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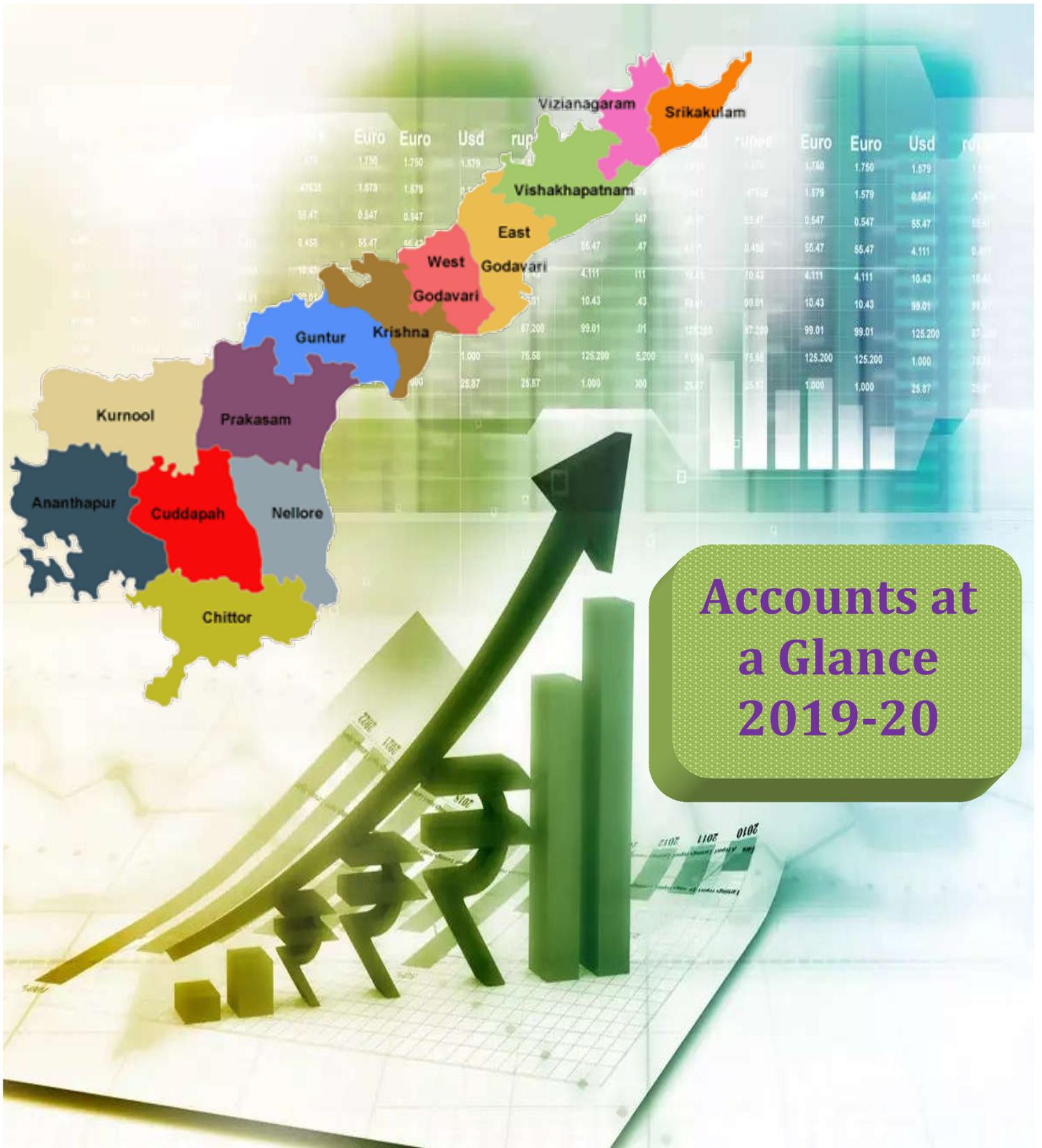
Accounts at a Glance 2019-20



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Andhra Pradesh



Accounts at a Glance 2019-20

Principal Accountant General (A&E), Andhra Pradesh

PREFACE

The publication, 'Accounts at a Glance', is prepared annually under the directions of the Comptroller and Auditor General of India, and is intended to distil and provide a broad overview of the voluminous information contained in the Finance Accounts and Appropriation Accounts that are placed every year before the State Legislature in accordance with requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, the Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise gross expenditures vis-a-vis Budget as approved by the State Legislature along with explanations for variations between the actual expenditure and the funds provided.

"Accounts at a Glance" provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements, and graphs. These figures have been adopted from the Finance and Appropriation Accounts of Government of Andhra Pradesh. In case of difference, if any, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

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

Our Email address: agaeandhrapradesh@cag.gov.in



Place: Hyderabad,

Date: 17/03/2021.

(Lata Mallikarjuna)
PRINCIPAL ACCOUNTANT GENERAL(A&E)
ANDHRA PRADESH

VISION

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

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

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

MISSION

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

CORE VALUES

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

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

TABLE OF CONTENTS

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

CHAPTER 1 OVERVIEW

1.1 Introduction

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

1.2 Structure of Government Accounts

Government Accounts are kept in three parts as detailed below:

Part 1

- **Consolidated Fund**

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

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

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

The corpus of this fund for the Government of Andhra Pradesh is ₹50.00 crore.

Part 2

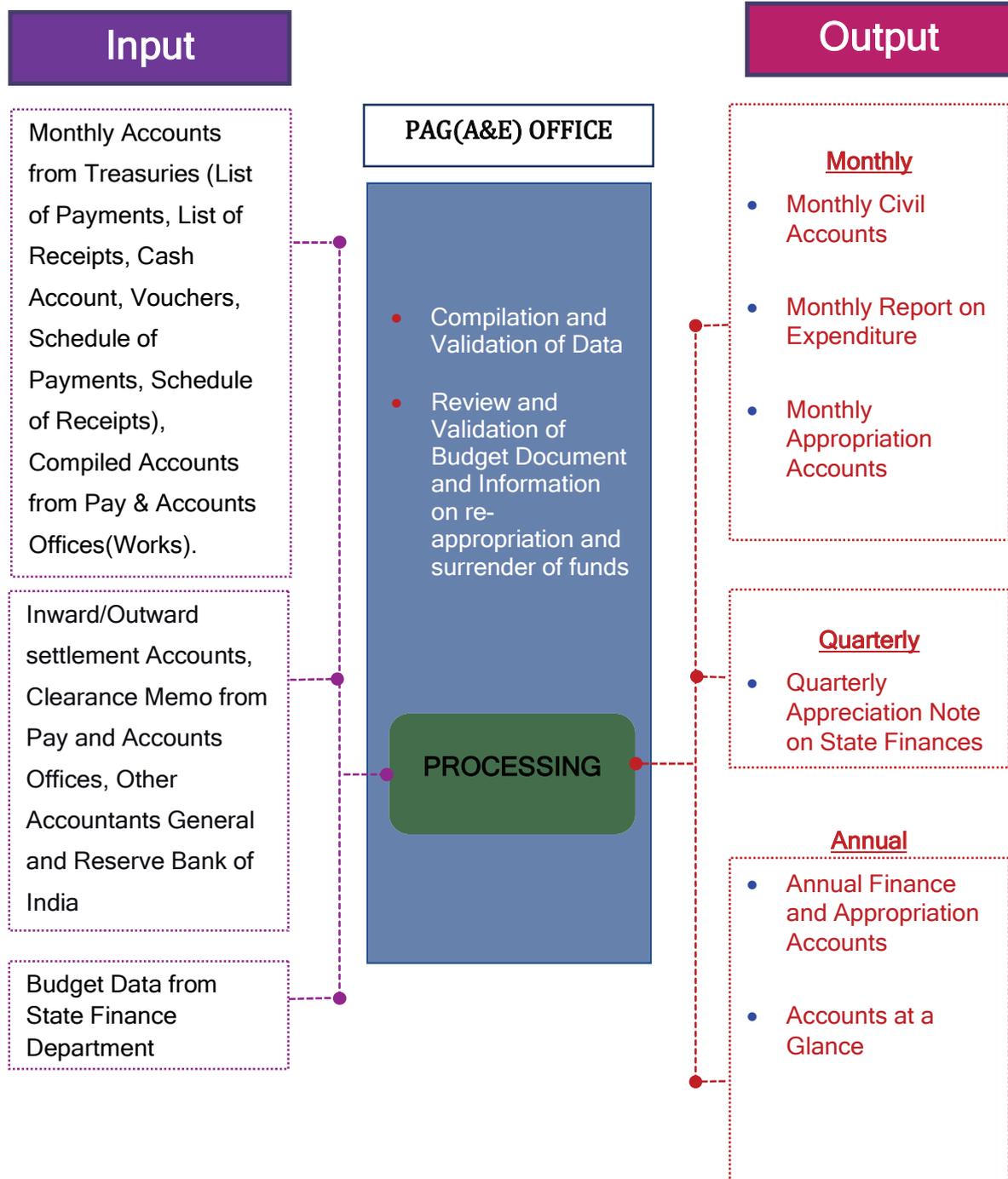
- **CONTINGENCY FUND**

Part 3

- **PUBLIC ACCOUNT**

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

1.2.1 Compilation of Accounts



1.3 Finance and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative.

- Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing the summary of significant accounting policies, comments on quality of accounts and other items.
- Volume II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and Disbursement of the State Government as depicted in the Finance Accounts 2019-20 are as below:

		(₹ in crore)	
Receipts (Total: 1,55,076)	Revenue (Total: 1,11,034)	Tax Revenue	85,843
		Non-Tax Revenue	3,315
		Grants-in-Aid and Contributions	21,876
	Capital (Total: 44,042)	Recovery of Loans and Advances	4,355
		Capital Receipts (non-debt)	---
		Borrowings and other Liabilities ^(*)	39,687
Disbursements (Total: 1,55,076)	Revenue	1,37,475	
	Capital	12,242	
	Loans and Advances	5,356	
	Inter State Settlement	3	

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

In addition to the Budget approved for the year by Andhra Pradesh Legislature, Government of India transfers funds directly to State Implementing Agencies and Non-Government Organisations (NGOs) in the State for spending on various schemes and programmes. Such transfers (₹8,035 crore) are not reflected in the accounts of the State Government but have been shown at Appendix VI in Volume II of the Finance Accounts.

1.3.2 Financial highlights of 2019-20

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2019-20:

Sl. No	Component	Budget Estimates (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP ¹
1	Tax Revenue (including Central Share) ²	1,10,271	85,843	78	9
2	Non-Tax Revenue	7,355	3,315	45	---
3	Grants-in-aid & Contributions	61,072	21,876	36	2
4	Revenue Receipts (1+2+3)	1,78,698	1,11,034	62	11
5	Recovery of Loans & Advances	600	4,355	726	---
6	Borrowings & Other Liabilities ³	35,260	39,687	113	4
7	Capital Receipts (5+6)	35,860	44,042	123	5
8	Total Receipts (4+7)	2,14,558	1,55,076	72	16
9	Revenue Expenditure	1,80,476	1,37,475	76	14
10	Expenditure on Interest Payments(Out of 9)	17,244	17,653	102	2
11	Capital Expenditure ⁴	34,082	17,601	52	2
12	Total Expenditure (9+11) ⁵	2,14,558	1,55,076	72	16
13	Revenue Surplus (+)/Deficit (-) (4-9)	(-)1,778	(-)26441	1487	3
14	Fiscal Deficit (4+5-12)	(-)35,260	(-)39,687	113	4

¹ GSDP figure of ₹9,72,782 crore adopted as provided in the Andhra Pradesh Socio-Economic Survey.

² Includes State's share of Union Taxes of ₹20,228 crore.

³ Borrowings and other liabilities: Net (Receipts-Disbursements) of Public debt (₹33,062 crore) + Net of Contingency fund (₹Nil crore) + Net (Receipts- Disbursements) of Public Account (₹7,084 crore) + Net of Opening and Closing cash balance (₹ (-)4,59 crore).

⁴ Capital Expenditure includes Capital Expenditure (₹12,242 crore), Loans and Advances disbursed (₹5,356 crore) and Inter State Settlement ₹3 crore

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

1.3.3 Appropriation Accounts

Under Article 204(3) of the Constitution of India, no expenditure can be incurred by the Government except with the authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditures require to be “voted”. The budget of Government of Andhra Pradesh has 15 charged Appropriations and 40 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriations authorised by the Legislature through the Appropriation Act of each year.

1.3.4 Efficiency on Budget preparation

At the end of the year, the expenditure of Government of Andhra Pradesh against the budget approved by the Legislature, showed an excess of ₹357 crore (0.14 per cent of total grants). Details of grants showing consistent savings, excesses, unwanted supplementary provision etc. are detailed in Chapter 4.

1.4 Cash Management

1.4.1 Ways and Means Advances and Special Ways and Means Advances

Reserve Bank of India (RBI) extends Special Drawing Facility / Ways and Means Advances to enable State Government to tide over temporary shortfalls in their minimum cash balance (₹1.94 crore) which the State Government is required to maintain with the Reserve Bank of India. During 2019-20, Government of Andhra Pradesh availed ways and means advance of ₹60,371.10 crore on 221 days (128 days of Ordinary Ways and Means Advance, 36 days of Special Drawing Facility and 57 days of Overdraft) and repaid ₹60,740.83 crore (including opening balance of ₹369.73 crore) leaving ‘Nil’ balance at the end of the year. Further, an amount ₹66.17 crore was paid as interest on the Ways and Means Advances during 2019-20.

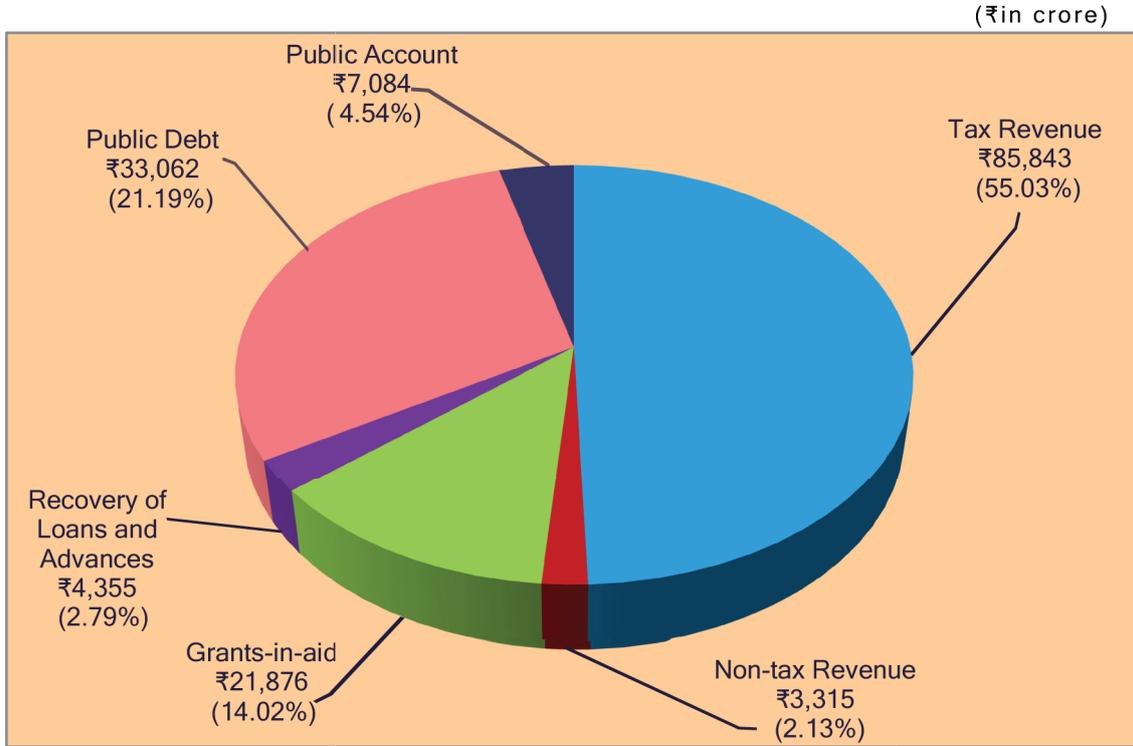
1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India when the minimum cash balance falls below ₹1.94 crore, even after taking Ways and Means Advances. During 2019-20, Government of Andhra Pradesh availed Overdraft from Reserve Bank of India for 57 days amounting to ₹17,631.58 crore

1.4.3 Fund Flow

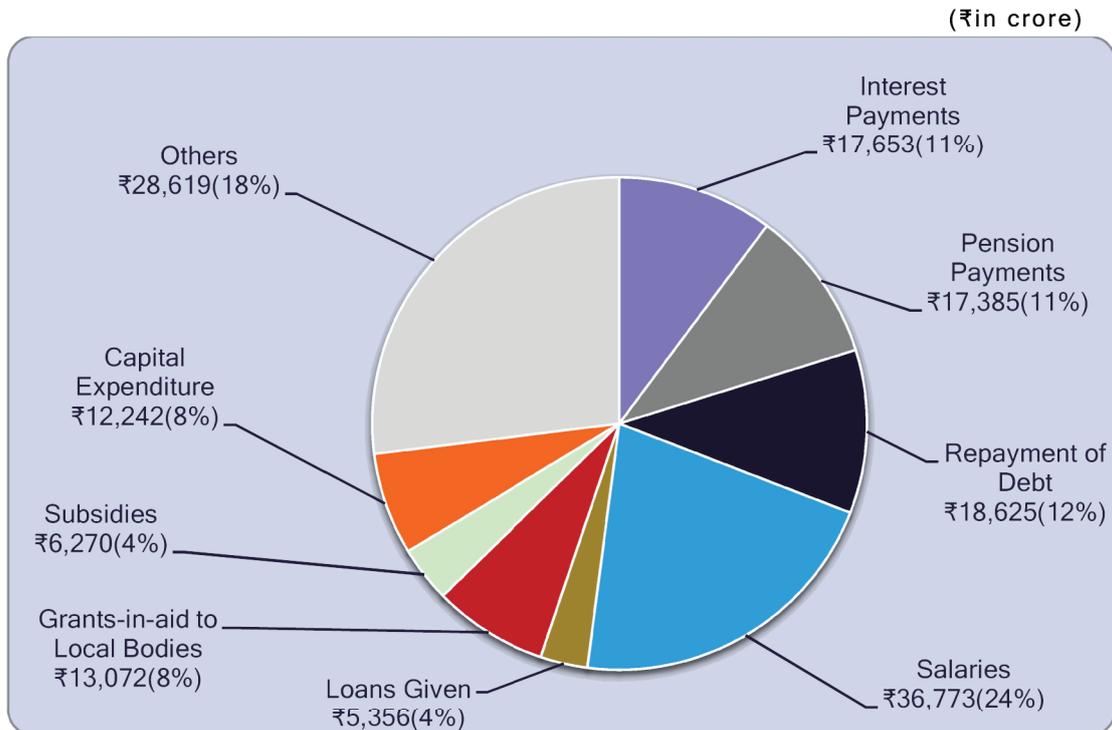
Figures in the next page shows how the State Government raised money from various sources and spent money for various objects like salary, pension, interest etc. The State had a Revenue Deficit of ₹26,441 crore and Fiscal Deficit of ₹39,687 crore as on 31 March 2020. The Fiscal Deficit constituted 25.59 per cent of total expenditure.

Where the Money came from



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

Where the Money went



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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Government of Andhra Pradesh has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per this Act, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2019-20 against fiscal targets laid down in the Act and rules framed there under were as follows:

Sl. No.	Parameter	Actual (₹ in crore)	Ratio to GSDP	
			Target	Achievement
1	Revenue Deficit	26,441	To become Revenue Surplus	2.72 rounded to 3(not achieved)
2	Fiscal Deficit	39,687	3.00 or less	4.08 rounded to 4(not achieved)
3	Debt and other obligation	3,01,802	25.22	31.02 (not achieved)

GSDP figure of ₹9,72,782 crore adopted as provided in the Andhra Pradesh Socio-Economic Survey.

What do the Surplus and Deficit indicate?

DEFICIT

The gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.

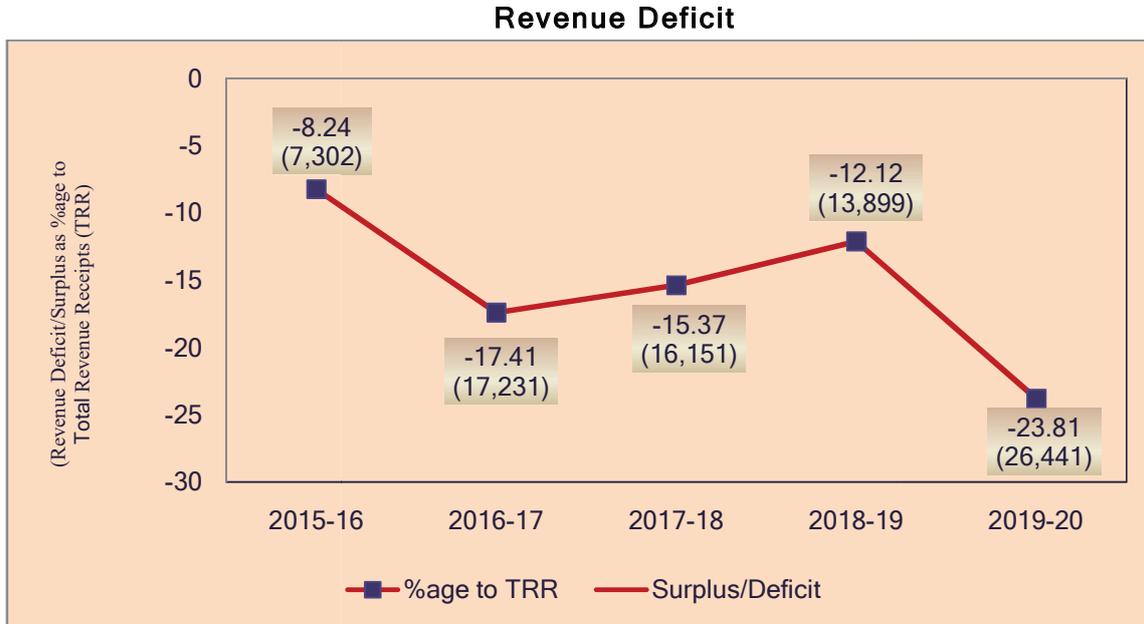
The gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

REVENUE DEFICIT / SURPLUS

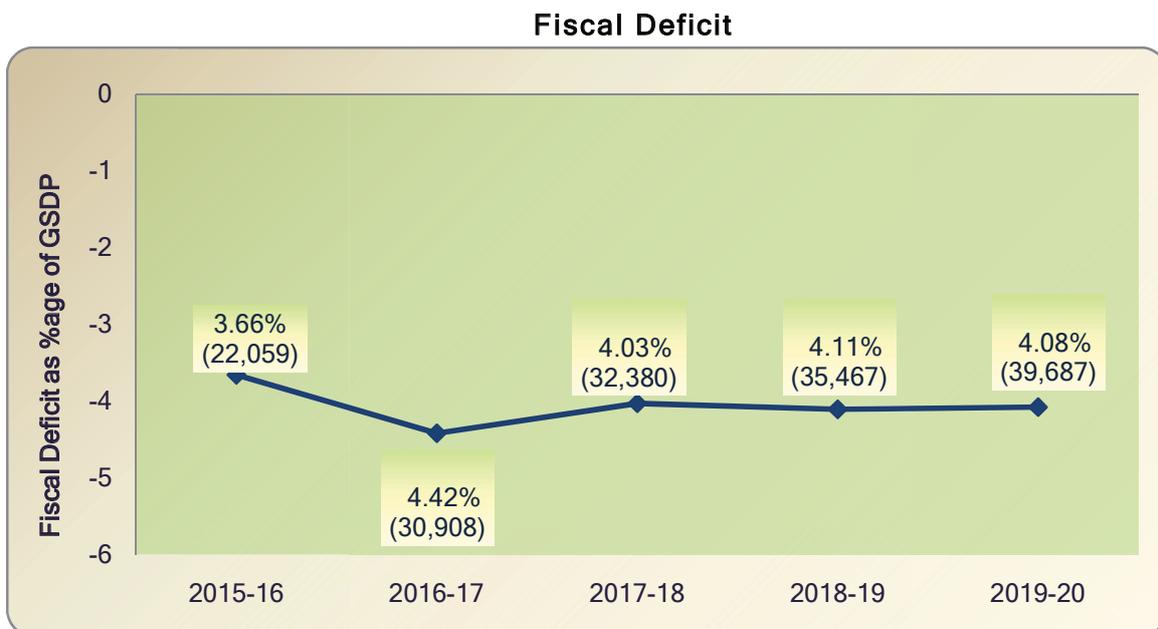
FISCAL DEFICIT / SURPLUS

The gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

The trend of Revenue deficit as percentage of Total revenue Receipts and Fiscal deficit as percentage of GSDP are shown below. In the past five years, State Government has always been in Revenue deficit and Fiscal deficit has always been more than the desired level of 3% of GSDP (₹9,72,782 crore) as prescribed in the FRBM Act.



Note: figure in parenthesis represents absolute deficit in ₹ crore



Note: Figure in parenthesis represents absolute deficit in ₹ crore

CHAPTER 2

RECEIPTS

2.1 Introduction

The Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2019-20 were ₹1,55,076 crore against Budget estimate of ₹2,14,558 crore.

2.2 Revenue Receipts

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

● TAX REVENUE

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

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

● NON-TAX REVENUE

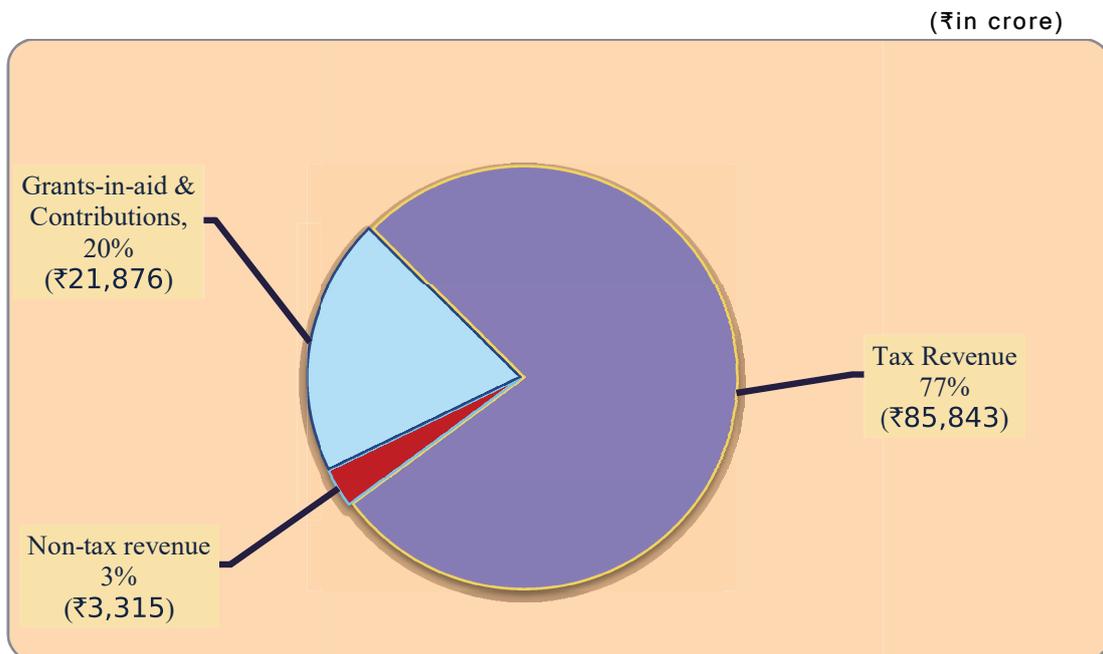
● GRANTS-IN-AID

Represent central assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Material & Equipment' received from Foreign Governments and channelised through the Union Government. In turn, the State Government also gives Grants-in-aid to Panchayati Raj Institutions, Autonomous Bodies etc.

2.2.1 Components of Revenue Receipt

Components		Actuals (₹ in crore)	As Percentage of Total Revenue Receipt
A.	Tax Revenue*	85,843	77
	Goods and Services Tax	28,241	25
	Taxes on Income & Expenditure	17,421	16
	Taxes on Property & Capital Transactions	5,472	5
	Taxes on Commodities & Services	34,709	31
B.	Non-Tax Revenue	3,315	3
	Interest Receipts, Dividends and Profits	41	0
	General Services	640	1
	Social Services	349	0
	Economic Services	2,285	2
C.	Grants-in-aid & Contributions	21,876	20
	Total -Revenue Receipts	1,11,034	100

Revenue Receipts



2.2.2 Trend of Revenue Receipts

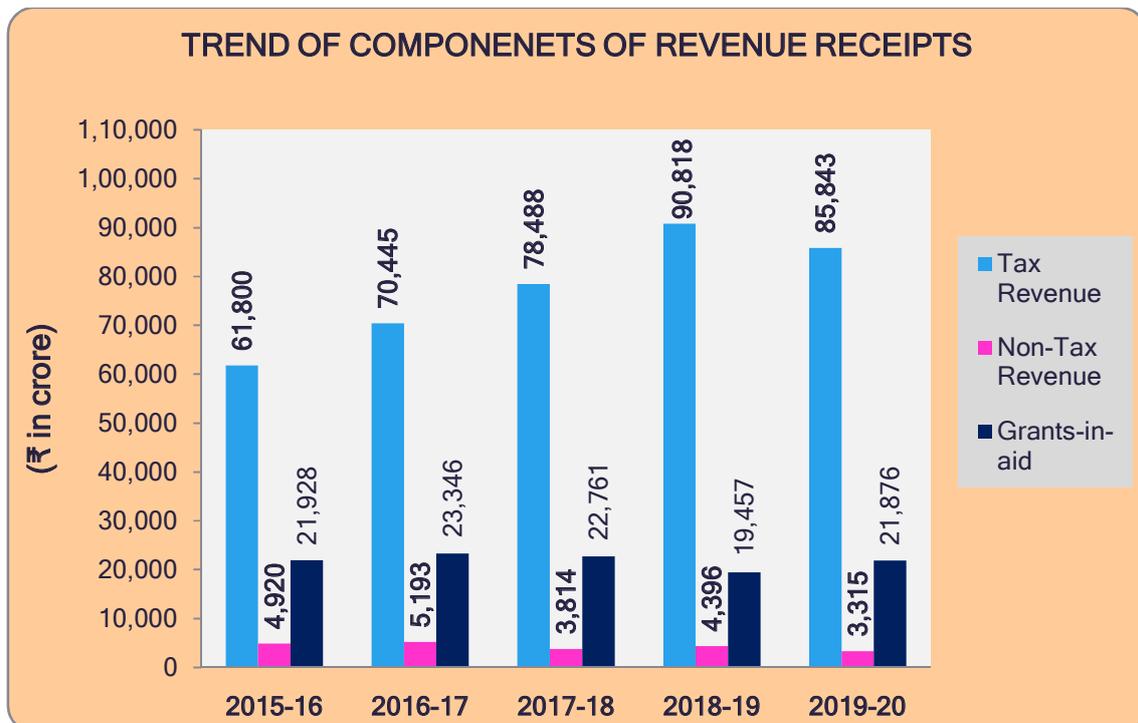
	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue	61,800 (10.24)	70,445 (10.07)	78,488 (9.76)	90,818 (9.73)	85,843 (8.82)
Non-Tax Revenue	4,920 (0.82)	5,193 (0.74)	3,814 (0.47)	4,396 (0.47)	3,315 (0.34)
Grants-in-aid	21,928 (3.63)	23,346 (3.34)	22,761 (2.83)	19,457 (2.08)	21,876 (2.25)
Total Revenue Receipts	88,648 (14.69)	98,984 (14.15)	1,05,063 (13.07)	1,14,671 (12.29)	1,11,034 (11.41)
GSDP	6,03,376	6,99,307	8,03,873	9,33,402	9,72,782

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

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

Though the GSDP increased by 4.22 per cent in 2019-20 as compared to previous year, decline in revenue receipts was 3.17 per cent. The total tax revenue (including share of Union Taxes) decreased by 5.48 per cent, the non-tax revenue decreased by 24.59 per cent and the grants-in-aid increased by 12.43 per cent as compared to previous year.

2.2.3 Trend of Components of Revenue Receipts



2.3 Tax Revenue

2.3.1 Components of Tax Revenue

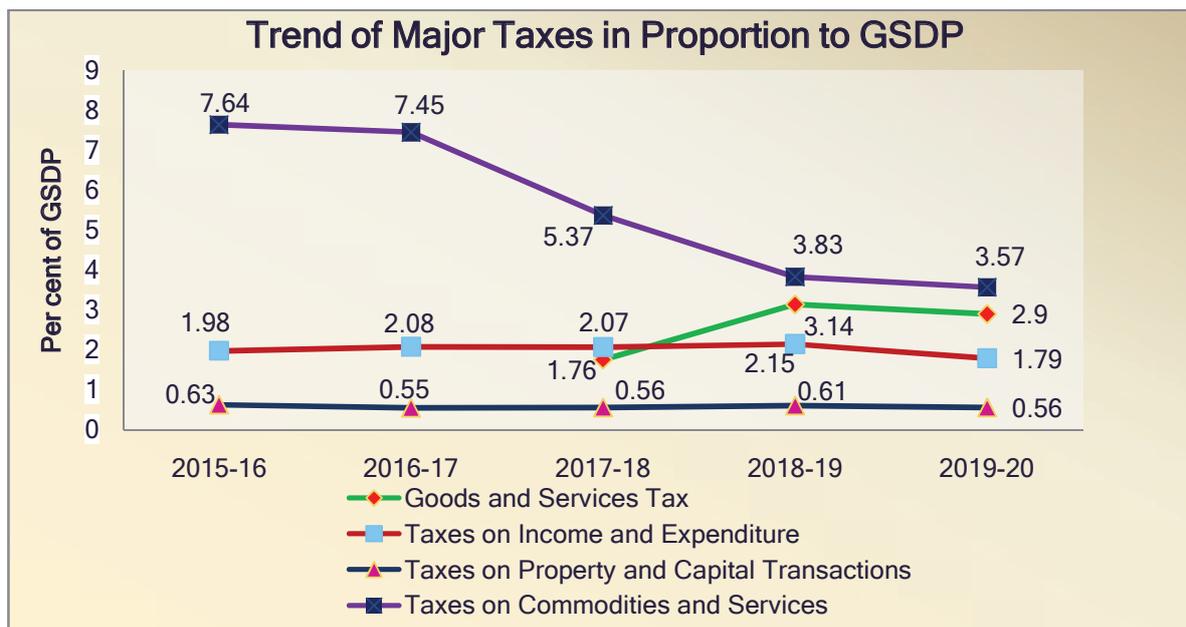
(₹ in crore)					
Sector	2015-16	2016-17	2017-18	2018-19	2019-20
a. Goods and Services Tax	NA*	NA*	14,157 (1.76)	29,349 (3.14)	28,241 (2.90)
b. Taxes on Income and Expenditure	11,932 (1.98)	14,515 (2.08)	16,623 (2.07)	20,110 (2.15)	17,421 (1.79)
c. Taxes on Property and Capital Transactions	3,777 (0.63)	3,854 (0.55)	4,510 (0.56)	5,648 (0.61)	5,472 (0.56)
d. Taxes on Commodities and Services	46,091 (7.64)	52,076 (7.45)	43,198 (5.37)	35,711 (3.83)	34,709 (3.57)
Total Tax Revenues	61,800 (10.24)	70,445 (10.07)	78,488 (9.76)	90,818 (9.73)	85,843 (8.82)
GSDP	6,03,376	6,99,307	8,03,873	9,33,402	9,72,782

Note: Figures in parentheses represent percentage to GSDP.

* Not Applicable.

The decrease in total tax revenue during 2019-20 was mainly attributable to lower collection under State Goods and Services Tax (₹20,227 crore), Corporation Tax (₹9,630 crore), Taxes on Income other than Corporation Tax (₹7,545 crore), Stamps and Registration Fees (₹5,318 crore), Taxes on Vehicles (₹3,279 crore).

2.3.2 Trend of Major Taxes in Proportion to GSDP



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

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

Year	Tax Revenue (₹ in crore)	State's share of Union Tax (₹ in crore)	State's Own Tax Revenue	
			Tax Revenue (₹ in crore)	Percentage to GSDP
2015-16	61,800	21,894	39,906	7
2016-17	70,445	26,264	44,181	6
2017-18	78,488	29,001	49,487	6
2018-19	90,818	32,787	58,031	6
2019-20	85,843	28,242	57,601	6

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

Description	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
State's own Tax collection	39,906	44,181	49,487	58,031	57,601
Devolution of Union Taxes	21,894	26,264	29,001	32,787	28,242
Total Tax Revenue	61,800	70,445	78,488	90,818	85,843
Percentage of State's own tax to total tax revenue	48	63	63	64	67

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

Description	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
State Goods and Services Tax	NA*	NA*	10,820	20,611	20,227
Taxes on Sales, Trade etc.	29,104	32,484	25,335	21,914	21,410
State Excise	4,386	4,645	5,460	6,220	6,915
Taxes on Vehicles	2,082	2,467	3,039	3,341	3,279
Stamp and Registration fees	3,527	3,476	4,271	5,428	5,318
Taxes and Duties on electricity	176	333	16	11	11
Land Revenue	52	167	107	57	21
Taxes on Goods and Passengers	10	12	5	26	36
Other Taxes	569	597	434	423	384
Total State's own Taxes	39,906	44,181	49,487	58,031	57,601

2.4.2 Cost of Tax Collection

(₹ in crore)					
Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
1. Taxes on Sales, Trade etc.					
Revenue collection	29,104	32,484	25,335	21,914	21,410
Expenditure on collection	270	278	328	321	329
Cost of tax collection (%)	0.93	0.86	1.29	1.46	1.54
2. State Excise					
Revenue collection	4,386	4,645	5,460	6,220	6,915
Expenditure on collection	279	308	324	340	443
Cost of tax collection (%)	6.36	6.63	5.93	5.47	6.41
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	2,092	2,479	3,044	3,367	3,315
Expenditure on collection	111	118	151	107	142
Cost of tax collection (%)	5	5	5	3	4.28
4. Stamp and Registration Fee					
Revenue collection	3,527	3,476	4,271	5,428	5,318
Expenditure on collection	143	138	149	152	138
Cost of tax collection (%)	4	4	3	3	2.59

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

(₹ in crore)					
Description	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Services Tax (CGST)	NA*	NA*	409	8,092	8,014
Integrated Goods and Services Tax (IGST)	NA*	NA*	2,927	646	---
Corporation Tax	6,890	8,414	8,880	11,401	9,630
Taxes on Income other than Corporation Tax	4,792	5,848	7,498	8,397	7,545
Taxes on Wealth	2	19	(-)0.27	4	0.42
Customs	3,498	3,619	2,926	2,324	1,790
Union Excise Duties	2,909	4,133	3,059	1,544	1,245
Service Tax	3,788	4,231	2,975	303	Nil
Other Taxes and Duties on Commodities and Services	15	Nil	382	76	18
Total State's share of Union Taxes	21,894	26,264	29,001	32,787	28,242

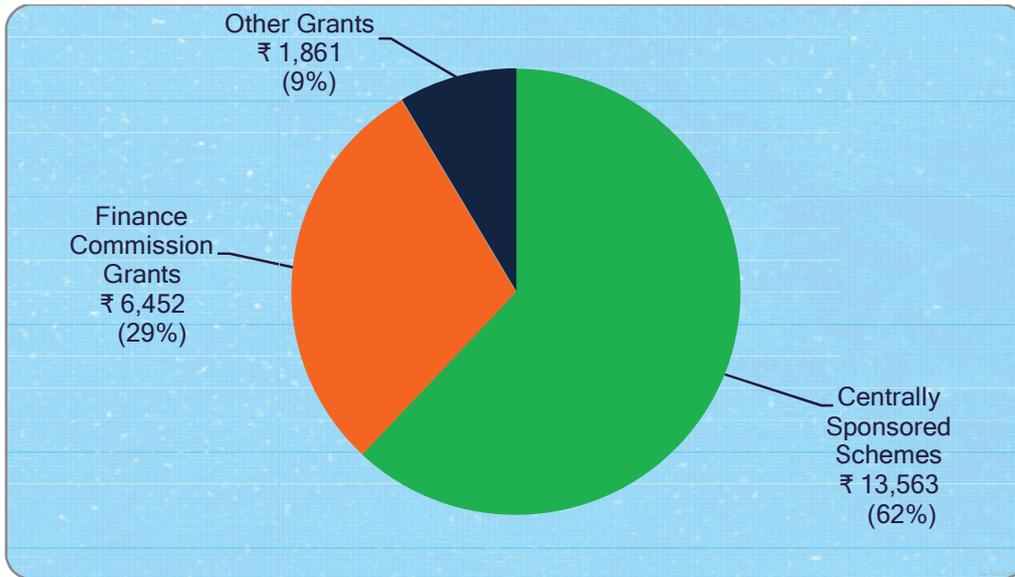
*Not Applicable

2.5 Grants-in-Aid

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

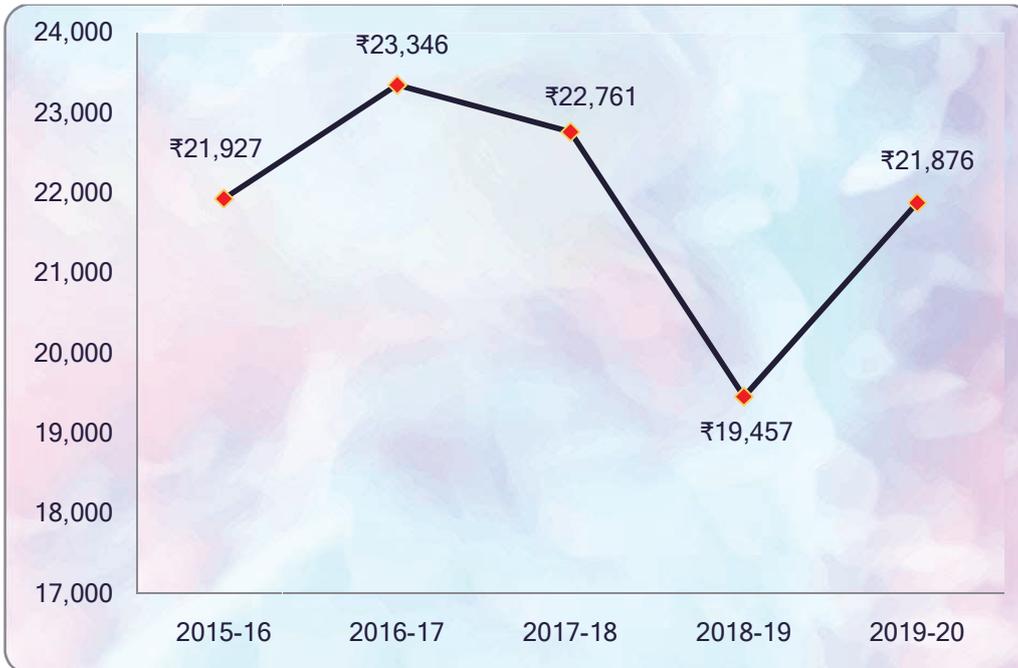
Total receipts during 2019-20 under Grants-in-aid were ₹21,876 crore as shown below:

(₹ in crore)



2.5.1 Trend of Grants in Aid

(₹ in crore)



2.6 Public Debt

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

Description	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Internal Debt	15,780	25,078	19,031	23,461	32,342
Central Loans	(-)542	67	(-)49	1,245	720
Total Public Debt	15,238	25,145	18,982	24,706	33,062

2.6.1 Internal Debt:

In 2019-20, 49 open market borrowings at par totaling ₹42,414 crore(+ ₹6,412 crore through inter-government adjustments toward excess debit) at interest rates varying from 6.88 per cent to 8.18 per cent and redeemable in the years between 2028 and 2039 were raised from the open market and repaid ₹8,971 crore(+ ₹6,412 crore, excess debit towards composite state borrowings). In addition, the State Government availed ₹60,371 crore by Ways & Means Advances from RBI and repaid ₹60,741 crore (including previous year balance of ₹370). An amount of ₹1,200 crore was raised from financial institutions and ₹1,931 was repaid. Thus, the net total Internal Debt was ₹32,342 crore.

2.6.2 Government of India Loans:

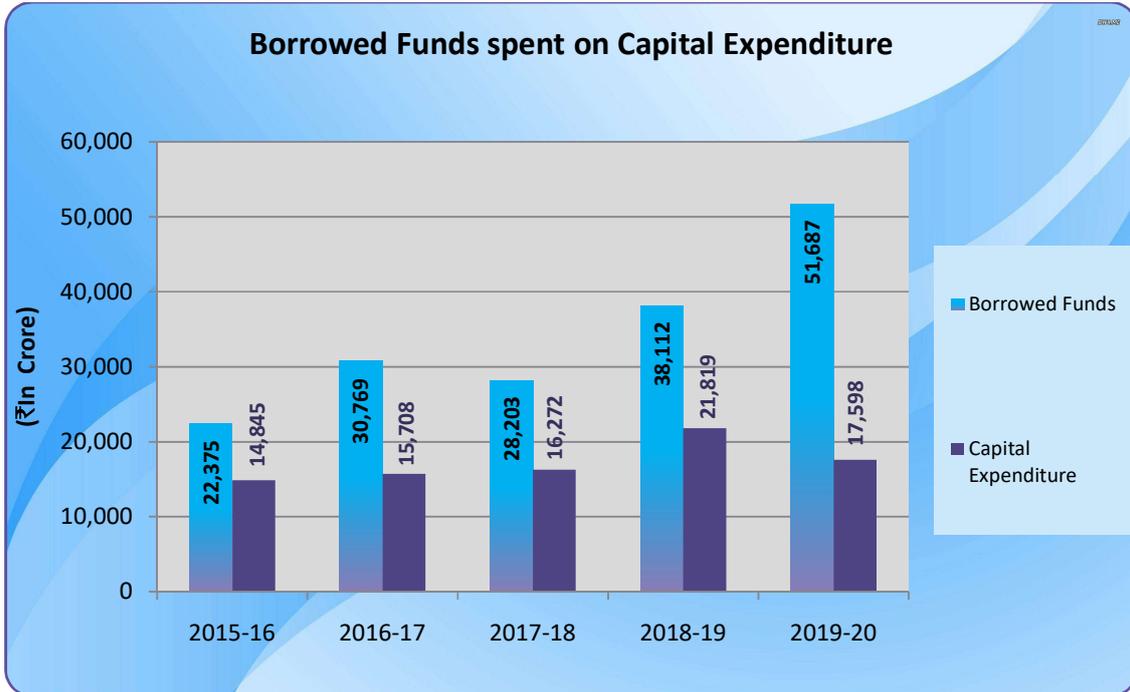
The State Government received ₹2,031 crore from Government of India as Loans and Advances and repayments were ₹1,311 crore in 2019-20.

2.6.3 Borrowed Funds viz-a-viz Capital Expenditure

The extent to which the Fiscal Deficit, as presented by borrowed funds, has been channelised towards the creation of capital assets is an indicator of prudent financial management. Out of the borrowings of ₹52,057⁶ crore, an amount of ₹17,598 crore was utilised to meet Capital Expenditure (including ₹5,356 crore disbursed as Loans & Advances).

Normally, Public Debt is discharged through the use of Revenue Surplus. In the year 2019-20, even though the State Government had Revenue Deficit of ₹26,441 crore, the Government discharged a public debt of ₹18,625 crore.

⁶ Difference of total Public Debt Receipts(₹11,24,28 crore) and total Ways & Means Advances Receipts(₹6,03,71 crore)



CHAPTER 3

EXPENDITURE

3.1 Introduction

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

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



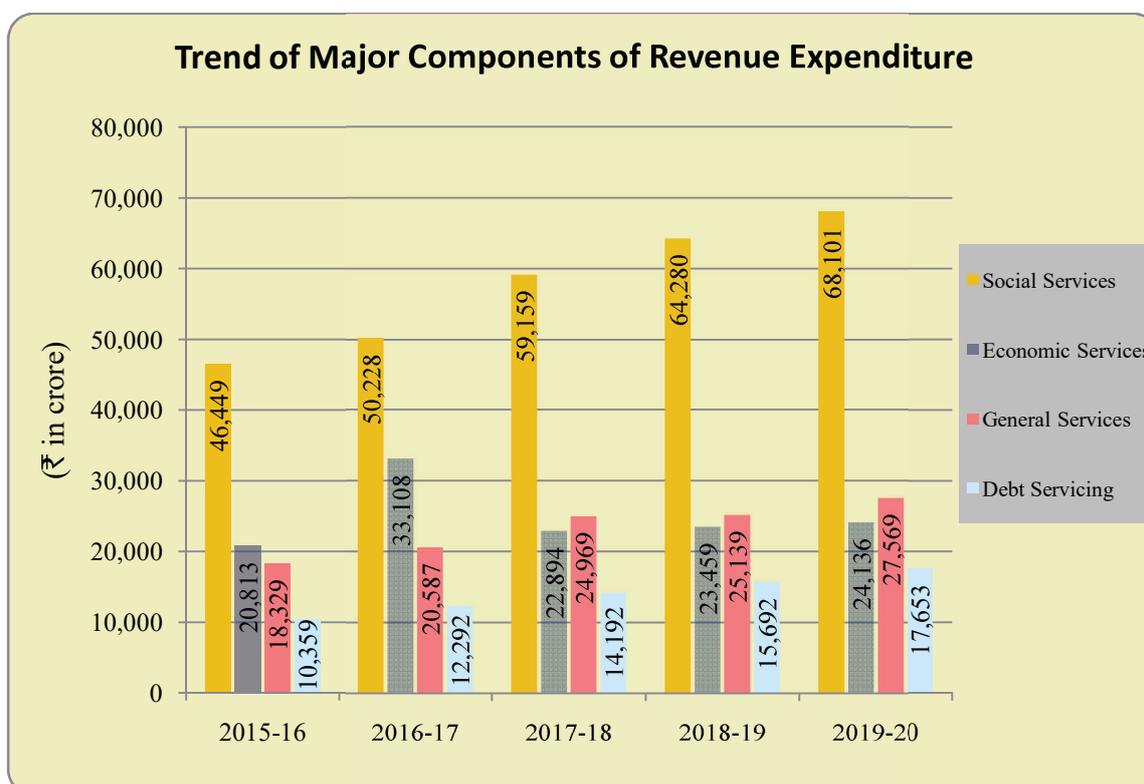
3.2 Revenue Expenditure

3.2.1 Sectoral Distribution of Revenue Expenditure

(₹ in crore)

Component	2018-19	2019-20	Percentage increase/ decrease over previous year
A. Fiscal Services	1,007	1,134	12.61
(i) Collection of Taxes on Property and Capital transactions	229	211	(-)7.86
(ii) Collection of Taxes on Commodities and Services	778	923	18.64
(iii) Other Fiscal Services
B. Organs of State	1,184	1,160	(-)2.03
C. Interest Payments and Servicing of Debt	15,692	17,653	12.50
D. Administrative Services	7,599	7,889	3.82
E. Pensions and Miscellaneous General Services	15,308	17,386	13.57
F. Social Services	64,280	68,101	5.94
G. Economic Services	23,459	24,136	2.89
H. Grants-in-aid and Contributions	41	16	(-)60.98
Total Expenditure (Revenue Account)	1,28,570	1,37,475	6.93

3.2.2 Trend of Major components of Revenue Expenditure (2015 - 2020)



3.2.3 Shortfall of Revenue Expenditure

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

Year	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	97,425	1,14,168	1,25,912	1,50,272	1,80,476
Actuals	95,950	1,16,215	1,21,214	1,28,570	1,37,475
Gap	(-)1,475	2,047	(-)4,698	(-)21,702	(-)43,001
Percentage of variation of Actuals against BE	(-)1	2	(-)3.73	(-)14.44	(-)23.83

In 2019-20 the State Government did not incur the planned revenue expenditure / budgeted revenue expenditure leading to shortfall of 23.83% of budget estimates.

3.2.4 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure. Around 51.80 per cent of the revenue expenditure was incurred on committed expenses such as Salaries⁷ (₹36,179 crore), Interest Payments (₹17,653 crore) and Pensions (₹17,386 crore) which is the committed liability of the state government.

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

Component	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Total revenue expenditure	95,950	1,16,215	1,21,214	1,28,570	1,37,475
Committed revenue expenditure #	48,099	55,170	62,364	65,226	71,218
Percentage of committed revenue expenditure to total revenue expenditure	50	47	51	51	52

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

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

Component	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	48,569	54,794	62,899	65,830	71,811*

⁷Includes detailed heads 010-Salaries (₹32,520 crore), 020-Wages (₹56 crore), 030-Overtime allowance (₹0.04 crore), 270/273, Work charged establishment (₹141 crore) & 310/311-Grants-in-aid towards salaries (₹3,462 crore).

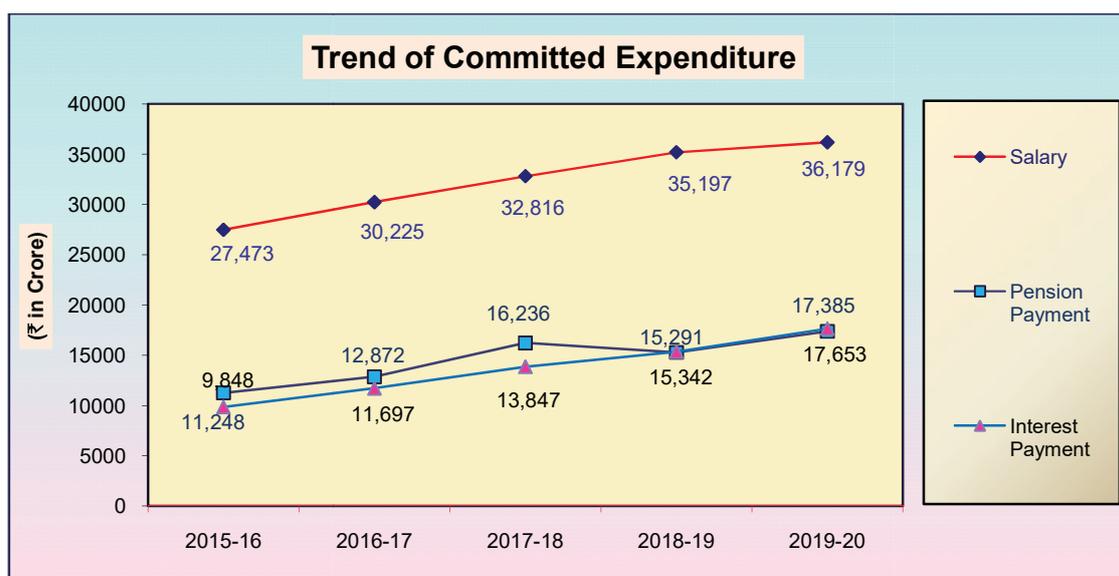
*Includes Salaries of ₹594 crore booked under Capital.

Revenue Expenditure	95,950	1,16,215	1,21,214	1,28,570	1,37,475
Revenue Receipts	88,648	98,984	1,05,063	1,14,671	1,11,034
Percentage of committed expenditure to Revenue Receipts	55	55	60	57	65
Percentage of committed expenditure to Revenue Expenditure	51	47	52	51	52

The committed expenditure increased by 48 per cent from 2015-16 to 2019-20 while revenue expenditure registered a growth of 43 per cent during the same period, leaving the Government with lesser resources for development spending.

3.2.5 Trend of Committed Expenditure

Interest payments increased by 15 per cent in 2019-20 over the previous year. Pension payment increased by 14 per cent and Salary payment increased by 4 per cent in 2019-20 over the previous year.



Note: Salary component includes detailed heads 010-Salaries, 020- Wages, 030- Overtime Allowance, 270/273- Work charged establishment & 310/311- Grants-in-Aid towards salaries.

3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Expenditure during 2019-20 amounting to ₹12,242 crore (1.25 per cent of GSDP) fell short of the Budget Estimates by ₹20,051 crore.

3.3.1 Distribution of Capital Expenditure

During 2019-20, Government spent ₹4,275 crore on various irrigation projects (₹3,630 crore on Major Irrigation, ₹17 crore on Medium Irrigation, and ₹628 crore on Minor Irrigation) and ₹4 crore on Ports and Light Houses. Apart from the above, the Government spent ₹411 crore on construction of Buildings, ₹753 crore on construction of Roads and Bridges, ₹312 crore on Rural Water Supply Schemes, ₹NIL crore on investment in various Corporations/Companies/Societies and ₹6,487 crore on other Capital Expenditure.

3.3.2 Sectoral distribution of Capital and Revenue Expenditure

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

Sector		(₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
General Services	Capital	180	295	283	275	3,752
	Revenue	28,573	32,786	24,969	40,790	45,222
Social Services	Capital	2,415	2,431	2,890	2,866	2,056
	Revenue	46,449	50,228	59,159	64,382	68,101
Economic Services	Capital	11,577	12,418	10,317	16,835	6,434
	Revenue	20,813	33,108	22,894	23,459	24,136

Note: i) Capital Expenditure does not include expenditure on loans and advances (₹5,356 crore).
ii) Revenue Expenditure does not include expenditure on Grants-in-aid (₹16 crore).

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

Components	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Budget (B.E.)	9,819	15,388	21,959	28,678	32,293
Actual Expenditure (#)	14,172	15,144	13,491	19,976	12,242
Percentage of Actual Expenditure to B. E	144	98	61	70	38
Yearly growth in Capital Expenditure	117	7	(-)11	48	(-)39
GSDP	6,03,376	6,99,307	8,03,873	9,33,402	9,72,782
Yearly growth in GSDP	16	16	15	16	4

(#) Does not include expenditure on Loans and Advances

CHAPTER 4

APPROPRIATION ACCOUNTS

4.1 Summary of Appropriation Accounts

(₹ in crore)

Nature of Expenditure	Original Grant	Supplementary Grant	Total Budget	Actual expenditure	Savings (-) Excesses (+)	Surrender (by way of re-appropriation)
Revenue						
Voted	1,67,620	10,684	1,78,304	1,33,427	(-)44,877	(-)52,128
Charged	16,555	33	16,588	17,764	(+)1,176	(-)38
Capital						
Voted	32,850	401	33,251	12,637	(-)20,614	(-)20,547
Charged	56	69	125	83	(-)42	(-)42
Public Debt						
Charged	13,395	23	13,418	79,366	(+)65,948	Nil
Loans and Advances						
Voted	1,811	4,782	6,593	5,359	(-)1,234	(-)861
Grand Total						
Grand Total	2,32,287	15,992	2,48,279	2,48,636	(+)357	(-)73,616

4.2 Significant Savings

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

Grant No.	Grant Name	Section	Budget (₹ in crore)	Expenditure (₹ in crore)	Saving (₹ in crore)	% of Saving
III	Administration of Justice	Capital (Voted)	70.00	26.37	43.63	62.33
IV	General Administration and Elections:	Capital (Voted)	11.60	3.13	8.47	73.02
VII	Commercial Taxes:	Capital (Voted)	12	0.13	11.87	98.92
VIII	Transport Administration:	Revenue(Voted)	643.35	147.30	496.50	77.17
		Capital (Voted)	10	1.35	8.65	86.50
IX	Fiscal Administration Planning Surveys and Statistics:	Capital(Voted)	624.08	28.99	595.09	95.35
		Loans(Voted)	405.18	32.00	373.18	92.10
XI	Roads and Buildings:	Revenue(Charged)	2.71	0.47	2.24	82.66
		Capital(Voted)	2883.86	974.28	1909.58	66.22
		Loans(Voted)	1000	300	700	70
XII	School Education:	Capital (Voted)	1684.26	150.94	1533.32	91.04
XIV	Technical Education:	Capital (Voted)	126	35.49	90.51	71.83
XVI	Medical and Health:	Capital (Voted)	2670.65	204.41	2466.23	92.35
XVII	Municipal Administration and Urban Development:	Capital(Voted)	1693.02	540.66	1152.36	68.07
XVIII	Housing:	Revenue(Voted)	3543.09	937.02	2606.06	73.55
		Loans(Voted)	74.29	26.37	47.91	64.49
XX	Labour and Employment:	Capital (Voted)	134.02	11.72	122.29	91.25
XXI	Social Welfare:	Capital (Voted)	130.51	41.62	88.89	68.11
XXIV	Minority Welfare:	Capital (Voted)	40.05	2.78	37.27	93.06
XXV	Women Child and Disabled Welfare:	Capital(Voted)	169.57	18.25	151.13	89.13
XXVII	Agriculture:	Revenue(Voted)	17568	6805.32	10762.68	61.26
		Capital(Voted)	562.83	123.96	438.87	77.98
XXVIII	Animal Husbandry and Fisheries:	Capital(Voted)	334.29	49.95	284.34	85.06
XXXII	Rural Development:	Revenue(voted)	23273.18	4493.43	18779.75	80.69
XXXIII	Major and Medium Irrigation	Capital (Voted)	11193.95	3659.35	7534.60	67.31
XXXVI	Industries and Commerce	Revenue(Voted)	2484.52	818.01	1666.51	67.08
		Capital(Voted)	1449.52	478.00	971.52	67.02
XXXVIII	Civil Supplies Administration:	Revenue(Voted)	4466.95	501.93	3965.02	88.76
XXXIX	Information Technology Electronics and Communications:	Revenue(Voted)	350.76	82.91	267.85	76.36

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

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

Grant No.	Grant Name	Section	Budget (₹ in crore)	Expenditure (₹ in crore)	Saving (₹ in crore)	% of Saving
VI	Excise Administration:	Capital(Voted)	50.00	...	50.00	100%
XIX	Information and Public Relations:	Capital(Voted)	1.00	...	1.00	100%
XXX	Co-operation:	Capital(Voted)	50.00	...	50.00	100%
XXXIX	Information Technology Electronics and Communications:	Capital(Voted)	102.80	...	102.80	100%

The following Grants showed excess appropriation:

Grant No.	Grant Name	Section	Budget (₹ in crore)	Expenditure (₹ in crore)	Excess (₹ in crore)	% of Excess
III	Administration of Justice:	Revenue(Charged)	39.45	50.88	11.43	28.97
IX	Fiscal Administration, Planning, Surveys & Statistics:	Revenue(Voted)	19767.38	24059.23	4291.85	21.71
		Revenue(Charged)	16452.35	17655.00	1202.65	7.31
		Public Debt(Charged)	13418.27	79366.17	65947.90	491.48
XVII	Municipal Administration and Urban Development:	Revenue(Voted)	4894.07	5738.56	844.49	17.26
XXI	Social Welfare:	Revenue(Voted)	5119.23	5331.35	212.12	4.14
XXIII	Backward Classes Welfare:	Revenue(Voted)	12116.61	13460.28	1343.67	11.09
XXIV	Minority Welfare:	Revenue(Voted)	1440.62	1569.60	128.98	8.95
XXXVI	Industries and Commerce:	Revenue(Charged)	5.05	5.21	0.16	3.17

During 2019-20, Supplementary Provisions for ₹15,992 crore (6.43 per cent of total expenditure) were obtained, and in some cases, it was proved unnecessary. A few instances, where there were significant savings at the end of the year as against original allocations are given below:

(₹ in crore)

Grant No.	Grant Name	Section	Original	Expenditure	Supplementary
IV	General Administration and Elections	Revenue(Voted)	882.71	672.97	13.00
IX	Fiscal Administration, Planning, Surveys and Statistics	Loans(Voted)	395.38	32.00	9.80
XI	Roads, Buildings and Ports	Revenue(Voted)	2322.41	1941.39	642.39
		Capital(Voted)	2740.09	974.28	143.77
XVI	Medical and Health	Revenue(Voted)	8958.25	7224.42	366.83
		Capital(Voted)	2440.68	204.41	229.96
XX	Labour and Employment	Capital(Voted)	124.02	11.72	10.00
XXVI	Administration of Religious Endowments	Revenue(Voted)	430.29	394.04	26.42
XXXI	Panchayat Raj	Revenue(Voted)	6550.40	6071.88	553.46
		Capital(Voted)	1805.61	1292.74	11.61

CHAPTER 5

ASSETS AND LIABILITIES

5.1 Assets

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

Total Investments as Share Capital in non-financial Public Sector Undertakings (PSUs) stood at ₹9,497 crore at the end of 2019-2020. An amount of ₹4.46 crore (0.05 per cent of investment) was received as dividends indicating an inadequate return on investment.

Cash balance with the RBI stood at ₹25 crore on 1st April 2019 and increased to ₹485 crore at the end of 31 March 2020. Government had invested an amount of ₹50,833 crore in 14 days treasury bills in 2019-20 and rediscounted bills worth ₹45,700 crore leaving a closing cash balance investment of ₹5,133 crore at the end of the year.

5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India, from time to time determines, the limit up to which State Governments can borrow from the market which is ₹42,513 crore for 2019-20. Against this, Government of Andhra Pradesh availed of open market borrowings totaling ₹42,415 crore during 2019-20.

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

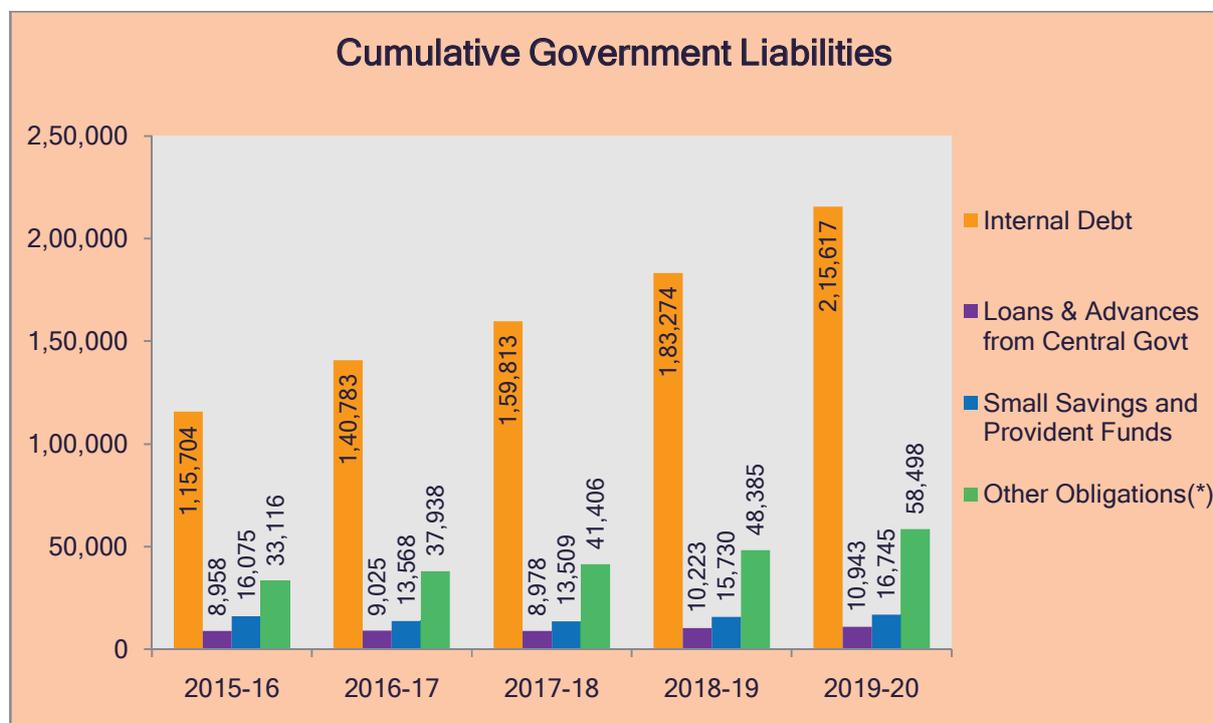
Year	Public Debt (₹ in crore)	Per cent of GSDP	Public Account* (₹ in crore)	Per cent of GSDP	Total Liabilities (₹ in crore)	Per cent of GSDP
2015-16	1,24,662	21	49,191	8	1,73,853	29
2016-17	1,49,808	21	51,506	7	2,01,314	29
2017-18	1,68,791	21	54,915	7	2,23,706	28
2018-19	1,93,497	21	64,013	7	2,57,510	28
2019-20	2,26,559	23	75,243	8	3,01,802	31

* Excludes suspense and remittance balance.

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

Public Debt and Other Liabilities showed a net increase of ₹44,292 crore (17 per cent) over the previous year due to raising of new long-term market loans.

(₹ in crore)



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

5.3 Guarantees

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

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

(₹ in crore)

Year	Maximum Amount that can be Guaranteed (Principal only)	Amount outstanding as on 31 March	
		Principal	Interest
2015-16	10,623	7,059	417
2016-17	16,576	9,665	65
2017-18	53,340	35,964	22
2018-19	56,120	49,442	22
2019-20	93,463	67,171	18

Note: Figures are adopted from Budget vol V/2 of 2020-21 of Government of Andhra Pradesh

CHAPTER 6

OTHER ITEMS

6.1 Adverse Balances under Internal Debt

From time to time, the Government of Andhra Pradesh, assumed the liabilities of various institutions by permitting them to borrow from the open market / financial institutions, with the Government taking over the responsibility for repayment. As on 31 March 2020, an adverse balance of ₹110 crore exists under MH 6003-Internal Debt. Adverse balance arises in a loan account when the amount repaid is more than the loan amount or due to misclassification. Out of this, ₹86 crore represents loans availed of by the Andhra Pradesh Road Development Corporation, ₹8 crore by Rural Electric Corporation and ₹9 crore pertains to repayments on behalf of Co-operatives and ₹5 crore from HUDCO and ₹2 crore from SBH. The PAG (A&E) has been requesting the State Government to provide adequate budget provision to clear the adverse balance under MH 6003.

6.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2019-2020 was ₹32,769 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutions and Local Bodies amounted to ₹32,368 crore. Recovery of principal aggregating to ₹29,871 crore and interest amounting to ₹18,664 crore is in arrears at the end of 31 March 2020. During 2019-20, only ₹4,355 crore has been received towards repayment of Loans and Advances, out of which ₹48 crore relate to repayment of loans to Government Servants. Effective steps to recover the outstanding loans would facilitate the Government to maintain better fiscal position.

6.3 Financial assistance to Local Bodies and others

During the current year, overall Grants-in-aid to Local Bodies and others decreased from ₹60,795 crore in 2018-2019 to ₹59,915 crore in 2019-2020. Grants to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities (₹13,072 crore) represented 21.82 per cent of the total grants given during the year. Details of Grants-in-aid for the past 5 years are as under:

Name of Institutions	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Zilla Parishads	5,512	5,821	5,432	5,547	5,659
Municipalities	1,359	2,186	1,779	1,461	2,663
Panchayat Samitis	2,002	2,479	2,810	2,081	4,750
Others*	30,821	43,493	43,070	51,706	46,843
Total	39,694	53,979	53,091	60,795	59,915

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

6.4 Cash Balance and Investment of Cash Balance

Component	(₹ in crore)		
	As on 01 April 2019	As on 31 March 2020	Net increase (+)/ decrease (-)
Cash Balances	25	485	(+)460
Investment from cash balance (Gov Treasury Bills)	Nil	5,133	5,133
Other Cash Balances	3	3	0
a) Departmental Balances	1	1	0
b) Permanent Cash Imprest	2	2	0
Investment from earmarked fund balances	8,361	9,073	712
(a) Sinking Fund	7,613	8,260	647
(b) Guarantee Redemption Fund	742	808	66
(c) Other Funds	6	5	(-)1
Interest realized during the year	685	758	73

State Government had a positive closing cash balance at the end of 2019-20. It invested ₹9,073 crore towards cash balances and earmarked fund (Consolidated Sinking Fund, Guarantee Redemption Fund, etc.) balances.

6.5 Reconciliation of accounts

Accountant General (A&E) receives compiled accounts from the Treasuries and 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.

On the expenditure side, out of 180 CCOs, 113 CCOs have reconciled an amount of ₹1,21,285.97 crore (78.21 per cent of total expenditure of ₹1,55,075.81 crore) whereas on the receipt side, there has been no reconciliation of the total receipts of ₹1,15,389.25 crore. The State Government had stated that due to non-linkage of CCO-HoA for receipt classification, reconciliation of receipts could not be done. However, necessary action was stated to have initiated for the accounting year 2020-21. The figures are exclusive of the Public Debt which is handled by the Accountant General. 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.

6.6 Submission of Accounts by Accounts rendering Units

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

6.7 Advance Payments

In terms of the Andhra Pradesh Financial Code (APFC), Drawing and Disbursing Officers are authorised to draw sums of money by preparing Abstract Contingent (AC) bills by debiting service heads. As per Government orders, Detailed Contingent (DC) bills are required to be presented subsequently along with supporting documents. Delayed submission or prolonged non-submission of supporting DC bills renders the expenditure under AC bills opaque. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts could not be vouched as correct or final.

Details of pending DC bills as on 31 March 2020 are given below:

Year	Number of AC Bills Drawn		Number of AC Bills Adjusted		Pending DC Bills	
	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)
Up to 2017-18	1,15,392	6,114.67	1,14,960	5,933.9	432	180.77
2018-19	2,592	1,186.37	1,683	289.14	909	897.23
2019-20	917	237.76	408	52.49	509	185.27
Total	1,18,901	7,538.80	1,17,051	6,275.53	1,850	1,263.27

During 2019-20, ₹237.76 crore was drawn through 917 AC bills of which 220 AC bills (23.99 *per cent*) amounting to ₹106.01 crore (44.59 *per cent*) was drawn in March 2020. Significant expenditure on AC Bills in March cannot be ruled out the possibility of drawal to exhaust the budget besides indicating inadequate budgetary control.

6.8 Status of Suspense and Remittances Balance

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

Minor Head	2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
(₹ in crore)						
(a) 8658-Suspense Accounts						
101-Pay and Accounts Office Suspense	100.81	12.94	78.37	19.25	69.81	17.31
Net	87.87(DR)		59.12(DR)		52.50(DR)	

102-Suspense Account (Civil)	264.03	309.98	380.87	282.25	473.19	317.42
Net	45.95(CR)		98.62(DR)		155.77(DR)	
110-Reserve Bank Suspense-Central Accounts Office	295.76	141.83	252.37	82.73	356.77	82.73
Net	153.93(DR)		169.64(DR)		274.04(DR)	
(b) 8782- Remittance Accounts						
102-Public Works Remittances	76,007.41	77,211.80	76,007.41	75,328.35	76,007.41	75,318.64
Net	12,04.39(CR)		6,79.06(DR)		6,88.77(DR)	
103-Forest Remittances	438.96	617.42	438.96	617.55	439.12	617.44
Net	178.46(CR)		178.59(CR)		178.32(CR)	

6.9 Commitments on account of Incomplete Capital Works

A total expenditure of ₹24,008 crore was incurred upto the year 2019-20 by the State Government on various incomplete projects against an estimated cost of ₹40,161 crore. The estimated cost was further revised to ₹51,758 crore to end of 2019-20.

During 2019-20, a total expenditure of ₹2,308 crore incurred by the State Government on various projects taken up by Engineering Departments. An amount of ₹1,301 crore was due to be paid to the end of 31-03-2020. The original estimated cost (₹40,161 crore) increased by 29 per cent in revised estimates on various projects.

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

(₹ in crore)

S. No.	Category of works	Estimated cost of works	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Roads	10,014	518	807	635	13,314
2	Bridges	132	31	31	12	173
3	Buildings	144	39	39	13	146
4	Others	29,871	1,720	23,188	641	38,125
	TOTAL	40,161	2,308	24,065	1,301	51,758

6.10 Liabilities towards New Pension System:

6.10.1 Liabilities towards Pensionary Benefits

During the period from 01 April 2019 to 31 March 2020, ₹16,417.37 crore (11.94 per cent of total Revenue expenditure) was incurred on “Pension and Other Retirement Benefits” to State Government employees recruited before 01 September 2004.

6.10.2 National Pension System

State Government employees recruited on or after 01 September 2004 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the scheme, the employee has to contribute 10 *per cent* of his/her monthly pay and dearness allowance and the State Government has to make a matching contribution. The entire amount has to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

Accountant General (Accounts and Entitlements) does not maintain the accounts of individual employee's contribution and, therefore, the correctness of recovery from the employee's salary bills cannot be verified. During 2019-20, the Government transferred ₹1,694.11 crore to NSDL, leaving a balance of ₹721.50 crore as on 31 March 2020 on which the State Government is liable to pay interest, which was not done.

Consequent on bifurcation of the erstwhile state of Andhra Pradesh in 2014, there was an un-apportioned balance under NPS. After apportionments in the past years, the un-apportioned balance at the end of 2019-20 was ₹365.43 crore. There was no apportionment during 2019-20. The following table gives the details of transactions during the year excluding un-apportioned balance of ₹365.43 crore

(₹ in crore)

Opening Balance (A)	Employees' contribution (B)	Government Contribution (C)	Transfer to NSDL (D)	Closing Balance (A+B+C-D)
663.63	782.05	969.93	1694.11	721.50

The Government contribution was more than the Employees' contribution for the year 2019-20 by ₹187.88 crore which was towards the shortfall of the previous years.

6.11 Personal Deposit (PD) Accounts

Government of Andhra Pradesh issued a G.O.Ms. No.99 dated 14.08.2019 wherein PD Accountability Framework was introduced to provide comprehensive guidelines on Personal Deposit Account Management.

In terms of the GO, Personal Deposits are virtual bank accounts that were conceptualized by the Government to facilitate smooth operations at the field level for scheme implementation. Funds were given under the PD Accounts for specific purposes by debiting the service heads in the Consolidated Fund of the State and crediting the Personal Deposits under the Major Head 8443-Civil Deposits and the Minor Head 106-Personal Deposits. Unspent balances in the PD accounts, if any, at the end of the financial year should be lapsed by minus debit to the relevant service heads and the PD accounts. All deposits lying unclaimed for more than three complete financial years shall be credited to the

Government at the close of March each year in terms of the provisions of Andhra Pradesh Financial Code.

Status of PD Accounts during the period 01 April 2019 to 31 March 2020 as confirmed by the Director of Treasuries and Accounts is detailed below:

Opening Balance as on 01 April 2019(*)		New PD Accounts opened during 2019-20	Total transfers to PD accounts during 2019-20	PD accounts closed during 2019-20	Total withdrawal from PD accounts during 2019-20	Closing Balance as on 31 March 2020	
Number	Amount (₹in crore)	Number	Amount (₹in crore)	Number	Amount (₹in crore)	Number	Amount (₹in crore)
297	425.07	1,441	93,122.02	247	68,070.71	1,491	25,476.38

(*) Note: Opening Balance of 2019-20 differs from Closing Balance of 2018-19 due to clarification from the State Government that only the accounts under the Head of Account 8443-106 shall constitute PD Account and all other deposit accounts have been omitted in the above table.

The figures mentioned here differ from the figures appearing under MH 8443-106 in Statement 21 of the Finance accounts as PD Accounts are opened without the authorization of the Accountant General in terms of the GO No. 99 mentioned, in clear violation of the provisions of the Andhra Pradesh Financial Code. AG does not maintain PD administrator-wise broadsheets and transactions of PD Accounts including addition and closure/deletion of PD accounts are not ascertainable.

6.12 Investments

Statement No. 8 of Finance Accounts shows comparative summary of investments in the share capital of Statutory Corporations, Rural Banks, Government Companies, Joint Stock Companies and Co-operative Institutions and Local Bodies during and at the end of the year. Entity wise investment details are given in Statement No. 19 of the Finance Accounts. The investments of ₹8,401.21 crore to end of 01 June 2014 in Composite Andhra Pradesh have not been apportioned between the two states of Andhra Pradesh and Telangana.

Investments made during 01 April 2019 to 31 March 2020 in the successor State of Andhra Pradesh was ₹0.10 crore and a dividend of ₹4.46 crore was received on total investments including un-apportioned investments during the year. These figures, however, require reconciliation with the entities where investments were made. Neither the State Government nor individual entities have reconciled and confirmed the investments. In the absence of such reconciliation, the correctness of these investments could not be ensured.

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