

Presented to State Legislature
on 29-03-2011

GOVERNMENT OF ANDHRA PRADESH

FINANCE ACCOUNTS

2009-2010

VOLUME-1

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(Both volumes contain contents of each other)

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Certificate of the Comptroller and Auditor General of India

This compilation containing the Finance Accounts of the Government of Andhra Pradesh for the year ending 31st March, 2010 presents the accounts of the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debt and the liabilities and assets as worked out from the balances recorded in the accounts. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations are presented in a separate compilation.

The Finance Accounts have been prepared under my supervision in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 from the compiled accounts and initial and subsidiary records rendered by the treasuries, offices, and departments responsible for the keeping of such accounts functioning under control of the Government of Andhra Pradesh and the statements received from the Reserve Bank of India. Statement (9) and Appendix IX explanatory notes (Statements 5, 9 and 11) and Appendices (IV, VIII and X) in this compilation have been prepared directly from the information received from the Government of Andhra Pradesh / Corporations / Companies / Societies who are responsible to ensure the correctness of such information.

The treasuries, offices, and or departments functioning under the control of the Government of Andhra Pradesh are primarily responsible for preparation of compiled accounts and correctness of the initial and subsidiary accounts as well as ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations relating to such accounts and transactions. I am responsible for compilation, keeping of the accounts, preparation and submission of Annual Accounts to the State Legislature. My responsibility for the compilation, preparation and finalization of accounts is discharged through the office of the Principal Accountant General (A&E). The audit of these accounts is independently conducted through the office of the Principal Accountant General (Audit) in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for expressing an opinion on these Accounts based on the results of such audit. These offices are independent organizations with distinct cadres, separate reporting lines and management structure.

The audit was conducted in accordance with the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance that the accounts are free from material misstatement. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

On the basis of the information and explanations that my officers required and have obtained, and according to the best of my information as a result of test audit of the accounts and on consideration of explanations given, I certify that, to the best of my knowledge and belief, the Finance Accounts read with the explanatory 'Notes to Accounts' give a true and fair view of the receipts and disbursements for the purpose of the Government of Andhra Pradesh for the year 2009-2010.

Points of interest arising from study of these accounts as well as test audit conducted during the year or earlier years are contained in my Reports on the Government of Andhra Pradesh being presented separately for the year ended 31st March, 2010.



New Delhi
The 09 Dec 2010

(VINOD RAI)
Comptroller and Auditor General of India

Guide to the Finance Accounts

A. Broad overview of the Structure of Government Accounts

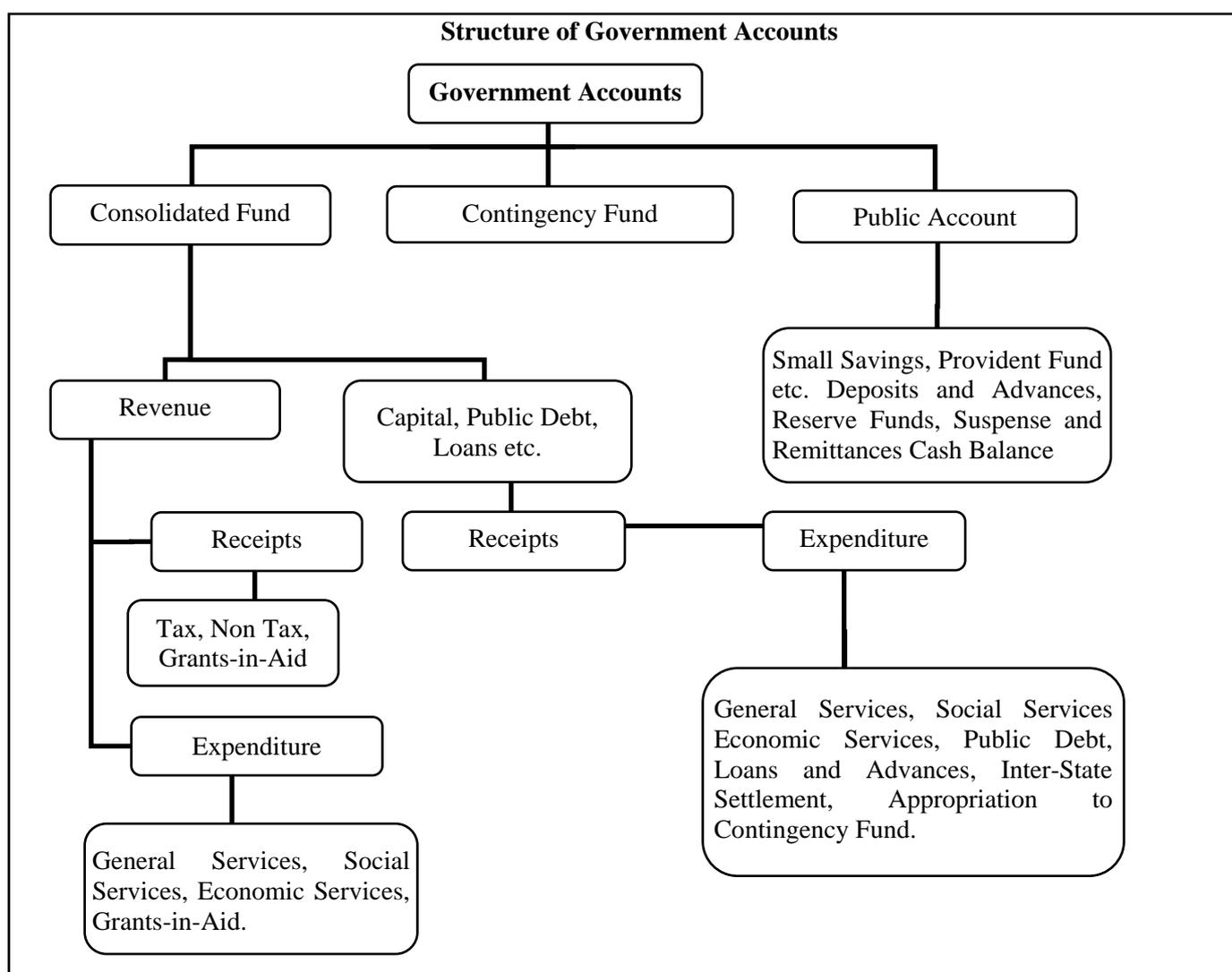
1. The Accounts of the Government are kept in three parts:

Part I: The Consolidated Fund: All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans & Advances forms the Consolidated Fund of the State.

Part II: The Contingency Fund: Legislature may by law establish a Contingency Fund which is in the nature of an imprest. The Fund is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head in the Consolidated Fund of the State.

Part III: The Public Account: All other public moneys received by or on behalf of the Government are credited to the Public Account. The expenditure out of this account is not subject to the vote of the Legislature. In respect of the receipts into this account, the Government acts as a banker or trustee. Transactions relating to Debt (other than public debt in Part I), Deposits, Advances, Reserve Funds, Remittances and Suspense form the Public Account.

A.1.1 Pictorial representation of Structure of Government Accounts



2. DIVISIONS, SECTIONS, SECTORS etc.

The two main divisions of the Accounts in the Consolidated fund are, as depicted in A.1.1 on previous page, 'Revenue and Capital, Public Debt, Loans etc.' which are divided into sections 'Receipts and Expenditure'. Within each of the Divisions and Sections of the Consolidated Fund the transactions on the expenditure side are grouped into Sectors such as, "General Services", "Social Services", "Economic Services", under which specific functions or services shall be grouped. The Sectors are sub-divided into sub-sectors / Major heads of account. Major heads correspond to functions and are further divided into sub major heads (sub functions) and minor heads (programmes) which are depicted in volume 2 of the Finance Accounts. The classification below minor heads of account i.e. subheads (schemes) and detailed and object heads (objects of expenditure) are not depicted in the Finance Accounts (minor exceptions exist), though some details are included in the appendices.

B. WHAT DO THE STATEMENTS CONTAIN

The Finance Accounts have been divided into two volumes. Volume 1 presents the financial statements of the Government in the form of commonly understood summarised form while the details are presented in volume 2.

Volume 1 contains the Certificate of the Comptroller and Auditor General of India, four summary statements as given below and Notes to Accounts including accounting policy.

1. **Statement of financial position:** Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are largely financial assets with the figures for progressive capital expenditure denoting physical assets of the Government. Assets, as per the accounting policy, are depicted at historical cost.
2. **Statement of receipts and disbursement:** This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, the consolidated fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly.

The fiscal parameters of the Government, i.e. the primary, revenue and fiscal deficit are calculated on the operations of the consolidated fund of the State. Hence the following two statements give the operations of the consolidated fund in a summarised form.

3. **Statement of receipts** (consolidated fund): This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the GOI, Other Institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
4. **Statement of expenditure** (consolidated fund): This statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).

In addition the volume comprises an appendix, Appendix-I, which is an alternate depiction of receipts and disbursements of the Government in the form of a Cash Balances and Investments of Cash Balances statement.

The second volume comprises three parts. The **first part contains six statements** as given below:

5. **Statement of progressive capital expenditure:** This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
6. **Statement of Borrowings and other liabilities:** Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the GOI. Both these together form the public debt of the State Government. In addition, this summary statement depicts 'Other Liabilities' which are the balances under various sectors in the public account. In respect of the latter, the Government acts as a trustee or custodian of the funds, hence these constitute liabilities of the

Government. The statement also contains a note on service of debt, i.e., a note on the quantum of net interest charges met from revenue receipts.

7. **Statement of Loans given by the Government:** The loans and advances given by the State Government are depicted in statement 1 and recoveries, disbursements feature in statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, the details of which are maintained by the AG office and details of which are maintained by the State departments.
8. **Statement of Grants in aid given by the State Government,** organised by grantee institutions group wise. It includes a note on grants given in kind also.
9. **Statement of Guarantees given by the Government:** Guarantees given by the State Government for repayment of loans, etc. raised by Statutory Corporations, Government Companies, Local Bodies and Other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this statement.
10. **Statement of Voted and Charged Expenditure:** This statement presents details of voted and charged expenditure of the Government.

Part II Volume 2: This part contains **9 statements** presenting details of transactions **by minor head** corresponding to statements in volume 1 and part 1 of volume 2.

11. **Detailed Statement of Revenue and Capital Receipts by minor heads:** This statement presents the revenue and capital receipts of the Government in detail.
12. **Detailed Statement of Revenue Expenditure by minor heads:** This statement presents the details of revenue expenditure of the Government in detail. Non Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.
13. **Detailed Statement of Capital Expenditure:** This statement presents the details of capital expenditure of the Government in detail. Non Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
14. **Detailed Statement of Investments of the Government:** The position of Government Investment in the share capital and debentures of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.
15. **Detailed Statement of Borrowings and other Liabilities:** Details of borrowings (market loans raised by the Government and Loans etc from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the detailed statement corresponding to statement 6 in part 1 volume 2.
16. **Detailed Statement on Loans and Advances given by the Government:** The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc. is presented in this statement. It also presents plan loans separately. This is the detailed statement corresponding to statement 7 in part 1 volume 2.
17. **Detailed Statement on Sources and Application of funds for expenditure other than revenue account:** The capital and other expenditure other than on revenue account and the sources of fund for the expenditure is depicted in this statement.
18. **Detailed Statement on Contingency Fund and other Public Account transactions:** The statement shows changes in contingency fund during the year, the appropriations to the fund, expenditure, amount recouped etc. It also depicts the transactions in public account in detail.
19. **Statement showing details of earmarked balances:** This statement shows the details of investment out of reserve funds in public account.

Part III Volume 2 contains appendices on salaries, subsidies, grants-in-aid scheme wise and institution wise, details of externally aided projects, scheme wise expenditure in respect of major Central schemes and State Plan schemes etc. These details are present in the accounts at sub head level or below (i.e. below minor head levels) and so are not depicted in the Finance accounts. For a detailed list please refer to the index in volume 1 or 2. The Statements read with the appendices give a complete picture of the state of finances prevailing in the State Government.

C. READY RECKONER

For a quick reference to what the statements contain, please refer to the table below. The summary and detailed statement in respect of the important parameters is depicted below. The number of appendices depicted below are not exhaustive.

Parameter	Summary Statements (Volume 1)	Detailed Statements (Volume 2)	Appendices
Revenue Receipts (including Grants received)	2, 3	11	
Revenue Expenditure	2, 4	12	2 (Salary), 3 (Subsidy)
Grants-In-Aid given by the Govt.	2	8	4
Capital receipts	2, 3	11	
Capital expenditure	1, 2, 4	5, 13, 17	
Loans and Advances given by the Govt.	1, 2, 7	16	
Debt Position / Borrowings	1, 2, 6	15	
Investments of the Govt., in Companies, Corporations etc.		14	
Cash	1, 2		1, 8
Balances in Public Account and investments thereof	1, 2	18, 19	
Guarantees		9	
Schemes			5 (Externally Aided Projects), 6,7

C. Book adjustments:

Certain transactions are in the nature of Periodical adjustments and book adjustments and do not represent actual cash transaction, as mentioned below. The specific details are mentioned as 'Notes to Accounts' and as footnotes in the relevant statements.

(i) Adjustment of all deductions (GPF, recoveries of advances given etc) from salaries by debiting functional major heads (department concerned) by book adjustment to revenue receipt (e.g. deductions other than GPF)/Public Account (e.g. GPF).

(ii) Creation of funds/adjustment of contribution to Funds in Public Account by debit to Consolidated Fund e.g. Calamity Relief Fund, Reserve Funds, Sinking Fund etc.

(iii) Crediting of deposit heads of accounts in public account by debit to Consolidated Fund.

(iv) Annual adjustment of interest on GPF and State Government Group Insurance Scheme where interest on General Provident Fund of State Government is adjusted by debiting 2049-Interest and crediting 8009-General Provident Fund.

(v) Certain adjustments such as adjustment of Debt waiver scheme granted by the Government of India in accordance with the recommendation of Finance commission. It affects both revenue receipts and Public Debt heads where Central loans are written off by crediting 0075-Misc. General Services by contra entry in the Major Head 6004-Loans and Advances from the Central Government.

1. STATEMENT OF FINANCIAL POSITION

Assets ¹	Reference (Sr. No.)		As at	As at
	Notes to Accounts	Statement	31 st March 2010	31 st March 2009
<i>(Rupees in Crore)</i>				
Cash				
(i) Cash in Treasuries and Local Remittances		Appendix-I	4.97	4.97
(ii) Departmental Balances		18	0.91	0.92
(iii) Permanent Imprest		18	1.38	1.38
(iv) Cash Balance Investments	Para.2-VII	18	22,74.10	22,83.93
(v) Deposits with Reserve Bank of India & Other Banks		18	27.26	(-)2,90.92
(vi) Investments from Earmarked Funds ²		19	36,74.23	29,72.67
Capital Expenditure				
(i) Investments in shares of Companies, Corporations, etc.	Para.3-III	14	60,03.31	59,78.90
(ii) Other Capital Expenditure	Para.2-V	13	8,51,95.26	7,14,26.62
Contingency Fund (un-recouped)	Para-VI	18	0.43	7.18
Loans and Advances		07	1,78,68.44	1,64,21.53
Advances with departmental officers		18	14.69	12.66
Suspense and Miscellaneous Balances ³			...	...
Remittance Balances			...	...
Cumulative excess of expenditure over Receipts ⁴			1,05,99.72	1,18,30.06
Total			12,56,64.70	11,06,49.90

¹ The figures of assets and liabilities are cumulative figures. Please also see note 1(ii) in the section 'Notes to Accounts'.

² Investments out of earmarked funds in shares of companies etc are excluded under capital expenditure and included under 'Investments from Earmarked Funds'.

³ In this statement the line item 'Suspense and Miscellaneous Balances' does not include 'Cash Balance Investment Account', which is included separately above, though the latter forms part of this sector elsewhere in these Accounts.

⁴ The cumulative excess of receipts over expenditure or expenditure over receipts is different from and not the fiscal/revenue deficit for the current year.

1. STATEMENT OF FINANCIAL POSITION

Liabilities	Reference (Sr. No.)		As at	As at
	Notes to Accounts	Statement	31 st March 2010	31 st March 2009
<i>(Rupees in Crore)</i>				
Borrowings (Public Debt)				
(i) Internal Debt		15	8,47,65.77(*)	4,71,80.21
(ii) Loans and Advances from Central Government				
Non-Plan Loans		15	95.67	102.38
Loans for State Plan Schemes		15	1,46,05.87	1,45,17.43
Loans for Central Plan Schemes		15	19.98	21.59
Loans for Centrally Sponsored Plan Schemes		15	76.62	83.46
Other Loans		15	9.36	9.36
Contingency Fund (Corpus)		18	50.00	50.00
Liabilities on Public Account				
(i) Small Savings-Provident Funds, etc.		18	84,32.44(*)	3,16,53.82
(ii) Deposits		18	1,08,69.88	1,23,05.06
(iii) Reserve Funds	Para.3-IV	18	46,05.21	40,16.41
(iv) Remittance Balance		18	16,21.57	186.85
(v) Suspense and Miscellaneous Balances		18	5,12.33	5,23.33
Cumulative excess of receipts over Expenditure			...	...
Total			12,56,64.70	11,06,49.90

(*) An Amount of ₹24182,38,21,776 transferred proforma from MH 8007-00-103-01-000 to MH 6003-111-01-560 vide Head quarters Lr.No.810-AC-1/SP I/60-99/2009 dated: 18-12-2009 as MH 8007 is meant only to accommodate the central transactions of NSSF.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

Receipts		Disbursements			
2009-10	2008-09	2009-10	2008-09		
<i>(Rupees in Crore)</i>					
Part-I Consolidated Fund					
Section-A : Revenue					
Revenue Receipts-		Revenue Expenditure-			
Tax revenue (raised by the State)	3,51,75.72	3,33,58.29	Salaries ¹	1,22,40.80	1,01,88.24
Non-tax revenue-			Subsidies ¹	28,43.65	28,28.46
Interest receipts	48,51.52	34,87.40	Grants-in-aid ^{1,2}	2,03,71.65	2,28,29.20
Others	29,51.70	61,96.01	General Services-		
			Interest Payment and service of debt	89,13.59	80,57.12
Total	78,03.22	96,83.41	Pension	63,39.02	55,18.46
Share of Union Taxes/Duties	1,21,41.71	1,18,01.50	Others	19,43.58	16,95.19
			Total	1,71,96.19	1,52,70.77
Grants from Central Government	95,57.70	80,15.25	Social services	42,60.25	42,90.28
			Economic services	64,49.03	61,34.57
			Compensation and assignment to Local Bodies and PRIs	86.35	3,12.69
Revenue Deficit	...	...	Revenue Surplus	12,30.42	10,04.23
Section-B : Capital					
Capital Receipts-		Capital Expenditure-			
			Salaries ¹	2,91.69	2,41.50
			General Services	91.49	58.31
			Social Services	6,37.55	3,22.65
			Economic Services	1,27,72.32	97,44.00
Recoveries of Loans & Advances	1,42.91	3.69.77	Loans and Advances disbursed-		
			General Services	...	...
			Social Services	14,19.01	29,93.56
			Economic Services	1,70.81	4,19.82

¹ Salary, Subsidy and Grants in Aid figures have been summed up across all sectors to present a consolidated figure. The expenditure in this statement under the sectors 'Social', 'General' and 'Economic' services does not include expenditure on salaries, subsidies and grants in aid.

² Grants in Aid are given to statutory corporations, companies, autonomous bodies, local bodies etc by the Government which is included as a line item above. These grants are distinct from compensation and assignment of taxes, duties to the Local Bodies which is depicted as a separate line item 'Compensation and assignment to Local Bodies and PRIs'.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

Receipts			Disbursements		
2009-10		2008-09	2009-10		2008-09
<i>(Rupees in Crore)</i>					
Public Debt Receipts-			Repayment of Public Debt-		
Internal Debt ^(#) (Market loans etc.)	1,81,84.87	1,49,55.75	Internal Debt ^(#) (Market loans etc.)	47,81.70	40,44.75
Loans from GOI	15,68.58	3,96.90	Loans from GOI	14,95.30	7,88.37
Net of inter-state Settlement	...	...	Net of inter-state Settlement	...	...
Total Receipts Consolidated Fund	8,45,74.71	7,85,80.87	Total Expenditure Consolidated Fund	8,51,07.79	8,04,67.17
Deficit in Consolidated Fund	5,33.08	18,86.30	Surplus in Consolidated Fund	...	...
Part II Contingency Fund					
Contingency Fund	7.16	0.93	Contingency Fund	0.41	7.18
Part III Public Account³					
Small savings	23,82.86	23,50.65	Small savings	14,21.87	17,80.90
Reserves & Sinking Funds	19,16.17	18,08.48	Reserves & Sinking Funds	20,28.94	15,37.99
Deposits	3,53,84.57	3,92,69.94	Deposits	3,68,19.75	4,10,81.15
Advances	99.79	1,83.76	Advances	1,01.82	1,84.70
Suspense and Misc.	8,79,26.69	9,69,66.03	Suspense and Misc. ⁴	8,79,27.92	9,25,61.02
Remittances	1,97,87.50	1,69,58.59	Remittances	1,83,52.78	1,85,79.20
Total Receipts Public Account	14,74,97.58	15,75,37.45	Total Disbursements Public Account	14,66,53.08	15,57,24.96
Deficit in Public Account	...	...	Surplus in Public Account	8,44.50	18,12.49
Opening Cash Balance	(-)2,85.95	(-)2,05.90	Closing Cash Balance	32.23	(-)2,85.95
Increase in cash balance	3,18.18	...	Decrease in cash balance	...	80.05

^(#) Includes NSSF receipts of ₹15,31.19 crore and payment of ₹5,15.61 crore.

³ For details please refer to Statement No.18 in Volume 2.

⁴ 'Suspense and Miscellaneous' includes 'other accounts' such as Cash Balance Investment account (Major Head 8673) etc. The figures may appear huge on account of these other accounts. Details may please be seen in Statement No.18.

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

I. Consolidated Fund

Description		2009-10	2008-09
<i>(Rupees in Crore)</i>			
A.	Tax Revenue-		
A.1	Own Tax revenue-		
	Land Revenue	2,21.57	1,30.35
	Stamps and Registration fees	26,38.63	29,30.99
	State Excise	58,48.59	57,52.61
	Taxes on Sales, Trade, etc.	2,36,40.22	2,18,51.66
	Taxes on goods and passengers	10.28	15.88
	Taxes on Vehicles	19,95.30	18,00.62
	Others	8,21.13	8,76.18
A.2	Share of net proceeds of Taxes-		
	Corporation Tax	49,96.80	38,69.95
	Taxes on Income other than Corporation Tax	27,83.42	24,30.03
	Other Taxes on Income and Expenditure	...	(-)0.11
	Taxes on Wealth	11.31	3.64
	Customs	16,99.31	22,55.96
	Union Excise Duties	13,68.81	19,67.43
	Service Tax	12,82.07	12,74.93
	Other Taxes and Duties on Commodities and Services	(-)0.01	(-)0.33
	Total- A	4,73,17.43	4,51,59.79
B.	Non-tax Revenue-		
	Interest receipts	48,51.52	34,87.40
	Miscellaneous General Services	(-)6,17.71	29,44.06
	Non-ferrous Mining and Metallurgical Industries	18,87.26	16,84.98
	Other Rural Development Programmes	5,63.48	5,56.82
	Police	1,30.09	1,05.36
	Crop Husbandry	1,09.98	3.85
	Forestry and Wild Life	1,03.11	93.22
	Other Administrative Services	97.56	50.37
	Major and Medium Irrigation	81.88	38.33
	Medical and Public Health	70.58	48.43
	Water Supply and Sanitation	67.00	6.95
	Ports and Light Houses	62.77	68.10

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

Description	2009-10	2008-09
	<i>(Rupees in Crore)</i>	
Urban Development	60.57	52.92
Education Sports Art and Culture	55.09	1,11.68
Roads and Bridges	45.01	30.26
Civil Supplies	39.19	16.58
Co-operation	37.52	20.10
Power	26.12	15.77
Other General Economic Services	25.41	25.93
Labour and Employment	24.54	24.03
Dividends and Profits	22.77	18.80
Tourism	19.14	13.70
Contributions and Recoveries towards Pension and other Retirement benefits	14.73	15.67
Other Social Services	8.35	4.72
Public Works	7.52	7.66
Public Service Commission	4.86	7.41
Land Reforms	4.18	3.04
Minor Irrigation	3.50	3.44
Fisheries	3.33	4.24
Jails	2.94	2.74
Village and Small Industries	2.42	3.49
Housing	1.96	2,03.22
Social Security and Welfare	1.51	3.14
Animal Husbandry	1.43	2.90
Stationery and Printing	0.42	0.61
Information and Publicity	0.22	0.22
Other Agricultural Programmes	0.02	0.07
Others (Major heads with receipts below a lakh of rupees have been clubbed)	(-)17.05	3.20
Total- B	78,03.22	96,83.41

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

II. Grants from Government of India

Description	Actuals	
	2009-10	2008-09
	<i>(Rupees in Crore)</i>	
C. Grants-		
Grants-In-Aid from Central Government	...	...
Non Plan Grants-		
Grants under the proviso to Article 275 (1) of the Constitution	7,27.06	6,35.66
Grants towards contribution to Calamity Relief Fund	3,13.67	2,98.73
Grants under National Calamity Contingency Fund	6,85.81	29.82
Other Grants	15,48.48	12,60.00
Grants for State/ Union Territory Plan Schemes-		
Block Grants (of which EAP ₹90.50 / ₹1.66 crore)	38,20.29	37,26.29
Grants under the proviso to Article 275 (1) of the Constitution	2,45.54	39.51
Grant for Central Road Fund	1,88.55	2,73.63
Other Grants	...	...
Grants for Central Plan Schemes	1,31.70	1,29.06
Grants for Centrally Sponsored Plan Schemes	18,96.60	16,22.55
Grants for Special Plan Schemes	...	...
Total- C	95,57.70	80,15.25
Total- Revenue Receipts (A+B+C)	6,46,78.35	6,28,58.45

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

III. Capital, Public Debt and Other Receipts

Description	Actuals	
	2009-10	2008-09
	<i>(Rupees in Crore)</i>	
D. Capital Receipts-		
Disinvestment proceeds	...	...
Others	...	...
Total- D	...	...
E. Public Debt Receipts-		
Internal Debt-		
Market Loans	1,53,83.10	1,09,33.57
Ways and Means Advances from the RBI	33.01	...
Bonds	...	2,43.61
Loans from Financial Institutions	10,61.20	11,39.10
Special Securities issued to National Small Savings Fund	15,31.19	...
Other Loans	1,76.37	26,39.47
Loans and Advances from Central Government-		
Non Plan Loans	0.48	2.39
Loans for State Plan Schemes (Block Loans) ^(\$)	15,68.10	3,94.51
Loans for Central Plan Schemes	...	...
Loans for Centrally Sponsored Plan Schemes	...	...
Other Loans	...	...
Total- E	1,97,53.45	1,53,52.65
F. Loans and Advances by State Government (Recoveries)⁽¹⁾	1,42.91	3,69.77
G. Inter-State Settlements	...	...
Total- Receipts in Consolidated Fund (A+B+C+D+E+F+G)	8,45,74.71	7,85,80.87

(\$) All Central Loans for Plan schemes, including Central Plan schemes and Centrally sponsored plan schemes are booked under 'Block Loans'.

⁽¹⁾ Details are in Statements 7 and 16 in Volume 2.

**4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)
BY FUNCTION AND NATURE**

A. EXPENDITURE BY FUNCTION

Description	Revenue	Capital	L&A	Total
	<i>(Rupees in Crore)</i>			
A. General Services				
A.1 Organs of State				
Parliament/State/Union Territory Legislatures	51.52	...	...	51.52
President, Vice President / Governor, Administrator of Union Territories	5.71	...	...	5.71
Council of Ministers	11.13	...	...	11.13
Administration of Justice	4,15.40	...	...	4,15.40
Elections	1,86.40	...	...	1,86.40
A.2 Fiscal Services				
Land Revenue	55.67	...	...	55.67
Stamps and Registration	97.76	...	...	97.76
State Excise	2,07.24	...	...	2,07.24
Taxes on Sales, Trade etc.	2,16.07	...	...	2,16.07
Taxes on Vehicles	64.99	...	...	64.99
Other Taxes and Duties on Commodities and Services	4.86	...	...	4.86
Other Fiscal Services	75.90	...	...	75.90
Appropriation for Reduction or Avoidance of Debt	4,56.55	...	...	4,56.55
Interest Payments	89,13.59	...	...	89,13.59
A.3 Administrative Services				
Public Service Commission	14.70	...	...	14.70
Secretariat-General Services	2,19.42	...	...	2,19.42
District Administration	6,24.17	...	...	6,24.17
Treasury and Accounts Administration	1,63.44	...	...	1,63.44
Police	27,68.29	22.04	...	27,90.33
Jails	97.52	...	...	97.52
Stationery and Printing	49.48	...	...	49.48
Public Works	1,71.87	54.96	...	2,26.83
Other Administrative Services	1,80.63	14.53	...	1,95.16
A.4 Pension & Misc. General Services				
Pensions and Other Retirement Benefits	63,39.02	...	...	63,39.02
Miscellaneous General Services	0.35	...	...	0.35
Total General Services	2,13,91.68	91.53	...	2,14,83.21

**4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)
BY FUNCTION AND NATURE**

Description		Revenue	Capital	L&A	Total
<i>(Rupees in Crore)</i>					
B.	Social Services				
B.1	Education, Sports Art & Culture				
	General Education	78,24.31	42.35 (#)	... (*)	78,66.66
	Technical Education	4,53.82	...	...	4,53.82
	Sports and Youth Services	70.60	...	...	70.60
	Art and Culture	88.31	...	...	88.31
B.2	Health & Family Welfare				
	Medical and Public health	28,00.52	39.85	1,36.60	29,76.97
	Family Welfare	4,38.91	0.25	...	4,39.16
B.3	Water Supply, Sanitation, Housing and Urban Development				
	Water Supply and Sanitation	6,87.59	2,92.11	2,87.50	12,67.20
	Housing	10,40.53	16.73	4,00.38	14,57.64
	Urban Development	20,88.48	...	5,72.41	26,60.89
B.4	Information and Broadcasting				
	Information and Publicity	2,22.69	...	...	2,22.69
B.5	Welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes				
	Welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes	31,08.20	2,30.54	22.10	33,60.84
B.6	Labour and Labour Welfare				
	Labour and employment	1,78.82	...	...	1,78.82
B.7	Social Welfare & Nutrition				
	Social Security and Welfare	28,01.10	9.43	0.02	28,10.55
	Nutrition	26,20.17	...	...	26,20.17
	Relief on Account of Natural Calamities	13,03.24	...	...	13,03.24
B.8	Others				
	Other Social Services	...	8.18	...	8.18
	Secretariat- Social Services	29.21	...	...	29.21
	Total Social Services	2,57,56.50	6,39.44	14,19.01	2,78,14.95
C.	Economic Services				
C.1	Agriculture & Allied Activities				
	Crop Husbandry	13,80.89	...	...	13,80.89
	Soil & Water Conservation	24.54	...	...	24.54

(#) For Revenue Expenditure Major heads 2202, 2203, 2204 the corresponding Major head under Capital section is 4202.
(*) ₹4,000 only.

**4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)
BY FUNCTION AND NATURE**

Description	Revenue	Capital	L&A	Total
	<i>(Rupees in Crore)</i>			
Animal Husbandry	3,22.76	4.21	0.50	3,27.47
Dairy Development	...	0.35	...	0.35
Fisheries	33.41	0.05	...	33.46
Forestry & Wild Life	2,60.42	0.83	...	2,61.25
Agricultural Research & Education	3,43.70	...	...	3,43.70
Co-operation	1,20.03	(-)4.86	0.94	1,16.11
Other Agricultural Programmes	9.07	...	0.18	9.25
C.2 Rural Development				
Special Programmes for Rural Development	5,58.49	...	...	5,58.49
Land Reforms	10.67	...	...	10.67
Other Rural Development Programmes	18,76.84	...	...	18,76.84
C.4 Irrigation & Flood Control				
Major & Medium Irrigation	51,16.54	1,01,74.86	...	1,52,91.40
Minor Irrigation	2,21.45	7,71.94	...	9,93.39
Command Areas Development	6.12	1.78	...	7.90
Flood Control & Drainage	1,00.51	2,90.67	...	3,91.18
C.5 Energy				
Power	32,51.57	10.00	...	32,61.57
Non-Conventional Sources of Energy	6.78	...	...	6.78
C.6 Industry & Minerals				
Village & Small Industries	2,79.80	...	0.60	2,80.40
Industries	37.75	...	...	37.75
Non- Ferrous Mining & metallurgical Industries	20.23	...	...	20.23
Consumer Industries	...	2.00	13.60	15.60
Other Industries	10.72	2.00	...	12.72
C.7 Transport				
Ports & Light Houses	9.70	68.26	...	77.96
Civil Aviation	7.61	2.00	15.56	25.17
Roads & Bridges	11,03.13	12,29.48	...	23,32.61
Road Transport	1,00.00	...	58.64	1,58.64
Inland Water Transport	1.78	...	...	1.78
Other Transport Services	...	...	... (*)	...

(*) ₹(-)13,000/- only.

**4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)
BY FUNCTION AND NATURE**

Description	Revenue	Capital	L&A	Total
<i>(Rupees in Crore)</i>				
C.9 Science & Technology				
Other Scientific Research	8.61	...	...	8.61
Ecology & Environment	0.79	...	...	0.79
C.10 General Economic Service				
Secretariat- Economic Services	7,35.07	...	...	7,35.07
Tourism	9.06	...	...	9.06
Foreign Trade & Export Promotion	2.01	...	...	2.01
Census Surveys & Statistics	46.95	...	...	46.95
Civil Supplies	1,83.16	...	...	1,83.16
Other General Economic Services	13.24	5,08.51	...	521.75
Total Economic Services	1,62,13.40	1,30,62.08	90.02	2,93,65.50
D. Loans, Grants in Aid & Contributions				
Compensation & Assignments to Local Bodies and Panchayati Raj Institutions	86.35	...	...	86.35
E Loans to Government Servants, etc.				
Loans to Govt. Servants etc.	...	...	75.54	75.54
Misc. Loans	...	...	5.25	5.25
F Public Debt				
Internal Debt of the State Government	...	...	47,81.69	47,81.69
Loans and Advances from the Central Government	...	...	14,95.30	14,95.30
Total Loans, Grants in Aid & Contributions	86.35	...	63,57.78	64,44.13
Total Consolidated Fund Expenditure	6,34,47.93	1,37,93.05	78,66.81	8,51,07.79

**4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)
BY FUNCTION AND NATURE**

B. EXPENDITURE BY NATURE

Object of Expenditure	2009-10			2008-09			2007-08		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>(Rupees in Crore)</i>									
Grants-in-Aid	17826.92	508.60	18335.52	21198.65	287.76	21486.41	17960.46	381.83	18342.29
Salaries	14730.03	291.69	15021.72	11675.81	241.50	11917.31	10416.68	223.75	10640.43
Interest	13535.51	...	13535.51	11356.87	...	11356.87	11046.46	...	11046.46
Major Works	175.27	13116.94	13292.21	198.24	9585.05	9783.29	643.30	11769.38	12412.68
Pensionery Charges	6303.70	1.57	6305.27	5478.85	1.70	5480.55	5081.22	1.09	5082.31
Subsidies	2843.67	...	2843.67	2828.49	...	2828.49	1437.62	...	1437.62
Minor Works	1779.82	206.57	1986.39	1916.08	187.57	2103.65	1951.62	205.76	2157.38
Scholarships and Stipends	1745.40	...	1745.40	1657.35	...	1657.35	933.01	0.05	933.06
Contributions	1650.34	...	1650.34	1101.11	...	1101.11	945.37	...	945.37
Other Charges	699.57	240.08	939.65	1083.88	9.69	1093.57	1037.53	70.61	1108.14
Professional Services	557.04	61.60	618.64	490.41	65.91	556.32	352.72	6.65	359.37
Cost of Ration / Diet Charges	608.55	...	608.55	645.64	...	645.64	558.41	...	558.41
Office Expenses	448.61	27.92	476.53	359.64	26.17	385.81	404.40	21.38	425.78
Domestic Travel Expenses	404.33	13.19	417.52	304.57	12.80	317.37	292.72	12.50	305.22
Supplies and Materials	385.96	...	385.96	507.64	...	507.64	456.59	0.03	456.62
Other Contractual Services	305.33	5.70	311.03	258.60	4.52	263.12	166.34	22.75	189.09
Advertising and Publicity	189.88	44.93	234.81	208.78	107.45	316.23	97.13	28.30	125.43
Petrol, Oil and Lubricants	77.65	3.17	80.82	63.21	2.94	66.15	59.20	2.81	62.01

**4. STATEMENT OF EXPENDITURE (CONSOLIDATED FUND)
BY FUNCTION AND NATURE**

Object of Expenditure	2009-10			2008-09			2007-08		
	Rev	Cap	Total	Rev	Cap	Total	Rev	Cap	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>(Rupees in Crore)</i>									
Rents, Rates and Taxes	77.31	1.29	78.60	88.68	0.95	89.63	85.30	0.99	86.29
Machinery and Equipment	60.74	6.54	67.28	120.50	56.97	177.47	127.86	0.24	128.10
Clothing and Tentage Stores	60.70	0.01	60.71	43.70	...	43.70	39.11	0.01	39.12
User Charges	37.12	...	37.12	36.01	...	36.01	73.35	...	73.35
Wages	33.59	2.57	36.16	28.72	2.20	30.92	31.64	2.14	33.78
Motor Vehicles	30.64	0.97	31.61	57.31	1.85	59.16	43.43	1.56	44.99
Publications	28.59	0.21	28.80	29.58	0.61	30.19	22.63	0.54	23.17
Investments	...	24.41	24.41	42.99	39.66	82.65	...	155.24	155.24
Other Administrative Expenses	17.59	0.10	17.69	19.51	0.01	19.52	16.34	0.21	16.55
Inter Account Transfers	137.02	-264.36	-127.34	587.85	-264.42	323.43	324.38	-127.28	197.10
Others	17.19	...	17.19	12.44	0.15	12.59	19.02	...	19.02
Recoveries	-1320.13	-500.63	-1820.76	-546.84	-4.60	-551.44	-640.28	-6.61	-646.89
TOTAL	63447.93	13793.05	77240.98	61854.22	10366.46	72220.68	53983.56	12773.93	66757.49

NOTES TO ACCOUNTS

1. Summary of significant accounting policies:

(i) Entity and Accounting Period: Finance Accounts 2009-2010 present the transactions of the Government of Andhra Pradesh for the period from 1st April 2009 to 31st March 2010. The accounts of receipts and expenditure of the Government of Andhra Pradesh have been compiled based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India.

(ii) Basis of Accounting: With the exception of some Periodical adjustments and Book adjustments (Annex-C) the accounts represent the actual cash receipts and disbursements during the account period. Physical Assets and Financial Assets such as Government investments etc are shown at historical cost i.e., the value at the year of acquisition/purchase. Physical assets are not depreciated or amortised. Loss of physical asset at the end of its life has not been expensed or recognized.

Retirement benefits disbursed during the account period have been reflected in the accounts but the pension liability of the Government, i.e., the liability towards payment of retirement benefits for the past and the present service of its employees is not included in the accounts.

The expenditure on "Pension and Other Retirement Benefits to State Government employees" during the year was ₹63,39.02 crore (i.e., 10% of total revenue expenditure of ₹6,34,47.93 crore). Government of Andhra Pradesh introduced new pension scheme i.e., Contributory Pension Scheme w.e.f. 01-09-2004. An amount of ₹1,36.20 crore towards employee's contribution and employer's share has been deposited under the head '8342-Other Deposits -117 Defined Contribution Pension Scheme for Government Employees' during the year. The State Government liability on this account as on 31st March 2010 was ₹3,46.90 crore.

(iii) Currency in which Accounts are kept: The accounts of Government of Andhra Pradesh are maintained in Indian Rupees.

(iv) Form of Accounts: Under Article 150 of the Constitution, the accounts of the Union and of the States are kept in such form as the President may on the advice of the Comptroller and Auditor General, prescribe. The word "form" used in Article 150 has a comprehensive meaning so as to include the prescription not only of the broad form in which the accounts are to be kept but also the basis for selecting appropriate heads of accounts under which the transactions are to be classified.

(v) Classification under Revenue, Capital:

Revenue expenditure is recurring in nature and is intended to be met from revenue receipts. Capital Expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character, or of reducing permanent liabilities. Grants-in-Aid given to Local Bodies and other Institutions are to be recorded as revenue expenditure in the books of the grantor.

2. Quality of Accounts

(i) Non-incorporation of Correction Slips to List of Major and Minor Heads of Accounts of Union and States(LMMH): The State Government has not adopted correction slips Nos.506 to 515 dated 13-05-2004 prescribed by the Controller General of Accounts for operation of new Major Heads 0700, 2700, 4700 and 6700 for Major Irrigation and 0701, 2701, 4701 and 6701 for Medium Irrigation. Non-adoption of correction slips hinders the uniform depiction of accounts across the country and makes inter-state comparisons difficult.

(ii) Adverse Balances under MH 6003-Internal Debt of State : The State Government treat loans received from Financial institutions as receipts of the concerned Administrative departments, whereas loan repayment are debited to MH 6003-Internal Debt. The operation of a debit without corresponding credit results in un-reconcilable adverse balances in the State Government accounts. Further, the booking of such loans as departmental receipts understates the debt position of the State and assurance that the loans are utilized for intended purposes is lacking.

(iii) Operation of omnibus Minor Head 800: ₹21,16.52 crore, constituting around 3% of total Revenue Receipts was classified under omnibus Minor Head 800-‘Other Receipts’ against 43 Major heads. Similarly, ₹1,08,32.08 crore, against 47 major heads under revenue and capital sections, constituting around 14% of total expenditure, was classified under Minor head 800-Other Expenditure. Instances, where **substantial amounts** of receipt and expenditure were classified under Minor head 800-Other Receipts and Other Expenditure are listed in Annex-A and B respectively.

(iv) Existence of outstanding Abstract Contingency Bills (AC Bills): The Drawing and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingency Bill by debiting service heads. Subsequently, they are required to present Detailed Contingency Bill (DC Bill) along with supporting documents for final expenditure drawn through AC Bills, within the specified period of 180 days. To end of 31st March 2010, 1,22,324 DC Bills amounting to ₹12,09.19 crore were pending.

(v) Transfer of Funds to PD Accounts: From time to time Finance Department authorises the opening of Personal Deposit (PD) Accounts for specified purposes. Funds are periodically transferred to PD accounts of the designated administrators by debiting the concerned service major head in the Consolidated Fund and crediting relevant deposit head under Public Account. During the year 2009-10 an amount of ₹12,72.28 crore was transferred from Consolidated Fund to Public Account. The Administrator wise PD Accounts are not being maintained in this office. As such details regarding transfer of unspent balances back to Government Account cannot be arrived at.

(vi) Reconciliation of Receipts and Expenditure:

All the Chief Controlling Officers (CCOs) are required to reconcile the Receipts and Expenditure of the Government with the figures accounted for by the Accountant General. A total of 5892 certificates are due from 191 CCOs. Out of which, reconciliation has been completed in respect of 45.25% of certificates for a value of

₹5,07,93.57 crore of expenditure against the total expenditure of the Government amounting to ₹8,51,07.79 crore and 18.75% of certificates for a value of ₹15,08.43 crore of receipts against the total receipts of the Government amounting to ₹6,48,21.26 crore. (including loans)

(vii) Cash Balance

Cash Balance worked out by the office of Principal Accountant General is ₹25.92 crore (credit). The cash balance reported by RBI as on 31st March 2010 was ₹27.93 crore (debit). Thus there is a difference of ₹2.01 crore (net debit) between the two figures. The difference is mainly because of non-reconciliation of figures by the Agency Banks. Out of the debit difference of ₹34.61 crore and credit difference of ₹36.62 crore, an amount of ₹32.08 crore (debit) and ₹33.31 crore (credit) have been identified and taken into account during the next accounting period (4/10 to 6/10).

(viii) Utilisation Certificates Awaited:

Year	No. of Utilisation Certificates awaited	Amount involved (Rupees in Crore)
Upto 2007-08	262	30.26
2008-09	Nil	Nil
2009-10	Nil	Nil

} (*)

(*) No Utilisation Certificates are required to be watched by Principal Accountant General as the same have to be submitted to the respective sanctioning authorities, as per the sanction orders issued by the State Government while releasing the grants.

3. Other Items

(i) Adjustment between Revenue, Capital and Loan Heads: Through a series of Orders dated : 31-03-2010, the State Government carried out the following adjustments.

(a) Revenue expenditure of ₹2,87.50 crore initially booked under MH 2215 Water Supply and Sanitation had been transferred to MH 6215 Loans for Water Supply and Sanitation 001-Loans to HMSW&SB to Godavari Water Supply. Similarly, ₹5,72.40 crore, booked under MH 2217 Urban Development was transferred to MH 6217 Loans for Urban Development towards Loans to HMDA for Outer Ring Road Project. This had the effect of reducing revenue deficit. The terms and conditions underlying these loans are awaited.

(b) Grants-in-aid of ₹2,90.15 crore given to Local Bodies towards Rural Water Supply schemes under SWSM was transferred from revenue expenditure to capital section under MH 4215 Capital Outlay on Water Supply and Sanitation in March (Supply), 2010 account by the Government on the ground that the expenditure was capital in nature and ownership of the assets vests with the Government. The budget provision was initially depicted under revenue, but changed to capital in the supplementary estimates.

(c) The State Government issued Orders dated : 31-03-2010 transferring of ₹16,09.00 crore from revenue to capital under Major and Medium Irrigation Grant (XXXIII). Accordingly, the State Government resumed ₹14,20.13 crore from Revenue section and re-appropriated ₹8,57.17 crore within the capital section. This was

given effect to in the March (Supplementary) accounts rendered by the Pay and Accounts Officers of the Public Works Department. The Principal Accountant General (A&E) however, limited the transfer to only ₹8,14.48 crore.

(ii) Lapsing of Deposit:

In the March (Supplementary) Accounts the State Government proposed to lapse deposits of ₹5,49.51 crore, held under 8443 Civil Deposits-108 Public Works Deposits by treating them as revenue receipt of the Government for the current year under the Major Head 0701-Major and Medium Irrigation and MH-0702-Minor Irrigation. These deposits pertained to amounts booked as expenditure under functional Major heads in previous year(s) towards Relief and Rehabilitation deposits, Land Acquisition Charges etc. Consequently the Principal Accountant General (A&E) booked the lapsed amounts of ₹5,49.51 crore as **reduction of expenditure against respective Irrigation Projects/head of account under Capital (MH 4701 and 5475) and Revenue (MH 2215, 2515 and 2701) Section** and not as revenue receipts of the current year as proposed by the Government (Revenue section ₹48.91 crore and Capital section ₹5,00.60 crore).

(iii) Debt Waiver : The Twelfth Finance Commission had recommended that State Governments be extended Debt Consolidation and Relief Facility (DCRF) on fulfillment of certain financial targets with reference to GSDP. Accordingly, the Central Monitoring Committee (CMC) had recommended debt waiver facility to the State Government. On the ground that the GSDP estimates provided by the State Government were not in accordance with the estimates of the Twelfth Finance Commission, Government of India (Advice No.995/CM No.23 Dt.30-03-2010) recovered ₹7,03.08 crore released for 2008-09 and refused ₹7,03.08 crore for 2009-10.

(iv) Guarantees: Guarantees reported in Statement 9 are based on the information received from the State Government which issues the guarantee. Information on guarantees has also been obtained from the respective Institutions. ₹16.57 crore has been transferred to Guarantee Redemption Fund and the entire balance of ₹5,97.12 crore at the credit of the fund was invested.

(v) Loans and Investments: In respect of Loans for which detailed accounts are kept by the State Government departments, information about overdue amounts as on 31st March 2010 and steps taken for the recovery of arrears have not been received in complete shape, despite constant efforts by this office.

Information on Government investments, depicted under detailed head “540-Investments” in the accounts, have been obtained from the respective Institutions/ Corporations and reconciled to the extent of data available are given in Statement No.14.

(vi) Reserve Funds: Balances under various Reserve Funds are being communicated to the State Government immediately on closure of accounts. Book adjustments carried out by this office towards contribution to various Reserve/ Deposit Funds and utilization of fund balances to meet the expenditure incurred under the relevant service major heads are indicated in Annexure to Item No.1(ii) above.

(vii) **Suspense Balances:** The Finance Accounts reflect the net balances under Suspense heads. Outstanding balances (Net) under major suspense heads have been shown below as gross debit and credit balances for the last three years.

Position of Balances under Suspense for the last Three Years

Name of Minor Head	2009-2010			2008-09			2007-08		
	Dr	Cr	Net (Dr)	Dr	Cr	Net (Dr)	Dr	Cr	Net (Dr)
<i>(Rupees in Crore)</i>									
101-PAO Suspense	74.80	(-)9.38	84.20	70.23	1.26	68.97	70.92	1.38	69.54
102-Suspense Account (Civil)	6,33.60	6,01.55	32.05	5,23.27	5,08.56	14.71	3,95.52	3,22.99	72.53
110-Reserve Bank Suspense (Central Accounts Office)	(-)10,38.00	(-)14,04.86	3,66.86	(-)11,31.78	(-)12,53.51	1,21.73	(-)8,87.83	(-)12,26.39	3,38.56

(viii) **MH 8670 Cheques and Bills:** Credit balance under MH 8670 Cheques and Bills indicates cheques issued remained unencashed to end of 31st March 2010. During 2009-10, cheques worth ₹1,22,34.45 crore was issued, against which cheques worth ₹1,20,31.26 crore was encashed, leaving a closing balance of ₹9,88.77 crore unencashed cheques.

(ix) **Contingency Fund:** Under the Contingency Fund ₹0.43 crore remained unrecouped at the end of the year.

(x) **Direct transfer of Central Scheme Funds to implementing Agencies in the State (Funds routed outside State Budget) (unaudited figures):** The Union Government transfers substantial funds directly to State Implementing Agencies/ NGOs for implementation of various schemes / programmes. These funds are not routed through the State Budget/ State treasuries and therefore, not reflected in the accounts of the Government. However, details of such fund transfer (exceeding Rupees Ten crore) is captured from Central Plan Schemes Monitoring System(CPSMS) portal and given in Appendix-VII to present a holistic picture on availability of aggregate resources with the State Government, during 2009-10.

(xi) **Information on Committed liabilities and implications of major policy decisions taken by the Government during the year or new schemes proposed in the budget for future cash flows do not find place in the accounts for want of requisite information from the State Government.**

ANNEXURE-A
STATEMENT OF RECEIPTS SHOWING MAJOR HEAD WISE RECEIPTS
UNDER MH 800 FOR THE YEAR 2009-10

Major Head	Total Receipts including MH 800	Receipts under MH 800	Percentage of Column 3 to Column 2
(1)	(2)	(3)	(4)
<i>(Rupees in Lakh)</i>			
0515 Other Rural Development Programmes	5,63,48.35	5,63,48.35	100.00
0401 Crop Husbandry	1,09,97.59	1,09,47.30	99.54
1051 Ports and Light Houses	62,76.40	62,76.40	100.00
0217 Urban Development	60,57.28	60,57.28	100.00
0070 Other Administrative Services	97,55.87	59,99.52	61.50
0215 Water Supply and Sanitation	67,00.14	57,27.13	85.48
0701 Major and Medium Irrigation	81,88.10	44,57.30	54.44
1054 Roads and Bridges	45,00.73	41,27.74	91.71
1456 Civil Supplies	39,18.75	39,18.75	100.00
0425 Co-operation	37,51.82	22,44.49	59.82
1452 Tourism	19,13.83	19,13.83	100.00
0801 Power	26,12.42	13,27.92	50.83
0059 Public Works	7,52.35	5,48.87	72.95
0506 Land Reforms	4,17.97	4,17.97	100.00
0056 Jails	2,94.03	2,94.03	100.00
0405 Fisheries	3,33.09	2,89.61	86.94
0702 Minor Irrigation	3,50.33	2,55.39	72.90
0235 Social Security and Welfare	1,51.16	1,51.16	100.00
0403 Animal Husbandry	1,43.03	1,11.68	78.08
0220 Information and Publicity	21.47	12.22	56.91
0875 Other Industries	0.48	0.48	100.00

ANNEXURE-B
STATEMENT OF EXPENDITURE SHOWING MAJOR HEAD WISE EXPENDITURE
UNDER MH 800 FOR THE YEAR 2009-10

Major Head	Total Expenditure including MH 800	Expenditure under MH 800	Percentage of Column 3 to Column 2
(1)	(2)	(3)	(4)
<i>(Rupees in Lakh)</i>			
2801 Power	32,51,57.19	32,12,40.31	98.80
2236 Nutrition	26,20,17.32	23,50,00.00	89.69
5054 Capital Outlay on Roads and Bridges	12,29,48.21	12,48,06.42	101.51
3054 Roads and Bridges	11,03,13.18	7,16,18.68	64.92
5475 Capital Outlay on other General Economic Services	5,08,50.65	3,71,14.72	72.99
2501 Special Programmes for Rural Development	5,58,48.52	3,68,30.57	65.95
2851 Special Programmes for Rural Development	2,79,80.12	1,62,94.40	58.24
4225 Village and Small Industries	2,30,53.75	1,08,46.13	47.05
4070 Capital Outlay on Other Administrative Services	14,53.12	14,53.12	100.00
2810 New and Renewable Energy	6,77.99	6,77.99	100.00
4403 Capital Outlay on Animal Husbandry	4,20.64	3,93.80	93.62
4875 Capital Outlay on Other Industries	2,00.00	2,00.00	100.00
5053 Capital Outlay on Civil Aviation	2,00.00	2,00.00	100.00

ANNEXURE-C
STATEMENT OF PERIODICAL / OTHER ADJUSTMENTS

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
A.	Periodical Adjustments-				
1.	Appropriation for reduction of avoidance of debt	2048-101-04	8222-01-101-04	4,56,54,52,000	State Contribution to Sinking Fund
2.	AP State Government Insurance Fund	8011-105 & 107	2235-902 & 903	14,31,09,456	Amount met from AP State Government Life Insurance Fund
3.	Guarantee Redemption Fund	2070-797-10-320	8235-117-04-001	16,57,00,000	Contribution to Guarantee Redemption Fund
4.	Contributory Pension Scheme	2071-01-117-05	8342-117-05	3,50,751	Contribution to Contributory Pension Scheme of AP State Aided Educational Institutions
5.	Contributory Pension Scheme	2071-01-117-04	8342-117-04	46,55,09,187	Contribution to Contributory pension Scheme of AP State Govt., Employees
6.	Calamity Relief Fund	2245-05-901-96-001	8235-111-01-001	4,18,23,00,000	Contribution to Calamity Relief Fund
7.	National Calamity Contingency Fund	2245-05-901-96-002	8235-111-01-002	6,85,81,00,000	Contribution to National Calamity Contingency Fund
8.	Insurance and Pension Funds	2049-03-108-05-450	8011-00-105-01-000	1,39,21,73,134	Interest on Pension & Insurance Fund, etc.
9.	AP State Employees Group Insurance Funds	2049-03-108-07-450	8011-107-01-003	38,98,72,784	Interest on AP Group Insurance Fund
10.	Drainage Cess Fund	2711-03-797-04-630	8235-200-01	11,184	Transfer to Delta area Drainage Cess Fund
11.	Adjustment of Prorata Charges	2210-06-101-11-97-630	2210-80-800-04-90-303	6,49,050	Transfer of repair Charges-Prorata adjustment of Vehicle charges
12.	Adjustment of Prorata Charges	2211-104-10-97-630	2210-80-800-04-90-302	75,51,995	Transfer of repair Charges-Prorata adjustment of Vehicle charges
13.	Adjustment of Prorata Charges	2210-01-110-96	2210-80-800-04-90-301	35,56,468	Transfer of repair Charges-Prorata adjustment of Vehicle Charges.

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
14.	Religious and Charitable Endowment Funds	8235-00-103-01-000	2250-902-90-630	26,87,67,978	Amounts met from Hindu Charitable Funds
15.	General Provident Fund	2049-03-104	8009-01-101	4,67,70,66,072	Interest adjustment on General Provident Fund
16.	Sericulture Development Fund	2851-797-04-630	8229-106-04	1,09,86,467	Transfer to Sericulture Development Fund
17.	Sericulture Development Fund	8229-106-04	2851-902-90-630	1,04,839	Amount met from Sericulture Development Fund
18.	Calamity Relief Fund	8235-111-01-001	2245-05-901-96	4,18,23,00,000	Expenditure met from Calamity Relief Fund
19.	National Calamity Contingency Fund	8235-111-01-002	2245-05-901-96	6,85,81,00,000	Expenditure met from National Calamity Contingency Fund
20.	AP Rural Development Fund	8229-200-09-000	2515-902-96-630	57,67,50,000	Amount met from AP Rural Development Fund
21.	AP Road Development Fund	8229-00-200-09-000	5054-04-903	48,00,217	Amount met from AP Road Development Fund
22.	Central Road Fund	3054-04-797-04-631	8449-00-103	1,88,55,00,000	Transfer to Central Road Fund
23.	Central Road Fund	8449-00-103	5054-04-902	1,88,55,00,000	Amount met from Central Road Fund
24.	Machkund Hydro Electric (Joint) Scheme	2801-01-102-80-634	8226-00-101-01-001	30,74,000	Depreciation Reserve Fund of Machkund Hydro Electric (Joint) Scheme
25.	Machkund Hydro Electric (Joint) Scheme	2801-01-102-80-635	8229-00-110-01-001	52,46,000	Special Reserve Fund of Machkund Hydro Electric (Joint) Scheme
26.	Machkund Hydro Electric (Joint) Scheme	2801-01-102-80-636	0049-04-103-02	69,64,000	Interest on Capital of Machkund Hydro Electric (Joint) Scheme
27.	Machkund Hydro Electric (Joint) Scheme	2801-01-102-80-637	8793-00-116-00	41,37,000	Machkund Hydro Electric (Joint) Scheme - Interest payable to Orissa Government
28.	Machkund Hydro Electric (Joint) Scheme	8793-00-116	2801-01-102-96-700-731	52,46,000	Recoveries on account of Machkund Hydro Electric (Joint) Scheme

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
29.	Thugabhadra Hydro Electric (Joint) Scheme	2801-01-103-80-631	8226-00-101-01-002	1,89,593	Depreciation Reserve Fund of Thugabhadra Hydro Electric (Joint) Scheme
30.	Thugabhadra Hydro Electric (Joint) Scheme	2801-01-103-80-450	0049-04-103-02	34,19,009	Thugabhadra Hydro Electric (Joint) Scheme – Interest.
B. Other Adjustments-					
1.	Assistance to HMDA	6215-01-789-11-08	2215-01-789-11-80	40,50,00,000	Assistance to HMDA for Outer Ring Road treated as Loan.
2.	Assistance to HMWS&SB	6215-02-190-11-08	2215-02-107-11-08	37,50,00,000	Assistance to HMWS&SB for implementation of Sewerage Master Plan treated as Loan.
3.	Assistance to HMDA	6217-01-800-03	2217-80-191-03	4,88,61,50,000	Assistance to HMDA for Outer Ring Road treated as Loan.
4.	Assistance to HMWS&SB	6215-01-796-11-08	2215-01-796-11-06 and 09	16,50,00,000	Assistance to HMWS&SB for Godavari Water Supply treated as Loan.
5.	Assistance to HMDA	6217-01-796-03	2217-80-796-03	24,25,50,000	Assistance to HMDA for Outer Ring Road treated as Loan.
6.	Assistance to HMW&SB	6215-01-190-11-08	2215-01-190-11	1,93,00,00,000	Assistance to HMW&SB for Godavari Water Supply treated as Loan.
7.	Transfers from Revenue to Capital Section	4215-01-102-11-29 4215-01-789-11-29 4215-01-796-11-29	2215-01-102-11-27 2215-01-789-11-27 2215-01-796-11-27	2,90,14,75,558	Expenditure Transferred from Revenue to Capital Head of Account
8.	Transfers from Revenue to Capital Section	4701-01-129-03-32 4701-01-105-11-50 4701-01-105-11-27 4701-01-125-11-26 4701-01-125-11-27 etc.	2701-01-101-03-32 2701-01-112-11-27 2701-01-116-11-27 2701-01-116-11-26 2701-01-127-11-27 etc.	6,91,97,28,028	Transfer of expenditure under 530 Major works from Revenue to Capital Section
9.	Lapsing of unspent balance of deposits	8443-108	2215-01-912 2245-01-912 2245-02-912 2515-00-912	15,21,47,972	Lapsing of unspent balance of deposit as reduction of expenditure (deduct recoveries)

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
10.	Transfer of expenditure from Loan to Revenue	6217-01-789	2217-80-789	59,53,50,000	Transfer of expenditure from Loan to Revenue for Assistance to HMDA for Outer Ring Road
11.	Lapsing of deposits to Capital Account	8443-108 PW Deposit	5475-00-789-11-06-310	2,28,92,586	Lapsing of deposits to Capital Account
12.	Lapsing of Current year Deposits	8443-108 PW Deposit	2215-04-912 2515-00-912	12,13,000	Lapsing of Current year deposits (unspent balance) as reduction of expenditure against relevant Head of Account.
13.	Transfer of recoveries of expenditure	2701-01-127-11-96 Deduct Recovery	4701-01-125-11-96 Deduct Recovery	5,90,32,896	Transfer of recoveries of expenditure from Revenue to Capital.
14.	Lapsing of unspent balance of Land Acquisition & RR Funds	8443-00-108	4701-01-123-11-96-700 4701-01-115-11-96-700 etc.	5,31,88,91,937	Lapsing of unspent balance of Land Acquisition & RR Funds Kept-under PW Deposits to Capital.
15.	Transfer of Expenditure from Revenue to Capital.	4701-01-129-11 4701-01-121-11 4701-01-125-11	2701-01-101-11 2701-01-123-11 2701-01-127-11	1,28,41,40,277	Transfer of Expenditure from Revenue to Capital.

Note:- 'Dr' item of Transfer entries are given under "From" column and 'Cr' items under 'To' column.

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

	On 1 st April, 2010	On 31 st March, 2009
<i>(Rupees in Lakh)</i>		
(a) General Cash Balances-		
1. Cash in Treasuries		
2. Deposits with Reserve Bank	(*) 25,91.58	(-)2,92,26.60
3. Deposits with other Banks	1,34.39	1,34.39
4. Remittances in Transit	4,96.63	4,96.63
Total	32,22.60(A)	(-)2,85,95.58(A)
5. Investments held in Cash Balance Investment Account (Major Head 8673)	22,74,09.99	22,83,93.10
Total- (a)	23,06,32.59	19,97,97.52
(b) Other Cash Balances and Investments-		
1. 8671 Departmental Balances-Civil-Cash with Departmental Officers, viz., Public Works Officers, Forest Officers, General Managers of Commercial Concerns and Pension Payment Officer (Motigally)	91.23	92.59
2. 8672 Permanent Cash Imprest-Civil-Permanent Advances with Departmental Officers for Contingent Expenditure	1,38.26	1,37.56
3. Investment out of Earmarked Funds	36,74,23.39	29,72,67.17
Total- (b)	36,76,52.88	29,74,97.32
Total- (a)+(b)	59,82,85.47	49,72,94.84

(*) There was a net difference of ₹2,01.50 lakh (Credit) between the figures reflected in the accounts ₹25,91.58 lakh (Debit) and that intimated by the Reserve Bank of India ₹27,93.08 lakh (Credit) regarding Deposits with Reserve Bank included in the Cash Balance. After the closing of June, 2010 accounts, the net difference of 2009-2010 to be reconciled is ₹5, 63.32 lakh (Debit).

	Debit	Credit	Net
<i>(Rupees in Lakh)</i>			
i) Difference as on 31 st March, 2010	34,61.03	36,62.53	2,01.50(Cr)
ii) Cleared in the accounts upto June, 2010	32,08.16	33,30.97	1,22.81(Cr)
iii) Difference after the closing of June, 2010 accounts	2,52.87	3,31.56	78.69 (Cr)

(A) Includes a debt of ₹1,21,80.49 lakh pertains to 8.5% Tax Free Special Bonds (Power Bonds) was adjusted in advance to AP Government in 2009-10 instead of 2010-11 by RBI, Nagpur on 31-03-2010. Similar advance adjustment of 2009-10 instalment took place in 2008-09.

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

EXPLANATORY NOTES

- (a) **Daily Cash Balance:** Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of ₹3.32 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time.

For arriving at the daily cash balance⁽¹⁾ for the purpose of grant of Ways and Means advances/Overdraft, the RBI evaluates the holdings of the 14 day treasury bills along with the transactions reported (at RBI counters, Inter-Government transactions and Treasury transactions reported by the agency banks) for the day. To the cash balance so arrived, the maturity of 14 day Treasury Bills if any, is added and excess balance, if any, after maintaining the minimum cash balance is reinvested in Treasury Bills. If the net cash balance arrived at results in less than the minimum cash balance or a credit balance and if there are no 14 day treasury bills maturing on that day, RBI rediscounts the holdings of the 14 day Treasury Bills and makes good the shortfall. If there is no holding of 14 day Treasury Bills on that day the State Government applies for Ways and Means Advances/Special Ways and Means Advances/ Over Draft.

- (b) The limit for ordinary ways and means advances to the State Government was ₹8.80 crore with effect from 1st April, 2006. The Bank has also agreed to give special ways and means advances against the pledge of Government Securities. The limit of special ways and means advances revised by the Bank from time to time.

Without resorting to any Ways Means Advance and Overdraft from Reserve Bank of India, Nagpur, the State Government maintained the minimum Cash Balance with the Bank on all the 365 days of the year, except for one day i.e., 15-09-2009 (₹33.01 lakh) and repaid the same on the next day (i.e., 16-09-2009).

The extent to which the Government maintained the minimum cash balance with the Reserve Bank during 2009-10 is given below:-

⁽¹⁾ The cash balance ('Deposits with RBI') above is the closing cash balance of the year as on 31st March but worked out by 16 April and not simply the daily balance on 31st March.

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

- (i) Number of days on which the minimum balance was maintained without taking any advance 364
- (ii) Number of days on which the minimum balance was maintained by taking ordinary ways and means advance Nil
- (iii) Number of days on which the minimum balance was maintained by taking special ways and means advances 1
- (iv) Number of days on which there was shortfall in minimum balance even after taking the above advances, but no overdraft was taken Nil
- (v) Number of days on which overdrafts were taken Nil
- (c) The balance of ₹1,34.39 lakh shown against “Deposits with Other Banks” represents the deposits with Westminster Bank, London (deposits made by the former Government of Nizam State). In view of the verdict of the House of Lords, the United Kingdom, in an appeal suit, the balance remains frozen with the Bank for the time being and is therefore not available to the State Government.
- (d) The transaction under the head “Remittance in Transit” represent remittances between treasuries and currency chests remained unadjusted as on 31st March, 2010.
- (e) The following is an analysis of investments held in Cash Balance Investment Account:-

	Opening Balance on 1st April, 2009	Purchases during 2009-2010	Sales during 2009-2010	Closing Balance on 31st March, 2010	Interest realised during the year
	<i>(Rupees in Lakh)</i>				
Short-term investments- Government of India Treasury Bills	Dr 22,83,93.10	7,56,97,54.31	7,56,87,71.20	Dr 22,74,09.99	1,27,84.26
Total	Dr 22,83,93.10	7,56,97,54.31	7,56,87,71.20	Dr 22,74,09.99	1,27,84.26

- (f) The details of investments out of earmarked funds are given in the Statement No.19. Securities of the face value of ₹76.98 lakh were transferred to (i) a Government Company, the Hyderabad Chemicals

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

and Fertilizers Limited, Hyderabad (now a subsidiary of Andhra Pradesh State Agro-Industries Corporation, Hyderabad (₹7.44 lakh)) and (ii) a Joint Stock Company - The Azamjahi Mills, Hyderabad (₹69.54 lakh) in 1969 (since taken over by the National Textile Corporation Limited) under the Sick Textile Undertakings (Nationalisation Act, 1974) to enable them to raise funds on the strength of these Securities. Government initiated legal proceedings for return of Securities against the Central Bank of India, with whom the Azamjahi Mills had pledged them. Further developments are awaited.

Errata to Finance Accounts of Government of Andhra Pradesh for 2009-10

Page No.	Reference	For	Read
6	Item (v), Col.2	18	Appendix-I
8	Section-B : Capital Receipts (2008-09)	3.69.77	3,69.77
20	4 th para	(₹63,39.02	₹63,39.02
21	2(ii), 2 nd line	loan repayment	loan repayments
	2(iv), 4 th line	180 days	30/90 days
22	3(i)(a) 2 nd line	HMSW&SB	HMWS&SB
29	Serial No.29, Col.2 & 6	Thugabhadra	Thungabhadra
32	Para (b) (2 nd para)	(₹33.01 lakh)	(₹33.01 crore)
32	Last para, 1 st line	Ways Means	Ways and Means
37	MH 4425, Col.7	200.62	(-)200.62
43	Para-3(2 nd line)	₹1,53,83.11 crore	₹1,53,83.10 crore
58	Grand Total, Col.3	1,22,06.52	1,22,06.53
278	6075-(07)	Loans A.P. Housing	Loans to A.P. Housing
308	MH 6425-108 SH(04)	God owns	Godowns
309	MH 6425-796 SH(02)	Labor Contract	Labour Contract
311	Footnote	`0.01 lakh	₹0.01 lakh
315	MH 6851-103 SH(18)	Tex Development	Textile Development
424	Footnote	by AP State Secretariat	by Government of Andhra Pradesh
439	Col.1, 2 nd item	Familis	Families
442	Col.1, 3 rd item	Pulivendla	Pulivendula
449	Appendix-VI	2009-210	2009-2010
451	Appendix-VII	Aides	Aids
452	Last line	MPLADS	(MPLADS)
