



GOVERNMENT OF ORISSA

An Economic
and
Functional Classification
of the
Orissa Government Budget
1983-84

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Public Finance Division
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PREFACE

The fourteenth annual issue of the Economic-*cum* Functional Classification of the State Budget, 1983-84 has been prepared in Public Finance Division of the Bureau of Statistics and Economics. It presents both Economic and Functional Classification of the State Budget along with the methodology and concepts used. It also indicates the trend and impact of Budgetary transactions on the flow of income, savings and capital formation. The reclassification of the data presented in the Budget document has been attempted in a set of six Accounts. The Economic classification attempts to rearrange the State Government's Budget into economically significant categories with the object of assessing its impact on the rest of the economy. The two-way cross classification table where both economic and functional classifications have been combined aim at enhancing the utility of economic classification. It is hoped that this analysis will contribute to a greater understanding of the budgetary operations of Orissa State Government.

This publication is the outcome of sincere efforts of the Officers and Staff working in the Public Finance Division. Shri P. Pradhan, *ex-Deputy* Director of the Division deserves special mention for his sincere efforts and guidance in bringing out the publication. The Bureau of Statistics and Economics, acknowledges with gratitude the co-operation of the Orissa Government Press, Madhupatna for expediting printing. Readers are requested to put forth their comments and suggestions for the improvement of the Publication.

B. DAS
Director

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I INTRODUCTION

The conventional classification of the Budget serves the purpose of legislative control, administrative accountability and booking and auditing of transactions. From these conventional classifications, it is not possible to get a clear picture of the economic impact of Government transactions as the magnitudes shown in the budget are much too detailed and scattered. For making the Budgetary operations of the Government more meaningful these have to be sorted out and reclassified into appropriate economic groups. The presentation of the budget in this form is called "Economic Classification". The functional classification deals with classification of Government expenditures by purpose or by functional categories that are of significance for analysing the allocation of Government resources. These two schemes are combined to form an Economic Functional classification of the State Government Budget. The information obtained is not intended nor designed to have the legal and accounting significance of data presented in the basic systems of budget accounts. The classifications are therefore given as supplement to, and not as replacements for the usual budget classifications which serve primarily to ensure accountability.

2. The classification of Government transactions basically follow the technique of social accounting and group together similar types of transactions of the Government after eliminating all internal transfers. For example, the revenue account shows certain transfers to and from the capital account which are mere accounting transactions of transfers. These transactions have to be eliminated since they do not have any impact on the economy. Further, revenue expenditure and capital outlays are reduced to the extent that they are met from transfers from funds. This deflates the expenditure and does not give the total expenditure or aggregate demand made by the Government on goods and services available. For a correct appraisal of Government's demand for goods and services which could be related to available supplies, revenue and capital expenditure have to be increased by the amount met from these transfers from the State operated funds. Reference may also be made to a third type of adjustments made in the classification Scheme. The Demand for grants in the Budget first shows expenditure (gross) of all recoveries but subsequently recoveries are deducted and only the net figures are shown in the financial statement. For the purpose of this Economic Classification expenditure are shown gross of recoveries from all outside sectors, except recoveries which are in the nature of sale of goods and services. These recoveries in turn are deducted from the purchase of goods and services of the Government. Such recoveries are mostly from the Government of India on account of Election, General Administration, Police Force supplied to Government of India, N. C. C., rehabilitation of displaced persons, other expenses shown as recoveries for the work done on behalf of Government of India, Sale of jail manufactures, charges recoverable from local bodies for work done on their behalf especially for public health purposes, etc.

3. It is only after reclassification and regrouping on the lines indicated above, it will be possible to analyse the economic impact of the State Government's budgetary transactions on the rest of the economy. The term "rest of the economy" refers to all the entities other than State Government and includes the Central Government, other State Government, the local bodies, statutory public undertakings, private commercial and non-commercial corporations or companies and individuals. The economic classification of the State Government budget alone will not help to assess the impact of Government Budget on the economy in the country as a whole. Economic classification of different State Government budgets together with that of Union Government would provide a complete picture of the impact of all Government expenditure in the country as a whole. This is another purpose for preparation of the economic classification of the State Government budget. Further, the analysis helps to give a clear idea of capital formation and savings in the Government sector and Government's contribution to the generation of the State income.

4. The system of classification adopted here is based on a series of distinctions useful for analysing their economic impact on the rest of the economy. Current transactions are distinguished from Capital transactions and under both transactions in goods and services are separated from transfers. The current transactions of Government administration are distinguished from the current operations of Departmental Commercial Undertakings, as current expenditure 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 materials, fuels, etc. In other words, such expenditure represents expenses of production and not net expenditure on final goods and services. Purely financial transactions are again separated from transactions in goods and services and transfers. The economic classification of the State Budget is presented in the form of six Accounts

5. Accounts I to III deal with Government transactions in commodities and services and transfers. Account I deals with Government consumption expenditure and current transfers to others, a further breakdown being given a consumption expenditure on purchases of commodities and services and on wage and salary payments. On the receipt side, Account I presents transfers of private income through taxation, duties, fees and non-tax income, i. e., from property, enterprise and grants from Central Government. Account II presents the operation cost and return of Departmental Commercial Undertaking like Forests, Irrigation and Navigation. Account III gives the components of capital outlays and capital transfers. Accounts IV to VI deal with financial transactions affecting the net claims of the State Government on the rest of the economy. Account IV classifies transactions leading to net increase in financial assets of Government and provide their break-up into investment in shares, loans for capital formation, other loans and repayments of loans. Account V gives the financial liabilities of the Government in showing the position as regards public debt, deposits and remittances. Account VI is a reconciliation of the cash and capital account of Government Administration and Commercial Undertakings. This account sums up the net position in respect of Accounts III, IV and V showing the effect of all transaction of the State Government on its cash position.

6. Chapter II contains the set of six Accounts showing the economic classification of the State Budget. The term used in these six Accounts are explained in the Appendix. An analysis of the results is presented in chapter III. A reconciliation of the budget figures with the figures contained in the economic classification has been attempted in chapter IV.

7. Analysis of the State Government Budget for 1983-84 shows that the consumption expenditure of the State Government composed of wages and salaries and purchase of goods and services will increase from Rs 271.3 crores in 1981-82 (Actuals) and Rs. 399.9 crores in 1982-83 (Revised)) to Rs. 405.4 crores in 1983-84 (Budget Estimate). The net savings of the State Government and its departmental undertakings (non departmental undertakings are treated as "rest of the economy") which had declined from Rs. 102.0 crores in 1981-82 (Accounts) to Rs. 62.3 crores in 1982-83 (Revised Estimates) are, however expected to increase to Rs. 86.8 crores in 1983-84 (Budget Estimates). The State Government's direct gross Capital formation will increase from Rs. 177.4 crores in 1981-82 (Accounts) to Rs. 219.1 crores in 1982-83 (Revised Estimates) and expected to decrease to Rs. 208.1 crores in 1983-84 (Budget Estimates). The total financial provision for gross capital formation, both direct and indirect (Finances provided to other sectors for Capital Formation) out of the State Government budgetary resources in 1983-84 (Budget Estimates) will be Rs. 307.9 crores compared with Rs. 322.2 crores in 1982-83 (Revised Estimates) and Rs. 265.9 crores in 1981-82 (Actuals).

8. The State Government's developmental expenditure includes both outlays on gross capital formation and current expenditure on economic and social services. The Plan and non Plan expenditures in the State budget on economic and social services correspond broadly to the total development expenditure of the State Government. This is estimated at Rs. 719.2 crores in 1983-84 (Budget Estimates) and forms 72.7 per cent of the total expenditure budgeted for that year.

II ECONOMIC CLASSIFICATION

A set of six Accounts containing the reclassified *data* from the State Government budget for 1983-84 is placed at the end of this Section. Some significant magnitudes emerging out of this study are presented under the following heads :

- (a) The State Government's total Expenditure.
- (b) The State Government's final outlays.
- (c) Capital formation out of the budgetary resources of the State Government;
- (d) Net capital formation and savings of the State Government.
- (e) The various measures for financing the deficit in the State Government's budgetary operations, and
- (f) The State Government's contribution for generation of State Income.

(a) Total expenditure

2. The total expenditure of the State Government is estimated to decrease from Rs. 1,030.1 crores in 1982-83 to Rs. 989.9 crores in 1983-84, thus recording a decrease of 3.9 per cent as against an increase of 38.4 per cent in the revised estimates for 1982-83 over the accounts of 1981-82.

The allocation of major types of expenditure is given in the following table

TABLE No. 1

State Government's Total expenditure

Items	(Rs. in thousands)		
	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)
1. FINAL OUTLAYS	448.70.49	619,05,38	613,52,35
(a) Government Consumption Expenditure (Vide Account I)	271.30.07	399,93,08	405,40,49
(b) Gross Capital Formation (Vide Account III)	177.40.42	219,12,30	208,11,86
(i) Gross Fixed capital formation	146,14,65	240,61,48	206,49,32
(ii) Increase in Inventories	31,25,77	(-)21,49,18	1,62,54
2. TRANSFER PAYMENTS TO THE REST OF THE ECONOMY	260.70.23	358.03.60	317,85,86
(a) Current Transfers (Vide Account I)	195.44.34	287,92,47	255,43.71
(b) Capital Transfers (Vide Account III)	65,25.89	70,11,13	62,42,15
3. FINANCIAL INVESTMENT AND LOANS TO THE REST OF THE ECONOMY (NET) (Vide Account IV).	41,76,04	53,01.39	58,55,00
4. TOTAL EXPENDITURE (1+2+3)	744,16,76	1030,10,37	989,93,21

(b) Final outlays

3. Of the total expenditure of Rs. 989.9 crores budgeted for 1983-84, Rs. 613.5 crores or about 62 per cent constitute final outlays of the State Government representing its direct demand for goods and services for consumption and capital formation. The rest of the total expenditure amounting to Rs. 376.4 crores or about 38 per cent constitute disbursements by way of transfer payment, financial investment and loans to the rest of the economy.

4 *Consumption expenditure*—Consumption expenditure, (i.e., expenditure on wages and salaries and commodities and services for current use) is the major expenditure of the State Government. The consumption expenditure budgeted for 1983-84 forms 68 per cent of the final outlays and 41 per cent of the total expenditure. The increase in consumption expenditure works out to be about 47.4 per cent in 1982-83 over 1981-82 and 1.4 per cent in 1983-84 over 1982-83.

5 *Gross capital formation*—Since capital formation is an essential determinant of economic growth, it is quite necessary to determine its magnitude. The State Government direct gross fixed capital formation, i.e., (investment in buildings and other construction, machinery and equipment and other fixed assets) is estimated to have decreased from Rs. 240.8 crores in 1982-83 (R. E.) to Rs. 206.5 crores in 1983-84 (B. E.) recording a decrease of 14.2 per cent as against an increase of 64.7 per cent in 1982-83 in comparison to 1981-82.

**(c) Capital Formation out of the Budgetary Resources of the State Government
Financial Assistance to Capital Formation**

6. In addition to the capital formation directly undertaken, the State Government also provides assistance to the rest of the economy for capital formation through grants, loans and investment in share capital. The budgeted assistance of Rs. 99.8 crores for 1983-84 is estimated to have decreased by 3.2 per cent over the Revised Estimate as against an increase of 16.5 per cent in 1982-83 over the accounts of 1981-82. The decline in 1983-84 is wholly on account of smaller provision of capital grants to local bodies.

TABLE No. II

Financial Assistance for Capital Formation

Items	(Rs. in thousands)		
	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)
1. Grants for capital formation ..	55,25,89 (62.43)	70,11,13 (68.01)	62,42,15 (62.57)
2. Loans for capital formation ..	15,81,41 (17.86)	8,14,74 (7.90)	9,15,59 (9.18)
3. Investments ..	17,44,85 (19.71)	24,82,86 (24.09)	28,18,44 (28.25)
4. Total Financial Assistance for net capital formation, (1+2+3)	88,52,15	103,08,73	99,76,18

Figures in the brackets indicate percentage to total

7. *Gross capital formation out of the Budgetary Resources*—The State Government would provide Rs 307.9 crores for gross capital formation out of its budgetary resources during 1983-84, representing 31.1 per cent of its total expenditure. The aggregate provision for gross capital formation for 1983-84 has been decreased by 4.4 per cent as compared to an increase of 21.2 per cent in 1982-83. The decrease during 1983-84 over 1982-83 is due to lower financial assistance for capital formation as well as low gross capital formation by the Government.

TABLE No. III

Gross capital formation out of the budgetary resources of the State Government
(Rs. in thousands)

Items (1)	1981-82 (Accounts) (2)	1982-83 (R. E.) (3)	1983-84 (B. E.) (4)
1. Gross capital formation by the Government.	177,40,42	219,12,30	208,11,86
Percentage to total	(66.71)	(68.01)	(67.60)
2. Financial Assistance for capital formation to the rest of the economy.	88,52,15	103,08,73	99,76,18
Percentage to total	(33.29)	(31.99)	(32.40)
3. Gross capital formation out of the budgetary resources of the State Government (1+2).	265,92,57	322,21,03	307,88,04

(d) *Net capital formation and net savings by the Government*

8. *Net capital formation*—The expansionary impact of the Government's budgetary operations is indicated by the difference between its net capital formation and net savings. The net capital formation by the State Government (i. e. net addition to the stock of fixed assets and works stores) estimated at Rs. 195.4 crores for 1983-84 has been arrived at by deducting from gross fixed capital formation, the provision for expenditure on renewals and replacements by the Government Administration and Departmental Commercial Undertakings. The components of total net capital formation are as follows:-

TABLE No. IV

State Government's net capital formation

Items (1)	1981-82 (Accounts) (2)	1982-83 (R. E.) (3)	1983-84 (B. E.) (4)
1. Building and other construction (New outlays).	129,04,00	178,46,21	175,52,52
2. Machinery and Equipments ..	14,29,90	16,48,64	18,22,72
3. Net increase in stocks ..	31,25,77	(-)21,49,18	1,62,54
4. Net capital formation by the State Government (1+2+3)	174,59,67	173,45,67	195,37,78

9. *Net Savings*—The net savings of the State Government and its Departmental Undertakings are estimated of Rs. 86.8 crores for 1983-84 as compared with Rs. 62.3 crores in 1982-83 and Rs. 102.0 crores during 1981-82.

TABLE No. V

State Government's net Savings

(Rs. in thousands)			
Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)
1. Savings of Government administration ..	85,21,85	90,01,71	79,28,66
2. Net profit of Departmental Commercial Undertakings, transferred to Government administration (<i>Vide</i> item 6 in Account II).	19,60,36	17,98,76	20,25,83
3. Depreciation provision of Departmental Commercial Undertakings (<i>Vide</i> item 4.2 in Account III).	..	..	..
4. Gross savings by Government (1+2+3)	104,82,21	108,00,47	99,54,49
5. Expenditure on renewals, replacement of Government administration and Departmental Commercial Undertakings (<i>Vide</i> 1.1 (b) and 1.4 (b) in Account III).	2,80,75	45,66,63	12,74,08
6. Net savings by the Government (4-5) ..	102,01,46	62,33,84	86,80,41

(e) Deficit

10. The excess of direct net capital formation over the net savings measures the income deficit of the State Government. The income deficit which was Rs. 72.6 crores in 1981-82 increased to Rs. 111.1 crores in 1982-83 and declined to 108.6 crores in 1983-84.

TABLE No. VI
Income Deficit

(Rs. in thousands)

Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)
1. Net capital formation (i.e. Net investment by the State Government).	174,59,67	173,45,67	195,37,78
2. Net savings by the State Government ..	102,01,46	62,33,84	86,80,41
3. Income Deficit of the State Government (1-2).	72,58,21	111,11,83	108,57,37

11. The income deficit, measuring the gap between the State Government's net savings and net investments when added, after adjusting for net capital transfers, to the deficit arising out of the Government's net transactions in financial assets such as investment in shares, and loans, represents the Government's total requirement of finance and is given by the sum of balancing item in Account III and IV.

TABLE No. VII
State Government's total Requirements of Finance

(Rs. in thousands)

Items	1981-82 (Accounts)	1982-83 (Revised Estimate)	1983-84 (Budget Estimate)
(1)	(2)	(3)	(4)
1. Deficit on all transactions in commodities, services and transfers (Vide balancing item in Account III).	122,38,54	171,95,31	161,85,14
2. Net increase in Financial Assets (Vide balancing item in Account IV).	19,37,72	23,62,55	26,50,82
3. Deficit denoting total requirement of Finance (1+2).	141,76,26	195,57,86	188,35,96

12. The schema of financing the deficit is shown in the Table No. VIII. The deficit financing (item 2) mentioned in the table presents only a rough idea on the expansionary impact of the budgetary transactions of the State Government on money supply.

TABLE No. VIII

Financing the Deficit

(Rs. in thousands)

Items	1981-82 (Accounts)	1982-83 (Revised Estimate)	1983-84 (Budget Estimate)
(1)	(2)	(3)	(4)
1. Net borrowings ..	140,88,57	220,05,62	188,35,96
(a) Permanent debt (Net) ..	20,02,57	23,07,00	48,81,00
(b) Loans from the Central Government (Net).	87,11,03	154,37,76	98,53,85
(c) Other Loans (Net) ..	10,51,90	(-)11,98,90	6,72,41
(d) Inter-State Settlement (Net) ..	(-)10,11	..	1,00
(e) Unfunded debt (Net) ..	17,95,51	37,00,00	29,00,00
(f) Cash balance investment Accounts (Net).	15,02,59	..	..
(g) Other debt, Deposits and remittance (Net).	(-)9,54,92	17,59,76	5,27,70
2. Deficit financing—			
(a) Increase in floating debt (Net) ..	..	..	..
(b) Withdrawal from cash balance ..	(-)87,69	(-)24,47,76	..
3. TOTAL—(1+2) ..	141,76,26	195,57,86	188,35,96

(f) Income Generation

The budgetary operations of the State Government during 1983-84 are expected to generate a total income of Rs. 373.3 crores compared to Rs. 341.4 crores in 1982-83 and Rs. 247.3 crores in 1981-82. The Budget Estimates for 1983-84 is 9.3 per cent and 50.9 per cent higher than the revised estimates for 1982-83 and actuals for 1981-82 respectively.

The budgetary contribution to income generation as given in Table No. IX is the sum of the total wages and salary expenditure of the Government and Departmental Commercial Undertakings, the Operating surplus of Departmental Commercial Undertakings, and one third of the wages and salaries components in Government and Commercial Undertaking outlay on construction

TABLE No. IX
Contribution to Income Generation

Items	(Rs. in thousands)		
	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (R. E.)
(1)	(2)	(3)	(4)
1. Wages and salaries paid by Government Administration [<i>Vide</i> item 1.1, (a)] in Account I.	175,01,97	238,63,52	278,90,79
2. Net output of Departmental Commercial Undertakings.	28,29,53	28,04,34	31,59,14
(a) Wages and salaries [<i>Vide</i> item 1.1, (a)] in Account II.	8,69,17	10,05,58	11,33,31
(b) Profits (operating surplus) of Departmental Commercial undertakings transferred to Government Administration (<i>Vide</i> item 6 in Account II).	19,60,36	17,98,76	20,25,83
3. Wages and salary component of outlay on construction.*	43,94,92	74,70,95	62,75,53
4. Total (1+2+3)	247,26,42	341,38,81	373,25,46

(*) One third of the total Expenditure on building and other construction shown in Account III

ACCOUNT I

Transactions in Commodities and services and transfers—Current Account of State Government Administration

(Rs. in thousands)

EXPENDITURE	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	REVENUE	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
1. CONSUMPTION EXPENDITURE.	271,30.07	399,93.08	405,40.49	6. TAX REVENUE ..	344,89,40	400,22,73	457,13,23
1.1 Compensation of Employees.	181,77,82	246,58,48	288,04,39	6.1 Taxes on Income and Wealth	56,74,95	60,71,73	68,45,23
(a) Wages and salaries ..	175,01,97	238,63,52	278,90,79	(a) Taxes on Income other than Corporation Tax.	38,05,78	42,71,00	46,98,00
(b) Pensions ..	6,75,85	7,94,96	9,13,60	(b) Taxes on Agricultural Income.	34	..	..
1.2 Purchase of commodities and services.	89,52,25	153,34,60	117,36,10	(c) Land Revenue ..	11,03,30	9,28,00	11,59,50
2. TRANSFER PAYMENTS	195,44,34	287,92,47	255,43,71	(d) Stamp Fees ..	7,65,53	8,72,73	9,87,73
2.1 Interest ..	51,02,46	58,31,11	68,26,73	6.2. Taxes on commodities and transactions.	288,14,45	339,51,00	388,68,00
(a) Interest on Loans from Government of India.	28,21,90	29,54,26	35,48,78	(a) Union Excise duties ..	142,97,00	160,79,00	177,11,00
(b) Interest payments on other loans and obligations.	22,80,56	28,76,85	32,77,95	(b) State Excise ..	11,02,09	13,93,00	15,04,00
				(c) Taxes on Vehicles ..	12,10,13	14,23,00	15,68,00

2.2. Grants	..	108,59,48	145,24,60	141,48,84	(d) Taxes and duties on Electricity.	22,85,87	27,91,00	31,16,00
(a) To Local Bodies	..	42,12,11	53,22,98	56,01,72	(e) Taxes on goods and Passengers.	1,29,26	4,49,00	5,22,00
(b) To Co-operatives	..	41,82	1,41,45	30,85	(f) Entertainment tax	3,61,34	3,81,00	4,11,00
					(g) Sales tax	34,28,76	114,35,00	140,36,00
(c) To Educational Institutions.		52,29,06	61,62,46	62,92,40	7. INCOME FROM PROPERTY AND ENTREPRENEURSHIP.	32,92,58	39,81,99	50,07,66
(d) To others	..	13,76,49	18,97,71	22,23,87	7-1. Profit transferred by Departmental commercial undertakings.	19,60,36	17,98,76	20,25,83
2.3. Subsidies	..	15,37,05	29,07,21	20,30,48	7-2. Income on Investment	20,93	22,00	23,00
					7-3. Interest Receipts from S. E. B	..	11,70,00	19,27,00
					7-4. Interest Receipts	6,84,01	3,69,00	3,69,00
2.4. Others Current Transfers.		20,45,35	55,29,55	25,37,66	7-5. Other income from Property.	6,27,28	6,22,23	6,52,83
					8. TRANSFERS FROM HOUSEHOLDS.	31,51,65	27,90,35	28,26,61
3. TOTAL (1+2)		466,74,41	687,85,55	660,84,20	9. REVENUE GRANTS— CONTRIBUTIONS AND RECOVERIES FROM REST OF THE ECONOMY.	162,22,99	327,90,95	224,91,19
4. SAVINGS ON CURRENT ACCOUNTS		104,82,21	108,00,47	99,54,49				
5. TOTAL		571,56,62	795,86,02	760,38,69	10. TOTAL	571,56,62	795,86,02	760,38,69

ACCOUNT II

Transactions in Commodities and Services and Transfers—Current Account of Departmental Commercial Undertakings by State Government

(Rs. in thousands)

EXPENDITURE	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	RECEIPTS	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Compensation to Employees.	9,06.04	10,46,79	11,78,19	8. Gross sale Proceeds	49,65,65	51,89,00	58,62,00
(a) Wages and Salaries	8,69,17	10,05,58	11,33,31	(a) Forest ..	46,62,31	47,56,00	53,32,00
(b) Pension, Payments	36,87	41,21	44,88	(b) Irrigation ..	3,03,34	4,33,00	5,30,00
2. Commodities and Services	5,31,68	5,14,69	5,44,85	9. Interest on depreciation reserve fund.	..	..	..
3. Other current Transfer	1,00	86	86				
4. Interest from the Government of India.	15,66,57	18,27,90	21,12,27				
Provision for depreciation.	..	..	..	
5. TOTAL ..	30,05,29	33,90,24	38,36,17				
6. Profit transferred to current Account of Government Administration.	19,60,36	17,98,76	20,25,83				
7. TOTAL ..	49,65,65	51,89,00	58,62,00	10. TOTAL ..	49,65,65	51,89,00	58,62,00

ACCOUNT III

Transactions in Commodities and Services and Transfers—Capital Account of the State Government Administration and Departmental Commercial Undertakings

(Rs. in thousands)

DISBURSEMENTS	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	RECEIPTS	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. G R O S S CAPITAL FORMATION.	177,40,42	219,12,30	208,11,86	4. GROSS SAVINGS ..	104,82,21	108,00,47	99,54,49
A. Government Administration.	143,90,45	174,91,28	161,04,25	4.1. Savings on Current Account of Government Administration.	104,82,21	108,00,47	99,54,49
1.1. Building and other construction.	98,82,53	182,86,16	141,55,14				
(a) New outlays ..	96,10,43	137,23,78	128,89,06	4.2. Provision for depreciation of Departmental Commercial Undertakings.	..	..	..
(b) Renewal and Replacement.	2,72,10	45,62,38	12,66,08				
1.2. Machinery and Equipment.	11,87,15	11,35,11	15,23,96	4.3. Retained Profits of Commercial Undertakings.	..	..	..
1.3. Net Increase in Stock	33,20,77	(—)19,29,99	4,25,15				
(a) Work Store	29,20,35	1,70,01	4,25,15	5. CAPITAL TRANSFERS	5,45,56	9,27,65	9,14,38
(b) Stock of Food Fertilisers, etc.	4,00,42	(—)21,00,00	..	5.1. Estate Duty ..	(—)28.66	19,00	15,00

(Rs. in thousands)

DISBURSEMENTS		1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	RECEIPTS	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
B. Commercial Under- takings.		33,49,97	44,21,02	47,07,61	5.2. Capital Grants Contributions and Recoveries from Rest of the Economy.	5,74,22	9,08,65	8,99,38	
1.4. Building and other constructions.		33,02,22	41,26,68	46,71,46					
(a) New Outlays ..		32,93,57	41,22,43	46,63,46	6. TOTAL—(4+5) ..	110,27,77	117,28,12	108,68,87	
(b) Renewal and Replacements.		8,65	4,25	8,00					
1.5. Machinery and Equipments.		2,42,75	5,13,53	2,98,76	7. DEFICIT ON ALL TRANSACTIONS IN GOODS AND SERVICES AND TRANSFERS.	122,38,54	171,95,31	161,85,14	14
1.6. Net Increase in Stock		(-1,95,00)	(-2,19,19)	(-2,62,61)					
2. CAPITAL TRANSFERS		55,25,89	70,11,13	62,42,15					
2.1. Capital Grants to Local Bodies.		31,10,75	34,06,20	20,45,70					
2.2. Capital Grants to Others.		23,63,96	35,21,36	40,99,46					
2.3. Compensation to land owners and Jagirdars.		51,18	83,57	96,99					
3. TOTAL ..		232,66,31	289,23,43	270,54,01	8. TOTAL ..	232,66,31	289,23,43	270,54,01	

ACCOUNT IV

Changes in Financial Assets—Capital Account of Government administration and Departmental Commercial Undertakings

(Rs. in thousands)

OUTGOINGS	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	INCOMINGS	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Investment in shares (Net).	17,44,85	24,82,86	28,18,44	4. Repayment of Loan	25,38,32	29,47,19	32,11,18
1.1. Of Government	17,42,85	24,62,86	28,06,44	5. Less irrecoverable temporary loans and Advances.	..	8,35	7,00
1.2. Of other concerns	2,00	20,00	12,00				
2. Loans and Advances	27,31,19	28,18,53	30,36,56				
2.1. For Capital Formation..	15,81,41	8,14,74	9,15,59	6. Total (4—5)	25,38,32	29,38,84	32,04,18
(a) to Co-operatives ..	4,49,32	2,68,40	4,56,74				
(b) to Local bodies ..	25,26	44,00	51,90	7. Balance—Net Increase in Financial Assets.	19,37,72	23,62,55	26,50,82
(c) to State Electricity Board.	1,38,00	..	..		
(d) to Others ..	9,68,83	5,02,34	4,06,95				
2.2. Other loans (Current Consumption).	11,49,78	20,03,79	21,20,97				
(a) to Co-operatives ..	5,03,35	11,35,25	12,06,00				
(b) to Local bodies ..	6,83	3,45	34,93				
(c) to Others ..	6,39,60	8,60,09	8,80,04				
3. TOTAL ..	44,76,04	53,01,39	5,85,500	8. TOTAL ..	44,76,04	53,01,39	58,55,00

ACCOUNT V

Changes in Financial Liabilities—Capital Account of State Government Administration and Departmental Commercial Undertakings

(Rs. in thousands)

OUTGOINGS		1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)	INCOMING		1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)		(2)	(3)	(4)	(5)		(6)	(7)	(8)
1. REPAYMENTS OF PUBLIC DEBT.	OF	50,22.97	84,30.10	71,78.68	4. PUBLIC DEBT	..	167,88.47	249,75.96	225,85.94
1-1. Permanent Debt	..	6,21.06	6,67.55	7,76.29	4-1. Permanent Debt	..	26,23.73	29,74.55	56,57.29
1-2. Central Government loans.		36,21,71	48,81.93	59,48,24	4-2. Loans from Central Government.		123,32,74	203,19.69	158,02.09
1-3. Other Loans	..	7,80.20	28,80.62	4,54.15	4-3. Other Loans	..	18,32.00	16,81.72	11,26.56
2. BALANCE: NET INCREASE IN FINANCIAL LIABILITIES.		140,88.57	220,05.62	188,35.96	4-4. Floating Debt (Net)	..	..	..	..
					5. UNFUNDED DEBT (NET).		17,85,51	37,00.00	29,00.00
					6. INTER-STATE SETTLEMENT (NET).	(—)	10.11	..	1.00
					7. CASH BALANCE INVESTMENT ACCOUNT (NET).		15,02,59	..	..
					8. OTHER DEBTS (NET)	(—)	9,54,92	17,59,76	5,27,70
3. TOTAL	..	191,11.54	304,35.72	260,14,64	9. TOTAL	..	191,11,54	304,35.72	260,14,64

ACCOUNT VI

Cash and Capital Reconciliation Account—State Governments Administration and Departmental Commercial Undertakings

(Rs. in thousands)

OUTGOINGS	1981-82 (Account)	1982-83 (R. E.)	1983-84 (B. E.)	INCOMINGS	1981-82 (Account)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Deficit on all Transactions in commodities services and transfers Balancing items of Account III.	122,38,54	171,95,31	161,85,14	6. Net increase in financial liabilities. Balancing items of Account V	140,88,57	220,05,62	188,35,96
2. Net increase in financial Assets Balancing items of Account IV.	19,37,72	23,62,55	26,50,82	7. Decrease in cash Balance.	87,69	..	..
3. Total (1+2)	141,76,26	195,57,86	188,35,96				
4. Increase in Cash Balance	..	24,47,76	..				
5. TOTAL	141,76,26	220,05,62	188,35,96	8. TOTAL (6+7)	141,76,26	220,05,62	188,35,96

III. ECONOMIC CUM-FUNCTIONAL CLASSIFICATION

Based on the Budget of 1983-84, a cross classification of the State Government Expenditure by both economic and functional categories has been presented in the form of three statements at the end of this section. The following paragraphs provide a brief summary of the finding of the functional classification.

Total expenditure

Out of the total expenditure Budgeted for 1983-84, the provision for Social and Community Services and Economic Services which covers broadly the total development outlays of the State Government is estimated at Rs 719.2 crores i.e. 72.7 per cent of total expenditure.

The expenditure on General Services is estimated at Rs. 146.3 crores for 1983-84 i.e. 14.8 per cent of the total expenditure. Under the scheme of functional classification adopted in this brochure General Services include civil expenditure, such items as Capital Outlays on administrative buildings, provision for repair and maintenance services, etc.

The Items "Other purpose" include public debt transaction, transfer of a general character to other Government Organs, outlays in connection with disasters and other calamities and outlays not elsewhere classified. The "Other purpose" expenditures accounting for 12.6 per cent of the total expenditure in 1983-84 are estimated at Rs. 124.4 crores as compared to the revised estimate of Rs. 249.9 crores for 1982-83 and Rs. 81.0 crores for 1981-82.

Total Expenditure

		(Rs. In thousands)		
Sl. No.	Items	1981-82 (Accounts)	1982-83 (R E)	1983-84 (B E)
(1)	(2)	(3)	(4)	(5)
1	General Services	94,12,08	107,66,66	146,25,82
2	Economic Services	326,66,36	369,11,63	390,79,83
3	Social and Community Services	242,38,87	303,44,67	328,42,70
4	Other Purposes	80,99,45	249,87,42	124,44,86
5	Total Expenditure (1+2+3+4)	744,16,76	1030,10,37	989,93,21

Consumption Expenditure

The budget provision in 1983-84 for consumption expenditure includes Rs 135.7 crores of General Services, Rs. 138.1 crores of Social and Community Services and Rs. 110.8 crores of Economic Services. The table gives a break up of the consumption expenditure budgeted for 1983-84, the revised estimates for 1982-83 and actuals for 1981-82.

Consumption Expenditure

(Rs. in thousands)

Sl. No.	Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)
1	Expenditure on General Services.	82,46,69	119,22,48	135,71,46
2	Expenditure on Social and Community Services	95,82,57	121,47,65	138,14,50
3	Expenditure on Economic Services.	85,61,41	103,72,74	110,80,58
4	Other purposes	7,39,40	55,60,21	20,73,95
5	Total Consumption Expenditure, (1+2+3+4).	271,30,07	399,93,08	405,40,49

Capital Formation out of the Budgetary Resources

Capital formation is estimated at Rs. 307.9 crores for 1983-84 as compared to Rs. 322.2 crores in 1982-83 and Rs. 265.9 crores in 1981-82. The following table indicates a detailed functional allocation of the provision for capital formation for 1983-84 and the allocation in the two preceding years.

Capital Formation out of the Budgetary Resources

(Rs. in thousands)

Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)
1. Gross Fixed Capital Formation.	146,14,65	240,61,48	206,49,32
(i) General Services	31,97	78,92	56,72
(ii) Social and Community Services	24,22,81	31,41,77	32,52,62
(iii) Economic Services	121,44,66	161,83,73	161,99,24
(a) Agriculture	5,57,03	7,56,95	4,60,27

(Rs. in thousands)

Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)
(b) Mining, Manufacturing and Construction.	2,75,87	3,06,40	4,48,12
(c) Transport and Communication.	15,43,62	17,99,90	20,02,45
(d) Others ..	97,68,14	133,20,48	132,88,40
(iv) Other purposes ..	15,21	46,57,06	11,40,74
2 Change in work stores ..	31,25,77	(—) 21,49,18	1,62,54
3. Financial Assistance ..	88,52,15	103,08,73	99,76,18
(i) General Services ..	1,28,60	1,39,54	1,42,86
(ii) Social and Community Services.	13,06,75	12,32,78	12,28,24
(iii) Economic Services ..	60,69,47	63,09,47	71,58,77
(iv) Others ..	13,47,33	26,26,94	14,48,31
4. Total Provision for Capital Formation, (1+2+3)	266,92,57	322,21,03	307,88,04

Transfer Payment

The total transfer payments are estimated at Rs. 317.9 crores for 1983-84. Transfer intended for Social and Economic Services account for 70.7 per cent. Out of the current transfers interest payments account for 21.5 per cent. Statutory and non-developmental grants for 0.1 per cent and others account for 3.0 per cent. The table presents the details of the functional break down.

Transfer payments

(Rs. in thousands)

Sl. No	Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)
1	Transfer payments under Social & Economic Services.	177,00,54	209,61,14	224,76,68
	(i) Current grants and subsidy	135,33,48	166,23,81	177,28,22
	(ii) Capital	41,67,06	43,37,33	47,48,46
2	Other transfers	73,69,09	148,42,46	93,09,18
	(i) Current	60,10,86	121,68,66	78,15,49
	(a) Interest payments	51,02,46	58,31,11	68,26,73
	(b) Statutory and Non-Development grants.	13,35	16,45	33,63
	(c) Others	8,95,05	63,22,10	9,55,13
	(ii) Capital	13,58,83	26,73,80	14,93,69
3	Total transfers (1+2)	250,70,23	358,03,60	317,85,86

Surplus of current revenues available for financing development

The surplus of current revenue over the current non-development expenditures measures the contribution of current revenues towards financing the Government's developmental expenditure both current and capital. This surplus is estimated at Rs 525.8 crores for 1983-84 and may be compared with the estimated surplus of Rs 499.4 crores for 1982-83 and Rs. 421.6 crores for 1981-82. The table below gives the details.

Surplus of the State Government

(Rs. in thousands)

Sl. No	Items	1981-82 (Accounts)	1982-83 (R. E.)	1983-84 (B. E.)
(1)	(2)	(3)	(4)	(5)
1	Total current revenues of Government Administration	571,56,62	796,86,02	780,38,69
2	Non-Developmental consumption expenditures.	89,86,09	174,72,69	156,45,41
	(i) General services	82,46,69	119,22,48	135,71,46
	(ii) Other purposes	7,39,40	55,50,21	20,73,95
3	Non-Developmental current transfers	60,10,86	121,68,66	78,15,49
	(i) General services	13,35	16,45	33,63
	(ii) Other purposes	59,97,51	121,53,21	77,81,86
4	Surplus of the Government Administration (1+2+3).	421,59,67	499,44,67	525,77,79
5	Gross savings of the Departmental undertakings.			
6	Total surplus (4+5)	421,59,67	499,44,67	525,77,79

Economic-cum-Functional Classification

Economic/Functional Classification	General Services		Social and	Community Service	
	General Admi- nistrations external affairs public order and safety	Defence	Education	Medical & Public Health	Other Social Services
(1)	(2)	(3)	(4)	(5)	(6)
1. Consumption Expenditure ..	81,56,91	89,78	26,29,98	47,50,20	22,02,39
2. Transfer payment ..	12,60	75	88,08,28	2,88,73	17,86,00
(i) Interest on General Payment.	..	..	..	..	..
(ii) Subsidies ..	..	..	..	..	..
(iii) Transfer to Income Account of Household	12,60	75	50,16,04	2,88,73	15,27,88
(iv) Transfer to local bodies for current operation.	..	..	37,92,24	..	2,58,12
3. Gross Capital Formation ..	4,49,61	..	1,59,51	14,82,98	8,00,66
(a) Gross fixed Capital For- mation.	31,97	..	1,59,51	14,68,81	7,97,49
(i) Building and other construction.	10,87	..	1,35,10	13,11,30	7,31,11
(ii) Machinery and Equipment.	21,10	..	24,41	1,54,51	66,38
(b) Net Increase in stock ..	4,17,64	..	..	17,17	3,17
4. Investment in shares (Net)	11,56	..	..	..	..
5. Capital Transfers ..	11,50	..	7,00	2,16,53	8,87,34
(i) Transfer to Local bodies.	..	..	..	2,16,53	7,50,88
(ii) Transfer to other Domestic Sectors.	11,50	..	7,00	..	1,36,46
6. Loans and advances for Capital formation.	1,06,55	..	..	7,94	1,87,94
(i) Local Bodies ..	..	..	..	7,94	16,32
(ii) Other Domestic Sector	1,06,55	..	..	..	1,71,62
7. Other loans ..	5,73,83	..	..	6,83	16,56
Total ..	93,21,55	90,53	116,04,77	67,53,21	68,80,89

1981-82 (Accounts)

(Rs. In thousands)

General admini- stration regulation and research	Economic Services						Un-allocable	Grand Total
	Agriculture Forestry Fishing and Hunting	Mining manu- facturing & construction	Electricity gas steam and water	Transport and communi- cation	Other Economic Services			
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
1,71,28	41,23,14	9,01,76	4,35,10	14,15,61	15,14,52	7,39,40	2,11,30,07	
..	18,45,12	2,25,36	..	2	5,79,97	59,97,51	195,44,34	
..	..	..	..	..	..	51,02,46	51,02,46
..	7,68,73	1,85,63	..	..	5,79,97	2,72	15,37,05
..	10,37,96	39,73	..	2	..	7,69,02	86,92,72	
.	38,44	..	..	..	..	1,23,31	42,12,11
61	1,82,59	9,40,87	1,27,80	15,45,72	120,34,86	15,21	177,40,42	
61	5,57,03	2,75,87	99,87	15,43,62	96,67,66	15,21	146,14,65	
57	4,84,93	3,12,52	93,93	12,81,23	88,07,98	15,21	131,84,75	
4	72,10	(-)36,65	5,94	2,62,39	8,59,68	..	14,29,90	
..	(-)3,74,44	6,65,00	27,93	2,10	23,67,20	..	31,25,77	
..	9,31,52	5,60,90	..	17,25	2,23,63	..	17,44,85	
..	27,67,73	67,06	..	70,00	1,51,40	13,47,33	55,25,89	
..	21,43,34	..	..	..	..	..	31,10,75
..	6,24,39	67,06	..	70,00	1,51,40	13,47,33	24,15,14	
..	4,50,35	4,07,38	..	2,49,25	1,73,00	..	15,81,41	
.	1,00	..	..	..	..	..	25,26
..	4,49,35	4,07,38	..	2,49,25	1,73,00	..	15,56,15	
..	5,00,66	51,90	..	..	..	..	11,49,78
1,71,83	103,01,11	31,55,23	5,62,90	32,97,85	146,77,38	80,99,45	744,16,76	

Economic-cum-Functional Classification

Economic/Functional Classification	General Services		Social and Community Services		
	General Administration External Affairs, Public order and safety	Defence	Education	Medical and Public Health	Other Social Services
(1)	(2)	(3)	(4)	(5)	(6)
1. Consumption expenditure.	117,82,79	1,39,69	36,24,47	58,69,29	26,53,89
2. Transfer Payment ..	13,11	2,34	109,30,45	3,64,07	25,01,96
(i) Interest on General Payment.	..	..	..	..	..
(ii) Subsidies ..	..	..	..	..	28,95
(iii) Transfer to income account of Households.	13,11	2,34	61,24,55	3,64,07	21,94,20
(iv) Transfer to Local Bodies for current operation	..	..	48,05,90	..	2,78,81
3. Gross capital formation	(—) 21,21,08	..	3,77,43	19,67,66	7,74,22
(a) Gross fixed capital formation.	78,92	..	3,77,43	19,90,12	7,74,22
(i) Building and other Construction.	21,93	..	3,42,02	18,98,27	7,25,82
(ii) Machinery and other equipments.	56,99	..	35,41	91,85	48,40
(b) Net increase in stock.	(—) 22,00,00	..	..	(—) 22,46	..
4. Investment in Shares (Net).	8,00	..	..	..	..
5. Capital Transfer ..	46,86	..	7,00	1,15,04	9,99,03
(ii) Transfer to Local Bodies.	..	..	..	1,15,04	8,15,85
(ii) Transfer to other domestic Sectors	46,86	..	7,00	..	1,83,18
6. Loans and advance for Capital Formation.	84,68	..	..	8,00	1,03,71
(i) Local Bodies ..	..	..	..	8,00	35,00
(ii) Other Domestic sector	84,68	..	..	..	68,71
7 Other loans ..	8,10,26	..	..	8,45	40,00
Total ..	106,24,62	1,42,03	149,39,35	83,32,51	70,72,81

1982-83 (Revised Estimate)

(Rs. in thousands)

General Admini- stration regula- tion and research	Agriculture Forestry Fishing and Hunting	Economic Services				Other Economic Services	Un-allocable	Grand Total
		Mining manu- facturing and Construc- tion	Electri- city Gas, Steam and Water	Transport and Communi- cations				
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
2,47,21	51,09.80	14,23,85	4,65,52	13,86,39	17,39,97	55,50,21	3,99,93,08	
...	19,38,48	2,73,08	3,60	45	6,11,72	121,53,21	2,87,92,47	
..	...	..	...	..	..	58,31,11	58,31,11
...	9,01,17	2,31,77	3,60	..	6,11,72	11,30,00	29,07,21	
...	9,80,33	41,31	..	45	-	40,10,81	1,37,31,17	
...	56,98	.	..	..	.	11,81,29	63,22,98
..	6,21,41	3,23,70	83,60	17,99,90	134,28,40	46,57,06	2,19,12,30	
...	7,56,95	3,06,40	83,60	17,99,90	132,36,88	46,57,06	2,40,61,48	
..	7,20,77	3,08,64	73,62	15,92,09	120,72,62	46,57,06	2,24,12,84	
..	36,18	(-)2,24	9,98	2,07,81	11,64,26	..	16,48,64	
...	(-) 1,35,54	17,30	..	.	1,91,52	..	(-)21,49,18	
...	14,02,59	7,85,26	..	88,00	1,99,01	..	24,82,86	
..	29,98,32	67,00	..	5,70	1,45,24	26,26,94	70,11,13	
..	15,47,59	...	..	..	..	9,27,72	34,06,20
..	14,50,73	67,00	.	5,70	1,45,24	16,99,22	36,04,93	
..	2,67,35	2,09,00	..	1,09,00	33,00	..	8,14,74	
..	1,00	..	..	..	..	..	44,00
..	2,66,35	2,09,00	..	1,09,00	33,00	..	7,70,74	
..	11,30,53	14,55	..	..	.	...	20,03,79
2,47,21	1,34,68,48	30,96,44	5,52,72	33,89,44	1,61,57,34	2,49,87,42	10,30,10,37	

Economic cum-Functional

Economic/Functional Classification	General Services		Social & Community Services		
	General Administration external affairs Public order & Safety	Defence	Education	Medical & Public Health	Other Social Services
(1)	(2)	(3)	(4)	(5)	(6)
1. Consumption Expenditure	134,28,60	1,42,86	42,86,73	65,62,30	29,65,47
2. Transfer Payment ..	31,29	2,34	113,59,77	4,74,41	26,71,33
(i) Interest on General Payment.	..	..	..	..	..
(ii) Subsidies ..	..	..	..	..	32,40
(iii) Transfer to Income account of house- hold.	31,29	2,34	63,53,33	4,74,41	24,01,60
(iv) Transfer to Local bodies for current operation.	..	..	50,06,44	..	2,37,33
3. Gross Capital Formation	56,72	..	3,10,33	21,16,67	8,03,16
(a) Gross fixed capital Formation.	56,72	..	3,10,33	21,39,13	8,03,16
(i) Building and other constructions.	..	..	2,36,42	19,33,17	7,54,69
(ii) Machinery and equipment.	56,72	..	73,91	2,05,96	48,47
(b) Net increase in Stock	..	..	..	(—)22,46	..
4. Investment in Shares(Net)	10,00	..	..	..	..
5. Capital Transfer ..	45,38	..	7,00	1,00,24	9,89,30
(i) Transfer to Local bodies.	..	..	..	1,00,24	8,58,25
(ii) Transfer to other domestic sectors.	45,38	..	7,00	..	1,31,05
6. Loans and Advances for Capital formation.	87,48	..	..	3,00	1,28,70
(i) Local Bodies ..	..	..	..	3,00	48,90
(ii) Other Domestic Sector	87,48	..	..	..	79,80
7. Other Loans ..	8,21,15	..	..	34,93	28,36
Total ..	144,80,62	1,45,20	159,63,83	92,91,55	75,87,32

Classification 1983-84 (B. E.)

(Rs. In thousands)

General admini- stration regulation & research	Economic Services					Un-allocable	Grand Total
	Agriculture, forestry, Fishing & hunting	Mining Manufactu- ring & construction	Electricity, Gas steam & Water	Transport & Com- munication	Other Economic Services		
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
2,52,42	55,19.05	14,38,24	5,65,31	14,04.06	19,01,50	20,73,95	405,40.49
..	20,54.06	3,91,20	..	45	7,77,00	77,81.86	255,43.71
..	..	..	..	..	..	68,26,73	68,26.73
..	8,79.93	3,41,02	..	..	7,77,00	13	20,30.48
..	11,41.50	50,18	..	45	..	6,29,68	110,84.78
..	32.63	..	..	..	..	3,25,32	56,01.72
..	2,04.88	5,56,42	1,28,97	20,02.45	134,91,52	11,40,74	208,11.86
..	4,60.27	4,48,12	1,23,97	20,02.45	131,64,43	11,40,74	206,49.32
..	4,27.32	4,92,66	1,11,11	18,19.68	119,10,81	11,40,74	188,26.60
..	32.95	(-)-44,54	12,86	1,82,77	12,53,62	..	18,22.72
..	(-)-2,55.39	1,08,30	5,00	..	3,27,09	..	1,62,54
..	11,34.44	13,67,50	..	71,50	2,35,00	..	28,18.44
..	34,04,68	86,00	..	13,00	1,48,24	14,48.31	62,42.15
..	10,43.89	..	..	..	..	43.32	20,45.70
..	23,60.79	86,00	..	13,00	1,48,24	14,04.99	41,96.45
..	4,58.41	2,12,00	..	..	26,00	..	9,15.59
..	..	..	..	..	..	..	51.90
..	4,58,41	2,12,00	..	..	26,00	..	8,63.69
..	12,00,53	35,00	..	..	..	..	21,20.97
2,52,42	139,76,05	40,86,36	6,94,28	34,91,46	165,79,26	124,44.86	989,93.21

IV RECONCILIATION

TABLE No. 1

Reconciliation of figures in the Budget with the Economic Classification

Current Account—Revenue

(Rs. in thousands)

Sl. No.	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Revenue as shown in the financial Statement.	601,53,54	830,16,26	799,10,86
	LESS			
2	Estate duty transferred to capital account	(—)28,66	19,00	15,00
3	Interest on cash balance investment account.	20,29	21,00	21,00
4	Sale proceeds of Departmental Commercial Undertakings.	49,65,65	16,89,00	58,62,00
5	Interest Receipt from Departmental Commercial undertakings.	..	..	—
	ADD			
6	Revenue grants contributions and recoveries shown as Revenue Receipts.	..	..	..
7	Profits of Departmental Commercial Undertakings.	19,60,36	17,98,76	20,25,83
8	Total adjustments	.. (—)29,96,92	(—)34,30,24	(—)31,72,17
9	Current revenue of Government Administration as shown in the economic classification of the Budget.	571,86,62	795,86,02	780,38,69

TABLE No. II

Reconciliation of figures in the Budget with the Economic Classification

Current Account—Expenditure

(Rs. in thousands)

Sl. No.	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Revenue Expenditure as shown in the financial statements	673,56,04	849,83,03	780,18,08
	LESS			
2	Appropriation for reduction or avoidance of debt	7,24	7,24	7,24
3	Interest on cash balance Investment Account.	20,29	21,00	21,00
4	Expenditure of Capital nature in the Revenue Account	77,48,07	136,65,39	91,64,97
5	Irrecoverable Temporary loans ..	..	8,35	7,00
6	Net transfers to funds after adjustment for transfer from funds.	7,31,53	92,78	1,06,85
7	Current Expenditure of Departmental commercial undertakings.	30,05,29	33,90,21	38,36,17
	ADD			
8	Revenue grants, contributions and Recoveries shown as Revenue Receipts	..	..	..
9	Current Expenditures transferred from capital Account to Account-I	8,30,79	9,87,52	12,09,35
10	Total Adjustments ..	(—)106,81,63	(—)161,97,48	(—)119,33,88
11	Current Expenditure of Government Administration as shown in the Economic classification of the Budget.	466,74,41	687,85,55	660,84,20

TABLE No. III
Reconciliation of Figures in the Budget With the Economic Classification

Capital Account - Expenditure

(Rs. in thousands)

Sl No	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Capital Expenditure not met from Revenue as shown in A F S.	167,88,13	177,26,99	209,10,60
	LESS			
2	Financial Investment in shares taken over to Account IV.	17,44,85	24,82,86	28,18,44
3	Expenditure of revenue nature transferred to Account I	8,30,79	9,87,52	12,09,35
4	Sale of property and land brought down from receipt	..	..	..
	ADD			
5	Capital nature brought over from revenue account (includes the capital expenditure of Departmental Commercial undertakings).	77,48,07	136,65,39	91,64,97
6	Expenditure netted in the budget for recoveries	3,00,00	3,16	.
7	Transfer to funds ..	10,05,75	9,98,27	10,06,23
8	Total adjustment ..	(+)64,78,18	(+)111,96,44	(+)61,43,41
9	Capital expenditure as shown in the economic classification of the Budget.	232,66,31	289,23,43	2,70,54,01

TABLE No. IV

Reconciliation of figures in the Budget with the Economic Classification - Changes in Financial Assets - Account IV

(Rs in thousands)

Sl. No.	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Receipt under loans and advances in the Financial Statement.	25,38,32	29,47,19	32,11,18
	LESS			
2	Irrecoverable temporary loans and advances.	—	8,35	7,00
	ADD			
3	Recoveries on investments	—	—	—
4	Receipt under C. D. S., N. E. S. Expenditure met from loans funds transferred from Account I).	—	—	—
5	Total Adjustments	—	(—)8,35	(—)7,00
6	Receipts shown in the economic classification.	25,38,32	29,38,84	32,04,18

TABLE No. V

Reconciliation of figures in the Budget with the Economic Classification—Changes in Financial Assets—Account IV

(Rs in thousands)

Sl. No.	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Disbursement under loans and advances in the Financial Statement	27,31,19	28,18,53	30,36,56
	ADD			
2	Financial Investment (Transferred from Account IV).	17,44,85	24,82,86	28,18,44
3	Disbursements shown in the Economic Classification	44,76,04	53,01,39	58,55,00

TABLE No. VI

*Reconciliation of figures in the Budget with the Economic Classification—Changes
in Financial Liabilities—Account V*

(Rs. in thousands)

Sl. No.	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Disbursement shown under debt head in Financial statement.	974,63,44	1,090,91,99	1,050,72,68
	LESS			
2	Disbursement under Loans and Advances (Transferred to Account IV).	27,31,19	28,18,53	30,36,56
3	Ways and means advances from Reserve Bank of India.	238,92,84	200,01,00	250,00,00
4	Disbursement under unfunded Debt.	23,74,21	15,00,00	15,50,00
5	Disbursement under cash-balance Investment Account	91,32,94	200,00,00	200,00,00
6	Disbursement under Inter-State Settlement.	25,10	31,00	40,00
7	Disbursement under other debts	542,74,19	563,11,36	482,67,44
8	Total adjustments	(—)924,30,47	(—)1,006,61,89	(—)978,94,00
9	Disbursement shown in Economic classification.	50,22,97	84,30,10	71,78,68

TABLE No VII

Reconciliation of figures in the Budget with the Economic Classification---changes in financial liabilities—Account V

(Rs. in thousands)				
Sl. No.	Items	1981-82 (Accounts)	1982-83 (Revised)	1983-84 (Budget)
(1)	(2)	(3)	(4)	(5)
1	Receipt shown under debt head in financial statement.	11,13,56.38	13,12,33.51	12,40,90.50
	LESS			
2	Receipts under loans and advances (Transferred to Account IV).	25,38,32	29,47,19	32,11,18
3	Ways and means advances from Reserve Bank of India.	2,38,92.84	2,00,01.00	2,50,00.00
4	Disbursement under unfunded debt ..	23,74,21	15,00,00	15,50,00
5	Disbursement under cash balance Investment Account.	91,32,94	2,00,00,00	2,00,00,00
6	Disbursement under Inter-State Settlements.	25,10	31,00	40,00
7	Disbursement under other debt ..	5,42,74,19	5,63,11,36	4,82,67,44
8	Appropriation for reduction of avoidance of debt	7,24	7,24	7,24
9	Total adjustments	(-)9,22,44,84	(-)10,07,97,79	(-)9,80,76,86
10	Receipts shown in the economic classification.	1,91,11,54	3,04,35,72	2,60,14,64

V. APPENDIX

Notes on definition and derivation of items in the Economic-cum-Functional classification of the Orissa Government Budget.

A. Economic Classification

The framework of economic classification presented in the brochure is based on the delineation of Orissa Government transactions in a set of six accounts. The following is briefly a description of the derivation and rationale of each of these accounts.

ACCOUNT I

Transaction in commodities and Services and Transfers, current
Account of Government Administration.

Account I deals with the current receipts and current expenditures of Government Administrative Departments, all Departments except those dealt separately in Account II are considered as Administrative Departments for purposes of the economic classification. This account deals both current expenditures and receipts of the Government departments. Current expenditure includes the Government's Consumption expenditure and Current transfer payments. Receipt side includes tax receipts, income from property and entrepreneurship, miscellaneous receipts. In addition to this, Government receive revenue grants. Contributions and recoveries from the Central Government and the rest of economy. The surplus arising out of the excess of current revenue over current expenditure is the savings of the State Government Administration, which includes savings of the Commercial undertakings or departments available for capital formation.

Some of the items included in this account are explained below

Item 1—Consumption Expenditure—The Government consumption expenditure comprises wages and salaries paid to employees and current expenditure incurred on purchases of commodities and services.

Item 1.1—Wages and Salaries—This item comprises the remuneration of general Government employees such as pay of officers and Staff, allowances (including dearness allowance but excluding travelling and daily allowances). Contributions to provident fund are included here. The expenditure under "lump sum provision" for increase of Dearness Allowance or Additional Dearness Allowance of pay has been included here

Item 1.2—Commodities and Services—It includes all expenditures under (a) Travel expenses, (b) Office expenses, (c) Medicines, (d) Diet, (e) Rent, Rates and Taxes, (f) Materials, (g) Maintenance, (h) Raw Materials, (i) Payment for professional and special Services, (j) Motor vehicles, (k) Equipment, (l) Other charges, (non-pensionable), (m) House rent allowances, (n) Reimbursement of cost of medicines, (o) Clothing, (p) Other allowances, less sales by general Government of goods and services to enterprises and household. All expenditures on current repairs and maintenance are included here.

Item 2—Transfer payments—These expenditures are of the nature of transfer intended to add the incomes of others. In the present analysis, a distinction has been drawn between current transfers and Capital transfers on the hypothesis that while current transfers supplement the income accounts of recipients, capital transfers on the other hand are intended to assist capital expenditure. Current transfer payments have been divided into (a) interest payment, (b) grants to local bodies, Co-operatives, educational institutions and others, subsidies, (c) other current transfers to individuals which are considered to augment personal incomes of the recipients. Interest payment on public debts are sometimes deducted from the current receipts of Government, but these payments have been shown here gross.

Item 21 Interest on public Debt and other obligations other than on commercial debt is shown here. It includes interest on loans from Government of India and other loans and obligations. The interest on cash balances does not accrue to the public and is merely an inter-departmental or inter-account transfer, which is not significant from an economic point of view and thus, it has not been noted under interest payments.

Item 22 - Grants are classified according to the type of institution to which they flow. These grants are broadly of the nature of grants to local bodies, Co-operatives, educational institutions and others. The sub-item 'grants to others' comprises grants mainly to non-profit making institutions.

Item 23—It includes all grants on current accounts which the private industries receive from the Government. The grants may be in the form of direct payments to producers or of differential between the buying and selling prices of Government Trading Organisations. Thus subsidies are transfers and it adds to the income of the producers from current production. The grants may, for example, be based on the amount of value of commodities produced, exported or consumed, the labour of land employed in production on the manner in which the production is organised and carried on. Transfers by the public authorities to private industries for investment purposes or to cover, destruction, damage and other losses in capital and working assets are classed as capital transfers rather than as subsidies. Current grants made to private non-profit institutions serving households are not to be considered as subsidies.

All current transfers to public corporations irrespective whether they are made to maintain the price level or for other purposes, are to be treated as subsidies. Rebate on the sale of handloom cloth, loss on the sale of Fertilisers, improved seeds, pesticides, agricultural implements, payments to Co-operative Societies for maintenance of managers, loss suffered by the Co-operative Societies, etc. are to be treated as subsidies.

Item 24—Other Current transfers include transfers to households such as (a) political pensions, (b) old age pensions, (c) scholarships and stipends, (d) Gratuitous relief to famine stricken people, (e) privy purse, (f) All other current transfers booked under miscellaneous compensation, Pension for distinguished and meritorious services, prizes, etc.

Item 6—The distinction between transfer receipts (i. e. taxes) of Government on current and capital account like the distinction between transfer payment on current and Capital accounts, rests on the hypothesis that Government's Current transfer receipts constitute payments out of income, while capital receipts constitute payments out of capital. Based on this distinction estate duty is treated as capital receipt and does not appear here.

The tax revenue has been classified into two broad groups, viz. —(a) Taxes on income and wealth and (b) Taxes on Commodities and Transactions.

Taxes on income and wealth include taxes on income other than corporation tax, agricultural income-tax, land revenue and stamp duties, Taxes on commodities and transactions include union excise duties, State excise duties, tax on vehicles, taxes and duties on electricity, taxes on goods and passenger, entertainment tax and sales tax.

Item 7—Income from property and entrepreneurship—This item includes profits of Departmental Commercial Undertakings transferred to administration as well as the net rent interest and dividends accruing to it from ownership of buildings of financial assets. The item 7.2 (Income on Investment) includes the amount booked under major head 050—Dividends, etc. from commercial and other undertakings and income receivable by the State Government.

Item 8—Transfers from Households—It includes certain payments made by households and private non-profit institutions to State Governments for regulatory and social services charges provided mainly by Government agencies. Regulatory charges by

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22285

Government agencies are in connection with their regulatory activities and for services for which there is no parallel in private sector. Such services are mostly provided by the Government, since they depend on use of compulsory powers. Examples of such charges paid mainly by households are those for birth, death and marriage-registration fees, court fees, fines and penalties, which are booked under different revenue heads of the State Government Budget. It includes major head 030 and all major heads under other non-tax revenue except 113 and 133 (commercial) amount booked under other income from property has been deducted from the total of transfer from households. However, details available on Government transactions are generally not adequate to segregate such charges, for example, driving test licence fee, are to be included here.

Item 9 - Revenue grants, Contributions and recoveries from the rest of the economy. Revenue grants, contributions and recoveries are current transfer receipts accruing from the union Government, Central institutions such as Indian Council of Agricultural Research, National Co-operative Development and Warehousing Corporation, various committees and boards, etc.

ACCOUNT II

Transaction in commodities and Services and transfers, current account of Departmental Commercial Undertakings

The Departmental commercial undertakings may briefly be defined as Government agencies producing goods and services that are not provided free of charges. The operation of departmental commercial undertakings, which figure in the budget, are of the nature of entrepreneurial activities of Government. Current expenditure of these undertakings like working expenses of productive enterprises constitute intermediate expenditures that enter into the prices of goods and services as they are sold to other sectors of the economy. Therefore, they are different in character from final outlays by administrative departments, likewise, sale proceeds of Commercial Undertakings are different from the receipts (e. g. taxes) of purely administrative departments, which have no income of their own and draw upon incomes of other sectors to meet of their expenditures. This account, therefore, sets out what is generally known as the profit and loss account of departmental commercial undertakings and is different in character from Account I.

This account is concerned only with those commercial undertakings which are run departmentally and includes

- (i) Irrigation, Navigation, Embankment & Drainage Works (Commercial) (ii) Forests.

After formation of Road Transport Corporation in the State, the Road and Water Transport Department lost its importance as a Commercial Department. Therefore it was dropped for our purpose from 1982-83. Industrial Undertaking which were once managed departmentally by the Government and now functioning as autonomous companies are omitted from this account. It is important to note that the list of departmental commercial undertakings as given above does not exhaust the activities of commercial or semi-commercial nature, undertaken by the State Government. It is technically possible to treat activities like those of the Orissa Government Press, State Guest House, Boudh Tannery, Hide Collection Scheme etc., as commercial activities of the Government. This has not been done here either because the bulk of the sale of their services is not on a commercial basis or because the sale is mainly to Government Departments.

The items in this accounts are self explanatory. The expenditure side of the operating account of departmental commercial undertakings spell out compensation to employees (i. e., wages and salaries), pensions payments, commodities and services (i. e. purchase of raw materials, expenditure on repairs and maintenance, etc.). Other current transfer, a part of the interest charged to these undertakings and provision for depreciation. The residual items, profits transferred to Government/administration constitute the net contribution made by Departmental Commercial undertakings for financing the Government administration. The receipt side shows their gross sale proceeds.

ACCOUNT III

Transaction in commodities and services and transfers, Capital Account of State Government Administration and Departmental Commercial Undertakings

This account is concerned with the total Capital Outlay representing physical asset formation by administration and departmental commercial undertaking with its capital transfer payments mostly for assisting capital formation in rest of the economy. A distinction between administration and departmental commercial undertakings in respect of capital expenditure is not very meaningful for the reason that the entire expenditure on capital formation is final expenditure for which the Government has to find resources either from its own savings or by drawing on private savings.

The physical asset formation by Government has been shown in terms of gross and net asset formation (excluding the renewal and replacement expenditure of departmental commercial undertakings) and net increase in stocks. A break down of capital transfers has also been indicated. The deficit on all transactions in Commodities and services and transfers shown as a balancing item in account III and this measures the change in Government's net indebtedness to the rest of the economy. The components of each item are explained below—

Item 1.1— Buildings and other constructions include all expenditure on original work of buildings, transport and communication, power and irrigation, navigation, embankment, drainage, water-supply, sanitation and reclamation of land, wages and salaries paid to the staff engaged in projects under construction and expenditure on commodities and services incurred in connection with such projects have been constructed as part of the cost of construction and accordingly included under this item and not in account 1. Cost of renewal and replacement of buildings and other constructions has been included here.

Item 1.2— Machinery and equipments include expenditure incurred on the purchase of various types of machinery and equipments. It includes expenditure on tools and implements, vehicles, plants, furniture etc., by Government administration including departmental commercial undertakings.

Item 1.3— The net increase or decrease in stores needed for construction work and inventories of departmental commercial undertakings and administrative departments is shown under this item.

Items 1.1, 1.2 and 1.3 deal with the capital formation of Government administration and items 1.4, 1.5 and 1.6 deal with the capital formation of departmental commercial undertakings.

Item 2— Capital transfers include grants such as grants to local bodies for water-supply projects, drainage schemes and gratuities and commuted value of pensions and other capital transfers for capital formation. Other capital transfers comprise purchase of land and buildings, compensation to land owners and other compensatory payments to retrenched personnel.

Items 4 & 5—Receipts on capital Accounts— Receipts available for capital formation consist of gross savings on current (Account I) Provision for depreciation of Departmental Commercial undertaking (Account II), Capital grants, contributions and recoveries from Government of India and other out side agencies and estate duty. Other capital transfers include sale of land and other properties and also contributions towards gratuities received from other State Government and Government servants on foreign service.

ACCOUNT IV

**Changes in financial assets, capital account of State Government
administration and Departmental Commercial Undertakings**

This account is concerned with transactions in financial assets, i. e. investment in share capital of industrial and commercial concerns and loans and advances granted to the rest of the economy. Loans have been allocated between those meant for capital formation and those for others purposes. Investment in shares and loans for capital formation as shown in Account IV indicate the extent to which the State Government promotes Capital formation in the rest of the economy through financial assistance, in addition to the Capital formation directly undertaken by it. The net disbursement of loans for capital formation and other purposes and investment in shares are, therefore the net increase in financial assets.

Item 1 —Investment in shares of Government concerns denote investment in the share capital of such non-departmental commercial undertaking of the Government. All other concerns whether in the private, Co-operative or public sector have been treated as "others". In the case of Government concerns a distinction has been drawn between financial concerns and non-financial concerns.

Item 2 —Loans for capital formation include loans given for the creation of capital assets and comprises loans to Co-operatives, local bodies, State Electricity Board and others. Loans for capital formation to others include house building loans to Government employees and trade deposit advances, etc.

Loans and advances for current consumption includes loans to Co-operatives, local bodies and others. Loans for current consumption to others include festival advance, to Government employees.

ACCOUNT V

**Changes in financial liabilities, capital account of Government administration
and Departmental Commercial Undertakings**

This account deals with Government's liabilities and is concerned with the provisions of Finance for meeting the deficits emerging from Accounts III and IV. Balance emerging from this account represents the net increase in financial liabilities.

ACCOUNT VI

**Cash and capital reconciliation Account of Government Administration and
Commercial Undertakings**

This is the reconciliation account summing up the net position in respect of Accounts III, IV and V showing the effect of all transactions of the State Government on its cash position.

FUNCTIONAL CLASSIFICATION

A functional classification is designed to group the main items of Government expenditures in terms of board purposes to be served. It also provides information on the amount of public expenditures spent under a particular service or group of services like education, health, agriculture, etc. The object of the classification adopted in this brochure, however, is not to introduce some refinements in the functional grouping of Government expenditures as may be already existing in the budget documents but rather it is to attempt a reclassification by functions in conjunction with an economic classification in order to increase the significance of the magnitudes emerging from the latter.

It is to be noted that the frame work of the functional classification relates essentially to expenditures and does not apply to receipts. The total outlay of the State Government to which it applies is made up of the current expenditure in Account I, Capital expenditure in Account III and financial investments and loans and advances in Account IV of the economic classification. These three accounts show expenditures which can be related to specific purposes to be served up by Government policies. The current expenditure of the departmental commercial undertakings and trading enterprises are excluded as these are intermediate expenditure which represent the cost of production and not expenditure on final goods and services by the Government.

The expenditure of the State Government have been grouped into four main categories. —

1. General Services
2. Social Community Services
3. Economic Services
4. Other Purposes

Category 1 relates to General Services and covers expenditures of organs of Government financial affairs and fiscal administration, offices serving general Government such as planning services, Statistical Offices and Personnel Administration. Organs of Government include the legislative bodies and chief executive organs of all levels of Governments, their staff, library, research and other facilities, permanent, and *ad hoc* commissions and similar organisations acting on behalf of these bodies. Financial affairs and fiscal administrations consist of collecting taxes, raising public money, managing the public debt and controlling the disbursement of public funds. General services, such as printing, the operation of Government buildings, Central Motor Vehicle Pools, the provision of repair and maintenance services are included, when it is not practical to segregate these activities in to ancillary Government enterprises.

Maintenance of internal order, law courts, police, fire protection, prisons are included here. It also covers all outlays on law courts and the Judicial system including general legal tribunals and related organisation in charge of parole and probation activities, transfer payments to households and private non-profit institution, expenditure on police activities including traffic control, upkeep and new construction of prisons and other places of detention and corrections such as criminal asylums and reformatories are included here.

Category 2 relates to social and community services and is concerned with the provision of basic social amenities to the community. Expenditure on education, medical and public health and other social services, are included here. Education covers both general and technical education (i.e. engineering and medical college) and also basic research. However in services training and applied research have been allocated to the activities concerned. For instance, the Police Training School is treated as a part of the police service, but it is not classified under education. The sub-group "Medical and Public Health" also covers family Welfare programme. The sub-group "Other Social Services" includes housing, labour welfare and other social

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welfare schemes such as museums, parks, archaeology, public libraries, botanical and zoological garden, swimming pools etc. Expenditures provided in the budget for various programmes of employment are also included here. This sub-group also covers such expenditures as the lump sum provision made in the budget for primary education, rural water-supply and slum improvement, etc. The relief expenditure for displaced persons are included here. The expenditure on nutrition programme is also shown here.

Category 3 comprises provision for Economic Services and includes all such expenditures as promote directly or indirectly, productive activity within the economy. Further sub-division in to agriculture; transport and communications, Mining, Manufacturing and Construction, Electricity, Gas, Steam and water and "Other Economic Services" is done according to the type of economic activity. Agriculture includes animal husbandry, Fisheries, Forestry, Co-operation and Community Development. Mining and Manufacturing covers both large, small and village industries, exploitation of mineral resources and trade and export promotion. Transport and Communication covers expenditure incurred on administration, research, investment and other outlays in respect of promotion, provision for up-keep of lighting of highways, roads, bridges and tunnels, etc. It also includes expenditure for dredging of canals, rivers and lakes, construction, maintenance and operation of dock, harbour and port facilities, expenditure incurred on railways, road transport, water transport, air transport are included here. "Other economic services" is a residual category, which includes items like outlays on commerce including storage and warehousing, multipurpose flood control, irrigation, electric power and navigation project.

Finally, there are certain types of expenditures which can not be related to specific purposes and have been grouped under the category "unallocable". The main types of expenditure included here are public debt transaction, transfer of a general character to other Government organs, interest payments, outlays in connection with disasters and other calamities and outlays not elsewhere classified.

In the cross-classification of the State Government expenditure by economic categories and by functions as presented in this brochure, columns correspond to the functional categories and rows indicate their economic character, as derived from the economic classification. Thus reading along columns one may find out the break down of the each functional category under economic heads, for instance it would show as to how much of the total expenditure, on education is in the form of direct current expenditure, how much is in the form of grants and loans and how much is in the form of capital formation i. e. construction of School buildings, etc. Similarly, reading along rows, one may find out as to how much of the expenditure on consumption or capital formation is for administrative services and how much for building up social and economic potential.

The cross-classification thus shows the total expenditure of the State Government as broken down in to consumption, gross capital formation, current and capital transfers and financial investments and loans and advances and as related to their broad administrative social and economic purposes.

ERRATA

An Economic and Functional Classification of the Orissa Government Budget, 1983-84

Page	Reference	For	Read
(1)	(2)	(3)	(4)
20	Col. 1, row 9	.. Sarvices	.. Services
21	Col. 5, heading	.. (B. F.)	.. (B. E.)
21	Col 2, item 4	.. (1+2+3)	.. (1—2—3)
35	Item 6, Last Paragraph, line 3	tax on vehicles	.. Taxes on vehicles
36	First Paragraph, line 7	.. (commercial) amount	(commercial). Amount
37	First Paragraph, line 2	.. orma tion	.. forma tion
39	Paragraph 3, Sl. 2	.. S o c i a l Community Services	Social & Community Services
40	First Paragraph, line 6	.. ncluded	.. included
40	Last Paragraph, line 3	.. administrat ives	.. administrative