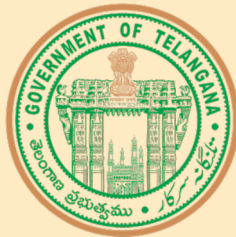




सत्यमेव जयते

Accounts at a Glance 2016-17



Government of Telangana

PREFACE

The Annual Accounts of the State Government are prepared and examined under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for being laid before the Legislature of the State. The Annual Accounts 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 gross expenditures against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.


The Principal Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and Appropriation accounts.

A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Telangana.

'Accounts at a Glance' provides a broad overview of Government activities, as reflected in the Finance and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.

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S. Snehalatha
Principal Accountant General (A&E)
Telangana

Place: Hyderabad

Date : 26-12-2017

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CHAPTER I OVERVIEW

1.1 Introduction

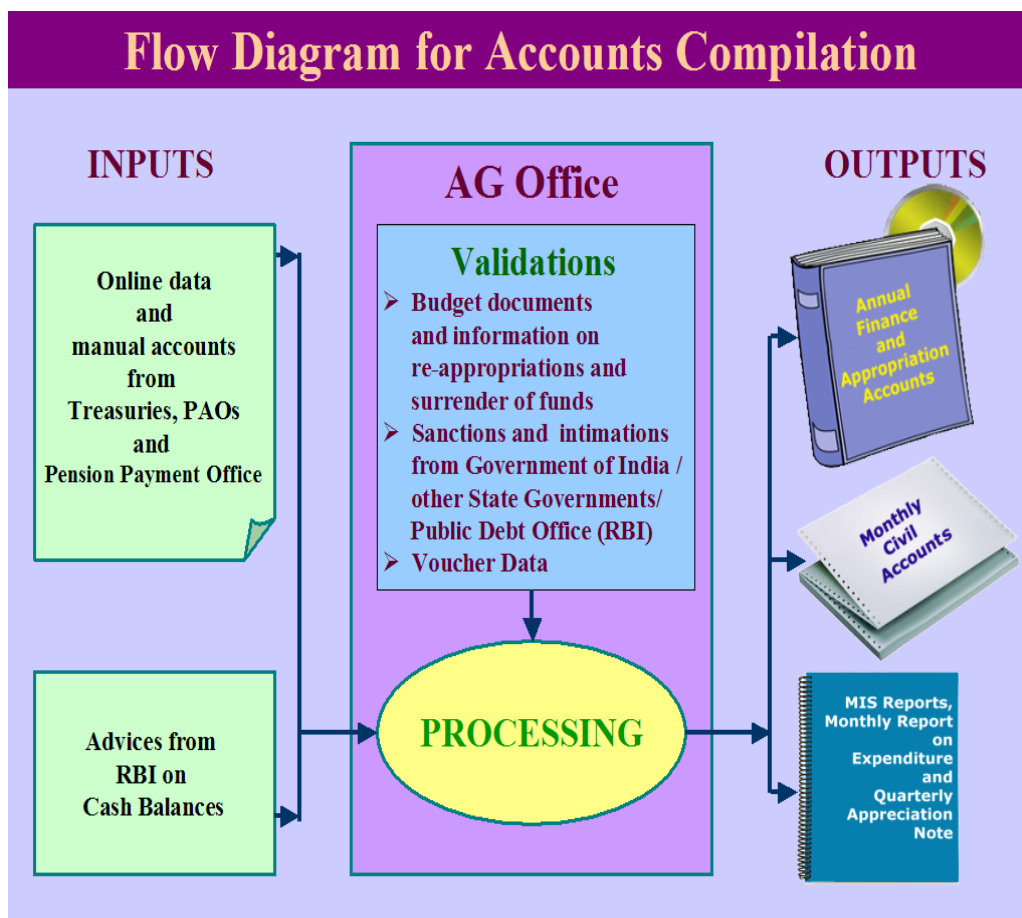
The Principal Accountant General (Accounts and Entitlements), Telangana compiles the accounts of receipts and expenditure of the Government of Telangana. This compilation is based on the initial accounts rendered by the District Treasuries and Pay and Accounts Offices (PAOs) of the State Government,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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	<p>Comprises all receipts of the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon)</p> <p>All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), is met from this Fund.</p>
Part II CONTINGENCY FUND	<p>The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.</p> <p>The corpus of this Fund for the Government of Telangana is ₹50 crore.</p>
Part III PUBLIC ACCOUNT	<p>All Public Moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee.</p> <p>The Public Account comprises repayables like Small Savings and Provident Funds, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous transactions (adjusting entries pending booking to final heads of account), Remittances between accounting entities and Cash Balance.</p>

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts contain details of the receipts and expenditure of the Government for the year. Volume I contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and expenditure and 'notes to accounts' containing the summary of significant accounting policies, quality of accounts and other disclosures; Volume II contains detailed statements(Part-I), and appendices (Part-II).

Receipts and Expenditure of the State Government during 2016-17 are as below:

(In ₹ Crore)

Receipts (Total: 1,18,254)	Revenue (Total : 82,818)	Tax Revenue	63,284
		Non Tax Revenue	9,782
		Grants-in-Aid & Contributions	9,752
	Capital (Total : 35,436)	Recovery of Loans and Advances	156
		Capital Receipts	...
		Borrowings and other Liabilities*	35,280
Disbursements (Total: 1,18,254)	Revenue	81,432	
	Capital	33,370	
	Loans and Advances	3,402	
	Inter State Settlement	50	

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

In addition to the Budget approved for the year by Telangana Legislature, Government of India transfers funds directly to State Implementing Agencies in the State for spending on various schemes and programmes. Such transfers (₹888 crore) are not reflected in the accounts of the State Government, but have been shown at Appendix VI in Volume II of the Finance Accounts.

1.3.2 Appropriation Accounts

Under Article 204(3) of Constitution of India, no expenditure can be incurred by the Government except with the authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The budget of Government of Telangana has 13 charged Appropriations and 40 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriations authorised by the Legislature through the Appropriation Act of each year.

At the end of the year, the expenditure of Government of Telangana against the budget approved by the Legislature amounting to ₹1,72,269 crore, resulted in a saving of ₹31,663 crore (18 per cent of estimates). Certain grants like Fiscal Administration, Planning, Surveys

and Statistics(61 per cent under Capital), Medical and Health (41 per cent under Revenue, 59 percent under Capital), Municipal Administration and Urban Development (75 per cent under Revenue, 49 percent Loans), Housing (98 per cent under Revenue, 43 per cent under Loans), Social Welfare (53 percent under Revenue, 87 per cent under Capital and 100 per cent under Loans) and Forest, Science Technology and Environment(94 per cent under capital) showed short spending.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Reserve Bank of India (RBI) extends Special Drawing Facility/ Ways and Means Advances (WMA) and Overdraft (OD) facilities to enable State Governments to tide over temporary shortfalls in their cash balances. During 2016-17, Government of Telangana has availed Special Drawing Facility for 97 days, amounting to ₹7,136 crore and Ways and Means Advances for 75 days amounting to ₹4,952 crore.

Sources and Application of Funds

(In ₹ Crore)

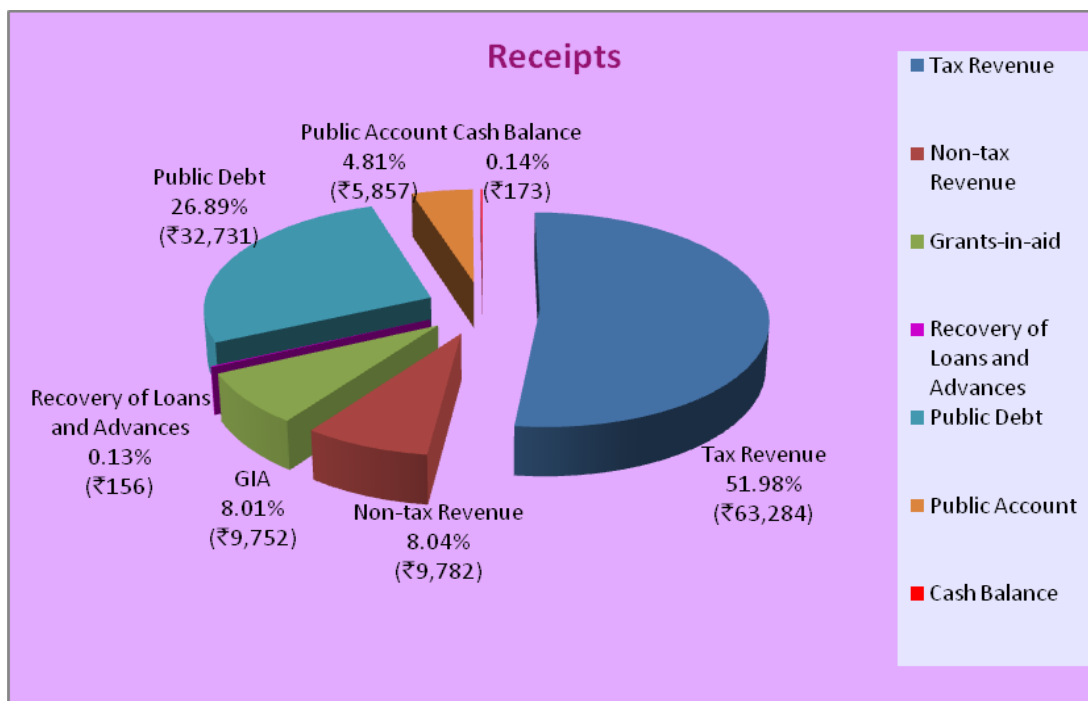
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2016	5
	Revenue Receipts	82,818
	Recovery of Loans & Advances	156
	Capital Receipts	...
	Public Debt ^{*®}	32,731
	Small Savings, Provident Fund & Others [*]	2,416
SOURCES	Reserves & Sinking Funds [*]	1,458
	Deposits Received [*]	43,208
	Civil Advances Repaid [*]	170
	Suspense & Miscellaneous ^{*@}	93,946
	Remittances [*]	22,638
	Contingency Fund	...
	TOTAL	2,79,546
	Revenue Expenditure	81,432
	Capital Expenditure	33,370
	Loans Given	3,402
	Repayment of Public Debt ^{*®}	3,481
	Small Savings, Provident Fund & Others [*]	1,348
APPLICATION	Reserves & Sinking Funds [*]	1,337
	Deposits Spent [*]	41,297
	Civil Advances Given [*]	163
	Suspense & Miscellaneous ^{*@}	91,040
	Remittances [*]	22,793
	Inter State Settlement	50
	Closing Cash Balance as on 31-03-2017	(-)167
	TOTAL	2,79,546

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

@ The Suspense accounts include ₹52,126 crore invested in treasury bills which is shown on the 'Application' side, and ₹54,577 crore worth of treasury bills sold through the RBI (a process known as 'rediscounting' and/or 'matured value' of treasury bills) which is shown on the 'Sources' side.

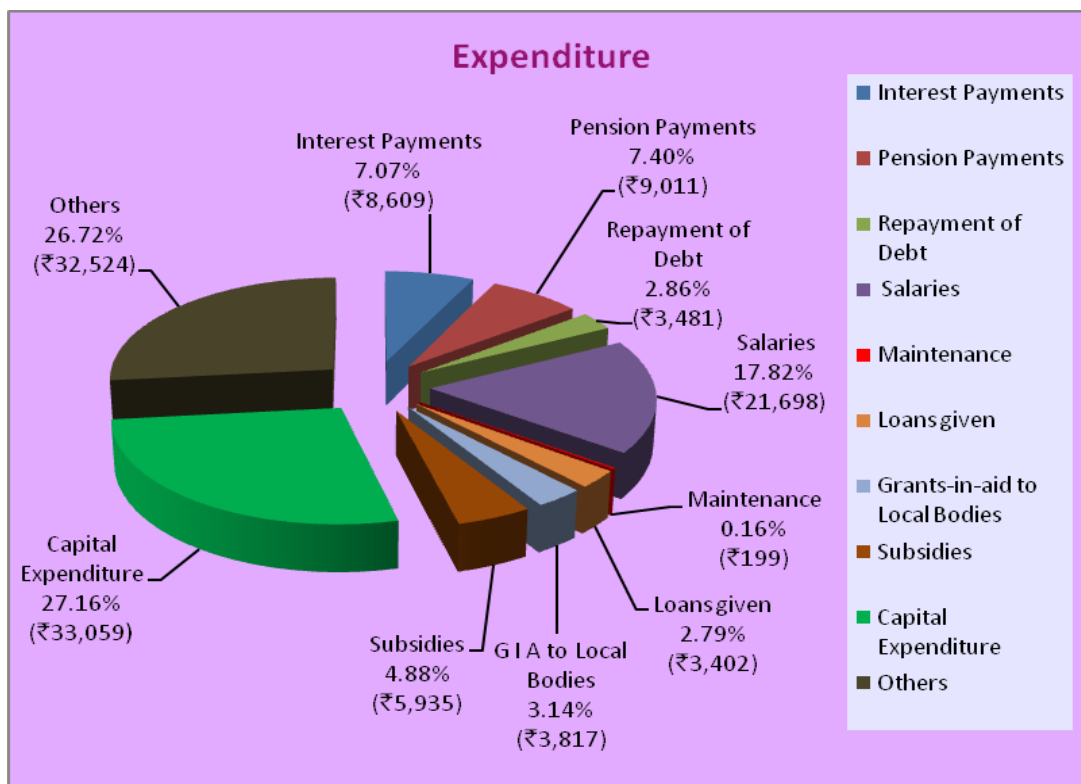
® Public Debt does not include Receipt and Expenditure of Special drawing facility/ Ways and Means Advances

1.4.2 Where the Money came from



Note: Public Account and Cash Balance components above are taken as 'net' and not 'gross' as shown in the Sources & Application Table (Para 1.4). Public Debt does not include Receipt and Expenditure of Special Drawing facility/Ways and Means Advances

1.4.3 Where the Money went



Note: Capital Expenditure excludes Maintenance (270/273) ₹35crore, Salaries and Wages (010/020) ₹276crore and includes Investments ₹11,746crore

1.5 Highlights of Accounts

(In ₹ Crore)

Component	B.E 2016-17	Actuals	Percentage of actual to	
			B.E	GSDP ^(S)
1. Tax Revenue ^(@)	68,825	63,284	92	10
2. Non-Tax Revenue	17,543	9,782	56	2
3. Grants-in-aid & Contributions	14,557	9,752	67	2
4. Revenue Receipts (1+2+3)	1,00,925	82,818	82	13
5. Recovery of Loans & Advances	2,874	156	5	...
6. Borrowings & Other Liabilities ^(A)	23,468	35,280	150	5
7. Capital Receipts (5+6)	26,342	35,436	135	5
8. Total Receipts (4+7)	1,27,267	1,18,254	93	18
9. Non-Plan Expenditure ^(*)	59,636	57,353	96	9
10. NPE on Revenue Account	59,365	56,852	96	9
11. NPE on Interest Payments out of 10	7,706	8,609	112	1
12. NPE on Capital Account ^(£)	271	501	185	...
13. Plan Expenditure ^(*)	67,631	60,901	90	9
14. PE on Revenue Account	37,841	24,580	65	4
15. PE on Capital Account ^(£)	29,789	36,321	122	6
16. Total Expenditure (9+13) ^(¥)	1,27,267	1,18,254	93	18
17. Revenue Expenditure (10+14)	97,206	81,432	84	13
18. Capital Expenditure (12+15) ^(#)	30,060	36,822	122	6
19. Revenue Surplus (4-17)	3,719	1,386	37	...
20. Fiscal Deficit (4+5-16)	23,468	35,280	150	5

@ Includes State's share of Union Taxes of ₹14,877 crore.

(S) Broadly, sum of the products of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital (C.F.C) is known as Gross State Domestic Product. (₹6,46,265 crore) adopted as provided by Directorate of Economics and Statistics 2017 and Central Statistical Office.

(A) Borrowings and other liabilities: Net (Receipts-Disbursements) of Public debt (₹29,250 crore) + Net of Contingency fund (₹-0.09 crore) + Net (Receipts- Disbursements) of Public Account (₹5,857 crore) + Net of Opening and Closing cash balance (₹173 crore) (Rounded to ₹35,280 crore)

(*) Expenditure includes Loans and Advances under Non-plan (₹446 crore) and under Plan (₹2,955 crore) and excludes expenditure on Public Debt (₹15,569 crore).

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

(#) Expenditure on Capital Account includes Capital Expenditure (₹33,370 crore), Loans and Advances disbursed (₹3,402 crore) & Inter State Settlement (₹50 crore)

(£) Includes expenditure on Loans and Advances (₹446 crore) & Inter State Settlement (₹50 crore) under Non-plan and Loans & advances (₹2,956 crore) under Plan.

1.6 What the Deficit and Surplus indicate

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

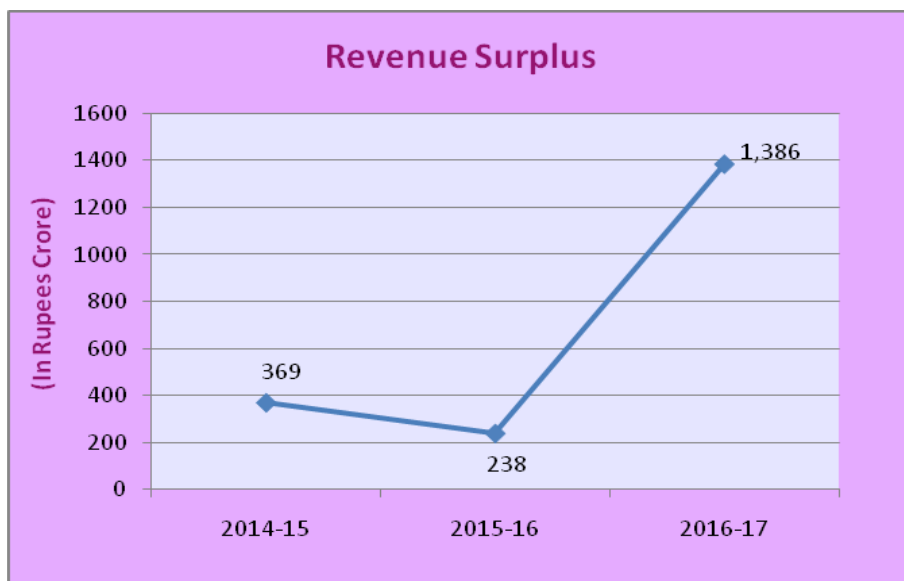
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Prudent financial management involves the generation of an annual Revenue Surplus (Revenue Receipt exceeding Revenue Expenditure). The Twelfth Finance Commission recommended that States enact their own Fiscal Responsibility and Budget Management (FRBM) Acts committing them to achieving Revenue Surplus and limiting Fiscal Deficit to 3 per cent of GSDP. Government of Telangana has adapted “The Andhra Pradesh Fiscal Responsibility and Budget Management Act 2005” as “The Telangana Fiscal Responsibility and Budget Management Act 2005” in accordance with section 101 of Andhra Pradesh Reorganisation Act 2014 vide G.O.Ms.No.45, Law(F), dated 01 June, 2016.

There is Revenue Surplus of ₹1,386 crore (₹238crore in 2015-16) and Fiscal Deficit of ₹35,280 crore (₹18,856crore in 2015-16) which are 0.21 per cent and 5.46 percent of GSDP¹ respectively. The Fiscal Deficit constituted 30 per cent of total expenditure. Around 48 per cent of the Revenue Receipts (₹82,818 crore) of the State Government was spent on Committed Expenditure like Salaries² (₹21,897 crore), Interest Payments (₹8,609 crore) and Pensions (₹9,011 crore). The Fiscal Deficit excluding ₹7,500.00 crore (transferred to DISCOM in 2016-17 out of 8,931.51 crore of UDAY bonds) is ₹27,780.84 crore, i.e. 4.30% of GSDP.

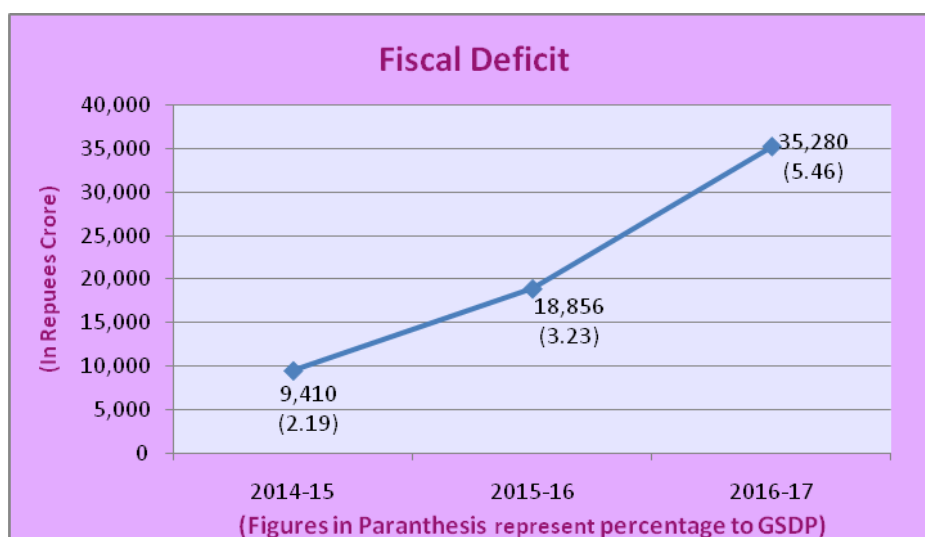
¹ GSDP figure of ₹6,46,265 crore adopted as provided by Directorate of Economics and Statistics 2017 and Central Statistical Office.

² Includes detailed heads 010-Salaries (₹19,222crore), 020-Wages (₹51 crore), 030-Overtime allowance (nil), 270/273-Maintenance (₹199 crore) & 310/311-Grants-in-Aid towards salaries (₹2,425 crore).

1.6.1 Trend of Revenue Surplus

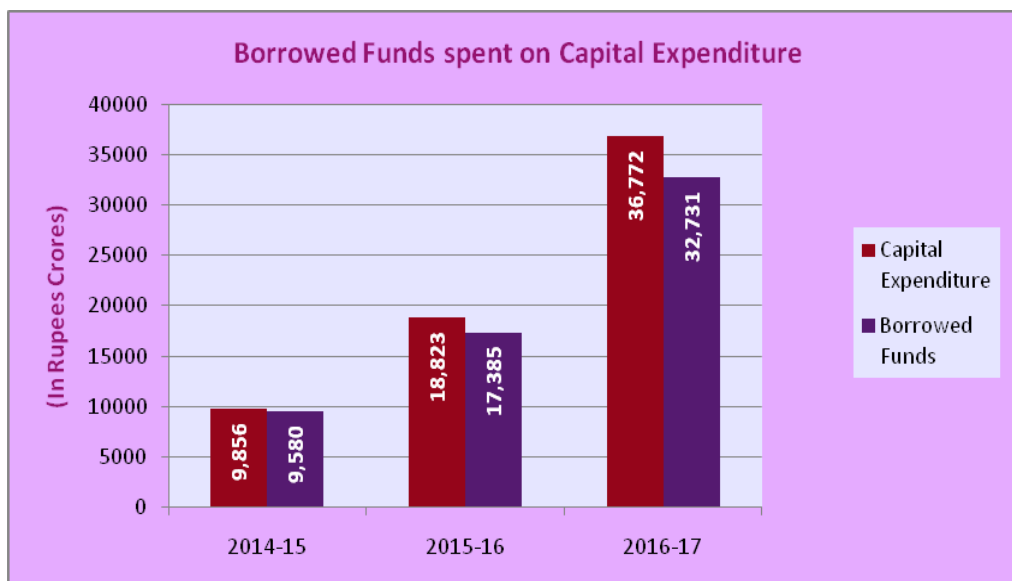


1.6.2 Trend of Fiscal Deficit



Note: GSDP figure in this publication adopted as provided by Directorate of Economics and Statistics 2017 and Central Statistical Office.

1.6.3 Proportion of borrowed funds to Capital Expenditure.



Note: Borrowed funds does not include Special drawing facility/Ways & Means Advances

The extent to which the Fiscal Deficit, as represented by borrowed funds, has been channelized towards the creation of capital assets is an indicator of prudent financial management. The entire borrowings of ₹32,731 crore in the year was utilised to meet Capital expenditure. In addition, an amount of ₹4,041 crore from revenue receipts was spent on capital expenditure, making the total capital expenditure ₹36,772 crores (excluding ₹50 crore Interstate settlement).

Normally, Public Debt is discharged through the use of Revenue Surplus. The Revenue Surplus of the State Government for 2016-17 (₹1,386 crore) was insufficient to meet the Public Debt discharged during the year (₹15,569 crore) and was met from Internal Debt and loans from Central Government.

...oOo...

CHAPTER II RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2016-17 were ₹1,18,254 crore against budget estimate of ₹1,27,267 crore.

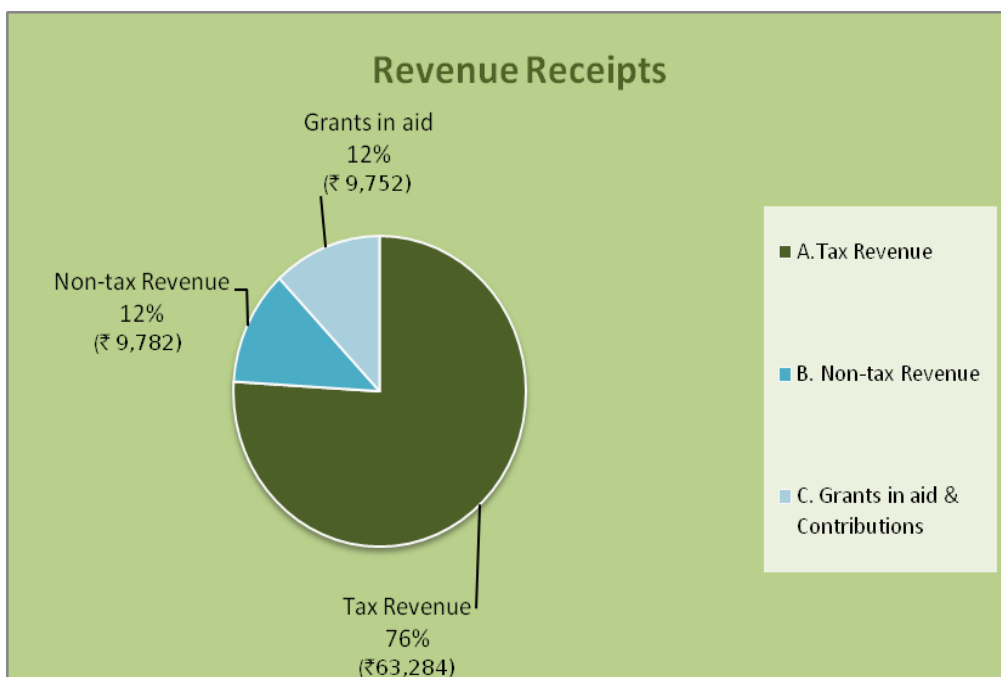
2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants in Aid and Contributions	Grants-in-aid represent central assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from Foreign Governments and channelised through the Union Government. In turn, the State Government also gives Grants-in-aid to Panchayati Raj Institutions, Autonomous Bodies etc.

2.2.1 Revenue Receipt Components (2016-17)

(In ₹ Crore)

Components	Actuals	Percentage to Revenue Receipt
A. Tax Revenue	63,284	76
Taxes on Income & Expenditure	8,459	10
Taxes on Property & Capital Transactions	3,962	5
Taxes on Commodities & Services	50,863	61
B. Non-Tax Revenue	9,782	12
Interest Receipts, Dividends and Profits	1,861	2
General Services	2,380	3
Social Services	1,993	3
Economic Services	3,548	4
C. Grants-in-aid & Contributions	9,752	12
Total – Revenue Receipts	82,818	100



2.2.2 Major Contributors to Tax Revenue

(In ₹ Crore)

Components	Actuals	Percentage to GSDP
Corporation Tax	4,763	0.74
Taxes on Income other than Corporation Tax	3,310	0.51
Other Taxes on income and expenditure	386	0.06
Stamps and Registration fees	3,822	0.59
Customs	2,049	0.32
Union Excise Duties	2,340	0.36
State Excise	5,581	0.86
Taxes on Sales, Trade etc	34,235	5.30
Taxes on vehicles	3,394	0.53
Taxes and Duties on Electricity	514	0.08
Service Tax	2,404	0.37
Other Taxes and Duties on Commodities and services	335	0.05

During the year, Net Tax Revenue was less than Budget Estimates by ₹ 5,541 crore. The major variations are as hereunder:-

(In ₹ Crore)

Where Actual Receipts was less than Budget Estimates		Where Actual Receipts was more than budget estimates	
Taxes on Sales, Trade etc	7,839	State Excise	3,313
Stamps and Registration fees	417	Union Excise Duties	598
Customs	131	Taxes on vehicles	494
Taxes on Income other than Corporation Tax	81	Corporation Tax	391
Other Taxes on income and expenditure	72	Taxes and Duties on Electricity	325
		Service Tax	137
		Other Taxes and Duties on Commodities and services	25

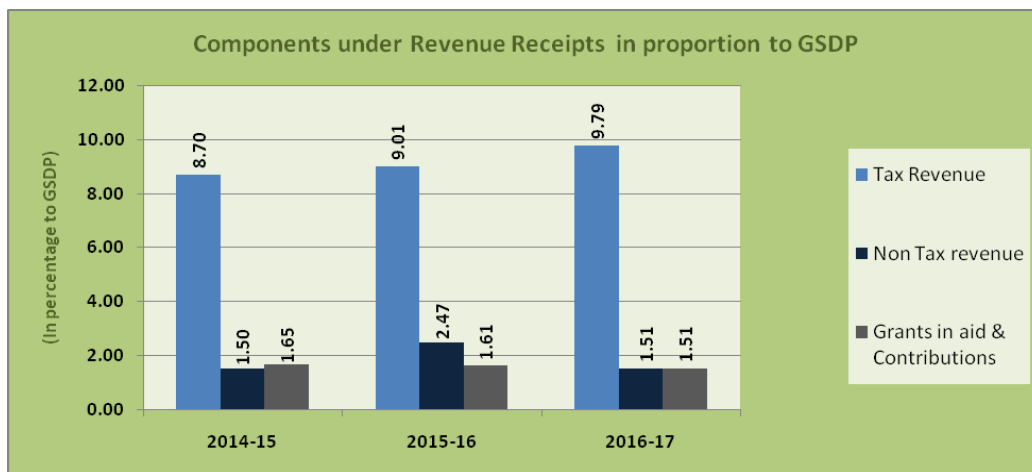
2.3 Trend of Revenue Receipts

(In ₹ Crore)

Components	2014-15	2015-16	2016-17	Percentage increase/decrease
A. Tax Revenue	37,477 (8.70)	52,325 (8.97)	63,284 (9.79)	21
B. Non-Tax Revenue	6,447 (1.50)	14,415 (2.47)	9,782 (1.51)	(-32)
C. Grants-in-aid & Contributions	7,118 (1.65)	9,394 (1.61)	9,752 (1.51)	4
Total – Revenue Receipts	51,042 (11.85)	76,134 (13.06)	82,818 (12.81)	9
GSDP	4,30,599	5,83,117	6,46,265	11

- Note: (i) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015
(ii) GSDP figures in this publication are adopted as provided by the Directorate of Economics and Statistics 2017 and Central Statistical Office.
(iii) Figures in parenthesis represent percentage to GSDP

During 2016-17, the GSDP increased by 11 percent in comparison to previous year and growth in revenue collection was 9 per cent.

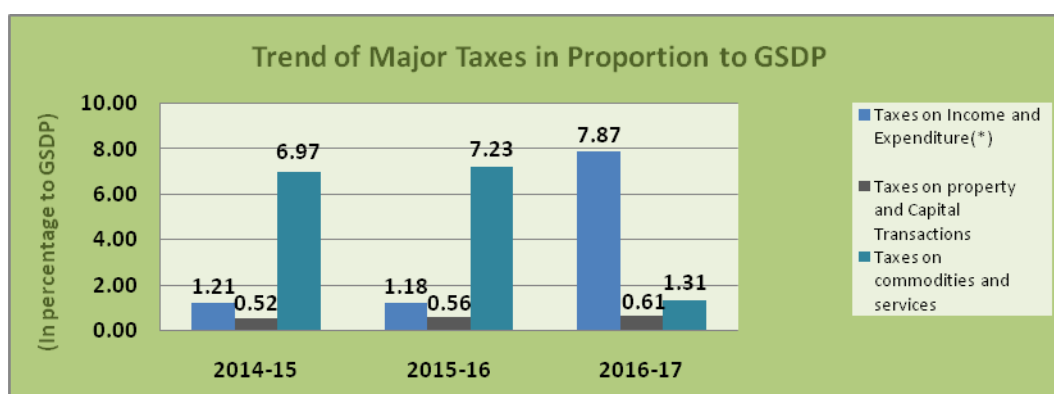


2.3.1 Sector-wise Tax Revenue

(In ₹ Crore)

Major Head description	2014-15	2015-16	2016-17	Percentage Increase
Taxes on Income & Expenditure	5,215 (1.21)	6,904 (1.18)	8,459 (1.31)	23
Taxes on Property & Capital Transactions	2,243 (0.52)	3,286 (0.56)	3,962 (0.61)	21
Taxes on Commodities & Services	30,019 (6.97)	42,135 (7.23)	50,863 (7.87)	21
Total Tax Revenue	37,477 (8.70)	52,325 (8.97)	63,284 (9.79)	21
GSDP	4,30,599	5,83,117	6,46,265	11

- Note: (i) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015
(ii) GSDP figures in this publication are adopted as provided by the Directorate of Economics and Statistics 2017 and Central Statistical Office.
(iii) Figures in parenthesis represent percentage to GSDP



(*) Primarily net proceeds of State's share of Union Taxes

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	
			Amount	Percentage to GSDP
2014-15	37,477	8,188	29,289	6.8
2015-16	52,325	12,351	39,974	6.9
2016-17	63,284	14,877	48,407	7.5

- Note: (i) GSDP figures in this publication are adopted as provided by the Directorate of Economics and Statistics 2017 and Central Statistical Office.
(ii) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015

The proportion of the State's Own Tax Revenue to GSDP is 7.5 per cent whereas the targets fixed based on the recommendations of the Fourteenth Finance Commission is 7.3 per cent.

2.5 Efficiency of Tax Collection:

A. Taxes on Property and Capital Transactions

(In ₹ Crore)

Description	2014-15	2015-16	2016-17
Revenue collection	2,235	3,285	3,951
Expenditure on collection	101	203	213
Cost of Collection (as % of Revenue collection)	4.52	6.18	5.39

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015
(Excludes State's share of Union Taxes)

B. Taxes on Commodities and Services

(In ₹ Crore)

Description	2014-15	2015-16	2016-17
Revenue collection	26,785	36,330	44,070
Expenditure on collection	394	540	566
Cost of Collection (as % of Revenue collection)	1.47	1.49	1.28

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015
(Excludes State's share of Union Taxes)

Taxes on Commodities and Services form a major chunk of Tax revenue. Tax collection efficiency is good. However, the collection efficiency of Property and Capital transactions needs to be improved.

2.6 Trend in State's share of Union Taxes

(In ₹ Crore)

Major Head description	2014-15	2015-16	2016-17	Percentage Increase
(a) Taxes on Income & Expenditure	4,946	6,545	8,073	23
Corporation Tax	2,885	3,870	4,763	23
Taxes on Income other than Corporation Tax	2,061	2,675	3,310	24
(b) Taxes on Property & Capital Transactions	8	1	11	1,000
Taxes on Wealth	8	1	11	1,000
(c) Taxes on Commodities & Services	3,234	5,805	6,793	17
Customs	1,336	1,979	2,049	4
Union Excise Duties	735	1,662	2,340	41
Service Tax	1,163	2,153	2,404	12
Other taxes and duties on commodities and services	...	11	...	...
State's share of Union Taxes	8,188	12,351	14,877	20
Total Tax Revenue	37,477	52,325	63,284	21
Percentage of Union Taxes to total Tax Revenue	22	24	24	...

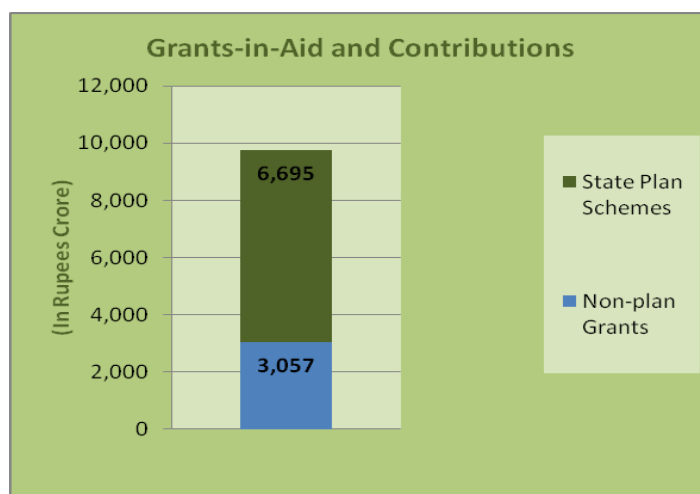
Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

2.7 Grants-in-aid

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

- Non-Plan Grants (₹3,057 crore)
- Grants for State/Union Territory Plan Schemes (₹6,695 crore)

Total receipts during 2016-17 under Grants-in-aid were ₹ 9,752 crore. The share of Non-plan Grants in total Grants-in-aid is 31 per cent and share of State Plan schemes is 69 per cent in 2016-17. This is mainly due to Grants under Central assistance for State Plan Schemes.



The Utilisation Certificates outstanding to the end of 2016-17 is 'Nil'

2.8 Public Debt

Trend of Public Debt (net) over the past 3 years

Description	(In ₹ Crore)		
	2014-15	2015-16	2016-17
Internal Debt	7,767	13,882	29,058
Central Loans	86	770	192
Total Public Debt	7,853	14,652	29,250

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

In 2016-17, 17 loans at par totalling ₹21,861 crore at interest rates varying from 7.15 per cent to 8.02 per cent redeemable between the years 2026 and 2037 were raised from the open market. In addition, the State Government raised ₹9,994 crore from financial institutions, ₹12,008 crore as Ways and means advances, thus the Internal Debt totalled ₹43,863 crore. Repayments of Internal Debt of State Government was ₹14,805 crore. Government also received ₹956 crore from Government of India as Loans and Advances and repayments were ₹764 crore.

CHAPTER III EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure (which is used to meet the day-to-day running of the Government), and Capital Expenditure (which is used to create permanent assets, or to enhance the utility of such assets or to reduce permanent liabilities). Expenditure is further classified under Plan and Non-plan across different services viz., General services, Social services and Economic Services.

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

3.2 Revenue Expenditure

The shortfall of Revenue Expenditure against budget estimates during the last three years is given below:

(In ₹ Crore)			
Description	2014-15	2015-16	2016-17
Budget Estimates	79,789	93,600	97,206
Actuals	50,673	75,896	81,432
Difference	29,116	17,704	15,774
Percent of gap over BE	36	19	16

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

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

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

(In ₹ Crore)

Description	2014-15	2015-16	2016-17	Percentage Increase
Revenue expenditure	50,673	75,896	81,432	7
Committed Revenue Expenditure ^(*)	21,439	20,165	39,206	94

(*) Salary component excludes Capital Expenditure on salary.

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

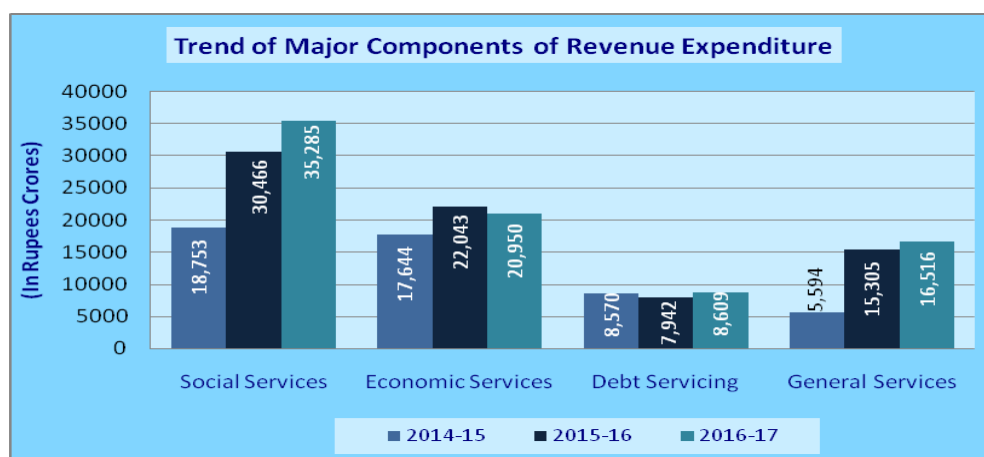
3.2.1 Sectoral Distribution of Revenue Expenditure during the last three years was as follows:

(In ₹ Crore)

Component	2014-15	2015-16	2016-17	Percentage Increase/Decrease
A. General Services	14,164	23,247	25,125	8
a. Organs of State	389	595	655	10
b. Fiscal services	495	743	778	5
(i) Collection of Taxes on Property and Capital transactions	101	203	212	4
(ii) Collection of Taxes on Commodities and Services	394	540	566	5
(iii) Other Fiscal Services	...	...	...	...
c. Interest Payments and Servicing of Debt	5,594	7,942	8,609	8
d. Administrative Services	3,476	5,750	6,072	6
e. Pensions and Miscellaneous General Services	4,210	8,217	9,011	10
B. Social Services	18,753	30,466	35,285	16
C. Economic Services	17,644	22,043	20,950	(-5)
D. Grants-in-aid and Contributions	112	140	72	(-49)
Total Expenditure (Revenue Account)	50,673	75,896	81,432	7

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

3.2.2 Major components of Revenue Expenditure



Note: 1. The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015

2. General Services does not include Debt Servicing

3.3 Capital Expenditure

The table below shows the trend of Capital Expenditure to Budget and GSDP

(In ₹ Crore)

Sl. No	Component	2014-15	2015-16	2016-17
1.	Budget(B.E)	15,101	15,982	29,313
2.	Actual Expenditure	8,373	13,590	33,370
3.	Percentage of Actual Expenditure to B.E.	55	85	114
4.	Percentage of Growth in Capital Expenditure	...	35	146
5.	GSDP	4,30,599	5,83,117	6,46,265
6.	Percentage of Growth of GSDP	...	35	11

Note: (i) Does not include expenditure on Loans and Advances. GSDP figure in this publication adapted as provided by Directorate of Economics and Statistics 2017 and Central Statistical Office.

(ii) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

3.3.1 Sectoral Distribution of Capital Expenditure

During 2016-17, Government spent ₹13,526 crore on various projects (₹11,275 crore on Major Irrigation, ₹222 crore on Medium Irrigation, and ₹2,029 crore on Minor Irrigation). Apart from the above, the Government spent ₹876 crore on construction of Buildings, ₹2,366 crore on construction of Roads and Bridges, ₹2,107 crore on Rural Water Supply Schemes, ₹11,746 crore on investment in various Corporations/Companies/Societies and ₹2,749 crore on other Capital Expenditure.

**3.3.2 Comparative sectoral distribution of Capital and Revenue Expenditure over the last 3 Years
(Non-Development Expenditure and Development Expenditure)**

(In ₹ Crore)

Sl.No.		2014-15	2015-16	2016-17	Percentage Increase/ Decrease
Non-Development Expenditure					
1.	General Services (Capital)	406	275	567	106
	General Services (Revenue)	14,164	23,247	25,125	8
	Total Non-Development Expenditure	14,570	23,522	25,692	9
Development Expenditure					
1.	Social Services (Capital)	904	2,152	3,162	47
	Social Services (Revenue)	18,753	30,466	35,285	16
2.	Economic Services (Capital)	7,063	11,163	29,641	166
	Economic Services (Revenue)	17,644	22,043	20,950	(-)5
	Total Development Expenditure	44,364	65,824	89,038	35
	Grand Total	58,934	89,346	1,14,730	28

Note: i) Capital Expenditure does not include expenditure on loans and advances (₹3,402 crore)
ii) Revenue Expenditure does not include expenditure on Grants-in-aid (₹72 crore).
iii) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

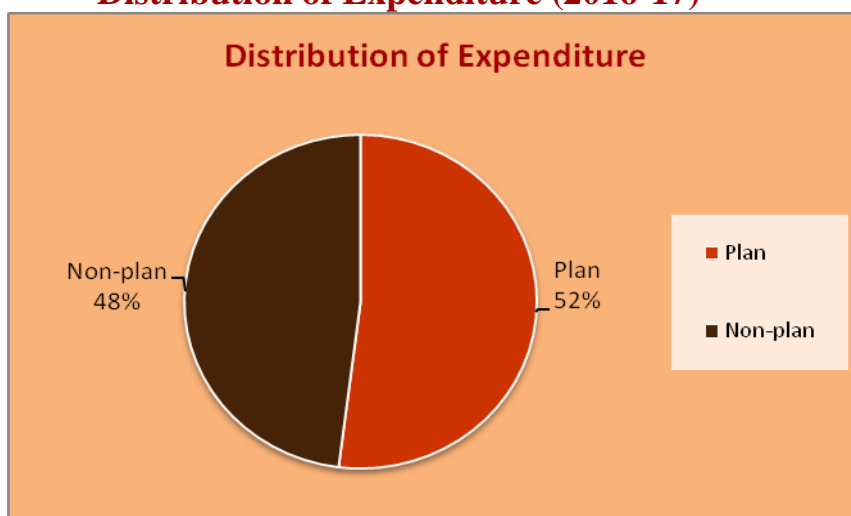
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CHAPTER IV PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Expenditure

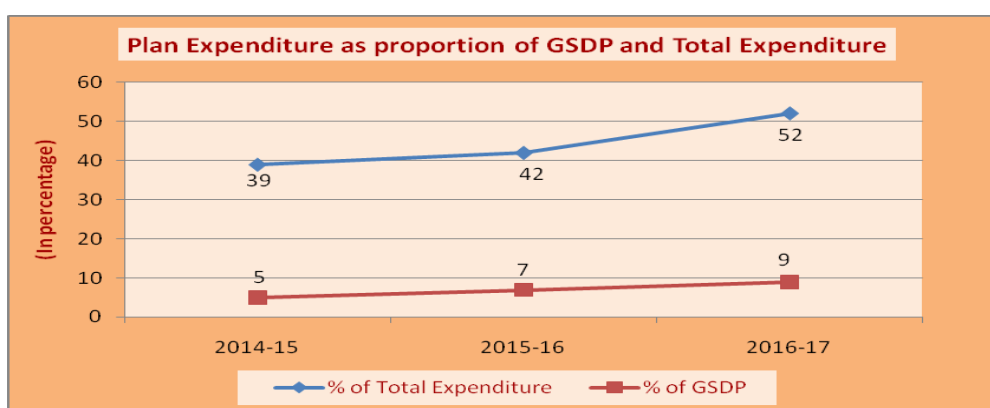
The Government's expenditure is divided under two broad heads—Plan and Non-Plan. Plan expenditure refers to amounts spent on schemes forming part of the Five Year Plans which are approved by the Planning Commission (now NITI Aayog). All other expenditure comes under Non Plan expenditure.

Distribution of Expenditure (2016-17)



4.2 Plan Expenditure

Plan Expenditure (Revenue, Capital and Loans) during 2016-2017 was ₹60,901 crore, constituting 52 per cent of total disbursements of ₹1,18,254 crore. This comprised, ₹46,270 crore under State Plan, ₹11,676 crore under Centrally Sponsored/ Central Plan Schemes⁴ and ₹2,956 crore on Loans and Advances. The Plan expenditure as percentage to total expenditure in 2015-16 was 42 percent and 52 percent in 2016-17, whereas Plan expenditure to GSDP in 2015-16 was 6.8 percent and 9.42 percent in 2016-17.



⁴ Includes ₹11,319 crore under Revenue Section and ₹356 crore under Capital Section.

4.2.1 Plan Expenditure under Capital Account

(In ₹ Crore)

Description	2014-15	2015-16	2016-17	Percent Increase
Total Capital Expenditure ^(*)	9,856	18,823	36,772	95
Capital Expenditure (Plan)	9,586	18,674	36,321	95
Percentage of Capital Expenditure(Plan) to Total Capital Expenditure	97	99	99	...

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

(*) Includes expenditure on Loans and Advances

4.2.2 Plan Expenditure under Revenue Account

(In ₹ Crore)

Description	2014-15	2015-16	2016-17	Percent Increase
Total Revenue Expenditure	50,673	75,896	81,432	7
Revenue Expenditure (Plan)	14,063	21,240	24,580	16
Percentage of Revenue Expenditure(Plan) to Total Revenue Expenditure	27.75	27.99	30.18	8

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

4.2.3 Plan Expenditure on Loans and Advances

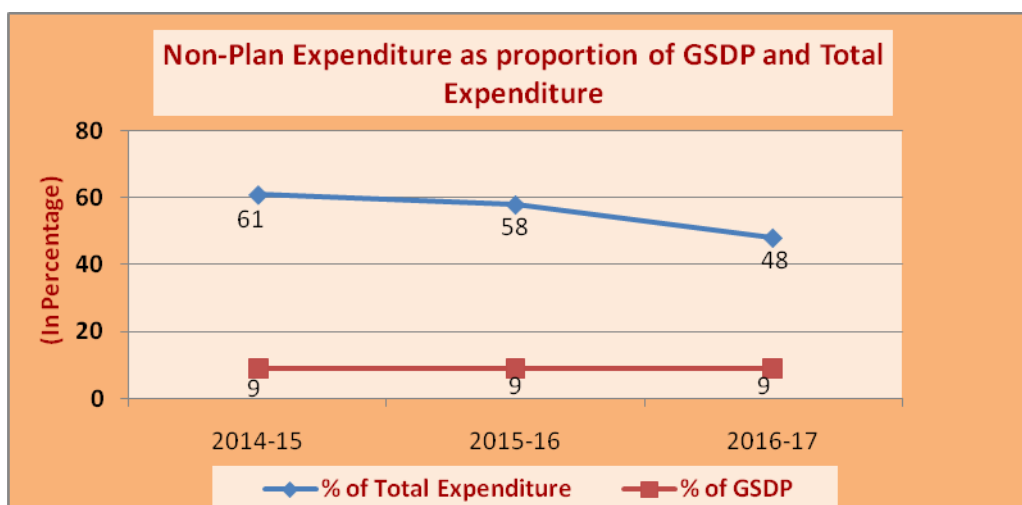
Significant disbursements of Loans and Advances during 2016-17 were as under:

(₹ in crore)

Description	Amount	Details
6210-Medical and Public Health	528	Loans to Telangana Vaidya Vidhana Parishad
MH-6215-Loans for Water Supply & Sanitation	1,300	Loans to Hyderabad Metro Water Supply & Sewerage Board for Godavari Water Supply Project/Sewerage Master Plan
MH-6216-Loans for Housing	383	Telangana Rajiv Swagruha Corpn Ltd
MH-6217-Loans for Urban Development	452	Loans to Hyderabad Metropolitan Development Authority for ORR project/HMRL for Hyd Metro Rail Project/For developmental activities.
6403-Loans for Animal Husbandry	97	Assistance to Sheep and Goat Development Cooperative Federation
MH-6801- Loans for Power Projects	175	Loans to Telangana TRANSCO for High Voltage Distribution System
7055-Loans for Road Transport	207	Loans to TSRTC

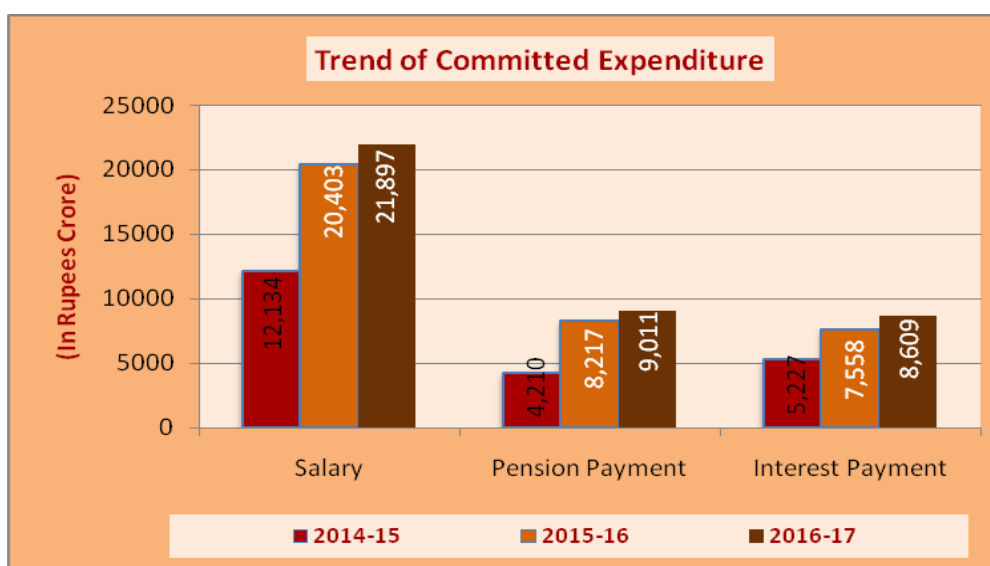
4.3 Non-plan Expenditure

Non-plan expenditure during 2016-2017, representing 48 per cent of total disbursements, was ₹57,353 crore (₹56,852 crore under Revenue, ₹451 crore under Capital & ₹50 crore under Inter State Settlement). Total Non-plan expenditure under Capital was ₹5 crore on capital expenditure and ₹446 crore on Loans and Advances disbursed. Out of total Non-plan expenditure ₹108 crore (0.19 per cent) spent on maintenance, ₹18,213 crore (32 per cent) constituted Salary and Wages. The Non-Plan expenditure as percentage to total expenditure in 2015-16 was 58 percent and 48 percent in 2016-17, whereas Non-Plan expenditure to GSDP in 2015-16 was 9.5 percent and 8.87 percent in 2016-17.



4.4 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure for the Government. The total Committed Expenditure for the year 2016-17 is ₹39,517 crore which is 48 per cent of total Revenue Expenditure.



Note: i) Salary component includes detailed heads 010-Salaries, 020- Wages, 030- Overtime Allowance 270/273- Work charged establishment & 310/311- Grants-in-Aid towards salaries.
ii) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

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

(In ₹ Crore)

Component	2014-15	2015-16	2016-17	Percent Increase
Committed expenditure	21,571	36,178	39,517	9
Revenue Expenditure	50,673	75,896	81,432	7
Revenue Receipts	51,042	76,134	82,818	9
Percentage of Committed Expenditure to Revenue Receipts	42	48	48	...
Percentage of Committed Expenditure to Revenue Expenditure	43	48	49	...

Note: The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015.

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CHAPTER V 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	Saving (-) Excess (+)	Surrender
1	Revenue						
	Voted	89,840	10,026	99,866	79,273	(-)20,593	(-)30,092
	Charged	8,038	64	8,102	8,794	(+)692	(-)152
	Total	97,878	10,090	1,07,968	88,067	(-)19,901	(-)30,244
2	Capital						
	Voted	29,189	25,303	54,492	33,457	(-)21,035	(-)17,010
	Charged	71	6	77	62	(-)15	(-)40
	Total	29,260	25,309	54,569	33,519	(-)21,050	(-)17,050
3	Public Debt						
	Charged	3,149	35	3,184	15,568	(+)12,384	(-)223
	Total	3,149	35	3,184	15,568	(+)12,384	(-)223
4	Loans and Advances						
	Voted	747	5,801	6,548	3,452	(-)3,096	(-)1,767
	Total	747	5,801	6,548	3,452	(-)3,096	(-)1,767
Grand Total		1,31,034	41,235	1,72,269	1,40,606	(-)31,663	(-)49,284

Note: Savings are with reference to budget estimates

5.2 Significant Savings

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

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

(In ₹ Crore)

Grant	Nomenclature	Budget allocation	Actual Expenditure	Percentage of Savings to Budget Allocation
VII	Commercial Taxes Administration	405	300	26
XVI	Medical and Health	8,084	4,872	40
XVII	Municipal Administration and Urban Development	8,904	3,111	65
XXI	Social Welfare	8,690	3,172	63
XXXIII	Major and Medium Irrigation	30,910	13,647	56
XXXVI	Industries and Commerce	1,216	378	69
XXXIX	Information Technology, Electronics and Communications	320	158	51

The huge savings under Municipal Administration and Urban Development and Industries and Commerce indicates that schemes envisaged in the Budget, had been given lesser priority during implementation due to conservative approach of the Government to attain the fiscal indicator targets or the shortfall is purely due to inaccuracy in budget estimation process of the department.

During 2016-17, Supplementary Provision for ₹41,235crore (29 per cent of total expenditure) was obtained and in few cases it was proved unnecessary. A few instances, where there were significant savings at the end of the year as against original allocations itself are given below:

(In ₹ Crore)

Grant	Nomenclature	Section	Original	Actual Expenditure	Savings	Supplementary
IX	Fiscal Administration, Planning Surveys & Statistics	Capital	2,366	1,247	1,119	867
X	Home Administration	Capital	1,200	403	797	147
XI	Roads, Buildings and Ports	Capital	3,646	3,486	160	1,770
XVI	Medical and Health	Revenue	5,620	3,994	1,626	1,098
XVII	Municipal Administration and Urban Development	Revenue	4,580	1,351	3,229	892
XVIII	Housing	Revenue	845	26	819	297
XXI	Social Welfare	Revenue	5,768	2,987	2,781	528
XXII	Tribal Welfare	Capital Revenue	989 2,764	257 1,753	732 1,011	57 75
XXXII	Rural Development	Revenue	6,345	5,989	356	961
XXXIII	Major and Medium Irrigation	Capital	15,690	11,577	4,113	6,710
XXXV	Energy	Revenue	5,151	4,585	566	467

Note: Savings = Original – Actual Expenditure

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CHAPTER VI ASSETS AND LIABILITIES

6.1 Assets

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

6.1.1 Investments and returns

Total Investments as Share Capital in non-financial Public Sector Undertakings (PSUs other than Telangana State Co-operative Bank, State Financial Corporations etc) stood at ₹13,075 crore at the end of 2016-2017. There was an increase in investments by ₹11,746 crore. An amount of ₹70 crore (1 per cent of investment) was received as dividend.

6.1.2 Cash Balance and investment of Cash Balances

Cash balance with the RBI stood at ₹5crore on 01 April 2016 and was ₹(-)167 crore at the end of March 2017. Government had invested an amount of ₹52,126 crore in 14 days treasury bills in 2016-17 and rediscounted bills worth ₹54,577 crore.

(In ₹ Crore)			
Component	As on 01 April 2016	As on 31 March 2017	Net increase (+)/ decrease (-)
Cash Balance	5 (Dr)	(-)167 (Dr)	(-)172
Investments from Cash Balance (GOI Treasury Bills)	2,504 (Dr)	53 (Dr)	(-)2,451
Other Cash Balances			
i) Departmental Balances	...	...	...
ii) Permanent Cash Imprest	...	...	...
Investment from Earmarked fund balances	3,958 (Dr)	4,278 (Dr)	320
(a) Sinking Fund	3,457 (Dr)	3,735 (Dr)	278
(b) Guarantee Redemption	500 (Dr)	542 (Dr)	42
(c) Other Funds	1 (Dr)	1 (Dr)	...
Interest realised	389 (Cr)	380 (Cr)	(-)9

State Government had a negative closing cash balance of ₹167 crore at the end of 2016-17. It invested ₹4,331 crore from cash balances and earmarked fund (Consolidated Sinking Fund, Guarantee Redemption Fund etc.) balances. Interest receipt on these investments is ₹380 crore.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India, from time to time determines, the limits upto which State Governments can borrow from the market. Govt of Telangana during 2016-17 borrowed ₹21,861 crore as allowed by the Government of India.

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

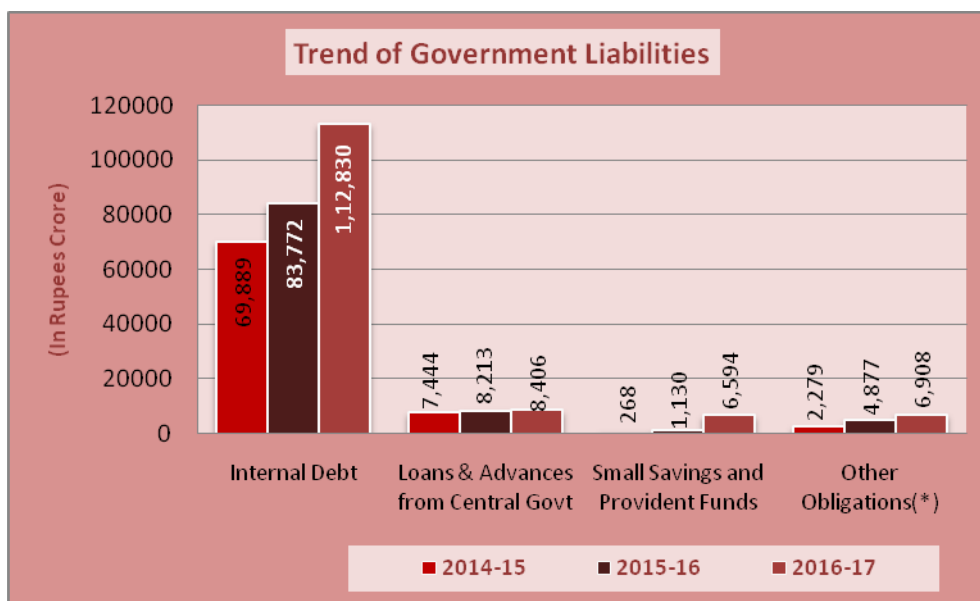
(In ₹ Crore)

Year	Public Debt	Percentage to GSDP	Public Account ^(*)	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2014-15	77,333	18	2,547	1	79,880	19
2015-16	91,985	16	6,007	1	97,992	17
2016-17	1,21,236	19	13,502	2	1,34,738	21

(*) Excludes Suspense and Remittance balances.

Note: Figures are progressive balances to end of the year. Percentage to GSDP figures in this publication are adopted as provided by the Directorate of Economics and Statistics 2017 and Central Statistical Office.

Public Debt and Other Liabilities showed a net increase of ₹36,746 crore (37 per cent) over the previous year.



(*) Includes interest & non-interest bearing obligations such as Deposits of local funds, other Earmarked Funds etc.,

6.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes, programmes which are projected outside the State budget. The Guarantees given by the State Government to Statutory Corporations, Government Companies, Corporations, Cooperative Societies etc., are given below:

(In ₹ Crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March	
		Principal	Interest
2014-15	21,240	18,265	365
2015-16	28,094	26,619	365
2016-17	31,871	29,965	70

Note: Details are available at Statement No.20 and are based on information received from the State Government and where available, from the respective institutions

Guarantee fees is payable by the Organization availing guarantee at 0.5 per cent p.a. of amount guaranteed or 2 per cent for the amount guaranteed for the entire guarantee period. As on 31 March 2017, none of the recipients of guarantee paid any Guarantee Fee during the year.

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CHAPTER VII OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Government of composite state of Andhra Pradesh assumed the liabilities of various institutions by permitting them to borrow from the open market/ financial institutions, with the Government taking over the responsibility for repayment.

As on 31 March 2017, an adverse balance of ₹293 crore exists under Public Debt. Out of this, ₹149 crore represents loans availed of by the Telangana Power Finance Corporation and ₹130 crore pertains to loans from Telangana TRANSCO Bonds. The Accountant General (A&E) has been requesting the State Government to provide adequate budget provision under 'MH 2801-Power' to clear the adverse balance under MH 6003 either by transferring an equivalent credit to MH 6003 or by reclassifying the entire Debit Balance under MH 6003 as expenditure under MH 2801-Power.

7.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2016-17 was ₹9,798 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutions and Local Bodies amounted to ₹9,716 crore and interest in arrears to end of March, 2016 is ₹609 crore . During 2016-17 only ₹156 crore (2 percent) has been received towards repayment of Loans and Advances, out of which ₹73 crore relates to repayment of loans given to Government Servants. Effective steps to recover the outstanding loans would facilitate the Government to maintain better fiscal position.

7.3 Financial assistance to Local Bodies and others

During 2016-17, Grants-in-aid to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities totalling to ₹7,906 crore represented 26 per cent of the total grants given during the year.

Details of Grants-in-aid during 2016-17 are given below .

(In ₹ Crore)

Year	Zilla Parishads	Municipalities	Panchayat Samithis	Others	Total
2014-15	2,722	683	966	16,592	20,963
2015-16	5,128	707	1,570	21,653	29,058
2016-17	4,977	417	2,511	22,743	30,648
Percent Increase/Decrease	(-)3	(-)41	60	5	5

7.4 Submission of Accounts by Treasuries

All the initial accounts were rendered by Treasuries and Pay and Accounts Officers (PAOs) of the Public Works and Forest departments during the year and no accounts were excluded.

7.5 A.C. Bills

In terms of the provisions of the Andhra Pradesh Financial code (APFC) Drawing and Disbursing Officers are authorised to draw sums of money by presenting Abstract Contingent (AC) bills by debiting service heads. As per Government orders Detailed Contingent (DC) bills are required to be presented subsequently along with supporting documents within a period of 90 days. Delayed submission or prolonged non-submission of supporting DC bills, renders the expenditure under AC bills opaque. Details of unadjusted AC Bills as on 31 March 2017 for pending submission of DC bills are given below:

(In ₹ Crore)		
Year	Number of pending DC bills	Amount
Upto 2014-15	1,994	350.05
2015-16	688	51.52
2016-17	803	73.26
Total	3,485	474.83

Out of ₹149.22 crore drawn against AC bills in 2016-17, AC bills amounting to ₹29.44 crore (19.73 per cent of the total amount drawn against AC bills during 2016-17) were drawn in March 2017 alone and of this ₹7.96 crore (5.33 per cent of the total amount drawn against AC bills during 2016-17) were drawn on the last day of the Financial year. Significant expenditure on AC Bills in March indicates that the drawal was primarily to exhaust the budget and reveals inadequate budgetary control.

7.6 Reconciliation of accounts

AG(A&E) receives compiled accounts each month from the Treasuries and Pay and Accounts Officers (PAOs). Funds are placed at the disposal of Chief Controlling Officers (CCOs) for incurring expenditure. Accuracy of the accounts maintained by the CCOs is an important requirement for effective budgetary control. The Financial Rules stipulate that CCOs should reconcile the receipts and expenditure recorded in their books every month with that recorded by the AG(A&E). During the year 2016-17, out of total 173 CCOs, 73 CCOs have reconciled an amount of ₹35,710.43 crore which works out to 32.61 per cent of total expenditure of ₹1,09,493.50 crore. On the receipts side ₹16,241.98 crore (22.76 per cent of the total receipt of ₹71,358.52 crore) has been reconciled. There is no assurance about the completeness and correctness of the receipts and expenditure figures depicted in the Finance Accounts to the extent of non-reconciliation.

The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different departments is given below:

Particulars	Total No. of Certificates Due From CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
EXPENDITURE	4,096	828	1,789	1,479
RECEIPTS	6,34	12	98	5 24
TOTAL	4,730	840	1,887	2,003

7.7 Personal Deposit (PD) Accounts

As per Andhra Pradesh Financial Code (APFC), the purpose of PD accounts is to enable the Drawing Officers to incur expenditure pertaining to a scheme, for which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. As per orders of Government vide G.O.Ms.No.43 dated 22 April 2000, funds released during a particular financial year shall lapse by 31 March of the following year (lapsable deposits under category 'C') and the administrators of PD accounts are required to close such accounts and transfer the unspent balances back to the Government account. Further, PD account administrators are required to reconcile their balances with those of Treasury accounts. The status of PD Accounts during the year 2016-17 is given below.

(In ₹ crore)

Opening Balance as on 01 April 2016		Addition during the year 2016-17		Withdrawals during the year 2016-17		Closing Balance as on 31 March 2017	
Number	Amount	No. of PD A/cs opened	Deposits made in PD A/cs including new accounts	No. of PD A/cs closed	Withdrawals made from PD A/cs including closed accounts	Number	Amount
29,311	8,019.81	1,343	8,606.08	2,567	5,753.26	28,087	10,872.63

Due to non rendering of administrator-wise PD accounts details, no reconciliation of the balances was possible and the exact number of amount of lapsable unspent balances against these PD Accounts could not be provided by the State Government.

7.8 Suspense and Remittance Balances

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on details furnished by the State Treasuries/ Works and Forest Divisions / PAOs etc.

Details of significant outstanding Suspense and Remittance Balances are given below:

(In ₹ Crore)

Name of the Minor Head	Opening Balance		Current Year		Closing Balance	
	Dr	Cr	Dr	Cr	Dr	Cr
8658 – Suspense Accounts						
101-Pay and Accounts Office Suspense	94.98	6.39	5.18	0.24	100.16	6.63
Net	(Dr) 88.59		(Dr) 4.94		(Dr) 93.53	
102-Suspense Accounts (Civil)	9.89	0.25	3.94	0.11	13.83	0.36
Net	(Dr) 9.64		(Dr)3.83		(Dr) 13.47	
109-Reserve Bank suspense Headquarters	0.30	6.02	0.37	(-)2.05	0.67	3.97
Net	(Cr) 5.72		(Dr)2.42		(Cr) 3.30	
110-Reserve Bank Suspense-Central Accounts Office	22.53	177.68	111.14	(-)75.53	133.67	102.15
Net	(Cr) 155.15		(Dr)186.67		(Dr) 31.52	
112-Tax Deducted at source (TDS)	2.50	0.06	(-)2.50	145.81	0.00	145.87
Net	(Dr) 2.44		(Cr)143.31		(Cr) 145.87	
123- AIS officers Group Insurance Scheme	0.01	...	(-)0.01	0.01	...	0.01
Net	(Dr) 0.01		...		(Cr) 0.01	
8782 – Cash Remittances and Adjustments between officers rendering accounts to the same Accounts Officers						
102 – Public Works	22,792.95	22,734.73	21,638.66	21,760.50	44,431.61	44,495.23
Net	(Dr) 58.22		(Cr)121.84		(Cr)63.62	
103 – Forest Remittances	29.72	75.85	(-)0.06	29.58	29.66	105.43
Net	(Cr) 46.13		(Cr)29.64		(Cr)75.77	
8793 – Inter-State Suspense	1,121.46	0.94	305.72	(-)0.85	14,27.18	0.09
Net	(Dr)1,120.52		(Dr)306.57		(Dr)14,27.09	

7.9 Ujwal DISCOM Assurance Yojana (UDAY)

The Ministry of Power, Government of India in November 2015 approved UDAY (Ujwal DISCOM Assurance Yojana), a scheme for the financial turnaround of Power Distribution Companies (DISCOMs), with an objective to improve the operational and financial efficiency of the State DISCOMs. Under this Scheme, a tripartite memorandum of understanding was executed amongst Ministry of Power, Government of India, Government of Telangana and state DISCOMs for facilitating Government of Telangana to take over 75 percent of DISCOM debt during 2016-17.

The State Government has taken over debt of DISCOMs by issue of bonds through Reserve Bank of India to the extent of ₹8,931.51 crore in 2016-17, out of which ₹7,500 crore was transferred as equity.

7.10 Commitments on Account of Incomplete Capital Works

A total expenditure of ₹1,224 crore was incurred upto the year 2016-17 by the State Government on various incomplete projects against an estimated cost of ₹3,136 crore. The estimated cost was further revised to ₹3,158 crore to end of 2016-17. During 2016-17 a total expenditure of ₹797 crore was incurred by the State Government on various projects taken up by engineering departments. An amount of ₹164 crore was due to be paid to the end of 31-03-2017. The original estimated cost (₹3,136 crore) increased by 0.70 per cent in revised estimates on various projects. A summarised view of commitments on account of 'Incomplete Capital Works' is furnished below:

(In ₹ Crore)

Sl. No.	Category of Works	Estimated cost of work	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments	Estimated cost after Revision
1.	PMGSY	265	23	63	...	273
2.	NABARD	455	61	64	6	469
3.	CRR	2,317	706	1,090	149	2,317
4.	MPP Buildings	90	6	6	9	90
5.	District Office Buildings	9	1	1	...	9
	TOTAL	3,136	797	1,224	164	3,158

Note: i) Detailed information towards commitments on Incomplete Capital Works is available in Appendix IX of Finance Accounts 2016-17

ii) The figures exhibited in above table are compiled from the data provided by various Divisions/Departments.

7.11 Rush of Expenditure

The financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under thirteen Major Heads of account during March 2017 ranged between 50 percent to 100 percent of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year.

The flow of expenditure during the four quarters of 2016-17 is given below:

(In ₹ Crore)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March	% of 3/2017 to Total Expenditure
2402	Soil and Water Conservation	4.67	7.30	5.38	37.70	55.05	32.36	58.79
2700	Major Irrigation	87.50	92.88	87.20	1,526.63	1,794.20	1,231.74	68.65
2701	Medium Irrigation	0.00	0.00	0.01	173.33	173.34	173.26	99.95
4202	Capital Outlay on Education, Sports, Art and Culture	18.14	33.86	35.99	158.15	246.14	130.54	53.04
4401	Capital Outlay on Crop Husbandry	0.00	0.85	0.04	256.11	257.01	256.06	99.63
4801	Capital Outlay on Power Projects	0.00	0.00	0.00	10,497.62	10,497.62	8,797.62	83.81
4851	Capital Outlay on Village and Small Industries	0.00	0.00	0.00	0.08	0.08	0.08	100.00
5053	Capital Outlay on Civil Aviation	0.00	0.00	0.00	15.05	15.05	15.05	100.00
5055	Capital Outlay on Road Transport	75.00	151.00	75.05	600.80	901.85	600.30	66.56

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