



Government of Kerala

**Economic & Purpose Classification
of Kerala Government Budget
2001-02**

**Department of Economics & Statistics
Thiruvananthapuram
2005**



Government of Kerala

**ECONOMIC & PURPOSE CLASSIFICATION OF KERALA
GOVERNMENT BUDGET
2001-02**

**Department of Economics & Statistics
Thiruvananthapuram
2005**

Preface

Analysis of budget data on resources and expenditure provides certain key indicators of economic development and policies of the State. The economic and purpose classification of budget figures helps to present income and expenditure data from the standpoint of economic significance of various development sectors. This exercise illustrates financial transactions performed by public agencies to acquire goods and services required by public production or to transfer collected revenues to different destinations. The economic classification of expenditure helps in identifying the nature of the transactions performed by the public sector with the purpose of evaluating the impact and the consequential effect of the fiscal actions in the economy. The purpose classification of expenditure provides a systematic and homogeneous order of goods and services, transfers and the variation of assets and liabilities, which the public sector applies in the development of its activity. This exercise also enables a realistic assessment of the value added by the public sector.

The economic and purpose classification of Kerala State budget for the financial year 2001-02, contained in this report, has been done in conformity with the guidelines of the "Regional Accounts Committee" of Government of India.

I would like to appreciate the staff of the State Income Division in bringout this Publication.

It is hoped that this publication would be useful for planners, administrators and other data users. Suggestions for improvement of this publication are most welcome.

M.R.Balakrishnan,
DIRECTOR

Thiruvananthapuram,

19/12/2005

I. Introduction

Budget is the most important financial document of the government. In these days it has become a major instrument of policy, as the change in the level and composition of both revenue and expenditure significantly affect the level of State Income. However the budget presented in the Legislative Assembly as such reveals financial transactions and not the economic and social significance of various items of revenue and expenditure. For e.g. 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 State Government, Contributions of the Government to the total income generation, etc. Moreover though budget is divided in to revenue and capital accounts, many items of consumption expenditure are included in the capital account and vice versa. Again the budget document contains various internal transfers also. For example revenue accounts shows certain transfers to and from the capital accounts, which are mere accounting transaction or transfers. These have to be eliminated since they do not have any impact on the economy. Budget, which is primarily designed for facilitating the authorization of expenditure and revenue, has therefore to be sorted out, reclassified and interpreted into meaningful economic and functional categories. Such an attempt of the Kerala Government Budget for the years 2001-2002 and 2002-2003 is presented in this publication.

The economic classification system presented here is based on the system of national accounts recommended by the United Nations or its specialized agencies. The system of national accounts presents in interlocking system of accounts for the transactions of the whole economy and Government accounts appears as one element of this whole system.

The usefulness of economic and functional classification of government budgetary transactions in the formulation of fiscal and economic policies has received increasing recognition. The components of economic and purpose classification of budgetary transactions of Government of Kerala for the years 2001-2002 and 2002-2003 are presented in the following paragraphs with analytical table appended. 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 also designed to get this kind of information on government transactions, which are required for determining aggregates of national income and expenditure and for tracing their inter relationship with other major sectors of the economy. In a country like India the government sector is so important that a proper analysis of its transactions is highly valuable. In such countries the importance of economic and functional classification cannot be over emphasized. Economic and purpose classification provides macro-economic data and is useful mostly at the policy formulation level and enables the decision makers to review the broad terms, the pattern of resources allocated and its impact on the rest of the economy.

2. Economic Classification of State Government Budgetary Transactions

The economic classification presented here is based on the delineation of government transactions in a set of three accounts as recommended by the committee on Regional Accounts.

Account I - Income and Outlay Account of Administrative Departments

This account deals with current revenue and expenditure of government administrative departments. All departments other than those listed under Account II in this section are considered as administrative for the purpose of economic classification. The current expenditure of administrative departments consists of final outlays of the Government of current account, which represents government current consumption. The final outlays are made up of purchase of goods and services and payment of wages and salaries and capital formation. Besides final outlays government makes transfer payments i.e., interest, grants, subsidies scholarships, etc. to the rest of the economy, which are added indirectly to the disposable income of the community. To meet this current expenditure, the government appropriates a part of the income of the community through a variety of taxes, fees, miscellaneous receipts, etc. occurring in the course of administration. In addition, government has an investment income from property and entrepreneurship and also receives revenue grants, contribution and recoveries from the union government and rest of the economy. The excess of current expenditure denotes the savings of the government administration available for domestic capital formation. Some of the items included in this account are explained as under.

A. REVENUE

1. Income from property and entrepreneurship

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

2. Interests

Interest received may be from households, local bodies and from departmental commercial undertakings appears as a payment item in Account II – Production Account of departmental commercial undertakings. This item is therefore deducted from both interest received and interest paid so that there is no double counting.

3. Direct Taxes

Direct Taxes include 2 components viz. direct taxes on income and other direct taxes. The following are the items included under direct taxes.

1. Taxes on income other than Corporation Tax
2. Other taxes on income and expenditure
3. Land Revenue
4. Estate duty
5. Taxes on immovable property other than agricultural land.

4. Indirect Taxes

Indirect taxes are defined as taxes assessed on produces that are chargeable to the cost of goods and services produced or sold. The include:-

6. Stamps and Registration fees
7. Union and State Excise
8. Sales tax
9. Taxes and vehicles
10. Taxes and duties on electricity
11. Entertainment Tax
12. Taxes on goods and passengers
13. Fees realized under factories Act, fees for stamping weights and measures, etc

5. Miscellaneous receipts

These receipts are in the nature of fees, fines, forfeiture, etc.

6. Revenue grants, contributions, etc.

Grants from Government of India have been divided into two parts, Revenue grants and Capital grants. Revenue grants have been included under this account.

B. EXPENDITURE

1. Compensation of employees

This item comprises of remuneration to general government employees such as pay of officers, pay of establishment and allowances and honorarium other than traveling and daily allowances. Wages paid to casual labours have also been taken as wages and salaries. Also included are pension payments to Government employees of administrative departments.

2. Commodities and Services

This item includes all expenditure under contingency such as office supplies, rent, rate and taxes, fuel and light, printing and stationary, travelling expense, telephone and telegraphic charges and other items for current operations, less sales by general government goods and services to enterprises and households. All expenditure on current repairs and maintenance are included here.

3. Interest

Interest comprises interest on public debt and other obligations other than that on commercial undertakings.

4. Subsidies

Subsidies include all grants on current account which private industries 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. Thus subsidies are transfers which are additions to the income of the producers from current production. The grants may, for example, be based on the amount of value of the commodities produced, exported or consumed, the labour or land employed in production or the manner in which production is organised and carried on. The value of coupons made available by Government agencies to specific groups of the population to enable them to obtain goods at prices lower than the current market prices are classified as current transfer to households. Under certain circumstances subsidies includes the grants made by Government to public corporations as compensations for losses i.e., negative operative surplus and in

connection with the losses of Departmental Commercial undertakings. This will be in the case when the loss is clearly the consequence of the policy of the government to maintain prices at a level at which the proceeds of the public industry will not cover the current costs of production. Rebate on 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 to be treated as subsidies. In the case of irrigation, the loss by the departmental undertaking is treated as subsidy.

5. Current Transfer

Current transfer includes grants to local bodies or to the other sectors, like grants to aided schools, scholarships and stipends and welfare of the weaker sections of the society.

6. Savings on Current Account

The balancing item on the current account of Government administration represents the saving of this sector, i.e.

Surplus of current receipts over current expenditure.

Account – II – Production Account of Departmental Commercial Undertakings

The departmental commercial undertakings (Government trading enterprises in the U.N. reports) may briefly be defined as agencies producing goods and services that are not provided free of charge. The essential characteristics distinguishing these departments from Government administrative departments are that they charge on what they provide according to use and are thus able to meet most of their costs from their sale proceeds. Other related characteristics are as follows.

- i) Departmental Commercial undertakings are subjected to market forces i.e. Demand and supply.
- ii) The activities of such undertakings are subordinate to legislative control and are owned, run and managed by the Government.
- iii) The intention to make profits is not the essential characteristics and the activities of an undertaking may be carried on deliberately at loss also.
- iv) Commercial accounting methods have to be usually involved. The use of expensive capital equipment and the holding of stocks, which may be subject to large fluctuations are important features of ICUS. The provision for depreciation may be a significant element in the total cost of the operations.
- v) To maintain their operations, commercial undertakings must both give and receive commercial credit.

It is sometimes difficult to decide whether a certain government department should be treated as an enterprise or as a part of a government administration. This is because some charges made by Government departments resemble sales by departmental commercial undertakings. In the state government there are some departments, which may be treated as ancillary agencies. They may be defined as bodies which are separately organized to supply goods and services for the use of other departments of the government but which do not directly provide service to the public. They may be subdivided into agencies such as Public Works Departments, which are not run on commercial basis. Purchasing agencies organized for the purchase and distribution of office supplies and the departments providing professional services. They exist primarily to supply goods and

services to government agencies. They may also have some sales to outside agencies, which are typically incidental to its functions of serving to government bodies. For the purpose of accounting all such departments, they have to be taken under government administration because goods and services of such departments are not sold on commercial basis. Like wise some government may also engage in lending. For example Agriculture departments may make or give loans to farmers, which is also incidental to its main function of serving the government and thus cannot be grouped with financial enterprises.

Independent statutory corporations and boards set up by the state government are excluded from the purview of those commercial undertaking included in this account. In the case of Kerala, the following head of accounts are to be classified as departmental commercial undertakings.

1. Irrigation
2. Road and Water Transport schemes
3. Forests
4. Milk Supply Schemes
5. Printing Press
6. Ports and Pilot age

The expenditure side of commercial undertakings spells out the current expenditure in the wages and salaries, goods and services, interest, consumption of fixed capital and profits. The loss in irrigation is treated as subsidy and is shown on negative expenditure on expenditure side of the account. On the revenue side, when the sale proceeds are given.

Account III – Capital Finance Account of State Government

This account is concerned with the total capital formation by 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 have been given separately while the sources of finance are common to both. The different items include in the account are discussed here under.

1. Gross Fixed Capital Formation

Gross Fixed Capital formation represents to gross value of goods, which are added to the domestic capital stocks of the nation. It comprises both expenditure on the acquisition of fixed assets and the value of physical change in stocks. The gross fixed capital formation has been classified into buildings and other construction and machinery and equipment.

a) Building and other construction

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

b) Machinery and Equipment

This item includes expenditure incurred on purchase of various equipments such as buses, jeeps, trucks, tractors for road haulage, power generating machinery, agricultural machinery and implements, office furniture, machinery and equipments and instruments used by professional men under this head. The expenditure shown against renewals and replacements refers mainly to departmental commercial undertakings.

2. Change in stocks

Changes in stocks represent the value of physical change in raw materials, work in progress (other than the work in progress in building which are included in fixed capital formation) and finished products, which are held by commercial enterprises and in government stock files.

3. Capital Transfers

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

4. Receipts on Capital Accounts

This part deals with the financing of capital formation and the sources of the same are explained as under.

5. Saving

The saving on current account is directly taken from accounts.

6. Net Borrowings

Items like internal debt, small savings, provident fund, etc. are indicated here.

OTHER LIABILITIES

All investments in the share capitals of statutory corporation and co-operative 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, interstate debt settlement, contingency fund, deposits and advances, suspense remittances and cash balances. Besides these, there are some funds maintained by the government like famine relief fund, road fund, etc. which are also covered here.

Account I – Income and out lay account of Administrative Departments (Receipts)

(Rs in Lakhs)

Sl. No.		Items	2001-02 Accounts
1	2	3	4
1		Income from entrepreneurship and property	15607
	1.1	Profits	-3627
	1.2	Income from property	19234
	1.2 (1)	Net interest received	1915
		a) Other sectors	1833
		b) Foreign	-
		c) Other public authorities	82
		1) Centre	
		2) State	
		3) Local authorities	82
	1.2 (2)	Other property receipts	17319
2		Total Tax Revenue	739806
	2.1	Total Direct Taxes	75752
		a) Corporation tax	
		b) Land revenue	3436
		c) Other direct tax including Income tax	72316
	2.2	Total Indirect tax	664054
		a) Customs	
		b) Excise	39646
		c) Sales tax	444085
		d) Stamps	39428
		e) Other taxes & duties	140895
3		Fees & miscellaneous receipts	17853
4		Total transfer from public authorities	97834
	4.1	Centre	97816
	4.2	State	18
	4.3	Local authorities	0
		Total Receipts	871100

Account I – Income and out lay account of Administrative Departments (Expenditure)

(Rs in Lakhs)

Sl. No.		Items	2001-02 Accounts
1	2	3	4
	1	Total Consumption Expenditure	558749
	1.1	Compensation of Employees	487842
		a) Wages & Salaries	313369
		b) Pension	174473
	1.2	Net Purchase of Commodities & Services	70907
		a) Purchase	46035
		b) Maintenance	38686
		c) Less sales	13814
2		Net Interest paid	247630
	2.1	Public Authorities	77856
		a) Centre	77856
		b) State	
		c) Local authorities	
	2.2	To Foreign	
	2.3	To Others	171091
	2.4	Less Commercial Interest	1317
3		Subsidies	18291
4		Total Current Transfers (other than inter govt. transfers)	172627
	4.1	Other Sectors	172627
	4.2	Foreign	0
5		Total Inter Government Transfers	99540
	5.1	Current	43700
		a) To Centre	0
		b) To State	0
		c) To Local authorities	43700
	5.2	Capital	55840
		a) To Centre	0
		b) To State	0
		c) To Local authorities	55840
6		Total Current Expenditure	1096837
7		Surplus Savings of Current Account	-225737
8		Total Expenditure to Total Receipts	871100

Account II – Production Account of Departmental Commercial Undertakings of the State Government

(Rs in Lakhs)

Sl. No	Items	2001-02 Accounts
1	2	3
	Expenditure	
1	Purchase of Commodities & Services including Maintenance	9208
2	Compensation of Employees including Pension	16955
3	Interest	1317
4	Consumption of Fixed Capital	18
5	Profit	-3627
6	Imputed Irrigation Subsidy	
	Total Expenditure	12566
	Receipts	
	Sales	12566
	Total Receipts	12566

Account III – Capital Finance Account of Public Authorities (Both Administrative & Enterprises)

Sl. No.		Items	2000-02 Accounts
1		2	3
		I. Expenditure Administration	
	1	Capital Outlay	37972
2		Net Purchase of Physical Assests	37
	2.1	Second Hand Assests	2
	2.2	Land	39
3		Change in Stocks	66
4		Capital Transfers	16032
	4.1	To Others	
		(a) For Capital Formation	3691
		(b) For Others	
	4.2	To Foreign	12341
5		Total (1 to 4)	54107
		II. Expenditure Enterprises	
6		Capital Outlay	13764
7		Renewals & Replacements	
8		Net Purchase of Physical Assets	167
	8.1	Second Hand Assets	167
	8.2	Land	0
9		Change in Stocks	-117
10		Total (6 to 9)	13814
11		Total Expenditure	67921
		III. Receipts	
12		Surplus & Current Account	225737
13		Consumption of Fixed Capital	0
14		Foreign Grants	0
15		Net Budgetary Borrowings	278701
	15.1	At Home	278701
	15.2	At Abroad	0
16		Other Liabilities	14957
	16.1	Net Extra Budgetary Borrowings	21821
	16.2	Net Purchase of Financial Assets	6864
Total Receipts 12 to 16			67921
Total Expenditure			67921

3. PURPOSE CLASSIFICATION OF STATE GOVERNMENT BUDGETARY TRANSACTIONS

- The government expenditure can be classified in accordance with the purpose it is likely to serve such as health, education, defense, etc.

The Purpose of government expenditure might be of two types. (1) Long term (2) Short term. Long term expenditure might be aimed at tackling the problem of unemployment, economic development of the country and to bring about certain fundamental changes in the structure of the economy. The short term expenditure relate to immediate objectives of expenditure incurred in regard to health, defense, education, social welfare, economic services etc. The aim of the purpose classification attempted here is to classify expenditure in accordance with the immediate or short term social needs of the government.

The purpose classification attempted here relates only to government expenditure of various administrative departments including departmental commercial undertakings.

Financial investments of the government in commercial activities in terms of purchase of shares and debentures etc. have been included. It may however be pointed out the repayment of loans are excluded.

Inter government transfer by nature of transactions, are excluded, similarly the receipts of the government do not come into the picture. However some of the receipts like sales of goods and services produced in the government sector are taken into account in working out the expenditure on net purchase of goods and services by government.

The purpose classification attempted for the present study is in the conformity with the U.N. recommendations. UN has recommended classification in 9 major categories as follows:

- i) General Government Services.
- ii) Defense
- iii) Education
- iv) Health
- v) Social and Welfare Services
- vi) Housing and Community Amenities
- vii) Cultural Recreation and Religious Services
- viii) Economic Services.
- ix) Other Services

These major heads have been split up into minor groups. In the present study some adjustments have been made into the minor categories. As against 30 minor heads suggested by the U. N. all major heads mentioned above have been divided into 19 minor heads only in this report.

All the items of expenditure are grouped under the appropriate categories in respect of their manner of presentation in the budget. Items, which relate to more than one purpose class are first dis-integrated in accordance with the details that are given in the budget, and then classified into appropriate purpose categories.

In the absence of any details, either the major function of the expenditure is considered as the purpose or it is integrated into related purpose categories applying some suitable norms.

In the case of grants, loans and advances to private institutions or to individuals. If the purpose of utilization is not specifically mentioned, classification is done on the basis of the main function of the institutions

which are receiving the grants, loans and advances. In such cases the classification has been done on the basis of account heads under which these expenditure have been shown.

Facilities provided to employees like residential housing facility, free or subsidised medical aid etc. are classified by the nature of facility and not by the functional character of the office providing facilities. Accordingly, loans and advances to employees for construction of houses, purchase of motor cars etc. are classified according to type of services likely to be obtained by the utilization of the loans.

Pension and other retirement benefits (including employees family pension schemes) have been distributed to all the purpose categories in proportion to the amount of wages and salaries attributable to different categories. The welfare pension like old age pensions, pensions to political sufferers or to freedom fighters etc. are however classified under welfare services.

Table I - Purpose classification of State Government Budgetary Expenditure

(Rs in Lakhs)

Sl. No.	Items	2001-02 Accounts	2002-03 Accounts
1	2	3-	4
1	General Economic Services	325969	
1.1	General Administration (External affairs, Public orders & Safety)	324569	
1.2	General Research	1400	
2	Defence		
3	Education	270619	
3.1	General Administration, Regulation & Research	2856	
3.2	University, Schools & other Educational facilities including subsidiary services	267763	
4	Health	48173	
4.1	General Administration, Regulation & Research	3627	
4.2	Hospital, Clinic & Individual Health Services	44546	
5	Social Security & Welfare Services	64123	
6	Housing & Community Amenities	77746	
7	Cultural, Recreation & other Religious services	7621	
8	Economic Services	138041	
8.1	General Administration, Regulation & Research	6650	
8.2	Agriculture, Forestry, Fishing & Hunting	44097	
8.3	Mining, Manufacturing & Construction	14364	
8.4	Electricity, Gas, Steam & Power	13771	
8.5	Atomic Energy		
8.6	Transport & Communication	52739	
8.7	Other Economic Services	6420	
9	Other purposes	254510	
	Total	1186802	

Table 2 - Percentage Distribution of Purpose Classification of State Government Expenditure

Sl. No		Items	2001-02 Accounts	2002-03, Accounts
	1	2	3	4
T		General Economic Services	27.47	
	1.1	General Administration (External affairs, Public order & Safety)	27.35	
	1.2	General Research	0.12	
2		Defence		
3		Education	22.80	
	3.1	General Administration, Regulation & Research	0.24	
	3.2	University, Schools & other Educational facilities including subsidiary services	22.56	
4		Health	4.05	
	4.1	General Administration, Regulation & Research	0.30	
	4.2	Hospital, Clinic & Individual Health Services	3.75	
5		Social Security & Welfare Services	5.40	
6		Housing & Community Amenities	6.55	
7		Cultural, Recreation & other Religious services	0.64	
8		Economic Services	11.63	
	8.1	General Administration, Regulation & Research	0.56	
	8.2	Agriculture, Forestry, Fishing & Hunting	3.72	
	8.3	Mining, Manufacturing & Construction	1.21	
	8.4	Electricity, Gas, Steam & Power	1.16	
	8.5	Atomic Energy		
	8.6	Transport & Communication	4.44	
	8.7	Other Economic Services	0.54	
9		Other Purposes	21.44	
		Total	100.00	

IV. ECONOMIC – CUM – PURPOSE CLASSIFICATION

In this section, Economic and Purpose classification have been combined into a single two-way cross-classification by significant economic and functional categories. This classification shows how expenditure for a particular purpose is divided between economic categories such as current expenditure on goods and services, capital formation and various types of transfer and loans. It also shows how expenditure in a particular economic category is divided according to different purpose or types of services provided by government. Economic and functional classification of transactions provides macro economic data and is useful mostly at the policy formulation level and enables the decision makers to review in broad terms the pattern of resource allocation and its impact on the rest of the economy.

The economic and functional classification of Kerala Government Budgetary expenditure for the year 2001-02 and 2002-03 are furnished in Tables 3. It classifies horizontally expenditure for each service for the years under review into significant economic categories and vertically into different functional categories.

Tables divided from the above accounts, for the purpose of state income computation are given in appendix.

MAJOR FINDINGS

This report attempts an analysis of the budgetary transaction of Government of Kerala and its impact on various sectors of the state economy. Major findings are as follows:

1) TOTAL EXPENDITURE

The total expenditure of the state government by major categories exclusive of operating expenses of departmental commercial undertakings are given in detail in table-4. This represents the flow back of funds to the rest of the economy. The budget expenditure of Kerala state government Rs. 9618 Crores in 2001-02.

2) FINAL OUTLAY

The major component of State Government expenditure has been final outlay for various sectors which stood at Rs. 6393 crores during 2001-02 working out to 66% of total expenditure. Final outlay is the direct expenditure of the state government for goods and services as well as capital formation.

3) CONSUMPTION EXPENDITURE

Consumption expenditure of Government includes expenditure on wages and salaries and goods and services. Being the principal component of final outlay it stood at 87% of final outlay in 2001-02. The Gross capital formation has been 13% of final outlay in 2001-02.

4) TRANSFER PAYMENTS

Transfer payments remained at Rs.3156 crores (33%) in 2001-02. Capital transfer has been the dominant component of transfer payments from the budget accounts of the State.

5) FINANCIAL INVESTMENT AND LOANS

Financial Investments from budget accounts continued to be an insignificant component of Government expenditure. It remained below 1% for the year 2001-02. This expenditure stood at Rs..68 crores in 2001-02.

TABLE 3.1 ECONOMIC - CUM - PURPOSE CLASSIFICATION OF GOVERNMENT BUDGET ACCOUNTS 2000-01

(Rs in Lakhs)

Economic Classification, Functional Classification	Current Expenditure						Total current expenditure				Gross Fixed Capital Formation	Net increase in stock	Investment in shares	Capital Transfer to		Local		Total Expenditure	Fund	Grand Total
	Wages & Salaries including Pension	Commodities & Services	Interest on internal debt	Subsidies	Transfer to income account of households	Transfer to local bodies for current expenditure	9	10	11	12				13	14	15	16			
1	269417	14845	0	0	20832	6706	311850	6393	4388	0	0	0	0	0	0	0	0	0	3312	32596
1	269175	14818	0	0	19760	6706	310459	6334	4388	26	0	0	0	0	0	0	0	0	3312	32456
1.1 (External affairs, Public sectors)	242	27	0	0	1122	0	1391	9	0	0	0	0	0	0	0	0	0	0	0	1400
1.2 General Research	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 Defense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Education	99112	6070	0	0	156062	4389	265633	4111	875	0	0	0	0	0	0	0	0	0	4986	27061
3.1 Administration, Regulation & Research	2669	150	0	0	23	0	2842	12	2	0	0	0	0	0	0	0	0	0	14	2856
3.2 University, Schools & other Educational facilities	96443	5920	0	0	156039	4389	262791	4099	873	0	0	0	0	0	0	0	0	0	4972	26776
4 Health	35969	9019	0	0	715	1495	47196	877	76	0	22	0	0	0	0	0	0	0	975	48173
4.1 Administration, Regulation & Research	2596	85	0	0	32	906	3619	8	0	0	0	0	0	0	0	0	0	0	8	3627
4.2 Hospital, Clinic & other Health Services	33373	8934	0	0	683	589	43579	869	76	0	22	0	0	0	0	0	0	0	967	44546

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
5	Social Security & Welfare Services	24787	68874	0	502	11382	11116	54671	3208	140	0	675	0	0	0	0	4023	5429	6412
6	Housing & Community Amenities	2311	189	0	0	651	12787	15938	3384	198		136	55565	2525			61808		77746
7	Cultural, Research & other Religious services	1307	1834			2336		5477	1209	125		350		334			2018	126	7621
8	Economic Services	31957	7147	0	6484	10630	7207	63425	54931	548	40	5681	275	9482	0	0	70957	3659	138041
8.1	General Administration, Regulation & Research	3898	402		0	201	2038		4	47							51	60	6650
8.2	Agriculture, Forestry, Fishing & Hunting	19244	5657		437	4053	2981	32372	6073	85	479	1122	275	3204			11238	487	44097
8.3	Mining, Manufacturing & Construction	1863	286		6047	2005	3	10204	104	67		2991		952			4114	46	14364
8.4	Electricity, Gas, Steam & Power	408	149		0	4312	0	4869	3507	137				5258			8902		13771
8.5	Atomic Energy																		0
8.6	Transportation & Communication	3470	545		0	14	2185	6214	44117	207	302	1838					46464	61	52739
8.7	Other Economic Services	3074	108		0	45	0	3227	1126	5	-741	-270		68			188	3005	6420
9	Other Purposes	4	47	248947	0	1130	0	250128	57	0	0	0	0	0	0	0	57	4325	254510
	Total	464864	46035	248947	6986	203788	43700	1014320	74170	6350	66	6864	55840	12341	0	0	155631	16851	1186802

Table 4

Total Expenditure (excluding expenditure of departmental commercial undertakings)

Sl. No	Items	Rs in Lakhs
1	2	3
I	Final Outlay	639335
	(a) Government consumption of Expenditure	558749
	(b) Gross Capital Formation	80586
II	Transfer payments to the rest of the economy	315669
	(a) Current transfer	247488
	(b) Capital transfer	68181
III	Financial Investment & loan to the rest of the economy	6864
	Total	961868

Table 5

Percentage share of different components of the total expenditure

(Rs in Lakhs)		
Sl. No.	Items	Rs.
1	2	3
I	Final Outlay	66.47
II	Transfer payments to the rest of the economy	32.82
III	Financial Investment & loan to the rest of the economy	0.71
	Total	100.00

6) GROSS CAPITAL FORMATION

Investment in building, machinery, equipment and acquisition of stock constitute the major component of Gross Capital Formation. Capital formation in 2001-02 is Rs. 805 Crores. Acquisition of stocks has been positive for the above period. Details are furnished in Table. 6

Table 6 Components of Capital Formation

(Rs in Lakhs)		
Sl. No.	Items	
1	2	3
1	Construction	74170
2	Machinery & other Equipments	6350
3	Change-in Stocks	66
	Total	80586

7) SAVINGS OF STATE GOVERNMENT

Analysis of budget data revealed negative savings in Government transactions. Gross savings comprise of savings on current account of government administration, (i.e. surplus of current receipts over current expenditure), depreciation provision and retained profit of departmental commercial undertakings. It was (-) 2221 crores in 2001-02. Data on savings of State Government for the year is furnished in Table 7.

Table 7
Gross savings of State Government

		(Rs in Lakhs)
Sl. No	Items	2001-02
1	2	3
1	Gross savings of government administration	(-) 225737
2	Provision for depreciation of departmental commercial undertakings	-
3	Retained forfeit of departmental commercial undertakings	(-) 3627
Total		(-) 222110

8) CURRENT RECEIPTS

A detailed examination of the source of finance may be required to make a realistic assessment of government expenditure and its impact on various socio-economic indicators of the economy. Table 8 reveals that tax receipts has been the main source of government receipts. Tax receipt stood above 84% of the total receipt during the period under study. Revenue grants from Central Government constituted the second major source of finance, which stood at 11% in 2001-02. Receipt of Government from property and entrepreneurship has been marginal and it is below 2% both the year 2001-02. Fee and miscellaneous receipts have been only around 2% of total receipts.

Table 8
Total Current Receipts

		(Rs in Lakhs)
Sl. No	Items	2001-02
1	2	3
1	Tax Receipts	739806(84.93)
2	Income from property & entrepreneurship	15607 (1.79)
3	Fees & Miscellaneous receipts	17853 (2.05)
4	Revenue grants from government of India	97834 (11.23)
Total		871100 (100.00)

Note: - Figures in brackets indicate percentage.

9) CURRENT OUTGOING

Consumption expenditure and transfer payments are the major components of out goings from State Government budget. Details of current out going of state government furnished in Table 9. It shows that the current outgoing is stood at Rs.8744 crores in 2001-02

Table 9
Current outgoing of the State Government

(Rs in Lakhs)		
Sl. No.	Items	2001-02
1	2	3
1	Consumption Expenditure	558749
2	Transfer Payments	315669
Total		874418

10) NET SURPLUS OF DEPARTMENTAL COMMERCIAL UNDERTAKINGS

Table 11 indicates the net surplus of departmental commercial undertakings. It includes the performance of three concerns. It is measured as the excess of revenue over expenditure.

Table 10 - Borrowing Account

Sl. No.	Items	2001-02 Accounts	
		Receipt	Expenditure
1	2	3	4
I	Borrowing at home		
1	Internal debt	784970	613459
2	Small Savings-Provident fund	718646	611456
3	Other debt		
	Total	1503616	1224915
	Net Receipts	278701	
II	Borrowing abroad-External debt		
	Other debt		
	Total		
III	Extra ordinary Receipts & Adjustments		
1	Loans from government of India	78070	53612
2	Loans & advances by state government	5535	16075
3	Inter state settlement		
4	Contingency fund		2215
5	Reserve fund	12053	7299
6	Deposits & Advances	296569	274144
7	Suspense & Miscellaneous	540129	537518
8	Remittances	338796	328524
9	Cash Balance	607	14673
10	Funds Revenue Accounts	973	16851
11	Funds Capital Account		
12	Funds commercial Account		
	Total	1272732	1250911
	Net Receipts	21821	

Table 11 - Net Surplus of Departmental Commercial Undertakings

Rs in Lakhs

Sl. No	Items	2001-02
1	2	3
1	Gross Receipt	23871
2	Operation Expenses	27498
3	Net surplus	3627

Gross receipts including irrigation subsidy.

Appendix A**Estimates of Net product from Public Administration**

Rs in Lakhs

Sl. No.	Items	2001-02
1	2	3
1	Administration (Total wages & salary)	487842
2	Wages & salaries in construction	8374
3	Water supply	612
4	Other services	202367
a	Education (3.2)	150139
b	Medical & Public health (4.2)	51954
c	Sanitation	274
5	Sub Total (2 to 4)	211353
	Public Administration	276489

Appendix B1

Domestic Product by industry of origin and factor income (Enterprises)

Rs in Lakhs

Sl. No.	Items	Compen- sation & Pension of em- ployees	Purchase of goods & services	Maintenance			Interest	Profit	Depreciation	Rent	Total receipt & Total expenditure			Net product (3+8+9 +11)	Gross product
				Building Mainte- nance	Road Mainte- nance	Construction Mainte- nance					Sales	Imputed irrigation receipts	Total receipts (12+13)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Agriculture (Irrigation)	8301	550	0	37	1477	1307	0	0	14	381	11305	11686	9622	9622
2	Forest	3260	5090	0	0	0	0	2980	0	2	11332	0	11332	6242-	6242-
3	Manufacturing	3248	1614	0	0	3	10	-4591	0	0	284	0	284	-1333	-1333
	1) Printing Press	3248	1614	0	0	3	10	-4591	0	0	284	0	284	-1333	-1333
	2) Milk Supply	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Construction.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Electricity	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Railways	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Communication	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Other Transport	2146	435	0	0	2	0	-2016	0	2	569	0	569	132	132
8.1	Ports, Pilotage, houses & Light houses	861	38	0	0	2	0	-770	0	2	133	0	133	93	93
8.2	Civil Aviation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3	Others	1285	397	0	0	0	0	-1246	0	0	436	0	436	39	39
9	Trade, Hotel & Restaurants	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Banking & Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	16955	7689	0	37	1482	1317	-3627	0	18	12566	11305	23871	14663	14663

Appendix Ca

Capital Formation by type of assets and Industry of use (Administration) Accounts

Sl. No.	Items	Gross Domestic Fixed Capital Formation						Net Purchase of Second Hand Assets	Total (8+9)	Change in Stock in Stock	Gross Capital Formation (10+11)
		Build- ing	Roads & Bridges	Other Constru- ction	Transport Equip- ments	Machinery Equip- ments	Total New Outlay				
1	2	3	4	5	6	7	8	9	10	11	12
1	Administration - Total	12379	11283	7960	190	6160	37972	-2	37970	66	38036
2	Construction machinery & Stock of PWD	-	-	-	-	-47	-47	0	-47	0	-47
3	Water Supply	-	-	-	-	137	137	0	137	0	137
4	Other Services	4742	-	-	-	949	5691	0	5691	0	5691
4.1	Education	3876	-	-	-	873	4749	0	4749	0	4749
4.2	Medical & Public Health	866	-	-	-	76	942	0	942	0	942
4.3	Sanitation	-	-	-	-	0	0	0	0	0	0
5	Total (2 to 4)	4742	-	-	-	1039	5781	0	5781	0	5781
6	Net Public Administration & Defense (1-5)	7637	11283	7960	190	5121	32191	-2	32189	66	32255

Appendix Cb

Capital Formation by type of assets and Industry of use (Enterprises) Accounts

Rs in Lakhs

Sl. No.	Items	Gross Domestic Fixed Capital Formation						Net Purchase of Second Hand Assets	Total (8+9)	Change in Stock	Gross Capital Formation (10+11)	Depreciation	Net Capital Formation (12+13)
		Building	Roads & Bridges	Other Construction	Transport Equipments	Machinery Equipments	Total New Outlay						
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Agriculture	3324	0	9411	2	28	12765	0	12765	-135	12630	-	12630
2	Forestry	24	30	670	0	0	724	60	784	18	802	-	802
3	Manufacturing	94	0	0	0	26	120	0	120	0	120	-	120
1)	Printing Press	0	0	0	0	0	0	0	0	0	0	-	0
2)	Milk Supply	0	0	0	0	0	0	0	0	0	0	-	0
4	Construction	0	0	0	0	0	0	0	0	0	0	-	0
5	Electricity	0	0	0	0	0	0	0	0	0	0	-	0
6	Railways	0	0	0	0	0	0	0	0	0	0	-	0
7	Communication	0	0	0	0	0	0	0	0	0	0	-	0
8	Other Transport	14	0	69	27	45	155	107	262	0	262	-	262
8.1	Ports, Pilotage, houses & Light houses	0	0	69	0	26	95	77	172	0	172	-	172
8.2	Civil Aviation	0	0	0	0	0	0	0	0	0	0	-	0
8.3	Others	14	0	0	27	19	60	30	90	0	90	-	90
9	Trade, Hotel & Restaurants	0	0	0	0	0	0	0	0	0	0	-	0
10	Banking & Insurance	0	0	0	0	0	0	0	0	0	0	-	0
	Total	3456	30	10150	29	99	13764	167	13931	-117	13814	-	13814

