



सत्यमेव जयते

Accounts at a glance 2016-17



Government of Haryana

Government of Haryana

Accounts at a glance

2016-17

**Office of the Principal Accountant General (A&E)
Haryana, Chandigarh**

PREFACE

‘Accounts at a glance’, which is nineteenth in the series, is an attempt to address the need felt by various stakeholders for a publication containing a reader friendly summary of finances of State of Haryana.

It provides a gist of the voluminous information available in the Finance Accounts and Appropriation Accounts prepared by my office in accordance with Article 149 of the Constitution of India, read with Section 11 of Comptroller and Auditor General’s (D.P.C.) Act, 1971.

The annual accounts of the State consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the provisions approved.

It provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information has been presented through brief explanations, statements, graphs and time series analysis for easy understanding. A reading of Finance Accounts, Appropriation Accounts of Government of Haryana and the Report of the Comptroller and Auditor General on State Finances for the year 2016-17 together with Accounts at a glance will help the stakeholders to appreciate the various aspects of State Finances in a more effective manner.

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

Chandigarh
05 December, 2017


(Namita Sekhon)
Principal Accountant General (A&E)
Haryana

Our Vision, Mission and Core Values

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 recognised for independent, credible, balanced and timely reporting on public finance and governance.

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

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

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

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

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CHAPTER 1 - OVERVIEW

1.1 Introduction

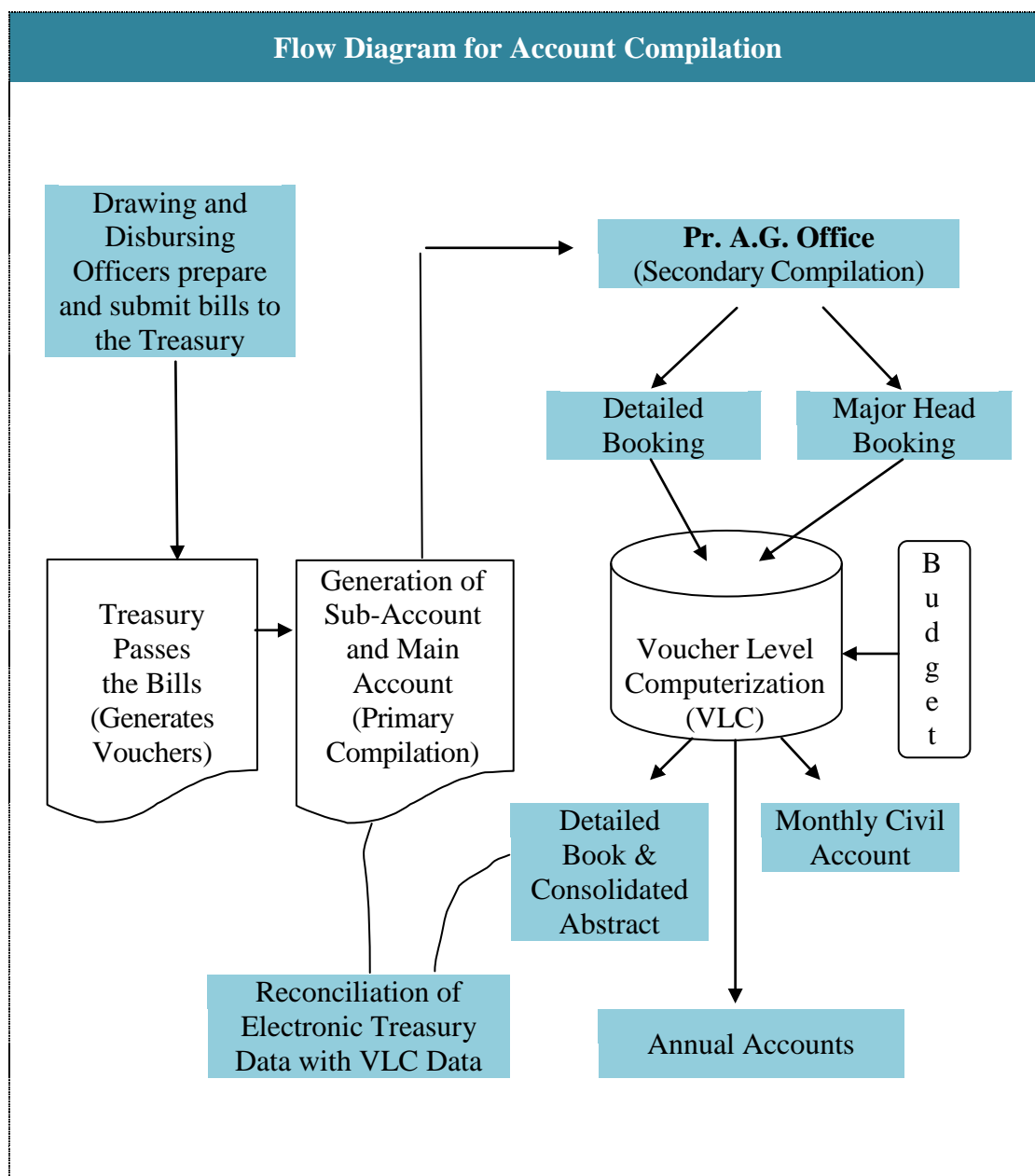
The Principal Accountant General (Accounts and Entitlements), Haryana compiles the accounts of receipts and expenditure of the Government of Haryana. This compilation is based on the initial accounts rendered by 22 District Treasuries, 113 Public Works Divisions, 86 Irrigation Divisions, 57 Forest Divisions, and advices of the Reserve Bank of India. Following such compilation, the Principal Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (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:

| | |
|-------------------------------------|--|
| Part I CONSOLIDATED FUND | Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances. |
| Part II CONTINGENCY FUND | Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. |
| Part III PUBLIC ACCOUNT | Comprises Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account. |

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been prepared in two volumes, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains, detailed statements (Part-I) and appendices (Part-II).

The Receipts and Disbursements of the Government of Haryana as depicted in the Finance Accounts 2016-17 are given below:

(₹ in crore)

| | | | |
|--|------------------------------------|-----------------------------------|---------------|
| Receipts (Total: 79,781) | Revenue (Total: 52,497) | Tax Revenue | 40,623 |
| | | Non Tax Revenue | 6,196 |
| | | Grants-in-Aid | 5,678 |
| | Capital (Total: 27,284) | Capital Receipt | 26 |
| | | Recovery of Loans and Advances | 973 |
| | | Borrowings and other Liabilities* | 26,285 |
| Disbursements (Total: 79,781) | Revenue | | 68,403 |
| | Capital | | 6,863 |
| | Loans and Advances | | 4,515 |

* Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt (₹ 22,894 crore) + Net of Contingency Fund (Nil) + Net (Receipts - Disbursements) of Public Account (₹ 4,551 crore) + Net of Opening and Closing Cash Balance (- ₹1,160 crore).

In spite of the Government of India decision to release all assistance under CSS/ACA to the State Government and not to implementing agencies, Government of India continued to release funds directly to Implementing Agencies/ NGOs in the State for implementation of various schemes and programmes. During 2016-17, ₹1,484 crore were released which constitutes increase of 61 *per cent* over the amount released directly to the Implementing Agencies in 2015-16 (₹919 crore). Since these funds are not routed through the State Budget, they 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 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts ‘*charged*’ on the Consolidated Fund or ‘*voted*’ by the State Legislature. There are 46 Grants.

The Appropriation Act, 2016-17, had provided for gross budget provision of ₹1,12,659 crore including the supplementary grant totalling ₹3,872 crore during the year. An amount of ₹10,329 crore was projected as recoveries in reduction of expenditure. Appropriation Accounts 2016-17 show disbursement aggregating ₹93,070 crore against the aggregate budget provision of ₹1,12,659 crore resulting thereby a saving of ₹19,589 crore against grants and appropriation. Recoveries in reduction of expenditure amounting to ₹8,012 crore reflecting decrease of ₹2,317 crore vis-à-vis budget estimates.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.14 crore) maintained with the RBI. During 2016-17, the Government of Haryana did not resort to avail WMA.

1.4.2 Funds Flow Statement

The State had a Revenue deficit of ₹15,906 crore (including UDAY) and a Fiscal Deficit of ₹26,285 crore (Including UDAY) representing 2.91 *per cent* and 4.80 *per cent* of the Gross State Domestic Product (GSDP)¹ respectively. The Fiscal Deficit constituted 33 *per cent* of total expenditure. This deficit was met from Public Debt and Public Account. Around 62 *per cent* of the revenue receipts (₹52,497 crore) of the State Government was spent on committed expenditure like salaries (₹16,310 crore), interest payments (₹10,542 crore) and pensions (₹5,659 crore).

¹ Except where indicated otherwise, GSDP figures used in this publication are as published by Department of Economic & Statistical Analysis, Haryana.

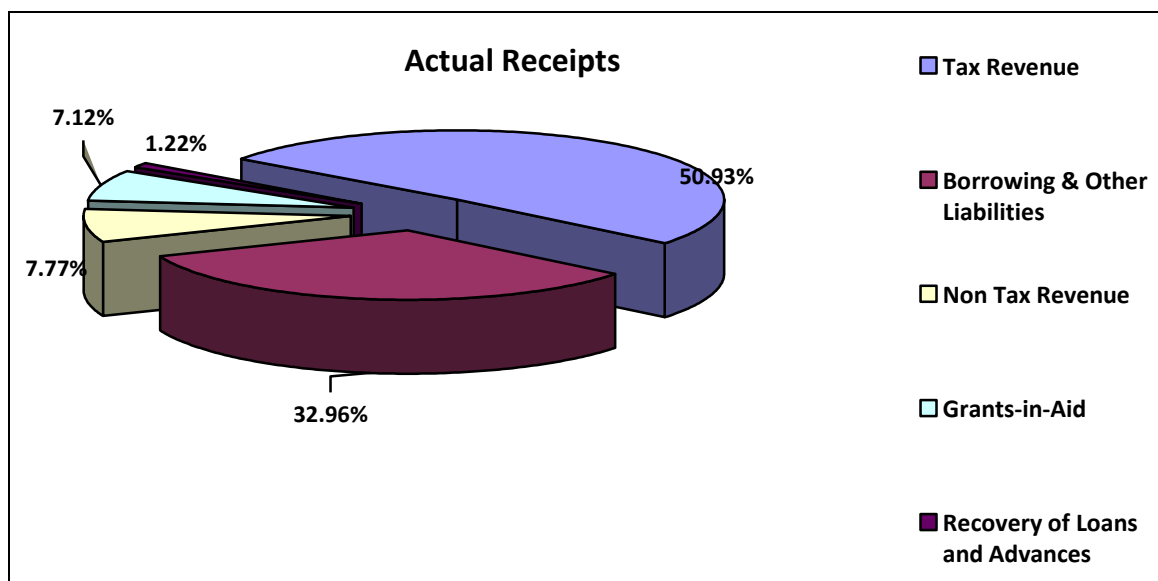
Sources and Application of Funds

(₹ in crore)

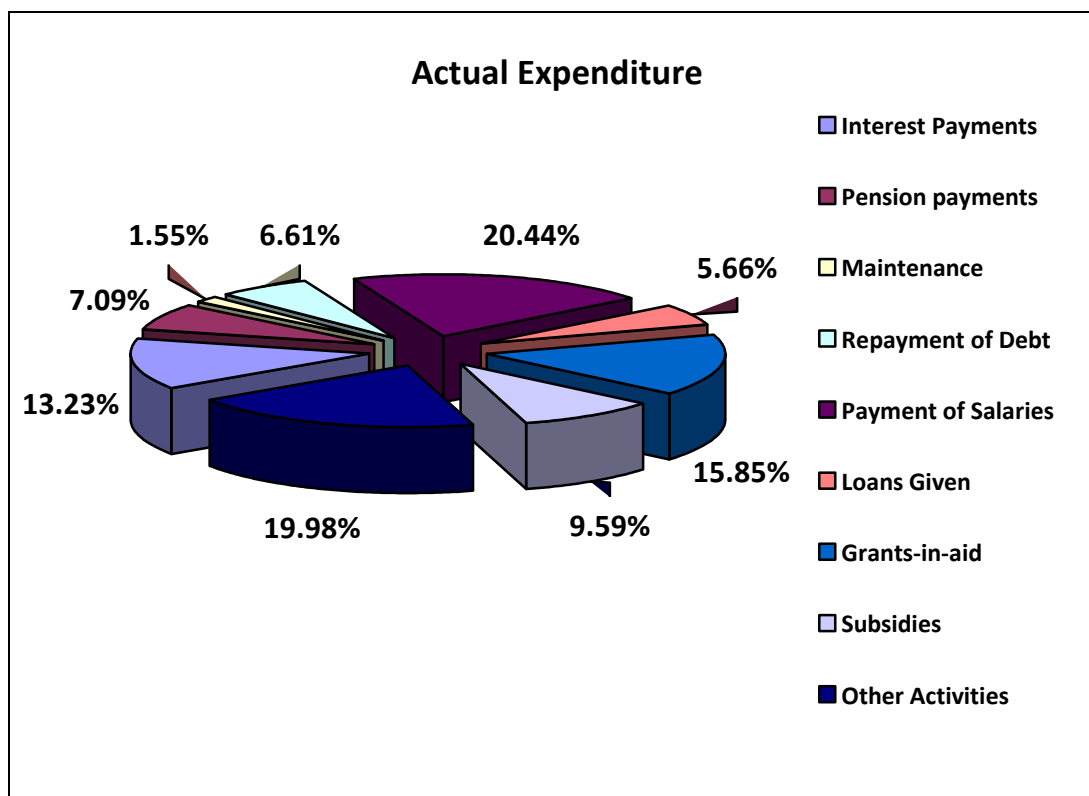
| SOURCES | PARTICULARS | AMOUNT |
|---------|---|-----------------|
| | Opening Cash Balance as on 1 April 2016 | (-) 733 |
| | Revenue Receipts | 52,497 |
| | Capital Receipts | 26 |
| | Recovery of Loans & Advances | 973 |
| | Public Debt (Including ways & means advances) | 28,170 |
| | Small Savings, Provident Fund & Others | 3,034 |
| | Reserves & Sinking Funds | 1,929 |
| | Deposits Received | 19,488 |
| | Civil Advances Repaid | 9 |
| | Suspense Account | 98,133 |
| | Remittances | 7,134 |
| | Contingency Fund | 80 |
| | TOTAL | 2,10,740 |

| APPLICATION | Revenue Expenditure | 68,403 |
|-------------|--|-----------------|
| | Capital Expenditure | 6,863 |
| | Loans Given | 4,515 |
| | Repayment of Public Debt (Including ways & means advances) | 5,276 |
| | Appropriation to Contingency Fund | 80 |
| | Small Savings, Provident Fund & Others | 1,919 |
| | Reserves & Sinking Funds | 283 |
| | Deposits Spent | 19,490 |
| | Civil Advances Given | 9 |
| | Suspense Account | 96,398 |
| | Remittances | 7,077 |
| | Closing Cash Balance as on 31 March 2017 | 427 |
| | TOTAL | 2,10,740 |

1.4.3 Where the ₹ came from?



1.4.4 Where the ₹ went?



1.5 Highlights of Accounts

(₹ in crore)

| COMPONENT | BUDGET ESTIMATES 2016-17 | ACTUALS | PERCENTAGE OF ACTUALS TO BUDGET ESTIMATES | PERCENTAGE OF ACTUALS TO GSDP(\$) |
|---|--------------------------|------------|---|-----------------------------------|
| 1. TAX REVENUE @ | 46,388 | 40,623 | 88 | 7 |
| 2. NON-TAX REVENUE | 8,309 | 6,196 | 75 | 1 |
| 3. GRANTS-IN-AID & CONTRIBUTIONS | 8,259 | 5,678 | 69 | 1 |
| 4. REVENUE RECEIPT(1+2+3) | 62,956 | 52,497 | 83 | 10 |
| 5. RECOVERY OF LOANS & ADVANCES | 688 | 973 | 141 | .. |
| 6. OTHER RECEIPTS | 22 | 26 | 118 | .. |
| 7. BORROWINGS & OTHER LIABILITIES (A) | 25,116 | 26,285 | 105 | 5 |
| 8. CAPITAL RECEIPTS (5+6+7) | 25,826 | 27,284 | 106 | 5 |
| 9. TOTAL RECEIPTS (4+8) | 88,782 | 79,781 | 90 | 15 |
| 10. NON-PLAN EXPENDITURE | 48,459 | 46,588 | 96 | 9 |
| 11. NPE ON REVENUE ACCOUNT | 48,483 | 46,284 | 95 | 8 |
| 12. NPE ON INTEREST PAYMENTS OUT OF 11 | 10,490 | 10,542 | 100 | 2 |
| 13. NPE ON CAPITAL ACCOUNT (excluding Loans & Advances) | (-) 24 | 304 | .. | .. |
| 14. PLAN EXPENDITURE | 35,594 | 28,678 | 81 | 5 |
| 15. PE ON REVENUE ACCOUNT | 26,753 | 22,119 | 83 | 4 |
| 16. PE ON CAPITAL ACCOUNT (excluding Loans & Advances) | 8,841 | 6,559 | 74 | 1 |
| 17. TOTAL EXPENDITURE (10+14) | 84,053 | 75,266 | 90 | 14 |
| 18. REVENUE EXPENDITURE (11+15) | 75,236 | 68,403 | 91 | 12 |
| 19. CAPITAL EXPENDITURE (13+16) | 8,817 | 6,863 | 78 | 1 |
| 20. LOANS & ADVANCES DISBURSED | 4,729 | 4,515 | 95 | 1 |
| 21. REVENUE SURPLUS(+)/ DEFICIT(-) (4-18) | (-) 12,280 | (-) 15,906 | 130 | 3 |
| 22. FISCAL DEFICIT (4+5+6-17-20) | (-) 25,116 | (-) 26,285 | 105 | 5 |

(@) Includes State's share of Union Taxes of ₹6,597 crore

(\$) GSDP figure of ₹5,47,396 crore on current prices, as published by Department of Economic & Statistical Analysis, Haryana.

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

1.6 What do the Deficits and Surpluses indicate?

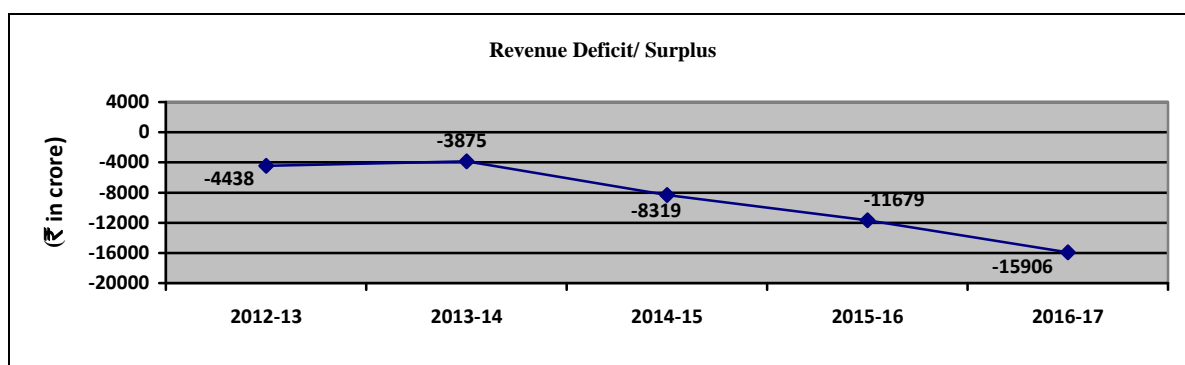
| | |
|-------------------------------------|---|
| Deficit | Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management. |
| Revenue Deficit/ Surplus | Refers to the gap between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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Though, the State Government has not amended its FRBM Act in terms of recommendations of Fourteenth Central Finance Commission, yet the achievement of the State Government on various parameters is as under (debt taken over under UDAY not included for calculation of fiscal deficit):

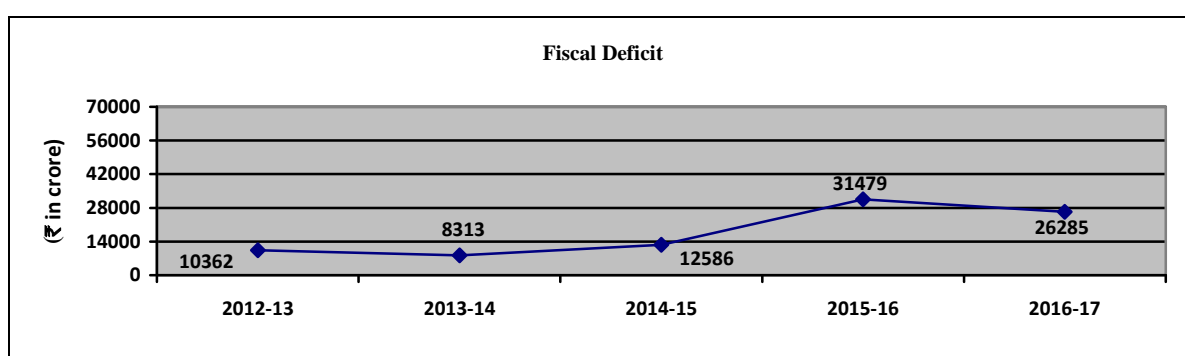
| Sl. No. | Parameter | Achievements as per the Accounts. |
|---------|---|---|
| 1. | Revenue Deficit (without UDAY) to be zero during 2016-17. | As per the Accounts, the Government of Haryana had a Revenue Deficit of ₹7,786.65 crore (excluding ₹3,892.50 crore expenditure under UDAY) in 2015-16 and ₹12,014.11 crore (excluding ₹3,892.50 crore expenditure under UDAY) in 2016-17. The accounts of Government of Haryana continued to show Revenue Deficit from 2008-09 onwards. |
| 2. | Fiscal Deficit (without UDAY) not to exceed 3.25 <i>per cent</i> of estimates of GSDP during 2016-17. | As per the Accounts, the Government of Haryana maintained Fiscal Deficit of ₹14,179.51 crore (excluding expenditure of ₹17,300.00 crore: ₹3,892.50 crore under Revenue Section, ₹1,297.50 crore under Capital Section and ₹12,110.00 crore under Loans and Advances, under UDAY) i.e. 2.88 <i>per cent</i> of GSDP during 2015-16 and ₹17,635.12 crore (excluding expenditure of ₹8,650.00 crore: ₹3,892.50 crore under Revenue Section, ₹1,297.50 crore under Capital Section and ₹3,460.00 crore under Loans and Advances, under UDAY) i.e. 3.22 <i>per cent</i> of GSDP* during 2016-17. |
| 3. | Debt stock (without UDAY) not exceeding 19.91 <i>per cent</i> of GSDP during 2016-17. | The total outstanding debt of the State Government as on 31 March 2017 was ₹1,24,602.73 crore which works out to 22.76 <i>per cent</i> of GSDP* for the year 2016-17. This includes ₹25,950.00 crore pertaining to UDAY. Without UDAY, the percentage of outstanding debt (₹98,652.73 crore) to GSDP works out to 18.02 <i>per cent</i> of GSDP. |

*GSDP at current prices: ₹5,47,396 crore, as intimated by the Department of Economic & Statistical Analysis, Haryana

1.6.1 Trend of Revenue Deficit/Surplus



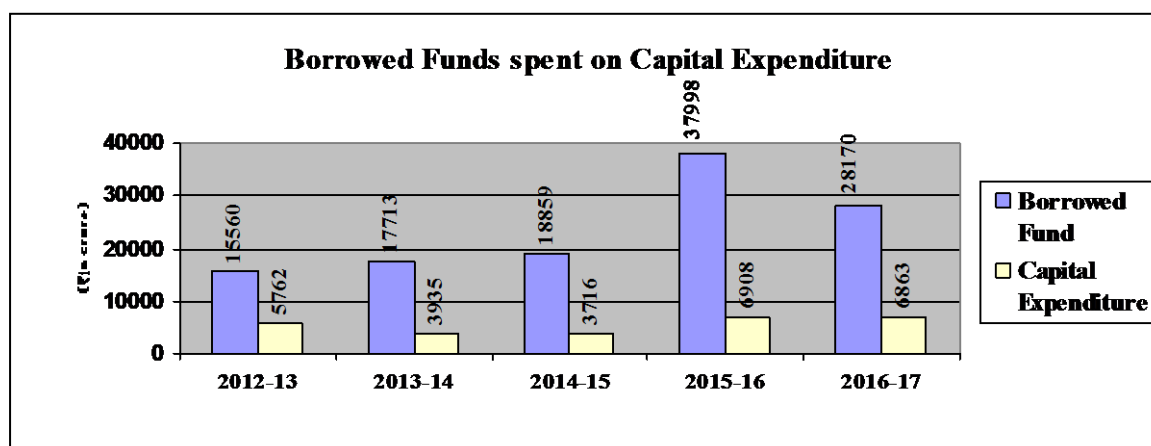
1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of borrowed Funds Spent on Capital Expenditure

(₹ in crore)

| Year | Borrowed Fund | Capital Expenditure |
|---------|---------------|---------------------|
| 2012-13 | 15,560 | 5,762 |
| 2013-14 | 17,713 | 3,935 |
| 2014-15 | 18,859 | 3,716 |
| 2015-16 | 37,998 | 6,908 |
| 2016-17 | 28,170 | 6,863 |



It is desirable to fully utilise 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 24 per cent of the borrowings of the current year (₹ 28,170 crore) on capital expenditure (₹ 6,863 crore) and 16 per cent on Loans & Advances given by the State Government (₹4,515 crore). It would therefore appear that 60 per cent (₹ 16,792 crore) of the public debt was utilised on repayment of the principal (₹5,276 crore) and interest on public debt of previous years, and to meet periodic shortfalls of revenues against expenditure in the current year.

CHAPTER 2 - RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2016-17 were ₹ 79,781 crore.

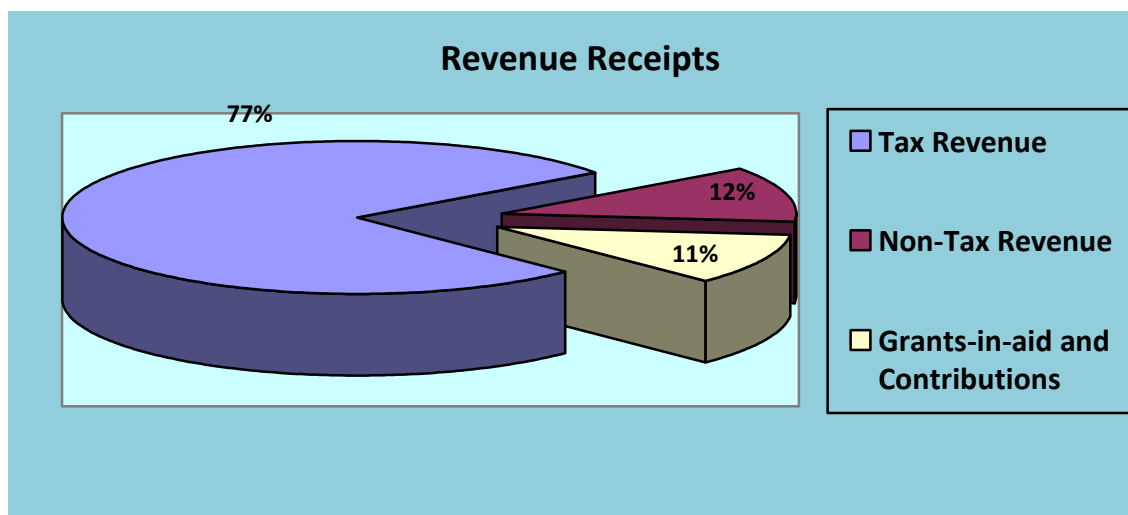
2.2. Revenue Receipts

| | |
|------------------------|--|
| Tax Revenue | Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution. |
| Non-Tax Revenue | Includes interest receipts, dividends, profits etc. |
| Grants-in-Aid | Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc. |

2.2.1 Revenue Receipt Components (2016-17)

| (₹ in crore) | | |
|---|---------------|-----------------------------|
| Components | Actuals | Per cent to Revenue Receipt |
| A. Tax Revenue * | 40,623 | 77 |
| Taxes on Income & Expenditure | 3,591 | 7 |
| Taxes on Property & Capital Transactions | 3,303 | 6 |
| Taxes on Commodities & Services | 33,729 | 64 |
| B. Non-Tax Revenue | 6,196 | 12 |
| Interest Receipts, Dividends and Profits | 2,316 | 4 |
| General Services | 319 | 1 |
| Social Services | 1,455 | 3 |
| Economic Services | 2,106 | 4 |
| C. Grants-in-aid & Contributions | 5,678 | 11 |
| Total – Revenue Receipts | 52,497 | 100 |

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



2.2.2 Major contributors to Tax Revenue:

(₹ in crore)

| Components | Actuals | Percentage to GSDP |
|--|---------|--------------------|
| Taxes on Sales, Trade etc. | 23,488 | 4.29 |
| State Excise | 4,613 | 0.84 |
| Stamps and Registration Fees | 3,283 | 0.60 |
| Corporation Tax | 2,119 | 0.39 |
| Taxes on Vehicles | 1,583 | 0.29 |
| Taxes on Income other than Corporation Tax | 1,472 | 0.27 |
| Service Tax | 1,050 | 0.20 |
| Union Excise Duties | 1,041 | 0.19 |

During the year, Net Tax Revenue was 13 *per cent* less than Budget Estimates by ₹5,765 crore.

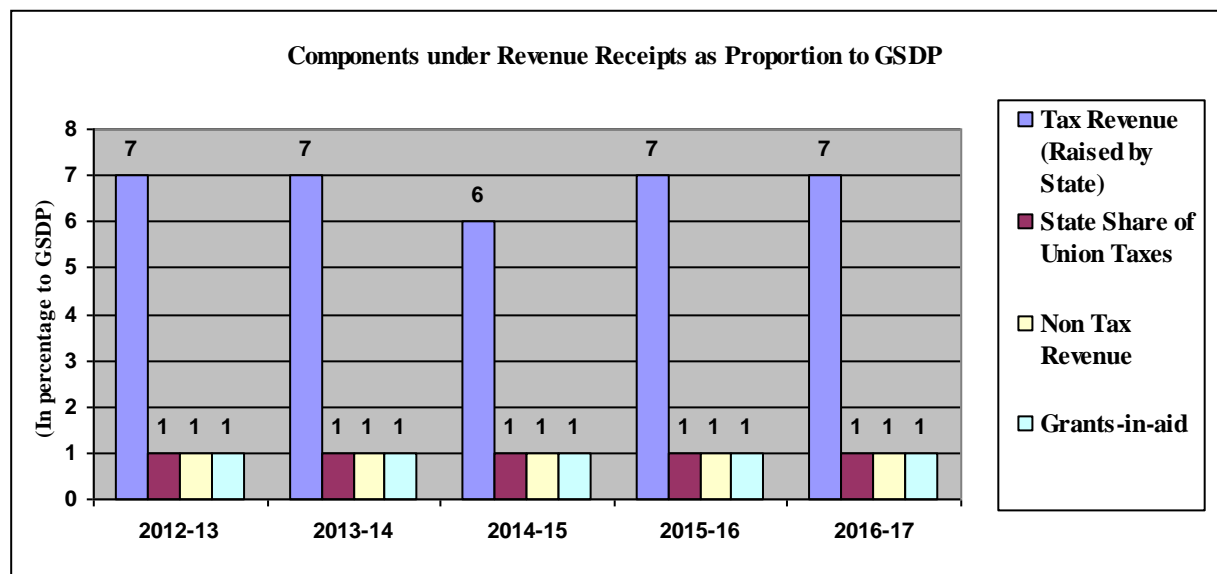
2.3. Trend of Receipts

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---------------------------------------|----------------|----------------|---------------|----------------|----------------|
| Tax Revenues (Raised by the State) | 23,559 (7) | 25,567 (7) | 27,635 (6) | 30,929 (7) | 34,026 (7) |
| State Share of Union Taxes/Duties | 3,062 (1) | 3,343 (1) | 3,548 (1) | 5,496 (1) | 6,597 (1) |
| Non-Tax Revenues | 4,673 (1) | 4,975 (1) | 4,613 (1) | 4,753 (1) | 6,196 (1) |
| Grants in Aid | 2,340 (1) | 4,127 (1) | 5,003 (1) | 6,379 (1) | 5,678 (1) |
| Total Revenue Receipts | 33,634 (10) | 38,012 (10) | 40,799 (9) | 47,557 (10) | 52,497 (10) |
| GSDP | 3,53,440 | 3,83,911 | 4,35,310 | 4,92,657 | 5,47,396 |

Note: Figures in parentheses represent percentage to GSDP. GSDP Figures for 2016-17 at current prices, as published by Department of Economic & Statistical Analysis, Haryana.

During 2016-17, the GSDP increased by 11.11 *per cent* in comparison to previous year and growth in revenue collection was 10.39 *per cent*. The tax revenue increased by 11.53 *per cent*, Non Tax Revenue by 30.36 *per cent* and Grants-in-aid decreased by 10.99 *per cent* in comparison to previous year.

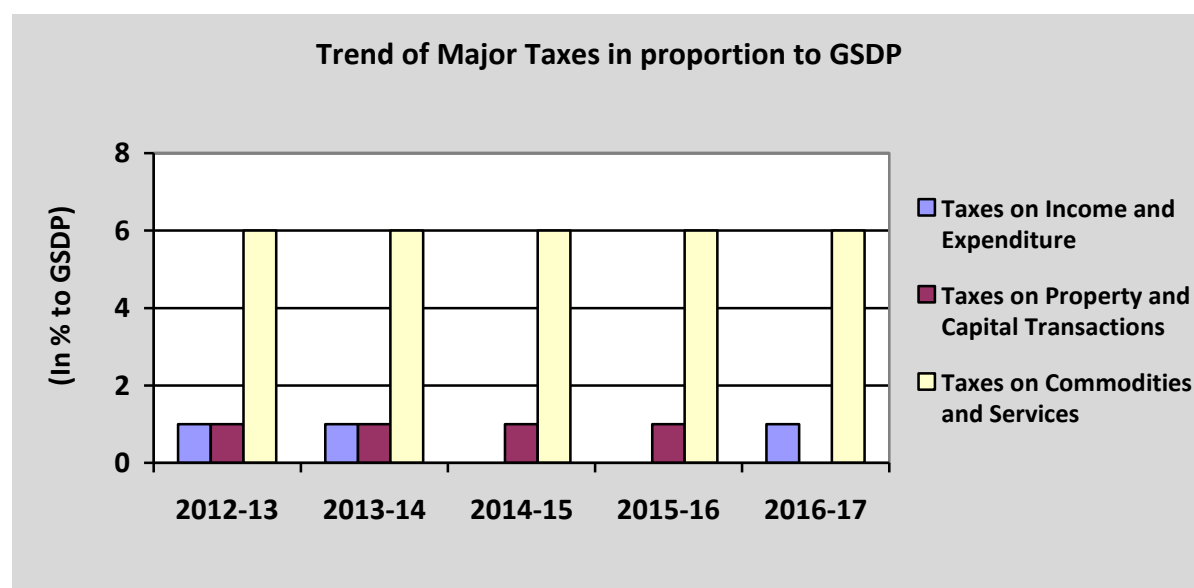


Sector-wise Tax Revenue

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------------|---------------|---------------|---------------|---------------|
| a. Taxes on Income and Expenditure | 1,759 (1) | 1,865 (1) | 2,124 (0) | 2,938 (0) | 3,591 (1) |
| b. Taxes on Property and Capital Transactions | 3,341 (1) | 3,218 (1) | 3,127 (1) | 3,207 (1) | 3,303 (0) |
| c. Taxes on Commodities and Services | 21,521 (6) | 23,827 (6) | 25,932 (6) | 30,280 (6) | 33,729 (6) |
| Total Tax Revenues | 26,621 (8) | 28,910 (8) | 31,183 (7) | 36,425 (7) | 40,623 (7) |
| GSDP | 3,53,440 | 3,83,911 | 4,35,310 | 4,92,657 | 5,47,396 |

Note: Figures in parentheses represent percentage to GSDP.



2.4 Performance of State's own Tax Revenue collection

(₹ in crore)

| Year | Tax Revenue | State share of Union Taxes | State's Own Tax Revenue | |
|---------|-------------|----------------------------|-------------------------|--------------------|
| | | | (4) | Percentage to GSDP |
| (1) | (2) | (3) | (4) | (5) |
| 2012-13 | 26,621 | 3,062 | 23,559 | 7 |
| 2013-14 | 28,910 | 3,343 | 25,567 | 7 |
| 2014-15 | 31,183 | 3,548 | 27,635 | 6 |
| 2015-16 | 36,425 | 5,496 | 30,929 | 7 |
| 2016-17 | 40,623 | 6,597 | 34,026 | 7 |

2.5 Efficiency in Tax Collection:

A. Taxes on Property and Capital Transactions

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| Revenue collection | 3,341 | 3,218 | 3,127 | 3,207 | 3,303 |
| Expenditure on collection | 131 | 140 | 164 | 176 | 180 |
| Efficiency in tax collection (percentage) | 4 | 4 | 5 | 5 | 5 |

B. Taxes on Commodities and Services

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| Revenue collection | 21,521 | 23,827 | 25,932 | 30,280 | 33,729 |
| Expenditure on collection | 139 | 146 | 170 | 184 | 211 |
| Efficiency in tax collection (percentage) | 1 | 1 | 1 | 1 | 1 |

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

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

(₹ in crore)

| Major Head description | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------------|---------------|---------------|---------------|---------------|
| Corporation Tax | 1,100 | 1,125 | 1,239 | 1,733 | 2,118 |
| Taxes on Income other than Corporation Tax | 659 | 740 | 885 | 1,205 | 1,472 |
| Taxes on Wealth | 2 | 3 | 3 | 1 | 5 |
| Customs | 509 | 546 | 574 | 880 | 911 |
| Union Excise Duties | 345 | 385 | 324 | 733 | 1,041 |
| Service Tax | 447 | 544 | 523 | 940 | 1,050 |
| Others | .. | .. | .. | 4 | .. |
| State's Share of Union Taxes | 3,062 | 3,343 | 3,548 | 5,496 | 6,597 |
| Total Tax Revenue | 26,621 | 28,910 | 31,183 | 36,425 | 40,623 |
| Percentage of Union Taxes to Total Tax Revenue | 12 | 12 | 11 | 15 | 16 |

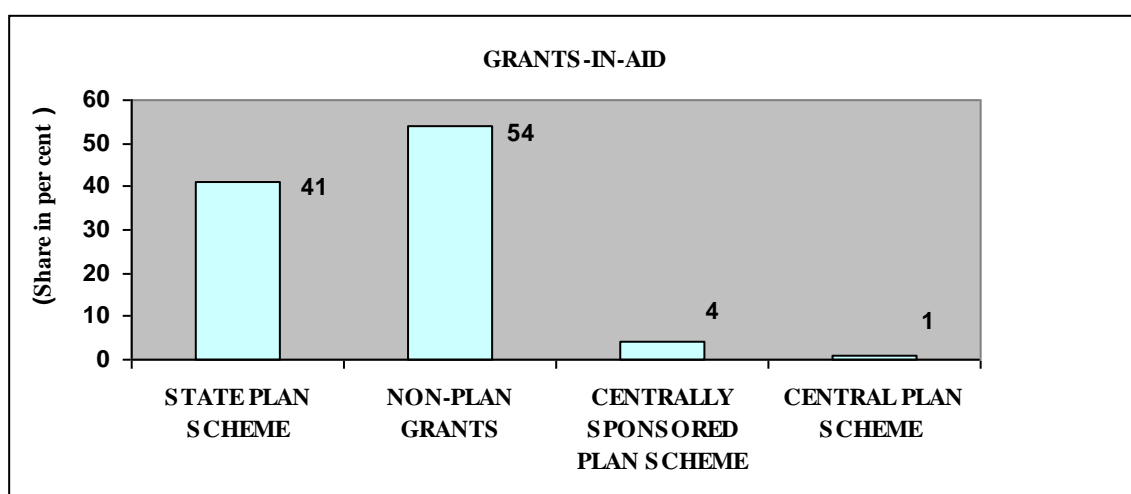
Government of Haryana received ranging between 11 *per cent* to 16 *per cent* share of total Tax Revenue from the net proceeds of all shareable Union taxes during the period 2012-13 to 2016-17.

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprise Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the NITI Ayog and State Non-plan Grants recommended by the Finance Commission.

Total receipts during 2016-17 under Grants- in-aid were ₹ 5,678 crore as shown below in percentage for each component:

The share of non-plan grants in total grants-in-aid decreased from 59 *per cent* during 2015-16 to 54 *per cent* in 2016-17, while the share of grants for plan schemes increased from 41 *per cent* in 2015-16 to 46 *per cent* in 2016-17.



2.8 Public Debt

Trend of Public Debt [net increase(+)/decrease(-)]over the past five years is as follows:

(₹ in crore)

| Description | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|-------------------------|---------|---------|---------|---------|---------|
| Internal Debt | 9,338 | 9,463 | 10,654 | 30,863 | 22,957 |
| Central Govt. Loans | (-)76 | 173 | (-)23 | (-) 79 | (-) 63 |
| Total Public Debt (Net) | 9,262 | 9,636 | 10,631 | 30,784 | 22,894 |

Note: Negative figures indicate that repayment is in excess of receipts.

In 2016-17, thirteen market loans totalling ₹ 15,800 crore at interest rates varying from 6.86 *per cent* to 7.98 *per cent* and redeemable in the years 2026-2027 were raised and premium of ₹26 crore received. Against the total internal debt of ₹ 28,047 crore of the State Government in 2016-17 plus the central loan component of ₹ 123 crore received during this period, capital expenditure was only ₹ 6,863 crore (24 *per cent*) plus Loans and advances given by the State Government to the extent of ₹ 4,515 crore (16 *per cent*), indicating that the larger part of the public debt was used for non-developmental purposes.

CHAPTER 3 – 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 organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

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

3.2. Revenue Expenditure

The shortfall of expenditure against Budget Estimates under Revenue Section as per Appropriation Accounts during the past five years is given below:

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---------------------------|---------|---------|---------|---------|---------|
| Budget Estimates (BE) | 43,098 | 48,999 | 56,953 | 70,365 | 79,284 |
| Actuals | 38,206 | 41,968 | 49,408 | 61,047 | 68,766 |
| Gap | 4,892 | 7,031 | 7,545 | 9,318 | 10,518 |
| Percentage of gap over BE | 11 | 14 | 13 | 13 | 13 |

(Source: Appropriation Accounts of respective years)

Revenue Expenditure in Appropriation Accounts of ₹ 68,766 crore for 2016-17 fell short of budget estimates by ₹ 10,518 crore.

Compounding the shortfall (by 17 *per cent*) of revenue receipts against budget estimates, the State Government faced with the problem of generating revenue surplus in terms of the FRBM Act. Nearly 48 *per cent* of total revenue expenditure was committed to salaries, pensions and interest.

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

(₹ in crore)

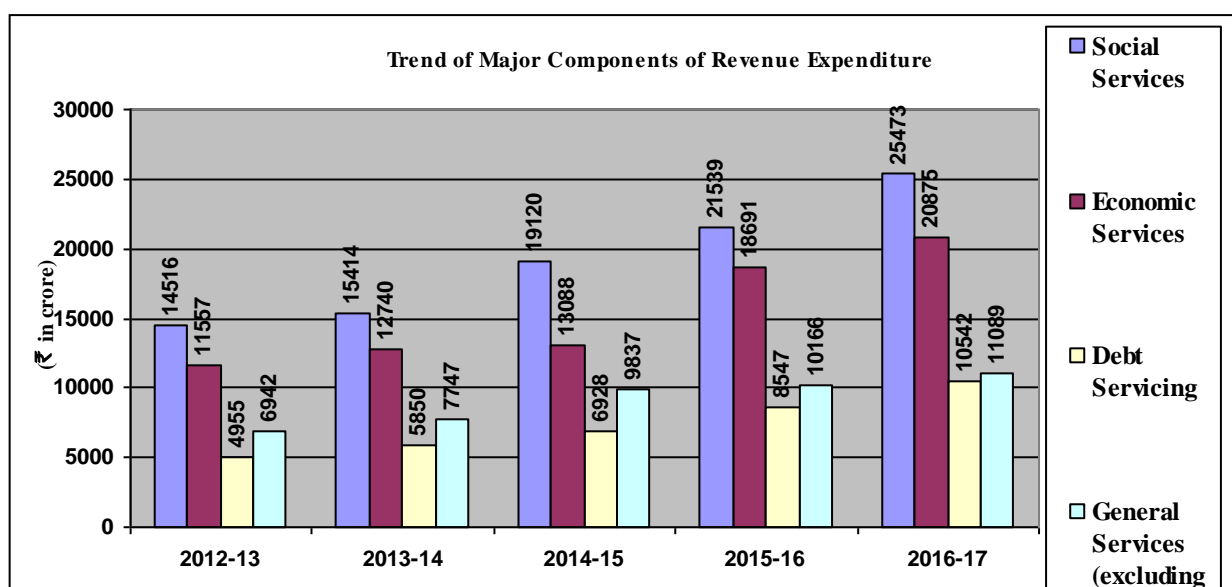
| Description | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---------------------------------|---------|---------|---------|---------|---------|
| Revenue expenditure | 38,072 | 41,887 | 49,118 | 59,236 | 68,403 |
| Committed revenue expenditure* | 19,650 | 21,326 | 25,289 | 28,229 | 32,511 |
| Uncommitted revenue expenditure | 18,422 | 20,561 | 23,829 | 31,007 | 35,892 |

(Source: Finance Accounts of respective years)

3.2.1 Major Components of Revenue Expenditure (2013-17)

(₹ in crore)

| Service | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|---------|---------|
| Social Services | 14,516 | 15,414 | 19,120 | 21,539 | 25,473 |
| Economic Services | 11,557 | 12,740 | 13,088 | 18,691 | 20,875 |
| Debt Servicing | 4,955 | 5,850 | 6,928 | 8,547 | 10,542 |
| General Services (excluding expenditure on debt servicing) | 6,942 | 7,747 | 9,837 | 10,166 | 11,089 |



3.2.2 Sectoral Distribution of Revenue Expenditure (2016–17)

(₹ in crore)

| Components | Amount | Percentage |
|--|---------------|------------|
| A. Fiscal Services | 392 | 1 |
| (i) Collection of Taxes on Property and Capital transactions | 180 | .. |
| (ii) Collection of Taxes on Commodities and Services | 211 | .. |
| (iii) Other Fiscal Services | 1 | .. |
| B. Organs of State | 818 | 1 |
| C. Interest Payments and Servicing of Debt | 10,542 | 15 |
| D. Administrative Services | 4,179 | 6 |
| E. Pensions and Miscellaneous General Services | 5,700 | 8 |
| F. Social Services | 25,473 | 37 |
| G. Economic Services | 20,875 | 31 |
| H. Grants-in-aid and Contributions | 424 | 1 |
| Total Expenditure (Revenue Account)* | 68,403 | 100 |

* (Net, after deducting recoveries)

3.3. Capital Expenditure

Capital disbursements of ₹11,378 for 2016-17 at 2 per cent of GSDP were less than Budget Estimates by ₹2,168 crore.

3.3.1. Sectoral Distribution of Capital Expenditure

During 2016-17, the Government spent ₹705 crore on various Projects (₹ 360 crore on Major Irrigation, and ₹345 crore on Medium Irrigation) and invested ₹2,025 crore in various Corporations/Companies/Societies.

(₹ in crore)

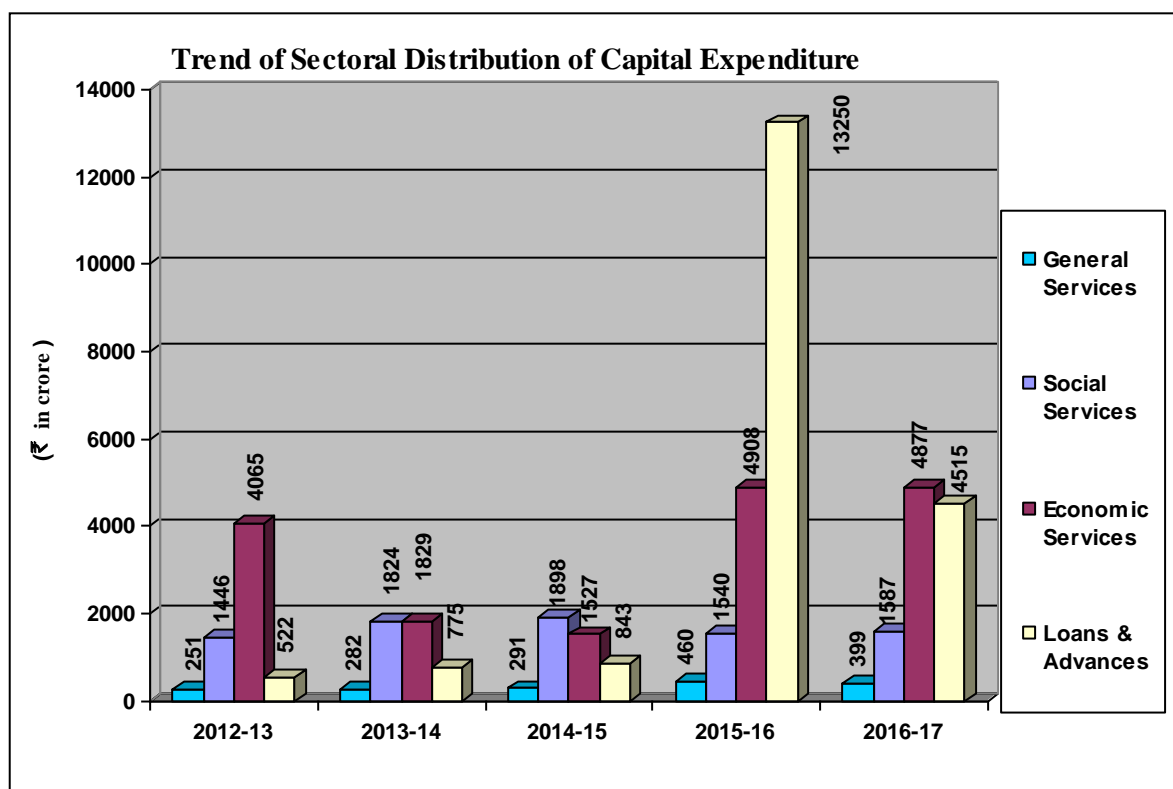
| Sl. No | Sector | Amount | Percentage |
|--------------|--|---------------|------------|
| 1. | General Services-Police, Land Revenue etc. | 399 | 3 |
| 2. | Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc., | 1,587 | 14 |
| 3. | Economic Services-Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc., | 4,877 | 43 |
| 4. | Loans and Advances Disbursed | 4,515 | 40 |
| Total | | 11,378 | 100 |

3.3.2 Sectoral distribution of capital expenditure over the past five years

(₹ in crore)

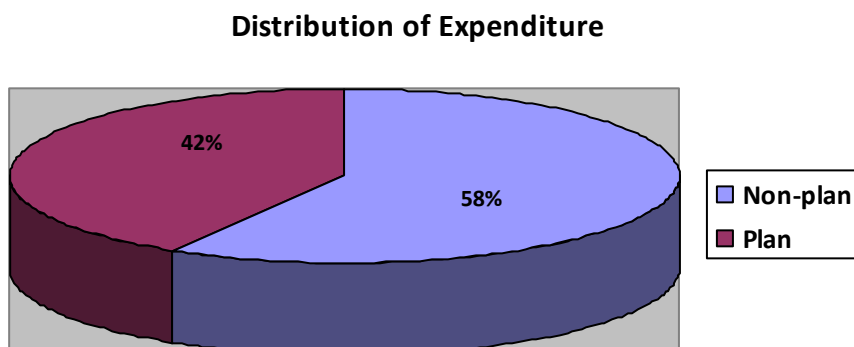
| Sector | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--------------------|---------------|---------------|---------------|----------------|---------------|
| General Services | 251 (4) | 282 (6) | 291 (6) | 460 (2) | 399 (3) |
| Social Services | 1,446 (23) | 1,824 (39) | 1,898 (42) | 1,540 (8) | 1,587 (14) |
| Economic Services | 4,065 (65) | 1,829 (39) | 1,527 (34) | 4,908 (24) | 4,877 (43) |
| Loans and Advances | 522 (8) | 775 (16) | 843 (18) | 13,250 (66) | 4,515 (40) |
| Total | 6,284 | 4,710 | 4,559 | 20,158 | 11,378 |

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



CHAPTER 4 - PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Expenditure (2016-17)

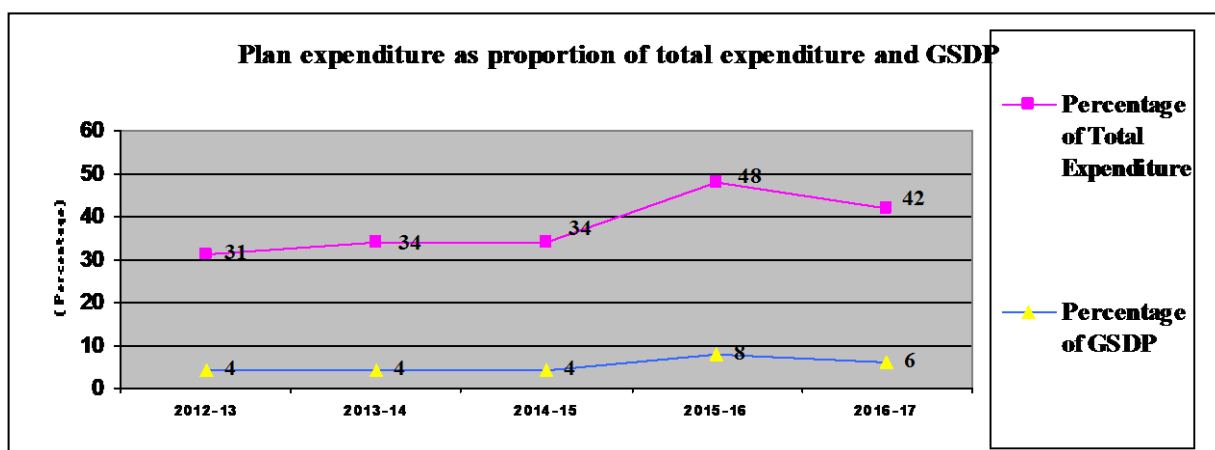


4.2 Plan Expenditure

During 2016-17, Plan Expenditure, representing 42 *per cent* of total disbursements, was ₹33,124 crore (₹25,752 crore under State Plan, ₹2,926 crore under Centrally Sponsored Plan Schemes and ₹ 4,446 crore under Loans and Advances).

4.2.1 Trend of Plan Expenditure

| | (₹ in crore) | | | | |
|---|--------------|---------|---------|---------|---------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
| Total Expenditure | 44,356 | 46,597 | 53,677 | 79,394 | 79,781 |
| Plan Expenditure | 13,931 | 15,712 | 18,144 | 38,160 | 33,124 |
| Percentage of Plan Expenditure to Total Expenditure | 31 | 34 | 34 | 48 | 42 |
| Percentage of Plan Expenditure to GSDP | 4 | 4 | 4 | 8 | 6 |



4.2.2 Trend of Plan Expenditure under Capital Account

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---------|---------|---------|---------|---------|
| Total Capital Expenditure | 6,284 | 4,710 | 4,559 | 20,158 | 11,378 |
| Capital Expenditure (Plan) | 4,475 | 5,560 | 5,384 | 19,599 | 11,005 |
| Percentage of Capital Expenditure (Plan) to Total Capital Expenditure | 71 | 118 | 118 | 97 | 97 |

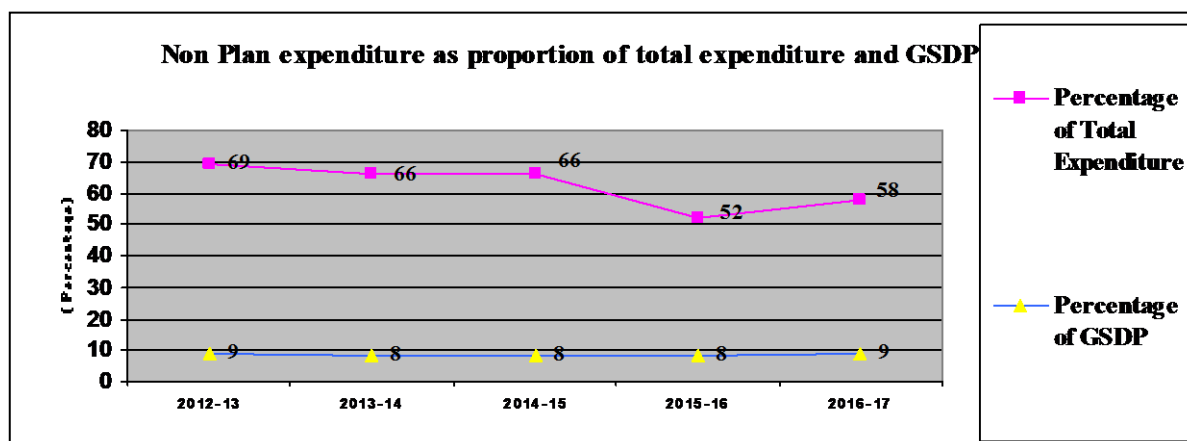
4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2016-17, representing 58 *per cent* of total disbursements, was ₹46,657 crore (₹46,284 crore under Revenue, ₹304 crore under Capital and ₹69 crore under Loans to Government Servants).

4.3.1 Trend of Non-Plan Expenditure

(₹ in crore)

| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|---------|---------|
| Total Expenditure | 44,356 | 46,597 | 53,677 | 79,394 | 79,781 |
| Non-Plan Expenditure | 30,425 | 30,885 | 35,533 | 41,234 | 46,657 |
| Percentage of Non- Plan Expenditure to Total Expenditure | 69 | 66 | 66 | 52 | 58 |
| Percentage of Non-Plan Expenditure to GSDP | 9 | 8 | 8 | 8 | 9 |



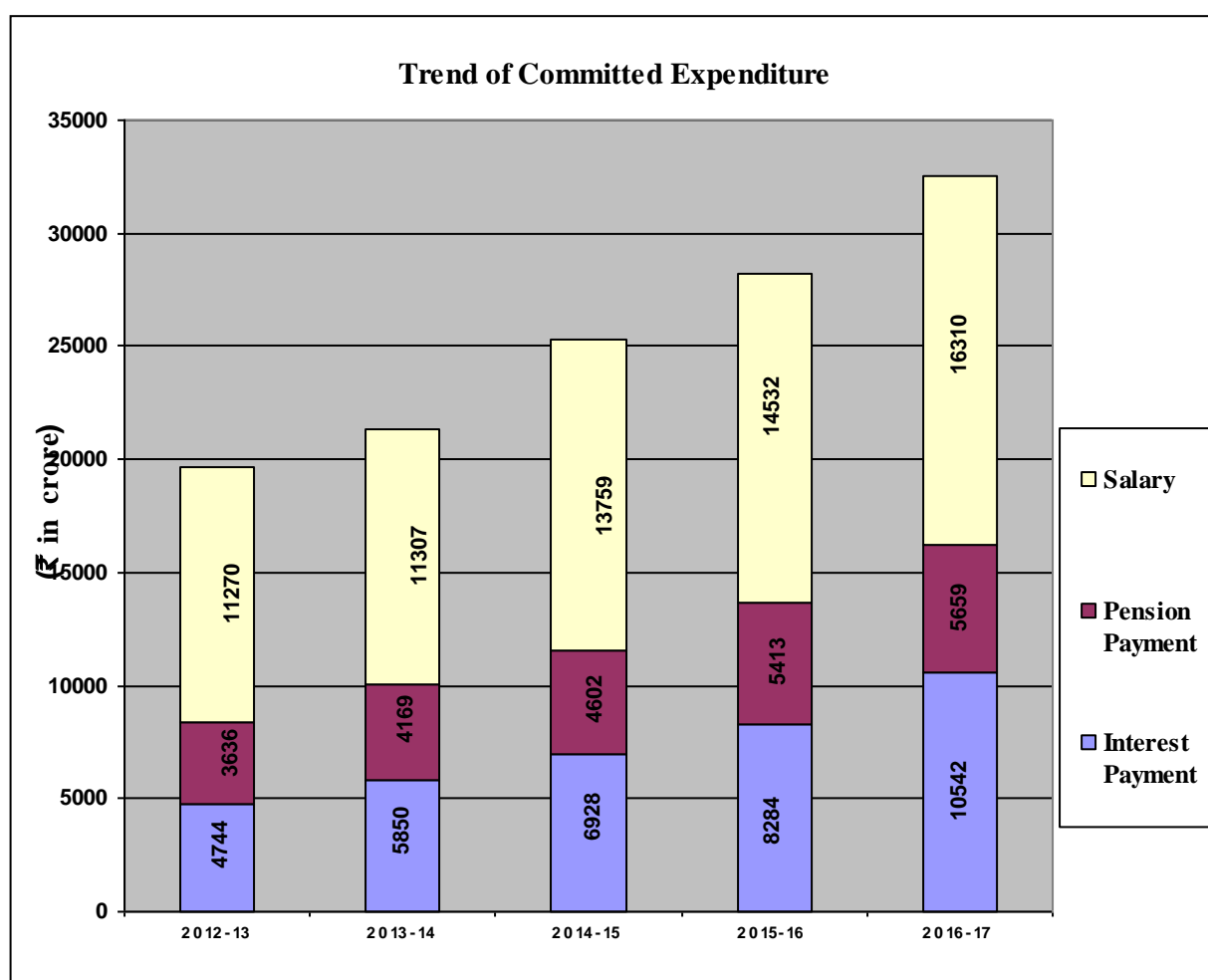
4.4 Committed Expenditure

(₹ in crore)

| Component | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|--|---------|---------|---------|---------|---------|
| Committed expenditure* | 19,650 | 21,326 | 25,289 | 28,229 | 32,511 |
| Revenue Expenditure | 38,072 | 41,887 | 49,118 | 59,236 | 68,403 |
| Percentage of committed expenditure to Revenue Receipts (as detailed in Chapter-2) | 58 | 56 | 62 | 59 | 62 |
| Percentage of committed expenditure to Revenue expenditure | 52 | 51 | 51 | 48 | 48 |

* Includes Interest Payments, Pension Payment and Salary (Revenue Expenditure only).

The upward trend on committed expenditure leaves the Government with lesser flexibility for developmental spending.



CHAPTER 5 - APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2016-17

(₹ in crore)

| Sl. No. | Nature of Expenditure | Original grant | Supplementary grant | Total | Actual expenditure | Savings(-) Excesses (+) |
|---------|------------------------------------|--------------------------|---------------------|--------------------------|--------------------------|---------------------------------|
| 1 | Revenue Voted Charged | 65,019 10,654 | 3,605 6 | 68,624 10,660 | 58,049 10,717 | (-) 10,575 57 |
| 2 | Capital Voted Charged | 18,612 95 | 173 26 | 18,785 121 | 14,384 129 | (-) 4,401 8 |
| 3 | Public Debt Charged | 9,678 | -- | 9,678 | 5,276 | (-) 4,402 |
| 4 | Loans and Advances Voted | 4,729 | 62 | 4,791 | 4,515 | (-) 276 |
| | Total Voted Charged | 88,360 20,427 | 3,840 32 | 92,200 20,459 | 76,948 16,122 | (-) 15,252 (-) 4,337 |

5.2 Trend of Savings/ Excess during the past five years

(₹ in crore)

| Year | Savings (-) / Excess(+) | | | | Total |
|---------|-------------------------|-----------|-------------|------------------|------------|
| | Revenue | Capital | Public Debt | Loans & Advances | |
| 2012-13 | (-) 4,892 | (-) 1,474 | (-) 4,251 | (-) 366 | (-) 10,983 |
| 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 |

5.3 Unnecessary Supplementary Grants

The details of supplementary grants having proved unnecessary, during the year 2016-17 is given below:

(₹ in crore)

| Sl. No | Number and Name of Grant | Original Provision | Actual Expenditure | Savings out of Original Provision | Supplementary Provision |
|--------------------------|--|--------------------|--------------------|-----------------------------------|-------------------------|
| Revenue (Voted) | | | | | |
| 1. | 1- Vidhan Sabha | 69.72 | 66.12 | 3.60 | 1.96 |
| 2. | 3- General Administration | 244.23 | 235.37 | 8.86 | 12.93 |
| 3. | 5- Excise & Taxation | 204.84 | 182.22 | 22.62 | 12.50 |
| 4. | 9- Education | 12,865.22 | 10,340.86 | 2,524.36 | 912.00 |
| 5. | 10-Technical Education | 421.42 | 373.23 | 48.19 | 50.00 |
| 6. | 13- Health | 3,338.69 | 2,800.09 | 538.60 | 56.79 |
| 7. | 18- Industrial Training | 278.37 | 230.00 | 48.37 | 4.30 |
| 8. | 19- Welfare of S.Cs and BCs | 662.52 | 564.69 | 97.83 | 115.96 |
| 9. | 20- Social Security and Welfare | 4,199.94 | 4,189.01 | 10.93 | 33.47 |
| 10. | 21- Women and Child Development | 1,096.79 | 747.91 | 348.88 | 20.00 |
| 11. | 29- Fisheries | 47.77 | 44.85 | 2.92 | 4.88 |
| 12. | 34- Transport | 2,176.42 | 1,894.39 | 282.03 | 1.91 |
| 13. | 36- Home | 3,565.71 | 3,236.75 | 328.96 | 54.13 |
| 14. | 37-Elections | 50.75 | 44.36 | 6.39 | 4.85 |
| 15. | 41- Electronics and Information Technology | 86.04 | 58.02 | 28.02 | 2.65 |
| 16. | 42-Administration of Justice | 495.38 | 458.99 | 36.39 | 16.79 |
| 17. | 43-Prisons | 218.86 | 199.76 | 19.10 | 7.35 |
| Revenue (Charged) | | | | | |
| 1. | 3- General Administration | 10.61 | 10.27 | 0.34 | 1.51 |
| 2. | 42-Administration of Justice | 114.09 | 106.62 | 7.47 | 2.43 |
| Capital (Voted) | | | | | |
| 1. | 8- Building and Roads | 3,609.09 | 1,996.38 | 1,612.71 | 112.66 |
| 2. | 20- Social Security and Welfare | 0.92 | 0.92 | .. | 6.00 |
| 3. | 35- Tourism | 66.81 | 36.45 | 30.36 | 5.27 |
| 4. | 38- Public Health and Water Supply | 1,217.60 | 941.70 | 275.90 | 34.60 |
| 5. | 45- Loans and Advances by State Government | 4,729.39 | 4,514.91 | 214.48 | 61.96 |

17 Grants are Revenue (Voted), 02 Revenue (Charged) and 05 Capital (Voted).

5.4 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/ programmes. Grants with significant savings during the year 2016-17 are as under:

(In Percentage)

| Grant No. / Name | Revenue | | Capital | | Grant No. / Name | Revenue | | Capital | |
|--------------------------------|---------|---------|---------|---------|---|---------|---------|---------|---------|
| | Voted | Charged | Voted | Charged | | Voted | Charged | Voted | Charged |
| 1-Vidhan Sabha | .. | 25 | .. | .. | 23-Food and Supplies | 14 | 71 | 19 | .. |
| 3-General Administration | .. | 15 | .. | .. | 24-Irrigation | 27 | .. | .. | .. |
| 4-Revenue | 13 | .. | .. | .. | 25-Industries | 62 | 100 | 60 | .. |
| 5-Excise and Taxation | 16 | .. | .. | .. | 27-Agriculture | 43 | 69 | .. | .. |
| 7-Planning and Statics | 62 | .. | .. | .. | 28-Animal Husbandry and Diary Development | 15 | 20 | 99 | .. |
| 8-Building and Roads | 11 | 100 | 46 | .. | 29-Fisheries | 15 | .. | .. | .. |
| 9-Education | 25 | .. | 100 | .. | 30-Forest and Wild Life | 26 | .. | .. | .. |
| 10-Technical Education | 21 | .. | .. | .. | 31-Ecology and Environment | 19 | .. | .. | .. |
| 11-Sports and Youth Welfare | 25 | .. | .. | .. | 32-Rural and Community Development | 10 | .. | .. | .. |
| 12-Art and Culture | 31 | .. | .. | .. | 34-Transport | 13 | .. | 57 | .. |
| 13-Health | 18 | .. | 64 | .. | 35-Tourism | 15 | .. | 49 | .. |
| 14-Urban Development | 13 | .. | .. | .. | 36-Home | 11 | 58 | .. | .. |
| 15-Local Government | 25 | .. | .. | .. | 37-Election | 20 | .. | .. | .. |
| 16-Labour | 20 | .. | 100 | .. | 38-Public Health and Water Supply | .. | .. | 25 | .. |
| 17-Employment | 23 | .. | .. | .. | 41-Electronics and Information Technology | 35 | .. | .. | .. |
| 18-Industrial Training | 19 | .. | 36 | .. | 42-Administration of Justice | 10 | .. | .. | .. |
| 19-Welfare of SCs and BCs | 27 | .. | 73 | .. | 43-Prison | 12 | .. | .. | .. |
| 20-Social Security and Welfare | .. | .. | 87 | .. | 44-Printing and Stationery | 27 | 19 | 98 | .. |
| 21-Women and Child Development | 33 | .. | 34 | .. | Public Debt | .. | .. | .. | 45 |
| 22-Welfare of Ex-Servicemen | 10 | .. | .. | .. | | | | | |

CHAPTER 6 - ASSETS AND LIABILITIES

6.1. Assets

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

6.1.1 Investments and Returns

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹ 11,371 crore at the end of 2016-17. Dividends received during the year was ₹ 5.89 crore (0.05 *per cent* of investment). During 2016-17, investments increased by ₹ 1,999 crore, and dividend income decreased by ₹ 10.00 crore. Cash Balance with RBI which stood at (-) ₹ 733 crore on 31 March 2016 has increased to ₹427 crore as on 31 March, 2017.

6.1.2 Cash Balance and Investment of Cash Balances

(₹ in crore)

| Component | As on 31 March 2017 | As on 31 March 2016 | Net increase (+)/ decrease (-) |
|--|---------------------------|---------------------------|-----------------------------------|
| Cash Balances | 427 | (-) 733 | 1,160 |
| Investments from cash balance (GOI Treasury Bills) | 2,555 | 4,173 | (-) 1,618 |
| Investment from earmarked fund balances | 2,674 | 2,775 | (-) 101 |
| (a) Sinking Fund | 1,641 | 1,517 | 124 |
| (b) Guarantee Redemption Fund | 953 | 843 | 110 |
| (c) Other Funds | 80 | 415 | (-) 335 |
| Interest realised | 161 | 186 | (-) 25 |

6.2. Debt and Liabilities

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

Details of the Public Debt and total liabilities of the State Government are as under:

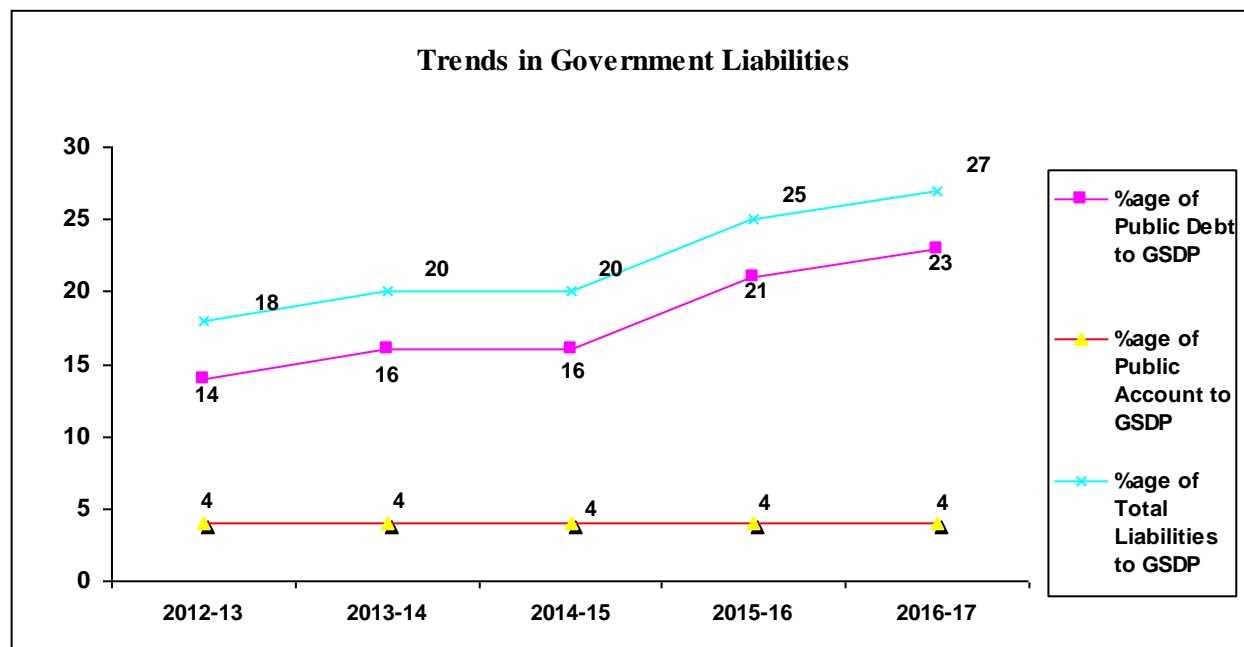
(₹ in crore)

| Year | Public Debt | Percentage to GSDP | Public Account (*) | Percentage to GSDP | Total Liabilities | Percentage to GSDP |
|---------|-------------|--------------------|--------------------|--------------------|-------------------|--------------------|
| 2012-13 | 50,658 | 14 | 14,160 | 4 | 64,818 | 18 |
| 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 |

(*) Excludes Suspense and Remittance balances.

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

There is a net increase of ₹ 25,653 crore (21 *per cent*) in total liabilities as compared to 2015-16.



6.3 Guarantees

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. The position of guarantee prepared directly from the information received from the State Government is given below:

| (₹ in crore) | | |
|--------------|---------------------------|---|
| Year | Maximum Amount Guaranteed | Amount outstanding at the close of year |
| 2012-13 | 31,958 | 20,733 |
| 2013-14 | 38,376 | 27,306 |
| 2014-15 | 31,319 | 30,388 |
| 2015-16 | 34,974 | 16,876 |
| 2016-17 | 17,911 | 8,244 |

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 7 - OTHER ITEMS

7.1. Loans and advances given by the State Government

Total Loans and Advances given by the State Government at the end of 2016-17 were ₹21,036 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹ 20,984 crore. The State Government during the year 2016-17 granted loans of ₹65.14 crore to the Private Sugar Mills, of ₹406.87 crore to Haryana State Co-operative Agriculture and Rural Development Bank and of ₹3,589.59 crore to the Power Distribution Companies, pending settlement of terms and conditions for these loans. The State Government, vide notification no. 2/2/2004-WM (3) dated 4 November 2016 decided to transfer the loan port-folio in respect of House Building Advance, Conveyance Advance, Computer Advance and Marriage Loans given to the Government Servants to the Bank (Punjab National Bank) on the irrevocable guarantee of the State Government. The State Government received an amount of ₹623.00 crore from the Bank against the outstanding recovery of such advances/loans. The Comptroller and Auditor General of India has decided to discontinue maintenance of detailed accounts of these Loans and Advances from a mutually agreed date. However, Loans and Advances of ₹51.80 crore (pertaining to period prior to date of notification *ibid*) are still maintained by the Principal Accountant General (A&E).

7.2. Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹4,980 crore in 2012-13 to ₹12,647 crore in 2016-17. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹ 3,850 crore) represented 30 *per cent* of total grants given during the year. Details of Grants in Aid for the past five years are as under:

| (₹ in crore) | | | | |
|--------------|-----------------|----------------|--------|--------|
| Year | Zilla Parishads | Municipalities | Others | Total |
| 2012-13 | 962 | 1,125 | 2,893 | 4,980 |
| 2013-14 | 38 | 1,137 | 4,437 | 5,612 |
| 2014-15 | 1,192 | 745 | 4,169 | 6,106 |
| 2015-16 | 1,262 | 1,046 | 8,458 | 10,766 |
| 2016-17 | 2,264 | 1,586 | 8,797 | 12,647 |

7.3 Reconciliation of Receipts and Expenditure

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 Principal Accountant General (A&E).

Such reconciliations of receipts and expenditure figures under the Consolidated Fund have been completed cent *per cent*.

7.4 Utilization Certificates Awaited

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 obtain Utilization Certificates (UCs) from the grantees, which, after verification, should be forwarded to the Principal Accountant General (A&E), within the stipulated period. UCs outstanding beyond the specified periods indicate absence of assurance on utilization of the grants for intended purposes and the expenditure shown in the accounts to that extent cannot be treated as final. The status of outstanding UCs as per the records of the Principal Accountant General (A&E) is given below:

| Year(*) | Number of Utilization Certificates awaited | Amount (in crore) |
|--------------|--|-------------------|
| Upto 2014-15 | 560 | 3,208.97 |
| 2015-16 | 343 | 1,857.64 |
| 2016-17 | 976 | 3,996.00 |
| Total | 1,879 | 9,062.61 |

(* The year mentioned above relates to "Due year" i. e., after 12 months of actual drawal).

75.52 *per cent* of wanting UCs pertains to the four departments viz. Rural Development (987 UCs amounting to ₹3,311.48 crore), Urban Development (278 UCs amounting to ₹4,209.66 crore), Sports and Youth Services (85 UCs amounting to ₹44.29 crore) and General Education (69 UCs amounting to ₹785.97 crore) till 2016-17. The value and number of UCs showed an increasing trend over the last 3 years.

7.5 Unadjusted Abstract Contingent Bills (AC 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. Subsequently the DDOs are required to submit Detailed Countersigned Contingent (DCC) bills to the Principal Accountant General along with supporting documents, within a month. Delayed submission or prolonged non-submission of DCC bills may affect the completeness and correctness of accounts. The detail of AC Bills, pending adjustment, as on 31 March 2017 is as under:

| Year | Number of pending DCC Bills | Amount (in crore) |
|--------------|-----------------------------|-------------------|
| Upto 2014-15 | 01 | 0.79 |
| 2015-16 | 40 | 4.96 |
| 2016-17 | 105 | 33.57 |
| Total | 146 | 39.32 |

87.67 per cent of DCC bills were awaited from three departments viz. General Education Department (111 DCC bills amounting to ₹ 10.09 crore), Road Transport Department (13 DCC bills amounting to ₹ 14.19 crore) and Medical Department (04 DCC bills amounting to ₹ 9.82 crore) till 2016-17. The value and number of pending DCC bills showed an increasing trend over the last three years.

7.6 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 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 2017 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:

(₹ in crore)

| Opening Balance | | Addition during the year | | Closed during the year | | Closing Balance | |
|-----------------|--------|--------------------------|--------|------------------------|--------|-----------------|--------|
| Number | Amount | Number | Amount | Number | Amount | Number | Amount |
| 141 | 232.70 | 08 | 283.67 | 25 | 281.50 | 124 | 234.87 |

Out of 124 PD accounts as on 31 March 2017, 13 accounts involving ₹3.56 crore were in-operative for more than three years and have not been closed thereby leading to deviation from prescribed procedure.

7.7 Rendition of accounts by Accounts Rendering Units

The Finance Accounts 2016-17 present the transactions of the Government of Haryana for the period 1 April, 2016 to 31 March, 2017. The accounts of receipts and expenditure of the Government of Haryana have been compiled based on the initial accounts rendered by the 22 Treasuries, 113 Public Works Divisions, 86 Irrigation Divisions, 57 Forest Divisions, and Advices of the Reserve Bank of India. The rendition of accounts by the accounts rendering units is satisfactory and no accounts have been excluded at the end of the year.

7.8 Commitments on account of incomplete Public Works

There were 79 incomplete Public Works Contracts, each involving ₹5 crore and above as on 31 March 2017.

7.9 Status of Reserve Funds

Details of Reserve Funds are available in Statements 21 and 22 of the Finance Accounts. There were 10 Reserve Funds earmarked for specific purposes, out of which, 9 Funds were active and 1 Fund was inactive for 6 years. Details of some major Reserve Funds are given below:

7.9.1 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 as 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 ₹658.21 crore (one *per cent* of outstanding market loans of ₹65,821.12 crore as on 31 March 2016).

The balance in the Consolidated Sinking Fund as on 31 March 2017 was ₹1,643.16 crore out of which, ₹1,641.03 crore has been invested during the year.

7.9.2 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 2016-17, the outstanding guarantees of the Government stood at ₹16,876.31 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 ₹39.40 crore to the GRF.

Entire Fund balance of ₹952.88 crore (which is 5.65 *per cent* of the outstanding guarantees ₹16,876.31 crore) has been invested as on 31 March 2017.

7.9.3 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 2016-17, the Central Government released ₹357.75 crore on account of SDRF (second installment of Central share of ₹115.50 crore for 2015-16 and ₹242.25 crore on account of first and second installment for 2016-17). As against Government of India release of ₹357.75 crore, State's matching share works out to ₹119.25 crore. The State Government, transferred an amount of ₹995.21 crore (including arrears for the earlier years) to the Fund. Besides, an amount of ₹228.19 crore, lying unspent with the Departmental Authorities and an amount of ₹20.84 crore on account of interest earned on investments out of the Fund, was credited to the Fund. The Department of Revenue and Disaster Management, Haryana intimated that the expenditure of ₹35.17 crore (₹28.05 crore through budget, and ₹7.12 crore directly through cheques from amount deposited in savings bank account towards SDRF, without routing through Treasury accounts) has been met from the Fund. The adjustment entries on the basis of information supplied by the Department were carried out in the records of Principal Accountant General (A&E). There was a balance of ₹1,621.65 crore in the Fund as on 31 March 2017 out of which, as intimated by the State Revenue and Disaster Management Department an amount of ₹77.43 crore was invested.

7.9.4 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 in the Fund as Government Contribution to the Fund.

A balance of ₹14.49 crore was in the Fund as on 1 April 2016. The State Government during the year received an amount of ₹74.16 crore on account of Dead Rent etc., and an amount of

₹9.03 crore on account of 'other charges' from the Concession Holders. The amount of ₹12.74 crore (Concession Holders' contribution: ₹9.03 crore plus State share: ₹3.71 crore i. e. 5 *per cent* of Dead Rent of ₹74.16 crore) was required to be transferred to the Fund. However, the State Government, during the year transferred to the Fund only an amount of ₹12.55 crore (without specifying the State contribution and Concession Holders' contribution) thereby leading to short contribution of ₹0.19 crore to the Fund. An amount of ₹27.98 crore received from the concession holders on account of contribution was credited directly to the Fund without routing it through the Consolidated Fund of the State contrary to the provisions of Article 266(1) of the Constitution of India. No expenditure was met from the Fund during the year. The balance in the Fund was ₹55.02 crore as on 31 March 2017. The State Government has not made adjustment of interest to the extent of ₹0.87 crore on the balance in the Fund at the beginning of the year.

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.

7.10 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 ₹5,281.30 crore (7.72 *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. 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 ₹729.70 crore with the NSDL/Trustee Bank against employees' contribution of ₹382.15 crore and employer's share of ₹378.04 crore. Thus, short contribution of ₹4.11 crore by the Government towards NPS has understated the revenue expenditure to this extent. A balance of ₹49.92 crore was outstanding under Major Head 8342-Other Deposits, Minor Head 117-Defined Contribution Pension Scheme for Government Employees as on 31 March 2017.

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 on account of un-collected, unmatched and un-transferred amount with accrued interest thereon.

7.11 Balances under Suspense and Remittances heads

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 for the last three years, are given below:

(₹ in crore)

| (a) 8658- Suspense Accounts | | | | | | |
|---|-------------|--------|--------------|----------|--------------|--------|
| Minor Head | 2014-15 | | 2015-16 | | 2016-17 | |
| | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| 101- Pay and Accounts Office Suspense | 16.23 | 0.08 | 17.27 | 0.08 | 25.25 | 0.01 |
| Net | 16.15 (Dr.) | | 17.19 (Dr.) | | 25.24(Dr.) | |
| 102- Suspense Accounts(Civil) | 90.30 | 0.30 | 43.45 | (-) 2.96 | 27.29 | 0.30 |
| Net | 90.00 (Dr.) | | 46.41 (Dr.) | | 26.99(Dr.) | |
| 107- Cash Settlement Suspense Account | 161.53 | 37.65 | 172.18 | 39.62 | 200.83 | 48.73 |
| Net | 123.88(Dr.) | | 132.56 (Dr.) | | 152.10(Dr.) | |
| 109- Reserve Bank Suspense(Hqrs) | (-) 1.73 | 6.66 | 3.70 | 0.36 | 3.83 | 11.21 |
| Net | 8.39(Cr.) | | 3.34(Dr.) | | 7.38(Cr.) | |
| 110- Reserve Bank Suspense-Central Accounts Office | 2.99 | 4.30 | 4.64 | 4.31 | 2.07 | 4.30 |
| Net | 1.31(Cr.) | | 0.33 (Dr.) | | 2.23 (Cr.) | |
| 112- Tax Deducted at Source Suspense | .. | 25.60 | .. | 23.23 | .. | 134.87 |
| Net | 25.60(Cr.) | | 23.23(Cr.) | | 134.87(Cr.) | |
| (b) 8782- Cash Remittances and adjustments between officers rendering accounts to the same Accounts Office. | | | | | | |
| Minor Head | 2014-15 | | 2015-16 | | 2016-17 | |
| | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| 102- Public Works Remittances | 124.52 | 278.69 | 155.48 | 290.90 | 88.00 | 284.00 |
| Net | 154.17(Cr.) | | 135.42 (Cr.) | | 196.00 (Cr.) | |
| 103- Forest Remittances | 4.53 | 4.91 | 2.47 | 3.90 | (-) 0.61 | 2.52 |
| Net | 0.38(Cr.) | | 1.43 (Cr.) | | 3.13 (Cr.) | |

7.12 Rush of Expenditure

Principles of prudent financial management prescribe that expenditure at the fag end of the financial year should be avoided. Though, instructions were issued by the State Government to curb rush of expenditure, an expenditure of ₹12,245.43 crore was incurred during March 2017 which was approximately 16.27 *per cent* of total expenditure of ₹75,266.53 crore under the Revenue and Capital heads for the year. Details of major heads of account where the expenditure incurred in March 2017 was more than 45 *per cent* of the total expenditure are given in below:

| (₹ in crore) | | | | | |
|--------------|------------|---|----------------------------------|-------------------------------|---------------------------------|
| Sl. No. | Major Head | Description | Total Expenditure during 2016-17 | Expenditure during March 2017 | Percentage to Total Expenditure |
| 1. | 2810 | New and Renewable Energy | 13.51 | 9.94 | 74 |
| 2 | 2853 | Non-ferrous Mining and Metallurgical Industries | 24.29 | 14.31 | 59 |
| 3. | 3451 | Secretariat Economic Services | 163.81 | 81.01 | 49 |
| 4. | 3456 | Civil Supplies | 149.39 | 147.30 | 99 |
| 5. | 4425 | Capital outlay on Co-operation | 92.77 | 59.37 | 64 |

7.13 Ujwal DISCOM Assurance Yojana (UDAY).

Pursuant to the revival package for electricity distribution companies, the State Government, during the year 2016-17 took over the debt of the DISCOMs to the extent of ₹8,650.00 crore by issuing bonds to the participating lender banks, through the Reserve Bank of India. The break-up of financial package to the Distribution Companies is as under:

| (₹ in crore) | | | |
|--------------|--|-----------------|------------------|
| Sl. No. | Nature of assistance | During 2016-17 | Cumulative |
| 1. | Grants-in-aid to Uttar Haryana Bijli Vitran Nigam Limited | 2,170.31 | 4,549.68 |
| 2. | Grants-in-aid to Dakshin Haryana Bijli Vitran Nigam Limited | 1,380.19 | 2,893.32 |
| 3. | Grants-in-aid to Haryana Vidyut Prasaran Nigam Limited | 342.00 | 342.00 |
| 4. | Equity Capital to Uttar Haryana Bijli Vitran Nigam Limited | 793.13 | 1,586.25 |
| 5. | Equity Capital to Dakshin Haryana Bijli Vitran Nigam Limited | 504.37 | 1,008.75 |
| 6. | Loans to Uttar Haryana Bijli Vitran Nigam Limited | 1,801.41 | 9,203.90 |
| 7. | Loans to Dakshin Haryana Bijli Vitran Nigam Limited | 1,145.59 | 5,853.10 |
| 8. | Loans to Haryana Vidyut Prasaran Nigam Limited | 513.00 | 513.00 |
| | Total | 8,650.00 | 25,950.00 |

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