

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

**State Finances**

**for the year ended March 2014**

**Government of Andhra Pradesh**

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## Preface

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This Report pertaining to the erstwhile composite State of Andhra Pradesh for the year ended March 2014 has been prepared for submission to the Governors of Andhra Pradesh and Telangana under Article 151 of the Constitution of India and in accordance with Section 45 (1) of the Andhra Pradesh Reorganisation Act 2014.

Chapters 1 and 2 of this Report contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2014. Information has been obtained from the Government of Andhra Pradesh wherever necessary.

Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

The Report(s) containing the findings of Performance audit and Compliance audit in various departments and observations arising out of audit of Local Bodies, Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

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# Executive Summary

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## 1 Background

*The Andhra Pradesh State Reorganisation Act, 2014 was enacted in March 2014, bifurcating the composite State of Andhra Pradesh into two states - Telangana and residuary Andhra Pradesh. The appointed day for the bifurcation was the 2<sup>nd</sup> of June, 2014.*

## 2 The Report

*Based on the audited accounts of the Government of Andhra Pradesh for the year ended March 2014, this report provides an analytical review of the finances of the State Government. The report is structured in three Chapters.*

**Chapter 1** is based on audit of Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2014. It provides an insight into trends, among others, in State Government's resources and their application, developmental expenditure, borrowing pattern, sustainability of debt etc., besides a brief account of central transfers to the State Government as well as the implementing agencies through the off-budget route. It also assesses the adequacy of the State's fiscal priorities.

**Chapter 2** is based on audit of Appropriation Accounts and reviews the allocative priorities of the State Government and the manner in which the allocated resources were managed by the service delivery departments.

**Chapter 3** gives an overview of the State Government's compliance with various reporting requirements and financial rules.

*The report also has an appendage of additional data collated from several sources in support of the findings.*

## 3 Audit findings

### 3.1 Fiscal consolidation

*Government of Andhra Pradesh enacted the "Fiscal Responsibility and Budget Management (FRBM) Act" in October 2005, setting out a reform agenda through a fiscal correction path in the medium term with the long-term goal of securing economic growth and stability.*

*State Government has been achieving the fiscal reform targets every year in post FRBM legislation period. The State registered revenue surplus for the eighth consecutive year during 2013-14 and the fiscal deficit was within the ceiling prescribed by the FRBM Act. Total liabilities were brought down to 26.67 per cent of GSDP against a ceiling of 28.20 per cent prescribed in FRBM Act for the year 2013-14.*

*However, revenue surplus has to be viewed in the light of the fact that the Government is yet to work out its liability on account of its contribution (as also that of the employees) to the Contributory Pension Fund scheme from the inception of the scheme in September 2004. The interest payable on the amounts that have been lying in the Fund without transfer to NSDL/Trustee Bank has also not been estimated and accounted for.*

*Revenue receipts registered a growth of over 6.63 per cent (₹ 6,889 crore) during the current year over the previous year due to growth in own tax and non-tax revenue, the rate of growth being significantly lower when compared to previous three years. Revenue expenditure increased by 7.47 per cent (₹ 7,663 crore) over the previous year due to increase in non-plan expenditure.*

*While capital expenditure (₹15,280 crore) increased by only 0.86 per cent, its ratio to total expenditure stood at 11.81 per cent and it was also not up to the level envisaged in the Macro Economic Framework Statement (₹ 25,973 crore) for the year. Capital works/projects in irrigation and road sectors continued to languish and delays in their completion led to cost escalation on these projects without achieving the desired benefits. The investment blocked in such incomplete works/projects as of March 2014 was ₹82,665 crore (previous year: ₹71,595 crore).*

*Grants-in-aid from GoI increased by ₹1,306 crore over the previous year, mainly under non plan grants (₹ 2,649 crore) offset by decreases under grants for State Plan Schemes (₹465 crore) and Centrally Sponsored Schemes (₹919 crore).*

*Although the State Government accorded adequate fiscal priority to development expenditure during 2013-14, it did not ensure that the allocated funds were released fully for the intended purpose. State outlay on education (14.47 per cent) in particular, was behind that of the General Category States (17.20 per cent). Further, the share of capital expenditure to aggregate expenditure (11.81 per cent) was also lower in the State, compared to the other General Category States (13.62 per cent).*

*The current level of recovery of loan is low, with the gap between disbursement (₹3,689 crore) and recovery (₹ 575 crore) showing only a slight improvement over the previous year. Finance Department did not maintain any centralized database of loans with entity wise information viz., loan ledgers, repayment schedules, classification of NPAs etc. Government did not also obtain confirmation or acceptance of balances from statutory corporations, Government companies and other institutions to whom loans have been advanced. In fact, confirmation of balances on loan amount of ₹23,211 crore was yet to be received from the entities, which were the recipients of these loans.*

(Chapter 1)

### **3.2 Financial Management and Budgetary Control**

*Budgetary assumptions were unrealistic and expenditure monitoring and control mechanism was weak during the year. The entire Supplementary provision (₹11,436 crore) proved unnecessary as the actual expenditure (₹1,38,612 crore) incurred was less than the original budget provision (₹ 1,62,148 crore) and the overall saving (₹34,973 crore) stood at 20 per cent of the budget for the fourth consecutive year.*

*Several policy initiatives taken up by Government were either unfulfilled or were partially executed primarily due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, poor project implementation capacities apart from non-release of budget. Therefore, savings occurred due to its inability to take timely action to clear the bottlenecks affecting implementation of its policy decisions at the field level.*

*Despite flagging the issue repeatedly, excess expenditure of ₹ 530 crore was incurred during 2013-14 without Legislative authorization. Regularisation of such expenditure since 2004-05 amounting to ₹ 3,151 crore was yet to be carried out by Government by taking Legislative approval. Lumpsum provision (₹ 1,703 crore) without specific details of expenditure continued to be accommodated in the budget for 2013-14 and the entire provision was surrendered at the end of the year.*

*There were several misclassifications in budget. Considering that most of these have been flagged in earlier Audit Reports, non-initiation of corrective action in this regard, especially classification of subsidies in other heads, when there is a specific head to account for these items, operation of omnibus Minor Head 800 etc. imply that Government should be more proactive in bringing about the necessary controls in budget formulation.*

*Unrealistic budgetary allocations resulting in substantial savings, unnecessary Supplementary grants, expenditure incurred without provision, excess re-appropriations resulting in excess over provision, point to poor budget management. Drawal of funds in excess of requirement and transfer to PD Accounts indicate poor internal controls in the Departments administering Municipal Administration and Urban Development, Panchayat Raj and Medical & Health Grants. Surrender of Scheme funds are also indicative of poor programme implementation and weak expenditure monitoring systems.*

(Chapter 2)

### **3.3 Financial reporting**

*There were delays in submission of annual accounts by several autonomous bodies/authorities which dilutes accountability and defeats the purpose of preparation of accounts.*

*UCs were not furnished on time or not furnished at all for large amounts both by the State and the implementing agencies for the funds drawn for execution of schemes. DC bills were not submitted (₹ 1,147 crore) for periods ranging upto a decade (₹ 222 crore drawn up to 2002-03) in violation of prescribed rules and regulations which are indicative of lack of internal controls and raise apprehensions regarding the end use of funds.*

*Though the Government, at the instance of Audit, has reduced the number of PD accounts operated, an unspent balance of ₹ 13,951 crore still exists under 72,652 PD accounts. Further, the discrepancies between previous year's closing balance and current year's opening balance (₹ 1,855.86 crore) have not been reconciled and rectified. There were huge variations in PD account balances as per Treasury Pass Book, Administrator's Cash Book and Bank Statements at the end of the year. There were also variations between ledger and system with regard to PD accounts within Treasuries itself (₹ 102.04 crore), adverse balances in PD accounts (₹ 147 crore), Self cheques were issued (₹ 1,276.53 crore) in violation of Government orders by several PD account Administrators. These point to need for improvement in monitoring and control over PD accounts.*

*Omnibus Minor Head 800 continued to be operated during the year for recording expenditure and receipts relating to several items even where there were earmarked heads of accounts, with the expenditure in this head having increased by 4 per cent over the past four years. This affects transparency in financial reporting and distorts meaningful analysis of allocative priorities and quality of expenditure.*

*Adverse balances under Debt, Deposit heads and outstanding balances under suspense heads affect the quality of financial reporting. Non-lapsing of deposits and advances lying in inoperative heads of account, excess payment of pension/family pension indicate ineffective internal controls.*

*Non-reconciliation of 36.76 per cent of total expenditure (₹ 47,548 crore) and 52.29 per cent of total receipts (₹ 58,205 crore) during the year despite being highlighted every year in the Audit Report indicates disregard for codal provisions and financial rules by the controlling officers and facilitates non-detection of leakages in revenue and irregularities, if any, in expenditure. Similarly, non-receipt of 29,689 vouchers in support of payments made for an amount of ₹ 3,392.33 crore and 6,184 cheques for an amount of ₹ 2,214 crore from the PAO/Treasuries exposes the system to the risk of non-detection of cases of misappropriation and fraud.*

(Chapter 3)

### Profile of Composite State of Andhra Pradesh

**A**ndhra Pradesh is the fourth largest State in India in terms of geographical area of 2.75 lakh sq. km. with a population of 8.47 crore as per 2011 census. The economic growth of the State displayed a fluctuating trend during the last five years. The trends in the annual growth of the State's Gross State Domestic Product (GSDP) *vis-à-vis* the national Gross Domestic Product (GDP) at current prices are given in **Table 1.1**.

**Table 1.1: Comparative statement of GDP *vis-à-vis* GSDP**

Year	2009-10	2010-11	2011-12	2012-13	2013-14
India's GDP <sup>1</sup> (₹ in crore)	61,08,903	72,48,860	83,91,691	93,88,876	1,04,72,807
Growth rate of GDP ( <i>per cent</i> )	15.18	18.66	15.77	11.88	11.54
State's GSDP (₹ in crore)	4,76,835	5,83,762	6,62,592	7,54,409	8,54,822
Growth rate of GSDP ( <i>per cent</i> )	11.73	22.42	13.50	13.86	13.31

**Appendix 1.1** shows the socio-economic indicators related to Andhra Pradesh. During the last 10 years (2004-2014), the population of the State grew by 9.11 *per cent* against 12.94 *per cent* in General Category States<sup>2</sup>. The Compound Annual Growth Rate (CAGR) of per capita income of the State (14.88 *per cent*) has been equal to that of the General Category States (14.88 *per cent*) during this period. From **Appendix 1.1**, it can be seen that the key socio-economic parameters of the State *viz.*, population Below Poverty Line (9.20 *per cent*) and Infant Mortality Rate (39 per 1,000 live births) are better than the All India average. Also, inequality of income distribution, as reflected through the Gini co-efficient<sup>3</sup> was marginally lower in the State in rural areas (0.28) than the national average, but was the same in urban areas (0.38) as the all-India position.

<sup>1</sup>GDP data as per Central Statistics Office (August 2014)

<sup>2</sup>States other than the 11 states termed as Special Category States (Arunachal Pradesh, Assam, Jammu & Kashmir, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand)

<sup>3</sup>It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

## 1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of composite state of Andhra Pradesh during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends of the last five years. This analysis was made based on the Finance Accounts and the information obtained from the State Government. The structure of Government Accounts and the layout of Finance Accounts are given in *Appendix 1.2*.

## 1.2 Summary of current year's fiscal transactions

**Table 1.2** presents the summary of State Government's fiscal transactions during the current year *vis-à-vis* the previous year, while *Appendix 1.3* provides the details of receipts and disbursements as well as overall fiscal position during the current year.

**Table 1.2: Summary of balances**

(₹ in crore)

Receipts			Disbursements				
	2012-13	2013-14		2012-13	2013-14		
	Total	Total		Total	Non-Plan	Plan	Total
<b>Section A – Revenue</b>							
<b>Revenue Receipts</b>	<b>1,03,830</b>	<b>1,10,719</b>	<b>Revenue Expenditure</b>	<b>1,02,702</b>	<b>86,237</b>	<b>24,138</b>	<b>1,10,375</b>
<i>Tax Revenue</i>	<i>59,875</i>	<i>64,123</i>	<i>General Services</i>	<i>33,064</i>	<i>36,833</i>	<i>66</i>	<i>36,899</i>
<i>Non-tax Revenue</i>	<i>15,999</i>	<i>15,473</i>	<i>Social Services</i>	<i>41,605</i>	<i>26,860</i>	<i>18,096</i>	<i>44,956</i>
<i>Share of Union Taxes/Duties</i>	<i>20,271</i>	<i>22,132</i>	<i>Economic Services</i>	<i>27,875</i>	<i>22,327</i>	<i>5,976</i>	<i>28,303</i>
<i>Grants from GOI</i>	<i>7,685</i>	<i>8,991</i>	<i>Grants-in-aid and Contributions</i>	<i>158</i>	<i>217</i>	<i>---</i>	<i>217</i>
<b>Section B – Capital &amp; Others</b>							
<b>Misc. Capital Receipts</b>	<b>---</b>	<b>9</b>	<b>Capital Outlay</b>	<b>15,149</b>	<b>---</b>	<b>15,280</b>	<b>15,280</b>
<b>Recoveries of Loans and Advances</b>	<b>426</b>	<b>575</b>	<b>Loans and Advances disbursed</b>	<b>3,913</b>	<b>921</b>	<b>2,768</b>	<b>3,689</b>
<b>Public Debt Receipts</b>	<b>23,311</b>	<b>25,292</b>	<b>Repayment of Public Debt</b>	<b>7,677</b>	<b>7,286</b>	<b>---</b>	<b>7,286*</b>
<b>Contingency Fund</b>	<b>---</b>	<b>2</b>	<b>Contingency Fund</b>	<b>2</b>	<b>3</b>	<b>---</b>	<b>3</b>
<b>Public Account Receipts</b>	<b>94,917</b>	<b>1,01,352</b>	<b>Public Account Disbursements</b>	<b>93,201</b>	<b>---</b>	<b>97,195</b>	<b>97,195</b>
<b>Opening Cash Balance</b>	<b>9,322</b>	<b>9,162</b>	<b>Closing Cash balance</b>	<b>9,162</b>	<b>---</b>	<b>13,283</b>	<b>13,283<sup>4</sup></b>
<b>Total</b>	<b>2,31,806</b>	<b>2,47,111</b>	<b>Total</b>	<b>2,31,806</b>	<b>94,447</b>	<b>1,52,664</b>	<b>2,47,111</b>

Source: Finance Accounts

\*₹7,285.44 crore rounded off to ₹7,286 crore for balancing purpose

Significant changes in fiscal position of the State during 2013-14 over the previous year are given below.

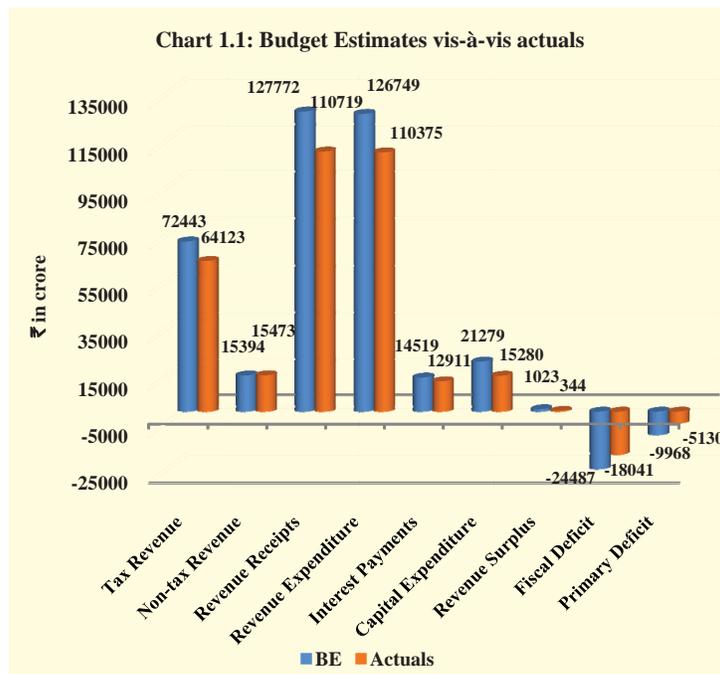
<sup>4</sup>Please see Para 1.11.5 and Table 1.22 for details. This includes balances in the cash balance investment account, other cash balances and investments as well, apart from cash balances held with RBI and other Banks.

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>Increased by 6.63 per cent</li> <li>Own tax revenue increased by 7.09 per cent</li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>Increased by 7.47 per cent</li> <li>Plan expenditure decreased by 4.37 per cent</li> <li>Non-plan expenditure increased by 11.33 per cent</li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>Increased by 0.86 per cent</li> </ul>
<b>Loans &amp; Advances</b>	<ul style="list-style-type: none"> <li>Recoveries increased by 34.98 per cent</li> <li>Disbursements decreased by 5.72 per cent</li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>Receipts increased by 8.50 per cent</li> <li>Repayment decreased by 5.09 per cent</li> </ul>
<b>Cash Balance</b>	<ul style="list-style-type: none"> <li>Increased by 44.98 per cent</li> </ul>

Government of Andhra Pradesh achieved revenue surplus for the eighth consecutive year during 2013-14. Fiscal deficit (₹ 18,041 crore) stood at 2.11 per cent of GSDP during the current year compared to 2.35 per cent during 2012-13. This is within the ceiling of three per cent prescribed by the FRBM Act and the 13<sup>th</sup> Finance Commission.

### 1.3 Budget estimates and actuals

Budget Estimates (BE) and actuals for key fiscal parameters are given in *Chart 1.1* and *Appendix 1.4*.



There were considerable variations between budget estimates and actuals in respect of some items of expenditure. Expenditure in excess of BE by more than 10 per cent was noticed in Police (12.82 per cent) and Power (11.57 per cent) Departments while savings in excess of 25 per cent were noticed mainly under Urban Development (64.13 per cent), District Administration (30.13 per cent), Rural Development (29.02 per cent) and Welfare of SCs, STs and OBCs (25.73 per cent).

Source: Budget in Brief and Finance Accounts 2013-14

Overall, revenue expenditure was less than the budget estimates by 12.92 per cent while there were savings of 28.19 per cent in respect of capital expenditure. On the receipts side, revenue receipts fell short of BE by 13.35 per cent. Fiscal and primary deficits were lower than the BE by 26.32 per cent and 48.54 per cent respectively while revenue surplus fell short of BE by 66.37 per cent.

## 1.4 Fiscal Reform Path

State Government, in compliance with the recommendations of the Twelfth Finance Commission (TFC), enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 (amended in 2011), limiting its total outstanding liabilities to 28.20 *per cent* of GSDP for the year 2013-14. A Summary of FRBM Act, 2005 as amended in 2011 is given in **Appendix 1.5**. Important targets relating to fiscal variables are indicated in **Table 1.3**.

**Table 1.3: Targets/Projections for Fiscal variables**

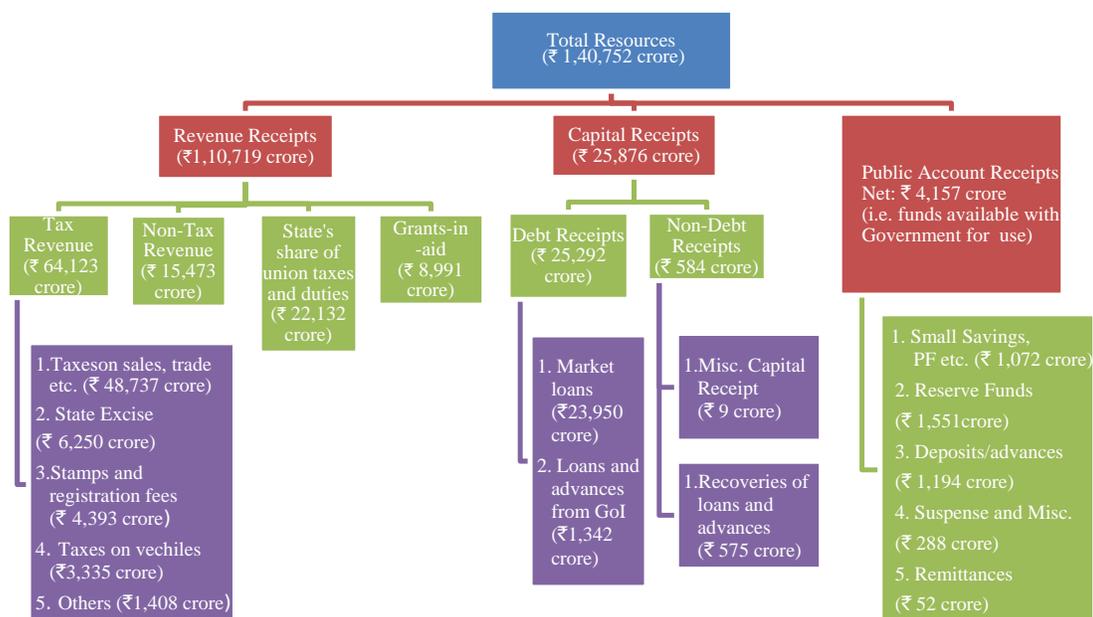
Fiscal variables	2013-14				
	13 <sup>th</sup> FC targets for the State	Targets prescribed in FRBM Act	Targets proposed in Budget	Projections made in MEFS	Actuals
Revenue Deficit (₹ in crore)	0	0	0	0	0
Fiscal Deficit/ GSDP (in <i>per cent</i> )	3.0	3.0	2.5	3.0	2.11
Ratio of total outstanding debt to GSDP (in <i>per cent</i> )	28.20	28.20	N.A.	28.20	26.67

## 1.5 Resources of the State

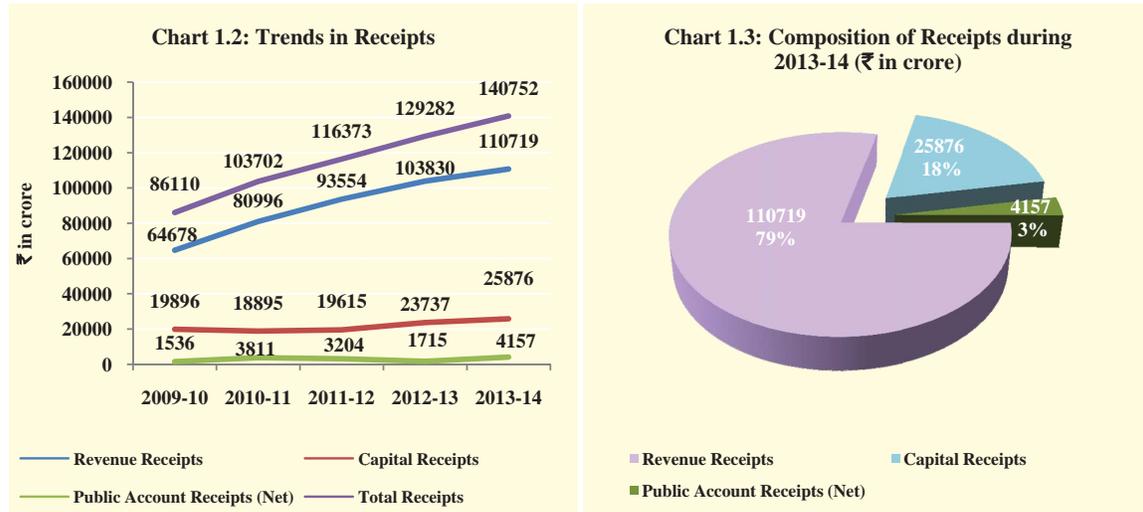
### 1.5.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenue, non-tax revenue, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account.

The following flowchart depicts the components and sub-components of resources of the State.



Out of the total resources of ₹1,40,752 crore of the State Government during the year 2013-14, revenue receipts were ₹1,10,719 crore constituting 78.66 per cent of total resources. Capital receipts (₹25,876 crore) and net Public Account receipts (₹4,157 crore) constituted 18.38 per cent and 2.95 per cent of the total resources, respectively. **Chart 1.2** depicts the trends in various components of the total receipts of the State during 2009-14. **Chart 1.3** depicts the composition of total receipts of the State during the current year.

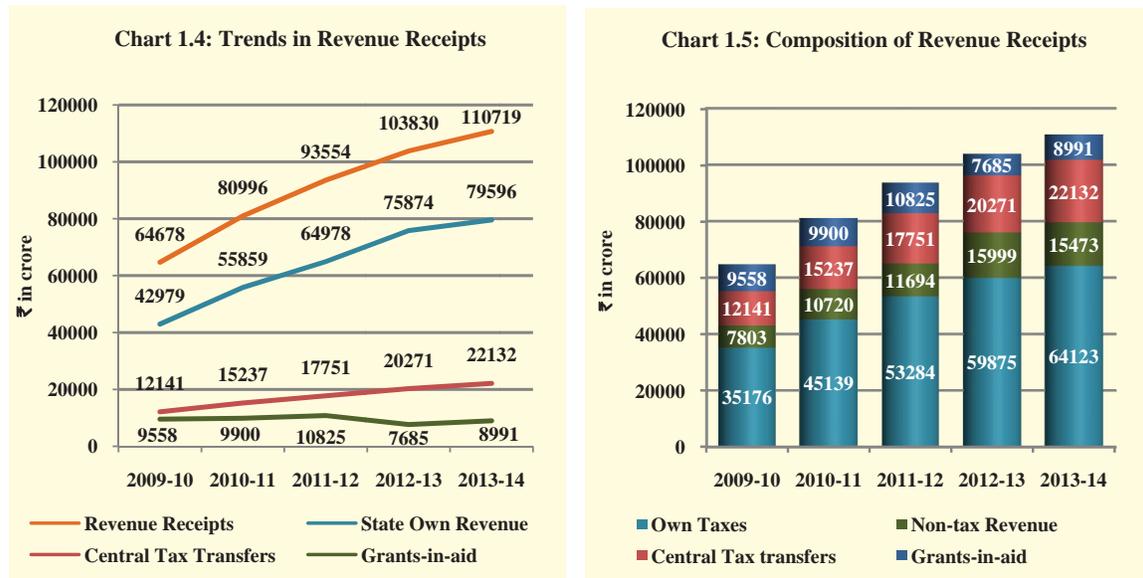


Source: Finance Accounts

Source: Finance Accounts 2013-14

## 1.6 Revenue receipts

The trends and composition of revenue receipts over the five year period 2009-14 are presented in *Appendix 1.6* and also depicted in **Charts 1.4** and **1.5** below:



Source: Finance Accounts

Source: Finance Accounts

The rate of growth of revenue receipts has been fluctuating during the last five years as can be seen from **Table 1.5**. The growth rate of revenue (6.63 per cent) during the current year was significantly lower than the growth rate over previous year (10.98 per cent). There was

also a shortfall of ₹17,053 crore (13.35 per cent) in revenue (₹ 1,10,719 crore) realized during the year over the projection (₹ 1,27,772 crore) made in the Budget. The actual receipts under State's tax and non tax revenue *vis-à-vis* assessments made by 13<sup>th</sup> Finance Commission and the State Government during 2013-14 are given in **Table 1.4** below:

**Table 1.4: Revenue receipts *vis-à-vis* assessment**

	Assessment by 13 <sup>th</sup> Finance Commission	Projections by State Government in MEFS	Actuals
Tax Revenue	68,835	72,443	64,123
Non-Tax Revenue	8,324	15,394	15,473

(₹ in crore)

Source: 13<sup>th</sup> Finance Commission recommendations; Finance Accounts 2013-14 and MEFS 2014

Actual realization of tax revenue was lower than the projection made by Government and the assessment made by the 13<sup>th</sup> Finance Commission. Non-tax revenue realized was higher than the assessment made by the 13<sup>th</sup> Finance Commission and the Government. The share of interest receipts in non-tax revenue in the current year was ₹ 8,646 crore, including ₹ 7,702 crore from irrigation projects, which was only a notional revenue, since it has arisen out of book adjustment.

Revenue receipts constituted 12.95 per cent of GSDP in 2013-14 as shown in **Table 1.5**.

**Table 1.5: Trends in revenue receipts relative to GSDP**

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Receipts (RR) (₹ in crore)	64,678	80,996	93,554	1,03,830	1,10,719
Rate of Growth <sup>5</sup> of RR ( <i>per cent</i> )	2.90	25.23	15.50	10.98	6.63
RR/GSDP ( <i>per cent</i> )	13.56	14.19	14.28	13.92	12.95
<b>Buoyancy Ratios<sup>6</sup></b>					
Revenue Buoyancy w.r.t. GSDP	0.25	1.28	1.05	0.79	0.50
State's Own Tax Buoyancy w.r.t. GSDP	0.46	1.43	1.22	0.89	0.53

Source: Finance Accounts

## 1.6.1 State's own resources

While the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission and Central assistance for plan schemes etc., State's performance in mobilization of resources is assessed in terms of its own resources comprising revenue from its own tax and non-tax resources.

### 1.6.1.1 Own tax revenue

Own tax revenue (OTR) registered a growth rate of 7.09 per cent over the previous year due to increase in taxes on goods and passengers (33.33 per cent), taxes on sales and trade (19.70 per cent) and land revenue (19.35 per cent) and was partially offset by decrease under state excise (31.54 per cent) over the previous year. Details are given below.

<sup>5</sup> See Glossary

<sup>6</sup> See Glossary

**Table 1.6: Components of State's Own Tax revenue**

	(₹ in crore)					
	2009-10	2010-11	2011-12	2012-13	2013-14	% increase over previous year
Taxes on sales, trades etc.	23,640	29,145	34,910	40,715	48,737	19.70
State excise	5,849	8,265	9,612	9,129	6,250	-31.54
Taxes on vehicles	1,995	2,626	2,987	3,357	3,335	-0.66
Stamp duty and Registration fees	2,639	3,834	4,385	5,115	4,393	-14.12
Land revenue	222	171	141	62	74	19.35
Taxes on goods and passengers	10	9	12	12	16	33.33
Other taxes <sup>7</sup>	821	1,089	1,237	1,485	1,318	-11.25
<b>Total</b>	<b>35,176</b>	<b>45,139</b>	<b>53,284</b>	<b>59,875</b>	<b>64,123</b>	<b>7.09</b>

Source: Finance Accounts

Increase in Taxes on sales, trades etc. and decrease in State excise is mainly due to enhancement of rate of VAT on Indian Made Foreign Liquor from 70 per cent to 170 per cent and transfer of VAT collections from Excise head to Sales Tax from 2012-13 onwards<sup>8</sup>. Decrease under Stamp Duty and Registration fees is mainly attributable to shortfall in number of registrations on account of the agitations in the wake of bifurcation of the State, as intimated by the State Government.

#### 1.6.1.2 Non-tax revenue

Non-tax revenue (NTR), which constituted 12 to 15 per cent of the total revenue receipts during the five year (2009-14) period, decreased by ₹ 526 crore in the current year (3.29 per cent), over the previous year mainly due to decrease in interest receipts from Departmental Commercial Undertakings and "Other receipts" under Medical and Public Health.

**Table 1.7: Growth of Non-Tax Revenue**

	(₹ in crore)					
Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14	% increase over previous year
Interest receipts	4,852	5,774	6,279	9,626	8,646	(-) 10.18
Dividends & Profits	23	39	52	64	61	(-) 4.69
Other non-tax receipts	2,929	4,906	5,363	6,309	6,766	7.24
<b>Total</b>	<b>7,804</b>	<b>10,719</b>	<b>11,694</b>	<b>15,999</b>	<b>15,473</b>	<b>(-) 3.29</b>

Source: Finance Accounts

Further, during the year ₹ 1,385.76 crore under Sarva Siksha Abhiyan (Rajiv Vidya Mission) and ₹ 228.32 crore under Rashtriya Madhyamika Siksha Abhiyaan released by GoI directly to State implementing agencies were remitted through challans by State Project Officer to revenue receipts. These are related to reimbursement of teachers' salary. This has resulted in overstatement of revenue receipts.

<sup>7</sup>Other Taxes include Taxes on Immovable Property other than Agricultural Land, Taxes and Duties on Electricity and Agricultural Income

<sup>8</sup>Government of Andhra Pradesh, Finance (B.G.-I) Dept., Memo No.35030-A/49/BG.I/A1/2013, dated 23-01-2013

## 1.6.2 Cost of Collection

The cost of collection of major State tax revenue is given below:

**Table 1.8: Cost of collection of revenue**

(₹ in crore)					
Head of revenue	Year	Gross collection	Expenditure on collection	Cost of collection (%)	All India Average (%)
Taxes on sales, trade etc.	2011-12	34,910	283	0.81	0.83
	2012-13	40,715	317	0.78	0.73
	2013-14*	48,737	316	0.65	--
State Excise	2011-12	9,612	264	2.75	2.98
	2012-13	9,129	288	3.15	2.96
	2013-14*	6,250	401	6.42	--
Taxes on Vehicles	2011-12	2,986	100	3.35	2.96
	2012-13	3,357	111	3.31	4.17
	2013-14*	3,335	124	3.72	--
Stamp Duty and Registration fee	2011-12	4,385	102	2.33	1.89
	2012-13	5,115	141	2.76	3.25
	2013-14*	4,393	128	2.91	--

Source: Finance Accounts

\*Note: All India Averages for the year 2013-14 are not yet available

While the cost of collection has not changed very significantly over the last three years in respect of Taxes on Sales, trade etc., Taxes on Vehicles and Stamp Duty and Registration fee, in respect of State Excise, though the gross collection registered a 31.54 per cent decrease, the expenditure on cost of collection increased by 39 per cent over the previous year.

## 1.6.3 Central tax transfers

There was an increase in Central tax transfers by 9.18 per cent from ₹ 20,271 crore in 2012-13 to ₹ 22,132 crore in 2013-14. The increase was mainly on account of share of net proceeds under service tax (21.81 per cent) and taxes on income other than corporation tax (12.43 per cent).

### 1.6.3.1 Grants-in-aid from Government of India

The details of Grants-in-aid from GoI and its composition during 2009-14 are given below:

**Table 1.9: Grants-in-aid from Government of India**

(₹ in crore)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Non-Plan Grants	3,275	4,183	3,499	784	3,433
Grants for State Plan Schemes	4,254	3,318	3,957	3,223	2,758
Grants for Central Plan Schemes	132	60	100	219	260
Grants for Centrally Sponsored Schemes	1,897	2,339	3,269	3,459	2,540
Grants for Special Plan Schemes	---	---	---	---	---
Total	9,558	9,900	10,825	7,685	8,991
Percentage of increase over previous year	19.24	3.58	9.34	-29	16.98
Total grants as a percentage of Revenue Receipts	14.78	12.22	11.57	7.40	8.12

Source: Finance Accounts

Grants-in-aid from GoI increased by ₹ 1,306 crore over the previous year mainly under Non-plan Grants (₹ 2,649 crore) and Grants for Central Plan Schemes (₹ 41 crore). Increase under Non-Plan Grants was mainly due to release of grants for Local Bodies (₹ 1,586 crore) and from National Disaster Response Fund (₹ 764 crore). However, there were decreases under Centrally Sponsored Schemes (₹ 919 crore) and State Plan Schemes (₹ 465 crore) due to decrease in releases to Social Security and Welfare (₹ 655 crore) and Block Grants (₹ 459 crore) respectively.

During the year, total grants-in-aid constituted 8.12 per cent of revenue receipts, as compared to 7.40 per cent in the previous year.

### 1.6.3.2 Optimisation of 13<sup>th</sup> Finance Commission grants

The details of Central transfers to the State on the basis of recommendations of the 13<sup>th</sup> FC are as follows.

**Table 1.10: 13<sup>th</sup> Finance Commission Grants**

(₹ in crore)					
Sl No	Transfers	Amount Recommended by FC	Actual release	Shortfall	Expenditure
<b>1</b>	<b>Local Bodies</b>				
	Grants to PRIs	781.49	548.60	232.89	N.A.
	General performance grants to PRIs	533.89	1,019.41	---	N.A.
	Grants to ULBs	286.91	Nil	286.91	N.A.
	General performance grants to ULBs	196.01	Nil	196.01	N.A.
	Special Area Grants	5.90	Nil	5.90	N.A.
	Special Area performance grants	5.90	17.56	---	N.A.
<b>2</b>	<b>Disaster Relief</b>	441.78	520.89	Nil	520.89
<b>3</b>	<b>Improving outcome grants</b>	83.96	8.95	75.01	N.A.
	a. Reduction in Infant Mortality rate	Nil	11.34	Nil	N.A.
<b>4</b>	<b>Environment related grants</b>	138.16	67.16	71	62.16
<b>5</b>	<b>Elementary education</b>	198.00	198.00	Nil	198.00
<b>6</b>	<b>Roads and bridges</b>	253.00	0.00	253.00	N.A.
<b>7</b>	<b>Capacity Building</b>	6	0	6	N.A.
<b>8</b>	<b>State specific grants</b>	312.50	81.28	231.22	34.05
<b>Total</b>		<b>3,243.91</b>	<b>2,473.19</b>	<b>1,357.94</b>	<b>619.08</b>

Source: Departmental information; N.A.: Not Applicable.

As per the recommendations of 13<sup>th</sup> FC, under Non-plan Grants, GoI allocated ₹ 3,243.91 crore for the year, but released only ₹ 2,473.19 crore during 2013-14 due to non-conducting of elections to urban local bodies (₹ 482.92 crore), non-submission of Utilisation Certificates for the Grants released for the years 2010-11 and 2011-12 (₹ 551.02 crore) and non-fulfillment of other conditionalities by the State (₹ 324 crore).

*Finance Department replied (November 2014) that the departments are submitting Utilisation Certificates directly to the Government of India. The reply is not acceptable, as the state is losing out on central funds due to non-submission of Utilisation Certificates on time by the departments. Government needs to monitor the utilization of grants by the implementing departments closely and streamline the system of submission of Utilisation Certificates so as to ensure that grants from the GoI are fully claimed. Efforts should be made to expeditiously meet the prescribed conditionalities to be eligible for the performance grants.*

### 1.6.4 Funds transferred to State Implementing Agencies outside the State budget

GoI has been transferring sizeable quantum of funds directly to the State implementing agencies for implementation of various schemes/programmes in social and economic sectors recognized as critical. As these funds are not routed through the State budget/State treasury System, Finance Accounts do not capture the flow of these funds. To present a holistic picture about the availability of aggregate resources, Audit has given the extent of funds directly transferred by the GoI to State implementing agencies<sup>9</sup> in respect of cases involving more than ₹ 10 crore in **Appendix 1.7**.

During the current year, GoI transferred ₹ 12,770 crore directly to the State implementing agencies concerning various Central Schemes/programmes, without routing these funds through the State budget.

There is no single agency monitoring the use of these funds and no data is readily available on the amount spent in any particular year on major flagship and other important schemes from out of these funds. Unless uniform accounting practices are followed by all these agencies and proper documentation is maintained with timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

*Government replied (November 2014) that the system of releasing funds directly to implementing agencies by GoI has been discontinued from 2014-15 onwards and all funds are being routed through the Consolidated Fund of the State Government.*

## 1.7 Capital Receipts

The details of Capital Receipts and their composition during 2009-14 are given below:

**Table.1.11: Trends in growth and composition of Capital Receipts**

Sources of State's Receipts	₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Receipts (CR)	19,896	18,895	19,615	23,737	25,876
Miscellaneous Capital Receipts	0	0	0	0	9
Recovery of Loans and Advances	143	173	165	426	575
Public Debt Receipts	19,753	18,722	19,450	23,311	25,292
Rate of growth of debt capital receipts	28.66	-5.22	3.89	19.85	8.50
Rate of growth of non-debt capital receipts	-61.35	20.98	-4.62	158.18	37.09
Rate of growth of GSDP	11.73	22.42	13.50	13.86	13.31
Rate of growth of CR ( <i>per cent</i> )	26.54	-5.03	3.81	21.01	9.01

Source: Finance Accounts

During 2013-14 Capital Receipts increased by 9.01 *per cent* over the previous year. This was mainly on account of increase in Recovery of Loans and Advances by ₹ 149 crore over the previous year and increases in Public Debt receipts by ₹ 1,981 crore (8.50 *per cent*).

<sup>9</sup>State Implementing Agencies include any Organization/Institution including Non-Governmental Organization, which is authorized by the State Government to receive funds from the GoI for implementing specific programmes in the State, such as State Implementation Society for SSA and State Health Mission for NRHM etc.

## 1.8 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances etc., which do not form part of the Consolidated fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

**Table 1.12: Trends in growth and composition of Public Account receipts and disbursements**

(₹ in crore)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>A. Public Account Receipts</b>					
Small Savings, Provident Fund etc.	2,383	3,130	3,376	3,580	3,673
Reserve Fund	1,897	3,017	2,873	2,243	3,446
Deposits and Advances	35,484	38,608	42,963	48,722	52,992
Suspense and Miscellaneous	12,229	16,433	19,315	22,333	23,590
Remittances	19,787	15,030	17,524	18,039	17,651
<b>Total (A)</b>	<b>71,780</b>	<b>76,218</b>	<b>86,051</b>	<b>94,917</b>	<b>1,01,352</b>
<b>B. Public Account Disbursements</b>					
Small Savings, Provident Fund etc.	1,422	1,527	2,156	2,390	2,601
Reserve Fund	1,308	1,221	1,621	2,436	1,895
Deposits and Advances	36,921	36,905	41,618	47,056	51,798
Suspense and Miscellaneous	12,239	16,373	20,026	22,599	23,302
Remittances	18,353	16,381	17,427	18,720	17,599
<b>Total (B)</b>	<b>70,243</b>	<b>72,407</b>	<b>82,848</b>	<b>93,201</b>	<b>97,195</b>
<b>Public Account Net (A)-(B)</b>	<b>1,537</b>	<b>3,811</b>	<b>3,203</b>	<b>1,716</b>	<b>4,157</b>

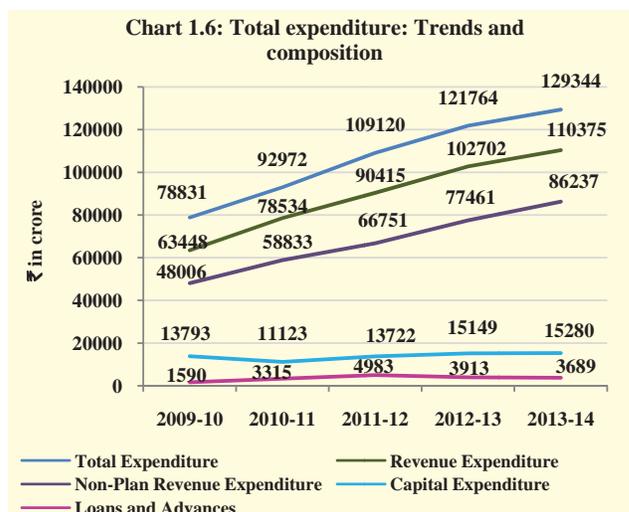
Source: Finance Accounts

Net public account receipts have decreased during the period 2010-11 to 2012-13 but increased by ₹ 2,441 crore (142.30 per cent) during the current year over the previous year.

## 1.9 Application of resources

### 1.9.1 Growth and composition of expenditure

**Chart 1.6** presents the trends and composition of total expenditure over a period of five years (2009-14). The composition of total and sectorial expenditure are depicted in **Charts 1.7** and **1.8** respectively.



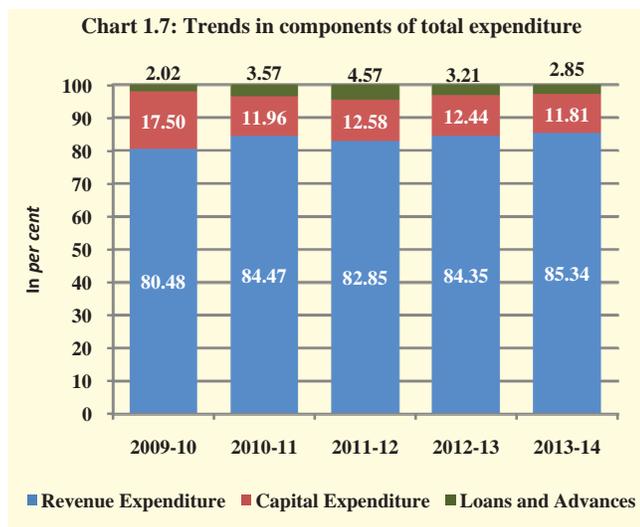
Source: Finance Accounts

Note: Total expenditure excludes repayment of public debt amounting to ₹7,286 crore.

Total expenditure (₹ 1,29,344 crore) increased in 2013-14 by ₹ 7,580 crore (6.23 per cent) over the previous year (₹ 1,21,764 crore) due to increase in revenue expenditure (₹ 7,673 crore) and capital expenditure (₹ 131 crore). During the current year, 85.60 per cent of the total expenditure was met from revenue receipts and the balance from borrowed funds. The total expenditure was less than that projected in the budget (₹ 1,53,521 crore).

Revenue expenditure increased by ₹ 7,673 crore over the previous year and constituted 12.91 per cent of GSDP. There was significant increase in revenue expenditure over the previous year under General Education (₹ 2,087 crore), Pensions and other retirement benefits (₹ 1,593 crore), Interest Payments (₹ 1,249 crore), Other Rural Development Programmes (₹ 1,248 crore) and Power (₹ 1,119 crore).

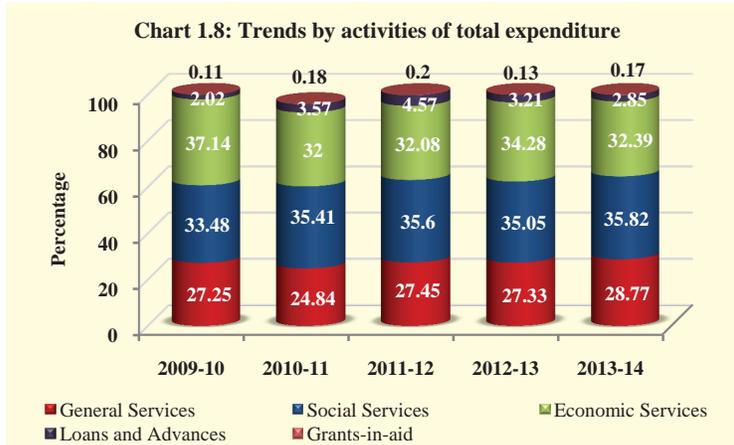
In the context of State finances, the quality of expenditure has always been an important issue. Currently, revenue expenditure accounts for around 85 per cent of the State's aggregate expenditure, which is in the nature of current consumption, leaving only 15 per cent for investment in infrastructure and asset creation. Since this impedes the growth prospects of the State, there is a need to curtail those items of revenue expenditure which are unproductive.



Source: Finance Accounts

Capital expenditure (₹ 15,280 crore) during 2013-14 increased by ₹ 131 crore over the previous year (₹ 15,149 crore) and constituted 11.81 per cent of total expenditure. The increase was mainly on Roads and Bridges (₹ 583 crore) and Minor Irrigation (₹216 crore) and was partly offset by decrease mainly under capital outlay on major irrigation by ₹ 943 crore. Capital expenditure at 1.79 per cent of GSDP was less than the projection (₹ 25,973 crore) made in MEFS for 2013-14.

Loans and advances disbursed during the current year decreased by 5.72 per cent over the previous year and constituted 2.85 per cent of the total expenditure. The share of disbursement of loans and advances in total expenditure was between two to five per cent during the period 2009-14.



The share of general services and social services in total expenditure increased by 1.44 per cent and 0.77 per cent respectively during 2013-14 over the previous year. There was decrease in the share of economic services in total expenditure by 1.89 per cent.

Source: Finance Accounts

## 1.9.2 Committed Expenditure

Committed expenditure of Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.13** and **Chart 1.9** present the trends in the expenditure on these components during 2009-14.

**Table 1.13: Components of committed expenditure**

(₹ in crore)

Components of committed expenditure	2009-10	2010-11	2011-12	2012-13	2013-14		
					Budget estimates	Actuals	Percentage variation
Salaries* & Wages, of which	17,721(27)	23,844(29)	26,823(30)	30,071(29)	32,152	32,858(38)	2.20
(i) Non-Plan	15,706	21,128	23,828	28,071	30,447	30,568	0.40
(ii) Plan**	2,015	2,716	2,995	2,000	1,705	2,290	34.31
Interest payments	8,914	9,675	10,561	11,662	14,098	12,911	(-)8.42
Pensions	6,339	9,609	11,110	12,089	13,677	13,682	0.04
Subsidies	6,056	6,543	7,313	10,658	10,145	10,420	2.71
<b>Total</b>	<b>39,030(62)</b>	<b>49,671(61)</b>	<b>55,807(62)</b>	<b>64,480(63)</b>	<b>70,072</b>	<b>69,871(63)</b>	<b>(-)0.63</b>

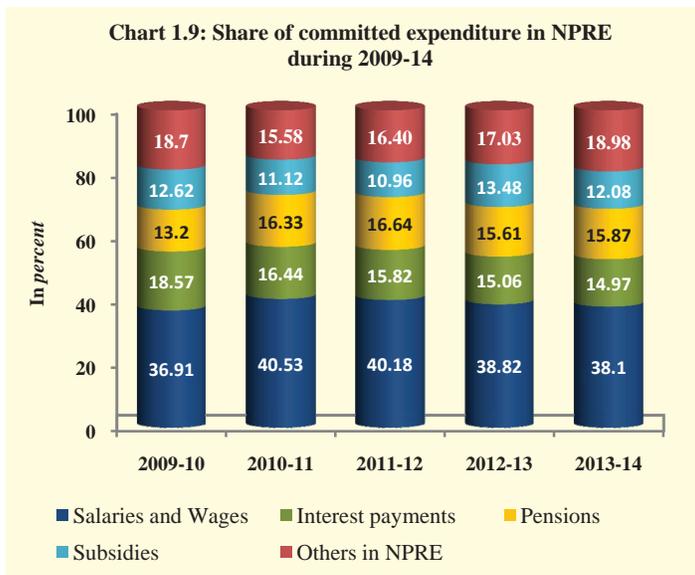
Source: Voucher Level Computerization (VLC) data of PAG (A&E) Andhra Pradesh

Note: Figures in parenthesis indicate percentage of Revenue Expenditure.\*It also includes the salaries paid out of grants-in-aid and work charged establishment. \*\*Plan head also includes the salaries and wages paid under CSS.

Committed expenditure on salaries and wages, pensions, interest payments and subsidies constituted 80.74 per cent of Non-Plan Revenue Expenditure (NPRE) during 2013-14.

### 1.9.2.1 Salaries and wages

Expenditure on salaries and wages during the current year increased by 9.27 per cent over the previous year. It was more than the budget estimates by 2.20 per cent and the assessment made by the 13<sup>th</sup> Finance Commission (₹ 17,644 crore). During the current year, expenditure on salary constituted 29.77 per cent of revenue expenditure and 38.10 per cent of non-plan revenue expenditure.



Source: Finance Accounts

### 1.9.2.2 Interest payments

Although the share of interest payments (₹ 12,911 crore) in revenue expenditure was 11.70 per cent during the current year, there was an increase in interest payments by ₹1,249 crore (10.71 per cent) over the previous year (₹ 11,662 crore) mainly under interest on Market Loans (₹ 1,321 crore) and interest on defined contribution scheme (₹ 84 crore). It was, however, lower than the projection made in the Budget (₹ 14,098 crore) and assessment made by the 13<sup>th</sup> Finance Commission (₹ 13,879 crore). During 2013-14, interest payments as a per cent of total revenue receipts stood at 11.66 per cent which was higher than the projection of 11.36 per cent made in the Medium Term Fiscal Policy (MTFP).

### 1.9.2.3 Pensions

The expenditure on pension and other retirement benefits to State Government pensioners during the year was ₹ 13,682 crore, and constituted 12.40 per cent of revenue receipts. During the year 2013-14, Pensionary benefits increased by ₹ 1,593 crore over the previous year 2012-13 (₹ 12,089 crore) and were higher than the budget estimates (₹ 11,677 crore) and the assessment of the 13<sup>th</sup> Finance Commission (₹ 10,317 crore). Government had not estimated the yearly pension liabilities on actuarial basis for the ensuing years, as stipulated in the FRBM Act.

### Contributory Pension Scheme

State Government introduced a Contributory Pension Scheme for employees recruited on or after 1 September 2004. As per the guidelines, it is mandatory for every employee to contribute 10 per cent of basic pay and dearness allowance every month from salary and equal contribution is to be made by the Government. The contribution details and corresponding amounts are to be transferred to the National Securities Depository Limited (NSDL) and to the fund managers appointed by the New Pension Scheme (NPS) Trust respectively. Government entered into agreements with NSDL on 21 November 2008 and NPS Trust on 15 September 2009.

Due to delay in uploading the data and transfer of funds to the NSDL, the State Government<sup>10</sup> ordered payment of simple interest at 8 *per cent* per annum (at par with the interest payable on General Provident Fund (GPF) contributions) on all employees' contributions and matching Government contribution from the inception of the scheme to the date of data migration from legacy system. During 2013-14 an amount of ₹ 83.98 crore was paid by the Government towards interest. The contributions payable by the employees and the State Government from the inception of the scheme and the accrued interest thereon<sup>11</sup> has not been estimated. Nor has it been possible to estimate the shortfall, if any, in the matching contribution of the State Government in 2013-14, and its impact, if any, on the Revenue Surplus in the absence of complete data. Unreconciled, unmatched and untransferred amounts with accrued interest, if any, represent outstanding liabilities of the Government, under the scheme.

*Government replied (November 2014) that as of May 2014, the total contribution transferred to the Fund Manager from 2004-05 to 2013-14 was ₹ 2,138.21 crore, which includes the contribution of both the employees and the Government. Government also informed that an amount of ₹ 85.15 crore was transferred to subscribers account towards interest component on delayed subscription transfers and that ₹ 20.72 crore on legacy subscriptions is due to be transferred, for which provision would be made in Supplementary Estimates for the year 2014-15 to the extent possible and the balance in the coming years.*

#### 1.9.2.4 Subsidies

The total expenditure on subsidies during the current year was ₹ 10,420 crore, of which, power subsidy was ₹ 6,582 crore (63.17 *per cent*), subsidy on rice was ₹ 3,146 crore (30.19 *per cent*) and subsidy on supply of seeds to farmers was ₹ 205 crore (1.97 *per cent*). It was higher than the projections made in the Budget (₹ 10,145 crore).

Department wise subsidies are listed in **Table 1.14**.

**Table 1.14: Department wise Subsidies**

	(₹ in crore)				
Departments	2009-10	2010-11	2011-12	2012-13	2013-14
Civil Supplies	2,481	2,329	2,358	2,692	3,190
Power	3,212	3,646	4,300	6,178	6,582
Agricultural and other Allied activities	238	243	639	1,528	340
Others <sup>12</sup>	125	325	16	260	308
<b>Total subsidy</b>	<b>6,056</b>	<b>6,543</b>	<b>7,313</b>	<b>10,658</b>	<b>10,420</b>
Total Revenue Expenditure	63,448	78,534	90,415	1,02,702	1,10,375
Subsidy as a % of Revenue Expenditure	9.54	8.33	8.09	10.38	9.44

Source: Finance Accounts

<sup>10</sup>G.O. Ms.No.226 Finance (Pension-I) Department, dated 29 September 2011 and G.O.Ms. 142 Finance (Pension-I) Department, dated 17 June 2013

<sup>11</sup>Including interest payable in terms of G.O. Ms. 142 dated 17 June 2013

<sup>12</sup> Industries and Commerce, Rural Development, Minority Welfare, Information Technology & Communication, Panchayat Raj, Social Welfare, Women, Child and Disabled Welfare and Backward Classes Welfare Departments

During the year, the percentage of subsidies to revenue expenditure was 9.44 *per cent*. This includes an amount of ₹ 241 crore given in the form of Grants-in-Aid (power subsidy ₹ 131 crore for industries, subsidy for bank linked income generated scheme of ₹ 84.25 crore, interest subsidy of ₹ 14.25 crore and subsidy on purchase of raw material ₹ 11.26 crore). The decreases in Agricultural and other Allied activities (₹ 1,188 crore) were mainly due to discontinuation of input subsidy to other farmers (₹ 800 crore) and AP Micro Irrigation Project (₹ 345 crore).

In addition, budgetary assistance has been provided in the form of grants-in-aid for various socio-economic services which is in the nature of subsidies. Scheme wise details of these grants-in-aid provided during 2013-14 are given in **Table 1.15**.

**Table 1.15: Department/Organization-wise subsidies given as grants-in-aid**

(₹ in crore)			
Sector	Department	Name of the Scheme	Amount
General Services	Revenue	Assistance to Municipalities/Corporations as Interest Free Loans ( <i>Vaddileni Runalu</i> )	75
		Supply of Seeds, Fertilizers and Agricultural Implements	1,632
Social Services	Medical and Health	Aarogyasri Health Care Trust	925
		Assistance to NIMS for treatment of BPL families not covered under <i>Aarogyasri</i>	5
	Social Welfare	Acquisition of house sites for weaker sections under INDIRAMMA Programme	35
	Women, Child and Disabled Welfare	<i>Bangaru Talli</i> - Girl child promotion scheme	79
Economic Services	Agriculture	Assistance to Small and Marginal Farmers towards Premium for Crop Insurance Scheme	251
	Transport	Assistance to A.P.S.R.T.C. towards reimbursement of concessions extended to various categories of citizens	200
	Rural Development	Interest Free Loans to DWCRA Women ( <i>Vaddileni Runalu</i> )	650
		Interest free Loans to Farmers ( <i>Vaddileni Runalu</i> ) & Crop Insurance	439
	Industries	Extension of <i>Pavala Vaddi</i> Scheme to all SSI and Food Processing units	26
		Supply of Milch Animals under CMs Package	3
		Supply of Ice Boxes	1
		Crop Loans for Farmers ( <i>Pavala Vaddi</i> )	24
	Energy	Assistance to AP TRANSCO/DISCOMS towards reimbursement under INDIRAMMA Scheme	64
<b>Total</b>			4,409

Source: Finance Accounts 2013-14

### 1.9.3 Financial Assistance to local bodies and other institutions

GoI enacted the 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution to empower the local self governing institutions like the Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) to ensure a more participative governance structure in the country. GoI further

entrusted the implementation of key socio-economic developmental programmes to PRIs and ULBs and devolved funds through successive Finance Commissions. The States, in turn, were required to entrust these local bodies with such powers, functions and responsibilities so as to help them function as institutions of self-government and implement schemes for economic development and social justice including those enumerated in the Eleventh and Twelfth Schedules to the Constitution.

State Government enacted the Andhra Pradesh Panchayat Raj (APPR) Act in 1994 and established a three-tier governance system at Village, Mandal and District levels. The Andhra Pradesh Municipal Corporations Act, 1994 was enacted to set up Municipal Corporations in the State. The Municipalities are governed by the Andhra Pradesh Municipalities Act, 1965.

Eleventh Schedule to 73<sup>rd</sup> Constitutional Amendment Act, 1992 listed 29 subjects for devolution to strengthen the PRIs. During 2007-08, State Government devolved 10<sup>13</sup> functions to PRIs and thereafter no initiative was taken for devolving the remaining functions.

The 74<sup>th</sup> Constitutional Amendment Act, 1992 identified 18 functions for ULBs as incorporated in Twelfth Schedule to the Constitution. Except 'Fire Services', all the functions mentioned in this Schedule were devolved to ULBs in the State.

### 1.9.3.1 Financial Assistance to Local bodies

The quantum of financial assistance provided by the State Government to local bodies and other institutions by way of grants and loans during the current year, relative to the previous four years, is given below.

**Table 1.16: Financial assistance to Local Bodies, etc.**

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	1,994	2,876	7,178	7,169	7,863
Municipal Corporations and Municipalities	3,142	3,671	3,361	3,468	2,256
Zilla Parishads and other PR Institutions	1,867	1,745	3,023	2,677	3,862
Development Agencies	7,481	8,363	11,341	12,262	6,484
Hospitals and Other Charitable Institutions	1,393	1,721	1,192	1,195	1,385
Autonomous Bodies	--	--	1,473	2,180	2,160
Co-operative Institutions	--	--	52	117	82
Other Institutions <sup>14</sup>	3,965	4,538	5,390	5,752	6,465
<b>Total</b>	<b>19,842</b>	<b>22,914</b>	<b>33,010</b>	<b>34,820</b>	<b>30,557</b>
<b>Assistance as percentage of RE</b>	<b>31.27</b>	<b>29.18</b>	<b>36.50</b>	<b>33.90</b>	<b>27.68</b>

Source: Finance Accounts

<sup>13</sup>(i) Agriculture and Agricultural extension (ii) Animal Husbandry, Dairy and Poultry (iii) Fisheries (iv) Rural Development (v) Drinking Water and Sanitation (vi) Primary, Secondary and Adult Education (vii) Health, Sanitation, Primary Health Centres, Dispensaries and Family Welfare (viii) Social Welfare (ix) Backward Classes Welfare (x) Women and Child Development

<sup>14</sup>Other institutions include institutions that received ad-hoc or one time grants during the year

Financial assistance, including grants and loans, extended to local bodies and other institutions in 2013-14 decreased by ₹ 4,263 crore, which is 12.24 *per cent* decrease over the previous year and constituted 27.68 *per cent* of revenue expenditure. The major schemes/recipients of grants during the year were *INDIRAMMA* pensions (₹ 1,780 crore), interest free loans to *DWCRA* women (₹ 650 crore), Supply of seeds, fertilizers and agricultural implements (₹ 1,632 crore), Rajiv Vidya Mission (₹ 773 crore), *NRHM* (₹ 226 crore) and Weaker sections housing programme under *INDIRAMMA* (₹ 158 crore) etc.

## 1.10 Quality of Expenditure

### 1.10.1 Adequacy of public expenditure

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) can be said to be attached to a particular sector, if the ratios falls way below the respective national averages. **Table 1.17** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2013-14.

**Table 1.17: Fiscal Priority of the State in 2010-11 and 2013-14**

(In *per cent*)

Fiscal Priority by the State	AE/GSDP	DE <sup>#</sup> /AE	SSE/ AE	CE/AE	Education/ AE	Health/ AE
General Category States Average (Ratio) 2010-11	15.78	65.09	36.88	13.49	17.48	4.37
Andhra Pradesh's Average (Ratio) 2010-11	16.38	70.87	38.15	11.96	13.54	4.60
General Category States Average (Ratio) 2013-14	15.92	66.45	37.56	13.62	17.20	4.51
Andhra Pradesh's Average (Ratio) 2013-14	15.13	70.70	37.90	11.81	14.47	4.65

AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure. # Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed.

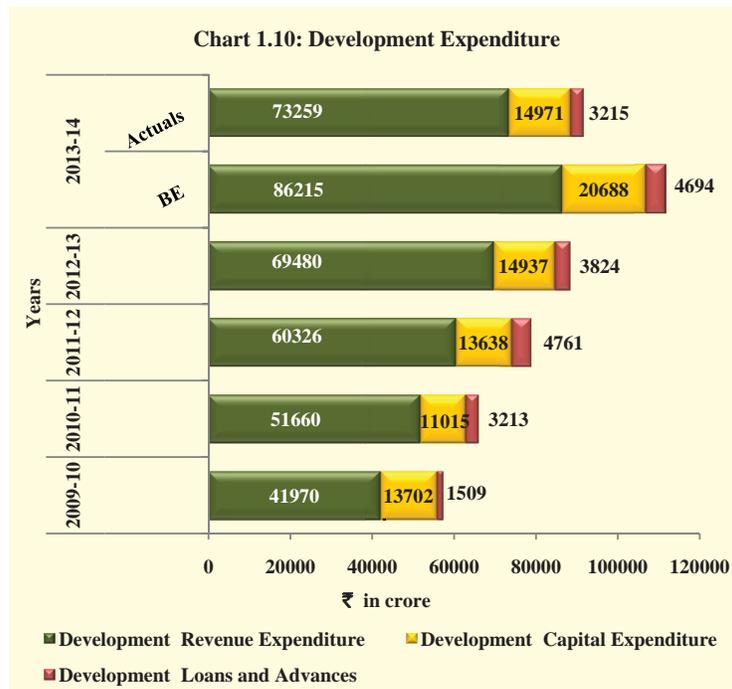
Source: Finance Accounts

A comparison of the data related to Andhra Pradesh with that of the General Category States (GCS) revealed the following:

- Development expenditure as a proportion of aggregate expenditure has been higher in the State compared to the GCS average both during 2010-11 and 2013-14.
- Expenditure on Social Sector as a proportion of aggregate expenditure was higher than the GCS average during 2010-11 and 2013-14. The share of expenditure on education as a proportion of aggregate expenditure was lower than the GCS averages in both the years, though it improved in 2013-14. The level of expenditure on health was, however, comparable in both the years.
- The share of capital expenditure was lower than the GCS average in both the years.

### 1.10.2 Efficiency of expenditure use

In view of the emphasis on public expenditure on socio-economic developmental works in successive Plans, it is important that the State Government takes appropriate expenditure rationalization measures and focus on provisioning of core public and merit goods<sup>15</sup>. Apart from improving the allocation towards development expenditure<sup>16</sup>, the efficiency of expenditure use is also reflected in the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Chart 1.10** presents the trends in development expenditure.



Source: Finance Accounts

During the current year, the developmental capital expenditure increased by ₹ 34 crore (0.23 per cent), while development loans and advances decreased by ₹ 609 crore (15.93 per cent) over the previous year. Although there is an increase in developmental capital expenditure, there was a decrease in core functions like Irrigation and Flood Control (₹ 1,065 crore) and Education, Sports, Art and Culture (₹ 51 crore).

During 2013-14, the share of social services and economic services constituted 38 and 33 per cent of total expenditure respectively.

**Table 1.18** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services.

<sup>15</sup> See glossary

<sup>16</sup> See glossary

**Table 1.18: Efficiency of expenditure use in selected social and economic services**

(In per cent)

Social/Economic Infrastructure	2012-13			2013-14		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S&W	O&M		S&W	O&M
<b>Social Services (SS)</b>						
General Education	1.67	80.49	0.10	1.21	81.15	0.06
Health and Family Welfare	1.51	56.88	0.60	2.73	54.97	0.30
Water supply, Sanitation, Housing & Urban Development	6.69	26.31	0.53	8.53	36.20	0.61
<b>Total (SS)</b>	<b>2.51</b>	<b>45.26</b>	<b>0.26</b>	<b>2.97</b>	<b>46.68</b>	<b>0.20</b>
<b>Economic Services (ES)</b>						
Agriculture & Allied Activities	0.26	33.63	2.04	0.66	68.41	2.48
Irrigation and Flood Control	54.54	4.07	9.73	52.42	6.88	10.53
Power & Energy	1.43	0.37	0.08	0.63	0.50	0.06
Transport	49.50	1.53	64.90	58.22	6.65	56.53
<b>Total (ES)</b>	<b>33.22</b>	<b>12.25</b>	<b>9.82</b>	<b>32.45</b>	<b>13.72</b>	<b>8.75</b>
<b>Total (SS+ES)</b>	<b>17.69</b>	<b>32.02</b>	<b>4.10</b>	<b>16.97</b>	<b>33.95</b>	<b>3.50</b>
TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operation & Maintenance of respective sector.						

Source: Finance Accounts

The ratio of CE/TE on Economic Services decreased by 0.77 per cent over the previous year, while there was a marginal increase under Social Services, indicating that capital expenditure has been given less priority in the developmental plan of the State. The percentage of capital expenditure in Social Sector under General Education, Health and Family Welfare, Water supply and Sanitation constituted 2.97 per cent of the total expenditure in the sector. Funds earmarked for specific social sector activities were not always released on time/ not released at all, thereby negating the objective of allocating these funds as discussed in **Chapter-2**. Operation and Maintenance expenditure in these sectors decreased to 0.60 per cent over the previous year.

## 1.11 Financial analysis of Government expenditure and investments

In the post-Fiscal Responsibility Legislation (FRL) framework, the State is expected to keep its fiscal deficit under control. In addition, the State Government is expected to initiate measures to ensure adequate returns on its investments and higher recovery of its loans and advances. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

### 1.11.1 Financial Results of Irrigation Projects

The State Government has not disclosed<sup>17</sup> financial results of any of its irrigation projects since 1986-87, despite the State having some of the largest irrigation projects in the country.

*Government replied (November 2014) that the project wise information on Capital outlay, expenditure incurred and receipts would be collected from the Irrigation Department.*

<sup>17</sup>Appendix-IX of Finance Accounts 2013-14

### 1.11.2 Incomplete Projects

Blocking of funds on incomplete projects/works impinge negatively on the quality of expenditure. As per the information provided by the Government, none of the 1,037 projects/works which were due for completion by 31 March 2014 has been completed as on that date. The total amount of funds expended on these projects/works as of 31 March 2014 was ₹ 82,665 crore (previous year ₹ 71,595 crore). Further, of the 1,037 incomplete projects/works, the original cost of 173 projects/works was revised upwards by ₹ 70,453 crore. Non-completion of these projects/works within the stipulated period not only resulted in increase in cost, but also deprived the State of the intended benefits for prolonged periods.

The department-wise position of incomplete projects, each costing above ₹ one crore and due for completion are detailed in **Table 1.19**. The details of major and medium irrigation projects pending completion are given in *Appendix 1.8*.

**Table 1.19: Department-wise profile of incomplete projects/works**

(₹ in crore)					
Nature of works	No. of incomplete Projects	Original cost	Revised total cost of projects	Cost over run (No. of works/projects)	Cumulative Expenditure as on 31-03-2014
<b>Irrigation and Command Area Development Department</b>					
Jalayagnam Projects	69	1,10,330	1,79,329	68,999(38)	72,236
Minor Irrigation and APSIDC <sup>18</sup>	123	967	1,265	299(60)	534
<b>Roads and Bridges Department</b>					
Roads and Bridges	13	432	518	86(4)	226
<b>Others</b>					
APMSIDC <sup>19</sup>	117	381	476	96(11)	245
APEWIDC <sup>20</sup>	341	455	459	3(7)	233
APSHCL <sup>21</sup>	58	264	271	8 (13)	202
HMWS & SB <sup>22</sup>	4	5,709	5,721	12(01)	3,561
PH&MED <sup>23</sup>	27	1,049	1,351	302(11)	519
APUFIDC (JNNURM) <sup>24</sup>	91	6,703	7,344	641(22)	4,641
Others <sup>25</sup>	194	506	513	7(6)	269
<b>Total</b>	<b>1,037</b>	<b>1,26,795</b>	<b>1,97,248</b>	<b>70,453(173)</b>	<b>82,665</b>

Source: Departmental information

<sup>18</sup> Andhra Pradesh State Irrigation Development Corporation

<sup>19</sup> Andhra Pradesh Medical Services Infrastructure Development Corporation

<sup>20</sup> Andhra Pradesh Education and Welfare Infrastructure Development Corporation

<sup>21</sup> Andhra Pradesh State Housing Corporation Limited

<sup>22</sup> Hyderabad Metropolitan Water Supply and Sewerage Board

<sup>23</sup> Public Health and Municipal Engineering Department

<sup>24</sup> Andhra Pradesh Urban Finance & Infrastructure Development Corporation, Jawaharlal Nehru National Urban Renewal Mission

<sup>25</sup> (i) Andhra Pradesh Police Housing Corporation Limited, (ii) Tribal Welfare Engineering Department, (iii) Hyderabad Metropolitan Development Authority & (iv) Greater Hyderabad Municipal Corporation

### 1.11.3 Investment and return

As of 31 March 2014, the State Government invested ₹ 6,385 crore in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives. The status of return on the amount invested in these corporations/companies is given in **Table 1.20**.

**Table 1.20: Return on investment**

Investment/Return/Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year (₹ in crore)	6,003	6,046	6,093	6,210	6,385
Return (₹ in crore)	23	39	52	64	60
Return ( <i>per cent</i> )	0.38	0.65	0.85	1.03	0.94
Average rate of interest on Government borrowing ( <i>per cent</i> )	7.86	7.60	7.40	7.30	7.20
Difference between interest rate and return ( <i>per cent</i> )	7.48	6.95	6.55	6.27	6.26

Source: Finance Accounts

Government earned a meager return of ₹ 60 crore in 2013-14 on its investment of ₹ 6,385 crore in various corporations/companies. Although, there was increase of ₹ 175 crore in investments during the year, the return on investments compared to previous year was less. The average rate of return on investment was a negligible 0.77 *per cent* during 2009-14.

*Government replied (November 2014) that the investments made in a majority of the Corporations are on no profit and no loss basis. These corporations are acting on behalf of the Government to execute the works and hence the returns on investment were negligible. Government further informed that many of these Corporations are non operational at present, although accountancy issues remain.*

### 1.11.4 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the State Government has also been providing loans and advances to institutions/organizations like Universities/Academic Institutions, PRIs, ULBs and Urban Development Authorities etc. **Table 1.21** presents the details of outstanding loans and advances during the last five years.

**Table 1.21: Average interest received on loans advanced by State Government**

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actual
Opening Balance	16,421	17,868	21,011	25,829	NA	29,316
Amount advanced during the year	1,590	3,315	4,983	3,913	4,694	3,689
Amount repaid during the year	143	172	165	426	463	575
Closing Balance	17,868	21,011	25,829	29,316	NA	32,430
<i>Of which, outstanding balance for which terms and conditions have been settled</i>	NA	NA	NA	NA	NA	NA
Net addition	1,447	3,142	4,818	3,487	4,231	3,114
Interest Receipts	32	60	95	131	NA	158
Interest receipts as percentage of outstanding loans and advances	0.18	0.29	0.37	0.45	NA	0.49

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actual
Interest payments as percentage to outstanding fiscal liabilities of the State Government.	7.44	7.17	7.02	6.90	NA	6.80
Difference between interest receipts and interest payments ( <i>per cent</i> )	(-)7.26	(-)6.88	6.65	(-)6.45	NA	6.31

Source: Finance Accounts; NA: Not applicable

It can be seen that the current level of recovery of loans is low with the gap between disbursement (₹ 3,689 crore) and recovery (₹ 575 crore) showing only a slight improvement over the previous year.

State Housing Corporation (₹ 813 crore), Statutory Corporations/Government Companies (₹ 1,085 crore) urban development authorities (₹ 794 crore) and Government servants (₹ 474 crore) were the major recipients of loans during the current year. At the end of 2013-14 recovery of ₹ 19,826 crore (₹ 14,402 crore (Principal) and ₹ 5,424 crore (Interest)) was due from A.P. State Housing Corporation, HMDA (Outer Ring Road), Hyderabad Metro Water Supply and Sewerage Board etc. and was outstanding for more than two years. Despite constant pursuance, Government departments have not furnished the complete details relating to investments and outstanding loans in their records as of 31 March 2014<sup>26</sup>. State Government is yet to obtain confirmation with regard to balances of loans advanced, from various departments/organizations to the tune of ₹ 23,211 crore. The earliest loan for which confirmation of balances was awaited relates to 1984-85. Housing (₹ 13,328 crore) and Urban Development (₹ 4,926 crore) are the major departments yet to convey acceptance of balances as of 31 March 2014.

### 1.11.5 Cash balances and investment of Cash balances

During the current year, State Government invested ₹ 4,567 crore in GoI Treasury Bills as against ₹ 3,486 crore in the previous year. **Table 1.22** depicts the cash balances and investments made by the State Government out of these during the year.

**Table 1.22: Cash balances and their investment**

	(₹ in crore)	
	Opening balance on 1/4/2013	Closing balance on 31/3/2014
<b>(a) General Cash Balance</b>		
Cash in Treasuries	---	---
Deposits with Reserve Bank	-565.60	-97.30
Deposits with other Banks	1.34	1.34
Remittances in transit - Local	4.97	4.97
<b>Total</b>	-559.29	-90.99
Investments held in Cash Balance investment account	4,567.43	7,048.85
<b>Total (a)</b>	4,008.14	6,957.86

<sup>26</sup> Consequently, the data used in this paragraph was compiled from the limited information available

<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental officers viz., Public Works Department Officers, Forest Department Officers, District Collectors	0.91	0.91
Permanent advances for contingent expenditure with departmental officers	1.42	1.42
Investment of earmarked funds	5,151.04	6,322.88
<b>Total (b)</b>	<b>5,153.37</b>	<b>6,325.21</b>
<b>Grand total (a)+ (b)</b>	<b>9,161.51</b>	<b>13,283.07</b>

Source: Finance Accounts 2013-14

The rate of interest earned on investments from cash balances and investments from earmarked balances worked out to 3.23 per cent and 6.93 per cent respectively during the year 2013-14, against the average market borrowing rate of 7.20 per cent.

State Government maintained the minimum daily cash balance of ₹ 3.32 crore with RBI during the year without the need to take recourse to Ways and Means Advances or overdrafts. Cash balance of the State increased by ₹ 4,122 crore (45 per cent) at the end of 2013-14 over the previous year.

### 1.11.6 Reserve Funds

Reserve Funds are created for specific and defined purposes and are funded by contributions/grants from the Consolidated Fund of India/State. Out of the gross accumulated balance of ₹ 9,010 crore lying in these Funds as on 31 March 2014, the State Government invested ₹ 6,322.88 crore (70 per cent). The total net accumulated balance as at the end of 31 March 2014 in these funds was ₹ 2,687.44 crore (₹ 2,428.84 crore in 28 active funds and ₹ 258.60 crore in 24 inoperative funds). The balances under inoperative funds are lying since 2001-02.

*Government replied (November 2014) that action has been taken for closure of inoperative reserve funds during May 2014.*

### 1.11.7 Consolidated Sinking Fund

On the recommendations of the Twelfth Finance Commission, the State Government revised the guidelines pertaining to the existing Sinking Fund (created in 1999-2000 for amortization of open market loans) with effect from January 2010. Under these revised guidelines, the State Government is required to make annual contributions to the Fund at 0.5 per cent of the outstanding liabilities at the end of the previous financial year. In terms of guidelines of the Reserve Bank of India (RBI), which administers the Fund, outstanding liabilities are defined as Internal Debt and Public Account liabilities of the State Government. As on 31 March 2013, the outstanding liabilities of the Government of Andhra Pradesh were ₹ 1,69,083.70 crore. Against the requirement of ₹ 845.42 crore, the State Government contributed ₹ 778.92 crore to the Fund, resulting in understatement of Revenue expenditure and overstatement of Revenue Surplus by ₹ 66.50 crore and understatement of Fiscal deficit to this extent.

*Government replied (November 2014) that contributions to Sinking Fund would be made at 0.5 per cent of Internal debt, Small savings and Provident funds. Government's reply is not acceptable in view of RBI guidelines which state that 0.5 per cent of outstanding liabilities at the end of the previous financial year is to be contributed towards the Consolidated Sinking Fund and "Internal debt and public account liabilities" constitute the Outstanding liabilities of the Government.*

## 1.12 Assets and Liabilities

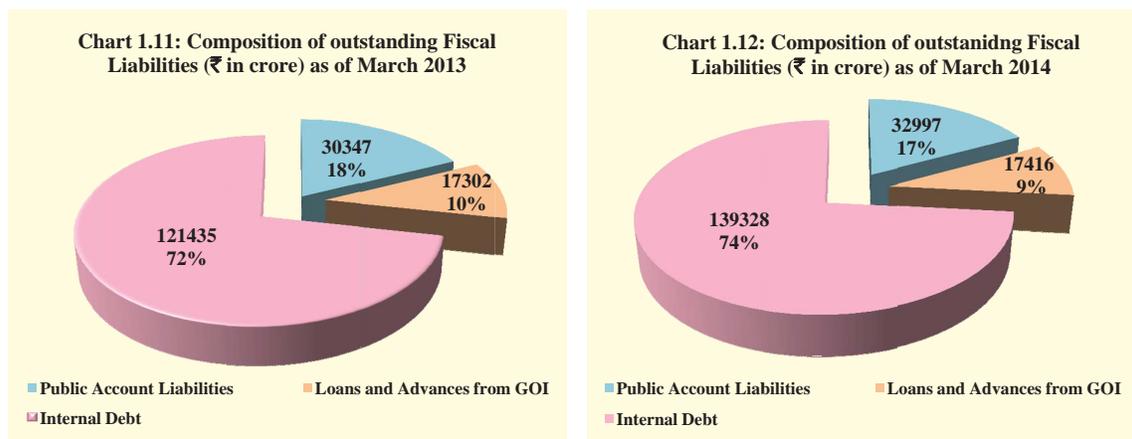
### 1.12.1 Growth and composition of assets and liabilities

Government accounts reflect the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix 1.9* gives an abstract of such liabilities and the assets as on 31 March 2014, compared with the corresponding position as on 31 March 2013. While liabilities consist mainly of internal borrowings, loans and advances from GoI, balances in the Public Account, assets comprise mainly capital outlay and loans and advances given by the State Government and cash balances.

The total liabilities of the State as defined under the FRBM Act of the State means the “liabilities under the Consolidated Fund of the State and the Public Account of the State and shall also include borrowings by the public sector undertakings and the special purpose vehicles and other equivalent instruments including guarantees where the principal and/or interest are to be serviced out of the State budgets”.

### 1.12.2 Fiscal liabilities

The trends in outstanding fiscal liabilities of the State are presented in *Appendix 1.6*. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.11 and 1.12**.



Source: Finance Accounts 2012-13

Source: Finance Accounts 2013-14

The total fiscal liabilities of the State at the end of 2013-14 (₹ 1,89,741 crore) increased by ₹ 20,657 crore (12 *per cent*) over the previous year (₹ 1,69,084 crore) and stood at 1.71 times of revenue receipts.

Total fiscal liabilities as defined in FRBM Act worked out to ₹ 1,89,741 crore and stood at 22.20 *per cent* of GSDP at the end of current year. The 13<sup>th</sup> FC has recommended that by the end of 2014-15, fiscal liabilities should be brought down to 25 *per cent* of GSDP. In line with the FRBM Act, the State Government established a Sinking Fund for reduction or avoidance of debt and a Guarantee Redemption Fund, and has been contributing to these funds at the rates prescribed by the RBI except in respect of Sinking Fund for the current year (refer to para 1.11.7).

### 1.12.3 Status of guarantees-contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. State Government in its FRBM Act, committed to limit the amount of annual incremental guarantees to 90 *per cent* of the total revenue receipts in the year preceding the current year, and constituted (2002-03) Guarantee Redemption Fund for discharging the guarantees invoked, if any. During the current year, ₹ 77 crore was contributed to the Fund and the entire balance (₹ 849 crore) as on 31 March 2014 was invested in Government securities.

As per Statement No.9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years are given in **Table 1.23**.

**Table 1.23: Guarantees given by the Government of Andhra Pradesh**

(₹ in crore)

Guarantees	2009-10	2010-11	2011-12	2012-13	2013-14
Maximum amount guaranteed	20,324	29,554	23,543	38,084	55,536
Outstanding amount of guarantees	13,135	12,290	12,286	14,857	31,153
Percentage of maximum amount guaranteed to total revenue receipts	31.42	36.49	25.17	36.68	50.16

Source: Finance Accounts

The maximum amount guaranteed during the year (₹ 55,536 crore) is below 90 *per cent* of the total revenue receipts (₹ 1,03,830 crore) of the preceding year as prescribed by the FRBM Act. The increase in the maximum amount guaranteed at the end of 2013-14 by ₹ 17,452 crore over the previous year was mainly in respect of Power (₹ 13,908 crore), Municipalities/ Local Bodies/ Universities (₹ 978 crore), Roads & Transport (₹ 705 crore), Cooperatives (₹ 598 crore), State Financial Corporation (₹ 208 crore), Agriculture (₹ 134 crore), Urban Development & Housing (₹ 113 crore) and other institutions (₹ 200 crore).

During the year, Government received nine crore rupees on account of guarantee commission (three crore rupees from Cooperatives and six crore rupees from State Financial Corporation) against the budget estimate of ₹ 8.82 crore.

### 1.12.4 Off-Budget Borrowings

The borrowings of a State are governed by Article 293 of the Constitution of India. In addition to the liabilities shown in **Appendix 1.9**, the State Government guarantees loans availed by Government Companies/Corporations. These Companies/Corporations borrow funds from the market/financial institutions for implementation of various State plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the Company or Corporation's budget, in reality, the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government and hence, constitute off-budget borrowings.

Out of the off-budget borrowings of ₹ 7,216 crore (APPFC: ₹ 5,929 crore, APTRANSCO: ₹ 1,287 crore) raised by various Government Companies/ Corporations through adjustment bonds and other sources during the period 2001-2013, State Government repaid ₹ 53.50 crore towards principal (APPFC: ₹ 34 crore, APTRANSCO: ₹ 19.50 crore) and ₹ 617.62 crore

(APPFC: ₹ 552.36 crore, APTRANSCO: ₹65.29 crore) towards interest. As of 31 March 2014 the total outstanding off-budget borrowings of the State was ₹ 7,162 crore (APPFC: ₹ 5,895 crore, APTRANSCO: ₹ 1,267 crore). The total liabilities of the State comprising fiscal liabilities (₹ 1,89,741 crore), off-budget borrowings (₹ 7,162 crore) and outstanding guarantees including interest at the end of March 2014 (₹31,153 crore) were ₹ 2,28,056 crore, which, as a ratio of GSDP, stood at 26.67 *per cent* i.e. less than the ceiling of 28.20 *per cent* prescribed by the FRBM Act for the year 2013-14.

*Government replied (November 2014) that the amounts shown under off budget borrowings in respect of APTRANSCO and APPFC pertain to yester years and no off budget borrowings have been allowed by the State Government during 2013-14.*

### 1.13 Debt sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability<sup>27</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization<sup>28</sup>, sufficiency of non-debt receipts<sup>29</sup>, net availability of borrowed funds<sup>30</sup>, burden of interest payments (measured by ratio of interest payments to revenue receipts) and maturity profile of State Government securities. **Table 1.24** analyses the debt sustainability of the State according to these indicators during the five-year period 2009-14.

**Table 1.24: Debt sustainability: Indicators and trends**

Indicators of Debt Sustainability	2009-10	2010-11	2011-12	2012-13	2013-14
Debt Stabilisation (Quantum Spread <sup>31</sup> + Primary Deficit) (₹ in crore)	12,800	18,101	22,375	16,887	16,723
Debt-GSDP ratio	0.25	0.24	0.22	0.23	0.22
Sufficiency of Non-debt Receipts (Resource Gap) (₹ in crore)	(-) 1,603	(+) 2,207	(-) 3,598	(-)2,107	(-)542
Net Availability of Borrowed Funds (₹ in crore)	5,523	2,769	3,348	5,162	6,168
Net Availability of Borrowed Funds as <i>percentage</i> to borrowings	24.95	12.67	14.67	19.20	21.29
Debt Redemption (Principal + Interest)/Total Debt Receipts	0.850	0.915	0.853	0.808	0.787
Burden of Interest Payments (IP/RR Ratio)	0.14	0.12	0.11	0.11	0.12

Source: Finance Accounts

The quantum spread together with primary deficit has been positive for the last five years, resulting in decline in Debt/GSDP ratio from 25 *per cent* in 2009-10 to 22 *per cent* in 2013-14. These trends point to debt stabilization. However, the resource gap has been negative in four out of the five year period indicating that the incremental non-debt receipts were not sufficient to meet the incremental primary expenditure and the additional interest

<sup>27</sup> See glossary

<sup>28</sup> See glossary

<sup>29</sup> See glossary

<sup>30</sup> See glossary

<sup>31</sup> See glossary

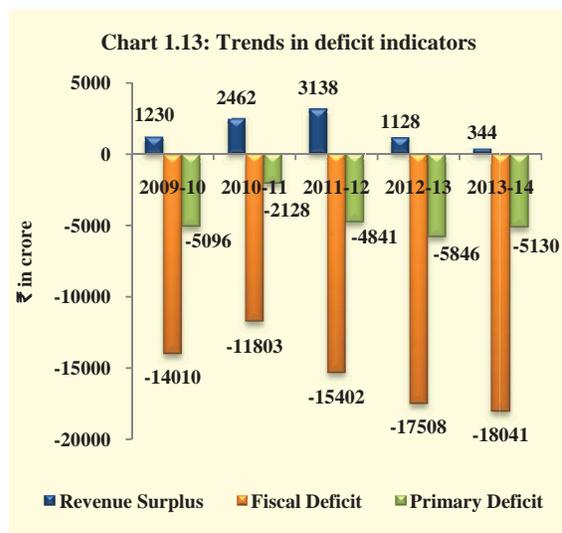
burden. Thus, the State needs to step up its resource mobilization besides pruning the unproductive expenditure to maintain debt stability. The net availability of borrowed funds was positive and increasing during the last five years, indicating the availability of borrowed funds for purposes other than debt repayment.

## 1.14 Fiscal Imbalances

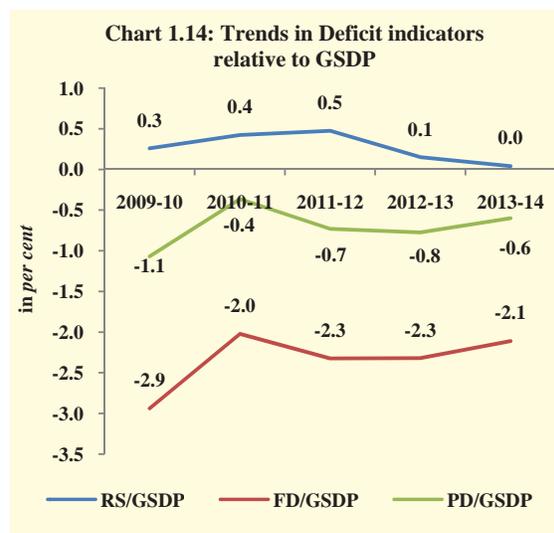
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. Deficit in Government accounts represents the gap between its receipts and expenditure and the nature of deficit is an indicator of the prudence of the Government in fiscal management. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also assesses the actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2013-14.

### 1.14.1 Trends in deficits

Charts 1.13 and 1.14 present the trends in deficit indicators over the five year period 2009-14.



Source: Finance Accounts



Source: Finance Accounts

There was revenue surplus for the eighth consecutive year during 2013-14. At ₹ 344 crore, revenue surplus decreased by ₹ 784 crore over the previous year (₹ 1,128 crore). Fiscal deficit increased to ₹ 18,041 crore in 2013-14 (2.11 per cent of GSDP) from ₹ 17,508 crore (2.35 per cent of GSDP) in 2012-13. Primary deficit decreased to ₹ 5,130 crore from ₹ 5,846 crore in 2012-13.

### 1.14.2 Components of fiscal deficit and its financing pattern

The decomposition and financing of fiscal deficit are shown in Table 1.25.

**Table 1.25: Components of fiscal deficit and their financing pattern**

(₹ in crore)

Sl.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14		
						Receipts	Disbursements	Net
<b>A</b>	<b>Decomposition of Fiscal Deficit (1 to 3)</b>	<b>(-) 14,010</b>	<b>(-) 11,803</b>	<b>(-) 15,401</b>	<b>(-)17,508</b>	<b>1,11,303</b>	<b>1,29,344</b>	<b>-18,041</b>
	1. Revenue Surplus	1,230	2,462	3,138	1,128	1,10,719	1,10,375	344
	2. Capital Outlay	(-) 13,793	(-) 11,123	(-) 13,722	(-)15,149	9	15,280	-15,271
	3. Net Loans and Advances	(-) 1,447	(-) 3,142	(-) 4,818	(-)3,487	575	3,689	-3,114
<b>B</b>	<b>Financing Pattern of Fiscal Deficit</b>							
	<b>Net Borrowings from Consolidated Fund</b>	<b>13,476</b>	<b>10,841</b>	<b>12,689</b>	<b>15,635</b>	<b>25,292</b>	<b>7,286</b>	<b>18,006</b>
	Market Borrowings*	13,403	10,154	10,918	15,598	23,949	6,057	17,892
	Loans from GoI	73	687	1,771	37	1,342	1,228	114
	Net Public Account	845	700	3,351	910	2,34,752	2,34,247	505
	Small Savings, PF etc.	961	1,603	1,220	1,190	3,673	2,601	1072
	Reserve Funds	(-) 113	945	351	82	3,898	3,519	379
	Deposits and Advances	(-) 1,437	1,703	1,346	1,666	52,993	51,798	1195
	Suspense and Misc.	(-) 1	(-) 2,200	337	(-)1,347	1,56,537	1,58,730	-2193
	Remittances	1,435	(-) 1,351	97	(-)681	17,651	17,599	52
<b>C</b>	<b>Contingency Fund</b>	<b>7</b>	<b>(-) 1</b>	<b>1</b>	<b>(-)2</b>	<b>2</b>	<b>3</b>	<b>(-) 1</b>
<b>D</b>	<b>Accretion to Cash Balance</b>	<b>(-)318</b>	<b>263</b>	<b>(-)640</b>	<b>965</b>	<b>35</b>	<b>504</b>	<b>-469</b>

Source: Finance Accounts. \*Includes borrowings from other institutions

It can be seen that capital outlay mostly accounted for the fiscal deficit (84.65 per cent) while market borrowings financed 99.18 per cent of the fiscal deficit.

The maturity profile of State debt is shown in **Table 1.26**.

**Table 1.26: Maturity Profile of State Debt**

(₹ in crore)

Maturity profile	Amount	Percentage
0 – 1 years	6,352	4.18
1 – 3 years	12,455	8.20
3 – 5 years	24,252	15.98
5 – 7 years	32,902	21.68
7 years and above	75,836	49.96
<b>Total</b>	<b>1,51,797</b>	<b>100.00</b>

Source: Finance Accounts 2013-14

To discharge its expenditure obligations, the Government had to borrow further, since fiscal surplus was not available during any of the last five years. The State Government raised ₹ 85,295 crore from market borrowings and ₹ 9,057 crore from Central loans during the five year period 2009-10 to 2013-14 which could lead to large repayment obligations from the year 2019-20 onwards.

The maturity profile of outstanding stock of public debt as on 31 March 2014 shows that 49.96 per cent of the total outstanding debt is in the maturity bucket of seven years and above. It further indicates that the liability of the State to repay the debt would be ₹ 24,252 crore during 2017-19 and ₹ 32,902 crore during 2019-21, which would put a strain

on the Government budgets during that period. The State may have to borrow further to repay these loans. A well thought out debt repayment strategy would have to be worked out by the Government to obviate additional borrowings, which mature in these critical years.

Interest payments on market loans have shown an increasing trend from 4.73 *per cent* to seven *per cent* of revenue receipts, as can be seen from **Table 1.27** on account of increasing trend of both the quantum of borrowings and the interest rates.

**Table 1.27: Interest payment as a percentage of revenue receipts**

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Interest payment on market loans (₹ in crore)	3,397	4,287	5,219	6,433	7,754
Percentage of revenue receipts	4.73	5.29	5.58	6.20	7.00

Source: Finance Accounts

### 1.14.3 Quality of deficit/surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit<sup>32</sup> and capital outlay (including loans and advances) would indicate the quality of deficit in the State finances. The bifurcation of primary deficit (**Table 1.28**) into primary revenue deficit and capital outlay would indicate the extent to which the deficit has been applied to augment asset creation in the State. As stated earlier, the State did not have any revenue deficit during the last eight years.

**Table 1.28: Primary deficit/surplus – bifurcation of factors**

Year	Primary revenue surplus	Capital Outlay	Loans and Advances	(₹ in crore)	
				Primary deficit(-)/ surplus(+)	Primary revenue surplus/ Capital Outlay (%)
2009-10	10,287	13,793	1,590	(-)5,096	74.58
2010-11	12,310	11,123	3,315	(-)2,128	110.67
2011-12	13,865	13,722	4,983	(-)4,840	101.04
2012-13	13,216	15,149	3,913	(-)5,846	86.65
2013-14	13,830	15,280	3,689	(-)5,130	90.51

Source: Finance Accounts

During the period 2009-14, the State generated primary revenue surplus which was applied towards meeting the requirement of capital outlay. As can be seen from **Table 1.28**, the primary revenue surplus met a substantial part of the capital outlay and even left surplus in two of these five years. In other words, the non-debt receipts of the State (₹ 1,11,303 crore during 2013-14) were not only adequate to meet the primary revenue expenditure, but also met whole/significant part of the capital expenditure.

<sup>32</sup> See glossary

## 1.15 Conclusion

*State Government has been achieving the fiscal reform targets every year in post FRBM legislation period. The State registered revenue surplus for the eighth consecutive year during 2013-14 and the fiscal deficit was within the ceiling prescribed in the FRBM Act. Total liabilities were brought down to 26.67 per cent of GSDP against a ceiling of 28.20 per cent prescribed in FRBM Act for the year 2013-14.*

*However, revenue surplus has to be viewed in the light of the fact that the Government is yet to work out its liability on account of its contribution (as also that of the employees) to the Contributory Pension Fund scheme from the inception of the scheme in September 2004. The interest payable on the amounts that have been lying in the Fund without transfer to NSDL/Trustee Bank has also not been estimated and accounted for.*

*Revenue receipts registered a growth of over 6.63 per cent (₹6,889 crore) during the current year over the previous year due to growth in own tax and non-tax revenues, the rate of growth being lower when compared to the previous three years. Revenue expenditure increased by 7.47 per cent (₹7,663 crore) over the previous year due to increase in non-plan expenditure.*

*While capital expenditure (₹15,280 crore) increased by only 0.86 per cent over the previous year, its ratio to total expenditure stood at 11.81 per cent. Capital works/ projects in irrigation and road sectors continued to languish and delays in their completion led to cost escalation on these projects. The investment blocked in such incomplete works/projects as of March 2014 was ₹82,665 crore (previous year: ₹71,595 crore).*

*Although the State Government accorded adequate fiscal priority to development expenditure during 2013-14, it did not ensure that the allocated funds were released fully for the intended purposes. State outlay on education (14.47 per cent) in particular, was behind that of the General Category States (17.20 per cent). Further, the share of capital expenditure to aggregate expenditure (11.81 per cent) was also lower in the State, compared to the other General Category States (13.62 per cent).*

*Return on investment in Companies/Statutory Corporations continued to be poor. The current level of recovery of loans is low. Finance Department did not maintain any centralized database of loans with entity wise information. Confirmation of balances on loan amount of ₹23,211 crore was yet to be received from the entities, which were the recipients of Government loans.*

### 2.1 Introduction

Effective financial management ensures that policy decisions are implemented at the administrative level without wastage or diversion of funds and with reasonable assurance about successful implementation of the policy at the ground level. This Chapter reviews the allocative priorities of the State Government and comments on the transparency and effectiveness of its budgetary processes.

### 2.2 Budget Preparation Process

The Andhra Pradesh Financial Code (APFC) and the Andhra Pradesh Budget Manual (APBM) lay down the procedure to be followed with regard to all matters concerning finance and budget. Budget preparation in the State is guided by a budget calendar. The exercise for preparation of budget estimates starts around October for the next financial year. Audit of various departments, however, revealed that there was no central expenditure control mechanism in terms of submission of monthly statements of expenditure to the Finance Department to ensure that there are no deviations and surprises at the end of the year.

A bottom-up approach was prescribed for budget preparation in the APBM with the requirement of funds projected from the unit level and consolidated at the district and finally the department level. There was, however, no evidence of compliance with this requirement from the departments audited during the year. Audit of several schemes/transactions of Government departments revealed that financial inputs were not correlated with the corresponding physical outputs or outcomes either at the unit/district or department level and inadequate rigour was exercised in analyzing and assessing the actual requirement of funds. While Government instituted the outcome budget mechanism during the last few years, the departments do not report the extent of achievement of projected outputs with the targets fixed for a year, while submitting budget proposals for the succeeding year.

### 2.3 Financial accountability and budget management

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation Accounts thus facilitate understanding of utilisation of funds and monitoring of budgetary provisions and are, therefore, supplementary to Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the laws, relevant rules, regulations and instructions.

## 2.4 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2013-14 against 40 grants/appropriations is given below in **Table 2.1**.

**Table 2.1: Summarised positions of actual expenditure vis-à-vis Budget provision**

(₹ in crore)						
	Nature of expenditure	Original	Supplementary	Total	Actual Expenditure	Saving(-)/ Excess(+)
<b>Voted</b>	<b>I Revenue</b>	1,12,464.24	9,553.06	1,22,017.30	98,822.14	(-)23,195.16
	<b>II Capital</b>	21,544.12	912.77	22,456.89	15,580.31	(-)6,876.58
	<b>III Loans and Advances</b>	4,694.10	862.05	5,556.15	3,689.20	(-)1,866.95
<b>Total Voted</b>		<b>1,38,702.46</b>	<b>11,327.88</b>	<b>1,50,030.34</b>	<b>1,18,091.65</b>	<b>(-)31,938.69</b>
<b>Charged</b>	<b>IV Revenue</b>	14,669.40	74.96	14,744.36	13,148.06	(-)1,596.30
	<b>V Capital</b>	149.52	33.66	183.18	86.80	(-)96.38
	<b>VI Public Debt-Repayment</b>	8,626.68	---	8,626.68	7,285.44	(-)1,341.24
<b>Total Charged</b>		<b>23,445.60</b>	<b>108.62</b>	<b>23,554.22</b>	<b>20,520.30</b>	<b>(-)3,033.92</b>
<b>Grand Total</b>		<b>1,62,148.06</b>	<b>11,436.50</b>	<b>1,73,584.56</b>	<b>1,38,611.95</b>	<b>(-)34,972.61</b>

Source: Appropriation Accounts 2013-14;

**Note:** i) During the year, supporting documents/vouchers were not available for an expenditure of ₹ 3,392 crore. Authenticity of this expenditure cannot therefore be vouched. ii) Actual expenditure is understated to the extent of un-recouped contingency fund advances amounting to ₹ 3.45 crore. iii) In the absence of Detailed Contingent bills in support of ₹ 500 crore drawn on Abstract Contingent bills during 2013-14, the genuineness of the expenditure cannot be vouched to that extent.

The overall savings of ₹ 34,973 crore (21 per cent of budget provision) was the result of saving of ₹ 35,503 crore in 38 grants and 12 appropriations under revenue section, 28 grants and four appropriations under capital section and 13 grants and one appropriation (Public Debt) under loans section, offset by an excess of ₹ 530 crore in two grants<sup>1</sup> and one appropriation<sup>2</sup> under revenue section, and two grants<sup>3</sup> under capital section.

In view of the actual expenditure (₹ 1,38,611.95 crore) falling short of even the original budget provision (₹ 1,62,148.06 crore), the entire supplementary provision proved unnecessary. This points to unrealistic budgetary assumptions.

### 2.4.1 Appropriation vis-à-vis allocative priorities

There were deviations from budget allocation with regard to expenditure of the State during 2013-14 raising questions about the soundness of the budgeting process, budget monitoring process and the reliability of management information system.

<sup>1</sup>X-Home Administration (₹ 466.85 crore) and XI-Roads, Buildings and Ports (₹ 62.43 crore)

<sup>2</sup>XVI-Medical and Health (₹ 0.08 crore)

<sup>3</sup>XVII-Municipal Administration and Urban Development (₹ 0.31 crore) and XXIX-Forest, Science, Technology and Environment (₹ 0.44 crore)

During the financial year 2013-14, appropriation audit revealed that, in 32 grants, saving (₹ 22,280 crore) exceeded ₹ 100 crore and above and also by more than 20 per cent of total provision in each case, constituting 63 per cent of total saving (₹ 35,503 crore) (**Appendix 2.1**).

Of these, saving of ₹ 18,337 crore (53 per cent of total saving) occurred in 14 cases exceeding ₹ 500 crore and more than 20 per cent of the outlay in each case. Among these, saving of ₹ 8,393 crore (24 per cent of total saving) occurred in 4 cases exceeding ₹ 1,500 crore and more than 20 per cent of the total grant in each case as indicated in **Table 2.2** raising questions about the validity of assumptions in budget formulation.

**Table 2.2: Grants with huge saving**

(₹ in crore)					
Sl. No.	Grant No.	Name of the grant	Total Grant	Expenditure	Savings (-)
<b>Revenue Voted</b>					
1	XVII	Municipal Administration and Urban Development	4,822	1,934	2,888
2	XXVII	Agriculture	4,553	2,736	1,817
3	XXXI	Panchayat Raj	6,635	4,498	2,137
<b>Capital Voted</b>					
4	XXXIV	Minor Irrigation	2,922	1,371	1,551

Source: Appropriation Accounts 2013-14

Government attributed savings in the above grants to non-initiation of works due to delay in according administrative approvals, non-filling up of vacancies etc. But, Government being the competent authority both for according administrative approval as well as filling up vacancies at various levels could have synchronized both better.

In addition to the above, though the saving was less than 20 per cent, it was more than ₹ 1,000 crore in three grants and two appropriations as shown below:

**Table 2.3: Saving more than ₹ 1,000 crore**

(₹ in crore)					
Sl. No	Grant No.	Name of the Grant/ Appropriation	Saving	Reasons	
1	IX	Fiscal Administration, Planning, Surveys and Statistics (RV)	1,614	Specific reasons for huge savings were not intimated by Government	
2	IX	Fiscal Administration, Planning, Surveys and Statistics (RC)	1,587		
3	IX	Fiscal Administration, Planning, Surveys and Statistics-Public Debt (LC)	1,341		
4	XII	School Education (RV)	1,972	Non-filling up of vacancies, non-receipt of requisition from unit offices, non-starting of works for want of administrative orders and late receipt of orders for further continuation of contract employees	

Sl. No	Grant No.	Name of the Grant/ Appropriation	Saving	Reasons
5	XXXIII	Major and Medium Irrigation(CV)	1,505	Non-starting of works for want of administrative orders, Slow progress of works, postponement of certain training programmes and non-finalization of land awards

Source: Appropriation Accounts 2013-14; RV: Revenue Voted; RC: Revenue Charged; CV: Capital Voted; LC: Loans Charged

### 2.4.2 Persistent Savings

There were persistent savings of more than 20 per cent of the total grant/appropriation in 10 cases (exceeding ₹ 20 crore each) during the last five years. The details are given below:

**Table 2.4: Grants/appropriations with persistent savings during 2009-14**

(₹ in crore)

Sl. No.	No. and Name of the Grant/Appropriation	Amount of saving				
		2009-10	2010-11	2011-12	2012-13	2013-14
	<b>Revenue – Voted</b>					
1	XVII - Municipal Administration and Urban Development	2,015	1,382	1,554	2,320	2,888
2	XVIII - Housing	374	189	436	239	775
3	XX - Labour and Employment	87	88	140	115	133
4	XXV - Women, Child and Disabled Welfare	647	801	507	490	744
5	XXIX - Forest, Science, Technology and Environment	90	111	107	151	156
6	XXXI - Panchayat Raj	1,006	940	1,200	1,853	2,137
7	XXXIV - Minor Irrigation	270	113	161	186	173
8	XXXVI - Industries and Commerce	582	389	478	313	462
9	XXXVII - Tourism, Art and Culture	38	41	73	53	129
	<b>Capital – Voted</b>					
10	XVI - Medical and Health	32	38	36	64	78
11	XXI - Social Welfare	102	75	114	196	603
12	XXIII - Backward Classes Welfare	21	25	25	98	251
13	XXV - Women, Child and Disabled Welfare	51	68	21	51	166
	<b>Capital – Charged</b>					
14	XXXIII - Major and Medium Irrigation	97	56	43	88	71

Source: Appropriation Accounts 2013-14

State Government attributed persistent savings to slow progress of works, delays in according administrative approvals, late release of funds, non-filling up of posts, non-finalisation of contracts etc. Considering that Government is the competent authority to address all the above issues, there is no reason why savings are occurring in the above grants year after year.

*Government replied (November 2014) that to avoid delay in execution of programmes/schemes and to accelerate certain flagship programmes/CSS Schemes, Green channel was introduced and funds are released immediately after sanction of GoI share, along with State*

matching share. However, late/non release of funds in respect of even Green Channel Schemes have been noticed during test check in Audit as discussed in para 2.5 Major Policy Initiatives.

*It is apparent that the Government has not been able to ensure that in sectors such as housing, irrigation, medical & health and welfare clearances and sanctions are accorded in time so that the envisaged benefits could accrue to the targeted beneficiaries.*

### 2.4.3 Excess expenditure

Excess expenditure over budget provision increased from ₹ 276 crore in 2012-13 to ₹ 530 crore during 2013-14. The excess occurred in four grants<sup>4</sup> and one appropriation<sup>5</sup> during the year and requires regularization under Article 205 of the Constitution. Expenditure exceeded budget by ₹ 20 crore or more each in two cases, as shown below.

**Table 2.5: Excess expenditure**

(₹ in crore)

Grant No.	Name of the Grant	Total Grant	Expenditure	Reasons for excess expenditure
X	Home Administration (RV)	5,023	5,490	Clearance of pending bills, filling up vacancies, procurement of hardware and software to establish Counter Intelligence cell
XI	Roads, Buildings and Ports (RV)	1,755	1,817	Specific reasons for excess expenditure were not intimated by Government
	<b>Total</b>	<b>6,778</b>	<b>7,307</b>	

Source: Appropriation Accounts 2013-14, RV: Revenue Voted

Government informed (November 2014) that instructions are being issued for regularization of the excess expenditure incurred.

### 2.4.4 Expenditure without Provision/by way of Re-appropriation

As per paragraph 17.3.1 and 17.6.1(c) of APBM, expenditure should not ordinarily be incurred on a scheme/service without provision of funds. However, ₹ 383 crore was incurred in six cases (₹ 10 crore and above in each case) without budget provision during the year 2013-14 as detailed in **Table 2.6**. In all these cases budget provision (either original or supplementary) was not made and expenditure was met from the funds obtained by way of re-appropriation. Also, in four instances (Sl.Nos.1, 2, 5 & 6) expenditure was incurred even without resorting to re-appropriation, which violated the sanctity of budgeting process and legislative control.

<sup>4</sup> X – Home Administration (RV) ₹ 466,85,36,962; XI – Roads, Buildings and Ports (RV) ₹ 62,42,98,016; XVII – Municipal Administration and Urban Development (CV) ₹ 31,11,927; and XXIX – Forest, Science, Technology and Environment (CV) ₹ 43,97,846

<sup>5</sup> XVI – Medical and Health (RC) ₹ 8,47,349

**Table 2.6: Expenditure without provision during 2013-14**

(₹ in crore)				
Sl. No	No. and Name of the Grant	Head of Account	Re-appropriation	Expenditure
1	IX Fiscal Administration, Planning, Surveys and Statistics	2049-03-117-(04) Interest on Defined Contribution Pension Schemes	0.00	83.98
2	XI Roads, Buildings and Ports	3054-04-797-(04) Subvention from Central Road Fund	0.00	229.92
3	XVI Medical and Health	4210-03-105-(22) Extension and Renovation of facilities in Medical Colleges	36.67	25.05
4	XVII Municipal Administration and Urban Development	6217-60-800-(04) Loans to Municipalities for conduct of elections	17.00	17.00
5	XXV Women, Child and Disabled Welfare	2235-00-796-(05) Integrated Child Development Services	0.00	11.89
6	XXXIV Minor Irrigation	4702-00-101-(05) Tank System Improvement under APCBTMP	0.00	14.84
		<b>Total</b>	<b>53.67</b>	<b>382.68</b>

Source: Appropriation Accounts 2013-14

Taking note of the observation, Government assured (November 2014) that action would be taken to prevent recurrence of such instances.

#### **2.4.5 Excess expenditure over provision relating to previous years not- regularised**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit has been prescribed under the Article, regularization of excess expenditure is to be done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure over the allocation amounting to ₹ 3,151 crore pertaining to the years 2004-13 was yet to be regularized as of July 2014, as detailed in **Appendix 2.2**, due to non-furnishing of Explanatory Notes by the concerned Administrative departments/Finance department.

Government informed (November 2014) that instructions are being issued to all the departments to furnish their explanatory notes regarding excess expenditure incurred by them, so as to regularize it.

#### **2.4.6 Unnecessary/Inadequate/Excessive supplementary provision**

Supplementary provision aggregating ₹ 6,204 crore obtained in 37 cases (₹ one crore or more in each case) during the year proved unnecessary as the actual expenditure (₹ 73,261 crore) did not come up to the level of original provision (₹ 90,797 crore) as detailed in **Appendix-2.3(a)**. This indicates that the CCOs could not realistically assess/estimate the actual requirement of funds for the remaining period of the financial year due to poor monitoring of expenditure through the monthly expenditure control mechanism.

Similarly, supplementary provision aggregating ₹ 4,993 crore proved excessive by ₹ 1,601 crore over the total required provision of ₹ 3,392 crore in 10 cases under 10 grants (one crore or

more in each case) as detailed in **Appendix-2.3(b)**. In two cases, supplementary provision of ₹ 141 crore proved insufficient by more than one crore rupees each leaving an aggregated uncovered excess expenditure of ₹ 529 crore as detailed in **Appendix.2.3(c)**.

Significant cases of un-necessary/excessive supplementary provision in various departments are given below.

**Table 2.7: Unnecessary/Excessive Supplementary Grants**

(₹ in crore)						
Sl. No.	Grant No.	Name of the Grant	Original Provision	Actual Expenditure	Saving (-)/ Excess(+)	Supplementary Provision
<b>Unnecessary Supplementary Provision</b>						
1	XI	Roads, Buildings and Ports (CV)	3,841.20	3,212.27	-628.93	486.88
2	XII	School Education (RV)	16,611.43	14,965.72	-1,645.71	326.20
3	XVIII	Housing (RV)	925.48	604.01	-321.47	453.74
4	XXI	Social Welfare (RV)	3,347.13	2,277.73	-1,069.40	323.73
5	XXIII	Backward Classes Welfare (RV)	3,613.73	3,375.78	-237.95	1,077.41
6	XXVII	Agriculture (RV)	4,045.79	2,736.03	-1,309.76	507.70
7	XXXI	Panchayat Raj (RV)	6,116.79	4,498.14	-1,618.65	518.46
8	XXXII	Rural Development (RV)	4,971.29	4,157.06	-814.23	587.31
<b>Excessive Supplementary Provision</b>						
9	V	Revenue, Registration and Relief (RV)	2,526.52	4,456.35	1,929.83	2,677.13
10	IX	Fiscal Administration, Planning Surveys and Statistics (LV)	137.86	474.43	336.57	395.58
11	XVIII	Housing (LV)	1,400.50	1,479.01	78.51	430.00
12	XXXV	Energy (RV)	6,609.48	7,334.65	725.17	988.55

Source: Appropriation Accounts 2013-14; RV: Revenue Voted, CV: Capital Voted, LV: Loans Voted

### 2.4.7 Unnecessary re-appropriation of funds

As per para 17.4 of APBM, re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During the year 2013-14 excessive/unnecessary/inadequate re-appropriation of funds occurred in 45 cases which resulted in either non-utilisation of funds or excess over provision by ₹ 10 crore and above in each case as detailed in **Appendix 2.4**.

*Government replied (November 2014) that instructions would be issued to all the departments to ensure that re-appropriations are not proposed where expenditure was uncertain.*

### 2.4.8 Unexplained re-appropriations

Paragraph 17.17.2 of APBM stipulates that reasons for additional expenditure and savings should be explained in the re-appropriation statement and vague expressions such as “based on actual requirement/expenditure”, “savings are anticipated” “observance of economy”,

“original provision proved insufficient or excessive”, “based on progress of actuals” etc., should be avoided. However, a scrutiny of re-appropriation orders issued by the State Government revealed that out of 14,372 items of re-appropriation made, specific reasons were not intimated in respect of 12,005 (84 per cent) items.

*Government replied (November 2014) that instructions would be issued to all the departments duly reiterating the provisions in the Budget manual.*

#### 2.4.9 Substantial surrenders

Funds in excess of ₹ 10 crore and also more than 50 per cent of total provision in each case were surrendered in respect of 277 sub-heads amounting to ₹ 22,132 crore. These surrenders include cent per cent surrenders (₹ 6,312 crore) under 79 sub-heads. Details of cases where the surrendered amount was more than ₹ 100 crore and more than 90 per cent of the provision in each case are given in **Appendix 2.5**. Government could have assessed its requirement more realistically in these cases.

*Government replied (November 2014) that while budget was prepared based on the estimates of revenue and expenditure by the Departments and priorities of the Government, expenditure was regulated based on the realization of revenues from time to time during the financial year.*

*The reply of the Government does not address the concern that budgetary estimates are unrealistic.*

#### 2.4.10 Lumpsum provision

Paragraph 13.12 of the APBM stipulates that lumpsum provision should not as a rule be made in the budget estimates. However, lumpsum provision of ₹ 1,703 crore was made in the budget in violation of this stipulation and the entire provision remained unutilized at the end of the year. The details in this regard are tabulated below.

**Table 2.8: Lumpsum provision**

(₹ in crore)				
Sl. No.	No. and Name of the Grant	Head of Account	Budget Provision	Amount Surrendered
1	IX- Fiscal Administration, Planning, Surveys and Statistics	2052-00-090-75-010 Lumpsum Provision	787.39	787.39
2	XXXIV - Minor Irrigation	4702-00-789-11-75-530 Lumpsum provision for implementing SC Plan	651.00	651.00
3		4702-00-796-11-75-530 Lumpsum provision for implementing ST Plan	265.00	265.00
<b>Total</b>			<b>1,703.39</b>	<b>1,703.39</b>

*Source: Appropriation Accounts 2013-14*

Specific reasons were not intimated for surrendering the entire budget provision in respect of Sl.No.1. Reasons for surrendering the entire provision in respect of Sl. No. 2 & 3 was stated to be due to release of equal amount under other demands.

Government attributed (November 2014) lumpsum provisioning to non-availability of details pertaining to priority schemes while preparing budget estimates and subsequently, where such a requirement did not arise, the amounts were surrendered. The reply is not acceptable as lumpsum provision should not be resorted to routinely and efforts should be made to keep it to the minimum.

#### 2.4.11 Surrender in excess of actual saving

The spending departments, as per the provisions of the APBM (paragraph 17.2.2), are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. Surrender of the provision in anticipation of saving and incurring expenditure subsequently by the controlling officers results in surrender in excess of the overall saving in a grant/appropriation. In 40 cases, the amount surrendered (₹ 50 lakh or more in each case) was in excess of actual saving indicating lack of/inadequate budgetary control and monitoring in these departments. As against the saving of ₹ 23,922 crore, the actual amount surrendered was ₹ 25,511 crore, resulting in excess surrender of ₹ 1,589 crore. Details are given in **Appendix 2.6**.

In three grants, surrender of ₹ 177.25 crore proved injudicious in view of eventual excess under these grants at the close of the financial year as shown below:

**Table 2.9: Cases of injudicious surrenders**

(₹ in crore)					
Sl. No.	Number and Name of the grant/appropriation	Total grant/appropriation	Expenditure	Excess	Amount surrendered
<b>Revenue Voted</b>					
1	X Home Administration	5,023.15	5,490.00	466.85	16.40
2	XI Roads, Buildings and Ports	1,755.01	1,817.44	62.43	160.80
<b>Revenue Charged</b>					
3	XVI Medical and Health	0.14	0.22	0.08	0.05
	<b>Total</b>	<b>6,778.30</b>	<b>7,307.66</b>	<b>529.36</b>	<b>177.25</b>

Source: Appropriation Accounts 2013-14

Government assured (November 2014) that measures would be taken to prevent recurrence of such instances.

#### 2.4.12 Savings not surrendered

At the close of the year 2013-14, there were one grant and six appropriations in which saving of ₹ 38 crore occurred but no part of it had been surrendered by the departments concerned (**Appendix 2.7**). Similarly, out of the saving of ₹ 6,612 crore under 9 grants and two appropriation, saving (Five crore rupees and above in each case) amounting to ₹ 3,099 crore (nine *per cent*) of total saving (₹ 35,503 crore) was not surrendered (**Appendix 2.8**).

Besides, in 69 cases, ₹ 31,809 crore (90 *per cent*) of the total saving of ₹ 35,503 crore was surrendered (in excess of ₹ 10 crore in each case) on the last working day of the financial year (**Appendix 2.9**) indicating poor expenditure management and inadequate financial control.

Government informed (November 2014) that instructions would be issued to all departments to report savings as soon as they occur, without waiting for the end of the financial year.

### 2.4.13 Rush of expenditure

Article 39 of the APFC requires that expenditure should be evenly distributed throughout the year and no attempt should be made to prevent the lapse of an appropriation by any undue rush of expenditure during March. Expenditure<sup>6</sup> during each of the three quarters ending December 2013 was between 17 and 30 per cent of the total expenditure. While the percentage of expenditure in the last quarter was 34 per cent, the expenditure in the month of March 2014 alone constituted 18 per cent, indicating rush of expenditure.

Further, it was noticed that in 25 Major Heads where the last quarter expenditure amounted to more than 40 per cent of their annual expenditure, the expenditure during the month of March alone ranged from 8 to 90 per cent during the year 2013-14. The Major Head wise details of expenditure are detailed in **Appendix 2.10**.

Government replied (November 2014) that increase in expenditure in the last quarter is mainly because of best working season for certain departments like R&B, Irrigation & MGNREGS and releases from GoI at the fag end of the Financial Year.

## 2.5 Major Policy Initiatives

Several major policy initiatives/flagship schemes are announced by the Government each year reflecting its socio-economic priorities. Some of the major policy initiatives/schemes outlined in the budget speech/annual plan for the year 2013-14 were scrutinized in audit on a test check basis to verify their implementation. Significant audit findings in this regard are given below:

### 2.5.1 Indiramma Amrutha Hastham

Indiramma Amrutha Hastham is a Supplementary Nutrition Programme (SNP) aiming to provide one full meal to all pregnant and lactating women at Anganwadi centres (AWCs) at least for 25 days in a month. The programme was being implemented with effect from January 2013 in 27,906 AWCs falling under 102 Integrated Child Development Services (ICDS) projects covering 3.45 lakh beneficiaries. It was extended to another 15,606 AWCs falling under 63 ICDS projects in November 2013 to cover 2.58 lakh beneficiaries. State Government provided ₹ 177.88 crore in the budget for 2013-14, of which, only an amount of ₹ 127.66 crore was released and ₹96.58 crore was expended.

### 2.5.2 Rajiv Vidya Devena

This scheme was launched by GoI in July 2012 for granting pre-metric scholarship for needy Scheduled Castes (SC) and Scheduled Tribes (ST) students of IX and X standard. State Government provided ₹ 115 crore in this regard for SC students during 2013-14, it released only ₹ 28.75 crore and spent ₹ 22.07 crore. Although GoI released (December 2012) ₹ 112.99 crore during 2012-13, the entire amount was retained by the State Government.

<sup>6</sup> Excluding interest payment

Therefore GoI did not release further funds during 2013-14. Similarly out of ₹ 5 crore released by GoI for ST students in February 2013, State Government provided budget only in March 2014 by way of re-appropriation and subsequently withdrew the entire provision.

### **2.5.3 Pavala Vaddi**

To mitigate the financial burden of farmers, State Government has been implementing 'Pavala Vaddi scheme' to provide an interest incentive on crop loans (at three *per cent*) to farmers who repay loans within the due dates. During 2013-14 Government allocated ₹ 60 crore and released ₹ 30 crore out of which only ₹ 24 crore was drawn. However, only ₹ 6.77 crore was utilized and 1.32 lakh farmers (17 *per cent*) were benefitted against the target of 7.63 lakh farmers while the balance ₹ 17.23 crore was parked in the PD account.

### **2.5.4 Raithu Sri (Vaddileni Runaalu)**

This scheme aimed at waiving interest on crop loans up to ₹ 1 lakh repaid by farmers at the beginning of Rabi 2011-12. As against an amount of ₹ 500 crore provided in the budget for 2013-14 in this regard, ₹ 422.83 crore was spent covering 35.23 lakh out of the 40 lakh targeted beneficiaries. An amount of ₹ 61 crore was remitted back to Government in March 2014 while the balance ₹ 16.17 crore was lying in the PD account of Commissioner of Agriculture.

### **2.5.5 Bangaru Talli**

With a view to facilitate socio-economic growth of girl child, 'Bangaru Talli' scheme was launched during 2013-14. The scheme provided for financial incentives to girl children born after 1 May 2013 on attainment of certain milestones in life till the age of 21 years. Government provided ₹ 80.30 crore for this purpose as supplementary provision in the budget during 2013-14. While ₹ 79.19 crore was released to the implementing agencies (SERP: ₹ 64.66 crore for rural beneficiaries and MEPMA: ₹ 14.53 crore for urban beneficiaries) to cover 2,75,674 registered beneficiaries, the two implementing agencies utilised only ₹ 39.51 crore and covered 1,58,059 beneficiaries (58 *per cent*). SERP diverted an amount of ₹ 1.42 crore for administrative expenses which were not authorised and the balance ₹ 41.30 crore was parked (SERP: ₹ 21.20 crore in PD account and ₹ 7.75 crore in Current account and MEPMA: ₹ 12.35 crore in PD account).

### **2.5.6 Midday Meal Programme**

GOI sanctioned construction of 24,754 kitchen cum store rooms in primary and upper primary schools during 2011-12 under Midday Meal programme at a total cost of ₹ 371.31 crore. Although State Government provided ₹ 126.53 crore (Central share ₹ 76.53 crore; State share: ₹ 50 crore) in budget for 2013-14 funds were not released, as ₹ 211.63 crore released in 2012-13 were lying unutilised in the PD accounts of Chief Planning Officers of 22 districts (except Hyderabad).

### **2.5.7 Setting up of Model Schools**

The objective of 'Setting up of Model Schools', is to universalize secondary education (upto class 10) by the end of the 12<sup>th</sup> plan. During 2010-11, it was proposed to construct 370 model schools in Phase-I at an outlay of ₹ 1,394.90 crore in Educationally Backward Blocks of which only 355 models schools were sanctioned. During the year 2013-14, an amount of

₹ 200 crore was provided out of which only an amount of ₹ 28.69 crore was drawn. Out of the total amount of ₹ 941.89 crore released during the period 2011-14, (GoI share: ₹ 775.84 crore, State share ₹ 166.05 crore) expenditure to the extent of ₹ 827.99 crore only was incurred (non-recurring - ₹ 757.18 crore, recurring- ₹ 61.22 crore and MMER<sup>7</sup> – ₹ 9.59 crore) on construction of 326 Model schools, leaving a balance of ₹ 113.90 crore lying unutilized with the Department in SB accounts.

### 2.5.8 Farm Mechanization

The objective of GoI scheme 'Work Plan on Macro Management Scheme for Agriculture is to improve power utility per hectare to bring farm power efficiency (1.75 KW *per* Hectare) during 2013-14. Farm implements like tractor drawn implements, rotavators, power tillers and tractors etc. are supplied to farmers with a subsidy component of 50 *per cent* of the cost (25 *per cent* subsidy from Macro-management and 25 *per cent* from State share). Government provided ₹ 150 crore in the budget 2013-14 for distribution of 1.50 lakh farm implements to the farmers. However, only an amount of ₹ 77.94 crore was utilised (51.96 *per cent*), reportedly due to heavy floods, drought conditions, and release of funds at the fag end of the financial year.

### 2.5.9 Integrated Handloom Development Scheme

Under the Scheme (CSS) financial assistance is provided for handloom clusters (300-500 handlooms). Government provided ₹ 57.41 crore (Central Share: ₹ 49.83 crore; State: ₹ 7.58 crore) in the budget during 2013-14. However, it did not release its own share along with GoI release of ₹ 2.89 crore. Hence there was no progress in implementation of this scheme.

### 2.5.10 Economic Support Schemes to SC/ ST communities

With an annual target to provide economic support to 1,00,000 beneficiaries of SC community for creation of income generating assets, ₹ 296.74 crore was provided in the budget for the year 2013-14, out of which APSCCFC<sup>8</sup> drew ₹ 147.58 crore and transferred ₹ 72.12 crore in the form of subsidy into the Non-operative Zero Accounts of 12,924 identified beneficiaries. Of this amount only ₹ 41.93 crore was utilized and 8,155 beneficiaries were covered. The remaining amount of ₹ 30.19 crore was credited into 4,769 beneficiary accounts. This amount was yet to be utilized as of September 2014. Further, an amount of ₹ 117.82 crore has been lying unutilized with the Corporation (PD account: ₹ 113.94<sup>9</sup> crore, Current account ₹ 3.88<sup>10</sup> crore).

Under Economic Support Schemes in Tribal Welfare Department, against the out lay of ₹ 120 crore for the benefit of 60,000 persons, an amount of ₹ 25 crore towards central share was provided in the budget for 2013-14, but was re-appropriated to other heads subsequently.

<sup>7</sup> Management Monitoring Evaluation and Research

<sup>8</sup> Andhra Pradesh Schedule Caste Co-operative Finance Corporation

<sup>9</sup> including ₹ 38.48 crore of 2012-13

<sup>10</sup> ₹ 1.42 crore (2012-13) and ₹ 1.16 crore (2013-14) was not credited to beneficiaries account due to wrong account number, IFSC code and account frozen by the banker ₹ 86.57 lakh (2012-13) refunded amounts through DDs by the Districts, Double releases of Guntur (₹ 18.73 lakh) and Ranga Reddy (₹ 16.75 lakh)

Under Normal State Plan, Government provided ₹ 179.45 crore out of which, an amount of ₹ 135.68 crore (75.61 *per cent*) was re-appropriated and an expenditure of ₹ 43.82 crore (24.42 *per cent*) was booked in accounts. However ₹ 30 crore of this was parked in PD Account of TRICOR as of September 2014.

Under Tribal Area Sub-Plan, State Government provided ₹ 60 crore in the budget 2013-14 towards Central Share. However, although GoI released an amount of ₹ 43.42 crore, this was not released or utilized by the State Government.

#### **2.5.11 Financial Assistance to Handloom & Textiles Promotion**

The objective of this scheme is to setup apparel export parks, textile and handloom parks and to provide sustainable employment to weavers. Government provided ₹ 63.43 crore in the budget during 2013-14 but released only ₹ 32.77 crore (52 *per cent*) which was utilised for payment of power tariff concessions to power loom units for the years 2010 to 2013.

#### **2.5.12 Accelerated Irrigation Benefits Programme (AIBP)**

To provide financial assistance to States to complete some of the incomplete major/minor irrigation projects which are in advanced stage of completion Government provided budget allocation as well as release of ₹480 crore, expenditure of ₹71.42 crore (15 *per cent*) was incurred on the scheme covering 36,469 acres (30 *per cent*) as against the target of 1,21,042 acres.

#### **2.5.13 NABARD Assisted Schemes**

To provide irrigation facilities to upland areas through lift irrigation, and to create and restore minor irrigation tanks to stabilize the intended ayacut, irrigation schemes are taken up under NABARD/RIDF (90 *per cent*) assistance with State Government contributing 10 *per cent*. Government provided ₹ 379.74 crore in the budget 2013-14 but released ₹ 118.09 crore and only an amount of ₹ 97.37 crore (26 *per cent*) was expended on the scheme covering 24,759 acres (70 *per cent*) as against the target of 35,266 acres.

#### **2.5.14 AP Community based Tank Management Project (APCBTMP)**

The project is primarily designed to improve the status of selected tanks in the State to improve agricultural productivity. Government provided ₹ 251.02 crore in the budget for 2013-14 but released ₹ 175.04 crore and expended ₹ 141.85 crore (57 *per cent*) on the scheme. As against the target of 1,078 tanks to be handed over to the Water User Associations, only 396 were handed over (37 *per cent*) and against the target of completing 742 tanks, only 381 were completed (51 *per cent*).

#### **2.5.15 JICA assisted AP Irrigation and livelihood improvement project**

The project was envisaged to be implemented in three stages over a period of nine years (2007-2016), to increase agricultural production in the State by constructing one new minor irrigation tank in water surplus basin at an estimated cost of ₹ 291.34 crore (JICA loan assistance: ₹ 257.79 crore and State Government share: ₹ 33.55 crore). Against the budget provision ₹ 130.10 crore for 2013-14, an expenditure of ₹ 112.01 crore was incurred. Against the target of 1,21,894 acres of land for stabilization, only 38,362 acres of land (31 *per cent*) was stabilized. Frequent dislocation and shortage of staff, political unrest, disruption of work, unpredictable climatic events etc. were stated as constraints in implementation of the scheme.

### 2.5.16 Development of drinking water supply project in Chittoor

In order to ensure drinking water supply to Tirupati, Chittoor and other urban and rural areas of Chittoor district, 'Chittoor district Drinking Water Supply Project' was taken up (December 2012) at an estimated cost of ₹ 5,990 crore (Phase-I) and ₹ 1,400 crore (Phase-II) to benefit 10,917 villages of the area. Infrastructure Corporation of Andhra Pradesh (INCAP) was entrusted with the work of implementation of the project for completion in two years. During 2013-14, an amount of ₹ 250 crore was provided in budget, against which, an amount of ₹ 244.59 crore was released and ₹ 61.78 crore (25 per cent) was expended.

### 2.5.17 Streenidhi

Government envisaged facilitating credit to Self Help Group members through Mandal Mahila Samakhya/Village Officers through "Stree Nidhi Cooperative Federation Limited", to cater to emergent requirements, viz., medical, educational and short term loans for income generating activities. Although Government provided ₹ 204.57 crore (Share capital: ₹ 100 crore: SC/ST sub plan ₹ 104.57 crore) in the budget during 2013-14, no funds were released.

### 2.5.18 Solar Energy programme

Under the Jawaharlal Nehru National Solar Mission (JNNSM), GoI has been encouraging installation of solar PV pump sets to save conventional energy for water pumping in agriculture and horticulture sectors. GoI provides 30 per cent subsidy on the cost of the systems and additional subsidy of 50 per cent of the unit cost is proposed by the State Government to SC/ST/small and marginal farmers. Although an amount of ₹ 30.02 crore was provided in the budget, no funds were released by the Government, resulting in non-implementation of the programme.

### 2.5.19 Construction of buildings for Schools in Tribal welfare Department

Government budgeted for ₹160.06 crore during 2013-14, to provide additional accommodation and amenities for residential schools and junior colleges in tribal areas. However, only ₹ 96.33 crore was released and ₹ 89.32 crore was expended. Against the target of 536 works (estimated cost ₹ 319.50 crore) only 127 works (24 per cent) were completed, 107 works were not started and remaining 302 works are in progress.

### 2.5.20 Providing drinking water in inaccessible Tribal Areas

Government prepared action plan for providing drinking water facilities in inaccessible tribal areas at an estimated cost of ₹ 200 crore in a phased manner for completion within four years from 2011-12. During the year, total 886 works were targeted at an estimated cost of ₹ 57.79 crore. Against the budget provision of ₹ 50 crore, ₹ 20.51 crore was released, out of which only ₹ 12.58 crore was expended. Out of 886 works only 123 works (14 per cent) were completed and 101 works were not grounded and remaining 662 works were in progress.

### 2.5.21 Construction of Roads under NABARD Programme

Government provided ₹ 40 crore in budget for 2013-14 for 83 works relating to laying of BT roads in tribal areas with NABARD assistance as against estimated cost of ₹ 127.50 crore. Out of the total release of ₹ 40 crore, an amount of ₹ 38.57 crore was expended. Only 39 works were completed, 36 works were in progress and 8 works were not started due to non-obtaining of forest clearance etc.

## 2.5.22 National Mission on Food Processing (NMFP)

National Mission on Food Processing (NMFP) was launched in Twelfth plan (2012-17) by Ministry of Food Processing Industries (GoI) with funding from GoI and State in the ratio of 75:25 with an objective to promote facilities for post harvest operations including setting up of food processing industries, to raise the standards of food safety and hygiene in order to meet the norms set up by FSSAI etc. Government provided ₹ 120 crore (CSS: ₹ 20 crore and MSS: ₹ 100 crore) during 2013-14 but released only an amount of ₹ 9.56 crore from the Central Share. The entire State Share of ₹ 100 crore was re-appropriated.

## 2.5.23 SC and ST sub-plan

As per Government instructions<sup>11</sup>, all Government departments should earmark at least a minimum of 16.2 per cent and 6.6 per cent of Plan outlay in the budget exclusively for the development of Scheduled Castes and Scheduled Tribes respectively by designing schemes that would directly benefit the SCs/STs individually or as a community so as to improve the economic and social condition of the targeted groups. Government of Andhra Pradesh has enacted “The Andhra Pradesh Scheduled Castes Sub-Plan and Tribal Sub-Plan Act,2013” (Planning, Allocation and Utilization of Financial Resources) in January, 2013, to ensure accelerated and human development, ensuring security and social dignity and promoting equity among SCs and development of SCs and STs with emphasis on achieving equality in the next 10 years focusing on economic, educational STs, by earmarking a portion, in proportion to the population of SCs and STs in the State, of the total plan outlay.

Budget allocation and expenditure under Special Component Plan (SCP) for SCs and Tribal Area Sub-plan (TSP) during the period 2011-14 were as follows.

**Table 2.10: Budget vis-à-vis expenditure under SCP and TSP**

(₹ in crore)									
Year	Total State Plan Budget	Budget for SCP (original)	% of SCP budget	Total Budget SCP (O+S)	Expenditure	Budget for TSP (original)	% of TSP budget	Total Budget TSP (O+S)	Expenditure
2011-12	47,558	5,854	12	7,005	4,919 (70%)	2,464	5	3,228	2,290 (71%)
2012-13	54,031	6,959	13	7,587	4,801 (63%)	3,254	6	3,557	2,374 (67%)
2013-14	59,422	8,818	15	10,544	4,896 (46%)	3,818	6.5	4,656	1,982 (43%)

Source: Appropriation Accounts, Budget in Brief

Figures in parentheses indicate percentage of funds expended vis-à-vis allocation

During the period 2011-14 State Government’s allocation of Plan budget ranged between 12-15 per cent under SCP and 5-6.5 per cent under TSP respectively, below the mandatory allocation of 16.2 and 6.6 per cent. However, out of the allocation, during the period 2011-14, actual amount of expenditure stagnated around the same level, despite the increased allocations as seen from the fact that savings increased significantly by 171 per cent and 185 per cent under SCP and TSP respectively.

<sup>11</sup> G.O.Ms.No.17 Planning (XVIII) Department, dated 07-11-2005

## 2.6 Review of Selected Grants

During the year 2013-14, three grants viz., Municipal Administration and Urban Development, Panchayat Raj and Medical and Health were selected for detailed audit scrutiny to ascertain compliance with budgeting processes, utilization of funds, expenditure control mechanisms and implementation of schemes within these grants. Audit findings in this regard are discussed below.

### 2.6.1 Municipal Administration and Urban Development Grant

This Grant is administered by the Municipal Administration and Urban Development Department (MAUD).

#### 2.6.1.1 Budget and Expenditure

Total budget allocation for MAUD for the year 2013-14 was ₹ 6,980.09 crore. Details of budgetary provision, actual expenditure and savings in this grant during the years 2011-12 to 2013-14 are as follows:

**Table 2.11: Budget vis-à-vis expenditure**

(₹ in crore)

Section	2011-12			2012-13			2013-14		
	B	E	S/E	B	E	S/E	B	E	S/E
Revenue	42,34.19	26,80.01	(-)15,54.18 (37%)	48,01.83	24,81.79	(-)23,20.04 (48%)	48,22.21	19,34.12	(-)28,88.09 (60%)
Capital	1.03	2.72	(+)1.69	1.37	3.28	(+)1.91	0	0.31	(+)0.31
Loans	16,56.53	14,26.16	(-)2,30.37 (14%)	21,55.00	17,83.00	(-)3,72.00 (17%)	21,57.88	11,03.60	(-) 10, 54.28 (49%)

Source: Appropriation Accounts; B: Budget; E: Expenditure; S/E: Savings(-)/Excess(+)

During the years 2011-14, revenue expenditure registered a consistent decline and during 2013-14 a decline of 28 per cent over 2011-12 was noticed. During this period, unutilised provision/savings under revenue section increased from 37 to 60 per cent and under Loans section from 14 to 49 per cent. Savings under Plan component of revenue expenditure increased from 40 to 73 per cent, while under Loans for implementation of Plan schemes, savings increased from 14 to 50 per cent. During all these years, the entire Supplementary provision proved unnecessary under Revenue Section.

Under Capital section of the grant, expenditure (₹ 6 crore) has consistently been in excess of the provision (₹ 2.40 crore) by more than 200 per cent (2011-12 and 2012-13) and during the year 2013-14, it was incurred without any budget provision.

#### 2.6.1.2 Surrender of Savings

As per the provisions of the APBM (Para 17.2.2) all departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. Savings vis-à-vis surrenders made during the years 2011-14 are detailed below.

**Table 2.12: Surrender of Savings**

Year	Savings		Amount surrendered	
	Revenue	Loans	Revenue	Loans
	2011-12	1,554.19	230.37	1,272.59
2012-13	2,320.04	372.00	2,274.18	417.67
2013-14	2,888.10	1,054.28	2,907.81	1,102.74

Surrenders made were more than the savings under Loans section of the Grant throughout 2011-14 and the same was the case with Revenue section during the year 2013-14. Further, ₹ 4,010.55 crore (57.46 per cent of the total Grant) under Revenue and Loans sections was surrendered on the last working day of the financial year 2013-14. This could have been avoided, as the opportunity cost of withholding funds of this magnitude till the last day of the financial year is huge.

**2.6.1.3 Expenditure incurred without Budget Provision**

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. However, it was noticed that an expenditure of ₹ 23.15 crore was incurred without budget provision as detailed in *Appendix 2.11*.

**2.6.1.4 Surrender of entire Provision**

In respect of certain schemes/programmes/projects especially JNNURM, although funds were provided as per Annual Plan, entire provision under certain heads of accounts of the scheme/programme amounting to ₹ 1,122.58 crore were re-appropriated/surrendered during 2013-14 as detailed in *Appendix 2.12*.

During 2013-14, as against a total provision of ₹ 3,408.58 crore under certain schemes, only ₹ 863.61 crore (25 per cent) was spent, resulting in huge surrenders/savings as detailed in *Appendix 2.13*.

**2.6.1.5 Programme implementation**

Test check of a few schemes revealed the following:

**(A) Andhra Pradesh Municipal Development Project (APMDP)**

The APMDP Project (formerly Andhra Pradesh Urban Reforms and Municipal Services (APURMS)) is being implemented with aid from the World Bank with the objective of improving the capacities of ULBs. The project implementation period is 28 January 2010 to 31 July 2015.

Against a budget outlay of ₹ 962.80 crore during the period 2010-11 to 2013-14, an amount of ₹ 235 crore was released, out of which, ₹ 72.17 crore was spent. An amount of ₹ 48.15 crore was lying in the PD account of Commissioner and Director of Municipal Administration without being released to APMDP, six crore rupees in Fixed Deposit of Municipal Support Unit of APMDP, ₹ 8.67 crore in Savings Account of APMDP and

Andhra Pradesh Urban Infrastructure Financial Development Corporation and ₹ 100 crore in the escrow accounts of ULBs. Out of a total of 113 ULBs, Water Supply Schemes were proposed to be taken up in 13 ULBs in the first phase. However, funds were released only to nine ULBs and work was taken up in six of these.

### **(B) Rajiv Awaas Yojana**

This scheme, financed by GoI, GoAP and ULBs, was taken up to provide affordable housing with basic amenities, community halls, urban health centers, primary schools, etc. to slum dwellers and urban poor.

During the Preparatory phase from 2010-11 to 2012-13, out of the total releases of ₹ 20.59 crore, only ₹ 12.81 crore was spent, leaving a balance of ₹ 7.78 crore, which was kept in a bank account along with ₹ 0.86 crore earned as interest. During the year 2013-14, an amount of ₹ 50 crore was provided in the budget but the entire amount was withdrawn by way of re-appropriation. Non-utilization of funds was attributed by Mission Director, MEPMA to non-release by the State Government.

In the implementation stage beginning 2013, nine projects were proposed at a total project cost of ₹ 256.78 crore and a total of 3,426 slums with 9,08,379 dwelling units were identified. As at the end of June 2014, the Government has neither released its share nor the amount of ₹ 46.36 crore received as GoI share.

Non-achievement of targets was stated by Mission Director, MEPMA to be due to reluctance of the beneficiaries to accept the approved model of the house and land issues resulting in revision of Detailed Project Report and continuation of preparatory activities of pilot phase due to increase of area of certain ULBs due to merger of the surrounding Panchayats.

### **(C) Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)**

Swarna Jayanthi Shahari Rozgar Yojana was launched in December 1997 to provide gainful employment to the urban unemployed or underemployed through provision of self-employment ventures or wage employment. SJSRY is being implemented on fund sharing basis between the central and State Governments in ratio of 75:25.

During the year 2013-14, out of the total allocation of ₹ 46.45 crore (GoI: ₹ 28.19 crore and State: ₹ 18.26 crore), only an amount of ₹ 1.09 crore (GoI: 0.78 crore, State: 0.31 crore) was released to the implementing agency, Mission for Elimination of Poverty in Municipal Areas (MEPMA) in April 2014, resulting in surrender of ₹ 45.36 crore (98 per cent).

Scrutiny of funds with the implementing agency (MEPMA) revealed that central share of ₹ 28.19 crore (₹ 84.58 crore–₹ 56.39 crore) was not released by State Government during the year 2012-13 and its own matching share of ₹ 18.80 crore<sup>12</sup> and ₹ 21.73 crore for the years 2012-13 and 2013-14 respectively was also not released.

### **(D) Jawaharlal Nehru National Urban Renewal Mission (JNNURM)**

This flagship programme was launched by GoI in partnership with the State Government and ULBs for planned development of identified cities with focus on efficiency in urban service

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<sup>12</sup>₹ 28.19 crore–₹ 9.40 crore

delivery mechanism. As part of JNNURM 253 projects costing ₹ 12,553.75 crore were sanctioned to Andhra Pradesh under various sub-components during project period. During 2013-14, an amount of ₹ 1,832.31 crore was re-appropriated as against total provision of ₹ 1,855.01 crore about ₹ 22.69 crore (1.22 per cent) was spent during March 2014. Delayed release of GoI releases by the Government, surrenders ranging from 46 per cent to 99 per cent (detailed in *Appendix 2.14*) have been observed.

Though the mission period is 2005-12, Government of India allowed the States three more years for accessing the balance Additional Central Assistance and to complete projects by March 2015. Due to non release of budget, pending spill over works under Urban Infrastructure and Governance scheme, delay in starting of some Basic Services for Urban Poor projects due to non-availability of land, court litigations etc., there is short fall in achieving the physical targets as detailed below:

**Table 2.13: Targets vis-à-vis achievement**

Sl. No.	Component	Projects/DUs	Target	Completed	Short fall in Achievement
1	UIG	Project	56	30	46.43%
2	BSUP(Houses)	DUs	1,39,854	1,01,739	27.25%
3	UIDSSMT	Project	84	70	16.66%
4	IHSDP(Houses)	DUs	39,914	26,919	32.56%

Unrealistic budgetary allocations, including unnecessary Supplementary provision together with poor programme implementation resulted in resources remaining largely unutilized under the MAUD Grant. Expenditure incurred without provision, excess re-appropriations and drawal of funds in excess of requirement, indicate the need for improved budgetary control.

## 2.6.2 Panchayat Raj Grant

This Grant is administered by the Panchayat Raj Department.

### 2.6.2.1 Devolution of Funds and Functions

Eleventh Schedule to 73<sup>rd</sup> Constitutional Amendment Act, 1992 listed 29 subjects for devolution to strengthen the PRIs. During 2007-08, State Government devolved 10<sup>13</sup> functions to PRIs but subsequently no initiative was taken for devolving the remaining functions. Further, funds relating to devolved functions are being released through the line departments concerned, instead of direct releases to the PRIs.

### 2.6.2.2 Budget and Expenditure

Total budget allocation for Panchayat Raj Grant for the year 2013-14 was ₹ 6,934.97 crore. Details of budgetary provision, expenditure and savings during the three year period 2011-14 are as follows.

<sup>13</sup>(i) Agriculture and Agricultural extension (ii) Animal Husbandry, Dairy and Poultry (iii) Fisheries (iv) Rural Development (v) Drinking water and Sanitation (RWS) (vi) Primary, Secondary and Adult Education (vii) Health, Sanitation, Primary Health Centres, Dispensaries and Family welfare (viii) Social welfare, (ix) Backward classes welfare, (x) Women and Child Development.

**Table 2.14: Budget vis-à-vis expenditure**

(₹ in crore)

Section	2011-12			2012-13			2013-14		
	B	E	S/E	B	E	S/E	B	E	S/E
<b>Revenue</b>	4,100.31	2,900.72	(-)1,199.59 (29.26%)	5,164.74	3,311.40	(-)1,853.34 (35.88%)	6,635.25	4,498.14	(-)2,137.11 (32.20%)
<b>Capital</b>	457.64	155.85	(-)301.79 (65.94%)	242.11	210.83	(-)31.28 (12.91%)	299.72	219.21	(-)80.51 (26.86%)

Source: Appropriation Accounts, B: Budget, E: Expenditure, S/E: Saving(-)/Excess(+)

During the year 2013-14, revenue expenditure showed an increase by 55 per cent and capital expenditure by 41 per cent compared to 2011-12. During 2011-14, per cent of unutilized provision/savings under Revenue section ranged from 29 to 36 per cent and savings under Capital section declined from 66 to 27 per cent.

As the expenditure fell short of even the original provision, supplementary provision of ₹ 532.65 crore proved unnecessary (Revenue section: ₹ 518.46 crore).

The following are a few plan schemes where the supplementary provision proved unnecessary.

**Table 2.15: Unnecessary supplementary provision**

(₹ in crore)

Sl. No	Head of Account	Original Budget Provision	Supplementary provision	Total provision	Expenditure	Surrendered
1.	Upgradation of NREGP works	25.00	310.00	335.00	17.81	317.19
2.	ARWS Programme (Jalamani)	0	6.17	6.17	0	6.17
3.	Protected water supply to Yogi Vemana university at Kadapa	0	0.63	0.63	0	0.63
4.	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	0	19.62	19.62	0	19.62
<b>Total</b>		<b>25.00</b>	<b>336.42</b>	<b>361.42</b>	<b>17.81</b>	<b>343.61</b>

Source: Appropriation Accounts 2013-14

### 2.6.2.3 Surrender of Savings

As per the provisions of the APBM (Para 17.2.2) all departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. Savings vis-à-vis surrenders made during the years 2011-14 are detailed below:

**Table 2.16: Surrenders and savings**

(₹ in crore)

Year	Savings		Amount surrendered	
	Revenue	Capital	Revenue	Capital
<b>2011-12</b>	1,199.59	301.78	1,000.55	198.04
<b>2012-13</b>	1,853.34	31.28	1,789.73	59.97
<b>2013-14</b>	2,137.12	80.51	2,210.09	80.83

It was observed that surrenders were more than the savings under Revenue and Capital sections of the Grant during 2013-14. About 32 *per cent* of the total provision under the Grant was saved and 100 *per cent* of it was surrendered on the last working day of the financial year 2013-14. Further, surrender of ₹ 2,290.92 crore in the month of March 2014 was in excess of the eventual saving of ₹ 2,217.62 crore.

#### **2.6.2.4 Expenditure incurred without Budget Provision**

As per the Budget manual, expenditure should not be incurred on a scheme/service without provision of funds. However, it was observed that during the year 2013-14 expenditure of ₹ 149 crore was incurred without any budget provision as detailed in **Appendix 2.15**.

#### **2.6.2.5 Surrender of entire Provision**

In certain schemes/programmes/projects, though provision of funds was made as per Annual plan, entire provision under certain heads of accounts under the schemes/programmes, amounting to ₹ 137.09 crore was re-appropriated/surrendered during the year as detailed in **Appendix 2.16**.

During 2013-14 saving exceeded one crore rupees and above and also by more than 15 *per cent* of total provision of ₹ 1,158.09 crore in each case under certain schemes and only ₹ 381.52 crore (33 *per cent*) was spent, resulting in surrenders/savings as detailed in **Appendix 2.17**.

#### **2.6.2.6 Programme implementation**

Test check of a few schemes revealed the following:

##### **(A) National Rural Drinking Water Programme**

National Rural Drinking Water Programme is a centrally sponsored scheme with 50 *per cent* matching State share.

As against the matching State share of ₹ 709.72 crore due for the year, only ₹ 100 crore was provided in the budget and the entire amount was re-appropriated in March, 2014. Short release of State matching share under the scheme from the period 2009 to 2014 accumulated to the tune of ₹ 2,268.75 crore. Despite requirement, Government did not allocate the required funds and also surrendered the allocated funds. This resulted in slow progress of works which affected programme coverage.

##### **(B) Rajiv Gandhi Panchayat Sashaktikaran Abhiyan**

This scheme was launched by the GoI in 2013-14 with fund sharing between Central and State Governments in the ratio of 75:25 for strengthening the Panchayat Raj system across the country and to address the critical gaps that constrain it. Activities under the scheme include construction of GP buildings, capacity buildings, institutional structure at State/District and Block level, strengthening of Panchayats, administrative and technical support at GP Level etc., at a planned total outlay of ₹ 203.32 crore.

During the year, an amount of ₹ 76.24 crore was released (December 2013) towards central share, and matching state share of ₹ 25.42 crore was provided in supplementary estimates. Government issued budget release orders for ₹ 101.66 crore (State share ₹ 25.42 crore and

GoI share ₹ 76.24 crore) but an amount of ₹ 17.38 crore was diverted towards SCSP/TSP of GoI share and kept in HDFC bank and the balance of ₹ 58.86 crore retained by the GoAP. Entire matching State share was not spent and surrendered in March 2014.

### **(C) Grants under the 13<sup>th</sup> Finance commission**

Funds were provided by 13<sup>th</sup> Finance Commission to Zilla Parishads, Mandal Parishads, and Gram Panchayats. Also, Special Area Grants are provided for GPs located in the V<sup>th</sup> Schedule areas for maintenance and gap filling works in respect of water supply, roads, buildings, sanitation including solid waste management etc.

An amount of ₹ 1,327.09 crore was provided in the budget for the year 2013-14 towards allocation to the PRIs in this regard. Out of this, only an amount of ₹ 592.62 crore was spent and the balance ₹ 734.48 crore was withdrawn by way of re-appropriation. Similarly, funds provided under the Grant were surrendered during 2011-12 and 2012-13 also. Despite orders by the Department to DTOs for release of funds for adjustment to the PD Accounts of the respective PRIs, it was observed that an amount of ₹ 363.80 crore was not adjusted in the PD Accounts due to freeze orders.

### **(D) Nirmal Bharat Abhiyan**

This was launched during 1999 with matching State share primarily with the objective of improving the quality of life of rural people and also to ensure privacy and dignity of women. An amount of ₹ 145.24 crore was released by GoI during 2013-14 directly to the Bank Account maintained with the Union Bank of India (Project Director, State Water and Sanitation Mission). Though an amount of ₹ 49.22 crore was provided in the Budget estimates towards MSS, only ₹ 24.56 crore was released. Out of which, the department had distributed only an amount of ₹ 12.74 crore to the Districts of Karimnagar and Medak.

Further, as against the target for construction of 6,44,440 IHHLs to the eligible households, only 1,13,195 toilets were completed (18 *per cent*) despite the fact that the department had an accumulated balance of ₹ 211.96 crore at its disposal in the bank.

### **(E) Grants to PRIs**

Per capita Grant is given to a PRI based on its population, to be utilized for development activities as part of its General resources. During the year, an amount of ₹ 88.64 crore was provided towards assistance to PRIs under per capita Grants. Despite, the release ₹ 60.94 crore, an amount of ₹ 56.84 crore (64 *per cent*) was only expended leaving a balance of ₹ 31.80 crore, which was withdrawn by way of re-appropriation. The non-release of these grants adversely affected the limited finances available to these PRIs for taking up developmental activities.

Seigniorage Grant (Non-Plan) relates to the share of the PRIs in respect of Seigniorage fee collections made by the Mines and Geology Department from metal, sand etc. The Seigniorage fee collected during a previous year is initially adjusted in Government Account and apportioned among the Local Bodies in the ratio of 25:50:25 to ZPs/MPPs/GPs. During the year 2012-13, an amount of ₹ 1,076.87 crore was collected towards Seigniorage Fee. Provision was however made only for an amount of ₹ 110 crore in the Budget during the year 2013-14 and only an amount of ₹ 75 crore was released under Seigniorage charges to the PRIs.

Unrealistic budgetary allocations, including unnecessary supplementary grants, resulted in continued savings under the Grant both in Revenue and Capital section even as expenditure was incurred without provision and excess re-appropriations under a few heads, indicating poor budgetary controls. Short release of Grants due to PRIs raise questions about the State's commitment to devolution of funds to PRIs.

### 2.6.3 Medical and Health Grant

This Grant is implemented by Health, Medical and Family Welfare Departments. The allocation of budget to Health, Medical and Family Welfare Department constituted four *per cent* of the total state budget during the last three years 2011-14.

#### 2.6.3.1 Budget and Expenditure

The overall budget provision, actual expenditure and savings under the grant during the last three years 2011-12 to 2013-14 are given below.

**Table 2.17: Budget vis-à-vis expenditure**

(₹ in crore)

Section	2011-12			2012-13			2013-14		
	B	E	S/E	B	E	S/E	B	E	S/E
Revenue	5,323.24	4,828.45	(-)494.79 (9%)	5,856.14	5,126.83	(-)729.31 (12%)	6,422.00	5,502.45	(-)919.55 (14%)
Capital	109.80	74.17	(-)35.63 (32%)	145.53	81.95	(-)63.58 (44%)	239.72	162.02	(-)77.70 (39%)
Loans	253.75	79.60	(-)174.15 (69%)	117.65	104.77	(-)12.88 (11%)	117.65	74.44	(-) 43.21 (37%)

Source: Appropriation Accounts; B: Budget; E: Expenditure; S/E: Savings (-)/Excess (+)

During the years 2011-14, unutilized provision/savings under Revenue section increased from 9 to 14 *per cent*, under Capital section it ranged from 32 to 44 *per cent* and under Loans section, it was between 11 to 69 *per cent*. Persistent savings under Capital Section were mainly due to non-commencement of works for want of administrative orders, slow progress of works and non-finalization of contracts.

#### 2.6.3.2 Surrender of Savings

Unutilized funds of ₹ 1,040.47 crore, amounting to 15 *per cent* of the total Grant (₹ 6,779.37 crore) were surrendered on the last day of the financial year 2013-14. In view of the huge opportunity cost of surrender of funds on the last day of the financial year, this could have been avoided.

Surrenders made were more than the savings under Revenue section of the Grant during the years 2011-12 and 2013-14 by 19 *per cent* and 11 *per cent* respectively. Similarly, under Capital section, surrenders made were more than the savings during the years 2011-12 and 2012-13 by 11 *per cent* and 38 *per cent*. Short surrenders made under loans section were 38 *per cent* and 71 *per cent* during the years 2011-12 and 2013-14 respectively and under Capital section it was 17 *per cent* during the year 2013-14.

### 2.6.3.3 Unnecessary and Excessive Supplementary Grants

During the year, supplementary grants obtained for ₹ 117.17 crore proved unnecessary in the following schemes:

**Table 2.18: Unnecessary supplementary provision**

(₹ in crore)					
Scheme	Original	Supplementary	Re-Appropriation	Net Appropriation	Expenditure
Grant-in-aid to Arogyasri Health Care Trust under MiH 789 SCP	150.00	70.00	(-)70.00	150.00	150.00
Grant-in-aid to Arogyasri Health Care Trust under MiH 796 TSP	35.00	25.00	(-)25.00	35.00	35.00
Rajiv Bala Sanjeevani (Other Charges)	0	12.17	(-)12.17	0	0
Development of NIMS University, Rangapur (Major Works)	10.00	10.00	(-)15.00	5.00	5.00
<b>Total</b>	<b>195.00</b>	<b>117.17</b>	<b>(-)122.27</b>	<b>190.00</b>	<b>190.00</b>

### 2.6.3.4 Re-appropriation/Surrender of Provision

As per norms, State Government has to release its share in respect of CSS by making provision of funds initially in the Budget/Annual Plan. However, State Government subsequently re-appropriated the entire provision totaling ₹ 134 crore (*Appendix 2.18*) or substantially, i.e. 50 per cent and more (*Appendix 2.19*), which indicates poor expenditure management.

### 2.6.3.5 Injudicious re-appropriations

In 167 cases (five crore rupees and above cases detailed in *Appendix 2.20*), out of total provision ₹ 2,765.37 crore an amount of ₹ 353.52 crore was subsequently re-appropriated. As against the net appropriation of ₹ 2,411.85 crore, expenditure to an extent of ₹ 2,501.55 crore was incurred resulting in excess expenditure of ₹ 89.70 crore.

### 2.6.3.6 Expenditure without Provision

As per paragraph 17.3.1 and 17.6.1(c) of APBM expenditure should not be incurred unless there is a provision in the budget for any particular head specifically and a special or general order is issued by the Competent Authority. However, in respect of 15 Heads of account, expenditure was incurred without budget provision amounting to ₹ 9.11 crore under Revenue section (*Appendix 2.21*).

### 2.6.3.7 Programme Implementation

Schemes/programmes/projects, where either the entire allocation or substantial part of the funds were re-appropriated/surrendered under both Revenue and Capital account during 2013-14, indicating poor programme implementation in the Department are illustrated below.

**(A) Construction of Buildings under Director of Medical Education**

During 2013-14, Government allocated ₹ 154.37 crore for construction of Medical Colleges, Teaching Hospitals, Hostels to Sr. Residents, Nursing Colleges and hostels etc. However, either the entire allocation was surrendered or expenditure incurred was not even 50 per cent due to various reasons from 2011-14 (*Appendix 2.22*).

During 2012-14 funds amounting to ₹ 73 crore were directly allotted to Nizam Institute of Medical Science (NIMS) towards Development and Modernization and Mehdi Nawaz Jung (MNJ) Institute of Oncology towards construction of Buildings. However, there were huge savings as detailed in *Appendix 2.22(a)*.

**(B) Schemes affected due to non-release of allocated funds**

**(i) Reduction of Infant Mortality Rate**

Out of ₹ 16 crore allocation, an amount of ₹ 2.31 crore allocated under Tribal Area Sub Plan was not utilized and lapsed to Government, as the Budget Release Order was not issued by the Government.

**(ii) Rajiv Bala Sanjeevani**

An amount of ₹ 12.17 crore provided through supplementary budget was not utilized and lapsed to Government as guidelines for drawal of funds were not clearly mentioned in the Government Orders.

**(iii) National Rural Health Mission**

Out of ₹ 350 crore provided towards State share, ₹ 124.24 crore (35 per cent) was unutilized, due to delay in issuance of administrative sanction by the Government.

**(iv) Sukhibhava**

Out of an amount of ₹ 10 crore allocated, ₹ 4.60 crore lapsed to Government, due to non-issue of Budget Release Order for fourth Quarter.

**(v) Fixed Day Health Services (104 Services)**

Out of ₹ 50 crore allocated, ₹ 12.50 crore lapsed to the Government, due to non-release of Budget Release Order for fourth quarter.

**(vi) Exgratia Assistance in case of fatality/complication due to vasectomy/tubectomy/  
IUD insertions**

Out of ₹ 9 crore allocated towards State share during 2013-14, an amount of ₹ 3.99 crore remained undisbursed and lapsed to Government due to non-release of Budget Release Order for fourth quarter.

**(vii) National Vector Borne Diseases Control Programme**

This is a Centrally Sponsored (CSS) programme covering Malaria, Japanese Encephalitis, Dengue, Filariasis and Chickengunya. Under the National Filariasis Control Programme with funding pattern of 50:50 between GoI and State Government, the State Government provided ₹ 1.45 crore as against its matching requirement of ₹ 30.80 crore. Further, out of

₹ 30.80 crore allocated under CSS, an amount of ₹ 25.30 crore was deposited in PD account of APSMIDC and bills worth ₹ 5.50 crore were returned due to freeze orders by Government/Treasuries. Under National Programme for control of Japanese Encephalitis and National Programme for control of Dengue and chikungunya, out of a total allocation of ₹ 1.05 crore, ₹ 0.79 crore could not be utilized due to freezing of funds.

Due to non-release of budgeted funds, implementation of several important schemes thus suffered in the crucial health sector.

#### **2.6.3.8 Personal Deposit Accounts**

The Andhra Pradesh Medical Services and Infrastructure Development Corporation (APMSIDC) is responsible for procurement and supply of equipment, drugs and construction works in respect of all medical departments. Unspent balances of ₹ 150 crore are found in the PD Account of APMSIDC as of March 2014. Further, an amount of ₹ 25.89 crore, lapsed without being utilized during the last three years due to improper planning which were meant for delivery of Health services.

Unrealistic budgetary allocations resulting in substantial savings, unnecessary Supplementary grants, expenditure incurred without provision, excess re-appropriations resulting in excess over provision point to poor budget management. Drawal of funds in excess of requirement and transfer to PD Accounts indicate poor internal controls. Surrender of Scheme funds are also indicative of poor programme implementation and expenditure monitoring systems, while non-release of budgeted funds on the other hand affected programme implementation in other cases.

## **2.7 Errors in budgeting process**

Over the years errors/lapses in classification of receipts and expenditure in budget and thereby in accounts, were brought to the attention of the State Government for rectificatory action. While Government took corrective action in certain cases, in some areas omissions/errors continued to figure in budget/accounts during 2013-14 also. Major instances in this regard are detailed below.

### **2.7.1 No Provision in Budget Estimates under Subventions from Central Road Fund**

Subvention from Central Road Fund is released to the State by GoI for road development works. These amounts are to be transferred to Major Head 8449-Other Deposits-103-Subvention from Central Road Fund by debit to MH 3054-Roads and Bridges-797-Transfers to Reserve Fund-Deposit Account. Although provision for transfer of grant received is required to be made every year in the budget, this was not done. During the year 2013-14 an amount of ₹ 71.90 crore was met from the fund account.

*Government replied (November 2014) that necessary budget provision has been made in BE 2014-15.*

### **2.7.2 Non-incorporation of correction slips**

The Controller General of Accounts vide their correction slips to List of Major and Minor Heads of Account (No. 382, 383 dated 23 November 2000 and Correction slips No.508,509,510 dated 13 May 2004) have instructed to book the expenditure on 'Maintenance and Repairs' under two distinct sub-heads viz., 'Other Maintenance' and

'Work Charged Establishment' below Minor Head 053 under the Major Heads 2059-Public Works, 2216-Housing, 2700-Major Irrigation, 2701-Medium Irrigation, 2702-Minor Irrigation and 3054-Roads and Bridges.

State Government continued to exhibit these items at Sub-detailed Head level i.e., 272 and 273 below Detailed Head 270-Minor Works instead of at Sub Head level.

*Government assured (November 2014) that the issue will be examined and resolved when such a situation occurs in the future.*

### **2.7.3 Incorrect classification**

Subsidies are being shown under Detailed Head 310-Grants-in-Aid instead of under 330-Subsidies. During the year 2013-14 an amount of ₹ 2,851 crore was provided for under 310-Grants-in-aid instead of under 330-Subsidies in various departments.

*Government replied (November 2014) that the issue will be examined and resolved when such a situation occurs in the future.*

### **2.7.4 Misclassification in budget estimates**

An amount of ₹ 146.08 crore was provided for under Detailed Head "320-Contributions and 310-Grants - in -Aid" on account of compensation to be paid by Government. This should have been provided for under a separate detailed Head "500/501-Compensation" under Major Head 3604- Compensation and Assignments to Local bodies and Panchayat Raj Institutions.

The Detailed head of account 530-Major Works, which is to be operated under Capital section, was classified in Revenue section and ₹ 259.41 crore was provided under Grants XXXIII-Major and Medium Irrigation and XXXIV-Minor Irrigation during 2013-14.

The Detailed head of account 520-Machinery and Equipment, which is to be operated under Capital section, was classified in Revenue section and ₹ 117 crore was provided under 17 grants during 2013-14.

While the detailed head 270-Minor Works is to be operated under Revenue section, the head was classified in Capital section of the Grants and ₹ 425.36 crore was provided for during 2013-14. Similarly while 310-Grants-in-aid is to be operated under Revenue section, it was classified in Capital section of the Grants and ₹ 5.20 crore was provided during the current year.

*Government replied (November 2014) that this would be examined and resolved while formulating the budget.*

### **2.7.5 Assigning new group sub head (GSH) for identification of Central Plan Schemes**

GSH 10 is being used for both Central Plan Schemes and Centrally Sponsored Schemes. Government needs to operate a separate Group Sub Head to ensure easy identification of Central Plan Schemes.

*Government stated (November 2014) that action has been taken to include a new GSH 12-Centrally assisted State Plan schemes in the Budget Estimates 2014-15, as per the Planning Commission's advice.*

### 2.7.6 Operation of un-authorized Sub Major Head/Minor Heads

The Sub Major Head 01 and all the Minor Heads operated there under below MH 2501-Special Programme for Rural Development are no longer in operation and have been deleted in 2003. However the Sub Major Head 01 continues to be operated. Although Government assured in November 2012 that necessary action would be taken to discontinue the operation of these unauthorized Sub Major Head/Minor Head under MH 2501, this Sub Major Head 01 has continued to be in operation for the years 2012-13 and 2013-14 also.

*Government replied (November 2014) that the issue will be examined and resolved.*

### 2.7.7 Opening of new sub-heads

Article 205 of the Constitution of India provides that expenditure on a “New Service” not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorization by the Legislature. The Government has issued orders in May 1990 based on recommendations of Public Accounts Committee, laying down various criteria for determining items of “New Service/New Instrument of Service”.

During 2013-14, State Government opened 82 new Sub-Heads involving an expenditure of ₹ 1,500.68 crore in respect of various schemes under 21 Grants without prior concurrence of Accountant General (A&E). Further, out of this, budgetary support was provided in respect of 69 sub heads for an amount of ₹ 1,773.82 crore, of which an amount of ₹ 1,386.31 crore was spent. In respect of 13 Sub-heads an amount of ₹ 114.37 crore was incurred without any provision. Out of the above new Sub Heads, although eight schemes were operated with a particular Sub Head number in budget estimates during the years 2011-12 and 2012-13, the same schemes were opened under different Sub Head numbers during the year 2013-14.

*Government replied (November 2014) that concurrence of AG (A&E) would be ensured in the future.*

## 2.8 Conclusion

*Evidence of unrealistic budgetary assumptions and weakness in expenditure monitoring and control were noticed during the year. The entire Supplementary provision (₹ 11,436 crore) proved unnecessary as the actual expenditure (₹ 1,38,612 crore) incurred was less than the original budget provision (₹ 1,62,148 crore) and there were savings for the fourth consecutive year which stood at ₹ 34,973 crore (20 per cent) during the year.*

*Several policy initiatives taken up by Government were either unfulfilled or were partially executed, primarily due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction and poor project implementation, apart from non-release of budget. Therefore, savings occurred due to its inability to take timely action to remove the bottlenecks affecting implementation of its policy decisions at the field level.*

*Excess expenditure of ₹ 530 crore was incurred during 2013-14 without Legislative authorization. Regularisation of such expenditure since 2004-05 amounting to ₹ 3,151 crore was yet to be carried out by Government by taking Legislative approval. Lumpsum provision*

*(₹ 1,703 crore) without specific details of expenditure continued to be included in the budget for 2013-14 and the entire provision was surrendered at the end of the year.*

*There were several instances of misclassifications in the budget. Most of these have been flagged in earlier Audit Reports, but Government did not initiate corrective action in this regard, especially classification of subsidies under other heads when there is a specific head to account for these items, operation of omnibus Minor Head 800 etc.*

*Unrealistic budgetary allocations resulting in substantial savings, unnecessary Supplementary grants, expenditure incurred without provision, excess re-appropriations resulting in excess over provision, point to poor budget management. Drawal of funds in excess of requirement and transfer to PD Accounts indicate poor internal controls in the Departments administering Municipal Administration and Urban Development, Panchayat Raj and Medical & Health Grants. Surrender of Scheme funds are also indicative of poor programme implementation and weak expenditure monitoring systems.*

### 3.1 Introduction

Sound internal controls and compliance with rules and procedures contribute significantly to good governance. These also facilitate relevant, reliable and timely financial reporting and thereby assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and appropriate decision making. This Chapter provides an overview of the State Government's compliance with various financial rules, procedures and directives during the current year.

### 3.2 Utilisation Certificates

Utilisation Certificates (UCs) should be furnished by the State Government to the GoI with regard to the funds provided by the latter for implementation of various socio-economic development programmes. State Government rules<sup>1</sup> also provide for submission of UCs by the grantees to the departmental officers where specific grants are provided, and forwarding them to the AG (A&E) after verification.

Non-submission/delay in submission of UCs reflects the lackadaisical attitude in adhering to the prescribed procedures and results in hampering the scheme objectives and gives scope for mis-utilisation/mis-appropriation/diversion of funds.

Eight UCs aggregating ₹ 1.70 crore in respect of grants released by the State Government during 1992-93 to 2012-13 were outstanding as of 31 March 2014. The delay in this regard ranged from one to 21 years, as summarized in *Appendix 3.1*.

Significant irregularities observed during test check of few departments are given below:

- i. An amount of ₹ 50.86 crore was released (1999-2012) towards Pre-Integrated Watershed Management Programme (IWMP) and ₹ 2.09 crore was released (2012-13) towards IWMP to various organizations relating to department of Animal Husbandry in three<sup>2</sup> test checked districts. However, relevant utilization certificates along with vouchers for the above amounts were not obtained by the implementing agencies of IWMP as of May 2014.
- ii. Funds were provided by the Commissioner of Intermediate Education to five<sup>3</sup> Government Vocational Junior Colleges during 2012-13 towards 'up-gradation of vocational laboratories'. UCs for an expenditure of ₹ 70.05 lakh were not furnished to the Commissioner (June 2014).
- iii. Three<sup>4</sup> Government Junior Colleges had not submitted UCs for an amount of ₹ 93.78 lakh out of Scholarship amounts to the Welfare Department.

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<sup>1</sup> Note 1 below Article 211 A (2) of Andhra Pradesh Financial Code

<sup>2</sup> Ananthapur, Chittoor and Rangareddy

<sup>3</sup> Government Vocational Junior College (GVJC) Madakasira, GVJC, Maddilapalem, Visakhapatnam, GVJC, Bazarghat, Nampally, Hyderabad, GVJC, Mahabubnagar and GVJC, Hanumakonda

<sup>4</sup> Government Junior College (GJC), Peddadornala ₹ 1.96 lakh, GJC Yerragondapalem ₹ 1.83 lakh and KVR GJC (G) Kurnool ₹ 89.99 lakh

- iv. For preparatory phase of 'Rajiv Awaas Yojana', a total amount of ₹ 14.82 crore towards central share was released during 2010-13. However, UC was furnished only for ₹ 11.38 crore as of May 2014.
- v. SJSRY scheme is being implemented with GoI and State sharing funds in the ratio of 75:25 respectively. As against the total amount of ₹ 132.67 crore (OB ₹ 39.29 crore + funds released during 2013-14 ₹ 93.38 crore), UCs only for ₹ 52.71 crore were furnished.
- vi. Out of ₹ 64.08 crore released (2004-14) to the Commissioner, Department of AYUSH for implementation of different schemes (establishment of AYUSH hospitals & dispensaries, procurement & supply of essential drugs and drug quality control etc), UCs to the extent of ₹ 42.08 crore were furnished to GoI.

Further, GoI released (February 2007) ₹ 12.60 crore as Grants-in-aid towards re-location of 128 AYUSH units established under NRHM. Out of the funds released an amount of ₹ 7.35 crore was utilized (2010-12) leaving an unspent balance of ₹ 5.25 crore. UC for the expenditure incurred was not submitted.

- vii. An amount of ₹ 84.29 crore was released (2007-08 to 2012-13) by Government of India towards Conservation Cum Development Plan (CCDP). Out of this, ₹ 23.12 crore was released to ITDA by the State Government through the implementing agency TRICOR. Out of which, UCs were submitted by ITDAs for ₹ 14.19 crore. Though ₹ 70.10 crore amount is yet to be utilized, the State Government furnished UCs for ₹ 84.29 crore to Government of India.

*Government stated (November 2014) that the Heads of Departments send the Utilisation Certificates to Government of India directly and it is a self-regulating mechanism which is the obligation of the concerned Department. The reply is not acceptable, as the state is losing out on central funds due to non-submission of Utilisation Certificates on time by the departments. Where UCs are to be furnished by Implementing Agencies to the State Government for specific grants, absence of a monitoring mechanism gives scope for mis-utilisation/mis-appropriation/diversion of funds.*

### **3.3 Submission of accounts/Audit Reports of Autonomous bodies**

Several autonomous bodies have been set up by the State Government in the fields of Medical Education, Urban Development, Tribal Welfare etc. Audit of accounts of 20 such bodies has been entrusted to the CAG of India. The delay in submission of accounts of these bodies for audit ranged from three to 198 months as of August 2014. Details of the periods upto which accounts were due and rendered are given in **Appendix 3.2**.

State Government needs to take appropriate measures to ensure that these accounts are compiled and submitted for audit within a fixed timeframe, so as to ensure that financial irregularities, if any, do not go undetected.

Further, in order to identify the institutions which attract audit under Sections 14 and 15 of the CAG's (DPC) Act, 1971, the Government/Heads of Department are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose of such assistance and the total expenditure of the institutions.

Annual accounts of 385 such assisted bodies/authorities due from 1993-94 to 2013-14 (total number of accounts 2,030) were not submitted to audit as of August 2014. Details of these accounts are given in **Appendix 3.3**.

### 3.4 Un-reconciled expenditure and receipts

To enable the Chief Controlling Officers (CCOs) of Departments to exercise effective control over budget and expenditure, and to ensure accuracy of their accounts, Financial Rules<sup>5</sup> stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the AG (A&E). Despite flagging this issue every year in Audit Reports, this trend continued during 2013-14 also.

As of June 2014 expenditure amounting to ₹ 47,548 crore (36.76 per cent of total expenditure<sup>6</sup>) was not reconciled by 191 CCOs. During the period from 2010-11 to 2013-14, un-reconciled expenditure increased significantly from ₹ 14,789 crore (2010-11) to ₹ 47,548 crore (2013-14). Extent of un-reconciled expenditure with reference to total expenditure also increased from 15.90 per cent (2010-11) to 36.76 per cent (2013-14) (**Appendix 3.4**). High percentage of un-reconciled expenditure results in non-detection of misuse, if any, and indicates lack of effective internal controls.

During 2013-14, out of 191 CCOs, details of 23 CCOs who did not reconcile expenditure of ₹ 500 crore and above are given in **Appendix 3.5**. This number increased from 14 in 2012-13 to 23 in 2013-14. Of these, in respect of two CCOs, the amount of un-reconciled expenditure was ₹ 2,370 crore (HoD Panchayat Raj-Other Rural Development programmes) and ₹ 13,682 crore (HoD-Finance-Contributions and Recoveries towards Pension and Retirement benefits).

Further, every Controlling Officer should obtain regular accounts and returns from subordinates for amounts released by them and paid into the Treasury, compare the figures with the accounts maintained in the office of the AG (A&E) and reconcile any differences as early as possible before the accounts of the year are closed. However, receipts amounting to ₹ 58,205 crore (52.29 per cent of total receipts<sup>7</sup>) under 30 heads were not reconciled by the concerned CCOs during 2013-14. Un-reconciled receipts were consistently above ₹ 50,000 crore during 2010-14. More than 48 per cent of receipts were never reconciled during the last four years. High percentage of un-reconciled receipts leads to non-detection of leakages in revenue.

### 3.5 Personal Deposit Accounts

As per Andhra Pradesh Financial Code (APFC), Personal Deposit (PD) Accounts are created for discharging the liabilities of the Government arising out of special enactment, by debit to the Consolidated Fund. As per Government orders,<sup>8</sup> funds released during a particular financial year shall lapse by 31 March of next financial 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, the PD account

<sup>5</sup> Article 9 of Andhra Pradesh Financial Code

<sup>6</sup> Includes Revenue, Capital and Loans and Advances (₹ 1,29,344 crore)

<sup>7</sup> Includes Revenue, Capital and Loans and Advances (₹ 1,11,303 crore)

<sup>8</sup> G.O.Ms.No.43, Finance and Planning (W&M) Department dated 22 April 2000

administrators are required to reconcile their balances with those of Treasury and Bank and issue Certificate of Acceptance of Balances (CABs) to Treasuries within a fortnight of end of each quarter, failing which, the Treasury Officer may direct the Bank to stop further payments until reconciliation is completed and CAB furnished to Treasury. Also every DDO has to verify the monthly receipt and expenditure figures with reference to records maintained by him and a signed confirmation has to be sent to Treasury with remarks by 20<sup>th</sup> of succeeding month, failing which, the figures reported by Treasury would be deemed to have been accepted by DDO<sup>9</sup>.

Due to non-rendering of administrator-wise PD accounts details to the Office of AG (A&E), the details of expenditure met from the funds transferred to PD Account and transfer of unspent balances back to Government Account could not be verified in Audit. The number of PD accounts in operation as of 31 March 2014 were 72,652<sup>10</sup> and the amount lying in these accounts was ₹ 13,951.38<sup>11</sup> crore as per Government order dated 24 May 2014. Government informed (November 2014) that the Treasury can render administrator-wise details, if required.

Audit has been commenting about huge variation in closing balances of PD accounts with reference to opening balances of current year<sup>12</sup>. However, the variation continued during the current year also. The opening balance of 2013-14 differed from closing balance of 2012-13 by 4,168 PD accounts (increased) and by ₹ 1,855.86 crore (increased).

*Government attributed (November 2014) the variations to problems in the compilation of PD accounts transactions in the IMPACT package that is being used in the Treasury and stated that it would be resolved once they switch over to the alternative software that is currently being tested.*

Audit review of maintenance of PD accounts on a sample basis revealed numerous irregularities as detailed below:

### 3.5.1 Chief Planning Officer, Guntur

- i. Government released<sup>13</sup> ₹ 16.01 crore towards (a) construction of kitchen sheds for Mid Day Meal programme (₹ 13.53 crore) and (b) providing drinking water in rural areas of the district under State Disaster Response Fund (SDF) (₹ 2.48 crore) which remained un-adjusted. Instead, an amount of ₹ 7.71 crore pertaining to Constituency Development Programme (CDP) was released from the PD account for implementing the said schemes<sup>14</sup>. UCs were not obtained from implementing agencies and submitted to fund releasing authority in contravention of Government orders.

<sup>9</sup> G.O.Ms.No.12, Finance, (TFR.II) Department dated 13 January 2014

<sup>10</sup> G.O.Ms No.125 dated 24 May 2014

<sup>11</sup> Govt. Departments-35 accounts for ₹ 1,216.56 crore, 9<sup>th</sup> Schedule PD accounts-42 for ₹ 1,483.06 crore, 10<sup>th</sup> Schedule PD accounts-28 for ₹339.55 crore, District Treasuries PD accounts-72,547 for ₹ 10,912.21 crore

<sup>12</sup> (i) CAG Report on State Finances for the year ended March 2013: Variation of 14,030 PD accounts and ₹ 9,212 crore, (ii) CAG Report on State Finances for the year ended March 2012: Variation of 4,355 PD accounts and ₹ 11,121 crore

<sup>13</sup> June 2012 - ₹ 3,90,55,000; March 2013 - ₹ 9,62,00,000 and January 2014 - ₹ 2,47,96,000

<sup>14</sup> i) construction of kitchen sheds under Mid Day Meal programme (₹ 5.40 crore) and ii) to mitigate drinking water scarcity in rural areas in the district (₹ 2.31 crore)

- ii. Out of ₹ 10.50 crore released from the PD Account pertaining to Constituency Development Programme, only ₹ 2.29 crore was utilized and for the balance ₹ 8.21 crore UC was not furnished to Government (31 March 2014).
- iii. Reconciliation of expenditure figures of DDO with those booked by District Treasury Officer, Guntur was not conducted during 2012-14 for an expenditure of ₹ 10.76 crore. Further, discrepancy of ₹ 6.67 crore as per Treasury (₹ 54.52 crore) and PD account Cash Book (₹ 61.19 crore) was not reconciled and rectified.
- iv. Certificates for Acceptance of Balances confirming the balances (quarterly) were not issued by the Chief Planning Officer to the DTO, Guntur during 2013-14.

### **3.5.2 Chief Planning Officer, Srikakulam**

- i. In violation of Government orders<sup>15</sup>, an amount of ₹ 34.55 lakh pertaining to closed schemes and other programmes (Rachabanda-I - ₹ 4,90,307; Rachabanda-II - ₹ 16,397; Prajapatham - ₹ 11,23,976; Special Development Fund (SDF) - ₹ 5,00,000; Mid Day Meal programme - ₹ 13,24,000) was not lapsed to Government (31 March 2014) by the DTO, Srikakulam despite requests (March & August 2014) by the CPO.
- ii. Contrary to Government orders<sup>16</sup>, the District Collector did not monitor the progress of works on a regular basis and furnish UCs on completion of works to Planning Department in respect of funds released under CDP (₹ 10.07 crore) and SDF (₹ 29.73 crore) programmes respectively (31 March 2014).
- iii. Discrepancy between balances as per the Treasury and PD account balances as per the Administrator's account was not reconciled and rectified.

### **3.5.3 Power Subsidy for Industrial promotion**

As per the Industrial Investment Promotion Policy 2010-15, reimbursement of power charges at ₹ 0.75 per unit is provided to industrial units. Government provided ₹ 135.88 crore in the budget for 2013-14. An amount of ₹ 131 crore was released under general category entrepreneurs and expenditure of ₹ 128.57 crore was incurred leaving a balance of ₹ 2.43 crore which was lying in the PD account of the Commissioner of Industries.

### **3.5.4 Other significant irregularities and procedural lapses**

#### **3.5.4.1 Drawal of self cheques or issue of cheques in the name of the Bank manager**

Government issued orders<sup>17</sup> prohibiting issue of self cheques or cheques in the name of manager of any bank. However, 177 cheques amounting to ₹ 1,276.53 crore were issued as 'self' or in the name of 'Bank Manager' by 62 PD account administrators.

#### **3.5.4.2 Adverse Balances under Deposits Accounts**

Adverse Balances under PD accounts amounting to ₹ 147 crore have been noticed in 3 DTOs and 15 STOs during 2013-14.

<sup>15</sup> G.O.Ms.No.43, Finance and Planning (W&M) Department dated 22-04-2000

<sup>16</sup> G.O.Rt. No.627, Planning (XVIII) Department dated 31-05-2012

<sup>17</sup> G.O.Ms.No.43, Finance & Planning (W&M) Department dated 22-04-2000

### 3.5.4.3 Variations between Ledger and System Balances

There were variations between Ledger and System balances with regard to various PD accounts in 4 DTOs and 5 STOs to the extent of ₹ 102.04 crore.

### 3.5.4.4 Municipal Administration and Urban Development department

**Non-Reconciliation of PD account Cash Book with Treasury Pass Book:** The following are the cash balances outstanding in PD account Cash Book and Pass Book as on 31 March 2014.

**Table 3.1: Reconciliation**

	Amount (in ₹)
As per Cash Book	95,58,27,414
As per Bank Statement	159,32,77,292
As per Treasury Pass Book	117,84,16,693

### 3.5.4.5 Parking of funds in commercial banks

Contrary to G.O.Ms.143 dated 15-7-2008 and G.O.Ms. 140 Finance (BG) department dated 2 June 2005, PD accounts were opened for payment of scholarships and ₹ 12 crore was drawn and credited to Corporate Internet Banking (CINB) Account. The amount however, remained undisbursed to the beneficiaries

Considering the variation among the three sets of figures, there is an urgent need to reconcile these balances and reflect the correct position.

*Government replied (November 2014) that variations between ledger and system figures are due to problems in the IMPACT system and is being attended to. With reference to self-cheques, Government stated that the PD administrators are permitted to draw self cheques towards office/administrative expenses. It was further stated that even in respect of third party payments by way of NEFT or RTGS, the bank requires the administrator to issue a self or pay yourself cheque along with the details of the beneficiary in a soft copy and all such transactions get reflected as drawals by way of self cheque and in the name of Bank manager. Audit is of the view that such a system carries the risk of misappropriation and a better system needs to be devised for the transferring approved funds to beneficiaries.*

## 3.6 Pendency of Detailed Contingent bills

As per Government orders<sup>18</sup>, amount drawn on Abstract Contingent (AC) bills should be adjusted by submitting Detailed Contingent (DC) bills for the expenditure incurred, to the AG (A&E) with supporting vouchers within one month of drawal of such amounts. In any event, a third AC bill is not to be admitted until the first AC bill is settled.

However, despite flagging this issue at regular intervals, DC bills (92,701) were yet to be submitted as of 31 March 2014 for ₹ 1,147 crore drawn on AC bills. The year-wise details in this regard are given below.

<sup>18</sup> G.O.Ms.No.285 Finance (TFR-II) Department dated 15-10-2005, Andhra Pradesh Treasury Code, Rule 16, sub rule 18 (d) and G.O. No.s 391 and 507 of April/May 2002 of Finance Department

**Table 3.2: Amount drawn on Abstract Contingent Bills**

(₹in crore)

Year	AC bills drawn		DC bills Submitted		DC bills pending	
	Number	Amount	Number	Amount	Number	Amount
Upto 2002-03*	82,130	222	...	...	82,130	222
2003-04** to 2007-08	90,293	805	84,181	722	6,112	83
2008-09	7,471	168	6,858	154	613	14
2009-10	4,506	464	4,245	446	261	18
2010-11	3,302	790	2,933	697	369	93
2011-12	2,833	977	2,567	940	266	37
2012-13	2,570	768	1,987	588	583	180
2013-14	4,252	1,354	1,885	854	2,367	500
<b>Total</b>	<b>1,97,357</b>	<b>5,548</b>	<b>1,04,656</b>	<b>4,401</b>	<b>92,701</b>	<b>1,147</b>

Source: Information from office of AG(A&E), RAO, O/o.PAG(G&SSA)

\*Details are not available.

\*\* Data for 2003-04 in respect of PAO, Hyderabad is not available

As of March 2014, Agriculture department with ₹ 399 crore, followed by Revenue department with ₹ 310 crore and Panchayat Raj & Rural Development department with ₹ 84 crore were leading the list in non-submission of DC bills. Further, Health, Medical and Family Welfare department had 5,544 AC bills and Revenue department had 3,101 AC bills against them to be adjusted. The department-wise details of AC bills for which DC bills are pending is given in **Appendix 3.6**.

No details are available in respect of 82,130 AC bills drawn for an amount of ₹ 222 crore up to 2002-03. Non-submission of DC bills for 10 years defeats the very purpose of rules ensuring authenticity of expenditure and prevention of fraudulent drawals. Non-submission of account for drawal of amounts for long periods are a matter of concern as such drawal can be fraudulent.

A test check of the records of five Offices<sup>19</sup> in Srikakulam and Guntur districts revealed the following.

- AC bills (48) amounting to ₹ 35.74 crore were drawn during 2013-14. Of these, 32 DC Bills<sup>20</sup> of ₹ 18.28 crore were submitted to respective Treasuries with a delay ranging from 53 to 306 days. The balance 16 bills<sup>21</sup> amounting to ₹ 17.23 crore are yet to be submitted. Contrary to Government orders, third AC bill was drawn without settling the first AC bill by the DDOs.

<sup>19</sup> AO, O/o The District Collector, Srikakulam (17bills- ₹ 7,43,29,985), O/o DEO, Srikakulam (9 bills- ₹ 1,18,48,700), Jt. Director of Agriculture, Srikakulam (1 bill- ₹ 23,39,55,000), O/o CEO, Zilla Parishad, Guntur (8 bills- ₹ 2,18,55,500) and DEO, Guntur(13 bills- ₹ 1,53,64,220).

<sup>20</sup> AO, SKLM-13(₹ 4,52,60,815), DEO,SKLM-09(₹ 1,17,36,898), CEO, GNT-08(₹ 2,18,55,500), DEO,GNT-02 (₹ 2,06,100), JDA, SKLM-0(₹ 10,37,68,383)

<sup>21</sup> AO, SKLM-4(₹ 2,70,15,000), JDA, SKLM-1(₹ 13,01,86,607), DEO, GNT-11(₹ 1,51,58,120)

- ii. Interest accrued on the balances in bank accounts<sup>22</sup> amounting to ₹ 2,69,191 was not refunded to the fund releasing authorities.
- iii. Due to non-maintenance of separate Cash Book for AC bills drawn, adjustment of AC bills by submission of DC bills and remittance/refund of unspent amount could not be verified (DEO, Guntur).
- iv. An amount of rupees two crore<sup>23</sup> was drawn on AC bill (April 2013) for utilization by RWS&S Department to mitigate drinking water scarcity in rural areas of Srikakulam district. An amount of ₹ 0.84 crore was spent leaving a balance of ₹ 1.16 crore. However, neither was the unspent balance remitted to Government account nor was the DC bill submitted (August 2014).

*Government replied (November 2014) that efforts have been made to reduce pendency of DC bills through constant persuasion with the Drawing Officers and the pendency has been reduced to ₹ 342.26 crore as on October 2014. It was also informed that the Government had ordered stoppage of salaries for the month of November 2014, in respect of the DDOs who failed to submit DC bills.*

### **3.7 Operation of omnibus Minor Head - 800**

Omnibus Minor Head - 800 (other expenditure/other receipts/other deposits) accommodates expenditure/receipts which could not be classified under the available programme Minor Heads. The transactions under this Minor Head during the current year are given below:

Expenditure aggregating ₹ 20,066 crore, constituting 15.97 per cent of the total expenditure was classified under Minor Head 800-Other Expenditure in respect of over 48 Major Heads involving both Revenue and Capital sections. Of these, ₹ 15,911.35 crore pertained to 14 Major Heads which includes 100 per cent expenditure under seven Major Heads<sup>24</sup> and over 95 per cent under two Major Heads<sup>25</sup>.

Revenue receipts aggregating ₹ 2,718.36 crore (2.46 per cent of total Revenue receipts) were classified under Minor Head 800-Other Receipts involving 46 Major Heads which includes 100 per cent receipts under 12 Major Heads<sup>26</sup> and over 96 per cent under three<sup>27</sup> Major heads. Instances where a substantial proportion (50 per cent and above) of receipts and expenditure are classified under Minor Head 800 are listed in **Appendix 3.7 and 3.7 (a)** respectively.

**800-Other Deposits:** An amount of ₹ 1,053.54 crore was lying under the Major Head 8443-Civil Deposits, Minor head 800-Other Deposits under various items of deposits.

The classification of Receipts and Expenditure under Minor Head 800 continued as detailed below despite the assurances of the Government to curtail it.

<sup>22</sup> DEO, SKLM(₹ 1,51,937), CEO, ZP, GNT(₹ 1,17,254)

<sup>23</sup> G.O.Rt. No. 96, Revenue(DM.II) department, dated 21.3.2013

<sup>24</sup> MH 2810, MH 4070, MH 4401, MH 4875, MH 4852, MH 5053 and MH 5054

<sup>25</sup> MH 2801 and MH 2875

<sup>26</sup> MH 0515, MH 1051, MH 1456, MH 0701, MH 0211, MH 0235, MH 0056, MH 1452, MH 0506, MH 0217, MH 0875 and MH 1056

<sup>27</sup> MH 0700, MH 0702 and MH 1054

**Table 3.3: Trends in receipts and expenditure under MiH 800**

(₹in crore)				
Year	Expenditure under Minor Head 800	Percentage of total expenditure	Receipts under Minor Head 800	Percentage of total Receipts
2009-10	10,832	14.00	2,116	3.00
2010-11	11,046	12.00	4,699	6.00
2011-12	14,165	13.60	3,447	3.68
2012-13	18,206	15.45	4,123	3.97
2013-14	20,066	15.97	2,718	2.46

Expenditure classified under Minor head 800 increased from 12 *per cent* in 2010-11 to 15.97 *per cent* in 2013-14. Classification of huge amounts under this omnibus head affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

*Government promised (November 2014) to take necessary action while formulating the Budget for 2015-16.*

### **3.8 Debt, Deposit and Remittance heads**

A review of Debt, Deposit and Remittance (DDR) heads conducted during 2013-14 revealed the following.

#### **3.8.1 Public Debt**

Article 293 of the Constitution of India empowers the State Government to borrow funds within the territory of India, upon the security of the Consolidated Fund of the State within such limits as may vary from time to time, to be fixed by an Act of the State Legislature.

##### **3.8.1.1 Adverse Balances under MH 6003-Internal Debt**

Adverse balances (Minus balances) under Loan heads indicate that repayment was more than the loans availed. Government departments that directly avail of loan have been classifying such loan amounts as their receipts, while in respect of Special Purpose Vehicles and Companies/Corporations, these amounts do not enter Government accounts. In some cases, loan repayments are however, booked as debit under MH-6003-Internal debt in Government accounts which result in adverse balances and understate liabilities of Government and affects financial reporting.

During 2013-14, adverse balances of ₹ 4,244.44 crore and ₹ 13.68 crore appeared under “MH 6003-109-Loans from other Institutions” and “MH 6003-108- Loans from National Co-operative Development Corporation due to accounting for payments without corresponding credits. These balances pertain to AP State Irrigation Development Corporation, AP Road Development Corporation, AP Power Finance Corporation Limited, and AP TRANSCO Bonds etc. State Government initiated action by issuing orders<sup>28</sup> (May 2014) for adjustment of ₹ 4,113.24 crore (AP TRANSCO bonds: ₹ 2,646.32 crore and AP power Finance Corporation Limited: ₹ 1,466.92 crore) under “MH 6003-109-Loans from other Institutions” by obtaining supplementary Grant in 2014-15.

<sup>28</sup> G.O.Ms.No.22, Energy (Power.III) Department dated 21-05-2014

During the year an amount of ₹ 346 crore of discharges were made under public debt towards repayment of loans (APPFC and APTRANSCO).

*Government informed (November 2014) that adverse balances in respect of APTRANSCO & APPFC have been adjusted as per the orders issued in May 2014 and with regard to others, action is being taken for regularizing the adverse balances.*

### **3.8.2 Deposits and Advances**

#### **3.8.2.1 Deposits**

Government receives deposits for various purposes by or on behalf of various public bodies and members of the public, which are accounted for by repayment or otherwise. Government sometimes decides to set aside sums from the revenues of a year or a series of years, to be accumulated as a “fund”. The balance at the credit of such a “fund” is held as a deposit and expended on specified objects.

Deposits are broadly categorized into two categories, the balances outstanding against them as of 31 March 2014 are given below:

- (i) Deposits bearing Interest: ₹ 4,421.86 crore.
- (ii) Deposits not bearing Interest: ₹ 12,370.28 crore.

Some of the irregularities noticed during the current year under this head are given below:

#### **(i) Adverse Ledger Balances under Deposit Accounts**

A deposit account can either be a positive balance or nil balance. Adverse/negative balance indicates that the disbursement is more than the amount deposited. This can be due to misclassification or over-payment in the Pay and Accounts Office/District Treasury Offices. As of 31 March 2014, an adverse/negative balance of ₹ 2,407.08 crore was noticed under Deposits.

*Government replied (November 2014) that the problem pertained to Pay and Accounts Offices and the reason for the same was non-updation of the ledger by the bank and it would not affect the RBD in any way. This reply is not acceptable, as unless all such deposits are scrutinized and reconciliation is carried out the correct picture will not be available.*

#### **(ii) Unclaimed deposits of General Provident Fund (GPF)**

Non-remittance of unclaimed General Provident Fund deposits (₹ 1.27 crore) into Consolidated Fund of the State was commented in the CAGs Audit Report on State Finances (2012-13). However, the amount is yet to be remitted to Consolidated Fund (as of March 2014).

#### **3.8.2.2 Civil Advances**

As per para 10.7.3 of Budget Manual, the Minor Head ‘Civil Advances’ is meant for recording departmental advances, objection book advances, service fund advances, etc. “Civil Advances” embrace Forest & Revenue advances, other departmental advances and other advances. There should be a debit balance under advance heads. During the current year, an outstanding debit balance of ₹ 27.94 crore was reflected in the Accounts.

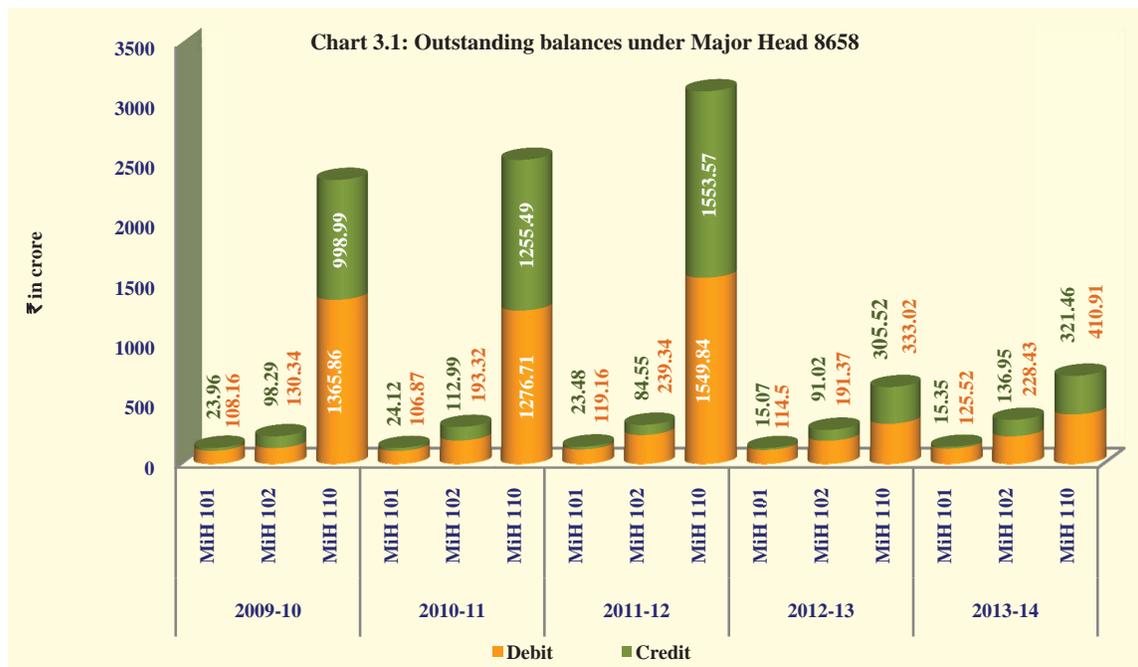
As per the provisions of APFC<sup>29</sup>, the functioning of Government often necessitates placing of funds at the disposal of Government servants as temporary cash advance for public purposes. These are to be adjusted as expenditure under the appropriate heads of account or recovered from the parties concerned.

Civil Advances of ₹ 9.18 crore (as of 31 March 2014) were lying in in-operative heads of account (MH 8550-00-102 – Revenue Advances: ₹ 1.65 crore and MH 8550-00-103-Other Departmental Advances: ₹ 7.53 crore) for over four years.

### 3.9 Outstanding balances under Suspense Account (Major Head 8658)

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final head of account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final head of account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments.

The Suspense balances (Debit/Credit) under Minor heads 101-PAO Suspense, 102-Suspense Account (Civil) and 110-Reserve Bank Suspense-Central Accounts Office under Major head 8658-Suspense Account as per the Finance Accounts for the last five years is presented in Chart given below:



The transactions and the net balances under the above mentioned suspense heads are detailed below:

#### 3.9.1 Pay and Accounts Office – Suspense (MiH 101)

This Minor Head is operated for the settlement of inter-departmental and inter-governmental transactions arising in the books of PAOs under the Union Government, PAOs of the Union

<sup>29</sup> Article 236 of AP Financial Code

Territories and the Accountants General. Transactions under this Minor Head represent either recoveries effected (Credit) or payments made (Debit) by the PAO on behalf of PAO against whom the Minor Head PAO Suspense has been operated. Credit under this head is cleared by 'minus credit' when cheque is issued by the PAO in whose books initial recovery was accounted for. Outstanding credit balance under this head means that payments are received by the PAO on behalf of other PAO, which are yet to be paid. Similarly, Debit is cleared by 'minus debit' on receipt and realization of cheque from the PAO on whose behalf payment was made. Outstanding debit balance under this head means that payments have been made by the PAO on behalf of other PAO, which is yet to be recovered.

The outstanding debit balance (31 March 2014) under this head was ₹ 125.52 crore (increased by ₹ 11.02 crore over previous year) and the credit balance was ₹ 15.35 crore. The outstanding debit balances were mainly in respect of PAO, Central Pensions, New Delhi (₹ 61.55 crore), interests on stock warrants (₹ 18.74 crore), PAO, Shipping and Transport, Bangalore (₹ 8.74 crore) and Regional PAO, Hyderabad (₹ 35.23 crore) and the outstanding credit balances were mainly in respect of PAO, Department of Economic Affairs, New Delhi (₹ 12.65 crore), Pay Roll Saving Scheme (₹ 1.69 crore). The debit balances increased from ₹ 108.16 crore to ₹ 125.52 crore and the credit balances recorded a decrease from ₹ 23.96 crore to ₹ 15.35 crore during 2009-14. The outstanding balances under PAO Suspense need to be adjusted in a time bound manner.

### **3.9.2 Suspense Account - Civil (MiH 102)**

The transactions which cannot be taken to final head of expenditure/receipt accounts for want of certain information/documents (challans, vouchers etc.) are initially booked under this suspense head. Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively. Outstanding credit balance under this head means receipts could not be credited to final receipt head of account for want of details and outstanding debit balance means payment made could not be debited to the final head of expenditure for want of certain particulars.

The outstanding balance as of 31 March 2014 was ₹ 228.43 crore (debit) and ₹ 136.95 crore (credit) which increased by ₹ 37.06 crore (debit) and by ₹ 45.93 crore (credit) over previous year respectively. Major debit balances outstanding were in respect of FA&CAO, South Central Railway (₹ 73.10 crore), Charges Adjusted (₹ 44.76 crore), General Suspense (₹ 30.90 crore) and Remittances in Treasuries in other accounting system (₹ 61.91 crore) and major credit balances outstanding were in respect of Cheques drawn on treasuries in other accounting circles (₹ 71.99 crore), Unclassified suspense (₹ 36.32 crore), Tungabhadra Project Suspense- Remittances (₹ 12.67 crore) and Tungabhadra Project Suspense (₹ 7.18 crore).

### **3.9.3 Reserve Bank Suspense - Central Accounts Office (MiH-110)**

Whenever transfer of huge balances between Central and State Governments take place on account of sanction of loan, grants-in-aid etc., this minor head is operated to record the transactions before taking them to their final Head of Account. In case of sanction of loan to State Government, on receipt of sanction from the PAO of the Ministry concerned, the State Accountant General concerned gives credit to MH 6004 – Loans and Advances from Central Government duly debiting MH 8658 – Suspense Accounts, 110-RBS(CAO) and awaits

adjustment memo from CAS, RBI, Nagpur. After receiving the adjustment memo from CAS, RBI, Nagpur the Suspense Account (Mh 110-RBS (CAO) is cleared by minus debit duly debiting MH 8675-RBD-Mh 106 State concerned. A debit balance under this minor head would mean that repayment of loan has not been taken to its final head and a credit balance means loan received from GoI was not booked under the concerned loan head (MH 6004).

The outstanding balances under this head as of 31 March 2014 were ₹ 410.91 crore –Debit (increased by ₹ 77.89 crore over previous year) and ₹ 321.46 crore - Credit (increased by ₹ 15.94 crore over previous year) indicating that, an amount of ₹ 732.37 crore needs to be adjusted (both debit and credit) under this head.

*Government replied (November 2014) that there was an increase in the suspense amount due to non-receipt of Government of India sanction letters.*

### **3.9.4 Tax Deducted at Source (TDS) Suspense – (MiH 112)**

This Minor Head is intended to accommodate receipts on account of Income tax deducted at source viz., interest payments on State Government securities, salary bills of State Government employees and pension bills etc., by State Treasury officers/State Pay and Accounts Officers/ other Departmental Officers who render compiled accounts of State Government as well as from interest payments on State Government securities made at Public Debt offices of the RBI in the books of State Accountant General to enable them to settle transactions with Zonal Accounts Officers concerned of CBDT by means of Cheques/Bank Drafts.

Receipts on account of TDS are credited to Major Head 8658 – Suspense Accounts under Minor Head 112 –TDS Suspense. These credits are to be cleared by the end of each financial year and credited to the IT Department. However, there was an outstanding credit balance of ₹ 231.50 crore under this Minor Head as of 31 March 2014. Though this head is meant to accommodate credit balances, a debit balance of ₹ 159.22 crore was reflected in the accounts.

### **3.9.5 Inter- State Suspense – MH 8793**

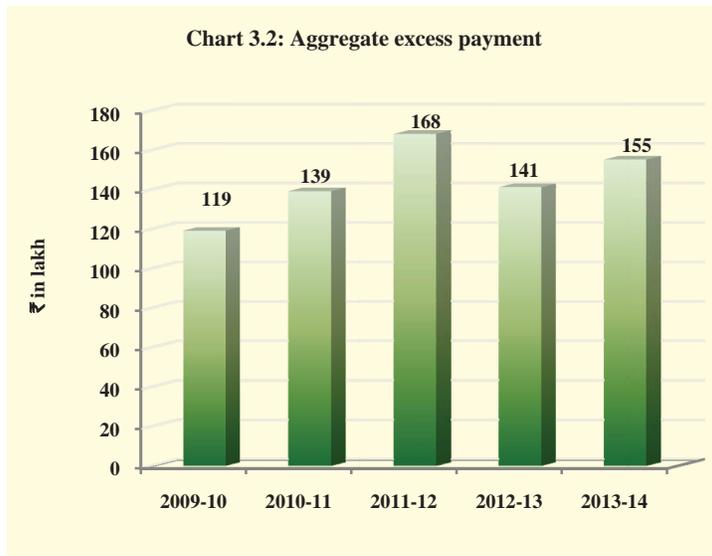
Transactions arising in State Treasury relating to another State Government are classified under this category. On receipt of monthly accounts from Treasury and on completion of booking, transactions are verified and advice is issued to the RBI for effecting necessary transfer of balances from one State to another. On receipt of intimation of adjustment by RBI through ‘Clearance Memos’, the accounts shown under this head are cleared. An amount of ₹35.29 crore was lying un-adjusted as on 31 March 2014 for want of clearance memos from RBI.

## **3.10 Functioning of Treasuries**

There were significant irregularities in functioning of Treasuries during the year 2013-14 as detailed under.

### **3.10.1 Excess payment of pension/family pension**

A test check of records relating to payment of pension and family pension in 10 District Treasuries, 131 Sub Treasuries and 9 Assistant Pension Payment Offices during 2013-14 revealed excess payment of ₹ 1.55 crore in 312 cases as detailed in **Appendix 3.8**. Excess payment of pensionary benefits during the last 5 years is given in **Chart 3.2** below.



Source: Annual Reports on Treasuries

Despite computerization of pension package at Treasuries, excess payment of pensionary benefits continued to increase year after year (except in 2012-13). The matter is being brought to the notice of DTA, Hyderabad and Government every year through Annual Review Report on working of Treasuries by Accountant General (A&E). Government needs to strengthen internal controls at the level of treasuries in order to avoid excess payment of pension.

### 3.10.2 Pensions undrawn for more than 3 years

As per SR.87 (a) (b) and (c) under Rule 16 of APTC Vol-I, pension not drawn for three years and arrears of pension due on account of a deceased pensioner not claimed within one year of the pensioner’s death, shall cease to be payable. The Treasury Officer is required to examine the Pension Payment Orders (PPOs) and return the Disbursers’ halves of the PPOs to the Accountant General or Local Fund Authorities as the case may be, along with a half yearly statement of such cases of undrawn pensions for information. During inspection of 5 District Treasuries, 18 Sub-Treasuries and 9 Assistant Pension Payment Offices, 2,253 cases of pensions undrawn for more than 3 years and Disbursers’ halves of the PPOs not returned to the AG were noticed. Non-return of PPOs to AG carries the risk of payment of arrears of pension to legal heirs without sanction from the AG.

*Government stated (November 2014) that recovery of excess paid pension was being monitored through a watch register. This reply does not address the concern regarding lack of internal controls that is the cause for excess payments in the first place.*

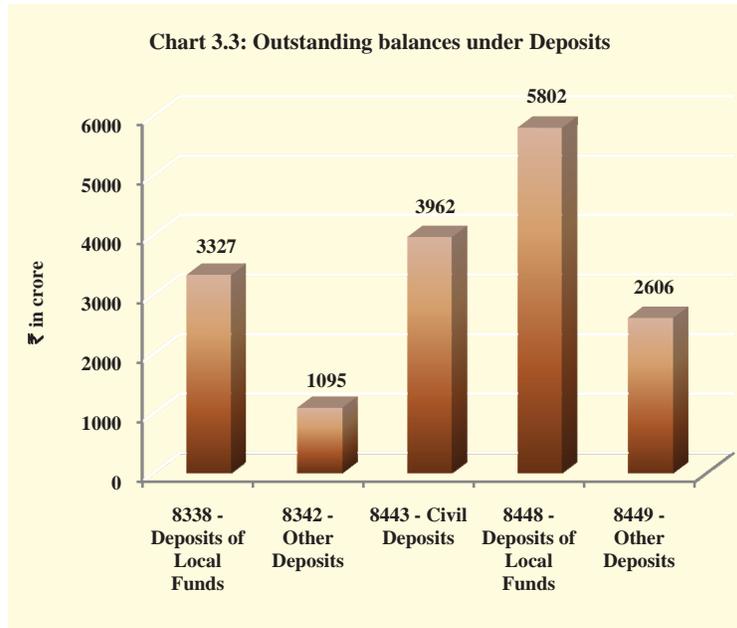
### 3.10.3 Multiple DDO codes for the same DDO

Uniqueness of DDO code is essential to prevent fraudulent payment, particularly in view of the large number of DDOs and the fact that they are submitting claims online. Inspection of Treasuries revealed that several DDOs were allotted more than one code and some of them operated both the codes. Assigning multiple codes to the same DDO in Integrated Management of Pay and Accounts and Treasuries (IMPACT) Package can lead to the risk of booking expenditure of the same DDO against different DDO codes, impacting transparency in financial reporting.

### 3.11 Non-availability of data on Lapsed Deposits

As on 31 March 2014 outstanding balances under various deposit heads were as follows:

Due to non-availability of administrator-wise data on funds spent and balance available from lapsable heads, audit could not verify the actual amounts due to be lapsed. However, an un-spent balance of ₹ 39.80 crore under Major Head 8443-Civil Deposits was lapsed and credited to Major Head 0075 - Miscellaneous General Services – 101 - Unclaimed Deposits – 01 - Unclaimed Deposits. Data on lapsed deposits from other Major Heads was not reported.



Source: Finance Accounts

#### 3.11.1 Non-Lapsing of Deposits unclaimed for more than three years

As per the provisions of Article 271 of A.P. Financial Code Volume-I, certain classes of Civil Deposits like Revenue Deposits, Election Deposits etc., unclaimed for more than 3 complete financial years should be credited to Government Account at the close of March each year. During the year 2013-14, Civil Deposits unclaimed for more than three years were not remitted to Government account in respect of 278 cases involving an amount of ₹ 80.43 crore. Huge amounts of such deposits exceeding ₹ 1 crore were found in District Treasuries of Adilabad, Chittoor, Kadapa, Krishna, Warangal, Kurnool, Ananthapur and Srikakulam.

Further, as per G.O.Ms. No.43, Finance & Planning (W&M) Dept., dated 22-04-2000, Category-B and C are lapsable deposits after a period of one to three years as the case may be. However, deposits amounting to ₹ 39.93 crore were lying un-utilized for over three years under Deposit heads without lapsing to Government Account.

*Government replied that B category deposits are to be watched by treasuries and C category deposits by administrator for lapsing after due dates. However, both treasuries and administrators did not comply with the respective codal provisions.*

### 3.12 Misappropriations, losses, defalcations, etc.

Financial Rules lay down the responsibilities of Government servants in dealing with Government money, the procedure for fixing responsibility for any loss sustained by the Government and action to be initiated for recovery of such losses. There were 468 cases of misappropriation, defalcation, etc, involving Government money amounting to ₹ 93.61 crore on which final action was pending as of March 2014. The department-wise break up of pending cases and year-wise analysis is given in **Appendix 3.9**.

There was a loss of ₹ 59.01 crore sustained by AP State Minorities Finance Corporation, as stated (October 2013) by the Corporation. It was further stated that action has been initiated against the erring officials.

### **3.13 Non-receipt of supporting documents**

#### **3.13.1 Non-receipt of vouchers from PAO/Treasuries**

Apart from the numerous accounts and amounts figuring under Suspense heads as detailed above, as per Manual of Treasury Accounts Department<sup>30</sup>, payments have to be supported by vouchers/cheques containing full details of transactions made. However, during 2013-14 vouchers numbering 29,689 were not submitted by the PAO, Hyderabad (6,850 vouchers) and the Treasuries (22,839 vouchers) to the AG (A&E) in support of an expenditure of ₹ 3,392.23 crore (PAO: ₹ 2,064.88 crore and Treasuries: ₹ 1,327.35 crore).

The above included 2,682 vouchers in respect of Employees Advance bills (₹ 165.04 crore) and Pension bills (₹ 399.49 crore), 'Detailed pay bills' (9,701 vouchers for ₹ 173.56 crore) and 'Fully Vouched Contingent Bills' (6,592 vouchers for ₹ 49.90 crore). Non-submission of Detailed pay bills raises doubt about the authenticity of the payment of pay & allowances and the availability of staff actually on rolls as per sanctioned strength. The possibility of fraudulent drawals cannot be ruled out in the absence of vouchers for Fully Vouched Contingent Bills.

#### **3.13.2 Non-receipt of Cheques in support of payments**

Manual of Treasury Accounts Department stipulates that, payments have to be supported by vouchers/cheques containing full details of payments made. However, in violation of this provision, Treasuries have not furnished 6,184 cheques to AG (A&E) in support of payments valuing ₹ 2,214 crore to the end of March 2014. These cheques are pending for a period ranging from one month to over a decade (*Appendix 3.10*).

### **3.14 Conclusion**

*There were delays in submission of annual accounts by several autonomous bodies/authorities which dilutes accountability and defeats the purpose of preparation of accounts.*

*UCs were not furnished on time or not furnished at all for large amounts both by the State and the implementing agencies for the funds drawn for execution of schemes. DC bills were not submitted (₹1,147 crore) for periods ranging upto a decade (₹222 crore drawn up to 2002-03) in violation of prescribed rules and regulations which are indicative of lack of internal controls, besides raising apprehensions about proper end use of funds.*

*Though the Government, at the instance of Audit, has reduced the number of PD accounts operated, an unspent balance of ₹13,951 crore still exists under 72,652 PD accounts. Further, the discrepancies between previous year's closing balance and current year's opening balance (₹1,855.86 crore) have not been reconciled and rectified. There were huge variations in PD account balances as per Treasury Pass Book, Administrator's Cash Book and Bank Statements at the end of the year. There were also variations between ledger and system with regard to PD*

<sup>30</sup> Para 197 (i)(a) of Manual of Treasury Accounts Department (Volume-I)

accounts within Treasuries itself (₹ 102.04 crore), adverse balances in PD accounts (₹ 147 crore). Self cheques were issued (₹ 1,276.53 crore) in violation of Government orders by several PD account Administrators. All these point to need for improvement in monitoring and control over PD accounts.

Omnibus Minor Head 800 continued to be operated during the year for recording expenditure and receipts relating to several items even where there were earmarked heads of accounts, with the expenditure in this head having increased by 4 per cent over the past four years. This affects transparency in financial reporting and distorts any meaningful analysis of allocative priorities and quality of expenditure.

Large adverse balances under Debt, Deposit heads and outstanding balances under Suspense heads affect the quality of financial reporting. Non-lapsing of Deposits and Advances lying in inoperative heads of account and excess payment of pension/family pension indicate ineffective internal controls.

Non-reconciliation of 36.76 per cent (₹ 47,548 crore) of total expenditure and 52.29 per cent (₹ 58,205 crore) of total receipts during the year despite being highlighted in earlier years in the Audit Report indicates disregard for codal provisions and financial rules by the controlling officers; this facilitates non-detection of leakages in revenue and irregularities in expenditure. Similarly, non-receipt of 29,689 vouchers in support of payments made for an amount of ₹ 3,392.23 crore and 6,184 cheques for an amount of ₹ 2,214 crore from the PAO/Treasuries exposes the system to the risk of non-detection of cases of misappropriation and fraud.

**Hyderabad  
The**

**(VANI SRIRAM)  
Principal Accountant General (G&SSA)  
Andhra Pradesh and Telangana**

**Countersigned**

**New Delhi  
The**

**(SHASHI KANT SHARMA)  
Comptroller and Auditor General of India**

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## **Appendices**

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**Appendix 1.1**  
**Profile of Composite State of Andhra Pradesh**  
**(Refer para on State Profile, page 1)**

A		General Data		
Sl.No	Particulars		Figures	
1	Area		2,75,000 Sq.Km.	
2	Population			
	a.	As per 2001 Census	7.62 crore	
	b.	As per 2011 Census	8.47 crore	
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.)	277 persons per Sq.Km.	
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq.Km.)	308 persons per Sq.Km.	
4	Population Below Poverty Line* (BPL) (All India Average=21.92 per cent)		9.20 per cent	
5	a.	Literacy (as per 2001 Census) (All India Average=64.80 per cent)	60.47 per cent	
	b.	Literacy (as per 2011 Census) (All India Average=74.04 per cent)	67.66 per cent	
6	Infant mortality**(per 1000 live births) (All India Average = 40 per 1,000 live births)		39	
7	Life Expectancy at birth*** (All India Average = 65.8 years)		64.4 years	
8	Gini Coefficient****			
	a.	Rural (All India = 0.29)	0.28	
	b.	Urban (All India = 0.38)	0.38	
9	Gross State Domestic Product (GSDP) 2013-14 at current price		₹8,54,822 crore	
10	Per capita GSDP CAGR (2004-05 to 2013-14)		Andhra Pradesh	14.88
			General Category States	14.88
11	GSDP CAGR (2004-05 to 2013-14)		Andhra Pradesh	16.00
			General Category States	15.49
12	Population Growth***** (2004-05 to 2013-14)		Andhra Pradesh	9.11
			General Category States	12.94
B		Financial Data		
		Particulars		
		CAGR <sup>1</sup>		2004-05 to 2013-14
		2004-05 to 2012-13		2004-05 to 2013-14
		General Category States	Andhra Pradesh	Andhra Pradesh
		(in per cent)		
a.	of Revenue Receipts	16.93	15.34	16.16
b.	of Own Tax Revenue	16.42	15.59	16.47
c.	of Non Tax Revenue	12.49	17.47	17.04
d.	of Total Expenditure	15.37	13.71	14.47
e.	of Capital Expenditure	17.01	14.20	14.31
f.	of Revenue Expenditure on Education	17.44	15.18	16.73
g.	of Revenue Expenditure on Health	16.50	15.28	16.28
h.	of Salary and Wages	14.73	14.23	15.36
i.	of Pension	18.34	16.68	18.29

\* Press note July 2013 Planning Commission BPL 2011-12 by Tendulkar methodology.

\*\* Infant Mortality rate (SRS Bulletin September 2014).

\*\*\* Life Expectancy at birth (Office of the Registrar General of India, Ministry of Home Affairs), Economic Review 2013-14.

\*\*\*\* Gini-coefficient (Unofficial estimates of Planning Commission and NSSO data, 2009-10; 66<sup>th</sup> Round  
*Gini-Coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero implies inequality is less; closure to one implies inequality is higher.*

\*\*\*\*\* Projected total population 2001-2026 by Census India.

<sup>1</sup> Details of CAGR worked out on the basis of information furnished by the 16 General Category States (excluding Goa)

**Appendix 1.2**  
**Structure of Government Accounts and layout of Finance Accounts**  
**(Refer paragraph 1.1, page 2)**

**Structure of Government Accounts**

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

**Part I: Consolidated Fund:** All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

**Part II: Contingency Fund:** The Contingency Fund of the State established under Article 267 (2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account:** Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

**Layout of Finance Accounts**

Statement No.	Layout
1	Statement of financial position – cumulative figures of assets and liabilities of the Government at the end of the year.
2	Statement of receipts and disbursements of the Government in respect of Consolidated Fund, Contingency Fund and Public Account during the year.
3	Statement of receipts (Consolidated Fund) – comprises revenue and capital receipts and receipts from borrowings by the Government consisting of loans from the GoI, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
4	Statement of expenditure (Consolidated Fund) – gives expenditure by function and also summarises expenditure by nature of activity.
5	Statement of progressive capital expenditure by function.
6	Statement of borrowings and other liabilities of Government.
7	Statement of loans given by the Government – loans and advances are summarized sector and loanee group wise.
8	Statement of grants-in-aid given by the State Government., organized by grantee institutions group wise.
9	Statement of guarantees given by the Government for repayment of loans etc raised by statutory corporations, local bodies and other institutions.
10	Statement of Voted and Charged expenditure of the Government during the year.
11	Detailed account of Revenue and Capital receipts by Minor Heads.
12	Detailed account of revenue expenditure by minor heads under non-plan, plan and centrally sponsored schemes separately.
13	Detailed capital expenditure incurred during and to the end of the year.
14	Details of investments of the State Government in statutory corporations, Government companies, other joint stock companies, cooperative banks and societies etc., up to the end of the year.
15	Detailed statement of borrowings and other liabilities by Minor Heads.
16	Detailed statement of loans and advances given by the Government.
17	Detailed statement on sources and application of funds for expenditure other than on revenue account.
18	Detailed statement of Contingent Fund and Public Account transactions.
19	Detailed statement of investments out of reserve funds and earmarked funds.
Appendices	In addition to the above 19 statements Finance Accounts also contain 13 appendices giving the details on salaries, subsidies, grants-in-aid – scheme-wise and institution –wise, details of externally aided projects, scheme-wise expenditure in respect of major Central Schemes and State Plan Schemes etc.

**Appendix 1.3**  
**Abstract of Receipts and Disbursements in 2013-14**  
(Refer paragraph 1.2; page 2)

(₹ in crore)

Receipts			Disbursements				
2012-13		2013-14	2012-13		2013-14		
					Non Plan	Plan	Total
<b>Section-A: Revenue</b>							
103830	<b>I. Revenue receipts</b>	110719	102702	<b>I. Revenue expenditure</b>	86237	24138	110375
59875	<b>Tax revenue</b>	64123	33064	<b>General Services</b>	36833	66	36899
			41605	<b>Social Services</b>	26860	18096	44956
15999	Non-tax revenue	15473	16390	Education, Sports, Art and Culture	15154	3326	18480
			5346	Health and Family Welfare	3593	2184	5777
20271	State's share of Union Taxes	22132	3322	Water Supply, Sanitation, Housing and Urban Development	1019	1682	2701
784	Non-Plan grants	3433	200	Information and Broadcasting	107	205	312
3223	Grants for State Plan Schemes	2758	7189	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1667	5511	7178
3678	Grants for Central and Centrally sponsored Plan Schemes	2800	281	Labour and Labour Welfare	179	31	210
			8837	Social Welfare and Nutrition	5098	5157	10255
			40	Others	43	---	43
			27875	<b>Economic Services</b>	22327	5976	28303
			4642	Agriculture and allied Activities	1834	2103	3937
			3563	Rural Development	2578	2099	4677
			8884	Irrigation and Flood Control	8452	409	8861
			6292	Energy	7338	75	7413
			912	Industry and Minerals	184	611	795
			2155	Transport	1692	243	1935
			30	Science, Technology and Environment	3	14	17
			1397	General Economic Service	246	422	668
			158	<b>Grants-in-aid and Contributions</b>	217	0	217
---	<b>II. Revenue deficit carried over to Section B</b>	---	1128	<b>II. Revenue Surplus carried over to Section B</b>			344

Section-B: Others							
9322	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	9162	---	III. Opening Overdraft from RBI	---	---	---
---	IV. Miscellaneous Capital receipts	9	15149	IV. Capital Outlay	---	15280	15280
			212	General Services	---	309	309
			1072	Social Services	0	1378	1378
			278	Education, Sports, Art and Culture	0	227	227
			82	Health and Family Welfare	0	162	162
			238	Water Supply, Sanitation, Housing and Urban Development	0	253	253
			394	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	555	555
			22	Social Welfare and Nutrition	0	17	17
			58	Others	0	164	164
			13865	Economic Services	0	13593	13593
			11	Agriculture and allied Activities	0	26	26
			---	Rural Development Programme	---	---	---
			10659	Irrigation and Flood Control	0	9761	9761
			91	Energy	0	47	47
			8	Industry and Minerals	0	72	72
			2111	Transport	0	2696	2696
			985	General Economic Services	0	991	991
426	V. Recoveries of Loans and Advances	575	3913	V. Loans and Advances disbursed	921	2768	3689
211	From Power Projects	389	373	For Power Projects	0	203	203
168	From Government Servants	164	87	To Government Servants	474	0	474
47	From others	22	3453	To Others	447	2565	3012
1128	VI. Revenue surplus brought down	344	---	VI. Revenue deficit brought down	---	---	---
23311	VII. Public Debt receipts	25292	7677	VII. Repayment of Public Debt			7286
22128	Internal Debt other than Ways and Means Advances and Overdraft	23950	6531	Internal debt other than Ways and Means Advances and Overdraft			6057
---	Net transactions of Ways and Means Advances including Overdraft	---	---	Net transactions of Ways and Means Advances including Overdraft			---
1183	Loans and Advances from Central Government	1342	1146	Repayment of Loans and Advances to Central Government			1228

	<b>VIII. Appropriation to Contingency Fund</b>	---	---	<b>VIII. Appropriation to Contingency Fund</b>	---	---	---
	<b>IX. Amount recouped to Contingency Fund</b>	2	2	<b>IX. Expenditure from Contingency Fund</b>	---	---	3
94917	<b>X. Public Account Receipt</b>	<b>101352</b>	<b>93201</b>	<b>X. Public Account disbursements</b>	<b>0</b>	<b>97195</b>	<b>97195</b>
3580	Small Savings and Provident Funds	3673	2390	Small Savings and Provident Funds	0	2601	2601
2243	Net Reserve Funds	3446	2436	Net Reserve Funds	0	1895	1895
22333	Net Suspense and Miscellaneous	23590	22599	Net Suspense and Miscellaneous	0	23302	23302
18039	Remittances	17651	18720	Remittances	0	17599	17599
48722	Deposits and Advances	52992	47056	Deposits and Advances	0	51798	51798
---	<b>XI. Closing Overdraft from Reserve Bank of India</b>		<b>9162</b>	<b>XI. Closing Cash Balance</b>	<b>0</b>	<b>13283</b>	<b>13283</b>
			5	Cash in Treasuries and Local Remittances	0	5	5
			-563	Deposits with Reserve Bank and other Banks	0	-96	-96
			2	Departmental cash balance including permanent advances	0	2	2
			9718	Cash balance investment and investment of earmarked funds	0	13372	13372
<b>232934</b>	<b>Total</b>	<b>247455</b>	<b>232934</b>	<b>Total</b>			<b>247455</b>

**Appendix 1.4**  
**Actuals vis-à-vis Budget Estimates 2013-14**  
**(Refer Paragraph 1.3; page 3)**

(₹in crore)

	B.E.	Actuals	Increase(+)/ Decrease(-)	Increase(+)/ Decrease(-) (in per cent)
1	2	3	4 (3-2)	5
<b>Revenue Receipts</b>	<b>1,27,772</b>	<b>1,10,719</b>	<b>-17,053</b>	<b>-13.35</b>
Taxes on Sales, Trade etc	52,500	48,737	-3,763	-7.17
State Excise	7,500	6,250	-1,250	-16.67
Taxes on immovable property other than agricultural lands	191	180	-11	-5.76
Taxes on vehicles	4,352	3,335	-1,017	-23.37
Stamps and Registration fees	6,414	4,393	-2,021	-31.51
Taxes on goods and Passengers	13	16	3	23.08
Land Revenue	50	74	24	48.00
Interest Receipts	8,656	8,646	-10	-0.12
Miscellaneous General Services	80	209	129	161.25
Non ferrous Mining and Metallurgical Industries	3,083	2,731	-352	-11.42
<b>Revenue Expenditure</b>	<b>1,26,749</b>	<b>1,10,375</b>	<b>-16,374</b>	<b>-12.92</b>
General Education	19,288	17,347	-1,941	-10.06
Water Supply and Sanitation	786	652	-134	-17.05
Pension and Other Retirement Benefits	14,209	13,682	-527	-3.71
Police	4,477	5,051	574	12.82
Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	9,665	7,178	-2,487	-25.73
Health and Family Welfare	6,443	5,777	-666	-10.34
Social Welfare and Nutrition	9,841	10,255	414	4.21
Roads and Bridges	1,551	1,692	141	9.09
Secretariat - Economic Services	428	354	-74	-17.29
Forestry and Wild Life	534	398	-136	-25.47
Rural Development	6,589	4,677	-1,912	-29.02
Urban Development	3,995	1,433	-2,562	-64.13
Irrigation and Flood Control	9,999	8,861	-1,138	-11.38
District Administration	1,520	1,062	-458	-30.13
Administration of Justice	875	709	-166	-18.97
Interest Payments	14,519	12,911	-1,608	-11.08
Power	6,639	7,407	768	11.57
<b>Capital Receipts</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>100.00</b>
<b>Capital Expenditure</b>	<b>21,279</b>	<b>15,280</b>	<b>-5,999</b>	<b>-28.19</b>
<b>Revenue Surplus(+)/Deficit(-)</b>	<b>1,023</b>	<b>344</b>	<b>-679</b>	<b>-66.37</b>
<b>Fiscal deficit (-)</b>	<b>-24,487</b>	<b>-18,041</b>	<b>6,446</b>	<b>-26.32</b>
<b>Primary Surplus(+)/Deficit(-)</b>	<b>-9,968</b>	<b>-5,130</b>	<b>4,838</b>	<b>-48.54</b>

## Appendix 1.5

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

(Refer Paragraph 1.4; page 4)

The State Government has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 to ensure prudence in fiscal management and to maintain fiscal stability in the State. To improve the fiscal position and to bring fiscal stability, the Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability. To ensure fiscal prudence, the Act also provides for greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework. To give effect to the fiscal management principles as laid down in the Act, and/or the rules framed there-under prescribed the following fiscal targets for the State Government:

- reduce revenue deficit by an amount equivalent to at least 0.32 percentage points of Gross State Domestic Product (GSDP) in each financial year, beginning from 1st day of April 2005, so as to eliminate it by 31st March 2009 and generate revenue surplus thereafter
- reduce fiscal deficit by an amount equivalent to at least 0.25 percentage points of GSDP in each financial year beginning from 1st day of April 2005 so as to bring it down to not more than 3 *per cent* by the year ending March 2009

The following clause was included in view of amendment of section 9, Act 34 of 2005 i.e. FRBM Act, 2005.

*“(cc) ensure within the subsequent period of five years, beginning from the financial year on the 1<sup>st</sup> day of April 2010 and ending on the 31<sup>st</sup> day of March 2015, that the total outstanding liabilities do not exceed 27.6 per cent of the GSDP, as prescribed by the Govt. of India in pursuance of the recommendations of 13<sup>th</sup> Finance Commission, year wise as follows:*

For the financial year 2010-11	30.3 <i>per cent</i> of GSDP
For the financial year 2011-12	29.6 <i>per cent</i> of GSDP
For the financial year 2012-13	28.9 <i>per cent</i> of GSDP
<b>For the financial year 2013-14</b>	<b>28.2 <i>per cent</i> of GSDP</b>
For the financial year 2014-15	27.6 <i>per cent</i> of GSDP

- Limit the amount of annual incremental risk weighted guarantees to 90 *per cent* of the total revenue receipt in the year preceding the current year.

**Appendix 1.6**  
**Time Series Data on State Government Finances**  
**(Refer Paragraphs 1.6 & 1.12.2; pages 5 & 25)**

(₹ in crore)

		2009-10	2010-11	2011-12	2012-13	2013-14
<b>Part A Receipts</b>						
1.	<b>Revenue Receipts</b>	<b>64678(100)</b>	<b>80996(100)</b>	<b>93554(100)</b>	<b>103830(100)</b>	<b>110719(100)</b>
	<b>(i) Tax Revenue</b>	<b>35176(54)</b>	<b>45139(56)</b>	<b>53284(57)</b>	<b>59875(58)</b>	<b>64123(58)</b>
	Taxes on Sales, Trade, etc.	23640(67)	29145(65)	34910(66)	40715(68)	48737(76)
	State Excise	5849(17)	8265(18)	9612(18)	9129(15)	6250(10)
	Taxes on Vehicles	1995(6)	2626(6)	2987(6)	3357(6)	3335(5)
	Stamps and Registration fees	2639(8)	3834(8)	4385(8)	5115(9)	4393(7)
	Land Revenue	222(1)	171	141	62	74
	Other Taxes	831(2)	1098(2)	1249(2)	1497(3)	1334(2)
	<b>(ii) Non Tax Revenue</b>	<b>7803(12)</b>	<b>10720(13)</b>	<b>11694(12)</b>	<b>15999(15)</b>	<b>15473(14)</b>
	<b>(iii) State's share in Union taxes and duties</b>	<b>12141(10)</b>	<b>15237(19)</b>	<b>17751(19)</b>	<b>20271(20)</b>	<b>22132(20)</b>
	<b>(iv) Grants in aid from GoI</b>	<b>9558(15)</b>	<b>9900(12)</b>	<b>10825(12)</b>	<b>7685(7)</b>	<b>8991(8)</b>
2.	<b>Misc. Capital Receipts</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>9(0)</b>
3.	<b>Recovery of loans and advances</b>	<b>143(0)</b>	<b>173(0)</b>	<b>165(0)</b>	<b>426</b>	<b>575(1)</b>
4.	<b>Total revenue and Non-debt capital receipts (1+2+3)</b>	<b>64821(77)</b>	<b>81169(81)</b>	<b>93719(83)</b>	<b>104256(82)</b>	<b>111303(81)</b>
5.	<b>Public Debt Receipts</b>	<b>19753(23)</b>	<b>18722(19)</b>	<b>19450(17)</b>	<b>23311(18)</b>	<b>25292(19)</b>
	Internal Debt (excluding Ways and Means Advances and Overdraft)	18185(92)	16260(87)	16731(86)	22128(95)	23950(95)
	Net transactions under Ways and Means Advances and Overdraft	---	---	218(1)	---	---
	Loans and Advances from Government of India	1568(8)	2244(12)	2719(14)	1183(5)	1342(5)
6.	<b>Total Receipts in the Consolidated Fund (4+5)</b>	<b>84574(54)</b>	<b>99891(57)</b>	<b>113169(57)</b>	<b>127567(57)</b>	<b>136595(57)</b>
7.	<b>Contingency Fund receipts</b>	<b>7(0)</b>	<b>---</b>	<b>2(0)</b>	<b>---</b>	<b>2(0)</b>
8.	<b>Public Account receipts</b>	<b>71780(46)</b>	<b>76218(42)</b>	<b>86051(43)</b>	<b>94917(43)</b>	<b>101352(43)</b>
9.	<b>Total Receipts of Government (6+7+8)</b>	<b>156361</b>	<b>176109</b>	<b>199222</b>	<b>222484</b>	<b>237949</b>
<b>Part B. Expenditure/Disbursement</b>						
10.	<b>Revenue Expenditure</b>	<b>63448(80)</b>	<b>78534(84)</b>	<b>90415(83)</b>	<b>102702(84)</b>	<b>110375(85)</b>
	Plan	15442(24)	19701(25)	23664(26)	25241(25)	24138(22)
	Non-plan	48006(76)	58833(75)	66751(74)	77461(75)	86237(78)
	General Services (including interest payments)	21392(34)	26708(34)	29874(33)	33064(32)	36899(33)
	Social Services	25757(41)	32314(41)	38017(42)	41605(41)	44956(41)
	Economic Services	16213(25)	19346(25)	22309(25)	27875(27)	28303(26)
	Grant in aid and contributions	86(0)	166(0)	215(0)	158(0)	217(0)
11.	<b>Capital Expenditure</b>	<b>13793(17)</b>	<b>11123(12)</b>	<b>13722(13)</b>	<b>15149(12)</b>	<b>15280(12)</b>
	Plan	13955(101)	11120(100)	13687(100)	15137(100)	15280(12)
	Non-plan	(-)162(-1)	3(0)	35(0)	12(0)	0
	General Services	92(1)	108(1)	83(1)	212(1)	309(2)
	Social Services	639(4)	609(5)	830(6)	1072(7)	1378(9)
	Economic Services	13062(95)	10406(94)	12809(93)	13865(92)	13593(89)
12.	<b>Disbursement of Loans and Advances</b>	<b>1590(2)</b>	<b>3315(4)</b>	<b>4983(6)</b>	<b>3913(3)</b>	<b>3689(3)</b>
13.	<b>Total (10+11+12)</b>	<b>78831(93)</b>	<b>92972</b>	<b>109120(94)</b>	<b>121764(94)</b>	<b>129344(95)</b>

14.	<b>Repayment of Public Debt</b>	<b>6277(7)</b>	<b>7881</b>	<b>6761(6)</b>	<b>7677(6)</b>	<b>7286(5)</b>
	Internal Debt (excluding Ways and Means Advances and Overdraft)	4782(76)	6160(77)	5813(86)	6531(85)	6057(83)
	Net transactions under ways and Means Advances and Overdraft	---	218(3)	---	---	---
	Loans and Advances from Government of India	1495(24)	1557(20)	948(14)	1146(15)	1228(17)
15.	<b>Appropriation to Contingency Fund</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
16.	<b>Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>85108(55)</b>	<b>100853</b>	<b>115881(79)</b>	<b>129441(58)</b>	<b>136630(58)</b>
17.	<b>Contingency Fund Disbursements</b>	<b>X</b>	<b>2</b>	<b>---</b>	<b>2</b>	<b>3</b>
18.	<b>Public account disbursement</b>	<b>70243(45)</b>	<b>72407</b>	<b>82848(42)</b>	<b>93201(42)</b>	<b>97195(42)</b>
19.	<b>Total disbursement by the state (16+17+18)</b>	<b>155351</b>	<b>173262</b>	<b>198729</b>	<b>222644</b>	<b>233828</b>
<b>Part C. Deficits</b>						
20.	<b>Revenue Deficit(-)/Surplus(+)(1-10)</b>	<b>1230</b>	<b>2462</b>	<b>3138</b>	<b>1128</b>	<b>344</b>
21.	<b>Fiscal Deficit(-)/Surplus (+)(4-13)</b>	<b>-14010</b>	<b>-11803</b>	<b>-15401</b>	<b>-17508</b>	<b>-18041</b>
22.	<b>Primary Deficit (-)/Surplus (+)(21-23)</b>	<b>-5096</b>	<b>-2128</b>	<b>-4840</b>	<b>-5846</b>	<b>-5130</b>
<b>Part D. Other Data</b>						
23.	<b>Interest Payments (included in revenue expenditure)</b>	<b>8914</b>	<b>9675</b>	<b>10561</b>	<b>11662</b>	<b>12911</b>
24.	<b>Financial Assistance to local bodies etc.</b>	<b>19842</b>	<b>22914</b>	<b>33010</b>	<b>34820</b>	<b>30557</b>
25.	<b>Ways and Means Advances/Overdraft availed (days)</b>	<b>1</b>	<b>3</b>	<b>---</b>	<b>---</b>	<b>---</b>
26.	<b>Interest on Ways and Means Advances/Overdraft</b>	<b>Y</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
27.	<b>Gross State Domestic Product (GSDP)<sup>†</sup></b>	<b>476835</b>	<b>570992</b>	<b>655181</b>	<b>745782</b>	<b>854822</b>
28.	<b>Outstanding fiscal liabilities (year end)<sup>®</sup></b>	<b>119807</b>	<b>134905</b>	<b>150512</b>	<b>169084</b>	<b>189741</b>
29.	<b>Outstanding guarantees (year end)</b>	<b>13135</b>	<b>12290</b>	<b>12286</b>	<b>14857</b>	<b>31153</b>
30.	<b>Maximum amount guaranteed (year end)</b>	<b>20324</b>	<b>29554</b>	<b>23543</b>	<b>38084</b>	<b>55536</b>
31.	<b>Number of incomplete projects<sup>^</sup></b>	<b>206</b>	<b>188</b>	<b>228</b>	<b>528</b>	<b>1037</b>
32.	<b>Capital blocked in incomplete projects<sup>^</sup></b>	<b>36165</b>	<b>46330</b>	<b>49516</b>	<b>71595</b>	<b>82665</b>
<b>Part E. Fiscal Health Indicators</b>						
I	<b>Resource Mobilization</b>					
	Own Tax revenue/GSDP	0.074	0.077	0.080	0.079	0.075
	Own Non-Tax revenue/GSDP	0.016	0.018	0.018	0.021	0.018
	Central transfers/GSDP	0.046	0.043	0.043	0.037	0.036
II	<b>Expenditure Management</b>					
	Total expenditure/GSDP	0.165	0.159	0.165	0.161	0.151
	Total Expenditure/Revenue Receipts	1.219	1.148	1.166	1.173	1.168
	Revenue Expenditure/ Total Expenditure	0.805	0.845	0.829	0.843	0.853
	Expenditure on Social Services/Total Expenditure	0.327	0.348	0.348	0.342	0.348
	Expenditure on Economic Services/Total Expenditure	0.206	0.208	0.204	0.229	0.219
	Capital Expenditure/Total Expenditure	0.175	0.120	0.126	0.124	0.118
	Capital Expenditure on Social and Economic Services/ Total Expenditure	0.174	0.118	0.125	0.123	0.116

III	<b>Management of Fiscal Imbalances</b>					
	Revenue Deficit (surplus)/GSDP	0.003	0.004	0.005	0.001	0.000
	Fiscal Deficit/ GSDP	-0.029	-0.020	-0.023	-0.023	-0.021
	Primary Deficit/ GSDP	-0.011	-0.003	-0.007	-0.008	-0.006
	Revenue Surplus/Fiscal Deficit	-0.088	-0.209	-0.204	-0.064	-0.019
	Primary revenue balance/ GSDP	0.022	0.022	0.021	0.018	0.016
IV	<b>Management of Fiscal Liabilities</b>					
	Fiscal liabilities/ GSDP	0.251	0.231	0.227	0.224	0.222
	Fiscal liabilities/RR	1.852	1.666	1.609	1.628	1.714
	Primary deficit <i>vis-à-vis</i> quantum spread	12800	18101	21608	11020	16723
	Debt Redemption: (Principal + Interest)/Total Debt Receipts	0.850	0.915	0.853	0.808	0.787
V	<b>Other Fiscal Health Indicators</b>					
	Return on Investment	0.38	0.65	0.85	1.03	0.94
	Balance from Current Revenue	10846	17048	20087	20160	19703
	Financial Assets/Liabilities	0.92	0.94	0.97	0.97	0.98

**Note:** Figures in brackets represent percentages (rounded) to total of each sub-heading

**X:** ₹ 40.63 lakh; **Y:** ₹ 65,287

# GSDP data from Directorate of Economics and Statistics, Govt. of Andhra Pradesh

@ Nomenclature and its components were changed so as to show total liabilities of Government (i.e. Public debt and other obligations) as per revised format of Chapter-I.

^ The information is not exhaustive but is as furnished by the departmental authorities.

**Appendix 1.7**  
**Funds transferred directly to State implementing agencies**  
**(Refer paragraph 1.6.4; page 10)**

(₹in crore)

Sl. No.	Name of the Scheme	Implementing Agency	Amount released during 2013-14
1.	M.G. National Rural Employment Guarantee Scheme	APSREGS	4,751
2.	Sarva Siksha Abhiyan (SSA)	RVMA	1,747
3.	Rural Housing-IAY	DRDAs	1,141
4.	National Rural Health Mission (NRHM)	SHFWS& STBCS	591
5.	National Rural Drinking Water Programme	SWSM	575
6.	Scheme for setting up 6000 Model Schools at Block Level as Benchmark of Excellence	AP Secondary Education Society	544
7.	Micro Irrigation	APMIP	266
8.	AAJEEVIKA	Society for Elimination of Rural Poverty	254
9.	MPs Local Area Development Scheme(MPLADS)	District Collectors	215
10.	Rashtriya Madhyamik Sikhsha Abhiyan	RMSA(APSES)	199
11.	Integrated Watershed Management Programme (IWMP)	State Level Nodal Agency	183
12.	National Food Security Mission	APSAMETI	157
13.	National Horticulture Mission	APSHM	91
14.	Central Rural Sanitation Scheme	SWSM	84
15.	Scheme of modernization of State Police forces by Police Modernisation Division	Andhra Pradesh Police Housing Corporation Limited, Hyderabad	78
16.	National Aids Control Programme including STD control	APSACS	75
17.	Adult Education and Skill Development Scheme	Director of Adult Education, State Literacy Mission	69
18.	Swarna Jayanthi Shahari Rozgar Yojana (SJSRY)	Mission for elimination of poverty in Municipalities	65
19.	Product/Infrastructure Development for Destinations and Circuits	Andhra Pradesh Tourism Development Corporation Ltd	39
20.	Electronic Governance	Andhra Pradesh Technology Services	30
21.	Support to School of Planning and Architecture	School of Planning and Architecture, Vijayawada	24
22.	Support to State Extension Programme for Extension Reforms	APSAMETI	20
23.	National Project of Cattle and Buffalo breeding	APLSDA	14
24.	Renewable Energy for Rural Applications for all villages	NEDCAP	13
Total			<b>11,225</b>

*Source: Appendix – VII, Finance Accounts 2013-14.*

**Appendix 1.8**  
**List of Incomplete Irrigation Projects**  
**(Refer paragraph 1.11.2; page 21)**

(₹ in crore)						
Sl. No.	Name of the project	Year of commencement	Original cost	Revised cost	Cost over run	Expenditure as on 31 March 2014
1.	Thotapalli Barrage	2004	520.70	851.90	331.20	609.61
2.	Gajapathinagaram Branch Canal	2010				
3.	Pushkaram LIS	2004	297.25	608.04	310.79	647.81
4.	Tadipudi LIS	2004	330.77	526.17	195.40	470.63
5.	Indira Sagar Polavaram	2004	10287.38	16010.45	5723.07	4876.56
6.	Venkatanagaram pumping LIS	2005	58.43	124.18	65.75	85.42
7.	Chintalapudi LIS	2009	1701.00	1701.00	0.00	321.68
8.	Mahendra Tanaya Project	2008	127.00	127.00	0.00	47.18
9.	Tarakarama Thirtha Sagaram	2006	220.04	220.04	0.00	121.35
10.	Madduvalasa-II	2008	54.21	57.87	3.66	31.49
11.	Jhanjhavathi	1996	120.39	120.39	0.00	123.03
12.	Gundlakamma Reservoir	2004	165.22	592.18	426.96	579.89
13.	Poola Subbaiah Veligonda	2004	1234.50	5150.00	3915.50	3501.19
14.	Somasila Project	1975	734.00	1548.49	814.49	1305.28
15.	Somasila - Swarnamuki Link Canal	2007-08	399.00	437.42	38.42	115.60
16.	Telugu Ganga Project	1983	637.00	4432.00	3795.00	4389.01
17.	GNSS Phase I & II	2005-07	4341.26	7466.36	3125.10	4279.81
18.	Gandikota LIS	2005	417.00	983.00	566.00	731.41
19.	HNSS-I	2005	1305.00	2774.00	1469.00	6518.22
20.	HNSS-II	2005-06	1880.00	4076.00	2196.00	6518.22
21.	Gandikota Reservoir CBR Lift Schemes	2007	2059.00	2059.00	0.00	1398.17
22.	Pulivendula Branch Canal	2005	634.23	657.43	23.20	204.35
23.	Chitravati Right Main Canal-Lingala Canals	2004	626.82	626.82	0.00	301.03
24.	Guru Raghavendra	2005-06	130.42	130.42	0.00	162.41
25.	Srisailam Right Branch Canal	2005	848.65	848.65	0.00	871.63
26.	Penna Ahobilam Balancing Reservoir-II	2005	569.65	800.70	231.05	736.05

Sl. No.	Name of the project	Year of commencement	Original cost	Revised cost	Cost over run	Expenditure as on 31 March 2014
27.	Modernization of Mylavaram Canals	2006	145.45	145.45	0.00	148.42
28.	Siddapuram LIS	2007	89.72	89.72	0.00	50.22
29.	K.C. Canal LIS	2008	120.00	120.00	0.00	42.06
30.	Paleru Reservoir Project	2007	50.50	50.50	0.00	10.53
31.	Y.C.R. Korisapadu LIS	2008	177.00	177.00	0.00	81.68
32.	Pulikanuma LIS	2008	261.19	261.19	0.00	221.99
33.	Aliminety Madhava Reddy incl. SLBC Tunnel & LIS on Udayasamudram Bal. Reservoir	1983-2008	3865.00	5811.43	1946.43	3942.63
34.	Mahatma Gandhi Kalwakurthy LIS	2005	1500.00	2990.00	1490.00	2733.14
35.	Rajiv Bhima LIS	2004	1426.31	2158.40	732.09	2062.70
36.	Jawahar Nettempadu LIS	2005	1428.00	1862.73	434.73	1735.78
37.	Koilsagar LIS	2006	109.52	458.25	348.73	390.90
38.	SRSP-II	2000	830.75	1043.14	212.39	907.06
39.	Indiramma Flood Flow Canal from SRSP	1997	2466.00	4729.26	2263.26	3424.43
40.	JCR Devadula LIS	2004	6356.02	9427.73	3071.71	7193.46
41.	Sripadasagar – Yellampally LIS	2005	3177.74	4942.58	1764.84	3864.91
42.	Kaleshwaram LIS	2008	443.00	632.00	189.00	263.59
43.	Rajiv Sagar – Dummugudem LIS	2007	1681.00	1681.00	0.00	822.45
44.	Indira Rudramakota Dummugudem LIS	2007	1824.00	1824.00	0.00	972.72
45.	Pranahitha Chevella LIS	2007	17875.00	38500.00	20625.00	3770.23
46.	Dummugudem N.S. Tail Pond	2008	8930.08	19521.42	10591.34	547.27
47.	M. Bagareddy Singur Canals: Singur Project Canals	2006	88.99	121.67	32.68	153.30
48.	Neelwai Project	2005	90.50	138.27	47.77	108.23
49.	Gollavagu Project	2005	83.61	83.61	0.00	84.90
50.	Peddavagu Project	2005	124.64	124.64	0.00	76.56
51.	Sri Komaram Bheem Project	2005	274.14	450.14	176.00	438.42
52.	Modikuntavagu Project	2005	124.60	124.60	0.00	60.11
53.	Palemvagu Project	2005	70.99	173.29	102.30	189.12

Sl. No.	Name of the project	Year of commencement	Original cost	Revised cost	Cost over run	Expenditure as on 31 March 2014
54.	Choutapally Hanumantha Reddy LIS	2005	55.00	75.14	20.14	65.26
55.	Lendi Interstate Project	2007	202.19	263.89	61.70	221.68
56.	Flood Banks along Nagavali & Vamsadhara River	2007	310.72	310.72	0.00	1107.73
57.	Flood Banks of Godavari	2008	548.32	795.19	246.87	1107.73 716.65
58.	Flood Banks of Krishna	2008	259.36	259.36	0.00	
59.	Flood Banks in Kurnool (Hundri)	2008-09	244.70	244.70	0.00	
60.	Flood Banks in Nandyal (Kundu)	2008-09	97.51	97.51	0.00	
61.	Flood Banks in Nellore District	2009	605.28	652.60	47.32	
62.	Modernization of Godavari Delta	2008	3361.00	3361.00	0.00	
63.	Modernization of Krishna Delta	2008	4573.00	4573.00	0.00	1178.89
64.	Modernization of Pennar Delta	2007	1001.73	1001.73	0.00	526.32
65.	Modernisation of Nagarjunsagar Project	2008	4444.41	4444.41	0.00	1346.53
66.	Modernization of TBP- HLC	2007	587.91	587.91	0.00	209.85
67.	Modernization of TBP-LLC	2008	179.00	179.00	0.00	115.19
68.	PVN Kanthapally LIS		10409.00	11773.00	1364.00	16.59
69.	Modernization of Yeleru Delta System	2008	138.00	138.00	0.00	4.83
<b>Grand Total</b>		<b>110329.80</b>	<b>179328.68</b>	<b>68998.88</b>	<b>72235.50</b>	

Source: Departmental information

**Appendix 1.9**  
**Summarised Financial position of the Government of Andhra Pradesh**  
**as on 31 March 2014**

(Refer Paragraphs 1.12.1 & 1.12.4; pages 25 & 26)

(₹ in crore)

As on 31 March 2013	Liabilities		As on 31 March 2014	
121434.95		<b>Internal Debt</b>		139327.73
	91687.30	Market Loans bearing interest	111373.01	
	0.71	Market Loans not bearing interest	0.58	
	---	Market Loans Suspense	---	
	487.71	Loans from LIC	381.45	
	84.41	Loans from GIC	75.68	
	5330.09	Loans from NABARD	5169.26	
	-2100.77	Loans from other Institutions	-3022.55	
	25945.50	Special sanction issued NSSF	25350.30	
	---	Ways and Means Advances	---	
	---	Overdraft from Reserve Bank of India	---	
17301.84		<b>Loans and Advances from Central Government</b>		17415.74
	8.73	Pre 1984-85 Loans	8.73	
	76.73	Non-Plan Loans	70.41	
	17212.79	Loans for State Plan Schemes	17333.01	
	3.59	Loans for Central Plan Schemes	3.59	
	--	Loans for Centrally Sponsored Plan Schemes	---	
	--	Other Ways and Means Advances	---	
47.95		<b>Contingency Fund</b>		46.55
12445.25		<b>Small Savings, Provident Funds, etc.</b>		13517.86
15593.24		<b>Deposits</b>		16792.14
7459.46		<b>Reserve Funds</b>		9010.32
---		Suspense and Miscellaneous Balances		---
---		Remittance Balances		---
174282.69		<b>Total</b>		196110.34
As on 31 March 2013	Assets		As on 31 March 2014	
131186.50		<b>Gross Capital Outlay on Fixed Assets</b>		146458.53
	6204.41	Investments in shares of Companies, Corporations, Cooperatives, etc.	6378.53	
	124982.09	Other Capital Outlay	140080.00	
29316.13		<b>Loans and Advances</b>		32430.39
	5701.50	Loans for Power Projects	5515.36	
	23342.10	Other Development Loans	26331.78	
	272.53	Loans to Government servants and Miscellaneous loans	583.25	
22.97		<b>Advances</b>		27.94
313.82		<b>Remittance Balances</b>		261.87
404.34		<b>Suspense and Miscellaneous Balances</b>		115.93

As on 31 March 2013		Liabilities	As on 31 March 2014	
<b>9167.59</b>		<b>Cash</b>		<b>13289.17</b>
	4.97	Cash in Treasuries and Local Remittances	4.97	
	-564.26	Deposits with Reserve Bank and other Banks	-95.96	
	2.33	Departmental Cash Balance	2.34	
	4567.43	Cash Balance Investments	7048.86	
	5157.12	Investment of Earmarked funds	6328.96	
<b>3871.34</b>		<b>Deficit on Government Account</b>		<b>3526.51</b>
	4999.24	Accumulated deficit up to 31 March 2013	3870.84	
	-1127.9	Revenue Surplus of the Current Year	-344.33	
	---	Amount closed to Government Account	---	
	---	Proforma corrections to opening balances under capital expenditure	---	
<b>174282.69</b>		<b>Total</b>		<b>196110.34</b>

## Appendix 2.1

## Statement of Grants/Appropriations where saving was more than ₹100 crore each and more than 20 per cent of the total provision

(Refer Paragraph 2.4.1; page 33)

(₹in crore)						
Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant	Expenditure	Saving	In per cent
<b>Revenue Voted</b>						
1	III	Administration of Justice	794.62	627.12	167.50	21.08
2	VII	Commercial Taxes Administration	502.05	354.54	147.51	29.38
3	XIV	Technical Education	1,191.34	870.97	320.37	26.89
4	XVII	Municipal Administration and Urban Development	4,822.21	1,934.12	2,888.09	59.89
5	XVIII	Housing	1,379.22	604.01	775.21	56.21
6	XX	Labour and Employment	634.70	501.86	132.84	20.93
7	XXI	Social Welfare	3,670.86	2,277.73	1,393.13	37.95
8	XXII	Tribal Welfare	1,979.79	1,050.90	928.89	46.92
9	XXIII	Backward Classes Welfare	4,691.14	3,375.78	1,315.36	28.04
10	XXIV	Minority Welfare	1,112.70	501.34	611.36	54.94
11	XXV	Women, Child and Disable Welfare	2,759.59	2,015.16	744.43	26.98
12	XXVII	Agriculture	4,553.49	2,736.03	1,817.46	39.91
13	XXVIII	Animal Husbandry and Fisheries	1,239.45	816.70	422.75	34.11
14	XXIX	Forest, Science, Technology and Environment	554.44	398.51	155.93	28.12
15	XXXI	Panchayat Raj	6,635.26	4,498.14	2,137.12	32.21
16	XXXII	Rural Development	5,558.61	4,157.06	1,401.55	25.21
17	XXXIV	Minor Irrigation	527.38	354.40	172.98	32.80
18	XXXVI	Industries and Commerce	1,134.78	672.48	462.30	40.74
19	XXXVII	Tourism, Art and Culture	255.49	126.54	128.95	50.47
<b>Capital Voted</b>						
20	V	Revenue Registration and Relief	342.08	170.92	171.16	50.04
21	X	Home Administration	410.74	202.17	208.57	50.78
22	XI	Roads, Buildings and Ports	4,328.09	3,212.27	1,115.82	25.78
23	XII	School Education	420.23	129.71	290.52	69.13
24	XV	Sports and Youth Services	200.00	26.37	173.63	86.82
25	XXI	Social Welfare	756.92	154.28	602.64	79.62
26	XXII	Tribal Welfare	400.19	237.23	162.96	40.72
27	XXIII	Backward Classes Welfare	415.00	163.67	251.33	60.56
28	XXV	Women, Child and Disable Welfare	182.63	16.66	165.97	90.88
29	XXVII	Agriculture	118.81	0.64	118.17	99.46
30	XXXIV	Minor Irrigation	2,922.41	1,370.72	1,551.69	53.10
<b>Loans Voted</b>						
31	XVII	Municipal Administration and Urban Development	2,157.88	1,103.60	1,054.28	48.86
32	XXXV	Energy	492.00	202.70	289.30	58.80
<b>Total</b>			<b>57,144.10</b>	<b>34,864.33</b>	<b>22,279.77</b>	<b>38.99</b>

**Appendix 2.2**

**Excess over provision of previous years requiring regularization**

(Refer Paragraph 2.4.5; page 37)

(₹ in crore)

Year	Number of Grants/Appropriations	Section	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2004-05	5 Grants	Revenue:	VIII, XIX & XL	14.83	Out of these 71 grants and 21 appropriations Explanatory Notes for 27 grants and 7 appropriations were received and vetted by the PAG (GSSA) as of July 2014. Explanatory Notes for the remaining 44 grants and 14 appropriations are awaited from the Administrative Departments/Finance Department for vetting by the PAG(GSSA)
		Capital:	XVI		
		Loans:	XXXVI		
	1 Appropriation	Revenue:	XXXVI		
2005-06	10 Grants	Revenue:	X, XI, XIX & XXXI	585.82	
		Capital:	VIII, XIII, XVII, XXXII & XXXIII		
		Loans:	XVII		
	3 Appropriations	Revenue:	II, XVI & XXVIII		
2006-07	7 Grants	Revenue:	IX, X, XI & XIV	198.72	
		Capital:	XVII & XXIX		
		Loans:	XXVII		
	1 Appropriation	Revenue:	III		
2007-08	7 Grants	Revenue:	X, XI & XXXII	201.30	
		Capital:	XVII, XXXIII & XXXV		
		Loans:	XXXVI		
	3 Appropriations	Revenue:	II, IV & XIV		
2008-09	11 Grants	Revenue:	II, V, XI, XXIV, XXVI & XXXI	709.24	
		Capital:	XVII & XXXIX		
		Loans:	XIX, XXVII & XXXVI		
	3 Appropriations	Revenue:	II, III & XIII		
2009-10	10 Grants	Revenue:	III & XIX	109.74	
		Capital:	IV, VII, X, XVII & XXIX		
		Loans:	XI, XVI & XVII		
	2 Appropriations	Revenue:	VII & XIII		
2010-11	11 Grants	Revenue:	X & XXIV	867.54	
		Capital:	X, XVII, XXVII & XXXVI		
		Loans:	XI, XV, XVI, XVII & XXXV		
	5 Appropriations	Revenue:	IV, V, X & XVII		
		Capital:	XI		
2011-12	5 grants	Revenue:	X & XXIV	188.59	
		Capital:	XVII		
		Loans:	IX & XV		
	2 Appropriations	Revenue:	XXIII & XXV		
2012-13	5 Grants	Revenue:	X, XI & XXXIX	275.63	
		Capital:	XVII & XXIX		
	1 Appropriation	Revenue:	XVI		
<b>Total</b>				<b>3,151.41</b>	

## Appendix 2.3 (a)

Cases where Supplementary provision proved unnecessary by ₹one crore or more in each case  
(Refer Paragraph 2.4.6; page 37)

(₹in crore)					
Sl. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Saving out of original provision	Supplementary provision
<b>Revenue Voted</b>					
1	III Administration of Justice	793.26	627.12	166.14	1.36
2	VII Commercial Taxes Administration	488.89	354.54	134.35	13.17
3	IX Fiscal Administration, Planning, Surveys and Statistics	16,607.84	15,099.58	1,508.26	105.74
4	XII School Education	16,611.43	14,965.72	1,645.71	326.20
5	XIII Higher Education	2,774.98	2,475.66	299.32	63.62
6	XIV Technical Education	1,168.13	870.97	297.16	23.21
7	XVI Medical and Health	6,232.37	5,502.23	730.14	189.50
8	XVII Municipal Administration and Urban Development	4,613.08	1,934.12	2,678.96	209.13
9	XVIII Housing	925.48	604.01	321.47	453.74
10	XX Labour and Employment	557.16	501.86	55.30	77.55
11	XXI Social Welfare	3,347.13	2,277.73	1,069.40	323.73
12	XXII Tribal Welfare	1,773.28	1,050.89	722.39	206.51
13	XXIII Backward Classes Welfare	3,613.73	3,375.78	237.95	1077.41
14	XXIV Minority Welfare	982.72	501.34	481.38	129.98
15	XXV Women, Child and Disable Welfare	2,645.75	2,015.16	630.59	113.84
16	XXVII Agriculture	4,045.79	2,736.03	1,309.76	507.70
17	XXVIII Animal Husbandry and Fisheries	1,231.27	816.70	414.57	8.18
18	XXIX Forest, Science, Technology and Environment	550.26	398.51	151.75	4.18
19	XXXI Panchayat Raj	6,116.79	4,498.14	1,618.65	518.46
20	XXXII Rural Development	4,971.29	4,157.06	814.23	587.31
21	XXXVI Industries and Commerce	1,077.82	672.48	405.34	56.96
22	XXXVIII Civil Supplies Administration	3,334.62	3,288.32	46.30	395.55
23	XXXIX Information Technology and Communications	207.06	155.10	51.96	28.22
<b>Capital Voted</b>					
24	IV General Administration and Elections	15.00	11.92	3.08	1.07
25	V Revenue, Registration and Relief	324.41	170.92	153.49	17.67
26	X Home Administration	367.42	202.17	165.25	43.32
27	XI Roads, Buildings and Ports	3,841.20	3,212.27	628.93	486.88
28	XII School Education	378.71	129.71	249.00	41.52
29	XIII Higher Education	43.85	27.25	16.60	60.00
30	XIV Technical Education	95.87	42.94	52.93	10.95
31	XX Labour and Employment	5.40	2.07	3.33	5.58
32	XXII Tribal Welfare	349.56	237.23	112.33	50.63

Sl. No.	Number and Name of the Grant/Appropriation	Original Provision	Actual Expenditure	Saving out of original provision	Supplementary provision
33	XXV Women, Child and Disable Welfare	174.76	16.66	158.10	7.87
34	XXVIII Animal Husbandry and Fisheries	101.19	23.22	77.97	14.15
35	XXXI Panchayat Raj	285.53	219.21	66.32	14.18
36	XXXVI Industries and Commerce	20.01	7.22	12.79	2.22
<b>Capital Charged</b>					
37	XXXIII Major and Medium Irrigation	124.12	79.13	44.99	26.36
<b>Grand Total</b>		<b>90,797.16</b>	<b>73,260.97</b>	<b>17,536.19</b>	<b>6,203.65</b>

**Appendix 2.3(b)**

**Cases where Supplementary provision proved excessive by ₹ one crore or more in each case  
(Refer Paragraph 2.4.6; page 37)**

(₹ in crore)

Sl. No.	Number and Name of the Grant and Section	Original	Supplementary	Total grant	Expenditure	Saving
1	IV General Administration and Elections (RV)	305.85	195.51	501.36	450.02	51.34
2	V Revenue, Registration and Relief (RV)	2,526.52	2,677.13	5,203.65	4,456.35	747.30
3	VIII Transport Administration (CV)	0.00	18.00	18.00	4.90	13.10
4	IX Fiscal Administration, Planning, Surveys and Statistics (LV)	137.86	395.58	533.44	474.43	59.01
5	XI Roads, Buildings and Ports (LV)	275.00	22.17	297.17	294.88	2.29
6	XVI Medical and Health (CV)	131.00	108.72	239.72	162.02	77.70
7	XVIII Housing (LV)	1,400.50	430.00	1,830.50	1,479.01	351.49
8	XIX Information and Public Relations (RV)	206.83	127.46	334.29	312.24	22.05
9	XXXV Energy (RV)	6,609.48	988.55	7,598.03	7,334.65	263.38
10	XXXVII Tourism, Art and Culture (CV)	3.49	30.00	33.49	20.41	13.08
<b>Total</b>		<b>11,596.53</b>	<b>4,993.12</b>	<b>16,589.65</b>	<b>14,988.91</b>	<b>1,600.74</b>

RV: Revenue Voted; CV: Capital Voted; LV: Loans Voted

**Appendix 2.3 (c)**

**Cases where supplementary provision proved insufficient by more than ₹ one crore in each case  
(Refer Paragraph 2.4.6; page 37)**

(₹ in crore)

Grant No. and Name of the Grant	Original Provision	Supplementary Provision	Total	Expenditure	Excess
<b>Revenue Voted</b>					
X Home Administration	4,962.51	60.64	5,023.15	5,490.00	466.85
XI Roads, Buildings and Ports	1,674.31	80.70	1,755.01	1,817.44	62.43
<b>Total</b>	<b>6,636.82</b>	<b>141.34</b>	<b>6,778.16</b>	<b>7,307.44</b>	<b>529.28</b>

**Appendix 2.4**  
**Re-appropriation of funds (more than ₹ 10 crore in each case)**  
**(Refer Paragraph 2.4.7; page 38)**

(₹ in crore)					
Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess (+)/ Saving(-)
1	III	Administration of Justice	2014-00-105-(04)	-2.54	-116.66
2	III	Administration of Justice	2014-00-105-(05)	-0.29	-14.89
3	XI	Roads, Buildings and Ports	4059-01-051-(30)	-12.64	-10.09
4	XI	Roads, Buildings and Ports	5054-03-337-(17)	-5.90	-44.10
5	XXXIII	Major and Medium Irrigation	2700-01-110	-4.26	-15.75
6	XXXIII	Major and Medium Irrigation	2700-01-124	-6.18	-161.69
7	XXXIII	Major and Medium Irrigation	4700-01-117	-2.20	-22.18
8	XXXIII	Major and Medium Irrigation	4700-01-120	-136.54	-24.61
9	XXXIII	Major and Medium Irrigation	4700-01-122	-23.34	-13.65
10	XXXV	Energy	6801-00-205-(10)	-155.18	-12.57
		<b>Inadequate re-appropriation</b>	<b>Total</b>	<b>-346.87</b>	<b>-414.01</b>
11	X	Home Administration	2055-00-001-(03)	-0.04	42.12
12	X	Home Administration	2055-00-109-(03)	-1.04	415.91
13	X	Home Administration	2055-00-109-(04)	-16.66	23.84
14	X	Home Administration	2055-00-115-(04)	-25.81	10.29
15	XI	Roads, Buildings and Ports	4059-60-051-(80)	-1.34	10.09
16	XII	School Education	2202-01-101-(04)	-60.18	10.04
17	XII	School Education	2202-01-103-(05)	-456.10	142.58
18	XII	School Education	2202-02-106-(05)	-78.96	39.72
19	XII	School Education	2202-02-109-(04)	-86.60	16.25
20	XII	School Education	2202-02-109-(07)	-158.37	329.05
21	XII	School Education	2202-02-191-(05)	-273.36	120.30
22	XIII	Higher Education	2202-03-103-(07)	-22.14	15.87
23	XIII	Higher Education	2202-03-104-(06)	-33.97	19.34
24	XVI	Medical and Health	2211-00-103-(11)	-44.11	44.12
25	XVII	Municipal Administration and Urban Development	2217-80-001-(08)	-43.91	10.35
26	XVII	Municipal Administration and Urban Development	6217-01-800-(05)	-528.85	48.46
27	XVIII	Housing	2216-03-101-(04)	-74.91	37.43
28	XX	Labour and Employment	2210-01-102-(04)	-32.67	14.00
29	XXI	Social Welfare	2225-01-277-(05)	-372.65	46.28
30	XXI	Social Welfare	2225-01-277-(06)	-272.05	20.46
31	XXI	Social Welfare	2225-01-800-(08)	-88.64	23.58
32	XXII	Tribal Welfare	2225-02-001-(05)	-9.77	12.19
33	XXIII	Backward Classes Welfare	2225-03-277-(08)	-378.62	33.72
34	XXIII	Backward Classes Welfare	2225-03-277-(24)	-125.12	16.12
35	XXV	Women, Child and Disabled Welfare	2235-02-796-(70)	-10.50	10.50
36	XXXI	Panchayat Raj	2515-00-789-(49)	-4.11	12.35
37	XXXIII	Major and Medium Irrigation	2700-01-156	-19.96	19.74
38	XXXIII	Major and Medium Irrigation	4700-01-800	-45.05	15.20
39	XXXIII	Major and Medium Irrigation	4801-01-101-(26)	-14.04	21.85

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess (+)/ Saving(-)
40	XXXIV	Minor Irrigation	2702-03-101-(10)	-26.65	31.42
		<b>Unnecessary re-appropriation</b>	<b>Total</b>	<b>-3186.91</b>	<b>1572.73</b>
41	X	Home Administration	2055-00-001-(10)	0.28	-18.38
42	X	Home Administration	2055-00-104-(04)	1.40	-36.28
43	XVI	Medical and Health	4210-03-105-(22)	36.67	-11.62
		<b>Excessive re-appropriation</b>	<b>Total</b>	<b>38.35</b>	<b>-66.28</b>
44	X	Home Administration	2055-00-001-(01)	2.82	13.43
45	XXXIII	Major and Medium Irrigation	4700-01-114	24.56	28.90
		<b>Insufficient re-appropriation</b>	<b>Total</b>	<b>27.38</b>	<b>42.33</b>

**Appendix 2.5**  
**Substantial surrenders made during the year**  
**(Refer paragraph 2.4.9; Page 39)**

(₹in crore)

Sl No.	Grant No. & Name of the Grant	Name of the Scheme (Head of Account)	Budget	Amount Surrendered	Percentage to Budget
1	IX Fiscal Administration, Planning, Surveys And Statistics	6003-00-110-(05) Ways and Means Advances from the RBI	1500.00	1500.00	100.00
Specific reasons for surrender of entire provision were not intimated					
2	XII School Education	2202-01-103(04) Teaching Grants to Municipalities	167.51	154.64	92.32
Surrender of ₹146.10 crore was stated to be due to non-filling up of vacancies					
3	XII School Education	2202-02-800-(17) ICT in 4031 Schools	139.02	139.02	100.00
Surrender of entire provision was stated to be due to non-receipt of requisition from unit offices					
4	XVII Municipal Administration And Urban Development	2217-05-191-(71) Urban Infrastructure and Governance under JNNURM	736.31	718.80	97.62
Surrender of ₹718.80 crore was stated to be due to non-starting of works for want of administrative orders					
5	XVII Municipal Administration And Urban Development	2217-05-191-(72) Basic Services for Urban Poor under JNNURM	505.48	505.48	100.00
Surrender of entire provision was stated to be due to non-starting of works for want of administrative orders					
6	XVII Municipal Administration And Urban Development	2217-05-191-(73) Urban Infrastructure Development Scheme for Small and Medium Towns under JNNURM	319.08	319.08	100.00
Surrender of entire provision was stated to be due to non-starting of works for want of administrative orders					
7	XVII Municipal Administration And Urban Development	2217-05-191-(85) 13th Finance Commission Grants	292.81	290.96	99.37
Surrender of provision was stated to be due to non-starting of works for want of administrative orders					
8	XVII Municipal Administration And Urban Development	2217-05-192-(05) Thirteenth Finance Commission Grants	184.02	183.47	99.70
Surrender of provision was stated to be due to non-starting of works for want of administrative orders.					
9	XVIII Housing	2216-03-796-(05) Weaker Section Housing Programme under Indiramma Programme	317.73	307.24	96.70
Specific reasons for decrease in provision have not been intimated					
10	XXV Women, Child And Disabled Welfare	4235-02-102-(09) Integrated Child Development Services Schemes	121.82	121.82	100.00
Surrender of ₹ 115.72 crore was stated to be due to non-starting of works for want of administrative orders					
11	XXVII Agriculture	2401-00-119-(58) A.P. Micro Irrigation Project (NABARD)	345.38	345.38	100.00
Surrender of entire provision was stated to be for providing equal amount as additional under Matching State Share (06) by opening New Sub heads towards A.P. Micro Irrigation Project					

SI No.	Grant No. & Name of the Grant	Name of the Scheme (Head of Account)	Budget	Amount Surrendered	Percentage to Budget
12	XXVII Agriculture	4435-01-101-(74) Construction of Godowns	103.78	103.78	100.00/
Surrender of entire provision was stated to be due to non-starting of works for want of administrative orders					
13	XXXI Panchayat Raj	2215-01-789-(29) National Rural Drinking water Programme (NRDWP)	100.00	100.00	100.00
Specific reasons for surrender of the entire provision were not intimated					
14	XXXI Panchayat Raj	2515-00-789-(46) Upgradation of NREGP works	335.00	317.19	94.68
Surrender of provision was stated to be due to non-starting of works for want of administrative orders					
15	XXXIII Major And Medium Irrigation	2700-800-800-(19) Rehabilitation of Medium Irrigation Projects under APILIP	151.00	142.22	94.19
Specific reasons for surrender of the provision were not intimated					
16	XXXIII Major And Medium Irrigation	4700-80-800-(49) Resettlement and Rehabilitation	100.00	100.00	100.00
Specific reasons for surrender of the entire provision were not intimated					
17	XXXIV Minor Irrigation	4702-00-101-(10) Minor Works under RIDF	154.74	150.44	97.22
Specific reasons for surrender of the provision were not intimated					
18	XXXIV Minor Irrigation	4702-02-789-(75) Lumpsum provision for implementing SC Plan	651.00	651.00	100.00
Surrender of ₹ 633.56 crore was stated to be due to release of equal amount as additional funds towards (i) upgradation of NREGP Scheme in PR&RD Demand (ii) Education Demand, (iii) meeting the expenditure on providing free power to SC households under Social Welfare Grant, (iv) electrification in SC habitations under SCSP under Energy Demand, (v) Bangaru Talli Scheme (SCSP Component) under Women and Child and Disable Welfare Demand and (vi) Slow progress of work					
19	XXXIV Minor Irrigation	4702-02-796-(75) Lumpsum provision for implementing ST Plan	265.00	265.00	100.00
Surrender of entire provision was stated to be due to release of equal amount as additional funds in relevant heads under other demand in different schemes					
20	XXXVI Industries And Commerce	2408-01-103-(04) National Mission on Food Processing (NMFP)	120.00	110.45	92.04
Specific reasons for surrender of the provision were not intimated					
<b>Total</b>			<b>6,609.68</b>	<b>6,525.97</b>	<b>92.04</b>

**Appendix 2.6**  
**Surrenders in excess of actual saving/excess (₹ 50 lakh or more in each case)**  
**(Refer Paragraph 2.4.11; page 40)**

(₹ in crore)

Sl. No.	Number and Name of the grant	Total grant	Expenditure	Excess(+)/ Savings(-)	Amount surrendered	Amount surrendered in excess
	<b>Revenue Voted</b>					
1	I State Legislature	135.34	110.89	(-) 24.45	37.51	13.06
2	II Governor and Council of Ministers	24.10	21.35	(-) 2.75	3.68	0.93
3	IV General Administration and Elections	501.36	450.02	(-) 51.34	68.62	17.28
4	V Revenue, Registration & Relief	5,203.65	4,456.35	(-) 747.30	774.99	27.69
5	VI Excise Administration	424.81	406.61	(-) 18.20	25.29	7.09
6	VII Commercial Taxes Administration	502.05	354.54	(-) 147.51	154.83	7.32
7	VIII Transport Administration	149.15	123.72	(-) 25.43	27.70	2.27
8	X Home Administration	5,023.15	5,490.00	466.85	16.40	16.40
9	XI Roads, Buildings and Ports	1,755.01	1,817.44	62.43	160.80	160.80
10	XII School Education	16,937.63	14,965.72	(-) 1,971.91	2,630.98	659.07
11	XIII Higher Education	2,838.60	2,475.66	(-) 362.94	410.40	47.46
12	XIV Technical Education	1,191.34	870.97	(-) 320.37	329.17	8.80
13	XV Sports and Youth Services	142.92	118.58	(-)24.34	26.47	2.13
14	XVI Medical and Health	6,421.86	5,502.23	(-) 919.63	1,016.74	97.11
15	XVII Municipal Administration and Urban Development	4,822.21	1,934.12	(-) 2,888.09	2,907.81	19.72
16	XVIII Housing	1,379.22	604.01	(-) 775.21	812.67	37.46
17	XIX Information and Public Relations	334.29	312.24	(-) 22.05	24.00	1.95
18	XX Labour and Employment	634.70	501.86	(-) 132.84	156.22	23.38
19	XXI Social Welfare	3,670.86	2,277.73	(-) 1,393.13	1,458.55	65.42
20	XXII Tribal Welfare	1,979.79	1,050.90	(-) 928.89	929.93	1.04
21	XXIII Backward Classes Welfare	4,691.14	3,375.78	(-) 1,315.36	1,373.09	57.73
22	XXIV Minority Welfare	1,112.70	501.34	(-) 611.36	616.43	5.07
23	XXV Women, Child and Disable Welfare	2,759.59	2,015.16	(-) 744.43	783.47	39.04
24	XXVII Agriculture	4,553.49	2,736.03	(-) 1,817.46	1,833.13	15.67
25	XXVIII Animal Husbandry and Fisheries	1,239.45	816.70	(-) 422.75	443.98	21.23
26	XXIX Forest, Science, Technology and Environment	554.44	398.51	(-) 155.93	165.05	9.12
27	XXX Cooperation	195.22	136.69	(-) 58.53	63.41	4.88
28	XXXI Panchayat Raj	6,635.25	4,498.14	(-) 2,137.11	2,210.09	72.98
29	XXXIV Minor Irrigation	527.37	354.40	(-) 172.97	207.35	34.38
30	XXXV Energy	7,598.03	7,334.65	(-) 263.38	275.32	11.94
31	XXXVI Industries and Commerce	1,134.78	672.48	(-) 462.30	470.10	7.80
32	XXXVII Tourism Art and Culture	255.49	126.54	(-) 128.95	130.29	1.34

Sl. No.	Number and Name of the grant	Total grant	Expenditure	Excess(+)/ Savings(-)	Amount surrendered	Amount surrendered in excess
33	XXXVIII Civil Supplies Administration	3,730.17	3,288.32	(-) 441.85	444.18	2.33
	<b>Capital Voted</b>					
34	V Revenue, Registration & Relief	342.08	170.92	(-)171.16	180.79	9.63
35	XXVIII Animal Husbandry and Fisheries	115.34	23.22	(-) 92.12	97.35	5.23
36	XXX Cooperation	1.82	1.20	(-) 0.62	1.12	0.50
37	XXXIII Major and Medium Irrigation	9,844.65	8,340.01	(-) 1,504.64	1,506.94	2.30
38	XXXIV Minor Irrigation	2,922.41	1,370.72	(-) 1,551.69	1,574.42	22.73
	<b>Loans - Voted</b>					
39	IX Fiscal Administration, Planning, Surveys and Statistics	533.44	474.43	(-) 59.01	59.69	0.68
40	XVII Municipal Administration and Urban Development	2,157.88	1,103.59	(-) 1,054.29	1,102.74	48.45
	<b>Total</b>	<b>1,04,976.78</b>	<b>81,583.77</b>	<b>(-) 23,922.29<sup>2</sup></b>	<b>25,511.70</b>	<b>1,589.41</b>

### Appendix 2.7

#### Statement of grants/appropriations in which saving occurred but no part of which was surrendered

(Refer Paragraph 2.4.12; page 40)

(₹in crore)			
Sl. No.	Grant No	Name of the grant/appropriation	Saving
<b>I Grants</b>			
1	XXVI	Administration of Religious Endowments (RV)	8.76
<b>II Appropriations</b>			
2	III	Administration of Justice (RC)	4.19
3	X	Home Administration (RC)	0.03
4	XI	Roads, Buildings and Ports (RC)	0.34
5	XI	Roads, Buildings and Ports (CC)	0.05
6	XXXII	Rural Development (RC)	0.05
7	XXXIV	Minor Irrigation (CC)	24.97
		<b>Total</b>	<b>29.63</b>
		<b>Grand Total</b>	<b>38.39</b>

RV: Revenue Voted; RC: Revenue Charged; CC: Capital Charged

<sup>2</sup> Excludes sl. no.8 (₹466.85 crore), sl. no.9(₹62.43 crore) being final excess

**Appendix 2.8**  
**Details of saving of ₹ five crore and above not surrendered**  
**(Refer Paragraph 2.4.12; page 40)**

(₹in crore)				
Sl. No.	Number and Name of the grant/appropriation	Saving	Surrender	Un-surrendered saving
<b>Revenue Voted</b>				
1	III Administration of Justice	167.5	17.14	150.36
2	IX Fiscal Administration, Planning, Surveys and Statistics	1,614.01	788.71	825.30
3	XXXIII Major and Medium Irrigation	962.96	538.70	424.26
4	XXXIX Information Technology and Communications	80.19	73.20	6.99
<b>Capital Voted</b>				
5	XI Roads, Buildings and Ports	1,115.82	836.74	279.08
6	XVI Medical and Health	77.70	64.25	13.45
7	XXI Social Welfare	602.64	447.67	154.97
<b>Loans Voted</b>				
8	XVI Medical and Health	43.21	26.71	16.50
9	XXXV Energy	289.30	276.72	12.58
<b>Revenue Charged</b>				
10	IX Fiscal Administration, Planning, Surveys and Statistics	1,586.97	399.11	1,187.86
<b>Capital Charged</b>				
11	XXXIII Major and Medium Irrigation	71.35	43.93	27.42
<b>Total</b>		<b>6,611.65</b>	<b>3,512.88</b>	<b>3,098.77</b>

**Appendix 2.9**

**Cases of surrender of funds in excess of ₹ 10 crore on 30 March 2014**

**(Refer Paragraph 2.4.12; page 40)**

(₹ in crore)			
Sl. No.	Grant No.	Name of the Grant	Amount of Surrender
1	I	State Legislature (RV)	37.51
2	III	Administration of Justice (RV)	17.14
3	III	Administration of Justice (CV)	52.04
4	IV	General Administration and Elections (RV)	68.62
5	V	Revenue Registration and Relief (RV)	774.99
6	V	Revenue Registration and Relief (CV)	180.79
7	VI	Excise Administration (RV)	25.29
8	VII	Commercial Taxes Administration (RV)	154.83
9	VIII	Transport Administration (RV)	22.70
10	VIII	Transport Administration (CV)	13.10
11	IX	Fiscal Administration, Planning Surveys and Statistics (RV)	763.49
12	IX	Fiscal Administration, Planning Surveys and Statistics (RC)	399.11
13	IX	Fiscal Administration, Planning Surveys and Statistics (CV)	13.73
14	IX	Fiscal Administration, Planning Surveys and Statistics (LV)	59.69
15	IX	Fiscal Administration, Planning Surveys and Statistics (PD)	1,341.21
16	X	Home Administration (RV)	16.40
17	X	Home Administration (CV)	206.98
18	X	Home Administration (LV)	29.82
19	XI	Roads, Buildings and Ports (RV)	160.80
20	XI	Roads, Buildings and Ports (CV)	758.46
21	XII	School Education (RV)	2,630.98
22	XII	School Education (CV)	286.49
23	XIII	Higher Education (RV)	410.40
24	XIII	Higher Education (CV)	77.06
25	XIV	Technical Education (RV)	329.17
26	XIV	Technical Education (CV)	63.87
27	XV	Sports and Youth Services (RV)	26.47
28	XV	Sports and Youth Services (CV)	173.63
29	XVI	Medical and Health (RV)	1,016.74
30	XVI	Medical and Health (CV)	64.25
31	XVI	Medical and Health (LV)	26.71
32	XVII	Municipal Administration and Urban Development (RV)	2,907.81
33	XVII	Municipal Administration and Urban Development (LV)	1,102.74
34	XVIII	Housing (RV)	812.67
35	XVIII	Housing(LV)	176.49
36	XIX	Information and Public Relations (RV)	24.01
37	XX	Labour and Employment (RV)	156.22
38	XXI	Social Welfare (RV)	1,458.55
39	XXI	Social Welfare (CV)	447.67
40	XXII	Tribal Welfare (RV)	929.93
41	XXII	Tribal Welfare (CV)	162.93
42	XXIII	Backward Classes Welfare (RV)	1,373.09

Sl. No.	Grant No.	Name of the Grant	Amount of Surrender
43	XXIII	Backward Classes Welfare (CV)	251.33
44	XXIV	Minority Welfare (RV)	616.43
45	XXIV	Minority Welfare (CV)	38.29
46	XXV	Women Child and Disabled Welfare (RV)	783.47
47	XXV	Women Child and Disabled Welfare (CV)	165.96
48	XXVII	Agriculture (RV)	1,361.53
49	XXVII	Agriculture (CV)	118.17
50	XXVIII	Animal Husbandry and Fisheries (RV)	429.84
51	XXVIII	Animal Husbandry and Fisheries (CV)	97.35
52	XXIX	Forest Science, Technology and Environment	165.05
53	XXX	Cooperation (RV)	63.41
54	XXXI	Panchayat Raj (RV)	2,210.09
55	XXXI	Panchayat Raj (CV)	80.83
56	XXXII	Rural Development (RV)	1,401.95
57	XXXIII	Major and Medium Irrigation (RV)	538.70
58	XXXIII	Major and Medium Irrigation (CV)	1,506.94
59	XXXIII	Major and Medium Irrigation (CC)	43.93
60	XXXIV	Minor Irrigation (RV)	90.27
61	XXXIV	Minor Irrigation (CV)	423.31
62	XXXV	Energy (RV)	275.32
63	XXXV	Energy (LV)	276.72
64	XXXVI	Industries and Commerce (RV)	469.80
65	XXXVI	Industries and Commerce (CV)	15.01
66	XXXVII	Tourism, Art and Culture (RV)	100.29
67	XXXVII	Tourism, Art and Culture (CV)	13.08
68	XXXVIII	Civil Supplies Administration (RV)	444.18
69	XXXIX	Information Technology and Communications (RV)	73.20
		<b>Total</b>	<b>31,809.02</b>

RV: Revenue Voted; RC: Revenue Charged; CV: Capital Voted; CC: Capital Charged; LV: Loans Voted; PD: Public Debt – Loans Charged

**Appendix 2.10**

**Rush of expenditure during the last quarter and last month of 2013-14  
(Refer Paragraph 2.4.13; page 41)**

(₹in crore)

Sl. No.	Major Head	Major Head Description	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2014	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2015	Elections	186.92	172.31	92	151.18	81
2.	2039	State Excise	406.63	184.43	45	125.40	31
3.	2051	Public Service Commission	32.03	15.34	48	2.47	8
4.	2408	Food Storage and Warehousing	9.56	4.56	48	4.56	48
5.	2810	New and Renewable Energy	5.00	2.71	54	1.62	32
6.	3056	Inland Water Transport	3.54	2.53	72	2.34	66
7.	4055	Capital Outlay on Police	156.94	111.82	71	69.56	44
8.	4059	Capital Outlay on Public Works	82.30	38.42	47	18.99	23
9.	4070	Capital Outlay on Other Administrative Services	65.23	32.33	50	21.58	33
10.	4202	Capital Outlay on Education, Sports, Art and Culture	227.14	120.92	53	63.16	28
11.	4215	Capital Outlay on Water Supply and Sanitation	219.52	90.27	41	50.02	23
12.	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes & Minorities	555.39	250.99	45	174.85	31
13.	4235	Capital Outlay on Social Security and Welfare	16.66	8.12	49	5.26	32
14.	4250	Capital Outlay on Other Social Services	164.45	66.93	41	33.67	20
15.	4401	Capital Outlay on Crop Husbandry	0.62	0.62	100	0.39	63
16.	4403	Capital Outlay on Animal Husbandry	23.22	17.66	76	15.30	66
17.	4701	Capital Outlay on Medium Irrigation	168.14	71.06	42	38.52	23
18.	4705	Capital Outlay on Command Area Development	0.39	0.33	84	0.22	57
19.	4711	Capital Outlay on Flood Control Projects	154.63	67.76	44	38.52	25
20.	4801	Capital Outlay on Power Projects	47.14	22.92	49	22.71	48
21.	4860	Capital Outlay on Consumer Industries	5.00	2.50	50	1.25	25

Sl. No.	Major Head	Major Head Description	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2014	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
22.	4875	Capital Outlay on Other Industries	64.53	60.13	93	57.88	90
23.	5053	Capital Outlay on Civil Aviation	2.00	1.00	50	0.50	25
24.	5452	Capital Outlay on Tourism	19.64	17.13	87	9.25	47
25.	5475	Capital Outlay on Other General Economic Services	971.27	445.01	46	89.53	9

Source: Monthly Civil Accounts 2013-14

### Appendix 2.11

#### Details of expenditure incurred without budget provision

(Refer Paragraph 2.6.1.3; page 48)

Sl No.	Head Of Account	Nomenclature	Total Grant	(₹in lakh)
				Expenditure
1	2215-01-001-01-310	Grants-in-Aid	0	0.10
2	2217-05-001-01-310	Grants-in-Aid	0	0.10
3	2217-05-001-03-310	Grants-in-Aid	0	0.20
4	2217-80-001-03-310	Grants-in-Aid	0	0.40
5	2217-80-001-04-010	Salaries	0	407.85
6	2217-80-001-04-310	Grants-in-Aid	0	0.50
7	2217-80-001-11-04-010	Salaries	0	25.44
8	2217-80-001-07-310	Grants-in-Aid	0	0.20
9	2217-80-001-08-310	Grants-in-Aid	0	29.38
10	3604-00-200-04-310	Grants-in-Aid	0	119.68
11	4215-01-101-11-05-010	Salaries	0	31.12
12	6217-60-800-04-001	Loans to Municipalities	0	1700.00
<b>Total</b>				<b>2314.97</b>

**Appendix 2.12**  
**Cases of surrender of entire provision**  
**(Refer Paragraph 2.6.1.4; page 48)**

(₹ in crore)

Sl No.	Name of the Scheme	Head of Account	Total Grant	Expenditure	Surrender/ Savings
1	JNNURM BSUP	2217-80-191-11-72-310	505.48	0	(-)505.48
		2217-80-789-11-72-310	57.25	0	(-)57.25
		2217-80-796-11-72-310	9.73	0	(-)9.73
		<b>Total:</b>	<b>572.46</b>	<b>0</b>	<b>(-)572.46</b>
2	JNNURM UIDSSMT	2217-80-191-11-73-310	319.08	0	(-)319.08
		2217-80-789-11-73-310	36.14	0	(-)36.14
		2217-80-796-11-73-310	6.14	0	(-)6.14
		<b>Total:</b>	<b>361.36</b>	<b>0</b>	<b>(-)361.36</b>
3	JNNURM (IHSDP)	2217-80-191-11-74-310	77.10	0	(-)77.10
		2217-80-789-11-74-310	8.73	0	(-)8.73
		2217-80-796-11-74-310	1.48	0	(-)1.48
		<b>Total</b>	<b>87.31</b>	<b>0</b>	<b>(-)87.31</b>
4.	RAY	2217-80-191-06-86-310	44.10	0	(-)44.10
		2217-80-789-06-86-310	5.05	0	(-)5.05
		2217-80-796-06-86-310	0.85	0	(-)0.85
		<b>Total:</b>	<b>50.00</b>	<b>0</b>	<b>(-)50.00</b>
5	SJSRY	2230-02-191-06-05-310	16.11	0	(-)16.11
		2230-02-789-06-05-310	1.84	0	(-)1.84
		<b>Total:</b>	<b>17.95</b>	<b>0</b>	<b>(-)17.95</b>
		2230-02-191-10-05-310	19.70	0	(-)19.70
		2230-02-789-10-05-310	7.71	0	(-)7.71
		<b>Total:</b>	<b>27.41</b>	<b>0</b>	<b>(-)27.41</b>
6	13 <sup>th</sup> Finance Commission	2217-80-193-05-310	6.09	0	(-)6.09
<b>Total</b>			<b>1122.58</b>	<b>0</b>	<b>(-)1122.58</b>

**Appendix 2.13**  
**Details of substantial surrenders made**  
**(Refer Paragraph 2.6.1.4; page 48)**

(₹in crore)

Sl No.	Name of the Scheme	Head of Account	Total Grant	Expenditure	Surrender/ Savings
1	JNNURM (UIG)	2217-80-789-11-71-310	83.39	3.68	79.71
		2217-80-191-11-71-310	736.31	17.51	718.80
		2217-80-796-11-71-310	14.18	1.50	12.68
		<b>Total:</b>	<b>833.88</b>	<b>22.69</b>	<b>811.19</b>
2	13 <sup>th</sup> Finance Commission	2217-80-191-85-310	292.81	1.86	290.95
		2217-80-192-05-310	184.02	0.55	183.47
		<b>Total:</b>	<b>476.83</b>	<b>2.41</b>	<b>474.42</b>
3	APMDP	2217-80-191-03-22-310	161.38	80.69	80.69
		2217-80-789-03-22-310	26.12	13.06	13.06
		2207-80-796-03-22-310	12.50	6.25	6.25
		<b>Total:</b>	<b>200.00</b>	<b>100.00</b>	<b>100.00</b>
4.	Vaddileni Runalu	2217-80-191-11-82-310	132.30	66.15	66.15
5	Hussainsagar Lake Catchment Area Improvement Project	2217-80-191-03-57-310	95.57	19.52	76.05
		2217-80-789-03-57-310	7.12	-	7.12
		<b>Total</b>	<b>102.69</b>		<b>83.17</b>
6	Loans to HMWSS for Godavari Water Supply	6215-01-190-11-08-001	372.00	151.76	220.24
		6215-01-789-11-08-001	28.00	18.70	9.30
		<b>Total:</b>	<b>400.00</b>	<b>170.46</b>	<b>229.54</b>
7	Loans to HMDA for Outer Ring Road	6217-01-789-03-05-001	53.40	3.30	50.1
		6217-01-800-03-05-001	709.48	229.08	480.40
		<b>Total</b>	<b>762.88</b>	<b>232.38</b>	<b>530.50</b>
8	Loans to HMRL	6217-01-789-11-04-001	35.00	17.50	17.50
		6217-01-800-11-04-001	465.00	232.50	232.50
		<b>Total</b>	<b>500.00</b>	<b>250.00</b>	<b>250.00</b>
		<b>Grand total</b>	<b>3408.58</b>	<b>863.61</b>	<b>2544.97</b>

**Appendix 2.14**

**Details of budget provision and expenditure towards JNNURM during 2011-14**

(Refer Paragraph 2.6.1.5 (D); page 49)

(₹in crore)

Year	Original Grant	Suppl. Grants	Total Grant	Expenditure	Surrender/ Savings	Percentage of savings/ Surrenders
2011-12						
UIG	353.55	55.59	409.14	409.14	0	
BSUP	407.3	0	407.3	407.3	0	
UIDSSMT	825.95	150	975.95	51.11	924.84	
IHSDP	163.2	66.13	229.33	229.33	0	
<b>Total</b>	<b>1750</b>	<b>271.72</b>	<b>2021.72</b>	<b>1096.88</b>	<b>924.84</b>	<b>45.75</b>
2012-13						
UIG	458.55	0	458.55	288.87	169.68	
BSUP	407.3	0	407.3	230.10	177.2	
UIDSSMT	825.95	0	825.95	12.52	813.43	
IHSDP	163.2	0	163.2	0.03	163.17	
<b>Total</b>	<b>1855</b>	<b>0</b>	<b>1855</b>	<b>531.52</b>	<b>1323.48</b>	<b>71.35</b>
2013-14						
UIG	833.88	0	833.88	22.69	811.19	
BSUP	572.46	0	572.46	0	572.46	
UIDSSMT	361.36	0	361.36	0	361.36	
IHSDP	87.31	0	87.31	0	87.31	
<b>Total</b>	<b>1855.01</b>	<b>0</b>	<b>1855.01</b>	<b>22.69</b>	<b>1832.32</b>	<b>98.78</b>

**Appendix 2.15**  
**Expenditure incurred without Budget Provision**  
**(Refer Paragraph 2.6.2.4; page 52)**

(₹in lakh)				
Sl. No	Head of A/c	Nomenclature	Total Grant (O+S)	Expenditure
1.	2215-01-102-03-310	Rural water supply programmes-Grants-in-Aid	0	1.30
2.	2215-01-102-10-010	Assistance to PR Bodies- Salaries	0	8.68
3.	2215-01-102-10-03-270	District offices (Executive Estt)- Minor Works	0	1.94
4.	2215-01-102-10-11-310	Monitoring cell for water supply schemes- Grants-in-Aid	0	0.10
5.	2215-01-102-11-03-010	District offices (Executive Estt)- Salaries	0	46.79
6.	2215-01-102-11-03-270	District offices (Executive Estt)- Minor Works	0	43.07
7.	2215-01-102-11-10-010	Assistance to PR Bodies- Salaries	0	1.67
8.	2515-00-001-03-270	District offices (Executive Estt)- Minor Works	0	2.40
	2515-00-001-03-310	District Panchayat Offices- Grants-in-Aid	0	0.90
9.	2515-00-001-05-310	Chief Engineer (Panchayat Raj and General)- Grants-in-Aid	0	0.10
10.	2515-00-001-06-310	Other Rural Development Programmes, PR Engineering Establishment- Grants-in-Aid	0	0.60
11.	2515-00-001-07-010	District offices –Salaries	0	238.22
12.	2515-00-001-07-270	District offices- Minor Works	0	56.25
13.	2515-00-001-07-310	District offices-Grants-in-Aid	0	0.30
14.	2515-00-001-11-07-010	District offices- Salaries	0	13747.53
15.	2515-00-001-11-07-110	District offices- Domestic Travel expenses	0	2.86
16.	2515-00-001-11-07-270	District offices- Minor Works	0	290.19
17.	2515-00-001-11-07-310	District offices- Grants-in-Aid	0	1.30
18.	2515-00-101-07-010	Assistance to Zilla Parishads-Salaries	0	9.04
19.	2515-00-196-45-310	SFC Grants to Panchayat Raj Bodies-Grants-in-Aid	0	8.88
20.	2515-00-198-10-240	Elections to Panchayats- Petrol, Oil and Lubricants	0	407.79
21.	2515-00-198-10-280	Elections to Panchayats-Professional Services	0	12.37
22.	4215-01-102-03-06-010	Project implementation support- Salaries	0	31.67
<b>Total</b>			<b>0</b>	<b>14913.95</b>

**Appendix 2.16**  
**Cases of surrender of entire funds**  
**(Refer Paragraph 2.6.2.5; page 52)**

(₹in lakh)

Sl. No	Head of Account	Nomenclature	Original provision	Surrender
1.	2215-01-102-01-280	Head quarters office	0.68	0.68
2.	2215-01-102-03-280	District office	0.59	0.59
3.	2215-01-102-03-06-160	Project Implementation Support	2.00	2.00
4.	2215-01-102-03-06-200	Project Implementation Support	5.00	5.00
5.	2215-01-789-06-29-310	NRDWP	10000.00	10000.00
6.	2515-00-001-03-280	District Panchayat Offices	0.50	0.50
7.	2515-00-001-11-08-310	Vigilance and Quality Control	25.00	25.00
8.	2515-00-196-07-06-260	Assistance to Panchayat Raj Institutions under Rural Infrastructure Development Fund	25.00	25.00
9.	2515-00-196-07-06-500	Assistance to Panchayat Raj Institutions under Rural Infrastructure Development Fund	25.00	25.00
10.	2515-00-197-05-310	Assistance to Mandal Parishads towards payment of Salaries to MPTC Members	1451.57	1451.57
11.	2515-00-198-08-330	Assistance to Gram Panchayats	10.65	10.65
12.	2515-00-198-08-500	Assistance to Gram Panchayats	10.58	10.58
13.	2515-00-198-11-13-310	Assistance to Best Gram Panchayat Awards	12.00	12.00
14.	2515-00-789-07-39-310	Construction of High schools under RIAD Programme	150.00	150.00
15.	4215-01-800-11-74-530	Departmental Buildings	28.00	28.00
16.	2515-00-101-11-49-310	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	1962.02	1962.02
<b>Total</b>			<b>13708.59</b>	<b>13708.59</b>

**Appendix 2.17**  
**Details of unutilized GoAP Funds**  
**(Refer Paragraph 2.6.2.5; page 52)**

(₹in crore)

Sl. No.	Head of Account	Budget Provision	Expenditure	Unutilized provision & Percentage	Purpose
1.	2215-01-102-03-06-280	4.25	2.13	2.12(50%)	Project Implementation support
2.	2215-01-102-03-06-010	3.85	1.86	1.99(52%)	Project Implementation Support
3.	2515-00-198-46-310	30.00	22.50	7.50(25%)	Assistance to gram Panchayats for current consumption charges
4.	2215-01-196-05-270	25.00	21.35	3.65(15%)	Assistance to Panchayati Raj bodies towards Maintenance of comprehensive Piped water supply schemes
5.	2515-00-196-07-06-310	35.00	27.57	7.43(21%)	Assistance to Panchayat Raj Institutions under Rural Infrastructure Development Fund
6.	2515-00-796-07-06-310	6.00	2.24	3.76(63%)	Assistance to Panchayat Raj Institutions under RIDF
7.	2515-00-196-11-45-310	300.00	149.16	150.84(50%)	SFC Grants to Panchayat Raj Bodies
8.	2515-00-800-14-310	172.97	47.26	125.71(73%)	Construction of Roads and Bridges in Rural areas under AP Rural Development Fund
9.	2515-00-789-07-38-310	30.50	19.39	11.11(36%)	Construction of Roads under RIAD Programme
10.	2515-00-789-11-46-310	335.00	17.81	317.19(95%)	Up gradation of NREGP works
11.	2515-00-796-11-46-310	10.00	7.08	2.92(29%)	Up gradation of NREGP works
12.	3604-00-108-05-310	84.30	41.19	43.11(51%)	Professional Tax Compensation to Gram Panchayats
13.	2215-01-102-03-07-310	13.00	6.50	6.50(50%)	Infrastructure Development
14.	4215-01-102-03-07-260	12.00	8.38	3.62(30%)	Infrastructure Development
15.	4215-01-789-03-07-530	80.20	7.10	73.10(91%)	Infrastructure Development
16.	2515-00-197-05-310	14.52	0	14.52(100%)	Assistance to Mandal Parishads towards payment of salaries to MPTC members
17.	2515-00-789-07-39-310	1.50	0	1.50(100%)	Construction of High Schools under RIAD Programme
	<b>Total</b>	<b>1158.09</b>	<b>381.52</b>	<b>776.57</b>	

**Appendix 2.18**  
**Cases of surrender of entire provision**  
**(Refer Paragraph 2.6.3.4; page 55)**

Sl. No.	Head of Account	Purpose	Total Grant not utilized (₹in lakh)
1	2210-01-001-01	Head Office	4.15
2	2210-01-003-04	Training	5.00
3	2210-01-110-04	City Hospitals	0.25
4	2210-01-110-05	District Headquarters Hospitals	1.31
5	2210-01-110-29	Establishment of Teaching Hospitals	0.10
6	2210-01-110-11-39	E.N.T. Hospital, Visakhapatnam	3.50
7	2210-02-102-05	Government Homeopathy Pharmacy, Ramanthapur, Hyderabad	0.10
8	2210-03-103-11-04	Establishment of PHCS	20.00
9	2210-03-110-04	Hospitals at Dam Sites	1.31
10	2210-04-102-04	Homeopathic Hospitals and Dispensaries	0.95
11	2210-04-103-04	Unani Hospitals and Dispensaries	1.17
12	2210-05-105-19	Nursing Colleges	1.95
13	2210-05-105-11-31	RIMS Colleges	3.75
14	2210-05-05-11-36	RIMS Dental Colleges	0.30
15	2210-06-001-01	Headquarters Office	401.00
16	2210-06-001-03	District Offices	0.50
17	2210-06-001-11-01	Headquarters Office	4.04
18	2210-06-101-06-06	National Malaria Eradication Programme	154.00
19	2210-06-101-10-10	National VD Control Programme	5.73
20	2210-06-101-10-14	Guinea worm Eradication Programme	2.02
21	2210-06-101-10-23	National Goiter Control Programme	10.20
22	2210-06-101-11-37	National Programme for Control of Blindness	1.00
23	2210-06-101-11-40	Integrated Disease Surveillance Project	2.00
24	2210-06-104-11-04	Administration of Drug Control Act	0.27
25	2210-06-106-04	Institute of Preventive Medicine	1.00
26	2210-06-796-11-42	Institute of Preventive Medicine - Public Health Laboratories	100.00
27	2210-80-004-04	Health Statistics and Evaluation - Nutrition Research Scheme - Office Expenses	0.05
28	2211-00-001-10-01	Direction and Administration, Headquarters Office, CSS Programme	17.20
29	2211-00-001-10-06	Centrally Sponsored Schemes - District Family Welfare Bureau	21.61
30	2211-00-003-10-04	Centrally Sponsored Schemes Regional Family Welfare Training Centres	0.12
31	2211-00-003-10-05	Training of Auxiliary Nurses, Midwives, Dayas and Lady Health Visitors	0.15
32	2211-00-003-10-07	Training and Employment of Multipurpose Workers (Male)	5.00
33	2211-00-103-04	Maternity and Child Health Centres	0.04
34	2211-00-103-10-08	Medical Termination of Pregnancy	7.10
35	2211-00-108-11-05	Area Project-Indian Population Project-VI	1.50
36	2211-00-108-11-10	A.P Urban Slum Health care Project extension-IPP-VIII	25.14

Sl. No.	Head of Account	Purpose	Total Grant not utilized
37	2211-00-200-10-04	Centrally Sponsored Schemes-Maintenance of Sterilization Beds	37.00
38	2211-00-200-11-05	Post Partum Schemes: District Hospitals/Teaching Hospitals	33.00
39	2211-00-789-10-06	Centrally Sponsored Schemes-District Family Welfare Bureau	607.04
40	2211-00-789-10-09	Centrally Sponsored Schemes-District Family Welfare Bureau- Sub Centres	20.00
41	2211-00-789-10-15	Centrally Sponsored Schemes- Urban Family Welfare Centres	320.92
42	2211- 00-796-10-06	Centrally Sponsored Schemes-District Family Welfare Bureau	267.29
43	2211-00-796-10-09	Centrally Sponsored Schemes-District Family Welfare Bureau	1738.32
44	2211- 00-796-10-15	Centrally Sponsored Schemes- Urban Family Welfare Centres	131.69
45	2211-00-796-11-18	Reduction of Infant Mortality Rate	230.92
46	2211-00-796-11-19	Rajiv Bala Sanjeevani	1216.80
47	2211- 00-103-10-10	R.C.H. Programme	1000.00
48	2251-00-090-06	Secretariat-Social Services-Health, Medical and Family Welfare Department	0.70
49	4210-01-110-11-71	Construction of New Buildings for OGH, Hyderabad	5000.00
50	4210-03-105-11-06	Construction of Buildings for New College of Nursing at Srikakulam and Adilabad	200.00
51	4210 -03-105-11-07	Construction of Nursing College, Hyderabad	1000.00
52	4210 -03-105-11-10	Construction of Nursing College & Hostel at Gandhi Hospital premises, Secunderabad	200.00
53	4210 -03-105-11-11	Construction of Medical College & Hospital at Chest Hospital, Erragadda, Hyderabad	50.00
54	4210-03-105-11-12	Construction of Super Specialty Hospital at Vijayawada	50.00
55	4210-03-105-11-19	Construction of Hostels to Senior Residential Doctors	250.00
56	4210 -03 -105-11-04	Construction of Millennium Block at General Hospital, Guntur	90.00
57	6210-80-800-11-07	Construction of Buildings for New Colleges of Nursing at Tirupathi, Warangal, Kurnool	165.00
		<b>Total</b>	<b>13412.26</b>

**Appendix 2.19**  
**Cases of 50 per cent and above provision surrendered**  
**(Refer Paragraph 2.6.3.4; page 55)**

(₹ in crore)

Sl. No.	Head of Account	Item of Expenditure	Total Grant	Re-appropriation	Expenditure	% of Re-appropriation
1	2210-01-001-74-270	Minor Works (Buildings) APVVP	12.00	-8.80	3.20	73
2	2210-01-110-29-520	Machinery and Equipment	29.25	-15.62	13.63	53
3	2210-01-110-11-36-310	Grants-in-Aid (Assistance to APVVP for Upgradation of Hospitals)	20.00	-10.00	10.00	50
4	2210-01-110-11-47-310	Assistance to NIMS for treatment of families not covered under Aarogyasri	10.00	-5.00	5.00	50
5	2210-03-103-04-05-310	Grants-in-Aid (Establishment of PHCs)	50.00	-25.00	25.00	50
6	2210-05-105-18-270	Minor Works (Allopathic Medical Colleges)	3.76	-2.15	1.61	57
7	2210-05-105-27-300	Other Contractual Services(Sr. Resident Doctors)	4.00	-2.97	1.03	74
8	2210-05-105-11-28-520	Machinery and Equipment to new medical colleges at Adilabad, Srikakulam and Ongole	4.50	-2.25	2.25	50
9	2210-06-101-04-010	Salaries (Prevention and Control of Diseases)	338.65	-180.06	159.43	53
10	2210-06-101-04-110	Domestic Travel Expenses (Prevention and Control of Diseases)	3.30	-2.15	1.16	65
11	2211-00-001-01-270	Minor Works (Direction and Admn. Headquarters Office)	5.00	-3.97	1.03	79
12	2211-00-001-10-06-110	Domestic Travel Expenses	1.05	-1.01	0.04	96
13	2211-00-001-10-06-130	Office Expenses	3.89	-3.61	0.29	93
14	2211-00-001-10-06-210	Supplies and Materials	3.28	-2.39	0.89	73
15	2211-00-101-10-09-110	Domestic Travel Expenses	9.35	-4.71	4.64	50
16	2211-00-101-10-09-130	Office Expenses	3.89	-2.52	1.37	65
17	2211-00-101-10-09-140	Rents, Rates and Taxes	2.59	-1.98	0.61	76
18	2211-00-101-11-14-500	Other Charges (Sukhibava)	7.72	-3.86	3.86	50
19	2211-00-105-11-04-500	Other Charges-Ex-gratia Assistance in Cases of Fatality/complication due to Vasectomy/Tubectomy and I.U.D. Insertions	6.95	-3.47	3.47	50
20	2211-00-789-10-06-210	Supplies and Materials	1.62	-1.23	0.39	76
21	2211-00-789-10-09-010	Salaries	42.70	-42.69	0.01	100
22	2211-00-789-10-09-110	Domestic Travel Expenses	1.30	-1.14	0.16	88
23	4210-01-110-11-04-530	Major Works	20.00	-15.00	5.00	75

Sl. No.	Head of Account	Item of Expenditure	Total Grant	Re-appropriation	Expenditure	% of Re-appropriation
24	4210-01-110-11-05-530	Major Works	6.00	-3.00	3.00	50
25	4210-01-110-11-06-530	Major Works	10.00	-5.00	5.00	50
26	4210-01-110-11-70-530	Major Works	5.00	-2.50	2.50	50
27	4210-03-105-11-16-530	Major Works	2.00	-1.02	0.98	51
28	6210-80-800-11 04-001	Loans to A.P. Medical Services Infrastructure Development Corporation	50.00	-25.06	24.94	50
	<b>Total</b>		<b>657.81</b>	<b>-378.16</b>	<b>280.49</b>	<b>57.49</b>

**Appendix 2.20**  
**Excess expenditure**  
**(Refer Paragraph 2.6.3.5; page 55)**

(₹ in lakh)								
Sl No.	Head of Account	Nomenclature	Original	Supplementary	Re-Appropriation	Total Grant	Expenditure	Excess(+)
1	2210-01-110-29-010	Establishment of Teaching Hospitals-Salaries	44678.64	0	-1825.11	42853.53	43060.54	207.01
2	2210-01-110-29-340	Establishment of Teaching Hospitals-Scholarships and Stipends	2302.11	0	-674.81	1627.30	1635.34	8.04
3	2210-02-101-04-010	Ayurvedic Hospitals and Dispensaries-Salaries	3343.34	0	-654.28	2689.06	2751.00	61.94
4	2210-02-102-04-010	Homeopathic Hospitals and Dispensaries-Salaries	2469.60	0	-610.66	1858.94	1906.27	47.33
5	2210-02-103-04-010	Unani Hospital & Dispensaries-Salaries	2386.39	0	-555.84	1830.55	2019.47	188.92
6	2210-04-101-04-010	Ayurvedic Hospitals and Dispensaries-Salaries	3357.01	0	-510.66	2846.35	2975.11	128.76
7	2210-06-001-03-010	District Offices-Salaries	15351.07	0	-5319.39	10031.68	10122.65	90.97
8	2210-06-101-04-010	Health Services-Salaries	33864.85	0	-18005.65	15859.20	15942.59	83.39
9	2210-06-106-04-010	Headquarters Office-Institute of Preventive Medicine-Salaries	2624.74	0	-881.83	1742.91	1776.53	33.62
10	2211-00-001-10-06-010	District Family Welfare Bureau-Salaries	3880.01	0	-1569.37	2310.64	2373.25	62.61
11	2211-00-101-10-09-010	Centrally Sponsored Schemes-Sub-Centres-Salaries	31920.93	0	-6302.18	25618.75	26280.52	661.77
12	2211-00-103-11-11-500	Other Charges(R.C.H. Programme - II - Rural Emergency Health Transport Scheme(108 Services)	3852.50	4410.62	-4410.60	3852.52	8263.10	4410.58
	<b>Total</b>		<b>150031.19</b>	<b>4410.62</b>	<b>-41320.38</b>	<b>113121.43</b>	<b>119106.38</b>	<b>5984.95</b>
13	2210-01-001-01-280	Head Office-Urban Health Services-Allopathy-Professional	4.76	0	516.38	521.14	552.30	31.16

Sl No.	Head of Account	Nomenclature	Original	Supplementary	Re-Appropriation	Total Grant	Expenditure	Excess(+)
		Services						
14	2210-01-110-29-280	Establishment of Teaching Hospitals- Professional Services	1515.10	0	2721.30	4236.40	4315.44	79.04
15	2210-01-110-11-40-010	RIMS General Hospitals- Salaries	1354.13	0	2831.18	4185.31	4186.81	1.50
16	2210-03-103-06-010	Community Health Nutrition Clusters (CHNCs)- Salaries	12458.67	0	641.35	13100.02	13139.15	39.13
17	2210-05-105-18-010	Allopathy- Medical Colleges- Salaries	28238.02	0	897.79	29135.81	29492.28	356.47
18	2210-06-001-11-01-010	Headquarters Office-Salaries	757.30	0	2560.68	3317.98	3351.65	33.67
19	2211-00-101-11-04	Family Welfare Centres	13801.61	0	1559.65	15361.26	15737.29	376.03
	<b>Total</b>		<b>58129.59</b>	<b>0</b>	<b>11728.33</b>	<b>69857.92</b>	<b>70774.93</b>	<b>917.01</b>
	<b>Grand Total</b>		<b>208160.78</b>	<b>4410.62</b>	<b>-29592.05</b>	<b>182979.35</b>	<b>189881.31</b>	<b>6901.96</b>

**Appendix 2.21**  
**Expenditure without Provision**  
**(Refer Paragraph 2.6.3.6; page 55)**

(₹ in lakh)				
Sl. No	Head of Account	Purpose	Total Grant (O+S)	Expenditure
1	2210-01-001-05-010	Salaries Assistance to Andhra Pradesh Vaidya Vidhana Parishad	0	2.77
2	2210-01-001-02-310	Grants-in-Aid (Urban Health Services-Allopathy-Regional Offices)	0	0.20
3	2210-01-110-01-010	Salaries (Headquarters Office-Hospitals and Dispensaries)	0	0.44
4	2210-01-110-96-630	Inter Accounts Transfer (Add-Charges transferred from 06 PHCs Towards repairs of Motor Vehicles of Primary Health Centers on Pro-rata basis)	0	71.36
5	2210-01-110-11-40-310	RIMs Hospitals-Grants-in-Aid	0	0.60
6	2210-02-103-04-310	Unani Hospitals and Dispensaries-Grants-in-Aid	0	0.30
7	2210-03-110-06-310	Andhra Pradesh Economic Reconstruction Programme	0	663.55
8	2210-04-101-04-310	Ayurvedic Hospitals and Dispensaries-Grants-in-Aid	0	0.30
9	2210-04-102-04-310	Homeopathic Hospitals and Dispensaries-Grants-in-Aid	0	0.30
10	2210-05-101-05-010	Medical Education, Training-Ayurveda-Research	0	92.68
11	2210-05-103-05-010	Unani Colleges-Research-Salaries	0	8.02
12	2210-06-101-11-97-010	Inter Accounts Transfer	0	7.39
13	2210-06-789-11-05-010	National Leprosy Eradication Programme-Salaries	0	6.48
14	2211-00-001-01-010	Headquarters Office-Salaries	0	1.28
15	2211-00-104-10-97-010	Transport-Centrally Sponsored Schemes-Inter Accounts Transfer	0	54.92
		<b>Total</b>		<b>910.59</b>

**Appendix 2.22**  
**Details of construction of buildings of Director of Medical Education**  
**(Refer Paragraph 2.6.3.7 A; page 56)**

(₹ in crore)

Name of work	Year	Funds allocated	Expenditure	Funds surrendered	Remarks
Construction of Buildings at Osmania General Hospital, Hyderabad	2011-12	10.00	0	10.00	Work not started since the existing building is historical, permission from Archaeology dept. is to be obtained.
	2012-13	50.00	0	50.00	
	2013-14	50.00	0	50.00	
Extension and Renovation of Guntur General Hospital, Guntur	2011-12	2.00	0	2.00	
	2012-13	1.00	0	1.00	
	2013-14	1.00	0.36	0.64	
Construction of Millennium Block at Govt. Genl. Hosp. Guntur	2012-13	1.00	0	1.00	Work was not taken up due to non-release of funds.
	2013-14	0.90	0	0.90	
Construction of Nursing College at Adilabad and Srikakulam	2012-13	2.00	0	2.00	The College at Srikakulam was not started due to non-handing over of site. The work was not sanctioned by the Government in respect of Nursing College at Adilabad.
	2013-14	2.00	0	2.00	
Construction of Nursing College at Hyderabad	2011-12	2.00	0.47	1.53	Work was stopped by the HMDA authorities, since the site was located near the Heritage Building.
	2012-13	10.00	0.11	9.89	
	2013-14	10.00	0	10.00	
Construction of Nursing College & Hostel at Gandhi Hospital Premises	2011-12	0.50	0	0.50	Work was not sanctioned by the Government.
	2012-13	2.00	0	2.00	
	2013-14	2.00	0	2.00	
Construction of Medical College at Chest Hospital, Erragadda, Hyderabad	2011-12	0.50	0	0.50	Work was not sanctioned by the Government.
	2012-13	0.50	0	0.50	
	2013-14	0.50	0	0.50	
Construction of Super Specialty Hospital at Vijayawada	2011-12	0.50	0	0.50	Work was not started due to non-issue of Administrative Sanction by Government.
	2012-13	0.50	0	0.50	
	2013-14	0.50	0	0.50	
Construction of Hostels to Sr. Resident Doctors	2011-12	2.50	0.86	1.64	
	2012-13	2.50	0.26	2.24	
	2013-14	2.50	0	2.50	

**Appendix 2.22 (a)**

**Details of construction of buildings under Director of NIMS and MNJ Institute of Oncology  
(Refer Paragraph 2.6.3.7 A; page 56)**

(₹in crore)

Name of Institute	Name of work	Year	Funds allocated	Expenditure	Funds surrendered
NIMS	Development of NIMS University at Rangapur	2012-13	10.00	5.00	5.00
		2013-14	20.00	5.00	15.00
	Modernization of NIMS, Hyderabad	2012-13	6.00	0	6.00
		2013-14	6.00	3.00	3.00
	Trauma care unit at NIMS, Hyderabad	2012-13	10.00	7.50	2.50
		2013-14	10.00	5.00	5.00
MNJ Institute of Oncology	MNJ Institute of Oncology	2011-12	1.00	0.49	0.51
		2012-13	5.00	2.35	2.65
		2013-14	5.00	2.50	2.50

**Appendix 3.1**

**Outstanding Utilization Certificates as of 31 March 2014**

(Refer paragraph 3.2; page 61)

(₹in crore)

Department	Year	Number of UCs outstanding	Amount
Panchayat Raj (Drawn under Director of School Education)	1992-93	1	0.44
Labour & Employment (Drawn under Revenue)	1996-97	4	0.57
Municipal Administration & Urban Development	2012-13	3	0.69
<b>Total</b>		<b>8</b>	<b>1.70</b>

## Appendix 3.2

## Statement showing submission of accounts and status of audit of autonomous bodies

(Refer paragraph 3.3; page 62)

SL No.	Name of Body/authority	Period of entrustment upto	Year up to which accounts were rendered	Period upto which SAR was issued	Placement of SAR in the Legislature	Comments
1	AP Vaidya Vidhana Parishad	2014-15	2007-08	2007-08	2006-07	Accounts from 2008-09 onwards were not produced to Audit.
2	Environment Protection Training and Research Institute (EPTRI)	2012-13	2011-12	2011-12	NA	Accounts from 2012-13 were not produced to Audit.
3	AP Khadi and Village Industries Board	2014-15	2010-11	2010-11	NA	Accounts from 2011-12 were not produced to Audit.
<b>Urban Development Authorities</b>						
4	Hyderabad Metropolitan Development Authority	2010-11 onwards	2011-12	2011-12	2002-03	Accounts from 2012-13 onwards were not produced to Audit.
5	Visakhapatnam Urban Development Authority	2010-11 onwards	2012-13	2012-13	2008-09	Accounts for 2013-14 were not produced to Audit.
6	Tirupati Urban Development Authority	2010-11 onwards	2012-13	2012-13	2008-09	Accounts for 2013-14 were not produced to Audit
7	Kakatiya Urban Development Authority	2010-11 onwards	2009-10	2009-10	2006-07	Accounts from 2010-11 onwards were not produced to Audit.
8	Vijayawada-Guntur-Tenali-Mangalagiri-Urban Development Authority	2013-14	2010-11	2010-11	2006-07	Accounts from 2011-12 onwards were not produced to Audit.
9	Sri Satya Sai Urban Development Authority	2008-09	---	---	----	Due to a fire accident in 2005 which gutted the records, the Authority expressed its inability to furnish accounts up to 2004-05 for audit. However, accounts for the period 2005-06 onwards have also not yet been furnished to Audit.
10	Hyderabad Metropolitan Water Supply & Sewerage Board	2010-11	2005-06	2005-06	Not required as per bye laws of the Board	Accounts from 2006-07 onwards were not produced to Audit.
<b>Integrated Tribal Development Agencies</b>						
11	ITDA, Bhadrachalam	2011-12	2010-11	2009-10	Not required as per bye laws	The Annual Accounts for 2010-11 were submitted without Boards approval. The accounts from 2011-12 onwards were not produced to Audit.
12	ITDA, Seethampeta	2011-12	2011-12	2011-12		
13	ITDA, Srisailem	2011-12	2006-07	2006-07		Accounts from 2007-08 onwards were not produced to Audit.
14	ITDA, Parvathipuram	2011-12	2011-12	2011-12		
15	ITDA, Paderu	2011-12	2009-10	2009-10		Accounts from 2010-11

SL No.	Name of Body/authority	Period of entrustment upto	Year up to which accounts were rendered	Period upto which SAR was issued	Placement of SAR in the Legislature	Comments
					Not required as per bye laws	onwards were not produced to Audit.
16	ITDA, Rampachodavaram	2011-12	2011-12	2011-12		
17	ITDA, Kotaramachandrapuram	2011-12	2010-11	2010-11		Accounts from 2011-12 onwards were not produced to Audit.
18	ITDA, Utnoor	2011-12	2008-09	2008-09		Accounts from 2009-10 onwards were not produced to Audit.
19	ITDA, Nellore	2011-12	2009-10	2009-10		Accounts from 2010-11 onwards were not produced to Audit.
20	ITDA, Eturunagaram	2011-12	2006-07	2006-07		Accounts from 2007-08 onwards were not produced to Audit.

## Appendix 3.3

## Statement of Bodies and Authorities whose accounts have not been received

(Refer paragraph 3.3; page 62)

Sl No.	Name of the body/ Authority	No. of bodies/ authorities	Years for which accounts had not been received	No. of annual accounts in arrears as of September 2014
<b>Higher Education</b>				
1	Universities	14	2004-05 to 2013-14	35
2	Aided Colleges	124	1993-94 to 2013-14	794
3	AP State Council of Higher Education	1	2009-10 to 2013-14	5
<b>School Education</b>				
4	A.P. Open School Society	1	2012-13 to 2013-14	2
5	A.P. Residential Educational Institutional Society	1	2004-05 to 2013-14	10
6	A.P. School Educational Society/ Sarva Siksha Abhiyan	1	2011-12 to 2013-14	3
7	A.P. School Health Project	1	1999-2000 to 2013-14	15
8	A.P. State Literacy Mission Authority	1	2012-13 to 2013-14	2
9	State Institute of Education and Technology	1	2009-10 to 2013-14	5
10	AP Education and Welfare Infrastructure Development Corporation	1	2009-10 to 2013-14	5
11	Zilla Grandhalaya Samsthas	23	1997-98 to 2013-14	111
12	Zilla Saksharatha Samities	22	1997-98 to 2013-14	248
<b>Health Medical and Family Welfare</b>				
13	AP AIDS Control Society	1	2010-11 to 2013-14	4
14	AP Health Medical Housing and Infrastructure Development Corporation	1	2013-14	1
15	AP Medicinal and Aromatic Plants Board	1	2013-14	1
16	AP State TB Society	1	2011-12 to 2013-14	3
17	AP Vaidya Vidhana Parishad	1	2008-09 to 2013-14	6
18	AP Yogadhyayana Parishad	1	2012-13 to 2013-14	2
19	Hyderabad Akshara Jyothi Samithi	1	2006-07 to 2013-14	8
20	Indian Institute of Health and Family Welfare	1	2012-13 to 2013-14	2
21	MNJ Institute of Oncology	1	2012-13 to 2013-14	2
22	Nizam's Institute of Medical Sciences	1	2011-12 to 2013-14	3
23	NTR University of Health Sciences	1	2010-11 to 2013-14	4
24	Sri Venkateswara Institute of Medical Sciences	1	2013-14	1
25	State Blindness Control Society, Hyderabad	1	2006-07 to 2013-14	8
26	State TB Office	1	2003-04 to 2013-14	11
27	Arogyasri Health Care Trust	1	2012-13 to 2013-14	2
28	A.P. Right to Sight Society	1	2008-09 to 2013-14	6
<b>Municipal Administration and Urban Development</b>				
29	Quli Qutub Shah Urban Development Authority, Hyderabad	1	2010-11 to 2013-14	4
<b>Backward Classes Welfare</b>				
30	BC Finance Corporation, Hyderabad	1	2011-12 to 2013-14	3
31	AP Study Circle, Anantapuramu	1	1997-98 to 2013-14	17
32	AP Study Circle, Guntur	1	2006-07 to 2013-14	8

Sl No.	Name of the body/ Authority	No. of bodies/ authorities	Years for which accounts had not been received	No. of annual accounts in arrears as of September 2014
33	AP Study Circle, Hyderabad	1	2007-08 to 2013-14	7
34	AP Study Circle, Warangal	1	2006-07 to 2013-14	8
35	AP Washermen Cooperative Society, Hyderabad	1	2005-06 to 2013-14	9
36	BC Service Cooperative Societies	15	2004-05 to 2013-14	93
<b>Social Welfare</b>				
37	AP Scheduled Castes Finance Corporation, Hyderabad	1	2011-12 to 2013-14	3
38	AP Social Welfare Residential Educational Institutions Society (SWREIS), Hyderabad	1	2008-09 to 2013-14	6
39	AP Social Welfare Fund, Hyderabad	1	2001-02 to 2013-14	13
40	District Scheduled Castes Service Co-operative Societies	23	2001-02 to 2013-14	106
<b>Tribal Welfare</b>				
41	AP Scheduled Tribes Finance Corporation	1	2004-05 to 2013-14	10
42	AP Tribal Welfare Residential Educational Institutions Society (TWREIS), Hyderabad	1	2005-06 to 2013-14	9
43	Girijan Cooperative Corporation (GCC)	1	2012-13 to 2013-14	2
<b>Women, Child and Disabled Welfare</b>				
44	AP Social Welfare Board	1	2013-14	1
45	AP State Council for Child Welfare	1	2013-14	1
46	AP Vikalangula Finance Corporation	1	2011-12 to 2013-14	3
47	AP Women Cooperative Finance Corporation, Hyderabad	1	2013-14	1
48	AP Creche Committee, Hyderabad	1	2013-14	1
49	Kurnool Dist. Society for Rehabilitation of Child Labour	1	2013-14	1
<b>Law</b>				
50	A.P. State Legal Services Authority, Hyderabad	1	2010-11 to 2013-14	4
51	District Legal Services Authorities	23	2009-10 to 2013-14	68
52	A.P. Advocates Welfare Fund	1	2011-12 to 2013-14	3
53	A.P. Advocates Clerks Welfare Fund	1	2012-13 to 2013-14	2
54	NALSAR University of Law	1	2013-14	1
<b>Panchayat Raj and Rural Development</b>				
55	Societies for Training and Employment Promotion (STEPs)	22	2005-06 to 2013-14	98
56	AP Markfed, Hyderabad	1	2013-14	1
57	AP Sheep & Goat Development cooperative Federation Ltd, Hyderabad	1	2013-14	1
58	AP Dairy Development Cooperative Federation Ltd	1	2010-11 to 2013-14	4
59	AP Invest	1	2013-14	1
60	AP State Handloom Weavers Cooperative Society Ltd (APCO)	1	2011-12 to 2013-14	3
61	AP State Cooperative Rural Irrigation Corporation Ltd	1	2011-12 to 2013-14	3
62	Hyderabad Agricultural Cooperative Association Ltd (HACA)	1	2011-12 to 2013-14	3

Sl No.	Name of the body/ Authority	No. of bodies/ authorities	Years for which accounts had not been received	No. of annual accounts in arrears as of September 2014
63	AP Cooperative Oils seeds Growers Federation Ltd(AP Oil Fed)	1	2013-14	1
64	AP State Federation of Co-operative Spinning Mills Ltd (AP Spinfed)	1	2004-05 to 2013-14	10
65	AP State Fishermen Co-operative Societies Federation Ltd	1	2010-11 to 2013-14	4
66	Water and Land Management Training and Research Institute (WALAMTARI)	1	2012-13, 2013-14	2
67	AP State Seed Certification Agency Ltd (APSSCA)	1	2013-14	1
68	AP Live Stock Development Agency (APLDA)	1	2013-14	1
69	Zoo Authority of AP	1	2012-13, 2013-14	2
70	AP Pollution Control Board (APPCB)	1	2011-12 to 2013-14	3
71	AP State Council of Science and Technology (APCOST)	1	2007-08 to 2013-14	7
72	District Rural Development Agencies (DRDAs)	22	2005-06 to 2013-14	105
73	District Water Management Agencies (DWMAs)	22	2006-07 to 2013-14	58
74	Society for Elimination of Rural Poverty (SERP)	1	2012-13 and 2013-14	2
75	Swami Ramananda Tirtha Rural Institute	1	2013-14	1
76	Employment Generation and Marketing Mission	1	2010-11 to 2013-14	4
<b>Labour and Employment</b>				
77	Rajiv Udyogsri Society	1	2010-11 to 2013-14	4
78	AP Building & other Construction workers Welfare Board, Hyderabad	1	2011-12 to 2013-14	3
<b>Youth Advancement, Tourism and Culture</b>				
79	National Institute of Tourism and Hospitality Management	1	2009-10 to 2013-14	5
80	Ravindra Bharathi	1	2006-07 to 2013-14	8
81	Sports Authority of Andhra Pradesh	1	2010-11 to 2013-14	4
82	AP Sports School	1	2013-14	1
<b>Revenue</b>				
83	AP Disaster Mitigation Society	1	2011-12 to 2013-14	3
<b>Environment, Forests, Science and Technology</b>				
84	AP State Remote Sensing Application Centre	1	2012-13 to 2013-14	2
<b>Planning</b>				
85	Centre for Economic and Social Studies	1	2012-13 to 2013-14	2
	<b>Total</b>	<b>385</b>		<b>2,030</b>

**Appendix 3.4**  
**Statement of un-reconciled expenditure and receipts**  
**(Refer paragraph 3.4; page 63)**

(₹ in crore)

Year		Total	Reconciled	Un-reconciled	Un-reconciled in percentage
2010-11	Expenditure	92,972	78,183	14,789	15.90
	Receipts	81,169	28,600	52,569	64.76
2011-12	Expenditure	1,09,120	84,002	25,111	23.01
	Receipts	93,719	36,377	57,342	61.18
2012-13	Expenditure	1,21,764	90,949	30,815	25.30
	Receipts	1,04,256	54,096	50,160	48.11
2013-14	Expenditure	1,29,344	81,796	47,548	36.76
	Receipts	1,11,303	53,098	58,205	52.29

Source: Finance Accounts.

**Appendix 3.5**  
**Un-reconciled expenditure (₹ 500 crore and above cases only)**  
**(Refer paragraph 3.4; page 63)**

(₹ in crore)

Sl. No.	Department/Controlling Officer	Amount not Reconciled
1	Chief Engineer, Krishna Delta System (MH 4700- Capital Outlay On Major Irrigation )	630
2	Chief Engineer (Projects), Indira Sagar Polavaram Project (MH-2700 Major Irrigation)	615
3	Chief Engineer(Projects), Anantapur(MH-2700 Major Irrigation)	617
4	The Chief Engineer, Tungabhadra Project Kadapa(MH-2700 Major Irrigation)	1,086
5	Chief Engineer, Administration & EAP (R&B)(MH-5054 Capital Outlay on Roads and Bridges)	806
6	Internal Debt Of State Government(MH-6003 Internal Debt of the State Government)	6,057
7	Planning, Secretariat Dept(MH-5475 Capital Outlay on other General Economic Services)	764
8	Panchayat Raj, HOD(MH-2515 Other Rural Development Programmes)	2,370
9	Animal Husbandry, HOD(MH-2403 Animal Husbandry)	541
10	Civil Supplies, HOD(MH-2236 Nutrition)	500
11	Women Development, Child Welfare And Disabled Welfare Secretariat Department (MH-2236 Nutrition)	928
12	Women Development, Child Welfare And Disabled Welfare Secretariat Department (MH-2235 Social Security and Welfare)	675
13	Backward Classes Welfare, HOD(MH-2225 Welfare of SCs, STs, OBCs and Minorities)	1,323
14	Municipal Administration, HOD(MH-2217 Urban Development)	1,033
15	Health, HOD(MH-2210 Medical and Public Health)	1,536
16	Medical Education, HOD(MH-2210 Medical and Public Health)	1,212
17	Technical Education, HOD(MH-2203 Technical Education)	621
18	Collegiate Education, HOD(MH-2202 General Education)	1,012
19	Higher Education, Secretariat Department(MH-2202 General Education)	696
20	Director Of School Education Premises(MH2202 General Education)	1,152
21	Contributions & Recoveries towards Pension & other Retirement Benefits (MH-2071 Pensions and Other Retirement Benefits)	13,682
22	Housing(MH-6216 Loans for Housing)	927
23	Urban Development(MH6217 Loans for Urban Development )	786
	<b>Total</b>	<b>39,569</b>

## Appendix 3.6

## Statement showing Department-wise details of pending DC bills at the end of 2013-14

(Refer paragraph 3.6; page 66)

(₹ in crore)

Sl. No.	Department	No. of Bills	Amount
1	Agriculture	235	399
2	Revenue	3,101	310
3	Panchayat Raj & Rural Development	306	84
4	Secondary Education	575	54
5	Home	269	38
6	Health, Medical and Family Welfare	5,544	6
7	Fiscal Administration, Planning, Surveys and Statistics	130	9
8	Others	82,541	247
	<b>Total</b>	<b>92,701</b>	<b>1,147<sup>3</sup></b>

## Appendix 3.7

## Major Head wise Receipts under MiH 800 for the year 2013-14

(paragraph 3.7; page 68)

(₹ in lakh)

Sl. No	Major Head	Name of the Major Head	Total Receipts including MiH 800	Receipts under MiH 800	Percentage of Column 5 to Column 4
(1)	(2)	(3)	(4)	(5)	(6)
1	0515	Other Rural Development Programmes	6,89,30.29	6,89,30.29	100.00
2	0700	Major Irrigation	1,91,79.69	1,89,26.34	98.68
3	0075	Miscellaneous General Services	2,09,45.47	1,41,79.82	67.70
4	1051	Ports and Light Houses	1,29,37.27	1,29,37.27	100.00
5	0406	Forestry and Wild Life	2,03,64.69	1,08,40.79	53.23
6	1456	Civil Supplies	39,97.45	40,06.18	100.22
7	1054	Roads and Bridges	40,48.67	39,16.37	96.73
8	0425	Co-operation	24,84.15	22,21.64	89.43
9	0701	Medium Irrigation	15,02.75	15,02.75	100.00
10	0211	Family Welfare	7,92.74	7,92.74	100.00
11	0702	Minor Irrigation	7,98.02	7,83.28	98.15
12	0235	Social Security and Welfare	5,56.07	5,56.07	100.00
13	0056	Jails	4,96.08	4,96.08	100.00
14	1452	Tourism	4,89.76	4,89.76	100.00
15	0506	Land Reforms	2,55.61	2,55.61	100.00
16	0401	Crop Husbandry	3,10.46	2,23.74	72.07
17	0405	Fisheries	3,79.41	2,08.71	55.01
18	0058	Stationery and Printing	1,47.63	1,00.40	68.01
19	0217	Urban Development	91.02	91.02	100.00
20	0875	Other Industries	0.47	0.47	100.00
21	1056	Inland Water Transport	0.02	0.02	100.00

<sup>3</sup> Includes DC bills for the period up to 2002-03 (82,130 bills for ₹ 222 crore)

**Appendix 3.7 (a)**  
**Major Head wise Expenditure under MiH 800 for the year 2013-14**  
**(paragraph 3.7; page 68)**

(₹ in lakh)

Sl. No.	Major Head	Name of the Major Head	Total Expenditure including MiH 800	Expenditure under MiH 800	Percentage of Column 5 to 4
(1)	(2)	(3)	(4)	(5)	(6)
1	2801	Power	74,07,45.19	72,43,28.67	97.78
2	2236	Nutrition	40,76,75.11	31,45,55.00	77.16
3	5054	Capital Outlay on Roads and Bridges	26,88,71.11	27,79,82.77	103.39
4	3054	Roads and Bridges	16,91,97.84	10,06,10.22	59.46
5	5475	Capital Outlay on Other General Economic Services	9,71,27.49	7,80,63.43	80.37
6	2501	Special Programmes for Rural Development	8,54,10.37	6,15,45.71	72.06
7	2852	Industries	2,39,95.75	1,96,15.25	81.74
8	4070	Capital Outlay on Other Administrative Services	65,22.77	65,22.77	100.00
9	4875	Capital Outlay on Other Industries	64,52.87	64,52.87	100.00
10	2810	New and Renewable Energy	4,99.61	4,99.61	100.00
11	2875	Other Industries	4,97.22	4,75.00	95.53
12	4852	Capital Outlay on Iron and Steel Industries	2,22.41	2,22.41	100.00
13	5053	Capital Outlay on Civil Aviation	2,00.00	2,00.00	100.00
14	4401	Capital Outlay on Crop Husbandry	61.88	61.88	100.00

**Appendix 3.8**  
**Excess payment of Pension, Family Pension etc.**  
**(Refer paragraph 3.10.1; page 73)**

(in ₹)

Sl. No.	Nature of irregularity	Amount
1	Excess Payment of pension due to wrong Consolidation	22,65,475
2	Excess Payment of pension due to inadmissible relief on pension	18,40,171
3	Excess payment of Enhanced Family Pension beyond time limit	13,66,202
4	Excess Payment of Pension due to non/ short recovery of commuted Portion of pension	55,70,075
5	Payment of Full Pension against Provisional Pension	37,798
6	Excess Payment of Pension due to Premature Restoration of CVP	5,66,519
7	Excess Payment due to non-recovery of the amount from Gratuity	3,084
8	Excess payment of Additional Quantum of pension	32,04,200
9	Excess Payment of Medical Allowance	32,400
10	Incorrect raising of half share of pension to minimum	20,172
11	Non-recovery of Anticipatory Pension/Gratuity	1,03,375
12	Excess Payment of State Freedom Fighters Pension	51,000
13	Pension amounts credited to Pensioners' Accounts even after death	3,57,629
14	Excess Payment of pension due to Allotment of Double IDs	1,37,823
	<b>Total</b>	<b>1,55,55,923</b>

## Appendix 3.9

## Department/year-wise break-up of the cases of misappropriation, defalcation, etc.

(Refer paragraph: 3.12; page 75)

(₹ in lakh)

Sl. No.	Department	Up to 2007-08		2013-14		Total	
		N	A	N	A	N	A
1	Agriculture and Cooperation	17	62.88	...	...	17	62.88
2	Animal Husbandry and Fisheries	4	2.63	...	...	4	2.63
3	Education	35	112.20	(-1)	(-)2.89	34	109.31
4	Environment, Forest, Science and Technology	10	102.37	...	...	10	102.37
5	Finance and Planning (Treasuries and Accounts)	7	188.32	...	...	7	188.32
6	Health, Medical and Family Welfare	57	185.21	...	...	57	185.21
7	Home	14	19.93	(-3)	(-)1.13	11	18.80
8	Labour, Employment, Training and Factories	4	5.02	...	...	4	5.02
9	Law	11	43.05	...	...	11	43.05
10	Legislature	1	7.80	...	...	1	7.80
11	Municipal Administration and Urban Development	1	4.35	...	...	1	4.35
12	Panchayat Raj and Rural Development	22	196.88	...	...	22	196.88
13	Revenue	260	99.63	...	...	260	99.63
14	Social Welfare (including Tribal Welfare)	26	2,429.94	...	...	26	2,429.94
15	Transport, Roads and Buildings	2	3.46	...	...	2	3.46
16	Minorities Welfare Department	...	...	(+1)	(+)5,901.00	1	5,901.00
	<b>Total</b>	<b>471</b>	<b>3,463.67</b>	<b>(-3)</b>	<b>5,896.98</b>	<b>468</b>	<b>9,360.65</b>

N-Number of cases; A-Amount; ANF-Amount Not Furnished

## Appendix 3.10

## Statement showing the details of wanting cheques (as of March 2014)

(Refer paragraph 3.13.2; page 76)

(₹ in crore)

Years	No. of cheques	Amount
1999-00 to 2008-09	254	8.11
2009-10	91	5.13
2010-11	1,104	34.38
2011-12	1,134	36.96
2012-13	1,414	185.07
2013-14	2,187	1,944.59
<b>Total</b>	<b>6,184</b>	<b>2,214.24</b>

## Appendix 4.1

### Glossary of terms

Terms	Basis of calculation
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal liabilities)/2] * 100
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction or avoidance of debt
Buoyancy of a parameter	Rate of Growth of parameter/GSDP Growth Rate
Buoyancy of a parameter (X) with respect to another parameter(Y)	Rate of Growth of parameter(X)/ Rate of Growth of parameter(Y)
Development Expenditure	Social Services + Economic Services
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/[(opening balance + Closing balance of Loans and Advances)/2] * 100
Interest spread	GSDP growth rate – Average Interest Rate
Primary Deficit	Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the State's during the course of the year (Fiscal Deficit – Interest payments)
Quantum spread	Debt stock * Interest spread
Rate of growth (ROG)	[(Current year Amount/Previous year Amount)-1] * 100
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Terms	Description
Absorptive capacity	Absorptive capacity refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the design of schemes is well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place etc so that the State is able to effectively achieve targeted outcomes.
Average interest rate	Average interest rate is defined as the percentage of interest payment made to average financial liabilities of the State during the year (sum of opening and closing balances of fiscal liabilities/2) X 100
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i>
GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices
Debt Consolidation and Relief Facility	In pursuance of the recommendations of the Twelfth Finance Commission (TFC) for fiscal consolidation and elimination of revenue deficit of the States, Government of India formulated a scheme "The States' Debt Consolidation and Relief Facility (DCRF) (2005-06 to 2009-10)" under which general debt relief is provided by consolidating and rescheduling at substantially reduced rates of interest the Central loans granted to States of enacting the FRBM Act and debt waiver is granted on fiscal performance, linked to the reduction of revenue deficits of States

Terms	Basis of calculation
Development expenditure	The analysis of the expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances are categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
Debt sustainability	Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time. It means that rise in fiscal deficit should match with the increase in the State's capacity to service the incremental debt from additional revenues generated from the use of such debt in creating income generating capital assets.
Debt stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive. Given the rate spread (GSDP growth rate- interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would not rise. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Merit goods	Merit goods are commodities that the public sector provides free of cost or at categorized rates because an individual or society should have them on the basis of some concept of need rather than the ability and willingness to pay for their costs. The examples of such goods include the provision of free or subsidized food for the poor to support nutrition, the delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
Net availability of Borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Primary revenue deficit	Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

## Appendix 4.2

### Acronyms and abbreviations

Acronym	:	Full form
ACA	:	Additional Central Assistance
AC Bills	:	Abstract Contingent Bills
APBM	:	Andhra Pradesh Budget Manual
APFC	:	Andhra Pradesh Financial Code
APFRBM	:	Andhra Pradesh Fiscal Responsibility and Budget Management
APGVB	:	Andhra Pradesh GrameenVikas Bank
APPPFC	:	Andhra Pradesh Power Finance Corporation Limited
APSCCFC	:	Andhra Pradesh Scheduled Castes Co-operative Finance Corporation
APSACS	:	Andhra Pradesh State AIDS Control Society
APTRANSCO	:	Transmission Corporation of Andhra Pradesh Limited
APVVP	:	Andhra Pradesh Vaidya Vidhan Parishad
ARWS	:	Assured Rural Water Supply
AWC	:	Anganwadi Centre
AYUSH	:	Ayurveda, Yoga, Unani, Siddha, Homeopathy
BE	:	Budget Estimates
BRO	:	Budget Release Order
BSUP	:	Basic Services for Urban Poor
BT	:	Bituminous Tar
BWHP	:	Integrated Housing Programme for Beedi Workers
CAG's (DPC) Act	:	Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act
CAGR	:	Compound Annual Growth Rate
CAS	:	Central Accounts Section
CB	:	Closing Balance
CBDT	:	Central Board of Direct Taxes
CCO	:	Chief Controlling Officer
CE	:	Capital Expenditure
CGA	:	Controller General of Accounts
CRF	:	Calamity Relief Fund
CSS	:	Centrally Sponsored Schemes
CTE	:	College of Teacher Education
DC Bills	:	Detailed Contingent Bills
DDO	:	Drawing and Disbursing Officer
DDs	:	Demand Drafts
DE	:	Development Expenditure
D.Ed.	:	Diploma in Education

Acronym		Full form
DEO	:	District Education Officer
DIET	:	District Institutes of Education and Training
DPR	:	Detailed Project Report
DTA	:	Director of Treasuries and Accounts
DTO	:	District Treasury Officer
DWCRA	:	Development of Women and Children in Rural Areas
DU	:	Dwelling Units
FA&CAO	:	Financial Advisor and Chief Accounts Officer
FCP	:	Fiscal Correction Path
FDR	:	Fixed Deposit Receipt
FPSS	:	Fiscal Policy Strategy Statement
FRL	:	Fiscal Responsibility Legislation
FSSAI	:	Food Safety and Standards Authority of India
GIC	:	General Insurance Corporation of India
GP	:	Gram Panchayat
GSDP	:	Gross State Domestic Product
GoAP	:	Government of Andhra Pradesh
GSH	:	Group Sub Head
HOD	:	Heads of Department
HMRL	:	Hyderabad Metro Rail Limited
IASE	:	Institute of Advanced Study in Education
ICT	:	Information and Communication Technology
IHHL	:	Individual Household Latrines
IHSDP	:	Integrated Housing and Slum Development Programme
INDIRAMMA	:	Integrated Novel Development in Rural Areas and Model Municipal Areas
ITDA	:	Integrated Tribal Development Agency
IUD	:	Intrauterine Device
JNNURM	:	Jawaharlal Nehru National Urban Renewal Mission
LIC	:	Life Insurance Corporation of India
LLPD	:	Lakh Litres Per Day
LMMH	:	List of Major and Minor Heads
MGNREGS	:	Mahatma Gandhi National Rural Employment Guarantee Scheme
MMER	:	Management Monitoring Evaluation and Research
MNRE	:	Ministry of New and Renewable Energy
MPP	:	Mandal Praja Parishad
MPTC	:	Mandal Parishad Territorial Constituency
MSS	:	Matching State Share
MSU	:	Municipal Support Unit

Acronym		Full form
NABARD	:	National Bank for Agriculture and Rural Development
NALSAR	:	National Academy of Legal Studies and Research
NCDC	:	National Co-operative Development Corporation
NOAPS	:	National Old Age Pension Scheme
NPCB	:	National Programme for Control of Blindness
NPEGEL	:	National Programme for Education of Girls at Elementary Level
NPRE	:	Non-Plan Revenue Expenditure
NTR	:	Non-Tax Revenue
NREGP	:	National Rural Employment Guarantee Programme
OGH	:	Osmania General Hospital
O&M	:	Operations and Maintenance
OTR	:	Own Tax Revenue
PAC	:	Public Accounts Committee
PAO	:	Pay and Accounts Office
PDA	:	Personal Deposit Account
PHC	:	Primary Health Centre
PMGSY	:	Pradhan Mantri Gram Sadak Yojana
PRI	:	Panchayat Raj Institutions
PSU	:	Public Sector Undertaking
RAO	:	Resident Audit Office
RBI	:	Reserve Bank of India
RBS(CAO)	:	Reserve Bank Suspense(Central Accounts Office)
RCH	:	Reproductive and Child Health
RE	:	Revenue Expenditure
RIAD	:	Remote Interior Area Development
RIDF	:	Rural Infrastructure Development Fund
RR	:	Revenue Receipts
SDL	:	State Development Loan
SHG	:	Self Help Group
SPV	:	Special Purpose Vehicle
SPMU	:	State Project Management Unit
S&W	:	Salaries and Wages
SSE	:	Social Sector Expenditure
SST	:	Schedule of Settlement with Treasuries
TE	:	Total Expenditure
TFC	:	Twelfth Finance Commission
TRICOR	:	AP Scheduled Tribes Cooperative Finance Corporation Limited
TSP	:	Tribal Sub Plan

<b>Acronym</b>		<b>Full form</b>
UGC	:	University Grants Commission
UIDSSMT	:	Urban Infrastructure Development for Small and Medium Towns
UIG	:	Urban Infrastructure and Governance
ULB	:	Urban Local Bodies
VAT	:	Value Added Tax
ZAO	:	Zonal Accounts Office
ZPP	:	Zilla Praja Parishad