



GOVERNMENT OF HARYANA

**AN ECONOMIC AND FUNCTIONAL
CLASSIFICATION OF THE
HARYANA GOVERNMENT BUDGET
2002-2003**

**ISSUED BY: -
ECONOMIC AND STATISTICAL ADVISER
PLANNING DEPARTMENT, HARYANA
2003**



GOVERNMENT OF HARYANA

**AN ECONOMIC AND FUNCTIONAL
CLASSIFICATION OF THE
HARYANA GOVERNMENT BUDGET
2002-2003**

**ISSUED BY: -
ECONOMIC AND STATISTICAL ADVISER
PLANNING DEPARTMENT, HARYANA
2003**

PREFACE

This report presents Economic and Functional Classification of budgetary transactions of Haryana Government Budget for the year 2000-2001 (Actuals), 2001-2002 (Revised Estimates) and 2002-2003 (Budget Estimates). The present Economic and Functional 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 Functional Classification is an attempt to recast the state government transactions in order to assess the economic and functional 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 namely :

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

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

Functional Classification groups these according to the particular purpose or function they perform such as general public services, civil defence, education, health, social security and welfare services, housing and community amenities, cultural, recreational and religious services, economic services and Other Sources.

These two types of classifications are integrated into "Economic and Functional Classification" which presents in a consolidated statement, the economic and functional 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 Sunish K. Katyal Assistant Research Officer, Shri Suraj Bhan, Junior Field Investigator and Smt. Sunita Gupta, Senior Scale Stenographer under the supervision of Shri Ram Narayan, Dy. Economic and Statistical Adviser and overall guidance of Shri R.K. Bishnoi, Additional Economic and Statistical Adviser.

Chandigarh
the 23rd May, 2003

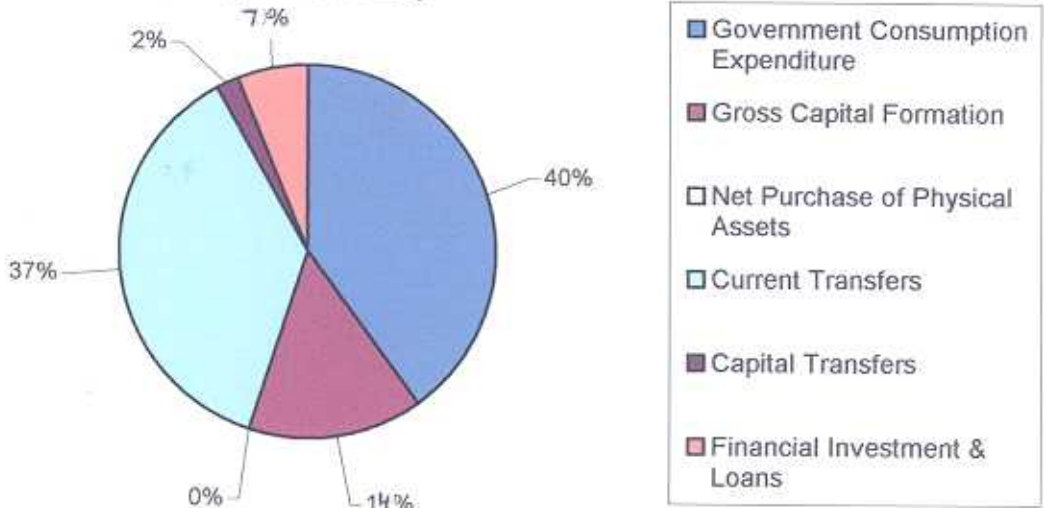
Ranvir Gupta
Economic & Statistical Adviser
to Government, Haryana

CONTENTS

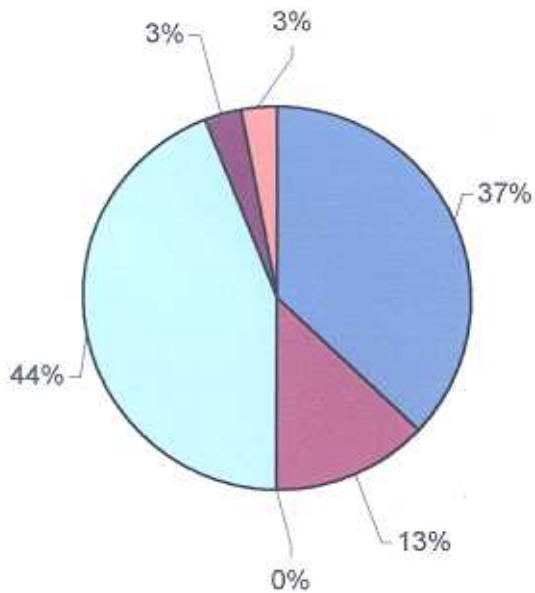
Chapter	Description	Page(s)
I.	Introduction	1
II.	Principles of Economic classification	2-8
III.	Main Findings	9-23
IV.	Principles and Detailed Functional Classification	24-27
V.	Economic -cum- Functional Classification	28-40
VI.	Reconciliation Statements	41-44
APPENDIX		
	1. Notes on the Accounts and their Derivations	45-51
	2. Notes on the Functional Categories	52-59

ECONOMIC CLASSIFICATION OF THE STATE GOVERNMENT BUDGET

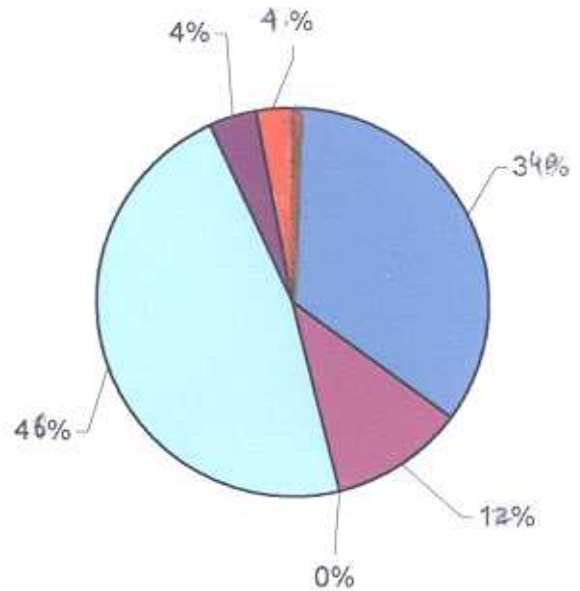
2000-2001(ACTUALS)



2001-2002(R.E.)

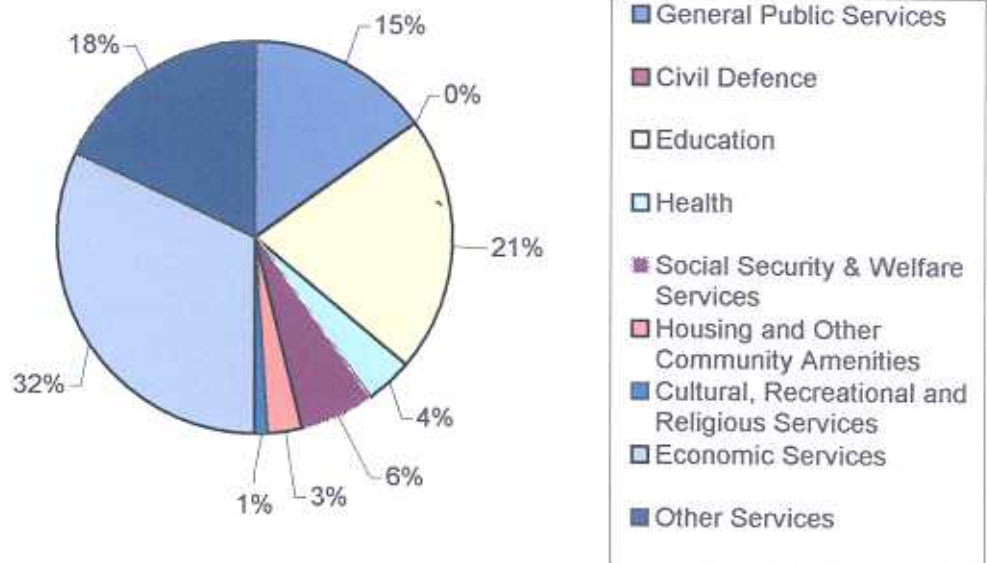


2002-2003(B.E.)

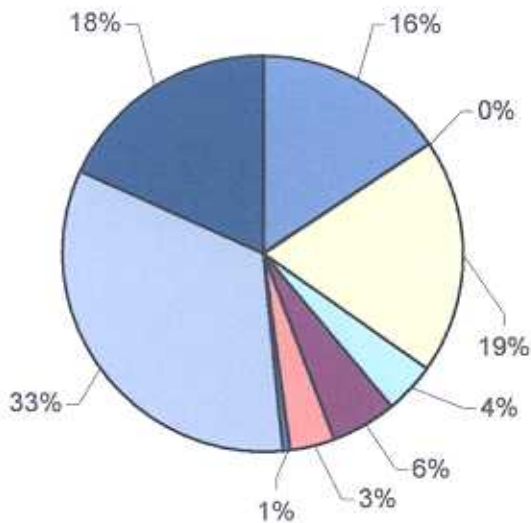


FUNCTIONAL CLASSIFICATION OF THE STATE GOVERNMENT BUDGET

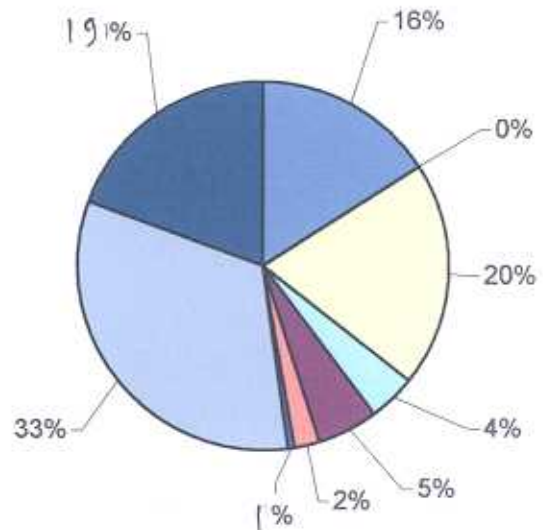
2000-2001 (Actuals)



2001-2002 (R.E.)



2002-2003 (B.E.)



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 government services, civil defence, education, health 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 Functional 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 Functional 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, for example, shows certain transfers to and from the capital account, which are mere accounting transactions or transfers. These have to be eliminated since they do not have any impact on the economy. In many cases, revenue expenditure or capital outlays are reduced to the extent that they are met from transfers from funds. This deflates the expenditure and does not give the total expenditure or aggregate demand made by the government on goods and services available. 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. Reference may also be made 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 will be 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 transfers. The current transactions of the departmental commercial undertakings are on par with those of producers and of the purely administrative departments with those of consumers. Current receipts of the former constitute sale proceeds of goods and services supplied to the rest of the economy while purely administrative departments have little or no income of their own and largely draw upon the incomes of other sectors to meet their expenditure. Current expenditure of Commercial Undertakings like working expenses of productive enterprises are intermediate expenses that go to form prices of goods and services supplied. These are different in character from the current expenditure on wages and salaries and goods purchased by the administrative departments which are in the nature of consumer outlays and represents demand for goods and services for final consumption.

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

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

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

THE SET OF ACCOUNTS

ACCOUNT-I

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

Items	2000-2001 (Actuals)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)	
1	2	3	4	
Receipts				
1.	Income from Entrepreneurship and property	5818	23203	29988
	1.1 Profits	(-)13718	(-)13196	(-)14143
	1.2 Income from Property	19536	36399	44131
	1.2.1 Net Interest Receipts	8381	20666	23943
	a) Local Bodies	-	38	40
	b) From Other Sectors	8381	20628	23903
	1.2.2 Other property Receipts	11155	15733	20188
2.	Direct Taxes	11430	18360	20568
	2.1 Land Revenue	299	416	463
	2.2 Other Taxes	11131	17944	20105
	2.2.1 Corporation Tax	1941	14778	16559
	2.2.2 Income Tax	9058	3025	3389
	2.2.3 Other Taxes on Income and Expenditure	93	96	107
	2.2.4 Wealth Tax	39	45	50
3.	Indirect Taxes	453914	526221	585886
	3.1 Excise	84056	87000	94000
	3.2 Sales Tax	257339	305600	345000
	3.3 Stamps & Registration Fees	41924	45000	49500
	3.4 Other Taxes & Duties	70595	88621	97386
4.	Fees & Miscellaneous Receipts	42096	51856	54699
5.	Revenue Grants from Other Governments	47814	65679	86411
	a) Centre	47814	65679	86411
	b) States	-	-	-
Total Receipts (Item 1 to 5)		561072	685319	777552

ACCOUNT-I

Income and Outlay Account of Administrative Departments

(Rs. lakhs)

Items		2000-2001 (Actuals)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)
1	2	3	4	5
Disbursements				
6.	Consumption Expenditure	312570	353979	360721
	6.1 Consumption of Employees	287662	318173	324145
	a) Wages and Salaries	239464	265063	275792
	b) Pensions	48198	53110	48353
	6.2 Net Purchase of Commodities and Services	24908	35806	36576
	a) Purchases	24647	30867	32643
	b) Maintenance and Repairs	17261	23893	23854
	c) Less Sales	17000	18954	19921
7.	Net Interest Paid	141678	170900	201536
	7.1 To Public Authorities	66360	68982	71617
	a) Centre	66360	68982	71617
	b) States	-	-	-
	c) Local Bodies	-	-	-
	7.2 To Others	90346	118629	148204
	7.3 Less Commercial Interest	15028	16711	18285
8.	Subsidies	37694	120530	130291
9.	Current Transfers	110511	131465	154103
	9.1 To Public Authorities	8218	13275	8103
	a) Centre	-	-	-
	b) States	-	-	-
	c) Local Bodies	8218	13275	8103
	9.2 To Other Sectors	102293	118190	146000
	Total Disbursement	602453	776874	846651
10.	Saving on Current Account	(-)41381	(-)91555	(-)69099
	Total Disbursements	561072	685319	777552

ACCOUNT- 2

Production Account of Departmental Enterprises

(Rs. lakhs)

Items	2000-2001 (Actuals)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)
1	2	3	4
Receipts:			
1. Sale of Goods and Services	46613	51009	53524
2. Imputed Irrigation Subsidy	21127	39827	40457
3. Total Receipts	67740	90836	93981
Expenditure:			
4. Purchase of Commodities and Services including Maintenance	29376	34685	37345
5. Compensation of Employees	35131	50527	50337
5.1 Wages and Salaries	29245	42093	42828
5.2 Pensions	5886	8434	7509
6. Interest	15028	16711	18285
7. Consumption of Fixed Capital	1923	2109	2157
8. Profits	(-13718)	(-13196)	(-14143)
9. Total Expenditure	67740	90836	93981

ACCOUNT-3

Capital Finance Account of the State Government

		(Rs. lakhs)		
Items	2000-2001 (Actuals)	2001-2002 (Revised Estimates)	2002-2003 (Budget Estimates)	
1	2	3	4	5
Receipts:				
1.	Consumption of Fixed Capital	1923	2109	2157
2.	Capital Transfers	-	-	-
	2.1 From the Other Governments	-	-	-
	2.2 From Rest of the World	-	-	-
3.	Net Borrowings	149733	219283	182761
	3.1 At Home	149733	219283	182761
	3.2 From Other Sectors	-	-	-
4.	Other Liabilities	18861	21028	43870
	4.1 Extra Budgetary Receipts	47364	22917	60809
	4.2 Less Net Purchase of Financial Assets	28503	1889	16939
5.	Savings (Balancing item Account No.1)	(-) 41381	(-)91555	(-)69099
6.	Total Receipts	129136	150865	159689
Expenditure:				
7.	Change in Stocks	53940	35716	28795
	7.1 Administrative Departments	53940	35590	28669
	7.2 Departmental Enterprises	-	126	126
8.	Gross Fixed Capital Formation	59900	87883	92057
	8.1 Administrative Departments	30550	65652	70463
	8.2 Departmental Enterprises	29350	22231	21594
9.	Net Purchase of Physical Assets	-541	-410	(-)1156
	9.1 Second Hand Assets	-	-	-
	(a) Administrative Departments	-	-	-
	(b) Departmental Enterprises	-	-	-
	9.2 Land	-541	-410	(-)1156
	(a) Administrative Departments	-541	-585	(-)1386
	(b) Departmental Enterprises	-	175	230
10.	Capital Transfers	15837	27676	39993
	10.1 For Capital Formation	15808	27544	39861
	10.2 For Others	29	132	132
11.	Total Expenditure	129136	150865	159689

THE BORROWING ACCOUNT

Borrowing Account

(Rs. lakhs)

Items	2000-2001		2001-2002		2002-2003	
	(Actuals)		(R.E)		(B.E.)	
	Receipts	Expenditure	Receipts	Expenditure	Receipts	Expenditure
1	2	3	4	5	6	7
I Borrowing at Home						
1. Internal Debt	389103	289237	425364	257174	463972	338585
2. Small Savings, Provident Fund, etc.	95893	46026	98994	47901	113814	56440
3. Other Debt	-	-	-	-	-	-
Total	484996	335263	524358	305075	577786	395025
Net Receipts	149733		219283		182761	
II. Borrowing Abroad						
1. External Debt	-	-	-	-	-	-
2. Other Debt	-	-	-	-	-	-
Total	-	-	-	-	-	-
III. Extra Budgetary Receipts						
1. Loans and Advances by State Government	6951	28207	7000	31109	7500	22053
2. Loans from Govt. of India	31850	19241	40198	22352	39320	24524
3. Inter State Settlement	-	-	-	-	-	-
4. Contingency Fund	-	-	-	-	-	-
5. Reserve Fund	14502	7952	12666	12702	13146	13458
6. Deposits and Advances	113025	114000	146016	133716	136100	118800
7. Suspense & Miscellaneous	808812	765844	1051000	1051000	1002000	975000
8. Remittances	128502	125760	128400	128400	130000	130000
9. Cash Balance	(-)16836	(-)29729	(-)29729	(-)48899	(-)48899	(-)69119
10. Fund	229	6473	198	343	209	1694
11. Consumption of Fixed Capital		1923		2109		2157
Total	1087035	1039671	1355749	1332832	1279376	1218567
Net Receipts	47364		22917		60809	

**CHAPTER-III
MAIN FINDINGS**

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

1 - Total Expenditure (excluding operating expenses of departmental enterprises)

The total expenditure of the State Government (excluding operating expenses of departmental enterprises in Account-2) is estimated to increase from Rs. 960737 lakhs in 2001-2002 (Revised Estimates) to Rs. 1045332 lakhs in 2002-2003 (Budget Estimates) thereby showing an increase of 8.81 per cent in 2002-2003 (B.E.) over 2001-2002 (R.E.) as compared to an increase of 21.87 per cent in 2001-2002 (R.E.) over 2000-2001 (Actuals). The break up of expenditure by major types is set out in Table -3.1.

TABLE - 3.1

Total Expenditure (excluding operating expenses of departmental enterprises)

Item	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
	2	3	4
1 Final Outlays	425869	477168	480417
	(54.02)	(49.67)	(45.96)
a) Government Consumption Expenditure (vide item 6 Account -1)	312570	353979	360721
	(39.65)	(36.84)	(34.51)
i) Wages & Salaries and Pensions (vide item 6.1 Account -1)	287662	318173	324145
	(36.49)	(33.12)	(31.01)
ii) Net Purchase of Commodities & Services (vide item 6.2 Account - 1)	24908	35806	36576
	(3.16)	(3.72)	(3.50)
b) Gross Capital Formation	113840	123599	120852
	(14.44)	(12.87)	(11.56)
i) Gross Fixed Capital Formation (vide item 8 Account - 3)	59900	87883	92057
	(7.60)	(9.15)	(8.81)
ii) Change in Stocks (vide item 7, Account -3)	53940	35716	28795
	(6.84)	(3.72)	(2.75)
c) Net Purchase of Physical Assets (vide item 9 Account -3)	(-)541	(-)410	(-)1156
	(-)(0.07)	(-)(0.04)	(-)(0.11)
2. Transfer Payments to the rest of the economy	305720	450571	525923
	(39.78)	(48.90)	(50.31)
a) Current Transfers*(vide items 7, 8 and 9 Account -1)	289883	422895	485930
	(36.77)	(44.02)	(46.48)
(b) Capital Transfers (vide item 10 Account -3)	15837	27676	39993
	(2.01)	(2.88)	(3.83)
3. Financial Investment and Loans to the rest of economy	56710	32988	38992
	(7.20)	(3.43)	(3.73)
Total Expenditure	788299	960737	1045332
	(100.00)	(100.00)	(100.00)

* Current transfers include subsidy and interest

The final outlays are the direct expenditure of the State Government on goods and services, consumption expenditure, gross capital formation as well as net purchase of physical assets. It was Rs. 425869 lakhs during 2000-2001 (Actuals), Rs. 477168 lakhs during 2001-2002 (R.E.) and Rs. 480417 lakhs during 2002-2003 (B.E.). The percentage increase over previous two years were 12.05 and 0.68 respectively. The corresponding contribution of final outlays to total expenditure during the above years were 54.02 percent, 49.67 percent and 45.02 percent respectively.

The Government consumption expenditure is the expenditure on wages & salaries and pensions as well as net purchase of commodities and services. It was Rs. 312570 lakhs during 2000-2001 (Actuals), Rs. 353979 lakhs during 2001-2002 (R.E.) and is estimated to be Rs. 360721 lakhs during 2002-2003 (B.E.). Its contribution to total expenditure during the above periods were 39.65, 36.84 and 34.51 percent respectively.

Gross capital formation of the State Government i.e. investment on buildings, roads, other constructions, machinery & equipment, acquisition of fleet and acquisition of stocks amounting to Rs. 113840 lakhs during 2000-2001 (Actuals), 123599 lakhs during 2001-2002 (R.E.) and expected to be Rs. 120852 lakhs during 2002-2003 (B.E.). Its share to total expenditure during the above periods were 14.44, 12.87 and 11.56 percent respectively.

Transfer payments consist of both current and capital transfers. It was 305720 lakhs during 2000-2001 (Actuals), 450571 lakhs during 2001-2002 (R.E.) and estimated to be Rs. 525923 lakhs during 2002-2003 (B.E.). Its contribution to total expenditure were 38.78 percent, 46.96 percent and 50.31 percent.

The financial investment and loans of the Government was Rs. 56710 lakhs during 2000-2001 (Actuals), Rs. 32998 lakhs during 2001-2002 (RE) and estimated to be Rs. 38992 lakhs during 2002-2003 (B.E.). Its contribution in the total expenditure was 7.26 percent during 2000-2001 (Actuals), 3.43 percent during 2001-2002 (R.E.) and estimated to be 3.73 percent during 2002-2003 (B.E.).

2. Financial Assistance for Capital Formation

In addition to its own capital formation, the Government also assists the rest of the economy through grants, loans and investment in share capital for capital formation. Such an assistance was of the tune of Rs. 69639 lakhs during 2000-2001 (Actuals), Rs. 57172 lakhs during 2001-2002 (RE) and expected to be Rs. 75903 lakhs

during 2002-2003. The allocation of the financial assistance in different forms is given in Table -3.2.

TABLE - 3.2
Financial Assistance for Capital Formation

Items	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E)	2002-2003 (B.E.)
1	2	3	4
1. Capital Transfers to Non Government Bodies(vide item 10.1 Account -3)	15808	27544	39861
2. Loans for Capital Formation(includes Loans and Advances used for Capital Formation only)	25328	27739	19103
3. Investment in Shares(vide item 4.2 Account -3)	28503	1889	16939
Financial Assistance for Net Capital Formation	69639	57172	75903

3. Total Gross Capital Formation out of Budgetary Resources of the State Government

If the figures of gross capital formation by the State Government is added to the figures of financial assistance for capital formation to the rest of the economy, the resultant figure indicate the total gross capital formation out of the budgetary resources. The details are given in Table -3.3.

TABLE - 3.3

Total Gross Capital Formation Out of Budgetary Resources of the State Government

Items	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E)	2002-2003 (B.E.)
1	2	3	4
Gross Capital Formation by the State Government (Vide Table -3.1)	113840	123599	120852
Financial Assistance for Capital Formation to the rest of economy (Vide Table -3.2)	69639	57172	75903
Total Gross Capital Formation out of Budgetary Resources of the State Government	183479	180771	196755

4. 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. 561072 lakhs during 2000-2001 (Actuals), Rs 685319 lakhs during 2001-2002 (R.E.) and estimated to be Rs. 777552 lakhs during 2002-03 (B.E.) Thus , the increase in the current receipt over previous year was 22.14 percent during 2001-2002 (R.E.) and 13.46 percent during 2002-2003 (B.E.).

Tax receipt is a major source of current receipt and its share in the total current receipts was 82.94 percent during 2000-2001(Actuals), 79.46 percent during 2001-2002 (R.E.) and estimated to be 78.00 percent during 2002-2003 (B.E.) . The current receipts of the State Government under different heads are given in the Table 3.4.

TABLE -3. 4
Current Receipts

Items	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
1. Tax Receipt (vide item 2 and 3, Account -1)	465344 (82.94)	544581 (79.46)	606454 (78.00)
2. Income from Property and Entrepreneurship (vide item 1, Account -1)	5818 (1.04)	23203 (3.39)	29988 (3.86)
3. Fees and Miscellaneous Receipts (vide item 4, Account -1)	42096 (7.50)	51856 (7.57)	54699 (7.03)
4. Revenue Grants from Government of India (vide item 5, Account -1)	47814 (8.52)	65679 (9.58)	86411 (11.11)
5. Total Current Receipts	561072 (100.00)	685319 (100.00)	777552 (100.00)

4. Current Outgoings of the State Government.

The current out goings of the State Government constitute consumption expenditure as well as transfer payments of the State Government. The current outgoing of the State Government increased from Rs. 602453 lakhs during 2000-2001 (Actuals) to Rs. 776874 lakhs during 2001-2002 (R.E.) and estimated to increase by Rs.846654 lakhs during 2002-2003 (B.E.) , thus showing an increase 28.95 percent

during 2001-2002 (R.E.) and 8.98 percent during 2002-2003 (B.E.). The details are given in Table 3.5.

TABLE -3.5

Current Outgoing of the State Government

Items	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
1. Consumption Expenditure (vide item 6, Account -1)	312570	353979	360721
2. Transfer Payments (vide items 7,8 and 9 Account -1)	289883	422895	485930
3. Total Current Outgoing (1+2)	602453	776874	846651

5. 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 -3.6

TABLE - 3.6

Net Surplus of Departmental Enterprises

Items	(Rs lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
1. Gross Receipts* (vide item 3, Account -2)	67740	90836	93981
2. Operating Expenses (vide items 4,5,6 and 7, Account -2)	81458	104032	108124
Net Surplus (1-2)	(-)13718	(-)13196	(-)14143

* Includes Imputed Irrigation Subsidy

6. Estimates of Net Product from Public Administration

TABLE -3.7

Estimates of Net Product from Public Administration

(Rs. Lakhs)

Items	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
1. Administration (Total Wages & Salaries) Less Wages and Salaries in	287662	318173	324145
2. Construction	10874	11074	11401
3. Water Supply	13679	14773	15342
4. Other Services	153721	171444	172038
a) Education	125124	141316	140120
b) Health	28597	30128	31918
c) Sanitation	-	-	-
5. Sub Total (2 to 4)	178274	197291	198781
6. Public Administration (1-5)	109388	120882	125364

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

SUBSIDIARY TABLES

Table 3.8.(i)
Domestic Product by Industry of Origin and Factor Incomes of Departmental Enterprises 2000-2001 (Actuals)
 (Rs. lakhs)

Industry	Compe- nsation of Empl- oyees	Purchase of Comm- odities & Services	Maintenance			Inter- est Taxes	Rent & Rate	Depre- ciation	Profits	Sales	Receipts		Net pro- duct (9+14) 2+7 +8+10)	Gross Product (9+14)
			B(m)	R(m)	C(m)						Impu- ted (11+12)	Total Irriga- tion Recei pts.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Irrigation	8956	756	-	-	3302	13552	1	-	-	5440	21127	26567	22509	22509
2. Forest	3172	713	56	-	189	-	18	-	(-)1572	2576	-	2576	1618	1618
3 Printing & Stationery	375	140	1	-	-	-	-	8	(-)470	54	-	54	(-)95	(-)87
4. General Edu.	484	82	2	-	-	-	-	-	116	684	-	684	600	600
5. Others	22144	24110	-	-	6	1476	-	1915	(-)11792	37859	-	37859	11828	13743
5.1 Road Trans- port	22097	24104	-	-	-	1476	-	1915	(-)11736	37856	-	37856	11837	13752
5.2 Civil Aviation	47	6	-	-	6	-	-	-	(-)56	3	-	3	(-)9	(-)9
Total	35131	25801	59	-	3497	15028	19	1923	(-)13718	46613	21127	67740	36460	38383

Table - 3.8(iii)
Domestic Product by Industry of Origin and Factor Income Departmental Enterprises 2002-2003 (B.E.)
 (Rs. lakhs)

Industry	Compe- nsation of Empl- oyees	Purchase of Comm- odities & Services	Maintenance		Inter- est	Rent & Taxes	Depre- ciation	Profits	Receipts				Net pro- duct (9+14) 2+7 +8+10)	Gross Product (9+14)
			B(m)	R(m)					C(m)	Sales	Impu- tion	Total (11+12)		
	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Irrigation	23245	4671	-	-	3579	16660	2	-	-	7700	40457	48157	39907	39907
2. Forest	3182	1631	74	-	48	-	22	-	(-)1969	2988	-	2988	1235	1235
3. Printing & Stationery	423	175	2	-	-	-	-	6	(-)489	117	-	117	(-)66	(-)60
4. General Edu.	573	649	3	-	-	-	-	1	34	1260	-	1260	607	608
5. Others	22914	26483	-	-	6	1625	-	2150	(-)11719	41459	-	41459	12820	14970
5.1 Road Trans- port	22860	26476	-	-	-	1625	-	2150	(-)11662	41449	-	41449	12823	14973
5.2 Civil Aviation	54	7	-	-	6	-	-	-	-57	10	-	10	(-)3	(-)3
Total	50337	33609	79	-	3633	18285	24	2157	(-)14143	53524	40457	93981	54503	56660

Table No. 3.9 (i)
Capital Formation by Types of Assets and Industry of Use- Departmental Enterprises 2000-2001 (Actuals)
 (Rs. lakhs)

Industry	Gross Domestic Fixed Capital Formation						Net Purchase of Sec. hand assets	Change in Stocks	Gross Capital formation (9+10)	Depr-eciat-ion	Net capital formation (11-12)	
	Buildings	Roads and Bridges	Other construction	Transport Machinery	Machinery & equip-ment	Total (New Outlay)						
	2	3	4	5	6	7	8	9	10	11	12	13
1. Irrigation	-	-	27781	1	1	27783	-	27783	-	27783	-	27783
2. Forest	66	-	1010	-	143	1219	-	1219	-	1219	-	1219
3. Printing & Stationery	-	-	-	-	1	1	-	1	-	1	8	(-7)
4. General Education	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	171	-	15	3792	(-3631)	347	-	347	-	347	1915	(-1568)
i) Road Transport	171	-	-	3792	(-3631)	332	-	332	-	332	1915	(-1583)
ii) Civil Aviation	-	-	15	-	-	15	-	15	-	15	-	15
Total	237	-	28806	3793	(-3486)	29350	-	29350	-	29350	1923	27427

(Rs. lakhs)
 (11-12)
 (9+10)
 (11-13)
 (12-13)
 (14-15)
 (16-17)
 (18-19)
 (20-21)
 (22-23)
 (24-25)
 (26-27)
 (28-29)
 (30-31)
 (32-33)
 (34-35)
 (36-37)
 (38-39)
 (40-41)
 (42-43)
 (44-45)
 (46-47)
 (48-49)
 (50-51)
 (52-53)
 (54-55)
 (56-57)
 (58-59)
 (60-61)
 (62-63)
 (64-65)
 (66-67)
 (68-69)
 (70-71)
 (72-73)
 (74-75)
 (76-77)
 (78-79)
 (80-81)
 (82-83)
 (84-85)
 (86-87)
 (88-89)
 (90-91)
 (92-93)
 (94-95)
 (96-97)
 (98-99)
 (100-101)

Table -3.9 (ii)
Capital Formation by Types of Assets and Industry of Use- Departmental Enterprises 2001-2002 (R.E)
 (Rs. lakhs)

Industry	Gross Domestic Fixed Capital Formation							Net Purchase of Sec. hand assets (7+8)	Change in Stocks - formation (9+10)	Depr- Net capital formation (11-12)		
	Buildings	Roads and Bridges	Other const- ruction	Transport Machi- nery	Machi- nery equip- ment	Total (New Outlay)	Total (7+8)					
	2	3	4	5	6	7	8	9	10	11	12	13
1. Irrigation	-	-	14128	-	177	14305	-	14305	126	14431	-	14431
2. Forest	95	-	2312	25	93	2525	-	2525	-	2525	-	2525
3. Printing & Stationery	29	-	-	-	191	220	-	220	-	220	6	214
4. General Education	-	-	-	-	-	-	-	-	-	-	3	(-)3
5. Others	270	-	15	4585	311	5181	-	5181	-	5181	2100	3081
i) Road Trans- port	-	-	-	4585	286	5141	-	5141	-	5141	2100	3041
ii) Civil Aviation	-	-	15	-	25	40	-	40	-	40	-	40
Total	394	-	16455	4610	772	22231	-	22231	126	22357	2109	20248

Table 3.9 (iii)
Capital Formation by Types of Assets and Industry of Use- Departmental Enterprises 2002-2003 (B.E.)
 (Rs. lakhs)

Industry	Gross Domestic Fixed Capital Formation						Total (7+8)	Net Purchase of Sec. hand assets	Change in Stocks - (9+10)	Gross Capital form- tion (11)	Depre- ciat- ion (12)	Net capital forma- tion (11-12)	
	1	2	3	4	5	6							7
1. Irrigation	-	-	-	14893	-	178	15071	-	15071	126	15197	-	15197
2. Forest	157	-	-	1278	25	16	1476	-	1476	-	1476	-	1476
3. Printing & Stationery	3	-	-	-	-	3	6	-	6	-	6	6	-
4. General	-	-	-	-	-	-	-	-	-	-	-	1	(-)
5. Other	270	-	-	15	4585	171	5041	-	5041	-	5041	2150	2891
i) Road- Transport	270	-	-	-	4585	136	4991	-	4991	-	4991	2150	2841
ii) Civil Aviation	-	-	-	15	-	35	50	-	50	-	50	-	50
Total	430	-	-	16186	4610	368	21594	-	21594	126	21720	2157	19563

Table- 3.10 (i)
Capital Formation by Types of Assets and Industry of Use- Administration 2000-2001 (Actuals)
 (Rs. lakhs)

Industry	Gross Domestic Fixed Capital Formation								Change in Stocks (9+10)	Gross Capital formation (9+10)	Depr- Net capital formation (11-12)
	2	3	4	5	6	7	8	9			
1. Administration	3888	6687	16253	684	3038	30550	-	30550	53940	84490	- 84490
(Total)											
Less											
2. Construction (Machinery & Stock of P.W.D.)	1820	-	2654	17	403	4894	-	4894	-	4894	- 4894
3. Water Supply	1197	-	25	11	30	1263	-	1263	-	1263	- 1263
4. Other Services	623	-	249	6	373	1251	-	1251	-	1251	- 1251
5. Total (2to4)	1820	-	2380	-	588	18258	-	18258	1179	19437	- 19437
6. Net Public Administration (1-5)	2068	6687	470	667	2450	12292	-	12292	52761	65053	- 65053

Table - 3.10 (ii)
Capital Formation by Types of Assets and Industry of Use- Administration 2001-2002 (R.E.)

Industry	Gross Domestic Fixed Capital Formation										Change in Stocks (9+10) - (11-12)	Depr- Net Capital formation (11-12)
	Buildings	Roads and Bridges	Other const- ruction	5	6	Total Machi- nery & equip- ment -	Net Purchase of Sec.hand assets	Total (7+8)	9	10		
1. Administration (Total)	9175	22287	23317	1458	9415	65652	-	65652	35590	101242	-	101242
Less												
2. Construction (Machinery & Stock of P.W.D.)	-	-	-	-	551	551	-	551	50	601	-	601
3. Water Supply	-	-	14732	-	88	14820	-	14820	1	14821	-	14821
4. Other Services	1503	-	4619	37	1105	7264	-	7264	-	7264	-	7264
i) Education	758	-	25	-	99	882	-	882	-	882	-	882
ii) Health	745	-	81	37	1006	1869	-	1869	-	1869	-	1869
iii) Sanitation	-	-	4513	-	-	4513	-	4513	-	4513	-	4513
5. Total (2to4)	1503	-	19351	37	1744	22635	-	22635	51	22686	-	22686
6. Net Public Administration (1-5)	7672	22287	3966	1421	7671	43017	-	43017	35539	78556	-	78556

Table - 3.10 (iii)
Capital Formation by Types of Assets and Industry of Use- Administration 2002-2003 (B.E.)
 (Rs. lakhs)

Industry	Gross Domestic Fixed Capital Formation							Net Purchase Total (7+8)	Change in Stocks (9+10)	Gross Capital formation (9+10)	Depr- Net capital formation (11-12)	
	2	3	4	5	6	7	8					9
1. Administration (Total)	11812	29015	20877	1306	7453	70463	-	70463	28669	99132	-	99132
Less												
2.. Construction (Machinery & Stock of P.W.D.)	-	-	-	-	589	589	-	589	50	639	-	639
3. Water Supply	-	-	13384	-	65	13449	-	13449	1	13450	-	13450
4. Other Services	2779	-	3261	38	3068	9146	-	9146	-	9146	-	9146
i) Education	2555	-	25	-	388	2968	-	2968	-	2968	-	2968
ii) Health	224	-	139	38	2680	3081	-	3081	-	3081	-	3081
iii) Sanitation	-	-	3097	-	-	3097	-	3097	-	3097	-	3097
5. Total (2to4)	2779	-	16645	38	3722	23184	-	23184	51	23235	-	23235
6. Net Public Administration (1-5)	9033	29015	4232	1268	3731	47279	-	47279	28618	75897	-	75897

CHAPTER-IV

PRINCIPLES AND DETAILED OF FUNCTIONAL 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 classification groups them according to the particular purpose they serve. The functional classification is designed to show how government expenditure is divided between different types of services provided. The main objective of the functional 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 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 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 classification includes not only expenditure under demands for grants "education" but also the expenditure on the agricultural education, medical education, engineering

education, etc. shown in the demands for grants under different departments. The exceptions to this rule are educational activities which are iny Thus, any expenditure on education regardless where it is shown in the budget has been placed under the head "Education" in the tegral 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 (iv) Health (v) Social security and and welfare services (vi) Housing and other community services (vii) Cultural, recreational and religious services (viii) Economic services (ix) Other services.

The following table presents the detailed functional classification of the State government budgetary for the years 2000-2001(Actuals), 2001-2002 (R.E.) and 2002-2003 (B.E.)

Functional Classification	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
General public services	10000	10000	10000
Civil defence	1000	1000	1000
Education	10000	10000	10000
Health	10000	10000	10000
Social security and welfare services	10000	10000	10000
Housing and other community services	10000	10000	10000
Cultural, recreational and religious services	10000	10000	10000
Economic services	10000	10000	10000
Other services	10000	10000	10000
Total	100000	100000	100000

TABLE -4.1

Functional Classification of Haryana Government Budgetary Expenditure

Items	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
1. General Public Services	119690	149953	165928
i) General Administration	119433	149338	165422
ii) General Research	257	615	506
2. Civil Defence	708	284	139
3. Education	163433	184143	204262
i) Administration, Regulation and Research	5400	8432	9146
ii) Schools, Universities and Institutions including Subsidiary Services	158033	175711	195116
4. Health	33791	38226	44167
i) Administration, Regulation and Research	2566	3177	3119
ii) Hospitals, Clinics and Individual Health Services	31225	35049	41048
5. Social Security and Welfare Services	47582	52977	55000
i) Social Welfare Services	15394	19285	20559
ii) Social Security Benefits	32188	33692	34441
6. Housing and Other Community Services	22689	32898	25563
7. Cultural, Recreational and Religious Services	2785	4953	3821
8. Economic Services	253426	322488	342173
i) General Administration, Regulation & Research	6182	6394	6402
ii) Agriculture, Forestry, Fishing and Hunting	77298	89438	93897
iii) Mining, Manufacturing and Construction	13152	15914	5327
iv) Electricity, Gas, Steam and Water	81386	130170	155443
v) Atomic Energy	-	-	-
vi) Transport and Communication	18848	40805	47885
vii) Other Economic Services	56560	39767	33219
9. Other Services	144195	174815	204279
i) Relief and Calamities	2517	3915	2743
ii) Interest	141678	170900	201536
Grand Total	788299	960737	1045332

TABLE- 4.2

Functional Classification : Percentage Distribution of Expenditure

Items	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1. General Public Services	15.18	15.61	15.87
1.1 General Administration	15.15	15.55	15.82
1.2 General Research	0.03	0.06	0.05
2. Civil Defence	0.09	0.03	0.01
3. Education	20.73	19.17	19.54
i) Administration, Regulation & Research	0.68	0.88	0.87
ii) Schools, Universities & Institutions including Subsidiary Services	20.05	18.29	18.67
4. Health	4.29	3.98	4.23
i) Administration, Regulation & Research	0.33	0.33	0.30
ii) Hospitals, Clinics & Individual Health Services	3.96	3.65	3.93
5. Social Security & Welfare Services	6.04	5.51	5.26
6. Housing & Other Community Services	2.88	3.42	2.45
7. Cultural, Recreational & Religious Services	0.35	0.51	0.37
8. Economic Services	32.15	33.57	32.73
i) Administration, Regulation & Research	0.78	0.66	0.61
ii) Agriculture, Forestry, Fishing & Hunting	9.81	9.31	8.98
iii) Mining, Manufacturing & Construction	1.67	1.66	0.51
iv) Electricity, Gas, Steam & Water	10.32	13.55	14.87
v) Atomic Energy	0.00	0.00	0.00
vi) Transport & Communication	2.39	4.25	4.58
vii) Other Economic Services	7.18	4.14	3.18
9. Other Services	18.29	18.20	19.54
9.1 Relief & Calamities	0.32	0.41	0.26
9.2 Interest	17.97	17.79	19.28
TOTAL	100.00	100.00	100.00

CHAPTER -V

ECONOMIC-CUM-FUNCTIONAL CLASSIFICATION

The Economic and Functional Classifications have been combined into a single two-way cross-classification by significant economic functional 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-Functional 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-Functional Classification of Haryana Government budgetary expenditure relates to the years 2000-2001 (Actuals), 2001-2002 (Revised Estimates) and 2002-2003 (Budget Estimates). The table classifies horizontally the expenditure on each service for the year under review into significant economic categories and vertically into different functional categories.

TABLE - 5.1

Economic Cum Functional Classification of Haryana Government Budgetary Expenditure 2000-2001 (Actuals)
(Rs. lakhs)

Sr No.	Economic Classification/ Functional Classification	Current Expenditure							Total**		
		Salary	Pension	Purchase of Goods & Services & Maintenance	Total	Less out side sale	Net Consumption Expenditure	Current Transfer sidy	Interest	Current Expenditure	
1	2	3	4	5	6	7	8	9	10	11	12
1.	General Public Services	58484	11771	12827	83082	3978	79104	33027	-	-	112131
1.1	General Administration	58361	11746	12800	82907	3840	79067	33023	-	-	112090
1.2	General Research	123	25	27	175	138	37	4	-	-	41
2.	Civil Defence	552	111	162	825	117	708	-	-	-	708
3.	Education	108391	21816	1640	131847	942	130905	31201	-	-	162106
3.1	Administration, Regulation & Research	4232	852	266	5350	-	5350	-	-	-	5350
3.2	Schools, Universities & Institutions including Subsidiary Services	104159	20964	1374	126497	942	125555	31201	-	-	156756
4.	Health	24786	4989	3597	33372	2313	31059	824	12	-	31895
4.1	Administration, Regulation and Research	980	197	350	1527	-	1527	394	-	-	1921
4.2	Hospitals, Clinics and Individual Health Services	23806	4792	3247	31845	2313	29532	430	12	-	29974
5.	Social Security & Welfare Services	8040	1618	2067	11725	602	11123	34938	1042	-	47103
5.1	Social Welfare Services	7465	1502	1837	10804	82	10722	3151	1042	-	14915
5.2	Social Security Benefits	575	116	230	921	520	401	31787	-	-	32188
6.	Housing and Other Community Services	5007	1008	570	6585	4625	1960	9203	-	-	11163

Table- 5.1 Contd..

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural, Recreational & Other Religious Services	1780	358	516	2654	-	2654	355	-	-	3009
8.	Economic Services	32406	6523	19111	58040	4423	53617	790	36640	-	91047
	8.1 General Administration, Regulation & Research	4905	987	375	6267	255	6012	111	9	-	6132
	8.2 Agriculture, Forestry, Fishing & Hunting	7800	1570	1874	11244	520	10724	321	22637	-	33682
	8.3 Mining, Manufacturing & Construction	1173	236	823	2232	112	2120	317	1	-	2438
	8.4 Electricity, Gas, Steam & Water	11499	2315	9982	23796	2895	20901	-	13868	-	34769
	8.5 Atomic Energy	-	-	-	-	-	-	-	-	-	-
	8.6 Transport & Communication	4905	987	5795	11687	61	11626	41	-	-	11667
	8.7 Other Economic Services	2124	428	262	2814	580	2234	-	125	-	2359
9.	Other Services	18	4	1418	1440	-	1440	173	-141678	143291	-
	9.1 Relief & Calamities	18	4	1418	1440	-	1440	173	-	-	1613
	9.2 Interest	-	-	-	-	-	-	-	-	-141678	141678
Total		239464	48198	41908	329570	17000	312570	110511	37694	141678	602453

Note: * Subsidy includes Imputed Irrigation Subsidy

** It does not include operating expenses of Departmental Commercial Undertakings.

TABLE 5.1 Contd.,

Economic Cum Functional Classification of Haryana Government Budgetary Expenditure 2000-2001 (Actuals)

(Rs. lakhs)

Sr.No.	Economic Classification/ Functional Classification	Capital Expenditure										Total Grand Capital Total Expen- diture
		Build- ings & other const- ruction	13	14	15	16	17	18	19	20	21	
1.	General Public Service	1850	1969	1178	(-570)	1875	1257	-	-	-	7559	119690
1.1	General Administration	1850	1969	1178	(-570)	1659	1257	-	-	-	7343	119433
1.2	General Research	-	-	-	-	216	-	-	-	-	216	257
2.	Civil Defence-	-	-	-	-	-	-	-	-	-	-	708
3.	Education	1222	91	-	-	14	-	-	-	-	1327	163433
3.1	Administration, Regulation & Research	-	50	-	-	-	-	-	-	-	50	5400
3.2	Schools, Universities & Institutions including Subsidiary Services	1222	41	-	-	14	-	-	-	-	1277	158033
4.	Health	872	1024	-	-	-	-	-	-	-	1896	33791
4.1	Administration, Regulation and Research	-	645	-	-	-	-	-	-	-	645	2566
4.2	Hospitals, Clinics and Individual Health Services	872	379	-	-	-	-	-	-	-	1251	31225
5.	Social Security & Welfare Services	194	190	-	-	4	68	23	-	-	479	47582
5.1	Social Welfare Services	194	190	-	-	4	68	23	-	-	479	15394
5.2	Social Security Benefits	-	-	-	-	-	-	-	-	-	-	32188
6.	Housing and Other Community Services	2760	4	-	-	1196	-	5013	2553	-	11526	22689

Table-5.1 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
7.	Cultural, Recreational & other Religious Services	(-351)	86	-	-	41	-	-	-	(-224)	2785
8.	Economic Services	48344	665	52762	105	12707	27178	20292	326	162379	253426
	8.1 General Administration, Regulation & Research	-	50	-	-	-	-	-	-	50	6182
	8.2 Agriculture, Forestry, Fishing & Hunting	30488	312	-	-	12491	325	-	-	43616	77298
	8.3 Mining, Manufacturing & Construction	1	2	-	-	216	444	10051	-	10714	13152
	8.4 Electricity, Gas, Steam & water	10799	88	1	-	-	26483	9246	-	46617	81386
	8.5 Atomic Energy	-	-	-	-	-	-	-	-	-	-
	8.6 Transport & Communication	6873	203	-	105	-	-	-	-	7181	18848
9.	Other Economic Services	183	10	52761	-	-	(-74)	995	326	54201	56560
	Other Services	980	-	-	(-76)	-	-	-	-	904	144195
	9.1 Relief & Calamities	980	-	-	(-76)	-	-	-	-	904	2517
	9.2 Interest	-	-	-	-	-	-	-	-	-	141678
	Total	55871	4029	53940	(-541)	15837	28503	25328	2879	185846	788299

TABLE 5.2

Economic Cum Functional Classification of Haryana Government Budgetary Expenditure 2001-2002 (R.E.)

(Rs. lakhs)

Sr.No.	Economic Classification/ Functional Classification	Current Expenditure						Net Con- sumption Expenditure	Current Transfer sidy	Interest	Total** Current Expen- diture
		Salary	Pension	Purchase of Goods & Services & Maintenance	Total	Less Out Side Sale	8				
1	2	3	4	5	6	7	8	9	10	11	12
1.	General Public Services	63867	12797	13028	89692	3920	85772	48424	-	-	134196
1.1	General Administration	63720	12767	12824	89311	3919	85392	48423	-	-	133815
1.2	General Research	147	30	204	381	1	380	1	-	-	381
2.	Civil Defence	551	110	53	714	432	282	-	-	-	282
3.	Education	123284	24702	3938	151924	433	151491	31665	-	-	183156
3.1	Administration, Regulation & Research	5557	1113	1235	7905	-	7905	502	-	-	8407
3.2	Schools, Universities & Institutions including Subsidiary Services	117727	23589	2703	144019	433	143586	31163	-	-	174749
4.	Health	26158	5241	5015	36414	2554	33860	1431	106	-	35397
4.1	Administration, Regulation and Research	1059	212	418	1689	-	1689	528	-	-	2217
4.2	Hospitals, Clinics and Individual Health Services	25099	5029	4597	34725	2554	32171	903	106	-	33180
5.	Social Security & Welfare Services	9233	1850	3301	14384	670	13714	37614	1138	-	52466
5.1	Social Welfare Services	8601	1723	3072	13396	115	13281	4432	1138	-	18851
5.2	Social Security Benefits	632	127	229	988	555	433	33182	-	-	33615
6.	Housing and Other Community Services	5161	1034	561	6756	5835	921	10758	-	-	11679

Table-5.2 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural, Recreational & Other Religious Services	1900	381	1829	4110	331	3779	603	-	-	4382
8.	Economic Services	34885	6990	24297	66172	4779	61393	565	119286	-	181244
	8.1 General Administration, Regulation & Research	5071	1016	400	6487	288	6199	112	7	-	6318
	8.2 Agriculture, Forestry, Fishing & Hunting	8392	1682	1226	11300	817	10483	277	42505	-	53265
	8.3 Mining, Manufacturing & Construction	1237	248	851	2336	96	2240	135	10	-	2385
	8.4 Electricity, Gas, Steam & Water	12411	2487	15182	30080	2915	27165	-	76437	-	103602
	8.5 Atomic Energy	-	-	-	-	-	-	-	-	-	-
	8.6 Transport & Communication	5616	1125	6282	13023	120	12903	41	-	-	12944
	8.7 Other Economic Services	2158	432	356	2946	543	2403	-	327	-	2730
9.	Other Services	24	5	2738	2767	-	2767	405	-	170900	174072
	9.1 Relief & Calamities	24	5	2738	2767	-	2767	405	-	-	3172
	9.2 Interest	-	-	-	-	-	-	-	-	170900	170900
	Total	265063	53110	54760	372933	18954	353979	131465	120530	170900	776874

Note: * Subsidy includes Imputed Irrigation Subsidy

** It does not include operating expenses of Departmental Commercial Undertakings

TABLE - 5.2 Contd.,
Economic-cum-Functional Classification of Haryana Government Budgetary Expenditure 2001-2002(R.E.)
 (Rs. lakhs)

Sr.No.	Economic Classification/ Functional Classification	Capital Expenditure											Total Grand
		Build- ings & other Const- ruction	13	14	15	16	17	18	19	20	21	22	
			Machi- nery & Trans- port Equipment	Change in Stocks	Net Purchase of Phy. Assets	Capital Transfer	Inve- stment in Shares	Loans & Advances For Capital Forma- tion	For rent Con- sumption	Capital Expen- diture	Capital Total		
1	2	13	14	15	16	17	18	19	20	21	22		
1.	General Public Services	6079	7852	50	(-303)	2079	-	-	-	15757	149953		
1.1	General Administration	6048	7852	50	(-303)	1876	-	-	-	15523	149338		
1.2	General Research	31	-	-	-	203	-	-	-	234	615		
2.	Civil Defence	-	2	-	-	-	-	-	-	2	284		
3.	Education	783	124	-	-	80	-	-	-	987	184143		
3.1	Administration, Regulation & Research	-	25	-	-	-	-	-	-	25	8432		
3.2	Schools, Universities & Institutions including Subsidiary Services	783	99	-	-	80	-	-	-	962	175711		
4.	Health	826	2003	-	-	-	-	-	-	2829	38226		
4.1	Administration, Regulation and Research	-	960	-	-	-	-	-	-	960	3177		
4.2	Hospitals, Clinics and Individual Health Services	826	1043	-	-	-	-	-	-	1869	35049		
5.	Social Security & Welfare Welfare Services	158	246	-	-	4	89	14	-	511	52977		
5.1	Social Welfare Services	158	169	-	-	4	89	14	-	434	19285		
5.2	Social Security Benefits	-	77	-	-	-	-	-	-	77	33692		
6.	Housing and Other Community services	5657	57	-	5	6514	-	6136	2850	21219	32898		

Table-5.2 Contd.,

	13	14	15	16	17	18	19	20	21	22
7. Cultural, Recreational & Other Religious Services	388	21	-	-	162	-	-	-	571	4953
8. Economic Services-	56707	5950	35666	175	18837	1800	21589	520	141244	322488
8.1 General Administration, Regulation & Research	-	76	-	-	-	-	-	-	76	6394
8.2 Agriculture, Forestry, Fishing & Hunting	19302	488	126	145	16090	22	-	-	36173	89438
8.3 Mining, Manufacturing & Construction	1	29	-	-	266	255	12978	-	13529	15914
8.4 Electricity, Gas, Steam & Water	14732	88	1	-	2481	1000	8266	-	26568	130170
8.5 Atomic Energy	-	-	-	-	-	-	-	-	-	-
8.6 Transport & Communication	22572	5259	-	30	-	-	-	-	27861	40805
8.7 Other Economic Services	100	10	35539	-	-	523	345	520	37037	39767
9. Other Services	1030	-	-	(-287)	-	-	-	-	743	174815
9.1 Relief & Calamities	1030	-	-	(-287)	-	-	-	-	743	3915
9.2 Interest	-	-	-	-	-	-	-	-	-	170900
Total	71628	16255	35716	(-410)	27676	1889	27739	3370	183863	960737

TABLE- 5.3 Contd.,

Economic Cum Functional Classification of Haryana Government Budgetary Expenditure 2002-2003 (B.E)
(Rs. lakhs)

Sr.No. Economic Classification/ Functional Classification	Current Expenditure											Total** Current Expen- diture
	2	3	4	5	6	7	8	9	10	11	12	
	Salary	Pension	Purchase of Goods & Services & Maintenance	Total	Less Out side sale	Net Con- sumption	Current Transfer Expenditure	Sub* sidy	Interest			
1. General Public Services	69392	12166	11658	93216	3806	89410	53435	-	-	-	142845	
1.1 General Administration	69236	12139	11553	92928	3806	89122	53432	-	-	-	142554	
1.2 General Research	156	27	105	288	-	288	3	-	-	-	291	
2. Civil Defence	564	99	58	721	586	135	-	-	-	-	135	
3. Education	124199	21775	3986	149960	544	149416	50398	-	-	-	199814	
3.1 Administration, Regulation & Research	4981	873	772	6626	-	6626	2170	-	-	-	8796	
3.2 Schools, Universities & Institutions including Subsidiary Services	119218	20902	3214	143334	544	142790	48228	-	-	-	191018	
4. Health	28461	4990	7685	41136	2831	38305	1421	553	-	-	40279	
4.1 Administration, Regulation and Research	1304	229	232	1765	-	1765	547	-	-	-	2312	
4.2 Hospitals, Clinics and Individual Health Services	27157	4761	7453	39371	2831	36540	874	553	-	-	37967	
5. Social Security & Welfare Services	8990	1576	4429	14995	698	14297	38987	1173	-	-	54457	
5.1 Social Welfare Services	8352	1464	4210	14026	99	13927	4952	1173	-	-	20052	
5.2 Social Security Benefits Housing and Other Community Services	638	112	219	969	599	370	34035	-	-	-	34405	
	5446	955	615	7016	6351	665	8423	-	-	-	9088	

Table-5.3 Contd.,

1	2	3	4	5	6	7	8	9	10	11	12
7.	Cultural, Recreational & Other Religious Services	2003	351	671	3025	169	2856	494	-	-	3350
8.	Economic Services	36712	6437	25369	68518	4936	63582	790	128565	-	192937
	8.1 General Administration Regulation & Research	5112	896	383	6391	273	6118	124	-	-	6242
	8.2 Agricultural, Forestry Fishing & Hunting	8806	1544	1722	12072	865	11207	426	44310	-	55943
	8.3 Mining, Manufacturing & Construction	1333	234	883	2450	87	2363	199	10	-	2572
	8.4 Electricity, Gas, Steam & Water	13149	2305	15177	30631	3015	27616	-	84085	-	111701
	8.5 Atomic Energy	-	-	-	-	-	-	-	-	-	-
	8.6 Transport & Communication	6068	1064	6728	13860	126	13734	41	-	-	13775
	8.7 Other Economic Services	2244	394	476	3114	570	2544	-	160	-	2704
9.	Other Services	25	4	2026	2055	-	2055	155	-	201536	203746
	9.1 Relief & Calamities	25	4	2026	2055	-	2055	155	-	-	2210
	9.2 Interest	-	-	-	-	-	-	-	-	201536	201536
	Total	275792	48353	56497	380642	19921	360721	154103	130291	201536	846651

Note: * Subsidy includes Imputed Irrigation Subsidy.

** It does not include operating expenses of Departmental Commercial Undertakings.

TABLE- 5. 3 Contd.,
Economic-cum-Functional Classification of Haryana Government Budgetary Expenditure 2002-2003 (B.E.)
(Rs. lakhs)

Sr.No.	Economic Classification/ Functional Classification	Capital Expenditure											Grand Total
		13	14	15	16	17	18	19	20	21	22		
		Build- ings & other Const- ruction	Machi- nery & trans- port Equipment	Change in	Net Purchase of Phy. Assets	Capital Transfer	Investment in shares	Loans & Advances For	For Curr rent	Expen- diture	Capital	Grand Total	
1	2	13	14	15	16	17	18	19	20	21	22	22	
1.	General Public Services	6264	3246	50	(-)1174	14697	-	-	-	23083	165928		
1.1	General Administration	6243	3246	50	(-)1174	14503	-	-	-	22868	165422		
1.2	General Research	21	-	-	-	194	-	-	-	215	506		
2.	Civil Defence	-	4	-	-	-	-	-	-	4	139		
3.	Education	2580	738	-	-	1130	-	-	-	4448	204262		
3.1	Administration, Regulation Research	-	350	-	-	-	-	-	-	350	9146		
3.2	Schools, Universities & Institutions including Subsidiary Services	2580	388	-	-	1130	-	-	-	4098	195116		
4.	Health	363	3525	-	-	-	-	-	-	3888	44167		
4.1	Administration, & Regulation Research	-	807	-	-	-	-	-	-	807	3119		
4.2	Hospitals, Clinics and Individual Health Services	363	2718	-	-	-	-	-	-	3081	41048		
5	Social Security & Welfare Services	269	225	-	-	4	45	-	-	543	55000		
5.1	Social Welfare Services	269	189	-	-	4	45	-	-	507	20559		
5.2	Social Security Benefits	-	36	-	-	-	-	-	-	36	34441		
6.	Housing and Other Community Services	5195	63	-	80	1332	-	6855	2950	16475	25563		

Table -5.3 Contd.,

1	2	13	14	15	16	17	18	19	20	21	22
7. Cultural, Recreational & Other Religious Services	264	22	-	-	185	-	-	-	-	471	3821
8. Economic Services	62560	5914	28745	230	22645	16894	12248	-	-	149236	342173
8.1 General Administration, Regulation & Research	-	160	-	-	-	-	-	-	-	160	6402
8.2 Agriculture, Forestry, Fishing & Hunting	20112	473	126	200	16848	195	-	-	-	37954	93897
8.3 Mining, Manufacturing & Construction	20	46	-	-	521	168	2000	-	-	2755	5327
8.4 Electricity, Gas, Steam & Water	13384	65	1	-	5276	15300	9716	-	-	43742	155443
8.5 Atomic Energy	-	-	-	-	-	-	-	-	-	-	-
8.6 Transport & Communication	28944	5136	-	30	-	-	-	-	-	34110	47885
8.7 Other Economic Services	100	34	28618	-	-	1231	532	-	-	30515	33219
9. Other Services	825	-	-	(-292)	-	-	-	-	-	533	204279
9.1 Relief & Calamities	825	-	-	(-292)	-	-	-	-	-	533	2743
9.2 Interest	-	-	-	-	-	-	-	-	-	-	201536
Total	78320	13737	28795	(-1156)	39993	16939	19103	2950	-	198681	1045332

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 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. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
I Current revenue of Government administration shown in the Financial Statement	657389	792278	892511
II Less			
1. Revenue receipts netted against - expenditure Sale of Goods and Services (Account No.1)	17000	18954	19921
2. Interest Receipts from Departmental Enterprises (Account -2)	15028	16711	18285
3. Revenue attributed to Departmental Enterprises (Account -2)	46613	51009	53524
4. Sale of Land & Property	729	2790	4366
5. Fund (Borrowing account)	229	198	209
6. Pension (Receipts)	3000	4101	4511
III Add:			
1. Profit Transferred by Departmental Commercial Undertakings (Account -2)	(-)13718	(-)13196	(-)14143
2. Rounding error	-	-	-
IV Total Adjustments	(-)96317	(-)106959	(-)114959
Current revenue of Govt. administration as shown in the Economic Classification of Budget (Account -1)	561072	685319	777552

CURRENT ACCOUNT : EXPENDITURE

Item	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
I. Revenue expenditure as shown in the Financial Statement	718137	909326	998134
II Less			
1. Revenue receipts netted against revenue expenditure-sale of goods and services (Account -1)	17000	18954	19921
2. Interest receipts from Departmental Enterprises (Account -2)	15028	16711	18285
3. Expenditure of capital nature in revenue Account	21448	40745	54991
4. Current expenditure of Departmental Enterprises	81458	104032	108124
5. Fund (Borrowing account)	6473	4428	6108
6. Pensions (Receipts)	3000	4101	4511
III Add			
1. Expenditure of revenue nature in Capital Account	7596	16692	20000
2. Imputed Irrigation Subsidy	21127	39827	40457
3. Rounding error	-	-	-
IV Total adjustments	(-)115684	(-)132452	(-)151483
V Revenue expenditure of Government administration as shown in the Economic Classification of Budget	602453	776874	846651

CAPITAL ACCOUNT : EXPENDITURE

		(Rs. lakhs)		
Item	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)	
1	2	3	4	
I. Capital Expenditure as Shown in the Financial Statement	144516	127406	141589	
II Less				
1. Financial Investment in Shares	28503	1889	16939	
2. Expenditure of revenue nature in capital Account	7596	16692	20000	
3. Fund (Borrowing Account)	-	(-)4085	(-)4414	
4. Sale of Land and Property	729	2790	4366	
III Add				
1. Expenditure of capital nature in revenue Account	21448	40745	54991	
2. Rounding error	-	-	-	
IV Total Adjustments	(-)15380	(+)23459	(+)18100	
V Capital Expenditure as shown in the Economic classification of Budget	129136	150865	159689	

TOTAL EXPENDITURE

Item	(Rs. lakhs)		
	2000-2001 (Actuals)	2001-2002 (R.E.)	2002-2003 (B.E.)
1	2	3	4
I. As per consolidated fund shown in the Financial Statement	1199338	1347368	1524886
II Less			
1. Current expenditure of Departmental Enterprises	81458	104032	108124
2. Revenue receipts netted against revenue expenditure –sale of goods and services (Account -1)	17000	18954	19921
3. Sale of land and property	729	2790	4366
4. Fund	6473	343	1694
5. Interest Departmental Enterprises	15028	16711	18285
6. Repayment of public debt. (Borrowing account)	308478	279526	363109
7. Pension (receipt)	3000	4101	4511
III Add			
1. Imputed Irrigation Subsidy	21127	39827	40457
2. Rounding error	-	(-1)	(-1)
IV Total Adjustments	(-411039)	(-386631)	(-479554)
V Total Expenditure as shown in the Economic & Functional Classification	788299	960737	1045332

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 the 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 services of debt, administrative services like police, jails, supplies and disposals, pensions, etc. and economic services like agriculture, animal husbandry, etc. The management of expenditure of various funds like those of famine relief and drought 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. The final outlays are made up of purchases of commodities and services and wages and salaries. Besides, Government makes transfer payments, such as interest, grants, subsidies etc., to the rest of the economy which are added indirectly to the disposable income of the community. To meet these current expenditures, Government appropriates a part of the income of the community through a variety of taxes, miscellaneous fees, etc., accruing in the course of administration. In addition, Government has an investment income from property and entrepreneur-ship and also receives revenue grants, contributions and recoveries from the Central Government and the rest of 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 of pay of officers, pay of establishment, wages paid to casual labour, allowances and honoraria other than travelling and daily allowances, contribution to provident fund, pension payments and payments in kind such as, the cost of liveries and uniforms and ration supplied to police personnel.

Commodities and Services.

This item includes all expenditure under 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 and the whole of expenditure on current operations and the whole of expenditure on current repairs and maintenance, less sale of commodities and services by Government to enterprises and households.

Interest Paid

Interest paid on public debt and other obligations other than on commercial debt which is included in Account-2.

Subsidies

These are grants on current account which private industries etc. receive from the Government. These may take the form of direct payments to the producers, of differentials, between the buying and selling prices of Government trading organisations. All current transfers to public corporations, irrespective of 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. In the case of Irrigation, loss incurred by the Departmental Commercial Undertakings is treated as subsidy.

Current Transfers.

These include grants to local bodies, grants to aided schools, scholarships and stipends and other current transfers to households, such as pensions for distinguished and meritorious services, territorial and political pensions, old age pensions, family allowances, prizes, gratuitous relief to famine stricken people, awards and other miscellaneous compensations and contributions etc., to private non-profit institutions.

Savings on Current Account.

This represents the excess of current receipts over current expenditure.

Income from property and Entrepreneur-ship

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, the local bodies and 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

These include taxes on income, corporation tax, other taxes on income and expenditure, taxes on wealth and land revenue.

Indirect Taxes

These are defined as taxes assessed on producers that are chargeable to the cost of commodities and services produced or sold. These include Union and State excise duties, stamps and registration fees, sales tax, taxes on vehicles, taxes on goods and passengers, electricity duties. *and other taxes and duties*

A list of direct and indirect taxes is given below: -

Direct Taxes	Indirect Taxes
1. Taxes on Income	1. Stamps and Registration fees.
2. Land Revenue	2. State Excise Duties
3. Corporation Tax	3. Sales Tax
4. Other Taxes on Income and Expenditure	4. Taxes on Vehicles
5. Taxes on Wealth	5. Taxes on Goods and Passengers
	6. Taxes and Duties on Electricity
	7. Other Taxes and Duties

Miscellaneous Receipts.

Include fees, fines and forfeitures.

Revenue Grants, Contributions, etc.

Grants received from Government of India have been divided into revenue and capital grants. Only revenue grants have been detailed here.

Account -2 : Production Account of Departmental Enterprises

The departmental enterprises or Government trading enterprises may be defined as Government agencies producing commodities and services, that are not provided free of charge. The 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 compensation to employees (i.e. Wages and Salaries) purchase of commodities and services (including maintenance and repairs), interest, consumption of fixed capital and profits. The loss on irrigation is treated as subsidy and is shown as negative expenditure on the expenditure side of the account. The sale proceeds are furnished on the receipt side.

Account -3 : Capital Finance Account of State Government.

This account deals with the total capital formation by the State Government administration and its 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.

Expenditure on Capital Account.

Items of expenditure appearing under this account are discussed below:-

Change in Stocks

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. The net increase or decrease in stocks needed for construction works and stocks of departmental commercial undertakings are differentiated from change-in-stocks of

Gross Capital Formation

Gross capital formation represents the gross value of the commodities which are added to the domestic capital stocks of the State. It comprises of expenditure on acquisition of fixed assets, as well as, the value of the physical change in stocks. The gross fixed capital formation, appearing under this head, consist of new outlay on buildings and other construction and machinery and equipment .

Buildings and Other Construction

Buildings include all expenditure on new construction and major alterations to residential and non-residential buildings including the value of change in work-in-progress .Other construction include mostly expenditure on construction of roads and bridges, works on power and irrigation projects, flood control ,forest clearance, land reclamation, water supply and sanitation.

Machinery and Equipment

This item includes ,expenditure incurred on the purchase of various equipment, such as buses, jeeps, trucks, tractors for road haulage, power generating machinery, agricultural machinery and implements, office furniture ,machinery and equipment and instruments used by professional men.

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 arrive at new purchase of physical assets and they are classified separately.

Capital Transfers

It covers grants to finance the construction of buildings, purchase of machinery and equipments and for public works, water supply and sewerage disposal schemes, etc. There are intended to assist capital formation in other sectors of the economy.

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-I.

Consumption of Fixed Capital

This is brought over from Account-2

Capital Transfers

Includes capital grants received from Government of India.

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 and others 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 settlement, Contingency fund, Reserve fund, 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 FUNCTIONAL CATEGORIES

1. General Public Services

1.1 General Administration includes:-

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 Ministers (Pay, allowances, T.A ., expenditure on elections).

1.2 General Research includes:-

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

2. Defence

Civil defence services include expenditure on Home Guards.

3. Education.

3.1 Administration, Regulation and Research include :-

- (a) Administrative expenditure on Education.
- (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 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

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 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.

(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 Services

5.1 Social Welfare 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 Social Security Benefits 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 Services

Housing and Community Services includes:-

- (a) Administration, regulation of standards and promotion of activities and facilities in respect of housing ,community development and sanitation
- (b) Housing and related slum clearance activities i.e. expenditure for provision, assistance or support of residential house building activities, cost of acquisition of land for housing or urban development ,loans to individuals or organisation for construction of residential houses, expenditure of the departments engaged in mortgage and financing for Residential buildings, the liabilities of which are solely to the Government.
- (c) Town and Country Planning i.e., all types of expenditure for planning and development of towns, colonies etc.
- (d) Urban and rural renewal and municipal amenities i.e. all types of expenditure for collection and disposal of garbage, refuse, development and maintenance of sewerage and drainage system, street cleaning ,smoke regulation, etc.
- (e) Community facilities i.e. expenditure on community development schemes (general and unspecific items), national extension schemes, local development works etc.

7. Cultural ,Recreational and Religious Services

Cultural, Recreational and Religious 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 Services

8.1 General Administration , Regulation and Research include:-

- 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), 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, its 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 etc.

(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, 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 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 Power include:-

(a) Electricity, gas and steam i.e. 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).

(b) 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 on wells in the rural areas for drinking purposes. (Tubewells and other water resources for Irrigation purposes are excluded)

8. 5 Atomic Energy includes :-

Administration and research i.e. expenditure of Department of Atomic Energy.

8. 6 Transportation and Communication includes :-

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

(b) Highways, road, 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) 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, grants, 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.

9. Other Services

9.1 Relief Operation includes :-

(a) Flood relief, drought relief and relief work on other disasters and calamities (expenditure on specific purposes like education, health etc. incurred under these heads are excluded and classified under concerned categories.)

(b) Refugee relief and rehabilitation, i.e. expenditure of the Department of Rehabilitation, feeding and other expenditure of refugees, management of camps, grants/loans to refugees for business, etc.

9.2 Other Miscellaneous Services includes :-

It includes interest payments except interest expenditure incurred on departmental enterprises.

