

FIFTEENTH KERALA LEGISLATIVE ASSEMBLY
COMMITTEE ON PUBLIC ACCOUNTS
(2021-23)

TWENTY EIGHTH REPORT
(Presented on 9th FEBRUARY, 2023)



SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2023

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COMMITTEE ON PUBLIC ACCOUNTS

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TWENTY EIGHTH REPORT

on

Paragraphs contained in the Report of the Comptroller and Auditor

General of India for the year ended 31st March, 2015

(State Finances)

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(2021-2023)

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the 28th Report on Paragraphs contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2015 (State Finances).

The Report of the Comptroller and Auditor General of India for the year ended 31 March, 2015 (State Finances) was laid on the Table of the House on 17th February, 2016.

The Committee considered and finalised this Report at the meeting held on 4th January, 2023

The Committee place on record their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

Thiruvananthapuram
9th february 2023.

SUNNY JOSEPH
Chairman,
Committee on Public Accounts.

REPORT

STATE FINANCES

[Paragraphs 1.1 to 1.2.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Introduction (1.1)

This chapter is based on the audit of Finance Accounts and makes an assessment of the fiscal position of the Government of Kerala as on 31 March 2015. It provides a broad perspective of the finances of the State during 2014-15 along with analysis of the critical changes in the major fiscal aggregates relative to the previous year, keeping in view of the overall trends during the last five years. The structure and form of Government Accounts have been explained in Appendix III and the layout of the Finance Accounts is shown in Appendix III. The methodology adopted for the assessment of the fiscal position of the State and norms prescribed by the Kerala Fiscal Responsibility Act, 2003¹ are given in Appendix III. As prescribed in the Act, the Government submitted its Medium Term Fiscal Policy and Strategy Statement with Medium Term Fiscal Plan for 2014-15 to 2016-17 in the State Legislature in January 2014.

Summary of Fiscal Transactions during the current year (1.1.1)

The Table presents the summary of the State Government's fiscal transactions during the current year (2014-15) vis-à-vis the previous year (2013-14). Appendix III provides details of receipts and disbursements as well as the overall fiscal position during the current year.

¹ Amended Act, Kerala Fiscal Responsibility (Amendment) Act, 2011 came into force on 8 November 2011.

Table : Summary of fiscal operations in 2014-15**(₹ in crore)**

Receipts	2013-14	2014-15	Disbursements	2013-14	2014-15		
					Non-plan	Plan	Total
Section –A:Revenue							
Revenue Receipts	49176.93	57950.47	Revenue Expenditure	60485.50	61463.84	10282.59	71746.43
Tax Revenue	31995.01	35232.50	General Services	26605.09	31298.99	133.76	31432.75
Non-tax Revenue	5575.03	7283.69	Social Services	20979.88	17825.01	5893.10	23718.11
Share of Union Taxes/Duties	7468.68	7926.29	Economic Services	7929.06	5941.84	4255.73	10197.57
Grants from Government of India	4138.21	7507.99	Grants-in-aid and Contribution	4971.47	6398.00		6398.00
Section-B : Capital and Others							
Miscellaneous Capital Receipts	19.19	28.17	Capital Outlay	4294.33	374.05	3880.54	4254.59
Recoveries of Loans and Advances	103.75	123.74	Loans and Advances Disbursed	1464.17			743.09
Public Debt Receipts	14461.18	18509.17	Repayment of Public Debt	3244.81			5842.77
Contingency Fund		67.39	Contingency Fund	67.39			..
Public Account Receipts	124374.44	141521.17	Public Accounts Disbursements	120992.20			136242.59
Opening Cash Balance	4692.73	2279.82	Closing Cash Balance	2279.82			1651.00
Total	192828.22	220480.47	Total	192828.22			220480.47

Source : Finance Accounts for 2013-14 and 2014-15

Following are the significant changes noticed during 2014-15 compared to the previous year.

- Revenue receipt grew by 17.8 per cent (increase of ₹8,773.54 crore) and revenue expenditure grew by 18.6 per cent (increase of ₹11,260.93 crore) over the previous year. Reduced growth of revenue receipt compared to revenue expenditure led to the increase in revenue deficit by ₹2487.39 crore, during the year.
- Though, the debt receipts of the State increased from ₹14,461.18 crore in 2013-14 to ₹18,509.17 crore in 2014-15, capital expenditure of the State decreased from ₹4294.33 crore in 2013-14 to ₹4254.59 crore in 2014-15. This shows that additional borrowings were not utilised for capital purposes. Expenditure on Loans and Advances was also ₹721.08 crore less than the previous year.
- Cash balance of the State also decreased over the previous year by ₹628.82 crore, mainly due to reduction in investment under treasury bills.

Review of fiscal situation (1.1.2)

The State Government enacted the Kerala Fiscal Responsibility Act, 2003 to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith, came into force on 5 December 2003. Based on the recommendations of Thirteenth Finance Commission, the State had amended Kerala Fiscal Responsibility Act and Kerala Fiscal Responsibility (Amendment) Act, 2011 came into force from 8 November

2011 with revised fiscal targets. Comparison of the fiscal targets envisaged in the Act vis-à-vis its achievements are given in Table.

Table : Comparison of fiscal variable targets

Year	Revenue Deficit/GSDP		Fiscal Deficit/GSDP		Debt liability/GSDP	
	Target	Achievement	Target	Achievement	Target	Achievement
2011-12	1.4	2.6	3.5	4.1	32.3	29.8
2012-13	0.9	2.7	3.5	4.3	31.7	31.2
2013-14	0.5	2.9	3.0	4.3	30.7	31.3
2014-15	0.0	3.1	3.0	4.1	29.8	31.4

Source : Budget documents of respective years

The above table shows that the State had not achieved the fiscal targets fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011 except for Debt-GSDP ratio for the years 2011-12 and 2012-13. Non-achievement of the fiscal targets needs to be attended to by the State Government.

Accuracy of estimation in Budget documents (1.1.3)

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

Comparison of State’s budget estimates vis-à-vis actuals for the year 2014-15 is detailed in Table.

Table: Budget estimates and actuals for 2014-15
(₹ in crore)

Particulars	Budget Estimate	Revised Estimate	Actual
Revenue Receipts	64842.34	63588.32	57950.47
Revenue Expenditure	71974.04	73852.30	71746.43
Revenue Deficit	7131.70	10263.98	13795.96
Capital Expenditure	6636.38	5062.76	4254.59
Loans and Advances (Net)	655.43	697.32	619.35
Public Debt (Net)	13721.86	13721.86	12666.40
Public Account (Net)	821.16	2266.70	5283.41

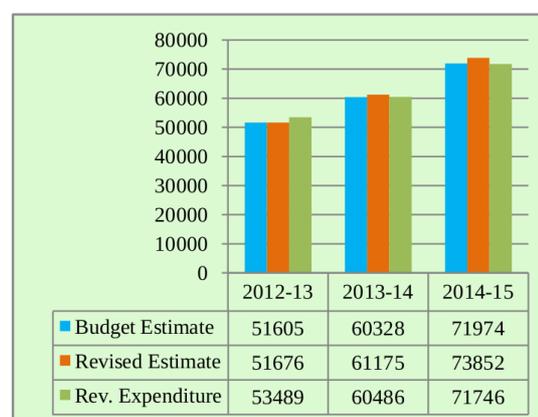
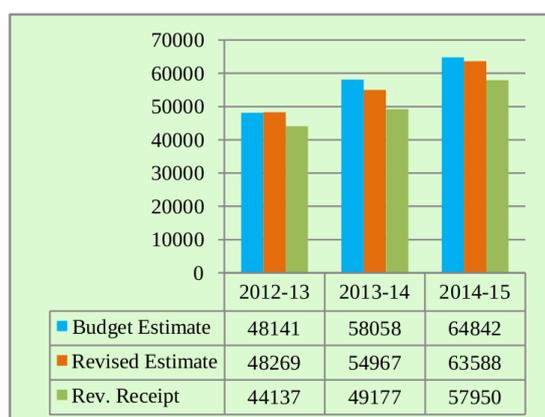
Source : Budget in brief for 2015-16 and Finance Accounts for 2014-15

The revised estimation needs to be more accurate than the original budget estimation as it was done after analysing the receipts and expenditure of the first six months of the financial year. However, the above table reveals that actual revenue receipt of the State was less than the revised estimate and consequently, revenue deficit was over ₹3,500 crore more than the revised estimate. The situation was the same in all the three previous years as shown in Chart 1.1.

Chart 1.1 : Comparison of budget estimates and actuals

Revenue Receipts (₹ in crore)

Revenue Expenditure (₹ in crore)



Short realisation of revenue receipts was analysed in Audit and observed the following;

(I) Revenue Receipts

State Government estimated a revenue of ₹64,842.34 crore in its original budget and subsequently reduced to ₹63,588.32 crore while presenting the revised estimate. However, State could realise only ₹57,950.47 crore, resulting in a shortfall of ₹5,637.85 crore. Head-wise shortfall is given in Table.

Table: Budget estimates and actual for 2014-15
(₹ in crore)

Revenue source	Budget Estimate	Revised Estimate	Actuals	Percentage
Taxes on Sales, Trade, etc.	31913.47	29135.41	27908.33	96
State Excise	3208.36	1977.11	1777.42	90
Motor Vehicles	2799.82	2742.20	2364.95	86
Stamps and Registration	3733.67	3788.75	2659.02	70
Other Taxes	812.17	641.24	522.78	82
Tax Revenue	42467.49	38284.71	35232.50	92
Non-Tax Revenue	6337.47	7883.45	7283.69	92
Share of Central taxes	9365.36	7926.29	7926.29	100
Grant-in-aid from GoI	6672.02	9493.87	7507.99	79
Total Revenue Receipt	64842.34	63588.32	57950.47	91

Source: Budget documents for 2014-15 and 2015-16 and Finance Accounts for 2014-15

The above table shows that major shortfall was under Grant-in-aid from Government of India and it was ₹1,985.88 crore less than the amount anticipated by the State Government. Though the tax-revenue realisation was more than 90 per cent, realisation under stamps and registration was only 70 per cent of the estimation. Out of the shortfall of ₹3,052.21 crore

noticed under tax revenue, the major shortfalls were ₹1,227.08 crore in respect of Taxes on Sales, Trade, etc., and ₹1,129.73 crore in respect of Stamps and Registration.

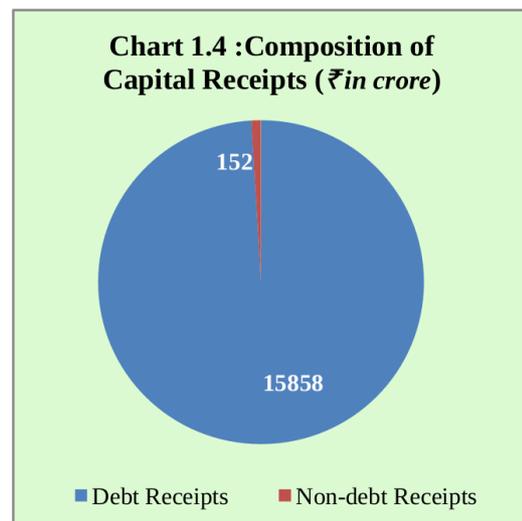
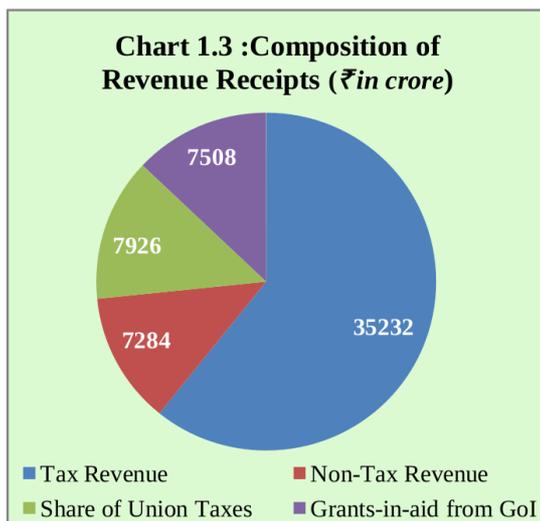
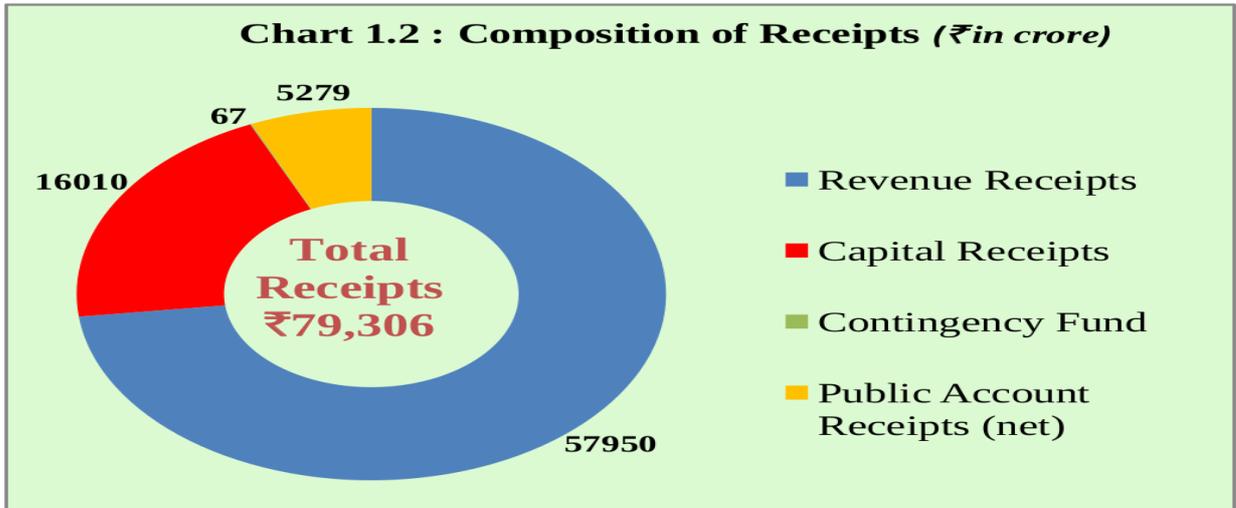
(ii) Plan proposals and achievements

The estimated plan outlay of the State Government submitted before Planning Commission for the year 2014-15 was ₹20,000 crore, which included schemes for ₹15,300 crore implemented through various departments and ₹4,700 crore implemented through Local Self Government Institutions (LSGIs). Against the target of ₹15,300 crore, the plan utilisation was ₹14,407 crore through various departments.

Resources of the State (1.2)

Resources of the State as per the Annual Finance Accounts (1.2.1)

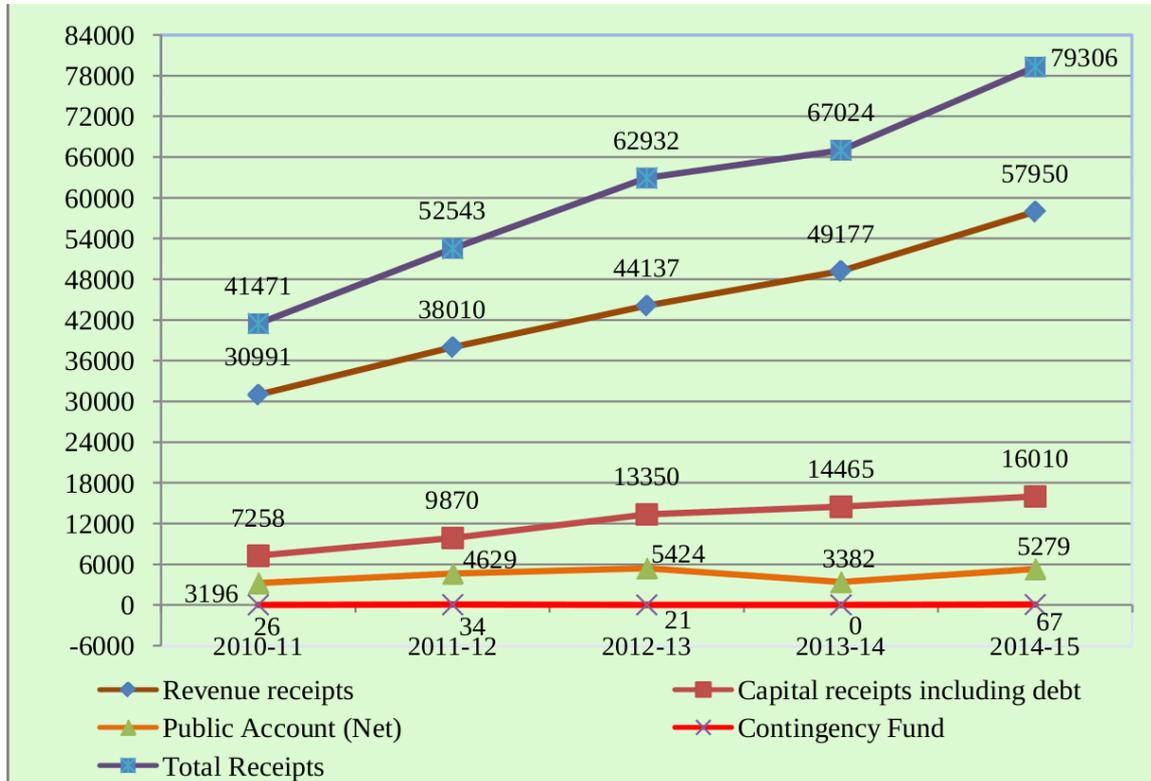
Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of Tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous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



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

Total receipts² of the State Government increased from ₹41,471 crore in 2010-11 to ₹79,306 crore in 2014-15, showing an increase of 91.2 per cent during the last five years. Trend in total receipts and its components during the last five years is given in Chart 1.5.

² Consists of Revenue receipts, Capital receipts (including Debt receipts but excluding Ways and Means advances) and Public Account receipts.

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

Receipt and utilisation of Government of India flagship programmes (1.2.2)

Sizeable amounts were received by State level implementing agencies for implementing flagship programmes of Government of India. The State level implementing agencies were receiving funds directly from GoI till March 2014 and from 2014-15, the system has been changed and the funds have been received as Grant-in-aid to the State Government from GoI and the State Government releases these funds to the implementing agencies through State Budget. The implementing agencies in respect of 12 flagship programmes of GoI received ₹3,058.80 crore (GoI share: ₹2,646.51 crore and State share: ₹412.29 crore) and unutilised balance of ₹461.53 crore was noticed at the end of the financial year as given in Appendix III. The major portion of the unutilised balance belong to Indira Awas Yojana (₹74.57 crore), Sarva Shiksha Abhiyan (₹133.62 crore) and

National Rural Health Mission (₹91.92 crore).

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

1. While considering the above audit para, the Committee enquired about the non-utilisation of fund allotted under the flagship programmes of India including that of S.S.A, I.A.Y and NRHM. The Additional Chief Secretary Finance Department replied that though they could not utilise the fund completely at the time of audit, that amount had been carried over to the next year as spillover amount and has been fully expended. Thus it can be seen that the fund allotted for the flagship programmes mentioned had been utilised completely, the witness added.

2. The Additional Chief Secretary, Finance Department deposed that as the implementing agencies, due to various reasons, usually weren't able to complete the centrally sponsored schemes, within a particular financial year except the schemes such as installation of biogas plant and solar plant etc, the fund allotted for the schemes could not be utilised completely. The Committee pointed out that the Central Government would not release additional funds to the implementing department if the utilisation certificate was not submitted on time, which in turn would hamper the proper implementation of schemes. The Committee directed the department to submit a report showing the present status of the unutilised balance of ₹461.53 crore available with the implementing agencies for the implementation of flagship programmes during the year 2014-15.

[The Finance Department had submitted the report regarding the present status of the unutilised balance of ₹ 461.50 crore available with the implementing agencies for the implementation of flagship programmes during the year 2014-15 and that report was included as Appendix II]

Conclusion/Recommendation

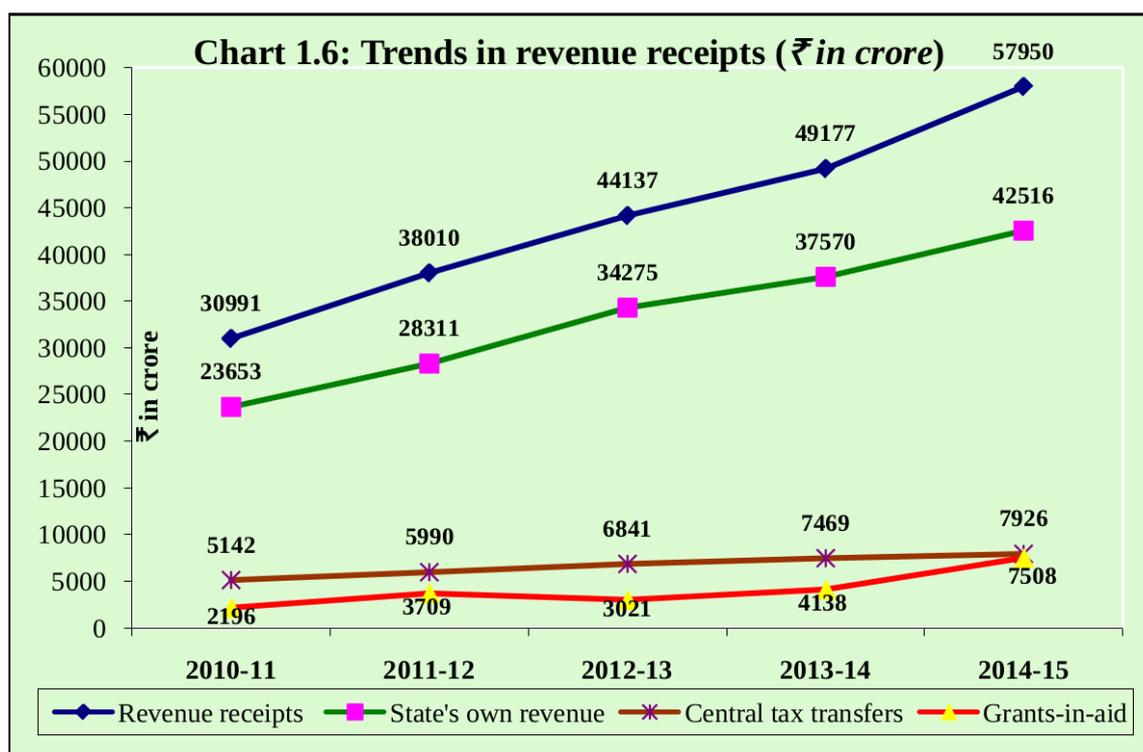
3.No Comments

[Paragraphs 1.3 to 1.3.1.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Revenue Receipts (1.3)

Statement No. 14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, share of central tax transfers and grants-in-aid from GoI.

Revenue receipts of the State recorded an increase of 87 per cent and State's own receipts, the major component of the revenue receipts, also recorded an increase of 80 per cent during the period from 2010-11 to 2014-15. Other components, Central Tax receipts and grants-in-aid from GoI had 54 per cent and 242 per cent growth rate respectively and high growth rate shown in respect of Grant-in-aid from GoI was mainly due to increase of ₹3,370 crore during 2014-15 on account of transfer of funds for flagship programmes of GoI through State Budget. The trends of revenue receipts over the period 2010-15 are presented in Appendix III and also depicted in Chart.



It is worth to note that the Compounded Annual Growth Rate (CAGR) in respect of revenue receipts of the State for the period from 2005-06 to 2013-14 was slightly lower (15.72 per cent) than that of General Category States (15.76 per cent) and it was higher (17.84 per cent) than the growth rate of other General Category States (16.10 per cent) for the period from 2013-14 to 2014-15 (Appendix III).

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

Table: Trends in revenue receipts relative to GSDP during 2010-2015

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Receipts (RR) (₹ in crore)	30,991	38,010	44,137	49,177	57,950
Rate of growth of RR (per cent)	18.7	22.6	16.1	11.4	17.8
State's own tax revenue (₹ in crore)	21,722	25,719	30,077	31,995	35,232
Rate of growth of own tax revenue (per cent)	23.2	18.4	16.9	6.4	10.1

RR/GSDP (per cent)	11.7	12.2	12.7	12.4	12.8
Revenue buoyancy w.r.t GSDP*	1.4	1.2	1.4	0.8	1.3
State's Own Tax Buoyancy w.r.t GSDP*	1.7	1.0	1.5	0.5	0.7

Source: Finance Accounts and information furnished by the Economics and Statistics Department.

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

- The above table shows that the State had better growth in revenue receipts (17.8 per cent) and in State's own taxes (10.1 per cent) when compared with the previous year.
- During last four years, share of revenue receipt in GSDP was above 12 per cent, indicating consistent growth of revenue receipt with respect to GSDP.
- Buoyancy of revenue receipts with respect to GSDP indicates the growth of revenue receipts with respect to growth of GSDP. A ratio above one indicates that State's revenue receipts has better growth rate than that of GSDP. However, buoyancy ratio of State's own tax with respect to GSDP (0.7) shows that State's own tax is not growing compared to the growth of GSDP. Table also shows a deteriorating trend in the growth rate of State's own tax during the last five years, though the position was slightly better during 2014-15.

Own resources of the State (1.3.1)

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

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

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

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Tax Revenue	21722	25719	30077	31995	35232
Non-tax Revenue	1931	2592	4198	5575	7284
Grant-in-aid from Government of India	2196	3709	3021	4138	7508
Share of union taxes /Duties	5142	5990	6841	7469	7926
Total Revenue Receipt	30991	38010	44137	49177	57950

Source : Finance Accounts of respective years

The State's non-tax revenue collection and grant-in-aid from GoI have increased substantially during the last five years. Increase in non-tax revenue was due to increase in receipts under State Lotteries during the last five years. Though, the tax revenue was the main source of revenue of the State, its increase was only 62 per cent as against an increase of 87 per cent in revenue receipts during the last five years period.

Tax Revenue (1.3.1.1)

The State's own tax revenue increased from ₹31,995 crore in 2013-14 to ₹35,232 crore in 2014-15. This increase was 10 per cent as compared with six per cent growth shown during 2013-14 and details are given in Table.

Table: Components of own tax revenue

Revenue Head	Actuals for 2013-14	BE for 2014-15	Actuals for 2014-15	Percentage decrease w.r.t BE	Percentage increase w.r.t last year	Share in total tax revenue
	(₹in crore)					
Taxes on Sales, Trade etc.	24885	31913	27908	13	12	79
Stamps and	2593	3734	2659	29	3	8

Registration fees						
State Excise	1942	3208	1777	45	(-)8	5
Taxes on Vehicles	2161	2800	2365	16	9	7
Land Revenue	89	170	139	18	56	(*)
Taxes on Agricultural income	22	26	9	65	(-)59	(*)
Other Taxes	303	616	375	39	24	1
Total	31995	42467	35232	17	10	100

Source: Finance Accounts of respective years and Budget documents for 2014-15
(*insignificant)

In the previous year 'Taxes on Sales, Trade etc.' was the major source of the State's own tax revenue. Compared to 2013-14, increase in this tax revenue during 2014-15 was ₹3,023 crore and this increase was mainly under 'Receipts under State Sales Tax Act' (₹1,716 crore) and under 'Value Added Tax receipts' (₹1,092 crore).

Decrease in tax receipt was noticed under State Excise consecutively for the past two years. As in the previous year, the decrease in revenue was mainly under 'Foreign Liquors and Spirits' (₹106 crore) and 'Malt Liquor' (₹62 crore).

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

4. The Committee accepted the reply furnished by the department about the shortfall in collection of taxes from Rubber Sector, Jewellery and Bar Hotels.

5. The Committee enquired about the reasons for the shortfall in collection of tax from Motor Vehicles and from live chicken during 2014-15 even though there was an increase in sales. The Commissioner, Taxes Department replied that they would examine whether the shortfall in

collection of tax from live chicken was due to the reduction of advance tax for that period. To a query about the shortfall in the collection of Motor Vehicle Tax, the Additional Chief Secretary, Finance Department informed that now-a-days there is no considerable increase in tax revenue from motor vehicle tax and actually there is a decrease of 1.25% in revenue when compared to the last year. He added that there was a reduction in revenue from tax collection from motor vehicles all over India during the last year. He further added that as the Motor Vehicle Tax is very high in Kerala compared to other States, the tendency of registering commercial vehicles to be used in Kerala in other States has increased, resulting in shortfall in the collection of Motor Vehicle Tax.

6. The Committee pointed out that there was a decrease of 16%, in Motor Vehicle Tax revenue with respect to Budget Estimates during 2014-15. The Committee enquired whether the Department had done any detailed study about the possibility of higher tax rates resulting in lesser collection and whether the 16% decrease of Motor Vehicle Tax revenue in 2014-15 was compensated by the higher tax structure.

7. The Committee directed the Department to furnish, as early as possible a detailed report regarding the reasons for the shortfall of collection of Tax from Motor Vehicles and from Live Chicken during 2014-15.

Conclusion/Recommendation

8. The Committee urges the department to furnish a detailed report regarding the reasons for the shortfall in the collection of Tax from Motor Vehicles and from Live Chicken during 2014-15 as early as possible.

[Paragraphs 1.3.1.2, 1.3.2 and 1.3.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)].

Non-tax Revenue (1.3.1.2)

Receipt under 'State Lotteries' has been major source (75 per cent) of non-tax revenue of the State. Overall 31 per cent increase was noticed in non-tax revenue as detailed in Table.

Table: Components of non-tax revenue

(₹in crore)

Revenue Head	2013-14	2014-15	Percentage Increase during the year	Share in total Non-tax Revenue
Interest receipts	149	102	(-) 32	1
Dividends and profits	101	74	(-) 27	1
State Lotteries	3796	5445	43	75
Forestry and Wildlife	330	300	(-) 9	4
Other non-tax receipts	1199	1363	14	19
Total	5575	7284	31	100

Source: Finance Accounts of respective years

The net yield from State lotteries was only ₹960 crore as there was an equally high expenditure (₹4,485 crore) due to distribution of prizes, agent commission, etc., during the year.

Grants-in-aid from Government of India (1.3.2)

Grants-in-aid from the Government of India increased by ₹3,370 crore (81 per cent) from ₹4,138 crore in 2013-14 to ₹7,508 crore in 2014-15 as detailed in Table. The increase was mainly under 'Grants for State plan schemes' (₹3,775 crore), 'Non-plan grants' (₹305 crore) and 'Grants for Central plan schemes' (₹71 crore). This increase was partly offset by decrease in receipt under 'Grants for Centrally sponsored schemes' (₹781 crore).

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

Particulars	2013-14	2014-15	Increase during the year	Percentage increase during the year	Share in total grant-in-aid
Non-plan grants	1679	1984	305	18	26
Grants for State plan schemes	1154	4929	3775	327	66
Grants for central plan schemes	87	158	71	82	2
Grants for Centrally sponsored schemes	1218	437	(-)781	(-)64	6
Total	4138	7508	3370	81	100

Source : Finance Accounts of respective years

Substantial increase of ₹3,775 crore noticed under 'Grants for State Plan Schemes' was due to release of central funds through State budget from 2014-15, which was released directly to State implementing agencies till 2013-14.

Efficiency in Tax collection (1.3.3)

The expenditure on tax collection in respect of four major revenue sources of the State compared with all India average, during the last five years, is given in Appendix III. It shows that during the period from 2010-11 to 2013-14 (except during 2011-12), expenditure of the State on collection of tax on Sales, Trade, etc., and taxes on vehicles was less than that of all India average. In the case of Stamps (Non-judicial) and Registration and State Excise, expenditure of tax collection was higher than that of all India average.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

9. While considering the audit paragraph, AG intervened and explained the basis for the audit remarks. The net yield from State Lotteries was only ₹960 crores as there was high expenditure to the tune of ₹4485 crores due to distribution of prizes, agent commission, etc during the year. Major expenditure component as pointed out by the department was payment of tax on lotteries. The tax payment in this regard was ₹198 crores for 2014-15. The department argued that the inclusion of tax in the expenditure portion leads to a doubling of tax amount, an increase in expenditure, and a corresponding decrease in profit. She further added that though the department demanded to include the amount of ₹198 crore paid as tax during 2014-15 in the net yield, as this was a part of profit derived from lotteries, there was no clarity regarding the head of account and subhead in which the same amount was paid. Then the Additional Chief Secretary, Finance Department replied that the amount of ₹198 crore was paid as Service Tax. The Finance Officer, State Lotteries supplemented that the tax payment in lotteries for 2014-15 was ₹198 Crores and the same was included in the actual total expenditure for 2014-15. AG not only excluded it as State Revenue but also added the tax amount to total expenditure, thereby doubling the tax amount and raising the expenditure amount, which led to the shortfall of profit by the same amount.

10. The Officer from AG's office pointed out that in order to verify the expenditure amount based on the points raised by the Department regarding tax paid, the head of accounts into which the amount was remitted should be known clearly. The Finance Officer, Kerala State Lotteries replied that the tax payment was done as Service Tax and they agreed to check the head of account in which the amount was paid.

11. The Committee pointed out that only after reconciliation of records with that of AG, the amount of ₹198 Crores could be properly booked. Proper accounting and reconciliation measures were to be undertaken periodically to avoid such an accounting error. Committee asked why the department did not reconcile the ended figures of the department with those entered in the books of AG as stipulated in para 74 of KBM and urged them to report the reasons for the delay urgently. The Committee directed the department to urgently furnish a detailed reply regarding service tax paid on State Lotteries during 2014-15 including the details of head of accounts in which tax was paid and the head of account in which that tax should be paid.

12. To the query of the Committee regarding the expenditure on State Lotteries, the Finance Officer, Kerala State Lotteries Department replied that there is a notable increase in expenditure. The Additional Chief Secretary, Finance Department added that the major expenditure components are prize money, commission to agents and payment on tax on lotteries and as of now out of the total amount collected from the lotteries only 15-16% is returned to the State as revenue.

13. The Joint Director of Kerala State Lotteries informed that in order to make the lottery more attractive, the prize money has been increased to 52 percent from the present 40 percent. He further added that only if commission and discount allowed to the agents were increased would the sales of lottery tickets increase, eventhough it would cause an increase in expenditure on running the lottery.

14. The Committee are of the view that substantial increase in revenue from the sale of lottery tickets can only be achieved by increasing the number of prizes so that more ticket takers are benefited along with increasing agent commission. The Committee recommended that a new realistic strategy should be devised to revise the prize structure (viz prize money, number of prizes, etc) as well as agent's commission, so that it was beneficial to all stake holders.

Conclusion/Recommendation

15. The committee directs the department to furnish a detailed report regarding service tax paid on State Lotteries during 2014-15 including the details of head of accounts in which tax was paid and the head of account in which the same should be paid.

16. The Committee observes that it is indispensable to develop a new strategy for the growth of State's revenue from the sale of lottery tickets. So the Committee recommends that a new realistic method should be adopted to revise the prize structure, prize money and agent's commission so that all the stakeholders can reap the benefits.

[Paragraphs 1.4 to 1.4.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Capital Receipts(1.4)

Capital receipts comprise miscellaneous capital receipts, recovery of loans and advances released to institutions/organizations and public debt receipts. Trends in receipts under capital sector are detailed in Table.

Table: Trends in growth and composition of capital receipts

(₹in crore)

Sources of Receipts	2013-14	2014-15
Capital Receipts (CR)		
Miscellaneous Capital Receipts	19	28
Recovery of Loans and Advances	104	124
Public Debt Receipts ³	14342	15858
Internal Debt Receipts	13950	15106
Loans and Advances from GoI	392	752
Total CR	14465	16010
Rate of growth of debt capital receipts (per cent)	8.2	10.6

³ Transactions under 'Ways and Means Advances' are excluded as they are not actual capital receipts.

Rate of Growth of GSDP(per cent)	13.93(*)	13.93
Rate of growth of CR (per cent)	8.4	10.7
Buoyancy of Debt receipts w.r.t GSDP	0.6(*)	0.8

Source : Finance Accounts of respective years

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

Internal Debt mainly comprised Open Market Borrowings of the State and growth rate shown by debt capital receipts was mainly due to increase in open market borrowings (₹400 crore) and Special securities issued to National Small Savings Fund (₹567 crore). The growth rate of debt capital receipt and capital receipts increased when compared to the previous year mainly due to the increase in internal debt receipt of the State Government. Buoyancy⁴ of debt receipts with respect to GSDP also has shown an increase when compared to 2013-14 but it remains less than one (0.8) which is a good indicator as the Government's borrowing pace was less than that of GSDP.

Proceeds from disinvestment (1.4.1)

As of March 2015, the State Government had invested ₹6,085.13 crore in Statutory Corporations, Government Companies, Joint Stock companies and Co-operatives and received ₹28.17 crore from retirement of capital/disinvestment of shares of co-operative societies/banks and accounted for under Miscellaneous Capital Receipts.

Recoveries of loans and advances (1.4.2)

During the year, the State Government had released an amount of ₹743.09 crore as loans and advances to various institutions and at the end of March 2015, an amount of ₹12,332.50 crore was outstanding under this

⁴ Buoyancy ratio is the comparison of growth rates of two parameters. Ratio equal to one indicates both parameters are growing at same pace and less than one indicates first parameter growing with less pace than the other and vice versa.

head. Against this balance, principal amount recovered was ₹123.74 crore, which was only one percent of the outstanding balance under loans and advances.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

17. While considering the Recoveries of Loans and Advances the Committee enquired about the head of account through which the loans and advances were released to various institutions. The Additional Chief Secretary, Finance Department detailed that the loans and advances had been included in the head of account of P.S.U. under which the institution comes. He further added that the Government releases the amount as a loan in the first phase and if it becomes outstanding it is converted into 'equity' after five years which helps the institutions to take loan from any other banks and also to maintain a clear balance sheet. The Committee asked whether any steps had been taken to recover the arrears from loanee. The Additional Chief Secretary replied in the negative and clarified that the Government under social obligation, lends more loans to PSUs to keep them afloat and refrains from recovering the loan amount since such a step will adversely affect the functioning of the PSUs. He further added that only Primary Agricultural Credit Societies (PACS) and Matsyafed Co-operative Societies repays their loans with interest and other Co-operative institutions are way behind in the repayment of loans. He also pointed out that even in cases where co-operative societies were issued loans through NCDC, the repayment would be done by Government and not the Co-operative societies.

18. The Committee asked whether the loan amount could be given as grant to Co-operative societies. The Additional Chief Secretary replied that

in case of Co-operative institutions which are working in profit, tax has to be paid for the amount given as grant and it could not be shown as capital expenditure and so the amount is sanctioned as either loan or equity.

Conclusion/Recommendation

19. No comments.

[Paragraphs 1.4.3 to 1.5 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Debt receipts from internal sources (1.4.3)

Public Debt receipts of the State Government increased by ₹1,516 crore (10.6 percent) from ₹14,342 crore in 2013-14 to ₹15,858 crore in 2014-15. This includes, Open Market Borrowing (₹13,200 crore), Special Securities issued to National Small Savings Fund (₹1,132 crore), Loans from Financial Institutions (₹551 crore) and Loans and Advances from Government of India (₹752 crore).

Public Accounts Receipts (1.5)

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution. Here, the Government acts as banker. The balance after disbursement is the fund available with the Government for use for various activities.

Table: Net receipts under Public Account heads

(₹in crore)

Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
Public Account receipts					
a. Small Savings, Provident Fund etc.	2489.94	3839.05	3685.54	4231.86	3764.77
b. Reserve Fund	407.21	146.93	-145.58	78.02	66.00

c. Deposits and Advances	468.89	-51.47	1140.93	187.43	1364.50
d. Suspense and Miscellaneous	-197.30	852.37	712.44	-946.60	57.90
e. Remittances	26.92	-157.40	30.49	-168.48	25.95
Total	3195.66	4629.48	5423.82	3382.23	5279.12

Source : Finance Accounts of respective years

The above table shows that during 2014-15 an amount of ₹5,279.12 crore has been added to the existing balance of the Public Account. This was ₹1,896.89 crore more than additions (₹3,382.23 crore) during 2013-14. As in the previous year net additions to the sector ‘Small Savings, Provident Fund, etc.’, was the major addition to the Public Account followed by ‘Deposits and Advances’ amounting to ₹1,364.50 crore. These funds are utilised by the State Government for covering their fiscal deficit.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

20. The Committee accepted the reply furnished by the Government for the above paragraphs.

Conclusion/Recommendation

21. No Comments.

[Paragraphs 1.6.1, 1.6.2 and 1.6.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Receipt and Utilisation of Thirteenth Finance Commission Award (1.6) Introduction (1.6.1)

The Thirteenth Finance Commission (ThFC) was constituted by the President of India under Article 280 of the Constitution to make recommendations for release of funds to the States for the period 2010-15.

The Commission has the mandate to recommend the principles which should govern the release of grants-in-aid to revenues of the States out of the Consolidated Fund of India and the sums to be paid to the States which are in need of assistance under Article 275 of the Constitution of India.

Release of Award amount by Government of India (1.6.2)

The Commission had recommended an amount of ₹6700.72 crore for the award period 2010-11 to 2014-15 which included ₹6371.50 crore towards grants-in-aid and ₹329.22 crore towards interest relief for the loan taken from National Small Savings Fund. Against the grant-in-aid of ₹6371.50 crore recommended for the implementation of 21 approved schemes under 7 sectors, Government of India (GoI) had released an amount of ₹5235.04 crore (82 per cent) during the period 2010-2015. In addition, the State had received ₹241.26 crore⁵ resulting in a total central release of ₹5476.30 crore during the award period. Out of the above, the State received ₹792.06 crore towards performance grant as it fulfilled the nine conditions stipulated for the release of the performance grant to local bodies.

A review of the receipt and utilisation of ThFC award was conducted to assess:-

- whether the entire award amount has actually been received, if not, reasons for the shortfall and
- whether the amount received has been utilised in full and for the intended purposes.

Audit observations

Audit scrutinised the records of the implementing departments/agencies of ThFC award amount and observed short release of

⁵ Local bodies performance grant (forfeited share of non-performing states) - ₹167.07 crore, local bodies basic grant (over and above the award amount) - ₹23.31 crore, incentive grant for renewable energy capacity addition - ₹12.50 crore, incentive for reduction of infant mortality rate - ₹38.38 crore.

funds by GoI, under-utilisation of funds received, non-achievement of objectives etc., by the State Government departments as detailed in the following paragraphs:

Short release of Award amount by GoI (1.6.3)

ThFC had recommended grants for 21 schemes under seven sectors and the grants were to be released in installments subject to fulfilment of the conditions attached to each grant. There were short releases in respect of 20 schemes amounting to ₹1136.46 crore (18 per cent of the total award) and the short releases ranged between eight and 90 per cent as detailed in Appendix III. Substantial (around ₹100 crore) short releases from GoI were noticed in the following three schemes, due to non-adherence to various conditions attached with release of grants.

- (i) Maintenance of roads and bridges
- (ii) Water sector management
- (iii) Improvement of justice delivery

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

22. Upon considering the para (noting that only Fisheries and Agriculture department has put forward a reply to audit para) short release of Award amount of GOI, the Committee enquired about the number of departments which received grant-in-aid. The Additional Chief Secretary, Finance Department replied that the Grant-in-aid had been awarded for the centralised schemes in 22 Departments. He further added that the failure on the part of the departments in implementing the schemes within time has resulted in the delay in furnishing the utilisation certificate which has led to reduction of the central share.

23. The Committee pointed out that there was a great failure on the part of Departments in not utilising fully the amount awarded by 13th Finance Commission. The Committee enquired whether the accountability has been fixed by conducting reviews in the Department level.

24. The Additional Chief Secretary, Finance Department admitted that some lapses had occurred in the utilisation of funds. Citing RIDF Schemes, schemes for which financial assistance was provided by NABARD to State Governments from RIDF, he stated that if the funds allotted by the RIDF in the plan of 5 years were not fully utilised, the Central Government would not release remaining funds and the proposed scheme would have to be completed by utilising the State fund. He added that earlier the proposal related to schemes involving land acquisition had been sent for administrative sanction without an estimate and after getting the administrative sanction a detailed estimate is prepared for getting technical sanction and the land acquisition process gets started only after getting T.S, which in turn lead to a lag in implementing the scheme. He further appraised that several changes in the system has now been effected. The witness clarified that at present, the proposals are sent to NABARD without a detailed estimate and AS too is issued for state schemes without the backup of a detailed estimate to prevent lagging of work. The Additional Chief Secretary further added that now only those proposals in which land acquisition process has been completed under state scheme is being sent to the NABARD. Also NABARD has increased the minimum limit of projects to be monitored from twenty/thirty lakhs to 5 crores. The witness clarified that the above major changes has brought about considerable improvement in timely implementation of the schemes.

25. The Committee enquired whether any responsibility had been fixed or any explanation had been asked for non-submission of utilisation

certificate (UC) in time or non-compliance of conditions attached to grants resulting in non-receipt of fund from the centre. The Additional Chief Secretary, Finance Department clarified that most of the schemes related to Agriculture such as minor irrigation schemes, PMKSY, PMFBY etc could not be implemented in the State due to lack of willingness on the part of farmers and non availability of agricultural land. The Committee observed that though the Government agreed with the conditions of Central Schemes in the beginning it is seen that the Government itself withdraws from most of the schemes later. The Additional Chief Secretary replied that the Central Government would not release the funds if the Government failed to comply with the conditions of the schemes. Even if the government finds most of the conditions difficult to implement in the State, it is forced to accept the Schemes. Otherwise the Centre would not release the funds.

26. The Committee observed that delay in getting AS and TS was the major hindrance in grounding of projects under RIDF. Going in for a detailed survey after getting NABARD sanction leads to cost/time over run and, in some cases, change of basic design too. Also, constraints in fund flow too results in time and cost overruns. Proper quality control mechanism is also seen as lacking.

27. The Committee made the following recommendations for smooth and speedy implementation of RIDF projects.

1. Administrative Sanction to be issued only after submission of detailed estimate.
2. In schemes where land acquisition is involved, the acquisition process is to be completed first by availing state fund. There after the scheme is to be presented before GOI for Central assistance.
3. Review of the progress of projects under Central assistance should be done every 3 months by the Finance and implementing department officials.
4. Check whether Utilisation Certificate are submitted in time for ensuring further grant and also whether compliance with conditions attached to grants are scrupulously followed.

28. The Committee directed the Finance department to submit a detailed report including the steps already taken by the Department to rectify the mistakes which led to the short release of award amount from GOI and also the steps to improve the system in future.

29. Noting that only the Fisheries and Agriculture departments had put forward a reply to audit para, the Committee directed the Finance Department to take steps to collect the replies from the remaining departments which had not submitted the details with regard to the utilisation of funds. The Additional Chief Secretary, Finance Department replied in the affirmative.

Conclusion/Recommendation

30. The committee observes that the delay in getting Administrative Sanction and Technical Sanction is a major hindrance in grounding of projects under RIDF. So the committee suggests that Administrative Sanction should be issued only after the submission of detailed estimate.

31. For the smooth and speedy implementation of RIDF projects, the committee suggests that in schemes where land acquisition is involved the acquisition process is to be completed by availing State fund. Request for central assistance to the scheme may be made only after the acquisition of land has been completed.

32. The committee also recommends that a review of the progress of projects under Central assistance should be done in every three months by the Finance and implementing department officials.

33. The Committee directs that utilization certificates be submitted on time in order to receive additional grants and that grant conditions be strictly followed for RIDF projects to run smoothly.

34. The Committee directs the Finance department to submit a detailed report including the steps already taken by the Department to rectify the mistakes that led to the short release of the award amount from GOI and also the steps to improve the system in future.

35. The committee directs the Finance department to take concerted steps to collect the replies from the departments which did not give the details of the utilisation of funds.

[Paragraph 1.6.4 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Additional burden on State budget (1.6.4)

The annual installments of ThFC award were provided through State budget every year to the concerned Departments/agencies for implementing programmes/schemes approved under perspective plan and annual action plans. In anticipation of releases by GoI, State provided additional funds to the extent of ₹462.98 crore (Appendix III) for the implementation of 14 schemes. In respect of 5 schemes (₹300.48 crore) no recorded reasons were available for the non-release of funds by GoI though utilisation certificates were submitted in time by the implementing departments. In respect of the remaining nine schemes, implementing departments failed to receive ₹162.5 crore (out of ₹462.98 crore) due to non-compliance of the conditions attached to the grants/non-submission of UCs in time. Further, GoI confirmed (7 July 2015) that no further release would be made under ThFC award.

Excerpts from the discussion of Committee with officials concerned.

36. The Department did not submit the Remedial Measures on the above paragraph. The Committee directed the department to submit a report explaining the present situation.

[Reply furnished by Government on the above audit paragraph after meeting is included as Appendix II]

Conclusion/Recommendation

37. No Comments.

[Paragraph 1.6.5 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Utilisation of grants (1.6.5)

During the five year period (2010-2015), the State Government had budgeted all the amount received from GoI as ThFC grant and released⁶ to Departments/implementing agencies for utilisation. Audit observed that against the GoI release of ₹5476.30 crore, ₹377.96 crore remained blocked up with Government (₹89.39 crore) and implementing agencies (₹288.57 crore), under 17 schemes, at the end of the award period without being utilised for the intended purposes. Non/under-utilisation of funds due to procedural delay, defective planning, delay in implementation etc., resulted in blockage/surrender of funds with/by implementing agencies as detailed in Appendix III.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

38. While considering the audit para about utilisation of grants, the Committee urged the Finance Department to furnish the present status of the utilisation of funds amounting to ₹377.96 crores blocked up with Government implementing agencies regarding 17 projects mentioned in the audit paragraph.

⁶ Except ₹12.50 crore received (March 2015) from GoI as incentive for 'Renewable Energy' has not been released so far.

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

Conclusion/Recommendation

39. No Comments.

[Paragraph 1.6.6 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Status of implementation of envisaged schemes (1.6.6)

Release of Finance Commission grants were linked with specific objectives like improving service delivery, maintenance and upkeep of capital assets, etc. For claiming the annual installments, conditions attached to the grants were to be fulfilled. The schemes were implemented as per the perspective plan for the entire award period as well as the annual action plans approved by the State Level Empowered Committee. Audit scrutiny revealed non-achievement of objectives in the following five schemes:-

Table: Achievement of objectives of ThFC award

Scheme and objectives	Audit observation
1. Incentive grant for issuing UID- Intended to enroll 49.6 lakh ⁷ BPL beneficiaries into the UID programme.	The first installment of ₹4.96 crore out of the total grant of ₹49.60 crore released to Kerala State Information Technology Mission, Trivandrum remained unutilised due to inability to link UID data with BPL data. In May 2014, ₹2.64 crore out of the above was transferred to District Collectors to disburse the funds through Local Self Government Institutions and this also remained unsuccessful. Consequently, further installments (₹44.64 crore) of central assistance were not received.

⁷ Planning Commission data (2004-05).

<p>2. Database of Employees and pensioners - Preparation of a database of all employees, pensioners and family pensioners in the State.</p>	<p>The work was entrusted to Finance (IT-SF) Department and the first installment (₹2.50 crore out of ₹10 crore) was released in September 2010 with a condition to complete the work in three years. Department failed to complete it within the award period, which resulted in non-release of ₹7.50 crore.</p>
<p>Finance Department stated (October 2015) that data of pensioners drawing pension from treasuries is almost complete and those drawing through banks are in progress. The delay in rolling out the software is due to the complexities involved and the unorganized nature of the present system.</p>	
<p>3. Improvement of justice delivery – a) Setting up of Morning/Evening/Shift/Weekend/Special Magistrate Courts – To clear the backlog of cases by increasing the court working hours using the existing infrastructure by holding morning/evening courts and to relieve pressure on judicial time.</p>	<p>Government of Kerala accorded (February 2010 and January 2012) sanction for establishment of 74 evening courts. The High Court of Kerala found that the scheme was not practical as the Judicial Officers were already overburdened and hence only five evening courts were established. In view of the slow/no progress in establishment of evening courts GoI provided (January 2012) flexibility to include other types of Temporary Special Courts and hence 27 Special Temporary First Class Magistrate Courts were established (June 2014). However, delay in establishment of courts led to non-achievement of objectives as well as non-receipt of balance GoI assistance amounting to ₹47.2 crore.</p>
<p>b) Conservation of Heritage Court Buildings - Restoration and conservation of Heritage Court Buildings in the State.</p>	<p>Out of ten works identified, four works were entrusted (February 2011) to Archaeology Department and the works were not completed till the end of the award period. Remaining works proposed for awarding to Hindustan Pre Fab Limited were also not completed.</p>

	Hence GoI assistance of ₹8.49 crore, earmarked for conserving heritage building under ThFC was not received.
c) Establishment of District Alternate Dispute Resolution Centres - Award amount given to Kerala Legal Services Authority (KELSA) to set up (for constructing physical infrastructure) Alternate Dispute Resolution Centres (ADR) for speedy settlement of cases outside court through mediation, conciliation, arbitration, etc.	KELSA/Government identified 10 out of 17 sites targeted and completed only six ADRs. One work was in progress and the remaining three works were pending commencement due to higher estimate/pending sanction from Archaeological Survey of India/Government. For the remaining seven sites, Government has not identified land and consequently central assistance of ₹11.42 crore was not received and intended benefit was not derived during the award period.
State Specific Schemes	
4. Upgradation of Police Department - Award amount (₹100 crore) was to be utilised for enhancing the efficiency, effectiveness and capacity of the department by establishing centres for Senior Citizen Protection, Foreigners Facilitation, Tourist Protection, Community Police Resource Centres and Dormitories.	Work was entrusted to Kerala Police Housing Construction Corporation. Delay in awarding works, identifying sites, non-adherence to the time schedule, etc., resulted in completion of 135 works (53 per cent) out of 254 civil works by spending ₹50.08 crore (out of ₹78.40 crore released to the agency) Construction of State Senior Citizens Service Bureau (₹ 0.20 crore) completed in October 2013 was given to Kerala Police Pensioners' Welfare Association in March 2015 instead of utilising it for the intended purpose.

	<p>Four out of the ten buildings completed for District Senior Citizen Bureaux (₹ 0.35 crore) have not been put to use for want of lift facility, electricity connection, etc. An expenditure of ₹1.50 crore incurred (March 2013) on the implementation of electronic beat system also did not materialise till the end of award period. This was due to the failure on the part of the department to ensure successful installation before releasing full amount of the contract.</p>
<p>5. Ecosan toilets (Kuttanad Development) - Scheme to provide individual high level household toilets at Kuttanad area for sanitation coverage in the area</p>	<p>An amount of ₹ three crore out of ₹5.93 crore was released to Suchitwa Mission (the implementing agency) in two instalments during 2011-2013. After conducting a pilot study, the scheme was abandoned due to delay in identifying a suitable technology. In August 2014 the amount was transferred to Central Warehousing Corporation for construction of a godown (for storage of paddy) and the same also remained unutilised till date (December 2015).</p>

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

40. While considering the scheme ecosan toilets (Kuttanad development) mentioned in the audit paragraph the committee noticed that an amount of ₹3 crore was released to Suchitwa Mission but the scheme was abandoned due to delay in identifying suitable technology and the amount was later transferred to Central Warehousing Corporation for construction of Paddy

Godown. The Committee enquired whether the transfer of the fund under one scheme to another was possible. The Additional Chief Secretary, Finance Department replied that the fund was allotted under Kuttanad Package Scheme and it was decided to transfer the amount for the construction of Paddy Godown instead of ecosan toilets as per the guidelines.

41.The Committee observed that though the fund was transferred, permission was not granted to construct the Paddy Godown as it was a marshy land and the fund had remained unutilised. The Committee advised the department to prepare a comprehensive report about the steps taken to avoid breach of conditions attached to the grants which halt further Central assistance and thus lead to incomplete implementation of the schemes.

42.The Committee directed the Department to furnish the current status of the schemes mentioned in the audit para and also to furnish a comprehensive report about the steps taken to complete those schemes.

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

Conclusion/Recommendation

43.No Comments.

[Paragraph 1.6.7 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Submission of Utilisation Certificate and Monitoring mechanism (1.6.7)

The State had constituted State Level Empowered Committee/High Level Monitoring Committee/State Executive Committee headed by the Chief Secretary to the State Government and the Secretaries of the departments concerned as members for effective monitoring of the implementation of schemes under ThFC award. The committees met on a

quarterly basis and monitored both physical and financial targets as stipulated. However, Audit noticed the following deficiencies.

Sarva Shiksha Abhiyan, the implementing agency of the scheme 'Elementary Education' had not complied with the instructions of GoI to maintain separate accounts for expenditure incurred under ThFC award to track the utilisation in accordance with the norms. Non-maintenance of separate accounts for ThFC grant made it difficult to ensure proper utilisation of funds for intended purposes.

Utilisation Certificates were to be forwarded to GoI after the utilisation of the funds for the intended purposes. However, in the following cases, UCs were forwarded without utilising funds for intended purposes.

- Director, Dairy Development Department reported (6 January 2015) that ₹74.90 crore received for the scheme Animal Husbandry was fully utilised. Audit noticed that an amount of ₹9.47 crore out of the above remained unutilised with the implementing departments/ implementing agency at the end of the award period.
- Director General of Prisons and Correctional Services reported (21 March 2015) that ₹115.50 crore received for Upgradation of Prisons was reported as fully utilised. Audit noticed that an amount of ₹15.63 crore out of this was remaining blocked up with PWD/implementing department.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

44. Government failed to furnish the remedial measures taken on the audit para and Committee directed the department to immediately furnish the ATS/ remedial measures taken.

Conclusion/Recommendation

45. The Committee criticises the lackadaisical attitude of the officers in submitting the remedial measures taken statement on the audit para in time and directs the Department to immediately furnish the remedial measures taken statement regarding the audit para 1.6.7.

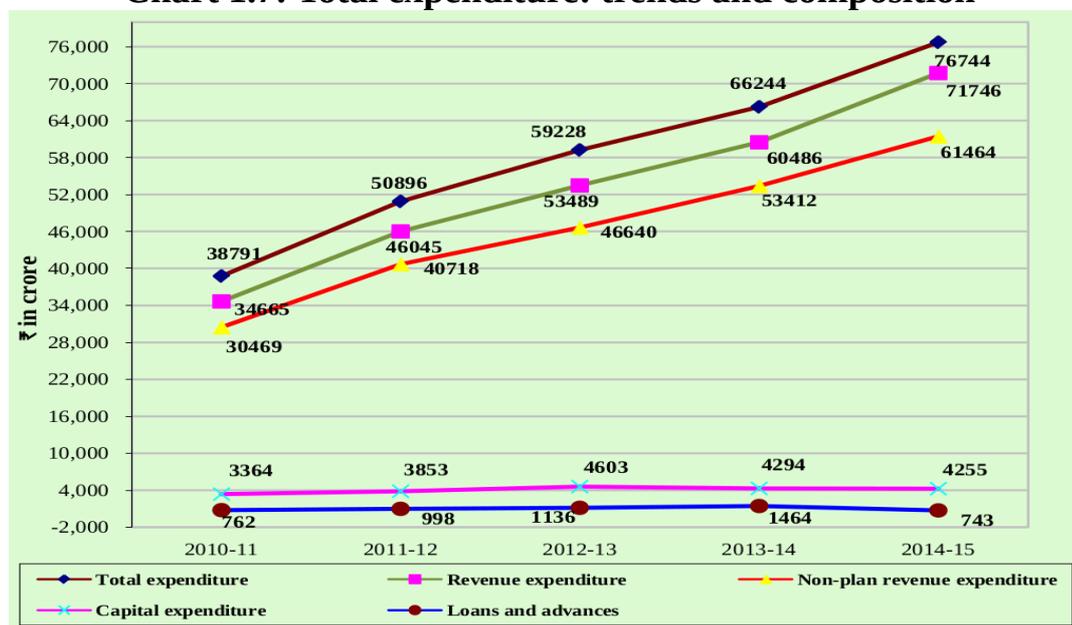
[Paragraph 1.7, 1.7.1 and 1.7.2 contained in the report of the comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances).]

Application of Resources (1.7)

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

Growth and Composition of Expenditure (1.7.1)

The trends in total expenditure (aggregate of revenue, capital and loans and advances expenditure) and various components of total expenditure-Plan and Non-Plan revenue expenditure, committed expenditure such as salaries and wages, interest payments, pension payments and subsidies, financial assistance to local bodies, etc., are discussed in the succeeding paragraphs. Chart 1.7 presents the trends in total expenditure of the State Government over a period of five years (2010-2015).

Chart 1.7: Total expenditure: trends and composition

The total expenditure of the State recorded an increase of 98 per cent during the last five years from ₹38,791 crore in 2010-11 to ₹76,744 crore in 2014-15. Its increase during the last one year was ₹10,500 crore (16 per cent). The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are given in Table.

Table: Total expenditure – basic parameters

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Total expenditure (TE) (₹ in crore)	38791	50896	59228	66244	76744
Rate of growth (per cent)	13.9	31.2	16.4	11.8	15.9
TE/GSDP ratio (per cent)	14.7 (*)	16.3 (*)	17.0 (*)	16.7	17.0
RR/TE ratio (per cent)	79.9	74.7	74.5	74.2	75.5
Buoyancy of TE with reference to:					
GSDP (ratio)	1.0 (*)	1.7 (*)	1.5 (*)	0.8	1.1
RR (ratio)	0.7	1.4	1.0	1.0	0.9

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

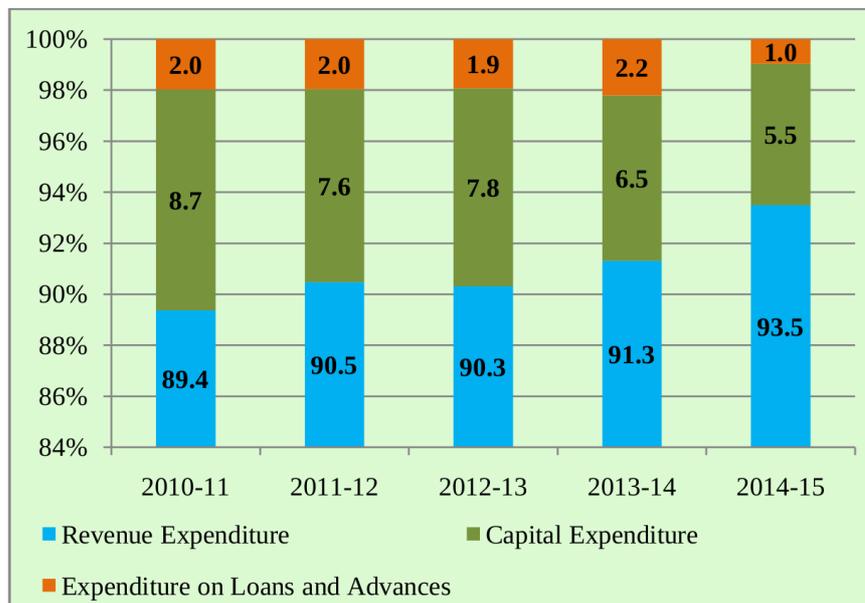
Out of the three components of total expenditure, the increase in revenue expenditure was ₹11,260 crore (18.6 per cent) and the other two components (Capital expenditure and expenditure on loans and advances)

showed a decreasing trend indicating that the expenditure on development activities of the State was poor. Also, during 2010-2015, the inadequate growth rate of capital expenditure (26 per cent) and expenditure on loans and advances (negative growth) indicated Government's low priority towards development activities.

- During the period from 2010-11 to 2013-14, ratio between revenue receipt and total expenditure showed a declining trend, indicating the widening gap between receipt and expenditure of the State. However, the position slightly improved during 2014-15 and revenue receipts was sufficient to meet three fourth of the total expenditure of the State.
- The Buoyancy of the total expenditure with respect to GSDP was more than one during the last five years except during 2013-14 which is not a good indicator.
- Buoyancy of total expenditure with revenue receipt was also less than one during 2014-15 indicating that the growth of revenue receipt was not keeping pace with total expenditure.

Trend of share of various components of total expenditure is given in Chart 1.8

Chart 1.8: Share of various expenditure in total expenditure



During 2005-06 to 2013-14, State's compounded annual growth rate of total expenditure (16.50 per cent) was more than the growth rate of other General Category States (15.23 per cent). However, it (15.85 per cent) was less than General Category States (19.32 per cent) during 2013-14 to 2014-15. (Details are in Appendix III).

Trends in total expenditure in terms of activities (1.7.2)

In terms of the activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, grants-in-aid and loans and advances. Relative shares of different components of total expenditure are given in Table.

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

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
General Services	40.0	40.2	38.7	40.4	41.1
of which, Interest Payments	14.7	12.4	12.2	12.5	12.7
Social Services	32.4	33.0	32.8	32.6	32.0
Economic Services	18.4	18.1	19.8	17.3	17.5
Grants-in-aid	7.2	6.7	6.8	7.5	8.4
Loans and Advances	2.0	2.0	1.9	2.2	1.0

Table reveals that:

- Relative shares of three components in total expenditure showed that expenditure on General services has been increasing steadily during the last three years whereas its expenditure on Social and Economic services has been decreasing. This shows increasing commitment on running Government machinery at the expense of development services.
- Share of interest payments in total expenditure also increased during the last three years indicating burden on payment of interest due to increase in borrowings.

- There was an increasing trend in State's devolution of funds (Grant-in-aid) to Panchayati Raj institutions since 2011-12 and it was the highest during 2014-15.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

46. The Committee accepted the replies/ATS furnished by the Government on the above mentioned audit paragraphs.

Conclusion/Recommendations

47. No comments

[Paragraphs 1.7.3, 1.7.3.1, 1.7.3.2, 1.7.4, 1.7.5, 1.8, 1.8.1 and 1.8.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Revenue Expenditure (1.7.3)

Revenue expenditure increased by 18.6 per cent (₹11,260 crore) during 2014-15 when compared to previous year. The increase in revenue expenditure was mainly due to increase in expenditure under the major heads 'Rural Employment' (₹1,600 crore), 'Interest Payments' (₹1,504 crore), 'Compensation and Assignments to Local Bodies and Panchayati Raj Institutions' (₹1,427 crore), 'Miscellaneous General Services⁸' (₹1,321 crore), 'Pension and Other Retirement Benefits' (₹1,281 crore), 'General Education' (₹1,026 crore), etc.

Incidence of revenue expenditure (1.7.3.1)

During the last five years, the share of Revenue expenditure to maintain the current level of services and payment for past obligations increased from 89.4 per cent in 2010-11 to 93.5 per cent in 2014-15. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in Table.

⁸ Includes ₹1,283 crore towards expenditure under 'State Lotteries'

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

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue expenditure (RE)	34665	46045	53489	60486	71746
Non-plan revenue expenditure (NPRE)	30469	40718	46640	53412	61464
Plan revenue expenditure (PRE)	4196	5327	6849	7074	10282
Rate of Growth of					
RE (per cent)	11.3	32.8	16.2	13.1	18.6
NPRE (per cent)	13.0	33.6	14.5	14.5	15.1
PRE (per cent)	0.4	27.0	28.6	3.3	45.3
Revenue expenditure as percentage to TE	89.4	90.5	90.3	91.3	93.5
NPRE/GSDP (per cent) (*)	11.6	13.0	13.4	13.5	13.6
NPRE as percentage of TE	78.5	80.0	78.7	80.6	80.1
NPRE as percentage of RR	98.3	107.1	105.7	108.6	106.1
Buoyancy of revenue expenditure with					
GSDP (ratio) (*)	0.8	1.8	1.4	0.9	1.3
Revenue receipts (ratio)	0.6	1.4	1.0	1.1	1.0

Source : Finance Accounts

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

Table reveals the following;

- During the last five years, RE and NPRE have shown 100 per cent growth. NPRE showed a steady growth of around 15 per cent and the average growth rate of RE was around 16 per cent during the last three years. Substantial increase (₹3,208 crore) noticed in PRE during 2014-15 was due to release of plan funds meant for GoI flagship schemes through State Budget.
- The buoyancy of RE with GSDP and RR was more than one which is not a good indicator since the increased growth rate of RE would force the State Government to depend on other sources to meet its RE.
- Though, NPRE as percentage of GSDP and TE were steady during

the last four years, its ratio with RR was not so encouraging.

- NPRE as percentage of RR was more than 100 since 2011-12, indicating insufficiency of State's RR to meet NPRE during the last four years.

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

The trends of the committed expenditure of the State Government during 2010-2015 is given in Table.

Table : Components of committed expenditure

(₹ in crore)

Components of committed expenditureS	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Salaries* and Wages,	11178	16229	17505	19554	23399	21621
Non-plan head	10815	15681	16939	18954	22513	20977
Plan heads**	363	548	566	600	886	644
Interest payments (MH 2049)	5690	6294	7205	8265	9598	9770
Expenditure on pensions (MH 2071)	5767	8700	8867	9971	11370	11253
Subsidies	627	1014	1268	1279	977	1252
Total	23262	32237	34845	39069	45344	43896
Revenue Expenditure	34665	46045	53489	60486	71974	71746
Revenue Receipts	30991	38010	44137	49177	64842	57950
Percentage of committed expenditure to Revenue expenditure	67	70	65	65	63	61
Percentage of committed expenditure to Revenue receipts	75	85	79	79	70	76
* Salaries include teaching grant paid to aided educational institutions like schools and colleges to meet the salaries of their teaching and non-teaching staff.						
**The plan heads also include the salaries and wages paid under Centrally Sponsored schemes						

Source : Finance Accounts of respective years

The share of committed expenditure in Revenue expenditure and percentage of committed expenditure with respect to Revenue Receipt have decreased when compared with 2013-14 which is a good indicator.

During 2014-15, expenditure on salaries and pensions showed growth rate of 10.6 per cent and 12.9 per cent respectively and this was less than the growth rate shown by revenue expenditure (18.6 per cent). However, expenditure growth on interest payments (18.2 per cent) was higher than growth rate shown during 2013-14 (14.7 per cent) due to increase in interest liability on mounting open market borrowings.

Though, the expenditure on pension was less than the projections made in the Medium Term Fiscal Plan (₹11,370 crore), it was more than the projections (₹8,054 crore) made before Thirteenth Finance Commission (ThFC) by ₹3,199 crore. Expenditure on interest payments exceeded the projections in Medium Term Fiscal Plan and that made before ThFC by ₹172 crore and ₹646 crore respectively.

Subsidies (1.7.4)

The subsidy of ₹1,252 crore given during 2014-15 was almost the same as in the previous year (₹1,279 crore). It mainly includes amount given to Food Corporation of India in respect of reimbursement of price difference of ration rice and wheat (₹742 crore), for Paddy procurement through Kerala State Civil Supplies Corporation (₹215 crore), grant to Kerala State Civil Supplies Corporation Limited for market intervention (₹70 crore) and subsidy to the Kerala State Electricity Board towards Power Tariff Concessions (₹50 crore).

Financial assistance to Local Bodies and Other Institutions (1.7.5)

The assistance provided by the Government as grants and loans to local bodies, educational institutions, Government companies, Welfare Fund Boards, etc., during the current year relative to the previous years is presented in Table.

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

Financial Assistance to Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	4087.83	5605.77	6204.36	6934.56	7769.01
Municipal Corporations and Municipalities	901.87	1073.78	1177.77	1358.09	1836.39
Zilla Parishads and Other Panchayati Raj Institutions	3411.65	4203.98	5279.31	6421.60	8423.74
Development Agencies	5.25	5.50	5.15	6.42	6.23
Hospitals and Other Charitable Institutions	139.02	144.46	153.33	94.19	305.76
Financial Assistance to Institutions	2010-11	2011-12	2012-13	2013-14	2014-15
Other Institutions ⁹	1252.58	1065.96	896.42	1323.46	1602.60
Total	9798.20	12099.45	13716.34	16138.32	19943.73
Assistance as percentage of revenue expenditure	28	26	26	27	28

Source: Finance Accounts and information received from the State Government

The financial assistance to local bodies and other institutions increased (104 percent) from ₹9,798.20 crore in 2010-11 to ₹19,943.73 crore in 2014-15. During 2014-15, financial assistance to all categories except Development agencies increased over the previous year and it shows a steady increase of one percent every year since 2012-13 as a percentage of revenue expenditure.

Quality of Expenditure (1.8)

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. Improvement in the quality of expenditure involves whether adequate funds were provided for

⁹ Other institutions, inter alia, include Kerala Water Authority (₹414.13 crore), Loans to Kerala State Road Transport Corporation (₹266.42 crore), Infopark-Technopark-Land acquisition (₹113.77 crore), State Council for Science, Technology & Environment (₹97.96 crore), Vegetable and Fruit Promotion Council of Kerala (₹59.34 crore), Kerala Sports Council (₹44.98 crore), Contribution to fishermen welfare fund (₹43.23 crore), Welfare fund for Cashew workers (₹41.66 crore), Kerala State Information Technology Mission (₹26.79 crore), Loans to Urban Development Finance Corporation (₹25.00 crore), etc.

public expenditure (i.e. adequate provisions for providing public services) and whether the fund spent efficiently and effectively to achieve the intended objectives.

Adequacy of public expenditure (1.8.1)

The responsibilities relating to expenditure on the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if it is below the respective national average. Table analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2011-12 and 2014-15.

Table: Fiscal priority of the State in 2011-12 and 2014-15

(in per cent)

Fiscal Priority by the State*	TE/ GSDP	DE # / TE	SSE/ TE	CE/ TE	Education/ TE	Health/TE
General Category States' Average, 2011-12	15.98	65.39	36.63	13.23	17.10	4.68
Kerala's Average, 2011-12	16.28	52.85	34.06	9.53	18.31	5.69
General Category States' Average, 2014-15	16.49 ^(@)	69.12	36.50	14.01	16.23	5.04
Kerala's Average, 2014-15	17.00	50.26	32.16	6.51	16.42	5.51
<p>* As per cent to GSDP TE: Total Expenditure DE: Development Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure. # Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed (Social and Economic sector). (@) Based on 17 States except Goa and Puducherry</p>						

Share of expenditure of Kerala on Education and Health in Total Expenditure was better than the General Category States during 2011-12 and 2014-15, indicating State Government's priority in these services. However, the share of State's Development expenditure, Capital

Expenditure and Social Sector Expenditure in Total Expenditure decreased and it was also less than that of General Category States during 2011-12 and 2014-15. There was improvement in Capital Expenditure of General Category States but, the share of Capital Expenditure of Kerala decreased from 9.53 per cent to 6.51 per cent in three year's time. This drop needs to be attended to. Similarly, the General Category States improved their share of Development Expenditure in Total Expenditure but Kerala failed to achieve any improvement in Development Expenditure.

Efficiency of expenditure (1.8.2)

It is important for the State to take appropriate expenditure rationalisation measures and incur public expenditure on development heads from the point of view of social and economic development. Development expenditure comprised of revenue, capital expenditure and loans and advances in socio-economic services. Table presents the trends in development expenditure relative to the total expenditure of the State during last five years. Chart 1.9 presents component-wise development expenditure during 2010-2015.

Table: Development expenditure

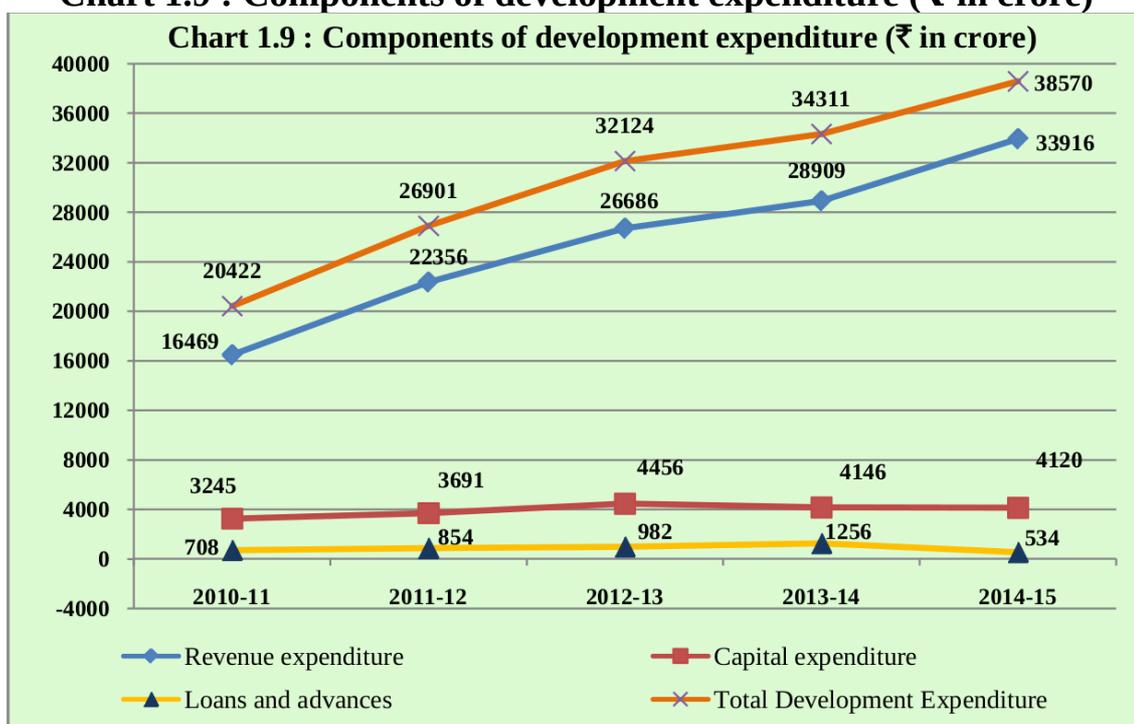
(₹ in crore)					
Components of Development Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15
Development Expenditure (a to c)					
a. Revenue expenditure	16469 (42.5)	22356 (43.9)	26686 (45.1)	28909 (43.6)	33916 (44.2)
b. Capital expenditure	3245 (8.4)	3691 (7.3)	4456 (7.5)	4146 (6.3)	4120 (5.4)
c. Loans and advances	708 (1.8)	854 (1.7)	982 (1.7)	1256 (1.9)	534 (0.7)
Total Development Expenditure	20422 (52.6)	26901 (52.9)	32124 (54.2)	34311 (51.8)	38570 (50.3)
Total Expenditure	38791	50896	59228	66244	76744

Source: Finance Accounts of respective years

Figures in parenthesis are its share in total expenditure

While total expenditure showed a growth rate of 15.8 per cent, the growth rate of development expenditure was only 12.4 per cent. Though 50.3 per cent of the share of total expenditure was utilised for development expenditure, 44.2 per cent was for development revenue expenditure, which indicated that bulk of the development expenditure was incurred on revenue expenditure items. Also, Table shows that share of development expenditure in total expenditure decreased during the last three years and this was due to decrease in expenditure under development capital expenditure.

Chart 1.9 : Components of development expenditure (₹ in crore)



Development expenditure increased by 89 per cent (₹18,148 crore) from ₹20,422 crore in 2010-11 to ₹38,570 crore in 2014-15. However, in 2014-15, 88 per cent of the development expenditure was incurred on revenue expenditure, which was four per cent more than last year.

Revenue expenditure on development increased by 17 per cent (₹5,007 crore) from ₹28,909 crore in 2013-14 to ₹33,916 crore in 2014-15. The increase was due to increase in expenditure under Social Services (₹2,738

crore) and Economic Services (₹2,269 crore). In Social Services, this increase was mainly under the sub-sectors 'Education, Sports, Art and Culture' (₹1080 crore), Social Welfare and Nutrition(₹719 crore) and 'Health and Family Welfare' (₹528 crore). In Economic Services, increase was mainly under Rural Development (₹1664 crore) and Agriculture and Allied Activities (₹429 crore).

Capital expenditure on development showed a declining trend since 2012-13. In 2014-15, capital expenditure on development was ₹26 crore less than the previous year.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

48. To a query of the Committee, Additional Chief Secretary, Finance department informed that, the Government of India insists on 3% of GDP as the borrowing limit to all States and that provision is applicable to a State with low revenue deficit too. He added that since the revenue expenditure is very high in our State and hence high revenue deficit, the borrowing limit fixed in par with States of low revenue deficit is not sufficient to meet the needs of this State. Comparing fiscal status with other States, he further added that in most of the States salary expenditure is lesser than our State and here the Government spend huge amount on salaries in which salary expenditure on schools forms a major portion. He also added that our GDP rate is lower and per capita income is higher compared to other States. The Committee pointed out that most of our revenue expenditure is in development sector, which includes sectors like education, health etc in 2014-15. This expenditure did not show any increase from the previous year and inflation rate has now decreased to 3%. The Committee enquired whether the lower rate of inflation would

eventually lead to a decrease in revenue and a price hike. The Additional Chief Secretary, replied that while a lower inflation rate will not result in price increase, it will have a negative impact on tax collections.

49. The Committee opined that while revenue expenditure in Kerala is higher than other States, it should be noted that the major sectors of expenditure are health and education and any cut in those sectors will have negative impact on development activities and the welfare of the State.

Conclusion/Recommendation

50. No Comments.

[Paragraph 1.8.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Incomplete projects/works (1.8.3)

Department-wise information pertaining to incomplete projects/works (each costing above ₹ one crore) as on 31 March 2015 is given in Table.

**Table: Status of incomplete projects in the State
(₹ in crore)**

Sl. No	Name of the department/project	No. of incomplete projects/works	Initial budgeted cost	Cumulative actual expenditure as on 31 March 2015
1.	Irrigation Department – (Irrigation and Minor Irrigation Works)	15	167.61	114.40
2.	Public Works Department – (Roads)	90	566.43	360.21
3.	Public Works Department – (Bridges)	49	327.20	199.75
4.	Public Works Department – (Buildings)	69	339.55	218.87
5.	Harbour Engineering Department	6	59.49	65.77
	Total	229	1460.28	959.00

Source: Appendix IX of Finance Accounts 2014-15

As per the Finance Accounts 2014-15, there was a delay in completion of the 229 projects/works and this would result in time overrun and cost overrun, besides denying the desired benefit to the beneficiaries.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

51. While considering the audit paragraph the Committee expressed its strong displeasure over the fact that PWD and Irrigation departments had not furnished the ATS on audit observation. The Additional Chief Secretary, Finance Department speaking about the audit remarks explained that majority of the projects were not completed within time either due to non-availability of land or due to the absence of detailed investigation including soil test. The Committee while stating that the preparation of the estimates forms a crucial part of the implementation of a project, observed that in most cases, serious lapse occur on the part of department while preparing the project estimate. The Committee pointed out that some departments had neither an idea nor the expertise to prepare an estimate based on the project. Most of the estimates prepared are so unrealistic that either the amount was not enough to complete the project or it may be higher, which sometimes lead to project being dropped.

52. The Committee citing Harbour Engineering Department in particular stated that since the projects undertaken by the Department is exceptional and unique in nature, extra attention is to be given for the preparation of its estimate. The Committee further added that the project undertaken by the Departments requires expertise and meticulous supervision for its successful implementation.

53. The Committee noticed that many projects necessary for the development of a region was inorbitantly delayed or dropped half way

through because of administrative and technical reasons, thus denying the desired benefit to the beneficiaries. The Committee observed that the main reason for delay in completion of projects/works is the delay in acquisition of land for the project. Also lack of detailed investigation including soil testing before implementation of project leads to time over run and cost overrun. Therefore, the committee decided to recommend that AS should not be given to any project until the detailed investigation, including soil testing and land acquisition, was completed, and that in the case of civil works, land acquisition should be completed first followed by AS for civil works in the next phase.

54. The Committee also directed to submit a detailed report regarding the present status of incomplete projects detailed in audit para.

Conclusion/Recommendation

55. The Committee observes that the main reason for delay in completion of projects/works was due to delay in acquisition of land or lack of detailed investigation including soil test. The Committee recommends that no administrative sanction should be given to these kind of projects until the detailed investigation, including soil tests and feasibility studies are completed. The administrative sanction followed by land acquisition should be carried out primarily in the case of civil works.

56. The Committee directs the department to submit a detailed report regarding the present status of incomplete projects mentioned in audit para 1.8.3.

[Paragraphs 1.9, 1.9.1 and 1.9.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Financial Analysis of Government Investments, Loans and advances (1.9)

In the post-Fiscal Responsibility and Budget Management framework, the State is expected to keep its fiscal deficit (and borrowings) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements from its own sources of revenue. In addition, in a transition to complete dependence on market-based resources, the State Government is required to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

Investment and returns (1.9.1)

As of 31 March 2015, the State Government had invested ₹6,085.13 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives (Table). The average return on these investments was 1.5 per cent in the last five years while the Government paid an average interest rate ranging from 7.1 per cent to 7.3 per cent on its borrowings during 2010-2015.

Table: Return on investments

Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (₹ in crore)	3807.52	4206.43	4511.03	5623.61	6085.13
Return (₹ in crore)	75.46	67.44	48.15	100.58	74.18
Return (per cent)	2.0	1.6	1.1	1.8	1.2
Average rate of interest on Government borrowing (per cent)	7.3	7.2	7.1	7.1	7.3
Difference between interest	5.3	5.6	6.0	5.3	6.1

rate and return (per cent)					
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Source: Finance Accounts of the State Government

During 2014-15, the State Government invested ₹65.35 crore in Statutory Corporations, ₹ 241.57 crore in Government Companies, ₹165.79 crore in Co-operative Banks and Societies and ₹4.20 crore in other Joint Stock Companies.

Loans and advances by the State (1.9.2)

In addition to investments in Co-operative Societies, Statutory Corporations and Government Companies, the Government has also been providing loans and advances to many institutions. Table presents the outstanding loans and advances as on 31 March 2015 and interest receipts during the last five years.

Table: Average interest received on loans advanced by the State
(₹ in crore)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Opening balance	7749	8461 ⁹	9394 ¹⁰	10360 ¹¹	11713 ¹²
Amount advanced during the year	762	998	1136	1464	743
Amount repaid during the year	44	55	74	103	124
Closing balance	8467	9404	10456	11721	12332
Net addition	718	943	1062	1361	619
Interest receipts	44	23	19	21	27

Source: Finance Accounts of the State Government.

The total outstanding loans and advances as on 31 March 2015 increased by ₹619 crore compared to those of the previous year. The major disbursement of loans during the current year was given to the Kerala State

9. Difference of ₹ six crore with reference to previous year's closing balance was on account of pro forma adjustments vide footnote (Z) of Statement no.16 of Finance Accounts 2011-12.

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

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

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

Road Transport Corporation (₹266 crore), Kerala Water Authority for implementing the Water Supply Project assisted by the Japan International Co-operation Agency (₹53 crore) and Kerala Urban and Rural Development Finance Corporation (₹25 crore). Interest received against these loans remained less than one per cent during the period 2010-11 to 2014-15 and was 0.2 per cent during 2014-15 as against the cost of borrowing of 7.3 per cent during the year.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

57. The Committee accepted the ATS/reply furnished by the Government.

Conclusion/Recommendation

58. No comments.

[Paragraphs 1.9.2.1, 1.9.3 and 1.9.3.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Defaulters on loan repayment (1.9.2.1)

Government has been providing loan assistance to Statutory Corporations, Government Companies, Autonomous Bodies and Authorities etc., and the same was treated as assets in the Government accounts. As per Finance Accounts, an amount of ₹12,332.50 crore was outstanding as loan at the end of March 2015. Also, at the end of March 2015, 71 institutions defaulted in repayment of loans advanced to them and arrears in respect of this was ₹8,794.71 crore (Principal: ₹5,276.61 crore and Interest: ₹3,518.10 crore). About 86 per cent of the above arrears pertain to five institutions viz., Kerala Water Authority (₹3,613.30 crore), Kerala State Electricity Board (₹1,747.64 crore), Kerala State Road Transport Corporation (₹925.45 crore), Kerala State Housing Board (₹915.23 crore) and Kerala State Cashew Development Corporation (₹367.24 crore).

It was also observed that State Government released 101 loans to 29 institutions amounting to ₹150.80 crore, during the period from 1991-92 to 2013-14, without specifying the terms and conditions for repayment. In order to provide a true and fair status to the balance sheet of the State Government, Government needs to take effective steps to reduce these non-performing assets.

Review on maintenance of loan accounts by the Administrative Departments (1.9.3)

State Government has been sanctioning loans to various Public Sector Undertakings, Autonomous bodies, Co-operative Societies, etc., and loan account details of some¹⁴ of these institutions are maintained in the office of the Principal Accountant General (A&E) (PAG) and the rest are maintained by departmental officers. At the end of March 2015, an amount of ₹12,332.50 crore was outstanding as loan of which detailed accounts of ₹8,832.57 crore is maintained by PAG and the balance amounting to ₹3,499.93 crore is maintained by departmental officers.

Objective of the audit was to assess whether the departmental officers are maintaining detailed accounts of all the loans released to institutions and bodies under their administrative control and the consolidated details of these loans match with the loan account details given in the Finance Accounts prepared every year.

Industries and Co-operation are the two major departments releasing loans to various institutions under them and an amount of ₹2,515.65 crore (out of ₹3,499.93 crore) is outstanding as loan against these two departments in the Finance Accounts for 2014-15. Hence, the audit was focused on the efficiency in maintenance of loan accounts in these two

14. Mainly Kerala Water Authority, Kerala State Road Transport Corporation, Kerala State Housing Board and Kerala State Electricity Board.

departments.

Audit observations

Industries Department (1.9.3.1)

Director of Industries and Commerce is disbursing loans to various PSUs under Industries Department as well as to small industrial units for promoting small scale industries. The outstanding balance of loan released by Industries Department stands at ₹2,020.91 crore.

The audit of maintenance of loan account in industries department revealed the following:

- PSUs receive substantial amount of loan every year and the conditions for repayment of loan vary from loan to loan and have to be repaid with effect from the first anniversary of its disbursement. During the period 2011- 2013, loan amounting to ₹297.61 crore was disbursed to 21 PSUs and it was seen that conditions for repayment were not fixed by the department in respect of the loan of ₹103.79 crore given to five¹⁵ institutions. The principal and interest amounts due for the remaining ₹193.82 crore at the end of March 2015 was ₹96.60 crore (₹63.47 crore and ₹33.13 crore). Against this, the repayment was only ₹6.30 crore (including interest amount of ₹98.64 lakh) as on 31 March 2015. It was also seen that sanctioning of loan without specifying repayment condition is being continued indicating that the department paid ₹21.50 crore out of ₹239.92 crore loans during 2013-14 without specifying the conditions for repayment.
- Article 237 of Kerala Financial Code Volume-I stipulates that departmental officers should keep up-to-date records of loans

15. Autokast Limited, Kerala State Electronics Development Corporation Limited, Kottayam Integrated Powerloom Industrial Co-operative Society, Kerala Industrial Infrastructure Development Corporation and Kerala State Cashew Development Corporation.

disbursed by them. However, loans disbursed to a few PSUs through a common head of account (eg. head of account for ‘Rehabilitation of sick PSUs’, ‘Loans to PSUs for clearing VR liabilities’) were not segregated correctly while recording it in the registers of department resulting differences in the loan balances maintained by the department and in Finance Accounts. The department did not initiate any steps to reconcile the same. Article 266 of KFC Volume-I and Government instructions issued from time to time stipulate that the departmental officers concerned should furnish annually a reconciled loan balance with figures in the books of PAG and furnish a certificate to that effect in respect of each year’s account to the PAG. This was not done by the Directors¹⁶ which resulted in difference in departmental figures and figures booked in Finance Accounts. The Director of Industries stated that action would be taken to reconcile the figures.

- Land in industrial estates was assigned to entrepreneurs and the value of the land was treated as loan to these entrepreneurs. Though the repayment was accounted for in PAG’s books, non-accounting of principal loan amount in Government accounts resulted in adverse balance of ₹27.88 crore in the Finance Accounts.
- Article 265 of Kerala Financial Code Volume-I stipulates that it is the duty of the departmental authorities concerned to take the necessary steps to write off the accounts under the sanction of the competent authority and to advise the PAG to make necessary adjustment in the accounts when any advance is ascertained to be irrecoverable. Irrecoverable advances written off will be registered by the departmental authorities concerned in a separate record so that any recovery eventually found to be possible may be made. Out of

16. Director of Industries and Commerce, Director of Handloom and Textiles and Director of Coir Development.

the outstanding loan amount of ₹ 1593.19 crore (as per Finance Accounts) with PSUs, ₹ 90.99 crore (as on March 2015) pertains to 15 non-working PSUs. Though liabilities of eight non-working PSUs were transferred to other working PSUs (as per Government orders) and orders were issued to write off interest and penal interest of loans outstanding, no adjustment was made in the Finance Accounts or in the departmental records.

- Under Coir Development Sector, Government had issued orders to convert loan balance amounting to ₹57.91 crore¹⁷ (including interest and penal interest) into share capital. However, no adjustment in accounts was made in Finance Accounts for want of budget provision and required information from the department, though the orders were issued in September 2007 and March 2010.

Audit also observed the following deficiencies in monitoring loan account by departmental officers:

- The software developed in 2004-05 and upgraded to web based loan monitoring system in 2010-11 by Industries Department to monitor the loans granted by the department was ineffective and the department continued to follow manual system. The department uses the software for generation of demand notices but Audit noticed that the demand notices generated using the software were not correct. The department did not take any action to rectify the deficiencies and to use the computerised loan management system. The department stated that action is being taken to rectify the mistakes.
- Loans released to small scale industrial units under Industries and Commerce and Handloom and Textile sectors and their recovery are to be monitored by respective Directors of the sector. This was not

17. GO (MS) No.55/2010/ID dated 12.03.2010, GO (MS) No.124/2007/ID dated 17.09.2007 and GO (MS) No.125/2007/ID dated 17.09.2007.

done as they were not maintaining data relating to the release and recovery of loans made by the head of the departments.

- As per the instructions issued by Government, further loans should not be granted to the institutions who are in default of repayment of earlier loan installment/interest of the loan availed. However, this provision was violated and loans amounting to ₹257.11 crore was released to six¹⁸ institutions continuously from 2012-13 to 2014-15.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

59. While considering the audit para, 1.9.3.1, the Additional Chief Secretary, Finance Department replied that the department had decided to develop software for maintaining and monitoring data related to loan accounts and all issues related to loans, including generating demand notices, release and recovery of loans, etc would be expected to be solved after the introduction of software.

60. The Committee directed the Department to furnish a comprehensive report on the audit para as soon as possible. The Committee further directed to clear the long pending arrears in respect of repayment of loan amount.

Conclusion/Recommendation

61. The Committee urges the Finance Department to furnish a comprehensive report on the audit para 1.9.3.1 as soon as possible. The Committee directs the department to clear the long pending arrears in respect of repayment of the loan amount.

[Paragraph 1.9.3.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State

18. Travancore Cements Limited Kottayam, Kerala Automobiles, Autokast Limited, United Electrical Industries Limited, Kerala Electrical and Allied Engineering Company Limited and Kerala Industrial Infrastructure Development Corporation.

Finances)]

Co-operation Department (1.9.3.2)

Registrar of Co-operative Societies is the head of the Department and disburses loans to apex societies, federal societies and primary societies. There are around 15 apex and federal societies and more than 10,000 primary societies in the State, concentrated in sectors like banking, agriculture, housing, education, health, etc. The Registrar is drawing and disbursing financial assistance to these societies in the form of grant, share capital and loan. Different kinds of loans are being disbursed through the Registrar with varying conditions of repayment.

Audit observed that departmental loan balance (₹293.06 crore) was ₹201.68 crore less than the figure appeared (₹494.74 crore) in the Finance Accounts. Reasons for the discrepancies were analysed in audit and certain deficiencies noticed in the maintenance of loan account by department are given below:

- An amount of ₹125.53 crore was sanctioned as interest free loan to Kerala State Co-operative Agricultural and Rural Development Bank Limited during 2010-11 to clear the guarantee commission due from the bank to Government. Subsequently, vide GO dated 30 March 2013, Government permitted to write off this loan in two equal installments in the years 2012- 13 and 2013-14. But the State Government did not provide necessary budget allocation to adjust the amount and clear the loan account. Registrar of Co-operative Societies stated that the matter was referred to Government for regularisation.
- In order to have a proper record of assistance given to apex and federal societies, the detailed accounts are to be maintained by the

Registrar/Joint Registrar (General)¹⁹. As and when a loan amount is sanctioned to a society, the details such as the name of society, the amount of loan sanctioned, the head of account from which the amount was drawn, the terms and conditions of loan, installments of principal and interest amount due to be paid by the loanee entity up to the last installment, etc., are to be entered in the register. But such a register is not being maintained in the Registrar's Office/Joint Registrar (General) to monitor payment of loan amount by the loanees. Due to non-maintenance of individual account, scrutiny of apex/federal society-wise loan details was not possible in Audit. The Registrar of Co-operative Societies stated that the certified statements from concurrent auditors were collected from respective institutions for ensuring the correctness of the Demand Collection Balance statements in respect of Apex/federal societies.

The reply of the Registrar is not acceptable as he is not keeping any records to verify the correctness of the statements furnished by the co-operative institutions.

- Wrong classification of accounts was noticed in two instances (₹90,000) of repayment made by primary societies under the control of Assistant Registrar (General) and it was yet to be reconciled.

[Note received from the Government on the above audit paragraphs is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

62. To a query of the Committee, whether the detailed account of loans sanctioned to apex societies and primary societies are maintained by Registrar and Joint Registrar of Co-operative Societies, the Additional Chief Secretary, Finance Department refers to the irresponsible attitude of

19. At district level

office of the Registrar of Co-operative societies, and replies that the department has not yet furnished the details of loans sanctioned to apex/federal societies under any scheme. The Committee enquired whether Government directly sanctions loans to Co-operative Societies. The Additional Chief Secretary replied that loans are given through Registrar of Co-operative Societies, the controlling authority of Co-operative Societies. The Additional Secretary, Finance department pointed to the highly irresponsible attitude and functioning of the office of the Registrar in the non-maintenance of proper record of loans given to Apex and Federal Societies. The Committee asked what action could be taken for the loan sanctioned to apex societies. The Additional Chief Secretary replied that it could be written off by including it in some scheme.

63. The Committee expressed its strong displeasure over the irresponsible attitude of the Registrar of Co-operative Societies in maintaining the loan accounts properly. The Committee directed the Department to take strong action against the office of the Registrar of Co-operative Societies for the total irresponsibility shown in maintaining the records/register regarding the details of loans sanctioned to the societies and report urgently the remedial measures taken to maintain loan accounts.

Conclusion/Recommendation

64. The Committee expresses its strong displeasure over the irresponsible attitude of the Registrar of Co-operative Societies in maintaining the loan accounts properly. The Committee directs the Department to take stringent action against the office of the Registrar of Co-operative Societies for its lackadaisical attitude in the maintenance of records and registers pertaining loans sanctioned to the societies and to submit the remedial measures taken to preserve the loan account details.

[Paragraph 1.9.3.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Impact of the improper maintenance of loan account (1.9.3.3)

Improper maintenance of loan account by departmental officers would give following adverse impact to the financial status of the Government;

Non-reconciliation of departmental figures with booked figures in Finance Accounts would hinder the assessment of exact financial position of the State. In the absence of accurate loan details, departments could not calculate principal loan amount and interest thereon. Consequently, amount due to the Department/State could not be assessed accurately and thereby financial status of the State could not be projected accurately. Loans released by the Government are treated as assets in the financial statements for the year. Non-maintenance of proper records would weaken the system of loan recovery in departments and assets of the Government will remain as non-performing.

Excerpts from the discussion of Committee with officials concerned

65. The Committee expressed its dissatisfaction on the failure of the department to furnish the reply on audit para.

Conclusion/Recommendation

66. The Committee expresses its dissatisfaction over the delay in submitting the statement on Remedial measures taken. The Committee views such lapse very seriously and suggests that the department should take necessary steps to avoid such lapses in future

[Paragraphs 1.9.4 and 1.9.4.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Cash balances and investment of cash balances (1.9.4)

The cash balances and investments made by the State Government out of the cash balances during the year are shown in Table.

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

Particulars	As on 31 March 2014	As on 31 March 2015	Decrease
Cash balances	2279.82	1651.00	628.82
Investments from cash balances (a + b)	764.31	147.05	617.26
a. GoI Treasury Bills	757.08	141.90	615.18
b. GoI Securities	7.23	5.15	2.08
Fund-wise break-up of investments from earmarked balances (a to d)	1511.72	1507.44	4.28
a. Reserve funds bearing interest			
b. Reserve funds not bearing interest	1511.72	1507.44	4.28
c. Deposit bearing interest			
d. Deposit not bearing interest			
Interest realised during the year on investment of cash balances	78.39	44.16	34.23

Source: Finance Accounts of the State Government

Table shows substantial reduction in State's cash reserve during 2014-15 and decrease in investment in GoI Treasury bills and securities.

Outstanding balances under the head 'Cheques and Bills'(1.9.4.1)

This head is an intermediary accounting head for initial recording of transactions which are to be cleared eventually. As per accounting rules, when a cheque is issued, the functional head is debited and the Major Head-8670-Cheques and Bills is credited. On clearance of the cheque by the bank, the minus credit is given to Major Head 8670-Cheques and Bills by crediting the Major Head- 8675-Deposits with Reserve Bank and thereby reducing the cash balance of the Government. Thus, the outstanding balance under the Major Head 8670-Cheques and Bills represents the amount of un-encashed cheques.

As on 31 March 2015, there was an outstanding balance (cumulative) of ₹1,501.60 crore. This represents expenditure originally booked under different major heads of Consolidated Fund, which has not resulted in any cash outflow till the end of March 2015.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

67. The Committee accepted the replies furnished by the Government.

Conclusion/Recommendation

68. No Comments.

[Paragraphs 1.10.1 and 1.10.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Assets and Liabilities (1.10)

Growth and composition of assets and liabilities (1.10.1)

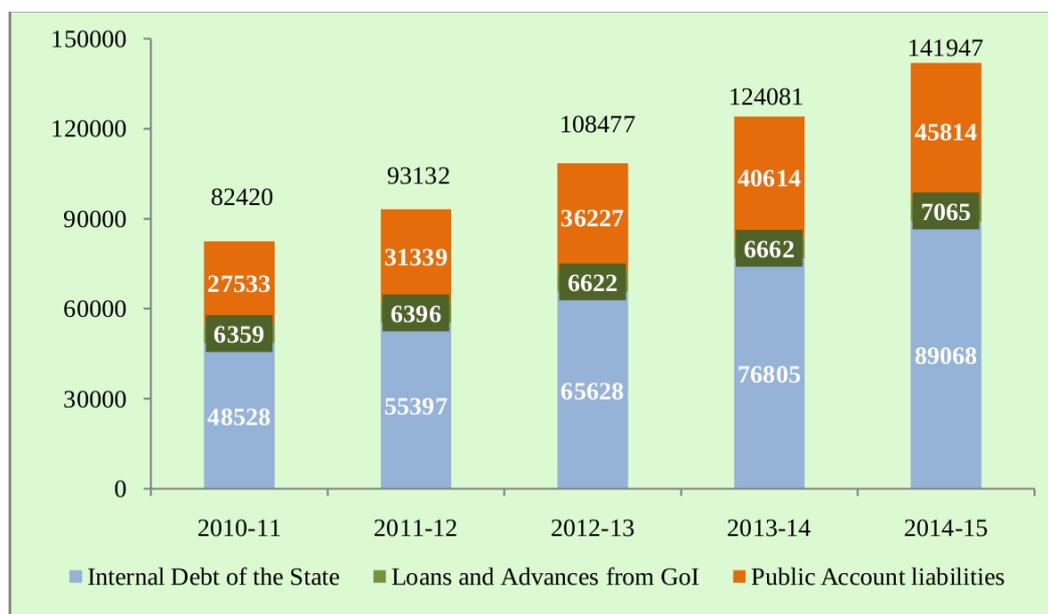
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. Appendix III gives an abstract of such liabilities and assets as on 31 March 2015, compared with the corresponding position as on 31 March 2014. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds, the assets mainly comprise of the capital outlay and loans and advances given by the State Government and its cash balances.

Fiscal liabilities (1.10.2)

The trends of outstanding fiscal liabilities of the State are presented in

Appendix III. The composition of fiscal liabilities during the last five years are presented in Chart 1.10.

Chart 1.10 : Composition of Fiscal Liabilities (₹in crore)



The overall fiscal liabilities of the State increased from ₹82,420 crore in 2010-11 to ₹1,41,947 crore in 2014-15, thus recorded an increase of 72 per cent during the five year period. During the last two years, fiscal liabilities of the State increased by 14.4 per cent, which was higher than the growth rate of GSDP (13.9 per cent) of these years. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. At the end of March 2015, the Consolidated Fund liabilities (₹96,133 crore) comprised Market Loans (₹71,960 crore), Loans from the Government of India (₹7,065 crore) and Other Loans (₹17,108 crore). The Public Account liabilities (₹45,814 crore) comprised of Small Savings, Provident Funds, etc., (₹39,307 crore)²⁰, interest bearing obligations (₹22 crore) and non-interest bearing obligations like Deposits and other earmarked funds (₹6,485 crore). During the year, fiscal liabilities as a

20. This includes liabilities from the Treasury Savings Bank Account (₹8,378 crore) and Treasury Fixed Deposits (₹7,520 crore).

percentage of GSDP was 31.4 per cent against 31.3²¹ per cent in the previous year. This is higher than the target fixed (29.8 per cent) in the Kerala Fiscal Responsibility (Amendment) Act, 2011. As in the previous year, fiscal liabilities stood at 2.5 times of the revenue receipts. However, Finance Department informed (December 2015) that considering the updated GSDP figure (₹4,96,886 crore), Debt-GSDP ratio is 28.6 per cent and it is well within the target.

The overall liabilities of the State include balance under Reserve Funds amounting to ₹1947.16 crore (as on 31 March 2015). The details in respect of two of the reserve funds are given in succeeding paragraphs:

(a) State Disaster Response Fund

The State Disaster Response Fund (SDRF) was set up on 1 April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year, there was ₹77.73 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2014-15 fixed by the ThFC was ₹159.33 crore, 75 per cent (₹119.50 crore) of which was to be contributed by the Central Government and 25 per cent (₹39.83 crore) by the State Government. During the year, the State Government credited ₹159.33 crore to the Fund. After setting off the expenditure for disaster relief operations to the extent of ₹215.15 crore, the balance in SDRF as on 31 March 2015 was ₹21.91 crore.

According to the guidelines issued by the Government of India, the accretions to SDRF were to be invested in Central Government dated securities and/or Auctioned Treasury Bills and/or interest earning deposits and Certificates of deposits with Scheduled Commercial Banks. However, no such investments were made by the State Government so far (October 2015).

21. Change in figure is due to adoption of new series of GSDP figures.

(b) Consolidated Sinking Fund

The State Government had set up a Consolidated Sinking Fund with effect from the financial year 2007-08, according to which the Fund was to be utilised as an Amortisation Fund for redemption of all outstanding liabilities of the Government commencing from the financial year 2012-13. The Fund was to be credited with contributions from revenue at the prescribed rate and interest accrued on investments made out of the Fund. Only the interest accrued and credited in the Fund was to be utilised for redemption of the outstanding liabilities of the Government. As per paragraph 5 of revised model scheme for the constitution and administration of Consolidated Sinking Fund of Kerala, the rate of contribution to the Consolidated Sinking Fund was 0.5 per cent of the outstanding liabilities at the end of the previous year. According to this, the State Government had to contribute ₹620.40 crore during 2014-15 to the Consolidated Sinking Fund. However, the State Government did not contribute any amount to the Fund, during the current year.

As per the guidelines of the fund, the balance at credit of the Fund is required to be invested in the Government of India Securities. During the year, an amount of ₹113.21 crore was received as interest from the investment made out of the fund. At the beginning of the year ₹1,497.16 crore was available and with the interest received on investment, the outstanding balance at the end of year was ₹1,610.37 crore. Out of this, ₹1,492.88 crore was re-invested in Government securities, leaving an un-invested balance of ₹117.49 crore in the Fund.

[Note received from the Government on the above audit paragraphs is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

69. To a query of the Committee regarding State Disaster Response Fund

the Additional Chief Secretary, Finance department informed that the amount that Central Government transfers to State consolidated fund is directly given to the beneficiaries and is not kept in TSB or any other Bank Accounts. The Committee enquired whether SDRF replaces Calamity Relief Fund and Calamities Contingency Fund. The witness replied that the State Disaster Response Fund was set up during the Fifteenth Finance Commission replacing the existing Calamity Relief Fund and that the fund would come from NDRF to SDRF in the ratio of 75:25 and State could spend that amount directly. The Additional Secretary, Finance Department informed that SDRF receives fund for unforeseen expenditure and is also allocated a permanent fund which is based on population of the State. The permanent fund fixed for the State is ₹160 crores, which is received in 2 installments of ₹80 crore each.

70. The Additional Chief Secretary informed that since the guidelines for expending SDRF is very stringent, only small amounts are allocated and it is very difficult to expend if huge amount is allotted. The Additional Chief Secretary replied that the amount allotted from SDRF is not sufficient for major works and the works are being done utilising State fund along with SDRF. He further added that the amount received from SDRF can be used only for emergency distress relief.

71. The Committee opined that the payment from SDRF is not done in a proper manner. The Committee pointed out that it was difficult to arrange the works through SDRF as the fund lapses, if the work is not completed within 6 months after obtaining Administrative Sanction. The Additional Chief Secretary, Finance department informed that there was no treasury ban on SDRF and there was no delay in payment of fund. He further added that as per the procedure of SDRF the fund is transferred directly from treasury accounts. He added that the revenue department provides

concerned collectors with guidance they need to do their tasks and the concerned collector in turn directs implementing agency and block panchayats to execute the work. The Committee viewed that though the Department says that there is no delay in the payment of funds actually there is reluctance to take up works executed through SDRF because of the delay in payment. The Additional Chief Secretary replied that there are no restrictions imposed by finance Department for fund allocations in SDRF. He agreed to conduct joint meeting with revenue officials to evolve guidelines for speedy implementation of works under SDRF and to avoid delay in the payments.

72. The Committee directed the department to submit a detailed report on why the department did not reconcile figures of SDRF with those of AG and, if reconciled, the present stage of the reconciliation process.

Conclusion/Recommendation

73. The Committee directs the Finance Department to furnish a detailed report on the reasons for the non-reconciliation of figures of SDRF with those of AG and if reconciled, the present status of reconciliation.

[Paragraph 1.10.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Status of guarantees – contingent liabilities (1.10.3)

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by borrowers for whom the guarantees have been extended. Section 3 of the Kerala Ceiling on Government Guarantees Act, 2003 which came into effect on 5 December 2003 stipulates that the total outstanding Government Guarantees as on the first day of April every year shall not exceed ₹14,000 crore. As per Section 6 of the Act, the

Government has to constitute a Guarantee Redemption Fund. The guarantee commission charged under Section 5 of the Act was to form the corpus of the Fund. However, the Fund had not been constituted and consequently, guarantee commission of ₹663.95 crore collected during 2003-04 to 2014-15 had not been credited to the Fund but was treated as non-tax revenue in the relevant years and used for meeting the revenue expenditure of the Government.

The maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2010-11 are given in Table.

Table: Guarantees given by the Government of Kerala

(₹ in crore)

Guarantees	2010-11	2011-12	2012-13	2013-14	2014-15
Maximum amount guaranteed	12,625.07	11,332.11	11,482.25	12,275.21	13,123.30
Outstanding amount of guarantees	7,425.79	8,277.44	9,099.50	9,763.36	11,126.87
Percentage of maximum amount guaranteed to total revenue receipts	41	30	26	25	23
Criteria as per Kerala Ceiling on Government Guarantees Act, 2003 (Outstanding amount of guarantees as on the first day of April)	14,000	14,000	14,000	14,000	14,000

Source: Finance Accounts of the State Government

The outstanding guarantees at the end of the past five years i.e. 2010-2015 ranged between ₹7,426 crore and ₹11,127 crore, which were well within the ceiling prescribed by the Kerala Ceiling on Government Guarantees Act, 2003.

During the year, an amount of ₹80.83 crore was received as guarantee commission and as of March 2015, ₹237.37 crore was due as arrears in this regard.

[Note received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

74. While considering the audit para, status of guarantees – contingent liabilities, the Committee enquired about the current status of Guarantee Redemption Fund Rules. The Additional Secretary, Finance Department replied that the draft rules had been sent to Law Department for vetting and after receiving from Law Department, necessary action would be taken. The Committee accepted the reply.

Conclusion/Recommendation

75. No Comments.

[Paragraphs 1.11, 1.12, 1.12.1, 1.12.2, 1.12.3, 1.13 and 1.14 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Debt Sustainability (1.11)

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. The sustainability of debt of the State Government in terms of sufficiency of non-debt receipts²²; net availability of borrowed funds²³; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State

22. Adequacy of incremental non-debt receipts of the State is to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

23. Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

Government securities for the period of five years beginning from 2010-11 is analysed and given in Table.

Table: Debt sustainability: indicators and trends

(₹ in crore)

Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Sufficiency of Non-debt Receipts (Resource Gap)	141	(-)5084	(-)2187	(-)1942	(-)1698
Net Availability of Borrowed Funds	2507	4426	8154	7350	8110
Burden of Interest Payments (Interest Payment/Revenue Receipts percent)	18	17	16	17	17
Maturity Profile of debt					
Up to one year	2566.98 (4.7)	2154.64 (3.5)	2569.25 (3.6)	2674.90 (3.2)	3289.26 (3.4)
One to three years	5205.33 (9.5)	8401.13 (13.6)	5791.05 (8.0)	6829.83 (8.2)	9139.85 (9.5)
Three to five years	6260.17 (11.4)	9100.09 (14.7)	9100.72 (12.6)	12058.34 (14.4)	13265.26 (13.8)
Five to seven years	9314.78 (17.0)	13156.00 (21.3)	13181.39 (18.2)	13165.08 (15.8)	16667.64 (17.4)
Seven years and above	28162.37 (51.3)	24240.81 (39.2)	36932.83 (51.1)	44048.78 (52.8)	48958.69 (50.9)
Maturity profile details not furnished by State Government	3377.55 (6.1)	4740.42 (7.7)	4674.95 (6.5)	4689.63 (5.6)	4812.26 (5.0)

Figures in parenthesis indicate the percentage to total State debt

Source: Finance Accounts of the State Government

The resource gap (gap between incremental non-debt receipts and incremental total expenditure) was positive only in 2010-11 and since then it was negative, which indicated that incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden. However, the positive aspect in respect of the resource gap

was that it has been coming down from ₹5,084 crore in 2011-12 to ₹1,698 crore in 2014-15.

During 2014-15, total borrowed funds under 'Public Debt' was ₹18,509 crore (including open market borrowings of ₹13,200 crore). After providing for interest and repayment of principal, the net availability was only ₹5,365 crore. Similarly, the accumulations in 'Public Account' (Small savings, Provident Fund, Reserve Fund, Deposit Account, etc., which were used by the State for bridging the fiscal resource gap), were ₹46,979 crore during the year. Under this sector, net availability of funds after disbursement with interest was only ₹2,745 crore. As the non-debt receipt of the State was insufficient, some portion of this borrowing was also used for bridging revenue deficit. Consequently, State Government was left with ₹8,110 crore for developmental activities from the total borrowings and this was only 12.4 per cent of the fiscal liability accumulated during 2014-15.

The debt maturity profile of the State given in the Table shows that 26.7 percent of the debt amounting to ₹25,694.37 crore has to be repaid within five years. Also 44.1 per cent (₹42,362.01 crore) of the debt has to be repaid within seven years. Steep increase in State Government's open market borrowings have started from 2007-08 onwards and this will have adverse impact on State finances from 2017-18 onwards. State Government has to ensure additional revenue resources to meet this debt burden.

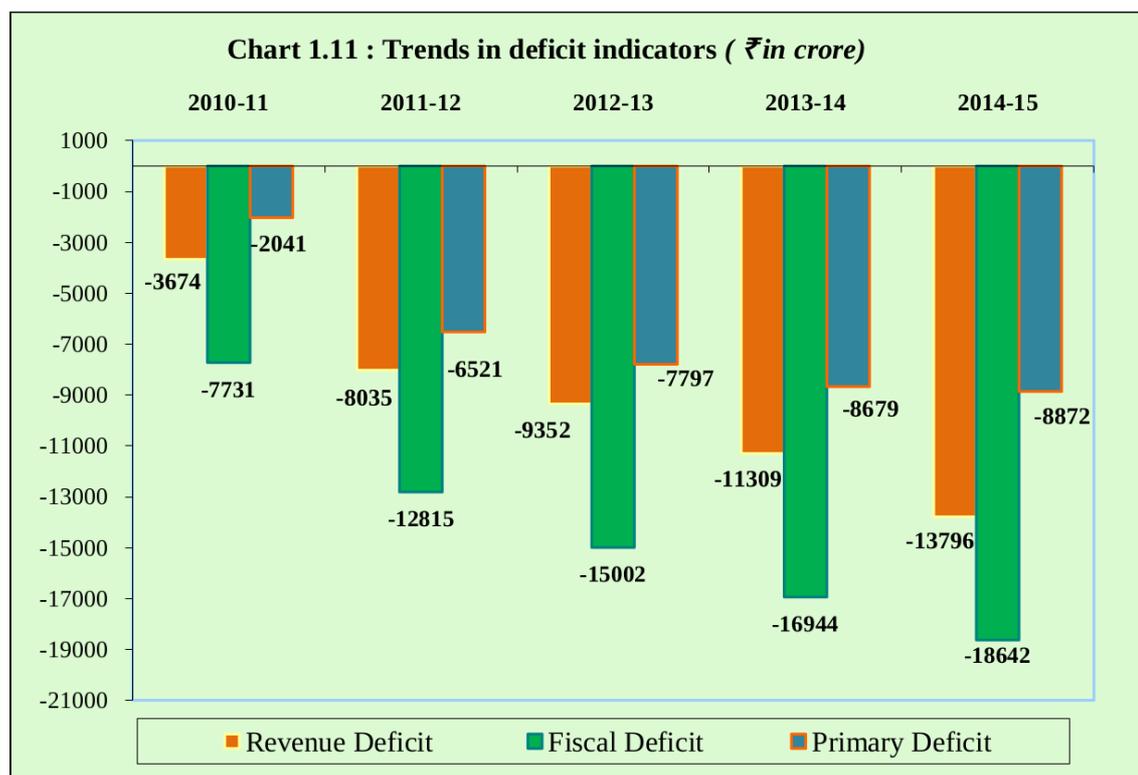
Fiscal Imbalances (1.12)

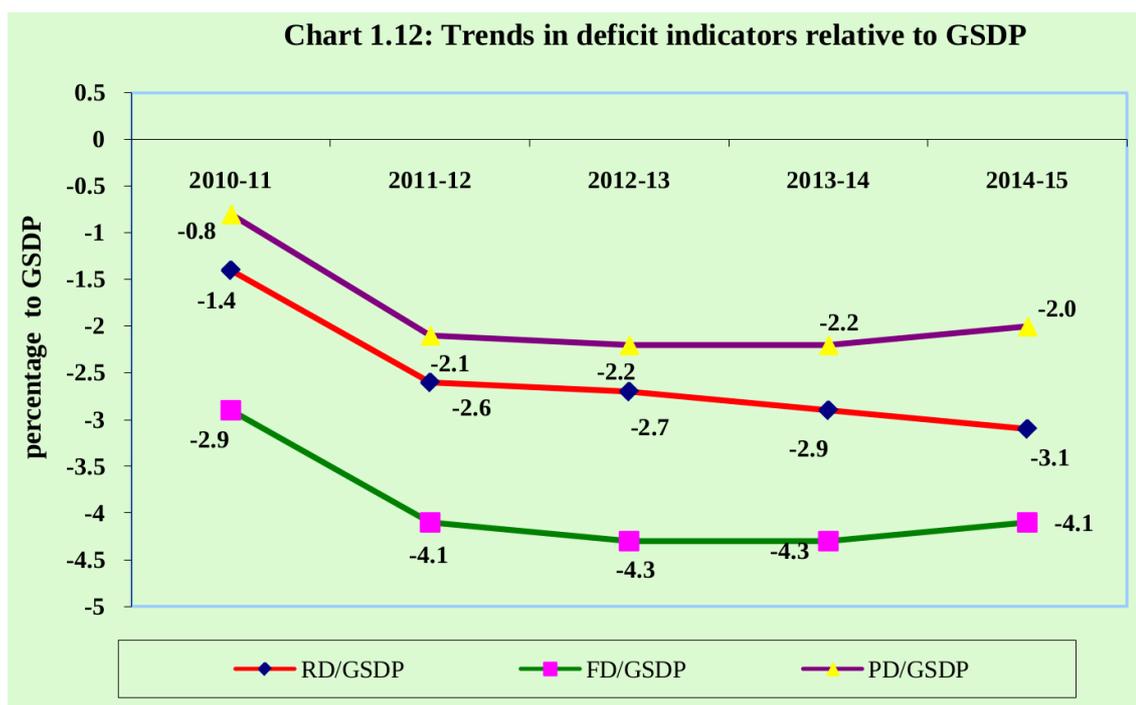
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the

Government. Further, the ways in which the deficit is financed and the resources are raised and applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under the Fiscal Responsibility Act/Rules for the financial year 2014-15.

Trends in deficits (1.12.1)

Charts 1.11 and 1.12 present the trends in deficit indicators over the period 2010-2015.





The revenue deficit of the State which indicates the excess of its revenue expenditure over revenue receipts, increased steadily since 2010-11 indicating disproportionate growth of revenue expenditure or low growth rate of revenue receipts. Revenue deficit increased from ₹3,674 crore in 2010-11 to ₹13,796 crore in 2014-15, contrary to State's targets (reduce revenue deficit to 'Nil' by 2014-15) envisaged in Fiscal Responsibility (Amendment) Act, 2011. The fiscal deficit, which represents the total borrowings of the Government and its total resource gap also increased steadily during the last five years. It has been worsening each year from ₹7,731 crore in 2010-11 to ₹18,642 crore in 2014-15.

More than four times increase was also noticed in primary deficit, since 2010-11 and it increased from ₹2,041 crore in 2010-11 to ₹8,872 crore in 2014-15. Increase in revenue deficit, fiscal deficit and primary deficit indicate the disproportionate growth of expenditure with regard to revenue receipts.

As a proportion of GSDP, the revenue deficit (1.4 per cent) and fiscal

deficit (2.9 per cent) in 2010-11 were the lowest during the last five year period. These percentages increased to 3.1 per cent and 4.1 per cent respectively in 2014-15. These were more than the targets fixed ('Nil' and 3 per cent) in the Kerala Fiscal Responsibility (Amendment) Act, 2011 and (1.53 per cent and 3.1 per cent) in the Medium Term Fiscal Plan for 2014-15 to 2016-17.

Components of fiscal deficit and its financing pattern (1.12.2)

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1.27. Receipts and disbursements under the components of financing the fiscal deficit during 2014-15 are given in Table 1.28.

Table 1.27: Components of fiscal deficit and its financing pattern

(₹in crore)

Particulars		2010-11	2011-12	2012-13	2013-14	2014-15
Decomposition of fiscal deficit						
1.	Revenue deficit	3674	8035	9352	11309	13796
2.	Net capital expenditure	3339	3837	4588	4275	4227
3.	Net loans and advances	718	943	1062	1360	619
Total fiscal deficit		7731	12815	15002	16944	1864
Financing pattern of fiscal deficit*						
1.	Market borrowings	4770	7496	10571	11373	11777
2.	Loans from Government of India	54	36	226	40	402
3.	Special Securities Issued to National Small Savings Fund	42	(-)491	32	(-)42	525
4.	Loans from Financial Institutions	348	(-)7	(-)118	(-)77	(-)69
5.	Small Savings, PF, etc.	2490	3839	3686	4231	3765

6.	Deposits and Advances	469	(-)52	1141	188	1365
7.	Suspense and Miscellaneous	(-) 197	852	712	(-)946	58
8.	Remittances	27	(-)157	31	(-)168	26
9.	Others	399	32	(-)379	(-)68	164
10.	Total (1 to 9)	8402	11548	15902	14531	18013
11.	Increase (-)/Decrease (+) in Cash Balance	(-) 671	1267	(-)900	2413	629
12.	Overall deficit	7731	12815	15002	16944	18642

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

Source: Finance Accounts of the State Government

Table 1.28: Receipts and disbursements under components financing the fiscal deficit during 2014-15

(₹ in crore)

Sl. No.	Particulars	Receipt	Disbursement	Net
1.	Market borrowings	13200	1423	11777
2.	Loans from Government of India	752	350	402
3.	Special Securities Issued to National Small Savings Fund	1132	607	525
4.	Loans from Financial Institutions	551	620	(-)69
5.	Small Savings, PF, etc.	35108	31343	3765
6.	Deposits and Advances	11248	9883	1365
7.	Suspense and Miscellaneous	86167	86109	58
8.	Remittances	8708	8682	26
9.	Others	580	416	164
10.	Total (1 to 9)	157446	139433	18013
11.	Increase (-)/Decrease (+) in Cash Balance	2280	1651	629
12.	Overall deficit			18642

Source: Finance Accounts of the State Government

Table 1.27 reveals that during the last five years, market borrowings

and net accretions in Public Account (especially in Small Savings, PF, etc.) are the main source of the State Government to finance the fiscal deficit. During 2014-15, 83 per cent of the fiscal deficit was financed through net Market borrowings (₹11,777 crore) and accretions in the Small Savings, PF, etc. (₹3,765 crore).

During 2014-15, the State Government raised ₹13,200 crore as market loans at an average interest rate of 8.78 per cent, loans amounting to ₹551.37 crore from NABARD at an interest rate of 7 per cent to 7.5 per cent, ₹1132.10 crore from National Small Savings Fund at an interest rate of 9.5 per cent and ₹222.16 crore from NCDC at an interest rate of 12.47 per cent. The State Government also received loans amounting to ₹752.47 crore from the Government of India during the year for which the details of interest rate on all loans were not available.

The State Government has been mobilising deposits from its employees, pensioners, institutions and general public through treasuries. During 2014-15, the State Government received ₹24,553.04 crore as deposits through Treasury Saving Bank accounts at an average interest rate of five per cent and ₹3,920.06 crore as Treasury Fixed Deposits at interest rates ranging between 7.25 per cent and 9.25 per cent. The balance of such deposits as on 31 March 2015 was ₹15,899.66 crore. This is ₹1,199.01 crore more than the previous year's balance.

Quality of deficit (1.12.3)

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

indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (Table) indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts (NDR)	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure	Primary revenue deficit (-)/surplus (+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2010-11	31060	28975	3364	762	33101	(+) 2085	(-) 2041
2011-12	38081	39751	3853	998	44602	(-) 1670	(-) 6521
2012-13	44226	46284	4603	1,136	52023	(-) 2058	(-) 7797
2013-14	49300	52221	4294	1,464	57979	(-) 2921	(-) 8679
2014-15	58102	61976	4255	743	66974	(-) 3874	(-) 8872

Source: Finance Accounts of the State Government

The bifurcation of the factors leading to primary deficit of the State reveals that since 2011-12, non-debt receipts (NDR) of the State were not enough to meet the primary revenue expenditure²⁴ of the State. This indicates that even for meeting primary expenditure, Government has to depend on borrowed funds since 2011-12.

Conclusion (1.13)

Fiscal status of the State: Revenue receipts of the State increased (17.8 percent) from ₹49,177 crore in 2013-14 to ₹57,950 crore in 2014-15. But, slightly higher increase (18.6 per cent) in revenue expenditure (from ₹60,486 crore in 2013-14 to ₹71,746 crore in 2014-15) has resulted in

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

increase of revenue deficit during the year. During the year, revenue receipts had better growth rate than GSDP (13.93 per cent), but growth rate of State's own tax revenue (10.1 per cent) was less than GSDP. Hence, State could not control revenue deficit as anticipated in the budget estimates.

Total expenditure (aggregate of revenue, capital and loans and advances expenditure) of the State doubled during the last five years. But the increase in expenditure on Capital projects during the five year period was not encouraging. Substantial portion of the total expenditure continued to be on revenue expenditure and its share increased from 89.4 per cent in 2010-11 to 93.5 percent in 2014-15, which is also not an encouraging factor. In revenue expenditure, more than 85 per cent was spent on non-plan revenue expenditure and during the last four years, revenue receipt of the State was not even sufficient to meet non-plan revenue expenditure.

Expenditure comparison with General Category States: Share of State's expenditure in total expenditure in respect of Education and Health was better than General Category States during 2011-12 and 2014-15. But the State's performance was poor in other areas like Capital Expenditure, Development Expenditure and Social Sector Expenditure when compared to General Category States. The General Category States improved their expenditure in Capital Expenditure and Development Expenditure, but the expenditure of the State in both these areas dropped considerably.

Quality of Expenditure: The Development expenditure recorded an increase of 89 per cent during the five year period, but more than 85 per cent of it was incurred on development revenue expenditure which is not a good indicator.

Financial analysis of Government investment, loans and advances:

Return on investments in Government companies/Statutory Corporations continued to be poor and current level of recovery on Loans and Advances disbursed was also very low. A review conducted on maintenance of loan account details by departmental officers revealed absence of proper record maintenance with departmental loan disbursing authorities and this would weaken the system of loan recovery in departments.

Debt position: As in the previous year, debt liability recorded an increase of 14.4 per cent and increased from ₹1,24,081 crore in 2013-14 to ₹1,41,947 crore in 2014-15. This liability as a percentage of GSDP was 31.4 per cent which is higher than the target (29.8 per cent) fixed in the Kerala Fiscal Responsibility (Amendment) Act, 2011. Since 2011-12, the resource gap (gap between incremental non-debt receipts and incremental total expenditure) was negative, which indicated that the incremental non-debt receipts were inadequate to finance incremental primary expenditure and incremental interest burden of the State.

Recommendations (1.14)

- Efforts should be made to enhance the State's own tax revenue in coming years as the revenue resources are insufficient to meet the primary revenue expenditure of the State. Government may review the reasons for non-realisation of revenue estimated in budget documents and ensure anticipated tax revenue to meet its increasing revenue expenditure.
- Loan account maintenance system in the departments may be reviewed and appropriate steps may be taken to safeguard the loss of State's revenue by way of repayment of loan and its interest.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

76. The Committee accepted the replies furnished by the Government.

Conclusion/Recommendation

77. No Comments.

CHAPTER II

Financial Management and Budgetary Control

[Paragraphs 2.1 and 2.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Introduction (2.1)

The Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of voted Grants and charged Appropriations for different purposes, as specified in the schedules appended to the Appropriation Acts. These accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts, thus, facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also seeks to ascertain whether the

expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions on the subject.

As per the Kerala Budget Manual, the Finance Department is responsible for the preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by the Heads of Departments and other Estimating Officers and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demands for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actuals as possible. This demands foresight in anticipating revenue and expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should not be over or under expenditure. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees, etc.

Deficiencies in the management of budget and expenditure and violation of the provisions of Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

Summary of Appropriation Accounts (2.2)

The summarised position of actual expenditure during 2014-15 against 48 Grants/Appropriations is given in Table.

Table: Summarised position of actual expenditure vis-à-vis original/ supplementary provisions

(₹in crore)						
Nature of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Saving(-)/ Excess(+)	Savings/ Excess in percentage
Voted						
I Revenue	62630.99	7564.13	70195.12	62418.42	(-)7776.70	11.1
II Capital	6625.94	1733.96	8359.90	4324.70	(-)4035.20	48.3
III Loans and Advances	803.59	86.20	889.79	743.09	(-)146.70	16.5
Total Voted	70060.52	9384.29	79444.81	67486.21	(-)11958.60	15.1
Charged						
IV Revenue	9917.87	12.43	9930.30	10084.86	(+)154.56	1.6
V Capital	31.32	5.53	36.85	32.51	(-)4.34	11.8
VI Public Debt Repayment	14192.36	0.00	14192.36	5842.77	(-)8349.59	58.8
Total Charged	24141.55	17.96	24159.51	15960.14	(-)8199.37	33.9
Appropriation to Contingency Fund (if any)	Nil	Nil	Nil	Nil	Nil	-
Grand Total	94202.07	9402.25	103604.32	83446.35	(-)20157.97	19.5

Source: Appropriation Accounts 2014-15 and Appropriation Acts

The overall savings of ₹20,157.97 crore was the result of savings of ₹20,349.97 crore in 44 Grants and 21 Appropriations under the Revenue Section and 30 Grants and six Appropriations under the Capital Section (Appendix III), offset by excess of ₹192.00 crore in one Appropriation under the Revenue Section. Overall savings increased from 18.2 per cent in the last year to 19.5 per cent in 2014-15 indicating increasing deficiency in the budgetary process.

Further, Audit analysed savings exceeding ₹100 crore in plan and non-plan category under voted section and observed that budget allocation of ₹10,133.86 crore remained unutilised under voted section as detailed in Appendix III.

- In Revenue section, savings (₹6,605.21 crore) were mainly under plan schemes (₹5,097.87 crore) of 13 Grants and under non-plan schemes (₹1,507.34 crore) of four Grants.
- In the Capital section savings (₹3,528.65 crore) was under plan schemes (₹2,979.11 crore) of eight Grants and under non-plan schemes (₹549.54 crore) of three Grants.

[Note received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

78. The Committee asked whether Finance Department considered the status of utilisation of previous years while preparing budget for ensuing year. The Additional Chief Secretary, Finance Department explained that Budget is prepared in January and at that time complete details about fund utilisation won't be available. He continued by saying that most problems with utilisation are in the Plan heads and that the Planning Board, not the Finance Department, is in charge of overseeing all items pertaining to the plan including utilisation. The Additional Chief Secretary, Finance Department agreed with the audit observation that there is an increase in overall savings in 2014-15 compared to previous year indicating under utilisation of funds and opined that at the time of plan preparation planning board should examine the status of expenditure of the previous years and also anticipate the amount needed for the scheme to be implemented in the current year.

79. The Committee enquired about the role of Finance Department related to civil works. The Additional Chief Secretary replied that after giving administrative sanction, the whole process of work including expenditure, rests with the implementing Department, and the Finance Department has no role in the progress/status of work or expenditure incurred until they get a bill through Letter of Credit (L.C). He supplemented that all Heads of Departments should consider the expenditure incurred in the previous year before submitting new plan and scheme proposals. The balance amount required for completion of work in order to fix a near accurate amount in the budget for the following year, and then suitable provision or allocation should also be made in plan for smooth implementation of schemes, making budget estimates realistic.

80. The Committee opined that it is essential to develop systematic method for formulating the budget estimates so that it become realistic.

81. To a query from the Committee regarding details of bills related to civil works pending payments and the balance amount to be released, the Additional Chief Secretary, Finance Department informed the committee that PWD was preparing a complete register regarding the status of works in the Department and when it was completed details of pending works would be available. He further added that Finance Department has joined with NIC to introduce a new software system to monitor the works of P.W.D and once implemented, the process of according administrative sanction, technical sanction and Bill book preparations during work implementation can be done through that software. He also added that for avoiding mistakes like payment of bills based on unauthorized A.S, a new software system, 'e-Anumathi' has been started in treasury where in the administrative sanctions can be issued only in that system and it is linked with treasury billing system. He further explained that with these two system softwares, the entire data set including back data could be collected in two years and the manual bill book system could be eliminated.

Conclusion/Recommendation

82. The Committee opines that it is hightime that the Finance Department developed a systematic method for the formulation of the budget estimates so that there is a realistic estimation of revenue and expenditure.

[Paragraphs 2.3, 2.3.1 and 2.3.2 contained in the report the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Financial Accountability and Budget Management (2.3)

Appropriation vis-à-vis Allocative Priorities (2.3.1)

The appropriation audit revealed savings exceeding ₹50 crore and also more than 25 per cent of the total provision in 19 cases as given in Table.

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

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings and percentage
Revenue-Voted				
1	II Heads of States, Ministers and Headquarters Staff	539.61	397.82	141.79 26
2.	XIX Family Welfare	545.48	396.96	148.52 27
3.	XXI Housing	121.78	61.94	59.84 49
4.	XXII Urban Development	1264.88	316.05	948.83 75
5.	XXXV Panchayat	483.45	287.82	195.63 40
6.	XXXVI Rural Development	3102.30	2070.90	1031.40 33
7.	XXXVIII Irrigation	367.22	269.35	97.87 27
8.	XXXIX Power	177.38	104.76	72.62 41
Capital-Voted				
9.	XII Police	91.44	29.82	61.62 67
10.	XVII Education, Sports, Art and Culture	543.88	307.62	236.26 43
11.	XVIII Medical and Public Health	296.86	193.19	103.67 35

12.	XX	Water Supply and Sanitation	268.20	127.90	140.30	52
13.	XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	285.93	40.26	245.67	86
14.	XXVIII	Miscellaneous Economic Services	1419.78	58.06	1361.72	96
15.	XXIX	Agriculture	277.30	151.22	126.08	45
16.	XXXV	Panchayat	460.00	217.83	242.17	53
17.	XXXVII	Industries	715.13	349.30	365.83	51
18.	XXXVIII	Irrigation	820.88	175.85	645.03	79
Capital-Charged						
19.		Public Debt Repayment	14192.36	5842.77	8349.59	59

Source: Appropriation Accounts 2014-15

Persistent savings (2.3.2)

Persistent savings of ₹100 crore or more of the provision was noticed in four cases for the last three years as shown in Table.

Table: Persistent savings

(₹in crore)

Sl. No.	Number and Name of Grant/Appropriation	Amount of saving (percentage)		
		2012-13	2013-14	2014-15
Revenue – Voted				
1.	XX Water Supply and Sanitation	134.23 (20)	184.30 (24)	211.00 (24)
2.	XXII Urban Development	730.68 (70)	1,125.04 (84)	948.84 (75)
Capital – Voted				
3.	XXXVIII Irrigation	294.30	396.46 (66)	645.03 (79)
Capital – Charged				
4.	Public Debt Repayment	6878.40 (71)	6859.49 (68)	8349.59 (59)

Source: Appropriation Accounts for respective years.

Further analysis revealed that overall savings under the above Grants were due to persistent savings occurred under a few subheads, which indicated failure of the respective Controlling Officers and the Finance

department in making a realistic assessment of the budget requirement based on the expenditure of the previous year and also the ability of the department to utilise the funds. Details of schemes where persistent savings of ₹10 crore or more are given in Appendix III.

[Note received from the Government on the above audit paragraphs is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

83. While considering the audit para 2.3.2, the committee enquired about the steps taken for the control of the persistent savings under different Grants/Appropriations of some departments. The Additional Chief Secretary, Finance Department replied that the administrative sanction had been given to all budget allocation in the case of departments having civil works and usually the remaining bills of the previous year was paid on that year's allocation. The Committee observed that though the works are being done according to current year's allocation; bills from the previous year comes for payment from current year's allocation which eventually leads to mismatch in allocation. The Additional Chief Secretary agreed with that observation of the Committee. He supplemented that in the case of civil works, the total fund allotted would not be spent in that financial year itself but would be continued to the next year also. He also added that nowadays, persistent savings have decreased in the case of departments except P.W.D.

Conclusion/Recommendation

84. No Comments.

[Paragraph 2.3.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Excess over provision during 2014-15 (2.3.3)

The Appropriation Accounts disclosed excess expenditure of ₹192 crore under Revenue Section in one appropriation-‘Debt Charges’, which

requires regularisation under Article 205 of the Constitution and the sub-heads in which expenditure exceeded the appropriation under the Grant are detailed in Table.

Table: Sub-heads in which expenditure exceeded the appropriation
(₹ in crore)

Sl. No.	Head of account and name of the scheme	Final Appropriation	Expenditure	Excess
2049-Interest Payments - Charged (Non-plan)				
1.	03-115-98-Fixed Time Deposits	520.00	626.62	106.62
2.	03-104-99-Interest on General Provident Fund	1408.87	1442.55	33.68
3.	03-108-99-State Life Insurance Official Branch	135.00	167.98	32.98
4.	01-101-97-Interest on Loans Bearing Interest (loans floated on or after 1.4.2011)	3284.04	3314.39	30.35
5.	03-115-99-State Savings Bank Deposits	95.00	122.14	27.14
6.	03-108-95-Kerala State Government Employees Group Insurance Scheme	78.00	98.64	20.64

Source: Detailed Appropriation Accounts 2014-15

In the above heads of account (except first item), interest transfers to respective account were carried out during the fag end of the year. However, in respect of interest transfers to fixed time deposits, the controlling officers did not take any initiative to obtain the budget allocation though it was almost exhausted in December 2014.

Excerpts from the discussion of Committee with officials concerned

85. The department did not furnish the reply on the above paragraph. The Committee directed the department to furnish the reply at the earliest.

Conclusion/Recommendation

86. The Committee expresses its displeasure over the inordinate delay in furnishing reply on excess over provision during 2014-15 and directs the Finance Department to furnish the reply at the earliest.

[Paragraph 2.3.4 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Excess expenditure over provisions relating to previous years requiring regularisation (2.3.4)

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/Appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). Excess expenditure occurred under 33 Grants and seven Appropriations amounting to ₹1,818.86 crore for the years 2011-12 to 2013-14, to be regularised (October 2015) as summarised in Table and the year-wise and Grant-wise amounts of excess expenditure pending regularisation and the stage of consideration by the PAC are detailed in Appendix III.

Table: Excess over provisions relating to previous years requiring regularisation

(₹in crore)

Year	Number of		Amount of excess over provision
	Grant	Appropriation	
2011-12	13	2	770.17
2012-13	14	1	488.01
2013-14	6	4	560.68
Total	33	7	1818.86

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

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

87. The Committee accepted the reply furnished by the Government.

Conclusion/Recommendation

88. No comments.

[Paragraphs 2.3.5 and 2.3.5.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Appropriation control weaknesses leading to excess expenditure (2.3.5)

Article 266 (3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Article 204 and 205 of the Constitution of India are passed by the Legislature. The Executive has no power to spend more on the services over and above the budget grants authorised by the Legislature. As per paragraph 69 of Kerala Budget Manual, it is the responsibility of Administrative Departments, the Chief Controlling Officers, Subordinate Controlling Officers and Drawing and Disbursing Officers to enforce appropriation control over expenditure and conduct periodical reconciliation of figures of expenditure, so as to ensure that there is no unauthorised excess over appropriation. The estimates of budget should as far as possible be close to the actual expenditure likely to be incurred and the Estimating Officers should ensure that they are neither inflated nor under-pitched and is restricted to the amount required for actual expenditure during the year.

Even though majority of the Grants closed with savings at the end of the year, large number of subheads (schemes) within the Grant had excess expenditure over the budget allocation provided under these heads. During 2014-15, overall excess expenditure of ₹953.71 crore was noticed under 757 sub heads (out of 4339 sub heads, excluding sub heads under debt, deposit, remittance and public debt heads). Further scrutiny revealed that in most of the cases, excess expenditure were the result of excess expenditure

under the object heads ‘Salaries’, ‘Wages’, ‘Travel Expenses’ and ‘Other Charges’, below these subheads. As per Paragraph 67 of Kerala Budget Manual, disbursement of salaries, wages and pension are exempted from the purview of appropriation control.

Under the above circumstances, Audit decided to analyse the appropriation control weakness in selected 30 schemes (in heads other than salary, wages, etc.) implemented during 2014-15 with excess expenditure. Appropriation control weaknesses noticed by Audit, at the levels of Chief Controlling Officer, Drawing and Disbursing Officer, Treasury Officer and Finance Department are detailed below:

Chief Controlling Officer’s level (2.3.5.1)

(I) Issue of sanction without ensuring budget allocation

During 2014-15, for implementation of the scheme ‘Protection of Kavus, Ponds and Altharas attached to temples (2250-00-800-99-P)’ ₹two crore was provided in the budget against which the Chief Controlling Officer (Secretary, Revenue (Devaswom) Department) issued sanctions to withdraw ₹10.65 crore to the Drawing and Disbursing Officers, resulting in an excess expenditure of ₹8.65 crore under the scheme. In reply to audit remarks, the Chief Controlling Officer stated (September 2015) that they had presumed that the Government would have provided ₹10 crore through Supplementary Demands for Grants (July 2015), as requested by the department. The reply was not acceptable as the Chief Controlling Officer should have ensured budget allocation before issuing sanction orders for withdrawal of funds by Drawing and Disbursing Officers.

(ii) Submission of surrender proposals without assessing the expenditure

During 2014-15, an amount of ₹1.60 crore out of ₹1.75 crore provided under the scheme ‘Kerala Institute for Labour and Employment -

Grant-In-Aid (2230-03-800-94-P)' was drawn by Kerala Institute for Labour and Employment in two installments (₹0.60 crore in October 2014 and ₹1.00 crore in March 2015) and credited into Treasury Savings Bank (TSB). Out of the above, an amount of ₹1.01 crore was expended and the unutilised balance of ₹0.59 crore remained in the TSB. The Chief Controlling Officer without considering the unutilised amount lying in TSB, forwarded proposals to the Finance Department for surrender of ₹0.74 crore resulted in excess expenditure of ₹0.59 crore under the head.

(iii) Expenditure without budget provision

Token provision (₹1000) was provided under the scheme 'Payment of cost for the Deployment of CRPF (2055-00-800-99-NP)' for meeting the expenditure in connection with the deployment of Central Reserve Police Force. An amount of ₹6.43 crore was booked through Inter State Settlement adjustment and intimated (January 2015) to the Chief Controlling Officer (Director General of Police) by the PAG (A&E) to arrange sufficient budget provision under the sub head. The Chief Controlling Officer did not make any effort to obtain additional budget provision but surrendered the token provision which resulted in excess expenditure to the tune of ₹6.43 crore.

Audit also observed excess expenditure of ₹5.67 crore under the sub head 'Criminal Investigation Branch (2055-00-101-99)' for meeting Travelling Allowance (Tour) of policemen and ₹7.28 crore was booked against the budget provision of ₹1.61 crore. Thus, failure to monitor the expenditure against allotment by the Sub Controlling Officer and lapse on the part of Controlling Officer (Director General of Police) in obtaining sufficient additional funds to regularise the excess expenditure, resulted in excess under the head.

(iv) Non-reconciliation of expenditure

To enable the Controlling Officers of the departments to exercise effective control over expenditure and to keep it within the budget grants and also to ensure accuracy of their accounts, Paragraph 74 of the Kerala Budget Manual stipulates that the expenditure recorded in their books should be reconciled by them every month during the financial year with that recorded in the books of the PAG (A&E), Kerala. Non-reconciliation of the departmental expenditure by the Chief Controlling Officer led to erroneous surrender/re-appropriation of budget allocation, which resulted in excess expenditure of ₹9.18 crore under 11 sub-heads test-checked in audit.

The Chief Controlling Officers replied that variation in expenditure was due to deviation occurred in the reporting of expenditure by Division Offices under their control. The reply is not acceptable as it was the duty of Chief Controlling Officer to reconcile the expenditure with the figures booked by the PAG (A&E) before submitting surrender/re-appropriation proposals.

(v) Non-regularisation of additional authorisations

When an additional appropriation is required urgently, the authority concerned should obtain authorisation from Finance Department before incurring expenditure. The Chief Controlling Officer should later ensure that these additional authorisations are regularised by re-appropriation/supplementary demands for grant before the close of the financial year. Failure to ensure this procedure resulted in excess expenditure of ₹8.66 crore in nine schemes test-checked in audit.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

89. The Committee accepted the reply furnished by the Government on the audit observation on issue of sanction without ensuring budget allocation.

90. While considering the audit para 2.3.5.1 (ii) the Committee enquired whether the amount of ₹58.92 lakh had been remitted back by Labour and Skills Department as per the instructions of Finance Department. The witness Additional Secretary, Finance Department informed that instruction was given to refund the amount and the details would be given after examining the concerned file. The Committee directed the Finance Department to give a detailed reply whether the amount of ₹58.92 lakh had been remitted back to revenue expenditure “2230-03-911-99 deduct recoveries of over payment” as instructed by Finance Department. The Additional Chief Secretary, Finance Department agreed to do so.

91. While considering the audit para about non – reconciliation of expenditure and non – regularisation of additional authorisations, the committee enquired whether Finance Department took any action to carry out prompt and timely reconciliation of departmental expenditure with the expenditure figures recorded in the books of Accountant General. The Additional Chief Secretary, Finance Department replied that now-a-days it is the Treasury who prepares the expenditure data of departments and since Treasury has accurate figures, the issue of mismatch with the AG's figures has been solved. An officer from AG's office informed the committee that during the audit, the data booked by the Accountant General differed from the data of the department, and that matter was solved when the data were directly prepared by the Treasury in 2017-18 as explained by Finance department officer. She also supplemented that during the period 2014-15, the expenditure was not regularised and so it resulted in excess expenditure. The Committee urged the Finance department to prepare a detailed report about its existing state and the Additional Chief Secretary, Finance department agreed to do so.

Conclusion/Recommendation

92. The Committee directs the Finance Department to furnish a detailed reply on whether the amount of ₹ 0.59 crore has been remitted back by the Labour and skills Department to revenue expenditure head “2230-03-91-99- deduct recoveries of over payment” as instructed by the Finance Department.

[Paragraph 2.3.5.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Drawing and Disbursing Officer’s level (2.3.5.2)

(i) Expenditure incurred from the allocation of another scheme.

For the implementation of the scheme ‘Establishment of Casualty Facilities in Taluk Head Quarters Hospitals (4210-01-110-64-P)’, no amount was provided during 2014-15. However, Public Works Department, Electrical Division, Kozhikode had spent (August 2014) ₹1.16 crore from the budget allocation provided under the sub-head ‘4202-01-202-99’(using the letter of credit²⁵ under the scheme) and the amount was booked under 4210-01-110-64-P.

(ii) Non-reporting of expenditure incurred by Drawing and Disbursing Officers to Chief Controlling Officers

Expenditure of ₹0.32 crore incurred by two Drawing and Disbursing Officers (Sheristadars of Collectorates, Kottayam and Kozhikode) under the scheme ‘District Police Complaints Authority (2055-00-001-94-NP)’ was not reported to the Chief Controlling Officer (Director General of Police) which resulted in the surrender of entire budget allocation of ₹0.38

25. Letter of Credit is the authority specifying the monthly limits of withdrawals from treasuries, issued by Government to the Divisional Officers in the Public Works, Public Health Engineering and Forest Departments.

crore under the scheme by Chief Controlling Officer resulting in excess expenditure of ₹0.32 crore.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

93. To a query of the Committee whether any guidelines has been issued regarding duties and responsibilities of Drawing and Disbursing officers, the witness, Additional Secretary Finance Department replied that directions regarding the utilisation of the fund were issued. Moreover, a manual relating to the duties of Chief Controlling Officers has also been issued. The Committee observed that the improper maintenance of Accounts by Drawing and Disbursing Officers was a grave lapse.

94. Regarding audit para 2.3.5.2(ii), the Committee enquired whether any action had been taken by the State Police Chief to ensure the prompt receipt of Statement of expenditure from the DDO's under his control. Then the Additional Secretary, Finance Department replied that the direction was given to all CCO's and DDO's that they should strictly follow the provisions of Kerala Financial Code and Budget Manual for all transactions of any drawing and disbursement. The Director, Treasury Department informed that no proper documentation or further entries had been made in the registers maintained by DDO's once the Loans and Grants were disbursed to agencies and as there was no correct accounting format or procedures were followed. The Additional Chief Secretary, Finance department informed that in Home Department several instances were noticed where expenditure was incurred without getting AS and the same were forwarded for ratification. He added that it has been decided not to ratify any expenditure incurred with no Administrative Sanction.

95. The Committee directed the department to issue strict instructions for

proper maintenance of accounts by all controlling officers. The Committee also urged the department to furnish the present status of the action taken by the State Police Chief for ensuring the prompt receipt of statement of expenditure under the Scheme “District Police Complaints Authority” from the DDO's (Sherisdars of Kottayam and Kozhikode) under his control.

Conclusion/Recommendation

96. The Committee directs the Finance Department to issue strict instructions for proper maintenance of accounts by all controlling officers. The Committee also urges the department to furnish the present status of the action taken by the State Police Chief for the prompt receipt of the statement of expenditure under the scheme “District Police Complaints Authority” from the DDO's (Sherisdars of Kottayam & Kozhikode) under his control.

[Paragraph 2.3.5.3 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Finance Department's level (2.3.5.3)

(I) Resumption orders issued without proposals from Chief Controlling Officer

An amount of ₹3.75 crore was provided under the scheme ‘Construction of buildings for Government Presses (4058-00-103-99-P)’, and ₹1.86 crore was spent during 2014-15 by the Chief Engineer, Buildings, the Chief Controlling Officer of the sub head. However, it was seen that the Director of Printing, who is not the Chief Controlling Officer of the sub head, submitted a proposal to surrender the whole budget provision of ₹3.75 crore and consequent resumption by Finance Department resulted in an excess expenditure of ₹1.86 crore under the head.

Against the provision of ₹0.46 crore under the scheme ‘Miscellaneous – Other Charges (2075-00-800-92-NP-C)’, ₹0.56 crore was spent during 2014-15. But Finance Department sanctioned resumption of the whole provision without any proposal by the Chief Controlling Officer (Secretary, Revenue (B) Department) resulting in excess expenditure of ₹0.56 crore under the scheme.

(ii) Additional authorisations not regularised by the Finance Department

Against the budget provision of ₹1.50 crore under the scheme ‘Inter-State Waters including Cauvery (2701-80-800-94-34-NP)’, an expenditure of ₹2.10 crore was incurred resulting in excess expenditure of ₹0.61 crore. Though, excess expenditure was incurred based on the additional authorisation issued (December 2014), proposals (by the Chief Engineer, Irrigation Research Board, Kerala) for regularisation of additional authorisations was not acted upon by the Finance (Budget) wing resulting in excess expenditure of ₹0.61 crore.

Finance Department stated (October 2015) that proposal for regularising the amount through Supplementary Demands for Grants forwarded by the Controlling Officer was not considered as sufficient savings within the Grant was anticipated. It was also stated that proposals for re-appropriation was not given by the Controlling Officer in time.

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

97. While considering the Audit para, the Committee enquired about the outcome of implementation of IFMS with regard to control of expenditure. The Additional Chief Secretary, Finance Department informed that Integrated Financial Management System (IFMS) is a very effective

method and now-a-days the bill submission is done online. As per the instructions of AG, the paper bill is also submitted simultaneously and it has been decided to do away with the paper bill within three months. He added that the bills are submitted in treasuries only with digital signature of D.D.O's and the beneficiaries get the amount directly from Treasuries. He added that pension papers and papers related to Provident Fund are also processed online. He supplemented that as the steps taken to complete the process of issuing the Administrative Sanction online were completed, the entire functions related to Finance Department would be done online. Then the submission of bills through Budget Allocation and monitoring of expenditure could be done effectively.

98. To a query of the Committee Additional Chief Secretary, Finance Department informed that treasury accounts are reviewed every two weeks by A.G and NIC via Finance Department. He also supplemented that the department decided to do AG's audit online.

99. The Committee directed the department to furnish a detailed reply regarding the outcome of implementation of IFMS (Integrated Financial Management System) on controlling the expenditure and whether the system had been fully implemented and operational.

100. The Committee accepted the reply furnished by the Government regarding the audit observation “Additional authorisation not regularised by the Finance Department”

[Additional information furnished by Government on the audit observation “Resumption orders issued without proposals from the Chief Controlling officer” is included as Appendix II]

Conclusion/Recommendation

101. No Comments.

[Paragraph 2.3.5.4 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

At Treasury Level (2.3.5.4)

Payments made by Treasury in excess of budget provision

During 2014-15, under the scheme 'Land Acquisition for new Railway over bridges (5054-80-800-73-NP)' an amount of ₹2.91 crore was provided and expenditure was incurred by Public Works Department based on the Letter of Credit issued for the purpose. It was the responsibility of the Treasury Officer/Bank to ensure that cheques issued in excess of permitted limits were not honoured. However, ₹3.99 crore was spent against a provision of ₹2.91 crore during 2014-15. The excess expenditure was due to payment of an amount of ₹1.08 crore by the Sub Treasury Officer, Koyilandy to the Special Tahsildar, Land Acquisition, Koyilandy in March 2015 on the basis of an order issued by the Finance Department (March 2015) with direction to the Sub Treasury Officer, Koyilandy to make the payment only if sufficient budget provision was available under the sub head. The expenditure under the head should have been incurred only through Public Works Division accounts after obtaining Letter of Credit. On this being pointed out by Audit, Sub Treasury Officer, Koyilandy stated (October 2015) that the bill was passed only after receiving authorisations from authorities concerned. The reply was not acceptable as expenditure under a sub-head regulated by the system of Letter of Credit should have been passed only if necessary Letter of Credit was available. Thus failure on the part of the treasury officer in enforcing appropriation control through Letter of Credit resulted in excess expenditure.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

102. The Committee while going through the reply furnished by the Government, directed the Department to furnish the reply regarding the outcome of enquiry initiated against STO, Koyilandi.

Conclusion/Recommendation

103. The Committee directs the Finance Department to furnish the reply regarding the outcome of enquiry initiated against the Sub Treasury Officer, Koyilandi.

[Paragraph 2.3.6 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Unnecessary/Excessive Supplementary provision (2.3.6)

Supplementary provisions aggregating to ₹1,029.57 crore, obtained in 23 Grants (₹one crore or more in each case) during the year, proved unnecessary as the expenditure did not come up to the level of even the original provisions as detailed in Appendix III. It was also observed that in six out of above 23 Grants, supplementary grants were obtained while more than 50 per cent of the original provision remained unutilised as shown in Table.

Table: Unnecessary Supplementary provision in Grants having 50 per cent unutilised original budget allocation

(₹in crore)						
Sl. No.	Number and name of Grant		Original Provision	Actual Expenditure	Savings out of original provision	Supplementary provision
Capital – Voted						
1.	XXI	Housing	65.65	27.06	38.59	8.00

2.	XXV	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	273.03	40.26	232.77	12.90
3.	XXXI	Animal Husbandry	23.30	11.37	11.93	2.00
4.	XXXII	Dairy	0.00	0.00	0.00	1.93
5.	XXXVIII	Irrigation	804.88	175.85	629.03	16.00
6.	XXXIX	Power	37.80	0.87	36.93	5.00
Total			1204.66	255.41	949.25	45.83

Further analysis of the Supplementary provisions obtained in various Grants revealed the following;

- In view of the final savings, supplementary allocations obtained in 22 Grants under Revenue (voted) section could have been avoided as the additional budget allocations were sought for all the existing schemes.
- In five Grants under Revenue (voted) section, supplementary allocations obtained for new services during March 2015 could have been limited to token provision as the final expenditure was less than the original budget allocation.

In 23 Grants, against the additional requirement of ₹4,711.14 crore, supplementary budget allocation of ₹7,257.86 crore obtained during the year proved excessive (Appendix III). The departmental officers while making proposals for supplementary grant did not assess the actual requirement of funds resulted in avoidable savings.

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

104. Regarding the audit para unnecessary/Excess Supplementary provision, the committee directed the Finance Department to furnish a reply whether the department had sought explanation from those departmental officers who surrendered or under utilised the fund obtained through SDG. The Committee also asked the department to submit a report regarding why SDG was obtained for ₹1020.03 lakh when savings were available for re appropriation under Harbour Engineering Department.

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

Conclusion/Recommendation

105. The Committee urges the department to submit a report regarding why SDG was obtained for ₹1020.03 lakh when savings were available for reappropriation under Harbour Engineering Department.

[Paragraph 2.3.7 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Re-appropriation of funds (2.3.7)

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Augmentation of funds through re-appropriation was resorted to by departmental officers. However, audit analysis revealed that

- augmentation of budget allocation was wholly unnecessary in some sub-heads as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it; and
- in some cases, though the augmentation was done through re-appropriation, it was either in excess of the actual requirement or less

than the actual requirement.

Failure of the departmental officers in assessing the actual requirement of funds for execution of the scheme/activity has resulted in unavoidable savings/excess under these sub-heads as detailed in Appendix III.

Excerpts from the discussion of Committee with officials concerned

106. The Government failed to furnish the reply for the above audit paragraph. The Committee directed the department to furnish the reply at the earliest.

Conclusion/Recommendation

107. The Committee expresses its displeasure over the irresponsible attitude of the officials of the Finance Department as they could not furnish the reply for the audit para 2.3.7 and directs the department to furnish the reply at the earliest.

[Paragraph 2.3.8 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Surrender of budget allocations (2.3.8)

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

During 2014-15, ₹17,585.39 crore (17 per cent) out of the total budget allocation (₹1,03,604.32 crore) was surrendered at the end of the financial year. Substantial surrender of the budget allocation was noticed in two Grants as given in Table.

Table: Grants in which substantial portion of the budget allocation was surrendered

(₹in crore)

Grant number	Budget Allocation	Amount surrendered	Percentage of surrender
XXVIII Miscellaneous Economic Services	1,554.32	1,190.32	76.58
XXII Urban Development	1,341.38	945.77	70.51

Source: Detailed Appropriation Accounts for 2014-15

In Grant numbers XXII and XXVIII substantial surrenders had occurred under the schemes shown in Table.

Table: Schemes in which substantial portion of the budget allocation was surrendered

Grant No.	Name of the scheme	(₹ in crore)	
		Budget Allocation	Amount surrendered
XXII	2217-05-800-89-Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance)-P-V	535.13	449.54
	2217-03-191-74-Urban Infrastructure Development Scheme for Small and Medium Towns (ACA)-P-V	184.55	142.03
	2217-80-800-70-Rajiv Awaz Yojana (RAY) (50% CSS)-P-V	101.07	100.68
	2217-80-800-91-Kerala Sustainable Urban Development Project-P-V	150.00	100.00
	2217-05-800-83-Basic Services to the Urban Poor (BSUP)-P-V	81.81	38.95
	2217-05-192-81-Integrated Housing and Slum Development Programme (State Scheme)-P-V	40.00	35.59
	2217-80-800-76-Ayyan Kali Urban Employment Guarantee Scheme-P-V	30.00	23.17
	2217-05-192-82-Swarna Jayanthi Shahari Rozgar Yojana (S.J.S.R.Y) (75% CA)-P-V	24.12	19.62
	2217-05-191-80-Integrated Housing and Slum Development Programme (State Scheme)-P-V	17.14	17.14
	2217-05-191-86-Swarna Jayanthi Shahari Rozgar Yojana (S.J.S.R.Y) (75% CA)-P-V	16.08	13.08
	2217-80-192-91-Modernisation of Slaughter Houses (50% CSS)-P-V	10.00	10.00
2217-80-800-74-Integrated low cost sanitation project (100% CSS)-P-V	5.00	5.00	
XXVIII	5475-00-800-92-Major Infrastructural Development	1225.00	1171.15

	Projects-P-V		
	3454-02-112-94-India Statistical Strengthening Project (ISSP) (100% CSS)-P-V	10.63	10.42

Source: Detailed Appropriation Accounts for 2014-15

In the case of Grant No. XXII, under-utilisation of budget allocation was due to non-implementation of schemes as anticipated. Though it was noticed in previous years also, no remedial action was taken by departmental authorities to rectify this inflating of budget proposals.

Further analysis revealed that substantial surrenders (surrenders involving more than 50 per cent of the total allocation and more than ₹one crore in each case) were noticed in 277 sub-heads, amounting to ₹5,361.89 crore. In 102 subheads, entire budget allocation amounting to ₹747.73 crore was surrendered and in 46 cases, this was ₹ five crore and above as detailed in Appendix III.

In 10 schemes, no budget allocation was provided through original/ supplementary budget but funds were brought in through re-appropriation. It was also seen that ₹48.75 crore out of ₹112.42 crore re-appropriated was surrendered indicating the injudicious re-appropriation of funds.

In respect of nine schemes (where budget allocations placed at the disposal of the Chief Engineer, Buildings and Local Works, Public Works Department) budget allocations for 2013-14 and 2014-15 amounting to ₹153.74 crore and ₹42.08 crore respectively, were surrendered at the end of the years. Audit observed that these allocations could not be utilised as the sanction for withdrawal of fund was not accorded by Government.

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

108. To a query of the Committee regarding the audit para, the Additional Chief Secretary replied that some departments were seen not properly observing the procedures and instruction for prudent management of budget provision for effective spending which finally reflects in substantial amount of budget allocation being surrendered. He added that some instances were also seen at financial years end where funds were not surrendered anticipating clearance of the bills but were not cleared. He further added that the expenditure in each head of account could be monitored through the online system. The Committee directed to furnish a reply on whether any action has been taken as per Circular No. 90/2013/fin dated 08.11.2013 of the Finance Department to evolve a proper system for tracking expenditure incurred against appropriations made available to them.

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

Conclusion/Recommendation

109. No Comments.

[Paragraph 2.3.9 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Surrender in excess of actual saving (2.3.9)

In 14 Grants/Appropriations, the amounts surrendered (₹ one crore or more in each case) was in excess of the actual savings indicating lack of or inadequate financial control. As against savings of ₹8,988.30 crore, the amount surrendered was ₹9,077.56 crore, resulting in excess surrender of ₹89.26 crore. Details are given in Appendix III. In this regard Audit

analysed reasons for this deficient surrenders and observed the following;

- Chief Controlling Officer/Controlling officer should collect expenditure details from all the sub controlling officers/Drawing and Disbursing Officers under his control and ascertain the actual savings in respect of each unit of appropriation from which he/she proposes surrender of budget allocation. This procedure was not scrupulously followed and expenditure under each unit of appropriation under his/her control were arrived at with available information. Based on this, surrender proposals were forwarded to Finance Department, which ultimately resulted in surrender of funds in excess of actual savings.
- It is the responsibility of departmental officers to ensure that expenditure booked by the PAG is reconciled with the expenditure details available in the department and misclassification, if any, occurred at the treasury level or any other levels should be rectified. However, Audit noticed that it was not done by the departments in which this erroneous surrender had taken place. This also led to surrender of funds in excess of actual savings.

[Notes received from the Government on the above audit paragraphs are included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

110. Committee accepted the reply furnished by the Government.

Conclusion/Recommendation

111. No Comments.

[Paragraph 2.3.10 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State

Finances)]

Anticipated savings not surrendered (2.3.10)

As per Paragraph 91 of the Kerala Budget Manual, spending departments are required to surrender Grants/Appropriations or portions thereof to the Finance Department as and when savings are anticipated. This procedure was not followed under two Grants and three Appropriations. Savings of ₹74.95 crore were not surrendered by the departments before the close of the financial year and the major amount of ₹72.62 crore was under Grant No. XXXIX Power (Revenue-voted).

₹2,931.92 crore (28 percent) out of the total savings of ₹10,377.14 crore under 45 Grants/Appropriations with savings of ₹ one crore and above in each Grant/Appropriation were not surrendered as detailed in Appendix III.

Besides, ₹13,305.35 crore under 30 major heads (Appendix III) was surrendered only on 31 March 2015 (surrender of funds in excess of ₹10 crore and more than 25 per cent of the budget allocation in each major head).

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

112. The Committee enquired about the reasons for non surrender/delay in surrender of savings. The Additional Chief Secretary, Finance department replied that the departments usually do not furnish the reasons for savings due to the lack of strict monitoring and some departments do not show the interest to surrender the savings. The Additional Secretary, Finance department informed that in every February, a circular is issued by Finance department giving directions to CCO's for re-appropriation of funds and surrender of savings. The Director, Treasury department added that surrender had no significance in IFMS and that through IFMS all details

about expenditure are available. The committee directed the department to furnish a reply regarding the reasons for non-surrender/delay in surrender of savings as mentioned in the above audit para.

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

Conclusion/Recommendation

113. No Comments

[Paragraph 2.3.11 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Unexplained re-appropriations (2.3.11)

Paragraph 86 (3) of the Kerala Budget Manual lays down that the authority sanctioning re-appropriations should satisfy itself that the reasons given in the sanctions are full, frank and forthright and are not in vague terms such as 'based on actual requirement', 'based on trend of expenditure', 'expenditure is less than that was anticipated', etc., as they have to be incorporated in the Appropriation Accounts which are examined by the Public Accounts Committee of Legislature. However, a test check of re-appropriation orders relating to 12 Grants issued by the Finance Department revealed that in respect of 810 out of 1159 items (70 percent), the reasons given for withdrawal of provision/additional provision in re-appropriation orders were of general nature like 'expenditure is less than anticipated', 'reduced provision is sufficient to meet the expenditure', etc., which indicated that the departments were not following the provisions of paragraph 86(3) of Kerala Budget Manual.

[Notes received from the Government on the above audit paragraph is

included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

114. While considering the audit para unexplained re-appropriations, the Committee enquired whether there was any procedural change in reappropriations after the online system was introduced. The Additional Chief Secretary, Finance department replied that with the introduction of IFMS, all figures of expenditure and revenue are now easily available. Also, it is expected that the online expenditure monitoring system would enable CCO's to furnish reappropriation proposals with accurate and specific reasons. He opined that it was better to reform the Kerala Budget Manual in connection with re-appropriation.

Conclusion/Recommendation

115. No Comments.

[Paragraph 2.4 and 2.4.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Non-reconciliation of departmental figures (2.4)

Pendency in submission of Detailed Countersigned Contingent bills against Abstract Contingent bills (2.4.1)

According to Rule 187 (d) of the Kerala Treasury Code, all contingent claims that require the countersignature of the controlling authority after payment are to be initially drawn by the Drawing and Disbursing Officer (DDO) from the treasury by presenting Abstract Contingent bills in the prescribed form (Form TR 60). Abstract Contingent (AC) bills can be drawn only by an authorised officer for the items of expenditure listed in Appendix 5 to the Kerala Financial Code. The DDO should maintain a register of AC bills and monitor submission of detailed bills there against. The Detailed Contingent (DC) bills in respect of such

claims should be submitted to the controlling authority for countersignature not later than the 10th of the month succeeding to which they relate. The DC bills pertaining to a month's claim should reach the PAG (A&E), Kerala not later than the 20th of the succeeding month for accounting and monitoring the AC Bills.

According to the records maintained by the PAG (A&E) Kerala, 38 AC bills drawn by 24 DDOs up to March 2015 involving ₹1.64 crore were not adjusted as of August 2015 due to non-receipt of DC bills as detailed in Appendix III. Year-wise details are given in Table. Non-submission of DC bills would lead to retention of advance amount drawn with the drawing officers and the advance drawn remains unaccounted under the proper heads of account.

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

(₹ in crore)

Year	AC bills		Outstanding AC bills	
	No. of Items	Amount	No. of Items	Amount
2013-14	402	5.48	2	0.04
2014-15	260	4.31	36	1.60
Total	662	9.79	38	1.64

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

One AC bill drawn by Accounts Officer, District Police Office, Thrissur (Rural) in October 2013 (for ₹2.30 lakh) and another one drawn by Accounts Officer, District Police Office, Thrissur in February 2014 (for ₹1.50 lakh) were pending for more than one year.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned

116. Committee accepted the reply furnished by the government.

Conclusion/Recommendation

117. No Comments.

[Paragraph 2.4.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Un-reconciled expenditure (2.4.2)

According to paragraph 74 of the Kerala Budget Manual, the expenditure recorded in the books of the Controlling Officer of the department should be reconciled every month with that recorded in the books of the PAG (A&E), Kerala to exercise effective control over expenditure and to keep it within the budget grants and also to ensure accuracy of their accounts. During the year, reconciliation for 73.46 per cent of the total receipts (₹30,107.68 crore out of ₹40,984.93 crore excluding the figures maintained by the PAG (A&E)) and 66.04 per cent of the total expenditure (₹42,881.43 crore out of ₹64,935.26 crore excluding the figures maintained by the PAG (A&E)) were completed. However, 40 Chief Controlling Officers, whose total transactions exceeded ₹50 crore did not reconcile their expenditure with the accounts maintained by PAG (A&E) as shown in Appendix III. This was not only in violation of the provisions of paragraph 74 of Kerala Budget Manual but also indicative of doubts about the correctness of the expenditure figures supplied by departments concerned and the figures booked by PAG (A&E), Kerala.

Excerpts from the discussion of Committee with officials concerned

118. The department did not furnish any ATS to it. The committee urged the department to furnish the reply regarding the audit para and enquired whether any instructions had been issued by Finance Department to the Controlling Officers to effectively control the unnecessary expenditure and limit the expenditure within the budget provision, as well as for the reconciliation of expenditure with that of the figures booked by AG.

[Reply received from the Government on the above audit paragraph

after meeting is included as Appendix II]

Conclusion/Recommendation

119. No Comments

[Paragraphs 2.5 and 2.5.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Review on Budgetary process and appropriation control - Directorate of Technical Education (2.5)

The Directorate of Technical Education coordinates various technical education activities in the State and supports 12 Engineering colleges, 49 Polytechnic Colleges, three Fine Arts Colleges, 39 Technical High Schools, 17 Commercial Institutes and 42 Tailoring and Garment making centres. The overall appropriation status of the heads of account controlled by the Director of Technical Education shows an overall excess of ₹52.01 crore, ₹15.96 crore and ₹0.58 crore respectively from 2012-13 to 2014-15. But, non/under-utilisation of budget allocation were noticed in many sub-heads/schemes, which led to surrender of allocation during the fag end of the year. Hence, the Audit study was focused on the budgetary process/appropriation control failures in sub-heads/schemes, leading to excess and savings during the past three years and the observations are summarised below;

Excesses under non-plan schemes of Revenue section (2.5.1)

Total non-plan schemes under the control of the Director of Technical Education and number of schemes in which either budget allocation was under-utilised or over expended are given in Table.

Table: Status of utilisation in non-plan schemes**(₹ in crore)**

Year	Total schemes		Outstanding AC bills		Saving	
	Number	Amount	Number of schemes	Amount	Number of schemes	Amount
2012-13	30	318.00	16	49.81	8	1.33
2013-14	35	394.72	12	28.98	14	8.26
2014-15	40	464.08	7	12.22	15	19.91

Audit analysis revealed the reasons for this deficiency as under;

(i) Preparation of budget estimates

While submitting the budget proposals for the ensuing financial year to Finance Department, the departmental controlling officers should consider the actual expenditure of the previous year and the actual expenditure for the first five months of the current year. However, this exercise was not followed scrupulously by departmental officers and saving/excess was mainly due to this failure.

It was also observed that faulty calculation of the budget estimates by the departmental officers while preparing the revised estimates of the current year, led to underestimation/overestimation of revised estimates.

(ii) Re-appropriations with the Grant

Before submitting the last batch of proposals for re-appropriation/supplementary/surrender to the Finance Department, the Chief Controlling Officers/Estimating Officers should carefully assess their final requirements for the year, on the basis of the actual expenditure during the first nine or ten months and the anticipated expenditure during the rest of the financial year. Departmental officers should also reconcile the expenditure figures booked by the PAG (A&E), to maintain accuracy in the process. Failure to reconcile the departmental figures with the figures booked by the PAG (A&E) resulted in excess/savings under certain schemes even after re-appropriation of budget allocation within the Grant.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

120. Committee accepted the reply furnished by the Government.

Conclusion/Recommendation

121. No Comments.

[Paragraph 2.5.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Substantial savings under plan schemes of Revenue and Capital section (2.5.2)

Substantial portion of budget allocation remained unutilised (during last two years) under revenue section as the scheme implementation process was not being reviewed periodically. In the centrally sponsored schemes shown in Table, budget allocations were not required in most of the cases for the disbursement of merit scholarships sanctioned by AICTE/MHRD, Government of India as the system of disbursement²⁶ was changed and transfer of funds to the State Government from Government of India was stopped.

Table : List of schemes in which budget provision proved unnecessary (₹in crore)

Sl. No.	Name of Scheme	Financial Year	Budget allocation	Amount surrendered
1.	Scholarship to GATE qualified PG students in other Engineering Colleges (100% CSS) (2203-00-112-68)	2014-15	3.00	3.00
2.	Scholarship to GATE qualified PG students in College of Engineering, Thrissur (100% CSS) (2203-00-112-95)	2013-14	3.00	1.64
		2014-15	3.00	3.00
3.	Scholarship to GATE qualified PG students in College of Engineering, Kannur (100% CSS) (2203-00-112-69)	2013-14	1.38	0.98
		2014-15	1.50	1.50

26. Government of India has started transfer of benefit directly to the students' bank account

4.	Scholarship to GATE qualified PG students in Rajiv Gandhi Institute of Technology, Kottayam (100% CSS) (2203-00-112-74)	2013-14	1.00	0.40
		2014-15	1.50	1.50
5.	Merit-cum Means Scholarship for Minorities for Professional and Technical Courses(100% CSS) (2203-00-107-98)	2014-15	50.00	49.72
6.	Scholarship to GATE qualified PG students in College of Engineering, Thiruvananthapuram (100% C.S.S) (2203-00-112-97)	2013-14	5.50	3.67
		2014-15	6.60	6.60
7.	Scholarship to GATE qualified PG students in other Engineering Colleges (100% CSS) (2203-00-112-68)	2013-14	3.00	2014

Similarly, lack of review on the progress of implementation of the projects executed by Public Works Department, under capital section resulted in under-utilisation and surrender of budget allocation at the fag end of the financial year. Instances noticed during the last two years are given in Table.

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

122. While considering the audit para 2.5.2, the Committee directed the Finance Department to furnish a detailed statement on the status of budget allocations under capital heads of accounts under “4202” in Financial year 2019-20.

Conclusion/Recommendation

123. The Committee directs the Finance Department to furnish a detailed report on the status of budget allocations under capital account head “4202” for the Financial year 2019-20.

[Paragraph 2.5.3 contained in the report of the comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances).]

Faulty surrender (2.5.3)

An amount of ₹3.50 crore for the Kerala Technological University (2203-00-102-97- P) and ₹1.50 crore for Centre for Engineering Research and Development (2203-00-112-72-P) was provided during 2014-15 and placed at the disposal of Kerala Technological University. However, the Director of Technical Education who was not the Controlling Officer forwarded (March 2015) surrender proposals of ₹1.50 crore each under these heads unnecessarily to Finance Department and the Finance Department sanctioned the resumption orders injudiciously resulting in excess expenditure aggregating ₹3 crore under these schemes.

[Note received from the Government on the above audit paragraphs is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

124.The Committee accepted the reply furnished by the government.

Conclusion/Recommendation

125. No Comments.

[Paragraph 2.6 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Overstated expenditure (2.6)

Financial Rules prohibit withdrawal of money from treasury unless it is required for immediate disbursement. However, in some cases departmental officers withdraw budget allocation at fag end of the year, to avoid lapse of budget, and keep them either in Treasury Savings Bank account or outside the Government without being spent. This has resulted in overstatement of the total expenditure of the Grant as the amount remained unutilised even after the close of financial year. Audit noticed a few instances of under-utilisation of Government funds as detailed in Table.

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

Name of Scheme and implementing institution	Amount drawn	Year of drawal	Unutilised amount	Reasons for non-utilisation/ delay in utilisation
Additional Tribal Sub Plan Package, Scheduled Tribes Development Directorate	135.75	2014-15	116.21	The scheme aims at integrated sustainable development of scheduled tribe population in selected locations. The funds were transferred to the joint account of respective District Collectors and Tribal Development Officers for implementing the scheme. Though an amount of ₹135.75 crore was withdrawn, Administrative Sanction issued for only ₹85.23 crore, indicating lack of urgency in the matter.
Kasaragod Package 2551-60-101-97, District Collector, Kasaragod	19.30	2013-14	11.95	The scheme targeted integrated development of Kasaragod district mainly in the areas of schools, hospitals, roads, bridges, etc. Funds drawn in 2013-14 and 2014-15 for implementing 26 and 25 schemes respectively. However, works were delayed due to various reasons such as non finalisation of detailed project report, rainy season, delay in issuing Technical Sanction, delay in acquiring land, etc. Unutilised balance funds were kept in the account of respective implementing officers such as PWD, District Panchayat, District Collector, etc.
	68.40	2014-15	68.03	
JNNURM, Kochi Corporation	10.21	2.2010 to 3.2012	5.5	The scheme was meant for various projects under JNNURM. No amount was expended after 2010-11, under this scheme. Unutilised amount was kept in TSB account at District Treasury Ernakulam.

Akshaya E-literacy programme, District Collector, Alappuzha	3.96	2006-07 to 2010-11	3.43	The scheme was to e-literate the people in Alappuzha district. The scheme was discontinued from May 2012 as most of the families were e-literate. Unutilised balance kept at District Treasury, Alappuzha remitted back (May 2015) to Government account at the instance of Audit.
Strengthening of District Planning Machinery, District Planning Office Pathanamthitta	6.33	2010-11 2014-15	6.22	The scheme was meant for construction of building to respective District Planning Offices. Delay in implementation was due to delay in tendering process, delay in identification of land, non-suitability of land, etc. The balance funds were kept in the TSB account of District Planning Officers concerned.
District Planning Office, Kottayam	3.62	2010-11 2013-14	3.57	
District Planning Office, Palakkad	6.1	2009-10 2013-14	2.29	
District Planning Office, Kozhikode	7.79	2013-14 2014-15	7.53	
Total	261.46		224.73	

[Note received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

126. While considering the audit para on Overstated expenditure, the Additional Chief Secretary, Finance department informed that as a matter of policy, the Government did not encourage withdrawal of money for retaining in TSB accounts so as to prevent it from lapsing and to prevent using that amount as expenditure after the end of the year. He added that the Central Government considers the amount in TSB Account as public account borrowings and limits the borrowings in the second phase.

Conclusion/Recommendation

127. No comments.

[Paragraph 2.7 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Inspection of treasuries (2.7)

There were 23 District Treasuries, 193 sub-treasuries, 12 Stamp depots and one e-treasury functioning in the State as of March 2015. The PAG (A&E), Kerala inspected 127 treasuries including Directorate of Treasuries (District Treasuries:22; Sub-treasuries: 104). Irregularities and deficiencies noticed during the inspection of treasuries are mentioned in the succeeding paragraphs.

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

128. Committee accepted the reply furnished by the government.

Conclusion/Recommendation

129. No comments.

[Paragraph 2.7.1 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Excess payment of pension (2.7.1)

During the course of treasury inspection, excess payment on account of pension/family pension amounting to ₹0.90 crore was noticed in 1241 cases. The main reasons for these excess payments were errors in calculation of revised pension, continuance of higher rate of family pension after expiry of authorised period, non-deduction of commuted portion of pension from basic pension, payment of ineligible festival allowance and medical allowance to family pensioners who are also in receipt of regular pension, and incorrect calculation of dearness relief. Out of the above

excess payment, ₹0.23 crore involved in 536 cases have already been recovered as shown in Table.

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

Sl. No.	Details of Excess paid pension	Excess paid		Recovered		Balance	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Excess payment of pension	129	26.92	64	9.03	65	17.89
2.	Excess payment of family pension	105	41.50	35	7.92	70	33.58
3.	Excess payment of festival allowance and Medical allowance	990	13.82	433	4.78	557	9.04
4.	Excess payment of inter-state pension	17	7.94	4	1.71	13	6.23
	Total	1241	90.18	536	23.44	705	66.74

Source: Data compiled by O/o the PAG (A&E), Kerala

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

130. Committee enquired about the current status of recovery of excess payment of pension. The witness, Director of Treasuries replied that in respect of 27 cases of excess payment of pension the amount was being recovered from the pensioners in monthly installments and only ₹3 lakh was remaining for recovery.

Conclusion/Recommendation

131. No comments.

[Paragraph 2.7.2 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Retention of excess cash balance (2.7.2)

According to Rule 309 of Kerala Treasury Code Vol.I, every year in January, Government fixes the maximum cash balance for each District Treasury for the next financial year. The District Treasury Officer in turn fixes the cash balance for each Sub Treasury in the district. The actual cash balance in treasury should ordinarily be kept much below the normal maximum balance fixed for a treasury so that Government's credit balance in the Reserve Bank of India may be as large as possible. Moreover excess retention of cash balance in treasuries may cause loss of revenue to the State by way of loss of interest on investment, payment of interest on ways and means advances, etc. Excess retention of cash balance was noticed in 92 treasuries/sub treasuries on 822 occasions during the financial year. The Director of Treasuries admitted the facts and stated that circular instructions were issued to the District Treasury Officers/Sub-Treasury Officers to avoid retention of excess cash.

[Notes received from the Government on the above audit paragraph is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

132. Committee accepted the reply furnished by the government.

Conclusion/Recommendation

133. No comments.

[Paragraphs 2.7.3, 2.8, and 2.9 contained in the report of the Comptroller and Auditor General of India for the year ended 31st March 2015 (State Finances)]

Short/non-recovery of rent of residential quarters (2.7.3)

House rent at the rate of two per cent of basic pay (as per paragraph 14 of GO(P)85/2011/Fin dated 16 February 2011) has to be recovered with effect from the date of coming over to the revised scale in the case of employees residing in Government quarters and whose scale of pay is 21240-37040 and above. In the case of employees covered under UGC/AICTE scale of pay, rent at the rate of four per cent of their basic pay has to be recovered (paragraph 14 of the Pay Revision Orders 2009). During the year, short/non-recovery of house rent was noticed in 37 cases amounting ₹2.99 lakh in 18 treasuries, of which ₹0.23 lakh in respect of 13 cases was recovered.

Conclusion (2.8)

During the year, overall savings out of the total budget allocation of ₹1,03,604.32 crore was ₹20,157.97 crore. Overall savings increased from 18.2 per cent in the last year to 19.5 per cent in 2014-15 indicating increasing deficiency in the budgetary process. Persistent savings of ₹100 crore or more of the budget provision for the last three years was noticed in four Grants/Appropriation. Substantial savings in two Grants (Urban Development and Irrigation) was due to unrealistic assessment of budgetary requirement by the departmental officers and the Finance department ignoring the expenditure of the schemes of previous years. Excess expenditure of ₹192 crore was noticed under one appropriation- 'Debt Charges' (in revenue section), which requires regularisation under Article 205 of the Constitution along with excess expenditure for the years 2011-12 to 2013-14 amounting to ₹1,818.86 crore. Appropriation control

weakness at the levels of Chief Controlling Officer, Drawing and Disbursing Officer, Treasury Officer and Finance Department was noticed and this led to excess expenditure in schemes test-checked in Audit. In view of the final savings, supplementary allocations obtained in 22 Grants under Revenue (voted) section could have been avoided as the additional budget allocations were sought for all the existing schemes. Director of Technical Education (the estimating officer) had not taken due care in the realistic preparation of budget estimates and in reconciliation of departmental figures with that booked by PAG (A&E) which led to budgetary failures.

Recommendations (2.9)

- Finance department and Chief Controlling Officers of the Grants/ Appropriations should make use of the Monthly Appropriation Accounts prepared by PAG (A&E) and insist on departmental reconciliation before processing the proposals for Supplementary Demands for Grants and surrender of budget allocation.
- Government may issue directions to all departmental controlling officers to review implementation of scholarship schemes of GoI in which direct benefit transfer system was introduced to avoid unnecessary savings in schemes.

[Note received from the Government on the above audit paragraphs is included as Appendix II]

Excerpts from the discussion of Committee with officials concerned.

134. To a query of the Committee, Director, Treasuries Department informed that the short/non-recovery of rent of residential quarters was due to the fault of D.D.O.S of concerned offices of various departments. They have continuously ignored the department's instructions to recover the arrear amount. He supplemented that the treasury department put

forwarded a proposal to the Finance department to block the bill generation of such DDO's in SPARK, who had fail to recover the arrear amount and the bill could be generated only after the recovery of rent arrears. The Committee directed the department to furnish a detailed report about it.

Conclusion/Recommendation

135. The Committee directs the Finance Department to furnish a detailed report about the short/non-recovery of rent of residential quarters from government employees.

Thiruvananthapuram,
9th Febuary, 2023.

Sunny Joseph,
Chairman,
Public Accounts Committee.

APPENDIX
SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para No.	Department concerned	Conclusion/ Recommendation
1	8	Finance Department	The Committee urges the department to furnish a detailed report regarding the reasons for the shortfall in the collection of Tax from Motor Vehicles and from Live Chicken during 2014-15 as early as possible.
2	15	Finance Department	The committee directs the department to furnish a detailed report regarding service tax paid on State Lotteries during 2014-15 including the details of head of accounts in which tax was paid and the head of account in which the same should be paid.
3	16	Finance Department	The Committee observes that it is indispensable to develop a new strategy for the growth of State's revenue from the sale of lottery tickets. So the Committee recommends that a new realistic method should be adopted to revise the prize structure, prize money and agent's commission so that all the stakeholders can reap the benefits.
4	30	Finance Department	The committee observes that the delay in getting Administrative Sanction and Technical Sanction is a major hindrance in grounding of projects under RIDF. So the committee suggests that Administrative Sanction should be issued only after the submission of detailed estimate.

5	31	Finance Department	For the smooth and speedy implementation of RIDF projects, the committee suggests that in schemes where land acquisition is involved the acquisition process is to be completed by availing State fund. Request for central assistance to the scheme may be made only after the acquisition of land has been completed.
6	32	Finance Department	The committee also recommends that a review of the progress of projects under Central assistance should be done in every three months by the Finance and implementing department officials.
7	33	Finance Department	The Committee directs that utilization certificates be submitted on time in order to receive additional grants and that grant conditions be strictly followed for RIDF projects to run smoothly.
8	34	Finance Department	The Committee directs the Finance department to submit a detailed report including the steps already taken by the Department to rectify the mistakes that led to the short release of the award amount from GOI and also the steps to improve the system in future.
9	35		The committee directs the Finance department to take concerted steps to collect the replies

			from the departments which did not give the details of the utilisation of funds.
10	45	Finance Department	The Committee criticises the lackadaisical attitude of the officers in submitting the remedial measures taken statement on the audit para in time and directs the Department to immediately furnish the remedial measures taken statement regarding the audit para 1.6.7.
11	55	Finance Department	The Committee observes that the main reason for delay in completion of projects/works was due to delay in acquisition of land or lack of detailed investigation including soil test. The Committee recommends that no administrative sanction should be given to these kind of projects until the detailed investigation, including soil tests and feasibility studies are completed. The administrative sanction followed by land acquisition should be carried out primarily in the case of civil works.
12	56	Finance Department	The Committee directs the department to submit a detailed report regarding the present status of incomplete projects mentioned in audit para 1.8.3.
13	61	Finance Department	The Committee urges the Finance Department to furnish a comprehensive report on the audit para 1.9.3.1 as soon as possible. The Committee directs the department to clear the long pending arrears in respect of repayment of the loan amount.

14	64	Finance Department	The Committee expresses its strong displeasure over the irresponsible attitude of the Registrar of Co-operative Societies in maintaining the loan accounts properly. The Committee directs the Department to take stringent action against the office of the Registrar of Co-operative Societies for its lackadaisical attitude in the maintenance of records and registers pertaining loans sanctioned to the societies and to submit the remedial measures taken to preserve the loan account details.
15	66	Finance Department	The Committee expresses its dissatisfaction over the delay in submitting the statement on Remedial measures taken. The Committee views such lapse very seriously and suggests that the department should take necessary steps to avoid such lapses in future.
16	73	Finance Department	The Committee directs the Finance Department to furnish a detailed report on the reasons for the non-reconciliation of figures of SDRF with those of AG and if reconciled, the present status of reconciliation.
17	82	Finance Department	The Committee opines that it is hightime that the Finance Department developed a systematic method for the formulation of the budget estimates so that there is a realistic estimation of revenue and expenditure.

18	86	Finance Department	The Committee expresses its displeasure over the inordinate delay in furnishing reply on excess over provision during 2014-15 and directs the Finance Department to furnish the reply at the earliest.
19	92	Finance Department	The Committee directs the Finance Department to furnish a detailed reply on whether the amount of ₹ 0.59 crore has been remitted back by the Labour and skills Department to revenue expenditure head “2230-03-91-99- deduct recoveries of over payment” as instructed by the Finance Department.
20	96	Finance Department	The Committee directs the Finance Department to issue strict instructions for proper maintenance of accounts by all controlling officers. The Committee also urges the department to furnish the present status of the action taken by the State Police Chief for the prompt receipt of the statement of expenditure under the scheme “District Police Complaints Authority” from the DDO's (Sherisdars of Kottayam & Kozhikode) under his control.
21	103	Finance Department	The Committee directs the Finance Department to furnish the reply regarding the outcome of enquiry initiated against the Sub

			Treasury Officer, Koyilandi.
22	105	Finance Department	The Committee urges the department to submit a report regarding why SDG was obtained for ₹1020.03 lakh when savings were available for reappropriation under Harbour Engineering Department.
23	107	Finance Department	The Committee expresses its displeasure over the irresponsible attitude of the officials of the Finance Department as they could not furnish the reply for the audit para 2.3.7 and directs the department to furnish the reply at the earliest.
24	123	Finance Department	The Committee directs the Finance Department to furnish a detailed report on the status of budget allocations under capital account head “4202” for the Financial year 2019-20.
25	135	Finance Department	The Committee directs the Finance Department to furnish a detailed report about the short/non-recovery of rent of residential quarters from government employees.

APPENDIX II
NOTES FURNISHED BY THE GOVERNMENT
GOVERNMENT OF KERALA

FINANCE (PLANNING - A) DEPARTMENT

STATEMENT OF ACTION TAKEN ON THE RECOMMENDATIONS CONTAINED
IN THE COMPTROLLER AUDITOR GENERAL'S REPORT ON STATE FINANCES
FOR YEAR ENDED MARCH 2015

Sl. No.	Para No.	Recommendations of the Committee	Action Taken by the Government
1	1.1	Introduction:- Based on the audit of Finance Accounts and makes an assessment of the Kerala Government's fiscal position as on 31th March 2015. It provides a board perspective of the finances of the Government of Kerala during 2014-15 and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view of the overall trends during the last five years.	Introduction. No comment is required.
2	1.1.2	Review of Fiscal Situation- ... State had not achieved the fiscal targets fixed in the Kerala Fiscal Responsibility (Amendment) Act 2011 except for Debt-GSDP ratio for the years 2011-12 and 2012-13. Non achievement of fiscal targets need to be attended to by the State Government.	State is not able to eliminate the revenue deficit and reduce fiscal deficit to 3 % of GSDP as stipulated in the FRBM Act because of its commitments in social sector and increase in non-plan revenue expenditure. State's inability to achieve the fiscal targets may also be attributed to fact that more than 60% of State's annual plan expenditure constitutes revenue expenditure.
3	1.2	Resources of the State: - Revenue and capital are the two streams of receipt that constitute the resources of the State Government. Revenue receipts consist of Tax revenues, non-tax revenues, State's share of union taxes and duties and grant-in-aid from the Government of India.	General observation on the composition of resources of the State. No remarks/comments are required.

4	1.7	<p>Applications of Resources:- Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings.</p>	<p>Despite concerted efforts, State is not able to achieve the fiscal targets set forth in the FRBM Act due to growing commitment on non-plan revenue expenditure. Thus attempt to reach sustainable deficit levels complying with fiscal responsibility legislations would adversely affect the economic growth of the State and it is the capital expenditure which will sacrifice heavily. Hence, State has urged the FRBM Committee to stipulate a ceiling of 1.5 % for the revenue deficit instead of insisting its elimination and to recommend a fiscal deficit range in place of the existing fixed number (% of GSDP) as fiscal deficit target so that States will get additional fiscal space for its development expenditure.</p>
5	1.8	<p>Quality of Expenditure- The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure...</p>	<p>General observation on the quality of expenditure of the State. No remarks/comments are required.</p>
6	1.9	<p>Financial Analysis of Govt. Expenditure and Investments :- In the post -Fiscal Responsibility and Budget Management framework, the State is expected to keep its fiscal deficit (and borrowings) not only a low levels but also meet its capital expenditure/investment (including loans and advances) requirement from its own sources of revenue.</p>	<p>Noted for future guidance.</p>
7	1.10	<p>Assets and Liabilities- In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done.</p>	<p>General observation. No remarks/comments are required.</p>

8	1.11	Debt Sustainability:- The debt maturity profile of the State debt indicates that the Government will have to repay 44.1 per cent of its debt between one and seven years.	As regards the debt sustainability, the state has been able to achieve the Debt-GSDP target as stipulated in the Kerala Fiscal Responsibility and Budget Management Act. In the post Fiscal Responsibility and Budget Management Act period, State has been in a transition to depend mostly on market based borrowings (Open Market Borrowings) to meet its developmental expenditure due to the increasing revenue deficit because of its commitment in Social Sector and increase in salary, pension and interest payments. In order to reduce the debt burden, State is planning to implement a more aggressive debt management policy. In addition to this, State Government is also planning to take measures to enhance the tax and non-tax revenue collections by improving existing revenue collection system and to exercise strict control over non-plan revenue expenditure so as to contain these expenditures at reasonable and sustainable level.
9	1.12	Fiscal Imbalances :- Three key fiscal parameters - revenue, fiscal and primary deficits- indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure.	Even though the concerted efforts, State is not able to achieve the deficit targets such as Revenue Deficit and Fiscal Deficit etc set under the FRBM Act due to the increase in Salary, Pension and interest payment and the growing commitment in Social and health sectors.
10	1.13	Conclusion:- During the year, revenue receipts (17.8%) had a better growth rate than GSDP(13.93%), but growth rate of State's own tax revenue (10.1%) was less than GSDP. Hence, State could not control revenue deficit as anticipated in the budget estimates.	This para contain a gist of observations made in the above mentioned paras and hence no separate comments/remarks are necessary.


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ധനകാര്യ (ജി .ഐ.എം.സി) വകുപ്പ്

ഇന്ത്യയുടെ കംപ് ട്രോളർ ആൻറ് ഓഡിറ്റർ ജനറലിന്റെ 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ ഖണ്ഡികകൾ 1.4.2, 1.9.2, ഉപഖണ്ഡിക 1.9.2.1 എന്നിവയുടെ മേൽ സ്വീകരിച്ച നടപടി ക്രമങ്ങളുടെ റിപ്പോർട്ട്

ക്രമ നം	ഓഡിറ്റ് പാര നമ്പർ	ശിപാർശ	നടപടി റിപ്പോർട്ട്
1.	1.4 2 വായ്പകളും മുൻകൂറുകളും തിരിച്ചു പിടിച്ചത്	<p>നടപ്പു വർഷത്തിൽ സംസ്ഥാന സർക്കാർ വിവിധ സ്ഥാപനങ്ങൾക്ക് 743.09 കോടി തുക വായ്പയായും മുൻകൂറായും നൽകുകയും ഈ ശീർഷകത്തിൽ 2015 മാർച്ച് അവസാനത്തിൽ 12332.50 കോടി തിരിച്ചുപിടിക്കേണ്ടതായും ഉണ്ട്. ഈ നീക്കിയിരിപ്പിനെതിരെ മുതൽ തുകയായി പിരിച്ചെടുത്ത 123.74 കോടി 'വായ്പകളും മുൻകൂറുകളും' ശീർഷകത്തിൽ ബാക്കി നിൽക്കുന്ന തുകയുടെ 1 ശതമാനം മാത്രമാണ് .</p>	<p>9.07.2006 -ലെ സർക്കാർ നമ്പർ 37/ ജി .ഐ.എം.സി -3/ 06 /ധന , 28.12.2009- നമ്പർ 104 /ജി ഐ.എം.സി- 3/09 /ധന എന്നിവ പ്രകാരം പൊതു മേഖലാ സ്ഥാപനങ്ങൾ തദ്ദേശ സ്ഥാപനങ്ങൾ.ന പൊതു സ്ഥാപനങ്ങൾ.പൊതു മേഖലാ സ്ഥാപനങ്ങളുടെ പരിധിയിൽ വരുന്ന വ്യവസായങ്ങൾ മുതലായവയുടെ ആവശ്യങ്ങൾക്കായി സർക്കാർ അനുവദിക്കുന്ന വായ്പകളിന്മേലും മുൻകൂറുകളിന്മേലുമുള്ള മുതലിന്റെയും പലിശയുടെയും തിരിച്ചടവ് നിരീക്ഷിക്കുന്നതിനായി ശക്തമായ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ പുറപ്പെടുവിച്ചിട്ടുണ്ട്. വായ്പ അനുവദിക്കുകയും വിതരണം ചെയ്യുകയും ചെയ്യുന്നതിന് മുൻപായി തവണകൾ നൽകുന്നത് ആരംഭിക്കുന്ന തീയതി,നൽകേണ്ട പലിശയടക്കം ഓരോ വായ്പയും തിരിച്ചടയ്ക്കേണ്ടത് ഏത് ആവൃത്തിയിലും കാലയളവിലും ആണെന്നത് ഉൾപ്പെടെയുള്ള ഉപാധികളും നിബന്ധനകളും അനുവാദം നൽകേണ്ട അധികാരി നിശ്ചയിക്കേണ്ടത് ആവശ്യമാണ്. ഇപ്രകാരം പഴയകാല വായ്പകളിന്മേൽ ഉപാധികളും നിബന്ധനകളും നിശ്ചയിച്ചിട്ടില്ലായെങ്കിൽ അവ</p>

(2.

1.9.2.

സ്ഥാന സർക്കാർ നൽകിയിട്ടുള്ള വായ്പകളും മുൻകൂറുകളും.

സഹകരണ സൊസൈറ്റികൾ ,നിയമാനുസൃത കോർപ്പറേഷനുകൾ , സർക്കാർ കമ്പനികൾ എന്നിവയിൽ നടത്തിയ മുതൽ മുടക്കിന് പുറമെ സർക്കാർ മറ്റനേകം സംഘടനകൾക്കും സ്ഥാപനങ്ങൾക്കും വായ്പകളും മുൻകൂറുകളും നൽകുന്നുണ്ട്. 2015 മാർച്ച് 31 വരെയുള്ള കഴിഞ്ഞ അഞ്ചു വർഷത്തെ ബാക്കി നിൽക്കുന്ന വായ്പകളും മുൻകൂറുകളും നീക്കിയിരിപ്പ്,പലിശ നൽകിയതിനെതിരെ പലിശ വരവുകൾ എന്നിവ ചുവടെ പട്ടികയിൽ പ്രതിപാദിച്ചിരിക്കുന്നു.

(രൂപ കോടിയിൽ)					
വായ്പകളുടെ അളവ്/പലിശ വരവുകൾ /കടമെടുപ്പിന്റെ ചെലവ്	2010-11	2011-12	2012-13	2013-14	2013-14
ആരംഭ ചെലവുകൾ	7749	8461	9394	10360	111713

താമസംവിന നിശ്ചയിക്കണമെന്നും, ഇതിൽ വീഴ്ച വരുത്തരുതെന്നും ഈ ഉത്തരവുകളിൽ ധന വകുപ്പ് പ്രത്യേകം നിർദ്ദേശം നൽകിയിട്ടുണ്ട്.

വായ്പയും പലിശയും വസൂലാക്കുന്നത് എകോകിപ്പിക്കുകയും കാര്യക്ഷമമായി നിരീക്ഷിക്കുകയും ചെയ്യുന്നതിന് ധനകാര്യ വകുപ്പിൽ പ്രത്യേക കേന്ദ്രീകൃത നിയന്ത്രണ സംവിധാനം കൊണ്ടുവരുന്നതിന്റെ ഭാഗമായി വായ്പ അനുവദിച്ചു കൊണ്ടുള്ള സർക്കാർ ഉത്തരവുകളുടെ പകർപ്പുകൾ ഈ വകുപ്പിൽ ലഭ്യമാക്കണമെന്നും ,മാർച്ച് മാസം 31 വരെയും സെപ്റ്റംബർ മാസം 30 വരെയുമുള്ള വായ്പ തിരിച്ചടവ് സംബന്ധിച്ചുള്ള അർദ്ധ വാർഷിക വിവരണ പത്രിക നിർദ്ദിഷ്ട മാതൃകാ രൂപത്തിൽ എല്ലാ വർഷവും ഏപ്രിൽ 30 നും ഒക്ടോബർ 31 നും മുൻപായി ലഭ്യമാക്കണമെന്നും എല്ലാ പൊതുതലമേഖല സ്ഥാപനങ്ങളോടും മേൽ സർക്കുലറുകൾ പ്രകാരം പ്രത്യേകം നിർദ്ദേശിച്ചിട്ടുണ്ട് .

2011-ലെ സർക്കുലർ നമ്പർ 52/ജി.ഐ.എം.സി 2/ 11/ധന പ്രകാരം മുൻ സർക്കുലറുകളിൽ പ്രതിപാദിച്ച നിർദ്ദേശങ്ങൾ കർശനമായി പാലിക്കണമെന്ന് വീണ്ടും നിർദ്ദേശിച്ചിട്ടുണ്ട്. 23.11.12, 02.05.13, 20.11.13, 30.04.2014 എന്നീ തീയതികളിലെ 95370/ ജി.ഐ.എം.സി 2/ 12/ധന നമ്പർ കത്തുകൾ പ്രകാരം അർദ്ധ വാർഷിക വിവരണ പത്രിക കാല വിളംബം കൂടാതെ സമർപ്പിക്കണമെന്നും , വായ്പയുടെയും, അതിന്മേൽ നൽകേണ്ട പലിശയുടെയും തവണകളുടെ തിരിച്ചടവിനായും സത്വര നടപടികൾ ആരംഭിക്കണമെന്നും എല്ലാ പൊതുതലമേഖല സ്ഥാപനങ്ങളെയും അറിയിച്ചിട്ടുണ്ട്. 08.06.15 ലെ ഇ ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/ 5/ 2015/

തന്നാണ്ടിൽ കൊടുത്ത തുക	762	998	1136	1464	1743
തന്നാണ്ടിൽ തിരിച്ചടച്ച തുക	44	55	74	103	124
അവസാന നീക്കിയിരിപ്പ്	8467	9404	10456	11721	12332
അസ്സൽ വർദ്ധനവ്	718	943	1062	1361	1619
ലഭിച്ച പലിശ	54	23	19	21	27

2015 മാർച്ച് 31 വരെ തിരിച്ചടയ്ക്കാനുണ്ടായിരുന്ന വായ്പകളും മുൻകൂറുകളും മുൻ വർഷത്തെ അപേക്ഷിച്ച് 619 കോടി രൂപ വർദ്ധിച്ചു. തന്നാണ്ടിൽ വായ്പകൾ പ്രധാനമായും നകിയത് കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ (266 കോടി രൂപ), ജപ്പാൻ ഇന്റർ നാഷണൽ കോ-ഓപ്പറേഷൻ ഏജൻസിയുടെ സഹായത്തോടു കൂടിയുള്ള ജല വിതരണ പദ്ധതി നടപ്പാക്കുന്നതിനു വേണ്ടി കേരള വാട്ടർ അതോറിറ്റിക്കും (53 കോടി രൂപ), കേരള ഗ്രാമ-നഗര വികസന ധനകാര്യ കോർപ്പറേഷൻ (25 കോടി രൂപ) എന്നിവർക്കാണ്. കടമെടുപ്പിന് ചെലവായ 7.3

ധന കത്ത് പ്രകാരം കൃഷി ഡയറക്ടർ സഹകരണ സംഘങ്ങളുടെ രജിസ്ട്രാർ എന്നിവരേയും ഇക്കാര്യം അറിയിച്ചിട്ടുണ്ട്. വായ്പയുടെ - തിരിച്ചടവ് സംബന്ധിച്ച മുതൽ പിരിവ് ബാക്കി പത്രിക കേരള ഫിനാൻഷ്യൽ കോഡിന്റെ 264 -എ വകുപ്പു പ്രകാരമുള്ള സാക്ഷ്യ പത്രത്തോടൊപ്പം എല്ലാ മാസവും 10 നു മുൻപായി അതതു വകുപ്പു മേധാവികൾക്ക് ലഭ്യമാക്കണമെന്ന് വായ്പ വിതരണം ചെയ്യുന്ന ഉദ്യോഗസ്ഥരോട് നിർദ്ദേശിച്ചിട്ടുണ്ട്.

19.08.2014-, 20.09.2014, 24.10.14, 21.05.15, 21.11.15 എന്നീ തീയതികളിലെ 72172/ ജി.ഐ.എം.സി-2/ 14/ ധന (ഇ ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2' 12/ 2014/ ധന)നമ്പർ അനുദ്യോഗിക കുറിപ്പുകൾ പ്രകാരം ഓഫ് ട്രോളർ ആൻറ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യയുടെ 2012 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ റവന്യൂ വരവ് സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ ഖണ്ഡിക 8.2 ന്റെ പ്രസക്ത ഭാഗവും പ്രസ്തുത റിപ്പോർട്ടിലെ അനുബന്ധം III, IV എന്നിവയുടെ പകർപ്പും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകൾക്ക് അയച്ചുകൊടുക്കുകയും ഇതിന്മേൽ സ്വീകരിച്ച നടപടി അടിയിന്തിരമായി ആവശ്യപ്പെടുകയും ചെയ്തിട്ടുണ്ട്. 03.12.2014 , 09.01.2015 എന്നീ തീയതികളിലെ ഇതേ നമ്പർ അർദ്ധ ഔദ്യോഗിക കത്തുകൾ പ്രകാരം ദീർഘകാലമായി തീർപ്പാക്കാതെ കിടക്കുന്ന ഈ വിഷയത്തിൽ അന്തിമമായി സ്വീകരിച്ച നടപടി സത്വരമായി കേരള നിയമ സഭാ സെക്രട്ടറിക്കും അക്കൗണ്ടന്റ് ജനറലിനും സമർപ്പിക്കേണ്ടതാണെന്നും ബോധിപ്പിച്ചിട്ടുണ്ട് . 16.07 2015 ലെ ഇ ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/ 17/ 2015/ ധന അർദ്ധ

1.9.2.1 വീഴ്ച വരുത്തിയ വായ്പ തിരിച്ചടവ്.

ശതമാനത്തിനെതിരെ ഈ വായ്പകൾക്ക് 2010-11 മുതൽ 2014-15 വരെയുള്ള കാലയളവിൽ ലഭിച്ച പലിശ ഒരു ശതമാനത്തിൽ താഴെയായിരിക്കുകയും 2014-15 ൽ ഇത് 0.2 ശതമാനമാവുകയും ചെയ്തു.

നിയമാനുസൃത കോർപ്പറേഷനുകൾ, സർക്കാർ കമ്പനികൾ, സ്വയം ഭരണാവകാശമുള്ള സ്ഥാപനങ്ങൾ / അതോറിറ്റികൾ തുടങ്ങിയവയെല്ലാം സർക്കാർ വായ്പാ സഹായം സ്വീകരിക്കുന്നുണ്ട്. ഇവയെല്ലാം സർക്കാർ കണക്കുകളിൽ ആസ്തികളായിട്ടാണ് കണക്കാക്കിവരുന്നത്. സാമ്പത്തിക കണക്കുകൾ (Finance Accounts) പ്രകാരം 2015 മാർച്ച് അവസാനം വരെ സംസ്ഥാന സർക്കാർ നൽകിയ വായ്പയിൽ 12332.50 കോടി രൂപ കണക്കുകളിൽ തിരിച്ചടക്കുന്നതിനായി ബാക്കിയുണ്ട്. 2014 മാർച്ച് അവസാനത്തിൽ 71 സ്ഥാപനങ്ങൾ അവർക്കു നൽകിയ വായ്പ തിരിച്ചടയ്ക്കുന്നതിൽ വീഴ്ച വരുത്തി അതിന്റെ കുടിശ്ശിക 8794.71 കോടിയിലായിരുന്നു (മുതൽ 5276.61 കോടി രൂപ; പലിശ 3518.10 കോടി രൂപ). മുകളിൽ പറഞ്ഞ കുടിശ്ശികയിൽ 86 ശതമാനത്തിൽ അഞ്ചു സ്ഥാപനങ്ങളായ

ഔദ്യോഗിക കത്ത് പ്രകാരം സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ച് 2013, 2014 2015 എന്നീ വർഷങ്ങളിലെ മാർച്ച് 31 ന് അവസാനിച്ച ഇന്ത്യയുടെ കമ്പ് ട്രോളർ ആന്റ് ഓഡിറ്റർ ജനറലിന്റെ റിപ്പോർട്ടുകളിലെ യഥാക്രമം ഖണ്ഡിക 1.9.4 ന്റെ ഉപഖണ്ഡിക 1.9.4.1, ഖണ്ഡിക 1.8 ന്റെ ഉപഖണ്ഡിക 1.8.3.1, ഖണ്ഡിക 1.9.2 ന്റെ ഉപഖണ്ഡിക 1.9.2.1 എന്നിവയുടെ മേൽ പരാമർശിക്കുന്ന വായ്പ തിരിച്ചടവിൽ വരുത്തിയ വീഴ്ച സംബന്ധിക്കുന്ന പ്രസക്ത ഭാഗം ബന്ധപ്പെട്ട ഭരണ വകുപ്പു സെക്രട്ടറിമാർക്ക് അയച്ചുകൊടുക്കുകയും ഇതിന്മേൽ സ്വീകരിച്ച നടപടി അടിയന്തിരമായി ആവശ്യപ്പെടുകയും ചെയ്തിട്ടുണ്ട്. 18.01.2016, 01.06.2016 എന്നീ തീയതികളിലെ ഇടേ നമ്പർ അനുദ്യോഗിക കുറിപ്പുകൾ പ്രകാരം താമസംവിന രേഖപ്പെടുത്തിയ ലഭ്യമാക്കണമെന്നും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകളിൽ ഓർമ്മപ്പെടുത്തിയിട്ടുണ്ട്. ഗതാഗത(എ) വകുപ്പിന്റെ 20.11.2015-ലെ 13184/എ 1/2015/ ഗതാഗതം നമ്പർ അനുദ്യോഗിക കുറിപ്പ് പ്രകാരം കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷനിൽ പുനരുജ്ജീവന പാക്കേജ് നടപ്പിലാക്കുന്നതിന്റെ ഭാഗമായി 2008-09 മുതൽ 2013-14 വരെ കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ സർക്കാരിന് തിരിച്ചടയ്ക്കേണ്ടുന്ന വായ്പാ കുടിശ്ശികയായ 1090.75 കോടി രൂപ സർക്കാർ ഓഹരി(equity) യായി മാറ്റാനും അതിൻമേലുള്ള പലിശയും പിഴപലിശയും ചേർത്തുള്ള തുകയായ 172.37 കോടി രൂപ എഴുതി തള്ളാനും തീരുമാനിച്ചുകൊണ്ട് 20.08.2015-ലെ സർക്കാർ ഉത്തരവ് (കൈയെഴുത്ത്) നമ്പർ 46/2015/ഗതാഗതം പ്രകാരം ഉത്തരവായിട്ടുണ്ട്. മറുപടി നൽകുന്നതിൽ വീഴ്ച വരുത്തുന്നത് പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റിയുടെ കടുത്ത നീരസവും താക്കീതം ക്ഷണിച്ചുവരുത്തുന്നതിന് ഇടയാക്കുമെന്നും ആയതിനാൽ ഇക്കാര്യത്തിൽ സമയ ബന്ധിതമായി

കേരള വാട്ടർ അതോറിറ്റി (3,613.30 കോടി രൂപ), കേരള സംസ്ഥാന വൈദ്യുതി ബോർഡ് (1,747.64 കോടി രൂപ), കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ (925.45 കോടി രൂപ), കേരള സംസ്ഥാന ഭവന നിർമ്മാണ ബോർഡ് (915.23 കോടി രൂപ) കേരള സംസ്ഥാന കളവണ്ടി വികസന കോർപ്പറേഷൻ (367.24 കോടി രൂപ) എന്നിവയുടേതായിരുന്നു.

1991-92 മുതൽ 2013-14 വരെയുള്ള കാലയളവിൽ തിരിച്ചടവുകളുടെ ബന്ധകളൊന്നും നിശ്ചയിക്കാതെ 29 സ്ഥാപനങ്ങൾക്ക് സംസ്ഥാന സർക്കാർ 150.80 കോടി രൂപയുടെ 101 വായ്പകൾ നൽകിയിരുന്നു. സംസ്ഥാന സർക്കാരിന്റെ കണക്കുകളുടെ ബാക്കിപത്രത്തിന് ശരിയായതും വിശ്വസ്തീയവുമായ മുഖം നൽകുന്നതിനായി ഗുണം ചെയ്യാത്ത ഇത്തരം ആസ്തികൾ കുറയ്ക്കുന്നതിന് ഫലപ്രദമായ നടപടികൾ കൈകൊള്ളണം.

നടപടിയെടുത്ത് അറിയിക്കണമെന്നും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകളെ അറിയിച്ചിട്ടുണ്ട്. കൂടാതെ പ്രസ്തുത വകുപ്പുകളിൽ നിന്നും അന്തിമ മറുപടി കിട്ടുന്ന മുറയ്ക്ക് ശുപാർശകളിന്മേൽ നടപടി സ്വീകരിക്കുന്നതാണ്.

**GOVERNMENT OF KERALA
FINANCE (BUDGET WING-A) DEPARTMENT**

STATEMENT OF ACTION TAKEN ON PARAS OF THE COMPTROLLER AND AUDITOR GENERAL REPORT OF THE YEAR ENDED 31st MARCH 2015 ON STATE FINANCES			
Sl. No	Para No.	Audit Observation	Action Taken
1	1.5	Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution. Here, the Government acts as banker. The balance after disbursement is the fund available with the Government for use for various activities. During 2014-15 an amount of ₹5,279.12 crore has been added to the existing balance of the Public Account. This was ₹1,896.89 crore more than additions (₹3,382.23 crore) during 2013-14. As in the previous year net additions to the sector 'Small Savings, Provident Fund, etc.', was the major addition to the Public Account followed by 'Deposits and Advances' amounting to ₹1,364.50 crore. These funds are utilized by the State Government for covering their fiscal deficit.	Public money received by or on behalf of the State Government will be credited to the Public Account of the State. Government accounts record all transactions pertaining to this account. There is no legislative control over the use of funds from the Public Account. Legislative approval is not prescribed for withdrawing any money from the Public Account. However the funds are being handled in accordance with existing codal provisions and thereby ensures that no misappropriations or misuse of funds occurs.

2	<p>2.3.1</p> <p>2.3.2</p>	<p>The appropriation audit revealed savings exceeding ₹50 crore and also more than 25 percent of the total provision in 19 cases.</p> <p>Persistent savings of ₹100 crore or more of the provision was noticed in four cases for the last three years. Further analysis revealed that overall savings under the above Grants were due to persistent savings occurred under a few subheads, which indicated failure of the respective Controlling Officers and the Finance Department in making a realistic assessment of the budget requirement based on the expenditure of the previous year and also the ability of the department to utilize the funds.</p>	<p>The Budget estimates are usually prepared on the basis of the estimates furnished by heads of departments and controlling officers. In the budget circular issued every year, all heads of departments and controlling officers are given specific instructions to personally ensure that estimates are prepared with utmost care and accuracy taking into account all aspects that are normally available at the time of estimation so as to avoid instances of huge variations between estimates and actual. The Finance Department normally takes into account the trend in expenditure of the previous financial years under each unit of appropriation while formulating budget estimates of a financial year. The State Planning Board had been requested to ensure that provisions need be made in the Annual Plan to the extent of the minimum requirement. Finance (Budget) Department will take utmost care and earnest efforts to make budget estimates realistic by analyzing the instances of persistent savings in a case to case manner. All Heads of Departments will also be apprised of the situation and separate instructions will be issued in the Budget Circular to look into instances of persistent savings while furnishing proposals for Budget estimates to the Finance department</p>
3	2.3.4	<p>As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over Grants/ Appropriations regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). Excess expenditure occurred under 33 Grants and seven Appropriations amounting to ₹1818.86 crore for the years 2011-12 to 2013-14, to be regularized (October 2015) as summarized in Table 2.5 and the year-wise and Grant-wise amounts of excess expenditure pending regularization and the stage of consideration by the PAC are detailed in Appendix 2.4.</p>	<p>The regularisation of excess expenditure is done after the completion of the discussion of the Appropriation Accounts and the connected Audit Report by the Public Accounts Committee (PAC). The Public Accounts Committee recommendations in this regard till date has already been enacted during the previous sessions of Legislative assembly. This department will take necessary action for the regularization of items included in audit report on the receipt of the Public Accounts Committee recommendations on the same.</p>

4	<p>2.3.6,</p> <p>2.3.7</p>	<p>Supplementary provisions aggregating to ₹1029.57 crore, obtained in 23 grants/Appropriation (₹ one crore or more in each case) during the year, proved unnecessary as the expenditure did not come up to the level of even the original provisions. It was also observed that in six out of above 23 Grants, supplementary grants were obtained while more than 50 percent of the original provision remained utilised.</p> <p>Further analysis of the Supplementary provisions obtained in various Grants revealed that in view of the final savings, supplementary allocations obtained in 22 Grants under Revenue (voted) section could have been avoided as the additional budget allocations were sought for all the existing schemes. In five Grants under Revenue (voted) section, supplementary allocations obtained for new services during March 2015 could have been limited to token provision as the final expenditure was less than the original budget allocation.</p> <p>In 23 grants, against the additional requirement of ₹4711.14 crore, supplementary grants for ₹7,257.86 crore obtained during the year proved excessive. The departmental officers while making proposals for supplementary grant did not assess the actual requirements of funds resulted in avoidable savings.</p> <p>Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Augmentation of funds through re-appropriation was resorted to by departmental officers. However audit analysis revealed that augmentation of budget allocation was wholly unnecessary in some subheads as the final</p>	<p>The proposals for Supplementary Demands for Grants are invited from various Departments for including the items which involve 'New Service' and those schemes whose assistance from Central Government has received after the finalization of budget. Moreover items which have been specifically agreed by Finance Department will also consider solely on the basis of exigent nature of expenditure recommended by the Administrative Departments. Detailed scrutiny of the SDG proposals in Finance department often becomes difficult since a large number of proposals are received belatedly in the department, sometimes during the last moment before the finalization. Strict instructions are issued to all Administrative Departments in circulars seeking SDG proposals to conduct a detailed scrutiny of the proposals furnished by the Heads of Departments to ensure that the proposals are in order in all respects alone need be recommended to Finance Department. The latest instructions in this regard were issued in Government Circular No.93/2013/Fin dated 20/11/2013. The instances of unnecessary Supplementary Grants /reappropriation point to the lapses from the part of the Controlling Officers, who are primarily responsible for furnishing proposals for Supplementary Grants with utmost care and caution. Separate instructions will be issued to all Heads of Departments to ensure that the actual requirement of funds are promptly assessed before furnishing proposals for Supplementary Grants /reappropriation so that the additional appropriation does not result in savings/excess.</p>
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5	2.3.8,	<p>As per paragraph 91 of the Kerala Budget Manual, the Administrative Departments should surrender all anticipated savings before the close of the financial year to Finance Department as and when they are foreseen, unless they are required to meet the excesses under other units of appropriation. During 2014-15, ₹17,585.39 crore (17 per cent) out of the total budget allocation (₹1,03,604.32 crore) was surrendered at the end of the financial year. Substantial surrender of budget allocation was noticed in two Grants. In the Grant numbers XXVII and XXVIII substantial surrender had occurred under several schemes. In the case of Grant No.XXII, under-utilisation of budget allocation was due to non-implementation of schemes as anticipated. Though it was noticed in previous years also, no remedial action was taken by departmental authorities to rectify this inflating of budget proposals. Further analysis revealed that substantial surrenders (surrender involving more than 50 per cent of the total allocation and more than ₹1 crore in each case) were noticed in 277 sub-heads, amounting to ₹5,361.89 crore. In 102 subheads, entire budget allocation amounting to ₹747.73 crore was surrendered and in 46 cases, it was ₹5 crore and above. In 10 schemes, no budget allocation was</p>	<p>The lack of observance of the due procedures and instructions laid down in Kerala Budget Manual for control of expenditure and appropriation required for achieving the objective of proper and effective spending of the allotted budget provision from the part of some departments has resulted in instances of persistent savings under certain demands. Specific instructions are regularly issued to all departments to ensure strict adherence to the relevant provisions in KBM with regard to the prudent management of budgetary appropriation. In the budget circular issued every year, instructions to all estimating officers are being given to assess the requirements precisely so that the estimates do not turn out to be varied from the actual expenditure. The latest instructions in this regard were issued in Govt. Circular No. 68/2016/Fin dated: 12.08.2016. Instructions were also given in Govt. Circular No.90/2013/Fin dated: 08.11.2013 to all departments to devolve a proper system for tracking expenditure incurred against appropriations placed at their disposal on regular a basis for ensuring financial accountability and effective budget management system.</p>

		<p>provided though original/ supplementary budget but funds were brought in through re-appropriation. It was also seen that ₹48.75 crore out of ₹112.42 crore re-appropriated was surrendered indicating the injudicious re-appropriation of funds. In respect of 9 schemes (where budget allocations placed at the disposal of the Chief Engineer, Buildings and Local Works, Public Works Department) budget allocations for 2013-14 and 2014-15 amounting to ₹153.74 crore and ₹42.08 crore respectively, were surrendered at the end of the years. Audit observed that these allocations could not be utilized as the sanction for withdrawal of fund was not accorded by Government.</p>	
6	2.3.9,	<p>In 14 Grants/ Appropriations the amounts surrendered (Rs one crore or more in each case) was in excess of the actual savings indicating lack of or inadequate financial control. As against savings of ₹8,988.30 crore, the amount surrendered was ₹9,077.56 crore, resulting in excess surrender of ₹89.26 crore. In this regard Audit analysed reasons for this deficient surrenders and observed that Chief Controlling Officer/ Controlling officer should collect expenditure details from all the sub controlling officers/ Drawing and Disbursing Officers under his control and ascertain the actual savings in respect of each unit of appropriation from which he/ she proposes surrender of budget allocation. This procedure was not scrupulously followed and the expenditure under each unit of appropriation under his/ her control were arrived at with available information. Based on this, surrender proposals were forwarded to Finance Department, which ultimately resulted in surrender of funds in excess of actual savings. It is the responsibility of</p>	<p>Chief Controlling Officers and Heads of Departments are responsible for the surrender of all anticipated saving to the Finance Department through the concerned administrative department without waiting till the end of the year when such savings are foreseen and unless they are required to meet excesses foreseen at that time under other units. The lack of effective financial mechanism in place to trace the exact data on the actual expenditure incurred against the appropriations placed at the disposal of sub officers by the controlling officers is viewed as the main reason for the occurrence of the instances of surrender in excess of actual savings or the non surrender of actual savings. The Government have already undertaken the initiative for the implementation of the Integrated Financial Management System (IFMS) by combining various online systems on receipt and expenditure by integrating State Budget with treasury transactions relating to line departments, Accountant General, RBI and other stakeholders. When the system of Integrated Financial Management System (IFMS) is implemented completely, monitoring of expenditure can be done more effectively and efficiently. Instructions have already been issued in Government Circular No. 90/2013/Fin dated: 08.11.2013 to all controlling officers to evolve a proper system for tracking expenditure incurred against appropriations placed at their disposal on a regular basis. It is stipulated in para 93(1) of Kerala Budget Manual that Controlling officers/Administrative departments shall furnish surrender of savings to the Finance Department by before 25th February every year. Specific instructions</p>

	2.3.10	<p>departmental officers to ensure that expenditure booked by the PAG is reconciled with the expenditure details available in the department and misclassification. If any, occurred at the treasury level or any other levels should be rectified. However, Audit noticed that it was not done by the departments in which this erroneous surrender had taken place. This also led to surrender of funds in excess of actual savings.</p> <p>As per Paragraph 91 of the Kerala Budget Manual, spending departments are required to surrender Grants/ Appropriations or portions thereof to the Finance Department as and when savings are anticipated. This procedure was not followed under two Grants and three Appropriations. Savings of ₹74.95 crore not surrendered by the departments before the close of the financial year and the major amount of ₹72.62 crore was under Grant No.XXXIX Power (Revenue-voted). ₹2,931.92 crore (28 per cent) out of the total savings of ₹10,377.14 crore under 45 Grants/Appropriations with savings of ₹1 crore and above in each Grant/ Appropriations were not surrendered. Besides, ₹13,305.35 crore under 30 major heads was surrendered only on 31 March 2015 (surrender of funds in excess of ₹10 crore and more than 25 per cent of the budget allocation in each major head).</p>	<p>are being issued regularly during the month of January/February to all Chief Controlling Officers and Heads of Departments to surrender funds found to be in excess of requirements under each unit of appropriation. Latest instructions in this regard were issued in Government Circular No10/2017/Fin dtd: 06.03.2017.</p>
7	2.6	<p>Financial Rules prohibit withdrawal of money from treasury unless it is required for immediate disbursement. However, in some cases departmental officers withdraw budget allocation at fag end of year, to avoid lapse of budget, and keep them either in Treasury Savings Bank account or outside the Government without being spent. This has resulted</p>	<p>As a matter of policy, the Government do not encourage withdrawal of money for retaining in TSB accounts in order to prevent it from lapsing and to use it for expenditure after the end of the year. However, if the drawing and disbursing officers need advanced drawal for any unavoidable expenditure, The Government usually permits opening of special TSB account for a limited period and retention of money in TSB accounts in certain cases where the spillover payments are to be made immediately after the end of the financial year. Bunching of expenditure of</p>

		<p>in overstatement of the total expenditure of the Grant as the amount remained unutilized even after the close of financial year. Audit noticed a few instances of underutilization of Government funds as detailed in Table 2.13.</p>	<p>the fog end of the financial year is viewed as one of the reasons for compulsion to transfer the amount to treasury public account. To avoid bunching of expenditure at the close of the financial year, Government have fixed quarterly targets of expenditure to be achieved by Departments against budget allocation. Government have issued instructions to all HoDs to this effect by reiterating that the practice of transferring plan funds to TSB towards the end of the financial years will not be permitted by the Government so that the practice of irregular depositing of money can be totally avoided in future. All HoDs were informed that any withdrawal of money for avoiding a lapse of money in anticipation of future expenditure and keeping money outside would be viewed as irregularly of serious nature and responsibility and accountability will be fixed accordingly (Circular No.31/12/Fin dated 02/06/2012). The department will also issue stringent instructions to all Controlling officers and Heads of departments for taking urgent measures to rectify the errors and to prevent the recurrence of these instances in future.</p>
8	2.8	<p>During the year, overall savings out of the total budget allocation of ₹1,03,604.32 crore was ₹20,157.97 crore. Overall savings increased from 18.2 per cent in the last year to 19.5 per cent in 2014-15 indicating increasing deficiency in the budgetary process. Persistent savings of ₹100 crore or more of the budget provision for the last three years was noticed in four Grants/ Appropriation. Substantial savings two Grants (Urban Development and Irrigation) was due to unrealistic assessment of budgetary requirement by the departmental officers and the Finance Department ignoring the expenditure of the schemes of previous years. Excess expenditure of ₹192 crore was noticed under one appropriation- 'Debt Charges' (in revenue section), which requires regularization under Article 205 of the Constitution along with excess expenditure for the years 2011-12 to 2013-14 amounting to ₹1,818.86 crore. Appropriation control weakness at the levels of Chief Controlling Officer, Drawing and</p>	<p>The Finance Department is responsible for the preparation of the annual budget by obtaining estimates from various departments. The utmost aim is to achieve as close an approximation to the actuals as possible. Kerala Budget Manual envisages the procedures and instructions for control of expenditure and appropriation required for achieving prudent fiscal management. Finance Department regularly issues specific instructions to all departments to ensure strict adherence to the relevant provisions in KBM with regard to the prudent management of budgetary appropriation. This department will continue its earnest efforts to ascertain that the expenditure incurred against the appropriation is in conformity with the law, relevant rules, regulations and instructions on the subject.</p>

	<p>Disbursing Officer, Treasury Officer and Finance Department was noticed and this led to excess expenditure in schemes test-checked in Audit. In view of the final savings, supplementary allocations obtained in 22 Grants under Revenue (voted) section could have been avoided as the additional budget allocations were sought for all the existing schemes. Director of Technical Education (the estimating officer) had not taken due care in the realistic preparation of budget estimates and in reconciliation of departmental figures with that booked by PAG (A&E) which led to budgetary failures.</p>	
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Para No.1.6.3 Shortfall in Government of India Release

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
1	Forests	11.27	Non-attainment of NPRE projected in the guidelines during 2012-13 and non-submission of UC	Forest & Wildlife (D) Dept has reported that the actual shortfall in NPRE was only 6.24%. Low utilisation in some components like construction of Check dams, construction of trenches and power fencing was due to delay in tender process, shortage of sand etc. Hence the unutilised portion is only 6.24% and such shortfalls are normal in actual execution of the works.
2	Water Sector Management	132	Only first installment was received due to non-setting up of independent water regulatory authority and also due to non-attainment of minimum level recovery of water charges	The Chief Engineer (I&A) has reported that the FC had fixed the time line to constitute the Regulatory Authority ie., before 31st March 2012. The Kerala State Water Resources Regulatory Authority Ordinance (8 of 2012) was promulgated by the Governor of Kerala on the 16th day of January 2012. Subsequently the bill was presented before the Kerala Legislative Assembly on 01.04.2013 for discussion. The bill after consideration by the Legislature was then forwarded to the Subject Committee of Kerala Legislature. The Subject Committee decided to seek the opinion/suggestions from the stakeholders / various representatives of the society. Finally as per the rule 94(a) of the Rule of Procedure and Conduct of Business in the Kerala Legislative Assembly the bill was withdrawn on 01.02.2014. The condition for the release was not fulfilled and hence the short release.

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
3	Incentive for issuing UID	44.64	Inability of the State to link UID data with BPL data	IT (B) Department has reported that as the Kerala State IT Mission was unable to link UID data with BPL data, Government, as per G.O(Ms) 7/2014/ITD dated 10.02.2014, directed KSITM to transfer the fund to District Collectors for disbursing the same to BPL families through LSGIs. The amount given by Government to KSITM (Rs.14.88 crores) was sufficient to meet 40% of BPL families in each district. District Collector's were instructed to speed up utilisation and furnish UC urgently.
4	Database of Employees and Pensioners	7.5	Non preparation of pensioner's database and non-integration of SPARK (employee database) with treasury	Finance (Pension-A) Department has reported that an amount of Rs.2.5 Crore was released as first instalment of grant for setting up a Data Base for Government employees and Pensioners . Pensioners Information System (PRISM) is a centralized repository containing information of all Pensioners in the State. This software has been developed by Finance(ITSF) Department to automate the system. The Administrative Sanction was issued vide GO(P) No.421/2014/Fin dated 25.09.2014 only as several discussions were required with all stakeholders like Accountant General, Director (Information System) and Director of Treasuries for the finalisation of the database. This resulted in delay in the implementation and hence the short release.
5	Maintenance of Roads and Bridges	232	NPRE for the year 2010-11 fell short by Rs. 21.85 crore against the projected NPRE of Rs. 574.12 crore	PWD (R&B) has reported that the reason for shortfall in expenditure in the respective years is due to the non release of letter of credit for the payment of pending bills under the schemes. The release of grants by GoI is based on the condition that the NPRE of the particular financial year should reach the NPRE projected by the 13th FC. UC need not be submitted for the release of Grant. GoI had released the grant for the financial years 2011-12, 2013-14 and 2014-15. No release was made for the year 2012-13 on the account of the fact that the State could not achieve the NPRE projected by the 13th FC.

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Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
6	District Innovation Fund	6.29	Delay in utilisation and submission of UC	<p>Revenue (F) Department has reported that an amount of Rs.7,70,87,000/- has been sanctioned as District Innovation Fund by the Government in which Rs. 7 crore as 1st instalment (2011-12) and Rs. 70,87,000/- as 2nd instalment (2015-16). The sanctioned amount was fully utilized by the District Collectors and Utilization Certificate had already been furnished.</p> <p>The second instalment of Rs.70.87 lakhs has been allotted during the financial year 2015-16 only. The utilization of the second instalment was completed during the year 2016-17, since 10% contribution from the beneficiary institution need to be collected before issuing administrative sanction for the utilisation of District Innovation Fund. Due to the delay in getting non-government contribution (10%), the project was delayed. However Utilization Certificate for the full amount was already furnished on 29.06.2017.</p>
7	Improvement of Statistical Systems	5.6	Delay in utilisation and submission of UC	<p>Planning & Economic Affairs (B)Dept has reported that the main reason for the shortfall was the delay in receipt of guidelines and administrative sanction from Government of India. The first instalment from Ministry of Statistics & Programme implementation was received on 26.08.2011 only. The delay in receiving initial instalment from GoI led to the delay in execution of projects and completion of projects as per the scheduled project period.</p>
8	Disaster Relief (Capacity Building)	4	Delay in utilisation and non-furnishing of UC	<p>Revenue (K) Department reported that, GoK has entered into the agreement with the KELTRON on 26.04.2016 for the setting up of IT and Communication system in State Emergency Operation System. First instalment of fund (Rs. 1,49,21,200 ie. 25% of the agreed amount) has been released to the implementing agency. The project has a time line for 36 months from the date of entering into the agreement with the KELTRON for the implementation by using 13th FC grant-in- aid.</p>

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
9	Improvement of Justice Delivery	96.97	Delay in sanctioning and setting up temporary Courts ,delay in completion of recruitment process for the appointment of Court Managers, delay in execution of conservation works of heritage court buildings, delay in setting up of ADR centers etc., resulted in non-attainment of required level of utilisation	<p>Registrar, High Court of Kerala has reported that out of 74 Evening Courts, only 5 were made functional during the initial years and it was found that Evening Courts are not practical. The Government accorded sanction for the establishment of 27 temporary Magistrate courts in November 2012 and the work was completed during the extended period. Regarding appointment of Court Managers, the appointment of Court Managers was made only by the end of 2014 as the permission for direct recruitment was issued by Govt. only in 2013. Out of 16 vacancies, only 11 candidates were found fit after due selection process. This resulted in low utilisation.</p> <p>Registrar, High Court of Kerala has reported that out of 10 Court buildings identified, the work of only 4 buildings was started. The work was entrusted to Archeology department and the delay in the work is due to shortage of competent staff for the work. The work of remaining six buildings could not be started as the sanction was received at the end of award period. The work was completed during the extended period.</p> <p>Member Secretary, KELSA has reported that out of Rs. 720.70 lakhs received for the establishment of ADR centres and training of Mediators, a sum of Rs.647.47 lakhs was utilized for the establishment of ADR Centers and a sum of Rs.73.23 lakhs for training of Mediators. Hence the amount allotted has been fully utilized. Construction of building was completed in Thiruvananthapuram, Alapuzha, Mavelikkara, Ernakulam, Thrissur, Kannur and Kottayam . The construction of ADR building at Kottayam could not be completed by 31.03.2016 and the same was completed on 18.11.2017, but not utilizing the 13th FC fund. Centers at Idukki, Palakkad and Kasargode could not be completed due to reasons such as high estimate, for want of sanction from Archeological Survey of India, non availability of land respectively. Land was not available for construction at Idukki, Palakkad, Kasargode, Kollam, Pathanamthitta, North Paravur, Malappuram, Kozhikode, Wayanad and Head quarters Ernakulam.</p>

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Para No.1.6.3 Shortfall in GOI release

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
10	Upgradation of Police	10	Non/delay in furnishing UC and completion certificate of civil works	Home (E) Department has reported that the places for the construction of each work were decided and necessary AS was accorded to carry out the work. But, delay in identifying suitable land in the decided places, which delayed by KPHCC in awarding the works. At present 197 works were completed out of 254 civil works entrusted with KPHCC. Balance construction works are under progress. Subsequently, an amount of Rs.65.25 crore has been expended by KPHCC as on 31.10.2016 (Out of 78.40 crore released to KPHCC) At present 11 District Senior Citizen Bureaus are completed. The requirements of lift facilities will be considered on the request of unit heads concerned based on the necessity. Electricity connection has already provided. Shri. Prakash IPS has been appointed as the Nodal Officer for the completion of the e-beat system. The system has been successfully functioning at 7 Police Districts since 15.5.2016.

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
11	Animal Husbandry	75.10	Non/delay in furnishing UC and completion certificate of civil works	<p>Agriculture (AHG) Department has reported the following: <u>Multi Speciality Complex at Kudappanakkunnu</u> Agriculture (AHG) Department has reported that during 2012-13 an amount of Rs.2.72 crore was sanctioned for the purchase of hospital equipments, furniture etc for the multispeciality complex. Additional amount of Rs.1.65 Crore was taken from the component for additional civil works and Rs. 1.07 Crore is remaining for purchase of hospital equipments, furniture etc. Even though action was initiated for purchase of equipments due to administrative reason, the District Animal Husbandry Officer, Tvpm was directed to re-tender and accordingly action has been initiated for e-tendering.</p> <p><u>Pharmaceutical division at VBI Palode</u> Civil works is undertaken through Kerala State Nirmithi Kendra. AS was given for M/s BAL Pharma Ltd for developing pre-formulatory. Presently, difficulties are being faced in proceeding with the installation procedures with regard to filling and cleaning with rooms, since the consultant appointed for the project is not competent enough to carry out the work and the work was started without a detailed project report. Action is being taken to sort out issue and to proceed further.</p> <p><u>Hi-tech diary complex, Vithura and Kuriottumala,</u> Payment for construction works of hi-tech dairy farm at Kuriottumala to KSHB is being done in parts and work will be completed within two months time and animal purchase will be done after civil works are over and the farm will be commissioned soon. Out of Rs.20 crore sanctioned for Jersy Farm, Vithura, Rs. 2.52 Crore was given to Kerala State Housing Board for constuction and balance fund to the tune of Rs.17.48 Crore for the project was reallocated to Kerala Feeds Limited as per G.O(Ms) No.239/14/AD dated 23/10/2014 for the construction of 2 Hi-tech Feed plant under Kerala Feeds Limited at Kozhikode and Idukki. The work of Kozhikode Hi-tech feed plant has been completed and trial production of feed is going on. The site work for Hi-tech feed plant at Idukki is progressing and 75% has been completed.</p>

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
12	Inland Waterways	27.95	Non/delay in furnishing UC and completion certificate of civil works	Coastal Shipping & Inland Navigation (A) Department has reported that the ThFC Award has allocated Rs.100 crore for development of Inland Waterways, under State specific needs, vide GO(Rt)No.23/2011/CSIND dated 11.07.2011. Even though the award period started in 2011-12, works could only be started by the middle of the year 2013 due to the following reasons. The works sanctioned as per the original approved action plan (ie. Works in Kovalam-Kollam and Kottapuram - Neeleswaram stretch of west coast canal) had been changed. Importance was given to the Vadakara- Mahe stretch of West Coast Canal where sufficient land free of encroachments was readily available with the Department. AS for the same was issued by the end of 2012 and work started by the middle of the year 2013. This resulted in low expenditure during initial years of the award period. During execution there were several impediments which hampered the progress of works like local protest, Court interference etc. resulting in low utilisation.
13	Coastal Zone Management	15.27	Non/delay in furnishing UC and completion certificate of civil works	Though the Water Resources (IR) Department was requested to furnish ATR the same has not been received so far. Final ATR will be furnished on receipt of the same from the department concerned.
14	Kuttanad Development	96.92	Non/delay in furnishing UC and completion certificate of civil works	Though the Agriculture (NCA) Department was requested to furnish ATR the same has not been received so far. Final ATR will be furnished on receipt of the same from the department concerned.

Sl. No.	Name of Scheme and Department	Shortfall (in Crore)	Remarks	Action Taken Report
15	Water Bodies	28.47	Non/delay in furnishing UC and completion certificate of civil works	<p>The Chief Engineer (I&A) has reported that the total award amount under Water bodies for Thirteenth Finance Commission is Rs. 50 Crore. An amount of Rs. 12.5 Crore was released during February 2012. Central Water Commission had stipulated some criteria for selection of works ie. ayacut achieved inlet/outlet arrangements etc. under Thirteenth Finance Commission. During the visit of the Monitoring Committee constituted for monitoring works under Thirteenth Finance Commission, some of the works proposed did not satisfy the criteria stipulated by CWC. Accordingly, directions were given to propose those works which will satisfy CWC norms. This resulted in certain delay. The expenditure as on March 2013 is 11.75 Crore. On February 2015, Utilisation Certificate for an amount of Rs.30.17 Crore was submitted to Government. However, the second release for an amount Rs. 9.03 Crore was made during March 2015.</p> <p>On June 2015, Utilisation Certificate for an amount of Rs. 34.73 Crore (for the year 2014-2015) was submitted to Government. But no fund was released for implementation of Water Bodies after 2015.</p>
16	Fisheries	105.34	Though, required documents for release of remaining grant was submitted, no funds were received from GoI	All the documents required for the release of next installment of grant was submitted in time. But no fund was released by GoI.
17	Upgradation of Prisons	38.5		
18	Primitive Tribal Groups	14.8		
19	Health Infrastructure	49.5		
20	Local Bodies	134.34		

In view of the above, the audit para may kindly be dropped.

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Para No.1.6.4 Expenditure in excess of GoI release

Sl. No.	Name of Scheme and Department	Expenditure in excess of GoI release (Crore)	Remarks	Action Taken Report
1	Local Bodies	169.63	UC had been furnished. But GoI did not release the fund	LSG(AC)Department has reported that the State Government had released excess amount to the Local Government in anticipation of GoI grant. But GoI stopped further release of funds as per the ThFC award since July 2015. However State Government adjusted the above amount (Rs.166.39 Cr) (169.63 cr as per audit report) from the General Sector Development Fund during March 2016 as per GO(Rt)No.3146/2016/LSGD dated 30.03.2016.
2	Health Infrastructure	24.12	UC had been furnished. But GoI did not release the fund	Health & Family Welfare (P) Department has reported that the 1st Instalment of Rs.3,99,92,229/- was transfer credited to NHM and allotted to Tribal Hospital, Kottathara on 11.12.2015 as per GO(Rt)No.3984/15/H&FWD dated 11.12.2015. Balance amount of Rs.21,80,07,771/- was transfer credited to NHM thereafter. Out of this, the projects amounting to Rs.17,41,24,779/- is being implemented through NHM. Action has been taken to expend the balance amount. Action has already been taken to expend the amount of Rs.12.58 crore sanctioned during 2014-15. KMSCL An additional amount of Rs.2,46,97,905 is required to materialize the purchase of MRI Scanner in TDMC Alappuzha. For the scheme of pain and palliative care and the elderly care, the fund was not utilized due to the non availability of details regarding equipment and its delivery location.

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3	Fisheries	66.23	UC had been furnished. But GoI did not release the fund	<p>Fisheries & Ports (C) Department has reported that AS was accorded for the projects Infrastructure Development, Revamping of Fisheries Technical School and Revamping of Fishermen Colonies for an outlay of Rs.1410 lakh, Rs.2516.5 lakh and Rs.500 lakh respectively under 13th FC award. Accordingly an amount of Rs.2656.56 lakh has been released to KSCADC for the implementation of the schemes.</p> <p>Now out of the 13 works under Infrastructure Development, 10 works have been completed and commissioned and two of the deposit works implemented through KWA and KSEB are in the final stage of completion. With regard to the balance one work, ie, coastal road construction at Valiyathura Fishing Village, about 25% work is completed, but due to local protest the work was stopped half way and could not be resumed.</p> <p>AS was accorded for revamping of 10 Government Regional Fisheries Technical High School. Out of this works, 6 schools have been completed whereas four works ie., revamping of GRFTHS Thevara, GRFTHS Valiyathura, GRFTHS Azheekal and GRFTHS Beypore were abandoned due to various unforeseen reasons, even though solar high mass lights, biogas plants etc, were installed in all the 10 schools.</p> <p>Out of the 16 works sanctioned under "Revamping of fishermen colonies, 11 projects have been completed and commissioned. Funds have been transferred for three deposit works at Kollam and Pathanamthitta implemented through KWA Kollam and Kadapra Grama Panchayat, Pathanamthitta. 2 projects could not be taken up due to various issues. The entire amount released to KSCADC has been fully utilised.</p>
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154(11)

4	Upgradation of Prisons	37.59	UC has been furnished. But GoI did not release the fund	<p>Director General of Prisons has reported that the funds transferred for civil works are in progress. Fund is blocked up due to procedural delay / delay in implementation. An amount of Rs.15.63 crore was blocked up. Of which Rs.13.54 crore was deposited in PWD and Demand Draft was drawn for Rs.2.09 crore. The details of amount (Rs.13.54 crore) deposited in PWD is as follows:</p> <p>Video conferencing system in Jails - 11.25 crore Construction of lower Subordinate Quarters, District jail, Muttom - 1.80 crore Construction of overhead tank , Open jail, Cheemeni - 49 lakh</p> <p>Regarding construction of lower subordinate quarters, District jail, Muttom, the work is in progress and 40% of the work is completed. Regarding construction of overhead tank in open jail, cheemeni the work is re-tendered. Regarding Video conferencing system in jails, it has been decided to implement the work jointly by IT Mission and Jail. Out of Rs.2.09 crore for which DD was drawn, Rs.95,89,973/- was disbursed for completed works and a balance of Rs.84,21,182/- is pending for disbursal.</p>
5	Primitive Tribal Groups	2.91	UC has been furnished. But GoI did not release the fund	<p>SCST (PM) Department has reported that the additional fund from the State Government has been utilized for the fruitful completion of project in respect of Primitive Tribal Group of Kerala.</p>
6	Forest	8.85	Non-attainment of projected NPRE	<p>Forest & Wildlife (D) Dept has reported that the actual shortfall in NPRE was only 6.24%. Low utilisation in some components like construction of Check dams, construction of trenches, power fencing was due to delay in tender process, shortage of sand etc. Hence it is seen that the unutilised portion is only 6.24% and such shortfalls are normal in actual execution of the works.</p>
7	Maintenance of Roads and Bridges	7.64	Non-attainment of projected NPRE	<p>The CE(R&B) has reported that the release of grants by GoI is based on the condition that the NPRE of the particular financial year should reach the NPRE projected by the 13th FC. UC need not be submitted for the release of Grant. GoI had released the grant for the financial years 2011-12, 2013-14 and 2014-15. No release was made for the year 2012-13 on the account of the fact that the State could not achieve the NPRE projected by the 13th FC.</p>

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8	Water Sector Management	13.42	Non-setting up of independent Water Regulatory Authority	<p>The Chief Engineer (I&A) has reported that the FC had fixed the time line to constitute the Regulatory Authority ie., before 31st March 2012. The Kerala State Water Resources Regulatory Authority Ordinance (8 of 2012) was promulgated by the Governor of Kerala on the 16th day of January 2012. Subsequently the bill was presented before the Kerala Legislative Assembly on 01.04.2013 for discussion. The bill after consideration of by the Legislature was then forwarded to the Subject Committee of Kerala Legislature. The Subject Committee decided to seek the opinion/suggestions from the stakeholders / various representatives of the society. Finally as per the rule 94(a) of the Rule of procedure and conduct of Business in the Kerala Legislative Assembly the bill was withdrawn on 01.02.2014.</p>
9	Incentive Grant for UID	9.92	Non/Delayed submission of UC	<p>IT (B) Department has reported that majority of District Collectors have already transferred the amount to Local Self Government Institution and they in turn have had disbursed major portion of the amount to the beneficiaries. Out of Rs.12.57 crore sanctioned, Rs.7.65 crore has been utilized. IT Department is in constant touch with District administration and necessary follow up action is being taken in this regard.</p>
10	Database for Employees and Pensioners	0.03	Non/Delayed submission of UC	<p>Finance (Pension-A) Department has reported that an amount of Rs.2.5 Crore was released as first instalment of grant for setting up a Data Base for Government employees and Pensioners to State Government. Pensioners Information System (PRISM) is a centralized repository containing information of all Pensioners in the State. This software has been developed by Finance(ITSF) Department to automate Pension distribution system. The Administrative Sanction was issued vide GO(P) No.421/2014/Fin dated 25.09.2014 only as several discussions were required with all stakeholders like Accountant General, Director (Information System) and Director of Treasuries for the finalisation of the database. This resulted in delay in the implementation and hence the short release.</p>

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11	Upgradation of Police	1.9	Non/Delayed submission of UC	<p>Home (E) Department has reported that the places for the construction of each works were decided and necessary AS was accorded to carry out the work. But, these delay in identifying suitable land in the decided places, which delayed KPHCC in awarding the works. At present 197 works were completed out of 254 civil works entrusted with KPHCC. Balance construction works are under progress. Subsequently, an amount of Rs.65.25 crore has been expended by KPHCC as on 31.10.2016 (Out of 78.40 crore released to KPHCC)</p> <p>At present 11 District Senior Citizen Bureaus are completed. The requirements of lift facilities will be considered on the request of unit heads concerned based on the necessity. Electricity connection has already provided. Shri. Prakash IPS has been appointed as the Nodal Officer for the completion of the e-beat system. The system has been successfully functioning at 7 Police Districts since 15.5.2016.</p>
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12	Animal Husbandry	74.9	Non/Delayed submission of UC	<p>Agriculture(AHG) Department has reported the following :-</p> <p><u>Multi Speciality Complex at Kudappanakkunnu</u></p> <p>During 2012-13 an amount of Rs.2.72 crores was sanctioned for the purchase of hospital equipments, furniture etc for the multispeciality complex. Additional amount of Rs.1.65 Crore was taken from the component for additional civil works and Rs. 1.07 Crores is remaining for purchase of hospital equipments, furniture etc. Even though action was initiated for purchase of equipments due to administrative reason, the District Animal Husbandry Officer, Tvpm was directed to re-tender and accordingly action has been initiated for e-tendering.</p> <p><u>Pharmaceutical division at VBI Palode</u></p> <p>Civil works are undertaken through Kerala State Nirmithi Kendra. AS was given for M/s BAL Pharma Ltd for developing pre-formulatory. Presently difficulties are being faced in proceeding with the installation procedures with regard to filling and cleaning with rooms, since the consultant appointed for the project is not competent enough to carry out the work and the work was started without a detailed project report. Action is being taken to sort out issue and to proceed further.</p> <p><u>Hi-tech diary complex, Vithura and Kuriottumala.</u></p> <p>Payment for construction works of hi-tech dairy farm at Kuriottumala to KSHB is being done in parts and work will be completed within two months time and animal purchase will be done after civil works are over and the farm will be commissioned soon. Out of Rs.20 crore sanctioned for Jersey Farm, Vithura Rs. 2.52 Crore was given to Kerala State Housing Board for constuction and balance fund to the tune of Rs.17.48 Crore for the project was reallocated to Kerala Feeds Limited as per G.O(Ms) No.239/14/AD dated 23/10/2014 for the construction of 2 Hi-tech Feed plant under Kerala Feeds Limited at Kozhikode and Idukki and Utilistion Certificate for the same submitted.</p> <p>The work of Kozhikode Hi-tech feed plant has been completed and trial production of feed is going on. The site work for Hi-tech feed plant at Idukki is progressing and 75% has been completed.</p>

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13	Kuttanad Development	32.64	Non/Delayed submission of UC	Though the Agriculture (NCA) Department was requested to furnish ATR, the same has not been received so far. Final ATR will be furnished on receipt of the same from the department concerned.
14	Water Bodies	13.2	Non/Delayed submission of UC	<p>The CE(I&A) has reported that Central Water Commission had stipulated some criteria for selection of works ie. ayacut achieved inlet/outlet arrangements etc. under Thirteenth Finance Commission. During the visit of the monitoring committee constituted for monitoring works under Thirteenth Finance Commission, some of the works proposed did not satisfy the criteria stipulated by CWC. Accordingly, directions were given to propose those works which will satisfy CWC norms. This resulted in certain delay. The expenditure as on March 2013 is 11.75 Crore. On February 2015, Utilisation Certificate for an amount of Rs.30.17 Crore was submitted to Government. However, the second release for an amount Rs. 9.03 Crore was made during March 2015.</p> <p>On June 2015, Utilisation Certificate for an amount of Rs. 34.73 Crore (for the year 2014-2015) was submitted to Government. No fund was released for implementation of Water Bodies after the award period.</p>
In view of the above, the audit para may kindly be dropped.				

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Para No.1.6.5 Unutilised fund with Govt/Implementing agencies

Sl. No.	Name of Scheme and Department	Unutilised fund with (in Crore)		Remarks	Action Taken Report
		Government	Implementing agency		
1	Renewable Energy	12.5	0	Rs.12.50 crore received (March 2015) from GoI as incentive for 'Renewable Energy' has not been released so far. The department has not submitted any proposal claiming the amount	Power (PS) Department has reported that as per GO(Rt)No.116/2017/Power dated 31.03.2017, AS was accorded for the utilization of an amount of Rs.12.50 crore for funding 3MW Solar Project at Barapole and for the release of this amount to KSEBL towards incentive for creation of infrastructure for renewable energy in the State under the h/a '2801-80-190-98 Incentive for Grid Connected Renewable Energy (NP)' in the 2016-17 financial year's budget provision subject to usual terms and conditions of fund release.
2	Improving Justice Delivery	2.43	1.54	Funds received for setting up of ADR Centres, Legal aid and lok Adalats. Due to procedural delay fund remained unspent.	Member Secretary, KELSA has reported that out of Rs. 720.70 lakhs received for the establishment of ADR centres and training of Mediators, a sum of Rs.647.47 lakhs was utilized for the establishment of ADR Centers and a sum of Rs.73.23 lakhs for training of Mediators. Hence the amount allotted under the 13th FC has been fully utilized. Construction of building was completed in Thiruvananthapuram, Alapuzha, Mavelikkara, Ernakulam, Thrissur, Kannur and Kottayam . The construction of ADR building at Kottayam could not be completed by 31.03.2016 and the same was completed on 18.11.2017 not utilizing the 13th FC fund. Centers at Idukki, Palakkad and Kasargode could not be completed due to reasons such as high estimate, for want of sanction from Archeological Survey of India, non availability of land etc. Land was not available for construction at Idukki, Palakkad, Kasargode, Kollam, Pathanamthitta, North Paravur, Malappuram, Kozhikode, Wayanad and Head quarters Ernakulam.

3	Incentive Grant for Reduction of IMR	38.38	0	Rs.14.84 crore received in 2012-13 and Rs.10.96 crore in 2013-14 and Rs.12.58 crore in 2014-15. Director, Health Services Department failed to claim this amount.	<p>H&FW(P) Department has reported that the 1st instalment of Rs. 3,99,92,229 } was transfer credited to NHM and allotted to Tribal Hospital, Kottathara on 11.12.2015 as per GO (Rt) No. 3984/2015/H&FWD dated 11.12.2015. Balance amount of Rs. 21,80,07,771/- was transfer credited to NHM only thereafter.</p> <p>Out of this, the projects amounting to Rs. 17,41,24,779/- is being implemented through NHM. Action has been taken to spend the balance amount. Action has already been taken to spend the amount of Rs. 12.58 Crore sanctioned during 2014-15.</p>
4	District Innovation Fund	0.71	0	Due to delay in implementation, UC for the first release of Rs. 7 crore was furnished to GoI only in March 2015. Balance of Rs.0.71 crore received in March 2015 had not been released by GoK.	<p>Revenue (F) Department has reported that an amount of Rs.7,70,87,000/- has been sanctioned as District Innovation Fund by the Government in which Rs. 7 crore as 1st instalment (2011-12) and Rs. 70,87,000/- as 2nd instalment (2015-16). The sanctioned amount was fully utilized by the District Collectors and Utilization Certificate had already been furnished.</p> <p>The second instalment of Rs.70.87 lakhs has been allotted during the financial year 2015-16 only. The utilization of the second instalment has been completed during the year 2016-17, since 10% contribution from the beneficiary institution need to be collected before issuing administrative sanction for the utilisation of District Innovation Fund. Due to the delay in getting non-government contribution (10%) the project was delayed. However Utilization Certificate for the full amount was already furnished on 29.06.2017.</p>

5	Improving Statistical Systems at Districts and State Level	1.46	0	Due to non-attainment of required level of utilization the department surrendered the balance fund to GoK.	<p>Planning & Economics Affairs (B) Department has reported that the total amount released under 13th FC scheme was Rs.8.40 crore. The expenditure up to 31.03.2015 was 6.96 crore resulting an unspent balance of Rs.1.44 crores. The scheme was basically intended to strengthen data availability at district and State Level and could not be completed as expected due to the shortage of field staff and other related issues</p> <p>Ministry of Statistics & Programme implementation extended the project period for one year ie., 2015-16. Rs.1.11 crore has been expended during the period and total expenditure comes to Rs.8.07 crores (96.04% of the total released amounts). The UC up to 31.03.2016 has already been forwarded to GoI.</p>
6	Disaster Relief (Capacity Building)	1.04	8.12	Fund released for establishment of IT infrastructure to SEOC. Agreement has not been signed so far. Fund transferred to SDMA for capacity building of officials in Municipalities/ Panchayats and Beach guards. Due to procedural delay the fund remained blocked up.	<p>Revenue (K) Department reported that, GoK has entered into the agreement with the KELTRON on 26.04.2016 for the setting up of IT and Communication system in State Emergency Operation System. First instalment of fund (Rs. 1,49,21,200 ie. 25% of the agreed amount) has been released to the implementing agency. The project has a time line for 36 months from the date of entering into the agreement with the KELTRON for the implementation by using 13th FC grant-in-aid.</p>

7	Incentive Grant for UID	0	4.96	Fund intended for disbursement to BPL beneficiaries remained undisbursed	<p>IT (B) department has reported that as the Kerala IT Mission was unable to link UID data with BPL data, Government, as per G.O(Ms) 7/2014/ITD dated 10.02.2014, directed KSITM to transfer the fund to District Collectors for disbursing the same to BPL families through LSGIs. The amount given by Government to KSITM (Rs.14.88 Crores) was sufficient to meet 40% of BPL families in each district.</p> <p>IT Department has reported that Majority of District Collectors have already transferred the amount to Local Self Government Institution and they in turn have had disbursed major portion of the amount to the action beneficiaries. Out of Rs.12.57 crore sanctioned, Rs.7.65 crore has been utilized. IT Department is in constant touch with District administration and necessary follow up action is being taken in this regard.</p>
8	Local Bodies	0	198.33	Fund blocked up with around 1000 Grama Panchayats/ Municipalities/ Corporations	<p>LSG (AC) Department has reported that an amount to the tune of Rs.198.33 crore has been held up in around 1000 Grama Panchayats / ULBs. The second instalment of ThFC grant was released only in January 2015 as per GO(Rt)No.99/2015/Fin dated 07/01/2015. Therefore local governments were constrained to achieve full utilization of the award within the span of three months.</p>

9	Inland Waterways	27.5	0	Due to non-attainment of required level of utilization the department surrendered the balance fund to GoK.	<p>Coastal Shipping & Inland Navigation (A) Department has reported that according to the guidelines regarding ThFC grant-in-aid, release of 2nd instalment is possible only if 2/3rd of 1st instalment is utilized. For release of 3rd instalment, 100% of 1st instalment and at least 2/3rd of the 2nd instalment must be utilized. First instalment Rs.15.02 crore was received in 2011-12. Delay in finalization of action plan resulted in low expenditure during the initial years. The required expenditure to facilitate release of 2nd instalment could be achieved only during the middle of 2013-14 (2/3rd of 1st expenditure). Though the 2nd instalment release of Rs.57.03 crore was received at the end of 2013-14, the period of 13th FCA expired on 31.03.2015. Out of 29 sanctioned works under ThFC, 6 numbers of works are at different stages of execution. Most of the works were awarded at below estimate rate and total accepted amount of contract was considerably reduced compared with the amount for which AS was issued i.e., Rs.94.835 crore. Due to the lack of adequate time for execution within the completion period of 13th FC Award, 14 nos. of works costing Rs.14.40 cores were cancelled. In some reaches of the navigation canal has been proposed in the project estimate which amounts to Rs.6.48 crore. On this account also, accepted PAC has been reduced. Thus, the total accepted amount of contract was reduced to Rs.73.603 crores against the administratively sanctioned amount of 100 core (Rs.94.835 + 5.165)</p> <p>Total expenditure as on July 2016 for Inland Navigation Department was Rs.59.1983 crores against the total grant amount of Rs.72.05 crore released under the 13th FC grant</p> <p>Impediments in the progress of works were analysed and remedial measures taken. During the course of execution of works, due to technical reasons and also due to the interference of local public, some changes in the design was necessitated and some additional structures including cross drainage work etc. were incorporated. Out of the six works, 2 works are almost completed and the remaining 4 works will be completed soon.</p>
10	Coastal Zone Management	5.37	0	Due to non-attainment of required level of utilization the department surrendered the balance fund to GoK.	<p>Though the Water Resources (IR) Department was requested to furnish ATR the same has not been received so far. Final ATR will be furnished on receipt of the same from the department concerned.</p>

11	Health Infrastructure	0	4.06	Fund transferred for purchase of equipment remained blocked up due to defective planning.	<p>Health & FW (P) Department has reported that the 1st Instalment of Rs.3,99,92,229/- was transfer credited to NHM and allotted to Tribal Hospital, Kottathara on 11.12.2015 as per GO(Rt)No.3984/15/H&FWD dated 11.12.2015. Balance amount of Rs.21,80,07,771/- was transfer credited to NHM thereafter.</p> <p>Out of this, the projects amounting to Rs.17,41,24,779/- is being implemented through NHM. Action has been taken to expend the balance amount.</p> <p>Action has already been taken to expend the amount of Rs.12.58 crore sanctioned during 2014-15.</p> <p>KMSCL</p> <p>An additional amount of Rs.2,46,97,905 is required to materialize the purchase of MRI Scanner in TDMC Alappuzha. For the scheme of pain and palliative care and the elderly care, the fund was not utilized due to the non availability of details regarding equipment and its delivery location.</p>
12	Upgradation of Police	0	28.32	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation	<p>Home (E) Department has reported that the places for the construction of each works were decided and necessary AS was accorded to carry out the work. But, these delay in identifying suitable land in the decided places, which delayed by KPHCC in awarding the works. At present 197 works were completed out of 254 civil works entrusted with KPHCC. Balance construction works are under progress. Subsequently, an amount of Rs.65.25 crore has been expended by KPHCC as on 31.10.2016 (Out of 8.40 crore released to KPHCC)</p> <p>At present 11 District Senior Citizen Bureaus are completed. The requirements of lift facilities will be considered on the request of unit heads concerned based on the necessity. Electricity connection has already provided. Shri. Prakash IPS has been appointed as the Nodal Officer for the completion of the e-beat system. The system has been successfully functioning at 7 Police Districts since 15.5.2016.</p>
13	Primitive Tribal Groups	0	6.36	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation	<p>SCST Development (PM) Department has reported that un-utilized amount of Rs.0.95 crore, out of the total central release of Rs.133.20 crore, has been kept with AHADS and actions have been taken for the remittance of un-utilised fund.</p>

14	Fisheries	0	8.78	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation	<p>Fisheries & Ports (C) Department has reported that AS was accorded for the projects infrastructure development. Revamping of Fisheries Technical School and Revamping of Fishermen Colonies for an outlay of Rs.1410 lakh, Rs.2656.56 lakh and Rs.500 lakh respectively under 13th FC award. Accordingly an amount of Rs.2556.56 lakh has been released to KSCADC for the implementation of the schemes.</p> <p>Now out of the 13 works under Infrastructure Development, 10 works have been completed and commissioned and two of the deposit works implemented through KWA and KSEB are in the final stage of completion. With regard to the balance one work, ie, coastal road construction at Valiyathura Fishing Village, about 25% work is completed, but due to local protest the work was stopped half way and could not be resumed.</p> <p>AS was accorded for revamping of 10 Government Regional Fisheries Technical High School. Out of this works, 6 schools have been completed whereas four works ie., revamping of GRFTHS Thevara, GRFTHS Valiyathura, GRFTHS Azheekal and GRFTHS Beypore were abandoned due to various unforeseen reasons, even though solar high mass lights, biogas plants etc, were installed in all the 10 schools.</p> <p>Out of the 16 works sanctioned under "Revamping of fishermen colonies, 11 projects have been completed and commissioned. Funds have been transferred for three deposit works at Kollam and Pathanamthitta implemented through KWA Kollam and Kadapra Grama Panchayat, Pathanamthitta. 2 projects could not be taken up due to various issues. The entire amount released to KSCADC has been fully utilised.</p>
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15	Upgradation of Prisons	0	15.63	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation	<p>Director General of Prisons has reported that the funds transferred for civil works are in progress. Fund is blocked up due to procedural delay /delay in implementation. An amount of Rs.15.63 crore was blocked up. Of which Rs.13.54 crore was deposited in PWD and Demand Draft was drawn for Rs.2.09 crore. The details of amount (Rs.13.54 crore) deposited in PWD is as follows:</p> <p>Video conferencing system in jails - 11.25 crore Construction of lower subordinate quarters, District jail, Muttom - 1.80 crore Construction of overhead tank , Open jail, Cheemeni - 49 lakh</p> <p>Regarding construction of lower subordinate quarters, District jail, Muttom, the work is in progress and 40% of the work is completed. Regarding construction of overhead tank in open jail, cheemeni the work is re-tendered. Regarding Video conferencing system in jails, it has been decided to implement the work jointly by IT Mission and Jail. Out of Rs.2.09 crore for which DD was drawn, Rs.95,89,973/- was disbursed for completed works and a balance of Rs.84,21,182/- is pending for disbursal.</p>
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16	Animal Husbandry	0	9.47	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation	<p>Agriculture (AHG) Department has reported the following :-</p> <p><u>Multi Speciality Complex at Kudappanakkunnu</u> During 2012-13 an amount of Rs.2.72 crores was sanctioned for the purchase of hospital equipments, furniture etc for the multispeciality complex. Additional amount of Rs.1.65 Crore was taken from the component for additional civil works and Rs. 1.07 Crores is remaining for purchase of hospital equipments, furniture etc. Even though action was initiated for purchase of equipments due to administrative reason, the District Animal Husbandry Officer, Tvpm was directed to re-tender and accordingly action has been initiated for e-tendering.</p> <p><u>Pharmaceutical division at VBI Palode</u> Civil works being undertaken through Kerala State Nirmithi Kendra. AS was given for M/s BAL Pharma Ltd for developing pre-formulatory. Presently difficulties are being faced in proceeding with the installation procedures with regard to filling and cleaning with rooms, since the consultant appointed for the project is not competent enough to carry out the work and the work was started without a detailed project report. Action is on sorting out issue and to proceed further.</p> <p><u>Hi-tech dairy complex, Vithura and Kuriottumala.</u> Payment for construction works of hi-tech dairy farm at Kuriottumala to KSHB is being done in parts and work will be completed within two months time and animal purchase will be done after civil works are over and the farm will be commissioned soon. Out of Rs.20 crore sanctioned for Jersey Farm Vithura Rs. 2.52 Crore was given to Kerala State Housing Board for construction and balance fund to the tune of Rs.17.48 Crore for the project was reallocated to Kerala Feeds Limited as per G.O(Ms) No.239/14/AD dated 23/10/2014 for the construction of 2 Hi-tech Feed plant under Kerala Feeds Limited at Kozhikode and Idukki and Utilistion Certificate for the same submitted. The work of Kozhikode Hi-tech feed plant has been completed and trial production of feed is going on. The site work for Hi-tech feed plant at Idukki is progressing and 75% has been completed.</p>
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17	Kuttanad Development	0	3	Fund transferred in July 2014 for the construction of Godown. Work not commenced. Extension of period has been sought for by the Corporation	Agriculture (NCA) Department has reported that an amount of Rs.5.93 crore was transferred to Central Warehousing Corporation for constructing a godown for storage of paddy. Corporation identified the land and a proposal was placed before the SLEC. The Committee rejected the proposal since the land allotted to Central Warehousing Corporation in Sy. No.281/1 of Purakkad Village for the construction of 8200 MTC Godown is marshy land and as per the Kerala Conservation of Paddy land and Wetland Act, 2008, the said wetland is prohibited from being converted. Therefore the amount transferred from Suchitwa Mission to Central Warehousing Corporation can be spent only after identifying another suitable hassle free land of the required extent. The CWC has been already been informed by the Govt. on 28.07.2016, that their proposal is rejected due to the above reasons. The rejection of the proposal by State Level Committee has also been conveyed to the CWC vide Govt. letter dated 17.06.2017. Corporation has been requested to take immediate steps to identify another suitable but hassle free land at the earliest so that the allotted amount can be utilized fully.
In view of the above, the audit para may kindly be dropped.					

Para1.6.6 Status of Implementation of envisaged schemes

Scheme and objectives	Audit observation	Action Taken Report
<p>1. Incentive Grant for issuing UID- Intended to enroll 49.6 lakh BPL beneficiaries into the UID Programme</p>	<p>The first installment of Rs. 4.96 crore out of the total grant of Rs.49.60 crore released to Kerala State Information Technology Mission, Trivandrum remained unutilised due to inability to link UID data with BPL data. In May 2014, Rs.2.64 crore out of the above was transferred to District Collectors to disburse the funds through Local Self Government Institutions and this also remained unsuccessful. Consequently, further installments (Rs.44.64 crore) of central assistance were not received.</p>	<p>IT (B) Department has reported that the 13th FC has recommended a total grant of Rs. 49.604 Crore to the State for the entire award period for incentivizing people below poverty line who are registering for UID. GoI had released the 1st instalment of Rs. 4.96 Crore for the above without any condition and all subsequent instalments will be released on a reimbursement basis based on the number of people covered under the UID database as certified by UIDAI. IT department reported that, the amount of Rs. 49.6 Crore as grant-in-aid for incentivizing BPL families was worked out based on the BPL list approved by Central Planning Commission. The Finance Commission had approved an amount of Rs. 100 per BPL individual. According to the latest figures of GoK, total no. of families under BPL list in the State comes to 32.29 Lakh which is much higher than from the list of GoI. As per the Cabinet decision taken on 1.06.2011, GoK has decided to disburse incentive at the rate of Rs. 150 per BPL family, through the bank account of the head of the family, once the entire numbers of the family are enrolled. An amount of Rs. 14.88 Crore (Rs. 4.96 GoI release + Rs. 9.92 Crore from the State Budget) has been transferred to Kerala State IT Mission. Accordingly, GO (Ms) No. 16/2011/ITD dated 03.06.2016 was issued. The conditions in the above GO has been modified with fresh conditions as per GO (Ms) no. 24/2012/ITD dated 14.11.2012 enabling disbursement of fund as and when head of BPL family is enrolled instead of enrolling entire family members. Originally, it was planned to disburse the amount to actual beneficiaries by linking PDS data base, as there is no field in Aadhaar database showing the poverty status of enroller. As the Kerala State IT mission was unable to link UID data with BPL data, Government as per GO(Ms) No. 71/2014/ITD dated 10.02.2014 directed KSITM to transfer the fund to District Collectors for disbursing the same to BPL families through LSGIs. The amount given by the Government to KSITM was sufficient to meet 40% of BPL families in each district. IT department conducted several meeting with District Collectors and instructed them to speed up the disbursement of fund and furnish UC for the same urgently.</p>

2. Database of Employees and Pensioners- Preparation of a database of all employees, pensioners and family pensioners in the State.	The work was entrusted to Finance (IT-SF) Department and the first installment (Rs.2.50 crore out of Rs.10 crore) was released in September 2010 with a condition to complete the work in three years. Department failed to complete it within the award period, which resulted in non-release of Rs.7.50 crore.	Finance (Pension-A) Department has reported that an amount of Rs.2.5 Crore was released as first instalment of grant for setting up a Data Base for Government employees and Pensioners to State Governments. Pensioners Information System (PRISM) is a centralized repository containing information of all Pensioners in the State. This software has been developed by Finance(ITSF) Department to automate all Pension distribution system. The total expenditure during the period 2013-14 to 2017-18 is Rs. 3.23 crore for developing the database. The Administrative Sanction was issued vide GO(P) No.421/2014/Fin dated 25.09.2014 only as several discussions were required with all stakeholders like Accountant General, Director (Information System) and Director of Treasuries for the finalisation of the database. This resulted in delay in the implementation and hence the short release.
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<p>3. Improvement of Justice Delivery</p> <p>a) Setting up of Morning/ Evening/ Shift/Weekend/Special Magistrate Courts-To clear the backlog of cases by increasing the court working hours using the existing infrastructure by holding morning/evening courts and to relieve pressure on judicial time.</p>	<p>Government of Kerala accorded (February 2010 and January 2012) sanction for establishment of 74 evening courts. The High Court of Kerala found that the scheme was not practical as the Judicial Officers were already overburdened and hence only five evening courts were established. In view of the slow/no progress in establishment of evening courts GoI provided (January 2012) flexibility to include other types of Temporary Special Courts and hence 27 Special Temporary First Class Magistrate Courts were established (June 2014). However, delay in establishment of courts led to non-achievement of objectives as well as non-receipt of balance GoI assistance amounting to Rs.47.2 crore</p>	<p>Registrar, High Court of Kerala has reported that out of 74 Evening Courts, only 5 were made functional during the initial years and it was found that Evening Courts are not practical. The Government accorded sanction for the establishment of 27 temporary Magistrate courts in November 2012 and the work was completed during the extended period. Regarding appointment of Court Managers, the appointment was made only by the end of 2014 as the permission for direct recruitment was issued by Govt. only in 2013. Out of 16 vacancies, only 11 candidates were found fit after due selection process. This resulted in low utilisation.</p>
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15A(29)

<p>b) Conservation of Heritage Court Buildings-Restoration and Conservation of Heritage Court Buildings in the State.</p>	<p>Out of ten works identified, four works were entrusted (February 2011) to Archaeology Department and the works were not completed till the end of the award period. Remaining works proposed for awarding to Hindustan Pre Fab Limited were also not completed. Hence Government assistance of Rs.8.49 crore, earmarked for conserving heritage building under ThFC was not received</p>	<p>Registrar, High Court of Kerala has reported that out of 10 Court buildings identified, the work of only 4 buildings was started. The work was entrusted to Archeology department and the delay in the work is due to shortage of competent staff for the work. The work of remaining six buildings could not be started as the sanction was received at the end of award period. The work was completed during the extended period.</p>
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<p>c) Establishment of District Alternate Dispute Resolution Centres-Award amount given to Kerala Legal Service Authority (KELSA) to set up (for constructing physical infrastructure) Alternate Dispute Resolution Centres (ADR) for speedy settlement of cases outside court through mediation, conciliation, arbitration, etc.</p>	<p>KELSA/Government identified 10 out of 17 sites targeted and completed only six ADRs. One work was in progress and the remaining three works were pending commencement due to higher estimate/pending sanction from Archaeological Survey of India/Government. For the remaining seven sites, Government has not identified land and consequently central assistance of Rs.11.42 crore was not received and intended benefit was not derived during the award period.</p>	<p>Member Secretary, KELSA has reported that out of Rs. 720.70 lakhs received for the establishment of ADR centres and training of Mediators, a sum of Rs.647.47 lakhs was utilized for the establishment of ADR Centers and a sum of Rs.73.23 lakhs for training of Mediators. Hence the amount allotted under the 13th FC has been fully utilized. Construction of building was completed in Thiruvananthapuram, Alapuzha, Mavelikkara, Ernakulam, Thrissur, Kannur and Kottayam . The construction of ADR building at Kottayam could not be completed by 31.03.2016 and the same was completed on 18.11.2017 not utilizing the 13th FC fund. Centers at Idukki, Palakkad and Kasargode could not be completed due to reasons such as high estimate, for want of sanction from Archeological Survey of India, non availability of land etc. Land was not available for construction at Idukki, Palakkad, Kasargode, Kollam, Pathanamthitta, North Paravur, Malappuram, Kozhikode, Wayanad and Head quarters Ernakulam.</p>
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54(3)

State Specific Schemes		
<p>4. Upgradation of Police Department-Award amount (Rs.100 crore) was to be utilised for enhancing the efficiency, effectiveness and capacity of the department by establishing centres for Senior Citizen Protection, Foreigners Facilitation, Tourist Protection, Community Police Resource Centres and Dormitories.</p>	<p>Work was entrusted to Kerala Police Housing Construction Corporation. Delay in awarding works, identifying sites, non-adherence to the time schedule, etc., resulted in completion of 135 works (53 per cent) out of 254 civil works by spending Rs.50.08 crore (out of Rs.78.40 crore released to the agency) Construction of State Senior Citizens Service Bureau (Rs.0.20 crore) completed in October 2013 was given to Kerala Police Pensioners' Welfare Association in March 2015 instead of utilising it for the intended purpose. Four out of the ten buildings completed for District Senior Citizen Bureaue (Rs.0.35 crore) have not been put to use for want of lift facility, electricity connection, etc. An expenditure of Rs.1.50 crore incurred (March 2013) on the implementation of electronic beat system also did not materialise till the end of award period. This was due to the failure on the part of</p>	<p>Home (E) Department has reported that the places for the construction of each works were decided and necessary AS was accorded to carry out the work. But, these delay in identifying suitable land in the decided places, which delayed KPHCC in awarding the works. At present 197 works were completed out of 254 civil works entrusted with KPHCC. Balance construction works are under progress. Subsequently, an amount of Rs.65.25 crore has been expended by KPHCC as on 31.10.2016 (Out of 8.40 crore released to KPHCC). At present 11 District Senior Citizen Bureaue are completed. The requirements of lift facilities will be considered on the request of unit heads concerned based on the necessity. Electricity connection has already provided. Shri. Prakash IPS has been appointed as the Nodal Officer for the completion of the e-beat system. The system has been successfully functioning at 7 Police Districts since 15.5.2016</p>

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<p>5. Ecosan toilets (Kuttanad Development)- Scheme to provide individual high level household toilets at Kuttanad area for sanitation coverage in the area</p>	<p>An amount of Rs. 3 crore out of Rs.5.93 crore was released to Suchitwa Mission (the implementing agency) in two instalments during 2011-2013. After conducting a pilot study, the scheme was abandoned due to delay in identifying a suitable technology. In August 2014 the amount was transferred to Central Warehousing Corporation for construction of a godown (for storage of paddy) and the same also remained unutilised till date (December 2015).</p>	<p>Agriculture (NCA) Department has reported that an amount of Rs.5.93 crore was transferred to Central Warehousing Corporation for constructing a godown for storage of paddy. Corporation identified the land and a proposal was placed before the SLEC. The Committee rejected the proposal since the land allotted to Central Warehousing Corporation in Sy. No.281/1 of Purakkad Village for the construction of 8200 MTC Godown is marshy land and as per the Kerala Conservation of Paddy land and Wetland Act, 2008, the said wetland is prohibited from being converted. Therefore the amount transferred from Suchitwa Mission to Central Warehousing Corporation can be spent only after identifying another suitable hassle free land of the required extent. The CWC has been already been informed by the Govt. on 28.07.2016, that their proposal is rejected due to the above reasons. The rejection of the proposal by State Level Committee has also been conveyed to the CWC vide Govt. letter dated 17.06.2017. Corporation has been requested to take immediate steps to identify another suitable but hassle free land at the earliest so that the allotted amount can be utilized fully.</p>
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In view of the above, the audit para may kindly be dropped.

Para1.6.7 Submission of Utilisation Certificate and Monitoring mechanism

Audit Observation	Action Taken Report
<p>Director, Dairy Development Department reported (6 January 2015) that Rs.74.90 crore received for the scheme Animal Husbandry was fully utilised. Audit noticed that an amount of Rs.9.47 crore out of the above remained unutilized with the implementing departments/agencies at the end of the award period.</p>	<p>Agriculture (AHG) Department has reported the following :- <u>Multi Speciality Complex at Kudappanakkunnu</u> During 2012-13 an amount of Rs.2.72 crore was sanctioned for the purchase of hospital equipments, furniture etc for the multispeciality complex. Additional amount of Rs.1.65 Crore was taken from the component for additional civil works and Rs. 1.07 Crore is remaining for purchase of hospital equipments, furniture etc. Even though action was initiated for purchase of equipments due to administrative reason, the District Animal Husbandry Officer, Tvpm was directed to re-tender and accordingly action has been initiated for e-tendering.</p> <p><u>Pharmaceutical division at VBI Palode</u> Civil works are undertaken through Kerala State Nirmithi Kendra. AS was given for M/s BAL Pharma Ltd for developing pre-formulatory. Presently difficulties are being faced in proceeding with the installation procedures with regard to filling and cleaning with rooms, since the consultant appointed for the project is not competent enough to carry out the work and the work was started without a detailed project report. Action is being taken to sort out issue and to proceed further.</p> <p><u>Hi-tech dairy complex, Vithura and Kuriottumala.</u> Payment for construction works of hi-tech dairy farm at Kuriottumala to KSHB is being done in parts and work will be completed within two months time and animal purchase will be done after civil works are over and the farm will be commissioned soon. Out of Rs.20 crore sanctioned for Jersy Farm Vithura Rs. 2.52 Crore was given to Kerala State Housing Board for construction and balance fund to the tune of Rs.17.48 Crore for the project was reallocated to Kerala Feeds Limited as per G.O(Ms) No.239/14/AD dated 23/10/2014 for the construction of 2 Hi-tech Feed plant under Kerala Feeds Limited at Kozhikode and Idukki and Utilistion Certificate for the same submitted.</p> <p>The work of Kozhikode Hi-tech feed plant has been completed and trial production of feed is going on. The site work for Hi-tech feed plant at Idukki is progressing and 75% has been completed.</p>

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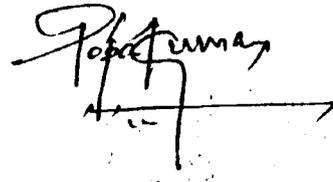
<p>Director General of Prisons and Correctional Services reported (21 March 2015) that Rs.115.50 crore received for Upgradation of Prisons was reported as fully utilised. Audit noticed that an amount of Rs.15.63 crore out of this was remaining blocked up with PWD/Implementing department.</p>	<p>Director General of Prisons has reported that the funds transferred for civil works are in progress. Fund is blocked up due to procedural delay /delay in implementation. An amount of Rs.15.63 crore was blocked up. Of which Rs.13.54 crore was deposited in PWD and Demand Draft was drawn for Rs.2.09 crore. The details of amount (Rs.13.54 crore) deposited in PWD is as follows:</p> <ul style="list-style-type: none">Video conferencing system in jails - 11.25 croreConstruction of lower subordinate quarters, District jail, Muttom - 1.80 croreConstruction of overhead tank, Open jail, Cheemeni - 49 lakh <p>Regarding construction of lower subordinate quarters, District jail, Muttom, the work is in progress and 40% of the work is completed. Regarding construction of overhead tank in open jail, cheemeni the work is re-tendered. Regarding Video conferencing system in jails, it has been decided to implement the work jointly by IT Mission and Jail. Out of Rs.2.09 crore for which DD was drawn, Rs.95,89,973/- was disbursed for completed works and a balance of Rs.84,21,182/- is pending for disbursal .</p>
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In view of the above, the audit para may kindly be dropped.


പ്രതിപദ്കുമാർ. ബി.
ജോയിന്റ് സെക്രട്ടറി
ധനകാര്യ വകുപ്പ്
ഗവ: സെക്രട്ടേറിയറ്റ്
തിരുവനന്തപുരം

Action taken statement on C&AG report on State Finance for the year ended 31st March 2015

Para No.	Name of Scheme	Total amount released	Unutilised funds with		Remarks	Reply
			Govt.	Implementing agency		
1.6.5 (Appendix 1.10)	Disaster Relief - Capacity Building (State Disaster Management Authority) (Revenue K Dept)	16 crore	1.04 crore	8.12 crore	Fund released for establishment of IT infrastructure to SEOC. Agreement has not been signed so far. Fund transferred to SDMA for capacity building of officials in Municipalities/ Panchayats and Beach guards. Due to procedural delay the fund remained blocked up.	Revenue (K) Department reported that, GoK has entered into the agreement with the KELTRON on 26.04.2016 for the setting up of IT and Communication system in State Emergency Operation System. First instalment of fund (Rs.1,49,21,200 ie. 25% of the agreed amount) has been released to the implementing agency. The project has a time line for 36 months from the date of entering into the agreement with the KELTRON for the implementation by using 13 th FC grant-in-aid.

P. P. Kumar


Action taken statement on C&AG report on State Finance for the year ended 31st March 2015

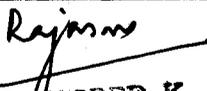
Para No.	Scheme and objectives	Audit observation	Reply
1.6.6	Incentive grant for issuing UID-intended to enroll 49.6 lakh BPL beneficiaries into the UID programme. (Information Technology (B) Department	The first instalment of Rs.4.96 crore out of the total grant of Rs.49.60 crore released to Kerala State Information Technology Mission, Trivandrum remained unutilised due to inability to link UID data with BPL data. In May 2014, Rs.2.64 crore out of the above was transferred to District Collectors to disburse the funds through Local Self Government Institutions and this also remained unsuccessful. Consequently, further instalments (Rs.44.64 crore) of Central assistance were not received.	The 13 th FC has recommended a total grant of Rs.49.60 crore to the state for the entire award period for incentivising people below poverty line who are registering for UID. GoI had released the first instalment of Rs.4.96 crore for the above without any condition and all subsequent instalments will be released on a reimbursement basis based on the number of people covered under the UID database as certified by UIDAI. IT Department reported that, the amount of Rs.49.6 crore as grant in aid for incentivising BPL families was worked out based on the BPL list approved by Central Planning Commission. The Finance Commission had approved an amount of Rs.100 per BPL individual. According to the latest figures of GoK, total number of families under BPL list in the state comes to 32.29 lakh which is much higher than from the list of GoI. As per the cabinet decision taken on 01.06.2011, GoK has decided to disburse incentive at the rate of Rs.150/- per BPL family, through the bank account of the Head of the family, once the entire members of the family are enrolled. An amount of Rs.14.88 crore (Rs.4.96 GoI release + Rs.9.92 crore from the state budget) has been transferred to Kerala State IT Mission. Accordingly G.O (Ms) No.16/2011/ITD dated 3.6.2011 was issued. The conditions in the above GO has been modified with fresh conditions as per G.O(Ms)24/12//ITD dated 14.11.2012 enabling disbursement of fund as

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Para No.	Scheme and objectives	Audit observation	Reply
			<p>and when head of BPL family is enrolled instead of enrolling entire family members. Originally it was planned to disburse the amount to actual beneficiaries by linking PDS database, as there is no field in Aadhaar database showing the poverty status of enroller. As the Kerala State IT Mission was unable to link UID data with BPL data, Govt. as per G.O.(Ms)7/2014/ITD dated 10.2.2014 directed KSITM to transfer the fund to District Collectors for disbursing the same to BPL families through LSGIs. The amount given by Government to KSITM was sufficient to meet 40% of BPL families in each district. IT Department conducted several meeting with District Collectors and instructed them to speed up the disbursement of fund and furnish UC for the same urgently.</p>


P. P. S. Srinivasan
Joint Secretary
Finance Department
Govt. Secretariat
Thiruvananthapuram

ക്രമ നം.	ഖണ്ഡിക	ശുപാർശ	സ്വീകരിച്ച നടപടി റിപ്പോർട്ട്
1	1.7.3	<p>മുൻ വർഷത്തെ അപേക്ഷിച്ച് 2014 - 15 കാലയളവിൽ റവന്യൂ ചെലവ് 18.6% (₹.11,260 കോടി) വർദ്ധിച്ചു. റവന്യൂ ചെലവിലുണ്ടായ ഈ വർദ്ധനവ് പ്രധാനമായും 'ഗ്രാമീണ തൊഴിൽ' (₹.1,600 കോടി), 'പലിശ നല്ലത്' (₹.1,504 കോടി) 'തദ്ദേശസ്ഥാപനങ്ങൾക്കും പഞ്ചായത്ത് രാജ് സ്ഥാപനങ്ങൾക്കും നീക്കി വച്ച തുക' (₹.1,427 കോടി) 'പലവക പൊതു സേവനങ്ങൾ' (₹.1,321 കോടി), 'പെൻഷനും മറ്റ് വിരമിതന്മാർക്കുള്ള ആനുകൂല്യങ്ങളും' (₹.1,281 കോടി) 'പൊതു വിദ്യാഭ്യാസം' (₹.1,026 കോടി) തുടങ്ങിയ പ്രധാന ശീർഷകങ്ങളിലുണ്ടായ വർദ്ധന മൂലമാണ്.</p>	<p>പെൻഷനും മറ്റ് വിരമിതന്മാർക്കുള്ള ആനുകൂല്യങ്ങളും (1281 കോടി) സംബന്ധിച്ച്</p> <p>-----</p> <p>2014 -15 സാമ്പത്തിക വർഷം സർവ്വീസ് പെൻഷൻകാർക്ക് അനുവദിക്കുന്ന ക്ഷാമാശ്വാസത്തിൽ മുൻ വർഷത്തെ അപേക്ഷിച്ച് 17% തോളം വർദ്ധനവ് ഉണ്ടായിട്ടുണ്ട്.</p> <p>16.06.2014 - ലെ സ.ഉ(പി) നം.221/2014/ധന ഉത്തരവ് പ്രകാരം 01.01.2014 പ്രാബല്യത്തിൽ (Drawn from June 2014), ക്ഷാമാശ്വാസം നിലവിലെ 63% ത്തിൽ നിന്ന് 73% ആയി ഉയർന്നതു വഴി 513.6 കോടി രൂപയുടെ അധിക ബാധ്യത ഉണ്ടായിട്ടുണ്ട്. 07.02.2015 ലെ സ.ഉ(പി) നം.72/2015/ ധന ഉത്തരവ് പ്രകാരം 01.07.2014 പ്രാബല്യത്തിൽ (Drawn from March 2015) ക്ഷാമാശ്വാസം 80% ആയി ഉയർന്നതുവഴി 359.52 കോടിയുടെ അധിക ബാധ്യതയും ഉണ്ടായി. ക്ഷാമാശ്വാസം നൽകിയതു വഴി മാത്രം മുൻ വർഷത്തെ അപേക്ഷിച്ച് 2014 - 15 സാമ്പത്തിക വർഷം 873.12 കോടി രൂപയുടെ വർദ്ധനവ് ഈ ഗ്രാന്റിൽ ഉണ്ടായിട്ടുണ്ട്. വിരമിതന്മാരുടെ ജീവനക്കാരുടെ വർദ്ധനവും ഈ ഗ്രാന്റിൽ ചെലവ് വർദ്ധിക്കാനിടയാക്കിയിട്ടുണ്ട്. പേഴ്സണൽ സ്റ്റാഫ് ഉൾപ്പെടെയുള്ള മറ്റ് പെൻഷൻകാരുടെ ചെലവും വഹിക്കുന്നത് ഈ ഗ്രാന്റിൽ നിന്നാണ്.</p> <p>വിരമിതന്മാരുടെ ജീവനക്കാർക്കെതിരെ വകുപ്പ് തല നടപടിയോ കോടതി നടപടിയോ നിലവിലുണ്ടെങ്കിൽ ആയത് തീർപ്പാക്കിയതിനുശേഷം മാത്രമേ ഗ്രാറ്റുവിറ്റി നല്ലകയ്യുള്ളവെന്നതിനാൽ ഇപ്രകാരം മുൻ വർഷം വിരമിച്ച ഒട്ടനവധി ജീവനക്കാരുടെ DCRG തുകയും 2014 - 2015 സാമ്പത്തിക വർഷം നല്ലേണ്ടതായി വന്നിട്ടുണ്ട്. ഇതും ചെലവ് വർദ്ധിക്കാനിടയാക്കിയിട്ടുണ്ട്.</p>


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 Thiruvananthapuram

GOVERNMENT OF KERALA
Fisheries and Ports (B) Department

Statement of Action Taken on the C&AG Report for the year ended 31st March 2015

Sl. No	Para No.	Recommendations/ Conclusion	Action Taken Report
1	1.8.3	Incomplete projects / works	<p>1) Chethy Fishery Harbour</p> <p>Based on the model study report from IIT, Chennai 230m long river training walls were constructed on either side of the Chethy pozhy, one at the North and one at the southern bank side, as 1st stage development. After close study of the shore line changes, on 18-06-2009 IIT recommended to further increase the length by 60m for both the training walls and also recommended to further bend the southern training wall by about 48° towards North West direction for a length of 80m. Accordingly, two parallel breakwaters of length 280m each were constructed perpendicular to the shoreline. Also the other works such as auction hall, wharf, protection wall, parking and loading area, gate house, toilet block, approach road etc. were completed. The dredging work was tendered thrice and the tender received through the third tendering was submitted by Chief Engineer, Harbour Engineering Department to Government for sanction.</p> <p>While constructing the breakwaters, accretion was noticed between the breakwater and it became necessary to conduct re-engineering study. Accordingly Administrative sanction was issued for an amount of Rs. 25.89 lakhs for conducting the re-engineering study.</p>

CWPRS, Pune was entrusted to conduct the study. The data and details required for the study were already given to CWPRS and the study report was received from CWPRS. Some clarification has been sought from CWPRS, Pune. After getting clarification, action will be initiated to arrange the balance work.

2) Construction of Andhakaranazhy Bridge

The work was sanctioned under the head of account 4405-00-800-78 (Plan) with administrative sanction amount of Rs. 635 lakhs. The work was arranged and commenced on 28-12-2009. As the contractor failed to complete the work within the time period, the contract was terminated on 17-10-2011 at the risk and cost of the contractor. The balance work was re-arranged and agreement executed on 23-1-2013. No budget allocation was allocated during 2010-11, 2011-12, 2014-15, which inturn affected the payment of contractor's bill. The pending bills were cleared during 2015-16 through additional authorization. No amount is allotted during the current financial year also. Now the work has attained a progress of 78%. Action is being taken to complete the balance work without any further delay.

3) Development of Azhikkal Cargo Port

Administrative Sanction was accorded for Rs. 270.20 lakhs for the development of Azhikkal Port.

All works except construction of control room and electrification works were completed and handed over to Port Department. Expenditure incurred is Rs. 243.70 lakhs. There is a proposal for

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development of Azheekkal Port as a feeder port. Hence electrification and construction of control room will be taken up on finalization of the future development scheme.

4) Construction of Thalai Fishery Harbour

The work of construction of wharf and auction hall at Thalai Fishing Harbour was technically sanctioned, tendered and awarded to a contractor during 9/2010 at an amount of contract of Rs. 4.32 crores at the quoted rate of 40% above the estimate rate.

While estimating and awarding the above work the Harbour Engineering Department was well aware of the requirement of filling and reclamation required for the wharf and the area behind the wharf. But the programme was planned differently. A quantity of reclamation by dredging to the tune of 5500m³ at the rate of Rs.93.93/m³ (2009 SOR) was provided in the work awarded as above and the dredging was to be done within a radial distance of 500 m. The provision for reclamation for a quantity of 5500 m³ in the original estimate is the ample proof that the Harbour Engineering Department was well aware of the low lying area where the wharf is to be constructed. It was planned that the required capital dredging quantity of 61000 can be arranged as a separate work and the dredged sand can be utilized for reclamation area behind the wharf.

The reclamation as envisaged at the area where the wharf is to be constructed could not be done owing to the protest from the local

people. Sand required for the filling was available on the south side of the southern breakwater but could not be taken by dredging due to objection of the local people on the apprehension that dredging on the area would cause damage to the houses in the locality and severe coastal erosion could cause in the future.

At this juncture, the capital dredging for a quantity of 61000m³ from the basin @ Rs. 103.92 (2010 SOR) was awarded as a separate work and it was thought that the reclamation provided in the work of wharf and auction hall for a quantity of 5500m³ could also be done by this work. The work of capital dredging was awarded at the quoted rate of 4.13% below estimate rate at an amount of contract of Rs. 60.77 lakhs. But it was found that the dredged soil from the basin was unfit for reclamation work since it was fully clay/mud. A quantity of 11638 m³ dredging was executed in the work.

In the above circumstance, the only available mode for executing the work was to change the methodology of the work. It was changed from working over reclaimed land to working over the floating platform. In between the above course of action the period of completion of the work was over and due to changes in the work, the contractor raised claim for revision of rates. Government constituted a High Level Committee to look in to the matter in detail and allowed revision of rates for the work carried out after 1-10-2012 without tender excess. That is, the contractor was allowed the rates of SOR 2012 for the work executed

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after 1-10-2012 without any tender excess and the revised estimate was approved.

Now the works in the Thalai Fishery Harbour are nearing the completion stage. In the above circumstances now estimate for capital dredging the basin and carrying the spoil of clay in to the deep sea is under consideration as capital dredging is essentially to be conducted to make the basin fully useful to the intended purpose of it.

5) Development of Azhikkal Port- Phase-I Construction of new wharf

Administrative Sanction was accorded for Rs. 550 lakhs and the work was awarded to M/s. Kerala State Construction Corporation Ltd. with an agreed PAC of Rs. 597.16 lakhs (17.55% above estimate rate). As the firm failed in arranging the work, the balance work was terminated at their risk and cost. The balance work was re- arranged and work completed on 14-3-2011.

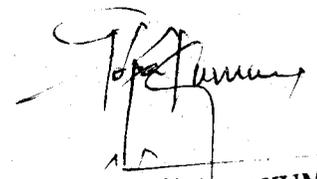
6) Construction of Yard behind the newly constructed Cargo wharf at Azhikkal

Administrative Sanction was accorded for the Development works at Azheekkal Port for an amount of Rs. 270.20 lakhs which includes construction of cable duct behind the wharf, river side protection to the port wharf, dredging the rive and filling the yard with dredged spoil and the construction of the yard behind the newly constructed wharf. During the progress of the work, an

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			unexpected sinkage was noticed, where the interlocking blocks are to be laid. In order to stabilize, the soil near the river bank, a period of consolidation is necessary and this caused the delay for the completion. Based on the above facts a site investigation was done. After the consolidation and attaining soil stabilization, the work completed on 15/06/2016 and handed over to Port Department.
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**REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON STATE
FINANCE FOR THE YEAR ENDED 31.03.2015 – ACTION TAKEN REPORT**

Paragraph No.	Recommendations of the Committee	Action taken by the Government
1.9.3.2	<p>Co-operation Department</p> <p>Audit observed that departmental loan balance (Rs. 293.06 Crore) was Rs. 201.68 Crore less than the figure appeared (Rs. 494.74 Crore) in the Finance accounts. Reasons for the discrepancies were analysed in audit and certain deficiencies noticed in the maintenance of loan account by department are given below:</p> <ul style="list-style-type: none"> ● An amount of Rs. 125.53 Crore was sanctioned as interest free loan to KSCARDB during 2010-11 to clear the guarantee commission due from the bank to Government. Subsequently, vide G.O. dated 30, March 2013, Government permitted to write off this loan in two equal instalments in the year 2012-13 and 2013-14. But the State Government did not provided necessary budget allocation to adjust the amount and clear the loan account. Registrar of Co-operative Societies stated that the matter was referred to Government for regularization. ● In order to have a proper record of assistance given to apex and federal societies, the detailed accounts are to be maintained by the Registrar/Joint Registrar (General). As and when a loan amount is sanctioned to a society, the details such as name of society, the 	<p>In Co-operation Department, the DCB statements were prepared consolidating the statements submitted by the Joint Registrars of 14 Districts in the State. Joint Registrars are collecting details from their sub level Assistant Registrar offices. But when certain discrepancies were</p>

	<p>amount of loan sanctioned, the head of account from which the amount was drawn, the terms and conditions of loan, instalments of principal and interest amount due to be paid by the loanee entity up to the last instalment, etc., are to be entered in the Register. But such a register is not maintained in the Registrar's office/Joint Registrar (General) to monitor payment of loan amount by the loanees.</p> <p>Due to non-maintenance of individual account, scrutiny of apex/federal society wise loan details was not possible in audit. The Registrar of Co-operative Societies stated that the certified statements from concurrent auditors were collected from respective institutions for ensuring the correctness of the Demand Collection Balance statements in respect of Apex/Federal Societies.</p> <p>The reply of the Registrar is not acceptable as he is not keeping any records to verify the correctness of the statements furnished by the Co-operative institutions.</p>	<p>noticed in the statements received from the Districts, Registrar of Co-operative Societies has given instruction to all the sub level offices to update all the Registers and to submit Institution wise details of the outstanding amounts. To ensure accuracy, inspections were conducted in some of the offices. Steps have already been taken to collect yearly DCB statements on institution wise basis.</p> <p>Necessary registers regarding the assistance given to Apex/Federal Societies is maintained by the concerned administrative sections. Demand notices are issued for the timely remittance of dues. Government will issue necessary direction for ensuring the correctness on Demand collection balance in respect of Apex/Federal Societies.</p>
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 Joint Secretary to Govt.
 Finance Department
 Govt. Secretariat
 Thiruvananthapuram

ധനകാര്യ (ജി.ഐ.എം.സി) വകുപ്പ്

ഇന്ത്യയുടെ കമ്പോളർ ആന്റ് ഓഡിറ്റർ ജനറലിന്റെ 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ ഖണ്ഡിക 1.9.3.3 - നേൽ സ്വീകരിച്ച നടപടി ക്രമങ്ങളുടെ റിപ്പോർട്ട്

ക്രമ നം.	ഓഡിറ്റ് പാഠ നം.	ശിപാർശ	നടപടി റിപ്പോർട്ട്
1	1.9.3.3 വായ്പകളുടെ കണക്കുകൾ ശരിയായി സൂക്ഷിക്കാത്തതിന്റെ ആഘാതം	<p>വായ്പയുടെ കണക്കുകൾ വകുപ്പുതല ഉദ്യോഗസ്ഥർ ശരിയായി സൂക്ഷിക്കാത്തത് സർക്കാരിന്റെ സാമ്പത്തിക സ്ഥിതിയിൽ താഴെ പറയുന്ന വിപരീത ഫലങ്ങൾക്ക് കാരണമാകും</p> <p>വകുപ്പുതല തുകകൾ സാമ്പത്തിക കണക്കുകളിലെ തുകയുമായി പൊരുത്തപ്പെടാത്തത് സംസ്ഥാനത്തിന്റെ സാമ്പത്തിക സ്ഥിതിയുടെ കൃത്യമായ നിർണ്ണയത്തിന് ഭംഗം വരുത്തും. കൃത്യമായ വായ്പാ വിവരങ്ങളുടെ അഭാവത്തിൽ വകുപ്പുകൾക്ക് വായ്പയുടെ മുതലും അതിന്റെ പലിശയും കണക്കാക്കാൻ കഴിയുകയില്ല. അനന്തര ഫലമായി വകുപ്പിന്/സർക്കാരിന് തിരിച്ചു കിട്ടേണ്ടതായ തുകകൾ ശരിയായി</p>	<p>09/07/2006 - ലെ സർക്കുലർ നമ്പർ 37/ജി.ഐ.എം.സി-3/06/ധന, 28/12/2009 - ലെ സർക്കുലർ നമ്പർ 104/ജി.ഐ.എം.സി-2/09/ധന എന്നിവ പ്രകാരം പൊതുമേഖലാ സ്ഥാപനങ്ങൾ, തദ്ദേശ സ്ഥാപനങ്ങൾ, സഹകരണ സ്ഥാപനങ്ങൾ, പൊതുമേഖലാ സ്ഥാപനങ്ങളുടെ പരിധിയിൽ വരുന്ന വ്യവസായങ്ങൾ മുതലായവയുടെ ആവശ്യങ്ങൾക്കായി സർക്കാർ അനുവദിക്കുന്ന വായ്പകളിന്മേലും മുൻകൂറുകളിന്മേലുമുള്ള മുതലിന്റെയും പലിശയുടെയും തിരിച്ചടവ് നിരീക്ഷിക്കുന്നതിനായി ശക്തമായ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ പുറപ്പെടുവിച്ചിട്ടുണ്ട്. വായ്പ അനുവദിക്കുകയും വിതരണം ചെയ്യുകയും ചെയ്യുന്നതിന് മുൻപായി തവണകൾ നൽകുന്നത് ആരംഭിക്കുന്ന തീയതി, നൽകേണ്ട പലിശയടക്കം ഓരോ വായ്പയും തിരിച്ചടയ്ക്കേണ്ടത് ഏത് ആവൃത്തിയിലും കാലയളവിലും ആണെന്നത് ഉൾപ്പെടെയുള്ള ഉപാധികളും നിബന്ധനകളും അനുവാദം നൽകേണ്ട അധികാരി നിശ്ചയിക്കേണ്ടത് ആവശ്യമാണ്. വായ്പയും പലിശയും വസൂലാക്കുന്നത് എകോകിപ്പിക്കുകയും കാര്യക്ഷമമായി നിരീക്ഷിക്കുകയും ചെയ്യുന്നതിന് ധനകാര്യ വകുപ്പിൽ പ്രത്യേക കേന്ദ്രീകൃത നിയന്ത്രണ സംവിധാനം കൊണ്ടുവരുന്നതിന്റെ ഭാഗമായി വായ്പ അനുവദിച്ചു കൊണ്ടുള്ള സർക്കാർ ഉത്തരവുകളുടെ പകർപ്പുകൾ ഈ വകുപ്പിൽ ലഭ്യമാക്കണമെന്നും, മാർച്ച് മാസം 31 വരെയും സെപ്റ്റംബർ മാസം 30 വരെയുമുള്ള വായ്പ തിരിച്ചടവ് സംബന്ധിച്ചുള്ള അർദ്ധ വാർഷിക വിവരണ പത്രിക നിർദ്ദിഷ്ട മാതൃകാ രൂപത്തിൽ എല്ലാ വർഷവും ഏപ്രിൽ 30 നും ഒക്ടോബർ 31 നും മുൻപായി ലഭ്യമാക്കണമെന്നും എല്ലാ പൊതുമേഖലാ സ്ഥാപനങ്ങളോടും</p>

		<p>നിർണ്ണയിക്കാൻ കഴിയാതെ വരികയും അതിലൂടെ സംസ്ഥാനത്തിന്റെ സാമ്പത്തിക സ്ഥിതി കൃത്യമായി എടുത്തു പറയാൻ കഴിയാതെ വരികയും ചെയ്യും. സർക്കാർ നൽകുന്ന വായ്പകൾ അതേ വർഷത്തെ സാമ്പത്തിക പ്രസ്താവനകളിൽ ആസ്തിയായാണ് കാണിക്കുന്നത്. ശരിയായ രേഖകൾ സൂക്ഷിക്കാത്തത് വകുപ്പുകളിൽ വായ്പ തിരിച്ചു പിടിക്കേണ്ട സംവിധാനത്തെ ദുർബലപ്പെടുത്തുകയും സർക്കാരിന്റെ ആസ്തികൾ പ്രവർത്തനക്ഷമത ഇല്ലാത്തതായി അവശേഷിക്കുകയും ചെയ്യും.</p>	<p>മേൽ സർക്കുലറുകൾ പ്രകാരം പ്രത്യേകം നിർദ്ദേശിച്ചിട്ടുണ്ട്.</p> <p>09/08/2011 - ലെ സർക്കുലർ നമ്പർ 52/ജി.ഐ.എം.സി2/11/ധന പ്രകാരം മുൻ സർക്കുലറുകളിൽ പ്രതിപാദിച്ച നിർദ്ദേശങ്ങൾ കർശനമായി പാലിക്കണമെന്ന് വീണ്ടും നിർദ്ദേശിച്ചിട്ടുണ്ട്. കൂടാതെ തിരിച്ചടവിൽ വീഴ്ച വരുത്തിയ സ്ഥാപനങ്ങളേയും വ്യക്തികളേയും വകുപ്പ് തലവന്മാർ തിരിച്ചറിയേണ്ടതും, മുതലിന്റേയും, പലിശയുടേയും കുടിശ്ശിക തിരിച്ചു പിടിക്കാൻ ഉചിതമായ നടപടികൾ ഉറപ്പുവരുത്തുകയും വേണമെന്നും, വായ്പ തിരിച്ചടയ്ക്കുന്നതിൽ വീഴ്ച വരുത്തിയ സ്ഥാപനങ്ങളുടെ കുടിശ്ശികയായുള്ള തിരിച്ചടവിന്റെ വിശദാംശങ്ങൾ ഉൾക്കൊള്ളുന്ന ഒരു ലിസ്റ്റ് ഉൾപ്പെടെ, ഇക്കാര്യത്തിൽ സ്വീകരിച്ച നടപടിക്കുറുപ്പ് 30/12/2011 - നു മുൻപായി ധനകാര്യ (ജി.ഐ.എം.സി) വകുപ്പിൽ സമർപ്പിച്ചിരിക്കേണ്ടതാണെന്നും, വീഴ്ച വരുത്തിയ സ്ഥാപനമോ വ്യക്തിയോ കുടിശ്ശികയായിട്ടുള്ള തിരിച്ചടവ് ഒടുക്കിയിട്ടില്ലെങ്കിൽ ഭാവിയിൽ വായ്പ അനുവദിക്കേണ്ടതില്ലായെന്നും നിർദ്ദേശിച്ചിട്ടുണ്ട്. കൂടാതെ സാമ്പത്തിക വർഷത്തിന്റെ അവസാനം സ്ഥാപനങ്ങളുടെ വായ്പാ കുടിശ്ശികയുടെ കണക്കും, അക്കൗണ്ടന്റ് ജനറലിന്റെ കണക്കും അനുരഞ്ജനപ്പെടുമ്പോഴാണ് വകുപ്പ് തലവൻ (ഭരണവകുപ്പിന്റെ സെക്രട്ടറി ഉൾപ്പെടെ) ഉറപ്പു വരുത്തേണ്ടതാണ്. പൊതുമേഖലാ സ്ഥാപനങ്ങൾ, തദ്ദേശ സ്ഥാപനങ്ങൾ, കോർപ്പറേഷനുകൾ, സഹകരണ സൊസൈറ്റികൾ, സർക്കാർ ഉദ്യോഗസ്ഥർ ഒഴിച്ചുള്ള വ്യക്തികൾ എന്നിവർക്ക് സർക്കാർ നൽകിയിട്ടുള്ള വായ്പയുടെ മുതലിന്റേയും പലിശയുടേയും തിരിച്ചടവ് നിരീക്ഷിക്കാൻ ഭരണ വകുപ്പിലും, വകുപ്പ് തലവന്റെ കാര്യാലയത്തിലും ഓരോ ഉദ്യോഗസ്ഥരെ ചുമതലപ്പെടുത്തേണ്ടതാണെന്നും, കൃത്യമായ തുടർ നടപടി ഉറപ്പുവരുത്തുന്നതിനായി, അത്തരത്തിൽ നാമനിർദ്ദേശം ചെയ്യപ്പെട്ട ഉദ്യോഗസ്ഥരുടേ പേര്, ഔദ്യോഗിക സ്ഥാനപ്പേര്, ഫോൺ നമ്പർ ഉൾപ്പെടെയുള്ള വിശദാംശങ്ങൾ സമയാസമയം ധനകാര്യ (ജി.ഐ.എം.സി) വകുപ്പിന് അയച്ചു തരേണ്ടതുമാണെന്ന് അറിയിച്ചിട്ടുണ്ട്. വായ്പ വിതരണം ചെയ്യുന്ന എല്ലാ</p>
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			<p>ഉദ്യോഗസ്ഥൻമാരും വായ്പകളുടെ ഒരു പ്രതിമാസ ഡി.സി.ബി സ്റ്റേറ്റ്‌മെന്റ് (Monthly DCB Statement) കേരള ഫിനാൻഷ്യൽ കോഡ് ആർട്ടിക്കിൾ 264A പ്രകാരമുള്ള സാക്ഷ്യ പത്രത്തോടൊപ്പം, എല്ലാ മാസവും 10-ാം തീയതിയോ അതിനുമുമ്പോ ആയി വകുപ്പ് തലവനോ/വായ്പ കൈകാര്യം ചെയ്യുന്ന മുഖ്യനിയന്ത്രണാധികാരിക്ക് അയച്ചു കൊടുക്കേണ്ടതാണെന്നും, തങ്ങളുടെ കീഴിലുള്ള ഉദ്യോഗസ്ഥരിൽ നിന്ന് ഡി.സി.ബി സ്റ്റേറ്റ്‌മെന്റും സാക്ഷ്യപത്രവും കൃത്യമായി ലഭിക്കുന്നുണ്ടോയെന്ന് വകുപ്പ് തലവൻ പരിശോധിക്കുകയും ആയത് പതിവായി അവലോകനം ചെയ്യുകയും വേണം.</p> <p>23/11/2012, 02/05/2013, 20/11/2013, 30/04/2014 എന്നീ തീയതികളിലെ 95370/ജി.ഐ.എം.സി2/12/ധന നമ്പർ കത്തുകൾ പ്രകാരം അർദ്ധ വാർഷിക വിവരണ പത്രിക കാല വിളംബം കൂടാതെ സമർപ്പിക്കണമെന്നും, വായ്പയുടെയും, അതിന്മേൽ നൽകേണ്ട പലിശയുടെയും തവണകളുടെ തിരിച്ചടവിയും സത്വര നടപടികൾ ആരംഭിക്കണമെന്നും എല്ലാ പൊതുമേഖലാ സ്ഥാപനങ്ങളെയും അറിയിച്ചിട്ടുണ്ട്. വായ്പയുടെ തിരിച്ചടവ് സംബന്ധിച്ച മുതൽ പിരിവ് ബാക്കി പത്രിക കേരള ഫിനാൻഷ്യൽ കോഡിന്റെ 264- എ വകുപ്പു പ്രകാരമുള്ള സാക്ഷ്യ പത്രത്തോടൊപ്പം എല്ലാ മാസവും 10- ന്നുമുമ്പായി അതതു വകുപ്പു മേധാവികൾക്ക് ലഭ്യമാക്കണമെന്ന് വായ്പ വിതരണം ചെയ്യുന്ന ഉദ്യോഗസ്ഥരോട് നിർദ്ദേശിച്ചിട്ടുണ്ട്.</p>
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[Handwritten Signature]
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 ധനക
 തവ: 08
 2010

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GOVERNMENT OF KERALA

FINANCE (SECRET SECTION) DEPARTMENT

STATEMENT OF ACTION TAKEN ON AUDIT PARAS CONTAINED IN THE REPORT OF COMPTROLLER AND AUDITOR GENERAL OF INDIA ON STATE FINANCES FOR THE YEAR ENDED 31ST MARCH, 2015.

Para No.	Recommendations	Action Taken																																												
1.9.4	<p>1.9.4 Cash balances and investment of cash balances The cash balances and investments made by the State Government out of the cash balances during the year are shown in Table 1.24.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">As on 31 March 2014</th> <th style="text-align: right;">As on 31 March 2015</th> <th style="text-align: right;">Decrease</th> </tr> </thead> <tbody> <tr> <td>Cash balances</td> <td style="text-align: right;">2279.82</td> <td style="text-align: right;">1651.00</td> <td style="text-align: right;">628.82</td> </tr> <tr> <td>Investments from cash balances (a + b)</td> <td style="text-align: right;">764.31</td> <td style="text-align: right;">147.05</td> <td style="text-align: right;">617.26</td> </tr> <tr> <td>a.GoI Treasury Bills</td> <td style="text-align: right;">757.08</td> <td style="text-align: right;">141.90</td> <td style="text-align: right;">615.18</td> </tr> <tr> <td>b. GoI Securities</td> <td style="text-align: right;">7.23</td> <td style="text-align: right;">5.15</td> <td style="text-align: right;">2.08</td> </tr> <tr> <td>Fund-wise break-up of investments</td> <td style="text-align: right;">1511.72</td> <td style="text-align: right;">1507.44</td> <td style="text-align: right;">4.28</td> </tr> <tr> <td>a.Reserve funds bearing interest</td> <td></td> <td></td> <td></td> </tr> <tr> <td>b.Reserve funds not bearing interest</td> <td style="text-align: right;">1511.72</td> <td style="text-align: right;">1507.44</td> <td style="text-align: right;">4.28</td> </tr> <tr> <td>c.Deposit bearing interest</td> <td></td> <td></td> <td></td> </tr> <tr> <td>d. Deposit not bearing interest</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Interest realised during the year on investment of cash balances</td> <td style="text-align: right;">78.39</td> <td style="text-align: right;">44.16</td> <td style="text-align: right;">34.23</td> </tr> </tbody> </table> <p>Table 1.24 shows substantial reduction in State's cash reserve during 2014-15 and decrease in investment in GoI Treasury bills and securities.</p>	Particulars	As on 31 March 2014	As on 31 March 2015	Decrease	Cash balances	2279.82	1651.00	628.82	Investments from cash balances (a + b)	764.31	147.05	617.26	a.GoI Treasury Bills	757.08	141.90	615.18	b. GoI Securities	7.23	5.15	2.08	Fund-wise break-up of investments	1511.72	1507.44	4.28	a.Reserve funds bearing interest				b.Reserve funds not bearing interest	1511.72	1507.44	4.28	c.Deposit bearing interest				d. Deposit not bearing interest				Interest realised during the year on investment of cash balances	78.39	44.16	34.23	<p>The cash balance of the State above the required minimum is invested in 14-day intermediate treasury bills by the Central Accounts Section of Reserve Bank of India. During the financial year 2014-15, State was undergoing severe financial crisis, as a result of which the cash balances were poor throughout the course of the year. Even the state was in Over draft for six days during the same period. The Open Market Borrowings of the same period were utilized for balancing huge revenue gap, which was the indication of severe fiscal crunch faced by the state, as when it was raised. Concomitantly, the funds invested in treasury bills had to be rediscounted before maturity in order to adjust with reduction in cash balances. Therefore, investment from cash balance and interest thereon was reduced as compared to the previous Financial Year.</p>
Particulars	As on 31 March 2014	As on 31 March 2015	Decrease																																											
Cash balances	2279.82	1651.00	628.82																																											
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1.10.2 Fiscal liabilities

(b) Consolidated Sinking Fund

The State Government had set up a Consolidated Sinking Fund with effect from the financial year 2007-08, according to which the Fund was to be utilised as an Amortisation Fund for redemption of all outstanding liabilities of the Government commencing from the financial year 2012-13. The Fund was to be credited with contributions from revenue at the prescribed rate and interest accrued on investments made out of the Fund. Only the interest accrued and credited in the Fund was to be utilised for redemption of the outstanding liabilities of the Government. As per paragraph 5 of revised model scheme for the constitution and administration of Consolidated Sinking Fund of Kerala, the rate of contribution to the Consolidated Sinking Fund was 0.5 per cent of the outstanding liabilities at the end of the previous year. According to this, the State Government had to contribute Rs. 620.40 crore during 2014-15 to the Consolidated Sinking Fund. However, the State Government did not contribute any amount to the Fund, during the current year. As per the guidelines of the fund, the balance at credit of the Fund is required to be invested in the Government of India Securities. During the year, an amount of Rs. 113.21 crore was received as interest from the investment made out of the fund. At the beginning of the year Rs. 1,497.16 crore was available and with the interest received on investment, the outstanding balance at the end of year was Rs. 1,610.37 crore. Out of this, Rs. 1,492.88 crore was re-invested in Government securities, leaving an un-invested balance of Rs. 117.49 crore in the Fund.

As the State is continuously in Revenue Deficit, the contribution to CSF has to be made from the borrowed funds. The yield on CSF investments as against the cost of borrowings gives a negative carry and hence it is not prudent to contribute to CSF, given the high cost of borrowings. Moreover, the appropriation for contribution to CSF, is a Revenue Expenditure which would contribute to the Revenue Deficit of the State, making it difficult to avail the State-specific grants and benefits under debt-relief schemes. The cash balance of the state is only transitory in nature and will not be sufficient to meet obligations that have not been disclosed in the State Government's accounts maintained on cash basis, which the accrual accounting system would have revealed. So the transfer to CSF and investments there-from cannot be considered as a viable choice of investment in the present situation. The enhancement of provision for transfer to the CSF in 2014-15 to the required levels was therefore not found desirable and it will be difficult for the State to contribute to CSF till such time the revenue account is balanced and the contribution is treated as capital expenditure. Central Account Section of Reserve Bank of India has been entrusted by the State for the investment/reinvestment of balance of CSF. Accordingly RBI may hold on the reinvestment considering the favorability of money market conditions.

The CSF Scheme is modified vide GO(Ms) No

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		<p>225/2016/Fin dated 10.6.2016. Though the modified scheme allows to invest CSF in Treasury Bills, Special Securities of the Government of India and State Development Loans of other States <i>in addition to existing Government of India securities</i>, the return form such investments vis-à-vis cost of borrowings has to be assessed. Thereafter a prudent stand will be taken in respect of CSF investments.</p>
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PREETHA B.S.
JOINT SECRETARY (FINANCE)



GOVERNMENT OF KERALA

Finance Department - The Consolidated Sinking Fund of Government of Kerala - Amendments
-issued.

FINANCE (SECRET SECTION) DEPARTMENT

Dated, Thiruvananthapuram, 10th June 2016.

G.O (Ms) No. 225/2016/Fin.

- Read: 1. G.O.(P) No. 384/2007/Fin dated 23.08.2007.
2. G.O (Ms) No. 353/2014/Fin. Dated 21.08.2014.
3. Letter No. IDMD.Res.2137/10.18.013/2015-16 dated 21.03.2016 of the Director,
Internal Debt Management Department, Reserve Bank of India, Mumbai.

ORDER

In pursuance to the consultation with the Reserve Bank of India, the Government of Kerala is pleased to make the following Amendment to the Consolidated Sinking Fund Scheme hereinafter referred to as the Scheme notified vide G.O.(P) No. 384/2007/Fin dated 23.08.2007.

Amendment 1 of clause 4 (d)

such that the availment of SDF under this provision does not exceed the Normal WMA limit fixed by the Bank - to be deleted.

Amendment 2 of clause 8

The accretions to the Fund shall be invested in Government of India Dated Securities, Treasury Bills, Special Securities of the Government of India and State Development Loans of other States of such maturities as the Bank may determine from time to time in consultation with the Government.

Amendment 3 of clause 8 (b)

(b) The Bank will make available the securities for investment *(either from its own investment portfolio or - to be deleted)* by acquiring the securities from the secondary market, without loading any charge other than that indicated in paragraph 10.

By order of the Governor

Dr. K. M. ABRAHAM,
Additional Chief Secretary (Finance).

To

- The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram.
The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
The Director of Public Relations, Thiruvananthapuram.
Finance (BW-A/CSFC/Planning -A) Department.
Nodal Officer, www.finance.kerala.gov.in
The Stock file/Office Copy.

Forwarded By Order

Section Officer

SHANAVAS A
Section Officer
Finance Department
Government Secretariat
Thiruvananthapuram

**REMEDIAL MEASURES TAKEN STATEMENT ON THE REPORT OF THE C&AG ON STATE FINANCES FOR THE YEAR ENDED MARCH
2015 Para No. 1.9.4.1
FINANCE (ESTABLISHMENT-C) DEPARTMENT**

Sl. No	Para. No	Recommendation	Action Taken
1.	1.9.4.1 (Page No. 35 of C&AG report-2015)	<p>This head is an intermediary accounting head for initial recording of transactions which are to be cleared eventually. As per accounting rules, when a cheque is issued, the functional head is debited and the Major Head-8670-cheques and Bills is credited. On clearance of the cheque by the bank, the minus credit is given to Major Head 8670- Cheques and Bills by crediting the Major Head-8675-Deposits with Reserve Bank and thereby reducing the cash balance of the Government. Thus, the outstanding balance under the Major Head 8670-Cheques and Bills represents the amount of un-encashed cheques.</p> <p>As on 31 March 2015, there was an outstanding balance (cumulative) of ₹ 1,501.60 Crore. This represents expenditure originally booked under different major heads of Consolidated Fund, which has not resulted in any cash outflow till the end of March 2015.</p>	<p>The comptroller and Auditor General of India in his report on the State Finance for the year ended 31.03.2014 and 31.03.2015 has incorporated audit paras 1.8.4.1 and 1.9.4.1 respectively regarding the accumulation of huge amounts under the head of account-8670-Cheques and bills which reflects the unencashed amounts of Pay Order Cheques. In cases where the issued POCs are not encashed within the valid period of 3 months, the amounts shall be remained as outstanding balance in that particular head. Though the treasury officer is entrusted with the accounting procedure of drawing the amount of these unencashed (time barred) cheques in a separate bill and adjust the same by giving credit to the major head 8675-Deposit with the Reserve Bank, the same is not performed by them. The result of the same is huge accumulation of amounts under the head 8670. In the above circumstances, Director of Treasuries has directed all the Departmental officers of the Treasuries who are entrusted to conduct departmental Inspection in treasuries are hereby instructed to verify details of the unencashed POCs in each treasury under their jurisdiction and to incorporate the</p>

			<p>same as an objection/para in the inspection reports.</p> <p>As per the report of Director of Treasuries, a Consolidated list after reconciliation of unpaid POCs issued from 1.4.2013 to 31.3.2015 with reason thereof obtained from the District Treasury Officers comes 146 POCs for ₹ 19,61,035/- which remain uncashed due to unacknowledgement of the same by the beneficiaries or due to elapse of time limit. Director of Treasuries has given necessary direction to all the concerned Deputy Directors and District Treasury Officers for verification of un-encashed POCs during internal audit to avoid such omissions. The reconciled list received from the District Treasury Officers is attached herewith.</p>
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Kanchana

T. KANCHANA
Joint Secretary
Finance Department
Govt. Secretariat
Thiruvananthapuram

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Consolidated Status of Unpaid POC Issued from 1/4/2013-31/3/2015

Sl.No	Treasury	No of POC	Amount
1	Thiruvananthapuram	6	28112
2	Kattakkada	NIL	NIL
3	Kollam	8	169296
4	Kottarakkara	1	2500
5	Pathanamthitta	3	14727
6	Alappuzha	1	404
7	Chengannur	8	25655
8	Kottayam	11	3900
9	Pala	15	62428
10	Idukki	1	30302
11	Ernakulam	10	185163
12	Muvattupuzha	7	205344
13	Thrissur	1	3000
14	Palakkad	3	13660
15	Malappuram	8	200329
16	Kozhikode	17	43732
17	Thamarassery	8	257464
18	Wayanad	6	15969
19	Irinjalakkuda	3	136035
20	Cherpulassery	6	285203
21	Mattannur	2	6390
22	Kannur	16	93138
23	Kasargod	5	178284
	TOTAL	146	1961035

For Director of Treasuries

Action Taken Statement on C&AG Report on State Finance for the year ended 31st March 2015

Scheme	Audit observation	Reply
<p>State Disaster Response Fund [Para 1.10.2 (a)]</p>	<p>The State Disaster Response Fund (SDRF) was set up on 1st April 2010 replacing the existing Calamity Relief Fund. At the beginning of the year, there was ₹77.73 crore as opening balance in the Fund. The size of the Fund for Kerala for the year 2014-15 fixed by the Th FC was ₹159.33 crore, 75 per cent (₹119.50 crore) of which was to be contributed by the Central Government and 25 percent (₹39.83 crore) by the State Government. During the year, the State Government credited ₹159.33 crore to the Fund. After setting off the expenditure for disaster relief operations to the extent of ₹215.15 crore, the balance in SDRF as on 31st March 2015 was ₹21.91 crore.</p> <p>According to the guidelines issued by the Government of India, the accretions to SDRF were to be invested in Central Government dated securities and/or Auctioned Treasury Bills and/or interest earning deposits and Certificates of deposits with Scheduled Commercial Banks. However, no such investments were made by the State Government so far (October 2015)</p>	<p>As per the utilization statement for the year 2014-15, the opening balance for the year was ₹3567.30 lakh and total contribution of Central Government was ₹11950 lakh and the state share was ₹3983 lakh. The total available fund was ₹19500.30 lakh. Out of this an amount of ₹19324.93 lakh expended and hence the balance at the end of 31st March 2015 was only ₹175.37 lakh. As per G.O.(MS) No.447/2011/Fin. Dated 17/10/2011, the Government have instructed that the periodic contribution to the SDRF as well as the other income of the SDRF shall be kept in the Public Account of the State on which the State Government should pay interest to the fund at the rate applicable to overdrafts under the Overdrafts Regulations Scheme of RBI. The interest will be credited on a half yearly basis. Hence the accretions to the SDRF were not invested in Central Government Securities and/or Auctioned treasury bills and / or interest earning deposits and Certificate of deposits with Scheduled Commercial Banks.</p>

[Handwritten Signature]

Joint Secretary to Govt.
 Finance Department
 Govt. of Kerala
 Thiruvananthapuram

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ACTION TAKEN REPORT

SL No.	Para No.	C & AG Report on State Finance for the year ending on 31.3.2015	Action Taken
1	1.10.3	<p><u>Status of Guarantees – Contingent Liabilities</u></p> <p>Guarantees are liabilities contingent on the Consolidated fund of the State in cases of default by borrowers for whom the guarantees have been extended. Section 3 of the Kerala Ceiling on Government Guarantees Act, 2003 which came into effect on 5 December 2003 stipulates that the total outstanding Government Guarantees as on first day of April every year shall not exceed Rs.14000 crores. As per section 6 of the Act, the Government has to constitute a Guarantee Redemption Fund. The Guarantee Commission charged under Section 5 of the Act was to form the corpus of the Fund. However, the Fund had not been constituted and consequently, the Guarantee Commission of 663.95 crore collected during 2003-04 to 2014-15 had not been credited to the Fund was treated as non-tax revenue in relevant years and used for meeting the revenue expenditure of the Government.</p>	<p>Draft Guarantee Redemption Fund Rules has been formulated and it is with the Accountant General for vetting since 17/7/2014</p>


P.A. SHYLA
 Joint Secretary to Govt
 Finance Department
 Govt. Secretariat, Thiruvananthapuram

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ധനകാര്യ (ജി .ഐ.എം.സി) വകുപ്പ്

ഇന്ത്യയുടെ കമ്പ് ട്രോളർ ആന്റ് ഓഡിറ്റ് ജനറലിന്റെ 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ ഖണ്ഡിക 1.14-ന്മേൽ സ്വീകരിച്ച നടപടി ക്രമങ്ങളുടെ റിപ്പോർട്ട്

ക്രമ നം.	ഓഡിറ്റ് പരമ്പര നമ്പർ	ശിപാർശ	നടപടി റിപ്പോർട്ട്
1	<p>1.14</p> <p>വകുപ്പ് തല വായ്പാ വായ്പാ കണക്കുകൾ സൂക്ഷിക്കുന്ന സംവിധാനത്തിന്റെ അവലോകനവും വായ്പാ തിരിച്ചടവും സംബന്ധിച്ചത്</p>	<p>വകുപ്പുതലത്തിലെ വായ്പാ കണക്കുകൾ സൂക്ഷിക്കുന്ന സംവിധാനം അവലോകനം ചെയ്യുകയും വായ്പാ തിരിച്ചടവും അതിന്റെ പലിശയും വഴി സംസ്ഥാനത്തിന്റെ വരുമാനം നഷ്ടപ്പെടാതിരിക്കുന്നതിനുള്ള ഉചിതമായ നടപടികൾ കൈക്കൊള്ളുകയും ചെയ്യണം</p>	<p>09/07/2006-ലെ സർക്കുലർ നമ്പർ 37/ജി.ഐ.എം.സി-3/06/ധന, 28/12/2009-ലെ സർക്കുലർ നമ്പർ 104/ജി.ഐ.എം.സി-2/09/ധന എന്നിവ പ്രകാരം പൊതുമേഖല സ്ഥാപനങ്ങൾ, തദ്ദേശ സ്ഥാപനങ്ങൾ, സഹകരണ സ്ഥാപനങ്ങൾ, പൊതുമേഖല സ്ഥാപനങ്ങളുടെ പരിധിയിൽ വരുന്ന വ്യവസായങ്ങൾ മുതലായവയുടെ ആവശ്യങ്ങൾക്കായി സർക്കാർ അനുവദിക്കുന്ന വായ്പകളിന്മേലും മുൻകൂറുകളിന്മേലുമുള്ള മുതലിന്റെയും പലിശയുടെയും തിരിച്ചടവ് നിരീക്ഷിക്കുന്നതിനായി ശക്തമായ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ പുറപ്പെടുവിച്ചിട്ടുണ്ട്. വായ്പ അനുവദിക്കുകയും വിതരണം ചെയ്യുകയും ചെയ്യുന്നതിന് മുൻപായി തവണകൾ നൽകുന്നത് ആരംഭിക്കുന്ന തീയതി, നൽകേണ്ട പലിശയടക്കം ഓരോ വായ്പയും തിരിച്ചടയ്ക്കേണ്ടത് ഏത് ആവൃത്തിയിലും കാലയളവിലും ആണെന്നത് ഉൾപ്പെടെയുള്ള ഉപാധികളും നിബന്ധനകളും അനുവാദം നൽകേണ്ട അധികാരി നിശ്ചയിക്കേണ്ടത് ആവശ്യമാണ്. ഇപ്രകാരം പഴയകാല വായ്പകളിന്മേൽ ഉപാധികളും നിബന്ധനകളും നിശ്ചയിച്ചിട്ടില്ലായെങ്കിൽ അവ താമസംവിനാ നിശ്ചയിക്കണമെന്നും, ഇതിൽ വീഴ്ച വരുത്തരുതെന്നും ഈ സർക്കുലറുകളിൽ ധന വകുപ്പ് പ്രത്യേകം നിർദ്ദേശം നൽകിയിട്ടുണ്ട്.</p> <p>വായ്പയും പലിശയും വസൂലാക്കുന്നത് എങ്കോക്കിപ്പിക്കുകയും കാര്യക്ഷമമായി നിരീക്ഷിക്കുകയും ചെയ്യുന്നതിന് ധനകാര്യ വകുപ്പിൽ പ്രത്യേക കേന്ദ്രീകൃത നിയന്ത്രണ സംവിധാനം കൊണ്ടുവരുന്നതിന്റെ ഭാഗമായി വായ്പ അനുവദിച്ചു കൊണ്ടുള്ള സർക്കാർ ഉത്തരവുകളുടെ പകർപ്പുകൾ ഈ വകുപ്പിൽ ലഭ്യമാക്കണമെന്നും, മാർച്ച് മാസം 31 വരെയും സെപ്റ്റംബർ മാസം 30 വരെയുമുള്ള വായ്പ തിരിച്ചടവ് സംബന്ധിച്ചുള്ള അർദ്ധ വാർഷിക വിവരണ പത്രിക നിർദ്ദിഷ്ട മാതൃകാ രൂപത്തിൽ എല്ലാ വർഷവും ഏപ്രിൽ 30 നും ഒക്ടോബർ 31 നും മുൻപായി ലഭ്യമാക്കണമെന്നും എല്ലാ പൊതുമേഖല സ്ഥാപനങ്ങളോടും മേൽ സർക്കുലറുകൾ പ്രകാരം പ്രത്യേകം നിർദ്ദേശിച്ചിട്ടുണ്ട്.</p> <p>09/08/2011-ലെ സർക്കുലർ നമ്പർ 52/ജി.ഐ.എം.സി2/11/ധന പ്രകാരം മുൻ സർക്കുലറുകളിൽ പ്രതിപാദിച്ച നിർദ്ദേശങ്ങൾ കർശനമായി പാലിക്കണമെന്ന് വീണ്ടും നിർദ്ദേശിച്ചിട്ടുണ്ട്. 23/11/2012, 02/05/2013, 20/11/2013, 30/04/2014 എന്നീ തീയതികളിലെ 95370/ ജി.ഐ.എം.സി 2/12/ധന നമ്പർ കത്തുകൾ പ്രകാരം അർദ്ധ വാർഷിക വിവരണ പത്രിക കാല വിളംബം കൂടാതെ സമർപ്പിക്കണമെന്നും, വായ്പയുടെയും, അതിന്മേൽ നൽകേണ്ട പലിശയുടെയും തവണകളുടെ തിരിച്ചടവിനായും സത്വര നടപടികൾ ആരംഭിക്കണമെന്നും എല്ലാ പൊതുമേഖല സ്ഥാപനങ്ങളെയും അറിയിച്ചിട്ടുണ്ട്. 08/06/2015-ലെ ഇ-ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/5/2015/ധന കത്ത് പ്രകാരം, കൃഷി ഡയറക്ടർ സഹകരണ സംഘങ്ങളുടെ രജിസ്ട്രാർ എന്നിവരെയും ഇക്കാര്യം അറിയിച്ചിട്ടുണ്ട്. വായ്പയുടെ തിരിച്ചടവ് സംബന്ധിച്ച മുതൽ പിരിവ് ബാക്കി പത്രിക കേരള ഫിനാൻഷ്യൽ കോഡിന്റെ 264-എ വകുപ്പ് പ്രകാരമുള്ള സാക്ഷ്യ പത്രത്തോടൊപ്പം എല്ലാ മാസവും 10-നും മുൻപായി അതതു വകുപ്പ് മേധാവികൾക്ക് ലഭ്യമാക്കണമെന്ന് വായ്പ വിതരണം ചെയ്യുന്ന ഉദ്യോഗസ്ഥരോട് നിർദ്ദേശിച്ചിട്ടുണ്ട്.</p> <p>19/08/2014, 20/09/2014, 24/10/2014, 21/05/2015, 21/11/2015 എന്നീ തീയതികളിലെ 72172/ജി.ഐ.എം.സി-2/14/ധന (ഇ-ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/12/2014/ധന)നമ്പർ അനുദ്യോഗിക</p>

		<p>കുറിപ്പുകൾ പ്രകാരം കംപ്യൂട്ടറൈസ്ഡ് ആൻഡ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യയുടെ 2012 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ റവന്യൂ വരവ് സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ ഖണ്ഡിക 8.2-ന്റെ പ്രസക്ത ഭാഗവും പ്രസ്തുത റിപ്പോർട്ടിലെ അനുബന്ധം III, IV എന്നിവയുടെ പകർപ്പും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകൾക്ക് അയച്ചുകൊടുക്കുകയും ഇതിന്മേൽ സ്വീകരിച്ച നടപടി അടിയിന്തിരമായി ആവശ്യപ്പെടുകയും ചെയ്തിട്ടുണ്ട്. 03/12/2014, 09/01/2015 എന്നീ തീയതികളിലെ ഇതേ നമ്പർ അർദ്ധ ഔദ്യോഗിക കത്തുകൾ പ്രകാരം ദീർഘകാലമായി തീർപ്പാക്കാതെ കിടക്കുന്ന ഈ വിഷയത്തിൽ അന്തിമമായി സ്വീകരിച്ച നടപടി സത്യമായി കേരള നിയമ സഭാ സെക്രട്ടറിക്കും അക്കൗണ്ടന്റ് ജനറലിനും സമർപ്പിക്കേണ്ടതാണെന്നും ബോധിപ്പിച്ചിട്ടുണ്ട് . 16/07/2015-ലെ ഇ-ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/17/2015/ധന അർദ്ധ ഔദ്യോഗിക കത്ത് പ്രകാരം സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ച് 2013, 2014 & 2015 എന്നീ വർഷങ്ങളിലെ മാർച്ച് 31-ന് അവസാനിച്ച ഇന്ത്യയുടെ കംപ്യൂട്ടറൈസ്ഡ് ആൻഡ് ഓഡിറ്റർ ജനറലിന്റെ റിപ്പോർട്ടുകളിലെ യഥാക്രമം ഖണ്ഡിക 1.9.4-ന്റെ ഉപഖണ്ഡിക 1.9.4.1, ഖണ്ഡിക 1.8-ന്റെ ഉപഖണ്ഡിക 1.8.3.1, ഖണ്ഡിക 1.9.2-ന്റെ ഉപഖണ്ഡിക 1.9.2.1 എന്നിവയുടെ മേൽ പരാമർശിക്കുന്ന വായ്പ തിരിച്ചടവിൽ വരുത്തിയ വീഴ്ച സംബന്ധിക്കുന്ന പ്രസക്ത ഭാഗം ബന്ധപ്പെട്ട ഭരണ വകുപ്പ് സെക്രട്ടറിമാർക്ക് അയച്ചുകൊടുക്കുകയും ഇതിന്മേൽ സ്വീകരിച്ച നടപടി അടിയിന്തിരമായി ആവശ്യപ്പെടുകയും ചെയ്തിട്ടുണ്ട്. 18/01/2016, 01/06/2016 എന്നീ തീയതികളിലെ ഇതേ നമ്പർ അനുദ്യോഗിക കുറിപ്പുകൾ പ്രകാരം, താമസംവിനാ മറുപടി ലഭ്യമാക്കണമെന്നും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകളെ ഓർമ്മപ്പെടുത്തിയിട്ടുണ്ട്. ഗതാഗത(എ) വകുപ്പിന്റെ 20/11/2015-ലെ 13184/എ 1/2015/ഗതാഗതം നമ്പർ അനുദ്യോഗിക കുറിപ്പ് പ്രകാരം, കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷനിൽ പുനരുജ്ജീവന പാക്കേജ് നടപ്പിലാക്കുന്നതിന്റെ ഭാഗമായി 2008-09 മുതൽ 2013-14 വരെ കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ സർക്കാരിന് തിരിച്ചടയ്ക്കേണ്ട വായ്പാ കടിശ്ശികയായ 1090.75 കോടി രൂപ സർക്കാർ ഓഹരിയായി മാറ്റാനും അതിന്മേലുള്ള പലിശയും പിഴപ്പലിശയും ചേർത്തുള്ള തുകയായ 172.37 കോടി രൂപ എഴുതിത്തള്ളാനും തീരുമാനിച്ചു കൊണ്ട് 20/08/2015-ലെ സർക്കാർ ഉത്തരവ് (കൈയെഴുത്ത്) നമ്പർ 46/2015/ഗതാഗതം പ്രകാരം ഉത്തരവായിട്ടുണ്ട്.</p> <p>മറുപടി നൽകുന്നതിൽ വീഴ്ച വരുത്തുന്നത് പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റിയുടെ കടുത്ത നിരസവും താക്കീതും ക്ഷണിച്ചുവരുത്തുന്നതിന് ഇടയാക്കുമെന്നും ആയതിനാൽ ഇക്കാര്യത്തിൽ സമയ ബന്ധിതമായി നടപടിയെടുത്ത് അറിയിക്കണമെന്നും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകളെ അറിയിച്ചിട്ടുണ്ട്. കൂടാതെ പ്രസ്തുത വകുപ്പുകളിൽ നിന്നും അന്തിമ മറുപടി കിട്ടുന്ന മുറയ്ക്ക് ശുപാർശകളിന്മേൽ നടപടി സ്വീകരിക്കുന്നതാണ്. കൂടാതെ, സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ച് 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തേക്കുള്ള, ഇന്ത്യയുടെ കംപ്യൂട്ടറൈസ്ഡ് ആൻഡ് ഓഡിറ്റർ ജനറലിന്റെ റിപ്പോർട്ടിലെ ഖണ്ഡിക 1.4.2, 1.9.2, ഉപഖണ്ഡിക 1.9.2.1 എന്നിവയിന്മേൽ വകുപ്പ് തലത്തിൽ ആവശ്യമായ നടപടിയെടുക്കുവാൻ ബന്ധപ്പെട്ട ഭരണനിർവ്വഹണ വകുപ്പുകൾക്ക് നിർദ്ദേശം നല്കിയിരുന്നതുമാണ്.</p>
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**STATEMENT OF ACTION TAKEN ON AUDIT PARAS OF THE COMPTROLLER AND AUDITOR GENERAL
REPORT OF THE YEAR ENDED 31ST MARCH 2015 ON STATE FINANCES**

Sl. No	Para No.	Audit Observation	Action Taken
1	2.2	<p>The overall savings of Rs.20,157.97 crore was the result of savings of Rs.20,349.97 crore in 44 Grants and 21 Appropriations under the Revenue Section and 30 Grants and six Appropriations under the Capital Section (offset by excess of Rs.192.00 crore in one Appropriation under the Revenue Section. Overall savings increased from 18.2 per cent in the last year to 19.5 per cent in 2014-15 indicating increasing deficiency in the budgetary process. Further, Audit analysed savings exceeding Rs.100 crore in plan and non-plan category under voted section and observed that budget allocation of Rs.10,133.86 crore remained unutilised under voted section.</p> <ul style="list-style-type: none"> • In Revenue section, savings (Rs.6,605.21 crore) were mainly under plans schemes (Rs.5,097.87 crore) of 13 Grants and under non-plan schemes (Rs.1,507.34 crore) of four Grants. • In the Capital section savings (Rs.3,528.65 crore) was under plan schemes (Rs.2,979.11 crore) of eight Grants and under non-plan schemes (Rs.549.54 crore) of three Grants. 	<p>In the budget circular issued every year, all heads of departments and controlling officers are given specific instructions to personally ensure that estimates are prepared with utmost care and accuracy taking into account all aspects that are normally available at the time of estimation so as to avoid instances of huge variations between estimates and actuals. Chapter 8 of KBM also contains provisions for control of appropriation for ensuring financial accountability and prudent budget management. However it has been noticed that several spending departments do not strictly adhere to these provisions thus paving the way for occurrence of variation between budgetary appropriation and actual expenditure. To ensure appropriation control and prudent execution of budget, Govt. issues necessary instructions to all departments time to time reiterating the need for adherence to the relevant provisions in the KBM to avoid recurrence of such instances in the ensuing years. Separate instructions will be issued in the Budget Circular to all controlling officers and Heads of departments for taking urgent measures to rectify the errors and to prevent the recurrence of these instances in future.</p>

MS

സി&എ ജിയുടെ 2015-മാർച്ച് 31ന് അവസാനിച്ച സാമ്പത്തിക വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിലെ അദ്ധ്യായം 2-ലെ ശുപാർശയിന്മേൽ സ്വീകരിച്ചിട്ടുള്ള നടപടി റിപ്പോർട്ട്

ക്രമ നം.	ഖണ്ഡിക	ശുപാർശ	സ്വീകരിച്ച നടപടി												
1	2.3.3	<p>റവന്യൂ വിഭാഗത്തിലെ ഒരു ധനവിനിയോഗത്തില - 'കടബാധ്യതകൾ' അധിക ചെലവായ 192 കോടി രേണഘടനയുടെ 205-ാം അനുചരപ്രകാരം ക്രമീകരണം ആവശ്യമുള്ളതായി ധനവിനിയോഗ കണക്കുകൾ വെളിപ്പെടുത്തുകയും ഗ്രാന്റിൽ ധനവിനിയോഗത്തെ അധികരിച്ച് ചെലവുകൾ ഉണ്ടായ ഉപശീർഷകങ്ങൾ (പട്ടിക 2.4) ൽ വിവരിക്കുന്നു.</p> <table border="1" data-bbox="564 871 1444 1251"> <thead> <tr> <th>ശീർഷകവും പദ്ധതിയുടെ പേരും</th> <th>അന്തിമ ധനവിനിയോഗം</th> <th>ചെലവ്</th> <th>അധികം</th> </tr> </thead> <tbody> <tr> <td>03-115-98- നിർദ്ദിഷ്ട സമയ നിക്ഷേപങ്ങൾ</td> <td>520</td> <td>626.62</td> <td>106.62</td> </tr> <tr> <td>03-115-99- സംസ്ഥാന സേവിംഗ്സ് ബാങ്ക് നിക്ഷേപങ്ങൾ</td> <td>95</td> <td>122.14</td> <td>27.14</td> </tr> </tbody> </table> <p>മുകളിൽ പറഞ്ഞ ശീർഷകങ്ങളിൽ (ആദ്യത്തേതൊഴികെ) ബന്ധപ്പെട്ട കണക്കുകളിലേക്ക് പലിശ കൈമാറുന്നത് സാമ്പത്തിക വർഷത്തിന്റെ അവസാന സമയത്താണ്. എന്നിരുന്നാലും നിർദ്ദിഷ്ട</p>	ശീർഷകവും പദ്ധതിയുടെ പേരും	അന്തിമ ധനവിനിയോഗം	ചെലവ്	അധികം	03-115-98- നിർദ്ദിഷ്ട സമയ നിക്ഷേപങ്ങൾ	520	626.62	106.62	03-115-99- സംസ്ഥാന സേവിംഗ്സ് ബാങ്ക് നിക്ഷേപങ്ങൾ	95	122.14	27.14	<p>2049-03-115-98- നിർദ്ദിഷ്ട സമയ നിക്ഷേപങ്ങൾ (TFD)</p> <p>2014-15-ൽ സർക്കാർ ട്രഷറി സ്ഥിര നിക്ഷേപങ്ങൾക്ക് പലിശ വർദ്ധിപ്പിച്ചതിനാൽ (സ.ഉ. (പി) നം.77/2014/ധന തീയതി 22/02/2014) ട്രഷറി നിക്ഷേപങ്ങളുടെ എണ്ണത്തിലും അതുവഴി സ്ഥിരനിക്ഷേപ തുകയിലും വർദ്ധനവുണ്ടാകുകയും അപ്രകാരം പലിശയിനത്തിൽ കൂടുതൽ തുക നൽകേണ്ടിവരികയും തദ്ദേശ മേൽ ശീർഷകങ്ങളിൽ ചെലവ് കൂടുകയും ചെയ്തിട്ടുണ്ട്. കൂടാതെ നിക്ഷേപ സമാഹരണത്തിന്റെ ഭാഗമായി സർക്കാർ നിർദ്ദേശപ്രകാരം ബോർഡുകൾ/ കോർപ്പറേഷനുകൾ മുതലായ പൊതുമേഖലാസ്ഥാപനങ്ങളിൽ നിന്നും ഹ്രസ്വകാല നിക്ഷേപങ്ങളായി ഉയർന്ന പലിശനിരക്കിൽ നിക്ഷേപം സ്വീകരിച്ചിരുന്നു. ഇക്കാരണത്താൽ സ്ഥിരനിക്ഷേപങ്ങളുടെ പലിശയിനത്തിൽ കൂടുതൽ തുക നൽകേണ്ടിവരികയും ചെലവ് വർദ്ധിക്കാനിടയാകുകയും 2014-2015 സാമ്പത്തിക വർഷം 2049-03-115-98 എന്ന ശീർഷകത്തിൽ ബജറ്റ് വിഹിതത്തിനെക്കാൾ അധികരിച്ച ചെലവിന്</p>
ശീർഷകവും പദ്ധതിയുടെ പേരും	അന്തിമ ധനവിനിയോഗം	ചെലവ്	അധികം												
03-115-98- നിർദ്ദിഷ്ട സമയ നിക്ഷേപങ്ങൾ	520	626.62	106.62												
03-115-99- സംസ്ഥാന സേവിംഗ്സ് ബാങ്ക് നിക്ഷേപങ്ങൾ	95	122.14	27.14												

		<p>സമയ നിക്ഷേപങ്ങളിലേയ്ക്ക് പലിശ കൈമാറുന്നതിനുള്ള ബജറ്റ് വകയിരുത്തലുകൾ 2014 ഡിസംബറിൽ തന്നെ തീർന്നിട്ടും ബജറ്റി വകയിരുത്തലുകൾ നേടുന്നതിന് നിയന്ത്രണ അധികാരികൾ യാതൊരു നടപടിയും എടുത്തിട്ടില്ല.</p>	<p>കാരണമാകുകയും ചെയ്തു. 2049-03-115-99- സംസ്ഥാന സേവിങ്സ് ബാങ്ക് നിക്ഷേപങ്ങൾ (TSB) 2012-2013, 2013-2014 സാമ്പത്തിക വർഷങ്ങളിൽ പലിശ സഹിത സ്പെഷ്യൽ ടി.എസ്.ബി. അക്കൗണ്ടുകൾക്ക് അതാതു വർഷം നൽകാതിരുന്ന പലിശ 2014-2015 സാമ്പത്തിക വർഷം നൽകിയതുകൊണ്ട് ടി സാമ്പത്തിക വർഷം 2049-03-115-99-എന്ന ശീർഷകത്തിൽ ബജറ്റ് വിഹിതത്തേക്കാൾ അധിക ചെലവിന് കാരണമായിട്ടുണ്ട്. കൂടാതെ ഈ കാലയളവിൽ TSB അക്കൗണ്ടുകളുടെ എണ്ണത്തിലും അതുവഴി പലിശയിനത്തിൽ നൽകേണ്ടുന്ന തുകയിലും വർദ്ധനവുണ്ടായിട്ടുണ്ട്. 2014-15 കാലയളവിൽ അധിക തുക ചെലവായതിനുള്ള കാരണം ധന (സ്പീംലൈനിങ്) സെക്ഷൻ 20/05/2016 -ലെ അനുദ്യോഗിക കുറിപ്പ് നം.215442/എസ്.എൽ1/2016/ധന പ്രകാരം ധനകാര്യ (പി.എ.സി) സെക്ഷനെ അറിയിച്ചിട്ടുള്ളതാണ്.</p>
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G. SREENI
 Joint Secretary
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 Govt. Secretariat
 Thiruvananthapuram

GOVERNMENT OF KERALA

FINANCE (SECRET SECTION) DEPARTMENT

STATEMENT OF ACTION TAKEN ON AUDIT PARAS CONTAINED IN THE REPORT OF COMPTROLLER AND AUDITOR GENERAL OF INDIA ON STATE FINANCES FOR THE YEAR ENDED 31ST MARCH, 2015.

Para No.	Recommendations	Action Taken																																		
2.3.3	<p>2.3.3 Excess over provision during 2014-15 (Item No.4 of the Table 2:4) The Appropriation Accounts disclosed excess expenditure of `192 crore under Revenue Section in one appropriation-‘Debt Charges’, which requires regularisation under Article 205 of the Constitution and the sub-heads in which expenditure exceeded the appropriation under the Grant are detailed in Table 2.4.</p> <p>Table 2.4: Sub-heads in which expenditure exceeded the appropriation (in crore)</p> <table border="1" data-bbox="455 818 1367 1137"> <thead> <tr> <th colspan="4">2049-Interest Payments - Charged (Non-plan)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>03-115-98-Fixed Time Deposits</td> <td>528.00</td> <td>626.62</td> <td>106.62</td> </tr> <tr> <td>2</td> <td>03-104-99-Interest on General Provident Fund</td> <td>1408.87</td> <td>1442.58</td> <td>33.68</td> </tr> <tr> <td>3</td> <td>03-108-99-State Life Insurance-Official Branch</td> <td>135.00</td> <td>167.98</td> <td>32.98</td> </tr> <tr> <td>4</td> <td>01-101-97-Interest on Loans Bearing Interest (Loans floated on or after 1.4.2011)</td> <td>3284.04</td> <td>3314.39</td> <td>30.35</td> </tr> <tr> <td>5</td> <td>03-115-99-State Savings Bank Deposits</td> <td>95.80</td> <td>122.14</td> <td>27.14</td> </tr> <tr> <td>6</td> <td>03-108-95-Kerala State Government Employees Group Insurance Scheme</td> <td>78.00</td> <td>98.64</td> <td>20.64</td> </tr> </tbody> </table> <p><i>Source: Detailed Appropriation Accounts 2014-15</i></p> <p>In the above heads of account (except first item), interest transfers to respective account were carried out during the fag end of the year. However, in respect of interest transfers to fixed time deposits, the controlling officers did not take any initiative to obtain the budget allocation though it was almost exhausted in December 2014.</p>	2049-Interest Payments - Charged (Non-plan)				1	03-115-98-Fixed Time Deposits	528.00	626.62	106.62	2	03-104-99-Interest on General Provident Fund	1408.87	1442.58	33.68	3	03-108-99-State Life Insurance-Official Branch	135.00	167.98	32.98	4	01-101-97-Interest on Loans Bearing Interest (Loans floated on or after 1.4.2011)	3284.04	3314.39	30.35	5	03-115-99-State Savings Bank Deposits	95.80	122.14	27.14	6	03-108-95-Kerala State Government Employees Group Insurance Scheme	78.00	98.64	20.64	<p>Budget proposal for each financial year has been preparing in the second half of preceding fiscal. Interest provisioning is done reckoning anticipated expenditure and prevailing liquidity position. Because of various unforeseen reasons, there was slight deterioration in the cash position which lead to excess borrowing than expected that resulted more interest liability. Up to the last quarter, there was sufficient savings in other head of accounts under the major head “2049” giving space for reappropriation. But due to certain unforeseen developments in the closing weeks of the financial year ended 31st March 2015 that could not be make use of.</p>
2049-Interest Payments - Charged (Non-plan)																																				
1	03-115-98-Fixed Time Deposits	528.00	626.62	106.62																																
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1.4

1.4 Capital Receipts

Capital receipts comprise miscellaneous capital receipts, recovery of loans and advances released to institutions/organizations and public debt receipts. Trends in receipts under capital sector are detailed in Table 1.11. **Table 1.11: Trends in growth and composition of capital receipts. (in crore)**

(in crore)		
Capital Receipts (CR)		
Miscellaneous Capital Receipts	19	28
Recovery of Loans and Advances	104	124
Public Debt Receipts*	14342	15858
Internal Debt Receipts	13950	15106
Loans and Advances from Govt	392	752
Rate of growth of debt capital receipts (per cent)	8.2	10.6
Rate of Growth of GSDP(per cent)	13.93(*)	13.93
Rate of growth of CR (per cent)	8.4	10.7
Buoyancy of Debt receipts w.r.t GSDP	0.6(*)	0.8

Source : Finance Accounts of respective years

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

Internal Debt mainly comprised Open Market Borrowings of the State and growth rate shown by debt capital receipts was mainly due to increase in open market borrowings (400 crore) and Special securities issued to National Small Savings Fund (567 crore). The growth rate of debt capital receipt and capital receipts increased when compared to the previous year mainly due to the increase in internal debt receipt of the State Government. Buoyancy of debt receipts with respect to GSDP also has shown an increase when compared to 2013-14 but it remains less than one (0.8) which is a good indicator as the Government's borrowing pace was less than that of GSDP.

-Noted-



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**സംസ്ഥാന സമ്പത്ത് വ്യവസ്ഥയെ സംബന്ധിച്ച് 2014-15 സാമ്പത്തിക വർഷത്തെ
ആഡിറ്റ് റിപ്പോർട്ട്**

ഖണ്ഡിക	ശുപാർശ	നടപടി
<p align="center">2.3.3</p>	<p>2014-15-ൽ വകയിരുത്തലുകൾക്കുപരിയായ <u>അധിക ചെലവുകൾ</u></p> <p>(6) 2049-പലിശ കൊടുക്കൽ - 03-108-95-കേരള സംസ്ഥാന ഗവൺമെന്റ് ജീവനക്കാർക്കുള്ള ഗ്രൂപ്പ് ഇൻഷുറൻസ് പദ്ധതി</p> <p>അന്തിമ ധനവിനിയോഗം - 78.00 കോടി ചെലവ് - 98.64 കോടി അധികം - 20.64 കോടി</p> <p>മുകളിൽ പറഞ്ഞ ശീർഷകത്തിൽ ബന്ധപ്പെട്ട കണക്കുകളിലേക്ക് പലിശ കൈമാറുന്നത് സാമ്പത്തിക വർഷത്തിന്റെ അവസാന സമയത്താണ്. എന്നിരുന്നാലും നിർദ്ദിഷ്ട സമയ നിക്ഷേപങ്ങളിലേക്ക് പലിശ കൈമാറുന്നതിനുള്ള ബഡ്ജറ്റ് വകയിരുത്തലുകൾ 2014 ഡിസംബറിൽ തന്നെ തീർത്തിട്ടും ബഡ്ജറ്റ് വകയിരുത്തലുകൾ നേടുന്നതിന് നിയന്ത്രണ അധികാരികൾ യാതൊരു നടപടിയും എടുത്തില്ല.</p>	<p>സംസ്ഥാന ഇൻഷുറൻസ് വകുപ്പിന്റെ സർക്കാർ ജീവനക്കാർക്കുള്ള ക്ഷേമപദ്ധതികളായ ലൈഫ് ഇൻഷുറൻസ്, ഗ്രൂപ്പ് ഇൻഷുറൻസ് പദ്ധതികളിൽ പലിശയിനത്തിൽ കൂടുതൽ തുക വകയിരുത്തേണ്ടി വന്നത് ടി പദ്ധതികളിൽ പ്രീമിയം വരിസംഖ്യയിലും അഡീഷണൽ പോളിസികളിലുമുണ്ടായ വർദ്ധനവിനനുസൃതമായി പലിശയിനത്തിൽ വർദ്ധനവ് കണക്കാക്കിയതിനാലാണ്.</p> <p>സംസ്ഥാന സർക്കാരിന്റെ പൊതുകടങ്ങളിൽപ്പെടുന്ന ശീർഷകങ്ങളായ ഗ്രൂപ്പ് ഇൻഷുറൻസ്, ലൈഫ് ഇൻഷുറൻസ് പദ്ധതികളിലെ വരുമാനരേഖപ്പെടുത്തലുകൾ സർക്കാർ ഉത്തരവ് പ്രകാരം നിർത്തിവെച്ചിട്ടുള്ളതാണ്. ഈ പദ്ധതികളിൽ ലഭ്യമാകുന്ന പ്രീമിയം വിശദാംശങ്ങൾ ട്രഷറി വകുപ്പിൽ നിന്നും സ്വീകരിച്ച് അക്കൗണ്ടന്റ് ജനറൽ സൂക്ഷിക്കുന്ന കണക്കുകളുമായി പൊരുത്തപ്പെടുത്തലുകൾക്ക് വിധേയമാക്കി വേണം പലിശ കണക്കാക്കി അക്കൗണ്ടന്റ് ജനറലിന്റെ പരിശോധനക്ക് സമർപ്പിക്കേണ്ടത്. ടി പ്രവർത്തനങ്ങൾക്ക് വകുപ്പ് നേരിടുന്ന കാലതാമസമാണ് ഈ പദ്ധതികളിൽ പലിശ വകയിരുത്തലുകൾ യഥാസമയം നേടുന്നതിന് നടപടി സ്വീകരിക്കാൻ കഴിയാതിരുന്നതെന്ന് ഇൻഷുറൻസ് ഡയറക്ടർ അറിയിച്ചിട്ടുണ്ട്.</p>


ജോയിന്റ് സെക്രട്ടറി
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നമ്പർ.1173882/എസ്റ്റാ-ഡി4/2019/ധന

ധന (എസ്റ്റാ-ഡി) വകുപ്പ്

സി&എ ജിയുടെ 2015-മാർച്ച് 31ന് അവസാനിച്ച സാമ്പത്തിക വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിലെ അദ്ധ്യായം 2-ലെ ശുപാർശയിന്മേൽ സ്വീകരിച്ചിട്ടുള്ള നടപടി റിപ്പോർട്ട്

ക്രമ നം	ഖണ്ഡിക നം	ബന്ധപ്പെട്ട വകുപ്പ്	ശുപാർശകൾ	സ്വീകരിച്ച നടപടി															
2049 - പലിശ കൊടുക്കൽ - ചാർജ്ജ് ചെയ്തത് (പദ്ധതിയേതരം)																			
1	2.3.3	ഇൻഷുറൻസ്	<p>2014-15 ൽ വകയിരുത്തലുകൾക്കുപരിയായ അധിക ചെലവുകൾ</p> <p>റവന്യൂ വിഭാഗത്തിലെ ഒരു ധനവിനിയോഗത്തിലെ 'കടബാധ്യതകൾ' അധിക ചെലവായ 192 കോടി രൂപയുടെ 205-ാം അനുചരപ്രകാരം ക്രമീകരണം ആവശ്യമുള്ളതായി ധനവിനിയോഗ കണക്കുകൾ വെളിപ്പെടുത്തുകയും ഗ്രാന്റിൽ ധനവിനിയോഗത്തെ അധികരിച്ച് ചെലവുകൾ ഉണ്ടായ ഉപശീർഷകങ്ങൾ പട്ടിക 2.4 ൽ വിവരിക്കുന്നു. പട്ടിക 2.4 ധനവിനിയോഗത്തെ അധികരിച്ച് ചെലവ് വന്ന ഉപശീർഷകങ്ങൾ (തുടക്കം കോടിയിൽ)</p> <table border="1"> <thead> <tr> <th>ക്രമ നം</th> <th>ശീർഷകവും പദ്ധതിയുടെ പേരും</th> <th>അന്തിമ ധനവിനിയോഗം</th> <th>ചെലവ്</th> <th>അധികം</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>03-108-99-സ്റ്റേറ്റ് ലൈഫ് ഇൻഷുറൻസ് ഔദ്യോഗിക ശാഖ</td> <td>135.00</td> <td>167.98</td> <td>32.98</td> </tr> <tr> <td>6</td> <td>03-108-95 കേരള സംസ്ഥാന ഗവൺമെന്റ്</td> <td>78.00</td> <td>98.64</td> <td>20.64</td> </tr> </tbody> </table>	ക്രമ നം	ശീർഷകവും പദ്ധതിയുടെ പേരും	അന്തിമ ധനവിനിയോഗം	ചെലവ്	അധികം	3	03-108-99-സ്റ്റേറ്റ് ലൈഫ് ഇൻഷുറൻസ് ഔദ്യോഗിക ശാഖ	135.00	167.98	32.98	6	03-108-95 കേരള സംസ്ഥാന ഗവൺമെന്റ്	78.00	98.64	20.64	<p>സംസ്ഥാന ഇൻഷുറൻസ് വകുപ്പിന്റെ സർക്കാർ ജീവനക്കാർക്കുള്ള ക്ഷേമപദ്ധതികളായ ലൈഫ് ഇൻഷുറൻസ്, ഗ്രൂപ്പ് ഇൻഷുറൻസ് പദ്ധതികളിൽ പലിശയിനത്തിൽ കൂടുതൽ തുക ചിലവഴിക്കേണ്ടിവന്നത് ടി പദ്ധതികളിൽ പ്രീമിയം വരിസംഖ്യയിലും അഡീഷണൽ പോളിസിക്ളിമുണ്ടായ വർദ്ധനവിനനുസൃതമായി പലിശയിനത്തിൽ വർദ്ധനവ് കണക്കാക്കിയതിനാലാണ്. സംസ്ഥാന സർക്കാരിന്റെ പൊതുകടങ്ങളിൽപ്പെടുന്ന ശീർഷകങ്ങളായ ഗ്രൂപ്പ് ഇൻഷുറൻസ്, ലൈഫ് ഇൻഷുറൻസ് പദ്ധതികളിലെ വരുമാനരേഖപ്പെടുത്തലുകൾ സർക്കാർ ഉത്തരവ് പ്രകാരം നിർത്തിവെച്ചിട്ടുള്ളതാണ്. ഈ പദ്ധതികളിൽ ലഭ്യമാക്കുന്ന പ്രീമിയം വിശദാംശങ്ങൾ ട്രഷറി വകുപ്പിൽ നിന്നും സ്വീകരിച്ച് അക്കൗണ്ടന്റ് ജനറൽ സൂക്ഷിക്കുന്ന കണക്കുകളുമായി പൊരുത്തപ്പെടുത്തലുകൾക്ക് വിധേയമാക്കി വേണം പലിശ കണക്കാക്കി അക്കൗണ്ടന്റ് ജനറലിന്റെ പരിശോധനയ്ക്ക് സമർപ്പിക്കേണ്ടത്. ടി പ്രവർത്തനങ്ങൾക്ക് ഇൻഷുറൻസ് വകുപ്പ്</p>
ക്രമ നം	ശീർഷകവും പദ്ധതിയുടെ പേരും	അന്തിമ ധനവിനിയോഗം	ചെലവ്	അധികം															
3	03-108-99-സ്റ്റേറ്റ് ലൈഫ് ഇൻഷുറൻസ് ഔദ്യോഗിക ശാഖ	135.00	167.98	32.98															
6	03-108-95 കേരള സംസ്ഥാന ഗവൺമെന്റ്	78.00	98.64	20.64															

			<p>ജീവനക്കാർക്കുള്ള ഗ്രൂപ്പ് ഇൻഷുറൻസ് പദ്ധതി</p>			<p>നേരിടുന്ന കാലതാമസമാണ് ഈ പദ്ധതികളിൽ പലിശ വകയിരുത്തലുകൾ യഥാസമയം നേടുന്നതിന് നടപടി സ്വീകരിക്കാൻ കഴിയാതിരുന്നത്. ഇപ്രകാരമുള്ള മന:പൂർവ്വമല്ലാത്ത വീഴ്ചകൾ ഭാവിയിൽ ആവർത്തിക്കാതിരിക്കുവാൻ നടപടി സ്വീകരിക്കുന്നതാണ്.</p>
			<p>മുകളിൽ പറഞ്ഞ ശീർഷകങ്ങളിൽ ബന്ധപ്പെട്ട കണക്കുകളിലേക്ക് പലിശ കൈമാറുന്നത് സാമ്പത്തിക വർഷത്തിന്റെ അവസാന സമയത്താണ്. എന്നിരുന്നാലും നിർദ്ദിഷ്ട സമയ നിക്ഷേപങ്ങളിലേക്ക് പലിശ കൈമാറുന്നതിനുള്ള ബജറ്റ് വകയിരുത്തലുകൾ 2014 ഡിസംബറിൽ തന്നെ തീർന്നിട്ടും ബജറ്റ് വകയിരുത്തലുകൾ നേടുന്നതിന് നിയന്ത്രണ അധികാരികൾ യാതൊരു നടപടിയും എടുത്തില്ല.</p>			


G. SREENI
 Joint Secretary
 Finance Department
 Govt Secretariat
 Thiruvananthapuram

സി&എജിയുടെ 2015 മാർച്ച് മാസം 31 ന് അവസാനിച്ച സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ കിലയെ സംബന്ധിക്കുന്ന ഖണ്ഡിക -2.3.5.1 (ii) നേലുള്ള നടപടി സ്റ്റേറ്റ് മെന്റ്

ഓഡിറ്റ് പരാമർശം	നടപടി റിപ്പോർട്ട്
<p>2.3.5.1 (ii) ചെലവ് വിലയിരുത്താതെ തിരിച്ചേൽപ്പിക്കൽ പ്രസ്താവനകൾ നൽകിയത്</p> <p>കേരള ഇൻസ്റ്റിറ്റ്യൂട്ട് ഫോർ ലേബർ ആന്റ് എംപ്ലോയ്മെന്റ് രണ്ട് തവണകളിലായി (2014 ഒക്ടോബറിൽ Rs. 0.60 കോടിയും 2015 മാർച്ചിൽ 1 കോടിയും) 'കേരള ഇൻസ്റ്റിറ്റ്യൂട്ട് ഫോർ ലേബർ ആന്റ് എംപ്ലോയ്മെന്റ് ധനസഹായം (2230-03-800-94 പി)' എന്ന പദ്ധതിയുടെ കീഴിൽ നൽകിയ 1.75 കോടിയിൽ Rs.1.60 കോടി 2014-15 കാലയളവിൽ പിൻവലിച്ച് ട്രഷറി സേവിംഗ്സ് ബാങ്കിൽ (ടിഎസ്ബി) നിക്ഷേപിച്ചു. ഇതിൽ Rs.1.01 കോടി ചെലവാക്കുകയും ബാക്കി തുകയായ Rs.0.59 കോടി ടിഎസ്ബിയിൽ നിലനിർത്തുകയും ചെയ്തു. ഉപയോഗിക്കാത്ത തുക ടിഎസ്ബിയിൽ ഉള്ളത് കണക്കാക്കാതെ മുഖ്യ നിയന്ത്രണ അധികാരികൾ Rs.0.74 കോടി തിരിച്ചടക്കാനുള്ള പ്രസ്താവന ധനകാര്യ വകുപ്പിന് നൽകിയതുമൂലം Rs.0.59 കോടിയുടെ അധിക ചെലവുണ്ടായി.</p>	<p>സി&എജിയുടെ 2015 മാർച്ച് മാസം 31 ന് അവസാനിച്ച സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ കിലയെ സംബന്ധിക്കുന്ന ഖണ്ഡിക -2.3.5.1 (ii) നേലുള്ള ഓഡിറ്റ് പരാമർശത്തിന്മേൽ തൊഴിലും നൈപുണ്യവും വകുപ്പ് ലഭ്യമാക്കിയിരിക്കുന്ന നടപടി റിപ്പോർട്ടിൽ ചുവടെ ചേർത്തിരിക്കുന്ന വസ്തുതകൾ ഉൾപ്പെടുത്തിയിരിക്കുന്നു.</p> <p>2014-15 സാമ്പത്തിക വർഷത്തിൽ പദ്ധതി വിഹിതത്തിൽ കിലെയ്ക്ക് 2230-03-800-94 (P) ശീർഷകത്തിൽ വകകൊള്ളിച്ചിരുന്ന Rs.175 ലക്ഷം രൂപയിൽ നിന്നും 26/09/2014 ലെ സ.ഉ(സാധാ)നം. 1351/2014/തൊഴിൽ. 27/02/2015 ലെ സ.ഉ(സാധാ)നം. 244/2015/തൊഴിൽ എന്നീ ഉത്തരവുകൾ പ്രകാരം യഥാക്രമം Rs.60 ലക്ഷം രൂപയ്ക്കും 100 ലക്ഷം രൂപയ്ക്കുമുള്ള ഭരണാനുമതി മാത്രമാണ് നൽകിയിരുന്നത്. ടി തുകകൾ കിലെ ട്രഷറി സേവിംഗ്സ് ബാങ്ക് അക്കൗണ്ടിൽ ക്രഡിറ്റ് ആയത് യഥാക്രമം 18/10/2014 ലും 16/03/2015 തീയതികളിലുമാണ്. രണ്ടാമതായി ഭരണാനുമതി ലഭിച്ച 100 ലക്ഷം രൂപ ട്രഷറി സേവിംഗ്സ് ബാങ്ക് അക്കൗണ്ടിൽ ക്രഡിറ്റ് ആയതിനു ശേഷം ടി സാമ്പത്തിക വർഷം അവസാനിക്കുവാൻ ദിവസങ്ങൾ മാത്രമേ ഉണ്ടായിരുന്നുള്ളൂ എന്നും ഈ കുറഞ്ഞ ദിവസങ്ങൾ കൊണ്ട് മേൽ തുക മൊത്തമായും ചെലവ് ചെയ്ത് തീർക്കുവാൻ സാധിക്കുമായിരുന്നില്ലെന്നും ആയതിനാലാണ് ടി സാമ്പത്തിക വർഷത്തെ ചെലവ് കഴിഞ്ഞതിനുശേഷമുള്ള Rs.58.92 ലക്ഷം രൂപ കിലെയുടെ TSB അക്കൗണ്ടിൽ ശേഷിച്ചതായും കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ അറിയിച്ചിരിക്കുന്നു. പ്രസ്തുത തുക ഇലക്ട്രോണിക് ലഡ്ജർ അക്കൗണ്ടിലേക്ക് മാറ്റുന്നതിനായി അപേക്ഷിച്ചിരുന്നുവെങ്കിലും നടപടി ക്രമങ്ങളിലെ അപാകത മൂലം ടി തുക ഇലക്ട്രോണിക് ലഡ്ജർ അക്കൗണ്ടിലേക്ക് മാറ്റാൻ കഴിയാതെ വരികയും ആയത് TSB യിൽ തന്നെ നിലനിൽക്കുകയാണുണ്ടായ- തെന്നും കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ അറിയിച്ചിരിക്കുന്നു. മേൽ പ്രകാരം TSB യിലുള്ള 58.92 ലക്ഷം രൂപയും ഭരണാനുമതി നൽകാത്ത 15 ലക്ഷം രൂപയും ചേർത്താൽ Rs.73.92 ലക്ഷം രൂപയാണ് കിലെ ചെലവാക്കാതിരുന്നത്. TSB യിലുള്ള Rs.58.92 ലക്ഷം രൂപ ഇപ്പോഴും നില നിൽക്കുന്നുണ്ടെന്നും മേൽ ശീർഷകത്തിൽ അവശേഷിച്ചിരുന്ന Rs.15 ലക്ഷം രൂപയ്ക്ക് ഭരണാനുമതി</p>

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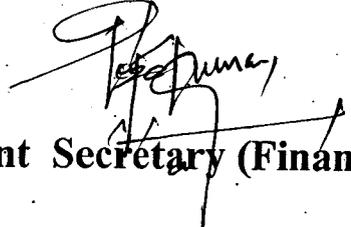
	<p>ലഭിക്കാത്തതിനാൽ ടി തുക സറണ്ടർ ചെയ്യുന്നതിന് - നടപടി എടുത്തിരുന്നില്ലെന്നുമാണ് കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ അറിയിച്ചിരിക്കുന്നത്. TSB യിൽ നിലവിലുള്ള Rs.58.92 ലക്ഷം രൂപ സറണ്ടർ ചെയ്യുന്നതിന് കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ സർക്കാരിന്റെ അനുമതി ഇപ്പോൾ തേടിയിട്ടുണ്ടെന്നും ആയത് ധനകാര്യ വകുപ്പുമായി കൂടിയാലോചിച്ച് തുടർ നടപടി സ്വീകരിക്കുന്നതാണെന്നും പ്രസ്താവിച്ചിരിക്കുന്നു.</p> <p>ഭരണാനുമതി നൽകിയിരിക്കുന്ന 1.60 കോടി രൂപയിൽ നിന്നും ചെലവാക്കാൻ സാധിക്കാതെ വന്ന TSB അക്കൗണ്ടിൽ ശേഖിക്കുന്ന 058.92 ലക്ഷം രൂപ സറണ്ടർ ചെയ്യുന്നതിന് സർക്കാരിന്റെ അനുമതി തേടിയിരിക്കുന്ന മേൽ സാഹചര്യത്തിൽ ടി തുക 2230-03-911-99 Deduct Recoveries of over Payment എന്ന ശീർഷകത്തിൽ തിരിച്ചടയ്ക്കുവാൻ എക്സിക്യൂട്ടീവ് ഡയറക്ടർക്ക് നിർദ്ദേശം നൽകുവാൻ ധനകാര്യവകുപ്പ് തൊഴിലും, നൈപുണ്യവും വകുപ്പിനോട് ആവശ്യപ്പെട്ടിട്ടുണ്ട്.</p>
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സാധന എസ്. നായർ
അഡീഷണൽ സെക്രട്ടറി (ധനകാര്യം)

Finance (PAC-B) Department
Statement of Action Taken on the Report of C&AG on
State Finances for the year ended on 31.03.2015

Audit Para	Name of Department	Action Taken Report
<p>2.3.5.1(iii) <u>Expenditure without budget provision.</u> Token Provision (₹ 1000) was provided under the scheme 'Payment of cost for the Deployment of CRPF (2055-00-800-99-NP)' for meeting the expenditure in connection with the deployment of Central Reserve Police Force. An amount of ₹ 6.43Crore was booked through inter state settlement adjustment and intimated (January 2015) to the Chief Controlling Officer (Director General of Police) by the PAG (A&E) to arrange sufficient budget provision under the sub head. The Chief Controlling Officer did not make any effort to obtain additional budget provision but surrendered the token provision which resulted in excess expenditure to the tune of ₹ 6.43 crore.</p> <p>Audit also observed excess expenditure of ₹ 5.67 crore under the sub head Criminal Investigation Branch (2055-00-</p>	<p>Police</p>	<p>Regarding para no. 2.3.5.1(iii) Expenditure without budget provision, Home (E) department has furnished the Action Taken Report which contains the following details.</p> <p>A token provision for the 'Payment of cost for the Deployment of CRPF' (2055-800-99-NP) was surrendered, since the Police department had not received the details regarding the adjustment made by the Principal Accountant General (A&E) in 2015 through Central accounts of RBI for an amount of ₹6.43 Crore. Therefore additional fund could not be proposed through re-appropriation to regularize the excess amount incurred, which resulted in excess expenditure. The Accountant General vide letter No. Report/civil/state finance 2014-15 field party/239 informed the</p>

<p>101-99)' for meeting Travelling Allowance (Tour) of policemen and ₹ 7.28 crore was booked against the budget provision of ₹ 1.61 crore. Thus, failure to monitor the expenditure against allotment by the Sub Controlling Officer and lapse on the part of Controlling Officer (Director General of Police) in obtaining sufficient additional funds to regularize the excess expenditure, resulted in excess under the head.</p>		<p>matter only on 7.10.2015.</p> <p>Against the budget provision of ₹ 1.61 Crore provided for TA under the H/A 2055-00-101-99-NP, an amount of ₹ 7.28 Crore was spent which resulted in an excess expenditure of ₹ 5.67 Crore. The Police department had not received the details regarding the adjustment made by the Principal AG (A&E) in 2015 in connection with the expenditure related to Railway Warrant claims. Therefore the department could provide sufficient fund to regularize the excess expenditure before the end of the financial year. Strict action has been taken the Police Department to avoid such irregularities in future.</p>
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Joint Secretary (Finance)

Finance (PAC-B) Department
Statement of Action Taken on the Report of C&AG of India on State
Finances for the year ended on 31.03.2015

SL. No.	Para No.	Subject	Action Taken Report
1	2.3.5.2(ii)	<p>Non reporting of expenditure incurred by Drawing and Disbursing Officer to Chief Controlling Officer .</p> <p>Expenditure of Rs. 0.32 crore incurred by two Drawing and Disbursing Officers (Sheristadars of Collectorates, Kottayam and Kozhikkode) under the scheme 'District Police Complaints Authority (2055-00-001-94-NP) was not reported to the Chief Controlling Officer (Director General of Police) which resulted in surrender of the entire budget allocation of Rs. 0.38 crore under the scheme by Chief Controlling Officer, resulting in excess expenditure of Rs.0.32 crore.</p>	<p>Police Complaints Authority South Zone has informed that an amount of Rs. 18 lakh for the purchase of vehicle and Rs. 50,000/- for office expenditure were sanctioned under the head of account 2055-00-001-94-NP. Out of this a total amount of Rs. 15,88,453/- was utilized (for vehicle 15,38,729 and for office expenditure Rs.49,724) and an amount of Rs. 2,61,547/- was surrendered. Total allotment Re. 18.50 lakhs.</p> <p>The south Zone State Police Complaints Authority also informed that they were unaware of the fact that amount has to be reconciled and to be informed to State Police Chief as no instruction in this regard was received from the State Police Chief.</p> <p>Police Complaints Authority North Zone has informed that an amount of Rs. 18 lakhs for purchase of vehicle and Rs. 50,000/- for office expenditure were sanctioned under the head of account 2055-00-001--94-NP. Out of this, a total amount of Rs. 15,64,855/- was utilized (for vehicle Rs. 15,14,855/- and office expenses Rs. 50,000/-) and has informed that the balance amount of Rs. 2,35,145/- has not been surrendered. Total allotment 18.50 lakhs.</p> <p>The North Zone Police Complaints Authority has also informed that he is unable to surrender the amount and send expenditure statement to State Police Chief due to paucity of permanent staff.</p> <p>Total fund allotted to DPC's - Rs. 37 lakhs (18.5+18.5) Expenditure – Rs. 31, 53, 308 (15,88,453+15, 64, 855) Unspent - Rs. 4, 96, 692 (2, 61, 547+2, 35, 145) Surrender - Rs. 2,61, 547(DPCA South Zone) Amount to be surrendered -Rs. 2,35, 145 (DPCA North Zone)</p>


Gopakumar.N

JOINT SECRETARY (Finance)

G. GOPAKUMAR.N
Joint Secretary to Govt.
Finance Department
Govt. of Kerala
Thiruvananthapuram

GOVERNMENT OF KERALA**FINANCE (BUDGET WING-B) DEPARTMENT****STATEMENT OF ACTION TAKEN ON THE AUDIT PARA CONTAINED IN THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON STATE FINANCES FOR THE YEAR ENDED ON 31 MARCH 2015.**

Sl.No.	Para No.	Audit Observation	Action taken
1.	2.3.5.3	<p>(i) Resumption orders issued without proposals from Chief Controlling Officer</p> <p>Against the provision of Rs.0.46 crore under the scheme 'Miscellaneous - Other Charges (2075-00-800-92-NP-C)', Rs.0.56 crore was spent during 2014-15. But Finance Department sanctioned resumption of the whole provision without any proposal by the Chief Controlling Officer (Secretary, Revenue (B) Department) resulting in excess expenditure of Rs.0.56 crore under the scheme.</p>	<p>As per Accountant General's Statement of Accounts dated 08.05.2015 for the financial year ended 31.3.2015, the expenditure shown under the head of account 2075-00-800-92-NP-C was Rs.16,000. Though Finance Department did not receive any proposal for surrender from the Controlling Officer, the resumption was carried out on the basis of the Statement of Accounts received from the PAG(A&E), Kerala.</p> <p>As per the final accounts of the Accountant General, the actual expenditure incurred during the financial year 2014-15 under the head of account 2075-00-800-92-NP-C was Rs.56.26 lakh, i.e. the Revenue Department had incurred an excess expenditure of Rs.10.00 lakh. The Revenue Department had not furnished any surrender proposal to Finance Department, but at the same time, that Department was bound to furnish necessary re-appropriation proposal to regularize the excess expenditure, in compliance with the specific general instructions issued vide Circular No:18/2015/Fin dated 29.01.2015, with regard to final surrender/resumption and re-appropriation of funds. If the Revenue Department had acted in accordance with the above circular instructions, the situation of unnecessary resumption could have been avoided.</p>

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			<p>In order to avoid deficiency/lapse like this, Government have already undertaken the initiative for the implementation of the Integrated Financial Management System (IFMS) by combining various online systems on receipt and expenditure by integrating State Budget with treasury transactions relating to line Departments, Accountant General, RBI and other stakeholders. When the system of IFMS is implemented completely, monitoring of expenditure can be done more effectively and efficiently. May kindly drop the objection in this regard.</p>
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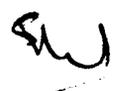


A. SHIBU
Joint Secretary
Finance Department
Government Secretariat
Thiruvananthapuram

GOVERNMENT OF KERALA
Finance (Budget Wing-F) Department

STATEMENT OF ACTION TAKEN ON THE RECOMMENDATION CONTAINED IN PARA
NO. 2.3.5.3 CONTAINED IN THE C&AG's REPORT ON STATE FINANCE FOR THE YEAR
ENDED ON 31/03/2015.

Para No.	Recommendation contained in C&AG's Report	Action Taken
2.3.5.3(i) First part	<p><u>Resumption orders issued without proposals from Chief Controlling Officer</u></p> <p>An amount of Rs.3.75crore was provided under the scheme 'Construction of buildings for Government Presses (4058-00-103-99-P)', and Rs.1.86 crore was spent during 2014-15 by the Chief Engineer, Buildings, the Chief Controlling Officer of the sub head. However, it was seen that the Director of Printing, who is not the Chief Controlling Officer of the sub head, submitted a proposal to surrender the whole budget provision of Rs.3.75crore and consequent resumption by Finance Department resulted in an excess expenditure of Rs.1.86crore under the head.</p>	<p>The resumption was carried out under the head of account '4058-00-103-99 for Construction of Buildings for Government Presses-(P)' based on the proposal of Director of Printing. As per letter No. BW-F3/10/2016-Fin dated 16/08/2016, the Director of Printing was instructed to be more cautious on furnishing the resumption/reappropriation proposals and furnish such proposals pertaining to the heads of account controlled by him only. Also since the introduction of BAMS(Budget Allocation Monitoring System) from 2016-17 onwards, the heads of account are mapped to the respective Controlling Officers and therefore resumption/reappropriation proposals can be verified with the data in BAMS so that such instances can be avoided in future.</p>


A. SHIBU
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**GOVERNMENT OF KERALA
FINANCE (BUDGET WING- H) DEPARTMENT**

STATEMENT OF ACTION TAKEN ON PARA OF THE COMPTROLLER AND AUDITOR GENERAL AUDIT REPORT ON STATE FINANCES FOR THE YEAR ENDED MARCH, 2015			
SL No	Para No.	Audi Observation	Action Taken
1	2.3.5.3 (ii)	<p>Against the budget provision of Rs.1.50 crore under the scheme Inter- State Waters including Cauvery (2701-80-800-94-34-NV), an expenditure of Rs.2.10 crore was incurred resulting in excess expenditure of Rs.0.61 crore. Though, excess expenditure was incurred based on the additional authorization issued (December 2014), proposals (by the Chief Engineer, Irrigation research Bord, Kerala) for regularization of additional authorizations was not acted upon by the Finance (Budget) wing resulting in excess expenditure of Rs.0.61 crore.</p> <p>Finance Department stated (October 2015) that proposal for regularizing the amount through Supplementary Demands for</p>	<p>The budget provision under the head of account 2701-80-800-94-34-Inter-State Waters including Cauvery (NV) in 2014-15 was Rs. 1.50 crore. In addition to the above, as per G.O. (Rt) No.9215/2014/Fin dated 08.12.2014, additional expenditure to the tune of Rs. 182.81 lakh was authorized to effect the payment of the dues of Kerala to Tamil Nadu on capital cost and maintenance cost of Aliyar Dam and Parambikulam group of dams, subject to the condition of regularization of the same through re-appropriation of saving only within the Grant before the close of the financial year. The total expenditure during the year was Rs.210.61 lakh. Though the Controlling Officer had furnished proposal for regularizing the entire additional authorization amount of Rs.182.81 lakh through the Supplementary Demands for Grants, it was not considered as the trend in expenditure was contradictory to what has been reported by the Chief Engineer, and also anticipating sufficient savings at the end of the financial year. As expected, there was a savings of Rs.94.90 crore in the Revenue Section at the end of the financial year. The actual expenditure incurred was only Rs.60.61 lakh against the additional expenditure of Rs.182.81 lakh authorized. If the Controlling Officer had furnished re-appropriation proposal, locating saving within the Grant stating actual expenditure, and he was bound to do so, the excess expenditure incurred over and above the budget provision could have been regularized.</p> <p>In addition to the above, detailed instructions were issued in Circular No.18/2015/Fin dated 29.01.2015 for final re-appropriation and resumption of Fund for the year 2014-15. Had the Controlling Officer acted in accordance with the above circular instructions and furnished timely proposal mentioning actual expenditure incurred</p>

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	<p>Grants forwarded by the Controlling Officer was not considered as sufficient saving within the Grant was anticipated. It was also stated that proposals for re-appropriation was not given by the Controlling Officer in time.</p>	<p>against the additional amount authorized, this situation could have been avoided.</p> <p>In order to avoid such situations, the Government has initiated the implementation of Integrated Financial Management System (IFMS) and online submission of bills through Budget Allocation and Monitoring System (BAMS) ensuring the monitoring of actual expenditure of a particular head of account effectively and efficiently. May kindly drop the objection in this regard.</p>
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B. SREEKUMAR
Additional Secretary to Govt.
Finance Department
Govt. Secretariat
Thiruvananthapuram

കംഭോജർ ആന്റ് ഓഡിറ്റർ ജനറലിന്റെ 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ ഖണ്ഡികയിന്മേലുള്ള നടപടി വിവരണം

ക്രമ നം.	ഓഡിറ്റ് ഖണ്ഡിക	ഓഡിറ്റ് റിപ്പോർട്ടിലെ പ്രസ്താവന	നടപടി കുറിപ്പ്
1	2.3.5.4	<p>ബജറ്റ് വകയിരുത്തലിനേക്കാൾ കൂടുതൽ പണം ട്രഷറി കൊടുത്തത്. 2014-15 ൽ 'പുതിയ റെയിൽ മേൽപ്പാലങ്ങൾക്ക് വേണ്ടി ഭൂമി ഏറ്റെടുക്കൽ(5054-80-800-73-എൻ.പി)' എന്ന പദ്ധതിയുടെ കീഴിൽ 2.91 കോടി വകയിരുത്തലുകളും ഇതിനു വേണ്ടിയുള്ള ലെറ്റർ ഓഫ് ക്രഡിറ്റ് ഉപയോഗിച്ച് പൊതുമരാമത്ത് വകുപ്പ് തുക ചെലവഴിക്കുകയും ചെയ്തു. അനുവദനീയമായ പരിധിക്കു മുകളിലുള്ള ചെക്കുകൾ അംഗീകരിച്ചില്ല എന്നത് ഉറപ്പാക്കേണ്ട ഉത്തരവാദിത്വം ട്രഷറി ഓഫീസർ/ബാങ്കിന് ആയിരുന്നു. എന്നാൽ 2014-15-ൽ 2.91 കോടിയുടെ വകയിരുത്തലിനെതിരായി 3.99 കോടി ചെലവഴിച്ചു. ഉപശീർഷകത്തിനു കീഴിൽ ആവശ്യത്തിന് ബജറ്റ് വകയിരുത്തൽ ഉണ്ടെങ്കിൽ മാത്രമേ പണം ചെലവഴിക്കാവൂ എന്ന നിർദ്ദേശത്തിൽ ധനകാര്യ വകുപ്പ് സബ് ട്രഷറി ഓഫീസർ, കൊയിലാണ്ടിയിൽ നൽകിയ (2015 മാർച്ച്) ഒരു അനുമതിയുടെ അടിസ്ഥാനത്തിൽ സബ് ട്രഷറി ഓഫീസർ, കൊയിലാണ്ടി 1.08 കോടി സ്പെഷ്യൽ തഹസീർദാർ, സ്ഥലമെടുപ്പ്, കൊയിലാണ്ടിക്ക് നൽകിയതു കൊണ്ടാണ് ഈ അധിക ചെലവുണ്ടായത്. ലെറ്റർ ഓഫ് ക്രഡിറ്റ് കിട്ടിയതിനു ശേഷം പൊതുമരാമത്ത് ഡിവിഷന്റെ കണക്കുകളിലൂടെ മാത്രമേ ഈ ശീർഷകത്തിനു കീഴിലുള്ള ചെലവ് ചെയ്യാവൂ. ഇക്കാര്യം ഓഡിറ്റ് ചൂണ്ടിക്കാണിച്ചപ്പോൾ ബന്ധപ്പെട്ട അധികാരികളിൽ നിന്ന് അനുമതി പത്രം കിട്ടിയതിനു ശേഷം മാത്രമാണ് ബിൽ അംഗീകരിച്ചതെന്ന് സബ് ട്രഷറി ഓഫീസർ, കൊയിലാണ്ടി പ്രസ്താവിച്ചു. (2015 ഒക്ടോബർ). ലെറ്റർ ഓഫ് ക്രഡിറ്റ് സംവിധാനം മൂലം ക്രമപ്പെടുത്തിയ ഒരു ഉപശീർഷകത്തിന്റെ കീഴിലുള്ള ചെലവ് ആവശ്യമായ ലെറ്റർ ഓഫ് ക്രഡിറ്റ് ഉണ്ടെങ്കിൽ മാത്രമേ അംഗീകരിക്കാവൂ എന്നതിനാൽ ഈ മറുപടി സ്വീകാര്യമല്ല. അങ്ങനെ ലെറ്റർ ഓഫ് ക്രഡിറ്റിലൂടെയുള്ള ധന വിനിയോഗ നിയന്ത്രണം ഉറപ്പാക്കുന്നതിൽ ട്രഷറി ഓഫീസറുടെ ഭാഗത്തു നിന്നുള്ള വീഴ്ച അധിക ചെലവിനിടയാക്കി.</p>	<p>2014-15 സാമ്പത്തിക വർഷം പുതിയ റെയിൽവേ മേൽപ്പാലങ്ങൾക്ക് വേണ്ടി ഭൂമി ഏറ്റെടുക്കൽ പദ്ധതിയായി (5054-80-800-73-NV) ഒരു കോടി രൂപ ബജറ്റ് വിഹിതമായും 1.91 കോടി രൂപ ധന പുനർ വിനിയോഗം വഴിയും അനുവദിച്ചിട്ടുണ്ട്. ഇപ്രകാരം ആകെ 2.91 കോടി രൂപയാണ് പ്രസ്തുത വർഷം ഈ പദ്ധതിയായി അനുവദിച്ചിട്ടുള്ളതും ലെറ്റർ ഓഫ് ക്രഡിറ്റ് പുറപ്പെടുവിച്ചിട്ടുള്ളതും അധിക ധനാനുമതി ഉറപ്പു വരുത്തി പുറപ്പെടുവിക്കുന്ന ലെറ്റർ ഓഫ് ക്രഡിറ്റ് വഴി മാത്രമേ ബജറ്റ് വിഹിതത്തിനുപരിയായി തുക അനുവദിക്കാൻ കഴിയൂ. പിൻവലിക്കുന്ന വിഹിതം അപ്രോപ്രയേഷൻ/അധിക ധനാനുമതി അധികരിച്ചു പോകുന്നില്ല എന്ന് ഉറപ്പു വരുത്തേണ്ടത് ട്രഷറി വകുപ്പാണ്.</p> <p>2017-18 സാമ്പത്തിക വർഷം മുതൽ പൂർണ്ണ തോതിൽ പ്രവർത്തന സജ്ജമാക്കിയ BAMS എന്ന പുതിയ വെബ് അധിഷ്ഠിത അലോട്ട്മെന്റ് സംവിധാനം വഴി ബജറ്റ് അലോട്ട്മെന്റോ ആതറൈസേഷനോ ഉണ്ടെങ്കിൽ മാത്രമേ ബജറ്റ് ശീർഷകങ്ങളിൽ നിന്നും തുക പിൻവലാൻ കഴിയൂ. ഇത് അലോട്ട്മെന്റ് സംബന്ധിച്ച കണക്കുകളുടെ കൃത്യത ഉറപ്പാക്കാനും ഇത്തരം തെറ്റായ നടപടിക്രമങ്ങൾ ഒഴിവാക്കാനും സഹായിക്കുന്നതാണ്. ഈ പുതിയ സംവിധാനം ഉപയോഗപ്പെടുത്തിക്കൊണ്ട് ഇനി മുതൽ കൃത്യമായ തുക മാത്രം മാറി നൽകുന്നതിനും ബജറ്റ് മാനേജ്മെന്റ് കൂടുതൽ കാര്യക്ഷമമാക്കുന്നതിനും സാധിക്കുന്നതാണ്.</p>


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**STATEMENT OF ACTION TAKEN ON PARA 2.3.11 & 2.9 OF THE COMPTROLLER AND AUDITOR GENERAL
REPORT OF THE YEAR ENDED 31ST MARCH 2015 ON STATE FINANCES**

Sl. No	Para No.	Audit Observation	Action Taken
1	2.3.11	<p>Paragraph 86 (3) of the Kerala Budget Manual lays down that the authority sanctioning re-appropriations should satisfy itself that the reasons given in the sanctions are full, frank and forthright and are not in vague terms such as 'based on actual requirement', 'based on trend of expenditure', 'expenditure is less than that was anticipated', etc., as they have to be incorporated in the Appropriation Accounts which are examined by the Public Accounts Committee of Legislature. However, a test check of re appropriation orders relating to 12 Grants issued by the Finance Department revealed that in respect of 810 out of 1159 items (70 percent), the reasons given for withdrawal of provision/additional provision in re appropriation orders were of general nature like 'expenditure is less than nature like 'expenditure is less than anticipated', 'reduced provision is sufficient to meet the expenditure', etc., which indicated that the departments were not following the provisions of paragraph 86(3) of Kerala Budget Manual.</p>	<p>As per Para 86(3) of the Kerala Budget Manual re-appropriation proposals furnished by the Chief Controlling Officers and Heads of Department shall be explained with full frank and forthright reasons. Government have from time to time issued instructions to Controlling Officers and Heads of Departments for strict compliance of the relevant provisions in the Kerala Budget Manual. However it has come to notice of the Government also that some of the CCOs/HODs still fail to furnish re-appropriation proposals in line with the stipulations in the KBM. Such discrepancies are seen in the proposals furnished for final re-appropriation. Most of the re-appropriation proposals are received in the finance Department during the fag end of financial year for sanctioning and due to severe time constraint, Finance Department is often compelled to accept the reasons furnished by CCOs as such and otherwise it would ultimately result in unnecessary savings/excess in respective Demands for Grants. Finance Department never intends to circumvent the stipulations in Para 86(3) of the Kerala Budget Manual or to encourage such defective re-appropriation proposals from CCOs/HODs. With the introduction of BAMS, a centralized system has now emerged so that CCOs and HODs can monitor the expenditure status in real time and they could effectively assess the reasons for more requirement/saving under each unit of appropriation. Finance Department expects that present on-line expenditure monitoring system would facilitate CCOs and HODs to furnish re-appropriation proposals explained with accurate and specific reasons. This department will give necessary instructions to all CCOs and HODs to strictly comply with Para 86(3) of the Kerala Budget Manual while furnishing re-appropriation to prevent the recurrence of these instances in future.</p>

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2	2.9	Finance department and Chief Controlling Officers of the Grants/Appropriations should make use of the Monthly Appropriation Accounts prepared by PAG (A&E) and insist on departmental reconciliation before processing the proposals for supplementary Demands for Grants and surrender of budget allocation.	The SDG circulars issued every year emphasize on judicious preparation of SDG proposals with utmost care and caution that supplementary grants sought are for inevitable items of expenditure for which there is no sufficient budget provision and also expenditure for which New service procedure has to be followed. Specific instructions are also issued to take care of the scope for re-appropriation before proposing supplementary grants under an item. It is also instructed to ensure that sums proposed are in conformity with the actual requirements and proposed expenditure substantiated with valid sanction orders. Finance Department usually takes into account the latest monthly appropriation accounts of Accountant General while processing the SDG proposal furnished by the Controlling Officers. Every year during the month of January/ February Finance Department gives specific instructions to all Departments to take necessary steps for the resumption of the savings anticipated at the end of the financial year. However, it is noticed that some departments fail to resume anticipated savings under certain unit of appropriation and also there are some sort of discrepancies such as surrender in excess of actual savings. Based on the Audit observation, Finance Department will issue necessary instructions to all Controlling Officers/HODs to prepare SDG and Surrender proposals with utmost care and caution by taking into account the monthly appropriation accounts of the Accountant General so that the variation between estimates and expenditure can be mitigated to a greater extent.
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B.K. RAJESH KUMAR
Joint Secretary
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Govt. Secretariat
Thiruvananthapuram

GOVERNMENT OF KERALA
FINANCE (STREAMLINING) DEPARTMENT

STATEMENT OF ACTION TAKEN ON THE AUDIT PARA CONTAINED IN THE REPORT OF THE COMPTROLLER &
AUDITOR GENERAL FOR THE YEAR ENDED ON 31.3.2015.

Sl. No.	Para No.	Audit Para	Statement of Action Taken on the Audit Para
1.	2.4.1	<p>Pendency in submission of Detailed Countersigned Contingent bills against Abstract Contingent bills :</p> <p>According to Rule 187 (d) of the Kerala Treasury Code, all contingent claims that require the countersignature of the controlling authority after payment are to be initially drawn by the Drawing & Disbursing Officer (DDO) from the treasury by presenting Abstract Contingent Bills in the prescribed form (Form TR 60). Abstract Contingent (AC) bills can be drawn only by an authorised officer for the items of expenditure listed in Appendix 5 to the Kerala Financial Code. The DDO should maintain a register of AC bills and monitor submission of detailed bills there against. The Detailed Contingent (DC) bills in respect of such claims should be submitted to the controlling authority for countersignature not later than the 10th of the month succeeding to which they relate. The DC bills pertaining to a month's claim should reach the PAG (A&E), Kerala not later than the 20th of the succeeding month for accounting and monitoring the AC bills.</p> <p>According to the records maintained by the PA (A&E), Kerala, 38 AC bills drawn by 24 DDOs upto March 2015 involving Rs.1.64 crore were not adjusted as of August 2015 due to non-receipt of DC bills as detailed in Appendix 2.12. Yearwise details are given in Table 2.9. Non-submission of</p>	<p>As per the latest report of Accountant General (A&E) on 21.7.2016, one AC Bill related to Principal Agricultural Office, Thrissur is pending for settlement for the year ended on 31.3.2015.</p> <p>The Principal Agricultural Officer has reported that all AC bills drawn for the year 2014-15 has been adjusted and corresponding DC bills sent to AG (A&E) for verification.</p> <p>Thus all the pending DC bills upto 31.3.2015 have been cleared.</p>

DC bills would lead to retention of advance amount drawn with the drawing officers and the advance drawn remains unaccounted under the proper heads of account.

Table 2.9 : Pendency in submission of Detailed countersigned Contingent bills against Abstract Contingent bills

(Rs. in crore)

Year	AC bills		Outstanding AC bills	
	No. of items	Amount	No. of items	Amount
2013-14	402	5.48	2	0.04
2014-15	260	4.31	36	1.60
Total	662	9.79	38	1.64

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

One AC bill drawn by Accounts Officer, District Police Office, Thrissur (Rural) in October 2013 (for Rs.2.30 lakh) and another one drawn by Accounts Officer, District Police Office, Thrissur in February 2014 (for Rs.1.50 lakh) were pending for more than one year.

2.

2.6

Overstated Expenditure :

Financial Rules prohibit withdrawal of money from treasury unless it is required for immediate disbursement. However, in some cases departmental officers withdraw budget allocation at fag end of the year, to avoid lapse of budget, and keep them either in Treasury Savings Bank account or outside the Government without being spent. This has resulted in overstatement of the total expenditure of the Grant as the amount remained unutilised even after the close of financial year. Audit noticed a few instances of under-utilisation of Government funds as detailed in Table 2.13.

All the eight implementing institutions in respect of which overstated expenditure was reported have furnished reply. Director of ST Development Department reported that due to some local issues, certain projects were dropped and new ones added and modification of certain projects also became essential and consequent delay occurred in the implementation of the projects. District level Administrative Sanction has been obtained for an amount of Rs. 101.75 crore. It is reported that necessary directions has been given to Officers concerned to complete the scheme during the financial

Table 2.13 : Details of overstated expenditure

(Rs. in crore)

Name of Scheme and implementing institution	Amount drawn	Year of drawal	Unutilised amount	Reasons for non-utilisation / delay in utilisation
Additional Tribal Sub Plan Package, Scheduled Tribes Development Directorate	135.75	2014-15	116.21	The scheme aims at integrated sustainable development of scheduled tribe population in selected locations. The funds were transferred to the joint account of respective District Collectors and Tribal Development Officers for implementing the scheme. Though an amount of Rs.135.75 crore was withdrawn, Administrative sanction issued for only Rs.85.23 crore, indicating lack of urgency in the matter.
Kasaragod Package 2551-60-101-97, District Collector, Kasaragod.	19.30	2013-14	11.95	The scheme targeted integrated development of Kasaragod district mainly in the areas of schools, hospitals, roads, bridges etc. Funds drawn in 2013-14 and 2014-15 for implementing 26 and 25 schemes respectively. However, works were delayed due to various reasons such as non-finalisation of detailed project report, rainy season, delay in issuing Technical Sanction, delay in acquiring land etc. Unutilised balance funds were kept in the account of respective implementing officers such as PWD, District Panchayat, District Collector, etc.
	68.40	2014-15	68.03	
JNNURM, Kochi Corporation	10.21	2.2010 to 3.2012	5.5	The scheme was meant for various projects under JNNURM. No amount was expended after 2010-11, under this scheme.

year 2016-2017.

The District Collector, Kasaragod has reported that steps are being taken for the speedy execution of the projects sanctioned under Kasaragod Development Package. District Collector has given directions to all implementing officers to complete the projects under the package during the current financial year itself. The balance amount (Rs.6651.24 Lakhs) is expected to be utilised during the current financial year itself.

The Secretary, Cochin Corporation has reported that steps have been initiated for transfer of funds to the Project Manager, KSUDP for utilization of funds.

The District Collector, Alappuzha has reported that e-literacy programme in the district was successfully implemented initially for more than one lakh beneficiaries, but claims of 59686 candidates from general category and 7108 from SC/ST categories only were received for payment. The Director, Akshaya, the State Nodal Officer of the scheme directed to end the programme on the concept that all the families are e-literate. Hence, short utilisation of fund was occurred and the balance amount of Rs.3,42,87,857/- kept in the TSB account was remitted back to Govt. account.

The District Planning Officer, Pathanamthitta has reported that the present pace of progress in the construction of the building is very good. The Executive Engineer, PWD (Buildings), assured that construction of the building will be completed very soon.

The District Planning Officer, Kottayam

				Unutilised amount was kept in TSB account at District Treasury, Ernakulam.
Akshaya E-literacy Programme, District Collector, Alappuzha.	3.96	2006-07 to 2010-11	3.43	The scheme was to e-literate the people in Alappuzha district. The scheme was discontinued from May 2012 as most of the families were e-literate. Unutilised balance kept at District Treasury, Alappuzha remitted back (May 2015) to Government account at the instance of Audit.
Strengthening of District Planning Machinery. District Planning Office, Pathanamthitta	6.33	2010-11 2014-15	6.22	The scheme was meant for construction of building to respective District Planning Offices. Delay in implementation was due to delay in tendering process, delay in identification of land, non-suitability of land, etc. The balance funds were kept in the TSB account of District Planning Officers concerned.
District Planning Office, Kottayam.	3.62	2010-11 2013-14	3.57	
District Planning Office, Palakkad	6.1	2009-10 2013-14	2.29	
District Planning Office, Kozhikode.	7.79	2013-14 2014-15	7.53	
Total	261.46		224.73	

has reported that the work was awarded through tender and site clearance has been started. The fund will be released at the earliest on stage wise completion of the project. It is pointed out that change in the location due to railway line doubling works delayed the construction of the building. It is also reported that an amount of Rs. 16,06,120/- has been utilized.

The District Planning Officer, Palakkad has reported that they have already utilised Rs.3,80,65,294/- so far. The construction is within 100 metres of Palakkad Fort, which is a Centrally protected monument. NOC from National Monument Authority is required for continuing the work.

The District Planning Officer, Kozhikode has reported that the construction of the building is in good progress and is expected to be completed within the agreement time.

After introduction of Electronic Ledger Accounting Management System (e-LAMS), Government could control the practice of transferring fund to the TSB / Bank accounts at the fag end of financial year and keeping it unutilised for years resulting over statement of expenditure. Budget Allotment Monitoring System (BAMS) introduced as part of Integrated Financial Management System (IFMS) will enable the Controlling Officers to monitor the expenditure incurred under each head of account online and further allotments can be controlled based on the same.

FINANACE (PAC-B) DEPARTMENT

**ACTION TAKEN REPORT IN RESPECT OF PARA NO. 2.5 CONTAINED IN THE
COMPTROLLER & AUDITOR GENERAL'S REPORT ON STATE FINANCES FOR 2014-15
RELATING TO DIRECTORATE OF TECHNICAL EDUCATION**

SL NO.	AUDIT PARA NO	AUDIT OBSERVATIONS	ACTION TAKEN								
1	2.5	<p><u>Review on Budgetary Process and appropriation control Directorate of Technical education</u></p> <p>The Directorate of Technical Education co-ordinates various technical education activities in the State and Supports 12 Engineering colleges, 49 Polytechnic Colleges, 3 Fine Arts Colleges, 39 Technical High Schools, 17 Commercial Institutes and 42 Tailoring and Garment making centers. The overall appropriation status of the Heads of account controlled by the Director of Technical Education shows an overall excess of Rs. 52.01Crore, Rs. 15.96 Crore and Rs.0.58 Crore respectively from 2012-13 to 2014-15. But non/under utilization of budget allocation were noticed in many sub-heads/schemes, which led to surrender of allocation during the fog end of the year. Hence, the Audit study was focused on the budgetary process/appropriation control failures in sub heads/schemes, leading to excess and savings during the past three years and the observations are summarized below:</p>	<p>As per the report the overall excess expenditure incurred under various schemes of the department are shown below:</p> <table border="1"> <thead> <tr> <th>year</th> <th>Expenditure</th> </tr> </thead> <tbody> <tr> <td>2012-13</td> <td>Rs. 52.01 cr.</td> </tr> <tr> <td>2013-14</td> <td>Rs. 15.96 cr.</td> </tr> <tr> <td>2014-15</td> <td>Rs. 0.58 cr.</td> </tr> </tbody> </table> <p>Directorate of Technical Education has reported that necessary steps have been taken to regularize the above excess expenditure as per the provisions of Kerala Budget Manual and the reconciliation work for 2012-13, 2013-14 & 2014-15 is on the verge of completion.</p>	year	Expenditure	2012-13	Rs. 52.01 cr.	2013-14	Rs. 15.96 cr.	2014-15	Rs. 0.58 cr.
year	Expenditure										
2012-13	Rs. 52.01 cr.										
2013-14	Rs. 15.96 cr.										
2014-15	Rs. 0.58 cr.										
	2.5.1	<p><u>Excess under non- Plan schemes of Revenue section</u></p> <p>Total non plan schemes under the control of the Director of Technical Education and the number of schemes in which either budget allocation was under-utilized or over expended are given in table 2.10 .</p>									

Table 2.10: Status of utilization in non-plan scheme

Year	Total Scheme	(' in crore)				
		Excess		Saving		
	Number	Amount	Number of schemes	Amount	Number of schemes	Amount
2012-13	30	318	16	49.81	8	1.33
2013-14	35	394.72	12	28.98	14	8.26
2014-15	40	464.08	7	12.22	15	19.91

Audit analysers revealed the reason for this deficiency as under;

(I) Preparation of budget estimates

While submitting the budget proposals for the ensuing financial year to Finance Department, the Departmental Controlling Officers should consider the actual expenditure of the previous year and the actual expenditure for the first five months of the current year. However, this exercise was not followed scrupulously by departmental officers and savings/excess was mainly due to this failure.

It was also observed that faulty calculation of the budget estimates by the departmental officers while preparing the revised estimates of the current year, led to under /over estimation of revised estimates.

(ii) Re- appropriation with the Grant

Before submitting the last batch of the proposal for re-appropriation/supplementary/surrender to the Finance Department, the Chief Controlling Officers/Estimating Officers should carefully assess their final requirements for the year, on the basis of the actual expenditure during the first nine or ten months and the anticipated expenditure during the rest of the financial year. Departmental Officers should also reconcile the expenditure figures booked by the PAG (A&E), to maintain

Director of Technical Education has furnished the following details.

(I) As per the audit remarks, necessary directions have been given to the sub ordinate officers to prepare the annual budget considering the actual expenditure of the previous year and that for the first five months of the current year. At present the Budget Estimate is being prepared as noted above and also reported that revised estimates of the current year is being prepared in a realistic manner avoiding faulty calculations.

(ii) Director of Technical Education has reported that reconciliation work has been strengthened for assessing the final requirement for the year including anticipated expenditure and at present reconciliation certificates are being forwarded on a regular basis and there is no excess/ savings available in that

accuracy in the process. Failure to reconcile the departmental figures with the figures booked by the PAG (A&E) resulted in excess/savings under certain schemes even after re-appropriation of budget allocation within the Grant.

2.5.2

Substantial savings under Plan Schemes of Revenue and Capital Section

Substantial portion of budget allocation remained unutilized (during last two years) under revenue section as the scheme implementation process was not being reviewed periodically. In the centrally sponsored schemes shown in Table 2.11, budget allocations were not required in most of the cases for disbursement of merit scholarship sanctioned by AICTE /MHRD, Government of India system of disbursement was changed and transfer of funds to the State Government from Government of India was stopped.

Table 2.11: List of schemes in which budget provision proved unnecessary.

Sl. No	Name of scheme	Financial Year	Budget allocation	Amount surrendered
1	Scholarship to GATE qualified PG students in other Engineering Colleges (100% CSS) (2203-00-112-68)	2014-15	3	3
2	Scholarship to GATE qualified PG students in College of Engineering, Thrissur (100% CSS) (2203-00-112-95)	2013-14	3.00	1.64
		2014-15	3.00	3.00
3	Scholarship to GATE qualified PG students in College of Engineering, Kannur, Colleges (100% CSS) (2203-00-112-69)	2013-14	1.38	0.98
		2014-15	1.50	1.50
4	Scholarship to	2013-14	1.00	0.40

department during the financial year 2016-17.

The Director of Technical education has reported that as far as the centrally sponsored schemes of MCM Scholarship and GATE scholarships are concerned, the disbursement is being made through Direct Benefit Transfer(DBT) system of Central Government from 2013-14. Hence the allotment under these schemes was surrendered at the close of the financial year. Though the disbursement mode was changed as to DBT budget provision was regularly made by the Government under these schemes. Out of the 7 CSS, allotment for only one scheme of MCM is provided for the current year. In the plan proposal there was only a token provision of Rs. 1 lakh. But budget provision is 35.01crore.. The budget allotment of Rs. 35.01cr. under MCM scholarship for 2017-18 will be surrendered with prior permission of Government. Other central schemes of GATE scholarship (6 schemes) were excluded from annual plan of their department at present.

	GATE qualified PG students in Rajiv Gandhi Institute of Technology, Kottayam (100% CSS) (2203-00-112-68)	2014-15	1.50	1.50
5	Merit – cum Means Scholarship for Minorities for Professional and Technical Courses (100% CSS) (2203-00-107-98)	2014-15	50.00	49.72
6	Scholarship to GATE qualified PG students in College of Engineering, Thiruvananthapuram (100% CSS) (2203-00-112-97)	2013-14	5.50	3.67
		2014-15	6.60	6.60
7	Scholarship to GATE qualified PG students in other Engineering colleges (100% CSS) (2203-00-112-68)	2013-14	3.00	2.14

Similarly, lack of review on the progress of implementation of the projects executed by Public Works Department, under the capital section resulted in under – utilization and surrender of budget allocation at the fag end of the financial year. Instances noticed during the last two years are given in Table 2.12

Table 2.12: Under – utilization of budget allocation resulted in surrenders.

(` in crore)

Sl. No.	Scheme	Financial Year	Budget	Amount surrendered
1	Development of other Engineering Colleges (4202-02-105-90-P)	2014-15	5.00	5.00

The Director of Technical education has reported that as far as capital heads of accounts for construction works of their department under “4202” are concerned the Chief Controlling Officer is the Chief Engineer (Buildidngs), who has surrendered the unspent balance at the close of the financial year. The under utilization resulted in surrender of funds was due to the slow progress of works executed by the PWD and now that Directorate is effectively monitoring the progress of

2	Rajiv Gandhi Institute of Technology, Kottayam (One Time ACA) (4202-02-105-92-P)	2014-15	1.00	1.00
3	Government College of Engineering, Kannur (One Time ACA) (4202-02-105-92-P)	2014-15	1.00	1.00
4	Government College of Engineering, Thrissur (One Time ACA) (4202-02-105-93-P)	2014-15	1.00	1.00
5	Projects under Legislative Assembly Constituency Asset Development Scheme (LACADS) (4202-02-800-85-P)	2014-15	10.00	10.00
6	Fine Arts Institutions Buildings (4202-04-101-99-P)	2013-14	1.5	0.95
		2014-15	1.00	1.00
7	Buildings (One Time ACA) (4202-02-105-94-P)	2013-14	3.00	3.00
8	College of Engineering, Thiruvananthapuram (One Time ACA) (4202-02-105-95-P)	2013-14	1.00	1.00

construction works carried out by the PWD on a regular basis and no savings under capital heads is expected for the current year.

2.5.3

Faulty Surrender

An amount of `Rs. 3.50 crore for the Kerala Technological University (2203-00-102-97-P) and ` 1.50 crore for centre for Engineering Research and Development (2203-00112-72-P) was provided during 2014-15 and placed at the disposal of Kerala Technological university. However, the Director of Technical Education who was not the Controlling Officer forwarded (March 2015) surrender proposals of ` 1.50 crore each under these heads unnecessarily to Finance Department and the Finance department sanctioned the resumption order injudiciously resulting in excess expenditure aggregating 3 crore under these schemes.

The Director of Technical Education has reported that the surrender of funds to the tune of Rs. 1.5 crore each under "2203-00-102-97-plan" and "2203-00-112-72-plan" provided for 2014-15 at the disposal of Kerala Technological University was a mistake due to oversight and these two schemes were included in the annual plan proposal of that Department and Director of Technical education was the CCO in respect of these heads up to the middle of 2014-15. CCO has been changed only during the second half of the financial year and hence the mistake happened. They also reported that necessary proposals for cancelling the order of surrender of the above funds shall be submitted to Government soon and also informed that instructions have already been given to the concerned for avoiding such mistakes in future.


Gopakumar.N
Joint Secretary(Finance)

GOPAKUMAR.N
Joint Secretary to Govt.
Finance Department
Govt. Secretariat
Thiruvananthapuram

STATEMENT OF ACTION TAKEN ON THE REPORT OF COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR THE YEAR ENDED 31st MARCH 2015.

Para No.	Audit Observation	Action Taken
2:5.3	<p>An amount of ₹3.50 crore for the Kerala Technological University (2203-00-102-97-P) and ₹1.50 crore for Centre for Engineering Research and Development (2203-00-112-72-P) was provided during 2014-15 and placed at the disposal of Kerala Technological University. However, the Director of Technical Education who was not the Controlling Officer forwarded (March 2015) surrender proposals of ₹1.50 crore each under these heads unnecessarily to Finance Department and the Finance Department sanctioned the resumption orders injudiciously resulting in excess expenditure aggregating ₹3 crore under these schemes.</p>	<p>In the Budget Estimates 2014-15, an amount of ₹3.50 crore was earmarked for establishment of Technological University and an amount of ₹1.50 crore was made for the Centre for Engineering Research and Development which acts as an agency for co-ordinating the research activities in the engineering colleges. The Director of Technical Education is the Chief Controlling Officer in respect of most of the heads of account pertaining to technical education, especially the engineering colleges. The surrender proposals furnished by the Director of Technical Education was accepted by the Finance Department on the very presumption that the funds under 2203-00-102-97-Plan and 2203-00-112-72-Plan were made at the disposal of Director of Technical Education. The faulty surrender made by Finance Department based on the proposal of DTE was not brought to the notice of Finance Department</p>

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		<p>by the Higher Education Department who was the controlling authority of the above heads of account even on receipt of relevant resumption orders. Based on the findings in the audit report, Finance Department will take utmost care and caution to avoid such injudicious surrenders in future. The matter has also been brought to the notice of DTE and has been instructed to exercise extreme care and diligence while forwarding re-appropriation/resumption proposals. The Controlling Officer in respect of the heads of account 2203-00-102-97-Plan and 2203-00-112-72-Plan has been accurately mapped in the BAMS (Budget Allocation and Monitoring System) - newly introduced allotment system - also based on audit findings thereby such discrepancies will be avoided.</p>
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ADDITIONAL SECRETARY (FINANCE)

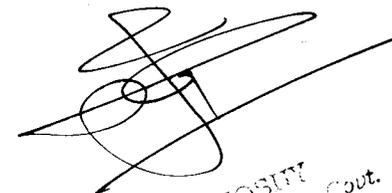
N.M. RAVEENDRAN
Additional Secretary
Finance Department
Govt. Secretariat
Thiruvananthapuram

**REMEDIAL MEASURES TAKEN STATEMENT ON THE REPORT OF THE C&AG ON STATE FINANCES FOR THE YEAR ENDED MARCH
2015 Para No. 2.7 (2.7.1, 2.7.2, 2.7.3) & 2.3.5.4
FINANCE (ESTABLISHMENT-C) DEPARTMENT**

Sl. No	Para. No	Recommendation	Action Taken																														
1.	2.7 (Page No. 65 of C&AG report-2015)	Inspection of Treasuries. There were 23 District Treasuries, 193 sub-treasuries, 12 stamp depots and one e- treasury functioning in the State as of March 2015. The PAG (A&E), Kerala inspected 127 treasuries including Directorate of treasuries (District treasuries: 22: Sub Treasuries :104). Irregularities and deficiencies noticed during the inspection of treasuries are mentioned in the succeeding paragraphs.	Director of Treasuries has given necessary direction to all the concerned Treasury Officers to rectify irregularities and deficiencies and accordingly majority of the irregularities were rectified by recovering the excess payments .																														
2.	2.7.1 (Page No. 65 of C&AG report-2015)	Excess payment of pension During the course of treasury inspection, excess payment on account of pension/family pension amounting to ₹ 0.90 crore was noticed in 1241 cases. The main reasons for these excess payments were errors in calculation of revised pension, continuance of higher rate of family pension after expiry of authorized period, non-deduction of commuted portion of pension from basic pension, payment of in-eligible festival allowance and medical allowance to family pensioners who are also in receipt of regular pension, and incorrect calculation of dearness relief. Out of the above excess payment, ₹ 0.23 crore involved in 536 cases have already been recovered as shown in TABLE 1 <p align="right">(₹ in lakhs)</p>	The excess payment on account of pension /family pension for the year 2014-2015 amounts to ₹ 90,17,669/-. Of this 82,81,700/- has been recovered (as on 31-08-2016) and ₹ 7,35,969/-yet to be recovered. Action is being taken to recover the balance amount.																														
		<table border="1"> <thead> <tr> <th rowspan="2">Sl. No.</th> <th rowspan="2">Details of Excess paid pension</th> <th colspan="2">Excess paid</th> <th colspan="2">Recovered</th> <th colspan="2">Balance</th> </tr> <tr> <th>No. of cases</th> <th>Amount</th> <th>No. of cases</th> <th>Amount</th> <th>No. of cases</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Excess payment of pension</td> <td>129</td> <td>26.92</td> <td>64</td> <td>9.03</td> <td>65</td> <td>17.89</td> </tr> <tr> <td>2</td> <td>Excess payment of family pension</td> <td>105</td> <td>41.50</td> <td>35</td> <td>7.92</td> <td>70</td> <td>33.58</td> </tr> </tbody> </table>	Sl. No.	Details of Excess paid pension	Excess paid		Recovered		Balance		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	1	Excess payment of pension	129	26.92	64	9.03	65	17.89	2	Excess payment of family pension	105	41.50	35	7.92	70	33.58	
Sl. No.	Details of Excess paid pension	Excess paid			Recovered		Balance																										
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount																										
1	Excess payment of pension	129	26.92	64	9.03	65	17.89																										
2	Excess payment of family pension	105	41.50	35	7.92	70	33.58																										

		3	Excess payment of festival allowance and medical allowance	990	13.82	433	4.78	557	9.04	
		4	Excess payment of inter-state pension	17	7.94	4	1.71	13	6.23	
		Total		1241	90.18	536	23.44	705	66.74	
3.	2.7.2 (Page No. 66 of C&AG report-2015)	Retention of excess cash balance According to Rule 309 of Kerala Treasury Code Vol. I, every year in January, Government fixes the maximum cash balance for each District Treasury for the next financial year. The District Treasury Officer in turn fixes the cash balance for each Sub Treasury in the district. The actual cash balance in treasury should ordinarily be kept much below the normal maximum balance fixed for a treasury so that Government's credit balance in the Reserve Bank of India may be as large as possible. More over excess retention of cash balance in treasuries may cause loss of revenue to the State by way of loss of interest on investment, payment of interest on ways and means advances, etc. Excess retention of cash balance was noticed in 92 treasuries/sub treasuries on 822 occasions during the financial year. The Director of Treasuries admitted the facts and stated that circular instructions were issued to the District Treasury Officers/Sub-Treasury Officers to avoid retention of excess cash.								All the cases reported on 822 occasions in 92 Treasuries were rectified by the Director of Treasuries
4.	2.7.3 (Page No. 66 of C&AG report-2015)	Short/non-recovery of rent of residential quarters House rent at the rate of two per cent of basic pay (as per paragraph 14 of GO(P) 85/2011/Fin dated 16 February 2011) has to be recovered with effect from the date of coming over to the revised scale in the case of employees residing in Government quarters and whose scale of pay is 21240-37040 and above. In the case of employees covered under UGC/AICTE scale of pay, rent at the rate of four per cent of their basic pay is to be recovered (paragraph 14 of the Pay Revision Orders 2009). During the year, short/non-recovery of house rent was noticed in 37 cases amounting ₹ 2.99 lakh in 18 treasuries, of which ₹ 0.23 lakh in respect of 13 cases was recovered.								Out of ₹ 2,75,521/- reported, ₹ 1,46,286/- has been recovered(as on 31.08.2016) and balance to be recovered is ₹ 1,29,235/- Action is being taken to recover the balance amount.

5.	Para 2.3.5.4 (Page No. 55 of C&AG report-2015)	<p>Payments made by Treasury in excess of budget provision</p> <p>During 2014-15, under the scheme 'Land Acquisition for new Railway over bridges (5054-80-800-73-NP)' an amount of ₹ 2.91 crore was provided and expenditure was incurred by Public Works Department based on the Letter of Credit issued for the purpose. It was the responsibility of the Treasury Officer/Bank to ensure that cheques issued in excess of permitted limits were not honoured. However, ₹ 3.99 crore was spent against a provision of ₹ 2.91 crore during 2014-15. The excess expenditure was due to payment of an amount of ₹ 1.08 crore by the Sub Treasury Officer, Koyilandy to the Special Tahsildar, Land Acquisition, Koyilandy in March 2015 on the basis of an order issued by the Finance Department (March 2015) with direction to the Sub Treasury Officer, Koyilandy to make the payment only if sufficient budget provision was available under the sub head. The expenditure under the head should have been incurred only through Public Works Division accounts after obtaining Letter of Credit. On this being pointed out by Audit, Sub Treasury Officer, Koyilandy stated (October 2015) that the bill was passed only after receiving authorisations from authorities concerned. The reply was not acceptable as expenditure under a sub-head regulated by the system of Letter of Credit should have been passed only if necessary Letter of Credit was available. Thus failure on the part of the treasury officer in enforcing appropriation control through Letter of Credit resulted in excess expenditure.</p>	<p>As per the report received from the Sub Treasury Officer, Koyilandi, the payment of the amount in question was after obtaining proper authorization to this effect from the Finance Department. But Government have specifically instructed the Treasury Officer to honour the claim only if sufficient budget provision was available for the purpose. Hence there occurred lapse on the part of the Sub Treasury Officer in honouring claims without budget provision. As per the report of Director of Treasuries, the matter has been handed over to Vigilance Section of Treasury Department for initiating action against the officer. The Deputy Director of Treasuries (Northern Region), Kozhikode has been directed to conduct an enquiry and submit report.</p>
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JACOB KOSHY
 Additional Secretary to Govt.
 Finance Department
 Government Secretariat
 Thiruvananthapuram

GOVERNMENT OF KERALA
FINANCE (STREAMLINING) DEPARTMENT
STATEMENT OF ACTION TAKEN ON THE AUDIT PARA CONTAINED IN THE REPORT OF THE COMPTROLLER &
AUDITOR GENERAL FOR THE YEAR ENDED ON 31.3.2015.

Sl. No.	Para No.	Audit Para	Statement of Action Taken on the Audit Para
1	2.7.2	<p><u>Retention of excess cash balance</u></p> <p>According to Rule 309 of Kerala Treasury Code Vol. I, every year in January, Government fixes the maximum cash balance for each District Treasury for the next financial year. The District Treasury Officer in turn fixes the cash balance for each Sub Treasury in the district. The actual cash balance in treasury should ordinarily be kept much below the normal maximum balance fixed for a treasury so that Government's credit balance in the Reserve Bank of India may be as large as possible. Moreover excess retention of cash balance in treasuries may cause loss of revenue to the State by way of loss of interest on investment, payment of interest on ways and means advances, etc. Excess retention of cash balance was noticed in 92 treasuries / sub treasuries on 822 occasions during the financial year. The Director of Treasuries admitted the facts and stated that circular instructions were issued to the District Treasury Officers / Sub Treasury Officers to avoid retention of excess cash.</p>	<p>Director of Treasuries has reported that the excess retention of cash balance noticed in 92 treasuries / sub treasuries on 822 occasions has been regularised.</p>

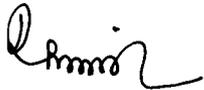
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GOVERNMENT OF KERALA**FINANCE (PLANNING - A) DEPARTMENT****STATEMENT OF ACTION TAKEN ON THE RECOMMENDATIONS CONTAINED IN THE C&AG's REPORT ON STATE FINANCES FOR THE YEAR ENDED ON MARCH 2015**

Para No.	Details	Action taken / remarks
1.2.2	<p><u>Receipt and utilization of Government of India flagship programmes</u> - Sizeable amounts were received by State level implementing agencies for implementing flagship programmes of Government of India. The State level implementing agencies were receiving funds directly from GoI till March 2014 and from 2014-15, the system has been changed and the funds have been received as Grant-in-aid to the State Government from GoI and the State Government releases these funds to the implementing agencies through State Budget. The implementing agencies in respect of 12 flagship programmes of GoI received Rs.3,058.80 crore (GoI share: Rs.2,646.51 crore and State Share: Rs.412.29 crore) and unutilised balance of Rs. 461.53 crore was noticed at</p>	<p>Usually the fund received for Centrally Sponsored Scheme / Central Sector Schemes during a particular financial year is not fully utilized within that year itself due to various reasons and the same is utilized in the next financial year as the spillover fund, with permission from Government of India.</p> <p>State Mission Director, Mahatma Gandhi National Rural Employment Guarantee Scheme has informed that unspent balance of Rs.47.61 crore in the year 2014-15 had been received at the fag end of financial year and the amount was utilized for the payment of unskilled wages, material and administrative cost due in the Financial year 2015-16.</p> <p>The Commissioner for Rural Development has informed that the amount for Indira Awas Yojana is being allotted to the beneficiaries in three instalments based on the stages in construction of houses. Government of India is allotting fund on the basis of annual targets of a Financial Year. Most of the houses which started construction will not be completed in the same Financial year itself in which it was sanctioned. Hence, the fund allotted for those houses will remain unutilized. The unutilized funds for a financial year will be utilized during the next financial year. Also in respect of Integrated Watershed Development Programme, the fund was received only by October 2014. In addition to this, the scheme related activities are to be planned according to the weather condition and implemented in a time bound manner and the technical support units were constituted all over the State, District and Block levels by 2013-14 only. The fund received for the scheme could not be utilized completely in 2014-15 because of these reasons. In subsequent years, the fund has been completely utilized.</p> <p>With respect to the schemes Sarva Shiksha Abhiyan & RMSA, State Project Director, Samagra Shiksha Kerala, which is the main vehicle implementing these schemes has informed that the amount of Rs.147.58 crore allotted under the Intervention of Teachers Salary, Rs. 30.76 crore only could be</p>

<p>the end of the financial year as given in Appendix 1.6. The major portion of the unutilised balance belong to Indira Awas Yojana (Rs.74.57 crore), Sarva Shiksha Abhiyan (Rs.133.62 crore) and National Rural Health Mission (Rs.91.92 crore).</p>	<p>utilized, leaving Rs.116.82 crore unutilised because of non-appointment of teachers and specialist teachers as per the outlay. In addition to this, out of Rs. 40.49 crore allotted under the Intervention of CRCs for 2014-15, which includes the salary provision of 1385 CRC co-ordinators, only Rs.29.16 crore was expended, leaving Rs.11.33 crore unutilized. This is mainly because of the fact that some CRCs were appointed on working arrangement from the State Education Department, whose salary was drawn from their parent department itself and also, some vacancies were not filled up due to lack of suitable hands. The unutilized amount of remaining Rs.5.47 crore related to various interventions on account of marginal difference in the expenditure was due to administrative and other reasons.</p> <p>State Mission Director, Kudumbashree has informed that a subsidy scheme viz. Interest Subvention was introduced in NRLM/Aajeevika to provide interest subsidy to NHG members for the loans taken after December 2013 for which they had to confirm the list of members in bank linkage portal of GoI which was a time consuming process. Also there was a delay in activation of bank linkage portal. Moreover while disbursing the subsidy to these loan accounts, majority of these loan accounts were closed resulting in reversion of fund to the account of Kudumbashree. But this spill over fund was utilized in the subsequent years. In respect of the scheme SJSRY, the fund was received at the fag end of the Financial Year 2013-14 and thus Rs.26.93 crore remained as unutilized fund. Moreover, the amount accrued as interest from banks contributed towards the closing balance of Rs.32.70 crore as on 31/03/2015. As directed by MoHUA, GoI, since Deendayal Antodaya Yojana – National Urban Livelihood Mission, DAY-NULM was subsumed from erstwhile SJSRY, the unspent balance under the former scheme was treated as the opening balance for the latter scheme. This amount was completely utilized for the implementation of NULM in subsequent years.</p> <p>MD, Kerala Water Authority has informed that the closing balance under NRDWP for the year 2014-15 as on 31/03/2015 was Rs.15.83 crore as against Rs.19.54 crore shown in the report. Rs.15.83 crore consist of an amount of</p>
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		<p>Rs.7.80 crore being the amount utilized during the earlier years by KWA but disallowed by the audit. The cash balance of Rs.8.03 crore (15.83- 7.80) as on 31/03/2015 was due to the receipt of Rs. 8.98 crore on 30/03/2015 ie., at the fag end of the financial year and could not be utilised in full before the close of the financial year 2014-15. However, the balance of Rs.8.03 crore has been fully expended during the financial year 2015-16.</p> <p>The Mission Director, National Health Mission, Kerala has informed that during 2014-15 NHM State society received Rs. 58.35 crore in the last day of the financial year, it includes Rs.45.05 crore (other funds) Rs.13.33 crore (NHM Funds). Rs.37.03 crore is the balance available along with interest received with State and districts. Vide Record of Proceedings 2015-16, Government of India gave an approval of Rs.50.36 crore, previous balance along with interest for ongoing activities. Hence, these unspent balance of Rs.91.92 crore had utilized in the next year as per the approval.</p> <p>The Mission Director, State Horticulture Mission has informed that an amount of Rs.25 crore was received as grant in aid at the fag end of the financial year 2014-15. SHM Kerala envisage an end to end development of the horticulture sector covering production, post – harvest management, processing and marketing. Only 50% of the subsidy is released for the projects undertaken, as advance and the balance amount will be released after completion of the projects. The delay in project implementation leads to delay in utilization of funds. The unutilized amount in the respective years will be carried forward to next year as spill over and will be utilized during the next financial year itself.</p>
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V.R. RAJAMMA
 Additional Secretary
 Finance Department
 Govt Secretariat
 Thiruvananthapuram

Remedial Measures Taken Statement on C&A G Report (State Finance)
for the period ended 31.03.2015

Para No.	RMTS
Para 1.3.1	No remarks since tax revenue from 2010-11 to 2014-15 has shown a steady increase as per the statistics.
Para 1.3.1.1	<p>The data itself shows that the tax revenue increased by 10 % as compared to 6% during the previous year. However, it is informed that the Commercial Taxes Department has switched over to Goods and Services Tax Department with effect from 01/07/2017. The pending arrears have already been advised* for Revenue Recovery and close monitoring with Revenue Department is ensured by follow up with nodal officers exclusively designated for Revenue Recovery action. Conferences with District Collectors were also held by the Additional Chief Secretary to streamline and speed up the Revenue Recovery process. The Department has also envisaged plan of action to complete the pending VAT assessment within a specific time frame. The report and data received from GSTN on return filing/payment and e-way bill data from NIC are being utilized for plugging the leakage of revenue. All the above measures will augment tax collection in the coming months.</p>

[Handwritten Signature]

GOVERNMENT OF TAMIL NADU
Joint Secretary to Govt
 Finance Department
 Govt. Secretariat
 Thiruvananthapuram

**STATEMENT OF ACTION TAKEN ON THE RECOMMENDATION
CONTAINED IN PARA 1.3.1.2 OF C&AG REPORT ON STATE
FINANCE FOR THE YEAR ENDED 31st MARCH 2015**

Para No.	Recommendation contained in C&AG Report	Action Taken
1.3.1.2	<p>Receipt under 'State Lotteries' has been major source (75 per cent) of non-tax revenue of the State. Overall 31 per cent increase was noticed in non-tax revenue.</p> <p>The net yield from State lotteries was only Rs.960 crore as there was an equally high expenditure (₹4,485 crore) due to distribution of prizes, agent commission, etc., during the year.</p>	<p>The Revenue collection details the Lottery Dept. which is the primary source of the Non-tax revenue of the State is as stated below:- Total Revenue:- 5445.84 Crore Total Expenditure:- 4277.58 Crore Total Net Revenue:- 1168.26 Crore</p> <p>The lions share of the Expenditure of the Department is consumed by the Commission Discount for Agents and Prize Distribution. Due to this reason, the expenditure of the Department increases proportionately with the Income of the Department.</p> <p>During the financial year 2014-15 the actual expenditure of the Department was 4277.58 Crore and the Net Revenue profit was 1168.26 Crore.</p> <p>The Department had remitted to Government 198.10 Crore in terms of tax and this expenditure was met</p>

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		<p>from the Head of account 2075-00-103-99-SLT.</p> <p>The actual expenditure for the financial year 2014-15 includes this expenditure incurred in terms of remittance of tax.</p> <p>It is assumed that the reason for the increase in expenditure and decrease in the Net Profit as stated in the C&AG Report is that the expenditure incurred for tax remittance was also added to the actual expenditure of the Department.</p> <p>The tax paid to the Government by the Department is in addition to the Net Revenue remitted to the Government. Since this also contributes to the revenue of Government, the tax remitted may also be included in the Net Revenue.</p> <p>The details regarding the amount remitted in terms of paper lottery tax by the Department during 2014-15 and the details regarding Revenue & Expenditure of the Department during 2014-15 are enclosed.</p>
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M. ANIL KUMAR
PEN - 100502
Joint Secretary
Finance Department
Govt. Secretariat
Thiruvananthapuram


R. Raja Gopal
Additional Secretary
Taxes Dept

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2014-15 സാമ്പത്തിക വർഷം ഭാഗ്യക്കുറി വകുപ്പ് പേപ്പർ ലോട്ടറി
നികുതിയിനത്തിൽ ഒടുക്കിയ തുകയുടെ വിശദാംശങ്ങൾ

Sl.No	Month	Chalan No/Date	Amount (In Rs.)
			9,00,00,000
1	APRIL	1270 - 25.04.2014	
2	MAY	258 - 17.05.2014	9,90,00,000
3	JUNE	759 - 20.06.2014	9,00,00,000
4	JULY	802 - 24.07.2014	9,30,00,000
5	AUGUST	1011 - 20.08.2014	15,00,00,000
6	SEPTEMBER	1534 - 23.09.2014	16,00,00,000
7	SEPTEMBER	1536 - 23.09.2014	37,40,00,000
8	OCTOBER	478 - 21.10.2014	15,00,00,000
9	NOVEMBER	805 - 21.11.2014	15,50,00,000
10	DECEMBER	1049 - 16.12.2014	14,00,00,000
11	JANUARY	1506 - 14.01.2015	16,50,00,000
12	FEBRUARY	1252 - 12.02.2015	15,00,00,000
13	MARCH	1170 - 18.03.2015	16,50,00,000
		TOTAL	198,10,00,000

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EXPENDITURE STATEMENT FOR 2014-15
(Upto 31.03.2015)

	ITEMS	AMOUNT (Rs)
Receipts	Total Revenue Collection credited to the receipt head of account 0075-00-103-99 Sale proceeds of Lottery tickets	5445,42,73,340
	Total Collection to the head of account 0075-00-103-98 Miscellaneous receipts the lotteries department	41,77,293
	Total Revenue Receipts for the year 2014-15	5445,84,50,633
Expenditure	2075-00-103-94 DSL	4,68,51,987
	2075-00-103-93 -DLO	12,14,32,442
	2075-00-103-92 -RDDSL	1,25,27,983
	2075-00-103-91 -TLO	54,72,616
	Total Expenditure (Estt. Expenditure)	18,62,85,028
	2075-00-103-99-SLT	248,68,46,882
	1 Expense on sale of lottery tickets	
	2 Publicity charges	31,53,32,292
	Total 99 SLT	280,21,79,174
	2075-103-98-Agents Commission	
	a) AP expenditure from Allotment	4,51,73,000
	b) AP Expenditure from Sales Proceeds	236,01,69,870
	c) Discount	1552,13,69,205
	Total Expenditure under 2075-00-103-98	1792,67,12,075
	2075-00-103-97 Distribution of prize	
	a) expenditure from Allotment	326,70,62,417
	b) Expenditure from Sales Proceeds	1859,35,88,100
	Total Expenditure under 2075-00-103-97	2186,06,50,517
	Total Expenditure	4277,58,26,794
Total Receipts	5445,84,50,633	
Net Non Tax Revenue (Profit)	1168,26,23,839	
Tax Paid to State Government (Upto March 2015) (Included above as expenditure under 2075-00-103-99-SLT-01)	198,10,00,000	
Profit Excluding Tax	1366,36,23,839	

Additional Information Statement

Sl. No	Name of Scheme/Audit Para	Additional information sought by PAC	Reply furnished by Departments
1.	Improving statistical systems at district and state level Audit Para 1.6.5		The Planning and Economics Affairs (B) Department has stated that, out of the recommended amount of Rs.14 crore under 13 th FC award, an amount of Rs.8.40 crore has been released to the Economics and Statistics Department and utilized Rs.6,96,02,883/- up to 31.03.2015. It is also reported that an amount of Rs.1,10,69,508/- has been utilized after 31.03.2015 and unspent balance amount of Rs.33,27,609/- has been surrendered by the department on 30.03.2016.
In view of the above, the para may kindly be dropped.			
2.	Maintenance of roads and bridges Audit Para 1.6.4		The Public Works (PS) Department has informed that 13 th FC grants for the maintenance of Roads and Bridges was released from the period 2011-2012. Up to 31.03.2015, Rs.734.07 crore was expended for settling the pending bills. UC in respect of the same was submitted to the Government. UC was submitted in time and hence there is no loss in the Central Assistance
In view of the above, the para may kindly be dropped.			
3.	Local Bodies Audit Para 1.6.5		LSG (AC) Department has reported that in the case of Panchayats, out of the amount sanctioned under 13 th FC for 2014-15, the unspent balance amounting to Rs.135.53 crore was carried over to 2015-16. Out of this, Rs.108.68 Crore was expended and the remaining amount of Rs.26.85 crore was utilised during 2016-17. In respect of Corporations, the unspent balance has been either allocated to Spill Over Projects or carried over to the next financial year. Non-utilisation of

			amount during 2014-15 is due to the delay in the implementation of works in time.
In view of the above, the para may kindly be dropped.			
4.	Animal Husbandry		
	Audit Para 1.6.4		<p>Agri (AHG) Department has informed that Animal Husbandry sector was sanctioned Rs. 150 crore as grant in aid under 13th FC Award. The fund was provided to Animal Husbandry Department and other agencies of the sector like Kerala Livestock Development Board, Poultry Development Corporation of the sector under the h/a 2404-00-102-98(P). Rs. 110.03 crore was provided by the Dairy Development Department to Animal Husbandry Department during the period 2011-12 to 2014-15. Funds are drawn and deposited to the TSB account of Animal Husbandry Department by Director, Dairy Development Department. Fund was sanctioned to the Schemes after obtaining Administrative Sanction. Following schemes under the Animal Husbandry department were implemented and UC has been submitted to Government and to Dairy Development Department in time.</p> <p>I. Calf Protection Programme- Rs. 63.03 crore (2011-12 - Rs. 15.84 crore, 2012-13 - Rs. 15.73 crore, 2013-14 - Rs. 15.73 crore, 2014-15 - Rs. 15.73 crore)- The Scheme has been completed.</p> <p>II. Multi Specialty Veterinary Hospital at Kudapanakkunnu - Rs. 5.1 crore (2011-12 - Rs. 2.38 crore, 2012-13 - Rs. 2.72 crore)-Scheme completed and Hospital started functioning.</p> <p>Hi-tech Dairy Farm at Vitura and Kuriottumala - Rs. 20 Crore (2011-12 - Rs. 3 crore, 2012-13 - Rs. 4 crore, 2013-14 - Rs. 5.5 crore, 2014-15 - Rs. 7.5 crore)- Construction has been completed and the farm started functioning. Balance</p>

			<p>amount of Rs. 6,03,88,933/- has been recovered by Government from the STSB account of the District Animal Husbandry Officer, Kollam. The project for Hi-tech Farm at Vithura amounting to Rs. 20 crore was stopped vide GO (Ms) No. 239/14/AD dated 23.10.2014 and the Fund has been reallocated for the construction of two Hi-tech feed plans under KFL at Kozhikode and Idukki. Utilisation Certificate for the same was also submitted. But the project of Pharmaceutical Division at Palode, Thiruvananthapuram could not be continued due to the non-co-operation of the Consultant. Rs. 1.94 Crore was allocated for this scheme. The amount which remained unutilized (ie. Rs.1.49 crore) was recovered by the Government from the STSB account of Director, Institute of Animal Health and Veterinary Biologicals (IAH & VB).</p>
	Audit Para 1.6.5 (Appendix 1.10 Sl.no.16)		<p>Rs. 1.49 crore sanctioned for establishing Pharmaceutical Division in Institute of Animal Health and Veterinary Biologicals, Palode. The said amount was recovered by Government from the STSB account of the Director, IAH & VB. Hence, the project was not implemented.</p>
In view of the above, the paras may kindly be dropped.			
5.	Renewable Energy		
	Audit Para 1.6.5		<p>Power (PS) Department has informed that an amount of Rs.24,54,56,286/- was sanctioned for the implementation of various projects during the fiscal 2014-15, out of which an amount of Rs.19,28,20,026/- was utilised for the projects in current year itself. Rs.5,26,36,260/- remained as unspent, Out of this, an amount of Rs. 2,34,50,140/- has been expended and the balance amount of Rs. 2,91,86,119/- was resumed to Ministry of New and Renewable Energy (MNRE).</p>

Plan	Fund	Reason for resumption
Solar Water Pump	2,48,40,000/-	As the initial investment amount was very high and the State Government was providing electricity to farmers 100% free of cost, the applicants were very low.
Battery Operated Vehicle	31,85,800/-	ANERT was a facilitator in the scheme and the subsidies were distributed to companies through ANERT. However, the money was not transferred to some companies due to non-compliance of MNRE's instructions and conditions.

The details of projects implemented under the assistance of Central Government for the fiscal 2019-20 are as follows,

Project	Fund Received	Total Expenditure	Remarks
Grid connected Solar Power Plant, 2016-17	2,92,50,000/- (received on 28.07.2017)	2,97,33,969/-	Project completed, UC submitted to MNRE
Grid Connected Solar Power Plant, 2017-18	6,48,90,000/- (received on 28.12.2017)	6,48,83,068/-	Project completed, UC submitted to MNRE

In view of the above, the para may kindly be dropped.

6.	District Innovation Fund		
	Audit para 1.6.5		Revenue (F) Department has reported that the funds allocated for the implementation of District Innovation Fund have been fully utilized. Administrative sanction was granted only after receiving the 10% of the share being the beneficiaries contribution from the institutions which are beneficiaries of the District Innovation Fund. The reason for the delay in the implementation of the project was due to the delay in getting the 10% non-government contribution. At present there is no balance amount available.
In view of the above, the para may kindly be dropped.			
7.	Disaster Relief - Capacity Building		
	Audit Para 1.6.4	<ol style="list-style-type: none"> 1. Statement on Remedial measures taken on the Audit para including the present status. 2. Who is responsible for the loss of the Central Assistance amounting to Rs.162.50 crore due to non-submission of Utilisation Certificate and compliance of allied conditionalities 	Disaster Management (A) Department has informed that 13 th FC has sanctioned Rs. 4 Crore each year for the period 2010-15 for capacity Building under Disaster Management. The amount was given as advance for the first year and was sanctioned based on utilization in the subsequent years. A comprehensive scheme was formalized by the state executive committee only on 2012-13. In the mean time the amount could not be utilized fully in 2012-13. Deducting this amount, Rs.16 lakh received has been utilized in 2012-13.
	Audit Para 1.6.5	The status of Rs.377.96 crore which remained unutilized with Government and various implementing agencies for the implementation of various schemes mentioned in the audit para. Present status of such 17 projects.	Out of Rs. 5,96,84,800/- allotted for the construction of State Emergency Centre, Rs. 1,32,88,148/- is outstanding. This is implemented with special approval as a long term scheme.
	Audit Para 1.6.6	<ol style="list-style-type: none"> 1) Present status of the projects mentioned in the Audit Para 2) Steps taken for completion of the scheme. Elaborate: 	The construction and the IT Development activities of the State Emergency Centres is progressing. Steps can be taken to complete it in the current year itself.
In view of the above, the paras may kindly be dropped.			
8.	Upgradation of police		
	Audit para 1.6.4	<ol style="list-style-type: none"> 1. Statement on Remedial measures taken on the Audit para including the present status. 	Home (E) Department has informed that Administrative sanction was issued for the implementation of 13th FC scheme for the period 2011-15 as follows.

2. Who is responsible for the loss of the Central Assistance amounting to Rs.162.50 crore due to non-submission of Utilisation Certificate and compliance of allied conditionalities

Sl. No.	Year	GO No.	Amount
1	2011-12	GO(Rt) No.2424/2011/Home dated 16.08.2011 & GO(Rt) No. 2477/2011/Home dated 19.08.2011	25,00,00,000
2	2012-13	GO(Rt) No.2094/2012/Home dated 10.07.2012	25,00,00,000
3	2013-14	GO(Rt) No.2166/2013/Home dated 02.08.2013	25,00,00,000
4	2014-15	GO(Rt) No.2202/2014/Home dated 08.08.2014	25,00,00,000
		Total	100,00,00,000

Fund was sanctioned by Government for the implementation of scheme as follows:

Year	Head of Account	Budget Provision	Additional authorization /SDG	Amount
2011-12	2055-00-800-76- Upgradation of Police Department (13th FC)	250000000		250000000
2012-13	2055-00-800-76- Upgradation of Police Department (13th FC)	250000000		250000000
2013-14	2055-001-95- Upgradation of Police Department (13th FC)	250000000		250000000

			2014-15	2055-001-95- Upgradation of Police Department (13th FC)	250000000		250000000
			2015-16	2055-001-95- Upgradation of Police Department (13th FC)		350000000	350000000
			2016-17	2055-001-95- Upgradation of Police Department (13th FC)		10597000	10597000
			2017-18	2055-001-95- Upgradation of Police Department (13th FC)		1495000	1495000
			2018-19	2055-001-95- Upgradation of Police Department (13th FC)		23040000	23040000
			As per letter No.H6/217134/2016/PHQ dated 7.11.2019 revised utilization certificate for Rs.97,26,28,981/- was furnished to Government. The Scheme was implemented based only on the AS received from Government. Utilization certificate was submitted to Government in time.				
Audit para 1.6.5	The status of Rs.377.96 crore which remained un utilized with Government and various implementing agencies for the		An amount of Rs.100 crore was sanctioned to Police Department for the 13 th FC Scheme 'Upgradation of Police'. Of this 78.40 crore was deposited in KPHCC for the construction works (254 Nos) [70 Community Police				

		implementation of various schemes mentioned in the audit para. Present status of such 17 projects.	Resource Centre, 50 Tourist Protection and Police Assistance Centre, 21 A type dormitory, 20 B type dormitory, 30 C type Dormitory, 1 State Level Senior Citizen Service Bureau, 17 District Level Senior Citizen Service Bureau, 2 State Level Foreigner's Facilitation Centre, 14 District Level Foreigner's Facilitation Centre, 2 State Level Dormitory, 5 Dormitory for Telecommunication wing, 22 Readymade Dormitory]. Of this, Rs.75.5374 crore has been spent for the completion of 252 construction works. The remaining 2 schemes [Tourist Protection and Police Assistance Centre at Ponmudi and Dormitory for Telecommunication wing at Kurichiyarmala] is in the final stage of completion. These will be completed soon.
Audit Para 1.6.6	3. Present status of the projects mentioned in the Audit Para 4. Steps taken for completion of the scheme. Elaborate:	<ol style="list-style-type: none"> 1. Kerala Police Pensioners Welfare Association has been evicted from the building constructed for State Level Senior Citizen Bureau and the building has been taken over and is being used for Senior Citizen Service Bureau. 2. Regular meetings has been conducted with KPHCC to review the progress of construction works. Directions have been given to KPHCC and Unit Heads for the time bound completion of the construction works based on the meetings. <p>As part of the implementation of E-Beat System in 7 Police Districts (Thiruvananthapuram City, Thiruvananthapuram Rural, Kochi City, Ernakulam Rural, Kollam City, Kozhikode City, Kottayam), Work Order No.H6/88188/2012 dated 13.12.2012 has been issued to Wifinity Technology Pvt Ltd, Bangalore. But supply of equipment, installation and training to Police Department were not done by this Company. But due to consistent effort, assurance was received from the Company for the implementation of the Scheme in Police Stations of the District. Subsequently, Shri. P. Prakash IPS, the then District Police Chief of Kollam was appointed as the Nodal Officer for the implementation of the scheme vide order. No.H6/88188/2012 dated 09.10.2015 and the scheme was completed on 02.06.2016.</p>	
In view of the above, the paras may kindly be dropped.			
9.	Fisheries		
	Audit Para 1.6.4	Additional Burden in the State Budget - Short release of Rs.105.34 Crore in the assistance related to Fisheries Department	Fisheries & Ports (C) Department has informed that Rs.200 Crore was the total allocation for Fisheries Department under 13 th FC Award for 2010-15. An amount Rs.94.66 core (Rs.50 crore + Rs.44.66 crore) was received as Central

			<p>Share and released for the implementation of scheme of Fisheries Department.</p> <p>Out of the total amount of Rs.162.50 core utilized under 13th FC Schemes [(Para 1.6.4 (Appendix 1.9)), in excess of central share (Rs.66.23 crore) is in respect of Fisheries Department.</p> <p>This amount was sanctioned including in the State Budget for the period 2011-12 to 2014-15. Utilization Certificate has been submitted for the central share of Rs.94.66 crore. Though utilization certificate was submitted within the project period, the Central Share was not sanctioned by Government of India.</p>
Audit Para 1.6.5		<p>The present status of Rs.377.96 crore which remained unutilized with Government and various implementing agencies for the implementation of various schemes mentioned in the audit para.</p>	<p>It was mentioned in audit para that out of Rs.94.66 crore sanctioned to Fisheries Department by Central Government, an amount of Rs.8.78 crore was remaining unutilized with KSCADC. Model Fishing Village, Upgradation of Fisheries school, Infrastructure Development of Fisheries colonies are implemented through KSCADC with the assistance of 13th FC Grants.</p> <ol style="list-style-type: none"> 1. Infrastructure Development of selected Fisheries village - 1410 lakh. 2. Revamping of Fisheries school - 2516.50 lakh. 3. Infrastructure Development of Fishermen colonies -500 lakh. <p>An amount of Rs.2656.56 Lakh was sanctioned to KSCADC for the period from 2011-12 to 2014-15. KSCADC has informed that no amount is outstanding with respect to the fund sanctioned to the implementation of scheme.</p> <p>For 10 schools, an amount of Rs.811.586 lakh was sanctioned to this school. A total of Rs.1092.42668 lakh was spent. An amount of Rs.280.84068 lakh was over expended. Out of this, an amount of Rs.211.38982 lakh was met from the balance amount under the Project "Rewamping of Fisheries Colonies" and Rs.69.45086 lakh was met from Corporation's own fund. This amount is to be reimbursed from the Fisheries Directorate.</p> <p>An amount of Rs.5 crore has been received as FC grant. An amount of Rs.288.61018 lakh was utilized for the revamping of 18 colonies and the excess amount of Rs.211.38982 lakh was utilized for Fisheries Schools, as said above.</p>

			<p>13 projects were included in this project and Rs.1345 lakh was received as FC grant. All scheme were completed and Rs.1253.93506 lakh was spent. The balance amount of Rs.91.065 lakh was resumed as per order of Finance department dated 28.03.2018 to 31.03.2018. Hence actual receipt is Rs.1253.93506 lakh.</p> <p>In the above circumstances no balance is remaining with KSCADC. An amount of Rs.8.78 crore was outstanding as on 31.03.2015. The period of FC assisted project was up to 30.9.2016.As on 30.9.2016,not only no amount was remaining unutilized with the corporation but also Rs.69.45086 lakh is remaining to be paid to the corporation.</p>
	Audit Para 1.6.6	Present status of the projects mentioned in the Audit Para Steps taken for completion of the scheme. Elaborate:	<p>The present status of scheme is appended as <i>Annexure - I</i></p> <p>The period of implementation of 13th FC scheme was up to 30.09.2016. Based on this, implementing officer was directed to remit the balance amount to the Special T.S.B account of the Director Fisheries Department. Accordingly, the amount was remitted to the Special T.S.B account of the Director. Government recovered Rs.99.17346 lakh from the Special T.S.B account. An amount of Rs.81.63 lakh was transferred to KSCADC, out of Rs.149.27 lakh remitted to the Special T.S.B account of the Director. A balance amount of Rs.67.62 lakh available in the T.S.B account was recovered by the Government and hence no amount was remaining with the Department for the implementation of the 13th FC Scheme.</p>
In view of the above, the paras may kindly be dropped.			
10.	Primitive Tribal Groups		
	Audit Para 1.6.4		<p>SCST(PM) Department has informed that out of the 13th FC award amount of Rs. 148 crore under the scheme of Primitive Tribal Groups, Administrative sanction has been issued to SC/ST Development Department for the comprehensive development of the Primitive Tribal Groups in the State vide GO (MS) No. 39/2011/SCSTDD dated 19.03.2011. The period of the project was from 2011-12 to 2015-16. As per the Annual Action Plan, sanction was issued for an amount of Rs. 148 crore in four phases. The Annual Plan allocation of the project was provided such that Rs. 11.55 crore for the year 2011-12, Rs. 30.36 crore for 2012-13, Rs.56.27 crore for 2013-14 and Rs.49.81 crore for 2014-15.</p>

			<p>The guidelines stipulated that the Utilization Certificate of the released amount in each year should be submitted in time for further release. As per the Annual Action Plan, the Gol allotted three instalments from 2011-12 to 2013-14. Instead of Rs.49.81 crore during the last fiscal year of the FC period (2014-15), an amount of Rs.35.02 crore was released by the Ministry. <u>This was due to the noncompliance of the conditions stipulated.</u> As per the annual action plan, this resulted in a short release of Rs.14.79 crore during the year 2014-15. The short release was made through additional authorization from the State budget and the amount thus received was utilized for the implementation of the scheme. The project period was also extended for one more year as against the original period. An amount of Rs. 141.03 crore was received for the project which includes Rs.133.20 crore being the Central Share and Rs. 7.83 Crore being the State share as on 31.03.2015. Out of this, Rs. 140.64 crore was utilized as on 31.03.2016. UC was submitted for an amount of Rs.136.06 crore as on 31.03.2015.</p> <p>These projects were implemented by Government institutions and Government approved agencies. The project could not be implemented in time and, the amount remained unutilized due to the lapse of Government agencies or contractors or unexpected reasons. In the drinking water project undertaken by KWA and various projects undertaken by AHADS, the project were abandoned due to the delay in implementation arising out of technical reasons. This has resulted in non-utilisation of fund and non-submission of UC in time.</p>
	<p>Audit para 1.6.5</p>		<p>Rs. 1 crore was allotted by AHADS for implementation of various projects under PVTG. As on 31.03.2016, an amount of Rs. 5,10,000/- was spent. In the board meeting held on 16.12.2015 at the Chamber of Minister (LSGD), it was decided to refund the unspent amount of Rs. 94,90,000/- to the STSB account opened for PVTG project and direction was given to Secretary, AHADS vide letter dated 26.03.2016 to refund the amount. AHADS has reported that though proceedings for the transfer of amount was submitted to Treasury officer, Agali, it was informed that the amount shall be credited to the Revenue Account as directed by the AG as the amount remained unutilized for very long. As such sanction was sought from Government vide</p>

1	Upgradation of Prisons	Home	115.50	0	15.63	PWD(13.54 crore), Prisons Head quarters (2.09 crore)	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay /delay in implementation
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1) Deposit works in PWD

Sl. No.	Item	Rs (in crore)	Remarks
1	Installation of Video Conferencing System connecting Jails and Courts	11.25	Works progressing
2	Construction of Lower Subordinated Court, District Jails, Idukki	1.80	Works completed
3	Construction of overhead tank in Open Jail, Chemani	0.49	Works completed
	Total	13.54	

1. Video Conferencing System

An amount of Rs. 11.25 crore was deposited in the PWD on 3/2014 under 13th FC award for the installation of a new Video Conferencing System connecting Jails and Courts in 9 District and repair of the Video Conferencing System which was Installed in Thiruvananthapuram, Kottayam, Ernakulam, Thrissur, Kannur and became defective. In the review meeting held under the chairmanship of Home Secretary for expediting the implementation of the scheme it was decided to complete the scheme before 31.12.2014 and implement software based Video Conferencing System on experimental basis

in Ernakulam District. Though the project was tendered by PWD on 31.12.2014, the Tender procedure was stayed by the Hon'ble HC based on the petition filed by Electrical Contractors Association. After vacating the stay, E-tender was floated on 03.06.2015 for the installation of Software based Video Conferencing System. However, none of the participants of the tender were qualified. Proposal was submitted for sanction to entrust the project to C-DAC which being TSP, as the tender procedures could not be completed, the project implemented by PWD even after the expiry of more than 1 year after depositing the amount.

Subsequently, proposals were called for from TSPs such as KELTRON, C-DAC, C-DIT for installation Video Conferencing System and a presentation was made in the meeting held under the Chairmanship of Home Secretary on 30.09.2016. As per the decision of the committee, a technical committee was formed for further action. Based on this, a proposal was submitted on 19.11.2016 for the formation of a technical committee with experts from IT Mission, C-DAC, Police Telecommunication under the Chairmanship of DGP & CS.

In the letter dated. 23.11.2016, it was asked to submit report as to whether the Video Conferencing System implemented by IT Mission was suitable. In reply to this, the Head of Jail Department informed that C-DAC would be the suitable agency on 05.12.2016.

In the meeting held on 18.08.2017 under the chairmanship of Home Secretary, it was decided to submit proposal for the installation of Video Conferencing System, Construction of Studio to KELTRON and that for connectivity to BSNL. The Technical committee meeting for examining the RFP was held at Jail Headquarters on 14.11.2017. Based on the

recommendations of the committee, order was issued as per GO(MS) 253/17/Home dated 06.12.2017 entrusting KELTRON to invite tender for the installation of equipment for the implementation of Video Conferencing System connecting 383 Courts and 53 Jails in Kerala. Subsequently, tender was issued by KELTRON for implementation of Video Conferencing System in a total of 470 Studios (87 Studios in 53 Jails and 383 Studios in Courts). Based on this, tender was awarded to the M/s. UTL which quoted the lowest rate (GO (MS) 253/2018/Home dated 03.10.2018) and work order for Rs. 20.13 crore was issued. An amount of Rs. 11.23 crore (Rs. 2 Lakh was spent for the implementation of Video Conferencing System in Ernakulam in Jails and Court on experimental basis) was transferred to STSB account of the Jail Department based on the direction in the GO to the effect that Rs. 11.23 crore deposited in the PWD be transferred to STSB A/c of Jail Department. The total project cost is Rs.24.24 crore for the installation of Video Conferencing System including connection of Video Conferencing Studio. Out of Rs. 11.25 crore, Rs.9,65,67,919/- has been utilized so far. The balance amount of Rs. 1,59,32,081/- will be utilized soon.

The inauguration of the project were done on 10.01.2020 completing the installation in 270 locations, out of total 470. The installation will be completed at the earliest for remaining locations also and the project commissioned completely.

2. Construction of Lower Subordinate Quarters at District Jail, Muttom, Idukki

Administrative Sanction was issued vide GO (MS) 58/2015/Home dated 25.03.2015 for the Construction of District Jail Quarters, Idukki. Based in this, an amount of Rs.1.80 crore was deposited in PWD on 31.03.2015. The work was completed on 12.09.2019.

3. Construction of overhead tank, Open Jail, Chemeni

An amount of Rs.20 Lakh was allotted under the 13th FC award for the construction of overhead tank with capacity of 100 Lakh litre and allied installation of Pumpset and Plumbing work. But, Plumbing and pumpset was not included in the estimate first received from PWD for Rs.20 Lakh. Therefore a revised estimate including the same was called for and an estimate for Rs.20 Lakh based on SoR 2013 on 06/2014 was received. Though Plumbing was included in the estimate, the tank capacity was only 30,000 Litres. As this was insufficient for requirement of Chemani Open jail which was hit by severe water shortage, an estimate amounting to Rs.49 Lakh was received from PWD for construction of overhead tank having a capacity of 1 Lakh Litre and AS was issued vide GO (Ms) 58/2015/Home dated 25.03.2015 and based on this an amount of Rs. 49 Lakh was deposited in PWD on 31.03.2015. The construction of tank was completed on 23.12.2017 and installation of Motor pump was completed on 10.02.2019.

(II) Details of Rs. 2.09 Crore drawn as Demand Draft

Sl. No	Work	DD amount	Implementing Agency
1	Construction of Administrative Block, Central Prison, Kannur	36,25,663/-	KELTRON
2	Installation of Solar Energy system - Solar cooking system, Central Prison, Kannur.	6,06,744/-	KELTRON
3	Rearrangement of load in Solar Energy system installed at Central Prison at Thiruvananthapuram, Viyoor and Kannur and Open Jail at Nettukaltherry	16,85,400/-	KELTRON
4	Reinstallation of 61.60 KW of Solar Energy system from SIKa, Thevancode to District Jail, Viyoor	3,69,780/-	KELTRON

5	Solar Energy system at Special Sub Jail, Thiruvananthapuram	27,17,235/-	KELTRON
6	Solar Energy System Chappathi unit at Central Prison, Thiruvananthapuram	51,31,494/-	KELTRON
7	Purchase of machinery equipments for Carpentry, Smith, Binding unit at Central Jail, Kannur	17,43,760/-	S.V. Balaji Engineering Company
8	Construction of 16 Lower Subordinate Quarters and New Block	22,58,000/-	Kerala State Construction Corporation Ltd
9	SIKA Extension Centre, Kannur	11,48,602/-	Kerala State Construction Corporation Ltd
10	Various projects by Steel Industries Kerala Ltd	16,24,477/-	Steel Industries Kerala Ltd
	Total	2,09,11,155/-	

Out of this the pending demand drafts are:-

The balance amount of Rs.6,06,744/- to be given to KELTRON for the installation of Solar Energy System in Kannur Central Prison (Solar Cooking System) (Sl No. 2).

The balance amount of Rs.9,74,000/- (out of Rs.17,43,760/-, Rs.7,69,760 /- paid) to be given to S.V. Balaji Engineering Company for the purchase of Machinery equipment in the Carpentry, Smith, Binding unit of Kannur Central Prison) (Sl No. 7)

The details of the delay in the payment of above amounts is as follows;

1. In the scheme for the installation of Solar Energy System having capacity of 140 KWA at a cost of Rs. 5,19,15,957/- all the works except installation of Solar Water Heating System and Cooking System were completed in January 2014. As suitable roof was not available for the installation of

Water Heating System the same could not be installed before the FC award period ended on 31.03.2015. Hence, demand draft for Rs.6,06,744/- was drawn in favour of KELTRON being the installation charge. The installation of Water Heating System and Solar cooking System was possible only after the completion of the Administrative and New block of the same Jail. On completion of the construction of the buildings, the installation of Water Heating System and Solar cooking system was completed on 07.08.2019 by KELTRON. Steps are being taken for the payment of the balance amount of Rs.606,744/-

2. Purchase of machinery equipments for Carpentry, Smithy, Binding units for Central Prison, Kannur;

Supply order was issued to S.V. Balaji Engineering Company Ltd, Hyderabad for the supply of 26 machinery equipments for the Binding units. It was reported in the quality inspection report of the North Zone DIG, that there were defects in the operation of 6 machinery. The machines were supplied without the required specification and one machinery and machines were not having ISI specification. The company was directed to rectify the defects. On receiving the report from the company that the defects were rectified, Committee was formed to inspect the quality of the machine. Based on the report, Rs.7,69,760/- was paid to the company on 09/2017 being the payment for the 14 best performing machine. The company was directed to rectify the defects of other machinery and they have informed that the defects were rectified. Rs.9,74,000/- can be paid to the company, subject to the report of the Technical Committee.

In view of the above, the para may kindly be dropped.

12.	Kuttanad Development, Ecosan toilets Audit para 1.6.4	Statement on Remedial measures taken on the Audit para including the present status.	<p>Agri (NC-A) Department has informed that the Kuttanad Package, which was approved based on the report submitted in 2007 as per the study done by M.S. Swaminathan Research Foundation, was convergence of new and existing schemes and also with the participation of various departments. It has been mentioned in the study report of State Planning Board that the Kuttanad Package is not a scheme with 100% Central Assistance.</p> <p>Besides, schemes KEL1, KEL2, KEL3, KEL4 which got Central sanction as part of Kuttanad Packages, 3 Central Schemes for flood control was submitted to Central Government. Though schemes including the flood control in <i>padasekharam</i> in Kuttanad, Paddy field in Viyapuram Panchayat, Modernization of Thannirmukkam Bund, modernization of Thottappally Spillway were submitted to Central Government. Central Assistance was not released as the approval of inter-ministerial committee was not obtained. But, fund was sanctioned as part of State Plan and implementation completed.</p> <p>Hence, it is submitted that though the scheme was under Kuttanad Package and implemented as part of State Plan, it can't be considered as additional burden on State Budget. Hence, the para may kindly be dropped.</p> <p>Kuttanad Package was a convergence of different State- Central Schemes and different depts. For the monitoring and coordination, a Project Director's Office was functioned. The responsibility for the completion of the scheme was fully with the Project Director. The implementation of the scheme was affected due to the administrative delay on account of multiplicity of schemes and departments. In addition to this, treasury restriction also resulted in non submission of UC in time. On examination of the status report prepared one year before the completion of the scheme (29.09.2014), it is observed that submission of UC is pending in all the department involved in the implementation of project.</p> <p>Copy of a report is also submitted. It is presumed that only naturally occurring administrative delay has occurred in the scheme. Another relevant thing in Kuttanad Package is that low participation of people in Construction works.</p>
		Who is responsible for the loss of the Central Assistance amounting to Rs.162.50 crore due to non-submission of Utilisation Certificate and compliance of allied conditionalities.	

<p>Audit para 1.6.5</p>	<p>The status of the amount which remained unutilized with Government and various implementing agencies for the implementation of various schemes mentioned in the audit para.</p> <p>Present of status of Rs.5.545 crore sanctioned to CWC related to Kuttanad Package (Appendix 1.10).</p>	<p>As the terrain was difficult for the conveyance of construction materials, the tendered works did not receive much response.</p> <p>Revenue Department allotted two hectors paddy field, survey No. 281/1 of Purakkad village for the construction of godown by CWC. As per the letter 663273/NCA2/2016/Agri dated 28.06.2016, it was directed to identify other land for this purpose as it was in the nature of wetland.</p> <p>As huge amount was invested in the initial stage for the construction of godown, request was submitted before the Local Level Monitoring Committee for reclamation of paddy field. The application was forwarded to the State Level Committee for consideration by Local Monitoring Committee, without rejecting the application, but State Level Committee did not recommend the application which was submitted for its consideration.</p> <p>The Deputy has been entrusted to inspect the site. The application submitted to CWC for extension of time for the completion of the scheme will utilizing the plan fund examined based on the site inspection report and a suitable decision will be taken.</p>
<p>Audit para 1.6.6</p>	<p>1) Present status of the projects mentioned in the Audit Para</p> <p>2) Steps taken for completion of the scheme. Elaborate:</p>	<p>Rs. 5.545 Cr has been sanctioned for the construction of Godown by CWC in Purakkad Grama Panchayat. The balance amount of the Project costing Rs.12 Crore will be met by CWC. When the construction started after completing the tender procedures, the Secretary, Purakkad Grama Pachayat issued Stop Memo and the dispute arose regarding the conversion of type of land and as a result the work was stopped. Conversion sanction is required for the site in which godown is constructed. Orders has been issued for placing the file in the Cabinet.</p>
<p>In view of the above, the paras may kindly be dropped.</p>		
<p>13. Data base for Employees and Pensioners</p>		
<p>Audit para 1.6.6</p>		<p>Finance (Pension-A) Department has informed that as per the report of the 13th Finance Commission (2010-2015), it has been proposed to set up a Pensioner data base which enables aggregation of data of Pensioners in the State. In order to implement the National Policy of bringing transparency in pension distribution and to achieve the vision of the State Government to</p>

			<p>simplify the Pension disbursement architecture, it has been decided to develop an Integral Pensioner's Data Base and Portal. For this purpose, an amount of Rs.2.5 Crore was sanctioned by Government of India as first instalment of grant in aid for setting up a Data Base for Government employees and Pensioners to State Governments vide release order dated 30.09.2010.</p> <p>2. Pensioners Information System (PRISM) is a centralized repository containing information of all Pensioners in the State. More than a mere database of Pensioners, this software has been developed to automate the whole Pension distribution system. It has also got facility for the online filing of Pension application by the retiring employee to the Head of Office, approved by the Head of Office/ Head of Department, Sanctioning of Pension by Pension Sanctioning Authority, Verification of loan details of Accountant General (Loans Section), finalization of entitlement details by Accountant General (GE Section), Pension authorization by the Accountant General, post authorization verification and disbursement of Pensionary Claims/Monthly Pension by the Treasuries, intimation of first Payment to the Accountant General etc. For the preparation of a comprehensive data base of all kinds of state pensioners who are drawing pension from various treasuries and from Banks and to enable online filing and sanctioning of applications for Pension, DCRG, Family Pension etc. several meetings were held with representatives of Accountant General, Director(Information System) and Director of Treasuries and decided to entrust the work with the software division of Finance Department. A committee has also been constituted vide G.O(Rt) No.10844/2012/Fin dated 28/12/2012 to look into the amendments to be included in KSR on introducing online filing of pension application, online sanctioning of pension and online authorisation of Pension. A format was supplied to banks and treasuries to furnish available pensioner's data and the software division of Finance Department tried to normalise these data and returned data for correction. To facilitate this, Finance (IT-SF) Department has submitted a Detailed Project Report on a centralized data base of information of all service pensioners in the State.</p> <p>Based on the DPR of the proposed Pensioner Information System (PRISM) submitted by software division, administrative sanction was issued vide G.O(P)No.421/2014/Fin dated 25/09/2014.Periodical meetings were being conducted and necessary changes were made in treasury software to port</p>
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			<p>the required details of PPOs in PRISM software. The errors noticed were rectified after having several discussions. Now the first stage of digitization of pension was completed in time.</p> <p>3.The Expenditure details for setting up for Database are as follows,</p> <table border="1" data-bbox="1503 422 1837 807"> <thead> <tr> <th>Year</th> <th>Amount (Rs. in Crores)</th> </tr> </thead> <tbody> <tr> <td>2013-14</td> <td>0.97</td> </tr> <tr> <td>2014-15</td> <td>1.56</td> </tr> <tr> <td>2015-16</td> <td>0.70</td> </tr> <tr> <td>2016-17</td> <td>0</td> </tr> <tr> <td>2017-18</td> <td>0</td> </tr> </tbody> </table> <p>For the preparation of this comprehensive data base several meetings were held with representatives of Accountant General, Director(Information System) and Director of Treasuries. This was a time consuming process. Hence the administrative sanction was issued vide G.O(P) No.421/2014/Fin dated 25/09/2014 only. After the issuance of the said administrative sanction, the amount was utilized for the purpose.</p>	Year	Amount (Rs. in Crores)	2013-14	0.97	2014-15	1.56	2015-16	0.70	2016-17	0	2017-18	0
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14.	<p>Health infrastructure, Incentive Grant for Reduction of IMR</p>														
	<p>Audit Para 1.6.4</p>	<p>Additional Burden on State Budget: Appendix - 1.9, Sl. No. 2 Health Infrastructure (Expenditure in excess of GOI release- Rs. 24.12 Cr)</p>	<p>Health & Family Welfare (P) Department has informed that Government of India has allocated Rs.198 Crore for health infrastructure but released only Rs.148.50 Crore. An amount of Rs. 172.62 Crore including Rs. 24.12 Crore (State Plan Fund) has been expended as on 31/03/2015, for which Utilization Certificates were furnished to GOI in time. The excess amount from State Plan Fund was inevitable to avoid delay and for the successful completion</p>												

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Audit Para 1.6.5	Utilization of Grants: Appendix 1.10, Sl. No.3 Incentive Grant for Reduction of IMR (Unutilised funds -38.38 Cr)	<p>of the project in time.</p> <p>Out of Rs.38.38 Crore, Finance has released only Rs. 25.80 Crore (14.84 Cr+10.96 Cr). An amount of Rs.25.7955 Crore was released to NHM on 26/09/2015. Out of this, 25.7953 Crore has been utilized and only Rs.2156/- is remaining un utilized with NHM.</p> <p>Details of Utilization</p> <table border="1"> <thead> <tr> <th>Sl.No</th> <th>Particulars of payment</th> <th>Amount released</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Purchase of Drugs and Consumables- to KMSCL</td> <td>12240000</td> </tr> <tr> <td>2.</td> <td>Purchase of equipment</td> <td>11675000</td> </tr> <tr> <td>3.</td> <td>IEC activities</td> <td>1693400</td> </tr> <tr> <td>4.</td> <td>W&C Victoria hospital: Payment to KMSCL</td> <td>3000000</td> </tr> <tr> <td>5.</td> <td>W&C Palakkad civil work</td> <td>3000000</td> </tr> <tr> <td>6.</td> <td>Kottathara & KMSCL</td> <td>39992229</td> </tr> <tr> <td>7.</td> <td>Salary to Contract staff appointed in hospitals</td> <td>41941440</td> </tr> <tr> <td>8.</td> <td>W&C Alappuzha</td> <td>24852140</td> </tr> <tr> <td>9.</td> <td>Gh Kottathara</td> <td>8920000</td> </tr> <tr> <td>10.</td> <td>Supt. Magattuparambu Kannur</td> <td>5568035</td> </tr> <tr> <td>11.</td> <td>KMSCL</td> <td>30817410</td> </tr> <tr> <td>12.</td> <td>Power laundry additional fund</td> <td>821890</td> </tr> <tr> <td>13.</td> <td>Strengthening of Maternity wing</td> <td>9521300</td> </tr> <tr> <td>14.</td> <td>Equipment for Early identification of CHD by Pulse Oximetry for better infant survival</td> <td>2600000</td> </tr> <tr> <td>15.</td> <td>Equipment for establish facilities for CHD Surgeries in MCH Kozhikode</td> <td>2850000</td> </tr> <tr> <td>16.</td> <td>Equipment for improving facilities in New-born Care Units</td> <td>12198000</td> </tr> <tr> <td>17.</td> <td>Human Resources Support to Newborn Care Units Staff Nurse</td> <td>46262000</td> </tr> </tbody> </table>	Sl.No	Particulars of payment	Amount released	1.	Purchase of Drugs and Consumables- to KMSCL	12240000	2.	Purchase of equipment	11675000	3.	IEC activities	1693400	4.	W&C Victoria hospital: Payment to KMSCL	3000000	5.	W&C Palakkad civil work	3000000	6.	Kottathara & KMSCL	39992229	7.	Salary to Contract staff appointed in hospitals	41941440	8.	W&C Alappuzha	24852140	9.	Gh Kottathara	8920000	10.	Supt. Magattuparambu Kannur	5568035	11.	KMSCL	30817410	12.	Power laundry additional fund	821890	13.	Strengthening of Maternity wing	9521300	14.	Equipment for Early identification of CHD by Pulse Oximetry for better infant survival	2600000	15.	Equipment for establish facilities for CHD Surgeries in MCH Kozhikode	2850000	16.	Equipment for improving facilities in New-born Care Units	12198000	17.	Human Resources Support to Newborn Care Units Staff Nurse	46262000
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Utilization of Grants:
Appendix 1.10, Sl.No.11
Health Infrastructure (Un utilised fund-Rs. 4.06 Cr)

Total	257952844
Total Amount released under IMR	257955000
Balance	2156

As per the recommendations of 13th Finance commission, a total amount of Rs. 41.2588 Crore has been sanctioned to M/s. KMSCL under the following two Schemes.

I. Strengthening of Diagnostic facilities in district, taluk & CHC hospitals: (Rs. 3991.48 Lakh)

Sl. No.	Government Order	Amount (Rs in Cr)
1.	G.O.(Rt) No.51/2012/H&FWD dt. 05/01/2012	10.2708618
2.	G.O.(Rt) No.696/2012/H&FWD dt.03/03/2012	1.144
3.	G.O(Rt)No.2851/2012/H&FWD dt. 27/08/2012	14.50
4.	G.O.(Rt) No.4064/2013/H&FWD dt. 06/12/2013	13.99997
Total		39.9148318

II. Installation of equipment for Trauma care facilities in casualty department of major hospitals:-

Sl.No.	Government Order	Amount (Rs in Cr)
1.	G.O (Rt) No. 3961/2011/H&FWD dated 15/11/2011.	1.344

After procurement of all the items sanctioned under the above Government orders, there was a savings of Rs. 4.06 Crore which was derived as follows:-
(i). Savings of Rs.1.2011 Crore under G.O (Rt) No. 51/2012/H&FWD dated 5/1/2012 & Rs. 0.4536 Crore under G.O (Rt) No. 696/2012/H&FWD dated 3/03/2012 after completion of all procurement process.

			<p>(ii) Savings for an amount of Rs. 1,47,000/- was available under G.O (Rt) No. 4064/2013/H&FWD dated 6/12/2013. All the items except ESR analyser were procured on time which was due to non-availability of bidders. At the time of audit, re-tender was just completed. Hence order could not be issued in time. Later, the equipment was installed after multiple re-tenders.</p> <p>iii) With regard to the fund transferred vide G.O (Rt) No. 2851/2012/H&FWD dated 27/08/2012, 2 CT Scanners and one X- ray machine could not be installed due to non-availability of site which resulted in non-utilization of funds amounting to Rs. 2.2805 Crore.</p> <p>iv) In the case of fund transferred vide G.O (Rt) No. 3961/2011/H&FWD dated 15/11/2011, there was a savings of Rs. 9.33 Lakh and Rs. 1.8 Lakh (Total Rs. 11.13 Lakh) being the cost of Ambulatory BP Apparatus that could not be supplied due to non-availability of cardiologist.</p> <p>In order to utilize the savings, Administrative Sanction was also accorded for an amount of Rs. 4.50 Crore for the "Establishment of Cath Lab in General Hospital, Thiruvananthapuram by utilizing the savings of Rs. 4.9687368 Crore (Rs. 4.06 Cr + 0.9087368 Cr (savings from other heads) vide G.O (Rt) No. 1097/2014/H&FWD dated 29/03/2014. Hence there is no underutilization of funds in KMSCL. The Cath-lab was installed at GH, TVPM on 12/03/2018.</p> <p>KMSCL is only the procurement agency. When procurement is made through tender process, the fund utilization may be different from the fund sanctioned. There may be savings in some cases or excess expenditure in others which are later recouped. In certain cases, due to non availability of eligible bidders, re-tender process should be initiated which may lead to delay in procurement process.</p>
In view of the above, the paras may kindly be dropped.			
15.	Inland Waterways		
	Audit Para1.6.5	Status of Implementation of envisaged schemes	<p>CS&IN (A) Department has informed that</p> <p>(a) Allocation for CSIN Department under 13thFC was Rs. 100 Cr. This fund was utilized for the development of various reaches of West Coast Canal in Thiruvananthapuram, Kollam, Malappuram, Kozhikode, Kannur District. However as per agreements, total agreed PAC was only Rs. 72.05 Crore against the allotment of Rs.100 Crore. Basically, there are two reasons</p>

			<p>for the reductions in agreed PAC.</p> <ol style="list-style-type: none"> 1. Most were awarded below estimate rate. 2. The various type of soil and sand obtained from works were sold to the contractor and this deduction were shown in the agreement schedule. <p>Due to the above two reasons contract amount was only Rs. 72.05 Crore.</p> <p>(b) The total upto date expenditure under 13th FC grant in aid is Rs.60.0094 Crore. Basic reason for deduction in expenditure are listed below:</p> <ol style="list-style-type: none"> 1. Due to encroachment and local issues few works were not completed in time. 2. Huge quantity of soil obtained from canal works of three reaches (2nd, 3rd 4th) of Vadagara-Mahe Canal has to be disposed and due to lack of dumping space three works were not completed. 3. Due to the interference of encroaches, 3 works at Varkala were not completed in time. <p>At the time of foreclosing 13th FC works, the amount was not fully utilised on account of above reason. Total expenditure is only Rs. 60.0094 Crore.</p>
In view of the above, the para may kindly be dropped.			
16.	Incentive Grant for UID		
	Audit Para 1.64, 1.6.5, 1.6.6		<p>Electronics and IT (B) Department has reported that State Government as per GO(Rt)No.244/2010/ITD dated 21.10.2010 has released an amount of Rs. 4.96 Crores to Director Kerala State IT Mission (KSITM), as first instalment of Grant-in-Aid in lieu of UID implementation in the State. Subsequently vide, G.O.(Ms)No.16/2011/ITD dated 03.06.2011 sanction was accorded for disbursement of incentive at the rate of Rs. 150/- per BPL family through the bank of the head of the family, once the entire members of the family are enrolled. Later State Government allocated budget provision for incentive disbursement and released an amount of Rs. 9.92 crores vide G.O. (Ms)No.22/2011/ITD dated 10.08.2011. Hence altogether Rs. 14.88 Crores have been released to Kerala State IT Mission (KSITM) as 13th Financial Grant for providing incentive to BPL families for Aadhaar Enrolment.</p> <p>Due to the practical difficulties faced in making payment to BPL family, procedure has been simplified to the effect that payment can be made once the head of family is enrolled. But KSITM failed to utilize the fund</p>

for want of seeding UID data with BPL data. This issue was discussed in the State Level Empowered Committee on 13th Finance Commission meeting held on 26.10.2013 and arrived at a conclusion that fund received so far may be transferred to District Collectors who in turn can disburse the funds to BPL families. Hence, as per GO(Ms)No.7/2014/ITD dated 10.2.2014, an incentive of Rs.12.56 Crore was disbursed to District Collectors (for disbursing the fund to BPL families through LSGIs) on 17th May 2014.

The Delay in distribution happened until May 17, 2014 is due to the following reasons:

- * Absence of clear-cut mechanisms for distribution of amount.
- * Difficulty in identification of BPL beneficiaries from among the residents who have received Aadhaar since Aadhaar enrolment details as prescribed by UIDAI did not collect information on whether resident is of BPL status.
- * Effort in achieving substantial bank account opening and linkages of head of the families.
- * Effort in achieving substantial Aadhaar coverage in order to avoid repeated arrangements for distribution of amount.
- * Model code of conduct for Lok Sabha Elections, 2014.

After transferring the funds, LSGIs could not distribute the amount to BPL beneficiaries due to practical difficulties. Several follow-ups were done by KSITM with District Collectors and Nodal Officers through letters and emails for faster distribution of funds through LSGIs.

The issues faced by LSGIs to distribute the funds were as follows:
(This is as per the information received from Nodal Officers)

- * The ration card database did not have the LSGIs wise list of BPL families. It only had the Taluk wise list of ration card holders and hence the details could not be used.

The process of revision of ration card took long from 2014 until 2017 and hence the latest list of BPL card holders with their bank account details were not available at the time of distribution of amount during the period starting from May 2014.

- * Many of the LSGIs did not have their own BPL list.
- * Head of the BPL family did not have a bank account.
- * Head of the BPL family did not enroll for Aadhaar while some family

		<p>members may have received Aadhaar.</p> <p>* Since the amount was not high, people were not interested to receive the amount as they had to come and queue up at the LSGIs which affected their daily work schedule.</p> <p>In 2015, request for balance amount was raised before the 4th Working Group for the year 2015-2016 under H/A:3451-00-090-93-Plan but the balance amount was not received.</p> <p>In 2016, a D.O letter from the Additional Secretary, IT Department was issued to the District Collectors directing them to take necessary steps for the full utilization of the grant amount within the stipulated time and to inform Government of the final status of the disbursement of grant. It was also requested to intimate issues/difficulties if any, to Government, in the disbursement of the amount.</p> <p>In 2017, letter was issued to Director, KSITM with copy to all District Collectors requesting to make arrangements to utilise the fund received under 13thFC Grant immediately and to furnish the latest Utilization Certificate and to surrender the unutilized portion of the funds.</p> <p>Thereafter, some of the District Collectors have submitted Utilization Certificate and the same was forwarded to Finance Department.</p> <p>Also, in 2019, letter was issued to all District Collectors to conduct periodical reviews in every six months to avoid blockage of unspent balance amount received as "incentives for enrolling in UID".</p> <p>In 2020, a D.O letter from the Principal Secretary, Electronics and IT Department was issued to District Collectors of Thiruvananthapuram, Kollam, Idukki, Wayanad and Malappuram to take necessary action to refund/surrender the balance amount available with respect to the incentive grants received vide 13th Finance Commission award amount for UID and also to furnish the Utilization Certificate for the amount already utilised. Kerala State IT Mission, under IT Department is following up the entire process and once all districts refund the balance amount to KSITM, KSITM will then refund the unutilized amount back to Government account created for refund purpose as per the directions issued by Government in this regard.</p>
<p>In view of the above, the paras may kindly be dropped.</p>		
<p>17. Coastal Zone Management</p>		
<p>Audit para 1.6.5</p>	<p>During the Five-Year period (2010-2015), the State Government had budgeted all amounts received from Gol as ThFC grant and released to Departments/implementing</p>	<p>WR (IR) Department has reported that Thirteenth finance Commission had earmarked an amount of Rs.100 crores for Coastal Zone Management for construction of new sea wall as well as reformation of damaged sea wall. As</p>

agencies for utilization. Audit observed that against the Gol release of Rs.5476.30 crore, Rs.377.96 crore remained blocked up with Government (Rs.89.39 crore) and implementing agencies (Rs.288.57 crore), under 17 schemes, at the end of the award period without being utilized for the intended purposes. Non/underutilization of funds due to procedural delay, defective planning, delay in implementation etc., resulted in blockage/surrender of funds with/by implementing agencies as detailed in Appendix 1.10.

Appendix 1.10
Funds remained un-utilized with Government/implementing agencies against Gol release as on 31.03.2015
(Reference: Paragraph 1.6.5: Page 15)

Sl no	Name of Scheme	Department	Total Amount released	Unutilized fund with		Name of Agency	Remarks
				Government	Implementing Agency		
1	2	3	4	5	6	7	8
State Specific Schemes							
10	Coastal zone Management	Irrigation Administration	84.73	5.37	0		

per the guidelines of utilization of these funds, it is mandated as reimbursement only. Rs.100 crores was the allocation out of which Rs.84.73 crores were actually received.

Administrative Sanction was accorded for utilizing the entire amount of 100 cores for 2011-15 and an amount of Rs.8629.66 Lakh was actually utilized. The period of completion of Thirteenth finance Commission award expired on 31.05.2015. During the meeting held on 27.05.2015 convened by the Secretary (WRD) it was decided to complete the ongoing Coastal Zone Management works which have progressed above 75%. Accordingly, extension was given to complete those works which have progressed above 75% accordingly the same was completed.

Final status of the Coastal Zone Management works sanctioned under Thirteenth Finance Commission Award is as follows.

No of works sanctioned	Works Completed	Works Dropped	Works foreclosed	Works not taken up
123	95	18	7	3

The actual expenditure on Coastal Zone Management under 13thFCA during 2011-2015 is Rs. 8629.66 lakhs.

There are no documents available immediately to Government indicating that Rs.5.37 crores are lying utilized as on date.

In view of the above, the para may kindly be dropped.

18.	Forest		
	Audit Para 1.6.4	(1) Defect rectification statement including present	Forest & Wildlife (D) Department has reported that present status of

Additional Financial Burden on State Budget	status	<p>13th Finance Commission award implementation is as under:</p> <p>During the year 2010-11, the 13th Finance Commission has sanctioned an amount of Rs.16.94 crores for implementation of different programs.</p> <p>Administrative Sanction was received for a total amount of Rs.1702.24 lakhs for implementing the programs during 2010-11.</p> <table border="1" data-bbox="1272 488 2140 1003"> <thead> <tr> <th rowspan="2">Sl No.</th> <th rowspan="2">GO & Date</th> <th>Plan</th> <th>Non Plan</th> <th colspan="2">Total</th> </tr> <tr> <th colspan="4">(Rs in lakhs)</th> </tr> </thead> <tbody> <tr> <td colspan="6" style="text-align: center;">2010-11</td> </tr> <tr> <td>1</td> <td>GO (Rt) No.495/2010/F&WLD dated 24. 11..2010</td> <td>929.37</td> <td>Nil</td> <td></td> <td>929.37</td> </tr> <tr> <td>2</td> <td>GO (Rt) No.539/2010/F&WLD dated 18. 12 .2010</td> <td>265.00</td> <td>400.00</td> <td></td> <td>665.00</td> </tr> <tr> <td>3</td> <td>GO (Rt) No.87/2011/F&WLD dated 04. 03..2011</td> <td>81.37</td> <td>26.50</td> <td></td> <td>107.87</td> </tr> <tr> <td></td> <td>Total AS received 2010-11</td> <td>1275.74</td> <td>426.50</td> <td></td> <td>1702.24</td> </tr> </tbody> </table> <p>The department had utilized an amount of Rs.1040.79 lakhs (Plan Expenditure - Rs. 701.55 lakh and Non Plan Expenditure - Rs. 339.24 lakh) during 2010-11 leaving an unspent balance of Rs.653.21 lakhs.</p> <p><u>2011-12</u></p> <p>The amount sanctioned by the 13th Finance Commission for implementation of various programme during 2011-12 was Rs.16.94 crores.</p> <p>Administrative Sanction was received for a total amount of Rs. 2362.09 lakhs for implementing the programme during 2011-12, including the revalidation of the unspent balance of 2010-11, as follows.</p>	Sl No.	GO & Date	Plan	Non Plan	Total		(Rs in lakhs)				2010-11						1	GO (Rt) No.495/2010/F&WLD dated 24. 11..2010	929.37	Nil		929.37	2	GO (Rt) No.539/2010/F&WLD dated 18. 12 .2010	265.00	400.00		665.00	3	GO (Rt) No.87/2011/F&WLD dated 04. 03..2011	81.37	26.50		107.87		Total AS received 2010-11	1275.74	426.50		1702.24
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	Total AS received 2010-11	1275.74	426.50		1702.24																																					

Sl No.	GO & Date	Plan	Non Plan	Total
		(Rs in lakhs)		
2011-12				
1	GO (Rt) No.285/2011/F&WLD dated 24. 06..2011 (Current Year)	1269.69	430.95	1700.64
	GO (Rt) No.285/2011/F&WLD dated 24. 06..2011 (Revalidation)	579.94	85.51	661.45
	Total	1849.63	516.46	2362.09

The department had utilized an amount of Rs.1904.52 lakhs (Plan Expenditure - Rs. 1524.86 lakh and Non Plan Expenditure -Rs. 379.68 lakh) during 2011-12 leaving an unspent balance of Rs.456.93 lakhs.

2012-13

The amount sanctioned by the 13th Finance Commission for implementation of various programme during 2012-13 was Rs.33.88 crores.

Administrative Sanction was received for a total amount of Rs.3844.93 lakhs for implementing the programs during 2012-13, including the revalidation of the unspent balance of the previous year (2011-12) as follows.

Sl No.	GO & Date	Plan	Non Plan	Total
		(Rs in lakhs)		

		2012-13			
		GO (Rt) N.348/2012/F&WLD dated 07/07/2012 (Current Year)	2541.00	847	3388.00
1		GO (Rt) N.348/2012/F&WLD dated 07/07/2012 (Revalidation)	456.93 (Revalidation is for the same components as approved in the financial year 2011- 12)		456.93
		Total			3844.93
<p>The department had utilized an amount of Rs.3606.14 lakhs (Plan Expenditure - Rs. 2723.46 lakh and Non Plan Expenditure - Rs. 882.68 lakh) during 2012-13 leaving an unspent balance of Rs.238.79 lakhs</p>					
<p><u>2013-14</u></p> <p>The amount sanctioned by the 13th Finance Commission for implementation of various programme during 2013-14 was Rs.33.88 crores.</p> <p>Administrative Sanction was received for a total amount of Rs.3626.79 lakhs for implementing the programs during 2013-14, including the revalidation of the unspent balance of 2012-13, as follows.</p>					
Sl No	GO & Date	Plan	Non Plan	Total	
		(Rs in lakhs)			
2013-14					

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1	GO (Rt) N.317/2013/F&WLD dated 27/08/2013 (Current Year)	2541.00	847	3388.00
2	GO (Rt) No.502/2013/F&WLD dated 05/12/2013 (Revalidation)	Nil	238.79	238.79
Total				3626.79

The department had utilized an amount of Rs.3137.93 lakhs during 2013-14 leaving an unspent balance of Rs.488.86 lakhs. Though, there were Plan allocation as mentioned in table above, the whole expenditure was booked as Non Plan revenue Expenditure. Of the total expenditure of Rs. 3137.93 lakhs, an amount of Rs. 2083.99 lakh was spent for the components earmarked under Plan scheme and that of Rs. 1053.94 lakh was spent for the components earmarked under Non Plan scheme mentioned in the Government Orders cited above.

2014-15

The amount sanctioned by the 13th Finance Commission for implementation of various programme during 2014-15 was Rs.33.88 crores.

Administrative Sanction was received for a total amount of Rs.3876.90 lakhs for implementing the programs during 2014-15, including the unspent balance of 2013-14, as follows.

Sl No.	GO & Date	Plan	Non Plan	Total
		(Rs in lakhs)		
2014-15				
1	GO (Rt) N.310/2014/F&WLD dated 03/07/2014 (Current Year)	Nil	3388.00	3388.00

GO (Rt) N.310/2014/F&WLD dated 03/07/2014 (Revalidation)	-	488.90	488.90
Total			3876.90

The department had utilized an amount of Rs.3624.74 lakhs during 2014-15 leaving an unspent balance of Rs.252.16 lakhs.

Thus, it may be seen that the grants sanctioned during the period 2010-11 to 2014-15 and the Utilization corresponding to these years are as follows:

Year	Award (Rs in crores)	Utilization (Rs in crores)
2010-11	16.94	10.4079
2011-12	16.94	19.0452 (Including unspent balance of previous year)
2012-13	33.88	36.0614 (Including unspent balance of previous year)
2013-14	33.88	31.3793 (Including unspent balance of previous year)
2014-15	33.88	36.2474 (Including unspent balance of previous year)
Total	135.52	133.1412

As per Government Order G.O (Rt) No.10/2016/F&WLD dated 16..01..2016, G.O (Rt) No.2946/2016/Fin dated 28..03..2016 and G.O (Rt) No.142/2016/F&WLD dated 01..04..2016 Government have accorded sanction to

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	<p>Who is responsible for the loss of Central financial aid to the tune of Rs.162.50 Crore on account of non/delayed submission of Utilization Certificate and non-adherence of conditions</p>	<p>provide Rs.127.00 lakh under XIV Finance Commission Award for clearing the pending bills of works under XIII Finance Commission Award as additional authorization. A sum of Rs.125.17 lakhs has been utilized leaving behind an overall shortfall of Rs. 1.1271 Crore.</p> <p>No fund on account of non/delayed submission of Utilization Certificate and non-adherence of conditions has been lost to the Forest Department, as the Government had revalidated all the unspent balances of the previous years in all subsequent years. As per the Appendix 1.9 of C and AG report, the additional financial burden put on the State Government is on account of Non-attainment of projected Non Plan Revenue Expenditure. Out of the additional funds provided by the State to the extent of Rs. 162.50 Crore, in anticipation of release by Government of India, additional financial burden put on the state by the Forest Department is to the tune of Rs. 8.85 Crore, as per Appendix 1.9 of C and AG report. Though the department is responsible for the loss of central financial aid, circumstances leading to it were unavoidable and beyond the control of the department, which are furnished hereunder,</p> <p>During 2010-11, the 13th Finance Commission has sanctioned an amount of Rs.16.94 crores for implementation of different programs. However, vide GO(Rt) No.495/2010/F&WLD dated 24.11.2010, GO (Rt) No.539/2010/F&WLD dated 18.12.2010 and GO(Rt) No.87/2011/F&WLD dated 04.03.2011, Administrative Sanction was received for an amount of Rs. 1702.24 lakh under 13thFC Award, of which department had utilized an amount of Rs.1040.79 lakhs during 2010-11. The allotment was mainly for maintenance of forest boundaries which include construction of cairns / kayyala etc. which could not be fully utilized as survey works required for demarcation could not be completed at the fag end of the financial year. Similarly, civil works proposed could not be taken up due to delay in tendering process and acute shortage of building materials like sand, rock etc. This is the reason why targeted financial expenditure could not be fully attained during 2010-11.</p> <p>During 2011-12, the 13th Finance Commission has sanctioned an amount of Rs.16.94 crores. However, vide GO (Rt) No.285/2011/F&WLD dated 24. 06..2011 (Current Year) and GO (Rt) No.285/2011/F&WLD dated 24. 06..2011 (Revalidation), Administrative Sanction was received for an amount of Rs.</p>
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2362.09 lakhs, of which department had utilized an amount of Rs.1904.52 lakhs during 2011-12. In this year, some of the works like construction of trenches and walls, construction of protection wall of tribal colonies, erecting power fences etc. could not be done due to delay in tendering process. The delay is mainly attributed to difficult terrain where the work was executed and the hostile environment caused by wildlife attack. This is the reason why targeted financial expenditure could not be fully attained during 2011-12.

During 2012-13, the 13th Finance Commission has sanctioned an amount of Rs.33.88 crores. However, vide GO (Rt) N.348/2012/F&WLD dated 07/07/2012 (Current Year) and GO (Rt) N.348/2012/F&WLD dated 07/07/2012 (Revalidation), Administrative Sanction was received for an amount of Rs. Rs.3844.93 lakhs, of which department had utilized an amount of Rs.3606.14 lakhs during 2012-13 which comes to almost 94 % of the award amount. In the year 2012-13, 94 % of targeted expenditure could be attained which may be construed as maximum possible extent.

During 2013-14, the 13th Finance Commission has sanctioned an amount of Rs.33.88 crores. However, vide GO (Rt) N.317/2013/F&WLD dated 27/08/2013 (Current Year) and GO (Rt) No.502/2013/F&WLD dated 05/12/2013 (Revalidation), Administrative Sanction was received for an amount of Rs.3626.79 lakhs, of which department had utilized an amount of Rs.3137.93 lakhs during 2013-14. In other words, 87% of the targeted expenditure could be attained during 2013-14. Like in previous years, a deficit of 13 % in terms of expenditure was on account of non-completion of proposed civil works due to reasons beyond the control of the Department. During 2014-15, the 13th Finance Commission has sanctioned an amount of Rs.33.88 crores. However, vide GO (Rt) N.310/2014/F&WLD dated 03/07/2014 (Current Year) and GO (Rt) N.310/2014/F&WLD dated 03/07/2014 (Revalidation), Administrative Sanction was received for an amount of Rs.3876.90 lakhs, of which department had utilized an amount of Rs.3624.74 lakhs during 2013-14, ie. 94% of expenditure could be attained during the final and project winding up year. No further grant was sanctioned during this year either by the Central or State.

As regards non-attainment of non-plan revenue expenditure, it is clarified that as enumerated in Para 1 above, major portion of allotment under 13th Finance Commission Award was under Plan scheme and accordingly

			<p>major portion of expenditure booked was Plan expenditure rather than Non Plan expenditure. In the year 2010-11, 2011-12 and 2012-13, total Plan expenditure that could be attained was Rs. 4949.87 lakh (701.55 lakh + 1524.86 lakh + 2723.46 lakh) and that of Non Plan expenditure was Rs.1601.60 lakh (339.24 lakh +379.68 + 882.68).</p> <p>On the whole, the Department has recorded maximum possible expenditure under 13th Finance Commission Award right from the year 2010-11 to 2014-15 and un-attainment of cent percent expenditure was on account of reasons beyond the control of the Department. Department has also submitted Utilization Certificates well in time.</p>
	Audit para 1.6.5	Utilization of Grants	No funds are remaining unutilized with the Forest Department against GoI/GoK release under 13th Finance Commission Grant.
	Audit para 1.6.6	Status of Utilization of Envisaged Schemes	<p>1. Status of Schemes Envisaged in Audit Para- Not applicable</p> <p>2. Actions Taken for Completion of Schemes- Not applicable</p>
In view of the above, the paras may kindly be dropped.			
19	Improving Justice Delivery		
	Audit para 1.6.4	<p>Additional burden on State budget</p> <ol style="list-style-type: none"> 1. Defect rectification statement including the present state on the above audit para 2. Who is responsible for the loss of the Central Assistance amounting to Rs.162.50 crore due to non-submission of Utilisation Certificate and non-compliance of stipulated guidelines. 	Home (C) Department has reported that none of the schemes listed in Appendix 1.9 are controlled or operated by the High Court of Kerala
	Audit para 1.6.5	Utilization of 13th FC grant	1. Establishment of ADR Centre- Rs.1902.00 lakhs:- The responsibility for setting up of ADR Centre's and Training of Mediators had been assigned to State Legal Services Authorities by the Ministry of Law and Justice, Government of India as per Letter No.J-11011/04/2009-10 dated 25-01-2011. The 13th Finance Commission had recommended a sum of Rs.19.02 Crores for establishing ADR Centre's and training of mediators/conciliators in the State. Accordingly, this State Authority decided to set up 17 ADR Centre's in the

State. A Technical and Financial Monitoring Committee was constituted under the Chairmanship of the Hon'ble Executive Chairman, KeLSA for the control and supervision of construction of ADR buildings.

An amount of Rs.720.70 lakhs was received out of Rs.19.02 Crores towards the establishment of ADR Centre's and training of mediators. This Authority received a sum of Rs.3,80,40,000/- and Rs.1,90,20,000/- in 2011-12 and 2013-14 respectively. Out of this total grant of Rs.5,70,60,000/-, received for the establishment of ADR Centre's, the Authority utilized Rs.2,84,35,133/- as on 31-03-2014. The amount of Rs.190.20 lakhs released during the year, 2012-13 could not be utilized by KeLSA in 2012-13 as permission for the utilization was not received. Later the said amount was also utilized in 2013-14. The amount allotted under the 13thFC has been fully utilized.

Out of Rs.720.70 lakhs received for the establishment of ADR Centre's and training of Mediators, a sum of Rs.647.47 lakhs were utilized for the establishment of ADR Centre's and a sum of Rs.73.23 lakhs for training of Mediators.

Construction of building for the following ADR Centre's was completed and the centres are fully functional.

District	Date from which the centre become functional
Trivandrum	9.11.2013
Alappuzha	31.3.2015
Mavelikara	30.1.2016
Ernakulam	28.10.2014

Thrissur	13.2.2016
Kannur	7.3.2015
Kottayam	18.11.2017

Kottayam:- The construction of ADR building at Kottayam could not be completed by 31-03-2016. The fund released under the 13thFC for this purpose was exhausted as on 31-03-2016. Following this office's request, Government had released a sum of Rs. 102.73 lakhs (Not the 13thFC fund) under the Head of Account "2014-00-114-93-34-Other Charges", as per G.O.(Ms.) No.114/2016/Law dated 13-07-2016, for completing the ADR building at Kottayam. The new building of the ADR Centre Kottayam was inaugurated on 18.11.2017.

Centres where building could not be constructed

a. Idukki:- The proposed estimate for the ADR building in the Idukki district was abnormally higher and the matter was taken up with National Legal Services Authority for specific sanction for limiting the area in respect of ADR Centre at Idukki. The matter is pending with the department of Law and Justice, Govt. of India even now.

b. Palakkad:-The land was identified in 2013-14. The work was delayed as the sanction from Archaeological Survey of India (ASI) was received by the District Judge Palakkad only on 09-03-2015. The Executive Engineer, (PWD Civil) invited fresh tender on 23-05-2015, after getting necessary sanction from the ASI. But, the Technical and Financial Monitoring Committee of ADR Centres, in its meeting held on 08-10-2015, decided that construction

activity of any new ADR Centre shall not be commenced utilizing the 13th Finance Commission fund, as the period of the implementation of the 13th Finance Commission Schemes had expired and no amount has been provided in the Head of Account relating to the 13th Finance Commission in the budget for the year, 2015-16.

c. Kasaragod:- The identified land at Kasaragod was not got transferred from Government

Centres where land was not available for construction:-

- 1.Kollam
- 2.Pathanamthitta
- 3.North Paravur
- 4.Malappuram
- 5.Kozhikkode
6. Wayanad
- 7.Headquarters, Ernakulam

The Government has not made available the land required despite several request/ reminders form KeLSA.

In this connection, this office, vide letter No.1264/16/A/KeLSA dated 21-04-2016, had furnished an action plan to the Government in respect of 14th Finance Commission recommendations for the implementation of the schemes relating to Enhancing Access to Justice, incorporating proposals for the construction of 10 Nos. of ADR Centres, which could not be undertaken during the implementation period of the 13th FC.

(B) Training of Mediators

MCPC, KeLSA and KSMCC: The mediation activities in India is controlled by the Mediation and Conciliation Project Committee (MCPC) of Supreme Court of India. It's a Committee with the Hon'ble Chief Justice of India as the Patron-in-Chief and Senior Judges of the Supreme Court of India as members. The Mediation programs in Kerala is coordinated by the Kerala State Mediation and Conciliation Centre (KSMCC), a Monitoring Committee constituted by the Hon'ble the Chief Justice, High Court of Kerala with four Judges as Board of Governors under the umbrella of KeLSA. The Chief Justice, High Court of Kerala is the Patron-in-Chief and the Hon'ble Executive Chairman, KeLSA is the patron.

The Hon'ble Board of Governors takes decisions from time-to-time on training/refresher course/awareness programs etc., to Judicial Officers/Mediators and all other stakeholders of mediation. This decision is taken based on the statistics available on mediation activities.

The proposal of the 13th Finance Commission was to train 100 Judicial Officers and Advocates in each district to act as Mediators/Conciliators. However, the actual number of mediators required for every state was decided by the Hon'ble Mediation Committee based on the requirements in different districts.

Judicial Officers: The Judicial Officers in Kerala are overburdened with judicial work. Therefore, Judicial Officers were not trained as mediators. They were given orientation/refresher course to perform in a better manner as referral Judges to promote the concept of mediation as one of the most effective ADR methods. 40hrs basic training in mediation is being given to all

the Munsiff Magistrate trainees and direct recruit district judges as part of their induction training in Kerala Judicial Academy since 2012-2013 on the basis of a resolution passed by the Hon'ble Board of Governors, KSMCC. More than 200 judicial officers were given basic training in mediation as per the module and syllabus prescribed by the MCPC.

Advocates: KSMCC could train 486 lawyers as mediators upto 2011-12 utilizing the service of trainers nominated by MCPC. These mediators were attached to different District Mediation Centres and the High Court Mediation Centre, so that each centre has the service of 32 to 35 mediators. Accreditation was given to them as per the norms prescribed by MCPC from time to time.

More mediators: Thereafter, mediation sub centres were started at different Court Centres taking into account the ever-growing demand from the Bar associations. On appraisal of the requirement for additional mediators, the Hon'ble Board of Governors, on prior sanction from MCPC, trained 26 mediators in 2013-14 and 89 mediators in 2014-15. These mediators were trained to strengthen mediation activities in Family Courts situated away from the district Centre and in mediation sub Centre with a view to have at least five mediators at every such centre. Thus, 601 lawyers were trained as mediators by March 2015.

The actual number of mediators to be trained depending on the requirement of every State. Kerala was not an exception. It was decided only to train sufficient number of mediators. MCPC had repeatedly cautioned in various conferences/meetings that the states need to train mediators who are actually required for mediation programs. It was up to the mediation monitoring committee of High Court of Kerala and the KeLSA to decide and

train the requisite number of mediators. The said decision was taken based on the periodical statistics and with a view to have the service of mediators attached to every Court Centre. Training of 1400 mediators would not have improved the mediation activities. On the other hand, with 601 mediators, KeLSA and KSMCC could strengthen the mediation programs resulting in better services to the litigants. Therefore, training of 1400 mediators, judicial officers and lawyers, would have been a futile exercise and hence not resorted to by KeLSA and KSMCC, but decided to improve the skills of trained mediators.

Mediation was a budding concept when the 13th Finance Commission submitted its report with the proposal to trained mediators. The mediators deal with the human emotions and psychology. What the mediators were given as part of basic training was 40 hours basic training on the concept of mediation with a few practical tips. After the basic training, mediators were deputed to different Mediation Centres for practical training. Mediators were not given repeated training, but were required to attend one day refresher course every year since 2012 so as to equip them with better tools and techniques to serve the society in an effective manner. As far as the Judicial Officers are concerned, the repeated refresher course given to them has resulted in sharp increase in the number of referrals for mediation. The 13thFC. also provides for conducting refresher course/awareness programs, seminars, workshop etc. for Judicial Officers and mediators on the concept of mediation.

Year	No. of camps	No. of persons benefitted
2012-13	6	2800

2013-14	14	5750
2014-15	10	3250
2015-16	6	1725

Achievements: This repeated refresher programs to the mediators has resulted in the increased number of settlements as revealed from the periodical statistics. Through this process Kerala could become one of the leading States in the mediation activities in India as revealed from the fact that MCPC has identified Ernakulam and Thrissur as pilot districts to propagate the concept of mediation. Judicial officers and mediators working in these districts were required to attend 6 one day refresher programs in two phases as part of ARCM programme. MCPC also has promoted repeated refresher programs to the trained mediators. The results are there for everyone to see as the litigants in Kerala have accepted mediation as the best ADR method.

Strong team of mediators: Now Kerala has a strong team of 601 mediators sufficient to cater the need of different Mediation Centres to which cases are referred from Courts across the State. Over the past five years, through training/refresher courses/awareness programs, KSMCC under the umbrella of Kerala State Legal Services Authority, could achieve the results visualized by the 13thFC with a team of committed mediators and Judicial Officers. There was no need to train 1400 Judicial Officers/ Advocates. Repeated training was not given to the mediators as the Judicial Officers and mediators had only attended refresher training/course which is not prohibited by the 13th FC.

Therefore, KeLSA has adhered to the TFC guidelines and fulfilled the purpose behind the proposal for training of mediators.

The eligibility to be trained as mediators is as prescribed in Civil Procedure (ADR) Rules, 2008, Kerala. The eligible candidates are selected and nominated by the Hon'ble Board of Governors by inviting applications through District Judges concerned and on the basis of norms fixed.

The criteria for accreditation of a mediator are fixed by the Mediation and Conciliation Project Committee (MCPC), Supreme Court of India from time to time. Up to 2013, a mediator, who had completed 10 mediations, irrespective of the success rate, was eligible for accreditation. The norms for accreditation was changed by MCPC in 2013 by which accreditation is being given to a mediator if he has conducted a minimum of 20 mediations and on completion of 10 successful mediations.

Through the concerted efforts of all concerned, KeLSA and KSMCC could settle considerable number of cases through ADR methods, especially mediation, and thereby reduced the pressure on the court system. The actual reason for the pressure, if any, on the court system is non-availability of sufficient number of Courts/Judges with reference to the Judge-Population ratio. Therefore, the observation in the draft report that the reply from KeLSA is not tenable could have been avoided. The Only reason for not setting up all the ADR Centres was non-availability of land and nothing else.

Therefore, it is a case of effective utilization of funds with the available resources and infrastructure and not poor utilization of fund.

	No. of cases referred to mediation	No. of cases settled in mediation
2009	1038	334

2010	1845	406
2011	5282	1160
2012	14657	3406
2013	28144	6066
2014	32833	8769
2015	30124	8924

Lok Adalat

The action plan for Lok Adalat and Legal Aid prepared by KeLSA was approved by the High Level Monitoring Committee on 25-11-2010. The target for the disposal of cases in the Lok Adalat was fixed considering the staff strength of the DLSAs and TLSCs. The following is the staff strength in DLSAs and TLSCs.

	No.
DLSA	
Secretary (Sub Judge)	1
Section Officer	1
Clerk cum Typist	1
Peon	1
TLSC	
Secretary	1
Clerk cum Typist	1

The DLSAs and TLSCs are the main implementing offices of the 13th FC Scheme. So, the target was fixed based on the man power available in the DLSAs and TLSCs. In this connection, the data given below may be seen.

Year	Target number of Lok Adalats/ Mega Lok Adalats fixed	Number of Lok Adalats/ Mega Lok Adalats conducted	Reason for shortfall, if any

Year	Target number of cases for disposal	Actual number of cases disposed of	Actual number of cases successfully disposed of	Shortfall in the target fixed	Reason for shortfall, if any
2010-11	320	0			Since the fund was received during the close of the financial year, 2010-11, no amount was utilised.
2011-12	640	2324			
2012-13	320	2769			
2013-14	320	3554			
2014-15	630	3188			
2015-16	630	350			The implementation period of the 13th FC schemes expired on 31-3-2015. However, this office received sanction to utilise the unutilised balance in the TP account, during 2015-16. There was only a meagre unutilised balance to utilise for conducting adalats
Total (From 2011-12 to 2015-16)	2540	12185			

			2010-11	36000	0	0	36000	Since the fund was received during the close of the financial year, 2010-11, no amount was utilised.
			2011-12	72000	74292	16856	0	
			2012-13	36000	91253	19450	0	
			2013-14	36000	148507	63150	0	
			2014-15	49500	358620	150097	0	
			2015-16	49500	41653	14561	7847	The implementation period of the 13th FC schemes expired on 31-3-2015. However, this office received sanction to utilise the unutilised balance in the TP account. There was only a meagre unutilised

	legal aid	legal aid	Trials	
2010-11	0	0		Since the fund was received during the close of the financial year, 2010-11, no amount was utilised
2011-12	5117	1303	25.46	
2012-13	8287	2621	31.63	
2013-14	21886	3985	18.21	
2014-15	22786	3923	17.22	
2015-16	1679	689	41.04	
Total	59755	12521	20.95	

Income ceiling for availing legal aid through KeLSA and DLSAs

The income ceiling for availing legal aid through KeLSA and DLSAs was Rs.25000/- for 11 years and in two short intervals, the income limit was enhanced to Rs.50,000/- in 2009 and to Rs.1,00,000/- in 2011. Hence, no proposal was sent to Government for enhancing income ceiling for availing legal aid through KeLSA and DLSAs after 22-3-2011. People belonging to SC/ST categories, women and children are exempt from income ceiling for availing legal aid. Even with the income limit of Rs.1,00,000/-, 59755 persons have been given legal aid during the 13th FC period. This is 34755 more than

			<p>availing legal aid. Even with the income limit of Rs.1,00,000/-, 59755 persons have been given legal aid during the 13th FC period. This is 34755 more than the fixed target of legal aid to 25000 persons.</p> <p>In this connection, it is submitted that the Sec.12 (4) of the Legal Services Authorities Act, 1987 was amended by enhancing the income limit for free legal aid to Rs.3,00,000/-.</p>
Audit para 1.6.6		<p>1) Present status of the schemes</p> <p>2) Steps taken for completion of the scheme.</p>	<p>(A) Setting up of Morning / Evening / Shift / Weekend / Special Magistrate Courts: -</p> <p>1. The 13thFC provided for setting up of 74 Morning / Evening Courts in the state in order to clear backlog of petty cases and to relieve pressure on Judicial System. The High Court of Kerala found that the scheme was not practical as the Judicial officers were already overburdened and hence only five evening courts were established. In view of the slow / no progress in establishment of evening courts. Gol provided (January 2012) flexibility to include other types of Temporary special Courts and hence 27 Special Temporary First-Class Magistrate Courts were established (June 2014). All the Special Temporary First-Class Magistrate Courts (27 Nos) set up under the schemes are still functioning.</p> <p>2. Sanction of the State Government for the establishment of 27 JFCM Courts specifying the locations and staff pattern was accorded only in May 2014. The establishment of courts involve cumbersome procedures and after complying with all the formalities, the High Court was able to commence all temporary Magistrate Courts before the expiry of the 13th FC award period itself.</p> <p>(B) Conservation of Heritage Court Buildings:</p> <p>1. Regarding the conservation of heritage courts, the High Court originally identified 10 court buildings to be covered under the scheme 'Conservation of Heritage Court buildings' After considering the shortage of expertise staff for the work, only the work relating to 4 buildings which was entrusted to the Archaeology Department could be commenced. Considering the special</p>

			<p>completed during this extended period.</p> <p>2. The conservation of the remaining six identified buildings were proposed to be entrusted to Hindustan Pre Fab Limited by the High-Level Monitoring Committee (HLMC) meeting held on 27/07/2013 and the administrative sanction was accorded in September 2014. The subsequent meeting of HLMC held on 20.12.2014 decided not to take up any new work which could not be completed within the 13thFC period. Hence the conservation works of the 6 courts were not taken up. Therefore, the question of completion of remaining works do not arise.</p>
In view of the above, the paras may kindly be dropped.			
20	Water Bodies		
	Audit para 1.6.4		<p>WR (MI) Department has informed that Central Water Commission (CWC) had stipulated some criteria for selection of works i.e., ayacut achieved inlet/outlet arrangement etc. under Thirteenth Finance Commission. During the visit of the monitoring committee constituted for monitoring the works under Thirteenth Finance Commission, some of the works were proposed did not satisfy the criteria stipulated by CWC. Accordingly, directions were given to propose those which will satisfy CWC norms. This resulted in certain delay. Also, some works were dropped and some new works were added due to various technical reasons as against the works initially approved in the original action plan. However, such proposals to drop the initially approved works and to take up newly added the sanction of State Level Empowered Committee (SLEC) chaired by Chief Secretary.</p>
In view of the above, the para may kindly be dropped.			
21	State Disaster Response Fund		
	Audit Para 1.10.2 (a)	Regarding SDRF utilization as referred in Para 1.10.2(a), the reason for non reconciliation with AGs accounts. Whether reconciliation was done later?	Revenue (K) Department has reported that on examination of the reconciliation statement received from the AG, variation has been noticed with the accounts of that department and the fact was communicated to the AG. On receiving reply from the AG, urgent action will be taken this regard.


P. GOPAKUMAR,
 Joint Secretary
 Finance Department
 Govt. Secretariat
 Thiruvananthapuram

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KERALA STATE COASTAL AREA DEVELOPMENT CORPORATION
13 FC- MODEL FISHING VILLAGE- REVAMPING OF FISHERIES SCHOOLS

Sl No.	Name of the Project	Name of scheme	Implementing Agency	AS date	AS Amount (Rs. in lakh)	Fund received (Rs. in lakh)	Expenditure (Rs. in lakh)	Present Position
1	Development of Dr. V.V. VeluKutty Aryan Memorial Government Regional Fisheries Technical and Vocational Higher Secondary School, Karunagapally, KLM	13th FC	KSCADC	10.10.13	195.00	811.586	188.13513	Civil work completed. Establishment of biogas plant & solar high mast light completed. Furniture & kitchen equipments supplied.
2	Revamping of Government Regional Fisheries Technical High School, Kambhagad, KSGD	13th FC	KSCADC	10.10.13	139.00		142.18695	Civil work completed. Establishment of biogas plant & solar high mast light completed. Furniture & kitchen equipments supplied.
3	Development of Government Regional Fisheries Technical High School, Chavakkad, TOR	13th FC	KSCADC	10.10.13	132.00		126.01886	Civil work completed. Establishment of solar high mast light and biogas plant completed. Furniture & kitchen equipments supplied.
4	Revamping of Government Regional Fisheries Technical High School and Vocational Higher Secondary School, Arakkal, ALP	13th FC	KSCADC	10.10.13	119.50		102.95082	Civil work completed. Establishment of solar high mast light completed. Furniture & kitchen equipments supplied.
5	Development of Government Regional Fisheries Technical High School, Kambhagad, KSGD	13th FC	KSCADC	10.10.13	135.00		134.05525	Civil work completed. Establishment of solar high mast light and biogas plant completed. Furniture & kitchen equipments supplied.
6	Development of Government Regional Fisheries Technical High School, Kambhagad, KSGD	13th FC	KSCADC	10.10.13	298.00		297.4993	Civil work completed. Establishment of solar high mast light and biogas plant finished. Furniture & kitchen equipments supplied.

	School, Thanur, MLPM						
7	Revamping of Government Regional Fisheries Technical High School and Vocational Higher Secondary School, Thevara, EKM	13th FC	KSCADC	10.10.13	202.00	20.19054	Establishment of solar high mast light and biogas plant finished. Construction of building is dropped.
8	Revamping of Government Regional Fisheries Technical High School and Vocational Higher Secondary School, Valiyathura, TVM	13th FC	KSCADC	10.10.13	782.00	23.60480	Establishment of solar high mast light and biogas plant finished. Furniture & kitchen equipments supplied. Construction of building is dropped.
9	Revamping of Government Regional Fisheries Technical High School and Vocational Higher Secondary School, Azheekal, Kannur	13th FC	KSCADC	10.10.13	340.00	28.46807	Establishment of solar high mast light and biogas plant finished. Furniture & kitchen equipments supplied. Construction of building is dropped.
10	Revamping of Government Regional Fisheries Technical High School, Beypore, KKD	13th FC	KSCADC	10.10.13	174.00	29.31696	Establishment of solar high mast light and biogas plant finished. Furniture & kitchen equipments supplied. Construction of building is dropped.
Total					2516.5	811.586	1092.42668

An amount of Rs. 280.8468 lakh is over expended, the unspent balance amount of Rs. 211.38982 lakh under the project " Revamping of Fisheries colonies" is utilized for meeting the over expenditure of Revamping of Schools. The balance amount of Rs. 69.45086 is met from KSCADC's own fund and is to be reimbursed from DF.

Sd/-
 Managing Director
 KSCADC

442305/2020/F&P (C)

13 FC- MODEL FISHING VILLAGE- REVAMPING OF FISHERMEN COLONIES

Sl No.	Name of the Project	Name of scheme	Implementing Agency	AS date	AS Amount (Rs. in lakh)	Fund received (Rs. in lakh)	Expenditure(Rs. in lakh)	Present Position
1	Installation of tube lights in Vellamandal colony, Paruthiyoor, Tvm	13th FC	KSCADC	10.10.13	1.00	500.00	1.00	Work completed.
2	Street lighting in Fort Kochi fishermen colony, Ernakulam	13th FC	KSEB	10.10.13	0.75391		0.00	Project not done.(Street light in corporate with proponent walk way. since walk way was abandoned, street light not installed.)
3	Electrification in Udayamperoor colony, Ernakulam	13th FC	KSEB	10.10.13	1.06023		1.06023	Work completed. UC received on 25.09.2015, completion certificate received on 27.11.2015
4	Drinking water supply scheme, New colony, Pallithottam, Kollam	13th FC	KWA	10.10.13	85.00		0.78590	Project dropped(KWA PH Division, Kollam Refund Un spend amount of Rs.8421410/-)
5	Revamping of open well in Changanassery fishermen colony, Changanassery	13th FC	LSGD	10.10.13	8.00		8.00	Work completed
	Drinking water supply scheme, fishermen colony, Changanassery	13th FC	KWA	10.10.13	51.00		51.00	Work completed. UC received on 20.02.2017(balance amount-Rs.78508/-)
		13th FC	KSCADC	10.10.13	21.00		14.84830	Work completed
		13th FC	LSGD	10.10.13	20.70		20.70	Work completed. UC not received.
		13th FC	KSCADC	10.10.13	80.00		12.84830	Work completed.

	construction in Kalleluvayal colony, Kollam							
10	Construction of a librery Common Utility Centre, Manappuram Fishermen Colony, Alappuzha	13th FC	KSCADC	10.10.13	66.00		0.56095	Work not started.(not get sutable land)
11	Library cum Mini community hall, Vadanapally, Tirissur	13th FC	KSCADC	10.10.13	46.63027		41.77952	Work completed.
12	Library cum sub centre building in Koippady fishermen colony, Kasargode	13th FC	KSCADC	10.10.13	51.00		44.77677	work completed.
13	Drainage construction at Manappuram fishermen colony, Alappuzha	13th FC	KSCADC	10.10.13	46.50		41.78925	Work completed
14	Drainage construction at Chappelkadavu, Pallithodu, Alappuzha	13th FC	KSCADC	10.10.13	16.70		10.72693	Work completed
15	Drainage construction at Udayamperoor fishermen colony, Ernakulam	13th FC	KSCADC	10.10.13	48.00		38.73403	Work completed
16	Drainage construction at Puthiyappa fishermen colony	13th FC	KSCADC	10.10.13	9.20		0.00	Project not started because they dont want a drainage,they want foot path.
17	Drinking water supply scheme, New Colony, Poonthura	13th FC	KSCADC	10.10.13	10.00		0.00	Work dropped due to un availability of fund.
18	Construction of a library for fish in Fort Kochi Colony	13th FC	KSCADC	10.10.13	28.00		0.00	Project not started due to local protest.
Total					530.54441	500.00	288.61018	

The Unspent amount of Rs. 211.88982 is met for the Revamping of Fisheries Schools

Sd/-
Managing Director KSCADC

KERALA STATE COASTAL AREA DEVELOPMENT CORPORATION
13 FC- MODEL FISHING VILLAGE- INFRASTRUCTURE PROJECTS

Sl No.	Name of the Project	Name of scheme	Implementing Agency	AS date	AS Amount (Rs. in lakh)	Fund received (Rs. in lakh)	Expenditure (Rs. in lakh)	Present Position
1	Electrification of Valiyathura fishing village	13th FC	KSEB	25.01.13	350	336.41939	336.41939	Work completed. Fund transferred to KSEB.UC received on 23.07.2019.Excess amount of Rs.15,45,584/- spend for this project.
2	Electrification of Marad and Beypore fishing village	13th FC	KSEB	25.01.13	25.90	25.90	25.90	Work completed. UC received on 24.11.2016
3	Drinking water supply scheme, Valiyathura	13th FC	KWA	25.01.13	300.00	300.00	300.00	Work completed. UC received for spend amount of Rs.135.59038/-on 11.07.2019. Balance fund used for coastal area water connection.
4	Construction of building for Valiyathura PHC	13th FC	KSCADC	25.01.13	150.00	150.00	146.30631	Work completed.
5	Anganvadi construction at Valiyathura (3 Nos.)	13th FC	KSCADC	25.01.13	63.00	63.00	46.0245	Work completed.
6	Coastal Road construction, Valiyathura	13th FC	KSCADC	25.01.13	74.00	74.00	25.13289	60% work completed. work stopped due to local protest.
7	Coastal Road construction, Beypore	13th FC	KSCADC	25.01.13	200.00	170.00	139.40091	Work completed.
8	Construction of New building for GHSS, Beypore	13th FC	KSCADC	25.01.13	128.00	128.00	121.52551	Work completed.UC received from GHSS Beypore for the purchase of furniture on 09.10.2017

9	High mast light installation in Valiyathura fishing village	13th FC	KSCADC	25.01.13	13.58	13.58	10.3777	Work completed.
10	High mast light installation, Anappuzha	13th FC	KSCADC	25.01.13	8.00	-	5.18885	Work completed. Handed over to secretary, Kodungallur Municipality on 29.04.2019
11	High mast light installation, Beypore	13th FC	KSCADC	25.01.13	14.10	14.10	10.3777	Work completed.
12	Drinking water supply scheme, Marad and Beypore	13th FC	KWA	25.01.13	70.00	70.00	70.00	Work completed. UC received on 15.09.2015
13	Anganvadi construction at Beypore	13th FC	KSCADC	25.01.13	27.00	-	17.2813	Work Completed.
Total					1410.00	1345.00*	1253.93506	

*An amount Rs. 91.065 lakh resumed by Government from received fund, hence actual receipt is Rs. 1253.935 lakh and is fully utilized.

W S sd/-
Managing Director
KSCADC

KERALA STATE COASTAL AREA DEVELOPMENT CORPORATION LIMITED		
DETAILS OF FUND RESUMED BY GOVERNMENT		AMOUNT
G.O NUMBER	DATE OF RESUMPTION	
GO(P) No. 156/2017/FIN Dated 14.12.2017	16.01.2018	402262151.00
GO(P) No. 051/2018/FIN Dated 28.03.2018	31.03.2018	153825259.00
RESUMPTION	31.03.2018	134878000.00
TOTAL		690965410.00
DETAILS OF PROJECTS / SCHEMES/ WORKS PERTAINING TO WHICH THE ABOVE AMOUNTS ARE RESUMED BY GOVERNMENT		
PROJECTS/ SCHEMES	HEAD OF ACCOUNT	AMOUNT (IN LAKHS)
Basic Infrastructure Facilities & Human Development of Fisher Folk 2015-16	2405-00-103-80(P)	152.74
Basic Infrastructure Facilities & Human Development of Fisher Folk 2016-17	2405-00-103-80(P)	2803.32
Basic Infrastructure Facilities & Human Development of Fisher Folk 2017-18	2405-00-103-80(P) ✓	1494.96
✓ RIDF XXII	4405-00-104-53(P) ✓	416.90
✓ RIDF XXIII	4405-00-104-53(P) ✓	255.00
Safe dwelling to landless fishermen	4405-00-103-93(P) ✓	600.00
Fish Mall	2405-00-105-96(P)	50.00
Premium Outlet	2405-00-105-96(P)	40.00
Artificial Reef, Mariyanadu	2405-00-103-91(P)	8.50
Fish Market, Karicode	2405-00-105-96(P)	150.00
Ponnani Taluk Hospital	4405-00-800-76(P)	40.00
Artificial Reef- Puthukurichy and Kochuthura	2405-00-103-91(P)	25.00
Artificial Reef- Pulluvila, Thumba	2405-00-103-91(P)	15.71
FPC- Azheekkal	2405-00-105-96(P)	50.00
13 FC- Infrastructure Development	2405-00-105-94(P)	91.06
Adimalathura Housing	2405-00-101-90(P)	74.00
Fish Kiosk	2405-00-105-96(P)	116.67
Integrated Coastal Area Development Project, Malappuram	2405-00-800-33(P)	105.47
Integrated Coastal Area Development Project, Kozhikode	2405-00-800-33(P)	100.47
Integrated Coastal Area Development Project, Trivandrum	2405-00-800-33(P)	125.00
Women Shelter Construction	4405-00-800-77(P)	75.27
Integrated Development of Fishing Villages 2012-13	245-00-800-89(P)	119.57
TOTAL		6909.65

6711.90

ഇന്ത്യയുടെ കമ്പോളർ ആന്റ് ഓഡിറ്റർ ജനറലിന്റെ 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ട് ഖണ്ഡിക 1.9.2.1 നേലുള്ള നടപടി റിപ്പോർട്ട്.

ക്രമ നം.	ഓഡിറ്റ് പാര നം.	ശുപാർശ	നടപടി റിപ്പോർട്ട്
1	1.9.2.1 വായ്പാ തിരിച്ചടവിൽ വീഴ്ച വരുത്തിയവർ	<p>നിയമാനുസൃത സർക്കാർകമ്പനികൾ, സ്വയംഭരണാവകാശമുള്ള സ്ഥാപനങ്ങൾ, തുടങ്ങിയവയ്ക്കെല്ലാം സർക്കാർ വായ്പാ സഹായം നൽകി വരുന്നുണ്ട്. ഇവയെല്ലാം സർക്കാർ കണക്കുകളിൽ ആസ്തികളായിട്ടാണ് കണക്കാക്കി വരുന്നത്. സാമ്പത്തിക കണക്കുകൾ പ്രകാരം 2015 മാർച്ച് അവസാനം വരെ സംസ്ഥാന സർക്കാർ നൽകിയ വായ്പയിൽ ₹ 12,332.50 കോടി തിരിച്ചടയ്ക്കുന്നതിനായി ബാക്കിയുണ്ട്. 2015 മാർച്ച് അവസാനത്തിൽ 71 സ്ഥാപനങ്ങൾ അവർക്കു നൽകിയ വായ്പ തിരിച്ചടയ്ക്കുന്നതിൽ വീഴ്ച വരുത്തി. അതിന്റെ കുടിശ്ശിക ₹8,794.71 കോടിയായിരുന്നു (മുതൽ ₹5,276.61 കോടി, പലിശ ₹ 3,518.10 കോടി). മുകളിൽ പറഞ്ഞ കുടിശ്ശികയിൽ 86 ശതമാനം അഞ്ചു സ്ഥാപനങ്ങളായ കേരള വാട്ടർ അതോറിറ്റി (₹3,613.30 കോടി), കേരള സംസ്ഥാന വൈദ്യുതി ബോർഡ് (₹ 1,747.64</p>	<p>29.07.2006 - ലെ സർക്കുലർ നമ്പർ 37/ജി.ഐ.എം.സി- 3/06/ധന, 28.12.2009- സർക്കുലർ നമ്പർ 104/ജി ഐ.എം.സി-2/09 /ധന എന്നിവ പ്രകാരം പൊതു മേഖലാ സ്ഥാപനങ്ങൾ, തദ്ദേശ സ്ഥാപനങ്ങൾ, സഹകരണ സ്ഥാപനങ്ങൾ, പൊതു മേഖലാ സ്ഥാപനങ്ങളുടെ പരിധിയിൽ വരുന്ന വ്യവസായങ്ങൾ മുതലായവയുടെ ആവശ്യങ്ങൾക്കായി സർക്കാർ അനുവദിക്കുന്ന വായ്പകളിന്മേലും മുൻകൂറുകളിന്മേലുമുള്ള മുതലിന്റെയും പലിശയുടെയും തിരിച്ചടവ് നിരീക്ഷിക്കുന്നതിനായി ശക്തമായ മാർഗ്ഗ നിർദ്ദേശങ്ങൾ പുറപ്പെടുവിച്ചിട്ടുണ്ട്. വായ്പ അനുവദിക്കുകയും വിതരണം ചെയ്യുകയും ചെയ്യുന്നതിന് മുൻപായി തവണകൾ നൽകുന്നത് ആരംഭിക്കുന്ന തീയതി, നൽകേണ്ട പലിശയടക്കം ഓരോ വായ്പയും തിരിച്ചടയ്ക്കേണ്ടത് ഏത് ആവൃത്തിയിലും കാലയളവിലും ആണെന്നത് ഉൾപ്പെടെയുള്ള ഉപാധികളും നിബന്ധനകളും അനുവാദം നൽകേണ്ട അധികാരി നിശ്ചയിക്കേണ്ടത് ആവശ്യമാണ്. ഇപ്രകാരം പഴയകാല വായ്പകളിന്മേൽ ഉപാധികളും നിബന്ധനകളും നിശ്ചയിച്ചിട്ടില്ലായെങ്കിൽ അവ താമസംവിന നിശ്ചയിക്കണമെന്നും, ഇതിൽ വീഴ്ച വരുത്തരുതെന്നും ഈ ഉത്തരവുകളിൽ ധന വകുപ്പ് പ്രത്യേകം നിർദ്ദേശം നൽകിയിട്ടുണ്ട്.</p> <p align="right">വായ്പയും പലിശയും വസൂലാക്കുന്നത് എക്കോകിപ്പിക്കുകയും</p>

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	<p>കോടി), കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ (₹925.45 കോടി), കേരള സംസ്ഥാന ഭവന നിർമ്മാണ ബോർഡ് (₹915.23 കോടി), കേരള സംസ്ഥാന കളവണ്ടി വികസന കോർപ്പറേഷൻ (₹ 367.24 കോടി) എന്നിവയുടേതായിരുന്നു.</p> <p>1991-92 മുതൽ 2013-14 വരെയുള്ള കാലയളവിൽ തിരിച്ചടവുകളുടെ നിബന്ധനകളൊന്നും നിശ്ചയിക്കാതെ 29 സ്ഥാപനങ്ങൾക്ക് സംസ്ഥാന സർക്കാർ ₹ 150.80 കോടിയുടെ 101 വായ്പകൾ നൽകിയിരുന്നു. സംസ്ഥാന സർക്കാരിന്റെ കണക്കുകളുടെ ബാക്കിപത്രത്തിന് ശരിയായതും വിശ്വസനീയവുമായ മുഖം നൽകുന്നതിനായി ഗുണം ചെയ്യാത്ത ഇത്തരം ആസൂട്രികൾ കുറയ്ക്കുന്നതിന് സർക്കാർ ഫലപ്രദമായ നടപടികൾ കൈക്കൊള്ളണം.</p>	<p>കാര്യക്ഷമമായി നിരീക്ഷിക്കുകയും ചെയ്യുന്നതിന് ധനകാര്യ വകുപ്പിൽ പ്രത്യേക കേന്ദ്രീകൃത നിയന്ത്രണ സംവിധാനം കൊണ്ടുവരുന്നതിന്റെ ഭാഗമായി വായ്പ അനുവദിച്ചു കൊണ്ടുള്ള സർക്കാർ ഉത്തരവുകളുടെ പകർപ്പുകൾ ഈ വകുപ്പിൽ ലഭ്യമാക്കണമെന്നും, മാർച്ച് മാസം 31 വരെയും സെപ്റ്റംബർ മാസം 30 വരെയുമുള്ള വായ്പ തിരിച്ചടവ് സംബന്ധിച്ചുള്ള അർദ്ധ വാർഷിക വിവരണ പത്രിക നിർദ്ദിഷ്ട മാതൃകാ രൂപത്തിൽ എല്ലാ വർഷവും ഏപ്രിൽ 30 നും ഒക്ടോബർ 31 നും മുൻപായി ലഭ്യമാക്കണമെന്നും എല്ലാ പൊതുമേഖല സ്ഥാപനങ്ങളോടും മേൽ സർക്കുലറുകൾ പ്രകാരം പ്രത്യേകം നിർദ്ദേശിച്ചിട്ടുണ്ട്.</p> <p>2011-ലെ സർക്കുലർ നമ്പർ 52/ജി.ഐ.എം.സി/2/11/ധന പ്രകാരം മുൻ സർക്കുലറുകളിൽ പ്രതിപാദിച്ച നിർദ്ദേശങ്ങൾ കർശനമായി പാലിക്കണമെന്ന് വീണ്ടും നിർദ്ദേശിച്ചിട്ടുണ്ട്. 23.11.12, 02.05.13, 20.11.13, 30.04.2014 എന്നീ തീയതികളിലെ 95370/ജി.ഐ.എം.സി-2/12/ധന നമ്പർ കത്തുകൾ പ്രകാരം അർദ്ധ വാർഷിക വിവരണ പത്രിക കാല വിളംബം കൂടാതെ സമർപ്പിക്കണമെന്നും, വായ്പയുടെയും, അതിന്മേൽ നൽകേണ്ട പലിശയുടെയും തവണകളുടെ തിരിച്ചടവിനായും സത്വര നടപടികൾ ആരംഭിക്കണമെന്നും എല്ലാ പൊതുമേഖല സ്ഥാപനങ്ങളെയും അറിയിച്ചിട്ടുണ്ട്. 08.06.2015 ലെ ഇ ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/5/2015/ധന കത്ത് പ്രകാരം കൃഷി ഡയറക്ടർ സഹകരണ സംഘങ്ങളുടെ രജിസ്ട്രാർ എന്നിവരെയും ഇക്കാര്യം അറിയിച്ചിട്ടുണ്ട്. വായ്പയുടെ തിരിച്ചടവ് സംബന്ധിച്ച മുതൽ പിരിവ് ബാക്കി പത്രിക കേരള ഫിനാൻഷ്യൽ കോഡിന്റെ 264-എ വകുപ്പു പ്രകാരമുള്ള സാക്ഷ്യ പത്രത്തോടൊപ്പം എല്ലാ മാസവും 10 നു മുൻപായി അതതു വകുപ്പു മേധാവികൾക്ക് ലഭ്യമാക്കണമെന്ന് വായ്പ വിതരണം ചെയ്യുന്ന</p>
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ഉദ്യോഗസ്ഥരോട് നിർദ്ദേശിച്ചിട്ടുണ്ട്.

19.08.2014, 20.09.2014, 24.10.2014, 21.05.2015, 21.11.2015 എന്നീ തീയതികളിലെ 72172/ജി.ഐ.എം.സി-2/14/ധന (ഇ ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/12/2014/ധന) നമ്പർ അനുദ്യോഗിക കുറിപ്പുകൾ പ്രകാരം കമ്പ്ലോളർ ആന്റ് ഓഡിറ്റർ ജനറൽ ഓഫ് ഇന്ത്യയുടെ 2012 മാർച്ചിൽ അവസാനിച്ച വർഷത്തെ റവന്യൂ വരവ് സംബന്ധിച്ച ഓഡിറ്റ് റിപ്പോർട്ടിന്റെ ഖണ്ഡിക 8.2 ന്റെ പ്രസക്ത ഭാഗവും പ്രസ്തുത റിപ്പോർട്ടിലെ അനുബന്ധം III, IV എന്നിവയുടെ പകർപ്പും ബന്ധപ്പെട്ട ഭരണ നിർവ്വഹണ വകുപ്പുകൾക്ക് അയച്ചുകൊടുക്കുകയും ഇതിന്മേൽ സ്വീകരിച്ച നടപടി അടിയിന്തിരമായി ആവശ്യപ്പെടുകയും ചെയ്തിട്ടുണ്ട്. 03.12.2014, 09.01.2015 എന്നീ തീയതികളിലെ ഇതേ നമ്പർ അർദ്ധ ഔദ്യോഗിക കത്തുകൾ പ്രകാരം ദീർഘകാലമായി തീർപ്പാക്കാതെ കിടക്കുന്ന ഈ വിഷയത്തിൽ അന്തിമമായി സ്വീകരിച്ച നടപടി സത്വരമായി കേരള നിയമ സഭാ സെക്രട്ടറിക്കും അക്കൗണ്ടന്റ് ജനറലിനും സമർപ്പിക്കേണ്ടതാണെന്നും ബോധിപ്പിച്ചിട്ടുണ്ട് .

16.07.2015 ലെ ഇ ഓഫീസ് നമ്പർ ജി.ഐ.എം.സി-2/17/2015/ധന അർദ്ധ ഔദ്യോഗിക കത്ത് പ്രകാരം സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ച് 2013, 2014, 2015 എന്നീ വർഷങ്ങളിലെ മാർച്ച് 31 ന് അവസാനിച്ച ഇന്ത്യയുടെ കമ്പ്ലോളർ ആന്റ് ഓഡിറ്റർ ജനറലിന്റെ റിപ്പോർട്ടുകളിലെ യഥാക്രമം ഖണ്ഡിക 1.9.4 ന്റെ ഉപഖണ്ഡിക 1.9.4.1, ഖണ്ഡിക 1.8 ന്റെ ഉപഖണ്ഡിക 1.8.3.1, ഖണ്ഡിക 1.9.2 ന്റെ ഉപഖണ്ഡിക 1.9.2.1 എന്നിവയുടെ മേൽ പരാമർശിക്കുന്ന വായ്പ തിരിച്ചടവിൽ വരുത്തിയ വീഴ്ച സംബന്ധിക്കുന്ന പ്രസക്ത ഭാഗം ബന്ധപ്പെട്ട ഭരണ വകുപ്പു സെക്രട്ടറിമാർക്ക് അയച്ചുകൊടുക്കുകയും ഇതിന്മേൽ

സ്വീകരിച്ച നടപടി അടിയിന്തിരമായി ആവശ്യപ്പെടുകയും ചെയ്തിട്ടുണ്ട്.

ഗതാഗത (എ) വകുപ്പിന്റെ 20.11.2015-ലെ 13184/എ 1/2015/ഗതാഗതം നമ്പർ അനുദ്യോഗിക കുറിപ്പ് പ്രകാരം കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷനിൽ പുനരുജ്ജീവന പാക്കേജ് നടപ്പിലാക്കുന്നതിന്റെ ഭാഗമായി 2008-09 മുതൽ 2013-14 വരെ കേരള സംസ്ഥാന റോഡ് ട്രാൻസ്പോർട്ട് കോർപ്പറേഷൻ സർക്കാരിന് തിരിച്ചടയ്ക്കേണ്ടുന്ന വായ്പാ കുടിശ്ശികയായ 1090.75 കോടി രൂപ സർക്കാർ ഓഹരി (equity) യായി മാറ്റാനും അതിൻമേലുള്ള പലിശയും പിഴപ്പലിശയും ചേർത്തുള്ള തുകയായ 172.37 കോടി രൂപ എഴുതി തള്ളാനും തീരുമാനിച്ചുകൊണ്ട് 20.08.2015-ലെ സർക്കാർ ഉത്തരവ് (കൈയെഴുത്ത) നമ്പർ 46/2015/ഗതാഗതം പ്രകാരം ഉത്തരവായിട്ടുണ്ട്.

കൂടാതെ, സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ച് 2015 മാർച്ചിൽ അവസാനിച്ച വർഷത്തേക്കുള്ള, ഇന്ത്യയുടെ കമ്പ്ഡോളർ ആന്റ് ഓഡിറ്റർ ജനറലിന്റെ റിപ്പോർട്ടിലെ ഖണ്ഡിക 1.4.2, 1.9.2, ഉപഖണ്ഡിക 1.9.2.1 എന്നിവയിന്മേൽ വകുപ്പു തലത്തിൽ ആവശ്യമായ നടപടിയെടുക്കുവാൻ ബന്ധപ്പെട്ട ഭരണനിർവ്വഹണ വകുപ്പുകൾക്ക് നിർദ്ദേശം നൽകിയിട്ടുള്ളതുമാണ്.

(Handwritten Signature)

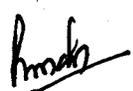
മാജർ വി.കെ
അഡീഷണൽ സെക്രട്ടറി
ധനകാര്യ വകുപ്പ്
വവ: സെക്രട്ടേറിയറ്റ്
തിരുവനന്തപുരം

സി.എ.ജി.യുടെ 2015 മാർച്ച് മാസം 31ന് അവസാനിച്ച സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെക്കുറിച്ചുള്ള ഓഡിറ്റ് റിപ്പോർട്ടിലെ കിലെയെ സംബന്ധിക്കുന്ന ഖണ്ഡിക 2.3.5.1ന്മേലുള്ള നടപടി - അധിക വിവര സ്റ്റേറ്റ്‌മെന്റ്

2014-15 സാമ്പത്തിക വർഷത്തിൽ പദ്ധതി വിഹിതത്തിൽ കിലെയ്ക്ക് 2230-03-800-94(P) ശീർഷകത്തിൽ വകകൊള്ളിച്ചിരുന്ന 175 ലക്ഷം രൂപയിൽ നിന്നും 26.09.2014 ലെ സ.ഉ.(സാധാ) നം. 1351/2014/തൊഴിൽ , 27/02/2015 ലെ സ.ഉ.(സാധാ) നം. 244/2015/തൊഴിൽ എന്നീ ഉത്തരവുകൾ പ്രകാരം യഥാക്രമം 60 ലക്ഷം രൂപയ്ക്കും 100 ലക്ഷം രൂപയ്ക്കുമുള്ള ഭരണാനുമതി മാത്രമാണ് നൽകിയിരുന്നത്. ടി തുകകൾ കിലെ ട്രഷറി സേവിംഗ്സ് ബാങ്ക് അക്കൗണ്ടിൽ ക്രഡിറ്റ് ആയത് യഥാക്രമം 18/10/2014 ലും 16/03/2015 തീയതികളിലുമാണ്. രണ്ടാമതായി ഭരണാനുമതി ലഭിച്ച 100 ലക്ഷം രൂപ ട്രഷറി സേവിംഗ്സ് ബാങ്ക് അക്കൗണ്ടിൽ ക്രഡിറ്റ് ആയതിനുശേഷം ടി സാമ്പത്തിക വർഷം അവസാനിക്കുവാൻ ദിവസങ്ങൾ മാത്രമേ ഉണ്ടായിരുന്നുള്ളൂ. ഈ കുറഞ്ഞ ദിവസങ്ങൾ കൊണ്ട് മേൽ തുക മൊത്തമായും ചെലവ് ചെയ്ത് തീർക്കുവാൻ സാധിക്കുമായിരുന്നില്ലെന്നും ആയതിനാലാണ് ടി സാമ്പത്തിക വർഷത്തെ ചെലവ് കഴിഞ്ഞതിനുശേഷമുള്ള 58.92 ലക്ഷം രൂപ കിലെയുടെ റി.എസ്.ബി. അക്കൗണ്ടിൽ ശേഷിച്ചതായും കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ അറിയിച്ചിരിക്കുന്നു. പ്രസ്തുത തുക ഇലക്ട്രോണിക് ലെഡ്ജർ അക്കൗണ്ടിലേയ്ക്ക് മാറ്റുന്നതിനായി അപേക്ഷിച്ചിരുന്നുവെങ്കിലും നടപടിക്രമങ്ങളിലെ അപാകത മൂലം ടി തുക ഇലക്ട്രോണിക് ലെഡ്ജർ അക്കൗണ്ടിലേയ്ക്ക് മാറ്റാൻ കഴിയാതെ വരികയും ആയത് റി.എസ്.ബിയിൽ തന്നെ നിലനിൽക്കുകയാണുണ്ടായതെന്നും കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ അറിയിച്ചിരിക്കുന്നു. റി.എസ്.ബി.യിൽ നിലവിലുള്ള 58.92 ലക്ഷം രൂപ സറണ്ടർ ചെയ്യുന്നതിന് കിലെ എക്സിക്യൂട്ടീവ് ഡയറക്ടർ അനുവാദം തേടിയതിനെ തുടർന്ന് ആയത് ധനകാര്യ വകുപ്പുമായി കൂടിയാലോചിച്ച് 2014-2015 സാമ്പത്തിക വർഷത്തിലെ പദ്ധതി തുകയിൽ ചെലവഴിക്കാതെ ശേഷിച്ചിരുന്ന 58.92 ലക്ഷം രൂപ 2230-03-94-99 Deduction recoveries of overpayment എന്ന ശീർഷകത്തിൽ തിരിച്ചടയ്ക്കുന്നതിന് സർക്കാർ അനുവാദം നൽകി. ആയതിന്റെ അടിസ്ഥാനത്തിൽ ടി തുക 16/02/2017-ന് പ്രസ്തുത ശീർഷകത്തിൽ തിരിച്ചടച്ചിട്ടുള്ളതാണ് (ചെലവാൻ പകർപ്പ് ഉള്ളടക്കം ചെയ്യുന്നു).


**ശ്രീമത സുകുമാരൻ
ജോയിന്റ് സെക്രട്ടറി**

സി.എ.ജി റിപ്പോർട്ട് 2015- വണ്ടിനം	ഇടർ നടപടി റിപ്പോർട്ട്
<p>2.3.5.3: വരവു ചെലവുകളുടെ നിയന്ത്രണത്തിനായി നടപ്പിലാക്കിയിട്ടുള്ള IFMS (Integrated Financial Management System)- ന്റെ നേട്ടം എന്താണെന്നും പൂർണ്ണതോതിൽ നടപ്പിലാക്കി കഴിഞ്ഞോ എന്നും വ്യക്തമാക്കുക.</p>	<p>സംസ്ഥാന സർക്കാരിന്റെ ധനകാര്യ ഇടപാടുകളുടെയും അതിന്റെ മാനേജ് മെന്റിന്റേയും ആധുനികവൽക്കരണം ലക്ഷ്യം വച്ചുകൊണ്ടുള്ള IFMS സംസ്ഥാനത്തു നടപ്പിലാക്കിക്കഴിഞ്ഞു. IFMS ന്റെ ലക്ഷ്യം സർക്കാർ ധന ഇടപാടുകൾ പൂർണ്ണമായി വിവരസാങ്കേതിക വിദ്യയുടെ സഹായത്തോടെ ആധുനികവൽക്കരിച്ച് കടലാസ് രഹിതവും പണരഹിതവുമായി മാറ്റുകയും മികച്ച ധന മാനേജ് മെന്റ് നടപ്പിലാക്കുന്നതിന് ഉതകുന്ന തരത്തിലുള്ള തീരുമാനം എടുക്കുന്നതിലേക്കായി വിവരലഭ്യത ഉറപ്പു വരുത്തുകയും ചെയ്യുക എന്നതാണ്. ഈ ലക്ഷ്യങ്ങൾ IFMS ലൂടെ പൂർണ്ണമായി കൈവരിച്ചുകഴിഞ്ഞു. ഇടപാടുകൾ സുതാര്യവും ലളിതവും ക്ലേശ രഹിതവും ആയ രീതിയിൽ നടത്തുന്നതിന് IFMS സഹായിക്കുന്നുണ്ട്. സേവനങ്ങൾക്കായി പല കേന്ദ്രങ്ങളെ സമീപിക്കുന്നത് ഒഴിവാക്കുന്നതിലൂടെ ഇടപാടുകാർക്ക് സമയവും മറ്റു തരത്തിലുള്ള ബുദ്ധിമുട്ടുകളും ഒഴിവാക്കും. വെബ് അധിഷ്ഠിത സംവിധാനത്തിലൂടെ പൂർണ്ണമായും ഓൺലൈൻ സിസ്റ്റത്തിലായതിനാൽ ഓഫീസുകളുടെ സമയക്രമം ഇടപാടുകളെ ബാധിക്കുന്നില്ല. സർക്കാരിന് ധനവിനിയോഗനിലയെ കുറിച്ച് അപ്പപ്പോൾ വിവരം ലഭ്യമാക്കുന്നതിനും ഈ സംവിധാനം സഹായിക്കുന്നു. ധനവിനിയോഗവുമായി ബന്ധപ്പെട്ട് ഉചിതമായ തീരുമാനം എടുക്കുവാൻ കഴിയുന്നതിലൂടെ മികച്ച ഫിനാൻസ് മാനേജ് മെന്റ് നടപ്പിലാക്കുന്നു.</p> <p>IFMS നടപ്പിലാക്കുന്നത് വരെ സംസ്ഥാനത്തു ധന വിനിയോഗത്തിന്റെ ബജറ്റ് അപ്രോപ്രിയേഷൻ നിർവഹിച്ചിരുന്നത് അതാത് വകുപ്പുകളുടെ ചീഫ് കൺട്രോളിംഗ് ഓഫീസർമാർ ലഭ്യമാക്കുന്ന ബജറ്റ് വിഹിതത്തെ അടിസ്ഥാനമാക്കിയായിരുന്നു. ഇങ്ങനെ ധനവിനിയോഗം ക്രമീകരിക്കുമ്പോൾ ബജറ്റിൽ വകയിരുത്തിയിട്ടുള്ള തുകയിൽ അധികരിച്ചോ ഇല്ലയോ എന്ന് പൂർണ്ണമായി പരിശോധിക്കുന്നതിനുള്ള സൗകര്യം ട്രഷറികളിൽ ലഭ്യമല്ലായിരുന്നു.</p> <p>എന്നാൽ IFMS നടപ്പിലാക്കിയതോടുകൂടി ബജറ്റ് വിഹിതത്തിന്റെ ചീഫ് കൺട്രോളിംഗ് ഓഫീസർമാർ മുതൽ ഡി.ഡി.ഓ വരെയുള്ള വിതരണം പൂർണ്ണമായും ഓൺലൈൻ ആക്കുകയും ആയതു ബജറ്റിൽ നിന്ന് ഓൺലൈൻ ആയി ലഭ്യമാകുന്ന ഡാറ്റായുടെ അടിസ്ഥാനത്തിൽ ആക്കുകയും ചെയ്തിട്ടുണ്ട്. തന്മൂലം യാതൊരുവിധത്തിലും ബജറ്റിൽ വകയിരുത്തിയിട്ടുള്ള തുകയെക്കാൾ അധികരിച്ച തുകയുള്ള ബില്ലുകൾ മാറുക സാധ്യമല്ല. എന്നാൽ സർക്കാർ നിർദ്ദേശാനുസരണം ശമ്പളം, വേജസ്, പെൻഷൻ, പലിശ എന്നിവ പ്രസ്തുത നിയന്ത്രണത്തിൽ നിന്ന് നീക്കിയിട്ടുണ്ട്.</p>



ജോയിന്റ് സെക്രട്ടറി ധനകാര്യം

ബി.ജി. എ.ആർ
(പേൻ - 100495)
ജോയിന്റ് സെക്രട്ടറി
ധനകാര്യ വകുപ്പ്
ഗവ: സെക്രട്ടേറിയറ്റ്
തിരുവനന്തപുരം

കേരള സർക്കാർ
ധനകാര്യ (ബജറ്റ് വിംഗ് എഫ്) വകുപ്പ്

2015 മാർച്ച് 31-ന് അവസാനിച്ച സാമ്പത്തിക വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച സി & എ.ജി. റിപ്പോർട്ടിലെ ഖണ്ഡികകളിന്മേൽ പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റി (2019-21) ആവശ്യപ്പെട്ട അധിക വിവരങ്ങൾ

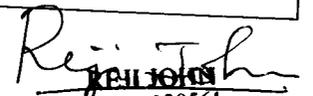
ഖണ്ഡിക നം.	ആവശ്യപ്പെട്ട അധിക വിവരം	അധിക വിവരം
<p>2.3.5.3 ധനകാര്യ വകുപ്പുതലം</p>	<p>വരവുചെലവുകളുടെ നിയന്ത്രണത്തിനായി നടപ്പാക്കിയിട്ടുള്ള IFMS (Integrated Financial Management System)-ന്റെ നേട്ടം എന്താണെന്നും പൂർണ്ണതോതിൽ നടപ്പിലാക്കിക്കഴിഞ്ഞോ എന്നും വ്യക്തമാക്കുക.</p>	<p>സംസ്ഥാന ഗവണ്മെന്റിന്റെ വരവ് ചെലവ് കണക്കുകളുടെ തൽസമയ സ്ഥിതി നിരീക്ഷിക്കുന്നതിനും ബജറ്റിന്റേയും സാമ്പത്തിക കാര്യ മാനേജ്മെന്റിന്റേയും കാര്യക്ഷമത വർദ്ധിപ്പിക്കുന്നതിനുമായാണ് വിവരസാങ്കേതികവിദ്യാധിഷ്ഠിത സംവിധാനമായ Integrated Financial Management System (IFMS) നടപ്പിലാക്കിയിട്ടുള്ളത്. വകുപ്പുകളിൽ നിന്നും ബജറ്റ് ശുപാർശകൾ ശേഖരിക്കൽ, ബജറ്റ് തയ്യാറാക്കൽ, ബജറ്റ് തുകകളുടെ അലോക്കേഷൻ, വിവിധ ബില്ലുകൾ തയ്യാറാക്കൽ, Ways and Means കൈകാര്യം ചെയ്യൽ തുടങ്ങിയ ആവശ്യങ്ങൾക്കായി Budget Monitoring System (BMS), Budget 2.0, Budget Allocation and Monitoring System (BAMS), Bill Information and Management System (BiMS), Ways And Means (WAMS) തുടങ്ങിയ വിവിധ ആപ്ലിക്കേഷനുകൾ വികസിപ്പിച്ചിട്ടുണ്ട്. ബജറ്റ് വിഹിതത്തിന്റെ ലഭ്യത/ധനവകുപ്പ് അനുമതി എന്നിവക്ക് വിധേയമായി മാത്രം ബജറ്റ് ശീർഷകങ്ങളിൽ നിന്നും തുക പിൻവലിക്കുക, ക്ലെയിമുകളുടെ കൃത്യത ഉറപ്പുവരുത്തുന്നതിനായി ഓൺലൈൻ ബില്ലുകൾ തയ്യാറാക്കൽ, സംസ്ഥാന അക്കൗണ്ടിലേക്ക് ഓൺലൈനായി തുക ഒടുക്കുക തുടങ്ങിയ സൗകര്യങ്ങൾ ഇതിന്റെ ഭാഗമായി ലഭ്യമാക്കിയിട്ടുണ്ട്. ബജറ്റ് / മറ്റ് സാമ്പത്തിക കാര്യങ്ങൾ എന്നിവ കൈകാര്യം ചെയ്യുന്ന വിവിധ തലങ്ങളിലെ കാര്യക്ഷമത, കൃത്യത, വേഗത, അച്ചടക്കം തുടങ്ങിയവ ഉറപ്പ് വരുത്തുന്നതിന് ഇത് സഹായിക്കുന്നു. വകുപ്പുകൾക്ക് അനുവദിച്ചിട്ടുള്ള ബജറ്റ് വിഹിതം, സബ് ഓഫീസുകളിലെക്കുള്ള അലോട്ട്മെന്റ്, അലോട്ട്മെന്റിൽ നിന്നുള്ള യഥാർത്ഥ ചെലവ്, മുൻ വർഷങ്ങളുമായി ബന്ധപ്പെട്ട പ്രസ്തുത വിശദാംശങ്ങൾ തുടങ്ങിയവ ഇതിന്റെ ഭാഗമായി ഓരോ നിയന്ത്രണാധികാരിക്കും ലഭ്യമാണ്. ആയതിനാൽ</p>

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**GOVERNMENT OF KERALA
FINANCE (BUDGET WING -D) DEPARTMENT**

**STATEMENT OF ACTION TAKEN ON RECOMMENDATIONS CONTAINED IN THE AUDIT REPORT ON STATE FINANCES
FOR THE YEAR ENDED ON 31 MARCH 2015**

Sl. No.	Para No. of report	Recommendations of the audit report	Action Taken by the Government
1.	2.3.6	<p>Supplementary provisions aggregating to Rs.1,029.57 Crore, obtained in 23 Grants (Rs. One crore or more in each case) during the year, proved unnecessary as the expenditure did not come up to the level of even the original provisions as detailed in Appendix 2.5. It was also observed that in six out of above 23 Grants, supplementary grants were obtained while more than 50 per cent of the original provision remained unutilized as shown in Table 2.6.</p> <p>In view of the final savings, supplementary allocations obtained in 22 Grants under Revenue (Voted) Section could have been avoided as the additional budget allocations were sought for all the existing schemes.</p> <p>In five Grants under Revenue (voted) Section, supplementary allocations obtained for new services during March 2015 could have been limited to token provision as the final expenditure was less than the original budget allocation.</p>	<p>Based on the recommendations of Administrative Department, Supplementary provisions are being sanctioned through plan/ non-plan accounts of various Demands for Grants, for the smooth functioning and execution of various projects in the State. Due to the lack of an efficient budget management system during 2014-15 fiscal year, the department was unable to estimate the accurate details of the expenditure in various heads of account. The details of expenditure from the allotment to sub-offices were therefore, unavailable and that was one of the reasons for infirmity to calculate the actual requirements.</p> <p>Since the implementation of Budget Allotment Management System (BAMS) and Bill information Management System (BiMS), provisions are made through a fully web-based system from fiscal year 2017-18. Consequently, the absolute information on the total amount spent through concerned heads of account from various offices can be monitored by the Controlling Officers. Based on the efficient use of BAMS and BiMS, the department will be able to evaluate, all the expenditure can be checked for budget more accurately and the monthly cash flows are controlled against pre-determined targets, the need for additional payments can be monitored and thereby eliminate the instances of Unnecessary/ Excessive supplementary provision of funds.</p>


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 PEN - 100561
 Joint Secretary
 Finance Department
 Govt. Secretariat
 Thiruvananthapuram

കേരള സർക്കാർ
ധനകാര്യ (ബജറ്റ് വിംഗ് എഫ്) വകുപ്പ്

2015 മാർച്ച് 31-ന് അവസാനിച്ച സാമ്പത്തിക വർഷത്തെ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയെ സംബന്ധിച്ച സി & എ.ജി. റിപ്പോർട്ടിലെ ഖണ്ഡ ക്രമീകരണ പബ്ലിക് അക്കൗണ്ട്സ് കമ്മിറ്റി (2019-21) ആവശ്യപ്പെട്ട അധിക വിവരങ്ങൾ

ഖണ്ഡിക നം.	ആവശ്യപ്പെട്ട അധിക വിവരം	അധിക വിവരം
<p>2.3.8</p> <p>ബജറ്റ് വകയിരുത്തലുകളുടെ തിരിച്ചടയ്ക്കൽ</p>	<p>ധനവകുപ്പിന്റെ നിർദ്ദേശപ്രകാരമുള്ള (Circular No. 90/2013/Fin dated 08/11/2013) വരവുചെലവുകൾക്രമീകരിക്കാനുള്ള പദ്ധതി രൂപീകരിക്കുന്നതിന് എന്തെങ്കിലും നടപടി സ്വീകരിച്ചിട്ടുണ്ടോ?</p>	<p>വിവിധ സർക്കാർ വകുപ്പുകൾക്ക് അനുവദിക്കുന്ന ബജറ്റ് വിഹിതം സബ്-ഓഫീസുകളിലേക്ക് അലോട്ട് ചെയ്യുന്നതിനും പ്രസ്തുത അലോട്ട്മെന്റുകളിൽ നിന്നും ബില്ലുകൾ തയ്യാറാക്കുന്നതിനുമായി വിവരസാങ്കേതികാധിഷ്ഠിത സംവിധാനമായ Integrated Financial Management system (IFMS)ന്റെ ഭാഗമായി Budget Allocation and Monitoring System (BAMS)/Bill Information and Management System (BiMS) തുടങ്ങിയ പുതിയ ഓൺലൈൻ ആപ്ലിക്കേഷനുകൾ വികസിപ്പിച്ചിട്ടുണ്ട്. ഓരോ വകുപ്പിനും അനുവദിച്ചിട്ടുള്ള ബജറ്റ് വിഹിതം, അവയിൽ നിന്നുള്ള അലോട്ട്മെന്റ്, ചെലവ് എന്നിവയുടെ തത്സമയ വിശദാംശങ്ങൾ ഈ ആപ്ലിക്കേഷനുകളിൽ നിന്നും ലഭ്യമാണ്. സംസ്ഥാന അക്കൗണ്ടിലേക്കു തുകകൾ online ആയി ഒടുക്കുന്നതിനു e-treasury സംവിധാനവും നടപ്പിലാക്കിയിട്ടുണ്ട്. ഈ വിവര സാങ്കേതികാധിഷ്ഠിതമായ സംവിധാനങ്ങൾ വഴി ബജറ്റ് വിഹിതത്തിന്റെ ലഭ്യത/ധനവകുപ്പ് അനുമതി എന്നിവയുടെ അടിസ്ഥാനത്തിൽ ബജറ്റ് ശീർഷകത്തിൽ നിന്നും തുകകൾ പിൻവലിക്കുക, ട്രഷറിയിൽ സമർപ്പിക്കുന്നതിന് കൃത്യതയോടെ ബില്ലുകൾ തയ്യാറാക്കുക, സംസ്ഥാനത്തിന്റെ വരവുകൾ കൃത്യമായി നിരീക്ഷിക്കുക തുടങ്ങി ബജറ്റിന്റെയും സാമ്പത്തിക കാര്യ മാനേജ്മെന്റിന്റെയും കാര്യക്ഷമത വർദ്ധിപ്പിക്കുന്നതിനു കഴിഞ്ഞിട്ടുണ്ട്. വരവ്-ചെലവ് റണക്കുകളുടെ തത്സമയ വിശദാംശങ്ങൾ ഇവയിലൂടെ വകുപ്പുദ്യോഗസ്ഥർക്കു ലഭ്യമായതിനാൽ റീ-അലോട്ട്മെന്റ്, ധനപുനർവിനിയോഗം, മിച്ചം വന്ന തുകകൾ സറണ്ടർ ചെയ്യൽ തുടങ്ങിയ ബജറ്റ് അനുബന്ധ നടപടികൾ കൂടുതൽ കൃത്യതയോടെ ചെയ്യാൻ സാധിക്കും. ബജറ്റ് പ്രഖ്യാപനത്തിലുൾപ്പെട്ട പദ്ധതികളുടെ തുടർനടത്തിപ്പ് ഉറപ്പുവരുത്തുന്നതിനായി Budget speech/Reply speech എന്ന module, Budget Monitoring System (BMS)-ൽ ഉൾപ്പെടുത്തിയിട്ടുണ്ട്. ഇതുവഴി പ്രസ്തുത പദ്ധതികളുടെ പുരോഗതി വിലയിരുത്തുന്നതിനും സമയ ബന്ധിതമായി നടപടികൾ സ്വീകരിക്കുന്നതിനും വകുപ്പുകൾക്കു കഴിയുന്നതാണ്.</p>

Signature valid

Digitally signed by SUREEL KUMAR V
Date: 2020.12.04 11:18:27 IST
Reason: Approved

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Government of Kerala
Finance Department

**Remedial Measure Report on Para No.2.4.2 contained in the Report of the
Comptroller and Auditor General of India on State Finances for the year ended March 2015**

Serial No.	Para No.	Observations / Recommendations	Remedial Measure Report
1	2.4.2	<p>According to paragraph 74 of the Kerala Budget Manual, the expenditure recorded in the books of the Controlling Officer of the department should be reconciled every month with that recorded in the books of the PAG (A&E), Kerala to exercise effective control over expenditure and to keep it within the budget grants and also to ensure accuracy of their accounts. During the year, reconciliation for 73.46 per cent of the total receipts (Rs. 30,107.68 crore out of Rs.40,984.93 crore excluding the figures maintained by the PAG (A&E) and 66.04 per cent of the total expenditure (Rs. 42,881.43 crore out of Rs. 64,935.26 crore excluding the figures maintained by the PAG (A&E) were completed. However, 40 Chief Controlling Officers, whose total transactions exceeded Rs.50 crore did not reconcile their expenditure with the accounts maintained by PAG (A&E) as shown in Appendix 2.13. This was not only in violation of the provisions of paragraph 74 of Kerala Budget Manual but also indicative of doubts about the correctness of the expenditure figures supplied by departments concerned and the figures booked by PAG (A&E), Kerala.</p>	<p>As per G.O.(P) 476/2013/Fin, Dated 13/09/2013 all Controlling Officers were instructed to comply with the instructions from Finance Department scrupulously and send reconciliation certificates with detailed explanation of omissions, mistakes and misclassification, if any, both on expenditure and receipt side to the Head of the Department/ Chief Controlling Officer before 15th of the succeeding month. All Heads of Departments / Chief Controlling Officers should submit the complied monthly reconciliation certificate of the department to the office of the Accountant general by the end of the succeeding month without fail.</p> <p>In order to enable the Finance Department to undertake periodic review of the progress in monthly reconciliation of figures, all Heads of Department / Chief Controlling Officers were directed to submit a quarterly progress report of reconciliation in the prescribed proforma to Government in Finance (Inspection NT-K) Department before 31st August (reconciliation of accounts up to June), 30th November (reconciliation of accounts up to September), 28th /29th February (reconciliation of accounts up to December) and 31st May (reconciliation of accounts up to March) of every financial year.</p>

The District Officers of all departments should furnish a copy of the quarterly progress report to the District Finance Inspecting Officer (DFIO) attached to the District Head Quarters.

It has also been informed through the above Government Order that the Government will be constrained to initiate stringent steps like withholding of salary of Drawing and Disbursing Officers who are found responsible for the default on the timely reconciliation and will have to consider freezing of allotment to those departments, which are quite reluctant in adhering to Government directions in this regard.

In order to enable speedy access to figures booked by the Accountant General, all the Heads of Departments/ Chief Controlling Officers were instructed to create an e-mail address and forward the same to the office of the Accountant General within a fortnight. All those departments which have not created the e-mail addresses and communicated the same to the office of the Accountant General on time have done so promptly following the stringent instructions given after the inspections held in those offices in this regard. Presently the Compilation Sheet required for reconciliation could be downloaded from the website of Accountant General by the departmental officials concerned after logging-in using their User ID and Password.

Subsequently related departmental authorities were given stringent instructions to complete the reconciliation procedure expeditiously through different circulars – Circular No. 43/2015/Fin, Dated 07/04/2015; Circular No. 50/2016/Fin, Dated

09/06/2016; Circular No. 95/2016/Fin, Dated 28/12/2016; Circular No. 29/2017/Fin, Dated 29/04/2017 & Circular No.63/2018/Fin, dated 13/07/2018.

Chief Controlling Officers (CCOs) , listed in the Appendix 2.13 of the report of CAG, who have defaulted in timely reconciliation have been instructed through DO Letters to complete reconciliation of their respective accounts forthwith.

In order to speed up the reconciliation process a new module named ' Reconciliation Reports ' has been operationalised in the 'Bill Section' of the BiMS (Bill Information System) web application in the website of Finance Department through the afore mentioned Circular No.63/201/Fin, Dated 13/07/2018. After logging-in to this application Drawing and Disbursing Officers (DDOs) could generate a report regarding SPARK bills and other bills with the aid of this module. This report could in turn be used to cross verify with the entries in the bill books. Thus, this will dispense with the requirement of DDOs visiting the Treasuries for reconciliation and will speed up the whole reconciliation process. Finance (Inspection Wing) Department and District Finance Inspection Squads were instructed to conduct surprise inspections in those offices which have committed undue delay in reconciliation of accounts to fix responsibility against the delinquent officers for non-compliance of the instructions in time.

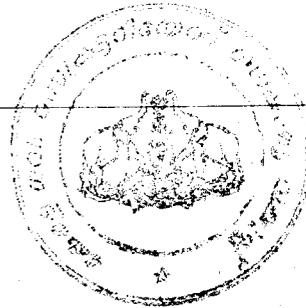
Moreover a Circular No.54/2019/Fin, dated 25/05/2019 has been issued recently with strict and detailed

instructions to all CCOs for forwarding the pending reconciliation certificates upto the year 2018-19 pertaining to their respective departments without any further delay.

Presently, DDO-wise details of bills are available in the BIMS web-application whereas CCO-wise details are available in the portal of Accountant General. So both of them has to be integrated in a unified format so as to enable online DSC based generation of Reconciliation Certificates using the CCO-wise details. Earnest efforts are on to roll out this system forthwith as part of Integrated Financial management System (IFMS) and further strengthen the reconciliation process.

Along with that instructions are being conveyed through e-mail, telephone, etc to the Controlling Officers who have defaulted in timely submission of reconciliation certificates as per the updated year-wise pendency list (as on 01/011/2019) provided by the AG(A&E).

It is humbly conveyed that the observations in the PAC report are considered with utmost seriousness and all possible remedial measures are being taken for making the reconciliation process more efficient.



മധ്യസ്ഥനൻ നായർ എ
ജോയിന്റ് സെക്രട്ടറി
ധനകാര്യ വകുപ്പ്
തമ്പുരാൻ സെക്രട്ടേറിയറ്റ്
തിരുവനന്തപുരം.

ACTION TAKEN REPORT OF COMPTROLLER & AUDITOR GENERAL OF INDIA
FOR THE YEAR ENDED ON 31ST MARCH 2015 (STATE FINANCE)

Sl. No	RECOMMENDATION	
1	<p>Re-appropriation of funds</p> <p>Re-appropriation is transfer of Funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.</p> <p>Augmentation of funds through re-appropriation was resorted to by Departmental officers.</p> <p>However, audit analysis revealed that</p> <ul style="list-style-type: none"> • augmentation of budget allocation was wholly unnecessary in some sub-heads as the final expenditure was less than the budget allocation (original and supplementary grant) provided under it; and • In some cases, though the augmentation was done through re-appropriation, it was either in excess of the actual requirement or less than the actual requirement. <p>Failure of the departmental officers in assessing the actual requirement of funds for</p>	<p>The expenditure is actually within the respective head of accounts and it is limited to actuals. When consolidated, savings exceeds due to the shortfall in activated pending bill payments. But re-appropriation is sought to regularize the excess expenditure incurred under wages. This occurs due to the booking of expenditure at DH level. This system of booking of accounts at DH level is followed for keeping transparency in accounting”.</p>

	executing of the scheme/activity has resulted in unavoidable savings/excess under these sub-heads as detailed as appendix 2.7				
Appendix 2.7					
Unnecessary/Excessive/ Insufficient re-appropriation of funds (in excess of Rs. One crore)					
(Rs. In crore)					
	Scheme/Activity	Budget Allocation	Final Expenditure	Net Re-appropriation	Excess (+) / Savings (-)
	Unnecessary re-appropriation				
	2702-01-800-94 Minor Irrigation Projects Maintenance-NP-V	63.80	34.40	2.13	-31.53



A.R. BINDU
JOINT SECRETARY (FINANCE)

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APPENDIX III APPENDICES FROM AG's REPORT

Appendices

Appendix 1.2

Part A : Structure and form of Government Accounts

(Reference: Paragraph 1.1; Page 2)

Structure of Government Accounts: The accounts of the State Government are kept in three parts: (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of the State' established under Article 266 (1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267 (2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

Part B : Layout of Finance Accounts

The Finance Accounts have been divided into two volumes. Volume 1 presents the financial statements of the Government in a summarised form while the details are presented in Volume 2.

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

Appendix 1.3

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

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

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

	2010-11	2011-12	2012-13	2013-14	2014-15
GSDP ³⁵ (₹ in crore)	2,63,773	3,12,677	3,47,841	3,96,282	4,51,483
Growth rate of GSDP	13.70	18.54	11.25	13.93	13.93

Source : Details furnished by the Director of Economics and Statistics of the State Government. The figures for 2012-13 are provisional and that for 2013-14 are Quick Estimates. The figures for 2014-15 furnished by the Director of Economics and Statistics of the State Government.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] \times 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] \times 100$
Interest spread	GSDP growth rate – Average Interest Rate
Quantum spread	Debt stock x Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] \times 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenues (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Domar Gap	Nominal GSDP Growth Rate - Average interest Rate

³⁵ Base year 2004-05

Appendix 1.3

Part B : The Kerala Fiscal Responsibility Act

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 Thirteenth Finance Commission has prescribed a fiscal consolidation map which required the State to eliminate revenue deficit by 2014-15 and to achieve fiscal deficit of 3 per cent of GSDP by 2013-14. The State was also required to amend their Fiscal Responsibility Act to conform to the above fiscal reform path. Accordingly, 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 gross state domestic product,
- build up surplus amount of revenue and utilise such amount for discharging liabilities in excess of assets;
- reduce the fiscal deficit to 3 per cent of the estimated gross state domestic product 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 gross state domestic product in the years 2011-12 and 2012-13 and reducing it to 3 per cent in 2013-14;
- reduce the State's total debt liabilities to 29.8 per cent of the estimated gross domestic product within a period of four years commencing on the 1 April, 2011 and ending with the 31 March, 2015 by reducing the total debt liability in the years of 2011-12, 2012-13, 2013-14 and 2014-15 to the order of 32.3 per cent, 31.7 per cent, 30.7 per cent and 29.8 per cent respectively of the gross state domestic product;

Outcome indicators given in the Medium Term Fiscal Plan for 2014-15 to 2016-17 are given in the following table.

**Outcome indicators set out in the Medium Term Fiscal Plan for the years
2014-15 to 2016-17**

(₹ in crore)

Sl. No.	Item	2011-12 Accounts	2012-13 Accounts	2013-14 Revised Estimates	2014-15 Budget Estimates	Forward estimates	
						2015-16	2016-17
1.	Revenue Receipts	38010	44137	54966	64842	75418	87724
1 (a)	State's Own Tax Revenue	25719	30077	35543	42467	49687	58134
1 (b)	Non Tax Revenue	2592	4198	5613	6337	7288	8381
1 (c)	Resources from Centre	9700	9862	13810	16037	18443	21209
2.	Revenue Expenditure	46045	53489	61175	71974	82995	95165
2 (a)	Non-interest Revenue Expenditure	39751	46284	53004	62376	72569	83460
2 (b)	Interest	6294	7205	8172	9598	10426	11705
2 (c)	Salaries	16029	17257	19124	23133	27929	33454
2 (d)	Pensions	8700	8867	9770	11370	13502	16003
2 (e)	Non - SPI Revenue Expenditure	15022	20160	24110	27873	31138	34003
2 (e) (i)	Subsidies	1002	1265	1183	969	1065	1172
2 (e) (ii)	Power Subsidy	0	0	0	0	0	0
2 (e) (iii)	Maintenance and repairs	755	1118	955	837	920	1012
2 (e) (iv)	Devolution to LSGs	3897	4739	6264	7269	8474	9072
2 (e) (v)	Administrative Expenditure	1633	2036	2220	2828	3111	3422
2 (e) (vi)	Other Revenue Expenditure	7736	11001	13488	15970	17567	19324
3.	Revenue Surplus/Deficit	-8034	-9352	-6209	-7132	-7577	-7441
4.	Effective Revenue Surplus/Deficit	-5263	-6246	-1890	-2053	-2052	-2051
5.	Capital Expenditure	4851	5739	7089	7440	8848	11086
5 (a)	Capital outlay	3853	4603	5901	6636	7964	10114
5 (b)	Loan disbursements (Net)	999	1136	1188	804	884	972
5 (c)	Non Debt Capital Receipts	71	88	157	173	191	210
6.	Fiscal Deficit/Surplus	-12815	-15003	-13141	-14398	-16234	-18317
7.	Primary Fiscal Deficit/Surplus	-6521	-7798	-4970	-4800	-5808	-6612
8.	End of the period Debt	84046	96490	110069	124078	139566	156700
9.	Debt Service	6304	7205	8172	9598	10426	11705
10.	Salary + Pension + Interest	31023	33329	37065	44101	51857	61162
11.	Explicit Power subsidy	0	0	0	0	0	0
12.	Debt Stock	89418	103561	116577	131579	147554	165846
13.	Government Guarantees	8277	9100	9579			
14.	Interest/ Revenue (per cent)	16.56	16.32	14.87	14.8	13.82	13.34
15.	Debt/ Revenue (per cent)	235.25	234.63	212.09	202.92	195.65	189.05
16.	(Salary + Pension + Interest)/ Revenue (per cent)	81.62	75.51	67.43	68.01	68.76	69.72
17.	(Salary + Pension + Interest)/ GSDP (per cent)	10.08	9.54	9.2	9.48	9.74	10.03
18.	(Salary + Pension)/ GSDP (per cent)	8.03	7.48	7.17	7.42	7.78	8.11
19.	Revenue Deficit/ Revenue Receipt (per cent)	21.14	21.19	11.30	11.00	10.05	8.48
20.	RD/GSDP (per cent)	2.61	2.68	1.54	1.53	1.42	1.22
21.	FD/GSDP (per cent)	4.16	4.29	3.26	3.1	3.05	3
22.	Effective RD as percentage of GSDP	1.71	1.79	0.47	0.44	0.39	0.34
23.	Debt stock / GSDP (per cent)	29.04	29.64	28.93	28.29	27.71	27.2
24.	GSDP	307906	349338	402972	465073	532508	609722
25.	Nominal GSDP Growth Rate (per cent)	14.26	13.46	15.35	15.41	14.5	14.5
26.	Average Interest rate (per cent)	7.49	7.47	7.42	7.74	7.47	7.47
27.	Domar Gap	6.77	5.99	7.93	7.68	7.03	7.03

Appendix 1.4

Part A : Abstract of receipts and disbursements for the year 2014-15
(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)

Receipts			Disbursements						
2013-14			2014-15	2013-14	2014-15				
	Section - A: Revenue				Non-Plan	Plan	Total		
49176.93	I. Revenue Receipts		57950.47	60485.50	I. Revenue Expenditure	61463.84	10282.59	71746.43	71746.43
31995.01	Own Tax Revenue	35232.50		26605.09	General Services	31298.99	133.76	31432.75	
5575.03	Non-Tax Revenue	7283.69		20979.88	Social Services	17825.01	5893.10	23718.11	
7468.68	State's share of Union Taxes and Duties	7926.29		11709.85	Education, Sports, Art and Culture	11689.62	1100.57	12790.19	
1679.40	Non-Plan Grants	1984.10		3507.54	Health and Family Welfare	3065.39	969.71	4035.10	
1154.23	Grants for State Plan Schemes	4928.90		908.78	Water Supply, Sanitation, Housing and Urban Development	339.16	710.68	1049.84	
1304.58	Grants for Central Plan and Centrally Sponsored Plan Schemes	594.99		56.86	Information and Broadcasting	51.56	12.19	63.75	
				1639.81	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	297.40	1475.23	1772.63	
				632.77	Labour and Labour Welfare	332.44	430.16	762.60	
				2468.98	Social Welfare and Nutrition	1993.72	1194.56	3188.28	
				55.29	Others	55.72		55.72	
				7929.06	Economic Services	5941.84	4255.73	10197.57	
				3892.90	Agriculture and allied activities	2900.98	1420.64	4321.62	
				640.70	Rural Development	359.86	1945.19	2305.05	
				102.68	Special Areas Programmes		135.95	135.95	
				451.76	Irrigation and Flood control	362.85	28.90	391.75	
				225.70	Energy	84.50	20.26	104.76	
				349.13	Industry and Minerals	166.84	281.52	448.36	
				1750.27	Transport	1817.27	119.90	1937.17	
				112.13	Science, Technology and Environment	46.20	65.71	111.91	
				403.79	General Economic Services	203.34	237.66	441.00	
				4971.47	Grants-in-aid and Contributions	6398.00		6398.00	
11308.57	II. Revenue Deficit carried over to Section B		13795.96		Revenue Surplus carried over to Section B				
60485.50	Total - Section A		71746.43	60485.50	Total - Section A	61463.84	10282.59	71746.43	71746.43

Appendix 1.4 Part A – Contd.

(₹ in crore)

Receipts				Disbursements					
2013-14		2014-15	2013-14	2014-15					
	Section B: Others				Non-Plan	Plan	Total		
4692.73	Opening Cash Balance including Permanent	2279.82	0.00	III. Opening Overdraft from Reserve Bank of India			Nil	0	
	III. Advances, Cash Balance Investment and Investment of earmarked funds								
19.19	IV. Miscellaneous Capital Receipts	28.17	4294.33	IV. Capital Outlay	374.05	3880.54	4254.59	4254.59	
			148.03	General Services	48.27	86.39	134.66		
			617.12	Social Services	16.66	858.60	875.26		
			199.28	Education, Sports, Art and Culture	7.08	300.25	307.33		
			130.32	Health and Family Welfare	0.63	192.57	193.20		
			75.36	Water Supply, Sanitation, Housing and Urban Development	8.95	119.35	128.30		
			1.89	Information and publicity		5.29	5.29		
			33.28	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		40.22	40.22		
			38.74	Social Welfare and Nutrition		50.30	50.30		
			138.25	Other Social Services		150.62	150.62		
			3529.18	Economic Services	309.12	2935.55	3244.67		
			245.70	Agriculture and allied activities	73.84	324.58	398.42		
			28.14	Other rural development programmes	58.27	159.94	218.21		
			342.39	Irrigation and Flood Control	21.81	248.43	270.24		
			3.40	Power projects		0.86	0.86		
			342.24	Industry and Minerals	1.25	258.98	260.23		
			1935.44	Transport	148.68	1756.03	1904.71		
			0.25	Science, Technology and Environment		0.30	0.30		
			631.62	General Economic Services	5.27	186.43	191.70		

Appendix 1.4 Part A – Concl'd.

(₹ in crore)

Receipts				Disbursements			
2013-14		2014-15	2013-14	2014-15			
103.75	V. Recoveries of Loans and Advances	123.74	1464.17	V. Loans and Advances Disbursed			743.09
--	From Power Projects		0.00	For Power Projects		--	
59.87	From Government Servants	79.27	207.39	To Government Servants		208.55	
43.88	From Others	44.47	1256.78	To Others		534.54	
	VI. Revenue Surplus brought down		11308.57	VI. Revenue Deficit brought down			13795.96
14461.18	VII. Public Debt Receipts	18509.17	3244.81	VII. Repayment of Public Debt			5842.77
13950.24	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft	15105.63	2774.30	Internal Debt other than Ways and Means Advances, Shortfall and Overdraft		2842.07	
118.93	Net transactions under Ways and Means Advances excluding overdraft	2651.07	118.93	Net transactions under Ways and Means advances excluding overdraft		2651.07	
392.01	Loans and Advances from Central Government	752.47	351.58	Repayment of Loans and Advances to Central Government		349.63	
	VIII. Appropriation from the Consolidated Fund			VIII. Appropriation to Contingency Fund			
	IX. Amount transferred to Contingency Fund		67.39	IX. Expenditure from Contingency Fund			
124374.44	X. Public Account Receipts	141521.71	120992.20	X. Public Account Disbursements			136242.59
29472.54	Small Savings, Provident Funds, etc.	35107.65	25240.68	Small Savings, Provident Funds, etc.		31342.88	
385.01	Reserve Funds	290.66	307.00	Reserve Funds		224.65	
9865.64	Deposits and Advances	11248.34	9678.20	Deposits and Advances		9883.84	
75728.65	Suspense and Miscellaneous	86166.80	76675.24	Suspense and Miscellaneous		86108.90	
8922.60	Remittances	8708.26	9091.08	Remittances		8682.32	
	XI. Closing Overdraft from Reserve Bank of India		2279.82	XI. Cash Balance at end			1651.00
			2.69	Cash in Treasuries		4.47	
			1.07	Local Remittances		1.02	
			-2.23	Deposits with Reserve Bank		-11.07	
			2.26	Departmental cash balance including Permanent Advance		2.09	
			764.31	Cash Balance Investment		147.05	
			1511.72	Investment from earmarked funds		1507.44	
143651.29	Total – Section B	162530.00	143651.29	Total – Section B			162530.00

Appendix 1.4
Part B : Summarised financial position of the Government of Kerala
as on 31 March 2015
(Reference: Paragraphs 1.1.1; Page 2 and 1.10.1; Page 36)

(₹ in crore)

As on 31 March 2014	Liabilities	As on 31 March 2015
76804.34	Internal Debt	89067.91
60183.33	Market Loans bearing interest	71960.10
0.05	Market Loans not bearing interest	0.05
2501.88	Loans from Life Insurance Corporation of India	2227.40
274.48	Loans from General Insurance Corporation of India	253.00
2027.39	Loans from National Bank for Agriculture and Rural Development	2254.32
165.34	Loans from National Co-operative Development Corporation	333.32
370.70	Loans from other institutions	233.86
11281.17	Special securities issued to National Small Savings Fund of the Central Government	11805.86
6662.22	Loans and Advances from Central Government	7065.05
1.16	Pre 1984-85 Loans	1.16
24.08	Non-Plan Loans	22.04
6636.98	Loans for State Plan Schemes	7041.85
(*)	Loans for Central Plan Schemes	(*)
-	Loans for Centrally Sponsored Plan Schemes	
32.61	Contingency Fund(Net)	100.00
35542.51	Small Savings, Provident Funds, etc.	39307.29
4702.40	Deposits	6066.92
1881.16	Reserve Funds	1947.16
1146.95	Suspense and Miscellaneous	1204.85
126772.19	Total	144759.18

(*) ₹ 7,000 only.

Appendix 1.4 – Part B Concl'd.

(₹ in crore)

As on 31 March 2014	Assets		As on 31 March 2015
33845.52³⁶	Gross Capital Outlay on Fixed Assets -		38071.94
5632.84	Investments in shares of Companies, Corporations, etc.	6085.13	
28212.68	Other Capital Outlay	31986.81	
11713.15³⁶	Loans and Advances -		12332.50
2661.64	Loans for Power Projects	2661.64	
8554.40	Other Development Loans	9044.93	
497.11	Loans to Government servants and Miscellaneous loans	625.93	
0.34	Advances		0.36
602.39	Remittance Balances		576.44
108.55	Adjustment on account of retirement/disinvestment		136.72³⁷
2279.82	Cash -		1651.00
3.76	Cash in Treasuries and Local Remittances	5.49	
-2.23	Deposits with Reserve Bank	-11.07	
1.93	Departmental Cash Balance	1.74	
0.33	Permanent Advances	0.35	
764.31	Cash Balance Investments	147.05	
1511.72	Reserve Fund Investments	1507.44	
78222.42	Deficit on Government Account -		91990.22
66933.02	Accumulated deficit at the beginning of the year	78222.42	
11308.57	Add: (i) Revenue Deficit of the current year	13795.96	
0.02	(ii) Miscellaneous Government account	0.01	
19.19	Less: Miscellaneous Capital Receipts	28.17	
126772.19	Total		144759.18

Explanatory Notes

The abridged accounts in Appendix 1.4 have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.4 indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable, depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payment made on behalf of the State and others pending settlement, etc. There was a difference of ₹11.85 crore (debit) between the figures reflected in the accounts (credit item ₹11.07 crore) and that communicated by the Reserve Bank of India (credit item ₹0.78 crore). The net debit of ₹11.85 crore is under reconciliation.

³⁶ Balance as on 31 March 2014 differ from those shown in the previous year's account due to *pro forma* adjustment of ₹7.98 crore for conversion of loans into share capital which were explained in foot notes (b), (c) and (d) of Statement no.1 of Finance Accounts 2014-15.

³⁷ Represents the adjustments consequent on reducing the capital outlay due to retirement of capital *vide* foot note (k) of Statement no.12 of Finance Accounts 2014-15.

Appendix 1.5
Time series data on the State Government finances
(Reference: Paragraph 1.3; Page 8 and Paragraph 1.10.2; Page 36)

(₹ in crore)

Particulars		2010-11	2011-12	2012-13	2013-14	2014-15
Part A: Receipts						
1.	Revenue Receipts	30991	38010	44137	49177	57950
(i)	Tax Revenue	21722 (70)	25719 (67)	30077 (68)	31995 (65)	35232 (61)
	Taxes on Agricultural Income	47 ³⁸	43 ³⁸	19 ³⁸	22 ³⁸	9 ³⁸
	Taxes on Sales, Trade, etc.	15833 (73)	18939 (74)	22511 (75)	24885 (78)	27908 (79)
	State Excise	1700 (08)	1883 (7)	2314 (8)	1942 (6)	1777 (5)
	Taxes on Vehicles	1331 (06)	1587 (6)	1925 (6)	2161 (7)	2365 (7)
	Stamps and Registration fees	2552 (12)	2987 (12)	2938 (10)	2593 (8)	2659 (8)
	Land Revenue	56 ³⁸	61 ³⁸	122 ³⁸	89 ³⁸	139 ³⁸
	Other Taxes	203 (01)	219 (1)	248 (1)	303 (1)	375 (1)
(ii)	Non Tax Revenue	1931 (6)	2592 (7)	4198 (10)	5575 (11)	7284 (12)
(iii)	State's share in Union taxes and duties	5142 (17)	5990 (16)	6841 (15)	7469 (15)	7926 (14)
(iv)	Grants in aid from Government of India	2196 (7)	3709 (10)	3021 (7)	4138 (9)	7508 (13)
2.	Miscellaneous Capital Receipts	25	16	15	19	28
3.	Recovery of Loans and Advances	44	55	74	104	124
4.	Total revenue and Non debt capital receipts (1+2+3)	31060	38081	44226	49300	58102
5.	Public Debt Receipts	7189	9799	13261	14461	18509
	Internal Debt (excluding Ways & Means Advances and Overdraft)	6828 (95)	9392 (96)	12709 (96)	13950 (96)	15106 (82)
	Net transactions under Ways and Means Advances excluding Overdraft	...	...	...	119 (1)	2651 (14)
	Loans and advances from Government of India	361 (5)	407 (4)	552 (4)	392 (3)	752 (4)
6.	Total receipts in the Consolidated Fund (4+5)	38249	47880	57487	63761	76611
7.	Contingency Fund Receipts	26	34	21		67
8.	Public Account receipts	73754	95830	105880	124374	141522
9.	Total receipts of State (6+7+8)	112029	143744	163388	188135	218200
Part B: Expenditure/Disbursement						
10.	Revenue Expenditure	34665 (89)	46045 (90)	53489 (90)	60486 (91)	71746 (93)
	Plan	4196 (12)	5327 (12)	6849 (13)	7074 (12)	10282 (14)
	Non-Plan	30469 (88)	40718 (88)	46640 (87)	53412 (88)	61464 (86)
	General Services (incl. Interest payment)	15418 (44)	20300 (44)	22787 (43)	26605 (44)	31433 (44)
	Social Services	12111 (35)	16224 (35)	18878 (35)	20980 (35)	23718 (33)
	Economic Services	4358 (13)	6132 (13)	7808 (15)	7929 (13)	10197 (14)
	Grants-in-aid and Contributions	2778 (8)	3389 (8)	4016 (7)	4972 (8)	6398 (9)
11.	Capital Expenditure	3364 (9)	3853 (8)	4603 (8)	4294 (7)	4255 (6)
	Plan	2766 (82)	3398 (88)	3466 (75)	3497 (81)	374 (9)
	Non-Plan	598 (18)	455 (12)	1137 (25)	797 (19)	3881 (91)
	General Services	119 (4)	162 (4)	147 (3)	148 (3)	135 (3)
	Social Services	479 (14)	595 (16)	562 (12)	617 (15)	875 (21)
	Economic Services	2766 (82)	3096 (80)	3894 (85)	3529 (82)	3245 (76)
12.	Disbursement of Loans and Advances	762 (2)	998 (2)	1136 (2)	1464 (2)	743 (1)
13.	Total (10+11+12)	38791	50896	59228	66244	76744

³⁸ Insignificant

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

Appendix 1.5- Contd.

(`in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Part B: Expenditure/Disbursement					
14. Repayment of Public Debt	1975	2893	2804	3245	5843
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1667	2522	2478	2774	2842
Net transactions under Ways and Means Advances excluding Overdrafts	...	...	...	119	2651
Loans and Advances from Government of India	308	371	326	352	350
15. Appropriation to Contingency Fund	...	...	...	...	...
16. Total disbursement out of Consolidated Fund (13+14+15)	40766	53789	62032	69489	82587
17. Contingency Fund disbursements	34	21	...	67	...
18. Public Account disbursements	70558	91200	100456	120992	136243
19. Total disbursement by the State (16+17+18)	111358	145010	162488	190548	218830
Part C: Deficits					
20. Revenue Deficit (1-10)	3674	8035	9352	11309	13796
21. Fiscal Deficit (4-13)	7731	12815	15002	16944	18642
22. Primary Deficit (21-23)	2041	6521	7797	8679	8872
Part D: Other data					
23. Interest Payments (included in revenue expenditure)	5690	6294	7205	8265	9770
24. Financial Assistance to local bodies, etc.	9798	12099	13716	16138	19944
25. Ways & Means Advances/Overdrafts availed (days)	Nil	Nil	Nil	1	30
Ways and Means Advances availed (days)	Nil	Nil	Nil	1	23
Overdraft availed (days)	Nil	Nil	Nil	Nil	7
26. Interest on WMA/Overdraft	Nil	Nil	Nil	0.02	2
27. Gross State Domestic Product (GSDP) at current prices ³⁹	263773	312677	347841	396282	451483
28. Outstanding Fiscal Liabilities (year-end)	82420	93132	108477	124081	141947
29. Outstanding guarantees (year-end)	7426	8277	9099	9763	11127
30. Maximum amount guaranteed (during the year)	12625	11332	11482	12275	13123
31. Number of incomplete projects/works	241	263	215	228	229
32. Capital blocked in incomplete projects/works ⁴⁰	1117	484	539	759	959

³⁹ GSDP figures are communicated by the Director of Economics and Statistics Department of Government of Kerala. The figures for 2012-13 are provisional and that for 2013-14 are Quick Estimates.

⁴⁰ Represents progressive amount blocked in incomplete projects/works at the end of the year based on figures collected from departmental heads.

Appendix 1.5- Concl'd.

(₹ in crore)

		2010-11	2011-12	2012-13	2013-14	2014-15
Part B: Fiscal Health Indicators						
I	Resource Mobilisation					
	Own Tax revenue/GSDP	8.2	8.2	8.6	8.1	7.8
	Own non-tax revenue/GSDP	0.7	0.8	1.2	1.4	1.6
	Central Transfers/GSDP	2.8	3.1	2.8	2.9	3.4
II	Expenditure Management					
	Total Expenditure/GSDP	14.7	16.3	17.0	16.7	17.0
	Total Expenditure/Revenue Receipts	125.2	133.9	134.2	134.7	132.4
	Revenue Expenditure/Total Expenditure	89.4	90.5	90.3	91.3	93.5
	Revenue Expenditure on Social Services/Total Expenditure	31.2	31.9	31.9	31.7	30.9
	Revenue Expenditure on Economic Services/Total Expenditure	11.2	12.0	13.2	12.0	13.3
	Capital Expenditure/Total Expenditure	8.7	7.6	7.8	6.5	5.5
	Capital Expenditure on Social and Economic Services/Total Expenditure.	8.4	7.3	7.5	6.3	5.4
III	Management of Fiscal Imbalances					
	Revenue deficit/GSDP	(-) 1.4	(-)2.6	(-)2.7	(-)2.9	(-)3.1
	Fiscal deficit/GSDP	(-) 2.9	(-)4.1	(-)4.3	(-)4.3	(-)4.1
	Primary Deficit /GSDP	(-) 0.8	(-)2.1	(-)2.2	(-)2.2	(-)2.0
	Revenue Deficit/Fiscal Deficit	47.5	62.7	62.3	66.7	74.0
IV	Management of Fiscal Liabilities					
	Fiscal Liabilities/GSDP	31.2	29.8	31.2	31.3	31.4
	Fiscal Liabilities/RR	265.9	245.0	245.8	252.3	244.9
	Primary deficit vis-à-vis quantum spread	2709	2792	(-)3885	(-)1303	(-)683
	Debt Redemption (Principal +Interest)/ Total Debt Receipts (in per cent)	91.9	88.8	82.3	86.5	87.6
V	Other Fiscal Health Indicators					
	Return on Investment (per cent)	2.0	1.6	1.1	1.8	1.2
	Balance from Current Revenue	(-) 910	(-)4974	(-)4867	(-)6694	(-)9038
	Financial Assets/Liabilities	0.4	0.4	0.4	0.4	0.4

Appendix 1.6
Receipt and utilisation of GoI Flagship Programmes
(Reference: Paragraph 1.2.2; Page 8)

(₹ in crore)

Sl. No.	Programme/ Scheme and implementing agency	Unutilised balance at the end of March 2014	Amount Received during the year		Interest/ Other receipts	Amount utilised during 2014-15	Unutilised balance at the end of March 2015
			From GoI	From the State			
1	Mahathma Gandhi National Rural Employment Guarantee Scheme – MGNREGS State Mission	16.23	1587.58	40.00	3.05	1599.25	47.61
2	Pradhan Mantri Gram Sadak Yojana – Kerala State Rural Roads Development Authority	31.94	151.41	8.00	3.65	183.88	11.12
3	Rural Housing – Indira Awas Yojana – Poverty Alleviation Unit (Commissioner for Rural Development)	147.53	160.75	53.59	20.29	307.59	74.57
4	Rashtriya Madhyamik Shiksha Abhiyan – Secondary Education Development Authority, Kerala	27.63	24.45	0.00	0.22	37.94	14.36
5	Ajeevika - State Poverty Eradication Mission (Kudumbashree)	20.14	21.78	8.93	0.94	39.29	12.50
6	National Horticulture Mission - Kerala State horticulture Mission	17.95	40.00	0.00	0.50	39.80	18.65
7	National Rural Drinking Water Programme – Kerala Water Authority	56.93	119.56	5.00	0.08	162.03	19.54
8	Sarva Shiksha Abhiyan – Primary Education Development Society of Kerala	41.51	218.44	140.99	4.32	271.64	133.62
9	Swarna Jayanthi Shahari Rozgar Yojana – State Poverty Eradication Mission (Kudumbashree)	26.93	0.00	7.50	2.45	4.18	32.70
10	National Rural Health Mission – State Health and Family Welfare Society	112.34	192.55	112.24	86.52	411.73	91.92
11	Rashtriya Swasthya Bima Yojana – Comprehensive Health Insurance Agency of Kerala	0.00	114.83	34.36	0.00	149.19	0.00
12	Integrated Watershed Management Programme – Poverty Alleviation Unit (Commissioner for Rural Development)	16.97	15.16	1.68	1.22	30.09	4.94
Total		516.10	2646.51	412.29	123.24	3236.61	461.53

Appendix 1.7
Gross collection in respect of major taxes and duties vis-à-vis budget estimates and the expenditure incurred on their collection
(Reference: Paragraph 1.3.3; Page 12)

(₹ in crore)

Sl. No.	Head of revenue	Year	Budget Estimate	Collection	Expenditure on collection of revenue	Percentage of expenditure to gross collection	All India average percentage of expenditure to gross collection
1.	Tax on sales, trade etc.	2010-11	15125.69	15833.11	115.61	0.73	0.75
		2011-12	19427.90	18938.83	166.55	0.88	0.83
		2012-13	23450.52	22511.09	162.05	0.72	0.73
		2013-14	28456.62	24885.25	178.23	0.72	0.88
		2014-15	31913.47	27908.33	210.16	0.75	Not available
2.	Stamps (non-judicial) and registration fees	2010-11	2095.43	2477.19	101.56	4.10	1.60
		2011-12	3148.42	2906.90	144.85	4.98	1.89
		2012-13	3775.71	2862.06	128.73	4.50	3.25
		2013-14	4086.44	2504.04	135.34	5.40	3.37
		2014-15	3612.37	2560.83	147.11	5.74	Not available
3.	State excise	2010-11	1836.21	1699.54	92.51	5.44	3.05
		2011-12	2059.05	1883.18	144.69	7.68	2.98
		2012-13	2550.65	2313.95	146.81	6.34	2.96
		2013-14	2801.75	1941.72	164.32	8.46	1.81
		2014-15	1513.36	1777.42	187.28	10.54	Not available
4.	Taxes on vehicles	2010-11	1301.88	1331.37	35.55	2.67	3.71
		2011-12	1410.73	1587.13	53.26	3.36	2.96
		2012-13	1694.49	1924.62	58.30	3.03	4.17
		2013-14	2570.65	2161.09	74.61	3.45	6.25
		2014-15	2799.82	2364.95	88.52	3.74	Not available

Appendix 1.8
Statement showing scheme-wise details of shortfall in GoI release
(Reference: Paragraph 1.6.3: Page 15)

(₹ in crore)

Sl. No.	Name of scheme implementing department	Award amount	Amount released	Shortfall (percentage)	Reason for shortfall
1	Forests, The Additional Principal Chief Conservator of Forest (Development), Thiruvananthapuram	135.52	124.25	11.27 (8)	Non- attainment of NPPE projected in the guidelines during 2012-13 and non-submission of UC
2	Water sector management Irrigation	176.00	44.00	132.00 (75)	Only first instalment was received due to non-setting up of independent water regulatory authority and also due to non-attainment of minimum level recovery of water charges
3	Incentive for issuing UID Information Technology Department	49.60	4.96	44.64 (90)	Inability of the State to link UID data with BPL data
4	Preparation of Database of Employees and Pensioners, Finance Department	10.00	2.50	7.50 (75)	Non preparation of pensioner's database and non-integration of SPARK (employee database) with treasury
5	Maintenance of Roads and bridges PWD	953.00	721.00	232.00 (24)	NPPE for the year 2010-11 fell short by ₹21.85 crore against the projected NPPE of ₹574.12 crore
6	District Innovation Fund, District Collector	14.00	7.71	6.29 (45)	Delay in utilisation and submission of UC
7	Improvement of Statistical Systems Economics and Statistics Department	14.00	8.40	5.60 (40)	
8	Disaster Relief(Capacity Building), Revenue Department	20.00	16.00	4.00 (20)	Delay in utilisation and non-furnishing of UC
9	Improvement in Justice Delivery Registrar General of High Court Kerala, Director General of Prosecution, KELSA	140.06	43.09	96.97 (69)	Delay in sanctioning and setting up temporary courts, delay in completion of recruitment process for the appointment of court managers, delay in execution of conservation works of heritage court buildings, delay in setting up of ADR centres etc., resulted in non-attainment of required level of utilisation.
10	Upgradation of Police, Home Department	100.00	90.00	10.00 (10)	Non/delay in furnishing UC and completion certificate of civil works
11	Animal Husbandry, Dairy Development	150.0	74.90	75.10 (50)	
12	Inland Water Ways, Irrigation Department	100.00	72.05	27.95 (28)	

Sl. No.	Name of scheme Implementing department	Award amount	Amount released	Shortfall (percen- tage)	Reason for shortfall
13	Coastal Zone Management, Irrigation Department	100.00	84.73	15.27 (15)	Though, required documents for release of remaining grant was submitted, no funds were received from GoI.
14	Kuttanad Development, Agriculture Department	300.00	203.08	96.92 (32)	
15	Water Bodies, Irrigation Department	50.00	21.53	28.47 (57)	
16	Fisheries, Fisheries Department	200.00	94.66	105.34 (53)	
17	Upgradation of Prisons, Director General of Prison and Correctional Services	154.00	115.50	38.5 (25)	
18	Primitive Tribal Groups, Scheduled Tribes Development Department	148.00	133.20	14.8 (10)	
19	Health Infrastructure, DHS/DME	198.00	148.50	49.5 (25)	
20	Local Bodies (performance Grant) LSGD, Urban Affairs	926.40	792.06	134.34 (15)	
	Total			1136.46	

Appendix 1.9
Release of funds by GoK in excess of GoI release
(Reference: Paragraph 1.6.4: Page 15)

Table A**(₹ in crore)**

Sl. No.	Scheme	Award amount	Release by GoI	Expenditure as of 31.3.2015	Expenditure in excess of GoI release	Remarks
1.	Local Bodies	2676.20	2732.14 ⁴¹	2901.77	169.63	UC had been furnished. But GoI did not release the fund
2.	Health Infrastructure	198.00	148.50	172.62	24.12	
3.	Fisheries	200.00	94.66	160.89	66.23	
4.	Upgradation of Prisons	154.00	115.50	153.09	37.59	
5.	Primitive Tribal Groups	148.00	133.20	136.11	2.91	
	Total	3376.2	3224	3524.48	300.48	

Table B

Sl. No.	Scheme	Award amount	Release by GoI	Expenditure as of 31.3.2015	Expenditure in excess of GoI release	Officer responsible for furnishing UC	Remarks
1.	Forest	135.52	124.25	133.10	8.85	Additional Principal Chief Conservator of Forest (Development)	Non-attainment of projected NPRE
2.	Maintenance of Roads and Bridges	953.00	721.00	728.64	7.64	Chief Engineer, Roads and Bridges	
3.	Water Sector Management	176.00	44.00	57.42	13.42	Non-setting up of independent Water Regulatory Authority	
4.	Incentive Grant for UID	49.60	4.96	14.88	9.92	Secretary to Government, Information Technology Department	Non/Delayed submission of UC
5.	Database for Employees and Pensioners	10.00	2.50	2.53	0.03	Principal Secretary to Government, Finance Department	

⁴¹ It includes ₹167.07 crore received on account of forfeited share of non-performing States (2011-2015)

Sl. No.	Scheme	Award amount	Release by Gol	Expenditure as of 31.3.2015	Expenditure in excess of Gol release	Officer responsible for furnishing UC	Remarks
6.	Upgradation of Police	100	90.00	91.90	1.90	Director General of Police and State Police Chief, Police Headquarters, Thiruvananthapuram	Non/Delayed submission of UC
7.	Animal Husbandry	150.00	74.90	149.80	74.90	Director, Dairy Development Department	
8.	Kuttanad Development	300.00	203.08	235.72	32.64	Project Director, Kuttanad Package	
9.	Water Bodies	50.00	21.53	34.73	13.20	Chief Engineer, Irrigation and Administration	
	Total	1924.12	1286.22	1448.72	162.50		
	Grand Total	5300.32	4510.22	4973.20	462.98		

Appendix 1.10
Funds remained un-utilised with Government/implementing agencies
against GoI release as on 31.3.2015
(Reference: Paragraph 1.6.5: Page 15)

(₹ in crore)

Sl. No	Name of scheme	Department	Total amount released	Unutilised funds with		Name of agency	Remarks
				Government	Implementing agency		
1	Renewable Energy	Power	12.5	12.5	0		₹ 12.50 crore received (March 2015) from GoI as incentive for 'Renewable Energy' has not been released so far. The department has not submitted any proposal claiming the amount
2	Improving Justice Delivery	High Court of Kerala, Ernakulam	43.09	2.43	1.54	Kerala legal services Authority	Funds received for setting up of ADR Centres, Legal aid and lok Adalats. Due to procedural delay fund remained unspent.
3	Incentive Grant for Reduction of IMR	Health and Family Welfare	38.38	38.38	0		₹ 14.84 crore received in 2012-13 and ₹10.96 crore in 2013-14 and ₹12.58 crore in 2014-15. Director, Health Services Department failed to claim this amount.
4	District Innovation Fund	District Collectors	7.71	0.71	0		Due to delay in implementation, UC for the first release of ₹ 7 crore was furnished to GoI only in March 2015. Balance of ₹0.71 crore received in March 2015 had not been released by GoK.
5	Improving Statistical Systems at Districts and State Level	Economics and Statistics	8.4	1.46	0		Due to non-attainment of required level of utilization the department surrendered the balance fund to GoK.

Sl. No	Name of scheme	Department	Total amount released	Unutilised funds with		Name of agency	Remarks
				Government	Implementing agency		
6	Disaster Relief - Capacity Building	Revenue Department	16	1.04	8.12	State Disaster Management Authority (₹2 crore), SEOC (₹6.12 crore)	Fund released for establishment of IT infrastructure to SEOC. Agreement has not been signed so far. Fund transferred to SDMA for capacity building of officials in Municipalities/ Panchayats and Beach guards. Due to procedural delay the fund remained blocked up.
7	Incentive Grant for UID	General Administration	4.96	0	4.96	IT Mission (₹ 2.32 crore), Grama Panchayaths (₹2.64 crore)	Fund intended for disbursement to BPL beneficiaries remained undisbursed
8	Local Bodies Grant	Local Self Government	2565.03	0	198.33	Local Self Government Institutions	Fund blocked up with around 1000 Grama Panchayats/ Municipalities/Corporations
		Total	2696.07	56.52	212.95		
State Specific schemes							
9	Inland Waterways	Irrigation and Administration	72.05	27.5	0		Due to non-attainment of required level of utilization the department surrendered the balance fund to GoK.
10	Coastal Zone Management	Irrigation and Administration	84.73	5.37	0		
11	Health Infrastructure	Health and Family Welfare	148.50	0	4.06	Kerala Medical Services Corporation Ltd (KMSCL)	Fund transferred for purchase of equipment remained blocked up due to defective planning.
12	Upgradation of Police	Home	90	0	28.32	KPHCC	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation
13	Primitive Tribal Groups	Scheduled Tribes	133.2	0	6.36	PVTG Project leader (₹5.37 crore), AHADS (₹0.99 crore)	
14	Fisheries	Fisheries	94.66	0	8.78	KSCADC	

Sl. No	Name of scheme	Department	Total amount released	Unutilised funds with		Name of agency	Remarks
				Government	Implementing agency		
15	Upgradation of Prisons	Home	115.50	0	15.63	PWD (₹13.54 crore), Prison Headquarters (₹2.09 crore)	
16	Animal Husbandry	Animal Husbandry	74.90	0	9.47	Animal Husbandry Department (₹1.49 crore), Kerala State Poultry Development Corporation (₹4.8 crore), Dairy Development Department (₹3.18 crore)	Fund transferred for civil works. Works are in progress. Fund blocked up due to procedural delay/delay in implementation
17	Kuttanad Development	Agriculture	203.08	0	3.00	Central Warehousing Corporation	Fund transferred in July 2014 for the construction of Godown. Work not commenced. Extension of period has been sought for by the Corporation
Grand Total			3712.69	89.39	288.57		

Appendix 2.1
Details showing savings in Grants/Appropriation during the year
(Reference: Paragraph 2.2: Page 48)

(₹ in crore)

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings
Revenue – Voted				
1.	I State Legislature	78.65	72.88	5.77
2.	II Heads of States, Ministers and Headquarters Staff	539.61	397.82	141.79
3.	III Administration of Justice	493.80	461.75	32.05
4.	IV Elections	140.30	132.82	7.48
5.	V Agricultural Income Tax and Sales Tax	245.72	232.14	13.58
6.	VI Land Revenue	475.52	405.14	70.38
7.	VII Stamps and Registration	171.59	148.83	22.76
8.	VIII Excise	221.80	187.31	34.49
9.	IX Taxes on Vehicles	90.32	88.57	1.75
10.	X Treasury and Accounts	206.75	187.78	18.97
11.	XI District Administration and Miscellaneous	533.83	486.63	47.20
12.	XII Police	2584.03	2345.11	238.92
13.	XIII Jails	93.02	91.92	1.10
14.	XIV Stationery and Printing and Other Administrative Services	396.16	361.94	34.22
15.	XV Public Works	2376.82	2131.25	245.57
16.	XVI Pensions and Miscellaneous	16029.97	15915.29	114.68
17.	XVII Education, Sports, Art and Culture	14207.77	12922.39	1285.38
18.	XVIII Medical and Public Health	4348.49	3649.32	699.17
19.	XIX Family Welfare	545.48	396.96	148.52
20.	XX Water Supply and Sanitation	885.57	674.57	211.00
21.	XXI Housing	121.78	61.94	59.84
22.	XXII Urban Development	1264.88	316.05	948.83
23.	XXIII Information and Publicity	77.72	64.21	13.51
24.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	918.05	765.86	152.19
25.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2325.37	1791.43	533.94

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings
26.	XXVI Relief on Account of Natural Calamities	416.81	380.45	36.36
27.	XXVII Co-operation	284.81	249.07	35.74
28.	XXVIII Miscellaneous Economic Services	134.54	119.12	15.42
29.	XXIX Agriculture	2472.99	1960.09	512.90
30.	XXX Food	1113.45	1087.51	25.94
31.	XXXI Animal Husbandry	507.31	458.33	48.98
32.	XXXII Dairy	190.72	181.93	8.79
33.	XXXIII Fisheries	379.48	305.13	74.35
34.	XXXIV Forest	486.99	447.24	39.75
35.	XXXV Panchayat	483.45	287.82	195.63
36.	XXXVI Rural Development	3102.30	2070.90	1031.40
37.	XXXVII Industries	550.37	459.09	91.28
38.	XXXVIII Irrigation	367.22	269.35	97.87
39.	XXXIX Power	177.38	104.76	72.62
40.	XL Ports	51.29	40.37	10.92
41.	XLI Transport	120.30	86.20	34.10
42.	XLII Tourism	151.96	145.35	6.61
43.	XLIII Compensation and Assignments	6475.03	6421.19	53.84
44.	XLVI Social Security and Welfare	3355.73	3054.61	301.12
Total		70195.13	62418.42	7776.71
Revenue - Charged				
1.	I State Legislature	1.24	0.98	0.26
2.	II Heads of States, Ministers and Headquarters Staff	140.50	125.58	14.92
3.	III Administration of Justice	84.76	81.03	3.73
4.	V Agricultural Income Tax and Sales Tax	0.25	0.07	0.18
5.	VI Land Revenue	0.01	0.01	(*)
6.	VII Stamps and Registration	0.01	0.00	0.01
7.	VIII Excise	0.10	0.00	0.10
8.	IX Taxes on Vehicles	(*)	0.00	(*)
9.	XI District Administration and Miscellaneous	1.05	1.03	0.02
10.	XII Police	0.08	0.02	0.06

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings
11.	XIV Stationery and Printing and Other Administrative Services	(*)	0.00	(*)
12.	XV Public Works	1.26	1.18	0.08
13.	XVI Pensions and Miscellaneous	34.86	34.38	0.48
14.	XVII Education, Sports, Art and Culture	0.10	0.01	0.09
15.	XVIII Medical and Public Health	0.17	0.10	0.07
16.	XXI Housing	0.02	0.00	0.02
17.	XXIX Agriculture	0.10	0.01	0.09
18.	XXXIV Forest	0.05	0.00	0.05
19.	XXXVI Rural Development	(*)	0.00	(*)
20.	XXXVIII Irrigation	0.47	0.30	0.17
21.	XLI Transport	67.13	50.02	17.11
Total		332.16	294.72	37.44
Capital - Voted				
1.	XII Police	91.44	29.82	61.62
2.	XIV Stationery and Printing and Other Administrative Services	5.05	3.16	1.89
3.	XV Public Works	1836.15	1628.04	208.11
4.	XVII Education, Sports, Art and Culture	543.88	307.62	236.26
5.	XVIII Medical and Public Health	296.86	193.19	103.67
6.	XIX Family Welfare	0.01	0.01	(*)
7.	XX Water Supply and Sanitation	268.20	127.90	140.30
8.	XXI Housing	73.65	27.06	46.59
9.	XXII Urban Development	76.50	63.20	13.30
10.	XXIII Information and Publicity	7.45	5.33	2.12
11.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	153.40	150.62	2.78
12.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	285.93	40.26	245.67
13.	XXVII Co-operation	220.47	202.67	17.80
14.	XXVIII Miscellaneous Economic Services	1419.78	58.06	1361.72
15.	XXIX Agriculture	277.30	151.22	126.08
16.	XXX Food	75.00	69.65	5.35
17.	XXXI Animal Husbandry	25.30	11.37	13.93
18.	XXXII Dairy	1.93	0.00	1.93

Sl. No.	Grant number and Name	Total Grant/ Appropriation	Expenditure	Savings
19.	XXXIII Fisheries	165.68	124.29	41.39
20.	XXXIV Forest	65.47	42.52	22.95
21.	XXXV Panchayat	460.00	217.83	242.17
22.	XXXVI Rural Development	1.00	0.38	0.62
23.	XXXVII Industries	715.13	349.30	365.83
24.	XXXVIII Irrigation	820.88	175.85	645.03
25.	XXXIX Power	42.80	0.87	41.93
26.	XL Ports	94.32	48.45	45.87
27.	XLI Transport	764.03	645.42	118.61
28.	XLII Tourism	172.48	134.17	38.31
29.	XLV Miscellaneous Loans and Advances	212.00	209.24	2.76
30.	XLVI Social Security and Welfare	77.60	50.30	27.30
Total		9249.69	5067.80	4181.89
Capital-Charged				
1.	XV Public Works	26.35	26.06	0.29
2.	XVIII Medical and Public Health	0.21	0.00	0.21
3.	XXIX Agriculture	(*)	0.00	(*)
4.	XXXVIII Irrigation	6.98	3.14	3.84
5.	XLI Transport	3.32	3.32	(*)
6.	Public Debt Repayment	14192.36	5842.77	8349.59
Total		14229.22	5875.29	8353.93
Grand Total		94006.20	73656.23	20349.97

(*) insignificant/token provision

Appendix 2.2
Details of Grant-wise Plan/Non-plan savings (exceeding ₹100 crore) during the year
(Reference: Paragraph 2.2: Page 48)

(₹ in crore)

Sl. No	Grant No.	Original Grant	Supplementary Grant	Final Expenditure	Savings	Percentage of Saving
Revenue – Plan (Voted)						
1.	II	214.63	18.15	106.59	126.19	54.2
2.	XVII	1409.44	318.79	1167.10	561.13	32.5
3.	XVIII	516.23	557.78	670.65	403.36	37.6
4.	XIX	448.14	0.00	299.21	148.93	33.2
5.	XX	597.80	50.00	432.91	214.89	33.2
6.	XXII	1228.42	0.00	276.38	952.04	77.5
7.	XXIV	579.90	15.57	430.18	165.29	27.8
8.	XXV	1855.64	145.02	1476.50	524.16	26.2
9.	XXIX	1338.44	100.42	995.44	443.42	30.8
10.	XXXV	141.60	110.98	74.67	177.91	70.4
11.	XXXVI	257.57	2631.27	1871.71	1017.13	35.2
12.	XXXVII	241.63	145.71	282.55	104.79	27.1
13.	XLVI	1028.76	426.62	1196.75	258.63	17.8
	Total	9858.20	4520.31	9280.64	5097.87	35.5
Revenue - Non-Plan (Voted)						
14.	XII	2510.12	20.76	2300.18	230.70	9.1
15.	XV	2308.77	0.83	2053.02	256.58	11.1
16.	XVII	12476.60	2.94	11755.29	724.25	5.8
17.	XVIII	3227.98	46.50	2978.67	295.81	9.0
	Total	20523.47	71.03	19087.16	1507.34	7.3
	Total Revenue	30381.67	4591.34	28367.80	6605.21	18.9
Capital – Plan (Voted)						
18.	XVII	186.43	216.00	300.55	101.88	25.3
19.	XX	239.20	0.00	118.95	120.25	50.3
20.	XXV	272.93	12.90	40.26	245.57	85.9
21.	XXVIII	1232.78	0.00	53.86	1178.92	95.6
22.	XXIX	195.29	60.58	136.18	119.69	46.8
23.	XXXV	75.00	310.00	159.56	225.44	58.6
24.	XXXVII	634.51	55.26	327.51	362.26	52.5
25.	XXXVIII	777.88	16.00	168.78	625.10	78.7
	Total	3614.02	670.74	1305.65	2979.11	69.5
Capital – Non-Plan (Voted)						
26.	XV	399.77	0.00	167.40	232.37	58.1
27.	XVII	141.30	0.15	7.08	134.37	95.0
28.	XXVIII	187.00	0.00	4.20	182.80	97.8
	Total	728.07	0.15	178.68	549.54	75.5
	Total Capital	4342.09	670.89	1484.33	3528.65	70.4
	Grand Total	34723.76	5262.23	29852.13	10133.86	25.3

Appendix 2.3
Statement of persistent savings for the last three years
(Reference: Paragraph 2.3.2, Page 50)

(₹ in crore)

Sl. No	Head of Account	Year	Allocation	Expenditure	Savings
Grant No. XX Water Supply and Sanitation – Revenue (Voted)					
1.	2215-01-190-99 Grant-in-Aid to the Kerala Water Authority(Plan)	2012-13	141.30	54.85	86.45
		2013-14	145.25	75.25	70.00
		2014-15	200.50	133.12	67.38
2.	2215-01-190-94 Replacement of old and unusable pipes(Plan)	2012-13	85.00	75.00	10.00
		2013-14	90.00	80.00	10.00
		2014-15	95.00	62.00	33.00
3.	2215-01-800-67 Add-on project of 'Jalanidhi' (Plan)	2012-13	109.82	40.00	69.82
		2013-14	193.92	100.00	93.92
		2014-15	200.00	150.00	50.00
Grant No. XXII Urban Development – Revenue (Voted)					
4.	2217-03-191-74 Urban Infrastructure Development Scheme for Small and Medium Towns (ACA)(Plan)	2012-13	129.21	0.00	129.21
		2013-14	162.49	0.00	162.49
		2014-15	184.55	42.52	142.03
5.	2217-05-191-80 Integrated Housing and Slum Development Programme (State Scheme)(Plan)	2012-13	12.00	0.00	12.00
		2013-14	15.00	0.00	15.00
		2014-15	17.14	0.00	17.14
6.	2217-05-192-81 Integrated Housing and Slum Development Programme (State Scheme) (Plan)	2012-13	28.00	13.90	14.10
		2013-14	35.31	12.84	22.47
		2014-15	40.00	4.41	35.59
7.	2217-05-800-89 Jawahar Lal Nehru National Urban Renewal Mission (Central Assistance) (Plan)	2012-13	374.67	66.62	308.05
		2013-14	471.17	25.00	446.17
		2014-15	535.13	85.59	449.54
8.	2217-05-800-83 Basic Services to the Urban Poor (BSUP) (Plan)	2012-13	57.28	43.14	14.14
		2013-14	72.03	0.00	72.03
		2014-15	81.81	42.86	38.95
9.	2217-80-192-91 Modernisation of Slaughter Houses (50% CSS)(Plan)	2012-13	15.00	0.00	15.00
		2013-14	10.00	6.45	3.55
		2014-15	10.00	0.00	10.00
10.	2217-80-800-91 Kerala Sustainable Urban Development Project(Plan)	2012-13	273.00	100.00	173.00
		2013-14	250.00	50.00	200.00
		2014-15	150.00	50.00	100.00
11.	2217-80-800-70 Rajiv Awaz Yojana (RAY) (50% CSS)(Plan)	2012-13	49.20	18.52	30.68
		2013-14	134.00	3.31	130.69
		2014-15	101.07	0.39	100.68

Sl. No	Head of Account	Year	Allocation	Expenditure	Savings
Grant No. XXXVIII Irrigation – Capital (Voted)					
12.	4701-80-800-77 Dam Rehabilitation and Improvement Project (DRIP) (Plan)	2012-13	42.50	0.01	42.49
		2013-14	40.00	2.49	37.51
		2014-15	30.00	6.47	23.53
13.	4701-80-800-79 AIBP - Support for other need based programme(Plan)	2012-13	141.50	0.00	141.50
		2013-14	50.00	0.00	50.00
		2014-15	231.50	0.00	231.50
14.	4711-01-103-90 Kuttanad Package (75% CSS)(Plan)	2012-13	200.00	100.96	99.04
		2013-14	200.00	30.68	169.32
		2014-15	200.00	68.56	131.44
Public Debt Repayment – Capital (Charged)					
15.	6003-00-110-99 Ways and Means Advances(Non-plan)	2012-13	3000.00	0.00	3000.00
		2013-14	3000.00	113.74	2886.26
		2014-15	5500.00	1422.40	4077.60
16.	6003-00-110-98 Special Ways and Means advances(Non-plan)	2012-13	3000.00	0.00	3000.00
		2013-14	3000.00	5.19	2994.81
		2014-15	4000.00	502.23	3497.77
17.	6003-00-110-97 Short Fall in Cash Balances(Non-plan)	2012-13	25.00	0.00	25.00
		2013-14	25.00	0.00	25.00
		2014-15	25.00	1.66	23.34
18.	6003-00-110-96 Overdrafts (Non-plan)	2012-13	1000.00	0.00	1000.00
		2013-14	1000.00	0.00	1000.00
		2014-15	1500.00	724.78	775.22

Appendix 2.4
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.4; Page 51)

Year	Number of Grants/Appropriations	Grant/Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
2011-12	13 Grants	Revenue-V	2,69,07,419	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-VIII	4,74,89,272	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XI	8,28,23,107	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XII	1,04,47,42,687	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XIII	1,03,42,841	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XVI	5,70,16,88,879	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XIX	48,86,93,678	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XXVIII	2,27,91,084	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XLI	14,90,73,882	Final copies of the notes received. Not discussed by PAC
		Capital-XII	11,81,652	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XIV	41,04,486	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XLII	9,58,81,595	Final copies of the notes received. Not discussed by PAC
		Capital-XLVI	1,15,740	Notes considered by PAC. Appropriation Act not yet passed.
	2 Appropriations	Revenue-II	2,55,30,919	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-XII	3,01,000	Notes considered by PAC. Appropriation Act not yet passed.
2012-13	14 Grants	Revenue-I	21,53,117	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-V	9,77,56,867	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue-IX	80,65,569	Final copies of the notes received. Not discussed by PAC
		Revenue - X	1,19,80,020	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue - XII	1,56,15,14,343	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue - XIII	51,88,792	Notes considered by PAC. Appropriation Act not yet passed.

Year	Number of Grants/Appropriations	Grant/Appropriation numbers	Amount of excess (In ₹)	Stage of consideration by Public Accounts Committee (PAC)
		Revenue-XVI	2,62,56,55,607	Notes considered by PAC. Appropriation Act not yet passed.
		Revenue - XVII	29,71,81,076	Initial notes not received. Not discussed by PAC
		Revenue -XXXI	4,79,92,489	Final copies of the notes received. Not discussed by PAC
		Revenue - XLII	3,92,53,979	Initial notes not received. Not discussed by PAC
		Capital- XVII	1,18,49,442	Initial notes not received. Not discussed by PAC
		Capital - XIX	40,760	Notes considered by PAC. Appropriation Act not yet passed.
		Capital-XX	16,91,06,000	Notes considered by PAC. Appropriation Act not yet passed.
		Capital - XXVIII	17,04,318	Notes considered by PAC. Appropriation Act not yet passed.
	one Appropriation	Revenue - I	6,73,466	Notes considered by PAC. Appropriation Act not yet passed.
2013-14	6 Grants	Revenue-I	32,74,452	Final copies of the notes received. Not discussed by PAC
		Revenue-IV	2,10,27,603	Final copies of the notes not received. Not discussed by PAC
		Revenue-XIII	3,74,75,050	Initial notes not received. Not discussed by PAC
		Revenue-XVI	3,71,23,54,719	Initial notes not received. Not discussed by PAC
		Capital-XV	72,52,76,458	Initial notes not received. Not discussed by PAC
		Capital-XXXII	19,774	Initial notes not received. Not discussed by PAC
	4 Appropriations	Revenue-I	7,79,857	Final copies of the notes received. Not discussed by PAC
		Revenue-Debt Charges	1,09,10,96,321	Final copies of the notes received. Not discussed by PAC
		Revenue-XV	27,21,676	Initial notes not received. Not discussed by PAC
		Revenue-XVI	1,27,63,774	Final copies of the notes not received. Not discussed by PAC
Total			18,18,85,73,770	

Appendix 2.5
Cases where supplementary provision (₹ one crore or more in each case) proved unnecessary
(Reference: Paragraph 2.3.6, Page 55)

(₹ in crore)

Sl. No.	Number and name of Grant	Original Provision	Actual Expenditure	Savings out of original provision	Supplementary provision
Revenue - Voted					
1.	II Heads of States, Ministers and Headquarters staff	518.43	397.82	120.61	21.18
2.	III Administration of Justice	484.63	461.75	22.88	9.16
3.	VIII Excise	219.80	187.31	32.49	2.00
4.	XII Police	2558.62	2345.11	213.51	25.41
5.	XIV Stationery and Printing and Other Administrative Services	386.16	361.94	24.22	10.00
6.	XV Public Works	2321.39	2131.25	190.14	55.43
7.	XVII Education, Sports, Art and Culture	13886.03	12922.39	963.64	321.73
8.	XX Water Supply and Sanitation	835.57	674.57	161.00	50.00
9.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2170.32	1791.43	378.89	155.05
10.	XXIX Agriculture	2370.85	1960.09	410.76	102.15
11.	XXXIV Forest	473.40	447.24	26.16	13.59
12.	XXXIX Power	127.01	104.76	22.25	50.38
Total		26352.21	23785.66	2566.55	816.08
Capital - Voted					
13.	XXI Housing	65.65	27.06	38.59	8.00
14.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	273.03	40.26	232.77	12.90
15.	XXIX Agriculture	216.72	151.22	65.50	60.58
16.	XXXI Animal Husbandry	23.30	11.37	11.93	2.00
17.	XXXII Dairy	0.00	0.00	0.00	1.93
18.	XXXIII Fisheries	148.80	124.29	24.51	16.88
19.	XXXVII Industries	634.51	349.30	285.21	80.62
20.	XXXVIII Irrigation	804.88	175.85	629.03	16.00
21.	XXXIX Power	37.80	0.87	36.93	5.00
22.	XL Ports	88.74	48.45	40.29	5.58
23.	XLVI Social Security and Welfare	73.60	50.30	23.30	4.00
Total		2367.03	978.97	1388.06	213.49
Grand Total		28719.24	24764.63	3954.61	1029.57

Appendix 2.6
Cases of excessive supplementary Grants/Appropriations
(Savings of ₹ one crore and above)
(Reference: Paragraph 2.3.6, Page 56)

(₹ in crore)

Sl. No.	Grant/Appropriation	Original provision	Final Expenditure	Additional funds required	Supplementary obtained	Excess supplementary
Revenue - Voted						
1.	IV Elections	104.31	132.82	28.51	36.00	7.49
2.	V Agricultural Income Tax and Sales Tax	229.10	232.14	3.04	16.62	13.58
3.	XI District Administration and Miscellaneous	451.66	486.63	34.97	82.16	47.19
4.	XIII Jails	84.77	91.92	7.15	8.25	1.10
5.	XVI Pensions and Miscellaneous	14380.72	15915.29	1534.57	1649.25	114.68
6.	XXVI Relief on Account of Natural Calamities	325.71	380.44	54.73	91.10	36.37
7.	XXVII Co-operation	245.81	249.07	3.26	39.00	35.74
8.	XXX Food	914.36	1087.51	173.15	199.10	25.95
9.	XXXII Dairy	160.76	181.93	21.17	29.96	8.79
10.	XXXIII Fisheries	296.53	305.14	8.61	82.95	74.34
11.	XXXVI Rural Development	461.56	2070.90	1609.34	2640.74	1031.40
12.	XXXVII Industries	396.67	459.09	62.42	153.70	91.28
13.	XLI Transport	58.57	86.20	27.63	61.73	34.10
14.	XLIII Compensation and Assignments	6237.14	6421.19	184.05	237.88	53.83
15.	XLVI Social Security and Welfare	2729.48	3054.61	325.13	626.26	301.13
Capital - Voted						
16.	XII Police	0.00	29.82	29.82	91.44	61.62
17.	XV Public Works	1306.52	1628.04	321.52	529.63	208.11
18.	XXII Urban Development	50.60	63.20	12.60	25.90	13.30
19.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	144.10	150.62	6.52	9.30	2.78
20.	XXVII Co-operation	64.07	202.66	138.59	156.40	17.81
21.	XXX Food	54.48	69.65	15.17	20.52	5.35
22.	XXXV Panchayat	150.00	217.83	67.83	310.00	242.17
23.	XLI Transport	604.06	645.42	41.36	159.97	118.61
Total		29450.98	34162.12	4711.14	7257.86	2546.72

Appendix 2.7
Unnecessary/Excessive/Insufficient re-appropriation of funds (in excess of ₹one crore)
(Reference: Paragraph 2.3.7; Page 57)

(₹ in crore)

Scheme/Activity	Budget allocation	Final expenditure	Net Re-appropriation	Excess(+)/ Savings(-)
Unnecessary re-appropriation				
2210-06-101-29-National Health Mission (NHM)-P-V	465.95	335.68	112.24	-242.51
2210-02-101-97-Other Hospitals and Dispensaries-NP-V	211.00	165.31	4.46	-50.15
2702-01-800-94-Minor Irrigation Projects Maintenance-NP-V	63.80	34.40	2.13	-31.53
2210-05-105-96-Allopathy Medical College, Kottayam-NP-V	96.49	76.57	2.56	-22.48
2070-00-104-99-Vigilance-NP-V	58.90	56.00	12.98	-15.88
2210-05-105-95-Allopathy Medical College, Alappuzha-NP-V	72.19	59.72	1.93	-14.39
6851-00-190-97-Loans to Kerala State Bamboo Corporation-P-V	0.00	0.00	5.60	-5.60
2515-00-800-14-Take over of Bhavanasree Loans-NP-V	26.39	26.39	4.09	-4.09
2015-00-103-99-Assembly and Parliament-NP-V	24.53	23.14	2.35	-3.74
2203-00-104-97-Private Polytechnics-NP-V	25.72	23.99	1.33	-3.06
2225-04-001-99-Direction-P-V	0.00	0.00	3.00	-3.00
2071-01-117-99-Government Contribution to National Pension System - All India Service Officers-NP-V	0.30	0.27	1.81	-1.84
4851-00-104-99-Assistance to Apex Organisations in the Handicrafts Sector-P-V	2.50	2.50	1.30	-1.30
Excessive re-appropriation				
5054-80-001-99-Establishment Charges transferred on percentage basis from '3054-Roads and Bridges'-P-V	83.65	173.35	127.88	-38.18
2210-05-105-52-Regional Cancer Centre-P-V	0.00	20.00	40.40	-20.40
4851-00-195-99-Investment in Capex as Share Capital Contribution-P-V	0.00	3.50	18.00	-14.50
2245-02-106-99-Repairs and restoration of damaged roads and bridges-NP-V	78.22	97.99	24.81	-5.04
2071-01-103-99-Compassionate allowances-NP-V	0.62	0.71	4.37	-4.28
2210-06-101-49-Surveillance and Control of Communicable Diseases-P-V	0.00	5.90	9.80	-3.90
5054-80-052-99-Tools and Plants charges transferred on percentage basis from '3054 Roads and Bridges'-P-V	5.85	12.13	8.95	-2.67
2202-02-001-94-Directorate of Higher Secondary Education (Plus Two)-NP-V	41.23	47.09	8.00	-2.14
4210-03-105-93-Medical College, College Hospital, College Hostel, Alappuzha - Land Acquisition and Buildings-P-V	5.00	8.20	4.95	-1.75

Scheme/Activity	Budget allocation	Final expenditure	Net Re-appropriation	Excess(+)/Savings(-)
2059-60-051-83-Kerala House, New Delhi-NP-V	1.50	1.52	1.77	-1.75
2071-01-101-99-Pension to Kerala Government Pensioners-NP-V	6025.70	6136.58	112.46	-1.58
4711-02-103-90-NABARD assisted scheme for construction of Groynes-P-V	0.00	6.08	7.38	-1.30
Insufficient re-appropriation				
2049-03-104-99-Interest on General Provident Funds-NP-C	1330.55	1442.54	78.32	33.67
2210-05-105-98-Allopathy Medical College, Thiruvananthapuram-NP-V	138.72	151.71	7.24	5.75
2210-05-105-97-Allopathy Medical College, Kozhikode-NP-V	100.46	112.56	7.14	4.96
2210-05-105-94-Allopathy Medical College, Thrissur-NP-V	60.77	66.69	1.06	4.86
2217-01-800-99-Capital Region Development Project-P-V	0.01	26.85	22.90	3.94
4210-01-110-78-Establishment of New Women and Children Hospitals-P-V	0.00	7.05	4.30	2.75
2210-05-105-47-Medical College Kochi, Ernakulam-NP-V	0.00	13.07	10.55	2.52
2071-01-105-99-Family Pension-NP-V	1208.81	1226.80	15.93	2.06
2210-05-101-95-Ayurveda Medical College, Thiruvananthapuram-NP-V	16.99	20.08	1.17	1.92
2210-02-101-99-Collegiate Hospitals and Maternity Ward, Thiruvananthapuram-NP-V	9.13	9.35	-0.95	1.17

Appendix 2.8
Heads in which entire budget allocation (₹ five crore and above) was surrendered
during the year
(Reference: Paragraph 2.3.8; Page 58)

(₹ in crore)				
Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Amount of Surrender	Reasons for surrender
1.	II	3451-00-090-96-V(P)-Incentive Grant for Unique Identification (UIDs) - XIII Finance Commission Recommendation	9.92	No expenditure incurred, hence the resumption
2.	II	3451-00-101-32- V(P)-Priority Scheme - Implemented by Kerala State IT Mission - Laptop to girls	5.25	No expenditure incurred, hence the resumption
3.	II	3451-00-101-51- V(P)-State Data Centre (other ACA)	13.34	No expenditure incurred, hence the resumption
4.	III	2014-00-800-88-V(NP)-Gram Nyayalayas	6.30	The Gram Nyayalayas did not start functioning during the year 2014-15, hence the savings
5.	VI	2506-00-103-93- V(P)-National Land Records Modernisation Programme (NLRMP-50% CSS)	7.40	Planned activities could not be carried out as envisaged due to non-release of central assistance to the anticipated level.
6.	VI	2506-00-103-94- V(P)-National Land Records Modernisation Programmes (NLRMP) Computerisation of Land Records (100% CSS)	9.93	Planned activities could not be carried out as envisaged due to non-release of central assistance to the anticipated level.
7.	XI	2053-00-800-87- V(P)-District Innovation Fund - XIII Finance Commission Recommendation	7.00	No expenditure incurred, hence savings.
8.	XVI	2071-01-117-95- V(NP)-Government backlog contribution to National Pension System - State Government Employees	10.00	No requirement of funds during the current financial year. Hence the resumption
9.	XVII	2203-00-105-80- V(P)-Community Colleges in Polytechnics (100% CSS)	6.00	The scheme could not be implemented due to administrative reasons
10.	XVII	3435-03-101-93- V(P)-Urban Environment Improvement Project	8.00	The scheme could not be implemented due to administrative reasons
11.	XVII	4202-01-203-80- V(P)-New Govt.Autonomous Colleges and New Govt.deemed Universities for Kerala	5.00	The scheme could not be implemented due to administrative reasons
12.	XVII	4202-01-203-83- V(P)-Colleges Infrastructure Upgradation Programme(CIUP)	20.00	The scheme could not be implemented due to administrative reasons
13.	XVII	4202-01-800-91- V(P)-Setting up of infrastructure facilities in G.V.Raja Sports School, Thiruvananthapuram and GVHSS Kannur (One time ACA)	8.00	Planned activities could not be implemented fully as envisaged due to administrative / technical reasons.

Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Amount of Surrender	Reasons for surrender
14.	XVII	4202-02-105-90- V(P)-Development of other Engineering Colleges	5.00	The payment for the works are made based on the completion or progress of the works sanctioned hence savings.
15.	XVII	4202-02-800-85- V(NP)-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)	10.00	The payment for the works are made based on the completion or progress of the works sanctioned hence savings.
16.	XVII	4202-03-102-99- V(NP)-Projects under Legislative Assembly Constituency Asset Development Scheme (LAC ADS)	10.00	The payment for the works are made based on the completion or progress of the works sanctioned hence savings.
17.	XVIII	2210-01-110-12- V(P)-Tertiary Cancer Care centre scheme of NPCDCS in Medical College, Kozhikode	25.03	Funds could not be utilized due to administrative reasons
18.	XVIII	2210-01-110-69- V(P)-Kerala Emergency Medical Service (108 Ambulance) (One time ACA)	10.00	Funds could not be utilized due to administrative reasons
19.	XVIII	2210-05-105-82- V(P)-Government Medical College Thrissur (One time ACA)	6.50	No requirement of fund during the current financial year
20.	XVIII	2210-80-800-70- V(P)-Standardisation of Hospitals at District and General Hospitals - One time ACA	5.00	No requirement of fund during the current financial year
21.	XVIII	4210-02-110-81- V(NP)-Modernisation of Government Hospital, Pala	6.00	Due to the non-arrangement of work in time, fund could not be utilised, hence the resumption.
22.	XX	2215-01-102-99- V(P)-Completion of Rural Water Supply Schemes other than ARWSP	5.00	Due to administrative reasons fund could not be spent. Hence the savings.
23.	XXI	6216-80-190-98- V(P)-Saphalyam housing scheme for EWS/LIG category(Right to shelter scheme for houseless people to be implemented by Housing Board.)	10.00	Due to administrative reasons fund could not be spent. Hence the savings.
24.	XXII	2217-05-191-80- V(P)-Integrated Housing and Slum Development Programme (State Scheme)	17.14	Planned activities could not be implemented due to administrative reasons.
25.	XXII	2217-80-192-91- V(P)-Modernisation of Slaughter Houses (50% CSS)	10.00	Planned activities could not be implemented due to administrative reasons.
26.	XXII	2217-80-800-74- V(P)-Integrated low cost sanitation project (100% CSS)	5.00	Planned activities could not be implemented due to administrative reasons.
27.	XXII	2217-80-800-70- V(P)-Rajiv Awaz Yojana (RAY) (50% CSS)	100.68	Planned activities could not be carried out to the extent anticipated. Hence the savings.
28.	XXIV	2230-01-103-15- V(P)-Affordable housing for unorganised Labour Plantation Rehabilitation Scheme	10.00	Planned activities could not be implemented due to administrative reasons.

Sl. No.	Grant No.	Name of the Scheme (Head of Account)	Amount of Surrender	Reasons for surrender
29.	XXIV	2230-01-103-66- V(P)-Universal CHIS Plus	10.00	Funds could not be utilized completely due to administrative reasons, Hence savings
30.	XXV	2225-04-283-99- V(P)-Housing scheme for divorced ladies from minority communities	5.00	Expenditure is less than anticipated.
31.	XXV	2225-03-800-86- V(P)-Assistance to voluntary organisation (90% CSS)	15.00	Expenditure is less than anticipated
32.	XXV	4225-01-277-89- V(P)-Construction of Medical College, Palakkad	150.00	Expenditure is less than anticipated
33.	XXIX	4435-01-101-94- V(P)-Agri Malls (One Time ACA)	5.00	No claim under this Head of Account, Hence the resumption.
34.	XXXI	2403-00-101-70- V(P)-Strengthening of veterinary services (ACA)	7.19	Scheme not implemented during the financial year 2014-15, Hence the savings.
35.	XXXV	2515-00-101-68- V(P)-Suchithwa Keralam	20.00	Expenditure could not be incurred due to administrative reasons, hence the savings.
36.	XXXV	2515-00-198-35- V(P)-Setting up of Slaughter Houses in selected Panchayats	10.00	Expenditure could not be incurred due to administrative reasons
37.	XXXVII	2851-00-102-42- V(P)-Seed Fund to Youth	5.00	Expenditure could not be incurred due to administrative reasons
38.	XXXVII	4851-00-101-93- V(P)-Small Industry cluster Development Programme (20% SS)	22.50	Expenditure could not be incurred due to administrative reasons
39.	XXXVII	6851-00-109-74- V(P)-Kerala State Co-operative Textile Federation (TEXFED)	8.98	Schemes not implemented during the current financial year.
40.	XXXVIII	4700-21-800-97- V(P)-Dam and Appurtenant Works	16.00	No expenditure during the current year and hence the saving.
41.	XXXVIII	4700-29-800-86- AIBP - V(P)- Assistance for Mullaperiyar Project	30.00	No expenditure during the current year and hence the saving.
42.	XXXVIII	4700-29-800-87- V(P)-NABARD Assisted (RIDF) Mullaperiyar Project	15.00	Expenditure is limited to actual requirements hence saving.
43.	XXXVIII	4700-29-800-97- V(P)-Dam and Appurtenant Works	5.00	No expenditure during the current year and hence the saving.
44.	XXXVIII	4701-25-800-97- V(P)-Dam and Appurtenant Works	10.00	No expenditure during the current year and hence the saving.
45.	XLII	5452-01-190-99- V(P)-Kerala Tourism Development Corporation	6.50	No expenditure during the current year and hence the saving.
46.	XLVI	2235-02-103-80- V(P)-Gender Park	6.60	No expenditure incurred, hence the resumption.
Total			699.26	

Appendix 2.9
Surrender (₹ one crore or more in each case) in excess of actual savings
(Reference: Paragraph 2.3.9; Page 59)

(₹ in crore)

Sl. No.	Number and name of the Grant	Total Grant	Savings	Amount surrendered	Amount surrendered in excess
Revenue - Voted					
1.	V Agricultural Income Tax and Sales Tax	245.72	13.58	29.04	15.46
2.	VI Land Revenue	475.52	70.38	74.89	4.51
3.	VIII Excise	221.80	34.49	38.66	4.17
4.	XIII Jails	93.02	1.10	2.26	1.16
5.	XXIV Labour, Labour Welfare and Welfare of Non-Residents	918.05	152.19	164.77	12.58
6.	XXVII Co-operation	284.81	35.74	40.82	5.08
7.	XXVIII Miscellaneous Economic Services	134.54	15.42	19.17	3.75
8.	XXX Food	1113.46	25.95	27.33	1.38
9.	XXXIV Forest	486.99	39.75	62.27	22.52
10.	XLII Tourism	151.96	6.61	8.15	1.54
Total		4125.87	395.21	467.36	72.15
Capital - Voted					
11.	XIV Stationery and Printing and Other Administrative Services	5.05	1.89	3.75	1.86
12.	XVII Education, Sports, Art and Culture	543.88	236.26	240.60	4.34
13.	XXX Food	75.00	5.35	6.74	1.39
Total		623.93	243.50	251.09	7.59
Capital - Charged					
14.	Public Debt Repayment	14192.36	8349.59	8359.11	9.52
Grand Total		18942.16	8988.30	9077.56	89.26

Appendix 2.10
Details of saving of ₹ one crore and above not surrendered
(Reference: Paragraph 2.3.10, Page 59)

(₹ in crore)

Sr. No.	Number and name of the Grant/Appropriation	Savings	Amount surrendered	Savings not surrendered
Revenue - Voted				
1.	I State Legislature	5.77	2.11	3.66
2.	II Heads of States, Ministers and Headquarters staff	141.79	99.78	42.01
3.	III Administration of Justice	32.04	27.56	4.48
4.	IV Elections	7.49	0.83	6.66
5.	VII Stamps and Registration	22.76	8.76	14.00
6.	XI District Administration and Miscellaneous	47.19	26.36	20.83
7.	XIV Stationery and Printing and Other Administrative Services	34.22	22.73	11.49
8.	XV Public Works	245.57	183.09	62.48
9.	XVI Pensions and Miscellaneous	114.68	113.45	1.23
10.	XVII Education, Sports, Art and Culture	1285.37	943.58	341.79
11.	XVIII Medical and Public Health	699.17	149.58	549.59
12.	XIX Family Welfare	148.52	17.75	130.77
13.	XXI Housing	59.84	37.21	22.63
14.	XXII Urban Development	948.83	945.74	3.09
15.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	533.94	469.86	64.08
16.	XXVI Relief on Account of Natural Calamities	36.36	29.87	6.49
17.	XXIX Agriculture	512.91	340.44	172.47
18.	XXXI Animal Husbandry	48.98	45.52	3.46
19.	XXXII Dairy	8.79	2.64	6.15
20.	XXXIII Fisheries	74.35	70.54	3.81
21.	XXXV Panchayat	195.62	169.82	25.80
22.	XXXVI Rural Development	1031.40	963.47	67.93
23.	XXXVII Industries	91.28	61.48	29.80
24.	XXXVIII Irrigation	97.87	36.77	61.10
25.	XXXIX Power	72.63	0	72.63
26.	XLI Transport	34.10	31.99	2.11
27.	XLVI Social Security and Welfare	301.13	144.71	156.42
Total		6832.60	4945.64	1886.96

Sl. No.	Number and name of the Grant/Appropriation	Savings	Amount surrendered	Savings not surrendered
Revenue -Charged				
28.	II Heads of States, Ministers and Headquarters staff	14.92	1.77	13.15
29.	XLI Transport	17.11	0.01	17.10
Total		32.03	1.78	30.25
Capital -Voted				
30.	XII Police	61.62	54.31	7.31
31.	XV Public Works	208.11	162.48	45.63
32.	XXI Housing	46.59	30.52	16.07
33.	XXII Urban Development	13.30	0.02	13.28
34.	XXV Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	245.67	240.30	5.37
35.	XXVIII Miscellaneous Economic Services	1361.72	1171.15	190.57
36.	XXIX Agriculture	126.08	10.13	115.95
37.	XXXII Dairy	1.93	0	1.93
38.	XXXV Panchayat	242.17	225.69	16.48
39.	XXXVII Industries	365.83	153.92	211.91
40.	XXXVIII Irrigation	645.03	336.67	308.36
41.	XXXIX Power	41.93	2.74	39.19
42.	XLI Transport	118.61	97.07	21.54
43.	XLV Miscellaneous Loans and Advances	2.77	1.35	1.42
44.	XLVI Social Security and Welfare	27.30	11.34	15.96
Total		3508.66	2497.69	1010.97
Capital-Charged				
45.	XXXVIII Irrigation	3.85	0.11	3.74
Total		3.85	0.11	3.74
Grand Total		10377.14	7445.22	2931.92

Appendix 2.11
Cases of surrender of funds in excess of ₹10 crore on 31 March 2015
(Reference: Paragraph 2.3.10, Page 59)

Grant No.	Major Head and Nomenclature	₹ in crore		
		Budget Allocation	Amount Surrendered	Percent
II	3451 Secretariat-Economic Services	292.98	96.06	32.79
VI	2506 Land Reforms	17.33	17.33	100.00
XII	4055 Capital Outlay On Police	91.44	54.31	59.39
XVII	3435 Ecology And Environment	36.18	21.27	58.79
	4202 Capital Outlay On Education, Sports, Art And Culture	543.58	240.60	44.26
	3425 Other Scientific Research	136.46	36.31	26.61
XVIII	4210 Capital Outlay On Medical And Public Health	297.07	104.75	35.26
XX	6215 Loans For Water Supply And Sanitation	150.00	96.65	64.43
	4215 Capital Outlay On Water Supply And Sanitation	118.20	43.65	36.93
XXI	4216 Capital Outlay On Housing	34.25	16.52	48.23
	6216 Loans For Housing	39.40	14.00	35.53
	2216 Housing	121.80	37.21	30.55
XXII	2217 Urban Development	1264.88	945.74	74.77
XXV	4225 Capital Outlay On Welfare Of Scheduled Castes, Scheduled Tribes, Other Backward Classes And Minorities	285.83	240.20	84.04
XXVIII	5475 Capital Outlay On Other General Economic Services	1419.78	1171.15	82.49
XXX	3456 Civil Supplies	44.14	19.85	44.97
XXXI	4403 Capital Outlay On Animal Husbandry	15.30	12.20	79.74
XXXIV	4406 Capital Outlay On Forestry And Wild Life	65.47	23.30	35.59
XXXV	4515 Capital Outlay On Other Rural Development Programmes	460.00	225.69	49.06
	2515 Other Rural Development Programmes	483.45	169.82	35.13
XXXVI	2501 Special Programmes For Rural Development	319.60	135.65	42.44
	2505 Rural Employment	2372.51	744.02	31.36
XXXVII	4851 Capital Outlay On Village And Small Industries	79.20	38.63	48.78
	4885 Other Capital Outlay On Industries And Minerals	160.99	46.41	28.83
XXXVIII	4700 Capital Outlay On Major Irrigation	176.92	115.76	65.43
	4711 Capital Outlay On Flood Control Projects	213.21	82.78	38.83
	4701 Capital Outlay On Medium Irrigation	437.73	138.24	31.58
XL	5051 Capital Outlay On Ports And Light Houses	94.32	45.84	48.60
XLI	3075 Other Transport Services	64.91	21.60	33.28
	6003 Internal Debt Of The State Government	13842.95	8349.81	60.32
Total		23679.88	13305.35	

Appendix 2.12
Pendency in submission of Detailed Contingent bills against Abstract
Contingent (AC) bills drawn from 2013-14 to 2014-15
(Reference: Paragraph 2.4.1, Page 60)

(In ₹)

Sl. No.	Name of Drawing and Disbursing Officer	Month of drawal	Amount
1.	Accounts Officer, District Police Office, Thrissur (Rural)	October 2013	230000
		April 2014	653000
		September 2014	1000000
		October 2014	900000
		October 2014	400000
2.	Accounts Officer, District Police Office, Thrissur	February 2014	150000
3.	Accounts Officer, District Police Office, Thrissur City	September 2014	1200000
4.	Administrative Assistant, India Reserve Battalion, RV Puram, Thrissur	May 2014	204000
		September 2014	200000
5.	Accounts Officer, District Police Office, Ernakulam(Rural)	July 2014	740000
		September 2014	3033768
		October 2014	900000
6.	Tribal Extension Officer, Amballur	July 2014	10000
7.	Superintendent, District Jail Kollam	September 2014	100000
8.	Accounts Officer, District Police Office, Palakkad	October 2014	900000
9.	Assistant Soil Chemist, Soil Testing Laboratory, Thrissur	October 2014	75000
10.	Principal Agricultural Officer, Thrissur	November 2014	1500000
11.	Government Veterinary Poly Clinic, Kunnangalam	November 2014	1380000
12.	Senior Veterinary Surgeon, Government Veterinary Hospital Pazhayannur	November 2014	51000
13.	Superintendent, Central Prison, Thiruvananthapuram	December 2014	75000
		January 2015	50000
		February 2015	1212560
		February 2015	300000
14.	Superintendent, Special Sub Jail, Neyyattinkara	December 2014	50000
		December 2014	20000
		February 2015	50000
		February 2015	20000
15.	Superintendent, District Jail, Kollam	December 2014	100000
16.	Superintendent, Women's Prison, Viyyur	December 2014	40000
17.	Child Development Project Officer, ICDS, Ottapalam	December 2014	18750

Sl. No.	Name of Drawing and Disbursing Officer	Month of drawal	Amount
18.	Government Veterinary Dispensary, Venkitangu	January 2015	49000
19.	Superintendent, Special Sub Jail, Thiruvananthapuram	February 2015	50000
20.	Superintendent, District Jail, Thiruvananthapuram	February 2015	150000
21.	District Officer, Kerala Public Service Commission, Ernakulam	February 2015	100000
		February 2015	62000
22.	Joint Director, State Institute of Technical Teachers Training and Research, Kalamassery	March 2015	200000
23.	Superintendent, District Jail, Viyyur	March 2015	200000
24.	Superintendent, Special Sub Jail, Chittur	March 2015	50000
Total			16424078

Appendix 2.13
List of controlling officers where amounts exceeding ₹50 crore in each case
remained un-reconciled during 2014-15
(Reference: Paragraph 2.4.2, Page 61)

Sl. No.	Name of the controlling officer	(₹ in crore) Amount not reconciled
1.	The Director, Public Instruction, Jagathy, Thiruvananthapuram	8031.95
2.	The Commissioner, Rural Development	2278.88
3.	The Director, Higher Secondary Education	1512.08
4.	The Director of Scheduled Caste Development	1065.98
5.	The Director of Panchayats	707.39
6.	The Director of Technical Education	590.36
7.	The Director of Animal Husbandry	522.13
8.	The Director of Scheduled Tribe's Development	515.03
9.	The Secretary, Transport Department	298.78
10.	The Secretary to Government, Social Justice Department	297.35
11.	The Director, Vocational Higher Secondary Education	265.48
12.	The Director, Sports and Youth Affairs	235.97
13.	The Director of Tourism	234.94
14.	The Secretary to Government, Health and Family Welfare Department	219.28
15.	The Director of Urban Affairs	198.70
16.	The Secretary, Local Self Government Department	190.51
17.	The Excise Commissioner, Commissionerate of Excise	187.31
18.	The Chief Engineer, Local Self Government Department	181.52
19.	The Director of Dairy Development	181.30
20.	The Director of Training, Industrial Training Department	165.22
21.	The Commandant General, Fire and Rescue Services	163.01
22.	The Chief Town Planner, Town and Country Planning Department	161.63
23.	The Director, Urban Affairs Department	141.08
24.	The Director of Backward Classes Development Department	136.21
25.	The Secretary, Planning and Economic Affairs Department	128.98
26.	Directorate of Coir Development	126.61
27.	The Chief Electoral Officer, Election Department	123.48
28.	The Secretary to Government, Science and Technology Department	122.49
29.	The Director, Directorate of Insurance Medical Services	122.22
30.	The Director, Survey and Land Records Department	117.22
31.	The Inspector General of Registration	107.74

Sl. No.	Name of the controlling officer	Amount not reconciled
32.	The Director of Employment	102.45
33.	The Secretary to Government, Power Department	93.62
34.	The Registrar, Cochin University of Science and Technology	85.08
35.	The Secretary to Government, Industries Department	70.09
36.	The District Collector, Kasaragod	68.69
37.	The Director, Regional Cancer Centre, Thiruvananthapuram	61.97
38.	The Secretary to Government, Cultural Affairs Department	58.09
39.	The Director of Ports	55.41
40.	The Director, Kerala State Audit Department	55.00
Total		19981.23