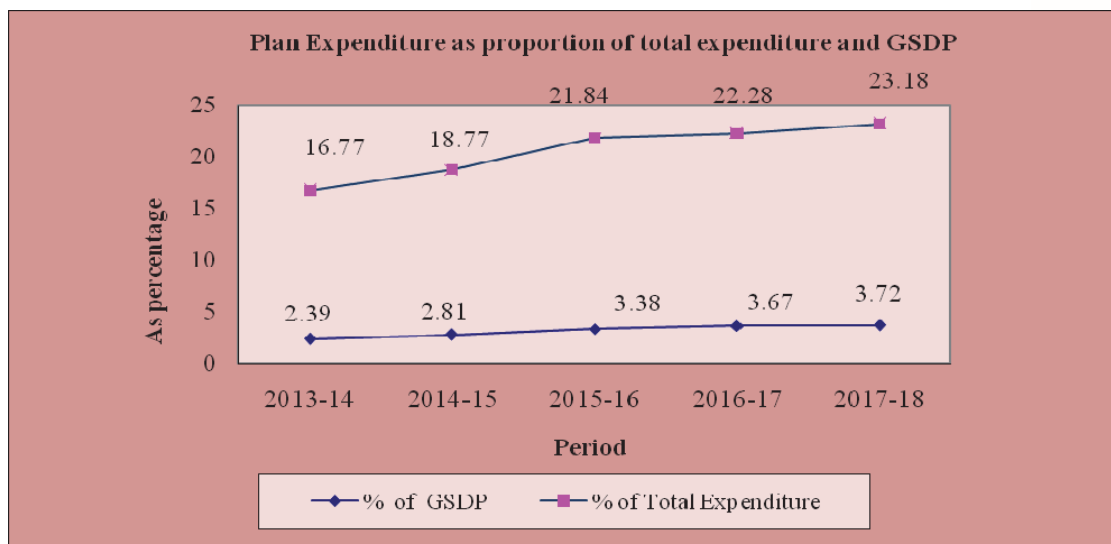
4.1 Distribution of Expenditure

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



4.2 Plan Expenditure

Plan Expenditure during 2017-18 (₹ 25556.23 crore) consists of ₹ 16181.73 crore under Revenue and ₹ 9374.50 crore under Capital. It represents 23.18 *per cent* of the total expenditure of ₹ 110237.81 crore and comprises ₹ 23201.17 crore under State Plan and ₹ 2355.06 crore under Centrally Sponsored Schemes/Central Assistance Schemes.



4.2.1 Plan expenditure under Capital Account

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

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Total Capital Expenditure	5758.50	4997.68	8342.29	11286.24	10289.46
Capital Expenditure (plan) (Includes Loans and Advances)	4035.15	4124.12	6926.09	9320.90	9374.50
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	70.07	82.52	83.02	82.59	91.11

(₹ in crore)

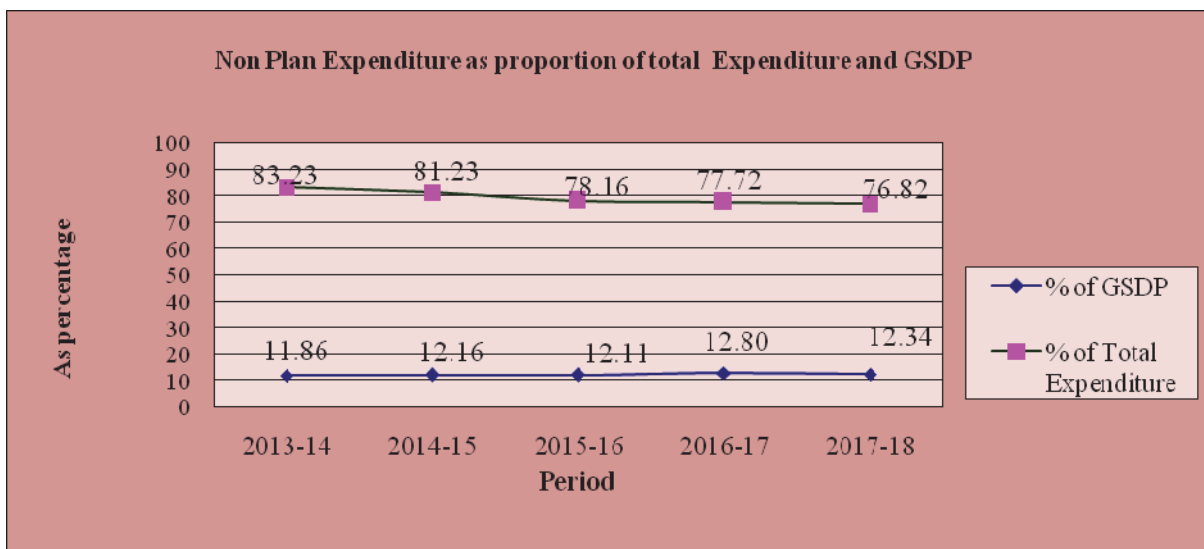
Total Capital Expenditure	5758.50	4997.68	8342.29	11286.24	10289.46
Capital Expenditure (plan)	4035.15	4124.12	6926.09	9320.90	9374.50
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	70.07	82.52	83.02	82.59	91.11
	2013-14	2014-15	2015-16	2016-17	2017-18

4.2.2 Plan expenditure on Loans and Advances

Plan expenditure on Loans and Advances during 2017-18 was ₹ 1380.82 crore under 19 Loan Heads of Account.

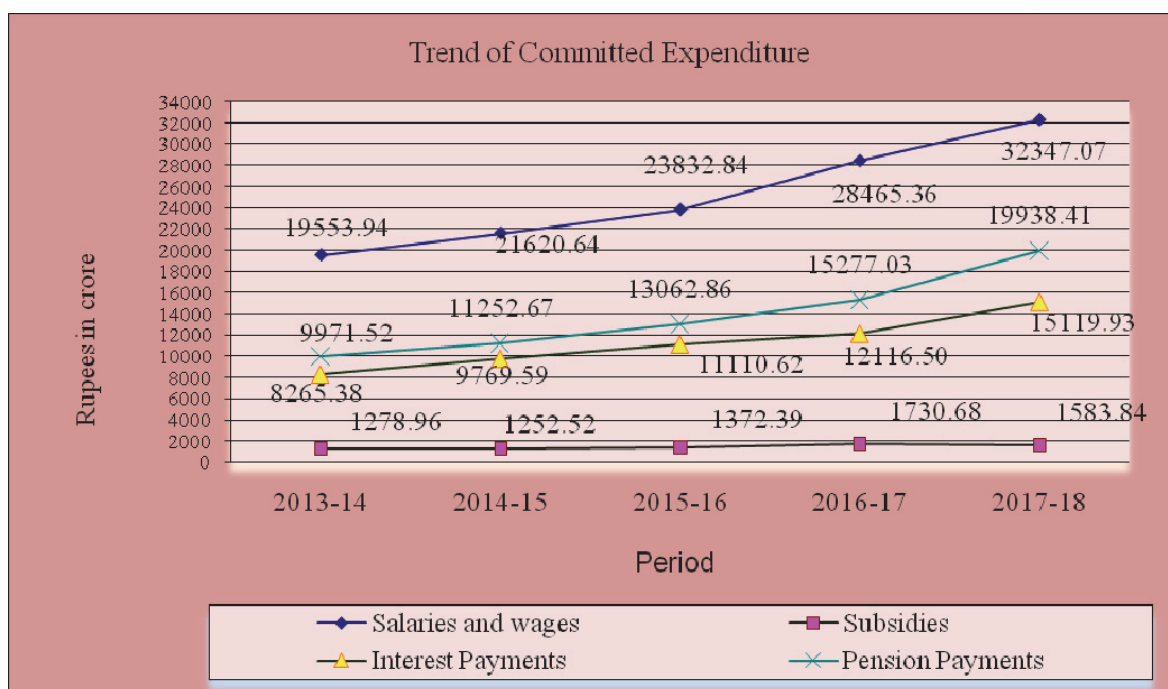
4.3 Non-Plan Expenditure

Non-Plan expenditure during 2017-18 (₹ 84681.58 crore) consists of ₹ 83766.62 crore under Revenue and ₹ 914.96 crore under Capital. It represents 76.82 per cent of the total expenditure of ₹ 110237.81 crore.



4.4 Committed Expenditure

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

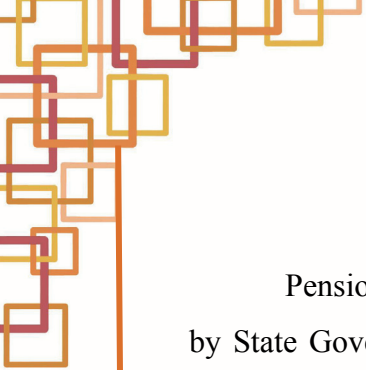


The ratio of salaries and wages, interest payments, pension and subsidies (Committed Expenditure) to Revenue Receipts of the State during the current year was 83.10 per cent.

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

(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Committed Expenditure	39069.80	43895.42	49378.71	57589.57	68989.25
Revenue Expenditure	60485.50	71746.43	78689.47	91096.31	99948.35
Percentage of committed expenditure to Revenue Receipts	79.45	75.75	71.53	76.16	83.10
Percentage of committed expenditure to Revenue Expenditure	64.59	61.18	62.75	63.22	69.03



Pension payments during 2017-18 was ₹ 1764.12 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 18174.29 crore). The expenditure on salaries and wages (including the salary of staff of State aided educational institutions paid by Government) during the year 2017-18 was ₹ 32347.07 crore constituting 38.96 *per cent* of the revenue receipts and 32.36 *per cent* of the revenue expenditure. The salary expenditure is 49.85 *per cent* of revenue expenditure net of interest and pension payments and it is ₹ 557.22 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 31789.85 crore).

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

The Appropriation Accounts of the Government of Kerala for the year 2017-18 present the accounts of sums expended in the year ended 31 March 2018 compared with the sums specified in the Schedules appended to the Appropriation Acts passed by the State Legislature under Articles 204 and 205 of the Constitution of India.

As per the Appropriation Accounts of the State for the year 2017-18, the actual expenditure was ₹ 133456.97 crore comprised ₹ 109383.96 crore Revenue Expenditure, ₹ 9400.32 crore Capital Expenditure, ₹ 13132.10 crore repayment of Public Debt and ₹ 1540.59 crore Loans and Advances. There were Savings under these sections with reference to total Grants/Appropriation allocated by the State Legislature as indicated below:

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant/Appropriation	Supplementary Grant/Appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue					
	Voted	96213.60	5852.24	102065.84	93707.62	-8358.22
	Charged	14078.58	589.37	14667.95	15676.34	1008.39
2	Capital					
	Voted	9005.85	3617.84	12623.69	9282.04	-3341.65
	Charged	77.24	54.43	131.67	118.28	-13.39
3	Public Debt					
	Charged	13606.01		13606.01	13132.10	-473.91
4	Loans and Advances					
	Voted	916.58	868.06	1784.64	1538.46	-246.18
	Charged		2.13	2.13	2.13	0.00
	Total	133897.86	10984.07	144881.93	133456.97	-11424.96

5.2 Trend of Savings/Excess during the past five years

Trend of Savings/Excess during the past five years is given below:

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2013-14	(-)3647.38	(-)5208.34	(-)6859.49	(-)3.42	(-)15718.63
2014-15	(-)7622.14	(-)4039.54	(-)8349.59	(-)146.70	(-)20157.97
2015-16	(-)12509.23	(-)2965.19	(-)8917.24	(-)121.96	(-)24513.62
2016-17	(-)11466.04	(-)2610.87	(-)6268.77	(-)114.61	(-)20460.29
2017-18	(-)7349.83	(-)3355.04	(-)473.91	(-)246.18	(-)11424.96

5.2.1 Excess over provision requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹ 2394.43 crore under Revenue voted Section and ₹ 1097.65 crore under Revenue Charged section and ₹ 53.36 crore under Capital section. This excess expenditure of ₹ 3545.44 crore requires regularisation under Article 205 of the Constitution of India.

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total grant/appropriation	Expenditure	Excess
Voted Grants - Revenue				
1	I State Legislature	102.77	103.46	0.69
2	XV Public Works	3053.87	3119.34	65.47
3	XVI Pensions and Miscellaneous	25610.68	27884.41	2273.73
4	XIX Family Welfare	520.81	575.35	54.54
	Total Voted Grants-Revenue	29288.13	31682.56	2394.43
Charged Appropriation - Revenue				
5	Debt charges	14022.37	15119.98	1097.61
6	XIX Family Welfare	(*)	0.02	0.02
7	XXXIV Forest	0.05	0.07	0.02
	Total Charged Appropriation-Revenue	14022.42	15120.07	1097.65

Sl No.	Number and title of Grant/Appropriation	Total grant/Appropriation	Expenditure	Excess
Voted Grants - Capital				
8	XIV Stationery and Printing and other Administrative Services	2.91	3.00	0.09
9	XVII Education, Sports, Art and Culture	474.83	528.10	53.27
	Total Voted Grants-Capital	477.74	531.10	53.36
	Grand Total	43788.29	47333.73	3545.44

* Amount negligible

5.2.2 Significant Savings

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

(₹ in crore)

Grant No.	Nomenclature	2013-14	2014-15	2015-16	2016-17	2017-18
REVENUE VOTED						
XXII	Urban Development	84	75	69	42	67
XXXVI	Rural Development	13	33	25	74	75
CAPITAL VOTED						
XXVIII	Miscellaneous Economic Services	86	96	56	29	57

5.2.3 Unnecessary Supplementary Grants

Supplementary provisions aggregating ₹ 3052.68 crore, obtained in 27 cases during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as given below:

(₹ in crore)

GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure
Revenue Voted				
II	Heads of States, Ministers and Headquarters Staff	714.16	10.50	521.26
III	Administration of Justice	723.78	0.20	677.32
V	Goods and Services Tax, Agricultural Income Tax and Sales Tax	355.73	4.73	341.20
VI	Land Revenue	661.53	25.40	644.91
IX	Taxes on Vehicles	144.77	5.00	134.79
XII	Police	3823.28	43.20	3588.27
XIV	Stationery and Printing and other Administrative Services	495.70	36.92	484.02
XVII	Education, Sports, Art and Culture	19907.41	117.50	18826.58
XVIII	Medical and Public Health	5992.14	198.56	5909.65
XXII	Urban Development	1553.33	112.00	550.86
XXV	Welfare of SC, ST, OBC and Minorities	3136.55	150.00	2885.73
XXVII	Co-operation	380.32	92.00	326.62
XXIX	Agriculture	3206.53	439.93	2883.24
XXXV	Panchayat	585.91	71.27	536.09

GrantNo.	Nomenclature	Original provision	Supplementary provision	Actual Expenditure
XXXVI	Rural Development	3879.10	168.00	1013.77
XXXIX	Power	144.75	0.44	119.76
XLII	Tourism	218.87	12.84	205.10
Revenue Charged				
I	State Legislature	0.77	0.03	0.57
II	Heads of States, Ministers and Headquarters Staff	203.14	26.00	194.89
Capital – Voted				
XII	Police	61.38	36.33	48.05
XXVIII	Miscellaneous Economic Services	1623.40	1142.64	1174.82
XXIX	Agriculture	351.02	78.68	318.34
XXX	Food	97.83	17.58	92.56
XXXI	Animal Husbandry	47.75	1.21	20.42
XXXIII	Fisheries	487.50	3.72	369.75
XXXV	Panchayat	554.00	6.00	515.39
XXXVII	Industries	909.34	252.00	894.05

5.3 Advances from Contingency Fund

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

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-2018
Number of withdrawals from Contingency Fund	19	2	3	Nil	2
Total withdrawals from Contingency Fund (Rupees in crore)	219.36	17.79	2.61	Nil	88.08
Withdrawals from Contingency Fund as percentage to total Budget provision	0.25	0.02	0.003	Nil	0.07

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

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

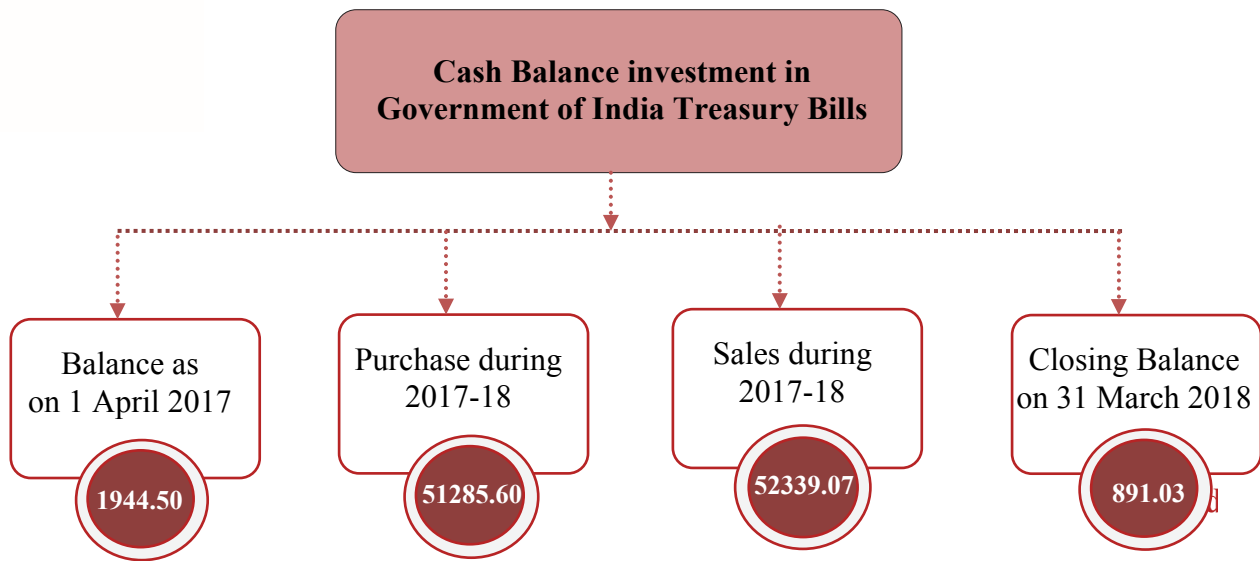
Total investments as share capital in Statutory Corporations, Government Companies, Other Joint Stock Companies, Co-operative Banks and Societies etc. stood at ₹ 8211.47 crore at the end of 2017-18. Dividends received during the year were ₹ 126.48 crore (1.58 per cent of investment). During 2017-18, investments increased by ₹ 839.29 crore and dividend income increased by ₹ 30.11 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) increased from ₹ (-)47.70 crore at the beginning of the year 2017-18 to ₹ (-)44.08 crore at its end. Government had invested an amount of ₹ 51285.60 crore on treasury bills on 94 occasions and rediscounted Treasury Bills worth ₹ 52339.07 crore on 234 occasions during the year 2017-18.

(₹ in crore)

Cash Balance investment in Government of India Treasury Bills			
Balance as on 1 April 2017	Purchases during 2017-18	Sales during 2017-18	Closing Balances on 31 March 2018
1944.50	51285.60	52339.07	891.03

(₹ in crore)



6.2 Debt and Liabilities

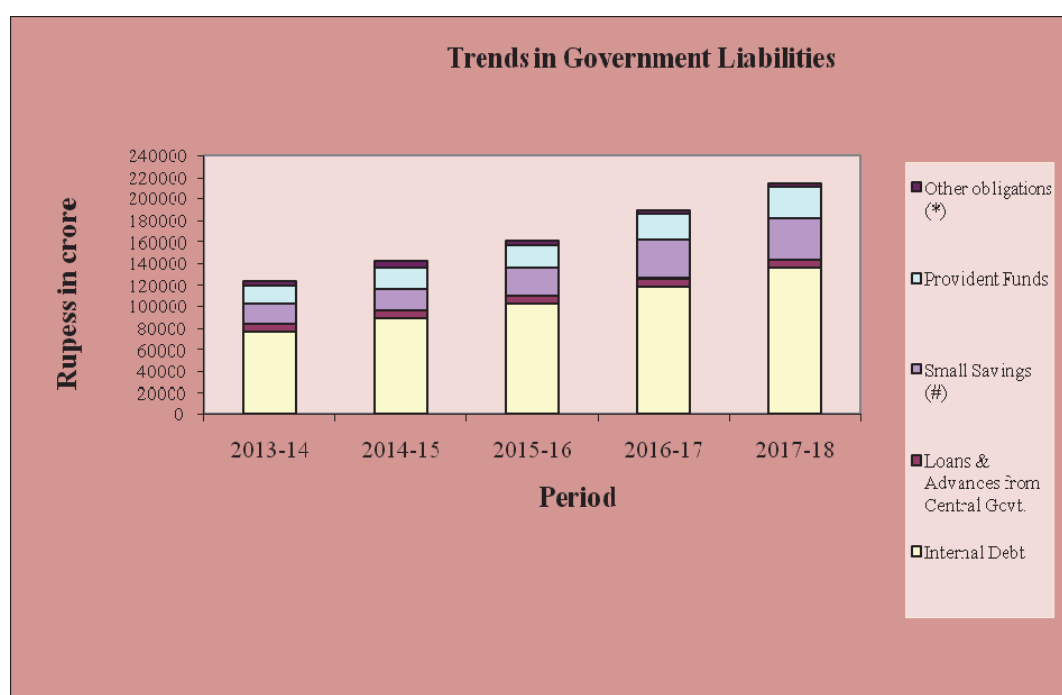
Outstanding Public Debt of the State at the end of 2017-18 was ₹ 142984.52 crore, comprising Internal Debt (₹ 135500.53 crore) and Loans and Advances from Central Government (₹ 7483.99 crore). Other liabilities accounted under Public Account were ₹ 71533.70 crore. The State also acts as a banker and trustee in respect of Small Savings, Provident Funds and Deposits. There was an overall increase of ₹ 7472.74 crore in respect of such liabilities of the State Government during 2017-18.

Interest payments on debt and other liabilities totaling ₹ 15095.75 crore constituted 15.10 percentage of revenue expenditure of ₹ 99948.35 crore. Interest payments on Public Debt were ₹ 10937.67 crore ((Internal Debt: ₹ 10622.77 crore (excluding Management of debt ₹ 24.23 crore, Recoveries of overpayments ₹ 0.02 crore), Loans and Advances from Central Government: ₹ 314.90 crore)). Expenditure on account of interest payments increased by ₹ 2999.74 crore during 2017-18.

Internal debt of ₹ 29789.00 crore was raised during 2017-18. The debt obligations discharged on this account were ₹ 12557.19 crore. Details of the Public Debt and the total liabilities of the State Government are as under:

(₹ in crore)

	Internal Debt	Loans & Advances from Central Govt.	Total Public Debt	Small Savings (#)	Provident Funds	Other obligations (*)	Total Liabilities	Percentage of total liabilities to GSDP
2013-14	76804.34	6662.22	83466.56	18252.21	17290.30	5071.84	124080.91	26.68
2014-15	89067.90	7065.06	96132.96	19929.74	19377.54	6506.65	141946.89	27.69
2015-16	102496.26	7234.71	109730.97	26046.55	21592.81	3168.35	160538.68	28.59
2016-17	118268.72	7614.13	125882.85	36040.07	24530.94	3314.69	189768.55	30.52
2017-18	135500.53	7483.99	142984.52	38974.15	28803.70	3755.85	214518.22	31.27



(*) Includes Reserve Funds and Deposits

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

6.3 Guarantees

Government gives guarantees for due discharge of certain liabilities like repayment of loans, share capital, payment of interest, dividend etc. by Statutory Corporations, Government

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

The position of guarantees for the period 2013-14 to 2017-18 is given below:

(₹ in crore)

At the end of the year	Amount Guaranteed	Amount outstanding
2013-14	12275.21	9763.36
2014-15	13123.30	11126.87
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56
2017-18	25104.33	17356.47

(₹ in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding (Principal and Interest)
2013-14	12275.21	9763.36
2014-15	13123.30	11126.87
2015-16	13712.77	12438.52
2016-17	20204.10	16245.56
2017-18	25104.33	17356.47

As per the statement furnished by the Government the outstanding guarantees as on 31 March 2018 was ₹ 17356.47 crore. An amount of ₹ 121.22 crore was received by Government during 2017-18 towards guarantee fee. Arrears of guarantee fee as on 31 March 2018 amounted to ₹ 202.68 crore.

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. State Government receives loans from Central Government, LIC of India, NCDC, NABARD, RBI etc. It also raises loans from open market to finance certain projects, schemes, etc. As on 31.3.2018 there are no instances of adverse balance under Internal Debt.

7.2 Loans and Advances by the State Government

Total Loans and Advances disbursed by the State Government at the end of the year 2017-18 was ₹ 15066.84 crore. During the year 2017-18, the State Government disbursed Loans and Advances amounting to ₹ 1540.59 crore. Recovery of ₹ 12665.31 crore (Principal: ₹ 8076.23 crore and Interest: ₹ 4589.08 crore) was in arrears as on 31 March 2018.

Of the above arrears 62.79 per cent pertains to three institutions/organisations viz., Kerala Water Authority (₹ 4313.44 crore), Kerala State Road Transport Corporation (₹ 2031.01 crore), Kerala State Housing Board (₹ 1608.06 crore). The loans for which terms and conditions had not been fixed by Government is ₹ 84.56 crore (₹ 57.19 crore maintained by department and ₹ 27.37 crore maintained by AG (A&E)).

As on 31.3.2018 there are 34 instances of adverse balance under Loan major heads amounting to ₹ 27.24 crore.

7.3 Financial Assistance to Local Bodies and Others

Assistance given to local bodies and others in 2017-18 was ₹ 34929.20 crore. It increased from ₹ 16138.32 crore in 2013-14 to ₹ 34929.20 crore in 2017-18 reflecting 116.44 per cent

increase in the last five years. Out of the total financial assistance given to local bodies and others, the share of Educational Institutions was 42.97 per cent, 38.95 per cent, 41.83 per cent, 40.20 per cent and 47.27 per cent respectively for the years 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 .

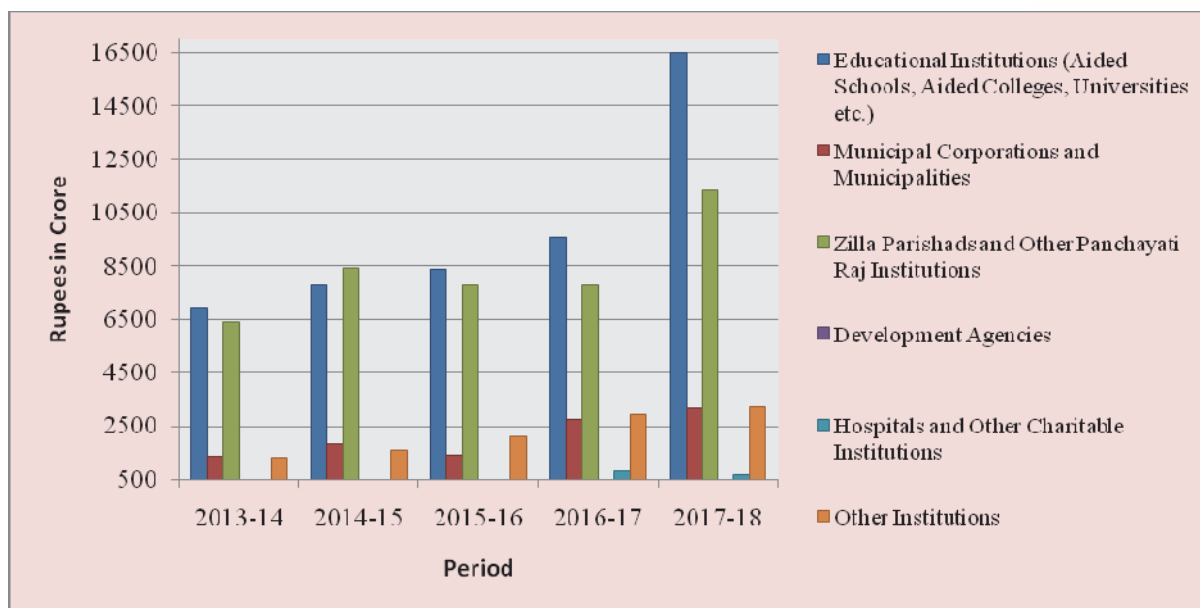
During the year 2017-18, financial assistance given to Local Self Government Institutions was ₹ 14514.49 crore (Municipal Corporation and Municipalities: ₹ 3178.62 crore, Panchayati Raj Institutions: ₹ 11335.87 crore) constituting 17.48 per cent of the revenue receipts and 14.52 per cent of the revenue expenditure. The share of Local Self Government Institutions alone was 41.55 per cent of the total financial assistance to Local bodies and Others.

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

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

(₹ in crore)

Financial Assistance to Local bodies and Others	2013-14	2014-15	2015-16	2016-17	2017-18
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	6934.56	7769.01	8409.89	9602.98	16511.23
Municipal Corporations and Municipalities	1358.09	1836.39	1405.77	2756.55	3178.62
Zilla Parishads and Other Panchayati Raj Institutions	6421.60	8423.74	7767.62	7775.98	11335.87
Development Agencies	6.42	6.23	5.91	14.73	20.91
Hospitals and Other Charitable Institutions	94.19	305.76	407.60	812.18	686.29
Other Institutions	1323.46	1602.60	2104.35	2927.71	3196.28
Total	16138.32	19943.73	20101.14	23890.13	34929.20



7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Particulars	As on March 2017	As on March 2018	Increase(+)/ Decrease(-)
Cash balances	-47.70	-44.08	3.62
Investments from cash balances (a+b)	1944.50	891.03	-1053.47
a. GOI Treasury Bills	1939.35	885.88	-1053.47
b. GOI Securities	5.15	5.15	0
Other Cash Balances	1.59	0.27	-1.32
1) Departmental Balances	1.18	-0.15	-1.33
2) Permanent Cash Imprest	0.41	0.42	0.01
Fund-wise break-up of investments from earmarked balances (a to d)	1751.94	1883.80	131.86
a. Sinking Fund	1737.38	1870.41	133.03
b. Agriculturists' Rehabilitation Fund	2.39	2.39	0
c. Kudikidappukars' Benefit Fund	2.17	1.00	-1.17
d. Kerala Consumer Welfare Fund	10.00	10.00	0
Interest realised during the year on investment of cash balances	78.32	47.66	-30.66

The cash balance of the State Government had increased from ₹(-)47.70 crore in 2016-17 to ₹ (-)44.08 crore in 2017-18. The State Government had invested nearly ₹ 2774.83 crore in treasury bills, GOI Securities etc. Investments were made from earmarked fund balances also. There was 39.15 per cent decrease in interest realized on investment of cash balance.

7.5 Reconciliation of Accounts

All the Controlling Officers (COs) are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Accountant General (A&E). Such reconciliation has been completed in respect of 87.69 *per cent* of total reconcilable expenditure and 64.28 *per cent* of total reconcilable receipts. The Secretary, Kerala Public Service Commission, Principal Secretary, Finance Department, Secretary, Higher Education Department, Secretary, Health and Family Welfare Department, Secretary, Industries Department, Secretary, Transport Department, Registrar General, High Court of Kerala, Director, Treasuries Department, Director, State Audit Department, Chief Engineer Buildings and Local Works, Public Works Department, Director, Public Instruction, Director, State Council of Educational Research and Training (SCERT), Director, Homoeopathy, Director, Health Services, Director, Medical Education, Director, Urban Affairs, Director, Scheduled Caste Development, Director, Scheduled Tribe's Development, Director, Animal Husbandry Department, Director, Panchayat are some of the major Controlling Officers who have not reconciled the figures of expenditure during the year.

7.6 Submission of Accounts by Treasuries

There are 23 District Treasuries, e-treasury and Reserve Bank of India rendering accounts to the Accountant General (A&E). During 2017-18, despite delay in monthly rendition of accounts ranging from 02 days to 180 days by treasuries, owing to the implementation of IFMS by State Government, no accounts were excluded at the end of the year.

7.7 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

According to Rule 187 (d) of the Kerala Treasury Code, all contingent claims that require the countersignature of the controlling authority after payment are to be initially drawn by the Drawing and Disbursing Officer (DDO) from the treasury by presenting Abstract Contingent bills in the prescribed form. The detailed bills pertaining to a month's claim should reach the Accountant General (A &E), Kerala not later than 20th of the succeeding month. As on 31 March 2018, DC Bills in respect of 58 items amounting to ₹ 0.56 crore, have not been received in the office of the Accountant General (A&E).

(₹ in crore)

Year	No.of pending DC Bills	Amount
2016-17	20	0.23
2017-18	38	0.33
TOTAL	58	0.56

7.8 Status of Suspense Account Balances

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

(₹ in crore)

Name of Minor Head	2015-16		2016-17		2017-18	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Account						
101-PAO Suspense	210.18	-9.11	227.12	2.10	234.37	-24.42
Net	Dr.219.29		Dr.225.02		Dr 258.79	
102-Suspense Account (Civil)	..	211.15	1247.66	211.15	1036.51	814.63
Net	Cr.211.15		Cr.1036.51		Cr 221.88	
107-Cash Settlement Suspense	44.25	0.07	44.18	0.01	44.18	0.00
Net	Dr.44.18		Dr. 44.17		Dr.44.18	
110-Reserve Bank Suspense (CAO)	2.09	0.65	4.42	2.53	14.44	15.22
Net	Dr.1.44		Dr.1.89		Dr.-0.78	

7.9 Status of Outstanding Utilisation Certificate

Details of Outstanding Utilisation Certificates in respect of Grants sanctioned by the State Govt are as under:-

(₹ in crore)

Year (*)	Number of Utilisation Certificates awaited	Amount
Upto 2015-16	4	5.45
2016-17	1	0.15
2017-18	2	0.57
Total	7	6.17

(*The year mentioned above relates to "Due year" i.e., after 24 months of actual drawal)

7.10 Commitments on account of Incomplete Projects/Works

There were 322 projects/work (each costing above rupees one crore) on which an expenditure of ₹ 1208.32 crore was incurred up to March 2018 which were not completed at the end of March 2018 though the stipulated period of completion was over.

7.11 New Pension Scheme

The expenditure on pension and other retirement benefits to State Government employees and employees of aided educational institutions, etc., during the year was ₹19722.29 crore (19.73 *per cent* of total revenue expenditure). This excludes Government's expenditure towards matching contribution for the New Pension Scheme (NPS). All India Service (AIS) officers recruited on or after 1 January 2004 and the State Government Employees recruited on or after 1 April 2013 are covered under the NPS, which is a defined contribution scheme. In terms of the scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance, and the similar amount is being contributed by State Government. The entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

In 2017-18, ₹432.14 crore has been credited to MH 8342- Mnh 117 Defined Contribution Pension Scheme under Public Account which includes Government's contribution of ₹ 216.44 crore (including backlog contribution of ₹ 23.55 crore interest thereon ₹ 0.06 crore) and employees' contribution of ₹ 215.70 crore. The State Government remitted ₹433.47 crore (employees' contribution: ₹216.77 crore and Government's contribution ₹216.70 crore) to NSDL, leaving a balance of ₹0.56 crore under the head of account as on 31 March, 2018 on which the Government is required to pay interest, which was not done.

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

7.12 Personal Deposit Accounts

From time to time, the State Government orders the opening of Personal Deposit (PD) accounts for specific purposes, where, funds are transferred from the Consolidated Fund by booking the transfer as expenditure under Service heads. The Kerala Financial Code stipulates that Administrators of these PD accounts should close these PD accounts at the end of the financial year and credit the balances back to the Consolidated Fund, unless such PD accounts

were created by Law or Rules having the force of Law. Details of balances in Personal Deposit Accounts are as follows:

(₹ in crore)

PD Accounts as on 01.04.2017		PD Accounts opened during the year 2017-18	PD Accounts closed during the year 2017-18	Closing Balance	
Number	Amount			Number	Amount
797	126.32	167	33	931	98.29

7.13 Investment

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts, the investment of Government as on 31st March, 2018 was ₹7980.20 crore excluding ₹ 231.27 crore being expenditure incurred for equity participation in Smart City Project (₹ 31.20 crore), State Institute for Hotel Management at Kottayam (₹0.01 crore), setting up of Electronics Fabrication Laboratory (₹3.55 crore), seed capital for NBCFDC and NMDFC schemes (₹4.50 crore) and Capital Assistance given to companies producing Neera (₹ 6.86 crore) and various schemes under Water Supply and Sanitations (₹ 185.15 crore). Out of these ₹ 126.48 crore (1.58 *per cent* of investment) was received as dividends from 30 entities. During 2017-18, investments increased by ₹ 839.29 crore and dividend income increased by ₹ 30.11 crore.

7.14 Rush of Expenditure

According to Para 91 (2) of the Kerala Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. During March, 2018, however, the State Government incurred an expenditure of ₹ 11730.90 crore (10.79 *per cent* of the total expenditure of ₹ 108697.22 crore under Revenue and Capital heads for the year). Under 16 Major Heads of Account the expenditure during March 2018 ranged between 50 *per cent* and 100 *per cent* of the total expenditure indicating a tendency to utilize the budget at the close of the financial year.

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
2019
www.cag.gov.in**

www.agker.cag.gov.in

