



# ACCOUNTS AT A GLANCE 2013-2014



**GOVERNMENT OF KERALA**

# **ACCOUNTS AT A GLANCE**

**FOR THE YEAR**

**2013-2014**

**GOVERNMENT OF KERALA**

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

## **PREFACE**

The Annual Accounts of the State Government are prepared and examined by the Principal Accountant General (A&E) under the directions of Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. Appropriation Accounts show the Grant-wise expenditure against provision approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

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

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



**Thiruvananthapuram**  
**29-01-2015**

**K K SRIVASTAVA**  
**Principal Accountant General (A&E)**  
**Kerala**

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# CHAPTER I

## OVERVIEW

### 1.1 Introduction

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted to the Principal Accountant General (Accounts and Entitlement) by the District Treasuries, Public Works Divisions, Forest Divisions etc. In addition, the Principal Accountant General (A&E) prepares the Finance Accounts and the 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 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	All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. Public Account comprises: Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous transactions (adjusting entries pending booking to final heads of account), Remittances between accounting entities and Cash Balances.

## 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 of overall receipts and disbursements, 'Notes to Accounts' containing the summary of significant accounting policies, quality of accounts and other items and Appendix I. Volume II contains other summarized statements (Part I), detailed statements (Part II) and Appendices II to XI (Part III).

Receipts and disbursements of the State Government during 2013-14 are as given below:-

(₹ in crore)

<b>Receipts</b> <b>Total: 66244</b>	<b>Revenue</b> <b>Total: 49176.93</b>	Tax Revenue	39463.69
		Non -Tax Revenue	5575.03
		Grants-in-aid	4138.21
	<b>Capital</b> <b>Total:17067.07</b>	Miscellaneous Capital Receipts	19.19
		Recovery of Loans and Advances	103.75
		Borrowings and other Liabilities(*)	16944.13
<b>Disbursements</b> <b>Total: 66244</b>	Revenue		60485.50
	Capital		4294.33
	Loans and Advances		1464.17

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

### 1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts and show the expenditure of the State Government against amounts charged and voted by the State Legislature. Excluding one Grant, viz., "Contingency Fund" there are 47

Grants, of which, 21 are exclusively voted Grants, two are exclusively charged Appropriations and 24 include both voted Grants and charged Appropriations.

The Appropriation Acts passed by the State Legislature had estimated a gross expenditure of ₹ 86139.75 crore, including the supplementary provision of ₹ 5479.24 crore during the year 2013-14. An amount of ₹ 479.87 crore was estimated as recoveries in reduction of expenditure.

The Appropriation Accounts 2013-14 show disbursements aggregating ₹ 70421.12 crore against the budget provision of ₹ 86139.75 crore, resulting in saving of ₹ 15718.63 crore against Grants and Appropriations. The overall savings of ₹ 15718.63 crore was the result of savings of ₹ 16279.31 crore in 40 Grants and 17 Appropriation under the Revenue section and 27 Grants and seven Appropriations under Capital section, offset by excess of ₹ 560.68 crore under four Grants and four Appropriations under the Revenue Section and two Grants under Capital Section.

Recoveries in reduction of expenditure amounted to ₹ 932.30 crore showing an increase of ₹ 452.43 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 2013-14 Government of Kerala has availed ₹ 118.93 crore as Ways and Means Advance.

### ***1.4.2 Fund Flow Statement (Source and Application of Funds)***

The State had a revenue deficit of ₹ 11308.57 crore and a fiscal deficit of ₹ 16944.13 crore representing 2.81 *per cent* and 4.20 *per cent* respectively of the Gross State Domestic Product (GSDP). The fiscal deficit constituted 25.58 *per cent* of the total



expenditure. This deficit was financed from Public Debt (₹ 11216.37 crore) and other liabilities (₹ 5727.76 crore). 76.41 per cent of the revenue receipts (₹ 49176.93 crore) of the State Government was spent on committed expenditure like salaries (₹ 19340.98 crore), interest payments (₹ 8265.38 crore ) and pensions (₹ 9971.52 crore ).

### Source and Application of Funds

(₹ in crore)

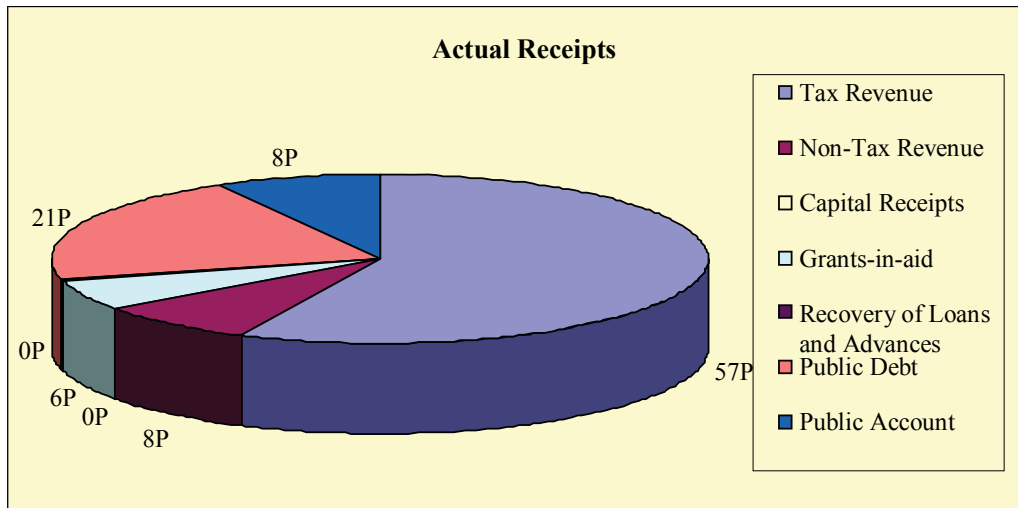
<b>SOURCE</b>	<b>PARTICULARS</b>	<b>Amount</b>
	Opening Cash Balance	86.14
	Revenue Receipts	49176.93
	Capital Receipts	19.19
	Recovery of Loans & Advances	103.75
	Public Debt	14461.18
	Small Savings, Provident Fund and Others	29472.54
	Reserves & Sinking Funds	494.54
	Deposits Received	9865.39
	Civil Advances recovered	0.25
	Suspense & Miscellaneous	126766.38
	Contingency Fund	...
	Remittances	8922.60
	<b>Total</b>	<b>239368.89</b>

<b>APPLICATION</b>	<b>PARTICULARS</b>	<b>Amount</b>
	Revenue Expenditure	60485.50
	Capital Expenditure	4294.33
	Loans Given	1464.17
	Repayment of Public Debt (*)	3244.81
	Payment towards Small Savings and Deposits and Advances	25240.68
	Reserves & Sinking Funds	526.05
	Deposits Returned	9677.94
	Civil Advances Given	0.26
	Suspense and Miscellaneous	125275.15
	Contingency Fund	67.39
	Remittances	9091.08
	Closing Cash Balance	1.53
	<b>Total</b>	<b>239368.89</b>

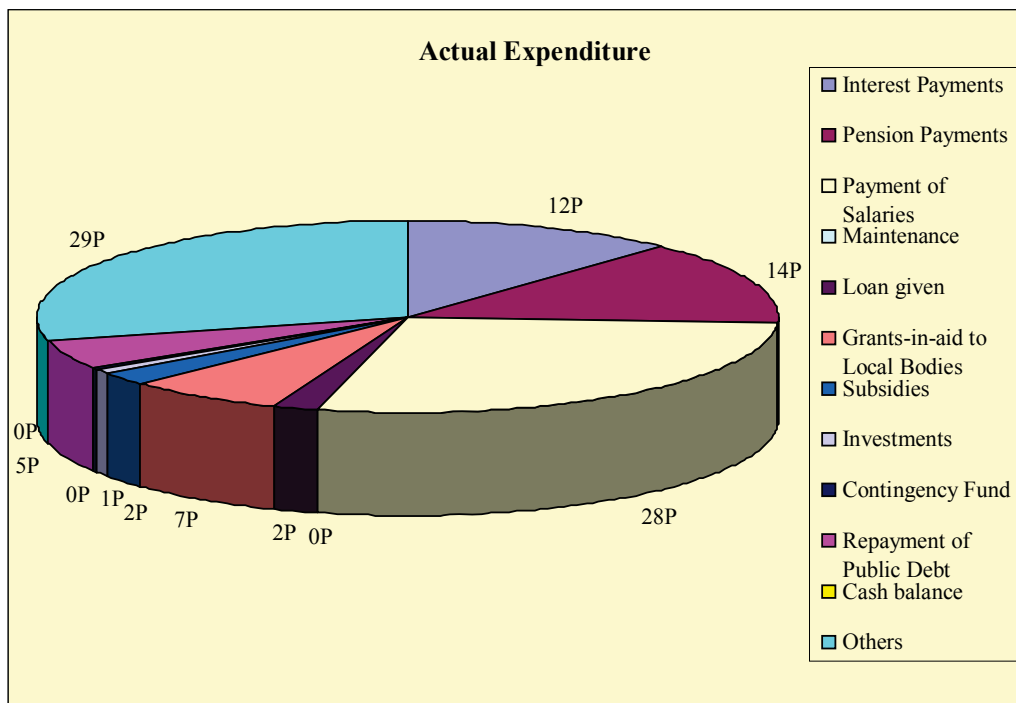
(\*)To Central Government (₹ 351.58 crore) and others (₹ 2893.23 crore)

### 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 2013-2014	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP (*)
1	Tax Revenue	46914.89	39463.69	84.12	9.79
2	Non-Tax Revenue	4921.57	5575.03	113.28	1.38
3	Grants-in-aid and Contributions	6221.42	4138.21	66.52	1.03
4	Revenue Receipts ( 1+2+3)	58057.88	49176.93	84.70	12.20
5	Recovery of Loans & Advances	123.80	103.75	83.80	0.03
6	Other Receipts	22.03	19.19	87.11	@
7	Borrowings & Other Liabilities (#)	17351.87	16944.13	97.65	4.20
8	Capital Receipts (5+6+7)	17497.70	17067.07	97.54	4.24
9	Total Receipts (4+8)	75555.58	66244.00	87.68	16.44
10	Non-Plan Expenditure (NPE)	59367.99	55135.19	92.87	13.68
11	NPE on Revenue Account	54178.07	53411.84	98.59	13.25
12	NPE on Interest Payments (out of 11)	8184.47	8265.38	100.99	2.05
13	NPE on Capital Account	5189.92	1723.35	33.21	0.43
14	Plan Expenditure	16187.59	11108.81	68.63	2.76
15	Plan Expenditure on Revenue Account	10322.16	7073.66	68.53	1.76
16	Plan Expenditure on Capital Account	5865.43	4035.15	68.80	1.00
17	Total Expenditure (10+14)	75555.58	66244.00	87.68	16.44
18	Expenditure on Revenue Account (11+15)	64500.23	60485.50	93.78	15.01
19	Expenditure on Capital Account (13 +16)**	11055.35	5758.50	52.09	1.43
20	Revenue Deficit[18-4]	6442.35	11308.57	175.53	2.81
21	Fiscal Deficit 17-(4+5+6)	17351.87	16944.13	97.65	4.20

(\*) Gross State Domestic Product (₹ 402972 crore) Source: Budget in brief 2014-15 of 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 (₹ 4294.33 crore) and Loans and Advances disbursed (₹ 1464.17 crore)

(@) Negligible

## 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 2009-2014. It increased from ₹ 5022.97 crore in 2009-10 to ₹ 11308.57 crore in 2013-14.

The fiscal deficit increased from ₹ 7871.61 crore in 2009-10 to ₹ 16944.13 crore in 2013-14. It increased from ₹ 15002.46 crore in 2012-13 to ₹ 16944.13 crore in 2013-14 mainly due to increase in revenue deficit. The increase in fiscal deficit by ₹ 1941.67 crore during the year over the previous year was the net effect of increase in revenue deficit, (₹ 1957.13 crore), increase in non-debt capital receipts (₹ 34.52 crore) and decrease in Capital expenditure (₹ 308.96 crore) and increase in disbursement of loans and advances (₹ 328.02 crore).

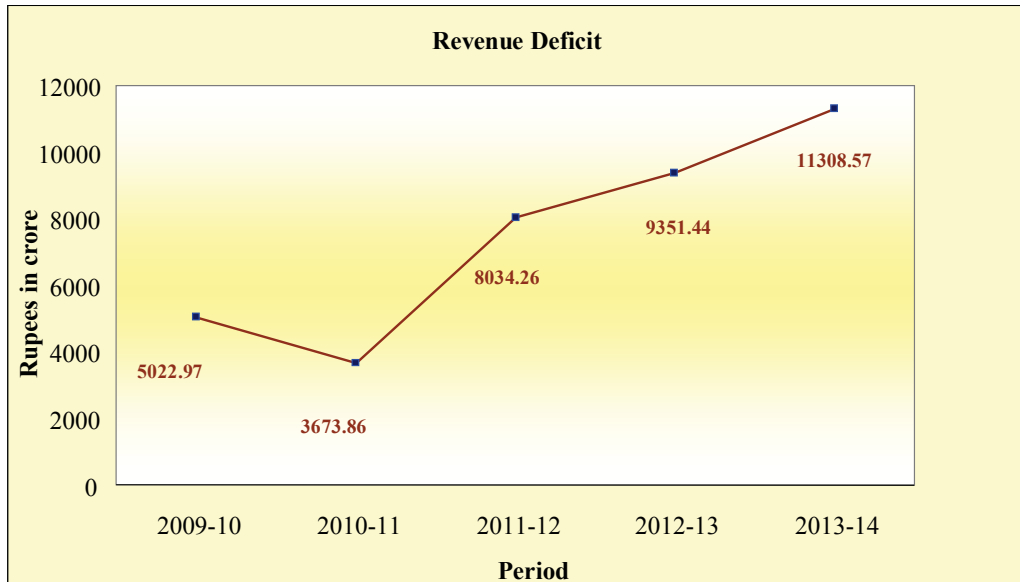
As a proportion of GSDP, the revenue deficit increased to 2.81 *per cent* and the fiscal deficit to 4.20 *per cent* in 2013-14 from 2.57 *per cent* and 4.13 *per cent* in 2012-13. The Medium Term Fiscal Plan for years 2013-14 to 2015-16 envisaged a revenue deficit target of 0.54 *per cent* of GSDP and a fiscal deficit target of 2.82 *per cent* of GSDP for the year 2013-14. The percentages of revenue deficit and fiscal deficit during 2013-14 were more than the targets fixed in the Medium Term Fiscal Plan.

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

The State Government passed the Kerala Fiscal Responsibility (Amendment) Act, 2011 (Act 17 of 2011) on 8 November 2011. According to the Act, the Government is committed to:

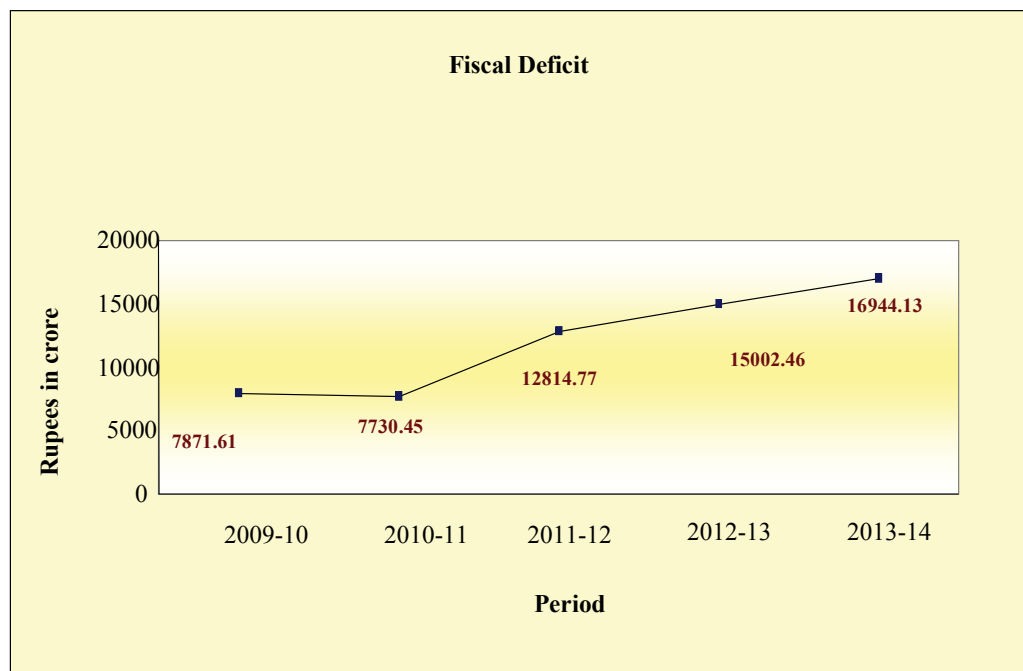
- reduce the revenue deficit to 'nil' within a period of four years commencing on the 1 April 2011 and ending with the 31 March 2015 by reducing the revenue deficit in the years 2011-12, 2012-13, 2013-14 and 2014-15 in the order of 1.4 *per cent*, 0.9 *per cent*, 0.5 *per cent* and zero *per cent*, respectively, of the GSDP.
- reduce the fiscal deficit to 3 *per cent* of the GSDP within a period of three years commencing on the 1 April, 2011 and ending with the 31 March, 2014 by maintaining the fiscal deficit at a level not exceeding 3.5 *per cent* of the GSDP in the years 2011-12 and 2012-13 and reducing it to 3 *per cent* in 2013-14.

### 1.6.1 Trend of Revenue Deficit



### 1.6.2 Trend of Fiscal Deficit

Budget Estimates for 2013-14 provided a fiscal deficit of ₹ 17351.87 crore (4.31 *per cent* of GSDP) where as the actual fiscal deficit was ₹ 16944.13 crore (4.20 *per cent* of GSDP). The position for the last five years is as below:

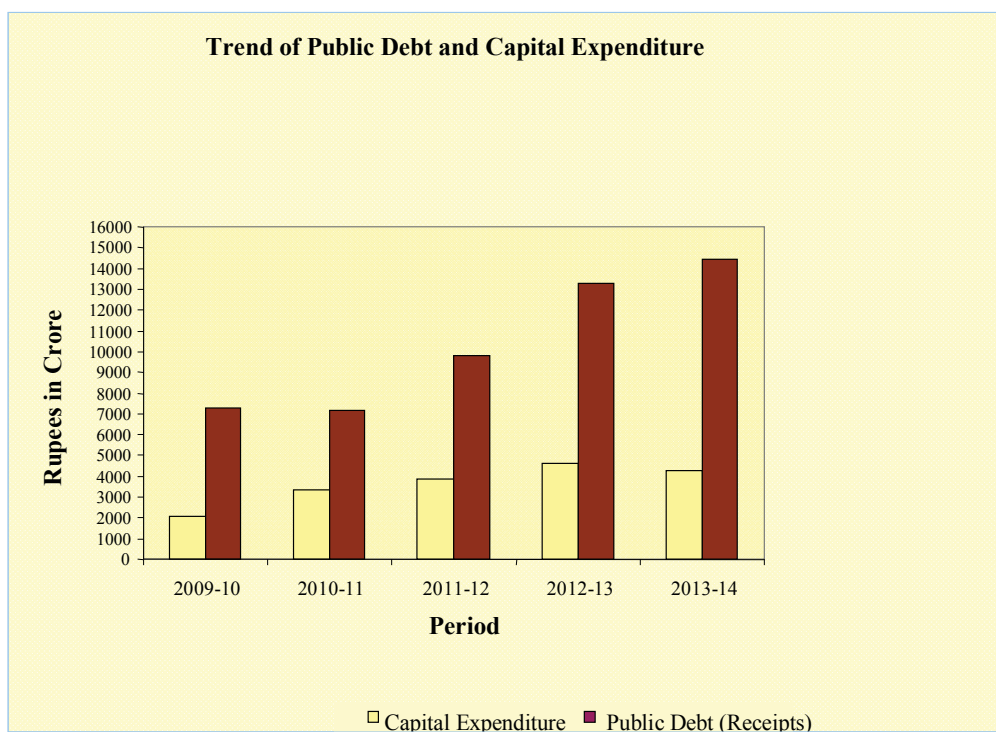


### 1.6.3 Proportion of borrowed funds spent on Capital expenditure

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
2009-10	7256.14	2059.39	28.38
2010-11	7188.90	3363.69	46.79
2011-12	9798.96	3852.92	39.32
2012-13	13261.19	4603.29	34.71
2013-14	14461.18	4294.33	29.70



## CHAPTER II

### RECEIPTS

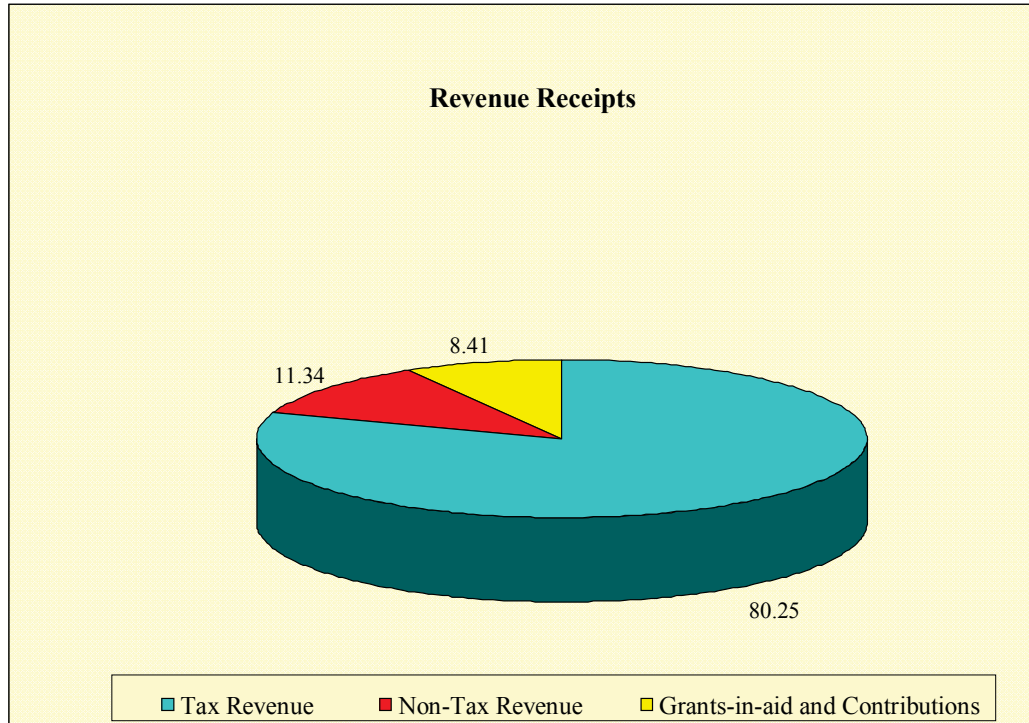
#### 2.1 Introduction

Total Receipts for 2013-14 were ₹ 66244 crore (Revenue Receipt ₹ 49176.93 crore and Capital Receipts ₹ 17067.07 crore). Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Revenue receipts comprises Tax Revenue (₹ 39463.69 crore), Non-Tax Revenue (₹ 5575.03 crore) and Grants-in-aid and Contributions (₹ 4138.21 crore).

#### 2.2 Revenue Receipts

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's Share of Union taxes under Article 280 (3) of the Constitution.
<b>Non-Tax Revenue</b>	Includes interest receipts, dividends, profits etc.
<b>Grants-in-aid</b>	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 Components (2013-14)*

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

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	<b>39463.69</b>
Taxes on Income and Expenditure	4187.28
Taxes on Property, Capital and Other Transactions	2765.09
Taxes on Commodities and Services	32511.32
<b>B. Non-Tax Revenue</b>	<b>5575.03</b>
Interest Receipts, Dividends and Profits	250.04
General Services	4228.85
Social Services	422.28
Economic Services	673.86
<b>C. Grants-in-aid and Contributions</b>	<b>4138.21</b>
<b>Total - Revenue Receipts</b>	<b>49176.93</b>

## 2.3 Trend of Receipts

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

(₹ in crore)

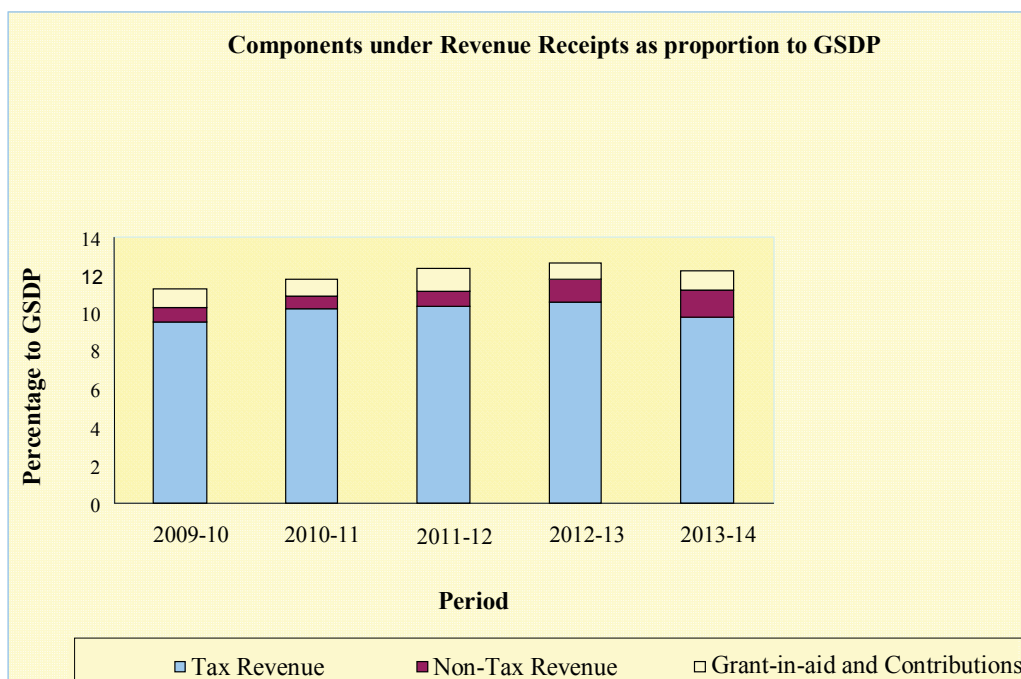
	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Tax Revenue</b>	22023.80 (9.49)	26863.54 (10.18)	31708.96 (10.30)	36917.26 (10.57)	39463.69 (9.79)
<b>Non-Tax Revenue</b>	1852.22 (0.80)	1930.79 (0.73)	2592.18 (0.84)	4198.51 (1.20)	5575.03 (1.38)
<b>Grants-in-aid</b>	2233.38 (0.96)	2196.62 (0.83)	3709.22 (1.20)	3021.53 (0.86)	4138.21 (1.03)
<b>Total Revenue Receipts</b>	26109.40 (11.25)	30990.95 (11.75)	38010.36 (12.34)	44137.30 (12.63)	49176.93 (12.20)
<b>GSDP</b>	231999	263773	307906	349338	402972

Note: GSDP figures communicated by Director of Economics and Statistics of the State Government. The figures for 2011-12 are provisional and that for 2012-13 are Quick Estimates. The figures for 2013-14 are adopted from the budget documents for 2014-15.

Figures in parenthesis indicate percentage of revenue receipts to GSDP.

The GSDP increased by 15.35 *per cent* between 2012-13 and 2013-14, while revenue collection increased by 11.42 *per cent*. Tax Revenue of ₹ 39463.69 crore and Non-Tax Revenue of ₹ 5575.03 crore during 2013-14 formed 9.79 *per cent* and 1.38 *per cent* respectively of the GSDP. Major portion of Tax Revenue was collected under Taxes on Sales, Trade etc. i.e, ₹ 24885.25 crore represent 6.18 *per cent* of the GSDP. Out of the Tax Revenue of ₹ 39463.69 crore, the contributions of State's Own Taxes and Central Tax transfers were ₹ 31995.01 crore and ₹ 7468.68 crore respectively.

Trend of Revenue receipts relative to GSDP is presented below:



### *Sector-wise Tax Revenue*

Sector-wise composition of Tax Revenue for the period 2009-10 to 2013-14 is given below:

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Taxes on Income and Expenditure	2846.42	3118.79	3598.41	3947.20	4187.28
Taxes on Property and Capital Transactions	2019.52	2667.37	3115.53	3131.69	2765.09
Taxes on Commodities and Services	17157.86	21077.38	24995.02	29838.37	32511.32
<b>Total Tax Revenue</b>	<b>22023.80</b>	<b>26863.54</b>	<b>31708.96</b>	<b>36917.26</b>	<b>39463.69</b>

## 2.4 Performance of State's Own Tax Revenue collection

An analysis of State's Own Tax Revenue and its percentage to GSDP for the period 2009-10 to 2013-14 are shown below:

(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage of States's Own Tax Revenue to GSDP
2009-10	22023.80	4398.78	17625.02	7.60
2010-11	26863.54	5141.85	21721.69	8.23
2011-12	31708.96	5990.36	25718.60	8.35
2012-13	36917.26	6840.65	30076.61	8.61
2013-14	39463.69	7468.68	31995.01	7.94

The State's Own Tax Revenue collected during 2013-14 was ₹ 1918.40 crore more than the year 2012-13 and ₹ 6775.99 crore less than the normative assessment made by the Thirteenth Finance Commission (₹ 38771 crore) for the year.

## 2.5 Efficiency of Tax Collection

Tax collection under the major sectors and expenditure on collection for the period 2009-10 to 2013-14 are given below:

### A. Taxes on Property, and Capital Transactions

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue Collection</b>	2019.52	2667.37	3115.53	3131.69	2765.09
<b>Expenditure on Collection</b>	301.08	303.36	453.98	451.29	493.28
<b>Percentage of expenditure on collection to revenue collection</b>	14.91	11.37	14.57	14.41	17.84

## B. Taxes on Commodities and Services

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Revenue collection</b>	17157.86	21077.38	24995.02	29838.37	32511.32
<b>Expenditure on collection</b>	253.72	255.58	381.23	385.24	437.40
<b>Percentage of expenditure on collection to Revenue collection</b>	1.48	1.21	1.53	1.29	1.35

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

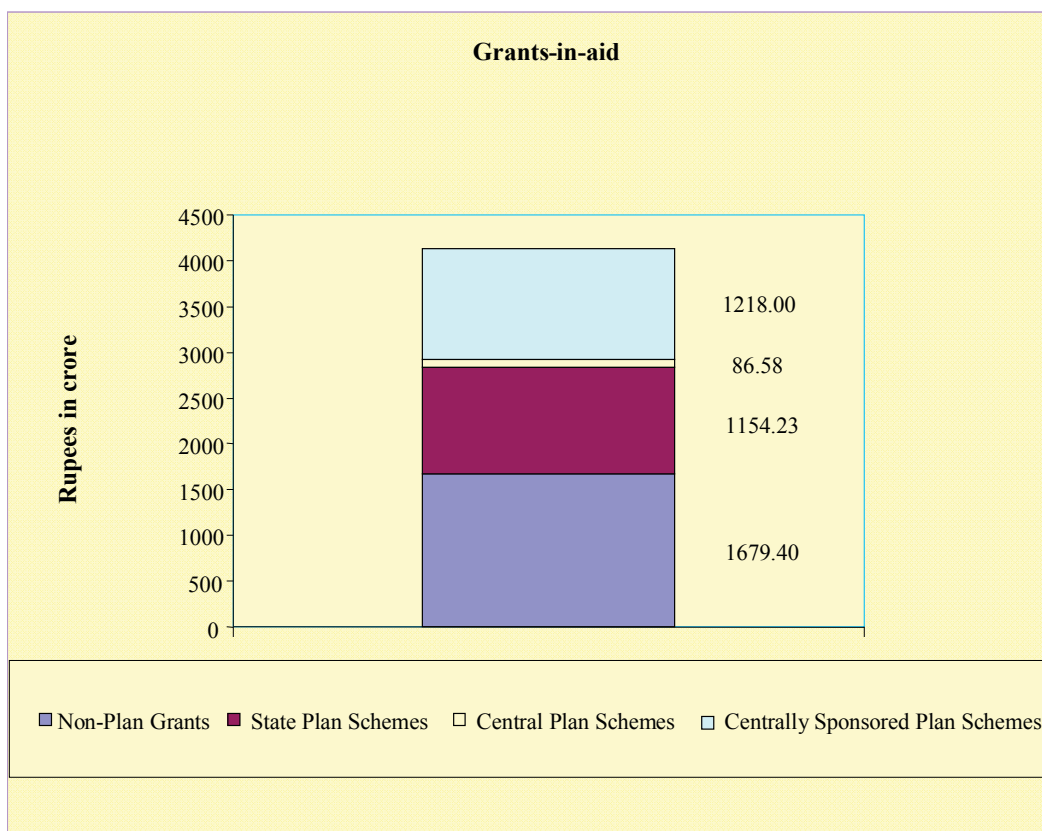
Share of various taxes to total revenue receipts are given below:

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	1810.29	2009.77	2357.86	2457.20	2511.79
Taxes on Income other than Corporation Tax	1008.40	1062.05	1197.69	1471.08	1653.94
Taxes on Wealth	4.10	4.12	9.10	4.16	6.89
Customs	615.64	899.11	1038.62	1136.75	1218.58
Union Excise Duties	495.90	654.08	672.08	772.54	860.66
Service Tax	464.45	512.72	715.01	998.92	1216.82
Others	..	..	..	..	..
<b>Total State Share of Union Taxes</b>	<b>4398.78</b>	<b>5141.85</b>	<b>5990.36</b>	<b>6840.65</b>	<b>7468.68</b>
<b>Total Tax Revenue</b>	<b>22023.80</b>	<b>26863.54</b>	<b>31708.96</b>	<b>36917.26</b>	<b>39463.69</b>
<b>Percentage of Union Taxes to total Tax Revenue</b>	<b>19.97</b>	<b>19.14</b>	<b>18.89</b>	<b>18.53</b>	<b>18.93</b>

### 2.7 Grants-in-aid

Grants-in-aid represent assistance from Government of India, and comprise of Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by Planning Commission and Non-Plan grants recommended by the Finance Commission and other grants. Total receipts during the year 2013-14 under Grants-in-aid were ₹ 4138.21 crore as shown below:



## 2.8 Public Debt

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

### *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	
2009-10	6693.80	2140.00	562.34	265.68	4850.46
2010-11	6827.50	1667.43	361.40	307.60	5213.87
2011-12	9391.81	2522.52	407.15	370.54	6905.90
2012-13	12708.89	2477.88	552.30	326.20	10457.11
2013-14	14069.17	2893.23	392.01	351.58	11216.37

## 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, or 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:

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

#### 3.2 Revenue Expenditure

Revenue expenditure for 2013-14, ₹ 60485.50 crore (comprising of Non-Plan expenditure of ₹ 53411.84 crore and Plan expenditure of ₹ 7073.66 crore) was less than the budget estimates by ₹ 4014.73 crore (less by ₹ 766.23 crore under 'Non-Plan' and ₹ 3248.50 crore under 'Plan').

The shortfall of expenditure against Budget Estimates under Revenue Section during the past five years is given below:

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Budget Estimates</b>	33600.88	37766.55	48383.14	55779.46	64500.23
<b>Actuals</b>	31132.37	34664.81	46044.62	53488.74	60485.50
<b>Shortfall</b>	2468.51	3101.74	2338.52	2290.72	4014.73
<b>Percentage of shortfall over Budget Estimates</b>	7.35	8.21	4.83	4.11	6.22

### 3.2.1 Sectoral distribution of Revenue Expenditure

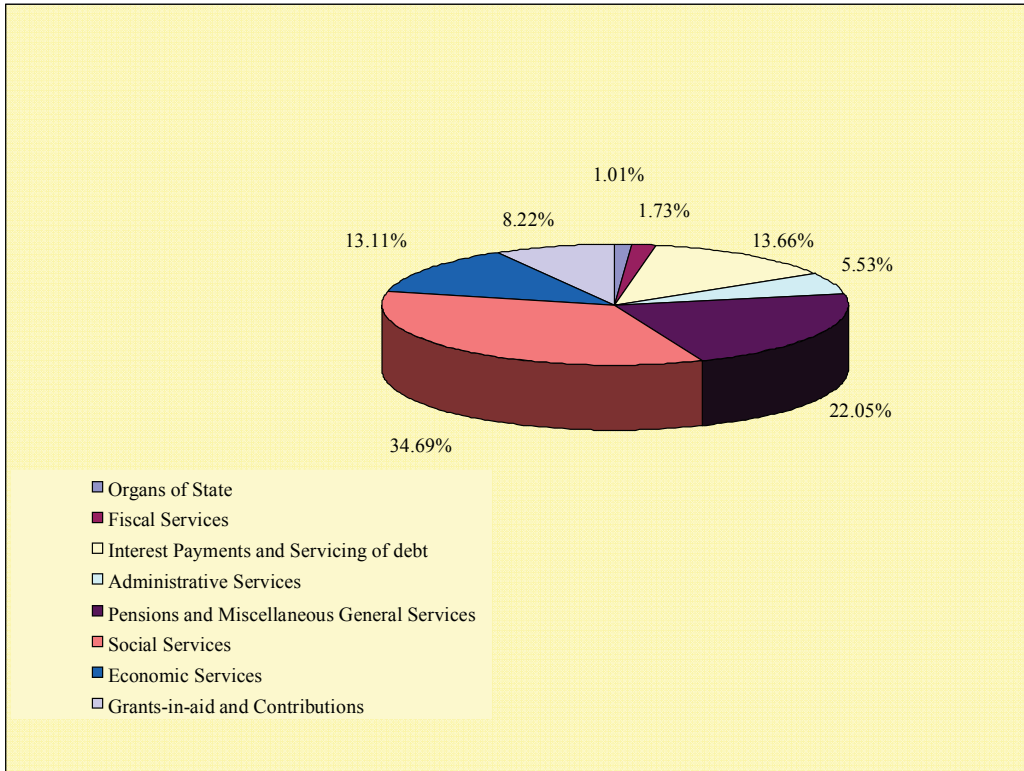
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

(₹ in crore)

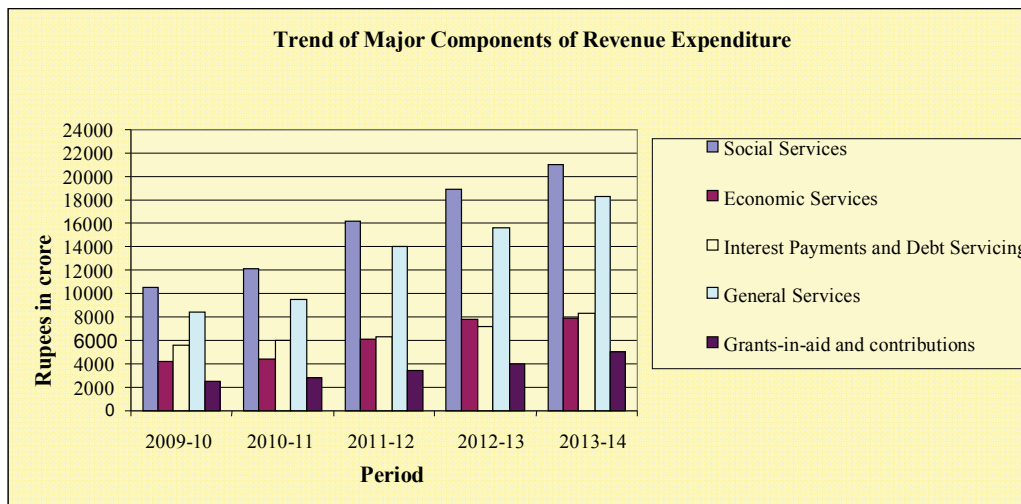
	Components	Amount	Percentage to Total Revenue Expenditure
<b>A</b>	<b>Organs of State</b>	<b>610.77</b>	<b>1.01</b>
<b>B</b>	<b>Fiscal Services</b>	<b>1046.54</b>	<b>1.73</b>
	Collection of Taxes on Income and Expenditure	0.15	#
	Collection of Taxes on Property and Capital transactions	493.28	0.82
	Collection of Taxes on Commodities and Services	437.40	0.72
	Other Fiscal Services	115.71	0.19
<b>C</b>	<b>Interest Payments and Servicing of Debt</b>	<b>8265.38</b>	<b>13.66</b>
<b>D</b>	<b>Administrative Services</b>	<b>3342.95</b>	<b>5.53</b>
<b>E</b>	<b>Pensions and Miscellaneous General Services</b>	<b>13339.45</b>	<b>22.05</b>
<b>F</b>	<b>Social Services</b>	<b>20979.88</b>	<b>34.69</b>
<b>G</b>	<b>Economic Services</b>	<b>7929.05</b>	<b>13.11</b>
<b>H</b>	<b>Grants-in-aid and Contributions</b>	<b>4971.48</b>	<b>8.22</b>
	<b>Total Expenditure (Revenue account)</b>	<b>60485.50</b>	<b>100.00</b>

# negligible





### 3.2.2 Major Components of Revenue Expenditure (2009-2014)



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

### 3.3 Capital Expenditure

Capital disbursements for 2013-14, ₹ 5758.50 crore (comprising of Non-Plan expenditure of ₹ 1723.35 crore and Plan expenditure of ₹ 4035.15 crore) were less than the budget estimates by ₹ 5296.85 crore due to less disbursement under Non-Plan (₹ 3466.57 crore) and less under Plan (₹ 1830.28 crore).

#### 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)

Sl No.	Sectors	Amount	Percentage to Capital Expenditure
1	General Services	148.04	2.57
2	Social Services	617.12	10.72
3	Economic Services	3529.17	61.29
4	Loans and Advances	1464.17	25.42
	<b>Total</b>	<b>5758.50</b>	<b>100.00</b>

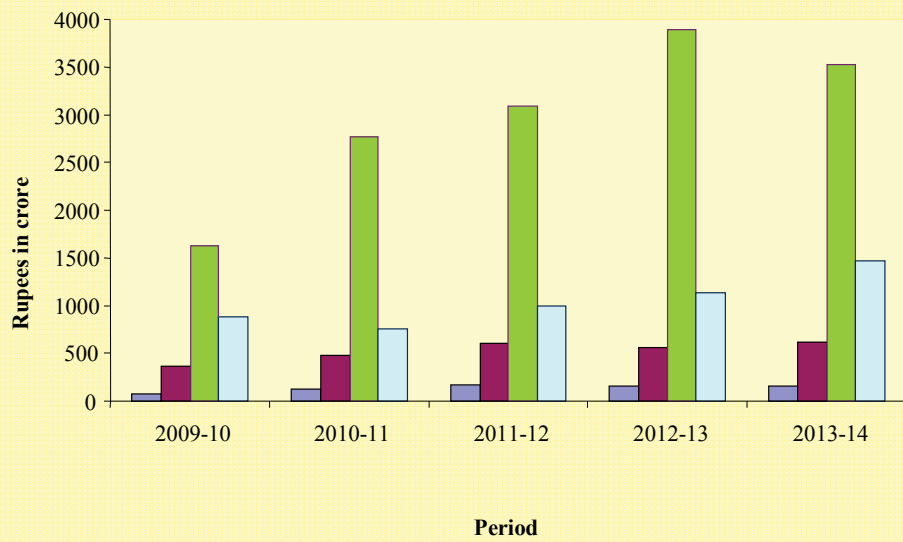
#### 3.3.2 Sectoral distribution of capital expenditure over the past five years

Sectoral distribution of capital expenditure over the past five years is given below:

(₹ in crore)

Sl. No	Sectors	2009-10	2010-11	2011-12	2012-13	2013-14
1	General Services	66.80	118.55	162.34	146.91	148.04
2	Social Services	363.63	479.24	594.88	561.89	617.12
3	Economic Services	1629.16	2765.90	3095.70	3894.49	3529.17
4	Loans and Advances	876.68	761.74	998.54	1136.15	1464.17
	<b>Total</b>	<b>2936.27</b>	<b>4125.43</b>	<b>4851.46</b>	<b>5739.44</b>	<b>5758.50</b>

### Trend of Sectoral Distribution of Capital Expenditure



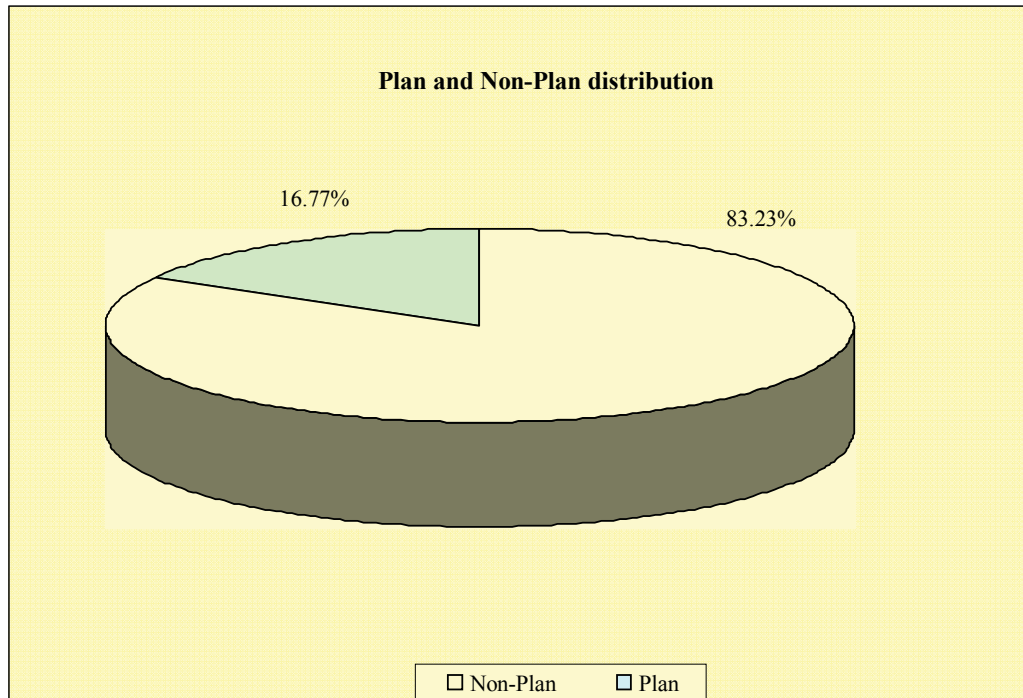
■ General Services    
 ■ Social Services    
 ■ Economic Services    
 ■ Loans and Advances

## CHAPTER IV

### PLAN & NON-PLAN EXPENDITURE

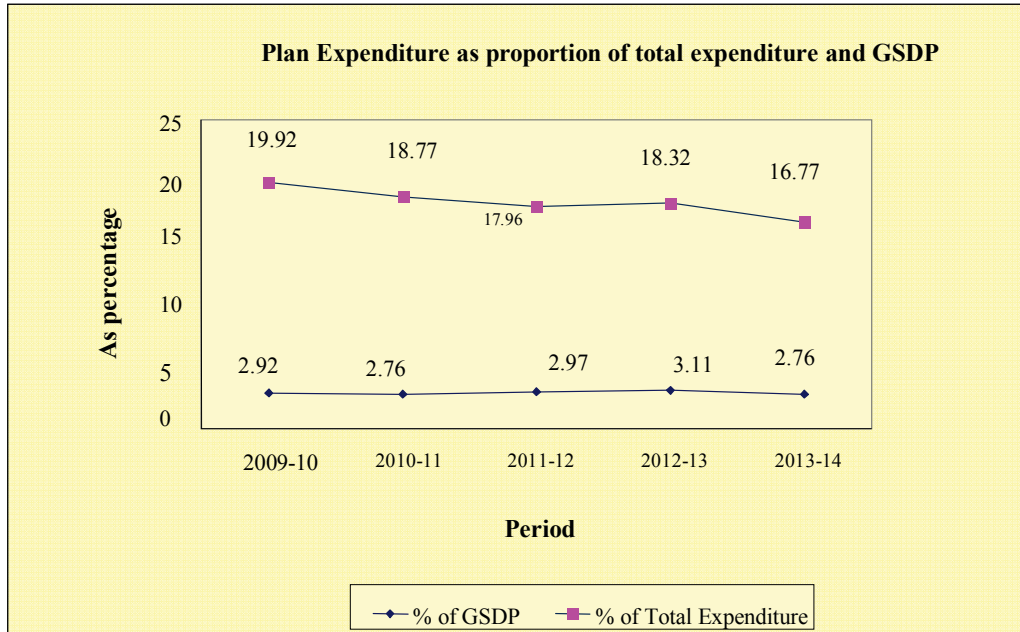
#### 4.1 Distribution of expenditure

The Pie-chart below shows the distribution of disbursement under Plan and Non-Plan expenditure.



#### 4.2 Plan Expenditure

Plan Expenditure during 2013-14 (₹ 11108.81 crore) consists of ₹ 7073.66 crore under Revenue and ₹ 4035.15 crore under Capital. It represents 16.77 per cent of the total expenditure of ₹ 66244 crore and comprises ₹ 9511.57 crore under State Plan and ₹ 1597.24 crore under Centrally Sponsored Schemes/Central Plan Schemes.



#### 4.2.1 Plan expenditure under Capital Account

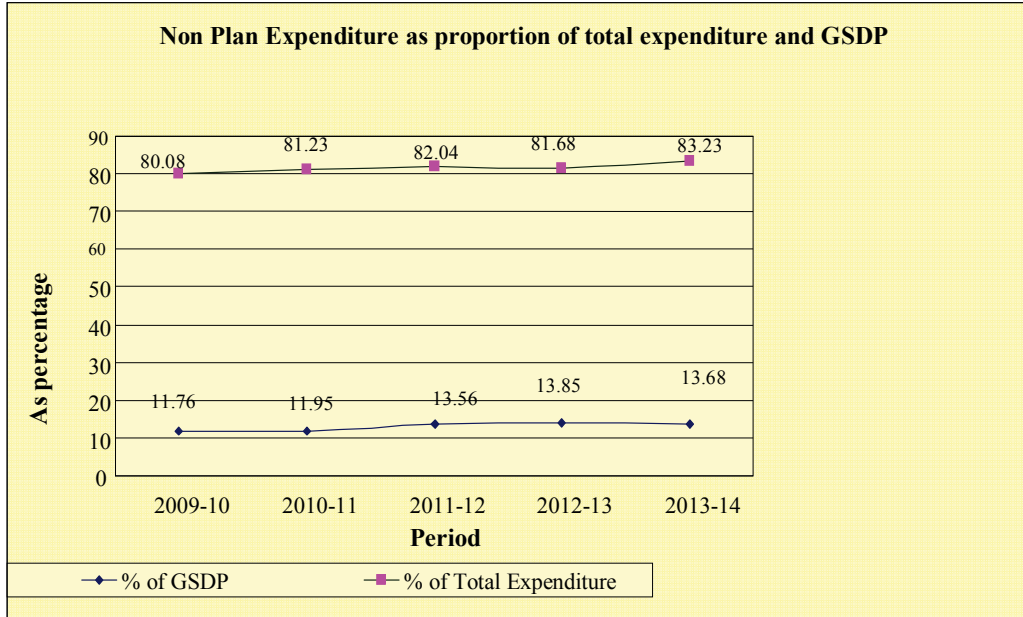
The plan expenditure under Capital Account during the past five years is given below:

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	2936.07	4125.43	4851.46	5739.44	5758.50
Capital Expenditure (plan) (Includes Loans and Advances)	2606.36	3084.97	3814.78	3998.72	4035.15
Percentage of Capital Expenditure (plan) to Total Capital Expenditure	88.77	74.78	78.63	69.67	70.07

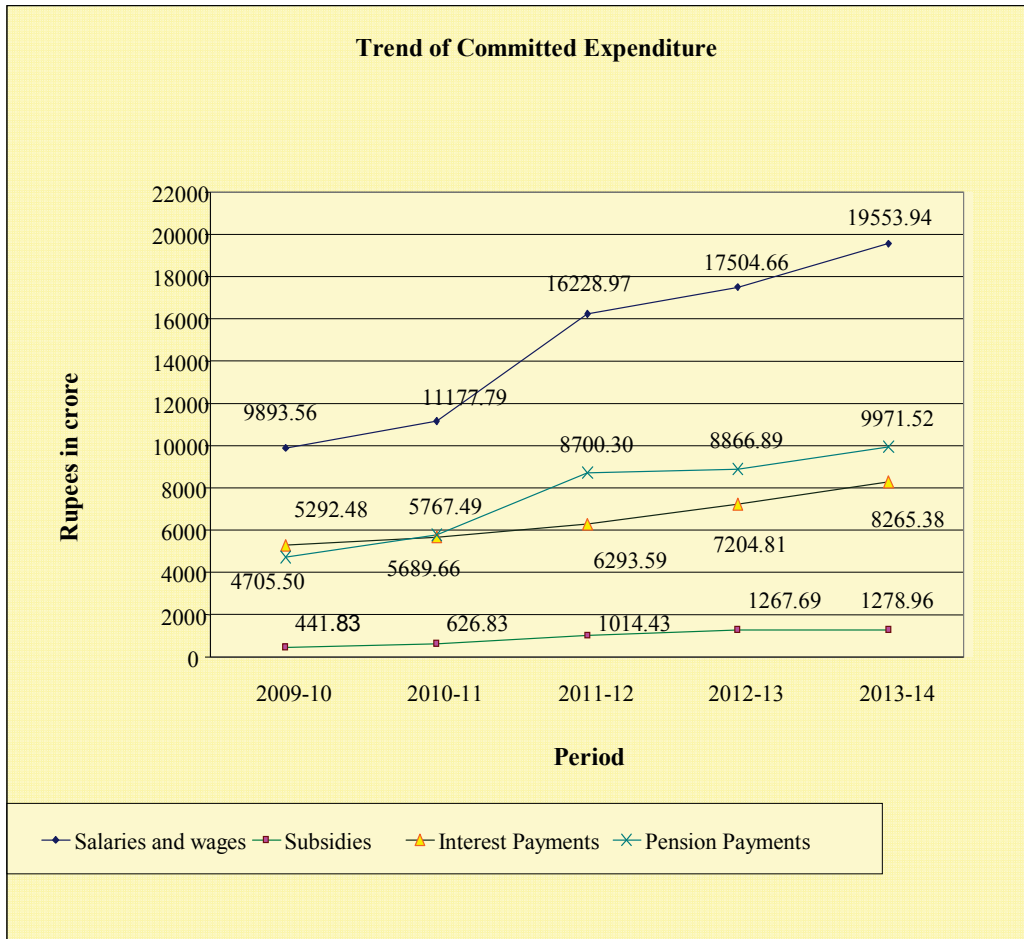
### 4.3. Non-Plan Expenditure

Non-Plan expenditure during 2013-14 (₹ 55135.19 crore) consists of ₹ 53411.84 crore under Revenue and ₹ 1723.35 crore under Capital. It represents 83.23 per cent of the total expenditure of ₹ 66244 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 to Revenue Receipts of the State during the current year was 79.45 per cent.

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

(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Committed Expenditure</b>	20333.37	23261.77	32237.29	34844.05	39069.80
<b>Revenue Expenditure</b>	31132.37	34664.81	46044.62	53488.74	60485.50
<b>Percentage of committed expenditure to Revenue Receipts</b>	77.88	75.06	84.81	78.94	79.45
<b>Percentage of committed expenditure to Revenue Expenditure</b>	65.31	67.10	70.01	65.14	64.59

Pension payments during 2013-14 was ₹ 533.52 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 9438 crore). The expenditure on salaries and wages (including the salary of staff of State aided educational institutions paid by Government) during the year 2013-14 was ₹ 19553.94 crore constituting 39.76 *per cent* of the revenue receipts and 32.33 *per cent* of the revenue expenditure. The salary expenditure is 46.28 *per cent* of revenue expenditure net of interest and pension payments and it is ₹ 108.06 crore less than the projection made by State Government in Medium Term Fiscal Plan (₹ 19662 crore).



## CHAPTER V

### APPROPRIATION ACCOUNTS

#### 5.1 Summary of Appropriation Accounts

The Appropriation Accounts of the Government of Kerala for the year 2013-14 present the accounts of sums expended in the year ended 31 March 2014 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 2013-14, the actual expenditure was ₹ 70421.12 crore comprised of ₹ 61324.94 crore Revenue Expenditure, ₹ 5643.05 crore Capital Expenditure, ₹ 3244.81 crore repayment of Public Debt and ₹ 208.32 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	<b>Revenue</b>					
	Voted	52888.43	3636.83	56525.26	52788.15	(-)3737.11
	Charged	7911.50	535.56	8447.06	8536.79	(+)89.73
2	<b>Capital</b>					
	Voted	9494.86	1171.23	10666.09	5513.18	(-)5152.91
	Charged	51.05	134.25	185.30	129.87	(-)55.43
3	<b>Public Debt</b>					
	Charged	10104.30		10104.30	3244.81	(-)6859.49
4	<b>Loans and Advances</b>					
	Voted	210.37	1.37	211.74	208.32	(-)3.42
	<b>Total</b>	80660.51	5479.24	86139.75	70421.12	(-)15718.63

## 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	
2009-10	(-)2336.57	(-)587.47	(-)9742.10	(-)561.91	(-)13228.05
2010-11	(-)2807.86	(-)1854.98	(-)10376.07	(-)448.99	(-)15487.90
2011-12	(-)2081.44	(-)1239.80	(-)6252.31	(-)283.18	(-)9856.73
2012-13	(-)1942.15	(-)2097.33	(-)6878.39	(+)21.33	(-)10896.54
2013-14	(-)3647.38	(-)5208.34	(-)6859.49	(-)3.42	(-)15718.63

### 5.2.1 Excess over provision requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹ 560.68 crore over the authorisation from the Consolidated Fund of the State during 2013-14 in six Grants and four Appropriations. This excess expenditure of ₹ 560.68 crore as indicated below 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
<b>Voted Grants - Revenue</b>				
1	I State Legislature	65.37	65.70	0.33
2	IV Elections	39.38	41.48	2.10
3	XIII Jails	76.65	80.40	3.75
4	XVI Pensions and Miscellaneous	12950.12	13321.36	371.24
	<b>Total Voted Grants-Revenue</b>	<b>13131.52</b>	<b>13508.94</b>	<b>377.42</b>

(₹ in crore)

Sl No.	Number and title of Grant/Appropriation	Total grant/ Appropriation	Expenditure	Excess
	<b>Charged Appropriation - Revenue</b>			
5	I State Legislature	0.53	0.61	0.08
6	Debt charges	8184.47	8293.58	109.11
7	XV Public Works	0.71	0.98	0.27
8	XVI Pensions and Miscellaneous	23.71	24.98	1.27
	<b>Total Charged Appropriation- Revenue</b>	<b>8209.42</b>	<b>8320.15</b>	<b>110.73</b>
	<b>Voted Grants - Capital</b>			
9	XV Public Works	1525.44	1597.97	72.53
10	XXXII Dairy	0.23	0.23	(*)
	<b>Total Voted Grants- Capital</b>	<b>1525.67</b>	<b>1598.20</b>	<b>72.53</b>
	<b>Grand Total</b>	<b>22866.61</b>	<b>23427.29</b>	<b>560.68</b>

\* ₹ 20,000 only

### 5.2.2 Significant Savings

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

Grant No.	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
<b>REVENUE VOTED</b>						
XXII	Urban Development	61	60	58	70	84
<b>CAPITAL VOTED</b>						
XXIX	Agriculture	64	61	59	55	25
XXXVIII	Irrigation	34	44	78	53	66
<b>CAPITAL CHARGED</b>						
	Public Debt Repayment	80	84	68	71	68

### 5.2.3 Unnecessary Supplementary Grants

Supplementary provisions aggregating ₹ 1249.51 crore, obtained in 30 cases of ₹ one crore or more in each case during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as given below:

(₹ in crore)

Grant No.	Nomenclature	Original provision	Supplementary provision	Actual expenditure
<b>Revenue Voted</b>				
II	Heads of States, Ministers and Headquarters Staff	391.62	5.05	349.06
III	Administration of Justice	425.67	3.21	413.63
V	Agricultural Income Tax and Sales Tax	199.69	2.18	197.49
VI	Land Revenue	408.23	5.77	387.85

(₹ in crore)

Grant No.	Nomenclature	Original provision	Supplementary provision	Actual expenditure
XI	District Administration and Miscellaneous	399.99	44.07	397.63
XII	Police	2122.40	13.10	2074.61
XIV	Stationery and Printing and Other Administrative Services	367.12	2.03	343.49
XV	Public Works	2071.29	97.80	2023.86
XVII	Education, Sports, Art and Culture	12003.87	147.98	11845.39
XXII	Urban Development	1269.86	71.25	216.07
XXIV	Labour , Labour Welfare and Welfare of Non-Residents	768.22	59.03	635.27
XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1831.10	96.40	1644.94
XXIX	Agriculture	2032.54	9.24	1810.63
XXXII	Dairy	153.77	5.55	138.99
XXXIV	Forest	438.71	12.83	393.62
XXXVI	Rural Development	400.23	56.14	397.89
XXXVII	Industries	384.61	31.49	351.87
XLI	Transport	47.61	3.52	44.10
XLIII	Compensation and Assignments	5198.09	149.70	4997.42

(₹ in crore)

Grant No.	Nomenclature	Original provision	Supplementary provision	Actual expenditure
<b>Capital - Voted</b>				
XII	Police	1.01	29.94	0.02
XVII	Education, Sports, Art and Culture	304.56	89.17	200.73
XVIII	Medical and Public Health	173.01	16.50	130.32
XXVII	Co-operation	61.90	199.50	52.42
XXXI	Animal Husbandry	26.90	3.92	13.09
XXXIII	Fisheries	146.10	11.84	136.52
XXXVIII	Irrigation	578.41	25.00	206.95
XL	Ports	367.90	5.93	150.28
XLI	Transport	1836.72	25.00	809.98
XLV	Miscellaneous Loans and Advances	210.37	1.37	208.32
<b>Capital - Charged</b>				
XV	Public Works	50.00	25.00	22.40
	<b>Total</b>	34671.50	1249.51	30594.84

### 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.

	2009-10	2010-11	2011-12	2012-13	2013-14
Number of withdrawals from Contingency Fund	8	9	7	3	19
Total withdrawals from Contingency Fund (Rupees in crore)	55.65	46.85	57.28	23.36	219.36
Withdrawals from Contingency Fund as percentage to total Budget provision	0.15	0.11	0.11	0.03	0.25

At the close of the year 2013-14, an amount of ₹ 67.39 crore remained unrecouped to the Fund.

## 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 ₹ 5592.40 crore at the end of 2013-14 (excluding investment of ₹ 31.21 crore for which details are awaited). Dividends received during the year were ₹ 100.58 crore (1.79 per cent of investment). During 2013-14, investments increased by ₹ 675.92 crore and dividend income increased by ₹ 52.43 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) decreased from ₹ 86.14 crore at the beginning of the year 2013-14 to ₹ 1.53 crore at its end.

#### 6.2 Debt and Liabilities

Outstanding Public Debt of the State at the end of 2013-14 was ₹ 83466.56 crore, comprising Internal Debt (₹ 76804.34 crore) and Loans and Advances from Central Government (₹ 6662.22 crore). Other liabilities accounted under Public Account were ₹ 40614.35 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 ₹ 4419.31 crore in respect of such liabilities of the State Government during 2013-14.

Interest payments on debt and other liabilities totaling ₹ 8281.10 crore constituted 13.69 percentage of revenue expenditure of ₹ 60485.50 crore. Interest payments on Public Debt were ₹ 6155.90 crore (Internal Debt: ₹ 5769.17 crore excluding management of debt ₹ 12.47 crore, Loans and Advances from Central Government:

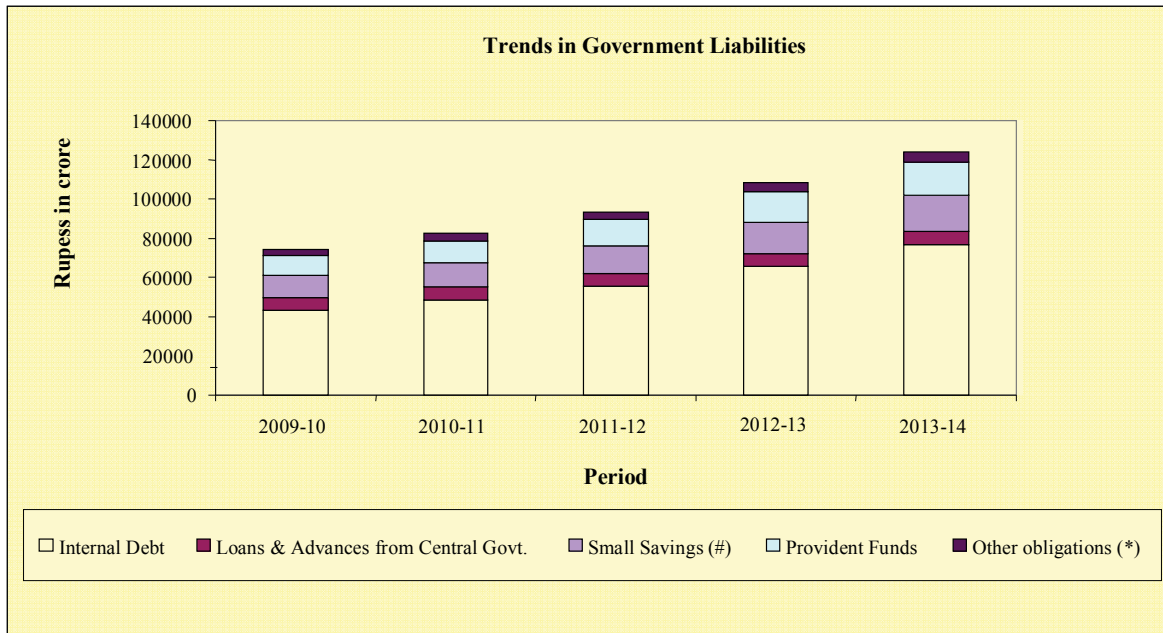


₹ 386.73 crore) and Other Liabilities ₹ 2125.20 crore. Expenditure on account of interest payments increased by ₹ 1081.86 crore during 2013-14.

Internal debt of ₹ 14069.17 crore was raised during 2013-14. The debt obligations discharged were ₹ 2893.23 crore. Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

Year	Internal Debt	Loans & Advances from Central Govt.	Total Public Debt	Small Savings (#)	Provident Funds	Other obligations (*)	Total Liabilities	Percentage of total liabilities to GSDP
2009-10	43368.03	6305.28	49673.31	11241.27	10054.85	3253.88	74223.31	31.99
2010-11	48528.10	6359.08	54887.18	12677.82	11108.24	3746.44	82419.68	31.25
2011-12	55397.39	6395.69	61793.08	14250.34	13374.77	3714.24	93132.43	30.25
2012-13	65628.40	6621.79	72250.19	15947.99	15362.66	4915.90	108476.74	31.05
2013-14	76804.34	6662.22	83466.56	18252.21	17290.30	5071.84	124080.91	30.79



(\*) 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 which came into effect on 5 December 2003 stipulates that the total outstanding Government guarantees as on the first day of April any year shall not exceed ₹ 14000 crore.

The position of guarantees for the period 2009-10 to 2013-14 is given below:

(₹ in crore)

At the end of the year	Amount Guaranteed	Amount outstanding
2009-10	10225.78	7495.00
2010-11	12625.07	7425.79
2011-12	11332.11	8277.44
2012-13	11482.25	9099.50
2013-14	12275.21	9763.36

As per the statement furnished by the Government the outstanding guarantees as on 31 March 2014 was ₹ 9763.36 crore. An amount of ₹ 72.85 crore was received by Government during 2013-14 towards guarantee fee. Arrears of guarantee fee as on 31 March 2014 amounted to ₹ 257.44 crore.

## CHAPTER VII

### OTHER ITEMS

#### 7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. State Government receives loans from Central Government, LIC of India, NCDC, NABARD, RBI etc. It also raises loans from open market to finance certain projects, schemes, etc. As on 31.3.2014 there was no 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 2013-14 was ₹ 11721.13 crore. During the year 2013-14, the State Government disbursed Loans and Advances amounting to ₹ 1464.17 crore.

In respect of loans and advances, the detailed accounts of which are maintained by the Principal Accountant General (A&E), recovery of ₹ 7657.66 crore (Principal: ₹ 4648.89 crore and Interest: ₹ 3008.77 crore) was in arrears as on 31 March 2014.

More than 86 *per cent* of the above arrears pertains to five institutions/organisations viz., Kerala Water Authority (₹ 3294.04 crore), Kerala State Electricity Board (₹ 1728.62 crore), Kerala State Road Transport Corporation (₹ 648.97 crore), Kerala State Cashew Development Corporation (₹ 295.64 crore), Kerala State Housing Board (₹ 618.24 crore). The terms and conditions of loan aggregating to ₹ 165.59 crore have not been prescribed by Government.

#### 7.3 Financial Assistance to Local Bodies and Others

Assistance given to local bodies and others in 2013-14 was ₹ 16138.32 crore. It increased from ₹ 8615.64 crore in 2009-10 to ₹ 16138.32 crore in 2013-14 reflecting 87.31 *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 41.16 *per cent*, 41.72 *per cent*, 46.33 *per cent*, 47.08 *per cent* and 42.97 *per cent* respectively for the years, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14.

During the year 2013-14, financial assistance given to Local Self Government Institutions was ₹ 7779.69 crore (Municipal Corporation and Municipalities: ₹ 1358.09 crore, Panchayati Raj Institutions: ₹ 6421.60 crore) constituting 15.82 *per cent* of the revenue receipts and 12.86 *per cent* of the revenue expenditure. The share of Local Self Government Institutions alone was 48.21 *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)

<b>Financial Assistance to Local bodies and Others</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	3546.61	4087.83	5605.77	6204.36	6934.56
Municipal Corporations and Municipalities	834.46	901.87	1073.78	1177.77	1358.09
Zilla Parishads and Other Panchayati Raj Institutions	2996.66	3411.65	4203.98	5279.31	6421.60
Development Agencies	2.04	5.25	5.50	5.15	6.42
Hospitals and Other Charitable Institutions	76.40	139.02	144.46	153.33	94.19
Other Institutions	1159.47	1252.58	1065.96	896.42	1323.46
<b>Total</b>	<b>8615.64</b>	<b>9798.20</b>	<b>12099.45</b>	<b>13716.34</b>	<b>16138.32</b>

## 7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Particulars	As on 1 April 2013	As on 31 March 2014	Increase(+)/ Decrease(-)
<b>Cash balances</b>	<b>86.14</b>	<b>1.53</b>	<b>(-)84.61</b>
<b>Investments from cash balances (a+b)</b>	<b>3201.71</b>	<b>764.31</b>	<b>(-)2437.40</b>
a. GOI Treasury Bills	3194.48	757.08	(-)2437.40
b. GOI Securities	7.23	7.23	Nil
<b>Other Cash Balances</b>	<b>2.69</b>	<b>2.26</b>	<b>(-)0.43</b>
1) Departmental Balances	2.36	1.93	(-)0.43
2) Permanent Cash Imprest	0.33	0.33	Nil
<b>Fund-wise break-up of investments from earmarked balances (a to d)</b>	<b>1402.19</b>	<b>1511.72</b>	<b>109.53</b>
a. Sinking Fund	1387.63	1497.16	109.53
b. Agriculturists' Rehabilitation Fund	2.39	2.39	Nil
c. Kudikidappukars' Benefit Fund	2.17	2.17	Nil
d. Kerala Consumer Welfare Fund	10.00	10.00	Nil
<b>Interest realised during the year on investment of cash balances</b>	<b>123.38</b>	<b>78.39</b>	<b>(-)44.99</b>

The closing cash balance of the State Government had decreased from ₹ 86.14 crore in 2012-13 to ₹ 1.53 crore in 2013-14. The State Government had invested nearly ₹ 2276.03 crore in treasury bills, GOI Securities etc. Investments were made from earmarked fund balances also. There was 36.46 *per cent* decrease in interest realized on investment of cash balance.

## 7.5 Reconciliation of Accounts

All the Controlling Officers (COs) are required to reconcile the receipts and expenditure of the Government with the figures accounted for by the Principal Accountant General (A&E). Such reconciliation has been completed in respect of 67.10 *per cent* of total reconcilable expenditure and 70.72 *per cent* of total reconcilable receipts. Director, Public Instruction, Secretary, Revenue Department, Secretary to Government, Higher Education Department, Commissioner, Rural Development, Director, Urban Affairs, Secretary, Transport Department, Director, Vocational Higher Secondary Education, Secretary to Government, Power Department, Secretary, Local Self Government Department,

Secretary to Government, Information Technology Department, Director of Ports, are the major departmental Controlling Officers who have not reconciled the figures of expenditure.

### **7.6 Submission of Accounts by Treasuries and Divisions**

There are 23 District Treasuries, 158 Public Works Divisions and 101 Forest Divisions rendering accounts to the Principal Accountant General (A&E). During 2013-14 only a few treasuries/divisions have rendered the accounts on the due dates. The delay in rendering accounts ranged from 1 to 27 days.

### **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 requires 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). The detailed bills pertaining to a month's claim should reach the Principal Accountant General (A&E), Kerala not later than the 20<sup>th</sup> of the succeeding month. As on 31 March 2014, 56 items amounting to ₹ 1.79 crore, DC Bills have not been received in the office of the Principal Accountant General (A&E).

### **7.8 Commitments on account of Incomplete Projects/Works**

There were 228 projects/work (each costing above rupees one crore) on which an expenditure of ₹ 758.71 crore was incurred up to March 2014 which were not completed at the end of March 2014 though the stipulated period of completion was over.

## 7.9 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. However, the expenditure incurred under certain Heads of Account during March 2014 ranged between 50 *per cent* and 100 *per cent* of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year.

The flow of expenditure during the four quarters of 2013-14 in the above mentioned heads are as below:

(₹ in crore)

Major Head	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Total	During March	Percentage of expenditure during March to total expenditure
2501 Special Programmes for Rural Development	0.12	21.72	0.07	84.91	106.82	74.86	70.08
2551 Hill Areas	0.09	0.38	0.64	101.56	102.68	58.11	56.59
2810 New and Renewable Energy	0.31	0.35	2.31	10.40	13.37	8.45	63.20
2852 Industries	1.43	2.10	1.94	8.97	14.44	7.81	54.09
3075 Other Transport Services	0.43	0.72	0.53	2.59	4.27	2.21	51.72
3435 Ecology and Environment	0.26	1.68	2.25	17.35	21.54	13.37	62.07
4216 Capital Outlay on Housing	0.68	0.95	0.69	11.09	13.41	7.09	52.86
4220 Capital Outlay on Information and Publicity				1.89	1.89	1.83	96.83

(₹ in crore)

Major Head	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Total	During March	Percentage of expenditure during March to total expenditure
4225 Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Back Ward Classes and Minorties	1.80	9.79	2.08	19.62	33.28	17.28	51.92
4515 Capital Outlay on Other Rural Development Programmes	0.73	5.44		21.96	28.14	21.91	77.86
4810 Capital Outlay on New and Renewable Energy		0.01	0.05	3.33	3.40	2.87	84.41
4851 Capital Outlay on Village and Small Industries	0.01	-1.00	10.16	39.39	48.55	38.50	79.30
4860 Capital Outlay on Consumer Industries			3.75	69.70	73.45	68.00	92.58
4885 Capital Outlay on Industries and Minerals			2.00	57.46	59.46	50.96	85.70
5051 Capital Outlay on Ports and Light Houses	2.19	3.68	3.31	141.10	150.28	113.92	75.81
5056 Capital Outlay on Inland Water Transport	0.55	0.99	1.98	14.08	17.60	13.38	76.02
5075 Capital Outlay on Other Transport Services	0.80	0.79	11.51	282.11	295.20	154.07	52.19
6202 Loans for Education, Sports, Art and Culture				1.20	1.20	1.20	100.00



(₹ in crore)

Major Head	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Total	During March	Percentage of expenditure during March to total expenditure
6217 Loans for Urban Development			1.00	1.75	2.75	1.75	63.64
6403 Loans for Animal Husbandry			1.50	9.24	10.74	9.24	86.04
6405 Loans for Fisheries				17.36	17.36	17.36	100.00
6851 Loans for Village and Small Industries		1.23	1.33	38.25	40.80	24.59	60.27
6854 Loans for Cement and Non Metallic Mineral Industries				4.43	4.43	4.43	100.00
6859 Loans for Telecommunication and Electronic Industries				6.00	6.00	6.00	100.00
6860 Loans for Consumer Industries				51.44	51.44	50.44	98.06
6885 Other Loans to Industries and Minerals			9.00	87.98	96.98	73.30	75.58
7615 Miscellaneous Loans				0.93	0.93	0.93	100.00