

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Budget Estimates 2017-18 – Comprehensive Instructions for the preparation of Budget Estimates and submission on-line – Issued.

FINANCE (BUDGET.I) DEPARTMENT

G.O.MS.No. 209

Dated: 26-10-2016

Read the following:

1. U.O. Note No.59/Budget-I/2016, dated:24-08-2016 enclosing Guidance Note on Plan Non-Plan Merger from NITI Ayog .
2. U.O .Note No.59/Budget-I/2016-1, dated:09-09-2016.Letter No. F.1 (16) B(AC)/2011, enclosing letter from Secretary to Government of India, Ministry of Finance, Department of Economic Affairs (Budget Division), New Delhi dated 23-8-2016 along with guidelines.
3. Circular Memo No 59/3/Budget.I/2016 dated 19.10.2016.

ORDER :

1.1 The legal foundation for legislative control over government expenditure is based on the constitutional requirement that all revenues and receipts of government go to a 'consolidated fund' and moneys can be withdrawn from the 'above fund' only in accordance with the laws passed by the state legislature. Article 266 (1) of the Constitution provides for a separate Consolidated Fund for each State.

1.2. Government budget is a statement of estimated expenditure and estimated resources for achieving targeted socio-economic goals and policy priorities. The annual exercise of budgeting is therefore a means for detailing the road map for efficient allocation of public resources taking into account policy priorities of the Government in place. Budgeting involves determination of what is to be done and achieved, the manner in which it is to be done and the resources required for the same. It requires the broad objectives of the government to be broken down into detailed schemes / projects and work plan for each department.

1.3 The budgetary classification system, provides a normative frame work for both policy formulation and accountability. Hitherto, the Government has been following plan and non- plan system of classification. It is decided now to merge plan and non-plan expenditures keeping in view the increasing irrelevance of the same, especially in view of doing away with Planning Commission.

1.4 Expenditure management policies and strategies should normally ensure that every rupee budgeted is well spent in such a way that it captures efficiency in expenditure. The total expenditure irrespective of revenue or capital, plan or non-plan must generate value for the public.

1.5 Outcomes and outputs of programmes depend on total expenditure, plan and non-plan put together and not merely on plan expenditure.

1.6 Article 202 of the Constitution requires revenue and capital expenditure should be shown separately in the budget. It is, therefore, incumbent, on the state to continue revenue – capital classification of which, capital expenditure should relate to creation of assets and be determined by ownership criteria. Revenue Expenditure is expenditure incurred for purposes other than creation of assets of the Government.

1.7 In the budget management, the “golden rule” requires current account expenditure to be balanced with current revenue over an economic cycle with government borrowings restricted to investments and not for payment to current expenditures. ‘Debt’ in general reduces inter-generational equity and therefore, debt financing, in theory is justified only to the extent that it creates assets with future streams of income.

1.8 The criteria for economic returns should be applied to all expenditures and not just to capital expenditures. Investment proposals need to consider both capital and operating costs together with a holistic view of the costs involved and the benefits. Budget Policy and Planning therefore requires a unified consideration of all budgetary proposals.

1.9 **Economic Classification** – Economic Classification of budget is used for categorizing government expenditure service-wise into (1) general services (2) social services (3) economic services (4) transfers. This classification is useful for economic analysis and to determine how these transactions influence the behavior of other sectors of economy as a whole. This would continue in the current exercise too.

1.10 Functional classification (detailed heads for grants) signifies broadly the function of the government for which expenditure is incurred and the activities on which the expenditure is incurred. It comprises six tiers – with the hierarchy of major, sub-major, minor, sub-head, detailed head and object head. It forms a two dimensional classification where the expenditure is classified into object heads for each functional head. This would continue too in the current exercise.

1.11 **The Way-forward –**

- (a) The focus would be on top-down budgeting where resource priorities are guided by a short, medium and long term strategies. Yearly, sectoral priorities and allocations shall also accordingly be set. Based on the allocations, the departments shall set a rolling outcome / output framework.
- (b) The Finance Department, anyhow, will compile and consolidate medium term fiscal targets and MTEF statements. It also will prepare an additional statement indicating demand-wise revenue and capital expenditure targets for the projected years.
- (c) The central share for the schemes will be routed through the state treasuries as grants-in-aid under various object heads except in case of Direct Benefit Transfers where the functional heads would be used. In such cases, a mapping of the allocations under CSS not routed through state treasuries will have to be worked out.

1.12 **Agreements for outputs / deliverables and outcomes –**

- (a) After ceilings for budgetary allocation on revenue / capital basis is finalized for the MTEF statements, each department / agency will be asked to prepare

outcome / output statements against each scheme / project allocation. The outputs / deliverables should come in measurable / quantitative terms on an annual basis. The outcome statement made also should include the results / achievements of the previous year and needs to be updated on the basis of revised estimates. These demand-wise outcome frameworks will form a separate document to be presented along with other budget documents.

- (b) In short, every allocation for scheme / project will be against a firm set of deliverables which need to be adhered to and changes in deliverables are permitted only with the approval of Hon'ble Chief Minister.

1.13 SC – ST Sub-Plan–

- (a) The allocation for SCSP, TSP will have to be based as a percentage of total schemes allocation for both CSS and State Government schemes. Bottom line however is, the percentage of SC / ST components of schemes allocation of any department shall not be lower than the level provisioned in the budget estimates for 2016-17.
- (b) Social Welfare & Tribal Welfare Departments need to work on this devising its own norms for earmarking funds so as to avoid future complications.

2. In the context of principles enunciated at para 1 above and the decision of the Government of India to merge Plan and Non Plan expenditure and classify the Government expenditure under Capital and Revenue, the following guidelines are issued for preparation of Budget for the year 2017-18.

CLASSIFICATION OF MAJOR HEADS

3. A four digit Code has been allotted to the Major Head, the first digit indicating whether the Major Head is a Receipt Head or Revenue Expenditure Head, or Capital Expenditure Head or Loan Head. If the first digit is '0' or '1', the Head of Account will represent Revenue Receipt, '2' or '3' will represent Revenue Expenditure, '4' or '5' – Capital Expenditure, '6' or '7' Loan Head, (4000 for Capital Receipt) and '8' will represent Contingency Fund and Public Account

CLASSIFICATION OF OBJECT HEADS

4.1 REVENUE EXPENDITURE – OBJECT HEADS:

010. SALARIES – will include pay, allowances in all forms, of Personnel including honoraria and leave encashment except travel expenses (other than leave travel concession). This object classification will also be utilized for recording expenditure on emoluments and allowances of Heads of States and other high dignitaries including sumptuary allowance.

020. WAGES – will include wages of labourers and of staff at present paid out of contingencies

040. PENSIONARY CHARGES – will include donations to service funds and contributory provident funds in addition to payments of pensions and gratuity in all forms to

Government servants, Members of Parliament, freedom fighters, etc. This charges however does not include social security expenditure such as old age pensions etc.

050. REWARDS – will include amount paid to Government servants only as per schemes, if any operative in Ministries/ Departments.

110. DOMESTIC TRAVEL EXPENSES – will cover all expenses on account of travel on duty in India including conveyance and fixed traveling allowance but excluding leave travel concessions which would be part of salaries. This will also include TA/DA to non-official members on account of travel in India.

120. FOREIGN TRAVEL EXPENSES – will cover all expenses on account of travel on duty outside India including deputation of Scientists abroad; This will also include the expenditure on TA/DA to non-official members going on tour abroad.

130. OFFICE EXPENSES – 1. Utility Payments: will include postage, telephone, telegram, water and electricity charges. 2. Office Expenses: will include all contingent expenses for running an office such as furniture, purchase and maintenance of office machinery and equipment, liveries, hot and cold water charges (excluding wages of staff paid from contingencies) stationery, printing of forms. This will also includes "Hiring of Private Vehicles". However expenditure on purchase and maintenance of staff cars and other vehicles for office use will come under 510 Motor vehicles.

140. RENTS, RATES AND TAXES – will include payment of rent for hired buildings, municipal rates and taxes etc. It will also include lease charges for land.

160. PUBLICATIONS – will include expenditure on printing of office codes, manuals and other documents whether priced or unpriced but will exclude expenditure on printing of publicity material. This will also include discount to agents on sale of publications etc.

200. OTHER ADMINISTRATIVE EXPENSES – will include expenditure on departmental canteen hospitality/ entertainment expenses, gifts and expenditure on conducted tours, expenditure on Conferences/Seminar/Workshops etc., and expenditure on other training programmes.

210. SUPPLIES AND MATERIALS – will include expenditure on materials and supplies, stores and equipment, drugs and medicines etc.

220. ARMS AND AMMUNITION – will include expenditure on arms and ammunition of Police and other Para Military Establishment.

230. COST OF RATION / DIET CHARGES – will include expenditure on ration of Police and other Para Military Establishments, diet charges to patients in Hospitals and Dispensaries and hostel students.

240. PETROL, OIL AND LUBRICANTS – will include expenditure on Petrol, Oil and Lubricants of all Office and Functional Vehicles.

250. CLOTHING AND TENTAGE – will include expenditure on clothing and tentage of Police and Para Military Establishments.

260. ADVERTISING AND PUBLICITY – will include commission to agents for sale and printing of publicity materials. This would also include expenditure on exhibitions, fairs.

270. MINOR WORKS – will record expenditure on repairs and maintenance of works, machinery and equipment. This will also include expenditure on work charged establishment.

280. PROFESSIONAL SERVICES – will include charges for legal services, consultancy fees, fees to staff artists, remuneration to the examiners, invigilators etc., for conducting examinations and all other types of remunerations. It will also include payments to Home Guards and Anganwadi Workers.

300. OTHER CONTRACTURAL SERVICES – will include expenditure on service or commitment charges and not include value of gifts received etc. and payments for contract appointment.

310. GRANTS-IN-AID - will include grants-in-aid salaries and other grants including statutory grants to be released to the local bodies and to all other institutions. It also includes GIA for creation of Capital assets, where ownership of the asset does not belong to Government.

320. CONTRIBUTIONS – This will also include expenditure on membership of International bodies.

330. SUBSIDIES - will include all subsidies like rice subsidy, fertilizer subsidy, etc.

500. OTHER CHARGES – will include payment out of discretionary grants, other discounts, customs duty compensation, awards and prizes, reimbursement to RTC for providing transport facility to various categories of public etc. Any other expenditure which cannot be classified under any of these specified object heads will be debited to this head.

510 - MOTOR VEHICLES – 511 - Maintenance of Office Vehicles comes under Revenue Expenditure.

550. LOANS AND ADVANCES – will include all loans and advances granted to other Governments, Public Sector Enterprises, Undertakings and other Government bodies etc. but will exclude repayments of borrowings.

630. INTER ACCOUNT TRANSFER – will include transfer to and from reserve fund etc. Write back from capital to revenues.

640. WRITE OFF / LOSSES – will include write off of irrecoverable loans, losses will including trading loss.

4.2 CAPITAL EXPENDITURE – OBJECT HEADS

010 - SALARIES - includes salaries for the staff created and engaged for the construction of a specific project, which is not yet operational.

280 – PROFESSIONAL SERVICES - Include cost of engaging professional specifically for the project not yet operational.

510 - MOTOR VEHICLES – **512 Purchase of Motor Vehicles:** purchase of all transport vehicles used for both office and functional activities comes under Capital Expenditure.

520 - MACHINERY AND EQUIPMENT - will include purchase of machinery equipment, apparatus etc., other than those required for the running of an office and special tools and plants acquired for specific works.

530 - MAJOR WORKS – will be classified with reference to financial limits as per classification of major works PWD CODE This will also include cost of acquisition of lands and structures (buildings) and work-charged establishment.

540 - INVESTMENTS - will include investments in PSUs equity and share capital of cooperatives

RECEIPTS:

51 According to para 13.8 of the AP Budget Manual, the HODs and other Estimating Officers should prepare budget estimates for receipts based on the existing rates of taxes, duties and fees etc., and no increase or reduction in such rates which has not been sanctioned by the Government should be proposed. The information shall be furnished in the enclosed **Proforma–A**. In addition arrears of collections which are likely to be collected in the current year are also to be projected.

52 All the Heads of Departments and Other Estimating Officers are requested to furnish proposals for Revised Estimates 2016-17 and Budget Estimates 2017-18 in respect of Revenue Receipts and Loan Receipts with which they are concerned by giving full details of targets fixed as per performance indicators for each department.

53 All the Heads of Departments may explore new base for improving their receipts and curb the leakages from bottom level to top by strict vigilance and improve the performance of the employees by fixing required personal performance indicators at each level.

REVENUE EXPENDITURE

6.1 An expenditure which neither creates assets nor reduces liability is called Revenue Expenditure, e.g., salaries of employees, interest payment on past debt, subsidies, pension, etc. These are broadly financed out of revenue receipts. (**Proforma-B1**).

6.2 Generally, expenditure incurred on normal running of the government departments and maintenance of services is treated as revenue expenditure. Examples of revenue expenditure are salaries of government employees, interest payment on loans taken by the government, pensions, subsidies, grants, rural development, education and health services, etc.

6.3 Revenue expenditure is recurring in nature which is incurred every year (as against capital expenditure which is long period expenditure and nonrecurring in nature).

6.4 Capital expenditure is non-recurring in nature and incurred for creation of concreted assets as for reducing future liability. (loan repayment).

6.5 All the Heads of Departments and Other Estimating Officers are requested to review the Revenue Expenditure of the ongoing schemes very critically, so that those schemes which do not serve any tangible purpose substantially are dropped or phased out or reduced and surplus staff available there under be reported to Finance (HR.I)

Department immediately. Suitable justification for dropping an existing scheme may be provided to Finance Department.

6.6 The committed expenditure (Fixed Costs – Staffing, maintenance, rents, vehicles, water, electricity, etc.) has to be budgeted for every operational unit of every department – starting at the lowest level and moving upto HOD.

6.7 The provisions for Dearness Allowance, Leave Travel Concession, House Rent Allowances, Encashment of Earned Leave, Medical Reimbursement etc., shall be included under respective sub-detailed heads under “010Salaries”.

6.8 The estimates for contingent expenditure shown under “Office Expenses” should be prepared with reference to the instructions laid down in para 13.16 of the A.P. Budget Manual. Details of the items of expenditure included, detailed reasons together with figures should be furnished along with the actuals for the past three years in respect of each item. Proper attention must be paid while estimating water and electricity charges which should take into account pending arrear bills, the increase in tariff rate etc., and provision for the amounts that will become payable in the year. Wherever arrears are included, detailed reasons together with figures would be furnished in the explanatory note.

6.9 Departments are to strive to effect further economy and savings under Revenue Expenditure. Such savings shall be permitted to be retained by the department concerned and would be reallocated for their Capital Expenditure.

7.1 Experience shows that every year many Departments are furnishing the estimates in a routine manner without examining the need for the continuation of the scheme and justification for the provisions claimed by the Departments. In view of the need to observe strict economy in expenditure, it has been decided to make a thorough review of the budget proposals furnished by the Departments. The Heads of Departments and other Estimating Officers are, therefore, requested to furnish the following information without fail in the column – 6 of Proforma - B1 provided for recording justification.

- (a) The objectives of the Scheme or work of the Department;
- (b) Relevance of the programme to the overall objective in the present context;
- (c) The justification for various categories of posts and number of posts in each category as existing in the Scheme or Department; and
- (d) The consequences of its non-funding.
- (e) Whether the scheme falls under the 28 Centrally Sponsored Schemes (List of 28 Centrally Sponsored Schemes is enclosed)

Utility Payments:

72 Each Head of the Department/Office/Unit / DDO shall be personally responsible for utmost economy under all sub heads under `Non-salary O&M'. They should take special care to ensure that utility charges for water supply, electricity, telephones, petrol, rents etc. are calculated in accordance with the latest rates in mind and adequate provision is made to meet their pending and future liabilities.

73 The treasury officers are hereby instructed to ensure that no payments are authorized over and above the budget provisions. Any expenditure more than the budgetary allocation under any sub head shall be recovered from the person who

authorizes such excess expenditure as identified by the Head of Office/DDO. If the Head of Office/DDO fails to identify such a person and effect recovery, the HOD shall recover the excess amount from the Head of Office/DDO concerned.

7.3 It has also been noticed that utility payments to statutory authorities and rents etc. to landlords are delayed for months and years and allowed to accumulate as arrears, which are then claimed as pending bills. The Government views this practice with great concern. It is, therefore, ordered that each Head of Office shall be personally held responsible for timely and full payments on these items. Non-payment beyond three months shall be viewed as gross negligence and disciplinary action shall be initiated against those responsible. In any case, if the bills are not settled within the financial year, the budget provision will lapse and no carry forward of the liability shall be allowed. Accordingly, the Head of the Department shall issue proceedings for summary recovery of the pending liability from the pay bill of the officer concerned and the treasury officer shall effect such recovery and report to the HOD Proforma-VII.

Energy Saving Devices:

8. It has become imperative that government offices use utmost economy in consumption of energy. All HODs/Heads of Offices are required to keep personal check on power consumption and also make sure that power bills are paid promptly and fully. Recent improvements in technology have brought out many energy-saving devices that are based on conventional as well as non-conventional sources. All HODs are requested to take up a phased program to convert their offices to low-energy consumption devices and effect savings in their energy charges in the long run. They may get in touch with the Energy Department who is being asked to provide the necessary information and guidance in this regard. Proposals if any, for non-conventional energy may be furnished by the Departments for further consideration of Finance Department.

Personal Entitlements:

9. Government has already fixed certain norms for official and residential telephones, monthly petrol/diesel quotas, hiring of vehicles, vehicle maintenance, newspapers/magazines etc. for different categories of officers. It has been noticed that many officers have been routinely claiming higher expenses than their entitlements under the pretext of "official purpose". It has now been decided that government shall not accept responsibility for excess expenditure under any circumstances. The officers concerned shall have to pay the excess expenditure from their pocket in the first instance. They would be free to make out a case for the excess expenditure on account of official use and if agreed to by the competent authority, claim reimbursement to the extent admissible.

CAPITAL BUDGET

10. The Heads of Departments and Estimating Officers are informed that the State Government is having a clear vision and approach to improve the Capital Expenditure of the State. It will improve the infrastructure facilities in the state for speedy industrialization and improving the standards in primary sector – Housing, Drinking water, Education, Health, Roads and Transport which will improve the living standards of the common people. To achieve the goals, the Capital Budget will be prepared keeping in view the following: **(Proforma-B2).**

- Capital Budget proposals must be based on Mission goals, medium term development objectives, and service delivery benchmarks.
- Classification of investments on creation of assets as Capital expenditure. Prioritisation of financing options – Public – Centre & State/ EAP / NABARD / HUDCO / private/ PP etc.
- An expenditure which either creates an asset (e.g., school building) or reduces liability (e.g., repayment of loan) is called capital expenditure.
- Capital expenditure which leads to creation of assets are (a) expenditure on purchase of land, buildings, machinery, (b) investment in shares, loans by Central government to state government, foreign governments and government companies, (cash in hand) and (c) acquisition of valuables. Such expenditures are incurred on long period development programs, real capital assets and financial assets. This type of expenditure adds to the capital stock of the economy and raises its capacity to generate future income.
- Repayment of loan is also capital expenditure because it reduces liability. These expenditures are met out of capital receipts of the government including capital transfers from rest of the world.
- Every Department / HOD shall ensure to provide higher Capital expenditure in their budget.

Sub-Plans for Scheduled Castes, Scheduled Tribes and Backward Classes:

11. At present the State Government is implementing SCSP, TSP, BC Sub Plans based on the outlay of the State Plan as per their population ratio in the State. As the distinction between Plan and Non Plan has been removed and there is no plan from the fiscal year 2017- 18, the allocation for these sub plans will have to be based as a percentage of total schemes allocation for both Centrally Sponsored Schemes and State Government schemes. However, the allocation for SCSP, TSP and BC Sub plan of any department shall not be lower than the amount provisioned in the budget estimates for 2016-17. The Social & Tribal Welfare Department and BC Welfare Department who are nodal agencies for SCSP, TSP and BC Sub-plans respectively need to work on this devising their own norms for earmarking funds so as to avoid future complications.

New Schemes:

121 In the case of new schemes introduced during the year, the dates of introduction and the estimated expenditure for the current year should be mentioned in the remarks column. If provision is included in the Revised Estimates for the current year for any new item of expenditure not provided for in the Budget Estimates of the year it should be clearly stated in the 'Remarks' column whether it has been sanctioned by the competent authority and if so, the number and date of the proceedings sanctioning the expenditure should be quoted in every case (**Proforma-B3**).

122 Review the eligibility and financial assistance under welfare programs, technical assistance schemes, operation and maintenance costs, developmental and economic support programs etc. with a view to bring about greater efficiency in deployment of limited resources indicated through the allocation for each department and more effective coverage to achieve targeted outputs and outcomes.

Budget Achievements:

13. The quantum of the work done by the Department, the physical targets achieved under the scheme during 2014-15 & 2015-16, the physical targets proposed to be achieved during 2016-17 and 2017-18 (**Proforma–C**).

APFRBM Rules, 2006:

14.1 As per rule 6(1) of APFRBM Rules, 2006 the State Government shall at the time of presenting the Budget make following disclosures as required under Section 10 of APFRBM Act 2005.

- (i) Form D-7 Statement of Assets (**Proforma–D**).
- (ii) Form D-8 Tax Revenues raised but not realized (**Proforma–E**).
- (iii) Form D-9 Statement of Miscellaneous liabilities outstanding (**Proforma–F**).

14.2 All the Heads of Departments and Estimating Officers are therefore requested to furnish the relevant information in the prescribed proforma appended to this order along with the Budget Estimates 2017-18 invariably as these statements have to be presented to the Legislature.

Responsibility for the accuracy of estimates:

15. It is the responsibility of the Heads of Departments and Other Estimating Officers to see that no omissions or deviations are made in making provisions for any sanctioned scheme or any other item of expenditure covered by sanction of the competent authority for which provision sought to have been made in the Budget Estimates (sanctioned item).

- Similarly no provision should be made in the Estimates, for any item of expenditure for which no sanction of Government exists.
- Provision should be made in the Budget Estimates for the coming year for all sanctioned schemes but not for schemes of new service, which have been submitted to Government but not yet sanctioned. It has, however, been observed that the above procedure is not being followed by some Heads of Departments, who have been including provisions in the Budget Estimates for schemes which have not been sanctioned by Government.
- Certain Departments have also been proposing heavy increases in the existing provisions in the normal budget estimates without obtaining prior sanction of the Government. This procedure is irregular.
- The Heads of Departments and Other Estimating Officers are requested to observe the instructions in para 13.9 of the Budget Manual scrupulously while submitting the Budget Estimates 2017-18.
- While minor increases based on trends of actuals and admitted needs may be allowed, increases involving substantial amounts proposed over the existing provisions should be supported by Government orders sanctioning the increase duly enclosing copies of the relevant Government orders.
- Provision included in the Budget Estimates for the schemes which have not been sanctioned by the Government are liable to be summarily rejected and no correspondence will be entertained on this account.

Economy:

16. In order to ensure effective and optimum utilization of the resources, it is necessary to observe economy in expenditure and also avoid such expenditure which does not result in benefits commensurate with the expenditure. Heads of Departments and other Estimating Officers are therefore, advised to analyse the expenditure incurred on all non-salary items and should make efforts to save at least 10% of the expenditure for the next financial year. For any deviation in this regard they must give substantial justification. They are requested to frame the Revised Estimates 2016-17 and Budget Estimates 2017-18 accordingly, keeping in view the above measures.

Revised Estimates:

17. The Revised Estimates besides enabling the Government to arrive at the approximate closing balance for the current year (that is the opening balance for the next year), are prima facie the best guide to the coming year's estimates. It is, therefore, essential that Revised Estimates are prepared with great care and are as nearer as possible to the actuals by taking into account the Reappropriation /surrenders made during the year 2016-17.

Contract / Outsourcing Personnel:

18.1 The Heads of Departments / Estimating Officers shall ensure that sufficient provisions are made under the detailed head "300- Other Contractual Services" towards payment of remuneration to the persons appointed on contract/outsourcing basis. They are requested to furnish the relevant orders issued by the competent authority for engaging the persons on contract/outsourcing basis while proposing provision in the Budget.

18.2 They shall also furnish calculation sheet consisting of rate of contract, period of contract, no. of persons engaged on contract, outsourcing and the total amount required towards payment of remuneration in respect of each sanction order based on which they are proposing provision in the Budget.

Explanations for variations in figures:

19. Estimating Officers are requested to furnish brief and clear explanations for material variations between the Budget and Revised Estimates of the current year and the Budget Estimates for coming year both under Receipts and Expenditure. They are informed that in the absence of explanations, any increase of expenditure included in their estimates is liable to be summarily rejected. While submitting the estimates, the variations, if any, between number and designation of the staff for which provision is made in the estimates and those already furnished by the Estimating Officers in the number statements should be explained in detail with reference to the orders sanctioning the additional staff etc.

Estimates for Works:

20. Provision should be made in Part – I of the Budget for works which have been sanctioned by the Government or the competent authority. All the Chief Engineers are requested to give full information as to whether the works for which provision is included by them in the Revised Estimates 2016-17 are for repairs to the existing buildings etc., or

new works or works in progress and whether the works have been sanctioned by the Government or competent authority. The number and date of order sanctioning each work, the amount of estimate both the original and the revised; the total expenditure incurred on the work to the end of the preceding financial year; and the amount required for expenditure during the current year and next year should invariably be given in the remarks accompanying the Budget Estimates. If complete information is not furnished in **Proforma-G** prescribed, in the case of any particular work, the provision proposed for will be omitted by the Finance Department.

Special Points:

21. The attention of all Secretariat Departments, Head of the Departments and Estimating Officers are invited to the following special points:

- Avoid speculative estimations or over / under projections.
- Rationalize the Grants-in-Aid expenditure relating to the departments.
- Key in the actual requirement for maintenance, office establishment vehicles, rents, water and electricity, office stationary-outsourced services, welfare and subsidy programs, etc., based on the actual needs with proper justification.
- The CASP Schemes discontinued by *the* Government of India shall be reviewed critically. If it is necessary to continue a particular scheme in public interest, the department has to prepare estimates following the principles of zero based budgeting.
- Collect full details of pending bills and review their genuineness. Priority be given for allocation of funds for these pending bills.
- The Heads of Departments are requested to ensure that the amounts allocated for supply of uniform to the "Office Subordinates" under the detailed head "250 Clothing, Tentage and Stores" shall be utilized for the same purpose without diverting for other purposes.
- The provision required for payment of obsequies to the family of the deceased Government Employees shall be made under the sub-detailed head of account 310- Grants-in-aid - 318 - Obsequies Charges". The provision required for payment of contribution and subsidies shall be made under the detailed heads "320-Contributions and 330 - Subsidies respectively and not under sub-detailed head 312 - Other Grants - in-aid". The provision for creation of capital assets which is to be passed on to the local bodies and other agencies has to be classified under Sub Detailed Head "319 Grants for creation of Capital Assets" under the detailed head " 310 Grants in aid".
- The provision required for payment of "hiring charges of Private Vehicles" shall be made under the sub detailed head "130/134 - Hiring of Private Vehicles" based on the sanction orders. No provision shall be proposed under this head without specific sanction from the government for hiring of private vehicles for the department for a specific period. (**Proforma-VIII**)
- Provision for maintenance of office vehicles to be made under the Sub Detailed Head "511 Maintenance of office vehicles" and the provision for Purchase of new motor vehicles has to be proposed under "512 Purchase of Motor Vehicles" under the detailed head 510 Motor Vehicles. However, the provision for purchase of motor vehicles shall be supported by specific sanction order from the Government and the

provision for maintenance of motor vehicles shall be supported by statement from the Head of Department with regard to the number of vehicles available in the department. **(Proforma-IX)**

- All the Utility Payments i.e., Postage, Telephone, Water and Electricity Charges are to be fully provided under respective sub detailed heads 131- Service Postage, Telegram and Telephone Charges, 133 - Water and Electricity Charges under the detailed head 130 – Office Expenses as first charge under non-salary component.
- Separate estimates shall be sent for providing funds for Fixed Travelling Allowance under the new sub detailed head “114 - Fixed Travelling Allowance” in Revised Estimates 2016-17 and Budget Estimates 2017-18 as per instructions issued in this Department Memo.No.16240 / 642 / BG / A1 / 2002-2, dated 25-11-2002. Similarly requirement for conveyance allowance shall be proposed under “110/115 Conveyance Allowance”.
- Separate Estimates shall be sent for providing funds for payment of Wages to the Full Time Contingent Employees who are drawing minimum of time scale with DA as per Revised Pay Scales of 2015 separately under distinct sub-detailed head 020- Wages – 021-Daily Wage Employees – 022- Full Time Contingent Employees as per instructions issued in this Department Circular Memo No.2823/202/A1/BG.I/2013,dt.02-07-2013.
- Where any large provision is proposed in respect of outstanding liabilities or arrear payments, full details should be furnished and the original sanction for incurring such expenditure should invariably be quoted.
- Where any expenditure is dependent on finance from outside the State like Government of India, NABARD etc., estimates should be based only on the last year’s actual release to State or on the basis of actual need whichever is lower and not on hypothetical figures. In such cases, it is necessary to indicate specifically whether the entire amount or only a part of the amount is reimbursable from these agencies and whether this amount has been taken credit in their estimates of Revenue.
- Scrutiny of estimates by the Administrative Department of Secretariat: The Administrative Departments of Secretariat are requested to scrutinize the estimates of the Departments under their control and forward to this Department with their comments thereon. The object of examination by the Administrative Departments is to detect excessive or inadequate provision in the Revised Estimates and Budget Estimates which they are in a position to do in the better way in view of their more intimate knowledge of working of the Departments under their administrative control.
- The Departments are requested to send proposals for Revised Estimates 2016-17 and Budget Estimates 2017-18 rounding of the figures to the nearest thousands of rupees against each sub-detailed head.
- The Heads of Departments are requested to send their proposals promptly particularly in respect of recoveries of loans and interest receipts. They should send proposals for recoveries and disbursements under loans and advances and interest thereon based on the terms and conditions, imposed in the Government orders sanctioning the loans. **(Proforma-X)**
- Teams are formed in Finance Department for co-ordination with the Departments in preparation, analysis and finalization of the proposals of the Departments in the

context of merger of Plan and Non Plan expenditure and Government expenditure under Revenue and Capital classification.

22. The Secretariat departments/HODs shall ensure submission of relevant documents/orders on support of the budget estimates proposed by them as per paragraphs 16,18,19.1,19.2,20,21 and 22 failing which accuracy of estimates cannot be ensured and there would also be no assurance on the correctness of manpower deployed.

Date of submission of Estimates through online:

23. The Estimates should be submitted to the Administrative Departments of the Secretariat concerned through on-line (<http://www.apfinance.gov.in>) not later than 15-11-2016. The Administrative Departments of Secretariat would forward the estimates with their comments to the Finance Department by 25-11-2016 at the latest.

24. Experience has shown that in spite of clear instructions, the Budget proposals in most of the cases are sent very late. Steps should, therefore, be taken to ensure that the dates prescribed above are strictly adhered to. If Estimates are received after 25-11-2016, Finance Department will not be able to intimate any changes made in the estimates of *Departments* as there will not be sufficient time for considering representations against changes effected by this Department.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**AJEYA KALLAM
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To

All Departments of Secretariat.

All Heads of Departments and Estimating Officers.

The Registrar, High Court Judicature for Telangana and Andhra Pradesh at Hyderabad.

The Special Chief Secretary to Governor, Raj Bhavan, Hyderabad.

The Registrar, A.P. Administrative Tribunal, Hyderabad.

The Registrar, Lokayukta, Hyderabad.

The Secretary, APPSC, Hyderabad.

Copy to :

All Officers in Finance Department.

The Chief Technical Officer, Finance Department,

All Finance (FMU) Sections, O.P.I, O.P.II, Admn.I&II, HR-V (Pension) and HR-VI (State Audit).

General Administration (I&PR) Department.

PS to Hon'ble Minister for Finance.

PS to Spl. C.S / Secy. (R&E) / Secy.(B&IF) / Spl. Secy. to Government, Finance Department.

SF/SC.

// FORWARDED BY ORDER//



SECTION OFFICER

Proforma - A

RECEIPTS

Name of the HOD :

Administrative Department of Secretariat:

(Rupees in thousands)

Major head, Sub-Major head Minor head, Sub-head and Detailed head of Account	Accounts 2015-16	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
(1)	(2)	(3)	(4)	(5)

**Proforma - B1
EXPENDITURE REVENUE**

Demand No. _____

Name of the HOD _____ :

Administrative Department of Secretariat: Name of the Scheme _____ :

(Rupees in thousands)

Major head, Sub-Major head Minor head, Sub-head Detailed head and Sub-detailed head of Appropriation	Accounts 2015-16	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18	Justification
(1)	(2)	(3)	(4)	(5)	(6)

Proforma - B2

EXPENDITURE CAPITAL

Demand No. _____

Name of the HOD :

Administrative Department of Secretariat: Name of the Scheme :
(Rupees in thousands)

Major head, Sub- Major head Minor head Group Sub- head, Sub-head Detailed head and Sub-detailed head of Appropriation	Accounts 2015-16	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18	Justification
(1)	(2)	(3)	(4)	(5)	(6)

**Proforma - B3
EXPENDITURE FOR NEW SCHEMES**

Demand No. _____

Name of the HOD :

Administrative Department of Secretariat : Name of the New Scheme :

(Rupees in thousands)

REVENUE EXPENDITURE

Major head, Sub-Major head Minor head, Detailed head and Sub-detailed head of Appropriation	Revised Estimates 2016-17	Budget Estimates 2017-18	Justification
(1)	(2)	(3)	(4)

CAPITAL EXPENDITURE

Major head, Sub-Major head Minor head, Detailed head and Sub-detailed head of Appropriation	Revised Estimates 2016-17	Budget Estimates 2017-18	Justification
(1)	(2)	(3)	(4)

Note: Indicate G.O Number and date of the new scheme sanctioned.

Proforma - C

PROFORMA FOR FURNISHING INFORMATION ON PHYSICAL TARGETS AND ACHIEVEMENTS

Name of the HOD :

Administrative Department of Secretariat:

Name of the Scheme	Physical Targets fixed		Physical Targets Achieved		Physical Targets Proposed		Remarks
	2014-15	2015-16	2014-15	2015-16	2016-17	2017-18	

Proforma - D
FORM D - 7
[See rule 6]

STATEMENT OF ASSETS

	Assets at the beginning of the reporting year	Assets acquired during the reporting year	Cumulative total of assets at the end of the reporting
	Book Value (Rs. cr.)	Book Value (Rs. cr.)	Book Value (Rs. cr.)
Financial assets: Loans and advances Loans to Local Bodies Loans to companies Loans to others Equity Investment Shares Bonus shares Investments in Govt dated securities/Treasury Bills Investments in 14-day Intermediate Treasury Bills Other financial investments (please specify) <div style="text-align: right;">Total</div>			
Physical assets: Land Building – Office/Residential Roads Bridges Irrigation Projects Power projects Other capital projects Machinery & Equipment Office Equipment Vehicles <div style="text-align: right;">Total</div>			

Notes:

1. Assets above the threshold value of Rupees two lakh only to be recorded.
2. Reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.
3. The Statement in respect of physical assets is to be prepared based on asset register maintained by the Government. The value to be indicated would be book-value, i.e. acquisition cost netted for depreciation/impairment.

Proforma - E

Form D - 8

[See rule 6]

TAX REVENUES RAISED BUT NOT REALISED

(principal taxes)

(As at the end of the reporting year)

Major Head	Description	Amount under disputes (Rs. crore)					Amount not under disputes (Rs. crore)					Grand Total
		Over 1 year but less than two years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total	Over 1 year but less than two years	Over 2 years but less than 5 years	Over 5 years but less than 10 years	Over 10 years	Total	
	Taxes on Income & Expenditure											
	Agricultural Income Tax											
	Taxes on Professions, Trades, callings and employment											
	Taxes on Property and capital Services											
	Land Revenue											
	Stamps and Registration fees											
	Urban immovable property tax											
	Taxes on Commodities and Services											
	Sales Tax											
	Central Sales Tax											
	Sales Tax on Motor Spirit and Lubricants											
	Surcharge on Sales Tax											
	State Excise											
	Taxes on Vehicles											
	Other Taxes											
	TOTAL											

Note: Reporting year refers to the second year preceding the year for which the annual financial statement and demands for grants are presented.

Proforma - F

Form D - 9

[See rule 6]

Statement of Miscellaneous Liabilities: Outstanding

(Rs. crore)

	Outstanding Amounts
Major Works and Contracts	
Committed liabilities in respect of land acquisition charges	
Claims in respect of unpaid bills on works and supplies	

\$ The outstanding amount pertains to the end-March position for the year before the current year.

Proforma - G

PROFORMA FOR FURNISHING OF BUDGET ESTIMATES FOR MINOR WORKS AND MAJOR WORKS

1. MINORWORKS

(Rupees in thousands)

Description of Work	Estimated cost	Expenditure to the end of previous year	Budget Estimate 2017-18	Remarks <i>(whether sketch plans and approximate estimates have been prepared and approved by competent authority)</i>
1	2	3	4	5
	Rs.	Rs.	Rs.	

2. MAJORWORKS

(Rupees in thousands)

Name of Work	Estimated cost	Expenditure to end of previous year	Budget Estimate of current year	Revised Estimate of Current year	Budget estimate of ensuring year	Remarks
1	2	3	4	5	6	7
	Rs.	Rs.	Rs.	Rs.	Rs.	

PROFORMA - VII

PAYMENTS OF RENTS TO HIRED BUILDINGS (140-RENTS. RATES AND TAXES)

Estimating Officer :
 Major Head :
 Sub-Major Head :
 Minor Head :
 Groupsub Head :
 Sub Head :

(Rs. In thousands)

Sl.No	Item (Description of Hired Building & Village/Town /City located and District)	Area of the Building	Rent per Sq. ft.	Sanction Proceedings	Monthly Rent Payable to the building owner	Annual Rent	Arrears if any of previous years	Total amount required
(1)	(2)	(3)	a	(5)	(6)	(7)	(8)	(9)
	TOTAL							
	GRAND TOTAL							

Sl.No	Item (Description of Government Building & Village/Town /City located and District)	Area of the Building	Rates & Taxes assessed by the Local Bodies	Details of Sanction Proceedings issued by Competent Authority	Arrears if any of previous years	Total amount required
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	TOTAL					
	GRAND TOTAL					

TOTAL AMOUNT REQUIRED UNDER 140-RENTS. RATES & TAXES = Statement I + Statement II

PROFORMA - VIII

PAYMENTS OF HIRING CHARGES FOR PVT. VEHICLES (130/134-HIRING OF PVT. VEHICLES)

Estimating Officer :
 Major Head :
 Sub-Major Head :
 Minor Head :
 Groupsub Head :
 Sub Head :

(Rs. In thousands)

Sl.No	Description of the Vehicle and Location of the office (Village/Town/City & District)	Name of the Officer & Designation using the vehicle	Sanction Proceedings	Monthly Hiring Charges	Annual Hiring Charges	Arrears if any of previous years	Total amount required
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	TOTAL						
	GRAND TOTAL						

PROFORMA - IX

DETAILS UNDER 240- PETROL, OIL, LUBRICANTS & 510/511-Maintenance of Motor Vehicles

Estimating Officer :
 Major Head :
 Sub-Major Head :
 Minor Head :
 Group Sub Head :
 Sub Head :

(Rs. In thousands)

Sl.No	Description of the Government Vehicle with Vehicle Number	Name of the Officer & Designation using the vehicle	Petrol / Diesel requirement as per eligibility (No. of Litres per month)	Amount Required under 240-POL	Amount Required under 510/511-Maintenance of Motor Vehicles
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL				
	GRAND TOTAL				

PROFORMA - X (To be filled by HOD only)

DETAILS OF LOANS, REPAYMENTS AND INTEREST PAYMENTS (MAJOR HEADS : 2049 / 6003 / 6004)

Estimating Officer

:

Sl.No	HOA	Description Of the Loan	Date of Sanction of Loan	Lending Agency	Amount of the loan	Rate of Interest (%)	Mode of Repayment	Outstanding Loan as on 01.04.2017	Amount required during the year towards Principal Repayment	Amount required during the year towards Interest payment
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
							(Monthly/ Quarterly/ Yearly)			
		TOTAL								
		GRAND TOTAL								

CENTRAL ASSISTANCE FOR STATE/UNION TERRITORIES AND CENTRALLY SPONSORED SCHEMES**I. Grants/Loans**

- 1 Special Assistance
- 2 Grants to Autonomous Councils and areas covered under the sixth schedule of the Constitution
- 3 Externally Aided Projects- Grants
- 4 Externally Aided Projects- Loans
- 5 Central Pool of Resources for North Eastern Region and Sikkim
- 6 Schemes of North Eastern Council
- 7 Schemes under proviso to Article 275 (1) of the Constitution
- 8 Special Central Assistance to Tribal Area Sub-Plan
- 9 Assistance to States from Central Roads Fund
- 10 Special Central Assistance to Scheduled Castes Sub- Plan

II Finance Commission Grants

- 1 Post Devolution Revenue Deficit Grants
- 2 Grants for local bodies
 - a Grants for Rural Local Bodies
 - b Grants for Urban Local Bodies
- 3 Grants -in-aid for State Disaster Response Fund

III. Centrally Sponsored Schemes - Total Allocation**(A) Core of the Core Schemes**

- 1 Mahatma Gandhi National Rural Employment Guarantee Scheme
- 2 National Social Assistance Programme
- 3 Umbrella Programme for Development of Scheduled Castes
 - a Post /Pre Matric Scholarships
 - b Boys Hostel - unclean
 - c Others
- 4 **Umbrella Scheme for Development of Scheduled Tribes (Vanbandhu Kalyan Yojna and Umbrella education of ST children)**
 - a Education of ST children)
 - b Development of of Patrticularly Vunerable Tribal Groups (CS)
- 5 Umbrella Scheme for Development of Backward Classes and other vulnerable groups
- 6 **Umbrella Scheme for Development of Minorities.**
 - a Multi-Sectoral Development Programme for Minorities
 - b Education Scheme for Madrasas and Minorities

(B) Core Schemes**7 Green Revolution**

- a Krishonnati Yojna
- b Rashtriya Krishi Vikas Yojna
- 8 White Revolution
 - Rashriya Pasudhan Vikas Yojana
- 9 Blue Revolution
 - Integrated Development & Management of Fisheries

10 Pradhan Mantri Krishi Sinchai Yojna (PMKSY)

- a Har Khet ko Pani
- b Accelerated Irrigation Benefit Programme and other schemes under PMKSY in Water Resources Ministry
- c Per Drop More Crop
- d Integrated Watershed Management Programme
- 11 Pradhan Mantri Gram Sadak Yojna
- 12 National Rural Drinking Water Programme

CENTRAL ASSISTANCE FOR STATE/UNION TERRITORIES AND CENTRALLY SPONSORED SCHEMES

13	<u>Swachh Bharat Abhiyan (SBA)</u>
a	SBA - Rural
b	SBA - Urban
14	<u>National Health Mission (NHM)</u>
a	NHM : Rural and Urban Mission
b	NHM : Human Resources in Health and Medical Education
c	NHM : AYUSH
15	Rashtriya Swastha Suraksha Yojna (RSSY)
16	<u>National Education Mission (NEM)</u>
a	NEM : Sarva Shiksha Abhiyan
b	NEM : Rashtriya Madhyamik Shiksha Abhiyan
c	NEM : Teachers' Training and Adult Education
d	NEM : Rashtriya Uchch Shiksha Abhiyan
17	National Programme of Mid-day Meals in Schools
18	<u>Integrated Child Development Scheme (Umbrella ICDS)</u>
a	Core ICDS
b	National Nutrition Mission
c	Maternity Benefits Programme (IGMSY)
d	Scheme for Adolescent Girls, SABLA, KSY
e	Integrated Child Protection Scheme
19	<u>Pradhan Mantri Awas Yojna (PMAY)</u>
a	PMAY- Rural
b	PMAY- Urban
20	<u>National Livelihood Mission (NLM)</u>
a	NLM- Rural - Aajeevika
b	NLM- Urban
21	<u>Forestry and Wildlife (F&WL)</u>
a	(F&WL)- National Mission for a Green India
b	(F&WL)- Integrated Development of Wildlife Habitats (including Project Tiger and Project Elephant)
c	(F&WL)-Conservation of Natural Resources and Ecosystems
22	Urban Rejuvenation Mission (AMRUT and Mission for Development of 100 Smart Cities)
23	Modernisation of Police Forces
24	Infrastructure Facilities for Judiciary
25	Member of Parliament Local Area Development Scheme
(C)	<u>Optional Schemes</u>
26	Border Area Development Programme
27	National River Conservation Programme
28	Shyama Prasad Mukherjee Rurban Mission
	Grand Total