

GOVERNMENT OF TELANGANA

**ACCOUNTS AT A GLANCE
2014-2015**

**ACCOUNTANT GENERAL
(Accounts and Entitlements)
ANDHRA PRADESH & TELANGANA, 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 make more accessible the voluminous information contained in the Finance and Appropriation Accounts that are placed every year before the appropriate Legislatures in accordance with Article 151(2) of the Constitution of India.

This is the first publication for the newly formed State of Telangana which came into existence on 02-06-2014 as per A.P. Reorganization Act, 2014.

As always, suggestions and comments are welcome.

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Sd/-

Place: Hyderabad
Date: 19/07/2016

ACCOUNTANT GENERAL (A&E)
ANDHRA PRADESH & TELANGANA

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CHAPTER I

OVERVIEW

1.1 Introduction

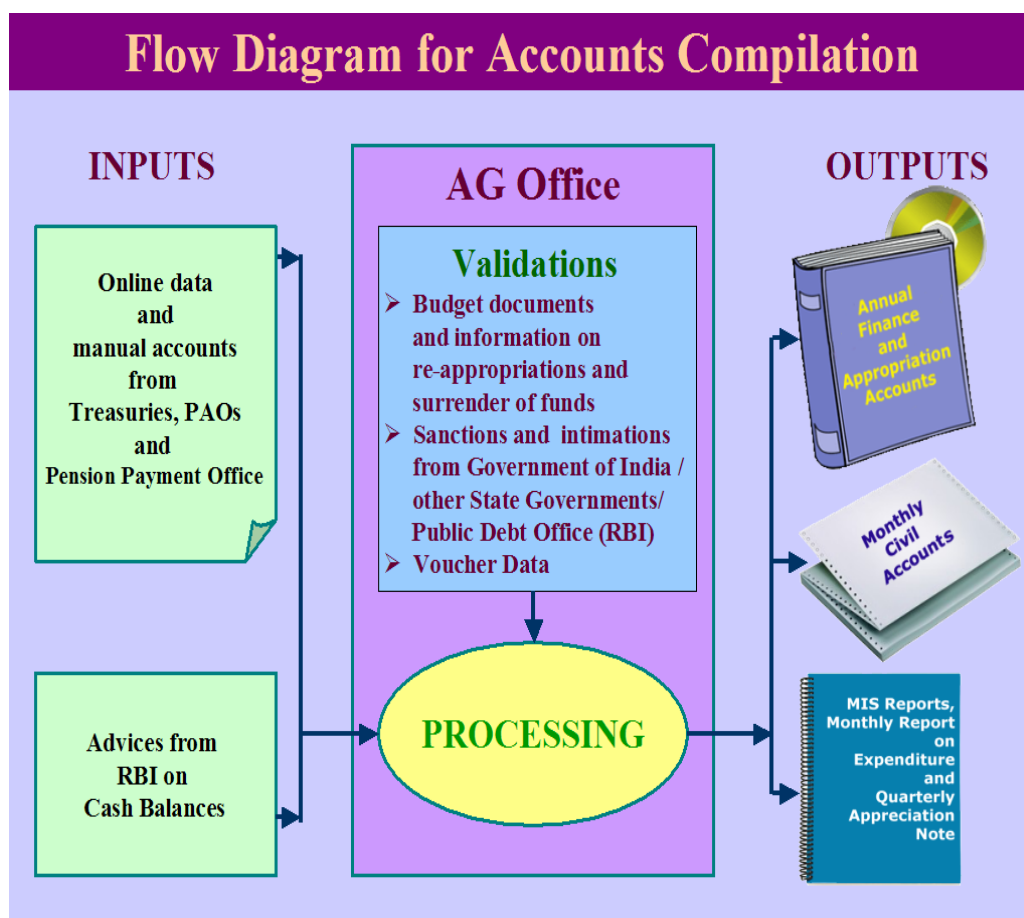
The Accountant General (Accounts and Entitlements), Andhra Pradesh & Telangana compiles the accounts of receipts and expenditure of the Government of Telangana. This compilation is based on the initial accounts rendered by the District Treasuries and Pay and Accounts Offices (PAOs) of the State Government,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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	<p>Comprises all receipts of the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon)</p> <p>All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), is met from this Fund.</p>
Part II CONTINGENCY FUND	<p>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.</p> <p>The corpus of this Fund for the Government of Telangana is ₹50 crore.</p>
Part III PUBLIC ACCOUNT	<p>All Public Moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee.</p> <p>The Public Account comprises 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 Balance.</p>

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The two volumes of the Finance Accounts contain details of the receipts and disbursements of the Government for the year. Volume I 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, quality of accounts and other disclosures; Volume II contains other summarised statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and Disbursements of the State Government during 2014-15 are as below:
(In ₹ Crore)

Receipts (Total: 60,529)	Revenue (Total : 51,042)	Tax Revenue	37,477
		Non Tax Revenue	6,447
		Grants-in-Aid & Contributions	7,118
	Capital (Total : 9,487)	Recovery of Loans and Advances	77
		Capital Receipts	...
		Borrowings and other Liabilities*	9,410
Disbursements (Total: 60,529)	Revenue	50,673	
	Capital	8,373	
	Loans and Advances	1,483	

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

In addition to the Budget approved for the year by Telangana 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 (₹425 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 the Constitution, 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 Telangana 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.

At the end of the year, the expenditure of Government of Telangana against the budget approved by the Legislature, showed a net savings of ₹42,584 crore (40 per cent of estimates). Certain grants, showed substantial savings, like Administration of Justice (52 per cent under Revenue), Fiscal administration and Planning (43 per cent under Loans), Municipal Administration & Urban Development (41 per cent under loans), Roads, building

and Ports (52 per cent under Capital), Panchayat Raj (89 per cent under Capital), Backward classes welfare (45 per cent under revenue), Minor Irrigation (72 per cent under Capital).

1.4 A.C. Bills

Drawing and Disbursing Officers are authorised to draw sums of money by preparing Abstract Contingent (AC) bills by debiting service heads. 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.

Details of Outstanding A.C.Bills as on 31 March 2015 are given below.

Year	AC Bills Drawn ^(#)		DC Bills submitted		Pending AC Bills	
	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
Upto 2010-11	2,695	95.89	562	13.80	2,133	82.09
2011-12	302	35.08	120	18.91	182	16.17
2012-13	502	159.93	165	40.47	337	119.46
2013-14	1,110	194.09	411	57.45	699	136.64
2014-15 (01 April to 01 June 2014)	1,179	219.82	909	166.06	270	53.76
2014-15 (02 June 2014 to 31 March 2015)	769	116.28	200	15.08	569	101.20
Total	6,557	821.09	2,367	311.77	4,190	509.32

(#) Excluding AC bills drawn by PAO Telangana Bhavan, New Delhi, PAO Telangana Legislature and Pension Payment Office, Motigally.

During 02 June 2014 to 31 March 2015, AC bills amounting to ₹55.39 crore (47.6 per cent of the total amount drawn against AC bills) were drawn through Treasuries, in March 2015 alone and of this ₹15.23 crore was drawn on the last day of the financial year.

1.5 Personal Deposit (PD) Accounts

The purpose of PD 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.

Certain PD accounts are required to be closed on the last working day of the financial year and the unspent balances remitted back to Govt accounts by minus debit of the balance to the relevant service head.

Status of PD Accounts during the period 2 June 2014 to 31 March 2015 are given below:

Location	PD A/cs as on 02 June 2014		Additions during the year		Withdrawals during the year		PD A/cs as on 31 March 2015	
	No. of PD A/cs	Amount (₹in crore)	No. of PD A/cs opened	Deposits made in PD A/cs including new accounts (₹in crore)	No. of PD A/cs closed	Withdrawals made from PD A/cs including closed accounts (₹in crore)	No. of PD A/cs	Amount (₹in crore)
Telangana	32,137	9,699.26	86	24,476.88	2,632	20,136.49	29,591	14,039.65

Source: DTA, Telangana.

1.6 Sources and Application of Funds

1.6.1 Ways and Means Advances

Reserve Bank of India (RBI) extends Ways and Means Advances (WMA) and Overdraft (OD) facilities to enable State Governments to tide over temporary shortfalls in their cash balances. During 2014-15, Government of Telangana has not availed any Ways and Means Advances (WMA) and Overdraft (OD) facility.

Sources and Application of Funds

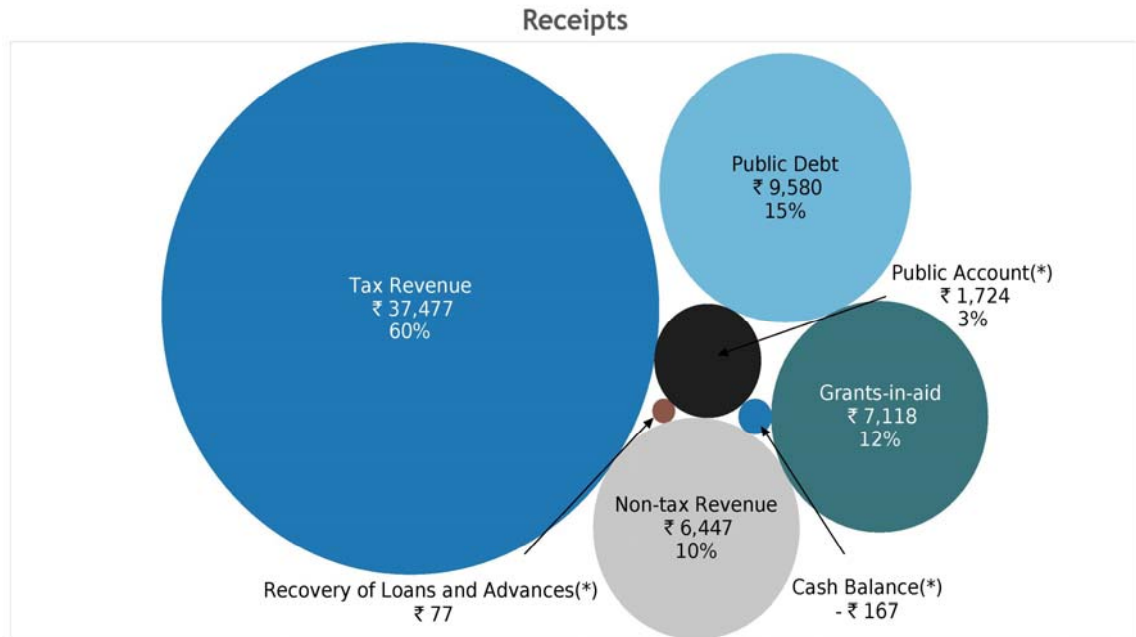
(In ₹ Crore)

	PARTICULARS	AMOUNT
	Opening Cash Balance as on 02.06.2014	(-)55
	Revenue Receipts	51,042
	Recovery of Loans & Advances	77
	Capital Receipts	...
	Public Debt*	9,580
	Small Savings, Provident Fund &Others*	1,319
SOURCES	Reserves & Sinking Funds*	1,120
	Deposits Received*	23,334
	Civil Advances Repaid*	99
	Suspense Account*	2,81,210
	Remittances*	9,027
	Contingency Fund	50
	TOTAL	3,76,803
	Revenue Expenditure	50,673
	Capital Expenditure	8,373
	Loans Given	1,483
	Repayment of Public Debt*	1,727
	Small Savings, Provident Fund &Others*	1,051
APPLICATION	Reserves & Sinking Funds*	1,028
	Deposits Spent*	21,185
	Civil Advances Given*	89
	Suspense Account*	2,81,011
	Remittances*	10,022
	Transfer to Contingency Fund	50
	Closing Cash Balance as on 31-03-2015	111
	TOTAL	3,76,803

Note: i) Items indicated with '*' are gross figures, and are eventually to be netted off, reducing the 'Total'.

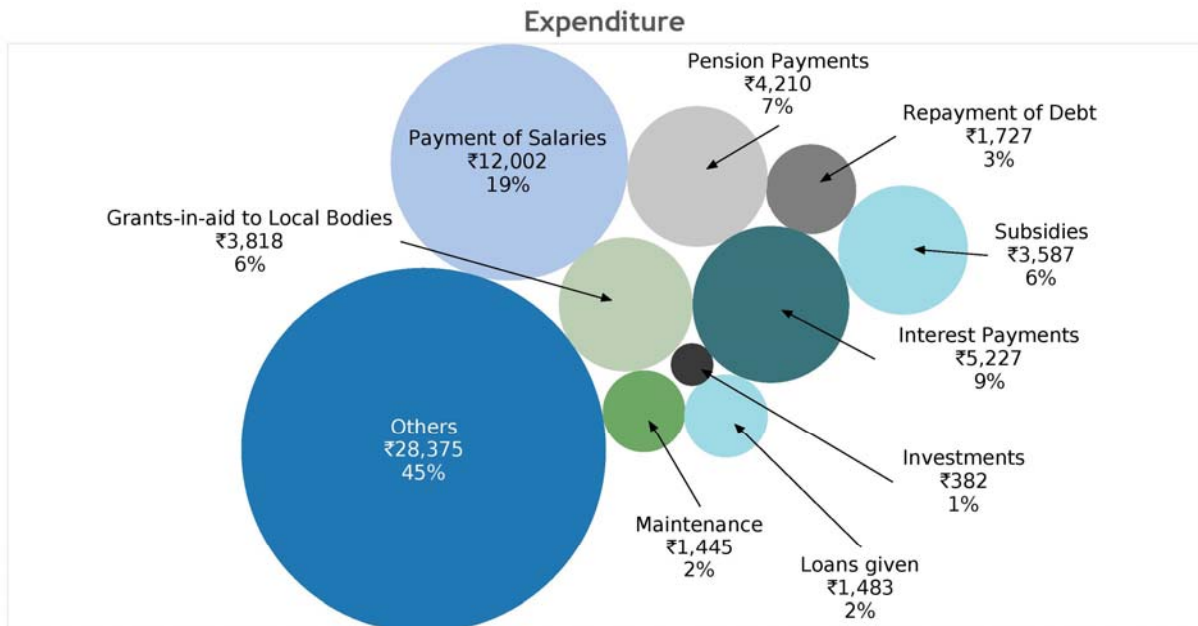
(ii) The Suspense accounts include ₹92,837 crore invested in treasury bills which is shown on the 'Application' side, and ₹93,506 crore worth of treasury bills sold through the RBI (a process known as 'rediscounting' and/or 'matured value' of treasury bills) which is shown on the 'Sources' side.

1.6.2 Where the Rupee came from



(*) Public Account and Cash Balance components above are taken as 'net' and not 'gross' as shown in the Sources & Application Table (Para 1.6)

1.6.3 Where the Rupee went



Note: Others include Capital Expenditure (₹8,373 crore) and components other than above.

1.7 Highlights of Accounts

(In ₹ Crore)

Component	B.E 2014-15	Actuals	Percentage of actual to	
			B.E	GSDP ^(§)
1. Tax Revenue ^(@)	45,127	37,477	83	9
2. Non-Tax Revenue	13,242	6,447	49	1
3. Grants-in-aid & Contributions	21,721	7,118	33	2
4. Revenue Receipts (1+2+3)	80,090	51,042	64	12
5. Recovery of Loans & Advances	75	77	103	...
6. Borrowings & Other Liabilities ^(B)	17,398	9,410	54	2
7. Capital Receipts (5+6)	17,523	9,487	54	2
8. Total Receipts (4+7)	97,563	60,529	62	14
9. Non-Plan Expenditure ^(*)	48,915	36,880	75	9
10. NPE on Revenue Account	48,676	36,610	75	9
11. NPE on Interest Payments out of 10	5,925	5,227	88	1
12. NPE on Capital Account	239	270	113	...
13. Plan Expenditure ^(*)	48,648	23,649	49	5
14. PE on Revenue Account	31,113	14,063	45	3
15. PE on Capital Account	17,535	9,586	55	2
16. Total Expenditure (9+13) ^(¥)	97,563	60,529	62	14
17. Revenue Expenditure (10+14)	79,789	50,673	64	12
18. Capital Expenditure (12+15) ^(#)	17,774	9,856	55	2
19. Revenue Surplus (4-17)	301	369	123	...
20. Fiscal Deficit (4+5-16)	17,398	9,410	54	2

@ Includes State's share of Union Taxes of ₹8,188 crore.

(§) GSDP figure of ₹4,30,599 crore adopted as provided by Central Statistical Office, Government of India.

(B) Borrowings and other liabilities: Net (Receipts-Disbursements) of Public debt (₹7,853 crore) + Net of Contingency fund (-50) + Net (Receipts- Disbursements) of Public Account (₹1,724 crore) + Net of Opening and Closing cash balance (₹-167 crore).

(*) Expenditure includes Loans and Advances under Non-plan (₹270 crore) and under Plan (₹1,213 crore) and excludes expenditure on Public Debt (₹1,727 crore).

(¥) Expenditure does not include Public Debt as net of Public Debt has been taken under Borrowings and Liabilities

(#) Expenditure on Capital Account includes Capital Expenditure (₹8,373 crore) and Loans and Advances disbursed (₹1,483 crore)

The Revenue Surplus of ₹369crore and Fiscal Deficit of ₹9,410crore represented 0.09 per cent and 2 per cent of the Gross State Domestic Product (GSDP)¹ respectively. The Fiscal Deficit constituted 16 per cent of total expenditure. Around 43 per cent of the Revenue Receipts (₹51,042 crore) of the State Government was spent on Committed Expenditure like Salaries² (₹12,134crore), Interest Payments (₹5,227 crore) and Pensions (₹4,210 crore).

1.8 What the Deficit and Surplus indicate

Deficit	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.
Revenue Deficit /Surplus	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.
Fiscal Deficit/Surplus	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 Receipt exceeding Revenue Expenditure). The Twelfth Finance Commission recommended that States enact their own Fiscal Responsibility and Budget Management (FRBM) Acts committing them to achieving Revenue Surplus and limiting Fiscal Deficit to 3 per cent of GSDP by 2009-10. Accordingly, FRBM Act 2005 was enacted upon by the combined state of Andhra Pradesh in the year 2005. Though Government of Telangana has not yet enacted upon its own FRBM Act, the FRBM Act of combined State of Andhra Pradesh is applicable to Telangana also, till a new enactment is made, in terms of section 100 of AP reorganisation Act 2014.

In compliance with the recommendations of 12th Finance commission, State of Telangana has maintained Fiscal Deficit - GSDP ratio at 2 per cent in 2014-15.

The extent to which the Fiscal Deficit, as represented by borrowed funds, has been channelized towards the creation of capital assets is an indicator of prudent financial

¹ GSDP figures in this publication are adopted as provided by the Central Statistical Office, Government of India, for the revised current figures of previous years and for current year.

² Includes detailed heads 010-Salaries (₹10,639crore), 020-Wages (₹30 crore), 030-Overtime allowance (nil), 270/273-Maintenance (₹132 crore) & 310/311-Grants-in-Aid towards salaries (₹1,333 crore).

management. The entire borrowings of ₹9,580 crore in the year was utilised to meet Capital expenditure. In addition, an amount of ₹276 crore from revenue receipts was spent on capital expenditure, making the total capital expenditure ₹9856 crores.

Normally, Public Debt is discharged through the use of Revenue Surplus. The Revenue Surplus of the State Government for 2014-15 (₹369 crore) was insufficient to meet the Public Debt discharged during the year (₹1,727crore).

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CHAPTER II

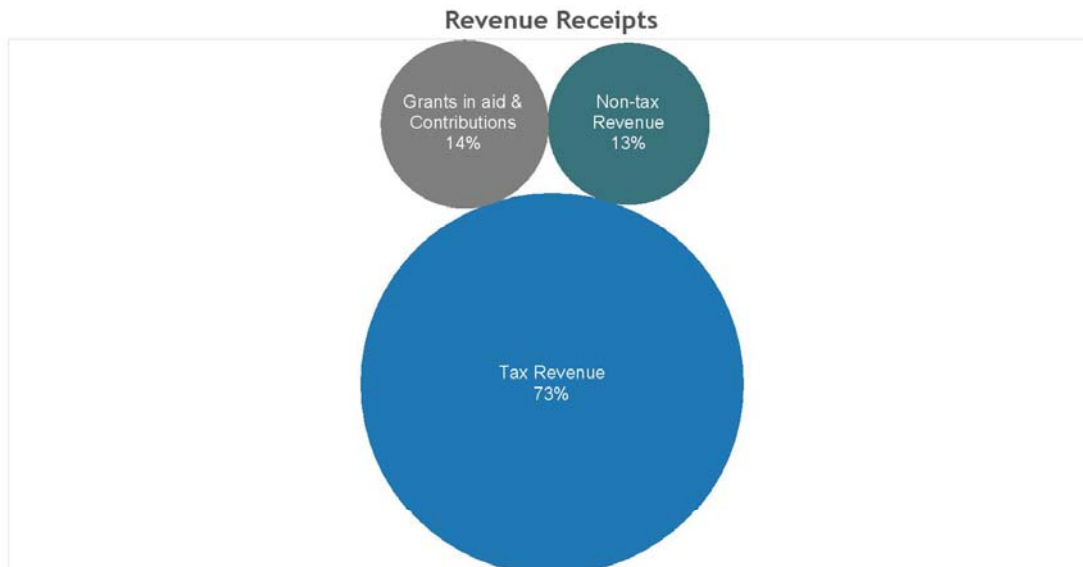
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2014-15 were ₹60,529 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants in Aid and Contributions	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.

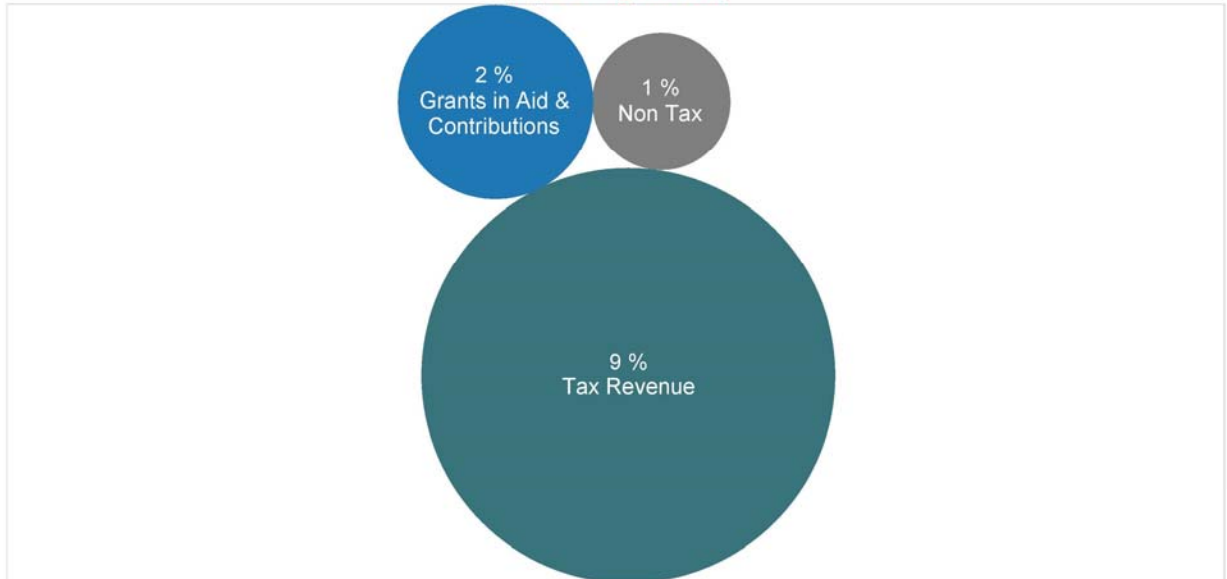


Revenue Receipt Components (2014-15)

(In ₹ Crore)

Components	Actuals
A. Tax Revenue	37,477
Taxes on Income & Expenditure	5,215
Taxes on Property & Capital Transactions	2,243
Taxes on Commodities & Services	30,019
B. Non-Tax Revenue	6,447
Interest Receipts, Dividends and Profits	2,900
General Services	723
Social Services	533
Economic Services	2,291
C. Grants-in-aid & Contributions	7,118
Total – Revenue Receipts	51,042

Components under Revenue Receipts in proportion to GSDP
(In percentage to GSDP)



2.2.1 Sector-wise Tax Revenue

The sector-wise Tax Revenue details are given below:

(In ₹ Crore)

Component	Amount
Taxes on Income and Expenditure	5,215
Taxes on Property and Capital Transactions	2,243
Taxes on Commodities and Services	30,019
Total Tax Revenue	37,477

2.2.2 Performance of State's Own Tax Revenue Collection

(In ₹ Crore)

Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
		Amount	Percentage to GSDP
37,477	8,188	29,289	6.8

Note: GSDP figures in this publication are adopted as provided by Central Statistical Office, Government of India

The proportion of the State's Own Tax Revenue to GSDP meets the bench mark of 6.8 per cent set by the Twelfth Finance Commission.

2.3 State's share of Union Taxes Component wise

(In ₹ Crore)

Description	Amount
Corporation Tax	2,885
Taxes on Income other than Corporation Tax	2,061
Taxes on Wealth	8
Customs	1,336
Union Excise Duties	735
Service Tax	1,163
State's share of Union Taxes	8,188
Total Tax Revenue	37,477
Percentage of Union Taxes to total Tax Revenue	22

2.4 Efficiency of Tax Collection:

A. Taxes on Property and Capital Transactions

Description	Amount
Revenue collection	2242,84,77,194
Expenditure on collection	101,45,83,822
Cost of collection (as %age of revenue collection)	4.52

B. Taxes on Commodities and Services

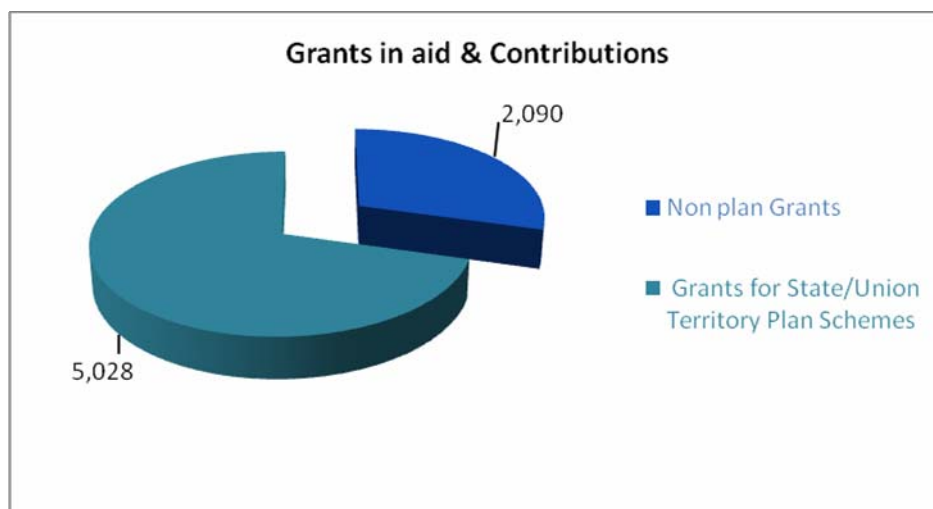
Description	Amount
Revenue collection	30018,59,87,678
Expenditure on collection	394,03,79,889
Cost of collection (as % of revenue collection)	1.31

2.5 Grants-in-aid

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

- Non-Plan Grants
- Grants for State/Union Territory Plan Schemes

Total receipts during 2014-2015 under Grants-in-aid were ₹ 7,118 crore as shown below.



The share of Non-plan Grants in total Grants-in-aid is 29 per cent and share of State Plan schemes is 71 per cent in 2014-15. This is mainly due to Grants under Central assistance for State Plan Schemes.

2.6 Public Debt

Public Debt (Net) during 2014-15

(In ₹ Crore)

Description	Amount
Internal Debt	7,767
Central Loans	86
Total Public Debt	7,853

In 2014-15, Govt received a net credit of ₹7,767crore towards Internal Debt and ₹86 crore from Government of India as Loans and Advances.

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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). Expenditure is further classified under Plan and Non-plan across different services viz., General services, Social services and Economic Services.

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

3.2 Revenue Expenditure

There is shortfall of Revenue Expenditure against budget estimates during 2014-15 is given below:

(In ₹ Crore)

Description	Amount
Budget Estimates	79,789
Actuals	50,673
Gap	29,116
Percent of gap over BE	36

The shortfall of Revenue Expenditure against budget estimates, is to be viewed in the light of the State Government's commitment under the FRBM Act, to be at least Revenue deficit neutral if not generate a Revenue Surplus. The State had however achieved a revenue surplus in the year and fulfilled the commitment made in FRBM Act 2005.

Out of the revenue expenditure of ₹50,673 crore, committed revenue expenditure (comprising of salaries, interest payments and pensions) was ₹21,439 crores.

3.2.1 Sectoral Distribution of Revenue Expenditure during the year 2014-15 was as follows:

(In ₹ Crore)

Component		Amount	Percent
A.	Fiscal Services	495	1
(i)	Collection of Taxes on Property and Capital transactions	101	...
(ii)	Collection of Taxes on Commodities and Services	394	1
(iii)	Other Fiscal Services	...	...
B.	Organs of State	389	1
C.	Interest Payments and Servicing of Debt	5,594	11
D.	Administrative Services	3,476	7
E.	Pensions and Miscellaneous General Services	4,210	8
F.	Social Services	18,753	37
G.	Economic Services	17,644	35
H.	Grants-in-aid and Contributions	112	...
Total Expenditure (Revenue Account)		50,673	100

3.2.2 Major components of Revenue Expenditure (2014-15)

Major components of Revenue expenditure were as follows:

Appropriation for reduction or avoidance of debt (MH-2048) – 367 crore,

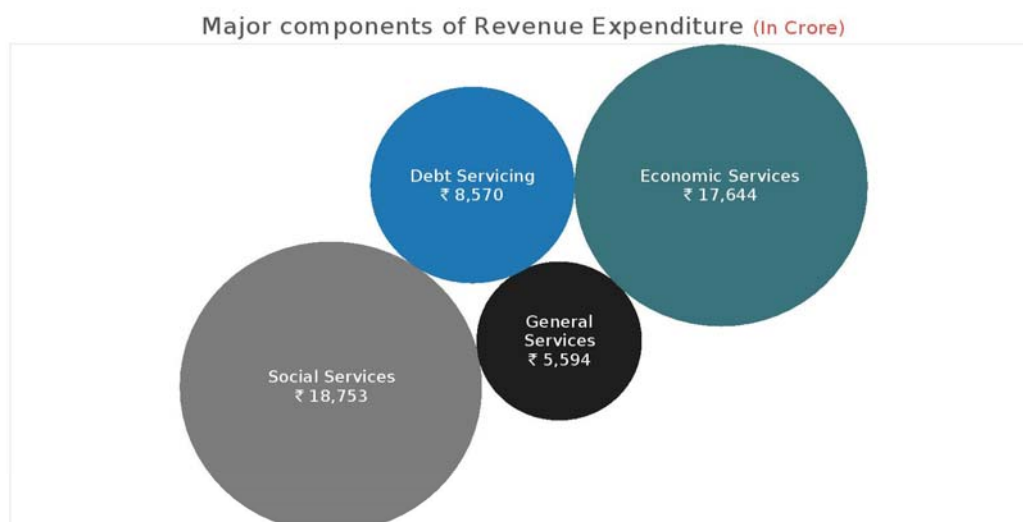
Interest Payments (MH-2049) – 5,227 crore,

General Services (excluding MH-2048 & MH-2049) – 8,570 crore,

Social Services – 18,753 crore,

Economic Services – 17,644 Crore

Grants in aid and Contributions – 112 crore.



3.3 Capital Expenditure

Capital Expenditure against budget estimates during 2014-15 is given below:

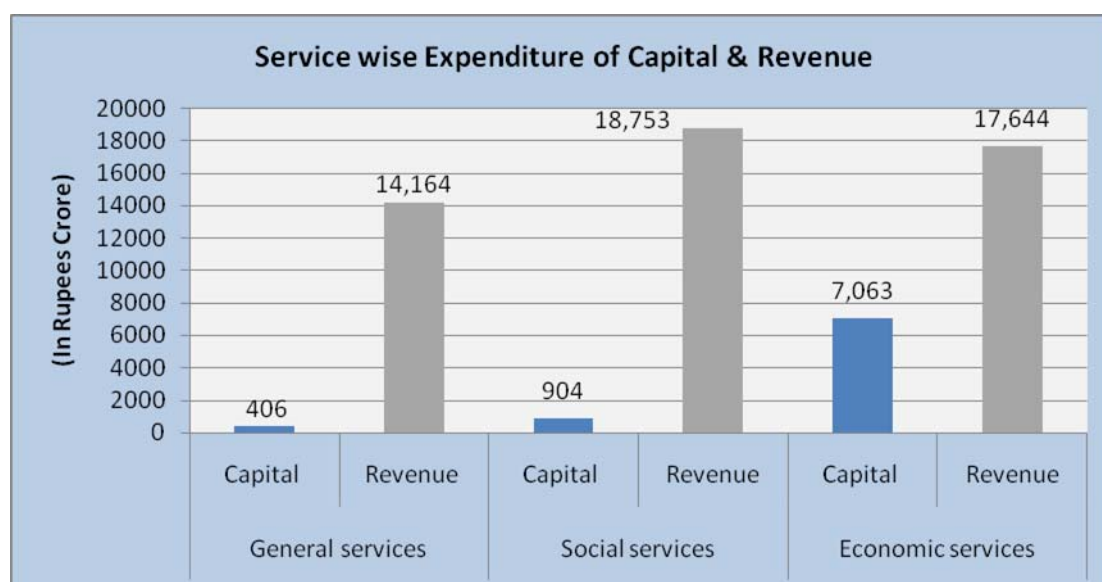
(In ₹ Crore)	
Description	Amount
Budget Estimates	15,101
Actuals	8,373
Gap	6,728
Percent of gap over BE	45

Note: Does not include expenditure on Loans and Advances.

3.3.1 Sectoral Distribution of Capital Expenditure

During 2014-15, Government spent ₹5,174 crore on various projects (₹4,506 crore on Major Irrigation, ₹100 crore on Medium Irrigation, and ₹568 crore on Minor Irrigation). Apart from the above, the Government spent ₹932 crore on construction of Buildings, ₹1,150 crore on construction of Roads and Bridges, ₹193 crore on Rural Water Supply Schemes, ₹382 crore on investment in various Corporations/Companies/Societies and ₹542 crore on other Capital Expenditure.

3.3.2 Service wise Expenditure



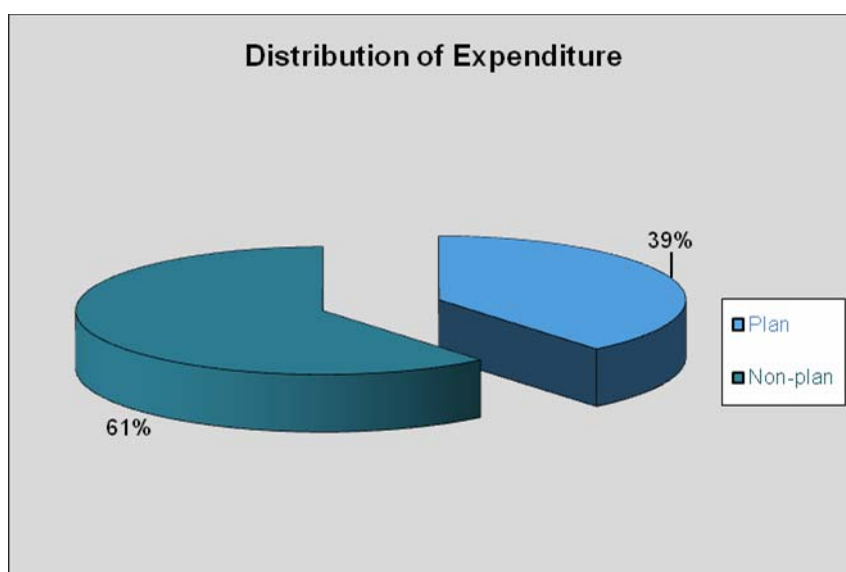
Note: 1. Capital Expenditure does not include expenditure on loans and advances (₹1,483 crore).
2. Revenue Expenditure does not include expenditure on Grants-in-aid (₹112 crore).

CHAPTER IV

PLAN AND NON-PLAN EXPENDITURE

4.1 The government's expenditure is divided under two broad heads—plan and non-plan. Plan expenditure refers to amounts spent on schemes forming part of the Five Year Plans which are approved by the Planning Commission (now NITI Aayog). All other expenditure comes under Non Plan expenditure.

Distribution of Expenditure (2014-15)



4.2 Plan Expenditure

Plan Expenditure (Revenue, Capital and Loans) during 2014-2015 was ₹23,649 crore, constituting 39 per cent of total disbursements of ₹60,529 crore. This comprised, ₹15,805 crore under State Plan, ₹6,631 crore under Centrally Sponsored/ Central Plan Schemes⁴ and ₹1,213 crore on Loans and Advances. The Plan expenditure was 5.5% of the GSDP.

4.2.1 Plan Expenditure under Capital Account

(In ₹ Crore)	
Description	Amount
Total Capital Expenditure (*)	9,856
Capital Expenditure (Plan)	9,586
Percentage of Capital Expenditure(plan) to Total Capital Expenditure	97

(*) Includes expenditure on Loans and Advances

⁴ Includes ₹6,342 crore under Revenue Section and ₹289 crore under Capital Section.

4.2.2 Plan Expenditure under Revenue Account

(In ₹ Crore)

Description	Amount
Total Revenue Expenditure	23,649
Revenue Expenditure (Plan)	14,063
Percentage of Revenue Expenditure (Plan) to Total Revenue Expenditure	59

4.2.3 Plan Expenditure on Loans and Advances

Significant disbursements of Loans and Advances during 2014-15 were as under:

Description	Amount (₹ in crore)	Details
MH-6202-Loans for Education, Sports, Art & Culture	7	Loans to Sports Authority
MH-6215-Loans for Water Supply & Sanitation	344	Loans to Hyderabad Metro Water Supply & Sewerage Board for Krishna Water Supply Project
MH-6216-Loans for Housing	4	Loans to A.P.State Police Housing Corporation
MH-6217-Loans for Urban Development	763	Loans to Hyderabad Metropolitan Development Authority for ORR project
MH-6403-Loans for Animal husbandry	10	Loans to Sheep and Goat Development Corporation
MH-7053- Loans for Civil Aviation	12	Loans to Telangana State Industrial & Infrastructure Corporation
MH-7055-Loans for Road Transport	73	Loans to Telangana State Road Transport Corporation

4.3 Non-plan Expenditure

Non-plan expenditure during 2014-2015, representing 61 per cent of total disbursements, was ₹36,880 crore (₹36,610 crore under Revenue and ₹270 crore under Capital). Total Non-plan expenditure under Capital was on Loans and Advances disbursed. The Non-plan expenditure was 8.5 percent of GSDP.

4.4 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure for the Government. The total Committed Expenditure for the year 2014-15 is ₹21,571 crore which is 43 per cent of total Revenue Expenditure

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CHAPTER V

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2014-15

(In ₹ Crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of re-appropriation)	Total	Actual Expenditure	Saving (-) Excess (+)
1	Revenue						
	Voted	74,021	4,931	(-)23,012	55,940	47,073	(-)8,867
	Charged	6,066	2	(-)42	6,026	5,273	(-)753
	Total	80,087	4,933	(-)23,054	61,966	52,346	(-)9,620
2	Capital						
	Voted	15,427	408	(-)5,779	10,056	8,465	(-)1,591
	Charged	61	2	(-)16	47	26	(-)21
	Total	15,488	410	(-)5,795	10,103	8,491	(-)1,612
3	Public Debt						
	Charged	3,024	...	...	3,024	1,727	(-)1,297
	Total	3,024	...	...	3,024	1,727	(-)1,297
4	Loans and Advances						
	Voted	2,723	16	(-)410	2,329	1,533	(-)796
	Total	2,723	16	(-)410	2,329	1,533	(-)796
Grand Total		1,01,322	5,359	(-)29,259	77,422	64,097	(-)13,325

5.2 Significant Savings

Substantial savings under a Grant indicates either non-implementation or slow implementation of certain schemes/ programmes.

Some Grants with significant savings (percentage of budget allocation) are given below:

(In ₹ Crore)

Grant	Nomenclature	Budget allocation	Actual Expenditure	Percentage of Savings to Budgeted Expenditure
III	Administration of Justice	726	340	53
IX	Fiscal Administration, Planning, Survey & Statistics	19,998	13,397	33
XI	Road, Buildings & Ports	2,931	2,599	11
XXXI	Panchayat Raj	9,255	3,033	67
XXXIV	Minor Irrigation	2,066	601	71

The huge savings under Minor Irrigation and Panchayat Raj 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 2014-15, Supplementary Provision for ₹5,359crore (9 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	Supple- mentary	Actual Expenditure
III	Administration of justice	Revenue	665	3	319
IV	General Administration and Election	Revenue	159	40	123
VII	Commercial Taxes administration	Revenue	240	0.67	176
IX	Fiscal administration & Planning	Loans	122	6	85
X	Home administration	Revenue	2,914	450	2,680
XI	Roads, Bridges & Ports	Capital	2,532	139	1,293
XII	School Education	Revenue	9,085	191	5,873
XIII	Higher education	Revenue	1,204	71	798
XXXI	Panchayatraj	Revenue	6,392	632	2,806
XXXII	Rural Development	Revenue	5,415	255	3,712

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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 other than TSCOB, State Financial Corporations etc) stood at ₹382 crore at the end of 2014-2015. ₹134 crore (35 per cent of investment) was received as dividend.

Cash balance with the RBI stood at ₹(-)55 crore on 02 June 2014 and increased to ₹111 crore at the end of March 2015. Government had invested an amount of ₹92,837 crore in 14 days treasury bills in 2014-15 and rediscounted bills worth ₹93,507 crore.

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 limits upto which State Governments can borrow from the market. Govt of Telangana during 2014-15 borrowed 100 percent of allowed limit that is ₹8,200 crore.

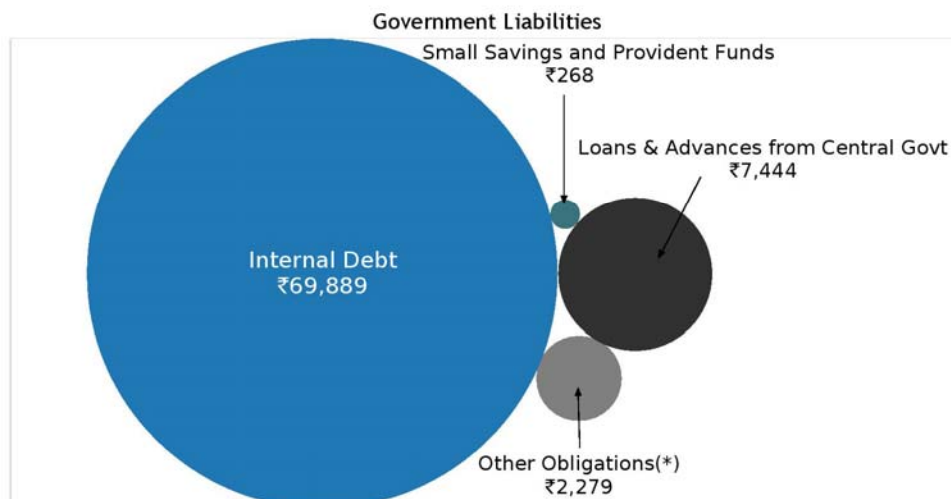
Details of the Public Debt and Total Liabilities of the State Government are as under:

(In ₹ Crore)

Form of Debt/Liability	Amount	Percentage to GSDP
Public debt	77,333	18
Public Account ^(*)	2,547	1
Total Liabilities	79,880	19

(*) 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 by the Central Statistical Office, Government of India, for the revised current figures of previous years and for current year.



(*) 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 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)	Guaranteed Amount outstanding as on 31 March	
		Principal	Interest
2014-15	21,240	18,265	365

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

Guarantee fees is payable by the Organization availing guarantee at 0.5 per cent p.a. of amount guaranteed or 2 per cent for the amount guaranteed for the entire guarantee period. As on 31 March 2015, none of the recipients of guarantee paid any Guarantee Fee during the year.

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CHAPTER VII

OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Government of composite state 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 2015, an adverse balance of ₹148 crore exists under MH 6003-Internal Debt. Out of this, ₹145 crore represents loans availed of by the Telangana Power Finance Corporation. The Accountant General (A&E) has been requesting the State Government to provide adequate budget provision under 'MH 2801-Power' to clear the adverse balance under MH 6003 either by transferring an equivalent credit to MH 6003 or by reclassifying the entire Debit Balance under MH 6003 as expenditure under MH 2801-Power.

7.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2014-2015 was ₹1,406 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutes and Local Bodies amounted to ₹1,396 crore. As the outstanding balances as on appointed day, i.e., 02 June 2014, have not been apportioned between Andhra Pradesh and Telangana, the arrears of Principal and interest could not be arrived at. During 2014-15 only ₹77 crore has been received towards repayment of Loans and Advances, out of which ₹25 crore relates to repayment of loans given 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 2014-15, Grants-in-aid to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities totalling to ₹4,371 crore represented 21 per cent of the total grants given during the year.

Details of Grants-in-aid during 2014-15 are given below .

(In ₹ Crore)

Zilla Parishads	Municipalities	Panchayat Samithis	Others	Total
2,722	683	966	16,592	20,963

7.4 Cash Balance and Investment of Cash Balance

(In ₹ Crore)

Component	As on 02 June 2014	As on 31 March 2015	Net increase (+)/ decrease (-)
Cash Balances	(-)55 (-Dr)	111(Dr)	(+)166
Investments from Cash Balance (GOI Treasury Bills)	2,540 (Dr)	1,870 (Dr)	(-)670
Other Cash Balances	...	...	...
i) Departmental Balances	...	...	...
ii) Permanent Cash Imprest	...	...	...
Investment from earmarked fund balances	2,660 (Dr)	3,213Dr)	(+)553
(a) Sinking Fund	2,300 (Dr)	2,829 (Dr)	(+)529
(b) Guarantee Redemption Fund	359 (Dr)	383 (Dr)	(+)24
(c) Other Funds	1 (Dr)	1 (Dr)	...
Interest realised	34 (CR)	368 (Cr)	(+)368

State Government had a positive closing cash balance of ₹111 crore at the end of 2014-15. It invested ₹5,083 crore from cash balances and earmarked fund (Consolidated Sinking Fund, Guarantee Redemption Fund etc.) balances. Interest receipt on these investments is ₹368 crore.

7.5 Reconciliation of accounts

Accountant General (A&E) receives compiled accounts each month 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 Accountant General. For the period from 02 June 2014 to 31 March 2015, out of total 196 CCOs, 47 CCOs have reconciled an amount of ₹19,432.14 crore(excluding Public Debt which is handled by Accountant General(A & E) which works out to 32.10 per cent of total expenditure of ₹60,528.87 crore. Similarly, receipts (excluding Public Debt which is handled by Accountant General (A & E)), amounting to ₹15,772.50 crore have been reconciled which works to 30.85 per cent of the total receipts of ₹51,118.39 crore. 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 Chief Controlling Officers (CCOs) of different departments is given below:

Particulars	Total No. Of Certificates Due From Ccos	Fully Reconciled	Partially Reconciled	Not Reconciled
EXPENDITURE	289	29	27	233
RECEIPTS	63	5	0	58
TOTAL	352	34	27	291

7.6 Submission of Accounts by Treasuries

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 Commitments on Account of Incomplete Capital Works

A total expenditure of ₹115.48 crore was incurred upto the year 2014-15 by the State Government on various incomplete projects against an estimated cost of ₹2,076 crore. The estimated cost was further revised to ₹1,815 crore to end of 2014-15. During 2014-15 a total expenditure of ₹843 crore incurred by the State Government on various projects taken up by engineering departments. An amount of ₹130 crore was due to be paid to the end of 31-03-2015. The original estimated cost (₹2,076 crore) decreased by 13 per cent in revised estimates on various projects. A summarised view on commitments on account of 'Incomplete Capital Works' is furnished below:

(In ₹ Crore)

Sl. No.	Category of Works	Estimated cost of work	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments	Estimated cost after Revision
1.	D B M	109	2	98	0	121
2.	EWE & FE	703	4	1	1	590
3.	UIDST/UIDSSMT	491	57	329	0	491
4.	HUDCO	149	0.48	69	1	149
5.	Plan	7	1	5	0	7
6.	Others	617	51	341	128	457
	TOTAL	2,076	115.48	843	130	1,815

- Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix X of Finance Accounts 2014-15
ii) The figures exhibited in above table are compiled from the data provided by various Divisions/Departments.

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