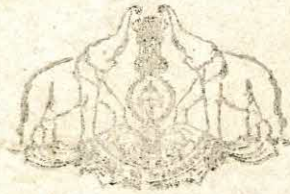




GOVERNMENT OF KERALA

**ECONOMICS
AND
PURPOSE CLASSIFICATION
OF
KERALA GOVERNMENT BUDGET
1987-88 AND 1988-89**

**DEPARTMENT OF
ECONOMICS AND STATISTICS
THIRUVANANTHAPURAM
1991**



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THIRUVANANTHAPURAM

1991

P R E F A C E

This Report on Economic and Purpose classification of the budget of the Kerala government' is an attempt to sketch the State Government budget into a meaningful economic categories. The publication presents two classification schemes Viz. the economic classifications and purpose classification. The economic classification consists of government expenditure and receipts by economic categories. This enables to understand the general impact of the government transaction on the economy. The purpose classification deals with the classification of Government expenditure by purpose or functional categories. These two schemes are combined to form "Economic - cum - purpose classification". This economic-cum-purpose classification reveals how the expenditure for a particular purpose is distributed among economic categories. It also shows how expenditure in a particular economic category is distributed among different purposes or types of services provided. This classification presented in this report relates to the years 1987-88 and 1988-89.

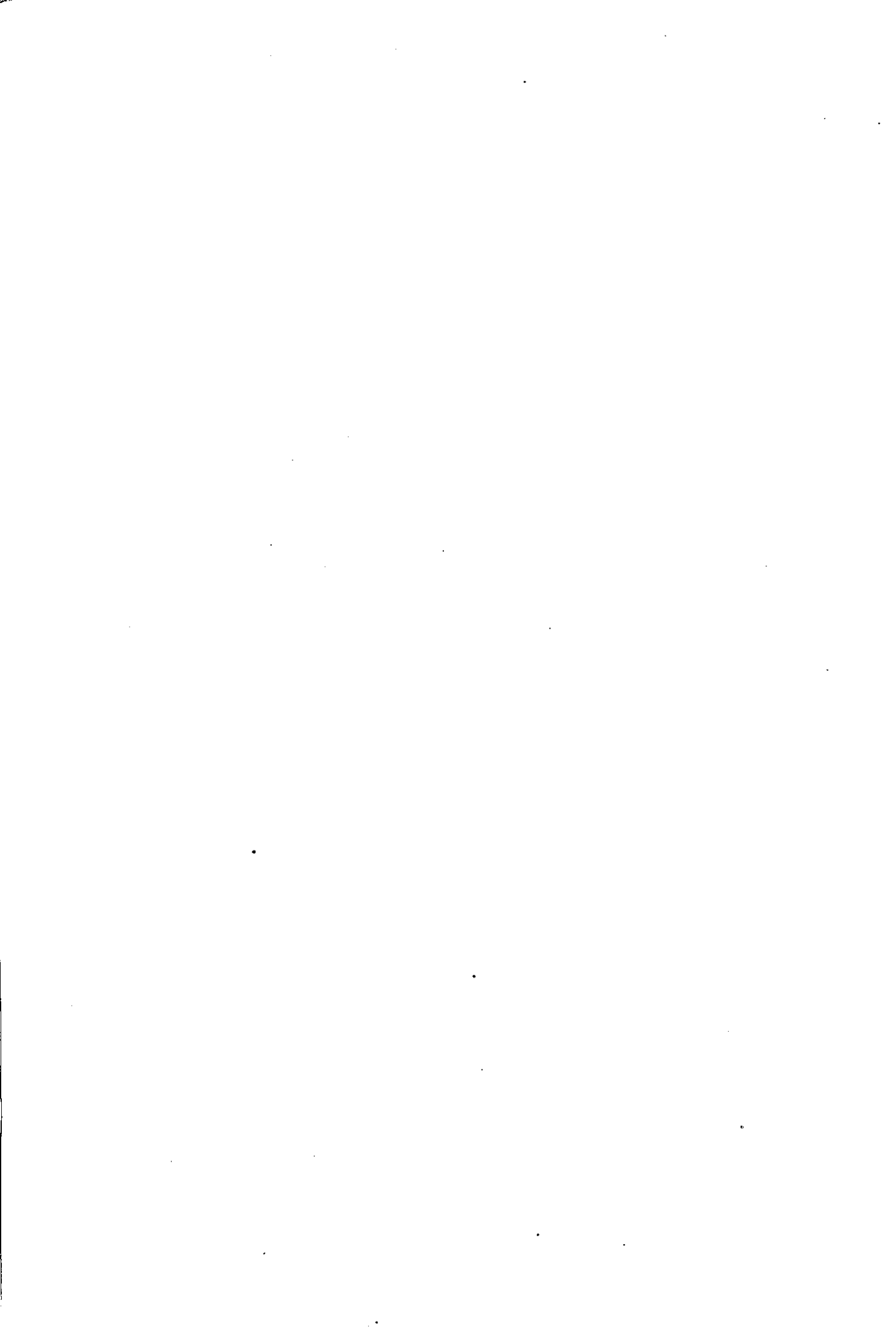
The classification of the budget of the State Government into economic and purpose categories is done as a part of the system of Regional Accounts as recommended by the Regional Accounts Committee set up by the Government of India in its 'Final Report' on preparation of Regional Accounts.

The report was prepared in the State Income Division of the Directorate. It is hoped that the contents of the report will be useful to planners and administrators and others interested, on the subject suggestions for improvement are highly appreciated.

This report is the outcome of the sincere efforts put in by Smt. Catherine Jacob, Research Officer with the assistance of Sri. G. Subbayan, Research Assistant and Smt. K. Ajitha Kumari, L.D. Compiler.

Thiruvananthapuram,
16.3.1991.

G. Somasekharan Nair,
DIRECTOR.



1. Introduction

Budget, the most important financial document of government, an annual government financial plan, reveals policies and programmes of government. The budget presented to the legislature is primarily designed for facilitating the authorisation of expenditure and revenue proposals. The budget passed by the legislature gives us information about the receipts and expenditure and other financial transactions of government current financial year and the preceeding two years and it secures accountability for any act of spending by various departments and also ensures control by the legislature. But it does not bring about the economic and social significance of the Budgetary transactions of the government, it reveals only financial transactions.

The information contained in the budget documents are too detailed and scattered and not necessarily based on distinction and groupings required for understanding the economic significance system of various items of revenue and expenditure. For instance, from the study of budget documents as they are, it is not possible to get a clear idea of capital formation out of the budgetary resources, savings of government, draft made by the government on various resources of the economy and government's contribution to the generation of state income. As such each transactions in the budget document is sorted out reclassified and regrouped into meaningful economic categories. ie, into three accounts. Viz. Account I. - Income and outlay account of administrative departments.

Account II - Production account of departmental commercial undertakings.

Account III - Capital finance account of State Government.

Government transactions are meaningful only in terms of the above items inorder to asses the striking action of the government on the economy for purposes of formulation of correct monetary and fiscal policies. Hence the necessity of economic classification of state government budget arises.

The purpose classification deals with the classification of the government expenditure according to different types of services, provided directly or financed by the state government through current and capital grants or loans. The economic classification and purpose classification are integrated as economic cum purpose classification to show how the expenditure of a particular purpose is distributed among economic categories and how the expenditure in a particular economic category is distributed among different purposes or types of services provided by government.

The economic and purpose classification of state government budget as part of the system of regional accounts is prepared on the basis of the recommendations of the Regional Accounts Committee set up by Government of India and adopted for the National Accounts Committee.

The economic and purpose classification of the government budgetary transaction is useful in the formulation of fiscal and economic policies. Hence this has got much recognition in recent years because of its value as means of providing in a condensed form of meaningful and informative picture of government expenditure. Economic and purpose classification of transaction provides macro economic data and is useful mostly at the policy formulation level and enables the decision makers to review the broad terms, the pattern of resources allocated and its impact on the rest of the economy.

The budgetary transaction of Kerala Government for the years 1987-88 and 1988-89 is classified into economic and purpose categories in the following pages.

2. Economic classification of State Government budgetary transactions.

The economic classification presented here is based on the delineation of government transaction in a set of three accounts as recommended by the Committee on Regional Accounts.

Account I - Income and Outlay account of administrative departments.

This account deals with current revenue and expenditure of government administrative departments. All departments other than those listed under Account II in this section are considered as administrative for the purpose of economic classification. The current expenditure of administrative departments consists of final outlays of the government of current account which represents government's current consumption. The final outlays are made up of purchase of goods and services and payment of wages and salaries and capital formation. Besides final outlays government makes transfer payments i.e. interest, grants, subsidies, scholarships, etc. to the rest of the economy which are added indirectly to the disposable income of the community. To meet these current expenditure, the government appropriates a part of the income of the community through a variety of taxes; fees and miscellaneous receipt etc. accruing in the course of administration. In addition government have an investment income from property and entrepreneurship and also receive revenue grants, contribution and recoveries from the union government and rest of the economy. The excess of current receipts over current expenditure denotes the savings of the government

administration available for domestic capital formation. Some of the items included in this account are explained as under.

A. REVENUE

I. Income from property and entrepreneurship

This flow records the income receivable by the State Government from departmental, commercial undertakings as well as the net rent and dividends accruing to it from the ownership of buildings or financial assets.

II. Interests.

Interest received may be from households, local bodies and from departmental, commercial undertakings. The interest received from departmental commercial undertakings appears as a payment item in Account II. Production Accounts of the departmental commercial undertakings. This item is therefore deducted from both interest received and interest paid so that there is no double counting.

III. Direct taxes

Direct taxes includes two components, viz. direct taxes on income and other direct taxes. The following are the items included under direct taxes:

1. Taxes on income other than corporation tax.
2. Other taxes on income and expenditure.
3. Land revenue.
4. Estate duty.
5. Taxes on immovable property other than agricultural land.

IV. Indirect taxes

Indirect taxes are defined as taxes assessed on produces that are chargeable to the cost of goods and services produced or sold. They include:

1. Stamps and registration fees.
2. Union and State excise.
3. Sales tax.
4. Taxes on vehicles.
5. Taxes and duties on electricity.
6. Entertainment tax.
7. Taxes on goods and passengers.
8. Fees realised under factories Act, fees for stamping weights and measures etc.

V. Miscellaneous receipts

These receipts are in the nature of fees, fines and forfeitures, etc.

VI. Revenue grants, contribution, etc.

Grants from government of India have been divided into two parts. Revenue grants and Capital grants. Revenue grants have been included under this account.

B. EXPENDITURE

I. Compensation of employees

This item comprises of remuneration to general government employees such as pay of officers, pay of establishment and allowances and honourarium other than travelling and daily allowances. Wages paid to casual labourers have also been taken as wages and salaries. Also included are pension payments to government employees of administrative departments.

II. Commodities and services

This item includes all expenditure under contingency such as office supplies, rent, rates and taxes, fuel and light, printing and stationery, travelling expenses, telephone and telegraphic charges and other items for current operations less sales by general government of goods and services to enterprise and households. All expenditure on current repairs and maintenance are included here.

III. Interest.

Interest comprises interest on Public debt and other obligations other than that on commercial debt which should be included in Account II - Production account of commercial undertakings.

IV. Subsidies

Subsidies include all grants on current account which private industries receive from the government. These may take the form of direct payments to producers or differentials between the buying and selling prices of government trading organisations. Thus subsidies are transfers which in the light of the basis of making the grants, are additions to the income of the producers from current production. The grants may for example be based on the amount of value of commodities

produced, exported or consumed the labour or land employed in production, or the manner in which production is organised and carried on. The value of coupons made available by government agencies to specify groups of the population to enable them to obtain goods at prices lower than the current market prices are classified as current transfers to households. Under certain circumstances subsidies include the grants made by government to public corporations as compensation for losses, ie, negative operating surplus and inconnection with the losses of Departmental Commercial undertakings. This will be the case when the loss is clearly the consequence of the policy of the government to maintain prices at a level at which the proceeds of the public industry will not cover the current costs of production. Rebate on sale of handloom cloth, loss on the sale of fertilizers, improved seeds, pesticides, and agricultural implements, loss suffered by the co-operative societies, etc. are to be treated as subsidies. In the case of irrigation, the loss by the departmental undertakings is treated as subsidy.

v. Current transfers

Current transfers include grants to local bodies to the rest of the world or to the other sectors, like grants to aided school, scholarships and stipends and welfare of the weaker sections of the society.

vi. Savings on current account

The balancing item on the current account of government administration represents the saving of this sector, ie, surplus of current receipts over current expenditure.

Account II - Production Account of Departmental Commercial Undertakings

The Departmental Commercial Undertakings (Government trading enterprises in the U.N. reports) may briefly be defined as agencies producing goods and services that are not provided free of charge. The essential characteristics distinguishing these departments from Government administrative departments are that they charge what they provide according to use and are thus able to meet most of their costs from their sale proceeds. Other related characteristics are as follows. (i) Departmental Commercial Undertakings are subject to market forces ie. demand and supply; (ii) the activities of such undertakings are subordinate to legislative control and are owned, run and managed by the government; (iii) the intention to make profit is not the essential characteristic and the activities of an undertaking may be carried on deliberately at a loss; (iv) commercial accounting methods have to be used to determine the profit and loss; (v) the operation of commercial

undertakings usually involves the use of expensive capital equipment and the holding of stocks which may be subject to large fluctuations and the provision for depreciation may therefore be a significant element in the total cost of the operations; and (vi) to maintain their operations, commercial undertakings must both give and receive commercial credit.

It is sometimes difficult in practice to decide whether a certain government department should be treated as an enterprise or as a part of government administration. This is because some charges made by government departments resemble sales by departmental commercial undertakings. In the State Government there are some departments which may be treated as ancillary agencies. They may be defined as bodies which are separately organised to supply goods and services for the use of other departments of the government but which do not directly provide services to the public. They may be subdivided into agencies such as public works department which are not run on commercial basis, purchasing agencies organised for the purchase and distribution of office supplies and the departments providing professional services. They exist primarily to supply goods and services to government agencies. They may also have some sales to outside agencies which are typically incidental to its function of serving to government bodies. For purpose of accounting all such departments have to be taken under government administration because goods and services of such departments are not sold on commercial basis. Like wise some government departments may also engage in lending. For example, Agriculture Department may make or give loans to farmers which is also incidental to its main function of serving the government and thus cannot be grouped with financial enterprises.

Independent statutory corporations and boards set up by the state government are excluded from the purview of those commercial undertakings included in this account. In the case of Kerala the following head of accounts are to be classified as departmental commercial undertakings.

1. Irrigation
2. Road and Water transport schemes.
3. Forests.
4. Milk supply schemes.
5. Printing press.
6. Ports and pilotage.

The expenditure side of commercial undertakings spells out the current expenditure into wages and salaries, goods and services, interest, consumption of fixed capital and profits. The loss in irrigation is treated as subsidy and is shown as negative expenditure on expenditure side of the Account. On the revenue side, the sale proceeds are given.

Account III - Capital Finance Account of State Government

This account is concerned with the total capital formation by government administration and departmental commercial undertakings together with capital transfer payments which are mostly for assisting capital formation in the rest of the economy. The capital expenditure of government administration and departmental commercial undertakings have been given separately while the sources of finance are common to both. The different items included in the account are discussed hereunder.

I. Gross Fixed Capital Formation

Gross Capital Formation represents the gross value of the goods which are added to the domestic capital stocks of the nation. It comprises both expenditure on the acquisition of fixed assets and the value of physical change in stocks. The gross fixed capital formation has been classified into buildings and other construction and machinery and equipment.

a) Buildings and other construction Capital formation made buildings include all expenditure on new construction and major alterations to residential and non residential buildings including the value of the change in work in progress. Other construction includes mostly expenditure on construction of roads, bridges and works on power and irrigation projects, flood control, forest clearance, land reclamation, water supply and sanitation.

b) Machinery and Equipment

This item include expenditure incurred on purchase of various equipments such as buses, jeeps, trucks, tractor for road hawlage power generating machinery, agricultural machinery and implements, office furniture, machinery and equipments and instruments used by professional men. Under this head the expenditure shown against renewals and replacements refers mainly to departmental commercial undertakings.

II. Change in stocks

Change in stock represents the value of physical change in raw materials work in progress (other than the work in progress in buildings which are included in fixed capital formation) and finished products which are held by commercial enterprises and in government stock piles.

III. Capital transfers

Capital tranfers cover grants to finance the construction of buildings, purchase of machinery and equipment and for public works,

water supply and sewage disposal schemes etc. capital transfers are intended to assist capital formation in other sectors of economy.

IV. Receipts on Capital Account

This part deals with the financing of capital formation and the sources for the same are discussed as under.

V. Saving

The saving on current account is directly taken from account I.

VI. Net borrowings

Items like internal debt, small savings, provident fund etc are indicated here.

Other liabilities

All investments in the share capitals of statutory corporation and co-operative societies are classified as financial assets and are shown against other liabilities as a negative figure. Also included are the extra budgetary receipts like loans from Government of India, inter state debt settlement, contingency fund, deposits and advances, suspense, remittances and cash balances. Besides these, there are some funds maintained by the governments like famine relief fund, road fund etc. which are also covered here.

Account - I Income and Outlay Account of Administrative Departments

Receipts

(Rs.in Lakhs)

Items	Years	
	1987-88 (Accounts)	1988-89 (Accounts)
1. Income from entrepreneurship and property	14133	13066
1.1. Profits	949	385
1.2. Income from property	13184	12681
1.2.(1) Net Interest received	3152	1721
a) Other Sectors	3113	1666
b) Foreign	-	-
c) Other public authorities	39	55
i) Centre	-	-
ii) States	-	-
iii) Local authorities	39	55
1.2.2. Other property receipts	10032	10960
2. Total tax revenue	110673	138434
2.1. Total Direct Taxes	9774	14997
a) Corporation tax	-	-
b) Land revenue	455	841
c) Other direct taxes including income tax	9319	14156
2.2. Total Indirect Taxes	100899	123437
a) Customs	-	-
b) Excise	24264	35996
c) Sales tax	59965	69041
d) Stamps	6447	9281
e) Other taxes and duties	10223	9119
3. Fees and miscellaneous receipts	4923	5942
4. Total transfer from other public authorities	18305	21362
4.1. Centre	18305	21362
4.2. States	-	-
4.3. Local authorities	-	-
TOTAL RECEIPTS	148034	178804

Account - I Income and Outlay Accounts of Administrative Departments

Expenditures

(Rs. in Lakhs)

Items	Years	
	1987-88 (Accounts)	1988-89 (Accounts)
I. Total Consumption Expenditure	85953	97390
1.1 Compensation of employees	72447	81389
a) Wages and salaries	55723	64670
b) Pension	16754	16719
1.2. Net purchase of commodities & services	13476	16001
a) Purchase	15224	16021
b) Maintenance	3716	5725
c) Less sales	5464	5745
2. Net interest paid	20533	23566
2.1. To public authorities	10879	12653
a) Centre	10879	12653
b) States	-	-
c) Local Authorities	-	-
2.2. To Foreign	8860	10913
2.3. To Others	794	888
2.4. Less commercial interest	5442	5489
3. Subsidies		
4. Total current transfers (Other than in the govt: transfers)	45656	50284
4.1. Other sector	45656	50284
4.2. Foreign	-	-
5. Total inter-government transfers	4127	9389
5.1. Current	2282	9282
a) to centre	-	-
b) to state	-	-
c) to local authorities	2282	9282
5.2. Capital	1845	107
a) to centre	-	-
b) to state	-	-
c) to local authorities	1845	107
6. Total current expenditure	161711	186118
7. Surplus savings of current account (8-6)	(-)13677	(-)7314
8. Total expenditure = Total receipts	148034	178804

**Account - II Production account of departmental commercial
undertakings of the state government**

Items	Years	
	1987-88 Accounts)	1988-89 (Accounts
Expenditure		
1. Purchase of commodities and services (including maintenance)	2039	2302
2. Compensation of employees	2844	2908
3. Interest	794	888
4. Consumption of fixed capital	-	-
5. Profit	949	385
6. Less imputed irrigations subsidy	2158	2470
Total expenditure	<u>4468</u>	<u>4013</u>
Receipts		
7. Sales	<u>4468</u>	<u>4013</u>
8. Total receipts	<u>4468</u>	<u>4013</u>

Account - III Capital Finance Account of General Government
(Both administration and enterprises)

(Rs. in Lakhs)

State: KERALA

Items	Years	
	1987-88 (Accounts)	1988-89 (Accounts)
I. Expenditure - Administration	13027	13782
1. Capital outlay	(-)61	(-)115
2. Net purchase of Phy. assets	(-)7	(-)23
2.1. Second hand assets	(-)54	(-)92
2.2. Land	398	1337
3. Change in stocks	428	970
4. Capital transfers	428	970
4.5. To Others	24	11
(a) for Capital formation	404	959
(b) For others	-	-
4.2. To Foreign	13792	15974
5. TOTAL (1 to 4)		
II. Expenditure - Enterprises	5646	6549
6. Capital Outlay	-	-
7. Renewals & Replacements	-	-
8. Net Purchase of phy. assets	-	-
8.1. Second hand assets	-	-
8.2. Land	444	532
9. Change in stocks	6090	7081
10. TOTAL (6 to 9)	19882	23055
11. TOTAL EXPENDITURE (5+10)		
III. Receipts	(-)13677	(-)7314
12. Surplus on current accounts		
13. Consumption of fixed capital		
14. Foreign grants		
15. Net Budgetary Borrowings	24740	27348
15.1 At home	24740	27348
15.2. At abroad	-	-
16. Other liabilities	8919	3021
16.1 Net extra budgetary borrowings	11441	7019
16.2 Less net purchase of financial assets	2622	3998
TOTAL RECEIPTS (12 to 16)	19882	23055
Total Expenditur	19882	23055

3. Purpose classification of state government budgetary transactions

The government expenditure can be classified in accordance with the purpose it is likely to serve such as health, education, defence, etc.

The purpose of the government expenditure might be of two types (i) long term and (ii) short term. Long term expenditure might be aimed at tackling the problem of unemployment, economic development of the country and to bring about certain fundamental changes in the structure of the economy. The short term expenditure relate to immediate objectives of expenditure incurred in regard to health, defence, education, social welfare, economic services etc. The aim of the purpose classification attempted here is to classify expenditure in accordance with the immediate or short term social needs of the government.

The purpose classification attempted here relates only to government expenditure of various administrative departments excluding departmental commercial undertakings.

Financial investment of the government in commercial activities in terms of purchase of shares and debentures etc. have been included. Similarly grants and loans given to commercial organisations, non-government institutions or the individuals are also included. It may however be pointed out that the repayment of loans are excluded.

Inter government transfers by nature of transactions, are excluded, similarly the receipts of the government do not come into the picture. However some of the receipts like sales of the goods and services produced in the governmental sector are taken into account in working out the expenditure on net purchase of goods and services by government.

The purpose classification attempted for the present study is the conformity with the U.N. recommendations. U.N. has recommended classification in 9 major categories.

- i. General government services
- ii. Defence
- iii. Education.
- iv. Health
- v. Social and welfare services
- vi. Housing and community amenities.
- vii. Cultural recreation and religious services
- viii. Economics services and
- ix. Other services.

These major heads have been split into minor groups. In the present study some adjustments have been made in the minor categories. As against 30 minor heads suggested by the U.N. all the major heads mentioned above have been divided into 19 minor heads only in this report. Atomic energy is a new minor head which we have introduced here. It is not given in the U.N. Classification.

All the items of the expenditure are grouped under the appropriate categories in respect of their manner of presentation in the budget. Items which relate to more than one purpose class are first disintegrated in accordance with the details that are given in the budget, and then classified into appropriate purpose categories.

In the absence of any details, either the major function of the expenditure is considered as the purpose or it is disintegrated into related purpose categories applying some suitable norms.

In the case of grants, loans and advances to private institutions or to individuals if the purpose of utilisation is not specifically mentioned, classification is done on the basis of the main functions of the institutions which are receiving the grants, loans and advances. In many cases neither the name of organisations receiving the grants, loans and advances are known nor the purpose of utilisation is given. In such cases the classification has been done on the basis of account heads under which these expenditures have been shown.

Facilities provided to employees like residential housing facility, free or subsidised medical aid etc. are classified by the nature of the facility and not by the functional character of the office providing facilities. Accordingly, loans and advances to employees for construction of houses, purchase of motor cars, etc. are classified according to the types of the services likely to be obtained by the utilisation of the loans.

Pensions and other retirement benefits (including employees family pension schemes) have been distributed to all the purpose categories in proportion to the amount of wages and salaries attributable to different categories. The welfare pensions like old age pensions, pensions to political sufferers or to freedom fighters etc. are however classified under the welfare services.

Table - 1 Purpose classification of State Government
Budgetary expenditure

(Rs. in Lakhs)

Items	Years	
	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3
1. General economic services	35005	30227
1.1 General administration (external affairs, public orders and safety)	35005	30227
1.2 General research	-	-
2. Defence	-	-
3. Education	69630	60329
3.1 General administration regulation and research	1121	1184
3.2 University, schools and other educational facilities including subsidiary services	68509	59145
4. Health	14439	13054
4.1 General administration regulation & research	272	284
4.2 Hospital clinic and individual health services	14167	12770
5. Social security and welfare services	12143	12750
6. Housing and community amenities	15167	10569
7. Cultural recreational and other religious services	1726	2007
8. Economic services	46934	41141
8.1 General administration and regulation	3749	3164
8.2 Agriculture, forestry, fishing and hunting	11110	11367
8.3 Mining, manufacturing and construction	8661	10043
8.4 Electricity, gas, steam and power	9285	6036
8.5 Atomic energy	-	-
8.6 Transport and communication	11700	9232
8.7 Other economic services	2429	1299
9. Other purposes	1561	608
Total	196605	170685

Table - 2 Percentage distribution of purpose classification of
State Government Expenditure

Items	Years	
	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3
1. General government services	17.81	17.71
1.1 General administration (external affairs, public order and safety)	17.81	17.71
1.2 General research	-	-
2. Defence	35.42	35.34
3. Education		
3.1 General administration regulation and research	0.57	0.69
3.2 University, schools and other educational facilities including subsidiary services	34.85	34.65
4. Health	7.34	7.65
4.1 General administration regulation and research	0.14	0.17
4.2 Hospital clinic and individual health services	7.21	7.48
5. Social security and welfare services	6.18	7.47
6. Housing and community amenities	7.71	6.19
7. Cultural recreational and other religious services	0.88	1.18
8. Economic services	23.87	24.10
8.1 General administration, regulation and research	1.91	1.84
8.2 Agriculture, forestry, fishing and hunting	5.65	6.66
8.3 Mining, manufacturing and construction	4.41	5.88
8.4 Electricity, gas, steam and power	4.72	3.54
8.5 Atomic energy	-	-
8.6 Transport and communication	5.95	5.41
8.7 Other economic services	1.24	0.76
9. Other purpose	0.79	0.36
Total	100.00	100.00

IV. ECONOMIC-CUM-PURPOSE CLASSIFICATION

In this section, economic and purpose classification have been combined into a single two-way cross classification by significant economic and functional categories. This classification shows how expenditure for a particular purpose is divided between economic categories such as current expenditure on goods and services, capital formation and various types of transfer and loans. It also shows how expenditure in a particular economic category is divided according to different purpose or types of services provided by government. Economic and functional classification of transactions provides macro economic data and is useful mostly at the policy formulation level and enables the decision makers to review in broad terms the pattern of resource allocation and its impact on the rest of the economy.

The economic and functional classification of the Kerala government budgetary expenditure for the years for 1987-88 and 1988-89 is furnished in tables 3.1 and 3.2. It classifies horizontally expenditure for each service for the years under review into significant economic categories and vertically into different functional categories.

Tables derived from the above accounts, for the purpose of state income computation are given in appendix.

Table - 3.1 Economics-Cum-Purpose Classification of Government Budget 1987-88 (Accounts)

(Rs. in Lakhs)

ECONOMIC CLASSIFICATION/ FUNCTIONAL CLASSIFICATION	CURRENT EXPENDITURE								TOTAL CURRENT EXPENDITURE
	1	2	3	4	5	6	7	8	
	Wages and salaries in-cluding pension	Commodities and services	Interest on general debt	Subsidies	Transfer to income a/c. of household	Local bodies expenditure			
1. General public services	20882	4828	-	-	1876	595	-	-	28181
1.1 General administration, external affairs, public sector	20882	4828	-	-	1876	595	-	-	28181
1.2 General research	-	-	-	-	-	-	-	-	-
2. Defence	-	-	-	-	-	-	-	-	-
3. Education	24885	2150	10	-	32750	-	-	-	59795
3.1 Administration, regulation and research	1088	94	-	-	-	-	-	-	1182
3.2 Universities, schools and other educational facilities	23797	2056	10	-	32750	-	-	-	58613
4. Health	9061	3274	-	-	248	-	-	-	12583
4.1 Administration, regulation and research	262	22	-	-	-	-	-	-	284
4.2 Hospital, clinics and other health services	8799	3252	-	-	248	-	-	-	12299

(Contd.)

(Table 3.1 contd.)

	1	2	3	4	5	6	7	8
5. Social security and welfare service		4225	1083	-	3	5615	-	10926
6. Housing and community amenities		2979	816	-	138	1591	465	5989
7. Cultural, recreational and religious services		637	389	-	-	719	-	1745
8. Economic services		9033	6395	-	3143	2314	1222	22107
8.1 General administration, regulation and research		1694	1376	-	-	64	2	3136
8.2 Agriculture, forestry, fishing and hunting		4421	1254	-	2333	982	-	8990
8.3 Mining, manufacturing and construction		768	92	-	517	1001	-	2378
8.4 Electricity, gas, steam and power		-	780	-	-	254	867	1901
8.5 Atomic energy		-	-	-	-	-	-	-
8.6 Transport and communication		1319	2809	-	-	13	353	4494
8.7 Other economic services		831	84	-	293	-	-	1208
9. Other purposes		1	5	-	-	563	-	569
Total		71703	18940	10	3284	45676	2282	141895

(Table 3.1 contd.)

ECONOMIC CLASSIFICATION/ FUNCTIONAL CLASSIFICATION	(Rs. in lakhs)										GRAND TOTAL (8+17+18)						
	Gross fixed formation			Capital transfer to			Loans and advances to			Total expend- iture		Fund					
	9	10	11	12	13	14	15	16	17				18	19			
				Increase in stock shares	Local bodies	Other domes- tic sectors	Local bodies	Other domes- tic sectors									
1. General public services	787	396	484	18	-	28	30	292	2035	11	30227						
1.1 General administration, external affairs, public sector	787	396	484	18	-	26	30	292	2035	11	30227						
1.2 General research	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Defence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Education	362	141	-	1	-	21	-	9	534	-	60329						
3.1 Administration, regulation and research	2	-	-	-	-	-	-	-	2	-	1184						
3.2 Universities, schools and other educational facilities	360	141	-	1	-	21	-	9	532	-	59145						
4. Health	314	142	-	6	-	-	-	9	471	-	13054						
4.1 Administration, regulation and research	-	-	-	-	-	-	-	-	-	-	284						
4.2 Hospital, clinics and other health services	314	142	-	6	-	-	-	9	471	-	12770						

(contd.)

(Table 3.1 contd.)

	7	8	9	10	11	12	13	14	15	16	17	18	19
5. Social security and welfare service	1313	243	-	177	-	81	-	8	1822	2	12750		
6. Housing and community amenities	3124	7	-	13	93	174	220	899	4530	50	10569		
7. Cultural, recreational and religious service	111	85	-	61	-	-	-	5	262	-	2007		
8. Economic services	5359	630	(-)86	2366	1752	98	2202	6704	19025	9	41141		
8.1 General administration, regulation and research	-	24	-	-	-	4	-	-	28	-	3164		
8.2 Agriculture, forestry, fishing and hunting	1329	59	(-)7	46	101	13	-	803	2344	33	11367		
8.3 Mining, manufacturing and construction	15	40	-	1699	-	24	-	1880	3658	-	6036		
8.4 Electricity, gas, steam and power	639	390	-	-	1651	-	2202	3260	8142	-	10043		
8.5 Atomic energy	-	-	-	-	-	-	-	-	-	-	-		
8.6 Transport and communication	3357	117	397	365	-	-	-	526	4762	(-)24	9232		
8.7 Other economic services	19	-	(-)476	256	-	57	-	235	91	-	1299		
9. Other purposes	13	-	-	-	-	26	-	-	39	-	608		
Total	11383	1644	398	2642	1845	428	2452	7926	28718	72	170685		

Table - 3.2 Economics-Cum-Purpose Classification of Government Budget 1987-88 (Accounts)

ECONOMIC CLASSIFICATION/ FUNCTIONAL CLASSIFICATION	(Rs. in Lakhs)							
	CURRENT EXPENDITURE							
	1	2	3	4	5	6	7	8
	Wages and salaries including pension	Commodities and services	Interest on general debt.	Subsidies	Transfer to income a/c. of household	Transfer to local bodies for current expenditure	TOTAL CURRENT EXPENDITURE	
1. General public services	23054	4361	-	-	3304	2072	32791	
1.1 General administration, external affairs, public sector	23054	4361	-	-	3304	2072	32791	
1.2 General research	-	-	-	-	-	-	-	
2. Defence	-	-	-	-	-	-	-	
3. Education	28233	2201	10	-	37946	-	68390	
3.1 Administration, regulation and research	1044	76	-	-	-	-	1120	
3.2 Universities, schools and other educational facilities	27189	2125	10	-	37946	-	67270	
4. Health	9987	3623	-	-	132	-	13742	
4.1 Administration, regulation and research	254	18	-	-	-	-	272	
4.2 Hospital, clinics and other health services	9733	3605	-	-	132	-	13470	

(Contd.)

(Table 3.2 contd.)

1	2	3	4	5	6	7	8
5.	Social security and welfare service	4865	-	48	5147	-	11143
6.	Housing and community amenities	4483	-	101	952	984	7624
7.	Cultural, recreational and religious services	645	-	-	442	-	1490
8.	Economic services	9373	-	2870	1858	6226	28404
8.1	General administration, regulation and research	1078	-	-	23	-	3688
8.2	Agriculture, forestry, fishing and hunting	5024	-	751	1083	175	8496
8.3	Mining, manufacturing and construction	1093	-	1503	642	-	3396
8.4	Electricity, gas, steam and power	6	-	-	82	5873	5976
8.5	Atomic energy	-	-	-	-	-	-
8.6	Transport and communication	1269	-	-	7	178	5262
8.7	Other economic services	903	-	616	21	-	1586
9.	Other purposes	50	-	-	543	-	1487
	Total	80690	10	3019	50324	9282	165071

(Table 3.2 contd.)

ECONOMIC CLASSIFICATION/ FUNCTIONAL CLASSIFICATION	(Rs. in lakhs)																	
	Gross fixed formation			Increase in stock			Capital transfer to			Loans and advances to			Total expenditure			GRAND TOTAL (8+17+18)		
	9	10	11	12	13	14	15	16	17	18	19							
1. General public services	830	423	841	25	-	52	20	9	2200	14	35005							
1.1 General administration, external affairs, public sector	830	423	841	25	-	52	20	9	2200	14	35005							
1.2 General research	-	-	-	-	-	-	-	-	-	-	-							
2. Defence	-	-	-	-	-	-	-	-	-	-	-							
3. Education	424	798	-	2	-	3	-	13	1240	-	69630							
3.1 Administration, regulation and research	1	-	-	-	-	-	-	-	1	-	1121							
3.2 Universities, schools and other educational facilities	423	798	-	2	-	3	-	13	1239	-	68509							
4. Health	534	159	-	-	-	-	-	4	697	-	14439							
4.1 Administration, regulation and research	-	-	-	-	-	-	-	-	-	-	272							
4.2 Hospital, clinics and other health services	534	159	-	-	-	-	-	4	697	-	14167							

(contd.)

(Table 3.2 contd.)

	9	10	11	12	13	14	15	16	17	18	19
5. Social security and welfare service	716	150	-	125	-	-	-	9	1000	-	12143
6. Housing and community amenities	3656	11	-	31	107	659	2142	898	7504	39	15167
7. Cultural, recreational and religious service	72	54	-	88	-	4	-	18	236	-	1726
8. Economic services	5609	344	496	3768	-	180	2142	5922	18461	69	46934
8.1 General administration, regulation and research	-	25	-	-	-	-	-	20	45	16	3749
8.2 Agriculture, forestry, fishing and hunting	1407	69	1	95	-	94	-	820	2486	128	11110
8.3 Mining, manufacturing and construction	21	152	-	2287	-	44	-	2756	5260	5	8661
8.4 Electricity, gas, steam and power	-	-	-	-	-	-	2142	1167	3309	-	9285
8.5 Atomic energy	-	-	-	-	-	-	-	-	-	-	-
8.6 Transport and communication	4159	98	800	426	-	-	-	1035	6518	(-)80	11700
8.7 Other economic services	22	-	(-)305	960	-	42	-	124	843	-	2429
9. Other purposes	-	2	-	-	-	72	-	-	74	-	1561
Total	11841	1941	1337	4039	107	970	4304	6873	31412	122	196605

Major findings

The system of accounts presented in this study analysis the various aspects of government budgetary operations and their impact on the economy. Some of the major findings emerging out of this is presented below.

Total expenditure of the State Government

The total expenditure of the State Government by major categories exclusive of the operating expenses of departmental commercial undertakings is given in detail in table 4. This represents the flow back of funds to the rest of the economy. The expenditure of Kerala State Government increased to Rs.2153 crores in 1988-89 from Rs.1886 crores in 1987-88 showing an increase of about 14% over the period.

Final Outlay

Final Outlay is the major component of the total expenditure of the State Government. In 1987-88 it accounted for Rs.994 crores or 53% of the total expenditure. In 1988-89 though it has increased to Rs.1126 crores the share has decreased to 52% of the total expenditure. Final outlay is the direct expenditure of state government for goods and services as well as capital formation.

Consumption expenditure

This expenditure includes expenditure as wages and salaries and goods and services. It accounted for 86.47% of final outlay in 1987-88 and 86.53% in 1988-89.

Transfer payments

Transfer Payments consists of capital and current transfers. Its share of Rs.762 crores in 1987-88 has increased to Rs.897/- in 1988-89. In other words it increased from 40 to 42% of the total expenditure in 1987-88. All the components show a slight change during the period.

Financial Investments and Loans

This items of expenditure amounting to Rs.130/- crores each in 1987-88 and 1988-89, contributed to about 7% of the total expenditure in 1987-88 and 6% of the total expenditure in 1988-89 respectively.

Table - 4 Total expenditure (excluding expenditure of departmental commercial undertakings)

		(Rs. in Lakhs)	
Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
I.	Final Outlays	99398	112550
	a) Government consumption expenditure	85953	97390
	b) Gross Capital Formation	13445	15160
II.	Transfer payments to the rest of the economy	76186	89698
	a) Current transfer	75758	88728
	b) Capital Transfer	428	970
III.	Financial investment and loans to the rest of the economy	13000	13034
		-----	-----
	Total	<u>188584</u>	<u>215282</u>

Table - 5 Percentage share of different components of the total expenditure

Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
I.	Final Outlays	52.71	52.28
II.	Transfer Payments to the rest of the economy	40.40	41.67
III.	Financial investments and loans to the rest of the economy	6.89	6.05
	Total	100.00	100.00

Gross Capital Formation

Government contribution to gross capital formation i.e., investment in building, machinery and equipments and acquisition of stocks is estimated at Rs.195/- crores in 1987-88. This has increased to 222 crores in 1988-89. This item accounted for about 19.65% and 19.72% of the final outlay of the state for the years 1987-88 and 1988-89 respectively.

Table - 6 Components of capital formation

(Rs. in lakhs)

Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
1.	Construction	16784	17992
2.	Machinery and other equipments	1909	2339
3.	Change in stocks	842	1869
	Total	19535	22200

Savings of the State Government

Gross savings comprises of savings on current account of government administration, (ie. surplus of current receipt over current expenditure) depreciation provision and retained profit of departmental commercial undertakings. It was (-)127 crores in 1987-88 and (-)69 crores in 1988-89 as detailed here under.

Table - 7 Gross savings of the State Government

(Rs. in lakhs)

Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
1.	Gross Savings of government administration	(-)13677	(-)7314
2.	Provision for depreciation of departmental commercial undertakings	-	-
3.	Retained profits of departmental commercial undertakings	949	385
	Total	(-)12728	(-)6929

The savings of the state government for two years are furnished in the above table. Though it was Rs.(-)127 crores in 1987-88, it was (-) 69 in 1988-89.

Current receipts

For the assessment of the economic implication of the expenditure incurred by the government it is necessary to examine it against the back-ground of the sources from which they are financed. In table 8 the current receipt of the state government are furnished under significant economic heads.

Table - 8 Current receipts (Rs. in lakhs)

Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
1.	Tax receipts	110673 (74.76)	138434 (77.42)
2.	Income from property and entrepreneurship	14133 (9.55)	13066 (7.31)
3.	Fees and miscellaneous receipt	4923 (3.33)	5942 3.32
4.	Revenue grants from Govt. of India	18305 (12.36)	21362 (11.95)
5.	Total current receipts	148034 (100.00)	178804 (100.00)

(Figures in brackets indicate percentage)

The total current receipts of the state government have increased from Rs.1480 crores to Rs.1788 crores showing an increase of 21% over the period. The tax receipt alone contributed 74.76% of the total receipt in 1987-88 and 77.42% of the total receipt in 1988-89. During the two years under reference tax receipt remained the highest contributor.

Current outgoing

The current outgoing of the state government are shown in table 9.

Table - 9 Current Outgoing of the state government

(Rs. in lakhs)

Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
1.	Consumption expenditure	85953	97390
2.	Transfer payments	75758	88728
	Total	161711	186118

Current outgoing have increased from Rs.1617 crores in 1987-88 to Rs.1861 crores in 1988-89. As is seen from the table consumption expenditure exceeds transfer payments in both years. It accounts for about 53% of the current outgoing in 1987-88. By 1988-89 the share has decreased 52%.

9. Borrowing accounts

Net receipts from the borrowing and extra budgetary resources have been shown in the borrowing accounts. In account III it is shown as a source of finance for capital formation. The net borrowing in 1987-88 was 114 crores where as it was 70 crores in 1988-89.

Borrowing account

State: KERALA

(Rs. in Lakhs)

Sl.	Items	1987-88 (Accounts)		1988-89 (Accounts)	
		Receipts	Expend- iture	Receipts	Expend- iture
1	2	3	4	5	6
I.	Borrowing at home				
1.	Internal debt	93417	79590	109684	98294
2.	Small savings provident fund etc.	63177	52264	71362	55404
3.	Other debt	-	-	-	-
	Total	156594	131854	181046	153698
	Net receipts	24740	-	27348	-
II.	Borrowing abroad				
1.	External debt	-	-	-	-
2.	Other debt	-	-	-	-
	Total	-	-	-	-

(Contd.)

(Borrowing account contd.)

1	2	3	4	5	6
III. Extra budgetary receipts adjustments					
1.	Loans from govt. of India	30187	18152	28918	16797
2.	Loans & advances by state government	1768	10378	2246	9036
3.	Inter-state settlement	-	-	-	-
4.	Contingency fund	-	3	3	338
5.	Reserve fund	75	16	47	28
6.	Deposit and advances	44464	42332	53326	51579
7.	Suspense and miscellaneous	32757	24186	30975	38030
8.	Remittance	59330	58847	70011	65424
9.	Cash balance	(-)949	(+)2259	2259	(-)522
10.	Funds revenue account	54	72	66	122
11.	Funds capital account	-	-	-	-
12.	Funds commercial account	-	-	-	-
	Total	167686	156245	187851	180832
	Net receipts	11441	-	7019	-

10. Net surplus of departmental commercial undertakings

Net surplus of departmental commercial undertakings indicates the performance of three concerns. It is measured as the excess of revenue over expenditure. The derivation of net surplus is shown in table 11.

Table - 11 Net surplus of departmental commercial undertakings

		(Rs. in lakhs)	
Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
1.	Gross receipts*	6626	6483
2.	Operation expenses	5677	6098
3.	Net surplus	949	385

*Including irrigation subsidy.

The net surplus was Rs.9 crores in 1987-88. It was decreased to Rs.4 crores in 1988-89.

A P P E N D I X

- Appendix - A Estimates of net product from public administration (1987-88 to 1988-89).
- Appendix - B1 to B2 Domestic product by industry of origin and factor income (departmental enterprises) 1987-88 to 1988-89.
- Appendix - Ca1 to Ca2 Capital formation by types of assets of industry of use - administration (1986-87 to 1987-88)
- Appendix - Cb1 to Cb2 Capital formation by type of assets of industry of use (departmental enterprises) 1987-88 to 1988-89.

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Appendix A - Estimates of net product from public administration

(Rs. in Lakhs)

Sl. No.	Items	1987-88 (Accounts)	1988-89 (Accounts)
1	2	3	4
1.	Administration (Total wages and salaries) Less wages and salaries in	71703	80690
2.	Construction	1755	1944
3.	Water supply	-	-
4.	Other services	32648	36988
	a) Education (3.2)	23797	27189
	b) Medical and public health (4.2)	8799	9733
	c) Sanitation	52	66
5.	Sub total (2 to 4)	34403	38932
	Public administration (1-2)	37300	41758

State: KERALA
 Appendix B1 - Domestic product by industry of origin and factor income (Enterprises)
 Year 1987-88 (Accounts)
 (Rs. in lakhs)

Items	Comp- Purchase			Maintenance			Inte- rest	Profit	Depre- cia- tion	Total receipt			Net prod- uct (3+8+9)	Gross prod- uct (14+10)
	3	4	5	6	7	8				9	10	11		
	Consat- ion of emplo- yees	goods & ser- vices	Build- ing maint- enance	Road maint- enance	Const- ruction main- tenance					Sales	Imput- ed ir- riga- tion	Total rece- pts		
1. Agriculture	858	102	-	-	669	788	-	-	-	2417	2158	259	1646	1646
2. Forestry	494	37	-	-	4	-	3462	-	-	535	-	3997	3956	3956
3. Manufacturing	1208	1127	1	-	-	-	(-)2277	-	-	2336	-	59	(-)1069	(-)1069
1) Printing press	1208	1127	1	-	-	-	(-)2277	-	-	2336	-	59	(-)1069	(-)1069
2) Milk supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Railway	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Other transport	284	35	-	-	4	6	(-)236	-	-	389	-	153	54	54
8.1) Ports, Pilotage, light houses and light ships	139	20	-	-	4	-	(-)137	-	-	163	-	26	2	2
8.2) Civil aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3) Others	145	15	-	-	-	6	(-)99	-	-	226	-	127	52	52
9. Trade, hotels & restaurants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Banking and insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2844	1361	1	-	677	794	949	-	-	5677	2158	4468	4587	4587

State: KERALA
 Appendix B2 - Domestic product by industry of origin and factor income (Enterprises)
 Year 1988-89 (Accounts)

(Rs. in lakhs)

Items	Comp- Purchase-			Maintenance			Inte- rest	Profit	Depre- cia- tion	Total receipt			Net prod- uct (3+8+9)	Gross product (14+10)
	3	4	5	6	7	8				9	10	11		
1. Agriculture	926	32	-	-	935	882	-	-	-	305	2470	2775	1808	1808
2. Forestry	1147	1160	4	-	-	-	1051	-	-	3362	-	2311	2198	2198
3. Manufacturing	527	51	-	-	4	-	(-)430	-	-	152	-	582	97	97
1) Printing press	527	51	-	-	4	-	(-)430	-	-	152	-	582	97	97
2) Milk supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Railway	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Other transport	308	107	-	-	9	6	(-)236	-	-	194	-	430	78	78
8.1) Ports & Pilotage, light houses and light ships	152	28	-	-	9	-	(-)144	-	-	45	-	189	8	8
8.2) Civil aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3) Others	156	79	-	-	-	6	(-)192	-	-	149	-	241	70	70
9. Trade, hotels & restaurants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Banking and insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	2908	1350	4	-	948	888	4555	-	-	4013	2470	6098	4181	4181

Appendix Cal - Capital formation by type of assets and industry of use (Administration) 1987-88 (Accounts)

(Rs. in Lakhs)

Sl. No.	Item	Gross domestic fixed capital formation					Total new outlay	Net purchase of second hand assets	Total (8+9)	Change in stock	Gross/Net capital formation (10+11)
		Build- ing and bridges	Roads and const- ruction	Other const- ruction	Trans- port equip- ments	Machi- nery equip- ments					
1	2	3	4	5	6	7	8	9	10	11	12
1.	Administration Total	3637	4453	3293	896	748	13027	20	13047	398	13445
2.	Less construction, machinery and stock of PWD	-	-	-	-	114	114	-	114	881	995
3.	Water supply	-	-	639	390	-	1029	-	1029	-	1029
4.	Other services	630	-	16	10	207	863	1	864	-	864
	i) Education	342	-	16	-	22	380	1	381	-	381
	ii) Medical	288	-	-	10	185	483	-	483	-	483
	iii) Public health and sanitation	-	-	-	-	-	-	-	-	-	-
5.	Total (2 to 4)	630	-	655	400	321	2006	1	2007	881	2888
6.	Net public administration and defence (1-5)	3007	4453	2638	496	427	11021	19	11046	(-)483	10557

Appendix Ca2 - Capital formation by type of assets and industry of use (Administration) 1988-89 (Accounts)

(Rs. in Lakhs)

Sl. No.	Item	Gross domestic fixed capital formation							Net purchase of second hand assets	Total (8+9)	Change in stock	Gross/Net capital formation (10+11)
		Build- ing	Roads and bridges	Other const- ruction	Trans- port equip- ments	Machi- nery equip- ments	Total new outlay	Total				
1	2	3	4	5	6	7	8	9	10	11	12	
1.	Administration Total	6147	4144	1550	306	1635	13782	41	13823	1337	15160	
2.	Less construction - machinery and stock of P.W.D.	-	-	-	-	109	109	-	109	1641	1750	
3.	Water supply	-	-	-	-	-	-	-	-	-	-	
4.	Other services	899	-	17	4	896	1816	6	1822	-	1822	
	1) Education	404	-	15	-	625	1044	6	1050	-	1050	
	11) Medical	495	-	2	4	271	772	-	772	-	772	
	111) Public health and sanitation	-	-	-	-	-	-	-	-	-	-	
5.	Total (2 to 4)	899	-	17	4	1005	1925	6	1931	1641	3572	
6.	Net public administration and defence (1-5)	5248	4144	1533	302	630	11857	35	11892	(-)304	11588	

Appendix cbl - Capital formation by type of assets and industry of use (Departmental enterprises)
1987-88 (Accounts)

(Rs. in Lakhs)

Sl. No.	Items	Gross domestic capital formation												Net purchase of second hand assets	Total (8+9)	Change in stock formation (12-13)	Gross capital formation (12-13)	Depre- ciation	Net formation (12-13)
		3	4	5	6	7	8	9	10	11	12	13	14						
		Build- ing	Roads and bridges	Other const- ruction ges	Trans- port equip- ments	Machi- nery equip- ments	Total new outlay (3 to 7)												
1.	Agriculture	56	-	5018	1	118	5193	-	5193	414	5607	-	5607	-	-	-	-	-	
2.	Forestry	-	-	3	39	-	42	-	42	30	72	-	72	-	-	-	-	-	
3.	Manufacturing	23	-	-	-	13	36	-	36	-	36	-	36	-	-	-	-	-	
	3.1 Printing press	23	-	-	-	13	36	-	36	-	36	-	36	-	-	-	-	-	
	3.2 Milk supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.	Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5.	Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6.	Railways	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7.	Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8.	Other transport	1	-	280	19	75	375	-	375	-	375	-	375	-	-	-	-	-	
	8.1 Ports & pilotage, light houses & light ships	1	-	131	-	41	173	-	173	-	173	-	173	-	-	-	-	-	
	8.2 Civil aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	8.3 Others	-	-	149	19	34	202	-	202	-	202	-	202	-	-	-	-	-	
9.	Trade, hotel & Restaurants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10.	Banking & Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	80	-	5301	59	206	5646	-	5646	444	6090	-	6090	-	-	-	-	6090	

Appendix cb2 - Capital formation by type of assets and industry of use (Departmental enterprises)
1988-89 (Accounts)

(Rs. in Lakhs)

Sl. No.	Items	Gross domestic capital formation											Net purchase of second hand assets	Total (8+9)	Change in stock formation	Gross capital formation	Depreciation	Net capital formation
		3	4	5	6	7	8	9	10	11	12	13						
		Build- ing	Roads and bridges	Other const- ruction ges	Trans- port equip- ments	Machi- nery equip- ments	Total new outlay (3 to 7)											
1.	Agriculture	114	-	5672	-	115	5901	-	5901	504	6405	-	6405	-	-	-	-	-
2.	Forestry	1	1	3	10	-	15	-	15	28	43	-	43	-	-	-	-	-
3.	Manufacturing	-	-	-	32	-	32	-	32	-	32	-	32	-	-	-	-	-
	3.1 Printing press	-	-	-	32	-	32	-	32	-	32	-	32	-	-	-	-	-
	3.2 Milk supply	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.	Construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.	Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.	Railways	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.	Communication	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	Other transport	12	-	348	65	176	601	-	601	-	601	-	601	-	-	-	-	601
	8.1 Ports & Pilotage, light houses & light ships	12	-	74	-	162	248	-	248	-	248	-	248	-	-	-	-	248
	8.2 Civil aviation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	8.3 Others	-	-	274	65	14	353	-	353	-	353	-	353	-	-	-	-	353
9.	Trade, hotels & restaurants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	Banking & Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	127	1	6023	107	291	6549	-	6549	532	7081	-	7081	-	-	-	-	7081

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