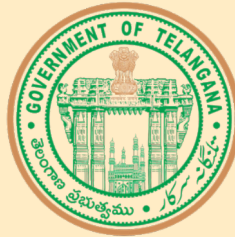




सत्यमेव जयते

Accounts at a Glance 2018-19



Government of Telangana



Accounts at a Glance for the year **2018-19**

**Accountant General
Telangana
(Accounts and Entitlement)**



GOVERNMENT OF TELANGANA

PREFACE

The Annual Accounts of the State Government are prepared and examined under the directions 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 (a) Finance Accounts and (b) Appropriation Accounts.

Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise gross expenditures approved by the State Legislature along with explanations for variations between the actual expenditure and the funds provided.

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

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

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

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

Our Email address: agaetelangana@cag.gov.in



Place: Hyderabad
Date: 14-Jul-2020

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

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

Part 1 CONSOLIDATED FUND

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (including 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.

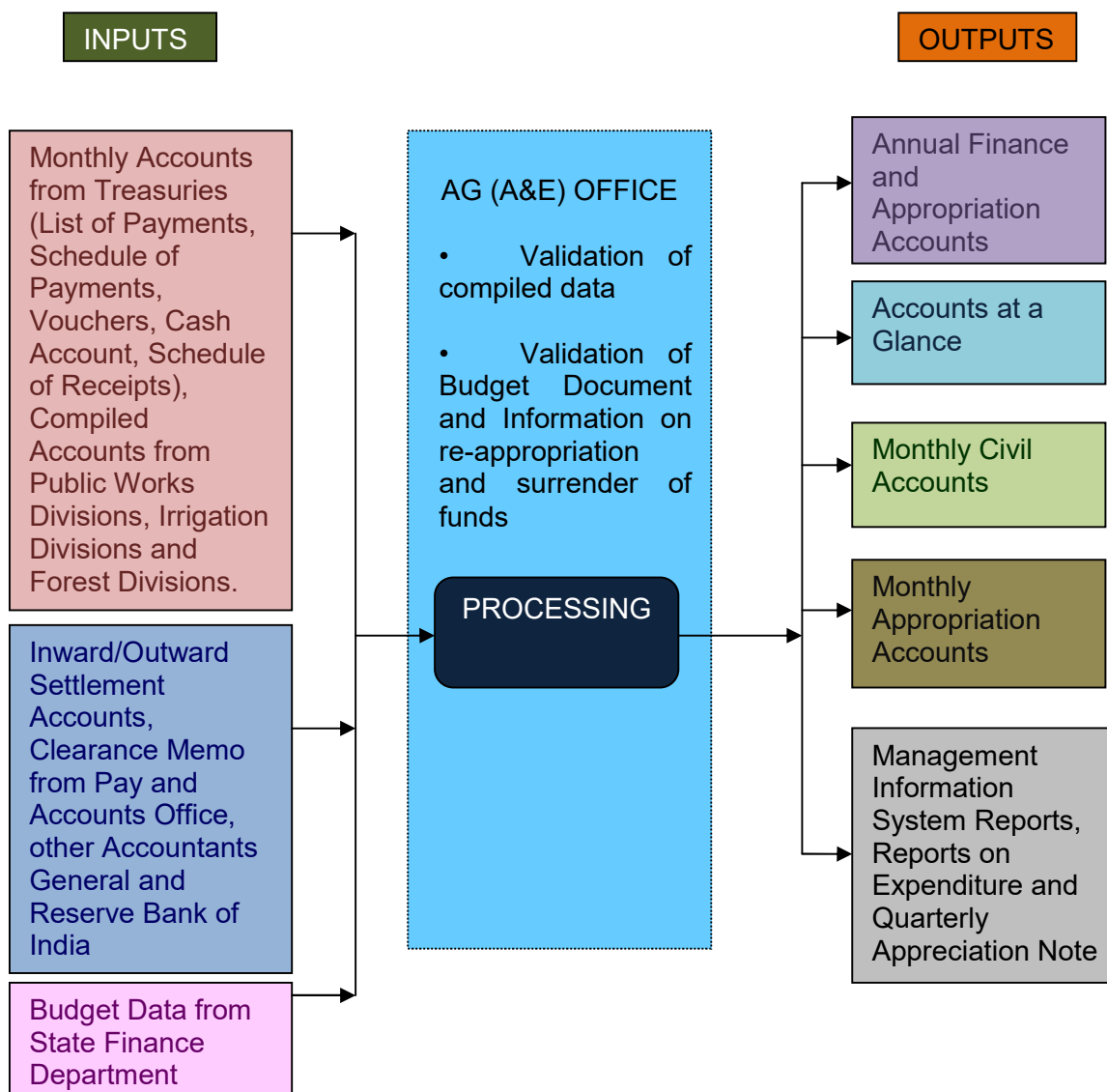
Part 2 CONTINGENCY FUND

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 merely adjusting heads under which transactions such as remittances of cash between treasuries and currency chests and transfer between different accounting circles shall appear. 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 and 'Notes to Accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II).

In addition to the Budget approved for the year by the Telangana Legislature, the Government of India transfers funds directly to State Implementing Agencies in the State for spending on various schemes and programmes. Such transfers (₹9,788 crore in 2018-19) are not reflected in the accounts of the State Government, but have been shown at Appendix VI in Volume II of the Finance Accounts.

1.3.2 Financial highlights of year 2018-19

The following table provides the details of actual financial results vis-a-vis budget estimates for the year 2018-19:

Sl. No	Component	Budget Estimates (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP ⁽²⁾
1.	Revenue Receipts (a+b+c)	1,30,975	1,01,420	77	12
	a) Tax Revenue ⁽¹⁾ (including Central Share)	92,959	83,235	90	10
	b) Non-Tax Revenue	8,974	10,007	112	1
	c) Grants-in-aid & Contributions	29,042	8,178	28	1
2.	Recovery of Loans & Advances	7,807	66	1	...
3.	Borrowings & Other Liabilities ⁽³⁾	29,078	26,949	93	3
4.	Capital Receipts(2+3)	36,885	27,015	73	3
5.	Total Receipts (1+4)	1,67,860	1,28,435	77	15
6.	Revenue Expenditure	1,25,455	97,083	77	11
	a) Expenditure on Revenue Account (Excluding b,c,d,e)	69,896	43,705	63	5
	b) Expenditure on Interest Payments (Out of Revenue Expenditure)	11,691	12,586	108	1
	c) Expenditure on Salaries/Wages	24,582	23,011	94	3
	d) Expenditure on Pensions	11,698	11,477	98	1
	e) Expenditure on Subsidy	7,588	6,304	83	1
7.	Capital Expenditure⁽⁴⁾	33,369	22,646	75	4
	a) Expenditure on Capital Account (excluding b)	32,899	23,306	68	3
	b) Expenditure on Salaries/Wages	470	340	72	...
8.	Loans and Advances Disbursed	9,036	8,706	96	1
9.	Total Expenditure⁽⁵⁾ (6+7+8)	1,67,860	1,28,435	77	15
10.	Revenue Surplus (1-6)	5,520	4,337	79	1
11.	Fiscal Deficit (1+2-9)	29,078	26,949	93	3
12.	Primary Deficit {(1+2) - (9-6b)}	17,386	14,363	83	(-)2

(1) Includes share of net (tax) proceed assigned to the state amounting to ₹18,561 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 (₹8,65,688 crore) is sourced from the Ministry of Statistics and Programme Implementation, GOI.

(3) Borrowings and other liabilities: Net (Receipts-Disbursements) of Public debt (₹22,246 crore) + Net of Contingency fund {₹(-)2 crore}+ Net (Receipts- Disbursements) of Public Account (₹4,536 crore) + Net of Opening and Closing cash balance {₹(-)169}crore).

(4) Expenditure on Capital Account includes Capital Expenditure (₹22,641 crore), Inter State Settlement (₹5 crore)

(5) Expenditure does not include Public Debt (₹28,716 crore) as net of Public Debt has been taken under Borrowings and Other Liabilities.

1.3.3 Receipts during the year

(In ₹Crore)

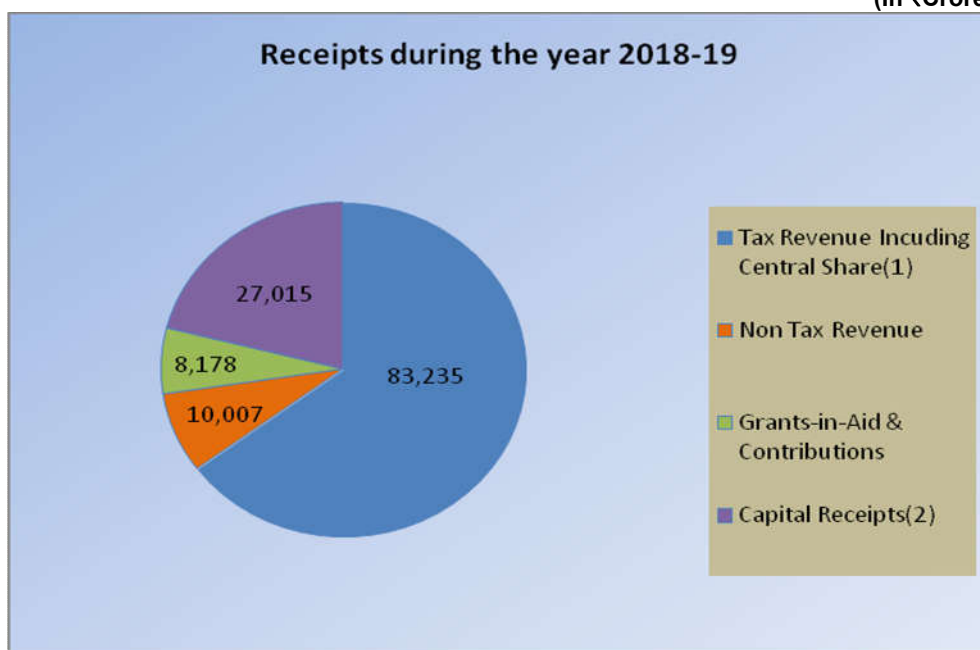


Fig-1.3.3

1. Includes share of net (tax) proceed assigned to the state amounting to ₹18,561 crore.
2. Capital receipts include Recovery of Loans and Advances (₹66 crore) + Borrowings and other liabilities (₹26,949 crore) - [Net (Receipts-Disbursements) of Public debt (₹22,246 crore)+ Net of Contingency fund {₹(-)2 crore}+ Net (Receipts-Disbursements) of Public Account (₹4,536 crore) + Net of Opening and Closing cash balance ₹(-)169 crore].

1.3.4 Disbursements during the year

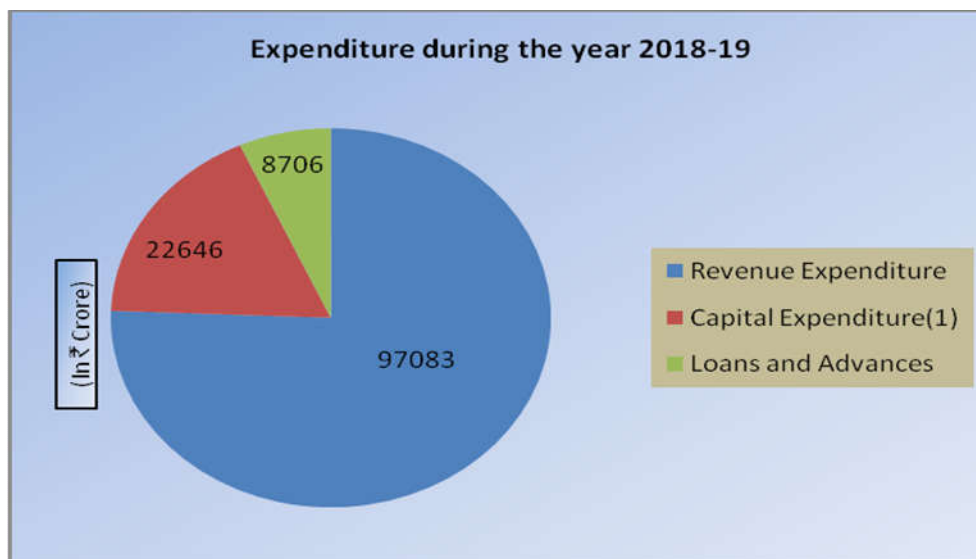


Fig-1.3.4

1. Expenditure on Capital Account includes Capital Expenditure (₹22,641 crore), Inter State Settlement (₹5.00 crore)

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 13 charged Appropriations and 40 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriations authorised by the Legislature through the Appropriation Act of each year.

1.3.6 Efficiency on Budget Preparation

At the end of the year, the expenditure of Government of Telangana against the budget approved by the Legislature amounting to ₹1,99,051 crore, resulted in a saving of ₹37,481 crore (19 per cent of estimates).

A snap shot of few grants/entities with lowest spending against budget are shown below:

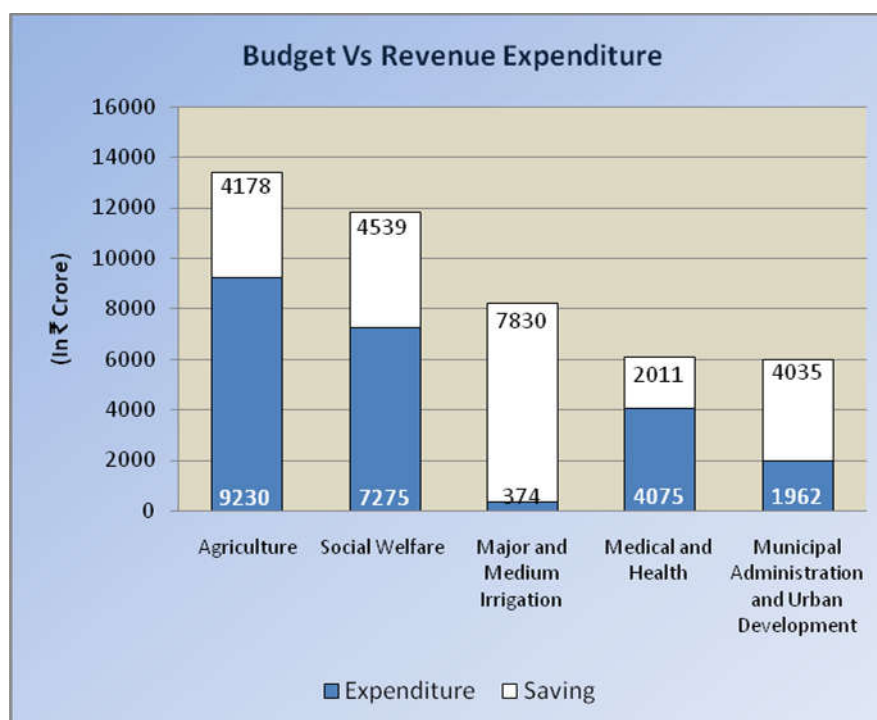


Fig-1.3.6(a)

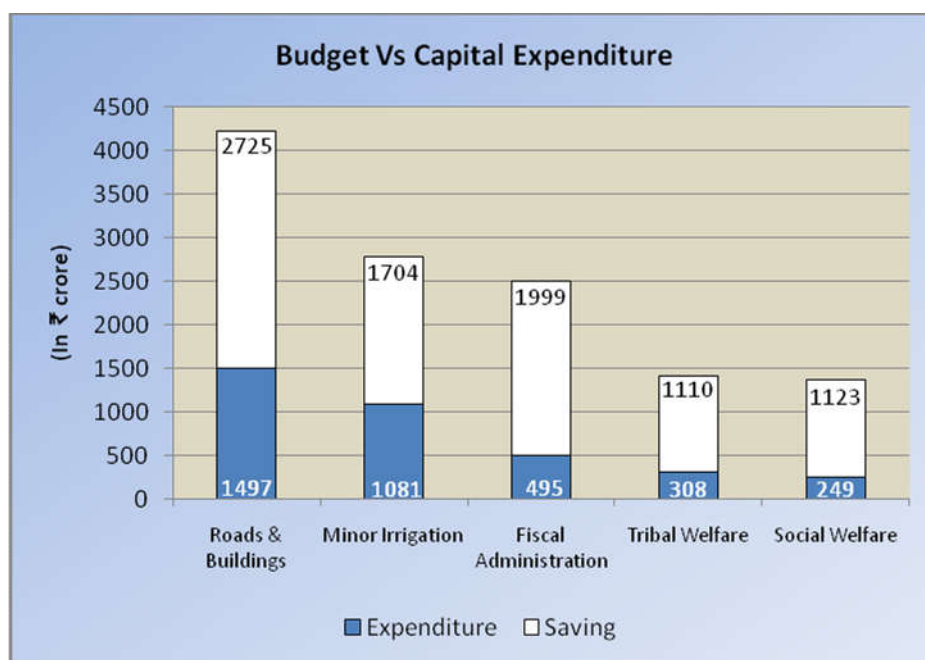


Fig-1.3.6(b)

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Reserve Bank of India (RBI) extends Special Drawing Facility/ Ways and Means Advances (WMA) to enable State Governments to tide over temporary shortfalls in their cash balances. During 2018-19, Government of Telangana availed Special Drawing Facility for 168 days, amounting to ₹5,606 crore. It also availed Ways and Means Advances for 135 days amounting to ₹13,617 crore.

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 ₹1.38crore, (even after taking ways and means advances) which is required to be maintained with the Reserve Bank of India. During the year 2018-19, Overdraft for 32 days amounting to ₹2,600 crore was availed by Government of Telangana.

1.4.3 Fund flow statement

The state had a Revenue Surplus of ₹4,337 crore and a Fiscal Deficit of ₹26,949 crore as on 31 March 2019. The Fiscal Deficit was met from net Public Debt (₹22,246 crore) increase in Public Account (₹4,536 crore), net of Contingency Fund (₹ (-)2 crore) and net increase of opening and closing cash balance (₹(-)169 crore). Around 47 per cent of the Revenue Receipts (₹1,01,420 crore) of the State Government was spent on Committed Expenditure like Salaries (₹23,351 crore), Interest Payments (₹12,586 crore) and Pensions (₹11,477 crore).

1.4.4 Sources and Funds

(₹ in crore)

AMOUNT

SOURCES

Opening Cash Balance as on 01.04.2018	78
Revenue Receipts	1,01,420
Recovery of Loans and Advances	66
Capital Receipts	...
Public Debt 1,3	29,139
Small Savings, Provident Fund & Others ¹	2,427
Reserves and Sinking Funds ¹	1,772
Deposits Received ¹	62,554
Civil Advances Repaid ¹	41
Suspense and Miscellaneous ^{1,2}	78,379
Remittances ¹	17,860
Contingency Fund	...
TOTAL	2,93,736

APPLICATION

Revenue Expenditure	97,083
Capital Expenditure	22,641
Loans Given	8,706
Repayment of Public Debt ¹	6,893
Small Savings, Provident Fund & Others	1,583
Reserves and Sinking Funds	1,324
Deposits Spent	59,457
Civil Advances Given	37
Suspense & Miscellaneous	78,351
Remittances	17,745
Interstate Settlement	5
Contingency Fund	2
Closing Cash Balance as on 31-03-2019	(-)91
TOTAL	2,93,736

1. Items are gross figures, and are eventually to be netted off, reducing the 'Total'
2. The Suspense accounts include ₹48,019 crore invested in treasury bills which is shown on the 'Application' side, and ₹48,707 crore worth of treasury bills sold through the RBI (a process known as 'rediscounting' and/or 'matured value' of treasury bills) which is shown on the 'Sources' side.
3. Public Debt does not include Receipt and Expenditure of Special drawing facility/Ways and Means Advances/Overdraft (₹21,823 crore).

1.4.5 Where Rupee came from

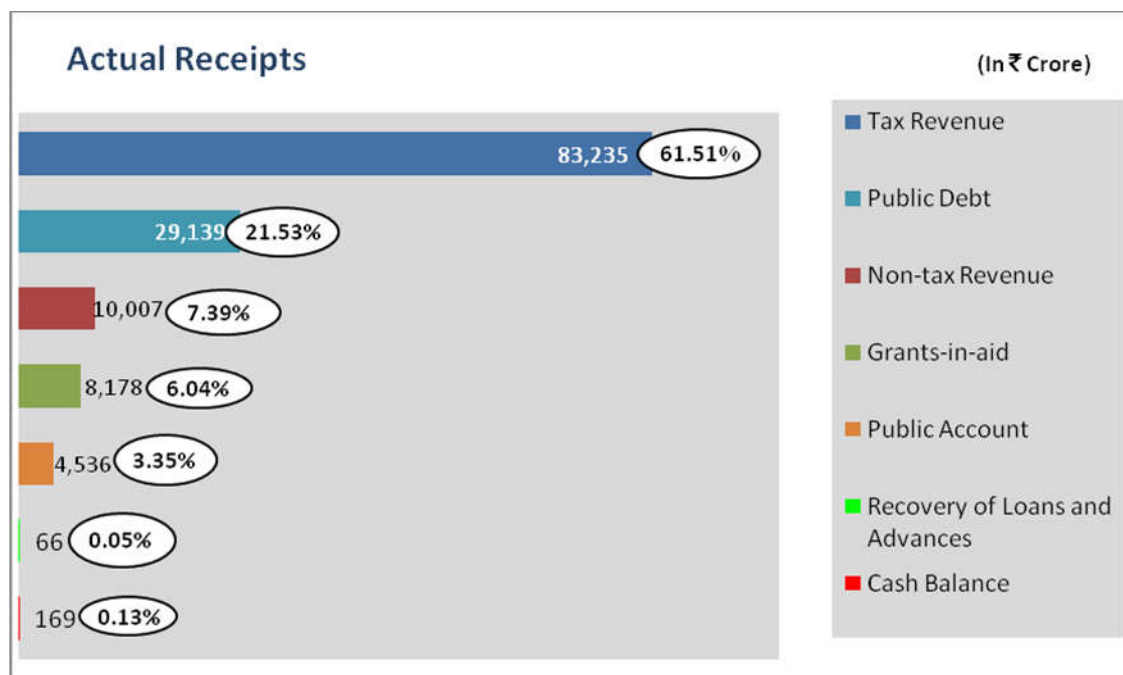


Fig-1.4.5

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

1.4.6 Where Rupee went

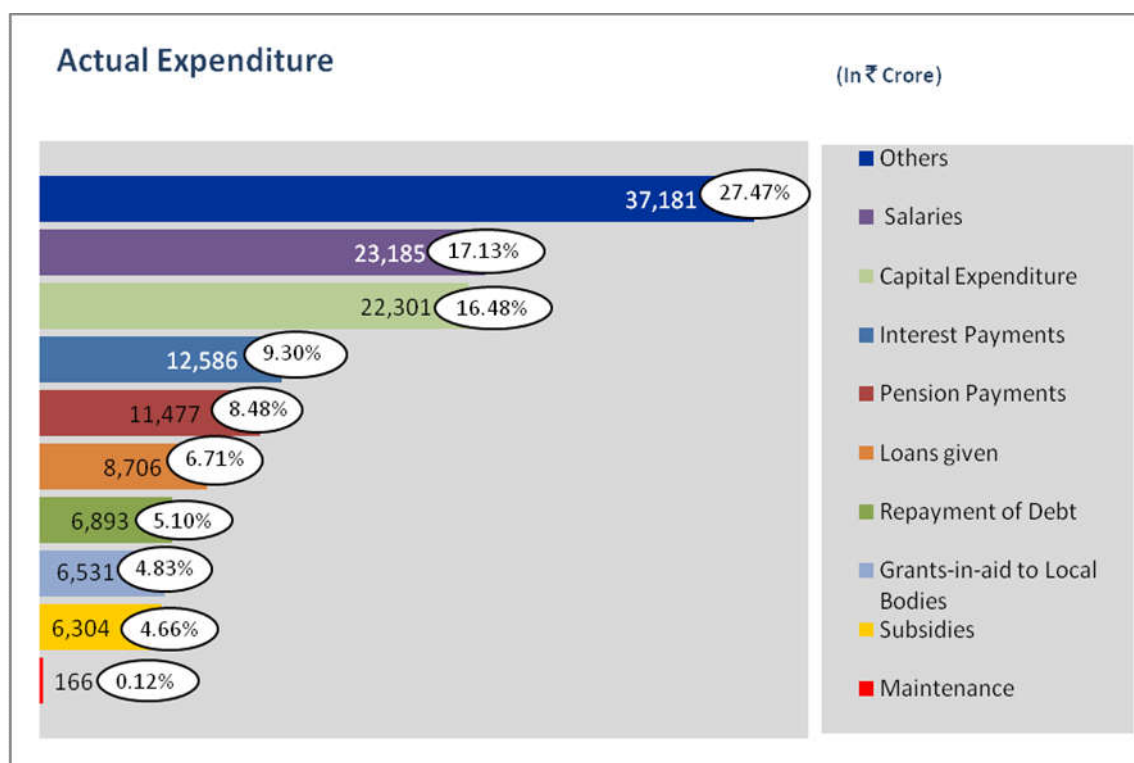
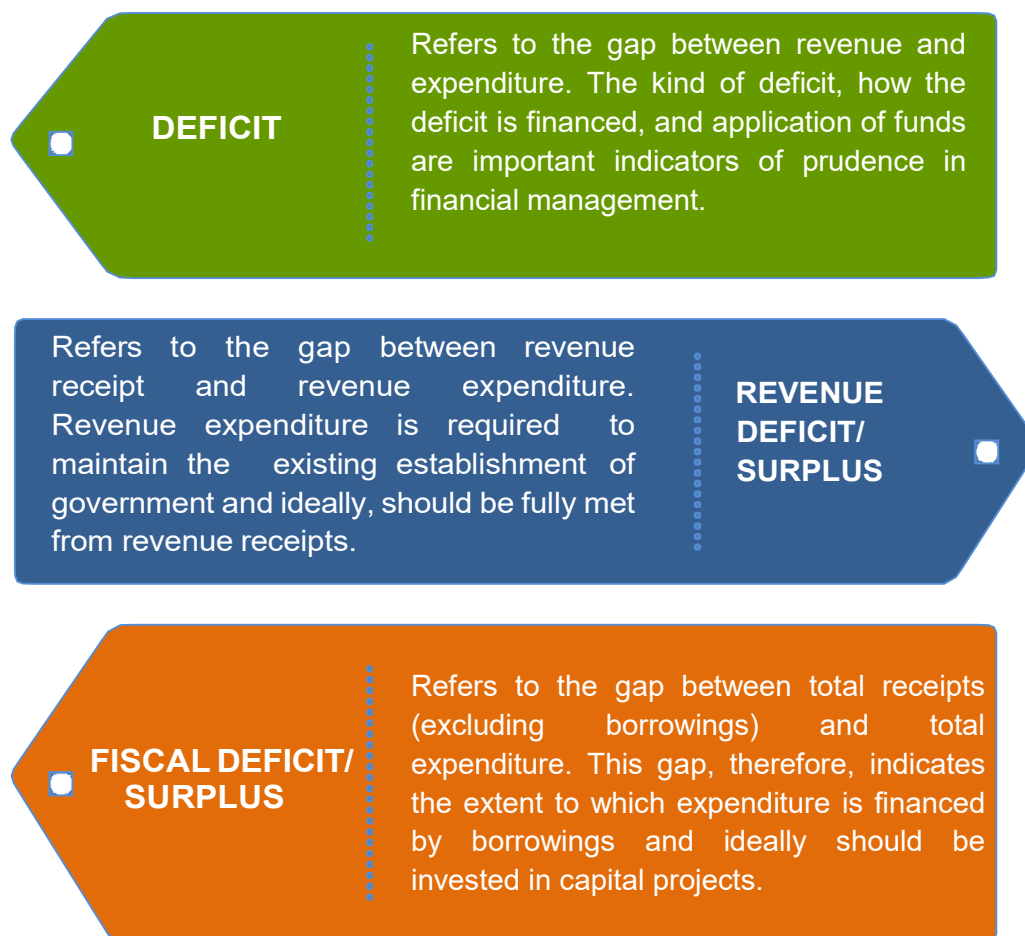


Fig-1.4.6

Note: Capital Expenditure excludes Maintenance (270/273), ₹31 crore, Salaries and Wages (010/2020) ₹309 crore and includes Investments ₹3,389 crore.

1.4.7 What do the deficits and surpluses indicate?



Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Prudent financial management involves the generation of an annual Revenue Surplus (Revenue Receipts exceeding Revenue Expenditure). 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 adapted “The Andhra Pradesh Fiscal Responsibility and Budget Management Act 2005” as “The Telangana Fiscal Responsibility and Budget Management Act 2005” in accordance with section 101 of Andhra Pradesh Reorganisation Act 2014 vide G.O.Ms.No.45, Law(F), dated 01 June, 2016.

There is Revenue Surplus of ₹4,337 crore (₹3,459 crore in 2017-18) and Fiscal Deficit of ₹26,949 crore (₹26,700 crore in 2017-18) which are 0.50 *per cent* and 3.11 *per cent* of GSDP¹ respectively. The Fiscal Deficit constituted 21 *per cent* of total expenditure (₹1,28,435 crore).

¹ GSDP figure of ₹8,65,688 crore as provided by Ministry of Statistics and Programme Implementation, GOI.

Around 47 *per cent* of the Revenue Receipts (₹1,01,420 crore) of the State Government was spent on Committed Expenditure like Salaries² (₹23,351 crore), Interest Payments (₹12,586 crore) and Pensions (₹11,477 crore).

1.5 Deficit /Surplus

1.5.1 Trend of Revenue Surplus

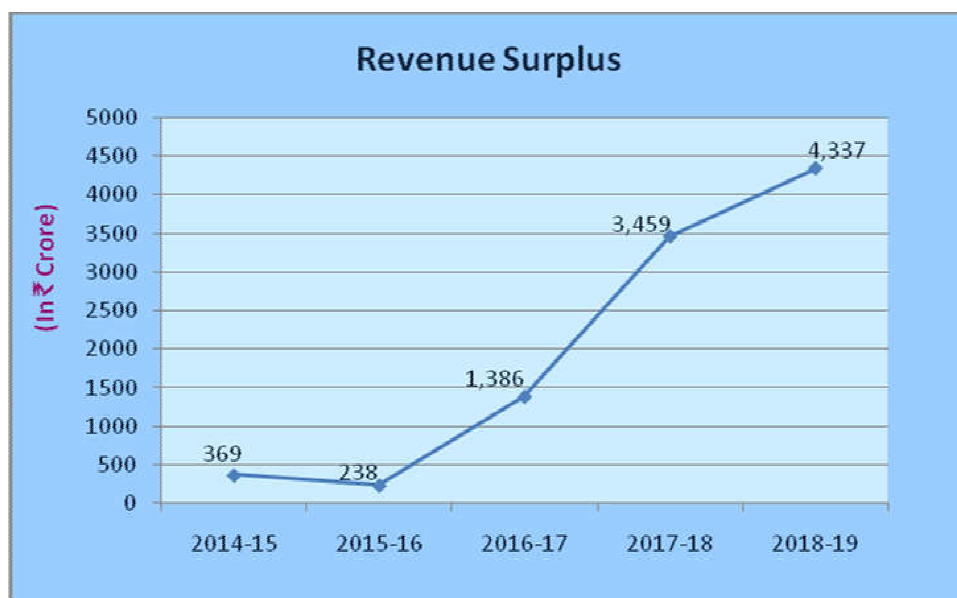


Fig-1.5.1

1.5.2 Trend of Fiscal Deficit

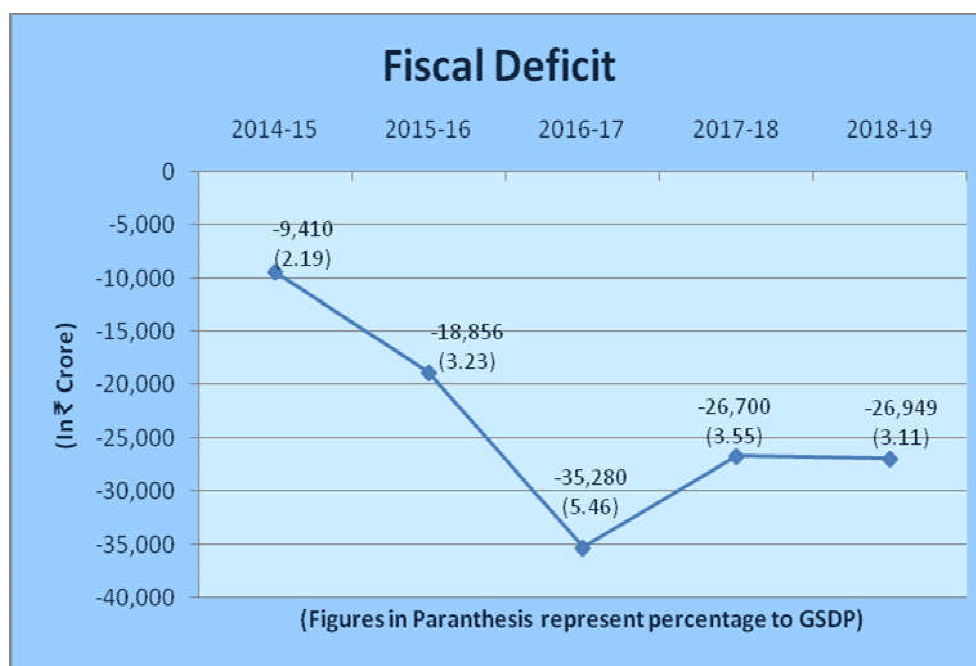


Fig-1.5.2

Note: GSDP figure as provided by Ministry of Statistics and Programme Implementation, GOI .

² Includes detailed heads 010-Salaries (₹20,199crore), 020-Wages (₹74 crore), 030-Overtime allowance (nil), 270/273-Maintenance (₹166 crore) & 310/311-Grants-in-Aid towards salaries (₹2,912 crore).

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

As per the Telangana Fiscal Responsibility and Budget Management (Telangana FRBM) Rules, 2005, the State Government shall, at the time of presenting the budget, make various disclosures as prescribed therein. The budget of 2018-19, however, did not make the following disclosures: Weighted Average Interest Rate on State Government Liabilities, Statement of Assets, Tax Revenue raised but not realized, and Statement of Outstanding Miscellaneous Liabilities.

Targets fixed by the State Government in Telangana FRBM Act, 2005 and the rules framed there under, the ceilings fixed based on the recommendations of the Fourteenth Finance Commission, and achievements as per the accounts of 2018-19 are given below:

Sl. No.	Targets for 2018-19	Achievements in 2018-19
1.	Revenue Surplus: To be maintained.	As per the Accounts, the Government of Telangana had a Revenue Surplus of ₹4,337 crore in 2018-19.
2.	Fiscal Deficit: Not to exceed 3.5 <i>per cent</i> of GSDP.	As per the Accounts, the Fiscal Deficit of Government of Telangana is ₹26,949 crore i.e. 3.11 <i>per cent</i> of GSDP during 2018-19.
3.	Outstanding Liabilities: The outstanding liabilities not to exceed 25 <i>per cent</i> of the GSDP as fixed for the financial year 2018-19 as given in Statement of Fiscal Policy presented to the Telangana State Legislature in March 2019.	The total outstanding liabilities of the State Government is ₹1,96,963 crore i.e. 22.75 <i>per cent</i> of GSDP for the year 2018-19.
4.	Annual incremental risk weighted Guarantees: Not to exceed 90 <i>per cent</i> of the Total Revenue Receipts (TRR) in the year preceding the current year.	Outstanding Guarantees as on 31 March 2019 of ₹77,713 crore is 87.49 <i>per cent</i> of TRR of ₹8,88,24.09 crore (in 2017-18).

Note: GSDP figure at current prices for 2018-19: ₹8,65,688 crore, Ministry of Statistics and Programme Implementation, GOI

...oOo...

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2018-19 were ₹1,28,435 crore against budget estimate of ₹1,67,860 crore.

2.2 Revenue Receipts

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

TAX REVENUE

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

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

NON-TAX REVENUE

GRANTS-IN-AID

Grants-in-aid represent Central Assistance to the State Government from the Union Government. It also includes "External Grant Assistance" and "Aid, Material and Equipment" received from Foreign Government and channelised through the Union Government.

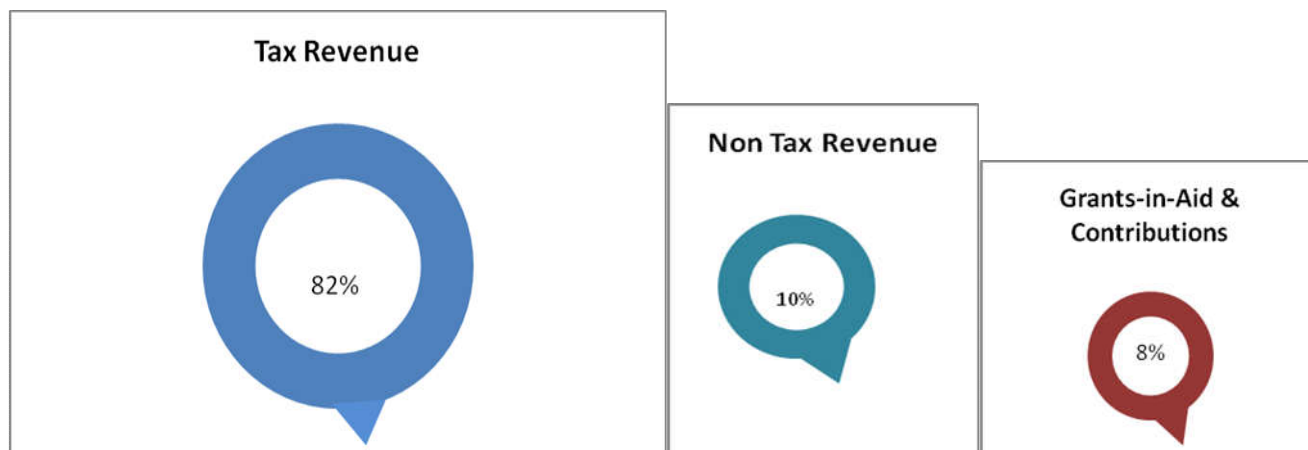


Fig-2.2

2.2.1 Revenue Receipts Components (2018-19)

Components		Actuals (₹ in crore)	Per Cent to Revenue Receipt
A.	Tax Revenue*	83,235	82
	Goods and Services Tax	28,786	28
	Taxes on Income & Expenditure	11,693	12
	Taxes on Property & Capital Transactions	5,483	5
	Taxes on Commodities & Services	37,273	37
B.	Non-Tax Revenue	10,007	10
	Interest Receipts, Dividends and Profits	153	...
	General Services	4,169	4
	Social Services	803	1
	Economic Services	4,882	5
C.	Grants-in-aid & Contributions	8,178	8
	Total –Revenue Receipts	1,01,420	100

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

2.2.2 Trend of Revenue Receipts

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenues (Raised by the State)	29,289	39,974	48,407	56,520	64,674
State Share of Union Taxes/Duties	8,188	12,351	14,877	16,420	18,561
Non-Tax Revenues	6,447	14,415	9,782	7,825	10,007
Grants in Aid	7,118	9,394	9,752	8,059	8,178
Total Revenue Receipts	51,042 (11.85)	76,134 (13.06)	82,818 (12.81)	88,824 (11.81)	1,01,420 (11.72)
GSDP	4,30,599	5,83,117	6,46,265	7,52,230	8,65,688

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

(ii) GSDP figures is sourced from the Ministry of Statistics and Programme Implementation, GOI.

(iii) Figures in parenthesis represent percentage to GSDP.

The proportion of the State's Own Tax Revenue to GSDP is 7.5. *per cent*.

2.2.3 Trend of Components of Revenue Receipts

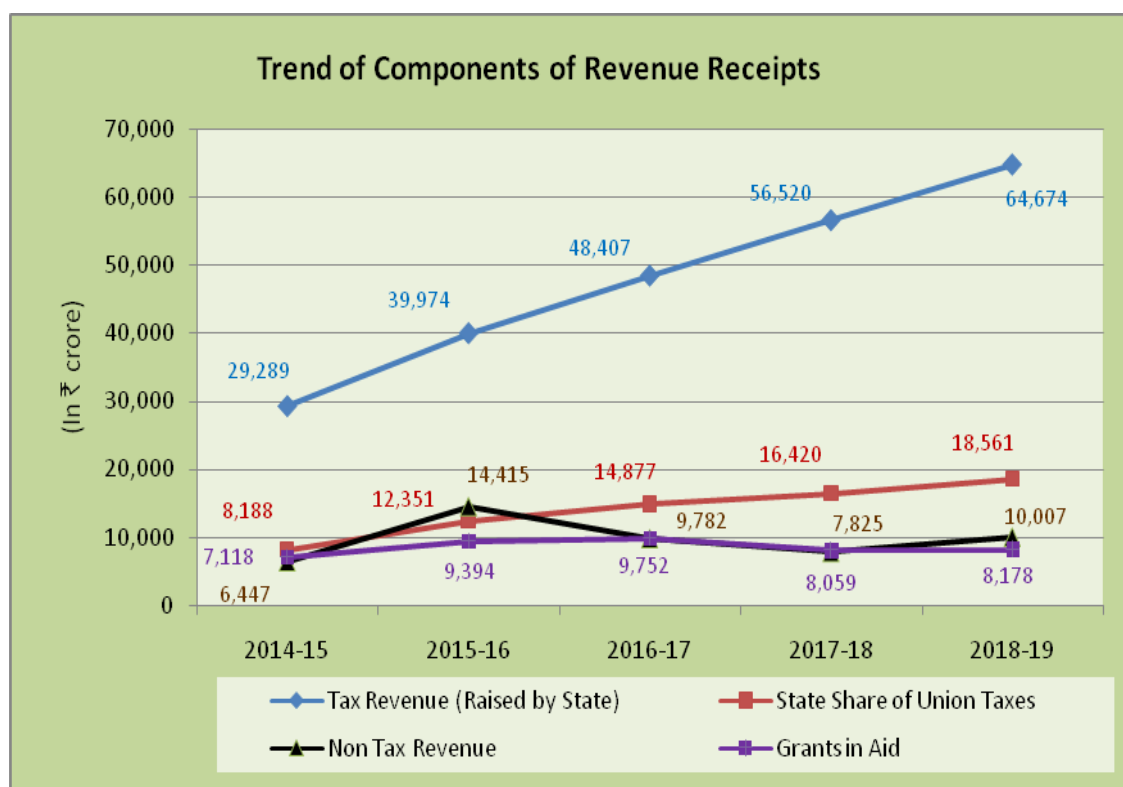


Fig-2.2.3(a)

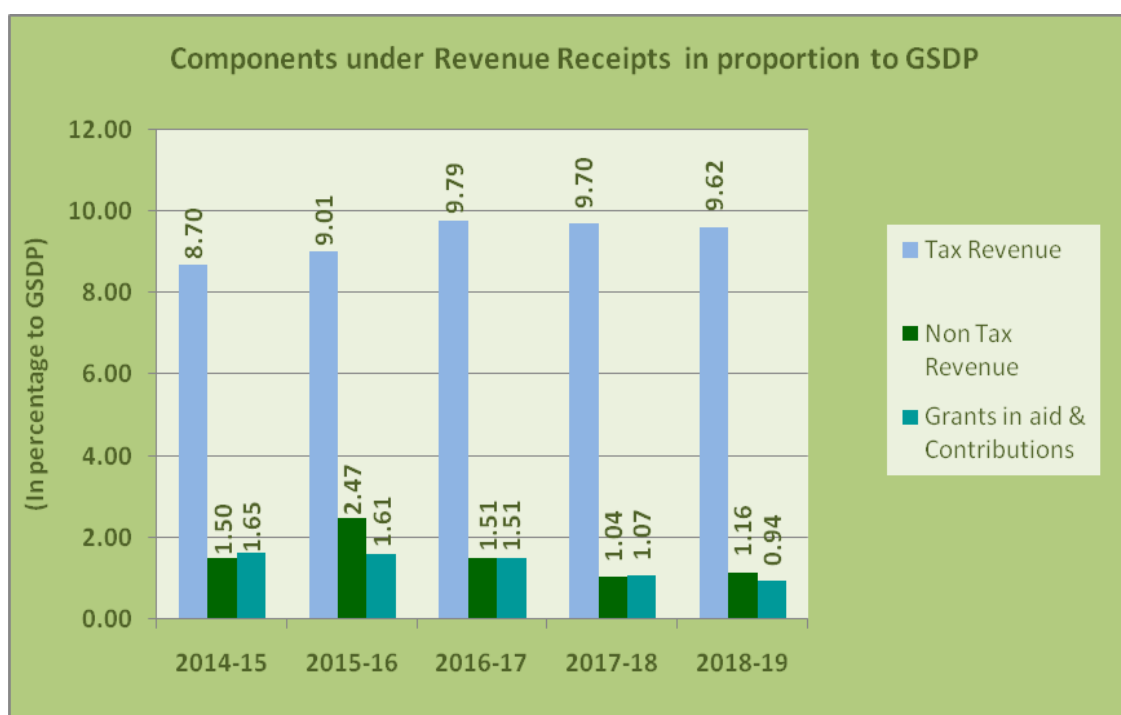


Fig-2.2.3(b)

During 2018-19, The GSDP increased by 15 *percent* in comparison to previous year and the growth in revenue collection was 14 *per cent*.

2.3 Tax Revenue

(₹ in crore)

Trend of Sector-wise Tax Revenue over the past 5 years						
	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage increase
a. Goods and Services Tax	...	...	...	14,961 (1.99)	28,786 (3.33)	92
b. Taxes on Income and Expenditure	5,215 (1.21)	6,904 (1.18)	8,459 (1.31)	9,683 (1.29)	11,693 (1.35)	21
c. Taxes on Property and Capital Transactions	2,243 (0.52)	3,286 (0.56)	3,962 (0.61)	4,313 (0.57)	5,483 (0.63)	27
d. Taxes on Commodities and Services	30,019 (6.97)	42,135 (7.23)	50,863 (7.87)	43,983 (5.85)	37,273 (4.31)	(-)15
Total Tax Revenues	37,477 (8.70)	52,325 (8.97)	63,284 (9.79)	72,940 (9.70)	83,235 (9.61)	14
GSDP	4,30,599	5,83,117	6,46,265	7,52,230	8,65,688	15

- Note: (i) The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015
(ii) GSDP figures as provided by the Ministry of Statistics and Programme Implementation, GOI.
(iii) Figures in parenthesis represent percentage to GSDP

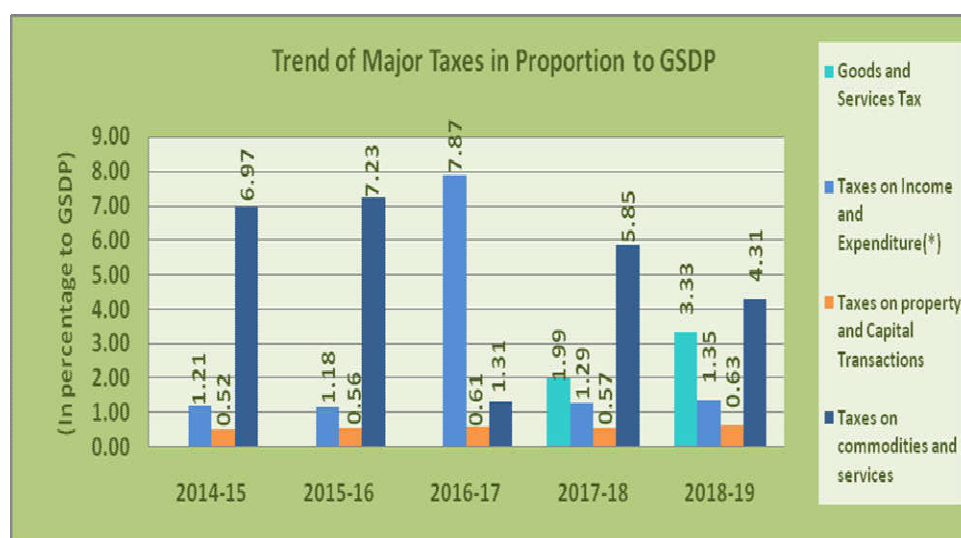


Fig-2.3

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

2.3.1 Major Contributors to Tax Revenue

(In ₹ Crore)

Components	Actuals	Percentage to GSDP
Goods and Services Tax (GST)	28,786	3
Taxes on Sales, Trade etc	20,290	2.34
State Excise	10,638	1.23
Corporation Tax	6,454	0.75
Stamps and Registration fees	5,344	0.62

During the year, Net Tax Revenue was less than Budget Estimates by ₹9,724 crore.

Major variations between Actual Receipts and Budget Estimates were as follows:

(In ₹ Crore)

Actual Receipts was less than Budget Estimates		Actual Receipts was more than Budget Estimates	
Central Goods and Services Tax	1,600	Stamps and Registration Fees	644
State Goods and Services Tax	2,200	Corporation Tax	580
Taxes on Sales, Trade etc	5,652	Customs	370

2.4 Efficiency of Tax Collection

(In ₹ Crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
1. Taxes on Sales, Trade etc					
Revenue collection*	22,121	29,847	34,234	25,106	20,291
Expenditure on collection	121	211	228	217	196
Cost of Collection (as % of Revenue collection)	0.55	0.71	0.67	0.87	0.97
2. State Excise					
Revenue collection*	2,808	3,809	5,581	9,421	10,638
Expenditure on collection	220	243	256	251	255
Cost of Collection (as % of Revenue collection)	7.83	6.37	4.59	2.66	2.39
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection*	1,618	2,309	3,394	3,589	3,762
Expenditure on collection	49	80	74	76	79
Cost of Collection (as % of Revenue collection)	3.04	3.46	2.18	2.12	2.11
4. Stamps and Registration Fee					
Revenue collection*	2,371	3,356	4,262	5,179	6,625
Expenditure on collection	44	80	68	104	89
Cost of Collection (as % of Revenue collection)	1.86	2.40	1.59	2.01	1.35

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

(*) Excludes State's share of Union Taxes

Taxes on Sales, Trade etc form a major chunk of Tax revenue. The expenditure on collection of Taxes on Sales, Trade etc and State Excise were high as compared to other taxes.

2.5 Trend in State's share of Union Taxes

(In ₹ Crore)

Major Head description	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage Increase
(a) Goods and Services Tax	...	...	...	1,888	4,946	162
Central Goods and Services Tax	...	...	...	231	4,581	1,883
Integrated Goods and Services Tax	...	...	...	1,657	365	(-)78
(b) Taxes on Income & Expenditure	4,946	6,545	8,073	9,270	11,241	21
Corporation Tax	2,885	3,870	4,763	5,026	6,454	28
Taxes on Income other than Corporation Tax	2,061	2,675	3,310	4,244	4,753	12
Other taxes on Income and Expenditure	...	...	...	...	34	...
(c) Taxes on Property & Capital Transactions	8	1	11	...	2	...
Taxes on Wealth	8	1	11	...	2	...
(d) Taxes on Commodities & Services	3,234	5,805	6,793	5,262	2,372	(-)55
Customs	1,336	1,979	2,049	1,657	1,316	(-)21
Union Excise Duties	735	1,662	2,340	1,732	874	(-)50
Service Tax	1,163	2,153	2,404	1,873	172	(-)91
Other taxes and duties on commodities and services	...	11	...	...	10	...
State's share of Union Taxes	8,188	12,351	14,877	16,420	18,561	13
Total Tax Revenue	37,477	52,325	63,284	72,940	83,235	14
Percentage of Union Taxes to Total Tax Revenue	22	24	24	23	22	(-)4

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

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 ₹4,581 crore was received on account of CGST, an amount of ₹23,840 crore was received on account of SGST and ₹365 crore was received under IGST.

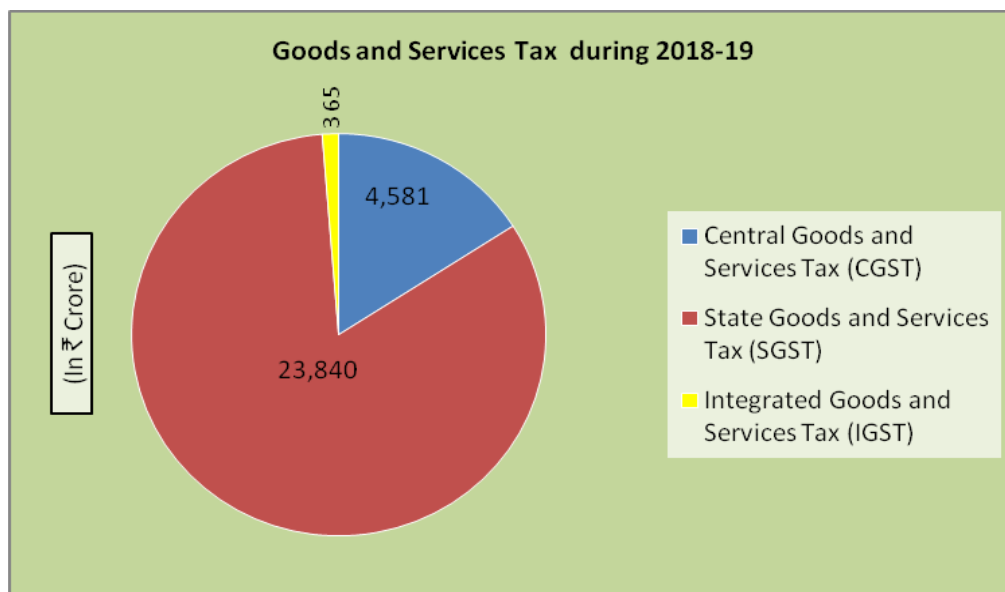


Fig-2.6

2.7 Grants-in-aid

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

- ☐ Centrally Sponsored Schemes (₹5,508 crore)
- ☐ Finance Commission Grants (₹1,806 crore)
- ☐ Other Transfer/Grants to States/Union Territories with legislatures (₹864 crore)

Total receipts during 2018-19 under Grants-in-aid were ₹8,178 crore. The share of Centrally Sponsored Schemes in total Grants-in-aid is 67 *per cent*, share of Finance Commission Grants is 22 *per cent* and Other Grants is 11 *per cent* in 2018-19.

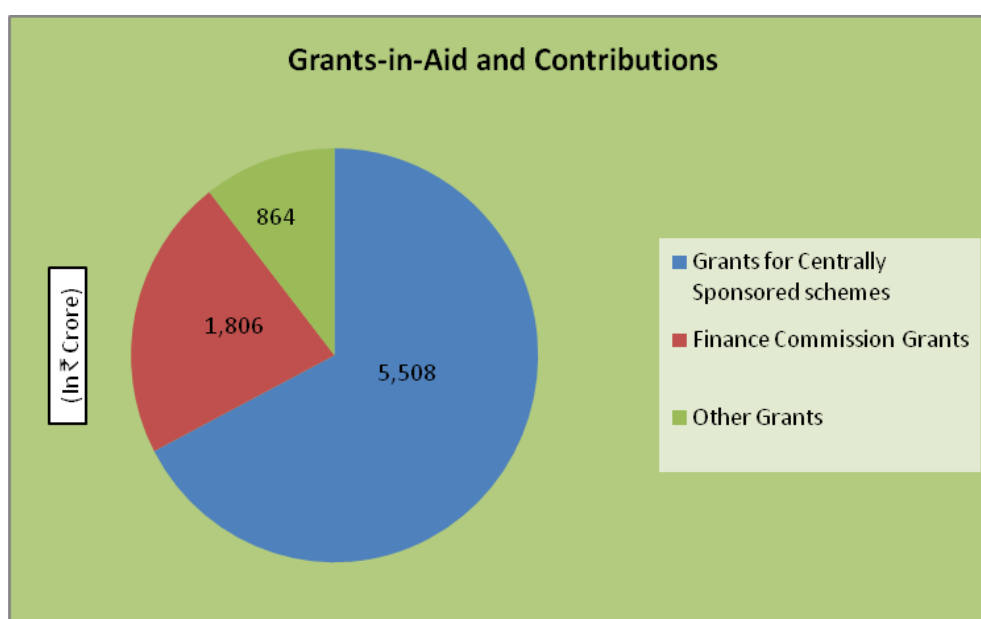


Fig-2.7

2.8 Public Debt

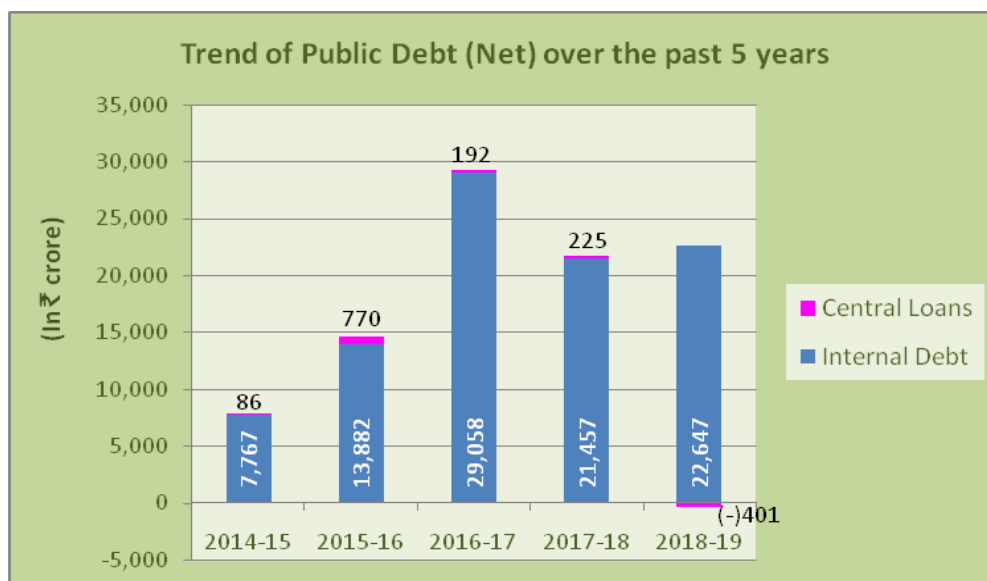


Fig-2.8

In 2018-19, 20 loans totaling ₹26,742 crore at interest rates varying from 7.75 per cent to 8.75 per cent repayable between the years 2038 and 2049 were raised from the open market. In addition to these the State Government also raised ₹1,964 crore from other financial institutions like LIC, GIC, NABARD etc. ₹21,823 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 ₹28,706 crore. Repayments of Internal Debt of State Government excluding Ways and Means Advances was ₹6,059 crore. The Government also received ₹433 crore from Government of India as Loans and Advances, while repayments made on this account amounted to ₹834 crore.

2.8.1 Proportion of borrowed funds to Capital Expenditure

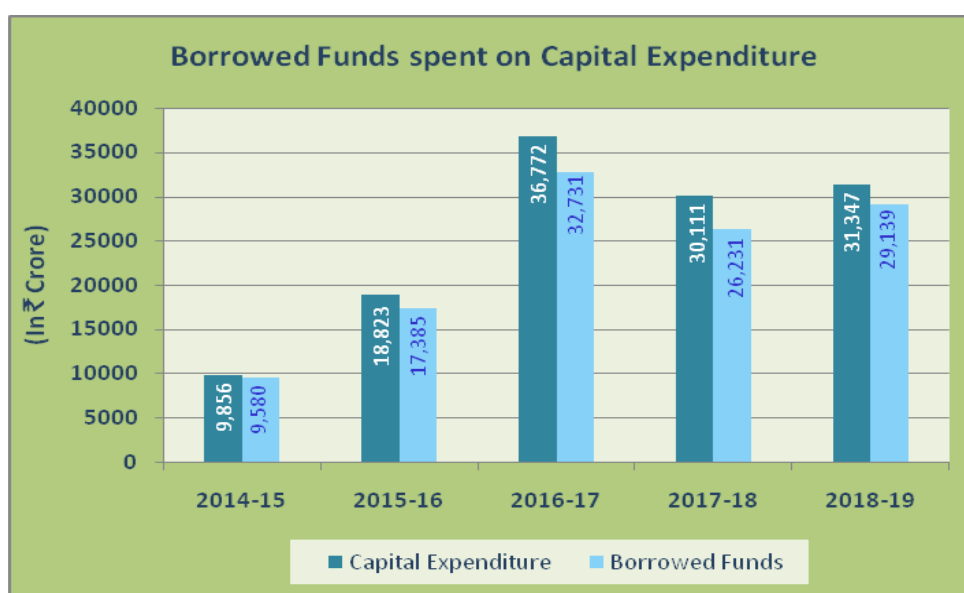



Fig-2.8.1

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



The extent to which the Fiscal Deficit, as represented by borrowed funds, has been channelized towards the creation of capital assets is an indicator of prudent financial management. The entire borrowings of ₹29,139 crore in the year was utilised to meet Capital expenditure of ₹22,641 crore and Loans and Advances of ₹8,706 crore.

Normally, Public Debt is discharged through the use of Revenue Surplus. The Revenue Surplus of the State Government for 2018-19 (₹4,337 crore) was insufficient to meet the Public Debt discharged during the year (₹6,893 crore), excluding Ways and Means Advances of (₹21,823 crore) and was therefore met from Internal Debt and loans from Central Government.

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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 top level into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned below:



GENERAL SERVICES

Includes Justice, Police, Jail, PWD Interest and Pension etc.

Includes Education, Health & Family Welfare, Water Supply and Welfare of SC/ST etc.

SOCIAL SERVICES

ECONOMIC SERVICES

Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries And Transport etc.

3.2 Revenue Expenditure

The shortfall of revenue expenditure against budget estimates during the past five years is given on next page:

(In ₹ Crore)					
Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates	79,789	93,600	97,206	1,08,512	1,25,455
Actuals	50,673	75,896	81,432	85,365	97,083
Gap	29,116	17,704	15,774	23,147	28,372
Percentage of variation of Actuals against BE	36	19	16	21	23

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

The shortfall of Revenue Expenditure against budget estimates is to be viewed in the light of the State Government's commitment under the FRBM Act, to generate a Revenue Surplus. The State achieved revenue surplus in the year and fulfilled the commitment made in FRBM Act 2005. Out of the total Revenue Expenditure, an amount of ₹47,074 crore was met on committed expenditure. This showed an increase of 4 *per cent* over previous year.

3.2.1 Sectoral distribution of Revenue Expenditure

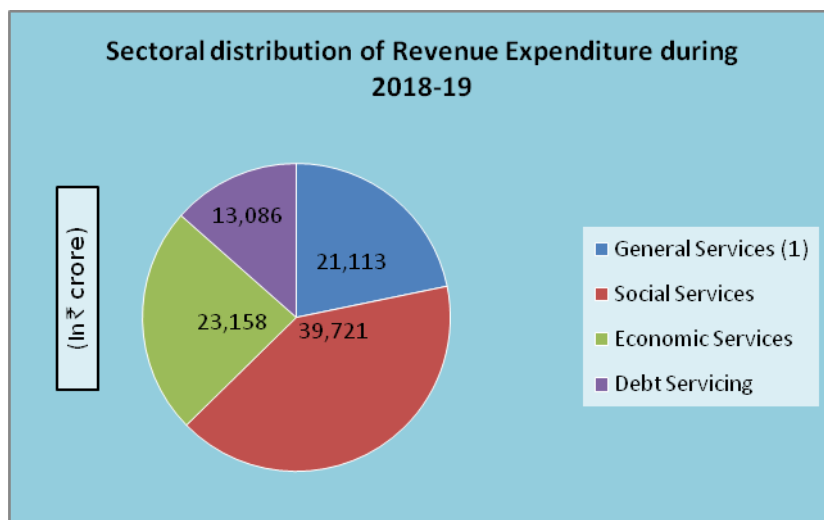


Fig-3.2.1

(1) General Services does not include Debt Servicing

3.2.2 Trend of Major components of Revenue Expenditure 2014-15 to 2018-19

(In ₹ Crore)					
Components	2014-15	2015-16	2016-17	2017-18	2018-19
Social Services	18,753	30,466	35,285	37,260	39,721
Economic Services	17,644	22,043	20,950	17,200	23,158
Debt Servicing	5,594	7,942	8,609	10,835	13,086
General Services (Excluding expenditure on Debt Servicing)	8,570	15,305	16,516	20,037	21,113

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

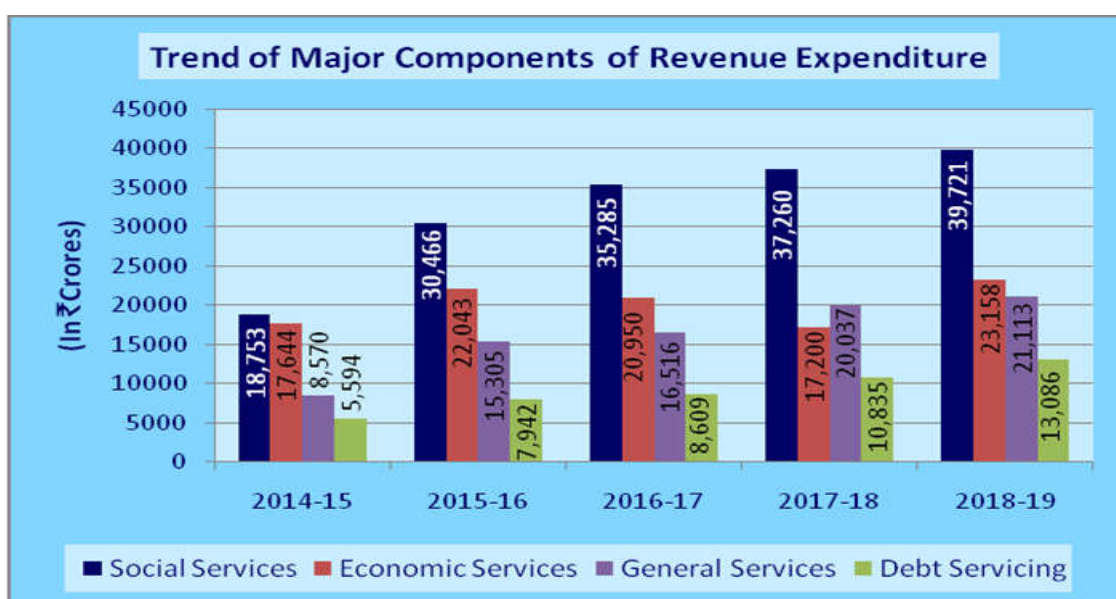


Fig-3.2.2

Note: 1. The Figures of 2014-15 are for the period 02 June 2014 to 31 March 2015
2. General Services does not include Debt Servicing

3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital Disbursements during 2018-19 amounted to ₹22,641crore (3 *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 and GSDP:-

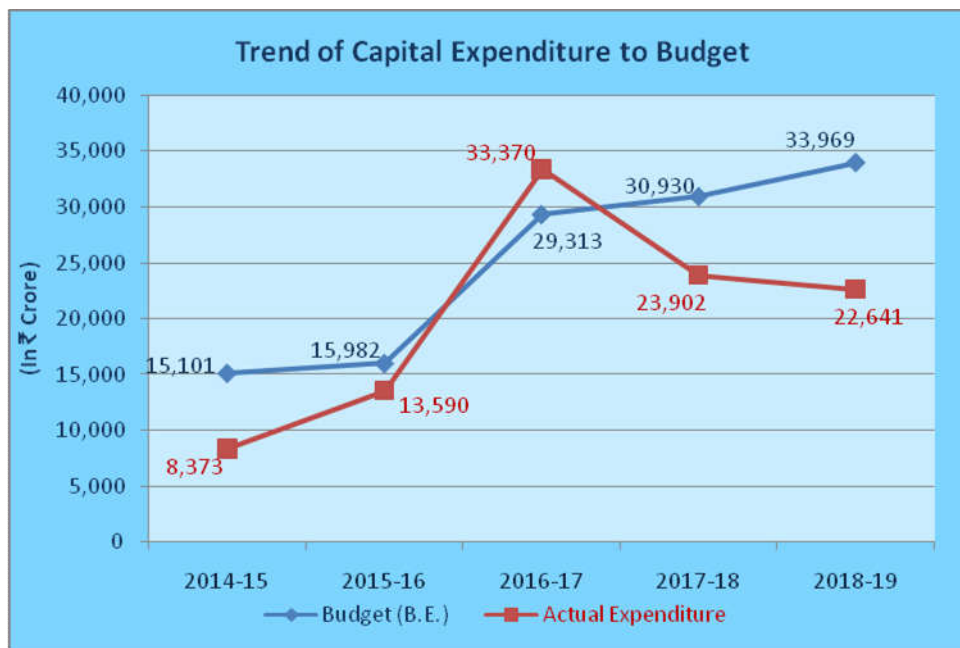


Fig-3.3

3.3.1 Major components of Capital Expenditure

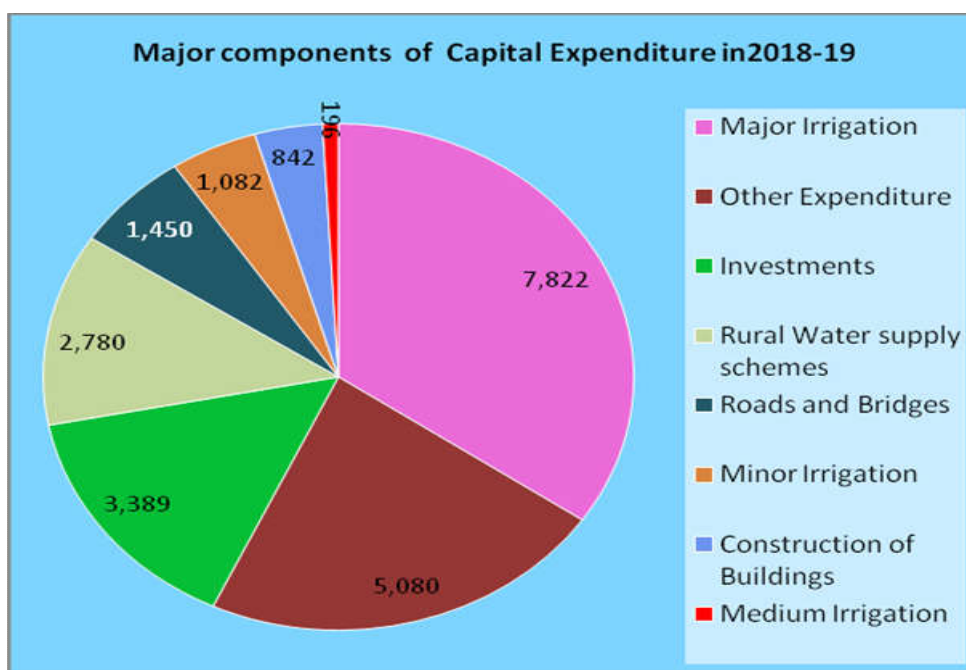


Fig-3.3.1

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

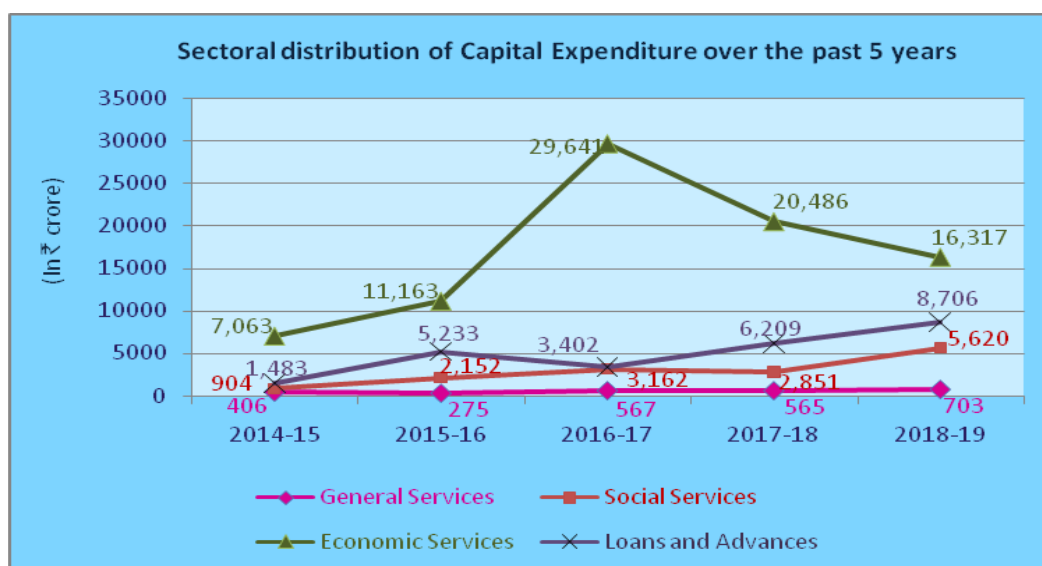


Fig-3.3.2

During 2018-19, 72 per cent of the Capital Expenditure (₹22,641 crore) was made on Economic Services – The Government spent ₹9,100 crore on various projects (₹ 7,822 crore on Major Irrigation, ₹196 crore on Medium Irrigation and ₹1,082 crore on Minor Irrigation).

3.3.3. Sectoral distribution of Capital and Revenue Expenditure

The comparative sectoral distribution of capital and revenue expenditure over the past five years (Non-Development Expenditure and Development Expenditure) is illustrated below:

							(In ₹ Crore)
		2014-15	2015-16	2016-17	2017-18	2018-19	Percentage Increase/ Decrease
Non-Development Expenditure							
1	General Services (Capital)	406	275	567	565	703	24
	General Services (Revenue)	14,164	23,247	25,125	30,872	34,199	11
	Total Non-Development Expenditure	14,570	23,522	25,692	31,437	34,902	11
Development Expenditure							
1	Social Services (Capital)	904	2,152	3,162	2,851	5,620	97
	Social Services (Revenue)	18,753	30,466	35,285	37,260	39,721	7
2	Economic Services (Capital)	7,063	11,163	29,641	20,486	16,317	(-)20
	Economic Services (Revenue)	17,644	22,043	20,950	17,200	23,157	35
3	Grants – in – Aid and Compensation to Local Bodies (Revenue)	112	140	72	33	5	(-)85
	Total Development Expenditure	44,476	65,964	89,110	77,830	84,820	9
	Grand Total	59,046	89,486	1,14,802	1,09,267	1,19,722	10

Note: i) Capital Expenditure does not include expenditure on loans and advances (₹8,706 crore)

ii) Revenue Expenditure does not include expenditure on Grants-in-aid and contributions to local bodies (₹5 crore).

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

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 2018-19 is ₹47,414 crore which is 49 *per cent* of total Revenue Expenditure.

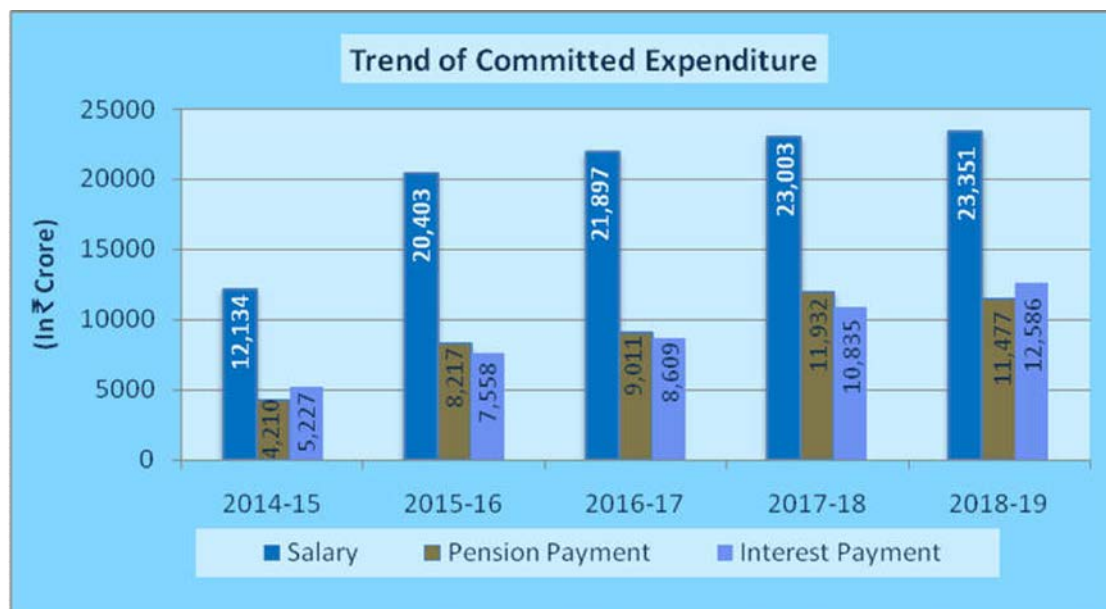


Fig-3.4

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

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

Component	2014-15	2015-16	2016-17	2017-18	2018-19	Percent Increase
Committed expenditure	21,571	36,178	39,517	45,770	47,414	4
Revenue Expenditure	50,673	75,896	81,432	85,365	97,083	14
Revenue Receipts	51,042	76,134	82,818	88,824	1,01,420	14
Percentage of Committed Expenditure to Revenue Receipts	42	48	48	52	47	(-)10
Percentage of Committed Expenditure to Revenue Expenditure	43	48	49	54	49	(-)9

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

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Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2018-19

(₹ in crore)

S. No.	Nature of Expenditure	Original Grant	Supplementary grant	Total Budget	Actual expenditure (Net)	Savings(-) Excesses(+)	Surrender by way of Re-appropriation
1.	Revenue						
	Voted	1,13,444	7,315	1,20,759	88,414	(-)32,345	(-)35,412
	Charged	12,066	166	12,232	12,810	(+)578	(-)364
2.	Capital						
	Voted	33,188	14,272	47,460	22,827	(-)24,633	(-)21,623
	Charged	181	96	277	93	(-)184	(-)181
3.	Public Debt						
	Charged	6,594	1,045	7,639	28,715	(+)21,076	(-)0.01
4.	Loans and Advances						
	Voted	9,036	1,648	10,684	8,711	(-)1,973	(-)4,304
	Total Voted	1,55,668	23,235	1,78,903	1,19,952	(-)58,951	(-)61,339
	Charged	18,841	1,307	20,148	41,618	(+)21,470	(+)545
Grand Total		1,74,509	24,542	1,99,051	1,61,570	(-)37,481	(-)61,884

4.2 Trend of Savings / Excess during the past five years

(In ₹ Crore)

Savings (-)					
Year	Revenue	Capital	Public Debt	Loans & Advances	Total
2014-15	(-) 9,620	(-) 1,612	(-) 1,297	(-) 796	(-) 13,325
2015-16	(-) 20,770	(-) 13,290	(-) 1,022	(-) 180	(-) 35,262
2016-17	(-) 19,901	(-) 21,050	(+)12,384	(-) 3,096	(-) 31,663
2017-18	(-) 25,426	(-) 26,184	(+)22,787	(-) 1,620	(-) 30,443
2018-19	(-) 31,767	(-) 24,817	(+)21,076	(-)1,973	(-) 37,481

4.3 Significant Savings

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

A few grants with significant savings (percentage of budget allocation) are given below:

(In ₹ Crore)

Grant	Nomenclature	Budget allocation	Actual Expenditure	Percentage of Savings to Budget Allocation
XI	Roads, Buildings and Ports	6,411	3,298	49
XVII	Municipal Administration and Urban Development	8,112	3,013	63
XVIII	Housing	3,402	1,601	53
XXI	Social Welfare	13,185	9,024	43
XXIV	Minority Welfare	2,136	1,266	41
XXXIII	Major & Medium Irrigation	29,826	8,410	72
XXXIV	Minor Irrigation	2,846	1,107	61
XXXVI	Industries and Commerce	2,017	567	72

Grants with Excess expenditure over Budget allocation (percentage of budget allocation) are given below:

(In ₹ Crore)

Grant	Nomenclature	Section	Budget allocation	Actual Expenditure	Percentage of Excess to Budget Allocation
V	Revenue, Registration & relief	Capital	16	19	18
VI	Excise Administration	Revenue	227	255	12
IX	Fiscal administration, Planning, Surveys and Statistics	Loans	7,639	28,715	276
X	Home Administration	Revenue	5,098	5,871	15
XXI	Social Welfare	Loans	...	1,500	...
XXII	Tribal Welfare	Loans	...	900	...
XXIX	Forest, Science, Technology and Environment	Capital	148	217	47

The huge savings under Major and Medium Irrigation and Industries and Commerce 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.

During 2018-19, Supplementary Provision for ₹24,542crore (15 *per cent* of total expenditure) was obtained and in few cases it was proved unnecessary. A few instances, where there were significant savings at the end of the year as against original allocations itself are given below:

(In ₹ Crore)

Grant	Nomenclature	Section	Original Grant	Actual Expenditure	Savings	Supplementary Grant
II	Governor and Council of Ministers	Revenue	32	23	2	18
V	Revenue, Registration and Relief	Revenue	1,811	1,638	65	385
X	Home Administration	Capital	1,105	301	81	247
XI	Roads, Buildings and Ports	Capital	3,475	1,484	9	578
XVI	Medical and Health	Capital	1,092	463	14	56
XVII	Municipal Administration and Urban Development	Revenue	5,145	1,962	3	852
XXI	Social Welfare	Capital Revenue	1367 11,342	249 7,275	596 2,531	5 473
XXII	Tribal Welfare	Capital Revenue	1,403 6,661	308 4,655	356 1,214	15 154
XXIII	Backward Classes Welfare	Revenue	5,400	3,544	123	365
XXIV	Minority Welfare	Revenue	1,961	1,266	29	136
XXVI	Administration of Religious Endowments	Revenue	157	116	0.02	15
XXVII	Agriculture	Revenue	12,368	9,230	352	1,040
XXVIII	Animal Husbandry and Fisheries	Capital	27	25	71	86
XXXII	Rural Development	Capital	1,507	1,401	112	6
XXXIII	Major and Medium Irrigation	Revenue	8,203	374	0.84	1
XXXV	Energy	Revenue	3,795	3,737	10	92
XXXVI	Industries and Commerce	Capital	103	66	0.75	134
XXXIX	Information Technology, Electronics & Communications	Revenue	158	128	12	25

Note: Savings = Original (-) Actual Expenditure

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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 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 of the Government stood at ₹19,754 crore at the end of 2018-2019. There was an increase in investments by ₹3,389 crore. An amount of ₹94 crore was received as dividend which is a return of 0.48 *per cent* on investment.

Cash balance with the RBI stood at ₹78.00 crore on 01 April 2018 and was ₹ (-)91 crore at the end of March 2019. Government had invested an amount of ₹48,019 crore in 14 days treasury bills in 2018-19 and rediscounted bills worth ₹48,707 crore.

The position of investment during the year 2018-19 is depicted in the table given below:

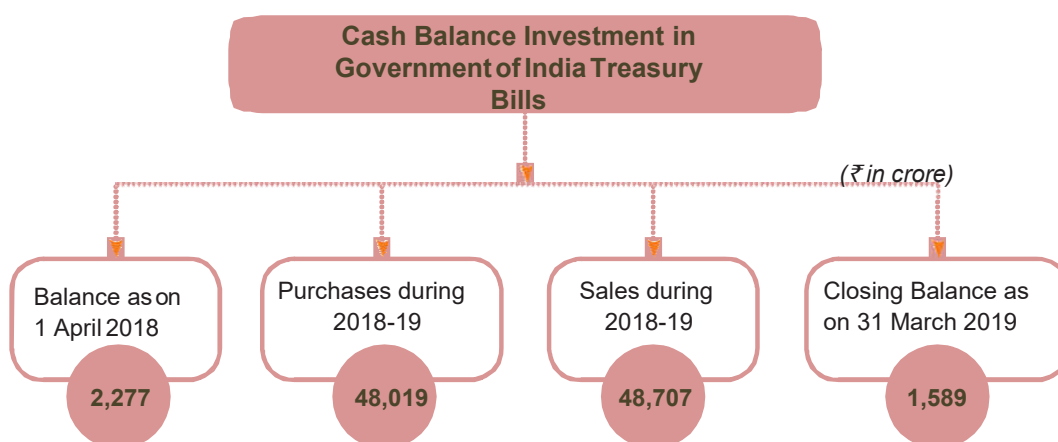


Fig-5.1

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. Govt of Telangana during the year 2018-19 borrowed ₹26,742 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
2014-15	77,333	18	2,547	1	79,880	19
2015-16	91,985	16	6,007	1	97,992	17
2016-17	1,21,236	19	13,502	2	1,34,738	21
2017-18	1,42,918	19	22,931	3	1,65,849	22
2018-19	1,65,164	19	31,798	4	1,96,963	23

* Excludes suspense and remittance balance.

Note: Figures are progressive balance to the end of the year. Percentage to GSDP figures as provided by the Ministry of Statistics and Programme Implementation, GOI.

Public Debt and other liabilities showed a net increase of ₹31,114 crore (19 per cent) in 2018-19 over the previous year.

5.2.1 Trend in Government Liabilities

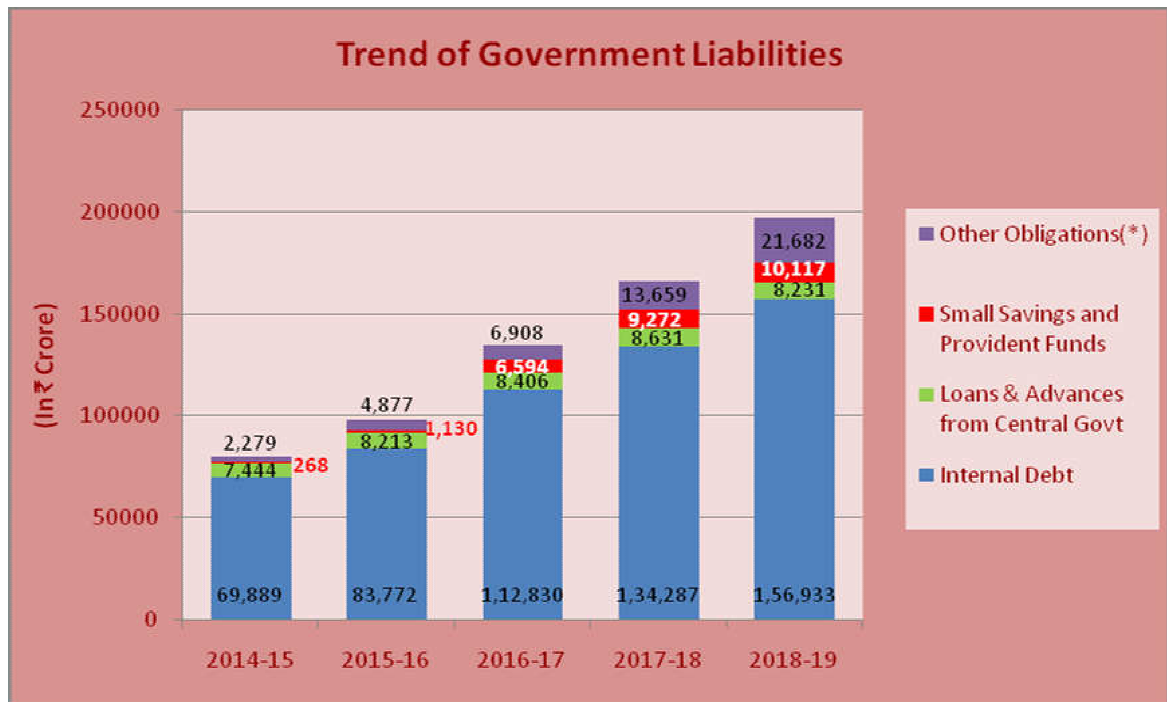


Fig-5.2.1

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.,

5.3 Guarantees

Guarantee fees is payable by the Organisation 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. An amount of ₹340.00 crores was received towards Guarantee Fee/Commission during the year 2018-19.

The Guarantees given by the State Government to Statutory Corporations, Government Companies, Corporations, Cooperative Societies etc., are given below:

Table 5.3

At the end of the year	Maximum Amount Guaranteed (Principal only)	(₹ in crore) Amount outstanding at the end of the year	
		Principal	Interest
2014-15	21,240	18,265	365
2015-16	28,094	26,619	365
2016-17	31,871	29,965	70
2017-18	41,892	41,892	71
2018-19	77,713	77,713	70

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

As is evident from the table 5.3 above, there has been a significant rise (i.e ₹ 35,821 crore) in the maximum amount guaranteed during the year 2018-19.

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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 also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments 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.

As on 31 March 2019, an adverse balance of ₹383.00 crore exists under Public Debt. Out of this, ₹149.00 crore represent loans availed of by the Telangana Power Finance Corporation, ₹149.00 crore pertains to loans from Telangana TRANSCO Bonds. The Accountant General (A&E) has been requesting the State Government to provide adequate budget provision under 'MH 2801-Power' to clear the adverse balance under MH 6003 either by transferring an equivalent credit to MH 6003 or by reclassifying the entire Debit Balance under MH 6003 as expenditure under MH 2801-Power.

6.2 Loans and Advances given by the State Government

The total Loans and Advances made by the State Government at the end of 2018-19 was ₹24,509 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutions and Local Bodies amounted to ₹24,421 crore and interest in arrears to the end of March, 2018 was ₹1,498 crore . During 2018-19 only ₹66 crore (0.27 *percent*) has been received towards repayment of Loans and Advances, out of which ₹65 crore relates to repayment of loans given to Government Servants. Effective steps to recover the outstanding loans would facilitate the Government to maintain better fiscal position.

6.3 Financial assistances to local bodies and others

During 2018-19, Grants-in-aid to Zilla Parishads, Panchayat Samitis, Gram Panchayats and Municipalities totaling to ₹6,961 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	2014-15	2015-16	2016-17	2017-18	2018-19	Percent Increase/ Decrease
1	Zilla Parishads	2,722	5,128	4,977	3,817	3,746	(-)2
2	Municipalities	683	707	417	605	1,084	79
3	Panchayat Samithis	966	1,570	2,511	2,555	2,131	(-)17
4	Others	16,592	21,653	22,743	23,439	30,947	32
	Total	20,963	29,058	30,648	30,416	37,908	25

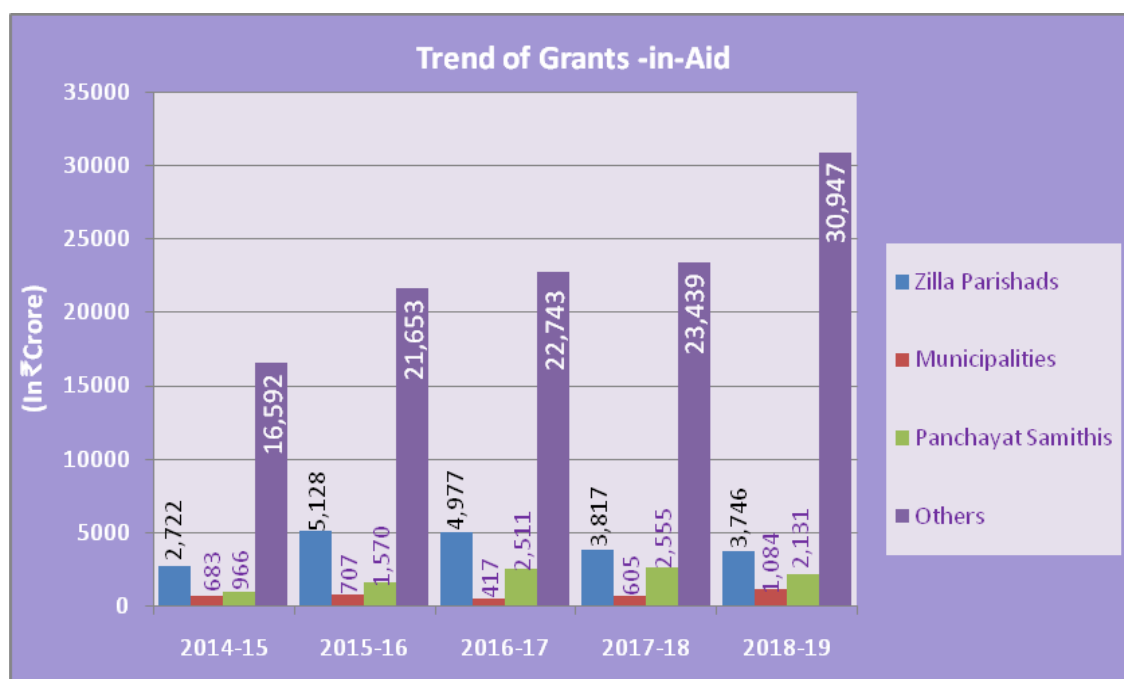


Fig-6.3

6.4 Cash Balance and Investment of Cash Balance

Cash balance with the RBI stood at ₹78 crore on 01 April 2018 and was ₹(-)91 crore at the end of March 2019. Government had invested an amount of ₹48,019 crore in 14 days treasury bills in 2018- 19 and rediscounted bills worth ₹48,707 crore.

(₹ in crore)

Component	As on 01 April 2018	As on 31 March 2019	Net increase (+)/ decrease (-)
Cash Balance	78 (Dr)	(-)91 (Dr)*	(-)169
Investments from Cash Balance (GOI Treasury Bills)	2,277 (Dr)	1,589 (Dr)	(-)688
Other Cash Balances			
i) Departmental Balances	...	...	...
ii) Permanent Cash Imprest	...	...	...
Investment from Earmarked fund balances	4,637 (Dr)	5,720 (Dr)	1,083
(a) Sinking Fund	4,046 (Dr)	4,877 (Dr)	831
(b) Guarantee Redemption Fund	587 (Dr)	838 (Dr)	251
(c) Other Funds	4 (Dr)	5 (Dr)	1
Interest realised	385 (Cr)	406 (Cr)	21

(*)Shortfall met by Ways and Means Advances

State Government invested ₹7,309 crore from cash balances and earmarked funds (Consolidated Sinking Fund, Guarantee Redemption Fund etc.) balances. Interest receipt on these investments was ₹406 crore.

6.5 Reconciliation of Accounts

AG (A&E) receives compiled accounts each month from the Treasuries and Pay and Accounts Officers (PAOs). Funds are placed at the disposal of Chief Controlling Officers (CCOs) for incurring expenditure. Accuracy of the accounts maintained by the CCOs is an important requirement for effective budgetary control. The Financial Rules stipulate that CCOs should reconcile the receipts and expenditure recorded in their books every month with that recorded by the AG (A&E). During the year 2018-19, out of 281 CCOs, 191 CCOs had reconciled an expenditure of ₹98,287.90 crore which works out to 82.10 *per cent* of total expenditure of ₹1,19,723.61 crore. On the receipts side, out of 39 CCOs, 15 CCOs have fully reconciled and 23 CCOs have partially reconciled receipts of ₹82,476.99 crore which works out to 81.32 *per cent* of total receipts of ₹1,01,420.16 crore. The assurance about the completeness and correctness of the receipts and expenditure figures depicted in the Finance Accounts is incomplete to the extent of non-reconciliation.

6.6 Submission of Accounts by Accounts Rendering Units

The Finance Accounts 2018-19 present the transactions of the Government of Telangana for the period 1 April, 2018 to 31 March, 2019. The accounts of receipts and expenditure of the Government of Telangana have been compiled based on the initial accounts rendered by 31 District Treasuries, 114 Public Works Divisions, 29 Forest Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounts Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the Financial Year.

6.7 Unadjusted Abstract Contingent Bills

In terms of the provisions of the Telangana Financial Code (TFC), Drawing and Disbursing officers are authorised to draw sums of money by presenting Abstract Contingent (AC) bills by debiting service heads. As per Government orders, Detailed Contingent (DC) bills are required to be presented subsequently along with supporting documents within a period of 90 days. Delayed submission or prolonged submission of supporting DC bills renders the expenditure under AC bills opaque.

Details of unadjusted AC Bills as on 31 March 2019 pending for submission of DC Bills are given below:

(In ₹ Crore)

Year	AC bills Drawn		DC bills submitted		Unadjusted AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
Upto 2016-17	12206	1,065	10874	881	1332	184
2017-18	2970	143	2381	122	589	21
2018-19	3554	306	2506	171	1048	135
Total	18730	1,514	15761	1,174	2969	340

Pending AC Bills: Amount (In ₹ Crore) (District Wise):

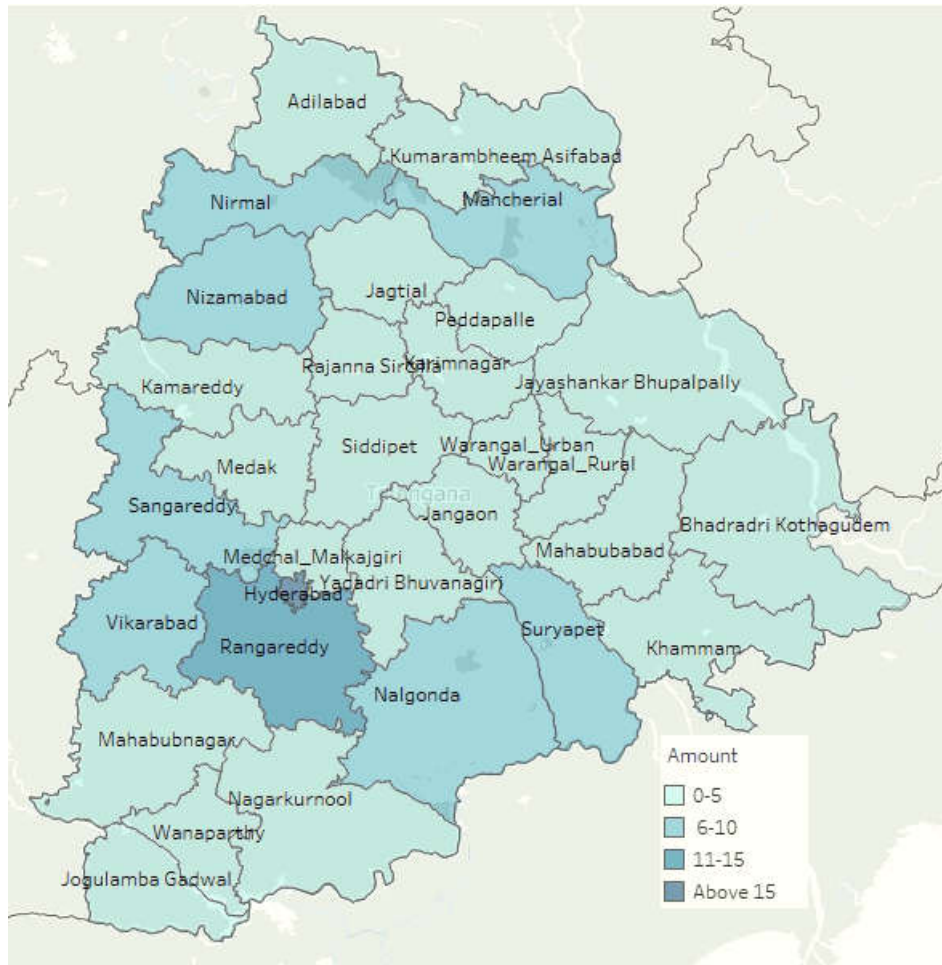


Fig-6.7(a)

Pending AC Bills: No. of Bills (District Wise)

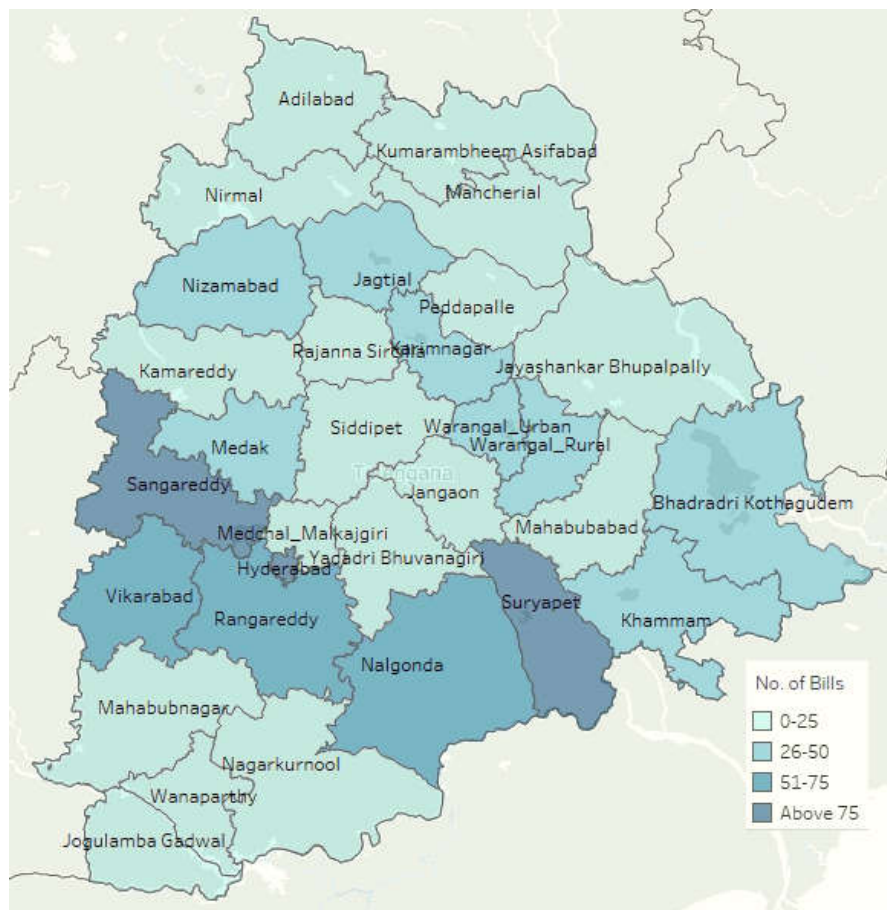


Fig-6.7(b)

Out of ₹607 crore drawn against AC bills in 2018-19, AC bills amounting to ₹196 crore (32.22 *per cent* of the total amount) were drawn in March 2019 alone and of these bills amounting to ₹22 crore (3.63 *per cent* of the total amount drawn against AC bills during the year) were drawn on the last day of the Financial year. Significant expenditure on AC Bills in March indicates that the drawal was primarily to exhaust the budget.

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	2017-18		2018-19	
	Dr	Cr	Dr	Cr
8658 – Suspense Accounts				
101-Pay and Accounts Office Suspense	102.06	1.57	250.41	105.80
Net	(Dr)100.49		(Dr)144.61	
102-Suspense Accounts (Civil)	13.97	0.48	195.50	412.83
Net	(Dr)13.49		(Cr)217.33	
109-Reserve Bank suspense Headquarters	0.00	6.27	5.31	4.87
Net	(Cr)6.27		(Dr)0.44	
110-Reserve Bank Suspense-Central Accounts Office	16.97	29.04	6.68	0.14
Net	(Cr)12.07		(Dr)6.54	
112-Tax Deducted at source (TDS) Suspense	0.01	1,21.51	0.01	63.25
Net	(Cr)1,21.50		(Cr)63.24	
123- AIS officers Group Insurance Scheme	0.14	0.15	0.15	0.19
Net	(Cr)0.01		(Cr)0.04	
8782 – Cash Remittances and Adjustments between officers rendering accounts to the same Accounts Office				
102 – Public Works Remittances	6,71,91.11	6,70,40.93	84,681.40	84,477.83
Net	(Dr)1,50.18		(Dr)203.57	
103 – Forest Remittances	11,70.28	13,43.69	1,417.87	1,771.15
Net	(Cr)173.41		(Cr)353.28	
8793 – Inter-State Suspense Account	38.45	31.38	46.17	27.48
Net	(Dr)7.07		(Dr)18.69	

6.9 Commitments on account of Incomplete Capital works

A total expenditure of ₹1,30,919 crore was incurred upto the year 2018-19 by the State Government on various incomplete projects costing one crore or more against an estimated cost of ₹1,64,889 crore. The estimated cost was further revised to ₹1,67,217 crore to the end of 2018-19. During 2018-19, a total expenditure of ₹35,401 crore was incurred by the State Government on various projects taken up by Engineering Departments. An amount of ₹3,341 crore was due to be paid to the end of 31-03-2019.

Details of incomplete projects costing ₹1 crore or more as on 31 March 2019 are as follows:-

(In ₹ Crore)

Sl. No.	Category of Works	Estimated cost of work	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments	Estimated cost after Revision
1.	Roads	9,101	1,540	2,075	92	9,141
2.	Bridges	493	96	185	6	516
3.	Buildings	107	12	47	60	107
4.	Irrigation Projects	1,55,188	33,753	1,28,612	3,183	1,57,453
	TOTAL	1,64,889	35,401	1,30,919	3,341	1,67,217

Note: i) Detailed information towards commitments on Incomplete Capital Works (One crore or more) is available in Appendix IX of Finance Accounts 2018-19

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

6.10 National Pension System

State Government employees recruited on or after 01 September 2004 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 *per cent* of his/her monthly salary and dearness allowances, which is matched by the State Government and the entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/Trustee Bank. The actual amount payable by the employees and the matching Government Contribution has not been estimated. Consequently, the actual liability of the employees and the Government under the Scheme is not ascertainable. There was an opening balance of ₹164.90 crore in the Fund. During the period 01 April 2018 to 31 March 2019, the Employees' Contribution was ₹532.62 crore and ₹604.84 crore was the Government Contribution to the NPS.

The receipts of ₹6.95 crore pertain to interest on contributions relating to legacy period and ₹1.23 crore contributed by Foreign Employer in respect of employees on Foreign Service. An amount of ₹134.60 crore was allocated to Telangana (after apportionment of ₹365.21 crore leaving a balance of ₹365.43 crore that is yet to be apportioned between the States of Andhra Pradesh and Telangana). The Government transferred ₹1,171.58 crore to NSDL/Trustee Bank, leaving a balance of ₹273.57 crore as on 31 March 2019 on which the State Government is liable to pay interest, which was not done. As AG (A&E) is not maintaining the accounts of individual employee's contribution, the correctness of recovery made from the employees' salary bills cannot be vouched.

Uncollected, unmatched and un-transferred amounts, with accrued interest, which represent outstanding liabilities under the Scheme, have not been estimated.

6.11 Personal Deposit Accounts

In order to bring about a uniform treatment of PD Accounts across states, a review was conducted by C&AG in 2018. As per the review, the Personal Deposit accounts have been aligned with the prescribed format of Accounts as those operated under MH 8443-Civil Deposits-106- Personal Deposits. As an outcome of the review undertaken by the State Government, 182 Accounts classified under MH 8443-Civil Deposits-106-Personal Deposits as indicated below only shall come under the definition of PD Accounts.

(₹ in crore)

Opening Balance as on 01 April 2018 ^(*)		Additions during the year 2018-19		Withdrawals during the year 2018-19		Closing Balance as on 31 March 2019	
Items	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
182	51.20	...	702.07	...	717.74	182	35.53

Source: As per Lr No D3/2480/2017, dated 01.09.2019 of Directorate of Treasuries and Accounts, Telangana, Hyderabad.
^(*)(NOTE: OB differs from CB due to clarification from the State Government that only the Accounts opened under the Head of Account MH 8443-106 shall be constituted as PD Account, as such all other deposit accounts have been omitted in the above table)

The details of PD accounts and amount of unspent balances to be lapsed were not provided by the State Government. However, an amount of ₹43.05 lakh was lapsed to Government account during the year 2018-19, as per information received. The difference between Ledger and Broadsheet was not reconciled.

As per Article 271 of Telangana Financial Code, the State Government is required to close all the PD accounts remaining in-operative for a considerable period. However, 57 PD Accounts with an outstanding balance of ₹ 93.16 lakh found to be in-operative for more than one year as on 31 March 2019 as per information furnished by Director of Treasuries and Accounts were not closed.

6.12 Rush of Expenditure

During the year 2018-19, it was noted that 13.78 *per cent* of total budgeted expenditure of ₹1,25,554.71 crore (excluding Public debt) was incurred during the month of March 2019. On further scrutiny, it was noted that the expenditure incurred under nine Major Heads as indicated below during March 2019 was a substantial portion of total spending under these Major Heads during the year indicating a tendency to utilise the budget at the close of the financial year. This is in violation of Article 39 of Telangana Financial Code which stipulates that rush of expenditure particularly in the closing month of the Financial Year shall be regarded as a breach of financial regularity.

Expenditure incurred in March as compared to the total expenditure during 2018-19 in significant cases is given below:

(₹in crore)

Major head	Nomenclature	Expenditure of March 2019(Pre)	Total Expenditure of 2018-19	Percentage
4406	Capital Outlay on Forestry and Wild Life	113.76	217.20	52.38
4801	Capital Outlay on Power Projects	1,800.00	2,400.00	75.00
2048	Appropriation for reduction or avoidance of debt	400.00	500.00	80.00
6225	Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2,400.00	2,400.00	100.00

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