



GOVERNMENT OF HARYANA

**ECONOMIC-CUM- PURPOSE
CLASSIFICATION OF
HARYANA GOVERNMENT BUDGET
2006-2007**

**ISSUED BY: -
ECONOMIC AND STATISTICAL ADVISER
PLANNING DEPARTMENT, HARYANA
2007**

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PREFACE

This report presents Economic and Purpose Classification of budgetary transactions of Haryana Government Budget for the year 2004-2005 (Actuals), 2005-2006 (Revised Estimates) and 2006-2007 (Budget Estimates). The present Economic and Purpose Classification scheme is based on the recommendations of the Committee on Regional Accounts 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 and Purpose Classification is an attempt to recast the state government transactions in order to assess the economic and purpose significance of these transactions.

The economic classification groups together the primary items of commodities and services, consumption expenditure, subsidies, current transfers, capital formation out of budgetary resources, savings of the government etc. This is, therefore, an attempt to classify, regroup and consolidate the data scattered in the budget documents to a set of three accounts/tables namely :

1. Income and Outlay Account of Administrative Departments.
2. Production Account of Departmental Enterprises.
3. Capital Finance Account of the State Government.

In addition to the above Borrowing Account is also added separately.

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 and 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 17th April, 2007

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CHAPTER-I

INTRODUCTION

The expenditure in the Government Budget is classified department-wise. 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 '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 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. This classification deals with the categorisation of government expenditure according to different types of services provided directly or financed by the State Government through current and capital grants or loans.

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, so important that a proper analysis of its transactions is highly valuable in itself, especially in developing countries, like India, where economic statistics are not yet fully developed and where the government plays a predominant role within the market economy. The importance of an Economic and Purpose Classification, therefore, cannot be over-emphasised.

CHAPTER-II

PRINCIPLES OF ECONOMIC CLASSIFICATION

Government Sector can be 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	2004-2005 (Actuals)	2005-2006 (Revised Estimates)	2006-2007 (Budget Estimates)	
1	2	3	4	
1	2	3	4	
	Receipts			
1.	Income from Entrepreneurship and Property	36399	48877	50013
	1.1 Profits	-	-	-
	1.2 Income from Property	36399	48877	50013
	1.2.1 Net Interest Receipts	26522	34961	35560
	a) Local Bodies	-	-	-
	b) From Other Sectors	26522	34961	35560
	1.2.2 Other Property Receipts	9877	13916	14453
2.	Direct Taxes	28382	46782	50554
	2.1 Corporation Tax	20021	30323	32743
	2.2 Income Tax	8204	16438	17767
	2.3 Other Taxes on Income & Expenditure	(-)3	-	-
	2.4 Land Revenue	116	-	22
	2.5 Taxes on Wealth	44	21	22
3.	Indirect Taxes	776754	907291	1016492
	3.1 Stamps and Registration	72658	95000	100000
	3.2 Customs	12877	19195	20736
	3.3 Union Excise Duties	17352	30971	33459
	3.4 State Excise Duties	101316	113500	120000
	3.5 Sales Tax	476091	552100	639000
	3.6 Taxes on Vehicles	14041	15000	16000
	3.7 Taxes on Goods & Passengers	70514	68000	73000
	3.8 Taxes and Duties on Electricity	6174	5910	6120
	3.9 Service Tax	3443	5207	5628
	3.10 Other Taxes and Duties	2288	2408	2549
4.	Fees & Miscellaneous Receipts	111214	55274	28974
5.	Transfer from Central Govt.	54516	90842	107984
	Total Receipts	1007265	1149066	1254017

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

(Rs. in lakhs)

Items		2004-2005 (Actuals)	2005-2006 (Revised Estimates)	2006-2007 (Budget Estimates)
1	2	3	4	5
	Disbursements			
6.	Consumption Expenditure	412942	479488	537333
	6.1 Compensation of Employees	351410	399982	433007
	a) Wages and Salaries	302403	344695	373208
	b) Pensions	49007	55287	59799
	6.2 Net Purchase of Commodities and Services	61532	79506	104326
	a) Purchases	64512	81494	95714
	b) Maintenance and Repairs	17366	22851	35743
	c) Less Sales	20346	24839	27131
7.	Benefits	39847	51230	57920
8.	Net Interest Paid to	205926	200831	220738
	8.1 Public Authorities	45533	25701	24557
	a) Centre	45533	25701	24557
	b) States	-	-	-
	c) Local Bodies	-	-	-
	8.2 Others	181112	197012	219661
	8.3 Less Commercial Interest	20719	21882	23480
9.	Subsidies	162594	219245	250365
10..	Total Current Transfers to other sectors	146158	147732	120051
11.	Inter Govt. Transfer to Local Authorities	19602	53288	52677
11.1	Current Transfer to Local Authorities	11876	35107	32687
11.2	Capital Transfer to Local Authorities	7726	18181	19990
Total Current Expenditure		987069	1151814	1239084
Total Receipts		1007265	1149066	1254017
Surplus on Current Account		20196	(-)2748	14933

ACCOUNT- 2

Production Account of Departmental Enterprises

(Rs. in lakhs)

Items	2004-2005 (Actuals)	2005-2006 (Revised Estimates)	2006-2007 (Budget Estimates)
1	2	3	4
<u>Receipts:</u>			
1 Commercial Receipts	65113	67420	68647
2. Imputed Subsidy	46900	72074	77122
2. Total Receipts	112013	139494	145769
<u>Expenditure:</u>			
3. Purchase of Commodities and Services including Maintenance	37504	55698	57411
4. Benefits	1265	1480	1455
5. Compensation of Employees	49434	57323	60260
5.1 Wages and Salaries	42528	49400	51938
5.2 Pensions	6906	7923	8322
6. Interest	20719	21882	23480
7. Consumption of Fixed Capital	3091	3111	3163
8. Profits	-	-	-
9. Total Expenditure	112013	139494	145769

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

(Rs. in lakhs)

S.No.	Items	2004-2005 (Actuals)	2005-2006 (Revised Estimates)	2006-2007 (Budget Estimates)
1	2	3	4	5
Receipts:				
1.	Consumption of Fixed Capital	3091	3111	3163
2.	Capital Transfers	-	-	-
	2.1 From the Other Governments	-	-	-
	2.2 From Rest of the World	-	-	-
3.	Net Budgetary Borrowings	315604	247978	206915
	3.1 At Home	315604	247978	206915
	3.2 From Abroad	-	-	-
4.	Other Liabilities	(-)241886	(-)109353	(-)73405
	4.1 Net Extra Budgetary Borrowings	(-)212815	(-)79877	(-)30510
	4.2 Less Net Purchase of Financial Assets	29071	29476	42895
5.	Surplus on Current Account	20196	(-)2748	14933
6.	Total Receipts	97005	138988	151606
Expenditure				
Administration :				
1-	Capital Outlay	77091	88036	96168
2-	Net purchase of Physical Assets	(-)293	98	889
	2.1 Second Land Assets	-	-	-
	2.2 Land	(-)293	98	889
3.	Change in Stock	(-)32253	(-)13490	(-)15874
	3.1 Inventory	(-)30212	(-)13505	97
	3.2 Others	(-)2041	15	(-)15971
4.	Capital Transfers	20962	20690	21638
	4.1 For Capital Formation	20869	20603	21557
	4.2 For Others	93	87	81
5.	Total (1+4)	65507	95334	102821
Enterprises				
6.	Capital Outlay	31050	42941	48327
7.	Net Purchase of Phy. Assets.	448	680	450
	7.1 Second Hand Assets	-	-	-
	7.2 Land	448	680	450
8.	Change in stock	-	27	-
9.	Total (6+8)	31498	43648	48777
10.	Total Expenditure (5+9)	97005	138982	151598

THE BORROWING ACCOUNT

Borrowing Account

(Rs.in lakhs)

Items	2004-2005		2005-2006		2006-2007	
	(Actuals)		(R.E)		(B.E.)	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
1	2	3	4	5	6	7
<u>I Borrowing at Home</u>						
1. Internal Debt	417837	130654	321825	107677	336944	163822
2. Small Savings, Provident Fund,etc.	104022	75601	108079	74249	109814	76021
3. Other Debt	-	-	-	-	-	-
Total	521859	206255	429904	181926	446758	239843
Net Receipts	315604		247978		206915	
<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	15710	20806	17911	21783	18378	18514
2. Loans from Govt. of India	29612	170773	5469	14832	36660	15956
3. Inter State Settlement	-	-	-	-	-	-
4. Contingency Fund	-	-	-	-	-	-
5. Reserve Funds	19604	12202	49283	46260	24365	22750
6. Deposits and Advances	227784	203497	167476	152176	201526	191326
7. Suspense & Miscellaneous	3217490	3284057	9307790	9378050	9158075	9213831
8. Remittances	183074	184531	150000	150000	150000	150000
9. Cash Balance	(-)21386	(-)3870	(-)3870	(-)4446	(-)4446	(-)5602
10 Funds	47	9663	31	12201	30	5160
11. Consumption of Fixed Capital	-	3091	-	3111	-	3163
Total	3671935	3884750	9694090	9773967	9584588	9615098
Net Receipts	(-)212815		(-)79877		(-)30510	

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. 1597860 lakhs in 2006-07 (B.E.) as compared to Rs. 1481549 lakhs in 2005-06 (R.E.) showing an increase of 7.85 percent in 2006-07 (B.E.) over 2005-06 (R.E.). This expenditure was Rs. 1245963 lakhs in 2004-05 (Actuals) which shows a increase of 18.91 percent in 2005-06 (R.E.) over 2004-05 (Actuals).

Administrative Departments of the Government are estimated to constitute 87.82 percent expenditure in 2006-07 (B.E.) as against 87.64 percent in 2005-06 (R.E.) and 88.48 percent 2004-05 (Actual) Departmental Commercial undertakings of the Government are estimated to constitute 12.18 percent expenditure in 2006-07 (B.E.) as compared 12.36 percent in 2005-06 (R.E.) and 11.52 percent in 2004-05 (Actuals).

Consumption expenditure of the Government is estimated at Rs. 537333 lakhs in 2006-07 (B.E.) as against Rs. 479488 lakhs in 2005-06 (R.E.) and Rs. 412942 lakhs in 2004-05 (Actuals). The corresponding contribution of consumption expenditure to total expenditure during the above years were 33.63, 32.36 and 33.14 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 both is estimated at Rs. 144495 lakhs (9.05 percent) in 2006-07 (B.E.) as against Rs. 130977 lakhs (8.84 percent) in 2005-06 (R.E.) and Rs. 108141 lakhs (8.68 percent) in 2004-05 (Actuals).

Current transfers which also include subsidies and interest payments is estimated at Rs. 623841 lakhs in 2006-07 (B.E.) as against Rs. 602915 lakhs in 2005-06 (R.E.) and Rs. 526554 lakhs in 2004-05 (Actuals). The corresponding contribution of current transfers to total expenditure during above years were 39.04, 40.70 and 42.26 percent respectively.

Capital transfers is estimated at Rs. 41628 lakhs in 2006-07 (B.E.) as against Rs. 38871 lakhs in 2005-06 (R.E.) and Rs. 28688 lakhs in 2004-05 (Actuals). The corresponding contribution of capital transfers during above years were 2.60, 2.62 and 2.30 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	2004-05 (Actuals)	2005-06 (R. E.)	2006-07 (B. E.)
1	2	3	4
I Administrative Departments	1102453	1298407	1403314
	(88.48)	(87.64)	(87.82)
1. Consumption Expenditure	412942	479488	537333
	(33.14)	(32.36)	(33.63)
i) Compensation of Employees	351410	399982	433007
	(28.20)	(27.00)	(27.10)
ii) Net Purchase of Commodities & Services	61532	79506	104326
	(4.94)	(5.36)	(6.53)
2. Benefits of Employees	39847	51230	57920
	(3.20)	(3.46)	(3.62)
3. Current Transfers*	526554	602915	623841
	(42.26)	(40.70)	(39.04)
4. Gross Fixed Capital Formation	77091	88036	96168
	(6.19)	(5.94)	(6.02)
5. Capital Transfers	28688	38871	41628
	(2.30)	(2.62)	(2.60)
6. Purchase of Financial Assets	29071	29476	42895
	(2.33)	(1.99)	(2.68)
7. Loan & Advances	20806	21783	18514
	(1.67)	(1.47)	(1.16)
8. Change in Stock	(-)32253	(-)13490	(-)15874
	(-)(2.59)	(-)(0.91)	(-)(0.99)
9. Net purchase of Physical Assets	(-)293	98	889
	(-)(0.02)	(0.01)	(0.06)
II Departmental Commercial Undertakings	143510	183142	194546
	(11.52)	(12.36)	(12.18)
1. Purchase of Goods and Services	37503	55698	57411
	(3.01)	(3.76)	(3.59)
2. Compensation of Employees	49434	57323	60260
	(3.97)	(3.87)	(3.77)
3. Benefits of Employees	1265	1480	1455
	(0.10)	(0.10)	(0.09)
4. Consumption of Fixed Capital	3091	3111	3163
	(0.25)	(0.21)	(0.20)
5. Interest	20719	21882	23480
	(1.66)	(1.48)	(1.47)
6. Gross Fixed Capital Formation	31050	42941	48327
	(2.49)	(2.90)	(3.03)
7. Change in Stock	0	27	0
	(0.00)	(0.00)	(0.00)
8. Net Purchase of Physical Assets	448	680	450
	(0.04)	(0.04)	(0.03)
Total Expenditure I+II	1245963	1481549	1597860
	(100.00)	(100.00)	(100.00)

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

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 receipts of the State Government was Rs.1007265 lakhs during 2004-2005 (Actuals), Rs. 1149066 lakhs during 2005-2006 (R.E.) and estimated at Rs. 1254017 lakhs during 2006-2007 (B.E.) Thus, the increase in the current receipt over previous year was 14.08 percent during 2005-2006 (R.E.) and 9.13 percent during 2006-2007 (B.E.).

Tax receipt is a major source of current receipt and its share in the total current receipts was 79.93 percent during 2004-2005 (Actuals), 83.03 percent during 2005-2006 (R.E.) and estimated at 85.09 percent during 2006-2007 (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)		
	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-2007 (B.E.)
1	2	3	4
1. Tax Receipt	805136 (79.93)	954073 (83.03)	1067046 (85.09)
2. Income from Property and Entrepreneurship	36399 (3.62)	48877 (4.25)	50013 (3.99)
3. Fees and Miscellaneous Receipts	111214 (11.04)	55274 (4.81)	28974 (2.31)
4. Revenue Grants from Government of India	54516 (5.41)	90842 (7.91)	107984 (8.61)
5. Total Current Receipts	1007265 (100.00)	1149066 (100.00)	1254017 (100.00)

4. Current Outgoings of the State Government.

The current outgoings of the State Government constitute consumption expenditure, benefits as well as transfer payments of the State Government. The current outgoings of the State Government increased from Rs. 979343 lakhs during 2004-2005 (Actuals) to Rs. 1133633 lakhs during 2005-2006 (R.E.) and estimated at Rs.1219094 lakhs during 2006-2007 (B.E.), thus showing an increase 15.76 percent during 2005-2006 (R.E.) and 7.54 percent during 2006-2007 (B.E.). Transfer payments form the major source of current outgoings of the State Government and it is followed by consumption expenditure. Transfer payments were to the tune of Rs. 526554 lakhs during 2004-2005 (Actuals), Rs. 602915 lakhs during 2005-2006 (R.E.) and estimated at Rs. 623841 lakhs during 2006-2007 (B.E.). Its contribution to total current outgoings were 53.77 percent, 53.18 percent and estimated at 51.17 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)		
	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-2007 (B.E.)
1	2	3	4
1. Consumption Expenditure	412942 (42.16)	479488 (42.30)	537333 (44.08)
2. Benefits	39847 (4.07)	51230 (4.52)	57920 (4.75)
2. Transfer Payments	526554 (53.77)	602915 (53.18)	623841 (51.17)
3. Total Current Outgoing (1+2)	979343 (100.00)	1133633 (100.00)	1219094 (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)		
	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-2007 (B.E.)
1	2	3	4
1. Gross Receipts	112013	139494	145769
2. Operating Expenses	112013	139494	145769
Net Surplus (1-2)	0	0	0

6. Estimates of Net Product from Public Administration

TABLE -3.5
Estimates of Net Product from Public Administration

Items	(Rs. in Lakhs)		
	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-2007 (B.E.)
1	2	3	4
1. Administration (Total Wages & Salaries)	351410	402192	433007
Less Wages and Salaries in			
2. Construction (Repair and Maintenance)	14085	13867	15032
3. Water Supply	18899	20277	21280
4. Other Services	180959	213550	237835
a) Education	147641	175596	192756
b) Medical & Public Health	33318	37954	45079
c) Sanitation	-	-	-
5. Sub Total (2 to 4)	213943	247694	274147
6. Public Administration (1-5)	137467	154498	158860

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 2004-2005 (Actuals)

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	Total		
												Irrigation	Subsidy			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	22324	131	(-)8485	-	-	7395	18713	1	-	-	10339	29740	40079	41169	41169
2	Forest	3835	42	941	1	-	1261	-	20	-	-	3155	2945	6100	3897	3897
3	Printing & Stationer	430	10	66	1	-	-	-	-	8	-	129	386	515	440	448
4	Gen. Education	541	6	560	-	-	-	-	5	1	-	157	956	1113	552	553
5	Transport	22304	1076	33237	-	-	6	2006	2494	3082	-	51333	12873	64206	27880	30962
	(I) Civil Aviation	52	3	5	-	-	6	-	2	-	-	16	52	68	57	57
	(ii) Road Transport	22252	1073	33232	-	-	-	2006	2492	3082	-	51317	12821	64138	27823	30905
	Total	49434	1265	26319	2	-	8662	20719	2520	3091	-	65113	46900	112013	73938	77029

Table 3.8(ii)

Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises Year 2005-2006 (R.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 Irrigation Subsidy	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	24860	359	5726	-	-	7329	19882	1	-	-	8010	50147	58157	45102	45102
2	Forest	4219	112	1042	1	-	1212	-	26	-	-	2993	3619	6612	4357	4357
3	Printing & Stationer	473	17	49	1	-	-	-	-	9	-	137	412	549	490	499
4	Gen. Education	674	21	1634	5	-	-	-	10	2	-	2750	(-)404	2346	705	707
5	Transport	27097	971	36156	-	-	4	2000	2502	3100	-	53530	18300	71830	32570	35670
	(I) Civil Aviation	60	1	6	-	-	4	-	2	-	-	10	63	73	63	63
	(ii) Road Transport	27037	970	36150	-	-	-	2000	2500	3100	-	53520	18237	71757	32507	35607
	Total	57323	1480	44607	7	-	8545	21882	2539	3111	-	67420	72074	139494	83224	86335

Table 3.8(iii)

Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises year 2006-2007 (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 Irrigation Subsidy	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	25859	373	6074	-	-	7600	21380	1	-	-	8512	52775	61287	47613	47613
2	Forest	4526	69	1692	1	-	1215	-	22	-	-	3053	4472	7525	4617	4617
3	Printing & Stationer	517	8	69	2	-	-	-	-	10	-	147	459	606	525	535
4	Gen. Education	817	23	2151	10	-	-	-	9	3	-	1400	1613	3013	849	852
5	Transport	28541	982	36031	-	-	7	2100	2527	3150	-	55535	17803	73338	34150	37300
	(i) Civil Aviation	57	2	6	-	-	7	-	2	-	-	15	59	74	61	61
	(ii) Road Transport	28484	980	36025	-	-	-	2100	2525	3150	-	55520	17744	73264	34089	37239
	Total	60260	1455	46017	13	-	8822	23480	2559	3163	-	68647	77122	145769	87754	90917

Table 3.9 (i)
Capital Formation by Type of Assets & Industry of use-Administration year 2004-2005 (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	Mech. 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	15851	28420	27267	1167	4308	78	77091	-	77091	(-) 32253	44838
	Less											
2	Construction Machinery & Stock of P.W.D.	-	-	-	-	69	-	69	-	69	(-) 1028	(-) 959
3	Water Supply	-	-	22862	-	(-) 6	-	22856	-	22856	(-) 645	22211
4	Other Services	2548		6	28	1237	13	3832	-	3832	-	3832
	i) Education 3.2	1398	-	6	22	70	13	1509	-	1509	-	1509
	ii) Medical & Public Health 4.	1150		-	6	1167	-	2323	-	2323	-	2323
	iii) Sanitation	-	-	-	-	-	-	-	-	-	-	-
5	Total (2 to 4)	2548	-	22868	28	1300	13	26757	-	26757	(-) 1673	25084
	Net Public Admn.(1-5)	13303	28420	4399	1139	3008	65	50334	-	50334	(-) 30580	19754

Table 3.9 (ii)

Capital Formation by Type of Assets & Industry of use-Administration year 2005-2006 (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	23018	21029	28940	2489	12447	113	88036	-	88036	(-)-13490	74546
	Less											
2	Construction Machinery & Stock of P.W.D.	-	-	-	-	323	-	323	-	323	(-)-9072	(-)-8749
3	Water Supply	-	-	24654	-	52	8	24714	-	24714	15	24729
4	Other Services	3757	-	4	39	3352	5	7157	-	7157	-	7157
	i) Education 3.2	1978	-	3	9	820	5	2815	-	2815	-	2815
	ii) Medical & Public Health 4.	1779	-	1	30	2532	-	4342	-	4342	-	4342
	iii) Sanitation	-	-	-	-	-	-	-	-	-	-	-
	Total (2 to 4)	3757	-	24658	39	3727	13	32194	-	32194	(-)-9057	23137
	Net Public Admn.(1-5)	19261	21029	4282	2450	8720	100	55842	-	55842	(-)-4433	51409

Table 3.9 (iii)

Capital Formation by Type of Assets & Industry of use-Administration year 2006-2007 (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	21219	22729	40283	2157	9572	208	96168	-	96168	(-)15874	80294
	Less											
2	Construction Machinery & Stock of P.W.D.	-	-	-	-	567	11	578	-	578	50	628
3	Water Supply	-	-	38983	-	21	-	39004	-	39004	20	39024
4	Other Services	4900	-	42	360	2717	84	8103	-	8103	-	8103
	i) Education 3.2	2570	-	22	39	690	44	3365	-	3365	-	3365
	ii) Medical & Public Health 4.	2330	-	20	321	2027	40	4738	-	4738	-	4738
	iii) Sanitation	-	-	-	-	-	-	-	-	-	-	-
5	Total (2 to 4)	4900	-	39025	360	3305	95	47685	-	47685	70	47755
	Net Public Admn.(1-5)	16319	22729	1258	1797	6267	113	48483	-	48483	15944	32539

Table 3.10 (I)

Capital Formation by Type of Assets & Industry of use -Enterprises year 2004-2005(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)	Depre- ciation	Net Capital formation (13-14)
		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	14	15
1	Irrigation 2701+2702+4701+4702	-	-	13716	-	8138	-	21854	-	21854	-	21854	-	21854
2	Forest 2406+4406	91	-	3333	51	137	-	3612	-	3612	-	3612	-	3612
3	Printing & Staionery2058+4058	-	-	-	-	-	-	-	-	-	-	-	8	(-)8
4	General Education2202+4202	-	-	-	-	-	-	-	-	-	-	-	1	(-)1
5	Others	268	-	10	5181	105	20	5584	-	5584	-	5584	3082	2502
	i)RoadTransport 3055+5055	268	-	10	5181	105	20	5584	-	5584	-	5584	3082	2502
	ii)Civil Avi.3053+5053	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	359	-	17059	5232	8380	20	31050	-	31050	-	31050	3091	27959

Table 3.10 (ii)

Capital Formation by Types of Assets and Industry of Use - Enterprises Year 2005-2006 (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)	Depre- ciation	Net Capital formation (13-14)
		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	14	15
1	Irrigation 2701+2702+4701+4702	-	-	27249	10	77	-	27336	-	27336	27	27363	-	27363
2	Forest 2406+4406	233	-	7048	20	244	12	7557	-	7557	-	7557	-	7557
3	Printing & Staionery2058+4058	35	-	-	-	1	-	36	-	36	-	36	9	27
4	General Education2202+4202	-	-	-	-	1	-	1	-	1	-	1	2	(-)1
5	Others	270	-	27	7085	609	20	8011	-	8011	-	8011	3100	4911
	i)RoadTransport 3055+5055	270	-	10	7085	406	20	7791	-	7791	-	7791	3100	4691
	ii)Civil Avi.3053+5053	-	-	17	-	203	-	220	-	220	-	220	-	220
	Total	538	-	34324	7115	932	32	42941	-	42941	27	42968	3111	39857

Table 3.10 (iii)

Capital Formation by Types of Assets and Industry of Use - Enterprises year 2006-2007 (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)	Depre- ciation	Net Capital formation (13-14)
		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	14	15
1	Irrigation 2701+2702+4701+4702	-	-	33499	10	77	-	33586	-	33586	-	33586	-	33586
2	Forest 2406+4406	130	-	6658	24	89	8	6909	-	6909	-	6909	-	6909
3	Printing & Staionery2058+4058	-	-	-	-	11	-	11	-	11	-	11	10	1
4	General Education2202+4202	-	-	-	-	-	-	-	-	-	-	-	3	(-)3
5	Others	450	-	37	5885	1409	40	7821	-	7821	-	7821	3150	4671
	i)RoadTransport 3055+5055	450	-	20	5885	1376	40	7771	-	7771	-	7771	3150	4621
	ii)Civil Avi.3053+5053	-	-	17	-	33	-	50	-	50	-	50	-	50
	Total	580	-	40194	5919	1586	48	48327	-	48327	-	48327	3163	45164

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 in any 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) Interest.

The following table presents the detailed functional/purpose classification of the State government budgetary for the years 2004-2005 (Actuals), 2005-2006 (R.E.) and 2006-2007 (B.E.).

TABLE -4.1

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

Items	(Rs. in lakhs)		
	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-2007 (B.E.)
1	2	3	4
1. General Public Services	241610	236979	234638
1.1 General Administration, External Affairs, Public Order & Safety	240686	235699	233455
1.2 General Research	924	1280	1183
2. Civil Defence	874	322	193
3. Education Affairs and Services	195691	246901	268381
3.1 Administration, Regulation and Research	6868	10105	11820
3.2 Educational Services	188823	236796	256561
4. Health Affairs & Services	41274	51986	61168
4.1 Administration, Regulation and Research	(-431)	1763	2175
4.2 Health Services	41705	50223	58993
5. Social Security and Welfare Affairs & Services	64333	88653	84957
5.1 Social Security Affairs & Services	40986	60088	51324
5.2 Welfare Affairs & Services	23347	28565	33633
6. Housing and Community Amenity Affairs & Services	31898	54773	62365
7. Cultural, Recreational and Religious Affairs & Services	7155	12524	12832
8. Economic Affairs & Services	311144	396445	444696
8.1 General Administration, Regulation & Research	8062	12789	13501
8.2 Agriculture, Forestry, Fishing and Hunting	67271	97106	102765
8.3 Mining, Manufacturing and Construction	13820	36465	7401
8.4 Electricity, Gas, Steam and Other Sources of Energy	145984	198714	210204
8.5 Water Supply	54071	33941	67384
8.6 Transport and Communication	46053	22291	51222
8.7 Other Economic Services	(-24117)	(-4861)	(-7781)
9. Environmental Protection	106	130	133
10. Relief on Calamities	2442	8863	13213
11. Interest	205926	200831	220738
Total	1102453	1298407	1403314

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

Items	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-2007 (B.E.)
1. General Public Services	21.92	18.25	16.72
1.1 General Administration, External Affairs, Public Order & Safety	21.83	18.15	16.64
1.2 General Research	0.09	0.10	0.08
2. Civil Defence	0.08	0.03	0.01
3. Education Affairs & Services	17.75	19.02	19.13
3.1 Administration, Regulation & Research	0.62	0.78	0.84
3.2 Educational Services	17.13	18.24	18.29
4. Health Affairs & Services	3.74	4.00	4.36
4.1 Administration, Regulation & Research	(-)0.04	0.13	0.16
4.2 Health Services	3.78	3.87	4.20
5. Social Security & Welfare Affairs & Services	5.84	6.83	6.05
5.1 Social Security Affairs & Services	3.72	4.63	3.66
5.2 Welfare Affairs & Services	2.12	2.20	2.39
6. Housing and Community Amenity Affairs & Services	2.89	4.22	4.45
7. Cultural, Recreational & Religious Affairs & Services	0.65	0.96	0.91
8. Economic Affairs & Services	28.22	30.53	31.69
8.1 General Administration, Regulation & Research	0.73	0.98	0.96
8.2 Agriculture, Forestry, Fishing & Hunting	6.10	7.48	7.32
8.3 Mining, Manufacturing & Construction	1.25	2.81	0.53
8.4 Electricity, Gas, Steam & Other Sources of Energy	13.24	15.30	14.98
8.5 Water Supply	4.91	2.61	4.80
8.6 Transport & Communication	4.18	1.72	3.65
8.7 Other Economic Services	(-)2.19	(-)0.37	(-)0.55
9. Environmental Protection	0.01	0.01	0.01
10. Relief on Calamities	0.22	0.68	0.94
11. Interest	18.68	15.47	15.73
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 2004-2005 (Actuals), 2005-2006 (Revised Estimates) and 2006-2007 (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 2004-2005 (Actuals)**

(Rs.in lakhs)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure								Total Current Expendi- ture	
		Salary + Pension	Benefits	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Con- sumption Expendi- ture	Current Transfer	Sub sidy		Interest
1	2	3	4	5	6	7	8	9	10	11	12
1.	General Public Services	91383	34658	29748	155789	4300	151489	72479	-	-	223968
1.1	General Administration, External Affairs, Public Order & Safety	91151	34656	29705	155512	4294	151218	71829	-	-	223047
1.2	General Research	232	2	43	277	6	271	650	-	-	921
2.	Civil Defence	807	10	148	965	93	872	-	-	-	872
3.	Education Affairs & Services	152721	1051	7150	160922	2746	158176	35322	-	-	193498
3.1	Administration, Regulation & Research	5080	41	408	5529	-	5529	1190	-	-	6719
3.2	Educational Services	147641	1010	6742	155393	2746	152647	34132	-	-	186779
4.	Health Affairs & Services	36586	649	4229	41464	4055	37409	1319	200	-	38928
4.1	Administration, Regulation and Research	3268	124	53	3445	3994	-549	100	-	-	-449
4.2	Health Services	33318	525	4176	38019	61	37958	1219	200	-	39377
5.	Social Security & Welfare Affairs & Services	7875	2687	9260	19822	45	19777	42713	662	-	63152
5.1	Social Security Affairs & Services	711	11	853	1575	45	1530	39174	-	-	40704
5.2	Welfare Affairs & Services	7164	2676	8407	18247	-	18247	3539	662	-	22448
6.	Housing and Community Amenity Affairs & Services	6333	59	930	7322	3031	4291	4036	71	-	8398

Table- 5.1 Contd..

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural , Recreational & Other Religious Affairs & Services	2422	29	879	3330	136	3194	702	-	-	3896
8.	Economic Affairs & Services	53079	694	27473	81246	5895	75351	1268	161661	-	238280
8.1	General Administration , Regulation & Research	6761	50	1330	8141	301	7840	77	-	-	7917
8.2	Agriculture ,Forestry , Fishing & Hunting	10980	227	1284	12491	1110	11381	262	49854	-	61497
8.3	Mining, Manufacturing & Construction	1501	21	907	2429	947	1482	767	1370	-	3619
8.4	Electricity , Gas, Steam & other Sources of Energy	91	-	236	327	184	143	109	110200	-	110452
8.5	Water Supply	18899	324	15309	34532	2837	31695	10	-	-	31705
8.6	Transport & Communication	10097	-	7736	17833	325	17508	43	-	-	17551
8.7	Other Economic Services	4750	72	671	5493	191	5302	-	237	-	5539
9.	Environmental Protection	78	1	12	91	-	91	15	-	-	106
10.	Relief on Calamities	126	9	2049	2184	45	2139	180	-	-	2319
11.	Interest	-	-	-	-	-	-	-	-	205926	205926
Total		351410	39847	81878	473135	20346	452789	158034	162594	205926	979343

TABLE 5.1 Contd.,
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2004-2005 (Actuals)

(Rs.in lakhs)

Sr.No.	Economic Classification/ Classification	Capital Expenditure								Total Capital Expen- diture	Grand Total
		Build- ings & other const- ruction	Machi- nery & Trans- port Equipment.	Change in Stocks	Net Purchase of Phy. Assets	Capital Trans- fer	Invest- ment in Share	Loans & Advances			
1	2	13	14	15	16	17	18	19	20	21	22
1.	General Public Service	6725	3610	(-1028)	(-293)	3441	5187	-	-	17642	241610
1.1	General Administration, External Affairs, Public Safety & Order	6725	3607	(-1028)	(-293)	3441	5187	-	-	17639	240686
1.2	General Research	-	3	-	-	-	-	-	-	3	924
2.	Civil Defence-	-	2	-	-	-	-	-	-	2	874
3.	Education Affairs & Services	1418	240	-	-	535	-	-	-	2193	195691
3.1	Administration ,Regulation & Research	14	135	-	-	-	-	-	-	149	6868
3.2	Educational Services	1404	105	-	-	535	-	-	-	2044	188823
4.	Health Affairs & Services	1150	1191	-	-	5	-	-	-	2346	41274
4.1	Administration ,Regulation and Research	-	18	-	-	-	-	-	-	18	(-431)
4.2	Health Services	1150	1173	-	-	5	-	-	-	2328	41705
5.	Social Security & Welfare Affairs & Services	845	96	-	-	-	240	-	-	1181	64333
5.1	Social Security Affairs & Services	216	21	-	-	-	45	-	-	282	40986
5.2	Welfare Affairs & Services	629	75	-	-	-	195	-	-	899	23347
6.	Housing and Community Amenity Affairs & Services	3538	42	-	-	12264	-	7656	-	23500	31898

Table-5.1 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
7.	Cultural , Recreational & other Religious Affairs & Services	571	8	-	-	21	-	2222	437	3259	7155
8.	Economic Affairs & Services	57168	364	(-)31225	-	12422	23644	10491	-	72864	311144
	8.1 General Administration, Regulation & Research	-	145	-	-	-	-	-	-	145	8062
	8.2 Agriculture, Forestry , Fishing & Hunting	5693	81	-	-	-	-	-	-	5774	67271
	8.3 Mining, Manufacturing & Construction	56	44	(-)368	-	2468	168	7833	-	10201	13820
	8.4 Electricity, Gas, Steam & other Sources of Energy	-	-	-	-	9954	23335	2243	-	35532	145984
	8.5 Water Supply	22862	(-)6	(-)645	-	-	-	155	-	22366	54071
	8.6 Transport & Communication	28433	69	-	-	-	-	-	-	28502	46053
	8.7 Other Economic Services	124	31	-30212	-	-	141	260	-	(-)29656	-24117
9.	Environmental Protection	-	-	-	-	-	-	-	-	-	106
10.	Relief on Calamities	123	-	-	-	-	-	-	-	123	2442
11	Interest	-	-	-	-	-	-	-	-	-	205926
	Total	71538	5553	(-)32253	(-)293	28688	29071	20369	437	123110	1102453

TABLE 5.2
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2005-2006 (R.E.)

(Rs.in lakhs)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure									Total Current Expendi- ture
		Salary + Pension	Benefits	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Con- sumption Expendi- ture	Current Transfer	Sub sidy	Interest	
1	2	3	4	5	6	7	8	9	10	11	12
1.	General Public Services	104527	43134	22222	169883	9905	159978	52334	-	-	212312
1.1	General Administration, External Affairs, Public Order & Safety	104266	43130	22171	169567	9905	159662	51379	-	-	211041
1.2	General Research	261	4	51	316	--	316	955	-	-	1271
2.	Civil Defence	737	7	63	807	485	322	-	-	-	322
3.	Education Affairs & Services	181787	2583	14411	198781	3741	195040	48241	14	-	243295
3.1	Administration, Regulation & Research	6191	123	661	6975	-	6975	2875	14	-	9864
3.2	Educational Services	175596	2460	13750	191806	3741	188065	45366	-	-	233431
4.	Health Affairs & Services	39384	750	7891	48025	3570	44455	2705	200	-	47360
4.1	Administration, Regulation and Research	1431	105	115	1651	-	1651	1	-	-	1652
4.2	Health Services	37953	645	7776	46374	3570	42804	2704	200	-	45708
5.	Social Security & Welfare Affairs & Services	8705	3352	10565	22622	123	22499	62163	1956	-	86618
5.1	Social Security & Welfare Affairs & Services	807	22	1033	1862	103	1759	57985	-	-	59744
5.2	Welfare Affairs & Services	7898	3330	9532	20760	20	20740	4178	1956	-	26874
6.	Housing and Community Amenity Affairs & Services	7479	411	337	8227	322	7905	7429	222	-	15556

Table -5.2 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural, Recreational & Other Religious Affairs & Services	2688	113	1428	4229	268	3961	1003	-	-	4964
8.	Economic Affairs & Services	54441	874	39161	94476	6413	88063	8499	216853	-	313415
8.1	General Administration , Regulation & Research	7566	111	3634	11311	529	10782	80	-	-	10862
8.2	Agriculture, Forestry, Fishing & Hunting	11425	274	2257	13956	806	13150	613	75450	-	89213
8.3	Mining, Manufacturing & Construction	1600	47	943	2590	227	2363	6753	1509	-	10625
8.4	Electricity , Gas, Steam & other Sources of Energy	49	2	195	246	300	(-)54	-	139599	-	139545
8.5	Water Supply	20277	381	17387	38045	4175	33870	11	-	-	33881
8.6	Transport & Communication	8400	-	13993	22393	350	22043	42	-	-	22085
8.7	Other Economic Services	5124	59	752	5935	26	5909	1000	295	-	7204
9.	Environmental Protection	94	2	16	112	-	112	15	-	-	127
10.	Relief on Calamities	140	4	8251	8395	12	8383	450	-	-	8833
11.	Interest	-	-	-	-	-	-	-	-	200831	200831
Total		399982	51230	104345	555557	24839	530718	182839	219245	200831	1133633

TABLE - 5.2 Contd.,
Economic-cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2005-2006(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 & Trans- port Equipment.	Change in Stocks	Net Purchase of Phy. Assets	Capital Trans- fer	Invest- ment in Share	Loans & Advances For Capital Forma- tion (Rs. lakhs)			
1	2	13	14	15	16	17	18	19	20	21	22
1.	General Public Services	11666	8353	50	98	4500	-	-	-	24667	236979
1.1	General Administration, External Affairs, Public Order & Safety	11666	8344	50	98	4500	-	-	-	24658	235699
1.2	General Research	-	9	-	-	-	-	-	-	9	1280
2.	Civil Defence	-	-	-	-	-	-	-	-	-	322
3.	Education Affairs & Services	1995	1061	-	-	550	-	-	-	3606	246901
3.1	Administration, Regulation & Research	14	227	-	-	-	-	-	-	241	10105
3.2	Educational Services	1981	834	-	-	550	-	-	-	3365	236796
4.	Health Affairs & Services	1780	2673	-	-	173	-	-	-	4626	51986
4.1	Administration ,Regulation and Research	-	111	-	-	-	-	-	-	111	1763
4.2	Health Services	1780	2562	-	-	173	-	-	-	4515	50223
5.	Social Security & Welfare Affairs & Services	1239	212	-	-	-	584	-	-	2035	88653
5.1	Social Security Affairs & & Services	291	23	-	-	-	30	-	-	344	60088
5.2	Welfare Affairs & Services	948	189	-	-	-	554	-	-	1691	28565
6.	Housing and Community Amenity Affairs & Services	4896	23	-	-	25635	-	8663	-	39217	54773

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Table-5.2 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
7.	Cultural , Recreational & Other Religious Affairs & Services	1289	22	-	-	124	-	2850	3275	7560	12524
8.	Economic Affairs & Services	50092	2702	(-)13540	-	7889	28892	6495	500	83030	396445
8.1	General Administration, Regulation & Research	3	1924	-	-	-	-	-	-	1927	12789
8.2	Agriculture, Forestry, Fishing & Hunting	4105	410	-	-	2878	-	-	500	7893	97106
8.3	Mining, Manufacturing & Construction	21148	128	-	-	1620	376	2568	-	25840	36465
8.4	Electricity , Gas, Steam & Other Sources of Energy	24654	-	15	-	3391	27545	3564	-	59169	198714
8.5	Water Supply	-	60	-	-	-	-	-	-	60	33941
8.6	Transport & Communication	79	127	-	-	-	-	-	-	206	22291
8.7	Other Economic Services	103	53	(-)13555	-	-	971	363	-	(-)12065	(-)4861
9.	Environmental Protection	-	3	-	-	-	-	-	-	3	130
10.	Relief on Calamities	30	-	-	-	-	-	-	-	30	8863
11.	Interest	-	-	-	-	-	-	-	-	200831	200831
	Total	72987	15049	(-)13490	98	38871	29476	18008	3775	164774	1298407

TABLE- 5.3 Contd.,
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2006-2007 (B.E)

(Rs.in lakhs)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure									Total Current Expendi- ture
		Salary + Pension	Benefits	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Con- sumption Expendi- ture	Current Transfer	Sub sidy	Interest	
1	2	3	4	5	6	7	8	9	10	11	12
1.	General Public Services	108724	48844	29072	186640	9840	176800	35702	-	-	212502
1.1	General Administration, External Affairs, Public Order & Safety	108448	48840	28992	186280	9840	176440	34884	-	-	211324
1.2	General Research	276	4	80	360	-	360	818	-	-	1178
2.	Civil Defence	687	25	65	777	584	193	-	-	-	193
3.	Education Affairs & Services	199196	3067	19098	221361	5564	215797	48203	-	-	264000
3.1	Administration ,Regulation & Research	6440	152	1041	7633	-	7633	3831	-	-	11464
3.2	Educational Services	192756	2915	18057	213728	5564	208164	44372	-	-	252536
4.	Health Affairs & Services	46609	794	10319	57722	4040	53682	2392	200	-	56274
4.1	Administration ,Regulation and Research	1530	123	371	2024	-	2024	-	-	-	2024
4.2	Health Services	45079	671	9948	55698	4040	51658	2392	200	-	54250
5.	Social Security & Welfare Affairs & Services	9270	3896	14543	27709	131	27578	53132	2192	-	82902
5.1	Social Security Affairs & Services	870	14	2934	3818	108	3710	46888	-	-	50598
5.2	Welfare Affairs & Services	8400	3882	11609	23891	23	23868	6244	2192	-	32304
6.	Housing and Community Amenity Affairs &Sservices	7346	130	435	7911	352	7559	6862	202	-	14623

Table -5.3 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12
7. Cultural , Recreational & Other Religious Affairs & Services	2893		70	1484	4447	222	4225	1253	-	-	5478
8. Economic Affairs & Services	58028		1089	45505	104622	6386	98236	4184	247771	-	350191
8.1 General Administration, Regulation & Research	7877		307	4023	12207	277	11930	31	-	-	11961
8.2 Agriculture, Forestry, Fishing & Hunting	12270		286	2008	14564	837	13727	650	81199	-	95576
8.3 Mining, Manufacturing & Construction	1703		41	1064	2808	237	2571	2332	762	-	5665
8.4 Electricity , Gas, Steam & other Sources of Energy	160		2	95	257	310	(-)53	393	165364	-	165704
8.5 Water Supply	21280		375	18170	39825	4350	35475	11	-	-	35486
8.6 Transport & Communication	9533		-	19241	28774	350	28424	44	-	-	28468
8.7 Other Economic Services	5205		78	904	6187	25	6162	723	446	-	7331
9. Environmental Protection	102		1	17	120	-	120	10	-	-	130
10. Relief on Calamities	152		4	10919	11075	12	11063	1000	-	-	12063
11. Interest	-		-	-	-	-	-	-	-	220738	220738
Total	433007		57920	131457	622384	27131	595253	152738	250365	220738	1219094

TABLE- 5.3 Contd.,
Economic-cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of
Haryana Government 2006-2007 (B.E.)

(Rs.in lakhs)											
Sr.No.	Economic Classification/ Functional Classification	Capital Expenditure								Total	Grand
		Build- ings & other Const- ruction	Machi- nery & trans- port Equipment	Change in Stocks	Net Purcha- se of Phy. Assets	Capital Transfer	Invest- ment in shares	Loans & Advances For Capital Forma- tion			Capital Expen- ditures
1	2	13	14	15	16	17	18	19	20	21	22
1.	General Public Services	10996	5626	50	889	4575	-	-	-	22136	234638
1.1.	General Administration, External Affairs, Public Order & Safety	10996	5621	50	889	4575	-	-	-	22131	233455
1.2	General Research	-	5	-	-	-	-	-	-	5	1183
2.	Civil Defence	-	-	-	-	-	-	-	-	-	193
3.	Education Affairs & Services	2620	1101	-	-	660	-	-	-	4381	268381
3.1	Administration ,	28	328	-	-	-	-	-	-	356	11820
3.2	Educational Services	2592	773	-	-	660	-	-	-	4025	256561
4.	Health Affairs & Services	2350	2539	-	-	5	-	-	-	4894	61168
4.1	Administration , & Regulation Research	-	151	-	-	-	-	-	-	151	2175
4.2	Health Services	2350	2388	-	-	5	-	-	-	4743	58993
5	Social Security & Welfare Affairs & Services	1290	141	-	-	-	624	-	-	2055	84957
5.1	Social Security Affairs & Services	691	25	-	-	-	10	-	-	726	51324
5.2	Welfare Affairs & Services	599	116	-	-	-	614	-	-	1329	33633
6.	Housing and Community Amenity Affairs & Services	8340	28	-	-	30810	-	8564	-	47742	62365

Table-5.3 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
7.	Cultural , Recreational & Religious Affairs & Services	788	14	-	-	52	-	3000	3500	7354	12832
8.	Economic Affairs & Services	56697	2485	(-)15924	-	5526	42271	1950	1500	94505	444696
8.1	General Administration	-	1540	-	-	-	-	-	-	1540	13501
	Regulation & Research										
8.2	Agricultural ,Forestry Fishing & Hunting	2243	397	27	-	3022	-	-	1500	7189	102765
8.3	Mining, Manufacturing & Construction	115	93	-	-	1204	224	100	-	1736	7401
8.4	Electricity , Gas, Steam & Other Sources of Energy	-	-	-	-	1300	41800	1400	-	44500	210204
8.5	Atomic Energy	31857	21	20	-	-	-	-	-	31898	67384
8.6	Transport & Communication	22379	375	-	-	-	-	-	-	22754	51222
8.7	Other Economic Services	103	59	(-)15971	-	-	247	450	-(-)15112	(-)7781	
9.	Environmental Protection	-	3	-	-	-	-	-	-	3	133
10.	Relief on Calamities	1150	-	-	-	-	-	-	-	1150	13213
11.	Interest	-	-	-	-	-	-	-	-	-	220738
	Total	84231	11937	(-)15874	889	41628	42895	13514	5000	184220	1403314

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

Item	(Rs.in lakhs)		
	2004-2005 (Actuals)	2005-2006 (R.E.)	2006-07 (B.E.)
1	2	3	4
I Current revenue of Government administration shown in the Financial Statement	1114906	1264580	1374665
II Less	20346	24839	27131
1. Revenue receipts netted against -. expenditure Sale of Goods and Services (Account No.1)			
2. Interest Receipts from Departmental Enterprises (Account -.2)	20719	21882	23480
3. Revenue attributed to Departmental Enterprises (Account -2)	65113	67420	68647
4. Sale of Land & Property	493	202	111
5. Fund (Borrowing account)	47	31	30
6. Pension (Receipts)	923	1140	1249
III Add:			
1. Profit Transferred by Departmental Commercial Undertakings (Account -2)	0	0	0
2. Rounding error	-	-	-
IV Total Adjustments	(-)107641	(-)115514	(-)120648
Current revenue of Govt. administration as shown in the Economic Classification of Budget (Account -1)	1007265	1149066	1254017

TOTAL EXPENDITURE

Item	(Rs.in lakhs)		
	2004-05 (Actuals)	2005 -06 (R.E.)	2006-07 (B.E.)
1	2	3	4
1. As per consolidated fund shown in the Financial Statement	1552636	1592255	1757655
II Less			
1. Revenue receipts netted against revenue expenditure –sale of goods and services (Account –1)	20346	24839	27131
2. Sale of land and property	493	202	111
3. Fund	9663	12201	5160
4. Interest Departmental Enterprises	20719	21882	23480
5. Repayment of public debt. (Borrowing account)	301427	122509	179779
6. Pension (receipt)	923	1140	1249
III. Add			
Imputed Subsidy	46900	72074	77122
IV Rounding error	-	(-) 7	(-) 7
V Total Adjustments	(-)306673	(-)110706	(-)159795
VI Total Expenditure as shown in the Economic & Functional/Purpose Classification	1245963	1481549	1597860

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 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.

9. Interest

This include interest payments of administrative departments.

Subject:- The report on “ An Economic & Functional Classification of the Haryana Government Budget 2004-2005

The above report is prepared from the Budget of the State Government. The Budget is divided into revenue and capital accounts. Many items of revenue account are included in the capital account and vice versa. Moreover, these magnitudes shown in the Budget are too detailed and scattered and not necessarily based on distinctions and groupings required for understanding the economic and functional significance of various items of revenue and expenditure. The Government sector can be broadly divided into administrative departments and departmental enterprises. The current transactions of Government administration are distinguished from the current operation of departmental expenses as current expenditure of the former on wages and salaries and goods and services are final outlays but these of the latter are intermediate expenditure such as cost of raw materials etc.

Further the Government expenditure can be classified accordance with (I) the economic character of the expenditure like consumption expenditure, capital formation, transfer payment, loan etc., and (II) the function it is likely to serve, such as health, education, economic services etc. The former is known as economic classification and the latter the functional classification. When these two classification are combined and adopted this combination is called economic and functional classification.

The report on “An Economic & Functional Classification of Haryana Government Budget” is prepared regularly as a part of the System of Regional Account as per recommendation of the Regional Accounts Committee set up by Government of India.

As per Economic and Functional Classification of Haryana Government Budget 2004-2005 the main findings are as under:-

1. The total expenditure of the State Government (excluding operating expenses of departmental enterprises) increased from Rs. 916247 lakhs during 2002-2003 to Rs. 977898 lakhs during 2003-2004 and estimated at Rs. 1123279 lakhs during 2004-2005, there by showing an increase of 6.73 percent and 14.87 percent during 2003-2004 and 2004-2005 respectively.
2. The consumption expenditure of the State Government was Rs. 369672 lakhs during 2002-2003 ,Rs. 390732 lakhs during 2003-2004 and it is estimated at Rs. 418018 lakhs during 2004-2005. Its contribution to total expenditure during the above periods were 40.35 percent, 39.96 percent and 37.22 percent respectively.

3. Gross capital formation directly undertaken by the State Government accounted for 3.83 percent of the total expenditure of the State Government during 2002-2003. The corresponding percentage share for 2003-2004 and 2004-2005 are 2.41 and 6.10 respectively. In actual terms, the investments during the above periods were Rs. 35105 lakh, Rs. 23611 lakhs and Rs. 68528 lakhs.

4. The Government also assists the rest of the economy through grants, loans and investments in share capital for capital formation. Such an assistance was to the tune of Rs. 72879 lakhs during 2002-2003, Rs. 62228 lakhs during 2003-2004 and estimated at Rs. 66870 lakhs during 2004-2005.

5. The current outgoing of the State Government constitute consumption expenditure as well as transfer payments. The current outgoing of the State Government increased from Rs. 799021 lakh in 2002-2003 to Rs. 889647 lakh in 2003-2004 and Rs. 989061 lakh in 2004-2005, thereby showing an increase of 11.34 percent in 2003-2004 and 11.17 percent in 2004-2005.

6. 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 Department. The net surplus of the departmental enterprises was Rs. (-)11836 lakh during 2002-2003, Rs. (-)16826 lakh during 2003-2004 and expected to be Rs. (-)16721 lakh during 2004-2005.

7. The current receipts of the State Government was Rs. 754661 lakhs during 2002-2003 which increased to Rs. 833062 lakhs in 2003-2004 and estimated to be increased Rs. 936898 lakhs during 2004-2005. Thus increase in the current receipts over previous year was 10.39 percent during 2003-2004 and 12.46 percent during 2004-2005.

8. Tax receipt is the major source of current receipts and its share in the total current receipts was 83.49 percent during 2002-2003, 81.82 during 2003-2004 and estimated at 79.76 percent during 2004-2005.

9. The net product from public administration is derived for the purpose of estimation of State Income. The net product from public administration was Rs. 121953 lakhs in 2002-2003, Rs. 136885 lakhs in 2003-2004 and estimated at Rs. 144335 lakhs in 2004-2005.