

**AN
ECONOMIC AND FUNCTIONAL
CLASSIFICATION
OF
THE GOA, DAMAN AND DIU
BUDGET
1982 - 83**



DIRECTORATE OF PLANNING, STATISTICS AND EVALUATION

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P R E F A C E

This is the tenth issue of the Brochure prepared by the State Income Division of this Directorate, on the economic and functional classifications of the budgetary transactions of Government. The present Brochure contains the Economic-cum-Functional classifications of the budgets of the Union territory of Goa, Daman and Diu, for the years 1980-81 (Actuals) 1981-82 (Revised Estimates) and 1982-83 (Budget Estimates)

An analysis of the budget for 1982-83 reveals that the budgeted consumption expenditure has gone up by 8 % compared to 1981-82 and by 16 % compared to 1980-81. This also reveals that the total expenditure on social and economic services which constitute the development expenditure, is about Rs. 69 crores or 72 % of the Budget Expenditure in 1982-83. Thus development activities continue to receive special attention of the State Government.

It is hoped that the data contained in this Brochure will be found useful.

Panaji.

29th August, 1983.

B. N. Rangarana

Director.

Directorate of Planning, Statistics
and Evaluation.

PART II

ECONOMIC CLASSIFICATION

C H A P T E R - I

Set of Accounts

A Budget is an important financial document of Government which provides a detailed picture of Government transactions regarding receipt and expenditure of the Government for three consecutive years, with details of the actuals for the preceding year, revised estimates for the current year, and budget estimates for the ensuing year.

The two important Budget documents are 'Demands for Grants' and 'Annual Financial Statements' which are drawn in accordance with the provisions of the constitution and the needs of legislative control. The former contains estimates of expenditure and is presented to the legislature for voting. The Annual Financial Statement shows receipts and expenditure under the prescribed heads of Accounts.

Expenditure in a Government Budget is generally classified departmentwise in order to secure legislative control, administrative accountability and booking and auditing of any act of spending. Though a Budget is divided into revenue and capital accounts, many items of consumption expenditure are often included in the capital account and vice-versa. Moreover, the magnitudes shown in the Budget are too detailed and scattered and not necessarily based on distinctions and groupings required for a clear understanding of the economic impact of Government transactions. Therefore, they have to be regrouped and reclassified into meaningful economic categories to enable better understanding of the economic impact of Government transactions. The economic classification presented here is based on the generally accepted concepts, definitions and classifications developed in the system of national accounting for analysis of various sectors of the economy and their inter-relationship.

The economic classification eliminates all inter-account and inter-departmental transfers since they do not have any impact on the rest of the economy. In many cases, revenue expenditure on capital outlays are reduced to the extent that they are net from transfers from funds. This deflates the expenditure and does not give the total expenditure or aggregate demand made by the Government on goods and services available for a correct appraisal of Government's demand for goods and services which should be related to available supplies. Revenue and capital expenditure have to be increased by the amount net from these transfers from the state operated funds.

Reference may also be made to a third type of adjustment made in the classification scheme. The Demands for Grants in the Budget first show expenditure gross of all recoveries but subsequently recoveries are deducted and only the net is shown in the Annual Financial Statement. For the purpose of this study, expenditure are shown gross of recoveries from within and outside sectors.

It is only after reclassification and regrouping on the lines indicated above that it will be possible to analyse the economic impact of the State Government's budgetary transactions on the rest of the economy. For the purpose of this study, the term "rest of the economy" refers to all entities other than the State Government and includes the Central Government, other State Government, local bodies, statutory public undertakings, private commercial and non-commercial corporations or companies and individuals.

The system of classification adopted here is based on a series of distinctions useful for analysing the economic impact on the rest of the economy. Current transactions are distinguished from capital transactions and under both, transactions in goods and services are separated from transfers. The current transactions of Government Administration are distinguished from the current operations of Departmental Commercial Undertakings, as current expenditures of the former on wages and salaries and goods and services are final outlays, but those of the latter are intermediate expenditure such as cost of raw materials, fuels etc. In other words such expenditure represents expenses of production and not expenditure on final goods and services, purely financial transactions are again separated from transaction in goods and services and transfers. Reclassified in this way, the flows into and out the Government sector can be related to important categories of transactions, influencing the behaviour of other sectors of the economy. Such classification also permits a systematic trace of the influence of public transactions on the other parts of economy. The economic classification of the budget also enables us to determine Government's contribution to the generation of state income, capital formation out of budgetary resources, savings of the Government on various resources of the economy and so on.

The economic classification of the State Budget under review is presented in the form of six accounts as detailed below, each delineating a distinct aspect of the operations of the State Government.

- Account I : Transactions in Commodities and Services and Transfers: Current Account of Government Administration.
- Account II : Transactions in Commodities and Services and Transfers: Current Account of Departmental Commercial Undertakings.
- Account III : Transactions in Commodities and Services and Transfers: Capital Account of Government Administration and Departmental Commercial Undertakings.
- Account IV : Changes in Financial Assets: Capital Account of Government Administration and Departmental Commercial Undertakings.
- Account V : Changes in Financial Liabilities: Capital Account of Government Administration and Departmental Commercial Undertakings.
- Account VI : Cash and Capital Reconciliation Account of Government Administration and Departmental Commercial Undertakings.

Broadly speaking, Account I to III deal with Government transactions in goods and services and transfers, and Account IV to VI deal with financial transactions affecting the net claim of the Government on the "rest of the economy". Whereas the first and the third accounts present receipts and expenditure of State Government classified into economically significant magnitudes like consumption expenditure, transfer payments, capital formation, taxes on income, taxes on commodities and transactions, income from property etc. The second account confines itself in delineating the transactions of departmental commercial undertakings like electricity, forest, water transport etc. Further, the first account classifies current transactions, the third account classifies capital transactions. Account IV classifies transactions leading to net increase in financial assets of the Government and provides their break-up into investments in shares loans for capital formation, other loans and repayment of loans. Account V gives the financial liabilities of the Government. Account VI is a reconciliation of the cash and capital account of Government Administration and Departmental Commercial Undertakings. This account sums up the net position in respect of Account III, IV and V showing the effect of all transactions of the State Government on its cash position.

A set of these six Accounts is presented as enclosure to this chapter. The nature of these Accounts, their coverage, derivation and treatment of the items included and assumptions underlying these, are explained in Chapter III. Chapter II analyses the main results of the economic classification of the Budget and Chapter IV presents a reconciliation of the figures given in the Annual Financial Statement and in the Economic Classification

S E T O F A C C O U N T S

- Account I : Transaction in Commodities and Services and Transfers:
Current Account of Government Administration.
- Account II : Transactions in Commodities and Services and Transfers:
Current Account of Departmental Commercial Undertakings.
- Account III: Transactions in Commodities and Services and Transfers:
Capital Account of Government Administration and
Departmental Commercial Undertakings.
- Account IV : Changes in Financial Assets: Capital Account of
Government Administration and Departmental Commercial
Undertakings.
- Account V : Changes in Financial Liabilities: Capital Account of
Government Administration and Departmental Commercial
Undertakings.
- Account VI : Cash and Capital Reconciliation Account of Government
Administration and Departmental Commercial Undertakings.

TRANSACTIONS IN COMMODITIES AND SERVICES AND

EXPENDITURE	1960-61 Actuals	1961-62 Revised Estimates	1962-63 Budget Estimates
1	2	3	4
1. CONSUMPTION EXPENDITURE	2411.43	2869.56	3108.93
1.1. Compensation of Employees	1882.24	2213.77	2431.55
a) Wages and Salaries	1765.28	2094.27	2309.55
b) Pension and other retirement benefits	116.96	119.50	122.00
1.2. Purchase of Commodities and Services	529.19	655.79	677.37
2. TRANSFER PAYMENTS	1043.89	1378.39	1190.30
2.1. Interest on loans from Govt. of India	794.49	921.60	872.52
2.2. Grants	214.54	424.19	273.72
2.2.1. To local bodies	27.31	23.87	26.04
2.2.2. To Educational Institutions	82.06	106.92	122.02
2.2.3. To cooperative Institutions	-	0.20	0.25
2.2.4. To others	105.17	293.20	125.41
2.3. Subsidies	15.99	2.14	9.68
2.4. Stipends and Scholarships	15.42	27.45	30.53
2.5. Other current transfers	3.45	3.00	3.85
3. TOTAL EXPENDITURE (1+2)	3455.32	4247.95	4299.23
4. SAVING ON CURRENT ACCOUNT	748.08	217.68	598.62
5. TOTAL	4203.40	4465.63	4897.85

U N T - I

TRANSFERS CURRENT ACCOUNT OF DEPARTMENTAL COMMERCIAL UNDERTAKINGS

(Rs. in Lakhs)

R E V E N U E (a)	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
5	6	7	8
6. TAX REVENUE	1848.02	1979.49	2137.82
6.1. Taxes on commodities and services	1751.00	1882.64	2040.27
6.1.1. State Excise duties	301.42	305.32	319.62
6.1.2. Taxes on vehicles	123.71	125.67	128.65
6.1.3. Sales Tax	1220.66	1343.50	1477.85
6.1.4. Other taxes and duties	105.22	108.15	114.16
6.2. Taxes on property and transactions	97.01	96.95	97.65
6.2.1. Land Revenue	12.13	13.29	13.29
6.2.2. Stamps and Registration fees	84.88	83.66	84.36
7. ADMINISTRATIVE RECEIPTS	534.90	682.50	700.51
8. OTHER REVENUE RECEIPTS	121.63	126.18	126.04
8.1. Interest	111.81	116.38	116.43
8.2. Income on Investments	3.41	2.82	2.82
8.3. Miscellaneous	6.41	6.98	6.79
9. REVENUE GRANTS CONTRIBUTION AND RECOVERIES FROM GOVT. OF INDIA	1659.93	2293.36	2310.87
10. PROFITS TRANSFERRED FROM DEPART- MENTAL COMMERCIAL UNDERTAKINGS (Item 7 of Account-I I)	38.92	(-)615.90	(-)377.39
11. TOTAL	4203.40	4455.63	4897.85

TRANSACTIONS IN COMMODITIES AND SERVICES AND

EXPENDITURE	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Compensation to Employees			
1.1. Wages and Salaries	224.55	285.82	309.77
2. Commodities and Services	672.89	1044.87	1235.95
3. Repairs and Maintenance	9.19	22.86	25.23
4. Interest	83.89	85.10	85.10
5. Grants	-	0.02	0.80
6. Stipends and Scholarships	0.22	0.82	0.80
7. Profits transferred to current account of Govt. Administration	38.92	(-)615.90	(-)377.39
8. TOTAL	1029.70	823.59	1279.48

U N T - II

TRANSFERS CURRENT ACCOUNT OF DEPARTMENTAL COMMERCIAL UNDERTAKINGS

(Rs. in lakhs)

R E V E N U E	1980-81 Actuals	1982-83 Revised Estimates	1982-83 Budget Estimates
5	6	7	8
9. Gross sale proceeds of			
9.1. Electricity Schemes	789.18	684.79	1139.79
9.2. Road and water transport schemes	38.25	38.49	39.38
9.3. Forest	201.16	100.10	100.10
9.4. Dairy Development	1.11	0.21	0.21
10. TOTAL	1029.70	823.59	1279.48

A C C O

TRANSACTIONS IN COMMODITIES AND SERVICES AND TRANSFERS - CAPITAL ACCOUNT

DISBURSEMENTS	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. GROSS CAPITAL FORMATION	2146.97	2436.66	2955.29
A. GOVERNMENT ADMINISTRATION	1957.82	2095.49	2488.60
1.1. Building and other construction	1865.67	2164.02	2632.70
a) New Outlay	1670.01	1960.16	2436.24
b) Renewals and Replacements	195.66	203.86	196.46
1.2. Machinery and equipment	237.36	320.98	300.17
a) New Outlay	174.26	187.13	168.07
b) Renewals and Replacements	63.10	133.85	132.10
1.3. Net increase in stock	(-)145.21	(-)389.51	(-)444.27
a) Work stores	(-)145.21	(-)389.51	(-)444.27
b) Stock of food etc.	-	-	-
B. COMMERCIAL UNDERTAKINGS	189.15	371.17	466.69
1.4. Building and other constructions	184.46	364.69	444.40
1.5. Machinery and equipment	56.06	62.32	50.58
1.6. Net increase in stock	(-)51.37	(-)55.84	(-)28.29
2. CAPITAL TRANSFERS	605.74	703.59	695.10
2.1. Capital grants to local bodies	32.46	40.00	64.50
2.2. Capital grants to others	573.28	663.59	630.60
3. TOTAL	2752.71	3170.25	3650.39

U N T - III

OF GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS

(Rs. in lakhs)

R E C E I P T S	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
5	6	7	8
4. GROSS SAVINGS			
4.1. Savings on current account of Government Administration	1777.78	1041.37	1878.20
5. CAPITAL TRANSFERS			
5.1. Estate duty	-	0.10	0.10
6. Balance: DEFICIT ON ALL TRANSAC- TIONS IN COMMODITIES AND SERVICES AND TRANSFERS	974.93	2129.78	1772.09
7. TOTAL	2752.71	3170.25	3650.39

A C C O

CHANGE IN FINANCIAL ASSETS

OUTGOINGS	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. INVESTMENT IN SHARES AND DEBENTURES	282.04	268.25	309.75
1.1. In Government Commercial Undertakings	113.20	101.00	120.00
1.2. In other Commercial concerns	168.84	167.25	189.75
2. LOANS AND ADVANCES	187.89	176.62	174.32
2.1. For capital formation	154.85	140.15	135.35
2.1.1. Loans for Housing	80.68	75.00	78.00
2.1.2. Loans for Urban Development	46.00	35.30	31.00
2.1.3. Loans and Advances under Community Development Programme	4.10	5.25	3.05
2.1.4. Loans to Co-operative Ins- titutions and Banks	5.80	4.20	5.31
2.1.5. Loans for agriculture and allied activities	12.50	14.45	12.10
2.1.6. Loans to others	5.77	5.81	5.89
2.2. For current consumption	33.04	35.47	38.97
2.2.1. Loans for social security and welfare	1.29	1.50	2.50
2.2.2. Loans to Government servants	30.88	32.65	34.15
2.2.3. Loans to others	0.87	1.32	2.32
3. TOTAL	469.93	443.87	484.07

U N T - IV

CAPITAL ACCOUNT OF GOVERNMENT ADMINISTRATION

(Rs. in lakhs)

I N C O M I N G S		1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
		6	7	8
4.	REPAYMENT OF LOANS	78.55	77.14	79.14
5.	LESS IRRECOVERABLE LOANS AND ADVANCES	-	(-)0.11	(-)0.21
6.	BALANCE. NET INCREASE IN FINAN- CIAL ASSETS	391.37	356.84	405.14
5. TOTAL		469.93	443.87	484.07

A C C O

CHANGE IN FINANCIAL LIABILITIES - CAPITAL ACCOUNT OF GOVERNMENT

O U T G O I N G S	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. REPAYMENT OF PUBLIC DEBT:			
1.1. Loans from Central Government	754.53	885.90	1065.46
2. BALANCE: NET INCREASE IN FINANCIAL LIABILITIES	2438.74	2920.33	3456.81
3. TOTAL	3203.27	3806.23	4522.27

A C C O

CASH AND CAPITAL RECONCILIATION ACCOUNT OF GOVERNMENT ADMINIS-

O U T G O I N G S	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Deficit on all transactions in commodities and services and transfers - Balancing item of Account - III	974.93	2128.78	1772.09
2. Net increase in Financial Assets- Balancing item of Account - IV	391.37	366.84	405.14
3. Increase in cash balance	-	-	-
4. TOTAL	1366.30	2495.62	2177.23

U N T - V

ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS

(Rs. in lakhs)

I N C O M I N G S	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
5	6	7	8
4. PUBLIC DEBT			
4.1. Loans from Central Government	3203.27	3806.23	4522.27
TOTAL	3203.27	3806.23	4522.27

U N T - VI

ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS

I N C O M I N G S	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
5	6	7	8
5. Net increase in Financial liabilities - Balancing item of Account -V	2438.74	2920.33	3456.81
6. Decrease in cash balance	(-)1072.44	(-)424.71	(-)1279.58
7. TOTAL	1366.30	2495.62	2177.23

C H A P T E R - II

SOME SALIENT FEATURES

A set of six accounts presented in Chapter I, analyses the various aspects of the State Government's transactions vis-a-vis the rest of the economy. Some of the salient features emerging out of these reclassified data are:

- I) Government's total expenditure which represents the aggregate flow back of the funds to the rest of the economy.
- II) Capital formation out of budgetary resources of the Government.
- III) Saving of the Government.
- IV) The various measures of the deficit in the Government's budgetary operations and
- V) Government's contribution to the generation of State Income.

1. Total expenditure:- The budget for 1982-83 estimates the total expenditure of the Government, excluding the operative expenses of Departmental Commercial undertaking to be Rs. 354.76 lakhs. This is 7 percent higher than the revised estimates for 1981-82 and 27 percent more than the actual for 1980-81. The allocation by major heads of expenditure is given in table No. 1.

T A B L E - 1

TOTAL EXPENDITURE (Excluding Operating Expenses of
Departmental Commercial Undertakings)

Item	(Rs. in Lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Final Outlays:	4558.40 (100.0)	5336.22 (100.0)	6064.22 (100.0)
1.1. Government Consumption Expenditure (item 1 in Account I) Percentage to total final outlays	2411.43 (52.9)	2869.56 (53.8)	3108.93 (51.3)
1.2. Gross Capital formation (item 1 in Account III) Percentage to total final outlays	2146.97 (47.1)	2466.66 (46.2)	2955.29 (48.7)
2. Transfer Payments to the rest of the economy	1649.63 (100.0)	2081.98 (100.0)	1885.40 (100.0)
2.1. Current transfers (item 2 in Account I) Percentage to total transfer payments	1043.89 (63.3)	1378.39 (66.2)	1190.30 (63.9)
2.2. Capital transfers (item 2 in Account III) Percentage to total transfer payments	605.74 (36.7)	703.59 (33.8)	695.10 (36.9)
3. Net Financial Investments and loans to the rest of the economy (Item 6 in Account IV)	391.37	368.84	405.14
4. Total Expenditure	6599.40	7787.04	8354.76

T A B L E - 1(a)

PERCENTAGE DISTRIBUTION OF TOTAL EXPENDITURE

I T E M	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Final Outlays	(69.1)	(68.5)	(72.6)
2. Transfer Payments to the rest of the economy	(25.0)	(26.7)	(22.6)
3. Financial Investments and loans to the rest of the economy	(5.9)	(4.8)	(4.8)
4. Total Expenditure	(100.0)	(100.0)	(100.0)

1.1. Final Outlays:- The outlay under this head, represents the state Government's direct demand for goods and services for consumption and capital formation. In a system of National Accounts, these final outlays get linked up with the consumption expenditure and capital formation in the rest of the economy. Out of the total expenditure of Rs. 8354.76 lakhs, budgeted for the year 1982-83, a provision of Rs. 6064.22 lakh has been made for final outlays. In term of percentages it is as much as 72.6 percent of the total expenditure corresponding percentages for 1980-81 (Actual) and 1981-82 (Revised estimates) are 69.1 and 68.5 respectively.

1.2. Transfer Payments, financial investments and loans:- The rest of the expenditure amounting 2290.54 or 27.4 percent represents disbursements by way of transfer payments, financial investments and loans to the rest of the economy and is intended to supplement either current or capital resources.

1.3. Consumption Expenditure:- The Government consumption expenditure (i.e. expenditure on wages and salaries and services for current use) budgeted for 1982-83 forms 51.3 percent of the final outlay and 37 percent of the total expenditure. Compared to the revised estimates for 1981-82, the budget figures of consumption expenditure for 1982-83 shows as increase of Rs.239.37 lakh and compared to the actuals for 1980-81, it shows an increase of Rs. 697.50 lakh.

1.4. Gross Capital formation:- The Governments' contribution to direct capital formation (i.e. investment in building machinery and equipment and acquisition of stocks) is estimated at Rs. 2955.29 lakh in 1982-83. This represents 35 per cent of the total expenditure.

2. Net Capital formation by the Government:- Of the gross capital formation of Rs. 2955.29 lakh to be undertaken by the Government, net capital formation i.e. net addition to the stock of fixed assets and inventories worked out to Rs. 2626.73 lakh for 1982-83 as against Rs. 2128.95 lakh for 1981-82. The components of the net capital formation are shown in the table 2.

T A B L E - 2
NET CAPITAL FORMATION

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Building and other constructions (item 1.1(a) and 1.4 in Account III)	1854.47	2324.85	2880.54
2. Machinery and equipment (Item 1.2(a) and 1.5 in Account III)	230.52	249.45	218.55
3. Increase in Inventories (item 1.3 and 1.6 in Account III)	(-)196.58	(-)445.35	(-)472.55
4. Net Capital formation (1+2+3)	1888.21	2128.95	2626.73
5. Percentage of Net Capital formation to total final outlays	(41.4)	(39.9)	(43.3)
6. Percentage of Net Capital formation to total expenditure.	(28.6)	(27.3)	(31.4)

3. Financial Assistance for net capital formation:- In addition to the capital formation directly undertaken, the Government also provides assistance to the rest of the economy through grants, loans and investments in share capital for capital formation the table below indicates the amounts of financial assistance given by the Government in the form of grants, loans and investments for the year 1980-81, 1981-82 and 1982-83.

T A B L E - 3

FINANCIAL ASSISTANCE FOR NET CAPITAL FORMATION

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Grants for capital formation (item 2 in Account III) Percentage to total	605.74 (58.1)	703.59 (63.3)	695.10 (60.9)
2. Loans for capital formation (item 2.1 in Account IV) Percentage to total	154.85 (14.9)	140.15 (12.5)	135.35 (11.9)
3. Investment (item 1 in Account IV) Percentage to total	282.04 (27.0)	268.25 (24.1)	309.75 (27.2)
4. Total financial assistance for net capital formation (1+2+3)	1042.63 (100.0)	1111.99 (100.0)	1140.20 (100.0)

4. Net capital formation out of budgetary resources of the Govt.: In aggregate the Government provides Rs. 3736.93 lakh for net capital formation out of the budgetary resources during 1982-83. This represents 45 percent of the total expenditure. The corresponding percentages for 1980-81 and 1981-82 are 44 and 41 percent respectively. Table no 4 given below shows the net capital formation out of budgetary resources.

T A B L E - 4

NET CAPITAL FORMATION OUT OF THE BUDGETARY RESOURCES
OF GOVERNMENT

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Net capital formation by the Government Percentage to total	1888.21 (64.4)	2128.95 (65.7)	2626.73 (69.7)
2. Financial Assistance for net capital formation to the rest of economy Percentage to total	1042.63 (35.3)	1111.99 (34.3)	1140.20 (30.3)
3. Net capital formation out of the budgetary resources (1+2)	2930.84 (100.0)	3240.94 (100.0)	3766.93 (100.0)

2. Gross and net savings:- Gross savings by the Government comprise savings of Government administration. Net savings are worked out by deducting the expenditure on renewals and replacement from the gross savings. The data on gross and net savings are given in the table below.

T A B L E - 5
GROSS AND NET SAVINGS

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Gross savings:			
1.1. Gross savings on current account of Government Administration (item 4 in Account I)	748.00	217.00	595.00
2. Expenditure on Renewals and replace- ments (item 4.1(b) 1.2(F) in Account III)	250.70	337.71	320.50
3. Net savings by the Government (1 - 2)	497.30	(-) 120.03	270.00

3. Current Receipts:- In assessing the economic implications of Government expenditure it is necessary to examine the source from which they are financed. The current receipts of Government Administration for 1982-83 are budgeted Rs. 4897.85 lakh as against Rs. 4465.03 lakh for 1981-82 and Rs. 4203.40 lakh for 1980-81.

Out of the current receipt of Rs. 4897.85. lakh in 1982-83, 43.5 percent tax receipts 13.7 percent is administrative and other revenue receipts, 47.2 percent is revenue grants and contribution to Government of India and 7.7 represents profits transferred from departmental commercial undertakings. The current receipts of the Government under different economically significant heads are given below.

T A B L E - 6

CURRENT RECEIPTS

I T E M	(Rs. in Lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Tax receipts (item 6 in Account I) Percentage to total	1848.02 44.0		2137.82 43.6
2. Administrative and other revenue receipts (item 7 and 8 in Account I) Percentage to total	656.53 15.6	808.68 13.1	826.55 16.9
3. Revenue grants and contributions from Government of India Percentage to total	1,59.93 39.5	2293.35 51.4	2310.87 47.2
4. Profits transferred from Departmental commercial undertakings Percentage to total	38.92 0.9	(-)615.90 13.8	(-)377.39 7.7
5. TOTAL	4203.40	4455.13	4897.85

7. Current Outgoings:- The current outgoings are divided into two parts, namely, (a) consumption expenditure and (b) transfer payments.

The current outgoings of the Government during 1982-83 is expected to be Rs. 4299.23 lakh which is 1 percent higher than the revised estimates of 1981-82. The consumption expenditure is expected to increase by 25 percent in 1982-83 as compared to actuals of 1980-81. The amount of transfer payments is expected to be less by 187.99 lakh as compared to the revised estimates of 1981-82. Table No. 7 presented below gives the details of the current outgoings of the State Government.

T A B L E - 7

CURRENT OUTGOINGS

I T E M	(Rs. in Lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Consumption expenditure (item 1 of Account I) Percentage to total	2411.43 (59.8)	2869.51 (67.6)	3108.93 (72.3)
2. Transfer payments (item 2 of Account I) Percentage to total	1043.89 (30.2)	1378.39 (32.4)	1190.30 (27.7)
3. TOTAL (1 + 2)	3455.32	4247.95	4299.23

Income Deficit:- The Income Deficit of the Government indicates the excess of the net capital formation over the savings of the Government. (The net capital formation has been worked out in table 4 and the net savings in table 5) The deficit shown here is a measure of gap to be filled in by the Government, drafts on saving within and saving outside. The income deficit of the Government during three years is shown in the following table:

T A B L E - 8

INCOME DEFICIT

I T E M	(Rs. in lakhs)		
	1950-51 Actuals	1951-52 Revised Estimates	1952-53 Budget Estimates
1	2	3	4
1. Net capital formation by the Govt.	1888.21	2120.95	2525.73
2. Net savings by the Govt.	441.57	(+)17.34	217.33
3. Income Deficit of the State	1446.64	1952.1	2409.40

9. Other Deficit:- Another measure of deficit is provided by the sum of the balancing items as detailed below.

- a) Deficit on all transactions of commodities and services of the Government.
- b) Net increase in financial assets.

The deficit shows the total requirements of finance for the State Government operations.

T A B L E - 9

OTHER DEFICIT

I T E M	(Rs. in lakhs)		
	1950-51 Actuals	1951-52 Revised Estimates	1952-53 Budget Estimates
1	2	3	4
1. Deficit on all transactions in commodities and services and transfers (item 3 in Account III)	974.93	2120.78	1772.09
2. Net increase in financial Assets (item 3 in Account IV)	391.37	355.84	405.14
3. Deficit denoting total requirements of finance (1 + 2)	1366.30	2495.62	2177.23

10. Source of Finance:- The scheme of financing the deficit shown in table 9 is indicated in the table given below:

T A B L E - 10
SOURCE OF FINANCE

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Loans from the Central Government (Net)	754.53	885.90	1055.40
2. Withdrawal from cash balance	(-)1072.44	(-)424.71	(-)1279.58
3. Total	(-)307.91	461.19	(-)214.12

11. Net profits of Departmental commercial undertakings:- Net profits of departmental commercial undertakings (Account II) as measured by the excess of gross receipts over operating expenses present the financial results of the working of these undertakings. These profits are transferred to Government Administration and added to its revenue. The Revision of net profit loss for the year under review is shown in table No. 11.

T A B L E - 11
NET PROFITS OF DEPARTMENTAL COMMERCIAL UNDERTAKINGS

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Gross receipts (item 9 of Account II)	1029.70	823.59	1279.40
2. Operating expenses	990.77	1439.49	1656.87
3. Net increase (1 - 2)	38.93	(-)615.90	(-)377.39

12. Contribution to State Income Generations:- The budgetary operations of the Government during the year 1982-83 are expected to generate a total income of Rs. 3159.10 lakh. The break-up of the income generations by the Government is shown in table No. 12.

T A B L E - 12

CONTRIBUTION OF INCOME GENERATION

I T E M	(Rs. in Lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. Wages and salaries paid by Govt. Administration (item 1.1(a) of Account I)	1755.28	2094.27	2309.50
2. Net output of Departmental Commercial Undertakings	351.95	(-)233.55	30.09
2.1. Wages and salaries (including wages and salaries component of repairs and maintenance)	229.17	297.25	322.35
2.2. Interest	33.89	35.10	35.10
2.3. Profits (operating surplus) of Departmental Commercial Undertakings	38.92	(-)15.90	(-)377.39
3. Wages and salaries component of Government outlays on construction (estimated at 33.33% of the total expenditure on construction as shown in Account III)	552.54	698.43	829.45
TOTAL (1 + 2 + 3)	2739.80	2559.15	3159.10

CHAPTER - III

NOTES ON THE ACCOUNTS

The economic classification of Government transactions has been presented in a set of six Accounts in Chapter I. The derivation and rationale of each of these accounts are briefly explained below:-

Account I : Transactions in Commodities and Services and Transfers :
Current Account of Government Administration.

This account deals with the current receipts and expenditure of Government Administrative Departments. All Departments other than those listed under Account II in this chapter, are considered as administrative, that is, non-commercial, for the purposes of this classification. The current expenditure of Administration consist of (i) final outlays of Government on current account which represent Government's current consumption and (ii) transfer payments of Government through which Government adds indirectly to the disposable incomes of the rest of the economy. The final outlays are made up of purchase of commodities and services, wages and salary payment and pensions. Transfer payment made by the Government to the rest of the economy consist of interest, grants, subsidies and scholarships, etc. to meet all these items of current expenditure the Government appropriates a part of the income of the community through a variety of taxes, miscellaneous fees, etc. accruing in the course of administration. In addition, Government has an investment income from property and enterpriseness, and also receives revenue grants, contributions and recoveries from the Union Government (i.e. from Government of India). The excess of current receipts over current expenditure denotes the savings of the Government administration, available for the domestic capital formation. Some of the items included in this Accounts are explained below:

Item 1.1(a) Wages and Salaries: This item comprises the remuneration of Government employees such as pay of officers, pay of establishment, allowances and honoraria. The travelling allowance, daily allowances and salaries component of repairs and maintenance, are excluded. Contribution to provident fund are included here. Pensions and retirement benefits actually paid to the Government employees are also included in this column.

Item 1.2. Commodities and services: This item includes expenditure incurred stationary and miscellaneous item, telephone charges, postage, electricity charges, water charges, office supplies, rent and other item for current operations. It also included travelling and daily allowances. Whole of the expenditure on current repairs and maintenance is included here.

Item 2. Transfer payments: From the economic point of view, Government expenditure can be classified into three main categories viz. (i) consumption expenditure, (ii) capital formation and (iii) transfer to the rest of the economy. In the economic classification presented here, a distinction has been drawn between current transfers and capital transfers on the hypothesis that some transfers recorded in the capital account of the classification are intended to assist capital formation. Current transfer payments have been further sub-divided into (1) interest payments, (2) grants to local bodies, Educational Institutions, Co-operatives and others (3) subsidies, (4) stipends and scholarships and (5) other current transfer to individuals which are expected to augment personal income of the recipients.

Item 2.1 Interest: Interest comprises of only interest on loans from the Government of India. It excludes interest payments on commercial debt which is shown under item 4 in Account II, against interest payments.

Item 2.2 Grants: Grants are classified according to type of institutions to which they flow. These have been classified into four classes viz. 1) local bodies, 2) educational institutions 3) cooperatives, and 4) others, 'Others' include other unclassified grants and grants to non-profit making institutions.

Item 2.3 Subsidies: This represents the payment to cooperative societies.

Item 2.4 Stipends and Scholarships: This includes monetary aid given to students and stipends to trainees of technical and other institutions.

Item 3. total expenditure: This item is the total of items (1) & (2) mentioned below.

Item 4. Savings on current account: This is the balancing item on current account of Government administration which represents the savings of this sector i.e. surplus of current receipts over current expenditure.

Item 6. Tax Revenue: Tax Revenue is classified into taxes on commodities and services and taxes on property and capital transactions. The former includes state excise duty, taxes on vehicles, sales tax and other taxes and duties. The latter includes land revenue, stamp duties and registration fee.

Item 7. Administrative Receipts: It includes receipts under:- Administration of Justice, Jails, Police, Education, Medical Public Health, Sanitation and Water Supply, Housing, Agriculture, Animal Husbandry, Co-operation, Industries, Mines and Minerals, Irrigation, Navigation, Embarkment and Drainage, Public Works Ports, Lighthouses and Shipping, Roads, Bridges and Tourism.

Item 8. Other Revenue Receipts: It comprises Interest and Income on Investment (dividends from commercial and other undertakings) and miscellaneous Receipts viz. Contributions and recoveries towards pensions and other retirement benefits, stationery and printing etc.

Item 9. Revenue Grants, contributions and recoveries from Government of India: This item is the Grants-in-aid received from the Government of India.

Account II : Transactions in Commodities and Services and Transfers: Current Account of Departmental Commercial Undertakings.

The Departmental Commercial Undertakings may briefly be defined as agencies producing goods and services that are not provided free of charges. The essential characteristic distinguishing these departments from Government administrative departments are that they charge for 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 subject to market forces, i.e. demand and supply; (ii) the activities of such undertakings are subject to legislative control and are owned, run and

and managed by the Government; (iii) the intention to make profit is not the essential characteristic and the activities of an undertaking may be carried on deliberately at a loss; (iv) commercial accounting methods are generally used to determine profit or loss.

In this study, the following have been classified as Departmental Commercial undertakings.

1. Inland Water Transport Schemes.
2. Forest.
3. Milk Supply Schemes and
4. Electricity.

The expenditure side of the Departmental Commercial Undertakings spells out the current expenditure into wages and salaries, goods and services, repairs and maintenance, interest, pension and retirement benefits and profits which are transferred to Government Administration. Repairs and maintenance expenditure is shown separately.

Receipts on Milk Supply Schemes are not shown under Revenue, but are adjusted against expenditure on that scheme which is included under 'Expenditure' in Account II.

Account III: Transaction in Commodities and Services and
Transfers: Capital Account of Government
Administration and Departmental Commercial
Undertakings.

This Account is concerned with the total capital outlay representing physical asset formation by Government Administration and Departmental Commercial Undertakings, and the transfer payments for assisting capital formation in the rest of the economy.

The physical asset formation has been shown both in terms of gross as well as net aggregates. Net increase in stock is classified into work stores and stock of food.

Capital transfers have also been classified into Capital Grants to Local Bodies and grants to others.

The gross savings transferred from Account I and capital transfers constitute the sources of finance for all expenditure recorded in this Account. The deficit is shown as the balancing item.

Gross capital formation represents the gross value of the goods which are added to the domestic capital stock. It comprises both expenditure on the acquisition of fixed assets and value of physical change in stocks. The gross fixed capital formation has been classified into buildings and other construction, machinery and equipment. Each of them is classified further under new outlay and renewals and replacements. The former is the measure of net capital formation by the Government which together with the latter gives gross fixed capital formation.

Item 1.1 & 1.4 Building and other constructions: Building include all expenditure on new constructions and major alterations to residential and non-residential buildings including the value of the change in work in progress. Office furniture is excluded from this item and included in goods and services of Government Administration in Account I. Other constructions include mostly expenditure on construction and roads and bridges and works on power and irrigation projects, land reclamation, water supply and sanitation.

Item 1.2 & 1.5 Machinery and Equipment: This item includes expenditure incurred on the purchase of various equipments such as buses, jeeps, trucks, tractors, power generating machinery, agricultural machinery and implements, office machinery and equipment, construction and other industrial machinery and equipment and instruments used by professional men.

Item 1.3 & 1.6 Net increase in stock: Changes in stocks represents the value of physical change in raw materials, work in progress (other than works in progress in building which are included in fixed capital formation)

and finished products which are held by commercial enterprises and in Government stock piles. The net increase or decrease in stock, needed for construction works and stocks of food is shown separately.

Item 2. Capital Transfer: Capital transfers cover grants given to finance construction of buildings, purchase of machinery and equipment and public works such as roads, irrigation works, water supply and sewerage system etc. Capital transfers are intended to assist capital formation in other sectors of the economy.

Item 4 & 5: Receipts on Capital Account: Receipts available for capital formation consists of gross savings on current account brought over from Account I and Estate duty. Estate duty is include here on the assumption that it is paid out of capital.

Account IV : Changes in Financial Assets: Capital Account of Government Administration and Departmental Commercial Undertakings.

This Account is concerned with transactions in financial investments in industrial and commercial concerns i.e. investments in shares and loans and advances granted to the rest of the economy. Investments are classified into two categories viz. In Government concerns and in other concerns. Loans and advances are divided into those for capital formation and current consumption. Both are further sub-divided according to the type of borrower to whom advances and loans are made. Loans are advances for capital formation include those which are given for the creation of capital assets. Housing loans and house building advances to Government employees are also taken here. This spells out the extent of capital formation undertaken by the rest of the economy in relation to the capital formation actually undertaken by the Government. Loans for capital formation together with investment and grants for capital formation from Account III represent the financial assistance provided by the Government to the rest of the economy for capital formation. The break-up is given in

respect or repayment of loans granted for capital formation and for other purposes since it is assumed that repayments have been made from current income and not out of capital. The balancing item of this account represents the net increase in financial assets of the Government. This balancing item added to deficit on all transactions in commodities and services and transfers as indicated in Account III, gives the total financial requirements of the Government for fixed asset formation and for the accumulation of financial claims against the rest of the economy.

Account V : Changes in Financial Liabilities : Capital
Account of Government Administration and
Departmental Commercial Undertakings.

This Account records the borrowing operations of the State Government. Incoming represents the increase in financial liabilities and outgoing measure the reduction in liabilities. The balance, therefore, shows the net increase in financial liabilities resulting from increase expenditure for acquisition of financial assets.

Account VI : Cash and Capital Account of Government Administration and
Departmental Commercial Undertakings.

This is the reconciliation account which sums up net position in respect of Account III, IV & V and shows the effect of all transactions of the State Government on its cash position.

As stated earlier, Account III gives the net position in respect of all (real) transactions in goods and services and all transfers while Account IV and V bring out the net position in respect of financial assets and financial liabilities respectively.

CHAPTER - IV

RECONCILIATION

TABLE - 1
CURRENT ACCOUNT - REVENUE

Item	1980-81 Actuals	(Rs. in Lakhs)	
		1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
I. Revenue as shown in the Annual Financial Statements	5194.18	5905.22	6554.82
<u>LESS</u>			
1. Estate duty (transferred to Account III)	-	0.10	0.10
2. Sale Proceeds of Departmental Commercial Undertakings	1029.70	823.59	1279.48
<u>ADD</u>			
1. Profits of Departmental Commercial Undertakings	38.92	(-)615.90	(-)377.39
II. Total Adjustments	990.78	1439.59	1858.97
III Errors due to Rounding			
IV Total as shown in the Economic Classification	4203.40	4465.63	4897.85

T A B L E - 2

CURRENT ACCOUNT - EXPENDITURE

(Rs. in lakhs)			
Item	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
I. Revenue expenditure as shown in the Annual Financial Statements	5204.98	6304.20	6554.82
<u>Less</u>			
1. Expenditure of capital nature transferred to Account III	988.68	948.15	852.94
2. Working expenses of Departmental Commercial Undertakings	898.81	1293.31	1622.03
3. Irrecoverable loans written off (vide 4.11 in Account IV)	-	(-)0.11	(-)0.21
<u>ADD</u>			
1. Expenditure of consumption nature transferred from Capital account	137.85	185.32	219.59
2. Recoveries (after adjustments for transfers from funds)			
II. Total Adjustments	1749.66	2056.25	2255.59
III. Errors due to rounding of the actual figure	0.02	-	-
IV. Total as shown in the Economic Classification	3455.32	4247.95	4299.23

T A B L E - 3
CAPITAL ACCOUNT.

I T E M	1970-71 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
I. Capital expenditure, net from revenue as shown in the Annual Financial Statements	2275.87	2321.85	3361.83
<u>LESS</u>		258.25	309.75
1. Financial investment in Govt. and other commercial concerns (transferred to Accounts IV)	232.04	258.25	309.75
2. Expenditure of consumption nature transferred to Account I.	137.85	185.82	219.59
3. Expenditure of consumption nature transferred to Account II	91.95	145.18	34.84
4. Transfer to funds (after adjustments for transfer from funds)	-	-	-
<u>ADD</u>			
1. Expenditure of capital nature transferred from Account I	988.68	948.15	852.94
II. Total adjustments			
III. Errors due to rounding			
IV. Total as shown in the Economic Classification	2752.71	3170.25	3650.39

T A B L E - 4

ACCOUNT IV OF THE ECONOMIC CLASSIFICATION DISBURSEMENTS

I T E M	(Rs. in Lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
I. Disbursements under Q loans and advances in the Annual Financial Statements	187.89	175.62	174.32
<u>ADD</u>			
I. Financial investments transferred to Account IV.	282.04	2268.25	309.75
II. Disbursements as shown in the Economic Classification	469.93	443.87	484.07

T A B L E - 5

ACCOUNTS OF THE ECONOMIC CLASSIFICATION (RECEIPTS)

I T E M	(Rs. in Lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
I. Receipts under Q loans and advances in the Annual Financial Statements	78.56	77.14	79.14
<u>LESS</u>			
I. Irrecoverable loans and advances	-	0.11	0.21
II. Total adjustments	78.56	77.14	79.14
III. Errors due to rounding	-	-	-
IV. Receipts as shown in the Economic Classification	78.56	77.03	78.93

T A B L E - 6

ACCOUNT V OF THE ECONOMIC CLASSIFICATION CHANGES IN FINANCIAL
LIABILITIES
(DISBURSEMENTS) .

I T E M	(Rs in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
I. Disbursements as shown under debt head in the Annual Financial Statements	952.42	1001.52	1239.78
<u>LESS</u>			
I. Disbursements under Q loans and advances transferred to Account IV	187.89	175.62	174.32
II. Disbursements shown in the Economic Classification	764.53	825.90	1065.46

T A B L E - 7

ACCOUNTS V OF THE ECONOMIC CLASSIFICATION (RECEIPTS)

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83. Budget Estimates
1	2	3	4
I. Receipts shown under debt head in the Annual Financial Statement	3281.83	3883.37	4601.41
<u>LESS</u>			
I. Receipts shown under Q loans and other advances transferred to Account IV	78.52	77.14	79.14
II. Receipts shown in the Economic Classification	3203.27	3806.23	4522.27

CHAPTER - V
TABLE - 5.1

ECONOMIC CLASSIFICATION OF GOVERNMENT BUDGETARY EXPENDITURE

I T E M	(Rs. in lakhs)		
	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4
1. CONSUMPTION EXPENDITURE	2411.43	2869.56	3108.93
1.1 Compensation of employees	1882.24	2213.77	2431.56
a) Wages and salaries	1765.28	2094.27	2309.56
b) Pension	116.96	119.50	122.00
1.2 Net Purchase of goods & services	529.19	655.79	677.37
2. TRANSFER PAYMENTS	1043.89	1378.39	1190.30
2.1 Interest	794.49	921.60	872.52
a) Interest on loans from Govt. of India.	794.49	921.60	872.52
2.2. Grants	214.54	424.19	273.72
a) To local bodies	27.31	23.87	26.04
b) To Co-operatives	-	0.20	0.25
c) To Educational institutions	82.00	106.92	122.02
d) To others	105.17	293.20	125.41
2.3. Subsidies	15.99	2.14	9.68
2.4. Stipends and Scholarships	15.42	27.46	30.53
2.5. Other current transfers	3.45	3.00	3.85
TOTAL CURRENT EXPENDITURE (1 + 2)	3455.32	4247.95	4299.23
3. GROSS CAPITAL FORMATION	2140.97	2466.66	2955.29
a) Building and other constructions	2050.13	2528.71	3077.10
b) Machinery and Equipment	293.42	383.30	350.75
c) Net increase in stocks	(-196.58)	(-445.35)	(-472.56)
4. CAPITAL TRANSFERS	605.74	703.59	695.10
a) Capital grants to local bodies	32.46	40.00	64.50
b) Capital grants to others	573.28	663.59	630.60
5. INVESTMENTS IN SHARES	282.04	268.25	309.75
a) Of Government concerns	113.20	101.00	120.00
b) of other concerns	168.84	167.25	189.75
6. LOANS AND ADVANCES	187.89	175.62	174.32
a) For capital formation	154.85	140.15	135.35
b) For current consumption	33.04	35.47	38.97
7. REPAYMENT OF PUBLIC DEBT	764.53	885.90	1065.46
(TOTAL EXPENDITURE(3+4+5+6+7))	3987.17	4500.02	5199.87
GRAND TOTAL	7442.49	8747.97	9499.15

T A B L E - 5.2

ECONOMIC CLASSIFICATION OF GOVERNMENT BUDGETARY EXPENDITURE

(PERCENTAGE DISTRIBUTION)

Sr.No.	I T E M	1980-81 Actuals	1981-82 Revised Estimates	1982-83 Budget Estimates
1	2	3	4	5
1.	CONSUMPTION EXPENDITURE	32.40	32.80	32.73
	1.1 Compensation of employees	25.29	25.30	25.60
	a) Wages and salaries	23.72	23.94	24.31
	b) Pension	1.57	1.36	1.29
	1.2. Net purchase of goods & services	7.11	7.50	7.13
2.	TRANSFER PAYMENTS	14.03	15.76	12.53
	2.1. Interest	10.68	10.54	9.19
	a) Interest on loans from Govt. of India	10.68	10.54	9.19
	2.2. Grants	2.88	4.85	2.88
	a) To local bodies	0.37	0.28	0.27
	b) To co-operatives	-	0.00	0.00
	c) To educational institutions	1.10	1.22	1.29
	d) To others	1.41	3.35	1.32
	2.3. Subsidies	0.21	0.03	0.10
	2.4. Stipends and Scholarships	0.21	0.31	0.32
	2.5. Other current transfer	0.05	0.03	0.04
	TOTAL CURRENT EXPENDITURE (1+ 2)	46.43	48.56	45.26
3.	GROSS CAPITAL FORMATION	28.85	28.20	31.11
	a) Building & other constructions	27.55	29.91	32.39
	b) Machinery and Equipment	3.94	4.38	3.09
	c) Net increase in stocks	(-)2.64	(-)5.09	(-)4.97
4.	CAPITAL TRANSFERS	8.14	8.04	7.32
	a) Capital grants to local bodies	0.44	0.46	0.68
	b) Capital grants to others	7.70	7.58	6.64
5.	INVESTMENTS IN SHARES	3.79	3.06	3.26
	a) Of Government concerns	1.52	1.15	1.26
	b) of other concerns	2.27	1.91	2.00
6.	LOANS AND ADVANCES	2.52	2.01	1.83
	a) For capital formation	2.08	1.60	1.42
	b) For current consumption	0.44	0.41	0.41
7.	REPAYMENT OF PUBLIC DEBT	10.27	10.13	11.22
	TOTAL CAPITAL EXPENDITURES (3+4+5+6+7)	53.57	51.44	54.74
	GRAND TOTAL	100.00	100.00	100.00

PART II

FUNCTIONAL CLASSIFICATION

C H A P T E R - VI

FUNCTIONAL CLASSIFICATION OF THE BUDGET

The functional classification classifies the Government expenditure according to the purpose for which it is spent. It also provides information on the amount of public expenditure spent to a particular service or group of services like health, education, agriculture etc. The term 'purpose' refers to the different types of services provided by the State Government directly or financed by the Government through current and capital grants, loan, etc.

The functional classification takes into consideration the expenditure of administrative departments only and excludes current expenditure on goods and services of Departmental Commercial Undertakings. This is so, mainly because the Departmental Commercial Undertakings produce goods and services that are sold largely outside the Government sector. Their current expenditure on goods and services is an intermediate expenditure which represents cost of production and not expenditure on final goods and services as in the case of other Departments of Government.

It may also be noted that the functional classification is not applied to receipts except to those which may be considered as offset to expenditure on goods and services included in this type of classification, such as proceeds from sales, specific grants received by State Government from the Central Government and by local bodies from the State Government for financing health or education services etc. All other receipts including proceeds from taxes or loans are considered as contribution to a general consolidate fund from which expenditure of all kinds is finance.

All items of expenditure have been grouped under different broad functional categories regardless of their sequence in the Budget. Thus, any expenditure on education regardless of where it is shown in the Budget has been placed under the head, 'Education' in the functional classification. Exception to this rule

are the educational activities which form an integral part of other services provided by the Government, for example, the police training schools which are treated as part of police service. Expenditure under some of the budget heads like Community Development and National extension services, Miscellaneous Social and Developmental Organisations, Public Works, Loans etc. are broken up and transferred to the appropriate functional heads. The establishment charges of Public works are divided prorata among the concerned functional heads. These are the types of major rearrangements involved in the functional classification of the State Government Budget.

For purpose of functional classification, the different expenditure heads are grouped under four broad categories as follows :

- (i) General Services.
- (ii) Social and Community Services.
- (iii) Economic Services and
- (iv) Other Services.

CHAPTER - VI

TABLE - 1

DETAILED FUNCTIONAL CLASSIFICATION OF THE GOA, DAMAN AND DIU GOVERNMENT BUDGETARY EXPENDITURE

I T E M	Actuals	Revised Estimates	(Rs. in lakhs)
	1980-81	1981-82	Budget Estimates 1982-83
1	2	3	4
1. General Services	637.13	760.70	795.06
2. Social and Community Services	3003.23	3451.53	3570.44
2.1. Education	1610.60	1850.24	1835.05
2.2. Medical, Public Health & Family Welfare	908.02	1065.03	1196.96
2.3. Social Security & Welfare Services	52.11	65.63	70.34
2.4. Housing and Community Services	401.61	438.64	440.16
2.5. Other Social & Community Services	30.89	31.99	27.93
3. Economic Services	2182.31	2813.49	3302.18
3.1. Agriculture and Allied Activities	1082.33	1222.75	1614.81
3.2. Mining, Manufacturing and Construction	190.54	401.16	401.47
3.3. Electricity Schemes	153.09	(-) 34.40	3.00
3.4. Transport and Communication	569.96	1014.33	1064.38
3.5. Other Economic Services	186.39	209.65	218.52
4. Other purposes	1619.82	1722.25	1831.47
TOTAL	7442.49	8747.97	9499.15

T A B L E - 2

FUNCTIONAL CLASSIFICATION OF THE BUDGETARY EXPENDITURE PERCENTAGE DIS
DISTRIBUTION

I T E M 1	(Rs. in lakhs)		
	Actuals 1980-81 2	Revised Estimates 1981-82 3	Bud et Estimates 1982-83 4
1. General Services	8.6	8.7	8.4
2. Social and Community Services	40.3	39.4	37.5
2.1. Education	21.3	21.1	19.3
2.2. Medical, Public Health and Family Welfare	12.2	12.2	12.6
2.3. Social Security and Welfare Services	0.7	0.7	0.8
2.4. Housing and Community Services	5.4	5.0	4.6
2.5. Other Social and Community Services	0.4	0.4	0.3
3. Economic Services	29.3	32.2	34.8
3.1. Agriculture and Allied Activities	14.5	14.0	17.0
3.2. Mining, Manufacturing and Construction	2.0	4.3	4.2
3.3. Electricity Schemes	2.0	(-)0.4	0.0
3.4. Transport and Communication	7.7	11.6	11.2
3.5. Other Economic Services	2.5	2.4	2.3
4. Other Purposes	21.8	19.7	19.3
TOTAL	100.0	100.0	100.0

PART-III

ECONOMIC
CUM

FUNCTIONAL CLASSIFICATION

CHAPTER - VII

ECONOMIC - CUM - FUNCTIONAL CLASSIFICATION

The Economic and functional classification of the state Government Budget are super imposed into a two-way cross classification called Economic-cum-functional classification and are presented here. This classification indicates the distribution of budgetary expenditure for a particular purpose between different economic categories, such as, current expenditure on goods and services, capital formation and various types of transfers and loans, etc. Simultaneously it also shows how expenditure on a particular economic category is divided into different purposes or types of Services provided by the Government.

Table 1 presents the economic-cum-functional classification of the union Territory of Goa, Daman and Diu budgetary expenditure, the expenditure is split up into significant categories for each of the services horizontally and into different functional categories vertically. From this two way classification, it is very easy to see the nature of expenditure on each group of services. For instance, it can be seen, how much is spent on goods and services, grants or on gross capital formation for promoting education, health etc. Thus, the cross classification, shows the total expenditure as broken down into consumption, gross capital formation, current and capital transfers etc. and as related to their broad administrative social and economic purposes.

ECONOMIC-CUM-FUNCTIONAL CLASSIFICATION OF GOVERNMENT BUDGETARY EXPENDITURE (ACTUALS)

Item	(Rs. in lakhs)									
	Consumption expenditure	Transfer payments	Total current account	Gross capital formation	Capital transfer	Investments	Loans & advances	Repayment of public debt	Total capital account (5+6+7+8+9)	Grand Total (4 + 10)
1	2	3	4	5	6	7	8	9	10	11
1. GENERAL SERVICES	629.24	0.25	629.49	7.54					7.64	637.13
2. SOCIAL & COMMUNITY SERVICES										
2.1. Education	637.26	113.76	751.02	255.20	573.28		1.10		829.58	1610.60
2.2. Medical, Public Health and family Welfare	521.19	3.25	524.44	383.58					383.58	908.02
2.3. Social Security and Welfare Services	41.39	9.32	50.71	0.11			1.29		1.40	52.11
2.4. Housing and Community Services	57.76	50.49	108.25	99.26	32.46		101.64		293.36	401.61
2.5. Other Social and Community Services	22.57	-	22.57	8.30			0.02		8.32	30.89
3. ECONOMIC SERVICES										
3.1. Agriculture and Allied Services	253.95	22.21	276.16	793.57			12.50		806.17	1082.33
3.2. Mining Manufacturing and Construction	35.91	13.95	49.86	13.95		121.20	5.53		140.68	190.54
3.3. Electricity Schemes	-	-		153.09					153.09	153.09
3.4. Transport and Communication	59.52	20.31	79.83	390.13		100.00			490.13	569.96
3.5. Other Economic Services	81.40	14.34	95.74	24.00		60.34	5.81		90.65	186.39
4. OTHER PURPOSES	41.24	796.01	837.25	18.00	605.74	232.04	187.89	7.4.53	782.57	1619.32
TOTAL	2411.43	1043.89	3455.32	2148.97	605.74	232.04	187.89	764.53	3987.17	7442.49

ECONOMIC-CUM-FUNCTIONAL CLASSIFICATION OF GOVERNMENT BUDGETARY EXPENDITURE
(Revised)

ITEM	(Rs. in lakhs)									
	Consumption expenditure	Transfer payments	Total current account	Gross capital formation	Capital transfers	Investments	Loans & advances	Repayment of public debt	Total capital account (5+6+7+8+9)	Grand Total (4 + 10)
1	2	3	4	5	6	7	8	9	10	11
1. GENERAL SERVICES	740.07	0.30	740.37	20.33					20.33	760.70
2. SOCIAL & COMMUNITY SERVICES										
2.1. Education	768.67	150.66	919.33	265.21	663.59		2.11		930.91	1850.24
2.2. Medical, Public Health and family Welfare	616.45	3.46	619.91	445.12					445.12	1065.03
2.3. Social Security and Welfare Services	53.69	10.09	63.78	0.25			1.30		1.85	65.63
2.4. Housing & Community Services	75.37	80.25	155.62	94.82	40.00		148.20		283.02	438.64
2.5. Other Social and Community Services	27.57	0.01	27.58	4.41					4.41	31.99
3. ECONOMIC SERVICES										
3.1. Agriculture and Allied Services	312.03	29.61	341.64	866.66			14.45		881.11	1222.75
3.2. Mining, Manufacturing & Construction	37.87	150.42	188.29	49.62		1388255	5.00		212.87	401.16
3.3. Electricity Schemes	-	-	(-)34.40						(-)34.40	(-)34.40
3.4. Transport and Communication	67.66	20.92	88.58	825.75		100000			925.75	1014.33
3.5. Other Economic Services	102.66	8.79	111.45	83.94		100000	4.26		98.20	209.65
4. OTHER PURPOSES	67.52	923.88	991.40	(-)155.05				885.90	730.85	1722.25
Total	2869.56	1378.39	4247.95	2466.56	703.59	2288255	175.62	885.90	4500.02	8741.97

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ECONOMIC - CUM FUNCTIONAL CLASSIFICATION OF GOVERNMENT BUDGETARY EXPENDITURE
(BUDGET)

ITEM	(Rs. in Lakhs)									
	Consumption expenditure	Transfer payments	Total current account	Gross capital formation	Capital transfers	Investments	Loans & advances	Repayment of public debt	Total capital account (5+6+7+8+9)	Grand Total (4+10)
1	2	3	4	5	6	7	8	9	10	11
1. GENERAL SERVICES	778.74	0.36	779.10	15.96					15.96	795.06
2. SOCIAL & COMMUNITY SERVICES										
2.1. Education	832.27	177.02	1009.29	193.05	630.60		2.11		825.76	1835.05
2.2. Medical Public Health and Family Welfare	666.20	5.20	671.40	525.56					525.56	1196.96
2.3. Social Security and Welfare Services	57.53	10.07	67.60	0.24			2.50		2.74	70.34
2.4. Housing & Community Services	74.30	33.96	108.26	121.20	64.50		146.20		331.90	440.16
2.5. Other Social and Community Services	26.23	0.05	26.28	1.55			0.10		1.65	27.93
3. ECONOMIC SERVICES										
3.1. Agriculture and Allied Services	359.99	43.41	403.40	1199.31			12.10		1211.41	1614.81
3.2. Mining, Manufacturing and Construction	35.46	12.39	47.85	120.37		228.25	5.00		353.62	401.47
3.3. Electricity Schemes	-	-	-	3.00		-	-		3.00	3.00
3.4. Transport and Communication	80.30	17.37	97.67	899.21		66.50	1.00		966.71	1064.38
3.5. Other Economic Services	109.93	16.23	126.16	72.05		15.00	5.31		92.36	218.52
4. OTHER PURPOSES	87.98	874.24	962.22	(-)196.21				1065.46	869.25	1831.47
Total	3108.93	1190.30	4299.23	2955.29	695.10	309.75	174.32	4105.46	5199.92	9499.15

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