



**GOVERNMENT OF HARYANA**

**ECONOMIC-CUM- PURPOSE  
CLASSIFICATION OF  
HARYANA GOVERNMENT BUDGET  
2005-2006**

**ISSUED BY: -  
ECONOMIC AND STATISTICAL ADVISER  
PLANNING DEPARTMENT, HARYANA  
2006**

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## PREFACE

This report presents Economic and Purpose Classification of budgetary transactions of Haryana Government Budget for the year 2003-2004 (Actuals), 2004-2005 (Revised Estimates) and 2005-2006 (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.

The report has been prepared by Shri Hari Mohan , Research Officer with the assistance of Shri Sushil Kumar and Smt. Saroj Mehra , Assistant Research Officers and Smt. Veena Garg, Junior Scale Stenographer under the supervision of Shri SCL Datta, Deputy Economic & Statistical Adviser and overall guidance of Shri O.P. Dhankar, Additional Economic and Statistical Adviser.

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the 7<sup>th</sup> July, 2006

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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:-

- |                    |   |
|--------------------|---|
| <b>Account -1</b>  | <b>Income and Outlay Account of Administrative Departments</b>    |
| <b>Account -2</b>  | <b>Production Account of Departmental Commercial undertakings</b> |
| <b>Account - 3</b> | <b>Capital Finance Account of the State Government</b>            |



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**THE SET OF ACCOUNTS**

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## ACCOUNT-I

Income and Outlay Account of Administrative Departments  
(Rs. lakh)

Items		2003-2004 (Actuals)	2004-2005 (Revised Estimates)	2005-2006 (Budget Estimates)
1	2	3	4	5
	<b>Receipts</b>			
1.	Income from Entrepreneurship and Property	2628	-23143	-32970
	1.1 Profits	-34080	-62023	-72899
	1.2 Income from Property	36708	38880	39929
	1.2.1 Net Interest Receipts	28302	28889	29389
	a) Local Bodies	-	-	-
	b) From Other Sectors	28302	28889	29389
	1.2.2 Other Property Receipts	8406	9991	10540
2.	Direct Taxes	23968	37145	48524
	2.1 Corporation Tax	13208	23068	30323
	2.2 Income Tax	9702	12505	16438
	2.3 Other Taxes on Income & Expenditure	-7	-	-
	2.4 Land Revenue	1053	1557	1742
	2.5 Taxes on Wealth	12	15	21
3.	Indirect Taxes	670016	780485	871166
	3.1 Stamps and Registration	69563	74525	82000
	3.2 Customs	14140	14602	19195
	3.3 Union Excise Duties	20805	23521	30971
	3.4 State Excise Duties	92328	94500	96700
	3.5 Sales Tax	383800	476479	549000
	3.6 Taxes on Vehicles	13239	14200	15500
	3.7 Taxes on Goods & Passengers	66036	71240	65000
	3.8 Taxes and Duties on Electricity	5906	5258	5389
	3.9 Service Tax	1976	3961	5207
	3.10 Other Taxes and Duties	2223	2199	2204
4.	Fees & Miscellaneous Receipts	80685	106903	48168
5.	Transfer from Central Govt.	67163	75007	88191
<b>Total Receipts</b>		<b>844460</b>	<b>976397</b>	<b>1023079</b>

## ACCOUNT-I

## Income and Outlay Account of Administrative Departments

(Rs. lakh)

Items		2003-2004	2004-2005	2005-2006
		(Actuals)	(Revised Estimates)	(Budget Estimates)
1	2	3	4	5
<b>Disbursements</b>				
6.	Consumption Expenditure	368050	420204	491369
	6.1 Compensation of Employees	316210	358670	401548
	a) Wages and Salaries	273407	312253	344448
	b) Pensions	42803	46417	57100
	6.2 Net Purchase of Commodities and Services	51840	61534	89821
	a) Purchases	50695	66068	82787
	b) Maintenance and Repairs	15775	12329	24976
	c) Less Sales	14630	16863	17942
7.	Benefits	32886	39450	51699
8.	Net Interest Paid to	200695	205693	223030
	7.1 Public Authorities	62692	45176	37929
	a) Centre	62692	45176	37929
	b) States	-	-	-
	c) Local Bodies	-	-	-
	7.2 Others	157502	181386	207439
	7.3 Less Commercial Interest	19499	20869	22338
9.	Subsidies	96090	117286	133900
10.	Total Current Transfers to other sectors	130096	154184	129229
11.	Inter Govt. Transfer to Local Authorities	13895	21408	43646
11.1	Current Transfer to Local Authorities	4923	13060	20518
11.2	Capital Transfer to Local Authorities	8972	8348	23128
<b>Total Current Expenditure</b>		<b>841712</b>	<b>958225</b>	<b>1072873</b>
<b>Total Receipts</b>		<b>844460</b>	<b>976397</b>	<b>1023079</b>
<b>Surplus on Current Account</b>		<b>2748</b>	<b>18172</b>	<b>-49794</b>

## ACCOUNT-2

## Production Account of Departmental Enterprises

(Rs. lakh.)

Items	2003-2004 (Actuals)	2004-2005 (Revised Estimates)	2005-2006 (Budget Estimates)
1	2	3	4
<b>Receipts:</b>			
1 Commercial Receipts	69678	61532	62190
<b>2. Total Receipts</b>	<b>69678</b>	<b>61532</b>	<b>62190</b>
<b>Expenditure:</b>			
3. Purchase of Commodities and Services including Maintenance	38819	45320	52715
4. Benefits	2046	1514	1401
5. Compensation of Employees	40360	52841	55523
5.1 Wages and Salaries	34897	46003	48683
5.2 Pensions	5463	6838	6840
6. Interest	19499	20869	22338
7. Consumption of Fixed Capital	3034	3011	3112
8. Profits	-34080	-62023	-72899
<b>9. Total Expenditure</b>	<b>69678</b>	<b>61532</b>	<b>62190</b>

## ACCOUNT-3

## Capital Finance Account of State Government

(Rs. lakh)

S.No.	Items	2003-2004 (Actuals)	2004-2005 (Revised Estimates)	2005-2006 (Budget Estimates)
1	2	3	4	5
<b>Receipts:</b>				
1.	Consumption of Fixed Capital	3034	3011	3112
2.	Capital Transfers	-	-	-
	2.1 From the Other Governments	-	-	-
	2.2 From Rest of the World	-	-	-
3.	Net Budgetary Borrowings	442352	184494	248361
	3.1 At Home	442352	184494	248361
	3.2 From Abroad	-	-	-
4.	Other Liabilities	-403859	-131959	-61451
	4.1 Net Extra Budgetary Borrowings	-388138	-105433	-23021
	4.2 Less Net Purchase of Financial Assets	15721	26526	38430
5.	Surplus on Current Account	2748	18172	-49794
<b>6.</b>	<b>Total Receipts</b>	<b>44275</b>	<b>73718</b>	<b>140228</b>
<b>Expenditure</b>				
<b>Administration :</b>				
1-	Capital Outlay	74776	62516	90547
2-	Net purchase of Physical Assets	1664	-105	-3811
	2.1 Second Land Assets	-	-	-
	2.2 Land	1664	-105	-3811
3.	Change in Stock	-75728	-37407	-10846
	3.1 Inventory	169	48	52
	3.2 Others	-75897	-37455	-10898
4.	Capital Transfers	16736	23087	25626
	4.1 For Capital Formation	-	-	-
	4.2 For Others	-	-	-
<b>5.</b>	<b>Total (1+4)</b>	<b>17448</b>	<b>48091</b>	<b>101516</b>
<b>Enterprises</b>				
6.	Capital Outlay	25935	24845	38000
7.	Net Purchase of Phy. Assets.	716	750	680
	7.1 Second Hand Assets	-	-	-
	7.2 Land	716	750	680
8.	Change in stock	173	26	27
<b>9.</b>	<b>Total (6+9)</b>	<b>26824</b>	<b>25621</b>	<b>38707</b>
<b>10.</b>	<b>Total Expenditure (5+9)</b>	<b>44272</b>	<b>73712</b>	<b>140223</b>

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**THE BORROWING ACCOUNT**

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## Borrowing Account

(Rs. lakh )

Items	2003-2004		2004-2005		2005-2006	
	(Actuals)		(R.E)		(B.E.)	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
1	2	3	4	5	6	7
<b>I Borrowing at Home</b>						
1. Internal Debt	610316	197168	390874	238809	352445	137354
2. Small Savings, Provident Fund, etc.	99982	70778	114354	81925	125674	92404
3. Other Debt	-	-	-	-	-	-
Total	710298	267946	505228	320734	478119	229758
Net Receipts	442352		184494		248361	
<b>II Borrowing Abroad</b>						
1. External Debt	-	-	-	-	-	-
2. Other Debt	-	-	-	-	-	-
Total	-	-	-	-	-	-
<b>III. Extra Budgetary Receipts</b>						
1. Loans and Advances by State Government	15558	242932	14839	26848	19449	17490
2. Loans from Govt. of India	42059	205682	32169	90835	37391	20940
3. Inter State Settlement	-	-	-	-	-	-
4. Contingency Fund	-	-	-	-	-	-
5. Reserve Funds	17697	21282	19867	19777	23349	21557
6. Deposits and Advances	445759	424267	199625	180825	215821	220821
7. Suspense & Miscellaneous	903661	905871	815500	860300	754371	788871
8. Remittances	183392	183454	120000	120000	120000	120000
9. Cash Balance	-22440	-21386	-21386	-24025	-24025	-29193
10 Funds	27	8715	28	8504	28	5807
11. Consumption of Fixed Capital	-	3034	-	3011	-	3112
Total	1585713	1973851	1180642	1286075	1146384	1169405
Net Receipts	-388138		-105433		-23021	

### 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. 1404106 lakhs in 2005-06 (BE) as compared to Rs. 1208867 lakhs in 2004-05 (RE) showing an increase of 16.15 percent in 2005-06 (BE) over 2004-05 (RE). This expenditure was Rs. 1248395 lakhs in 2003-04 (Actuals) which shows a decrease of 3.17 percent in 2004-05 (RE) over 2003-04 (Actuals). Expenditure in 2003-04 (Actuals) was more due to more loan and advances for power projects.

Administrative Departments of the Government are estimated to constitute 87.62 percent expenditure in 2005-06 (BE) as against 87.66 percent in 2004-05 (RE) and 89.54 percent 2003-04 (Actual) Departmental Commercial undertakings of the Government are estimated to constitute 12.38 percent expenditure in 2005-06 (BE) as compared 12.34 percent in 2004-05 (RE) and 10.46 percent in 2003-04 (Actuals).

Consumption expenditure of the Government is estimated at Rs. 491369 lakhs in 2005-06 (BE) as against Rs. 420204 lakhs in 2004-05 (RE) and Rs. 368050 crores in 2003-04 (Actuals). The corresponding contribution of consumption expenditure to total expenditure during the above years were 34.99, 34.76 and 29.48 percent respectively.

The State Government direct gross fixed capital formation i.e. investment on Buildings, other constructions and machinery and equipment by Administrative Departments and Departmental Commercial Undertakings both is estimated at Rs. 128547 lakhs (9.16 percent) in 2005-06 (BE) as against Rs. 87361 lakhs (7.23 percent) in 2004-05 (RE) and Rs. 100711 lakhs (8.07 percent) in 2003-04 (Actuals).

Current transfers which also include subsidies and interest payments is estimated at Rs. 506677 lakhs in 2005-06 (BE) as against Rs. 490223 lakhs in 2004-05 (RE) and Rs. 431804 lakhs in 2003-04 (Actuals). The corresponding contribution of current transfers to total expenditure during above years were 36.09, 40.55 and 34.59 percent respectively.

Capital transfers is estimated at Rs. 48754 lakhs in 2005-06 (BE) as against Rs. 31435 lakhs in 2004-05 (RE) and Rs. 25708 lakhs in 2003-04 (Actuals). The corresponding contribution of capital transfers during above years were 3.47, 2.60 and 2.06 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. Lakh)

Item	2003-04 (Actuals)	2004-05 (R. E.)	2005-06 (B. E.)
1	2	3	4
<b>I Administrative Departments</b>	1117813	1059690	1230310
	(89.54)	(87.66)	(87.62)
1. Consumption Expenditure	368050	420204	491369
	(29.48)	(34.76)	(34.99)
i) Compensation of Employees	316210	358670	401548
	(25.33)	(29.67)	(28.60)
ii) Net Purchase of Commodities & Services	51840	61534	89821
	(4.15)	(5.09)	(6.39)
2. Benefits of Employees	32886	39450	51699
	(2.64)	(3.26)	(3.68)
3. Current Transfers*	431804	490223	506677
	(34.59)	(40.55)	(36.09)
4. Gross Fixed Capital Formation	74776	62516	90547
	(5.99)	(5.17)	(6.45)
5. Capital Transfers	25708	31435	48754
	(2.06)	(2.60)	(3.47)
6. Purchase of Financial Assets	15721	26526	38430
	(1.26)	(2.20)	(2.74)
7. Loan & Advances	242932	26848	17491
	(19.46)	(2.22)	(1.24)
8. Change in Stock	(-75728)	(-37407)	(-10846)
	(-)(6.07)	(-)(3.09)	(-)(0.77)
9. Net purchase of Physical Assets	1664	(-105)	(-3811)
	(0.13)	(-)(0.01)	(-)(0.27)
<b>II Departmental Commercial Undertakings</b>	130582	149177	173796
	(10.46)	(12.34)	(12.38)
1. Purchase of Goods and Services	38819	45321	52715
	(3.11)	(3.75)	(3.76)
2. Compensation of Employees	40360	52841	55523
	(3.23)	(4.37)	(3.95)
3. Benefits of Employees	2046	1514	1401
	(0.17)	(0.12)	(0.10)
4. Consumption of Fixed Capital	3034	3011	3112
	(0.24)	(0.25)	(0.22)
5. Interest	19499	20869	22338
	(1.56)	(1.73)	(1.59)
6. Gross Fixed Capital Formation	25935	24845	38000
	(2.08)	(2.06)	(2.71)
7. Change in Stock	173	026	027
	(0.01)	(0.00)	(0.00)
8. Net Purchase of Physical Assets	716	750	680
	(0.06)	(0.06)	(0.05)
<b>Total Expenditure I+II</b>	1248395	1208867	1404106
	(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.844460 lakhs during 2003-2004 (Actuals), Rs. 976397 lakhs during 2004-2005 (R.E.) and estimated at Rs. 1023079 lakhs during 2005-06 (B.E.) Thus, the increase in the current receipt over previous year was 15.62 percent during 2004-2005 (R.E.) and 4.78 percent during 2005-2006 (B.E.).

Tax receipt is a major source of current receipt and its share in the total current receipts was 82.18 percent during 2003-2004(Actuals), 83.74 percent during 2004-2005 (R.E.) and estimated at 89.89 percent during 2005-2006 (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. lakh )		
	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-2006 (B.E.)
1	2	3	4
1. Tax Receipt	693984 (82.18)	817630 (83.74)	919690 (89.89)
2. Income from Property and Entrepreneurship	2628 (0.31)	-23143 (-2.37)	-32970 (-3.22)
3. Fees and Miscellaneous Receipts	80685 (9.56)	106903 (10.95)	48168 (4.71)
4. Revenue Grants from Government of India	67163 (7.95)	75007 (7.68)	88191 (8.62)
<b>5. Total Current Receipts</b>	<b>844460</b> <b>(100.00)</b>	<b>976397</b> <b>(100.00)</b>	<b>1023079</b> <b>(100.00)</b>

#### 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. 841712 lakhs during 2003-2004 (Actuals) to Rs. 958225 lakhs during 2004-2005 (R.E.) and estimated at Rs.1072873 lakhs during 2005-2006 (B.E.), thus showing an increase 13.84 percent during 2004-2005 (R.E.) and 11.96 percent during 2005-2006 (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. 440776 lakhs during 2003-2004 (Actuals), Rs. 498571 lakhs during 2004-2005 (R.E.) and estimated at Rs. 529805 lakhs during 2005-2006 (B.E.). Its contribution to total current outgoings were 52.37 percent, 52.03 percent and estimated at 49.38 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. lakh )		
	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-2006 (B.E.)
1	2	3	4
1. Consumption Expenditure	368050 (43.72)	420204 (43.85)	491369 (45.80)
2. Benefits	32886 (3.91)	39450 (4.12)	51699 (4.82)
2. Transfer Payments	440776 (52.37)	498571 (52.03)	529805 (49.38)
<b>3. Total Current Outgoing (1+2)</b>	<b>841712</b> <b>(100.00)</b>	<b>958225</b> <b>(100.00)</b>	<b>1072873</b> <b>(100.00)</b>

#### 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 lakh)		
	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-2006 (B.E.)
1	2	3	4
1. Gross Receipts	69678	61532	62190
2. Operating Expenses	103758	123555	135089
<b>Net Surplus (1-2)</b>	<b>-34080</b>	<b>-62023</b>	<b>-72899</b>

**6. Estimates of Net Product from Public Administration**

**TABLE -3.5**  
**Estimates of Net Product from Public Administration**

Items	(Rs. Lakh)		
	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-2006 (B.E.)
1	2	3	4
1. Administration (Total Wages & Salaries)	316210	358670	327265
Less Wages and Salaries in			
2. Construction (Repair and Maintenance)	12944	12756	15940
3. Water Supply	14563	18500	19556
4. Other Services	170714	193097	214955
a) Education	139585	158661	176359
b) Medical & Public Health	31129	34436	38596
c) Sanitation	-	-	-
<b>5. Sub Total (2 to 4)</b>	<b>198221</b>	<b>224353</b>	<b>250451</b>
<b>6. Public Administration (1-5)</b>	<b>117989</b>	<b>134317</b>	<b>76814</b>

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

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**SUBSIDIARY TABLES**

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Table 3.8(i)  
**Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises year 2003-2004 (Actuals)**  
 (Rs. Lakh)

State: Haryana

Sr. No.	Item	Compen- sation of Employees	Benefits	Purchase of comm- odities & services	Maintenance			Interest	Rent rates & taxes	Depre- ciation	Profits	Total Receipt=			Net Product	Gross Product
					B (m)	R (m)	C (m)					Sales	Imputed	Total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	Irrigation	16079	129	1437	-	-	2699	17799	1	-	(-)19832	18312	-	18312	14176	14176
2	Forests	3518	27	783	-	-	1200	-	24	-	(-)3004	2548	-	2548	565	565
3	Printing & Stationery	385	1	59	1	-	-	-	-	9	(-)423	32	-	32	(-)37	(-)28
4	Gen. Education	502	3	597	3	-	-	-	5	1	(-)550	561	-	561	(-)40	(-)39
5	Transport	19876	1886	32004	-	-	6	1700	3024	3024	(-)10271	48225	-	48225	13191	16215
	(i) Civil Aviation	50	-	7	-	-	6	-	10	11	(-)59	4	-	4	(-)9	(-)9
	(ii) Road Transport	19826	1886	31997	-	-	-	1700	3024	3024	(-)10212	48221	-	48221	13200	16224
	Total	40360	2046	34880	4	-	3905	19499	30	3034	(-)34080	69678	-	69678	27855	30889

State: Haryana

(Rs. Lakh)

Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises Year 2003-2004 (Actuals)

(Rs. Lakh)

Table 3.8(ii)  
 Domestic Product by Industry of Origin and Factor Income of Departmental Enterprises year 2004-2005 (R.E.)  
 (Rs. Lakh)

State: Haryana

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	23149	358	6693	-	-	3092	19119	2	-	(-45403	7010	-	7010	-2775	-2775
2	Forest	3774	37	1292	-	-	6	-	21	-	(-2464	2666	-	2666	1368	1368
3	Printing & Stationery	439	2	69	1	-	-	-	-	10	(-439	82	-	82	2	12
4	Gen. Education	567	14	563	5	-	-	-	6	1	149	1305	-	1305	736	737
5	Transport	24911	1103	33565	-	-	6	1750	-	3000	(-13866	50469	-	50469	13898	16898
	(i) Civil Aviation	51	3	8	-	-	6	-	-	-	(-163	5	-	5	(-9	(-19
	(ii) Road Transport	24860	1100	33557	-	-	-	1750	-	3000	13803	50464	-	50469	13907	16907
	Total	52840	1514	42182	6	-	3104	20869	29	3011	(-62023	61532	-	61532	13229	16240

31/03/2006

(for 2005)

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Table 3.9 (i)  
Capital Formation by Type of Assets & Industry of use-Administration year 2003-2004 (Actuals) (Rs Lakh)

Sr.No.	Industry	Gross Domestic Fixed Capital Formation								Total	Change in Stocks	Gross Capital Formation (11+12)
		Buildings	Roads & Bridges	Other Construction	Transport Equipment	Mech. Equipment	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	7776	29988	32363	1384	3207	58	74776	-	74776	169	74945
	Less											
2	Construction Machinery & Stock of P.W.D.	-	-	-	-	30	-	30	-	30	922	952
3	Water Supply	-	-	25490	-	8	-	25498	-	25498	(-753)	24745
4	Other Services	1743	-	2	38	1656	3	3442	-	3442	-	3442
	i) Education 3.2	828	-	2	23	52	3	908	-	908	-	908
	ii) Medical & Public Health 4	915	-	-	15	1604	-	2534	-	2534	-	2534
	iii) Sanitation	-	-	-	-	-	-	-	-	-	-	-
5	Total (2 to 4)	1743	-	25492	38	1694	3	28970	-	28970	169	29139
	Net Public Admn. (1-5)	6033	29988	6871	1346	1513	55	45806	-	45806	-	45806

Table 3.9 (ii)  
Capital Formation by Type of Assets & Industry of use-Administration year 2004-2005 (R.E.)

Sr No.	Industry	Gross Domestic Fixed Capital Formation							Total New Outlay (3 to 8)	Net Purchase of Second H. Assets	Total (9+10)	Change in Stocks	Gross Capital Formation (11+12)
		Buildings	Roads & Bridges	Other Construction	Transport Equip-ment	Mech. Equip-ment	Software	Total New Outlay (3 to 8)					
		3	4	5	6	7	8	9					
1	2	3	4	5	6	7	8	9	10	11	12	13	
1	Administration Total	11561	19026	25227	1431	5142	129	62516	-	62516	48	62564	
	Less												
2	Construction Machinery & Stock of P.W.D.					308		308		308	46	354	
3	Water Supply			21068		90	20	21178		21178	2	21180	
4	Other Services	2501		7	57	1641	13	4219		4219		4219	
	i) Education 3.2	1557		7	38	108	13	1723		1723		1723	
	ii) Medical & Public Health	944			19	1533		2496		2496		2496	
	iii) Sanitation												
	Total (2 to 4)	2501		21075	57	2039	33	25705		25705	48	25753	
	Net Public Admn.(1-5)	9060	19026	4152	1374	3103	96	36811		36811		36811	

(Rs. Lakh)

Capital Formation by Type of Assets & Industry of use-Administration year 2004-2005 (R.E.)

Table 3.9 (ii)

Table 3.9 (iii)  
Capital Formation by Type of Assets & Industry of use-Administration year 2005-2006 (B.E.)

Sr.No.	Industry	Gross Domestic Fixed Capital Formation										Total (9+10)	Change in Stocks	Gross Capital Formation (11+12)
		Buildings	Roads & Bridges	Other Construction	Transport 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	15374	25878	35150	1770	12231	144	90547	-	90547	52	90599		
	Less													
2	Construction Machinery & Stock of P.W.D.	-	-	-	-	178	-	178	-	178	50	228		
3	Water Supply	-	-	27310	-	92	20	27422	-	27422	2	27424		
4	Other Services	4007	-	3	54	2473	11	6548	-	6548		6548		
	i) Education 3.2	2125	-	3	35	635	7	2805	-	2805		2805		
	ii) Medical & Public Health 4	1882	-	-	19	1838	4	3743	-	3743		3743		
	iii) Sanitation	-	-	-	-	-	-	-	-	-		-		
5	Total (2 to 4)	4007	-	27313	54	2743	31	34148	-	34148	52	34200		
	Net Public Admn. (1-5)	11367	25878	7837	1716	9488	113	56399	-	56399		56399		

State: Haryana

(Rs. Lakh)

Table 3.10 (I)  
Capital Formation by Type of Assets & Industry of use -Enterprises year 2003-2004 (Actuals)

Sr. No.	Item Industry	Gross Domestic Fixed Capital Formation						Total purchase (9+10)	Change in Stocks	Gross Capital formation (11+12)	Depre- ciation	Net Capital form- ation (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	-	-	18541	-	1	-	18542	-	18542	173	18715	-	18715
2	Forest 2406+4406	56	-	1832	3	25	2	1918	-	1918	-	1918	-	1918
3	Printing & Stationery 2058+4058	(-7)	-	-	-	20	-	13	-	13	-	13	9	4
4	General Education 2202+4202	-	-	-	-	-	-	-	-	-	-	-	1	(-1)
5	Others	401	-	15	4988	60	-	5464	-	5464	-	5464	3024	2440
	i) Road Transport 3055+5055	401	-	-	4988	30	-	5419	-	5419	-	5419	3024	2395
	ii) Civil Avi. 3053+5053	-	-	15	-	30	-	45	-	45	-	45	-	45
	Total	450	-	20388	4991	106	2	25937	-	25937	173	26110	3034	23076

State: Haryana

(Rs. Lakh)

Table 3.10 (ii)  
Capital Formation by Types of Assets and Industry of Use - Enterprises Year 2004-2005 (R.E.)

(Rs. Lakh)

State: Haryana

Sr. No.	Item Industry	Gross Domestic Fixed Capital Formation						Total (New Outlay) 3 to 8	Net purchase of sec. hand assets	Total Change in Stocks	Gross Capital formation (11+12)	Depreciation	Net Capital formation (13-14)	
		Buildings	Roads and Bridges	Other Contructions	Transport Equip-ment	Mach-inery Equip-ment	Soft-ware							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Irrigation 2701+2702+4701+4702	-	-	14299	-	77	-	14376	-	14376	26	14402	-	14402
2	Forest 2406+4406	216	-	3689	-	886	25	4816	-	4816	-	4816	-	4816
3	Printing & Stationery 2058+4058	35	-	-	-	1	-	37	-	37	-	37	10	27
4	General Education 2202+4202	-	-	-	-	1	-	-	-	-	-	-	1	(-1)
5	Others	450	-	25	4885	236	20	5616	-	5616	-	5616	3000	2616
	i) Road Transport 3055+5055	450	-	10	4885	206	20	5571	-	5571	-	5571	3000	2571
	ii) Civil Avi. 3053+5053	-	-	15	-	30	-	45	-	45	-	45	-	45
	Total	701	-	18013	4885	1201	45	24845	-	24845	26	24871	3011	21860

Table 3.10 (iii)  
Capital Formation by Types of Assets and Industry of Use - Enterprises year 2005-2006 (B.E.)

(Rs. Lakh)

State: Haryana

Sr. No.	Item Industry	Gross Domestic Fixed Capital Formation								Net purchase of sec. hand assets	Total Change in Stocks (9+10)	Gross Capital formation (11+12)	Depreciation	Net Capital formation (13-14)
		Buildings	Roads and Bridges	Other Contructions	Transport Equip-ment	Mach-inery Equip-ment	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	-	-	23149	-	77	-	23226	-	23226	27	23253	-	23253
2	Forest 2406+4406	234	-	6591	15	244	12	7096	-	7096	-	7096	-	7096
3	Printing & Stationery 2058+4058	35	-	-	-	2	-	37	-	37	-	37	10	27
4	General Education 2202+4202	-	-	-	-	-	-	-	-	-	-	-	2	(-)2
5	Others	270	-	27	7085	239	20	7641	-	7641	-	7641	3100	4541
	I) Road Transport 3055+5055	270	-	10	7085	206	20	7591	-	7591	-	7591	3100	4491
	II) Civil Avi. 3053+5053	-	-	17	-	33	-	50	-	50	-	50	-	50
	Total	539	-	29767	7100	562	32	38000	-	38000	27	38027	3112	34915

## 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 2003-2004 (Actuals), 2004-2005 (R.E.) and 2005-2006 (B.E.).



TABLE -4.1

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

Items	(Rs. lakh)		
	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-2006 (B.E.)
1	2	3	4
1. General Public Services	199644	246658	222707
1.1 General Administration, External Affairs, Public Order & Safety	197961	245883	221586
1.2 General Research	1683	775	1121
2. Civil Defence	624	356	301
3. Education Affairs and Services	180596	208247	246124
3.1 Administration, Regulation and Research	6882	8079	10483
3.2 Educational Services	173714	200168	235641
4. Health Affairs & Services	37184	43051	53211
4.1 Administration, Regulation and Research	1370	1626	1993
4.2 Health Services	35814	41425	51218
5. Social Security and Welfare Affairs & Services	55380	64868	76561
5.1 Social Security Affairs & Services	33811	41274	3320
5.2 Welfare Affairs & Services	21569	23594	73241
6. Housing and Community Amenity Affairs & Services	32249	34833	64881
7. Cultural, Recreational and Religious Affairs & Services	4062	4811	5864
8. Economic Affairs & Services	406477	248682	327482
8.1 General Administration, Regulation & Research	6453	11789	20722
8.2 Agriculture, Forestry, Fishing and Hunting	22154	21900	24980
8.3 Mining, Manufacturing and Construction	24343	13547	6418
8.4 Electricity, Gas, Steam and Other Sources of Energy	325755	148518	170633
8.5 Water Supply	59002	53310	62603
8.6 Transport and Communication	42637	33332	48105
8.7 Other Economic Services	-73867	-33714	-5979
9. Environmental Protection	120	110	130
10. Relief on Calamities	782	2381	10019
11. Interest	200695	205693	223030
<b>Total</b>	<b>1117813</b>	<b>1059690</b>	<b>1230310</b>

TABLE- 4.2

## Purpose Classification : Percentage Distribution of Expenditure

Items	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-2006 (B.E.)
1. General Public Services	17.86	23.28	18.10
1.1 General Administration, External Affairs, Public Order & Safety	17.71	23.21	18.01
1.2 General Research	0.15	0.07	0.09
2. Civil Defence	0.06	0.03	0.03
3. Education Affairs & Services	16.16	19.65	20.00
3.1 Administration, Regulation & Research	0.62	0.76	0.85
3.2 Educational Services	15.54	18.89	19.15
4. Health Affairs & Services	3.33	4.06	4.33
4.1 Administration, Regulation & Research	0.12	0.15	0.16
4.2 Health Services	3.21	3.91	4.17
5. Social Security & Welfare Affairs & Services	4.95	6.12	6.22
5.1 Social Security Affairs & Services	3.02	3.89	0.27
5.2 Welfare Affairs & Services	1.93	2.23	5.95
6. Housing and Community Amenity Affairs & Services	2.89	3.29	5.27
7. Cultural, Recreational & Religious Affairs & Services	0.36	0.45	0.48
8. Economic Affairs & Services	36.36	23.47	26.62
8.1 General Administration, Regulation & Research	0.58	1.11	1.68
8.2 Agriculture, Forestry, Fishing & Hunting	1.98	2.07	2.03
8.3 Mining, Manufacturing & Construction	2.18	1.28	0.52
8.4 Electricity, Gas, Steam & Other Sources of Energy	29.14	14.01	13.87
8.5 Water Supply	5.28	5.03	5.09
8.6 Transport & Communication	3.81	3.15	3.91
8.7 Other Economic Services	-6.61	-3.18	-0.48
9. Environmental Protection	0.01	0.01	0.01
10. Relief on Calamities	0.07	0.23	0.81
11. Interest	17.95	19.41	18.13
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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 2003-2004 (Actuals), 2004-2005 (Revised Estimates) and 2005-2006 (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 .

Sl. No.	Description of Service	Economic Purpose Classification			Total
		Current Expenditure on Goods & Services	Capital Formation	Transfers & Loans	
1	Administration	10000	50000	10000	150000
2	Public Health & Family Welfare	10000	50000	10000	150000
3	Education	10000	50000	10000	150000
4	Public Works	10000	50000	10000	150000
5	Public Health & Family Welfare	10000	50000	10000	150000
6	Public Health & Family Welfare	10000	50000	10000	150000
7	Public Health & Family Welfare	10000	50000	10000	150000
8	Public Health & Family Welfare	10000	50000	10000	150000
9	Public Health & Family Welfare	10000	50000	10000	150000
10	Public Health & Family Welfare	10000	50000	10000	150000
11	Public Health & Family Welfare	10000	50000	10000	150000
12	Public Health & Family Welfare	10000	50000	10000	150000
13	Public Health & Family Welfare	10000	50000	10000	150000
14	Public Health & Family Welfare	10000	50000	10000	150000
15	Public Health & Family Welfare	10000	50000	10000	150000
16	Public Health & Family Welfare	10000	50000	10000	150000
17	Public Health & Family Welfare	10000	50000	10000	150000
18	Public Health & Family Welfare	10000	50000	10000	150000
19	Public Health & Family Welfare	10000	50000	10000	150000
20	Public Health & Family Welfare	10000	50000	10000	150000
21	Public Health & Family Welfare	10000	50000	10000	150000
22	Public Health & Family Welfare	10000	50000	10000	150000
23	Public Health & Family Welfare	10000	50000	10000	150000
24	Public Health & Family Welfare	10000	50000	10000	150000
25	Public Health & Family Welfare	10000	50000	10000	150000
26	Public Health & Family Welfare	10000	50000	10000	150000
27	Public Health & Family Welfare	10000	50000	10000	150000
28	Public Health & Family Welfare	10000	50000	10000	150000
29	Public Health & Family Welfare	10000	50000	10000	150000
30	Public Health & Family Welfare	10000	50000	10000	150000
31	Public Health & Family Welfare	10000	50000	10000	150000
32	Public Health & Family Welfare	10000	50000	10000	150000
33	Public Health & Family Welfare	10000	50000	10000	150000
34	Public Health & Family Welfare	10000	50000	10000	150000
35	Public Health & Family Welfare	10000	50000	10000	150000
36	Public Health & Family Welfare	10000	50000	10000	150000
37	Public Health & Family Welfare	10000	50000	10000	150000
38	Public Health & Family Welfare	10000	50000	10000	150000
39	Public Health & Family Welfare	10000	50000	10000	150000
40	Public Health & Family Welfare	10000	50000	10000	150000
41	Public Health & Family Welfare	10000	50000	10000	150000
42	Public Health & Family Welfare	10000	50000	10000	150000
43	Public Health & Family Welfare	10000	50000	10000	150000
44	Public Health & Family Welfare	10000	50000	10000	150000
45	Public Health & Family Welfare	10000	50000	10000	150000
46	Public Health & Family Welfare	10000	50000	10000	150000
47	Public Health & Family Welfare	10000	50000	10000	150000
48	Public Health & Family Welfare	10000	50000	10000	150000
49	Public Health & Family Welfare	10000	50000	10000	150000
50	Public Health & Family Welfare	10000	50000	10000	150000

TABLE - 5.1

**Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of  
Haryana Government 2003-2004 (Actuals)**

Sr. No.	Economic/Functional Classification	Current Expenditure											Total Current Expenditure
		3	4	5	6	7	8	9	10	11	12		
		Salary + Pension	Benefits	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Consumption Expenditure	Current Transfer	Subsidy	Interest			
1.	General Public Services	81633	27881	16480	125994	2523	123471	61914	-	-	-	185385	
1.1	General Administration, External Affairs, Public Order & Safety	81482	27312	16030	124824	2493	122331	61371	-	-	-	183702	
1.2	General Research	151	569	450	1170	30	1140	543	-	-	-	1683	
2.	Civil Defence	558	2	54	614	923	-309	933	-	-	-	624	
3.	Education Affairs & Services	144152	549	3373	148074	1689	146385	32356	-	-	-	178741	
3.1	Administration, Regulation & Research	4568	33	416	5017	-	5017	918	-	-	-	5935	
3.2	Educational Services	139584	516	2957	143057	1689	141368	31438	-	-	-	172806	
4.	Health Affairs & Services	32363	697	4004	37064	3095	33969	630	13	-	-	34612	
4.1	Administration, Regulation and Research	1235	44	52	1331	-	1331	1	-	-	-	1332	
4.2	Health Services	31128	653	3952	35733	3095	32638	629	13	-	-	33280	
5.	Social Security & Welfare Affairs & Services	7356	3253	8006	18615	112	18503	34825	977	-	-	54305	
5.1	Social Security Affairs & Services	597	5	656	1258	75	1183	31446	977	-	-	33606	
5.2	Welfare Affairs & Services	6759	3248	7350	17357	37	17320	3379	-	-	-	20699	
6.	Housing and Community Amenity Affairs & Services	6404	55	961	7420	160	7260	11506	84	-	-	18850	

Table- 5.1 Contd..

	1	2	3	4	5	6	7	8	9	10	11	12
7. Cultural, Recreational & Other Religious Affairs & Services	2127	22	850	2999	103	2896	657	-	-	-	-	3553
8. Economic Affairs & Services	41435	427	32004	73866	5905	67961	1144	94965	-	-	-	164070
8.1 General Administration, Regulation & Research	6308	31	404	6743	529	6214	96	-	-	-	-	6310
8.2 Agriculture, Forestry, Fishing & Hunting	10076	125	1376	11577	869	10708	504	2292	-	-	-	13504
8.3 Mining, Manufacturing & Construction	1465	21	842	2328	242	2086	251	-	-	-	-	2337
8.4 Electricity, Gas, Steam & other Sources of Energy	120	2	88	210	221	-11	283	92388	-	-	-	92660
8.5 Water Supply	14563	202	22913	37678	3471	34207	-	-	-	-	-	34207
8.6 Transport & Communication	6651	-	6054	12705	67	12638	-	-	-	-	-	12648
8.7 Other Economic Services	2252	46	327	2625	507	2118	1	285	-	-	-	2404
9. Environmental Protection	70	-	12	82	-	82	25	-	-	-	-	107
10. Relief on Calamities	112	-	726	838	120	718	1	51	-	-	-	770
11. Interest	-	-	-	-	-	-	-	-	200695	200695	-	200695
Total	316210	32886	66470	415566	14630	400936	143991	96090	200695	841712	-	-

**TABLE 5.1 Contd.,  
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of  
Haryana Government 2003-2004 (Actuals)**

Sr.No.	Economic Classification/ Classification	Capital Expenditure											Total Grand
		Build- ings & other const- ruction	13	14	15	16	17	18	19	20	21	22	
1	2	4247	2374	922	1664	5052	-	-	-	-	14259	199644	
1.1	General Public Service	4247	2374	922	1664	5052	-	-	-	-	14259	199644	
1.1.1	General Administration, External Affairs, Public Safety & Order	-	-	-	-	-	-	-	-	-	-	-	
1.2	General Research	-	-	-	-	-	-	-	-	-	-	1683	
2.	Civil Defence-	-	-	-	-	-	-	-	-	-	-	624	
3.	Education Affairs & Services	842	193	-	-	820	-	-	-	-	1855	180596	
3.1	Administration, Regulation & Research	12	115	-	-	820	-	-	-	-	947	6882	
3.2	Educational Services	830	78	-	-	-	-	-	-	-	908	173714	
4.	Health Affairs & Services	915	1657	-	-	-	-	-	-	-	2572	37184	
4.1	Administration, Regulation and Research	-	38	-	-	-	-	-	-	-	38	1370	
4.2	Health Services	915	1619	-	-	-	-	-	-	-	2534	35814	
5.	Social Security & Welfare Affairs & Services	899	71	-	-	-	105	-	-	-	1075	55380	
5.1	Social Security Affairs & Services	193	12	-	-	-	-	-	-	-	205	33811	
5.2	Welfare Affairs & Services	706	59	-	-	-	105	-	-	-	870	21569	
6.	Housing and Community Amenity Affairs & Services	1537	32	-	-	2610	-	6310	2910	-	13399	32249	

Table-5.1 Contd.,

	13	14	15	16	17	18	19	20	21	22
7. Cultural, Recreational & other Religious Affairs & Services	346	12	-	-	151	-	-	-	509	4062
8. Economic Affairs & Services	61320	306	-76650	-	8103	15616	233713	-	242407	406477
8.1 General Administration, Regulation & Research	6	137	-	-	-	-	-	-	143	6453
8.2 Agriculture, Forestry, Fishing & Hunting	5728	110	-	-	2610	202	-	-	8650	22154
8.3 Mining, Manufacturing & Construction	3	19	-	-	100	-3	21887	-	22006	24343
8.4 Electricity, Gas, Steam & other Sources of Energy	114	19	-75897	-	5393	16264	211435	-	233095	325755
8.5 Water Supply	25490	8	-753	-	-	-	50	-	24795	59002
8.6 Transport & Communication	29979	10	-	-	-	-	-	-	29989	42637
8.7 Other Economic Services	114	19	-75897	-	-	-847	340	-	-76271	-73867
9. Environmental Protection	3	4	-	-	-	-	-	-	13	120
10. Relief on Calamities	12	-	-	-	-	-	-	-	12	782
11. Interest	-	-	-	-	-	-	-	-	-	200695
<b>Total</b>	<b>70127</b>	<b>4649</b>	<b>-75728</b>	<b>1664</b>	<b>16736</b>	<b>15721</b>	<b>240022</b>	<b>2910</b>	<b>276101</b>	<b>1117813</b>

TABLE S.2  
Economic-Cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of  
Haryana Government 2004-2005 (R.E.)  
(Rs. lakh)

Sr. No.	Economic Classification/ Functional Classification	Current Expenditure							Total			
		3	4	5	6	7	8	9	10	11	12	
		Salary + Pension	Benefits	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Consumption Expenditure	Current Transfer side	Subsidy	Interest	Current Expenditure	
1	2											
1.	General Public Services	94090	33979	26014	154083	4294	149789	77801	-	-	227590	
1.1	General Administration, External Affairs, Public Order & Safety	93902	33974	25961	153837	4294	149543	77276	-	-	226819	
1.2	General Research	188	5	53	246	-	246	525	-	-	771	
2.	Civil Defence	745	12	167	924	576	348	-	-	-	348	
3.	Education Affairs & Services	164487	1272	5187	170946	2029	168917	36562	-	-	205479	
3.1	Administration, Regulation & Research	5826	83	444	6353	-	6353	1591	-	-	7944	
3.2	Educational Services	158661	1189	4743	164593	2029	162564	34971	-	-	197535	
4.	Health Affairs & Services	35770	568	6019	42357	3742	38615	1368	525	-	40508	
4.1	Administration, Regulation and Research	1334	76	68	1478	-	1478	101	-	-	1579	
4.2	Health Services	34436	492	5951	40879	3742	37137	1267	525	-	38929	
5.	Social Security & Welfare Affairs & Services	7734	2723	8982	19439	157	19282	42975	1132	-	63389	
5.1	Social Security & Welfare Affairs & Services	727	14	888	1629	98	1531	39298	-	-	40829	
5.2	Welfare Affairs & Services	7007	2709	8094	17810	59	17751	3677	1132	-	22560	
6.	Housing and Community Amenity Affairs & Services	6733	74	635	7442	344	7098	10149	80	-	17327	



Table -5.2 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural, Recreational & Other Religious Affairs & Services	2259	51	1189	3499	216	3283	673	-	-	3956
8.	Economic Affairs & Services	46639	770	28052	75463	5493	69968	6051	115549	-	191568
8.1	General Administration, Regulation & Research	6582	53	472	7107	202	6905	4584	-	-	11489
8.2	Agriculture, Forestry, Fishing & Hunting	10934	248	1559	12741	960	11781	467	3536	-	15784
8.3	Mining, Manufacturing & Construction	1506	26	949	2481	210	2271	945	1380	-	4596
8.4	Electricity, Gas, Steam & other Sources of Energy	139	2	194	335	210	125	-	110393	-	110518
8.5	Water Supply	18500	334	16906	35740	3800	31940	10	-	-	31950
8.6	Transport & Communication	6728	-	7462	14190	100	14090	45	-	-	14135
8.7	Other Economic Services	2250	107	510	2867	11	2856	10	240	-	3096
9.	Environmental Protection	80	-	13	93	-	93	17	-	-	110
10.	Relief on Calamities	133	1	2139	2273	12	2261	-	-	-	2261
11.	Interest	-	-	-	-	-	-	-	-	-	205693
	Total	358670	39450	78397	476517	16863	459654	175592	117286	205693	958225

2000 Economic Surveys of India

Chapter 5: Government Expenditure

Table 5.2: Government Expenditure by Sector

Year: 2000

Source: Ministry of Finance, Government of India

Figure 5.2: Government Expenditure by Sector, 2000

Figure 5.2: Government Expenditure by Sector, 2000

1500000

**TABLE - 5.2 Contd.,**  
**Economic-cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of**  
**Haryana Government 2004-2005(R.E.)**  
(Rs.lakh)

Sr.No.	Economic Classification/ Classification	Capital Expenditure										Total Grand
		Build- ings & other const- ruction	14	15	16	17	18	19	20	21	22	
		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	For Cur- rent Cons- umption	Expen- diture	Capital	Total	
1	2	13	14	15	16	17	18	19	20	21	22	
1.	General Public Services	6788	3686	46	-105	8653	-	-	-	19068	246658	
1.1	General Administration, External Affairs, Public Order & Safety	6788	3682	46	-105	8653	-	-	-	19064	245883	
1.2	General Research	-	4	-	-	-	-	-	-	4	775	
2.	Civil Defence	-	8	-	-	-	-	-	-	8	356	
3.	Education Affairs & Services	1577	281	-	-	910	-	-	-	2768	208247	
3.1	Administration, Regulation & Research	13	122	-	-	-	-	-	-	135	8079	
3.2	Educational Services	1564	159	-	-	910	-	-	-	2633	200168	
4.	Health Affairs & Services	944	1599	-	-	-	-	-	-	2543	43051	
4.1	Administration, Regulation and Research	-	47	-	-	-	-	-	-	47	1626	
4.2	Health Services	944	1552	-	-	-	-	-	-	2496	41425	
5.	Social Security & Welfare Affairs & Services	1095	139	-	-	-	245	-	-	1479	64868	
5.1	Social Security Affairs & & Services	366	29	-	-	-	50	-	-	445	41274	
5.2	Welfare Affairs & Services	729	110	-	-	-	195	-	-	1034	23594	
6.	Housing and Community Amenity Affairs & Services	1310	93	-	-	5518	-	7835	2750	17506	34833	

Table-5.2 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
7.	Cultural, Recreational & Other Religious Affairs & Services	595	15	-	-	245	-	-	-	855	4811
8.	Economic Affairs & Services	43382	880	-37453	-	7760	26282	16163	100	57114	248682
8.1	General Administration, Regulation & Research	3	297	-	-	-	-	-	-	300	11789
8.2	Agriculture, Forestry, Fishing & Hunting	3105	170	-	-	2741	-	-	100	6116	21900
8.3	Mining, Manufacturing & Construction	77	65	-	-	41	168	8600	-	8951	13547
8.4	Electricity, Gas, Steam & Other Sources of Energy	-	-	-	-	4979	25899	7122	-	38000	148518
8.5	Water Supply	21068	110	2	-	-	-	180	-	21360	53310
8.6	Transport & Communication	19026	171	-	-	-	-	-	-	19197	33332
8.7	Other Economic Services	103	67	-37455	-	-	214	261	-	-36810	-33714
9.	Environmental Protection	-	-	-	-	-	-	-	-	-	110
10.	Relief on Calamities	120	-	-	-	-	-	-	-	120	2381
11.	Interest	-	-	-	-	-	-	-	-	-	205693
	Total	55811	6705	-37407	-105	23087	26526	23998	2850	101465	1059690

TABLE- 5.3 Contd.,

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

Sr. No.	Economic/Functional Classification	Current Expenditure											Total
		3	4	5	6	7	8	9	10	11	12		
		Salary + Pension	Benefits	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Consumption Expenditure	Current Transfer	Subsidy	Interest	Current Expenditure		
1.	General Public Services	108734	44095	22633	175462	5570	169892	30245	-	-	200137		
1.1	General Administration, External Affairs, Public Order & Safety	108530	44091	22522	175143	5568	169575	20449	-	-	199024		
1.2	General Research	204	4	111	319	2	317	796	-	-	1113		
2.	Civil Defence	-	-	-	-	796	-796	1097	-	-	301		
3.	Education Affairs & Services	182815	2447	14264	199526	2357	197169	45089	-	-	242258		
3.1	Administration, Regulation & Research	6456	126	522	7104	-	7104	2868	-	-	9972		
3.2	Educational Services	176359	2321	13742	192422	2357	190065	42221	-	-	232286		
4.	Health Affairs & Services	40133	738	8956	49827	2724	47103	1679	554	-	49336		
4.1	Administration, Regulation and Research	1537	96	228	1861	-	1861	-	-	-	1861		
4.2	Health Services	38596	642	8728	47966	2724	45242	1679	554	-	47475		
5.	Social Security & Welfare Affairs & Services	8382	3237	11461	23080	133	22947	49864	1826	-	74637		
5.1	Social Security Affairs & Services	719	12	1231	1962	103	1859	1101	-	-	2960		
5.2	Welfare Affairs & Services	7663	3225	10230	21118	30	21088	48763	1826	-	71677		
6.	Housing and Community Amenity Affairs & Services	7665	103	1704	9472	311	9161	30125	162	-	39448		

Table-5.3 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural , Recreational & Religious Affairs & Services	2751	54	1065	3870	205	3665	1126	-	-	4791
8.	Economic Affairs & Services	50838	1019	38647	90504	5834	84670	13385	131358	-	229413
8.1	General Administration	7442	250	1102	8794	203	8591	10278	-	-	18869
	Regulation & Research	12117	287	1995	14399	798	13601	321	4125	-	18047
8.2	Agricultural ,Forestry Fishing & Hunting	1623	38	1054	2715	227	2488	1557	958	-	5003
8.3	Mining, Manufacturing & Construction	153	2	195	350	210	140	13	125980	-	126133
8.4	Electricity , Gas, Steam & Other Sources of Energy	19556	366	19356	39278	4100	35178	1	-	-	35179
8.5	Atomic Energy	7113	-	14663	21776	110	21666	41	-	-	21707
8.6	Transport & Communication	2834	76	282	3192	186	3006	1174	295	-	4475
8.7	Other Economic Services	94	2	17	113	-	113	15	-	-	128
9.	Environmental Protection	136	4	9016	9156	12	9144	250	-	-	9394
10.	Relief on Calamities	-	-	-	-	-	-	-	-	-	-
11.	Interest	-	-	-	-	-	-	-	-	223030	223030
	Total	401548	51699	107763	561010	17942	543068	172875	133900	223030	1072873

**TABLE- 5. 3 Contd.,**  
**Economic-cum-Purpose Classification of Budgetary Expenditure of Administrative Departments of**  
**Haryana Government 2005-2006 (B.E.)**  
 (Rs. lakh)

Sr.No.	Economic Classification/ Functional Classification	Capital Expenditure											Total	Grand		
		Build- ings & other Const- ruction	Machi- nery & trans- port Equip- ment	15	16	17	18	19	20	21	22					
				Change Net in Stocks of Phy. Assets	Purcha- se of	Capital Transfer	Invest- ment in shares	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	Loans & Advances For Capital Forma- tion	
1	2	13	14	15	16	17	18	19	20	21	22					
1.	General Public Services	8435	8220	50	-3811	9676	-	-	-	22570	222707					
1.1	General Administration, External Affairs, Public Order & Safety	8435	8212	50	-3811	9676	-	-	-	22562	221586					
1.2	General Research	-	8	-	-	-	-	-	-	-	8					
2.	Civil Defence	-	-	-	-	-	-	-	-	-	301					
3.	Education Affairs & Services	2142	799	-	-	925	140	-	-	3866	246124					
3.1	Administration,	14	122	-	-	375	-	-	-	511	10483					
3.2	Educational Services	2128	677	-	-	550	-	-	-	3355	235641					
4.	Health Affairs & Services	1882	1993	-	-	-	-	-	-	3875	53211					
4.1	Administration, & Regulation Research	-	132	-	-	-	-	-	-	132	1993					
4.2	Health Services	1882	1861	-	-	-	-	-	-	3743	51218					
5	Social Security & Welfare Affairs & Services	1177	163	-	-	-	584	-	-	1924	76561					
5.1	Social Security Affairs & Services	292	38	-	-	-	30	-	-	360	43320					
5.2	Welfare Affairs & Services	885	125	-	-	-	554	-	-	1564	73241					
6.	Housing and Community Amenity Affairs & Services	5902	53	-	-	7515	-	8363	3600	25433	64881					

Table -5.3 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
	7. Cultural, Recreational & Other Religious Affairs & Services	677	6	-	-	390	-	-	-	1073	5864
	8. Economic Affairs & Services	5562	2909	-10896	-	7120	37846	4028	1500	98069	327482
	8.1 General Administration, Regulation & Research	3	1843	-	-	7	-	-	-	1853	20722
	8.2 Agriculture, Forestry, Fishing & Hunting	2263	292	-	-	2878	-	-	1500	6933	24980
	8.3 Mining, Manufacturing & Construction	205	89	-	-	844	176	101	-	1415	6418
	8.4 Electricity, Gas, Steam & other Sources of Energy	-	-	-	-	3391	37545	3564	-	44500	170633
	8.5 Water Supply	27310	112	2	-	-	-	-	-	27424	62603
	8.6 Transport & Communication	25678	520	-	-	-	200	-	-	26398	48105
	8.7 Other Economic Services	103	53	-10898	-	-	-75	363	-	-10454	-5979
	9. Environmental Protection	-	2	-	-	-	-	-	-	2	130
	10. Relief on Calamities	625	-	-	-	-	-	-	-	625	10019
	11. Interest	-	-	-	-	-	-	-	-	-	223030
	Total	76402	14145	-10846	-3811	25626	38430	12391	5100	157437	1230310

## 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. lakh )		
	2003-2004 (Actuals)	2004-2005 (R.E.)	2005-06 (B.E.)
1	2	3	4
<b>I Current revenue of Government administration shown in the Financial Statement</b>	<b>984348</b>	<b>1138852</b>	<b>1203727</b>
<b>II Less</b>	<b>14630</b>	<b>16863</b>	<b>17942</b>
1. Revenue receipts netted against - expenditure Sale of Goods and Services (Account No.1)			
2. Interest Receipts from Departmental Enterprises (Account -2)	19499	20869	22338
3. Revenue attributed to Departmental Enterprises (Account -2)	69678	61532	62190
4. Sale of Land & Property	741	105	4111
5. Fund (Borrowing account)	27	28	28
6. Pension (Receipts)	1234	1035	1140
<b>III Add:</b>			
1. Profit Transferred by Departmental Commercial Undertakings (Account -2)	-34080	-62023	-72899
2. Rounding error			
<b>IV Total Adjustments</b>	<b>-139888</b>	<b>-162455</b>	<b>-180648</b>
<b>Current revenue of Govt. administration as shown in the Economic Classification of Budget (Account -1)</b>	<b>844460</b>	<b>976397</b>	<b>1023079</b>



## TOTAL EXPENDITURE

Item	(Rs. lakh )		
	2003-04 (Actuals)	2004-05 (R.E.)	2005-06 (B.E.)
1	2	3	4
<b>I. As per consolidated fund shown in the Financial Statement</b>	1696066	1585892	1613742
<b>II Less</b>			
1. Revenue receipts netted against revenue expenditure—sale of goods and services (Account -1)	14630	16863	17942
2. Sale of land and property	741	105	4111
3. Fund	8715	8504	5807
4. Interest Departmental Enterprises	19499	20869	22338
5. Repayment of public debt, (Borrowing account)	402850	329644	158293
6. Pension (receipt)	1234	1035	1140
<b>III Rounding error</b>	-2	-5	-5
<b>IV Total Adjustments</b>	<b>-447671</b>	<b>-377025</b>	<b>-209636</b>
<b>V Total Expenditure as shown in the Economic &amp; Functional/Purpose Classification</b>	<b>1248395</b>	<b>1208867</b>	<b>1404106</b>

## 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 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

#### 1.1 General 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 dept., 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.

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 policies, 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 research on it, mechanization of fish catching station, construction and improvement of fish landing station, fish nurseries, fish preservation and cold storage for fish. This also includes improvements of working conditions of fishermen, contribution to fishermen cooperative societies.

### 8.3 Mining, Manufacturing and Construction includes:-

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

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

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

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

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

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

#### 8.6 Transportation and Communication includes :-

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

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

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

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

### 8.7 Other Economic Services includes:-

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

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

### 9. Environmental Protection

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

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

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

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

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

### 10. Relief on Calamities

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

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

### 11. Interest

This include interest payments of administrative departments.

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