



GOVERNMENT OF ANDHRA PRADESH

FINANCE ACCOUNTS
(Volume - 1)

2011 - 2012

GOVERNMENT OF ANDHRA PRADESH

FINANCE ACCOUNTS

2011-2012

VOLUME-1

TABLE OF CONTENTS
(Both volumes contain contents of each other)

Subject	Page(s)
Volume 1	
▪ Table of Contents	(i)-(iii)
▪ Certificate of the CAG	(iv)-(v)
▪ Guide to Finance Accounts (Introduction)	1-5
1. Statement of Financial Position	6-7
2. Statement of Receipts and Disbursements	8-9
3. Statement of Receipts (Consolidated Fund)	10-13
4. Statement of Expenditure (Consolidated Fund)- By Function and Nature	14-19
▪ Notes to Accounts	20-33
▪ Appendix-I: Cash Balances and Investment of Cash Balances	34-36
Volume 2	
Part I	
5. Statement of Progressive Capital Expenditure	38-43
6. Statement of Borrowings and Other Liabilities	44-49

Subject	Page(s)
7. Statement of Loans and Advances given by the Government	50-52
8. Statement of Grants-in-Aid given by the Government	53-54
9. Statement of Guarantees given by the Government	55-61
10. Statement of Voted and Charged Expenditure	62
Part II	
11. Detailed Statement of Revenue and Capital Receipts by minor heads	64-90
12. Detailed Statement of Revenue Expenditure by minor heads	91-153
13. Detailed Statement of Capital Expenditure	154-232
14. Detailed Statement of Investments of the Government	233-261
15. Detailed Statement of Borrowings and Other Liabilities	262-278
16. Detailed Statement on Loans and Advances given by the Government	279-346
17. Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account	347-350
18. Detailed Statement on Contingency Fund and Other Public Account transactions	351-370
19. Detailed Statement on Investments of Earmarked Funds	371-376

Subject	Page(s)
Part III: Appendices	
II. Comparative Expenditure on Salary	378-388
III. Comparative Expenditure on Subsidy	389-394
IV. Grants-in-aid / Assistance given by the State Government (Institution-wise and Scheme-wise)	395-478
V. Details of Externally Aided Projects	479-485
VI. Plan Scheme Expenditure (Central and State Plan Schemes)	486-505
VII. Direct transfer of Central Scheme Funds to Implementing Agencies in the State (Funds routed outside State Budgets) (Un-Audited figures)	506-509
VIII. Summary of Balances (Consolidated Fund, Contingency Fund and Public Account)	510-515
IX. Financial results of Irrigation Works	516-517
X. Statement of Commitments – List of Incomplete Capital Works	518-569
XI. Maintenance Expenditure with Segregation of Salary and Non-salary Portion	570-589
XII. Statement on Implication of Major Policy Decisions during the year or new schemes proposed in the Budget for future Cash Flow	590-595
XIII. Statement of items for which allocation of balances as a result of re-organisation of States has not been finalized	596

Certificate of the Comptroller and Auditor General of India

This compilation containing the Finance Accounts of the Government of Andhra Pradesh for the year ending 31st March, 2012 presents the financial position along with accounts of the receipts and disbursements of the Government for the year. These accounts are presented in two volumes, Volume-1 contains the consolidated position of the state of finances, and Volume-2 depicts the accounts in detail. The Appropriation Accounts of the Government for the year for Grants and Charged Appropriations are presented in a separate compilation.

The Finance Accounts have been prepared under my supervision in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 from the compiled accounts and initial and subsidiary accounts rendered by the treasuries, offices, and departments responsible for the keeping of such accounts functioning under the control of the Government of Andhra Pradesh and the statements received from the Reserve Bank of India. Statements (9 and 14), Explanatory Notes (Statements 5 and 11) and Appendices (IX and X) in this compilation have been prepared directly from the information received from the Government of Andhra Pradesh and Corporations, Companies and Societies there under who are responsible to ensure the correctness of such information.

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

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

On the basis of the information and explanations that my officers required and have obtained, and according to the best of my information as a result of test audit of the accounts and on consideration of explanations given, I certify that, to the best of my knowledge and belief, the Finance Accounts read with the explanatory 'Notes to Accounts' give a true and fair view of the financial position, and the receipts and disbursements of the Government of Andhra Pradesh for the year 2011-2012.

Points of interest arising from study of these accounts as well as test audit conducted during the year or earlier years are contained in my Reports on the Government of Andhra Pradesh being presented separately for the year ended 31st March, 2012.



(VINOD RAI)

Comptroller and Auditor General of India

Date : 21 SEP 2012

Place : New Delhi

Guide to the Finance Accounts

A. Broad overview of the Structure of Government Accounts

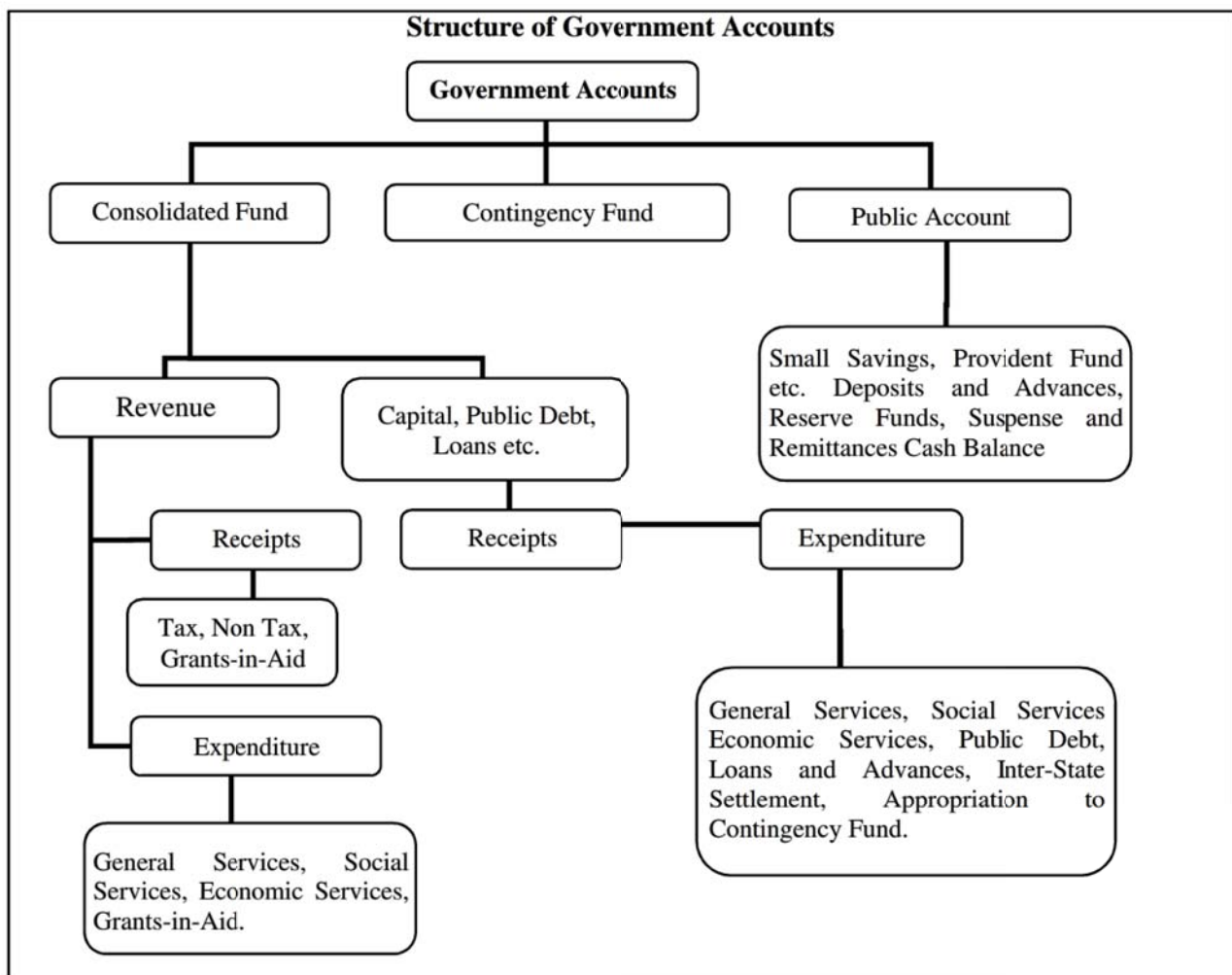
1. The Accounts of the Government are kept in three parts:

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

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

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

A.1.1. Pictorial representation of Structure of Government Accounts



2. DIVISIONS, SECTIONS, SECTORS etc.

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

B. WHAT DO THE STATEMENTS CONTAIN

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

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

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

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

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

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

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

5. **Statement of Progressive Capital Expenditure:** This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
6. **Statement of Borrowings and Other Liabilities:** Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the GOI. Both these together form the public debt of the State Government. In addition, this summary statement depicts 'Other Liabilities' which are the balances under various sectors in the public account. In respect of the latter, the Government acts as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The statement also contains a note on service of debt, i.e., a note on the quantum of net interest charges met from revenue receipts.
7. **Statement of Loans given by the Government:** The loans and advances given by the State Government are depicted in statement 1 and recoveries, disbursements feature in statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, the details of which are maintained by the AG office and details of which are maintained by the State departments.
8. **Statement of Grants-in-Aid given by the State Government,** organised by grantee institutions group wise. It includes a note on grants given in kind also.
9. **Statement of Guarantees given by the Government:** Guarantees given by the State Government for repayment of loans, etc. raised by Statutory Corporations, Government Companies, Local Bodies and Other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this statement.
10. **Statement of Voted and Charged Expenditure:** This statement presents details of voted and charged expenditure of the Government.

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

11. **Detailed Statement of Revenue and Capital Receipts by minor heads:** This statement presents the revenue and capital receipts of the Government in detail.
12. **Detailed Statement of Revenue Expenditure by minor heads:** This statement presents the details of revenue expenditure of the Government in detail. Non Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.
13. **Detailed Statement of Capital Expenditure:** This statement presents the details of capital expenditure of the Government in detail. Non Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
14. **Detailed Statement of Investments of the Government:** The position of Government Investment in the share capital and debentures of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.

15. **Detailed Statement of Borrowings and Other Liabilities:** Details of borrowings (market loans raised by the Government and Loans etc from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the detailed statement corresponding to statement 6 in part 1 volume 2.
16. **Detailed Statement on Loans and Advances given by the Government:** The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc. is presented in this statement. It also presents plan loans separately. This is the detailed statement corresponding to statement 7 in part 1 volume 2.
17. **Detailed Statement on Sources and Application of Funds for Expenditure other than Revenue Account:** The capital and other expenditure other than on revenue account and the sources of fund for the expenditure is depicted in this statement.
18. **Detailed Statement on Contingency Fund and Other Public Account transactions:** The statement shows changes in contingency fund during the year, the appropriations to the fund, expenditure, amount recouped etc. It also depicts the transactions in public account in detail.
19. **Statement showing details of Earmarked Balances:** This statement shows the details of investment out of reserve funds in public account.

Part III Volume 2 contains appendices on Salaries, Subsidies, Grants-in-Aid Scheme-wise and Institution-wise, Details of Externally Aided Projects, Scheme-wise Expenditure in respect of Major Central Schemes and State Plan Schemes etc. These details are present in the accounts at sub head level or below (i.e. below minor head levels) and so are not depicted in the Finance accounts. For a detailed list please refer to the index in volume 1 or 2. The Statements read with the appendices give a complete picture of the state of finances prevailing in the State Government.

C. READY RECKONER

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

Parameter	Summary Statements (Volume 1)	Detailed Statements (Volume 2)	Appendices
Revenue Receipts (including Grants received)	2, 3	11	
Revenue Expenditure	2, 4	12	2 (Salary), 3 (Subsidy)
Grants-in-Aid given by the Government	2	8	4
Capital receipts	2, 3	11	
Capital expenditure	1, 2, 4	5, 13, 17	
Loans and Advances given by the Government	1, 2, 7	16	

Parameter	Summary Statements (Volume 1)	Detailed Statements (Volume 2)	Appendices
Debt Position / Borrowings	1, 2, 6	15	
Investments of the Government, in Companies, Corporations, etc.		14	
Cash	1, 2		1, 8
Balances in Public Account and investments thereof	1, 2	18, 19	
Guarantees		9	
Schemes			5 (Externally Aided Projects), 6,7

C. Book adjustments:

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

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

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

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

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

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

1. STATEMENT OF FINANCIAL POSITION

Assets ¹	Reference (Sr. No.)		As at 31 st March 2012	As at 31 st March 2011
	Notes to Accounts	Statement		
<i>(Rupees in Crore)</i>				
Cash				
(i) Cash in Treasuries and Local Remittances		Appendix-I	4.97	4.97
(ii) Departmental Balances		18	0.91	0.91
(iii) Permanent Imprest		18	1.42	1.38
(iv) Cash Balance Investments	Para.2-(vi)	18	34,86.20	45,34.37
(v) Deposits with Reserve Bank of India & Other Banks		Appendix-I	4,02.37	(-)2,36.68
(vi) Investments from Earmarked Funds ²		19 & 14	54,32.11	45,25.26
Capital Expenditure				
(i) Investments in shares of Companies, Corporations, etc.	Para.3-(iii)	14	60,86.61	60,46.03
(ii) Other Capital Expenditure		13	10,99,51.05	9,62,75.73
Contingency Fund (un-recouped)	Para.3-(ix)	18	0.39	1.54
Loans and Advances	Para.3-(iii)	07	2,58,29.04	2,10,10.76
Advances with departmental officers		18	22.97	21.13
Suspense and Miscellaneous Balances ³	Para.3-(vi)	18	1,38.38	...
Remittance Balances			...	...
Cumulative excess of expenditure over Receipts ⁴			49,99.19	81,37.52
Total			15,63,55.61	14,03,22.92

- 1 The figures of assets and liabilities are cumulative figures. Please also see note 1(ii) in the section 'Notes to Accounts'.
- 2 Investments out of Earmarked funds in shares of companies etc are excluded under capital expenditure and included under 'Investments from Earmarked Funds' (Includes ₹6.08 crore depicted as 'Earmarked Funds' in statement No.14). As such, the figure depicted in Appendix-I against Investments from Earmarked Funds differs to that extent.
- 3 In this statement the line item 'Suspense and Miscellaneous Balances' does not include 'Cash Balance Investment Account', which is included separately above, though the latter forms part of this sector elsewhere in these Accounts.
- 4 The cumulative excess of receipts over expenditure or expenditure over receipts is different from and not the fiscal/revenue deficit for the current year.

1. STATEMENT OF FINANCIAL POSITION

Liabilities	Reference (Sr. No.)		As at	As at
	Notes to Accounts	Statement	31 st March 2012	31 st March 2011
<i>(Rupees in Crore)</i>				
Borrowings (Public Debt)				
(i) Internal Debt	Para.2-(i)	15	10,58,37.72	9,49,19.92
(ii) Loans and Advances from Central Government				
Non-Plan Loans		15	82.00	89.73 ^(a)
Loans for State Plan Schemes		15	1,71,69.72	1,53,07.74
Loans for Central Plan Schemes		15	4.78	17.46
Loans for Centrally Sponsored Plan Schemes		15	...	70.75 ^(b)
Other Loans		15	8.73	8.73 ^(c)
Contingency Fund (Corpus)		18	50.00	50.00
Liabilities on Public Account				
(i) Small Savings- Provident Funds, etc.		18	1,12,55.58	1,00,35.22
(ii) Deposits		18	1,39,27.11	1,25,79.35
(iii) Reserve Funds	Para.3-(iv)	18	76,52.81	64,01.18
(iv) Remittance Balance		18	3,67.16	2,70.19
(v) Suspense and Miscellaneous Balances	Para.3-(vi)	18	...	5,72.65
Cumulative excess of receipts over Expenditure			...	...
Total			15,63,55.61	14,03,22.92

- (a) Balance differs from previous year's closing balance by ₹0.59 crore (increased) due to proforma correction, to rectify misclassification.
- (b) Balance differs from previous year's closing balance by ₹0.04 crore (increased) due to proforma correction, to rectify misclassification.
- (c) Balance differs from previous year's closing balance by ₹0.63 crore (decreased) due to proforma correction, to rectify misclassification.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

Receipts			Disbursements		
	2011-12	2010-11		2011-12	2010-11
<i>(Rupees in Crore)</i>					
Part-I Consolidated Fund					
Section-A : Revenue					
Revenue Receipts	9,35,53.69	8,09,96.30	Revenue Expenditure	9,04,15.35	7,85,34.27
Tax Revenue (raised by the State)	5,32,83.42	4,51,39.55	Salaries ⁽¹⁾	1,83,63.92	1,64,46.96
Non-tax Revenue	1,16,94.34	1,07,19.73	Subsidies ⁽¹⁾	30,13.26	28,96.09
Interest Receipts	62,78.82	57,74.29	Grants-in-Aid ^(1,2)	2,79,61.12	2,32,51.97
Others	54,15.52	49,45.44	General Services	2,37,58.17	2,11,75.72
Share of Union Taxes/Duties	1,77,51.14	1,52,36.75	Interest Payment & Service of Debt	1,11,71.00	1,02,17.04
			Pension	1,11,09.85	96,09.42
			Others	14,77.32	13,49.26
			Social Services	81,31.83	59,92.13
			Economic Services	89,72.06	86,05.81
Grants from Central Government	1,08,24.79	99,00.27	Compensation and Assignment to Local Bodies and PRIs	2,14.99	1,65.59
Revenue Deficit	...	...	Revenue Surplus	31,38.34	24,62.03
Section-B : Capital					
Capital Receipts	...	...	Capital Expenditure	1,37,21.98	1,11,23.19
			Salaries ⁽¹⁾	3,87.60	3,67.59
			General Services	83.50	1,08.32
			Social Services	8,25.20	6,06.40
			Economic Services	1,24,25.68	1,00,40.88
Recoveries of Loans & Advances	1,64.92	1,72.61	Loans and Advances disbursed	49,83.21	33,14.93
			General Services	...	...
			Social Services	28,46.76	25,45.34
			Economic Services	19,14.64	6,67.21
			Others	2,21.81	1,02.38

(1) Salaries, Subsidies and Grants-in-Aid figures have been summed up across all sectors to present a consolidated figure. The Grant-in-Aid figure comprises of the expenditure classified under the dedicated object head "310 Grants-in-Aid" across all Major Heads and totals of Minor Heads 191, 192, 193, 196, 197 and 198. The expenditure in this statement under the sectors 'Social', 'General' and 'Economic' Services does not include expenditure on Salaries, Subsidies and Grants-in-Aid.

(2) Grants-in-Aid given to Statutory Corporations, Companies, Autonomous Bodies, Local Bodies etc., by the Government which is included as a line item above. These grants are distinct from compensation and assignment of taxes, duties to the Local Bodies which is depicted as a separate line item 'Compensation and Assignment to Local Bodies and PRIs'.

2. STATEMENT OF RECEIPTS AND DISBURSEMENTS

Receipts			Disbursements		
	2011-12	2010-11		2011-12	2010-11
<i>(Rupees in Crore)</i>					
Public Debt Receipts	1,94,49.62	1,87,22.47	Repayment of Public Debt	67,61.00	78,81.41
Internal Debt (Market loans etc.)	1,67,30.62	1,64,78.41	Internal Debt ^(#) (Market loans etc.)	58,12.81	63,24.27
Loans from GOI	27,19.00	22,44.06	Loans from GOI	9,48.19	15,57.14
Net of inter-state Settlement	...	...	Net of inter-state Settlement	...	...
Total Receipts Consolidated Fund	11,31,68.23	9,98,91.38	Total Expenditure Consolidated Fund	11,58,81.54	10,08,53.80
<i>Deficit in Consolidated Fund</i>	27,13.31	9,62.42	<i>Surplus in Consolidated Fund</i>	...	...
Part II Contingency Fund					
Contingency Fund	1.53 ^(*)	0.43	Contingency Fund	0.39	1.54
Part III Public Account⁽³⁾					
Small Savings	33,76.41	31,29.80	Small Savings	21,56.05	15,27.01
Reserves & Sinking Funds	32,71.70	35,36.13	Reserves & Sinking Funds	29,20.83	25,91.19
Deposits	4,28,75.84	3,85,38.77	Deposits	4,15,28.09	3,68,29.30
Advances	87.35	68.83	Advances	89.18	75.27
Suspense and Misc.	12,34,19.78	8,96,12.59	Suspense and Misc. ⁽⁴⁾	12,30,82.68	9,18,12.38
Remittances	1,75,24.03	1,50,29.79	Remittances	1,74,27.06	1,63,81.17
Total Receipts Public Account	19,05,55.11	14,99,15.91	Total Disbursements Public Account	18,72,03.89	14,92,16.32
<i>Deficit in Public Account</i>	...	...	<i>Surplus in Public Account</i>	33,51.22	6,99.59
Opening Cash Balance	(-)2,31.71	32.23	Closing Cash Balance	4,07.34	(-)2,31.71
Increase in Cash Balance	6,39.05	...	Decrease in Cash Balance	...	2,63.94

(#) Includes NSSF payment of ₹10,04.91 crore.

(*) Differs by ₹0.01 crore due to rounding.

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

(4) 'Suspense and Miscellaneous' includes 'Other Accounts' such as Cash Balance Investment Account (Major Head 8673) etc.

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

I. Consolidated Fund

Description		2011-12	2010-11
		<i>(Rupees in Crore)</i>	
A.	Tax Revenue-		
A.1	Own Tax revenue-		
	Land Revenue	1,40.56	1,70.74
	Stamps and Registration fees	43,85.25	38,33.58
	State Excise	96,12.36	82,64.67
	Taxes on Sales, Trade, etc.	3,49,10.01	2,91,44.84
	Taxes on goods and passengers	12.06	9.48
	Taxes on Vehicles	29,86.41	26,26.75
	Others	12,36.77	10,89.50
A.2	Share of net proceeds of Taxes-		
	Corporation Tax	69,86.97	59,55.48
	Taxes on Income other than Corporation Tax	35,49.07	31,47.13
	Other Taxes on Income and Expenditure	...	...
	Taxes on Wealth	26.98	12.21
	Customs	30,77.71	26,64.31
	Union Excise Duties	19,91.57	19,38.20
	Service Tax	21,18.85	15,19.42
	Other Taxes and Duties on Commodities and Services	(-)0.01	(-)0.01
	Total- A	7,10,34.56	6,03,76.30
B.	Non-tax Revenue-		
	Interest receipts	62,78.82	57,74.29
	Non-ferrous Mining and Metallurgical Industries	23,36.73	20,64.86
	Other Rural Development Programmes	7,16.92	5,35.34
	Education Sports Art and Culture	6,75.02	2,37.95
	Miscellaneous General Services	2,55.17	8,06.97
	Police	2,46.01	1,70.99
	Other General Economic Services	1,62.49	1,36.56
	Forestry and Wild Life	1,49.22	1,39.06
	Ports and Light Houses	1,46.97	86.49
	Other Administrative Services	1,37.96	67.30
	Medical and Public Health	1,09.30	67.50
	Civil Supplies	77.01	38.62
	Major Irrigation	56.12	61.88

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

I. Consolidated Fund

Description	2011-12	2010-11
	<i>(Rupees in Crore)</i>	
Dividends and Profits	51.52	39.44
Urban Development	50.11	2,88.31
Power	38.43	27.61
Labour and Employment	29.89	26.70
Roads and Bridges	27.43	24.35
Co-operation	18.29	29.21
Contributions and Recoveries towards Pension and Other Retirement benefits	17.64	14.53
Crop Husbandry	16.24	13.80
Medium Irrigation	16.15	3.44
Family Welfare	11.75	0.03
Water Supply and Sanitation	10.65	4.53
Land Reforms	8.95	4.48
Tourism	8.29	7.38
Public Works	7.45	9.60
Other Social Services	5.37	4.96
Minor Irrigation	4.96	5.16
Jails	4.50	3.15
Fisheries	3.98	3.88
Animal Husbandry	3.71	2.02
Village and Small Industries	3.07	4.06
Public Service Commission	2.79	4.14
Housing	2.40	1.89
Social Security and Welfare	2.23	6.85
Stationery and Printing	0.45	0.54
Information and Publicity	0.15	0.13
Industries	0.13	1.68
Other Industries	0.04	... ^(*)
Other Agricultural Programmes	0.03	0.04
Others (Major heads with receipts below rupees one lakh have been clubbed)	...	0.01
Total- B	1,16,94.34	1,07,19.73

(*) ₹0.37 lakh only.

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

II. Grants from Government of India

Description	Actuals	
	2011-12	2010-11
	<i>(Rupees in Crore)</i>	
C. Grants-		
Grants-in-Aid from Central Government-		
Non Plan Grants-		
Grants under the proviso to Article 275 (1) of the Constitution	12,76.20	9,28.38
Grants towards contribution to State Disaster Response Fund	3,00.71	8,56.41
Grants under National Disaster Response Fund	9,10.04	...
Other Grants	10,11.79	23,97.83
Grants for State/ Union Territory Plan Schemes-		
Block Grants (of which EAP ₹45.89 / ₹72.08 crore)	36,10.73	30,44.66
Grants under the proviso to Article 275 (1) of the Constitution	1,47.75	1,02.14
Grants from Central Road Fund	1,98.33	1,71.79
Other Grants	...	...
Grants for Central Plan Schemes	1,00.50	60.14
Grants for Centrally Sponsored Plan Schemes	32,68.74	23,38.92
Grants for Special Plan Schemes	...	...
Total- C	1,08,24.79	99,00.27
Total- Revenue Receipts (A+B+C)	9,35,53.69	8,09,96.30

3. STATEMENT OF RECEIPTS (CONSOLIDATED FUND)

III. Capital, Public Debt and Other Receipts

Description	Actuals	
	2011-12	2010-11
	<i>(Rupees in Crore)</i>	
D. Capital Receipts-		
Disinvestment proceeds	...	...
Others	...	...
Total- D	...	...
E. Public Debt Receipts-		
Internal Debt-		
Market Loans	1,55,00.00	1,20,00.00
Ways and Means Advances from the RBI	...	2,18.15
Bonds	...	...
Loans from Financial Institutions	11,32.04	8,77.41
Special Securities issued to National Small Savings Fund	...	30,05.75
Other Loans	98.58	3,77.10
Loans and Advances from Central Government-		
Non Plan Loans	...	...
Loans for State Plan Schemes (Block Loans) ^(\$)	27,19.00	22,44.06
Loans for Central Plan Schemes	...	...
Loans for Centrally Sponsored Plan Schemes	...	...
Other Loans	...	...
Total- E	1,94,49.62	1,87,22.47
F. Loans and Advances by State Government (Recoveries)⁽¹⁾	1,64.92	1,72.61
G. Inter-State Settlements	...	...
Total- Receipts in Consolidated Fund (A+B+C+D+E+F+G)	11,31,68.23	9,98,91.38

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

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

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

A. EXPENDITURE BY FUNCTION

Description	Revenue	Capital	L&A	Total
	<i>(Rupees in Crore)</i>			
A. General Services-				
A.1 Organs of State-				
Parliament/State/Union Territory Legislatures	83.91	...	...	83.91
President, Vice President / Governor, Administrator of Union Territories	7.92	...	...	7.92
Council of Ministers	10.52	...	...	10.52
Administration of Justice	5,96.96	...	...	5,96.96
Elections	74.81	...	...	74.81
A.2 Fiscal Services-				
Land Revenue	75.78	...	...	75.78
Stamps and Registration	1,33.51	...	...	1,33.51
State Excise	2,67.31	...	...	2,67.31
Taxes on Sales, Trade etc.	2,82.73	...	...	2,82.73
Taxes on Vehicles	1,00.39	...	...	1,00.39
Other Taxes and Duties on Commodities and Services	7.57	...	...	7.57
Other Fiscal Services	56.35	...	...	56.35
Appropriation for Reduction or Avoidance of Debt	6,10.23	...	...	6,10.23
Interest Payments	1,05,60.77	...	...	1,05,60.77
A.3 Administrative Services-				
Public Service Commission	31.44	...	...	31.44
Secretariat-General Services	1,38.12	...	...	1,38.12
District Administration	8,11.51	...	...	8,11.51
Treasury and Accounts Administration	2,21.49	...	...	2,21.49
Police	39,79.59	16.47	...	39,96.06
Jails	1,35.69	...	...	1,35.69
Stationery and Printing	63.18	...	...	63.18
Public Works	2,63.13	59.44	...	3,22.57
Other Administrative Services	2,51.06	7.66	...	2,58.72
A.4 Pension & Misc. General Services-				
Pensions and Other Retirement Benefits	1,11,09.85	...	...	1,11,09.85
Miscellaneous General Services	0.37	...	...	0.37
Total- General Services	2,98,74.19	83.57	...	2,99,57.76

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

Description	Revenue	Capital	L&A	Total
	<i>(Rupees in Crore)</i>			
B. Social Services-				
B.1 Education, Sports Art & Culture-				
General Education	1,40,05.69	1,20.54 ^(#)	24.86	1,41,51.09
Technical Education	6,91.35	...	...	6,91.35
Sports and Youth Services	1,30.18	...	...	1,30.18
Art and Culture	1,06.94	...	...	1,06.94
B.2 Health & Family Welfare-				
Medical and Public health	41,93.05	73.33	79.60	43,45.98
Family Welfare	8,32.43	0.84	...	8,33.27
B.3 Water Supply, Sanitation, Housing and Urban Development-				
Water Supply and Sanitation	3,92.69	1,58.57	2,25.00	7,76.26
Housing	5,37.47	19.34	12,67.98	18,24.79
Urban Development	23,87.99	...	12,01.15	35,89.14
B.4 Information and Broadcasting-				
Information and Publicity	3,12.08	...	...	3,12.08
B.5 Welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes-				
Welfare of Scheduled Caste, Scheduled Tribes and other Backward Classes	57,56.40	3,89.70	48.17	61,94.27
B.6 Labour and Labour Welfare-				
Labour and employment	2,64.43	...	...	2,64.43
B.7 Social Welfare & Nutrition-				
Social Security and Welfare	40,16.03	12.86	...	40,28.89
Nutrition	30,73.12	...	...	30,73.12
Relief on Account of Natural Calamities	12,76.98	...	...	12,76.98
B.8 Others-				
Other Social Services	...	54.52	...	54.52
Secretariat- Social Services	40.08	...	...	40.08
Total- Social Services	3,80,16.91	8,29.70	28,46.76	4,16,93.37
C. Economic Services-				
C.1 Agriculture & Allied Activities-				
Crop Husbandry	26,01.68	34.85	...	26,36.53
Soil & Water Conservation	30.36	...	...	30.36
Animal Husbandry	4,51.27	0.50	...	4,51.77

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

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

Description	Revenue	Capital	L&A	Total
	<i>(Rupees in Crore)</i>			
Dairy Development	...	...	7.60	7.60
Fisheries	71.13	...	...	71.13
Forestry & Wild Life	3,35.31	1.09	...	3,36.40
Agricultural Research & Education	5,22.85	25.00	...	5,47.85
Co-operation	1,65.89	15.76	4.11	1,85.76
Other Agricultural Programmes	9.78	...	...	9.78
C.2 Rural Development-				
Special Programmes for Rural Development	12,10.56	...	...	12,10.56
Land Reforms	14.18	...	...	14.18
Other Rural Development Programmes	24,55.75	...	...	24,55.75
C.4 Irrigation & Flood Control				
Major Irrigation	57,35.38	88,79.54	...	1,46,14.92
Medium Irrigation	6,13.95	3,27.10	...	9,41.05
Minor Irrigation	4,10.36	12,73.20	...	16,83.56
Command Area Development	18.25	0.13	...	18.38
Flood Control & Drainage	1,17.13	3,03.16	...	4,20.29
C.5 Energy-				
Power	44,07.39	33.02	14,75.01	59,15.42
New and Renewable Energy	8.44	...	...	8.44
C.6 Industry & Minerals-				
Village & Small Industries	2,76.04	0.02	...	2,76.06
Industries	1,56.96	...	...	1,56.96
Non- Ferrous Mining & Metallurgical Industries	26.43	...	...	26.43
Consumer Industries	...	5.00	61.49	66.49
Other Industries	11.00	2.75	...	13.75
C.7 Transport-				
Ports & Light Houses	13.59	5.23	...	18.82
Civil Aviation	16.46	1.50	14.19	32.15
Roads & Bridges	15,06.15	11,98.63	...	27,04.78
Road Transport	1,00.33	...	3,52.24	4,52.57
Inland Water Transport	2.78	...	...	2.78
Other Transport Services	...	...	...	...
C.9 Science & Technology-				
Other Scientific Research	11.18	...	...	11.18
Ecology & Environment	1.66	...	...	1.66

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

Description	Revenue	Capital	L&A	Total
	<i>(Rupees in Crore)</i>			
C.10 General Economic Service-				
Secretariat- Economic Services	6,65.74	...	...	6,65.74
Tourism	30.79	...	...	30.79
Foreign Trade & Export Promotion	2.75	...	...	2.75
Census Surveys & Statistics	1,36.76	...	...	1,36.76
Civil Supplies	1,53.00	...	...	1,53.00
Other General Economic Services	17.98	7,02.23	...	7,20.21
Total- Economic Services	2,23,09.26	1,28,08.71	19,14.64	3,70,32.61
D. Loans, Grants in Aid & Contributions-				
Compensation & Assignments to Local Bodies and Panchayati Raj Institutions	2,14.99	...	...	2,14.99
E. Loans to Government Servants, etc.-				
Loans to Government Servants etc.	...	...	2,20.06	2,20.06
Misc. Loans	...	...	1.75	1.75
F. Public Debt-				
Internal Debt of the State Government	...	...	58,12.81	58,12.81
Loans and Advances from the Central Government	...	...	9,48.19	9,48.19
Total- Loans, Grants in Aid & Contributions	2,14.99	...	69,82.81	71,97.80
Total- Consolidated Fund Expenditure	9,04,15.35	1,37,21.98	1,17,44.21	11,58,81.54

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

Object of Expenditure	2011-12			2010-11			2009-10		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	<i>(Rupees in Crore)</i>								
Grants-in-Aid	28176.11	25.69	28201.80	23417.56	220.98	23638.54	17826.92	508.60	18335.52
Salaries	18363.92	387.60	18751.52	16446.96	367.59	16814.55	14730.03	291.69	15021.72
Interest	16473.51	...	16473.51	15227.31	...	15227.31	13535.51	...	13535.51
Major Works	169.36	12934.26	13103.62	184.84	10296.44	10481.28	175.27	13116.94	13292.21
Pensionary Charges	11060.59	1.47	11062.06	9466.80	2.45	9469.25	6303.70	1.57	6305.27
Scholarships and Stipends	3727.57	...	3727.57	3135.21	...	3135.21	1745.40	...	1745.40
Subsidies	3013.26	...	3013.26	2896.09	...	2896.09	2843.67	...	2843.67
Minor Works	2102.41	307.64	2410.05	1439.70	140.06	1579.76	1779.82	206.57	1986.39
Inter Account Transfers	1956.58	(-)441.90	1514.68	1201.13	(-)314.77	886.36	137.02	(-)264.36	(-)127.34
Other Charges	1044.13	275.74	1319.87	1181.50	235.07	1416.57	699.57	240.08	939.65
Cost of Ration / Diet Charges	1241.13	...	1241.13	661.31	...	661.31	608.55	...	608.55
Professional Services	753.70	57.69	811.39	648.68	52.17	700.85	557.04	61.60	618.64
Supplies and Materials	761.21	...	761.21	383.03	...	383.03	385.96	...	385.96
Contributions	684.76	...	684.76	1708.32	...	1708.32	1650.34	...	1650.34
Other Contractual Services	552.69	11.11	563.80	327.04	7.16	334.20	305.33	5.70	311.03
Office Expenses	435.54	35.42	470.96	420.05	21.22	441.27	448.61	27.92	476.53
Domestic Travel Expenses	369.38	19.43	388.81	338.81	10.04	348.85	404.33	13.19	417.52
Advertising and Publicity	265.73	39.63	305.36	88.22	39.21	127.43	189.88	44.93	234.81

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

Object of Expenditure	2011-12			2010-11			2009-10		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	<i>(Rupees in Crore)</i>								
Rents, Rates and Taxes	120.13	2.15	122.28	81.22	0.79	82.01	77.31	1.29	78.60
Machinery and Equipment	91.48	14.12	105.60	72.00	1.50	73.50	60.74	6.54	67.28
Petrol, Oil and Lubricants	83.50	2.98	86.48	62.58	1.89	64.47	77.65	3.17	80.82
Motor Vehicles	67.81	0.88	68.69	55.26	1.06	56.32	30.64	0.97	31.61
User Charges	58.99	...	58.99	50.43	...	50.43	37.12	...	37.12
Investments	...	46.67	46.67	...	42.72	42.72	...	24.41	24.41
Wages	36.94	2.74	39.68	35.10	2.48	37.58	33.59	2.57	36.16
Clothing and Tentage Stores	31.82	0.01	31.83	55.47	0.01	55.48	60.70	0.01	60.71
Publications	30.01	0.47	30.48	20.75	0.04	20.79	28.59	0.21	28.80
Other Administrative Expenses	23.46	0.54	24.00	12.52	0.16	12.68	17.59	0.10	17.69
Arms and Ammunition	13.72	...	13.72	...	...	...	...	...	...
Secret Service Expenditure	10.50	...	10.50	11.46	...	11.46	...	...	...
Others	1.23	0.05	1.28	7.42	...	7.42	17.19	...	17.19
Recoveries	(-)1305.82	(-)2.41	(-)1308.23	(-)1102.50	(-)5.08	(-)1107.58	(-)1320.13	(-)500.63	(-)1820.76
TOTAL	90415.35	13721.98	104137.33	78534.27	11123.19	89657.46	63447.93	13793.05	77240.98

NOTES TO ACCOUNTS

1. Summary of significant Accounting Policies:

(i) Entity and Accounting Period: The Finance Accounts 2011-2012 present the transactions of the Government of Andhra Pradesh for the period from 1st April 2011 to 31st March 2012. The accounts of receipts and expenditure of the Government of Andhra Pradesh have been compiled based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. The rendition of Accounts by Treasuries is satisfactory. The details of exclusion of accounts during the year are shown in Annexure-D.

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

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

The expenditure on Pension and Other Retirement Benefits to State Government employees during the year was ₹1,11,09.85 crore (i.e., 12.29% of total revenue expenditure of ₹9,04,15.35 crore). Government of Andhra Pradesh introduced the New Pension Scheme, which is a Defined Contribution Pension Scheme w.e.f. 01-09-2004. An amount of ₹2,00.11 crore towards employees' contributions and ₹28.53 crore towards employer's share has been deposited under the head '8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees' during the year. The State Government's progressive liability on this account as on 31st March 2012 was ₹8,94.40 crore, since the amount is yet to be passed on to the designated Fund Manager as prescribed under the defined Contributory Pension Scheme.

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

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

(v) Classification under Revenue and Capital:

Revenue expenditure is recurring in nature and is intended to be met from revenue receipts. Capital Expenditure is defined as expenditure incurred with the object of increasing concrete assets of a material and permanent character, or of reducing permanent liabilities. However, during the year the Government has incorrectly provided and incurred an amount of ₹3,07.64 crore towards Minor works under Capital section and ₹1,69.40 crore towards Major works under Revenue section.

(vi) Expenditure relating to Grants-in-Aid as per the Indian Government Accounting Standard-2 (IGAS-2) is to be classified as Revenue expenditure. The State Government has budgeted for an amount of ₹2,20.24 crore and incurred an expenditure of ₹25.69 crore under Capital heads of account instead of the Revenue section. This is not in accordance to the IGAS-2 which states that “Expenditure on Grants-in-Aid for the purpose of creating assets shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor General of India be debited to a Capital head of account in the Financial Statements of the Government”.

2. Quality of Accounts

(i) **Adverse Balances under MH 6003-Internal Debt of State:** The Administrative Departments that directly avail of Institutional Loans incorrectly book them as their receipts instead of classifying them as credit for the Government as a whole under MH 6003-Internal Debt. Loan repayments, however, are correctly booked as debit under MH 6003-Internal Debt. This has resulted in adverse balance of ₹37,32.46 crore in 2011-12. This office was unable to reconcile these figures as the Administrative Departments except Agriculture & Cooperation and A.P. Road Development Corporation (partially) have failed to furnish details of Institutional loans received by them. Thus, the depiction of debt position of the State in the accounts remains understated and there is no assurance that the loans are utilized for intended purposes.

(ii) **Operation of omnibus Minor Head 800:** ₹34,46.87 crore, constituting around 3.68% of total Revenue Receipts was classified under the omnibus Minor Head 800- ‘Other Receipts’ against 58 Major heads. Similarly, ₹1,41,64.95 crore, constituting around 13.60% of Total Expenditure, was classified under Minor Head 800-Other Expenditure under more than 100 Major heads in Revenue and Capital sections either due to non-availability of specific head of account or due to incorrect identification of expenditure under the available heads of account at the budget stage. Instances, where **substantial amounts** of receipt and expenditure were classified under Minor Head 800-Other Receipts and Other Expenditure are listed in Annex-A and B respectively.

(iii) Existence of outstanding Abstract Contingent Bills (AC Bills): Drawing and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingent Bills by debiting service heads. Detailed Contingent Bills (DC Bills) are presented subsequently along with supporting documents. To the end of 31st March 2012, a total of 1,09,753 DC Bills amounting to ₹15,74.15 crore were pending.

(iv) Transfer of Funds to PD Accounts: From time to time, the Finance Department authorises the opening of Personal Deposit (PD) Accounts for specified purposes. Funds are periodically transferred to PD accounts of the designated administrators by debiting the concerned service major head in the Consolidated Fund and crediting relevant deposit head under Public Account. During the year 2011-12 an amount of ₹8,51.25 crore was transferred from the Consolidated Fund to Public Account. Since Administrator wise PD Accounts are not being maintained in this office, details regarding transfer of unspent balances back to Government Account and a correlation of AC Bills with PD Accounts/Bank Accounts could not be arrived at.

The Principal Accountant General (A&E), Andhra Pradesh maintains only lump sum BROADSHEET of PD Accounts, while individual PD Account-wise details are maintained in the treasuries. The information obtained from respective treasuries is furnished hereunder.

Statement showing details of PD Accounts

No. of PD Accounts existing at the start of the year/amount involved		No. of PD Accounts opened during the year/amount involved		No. of PD Accounts closed at the end of the year/amount involved		No. of PD Accounts existing at the close of the year/amount involved		No. of PD Accounts for which departmental officers have conducted verification/reconciliation of balances	
Number	Amount (Rupees in crore)	Number	Amount (Rupees in crore)	Number	Amount (Rupees in crore)	Number	Amount (Rupees in crore)	Number	Amount (Rupees in crore)
90,188	2,17,37.68	536	5,34.64	151	0.80	90,573	2,22,71.52	53,913	1,49,16.76

Note 1: Opening balance differs with closing balance of 2010-11 by ₹1,11,21.12 crore (increased). This discrepancy is required to be reconciled by the respective treasuries.

Note 2: Eleven out of the 23 District treasuries in Andhra Pradesh have confirmed that PD Account details have been reconciled upto 31-03-2012. Thus, 59% of the PD Accounts and 67% of the total amounts lying outstanding in PD Accounts have been reconciled to the end of 31-03-2012.

(v) Reconciliation of Receipts and Expenditure:

All Chief Controlling Officers (CCOs) are required to reconcile the Receipts and Expenditure of the Government with the figures accounted for by the Accountant General. In respect of expenditure (excluding public debt) reconciliation has been completed for a value of ₹8,40,02.80 crore (76.98%) against a total expenditure of ₹10,91,20.54 crore and in respect of receipts (excluding public debt) for a value of ₹3,63,76.71 crore (38.81%) against a total receipt of ₹9,37,18.61 crore.

(vi) Cash Balance

Cash Balance worked out by the office of Principal Accountant General is ₹4,01.03 crore (Debit). The Cash Balance reported by RBI as on 31st March 2011 was ₹4,02.53 crore (Credit). Thus there is a difference of ₹1.50 crore (net debit) between the two figures. The difference is mainly because of non- reconciliation of figures by the Agency Banks. Out of the debit difference of ₹20.46 crore and credit difference of ₹21.97 crore, an amount of ₹7.30 crore (Debit) and ₹6.73 crore (Credit) have been identified and taken into account during the next accounting period (4/12 to 5/12).

(vii) Utilization Certificates Awaited

The Financial Rules (Note below Article 211-A (2) of the Andhra Pradesh Financial Code) prescribe that, where grants are sanctioned for specific purposes, the departmental officers concerned should obtain Utilisation Certificates (UCs) from the grantees, which, after verification should be forwarded to the Accountant General. Scrutiny of sanction orders received in this office along with vouchers during 2011-12 reveals that except in 187 cases amounting to ₹80.41 crore, none of the sanction orders for Grants-in-Aid of ₹2,81,76.11 crore indicated that utilisation certificates were to be furnished to the Accountant General. Test check revealed that even Grants-in-Aid sanctions pertaining to District Rural Development Agencies (DRDAs) which prima facie, are sanctioned for specific purposes do not stipulate monitoring of UCs by the Accountant General. Thus, utilisations of a substantial amount of Grant-in-Aid for specific purposes remain outside the scrutiny of this office.

Even where UCs are required to be presented to the Accountant General, these were not received, as per details below:

Year	No. of Utilisation Certificates awaited	Amount involved (Rupees in Crore)
Upto 2010-11	27	4.79
2011-12	187	80.41
TOTAL	214	85.20

3. Other Items

(i) Central Loans

(a) Write off of the Central Loans: On the recommendations of the Thirteenth Finance Commission, Government of India, Ministry of Finance, Department of Expenditure (Fiscal Reforms Unit) vide their Lr.No.8(34)/ FRU/2012 dated 19th February 2012, have conveyed the sanction of President of India to write off the central loans under Central Plan Schemes (CPS) and Centrally Sponsored Schemes (CSS) advanced to State Government by various Ministries outstanding as on 31st March 2010. Accordingly, necessary adjustments are carried out in the books of this Office limited to current balances (2011-12) outstanding in the ledger of Ministries as detailed below. Thereby, liability of the State Government has been reduced to the extent of ₹76.03 crore.

Sl.No.	Name of the Ministry	Head of Account	Amount Written-off (In ₹)
1.	Ministry of Home Affairs	6004-01-115	1,23,42,000
2.	Ministry of Agriculture(CPS)	6004-03-307	30,08,337
3.	Ministry of Water Resources	6004-03-308	10,28,12,500
4.	Ministry of Urban	6004-04-284	7,58,98,550
5.	Ministry of Agriculture(CSS)	6004-04-298	59,76,840
6.	Ministry of Agriculture(CSS)	6004-04-305	42,97,77,454
7.	Ministry of Agriculture(CSS)	6004-04-307	12,83,58,007
8.	Ministry of Commerce & Textiles	6004-04-321	1,28,500
9.	Ministry of Power	6004-04-334	2,00,000
10.	Ministry of Road Transport & Highways	6004-04-337	17,86,520
Total Amount Written-Off			76,02,88,708

(b) Back to Back loans: In respect of Back to Back loans, while credit towards loan receipts were passed on to MH-6004-Loans and Advances from Central Government, the Debits (₹2,94.78 crore) remained unadjusted under Suspense head for want of relevant G.Os apportioning the expenditure among the relevant loan heads of account.

(ii) Guarantees: Details are available at Statement No.9 and are based on information received from the State Government, and where available, from the respective Institutions. As per “The Andhra Pradesh Fiscal Responsibilities and Budget Management Act, 2005” the State Government may give guarantees on the security of the Consolidated Fund of the State limiting the amount of annual incremental risk weighted guarantees to 90 percent of the Total Revenue Receipts in the year preceding the current year. As at the end of March 2012, the State Government had extended guarantees amounting to ₹2,41,74.78 crore to various institutions. Of this, an amount of ₹1,22,86.24 crore is outstanding against principal and interest which was within limit. As regards Guarantee Redemption Fund the State Government has transferred ₹69.63 crore to the fund and the entire balance of ₹7,14.89 crore at the credit of the fund was invested.

(iii) Loans and Investments: Despite constant efforts by this office, State Government departments have failed to furnish complete details of outstanding loans in their records as on 31st March 2012 and steps taken for the recovery of arrears.

Similarly, the details of investments by the Government also have not been made available to this office and therefore, this office has been forced to depend on limited information on Government investments depicted under detailed head “540-Investments” in the accounts that has been obtained from the respective Institutions / Corporations and reconciled to the extent of data available. Details are given in Statement No.14.

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

(v) **State Disaster Response Fund (SDRF):** The Government of India has announced the replacement of the existing Calamity Relief Fund with the State Disaster Response Fund (SDRF). As per the guidelines, a State Executive Committee (SEC) is to be constituted to determine the investment of fund balances, and till such time, the State Government is required to pay interest equivalent to the rates applicable to Overdrafts provided by the Reserve Bank of India (RBI). However, the State Government is yet to constitute the SEC or make budget provision for interest payment and therefore, this office has been unable to adjust the amount of interest payable to the Fund. In the meantime contributions continue to be made by the Government of India and the Government of Andhra Pradesh into the Fund. During 2011-12, an amount of ₹12,85.00 crore was received as contribution and ₹11,83.91 crore of expenditure was transferred to fund account. The fund account still shows a closing credit balance of ₹1,01.09 crore to end of 31st March 2012. In this connection this office has addressed the State Government to take necessary steps to arrange for investment of the available fund balance as on 1st April 2012 in various Government of India securities in compliance with Government of India guidelines to SDRF/NDRF under intimation to this office.

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

Position of balances under suspense for the last three years

Name of Minor Head	2011-2012			2010-2011			2009-10		
	Dr	Cr	Net(Dr)	Dr	Cr	Net(Dr)	Dr	Cr	Net(Dr)
	<i>(Rupees in Crore)</i>								
101-PAO Suspense	92.62	(-)3.07	95.69	78.76	(-)3.99	82.75	74.82	(-)9.38	84.20
102-Suspense Account (Civil)	835.79	681.00	154.79	778.18	697.85	80.33	633.60	601.55	32.05
110-Reserve Bank Suspense (Central Accounts Office)	1942.45	1946.19	(-)3.74	(-)895.94	(-)917.15	21.21	(-)1038.00	(-)1404.86	366.86

(vii) MH 8670 Cheques and Bills: Credit balance under MH 8670 Cheques and Bills indicates cheques issued which remained unencashed to end of the financial year (i.e., 31st March). Closing balance at the end of 2010-11 was ₹7,97.27 crore (Credit). During 2011-12, cheques worth ₹1,90,98.61 crore were issued, against which cheques worth ₹1,97,72.97 crore were encashed, leaving a closing balance of ₹1,22.91 crore (Credit).

(viii) Summary of Balances

Annexure A&B to Appendix-VIII of the Finance Accounts depicts the number of acceptances due from the Government for the balances represented by this office and un-reconciled difference between Ledgers (figures compiled on the basis of accounts rendered to this office) and Broadsheets (figures as available in the supporting documents). Though differences between Ledger and Broadsheet do not have any impact on the cash balance of the State Government, the clearance of differences ensures the quality of Accounts.

(ix) Contingency Fund: Under the Contingency Fund ₹0.39 crore remained unrecouped at the end of the year.

(x) Direct transfer of Central Scheme Funds to implementing Agencies in the State (Funds routed outside State Budget) (unaudited figures): The Union Government transfers substantial funds directly to State Implementing Agencies/Non-Government Organisations (NGOs) for implementation of various schemes / programmes. These funds are not routed through the State Budget/ State treasuries and are therefore, not reflected in the accounts of the Government. Though, there is no assurance that complete details of such transfers is available, details of such fund transfer (exceeding ₹10.00 crore during 2011-12) as captured from Central Plan Schemes Monitoring System (CPSMS) portal and given in Appendix-VII.

(xi) Information on Committed Liabilities do not find place in the accounts for want of requisite information from the State Government.

ANNEXURE-A
STATEMENT OF RECEIPTS SHOWING MAJOR HEAD WISE RECEIPTS
UNDER MH 800 FOR THE YEAR 2011-12

Major Head	Total Receipts including MH 800	Receipts under MH 800	Percentage of Column 3 to Column 2
	<i>(Rupees in Lakh)</i>		
0515 Other Rural Development Programmes	7,16,92.45	7,16,92.45	100.00
1051 Ports and Light Houses	1,46,97.05	1,46,97.05	100.00
0070 Other Administrative Services	1,37,95.86	88,09.06	63.85
0406 Forestry and Wild Life	1,49,22.29	81,02.48	54.30
1456 Civil Supplies	77,01.24	77,01.24	100.00
0700 Major Irrigation	56,12.54	55,16.08	98.28
0217 Urban Development	50,11.34	50,11.34	100.00
1054 Roads and Bridges	27,42.57	25,43.93	92.76
0801 Power	38,43.10	20,55.94	53.50
0401 Crop Husbandry	16,23.80	15,20.11	93.61
0425 Co-operation	18,28.73	14,57.40	79.69
0211 Family Welfare	11,74.96	11,74.96	100.00
0506 Land Reforms	8,94.93	8,94.93	100.00
1452 Tourism	8,28.61	8,28.61	100.00
0702 Minor Irrigation	4,95.55	4,83.87	97.64
0056 Jails	4,49.64	4,49.64	100.00
0403 Animal Husbandry	3,71.21	3,01.62	81.25
0405 Fisheries	3,98.40	2,31.17	58.02
0235 Social Security and Welfare	2,23.06	2,23.06	100.00
0875 Other Industries	3.63	3.63	100.00

ANNEXURE-B
STATEMENT OF EXPENDITURE SHOWING MAJOR HEAD WISE EXPENDITURE
UNDER MH 800 FOR THE YEAR 2011-12

Major Head	Total Expenditure including MH 800	Expenditure under MH 800	Percentage of Column 3 to Column 2
	<i>(Rupees in Lakh)</i>		
2801 Power	44,07,38.98	43,00,00.00	97.56
2236 Nutrition	30,73,12.36	22,80,00.20	74.19
5054 Capital Outlay on Roads and Bridges	11,98,62.51 ^(*)	13,47,34.70	112.41
3054 Roads and Bridges	15,06,14.57	10,62,61.70	70.55
2501 Special Programmes for Rural Development	12,10,56.23	7,57,78.33	62.60
5475 Capital Outlay on other General Economic Services	7,02,22.63	5,36,35.14	76.38
3454 Census, Surveys and Statistics	1,36,75.90	95,07.20	69.52
2875 Other Industries	11,00.00	8,72.00	79.27
2810 New and Renewable Energy	8,44.47	8,44.47	100.00
4070 Capital Outlay on Other Administrative Services	7,66.63	7,66.63	100.00
4875 Capital Outlay on Other Industries	2,75.00	2,75.00	100.00
5053 Capital Outlay on Civil Aviation	1,50.00	1,50.00	100.00
4403 Capital Outlay on Animal Husbandry	49.66	35.60	71.70

(*) Includes an amount of ₹(-)2,44,66.67 lakh.

ANNEXURE-C
STATEMENT OF PERIODICAL / OTHER ADJUSTMENTS

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
A.	Periodical Adjustments-				
1.	Appropriation for reduction or avoidance of debt	2048-101-05-320 Appropriation for reduction or avoidance of Debt	8222-01-101-04-001 Sinking Funds	610,22,33,000	State Contribution to Sinking Fund
2.	A.P. State Government Insurance Fund	8011-105 & 107 Insurance and pension Funds	2235-902 & 903 Social Security and Welfare	19,56,55,834	Amount met from A.P. State Government Life Insurance Fund
3.	Guarantee Redemption Fund	2070-797-10-320 Other Administrative Services	8235-117-04-001 General and Other Reserve Funds	14,53,00,000	Contribution to Guarantee Redemption Fund
4.	Contributory Pension Scheme	2071-01-117-04 Pensions and Other Retirement benefits	8342-117-04-001 Other Deposits	226,63,52,471	Contribution to Contributory pension Scheme of A.P. State Government Employees
5.	Contributory Pension Scheme	2071-01-117-04 Pensions and Other Retirement benefits	8342-117-04-002 Other Deposits	126,84,47,508	Government's Contribution to Contributory pension Scheme of A.P. State Government Employees
6.	State Disaster Response Fund	2245-05-101-04-002 Relief on account of Natural Calamities	8121-00-122-01-002 General and Other Reserve Funds	434,28,00,000	Contribution to State Disaster Response Fund
7.	National Disaster Response Fund	2245-05-101-04-001 Relief on account of Natural Calamities	8121-00-122-01-001 General and Other Reserve Funds	850,72,00,000	Contribution to National Disaster Response Fund
8.	Insurance and Pension Funds	2049-03-108-05-450 Interest payments	8011-00-105-01-000 Insurance and pension Funds	172,57,87,243	Interest on Pension & Insurance Fund, etc.
9.	A.P. State Employees Group Insurance Funds	2049-03-108-07-450 Interest payments	8011-107-01-003 Insurance and pension Funds	39,27,66,858	Interest on A.P. Group Insurance Fund
10.	Adjustment of Prorata Charges	2210-06-101-11-97-630 Medical and Public Health	2210-80-800-90-000 Medical and Public Health	11,76,969	Transfer of repair Charges-Prorata adjustment of Vehicle charges
11.	Adjustment of Prorata Charges	2211-104-10-97-630 Family Welfare	2210-80-800-90-000 Medical and Public Health	1,44,66,821	Transfer of repair Charges-Prorata adjustment of Vehicle charges

ANNEXURE-C
STATEMENT OF PERIODICAL / OTHER ADJUSTMENTS

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
12.	Adjustment of Prorata Charges	2210-01-110-96-06 Medical and Public Health	2210-80-800-04-90-000 Medical and Public Health	41,67,386	Transfer of repair Charges- Prorata adjustment of Vehicle Charges.
13.	Religious and Charitable Endowment Funds	8235-00-103-01-000 General and Other Reserve Funds	2250-902-90-630 Other Social Services	37,62,32,098	Amounts met from Hindu Charitable Funds
14.	General Provident Fund	2049-03-104 Interest Payments	8009-01-101 State Provident Funds	557,19,95,334	Interest adjustment on General Provident Fund
15.	Sericulture Development Fund	2851-797-04-630 Village and Small Industries	8229-106-04 Development and Welfare Funds	1,43,00,000	Transfer to Sericulture Development Fund
16.	Sericulture Development Fund	8229-00-106-04-000 Development and Welfare Funds	2851-00-902-90-630-631 Village and Small Industries	24,51,150	Expenditure met from Sericulture Development Fund
17.	State Disaster Response Fund	8121-122-01-001 General and Other Reserve Funds	2245-05-901-96-001 Relief on account of Natural Calamities	434,28,00,000	Expenditure met from State Disaster Response Fund
18.	National Disaster Response Fund	8121-122-01-002 General and Other Reserve Funds	2245-05-901-96-002 Relief on account of Natural Calamities	749,62,97,528	Expenditure met from National Disaster Response Fund
19.	A.P. Rural Development Fund	2515-902-96-930 Other Rural Development Programmes	8229-200-09-000 Development and Welfare Funds	516,04,18,626	Transfer to AP Rural Development Fund
20.	A.P. Rural Development Fund	8229-00-200-09-000 Development and Welfare Funds	5054-04-903-96-630-631 Capital Outlay on Roads and Bridges	244,66,67,000	Amount met from A.P. Rural Development Fund
21.	A.P. Rural Development Fund	8229-00-200-09-000 Development and Welfare Funds	2851-00-902-96-630-631 Village and Small Industries	40,37,09,828	-do-
22.	A.P. Rural Development Fund	8229-00-200-09-000 Development and Welfare Funds	3456-00-902-96-001 Civil Supplies	18,67,000	-do-
23.	Central Road Fund	3054-04-797-04-631 Roads and Bridges	8449-00-103 Other Deposits	198,33,00,000	Transfer to Central Road Fund

ANNEXURE-C
STATEMENT OF PERIODICAL / OTHER ADJUSTMENTS

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
24.	Central Road Fund	8449-00-103 Other Deposits	5054-04-902 Capital Outlay on Roads and Bridges	198,33,00,000	Amount met from Central Road Fund
25.	Tungabhadra Hydro Electric (Joint) Scheme	2801-01-103-80-630-631 Power	8226-00-101-01-002 Depreciation / Renewal Reserve Fund	1,89,593	Depreciation Reserve Fund of Tungabhadra Hydro Electric (Joint) Scheme
26.	Tungabhadra Hydro Electric (Joint) Scheme	2801-01-103-80-450 Power	0049-04-103-02-450 Interest Receipts	34,19,009	Interest on Capital of Tungabhadra Hydro Electric (Joint) Scheme
27.	Machkund, Hydro Electric (Joint) Scheme	2801-01-102-80-630-634 Power	8226-101-01-001 Depreciation / Renewal Reserve Fund	30,74,000	Depreciation Reserve Fund of Thermal Electricity Schemes
28.	Machkund, Hydro Electric (Joint) Scheme	2801-01-102-80-630-635 Power	8229-110-01-001 Development and Welfare Fund	52,46,000	Special Reserve Fund of Machkund Hydro Electric(Joint) Scheme
29.	Machkund, Hydro Electric (Joint) Scheme	2801-01-102-80-630-636 Power	0049-04-103-02-450 Interest Receipts	69,64,000	Interest on capital of Machkund Hydro Electric(Joint) Scheme
30.	Machkund, Hydro Electric (Joint) Scheme	2801-01-102-80-630-637 Power	8793-00-116 Inter State Suspense Account	41,37,000	Machkund Hydro Electric(Joint) Scheme- Interest payable to Orissa Government
31.	Machkund, Hydro Electric (Joint) Scheme	8793-00-116 Inter State Suspense Account	2801-01-102-96-700-731 Power	52,46,000	Recoveries on account of Machkund Hydro Electric(Joint) Scheme
32.	Srisailam Hydro-electric scheme	2801-01-105-80-450 Power	0049-04-103-02-450 Interest Receipts	68,98,37,000	Interest on Capital of Srisailam Hydro electric (Joint) Scheme
33.	Major Irrigation	2700-01-101 to 179-80-450 Major Irrigation	0049-04-103-02-450 Interest Receipts	5136,87,40,959	Prorata notional interest payable
34.	Medium Irrigation	2701-03-101 to 239-80-450 Medium Irrigation	0049-04-103-02-450 Interest Receipts	589,49,92,480	Prorata notional interest payable
35.	Drainage & Flood Control	2711-03-103-04 to 10-450 Flood Control and Drainage	0049-04103-02-450 Interest Receipts	115,33,43,000	Prorata notional interest payable
36.	Inland water Transport	3056-00-104-5-450 Inland Water Transport	0049-0-103-02-450 Interest Receipts	1,68,36,000	Prorata notional interest payable

ANNEXURE-C
STATEMENT OF PERIODICAL / OTHER ADJUSTMENTS

Sl. No.	Book Adjustment	Head of Account		Amount (in Rupees)	Remarks
		From	To		
B.	Other Adjustments-				
1.	Lapsed Deposits	8443-101-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	45,87,437	Lapsing of Revenue Deposits
2.	Lapsed Deposits	8443-103-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	2,187	Lapsing of Security Deposits
3.	Lapsed Deposits	8443-104-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	18,022	Lapsing of Civil Court Deposits
4.	Lapsed Deposits	8443-105-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	2,91,036	Lapsing of Criminal Court Deposits
5.	Lapsed Deposits	8443-109-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	1,45,325	Lapsing of Forest Deposits
6.	Lapsed Deposits	8443-111-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	30,000	Lapsing of Other Deposits
7.	Lapsed Deposits	8443-116-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	2,45,800	Lapsed Deposits of Labour Act
8.	Lapsed Deposits	8443-117-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	30,26,29,407	Lapsing of work done Deposits
9.	Lapsed Deposits	8443-121-01-000 Civil Deposits	0075-101-01 Miscellaneous General Services	20,000	Lapsing of Election Deposits
10.	Central Loans	6004-01,03,04 Loans & Advances from Central Govt.	0075-800-81-000 Miscellaneous General Services	76,02,88,708	Central Loans (Written-off)

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

ANNEXURE-D
DETAILS OF ACCOUNTS EXCLUDED IN THE MONTHLY ACCOUNTS

Sl. No.	Month of Account	No. of Accounts excluded			
		Treasuries	Public Works PAOs	Forest PAOs	Other Accounts
1.	April 2011	1	1	...	1
2.	May 2011	...	...	...	...
3.	June 2011	1	...	...	...
4.	July 2011	...	...	...	...
5.	August 2011	1	...	1	1
6.	September 2011	10	61	11	1
7.	October 2011	2	1	2	2
8.	November 2011	...	...	...	1
9.	December 2011	...	...	2	1
10.	January 2012	...	...	2	...
11.	February 2012	...	...	...	...
12.	March 2012	...	...	...	...

Note: Due to non-receipt of certain accounts before closure of Monthly Civil Account of the particular month, the same were excluded. However the excluded accounts were subsequently incorporated in the succeeding month of account. It is further ensured that no account was left excluded before closure of March 2012(P). During 2011-12, on 4 occasions PAO, A.P. Legislature has been delayed rendition of monthly accounts by 15 to 30 days.

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

	On 1 st April, 2011	On 31 st March, 2012
<i>(Rupees in Lakh)</i>		
(a) General Cash Balances-		
1. Cash in Treasuries	...	...
2. Deposits with Reserve Bank	(-)2,38,02.14	4,01,02.70 ^(*)
3. Deposits with other Banks	1,34.39	1,34.39
4. Remittances in Transit	4,96.63	4,96.63
Total	(-)2,31,71.12	4,07,33.72^(A)
5. Investments held in Cash Balance Investment Account (Major Head 8673)	45,34,36.64	34,86,20.02
Total- (a)	43,02,65.52	38,93,53.74
(b) Other Cash Balances and Investments-		
1. 8671 Departmental Balances-Civil-Cash with Departmental Officers, viz., Public Works Officers, Forest Officers, General Managers of Commercial Concerns and Pension Payment Officer (Motigally)	91.50 ^(#)	90.75
2. 8672 Permanent Cash Imprest- Civil-Permanent Advances with Departmental Officers for Contingent Expenditure	1,38.53	1,42.09
3. Investment out of Earmarked Funds	45,25,26.46	54,26,03.02
Total- (b)	45,27,56.48^(#)	54,28,35.86
Total- (a)+(b)	88,30,22.00^(#)	93,21,89.60

(*) There was a net difference of ₹1,50.56 lakh (Credit) between the figures reflected in the accounts ₹4,01,02.70 lakh (Debit) and that intimated by the Reserve Bank of India ₹4,02,53.26 lakh (Credit) regarding Deposits with Reserve Bank included in the Cash Balance. After the closing of May, 2012 accounts, the net difference of 2011-12 to be reconciled is ₹8,99.37 lakh (Credit).

	Debit	Credit	Net
<i>(Rupees in Lakh)</i>			
i) Difference as on 31 st March, 2012	20,46.31	21,96.87	1,50.56 Cr
ii) Cleared in the accounts upto May, 2012	7,29.79	6,73.23	56.56 Dr
iii) Difference after the closing of May, 2012 accounts	13,16.52	15,23.64	2,07.12 Cr

(A) Includes a debit of ₹1,21,80.49 lakh pertains to 8.5% Tax Free Special Bonds (Power Bonds) was adjusted in advance to Andhra Pradesh Government in 2011-12 instead of 2012-13 by RBI, Nagpur on 31-03-2012. Similar advance adjustment of 2011-12 instalments took place in 2010-11.

(#) Opening balance differs from previous year's closing balance by ₹0.01 lakh (Increased).

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

EXPLANATORY NOTES

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

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

- (b) The limit for ordinary Ways and Means Advances to the State Government was ₹8,80.00 crore with effect from 1st April, 2006. The Bank has also agreed to give special Ways and Means Advances against the pledge of Government Securities. The limit of special Ways and Means Advances revised by the Bank from time to time.

Without resorting to any Ways and Means Advance and Overdraft from C.A.S., Reserve Bank of India, Nagpur, the State Government maintained the minimum Cash Balance with the Bank on all the 366 days of the year.

The extent to which the Government maintained the minimum cash balance with the Reserve Bank during 2011-12 is given below:-

(i) Number of days on which the minimum balance was maintained without taking any advance	366
(ii) Number of days on which the minimum balance was maintained by taking ordinary Ways and Means Advance	Nil

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

APPENDIX-I
CASH BALANCES AND INVESTMENT OF CASH BALANCES

- (iii) Number of days on which the minimum balance was maintained by taking special Ways and Means Advances Nil
- (iv) Number of days on which there was shortfall in minimum balance even after taking the above advances, but no overdraft was taken Nil
- (v) Number of days on which overdrafts were taken Nil
- (c) The balance of ₹1,34.39 lakh shown against “Deposits with Other Banks” represents the deposits with Westminster Bank, London (deposits made by the former Government of Nizam State). In view of the verdict of the House of Lords, the United Kingdom, in an appeal suit, the balance remains frozen with the Bank for the time being and is therefore not available to the State Government.
- (d) The transaction under the head “Remittance in Transit” represents remittances between treasuries and currency chests remained unadjusted as on 31st March, 2012.
- (e) The following is an analysis of investments held in Cash Balance Investment Account:-

	Opening Balance on 1 st April, 2011	Purchases during 2011-2012	Sales during 2011-2012	Closing Balance on 31 st March, 2012	Interest realised during the year
<i>(Rupees in Lakh)</i>					
Short-term investments- Government of India Treasury Bills	45,34,36.64	10,30,56,74.85	10,41,04,91.47	34,86,20.02	1,88,41.27
Total	45,34,36.64	10,30,56,74.85	10,41,04,91.47	34,86,20.02	1,88,41.27

- (f) The details of investments out of earmarked funds are given in the Statement No.19. Securities of the face value of ₹76.98 lakh were transferred to (i) a Government Company, the Hyderabad Chemicals and Fertilizers Limited, Hyderabad (now a subsidiary of Andhra Pradesh State Agro-Industries Corporation, Hyderabad (₹7.44 lakh)) and (ii) a Joint Stock Company. The Azamjahi Mills, Hyderabad (₹69.54 lakh) in 1969 (since taken over by the National Textile Corporation Limited) under the Sick Textile undertakings (Nationalisation Act, 1974) to enable them to raise funds on the strength of these Securities. Government initiated legal proceedings for return of Securities against the Central Bank of India, with whom the Azamjahi Mills had pledged them. Further developments are awaited.

Errata to Finance Accounts of Government of Andhra Pradesh for 2011-12

Page No.	Reference	For	Read
22	Para (iii), 4 th line	1,09,753	1,09,752
22	Para (iv), 5 th line	₹8,51.25 crore	₹4,05,20.39 crore
23	Para (vi), 2 nd line	31 st March 2011	31 st March 2012
44	6003- Other Loans, Col.6	(+)10,47.09	(-)10,47.09
44	6003- Other Loans, Col.7	(+)81.98	(-)81.98
44	6003- Other Loans, Col.8	(+)0.70	(-)0.70
72	Footnote (\$)	₹76.03 lakh	₹76,02.89 lakh
263	Footnote @	Includes amount written off of ₹64,21.26 lakh under smh-04, vide Lr.No.F.No.8(34)/FRU/ 2012 dated : 29-02-2012 of GOI, Ministry of Finance, Dept. of Expenditure.	Includes amount written off (₹1,23.42 lakh under smh-01 and ₹10,58.21 lakh under smh-03) vide Lr.No. F.No.8(34)/ FRU/ 2012 dated : 29-02-2012 of GOI, Ministry of Finance, Dept. of Expenditure.
286	Smh 02 under MH 6215 Col. 1	Urban Housing	Sewerage & Sanitation
381	1 st item, Col.3	Pubic works	Public works
381	2 nd item, Col.3	...House	...Houses



COMPTROLLER AND AUDITOR GENERAL OF INDIA
NEW DELHI
2012

Price
Inland : ₹ 65
Foreign : US \$ 5
(including postage/air mail)