



GOVERNMENT OF HARYANA

**ECONOMIC-CUM- PURPOSE
CLASSIFICATION OF
HARYANA GOVERNMENT BUDGET
2007-2008**

**ISSUED BY: -
ECONOMIC AND STATISTICAL ADVISER
PLANNING DEPARTMENT, HARYANA
2008**

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PREFACE

This report presents Economic -cum-Purpose Classification of budgetary transactions of Haryana Government Budget for the year 2005-2006 (Actuals), 2006-2007 (Revised Estimates(R.E.) and 2007-2008 (Budget Estimates(B.E.)). The present Economic - cum- Purpose Classification report is based on the methodology provided by the of Central Statistical Organisation (CSO), Government of India. The classification of government transactions follows basically the technique of social accounting and groups together similar types of transactions after eliminating internal transfers.

The economic classification groups together the primary items of commodities and services, consumption expenditure, subsidies, current transfers, capital formation out of budgetary resources, whereas the Purpose Classification groups these according to the particular purpose or function they perform such as general public services, civil defence, education affairs and services , health affairs and services, social security and welfare affairs and services, housing and community amenity affairs and services, cultural, recreational and religious affairs and services, economic affairs and services, relief on calamities etc. .

These two types of classifications are integrated into “ Economic-cum- Purpose Classification” which presents in a consolidated statement, the economic-cum-purpose characteristics of the government budgetary transactions.

It is hoped that the analysis presented herein will be found useful by administrators, planners and research scholars engaged in the study of the budgetary transactions of the State Government. Suggestions, if any, for improvement of the publication are most welcome.

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Chandigarh
the 28th March,2008

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CHAPTER-I

INTRODUCTION

The expenditure in the Government Budget is classified department-wise in order to secure legislative control, administrative accountability, booking and auditing of any act of spending. Though the Budget is divided into revenue and capital accounts, many items of revenue account are included in the capital account and vice-versa. Moreover, the items shown in the budget are too detailed and scattered and not necessarily based on distinctions and groupings required for understanding the economic impact of government transactions. For instance, from the study of Budget documents, as they are, it is not possible to get a clear idea of capital formation out of budgetary resources, savings of the government, contribution of the government towards net product from public administration for the estimation of State Income etc. The government's transactions are significant only in terms of such items and so, they have to be sorted out, reclassified and re-grouped into meaningful economic categories.

The ultimate aim of applying these methods of classification is to relate information obtained on the government sector to similar information made available on other major sectors of the economy. It is designed to obtain the kind of information on government transactions which are required for determining aggregates of state income and expenditure and for tracing their inter-relationship with other major sectors of the economy. The government sector is, however, important enough by itself to justify the analysis of its transactions and study their economic impact that The importance of an Economic and Purpose Classification, therefore, cannot be over- emphasised.

CHAPTER-II

PRINCIPLES OF ECONOMIC CLASSIFICATION

Government Sector can be broadly divided into Administrative Departments and Departmental Enterprises . The Central Statistical Organisation has been preparing economic classification of the budget of all public authorities and publishing it every year in the annual publication “National Accounts Statistics”(NAS) in the form “A set of three Accounts”.

The economic classification scheme presented here is based mostly on the schemes already used or recommended by the United Nations in its reports entitled, “A Manual for Economic and Purpose Classification of Government Transactions, 1958” and “A System of National Accounts ”. It is based on generally accepted concepts, definitions and classification, developed in the field of national accounting for analysis of various sectors of the economy and their inter-relationships. The system of national accounts presents an inter-locking system of accounts for the transactions of the whole economy and government accounts appear as one element of this whole system.

The classification of government transactions basically follows the technique of social accounting and groups together similar types of transactions of the government after eliminating all internal transfers. The revenue account in the budget also shows certain transfers to and from the capital account, which are mere accounting transactions or transfers and these have been eliminated since they do not have any impact on the economy. In many cases, revenue expenditure or capital outlays are reduced to the extent to which these are met from transfers from various funds. This deflates the expenditure and does not give the total expenditure or aggregate demand made by the government on available goods and services. For a correct appraisal of government demand for goods and services which could be related to available supplies, revenue and capital expenditure have to be increased by the amount met from these transfers from the State operated funds. It may also be referred to a third type of adjustments made in the classification scheme. The demand 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 Financial Statement. For purposes of this study, expenditures are shown net of recoveries from all outside sectors except recoveries

which are in the nature of the sale of goods and services. These recoveries in turn are deducted from the purchase of goods and services of the Government.

It is only after reclassification and re-grouping on the lines indicated above that it has been possible to analyse the economic impact of the State Government's budgetary transactions on the rest of the economy. The term "rest of the economy" refers to all the entities other than 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.

This system of classification adopted here is based on a series of distinctions useful for analysing their economic impact on the rest of the economy. Current transactions are distinguished from capital transactions and under both, transactions in goods and services are separated from these transfers. The current transactions of the departmental commercial undertakings are at par with those of producers and of the purely administrative departments with those of consumers. Current receipts of the former constitute sale proceeds of goods and services supplied to the rest of the economy while purely administrative departments have little or no income of their own and largely draw upon the incomes of other sectors to meet their expenditure. Current expenditure of Commercial Undertakings like working expenses of productive enterprises are intermediate expenses that go to form prices of goods and services supplied. These are different in character from the current expenditure on wages and salaries and goods purchased by the administrative departments which are in the nature of consumer outlays and represents demand for goods and services for final consumption.

The Committee on Regional Accounts, in their first report, have recommended a set of Standard Accounts /Tables, of which Table No. 5, 6 &7 relates to the economic classification of the Government Budget.

The Standard Accounts/ Tables adopted for the NAS are on the same lines and are given below:-

- Account -1 Income and Outlay Account of Administrative Departments**
- Account -2 Production Account of Departmental Commercial undertakings**
- Account - 3 Capital Finance Account of the State Government**

THE SET OF ACCOUNTS

ACCOUNT-I**Income and Outlay Account of Administrative Departments**

(Rs. in lakhs)

Items		2005-2006 (Actuals)	2006-2007 (Revised Estimates)	2007-2008 (Budget Estimates)
1	2	3	4	5
	Receipts			
1.	Income from Entrepreneurship and Property	38153	45060	45678
	1.1 Profits	816	0	0
	1.2 Income from Property	37337	45060	53108
	1.2.1 Net Interest Receipts	21505	27958	34639
	a) Public Authorities	0	0	0
	b) From Other Sectors	21505	27958	34639
	1.2 .2 Other Property Receipts	15832	17102	18469
2.	Direct Taxes	60182	55910	61502
	2.1 Corporation Tax	33730	36228	39850
	2.2 Income Tax	26299	19658	21625
	2.3 Other Taxes on Income & Expenditure	(-6)	0	0
	2.4 Land Revenue	100	0	0
	2.5 Taxes on Wealth	59	24	27
3.	Indirect Taxes	966614	1120424	1297096
	3.1 Stamps and Registration	133973	140000	178000
	3.2 Customs	21841	22943	25237
	3.3 Union Excise Duties	29733	37021	40722
	3.4 State Excise Duties	110686	120000	132000
	3.5 Sales Tax	560445	675000	783200
	3.6 Taxes on Vehicles	17212	25000	27500
	3.7 Taxes on Goods & Passengers	75760	84000	92400
	3.8 Taxes and Duties on Electricity	6153	8220	9000
	3.9 Service Tax	8477	6227	6849
	3.10 Other Taxes and Duties	2332	2013	2188
4.	Fees & Miscellaneous Receipts	97709	123405	103416
5.	Transfer from Central Govt.	111513	115992	139828
	Total Receipts	1274171	1460791	1654950

ACCOUNT-I**Income and Outlay Account of Administrative Departments**

(Rs. in lakhs)

Items		2005-2006 (Actuals)	2006-2007 (Revised Estimates)	2007-2008 (Budget Estimates)
1	2	3	4	5
	Disbursements			
6.	Consumption Expenditure	533112	582928	681125
	6.1 Compensation of Employees	433366	482690	548272
	a) Wages and Salaries	338651	386061	441080
	b) Pensions	94715	96629	107192
	6.2 Net Purchase of Commodities and Services	99746	100238	132853
	a) Purchases	94112	90643	124617
	b) Maintenance and Repairs	25394	42540	41878
	c) Less Sales	19760	32945	33642
7.	Benefits	9064	13148	17016
8.	Net Interest Paid to	187240	204182	225538
	8.1 Public Authorities	19980	17389	17142
	a) Centre	19980	17389	17142
	b) States	0	0	0
	c) Local Bodies	0	0	0
	8.2 Others	190003	210446	232973
	8.3 Less Commercial Interest	22743	23653	24577
9.	Subsidies	202295	470195	329488
10..	Total Current Transfers to other sectors	127247	148990	156558
11.	Inter Govt. Transfer to Local Authorities	49241	57072	66168
11.1	Current Transfer to Local Authorities	36367	42080	50525
11.2	Capital Transfer to Local Authorities	12874	14992	15643
Total Current Expend(6+8+9+10+11}		1099135	1463367	1458877
Total Receipts		1274171	1460791	1654950
Surplus on Current Account		175036	(-)2576	196073

ACCOUNT- 2

Production Account of Departmental Enterprises

(Rs. in lakhs)

Items	2005-2006 (Actuals)	2006-2007 (Revised Estimates)	2007-2008 (Budget Estimates)
1	2	3	4
<u>Receipts:</u>			
1 Commercial Receipts	67846	73242	77326
2. Imputed Subsidy	55720	84458	86191
2. Total Receipts	123566	157700	163517
<u>Expenditure:</u>			
3. Purchase of Commodities and Services including Maintenance	61794	62575	64175
4. Compensation of Employees	35070	68281	71522
4.1 Wages and Salaries	27411	54725	55771
4.2 Pensions	7659	13556	14069
5. Interest	22743	23653	24577
6. Consumption of Fixed Capital	3143	3191	3243
7. Profits	816	0	0
8. Total Expenditure	123566	157700	163517

ACCOUNT- 3**Capital Finance Account of State Government**

(Rs. in lakhs)

S.No.	Items	2005-2006 (Actuals)	2006-2007 (Revised Estimates)	2007-2008 (Budget Estimates)
1	2	3	4	5
Receipts:				
1.	Consumption of Fixed Capital	3143	3191	3243
2.	Capital Transfers	-	-	-
	2.1 From the Other Governments	-	-	-
	2.2 From Rest of the World	-	-	-
3.	Net Budgetary Borrowings	266636	141980	214648
	3.1 At Home	266636	141980	214648
	3.2 From Abroad	-	-	-
4.	Other Liabilities	(-272523)	28042	(-151184)
	4.1 Net Extra Budgetary Borrowings	(-242993)	108518	(-) 66326
	4.2 Less Net Purchase of Financial Assets	29530	80476	84858
5.	Surplus on Current Account	175036	(-)2576	196073
6.	Total Receipts	172292	170637	262780
Expenditure				
Administration :				
1-	Capital Outlay	102355	101014	155112
2-	Net purchase of Physical Assets	1355	1087	1747
	2.1 Second Land Assets	-	-	-
	2.2 Land	1355	1087	1747
3.	Change in Stock	(-)3437	(-)5545	(-)4965
	3.1 Inventory	2996	225	127
	3.2 Others	(-)6433	(-)5770	(-)5092
4.	Capital Transfers	18227	25599	44826
	4.1 For Capital Formation	18227	25599	44826
	4.2 For Others	-	-	30018
5.	Total (1+4)	118500	122155	196720
Enterprises				
6.	Capital Outlay	54812	48198	65777
7.	Net Purchase of Phy. Assets.	216	250	250
	7.1 Second Hand Assets	0	0	0
	7.2 Land	216	250	250
8.	Change in stock	(-)1234	25	27
9.	Total (6+8)	53794	48473	66054
10.	Total Expenditure (5+9)	172294	170628	262774

THE BORROWING ACCOUNT

Borrowing Account

(Rs.in lakhs)

Items	2005-2006		2006-2007		2007-2008	
	(Actuals)		(Revised Estimates)		(Budget.Estimates)	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
1	2	3	4	5	6	7
<u>I Borrowing at Home</u>						
1. Internal Debt	330860	99700	187619	89721	376693	210478
2. Small Savings, Provident Fund,etc.	116561	81085	123533	79451	135798	87365
3. Other Debt	-	-	-	-	-	-
Total	4474 21	180785	311152	169172	512491	297843
Net Receipts	266636		141980		214648	
<u>II Borrowing Abroad</u>						
1. External Debt	-	-	-	-	-	-
2. Other Debt	-	-	-	-	-	-
Total	-	-	-	-	-	-
<u>III. Extra Budgetary Receipts</u>						
1. Loans and Advances by State Government	28990	17667	222670	19088	19410	18624
2. Loans from Govt. of India	4015	11051	5331	11176	5251	11131
3. Inter State Settlement	0	0	0	0	0	0
4. Contingency Fund	0	0	0	0	0	0
5. Reserve Funds	49750	48337	24375	32034	25142	23776
6. Deposits and Advances	189322	173520	205323	192836	211504	197993
7. Suspense & Miscellaneous	8609614	8884163	13395057	13450914	14642063	14699004
8. Remittances	250694	246332	250000	250000	250000	250000
9. Cash Balance	(-)3870	(-)25809	(-)25809	(-)5496	(-)5496	(-)2834
10 Funds	161	13265	26	14712	26	13289
11. Consumption of Fixed Capital	-	3143	-	3191	-	3243
Total	9128676	9371669	14076973	13968455	15147900	15214226
Net Receipts	(-)242993		108518		(-)66326	

CHAPTER-III MAIN FINDINGS

The significant economic magnitudes emerging from the set of three accounts given in the previous section are presented as under: -

Budgetary Expenditure of Haryana Government as per Economic Classification

According to Economic Classification of Haryana Government Budget, the total Expenditure is estimated at Rs. 1988649 lakhs in 2007-08 (B.E.) as compared to Rs. 1891259 lakhs in 2006-07 (R.E.) showing an increase of 5.15 percent in 2007-08 (B.E.) over 2006-07 (R.E.). This expenditure was Rs. 1441376 lakhs in 2005-06 (Actuals) whereas this increase was 31.21 percent in 2005-06 (R.E.) over 2004-05 (Actuals).

Administrative Departments of the Government are estimated to constitute 88.46 percent expenditure in 2007-08 (B.E.) as against 89.10 percent in 2005-06 (R.E.) and 87.75 percent 2005-06 (Actual). Departmental Commercial undertakings of the Government are estimated to constitute 11.54 percent expenditure in 2007-08 (B.E.) as compared 10.90 percent in 2006-07 (R.E.) and 12.25 percent in 2005-06 (Actuals).

Consumption expenditure of the Government is estimated at Rs. 681125 lakhs in 2007-08 (B.E.) as against Rs. 582928 lakhs in 2006-07 (R.E.) and Rs. 533112 lakhs in 2005-06 (Actuals). The corresponding contribution of consumption expenditure to total expenditure during the above years were 34.25 and 30.82 and 36.99 percent respectively.

The State Government direct gross fixed capital formation i.e. investment on buildings & other constructions, purchase of vehicles and machinery & equipment by Administrative Departments and Departmental Commercial Undertakings is estimated at Rs. 220889 lakhs (11.11 percent) in 2007-08 (B.E.) as against Rs. 149212 lakhs (7.89 percent) in 2006-07 (R.E.) and Rs. 157167 lakhs (10.90 percent) in 2005-06 (Actuals).

Current transfers which also include subsidies and interest payments is estimated at Rs. 762109 lakhs in 2007-08 (B.E.) as against Rs. 865447 lakhs in 2006-07 (R.E.) and Rs. 533149 lakhs in 2005-06 (Actuals). The corresponding contribution of current transfers to total expenditure during above years were 38.32, 45.76 and 38.38 percent respectively.

Capital transfers is estimated at Rs. 60469 lakhs in 2007-08 (B.E.) as against Rs. 40591 lakhs in 2006-07 (R.E.) and Rs. 31101 lakhs in 2005-06 (Actuals). The corresponding contribution of capital transfers during above years were 3.04, 2.15 and 2.16 percent respectively.

The details of Budgetary expenditure of Haryana Government as per economic classification is given in the following table:

Table 3.1
Budgetary Expenditure of Haryana Government as per Economic Classification
(Rs. in Lakhs)

Item	2005-06 (Actuals)	2006-07 (R. E.)	2007-08 (B. E.)
1	2	3	4
I Administrative Departments	1264832	1685086	1759078
	(87.75)	(89.10)	(88.46)
1. Consumption Expenditure	533112	582928	681125
	(36.99)	(30.82)	(34.25)
i) Compensation of Employees	433366	482690	548272
	(30.07)	(25.52)	(27.57)
ii) Net Purchase of Commodities & Services	99746	100238	132853
	(6.92)	(5.30)	(6.68)
2. Current Transfers*	553149	865447	762109
	(38.38)	(45.76)	(38.32)
3. Gross Fixed Capital Formation (3.10)	102355	101014	155112
	(7.10)	(5.34)	(7.80)
4. Capital Transfers (2.14)	31101	40591	60469
	(2.16)	(2.15)	(3.04)
5. Purchase of Financial Assets	29530	80476	84858
	(2.05)	(4.25)	(4.27)
6. Loan & Advances	17667	19088	18623
	(1.22)	(1.01)	(0.94)
7. Change in Stock	(-)3437	(-)5545	(-)4965
	(-)(0.24)	(-)(0.29)	(-)(0.25)
8. Net purchase of Physical Assets	1355	1087	1747
	(0.09)	(0.06)	(0.09)
II Departmental Commercial Undertakings	176544	206173	229571
	(12.25)	(10.90)	(11.54)
1. Purchase of Goods and Services	61794	62575	64175
	(4.29)	(3.31)	(3.23)
2. Compensation of Employees	35070	68281	71522
	(2.44)	(3.61)	(3.59)
3. Consumption of Fixed Capital	3143	3191	3243
	(0.22)	(0.17)	(0.16)
4. Interest	22743	23653	24577
	(1.58)	(1.25)	(1.24)
5. Gross Fixed Capital Formation	54812	48198	65777
	(3.80)	(2.55)	(3.31)
6. Change in Stock	(-)1234	25	27
	(-)(0.09)	(**)	(**)
7. Net Purchase of Physical Assets	216	250	250
	(0.01)	(0.01)	(0.01)
Total Expenditure I+II	1441376	1891259	1988649
	(100.00)	(100.00)	(100.00)

*Current transfers include subsidies and interest. Note: Figures in brackets are percentage to total expenditure.

** Percentage negligible

2. Current Receipts of the State Government

Current receipts of the State Government shows the sources of finance to the Government and also assess the economic implication of Government expenditure. The current receipts of the State Government was Rs.1274171 lakhs during 2005-2006 (Actuals), Rs. 1460791 lakhs during 2006-2007 (R.E.) and estimated at Rs. 1654950 lakhs during 2007-2008 (B.E.) Thus, the increase in the current receipt over previous year was 14.65 percent during 2006-2007 (R.E.) and 13.29 percent during 2007-2008 (B.E.).

Tax receipt is a major source of current receipt and its share in the total current receipts was 80.59 percent during 2005-2006 (Actuals 80.53 percent during 2006-2007 (R.E.) and estimated at 82.09 percent during 2007-2008 (B.E.) The current receipts of the State Government under different heads are given in the Table 3.2.

TABLE –3. 2

Current Receipts

Items	(Rs. in lakhs)		
	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-2008 (B.E.)
1	2	3	4
1. Tax Receipt	1026796 (80.59)	1176334 (80.53)	1358598 (82.09)
2. Income from Property and Entrepreneurship	38153 (2.99)	45060 (3.08)	53108 (3.21)
3. Fees and Miscellaneous Receipts	97709 (7.67)	123405 (8.45)	103416 (6.25)
4. Revenue Grants from Government of India	111513 (8.75)	115992 (7.94)	139828 (8.45)
5. Total Current Receipts	1274171 (100.00)	1460791 (100.00)	1654950 (100.00)

4. Current Outgoings of the State Government.

The current outgoings of the State Government constitute consumption expenditure and current transfer payments of the State Government. The current outgoings of the State Government increased from Rs. 1086261 lakhs during 2005-2006 (Actuals) to Rs. 1448375 lakhs during 2006-2007 (R.E.) and estimated at Rs.1443234 lakhs during 2007-2008 (B.E.), thus showing an increase 33.34 percent during 2006-2007 (R.E.) whereas it is estimated to decrease by 0.35 percent during 2007-2008 (B.E.). Transfer payments form the major source of current outgoings of the State Government and it is followed by consumption expenditure. Current Transfer payments were to the tune of Rs. 553149 lakhs during 2005-2006 (Actuals), Rs. 865447 lakhs during 2006-2007 (R.E.) and estimated at Rs. 762109 lakhs during 2007-2008 (B.E.). Its contribution to total current outgoings were 50.92 percent, 59.75 percent and estimated at 52.81 percent respectively during the above period. The details are given in Table 3.3.

TABLE –3. 3
Current Outgoing of the State Government

Items	(Rs. in lakhs)		
	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-2008 (B.E.)
1	2	3	4
1. Consumption Expenditure	533112 (49.08)	582928 (40.25)	681125 (47.19)
2. Current Transfers	553149 (50.92)	865447 (59.75)	762109 (52.81)
3. Total Current Outgoing (1+2)	1086261 (100.00)	1448375 (100.00)	1443234 (100.00)

3. Net Surplus of Departmental Enterprises

The net surplus of 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. The details are set out in Table –3.4

TABLE – 3.4
Net Surplus of Departmental Enterprises

Items	(Rs in lakhs)		
	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-2008 (B.E.)
1	2	3	4
1. Gross Receipts	123566	157700	163517
2. Operating Expenses	122750	157700	163517
Net Surplus (1-2)	816	0	0

6. Estimates of Net Product from Public Administration

TABLE -3.5
Estimates of Net Product from Public Administration

1	(Rs. in Lakhs)		
	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-2008 (B.E.)
1	2	3	4
1. Administration (Total Wages & Salaries) Less Wages and Salaries in	433366	482690	548272
2. Construction (Repair and Maintenance)	15815	15492	15983
3. Water Supply	22750	24231	25250
4. Other Services	221904	253166	303626
a) Education	184931	212791	259408
b) Medical & Public Health	36973	40375	44218
c) Sanitation	0	0	0
5. Sub Total (2 to 4)	260469	292889	344859
6. Public Administration (1-5)	172897	189801	203413

Note: Wages and Salaries include pension. Total pension is proportionately distributed in public administration and departmental enterprises.

SUBSIDIARY TABLES

Table 3.8(i)

Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises year 2005-2006 (Actuals)

State: Haryana

(Rs. in Lakhs)

Sr. No.	Item	TSW	Benefits	Purchases of commodities & services	Maintenance			Inerest.	Rent rates & taxes	Depre- ciation	Profits	Total Receipt=			Net Product (3+4+ 9+10+12)	Gross Product (11+16)
					B (m)	R (m)	C (m)					Sales	Imputed Subsidy	Total Receipts		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	2629	3	11121	0	0	5561	20463	0	0	0	6424	33353	39777	23095	23095
2	Forest	4714	80	1236	1	0	1311	0	18	0	0	3284	4076	7360	4812	4812
3	Manufacturing	1168	11	1724	6	0	0	0	16	9	816	3293	457	3750	2011	2020
	(i) Printing & Stationery	512	3	61	1	0	0	0	0	7	0	127	457	584	515	522
	(ii) Gen. Education	656	8	1663	5	0	0	0	16	2	816	3166	0	3166	1496	1498
4	Transport	26164	301	38300	0	0	3	2280	2497	3134	0	54845	17834	72679	31242	34376
	(i)Civil Aviation	66	0	9	0	0	3	0	0	0	0	1	77	78	66	66
	(ii) Road Transport	26098	301	38291	0	0	0	2280	2497	3134	0	54844	17757	72601	31176	34310
	Total	34675	395	52381	7	0	6875	22743	2531	3143	816	67846	55720	123566	61160	64303

Table 3.8(ii)

Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises Year 2006-2007 (R.E.)

State: Haryana

(Rs.in Lakhs)

Sr. No.	Item	TSW	Benefits	Purchase of commodities & services	Maintenance			Inerest.	Rent rates & taxes	Depre- ciation	Profits	Total Receipt=			Net Product (3+4+ 9+10+12)	Gross Product (11+16)
					B (m)	R (m)	C (m)					Sales	Imputed Subsidy	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	28398	397	12991	0	0	5580	21553	0	0	0	10978	57941	68919	50348	50348
2	Forest	5093	73	1700	1	0	1275	0	19	0	0	3002	5159	8161	5185	5185
3	Manufacturing	1460	33	2226	12	0	0	0	9	11	0	1547	2204	3751	1502	1513
	(i)Printing & Stationery	574	9	75	2	0	0	0	0	8	0	147	521	668	583	591
	(ii)Gen. Education	886	24	2151	10	0	0	0	9	3	0	1400	1683	3083	919	922
4	Transport	31141	1686	36187	0	0	0	2100	2575	3180	0	57715	19154	76869	37502	40682
	(i) Civil Aviation	63	6	17	0	0	0	0	0	0	0	15	71	86	69	69
	(ii) Road Transport	31078	1680	36170	0	0	0	2100	2575	3180	0	57700	19083	76783	37433	40613
	Total	66092	2189	53104	13	0	6855	23653	2603	3191	0	73242	84458	157700	94537	97728

Table 3.8(iii)

Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises year 2007-2008 (B.E.)

State: Haryana

(Rs.in Lakhs)

Sr. No.	Item	Compen- sation of Employees	Benefits	Purchase of comm- odities & services	Maintenance			Inerest.	Rent rates & taxes	Depre- ciation	Profits	Total Receipt=			Net Product (3+4+ 9+10+12)	Gross Product (11+16)
					B (m)	R (m)	C (m)					Sales	Imputed Subsidy	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	29215	489	13684	5986	0	0	22427	0	0	0	11565	60236	71801	52131	52131
2	Forest	5610	34	1676	1	0	1180	0	22	0	0	2423	6100	8523	5666	5666
3	Manufactuirng	1502	32	790	16	0	0	0	7	13	0	1625	735	2360	1541	1554
	(i)Printing & Stationery	587	12	72	3	0	0	0	0	10	0	155	529	684	599	609
	(ii)Gen. Education	915	20	718	13	0	0	0	7	3	0	1470	206	1676	942	945
4	Transport	33513	1127	38180	0	0	8	2150	2625	3230	0	61713	19120	80833	39415	42645
	(i)Civil Aviation	65	2	10	0	0	8	0	0	0	0	13	72	85	67	67
	(ii)Road Transport	33448	1125	38170	0	0	0	2150	2625	3230	0	61700	19048	80748	39348	42578
	Total	69840	1682	54330	6003	0	1188	24577	2654	3243	0	77326	86191	163517	98753	101996

Table 3.9 (i)

Capital Formation by Type of Assets & Industry of use-Administration year 2005-2006 (Actuals)

(Rs. In Lakhs)

Sr.No.	Industry	Gross Domestic Fixed Capital Formation								Total	Change in Stocks	Gross Capital Formation
		Buildings	Roads & Bridges	Other Const- ruction	Transpor Equip- ment	Mach Equip- ment	Software	Total New Outlay (3 to 8)	Net Purchase of Second H. Assets			
												(11+12)
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Administration Total	21058	32340	38552	1349	8960	96	102355	0	102355	2996	105351
	Less											
2	Construction Machinery & Stock of P.W.D.	0	0	0	0	201		201	0	201	2224	2425
3	Water Supply	0	0	37438	0	(-)14		37424	0	37424	772	38196
4	Other Services	4047		4	35	3037	7	7130	0	7130	0	7130
	i) Education (3.2)	2134	0	3	33	1774	6	3950	0	3950	0	3950
	ii) Medical & Public Health(4.2)	1913		1	2	1263	1	3180	0	3180	0	3180
	iii) Sanitation	0	0	0	0	0	0	0	0	0	0	0
5	Total (2 to 4)	4047	0	37442	35	3224	7	44755	0	44755	2996	47751
6	Net Public Admn.(1-5)	17011	32340	1110	1314	5736	89	57600	0	57600	0	57600

Table 3.9 (ii)

Capital Formation by Type of Assets & Industry of use-Administration year 2006-2007 (R.E.)

State: Haryana

(Rs.in Lakhs)

Sr.No.	Industry	Gross Domestic Fixed Capital Formation								Total (9+10)	Change in Stocks	Gross Capital Formation (11+12)
		Buildings	Roads & Bridges	Other Const- ruction	Transpor Equip- ment	Mech. Equip- ment	Software	Total New Outlay (3 to 8)	Net Purchase of Second H. Assets			
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Administration Total	19764	22473	45056	1596	11574	551	101014	0	101014	225	101239
	Less											
2	Construction Machinery & Stock of P.W.D.	0	0	0	0	533	11	544	0	0	200	744
3	Water Supply	0	0	42405	0	56	10	42471	0	42471	25	42496
4	Other Services	6054	0	211	91	5611	422	12389	0	12389	0	12389
	i) Education 3.2	3844	0	211	67	3227	422	7771	0	7771	0	7771
	ii) Medical & Public Health 4.2	2210	0	0	24	2384	0	4618	0	4618	0	4618
	iii) Sanitation	0	0	42616	0	0	0	0	0	0	0	0
5	Total (2 to 4)	6054	0	42616	91	6200	443	55404	0	55484	225	55629
6	Net Public Admn.(1-5)	13710	22473	2440	1505	5374	108	45610	0	45610	0	45610

Table 3.9 (iii)

Capital Formation by Type of Assets & Industry of use-Administration year 2007-2008 (B.E.)

State: Haryana

(Rs.in Lakhs)

Sr.No.	Industry	Gross Domestic Fixed Capital Formation							Total (9+10)	Change in Stocks	Gross Capital Formation (11+12)	
		Buildings	Roads & Bridges	Other Const- ruction	Transpor Equip- ment	Mech. Equip- ment	Software	Total New Outlay (3 to 8)				Net Purchase of Second H. Assets
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Administration Total	26811	41170	73125	1659	11717	630	155112	0	155112	127	155239
	Less											
2	Construction Machinery & Stock of P.W.D.	0	0	0	0	393	0	393	0	393	100	493
3	Water Supply	0	0	71356		66	12	71434	0	71434	0	71434
4	Other Services	8560	0	226	76	4867	453	14182	0	14182	0	14182
	i) Education 3.2	4991	0	226	46	2950	452	8665	0	8665	0	8665
	ii) Medical & Public Health 4.2	3569	0	0	30	1917	1	15517	0	5517	0	5517
	iii) Sanitation											
5	Total (2 to 4)	8560	0	71582	76	5326	465	86009	0	86009	100	86109
	Net Public Admn.(1-5)	18251	41170	1543	1583	6391	165	69103	0	69103	27	69130

Table 3.10 (I)

Capital Formation by Type of Assets & Industry of use -Enterprises year 2005-2006(Actuals)

State: Haryana

(Rs. In Lakhs)

Sr. No.	Item Industry	Gross Domestic Fixed Capital Formation							Net purchase of sec. hand assets	Total (9+10)	Change in Stocks	Gross Capital formation (11+12)	
		Build-ings	Roads and Bridges	Other Constru-ctions	Trans- port Equip-ment	Mach- inery Equip-ment	Soft- ware	Total (New Outlay) 3 to 8					
1	2	3	4	5	6	7	8	9	10	11	12	13	
1	Irrigation 2701+2702+4701+4702	0	0	40526			1	0	40527	0	40527	(-)1234	39293
2	Forest 2406+4406	38	0	6530	9	39		0	6616	0	6616	0	6616
3	Manufacturing	33	0	0	0	0		0	33	0	33	0	33
	(i)Printing & Stationery 2058+4058	33	0	0	0	0		0	33	0	33	0	33
	(ii)General Education 2202+4202	0	0	0	0	0		0	0			0	0
4	Others	204	0	27	7062	323	20	7636	0	7636	0	7636	7636
	(i) Road Transport 3055+5055	204	0	10	7062	288	20	7584	0	7584	0	7584	7584
	(ii) Civil Avi. 3053+5053	0	0	17		35		52	0	52	0	52	52
	Total	275	0	47083	7071	363	20	54812	0	54812	(-)1234	53578	

Table 3.10 (ii)

Capital Formation by Types of Assets and Industry of Use - Enterprises Year 2006-2007 (R.E.)

State: Haryana

(Rs.in Lakhs)

Sr. No.	Item Industry	Gross Domestic Fixed Capital Formation							Net purchase of sec. hand assets	Total (9+10)	Change in Stocks	Gross Capital formation (11+12)
		Build-ings	Roads and Bridges	Other Contru-ctions	Trans- port Equip-ment	Mach- inery Equip-ment	Soft- ware	Total (New Outlay) 3 to 8				
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Irrigation 2701+2702+4701+4702	0	0	23459	0	77		33536	0	33536	25	33561
2	Forest 2406+4406	130	0	6602	20	89	8	6849	0	6849	0	6849
3	Manufacturing	0	0	0	0	1	0	1	0	1	0	1
	(i)Printing & Staionery2058+4058	0	0	0	0	0	0	0	0	0	0	0
	(ii) General Education2202+4202	0	0	0	0	1	0	1	0	1	0	1
4	Others	250	0	77	5885	1560	40	7812	0	7812	0	7812
	l)RoadTransport 3055+5055	250	0	20	5885	1376	40	7571	0	7571	0	7571
	ii)Civil Avi.3053+5053	0	0	57	0	184	0	241	0	241	0	241
	Total	380	0	30138	5905	1727	48	48198	0	48198	25	48223

Table 3.10 (iii)

Capital Formation by Types of Assets and Industry of Use - Enterprises year 2007-2008 (B.E.)

State: Haryana

(Rs.in Lakhs)

Sr. No.	Item Industry	Gross Domestic Fixed Capital Formation							Net purchase of sec. hand assets	Total (9+10)	Change in Stocks	Gross Capital formation (11+12)
		Build-ings	Roads and Bridges	Other Contru-ctions	Trans- port Equip-ment	Mach- inery Equip-ment	Soft- ware	Total (New Outlay) 3 to 8				
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Irrigation 2701+2702+4701+4702	0	0	49199		77		49276	0	49276	27	49303
2	Forest 2406+4406	46	0	6940	24	65	8	7083	0	7083	0	7083
3	Manufacturing	10	0	0	0	0	0	10	0	10	0	10
	i)Printing & Staionery2058+4058	10	0	0	0	0	0	10	0	10	0	10
	ii)General Education2202+4202	0	0	0	0	0	0	0	0		0	0
4	Others	250	0	37	7665	1416	40	9408	0	9408	0	9408
	i)RoadTransport 3055+5055	250	0	20	7665	1376	40	9351	0	9351	0	9351
	ii)Civil Avi.3053+5053	0	0	17		40	0	57	0	57	0	57
	Total	306	0	56176	7689	1558	48	65777	0	65777	27	65804

CHAPTER-IV

PRINCIPLES AND DETAILED FUNCTIONAL/PURPOSE CLASSIFICATION

For purpose accountability, expenditure is usually charged according to the immediate object of expenditure at the time the money is spent i.e. wages and salaries, purchases of goods and services, grants, loans, purchase of machinery and so on. The economic classification groups of all these primary items of expenditure by their economic character, i.e. current and capital expenditure, transfer payments, loans and investments whereas the functional/purpose classification groups them according to the particular purpose they serve. The functional/purpose classification is designed to show how government expenditure is divided between different types of services provided. The main objective of the functional/purpose classification, therefore, is to show Government expenditure according to the immediate or short run purpose they served and to provide information about public expenditure devoted to a particular service or group of services, say, education, health, agriculture, etc. The term “purpose” as used in this study refers to different types of services provided directly or financed by Government agencies through current and capital grants or loans, etc. and not long run objectives such as promotion of economic development and maintenance of full employment.

The Functional/Purpose Classification excludes current expenditure on goods and services of Departmental Commercial Undertakings, which produce goods and services that are sold largely outside the Government sector. Their current expenditure on goods and services is an intermediate expenditure which represents cost of production and not expenditure on final goods and services provided by the Government.

It may also be noted that the functional/purpose classification is not applied to receipts except to those which may be considered in reduction of expenditure included in this type of classification, such as proceeds from sales, of goods and services by the Government administrative departments. All other receipts including proceeds from taxes or loans are considered as contribution to a General Consolidated Fund from which expenditure of all kinds is financed.

In the purpose classification scheme, all the items of expenditure have been grouped under different broad functional categories regardless of their sequence in the budget. For example, expenditure under “education” given in the functional/purpose classification

includes not only expenditure under demands for grants “ education” but also the expenditure on the agricultural education, medical education, engineering education, etc. shown in the demands for grants under different departments. The exceptions to this rule are educational activities which are iny Thus, any expenditure on education regardless where it is shown in the budget has been placed under the head “Education” in the functional classification .The exception to this rule are educational activities which are an integral part of other services provided by the Government. The police training schools which are treated as part of the police services is an example of this type. The entire expenditure of the state government has been broadly divided into nine major categories. The major categories are (i) General public services (ii) Civil defence (iii) Education affairs and services (iv) Health affairs and services (v) Social security and welfare affairs and services (vi) Housing and community amenity affairs and services (vii) Cultural, recreational and religious affairs and services (viii) Economic affairs and services (ix) Environmental protection ,(x) Relief on Calamities (xi) Interest.

The following table presents the detailed functional/purpose classification of the State government budgetary for the years 2005-2006 (Actuals), 2006-2007 (R.E.) and 2007-2008 (B.E.).

TABLE -4.1

**Purpose Classification of Budgetary Expenditure of Administrative Departments
of Haryana Government**

Items	(Rs. in lakhs)		
	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-2008 (B.E.)
1	2	3	4
1. General Public Services	207346	205097	230707
1.1 General Administration, External Affairs, Public Order & Safety	206088	203867	229484
1.2 General Research	1258	1230	1223
2. Civil Defence	702	478	425
3. Education Affairs and Services	248850	289643	361689
3.1 Administration, Regulation and Research	8423	13927	19175
3.2 Educational Services	240427	275716	342514
4. Health Affairs & Services	45554	52016	55248
4.1 Administration, Regulation and Research	2130	2320	2732
4.2 Health Services	43424	49696	52516
5. Social Security and Welfare Affairs & Services	94507	108188	123166
5.1 Social Security Affairs & Services	58403	65172	68534
5.2 Welfare Affairs & Services	36104	43016	54632
6. Housing and Community Amenity Affairs & Services	53191	68097	84838
7. Cultural, Recreational and Religious Affairs & Services	6256	7592	7886
8. Economic Affairs & Services	412783	742750	657551
8.1 General Administration, Regulation & Research	10593	12397	12451
8.2 Agriculture, Forestry, Fishing and Hunting	69719	95855	111044
8.3 Mining, Manufacturing and Construction	15768	20878	9174
8.4 Electricity, Gas, Steam and Other Sources of Energy	169544	456803	314509
8.5 Water Supply	71085	78348	107286
8.6 Transport and Communication	74558	74115	93950
8.7 Other Economic Services	1516	4354	9137
9. Environmental Protection	120	163	156
10. Relief on Calamities	8283	6880	11874
11. Interest	187240	204182	225538
Total	1264832	1685086	1759078

TABLE- 4.2**Purpose Classification : Percentage Distribution of Expenditure**

Items	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-2008 (B.E.)
1. General Public Services	16.39	12.17	13.12
1.1 General Administration, External Affairs, Public Order & Safety	16.29	12.10	13.05
1.2 General Research	0.10	0.07	0.07
2. Civil Defence	0.06	0.03	0.02
3. Education Affairs & Services	19.68	17.19	20.56
3.1 Administration, Regulation & Research	0.67	0.83	1.09
3.2 Educational Services	19.01	16.36	19.47
4. Health Affairs & Services	3.60	3.09	3.14
4.1 Administration, Regulation & Research	0.17	0.14	0.15
4.2 Health Services	3.43	2.95	2.99
5. Social Security & Welfare Affairs & Services	7.47	6.42	7.00
5.1 Social Security Affairs & Services	4.62	3.87	3.90
5.2 Welfare Affairs & Services	2.85	2.55	3.10
6. Housing and Community Amenity Affairs & Services	4.21	4.04	4.82
7. Cultural, Recreational & Religious Affairs & Services	0.49	0.45	0.45
8. Economic Affairs & Services	32.64	44.08	37.38
8.1 General Administration, Regulation & Research	0.84	0.73	0.71
8.2 Agriculture, Forestry, Fishing & Hunting	5.51	5.69	6.31
8.3 Mining, Manufacturing & Construction	1.25	1.24	0.52
8.4 Electricity, Gas, Steam & Other Sources of Energy	13.40	27.11	17.88
8.5 Water Supply	5.62	4.65	6.10
8.6 Transport & Communication	5.90	4.40	5.34
8.7 Other Economic Services	0.12	0.26	0.52
9. Environmental Protection	0.01	0.01	0.01
10. Relief on Calamities	0.65	0.41	0.68
11. Interest	14.80	12.11	12.82
Total	100.00	100.00	100.00

CHAPTER –V

ECONOMIC-CUM- PURPOSE CLASSIFICATION

The Economic-cum- Purpose Classifications have been combined into a single two-way cross-classification by significant economic purpose categories. This classification shows how expenditure for particular purpose is divided between economic categories such as current expenditure on goods and services , capital formation and various types of transfers and loans .It also shows how expenditure in a particular economic category is divided according to different purposes or types of services provided by the Government .Economic-cum- Purpose Classification of transactions provides macro-economic data and is useful mostly at the policy formulation level and enable the decision makers to review in broad terms, the pattern of resource allocation and its impact on rest of the economy . Such a cross classification of the Government's budgetary expenditure is of great value in drawing up a programme of projected expenditure covering a period of years and in evaluating the progress of actual expenditure.

Present Economic-cum- Purpose Classification of Haryana Government budgetary transactions relates to the years 2005-2006 (Actuals), 2006-2007 (Revised Estimates) and 2007-2008 (Budget Estimates). The table classifies horizontally the expenditure on each service for the year under review into significant economic categories and vertically into different functional categories .

TABLE – 5.1

**Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2005-2006 (Actuals)**

(Rs.in lakhs)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure										
		Salary	Pension	Other "S"	Total (3+4+ 5)	Purchases including maintenance	Less out- side sales	Net purchases	Current Transfers	Subsidy	Interest	Total current Expendi- ture
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	General Public Services	87534	25276	2136	114946	37000	3623	33377	37680	-	-	186003
1.1	General Administration, External Affairs, Public	87317	25213	2136	114666	36952	3623	33329	36758	-	-	184753
1.2	General Research	217	63	-	280	48	-	48	922	-	-	1250
2..	Civil Defence	586	169	33	788	57	148	(-)91	-	-	-	697
3.	Education Affairs & Services	145390	41982	2827	190199	18685	6007	12678	41264	-	-	244141
3.1	Administration,Regulation & Research	4022	1161	85	5268	553	-	553	2393	-	-	8214
3.2	Educational Services	141368	40821	2742	184931	18132	6007	12125	38871	-	-	235927
4.	Health Affairs & Services	29455	8505	905	38865	5350	2988	2362	1011	-	-	42238
4.1	Administration ,Regulation and Research	1364	394	134	1892	97	-	97	10	-	-	1999
4.2	Health Services	28091	8111	771	36973	5253	2988	2265	1001	-	-	40239
5.	Social Security & Welfare Affairs & Services	7313	2112	3354	12779	8916	214	8702	61680	2449	-	85610
	Social Security Affairs & services	636	184	21	841	395	90	305	56942	-	-	58088
5.2	Welfare Affairs & Services	6677	1928	3333	11938	8521	124	8397	4738	2449	-	27522
6.	Housing and Community Amenity Affairs & Services	6420	1854	359	8633	1067	285	782	12072	216	-	21703

Table- 5.1 Contd..

1	2	3	4	5	6	7	8	9	10	11	12	13
7.	Cultural , Recreational & Other Religious Affairs & Services	2160	624	104	2888	1324	180	1144	896	-	-	4928
8.	Economic Affairs & Services	48965	14139	888	63992	39268	6268	33000	8685	199630	-	305307
8.1	General Administration , Regulation & Research	6174	1783	66	8023	2265	1287	978	78	-	-	9079
8.2	Agriculture ,Forestry , Fishing & Hunting	13099	3782	320	17201	3031	1314	1717	985	40372	-	60275
8.3	Mining, Manufacturing & Construction	1345	388	41	1774	734	107	627	6626	1946	-	10973
8.4	Electricity , Gas, Steam & other Sources of Energy	13	4	-	17	309	302	7	392	139210	-	139626
8.5	Water Supply	17346	5009	395	22750	17184	2297	14887	10	-	-	37647
8.6	Transport & Communication	6718	1940	-	8658	15035	384	14651	42	17834	-	41185
8.7	Other Economic Services	4270	1233	66	5569	710	577	133	552	268	-	6522
9.	Environmental Protection	71	21	-	92	13	-	13	14	-	-	119
10.	Relief on Calamities	116	33	35	184	7827	48	7779	312	-	-	8275
11.	Interest	-	-	-	-	-	-	-	-	-	187240	187240
Administration Total (Current)		328010	94715	10641	433366	119507	19761	99746	163614	202295	187240	1086261

Note: Salary and other's' constitute Wages & Salary

**TABLE 5.1 Contd.,
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2005-2006 (Actuals)**

(Rs.in lakhs)

Sr.No.	Economic Classification/ Classification	Capital Expenditure									Total Capital Expen- diture	Grand Total	
		Build- ings & other const - ruction.	Machi- nery Equip- ment	Trans- port Equip- ment	Change in Stocks	Net Purchase of Phy. Assets	Capital Trans- fers	Invest- ment in Shares	Loans & Advances For Capital Forma- tion				For Cur- rent Cons umption
1	2	14	15	16	17	18	19	20	21	22	23	24	
1.	General Public Service	7574	3813	1151	2224	1355	5226	-	-	-	21343	207346	
1.1	General Administration, External Affairs, Public Safety & Order	7574	3805	1151	2224	1355	5226	-	-	-	21335	206088	
1.2	General Research	-	8	-	-	-	-	-	-	-	8	1258	
2.	Civil Defence-	-	5	-	-	-	-	-	-	-	5	702	
3.	Education Affairs & Services	2152	1928	79	-	-	550	-	-	-	4709	248850	
3.1	Administration ,Regulation & Research	15	148	46	-	-	-	-	-	-	209	8423	
3.2	Educational Services	2137	1780	33	-	-	550	-	-	-	4500	240427	
4.	Health Affairs & Services	1914	1375	22	-	-	5	-	-	-	3316	45554	
4.1	Administration ,Regulation and Research	0	111	20	-	-	-	-	-	-	131	2130	
4.2	Health Services	1914	1264	2	-	-	5	-	-	-	3185	43424	
5.	Social Security & Welfare Affairs & Services	1187	45	2	-	-	-	578	-	3048	4037	8897	94507
5.1	Social Security Affairs & Services	283	6	2	-	-	-	24	-	-	-	315	58403
5.2	Welfare Affairs & Services	904	39	-	-	-	-	554	-	3048	4037	8582	36104
6.	Housing and Community Amenity Affairs & Services	6242	7	-	-	-	19116	-	-	6123	-	31488	53191

Table-5.1 Contd.,

1	2	14	15	16	17	18	19	20	21	22	23	24
7.	Cultural , Recreational & other Religious Affairs & Services	1255	19	7	-	-	47	-	-	-	1328	6256
8.	Economic Affairs & Services	71618	1863	88	(-)5661	-	6157	28952	4459	-	107476	412783
8.1	General Administration, Regulation & Research	3	1478	33	-	-	-	-	-	-	1514	10593
8.2	Agriculture, Forestry , Fishing & Hunting	6498	242	35	-	-	2669	-	-	-	9444	69719
8.3	Mining, Manufacturing & Construction	186	60	-	-	-	1614	375	2560	-	4795	15768
8.4	Electricity, Gas, Steam & other Sources of Energy	-	-	-	-	-	1874	27545	499	-	29918	169544
8.5	Water Supply	32680	(-)14	-	772	-	-	-	-	-	33438	71085
8.6	Transport & Communication	32250	84	-	-	-	-	1	1038	-	33373	74558
8.7	Other Economic Services	1	13	20	(-)6433	-	-	1031	362	-	(-)5006	1516
9.	Environmental Protection	-	1	-	-	-	-	-	-	-	1	120
10.	Relief on Calamities	8	-	-	-	-	-	-	-	-	8	8283
11	Interest	-	-	-	-	-	-	-	-	-	-	187240
	Administration Total (Current+Capital)	91950	9056	1349	(-)3437	1355	31101	29530	13630	4037	178571	1264832

TABLE 5.2

**Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2006-2007 (R.E.)**

(Rs.in lakhs)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure							Total			
		Salary	Pension	Other "S"	Total (3+4+5)	Purchases including maintenance	Less out-side sales	Net purchases	Current Transfers	Subsidy	Interest	Total current
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	General Public Services	98202	25570	3411	127183	33614	10924	22690	36373	521	-	186767
1.1	General Administration, External Affairs, Public Order & Safety	97958	25507	3405	126870	33555	10924	22631	35522	521	-	18544
1.2	General Research	244	63	6	313	59	-	59	851	-	-	1223
2.	Civil Defence	626	163	39	828	64	419	355	-	-	-	473
3.	Education Affairs & Services	170107	44295	4177	218579	20474	10106	10368	51347	1683	-	281977
3.1	Administration, Regulation & Research	4436	1155	208	5799	1270	-	1270	6514	-	-	13583
3.2	Educational Services	165671	43140	3969	212780	19204	10106	9098	44833	1683	-	268394
4.	Health Affairs & Services	33048	8605	1118	42771	6578	4407	2171	1190	-	-	46132
4.1	Administration ,Regulation and Research	1344	350	160	1854	315	-	315	-	-	-	2169
4.2	Health Services	31704	8255	958	40917	6263	4407	1856	1190	-	-	43963
5.	Social Security & Welfare Affairs & Services	8069	2101	3914	14084	16503	130	16373	66300	2384	-	99141
5.1	Social Security & Welfare Affairs & Services	744	194	19	957	2777	108	2669	60806	-	-	64432
5.2	Welfare Affairs & Services	7325	1907	3895	13127	13726	22	13704	5494	2384	-	34709
6.	Housing and Community Amenity Affairs & Services	6892	1795	1041	9728	1837	342	1495	15149	202	-	26574

Table -5.2 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12	13
7.	Cultural, Recreational & Other Religious Affairs & Services	2331	607	98	3036	1532	274	1258	983	-	-	5277
8.	Economic Affairs & Services	51584	13433	1169	66186	47092	6331	40761	19711	465405	-	592063
8.1	General Administration , Regulation & Research	7033	1831	149	9013	2198	840	1358	604	-	-	10975
8.2	Agriculture, Forestry, Fishing & Hunting	14253	3712	468	18433	2681	1423	1258	1300	68234	-	89225
8.3	Mining, Manufacturing & Construction	1475	384	61	1920	1092	210	882	12015	1131	-	15948
8.4	Electricity , Gas, Steam & other Sources of Energy	142	37	1	180	189	500	(-)311	-	375934	-	375803
8.5	Water Supply	18924	4928	379	24231	19310	2650	16660	11	-	-	40902
8.6	Transport & Communication	5170	1346	-	6516	20062	369	19693	4942	19154	-	50305
8.7	Other Economic Services	4587	1195	111	5893	1560	339	1221	839	952	-	8905
9.	Environmental Protection	98	26	1	125	18	-	18	17	-	-	160
10.	Relief on Calamities	130	34	6	170	5472	12	5460	-	-	-	5630
11.	Interest	-	-	-	-	-	-	-	-	-	204182	204182
Administration Total (Current)		371087	96629	14974	482690	133184	32945	100239191070	470195	204182		1448376

Note: Salary and other'S' constitute wages & Salalry

**TABLE - 5.2 Contd.,
Economic-cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2006-2007(R.E.)**

(Rs.in lakhs)

Sr.No.	Economic Classification/ Classification	Capital Expenditure									Total Capital Expen- diture	Grand Total
		Build- ings & other const- ruction	Machi- nery Equip- ment	Trans- port equip- ment	Change in Stocks	Net Purchase of Phy. Assets	Capital Trans- Fer	Invest- ment in share	Loans & Advances For Capital Forma- tion			
1	2	14	15	16	17	18	19	20	21	22	23	24
1.	General Public Services	7785	3384	1299	200	1087	4575		-	-	18330	205097
1.1	General Administration, External Affairs, Public Order & Safety	7785	3381	1295	200	1087	4575		-	-	18323	203867
1.2	General Research	-	3	4	-	-	-	-	-	-	7	1230
2.	Civil Defence	-	5	-	-	-	-	-	-	-	5	478
3.	Education Affairs & Services	4084	2820	102	-	-	660	-	-	-	7666	289643
3.1	Administration, Regulation & Research	29	280	35	-	-	-	-	-	-	344	13927
3.2	Educational Services	4055	2540	67	-	-	660	-	-	-	7322	275716
4.	Health Affairs & Services	2210	3635	34	-	-	5	-	-	-	5884	52016
4.1	Administration ,Regulation Research	-	141	10	--	-	-	-	-	-	151	2320 and
4.2	Health Services	2210	3494	24	-	-	5	-	-	-	5733	49696
5.	Social Security & Welfare Affairs & Services	1294	65	20	-	-	-	619	3150	3900	9048	108188
5.1	Social Security Affairs & & Services	691	25	20	-	-	-	5	-	-	741	65172
5.2	Welfare Affairs & Services	603	40	-	-	-	-	614	3150	3900	8307	43016
6.	Housing and Community Amenity Affairs & Services	6447	26	22	-	-	28117	-	6910		41523	68097

Table-5.2
Contd.,

1	2	14	15	16	17	18	19	20	21	22	23	24
7.	Cultural , Recreational & Other Religious Affairs & Services	1961	28	16	-	-	310	-	-	-	2315	7592
8.	Economic Affairs & Services	62262	2159	103	(-)5745	-	6924	79857	5127	-	150687	742750
8.1	General Administration, Regulation & Research	2	1389	31	-	-	-	-	--	-	1422	12397
8.2	Agriculture, Forestry, Fishing & Hunting	2314	344	50	-	-	3422	-	500	-	6630	95855
8.3	Mining, Manufacturing & Construction	110	24	-	-	-	1582	640	2574	-	4930	20878
8.4	Electricity , Gas, Steam & Other Sources of Energy	-	-	-	-	-	1920	78580	500	-	81000	456803
8.5	Water Supply	37355	66	-	25	-	-	-	-	-	37446	78348
8.6	Transport & Communication	22380	327	-	-	-	-	-	1103	-	23810	74115
8.7	Other Economic Services	101	9	22	(-)5770	-	-	637	450	-	(-)4551	4354
9.	Environmental Protection	-	3	-	-	-	-	-	-	-	3	163
10.	Relief on Calamities	1250	-	-	-	-	-	-	-	-	1250	6880
11.	Interest	-	-	-	-	-	-	-	-	-	-	204182
	Administration Total (Current+Capital)	87293	12125	1596	(-)5545	1087	40591	80476	15187	3900	236710	1685086

TABLE- 5.3 Contd.,
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2007-2008 (B.E)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure							Total			
		Salary	Pension	Other "S"	Total (3+4+5)	Purchases including maintenance	Less out-side sales	Net purchases	Current Transfers	Subsidy	Interest	Total current Expenditure
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	General Public Services	101958	25942	4343	132243	34291	10259	24031	45879	529	-	202682
1.1	General Administration, External Affairs, Public Order & Safety	101704	25877	4336	131917	34246	10259	23986	45034	529	-	201466
1.2	General Research	254	65	7	326	45	-	45	845	-	-	1216
2.	Civil Defence	631	161	50	842	73	495	(-)422	-	-	-	420
3.	Education Affairs & Services	209086	53198	5015	267299	31694	10247	21447	62446	806	-	351998
3.1	Administration ,Regulation & Research	6113	1555	223	7891	1286	-	1286	9022	600	-	18799
3.2	Educational Services	202973	51643	4792	259408	30408	10247	20161	53424	206	-	333199
4.	Health Affairs & Services	36042	9170	1392	46604	6693	4488	2205	830	-	-	49639
4.1	Administration ,Regulation and Research	1723	438	225	2386	245	-	245	14	-	-	2645
4.2	Health Services	34319	8732	1167	44218	6448	4488	1960	816	-	-	46994
5.	Social Security & Welfare Affairs & Services	8911	2267	4981	16159	24822	141	24681	65610	2383	-	108833
5.1	Social Security Affairs & Services	825	210	19	1054	2946	120	2826	59376	-	-	63256
5.2	Welfare Affairs & Services	8086	2057	4962	15105	21876	21	21855	6234	2383	-	45577
6.	Housing and Community	7009	1783	2610	11402	1203	395	808	17190	1090	-	30490

Table -5.3 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12	13
4.Cultural , Recreational & Other Religious Affairs & Services		2755	701	146	3602	1842	247	1595	1159	-	-	6356
8. Economic Affairs & Services	54663	13908	1239	69810	55509	7358	48151	13158	324680	-	-	455799
8.1 General Administration, Regulation & Research	7395	1882	285	9562	2465	860	1605	739	-	-	-	11906
8.2 Agriculture, Forestry, Fishing & Hunting	15548	3956	447	19951	8732	1763	6969	942	72547-	-	-	100409
8.3 Mining, Manufacturing & Construction	1562	397	40	1999	1925	221	1704	1101	1400	-	-	6204
8.4 Electricity , Gas, Steam & other Sources of Energy	176	45	5	226	88	525	(-)437	-	230920	-	-	230709
8.5 Water Supply	19817	5042	391	25250	20363	3250	17113	12	-	-	-	42375
8.6 Transport & Communication	5475	1393	-	6868	20990	390	20600	5039	19120	-	-	5 1627
8.7 Other Economic Services	4690	1193	71	5954	946	349	597	5325	693	-	-	12569
9.Environmental Protection	93	24	3	120	24	-	24	11	-	-	-	155
10. Relief on Calamities	150	38	3	191	10344	12	10333	800	-	-	-	11324
11. Interest	-	-	-	-	-	-	-	-	-	-	225538	225538
Administration Total (Current)	421298	107192	19782	548272	166495	33642	132853	207083	329488	225538	225538	1443234

Note: Salary and Other'S' constitute wages & Salary

TABLE- 5.3 Contd.,
Economic-cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2007-2008 (B.E.)

(Rs.in lakhs)

Sr.No.	Economic Classification/ Functional Classification	Capital Expenditure									Total Capital Expen- diture	Grand Total
		Build- ings & other const- ruction.	Machi- nery Equip- ment	Trans- port Equip- ment	Change in Stocks	Net Purchase of Phy. Assets	Capital Trans- fers	Invest- ment in Share	Loans & Advances			
								For Capital Forma-	For Cur- rent Cons umption			
1	2	14	15	16	17	18	19	20	21	22	23	24
1.	General Public Services	7964	3989	1375	100	1747	12850	-	-	-	28025	230707
1.1.	General Administration, External Affairs, Public Order & Safety	7963	3983	1375	100	1747	12850	-	-	-	28018	229484
1.2	General Research	1	6	-	-	-	-	-	-	-	7	1223
2.	Civil Defence	-	5	-	-	-	-	-	-	-	5	425
3.	Education Affairs & Services	5244	3680	117	-	-	650	-	-	-	9691	361689
3.1	Administration ,	27	278	71	-	-	-	-	-	-	376	19175
3.2	Educational Services	5217	3402	46	-	-	650	-	-	-	9315	342514
4.	Health Affairs & Services	3569	1995	40	-	-	5	-	-	-	5609	55248
4.1	Administration , & Regulation Research	-	77	10	-	-	-	-	-	-	87	2732
4.2	Health Services	3569	1918	30	-	-	5	-	-	-	5522	52516
5	Social Security & Welfare Affairs & Services	4789	1523	20	-	-	-	701	3300	4000	14333	123166
5.1	Social Security Affairs & Services	3790	1466	20	-	-	-	2	-	-	5278	68534
5.2	Welfare Affairs & Services	999	57	-	-	-	-	699	3300	4000	9055	54632
6.	Housing and Community Amenity Affairs & Services	8105	22	7	-	-	38814	-	7400	-	54348	84838

Table-5.3 Contd.,

1	2	14	15	16	17	18	19	20	21	22	23	24
7.	Cultural , Recreational & Religious Affairs & Services	904	21	5	-	-	600	-	-	-	1530	7886
8.	Economic Affairs & Services	109981	1111	95	(-)5065	-	7550	84157	3923	-	201752	657551
8.1	General Administration Regulation & Research	10	526	9	-	-	-	-	-	-	545	12451
8.2	Agricultural ,Forestry Fishing & Hunting	4128	208	65	-	-	5734	-	500	-	10635	111044
8.3	Mining, Manufacturing & Construction	79	47	-	-	-	1816	78	950	-	2970	9174
8.4	Electricity , Gas, Steam & Other Sources of Energy	-	-	-	-	-	-	83300	500	-	83800	314509
8.5	Atomic Energy	64806	78	-	27	-	-	-	-	-	64911	107286
8.6	Transport & Communication	40856	234	-	-	-	-	-	1233	-	42323	93950
8.7	Other Economic Services	102	18	21	(-)5092	-	-	779	740	-	(-)3432	9137
9.	Environmental Protection	-	1	-	-	-	-	-	-	-	1	156
10.	Relief on Calamities	550	-	-	-	-	-	-	-	-	550	11874
11.	Interest	-	-	-	-	-	-	-	-	-	-	225538
	Administration Total (Current+Capital)	141106	12347	1659	(-)4965	1747	60469	84858	14623	4000	315844	1759078

CHAPTER -VI**RECONCILIATION STATEMENTS**

A reconciliation of the figures of revenue and expenditure given in the budget (Financial Statement) and in the economic and functional/purpose classification is given below. The various adjustments made in the classification to arrive at the figures mentioned are spelt out in detail in the following statements:-

CURRENT ACCOUNT : REVENUE RECEIPTS

Item	(Rs.in lakhs)		
	2005-2006 (Actuals)	2006-2007 (R.E.)	2007-08 (B.E.)
1	2	3	4
I Current revenue of Government administration shown in the Financial Statement	1385331	1591811	1791735
II Less			
1. Revenue receipts netted against - expenditure Sale of Goods and Services (Account No.1)	19760	32945	33642
2. Interest Receipts from Departmental Enterprises (Account -.2)	22743	23653	24577
3. Revenue attributed to Departmental Enterprises (Account -2)	67846	73242	77326
4. Sale of Land & Property	525	6	5
5. Fund (Borrowing account)	161	26	26
6. Pension (Receipts)	939	1150	1208
III Add:			
1. Profit Transferred by Departmental Commercial Undertakings (Account -2)	816	0	0
2. Rounding error	(-)2	(+)2	(-)1
IV Total Adjustments	(-)111160	(-)131020	(-)136785
Current revenue of Govt. administration as shown in the Economic Classification of Budget (Account -1)	1274171	1460791	1654950

TOTAL EXPENDITURE

(Rs.in lakhs)			
Item	2005-06 (Actuals)	2006 -07 (R.E.)	2007-08 (B.E.)
1	2	3	4
I. As per consolidated fund shown in the Financial Statement	1553638	1980172	2196795
II Less			
1. Revenue receipts netted against revenue expenditure –sale of goods and services (Account –1)	19760	32945	33642
2. Sale of land and property	525	5	6
3. Fund	13265	14712	13289
4. Interest Departmental Enterprises	22743	23653	24577
5. Repayment of public debt. (Borrowing account)	110751	100896	221609
6. Pension (receipt)	939	1150	1208
III. Add			
Imputed Subsidy	55720	84458	86191
IV Rounding error	(+)1	(-)10	(-)6
V Total Adjustments	(-)112262	(-)110706	(-)208146
VI Total Expenditure as shown in the Economic & Functional/Purpose Classification	1441376	1891259	1988649

APPENDIX

1- Notes on the Accounts and their Derivations

Account –1 : Income and Outlay Account of Administrative Departments

This account deals with the current revenue and expenditure of government administrative departments. All departments, other than those which are commercial in nature, are considered as administrative for the purpose of economic classification. These include organs of the State, collection of taxes ,other fiscal services ,interest payments and servicing of debts, administrative services like police, jails, supply and disposal, pensions, social security & welfare and relief on account of natural calamities etc. and economic services like agriculture, animal husbandry, industries and community development . The management of expenditure of various funds like those of famine relief funds etc, are also included. The current expenditure of administrative departments consists of the final outlays of government on current account which represent government's current consumption . Besides, final outlays 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 entrepreneur-ship and also receives revenue grants, contributions and recoveries from the Union Government and the rest of the economy. The excess of current receipt 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-pay of officers, and establishment, wages, allowances and honorarium other than travelling 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 and salaries.

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 of 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.

Maintenance

Maintenance is the expenses towards maintenance of buildings, roads, machinery etc.

Benefits:

This includes expenditure on social benefits viz. medical and educational e.g. medical charges and reimbursement of medical expenditure, cost of text books to the children of low paid govt. employees. Other benefits (Leave Travel Concession) 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: ration supplied to police 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 shown separately.

Subsidies

These are 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 organisations. All current transfers to public corporations, irrespective whether they are made to maintain the price level or for other purposes are treated as subsidies. Rebate on the sale of handloom cloth, loss on the sale of fertilizers, improved seeds, pesticides and agricultural implements, loss suffered by the Co-operative

Societies etc. are also treated as subsidies. The losses by e.g. irrigation, Transport forest etc. are to be treated as imputed subsidies.

Current Transfers.

Current transfers or grants paid may be classified under three main categories. Firstly, these can be to other Governments like Central government, State governments 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 Weaker sections of the society), Private institutions and autonomous bodies.

Capital Transfers

There also be classified in a similar manner with Current Grants.

Savings on Current Account.

This represents the excess of current receipts over current expenditure.

Income from Entrepreneurship and Property

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 and financial assets.

Interest Received

Interest received can be classified into three broad categories, from the households, from the local bodies and from the departmental commercial undertakings. The interest received from departmental commercial undertakings appears as a payment item in Account - 2. This item, therefore, is deducted from both interest received and interest paid so that there is no double counting.

Direct Taxes

A list of direct taxes is given below: -

Direct Taxes

1. Taxes on Income other than corporation tax.
2. Land Revenue
3. Corporation Tax
4. Other Taxes on Income and Expenditure
5. Taxes on Wealth

Indirect Taxes

These are defined as taxes assessed on producers that are chargeable to the cost of goods and services produced or sold.

A list of indirect taxes is given below: -

1. Stamps and Registration fees.
2. Union and State Excise Duties
3. Sales Tax
4. Taxes on Vehicles
5. Taxes on Goods and Passengers
6. Taxes and Duties on Electricity
7. Other Taxes and Duties on Commodities and Services
8. Customs
9. Service Tax
10. Entertainment Tax

Miscellaneous Receipts.

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

Revenue Grants, Contributions, etc.

Grants, Revenue, Contributions are mostly from other governments and will ultimately get cancelled. However, there have to be classified separately in the case of individual state.

Account –2 : Production Account of Departmental on Enterprises

The departmental enterprises or Government trading enterprises is the U.N. report may briefly be defined as Government agencies producing commodities and services, that are not provided free of charge. The operation of these enterprises, are in the nature of entrepreneurial activities of 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, expenditure of these enterprises is different in character from final outlays by administrative departments. which have no income of their own and draw upon incomes of other sectors to meet their expenditure .Other main characteristics are :-

- i) Departmental Enterprises are subject to market forces i.e., demand and supply.
- ii) The activities of such enterprises are subordinate to legislative control and are owned, run and managed by the Government.

- iii) The intention to make profit is not the essential characteristic and the activities of such enterprises may be carried on deliberately at a loss.
- iv) The operation of departmental enterprises usually involves the use of expensive capital equipment and the holding of stocks which may be subject to large fluctuations and the provision for depreciation may, therefore, be a significant element in the total cost of operations.
- v) Commercial accounting methods have to be used to determine the profit or loss.
- vi) To maintain their operations, 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. In this study, the following have been classified as departmental commercial undertakings :-

1. Irrigation.
2. Education (Only Sale of Text Books)
3. Road Transport.
4. Forests.
5. Civil Aviation
6. Printing and Stationery

The expenditure side of this account consists of the following items of current expenditure of departmental commercial undertakings, such as Wages and Salaries, purchase of goods and services (including maintenance and repairs), interest, consumption of fixed capital and profits. The loss of these departments are treated as subsidy and is shown as imputed charges on revenue side of the account alongwith sale proceed.

Account –3 : Capital Finance Account of State Government.

This account deals with the total capital formation by the State Government administration and departmental commercial undertakings together with capital transfer payments which are mostly for assisting capital formation in the rest of the economy. The capital expenditure of government administration and departmental commercial undertakings are given separately whereas, the sources of finance are common to both.

Some of the items included in this account are explain below:

Change in Stock

Change in stocks 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 departmental commercial undertakings and in Government stockpiles. In the case of administrative department, 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 consists of cement, bricks steel etc. Purchases or additions less sales/withdrawals during the year, as given in the details demands, for grants are taken as charge in stock.

Gross Fixed Capital Formation

Gross fixed capital formation represents the gross value of the goods which are added to the domestic capital stocks during a year of the State. 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, other constructions, machinery, transport and other capital assets.

Buildings and Other Construction

Buildings include all expenditure on new construction and major alterations 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

Expenditure incurred on purchase of various equipment such as buses, jeeps, trucks, tractors for road haulage is considered.

Machinery

This item includes expenditure incurred on the purchase of various machine, such as power generating machinery, agricultural machinery and implements and instruments used by professional men.

Other Capital Outlay

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

Software

This includes all the software purchased or generated within the government for the improvement in day to day work.

Net purchase of Physical Assets

The major component here is purchase of land . Occasionally, purchase and sale of second hand capital assets are also shown in budgets. These transactions of both land as well as second hand assets are treated as sale/purchase to their relevant categories.

Receipts of Capital Account

This part deals with the financing of the capital formation and the sources for the same are discussed as under:

Savings

The savings on current account is directly taken from Account-1.

Consumption of Fixed Capital

This is brought over from Account-2

Capital Transfers

Capital transfers cover grants to finance the construction of buildings, purchase of machinery and equipment and for Public works, water supply and sewerage deposit scheme etc. Capital transfers are included to assist capital formation in other sectors of the economy.

Net Borrowings

Includes items like internal debt, small savings, provident funds etc.

Other Liabilities

All investment in the share capitals of statutory corporations, cooperative societies ` are classified as financial assets and are shown against other liabilities, as a negative figure. Also included are the extra-budgetary receipts like loans from Government of India, loans and advances by State Government, Inter-State debt settlement, Contingency funds, Reserve funds, Deposits and Advances, Suspense and Miscellaneous, Remittances and Cash Balances. Besides, there are some funds maintained by the government like famine relief fund ,road fund etc, which are also covered here.

2- NOTES ON PURPOSE CATEGORIES

1.General Public Services

1.1General Administration , External affairs, Public Order and Safety includes:-

Organs to maintain internal order viz. expenditure on police department, fire protection, traffic police.

This includes expenditure on prisons, jails, lockup and other places of detention and correction/reformatory schools, intelligence deptt., district and sub-divisional establishments, judicial system etc.

It covers planning & Statistical Activities.

Organs of government viz. expenditure on Governor including his staff, library, research and other facilities. District and Sub Divisional establishments, state Legislature including expenditure for Ministeries (Pay, allowances, TA Expenditure on election), offices serving government as a whole.

This also includes expenditure on operation and maintenance of government building, control of general pool government quarters (but not construction of quarters), printing and stationery, publicity and Publication departments, Press information bureau, expenditure pertaining to all departments purchase and disposal office serving all the departments, permanent and adhoc commission on behalf of general government etc.

1.2 General Research includes:-

Institutions and organizations engaged in basic and general research promotion of such research in general scientific knowledge and endeavors.

2. Defence

Central administration and research in connection with activities carried on for defence purposes. Civil defence services include expenditure on Home Guards.

3. Education Affairs & Services .

3.1 Administration, Regulation and Research include : -

- (a) Expenditure of the Department of education, Directorate of Education etc.
- (b) General regulation and promotion of school system, institutions of higher learning and adult and other educational activities i.e. expenditure on Board of Higher Secondary Education, University Grants Commission.

(c) Research into objectives, organisations, administration and methodology of all types of education i.e. expenditure on production of text books, collection of educational statistics etc.

3.2 Educational Services (Universities, Schools and Other Educational Facilities) include:-

(a) Educational Services i.e. all types of expenditure for primary and secondary schools, colleges, universities, technical training institutes like medical colleges and schools (including attached hospitals), nursing colleges/schools, veterinary colleges/schools, engineering colleges, art colleges/schools, music colleges and schools etc. This includes all expenditure on education for backward classes, adult education, education for displaced persons, non-custodian type schools for deaf, dumb and blind. Items of expenditure, like introduction of Hindi in Universities, development of Sanskrit Education, Central Institute of Fisheries Education, Marine Engineering Training Schools etc., are also included. Expenditure on custodian type schools for deaf, dumb and blind is, however, excluded and grouped under welfare services (Class-5). Expenditure for development of any language like development of Sanskrit, development of Hindi etc., are also excluded and classified as cultural services (Class-7).

(b) Scholarships for education and research i.e. all type of scholarships for study in schools, colleges, universities or for research in any subject in India or abroad including payment of maintenance allowances for students doing research or study (This does not include maintenance allowance for in service trainees)

(c) Loans or grants for education i.e. ,grants to Universities, colleges, schools, educational institutions or to individuals.

(d) Subsidiary educational services i.e. expenditure for mid-day meals for students, free transport to attend schools, colleges etc., or free supply of textbooks or any other facilities to attract attendance in schools.

4. Health Affairs & Services

4.1 Administration, Regulation and Research include:-

(a) Administration of Department for Health i.e. expenditure of Department of Health.

(b) Administration of National Health Schemes i.e. expenditure for medical insurance schemes.

(c) Expenditure for regulation of hospitals, medical and dental clinics, doctors, dentists, nurses and mid-wives. This includes-expenditure of Directorate of Health services, expenditure for drug control etc.

(d) Registration of information on vital events, diseases i.e. expenditure for registration of birth and death, expenditure for collection, analysis and research on vital statistics. This includes apart (vital statistics) of the office of the Registrar General.

4.2 Health services (Hospitals, Clinics and Other Health Services) include :-

(a) Hospitals and dispensaries i.e. all expenditure on hospitals, dispensaries, health clinics including insane asylums and care of mentally defective persons. These include expenditure on drugs supplied, provisions of appliances, cost of construction and maintenance of hospitals, dispensaries and their development. Expenditure on CGHS, ESI and veterinary hospitals are also included here. Expenditure on drugs and appliances of National Health Scheme or Programme for immunisation, vaccination and other expenditure for education of epidemic diseases like Malaria, Central Programming Filaria Central Programme etc.

(b) Medical and health schemes i.e., expenditure on drugs and appliances of National Health Scheme or programmes for immunization, vaccination and other expenditure for eradication of epidemic diseases like Malaria Control Programme , Falaria Control Programme etc.

(c) Loans and grants for medical or health purposes to private hospitals, clinics, health centres, other bodies and individual doctors.

5. Social Security and Welfare Affairs & Services

5.1 Social Security Affairs & Services include :-

(a) Administration i.e. expenditures of Department of Social Welfare, Department of Family Planning etc.

(b) Public relief i.e. expenditure on civil supply or rationing systems, subsidised food scheme, etc.

(c) Child welfare services i.e. expenditure for child and mothers care, maternity benefits, child welfare clinics, institutions/homes for child and maternity homes, orphanages, etc.

(d) Care of aged, disabled persons i.e. expenditure and grants to institutions for care of aged and other helpless persons, blind, dumb and deaf, women home etc.

(e) Family Welfare Services, i.e. expenditure on family planning , family guardians and widows allowances, applied nutrition programme.

(f) Other Welfare Services, i.e. payment of pensions to freedom fighters, territorial and political pensions unspecified and general expenditure on welfare of Backward Classes, grants, loans etc., to institutions or organisations engaged in welfare activities like Red Cross Society and Contribution for unspecified charitable purposes.

5.2 Welfare Affairs & Services include : -

Social Security Benefits i.e. expenditure on unemployment benefits, old age pensions, accident injury and sickness compensation and other benefits to compensate loss in income. This includes expenditure on personal injuries, compensation insurance schemes, state insurance schemes, grants to Life Insurance Corporation etc.

6. Housing and Community Amenity Affairs and Services

Housing and Community Services includes:-

(a) Administration, regulation of standards and promotion of activities and facilities in respect of housing ,community development, urban and rural renewals. This include department of community development.

(b) Housing and related slum clearance activities i.e. expenditure for provision, assistance .or support of residential house building activities, cost of acquisition of land for housing or urban development ,loans to individuals or organisation for construction of residential houses, expenditure of the departments engaged in mortgage and financing for residential buildings, the liabilities of which are solely to the Government.

(c) Town and Country Planning i.e., all types of expenditure for planning and development of towns, colonies etc.

(d) Urban and rural renewal and municipal amenities i.e. all types of expenditure for collection and disposal of garbage, refuse, development and maintenance of sewerage and drainage system, street cleaning ,smoke regulation, etc.

(e) Community facilities i.e. expenditure on community development schemes (general and unspecific items), national extension schemes, local development works etc.

(f) Administration, operation or support of activities such as formulation, administration, coordination and monitoring of overall polices, plans, programmes and budgets relating to housing and community amenities affairs and services, preparation and enforcement of

legislation and standards relating to housing and community amenities affairs and services, production and dissemination of general information, technical documentation and statistics relating to Housing and Community Amenities affairs and services.

7. Cultural ,Recreational and Religious Services

Cultural, Recreational and Religious Affairs and Services include :-

- a) Administration concerning with culture ,recreation and religion i.e. expenditure of department of Culture, Directorate of Physical Education and Sports, Department of Tourism.
- b) Cultural and Literacy activities i.e. expenditure including grants/loans for studies of Civilisation Language, Literature, Libraries etc.
- c) Recreational places i.e.expenditure on maintenance and improvement of botanical and zoological gardens (excluding botanical & zoological surveys and research), development of tourism, maintenance and development of tourist places, museums, parks, play grounds, swimming pools , expenditure for camps , hostels and other lodging places (excluding student hostels), uplift of youth welfare, including N.C.C., physical education and sports.
- d) Religious Services i.e. grants for religious purposes including repairs and maintenance of ancient temples, contribution to religious institutions.

8. Economic Affairs & Services

8.1 General Administration , Regulation and Research includes:-

- a) Expenditure of departments, concerned with the General Administration of Economic, Commercial and Labour Affairs.
- b) General regulation and registration of business, i.e. expenditure on wage board, price control board, regulation of markets, shop's establishments, regulation and standardisation of weights and measures etc.
- c) Labour affairs of general character , i.e. expenditure on employment exchanges including training centers for unemployed persons with the object of fixing them with employment, expenditure on factory inspection (un-specified or general) and regulation of working conditions of labour (unspecified or general) expenditure for inspection of mines, inspection of steam boilers , expenditure on labour arbitration, boards, labour tribunals, etc.
- d) Research on technology engineering market, labour and similar other research not allocable to any specific kind of industry expenditure on market research, research on manpower, employment, un-employment surveys etc., are included.

8.2 Agriculture, Forestry, Fishing & Hunting include :-

- (a) Administration, regulation and research i.e. expenditure on department of Agriculture, Forest, Animal husbandry, Horticulture and Fisheries.
- (b) Development of Agriculture i.e. expenditure on agriculture farms, implementation of improved method of agricultural practices including its demonstration, exhibitions, publicity , etc, distribution and control of seeds and fertilizers ,storing facilities for agricultural produce, marketing of agricultural produce ,expenditure on agricultural price support schemes, expenditure on grow more food scheme. This also includes expenditure on improvement of conditions of agricultural labourer, development of cash crops etc.
- (c) Development and use of soil i.e. expenditure on soil conservation, irrigation and drainage of lands, reclamation of waste lands, land settlement etc. This also includes consolidation of holdings, flood control measures and settlement of land disputes.
- (d) Forest, i.e. expenditure on preservation of wild life, forest fire protection services and hunting.
- (e) Livestock and animal husbandry, i.e. expenditure on veterinary hospitals, research on animal husbandry, development of animal husbandry and livestock ,expenditure on poultry farms, fodder development schemes and research on it, expenditure for development of milk production, wool production etc. (Expenditure on manufacturing ,grading and processing of wool etc. are excluded).
- (f) Fishing, i.e. expenditure for production of fish,development of fisheries and rearch on it mechanization of fish catching station, construction and improvement of fish landing station ,fish nurseries, fish preservation and cold storage for fish. This also includes improvements of working conditions of fishermen, contribution to fishermen cooperative societies.

8.3 Mining ,Manufacturing and Construction includes:-

- (a) Administration, regulation and research i.e. expenditure on Department of Industry.
- (b) Mining, i.e. expenditure for promotion, investment, grants subsidies and other assistance for extraction of mineral ores, expenditure for development of mines and working conditions of mines including labour welfare activities.

(c) Manufacturing i.e. expenditure for promotion, investment, grants, subsidies and other assistance for industrial development including village and small-scale industries. This also includes khadi industries and marketing of khadi and village industrial products.

(d) Buildings and other construction industries, i.e. expenditure for promotion, development of building materials, etc.

8.4 Electricity, Gas, Steam and Other Sources of Energy :-

Expenditure on promotion, regulation, research, investment, grants, subsidies and other assistance for generation, transmission and distribution of electric power, gas, steam, heat etc. This includes loans and advances to bodies like State Electricity Board etc. (Subsidies given for consumption of electric power for the benefit of a particular industry say khadi industry, is excluded from here and taken into account in that industry). Expenditure on department of atomic energy. Expenditure on atomic energy commission, atomic energy research and nuclear schemes, space research programme. Administration, supervision, inspection, operation or support of non conventional source of energy viz. solar energy, wind energy etc.

8.5 Water Supply: Water supply i.e. expenditure on promotion, regulation, research, investment, grants, subsidies and other assistance for storing, purification and distribution of water, development of tanks and other water reservoirs in the rural areas, digging of wells in the rural areas for drinking purposes. (Tubewells and other water resources for Irrigation purposes are excluded)

8.6 Transportation and Communication includes :-

(a) Administration, regulation and research i.e. expenditure of Transport Controller and Department of Civil Aviation.

(b) Road Transport Highways, roads, bridges and tunnels, i.e. expenditure for construction, repairs, maintenance and other outlays for highways, roads, bridges and tunnels, development and regulation of car-parks and other type of parking places, terminal facilities for bus, truck, etc. (Bridges, tunnels, car-parks, highways etc. for which tolls are charged are excluded)

(c) Water Transport, Waterways and other navigations, i.e. expenditure including assistance, loans, etc., to commercial enterprises for promoting, providing for and maintaining facilities for inland regulation and control of waterways. This includes expenditure for dredging of canals, rivers, lakes including construction and operation of lighthouses, buoys, etc.

(d) Air transport and other communication, i.e., expenditure as investment, grant, subsidies and other assistance for air transport.

8.7 Other Economic Services includes:-

(a) Storage and Warehousing i.e., expenditure for promotion, regulation, research and other outlays for storage and warehousing of general character(storage for specific items are grouped in appropriate category of that item).

(b) Cooperative activity, i.e. expenditure for promotion, regulation, research and other outlays, assistance, loans, etc. for cooperative activities of general character. This includes expenditure of office for registration and control of co-operative societies, development of cooperative movement in the country.

9. Environmental Protection

Administration , Supervision, inspection, operation or support of waste collection, treatment and disposal systems.

Administration, Supervision, inspection, operation or support of sewerage systems and waste water management.

Administration, supervision, inspection, operation or support of activities relating to population abatement and control.

Administration and operation of Government agencies engaged in applied research and experimental development relating to environmental protection.

Administration, Supervision, inspection, operation or support of activities such as formulation, administration coordination and monitoring of overall policies, plans programmes and budgets for the promotion of environmental protection, preparation and enforcement of Legislation and standards for the provision of environmental protection services, production and dissemination of general information, technical documentation and statistics on environmental protection.

10. Relief on Calamities

Food relief, drought relief and relief work on other disasters and calamities.

Expenditure of the Department of Rehabilitation, feeding and other expenditure on refugees, management of camps, grants/loans to refugees for business etc.

11. Interest

This include interest payments of administrative departments.
