



ACCOUNTS at a Glance

for the year
2017-18



GOVERNMENT OF HARYANA



Accounts at a Glance for the year 2017-18

**Principal Accountant General
(Haryana,
Accounts and Entitlement)**



GOVERNMENT OF HARYANA

Preface

I am happy to present the twentieth issue of our annual publication, the 'Accounts at a glance' for the year 2017-18, which provides a broad overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by the State Legislature and depict explanations for variations between the actual expenditure and the funds allocated.

Finance and Appropriation Accounts are prepared annually by my office under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 for being laid before the Legislature of the State.

We look forward to reader's feedback that would help us in improving the publication.

Chandigarh
Date: 27 February, 2019

Vishal Bansal
(Vishal Bansal)
Pr. Accountant General (A&E)
Haryana

Our Vision, Mission and Core Values

VISION

(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)

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

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

MISSION

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

CORE VALUES

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

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

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Chapter I

Overview

1.1 Introduction

The Principal Accountant General (Accounts and Entitlements) [PAG (A&E)], Haryana collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Haryana. The compilation is done from the initial accounts rendered by 22 District Treasuries, 114 Public Works Divisions (Building & Roads and Public Health), 86 Irrigation Divisions, 48 Forest Divisions, accounts rendered by the other states/accounting offices and advices of Reserve Bank of India. Every month, a Monthly Civil Account is presented by the office of the PAG (A&E) to the Government of Haryana. The office of the PAG (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The PAG (A&E) also prepares, annually, Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the PAG (Audit), Haryana and certification by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

● **Part 1 CONSOLIDATED FUND**

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

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

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

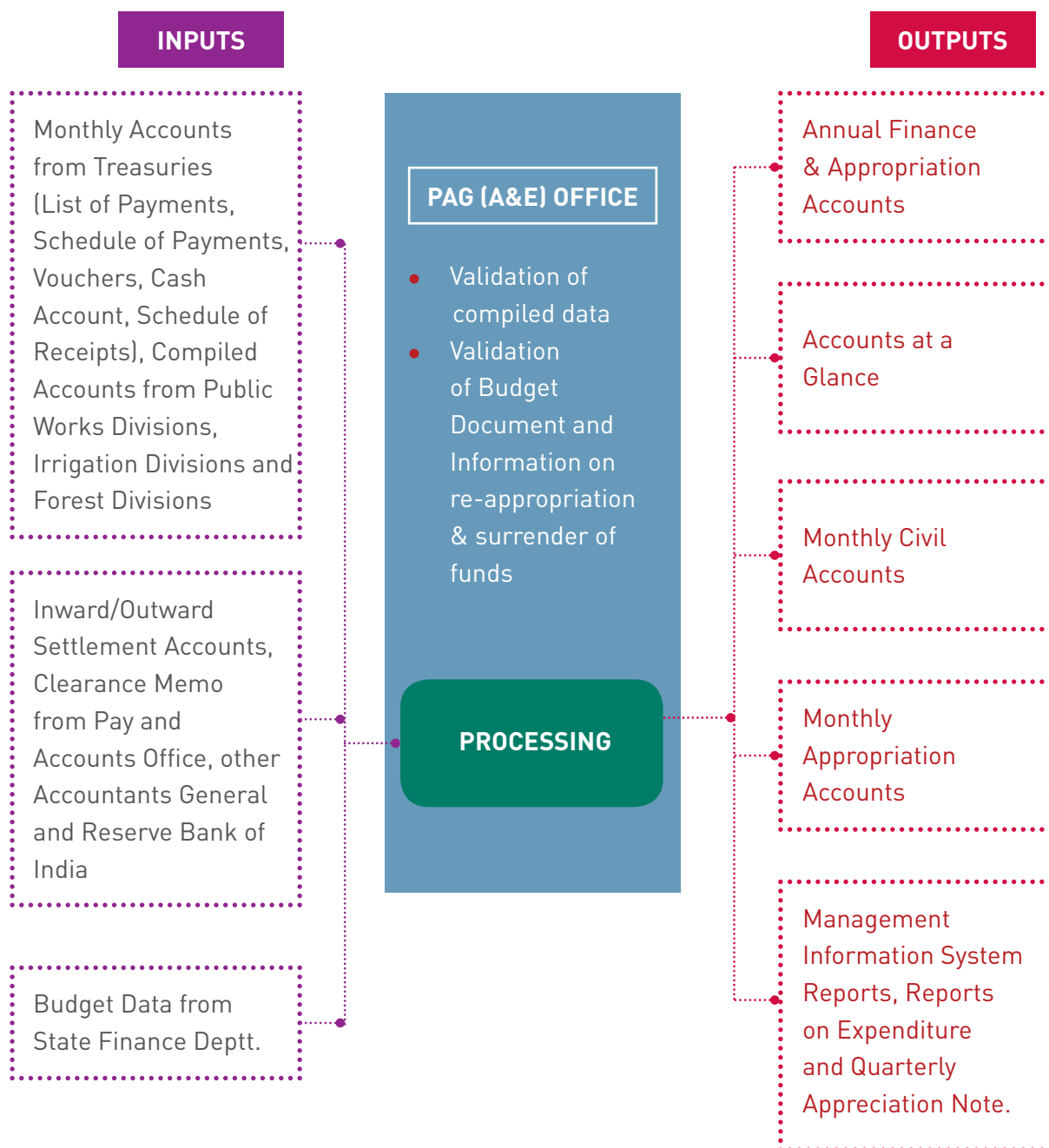
The corpus of this fund for the Government of Haryana is ₹200.00 crore.

..... **Part 2 CONTINGENCY FUND** ●

● **Part 3 PUBLIC ACCOUNT**

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

Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. During the year 2017-18, the Government of India (GoI) released ₹3,227 crore directly to the implementing agencies in Haryana. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

1.3.2 Financial highlight of year 2017-18

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2017-18:

Sl. No	Component	Budget Estimates (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP #
1.	Tax Revenue (including Central Share) (a)	51,711	48,397	94	8
2.	Non-Tax Revenue	10,082	9,113	90	1
3.	Grants-in-aid & Contributions	7,018	5,185	74	1
4.	Revenue Receipts (1+2+3)	68,811	62,695	91	10
5.	Recovery of Loans & Advances	5,963	6,341	106	1
6.	Other Receipts	38	40	105	..*
7.	Borrowings & Other Liabilities (b)	17,572	19,114	109	3
8.	Capital Receipts(5+6+7)	23,573	25,495	108	4
9.	Total Receipts (4+8)	92,384	88,190	95	14
10.	Revenue Expenditure	79,936	73,257	92	12
11.	Expenditure on Interest Payments (Out of Revenue Expenditure)	11,257	11,961	106	2
12.	Capital Expenditure	11,122	13,538	122	2
13.	Loans and Advances Disbursed	1,326	1,395	105	..*
14.	Total Expenditure (10+12+13)	92,384	88,190	95	14
15.	Revenue Surplus (+)/ Deficit (-) (4-10)	(-) 11,125	(-) 10,562	95	2
16.	Fiscal Deficit (4+5+6-14)	(-)17,572	(-) 19,114	109	3

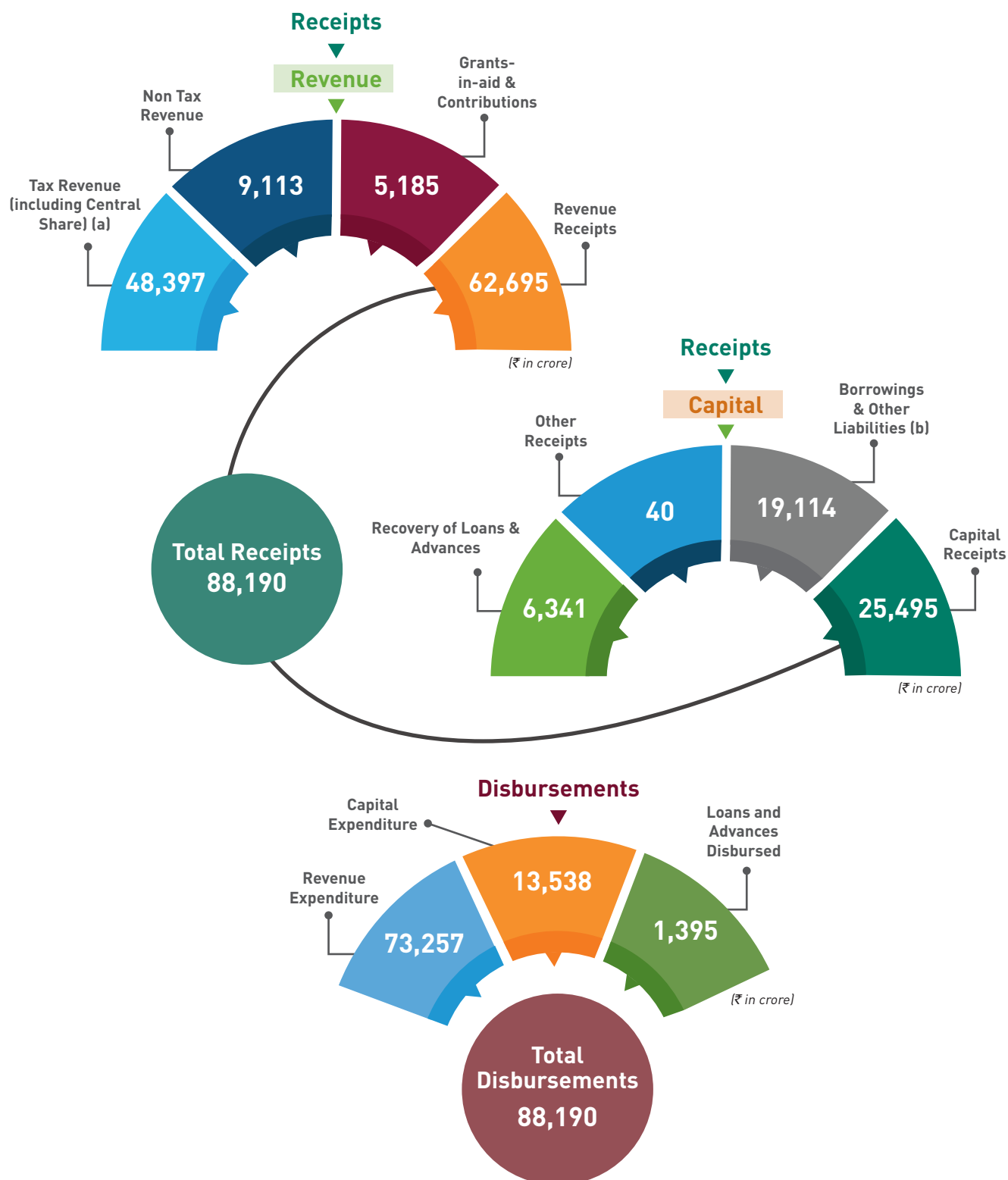
(a) Includes share of net (tax) proceed assigned to the state amounting to ₹7,298 crore. (State Government Own Tax receipts were ₹41,099 crore which was 7 per cent of GSDP)

(b) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursement) of Public Account + Net of opening and closing balance.

GSDP figure (₹6,08,471 crore) on current prices is taken from Department of Economic and Statistic Analysis, Haryana as the same was not available on the web site of Ministry of Statistics and Programme Implementation Govt. of India.

* Percentage is negligible, hence shown as ..

Receipts and disbursements in year 2017-18



(a) Includes share of net (tax) proceed assigned to the state amounting to ₹7,298 crore. (State Government Own Tax receipts were ₹41,099 crore which was 7 per cent of GSDP)

(b) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursement) of Public Account + Net of opening and closing balance.

1.3.3 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The Appropriation Accounts supplement the Finance Accounts. The budget of the Haryana has 18 Charged Appropriations and 45 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.4 Efficiency on Budget Preparation

At the end of the year, the actual expenditure of the government of Haryana against the budget approved by the Legislature, showed a net saving of ₹22,028 crore (17.62 per cent of budget estimates of ₹1,24,990 crore) and over-estimation of ₹2,503 crore (22.89 per cent of budget estimates of ₹10,937 crore) on reduction of expenditure. Certain grants, like those relating to Buildings and Roads, Education, Sports and Youth welfare, Health, Urban Development, Local Government and Agriculture showed substantial savings.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to maintain liquidity by making good the deficiency in the agreed minimum cash balance (₹1.14 crore) which the State Government is required to maintain with the Reserve Bank of India. During 2017-18, the Government of Haryana availed Ways and Means advance of ₹79.48 crore (two times : ₹26.77 crore and ₹52.71 crore) however, the same was repaid during the year, thereby leaving nil balance.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below i.e. ₹1.14 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2017-18 there was no overdraft of the State.

1.4.3 Fund flow statement

The state had a Revenue Deficit of ₹10,562 crore and a Fiscal Deficit of ₹19,114 crore in 2017-18. The Fiscal Deficit was met from net Public Debt (₹15,151 crore), increase in Public Account (₹3,047 crore) and net decrease of opening and closing cash balance (₹916 crore). Around 61 per cent of the revenue receipts (₹62,695 crore) of the State Government was spent on committed expenditure like salaries (₹17,804 crore), interest payments (₹11,961 crore) and pensions (₹ 8,783 crore).

Sources and Application of Funds

(₹ in crore)

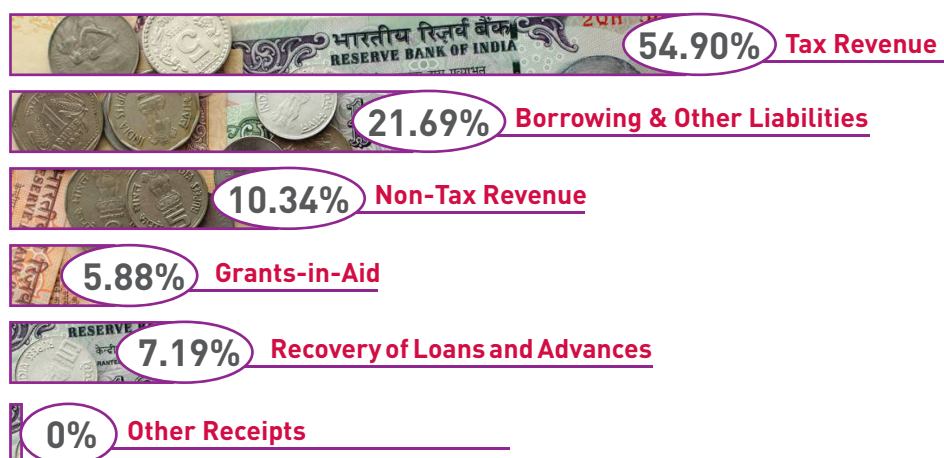
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1 April 2017	427
	Revenue Receipts	62,695
	Capital Receipts	40
	Recovery of Loans and Advances	6,341
	Public Debt	21,490
	Small Savings, Provident Funds etc.	3,342
	Reserves Fund & Sinking Funds	1,051
	Deposits Received	20,578
	Civil Advances Repaid	2
	Suspense Account	80,453*
	Remittances	8,098
	Contingency Fund	27
	TOTAL	2,04,544
APPLICATION		
	Revenue Expenditure	73,257
	Capital Expenditure	13,538
	Loans Given	1,395
	Repayment of Public Debt (including Ways and Means Advances)	6,339
	Appropriation to Contingency Fund	27
	Small Savings, Provident Funds etc.	2,116
	Reserves Fund & Sinking Funds	377
	Deposits Repaid	19,924
	Civil Advances Given	2
	Suspense Account	79,935**
	Remittances	8,123
	Closing Cash Balance as on 31 March 2018	(-)489
	TOTAL	2,04,544

* Includes ₹ 79,547 crore on account of cash balances investment account.

** Includes ₹ 79,077 crore on account of cash balances investment account.

1.4.4 Where the ₹ came from?

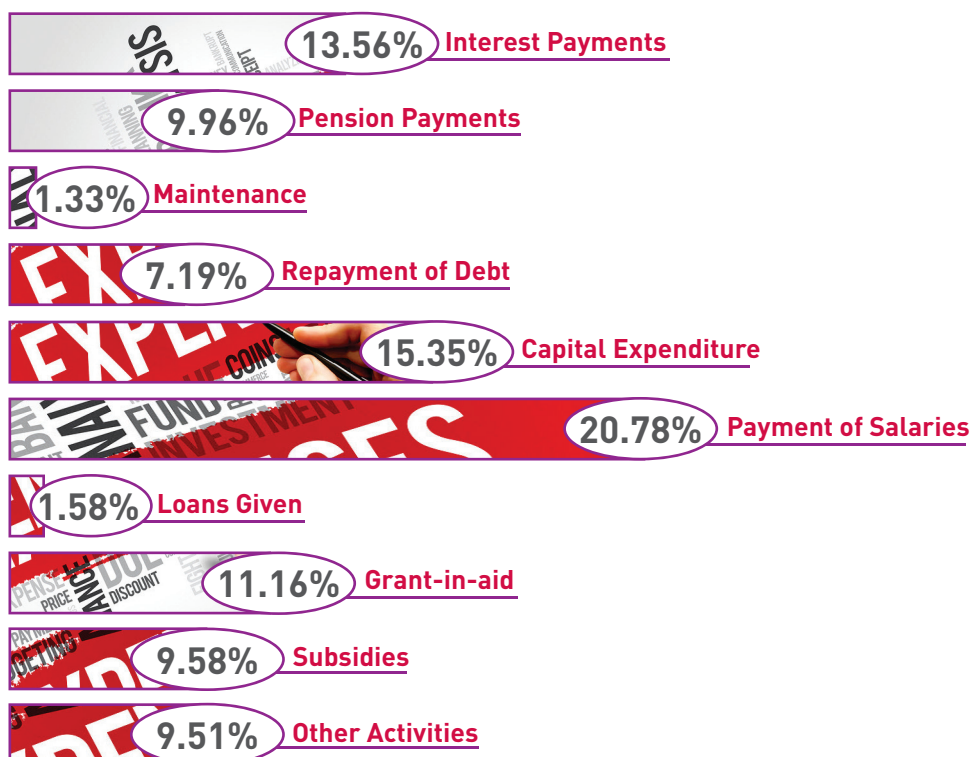
Actual Receipts



(Amount of Other Receipts was only ₹40 crore which is negligible hence value shown as zero)

1.4.5 Where the ₹ went?

Actual Expenditure



During the year 2017-18, Revenue Deficit of ₹10,562 crore (₹15,906 crore Deficit in 2016-17) and fiscal deficit of ₹19,114 crore (₹26,285 crore deficit in 2016-17) represent 1.74 per cent and 3.14 per cent of the Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 22 per cent of total expenditure.

What do the deficits and surpluses indicate?

DEFICIT

Refers to the gap between revenue and expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in financial management.

Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of government and ideally, should be fully met from revenue receipts.

REVENUE DEFICIT/ SURPLUS

FISCAL DEFICIT/ SURPLUS

Refers to the gap between total receipts (excluding borrowings) and total expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally should be invested in capital projects.

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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Government of Haryana has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2017-18 against fiscal targets laid down in the Act and rules framed there under, were as follows:

Sr. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit	10,562.49	0.00	1.74 (not achieved)
2	Fiscal Deficit	19,114.48	3.25 or less	3.14 (achieved)
3	Debt and other obligation	1,39,753.64	20.45 or less	22.97 (not achieved)

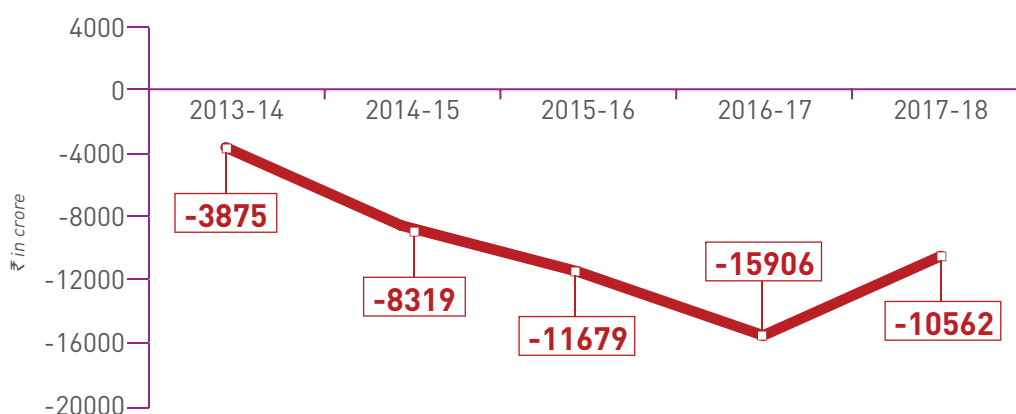
* GSDP figure (₹6,08,471 crore) on current prices is taken from Department of Economic and Statistical Analysis, Haryana as the same was not available on the web site of Ministry of Statistics and Programme Implementation Govt. of India.

The State Government had made disclosures to the Legislature required under the Haryana Fiscal Responsibility and Budget Management Rules, 2005.

The State Government had Revenue Deficit of ₹15,906 crore in 2016-17 and ₹10,562 crore during the year 2017-18 which was not as per the target of FRBM Act. Fiscal Deficit decreased by ₹7,171 crore from ₹26,285 crore in 2016-17 to ₹19,114 crore in the current year and was 3.14 per cent of GSDP which confirmed to the target of 3.25 per cent of FRMB Act. Against the target of reducing outstanding debt to 20.45 per cent of GSDP by the year 2017-18, the outstanding debt stood at ₹1,39,754 crore as on 31 March 2018, being 22.97 per cent of GSDP.

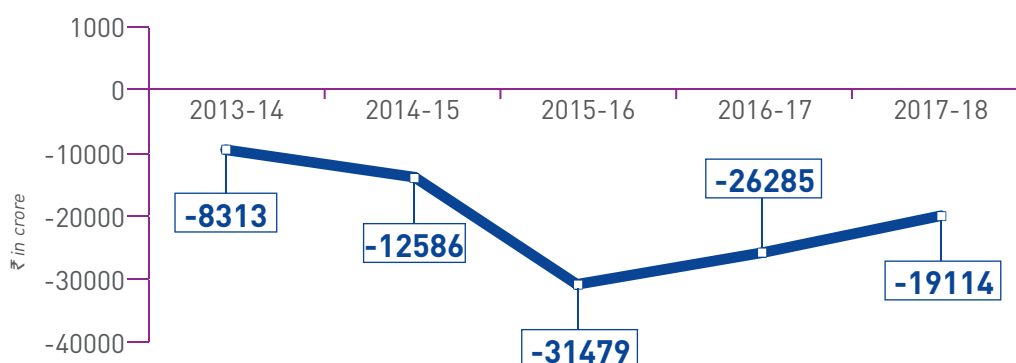
1.5.1 Trend of Revenue Deficit/ Surplus

Trend of Revenue Deficit/ Surplus



1.5.2 Trend of Fiscal Deficit

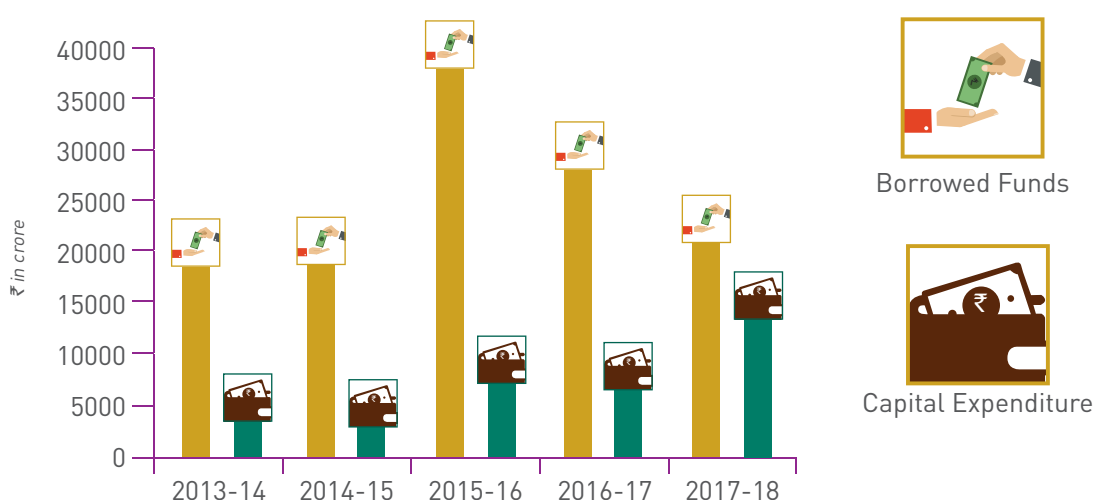
Trend of Fiscal Deficit



1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2013-14	17,713	3,935
2014-15	18,859	3,716
2015-16	37,998	6,908
2016-17	28,170	6,863
2017-18	21,490	13,538



The governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 63 per cent of the borrowings of the current year (₹21,490 crore) on capital expenditure (₹13,538 crore) and 6 per cent on Loans and Advances given by the State Government (₹1,395 crore). It would therefore appear that balance 31 per cent of borrowings in the public debt (₹6,557 crore) was utilized to repay the principal (₹6,339 crore) and part of interest on public debt of previous years and to meet periodic shortfalls of revenue against expenditure in the current year.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2017-18 were ₹88,190 crore.

2.2 Revenue Receipts

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

● TAX REVENUE

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

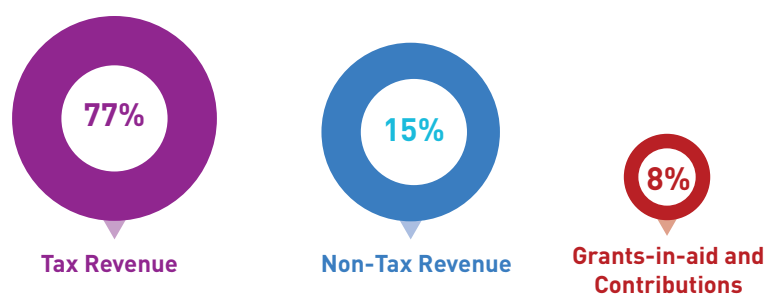
Includes interest receipts, dividend, profits, departmental receipts etc.

● NON-TAX REVENUE

● GRANTS-IN-AID

Grants-in-aid represent Central Assistance to the State Government from the Union Government. It also includes "External Grant Assistance" and "Aid, Material and Equipment" received from Foreign Government and channelized through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous bodies etc.

Revenue Receipts



2.2.1 Revenue Receipts Components (2017-18)

Components		Actuals (₹ in crore)	Per Cent to Revenue Receipt
A.	Tax Revenue*	48,397	77
	Goods and Services Tax	11,675	19
	Taxes on Income & Expenditure	4,124	6
	Taxes on Property & Capital Transactions	4,210	7
	Taxes on Commodities & Services	28,388	45
B.	Non-Tax Revenue	9,113	15
	Interest Receipts, Dividends and Profits	2,235	4
	General Services	657	1
	Social Services	3,897	6
	Economic Services	2,324	4
C.	Grants-in-aid & Contributions	5,185	8
	Total –Revenue Receipts	62,695	100

*Includes share of net proceeds assigned to State (received from the Government of India).

2.2.2 Trend of Revenue Receipts

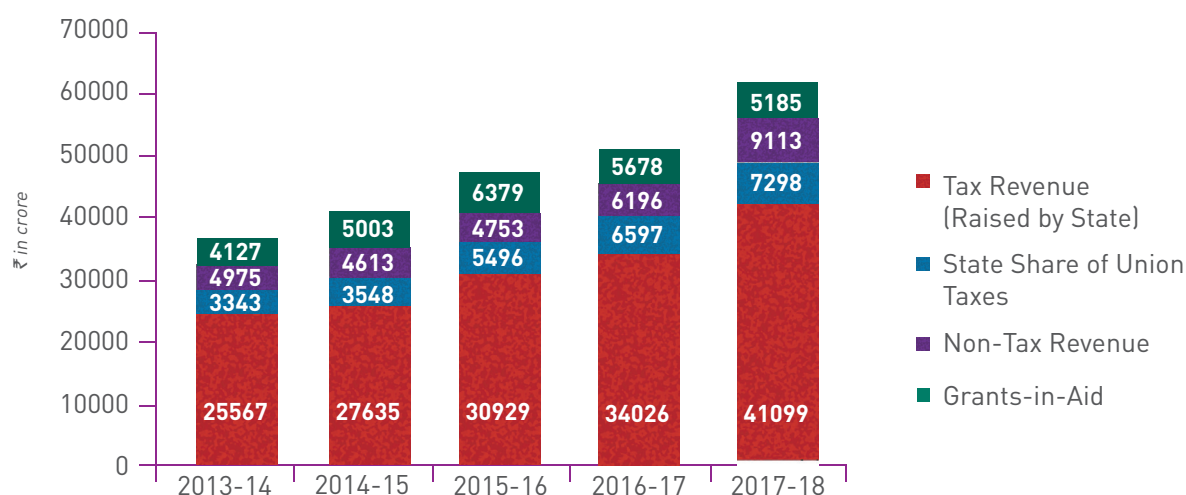
(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenues (Raised by the State)	25,567 (7)	27,635 (6)	30,929 (7)	34,026 (7)	41,099 (7)
State Share of Union Taxes/Duties	3,343 (1)	3,548 (1)	5,496 (1)	6,597 (1)	7,298 (1)
Non-Tax Revenues	4,975 (1)	4,613 (1)	4,753 (1)	6,196 (1)	9,113 (1)
Grants in Aid	4,127 (1)	5,003 (1)	6,379 (1)	5,678 (1)	5,185 (1)
Total Revenue Receipts	38,012 (10)	40,799 (9)	47,557 (10)	52,497 (10)	62,695 (10)
GSDP	3,83,911	4,35,310	4,92,657	5,47,396	6,08,471

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product). GSDP Figures for 2017-18 at current prices, as intimated by Department of Economic & Statistical Analysis, Haryana.

Though the GSDP increased by 11.16 per cent in 2017-18 as compared to previous year, growth in revenue receipts was 19.43 per cent. The total tax revenue (including share of Union Taxes) increased by 19.14 per cent, the non-tax revenue increased by 47.08 per cent and the grants-in-aid decreased by 8.68 per cent as compared to previous year.

Trend of Components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

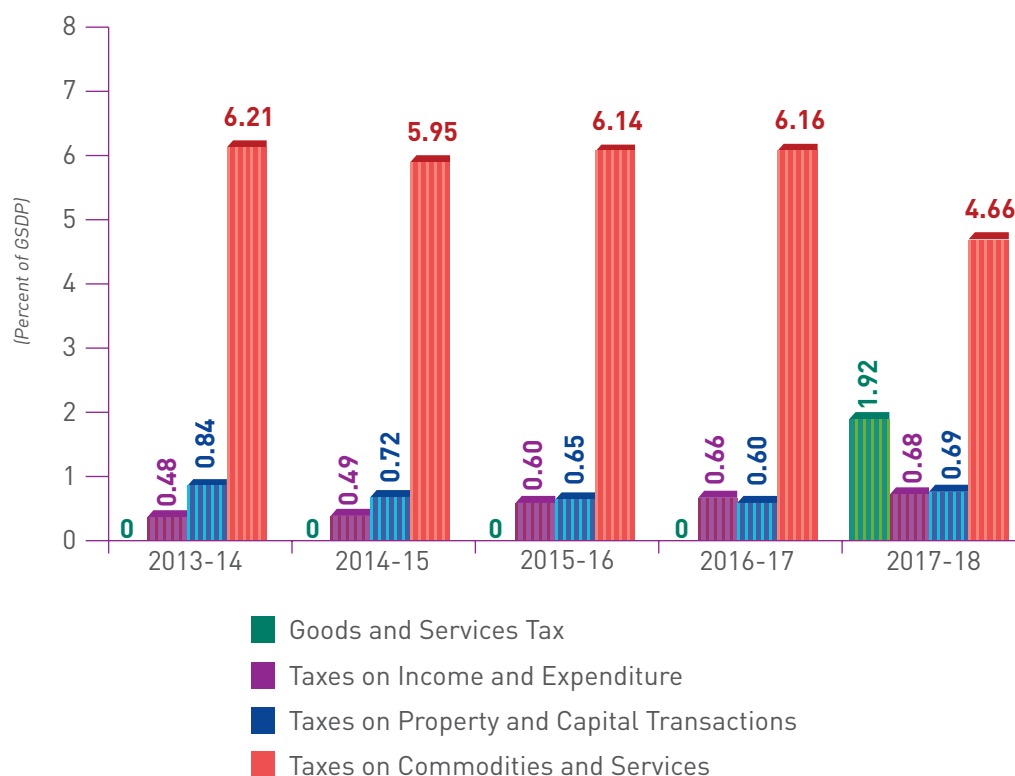
Sector-wise Tax Revenue					
	2013-14	2014-15	2015-16	2016-17	2017-18
a. Goods and Services Tax	NA*	NA*	NA*	NA*	11,675 (1.92)
b. Taxes on Income and Expenditure	1,865 (0.48)	2,124 (0.49)	2,938 (0.60)	3,591 (0.66)	4,124 (0.68)
c. Taxes on Property and Capital Transactions	3,218 (0.84)	3,127 (0.72)	3,207 (0.65)	3,303 (0.60)	4,210 (0.69)
d. Taxes on Commodities and Services	23,827 (6.21)	25,932 (5.95)	30,280 (6.14)	33,729 (6.16)	28,388 (4.66)
Total Tax Revenues	28,910 (7.53)	31,183 (7.16)	36,425 (7.39)	40,623 (7.42)	48,397 (7.95)
GSDP	3,83,911	4,35,310	4,92,657	5,47,396	6,08,471

Note: Figures in parentheses represent percentage to GSDP.

* Not Applicable.

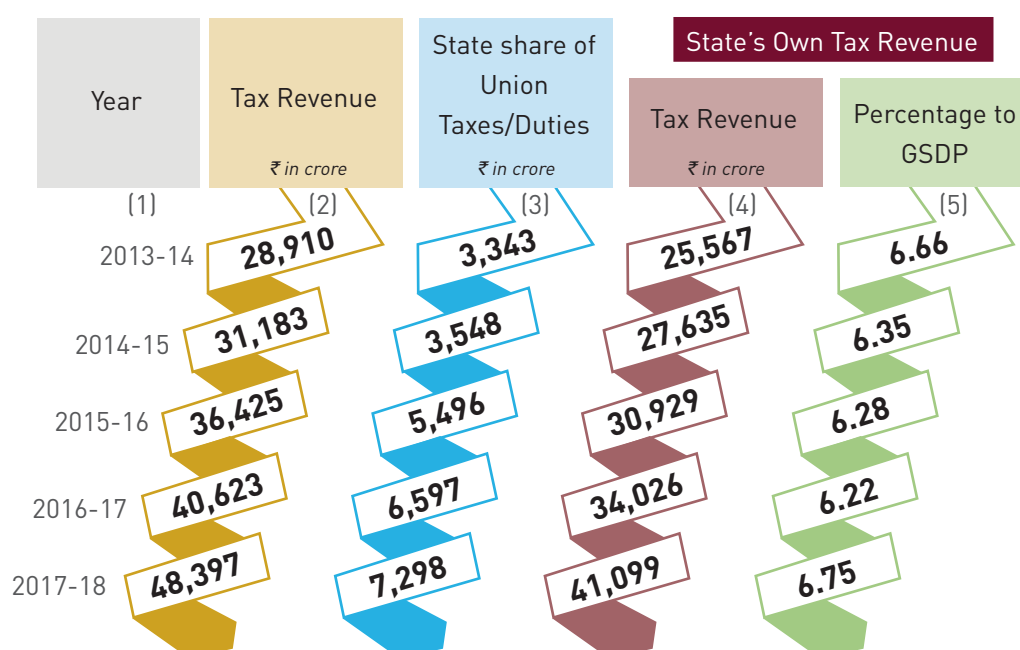
The increase in total tax revenue during 2017-18 was mainly attributable to allocation of State share from Govt. of India and higher collection under State Goods and Services Tax (₹10,833 crore), Corporation Tax (₹2,236 crore), Taxes on Income other than Corporation Tax (₹1,888 crore), Taxes on Sales, Trade etc. (₹15,609 crore), State Excise (₹4,966 crore), Stamps and Registration Fees (₹4,192 crore), Taxes on Vehicles (₹2,778 crore), Taxes on Goods and Passengers (₹2,317 crore).

Trend of Major Taxes in proportion to GSDP



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

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



Following table depicts the comparative position about tax revenue received from the two sources over a period of five years:

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
State's own Tax collection	25,567	27,635	30,929	34,026	41,099
Devolution of Union Taxes	3,343	3,548	5,496	6,597	7,298
Total Tax Revenue	28,910	31,183	36,425	40,623	48,397
Percentage of State's own tax to total tax revenue	88	89	85	84	85

The proportion of State's own tax collection in overall tax revenue has increased to 89 per cent in 2014-15, decreased to 85 percent in 2015-16, further decreased to 84 per cent in 2016-17 & again increased to 85 percent in 2017-18.

2.3.2 Trend in State's Own Tax collection over the past five years

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
1. State Goods and Services Tax	NA*	NA*	NA*	NA*	10,833
2. Taxes on Sales, Trade etc.	16,774	18,993	21,060	23,488	15,609
3. State Excise	3,697	3,470	4,371	4,613	4,966
4 Taxes on Vehicles	1,095	1,192	1,401	1,583	2,778
5. Stamp and Registration fees	3,203	3,109	3,191	3,283	4,192
6. Taxes and Duties on electricity	219	240	257	276	306
7. Land Revenue	12	15	15	16	18
8. Taxes on Goods and Passengers	498	527	554	595	2,317
9. Other Taxes	69	89	80	172	79
Total State's own Taxes	25,667	27,635	30,929	34,026	41,099

* Not Applicable

2.4 Cost of Tax Collection

(₹ in crore)

Taxes	2013-14	2014-15	2015-16	2016-17	2017-18
1. Taxes on Sales, Trade etc.					
Revenue collection	16,774	18,993	21,060	23,488	15,609
Expenditure on collection	101	119	129	142	148
Cost of tax collection	0.60 %	0.63%	0.61%	0.60%	0.95%
2. State Excise					
Revenue collection	3,697	3,470	4,371	4,613	4,966
Expenditure on collection	25	29	31	35	42
Cost of tax collection	0.68 %	0.84%	0.71%	0.76%	0.85%
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	1,593	1,719	1,955	2,178	5,095
Expenditure on collection	14	17	19	29	38
Cost of tax collection	0.88 %	0.99%	0.97%	1.35%	0.75%
4. Stamp and Registration Fee					
Revenue collection	3,203	3,109	3,191	3,283	4,192
Expenditure on collection	10	10	15	11	10
Cost of tax collection	0.31 %	0.32%	0.47%	0.34%	0.24%

The expenditure on collection of taxes on Vehicles, Goods and Passengers and State Excise was high as compared to expenditure on collection of other taxes.

2.5 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Central Goods and Services Tax (CGST)	NA*	NA*	NA*	NA*	105
Integrated Goods and Services Tax (IGST)	NA*	NA*	NA*	NA*	737
Corporation Tax	1,125	1,239	1,733	2,118	2,236
Taxes on Income other than Corporation Tax	740	885	1,205	1,472	1,888
Taxes on Wealth	3	3	1	5	Nil
Customs	546	574	880	911	737
Union Excise Duties	385	324	733	1,041	770
Service Tax	544	523	940	1,050	825
Other Taxes and Duties on Commodities and Services	Nil	Nil	4	Nil	Nil
State's share of Union Taxes/Duties	3,343	3,548	5,496	6,597	7,298
Total Tax Revenue	28,910	31,183	36,425	40,623	48,397
Percentage of Union Taxes to Total Tax Revenue	12	11	15	16	15

* Not Applicable

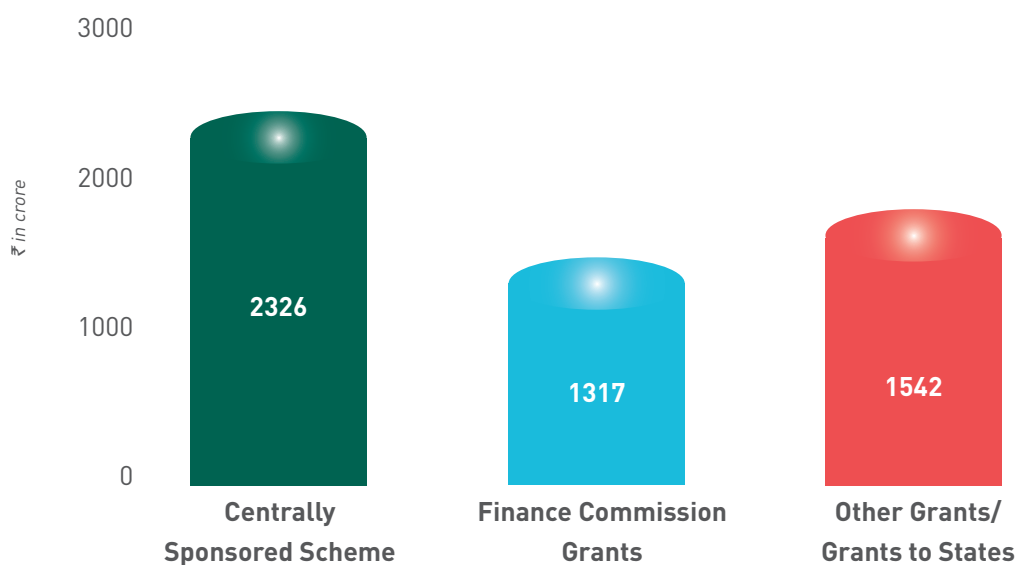
Government of Haryana received ranging between 11 per cent to 16 per cent share of total Tax Revenue from the net proceeds of all shareable Union taxes during the period 2013-14 to 2017-18.

2.6 Grants-in-aid

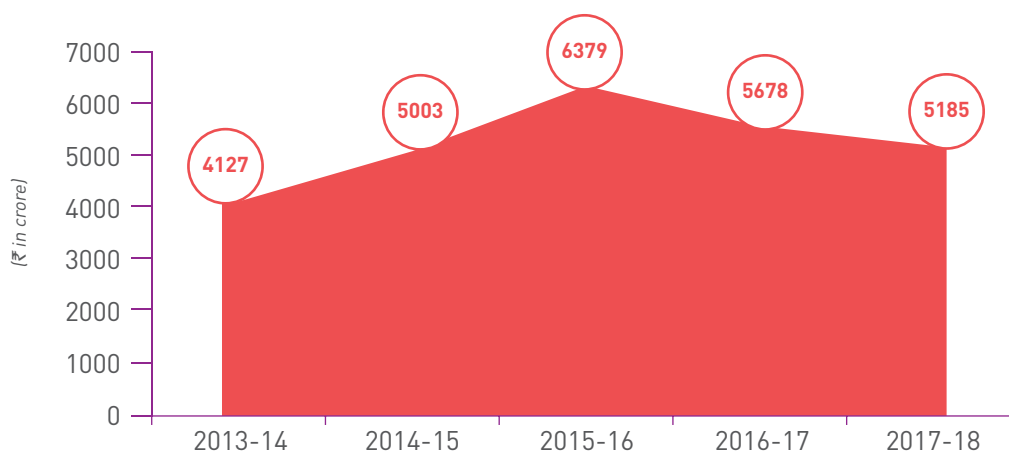
Grants-in-aid represent assistance from the Government of India, and comprise, grant for State Schemes, Central Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Grants recommended by the Finance Commission.

Total receipts during 2017-18 under Grants -in-aid were ₹5,185 crore as shown below:

Grants-in-Aid

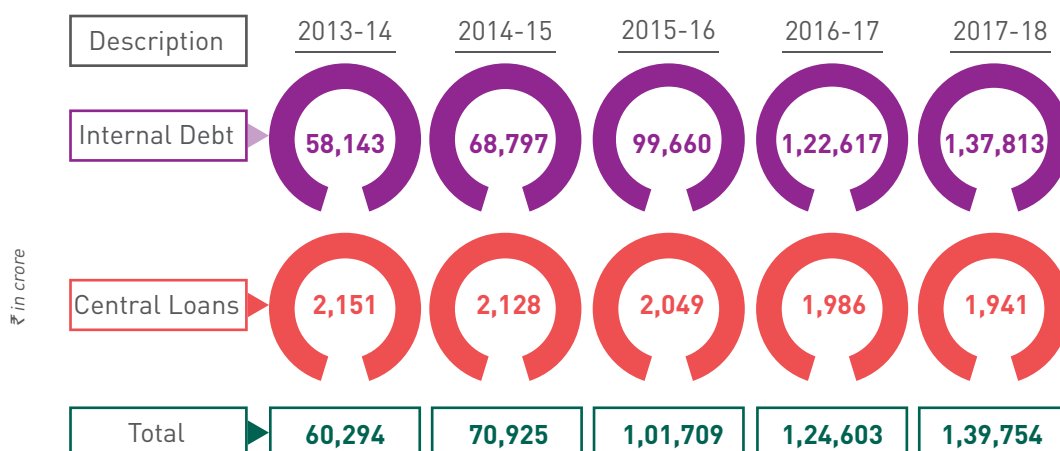


Trend of Grants-in-aid



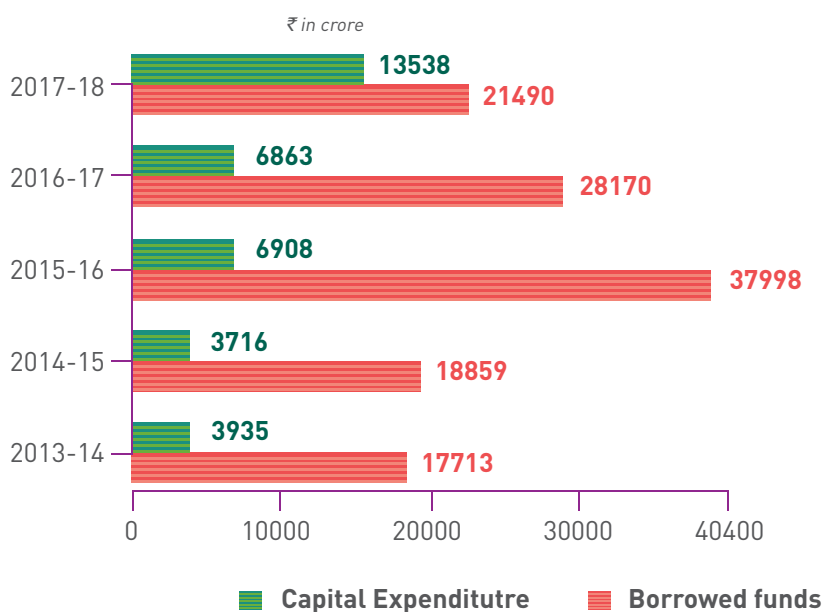
2.7 Public Debt

Trend of position of Public Debt over the past five years



During the year 2017-18, sixteen loans totaling ₹16,640 crore were raised from the open market at interest rates varying from 7.26 per cent to 8.45 per cent and the same are redeemable during the period between 2027-28. In addition, the State Government raised loan of ₹4,525 crore from the financial institutions and ₹104 crore from other loans. An amount of ₹79.48 crore (two times : ₹26.77 crore and ₹52.71 crore) obtained as Ways and Means Advances from the Reserve Bank of India. Thus the total Internal Debt raised by the Government during the year 2017-18 aggregated to ₹21,349 crore. The Government also received ₹141 crore from Government of India as loans and advances.

Borrowed funds viz-a-viz Capital Expenditure



Chapter III

Expenditure

3.1 Introduction

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

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

● GENERAL SERVICES

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

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

● SOCIAL SERVICES

● ECONOMIC SERVICES

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

3.2 Revenue Expenditure

The shortfall of revenue expenditure against budget estimates as per Appropriation Accounts during the past five years is given on next page:

(₹ in crore)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates	48,999	56,953	70,365	79,284	86,715
Actuals	41,968	49,408	61,047	68,766	73,491
Gap	7,031	7,545	9,318	10,518	13,224
Percentage of variation of Actuals against BE	14	13	13	13	15

[Source: Appropriation Accounts of respective years]

Compounding the shortfall (by 9 per cent) of revenue receipts against budget estimates in 2017-18, the State Government faced with the problem of generating revenue surplus in terms of the FRBM Act.

Around 53 per cent of the total revenue expenditure during 2017-18 was incurred on committed expenses viz. on Salaries (₹17,804 crore), Interest payment (₹11,961 crore) and Pensions (₹8,783 crore) which is the committed liability of the State Government.

The position of committed and uncommitted revenue expenditure over the last five years is given below:

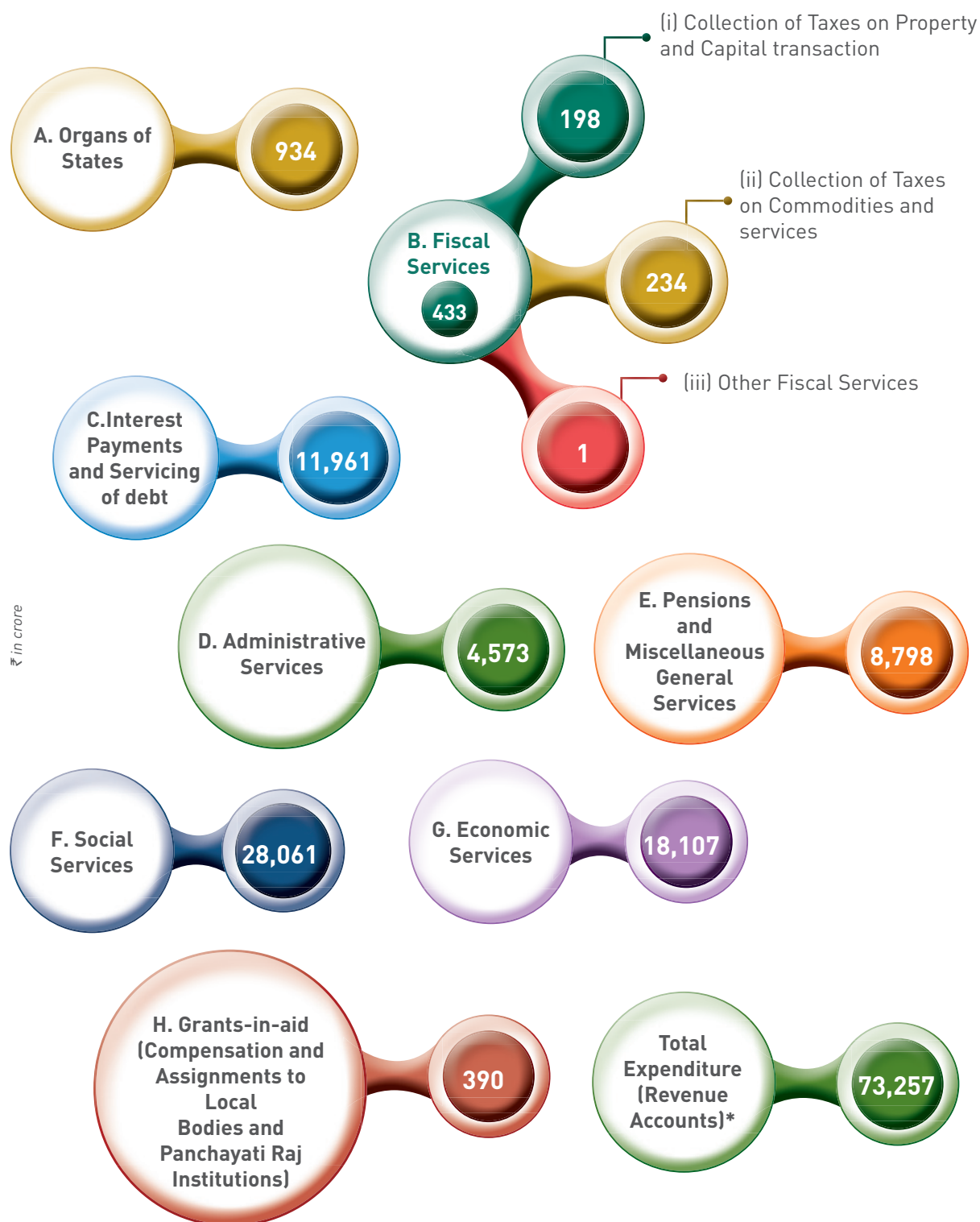
(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Total revenue expenditure	41,887	49,118	59,236	68,403	73,257
Committed revenue expenditure #	21,326	25,289	28,229	32,511	38,548
Percentage of committed revenue expenditure to total revenue expenditure	51	51	48	48	53
Uncommitted revenue expenditure	20,561	23,829	31,007	35,892	34,709

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

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 69% from ₹20,561 crore in 2013-14 to ₹34,709 crore in 2017-18. The total revenue expenditure increased by 75 per cent from ₹41,887 crore in 2013-14 to ₹73,257 crore in 2017-18 and committed revenue expenditure increased by 81 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2017-18)



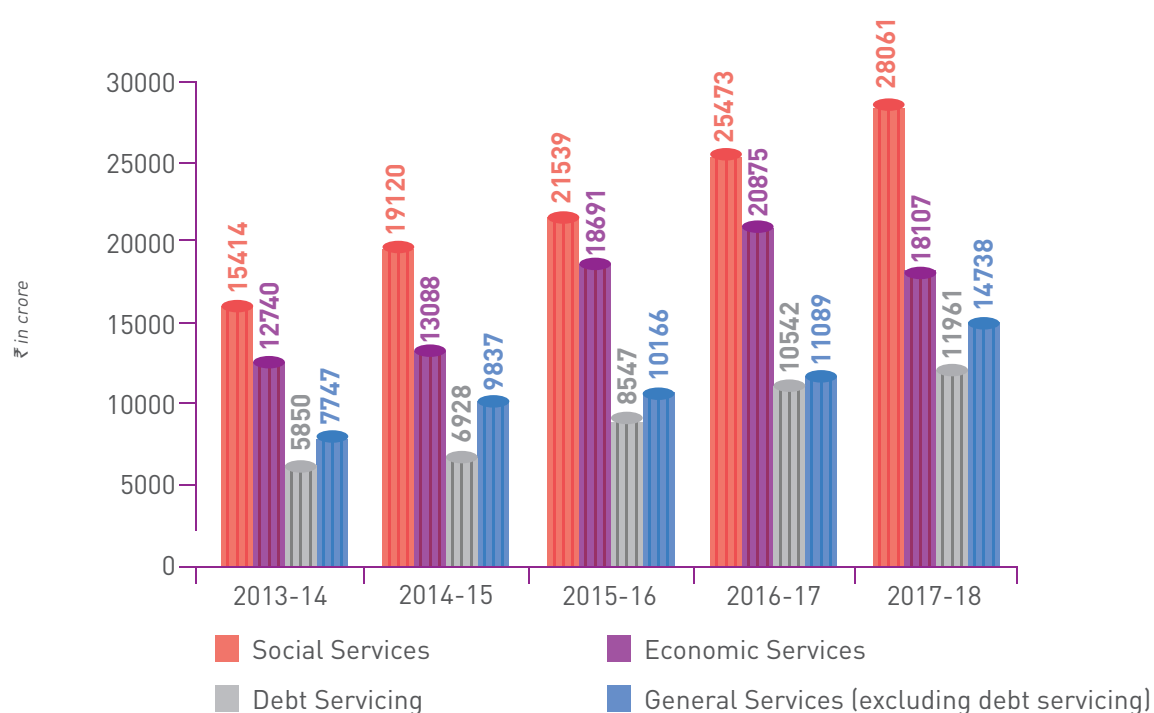
* (Net, after deducting recoveries)

3.2.2 Major components of Revenue Expenditure 2013-14 to 2017-18

(₹ in crore)

Components	2013-14	2014-15	2015-16	2016-17	2017-18
Social Services	15,414	19,120	21,539	25,473	28,061
Economic Services	12,740	13,088	18,691	20,875	18,107
Debt Servicing	5,850	6,928	8,547	10,542	11,961
General Services (excluding expenditure on debt servicing)	7,747	9,837	10,166	11,089	14,738

Trend of Major Components of Revenue Expenditure



3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Expenditure during 2017-18 amounting for ₹13,538 crore (2 per cent of GSDP) were excess than Budget Estimates by ₹2,416 crore. The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2013-14 onwards (except 2015-16 and 2017-18).

This can be seen from the table below:

(₹ in crore)

S.No.	Components	2013-14	2014-15	2015-16	2016-17	2017-18
1	Budget (B.E.)	6,850	5,747	5,904	8,817	11,122
2	Actual Expenditure (#)	3,935	3,716	6,908	6,863	13,538
3	Percentage of Actual Exp. to B.E.	57	65	117	78	122
4	Yearly growth in Capital Expenditure	(-)32%	(-)6%	86%	(-)1%	97%
5	GSDP	3,83,911	4,35,310	4,92,657	5,47,396	6,08,471
6	Yearly growth in GSDP	9%	13%	13%	11%	11%

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2017-18, the Government spent ₹774 crore on various Irrigation Projects (₹372 crore on Major Irrigation and ₹402 crore on Medium Irrigation). Apart from above, the Government spent ₹1,622 crore on construction of roads and bridges and invested ₹5755 crore in Government Companies and Co-operative Institutions. During the year, share capital amounting to ₹40 crore was redeemed by Co-operative Banks and Societies.

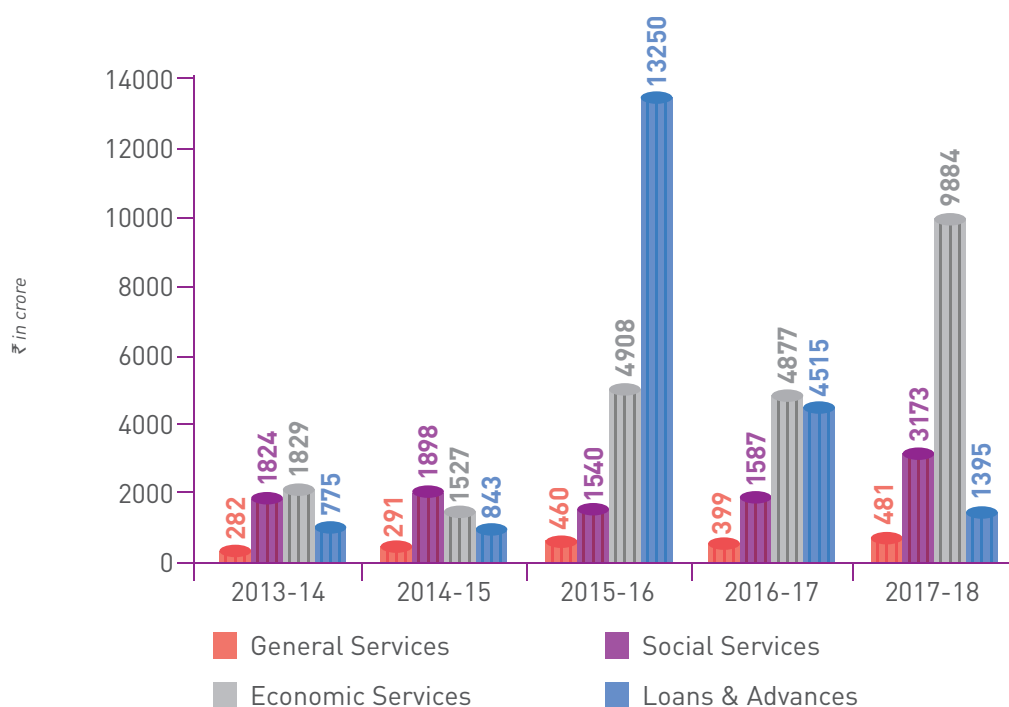
3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

Sector	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	282 (6)	291 (6)	460 (2)	399 (3)	481 (3)
Social Services	1,824 (39)	1,898 (42)	1,540 (8)	1,587 (14)	3,173 (21)
Economic Services	1,829 (39)	1,527 (34)	4,908 (24)	4,877 (43)	9,884 (66)
Loans and Advances	775 (16)	843 (18)	13,250 (66)	4,515 (40)	1,395 (10)
Total	4,710	4,559	20,158	11,378	14,933

Note: Figures in parentheses represent percentage to total capital expenditure.

Trend of Sectoral Distribution of Capital Expenditure



3.3.3 Sectoral distribution of Capital and Revenue Expenditure

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

(₹ in crore)

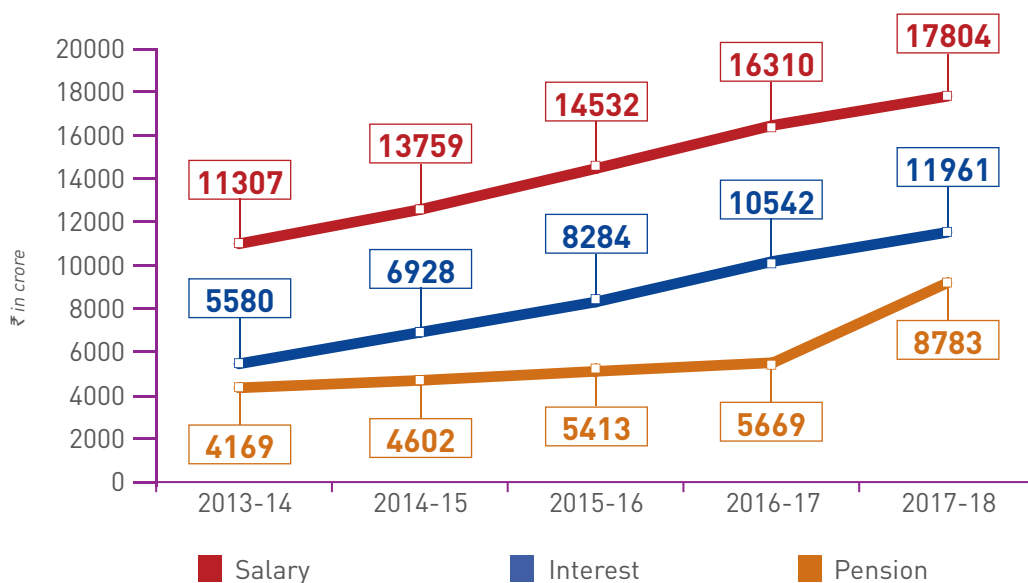
S.No.	Sector		2013-14	2014-15	2015-16	2016-17	2017-18
(A)	General Services	Capital	282	291	460	399	481
		Revenue	13,597	16,765	18,713	21,631	26,699
(B)	Social Services	Capital	1,824	1,898	1,540	1,587	3,173
		Revenue	15,414	19,120	21,539	25,473	28,061
(C)	Economic Service	Capital	18,29	1,527	4,908	4,877	9,884
		Revenue	12,740	13,088	18,691	20,875	18,107
(D)	Grants-in-aid and Contribution	Capital	NA*	NA*	NA*	NA*	NA*
		Revenue	136	145	293	424	390

* Not Applicable

3.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments showed increase in 2017-18 over the previous year.

Trend of Committed Expenditure



The trend of committed expenditure in comparison to revenue expenditure and revenue receipts over the past five years is depicted below:

(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Committed Expenditure	21,326	25,289	28,229	32,511	38,548
Revenue Expenditure	41,887	49,118	59,236	68,403	73,257
Revenue Receipts	38,012	40,799	47,557	52,497	62,695
Percentage of committed expenditure to Revenue Receipts	56	62	59	62	61
Percentage of committed expenditure to Revenue Expenditure	51	51	48	48	53

The committed expenditure increased by 81 per cent from 2013-14 to 2017-18 while revenue expenditure registered the growth of 75 per cent during the same period, leaving the Government with lesser flexibility in development spending.

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2017-18

(₹ in crore)

S. No.	Nature of Expenditure	Original Grant	Supplementary grant	Surrender (by way of Re-appropriation)	Total Budget	Actual expenditure (Net)	Savings(-) Excesses(+)
1.	Revenue						
	Voted	69,003	5,647	13,424	61,226	61,359	(+)133
	Charged	11,432	633	18	12,047	12,132	(+) 85
2.	Capital						
	Voted	21,460	5,166	5,424	21,202	21,664	(+)462
	Charged	100	Nil	33	67	74	(+)7
3.	Public Debt						
	Charged	9,945	Nil	3,606	6,339	6,339	Nil
4.	Loans and Advances						
	Voted	1,326	278	320	1,284	1,395	(+)111
	Total						
	Voted	91,789	11,091	19,168	83,712	84,418	(+)706
	Charged	21,477	633	3,657	18,453	18,545	(+)92

4.2 Trend of Savings / Excess during the past five years

(₹ in crore)

Savings (-) Excess (+)					
Year	Revenue	Capital	Public Debt	Loan & Advances	Total
2013-14	(-) 7,031	(-) 4,495	(-) 5,027	(-) 314	(-) 16,867
2014-15	(-) 7,545	(-) 4,618	(-) 5,623	(-) 158	(-) 17,944
2015-16	(-) 9,318	(-) 3,496	(-) 2,821	(-) 444	(-) 16,079
2016-17	(-) 10,518	(-) 4,393	(-) 4,402	(-) 276	(-) 19,589
2017-18	(-) 13,224	(-) 4,988	(-) 3,606	(-) 209	(-) 22,027

4.3 Significant savings

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

Some grants with persistent and significant net savings for the last five years are given below:

(₹ in crore)

Grant No.	Nomenclature	2013-14	2014-15	2015-16	2016-17	2017-18
4	Revenue	325	--	--	--	--
7	Planning and Statistics	281	334	238	283	122
8	Buildings & Roads	--	--	--	1,880	1,464
9	Education	--	--	--	3,436	2,446
10	Technical Education	--	137	--	--	--
11	Sports and Youth Welfare	56	59	84	106	226
12	Art and Culture	5	--	5	4	--
13	Health	--	--	--	--	849
14	Urban Development	581	405	870	--	554
15	Local Government	590	584	1,408	--	1,463
16	Labour	--	--	13	--	--
17	Employment	26	25	30	--	--
18	Industrial Training	--	--	--	--	136
19	Welfare of SCs and BCs	143	98	325	222	369
21	Women and Child Development	352	359	437	406	343
23	Food and Supplies	3,226	3,431	2,148	--	--
25	Industries	38	--	78	439	242
26	Mines and Geology	9	--	--	-	--
27	Agriculture	--	474	375	827	649
28	Animal Husbandry & Dairy Development	--	--	182	--	--
29	Fisheries	--	--	--	-	43
30	Forest & Wild Life	--	--	--	98	143
31	Ecology and Environment	--	--	--	--	3
32	Rural and Community Development	--	--	815	--	2,394
35	Tourism	--	--	11	36	52
37	Elections	--	--	--	--	38
39	Information and Publicity	97	44	--	--	--
41	Electronics & IT	15	14	24	31	--
44	Printing and Stationery	19	12	12	16	18
PD	Public Debt	5,028	5,622	2,821	4,402	3,606
45	Loans and Advances by State Government	314	--	--	--	--

Note: -- in the above table denotes non-significant savings

The persistent huge savings under Planning and Statistics, Education, Buildings and Roads, Rural and Community Development are on account of schemes which though approved by the legislature have been given lesser priority during implementation. This can be attributed either to increased budget estimation or the Government's desire to keep its fiscal deficit below the ceiling.

During 2017-18, Supplementary grants totaling ₹11724 crore (11.39 per cent of total expenditure) proved to be unnecessary in some cases. A few instances where there were savings at the end of the year even against original allocation are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
3	2052-Secretariat-General Services 090-Secretariat 99-Chief Secretary	Revenue	9,131	157	7,753
5	2040-Taxes on Sales, Trades etc. 001-Direction and Administration 99-Headquarters Staff	Revenue	31	5	31
5	2040-Taxes on Sales, Trades etc. 101-Collection Charges 99-Field Staff	Revenue	76	5	66
8	2059-Public Works 80-General 96-Execution	Revenue	397	1	310
8	4202—Capital Outlay on Education, Sports, Art and Culture 01-General Education 202-Secondary Education 99-Secondary School Buildings	Revenue	130	56	111
9	2202-General Education 03-University and Higher Education 105-Faculty Development Programme 93-Setting up of Placement Cell in Govt. Colleges	Revenue	1	3	1
15	2217-Urban Development 80-General 192-Assistance to Municipalities / Municipal Councils 87-Smart City	Revenue	400	400	204
17	2230-Labour, Employment and Skill Development 02-Employment Service 800-Other Expenditure 99-Vocational Guidance and Career Centre at Employment Exchange	Revenue	2	2	2

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
19	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities 01-Welfare of Scheduled Castes 001-Direction and Administration 98-District Staff	Revenue	27	1	22

A few instances where there was excess expenditure at the end of the year even after supplementary allocations were made are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
6	2071-Pensions and other Retirement Benefits 01-Civil 101-Superannuation and Retirement Allowances	Revenue	4,272	622	5,013
6	2071-Pensions and other Retirement Benefits 01-Civil 104-Gratuities	Revenue	881	119	1,065
6	2071-Pensions and other Retirement Benefits 01-Civil 105-Family Pensions	Revenue	499	111	643
6	2071-Pensions and other Retirement Benefits 01-Civil 111-Pensions to Legislators	Revenue	19	4	189
6	2071-Pensions and other Retirement Benefits 01-Civil 117-Government Contribution for Defined Contribution Pension Scheme	Revenue	411	44	460

An expenditure of ₹1 Crore in one case where funds allocated directly by by-passing the legislature i.e. through re-appropriation instead of Original/Supplementary budget are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actuals Expenditure
28	2403-Animal Husbandry 106-Other Live Stock Development 95-Scheme for the holding of livestock and poultry farms in the Distt./State/ All India level	Revenue	Nil	Nil	1	1

Chapter V

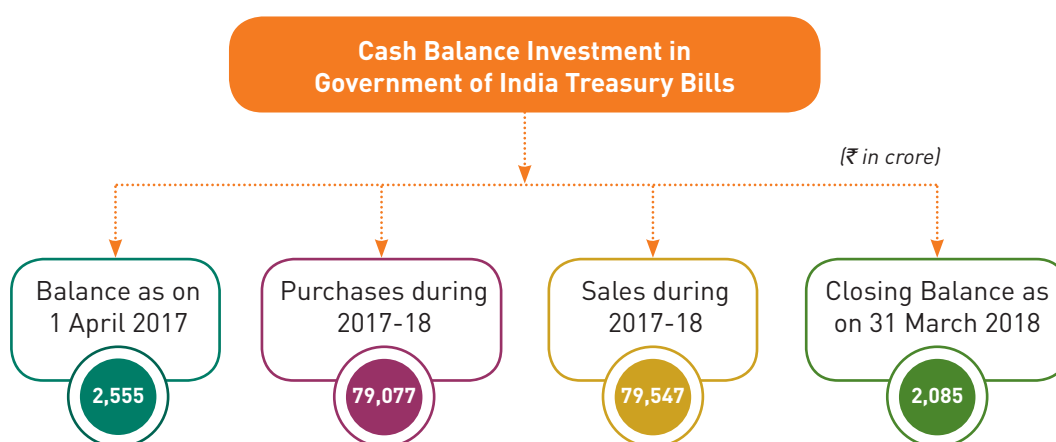
Assets and Liabilities

5.1 Assets

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

Total investment as share capital in non-financial Public Sector Undertakings (PSUs) stood at ₹17,374 crore at the end of the year of 2017-18. However, dividends received during the year were ₹7.53 crore (i.e. 0.04 per cent) on total investment. During 2017-18, investments increased by ₹5,755 crore and dividend income decreased by ₹1.64 crore.

Cash Balance with RBI stood at ₹427 crore on 1 April 2017 and decreased to ₹ (-)489 crore at the end of March 2018. In addition, Government had invested an amount of ₹79,077 crore on 141 occasions in 14 days Treasury Bills and rediscounted Treasury Bills worth ₹79,547 crore on 187 occasions during 2017-18. The position of investment during the year 2017-18 is depicted in the table given below:



5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed by the State Legislature from time to time.

Details of the Public Debt and total liabilities of the State Government for the last five years are as under:

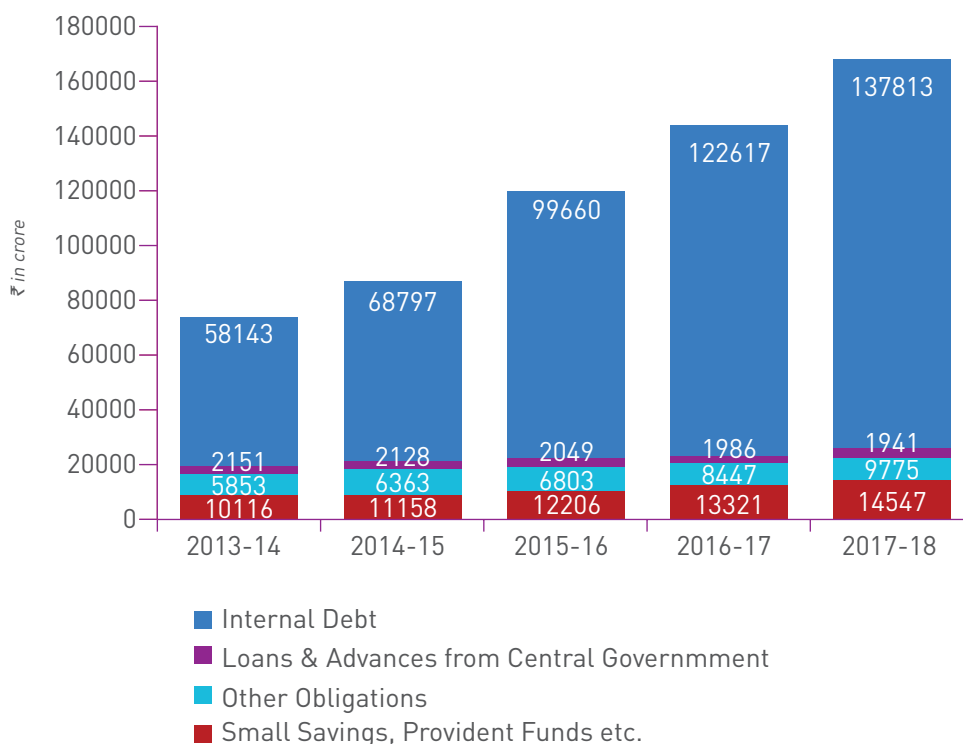
Year	Public Debt (₹ in crore)	Per cent of GSDP	Public Account* (₹ in crore)	Per cent of GSDP	Total Liabilities (₹ in crore)	Per cent of GSDP
2013-14	60,294	16	15,969	4	76,263	20
2014-15	70,925	16	17,521	4	88,446	20
2015-16	1,01,709	21	19,009	4	1,20,718	25
2016-17	1,24,603	23	21,768	4	1,46,371	27
2017-18	1,39,754	23	24,322	4	1,64,076	27

* Excludes suspense and remittance balance.

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

Public Debt and other liabilities showed a net increase of ₹17,705 crore (12 per cent) in 2017-18 over the previous year.

Trend in Government Liabilities



5.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2013-14	38,376	27,306*	NA [#]
2014-15	31,319	30,388*	NA [#]
2015-16	34,974	16,876*	NA [#]
2016-17	17,911	8,244*	NA [#]
2017-18	19,000	14,138*	NA [#]

* Inclusive of Principal and Interest.

[#] Not Available.

Note: Details are available at Statement No. 20 of Finance Accounts and these are based on information received from the State Government, Finance Department.

Chapter VI

Other Items

6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2018, no adverse balances are appearing in favour of Haryana State.

6.2 Loans and Advances given by the State Government

Total Loans and Advances made by the State Government at the end of 2017-18 was ₹16,090 crore. Out of this, loans and advances to Government Corporations/ Companies, Non-Government Institutions and Local Bodies amounted to ₹16,010 crore. Recovery of principal aggregating to ₹55.31 crore was in arrears at the end of 2017-18. The information relating to recovery of interest in arrear was not made available by the State Government. During 2017-18, ₹6,341 crore was received towards repayment of loans and advances (including conversion of Loans of ₹5,190 crore into equity in respect of Power Distribution Companies), out of which ₹93 crore relates to repayment of Loans to Government Servants. Effective steps to recover the outstanding loans would help the Government improving its fiscal position.

6.3 Financial assistances to local bodies and others

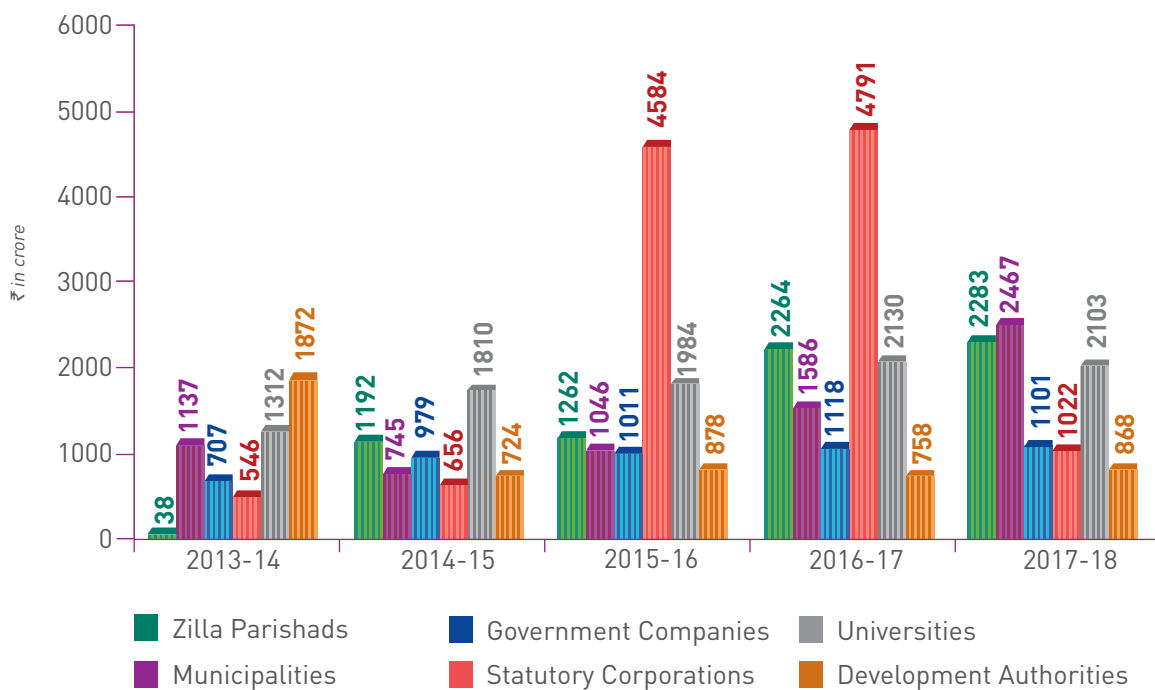
Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹5,612 crore in 2013-14 to ₹9,844 crore in 2017-18. Grants to Zilla Parishads (Panchayati Raj Institutions) and Municipalities/Municipal Councils (₹4,750 crore) represent 48 per cent of total grants given during the year.

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

(₹ in crore)

S. No.	Name of Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1	Zilla Parishads	38	1,192	1,262	2,264	2,283
2	Municipalities	1,137	745	1,046	1,586	2,467
3	Government Companies	707	979	1,011	1,118	1,101
4	Statutory Corporations	546	656	4,584	4,791	1,022
5	Universities	1,312	1,810	1,984	2,130	2,103
6	Development Authorities	1,872	724	878	758	868
	Total	5,612	6,106	10,765	12,647	9,844

Grants-in-aid Given



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

(₹ in crore)

S. No	Name of Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1	Zilla Parishads	Nil	Nil	Nil	Nil	1,545
2	Municipalities	Nil	Nil	Nil	373	2,145
3	Government Companies	50	50	Nil	59	14
4	Statutory Corporations	Nil	Nil	Nil	11	117
5	Universities	8	28	29	122	153
6	Development Authorities	Nil	Nil	Nil	7	133
	Total	58	78	29	572	4,107

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2017	As on 31 March 2018	Net increase(+)/ decrease (-)
Cash Balances	427	(-) 489	(-) 916
Investment from cash balance (GOI Treasury Bills)	2,555	2,085	(-) 470
Investment from earmarked fund balances	2,674	2,820	146
(a) Sinking Fund	1,641	1,775	134
(b) Guarantee Redemption Fund	953	1,043	90
(c) Other Funds	80	2	(-) 78
Interest realized during the year	161	95	(-) 66

State Government had a negative closing cash balance as on 31 March 2018. Interest receipts on the investment of cash balance has decreased by 41 per cent from ₹161 crore in 2016-17 to ₹95 crore in 2017-18.

6.5 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officers (CCOs)/ Controlling Officers (COs) are required to reconcile the figures of Receipts and Expenditure recorded in their books every month with the figures accounted for by the office of the PAG (A&E). Such reconciliation of receipts and expenditure figures under the Consolidated Fund have been completed cent per cent by all CCOs/Cos except an amount of ₹0.01 crore under head 0006-State Goods and Services Tax, 500-Receipt Awaiting Transfer to other Minor Heads.

6.6 Submission of Accounts by Accounts Rendering Units

The Finance Accounts 2017-18 present the transactions of the Government of Haryana for the period 1 April, 2017 to 31 March, 2018. The accounts of receipts and expenditure of the Government of Haryana have been compiled based on the initial accounts rendered by 22 District Treasuries, 114 Public Works Divisions (B & R and Public Health), 86 Irrigation Divisions, 48 Forest Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounts Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the Financial Year.

6.7 Unadjusted Abstract Contingent Bills

When money is required in advance or when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the service head. These amounts are held under objection pending submission of Detailed Contingent (DC) Bills to the PAG (A&E), within a month. Delayed submission or prolonged non-submission of DC bills may affect the completeness

and correctness of accounts. The detail of AC Bills, under objection, pending adjustment, as on 31 March 2018 is as under:

Year	Number of AC Bills Drawn		Number of AC Bills Adjusted		Pending DC Bills	
	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)
Up to 2015-16	793	86.96	791	84.37	02	2.59
2016-17	666	310.48	658	308.97	08	1.51
2017-18	1126	533.75	1057	480.90	69	52.85
Total	2585	931.19	2506	874.24	79	56.95

83.54 per cent of DC bills were awaited from four departments viz. General Education Department (35 DC bills amounting to ₹5.07 crore), Road Transport Department (12 DC bills amounting to ₹5.94 crore), Sports and Youth Welfare Department (10 DC bills amounting to ₹1.24 crore) and Health Department (09 DC bills amounting to ₹38.27 crore) till 2017-18.

6.8 Status of Suspense and Remittances Balances

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

(₹ in crore)

Minor Head	2013-14		2014-15		2015-16		2016-17		2017-18	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
(a) 8658-Suspense Accounts										
101-Pay and Accounts Office Suspense	13.39	0.09	16.23	0.08	17.27	0.08	25.25	0.01	14.42	0.01
Net	13.30 Dr.		16.15 Dr.		17.19 Dr.		25.24 Dr.		14.41 Dr.	
102-Suspense Account (Civil)	75.18	16.28	90.30	0.30	43.45	(-)2.96	27.29	0.30	14.66	0.30
Net	58.90 Dr.		90.00 Dr.		46.41 Dr.		26.99 Dr.		14.36 Dr.	
107-Cash Settlement Suspense Account	163.17	37.95	161.53	37.65	172.18	39.62	200.83	48.73	121.95	68.33
Net	125.22 Dr.		123.88 Dr.		132.56 Dr.		152.10 Dr.		53.62 Dr.	
109-Reserve Bank Suspense (Hqrs)	0.11	4.26	(-)1.73	6.66	3.70	0.36	3.83	11.21	1.71	0.64
Net	4.15 Cr.		8.39 Cr.		3.34 Dr.		7.38 Cr.		1.07 Dr.	
110-Reserve Bank Suspense-Central Accounts Office	7.21	33.37	2.99	4.30	4.64	4.31	2.07	4.30	4.33	Nil
Net	26.16 Cr.		1.31 Cr.		0.33 Dr.		2.23 Cr.		4.33 Dr.	
112-Tax Deducted at Source (TDS) Suspense	NA*	25.22	NA*	25.60	NA*	23.23	NA*	134.87	NA*	77.08
Net	25.22 Cr.		25.60 Cr.		23.23 Cr.		134.87 Cr.		77.08 Cr.	

* Not Applicable.

(b) 8782-Cash Remittances and adjustments between officers rendering accounts to the same Accounts Office										
102-Public Works Remittances	99.17	257.17	124.52	278.69	155.48	290.90	88.00	284.00	54.87	231.32
Net	158.00 Cr.		154.17 Cr.		135.42 Cr.		196.00 Cr.		176.45 Cr.	
103-Forest Remittances	0.05	8.63	4.53	4.91	2.47	3.90	(-)0.61	2.52	Nil	3.46
Net	8.58 Cr.		0.38 Cr.		1.43 Cr.		3.13 Cr.		3.46 Cr.	

6.9 Status of Outstanding Utilization Certificates

Rule 8.14 of the Punjab Financial Rules, Volume-I (as applicable to Haryana State) prescribes that, where grants are sanctioned for specific purposes, the departmental officers concerned should furnish Utilization Certificates (UCs) to the PAG (A&E), within the stipulated period. UCs outstanding beyond the specified periods indicate absence of assurance on utilization of the grants for intended purposes. The details of outstanding UCs as per the records of the PAG (A&E) are as under:

Year	Number of UCs awaited	Amount (₹ in crore)
Upto 2015-16	452	2,837.57
2016-17	469	1,489.56
2017-18	667	3,473.66
Total	1,588	7,800.79

6.10 Commitments on account of Incomplete Capital works

A total expenditure of ₹1974.88 crore was incurred up to the year 2017-18 by the State Government on 193 incomplete projects, each involving ₹5 crore and above, against original estimated cost of ₹3370.56 crore as detailed in Appendix IX in Volume II of the Finance Accounts. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)

S. No.	Category of works (No. of works)	Estimated cost of works	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Irrigation Works (38)	668.58	154.49	480.34	166.64	Not Available
2	Building Works (40)	742.35	161.71	321.15	298.81	Not Available
3	Road & Bridge Works (115)	1,959.63	672.45	1,173.39	927.69	Not Available
	Total	3,370.56	988.65	1,974.88	1,393.14	Not Available

6.11 New Pension Scheme

The expenditure during the year on “Pension and other Retirement Benefits” to State Government employees recruited on or before 31 December 2005 was ₹8,322.69 crore (11.36 per cent of the total revenue expenditure). State Government employees recruited on or after 1 January 2006 are eligible for the New Pension Scheme (NPS) which is a defined contributory pension scheme.

In terms of the Scheme, the employee contributes 10 per cent of basic pay and dearness allowances, which is matched by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. As per prescribed procedure, both the contributions are to be initially credited to the Public Account under Major Head 8342-Other Deposits, 117-Defined Contribution Pension Scheme for Government Employees. Thereafter, the entire amount is to be transferred to the National Securities Depository Limited (NSDL)/Trustee Bank through the designated fund manager in the same year itself.

The actual amount payable by employees and the matching Government contribution, over the years, has not been estimated. During the year, the State Government deposited ₹975.76 crore with the NSDL/Trustee Bank against employees’ contribution of ₹479.94 crore and employer’s share of ₹460.44 crore. Thus, short contribution of ₹19.50 crore by the Government towards NPS has understated the revenue expenditure to this extent. A balance of ₹14.54 crore was outstanding under Major Head 8342-Other Deposits, Minor Head 117-Defined Contribution Pension Scheme for Government Employees as on 31 March 2018.

The interest outstanding towards NPS since its inception has not been estimated. The difference between Employees’ Contribution and Employer’s Contribution has not been reconciled, representing outstanding liabilities under the scheme on account of un-collected, unmatched and un-transferred amount with accrued interest thereon besides enhancing the liquidity position of the State Government.

6.12 Personal Deposit Accounts

The State Government is authorised to open Personal Deposit (PD) accounts to deposit funds required for specific purposes by transfer of funds from the Consolidated Fund. Transfer of funds to PD accounts is booked as final expenditure from the Consolidated Fund under the concerned service Major Heads without any actual cash flow. PD accounts are normally required to be closed on the last working day of the year and the unspent balances transferred back to the Consolidated Fund and PD accounts are reopened next year, if necessary. The number of PD accounts opened by transfer from the Consolidated Fund as on 31 March 2018 was ‘Nil’. Further, the PD accounts which have been opened by transfer of funds other than from the Consolidated Fund, should be reviewed every year and the accounts which are in-operative for more than three complete account years should be closed and balance lying in such accounts should be credited to Government accounts. The status of such PD accounts is given below:

PD Accounts as on 01.04.2017		PD Accounts opened during the year 2017-18		PD Accounts closed during the year 2017-18		Closing Balance	
Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
124	234.87	21	32.14	17	18.29	128	248.72

As such, there is net increase of ₹13.85 crore in the balances of PD accounts during 2017-18. All the PD accounts were operative and no amount is lying unspent in inoperative PD accounts as on 31 March 2018.

6.13 Investments

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts, the investments of the Government in 109 entities was ₹17,374.35 crore as on 31 March, 2018 on which an amount of ₹7.53 crore was received as dividend/interest (i.e. 0.04 of total invested amount). Out of these ₹6.84 crore was received as dividend/interest from (1) Statutory Corporation i.e. Haryana Warehousing Corporation, Chandigarh wherein invested amount was ₹2.92 crore and rest of dividend/interest amount of ₹0.69 crore only was received on invested amount of ₹17,371.43 crore in 108 entities. The details are given in Statement 19. These figures, however, have not been reconciled with the figures of the investee organizations, which is to be done.

6.14 Rush of Expenditure

Principles of prudent financial management prescribe that rush of expenditure in the closing months of the financial year should be avoided and expenditure is to be regulated in a phased manner i.e. 25 per cent in the 4th quarter. Instructions were issued by the State Government to curb rush of expenditure from time to time. The trend of expenditure incurred during the last quarter and March 2018 as compared to the total expenditure during 2017-18 is as under:

Expenditure incurred during January to March 2018 (₹ in crore)	Expenditure incurred in March 2018 (₹ in crore)	Total Expenditure (₹ in crore)	Percentage of Total Expenditure incurred during	
			January to March 2018	March 2018
25,303.22	12,349.22	84,825.54	29.83	14.56

6.15 Status of Reserve Funds

Details of Reserve Funds are available in Statements 21 and 22 of the Finance Accounts. There were 09 Reserve Funds earmarked for specific purposes. Details of some major Reserve Funds are given below:

6.15.1 Consolidated Sinking Fund

The State Government of Haryana in 2002 constituted the Consolidated Sinking Fund (CSF) for redemption of Open Market Loans. As per guidelines, the Government is required to contribute to the Fund at 1 to 3 per cent of the outstanding open market loans at the end of the previous year.

The State Government, however, during the year has not made any contribution to the Fund, thereby leading to short contribution to the Fund by ₹811.80 crore (one per cent of outstanding market loans of ₹81,180.10 crore as on 31 March 2017).

The balance in the Consolidated Sinking Fund as on 31 March 2018 was ₹1,776.62 crore out of which, ₹1,774.49 crore has been invested.

6.15.2 Guarantee Redemption Fund

Government of Haryana constituted the Guarantee Redemption Fund (GRF) in 2003 for meeting obligations arising out of the guarantees issued on behalf of State Public Sector Undertakings and local bodies. As per the provisions of the Fund, the State Government is required to transfer to the Fund, the guarantee fee collected, along with annual or periodic contributions as estimated by the Government. The Fund is administered by the Reserve Bank of India. At the beginning of the year 2017-18, the outstanding guarantees of the Government stood at ₹8,243.94 crore. RBI guidelines of 2013 indicates contribution of minimum 1 per cent of outstanding guarantees at the beginning of the year and thereafter a minimum of 0.5 per cent every year to achieve a corpus of minimum 3 to 5 per cent of the outstanding guarantees of the previous year. During the year, the State Government contributed ₹14.17 crore to the GRF.

Entire Fund balance of ₹1,042.78 crore (which is 12.65 per cent of the outstanding guarantees ₹8,243.94 crore) has been invested as on 31 March 2018.

6.15.3 State Disaster Response Fund


The State Government replaced the Calamity Relief Fund with the State Disaster Response Fund (SDRF) in 2010-11. In terms of the guidelines of the Fund, the Centre, and the States, are required to contribute to the Fund in the proportion of 75:25.

During 2017-18, the Central Government released ₹254.25 crore on account of SDRF (first and second installment of Central share for 2017-18). As against Government of India release of ₹254.25 crore, State's matching share works out to ₹84.75 crore. The State Government, transferred an amount of ₹500.62 crore (including ₹161.62 crore arrears for the earlier years) to the Fund. Besides, an amount of ₹14.58 crore, lying unspent with the Departmental Authorities and an amount of ₹6.59 crore on account of interest earned on investments out of the Fund, was credited to the Fund. The State Government also allowed interest of ₹89.56 crore on the un-invested balance in the Fund. An expenditure of ₹77.90 crore was met from the Fund. There was a balance of ₹2,155.10 crore in the Fund as on 31 March 2018.

6.15.4 Mines and Mineral Development, Restoration and Rehabilitation Fund

The Fund was established vide Haryana Government notification dated 10 July 2015 for environmentally sustainable growth of the mining sector, protection, preservation, rehabilitation and restoration of the mining sites in the State and to undertake other related works in the overall interest of protection and preservation of ecology and environment of the area. The Fund has been opened under "Reserve Funds not bearing interest" though it is bearing interest @ 6 per cent per annum. As per constitution of the Fund, an amount equal to 10 per cent of the 'Dead Rent/Royalty/Contract Money' paid to the State is to be charged from the mineral concession holders in the nature of 'other charges' for restoration and rehabilitation works and credited to the Fund. Also, an amount equal to 5 per cent of the amount received by State Government on account of the 'Dead Rent/Royalty/Contract Money' in a financial year is to be deposited/ transferred to the Fund as Government Contribution.

A balance of ₹55.02 crore was in the Fund as on 1 April 2017. The State Government during the year received an amount of ₹468.86 crore on account of Dead Rent etc., and an amount of ₹42.53 crore on account of 'other charges' from the Concession Holders. The amount of ₹65.97 crore (Concession Holders' contribution: ₹42.53 crore plus State share: ₹23.44 crore i. e. 5 per cent of Dead Rent of ₹468.86 crore) was required to be transferred to the Fund. However, the State



Government, during the year transferred to the Fund only an amount of ₹52.50 crore (without specifying the State contribution and Concession Holders' contribution) thereby leading to short contribution of ₹13.47 crore to the Fund. The State Government, during the year, allowed an interest of ₹3.15 crore on the balances in the Fund against the due amount of ₹3.30 crore (6 per cent of ₹55.02 crore) thereby leading to the short contribution to the Fund on account of interest to the extent of ₹0.15 crore. An expenditure of ₹0.01 crore was met from the Fund, thereby leaving a balance of ₹110.66 crore in the Fund as on 31 March 2018.

There is no reconciliation in accounts between the receipt of dead rent etc. and concession holders' contribution vis-a- vis Government transfers to the Fund.

6.16 Accounting of Building and Other Construction Workers Welfare Cess

The Building and Other Construction Workers' Welfare Cess Act, 1996 provides to levy and collection of 1 per cent to 2 per cent cess on the cost of construction incurred by employers to augment the resources of the Building and Other Construction Workers Welfare Boards with an aim to facilitate improvement in working conditions of the workers and to provide financial aid to them.

The Government of Haryana notified the "Haryana Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2005" and constituted the "Haryana Building and Other Construction Workers' Welfare Board" who further established the "Haryana Building and Other Construction Workers' Welfare Fund".

Since, no accounting procedure has been prescribed by the State Government for accounting of labour cess, different departmental authorities in the State continued to adopt different methodology in this regard. For instance, Town and Country Planning Department, during the year 2017-18, reported collection of an amount of ₹35.17 crore on account of labour cess and transfer of an amount of ₹34.16 crore out of the same, directly to the "Haryana Building and Other Construction Workers' Welfare Board" without routing the amount through the Consolidated Fund of the State and also retaining the balance amount of ₹1.01 crore as "collection charges" in a bank account operated by the Department, outside the Consolidated Fund of the State, contrary to the provisions of Article 266(1) of the Constitution of India and against the State Government, Finance Department guidelines issued vide No. 28/21/2012-5B&C dated 11 February, 2016 prescribing non-operation of bank accounts by the State Departments. On the other side, the Public Works Department continued to book the labour cess under Deposit Head 8443-108-Public Works Deposits. However, there is no specific sub-head under the Minor Head 108-Public Works Deposits for cess. Hence, the amount of cess actually collected and subsequently transferred to Haryana Construction and Other Workers' Welfare Board cannot be ascertained in the absence of accounting rules for account of cess.

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