

ACCOUNTS AT A GLANCE

**FOR THE YEAR
2015-2016**

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
11.01.2017

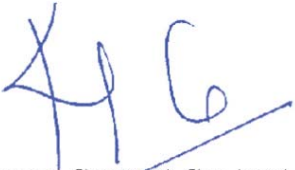

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CHAPTER I

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 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 2015-16 are as given below:-

(₹ in crore)

| | | | |
|--|--|-------------------------------------|----------|
| Receipts Total: 87031.76 | Revenue Total: 69032.66 | Tax Revenue | 51685.82 |
| | | Non -Tax Revenue | 8425.49 |
| | | Grants-in-aid | 8921.35 |
| | Capital Total: 17999.10 | Miscellaneous Capital Receipts | 28.08 |
| | | Recovery of Loans and Advances | 152.63 |
| | | Borrowings and other Liabilities(*) | 17818.39 |
| Disbursements Total: 87031.76 | Revenue | 78689.47 | |
| | Capital | 7500.04 | |
| | Loans and Advances | 842.25 | |

(*) 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, 22 are exclusively voted Grants, two are exclusively charged Appropriations and 23 include both voted Grants and charged Appropriations.

The Appropriation Acts passed by the State Legislature had estimated a gross expenditure of ₹ 118890.79 crore, including the supplementary provision of ₹ 8000.42 crore during the year 2015-16. An amount of ₹ 587.62 crore was estimated as recoveries in reduction of expenditure.

The Appropriation Accounts 2015-16 show disbursements aggregating ₹ 94377.17 crore against the budget provision of ₹ 118890.79 crore, resulting in saving of ₹ 24513.62 crore against Grants and Appropriations. The overall savings of ₹ 24513.62 crore was the result of savings of ₹ 24744.39 crore in 44 Grants and 19 Appropriations under the Revenue section and 27 Grants and 6 Appropriations under Capital section, offset by excess of ₹ 230.77 crore (Debt Charges and Pensions and Miscellaneous) under the Revenue Section and Public Works under both Revenue and Capital Section .

Recoveries in reduction of expenditure amounted to ₹ 1284.68 crore showing an increase of ₹ 697.06 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 2015-16 Government of Kerala has availed ₹ 1985.82 crore as Ways and Means Advance.

1.4.2 Fund Flow Statement (Source and Application of Funds)

The State had a revenue deficit of ₹ 9656.81 crore and a fiscal deficit of ₹ 17818.39 crore representing 1.65 *per cent* and 3.04 *per cent* respectively of the Gross State Domestic Product (GSDP). The fiscal deficit constituted 20.47 *per cent* of the total expenditure. This deficit was financed from Public Debt (₹ 13598.01 crore) and other

liabilities (₹ 4220.38 crore). 69.09 per cent of the revenue receipts (₹ 69032.66 crore) of the State Government was spent on committed expenditure like salaries (₹ 23524.42 crore), interest payments (₹ 11110.62 crore) and pensions (₹ 13062.86 crore).

Source and Application of Funds

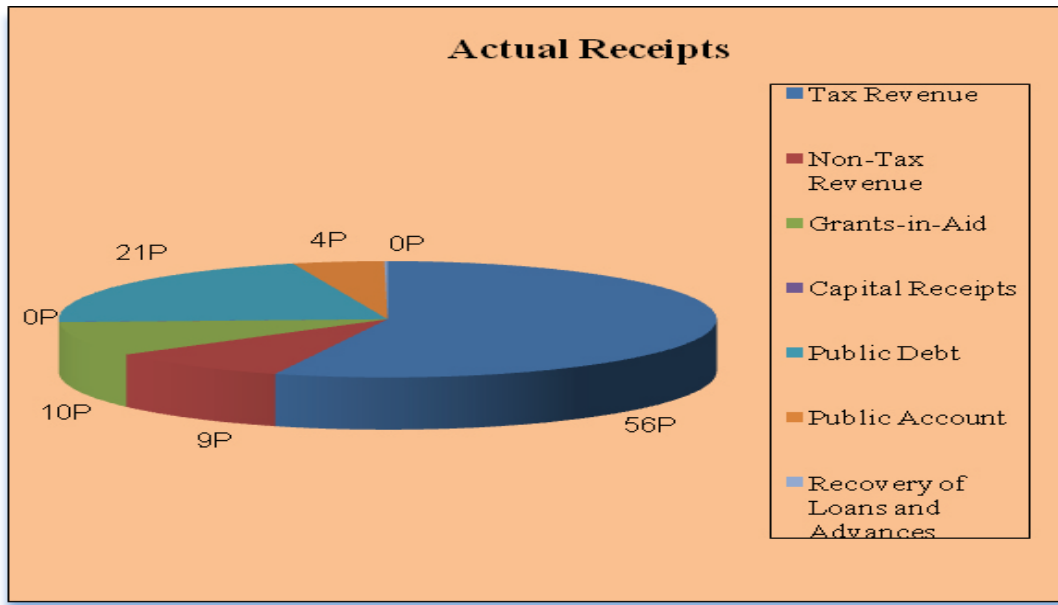
(₹ in crore)

| SOURCE | PARTICULARS | Amount |
|---------------|--|------------------|
| | Opening Cash Balance | -5.58 |
| | Revenue Receipts | 69032.66 |
| | Capital Receipts | 28.08 |
| | Recovery of Loans & Advances | 152.63 |
| | Public Debt | 19658.74 |
| | Small Savings, Provident Fund and Others | 50247.43 |
| | Reserves & Sinking Funds | 610.05 |
| | Deposits Received | 4546.40 |
| | Civil Advances recovered | 0.18 |
| | Suspense & Miscellaneous | 148482.91 |
| | Contingency Fund | 0.00 |
| | Remittances | 10175.29 |
| | Total | 302928.79 |

| APPLICATION | PARTICULARS | Amount |
|--------------------|---|------------------|
| | Revenue Expenditure | 78689.47 |
| | Capital Expenditure | 7500.04 |
| | Loans Given | 842.25 |
| | Repayment of Public Debt (*) | 6060.73 |
| | Payment towards Small Savings and Deposits and Advances | 41915.36 |
| | Reserves & Sinking Funds | 668.09 |
| | Deposits Returned | 7826.65 |
| | Civil Advances Given | 0.21 |
| | Suspense and Miscellaneous | 149197.88 |
| | Contingency Fund | 0 |
| | Remittances | 10267.49 |
| | Closing Cash Balance | -39.38 |
| | Total | 302928.79 |

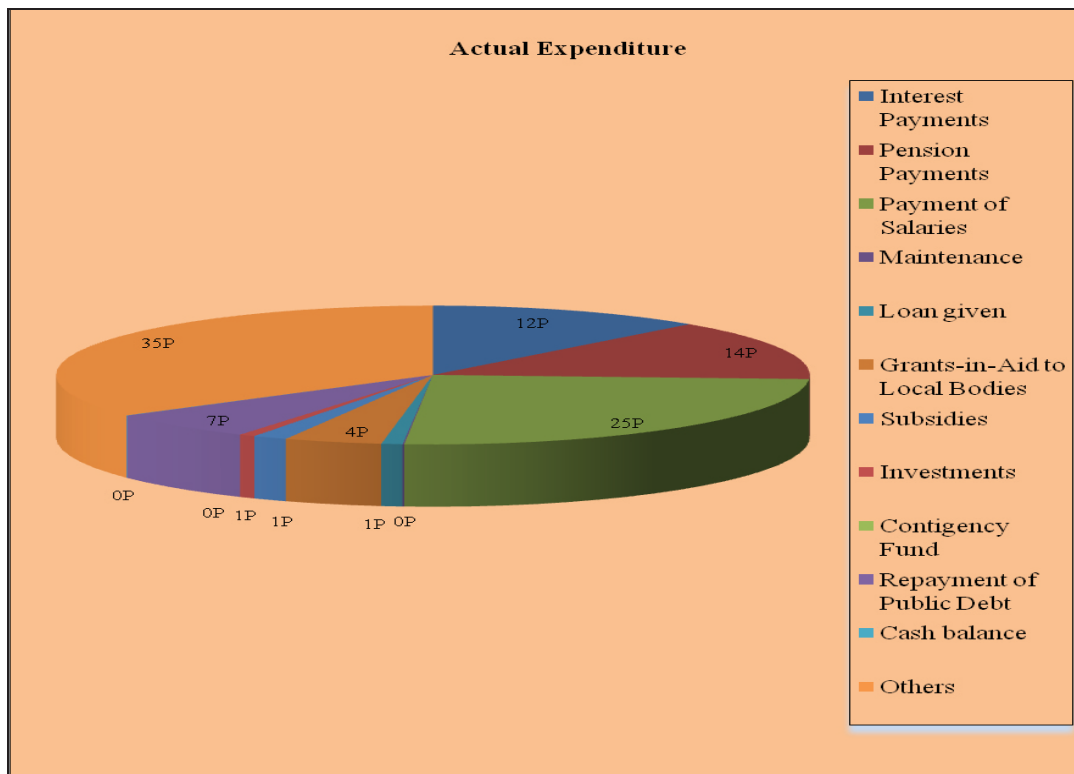
(*)To Central Government (₹ 361.69 crore) and others (₹ 5699.04 crore)

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 2015-16 | Actuals | Percentage of Actuals to B.E | Percentage of Actuals to GSDP(*) |
|---------|---|-------------|----------|------------------------------|----------------------------------|
| 1 | Tax Revenue | 58549.80 | 51685.82 | 88.28 | 8.83 |
| 2 | Non-Tax Revenue | 8931.12 | 8425.49 | 94.34 | 1.44 |
| 3 | Grants-in-aid and Contributions | 9946.28 | 8921.35 | 89.70 | 1.52 |
| 4 | Revenue Receipts (1+2+3) | 77427.20 | 69032.66 | 89.16 | 11.79 |
| 5 | Recovery of Loans & Advances | 172.30 | 152.63 | 88.58 | 0.03 |
| 6 | Other Receipts | 26.02 | 28.08 | 107.92 | 0.00 |
| 7 | Borrowings & Other Liabilities (#) | 25699.67 | 17818.39 | 69.33 | 3.04 |
| 8 | Capital Receipts (5+6+7) | 25897.99 | 17999.10 | 69.50 | 3.07 |
| 9 | Total Receipts (4+8) | 103325.19 | 87031.76 | 84.23 | 14.87 |
| 10 | Non-Plan Expenditure (NPE) | 78136.67 | 68027.17 | 87.06 | 11.62 |
| 11 | NPE on Revenue Account | 74531.62 | 66610.97 | 89.37 | 11.38 |
| 12 | NPE on Interest Payments (out of 11) | 10952.10 | 11110.62 | 89.20 | 1.67 |
| 13 | NPE on Capital Account | 3605.05 | 1416.20 | 39.28 | 0.24 |
| 14 | Plan Expenditure | 25188.52 | 19004.59 | 75.45 | 3.25 |
| 15 | Plan Expenditure on Revenue Account | 17297.93 | 12078.50 | 69.83 | 2.06 |
| 16 | Plan Expenditure on Capital Account | 7890.59 | 6926.09 | 87.78 | 1.18 |
| 17 | Total Expenditure (10+14) | 103325.19 | 87031.76 | 84.23 | 14.87 |
| 18 | Expenditure on Revenue Account (11+15) | 91829.55 | 78689.47 | 85.69 | 13.44 |
| 19 | Expenditure on Capital Account (13 +16)** | 11495.64 | 8342.29 | 72.57 | 1.42 |
| 20 | Revenue Deficit[18-4] | 14402.35 | 9656.81 | 67.05 | 1.65 |
| 21 | Fiscal Deficit 17-(4+5+6) | 25699.67 | 17818.39 | 69.33 | 3.04 |

(*) Gross State Domestic Product (₹585467 crore) Source: 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 (₹ 7500.04 crore) and Loans and Advances disbursed (₹ 842.25 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 2011-2016. It increased from ₹ 8034.26 crore in 2011-12 to ₹ 9656.81 crore in 2015-16.

The fiscal deficit increased from ₹ 12814.77 crore in 2011-12 to ₹ 17818.39 crore in 2015-16. It decreased from ₹ 8641.73 crore in 2014-15 to ₹ 17818.39 crore in 2015-16 mainly due to decrease in revenue deficit. The decrease in fiscal deficit by ₹ 823.34 crore during the year over the previous year was the net effect of decrease in revenue deficit, (₹ 4139.15 crore), increase in non-debt capital receipts (₹ 28.80 crore), Capital expenditure (₹ 3245.45 crore) and disbursement of loans and advances (₹ 99.16 crore).

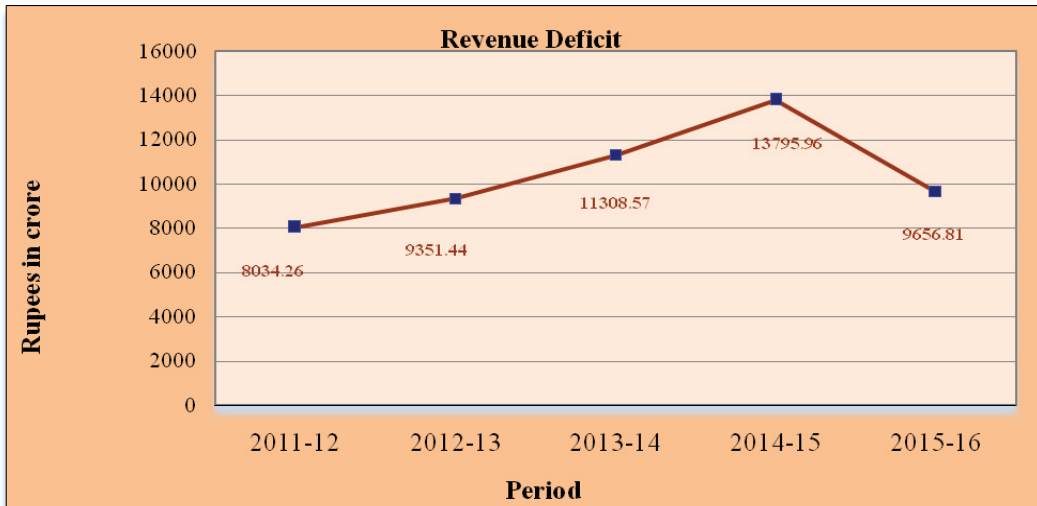
As a proportion of GSDP, the revenue deficit decreased to 1.65 per cent and the fiscal deficit decreased to 3.04 per cent in 2015-16 from 3.06 per cent and 4.13 per cent respectively in 2014-15. The Medium Term Fiscal Plan for years 2016-17 to 2018-19 envisaged a revenue deficit target of zero per cent of GSDP and a fiscal deficit target of 3.00 per cent of GSDP for the year 2015-16. The percentages of revenue deficit and fiscal deficit during 2015-16 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 based on the revised fiscal consolidation road map set out by the 13th Finance Commission. According to the Act, the Government is committed to:

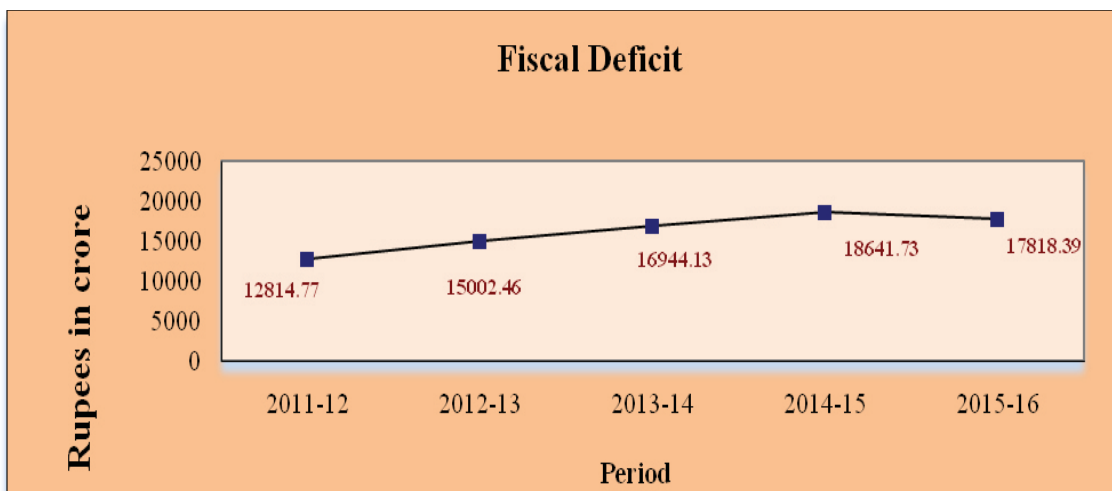
- Bring down the revenue deficit to 'nil' and maintain fiscal deficit at 3 per cent of the GSDP in 2014-15.
- As given in the Medium Term Fiscal Plan 2016-17 to 2018-19, the 14th Finance Commission had recommended to keep status quo in Revenue deficit/GSDP and fiscal deficit/GSDP targets as zero percent and 3 percent respectively.

1.6.1 Trend of Revenue Deficit



1.6.2 Trend of Fiscal Deficit

Budget Estimates for 2015-16 provided a fiscal deficit of ₹ 25699.67 crore (4.39 per cent of GSDP) where as the actual fiscal deficit was ₹ 17818.39 crore (3.04 per cent of GSDP). The position for the last five years is as below:

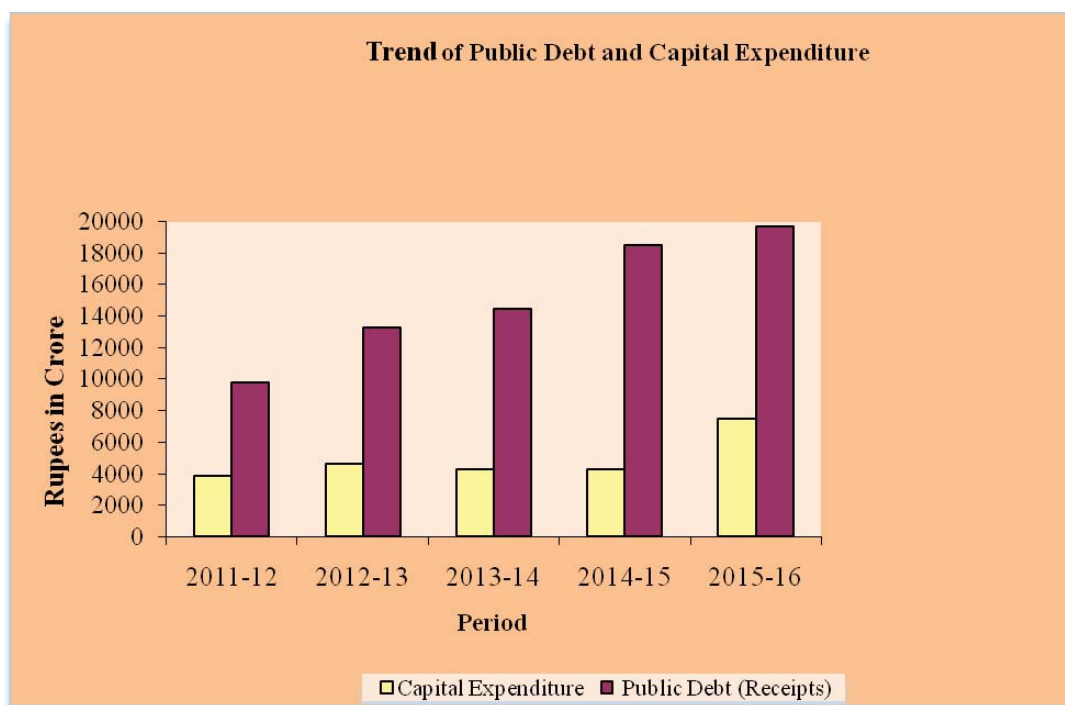


1.6.3 Proportion of borrowed funds spent on Capital expenditure

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 |
|---------|-----------------------|---------------------|--|
| 2011-12 | 9798.96 | 3852.92 | 39.32 |
| 2012-13 | 13261.19 | 4603.29 | 34.71 |
| 2013-14 | 14461.18 | 4294.33 | 29.70 |
| 2014-15 | 18509.17 | 4254.59 | 22.99 |
| 2015-16 | 19658.74 | 7500.04 | 38.15 |



CHAPTER II

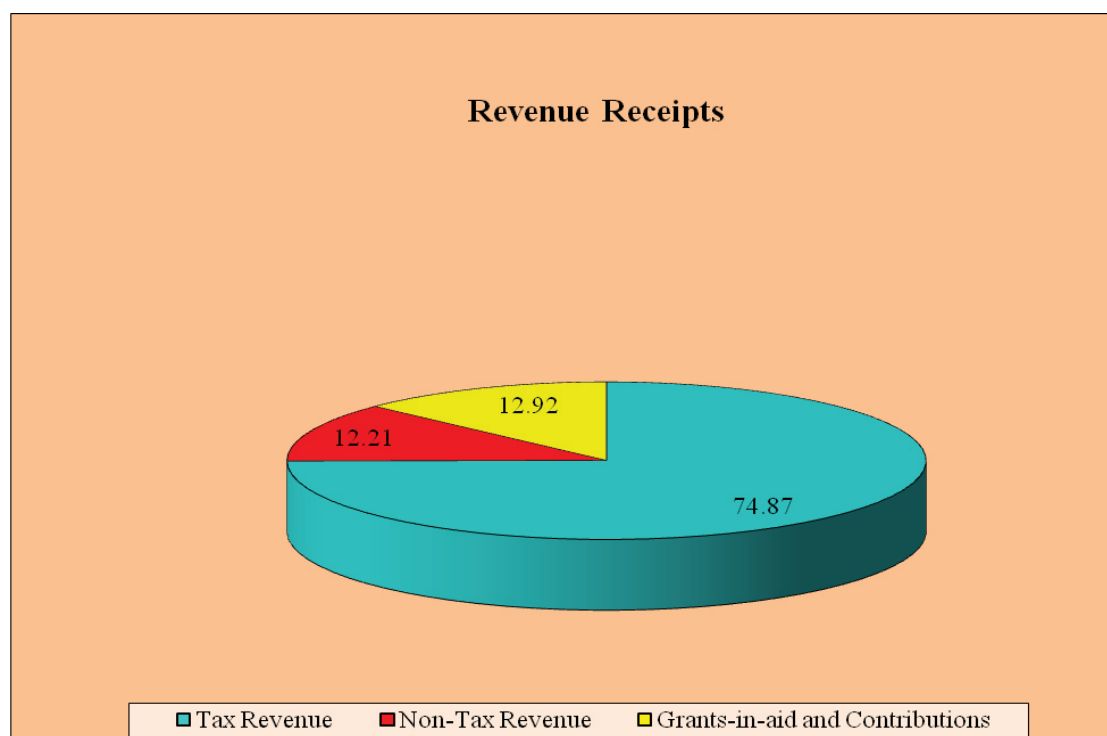
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2015-16 were ₹ 87031.76 crore (Revenue Receipt ₹ 69032.66 crore and Capital Receipts ₹ 17999.10 crore). Revenue receipts comprises Tax Revenue (₹ 51685.82 crore), Non-Tax Revenue (₹ 8425.49 crore) and Grants-in-aid and Contributions (₹ 8921.35 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 Components (2015-16)

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 | 51685.82 |
| Taxes on Income and Expenditure | 6786.80 |
| Taxes on Property, Capital and Other Transactions | 3191.46 |
| Taxes on Commodities and Services | 41707.56 |
| B. Non-Tax Revenue | 8425.49 |
| Interest Receipts, Dividends and Profits | 195.27 |
| General Services | 6888.59 |
| Social Services | 428.56 |
| Economic Services | 913.07 |
| C. Grants-in-aid and Contributions | 8921.35 |
| Total - Revenue Receipts | 69032.66 |

2.3 Trend of Receipts

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

(₹ in crore)

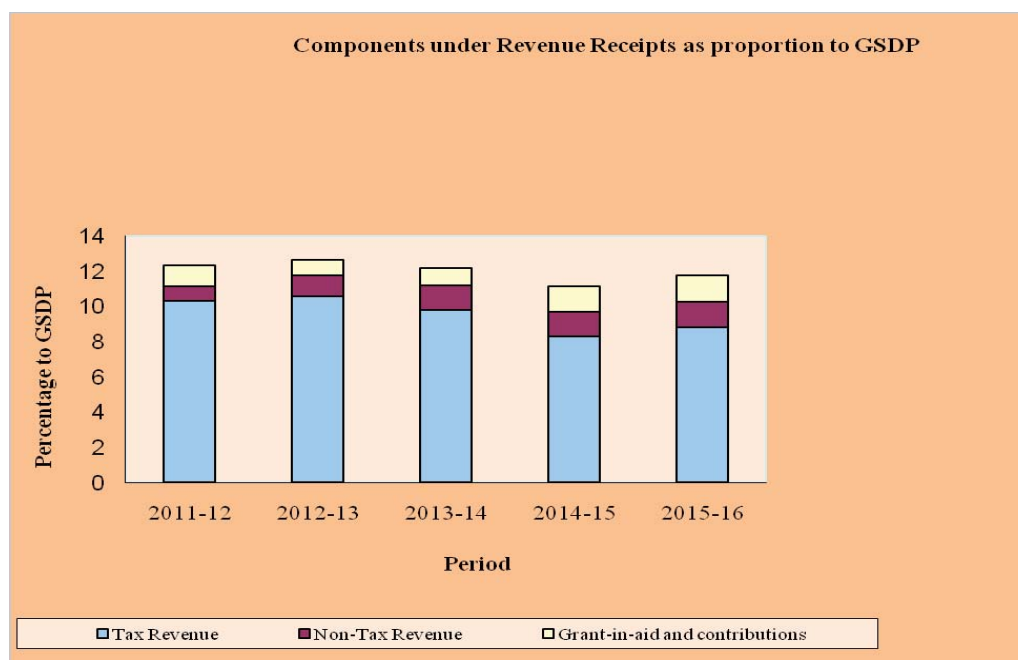
| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Tax Revenue | 31708.96 (8.71) | 36917.26 (8.95) | 39463.69 (8.53) | 43158.79 (8.30) | 51685.82 (8.83) |
| Non-Tax Revenue | 2592.18 (0.71) | 4198.51 (1.02) | 5575.03 (1.20) | 7283.69 (1.40) | 8425.49 (1.44) |
| Grants-in-aid | 3709.22 (1.02) | 3021.53 (0.73) | 4138.21 (0.89) | 7507.99 (1.44) | 8921.35 (1.52) |
| Total Revenue Receipts | 38010.36 (10.44) | 44137.30 (10.70) | 49176.93 (10.62) | 57950.47 (11.15) | 69032.66 (11.79) |
| GSDP | 364048 | 412313 | 462916 | 519896 | 585467 |

Note: GSDP figures communicated by Director of Economics and Statistics of the State Government. The figures for 2013-14 are provisional and that for 2014-15 are Quick Estimates. The figures for 2015-16 are projected.

Figures in parenthesis indicate percentage to GSDP.

The GSDP increased by 12.61 *per cent* between 2014-15 and 2015-16, while revenue collection increased by 19.12 *per cent*. Tax Revenue of ₹ 51685.82 crore and Non-Tax Revenue of ₹ 8425.49 crore during 2015-16 formed 8.83 *per cent* and 1.44 *per cent* respectively of the GSDP. Major portion of Tax Revenue was collected under Taxes on Sales, Trade etc. i.e, ₹ 30736.78 crore represent 5.25 *per cent* of the GSDP. Out of the Tax Revenue of ₹ 51685.82 crore, the contributions of State's Own Taxes and Central Tax transfers were ₹ 38995.15 crore and ₹ 12690.67 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 2011-12 to 2015-16 is given below:

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Taxes on Income and Expenditure | 3598.41 | 3947.20 | 4187.28 | 4753.09 | 6786.80 |
| Taxes on Property and Capital Transactions | 3115.53 | 3131.69 | 2765.09 | 2918.97 | 3191.46 |
| Taxes on Commodities and Services | 24995.02 | 29838.37 | 32511.32 | 35486.73 | 41707.56 |
| Total Tax Revenue | 31708.96 | 36917.26 | 39463.69 | 43158.79 | 51685.82 |

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 2011-12 to 2015-16 are shown below:

(₹ in crore)

| Year | Tax Revenue | State's share of Union Taxes | State's Own Tax Revenue | |
|---------|-------------|------------------------------|-------------------------|--------------------|
| | | | Amount | Percentage to GSDP |
| 2011-12 | 31708.96 | 5990.36 | 25718.60 | 8.23 |
| 2012-13 | 36917.26 | 6840.65 | 30076.61 | 8.65 |
| 2013-14 | 39463.69 | 7468.68 | 31995.01 | 8.07 |
| 2014-15 | 43158.79 | 7926.29 | 35232.50 | 7.80 |
| 2015-16 | 51685.82 | 12690.67 | 38995.15 | 6.66 |

The State's Own Tax Revenue collected during 2015-16 was ₹ 3762.65 crore more than the year 2014-15 and ₹ 886.85 crore less than the revised estimate for the year 2015-16 given in the Medium Term Fiscal Plan 2016-17 (₹ 39882 crore) for the year.

2.5 Efficiency of Tax Collection

Tax collection under the major sectors and expenditure on collection for the period 2011-12 to 2015-16 are given below

A. Taxes on Property, Capital and other Transactions

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|---------|---------|
| Revenue Collection | 3115.53 | 3131.69 | 2765.09 | 2918.97 | 3191.46 |
| Expenditure on Collection | 453.98 | 451.29 | 493.28 | 551.74 | 637.87 |
| Percentage of expenditure on collection to revenue collection | 14.57 | 14.41 | 17.84 | 18.90 | 19.99 |

B. Taxes on Commodities and Services

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|----------|----------|----------|----------|----------|
| Revenue collection | 24995.02 | 29838.37 | 32511.32 | 35486.73 | 41707.56 |
| Expenditure on collection | 381.23 | 385.24 | 437.40 | 507.78 | 556.58 |
| Percentage of expenditure on collection to Revenue collection | 1.53 | 1.29 | 1.35 | 1.43 | 1.33 |

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

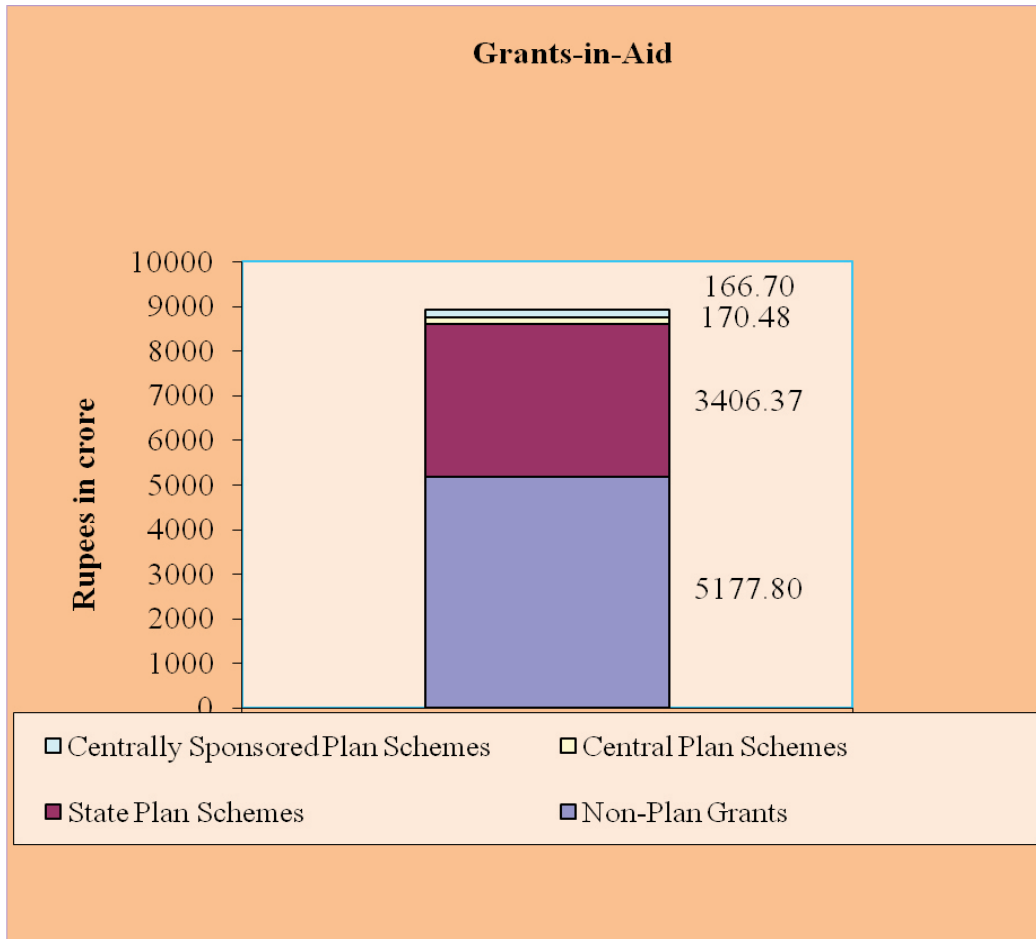
Share of various taxes to total revenue receipts are given below:

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Corporation Tax | 2357.86 | 2457.20 | 2511.79 | 2767.88 | 4001.37 |
| Taxes on Income other than Corporation Tax | 1197.69 | 1471.08 | 1653.94 | 1976.54 | 2783.33 |
| Taxes on Wealth | 9.10 | 4.16 | 6.89 | 7.47 | 0.89 |
| Customs | 1038.62 | 1136.75 | 1218.58 | 1281.91 | 2031.61 |
| Union Excise Duties | 672.08 | 772.54 | 860.66 | 723.84 | 1688.82 |
| Service Tax | 715.01 | 998.92 | 1216.82 | 1168.58 | 2175.85 |
| Others | .. | .. | | 0.07 | 8.80 |
| Total State Share of Union Taxes | 5990.36 | 6840.65 | 7468.68 | 7926.29 | 12690.67 |
| Total Tax Revenue | 31708.96 | 36917.26 | 39463.69 | 43158.79 | 51685.82 |
| Percentage of Union Taxes to total Tax Revenue | 18.89 | 18.53 | 18.93 | 18.37 | 24.55 |

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 2015-16 under Grants-in-aid were ₹ 8921.35 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 | |
| 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 |
| 2014-15 | 17756.70 | 5493.14 | 752.47 | 349.63 | 12666.40 |
| 2015-16 | 19127.40 | 5699.04 | 531.34 | 361.69 | 13598.01 |

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:

| | |
|--------------------------|--|
| 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 2015-16, ₹ 78689.47 crore (comprising of Non-Plan expenditure of ₹ 66610.97 crore and Plan expenditure of ₹ 12078.50 crore) was less than the budget estimates by ₹ 13140.08 crore (less by ₹ 7920.65 crore under 'Non-Plan' and ₹ 5219.43 crore under 'Plan').

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

(₹ in crore)

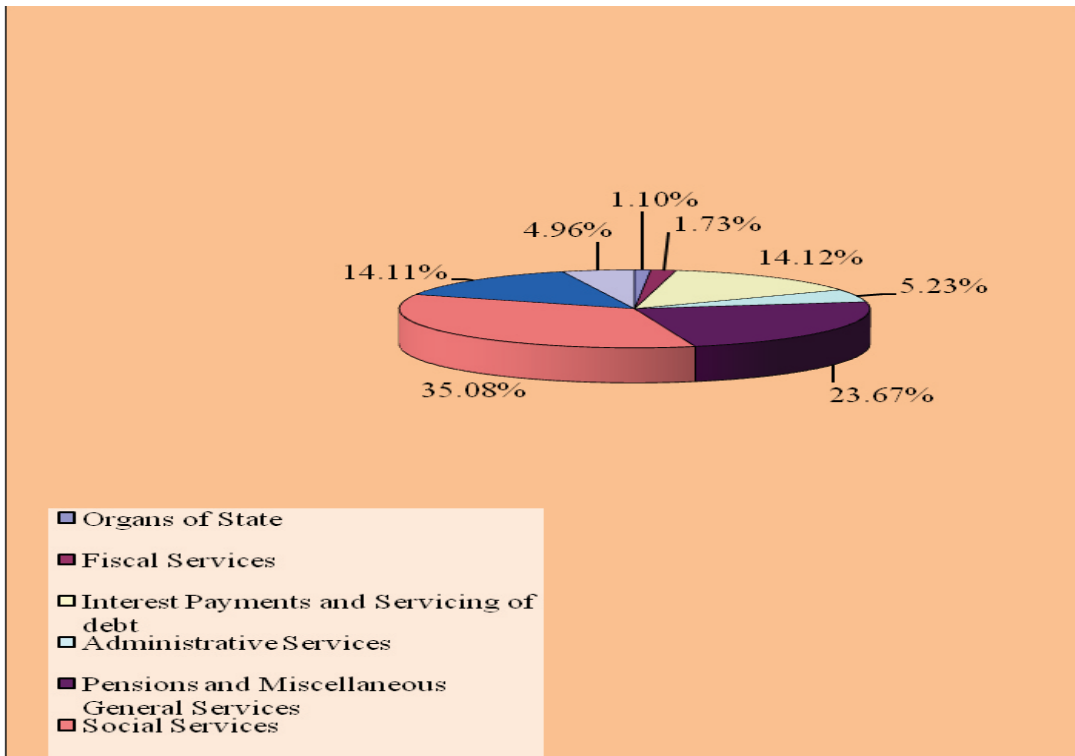
| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|----------|----------|----------|----------|----------|
| Budget Estimates | 48383.14 | 55779.46 | 64500.23 | 79550.60 | 91829.55 |
| Actuals | 46044.62 | 53488.74 | 60485.50 | 71746.43 | 78689.47 |
| Shortfall | 2338.52 | 2290.72 | 4014.73 | 7804.17 | 13140.08 |
| Percentage of shortfall over Budget Estimates | 4.83 | 4.11 | 6.22 | 9.81 | 14.31 |

3.2.1 Sectoral distribution of Revenue Expenditure

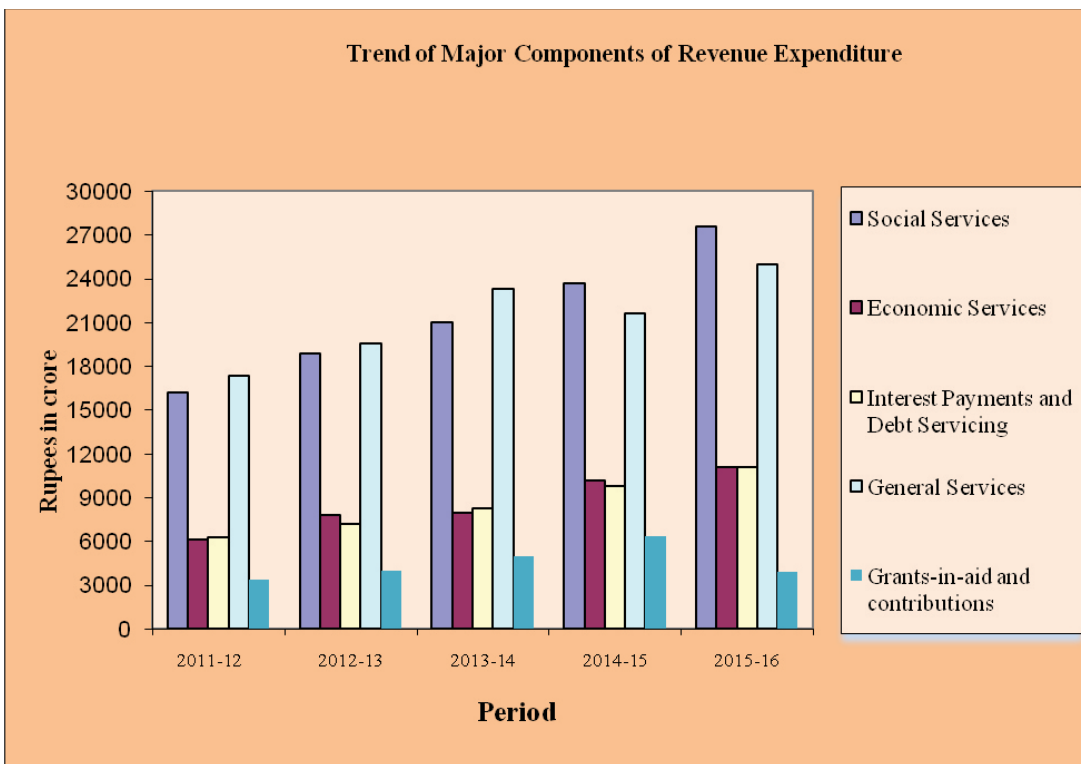
Sectoral distribution of expenditure and its percentage to total revenue expenditure are given below:

(₹ in crore)

| | Components | Amount | Percentage to Total Revenue Expenditure |
|----------|--|----------|---|
| A | Organs of State | 866.93 | 1.10 |
| B | Fiscal Services | 1361.23 | 1.73 |
| | Collection of Taxes on Income and Expenditure | 0.01 | 0.00 |
| | Collection of Taxes on Property and Capital transactions | 637.87 | 0.81 |
| | Collection of Taxes on Commodities and Services | 556.58 | 0.71 |
| | Other Fiscal Services | 166.77 | 0.21 |
| C | Interest Payments and Servicing of Debt | 11110.62 | 14.12 |
| D | Administrative Services | 4118.21 | 5.23 |
| E | Pensions and Miscellaneous General Services | 18627.69 | 23.67 |
| F | Social Services | 27603.29 | 35.08 |
| G | Economic Services | 11098.42 | 14.11 |
| H | Grants-in-aid and Contributions | 3903.08 | 4.96 |
| | Total Expenditure (Revenue account) | 78689.47 | 100.00 |



3.2.2 Major Components of Revenue Expenditure (2011-2016)



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

3.3 Capital Expenditure

Capital disbursements for 2015-16, ₹ 8342.29 crore (comprising of Non-Plan expenditure of ₹ 1416.20 crore and Plan expenditure of ₹ 6926.09 crore) were less than the budget estimates by ₹ 3153.35 crore due to less disbursement under Non-Plan (₹ 2188.85 crore) and less under Plan (₹ 964.50 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 | 256.60 | 3.07 |
| 2 | Social Services | 1035.03 | 12.41 |
| 3 | Economic Services | 6208.41 | 74.42 |
| 4 | Loans and Advances | 842.25 | 10.10 |
| | Total | 8342.29 | 100.00 |

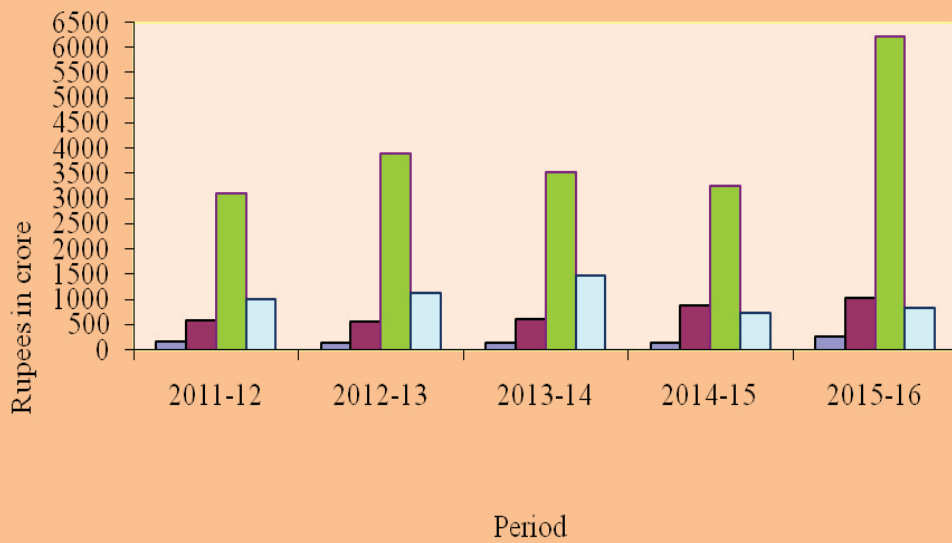
3.3.2 Sectoral distribution of capital expenditure over the past five years

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

(₹ in crore)

| Sl. No | Sectors | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--------|--------------------|----------------|----------------|----------------|----------------|----------------|
| 1 | General Services | 162.34 | 146.91 | 148.04 | 134.66 | 256.60 |
| 2 | Social Services | 594.88 | 561.89 | 617.12 | 875.26 | 1035.03 |
| 3 | Economic Services | 3095.70 | 3894.49 | 3529.17 | 3244.67 | 6208.41 |
| 4 | Loans and Advances | 998.54 | 1136.15 | 1464.17 | 743.09 | 842.25 |
| | Total | 4851.46 | 5739.44 | 5758.50 | 4997.68 | 8342.29 |

Trend of Sectoral Distribution of Capital Expenditure

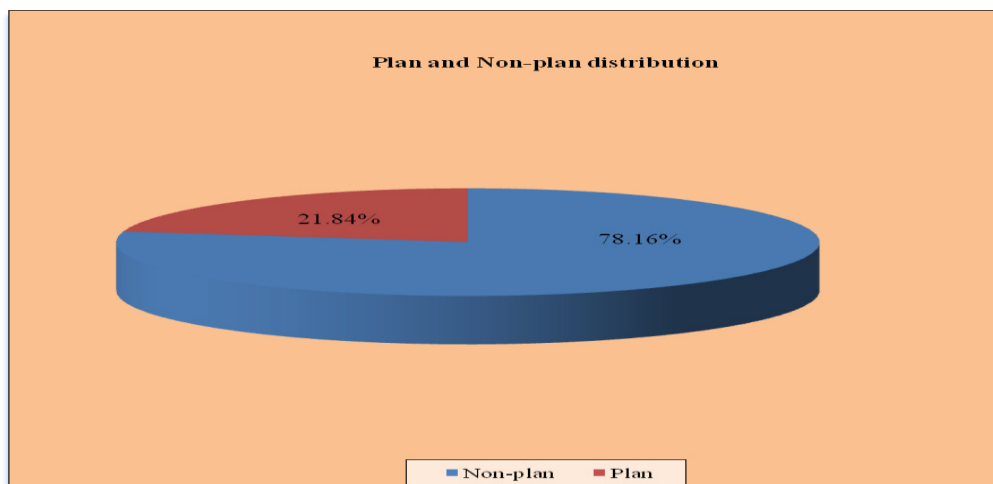


CHAPTER IV

PLAN & NON-PLAN EXPENDITURE

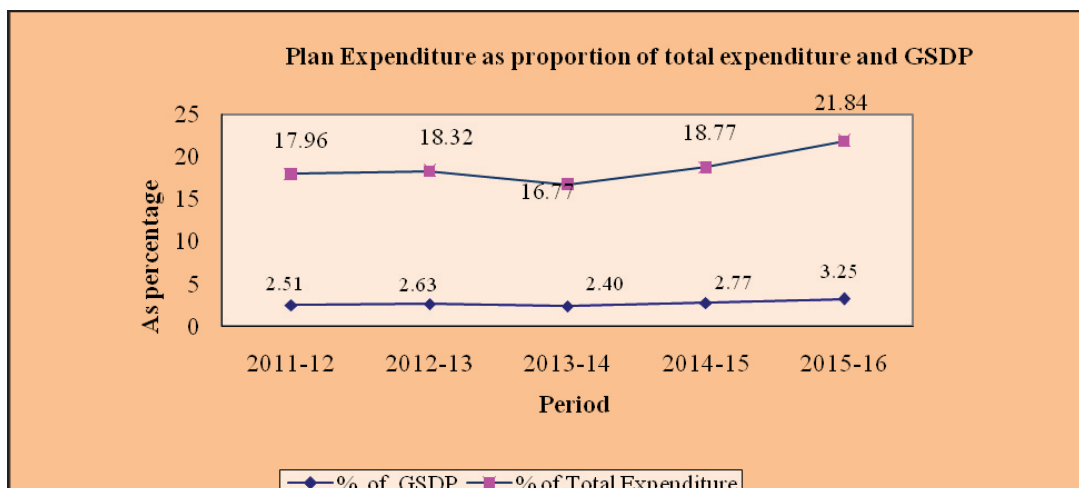
4.1 Distribution of expenditure

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



4.2 Plan Expenditure

Plan Expenditure during 2015-16 (₹ 19004.59 crore) consists of ₹ 12078.50 crore under Revenue and ₹ 6926.09 crore under Capital. It represents 21.84 per cent of the total expenditure of ₹ 87031.76 crore and comprises ₹ 15632.38 crore under State Plan and ₹ 3372.21 crore under Centrally Sponsored Schemes/Central Plan Schemes.



4.2.1 Plan expenditure under Capital Account

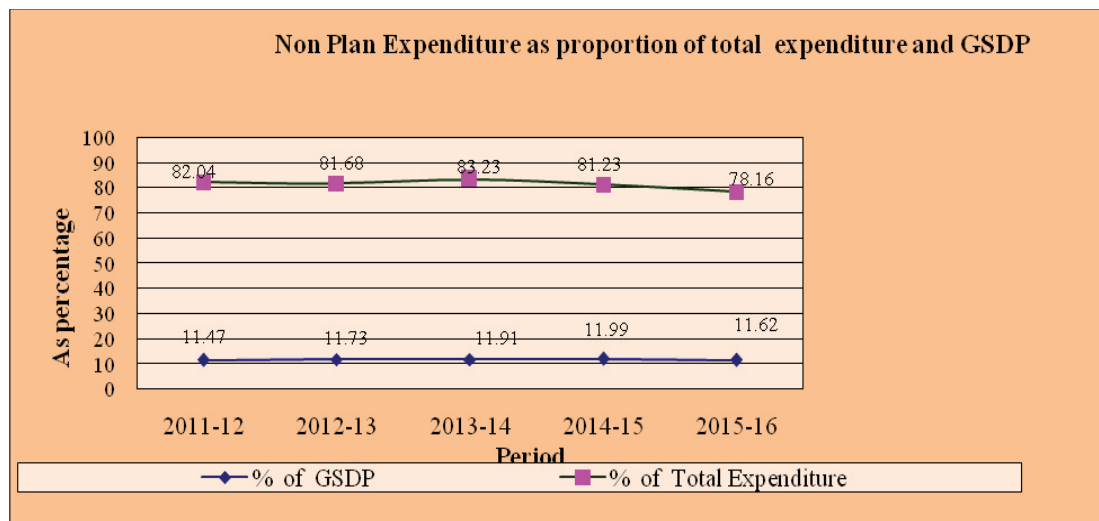
The plan expenditure under Capital Account during the past five years is given below:

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|---------|---------|
| Total Capital Expenditure | 4851.46 | 5739.44 | 5758.50 | 4997.68 | 8342.29 |
| Capital Expenditure (plan) (Includes Loans and Advances) | 3814.78 | 3998.72 | 4035.15 | 4124.12 | 6926.09 |
| Percentage of Capital Expenditure (plan) to Total Capital Expenditure | 78.63 | 69.67 | 70.07 | 82.52 | 83.02 |

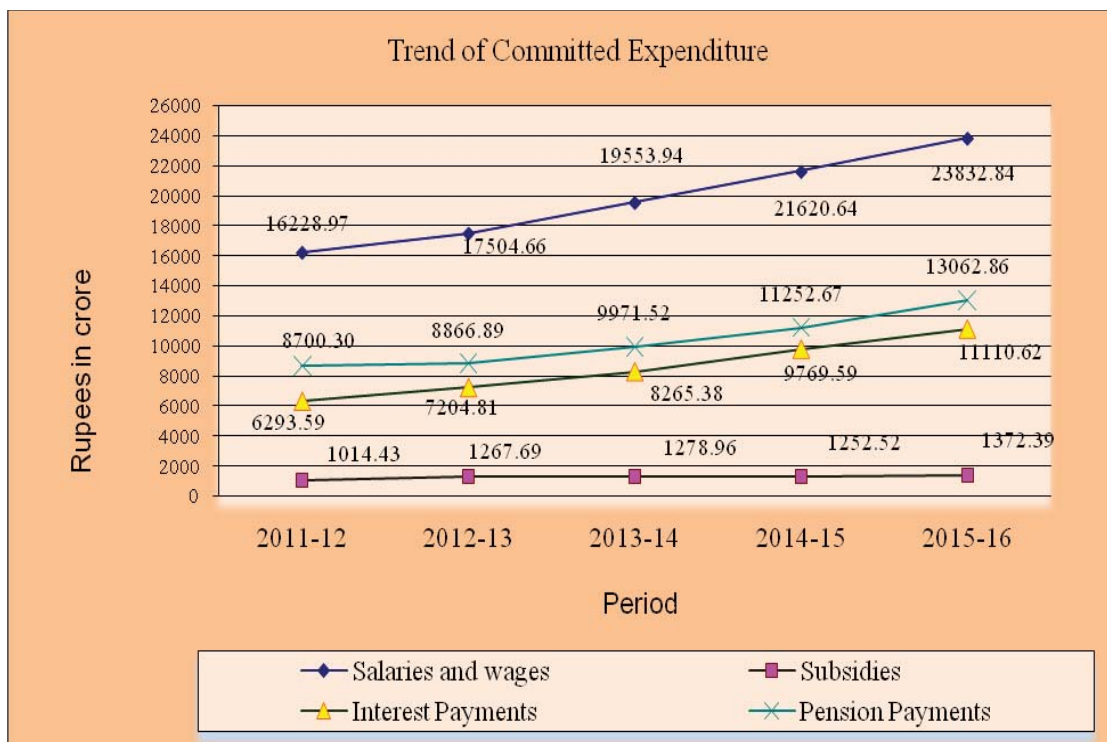
4.3 Non-Plan Expenditure

Non-Plan expenditure during 2015-16 (₹ 68027.17 crore) consists of ₹ 66610.97 crore under Revenue and ₹ 1416.20 crore under Capital. It represents 78.16 per cent of the total expenditure of ₹ 87031.76 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 71.53 per cent.

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

(₹ in crore)

| Component | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|----------|----------|----------|----------|----------|
| Committed Expenditure | 32237.29 | 34844.05 | 39069.80 | 43895.42 | 49378.71 |
| Revenue Expenditure | 46044.62 | 53488.74 | 60485.50 | 71746.43 | 78689.47 |
| Percentage of committed expenditure to Revenue Receipts | 84.81 | 78.94 | 79.45 | 75.75 | 71.53 |
| Percentage of committed expenditure to Revenue Expenditure | 70.01 | 65.14 | 64.59 | 61.18 | 62.75 |

Pension payments during 2015-16 was ₹ 63.14 crore less than the projection made by State Government in Medium Term Fiscal Plan (₹ 13126 crore). The expenditure on salaries and wages (including the salary of staff of State aided educational institutions paid by Government) during the year 2015-16 was ₹ 23832.84 crore constituting 34.52 *per cent* of the revenue receipts and 30.29 *per cent* of the revenue expenditure. The salary expenditure is 43.72 *per cent* of revenue expenditure net of interest and pension payments and it is ₹ 596.84 crore more than the projection made by State Government in Medium Term Fiscal Plan (₹ 23236 crore).

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts

The Appropriation Accounts of the Government of Kerala for the year 2015-16 present the accounts of sums expended in the year ended 31 March 2016 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 2015-16, the actual expenditure was ₹ 94377.17 crore comprised of ₹ 79885.76 crore Revenue Expenditure, ₹ 7578.42 crore Capital Expenditure, ₹ 6060.74 crore repayment of Public Debt and ₹ 852.25 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 | 74498.93 | 6486.42 | 80985.35 | 68438.50 | -12546.85 |
| | Charged | 11325.63 | 84.01 | 11409.64 | 11447.26 | 37.62 |
| 2 | Capital | | | | | |
| | Voted | 9206.06 | 1233.78 | 10439.84 | 7480.29 | -2959.55 |
| | Charged | 36.29 | 67.48 | 103.77 | 98.13 | -5.64 |
| 3 | Public Debt | | | | | |
| | Charged | 14977.98 | | 14977.98 | 6060.74 | -8917.24 |
| 4 | Loans and Advances | | | | | |
| | Voted | 845.48 | 128.73 | 974.21 | 852.25 | -121.96 |
| | Total | 110890.37 | 8000.42 | 118890.79 | 94377.17 | -24513.62 |

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 | |
| 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 |
| 2014-15 | (-)7622.14 | (-)4039.54 | (-)8349.59 | (-)146.70 | (-)20157.97 |
| 2015-16 | (-)12509.23 | (-)2965.19 | (-)8917.24 | (-)121.96 | (-)24513.62 |

5.2.1 Excess over provision requiring regularisation

The Appropriation Accounts disclosed excess expenditure of ₹ 161.54 crore under Revenue Section in one appropriation-‘Debt Charges’ and ₹ 69.23 crore under Capital section in Grant- ‘Public Works’. This excess expenditure of ₹ 230.77 crore requires regularisation under Article 205 of the Constitution of India.

5.2.2 Significant Savings

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

| Grant No. | Nomenclature | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|------------------------|-----------------------|---------|---------|---------|---------|---------|
| REVENUE VOTED | | | | | | |
| XXII | Urban Development | 58 | 70 | 84 | 75 | 69 |
| CAPITAL VOTED | | | | | | |
| XXXVIII | Irrigation | 78 | 53 | 66 | 79 | 24 |
| CAPITAL CHARGED | | | | | | |
| | Public Debt Repayment | 68 | 71 | 68 | 59 | 60 |

5.2.3 Unnecessary Supplementary Grants

Supplementary provisions aggregating ₹ 781.10 crore, obtained in 20 cases of Rupees 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)

| GrantNo. | Nomenclature | Original provision | Supplementary provision | Actual expenditure |
|------------------------|--|--------------------|-------------------------|--------------------|
| Revenue Voted | | | | |
| I | State Legislature | 88.16 | 1.30 | 77.68 |
| II | Heads of States, Ministers and Headquarters Staff | 618.75 | 11.52 | 437.62 |
| V | Agricultural Income Tax and Sales Tax | 266.59 | 8.00 | 242.84 |
| VI | Land Revenue | 528.44 | 2.00 | 465.08 |
| VIII | Excise | 248.24 | 15.96 | 212.95 |
| XII | Police | 3095.15 | 59.43 | 2638.83 |
| XIV | Stationery and Printing and Other Administrative Services | 361.27 | 5.00 | 318.36 |
| XVII | Education, Sports, Art and Culture | 16306.00 | 349.13 | 14270.39 |
| XXII | Urban Development | 883.59 | 49.31 | 287.06 |
| XXV | Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities | 2386.13 | 157.20 | 2137.64 |
| XXVIII | Miscellaneous Economic Services | 140.93 | 1.22 | 130.38 |
| XXXVII | Industries | 441.78 | 19.00 | 351.71 |
| XXXVIII | Irrigation | 383.45 | 23.20 | 354.00 |
| XXXIX | Power | 132.79 | 28.64 | 74.98 |
| Revenue Charged | | | | |
| III | Administration of Justice | 100.40 | 1.75 | 90.97 |

(₹ in crore)

| Grant No. | Nomenclature | Original provision | Supplementary provision | Actual expenditure |
|------------------------|-----------------------------|--------------------|-------------------------|--------------------|
| Capital - Voted | | | | |
| XVIII | Medical and Public Health | 261.81 | 5.50 | 219.67 |
| XXI | Housing | 62.10 | 1.62 | 24.81 |
| XXXI | Animal Husbandry | 37.20 | 5.31 | 28.54 |
| XXXIX | Power | 47.22 | 16.20 | 8.79 |
| XLVI | Social Security and Welfare | 86.50 | 19.81 | 21.95 |
| | Total | 26478.50 | 781.10 | 22394.25 |

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.

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|---------|---------|
| Number of withdrawals from Contingency Fund | 7 | 3 | 19 | 2 | 3 |
| Total withdrawals from Contingency Fund (Rupees in crore) | 57.28 | 23.36 | 219.36 | 17.79 | 2.61 |
| Withdrawals from Contingency Fund as percentage to total Budget provision | 0.11 | 0.03 | 0.25 | 0.02 | 0.003 |

At the close of the year 2015-16 no amount 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 ₹ 6692.59 crore at the end of 2015-16 excluding ₹ 41.26 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(₹1.50 crore and Capital Assistance given to companies producing Neera(₹ 5.00 crore).Dividends received during the year were ₹ 90.23 crore (1.35 *per cent* of investment).During 2015-16, investments increased by ₹ 639.01 crore and dividend income increased by ₹ 16.05 crore.

The cash balance with the Government excluding departmental balances (PWD, Forest etc.) decreased from ₹ -5.58 crore at the beginning of the year 2015-16 to ₹-39.38 crore at its end.

6.2 Debt and Liabilities

Outstanding Public Debt of the State at the end of 2015-16 was ₹ 11092.78 crore, comprising Internal Debt (₹ 102496.26 crore) and Loans and Advances from Central Government (₹ 7234.71 crore). Other liabilities accounted under Public Account were ₹ 50807.71 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 ₹ 5051.82 crore in respect of such liabilities of the State Government during 2015-16.

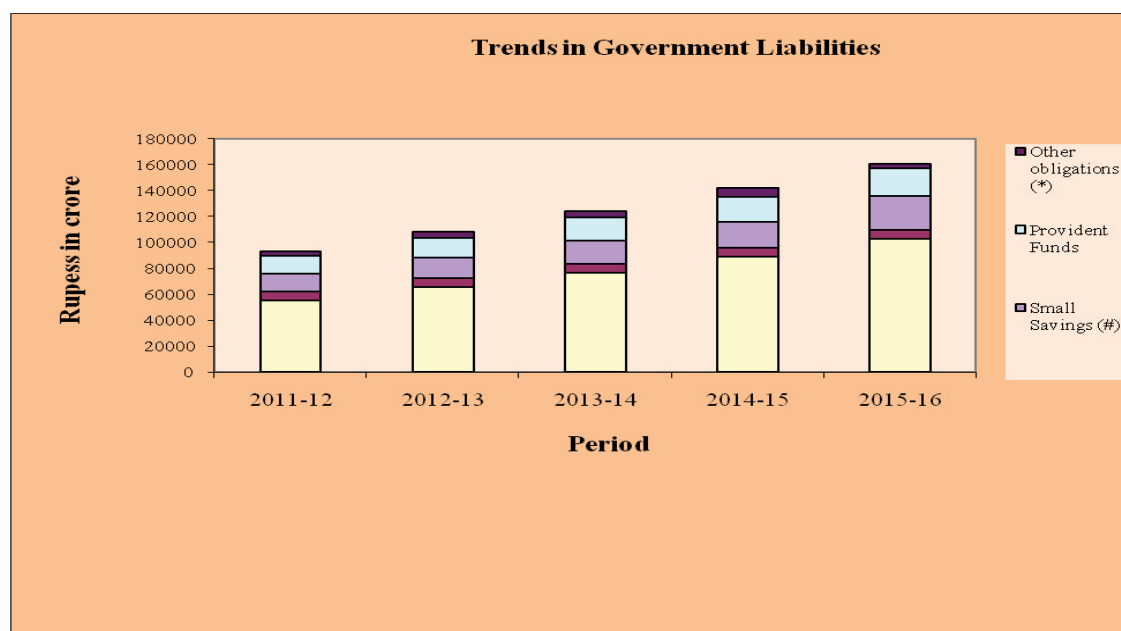
Interest payments on debt and other liabilities totaling ₹ 11093.01 crore constituted 14.10 percentage of revenue expenditure of ₹ 78689.47 crore. Interest payments on

Public Debt were ₹ 8358.11 crore (Internal Debt: ₹ 8022.55 crore excluding Management of debt ₹ 17.84 crore , Loans and Advances from Central Government: ₹ 335.56 crore) and Other Liabilities ₹ 2734.91 crore. Expenditure on account of interest payments increased by ₹ 1317.18 crore during 2015-16.

Internal debt of ₹ 19127.40 crore was raised during 2015-16. The debt obligations discharged on this account were ₹ 5699.04 crore. Details of the Public Debt and the 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 |
|---------|---------------|-------------------------------------|-------------------|-------------------|-----------------|-----------------------|-------------------|---|
| 2011-12 | 55397.39 | 6395.69 | 61793.08 | 14250.34 | 13374.77 | 3714.24 | 93132.43 | 29.79 |
| 2012-13 | 65628.40 | 6621.79 | 72250.19 | 15947.99 | 15362.66 | 4915.90 | 108476.74 | 31.19 |
| 2013-14 | 76804.34 | 6662.22 | 83466.56 | 18252.21 | 17290.30 | 5071.84 | 124080.91 | 31.31 |
| 2014-15 | 89067.90 | 7065.06 | 96132.96 | 19929.74 | 19377.54 | 6506.65 | 141946.89 | 31.44 |
| 2015-16 | 102496.26 | 7234.71 | 109730.97 | 26046.55 | 21592.81 | 3168.35 | 160538.68 | 27.42 |



(*) 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 2011-12 to 2015-16 is given below:

(₹ in crore)

| At the end of the year | Amount Guaranteed | Amount outstanding |
|------------------------|-------------------|--------------------|
| 2011-12 | 11332.11 | 8277.44 |
| 2012-13 | 11482.25 | 9099.50 |
| 2013-14 | 12275.21 | 9763.36 |
| 2014-15 | 13123.30 | 11126.87 |
| 2015-16 | 13712.77 | 12438.52 |

As per the statement furnished by the Government the outstanding guarantees as on 31 March 2016 was ₹ 12438.52 crore. An amount of ₹ 88.83 crore was received by Government during 2015-16 towards guarantee fee. Arrears of guarantee fee as on 31 March 2016 amounted to ₹ 96.96 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 31.3.2016 there are 32 instances of adverse balance under Loan major heads amounting to ₹ 31.56 crore.

7.2 Loans and Advances by the State Government

Total Loans and Advances disbursed by the State Government at the end of the year 2015-16 was ₹ 13009.89 crore. During the year 2015-16, the State Government disbursed Loans and Advances amounting to ₹ 842.25 crore.

In respect of loans and advances, the detailed accounts of which are maintained by the Principal Accountant General (A&E), recovery of ₹ 9190.02 crore (Principal: ₹ 5749.94 crore and Interest: ₹ 3440.08 crore) was in arrears as on 31 March 2016.

88.25 per cent of the above arrears pertains to four institutions/organisations viz., Kerala Water Authority (₹ 3890.36 crore), Kerala State Electricity Board (₹ 1759.91 crore), Kerala State Road Transport Corporation (₹ 1280.07 crore), Kerala State Housing Board (₹ 1180.12 crore). The loans for which terms and conditions had not been fixed by Government is ₹ 83.96 crore (₹ 56.59 crore maintained by department and ₹ 27.37 crore maintained by AG(A&E)).

7.3 Financial Assistance to Local Bodies and Others

Assistance given to local bodies and others in 2015-16 was ₹ 20101.14 crore. It increased from ₹ 12099.45 crore in 2011-12 to ₹ 20101.14 crore in 2015-16 reflecting 104 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 46.33 per cent, 47.08 per cent, 42.97 per cent, 38.95 per cent and 41.83 per cent respectively for the years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16.

During the year 2015-16, financial assistance given to Local Self Government Institutions was ₹ 9173.39 crore (Municipal Corporation and Municipalities: ₹ 1405.77 crore, Panchayati Raj Institutions: ₹ 7767.62 crore) constituting 13.29 *per cent* of the revenue receipts and 11.66 *per cent* of the revenue expenditure. The share of Local Self Government Institutions alone was 51.45 *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 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Educational Institutions (Aided Schools, Aided Colleges, Universities etc.) | 5605.77 | 6204.36 | 6934.56 | 7769.01 | 8409.89 |
| Municipal Corporations and Municipalities | 1073.78 | 1177.77 | 1358.09 | 1836.39 | 1405.77 |
| Zilla Parishads and Other Panchayati Raj Institutions | 4203.98 | 5279.31 | 6421.60 | 8423.74 | 7767.62 |
| Development Agencies | 5.50 | 5.15 | 6.42 | 6.23 | 5.91 |
| Hospitals and Other Charitable Institutions | 144.46 | 153.33 | 94.19 | 305.76 | 407.60 |
| Other Institutions | 1065.96 | 896.42 | 1323.46 | 1602.60 | 2104.35 |
| Total | 12099.45 | 13716.30 | 16138.32 | 19943.73 | 20101.14 |

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

| Particulars | As on March 2015 | As on March 2016 | Increase(+)/ Decrease(-) |
|---|------------------|------------------|--------------------------|
| Cash balances | -5.58 | -39.38 | -33.80 |
| Investments from cash balances (a+b) | 147.05 | 1636.75 | 1489.70 |
| a. GOI Treasury Bills | 141.90 | 1631.60 | 1489.70 |
| b. GOI Securities | 5.15 | 5.15 | Nil |
| Other Cash Balances | 2.09 | 1.65 | -0.44 |
| 1) Departmental Balances | 1.74 | 1.27 | -0.47 |
| 2) Permanent Cash Imprest | 0.35 | 0.38 | 0.03 |
| Fund-wise break-up of investments from earmarked balances (a to d) | 1507.44 | 1630.37 | 122.93 |
| a. Sinking Fund | 1492.88 | 1615.81 | 122.93 |
| 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 |
| Interest realised during the year on investment of cash balances | 44.16 | 40.85 | -3.31 |

The cash balance of the State Government had decreased from ₹ -5.58 crore in 2014-15 to ₹(-)39.38 crore in 2015-16. The State Government had invested nearly ₹ 3267.12 crore in treasury bills, GOI Securities etc. Investments were made from earmarked fund balances also. There was 7.50 *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 60.33 *per cent* of total reconcilable expenditure and 79.55 *per cent* of total reconcilable receipts. Director of Public Instruction, Addl. Chief Secretary, Water Resources Department, Director of Scheduled Caste's Development, Director of Panchayats, Director of Scheduled Tribe's Development, are some of the major departmental Controlling Officers who have not reconciled the figures of expenditure during the year.

7.6 Submission of Accounts by Treasuries and Divisions

There are 23 District Treasuries, 160 Public Works Divisions and 101 Forest Divisions rendering accounts to the Principal Accountant General (A&E). During 2015-16 only a few treasuries/divisions have rendered the accounts on the due dates. The delay in rendering accounts ranged from 1 to 30 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 replaced by Form TR 59A from May 2014 onwards). The detailed bills pertaining to a month's claim should reach the Principal Accountant General (A &E), Kerala not later than the 20th of the succeeding month. As on 31 March 2016, DC Bills in respect of 28 items amounting to ₹ 0.40 crore, 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 265 projects/work (each costing above rupees one crore) on which an expenditure of ₹ 1200.21 crore was incurred up to March 2016 which were not completed at the end of March 2016 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 2016 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 2015-16 in the above mentioned heads are as below:

(₹ in crore)

| Major Head | 1 st quarter | 2 nd quarter | 3 rd quarter | 4 th quarter | Total | During March | Percentage of expenditure during March to total expenditure |
|--|-------------------------|-------------------------|-------------------------|-------------------------|--------|--------------|---|
| 2551 Hill Areas | 0.16 | 12.97 | 20.89 | 75.01 | 109.03 | 72.81 | 66.78 |
| 3435 Ecology and Environment | 0.52 | 3.54 | 4.55 | 12.66 | 21.27 | 11.19 | 52.61 |
| 4055 Capital outlay on Police | 0.00 | 0.00 | 1.22 | 2.44 | 3.66 | 2.38 | 65.03 |
| 4401 Capital Outlay on Crop Husbandry | 0.19 | 1.25 | 1.24 | 16.44 | 19.12 | 10.87 | 56.85 |
| 4810 Capital Outlay on New and Renewable energy | 0.00 | 2.68 | 0.00 | 2.49 | 5.17 | 2.70 | 52.22 |
| 5051 Capital Outlay on ports and Light Houses | 11.55 | 3.57 | 21.32 | 161.31 | 197.75 | 159.28 | 80.55 |
| 5056 Capital Outlay on Inland Water Transport | 0.00 | 0.02 | 0.49 | 2.58 | 3.09 | 1.60 | 51.78 |
| 5425 Capital Outlay on Other Scientific and Environmental Research | 0.00 | 0.04 | 0.11 | 0.60 | 0.75 | 0.53 | 70.67 |
| 5475 Capital Outlay on Other General Economic Services | 0.13 | 1.55 | 0.49 | 877.05 | 879.22 | 875.61 | 99.59 |

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