



सत्यमेव जयते

Accounts at a Glance 2018-19



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Andhra Pradesh



ACCOUNTS AT A GLANCE 2018-19

Principal Accountant General (A&E), Andhra Pradesh

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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(Rajani Sankaran)

**PRINCIPAL ACCOUNTANT GENERAL (A&E)
ANDHRA PRADESH**

Place: Hyderabad,

Date: 18 - 08 -2020.

VISION

(The 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 public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

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.

MISSION

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

CORE VALUES

(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

TABLE OF CONTENTS

Chapter 1 Overview	1
1.1 Introduction	1
1.2 Structure of Government Accounts	2
1.3 Finance and Appropriation Accounts	4
1.4 Cash Management	6
1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2005	8
Chapter 2 Receipts	10
2.1 Introduction	10
2.2 Revenue Receipts	10
2.3 Tax Revenue	13
2.4 State's own Tax and State's share of Union Taxes	14
2.5 Grants-in-Aid	16
2.6 Public Debt	17
Chapter 3 Expenditure	19
3.1 Introduction	19
3.2 Revenue Expenditure	20
3.3 Capital Expenditure	22
Chapter 4 Appropriation Accounts	24
4.1 Summary of Appropriation Accounts	24
4.2 Significant Savings	24
Chapter 5 Assets and Liabilities	28
5.1 Assets	28
5.2 Debt and Liabilities	28
5.3 Guarantees	29
Chapter 6 Other Items	31
6.1 Adverse Balances under Internal Debt	31
6.2 Loans and Advances by the State Government	31
6.3 Financial assistance to Local Bodies and others	31
6.4 Cash Balance and Investment of Cash Balance	32
6.5 Reconciliation of accounts	32
6.6 Submission of Accounts by Accounts rendering Units	32
6.7 Advance Payments	33
6.8 Status of Suspense and Remittances Balance	33
6.9 Commitments on Account of Incomplete Capital Works	34
6.10 Liabilities towards New Pension System:	34
6.11 Personal Deposit (PD) Accounts	35
6.12 Investment	36

CHAPTER 1 OVERVIEW

1.1 Introduction

The Principal Accountant General (Accounts and Entitlement) [Pr.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 Pr.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 Government Accounts

Government Accounts are kept in three parts as detailed below:

Part 1 Consolidated Fund

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) from the Consolidated Fund.

All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund.

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, not provided in the budget, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.

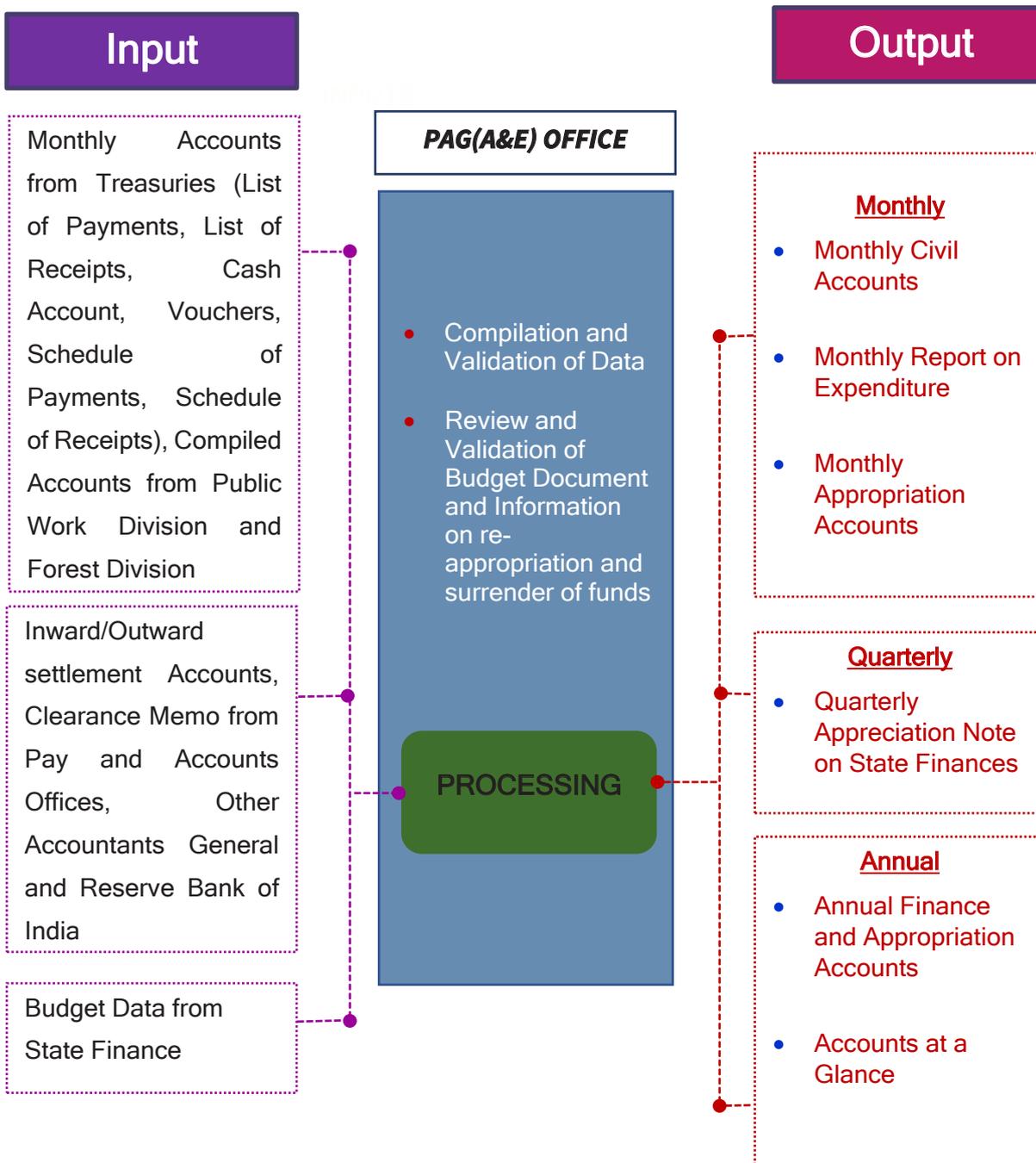
The corpus of this fund for the Government of Andhra Pradesh is ₹200.00 crore.

Part 2 CONTINGENCY FUND

Part 3 PUBLIC ACCOUNT

In Public Account, the transactions relating to Debt (Other than those included in Part 1), 'Deposits', 'Advances' [in respect of which Government incurs a liability to pay the money received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and recoveries of the latter (Advances)], 'Remittances' and 'Suspense' (consisting of mere adjusting heads under which shall appear transactions such as remittances of cash between treasuries and currency chests and transfer between different accounting circles) shall be recorded. The initial debits or credits of these heads will be cleared eventually by corresponding receipts or payments either within the same circle or in another account circle or by booking to the final heads of accounts.

1.2.1 Compilation of Accounts



1.3 Finance 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 2018-19 are as below:

			(₹ in crore)
Receipts (Total: 1,50,415)	Revenue (Total: 1,14,671)	Tax Revenue	90,818
		Non-Tax Revenue	4,396
		Grants-in-Aid and Contributions	19,457
	Capital (Total: 35,744)	Recovery of Loans and Advances	277
		Capital Receipts (non-debt)	---
		Borrowings and other Liabilities (*)	35,467
Disbursements (Total: 1,50,415)	Revenue	1,28,570	
	Capital	19,976	
	Loans and Advances	1,843	
	Inter State Settlement	26	

(*) 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 (₹5,856 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 Financial highlight of 2018-19

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2018-19:

Sl. No	Component	Budget Estimates (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP ¹
1.	Tax Revenue (including Central Share) ²	99,465	90,818	91	10
2.	Non-Tax Revenue	5,347	4,396	82	---
3.	Grants-in-aid & Contributions	50,696	19,457	38	2
4.	Revenue Receipts (1+2+3)	1,55,508	1,14,671	74	12
5.	Recovery of Loans & Advances	500	277	55	---
6.	Borrowings & Other Liabilities ³	24,205	35,467	147	4
7.	Capital Receipts (5+6)	24,705	35,744	145	4
8.	Total Receipts (4+7)	1,80,213	1,50,415	83	16
9.	Revenue Expenditure	1,50,272	1,28,570	86	14
10.	Expenditure on Interest Payments (Out of 9)	15,077	15,342	102	2
11.	Capital Expenditure ⁴	28,678	21,845	70	2
12.	Total Expenditure (9+11) ⁵	1,78,950	1,50,415	84	16
13.	Revenue Surplus (+)/Deficit (-) (4-9)	5,235	(-)13,899	(-)266	1
14.	Fiscal Deficit (4+5-12)	(-)24,205	(-)35,467	147	4

¹ GSDP figure of ₹9,33,402 crore adopted as provided in the Andhra Pradesh Socio-Economic Survey.

² Includes State's share of Union Taxes of ₹24,049 crore.

³ Borrowings and other liabilities: Net (Receipts-Disbursements) of Public debt (₹24,706 crore) + Net of Contingency fund (₹Nil' crore) + Net (Receipts- Disbursements) of Public Account (₹11,743 crore) + Net of Opening and Closing cash balance (₹ (-)8,80 crore).

⁴ Capital Expenditure includes Capital Expenditure (₹19,976 crore), Loans and Advances disbursed (₹1,843 crore) and ISS ₹26 crore

⁵ Expenditure does not include Public Debt as net of Public Debt has been taken under Borrowings and Liabilities

1.3.3 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 expenditures require to be “voted”. The budget of Government of Andhra Pradesh has 15 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.

1.3.4 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 a saving of ₹11,385 crore (4.68 per cent of total grants). Details of grants showing consistent savings, excesses, unwanted supplementary provision etc. are detailed in Chapter 4.

1.4 Cash Management

1.4.1 Ways and Means Advances and Special Ways and Means Advances

Reserve Bank of India (RBI) extends Special Drawing Facility / Ways and Means Advances to enable state government to tide over temporary shortfalls in their minimum cash balance (₹1.94 crore) which the State Government is required to maintain with the Reserve Bank of India. During 2018-19, The Government of Andhra Pradesh availed ways and means advance of ₹59,868.28 crore on 143 days (115 days of Ordinary Ways and Means Advance and 28 days of Special Drawing Facility) and repaid ₹59,729.01 crore leaving a balance of ₹369.73 (including opening balance of ₹230.46 crore). Further, an amount ₹64.44 crore was paid as interest on the Ways and Means Advances during 2018-19.

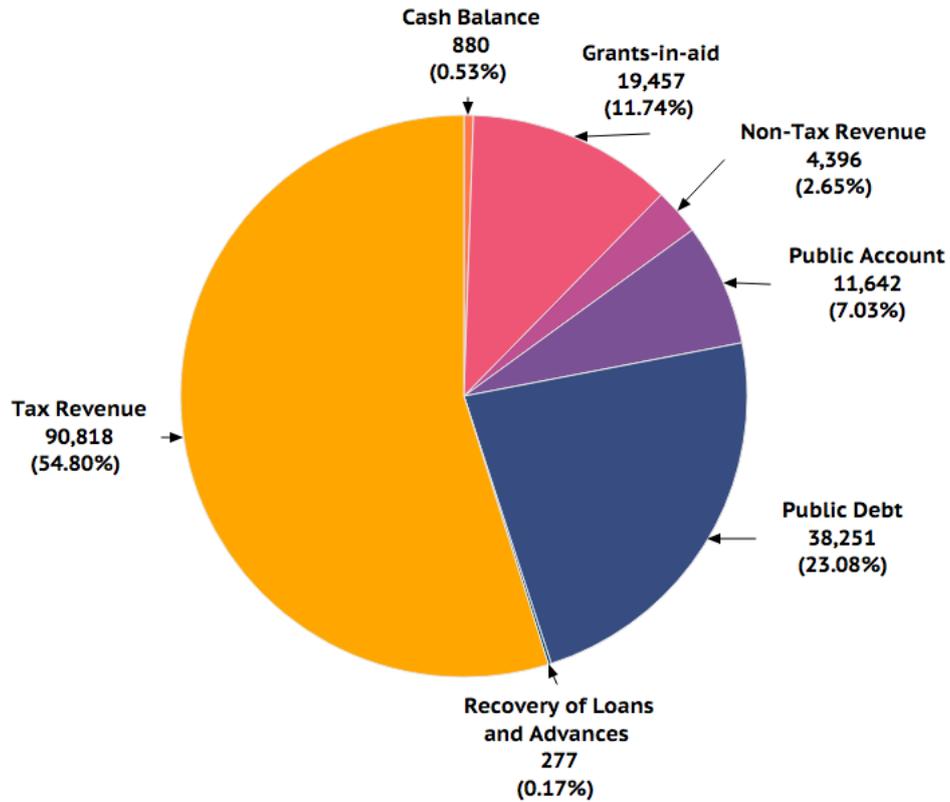
1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India when the minimum cash balance falls below ₹1.94 crore, even after taking Ways and Means Advances. During 2018-19, Government of Andhra Pradesh availed Overdraft from Reserve Bank of India for 107 days amounting to ₹19.654.81 crore

1.4.3 Fund Flow

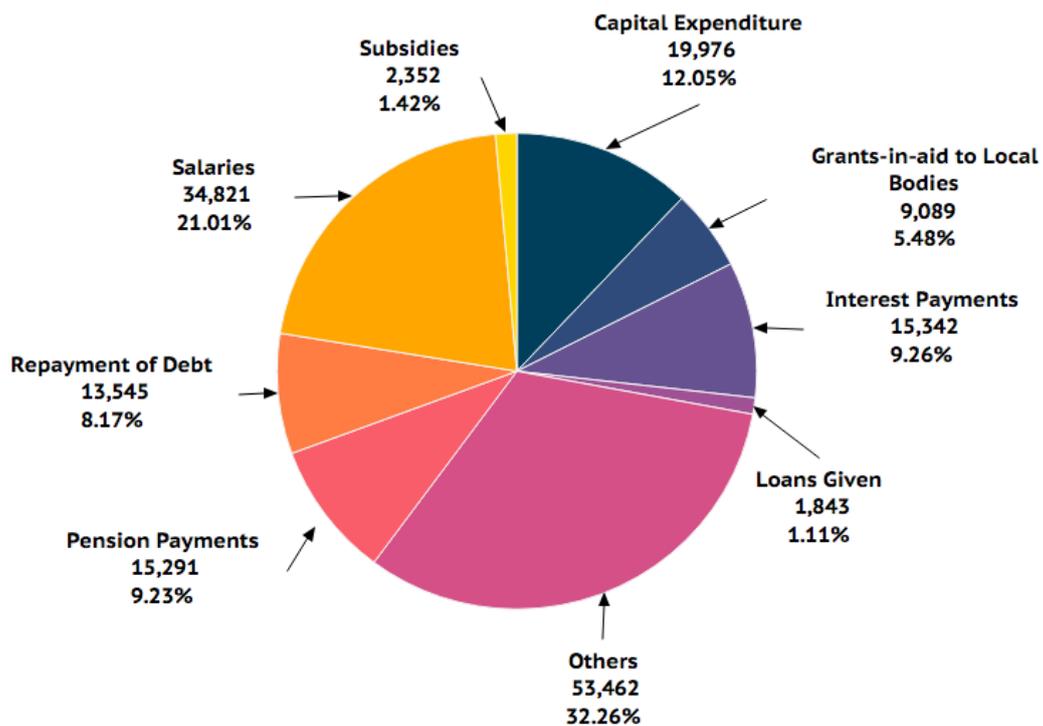
Figure in the next page shows how the State Government raised money from various sources and spent money for various objects like salary, pension, interest etc. The state had a Revenue Deficit of ₹13,899 crore and Fiscal Deficit of ₹35,467 crore as on 31 March 2019. The Fiscal Deficit constituted 23.87 per cent of total expenditure.

Where the Money came from? (₹ in crore)



Note: The figure shown as Public Debt is Gross figure and Public Account is Net figure

Where the Money went (₹ in crore)



1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2005

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Government of Andhra Pradesh has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2018-19 against fiscal targets laid down in the Act and rules framed there under, were as follows:

Sl. No.	Parameter	Actual (₹ in crore)	Ratio to GSDP	
			Target	Achievement
1	Revenue Deficit	13,899.07	0.00	1.49 rounded to 1 (not achieved)
2	Fiscal Deficit	35,467.46	3.00 or less	3.8 rounded to 4 (not achieved)
3	Debt and other obligation	2,57,509.91	25.09	27.59 (not achieved)

What do the Surplus and Deficit indicate?

• DEFICIT

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.

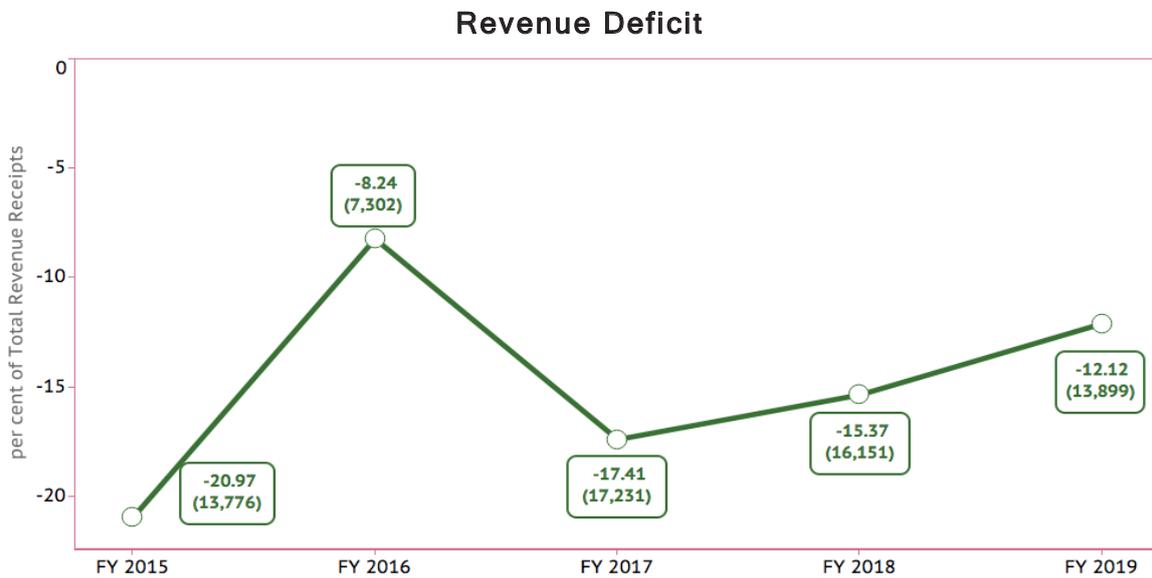
The gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

REVENUE DEFICIT / SURPLUS •

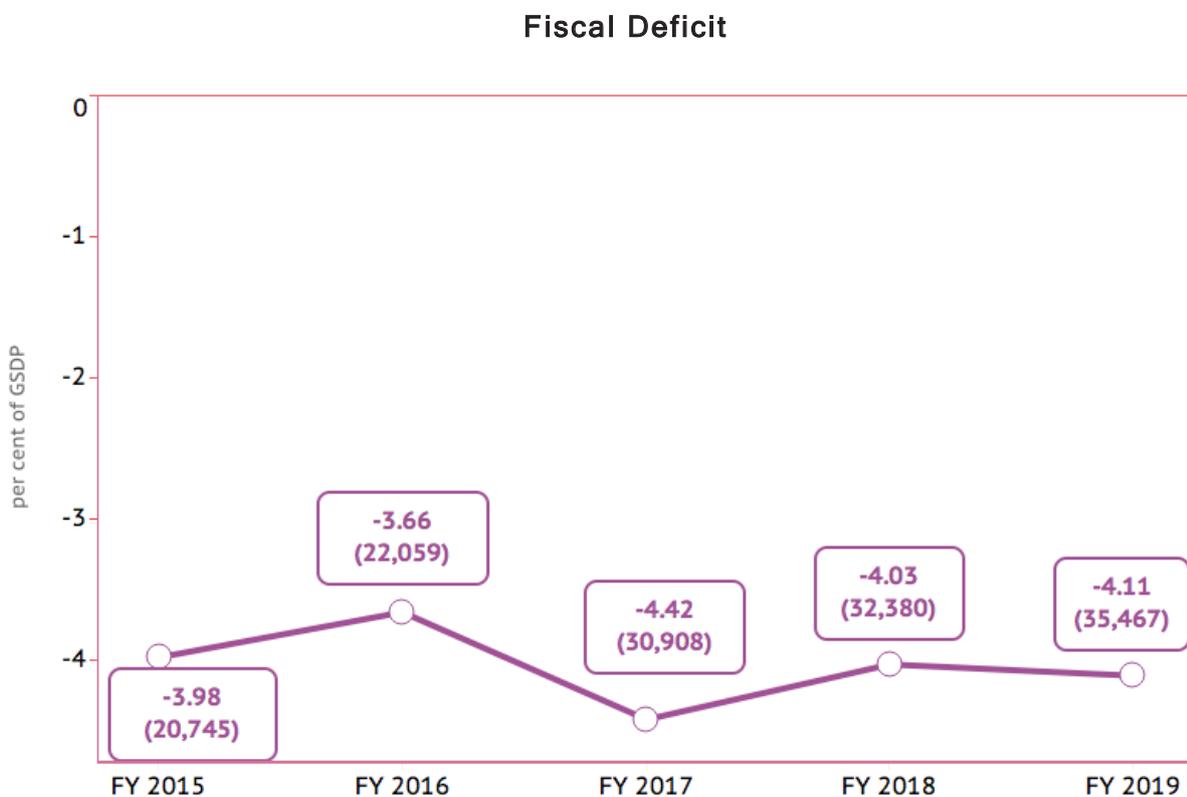
• FISCAL DEFICIT / SURPLUS

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.

The trend of Revenue deficit as percentage of Total revenue Receipts and Fiscal deficit as percentage of GSDP are shown below. In the past five years, State Government has always been in Revenue deficit and Fiscal deficit has always been more than the desired level of 3% of GSDP as prescribed in the FRBM Act.



Note: figure in parenthesis represents absolute deficit in crore



Note: Figure in parenthesis represents absolute deficit in crore

CHAPTER 2

RECEIPTS

2.1 Introduction

The Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2018-19 were ₹1,50,415 crore against Budget estimate of ₹1,80,213 crore.

2.2 Revenue Receipts

The revenue receipts of the Government comprise three components viz. Tax Revenue, Non-tax Revenue and Grants-in-aid received from the Union Government.

● TAX REVENUE

Comprises taxes collected and retained by the State and State's share of union taxes under Article 280(3) of the Constitution.

Includes interest receipts, dividends, profits, departmental receipts etc.

NON-TAX REVENUE ●

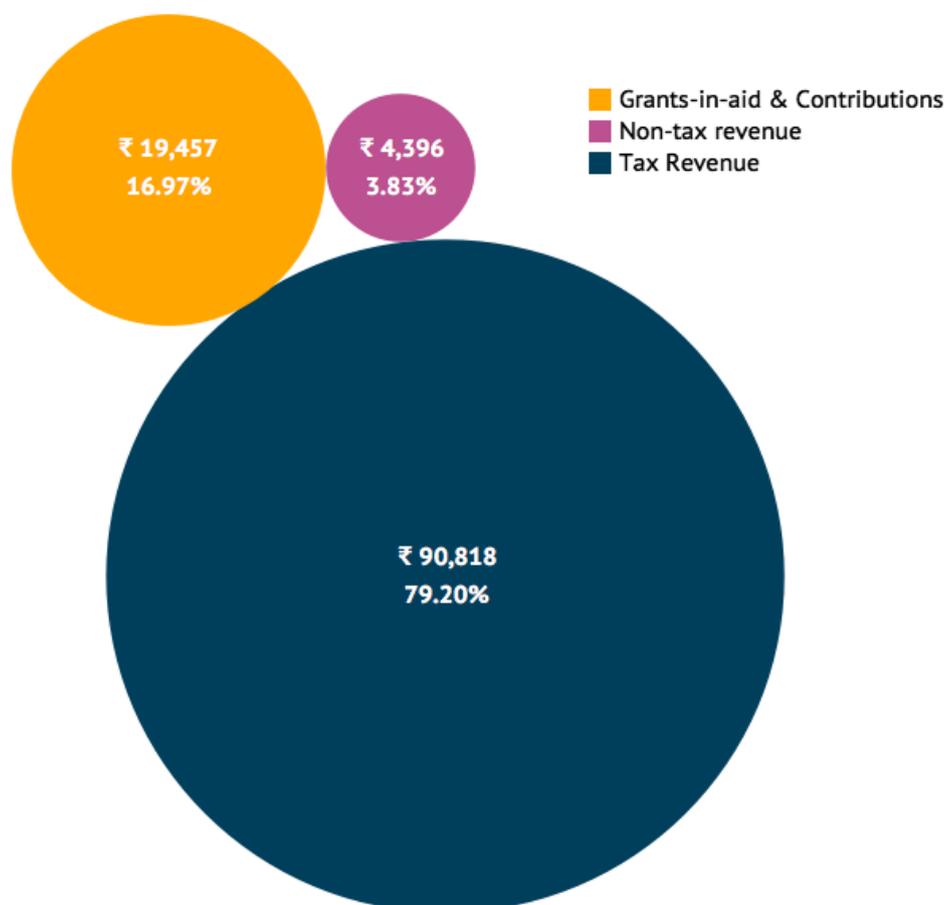
● GRANTS-IN-AID

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 Components of Revenue Receipt

Components		Actuals (₹ in crore)	As Percentage of Total Revenue Receipt
A.	Tax Revenue*	90,818	79
	Goods and Services Tax	29,349	26
	Taxes on Income & Expenditure	20,110	18
	Taxes on Property & Capital Transactions	5,648	5
	Taxes on Commodities & Services	35,711	31
B.	Non-Tax Revenue	4,396	4
	Interest Receipts, Dividends and Profits	51	0
	General Services	685	1
	Social Services	623	1
	Economic Services	3,037	3
C.	Grants-in-aid & Contributions	19,457	17
	Total – Revenue Receipts	1,14,671	100

Revenue Receipts (₹ in crore)



2.2.2 Trend of Revenue Receipts

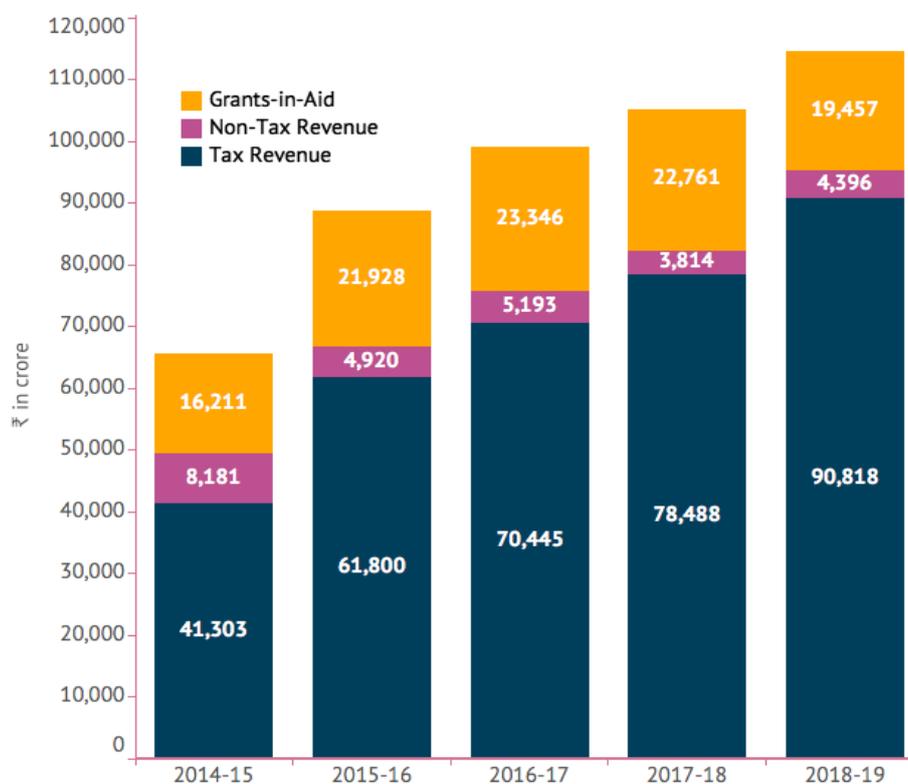
	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	41,303 (7.94)	61,800 (10.24)	70,445 (10.07)	78,488 (9.76)	90,818 (9.73)
Non-Tax Revenue	8,181 (1.57)	4,920 (0.82)	5,193 (0.74)	3,814 (0.47)	4,396 (0.47)
Grants-in-aid	16,211 (3.12)	21,928 (3.63)	23,346 (3.34)	22,761 (2.83)	19,457 (2.08)
Total Revenue Receipts	65,695 (12.63)	88,648 (14.69)	98,984 (14.15)	1,05,063 (13.07)	1,14,671 (12.29)
GSDP	5,20,030	6,03,376	6,99,307	8,03,873	9,33,402

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product).

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

Though the GSDP increased by 15.7 per cent in 2018-19 as compared to previous year, growth in revenue receipts was 9.14 per cent. The total tax revenue (including share of Union Taxes) increased by 15.17 per cent, the non-tax revenue increased by 15.25 per cent and the grants-in-aid decreased by 14.52 per cent as compared to previous year.

2.2.3 Trend of Components of Revenue Receipts



2.3 Tax Revenue

2.3.1 Components of Tax Revenue

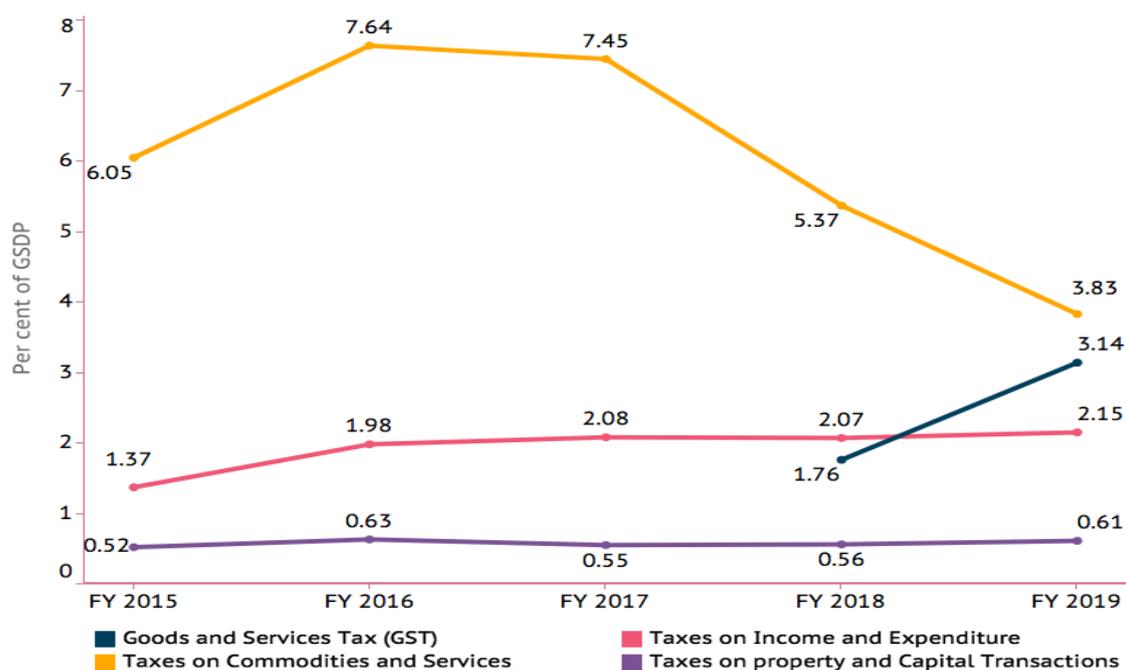
(₹ in crore)					
Sector	2014-15	2015-16	2016-17	2017-18	2018-19
a. Goods and Services Tax	NA*	NA*	NA*	14,157 (1.76)	29,349 (3.14)
b. Taxes on Income and Expenditure	7,099 (1.37)	11,932 (1.98)	14,515 (2.08)	16,623 (2.07)	20,110 (2.15)
c. Taxes on Property and Capital Transactions	2,730 (0.52)	3,777 (0.63)	3,854 (0.55)	4,510 (0.56)	5,648 (0.61)
d. Taxes on Commodities and Services	31,474 (6.05)	46,091 (7.64)	52,076 (7.45)	43,198 (5.37)	35,711 (3.83)
Total Tax Revenues	41,303 (7.94)	61,800 (10.24)	70,445 (10.07)	78,488 (9.76)	90,818 (9.73)
GSDP	5, 20,030	6,03,376	6,99,307	8,03,873	9,33,402

Note: Figures in parentheses represent percentage to GSDP.

* Not Applicable.

The increase in total tax revenue during 2018-19 was mainly attributable to allocation of State share from Govt. of India and higher collection under State Goods and Services Tax (₹20,611 crore), Corporation Tax (₹11,401 crore), Taxes on Income other than Corporation Tax (₹8,397 crore), State Excise (₹6,220 crore), Stamps and Registration Fees (₹5,428 crore), Taxes on Vehicles (₹3,341 crore).

2.3.2 Trend of Major Taxes in Proportion to GSDP



2.4 State's own Tax and State's share of Union Taxes

Tax Revenue of the State Government comes from two sources viz. State's own tax collections and devolution of Union taxes.

Year	Tax Revenue (₹ in crore)	State's share of Union Tax (₹ in crore)	State's Own Tax Revenue	
			Tax Revenue (₹ in crore)	Percentage to GSDP
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
2018-19	90,818	32,787	58,031	6

Following table depicts the trend of Tax Revenue received from the two sources:

Description	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
State's own Tax collection	29,857	39,906	44,181	49,487	58,031
Devolution of Union Taxes	11,446	21,894	26,264	29,001	32,787
Total Tax Revenue	41,303	61,800	70,445	78,488	90,818
Percentage of State's own tax to total tax revenue	72	48	63	63	64

2.4.1 Trend of State's own Tax collection over the past five years

Description	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
State Goods and Services Tax	NA*	NA*	NA*	10,820	20,611
Taxes on Sales, Trade etc.	21,672	29,104	32,484	25,335	21,914
State Excise	3,642	4,386	4,645	5,460	6,220
Taxes on Vehicles	1,423	2,082	2,467	3,039	3,341
Stamp and Registration fees	2,561	3,527	3,476	4,271	5,428
Taxes and Duties on electricity	118	176	333	16	11
Land Revenue	28	52	167	107	57
Taxes on Goods and Passengers	13	10	12	5	26
Other Taxes	130	569	597	434	423
Total State's own Taxes	29,857	39,906	44,181	49,487	58,031

2.4.2 Cost of Tax Collection

(₹ in crore)

Taxes	2014-15	2015-16	2016-17	2017-18	2018-19
1. Taxes on Sales, Trade etc.					
Revenue collection	21,672	29,104	32,484	25,335	21,914
Expenditure on collection	172	270	278	328	321
Cost of tax collection (%)	0.79	0.93	0.86	1.29	1.46
2. State Excise					
Revenue collection	3,642	4,386	4,645	5,460	6,220
Expenditure on collection	292	279	308	324	340
Cost of tax collection (%)	8.02	6.36	6.63	5.93	5.47
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	1,436	2,092	2,479	3,044	3,367
Expenditure on collection	68	111	118	151	107
Cost of tax collection (%)	5	5	5	5	3
4. Stamp and Registration Fee					
Revenue collection	2,561	3,527	3,476	4,271	5,428
Expenditure on collection	73	143	138	149	152
Cost of tax collection (%)	3	4	4	3	3

2.4.3 Trend of State's share of Union Taxes over the past five years

(₹ in crore)

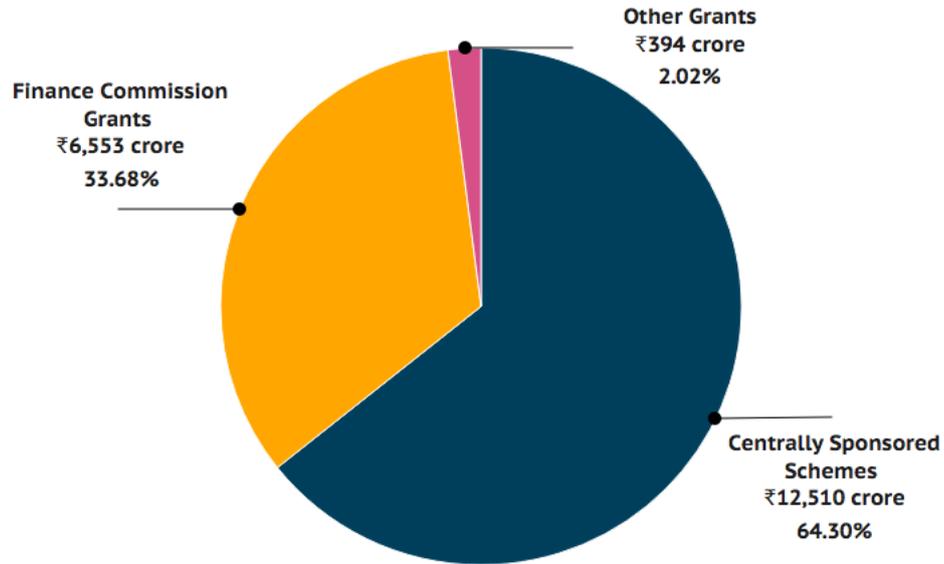
Description	2014-15	2015-16	2016-17	2017-18	2018-19
Central Goods and Services Tax (CGST)	NA*	NA*	NA*	409	8,092
Integrated Goods and Services Tax (IGST)	NA*	NA*	NA*	2,927	646
Corporation Tax	4,033	6,890	8,414	8,880	11,401
Taxes on Income other than Corporation Tax	2,881	4,792	5,848	7,498	8,397
Taxes on Wealth	11	2	19	(-)-0.27	4
Customs	1,868	3,498	3,619	2,926	2,324
Union Excise Duties	1,027	2,909	4,133	3,059	1,544
Service Tax	1,626	3,788	4,231	2,975	303
Other Taxes and Duties on Commodities and Services	Nil	15	Nil	382	76
Total State's share of Union Taxes	11,446	21,894	26,264	29,001	32,787

*Not Applicable

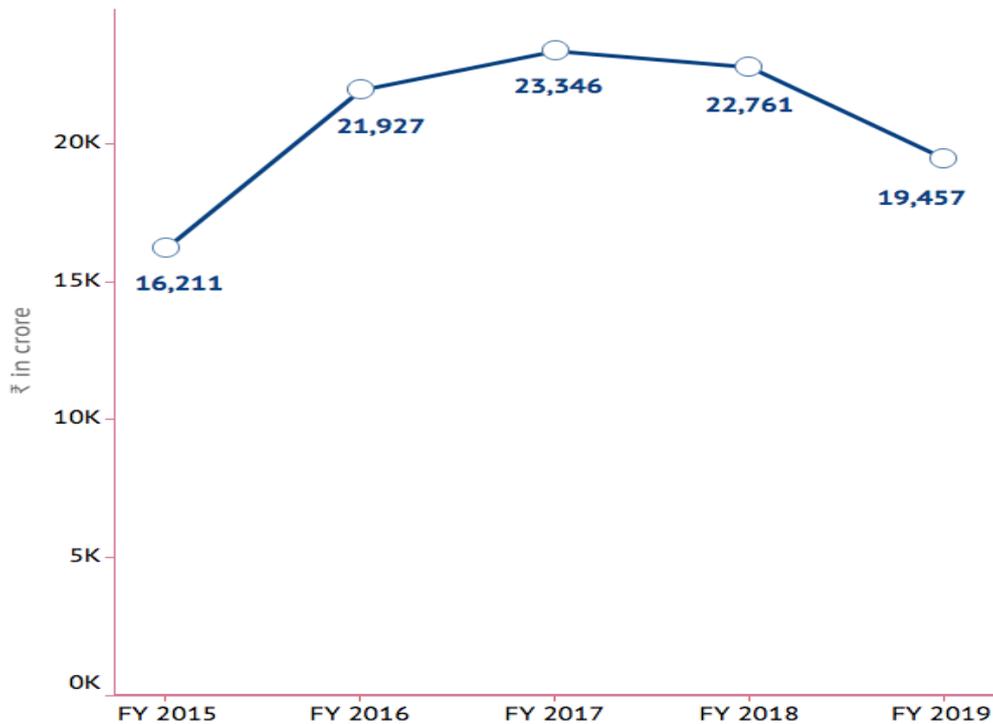
2.5 Grants-in-Aid

Grants-in-aid represent assistance from the Government of India, grants given for State Schemes, Central Schemes and Centrally Sponsored Schemes and State Grants recommended by the Finance Commission.

Total receipts during 2018-19 under Grants-in-aid were ₹19,457 crore as shown below:



2.5.1 Trend of Grants in Aid



2.6 Public Debt

Public debt constitutes the liabilities of the Government contracted against the Consolidated Fund of State. It is further classified into Internal debt & Central loans. Internal Debt consists of fixed tenure and fixed coupon borrowings (dated securities and treasury bills) which are issued through auction. Central loans are loans given by Government of India to the State Government.

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Internal Debt	13,191	15,780	25,078	19,031	23,461
Central Loans	(-)809	(-)542	67	(-)49	1,245
Total Public Debt	12,382	15,238	25,145	18,982	24,706

2.6.1 Internal Debt:

In 2018-19, 30 open market borrowings at par totaling ₹30,200 crore (+ ₹4,557 crore through inter-government adjustments toward excess debit) at interest rates varying from 7.80 per cent to 8.79 per cent and redeemable in the years between 2027 and 2034 were raised from the open market and repaid ₹6,376 crore(+ ₹4,557 crore, excess debit towards composite state borrowings). In addition, the State Government availed ₹59,868 crore by Ways & Means Advances from RBI and repaid ₹ 59,729 crore. An amount of ₹1,364 crore was raised from financial institutions and ₹1,866 was repaid. Thus, the net total Internal Debt was ₹23,461 crore.

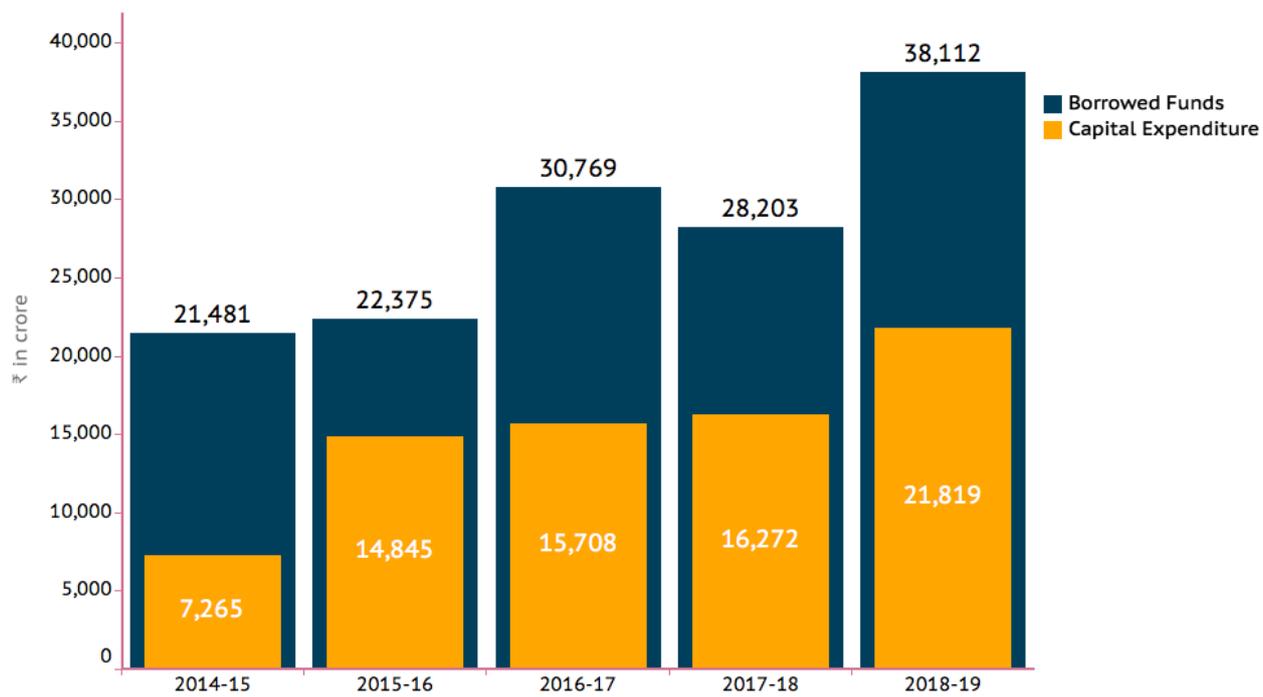
2.6.2 Government of India Loans:

The State Government received ₹1,990 crore from Government of India as Loans and Advances and repayments were ₹745 crore in 2018-19.

2.6.3 Borrowed Funds viz-a-viz Capital Expenditure

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 ₹38,112 crore, an amount of ₹21,819 crore was utilised to meet Capital Expenditure (including ₹1,843 crore disbursed as Loans & Advances).

Normally, Public Debt is discharged through the use of Revenue Surplus. In the year 2018-19, even though the State Government had Revenue Deficit of ₹13,889 crore, the Government discharged a public debt of ₹13,545 crore.



CHAPTER 3

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).

In Government accounts, the expenditure is classified under three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:

GENERAL SERVICES

Justice, Police, Jail, PWD, Interest and Pension etc.

Education, Health & Family Welfare,
Water Supply and Welfare of SC-ST etc.

SOCIAL SERVICES

ECONOMIC SERVICES

Agriculture, Rural Development, Irrigation,
Cooperation, Energy, Industries and
Transport etc.

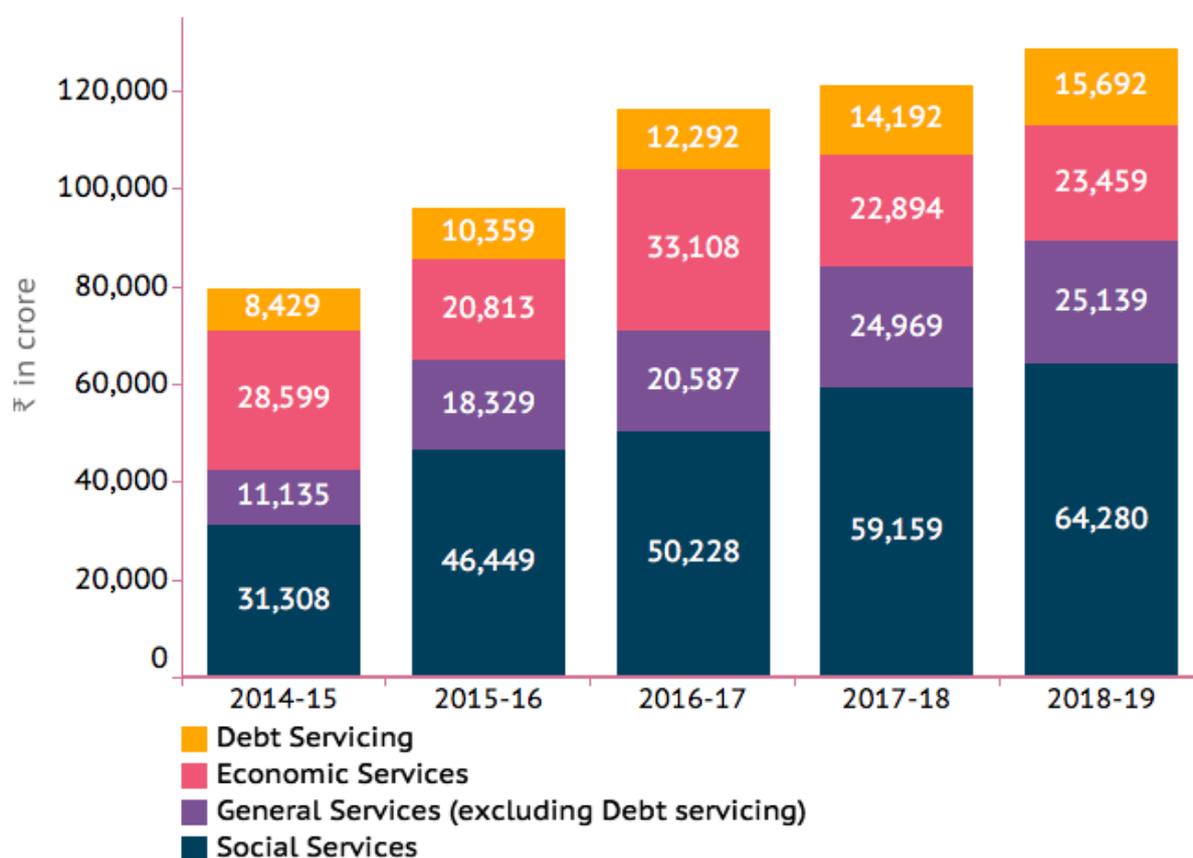
3.2 Revenue Expenditure

3.2.1 Sectoral Distribution of Revenue Expenditure

(₹ in crore)

Component	2017-18	2018-19	Percentage increase/ decrease over previous year
A. Fiscal Services	1,035	1,007	(-)-2.71
(i) Collection of Taxes on Property and Capital transactions	223	229	2.69
(ii) Collection of Taxes on Commodities and Services	812	778	(-)-4.19
(iii) Other Fiscal Services
B. Organs of State	814	1,184	45.45
C. Interest Payments and Servicing of Debt	14,192	15,692	10.57
D. Administrative Services	6,798	7,599	11.78
E. Pensions and Miscellaneous General Services	16,236	15,308	(-)-5.72
F. Social Services	59,159	64,280	8.66
G. Economic Services	22,894	23,459	2.47
H. Grants-in-aid and Contributions	86	41	(-)-52.33
Total Expenditure (Revenue Account)	1,21,214	1,28,570	6.15

3.2.2 Trend of Major components of Revenue Expenditure (2014 - 2019)



3.2.3 Shortfall of Revenue Expenditure

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

(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates	98,142	97,425	1,14,168	1,25,912	1,50,272
Actuals	79,471	95,950	1,16,215	1,21,214	1,28,570
Gap	(-)18,671	(-)1,475	2,047	(-)4,698	(-)21,702
Percentage of variation of Actuals against BE	(-)19	(-)1	2	(-)3.73	(-)14.44

In 2018-19 the State Government did not incur the planned revenue expenditure / budgeted revenue expenditure leading to shortfall of 14.44% of budget estimates.

3.2.4 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure. Around 50.73 per cent of the revenue expenditure was incurred on committed expenses such as Salaries⁶ (₹34,593 crore), Interest Payments (₹15,342 crore) and Pensions (₹15,291 crore) which is the committed liability of the state government.

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

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Total revenue expenditure	79,471	95,950	1,16,215	1,21,214	1,28,570
Committed revenue expenditure #	31,592	48,099	55,170	62,364	65,226
Percentage of committed revenue expenditure to total revenue expenditure	40	50	47	51	51

Committed revenue expenditure includes expenditure on Salaries, Interest Payments and Pensions.

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

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	31,894	48,569	54,794	62,899	65,830
Revenue Expenditure	79,471	95,950	1,16,215	1,21,214	1,28,570
Revenue Receipts	65,695	88,648	98,984	1,05,063	1,14,671

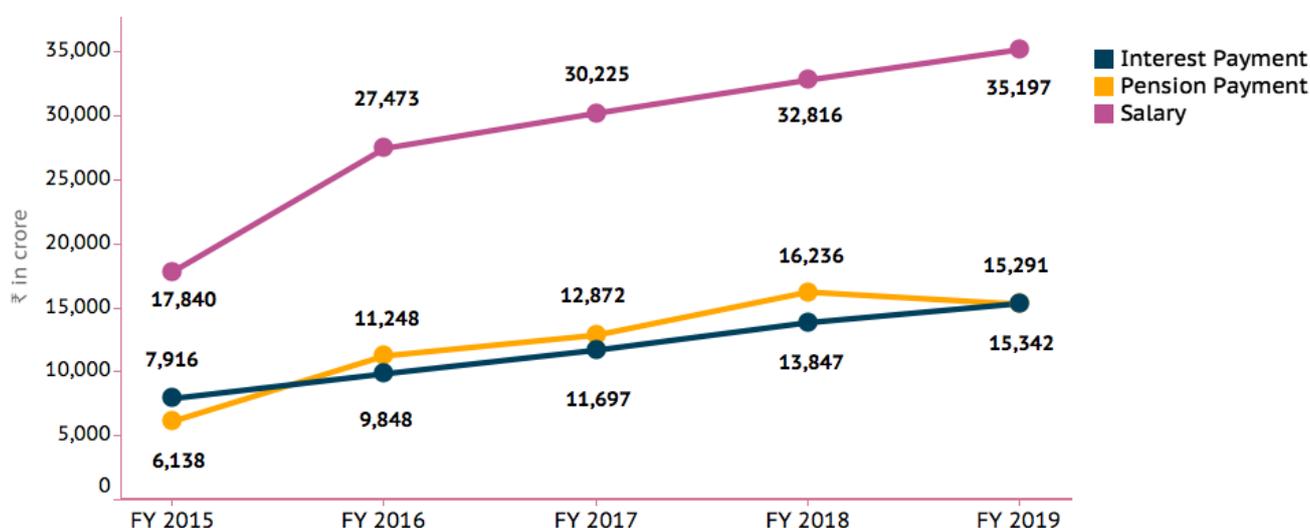
⁶Includes detailed heads 010-Salaries (₹30,590 crore), 020-Wages (₹45 crore), 030-Overtime allowance (₹0.08 crore), 270/273, Work charged establishment (₹353 crore) & 310/311-Grants-in-aid towards salaries (₹3,605 crore).

Percentage of committed expenditure to Revenue Receipts	49	55	55	60	57
Percentage of committed expenditure to Revenue Expenditure	40	51	47	52	51

The committed expenditure increased by 106 per cent from 2014-15 to 2018-19 while revenue expenditure registered the growth of 62 per cent during the same period, leaving the Government with lesser resources for development spending.

3.2.5 Trend of Committed Expenditure

Interest payments increased by 11 per cent in 2018-19 over the previous year. Pension payment decreased by 6 per cent and Salary payment increased by 7 per cent in 2018-19 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.

3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Expenditure during 2018-19 amounting for ₹19,976 crore (2 per cent of GSDP) fell short of the Budget Estimates by ₹8,702 crore.

3.3.1 Distribution of Capital Expenditure

During 2018-19, Government spent ₹13,233 crore on various irrigation projects (₹10,318 crore on Major Irrigation, ₹187 crore on Medium Irrigation, and ₹2,728 crore on Minor Irrigation) and ₹7 crore on Ports and Light Houses. Apart from the above, the Government spent ₹518 crore on construction of Buildings, ₹903 crore on construction of Roads and Bridges, ₹366 crore on Rural Water Supply Schemes, ₹96

crore on investment in various Corporations/Companies/Societies and ₹4,853 crore on other Capital Expenditure.

3.3.2 Sectoral distribution of Capital and Revenue Expenditure

The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

Sector		(₹ in crore)				
		2014-15	2015-16	2016-17	2017-18	2018-19
General Services	Capital	129	180	295	283	275
	Revenue	19,480	28,573	32,786	24,969	40,790
Social Services	Capital	1,585	2,415	2,431	2,890	2,866
	Revenue	31,308	46,449	50,228	59,159	64,382
Economic Service	Capital	4,806	11,577	12,418	10,317	16,835
	Revenue	28,599	20,813	33,108	22,894	23,459

Note: i) Capital Expenditure does not include expenditure on loans and advances (₹1,843 crore).

ii) Revenue Expenditure does not include expenditure on Grants-in-aid (₹41 crore).

iii) The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015

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

Components	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Budget (B.E.)	7,070	9,819	15,388	21,959	28,678
Actual Expenditure (#)	6,520	14,172	15,144	13,491	19,976
Percentage of Actual Expenditure to B. E	92	144	98	61	70
Yearly growth in Capital Expenditure	(-)57	117	7	(-)11	48
GSDP	5, 20,030	6,03,376	6,99,307	8,03,873	9,33,402
Yearly growth in GSDP	12	16	16	15	16

(#) Does not include expenditure on Loans and Advances

Note: The Expenditure of 2014-15 is for the period 02 June 2014 to 31 March 2015

CHAPTER 4

APPROPRIATION ACCOUNTS

4.1 Summary of Appropriation Accounts

(₹ in crore)

Nature of Expenditure	Original Grant	Supplementary Grant	Total Budget	Actual expenditure (Net)	Savings (-) Excesses (+)	Surrender (by way of re-appropriation)
Revenue						
Voted	1,37,106	35,277	1,72,383	1,20,622	(-)51,761	(-)51,634
Charged	15,157	34	15,191	15,407	(+)216	(+)226
Capital						
Voted	29,522	12,496	42,018	20,474	(-)21,544	(-)21,419
Charged	26	39	65	17	(-)48	(-)48
Public Debt						
Charged	10,851	26	10,877	73,274	(+)62,397	(-)389
Loans and Advances						
Voted	1,262	1,252	2,514	1,869	(-)645	(-)639
Grand Total						
Grand Total	1,93,924	49,124	2,43,048	2,31,663	(-)11,385	(-)73,903

4.2 Significant Savings

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

Grant No.	Grant No. & Name	Budget (₹ in crore)	Expenditure (₹ in crore)	Saving (₹ in crore)	% of Saving
III	Administration of Justice:				
	Revenue (Charged)	32.86	11.31	21.55	65.58
	Capital (Voted)	98.00	28.24	69.76	71.18

IV	General Administration and Elections: Capital (Voted)	20.00	7.92	12.08	60.04
V	Revenue, Registration and Relief: Capital (Voted)	1418.53	541.20	877.33	61.85
VI	Excise Administration: Capital (Voted)	50.00	0.23	49.77	99.54
VII	Commercial Taxes: Capital (Voted)	9.65	0.50	9.15	94.82
VIII	Transport Administration: Capital (Voted)	24.00	0.62	23.38	97.42
X	Home Administration: Capital (Voted)	813.03	175.69	637.34	78.39
XI	Roads and Buildings: Capital (Voted)	4369.72	1087.60	3282.12	75.11
XIII	Higher Education: Capital (Voted)	447.52	120.86	326.66	72.99
XV	Sports and Youth Services: Revenue (voted)	1471.56	345.30	1126.26	76.54
	Capital (voted)	205.30	38.76	166.54	81.12
XVI	Medical and Health: Capital (Voted)	581.11	174.93	406.18	69.90
XIX	Information and Public Relations: Revenue (Voted)	518.30	184.15	334.15	64.47
XX	Labour and Employment: Capital (Voted)	155.24	0.05	155.19	99.97
XXI	Social Welfare: Capital (Voted)	190.31	40.26	150.05	78.85
XXIII	Backward Classes Welfare: Capital (Voted)	107.46	20.45	87.01	80.97
XXIV	Minority Welfare: Capital (Voted)	91.05	1.61	89.44	98.23
XXX	Co-operation: Capital (Voted)	73.45	2.09	71.36	97.15
XXXV	Energy, Infrastructure & Investment Loans (Voted)	998.90	316.00	682.90	68.37
XXXVI	Industries and Commerce Revenue (Voted)	4696.67	1010.12	3686.55	78.49
XXXVII	Tourism, Art & Culture Capital (Voted)	42.00	9.88	32.12	76.48
XXXVIII	Civil Supplies Administration Revenue (Voted)	3673.00	697.69	2975.31	81.00

The persistent savings under Roads and Buildings, Sports and Youth Services and Industries and Commerce reflects tardy implementation of schemes envisaged in the Budget with the Legislative approval, either due to conservative approach of the Government to attain the fiscal indicator targets or due to inaccuracy in budget estimation process of the department.

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

Grant No.	Grant No. & Name	Budget (₹ in crore)	Expenditure (₹ in crore)	Saving (₹ in crore)	% of Saving
II	Governor and Council of Ministers: Revenue (<i>Charged</i>)	9.53	...	9.53	100%
XIX	Information and Public Relations: Capital(voted)	3.00	...	3.00	100%
XXX	Co-operation: Loans(voted)	43.95	...	43.95	100%
XXXIV	Minor Irrigation: Capital (<i>Charged</i>)	1.30	...	1.30	100%
XXXVI	Industries and Commerce Loans(voted)	10.00	...	10.00	100%

The following Grant showed excess appropriation:

Grant No.	Grant No. & Name	Budget (₹ in crore)	Expenditure (₹ in crore)	Saving (₹ in crore)	% of Excess
IX	Fiscal Administration, Planning, Surveys & Statistics:				
	Revenue (Voted)	19608.74	20848.10	1239.36	6.32
	Revenue (<i>Charged</i>)	15083.48	15345.27	261.79	1.74
	Loans (Voted)	174.28	281.81	107.53	61.70
	Public Debt (<i>Charged</i>)	10876.73	73273.73	62397.00	573.67

During 2018-19, Supplementary Provisions for ₹49,124 crore (21 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:

Grant	Nomenclature	Section	Original	Expenditure	Supplementary
III	Administration of Justice	Capital	95	28	3
		Revenue	791	698	43
V	Revenue, Registration and Relief	Capital	1,116	541	302
X	Home Administration	Revenue	5,626	5,463	29

(₹ in crore)

XI	Roads, Buildings and Ports	Capital	2,613	1,088	1,758
XVII	Municipal Administration and Urban Development	Revenue	6,762	5,243	1,868
XVIII	Housing	Revenue	3,601	2,112	393
XXI	Social Welfare	Revenue	4,088	2,121	133
XXXVI	Industries and Commerce	Revenue	1,601	1,010	3,096

CHAPTER 5

ASSETS AND LIABILITIES

5.1 Assets

The existing form of accounts do not 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 ₹9,497 crore at the end of 2018-2019. An amount of ₹1.32 crore (0.01 per cent of investment) was received as dividends indicating an inadequate return on investment.

Cash balance with the RBI stood at ₹ (-)855 crore on 1st April 2018 and increased to ₹25 crore at the end of 31 March 2019. Government had invested an amount of ₹42,253 crore in 14 days treasury bills in 2018-19 and rediscounted bills worth ₹42,253 crore.

5.2 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 ₹30,200 crore for 2018-19. Against this, Government of Andhra Pradesh availed of open market borrowings totaling ₹34,757 crore during 2018-19.

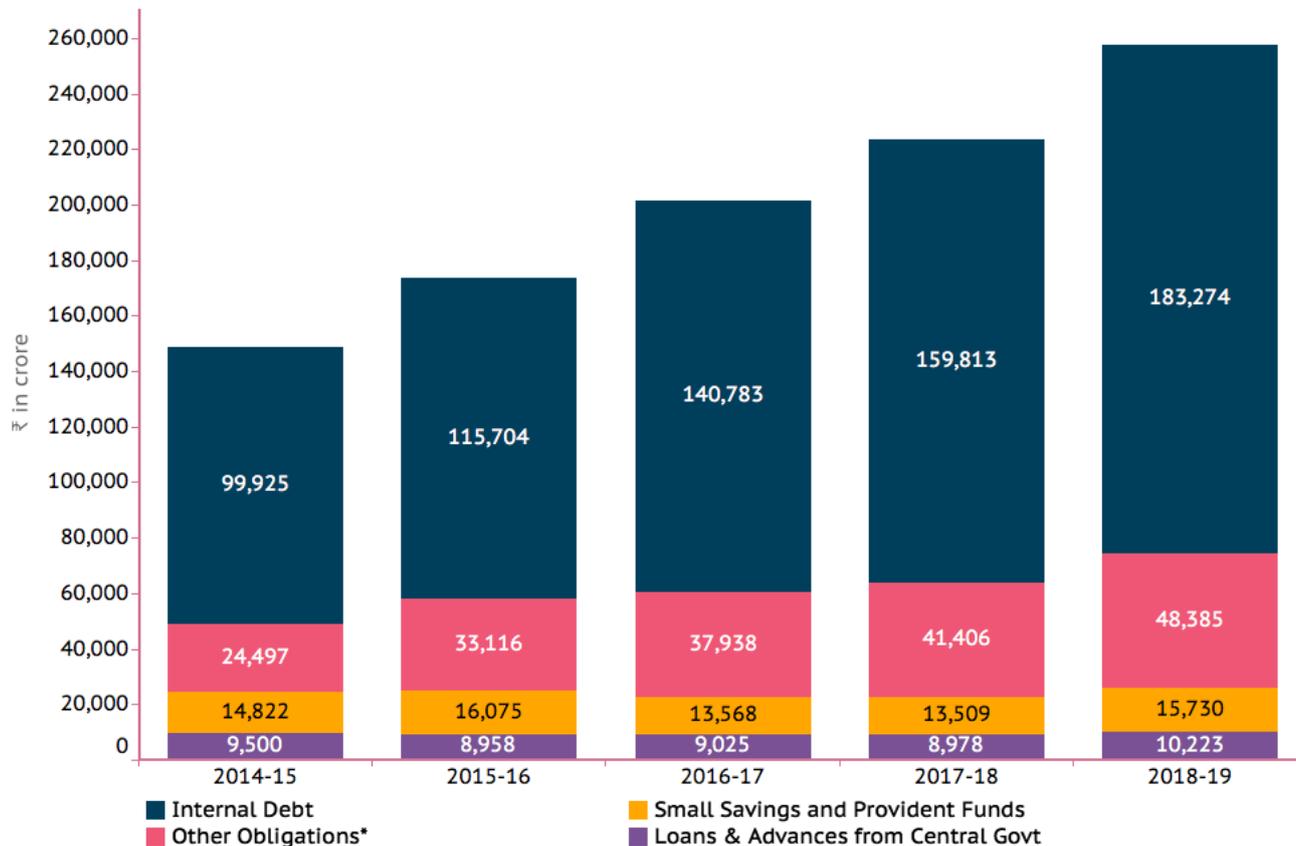
Details of the Public Debt and Total Liabilities of the State Government are as under:

Year	Public Debt (₹ in crore)	Per cent of GSDP	Public Account* (₹ in crore)	Per cent of GSDP	Total Liabilities (₹ in crore)	Per cent of GSDP
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
2018-19	1,93,497	21	64,013	7	2,57,510	28

* Excludes suspense and remittance balance.

Note: Figures are progressive balance to the end of the year.

Public Debt and Other Liabilities showed a net increase of ₹33,906 crore (15 per cent) over the previous year due to raising of new long-term market loans



*Other obligations include interest & non-interest-bearing obligations such as deposits of local funds, other earmarked funds, etc.

5.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Statutory Corporations, Government Companies and Corporations, Co-operative Societies etc. from the market and financial institutions for implementation of various schemes and programmes. These guarantees are contingent liability on the Consolidated Fund of the State in case of default in the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., for whom the guarantee was extended and are projected outside the State Budget.

The position of guarantees by the State Government for the re-payment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies and Corporations, Co-operative Societies etc., for the last five years is given below:

(₹ in crore)

At the end of the year	Maximum Amount that can be Guaranteed (Principal only)	Amount outstanding as on 31 March	
		Principal	Interest
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
2018-19	56,120	49,442	22

Note: Figures are adopted from Budget vol V/2 of 2019-20 of Government of Andhra Pradesh

CHAPTER 6

OTHER ITEMS

6.1 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 2019, an adverse balance of ₹105 crore exists under MH 6003-Internal Debt. Adverse balance arises in a loan account when the amount repaid is more than the loan amount or due to misclassification. Out of this, ₹86 crore represents loans availed of by the Andhra Pradesh Road Development Corporation, ₹8 crore by Rural Electric Corporation and ₹9 crore pertains to repayments on behalf of Co-operatives. The PAG (A&E) has been requesting the State Government to provide adequate budget provision to clear the adverse balance under MH 6003.

6.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2018-2019 was ₹31,768 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutes and Local Bodies amounted to ₹31,349 crore. Recovery of principal aggregating to ₹28,188 crore and interest amounting to ₹15,731 crore is in arrears at the end of 31 March 2019. During 2018-19, only ₹277 crore has been received towards repayment of Loans and Advances, out of which ₹265 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.

6.3 Financial assistance to Local Bodies and others

During the current year, Grants-in-aid to Local Bodies etc., increased from ₹53,091 crore in 2017-2018 to ₹60,795 crore in 2018-2019. Grants to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities (₹9,089 crore) represented 14.95 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)					
Name of Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
Zilla Parishads	4,039	5,512	5,821	5,432	5,547
Municipalities	1,629	1,359	2,186	1,779	1,461
Panchayat Samitis	1,935	2,002	2,479	2,810	2,081
Others*	30,045	30,821	43,493	43,070	51,706
Total	37,648	39,694	53,979	53,091	60,795

*Other institutions include Government Companies, Universities, Statutory Corporations, Development Authorities etc.

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 01 April 2018	As on 31 March 2019	Net increase (+)/ decrease (-)
Cash Balances	-855	25	(+)880
Investment from cash balance (Gol Treasury Bills)	Nil	Nil	Nil
Other Cash Balances	2	3	1
a) Departmental Balances	1	1	0
b) Permanent Cash Imprest	1	2	1
Investment from earmarked fund balances	7,375	8,361	986
(a) Sinking Fund	6,688	7,613	925
(b) Guarantee Redemption Fund	681	742	61
(c) Other Funds	6	6	0
Interest realized during the year	621	685	64

State Government had a positive closing cash balance at the end of 2018-19. It invested ₹8,361 crore towards cash balances and earmarked fund (Consolidated Sinking Fund, Guarantee Redemption Fund etc.) balances.

6.5 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.

Post implementation of CFMS in Andhra Pradesh, none of the CCOs has reconciled their figures with that of Accountant General (both Expenditure and Receipts). The Government was of the opinion that CFMS being single source of truth, departmental reconciliation can be dispensed with. However, as CFMS is in the initial stage of implementation, AG has proposed that departmental reconciliation be continued. Although the State Government agreed to the proposal, they did not take any action for reconciliation of figures with the AG.

6.6 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.

6.7 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. 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 2019 are given below:

Year	Number of AC Bills Drawn		Number of AC Bills Adjusted		Pending DC Bills	
	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)
Up to 2016-17	1,14,658	5,986.26	1,14,300	5,877.79	358	108.47
2017-18	734	128.41	484	38.82	250	89.59
2018-19 (upto December 2018)	275	847.48	35	77.84	240	769.64
Total	1,15,667	6,962.15	1,14,819	5994.45	848	967.70

Further, it was noticed that the State Government drew AC Bills amounting to ₹337.03 crore in March 2019 alone. Significant expenditure on AC Bills in March cannot rule out the drawl to exhaust the budget and reveals inadequate budgetary control.

6.8 Status of Suspense and Remittances Balance

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items shown as gross debit and credit balances under Major Head-8658-Suspense Account and 8782-Remittances for the last three years, are as under:

Minor Head	2016-17		2017-18		2018-19	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
(₹ in crore)						
(a) 8658-Suspense Accounts						
101-Pay and Accounts Office Suspense	80.66	13.05	100.81	12.94	78.37	19.25
Net	67.61(DR)		87.87(DR)		59.12(DR)	
102-Suspense Account (Civil)	228.61	217.77	264.03	228.61	217.77	264.03
Net	10.84(DR)		45.95(CR)		98.62(DR)	

110-Reserve Bank Suspense-Central Accounts Office	520.85	82.86	295.76	520.85	82.86	295.76
Net	437.99(DR)		153.93(DR)		169.64(DR)	
102-Public Works Remittances	55,981.41	55,834.74	76,007.41	77,211.80	76,007.41	75,328.35
Net	146.67(DR)		12,04.39(CR)		6,79.06(DR)	
103-Forest Remittances	335.06	397.88	438.96	617.42	438.96	617.55
Net	62.82(CR)		178.46(CR)		178.59(CR)	

6.9 Commitments on Account of Incomplete Capital Works

A total expenditure of ₹31,186 crore was incurred upto the year 2018-19 by the State Government on various incomplete projects against an estimated cost of ₹35,780 crore. The estimated cost was further revised to ₹88,254 crore to end of 2018-19.

During 2018-19, a total expenditure of ₹5,598 crore incurred by the State Government on various projects taken up by Engineering Departments. An amount of ₹1,585 crore was due to be paid to the end of 31-03-2019. The original estimated cost (₹35,780 crore) increased by 147 per cent in revised estimates on various projects.

A summarized view on commitments on account of “Incomplete Capital Works” is furnished below:

(₹ in crore)

S. No.	Category of works	Estimated cost of works	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Roads	1,449	352	521	91	1,470
2	Bridges	351	36	154	19	353
3	Buildings	238	14	95	2	181
4	Others	33,742	5,196	30,416	1,473	86,250
	TOTAL	35,780	5,598	31,186	1,585	88,254

6.10 Liabilities towards New Pension System:

6.10.1 Liabilities towards Pensionary Benefits

During the period 01 April 2018 to 31 March 2019, ₹14,962.31 crore (11.63 per cent of total revenue expenditure) was incurred on “Pension and Other Retirement Benefits” to State Government employees recruited before 01 September 2004.

6.10.2 National Pension System

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/her monthly pay and dearness allowance, 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.

As the Principal Accountant General (Accounts and Entitlements) does not maintain the accounts of individual employee's contribution, the correctness of recovery from the employee's salary bills cannot be verified. No reconciliation of the amounts transferred has been carried out with NSDL/Trustee Bank. From the un-apportioned balance of ₹730.64 crore, which remained to be transferred to NSDL as on 31 March 2018, an amount of ₹365.21 crore was apportioned. An amount of ₹230.61 crore was allotted to Andhra Pradesh and ₹134.60 crore to Telangana, leaving an un-apportioned balance of ₹365.43 crore as on 31 March 2019.

During 2018-19, the Government transferred ₹652.89 crore to NSDL, leaving a balance of ₹663.63 crore as on 31 March 2019 on which the State Government is liable to pay interest, which was not done.

(₹ in crore)

Opening Balance (A)	Apportionment carried out in 2018-19		Employees' contribution (C)	Government Contribution (D)	Transfer to NSDL (E)	Closing Balance (A+B+C+D-E)
	Andhra Pradesh (B)	Telangana				
0.30	230.61	134.60	765.02	320.58	652.89	663.63

6.11 Personal Deposit (PD) Accounts

As per Andhra Pradesh Financial Code (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 *State G.O.Ms. No.43*, dated 22.04.2000 read with *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.

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 PD accounts has been noticed. As these accounts are created by transfers from Consolidated Fund, the unspent balances must forthwith be transferred to the Government account.

Status of PD Accounts during the period 01 April 2018 to 31 March 2019 as given by Director of Treasury Accounts is detailed below:

Opening Balance as on 01 April 2018(*)		New PD Accounts opened during 2018-19	Total transfers to PD accounts during 2018-19	PD accounts closed during 2018-19	Total withdrawal from PD accounts during 2018-19	Closing Balance as on 31 March 2019	
Number	Amount (₹in crore)	Number	Amount (₹in crore)	Number	Amount (₹in crore)	Number	Amount (₹in crore)
33,601	3,10,85.76	201	7,91,78.38	0	7,17,66.63	33,802	3,84,97.51

The State Government neither furnished information about the exact number of PD accounts in operation nor did they reconcile their balances with the balances in the books of AG (A&E).

6.12 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 ₹8,401.21 crore to end of 01 June 2014 in Composite Andhra Pradesh have not been apportioned between the two states of Andhra Pradesh and Telangana.

Investments made during 01 April 2018 to 31 March 2019 in the successor State of Andhra Pradesh was ₹28.21 crore and a dividend of ₹1.32 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.

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