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Himachal Pradesh Government

2008-09 TO 2010-11

Directorate of Economics and Statistics
Himachal Pradesh

Preface

In the context of regional Economy Government sector plays a determent role because of its multi-dimensional transactions. The Directorate of Economics & Statistics (DES) has been classifying the state budgets and bringing out the annual publication "Economic-cum-Purpose classification of Himachal Pradesh Budget" in the form of a set of three accounts i.e for the years 2008-09 (A/C), 2009-10 (RE),2010-11 (BE)

This publication is a part of the System of Regional Accounts issued as per the recommendation of the Regional Accounts Committee set up by the Government of India. Uniform methodology is being followed by all the states as suggested by the Central Statistical Organization (CSO).

Part -A of this publication contains data on Economic Classification, Purpose Classification and Economic-cum-Purpose classification, with explanatory notes. Tables presented in part B show the figures of revenue and expenditure as given in the Annual Financial Statement of the budget and the totals have been struck in the Economic Classification and Economic -Cum -Purpose Classification after making the relevant adjustments in the revenue and expenditure of the budget. Economic Classification arranges the expenditure and receipts of the government by significant economic categories .In purpose classification, the expenditure of the Government has been rearranged in accordance with their functions irrespective of organizational units responsible for performing their services. The two ways economic as well as the purpose classification table, is arrayed with a view to study the interrelationship of expenditure under both these classifications.

The State Income unit of the Directorate of Economics and Statistics has prepared this report.

Himachal Pradesh	**(Pradeep Chauhan)**
Shimla-171009	**Economic Advisor**
Dated:	

Economic – cum – Purpose Classification of the Himachal Pradesh Government Budget 2010-11

Introduction

Economic Classification

The budget of the State Government, presented to the State Legislature every year is primarily designed to meet the needs of development and regulatory administration and to obtain authorization for expenditure and revenue proposals, from the State Legislature. It provides details of receipts and expenditure and other departmental financial transactions of the Government during the financial year. In order to assess the economic impact and significance of the budgetary transactions, a reclassification of the budget is necessary, and therefore has been so done to throw light on the extent capital formation, savings of the Government, contribution of the Government to the State Domestic Product etc.,

Each transaction on revenue and expenditure of the Government is scattered over the budget documents. In Economic Classification these transactions are sorted out and reclassified according to the appropriate economic categories into a set of three accounts detailed in the table below.

Description	Significance
1. Income and Outlay Account of Administrative Departments	Deals with the current revenue and expenditure of the administrative departments excluding departmental enterprises. Receipt side consists of current tax receipts, income from property and entrepreneurship, revenues, grants and contributions from the rest of the economy and other miscellaneous receipts. Expenditure side consists of Government consumption expenditure and current transfer payments.

2. Production Account of Departmental Enterprises	Furnishes the sales receipts and operating expenses of the departmental enterprises such as Forest, Irrigation, Industries, Diary Development, etc.,
3. Capital Finance Account of Public Account.	Expenditure side gives total capital formation by the State Government Administration and its departmental enterprises and capital transfers. The receipt side includes savings by the State Government emerging from income and outlay account, net borrowings and other liabilities of the State Government.

The above three account show various aspects of the budgetary transactions of the State Government. Some of the important transactions of the Government revealed on the basis of these accounts are given in Tables 4 to 8. Table 9 gives the details of receipts and expenditure of the State on Borrowing Account'. This is further followed by subsidiary tables 10 to 18 which depict the Domestic Product of Departmental Enterprises and capital formation from budgetary resources in Departmental Enterprises and Administrative Departments of the State Government.

Purpose Classification

The 'Economic Classification' reveals only the economic magnitudes but does not reveal the ultimate object or purpose of the expenditure. Thus, besides economic classification, the expenditure of the State Government needs to be classified by the purpose categories viz., general government services, defence, education, health etc. This classification deals with the categorization of Government expenditure according to different types of services, provided directly or financed by the State Government through current and capital grants or loans.

Economic – cum – Purpose Classification

The above classifications together constitute as 'Economic – cum – Purpose Classification'. This analytical classification delineates how the expenditure is incurred for a particular purpose among the different economic categories and how in a particular economic category, it is utilized for different public services provided.

Methodology, coverage, etc.,

To ensure uniformity in comparability, analysis and presentation from time to time, the Central Statistical Organization (CSO), Government of India, had developed a common methodology for all the States in budget classification since 1986-87. Recently, the CSO has suggested a modification in the treatment of pension. This apart, loss in irrigation only was being treated as imputed subsidy. As per the modification losses in other departmental enterprises are to be considered as imputed subsidies. Further modification in the classification of functions of Government as fifty two minor purpose categories as against nineteen earlier. Accordingly, this publication refers to the transactions of years 2008-09(Actual), 2009-10 (Revised Estimates) and 2010-11(Budget Estimates).

The coverage, scope, definition, and principles of economic / purpose classification, notes on accounts, need for purpose classification, etc., are described in the concerned sections.

IMPORTANT FINDINGS: The important findings of the economic and purpose classification of the budgetary transactions are narrated below:

I. Economic Classification

Description	Findings
A. Total Expenditure of the State Government (Table 4).	
The total expenditure of the State Government (excluding operating expenses and gross capital formation of departmental commercial undertakings)	Actual expenditure went up from Rs. 7,40,999 lakh during 2008-09 (A/C) to Rs.8,08,256 lakh during 2009-10 (R.E.), to Rs 7,16,601 in.2010-11 (BE)an increase of 9.07% & a decrease of -11.33% respectively.
The final outlays are the direct expenditure of the State Government on goods and services for consumption, gross capital formation as well as acquisition of fixed assets. This represents aggregate flow of funds to the rest of the economy.	It was Rs. 5,22,677 lakh during 2008-09 (A/C) to Rs, 5,81,760 lakh during 2009-10 (R.E) &. Rs. 4,97,278 lakh in 2010-11 (BE) The percentage increases over previous years is 11.3 % & a decrease of 14.52 % respectively.

Description	Findings
The consumption expenditure of the government is the expenditure on wages, salaries, commodities and services.	In 2008-09 the consumption expenditure was 4,86,617 lakh is 65.67 % of total expenditure, during 2009-10 to Rs. 5,67,015 lakh is 70.15 % of total expenditure and Rs. 4,84,576 lakh in 2010-11 is 67.62 % of total expenditure
Gross capital formation of State Government i.e., investments on buildings, other construction, machinery and equipments and acquisition of stocks.	It was Rs 36,060 lakh during 2008-09 and is expected to reach Rs. 14,745 lakh during 2009-10. On an average, its share accounts for over 4.86% in 2008-09 of the total expenditure of the State Government.
Transfer payments consist of both current and capital transfers.	This was Rs 1,92,198 lakh during ,2008-09 decreased to Rs. 1,77,981 lakh during 2010-11 a decrease of 7.4 percent.
The financial investments and loans of the Government.	This was Rs.26,124 lakh during 2008-09 and increased to Rs. 42,847 lakh during 2009-10 and decreased to Rs. 41,342 lakh in 2010-11. Its share in the total expenditure was 3.53% in 2008-09.
B. Current receipts of the State Government (Table 5).	
Current receipts of the State Government show the sources of finance to the Government and also assess the economic implication of Government expenditure. It consists of tax receipts, income from property and entrepreneurship, grants form the centre and fees and miscellaneous receipts.	The receipts of the State lakh during 2008-09, which expected to reach Rs. 10,04,093 lakh in 2009-10 and in 2010-11 it decreased to Rs 9,34,349 lakh over previous year.
'Tax receipt' is a major source of current receipt.	The amount of tax receipt steadily decreased from Rs. 2,96,003 lakh to Rs. 2,75,263 lakh during the period 2008-09 to 2010-11. Its %age share in the total current receipts increased from 33.17 % during 2008-09 to 33.41% during 2009-10, and decreased to 29.46% showed a decreasing trend .

Description	Findings
C. Current Outgoings of the State Government (Table 6).	
The current outgoing of the State constitutes consumption expenditure as well as transfer payments of the State Government.	The current outgoings of the State increased from Rs. 7,04,939 lakh in 2008-09 to Rs. 7,93,511 lakh in 2009-10 and is expected to decrease to Rs. 7,03,899 lakh by 2010-11 thereby showing an decrease of 0.15% over 2008-09.
D. Net Surplus of departmental enterprises (Table 7).	
The net surplus of the departmental enterprises is the excess of gross receipts over operating expenses. This is taken as profit to income and outlay account of administrative departments of the State Government.	Losses in the departmental enterprises have been treated as imputed subsidies as Rs. 48,318 during 2008-09 , Rs. 51,824 in the year 2009-10 and Rs. 56,855 in 2010-11 hence there is no net surplus or deficit .
E. Net Product from public Administration (Table 8).	
Public Administration and other services (community, social and personal services) from part of major industry groups for the purpose of estimation of State income. It constitutes compensation of employees for public administration.	The net product from Public Administration was Rs.1,47,742 lakh in 2008-09, which increased to Rs. 1,88,500 lakh in 2009-10 and increased to Rs. 2,19,014 lakh in 2010-11.

Part-A

Economic Classification

Principles of Economic Classification

The Government Sector is broadly divided into Administrative Department and Department Commercial Undertakings (DCUs), the economic classification presented here is based on the system of National Accounts. It is based on generally accepted concepts and definitions developed in the field of national accounting for analysis of various sectors of the economy and their inter-relationship, which in effect, present interlocking system of accounts for the transactions of the whole economy and Government accounts appear as one element of this whole system.

The demands for grants in the budget first show expenditure gross of all recoveries but subsequently recoveries are deducted and only the net figures are shown in the Annual Financial Statement. For economic classification, expenditures which are in the nature of sale of commodities and services. These recoveries, in turn are deducted from the purchase of commodities and services of the Government.

The system of classification adopted here is based on a series of discussions useful for analyzing their economic impact on the rest of the economy. The term 'Rest of the Economy' refers to all entities other than the State Government and includes the Central Government, other State Governments, local bodies, statutory public undertakings, private commercial and non-commercial corporations or companies and individuals. 'Current Transactions' are distinguished from 'Capital Transactions' and under both, transactions in commodities and services are separated from transfers. The current transactions of Government Administration are distinguished from current operations of Departmental Enterprises, while current expenditure of the former on wages and salaries and commodities and services are final outlays, those of the latter are intermediate expenditure such as cost of materials, fuels, etc. in other words, such expenditures represent expenses of production and not expenditures of final commodities and services. Purely financial transactions are again separated from transactions in commodities and services and transfers. The Economic Classification of the State Government Budget is presented in three standard types as recommended by the Regional Accounts Committee and adopted for the National Account Statistics.

These three accounts are presented in the following pages. Notes on these Accounts are also appended at the end of this section.

Note on the Accounts

It is imperative to make following few adjustments as per the principles of classification before arriving at the set of three accounts.

Adjustments

The volume of transactions of the Government includes transfers under the Revenue Expenditure is considerable in case of Education, welfare, Health, etc. As such, the under estimation in the economic aggregates due to the non- inclusion of the details of these transactions has to be eliminated by the analysis and inclusion of the various annual reports of the Autonomous Bodies for which grants are being given. Even after analyzing these reports in line with the budget documents, it may not be possible to prepare different accounts there on. Therefore, a few adjustments, to be appended to both the receipts as well as expenditure are necessary. Apart form this, the analyses of these reports include the classification of Functions of Government (COFOG) facilitating the appropriate representation in the estimation of 'State Income'.

The other adjustments in budgetary transactions are already in vogue for (a) pension, sale of assets & land, commercial interest, transfers from non- government organizations, financial assets, capital transfers where the concept of net expenditure is being adopted and (b) imputed subsidies, obviously an addition to the expenditure.

Income and outlay Account of Administrative Departments

All the departments other than those which commercial in nature are considered as administrative for the purpose economic classification. These include organs of the state, collection of taxes, other fiscal services, interest payment and servicing of debts, administrative services like, police, jails, supplies, and disposals, pension, etc., and economic services like agriculture, animal husbandry, etc. The management of expenditure of various funds like famine and drought relief funds, etc., is also included. The current expenditure of administrative departments consists of final outlays of Government on current account which represent Government's current consumption. The final outlays are made up of purchases of commodities and services and wages and salaries. Besides, Government makes transfer payments, such as interest, grants, subsidies, etc., to the rest of the economy which are added indirectly to the disposable income of the community. To meet these current expenditures, Government appropriates a part of the income of the community through a variety of taxes, miscellaneous fees, etc., accruing in the course of administration. In addition, Government has an investment income from property and entrepreneurship and also receives revenue grants from the Central Government and the rest of the economy. The excess of current receipts over current expenditure denotes the ‘saving’ of the Government administration available for domestic capital formation. Some of the items included in this account are explained below.

Compensation of Employees

This item comprises the remuneration of general government employees such as salaries of officers & establishment; wages; allowances and honorarium other than traveling and daily allowances; contributions to provident fund by the Government as well as all pension payments to government employees are included. Conceptually, appropriation to the pension fund should actually be treated as wages and salaries and not actual pension payments. But in the absence of any information on appropriation during the year, the actual pension payments are treated as wages & salaries.

i. Pay of officers and establishment and allowances and honorarium other than traveling and daily allowances.
ii. Wages to different contractual employees.
iii. The Contribution to Provident Fund by the Government, if any
iv. Pension payments to government employees.
v. Employer’s contributions to the Pension Fund.

Commodities and Services

This includes all contingent expenditure on contingency such as office supplies, rent, rates and taxes, fuel and light, printing, travel expenses, telephone and telegraph charges and other items for current operations less sales by general government of goods and services to enterprises and households. Whole of the expenditure on current repairs and maintenance is also included here. Also included are all payments/ charges for services rendered for other agencies / departments. Strictly speaking, rent paid is one of the factor payments and should be classified accordingly. But the same is not being done due to non- availability of data.

Maintenance

These are the expenses towards maintenance of buildings, roads, machinery etc.

Benefits

Expenditure on social benefits viz., medical and educational e.g. medical charges and reimbursement of medical expenditure, cost of textbook to the children of low- paid govt. employees; other benefits (Leave Travel Concessions) in cash; The items like Compassionate allowance, family pension, leave encashment, gratuities, commuted value of pension and other retirement benefits currently given under the account head 2071 are also covered under this category. Payments in kind e.g., cost of liveries and uniforms; rations supplied to police and defence personnel etc. are to be treated as benefits in kind.

Interest Paid

Interest payments comprise interest on public debt and other obligations other than on commercial debt. The interest paid to or received from other public authorities are to be shown separately. These do not accrue to the public and are merely inter – departmental or inter – account transfers, which ultimately get cancelled. However in the case of states all these payments are shown separately.

The interest received from departmental commercial undertakings appears as a payment item in ‘Production Account of Departmental Commercial Undertakings’. This item. is deducted from both interest received and interest paid so that there is no double counting.

Subsidies

The concept of subsidy adopted in National Accounts Statistics (NAS) is broadly the same as adopted in 1993 Version of the “System of Nation Accounts” (SNA).

“Subsidies are current unrequited payments that government units including non – resident government units make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services which they produce, sell or import. They are receivable by resident producers or importers. In the case of resident producers, they may be designed to influence their levels of production, the prices at which their outputs are sold or the remuneration of the institutional units engaged in production. Subsidies are equivalent to negative taxes on production in so far as their impact on the operating surplus is in the opposite direction to that of taxes on production”.

"Subsidies are not payable to final consumers and current transfers that governments make directly to households as consumers are treated as social benefits. Subsidies also do not include grants that governments may make to enterprises in order to finance their capital formation or compensate them for damage to their capital assets, such grants being treated as capital transfers."

Subsidies include all grants on current account, which entrepreneurs receive from the Government. These may take the form of direct payments to producers or differentials between the buying and selling prices of government trading organizations. Thus subsidies are transfers, which in the light of the basis of making the grants, are additions to the income of the producers from current production. The grants, for example, are based on the amount of value of commodities produced, exported or consumed, the labour or land employed in production, or the manner in which production is organized and carried on. Transfers by the public authorities to private industries for investment purpose or to cover destruction, damage and other losses in capital and working assets are classed as capital transfers rather than as subsidies. Current grants made to private non- profit institutions serving households are not to be considered subsidies. Such payments will be classified as purchases of goods and services or current transfers by general government, depending on the circumstances and conditions of a given payment. The value of coupons made available by government agencies to specific groups of the population to enable them to obtain goods at prices lower than the current market prices, are classified as current transfers to households. Under certain circumstances subsidies include the grants made by government to public corporation in the compensation for losses, i.e., negative operating surplus, in connection with the losses of Departmental Commercial Undertakings. This will be the case when the loss is clearly the consequence of the policy of the government to maintain prices at a level at which the proceeds of the public industry will not cover the current cost of production. In order to determine whether this is the situation, it may be necessary to investigate the considerations behind the policy of determining the prices charged by the public industry. All current transfers to public corporations, irrespective of whether they are made to maintain the price level or for other purposes are to be treated as subsidies. In the case of departmental undertakings losses which are not compensated for by subsidies will be transferred to the income and outlay account of general government as negative operating surplus Rebate on the sale of handloom cloth; loss on the sale of fertilizers, improved seeds, pesticides and agricultural implements, loss suffered by the cooperative societies etc. are to be treated as subsidies. The losses by the Departmental Commercial Undertakings e.g. irrigation, electricity & village & small industries etc., are to be treated as imputed subsidies.

Current Transfers

Current transfers or grants paid may be classified under three main categories similar to the 1993-94 series. Firstly, these can be to other Governments like Central Government, State Government and Local Authorities, secondly to the rest of the world (Foreign) and thirdly to other sectors including households (grants to aided schools, scholarships and stipends, welfare of the welfare of the weaker sections of the society), private institutions and autonomous bodies. All these items figure in the accounts of a State budget. However, when accounts of all the Governments are merged, the first category, i.e. grants to other governments get cancelled.

Capital Transfers

These also be classified in a similar with Current Grants

Saving on Current Account

This is derived as the balancing item on the current account of government administration is, i.e. surplus of current receipts over current expenditure.

Income from Property and Entrepreneurship

This flow records the income receivable by the State Government from departmental commercial undertakings as well as the net rent and dividends accruing to it from the ownership of buildings or financial assets.

Direct Taxes

Direct taxes in the SNA include two components, viz, direct taxes on income and other direct taxes, Direct taxes cover levies by public authorities on income from employment, property, capital gains or any other source except for social security contributions. In some countries, the real estate and land taxes are used as an administrative devise for taxing the income of the owners of such property and in these cases, they may be considered to be income taxes. Both households and enterprises may pay direct taxes on income. Other direct taxes include levies by public authorities at regular intervals on the financial assets or total net worth of enterprises, private non- profit institutions or households. Non- recurrent or occasional levies on these items are excluded and treated as capital transfers. It would be noted that levies on the possession and use of goods, for example, motor vehicle licenses are included here only when paid by household. When paid by producers, they are classified as indirect taxes. License fees paid by households on radio and television sets are to be treated as a purchase of a service and therefore excluded from direct taxes when public authorities provide broadcasting services.

1. Corporate tax
2. Taxes on income other than Corporation tax (e.g. Income Tax)
3. Hotels receipts tax
4. Other taxes on income and expenditure (e.g. Profession Tax)
5. Land Revenue
6. Estate duty
7. Taxes on wealth
8. Gift Tax

Indirect Taxes

Indirect taxes are defined as taxes assessed on producers that are chargeable to the cost of goods and services produced or sold. These include import and export duties, excise, sales, entertainment and turnover taxes, real estate and land taxes (unless they are merely administrative devise for collecting income tax), levies on value added and the employment of labour, motor vehicle driving license, airport and passport fees when paid by producers.

1. Stamps and Registration fees
2. Customs
3. Union and State Excise
4. Sales Tax
5. Services Tax

6. Taxes on vehicles
7. Taxes on goods and Passengers
8. Taxes and duties on electricity
9. Entertainment tax
10. Foreign Travel tax
11. Fees under factories and Mines Acts
12. Import and Export license application
13. Patent fees
14. Registration of Trade marks fees
15. Registration of Joint Stock Companies
16. Fees for stamping Weights and Measures.

Miscellaneous receipts

These receipts are in the nature of fees, fines and forfeitures.

Revenue Grants, Contribution, etc.

Revenue grants, contributions are mostly from other Governments and will ultimately get cancelled. However, these have to be classified separately in the case of individual States.

Production Accounts of Departmental Enterprises

The departmental enterprises or Government trading enterprises may be defined as Government agencies producing commodities and services that are not provided free of charge. The operations of these enterprises are in the nature of entrepreneurial activities of the Government. Current expenditure of these enterprises, like working expenses of productive enterprises, constitute intermediate expenditure that enter into prices of commodities and services as these are sold to the other sectors of the economy. Hence expenditures of these enterprises are different in character from final outlays by administrative departments which have no income of their own and depend upon incomes of other sectors to meet their expenditure. Other main characteristics of these enterprises are as follows.

(i) Departmental enterprises are subject to market forces i.e., demand and supply.

(ii) Departmental enterprises are un- incorporated enterprises owned, controlled and run directly by the Government.

(iii) The intension to make profit is not the essential characteristics and the activities of such enterprise may be carried on deliberately at a loss.

(iv) The operation of departmental enterprises usually involves the use of expensive capital equipment and holding of stocks which may subject to large fluctuations and the provision for depreciation may, therefore, be a significant element in the total cost of operations.

(v) Use of commercial Accounting methods to determine profit and loss.

(vi) To maintain their operation, departmental enterprises must both give and receive commercial credit.

Independent Statutory corporations and boards set up by the State Government are excluded from the purview of this account. The following are some of the activities being classified as Departmental Enterprises.

a. Irrigation
b. Forestry
c. Industries
d. Stationery and Printing
e. Dairy Development
f. Electricity
g. Road and Water Transport
h. Civil Aviation

The Expenditure side of this account consists of the following items of current expenditure such as compensations of employees (I.e. wages and salaries), purchase of commodities and services (including maintenance and repairs), interest, consumption of fixed capital and profits. The sale proceeds and the losses of these enterprises are treated as subsidies and are furnished on the receipt side.

Capital Finance Account of Public Authorities

Items of expenditure appearing under this account are discussed below:

Gross Fixed Capital Formation

It represents the gross value of the goods, which are added to the domestic capital stocks during a year. It comprises the expenditure on the acquisition as well as own account production of fixed assets. The gross fixed capital formation has been classified into buildings, roads, transport, machinery and other capital assets. All of them also include ‘renewals and replacements’ as well. The entire classification measures the Gross Fixed Capital Formation in the Government.

Buildings and Other Construction

Buildings include all expenditure on new construction and major alternations to residential and non- residential buildings during the year. It includes construction costs of the buildings together with cost of external and internal fixtures during the year.

Roads and Bridges

Expenditure on construction of roads and bridges is considered.

Transport equipment

This includes expenditure incurred on the purchase of various equipments such as buses, jeeps, trucks, tractors for road haulage.

Machinery

This includes expenditure incurred on the purchase of various machineries such as power generating machinery, agricultural machinery and implements, machinery and equipment and instruments used by professional men. Under this head the expenditure shown against renewals and replacements refers mainly to Departmental Commercial Undertakings.

Other Capital outlay

This includes expenditure works on power and irrigation projects, flood control, forest clearance land reclamation, water supply and sanitation and office furniture etc.

Software

This includes all the software purchased or generated with in the government for the improvement in day to day work. However, the software which is inseparable with the computer such as Operating System has to be included in the machinery it self.

Cultural Assets

This includes plantations, orchards and other cash crops having life for more than a year.

Animal Stock

This being prevalent in particular in defence services and other departments concerned with security and animal husbandry departments by way of horses, camels etc.,

Net Purchase of Physical Assets

The major component here is purchase of land. Occasionally, purchase and sale of second hand capital assets are shown in budgets. These transactions of both land as well as second hand assets are treated as sale/ purchase to arrive at net purchase of physical assets and they are classified separately.

Change in Stock

This represents the value of the physical change in raw materials, work in progress (other than the work in progress in buildings which are included in fixed capital formation) and finished products, which are held by commercial enterprises and in government stockpiles. In the case of administrative departments, the stocks held are (i) in the nature of policy stocks like food, fertilizers etc. and (ii) work stores under the civil works departments which consist of cement, bricks, steel etc. Purchases or additions less sales / withdrawals during the year, as given in the detailed Demands for Grants, are taken as change in stock.

Capital Transfers

These cover grants to finance the construction of buildings, purchase of machinery and equipment and for public works, water supply and sewage disposal scheme etc. These are intended to assist capital formation in other sectors of the economy.

Receipt Side

This side deals with the financing of the capital formation and the sources for the same are presented as under

Surplus on current account

This is directly taken from Income and Outlay Account of Administrative Departments.

Consumption of fixed capital

This is brought over from Production account of Departmental Enterprises..

Net Budgetary Borrowing

Directly taken from the Borrowing Account

Other Liabilities

All investments in the share capitals of statutory corporations, co – operative societies and other are classified as financial assets and are shown against other liabilities as a negative figure. Also included are the Net extra budgetary receipts taken from the Borrowing Account.

Borrowing Account

This account comprises of 'Borrowing at home' and 'Extra – Budgetary receipts and adjustments' taken from the Annual Financial Statement. Items included in 'Borrowing at home' are internal debt, small savings, provident fund, etc. and in 'Extra-budgetary receipts and adjustments' are Loans from Government of India, Loans and Advances by State Government, Inter – State settlement, Contingency Fund, Reserve funds, Deposits and Advances, Suspense and Miscellaneous, remittances and Cash Balances. Besides these, there are some funds maintained by the Government like Famine Relief Fund, Road Fund, etc. which was also covered here under the heads revenue, capital and commercial accounts.

Some Significant Magnitudes

Part-B

Reconciliation Statements