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## **STUDY ON ECONOMIC CENSUS AND BUDGET PLANNING OF HARYANA**

# Study on Economic Census and Budget Planning Of Haryana

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**Abstract – Consumption Expenditure of the Government is estimated at Rs. 1459026 lakh in 2011-12 (B.E.) as against Rs. 1456753 lakh in 2010-11 (R.E.) and Rs. 1170360 lakh in 2009-10. The consumption expenditure of the Govt. is estimated to increase by 0.16 percent in 2011-12 (B.E.) over 2010-11 (R.E.) whereas it increases by 24.47 percent in 2010-11 (R.E.) over 2009-10.**

**Gross Capital Formation i.e. investment on buildings, roads & other constructions, purchase of vehicles and machinery & equipment by Administrative Departments and Departmental Commercial Undertakings is estimated at Rs. 425441 lakh in 2011-12 (B.E.) as against Rs. 374245 lakh in 2010-11 (R.E.) and Rs.357125 lakh in 2009-10 showing an increase of 13.68 percent in 2011-12 (B.E.) over 2010-11 (R.E.) where as it increased by 4.79 percent in 2010-11 (R.E.) over 2009-10.**

**Current transfers which also include subsidies and interest payments are estimated at Rs. 1484599 lakh in 2011-12 (B.E.) as against Rs. 1312149 lakh in 2010-11 (R.E.) and Rs. 1013508 lakh in 2009-10. It indicates that current transfers are likely to increase by 13.14 percent in 2011-12 (B.E.) over 2010-11 (R.E.) whereas this increase was 29.47 percent in 2010-11 (R.E.) over 2009-10.**

**Key Words: Gross Capital Formation, Interest Payments**

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## INTRODUCTION

This work presents Economic -cum-Purpose Classification of budgetary transactions of Haryana Government Budget for the year 2009-10, 2010-11 [Revised Estimates (R.E.)] and 2011-12 [Budget Estimates (B.E.)]. The present Economic-cum-Purpose Classification report is based on the methodology adopted by the National Accounts Division of Central Statistical Organisation (CSO), Ministry of Statistics & Programme Implementation, and Government of India. The economic classification groups together the primary items of consumption expenditure, commodities and services, maintenance, current and capital transfers, capital formation out of budgetary resources whereas the purpose classification groups these according to the particular purpose or functions they perform such as general public services, education affairs and services, health affairs and services, welfare affairs and services, housing and community amenity affairs and services, cultural, recreational and religious affairs and services, economic affairs and services etc., These two types of classifications are integrated into "Economic-cum-Purpose Classification" which presents in a consolidated statement, the economic-cum-purpose characteristics of the government budgetary transactions.

## REVIEW OF LITERATURE

The Government transactions can be classified according to (i) the economic character such as Government consumption expenditure, goods and services, maintenance, capital formation, Loans & Advances, transfers etc. (ii) the purpose or functions it serves such as economic affairs and services, education affairs and services, health affairs and services etc. Budget can broadly be divided into Administrative Departments and Departmental Commercial Undertakings. Administrative Departments are Government agencies for the implementation of social and economic policy of the Government whereas Departmental Commercial Undertakings are un-incorporated enterprises owned, controlled and run by the Government.

The Economic Classification of the Haryana Government Budget which groups together the budgetary transactions in significant economic categories places the total expenditure at Rs. 4092208 lakh in 2011-12 [(Budget Estimates(B.E.))] as compared to Rs. 3774893 lakh in 2010-11 [(Revised Estimates(R.E.))] and Rs. 3040596 lakh in 2009-10 showing an increase of 8.41 percent in 2011-12 (B.E.) over 2010-11 (R.E.) whereas this increase was 24.15 percent in 2010-11 (R.E.) over 2009-10.

Consumption expenditure of the Government is estimated at Rs. 1459026 lakh in 2011-12 (B.E.) as

against Rs.1456753 lakh in 2010-11 (R.E.) and Rs. 1170360 lakh in 2009-10. It shows that consumption expenditure is likely to be increased by 0.16 percent in 2011-12(B.E.) over 2010-11(R.E) and 24.47 percent in 2010-11(R.E) over 2009-10.

Gross capital formation i.e. investment on buildings, roads and other construction, purchase of vehicles and machinery and equipment by Administrative Departments and Departmental Commercial Undertakings is estimated at Rs. 425441 lakh in 2011-12 (B.E.) as against Rs. 374245 lakh in 2010-11 (R.E.) and Rs. 357125lakh in 2009-10 showing a increase of 13.68 percent in 2011-12(B.E.) over 2010-11(R.E) whereas it increased by 4.79 percent in 2010-11(R.E) over 2009-10. In addition to the gross capital formation directly undertaken, the State Government also provides financial assistance to the other sectors of the economy for capital formation through grants, loans and advances and by purchasing financial assets.

## MATERIAL AND METHOD

### Budgetary Expenditure of Haryana Government as per Economic Classification

According to Economic Classification of Haryana Government Budget, the total expenditure is estimated at Rs. 4092208 lakh in 2011-12 [Budget Estimate (B.E.)] as compared to Rs. 3774893 lakh in 2010-11 [Revised Estimate (R.E.)] and Rs. 3040596 Lakh in 2009-10. The total expenditure is estimated to be increased by 8.41 percent in 2011-12 (B.E.) over 2010-11 (R.E.) whereas this increase was 24.15 percent in 2010-11 (R.E.) over 2009-10.

Consumption Expenditure of the Government is estimated at Rs. 1459026 lakh in 2011-12 (B.E.) as against Rs. 1456753 lakh in 2010-11 (R.E.) and Rs. 1170360 lakh in 2009-10. The consumption expenditure of the Govt. is estimated to increase by 0.16 percent in 2011-12 (B.E.) over 2010-11 (R.E.) whereas it increases by 24.47 percent in 2010-11 (R.E.) over 2009-10.

Gross Capital Formation i.e. investment on buildings, roads & other constructions, purchase of vehicles and machinery & equipment by Administrative Departments and Departmental Commercial Undertakings is estimated at Rs. 425441 lakh in 2011-12 (B.E.) as against Rs. 374245 lakh in 2010-11 (R.E.) and Rs.357125 lakh in 2009-10 showing an increase of 13.68 percent in 2011-12 (B.E.) over 2010-11 (R.E.) where as it increased by 4.79 percent in 2010-11 (R.E.) over 2009-10.

Current transfers which also include subsidies and interest payments are estimated at Rs. 1484599 lakh in 2011-12 (B.E.) as against Rs. 1312149 lakh in 2010-11 (R.E.) and Rs. 1013508 lakh in 2009-10. It indicates that current transfers are likely to increase by 13.14 percent in 2011-12 (B.E.) over 2010-11 (R.E.)

whereas this increase was 29.47 percent in 2010-11 (R.E.) over 2009-10.

Capital transfers are estimated at Rs. 247396 lakh in 2011-12 (B.E.) as against Rs. 205028 lakh in 2010-11 (R.E.) and Rs. 125763 lakh in 2009-10. It shows that capital transfer are estimated to increase by 20.66 percent in 2011-12 (B.E.) over 2010-11 (R.E.) whereas it increased by 63.03 percent in 2010-11 (R.E.) over 2009-10.-10- The details of Budgetary expenditure of Haryana Government as per economic classification is given in the following table:-

**Table 1**

### Budgetary Expenditure of Haryana Government as per Economic Classification

(Rs. lakh)

Sr. no.	Items	2009-10	2010-11(R.E)	2011-12(B.E)
1	Administrative Departments	2758468	3444025	3751871
2	Consumption Expenditure	1170360	1456753	1459026
3	i) Compensation of Employees	1029179	1243953	1272665
4	ii) Net Purchase of Commodities & Services	141181	212800	186361
5	Current Transfers*	1013508	1312149	1484599
6	Gross Capital Formation	273409	310414	363450
7	Capital Transfers	125763	205028	247396
8	Purchase of Financial Assets	91241	72196	98778
9	Loans & Advances	82969	79614	95690
10	Net purchase of Physical Assets	1218	7871	2932
11	Departmental Commercial Undertakings	282128	330868	340337
12	Purchase of Goods & Services	73051	76086	80638
13	Compensation of Employees	82741	149356	154991
14	Consumption of Fixed Capital	3223	3294	3396
15	Intrest	36280	37251 3	38071
16	Gross Capital Formation	83716	63831	61991
17	Net Purchase of Physical Assets	3117	1050	1250
	<b>Total Expenditure</b>	<b>3040596</b>	<b>3774893</b>	<b>4092208</b>

## CURRENT RECEIPTS OF THE STATE GOVERNMENT

Current receipts of the State Government show the sources of finance to the Government and also assess the economic implication of Government expenditure. The current receipts of the State Government are estimated at Rs. 2954102 lakh in 2011-12 (B.E.) as compared to Rs. 2535715 lakh in 2010-11 (R.E.) and Rs.1899090 lakh in 2009-10. Thus, the increase in the current receipts are estimated to be 16.50 percent in 2011-12 (B.E.) and 33.52 percent in 2010-11 (R.E.). Tax revenue is the major source of current receipts and its share in the total current receipts are estimated to be 77.01 percent in 2011-12 (B.E.) whereas this percentage

was 77.42 and 78.67 in 2010-11 (R.E.) and 2009-10. The current receipts of the State Government under different heads are given in the Table 2.

**Table – 2**  
**Current Receipts**

(Rs.Lakh)

Sr. No.	Items	2009-10 (R.E)	2010-11 (R.E)	2011-12 (B.E)
1	Tax Receipt	1493972	1963213	2274984
2	Income form Property & Entrepreneurship	52836	44791	45473
3	Fees & Miscellaneous Receipts	26552	12623	137735
4	Revenue Grants from Govt. of India	325730	415088	495910
5	Total Current Receipts	1899090		2954102

## CONCLUSION

This account deals with the current revenue and expenditure of government administrative departments. All departments, other than those which are commercial in nature, are considered as administrative for the purpose of economic classification. These include organs of the State, collection of taxes, other fiscal services, interest payments and servicing of debts, administrative services like police, jails, supply and disposal, pensions, social security and welfare and relief on account of natural calamities etc. and economic services like agriculture, animal husbandry, industries and community development. The management of expenditure of various funds like those of famine relief funds etc are also included. The current expenditure of administrative departments consists of the final outlays of government on current account which represent government's current consumption. Besides, final outlays government makes transfer payments, such as interest, grants, subsidies etc., to the rest of the economy which are added indirectly to the disposable income of the community. To meet these current expenditures, government appropriates a part of the income of the community through a variety of taxes, miscellaneous fees, etc., accruing in the course of administration. In addition, government has an investment income from property and entrepreneurship and also receives revenue grants, contributions and recoveries from the Union Government and the rest of the economy. The excess of current receipt over current expenditure denotes the 'Saving' of the Government administration available for domestic capital formation.

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