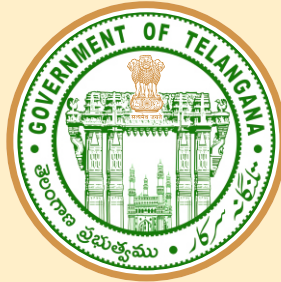


Accounts at a Glance 2022-23



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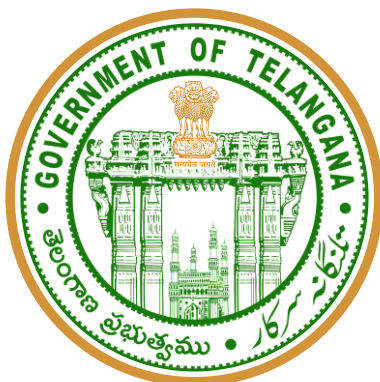


Government of Telangana



Accounts at a Glance

2022-23



GOVERNMENT OF TELANGANA

PREFACE

This is the Ninth issue of our annual publication '**Accounts at a Glance**' in respect of the Government of Telangana. The Annual Accounts of the State Government are prepared by the Principal Accountant General (Accounts and Entitlement), Telangana on behalf of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for being laid before the Legislature of the State. The Annual Accounts consist of Finance Accounts and Appropriation Accounts. Finance Accounts are summarized statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

The **Accounts at a Glance** provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts and gives an insight into the financial position of the State. The information is presented through brief explanations, statements and graphs. It is based on the figures in the certified Finance Accounts and Appropriation Accounts and in case of difference, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

Place: Hyderabad
Date: 05-01-2024



Principal Accountant General (A & E)
Telangana

Our Vision, Mission and Core Values

VISION

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

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

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

MISSION

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

CORE VALUES

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

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

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Chapter I Overview

1.1 Introduction

The Principal Accountant General (Accounts and Entitlements), Telangana compiles the monthly accounts of receipts and expenditure of the Government of Telangana. This compilation is based on Accounts rendered by 33 District Treasuries (for Civil and Forest Departments separately), 33 Public Works Divisions' Pay and Accounts Officers (PAOs), Pension Payment Office, Hyderabad (PPO), 03 State PAOs¹ and Advices of the Reserve Bank of India.

Following such monthly compilation, the Principal Accountant General (A&E) prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the State Legislature after audit by the Accountant General (Audit), Telangana and certification by the Comptroller and Auditor General of India.

¹ PAO, New Delhi, TS Bhavan rendered their accounts up to December 2022 as an independent Accounting Rendering Unit (ARU). However, from January 2023 PAO, New Delhi, TS Bhavan transactions have been incorporated in PAO Hyderabad Accounts.

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Part 1 CONSOLIDATED FUND

All the revenue received by the Government including tax and non-tax revenues, loans raised, and repayment of loans given (including interest thereon) form the Consolidated Fund. All the 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 Telangana is ₹50.00 crore.

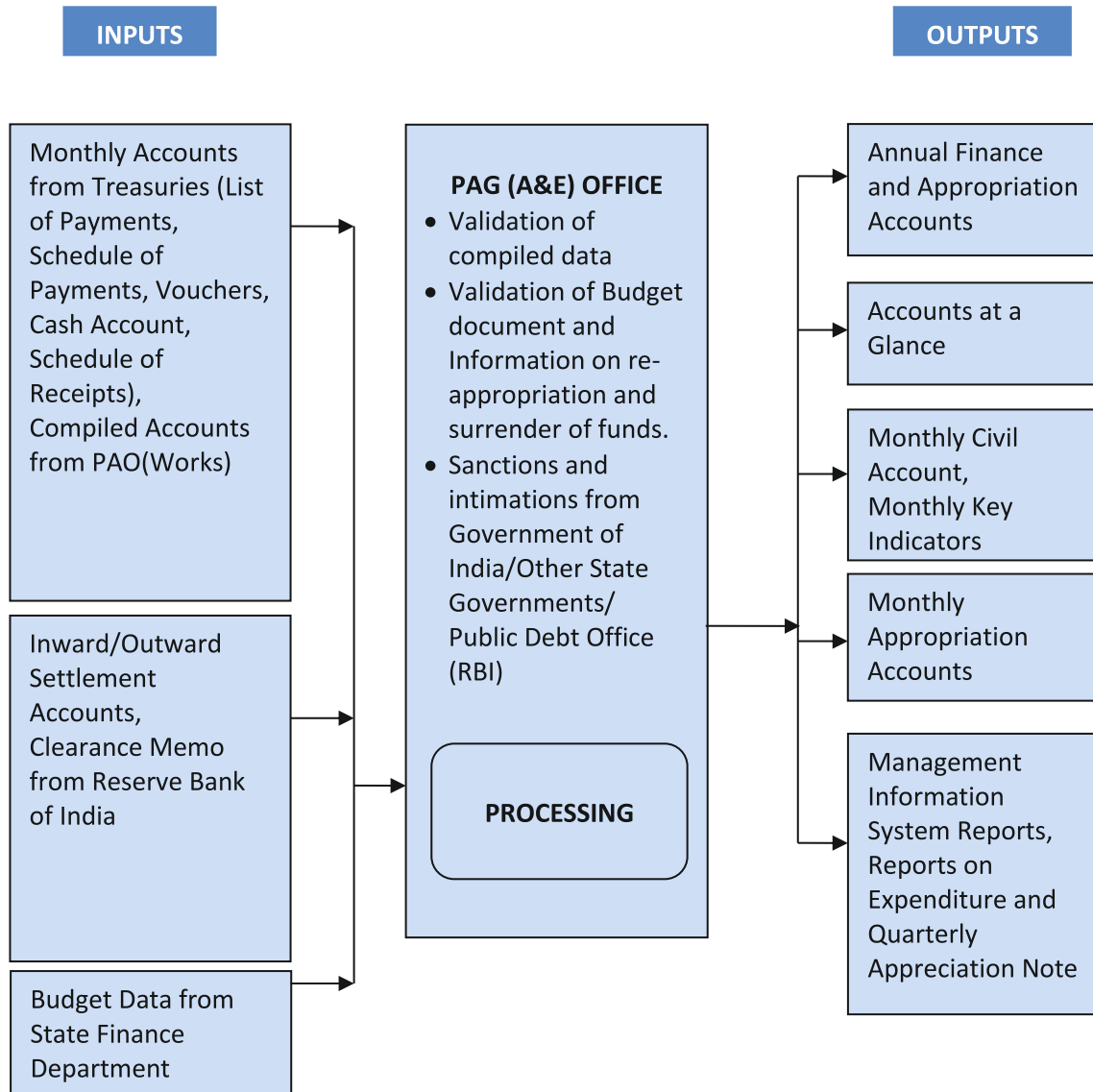
Part 2 CONTINGENCY FUND

Part 3 PUBLIC ACCOUNT

In Public Account, the transactions relating to Debt (other than those included in Part 1), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. The transactions under Debt, Deposits and Advances in this part are such in respect of which Government incurs a liability to repay the money received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this part shall embrace all adjusting heads. The transactions such as remittances of cash between treasuries and currency chests and transfer between different accounting circles shall appear here. The initial debits or credits to these heads will be cleared eventually by booking to the final head of account.

1.2.2 Compilation of Accounts

Flow Diagram for Accounts Compilation





1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

The 'Notes to Finance Accounts' contains summary of significant accounting policies, comments on quality of accounts and other items like Loans and Advances, Investments, Guarantees etc.

In addition to the Budget approved for the year 2022-23 by the Telangana Legislature, the Government of India effects transfer of funds directly to State Implementing Agencies such as Telangana State Civil Supplies Corporation Ltd., Agriculture Department, Arogyasri Health Care Trust, Rural Development etc. for spending on various schemes and programmes. Such transfers (₹10,018 crore in 2022-23) are not reflected in the accounts of the State Government but have been shown at Appendix VI of Finance Accounts.

1.3.2 Financial Highlights of the Year 2022-23

The following table provides the details of actual financial results *vis-a-vis* Budget Estimates for the year 2022-23:

| Sl. No | Component | Budget Estimates (₹ In crore) | Actuals (₹ In crore) | % of Actuals to Budget Estimates | Per centage of Actuals to GSDP for 2022-23 ⁽²⁾ |
|--------|--|-------------------------------|----------------------|----------------------------------|---|
| 1. | Revenue Receipts (a+b+c) | 1,93,029 | 1,59,350 | 83 | 12 |
| | a) Tax Revenue ⁽¹⁾ (including Central Share) | 1,26,606 | 1,26,617 | 100 | 10 |
| | b) Non-Tax Revenue | 25,422 | 19,554 | 77 | 1 |
| | c) Grants-in-aid and Contributions | 41,002 | 13,179 | 32 | 1 |
| 2. | Recovery of Loans and Advances | 60 | 629 | 1048 | ... |
| 3. | Borrowings & Other Liabilities ⁽³⁾ | 52,167 | 32,557 | 62 | 2 |
| 4. | Capital Receipts (2+3) | 52,227 | 33,186 | 64 | 3 |
| 5. | Total Receipts (1+4) | 2,45,257 | 1,92,536 | 79 | 15 |
| 6. | Revenue Expenditure | 1,89,275 | 1,53,407 | 81 | 12 |
| | a) Grants-in-Aid | 1,11,151 | 69,312 | 62 | 5 |
| | b) Expenditure on Salaries/Wages ⁽⁵⁾ | 26,184 | 25,273 | 97 | 2 |
| | c) Expenditure on Pensions | 11,385 | 15,816 | 139 | 1 |
| | d) Expenditure on Subsidy | 12,049 | 9,634 | 80 | 1 |
| | e) Expenditure on Interest Payments (Out of Revenue Expenditure) | 18,912 | 21,821 | 115 | 2 |
| | f) Other Expenditure (other than a, b, c, d, & e) | 9,594 | 11,551 | 120 | 1 |
| 7. | Capital Expenditure ⁽⁴⁾ | 29,728 | 17,881 | 60 | 1 |
| | a) Expenditure on Capital Account (excluding b) | 29,139 | 17,291 | 59 | 1 |
| | b) Expenditure on Salaries/Wages | 589 | 590 | 100 | ... |
| 8. | Loans and Advances Disbursed | 26,253 | 21,248 | 81 | 2 |
| 9. | Inter State Settlement | ... | ... | ... | ... |
| 10. | Total Expenditure (6+7+8+9) | 2,45,256 | 1,92,536 | 78 | 15 |
| 11. | Revenue Surplus (1-6) | 3,754 | 5,943 | 157 | ... |
| 12. | Fiscal Deficit (1+2-10) | 52,167 | 32,557 | 62 | 2 |
| 13. | Primary Deficit {(1+2) - (10+6 e)} | 33,255 | 10,736 | 32 | 1 |

Table 1.3.2

Figures in italics represent significant deviations between BE and Actuals.

- (1) Includes share of net (tax) proceed assigned to the state amounting to ₹19,635 crore.
- (2) Gross State Domestic Product (GSDP) is a measure, in monetary terms, of the volume of all goods and services within the boundaries of the State during a given period of time. The figure (₹13,13,391 crore) is sourced from the Ministry of Statistics and Programme Implementation, GOI.
- (3) Borrowings and other liabilities: Net (Receipts-Disbursements) of Public Debt (₹32,074 crore) + Net of Contingency fund {₹ Nil} + Net (Receipts- Disbursements) of Public Account (₹454 crore) - Net of Opening and Closing cash balance (₹(-)29 crore).
- (4) Expenditure does not include Public Debt (₹94,810 crore) as net of Public Debt has been taken under Borrowings and Other Liabilities.
- (5) Excludes salaries (₹5,682 crore) and wages (₹8 crore) met from Grants-in-aid.

1.3.3 Receipts during the year

(₹ In crore)

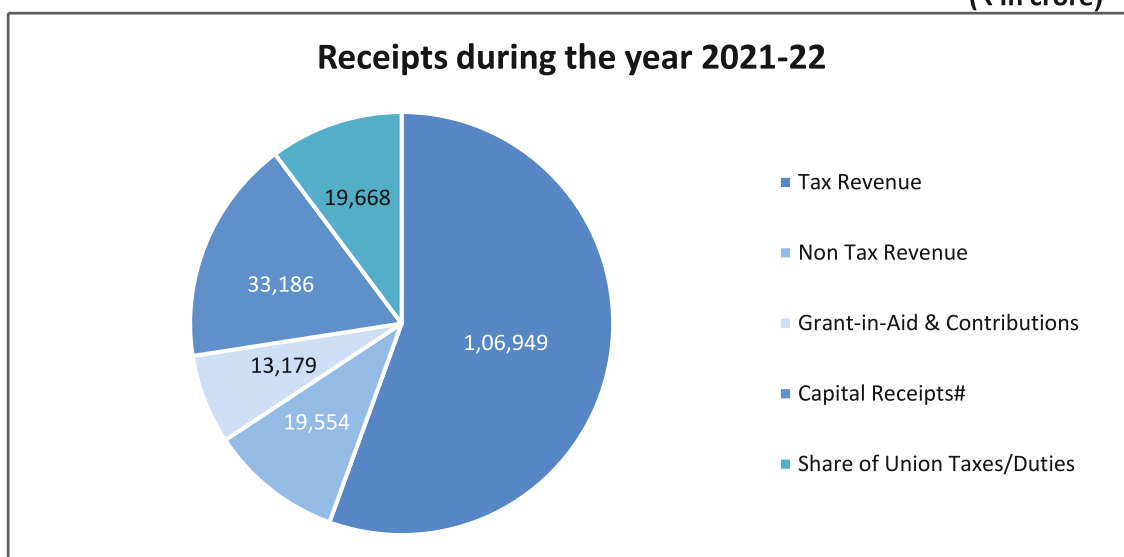


Fig 1.3.3

*Includes share of net (tax) proceed assigned to the state amounting to ₹19,635 crore.

#Capital receipts include Recovery of Loans and Advances (₹629 crore) + Borrowings and other liabilities (₹32,557 crore)

[Net (Receipts-Disbursements) of Public debt (₹32,074 crore) + Net of Contingency fund {₹ 0} + Net (Receipts-Disbursements) of Public Account (₹454 crore) - Net of Opening and Closing cash balance ₹(-)29 crore)].

1.3.4 Disbursements during the year

(₹ In crore)

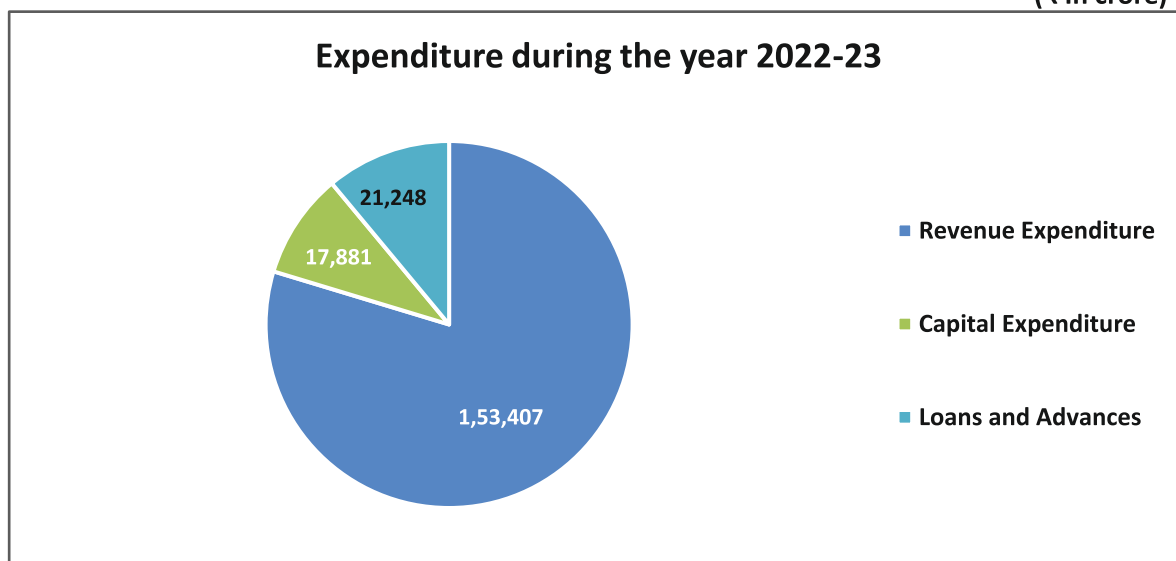



Fig 1.3.4

1.3.5 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 expenditure requires to be “Voted”. The budget of Government of Telangana has 37 grants consisting of 12 charged appropriations and 37 voted sections. 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.

1.3.6 Efficiency on Budget Preparation

The Government of Telangana incurred net excess expenditure of ₹1,05,565 crore (38 *per cent* of estimates) in 7 Grants/Appropriations against the approved budget of ₹2,77,525 crore by the State Legislature during the year 2022-23.

The excess expenditure in Revenue Section occurred mainly under the grant-Energy. The expenditure was ₹14,856 crore against the Budget allocation of ₹7,801 crore exceeding the budget by ₹7,055 crore. The excess expenditure in Public Debt section was under Fiscal Administration, Planning, Survey & Statistics. Of these, the expenditure under Fiscal Administration, Planning, Survey & Statistics was ₹94,810 crore (including ₹82,823 crore on account of repayment of Ways and Means Advances) against the Budget allocation of ₹12,012 crore exceeding the Budget by ₹82,797 crore (689 *per cent*).

In Capital section, the excess expenditure occurred mainly under the grant Industries and Commerce. The expenditure under Capital section of this grant was ₹165 crore against the Budget allocation of ₹105 crore exceeding the Budget by ₹60 crore (57 *per cent*).

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Special Drawing Facility/Ways and Means Advances are taken from the Reserve Bank of India to maintain the agreed minimum cash balance which the state Government is required to maintain with the Reserve Bank of India. During 2022-23, the Government of Telangana availed Special Drawing Facility of ₹8,487 crore for 341 days, and Ways and Means Advances of ₹47,571 crore for 314 days.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from Reserve Bank of India when the cash balance falls below the limit prescribed by Reserve Bank of India i.e., ₹1.38 crore for the state of Telangana, (even after taking ways and means advances, Special Drawing Facility) which is required to be maintained with Reserve Bank of India. During the year 2022-23, Overdraft of ₹26,765 crore was availed for 118 days by the Government of Telangana.



1.4.3 Fund flow statement

The State had a Revenue Surplus of ₹5,943 crore and a Fiscal Deficit of ₹32,557 crore as on 31 March 2023. The Fiscal Deficit was met from net of Borrowings and other Liabilities [Public Debt (₹ 32,074 crore), Public Account (₹454 crore) and Cash balance ((-) ₹29 crore)]. Around 43 *per cent* of the Revenue Receipts (₹ 1,59,350 crore) of the State Government was spent on Committed Expenditure like Salaries and wages (₹30,963 crore), Interest Payments (₹ 21,821 crore) and Pensions (₹ 15,816 crore).

1.4.4 Sources and Applications of Funds

| | | (₹ In crore) | |
|-------------|---|--|-----------------|
| | | PARTICULARS | AMOUNT |
| SOURCES | → | Opening Cash Balance as on 01.04.2022 | 64 |
| | → | Revenue Receipts | 1,59,350 |
| | → | Recovery of Loans and Advances | 629 |
| | → | Capital Receipts | ... |
| | → | Public Debt | 44,061* |
| | → | Small Savings, Provident Fund and Others | 3,281 |
| | → | Reserves and Sinking Funds | 1,397 |
| | → | Deposits Received | 82,241 |
| | → | Civil Advances Repaid | ... |
| | → | Suspense and Miscellaneous | 10,120 |
| | → | Remittances | 429 |
| | → | Contingency Fund | ... |
| | → | TOTAL | 3,01,572 |
| APPLICATION | → | Revenue Expenditure | 1,53,407 |
| | → | Capital Expenditure | 17,880 |
| | → | Loans Given | 21,248 |
| | → | Repayment of Public Debt | 11,987 |
| | → | Small Savings, Provident Fund and Others | 1,232 |
| | → | Reserve and Sinking Funds | 1,595 |
| | → | Deposits repaid | 81,292 |
| | → | Civil Advances given | ... |
| | → | Suspense and Miscellaneous | 12,001 |
| | → | Remittances | 895 |
| | → | Inter State Settlement | ... |
| | → | Contingency Fund | ... |
| | → | Closing Cash Balance as on 31.03.2023 | 35 |
| | → | TOTAL | 3,01,572 |

Table 1.4.4

* Excludes Ways and Means Advances of ₹82,823 crore

1.4.5 Where Rupee came from

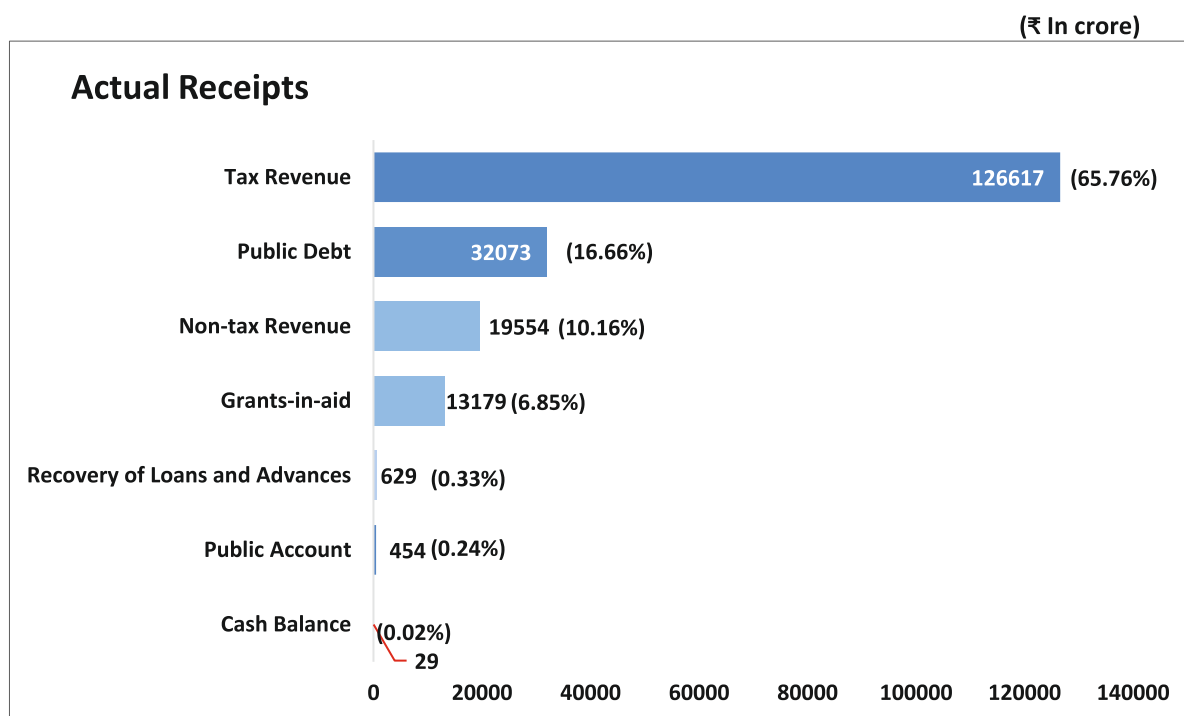
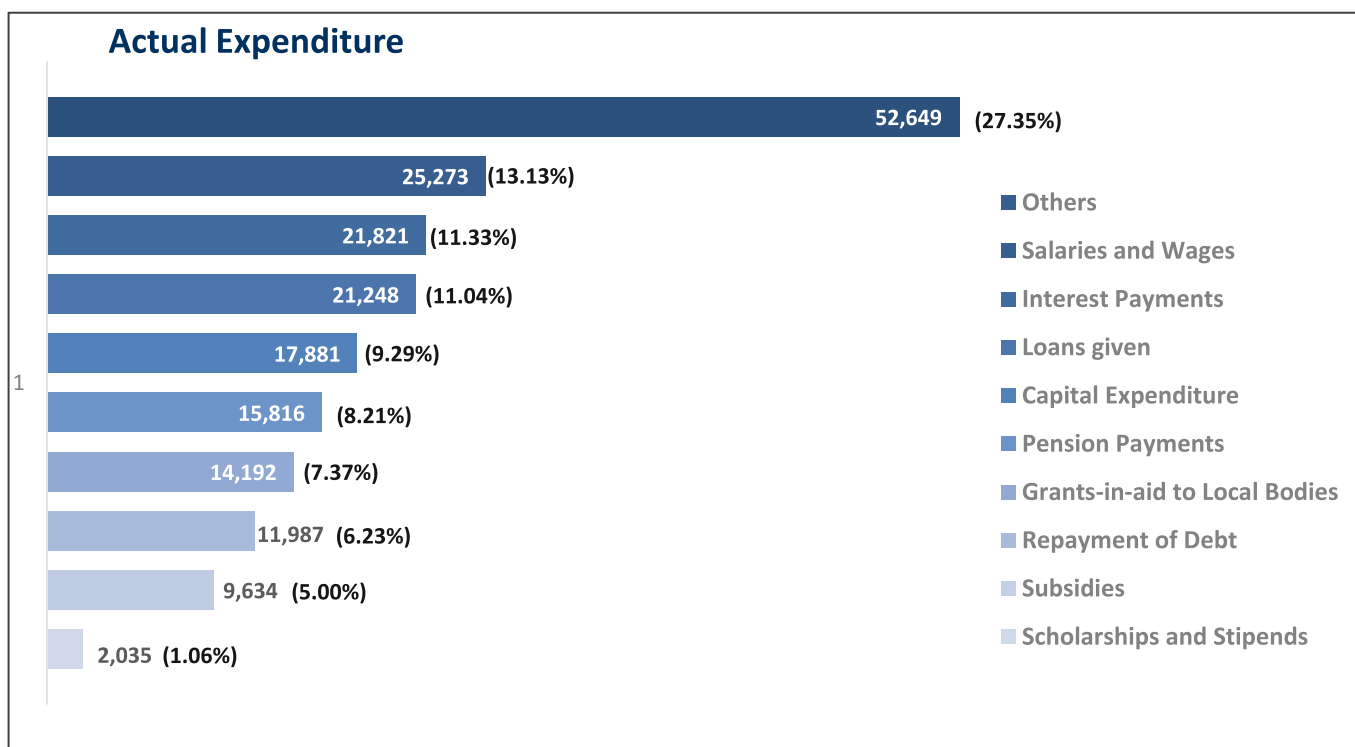


Fig 1.4.5

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

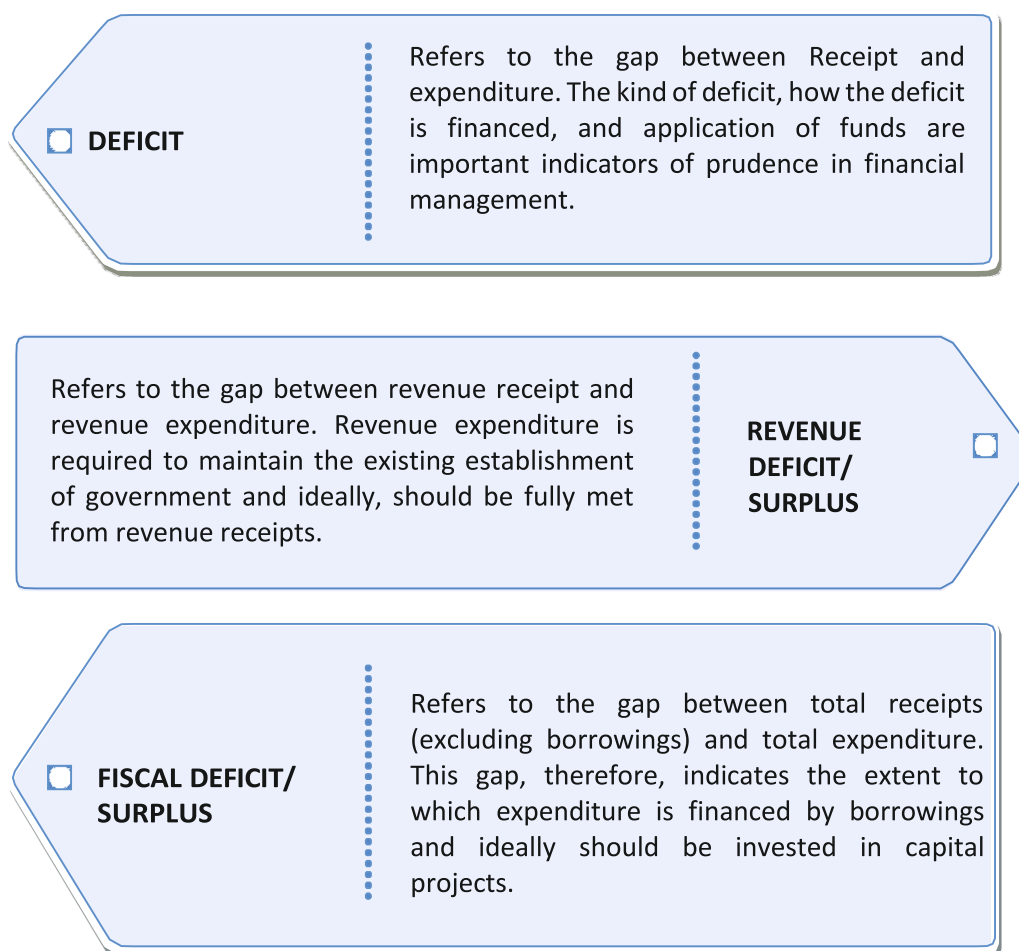
1.4.6 Where Rupee went



Note: Capital expenditure includes Salaries and Wages (010/020) ₹590 crore.

Fig 1.4.6

1.4.7 What do the deficits and surpluses indicate?



The Twelfth Finance Commission recommended that States enact their own Fiscal Responsibility and Budget Management (FRBM) Acts which commits them to achieve Revenue Surplus while limiting Fiscal Deficit to 3 per cent of GSDP. Government of Telangana has adopted “The Andhra Pradesh Fiscal Responsibility and Budget Management Act 2005” as **“The Telangana Fiscal Responsibility and Budget Management Act 2005”** in accordance with section 101 of Andhra Pradesh Re-organisation Act 2014 vide G.O.Ms.No.45, Law(F), dated 01 June 2016 and subsequently enacted as FRBM (Amendment) Act, 2020 published in Telangana Gazette dated 19th September 2020.

The State Government had a Revenue Surplus of **₹5,943 crore** (₹9,335 crore deficit in 2021-22) and **Fiscal Deficit of ₹32,557 crore** (₹46,639 crore in 2021-22) which are 0.45 per cent and 2.48 per cent of GSDP* respectively. **The Fiscal Deficit constituted 17 per cent** of total receipts (₹1,92,536 crore).

Around **43 per cent** of the Revenue Receipts (₹1,59,350 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 30,963 crore), Interest Payments (₹21,821 crore) and Pensions (₹15,816 crore).

**GSDP figure of ₹13,13,391 crore as provided by Ministry of Statistics and Programme Implementation, GOI.*

1.5 Deficit/Surplus

1.5.1 Trend of Revenue Surplus/Deficit

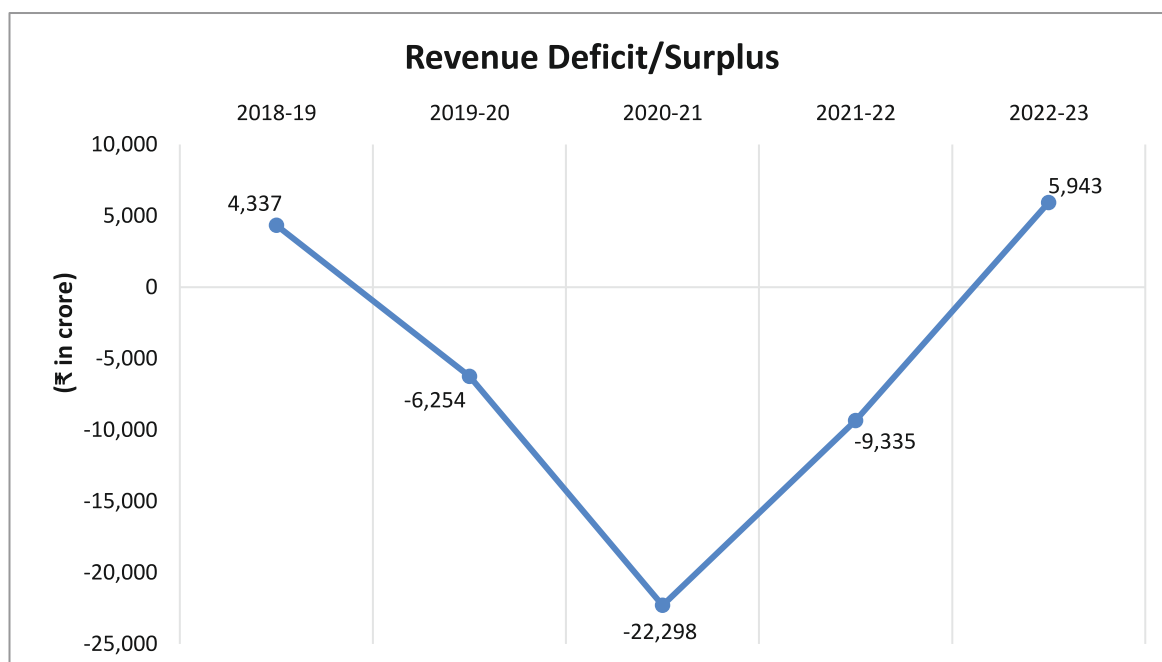


Fig 1.5.1

1.5.2 Trend of Fiscal Deficit

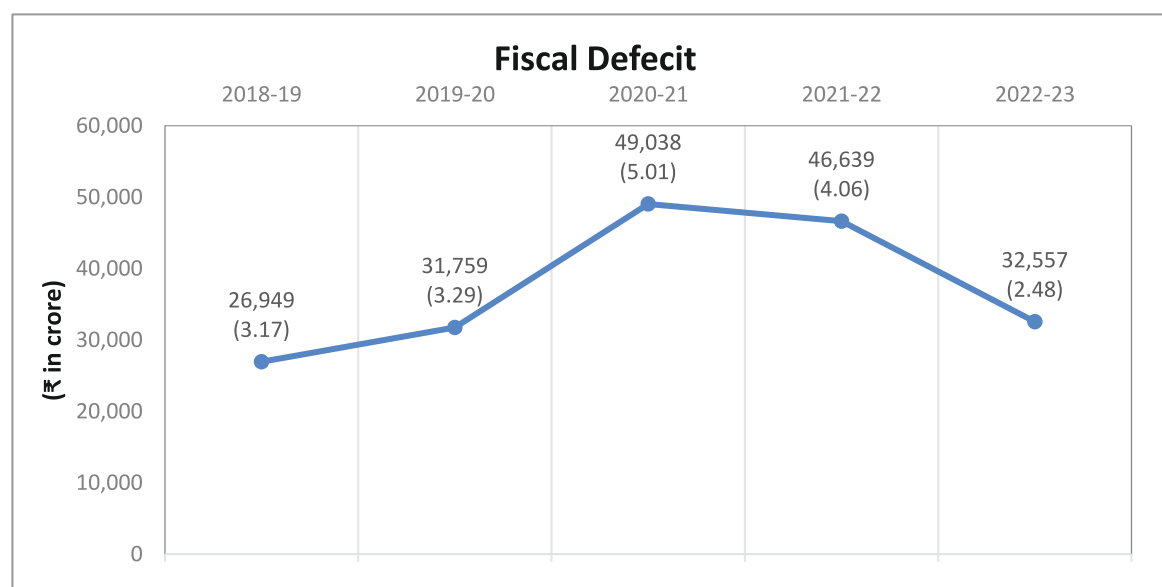


Fig 1.5.2

Figures in brackets represent *percentage* of GSDP for that year.

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

Disclosure under Telangana Fiscal Responsibility and Budget Management (FRBM/MTFP) Act, 2005: In terms of Section 5 of the Telangana Fiscal Responsibility and Budget Management (FRBM) Act 2005 and Telangana FRBM (Amendment) Act 2020, the Government of Telangana presented the Medium Term Fiscal Policy and Strategy Statement along with the State Budget for 2022-23. The targets mentioned in the amended Act and achievements in 2022-23 as depicted in the Accounts are as follows:

| Sl. No. | Targets for 2022-23 | Achievements during the year as per the Accounts and GSDP* |
|---------|--|---|
| 1. | Revenue Surplus: To be maintained. | The Government of Telangana had a Revenue Surplus of ₹5,943 crore in 2022-23 (0.45 <i>per cent</i> of GSDP) |
| 2. | Fiscal Deficit shall not exceed 3.00 <i>per cent</i> during the period 2022-23 | The Fiscal Deficit of ₹32,557 crore as per the accounts was 2.48 <i>per cent</i> of GSDP for 2022-23. |
| 3. | Outstanding debt expressed as percentage of GSDP shall be less than 25 <i>per cent</i> of GSDP during 2022-23. | The outstanding debt for Government of Telangana (₹3,49,537 crore)** was 26.61 <i>per cent</i> of GSDP |

* GSDP figure at current prices for 2022-23: ₹13,13,391 crore, Ministry of Statistics and Programme Implementation, GOI.

** This debt does not include ₹6,949 crore, which was passed on as back to back loans for the years 2020-21 (₹2,380 crore) and 2021-22 (₹4,569 crore) by Gol in lieu of shortfall in GST Compensation, vide Gol's letter No.F.No.40(1) PF-S/2021-22 dated 10-12-2021.

...oOo...

Chapter II

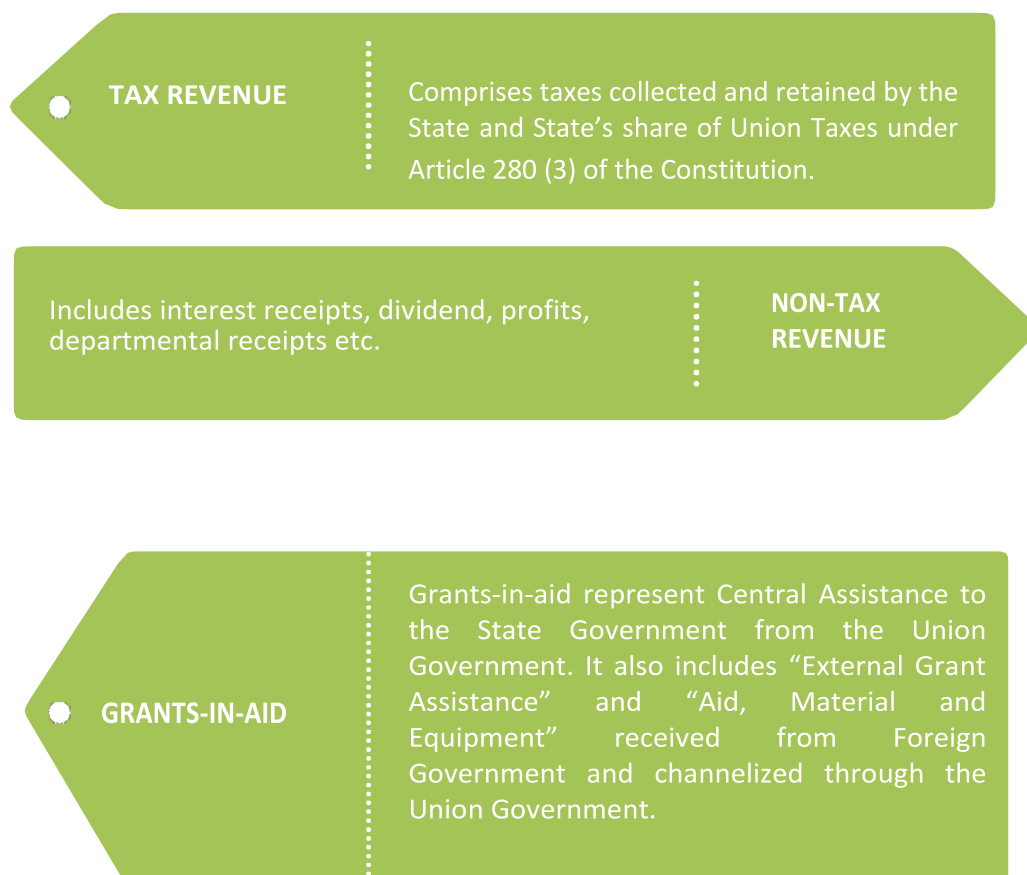
Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts of Telangana for 2022-23 were ₹1,92,536 crore against a budget estimate of ₹ 2,45,257 crore.

2.2 Revenue Receipts

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



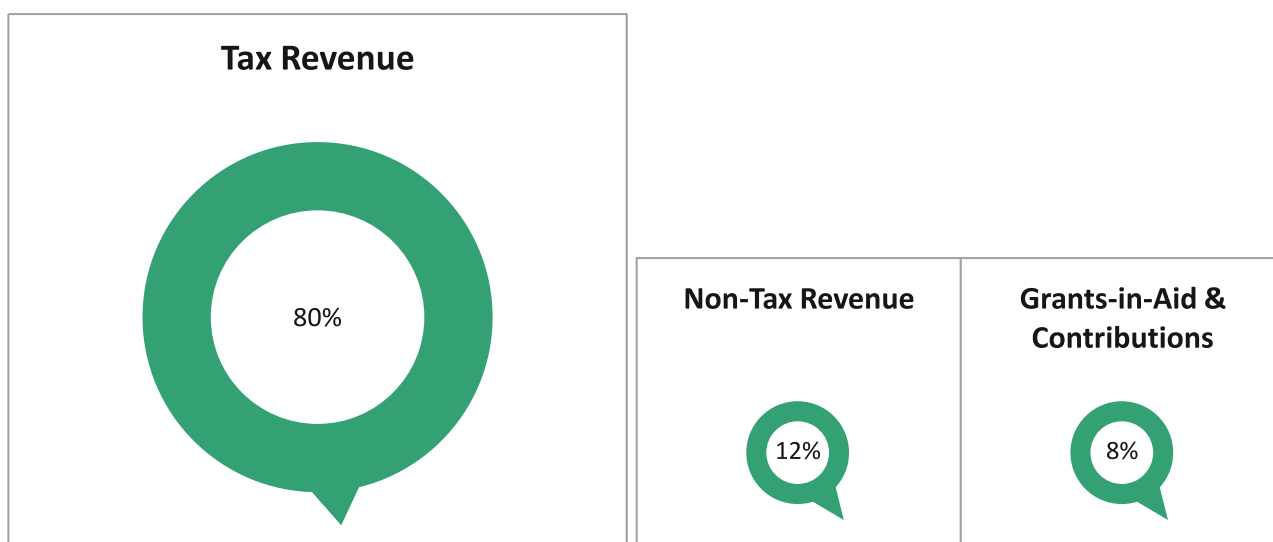


Fig 2.2

2.2.1 Revenue Receipts Components (2022-23)

| Components | | Actuals (₹ In crore) | Percentage to Total Revenue Receipts |
|------------|--|-------------------------|---|
| A. | Tax Revenue* | 1,26,617 | 80 |
| | Goods and Services Tax | 41,889 | 26 |
| | Taxes on Income & Expenditure | 13,654 | 9 |
| | Taxes on Property & Capital Transactions | 14,228 | 9 |
| | Taxes on Commodities & Services | 56,845 | 36 |
| B. | Non-Tax Revenue | 19,554 | 12 |
| | Interest Receipts, Dividends and Profits | 346 | ... |
| | General Services | 10,129 | 6 |
| | Social Services | 772 | 1 |
| | Economic Services | 8,307 | 5 |
| C. | Grants-in-aid & Contributions | 13,179 | 8 |
| | Total Revenue Receipts | 1,59,350 | 100 |

Table 2.2.1

*Includes share of net proceeds assigned to State (₹19,668 crore) received from the Government of India.

2.2.2 Trend of Revenue Receipts

(₹ In crore)

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Tax Revenues (Raised by the State) | 64,674 | 67,597 | 66,650 | 91,271 | 1,06,949 |
| State Share of Union Taxes/Duties | 18,561 | 15,988 | 12,692 | 18,721 | 19,668 |
| Non-Tax Revenues | 10,007 | 7,360 | 6,101 | 8,857 | 19,554 |
| Grants in Aid | 8,178 | 11,598 | 15,471 | 8,619 | 13,179 |
| Total Revenue Receipts | 1,01,420 (11.72) | 1,02,543 (10.58) | 1,00,914 (10.29) | 1,27,468 (11.10) | 1,59,350 (12.13) |
| GSDP | 8,65,688 | 9,69,604 | 9,80,407 | 11,48,515 | 13,13,391 |

Note: Figures in parenthesis represent percentage to GSDP.

Table 2.2.2

The proportion of the State's Own Tax Revenue to GSDP is 8.14 *per cent*. There was an increase in revenue receipts by 25.01 *per cent* in 2022-23 as compared to the previous year. The total tax revenue (including share of Union Taxes) increased by 15.11 *per cent*, the non-tax revenue increased by 120.77 *per cent* and Grants in Aid decreased by 52.91 *per cent* in comparison to the previous year.

2.2.3 Trend of Components of Revenue Receipts

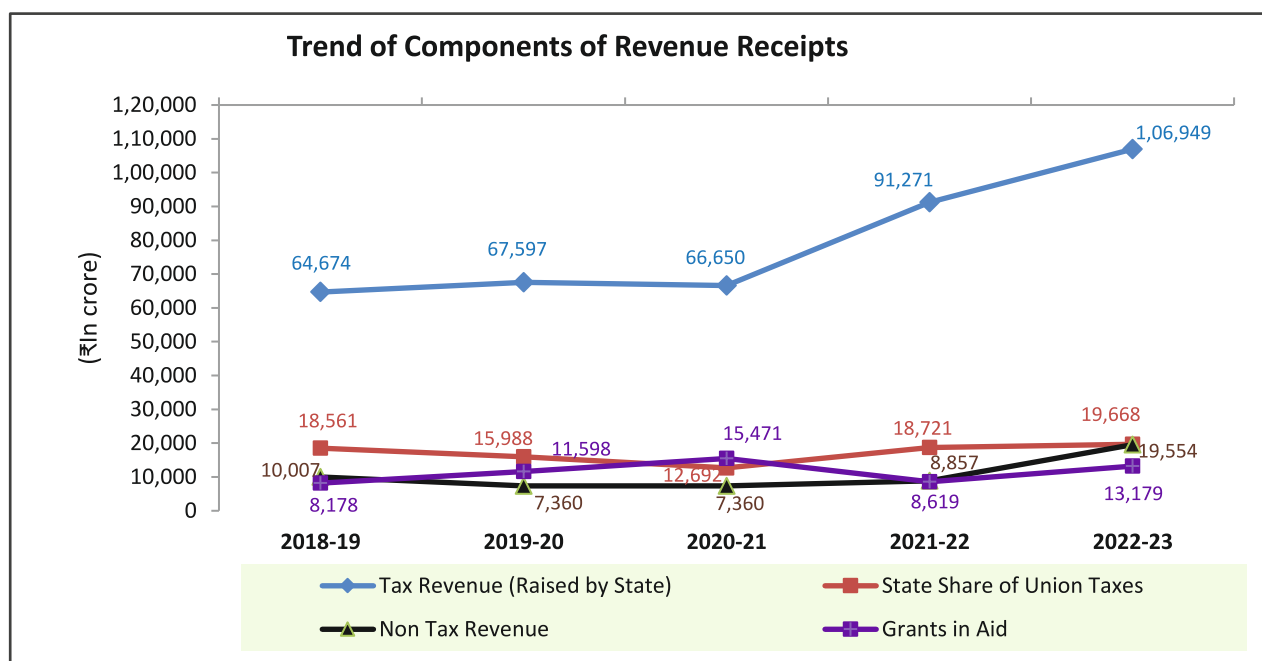


Fig 2.2.3 (a)

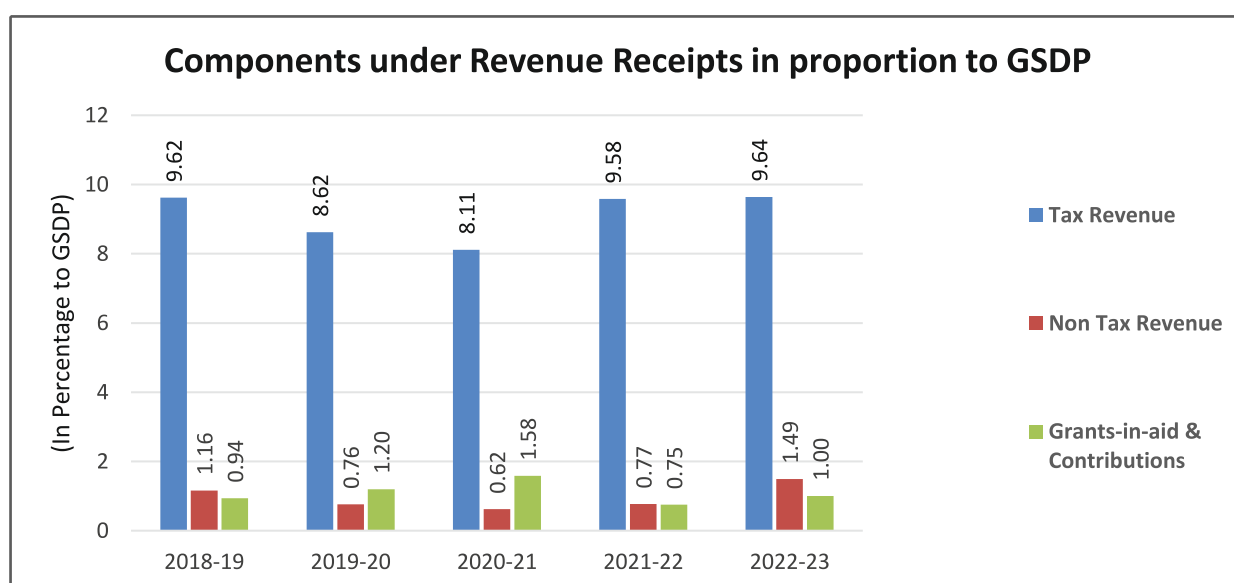


Fig 2.2.3 (b)

2.3 Tax Revenue

(₹ In crore)

| Trend of Sector-wise Tax Revenue over the past 5 years | | | | | | |
|--|------------------|------------------|------------------|--------------------|--------------------|---|
| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Percentage increase / decrease to 2021-22 |
| a. Goods and Services Tax | 28,786 (3.33) | 28,053 (2.90) | 25,905 (2.64) | 34,490 (3.00) | 41,889 (3.18) | 21 |
| b. Taxes on Income and Expenditure | 11,693 (1.35) | 10,249 (1.05) | 8,342 (0.85) | 10,871 (0.94) | 13,654 (1.03) | 26 |
| c. Taxes on Property and Capital Transactions | 5,483 (0.63) | 6,873 (0.71) | 5,297 (0.54) | 12,375 (1.08) | 14,228 (1.08) | 15 |
| d. Taxes on Commodities and Services | 37,273 (4.31) | 38,410 (3.96) | 39,798 (4.06) | 52,256 (4.55) | 56,845 (4.32) | 9 |
| Total Tax Revenues | 83,235 (9.61) | 83,585 (8.62) | 79,342 (8.09) | 1,09,992 (9.58) | 1,26,617 (9.64) | 15 |
| GSDP | 8,65,688 | 9,69,604 | 9,80,407 | 11,48,515 | 13,13,391 | 14 |

Note: (i) GSDP figures as provided by the Ministry of Statistics and Programme Implementation, GOI.
(ii) Figures in parenthesis represent percentage to GSDP

Table 2.3

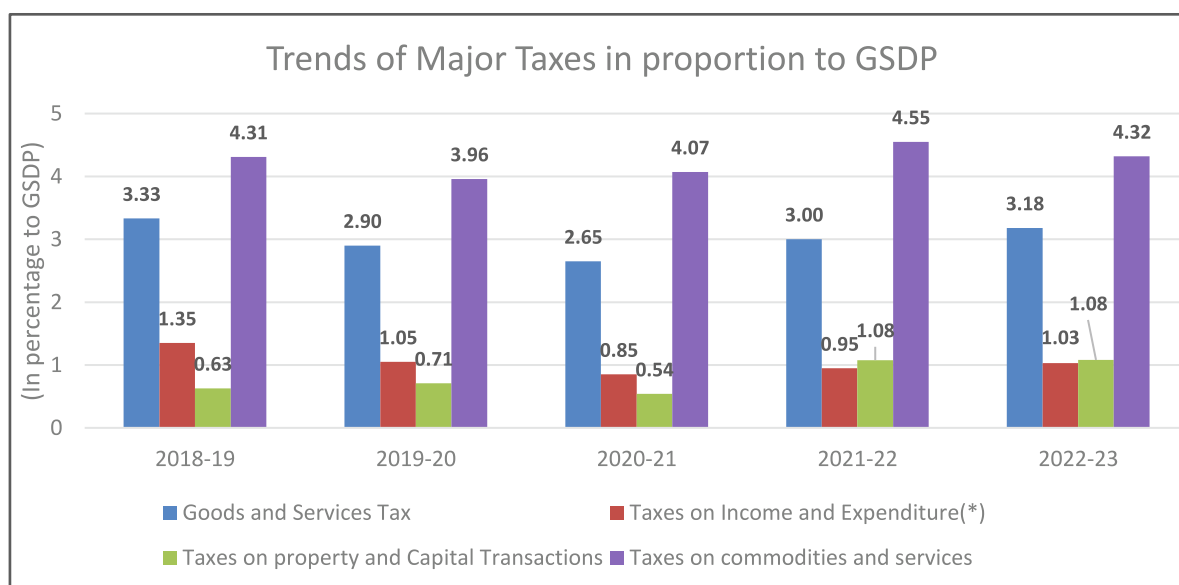


Fig 2.3

2.3.1 Major Contributors to Tax Revenue

(₹ In crore)

| Components | Actuals | Percentage to GSDP |
|------------------------------|---------|--------------------|
| Goods and Services Tax (GST) | 41,889 | 3.19 |
| Taxes on Sales, Trade, etc. | 29,604 | 2.25 |
| State Excise | 18,470 | 1.41 |
| Stamps and Registration fees | 14,228 | 1.08 |
| Corporation Tax | 6,399 | 0.49 |

Table 2.3.1(a)

Major variations between Actual Receipts and Budget Estimates:

(₹ In crore)

| Actual Receipts was less than Budget Estimates | | Actual Receipts was more than Budget Estimates | |
|--|-------|--|-----|
| Stamps and Registration Fee | 2,309 | Central Goods and Service Tax | 346 |
| Taxes on Sales, Trade etc. | 3,396 | Taxes on Immovable property other than Agricultural land | 167 |

Table 2.3.1(b)

2.4 Efficiency of Tax Collection

(₹ In crore)

| Description | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---------|---------|---------|---------|---------|
| 1. Taxes on Sales, Trade etc. | | | | | |
| Revenue collection* | 20,291 | 20,674 | 20,904 | 26,974 | 29,604 |
| Expenditure on collection | 196 | 208 | 216 | 251 | 284 |
| Cost of Collection (as % of Revenue collection) | 0.97 | 1.00 | 1.03 | 0.93 | 0.96 |
| 2. State Excise | | | | | |
| Revenue collection* | 10,638 | 11,991 | 14,370 | 17,482 | 18,470 |
| Expenditure on collection | 255 | 254 | 287 | 345 | 333 |
| Cost of Collection (as % of Revenue collection) | 2.39 | 2.12 | 2.00 | 1.97 | 1.80 |
| 3. Taxes on Vehicles, Goods and Passengers | | | | | |
| Revenue collection* | 3,762 | 3,935 | 3,338 | 4,381 | 6,764 |
| Expenditure on collection | 79 | 129 | 86 | 109 | 128 |
| Cost of Collection (as % of Revenue collection) | 2.11 | 3.28 | 2.58 | 2.49 | 1.90 |
| 4. Stamps and Registration Fee | | | | | |
| Revenue collection* | 6,625 | 6,671 | 5,243 | 12,373 | 14,228 |
| Expenditure on collection | 89 | 90 | 75 | 122 | 185 |
| Cost of Collection (as % of Revenue collection) | 1.35 | 1.35 | 1.43 | 0.99 | 1.30 |

Table 2.4

(*) Excludes State's share of Union Taxes

Taxes on Sales, Trade etc. form a major chunk of Tax revenue. The *percentage* of expenditure on collection of Taxes is insignificant.

2.5 Trend in State's share of Union Taxes

(₹ In crore)

| Major Head description | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Per centage Increase/ decrease to 2021-22 |
|---|---------------|---------------|---------------|-----------------|-----------------|--|
| (a) Goods and Services Tax | 4,946 | 4,537 | 3,715 | 5,573 | 5,640 | 1 |
| Central Goods and Services Tax | 4,581 | 4,537 | 3,715 | 5,573 | 5,640 | 1 |
| Integrated Goods and Services Tax | 365 | ... | ... | ... | ... | |
| (b) Taxes on Income & Expenditure | 11,241 | 9,722 | 7,831 | 10,284 | 12,932 | 26 |
| Corporation Tax | 6,454 | 5,451 | 3,865 | 4,649 | 6,399 | 38 |
| Taxes on Income other than Corporation Tax | 4,753 | 4,271 | 3,966 | 5,635 | 6,533 | 16 |
| Other taxes on Income and Expenditure | 34 | 527 | ... | ... | ... | ... |
| (c) Taxes on Property & Capital Transactions | 2 | ... | ... | ... | ... | ... |
| Taxes on Wealth | 2 | ... | ... | ... | ... | |
| (d) Taxes on Commodities & Services | 2,372 | 1,731 | 1,146 | 2,861 | 1,095 | -62 |
| Customs | 1,316 | 1,013 | 649 | 1,505 | 785 | -48 |
| Union Excise Duties | 874 | 705 | 422 | 899 | 246 | -73 |
| Service Tax | 172 | ... | 63 | 438 | 31 | -93 |
| Other taxes and duties on commodities and services | 10 | 13 | 12 | 19 | 33 | 74 |
| State's share of Union Taxes | 18,561 | 15,987 | 12,692 | 18,721 | 19,668 | 5 |
| Total Tax Revenue | 83,235 | 83,585 | 79,342 | 1,09,992 | 1,26,617 | 15 |
| Percentage of Union Taxes to Total Tax Revenue | 22 | 19 | 16 | 17 | 16 | ... |

Table 2.5

2.6 Goods and Services Tax

Goods and Services Tax (GST) which was introduced with effect from 01.07.2017, is an indirect tax on the supply of goods and services. It replaced all indirect taxes levied on goods and services by the Central and State governments. The Act was passed in accordance with the provisions of Article 368 of the Constitution. It is a dual GST with the Centre and the States simultaneously levying tax on a common base. GST to be levied by the Centre would be called Central GST (CGST) and that to be levied by the States would be called State GST (SGST). An Integrated GST (IGST) would be levied on Inter-State supply (including stock transfers/Imports) of goods or services. GST is levied at rates to be mutually agreed upon by the Centre and the States on the recommendations of the GST Council. During the year, an amount of ₹5,640 crore was received on account of CGST and an amount of ₹36,248 crore was collected on account of SGST.

(₹ in crore)

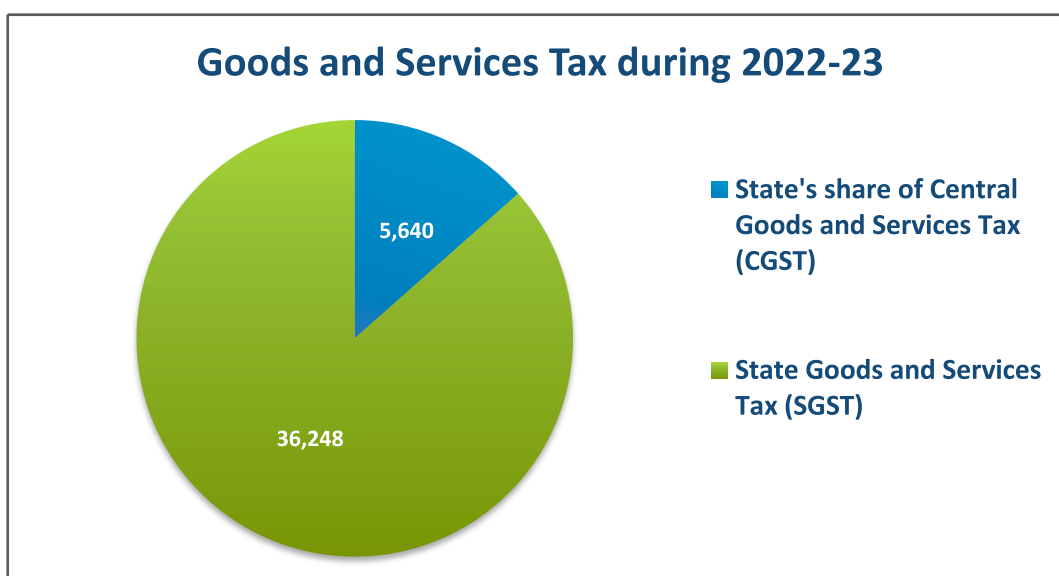


Fig 2.6

2.7 Grants-in-aid

Grants-in-aid represent assistance from the Government of India, and comprises of the following: -

- Centrally Sponsored Schemes (₹5,387 crore)
- Finance Commission Grants (₹3,423 crore)
- Other Transfer/Grants to States/Union Territories with legislatures (₹4,369 crore)

Total receipts during 2022-23 under Grants-in-aid were ₹13,179 crore. The share of Centrally Sponsored Schemes in total Grants-in-aid was 41 *per cent*, while the share of Finance Commission Grants was 26 *per cent* and Other Grants was 33 *per cent*.

(₹ in crore)

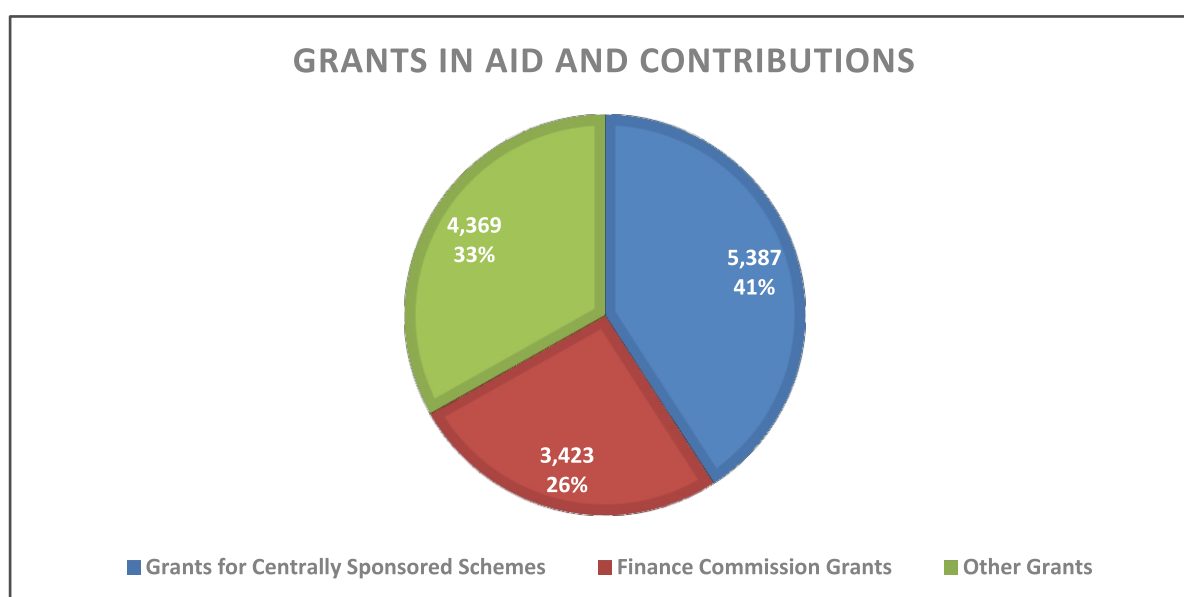


Fig 2.7

2.8 Public Debt

In 2022-23, 29 loans totaling ₹40,150 crore at interest rates varying from 7.45 *per cent* to 8.02 *per cent* repayable between the years 2030 and 2049 were raised from the open market. In addition to these, the State Government also raised ₹1,410 crore from other financial institutions like LIC, GIC, NABARD etc. ₹82,823 crore was availed as Ways and Means advances and repaid during the year. Thus, the Internal Debt raised during the year excluding Ways and Means Advances was ₹41,560 crore. Repayments of Internal Debt of State Government excluding Ways and Means Advances was ₹11,471 crore. The Government also received ₹2,501 crore from Government of India as Loans and Advances, while repayments made on this account amounted to ₹516 crore.

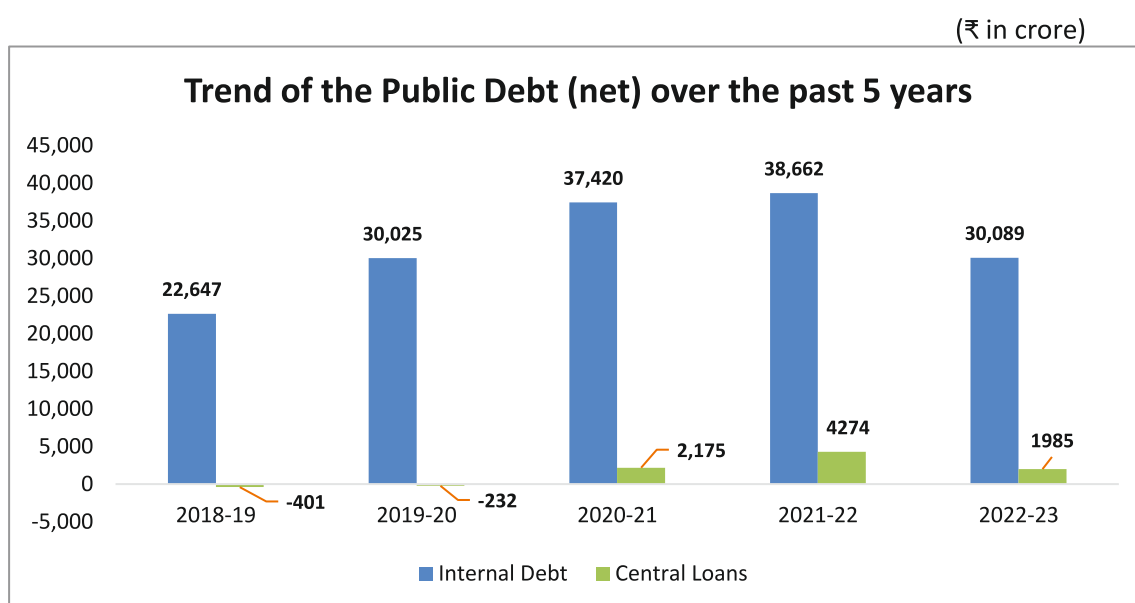
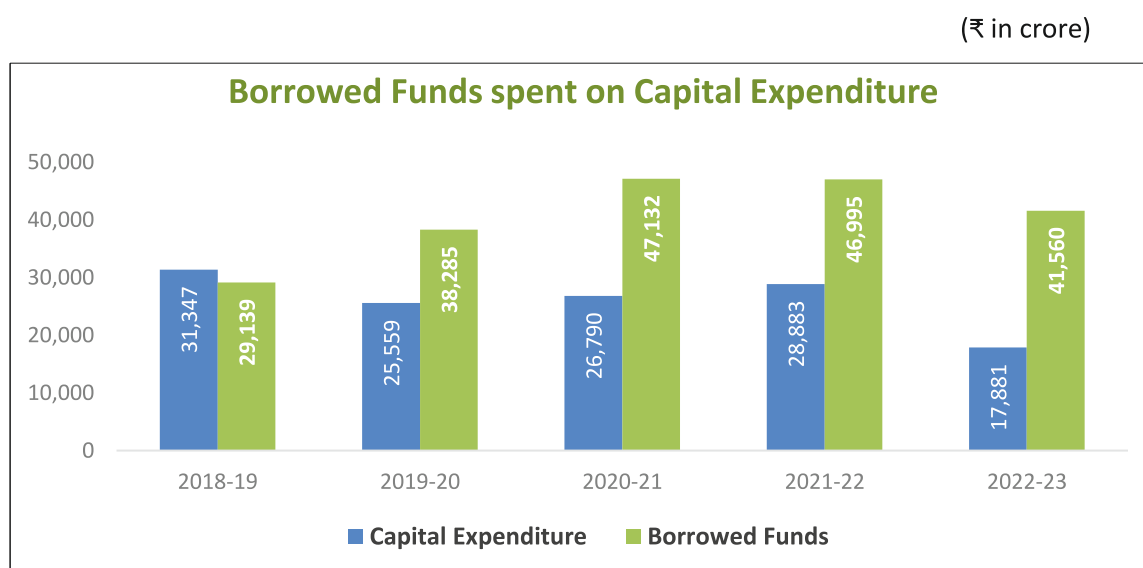



Fig 2.8

2.8.1 Proportion of borrowed funds to Capital Expenditure



Note: Borrowed Funds do not include Special drawing facility/Ways and Means Advances

Fig 2.8.1



The extent to which the Fiscal Deficit, as represented by borrowed funds, has been channelized towards the creation of capital assets is an indicator of prudent financial management. The borrowings of ₹41,560 crore in the year were partly utilised to meet Capital expenditure of ₹17,881 crore and Loans and Advances of ₹21,248 crore.

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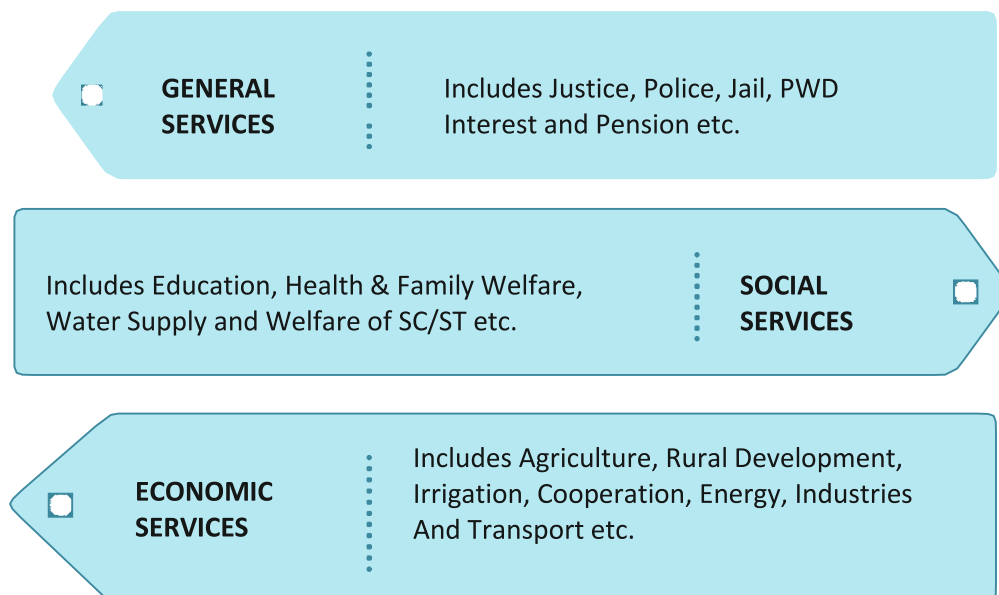
Chapter III

Expenditure

3.1 Introduction

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

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



3.2 Revenue Expenditure

The shortfall of revenue expenditure against budget estimates during the past five years is as follows:

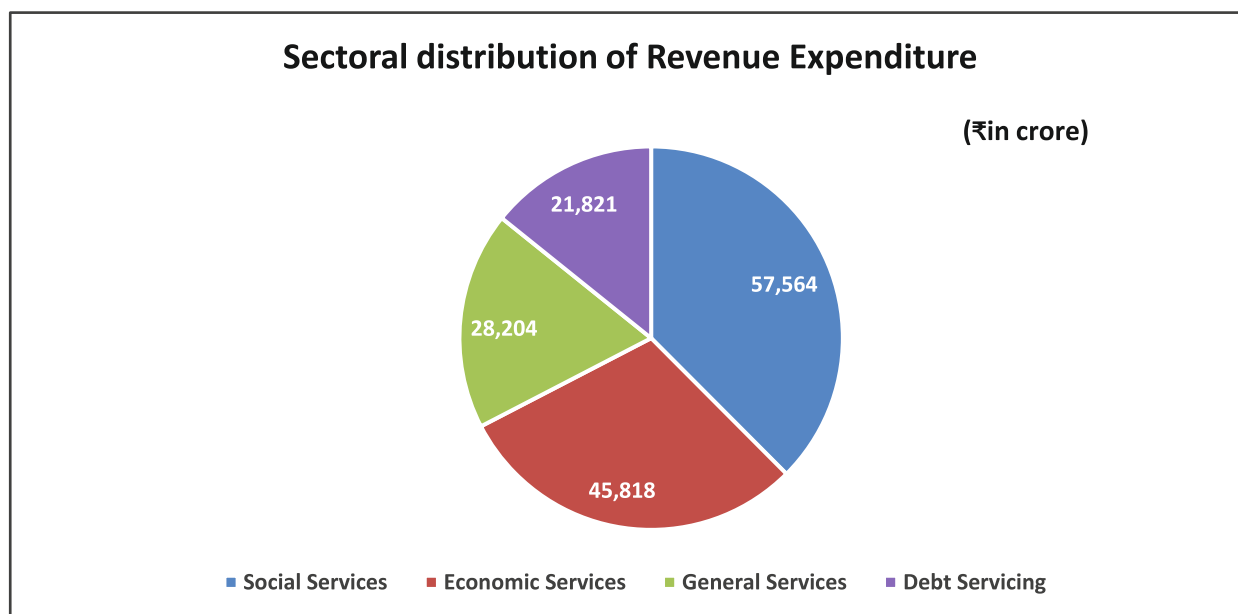
| | (₹ In crore) | | | | |
|---|--------------|----------|----------|-----------|----------|
| Year | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| Budget Estimates | 1,25,455 | 1,11,056 | 1,38,670 | 1,80,250* | 1,89,275 |
| Actuals | 97,083 | 1,08,797 | 1,23,212 | 1,36,803 | 1,53,407 |
| Gap | 28,372 | 2,259 | 15,458 | 43,447 | 35,868 |
| Percentage of variation of Actuals against BE | 23 | 2 | 11 | 24 | 19 |

Table 3.2

*Includes Supplementary Budget Estimates of ₹13,941 crore

As per the Accounts, the Government of Telangana had a Revenue Surplus of ₹5,943 crore in 2022-23. Of the total Revenue Expenditure, an amount of ₹72,898 crore was committed expenditure. This showed an increase of 13 per cent over the previous year.

3.2.1 Sectoral distribution of Revenue Expenditure



*General Services does not include Debt Servicing

Fig 3.2.1

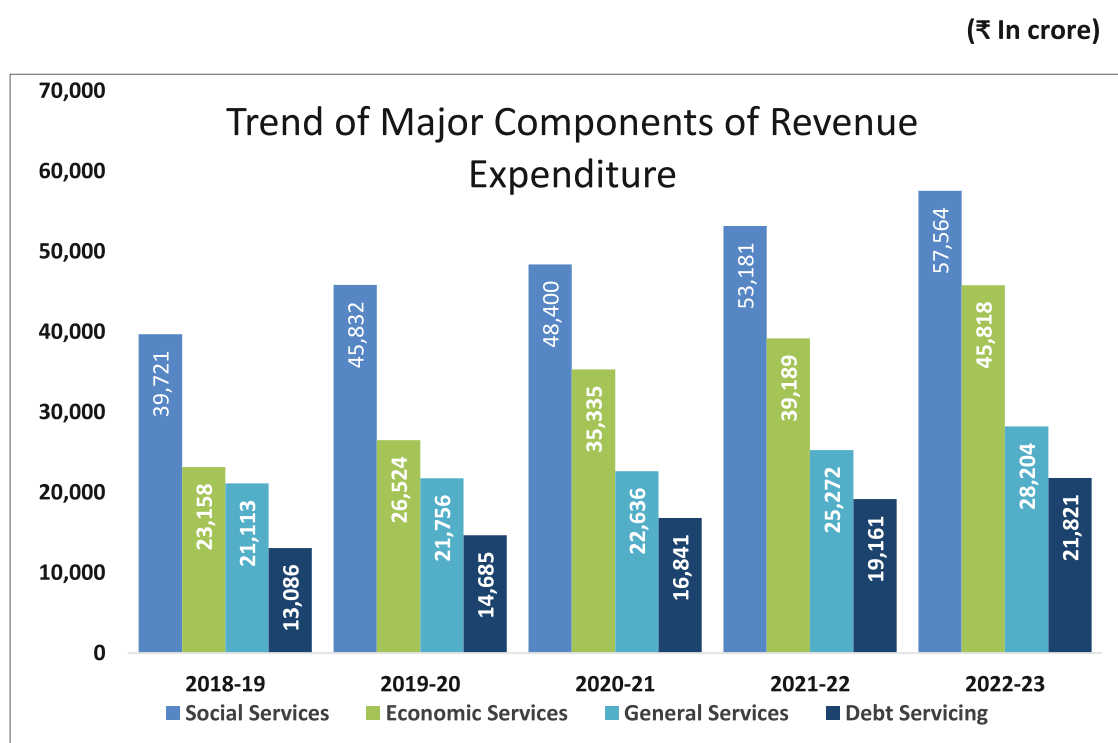
3.2.2 Trend of Major components of Revenue Expenditure 2018-19 to 2022-23

(₹ In crore)

| Components | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|--------------------|---------|---------|---------|---------|---------|
| Social Services | 39,721 | 45,832 | 48,400 | 53,181 | 57,564 |
| Economic Services | 23,158 | 26,524 | 35,335 | 39,189 | 45,818 |
| Debt Servicing | 13,086 | 14,685 | 16,841 | 19,161 | 21,821 |
| General Services * | 21,113 | 21,756 | 22,636 | 25,272 | 28,204 |

*Excluding expenditure on Debt Servicing (2049 Interest Payments)

Table 3.2.2



Note: General Services does not include Debt Servicing (2049 Interest Payments)

Fig 3.2.2

3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Disbursements during 2022-23 amounted to ₹17,881 crore (**1.36 per cent of GSDP**). The growth in capital expenditure has not kept pace with the steady growth of GSDP.

The table below shows the trend of Capital Expenditure to Budget:

(₹ In crore)

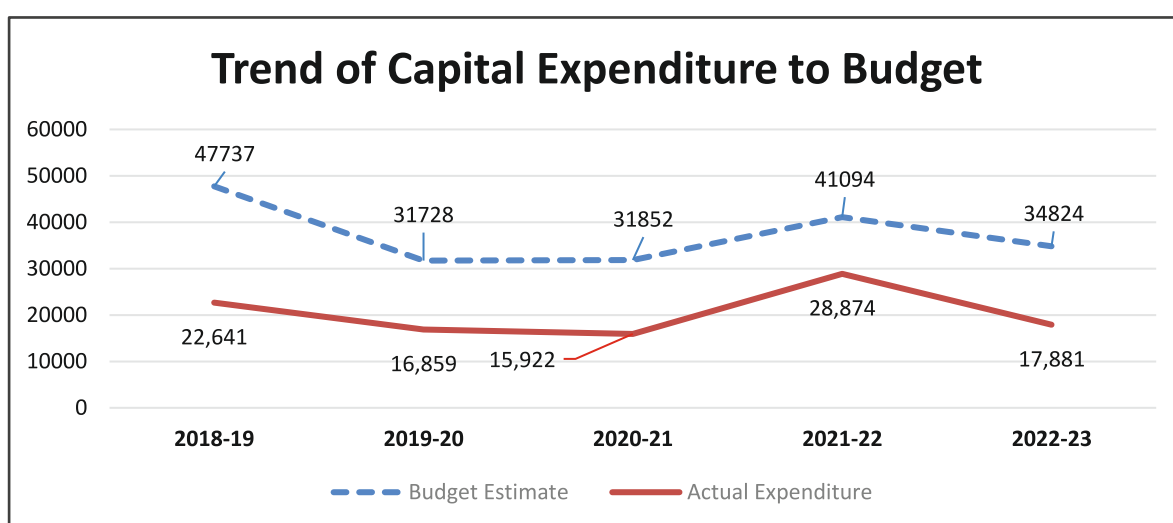


Fig 3.3

3.3.1 Major components of Capital Expenditure

(₹ In crore)

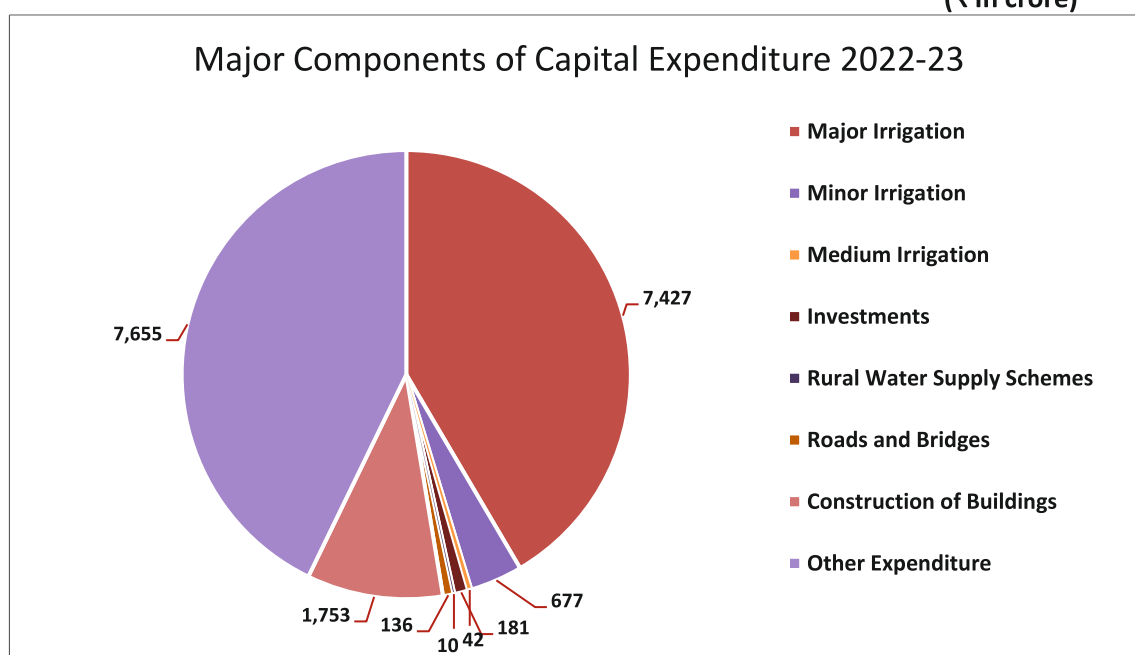


Fig 3.3.1

3.3.2 Sectoral distribution of Capital Expenditure

Capital Expenditure incurred is classified in the following sectors based on the nature of output – General Services, Social Services and Economic Services. During 2022-23, 78 *per cent* of the Capital Expenditure (₹13,947 crore) was made on Economic Services, 15 *per cent* towards Social Services (₹2,726 crore) and the remaining 7 *per cent* was expended on General Services (₹1,208 crore). Of the amount spent towards Economic Services, the Government spent ₹10,927 crore on various projects (₹7,427 crore on Major Irrigation, ₹42 crore on Medium Irrigation, ₹677 crore on Minor Irrigation and ₹1,555 crore on Roads and Bridges).

3.3.3 Sectoral distribution of Capital and Revenue Expenditure

The comparative sectoral distribution of Capital and Revenue expenditure over the past five years in terms of Non-Development Expenditure and Development Expenditure is illustrated below:

| (₹ In crore) | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|--|
| | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Percentage Increase/ Decrease | |
| Non-Development Expenditure | | | | | | | |
| General Services (Capital) | 703 | 646 | 779 | 962 | 1,208 | 26 | |
| General Services (Revenue) | 34,199 | 36,441 | 39,477 | 44,433 | 50,025 | 13 | |
| Total Non-Development Expenditure | 34,902 | 37,087 | 40,256 | 45,395 | 51,233 | 13 | |
| Development Expenditure | | | | | | | |
| Social Services (Capital) | 5,620 | 1,765 | 2,147 | 6,345 | 2,726 | -57 | |
| Social Services (Revenue) | 39,721 | 45,832 | 48,400 | 53,181 | 57,564 | 8 | |
| Economic Services (Capital) | 16,317 | 14,449 | 12,996 | 21,568 | 13,947 | -35 | |
| Economic Services (Revenue) | 23,157 | 26,524 | 35,335 | 39,189 | 45,818 | 17 | |
| Grants – in – Aid and Compensation to Local Bodies (Revenue) | 5 | ... | ... | ... | ... | ... | |
| Total Development Expenditure | 84,820 | 88,570 | 98,878 | 1,20,283 | 1,20,055 | 0.2 | |
| Grand Total | 1,19,722 | 1,25,657 | 1,39,134 | 1,65,678 | 1,71,288 | 3 | |

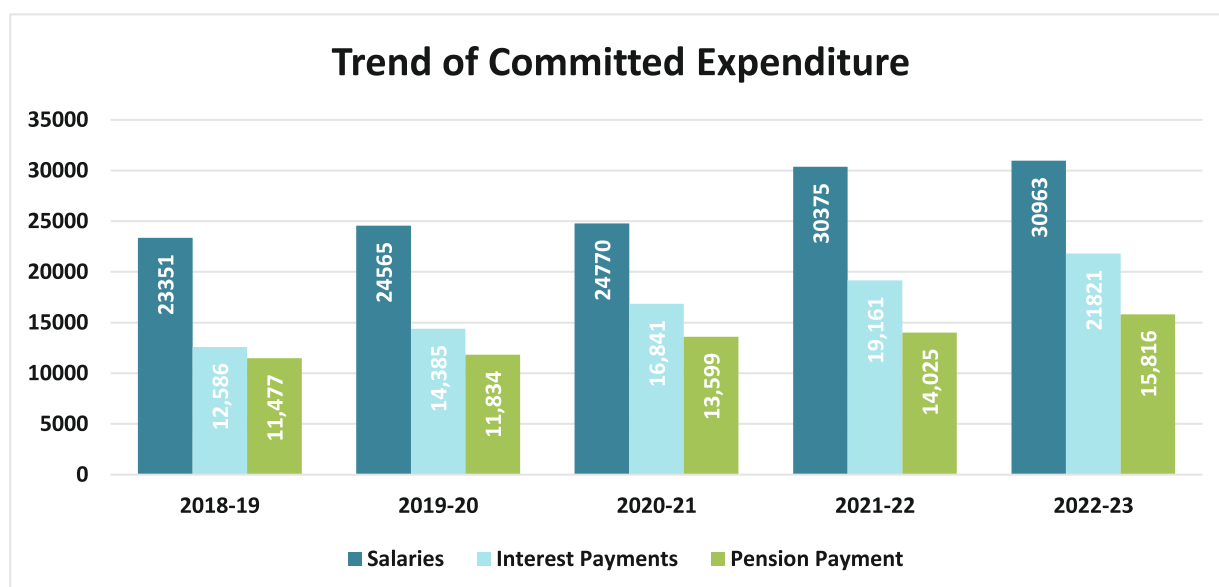
Note: Capital Expenditure does not include expenditure on loans and advances (₹21,248 crore)

Table 3.3.3

3.4 Committed Expenditure

Expenditure on Salaries, Interest Payments and Pensions is treated as Committed Expenditure for the Government. The total Committed Expenditure for the year 2022-23 was ₹68,600 crore which is **43 per cent** of total Revenue Expenditure.

(₹ In crore)



Note: Salaries component includes detailed heads 010-Salaries (₹25,179 crore), 020- Wages (₹94 crore) and 310/311- Grants-in-Aid towards salaries and wages (₹5,690 crore).

Fig 3.4

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

(₹ In crore)

| Component | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | % Increase with reference to 2021-22 |
|--|----------|----------|----------|----------|----------|--------------------------------------|
| Committed expenditure | 47,414 | 50,784 | 55,206 | 63,561 | 72,903 | 15 |
| Revenue Expenditure | 97,083 | 1,08,797 | 1,23,212 | 1,36,803 | 1,53,407 | 12 |
| Revenue Receipts | 1,01,420 | 1,02,543 | 1,00,914 | 1,27,469 | 1,59,350 | 25 |
| Percentage of Committed Expenditure to Revenue Receipts | 47 | 49 | 55 | 50 | 46 | ... |
| Percentage of Committed Expenditure to Revenue Expenditure | 49 | 46 | 45 | 46 | 48 | ... |

Table 3.4

...oOo...

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2022-23

(₹ In crore)

| Sl. No. | Nature of Expenditure | Original Grant | Suppl. grant | Total Budget | Actual expenditure (Net) | Savings (-) Excesses (+) | Surrender by way of Re-appropriation |
|-------------|--------------------------|--------------------|-----------------|--------------------|--------------------------|--------------------------|--------------------------------------|
| 1. | Revenue Voted Charged | 1,70,135 19,202 | 12,067 1,873 | 1,82,202 21,075 | 1,41,643 22,080 | (-)40,559 (+)1,005 | 60,140 53 |
| 2. | Capital Voted Charged | 29,672 56 | 5,033 63 | 34,705 119 | 17,925 83 | (-)16,780 (-)36 | 14,341 35 |
| 3. | Public Debt Charged | 11,702 | 311 | 12,013 | 94,810 | (+)82,797 | 818 |
| 4. | Loans and Advances Voted | 26,253 | 1,157 | 27,410 | 21,248 | (-)6,162 | 5,067 |
| | Total Voted Charged | 2,26,060 30,960 | 18,257 2,247 | 2,44,317 33,207 | 1,80,816 1,16,973 | (-)63,501 (+)83,766 | 79,548 906 |
| Grand Total | | 2,57,020 | 20,504 | 2,77,524 | 2,97,789 | (+)20,265 | 80,454 |

Table 4.1

4.2 Trend of Net Savings/Excess during the past five years

(₹ In crore)

| Savings (-)/Excess(+) | | | | | |
|-----------------------|------------|------------|-------------|------------------|------------|
| Year | Revenue | Capital | Public Debt | Loans & Advances | Total |
| 2018-19 | (-) 31,767 | (-) 24,817 | (+) 21,076 | (-) 1,973 | (-) 37,481 |
| 2019-20 | (-) 4,129 | (-) 14,647 | (+) 35,474 | (-) 1,246 | (+) 15,452 |
| 2020-21 | (-) 23,076 | (-) 15,665 | (+) 69,124 | (-) 5,385 | (+) 24,998 |
| 2021-22 | (-) 30,924 | (-) 11,969 | (+) 66,844 | (-) 15,875 | (+) 8,076 |
| 2022-23 | (-)39,554 | (-)16,816 | (+)82,797 | (-)6,162 | (+)20,265 |

Table 4.2

4.3 Significant Variations from Budget

Excess under a grant indicates improper budget planning and implementation of schemes/programmes which were not envisaged in the budget.

4.3.1. Grants with significant excess

(₹ In crore)

| Grant | Nomenclature | Section | Budget allocation | Actual Expenditure | Percentage of Excess to Budget Allocation |
|-------|---|-------------|-------------------|--------------------|---|
| IX | Fiscal Administration, Planning, Surveys and Statistics | Public Debt | 12,012 | 94,810* | 689 |
| XXVII | Agriculture | Loans | 201 | 1,308 | 551 |
| XXXV | Energy | Revenue | 7,801 | 14,856 | 90 |

Table 4.3.1

* Includes expenditure of ₹82,823 crore towards repayment of Ways and Means Advances

4.3.2. Grants with substantial savings (Revenue Section):

(₹ In crore)

| Grant | Nomenclature | Section | Budget allocation | Actual Expenditure | Percentage of Saving to Budget Allocation |
|-------|---------------------|---------|-------------------|--------------------|---|
| XI | Roads and Buildings | Revenue | 10,318 | 1,381 | 87 |
| XXI | Social Welfare | Revenue | 31,416 | 11,634 | 63 |
| XXII | Tribal Welfare | Revenue | 10,912 | 7,088 | 35 |

Table 4.3.2

The huge savings under the grants Roads and Buildings and Social Welfare indicates that schemes envisaged in the Budget had been given lesser priority during implementation either due to the conservative approach of the Government to attain the fiscal targets or the shortfall is purely due to inaccuracy in the budget estimation process of the department.

4.3.3 Grants with defective budgeting:

Supplementary Provision was obtained for total amount of ₹20,504 crore which worked out to 7 per cent of the total expenditure incurred by the State Government during 2022-23. Further, significant savings were noticed against the original budget allocation during 2022-23 as given below:

(₹ In Crore)

| Grant | Nomenclature | Section | Original Grant | Actual Expenditure | Savings | Supplementary Grant |
|-------|--|---------|----------------|--------------------|---------|---------------------|
| I | State Legislature | Revenue | 151 | 140 | 12 | 1 |
| III | Administration of Justice | Revenue | 952 | 746 | 229 | 23 |
| X | Home Administration | Capital | 1,221 | 436 | 1,051 | 266 |
| XI | Roads and Buildings | Revenue | 10,266 | 1,381 | 8,937 | 53 |
| XVI | Medical and Health | Revenue | 7,073 | 6,630 | 1,999 | 1,556 |
| | | Capital | 3,033 | 882 | 2,430 | 278 |
| XVII | Municipal Administration and Urban Development | Revenue | 7,115 | 5,041 | 3,106 | 1,032 |
| XXVII | Agriculture | Capital | 5 | 2 | 1,109 | 1,107 |
| XXXV | Energy | Loans | 1,574 | 771 | 1,664 | 861 |

Table 4.3.3

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Chapter V

Assets and Liabilities

5.1 Assets

The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except the value 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 of the Government stood at ₹31,100 crore at the end of 2022-23. There was an increase in investments by ₹181 crore. An amount of ₹78 crore was received as dividend which is a return of 0.25 *per cent* on investment.

Cash balance with the RBI stood at ₹64 crore on 01 April 2022 and was ₹35 crore at the end of March 2023. The government had invested an amount of ₹9,639 crore in 14 days treasury bills in 2022-23 and rediscounted bills worth ₹7,411 crore.

The position of investment during the year 2022-23 is depicted in the table given below:

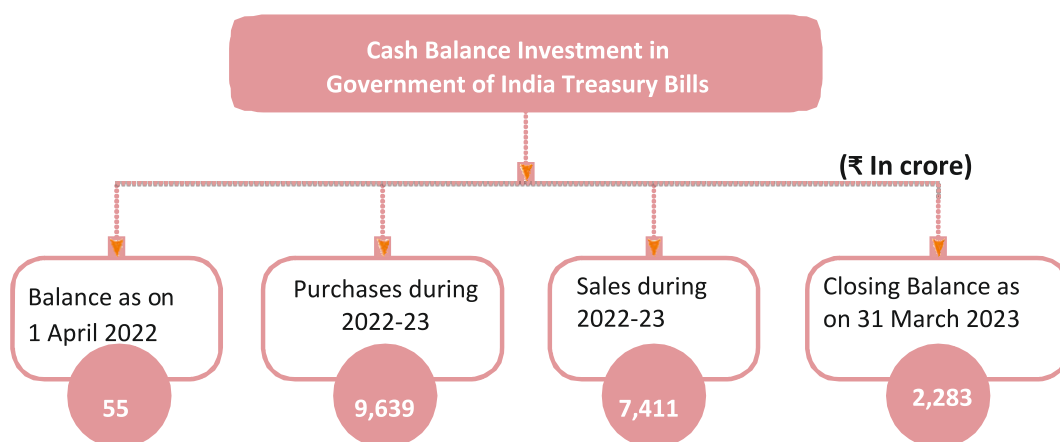


Fig 5.1

5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed by the State Legislature from time to time. The Government of Telangana during the year 2022-23 borrowed ₹40,150 crore. Details of the Public Debt and total liabilities of the State Government for the last five years are as under:

| Year | Public Debt (₹ In crore) | Per cent of GSDP | Public Account* (₹ In crore) | Per cent of GSDP | Total Liabilities (₹ In crore) | Per cent of GSDP |
|---------|-----------------------------|---------------------|---------------------------------|---------------------|-----------------------------------|---------------------|
| 2018-19 | 1,65,164 | 19 | 31,798 | 4 | 1,96,963 | 23 |
| 2019-20 | 1,94,958 | 20 | 37,223 | 4 | 2,32,181 | 24 |
| 2020-21 | 2,34,554 | 24 | 43,464 | 4 | 2,78,018 | 28 |
| 2021-22 | 2,77,489 | 24 | 44,122 | 4 | 3,21,611** | 28 |
| 2022-23 | 3,09,563 | 24 | 46,923 | 4 | 3,56,486** | 28 |

* Excludes suspense and remittance balance.

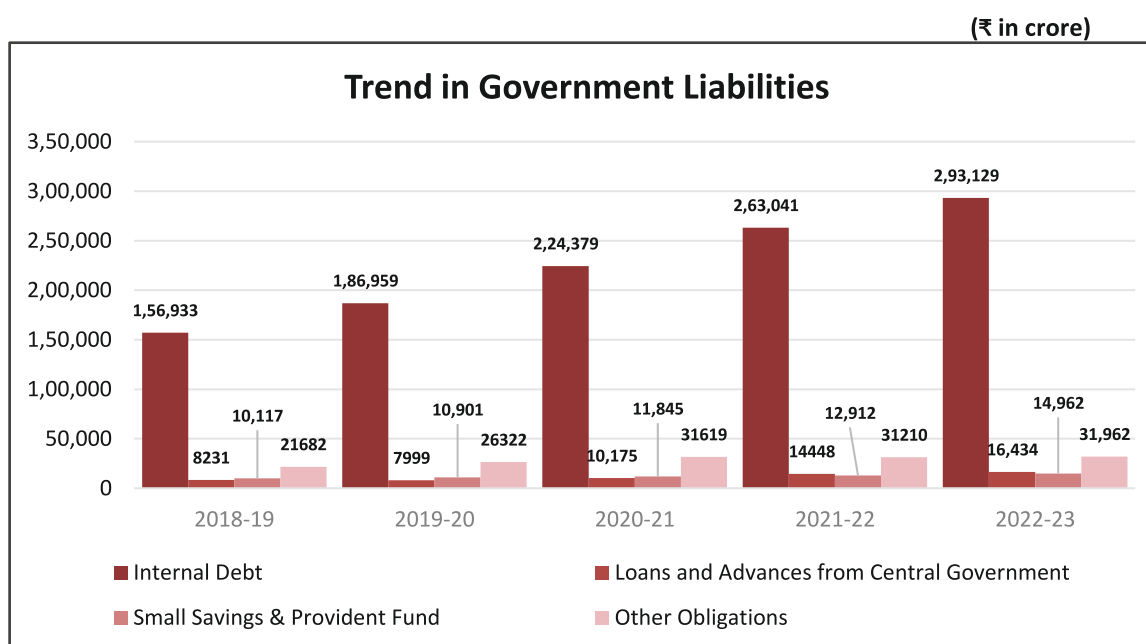
** This debt includes ₹6,949 crore, which was passed on as back to back loans by Gol in lieu of shortfall in GST Compensation, vide Gol's letter No.F.No.40(1) PF-S/2021-22 dated 10-12-2021.

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

Table 5.2

Public Debt and other liabilities showed an increase of ₹34,875 crore (11 per cent) in 2022-23 over the previous year.

5.2.1 Trend in Government Liabilities



Note: Public Debt comprises of Internal Debt and Loans and Advances from Central Government

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

Fig 5.2.1

5.3 Guarantees

5.3.1. Guarantees

Government of Telangana has provided Guarantees to the extent of ₹72,352 crore to various of Institutions/Departments to obtain loans from financial institutions during 2022-23. Total outstanding Guarantees as on 31 March 2023 were ₹1,98,244 crore. Government of Telangana amended the FRBM Act in 2020, raising the limit of Guarantees, that it can provide to various institutions to 200% of total revenue receipts of the previous year.

The Guarantees given by the State Government is given below:

(₹ In crore)

| At the end of the year | Maximum Amount Guaranteed (Principal only) | Amount outstanding at the end of the year | |
|------------------------|--|---|----------|
| | | Principal | Interest |
| 2018-19 | 77,713 | 77,713 | 70 |
| 2019-20 | 77,315 | 89,601 | ... |
| 2020-21 | 89,601 | 1,05,007 | ... |
| 2021-22 | 1,05,007 | 1,35,283 | ... |
| 2022-23 | ...(*) | 1,98,244 | ... |

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


() Figures were not made available by the Government.*

Table 5.3.1

5.3.2. Guarantee Fee

Guarantee fees is payable by the organization availing guarantee at 0.5 *per cent* p.a. of amount guaranteed or 2 *per cent* for the amount guaranteed for the entire guarantee period. Out of ₹67 crore receivable towards Guarantee Fee/Commission, no amount was received during the year 2022-23.

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Chapter VI

Other Items

6.1 Adverse Balances under Internal Debt

Borrowings of the State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government guarantees loans raised by companies and corporations from the market and financial institutions for implementation of various schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned entities and do not appear in the books of the Government. However, the loan repayments appear in the Government Account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts.

The Government of Telangana had an adverse balance of ₹967 crore under Public Debt as on 31 March 2023. Out of this amount ₹422 crore pertains to loans availed by the Telangana Power Finance Corporation and ₹502 crore pertains to loans raised towards Telangana TRANSCO Bonds. The Government shall make adequate provision in the Budget for clearing the adverse balance or reclassify the debt as expenditure.

6.2 Loans and Advances given by the State Government

The total Loans and Advances made by the State Government to the end of 2022-23 was ₹72,998 crore. This includes ₹21,214 crore towards Loans and Advances to Government Corporations/Companies, Non-Government institutions and Local Bodies and ₹34 crore as Loans to Government Servants during the financial year. Interest due on these loans, to the end of March 2023 amounts to ₹4,915 crore. During 2022-23, only ₹629 crore (0.86 *per cent* of total outstanding loan of ₹72,998 crore) has been received towards repayment of Loans and Advances. Effective steps to recover the outstanding loans would facilitate the Government to maintain a better fiscal position.

6.3 Financial assistances to local bodies and others

During 2022-23, Grants-in-aid to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities totaling to ₹11,769 crore represented 18 *per cent* of the total grants given during the year.

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

(₹ In crore)

| S. No. | Name of Institutions | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | Per cent Increase/ Decrease |
|--------|----------------------|---------------|---------------|---------------|---------------|---------------|-----------------------------|
| 1 | Zilla Parishads | 3,746 | 4,152 | 4,311 | 4,614 | 5,735 | 24 |
| 2 | Municipalities | 1,084 | 771 | 2,946 | 1,696 | 3,065 | 81 |
| 3 | Panchayat Samithis | 2,131 | 3,020 | 4,230 | 3,905 | 5,392 | 38 |
| 4 | Others | 30,947 | 37,024 | 42,797 | 51,185 | 55,125 | 8 |
| | Total | 37,908 | 44,967 | 54,284 | 61,400 | 69,317 | 13 |

Table 6.3

(₹In crore)

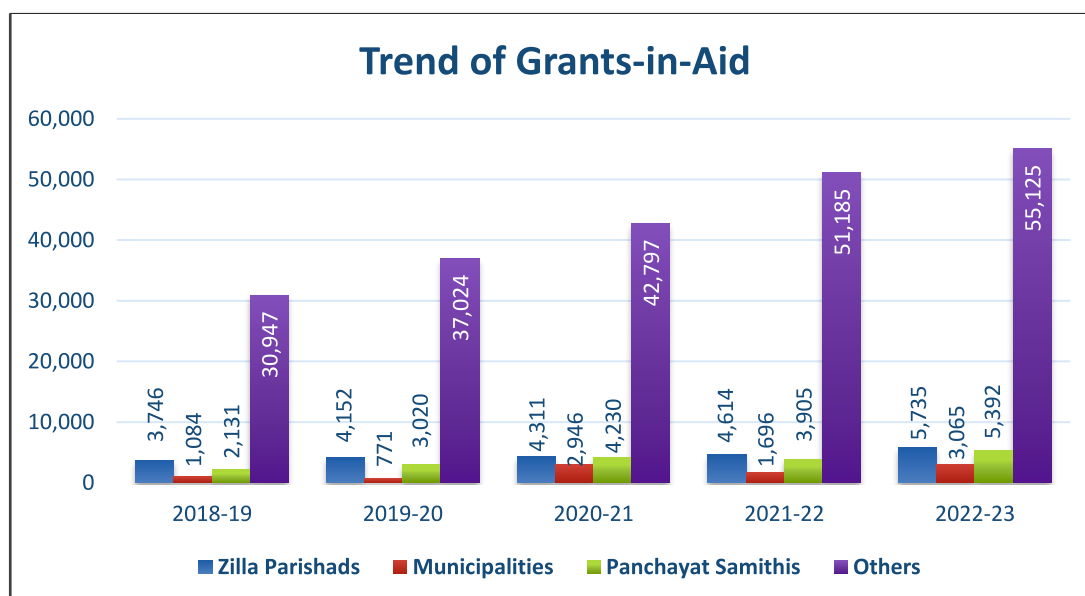


Fig 6.3

6.4 Cash Balance and Investment of Cash Balance

Cash balance with the RBI stood at ₹64 crore on 01 April 2022 and was ₹35 crore at the end of March 2023. Government had invested an amount of ₹9,639 crore in 14 days treasury bills in 2022-23 and rediscounted bills worth ₹7,411 crore.

(₹ In crore)

| Component | As on 01 April 2022 | As on 31 March 2023 | Net increase (+)/ decrease (-) |
|---|------------------------|------------------------|--|
| Cash Balance | 64 (Dr) | 39 (Dr)* | (-)29 |
| Investments from Cash Balance (GOI Treasury Bills) | 55 (Dr) | 2,283 (Dr) | 2,228 |
| | | | |
| i) Departmental Balances | ... | ... | ... |
| ii) Permanent Cash Imprest | ... | ... | ... |
| Investment from Earmarked fund balances | 7,975 (Dr) | 8,600 (Dr) | 625 |
| (a) Sinking Fund | 6,541 (Dr) | 7,053 (Dr) | 512 |
| (b) Guarantee Redemption Fund | 1,431 (Dr) | 1,543 (Dr) | 112 |
| Interest realised | 578(Cr) | 625 (Cr) | ... |

(*) Shortfall met by Ways and Means Advances

Table 6.4

Interest received during the year on Cash balance Investments and earmarked funds (Consolidated Sinking Fund and Guarantee Redemption Fund) was ₹625 crore.

6.5 Reconciliation of Accounts

All Controlling Officers are required to reconcile receipts and expenditure of the Government with the figures accounted for by the Principal Accountant General (A&E), Telangana. During the year, receipts amounting to ₹1,48,579 crore (93.24 per cent of total receipts) and expenditure amounting to ₹1,59,802 crore (93.29 per cent of total expenditure) were reconciled by the State Government.

6.6 Submission of Accounts by Accounts Rendering Units

The Finance Accounts for 2022-23 represent the transactions of the Government of Telangana for the year that have been compiled from the initial accounts rendered by the account rendering units of 33 District Treasuries (for Civil and Forest Departments separately), 33 Public Works Divisions' Pay and Accounts Officers (PAOs), Pension Payment Office, Hyderabad (PPO), 3 state PAOs and Advices from the Reserve Bank of India. No accounts were excluded at the end of the financial year.

6.7 Unadjusted Abstract Contingent Bills

The Drawing and Disbursing officers (DDOs) are authorised to draw sums of money by presenting Abstract Contingent (AC) bills by debiting service heads in terms of the provisions of the Telangana Financial Code (TFC). The DDOs are required to submit the Detailed Contingent (DC) bills subsequently along with supporting documents within a period of 90 days. Out of the 30,286 AC Bills drawn for ₹3,268 crore to the

end of 31 March 2023, number of DC Bills were submitted for 29,810 Bills amounting to ₹3,111 crore.

Details of unadjusted AC Bills as on 31 March 2023 pending for submission of DC Bills are given below:

| (₹ In crore) | | |
|--------------|----------------------------|------------|
| Year | No. of Unadjusted AC bills | Amount |
| Upto 2021-22 | 231 | 126 |
| 2022-23(*) | 90 | 65 |
| Total | 321 | 191 |

Table 6.7

(*)as on 31 July 2023

Out of 455 AC bills amounting to ₹114 crore drawn against AC bills in 2022-23, AC bills amounting to ₹17 crore (15.33 per cent of the total amount) were drawn in March 2023 alone. The significant expenditure on AC Bills in March indicates that the drawl was primarily to exhaust the budget and indicates inadequate budget control.

6.8 Status of Suspense and Remittances Balances

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

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

| (₹ In crore) | | | | | | |
|---|-------------------|----------|------------------|----------|------------------|---------|
| Name of the Minor Head | 2020-21 | | 2021-22 | | 2022-23 | |
| | DR | CR | DR | CR | DR | CR |
| 8658- Suspense Accounts | | | | | | |
| 101-Pay and Accounts Office Suspense | 547.13 | 405.16 | 701.12 | 607.93 | 870.97 | 798.90 |
| Net | 141.97 DR | | 93.19 DR | | 72.07 DR | |
| 102-Suspense Accounts (Civil) | 1358.34 | 1605.59 | 2975.95 | 2399.56 | 5117.83 | 5547.92 |
| Net | 247.25 CR | | 576.39 DR | | 430.09 CR | |
| 109-Reserve Bank suspense Headquarters | 5.22 | (-)0.33 | 5.23 | 2.73 | 5.22 | 2.72 |
| Net | 5.55 DR | | 2.5 DR | | 2.50 DR | |
| 110-Reserve Bank Suspense-Central Accounts Office | (-)10.88 | (-)11.28 | (-)10.98 | (-)11.38 | 0.09 | (-)0.14 |
| Net | (-)0.40 CR | | 0.4 DR | | 0.23 DR | |

| | | | | | | |
|--|-----------|--------|------------|---------|------------|---------|
| 112-Tax Deducted at source (TDS) Suspense | (-)0.01 | 92.10 | ... | 618.68 | ... | 938.01 |
| Net | 92.11 CR | | 618.68 CR | | 938.01 CR | |
| 123- AIS officers Group Insurance Scheme | 0.01 | 0.09 | ... | ... | ... | 0.13 |
| Net | 0.08 CR | | 0.08 CR | | 0.13 CR | |
| 8793 – Inter-State Suspense Account | 102.42 | 29.47 | 66.13 | 29.52 | 72.03 | 29.36 |
| Net | 72.95 DR | | 36.61 DR | | 42.67 DR | |
| 8782- Cash Remittances and Adjustments between officers rendering accounts to the same Accounts Officers | | | | | | |
| 102 Public Works Remittances | 265.55 | 159.74 | 630.84 | 336.21 | 627.19 | 329.92 |
| Net | 309.65 DR | | 294.63 DR | | 297.27 DR | |
| 103 Forest Remittances | 430.33 | 531.17 | 1102.76 | 2158.78 | 101.78 | 1698.11 |
| Net | 488.30 CR | | 1056.02 CR | | 1596.33 CR | |

Table 6.8

6.9 National Pension System

The National Pension System (NPS) introduced from 1 September 2004, provides for employee contribution @ 10 per cent of his/her monthly salary and is matched by the State Government. The entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/Trustee Bank. The Government transferred an amount of ₹1,454.67 crore to NSDL/Trustee Bank during the year leaving a balance of ₹1,072.82 crore as on 31 March 2023. However, since the actual amount payable by the employees and the matching Government Contribution has not been estimated by the State Government, the actual liability of the employees and the Government under the Scheme is not ascertainable. Further, though the State Government is mandated to pay interest on the balance retained, no payment towards the same was made during the year.

6.10 Personal Deposit Accounts

As per the orders of Government vide G.O Ms No.43 dated 22.04.2000, funds released during a particular financial year shall lapse by 31 March of the following year (lapsable deposits under category 'C'). The administrators of PD accounts who have been provided with drawing powers from these PD Accounts are required to close such accounts and revert the unspent balances to the Government account. The status of PD Accounts as intimated by the Director of Treasuries and Accounts (DTA) is given below:

(₹ In crore)

| Opening Balance as on 01 April 2022 ^(*) | | Additions during the year 2022-23 | | Closed/Lapsed/Withdrawals during the year 2022-23 | | Closing Balance as on 31 March 2023 | |
|--|--------|-----------------------------------|---|---|---|-------------------------------------|--------|
| No of PD Accounts # | Amount | Number of PD Accounts opened | Deposits made in PD Accounts including new Accounts | Number of PD Accounts Closed | Withdrawals made from PD Accounts including closed Accounts | Number | Amount |
| ... | 120.97 | ... | 2,013.36 | ... | 1,992.49 | ... | 141.84 |

Table 6.10

#Administrator wise PD accounts are not maintained in this office.

Article 271 (iii) (4) of Financial Code Vol. I of Telangana states that the Administrator shall maintain detailed account of the scheme/projects for which it has been opened. However, if any PD Account is not operated upon for a period of three (3) years and there is reason to believe that the need for such deposit accounts has ceased, the same shall be closed. Inspection of 117 treasuries conducted during 2022-23 in respect of transactions for the year 2022-23 revealed that PD accounts of 6 operators with balance amounting to ₹1.80 crore were lying inoperative for more than three (3) years.

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