

Working Paper 1

Reimagining Budget Codes for Greater Public Engagement

Insights from Better Practices



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Structure of the Paper

This paper delves into the long and considerable history of budget codes, their evolution, relevance and usage in the current Indian context. In six sections, this paper traces important milestones in the journey of Indian budget codes.

Section-I lays out the historical evolution of the budget-making process, from the Indus Valley civilisation to the British India period. Section-II describes the use of post-independence budget codes and highlights differences and similarities between present-day codes and those used in the British era. It also analyses how budget codes vary across different Indian states. Section-III describes the need for the Sundaramurti Committee which was formed in 2012 and its recommendations. The committee recommended that instead of consolidated budget structures, there is a need to adopt a multi-dimensional classification structure for budgets with seven mutually exclusive segments for greater budget transparency and accountability.

Sections-IV and V identify the existing gaps in recommendations made by the Sundaramurti Committee and attempts to address these gaps by highlighting better practices by Indian states which account for the concerns of women, children, persons with disabilities, Scheduled Castes (SCs), Scheduled Tribes (STs) and minorities. The section highlights the need of a dedicated budgetary framework formulated as special budget statements which is important not only at the level of targeting different social groups, but also across various sectors and tiers of rural and urban governance. It also highlights how outcome budgeting has become an important part in the budget-making process to ensure a 'trickle-down effect' in a transparent and accountable manner. Section-VI elaborates key policy initiatives needed at various levels of governance to address nuances of the budget-making process and to ensure a greater degree of effective public participation and engagement in policy-making and the fiscal governance process in India.

I. A Peep into History

Budgets became an integral part of governance with the emergence of specific ruling classes. Budgets in India can be traced to the Indus Valley civilisation if not earlier. When society is divided into rulers and the ruled, governance becomes a reality along with collection of revenues by the ruling classes. Historically, land revenues and/or crop shares, apart from war plunder and tributes, constituted the core revenues of ancient societies. Where trading occurred, collecting customs duties and tolls were important with expenditure mainly incurred on defence, war and maintaining law and order. As economies developed and periods of peace lengthened, expenditure on developing

infrastructure like roads, dams and irrigation gathered momentum. Social welfare like healthcare, education and social security saw only incipient progress until the modern welfare state emerged. The later Mughal period in India and the British period saw the foundation of the welfare state with increased social spending.

Historically, land revenues and crop shares constituted over half of the total revenues of kingdoms. In the state's political economy, land was mostly considered as sovereign property, and most revenue went into waging wars to capture more lands. For instance, during Mauryan times,

revenues from land/crop share were taxed between 40 per cent to 57 per cent depending on type of irrigation; customs duty was between 10 per cent and 20 per cent, and commodity taxes in local trade were between 5 per cent and 10 per cent (Sarkar, 1921). These were considered extremely high when compared to Roman or Greek Empires of the time. Later, Harshavardhan in North India and the Cholas in South India consolidated such revenue administration and further strengthened its structures (Ibid. p.152). Subsequently, while the Delhi Sultanate and Mughals kept the above basic structure intact, they made significant changes and, in many instances, substantially reduced tax rates—including for land revenues (Thomas, 1871). The efforts of Raja Todar Mal as Emperor Akbar’s finance minister (and earlier as a young bureaucrat with Sher Shah Suri) were crucial in consolidating budget information and documenting it as per

provinces. With this, the foundation for modern budget documentation was laid, which the East India Company and later the British Empire relied on to create structured budget documents (Ibid. p.6). Information presented in Annexure 1 and Figure 1, reproduced from Edward Thomas’ Book titled, ‘*The Revenue Resources of the Mughal Empire 1593-1707*’, provides a good illustration of revenues from provinces and land revenues.

While budget information of the Mughal Empire could be gathered from various documents in both official and non-official reports, they were still not structured budget documents as we understand today. This happened for the first time when the East India Company filed its first report to the British Parliament in the late 18th century. Trade accounts of the East India Company from 1783 onwards were regularly documented and made available

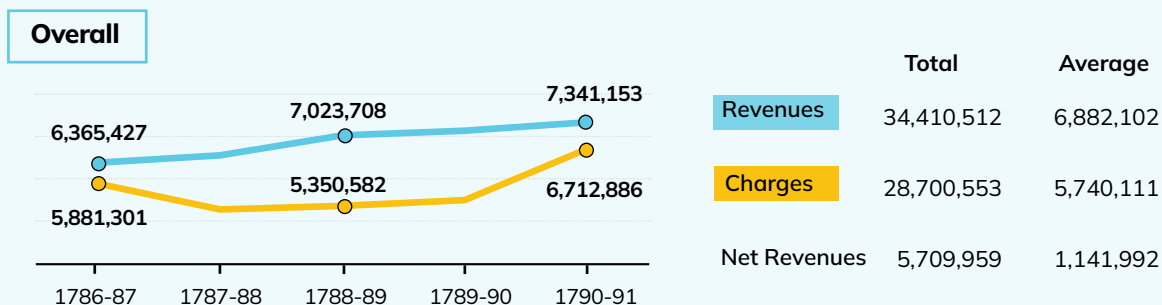
Figure 1: Recapitulation of Revenues of the Mughal Empire (1593-1707) (in Pound Sterling)

	Mughal emperor	Authority	Land revenue	Revenue from all sources
1	Akbar, A.D. 1593	Nizam-ud-din Ahmad	16,574,388	
2	Akbar, A.D. 1594	Abul Fazl, MSS	16,582,440	
3	Akbar, A.D. 1595	Official documents	17,450,000	
4	Akbar, A.D. 1605	Indian authorities, quoted by De Laet.		
5	Jahangir, A.D. 1609-11	Captain W. Hawkins		50,000,000
6	Jahangir, A.D. 1628	Abdul Hamid Lahori	17,450,000	
7	Shah Jahan, A.D. 1648-9	Ditto	22,000,000	
8	Aurangzeb, A.D. 1655	Official documents	Gross: 26,743,970 Net: 24,056,114	
9	Aurangzeb, A.D. 1655	Later official documents	Gross: 35,641,431 Net: 34,505,890	
10	Aurangzeb, A.D. 1695	Gemelli documents		80,000,000
11	Aurangzeb, A.D. 1697	Mannucci (Catrou)		38,719,400*2 = 77,438,800
12	Aurangzeb, A.D. 1707	Ramusio		30,179,692

Source: Extracted from Thomas (1871)

Note: The Revenues in the Table represent that amount which has been recapitulated after rejecting all imperfect returns in various periods of the Mughal Empire

Figure 2: General Abstract Account of the Annual Revenues and Charges of the East India Company (1786-87 to 1790-91) (in Pound Sterling)



Breakup by provinces

Revenues				
	Bengal	Fort Sr. George	Bombay	Fort Marlbro
1786-87	5,094,406	1,132,754	135,552	2,715
1787-88	5,202,852	1,211,286	127,122	3,303
1788-89	5,538,811	1,328,930	152,152	3,765
1789-90	5,620,656	1,349,140	162,282	3,583
1790-91	5,522,292	1,644,223	169,142	5,496
Total	26,979,017	6,666,333	746,250	18,862
Average	5,395,803	1,333,267	149,250	3,772

Charges				
	Bengal	Fort Sr. George	Bombay	Fort Marlbro
1786-87	3,617,978	1,206,794	990,505	66,924
1787-88	3,217,125	1,470,106	530,832	50,043
1788-89	3,081,594	1,586,956	629,627	52,405
1789-90	3,125,150	1,734,177	572,427	55,924
1790-91	2,955,279	2,641,599	1,068,951	47,057
Total	15,997,126	8,639,632	3,792,342	272,353
Average	3,199,425	1,727,926	758,468	54,471

Source: Various Reports of the East India Company (1793)

in the public domain (Reports of the East India Company, 1793). An illustration of the revenues and expenditures of the East India Company across the country's provinces are presented in Figure 2. However, after the 1857 War of Independence, the British Crown took over charge from the East India Company. Since 1861, budgets modelled around British Parliamentary practice came into being and these are the budgets we see today. These budget documents are available in various archives across the country.

A facsimile of the 1888-89 budget abstract is reproduced in Annexure 2. It is interesting to observe that the basic budget structure which we use, is very similar to the 1888-89 budgets facsimile, except for the budget codes and some other details. The 1888-89 budget (GoI, 1888) depicts the earliest budget codes then in use. The revenue/receipts are in Roman numerals while expenditures are in regular numerals. This same coding pattern was also followed in Provincial Budgets (Government of Bombay, 1920). Unlike detailed numerical

standardised budget codes presently allocated to Department, programme and object levels, the British India budget coding was more or less standard at the Department level, but over time, kept changing at the detailed level—though some standardised alpha-numeric codes were followed within the Department for minor heads and subheads. There is one remarkable difference between British era and present day budgets, with the former providing geographic level disaggregation such as provinces and districts. Also, British era budgets specified the number of employees against each designation wherever expenditures on salaries/wages were indicated. Further, in the detailed budget statements, the earlier budget documents provided actual expenditures over three previous years, instead of expenditures incurred in the single preceding year—which is the information provided in current budget documents.

After 1935, with the provincialisation of governance, national budgets became less detailed in terms of reporting on province level budgets due to the autonomy brought about by the 1935 Government of India Act. Thereafter, provincial budgets became more important. Post-independence, budget codes from the British era more or less continued until 1974 when the Controller General of Accounts (CGA) introduced a more elaborate budget classification and coding system. This was further revised in 1987 to facilitate computerisation—this is what presently exists. The Sundaramurti Committee came out with a report in 2012 recommending complete overhaul of the budget classification and coding system, indicating that it would be implemented from FY 2013-14 (CGA, 2012). However, this report remains only on paper and we continue with the 1987 revised codes assessed in the next section.

II. An Overview of Budget Classification and Codes at Present

With greater budget information being demanded by various stakeholders, the Sundaramurti Committee endeavoured to bring about a complete transformation of the coding system. This was so that various kinds of budget information like geographical distribution, social group-wise classification, gender-wise segregation etc., could be reflected in the classification and coding system to facilitate a deeper analysis of budgets (CGA, 2012).

The First Administrative Reforms Commission's report on finance, accounts and audit endorsed a thorough review and restructuring of budget

structures and codes to reflect a better understanding of budgetary allocations for various government functions and programmes. The report categorically emphasised the need for standardisation and streamlining budgets in order to ensure efficiency of revenue collection, expenditure prioritisation and effectiveness of public spending. The report lays out that its main objective was to re-orient the existing financial system and procedures to the needs of new developmental responsibilities of the government. The present budgetary system serves well the twin purposes of parliamentary accountability and control of expenditure. But it is deficient as an instrument of management and evaluation of

Figure 3: Evolution of Budget Classification and Codes – Revenues and Expenditures in India Since 1960

	Pre 1974 (1960)	Pre 1974 (1970)	1974-1986	1987 till present
Revenues				
Corporate Tax	III	III	20	20
Income Tax	IV	IV	21	21
Land Revenue	VII	IX	29	29
Stamps and Registration	IX	XIV-XV	30	30
State Excise	VIII	X	39	39
Sales Tax/VAT	XII-A	XII	40	40
GST			0005-0009	
Interest	XX	XVI	49	49
Dividend & Profits		LVIII	50	50
Defence	XLVII-XLVIII	LXII-LXIII	069-072	0076-0080
Police	XXIII	XIX	55	55
Education	XXVI	XXII	77	202
Medical	XXVII	XXIII	80	210
Sanitation and WS	XXVIII	XIV	82	215
Social Security & Welfare			88	235
Agriculture	XXIX	XXV	105	401
Food			109	408
Rural/Community Dev	XXIX-A	XXVI, XXXI	114	515
Mines and Minerals			128	853
Grants in Aid from Centre	XLIX	XLIX	160	1601
Expenditures				
Tax Collection	3-4	3-4	220	2020
Land Revenue	7	9	229	2029
Forest	10	70	313	2406
Interest	22	16	249	2049
Defence	58-60A	79-82	269-272	2076-2080
Police	29	23	255	2055
Gen Admin	25	19	252-254	2052-2054
Education	37	28	277	2202-2203
Medical	38	29	280-281	2210-2211
Sanitation and WS	39	30	282	2215
Social Security & Welfare			288	2235
Agriculture	40	31	305	2401
Rural/Community Dev	40A	32	314	2501, 2505
Mines and Minerals			328	2853
Food/Nutrition			309	2406, 2236
Grants in Aid	61	74	361-363	3601-3604

Source: Combined Finance and Revenue Accounts (CFRA, various years), Comptroller and Auditor General of India, New Delhi

performance. Thus, a system of budgeting which would relate financial outlays with physical targets and achievements became necessary.

The reorganisation of the structure of major heads would be mainly useful in providing information about the relative dimensions of the broad purposes or functions of government. In other words, the information now being furnished in the Annual Financial Statement would be related to more meaningful categories in terms of major activities and functions of the government. If the functional layout of expenditure is to serve the purpose of especially identifying the contents and costs of various government programmes, the expenditure under various major heads needs to be broken down and further analysed to indicate the overall cost of specific programmes, activities and projects of each ministry or department. It is only this detailed analysis which can serve as a basis for rational choice between competing programmes or as an instrument of control over managerial performance of executive authorities at various levels (Gol, 1968). As a result, the present coding system had its origin in the A K Mukherji Committee Report of 1972 which was implemented from 1974 onwards, moving away from the colonial system of budget classification that continued to be followed for 27 years post-independence. A comparative analysis of the evolution of budget classification codes in India is presented in Figure 3.

The changes in the classification and coding of budget heads, which prior to 1974 focused on the functions and administrative structure of the government, witnessed a marked shift towards a focus on programmes and activities. Structural changes were introduced in the coding of budget heads into a five-tier structure starting with the Ministry/Department, through subheads and detailed programme heads, ending with the object head which is the final unit of appropriation of expenditure from budget allocations. This classification was further elaborated and rationalised from 1987 onwards as worked out by an inter-departmental group headed by R. C. Ghei. This group further rationalised the list

of major and minor heads and added another tier in between schemes and objects for classifying sub-schemes called detailed heads of accounts (CGA 2012). The new structure which continues presently is as under (Gol, 2010):

1. Major Head- 4 digits (Function)
2. Sub-Major Head-2 digits (Sub-Function)
3. Minor Head- 3 digits (Programme)
4. Sub-Head- 2 digits (Scheme)
5. Detailed Head- 2 digits (Sub-scheme)
6. Object Head- 2 digits (Object head or primary units of appropriation)

The Major Head refers to a main function of a Ministry or Department of the government like police, agriculture or health, etc. A four-digit code is allotted to the major head, the first digit indicating whether the major head is a receipt head/revenue expenditure head or capital expenditure head/loan head. If the first digit is '0' or '1' the head of account will represent revenue receipt, '2' or '3' represents revenue expenditure, '4' or '5'—capital expenditure, '6' or '7' loan head, (4000 for capital receipt) and '8' will represent contingency fund, and 8 and 9 (other than 8000) represents public account. Adding 2 to the first digit of the Revenue Receipt will provide the number allotted to the corresponding revenue expenditure head. Adding another 2 provides the capital expenditure head and yet another 2 gives the loan head of account (CGA, 2022). For example:

0401 Represents the receipt head of the function (major head) crop husbandry

2401 Revenue expenditure head of the function (major head) crop husbandry

4401 Capital expenditure of the function (major head) crop husbandry

6401 Loans for the function (major head) crop husbandry

The **Sub-Major Head** is a sub-function of the Ministry or Department. For example, urban health and elementary education are under the Departments of medical and public health and

general education, respectively. A two-digit code has been allotted with the code starting from '01' under each major head. Where no sub-major head exists, it is allotted a code '00'. The nomenclature 'General' has been allotted code '80' so that even after further sub-major heads are introduced, the code for 'General' will continue to remain the last one. For example, 2210-01 represents the major head Medical and Public Health with urban health allopathy as the sub-major head. Similarly, 2202-01 represents the major head General Education with elementary education as the sub-major head.

Minor Heads are programmes under major or sub-major heads. Under Urban Health, allopathy hospital and dispensaries is a minor head while primary school is a minor head under Elementary Education. These have been allotted a three-digit code with the codes starting from '001' under each sub-major/major head (where there is no sub-major head). Where no minor head exists, it is allotted a code '000'. Codes from '001' to '100' and a few codes '750' to '900' have been reserved for certain standard minor heads. For example, code '001' usually represents direction and administration. Non-standard minor heads have been allotted codes from '101' in the revenue expenditure series and '201' in the capital and loan series, where the description under capital/loan is the same as the revenue expenditure section. The code number for the minor head is the same as the one allotted in the revenue expenditure section. Code numbers from '900' are always reserved for Deduct Receipt or Deduct Expenditure heads. The code for 'Other Expenditure' is '800' while the codes for other grants/other schemes etc., where the minor head 'Other Expenditure' also exists has been designated as '600'. This was done to ensure that the order in which the minor heads are codified is not disturbed when new minor heads are introduced. The coding pattern for minor heads has been designed in such a way that the same three-digit code is adopted as much as possible, when certain minor heads have a common nomenclature under various major/sub-major heads. The finance and revenue accounts of each state and the combined finance and revenues

accounts of the Union and States which are final audited statements provide information up to this level (CGA, 2022). For example-

2210- 01- 001 represents Direction and Administration for Urban Health Allopathy

103 represents Central Government Health Scheme

110 represents Hospital and Dispensaries

200 represents Other Health Programs like NRHM

2202- 01- 001 represents Direction and Administration for Elementary Education

101 represents Government Primary Schools

109 represents Government Secondary Schools

111 represents Sarva Shiksha Abhiyan

112 represents Mid-day Meals

113 represents Samagra Shiksha

Next, the **subhead** and the **detailed head** represent schemes and sub-schemes and the **object head** at the final level is the unit of final appropriation. At the Centre, the sub-head represents schemes, the detailed head represents sub-schemes and the object head indicates the objects (e.g., pay, Daily Allowance, House Rent Allowance, rewards, gratuity, etc.) on which expenditure is incurred. Each of these levels have been allotted a two-digit code. Where it is not feasible to break up the objects of expenditure into such detail, the codes provided for aggregates of certain items may be used instead, for computer processing. For example, where it is not possible to separately indicate pay, DA, HRA etc., the code for salaries may be used for representing the aggregate of these items (CGA, 2022).

Details of these levels are found in the Detailed Demand for Grants (DDGs) of respective Ministries/ Departments. Since the last three levels are to be defined by the states (though the Centre suggests lists of object codes, many of which most states follow), there is a possibility of variation in budget codes for detailed and object heads across states. Continuing with the example of health and education, illustrations drawn from the

Maharashtra state budget of these last three levels have been presented in Figure 4. It is clear that the first three levels, which are reported in the finance and revenue accounts, are standardised across all states. Schemes and sub-schemes which are the next two levels of subheads and detailed heads vary across states, because while states have their own schemes, national schemes are more likely to be similar across states. The CGA also lists object heads but since this is regarded as a domain of states, there is a lot of variation (Figure 5).

A thorough review of the coding pattern of the state (major) budgets yields the following insights (Figure 5). Andhra Pradesh (AP), Telangana and Karnataka have 3-digit codes for objects instead of two digits though most of their first two digits are similar to the Union Government's list. Therefore, salary in AP is 010 instead of 01, pay is 011, DA is 013, medical reimbursement is 017, etc.

Supplies and materials is 210 instead of 21 and this facilitates further breakdown—for example, 212 under supplies and materials stands for drugs and medicines and 214 for fee of software licenses (Government of Andhra Pradesh, 2019). Therefore, AP has created a seventh level with an additional digit under the object head which they call sub-detailed head which helps further breaking down object heads and facilitates greater transparency in budget information. Further, the detailed budget books of Chhattisgarh in recent years (since FY 2015-16) show coding patterns which assign a four-digit unique code before the sub-minor code for categories like general, Scheduled Castes (SCs) and Scheduled Tribes (STs). This clearly denotes allocation/expenditure for these categories for each of the schemes in the state. Similar instances have also been noted in the detailed budget books of Andhra Pradesh and Telangana.

Figure 4: Example of Detailed Budget Codes for Health and Education at all 6 levels-A Case of Maharashtra Budget

Major Head (Function Head)	Sub-major Head (Sub-Function Head)	Minor Head (Program Head)	Sub-head (Scheme Head)	Detailed Head (sub-scheme)
210 Medical and Public Health	01 Urban Health Services	110 Hospital & Dispensaries	01 Mofussil Hospital & Dispensaries	01 Non-Teaching Hospital & Dispensaries
2202 General Education	01 Elementary Education	109 Secondary Schools	None	01 Govt secondary school for boys and girls (committed)
Object Head (common across depts.)				
01 Salary		14 Rent Rates Taxes		28 Professional services
02 Wages		16 Publications		31 Grant in aid non salary
03 Overtime allowances		17 Computer expenses		34 Scholarship/stipends
06 Telephone, Electricity & water charges		19 Diet charges		36 Grant in Aid Salary
10 Contractual services		21 Supplies and Materials		51 Motor Vehicle
11 Domestic Travel		22 Petrol Oil Lubricants		52 Machinery & Equipment
13 Office expenses		26 Advertising and Publicity		72 Repairs and Maintenance of M/C Equipment
		27 Minor Works		

Source: Budget Documents, Government of Maharashtra.

Figure 5: Budget codes across various layers in Select States of India- 2023

	Digits of Major Head	Digits of Sub-Major Head	Digits of Minor Head	Digits of Sub-Head (Scheme Head)	Digits of Detailed Head (sub-scheme)	Digits of Object Head
Union Government	4	2	3	2	2	2
Maharashtra	4	2	3	2	4	2
Gujarat	4	2	3	2	2	4
Rajasthan	4	2	3	2	2	2
Punjab	4	2	3	2	2	2
Haryana	4	2	3	2	2	2
Uttar Pradesh	4	2	3	2	4	2
Madhya Pradesh	4	2	3	4	2	3
Chhattisgarh	4	2	3	4	2	3
Bihar	4	2	3	4	2	2
Jharkhand	4	2	3	2	2	2
West Bengal	4	2	3	3	2	2
Odisha	4	2	3	4	5	3
Andhra Pradesh	4	2	3	2	3	3
Telangana	4	2	3	2	3	3
Karnataka	4	2	3	1	2	3
Tamil Nadu	4	2	3	2	3	2
Kerala	4	2	3	2	2	1
Assam	4	2	3	4	3	2

Source: Compiled by Authors from Detailed Demand for Grants of respective States.

III. The Sundaramurti Committee Recommendations

While the current budget classification and coding system is regarded as quite robust and gives a fairly detailed breakdown of expenditures, various stakeholders have demanded further details in budget classification and coding. There have been demands to indicate geographical distribution of expenditure such as rural and urban, hilly or plains,

backward, coastal and allocations according to gender and social groups like children, youth, etc. Over the years, some categories like urban and rural health have been added in addition to codes for SC and ST groups. In some states like Maharashtra, even district-wise statements, gender and child statements, SC and ST statements etc., have been

added. But such disaggregation needs to be woven within the main coding structure to make these categories and codes an integral part of the core budget document. To review this and recommend further changes in the budget classification and coding structure, the Government of India constituted a committee under the chairmanship of C.R. Sundaramurti, Controller General of Accounts to review the present accounting classification system and to develop one better suited to represent the nature and objectives of government expenditure. The committee's primary purpose was to develop a revised accounting classification structure which could address various issues raised by stakeholders for better planning of resources, budgeting, accounting and availability of more useful government financial information (CGA, 2012).

The committee submitted its report to the Ministry of Finance in January 2012 and proposed a multi-dimensional classification structure with seven mutually exclusive segments with their own individual hierarchical structures. In its review of the existing classification and coding system, the Sundaramurti Committee indicated that the present classification system poses a few limitations. The main weaknesses/issues pointed out by various agencies is summarised as follows:

- Opaqueness in data on transfers to states: State-wise details of transfers and information on releases to states under various functional heads are not captured.
- Lack of standardisation of scheme classification with plan schemes not being captured uniformly at one level.
- Major heads which are supposed to represent government functions do not reflect the actual functional character of expenditures and do not correspond to heads of development used in the planning and resource allocation process.

- Breakup of Central transfers into constituent flows such as Finance Commission grants, normal central assistance, additional central assistance and special central assistance etc., are not captured.
- There are emerging special requirements such as gender budgeting, budgeting for SC/ST and the North Eastern Region (NER) which the existing system cannot cater to very well.

Some of the above limitations are redundant because the Sundaramurti Committee suggestions and recommendations were made in the context of integrating the Five-Year Plan allocations into the main budget codes. With the Planning Commission removed and scrapping of the Five-Year Plans, the Sundaramurti Committee recommendations too need to be read in that light. A multi-stakeholder discussion note raises this point in its minutes by quoting the Expenditure Management Commission—*“The Expenditure Management Commission, in para 88 of its report, has noted the revised classification structure recommended by the Sundaramurti Committee as an effective tool for better planning, allocation and application of resources, and more effective monitoring of public spending. The Commission, therefore, recommended an announcement in the Budget 2015-16 regarding the adoption of the revised Chart of Accounts (CoA) of Government of India as per the recommendations of the Sundaramurti Committee, with effect from April 1, 2016, along with suitable modifications on account, inter alia, of removal of distinction between Plan and Non-Plan expenditure”* (Gol, Office Memorandum 2016, p. 7).

The proposed classification structure is a multi-segment structure developed mainly by rationalising and reorganising the information contained in the existing six-tier hierarchical structure into separate logical dimensions. It has the following seven mutually exclusive segments with their own individual hierarchical structures (CGA 2012):

1. Administrative segment: Ministries, Departments, agencies and offices
2. Function segment: Main functions of government like health, education, police, defence, etc.
3. Programme-cum-scheme segment: Main programmes, schemes/sub-schemes and activities
4. Recipient segment: External bodies like other levels of government such as state, district, municipal and panchayat bodies, universities, public sector undertakings (PSUs), public sector banks (PSBs), non-government organisations (NGOs), private agencies etc.
5. Target segment: special policy target populations like women, SC, ST, below poverty line (BPL) families, etc.
6. Economic segment: Objects of expenditure like salary, travel, commodities, etc.
7. Geographic segment: Regions, states, districts, hilly regions, rural, urban, etc.

The mutually exclusive nature of segments means that various constituents of the system are standardised. Each item is classified only once in the system and is identifiable with a unique code. In brief, the main benefits from the new classification structure proposed by the Sundaramurti Committee (CAG, 2016) are as under:

- Allow to capture almost the entire spectrum of data attributes in public financial operations.
- Facilitate financial reporting in a variety of ways for meeting information requirements of different stakeholders.
- Greatly simplifying classification and presentation of budget.

→ Computer-friendly and would open the accounting database to complete slicing and dicing. Retrieving information from the system will be easier and reporting more flexible.

→ Maintaining the code directory will be much easier.

While the restructuring of classification and the indicated benefits do have merit, the approach of the Sundaramurti Committee with regard to coding is problematic. Its recommendation of a complete overhaul of the coding structure would result in completely changing the present coding structure for all heads and tiers, from major heads to object heads. This would be disruptive. Further, most of the suggested changes were in the context of Plan programmes which are no longer relevant, with the Planning Commission dissolved since 2014. This can be understood with an example.

The major head for Health and Family Welfare (as major functional heads) has been assigned the code 33 (earlier these major heads were represented as 2210 and 2211) with four major heads: 3301 for rural healthcare services (earlier sub-major heads 03 and 04), 3302 for urban health services (earlier sub-major heads 01 and 02), 3303 for public health (earlier sub-major head 06) and 3304 for medical education, training and research (earlier sub-major head 05). Further, this coding pattern is bifurcated into Plan (prefix 1 – 7 depending on whether it is Central Sector, Centrally Sponsored Scheme, State Scheme, etc.) and non-Plan (prefix 8) at the programme/scheme level which is no longer relevant.

The above example demonstrates that there is no connect with the earlier codes and implementing this would cause extensive disruption in the existing classification and coding structure. It could be argued that the earlier system has been digitised and computer programming could offset this disruption. But this would require learning for the accounts

staff at all levels of sub-district, treasury and the institution level, right up to the Accountant General office level. The basic framework and coding of the earlier system should be retained and additional requirements can be added to the structure, similar to what the Andhra Pradesh Accountant General has undertaken—object codes have been made

more specific by providing an additional digit. In subsequent sections, we will discuss in detail how gaps in the existing coding structure can be filled and additional provisions for greater fiscal transparency and accountability can be introduced to strengthen public engagement and discourse.



IV. Bridging the Gaps

The Sundaramurti Committee has highlighted various additional dimensions to be incorporated into existing budget coding systems. These additional dimensions are a longstanding demand of various stakeholders who engage with budgets and fail to obtain the desired level of disaggregated budget data required for understanding and analysing budgets. Historically, the need to target policies and budget allocations for vulnerable groups through specific government programmes has resulted in the creation of specific budget codes for SCs (minor head-789) and the STs (minor head-796). These codes are used across Ministries and Departments to provide specific allocations under various programmes for the SC and ST population, both at the levels of Union and State Governments. For example, under the National Rural Health Mission (NRHM) or Samagra Shiksha or Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) etc., the budget allocated to programmes for SCs and STs is indicated by the codes 789 and 796 respectively. Similarly, there are other targeted programmes and schemes for BPL families, minorities, the disabled, elderly, children and women, etc. However, these do not have specific budget codes as yet and therefore, it becomes difficult to trace such budget allocations in detailed budget documents. Efforts have been made to bridge this gap at the Union Government level

and in a number of states by providing separate statements for women and child specific schemes but specific budget codes similar to SCs and STs have not been provided for.

As indicated in the Sundaramurti Committee Report, there are also demands for further disaggregation at the levels of geography (rural/urban, regional, state, district, etc.) and recipients (various levels of government, universities, PSUs, NGOs, private entities, etc). More details on object-wise expenditures are required to facilitate a robust micro level understanding and effective use of budgets. Present budget documents may have scattered information on such disaggregation but these are not structured in the form of defined codes. For example, under health, one can see budget subheads on urban health and rural health. In some state budgets, the following data is available: district-wise statements for allocations on various schemes, statements on grants-in-aid to local governments, NGOs and private institutions, allocations to major institutions like teaching hospitals and universities, separate statements on schemes, objects of expenditure, human resources and salaries, gender and child budget statements, etc. However, this information is not presented in a structured manner with standardised codes.

Further, the focus of the present budget coding system is on programmes and schemes and these are more or less, fairly well-structured and have standardised budget codes. With regard to schemes and sub-schemes, there may be some variation across states since there are also state specific schemes and these may not be standardised across states. States also differ with object codes as well as in the presentation of various specific statements mentioned above. Often across states, even the overall budget presentation shows some variations in how Departments, programmes and schemes are listed in budget documents. Therefore, creating a single standardised coding system across all dimensions and levels of budget allocation for all states is perhaps both impossible and undesirable given the Constitutional spirit of fiscal federalism and autonomy to states. But even within the existing budget classification and coding systems, some effective changes can be incorporated to reflect different disaggregated segments of budget information. Below, we attempt to show how this can possibly be done in more structured ways within the existing framework of budget codes.

Assuming that the existing budget codes are generally all right up to programme and scheme/sub-scheme levels, further disaggregation is demanded for greater transparency and accountability at the programme/scheme code level where additional dimensions of budget allocations would be reflected. Thus, similar to what is presently done with SCs (789) and STs (796)—allocations and codes could be evolved for other target groups like women, children, persons with disabilities, elderly, BPL populations, minorities etc. Wherever possible and relevant, these codes should be indicated in each programme/scheme.

For the recipient dimension, separate budget statements can be prepared and each recipient

like state, local government, hospitals, universities, PSUs, private entities etc., could be allotted codes. In Detailed Demand for Grants (DDGs) at both the Union level and in States, major institutions like hospitals, universities and autonomous bodies have already been assigned codes, but such coding needs more concise structuring and organization. Similarly, different levels of governments could be assigned codes. The Census or Local Government Directory (LGD) method can be adapted. For example, each state could be given a code and within each state, the districts, local governments and panchayats could be assigned codes. This way, the budget can dovetailed and integrated with the Census/LGD. The geographic dimension can also be dealt with similarly. For instance, the Northeast Region already has a major head code 2552. Similarly, codes could be assigned to other geographic regions too. As regards the economic segment or object codes, we have already cited the example of Andhra Pradesh which has expanded the details of objects of expenditure to facilitate more detailed information.

Clearly then, there is scope within the existing budget code framework to integrate additional dimensions rather than overhauling the entire coding system which the Sundaramurti Committee recommends. There is also a lot to learn from ongoing budgetary practices and strategies adapted by various state governments which provide additional dimensions of budget information. Maharashtra, for instance, releases district budget books which provide budget information for each programme/scheme for respective districts, each of which has a unique code. This is currently limited to scheme expenditures which are devolved to local governments and excludes what is known as committed expenditures. Maharashtra also produces a budget statement that gives region-wise (Vidarbha, Marathwada and rest of Maharashtra) budget disaggregation both for schemes as well as committed expenditures.



V. Some State Initiatives

As already mentioned, various states have been providing a wide array of budget information beyond the usual/standard budget documents. This is extremely valuable for those engaging in budget analysis and tracking budget implementation but these are not standardised across states. Annexure 3 provides a snapshot of state-wise and document-wise information on special statements and innovative budget information in the public domain to enhance budget transparency and accountability.

Gender and child budget statements are now produced by many states, but design faults in such statements are evident. They only provide information on women specific and child specific programmes and schemes which are already available in main budget documents. Therefore, it is just a separate statement where one can find all the allocations for women/child specific schemes. They fail to facilitate significant gender assessment as they do not provide information on gendered outcomes. Similarly, separate statements for SCs and STs are produced by several states. A few states also bring out separate statements for allocations for OBCs and minorities. Doubtlessly, these statements are useful but only serve to bring scattered information into one statement so that one need not search various departments and ministries for budget data. A few states publish outcome and performance budgets which are very useful and provide information which connects budget allocations to outcomes and performance indicators of programmes and schemes. Such outcome and

performance budgets need to be standardised across states and made mandatory for all relevant ministries and departments. (Annexure 3).

Some states also compile sectoral budgets like agriculture, climate or green budget, allocation on Sustainable Development Goals (SDGs) etc. These are useful documents for understanding budgetary priorities for sectors across administrative departments, but only very few states are doing this (Annexure 4). This aside, some states bring out geographical budgets like district-wise and region-wise budgets for programmes and schemes. Maharashtra, Kerala and a few other states provide separate budget statements for allocations to rural and urban local bodies (Annexure 5). This is apart from the own budgets of rural and urban local bodies.

While this wide array of budget documents from different states is a useful addition for enhancing budget transparency, the real challenge is to make public access available to the treasury database which has real time budget information and information on fund flows. Treasury databases provide the ultimate level of transparency for budget information and facilitate tracking of fund flows and spending at the most disaggregated levels and also provide access to vouchers of payments thus helping complete the loop of budget accountability. While all states have digitised their treasury databases, few provide open or even limited access to treasury transactions¹ (Acharya 2018).

i For details, please refer to the Working Paper titled: The Criticality of a Transparent Treasury System for Public Accountability.

VI. Looking Ahead

India does have reasonably good budget transparency both at the levels of Union and State as well as a reasonably robust Chart of Accounts or budget account codes. We have seen that budget account codes, up to the programme level, are standardised across state governments. However, such standardisation and comparability is lost at further disaggregated levels, especially at the level of schemes, detailed heads and objects of spending. There is huge scope for improvement in this area. Considering the demands of various stakeholders for additional budget information, further deepening and detailing of budget account codes would be helpful to facilitate public engagement in enhancing budget transparency and accountability. We do not need to completely overhaul account codes as recommended by the Sundaramurti Committee. However, keeping the committee's framework in mind, existing budget codes could be tweaked as per additional requirements of budget information without disrupting the current system of account codes which various stakeholders are now familiar with.

Further, while state budgets comply with publishing account codes across key budget documents, there is a need to standardise these codes across states, especially at the detailed head and object of expenditure level to improve comparability across states. Also, there is much to be learned from some states which have made available innovative

budget information to enhance transparency and accountability. This information should be leveraged to develop standardisation to the maximum possible extent without diluting the spirit of fiscal federalism. It is also observed that several Union Government budget documents, which earlier used account codes in these documents now refrain from doing so and this trend must be reversed. This is in the interest of ensuring budget transparency and accountability.

Several state governments have been producing special budget statements or documents to report the allocation/expenditure priorities for various sectors and constituencies by adding newer tags in the presentation of budget information. It is usually preferable to have such special statements with clearly defined structures and a rationale of reporting linked with outcomes.

Finally for greater public engagement into the fiscal governance discourses, especially at the local level and to ensure greater accountability of the elected representatives, there is a need for providing disaggregated fiscal data into the Assembly and Parliamentary Constituencies. To start with, presentation of data for major flagship schemes, disaggregated into constituencies in the budget documents of the Union and the States would serve a long way in strengthening fiscal transparency in the country.



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Annexures

Annexure 1: Revenues of the Mughal Empire (1593-1707) (in Rs.)

	A.D. 1594 Akbar.	A.D. 1648 Shah Jahan	A.D. 1654	A.D. 1663-66? Bernier's return_	Date uncertain. Official returns.	A.D. 1697 Aurangzeb	A.D. 1707 Aurangzeb
1 Allahabad	5,310,677	10,000,000	13,197,029	9,470,000	11,413,575	7,738,000	11,413,581
2 Agrah	13,656,257	22,500,000	34,115,052	25,225,000	28,544,003	22,203,550	28,669,003
3 Oude	5,043,954	7,500,000	9,099,571	6,830,000	8,032,927	....	8,058,195
4 Ajmir	7,153,449	15,000,000	16,219,042	21,970,000	16,308,642	21,900,002	16,308,634
5 Gujarat	10,924,122	13,250,000	21,732,201	13,395,000	11,368,728	23,305,000	15,196,228
6 Bihar	5,547,985	10,000,000	13,632,523	9,580,000	10,179,525	12,150,000	10,179,025
7 Bengal	14,961,482	12,500,000	11,446,450	....	13,115,906	40,000,000	13,115,906
8 Dehli	15,040,388	25,000,000	38,970,978	19,525,000	30,323,753	12,550,000	30,548,753
9 Kabul	8,071,021	4,000,000	2,426,950	3,272,400	4,025,983	3,207,250	4,025,983
10 Lahor	13,986,460	22,500,000	27,243,994	24,695,000	22,453,302	23,395,000	20,653,302
11 Multan	9,600,764	7,000,000	8,460,529	11,840,500	5,357,500	5,025,000	5,361,073
12 Malwah	6,017,376	10,000,000	13,932,933	9,162,500	10,099,516	9,906,250	10,097,541
13 Berar	17,376,117	13,750,000	14,765,000	15,875,000	27,293,131	15,807,500	15,350,625
14 Khasdes	7,563,237	10,000,000	12,423,250	18,550,000	14,823,308	11,105,000	11,215,750
15 AhmatInagar (Daulatabad)	(No return)	13,750,000	12,679,000	17,227,500	35,071,119	1,62,04,750 2,00,00,000	25,873,622
16 Tatah	1,656,284	2,000,000	2,230,750	2,320,000	1,720,420	6,002,000	2,295,420
17 Bakar	...	...	...	...	...	2,400,000	
18 Kandahar	...	1,500,000	1,500,000	1,992,500			
19 Badakhshan	...	1,000,000					
20 Baglanah	...	500,000	...	500,000	...	6,885,000	
21 Balkh	...	2,000,000			• ' 72,00,000		
22 Kashmir	...	3,750,000	2,859,750	350,000	5,747,509	3,505,000	5,747,734
23 Orissa	...	5,000,000	5,639,500	7,270,000	3,558,025	5,707,500	3,570,500
24 Rajmahal	...	...	...	...	...	10,050,000	
25 Telingana (Haiderabad, Golconda.)	...	7,500,000	4,865,200	6,885,000	2,73,38, 200	50,000,000	27,834,000
26 Bidar	...	...	...	...	13,268,558	...	9,324,359
27 Bijapur	...	...	...	...	56,370,678	50,000,000	26,957,625
Rupees	141,909,576	220,000,000	267,439,702	225,935,500	356,414,308	386,246,802	301,796,859

Source: Extract from Thomas (1871)

Note: Revenues in the table represent Contrasted Returns of the Provincial Revenues of the Mughal Empire

Annexure 2: Budget Abstract for 1888-89

Heads of Revenue and Receipts	Accounts, 1886-87	Budget Estimate, 1887-88	Revised Estimate, 1887-88	Budget Estimate, 1888-89	Increase + Decrease - of Revised as compared with Budget Estimates, 1887-88	Increase + Decrease- of Budget 1888-89, as compared with the Revised Estimates, 1887-88
Principal Heads of Revenue-	Rs	Rs	Rs	Rs	Rs	Rs
I- Land Revenue	230557240	229376000	229829000	230905000	453000	1076000
II- Opium	89429760	88933000	85442000	84539000	-3491000	-903000
III-Salt	66576440	66046000	67231000	81225000	1185000	13994000
IV- Stamps	37512800	37162000	38481000	38544000	1319000	63000
V- Excise	43751740	42254000	45031000	46095000	2777000	1064000
VI - Provincial Rates	29998610	29575000	29987000	30133000	412000	146000
VII- Customs	12462930	12327000	13466000	13691000	1139000	225000
VIII- Assessed Taxes	13547350	14060000	14171000	14518000	111000	347000
IX- Forest	11039700	11307000	11417000	11716000	110000	299000
X- Registration	2990590	3027000	3102000	3079000	75000	-23000
XI- Tributes from Native States	6954150	7220000	7400000	7679000	180000	279000
TOTAL	544821310	541287000	545557000	562124000	4270000	16567000
XII- Interest	6705480	6865000	7492000	6563000	627000	-929000
Post Office Telegraph, Mint						
XIII -Post Office	11543070	12163000	12008000	12421000	-155000	413000
XIV - Telegraph	6927470	6386000	7698000	6993000	1312000	-705000
XV- Mint	1804280	1704000	2160000	1899000	456000	-261000
TOTAL	20274820	20253000	21866000	21313000	1613000	-553000
Receipts By Civil Departments-						
XVIA- Law and Justice - Courts of Law	2986880	2979000	3108000	3046000	129000	-62000
XVIB- Law and Justice - Jails	2885080	2935000	2348000	2581000	-587000	+233000
XVII- Police	3158630	3239000	3305000	3218000	66000	-87000
XVIII- Marine	2000290	1733000	1965000	1883000	232000	-82000
XIX- Education	2083950	1937000	2133000	2014000	146000	-119000
XX- Medical	646110	565000	594000	617000	29000	23000
XXI- Scientific and other Minor Departments	855640	815000	742000	881000	-73000	139000
TOTAL	14616580	14203000	14195000	14240000	-58000	45000

Annexure 2: Budget Abstract for 1888-89

Heads of Revenue and Receipts	Accounts, 1886-87	Budget Estimate, 1887-88	Revised Estimate, 1887-88	Budget Estimate, 1888-89	Increase + Decrease - of Revised as compared with Budget Estimates, 1887-88	Increase + Decrease - of Budget 1888-89, as compared with the Revised Estimates, 1887-88
Miscellaneous-						
XXII- Receipts in aid of Superannuation	3996610	3924000	4001000	3821000	77000	-180000
XXIII- Stationary and Printing	968160	972000	741000	601000	-231000	-140000
XXIV	—	3654000	5189000	4150000	1535000	-1039000
XXV- Miscellaneous	3517970	3220000	3568000	3090000	348000	-478000
TOTAL	8482740	11770000	13499000	11662000	1729000	-1837000
Railways-						
XXVI- State Railways (gross Earnings)	108290270	113188000	108515000	117409000	-4673000	8894000
XXVII- Guaranteed Companies (net Traffic Receipts)	36471160	35150000	35340000	34050000	190000	-1290000
XXVIII- Subsidized Companies (Repayment of Advances of Interest)	16160	587000	273000	388000	-314000	115000
TOTAL	144777590	148925000	144128000	151847000	-4797000	7719000
Irrigation						
XXIX-Major Works: Direct Receipts	9098240	9592000	9745000	10141000	153000	396000
Portion of Land Revenue due to Irrigation	5974690	5765000	5784000	5903000	19000	119000
XXX- Minor Works and Navigation	1494120	1523000	1539000	1543000	16000	4000
TOTAL	16567050	16880000	17068000	17587000	188000	519000
Buildings and Roads-						
XXXI- Military Works	1883840	364000	377000	360000	13000	-17000
XXXII- Civil Works	5391900	5031000	5285000	5191000	254000	-94000
TOTAL	7275740	5395000	5662000	5551000	267000	-111000
Receipts By Military Departments-						
XXXIII- Army: Effective	9291380	8421000	9228000	8624000	807000	-604000
Army Non- Effective	558650	553000	571000	594000	18000	23000
TOTAL	9850030	8974000	9799000	9218000	825000	-581000
TOTAL REVENUES	773371340	774602000	779266000	800105000	4664000	20839000

Annexure 2: Budget Abstract for 1888-89

Part-B: General Abstract of Expenditure Chargeable on the Revenues of India (in India and in England)

Heads of Expenditure	Accounts, 1886-87	Budget Estimate, 1887-88	Revised Estimate 1887-88	Budget Estimates, 1888-89	Increase+ Decrease- or Revised, as compared with Budget Estimates, 1887-88	Increase+ Decrease- of Budget, 1888-89, as compared with Revised Estimates, 1887-88
Direct Demands on the Revenues-	Rs	Rs	Rs	Rs	Rs	Rs
1. Refunds and Drawbacks	2145320	2022000	2117000	1951000	95000	-166000
2. Assignments and Compensations charges in respect of Collection, vis	14469370	13676000	14691000	14940000	1015000	249000
3. Land Revenue						
4. Opium (including cost of production)	34642520	36688000	35191000	36841000	-1497000	1650000
5. Salt(including cost of production)	27290630	25061000	25121000	25547000	60000	426000
6. Stamps	4861720	4691000	4294000	4509000	-397000	215000
7. Excise	1468140	1778000	1638000	1750000	-140000	112000
8. Provincial Rates	1167300	1189000	1225000	1277000	36000	52000
9. Customs	511050	472000	640000	576000	168000	-64000
10. Assessed Taxes	1358180	1351000	1370000	1385000	19000	15000
11. Forest	501580	336000	306000	273000	-30000	-33000
12. Registration	7197650	7376000	7633000	7706000	257000	73000
TOTAL	1848450	1866000	1889000	1875000	23000	-14000
Interest-	97461910	96506000	96115000	98630000	-391000	2515000
13. Interest on Debt* other than that charged to Railways and Irrigation Works	39489960	40251000	51213000	40754000	10962000	-10459000
14. Interest on other Obligations	3614070	3871000	3974000	4330000	103000	356000
TOTAL	43104030	44122000	55187000	45084000	11065000	-10103000
Post Office, Telegraph, and Mint						
15. Post office	13502920	13645000	13772000	13602000	127000	-170000
16. Telegraph	7144640	8109000	7804000	7360000	-305000	-444000
17. Mint	805060	861000	986000	860000	125000	-126000
TOTAL	21452620	22615000	22562000	21822000	-53000	-740000
Salaries and Expenses of Civil Departments-						
18. General Administration	17338750	17103000	17757000	17429000	654000	-328000
19A. Law of Justice - Courts of Law	26272300	26995000	26555000	27134000	-440000	579000

* The interest on Debt is distributed as follows:

Interest on Debt (other than that charged to Railways and irrigation Works) as above	39489960	40251000	51213000	40754000	10962000	-10459000
Under Railways Revenue Account	32023680	33184000	33712000	34863000	528000	1151000

Annexure 2: Budget Abstract for 1888-89

Part-B: General Abstract of Expenditure Chargeable on the Revenues of India (in India and in England)

Heads of Expenditure	Accounts, 1886-87	Budget Estimate, 1887-88	Revised Estimate 1887-88	Budget Estimates, 1888-89	Increase+ Decrease- or Revised, as compared with Budget Estimates, 1887-88	Increase+ Decrease- of Budget, 1888-89, as compared with Revised Estimates, 1887-88
19B. Law of Justice -Jails	7692230	8156000	7487000	8002000	-669000	515000
20. Police	32850970	37153000	37269000	37762000	116000	493000
21. Marine(including River Navigation)	8481240	8645000	6517000	6163000	-2128000	-354000
22. Education	13053370	13193000	12820000	13312000	-373000	492000
23. Ecclesiastical	1589890	1719000	1603000	1670000	-116000	67000
24. Medical	7566850	8032000	7645000	7904000	-387000	259000
25. Political	7548140	6306000	6909000	7146000	603000	237000
26. Scientific and other Minor Departments	4591420	4495000	4411000	4461000	-84000	50000
TOTAL	126985160	131797000	128973000	130983000	-2824000	2010000
Miscellaneous Civil Charges-						
27. Territorial & Political Pensions	6476880	6755000	6091000	5703000	-664000	-388000
28. Civil Furlough and Absentee Allowances	2601320	3030000	3099000	3112000	69000	13000
29. Superannuation Allowances & Pensions	28610650	29183000	29910000	30293000	727000	383000
30. Stationary and Printing	5620300	5931000	5707000	6075000	-224000	368000
31. Exchange	263020					
32. Miscellaneous	3438400	3663000	2965000	3396000	-698000	431000
TOTAL	47010570	48562000	47772000	48579000	-790000	807000
Famine Relief and Insurance-						
33. Famine Relief	10410	20000	8000	5000	-12000	-3000
34. Construction of Protective Railways	2000000	--	--	--	--	--
35. Construction of Protective Irrigation Works	1079790	925000	925000	727000		-198000
TOTAL	3090200	945000	933000	732000	-12000	-201000
Carried Over	339104490	344547000	351542000	345830000	6995000	-5712000
Under Irrigation	9925910	10249000	10192000	10467000	-57000	275000
TOTAL	81439550	83684000	95117000	86084000	11433000	-9033000

Annexure 2: Budget Abstract for 1888-89

Part-B: General Abstract of Expenditure Chargeable on the Revenues of India (in India and in England)

Heads of Expenditure	Accounts, 1886-87	Budget Estimate, 1887-88	Revised Estimate 1887-88	Budget Estimates, 1888-89	Increase+ Decrease- or Revised, as compared with Budget Estimates, 1887-88	Increase+ Decrease- of Budget, 1888-89, as compared with Revised Estimates, 1887-88
	Rs	Rs	Rs	Rs	Rs	Rs
Brought forward	339104490	344547000	351542000	345830000	6995000	-5712000
37. Construction of Railways(charged against Revenue in addition to that under Famine Insurance)	1830770	750000	817000	438000	67000	-379000
Railway Revenue Account						
38. State Railways : Working Expenses	52198890	58313000	54607000	59822000	-3706000	5215000
Interest on Debt	32023680	33184000	33712000	34863000	528000	1151000
Annuities in purchase of Railways	23086250	23081000	23906000	23980000	825000	74000
Interest on Capital deposited by Companies	4732060	5852000	6664000	9314000	812000	2650000
39. Guaranteed Companies: Surplus Profits, Land and Supervision	6008330	5730000	7210000	5275000	1480000	-1935000
Interest	37218640	37323000	38568000	38737000	1245000	169000
40. Subsidized Companies: Land	452430	600000	470000	322000	-130000	-148000
41. Miscellaneous Railways Expenditure	943990	736000	534000	683000	-202000	149000
TOTAL	156664270	164819000	165671000	172996000	852000	7325000
Irrigation						
42. Major Works: Working Expenses	6267730	6459000	6827000	6708000	368000	-119000
Interest on Debt	9925910	10249000	10192000	10467000	-57000	275000
43. Minor Works and Navigation	6912900	7705000	7825000	8648000	120000	823000
TOTAL	23106540	24413000	24844000	25823000	431000	979000
Buildings and Roads						
44. Military Works	10616380	13007000	12816000	11573000	-191000	-1243000
45. Civil Works	41401290	42525000	43180000	44356000	655000	1176000
TOTAL	52017670	55532000	55996000	55929000	464000	-67000
Army Services						
46. Army: Effective	162296770	157305000	168935000	162257000	11630000	-6678000
Army : Non Effective	32953650	34665000	35662000	37433000	997000	1771000
TOTAL	195250420	191970000	204597000	199690000	12627000	-4907000
Special Defence Works						
47. Special Defence Works	325260	--	5689000	11215000	5689000	5526000

Annexure 2: Budget Abstract for 1888-89

Part-B: General Abstract of Expenditure Chargeable on the Revenues of India (in India and in England)

Heads of Expenditure	Accounts, 1886-87	Budget Estimate, 1887-88	Revised Estimate 1887-88	Budget Estimates, 1888-89	Increase+ Decrease- or Revised, as compared with Budget Estimates, 1887-88	Increase+ Decrease- of Budget, 1888-89, as compared with Revised Estimates, 1887-88
Total Expenditure Imperial and Provincial	771230420	782031000	809156000	811921000	27125000	2765000
Add- Portion of Allotments to Provincial Governments not spent by them in the year	3164820	--	2937000	98000	2937000	-2839000
Deduct - Portion of Provincial Expenditure defrayed from Provincial Balance	2808170	7596000	2660000	4934000	4936000	-2274000
Total Expenditure charged against Revenue	771587070	774435000	809433000	807085000	34998000	-2348000
Surplus(+) or Deficit(-)	1784270	167000	-30167000	-6980000	-30334000	23187000
Expenditure not charged to Revenue						
Capital Outlay on Railway and irrigation Works						
48. State Railways	51231050	42942000	23740000	34445000	-19202000	10705000
49. Irrigation works	5473790	7000000	6028000	6000000	-972000	-28000
Total	56704840	49942000	29768000	40445000	-20174000	10677000
Special Defence Works	(a)	4746000	(a)	(a)	-4746000	--
50. Capital Charge involved In Redemption of Liabilities	49145460	--	--	--	--	--

Note: (a) shows against 47- "Special Defence Works"

Source: The 1888-89 Budget (Gol, 1888)

Annexure 3: Union and State Governments Producing Special Budget Statements for Various Sections of the Population

States/UTs	Gender-Responsive Budgeting (GRB)	Child-Responsive Budgeting (CRB)	Budget for Youth/Citizen's Budget	Budget for Scheduled Castes	Budget for Scheduled Tribes	Budget for Backward Classes	Budget for Minorities	Budget for Disabled	Outcome and / or Performance Budget
Union Budget	✓	✓		✓	✓				✓
Andhra Pradesh	✓	✓		✓	✓	✓	✓		✓
Arunachal Pradesh	✓	✓							✓
Assam	✓	✓	✓					✓	✓
Bihar	✓	✓							✓
Chhattisgarh		✓							✓
Delhi									✓
Gujarat	✓								✓
Haryana									✓
Himachal Pradesh	✓			✓	✓				
Jharkhand									✓
Karnataka	✓	✓		✓					
Kerala	✓	✓							
Madhya Pradesh	✓	✓		✓					
Maharashtra	✓								✓
Manipur	✓								
Meghalaya	✓		✓						
Odisha	✓	✓							
Telangana				✓	✓				
Tripura	✓			✓	✓				
Uttarakhand	✓								✓

Source: Compiled by Authors from Special Budget Statements of various States

Annexure 4: State Governments Producing Sector-wise Special Budget Statements

States/UTs	Agriculture Budget	Nutrition Budget	Green Budget/Climate Budget	Education Budget	Sustainable Development Goals (SDG) Budget
Bihar			✓		
Chhattisgarh	✓				
Gujarat	✓		✓	✓	
Haryana					✓
Madhya Pradesh	✓				
Odisha	✓	✓	✓		✓

Source: Compiled by Authors from Special Budget Statements of various States

Annexure 5: States Producing Geographic Budget Statements

States/UTs	Rural Local Bodies (Gram Panchayat) Budget	Urban Local Bodies (Municipal Corporations) Budget	Region Specific Budget	District Budget
Assam	✓	✓		
Bihar		✓		
Chhattisgarh	✓	✓		
Delhi		✓		
Gujarat	✓	✓		
Karnataka		✓		
Kerala	✓			
Madhya Pradesh	✓	✓		
Maharashtra				✓
Odisha		✓		
Uttarakhand	✓	✓		

Source: Compiled by Authors from Special Budget Statements of various States

Annexure 6: Making State Budget data open, accessible and user-friendly

	What and why?	Better practices
Publish budget data in a machine-readable format	<p>Relevant budget documents should be published in open document formats like spreadsheets, comma separated values (CSV) or Excel (XLS, XLSX) through open Application Programming Interfaces (APIs). These documents constitute:</p> <ul style="list-style-type: none"> (a) Budget summary / Budget at a glance / Budget in brief (b) Annual financial statement (c) Expenditure budgets / Detailed Demands for Grants (d) Receipts budget (e) Supplementary demands for grants <p>Making such budget documents available in open data formats will enhance the uptake of data for undertaking further research and analysis, facilitating wider debate and discussion.</p>	<p>At present, Odisha is the only state which publishes budget data online in the Excel format for relevant budget documents.</p> <p>Assam publishes its budget data in a machine-readable format through the Open Budgets India platform.</p>
Use open fonts and Unicode characters while publishing budget data online	<p>Some state governments use open fonts in budget documents, which can be picked up and used to create machine-readable files, or for data parsing. Hence, for enhancing interoperability and scalability of such data, states should prepare their budget data using 'Open' fonts and 'Unicode' characters. This would ensure consistent encoding, representation and handling of text in data-parsing processes which will help facilitate creating a data repository for further use.</p>	<p>Himachal Pradesh and Karnataka are two examples of states that use 'Open' fonts in their budget documents.</p>
Provide complete metadata for the budget data / documents published online	<p>Provide a comprehensive data description (referred to as metadata) including data description, keywords, units, themes, etc., along with publication of budget data and documents. This is a standard practice followed by most countries and regions across the globe in publishing budget data.</p> <p>This will improve the relevance and usability of data by the potential users. This also enables published budget datasets to be easily searched, discovered and indexed on state finance websites.</p>	<p>At present, Assam is the only state which publishes metadata along with their budget data through the Open Budgets India Platform.</p>
Publish budget data and documents in a timely manner to improve their relevance and use.	<p>Budget data and documents should be made immediately available after their presentation in the Legislative Assembly as is the case for Union Government budget documents.</p> <p>This will help trigger public debate on various dimensions of public financial management and public understanding on the immediate priority of budgetary allocation and spending for various purposes.</p>	<p>Most states publish relevant budget documents and make them publicly accessible through respective finance department web portals. However, there is a time lag in making these documents immediately available in the public domain after the budget is presented in legislative assemblies.</p>
Make online budget data and documents of the past 10 years publicly available	<p>Making available budget data and documents of previous financial years, will widen the scope of time-series analysis conducted on state budgets. To enable the temporal and time-series analysis of budget data for understanding fiscal policy changes and implications on various sectors, state governments should maintain a repository of budget data and documents for at least the previous 10 years.</p>	<p>Chhattisgarh, Gujarat, Madhya Pradesh, Maharashtra, Odisha and West Bengal are among a handful of states which have published their state budget data and documents for the last 10 years.</p>

Publish budget data and documents in a timely manner to improve their relevance and use.

Budget data and documents should be made immediately available after their presentation in the Legislative Assembly as is the case for Union Government budget documents.

This will help trigger public debate on various dimensions of public financial management and public understanding on the immediate priority of budgetary allocation and spending for various purposes.

Most states publish relevant budget documents and make them publicly accessible through respective finance department web portals. However, there is a time lag in making these documents immediately available in the public domain after the budget is presented in legislative assemblies.

Make online budget data and documents of the past 10 years publicly available

Making available budget data and documents of previous financial years, will widen the scope of time-series analysis conducted on state budgets. To enable the temporal and time-series analysis of budget data for understanding fiscal policy changes and implications on various sectors, state governments should maintain a repository of budget data and documents for at least the previous 10 years.

Chhattisgarh, Gujarat, Madhya Pradesh, Maharashtra, Odisha and West Bengal are among a handful of states which have published their state budget data and documents for the last 10 years.

Source: Compiled by the Authors from- A Guide to Make State Budgets Data Open, Accessible and Citizen Friendly (CDL, 2022).



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OBI is a comprehensive and user-friendly open data portal that facilitates free, easy and timely access to fiscal information. It provides budget information for different tiers of government in India in accessible and open (non-proprietary) formats. Please visit the portal at: www.openbudgetsindia.org



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Centre for Budget and Governance Accountability (CBGA), an independent think tank based in Delhi, analyses public policies and budgets in India and advocates for greater transparency, accountability and scope for participation in budgets. For more information about CBGA's work, please visit www.cbgaindia.org or write to us at: info@cbgaindia.org.

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