

**GOVERNMENT OF ANDHRA PRADESH**

**ACCOUNTS AT A GLANCE  
2017-2018**

**ACCOUNTANT GENERAL  
(Accounts and Entitlement)  
ANDHRA PRADESH, HYDERABAD**



## PREFACE

*The publication, ‘Accounts at a Glance’, is prepared annually under the directions of the Comptroller and Auditor General of India, and is intended to distil and provide a broad overview of the voluminous information contained in the Finance Accounts and Appropriation Accounts that are placed every year before the State Legislature in accordance with requirements of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971.*


*Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, the Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise gross expenditures vis-a-vis Budget as approved by the State Legislature along with explanations for variations between the actual expenditure and the funds provided.*

*“Accounts at a Glance” provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. These figures have been adopted from the Finance and Appropriation Accounts of Government of Andhra Pradesh. In case of difference, if any, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.*

*We look forward to suggestions that would help us in improving the publication.*

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**Place: Hyderabad,  
Date : 22-07-2019.**

  
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## Our Vision, Mission and Core Values

*This **vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become.*

We strive to be a global leader and initiator of national and international best practices in the public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

Our **mission** enunciates our current role and describes what we are doing today.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public – that public funds are being used efficiently and for the intended purposes.

Our core **values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach



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# CHAPTER I

## OVERVIEW

### 1.1 Introduction

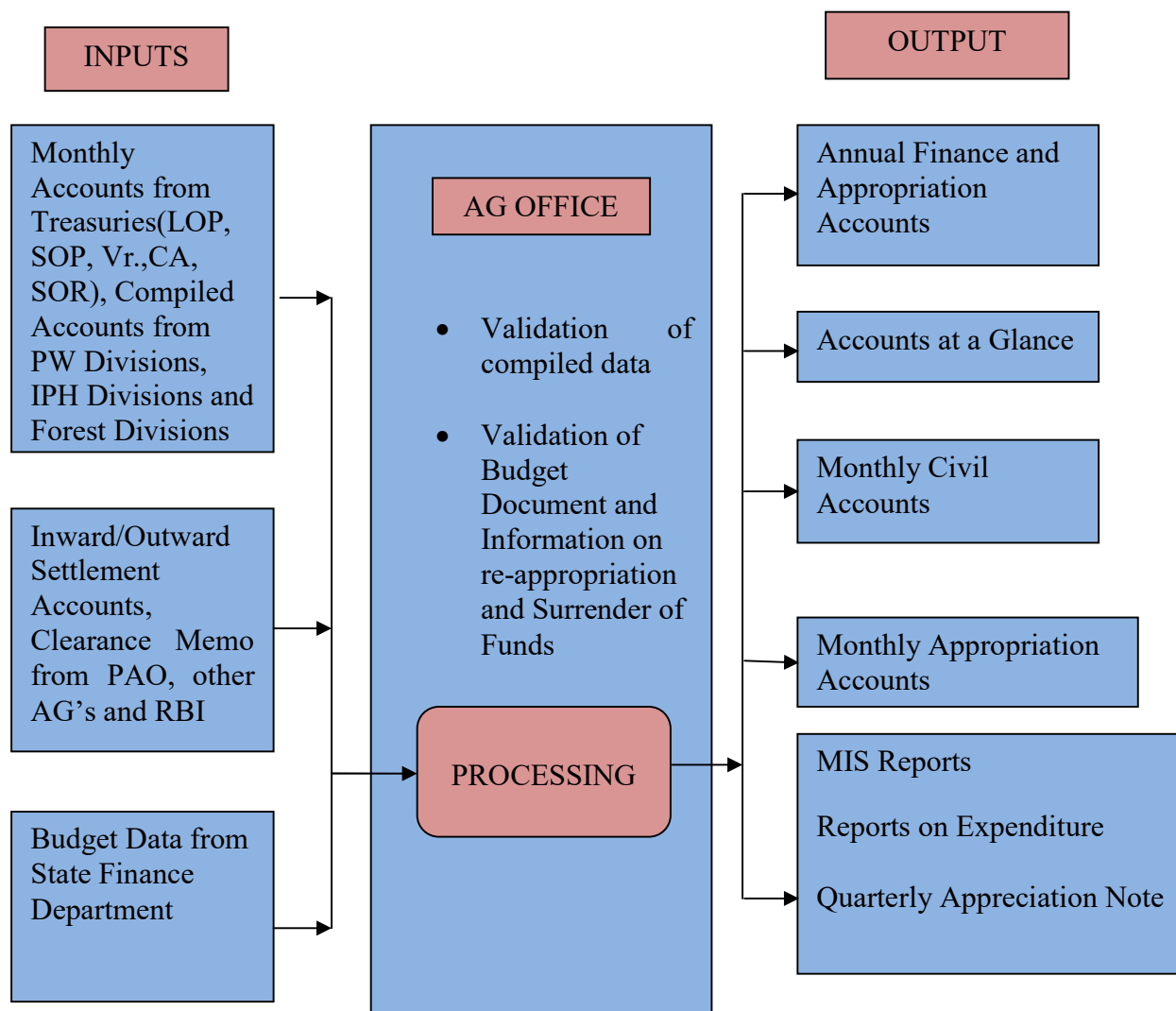
The Accountant General (Accounts and Entitlement) [AG(A&E)], Andhra Pradesh compiles the accounts of receipts and expenditure of the Government of Andhra Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries and Pay and Accounts Offices (PAOs) of the State Government, information received from the Government of India and other State Governments on their financial transactions with the Government of Andhra Pradesh and intimations (known as advices) of the Reserve Bank of India regarding changes to the State's Cash Balance. Based on these, the AG(A&E) furnishes the Monthly Civil Accounts to the Finance Department. At the end of the year, after audit by the Principal Accountant General (Audit), Andhra Pradesh and certification by the Comptroller and Auditor General of India, the Finance Accounts and the Appropriation Accounts of the State Government are placed before the State Legislature.

### 1.2 Structure of Accounts

#### 1.2.1 Government Accounts are kept in three parts:

<b>Part I CONSOLIDATED FUND</b>	All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) forms the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayment of loans taken (and interest thereon), are met from this Fund.
<b>Part II CONTINGENCY FUND</b>	The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this Fund for the Government of Andhra Pradesh is ₹50 crore.
<b>Part III PUBLIC ACCOUNT</b>	All public money received other than those credited to the Consolidated Fund of India are accounted for under the Public Account. In respect of such receipts the Government acts as a banker or trustee. The Public Account comprises of repayables like Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous transactions (adjusting entries pending booking to final heads of account), Remittances between accounting entities and Cash balances.

### 1.2.2 Compilation of Accounts



## 1.3 Finance Accounts and Appropriation Accounts

### 1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and 'Notes to Accounts' containing the summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II). Receipts and Disbursement of the State Government as depicted in the Finance Accounts 2017-18 are as below:

			(₹ in crore)
<b>Receipts (Total: 1,37,494)</b>	<b>Revenue (Total : 1,05,063)</b>	Tax Revenue	<b>78,488</b>
		Non Tax Revenue	<b>3,814</b>
		Grants-in-Aid & Contributions	<b>22,761</b>
	<b>Capital (Total : 32,431)</b>	Recovery of Loans and Advances	<b>51</b>
		Capital Receipts (non-debt)	---
		Borrowings and other Liabilities <sup>(*)</sup>	<b>32,380</b>
<b>Disbursements (Total: 1,37,494)</b>	<b>Revenue</b>		<b>1,21,214</b>
	<b>Capital</b>		<b>13,491</b>
	<b>Loans and Advances</b>		<b>2,781</b>
	<b>Inter State Settlement</b>		<b>8</b>

(\*) Borrowings and other Liabilities: Net of Public Debt (Receipts - Disbursement) + Net of Contingency Fund + Net of Public Account (Receipts - Disbursement) + Net of Opening and Closing Cash Balance.

In addition to the Budget approved for the year by Andhra Pradesh Legislature, Government of India transfers funds directly to State Implementing Agencies and Non Government Organisations (NGOs) in the State for spending on various schemes and programmes. Such transfers (₹6,418 crore) are not reflected in the accounts of the State Government, but have been shown at Appendix VI in Volume II of the Finance Accounts.

### 1.3.2 Appropriation Accounts

Under Article 204(3) of the Constitution of India, no expenditure can be incurred by the Government except with the authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The budget of Government of Andhra Pradesh has 12 charged Appropriations and 40 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriations authorised by the Legislature through the Appropriation Act of each year.

### 1.3.3 Efficiency on Budget preparation

At the end of the year, the expenditure of Government of Andhra Pradesh against the budget approved by the Legislature, showed an excess appropriation of ₹12,542 crore (6.58 per cent of total grants). Certain grants, showed substantial savings as mentioned below:

(₹ in crore)

Sl. No.	Grant No.	Grant No. & Name	Budget	Expenditure	Saving	% of Saving
1	V	Revenue, Relief and Registration: Capital(voted)	912.18	475.60	436.58	47.86%
2	IX	Fiscal Administration, Planning, Surveys & Statistics: Capital (voted)	550.70	236.33	314.37	57.09%
		Loans (voted)	200.25	96.02	104.23	52.05%
3	XI	Roads and Buildings: Capital (voted)	3649.16	914.17	2734.99	74.95%
4	XII	School Education: Capital (voted)	201.76	73.02	128.74	63.81%
5	XV	Sports and Youth Services: Revenue (voted)	844.59	295.55	549.04	65.01%
		Capital (voted)	195.02	58.06	136.96	70.23%
6	XVII	Municipal Administration & Urban Development: Capital (voted)	2120.18	535.44	1584.74	74.75%
7	XXXIII	Major & Medium Irrigation: Capital (voted)	16051.13	6874.29	9176.84	57.17%
8	XXXIV	Minor Irrigation: Capital (voted)	2868.94	1382.13	1486.81	51.82%

There are certain Grants where there was 100 per cent savings as indicated below:

(₹ in crore)

Sl. No.	Grant No.	Grant No. & Name	Budget	Expenditure	Saving	% of Saving
1	II	Governor and Council of Ministers: Revenue(charged)	12.76	...	12.76	100%
2	VI	Excise Administration: Capital(voted)	10.00	...	10.00	100%
3	XXIV	Minority Welfare: Capital(voted)	100.00	...	100.00	100%
4	XXX	Co-operation: Capital(voted)	4.07	...	4.07	100%

Certain grants showed substantial excess appropriations as in the following:

(₹ in crore)

Sl. No.	Grant No.	Grant No. & Name	Budget	Expenditure	Excess	% of Excess
1	II	Governor and Council of Ministers: Revenue(voted)	12.24	22.98	10.73	87.68%
2	IX	Fiscal Administration, Planning, Surveys & Statistics: Loans(charged)	8009.14	55080.98	47071.84	587.73%
3	XI	Roads and Buildings: Revenue (voted)	1556.78	1616.03	59.25	3.81%
4	XXXIX	Information Technology, Electronics and Communications: Capital(voted)	86.12	88.76	262.56	3.05%

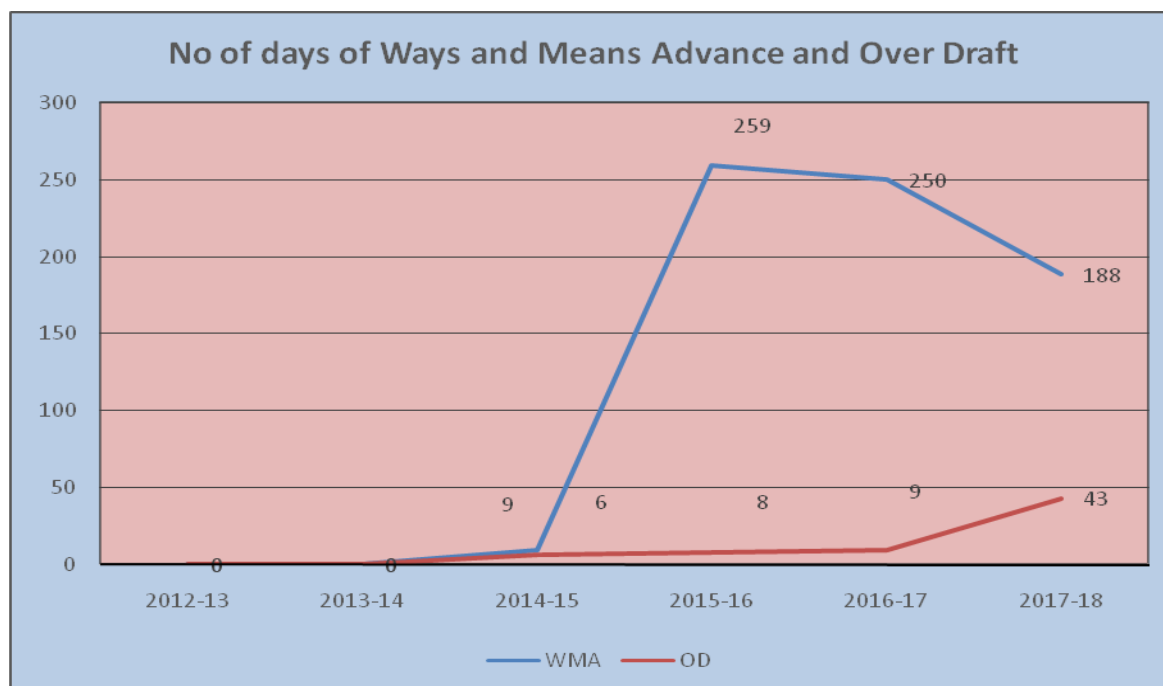
## 1.4 Sources and Application of Funds

### 1.4.1 Ways and Means Advances and Special Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India upto a limit prescribed from time to time, to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the Reserve Bank of India. If the deficiency persists, the Reserve Bank of India extends Special Ways and Means Advances (or Special Drawing Facility) against the 14-day Treasury Bills. During 2017-18, Government of Andhra Pradesh has maintained minimum Cash Balance for 134 days without resorting to Ways and Means Advance and Overdraft, 126 days by taking Ordinary Ways and Means Advance, 62 days by taking Special Drawing Facility. The Government of Andhra Pradesh has availed ₹45,860.75 crore and repaid ₹45,630.29 crore during 2017-18 which was credited to MH 6003. The closing balance as on 31-03-2018 is ₹230.46. Further, the amount of interest on the Ways and Means Advances during 2017-18 was ₹44.31 crore.

### 1.4.2 Overdraft from the Reserve Bank of India

If there is shortfall in minimum cash balance even after Ways and Means Advances and Special Ways and Means Advances facilities, Reserve Bank of India (RBI) extends Overdraft (OD) facilities to enable State Governments to tide over temporary shortfalls in their cash balances. During 2017-18, Government of Andhra Pradesh has availed Overdraft from Reserve Bank of India, Nagpur for 43 days.



### 1.4.3 Fund Flow Statement

The state had a Revenue Deficit of ₹16,151 crore and Fiscal Deficit of ₹32,380 crore as on 31 March 2018. The Fiscal Deficit constituted 23.55 per cent of total expenditure. Around 55 per cent of the Revenue Receipts (₹1,05,063 crore) of the State Government was spent on Committed Expenditure like Salaries<sup>2</sup> (₹31,917 crore), Interest Payments (₹13,847 crore) and Pensions (₹16,236 crore).

<sup>2</sup> Includes detailed heads 010-Salaries (₹27,948 crore), 020-Wages (₹50 crore), 030-Overtime allowance (₹0.09 crore), 310/311-Grants-in-Aid towards salaries (₹3,919 crore).

## Sources and Application of Funds

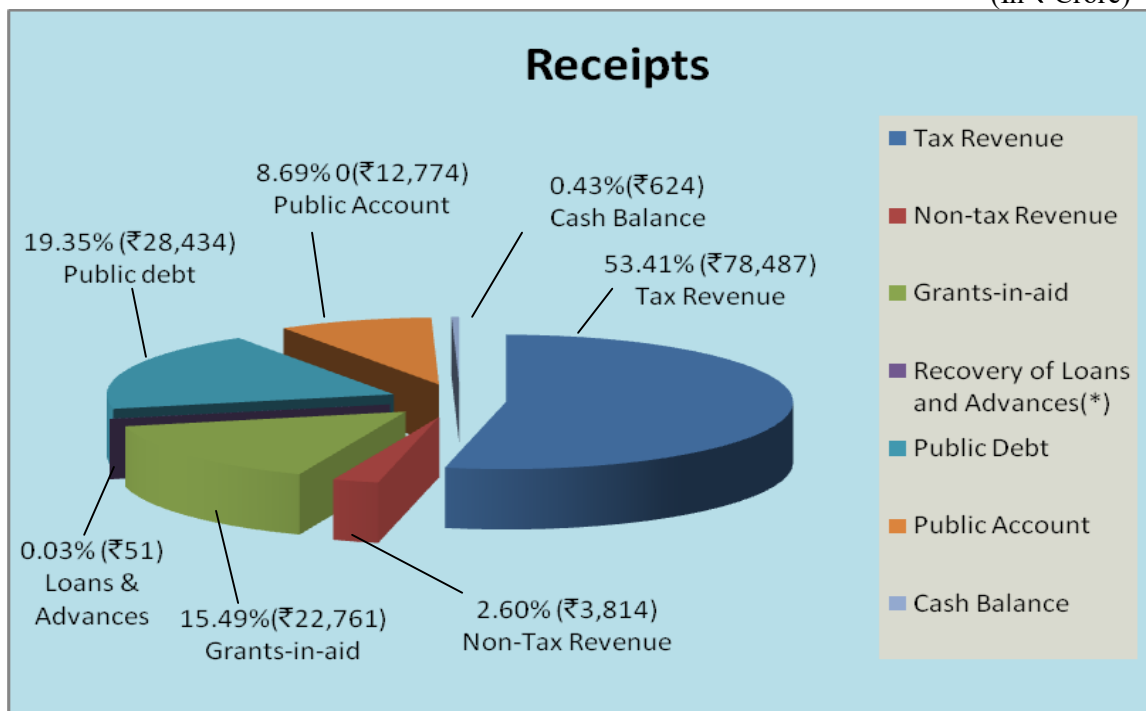
(In ₹ Crore)

	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2017	(-)2,32
	Revenue Receipts	1,05,062
	Recovery of Loans & Advances	51
	Capital Receipts	---
	Public Debt *	28,434
	Small Savings, Provident Fund & Others *	3,785
<b>SOURCES</b>	Reserves & Sinking Funds *	2,041
	Deposits Received *	99,658
	Civil Advances Repaid*	68
	Suspense & Miscellaneous *	64,381
	Remittances *	28,652
	Contingency Fund	---
	<b>TOTAL</b>	<b>3,31,900</b>
	Revenue Expenditure	1,21,214
	Capital Expenditure	13,491
	Loans Given	2,781
	Repayment of Public Debt *	9,451
	Small Savings, Provident Fund & Others *	2,142
<b>APPLICATION</b>	Reserves & Sinking Funds *	2,211
	Deposits Spent *	95,049
	Civil Advances Given *	68
	Suspense & Miscellaneous *	60,345
	Remittances *	25,995
	Contingency Fund	---
	ISS	8
	Closing Cash Balance as on 31-03-2018	(-)855
	<b>TOTAL</b>	<b>3,31,900</b>

- Note: (i) Items indicated with '\*' are gross figures, and are eventually to be netted off, reducing the 'Total'.  
(ii) The Suspense accounts include ₹37,712 crore invested in treasury bills which is shown on the 'Application' side, and ₹41,410 crore worth of treasury bills sold through the RBI (a process known as 'rediscounting' and or 'matured value' of treasury bills) which is shown on the 'Sources' side.  
(iii) Public Debt does not include Receipt and Expenditure of Special Drawing Facility/Ways and Means Advances/Overdraft.

### 1.4.4 Where the Money came from

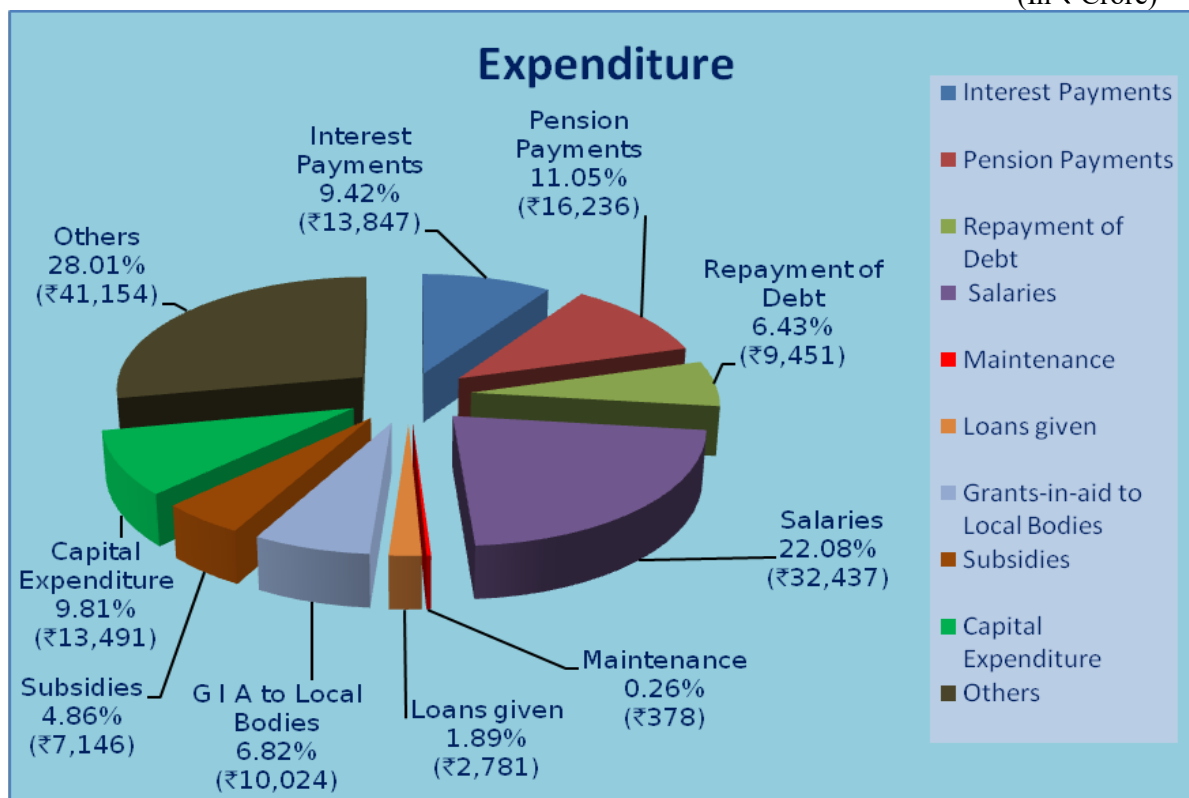
(In ₹ Crore)



Note: Public Account and Cash Balance components above are taken as 'net' and not 'gross' as shown in the Sources & Application Table (para 1.6). Public Debt does not include Receipt and Expenditure of Special drawing facility/ways and Means Advances.

### 1.4.5 Where the Money went

(In ₹ Crore)





## 1.5 Highlights of Accounts

(in ₹crore)

Component	Budget Estimates	Actuals	Percentage of actuals	
			B.E	GSDP <sup>2</sup>
1. Tax Revenue <sup>1</sup>	82,856	78,488	95	10
2. Non-Tax Revenue	5,092	3,814	75	1
3. Grants-in-aid & Contributions	37,548	22,761	61	3
4. <b>Revenue Receipts (1+2+3)</b>	1,25,496	1,05,063	84	13
5. Recovery of Loans & Advances	440	51	12	---
6. Borrowings & Other Liabilities <sup>3</sup>	23,054	32,380	140	4
7. <b>Capital Receipts (5+6)</b>	23,494	32,431	138	4
8. <b>Total Receipts (4+7)</b>	1,48,990	1,37,494	92	17
9. Expenditure on Revenue Account	1,25,912	1,21,214	96	15
10. Interest Payments out of 10	14,783	13,847	94	2
11. Expenditure on Capital Account	23,078	16,280	71	2
12. <b>Total Expenditure (9+11)<sup>5</sup></b>	1,48,990	1,37,494	92	17
13. <b>Revenue Deficit (4-9)</b>	(-416)	(-16,151)	3,882	2
14. <b>Fiscal Deficit (4+5-12)</b>	<b>23,054</b>	<b>32,380</b>	<b>140</b>	<b>4</b>

- (1) Includes State's share of Union Taxes of ₹28,594 crore.
- (2) GSDP figure of ₹8,03,873 crore adopted as provided in the Andhra Pradesh Socio-Economic Survey.
- (3) Borrowings and other liabilities: Net (Receipts-Disbursements) of Public debt (₹18,982 crore) + Net of Contingency fund (₹'Nil' crore) + Net (Receipts- Disbursements) of Public Account (₹12,774 crore) + Net of Opening and Closing cash balance (₹624 crore).
- (4) Expenditure on Capital Account includes Capital Expenditure (₹13,491 crore) and Loans and Advances disbursed (₹2,781 crore) and ISS ₹8 crore
- (5) Expenditure does not include Public Debt as net of Public Debt has been taken under Borrowings and Liabilities

## What do the Deficit and Surplus indicate?

<b>Deficit</b>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management.
<b>Revenue Deficit / Surplus</b>	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
<b>Fiscal Deficit / Surplus</b>	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Prudent financial management involves the generation of an annual Revenue Surplus, Revenue Receipts exceeding Revenue Expenditure.

## 1.6 Fiscal Responsibility and Budget Management (FRBM) Act 2005

Andhra Pradesh, which enacted its FRBM Act in 2005, maintained Revenue Surplus since 2006-07 onwards. During 01.04.2017 to 31.03.2018, the State Govt had a Revenue Deficit of ₹16,151 crore. State of Andhra Pradesh has maintained Fiscal Deficit - GSDP ratio at 2.32 per cent in 2011-2012, 3.66% in 2015-16 and 4.42 per cent in 2016-17 and 4.03 per cent in 2017-18.

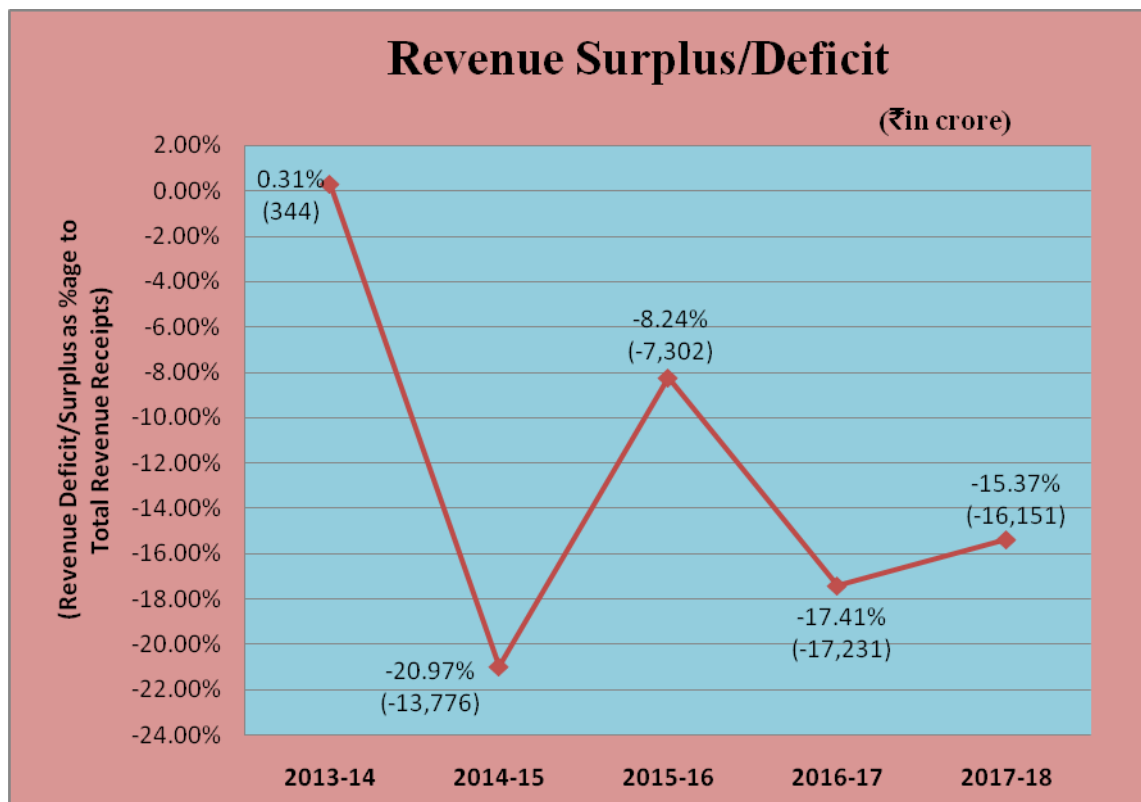
Targets fixed by the State Government in APFRBM Act, 2005 and the rules framed there under, and achievements as per the accounts of 2017- 18 are given below:

Sl.No.	Fiscal indicators - Rolling Targets for 2017-18	Achievements in 2017-18
1.	Revenue Deficit as percentage to Total Revenue Receipts(TRR): 3.26%	Revenue Deficit: 15.37% (₹16,151.67 crore) of TRR of ₹1,05,062.09 crore.
2.	Fiscal Deficit as a percentage of GSDP: 3.00%	Fiscal Deficit: 4.03% (₹32,380 crore) of GSDP of ₹8,03,873 crore.
3.	Total Outstanding Liabilities as percentage of GSDP: 25.09%	Outstanding Liabilities: 32.30% (₹2,59,670.02 crore) of GSDP of ₹8,03,873 crore
4.	Annual incremental risk weighted Guarantees: 90% of the Total Revenue Receipts (TRR) in the year preceding the current year.	Outstanding Guarantees as on 31 March 2018: 36.33% (₹35,964.06 crore) of TRR of ₹98,984.49 crore in 2017-18).

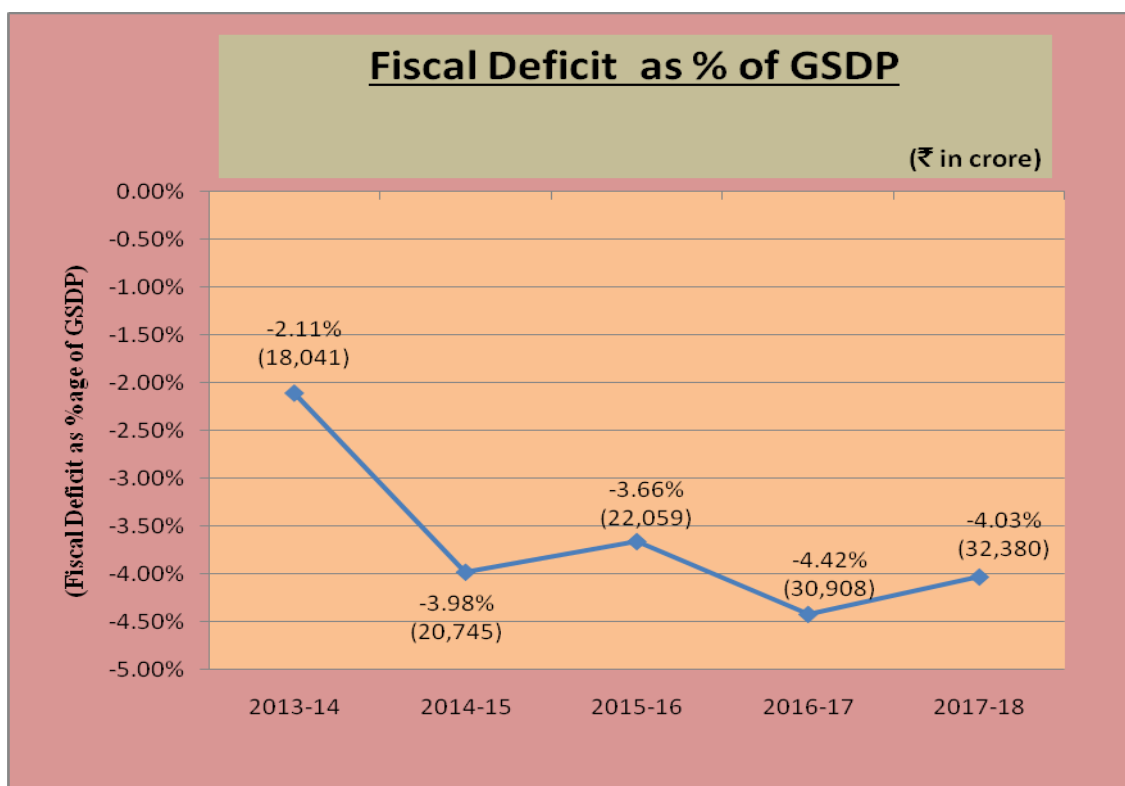
Note:1. GSDP figure at current prices for 2017-18: ₹8,03,873 crore (Source: Andhra Pradesh Socio- Economic Survey).

2. Rolling targets as per A.P. Medium Term Fiscal Policy Statement-March 2018.

**1.6.1 Trend of Revenue Surplus/Deficit:**



**1.6.2 Trend of Fiscal Deficit:**



Note: GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey.

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## CHAPTER II

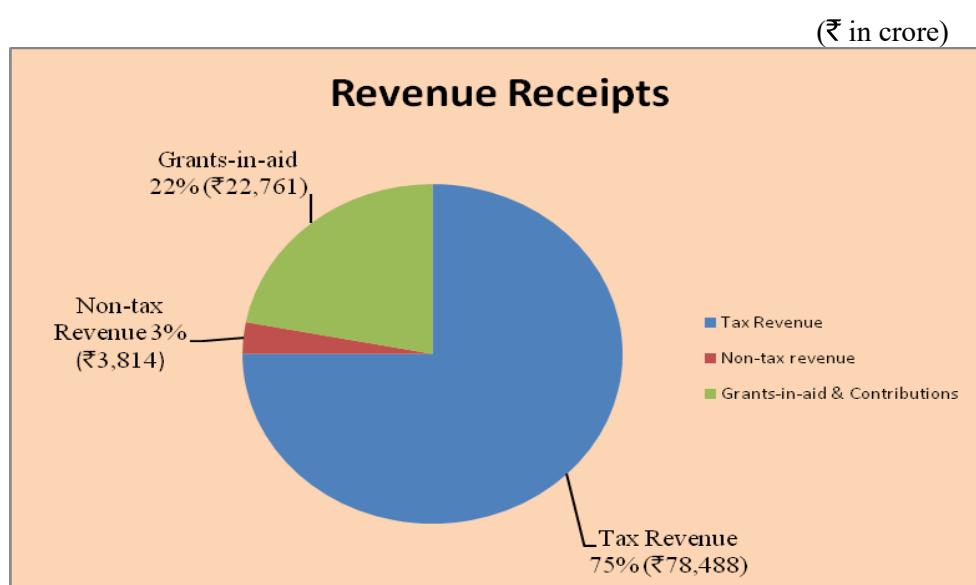
### RECEIPTS

#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2017-18 were ₹1,37,494 crore against Budget estimate of ₹1,48,990 crore.

#### 2.2 Revenue Receipts

<b>Tax Revenue</b>	Comprises taxes collected and retained by the State and State's share of union taxes under Article 280(3) of the Constitution.
<b>Non Tax Revenue</b>	Includes interest receipts, dividends, profits, departmental receipts etc.
<b>Grants in Aid and Contributions</b>	Grants-in-aid represent central assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from Foreign Governments and channelised through the Union Government. In turn, the State Government also gives Grants-in-aid to Panchayati Raj Institutions, Autonomous Bodies etc.



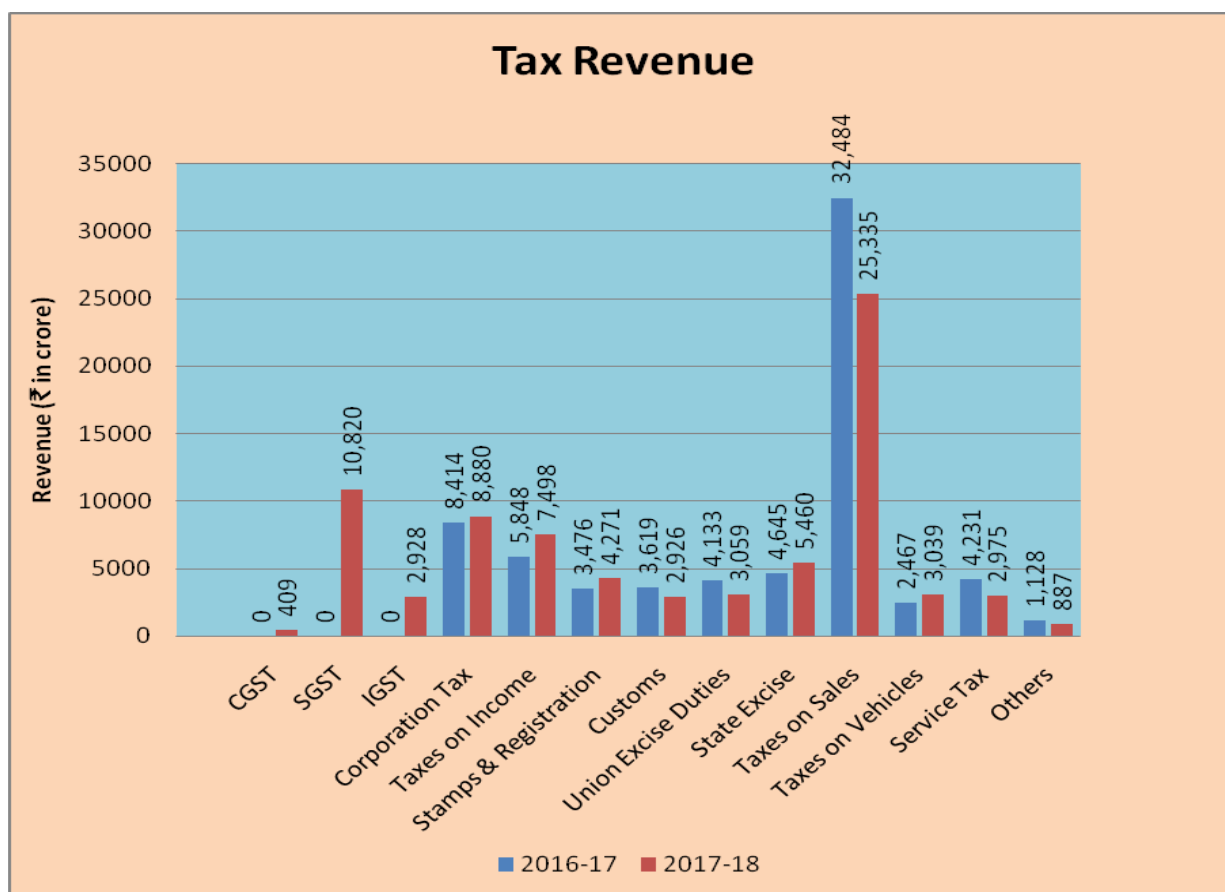
## 2.2.1 Revenue Receipt Components (2017-18)

(₹ in crore)

Components	2016-17	2017-18	Percentage increase/decrease over previous year
<b>A. Tax Revenue</b>	<b>70,445</b>	<b>78,488</b>	<b>11.42</b>
Goods and Services Tax(GST)	---	14,157	...
Taxes on Income & Expenditure	14,515	16,623	14.52
Taxes on Property & Capital Transactions	3,854	4,510	17.02
Taxes on Commodities & Services	52,076	43,198	(-)17.05*
<b>B. Non-Tax Revenue</b>	<b>5,193</b>	<b>3,814</b>	<b>(-)26.55</b>
Interest Receipts, Dividends and Profits	117	97	(-)17.09
General Services	568	1,005	76.94
Social Services	1,618	(-)570	(-)135.23
Economic Services	2,890	3,282	13.56
<b>C. Grants-in-aid &amp; Contributions</b>	<b>23,346</b>	<b>22,761</b>	<b>(-)2.51</b>
<b>Total – Revenue Receipts</b>	<b>98,984</b>	<b>1,05,063</b>	<b>6.14</b>
<b>Percentage to GSDP</b>	<b>14</b>	<b>13</b>	<b>...</b>

Note: (i) GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey.

\* Decrease in collection from previous year because GST part is shown separately.



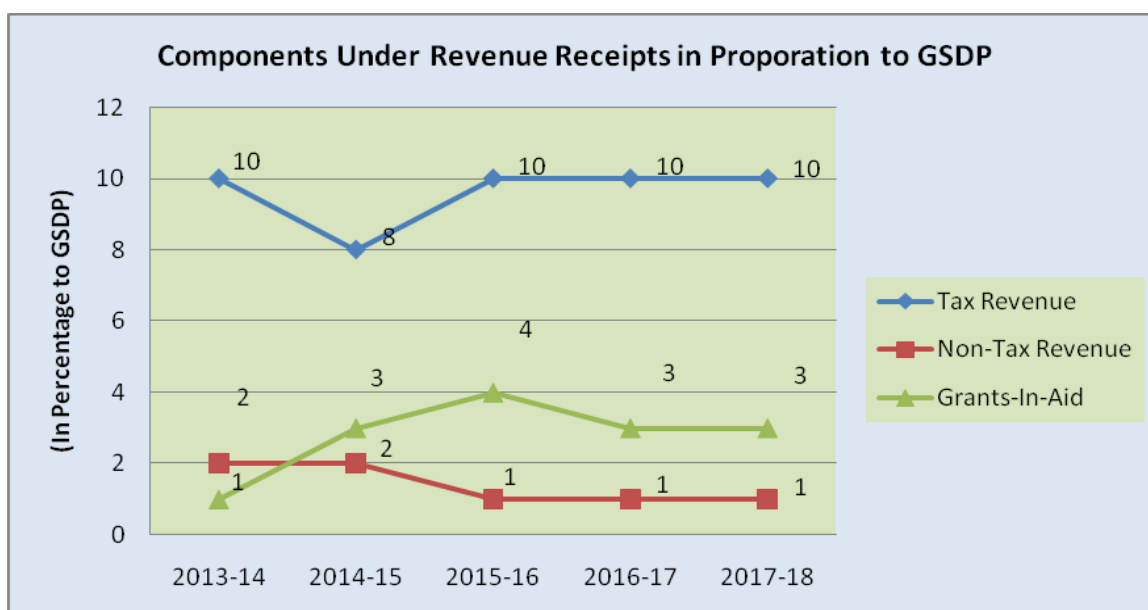
## 2.2.2 Trend of Revenue Receipts

(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenue	86,255 (10)	41,303 (8)	61,800 (10)	70,445 (10)	78,488 (10)
Non-Tax Revenue	15,473 (2)	8,181 (2)	4,920 (1)	5,193 (1)	3,814 (1)
Grants-in-aid	8,991 (1)	16,211 (3)	21,928 (4)	23,346 (3)	22,761 (3)
<b>Total Revenue Receipts</b>	<b>1,10,719 (13)</b>	<b>65,695 (13)</b>	<b>88,648 (15)</b>	<b>98,984 (14)</b>	<b>1,05,063 (13)</b>
<b>GSDP</b>	<b>8,54,822</b>	<b>5, 20,030</b>	<b>6,03,376</b>	<b>6,99,307</b>	<b>8,03,873</b>

Note: (i) GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey. Figures in brackets indicate Receipts percentage vis-a-vis GSDP figures.

(ii) The Receipts of 2014-15 is for the period 02 June 2014 to 31 March 2015. Percentage increase/decrease has been calculated on pro rata basis for the year 2014-15.



## 2.3 Sector-wise Tax Revenue

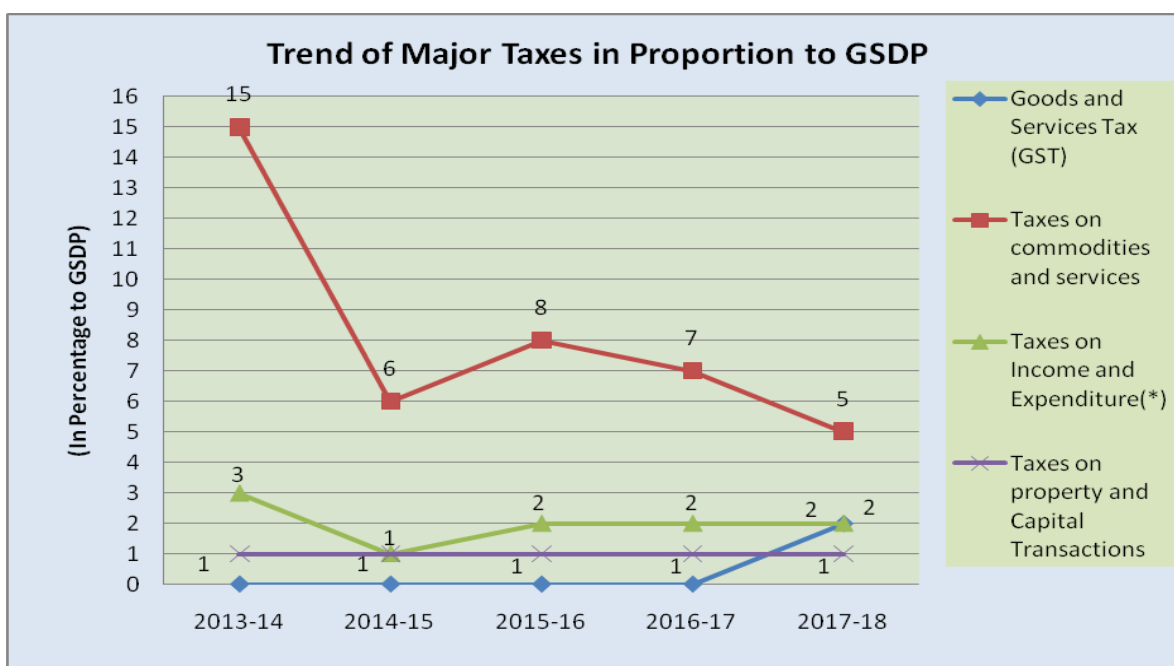
The sector-wise details are given below:

(₹ in crore)					
Component	2013-14	2014-15	2015-16	2016-17	2017-18
Goods and Services Tax(GST)	...	...	...	...	14,157 (2)
Taxes on Income and Expenditure	12,864 (3)	7,099 (1)	11,932 (2)	14,515 (2)	16,623 (2)
Taxes on Property & Capital	4,667 (1)	2,730 (1)	3,777 (1)	3,854 (1)	4,510 (1)
Taxes on Commodities and Services	68,724 (15)	31,474 (6)	46,091 (8)	52,076 (7)	43,198 (5)
<b>Total Tax Revenue</b>	<b>86,255</b>	<b>41,303</b>	<b>61,800</b>	<b>70,445</b>	<b>78,488</b>

Note: (i) GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey.

Figures in brackets indicate Sector-wise Receipts percentage vis-a-vis GSDP figures.

(ii) The Receipts of 2017-18 include the new component of GST which includes items previously included under Taxes on Commodities and Services resulting in apparent decrease in this Sector.



(\*) Primarily net proceeds of Central share to the State



## 2.4 Performance of State's Own Tax Revenue Collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Tax Revenue	Percentage to GSDP
2013-14	86,255	22,132	64,123	8
2014-15	41,303	11,446	29,857	6
2015-16	61,800	21,894	39,906	7
2016-17	70,445	26,264	44,181	6
2017-18	78,488	29,001	49,487	6

Note: (i) GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey.

(ii) The Receipts of 2017-18 is for the period 01 April 2017 to 31 March 2018

(iii) The Receipts of 2014-15 is for the period 02 June 2014 to 31 March 2015. Percentage increase/decrease has been calculated on pro rata basis for the year 2014-15

The proportion of the State's Own Tax Revenues to GSDP is 6.16 percent whereas the ceilings fixed based on the recommendations of the Fourteenth Finance Commission is 7.3 per cent.

## 2.5 Efficiency of Tax Collection:

### A. Taxes on Property and Capital Transactions

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue collection	4,667	2,730	3,777	3,854	4,510
Expenditure on collection	222	139	236	201	223
Percentage of Efficiency of tax collection	4.75	5.09	6.25	5.22	4.94

Note: The actual figures of Receipts and Disbursements are excluding State's share of Union Taxes

### B. Taxes on Commodities and Services

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue collection	68,724	31,474	46,091	52,076	43,198
Expenditure on collection	857	536	667	717	812
Percentage of Efficiency of tax collection	1.25	1.70	1.45	1.38	1.88

Note: The actual figures of Receipts and Disbursements are excluding State's share of Union Taxes

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

(₹ in crore)

Major Head description	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase/decrease over previous year
<b>Goods and Services Tax</b>	...	...	...	...	3,336	...
CGST	...	...	...	...	409	...
IGST	...	...	...	...	2,927	...
<b>(a) Taxes on Income &amp; Expenditure</b>	12,344	6,914	11,682	14,262	16,378	...
Corporation Tax	7,443	4,033	6,890	8,414	8,880	5.54
Taxes on Income other than Corporation Tax	4,901	2,881	4,792	5,848	7,498	28.21
<b>(b) Taxes on Property &amp; Capital Transactions</b>	21	11	2	19	(-)0.27	
Taxes on Wealth	21	11	2	19	(-)0.27	(-)101.42
<b>(c) Taxes on Commodities &amp; Services</b>	9,767	4,521	10,210	11,983	9,287	
Customs	3,611	1,868	3,498	3,619	2,926	(-)19.15
Union Excise Duties	2,550	1,027	2,909	4,133	3,059	(-)25.99
Service Tax	3,606	1,626	3,788	4,231	2,975	(-)29.69
Commodities and Other Taxes and Duties on Services	---	---	15	---	382	327.00
<b>State's share of Union Taxes</b>	22,132	11,446	21,894	26,264	29,001	10.42
<b>Total Tax Revenue</b>	86,255	41,303	61,800	70,445	78,488	11.42
<b>Percentage of Union Taxes to total Tax Revenue</b>	26	28	35	37	37	...

Note: (i) The Receipts of 2014-15 is for the period 02 June 2014 to 31 March 2015.

(ii) Percentage increase/decrease has been calculated on pro rata basis for the year 2014-15

## 2.7 Grants-in-aid

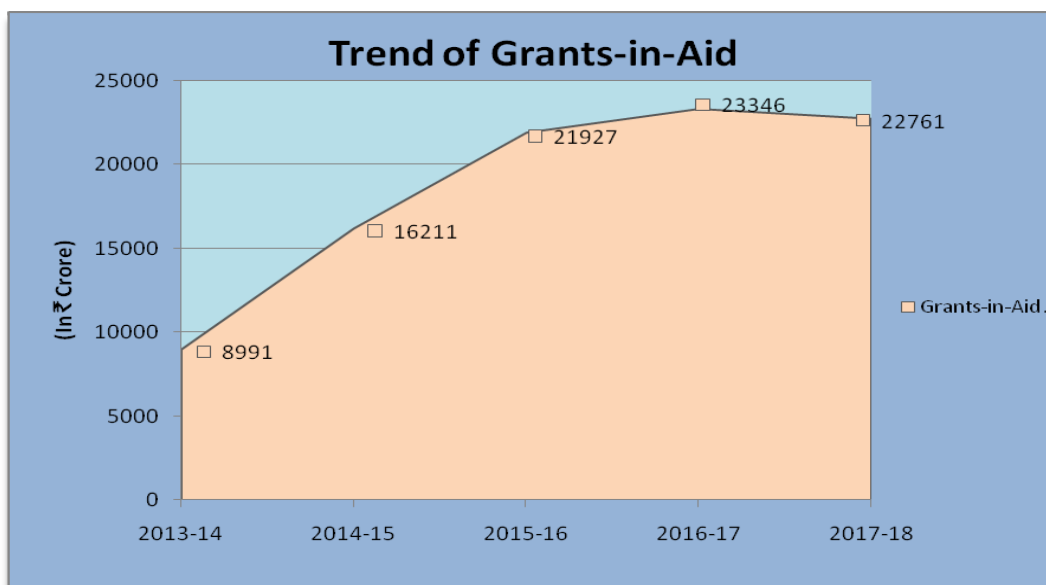
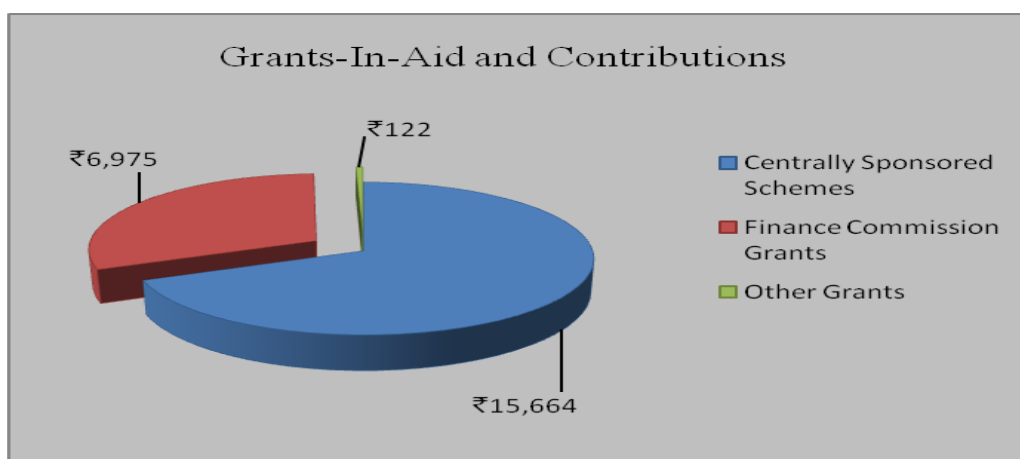
The Indian Government Accounting Standards (IGAS) 2 – “Accounting and Classification of Grants-in-Aid”, prescribes the principles of following Accounting and Classification of Grants-in-Aid in the Financial Statements of Government both as Grantor as well as Grantee.

The suggested format in Para 25 of IGAS-2 Notified on Dt.19-05-2011 is being followed and depicted in Statement No.10 of Finance Accounts of 2017-18, Whereas the details of Grants-in-Aid in kind is not made available by the State Government.

Grants-in-aid represent assistance from the Government of India, and comprise,

- Centrally Sponsored Schemes (₹15,664 crore)
- Finance Commission Grants (₹6,975 crore)
- Other Transfer/Grants to States/Union Territories with legislatures (₹122 crore)

Total receipts during 2017-2018 under Grants-in-aid were ₹22,761 crore as shown below:



## 2.8 Public Debt

### 2.8.1 Trend of Public Debt (net) over the past 5 years

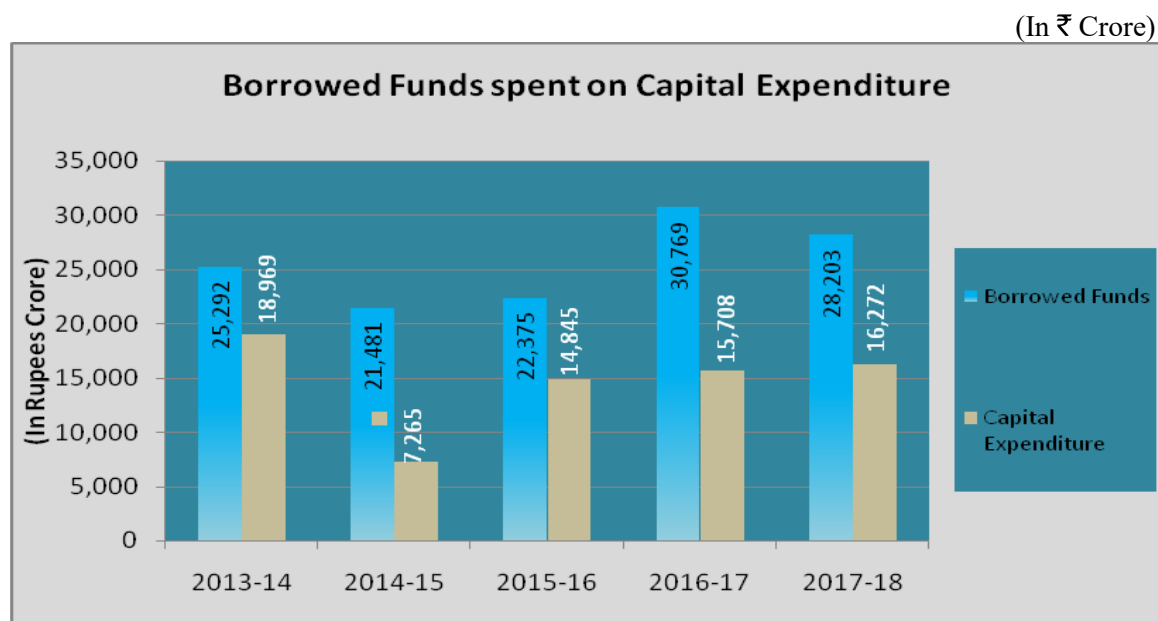
(In ₹ Crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Internal Debt</b>	17,893	13,191	15,780	25,078	19,031
<b>Central Loans</b>	114	(-)809	(-)542	67	(-)49
<b>Total Public Debt</b>	<b>18,007</b>	<b>12,382</b>	<b>15,238</b>	<b>25,145</b>	<b>18,982</b>

Note: The Receipts of 2017-18 is for the period 01 April 2017 to 31 March 2018(12 months).

In 2017-18, 14 loans at par totalling ₹22,800 crore at interest rates varying from 7.16 per cent to 7.77 per cent and redeemable in the years between 2021 and 2037 were raised from the open market and ₹2,773 crore from inter-government adjustments. In addition, the State Government availed ₹45,861 crore by Ways & Means Advances from RBI and raised ₹1,683 crore from financial institutions. Thus, the Internal Debt totalled ₹73,117 crore. The State Government received ₹946 crore from Government of India as Loans and Advances and repayments were ₹995 crore in 2017-18.

### 2.8.2 Proportion of borrowed funds spent on Capital Expenditure.



Note: Public Debt does not include Receipt and Expenditure of Special drawing facility/ways and Means Advances.

The extent to which the Fiscal Deficit, as presented by borrowed funds, has been channelised towards the creation of capital assets is an indicator of prudent financial management. Out of the borrowings of ₹28,203 crore, an amount of ₹16,272 crore was utilised to meet Capital Expenditure (including ₹2,781 crore disbursed as Loans & Advances).

Normally, Public Debt is discharged through the use of Revenue Surplus. In the year 2017-18, even though the State Government had Revenue Deficit of ₹16,151 crore, the Government discharged a public debt of ₹9,451 crore.

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## CHAPTER III

### EXPENDITURE

#### 3.1 Introduction

Expenditure is classified as Revenue Expenditure (which is used to meet the day-to-day running of the Government), and Capital Expenditure (which is used to create permanent assets, or to enhance the utility of such assets or to reduce permanent liabilities).

<b>General Services</b>	<b>Includes Justice, Police, Jail, PWD, Pension etc.</b>
<b>Social Services</b>	<b>Includes Education, Health &amp; Family Welfare, Water Supply, Welfare of SC-ST etc.</b>
<b>Economic Services</b>	<b>Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries and Transport etc.</b>

#### 3.2 Revenue Expenditure

The shortfall of Revenue Expenditure against budget estimates during the past five years is given below:

(In ₹ Crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates (BE)	1,26,749	98,142	97,425	1,14,168	1,25,912
Actuals	1,10,375	79,471	95,950	1,16,215	1,21,214
Gap	16,374	18,671	1,475	(-)2,047	4,698
Percent of gap over BE	13	19	1	2	3.73

Note: The Expenditure of 2017-18 is for the period 01 April 2017 to 31 March 2018

The excess of Revenue Expenditure above budget estimates, is to be viewed in the light of the State Government's commitment under the FRBM Act, to be at least Revenue neutral if not generate a Revenue Surplus. Around 51 per cent of the revenue expenditure was "committed", on Salaries<sup>3</sup> (₹32,281 crore), Interest Payments (₹13,847 crore) and Pensions (₹16,236 crore).

<sup>3</sup> Includes detailed heads 010-Salaries (₹27,948 crore), 020-Wages (₹50 crore), 030-Overtime allowance (₹0.09 crore), 270/273, Work charged establishment (₹364 crore) & 310/311-Grants-in-aid towards salaries (₹3,919 crore).

The position of Committed Revenue Expenditure over the last five years is given below:

(In ₹ Crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage of increase/ decrease over previous year
<b>Revenue expenditure</b>	1,10,375	79,471	95,950	1,16,215	1,21,214	<b>4.30</b>
<b>Committed Revenue Expenditure<sup>(*)</sup></b>	58,940	31,592	48,099	55,170	62,364	<b>13.04</b>

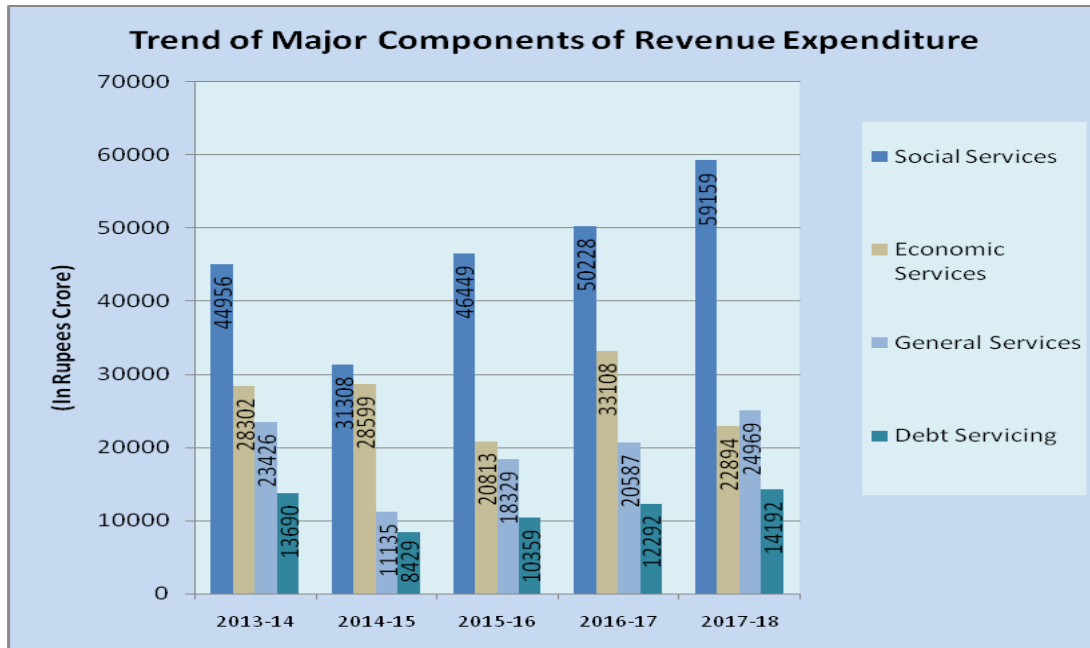
(\*) Salary component excludes Capital Expenditure on salary  
 Note: The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015.  
 Percentage increase/decrease has been calculated on pro rata basis for the year 2014-15.

### 3.2.1 Sectoral Distribution of Revenue Expenditure (2017-18)

(In ₹ Crore)

Component	2016-17	2017-18	Percentage increase/ decrease over previous year
<b>A. Fiscal Services</b>	<b>918</b>	<b>1,035</b>	<b>13</b>
(i) Collection of Taxes on Property and Capital transactions	201	223	11
(ii) Collection of Taxes on Commodities and Services	717	812	13
(iii) Other Fiscal Services	...	...	...
<b>B. Organs of State</b>	<b>499</b>	<b>814</b>	<b>63</b>
<b>C. Interest Payments and Servicing of Debt</b>	<b>12,292</b>	<b>14,192</b>	<b>15</b>
<b>D. Administrative Services</b>	<b>6,205</b>	<b>6,798</b>	<b>10</b>
<b>E. Pensions and Miscellaneous General Services</b>	<b>12,872</b>	<b>16,236</b>	<b>26</b>
<b>F. Social Services</b>	<b>50,228</b>	<b>59,159</b>	<b>18</b>
<b>G. Economic Services</b>	<b>33,108</b>	<b>22,894</b>	<b>(-31)</b>
<b>H. Grants-in-aid and Contributions</b>	<b>93</b>	<b>86</b>	<b>(-8)</b>
<b>Total Expenditure (Revenue Account)</b>	<b>1,16,215</b>	<b>1,21,214</b>	<b>4</b>

### 3.2.2 Major components of Revenue Expenditure (2013 – 2018)



- General Services exclude MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest Payments) and includes MH 3604 (Compensation and Assignment to Local Bodies and Panchayati Raj Institutions).

### 3.3 Capital Expenditure

The table below shows the trend of Capital Expenditure to Budget and trend of GSDP for the last 5 years:

(In ₹ Crore)						
Sl. No	Component	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Budget(B.E)	21,278	7,070	9,819	15,388	<b>21,959</b>
2.	Actual Expenditure	15,280	6,520	14,172	15,144	<b>13,491</b>
3.	Percentage of Actual Expenditure to B.E.	72	92	144	98	<b>61</b>
4.	Percentage of Growth in Capital Expenditure	1	(-)57	117	7	<b>(-)11</b>
5.	GSDP	<b>8,54,822</b>	<b>5, 20,030</b>	<b>6,03,376</b>	<b>6,99,307</b>	<b>8,03,873</b>
6.	Percentage of Growth of GSDP	<b>13</b>	<b>12</b>	<b>16</b>	<b>16</b>	<b>15</b>

Note: (i) Does not include expenditure on Loans and Advances. GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey.

(ii) The Expenditure of 2017-18 is for the period 01 April 2017 to 31 March 2018

(iii) The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015. Percentage increase/decrease has been calculated on pro rata basis for the year 2014-15



### 3.3.1 Sectoral Distribution of Capital Expenditure

During 2017-18, Government spent ₹7,989 crore on various projects (₹6,526 crore on Major Irrigation, ₹79 crore on Medium Irrigation, and ₹1,384 crore on Minor Irrigation) and ₹8 crore on Ports and Light Houses. Apart from the above, the Government spent ₹1,079 crore on construction of Buildings, ₹815 crore on construction of Roads and Bridges, ₹409 crore on Rural Water Supply Schemes, ₹572 crore on investment in various Corporations/Companies/Societies and ₹2,626 crore on other Capital Expenditure.

### 3.3.2 Comparative sectoral distribution of Capital and Revenue Expenditure over the past 5 Years

(In ₹ Crore)

Sl. No.	Sector	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase/decrease in 2017-18 over previous year
1.	General Services (Capital)	309	129	180	295	283	(-)4
	General Services (Revenue)	36,899	19,480	28,573	32,786	24,969	(-)24
2.	Social Services (Capital)	1,378	1,585	2,415	2,431	2,890	19
	Social Services (Revenue)	44,956	31,308	46,449	50,228	59,159	18
3.	Economic Services (Capital)	13,593	4,806	11,577	12,418	10,317	17
	Economic Services (Revenue)	28,302	28,599	20,813	33,108	22,894	(-)31

Note: i) Capital Expenditure does not include expenditure on loans and advances (₹2,781 crore).  
ii) Revenue Expenditure does not include expenditure on Grants-in-aid (₹86 crore).  
iii) The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015

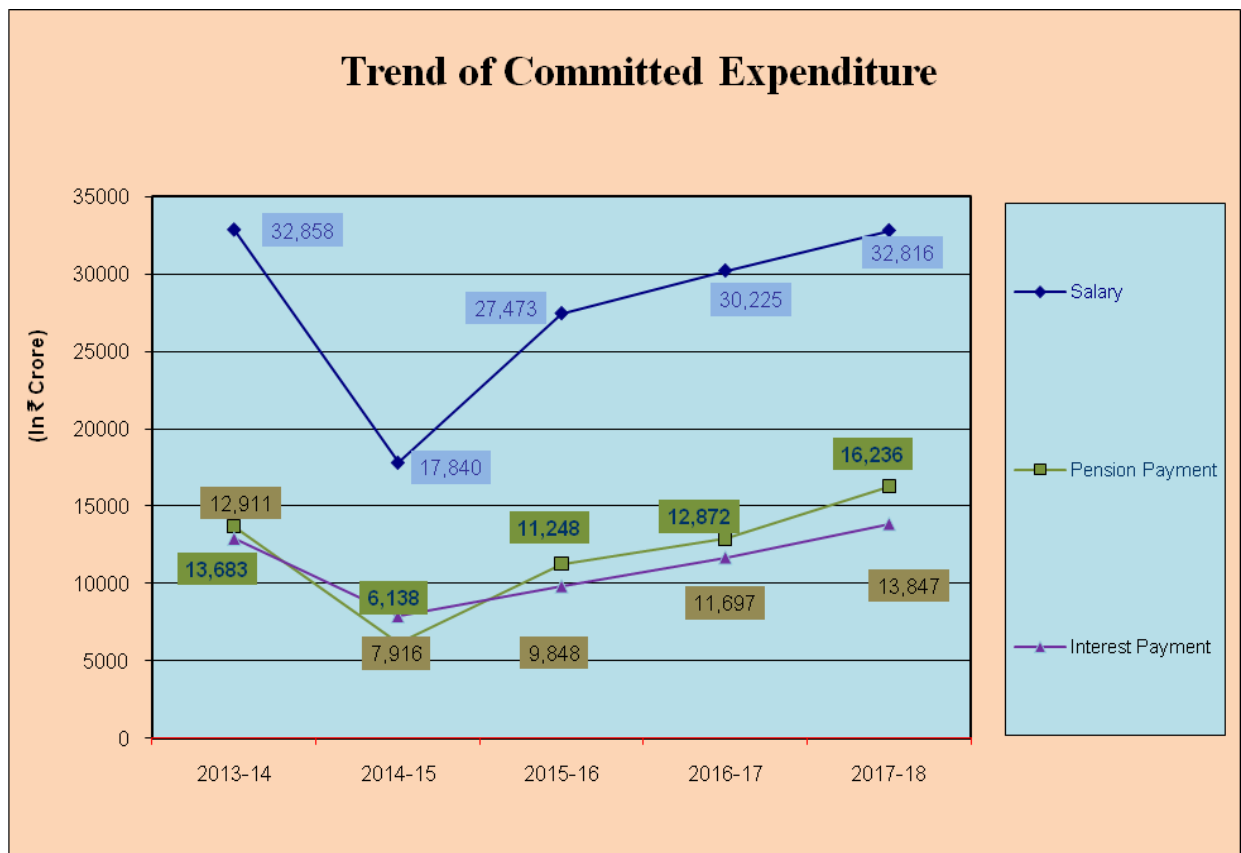
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## CHAPTER IV

### COMMITTED EXPENDITURE

#### 4.1 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure. Interest payments increased by 18 per cent in 2017-18 over the previous year. Pension payment increased by 26 per cent and Salary payment increased by 9 per cent in 2017-18 over the previous year.



Note: i) Salary component includes detailed heads 010-Salaries, 020- Wages, 030- Overtime Allowance, 270/273- Work charged establishment & 310/311- Grants-in-Aid towards salaries.  
ii) The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015.

The ratio of Committed Expenditure to Revenue Expenditure and Revenue Receipts over the past five years is given below:

(In ₹Crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage increase/ decrease over previous year
<b>Committed expenditure</b>	59,452	31,894	48,569	54,794	62,899	<b>15</b>
<b>Revenue Expenditure</b>	1,10,375	79,471	95,950	1,16,215	1,21,214	<b>4</b>
<b>Revenue Receipts</b>	1,10,719	65,695	88,648	98,984	1,05,063	<b>6</b>
<b>Percentage of Committed Expenditure to Revenue Receipts</b>	54	49	55	55	60	<b>9</b>
<b>Percentage of Committed Expenditure to Revenue Expenditure</b>	54	40	51	47	52	<b>11</b>

Note: The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015. Percentage increase/decrease has been calculated on pro rata basis for the year 2014-15.

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## CHAPTER V

### APPROPRIATION ACCOUNTS

#### 5.1. Summary of Appropriation Accounts for 2017-18

(In ₹ Crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Total	Actual Expenditure	Saving (-) Excess (+)	Surrender (by way of re-appropriation)
1	<b>Revenue</b>						
	Voted	1,19,625	12,418	1,32,043	1,17,356	(-)14,687	(-)35,273
	Charged	14,863	8	14,871	13,918	(-)953	(-)1,226
	<b>Total</b>	<b>1,34,488</b>	<b>12,426</b>	<b>1,46,914</b>	<b>1,31,274</b>	<b>(-)15,640</b>	<b>(-)36,499</b>
2	<b>Capital</b>						
	Voted	22,114	10,536	32,650	14,095	(-)18,555	(-)18,663
	Charged	39	34	73	9	(-)64	(-)64
	<b>Total</b>	<b>22,153</b>	<b>10,570</b>	<b>32,723</b>	<b>14,104</b>	<b>(-)18,619</b>	<b>(-)18,727</b>
3	<b>Public Debt</b>						
	Charged	8,009	...	8,009	55,081	(+)47,072	(-)139
	<b>Total</b>	<b>8,009</b>	<b>...</b>	<b>8,009</b>	<b>55,081</b>	<b>(+)47,072</b>	<b>(-)139</b>
4	<b>Loans and Advances</b>						
	Voted	1,119	1,940	3,059	2,789	(-)270	(-)267
	<b>Total</b>	<b>1,119</b>	<b>1,940</b>	<b>3,059</b>	<b>2,789</b>	<b>(-)270</b>	<b>(-)267</b>
	<b>Grand Total</b>	<b>1,65,769</b>	<b>24,935</b>	<b>1,90,705</b>	<b>2,03,248</b>	<b>(+)12,543</b>	<b>(-)55,632</b>

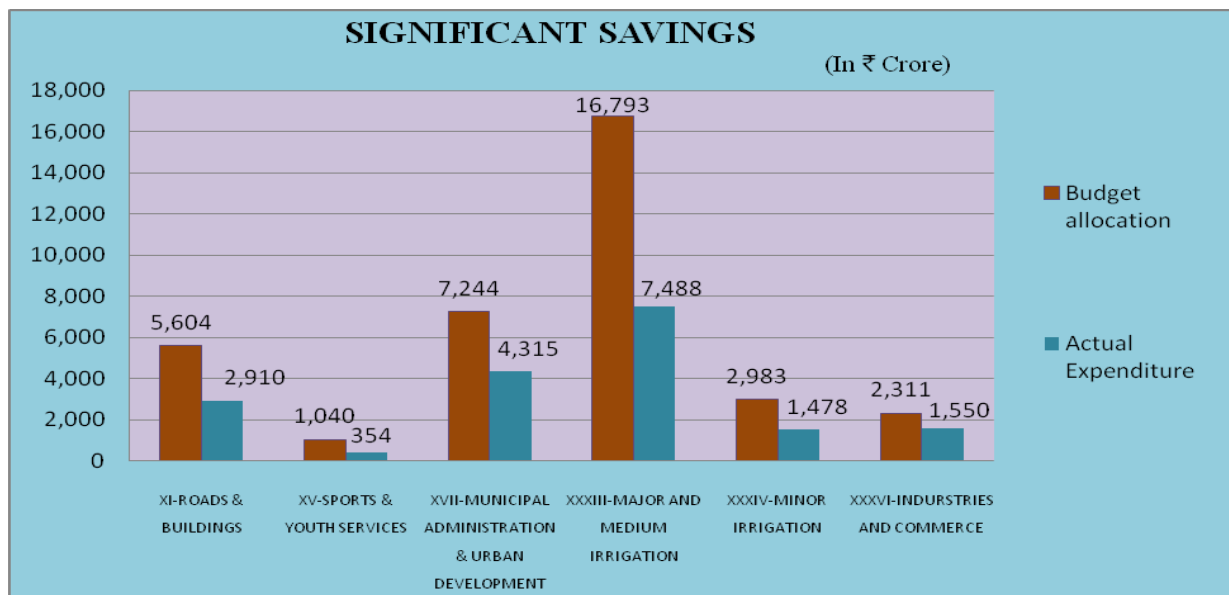
Note: Saving/Excess are with reference to Budget estimates.

#### 5.2 Significant Savings

Substantial savings under a Grant indicates either non-implementation or slow implementation of certain schemes/ programmes. Some Grants with persistent and significant savings (percentage of budget) are given below:

(In ₹ Crore)

Grant	Nomenclature	Budget allocation	Actual Expenditure	Percentage of Savings to Budgeted Expenditure
XI	Roads and Buildings	5,604	2,910	48
XV	Sports and Youth Services	1,040	354	66
XVII	Municipal Administration and Urban Development	7,244	4,315	40
XXXIII	Major and Medium Irrigation	16,793	7,488	55
XXXIV	Minor Irrigation	2,983	1,478	50
XXXVI	Industries and Commerce	2,311	1,550	33



The persistent savings under Housing, Women, Child and Disabled Welfare and Industries and Commerce reflects schemes envisaged in the Budget, with the Legislative approval, had been given lesser priority during implementation, either due to conservative approach of the Government to attain the fiscal indicator targets or the shortfall is purely due to inaccuracy in budget estimation process of the department.

During 2017-18, Supplementary Provisions for ₹24,936 crore (12 per cent of total expenditure) were obtained, and in some cases, it was proved unnecessary. A few instances, where there were significant savings at the end of the year as against original allocations are given below:

(In ₹ Crore)

Grant	Nomenclature	Section	Original	Actual Expenditure	Savings	Supplementary
III	Administration of Justice	Revenue	778	632	146	8
XI	Roads and Buildings	Capital	2,120	914	1,206	1,529
XVI	Medical and Health	Revenue	6,574	5,998	576	92
		Capital	446	197	249	98
XVII	Municipal Administration and Urban Development	Revenue	4,216	3,720	496	798
		Capital	941	535	406	1,179
XXI	Social Welfare	Revenue	3,313	3,048	265	145
XXII	Tribal Welfare	Revenue	1,694	1,637	57	127
		Capital	121	101	20	35
XXXIII	Major and Medium Irrigation	Capital	11,239	6,874	4,365	4,812
XXXVIII	Civil Supplies Administration	Revenue	3,512	3,293	219	4

Note: Savings = Original-Actual Expenditure.

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## CHAPTER VI

### ASSETS AND LIABILITIES

#### 6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/ purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total Investments as Share Capital in non-financial Public Sector Undertakings (PSUs) stood at ₹9,468 crore at the end of 2017-2018. ₹1.00 crore (0.01 per cent of investment) was received as dividends indicating an inadequate return on investment.

Cash balance with the RBI stood at ₹(-)232 crore on 1<sup>st</sup> April 2017 and decreased further to ₹(-)855 crore at the end of 31 March 2018. Government had invested an amount of ₹41,410 crore in 14 days treasury bills in 2017-18 and rediscounted bills worth ₹37,712 crore.

Cash Balance Investment in Government of India Treasury Bills (In ₹ Crore)

Balance as on 1 April 2017	Purchases during 2017-18	Sales during 2017-18	Closing balance on 31 March 2018
3,698	37,712	41,410	---

#### 6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India, from time to time determines, the limit up to which State Governments can borrow from the market which is ₹22,800 crore for 2017-18. Against this, Government of Andhra Pradesh availed of open market borrowings totalling ₹25,573 crore during 2017-18.

Details of the Public Debt and Total Liabilities of the State Government are as under:

(In ₹ Crore)

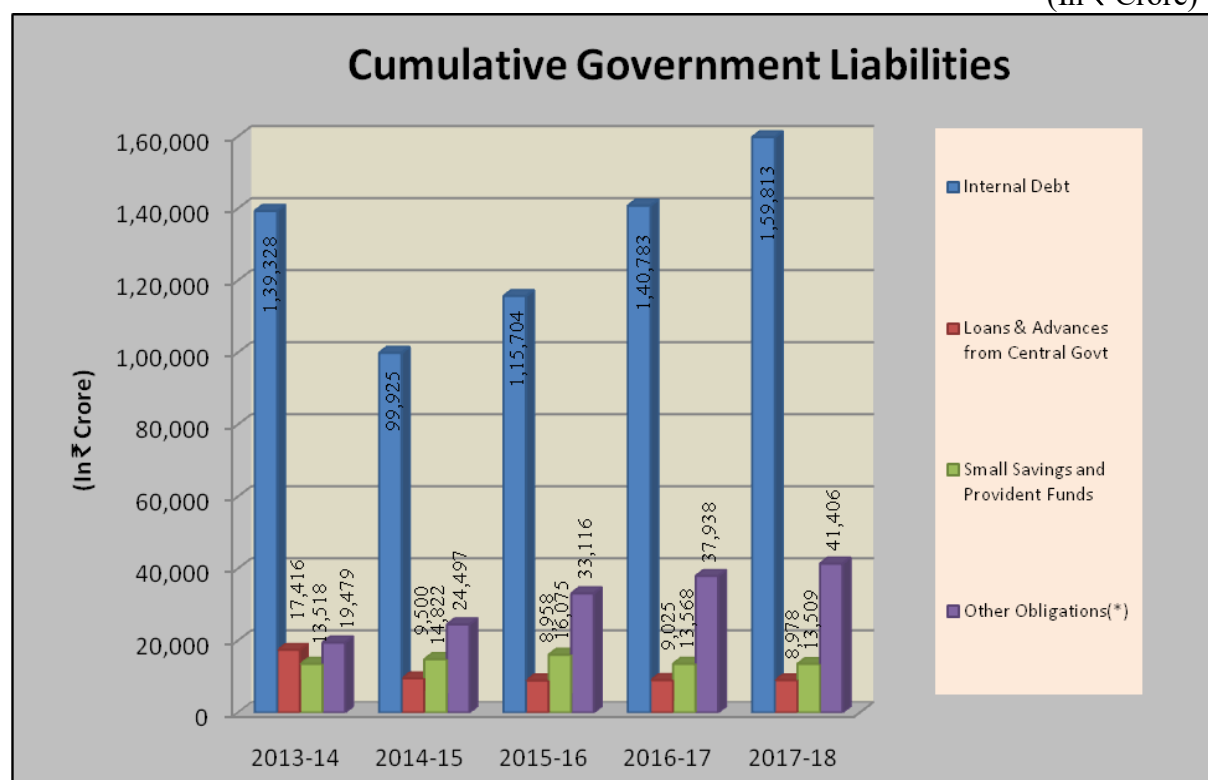
Year	Public Debt	Percentage to GSDP	Public Account <sup>(*)</sup>	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2013-14	1,56,744	18	32,997	4	1,89,741	22
2014-15	1,09,425	21	39,319	8	1,48,744	29
2015-16	1,24,662	21	49,191	8	1,73,853	29
2016-17	1,49,808	21	51,506	7	2,01,314	29
2017-18	1,68,791	21	54,915	7	2,23,706	28

(\*) Excludes Suspense and Remittance balances.

Note: Figures are progressive balances to end of the year. Percentage to GSDP figures in this publication are adopted as provided in the Andhra Pradesh Socio-Economic Survey, for the revised current figures of previous years and for current year.

Public Debt and Other Liabilities showed a net increase of ₹22,392 crore (11 per cent) over the previous year due to raising of new long-term market loans.

(In ₹ Crore)



(\*) Includes interest & non-interest bearing obligations such as deposits of local funds, other earmarked funds, etc.

### 6.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes, programmes which are projected outside the State budget.

The Financial Statements of the State Government shall disclose the details containing Class or Sector of Guarantees in the format specified by Indian Government Accounting Standards-1 (IGAS-1) notified on 20-12-2010 is followed in respect of Sector-wise details for Guarantees and depicted in Statement No.9 of Finance Accounts of 2017-18 whereas the Sector-wise details for each class for Guarantees is not made available by the State Government.

The Guarantees given by the State Government to Statutory Corporations, Government Companies, Corporations, Cooperative Societies etc., are given below:

(In ₹ Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March	
		Principal	Interest
2013-14	55,536	31,153	543
2014-15	11,323	10,675	1
2015-16	10,623	7,059	417
2016-17	16,576	9,665	65
2017-18	53,340	35,964	22

Note: Details are available at Statement No.9 and are based on information received from the State Government and where available, from the respective institutions.



Guarantee fees is payable at 0.5 per cent per annum or 2 per cent for the amount guaranteed for the entire guarantee period. As on 31 March 2018, ₹2 crore received towards Guarantee Fee for the year. The State Government transferred ₹54 crore to the Guarantee Redemption Fund and the entire balance of ₹681 crore at the credit of the Fund was invested.

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## **CHAPTER VII**

### **OTHER ITEMS**

#### **7.1 Adverse Balances under Internal Debt**

From time to time, the Government of Andhra Pradesh, assumed the liabilities of various institutions by permitting them to borrow from the open market/ financial institutions, with the Government taking over the responsibility for repayment. As on 31 March 2018, an adverse balance of ₹122 crore exists under MH 6003-Internal Debt. Out of this, ₹86 crore represents loans availed of by the Andhra Pradesh Road Development Corporation, ₹8 crore by Oil Industries Development Board and ₹26 crore pertains to repayments on behalf of Co-operatives. The AG(A&E) has been requesting the State Government to provide adequate budget provision to clear the adverse balance under MH 6003.

#### **7.2 Loans and Advances by the State Government**

The State Government disburse loans to Government Companies, Corporations, Local Bodies, Autonomous Bodies, Co-operative Institutions, Statutory Corporations, Quasi-Public Bodies and other non-Government or Private institutions and also disburse recoverable advances to Government Servants.

The format suggested by the Ministry of Finance, Department of Economic Affairs (Budget Division) Notification Dt.13-02-2012 is followed and depicted in Statement No.7 of the Finance Accounts of 2017-18. But, the details relating to Major and Minor Head-wise Summary of Loans & Advances, Repayments in arrears from other Loanee Entities and Additional Disclosures suggested in Indian Government Accounting Standards-3 (IGAS-3) has not been followed by the State Government.

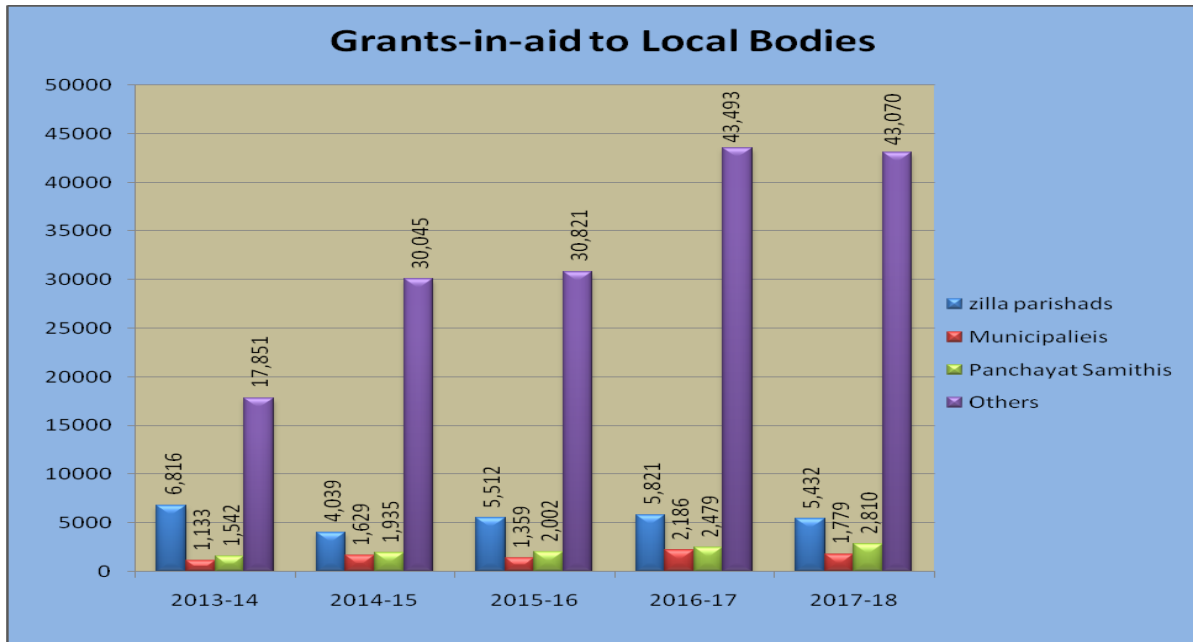
The total Loans and Advances made by the State Government at the end of 2017-2018 was ₹30,202 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutes and Local Bodies amounted to ₹29,773 crore. Recovery of principal aggregating to ₹27,059 crore and interest amounting to ₹13,059 crore is in arrears at the end of 31 March 2018. During 2017-18, only ₹50 crore has been received towards repayment of Loans and Advances, out of which ₹35 crore relate to repayment of loans to Government Servants. Effective steps to recover the outstanding loans would facilitate the Government to maintain better fiscal position.

### 7.3 Financial assistance to Local Bodies and others

During the current year, Grants-in-aid to Local Bodies etc., decreased from ₹53,979 crore in 2016-2017 to ₹53,091 crore in 2017-2018. Grants to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities (₹10,021 crore) represented 18.88 per cent of the total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under:

(In ₹ Crore)					
Year	Zilla Parishads	Municipalities	Panchayat Samithis	Others	Total
2013-14	6,816	1,133	1,542	17,851	27,342
2014-15	4,039	1,629	1,935	30,045	37,648
2015-16	5,512	1,359	2,002	30,821	39,694
2016-17	5,821	2,186	2,479	43,493	53,979
2017-18	5,432	1,779	2,810	43,070	53,091
Percentage increase/decrease over previous year	(-)6.68	(-)18.62	13.35	(-)0.97	(-)1.65



#### 7.4 Cash Balance and Investment of Cash Balance

(In ₹ Crore)

Component	As on 01 April 2017	As on 31 March 2018	Net increase (+)/ decrease (-)
<b>Cash Balances</b>	<b>(-)232(-)Dr</b>	<b>(-)855(-)Dr</b>	<b>(-)623</b>
<b>Investments from Cash Balance (GOI Treasury Bills)</b>	<b>3,698(Dr)</b>	<b>...</b>	<b>(-)3,698</b>
<b>Other Cash Balances</b>	<b>2(Dr)</b>	<b>2(Dr)</b>	<b>...</b>
<b>i) Departmental Balances</b>	<b>1(Dr)</b>	<b>1(Dr)</b>	<b>...</b>
<b>ii) Permanent Cash Imprest</b>	<b>1(Dr)</b>	<b>1(Dr)</b>	<b>...</b>
<b>Investment from earmarked fund balances</b>	<b>6,483(Dr)</b>	<b>7,375(Dr)</b>	<b>892</b>
<b>(a) Sinking Fund</b>	<b>5,844(Dr)</b>	<b>6,688(Dr)</b>	<b>844</b>
<b>(b) Guarantee Redemption Fund</b>	<b>628(Dr)</b>	<b>681(Dr)</b>	<b>53</b>
<b>(c) Other Funds</b>	<b>11(Dr)</b>	<b>6(Dr)</b>	<b>(-)5</b>
<b>Interest realised</b>	<b>578(Cr)</b>	<b>621(Dr)</b>	<b>43</b>

State Government had a negative closing cash balance at the end of 2017-18. It invested ₹7,375 crore towards cash balances and earmarked fund (Consolidated Sinking Fund, Guarantee Redemption Fund etc) balances.

## 7.5 Reconciliation of accounts

Accountant General (A&E) receives compiled accounts from the Treasuries and Pay and Accounts Officers (PAOs). Funds are placed at the disposal of Chief Controlling Officers (CCOs) for incurring expenditure. Accuracy of the accounts maintained by the CCOs is an important requirement for effective budgetary control. The Financial Rules stipulate that CCOs should reconcile the receipts and expenditure recorded in their books every month with that recorded by the AG. On the expenditure side, out of 293 CCOs, 127 CCOs have reconciled an amount of ₹73,757.02 crore (which works out to 53.67 per cent of total expenditure of ₹1,37,423.40 crore) and on the receipts side ₹72,526.16 crore (69.02 per cent of the total receipt of ₹1,05,077.26 crore) have been reconciled. The figures are exclusive of the Public Debt which is handled by the AG. There is no assurance about the completeness and correctness of the receipts and expenditure figures depicted in the Finance Accounts to the extent of non-reconciliation.

The status of reconciliation of accounts in respect of the CCOs of different departments is given below:

Particulars	Total No. Of Certificates Due From CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
EXPENDITURE	7422	3479	1122	2821
RECEIPTS	2543	2168	21	354
<b>TOTAL</b>	<b>9965</b>	<b>5647</b>	<b>1143</b>	<b>3175</b>

## 7.6 Submission of Accounts by Accounts rendering Units

All the initial accounts were rendered by Treasuries & Pay and Accounts Officers (PAOs) of the Public Works and Forest departments during the year and no accounts were excluded.

## 7.7 Advance Payments

In terms of the Andhra Pradesh Financial Code (APFC), Drawing and Disbursing Officers are authorised to draw sums of money by preparing Abstract Contingent (AC) bills by debiting service heads. As per Government orders, Detailed Contingent (DC) bills are required to be presented subsequently along with supporting documents within a period of 90 days. Delayed submission or prolonged non-submission of supporting DC bills, renders the expenditure under AC bills opaque. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts could not be vouched as correct or final.

Details of pending DC bills as on 31 March 2018 are given below:

Year	Number of Pending DC Bills	Amount (₹ in crore)
Up to 2015-16	469	89.92
2016-17	291	26.37
2017-18	500	109.66
<b>Total</b>	<b>1260</b>	<b>225.95</b>

Out of ₹128.31 crore drawn against AC bills in 2017-18, AC bills amounting to ₹98.02 crore (76.39 per cent of the total amount drawn against AC bills during 2017-18) were drawn in March 2018 alone, of this, ₹2.78 crore were drawn on the last day of the Financial Year. Significant expenditure on AC Bills in March indicates that the drawal was primarily to exhaust the budget and reveals inadequate budgetary control.

## 7.8 Status of Suspense Balances

Details of outstanding balances under Major Head-8658-Suspense Account is as under:-

Name of Minor Head	2015-16		2016-17		2017-18	
	DR	CR	DR	CR	DR	CR
<b>8658-101-Pay and Accounts Office Suspense</b>	75.44	13.05	80.66	13.05	100.81	12.94
<b>Net</b>	62.39(DR)		67.61(DR)		87.87(DR)	
<b>8658-102-Suspense Accounts (Civil)</b>	194.59	159.60	228.61	217.77	2,64.03	3,09.98
<b>Net</b>	34.99(DR)		10.84(DR)		45.95(CR)	
<b>8658-110-Reserve Bank Suspense (Central Accounts Office)</b>	475.31	271.47	520.85	82.86	2,95.76	1,41.83
<b>Net</b>	203.84 (DR)		437.99(DR)		153.93(DR)	
<b>8782-102-PW Remittances</b>	40736.45	40332.46	55981.41	55834.74	7,60,07.41	7,72,11.80
<b>Net</b>	403.99(DR)		146.67(DR)		12,04.39(CR)	
<b>8782-103-Forest Remittances</b>	323.96	535.04	335.06	397.88	4,38.96	6,17.42
<b>Net</b>	211.08(CR)		62.82(CR)		1,78.46(CR)	

## **7.9 Commitments on Account of Incomplete Capital Works**

The material in respect of Incomplete Capital Works was called from various Departments by this office. But, the material has not been received from any of the Departments so far. Hence, it may be treated as 'NIL'.

## **7.10 Liabilities towards New Pension Scheme:**

During the period 01 April 2017 to 31 March 2018, ₹16,235.87 crore (13.39 per cent of total revenue expenditure) was incurred on "Pension and Other Retirement Benefits" to State Government employees recruited on or before 01 September 2004. State Government employees recruited on or after 01 September 2004 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 per cent of his monthly salary and dearness allowances, which is matched by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

During the period 01 April 2017 to 31 March 2018, ₹668.42 crore was the employees' contribution and ₹696.72 crore was the Government contribution. There is an excess of ₹28.30 crore in the matching contribution by the Government. During the period, the Government transferred ₹1,397.58 crore to NSDL/Trustee Bank. Further the DTA reported that an amount of ₹200.23 crore was lying with DTOs to the end of 31 March 2018 and pending for transfer to NSDL.

As AG (A&E) is not maintaining the accounts of individual employees' contribution, the correctness of recovery from the employee's salary bills could not be ensured. The actual amount payable by employees and the matching Government contribution for the year 2017-18 could not be estimated due to non-availability of relevant data. In view of the above position, the total outstanding liability of the employees as well as Government on this account could not be estimated.

## **7.11 Personal Deposit (PD) Accounts**

As per APFC, the purpose of Personal Deposit accounts is to enable the Drawing Officers to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. As per G.O.Ms. No.43, dated 22.04.2000 readwith G.O.Ms.No. 165 dated 19.09.2017 funds released during a particular financial year shall lapse by 31 March of the following year (lapsable deposits under category 'C') and the administrators of PD accounts are required to close such accounts and transfer the unspent balances back to the Government account. Further, PD account administrators are required to reconcile their balances with those of Treasury.

Information i.e., number and amount available in PD accounts per account type(as per G.O.Ms.No. No.43, dated 22.04.2000) was not made available. The State Govt. had unilaterally dispensed with the system of prior concurrence of Accountant General for

opening of PD Accounts in 2005. Subsequently, a huge proliferation in the number of accounts has been seen.

Status of PD Accounts during the period 01 April 2017 to 31 March 2018 as given by DTA is detailed below:

Opening Balance as on 01 April 2017 <sup>(*)</sup>		Addition during the period 01 April 2017 to 31 March 2018		Closed during the period 01 April 2017 to 31 March 2018		Closing Balance as on 31 March 2018	
Number	Amount (₹in crore)	Number	Amount (₹ in crore)	Number	Amount (₹in crore)	Number	Amount (₹in crore)
58,512	26,476.79	41	85,785.75	12,849	81,417.95	45,704	30,844.59

(\*) Differs with closing balance of 2016-17 to the extent of 27 accounts amounting to the tune of ₹37.19 crore due to non-reconciliation of balances with Administrators, and the same is under investigation by the State Government.

It is observed that there is substantial closure of 12,849 PD accounts during the year and new PD accounts opened were 41 only. Further, the balances under PD accounts which form part of “K-Deposits and Advances” are yet to be apportioned between the States of Andhra Pradesh and Telangana. The un-apportioned figure of “K-Deposits and Advances” is depicted distinctly in bold font in the Finance Accounts (Statement 21).

Due to non rendering of administrator-wise PD accounts details, reconciliation of these balances could not be done and the exact number and amount of lapsable unspent balances against these PD Accounts also could not be provided by the State Government.

## 7.12 Investment

Statement No. 8 of Finance Accounts shows comparative summary of investments in the share capital of Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies and Co-operative Institutions and Local Bodies during and at the end of the year. Entity wise investment details are given in Statement No. 19 of the Finance Accounts. The investments of ₹8,405.14 crore to end of 01 June 2014 in Composite Andhra Pradesh have not been apportioned between Andhra Pradesh and Telangana. Investments made during 01 April 2017 to 31 March 2018 in successor State of Andhra Pradesh was ₹4,97.31 crore and a dividend of ₹1.00 crore was received on investments made during the year. These figures, however, require reconciliation with the entities where investments were made. Neither the State Government nor individual entities have reconciled and confirmed the investments. In the absence of such reconciliation, the correctness of these investments could not be ensured.