



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

ACCOUNTS AT A GLANCE

GOVERNMENT OF ANDHRAPRADESH

2022-23

PRINCIPAL ACCOUNTANT GENERAL(A&E)
ANDHRA PRADESH



Government of Andhra Pradesh

ACCOUNTS AT A GLANCE 2022-23

**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 and 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.

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Date: 07/12/2023

Place: Vijayawada

(Chandra Mauli Singh)

PRINCIPAL ACCOUNTANT GENERAL (A&E)

VISION

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

MISSION

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.

CORE VALUES

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

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Chapter I

OVERVIEW

1.1 Introduction

The Principal Accountant General (Accounts and Entitlement) 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 26 District Treasuries (DTOs), 13 Combined District Treasuries (united districts prior to district reorganization), 38 Public Works Pay and Accounts Offices (PAO(W)), 3 Pay and Accounts Offices and 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.

Financial transactions are being conducted through Comprehensive Financial Management System (CFMS) since April 2018. 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.

“Accounts at a Glance” provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts and 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.

1.2 Structure of Government Accounts

Government Accounts are kept in three parts as detailed below:

CONSOLIDATED FUND

Comprise all receipts of the Government including tax and non-tax revenues, loans raised, and repayment of loans given (including interest thereon).

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

CONTINGENCY FUND

The contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.

The corpus of the fund for the Government of Andhra Pradesh is ₹50crore.

PUBLIC ACCOUNT

All public money received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect to such receipts, Government acts as a banker or trustee.

The public Account comprise 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.

1.2.1 Compilation of Accounts

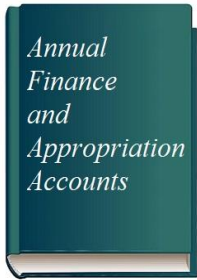
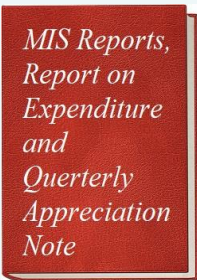
Flow Diagram for Accounts Compilation



- ❖ Monthly accounts from Treasuries (List of Payments, List of Receipts, Cash Accounts, Vouchers, Schedule of payments, Schedule of Receipts), Compiled accounts from pay and accounts offices (Works).
- ❖ Inward/outward settlement accounts, clearance Memo from pay and accounts Offices, Other accountants General and Reserve Bank of India.
- ❖ Budget data from State Finance Department.

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- ❖ Compilation and Validation of data.
- ❖ Review and Validation of Budget Document and information on re-appropriation and surrender of funds.



1.3 Finance and Appropriation Accounts

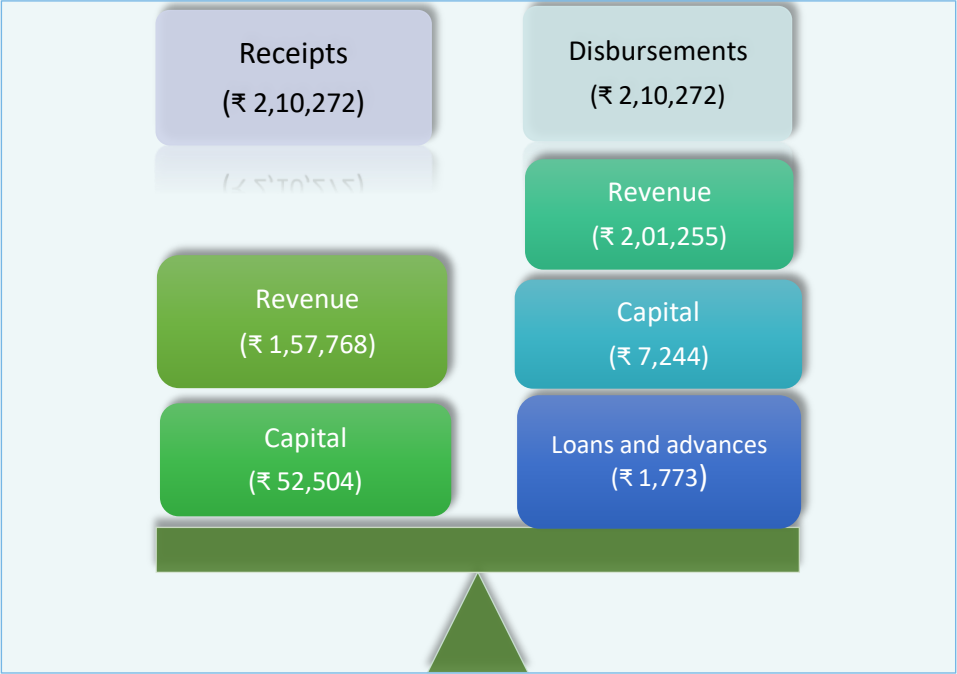
1.3.1 Finance Accounts

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 2022-23 are as below:

(₹ in crore)



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 Organizations (NGOs) in the State for spending on various schemes and programs. Such transfers (₹15,771.73crore) 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 results of 2022-23

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2022-23:

SI.No	Component	Budget Estimates (₹in crore)	Actuals (₹in crore)	% of Actuals to GSDP ¹
1	Tax Revenue (including Central share)	1,24,100	1,16,203	9
2	Non-tax Revenue	11,093	5,417	...
3	Grants-in-aid	56,033	36,149	3
4	Revenue Receipts (1+2+3)	1,91,225	1,57,768	12
5	Recovery of loans and advances	37	(-)4	...
6	Borrowings & Other Liabilities	48,724	52,508	4
7	Capital receipts (5+6)	48,761	52,504	4
8	Total Receipts (4+7)	2,39,986	2,10,272	16
9	Revenue Expenditure	2,08,261	2,01,256	15
10	Expenditure on Interest payments	21,340	25,492	2
11	Capital Expenditure	30,680	7,244	1
12	Total Expenditure (9+11)	2,38,941	2,08,500	16
13	Revenue Surplus/ Deficit (4-9)	(-)17,036	(-)43,487	3
14	Loans and Advances disbursed	1,046	1,773	...
15	Fiscal Deficit ((4+5)- (12+14))	(-)48,724	(-)52,508	4

¹ GSDP figure of ₹13,17,728 crore adopted as provided in the Andhra Pradesh Socio-Economic survey.

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

There was an excess disbursement of ₹4,027 crore over the authorization made by the State Legislature under four grants and three appropriation Details of grants showing consistent savings and excesses 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 2022-23, Government of Andhra Pradesh availed ways and means advance of ₹ 1,18,039 crore on 341 days (166 days of Ordinary Ways and Means Advance, 23 days of Special Drawing Facility and 152 days of Overdraft) and the same ₹1,18,039 crore was repaid during the year leaving ‘Nil’ balance at the end of the year.

Further, an amount ₹ 149 crore was paid as interest on the Ways and Means Advances during 2022-23.

1.4.2 Overdraft from the Reserve Bank of India

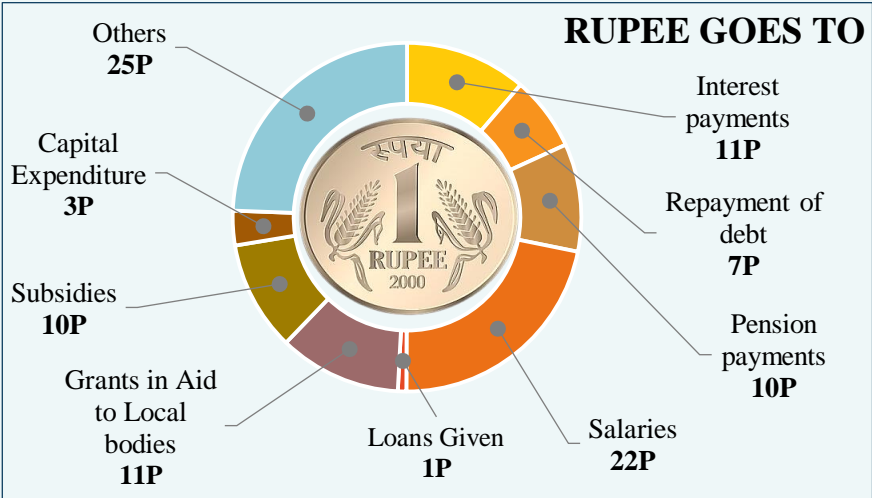
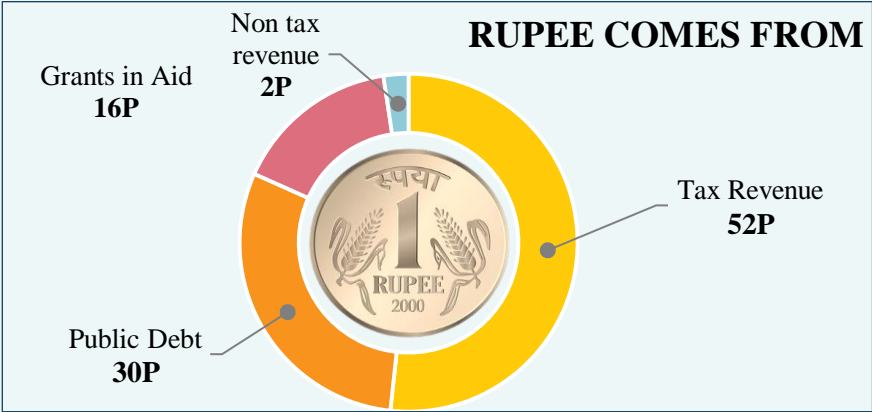
Overdraft is taken from the Reserve Bank of India when the minimum cash balances fall below ₹1.94 crore, even after taking Ways and Means Advances.

During 2022-23, Government of Andhra Pradesh availed overdraft from Reserve Bank of India for 152 days amounting to ₹57,066 crore.

1.4.3 Fund Flow

Figures below show 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 ₹ 43,487crore and Fiscal Deficit of ₹ 52,508 crore as on 31 March 2023. The Fiscal Deficit constituted 25.18 per cent of total expenditure.

(P-paisa)



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. As per the Andhra Pradesh Fiscal Responsibility and Budget Management (FRBM) Act, as amended from time to time, the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2022-23 against fiscal targets laid down in the Act and rules framed thereunder were as follow:

SI. No.	Parameter	Actual (₹ in crore)	Ratio in GSDP	
			Target	Achievement
1	Revenue deficit	₹43,487	To become revenue surplus (3.3 or less)	3.3(achieved)
2	Fiscal deficit	₹52,508	4.5 or less	3.9(achieved)
3	Debt and other obligation	₹4,29,526 ²	36.3 or less	32.60(achieved)

What does 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.

REVENUE DEFICIT / SURPLUS

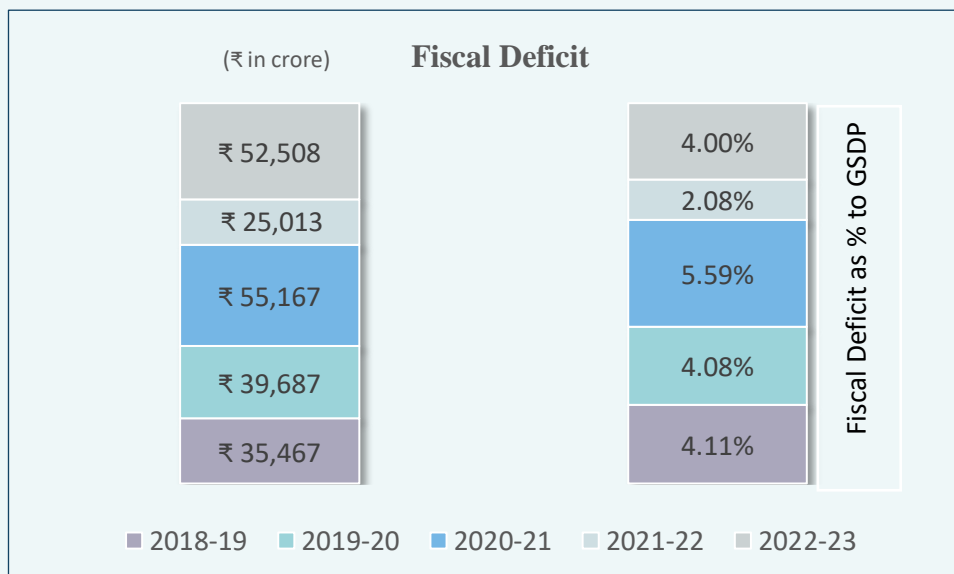
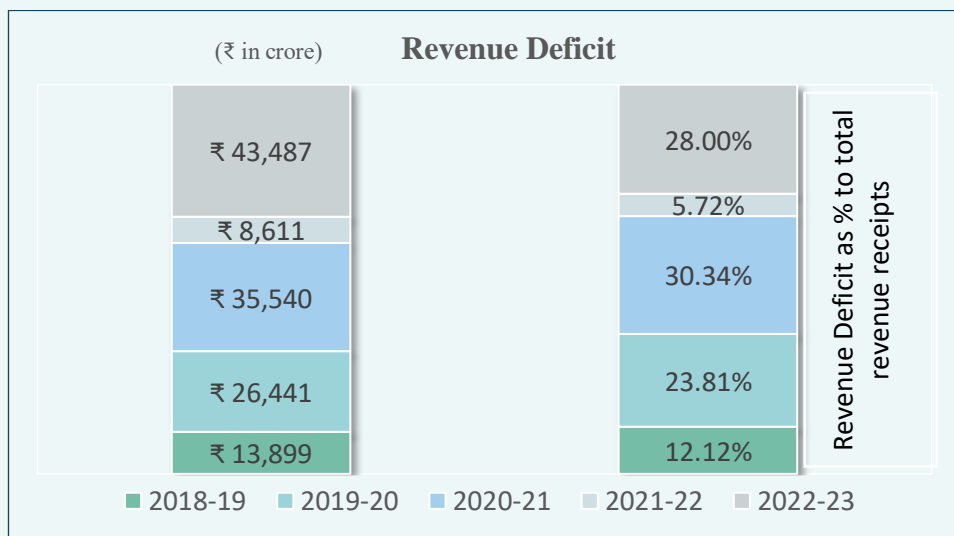
- The gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

FISCAL DEFICIT / SURPLUS

- 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.

² Excludes an amount of ₹5,583 crore towards Back-to-Back Loans to States in lieu of GST Compensation shortfall which is being serviced by the Gol.

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.



Chapter II

RECEIPTS

2.1 Introduction

The Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2022-23 were ₹ 2,10,272 crore against Budget estimate of ₹2,39,986 crore.

2.2 Revenue Receipts

The revenue receipts of the Government comprise 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

NON-TAX REVENUE

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

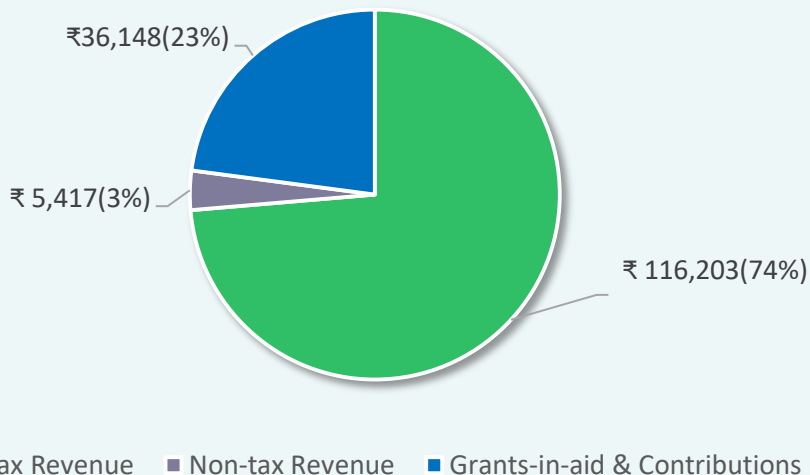
GRANTS- IN-AID

- 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 Receipts

	Components	Actuals (₹ in crore)	As percentage of Total Revenue Receipt
A	Tax Revenue (Total)	₹1,16,203	74
	Goods and Services Tax	₹38,841	25
	Taxes on Income& Expenditure	₹25,508	16
	Taxes on Property & Capital Transactions	₹8,367	5
	Taxes on Commodities& Services	₹43,487	28
B	Non-Tax Revenue (Total)	₹5,417	3
	Interest Receipts, Dividends and Profits	₹11	0
	General Services	₹773	0
	Social Services	₹259	0
	Economic Services	₹4,373	3
C	Grants-in-aid & Contributions	₹36,148	23
	Total-Revenue Receipts	₹1,57,768	

Break up of Revenue Receipts (₹ in crore & in %)



2.2.2 Trend of Revenue Receipts

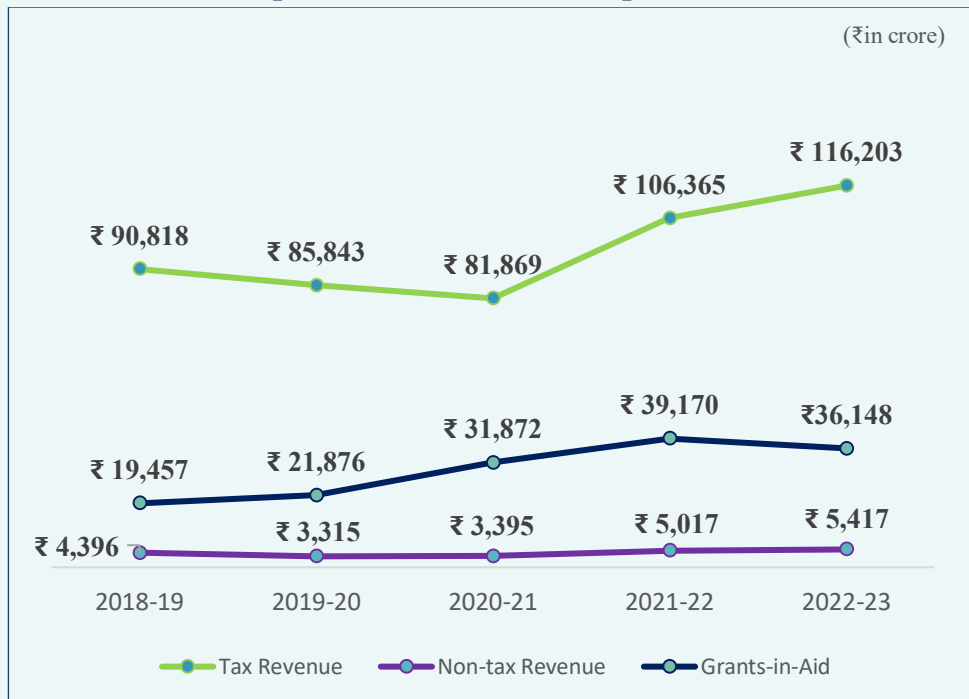
(₹ in crore)

Sector	FY19	FY20	FY21	FY22	FY23
Tax Revenue	₹90,818	₹85,843	₹81,869	₹1,06,365	₹1,16,203
Non-Tax Revenue	₹4,396	₹3,315	₹3,395	₹5,017	₹5,417
Grants-in-aid	₹19,457	₹21,876	₹31,872	₹39,170	₹36,148
Total Revenue Receipts	₹1,14,671	₹1,11,034	₹1,17,136	₹1,50,552	₹1,57,768

GSDP increased by 9.65 per cent in 2022-23 as compared to previous year, whereas increase in revenue receipts was 4.79 per cent. The total tax revenue (including share of Union Taxes) increased by 9.25 per cent, the non-tax revenue increased by 7.97 per cent and the grants-in-aid decreased by 7.71 per cent as compared to the previous year.

2.2.3 Trend of Components of Revenue Receipts

(₹ in crore)



2.3 Tax Revenue

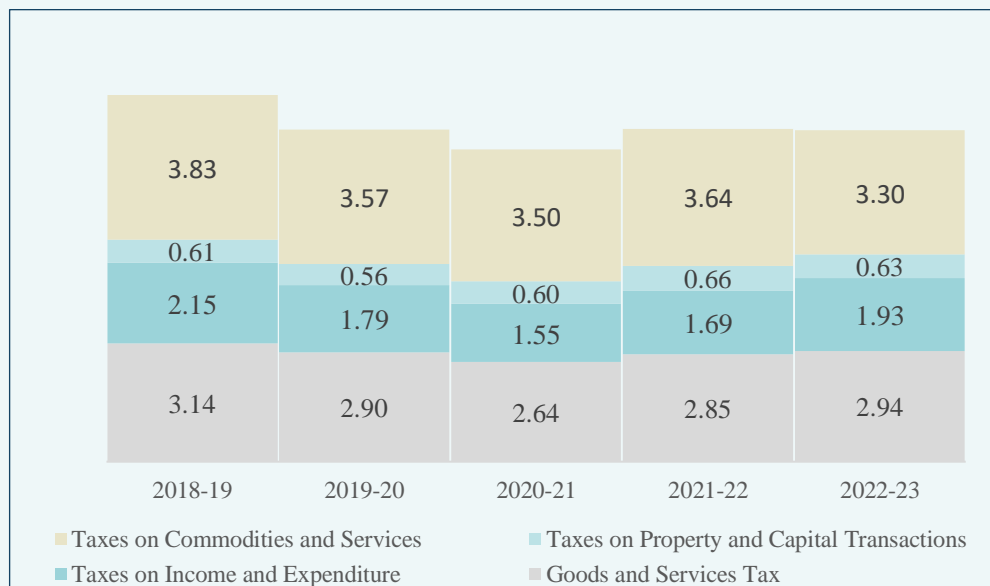
2.3.1 Components of Tax Revenue

(₹ in crore)

Sector	FY19	FY20	FY21	FY22	FY23
Goods and Services Tax	29,349	28,241	26,095	34,262	38,841
Taxes on Income and Expenditure	20,110	17,421	15,287	20,375	25,508
Taxes on Property and Capital Transactions	5,648	5,472	5,887	7,944	8,367
Taxes on Commodities and Services	35,711	34,709	34,600	43,784	43,487
Total Tax Revenues	90,818	85,843	81,869	1,06,365	1,16,203
GSDP	9,33,402	9,72,782	9,86,611	12,01,736	13,17,728

The increase in total tax revenue during 2022-23 was mainly attributable to collection of State Goods and Services Tax (₹27,981 crore), Corporation Tax (₹12,630 crore) and Taxes and duties on electricity (₹4,243 crore).

2.3.2 Trend of Total Tax Revenue as ratio 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.

(₹ in crore)

Year	Tax revenue	State's share of Union tax	State's own tax revenue Tax Revenue	Percentage of GSDP
FY 19	90,818	32,787	58,031	6
FY 20	85,843	28,242	57,601	6
FY 21	81,869	24,461	57,408	6
FY 22	1,06,365	35,386	70,979	6
FY 23	1,16,203	38,177	78,026	6

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

(₹ in crore)

Description	FY19	FY20	FY 21	FY22	FY 23
State's own tax collection	58,031	57,601	57,408	70,979	78,026
Devolution of union taxes	32,787	28,242	24,461	35,386	38,177
Total tax revenue	90,818	85,843	81,869	1,06,365	1,16,203
Percentage of State's own tax to total tax revenue	64	67	70	67	67

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

(₹ in crore)

Description	FY19	FY20	FY21	FY22	FY23
State Goods and Services tax	20,611	20,227	18,871	23,809	27,981
Taxes on sales, trade etc.	21,914	21,410	17,800	20,808	18,004
State excise	6,220	6,915	11,575	14,703	14,798
Taxes on vehicles	3,341	3,279	2,966	3,433	4,320
Stamps and registration fees	5,428	5,318	5,603	7,635	8,022
Taxes and duties on electricity	11	11	13	11	4,243

Land revenue	57	21	143	50	110
Taxes on goods and passengers	26	36	25	1	12
Other taxes	423	384	412	529	536
Total State's own taxes	58,301	57,601	57,408	70,979	78,026

2.4.2 Cost of Tax Collection

(₹ in crore)

	Taxes	FY 19	FY 20	FY 21	FY 22	FY 23
A	Taxes on sales, trades etc					
	Revenue collection	21,914	21,410	17,800	20,808	18,004
	Expenditure on collection	321	329	326	342	396
	Cost of tax collection(%)	1	2	2	2	2
B	State excise					
	Revenue collection	6,220	6,915	11,575	14,703	14,798
	Expenditure on collection	340	443	323	108	132
	Cost of tax collection(%)	5	6	3	1	1
C	Taxes on vehicles, goods and passengers					
	Revenue collection	3,367	3,315	2,991	3,434	4,332
	Expenditure on collection	107	142	142	129	114
	Cost of tax collection(%)	3	4	5	4	3
D	Stamps and registration fee					
	Revenue collection	5,428	5,318	5,603	7,635	8,022
	Expenditure on collection	152	138	144	172	210
	Cost of tax collection (%)	3	3	3	2	3

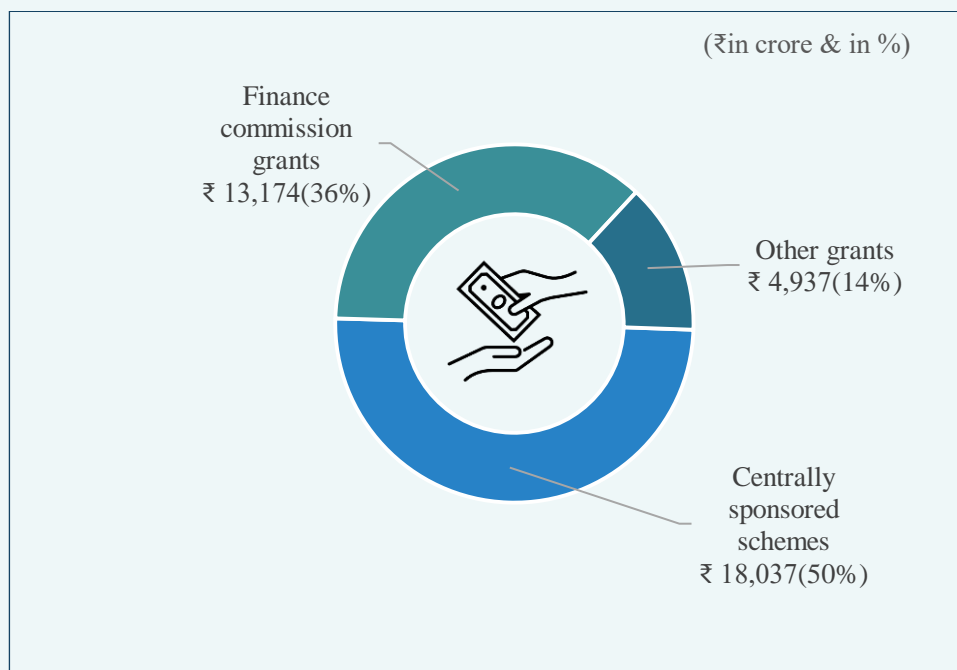
2.4.3 Trend of State's share of Union Taxes over the past five years

(₹ in crore)

Description	FY 19	FY 20	FY 21	FY 22	FY 23
Central goods and services tax (CGST)	8,092	8,014	7,224	10,453	10,859
Integrated goods and services tax(IGST)	646	0	0	0	0

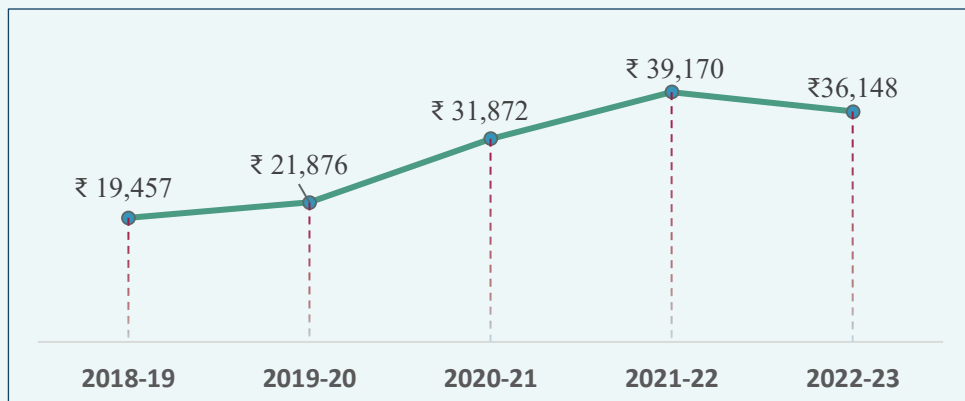
Corporation tax	11,401	9,630	7,413	9,437	12,630
Taxes on income other than corporation tax	8,397	7,545	7,604	10,666	12,579
Taxes on wealth	4	0	0	2	0
Customs	2,324	1,790	1,270	2,764	1,511
Union excise duties	1,544	1,245	818	1,610	474
Service tax	303	0	113	415	60
Other taxes and duties on commodities and services	76	18	20	40	64
Total State's share of union taxes	32,787	28,242	24,462	35,387	38,177

2.5 Break-up of Total Receipts for Grants-in-aid



2.5.1 Trend of Total Grants- in-aid given by GOI:

(₹ 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.

(₹ in crore)

Description	FY 19	FY 20	FY 21	FY 22	FY 23
Internal debt	23,461	32,342	40,472	35,862	45,579
Central loans	1,245	720	3,232	3,502	6,836
Total public debt	24,706	33,062	43,701	39,364	52,415

2.6.1 Internal Debt:

In 2022-23, 73 open market borrowings at par totaling ₹ 57,478 crore at interest rates varying from 7.29 per cent to 8.07 per cent and redeemable in the years between 2034 and 2042 were raised from the open market and repaid ₹11,664 crore. In addition, the State Government availed ₹ 1,18,039 crore by Ways & Means Advances from RBI and repaid the same. An amount of ₹ 2,096 crore was raised

from financial institutions and ₹ 1,155 crore was repaid. Thus, the net total Internal Debt was ₹45,579crore.

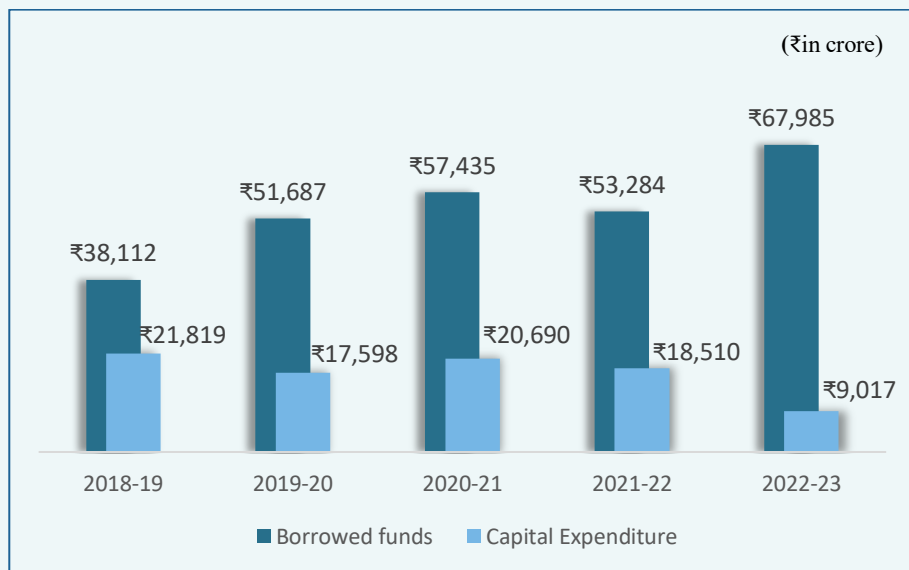
2.6.2 Government of India Loans:

The State Government received ₹8,411 crore from Government of India as Loans and Advances and repayments were ₹1,575 crore in 2022-23.

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 ₹ 67,985³ crore, an amount of ₹9,017 crore was utilised to meet Capital Expenditure (including ₹ 1,773 crore disbursed as Loans & Advances).

Normally, Public Debt is discharged through the use of Revenue Surplus. In the year 2022-23, even though the State Government had Revenue Deficit of ₹43,487crore, the Government discharged a public debt of ₹15,570 crore.



³ Difference of total Public Debt Receipts (₹1,86,024 crore) and total Ways & Means Advances Receipts (₹ 1,18,039 crore)

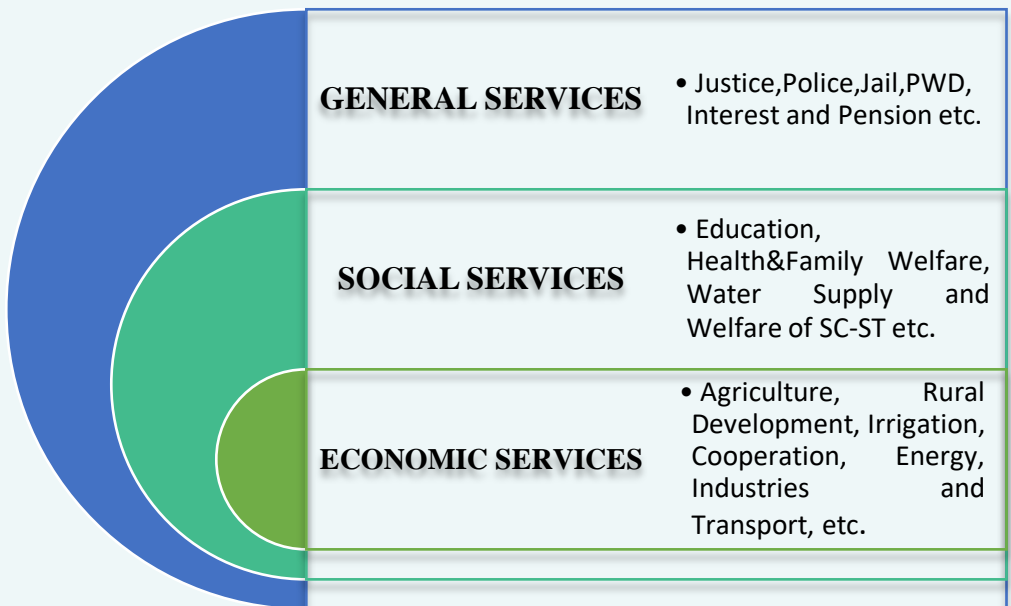
Chapter III

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).

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:

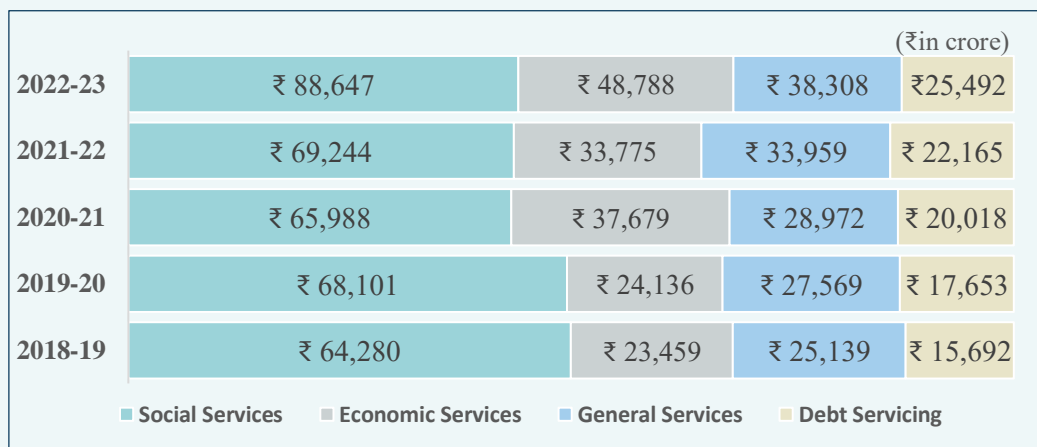


3.2 Revenue Expenditure

3.2.1 Sectorial Distribution of Revenue Expenditure

Component	FY 22	FY 23	% increase/ decrease over previous year
A. Fiscal services	843	979	16
(i) Collection of Taxes on property and Capital transactions	255	328	28
(ii) Collection of Taxes on Commodities and Services	588	651	11
(iii) Other Fiscal services
B. Organs of State	1,117	1,028	8
C. Interest payments and Servicing of Debt	22,165	25,492	15
D. Administrative Services	11,699	13,702	17
E. Pensions and Miscellaneous General services	20,300	22,599	11
F. Social Services	69,244	88,647	28
G. Economic Services	33,775	48,788	44
H. Grants-in-aid and Contributions	20	20	...
Total Expenditure (Revenue Account)	1,59,163	2,01,255	26

3.2.2 Trend of Major components of Revenue Expenditure (2018-2023)



3.2.3 Shortfall of Revenue Expenditure

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

(₹ in crore)

Year	FY 19	FY 20	FY 21	FY 22	FY 23
Budget estimates	1,50,272	1,80,476	1,80,393	1,82,197	2,08,261
Actuals	1,28,570	1,37,475	1,52,677	1,59,163	2,01,255
Gap	-21,702	-43,001	-27,716	-23,034	-7,006
Percentage of variation of actuals against BE	-14	-24	-15	-13	-3

Shortfall of Revenue Expenditure has reduced from 13% to 3% in 2022-23 over the previous year.

3.2.4 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure. Around 48.11 per cent of the revenue expenditure was incurred on committed expenses such as Salaries⁴ (₹48,756 crore), Interest Payments (₹25,492 crore) and Pensions (₹ 22,584 crore) which is the committed liability of the state government.

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

(₹ in crore)

Component	FY 19	FY 20	FY 21	FY 22	FY 23
Total revenue expenditure	1,28,570	1,37,475	1,52,677	1,59,163	2,01,255
Committed revenue expenditure	65,226	71,218	77,481	83,401	96,832
Percentage of committed revenue expenditure to total revenue expenditure	51	52	51	52	48

⁴ Includes detailed heads 010-Salaries (₹ 44,480 crore), 020-Wages (₹ 74 crore), 030-Overtime allowance (₹ 0.04 crore), 270/273, Work charged establishment (₹NIL) & 310/311-Grants-in-aid towards salaries (₹4,202 crore).

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

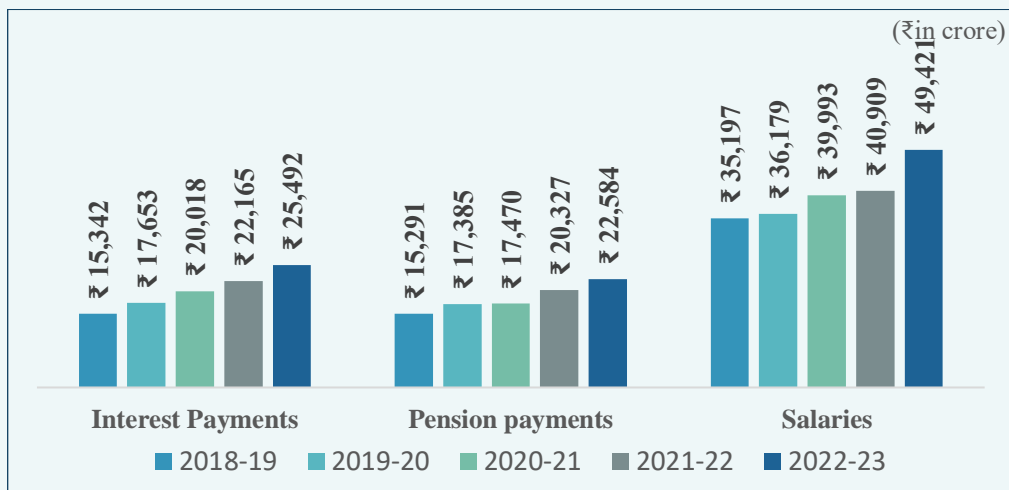
(₹ in crore)

Component	FY 19	FY 20	FY 21	FY 22	FY 23
Committed expenditure	65,830	71,811	78,071	84,002	97,497
Revenue expenditure	1,28,570	1,37,475	1,52,677	1,59,163	2,01,255
Revenue receipts	1,14,671	1,11,034	1,17,136	1,50,552	1,57,768
Percentage of committed expenditure to revenue receipts	57	65	67	56	62
Percentage of committed expenditure to revenue expenditure	51	52	51	53	48

The committed expenditure increased by 48.10 per cent from 2018-19 to 2022-23 while revenue expenditure registered a growth of 56.53 per cent during the same period.

3.2.5 Trend of Committed Expenditure

Interest payments increased by 15.01 per cent in 2022-23 over the previous year. Pension payment increased by 11.10 per cent and Salary payment increased by 19.18 per cent in 2022-23 over the previous year.



3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Expenditure during 2022-23 amounting to ₹7,244 crore (0.55 per cent of GSDP) fell short of the Budget Estimates by ₹23,436 crore.

3.3.1 Distribution of Capital Expenditure

During 2022-23, Government spent ₹4,224 crore on various irrigation projects (₹3,519 crore on Major Irrigation, ₹37 crore on Medium Irrigation, and ₹ 668 crore on Minor Irrigation) and ₹0.46 crore on Ports and Light Houses. Apart from the above, the Government spent ₹403 crore on construction of Buildings, ₹488 crore on construction of Roads and Bridges, ₹ 66 crore on Rural Water Supply Schemes, ₹NIL on investment in various Corporations/Companies/Societies and ₹2,063 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:

(₹ in crore)

Sector		FY 19	FY 20	FY 21	FY 22	FY 23
General Services	Capital	275	3,752	6,498	1,988	89
	Revenue	40,790	45,222	48,990	56,124	63,800
Social services	Capital	2,866	2,056	5,206	6,366	448
	Revenue	64,382	68,101	65,988	69,244	88,648
Economic services	Capital	16,835	6,434	7,271	8,018	6,707
	Revenue	23,459	24,136	37,679	33,775	48,788

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

(₹ in crore)

Components	FY 19	FY 20	FY 21	FY 22	FY 23
Budget (BE)	28,678	32,293	29,908	18,529	30,679
Actual Expenditure	19,976	12,242	18,975	16,373	7,244
Percentage of actual expenditure to BE	70	38	63	88	24
Yearly growth in capital expenditure	48	-39	55	-14	-56
GSDP	9,33,402	9,72,782	9,86,611	12,01,736	13,17,728
Yearly growth in GSDP	16%	4%	1%	22%	10%

Chapter IV

APPROPRIATION ACCOUNTS

4.1 Summary of Appropriation Accounts

(₹ in crore)

Nature of Expenditure	Original Grant	Supplementary Grant	Total budget	Actual Expenditure	Savings/ Excesses
Revenue					
Voted	1,97,062	37,710	2,34,772	1,85,054	(-)49,718
Charged	21,733	107	21,839	25,701	3,861
Capital					
Voted	30,995	7,170	38,165	9,327	(-)28,838
Charged	84	37	121	38	(-)83
Public Debt					
Charged	16,270	1,30,004	1,46,274	1,33,609	(-)12,665
Loans and Advances					
Voted	1,045	1,825	2,870	1,773	(-)1,098
Grand Total					
Total	2,67,190	1,76,852	4,44,042	3,55,502	(-)88,539

4.2 Overall Savings

Savings under a Grant indicates either non-implementation/slow implementation of certain schemes/programs or inaccurate budget estimation. Total Savings under 40 grants is given below.

(₹ in crore)

Grant No.	Sum of Total Grant	Expenditure	Savings
I to XL	3,84,941	2,92,374	92,567

4.3 Excess over Appropriation:

The Following Grants showed excess expenditure over appropriation voted by State Legislature

(₹in crore)

Grant No.	Name of the Grant	Section	Total Grant	Expenditure	Excess
II	Governor and Council of Ministers	Revenue(V)	27.90	28.71	0.81
III	Administration of Justice	Revenue(C)	86.13	103.34	17.21
V	Revenue, Registration and Relief	Revenue(C)	5.46	9.16	3.71
IX	Fiscal Administration, Planning, Surveys and Statistics	Revenue(V)	35,192.58	35,249.63	57.05
		Revenue(C)	21,655.18	25,508.18	3,853
XIII	Higher Education	Revenue(V)	2,131	2,218	87
XXIV	Minority Welfare	Capital(V)	2	10	8

Chapter V

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 ₹11,365 crore at the end of 2022-2023. An amount of ₹2 crore (0.01 per cent of investment) was received as dividends indicating an inadequate return on investment.

Cash balance with the RBI stood at ₹ (-)30 crore on 1st April 2022 and changed to (-) ₹19crore at the end of 31st March 2023. The Government had invested an amount of ₹19,929 crore in 14 days treasury bills in 2022-23 and rediscounted bills worth ₹20,765 crore leaving a closing cash balance investment of ₹936crore 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 ₹58,805 crore for 2022-23. Against this, Government of Andhra Pradesh availed of open market borrowings totaling ₹57,478crore during 2022-23.

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

(₹ in crore)

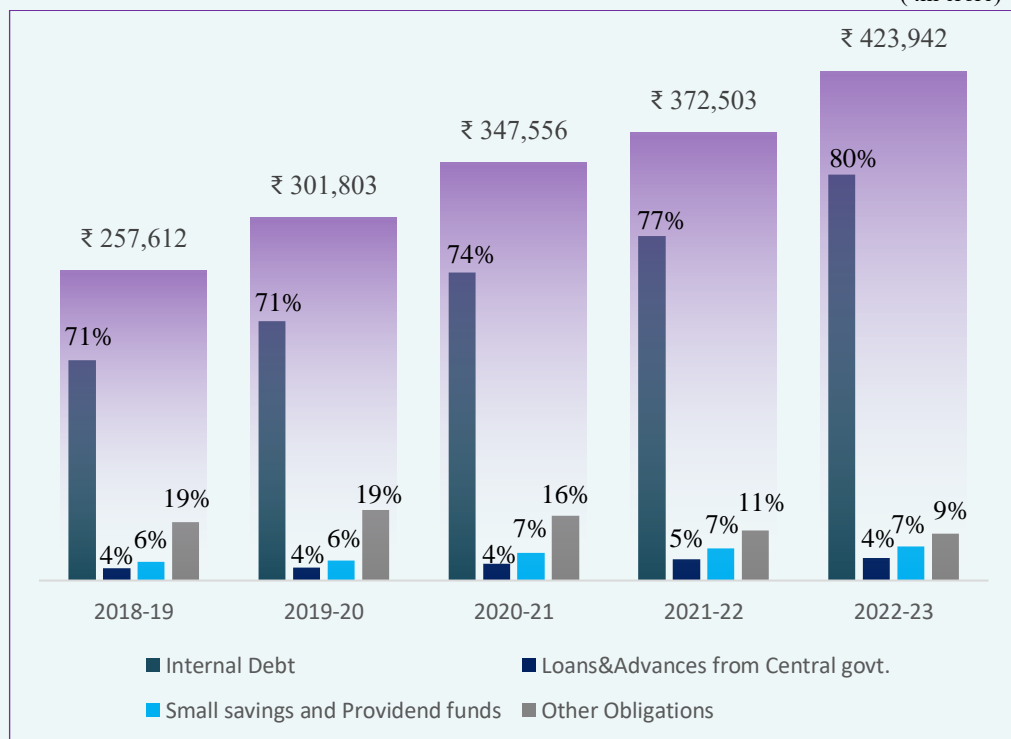
Year	Public Debt	% of GSDP	Public Account ⁵	% of GSDP	Total Liabilities	% of GSDP
FY 19	1,93,497	21	64,013	7	2,57,510	28
FY 20	2,26,559	23	75,243	8	3,01,802	31
FY 21	2,70,259	27	80,297	8	3,50,557	35
FY 22	3,09,623	26	68,463	6	3,72,503	31
FY 23	3,56,455	27	67,488	5	4,23,942 ⁶	32

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

Public Debt and Other Liabilities showed a net increase of ₹ 51,440 crore (13.81 per cent) over the previous year due to raising of new long-term market loans.

Debt and liabilities

(₹ in crore)



⁵ Excludes suspense and remittance balance.

⁶ Excludes an amount of ₹5,583 crore towards Back-to-Back loans to States in lieu of GST compensation shortfall.

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, Co-operative 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 31st March	
		Principal	Interest
2018-19	56,120	49,442	22
2019-20	93,463	67,171	18
2020-21	1,19,230	91,330	23
2021-22	1,57,123	1,18,003	23
2022-23	2,02,470	1,38,875	...

Chapter VI

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 2023, an adverse balance of ₹ 145 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, ₹25 crore represents loans availed from LIC, ₹5 crore pertains to repayments on behalf of Co-operatives. 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 2022-2023 was ₹35,226 crore. Of this, Loans and Advances to Government Corporations / Companies, Non-Government Institutions and Local Bodies amounted to ₹ 34,854 crore. Recovery of principal aggregating to ₹31,390crore and interest amounting to ₹27,495 crore is in arrears at the end of 31 March 2023. During 2022-23, (-) ₹4.14 crore has been received towards repayment of Loans and Advances, out of which ₹ 24 crore relate to repayment of loans to Government Servants. Effective steps to recover the outstanding loans would facilitate the Government to maintain a 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 increased from ₹66,082 crore in 2021-22 to ₹ 80,290 crore in 2022-23. Grants to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities (₹17,986 crore) represented 22.40 per cent of the total grants given during the year. Details of Grants-in-aid for the past 5 years are as under:

(₹ in crore)

Name of Institutions	FY19	FY 20	FY 21	FY 22	FY 23
Zilla Parishads	5,547	5,659	6,091	464	7,986
Municipalities	1,461	2,663	2,588	8,402	4,164
Panchayats	2,081	4,750	7,187	5,352	5,837
Others(#)	51,706	46,843	57,800	51,864	62,303
Total	60,795	59,915	73,666	66,082	80,290

(#) which includes PSUs(₹24,030Cr), Autonomous Bodies(₹6,761Cr), NGOs(₹710Cr)

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 01 April 2022	As on 31 March 2023	Net increase (+)/ decrease (-)
Cash balances	(-)30	(-)19	11
Investment from cash balance (GoI treasury bills)	1,773	937	(-)836
Other Cash balance	3	3	0
(a) Departmental balances	1	1	0
(b) Permanent cash imprest	2	2	0
Investment from earmarked fund balances	10,581	11,405	824
(a) Sinking fund	9,631	10,383	752
(b) Guarantee redemption fund	944	1,017	73
(c) Other funds	6	5	-1
Interest realized during the year	795	848	53

The State Government had a Negative closing cash balance at the end of 2022-23. It invested ₹11,405 crore towards cash balances and earmarked fund (Consolidated Sinking Fund, Guarantee Redemption Fund, etc.) balances.

6.5 Reconciliation of accounts

As per provisions of Andhra Pradesh Financial Code Volume I and Andhra Pradesh Budget Manual, every DDO/ CCO are required to reconcile receipts and expenditure of the Government with the figures with those of booked figures of O/o Accountant General (A&E), Andhra Pradesh. During the year 2022-23, receipts amounting to ₹1,57,611.51 crore (99.90 per cent of total receipts) and expenditure amounting to ₹2,07,730.65 crore (99.63 per cent of total expenditure) were reconciled by the State Government.

In comparison, receipts amounting to ₹1,52,581.17 crore (99.95 per cent of total receipts) and expenditure amounting to ₹1,68,449.10 crore (94.81 per cent of total expenditure) were reconciled by the State Government during 2021-22 i.e., the previous year.

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 Unadjusted abstract contingent (AC) Bills

As per SR 18 below TR 16 read with State Government Orders¹ (April 2002) financial rules envisage that no moneys should be drawn from government treasury unless it is required for immediate disbursement. In emergent circumstances, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money through Abstract Contingent (AC) bills, in terms of the Financial Rules (Art 99 of AP Financial Code) for the purpose of meeting contingent expenditure of a specified kind or on a specific occasion. The Treasury rules² and Government orders³ stipulate that all advances drawn on AC bills should be adjusted by submitting the detailed contingent (DC) bills with supporting vouchers within a

¹ G.O.Ms.No.507, Finance (TFR) Department dated 10th April 2002.

² SR 18 below TR 16 of AP Treasury code volume-I

³ G.O.Ms. No.391, Finance (TFR) Dept, dated 22 March 2002 and G.O.Ms. No.507, Finance (TFR) Dept, dated 10 April 2002.

month. In any case, a third AC bill shall not be admitted till the first AC bill is settled.

Out of total 453 AC bills amounting to ₹214.04crore drawn during the year 2022-23, 279 AC bills amounting to ₹23.77 crore (11.10 per cent) were drawn in March 2023. To the end of 31 March 2023, DC Bills in respect of a total of 887 AC bills amounting to ₹1,313.91 crore were not received. Details of unadjusted AC bills as on 31 March 2023 pending submission of DC bills are given below:

Year	No. of unadjusted AC Bills	Amount (₹in crore)
Up to 2021-22	539	1,135.83
2022-23	348	178.08
Total	887	1,313.91

Comparative information with previous year 2021-22 is as given below:

Status/Year	2021-22	2022-23
No. of unadjusted AC Bills	363	348
Amount (₹ in crore)	206.86	178.08

6.8 Status of Suspense and Remittances Balance

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balance under these heads, worked out by aggregating the outstanding debit and credit balances separately under various heads, was ₹799.08 crore (debit) under MH 8658 and MH 8782 Heads as on 31 March 2023 (₹1,139.92 crore (debit) as on 31 March 2022).

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

6.9 Liabilities towards New Pension System

During the year 2022-23, total contribution to Defined Contribution Pension Scheme (CPS) was ₹2,485.16 crore (Employees' contribution ₹1,512.55 crore and Government's contribution ₹972.61 crore). The detailed information on government contribution is available in Statement No. 15 of the Finance Accounts. The State Government transferred an amount of ₹2,930.97 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme and transferred ₹2,770.07 crore to the current account.

6.10 Personal Deposit (PD) Accounts

The PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme.

The government of Andhra Pradesh issued a G.O.Ms. No.99 dated 14 August 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.

The status of reconciliation of PD Accounts as required under the above rules is awaited from the State Government.

Details of the PD accounts as on 31 March 2023 are given below:

(₹ in crore)

Opening Balance as on		Addition during the year		Closed/Withdrawal during the year		Closing Balance as on	
1 st April 2022		2022-23		2022-23		31 st March 2023	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
3529	₹13,467	969	₹67,135	568	₹69,377	3930	₹11,225

Opening balance in PD Accounts as on 1st April 2022 was ₹13,466.95crore. During 2022-23, an amount of ₹67,135.25crore was transferred to these PD Accounts. Out of which payment of ₹69,377.32 crore was made in 2022-23, leaving a balance of ₹11,224.88crore as on 31st March2023. In terms of Note 4 below instruction 22 under TR 16 of the Andhra Pradesh Treasury Rules, the Administrator of Personal Deposit Account shall reconcile the balances with the Bank every month and with the Treasury at the end of every quarter immediately within 15 days thereafter and record certificate to that effect in the Treasury Passbook. Post implementation of CFMS, PD Administrators/PD Accounts was migrated into CFMS. In terms of the G.O.Ms. No.99 dated 14 August 2019, to ensure accountability, it is mandated that the PD Administrators shall electronically certify the balances on a quarterly basis, failing which the PD account will be kept in suspended mode preventing any further transactions until such certificate is completed.

The status of reconciliation of PD Accounts as required under the above rules is awaited from the State Government.

COMPTROLLER AND AUDITOR GENERAL OF INDIA
2023

