



GOVERNMENT OF KERALA

Finance (Budget Wing A) Department

CIRCULAR

No.25/2017/Fin.

Dated, Thiruvananthapuram, 25th April, 2017.

Sub: - Inclusion of statement on committed/accrued liabilities in the Finance Accounts of the State for the financial year 2016-17 - Reg.

Ref:- 1. Circular No.23/2012/Fin. dated 02.05.2012.
2. Circular No.08/2013/Fin dated 18.01.2013.
3. Circular No.37/2014/Fin dated 19.04.2014.
4. Circular No 45/2016/Fin dated 27.04.2015.
5. Circular No 40/2016/Fin dated 28.04.2016.
6. D.O. No.AAD/I/53-32/ XII/2016-17/10 dated 11.04.2017 from the Accountant General (A&E), Kerala, Thiruvananthapuram.

The Twelfth Finance Commission among other things recommended a gradual and medium term transition of the existing cash based accounting system of the Central and State Governments into the accrual based accounting system and suggested as an interim measure, the inclusion of some statements containing certain additional information on Government Finances in their financial statements enabling for an informed decision making.

Instructions were issued vide circular referred to above to all controlling officers/heads of department to prepare and maintain a Liability Register in order to identify and suitably record all committed/accrued liabilities of the State Government and forward these details for incorporation in Finance Accounts of the State.

The Accountant General in the letter referred to above has sought to furnish the details of committed/accrued liabilities pertaining to the State Government for the financial year 2016-17 for the preparation of additional statements for inclusion in the Finance Accounts of the State.

All heads of departments are, therefore, requested to furnish to this department the compiled data on departmental liabilities at the end of March 2017 in the format appended to this circular within the first week of May 2017, for onward transmission of the same to the Accountant General for the preparation of statements to be included in the Finance Accounts of the State for the financial year 2016-17.

B. Sreekumar
Additional Secretary (Finance)

To

All Heads of Department.
All Sections/Departments of the Secretariat.
Nodal Officer, www.finance.kerala.gov.in
The Stock file/Office copy.

Forwarded/By order

Section Officer

ANNEXURE II

ITEM	CLARIFICATION/EXPLANATION
A. COMMITTED LIABILITIES	
Salary	Could be estimated and projected for the next three years atleast
State's share in Centrally sponsored Schemes	the amount which was to be released by the State in the current year(year of account) but was not released and would have to be released in the next year have to be depicted
Liabilities in the form of transfer of Plan schemes to Non plan Heads	Generally arise at the close of the plan period. If the government has transferred any plan scheme during the intervening period, it may be specified /recorded accordingly
B. ACCRUED LIABILITIES	
Pension and superannuation benefit	Could be estimated and projected for the next three years atleast
Interest Payments	Could be estimated and projected for the next three years atleast
Accrued Debts	Implies instalments of debt that would be taken on books in the future (when cash inflow takes place) but for which committed repayment liability for the future years has arisen
Bills pending for payment	In case of bills pending for payment, information is to be given relating to current year of account.

It is also clarified that at first most of the items are committed liabilities but if not discharged during the period, it becomes accrued liabilities. Due to this reason, some items have been appearing both under committed as well as accrued liabilities. Care may be taken to identify and include these items accordingly.

APPENDIX XII
COMMITTED LIABILITIES OF THE GOVERNMENT

(₹ in lakh)

Sr.No.	Nature of Liabilities	Amount		Likely Sources from which proposed to be met			Likely year of the discharge	Liabilities discharged during the current year	Balance Remaining
		Plan	Non-Plan	States Own Resources	Central Transfer	Raising Debt (specify)			
A	Committed Liabilities								
I	Salary								
II	State's Share in Centrally Sponsored Schemes								
III	Liabilities in the form of transfer of Plan Schemes to Non-Plan Heads								
IV	Liabilities arising out of Incomplete Projects								
V	Grant-in-Aid								
VI	Share Capital Contribution								
VII	Loans and Advances								
VIII	Miscellaneous/Others								

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(₹ in lakh)

Sr.No.	Nature of Liabilities	Amount		Likely Sources from which proposed to be met			Likely year of the discharge	Liabilities discharged during the current year	Balance Remaining
		Plan	Non-Plan	States Own Resources	Central Transfer	Raising Debt (specify)			
B	Accrued Liabilities								
I	Pension and Superannuation benefit								
II	Interest Payments								
III	Accrued Debts								
IV	Bills Pending for Payment								
V	Salary								
VI	State's Share in Centrally Sponsored Schemes								
VII	Liabilities in the form of transfer of Plan Schemes to Non-Plan Schemes								
VIII	Liabilities arising from Incomplete Projects								
IX	Grant-in-AID								
X	Share Capital Contribution								
XI	Miscellaneous/Others								
	Total								