

**Report of the
Comptroller and Auditor General of India
on
State Finances**

for the year ended March 2016

Government of Telangana

Report No.3 of the year 2017

Table of Contents

	Reference to	
	Paragraph	Page
<i>Preface</i>		v
<i>Executive Summary</i>		vii
Chapter – 1 Finances of the State Government		
Profile of Telangana		1
Introduction	1.1	1
Summary of Current Year’s Fiscal Transactions	1.2	1
Budget Estimates and Actuals	1.3	3
Fiscal Reform Path	1.4	3
Resources of the State	1.5	4
Revenue Receipts	1.6	5
Capital Receipts	1.7	8
Public Account Receipts	1.8	9
Application of Resources	1.9	10
Quality of Expenditure	1.10	15
Financial analysis of Government expenditure and investments	1.11	18
Assets and Liabilities	1.12	21
Debt Sustainability	1.13	24
Fiscal Imbalances	1.14	25
Apportionment of balances between Andhra Pradesh and Telangana	1.15	27
Conclusion	1.16	27
Chapter – 2 Financial Management and Budgetary Control		
Introduction	2.1	29
Budget Preparation Process	2.2	29
Financial Accountability and Budget Management	2.3	29
Summary of Appropriation Accounts	2.4	29
Advances from Contingency Fund	2.5	35
Major Policy Initiatives	2.6	35
Review of Selected Grants	2.7	39
Errors in Budgeting Process	2.8	46
Conclusion	2.9	48

	Reference to	
	Paragraph	Page
Chapter – 3 Financial Reporting		
Introduction	3.1	49
Utilisation Certificates	3.2	49
Delay in Submission of accounts/Audit Reports of Autonomous bodies	3.3	50
Un-reconciled expenditure and receipts	3.4	51
Personal Deposit Accounts	3.5	51
Pendency of Detailed Contingent bills	3.6	55
Misappropriations, losses, defalcations etc.	3.7	56
Operation of Omnibus Minor Head -800	3.8	57
Debt, Deposit and Remittance Heads	3.9	57
Outstanding balances under Suspense Account (Major Head 8658)	3.10	60
Functioning of Treasuries	3.11	62
Conclusion	3.12	64

Appendices

Sl. No.	Name of the Appendix	Reference to	
		Paragraph	Page
1.1	Profile of Telangana		67
1.2	Structure of Government Accounts and layout of Finance Accounts	1.1	68
1.3	Abstract of Receipts and Disbursements in 2015-16	1.2	69
1.4	Actuals vis-à-vis Budget Estimates 2015-16	1.3	71
1.5	Fiscal Responsibility and Budget Management (FRBM) Act, 2005	1.4	72
1.6	Time Series Data on State Government Finances	1.6	72
1.7	List of Incomplete Irrigation Projects	1.11.2	75
1.8	Summarised Financial Position of the Government of Telangana as on 31 March 2016	1.12.1 & 1.12.2	75
1.9	Summarised position of Apportionment of balances between Andhra Pradesh and Telangana as on 31 March 2016	1.12.4 & 1.15	77
2.1	Excess over provision of previous year requiring regularisation	2.4.3	78
2.2	Statement of Grants/Appropriations where saving was more than ₹ 100 crore each and more than 20 <i>per cent</i> of the total provision	2.4.4	78
2.3	Cases where Supplementary Grant proved unnecessary by rupees one crore or more in each case	2.4.5	79
2.3 (a)	Cases where Supplementary Grant proved excessive by rupees one crore or more in each case	2.4.5	81
2.3.(b)	Cases where Supplementary Grant proved insufficient by rupees one crore or more in each case	2.4.5	82
2.4	Re-appropriation of funds (savings/excess more than ₹ 10 crore in each case)	2.4.6	82
2.5	Substantial surrenders made during the year	2.4.8	84
2.6	Surrenders in excess of saving/excess (Rupees two crore more in each case)	2.4.10	86
2.7	Statement of Grants/Appropriations in which saving occurred but no part of which was surrendered	2.4.11	86
2.8	Details of saving of rupees five crore and above not surrendered	2.4.11	87
2.9	Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2016	2.4.11	88
2.10	Scheme wise allocations under SCSP and TSP	2.6.12	88
2.11	Cases of Excessive & Insufficient Supplementary Grant (Panchayat Raj Grant)	2.7.1.3	97
2.12	Cases of Unnecessary supplementary Grant (Panchayat Raj Grant)	2.7.1.3	98
2.13	Re-appropriation of funds (Panchayat Raj Grant)	2.7.1.4	99

Sl. No.	Name of the Appendix	Reference to	
		Paragraph	Page
2.14	Cases of surrender of entire provision (Panchayat Raj Grant)	2.7.1.5	99
2.15	Expenditure incurred without Budget provision (Panchayat Raj Grant)	2.7.1.6	100
2.16	Cases of Unnecessary Supplementary Grant (Major & Medium Irrigation Grant)	2.7.2.3	100
2.17	Cases of Excessive Supplementary Grant (Major & Medium Irrigation Grant)	2.7.2.3	101
2.18	Re-appropriation of funds (Major & Medium Irrigation Grant)	2.7.2.4	101
2.19	Cases of surrender of entire provision (Major & Medium Irrigation Grant)	2.7.2.5	102
2.20	Rush of Expenditure (Major & Medium Irrigation Grant)	2.7.2.7	103
2.21	Subsidies provided under 310-Grants-in-Aid	2.8.1.2	103
2.22	Opening of New Subheads	2.8.1.6	105
3.1	Statement showing submission of accounts and status of audit of Autonomous Bodies	3.3	108
3.2	Statement of Bodies and Authorities whose accounts have not been received	3.3	109
3.2(a)	Bodies and Authorities whose accounts have not been received for more than 10 years	3.3	110
3.3	Un-reconciled expenditure (₹ 500 crore and above cases only)	3.4	111
3.4	Statement showing Department-wise details of pending DC bills at the end of 2015-16	3.6	113
3.5	Statement of expenditure major head wise under Minor Head 800 for the year 2015-16	3.8.1	114
3.5(a)	Statement of receipts major head wise under Minor Head 800 for the year 2015-16	3.8.2	114
3.6	Statement showing Interest Obligation on Zilla Parishad Provident Fund	3.9.3.4	115
3.7	Excess payment of Pension/Family Pension etc.	3.11.2	115
3.8	Details of Non-inclusion of transactions in Main Accounts	3.11.4	115
4.1	Glossary of terms		116
4.2	Acronyms and abbreviations		118