सत्यमेव जयते

State Finance Audit Report
of the
Comptroller and Auditor General of India

for the year ended March 2021

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

GOVERNMENT OF TAMIL NADU

TRUTH ALONE TRIUMPHS

Government of Tamil Nadu
Report No. 1 of 2022

State Finance Audit Report
of the
Comptroller and Auditor General of India

for the year ended March 2021

Government of Tamil Nadu

Report No. 1 of 2022

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PREFACE

This Report has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution.

Chapter 1 of this report describes the basis and approach to the Report and the underlying data provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/ surplus for the year ended 31 March 2021.

Chapter 2 provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter 3 is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional/codal provisions relating to budgetary management.

Chapter 4 comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

The Reports containing the findings of Performance Audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Fiscal Position

The fiscal position of the State is viewed in terms of three key fiscal parameters – Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and the ratio of Outstanding Debt to GSDP.

*The State could not eliminate the **Revenue Deficit** as envisioned in the TNFR Act, 2003 and the Revenue Deficit is on an increasing trend during the five-year period 2016-21. The revenue deficit increased by 380.76 per cent during the five-year period, from ₹12,964 crore in 2016-17 to ₹62,326 crore in 2020-21.*

*Though, the State was successful in containing the **Fiscal Deficit** below three per cent of GSDP in three out of the last five years, in the previous and current year the State failed in containing the fiscal deficit below three per cent. The ratio during 2019-20 was **3.35 per cent** and stood at **4.94 per cent** during 2020-21. The fiscal deficit grew by 56.17 per cent over the previous year and stood at ₹93,983 crore during the current year.*

*The **outstanding fiscal liabilities** had increased by 22.43 per cent from ₹4,23,743 crore as at the end of 2019-20 to ₹5,18,796 crore at the end of 2020-21. The effective increase is by 20.96 per cent considering the exclusion of back to back loan of ₹6,241 crore received in lieu of GST compensation from GoI.*

During the period 2016-20, the ratio of outstanding debt of the State to GSDP remained between 21.76 and 23.58, which was consistently below the norm of 25.20 per cent of GSDP prescribed by the TNFR Act, 2003 amended from time to time. However, during 2020-21 the ratio exceeded the norm and stood at 26.94 per cent. (The back to back loan of ₹6,241 crore received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator during 2020-21).

(Paragraphs 1.5 and 1.6.2)

Finances of the State

*The State Government registered a decrease of 0.26 per cent in its **Revenue Receipts** (₹ 1,74,076 crore) during 2020-21 compared to the previous year (₹1,74,526 crore).*

(Paragraph 2.1)

There has been a significant decrease in non-tax revenue and the buoyancy of the State's own revenue with reference to GSDP decreased from 0.05 to (-) 0.53 during the current year.

(Paragraph 2.3.2.1)

The annual growth rate of own tax revenue during 2020-21 was negative and stood at (-) 1.22 per cent and own tax revenue as a percentage of GSDP of the State during 2020-21 was 5.58 as compared to its neighbouring States of Karnataka and Kerala which were 5.83 per cent and 6.28 per cent respectively.

(Paragraph 2.3.2.2)

The non-tax revenue of the State decreased by ₹ 2,466 crore in 2020-21 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 10.71 per cent in 2019-20 decreased to 8.94 per cent in 2020-21.

(Paragraph 2.3.2.2)

*Of the **total expenditure** of ₹ 2,73,304 crore during 2020-21, Revenue Expenditure (₹ 2,36,402 crore), Capital Expenditure (₹ 33,067 crore) and Loans and Advances (₹ 3,835 crore) accounted for 86.50 per cent, 12.10 per cent and 1.40 per cent respectively..*

(Paragraph 2.4.1)

*The **committed expenditure** (₹ 1,18,061 crore) is on an increasing trend and stood at 67.82 per cent of the total revenue receipts (₹ 1,74,076 crore) of the State during 2020-21, as against 66.57 per cent during 2019-20, thereby leaving lesser funds towards other social and economic activities.*

(Paragraph 2.4.2.2)

*The State Government, even after a lapse of 17 years from the inception of the New Pension Scheme viz., **Defined Contributory Pension Scheme** (DCPS), has not designated a Fund Manager. During the year 2020-21, the interest on investment in LIC amounting to ₹ 2,759.13 crore (₹ 1,128.65 crore during 2019-20 and ₹ 1,630.48 crore during 2020-21) has been reinvested in LIC though the related book adjustments have not been incorporated by the State Government.*

(Paragraph 2.4.2.3)

***Subsidies** consumed 14.42 per cent of State's revenue receipts. The expenditure on subsidies increased by 24.65 per cent from ₹ 20,144 crore during 2019-20 to ₹ 25,110 crore in 2020-21.*

***Implicit subsidies** in the form of marriage assistance, maternity assistance, free supply of laptop, uniform, etc., increased by ₹ 6,746 crore during 2020-21 over the previous year mainly due to the disbursement of cash to 'Rice family cardholders' to the tune of ₹ 7,903 crore to tackle the COVID-19 Lockdown, which was wrongly classified as Grants-in-Aid instead of subsidies.*

(Paragraph 2.4.2.4)

*Government **invested** ₹ 41,578 crore (up to March 2021) in the share capital of statutory corporations, joint stock companies and co-operatives.*

*The average rate of return, increased marginally from 0.40 per cent in 2019-20 to 0.42 per cent during the current year. **The return on investment** was meagre compared to Government's average rate of borrowing of 7.74 per cent during the year.*

(Paragraph 2.4.3.2)

*The **burden of interest** payments (interest payments/revenue receipts) increased from 18.32 per cent in 2019-20 to 20.97 per cent in 2020-21.*

*Out of the total borrowings of ₹ 1,02,867 crore, **net debt available** to the Government was only ₹ 49,415 crore due to repayment of public debt of ₹16,228 crore and interest payments of ₹30,983 crore.*

(Paragraphs 2.7 and 2.7.1)

Budgetary Management

Supplementary Grants/ Appropriations were obtained without adequate justification, and large amounts were expended without budgetary provision. Despite flagging this issue every year over the last several years, the State Government had failed to take corrective measures in this regard.

In respect of 27 cases, a total expenditure of ₹5.03 crore was incurred without Final Modified Appropriation. No provision was made either in the original or supplementary or at re-appropriation stage. In 14 cases, a total expenditure of ₹6.08 crore was incurred without appropriation by the Legislature either in the Original or Supplementary estimates.

(Paragraphs 3.3.1.1 and 3.3.1.2)

Supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 786.10 crore obtained in 34 cases, during the year 2020-21 proved unnecessary as the original provisions itself was not exhausted.

(Paragraph 3.3.4)

In respect of 46 Heads of Account, though an amount of ₹ 4,508 crore was available (Original and Supplementary), an additional amount of ₹ 375.20 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹4,270.55 crore and well within the earlier provisions made.

(Paragraph 3.3.5)

***Surrenders** to the tune of ₹21,952.28 crore (6.48 per cent of the total provision) were made between 27 February 2021 and 08 March 2021 and ₹22,112.59 crore (6.52 per cent of the total provision) on 31 March 2021. Out of ₹22,112.59 crore surrendered on the last day (31 March 2021), 110 cases amounting to ₹21,908.89 crore were in excess of over ₹10 crore, indicating inadequate financial control.*

(Paragraph 3.3.6.2)

*Under 22 Grants/Appropriations there were **persistent savings** of more than five per cent of the total grant during the last five years. There was a persistent savings of more than 98 per cent during all the past five years in Grant 16 - Finance Department.*

(Paragraph 3.3.6.4)

During the year, excess disbursements over grants/appropriations were made for ₹ 20.87 crore. This expenditure needs to be regularised. Besides, excess expenditure of ₹ 3,599.67 crore relating to 2012-20 was yet to be regularised.

(Paragraph 3.3.7.1 and 3.3.7.2)

An amount of ₹ 4,135.82 crore under 72 sub-heads for which provision was made in the original grant and was available throughout the year was fully expended only during the month of March 2021 against the provisions of Article 39 of the Tamil Nadu Financial Code directing that rush of expenditure in the closing month of the financial year should be avoided.

(Paragraph 3.4.2)

Quality of Accounts & Financial Reporting Practices

*Transferring the **labour cess** directly to the bank account without bringing it into the Consolidated Fund of the State under the appropriate Head of Account violates Article 266 (1) of the Constitution of India. Consequently, it is not ascertainable as to how much money was collected by the Cess Assessment Officers in the absence of specific Accounting Head and how much money was transferred to the Board.*

(Paragraph 4.1)

Withdrawals of the entire provisions (₹ 53.05 crore) made for the interest liabilities towards the 'interest bearing' deposits not only indicated poor budgetary control, but, also the non-discharge of interest liabilities continues to carry over the burden on to the future generations.

(Paragraph 4.3)

Non submission of Utilisation Certificates (UC) (₹ 173.89 crore) indicates the failure of the departmental officers to comply with the rules to ensure accountability besides defeating the intended objective of providing these Grants. This assumes greater importance if such UCs are pending against grants-in-aid meant for capital expenditure.

(Paragraph 4.5)

The non-adjustment of Temporary Advances involving substantial amounts (₹ 612.26 crore drawn and pending over a period of years) indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances.

(Paragraph 4.6)

There was a sizeable net difference (₹472.94 crore) in the closing balance for the year 2020-21 between the cash balance as per books of accounts of the Accountant General and the cash balance as reported by the Reserve Bank of India (RBI).

(Paragraph 4.11)

CHAPTER – 1
OVERVIEW

CHAPTER 1

OVERVIEW

1.1 Profile of Tamil Nadu

Tamil Nadu, with a geographical area of 1,30,058 Sq. Km is the 11th largest State in India. It comprises of 38 districts and 312 Taluks. As per the census 2011, the State's population was 7.21 crore, making it the seventh largest state in terms of population. The percentage of population below the poverty line in the State is 11.28 *per cent*, compared to the all-India average of 21.92 *per cent.* General data relating to the State is given in **Appendix 1.1**.

1.1.1 Gross State Domestic Product

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Changes in sectoral contribution to the GSDP is also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors.

Table 1.1: Trends in GSDP compared to the National GDP

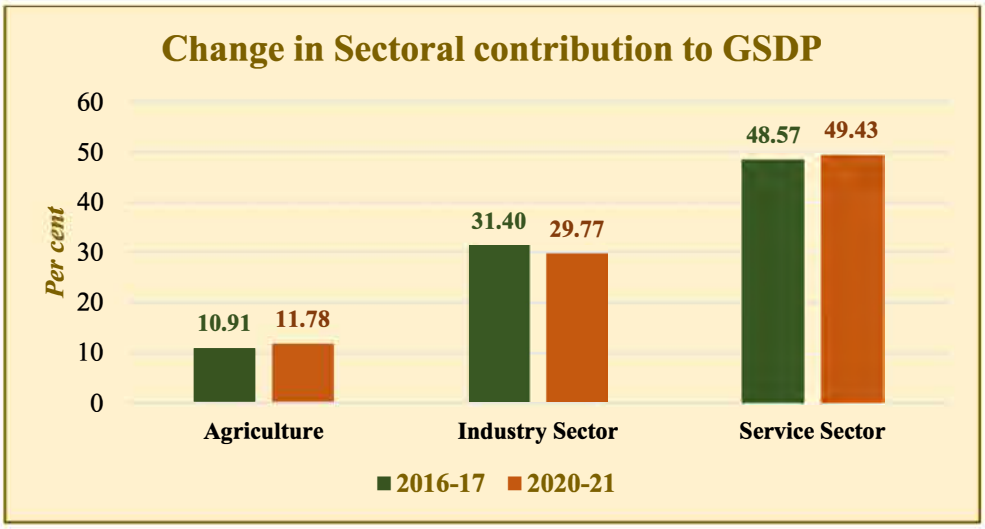
(₹ *in crore*)

Year	2016-17	2017-18	2018-19	2019-20	2020-21
National GDP (2011-12 Series)	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670
India's Growth rate of GDP over previous year (in *per cent*)	11.76	11.03	10.51	7.75	(-) 2.97
State's GSDP at current prices (2011-12 Series)	13,02,639	14,65,051	16,30,209	17,97,229	19,02,689
Growth rate of State's GSDP over previous year (in *per cent*)	10.72	12.47	11.27	10.25	5.87

Source: Central Statistical Office (CSO), Ministry of Statistics and Programme implementation.

The State's growth rate of Gross Domestic Product (GSDP) in 2020-21 at current prices was 5.87 *per cent* as against India's growth rate, (-) 2.97 *per cent*.

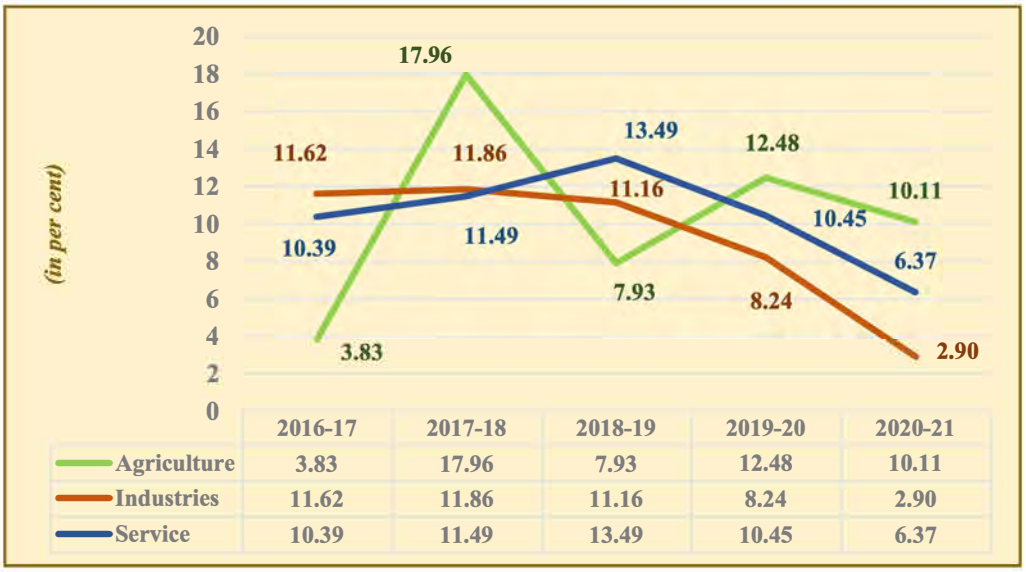
Chart 1.1: Change in sectoral contribution to GSDP (2016-17 to 2020-21)



(*Source: Department of Economics and Statistics, Central Statistics Office*)

During the five year period, the sectoral contribution of Agriculture Sector and Service Sector had increased marginally while there was a reduction of 1.63 *per cent* in the Industry Sector. It is also to be noted that there was a slight reduction in the Taxes on products minus the Subsidies on products from 9.12 *per cent* to 9.02 *per cent*.

Chart 1.2: Sectoral growth in GSDP



(*Source of data: Department of Economics and Statistics, State Government*)

From the chart above it is seen that while there was an increase in the sectoral growth of Agriculture sector in GSDP during the five year period, the sectoral growth with respect to Industries Sector and Service Sector has come down.

There was a drastic decline in the rate of growth of sectoral contribution to GSDP in all the three sectors during the current year.

1.2 Basis and Approach to State Finance Audit Report

The State Finance Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India. According to Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. In Tamil Nadu, the Treasuries compile the accounts from the vouchers (primary compilation) which, along with the vouchers, are then furnished to Accountant General (A&E) for secondary compilation. These accounts are audited independently by the Principal Accountant General (Audit - I) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2020-21 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2020-21: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit-I), Tamil Nadu;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS),
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the Finance Commission (FC), Tamil Nadu State Financial Responsibility and Budget Management Act (TNFR Act), best practices and guidelines of the Government of India. An entry conference was held with State Finance Department on 20 July 2021 and the exit conference was held on 11 December 2021.

Replies received from the Government during the exit conference have been incorporated suitably in the report wherever applicable.

1.3 Report Structure

The SFAR is structured into the following four Chapters:

Chapter – 1	**Overview** This Chapter describes the basis and approach to the Report and the underlying data provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits / surplus.
Chapter – 2	**Finances of the State** This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter – 3	**Budgetary Management** This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter – 4	**Quality of Accounts & Financial Reporting Practices** This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

1.4 Overview of Government Account Structure and Budgetary Processes

Government Accounts are defined by the twin principles of Fund based accounting and functional classification of transactions of the Government. Fund based accounting system involves sourcing and allocating all receipts and disbursements to one of the three Funds, *viz*., Consolidated Fund, Contingency Fund and Public Account. These Funds are created by the Constitution and function as instruments of public accountability. The details and purpose of each of these Funds are as given below:

1. **Consolidated Fund of the State (Article 266(1) of the Constitution of India)**

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No money can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.) constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

2. **Contingency Fund of the State (Article 267(2) of the Constitution of India)**

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. Expenditure from the Fund is recouped subsequently by debiting the expenditure to the concerned functional major head under the Consolidated Fund of the State. The corpus of this Fund in Tamil Nadu is ₹ 150 crore.

3. **Public Accounts of the State (Article 266(2) of the Constitution of India)**

Apart from the above, all other public money received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes re-payables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

The structure of Government Accounts and the layout of Finance Accounts are shown in **Appendix 1.2**. The methodology adopted for assessment of the fiscal position of the State is given in **Appendix 1.3 - Part A**. The salient features of the TNFR Act, 2003 are given in **Appendix 1.3 - Part B**.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Tamil Nadu caused to be laid (02/2020) before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2020-21, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure

- charged upon the Consolidated Fund of the State;
- the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State; and shall distinguish expenditure on Revenue Account from other expenditure.

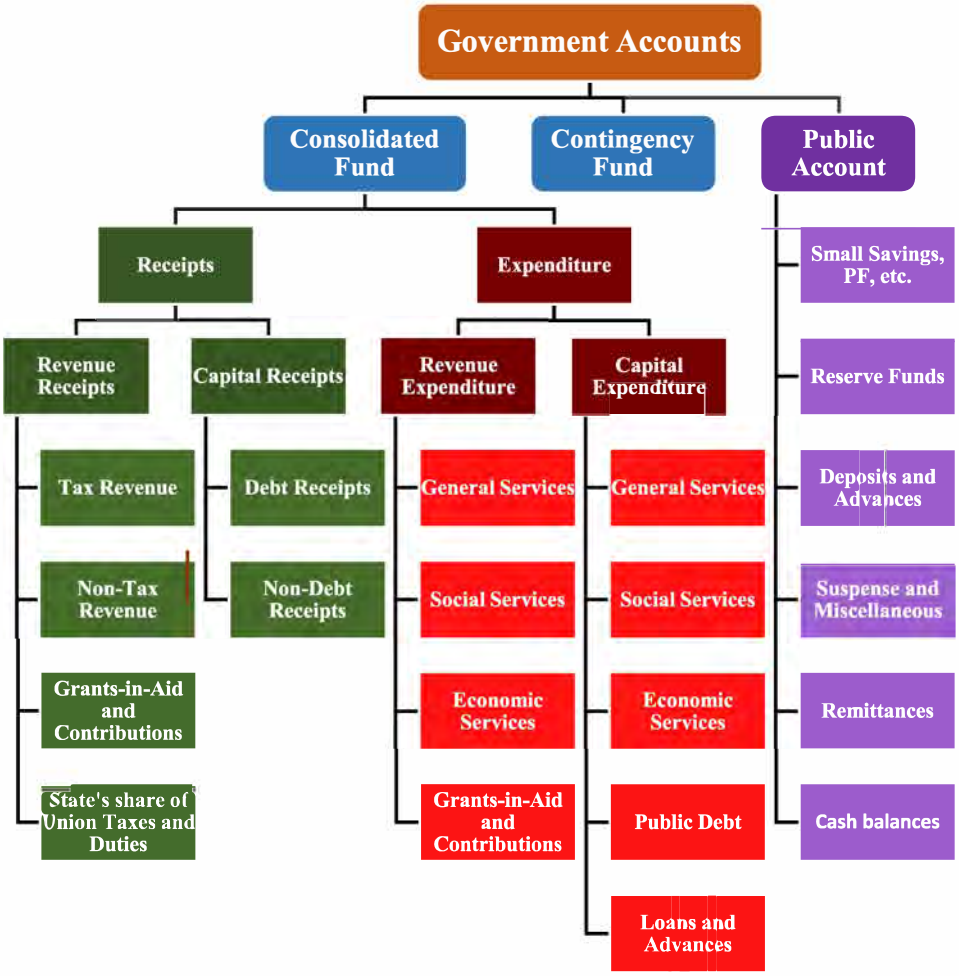
This 'Annual Financial Statement' (AFS) constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

In terms of Article 203, the above was submitted to the State Legislature in the form of 54 Demands for Grants/ Appropriations and two 'Other Publications' for Debt Charges and Public Debt repayments. After approval of these, the

Appropriation Bill was passed (April 2020) by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

Structure of Government Accounts



Fund based accounting coupled with functional and economic classification of transactions facilitates an in-depth analysis of Government activities / transactions and enables legislative oversight over Public Finances.

The accounting system used to account government transactions is both functional and economic. The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organize these payments as revenue, capital, debt, etc. Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure, etc. Economic classification is also

achieved by an inherent definition and distribution of some object heads. For instance, generally "Pay" object head is revenue expenditure, "Major Works" object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

1.4.1 Snapshot of Finances

The **Table 1.2** provides the details of actual financial results *vis-à-vis* Budget Estimates (Revised) for the year 2020-21 *vis-à-vis* actual of 2019-20.

Table 1.2: Financial results *vis-à-vis* Budget Estimates (Revised) for the year 2020-21 *vis-à-vis* actual of 2019-20

(*₹ in crore*)

Sl. No.	Components	2019-20 Actuals	2020-21 (Budget Estimates Revised)	2020-21 Actuals	Percentage of actual to BE	Percentage of actual to GSDP$
1	Own Tax Revenue*	1,07,462	1,09,969	1,06,153	*96.53*	*5.58*
2	Non-Tax Revenue	12,888	12,683	10,422	*82.17*	*0.55*
3	Share of Union taxes/duties**	26,393	23,040	24,924	*108.18*	*1.31*
4	Grants-in-aid and Contributions***	27,783	35,009	32,577	*93.05*	*1.71*
5	**Revenue Receipts (1+2+3+4)**	**1,74,526**	**1,80,701**	**1,74,076**	***96.33***	***9.15***
6	Recovery of Loans and Advances	5,384	5,364	5,245	*97.78*	*0.28*
7	Other Receipts	--	--	--	--	--
8	Borrowings and other Liabilities (a)	56,399	1,00,967	93,662#	*92.76*	*4.92*
9	**Capital Receipts (6+7+8)**	**61,783**	**1,06,331**	**98,907**	***93.02***	***5.20***
	Total Receipts (5+9)	**2,36,309**	**2,87,032**	**2,72,983**	***95.11***	***14.35***
11	**Revenue Expenditure**	**2,10,435**	**2,46,695**	**2,36,402**	***95.83***	***12.42***
12	Interest payments	31,980	36,554	36,497	*99.84*	*1.92*
13	**Capital Expenditure (14+15)**	**29,654**	**43,868**	**36,902**	***84.12***	***1.94***
14	Capital outlay	25,632	37,734	33,067	*87.63*	*1.74*
15	Loan and advances	4,022	6,134	3,835	*62.52*	*0.20*
	Total Expenditure (11-13)	**2,40,089**	**2,90,563**	**2,73,304**	***94.06***	***14.36***
17	**Revenue Deficit^^: (5-11)**	(-) 35,909	(-) 65,994	(-) 62,326	*94.44*	*3.28*
18	**Fiscal Deficit ^^{(5+6+7)-16}**	(-) 60,179	(-) 1,04,498	(-) 93,983	*89.94*	*4.94*
19	**Primary Deficit (18-12)**	(-) 28,199	(-) 67,944	(-) 57,486	*84.61*	*3.02*

(*Source: Budget documents and Finance Accounts*)

(a) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

$ GSDP at current prices ₹ 19,02,689 crore

** includes SGST ₹ 37,942 crore; ** includes CGST ₹ 7,407 crore; *** Compensation to State Government for Revenue losses on rollout of Goods and Services Tax ₹ 10,603 crore*

Effective borrowings and other liabilities would be *₹ 87,421 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

^^ The revenue deficit of ₹ 62,326 crore and the fiscal deficit of ₹ 93,983 crore during the year 2020-21 may be read in conjunction with debt receipt of ₹ 6,241 crore in lieu of GST compensation.

1.4.2 Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3: Summarised position of Assets and Liabilities

(₹ *in crore*)

Liabilities					Assets				
		2019-20	2020-21	*Per cent* increase / decrease			2019-20	2020-21	*Per cent* increase / decrease
Consolidated Fund									
A	Internal Debt	3,52,625	4,29,748	*21.87*	a	Gross Capital Outlay	2,45,635	2,78,702	*13.46*
B	Loans and Advances from GoI	17,925	27,440*	*53.08*	b	Loans and Advances	39,997	38,587	*(-)3.53*
C	Contingency Fund	150	150	--	c	Contingency Fund	--	--	--
Public Account									
A	Small Savings, Provident Funds, etc.	26,475	29,352	*10.87*	a	Advances	8	8	--
B	Deposits	55,475	71,912	*29.63*	b	Remittance	8	8	--
C	Reserve Funds	9,577	10,233	*6.85*	c	Suspense and Miscellaneous	--	237	*100.00*
D	Suspense and Miscellaneous	6,744	--	*(-) 100.00*	d	Cash balance (including investment in Earmarked Fund)	49,429	55,073	*11.42*
						Total	**3,35,077**	**3,72,615**	*11.20*
						Cumulative excess of expenditure over receipts	1,33,894	1,96,220	*46.55*
	Total	**4,68,971**	**5,68,835**	*21.29*		**Total**	**4,68,971**	**5,68,835**	*21.29*

(*Source: Finance Accounts*)

* Effective Loans and Advances would be *₹ 21,199 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

Significant increase in liabilities by 21.29 *per cent* when compared to the previous year was mainly due to increase of market borrowings under 'Internal Debt (21.87 *per cent*)' and Loans and Advances from GoI (53.08 *per cent*) and Deposit under Public Account (29.63 *per cent*) during the year.

The reasons for significant increase in liabilities was mainly due to increased borrowing to meet the increase in revenue deficit from ₹ 35,909 crore (2019-20) to ₹ 62,326 crore (2020-21) (73.52 *per cent*) and increase in capital expenditure from ₹ 25,632 crore to ₹ 33,067 crore (29 *per cent*) during the year.

1.5 Fiscal Indicators

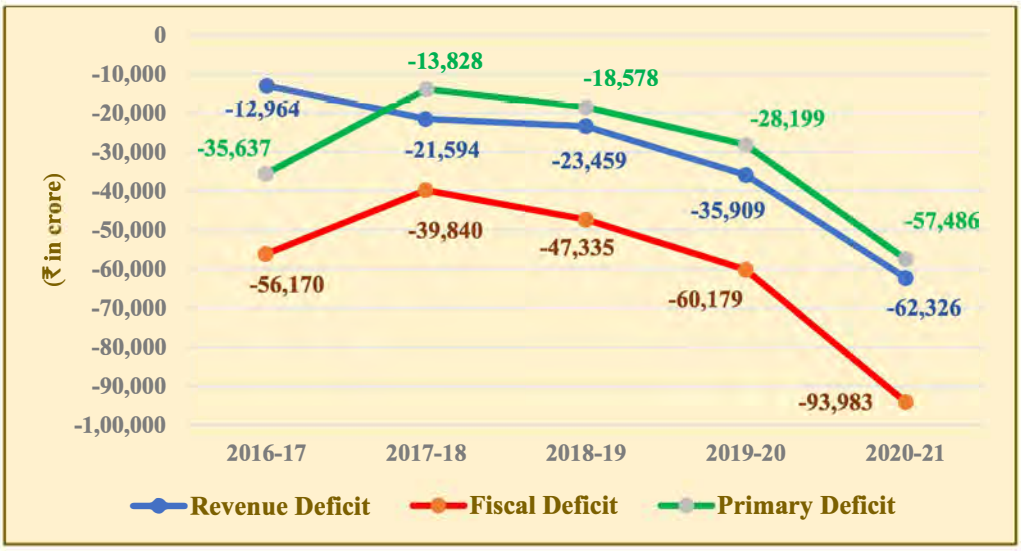
Three key fiscal parameters, *viz*., revenue, fiscal and primary deficits, indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Accounts represents

the gap between its receipts and expenditure. Further, the ways in which the deficit is financed and the resources raised are applied as important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set for the financial year 2020-21 under TNFR Act, 2003.

1.5.1 Fiscal trends

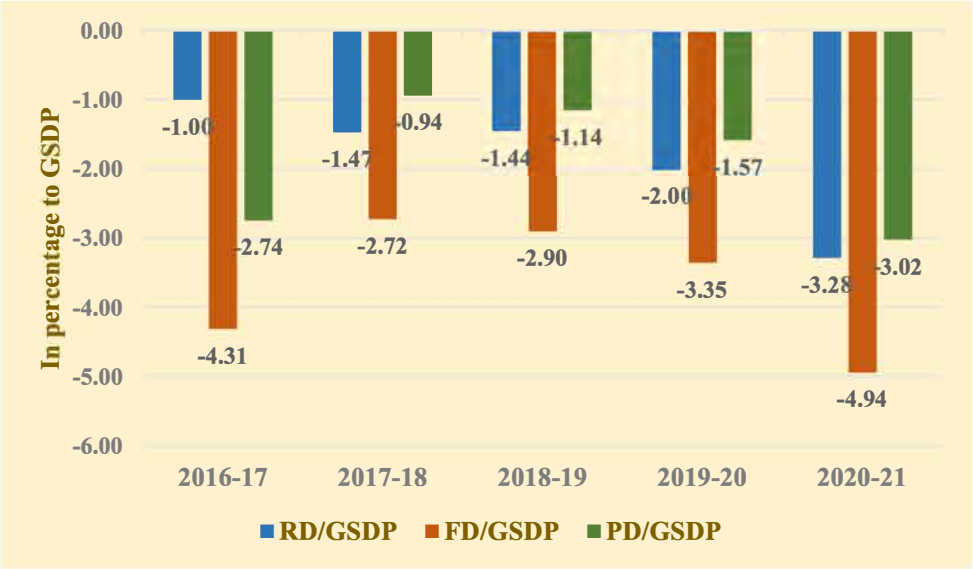
Charts 1.3 to **1.5** show that all three deficits have increased, the debt/GSDP ratio is on an increasing trend from 21.76 *per cent* in 2016-17 and stood at 26.94 *per cent* in 2020-21 and exceeded the target of 25.20 *per cent* set in TNFR Act. Due to continuous increase in the borrowings, the fiscal deficit to GSDP ratio also increased in the past four years and stood at 4.94 *per cent* during the current year.

Chart 1.3: Trends in deficit parameters



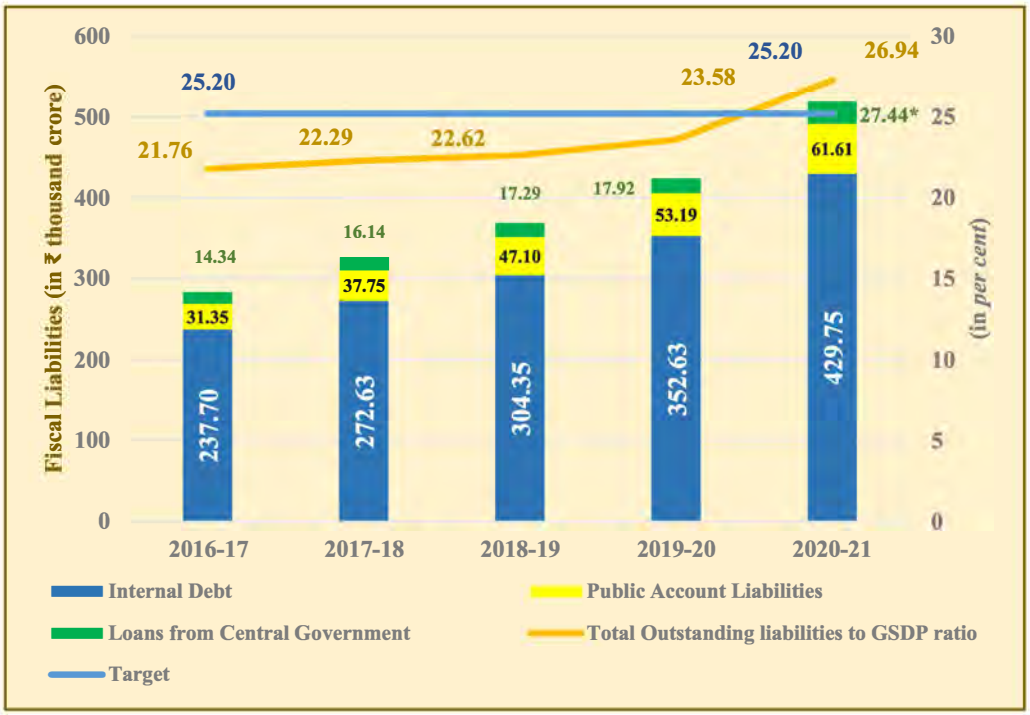
(*Source: Finance Accounts of the respective years*)

Chart 1.4: Trends in surplus deficit relative to GSDP



(*Source: Finance Accounts of the respective years*)

Chart 1.5: Trends in fiscal liabilities and GSDP



(*Source: Finance Accounts of the respective years*)

* Effective loans and advances from Central Government would be ₹ 21.20 thousand crore

The State Government have passed the Fiscal Responsibility and Budget Management Act (FRBM) with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and keeping the overall/outstanding debt to acceptable levels, establishing improved debt management and improving transparency in a medium-term framework. The Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level.

The targeted timeline to eliminate revenue deficit and reduce fiscal deficit was extended by GoTN from time to time by amending the TNFR Act, 2003. In compliance with the provisions of TNFR Act, 2003, the State Government prepared a Medium-Term Fiscal Plan (MTFP) for the period 2020-21.

Major fiscal variables provided in the budget and as targeted in the TNFR Act, 2003 along with actuals thereof are given in **Table 1.4**

Table 1.4: Compliance with provisions of State TNFR Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement				
		2016-17	2017-18	2018-19	2019-20	2020-21
GSDP at current prices (₹ *in crore*)		**13,02,639**	**14,65,051**	**16,30,209**	**17,97,229**	**19,02,689**
Revenue Deficit (-) / Surplus (+) (₹ *in crore*)	Eliminate Revenue Deficit by 2021-22	**(-) 12,964**	**(-) 21,594**	**(-) 23,459**	**(-) 35,909**	**(-) 62,326**
Fiscal Deficit (-)/ Surplus (+) (as *percentage of GSDP*)	Reduce Fiscal deficit to three *per cent* by March 2022	**(-) 56,170** *(2.56)* *(4.31)**	**(-) 39,840** *(2.72)*	**(-) 47,335** *(2.90)*	**(-) 60,179** *(3.35)*	**(-) 93,983** *(4.94)*
Total outstanding debt (₹ *in crore*)		2,83,394	3,26,518	3,68,736	4,23,743	5,18,796
Ratio of total outstanding debt to GSDP (in *per cent*)	25.20 *per cent*	21.76	22.29	22.62	23.58	26.94**

(Source: (i) TNFR Act; (ii) Budget Speech -2020-21 and (iii) Finance Accounts for the respective years - Statement 6)

* *With UDAY Scheme*

** The back to back loan (₹ *6.241 crore)* received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

The ratio of total outstanding debt to GSDP (26.94 *per cent*) has been arrived at after excluding GST compensation of ₹ 6,241 crore given to the State as back to back loan under Debt receipts from the total outstanding liabilities as the Department of Expenditure, GoI had decoded that it would not be treated as Debt of the State for any norms which may be prescribed by the Finance Commission.

- Government amended the TNFR Act, 2003 in February 2020 and September 2020 to extend the time limit to eliminate revenue deficit by 2021-22 and to maintain the ratio of fiscal deficit to GSDP as not more than three *per cent* by 31 March 2022 respectively.

- The increasing trend of revenue deficit and fiscal deficit indicate that the State may not adhere to the TNFR target of eliminating revenue deficit by 2021-22 and achieving the fiscal deficit target ratio of 3.00 *per cent* with reference to GSDP by 31 March 2022.

Table 1.5: Actuals *vis-à-vis* projection in MTFP for 2020-21

(₹ *in crore*)

Sl. No	Fiscal Variables	Projection as per MTFP	Actuals (2020-21)	Variation (in *per cent*)
1	Own Tax Revenue	1,41,186	1,06,153	*(-) 24.81*
2	Non-Tax Revenue	13,993	10,422	*(-) 25.52*
3	Share of Central Taxes	37,377	24,924	*(-) 33.32*
4	Grants-in-aid from GoI	26,883	32,577	*21.18*
5	**Revenue Receipts (1+2+3+4)**	**2,19,439**	**1,74,076**	*(-) 20.67*
6	Revenue Expenditure	2,29,479	2,36,402	*3.02*
7	**Revenue Deficit (-)/ Surplus (+) (5-6)**	**(-) 10,040**	**(-) 62,326**	*520.78*
8	**Fiscal Deficit (-)/ Surplus (+)**	**(-) 45,458**	**(-) 93,983**	*106.75*
9	Debt-GSDP ratio (*per cent*)	*21.83*	*26.94**	*24.92*
10	GSDP growth rate at current prices (*per cent*)	*7.73*	*5.87*	*(-) 24.06*

(Source: (i) MTFP, (ii) Finance Accounts and GSDP figures from Central Statistics Office)

* The back to back loan (₹ 6,241 crore) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

It may be seen from the table that there was a significant drop in receipts under the share of central taxes, Own tax revenue and Non-tax revenue than that anticipated in the MTFP projection for the year 2020-21.

1.6 Deficits and Total Debt after examination in audit

This section gives an overview of the impact of the audit findings on various fiscal parameters based on the analysis of the Finance and Appropriation Accounts.

1.6.1 Post audit - Deficits

(i) Scrutiny of transactions during the year revealed that, revenue deficit and fiscal deficit were affected by certain accounting adjustments as brought out in Para 7 of Notes to Accounts of Finance Accounts and as detailed in **Table 1.6**:

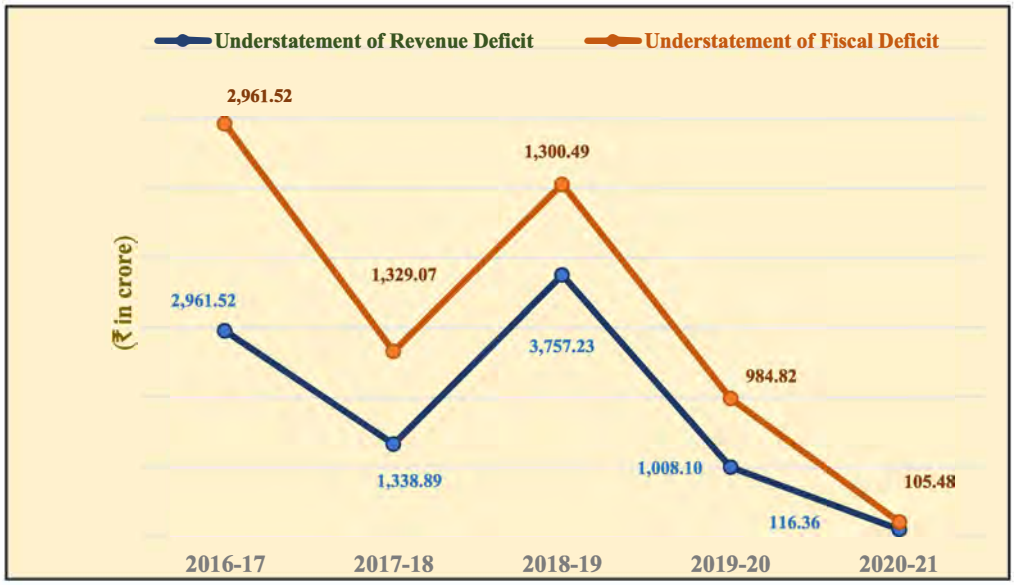
Table 1.6: Under/Over statement of Revenue and Fiscal Deficit as per Finance Accounts

Particulars	Impact on Revenue Deficit (Understated (+) / overstated (-)) (₹ *in crore*)	Impact on Fiscal Deficit (Understated) (₹ *in crore*)
Incorrect adjustment of capital expenditure as amount met from State Infrastructure Amenities Fund under Revenue Section	(+) 10.88	--
Interest on interest bearing Reserve Funds and Deposits not credited	(+) 105.48	(+) 105.48
Total	**(+) 116.36**	**(+) 105.48**

(*Source: Notes to Accounts*)

The fiscal deficit of the state during the year would increase from ₹ 93,983.11 crore to ₹ 94,088.59 crore. The resultant impact would be an increase of 0.01 *per cent* over the actual 4.94 *per cent* fiscal deficit to GSDP ratio depicted in the accounts.

Chart 1.6 – Persistent understatement of Revenue and Fiscal Deficits



(*Source: Finance Accounts for the respective years*)

Further scrutiny of certain transactions during 2020-21 revealed that the revenue deficit and fiscal deficit were impacted as brought out in

Paragraphs 1.6.1 (ii), 2.4.2.3, 2.5.2.1 and 2.5.2.3 of this report and detailed in **Table 1.7**

Table 1.7: Revenue and Fiscal Deficit, post examination by Audit

Particulars	Impact on Revenue Deficit (Understated (+) / overstated (-)) (₹ *in crore*)	Impact on Fiscal Deficit (Understated (+) / overstated (-)) (₹ *in crore*)
Misclassification of revenue expenditure as capital expenditure ('4435-01-101- Construction of godown at Regulated markets')	(+) 122.81	--
Non Reporting of Interest receipt from Investment of DCPS in LIC	(-) 1,630.48	(-) 1630.48
Short contribution to Consolidated Sinking Fund	(+) 1,569.49	(+) 1,569.49
Short contribution to GRF	(+) 145.26	(+) 145.26
Total	**(+) 207.08**	**(+) 84.27**

(*Source: Finance Accounts and audit analysis*)

Based on the above, the fiscal deficit of the State during the year would increase from ₹ 93,983.11 crore to ₹ 94,172.86 crore and revenue deficit would increase from ₹ 62,325.88 crore to ₹ 62,649.32 crore. The resultant impact would be an increase of 0.01 *per cent* over the actual 4.94 *per cent* fiscal deficit to GSDP ratio depicted in the accounts.

(ii) During 2020-21, an amount of ₹ 122.81 crore was released to Tamil Nadu State Agricultural Marketing Board (TNSAMB) towards Augmentation of marketing infrastructure in Regulated Markets with the NABARD loan assistance and the amount was booked under the Head of account – '4435-01-101-Construction of godown at Regulated markets'.

Scrutiny of records revealed that the assets (Godowns) created belongs to TNSAMB and not the Government. As the Government is only extending assistance to TNSAMB, the scheme should have been classified under Revenue Expenditure and treated it as grants in aid for creation of capital assets instead of Capital Expenditure. This misclassification has resulted in understatement of revenue deficit by ₹ 122.81 crore during the current year.

Further scrutiny revealed that the scheme is in operation from 2014-15 and total expenditure of ₹ 398.21 crore has been incurred under the scheme as at the end of 31 March 2021, the year wise details are as given in **Table 1.8** below.

Table 1.8: Year-wise expenditure

(₹ *in crore*)

Year	Expenditure
2014-15	61.70
2015-16	78.16
2016-17	0.00
2017-18	18.83
2018-19	40.00
2019-20	76.71
2020-21	122.81
Total	**398.21**

(*Source: Detailed Appropriation Accounts*)

Thus, the misclassification of revenue expenditure as capital expenditure continuously from 2014-15 had resulted in understatement of revenue deficit to that extent during the respective years.

On being pointed out by Audit, Government replied (November 2021) that the provision under the capital head of account would be withdrawn in FMA 2021-22.

1.6.2 Post audit – Total Outstanding Debt

TNFR Act, 2003 defines total liabilities as "the liabilities under the Consolidated Fund of the State and the Public Account of the State". However, the borrowings made by the Corporation(s) / Agencies for implementing various State Plan programmes, for which the State Government has undertaken to repay the principal and interest are not captured in the Finance Accounts of the State. These borrowings add to the liabilities of the State indirectly. The details of such outstanding borrowings are given in **Table 1.9** below:

Table 1.9: Details of outstanding off-budget borrowings

(*₹ in crore*)

Sl. No	Name of the Agency	Off-budget borrowings as of 31 March 2020	Off-budget Borrowings during the year	Borrowings repaid by Government during the year	Off-budget borrowings as of 31 March 2021
1	Tamil Nadu Rural Housing and Infrastructure Development Corporation	463.09	--	51.46	411.63
2	Water and Sanitation Pooled Fund – Tamil Nadu Urban Infrastructure Financial Services Limited	237.45	--	16.68	220.77
3	Tamil Nadu Water Supply and Drainage Board	3.24	--	1.65	1.59
	Total	**703.78**	**--**	**69.79**	**633.99**

(*Source: Budget documents and Finance Accounts*)

Though the repayment of principal and interest is made through the budget, the outstanding off-budget borrowings of ₹ 633.99 crore do not form part of the outstanding debt liability (₹ 5,18,796 crore) of the Government as on 31 March 2021. As they are not depicted in the Finance Accounts, there is lack of transparency in the actual outstanding borrowings of the Government at the end of year and hence true picture of the liability of the Government cannot be ascertained through books of accounts.

Analysis of the total outstanding debts / liabilities of the State Government in terms of (i) debt as a percentage of GSDP and (ii) rate of growth of outstanding Government debts are detailed in **Table 1.10** below:

Table 1.10: Total outstanding debts / liabilities

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Total outstanding debts/ liabilities	2,83,394	3,26,518	3,68,736	4,23,743	5,18,796*
Rate of growth of outstanding debts (*in per cent*)	27.07	15.22	12.93	14.92	22.43*
Ratio of total outstanding debt to GSDP (in *per cent*)	21.76	22.29	22.62	23.58	26.94**

(Source: Finance Accounts for the respective years)

* Effective total outstanding Debt would be *₹ 5,12,555 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result the effective rate of growth would stand at 20.96 per cent.*

** The back to back loan (*₹ 6.241 crore)* received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

The outstanding debt grew by 22.43 *per cent* over previous year (effective growth is 20.96 *per cent*). Considering the capital expenditure of only ₹ 36,902 crore during the year and the high fiscal deficit, it is indicative that the borrowing during the year was utilised for financing the revenue expenditure. To the extent of reduced capital formation, debt acts as 'burden' on future generations.

The debt/GSDP ratio (26.94 *per cent*) exceeded the target of 'not being more than 25.20 *per cent* as per TNFR Act, 2003' and if outstanding off-budget borrowing of ₹ 633.99 crore is included to the total outstanding liabilities, the ratio of total outstanding debt to GSDP will increase to 27.30 *per cent* i.e., by 0.03 *per cent* during the year.

1.7 Conclusion and Recommendations

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government.

Fiscal position: The revenue deficit increased from ₹ 12,964 crore in 2016-17 to ₹ 62,326 crore (3.28 *per cent* of GSDP) in 2020-21. The increasing trend of revenue deficit indicates that it would be very difficult for the State to adhere to the TNFR target of eliminating revenue deficit by 2021-22 and also failed to achieve the target proposed (₹ 10,040 crore) in MTFP.

Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even the revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets.

The ratio of fiscal deficit to GSDP during the year stood at 4.94 *per cent*, indicating that achieving the target of the ratio of 3.00 *per cent* by 31 March 2022 as envisaged in the TNFR Act, 2003 would not be possible.

The ratio of total outstanding debt to GSDP was 26.94 at the end of 2020-21 which was much higher than 25.20, the target envisaged in the TNFR Act (The back to back loan (₹ 6,241 crore) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator).

Further, due to misclassification errors and short contributions to reserve funds, etc., the overall Revenue deficit and fiscal deficit were understated by ₹ 323.44 crore and ₹ 189.75 crore respectively.

Recommendation: The State Government has to initiate measures for creating increased fiscal space through augmenting own revenues so as to avoid utilisation of capital receipts (borrowings) to meet revenue expenditure, thereby moving towards achieving the targets set in the TNFR Act.

(Paragraphs 1.5 and 1.6.1)

CHAPTER – 2

FINANCES OF THE STATE

CHAPTER 2

FINANCES OF THE STATE

This chapter provides a broad perspective of the finances of the Government of Tamil Nadu (GoTN) during the current year (2020-21) and analyses critical changes in the major fiscal aggregates relative to the previous year (2019-20), keeping in view the overall trend during the last five years.

2.1 Summary of fiscal transactions in 2020-21 *vis-à-vis* 2019-20

Table 2.1 presents the summary of the State Government's fiscal transactions during the current year (2020-21) *vis-à-vis* the previous year (2019-20) and **Appendix 2.1** depicts the trends of fiscal indicators over the period 2016-2021.

Table 2.1: Summary of fiscal operations in 2020-21 *vis-à-vis* 2019-20

(*₹ in crore*)

Receipts	2019-20	2020-21	Disbursements	2019-20	2020-21
Section-A: Revenue					
Revenue receipts	**1,74,525.91**	**1,74,076.30**	**Revenue expenditure**	**2,10,434.73**	**2,36,402.18**
State's Own Tax revenue	1,07,462.29	1,06,152.96	General Services	78,137.38	78,992.92
Non-tax revenue	12,887.84	10,421.85	Social Services	73,999.32	89,804.85
Share of Union Taxes/Duties	26,392.41	24,924.51	Economic Services	42,609.75	51,808.56
Grants from Government of India	27,783.37	32,576.98	Grants-in-aid and Contributions	15,688.28	15,795.85
Section-B: Capital and Others					
Miscellaneous Capital Receipts	--	--	**Capital Outlay**	**25,631.58**	**33,067.65**
			General Services	*1,064.45*	*936.58*
			Social Services	*5,859.68*	*10,831.17*
			Economic Services	*18,707.45*	*21,299.90*
Recoveries of Loans and Advances	5,384.01	5,245.25	Loans and Advances disbursed	4,022.25	3,834.83
Public Debt receipts	66,774.30	1,02,866.97*	Repayment of Public Debt	17,866.46	16,228.57
Contingency Fund	10.32	--	Contingency Fund	--	--
Public Account receipts	2,61,483.49	3,36,177.54	Public Account disbursements	2,44,023.49	3,23,188.72
Opening Cash Balance	43,229.17	49,428.69	Closing Cash Balance	49,428.69	55,072.80
Total	**5,51,407.20**	**6,67,794.75**	**Total**	**5,51,407.20**	**6,67,794.75**

(*Source: Finance Accounts*)

* Effective public debt receipts would be ₹ 96,625.97 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Table 2.2: Major Changes in key fiscal aggregates in 2020-21 compared to 2019-20

Revenue Receipts	✓ Revenue receipts of the State decreased marginally by 0.26 *per cent* ✓ Own Tax receipts of the State decreased by 1.22 *per cent* ✓ Own Non-tax receipts decreased by 19.13 *per cent* ✓ State's Share of Union Taxes and Duties decreased by 5.56 *per cent* ✓ Grants-in-Aid from Government of India increased by 17.25 *per cent*
Revenue Expenditure	✓ Revenue expenditure increased by 12.34 *per cent* ✓ Revenue expenditure on General Services increased by 1.09 *per cent* ✓ Revenue expenditure on Social Services increased by 21.36 *per cent* ✓ Revenue expenditure on Economic Services increased by 21.59 *per cent* ✓ Expenditure on Grants-in-Aid increased by 0.69 *per cent*
Capital Outlay	✓ Capital expenditure increased by 29.01 *per cent* ✓ Capital expenditure on General Services decreased by 12.01 *per cent* ✓ Capital expenditure on Social Services increased by 84.84 *per cent* ✓ Capital expenditure on Economic Services increased by 13.86 *per cent*
Loans and Advances	✓ Disbursement of Loans and Advances decreased by 4.66 *per cent* ✓ Recoveries of Loans and Advances decreased by 2.58 *per cent*
Public Debt	✓ Public Debt Receipts increased by 54.05 *per cent* (*Effective increase would be 44.71 per cent considering the exclusion of the back to back loan received in lieu of GST compensation from GoI*) ✓ Repayment of Public Debt decreased by 9.17 *per cent*
Public Account	✓ Public Account Receipts increased by 28.57 *per cent* ✓ Disbursement of Public Account increased by 32.44 *per cent*
Cash Balance	✓ Cash balance increased by ₹ 5,644 crore (11.42 *per cent*) during 2020-21 compared to previous year

The significant changes that occurred during 2020-21, as compared to the previous year are enumerated in the succeeding sub paragraphs.

- **Revenue receipts** of the State decreased by 0.26 *per cent* (₹ 450 crore) over the previous year. There was a stagnation in the growth of revenue receipts for the past three years.

- **Revenue expenditure** increased by ₹ 25,967 crore (12.34 *per cent*) over the previous year.

- **Capital expenditure** increased by 29.01 *per cent* (₹ 7,436 crore) during 2020-21 over the previous year, as compared to the growth rate of 5.43 *per cent* in 2019-20 over 2018-19. Major increases were under Roads and Bridges (₹ 3,494.45 crore – 37.76 *per cent*), Major Irrigation (₹ 2,876.08 crore – 543.33 *per cent*) and Medical and Public Health (₹ 1,831.24 crore – 395.83 *per cent*)

- **Public Debt Receipts i.e., borrowings** increased by ₹ 36,093 crore (54.05 *per cent*) over the previous year mainly due to increase in the Internal Debt by 42.00 *per cent* over the previous year. Market borrowings under internal debt increased by ₹ 25,552 crore during the year. (*Effective increase would be ₹ 29,851.67 crore (44.71 per cent) considering the exclusion of the back to back loan received in lieu of GST compensation from GoI)*

- **Recoveries of loans and advances** during the year decreased by ₹ 139 crore (2.58 *per cent*). The recoveries include conversion of TANGEDCO[1]s loan of ₹ 4,563 crore as grants-in-aid under UDAY scheme during the year through book adjustments. Thus, the actual recoveries of loans and advances during the year was only ₹ 682 crore against ₹ 821 crore received during the previous year.

- **Loans and advances** disbursed during the year decreased by ₹ 187 crore (4.66 *per cent*) from the previous year. Loans and advances disbursed (₹ 3,834.83 crore) during the year included ₹ 103.25 crore capital grants converted as loan assistance through book adjustments.

- **Public Account receipts and disbursements** increased by ₹ 74,694 crore (28.57 *per cent*) and by ₹ 79,165 crore (32.44 *per cent*) respectively. Net receipts under Public Account decreased by ₹ 4,471 crore over the previous year.

- The net impact of these transactions led to an increase of ₹ 5,644 crore in the **cash balance** at the end of the year over the previous year.

2.2 Sources and Application of Funds

Table 2.3: Details of Sources and Application of funds during 2019-20 and 2020-21

(*₹ in crore*)

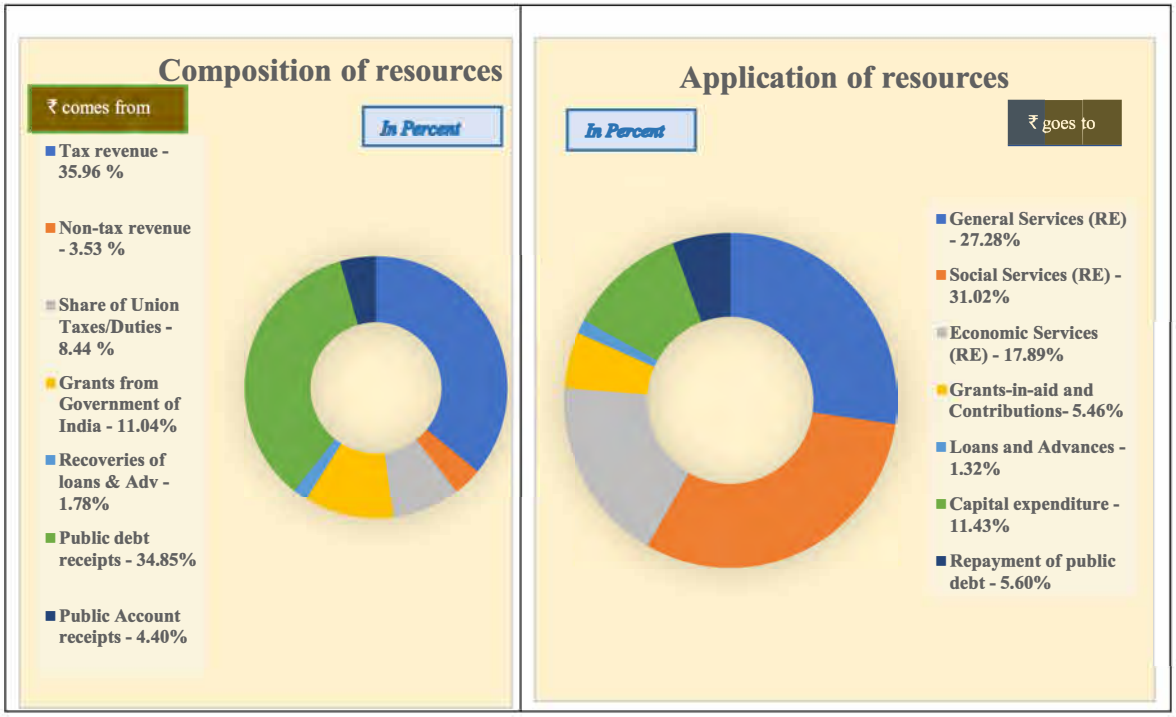
	Particulars	2019-20	2020-21	Increase/ Decrease
Sources	Opening Cash Balance with RBI	43,229	49,428	6,199
	Revenue Receipts	1,74,526	1,74,076	(-) 450
	Recoveries of Loans and Advances	5,384	5,245	(-) 139
	Contingency Fund (recouped during the year)	10	--	(-) 10
	Public Debt Receipts (Net)	48,908	86,638*	37,730
	Public Account Receipts (Net)	17,460	12,989	(-) 4,471
	Total	**2,89,517**	**3,28,376**	**38,859**
Application	Revenue Expenditure	2,10,435	2,36,402	25,967
	Capital Expenditure	25,632	33,067	7,435
	Disbursement of Loans and Advances	4,022	3,835	(-) 187
	Contingency Fund (Un-recouped)	--	--	--
	Closing Cash Balance with RBI	49,428	55,072	5,644
	Total	**2,89,517**	**3,28,376**	**38,859**

(*Source: Finance Accounts*)

* Effective Public Debt receipts (Net) would be ₹ 80,397 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

[1] Tamil Nadu Generation and Distribution Corporation.

Chart 2.1: Composition and Application of resources



RE – Revenue Expenditure.
(*Source: Finance Accounts*)

2.3 Resources of the State

The resources of the State are described below:

1. **Revenue receipts** consist of own tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI)

2. **Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

   Both revenue and capital receipts form part of the Consolidated Fund of the State.

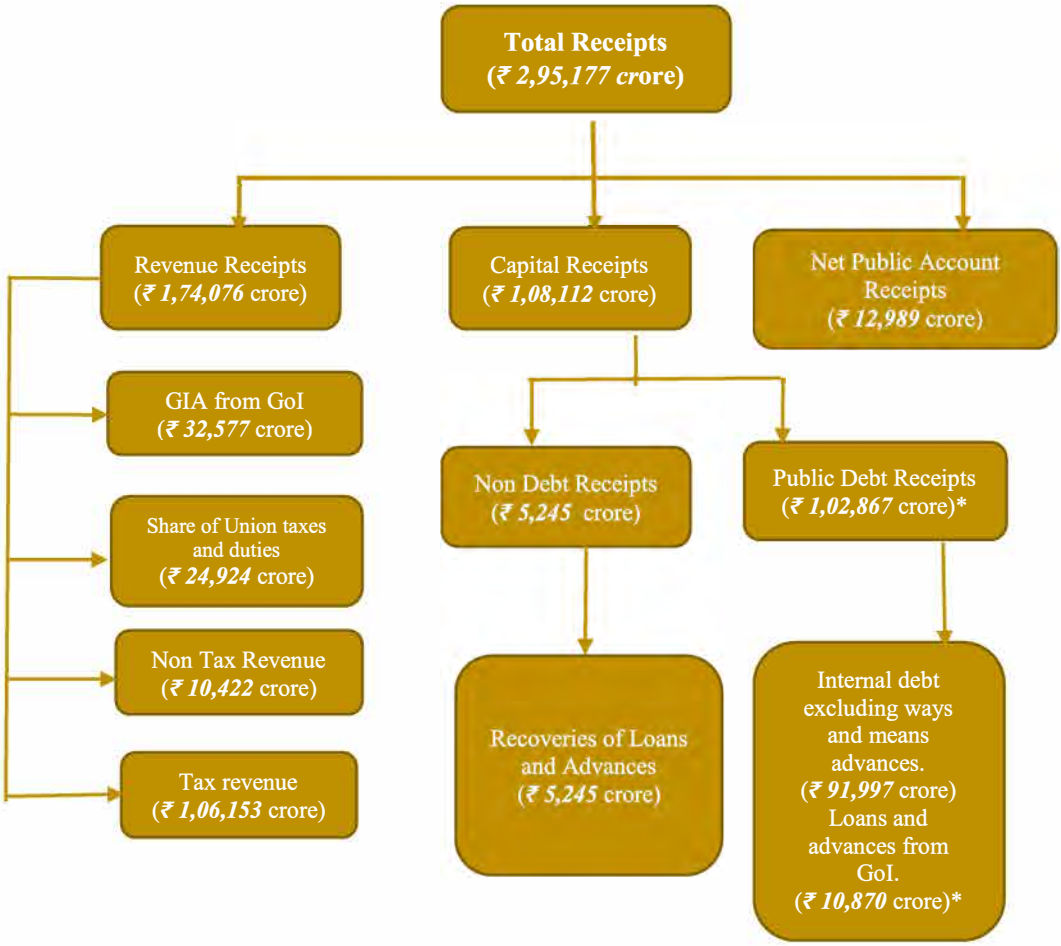
3. **Net Public Accounts receipts**: These are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

   These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Besides, the fund available in the Public Account (net of disbursement made from it) is also utilised by the Government to finance its deficit.

Composition of receipts of the State during 2020-21



** Effective Loans and Advances from GoI would be ₹ 4,629 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result the effective Public Debt receipts would be ₹ 96,626 crore*

The total resources of the State Government in 2020-21 were ₹ 2,95,177 crore. Of these, revenue receipts were ₹ 1,74,076 crore, which constituted 58.97 *per cent* of total resources. Capital receipts (₹ 1,08,112 crore) and net Public Account receipts (₹ 12,989 crore) constituted 36.63 and 4.40 *per cent* of the total resources respectively.

2.3.2 State's Revenue Receipts

Statement-14 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own taxes and non-tax revenues, central tax transfers and grants-in-aid from GoI.

2.3.2.1 Trends and growth of Revenue Receipts

The composition of revenue receipts, its trends and growth as well as revenue buoyancy with respect to GSDP over the five-year period are depicted in the **Table 2.4** below.

Table 2.4: Trend in Revenue Receipts

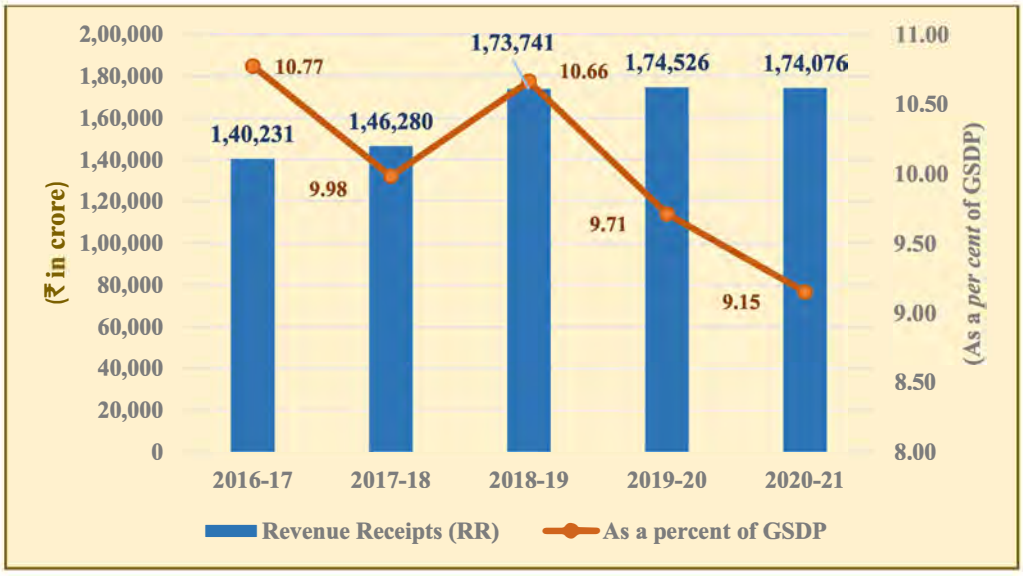
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR) (₹ in crore)	1,40,231	1,46,280	1,73,741	1,74,526	1,74,076
Rate of growth of RR (*per cent*)	*8.70*	*4.31*	*18.77*	*0.45*	(-) *0.26*
Own Tax Revenue (₹ in crore)	85,941	93,737	1,05,534	1,07,462	1,06,153
Non-Tax Revenue (₹ in crore)	9,914	10,764	14,200	12,888	10,422
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (*per cent*)	*7.23*	*9.02*	*14.58*	*0.51*	(-) *3.14*
Gross State Domestic Product (₹ in crore) (2011-12 series)	13,02,639	14,65,051	16,30,209	17,97,229	19,02,689
Rate of growth of GSDP (*per cent*)	*10.72*	*12.47*	*11.27*	*10.25*	*5.87*
RR/GSDP (*per cent*)	*10.77*	*9.98*	*10.66*	*9.71*	*9.15*
Buoyancy Ratios[2]					
Revenue Buoyancy w.r.t GSDP	0.81	0.35	1.67	0.04	(-) 0.04
State's Own Revenue Buoyancy w.r.t GSDP	0.67	0.72	1.29	0.05	(-) 0.53

(*Source of GSDP at current prices: Department of Economics and Statistics, Central Statistics Office*)

- The Revenue expenditure increased by 12.34 *per cent*. The annual growth rate of revenue receipts during 2020-21 was negative and stood at (-) 0.26 *per cent* whereas the growth rate of revenue receipts of 'States other than North Eastern and Himalayan States' was (-) 4.56.
- Revenue buoyancy with reference to GSDP decreased from 1.67 in 2018-19 to (-) 0.04 during the current year.

[2] Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one *per cent*.

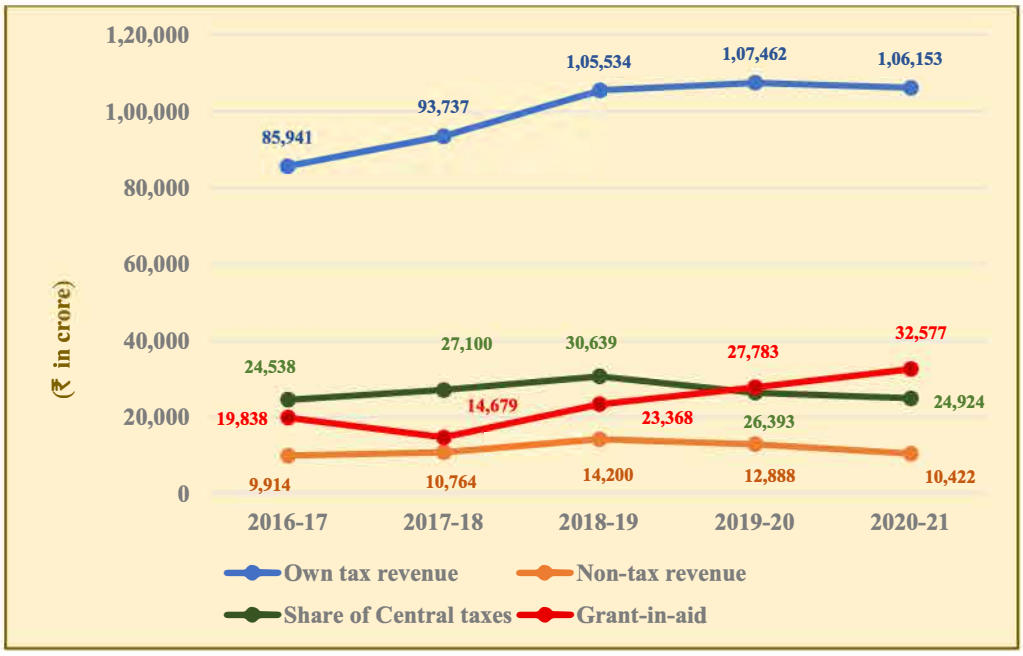
Chart 2.2: Trend of Revenue Receipts



(*Source: Finance Accounts for the respective years*)

The trend in components of revenue receipts is given below in **Chart 2.3**

Chart 2.3: Trend of components of Revenue Receipts



(*Source: Finance Accounts for the respective years*)

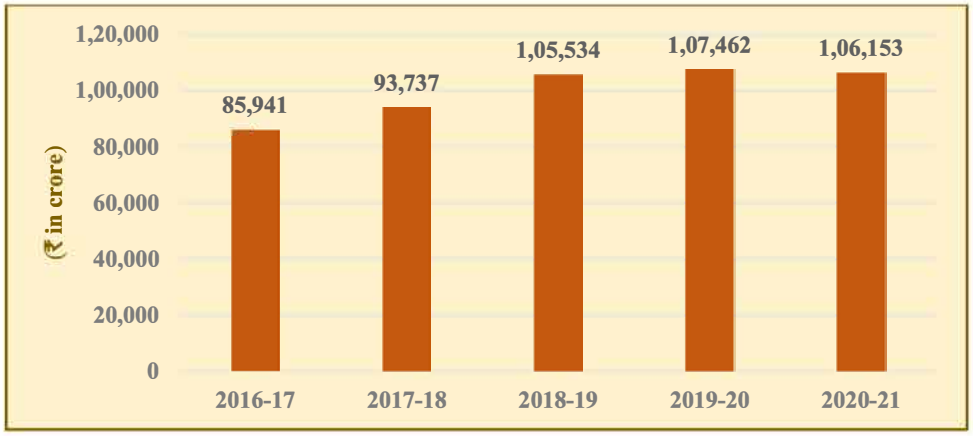
2.3.2.2 State's Own Resources

State's own resources comprises of revenue from its own tax and non-tax sources, the details of which are discussed in the following paragraphs.

Own Tax revenue

Own tax revenues of the State consist of State GST, State excise, taxes on vehicles, Stamp duty and Registration fees, Land revenue, taxes on goods and passengers, etc. The growth of own tax revenue is given in **Chart 2.4**.

Chart 2.4: Growth of Own Tax Revenue during 2016-2021



(*Source: Finance Accounts for the respective years*)

Components of State's own tax revenue

The revenue in respect of major taxes and duties are given in **Table 2.5.**

Table 2.5: Components of State's own tax revenue

(*₹ in crore*)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
State Goods and Service Tax	--	24589	38,533	38,376	37,942	
Taxes on Sales, Trade, etc.	63,234	46,356	42,701	44,515	43,489	
State Excise	6,248	5,815	6,863	7,206	7,822	
Taxes on Vehicles	4,854	5,363	5,573	5,675	4,561	
Stamps and Registration Fees	7,237	9,195	11,066	10,856	11,675	
Land Revenue	153	152	178	258	211	
Taxes on Goods and Passengers	2,551	900	3	11	2	
Other Taxes	1,664	1,367	617	565	451	
Total	**85,941**	**93,737**	**1,05,534**	**1,07,462**	**1,06,153**	
(Growth rate over previous year in *per cent*)	**(6.79)**	**(9.07)**	**(12.59)**	**(1.83)**	**((-) 1.22)**	

(*Source: Finance Accounts for the respective years*)

- The annual growth rate of own tax revenue during 2020-21was negative and stood at (-) 1.22 *per cent*.
- Own tax revenue as a percentage of GSDP of the State during 2020-21 was 5.58 as compared to its neighbouring States of Karnataka and Kerala which were 5.83 *per cent* and 6.28 *per cent* respectively.
- Receipts under Stamps and Registration Fees and State Excise increased by ₹ 819 crore and ₹ 616 crore respectively. There was a decrease of receipts in all the other components.
- Other taxes and duties on commodities and services showed a declining trend mainly due to considerable decrease in taxes and duties on electricity and increase in the refund of entertainment tax to Local Bodies.

State Goods and Services Tax (SGST)

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the goods and services tax considering an annual growth of 14 *per cent* from the base year, for a period of 5 years. The centre levies the Integrated GST (IGST) on interstate

supply of goods and services, and apportions the share of tax to the State where the goods or services are consumed.

GoTN implemented the Goods and Services Tax (GST) Act with effect from 1 July 2017. According to GST (Compensation to the States) Act 2017, Central Government will compensate the States' for loss of revenue arising on account of implementation of GST for a period of five years. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figure, as audited by the CAG of India. A base year (2015-16) revenue figure of taxes subsumed under GST was finalised under GST Act. In Tamil Nadu, the revenue realised through the taxes, since now subsumed into GST, was ₹ 29,786.36 crore during the base year (2015-16). The revenue to be protected for any year was to be calculated by applying a growth rate of 14 *per cent* per annum.

The projected revenue for the year 2020-21 in accordance with the base year figure was ₹ 57,351.09 crore (₹ 29,786.36 crore x 1.14 x 1.14 x 1.14 x 1.14 x 1.14). Revenue figures under GST for the year 2020-21 has been depicted in Finance Accounts as per nature of receipts i.e., State Goods and Services Tax (SGST), Input Tax Credit cross utilisation of SGST and IGST, Apportionment of IGST - transfer-in Tax component to SGST and Advance apportionment from IGST. The revenue receipts of the State Government under GST *vis-à-vis* the projections during the period 2017-21 is given in **Table 2.6.**

Table 2.6: Projected and actual receipt on implementation of GST Act

(*₹ in crore*)

Period	Projected revenue*	Pre-GST taxes	SGST	IGST	Total tax collected	Compen-sation	Total including compen-sation
1	2	3	4	5	6 = (3+4+5)	7	8 = (6+7)
July 2017 to March 2018	29,032.77	3,356.30	15,882.32	8,706.99	27,945.61	632.00	28,577.61
April 2018 to March 2019	44,129.80	Nil	21,264.32	17,268.77	38,533.09	3,151.00	41,684.09
April 2019 to March 2020	50,307.98	Nil	24,148.35	14,227.84	38,376.19	8,922.03	47,298.22
April 2020 to March 2021	57,351.09	Nil	19,581.63	18,360.47	37,942.10	10,602.83	48,544.93

* *Projected based on a growth rate of 14 per cent*
(*Figures excluding refunds, as worked out by GoTN*)

As seen from table above, against the projected revenue of ₹ 57,351.09 crore for 2020-21, there was a shortfall of ₹ 8,806.16 crore and the receipt was ₹ 48,544.93 crore under the new tax regime, which worked out to a negative growth of 3.50 *per cent* as against the projected growth of 14 *per cent*.

The State received total compensation of ₹ 16,843.83 crore on account of loss of revenue arising out of the implementation of GST during 2020-21. Out of this, ₹ 10,602.83 crore was received by the State as grants under revenue receipts. However, due to inadequate balance in GST compensation fund during the year 2020-21, the State also received back to back loan of ₹ 6,241 crore under debt receipts of the State Government with repayment obligations from the cess collected in GST compensation Fund and not from any other resources of the State. Due to this arrangement, the revenue deficit of ₹ 62,326 crore and

the fiscal deficit of ₹ 93,983 crore during the year 2020-21 may be read in conjunction with debt receipt of ₹ 6,241 crore in lieu of GST compensation.

Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realization of revenue due to the Government. Similarly, arrears of assessment indicates potential revenue which is blocked due to delayed assessment. Both deprive the State of potential revenue receipts and ultimately affect the revenue deficit. These issues are currently reported in Chapter 1 of the Revenue Report. Arrears of revenue as on 31 March 2021 in some principal revenue heads are as given in **Table 2.7**.

Table 2.7: Arrears of revenue as on 31 March 2021

(*₹ in crore*)

Sl. No	Department	Amount outstanding on 31 March 2021	Amount outstanding for more than five years as on 31 March 2021
1	Prohibition and Excise	32.49	32.49
2	Registration	432.84	365.48
3	Commercial Tax (SGST)	866.23	0.00
4	Commercial Tax (other than GST)	27,588.54	5,645.09
	Total	**28,920.10**	**6,043.06**

(*Source: Details as received from Commercial Taxes Department*)

Details of evasion of tax detected by Department, refund cases, etc.

The cases of evasion of tax detected by the Excise & Taxation Department, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Promptness in disposal of refund cases is an important indicator of performance of the Department. The details of evasion of tax detected and the details of refund cases are given in **Table 2.8 and Table 2.9** respectively.

Table 2.8: Evasion of Tax Detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2020	Cases detected during 2020-21	Total	No. of cases in which assessment / investigation completed and additional demand with penalty etc. raised		No. of cases pending for finalization as on 31 March 2021
					No. of cases	Amount of demand (*₹ in crore*)	
1	Commercial tax (Sales Tax / VAT)	2,648	--	2,648	797	3,064.46	1,851
2	Commercial tax (SGST)	127	224	345*	239	1,274.25	106

(* 6 cases transferred to CBIC)

(*Source: Details as received from Commercial Taxes Department*)

Table 2.9: Details of refund cases

Sl. No.	Particulars	SGST		Value Added Tax (VAT)		State Excise	
		No. of cases	Amount (*₹ in crore*)	No. of cases	Amount (*₹ in crore*)	No. of cases	Amount (*₹ in crore*)
1	Claims outstanding at the beginning of the year	644	73.01	443	228.65	1	0.01
2	Claims received during the year	25,571	3,357.22	5,464	188.78	-	-
3	Refunds made / rejected during the year	25,964	34,04.08	1,239	126.06	1	0.01
4	Balance outstanding at the end of year	251	26.15	4,668	291.37	-	-

(*Source: Details as received from Commercial Taxes Department*)

Non-tax revenue

Non-tax revenue consists of interest receipts, dividend and profits, mining and other departmental receipts etc. Details are given in **Table 2.10** below:

Table 2.10: Components of State's non-tax revenue

(*₹ in crore*)

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
Interest receipts	**4,319**	**5,199**	**6,875**	**4,356**	**3,524**	
Dividends and Profits	**185**	**159**	**156**	**192**	**205**	
Other non-tax receipts	**5,410**	**5,406**	**7,169**	**8,340**	**6,693**	
a) Major and Medium Irrigation	34	31	45	48	60	
b) Roads and Bridges	133	125	143	83	181	
c) Urban Development	648	514	1,016	781	829	
d) Education	1,195	1,153	1,592	1,793	1,650	
e) Non-Ferrous Mining	984	1,146	1,057	1,150	765	
f) Others	2,416	2,437	3,316	4,485	3,208	
Total	**9,914**	**10,764**	**14,200**	**12,888**	**10,422**	
Percentage of non-tax revenue to State's own resources	*10.34*	*10.30*	*11.86*	*10.71*	*8.94*	

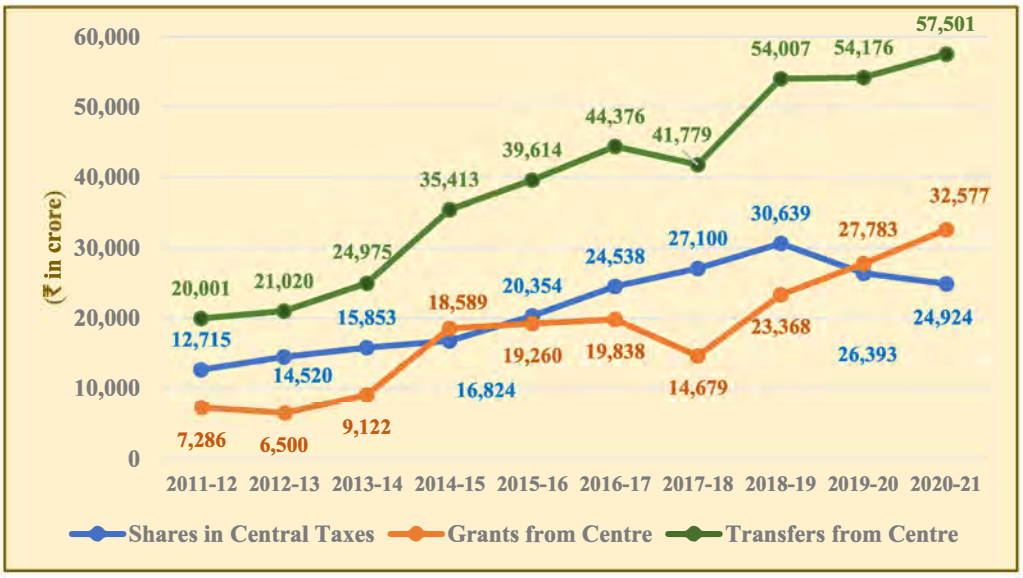
(*Source: Finance Accounts for the respective years*)

- The non-tax revenue of the State decreased by ₹ 2,466 crore (19.13 *per cent*) in 2020-21 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 10.71 *per cent* in 2019-20 decreased to 8.94 *per cent* in 2020-21.

2.3.2.3 Transfers from the Centre

The trend of transfers from Centre for a period of 10 years (2011-2021) is given in **Chart 2.5** below:

Chart 2.5: Trends in transfers from Centre



(*Source: Finance Accounts for the respective years*)

The Central tax transfers decreased consistently during the past two years.

The details of State's share of Union taxes and duties, components of central tax transfers and grants-in-aid from GoI are given in **Tables 2.11 to 2.13.**

Table 2.11: State's share in Union taxes and duties - Actual devolution *vis-à-vis* FC projections

(₹ *in crore*)

Year	Finance Commission Projections	Projections in FCR*	Actual tax devolution	Difference
1	2	3	4	5 (4-3)
2010-11	4.969 *per cent* of net proceeds of all shareable taxes excluding service tax and 5.047 *per cent* of net proceeds of shareable service tax (As per recommendations of TFC)	10,132	10,914	782
2011-12		11,884	12,715	831
2012-13		14,017	14,520	503
2013-14		16,534	15,853	(-) 681
2014-15		19,503	16,824	(-) 2,679
2010-15		**72,070**	**70,826**	**(-) 2,679**
2015-16	4.023 *per cent* of net proceeds of all shareable taxes excluding service tax and 4.104 *per cent* of net proceeds of shareable service tax (As per recommendations of XIV FC)	23,389	20,354	(-) 3,035
2016-17		26,992	24,538	(-) 2,454
2017-18		31,189	27,100	(-) 4,089
2018-19		36,084	30,639	(-) 5,445
2019-20		41,796	26,393	(-) 15,403
2015-20		**1,59,450**	**1,29,024**	**(-) 30,426**
2020-21 (RE)		**39,848**	**24,925**	**(-) 14,923**

* *Finance Commission Recommendations*

(*Source: Details furnished by the Finance Department*)

Table 2.12: Components of Central Tax Transfers

(₹ *in crore*)

Head	2016-17	2017-18	2018-19	2019-20	2020-21
Central Goods and Services Tax (CGST)	--	382.92	7,561.77	7,489.35	7,406.64
Integrated Goods and Services Tax (IGST)	--	2,735.56	603.50	--	--
Corporation Tax	7,862.52	8,298.06	10,654.53	8,998.76	7,520.26
Taxes on Income other than Corporation Tax	5,464.48	7,007.12	7,846.62	7,051.14	7,709.82
Customs	3,124.11	2,734.70	2,171.71	1,672.92	1,324.08
Union Excise Duties	4,120.15	2,858.60	1,443.22	1,163.13	837.75
Service Tax	3,948.52	3,082.99	282.27	0.00	108.04
Other Taxes *	17.99	(-) 0.25	75.15	17.11	17.92
Total Central Tax transfers	**24,537.77**	**27,099.70**	**30,638.77**	**26,392.41**	**24,924.51**
Percentage of increase over previous year	*20.56*	*10.44*	*13.06*	*(-) 13.86*	*(-) 5.56*
Revenue Receipts	1,40,231	1,46,280	1,73,741	1,74,526	1,74,076
Percentage of Central tax transfers to Revenue Receipts	*17.50*	*18.53*	*17.63*	*15.12*	*14.32*

* *Includes Taxes on wealth, other taxes on Income and Expenditure and Other taxes and duties on commodities and services*

(*Source: Finance Accounts for the respective years*)

- The actual devolution of State's share of Union taxes and duties was much less against the projections made by the Fourteenth Finance Commission (XIV FC) during the entire period (2015-2020) and during 2020-21 the shortfall stood at (-) 37.45 *per cent*.
- The growth rate of State's share of net proceeds (Central tax transfers) remained negative at (-) 5.56 *per cent* in 2020-21, which resulted in a reduction of revenue receipts and thereby impacting the fiscal indicators.
- The decrease in growth rate is mainly attributable to decrease in Corporation Tax by ₹ 1,478.50 crore, Union Excise duties by ₹ 325.38 crore and Customs by ₹ 348.84 crore in 2020-21.

Table 2.13: Grants-in-aid from GoI

(₹ *in crore*)

Head	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Plan Grants*	6,757.20	--	--	--	--
Grants for State Plan Schemes*	10,550.35	--	--	(-) 71.80	--
Grants for Central Plan Schemes*	495.47	--	(-) 0.01	--	--
Grants for Centrally Sponsored Schemes*	2,035.18	--	(-) 1.23	(-) 0.10	--
Grants for Special Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes (CSS)	--	10,982.97	14,820.26	12,463.85	12,483.68
Finance Commission Grants	--	1,951.04	3,705.46	5,905.69	8,643.46
Other transfers/Grants to States/Union Territories with Legislature	--	1,745.43	4,843.73	9,485.73$	11,449.84$
Total	**19,838.20**	**14,679.44**	**23,368.21**	**27,783.37**	**32,576.98**
Percentage of increase over the previous year	*3.00*	*(-) 26.00*	*59.19*	*18.89*	*17.25*
Percentage of GIA to Revenue Receipts	*14.15*	*10.04*	*13.45*	*15.92*	*18.71*

** There are no figures since the nomenclature of plan and non-plan grants was removed with effect from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants and Other Grants to States.*
$ Includes an amount of ₹ 10,603 crore being compensation for loss of revenue due to implementation of GST
(*Source: Finance Accounts for the respective years*)

- The grants-in-aid increased by ₹ 4,793.61 crore (17.25 *per cent*) over the previous year.
- Percentage of grants-in-aid to revenue receipts, which was 15.92 in 2019-20, increased significantly to 18.71 in 2020-21 mainly due to receipt of ₹ 4,024.94 crore under 'Post Devolution Revenue Deficit Grant' during the year.

Fourteenth/Fifteenth Finance Commission Grants

Transfers from GoI to the State during 2020-21 on the recommendations of XV FC are given in **Table 2.14**

Table 2.14: Recommended amount, actual release and transfers of Grant-in-aid

(₹ *in crore*)

Transfers	Recomm-endation of the XIVFC 2015-20	Recomm-endation of the XVFC 2020-21	Total	Actual Release by GOI			Release by State Government		
				2015-16 to 2019-20	2020-21	Total	2015-16 to 2019-20	2020-21	{% of column (8) to column (5)}
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Local Bodies									
(i) Grants to PRIs									
(a) General Basic Grant	7,899.69	1,803.50	9,703.19	7,350.94	1,803.50	9,154.44	7,350.94	1,803.50	*100*
(b) General Performance Grants	877.74	1,803.50	2,681.21	172.12	1,803.50	1,975.62	172.12	1,803.50	*100*
(ii) Grants to ULBs									
(a) General Basic Grant	6,585.84	590.50	7,176.34	6,585.83	590.50	7,176.33	6,585.83	590.50	*100*
(b) General Performance Grants	1,646.47	1,146.50	2,792.97	322.87	1,146.50	1,469.37	322.87	1,146.50	*100*
Total for Local Bodies	**17,009.74**	**5,344.00**	**22,353.71**	**14,431.76**	**5,344.00**	**19,775.76**	**14,431.76**	**5,344.00**	***100***
State Disaster Response Fund*	*3,751.00	1,360.00	5,111.00	**2,813.25	1,020.00	3,833.25	3,633.10	1,360.00	*133.3*
Grand Total	**20,760.74**	**6,704.00**	**27,464.71**	**17,245.01**	**6,364.00**	**23,609.01**	**18,064.86**	**6,704.00**	

** Including State share of 25 per cent of total grant.*
*** As per recommendation, 90 % Central share and 10% State share, but in ATR it has been decided that until GST is put in place, 75:25 will continue. Excess amount of ₹ 117.90 crore released as Central share during 2018-19 has been adjusted against the central share release for 2019-20*
(*Source: Details as furnished by the State Finance Department*)

2.3.3 Capital receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Table 2.15: Trends in growth and composition of capital receipts

Sources of State's Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Receipts (₹ *in crore*)	**69,691.43**	**54,196.15**	**54,849.65**	**72,158.31**	**1,08,112.22**
Miscellaneous Capital Receipts	0.79	2.24	--	--	--
Recovery of Loans and Advances	3,547.96	8,472.35	6,913.43	5,384.01	5,245.25
Public Debt Receipts (₹ *in crore*)	**66,142.68**	**45,721.56**	**47,936.22**	**66,774.30**	**1,02,866.97**
Internal Debt (₹ in crore)	*64,282.94*	*42,968.86*	*45,596.47*	*64,784.61*	*91,997.03*
Rate of growth of internal debt (per cent)	*85.28*	*(-) 33.16*	*6.12*	*42.08*	*42.00*
Loans and Advances from GoI (₹ in crore)	*1,859.74*	*2,752.70*	*2,339.75*	*1,989.69*	*10,869.94**
Rate of growth of Loans and Advances (per cent)	*35.67*	*48.02*	*(-) 15.00*	*(-) 14.96*	*446.31*
Rate of growth of debt Capital Receipts (*per cent*)	*83.39*	(-) *30.87*	*4.84*	*39.30*	*54.05*
Rate of growth of non-debt Capital Receipts (*per cent*)	418.97	138.80	(-) 18.42	(-) 22.12	(-) 2.58
Rate of growth of GSDP (*per cent*)	10.72	12.47	11.27	10.25	5.87
Rate of growth of Capital Receipts (*per cent*)	89.63	(-) 22.23	1.21	31.56	49.83

(*Source: Finance Accounts for the respective years*)

** Effective Loans and Advances from GoI would be ₹ 4,628.94 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

Chart 2.6: Growth of capital receipts

(*Source: Finance Accounts for the respective years*)

- The recoveries of loans and advances during 2020-21 included the conversion of TANGEDCO's loan of ₹ 4,563 crore as grants-in-aid under UDAY scheme.

- Public Debt receipts increased from ₹ 66,774 crore during 2019-20 to ₹ 1,02,867 crore[3] in 2020-21 mainly due to increase (₹ 25,552 crore) in market loans under internal debt to manage the fiscal deficit which stood at ₹ 93,983 crore at the end of the year.

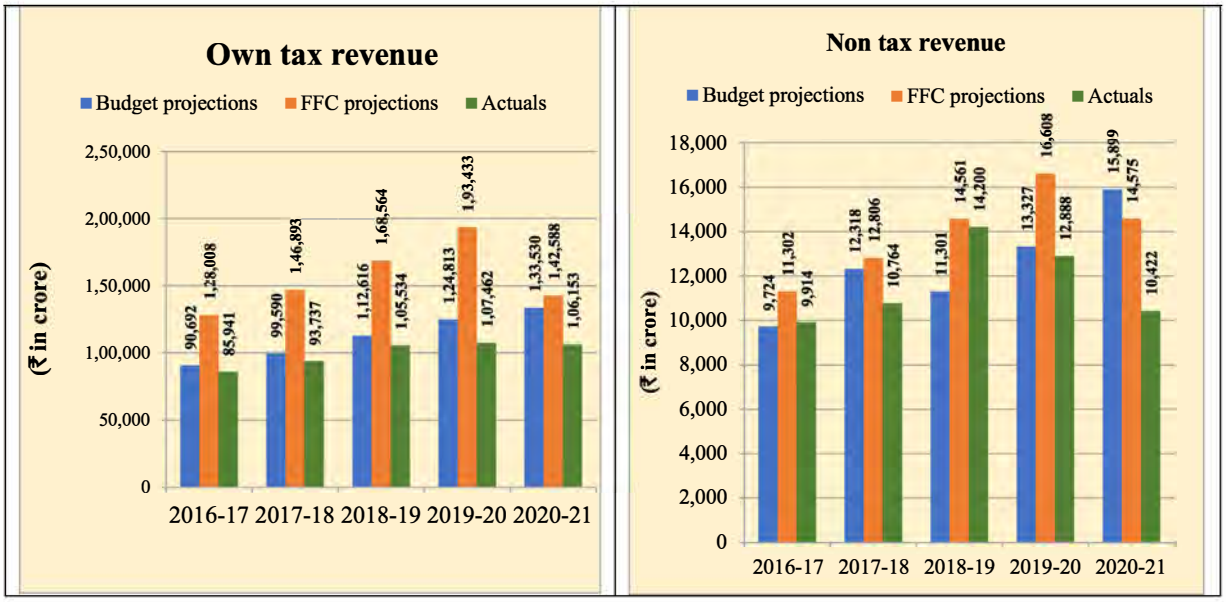
2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax sources.

Tax and non-tax receipts *vis-à-vis* projections

The State's own tax and non-tax revenue receipts for the period 2016-21 *vis-à-vis* assessment made by Finance Commission and Budget are given in **Chart 2.7.**

Chart 2.7: Tax and non-tax receipts vis-à-vis projections



(Source: FC recommendations and Budget Speeches of respective years)

State's own tax revenue receipts and non-tax revenue receipts during 2020-21 fell short of the target fixed under XV FC and Budget. The State's own tax revenue and non-tax revenue were less by 24.81 *per cent* and 25.52 *per cent* respectively over projections made in MTFP.

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[3] Effective Public Debt receipts would be ₹ 96,626 crore during 2020-21 as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

2.4 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This section gives the analysis of allocation of expenditure in the State.

2.4.1 Growth and composition of expenditure

The details of total expenditure, its composition, relative share of various sectors, trends, etc. are given below in **Tables 2.16, 2.17** and **Charts 2.8 to 2.10**

Table 2.16: Total expenditure and its composition

(₹ *in crore*)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	**1,99,951.25**	**1,94,593.86**	**2,27,989.47**	**2,40,088.56**	**2,73,304.66**
Revenue Expenditure (RE)	1,53,195.26	1,67,873.63	1,97,200.60	2,10,434.73	2,36,402.18
Capital Expenditure (CE)	20,709.49	20,203.20	24,310.84	25,631.58	33,067.65
Loans and Advances	26,046.50	6,517.03	6,478.03	4,022.25	3,834.83
As a percentage of GSDP					
TE/GSDP	*15.35*	*13.28*	*13.99*	*13.36*	*14.36*
RE/GSDP	*11.76*	*11.46*	*12.10*	*11.71*	*12.42*
CE/GSDP	*1.59*	*1.38*	*1.49*	*1.43*	*1.74*
Loans and Advances/GSDP	*2.00*	*0.44*	*0.40*	*0.22*	*0.20*

(*Source: Finance Accounts for the respective years*)

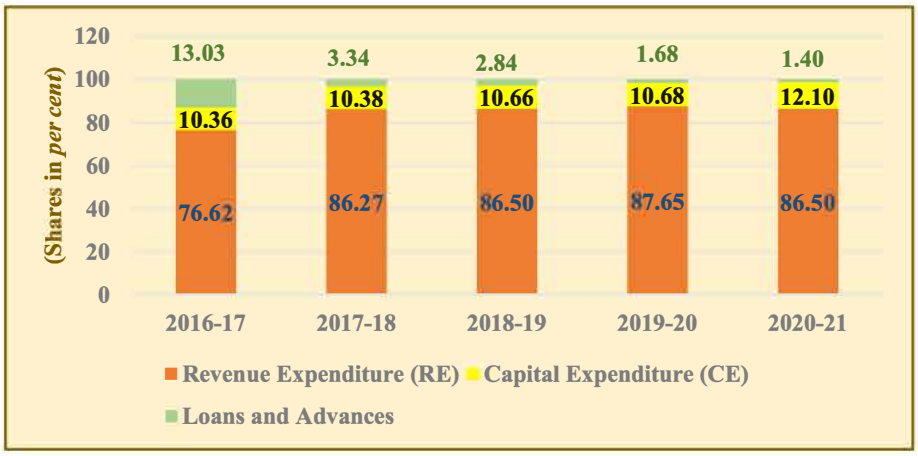
Table 2.17: Relative share of various sectors of expenditure

(in *per cent*)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
General Services *	26.11	31.50	32.15	32.99	29.25
Social Services *	30.68	33.16	33.86	33.26	36.82
Economic Services *	23.95	26.10	24.62	25.54	26.75
Others (Grants to Local Bodies and Loans and Advances)	19.26	9.24	9.37	8.21	7.18

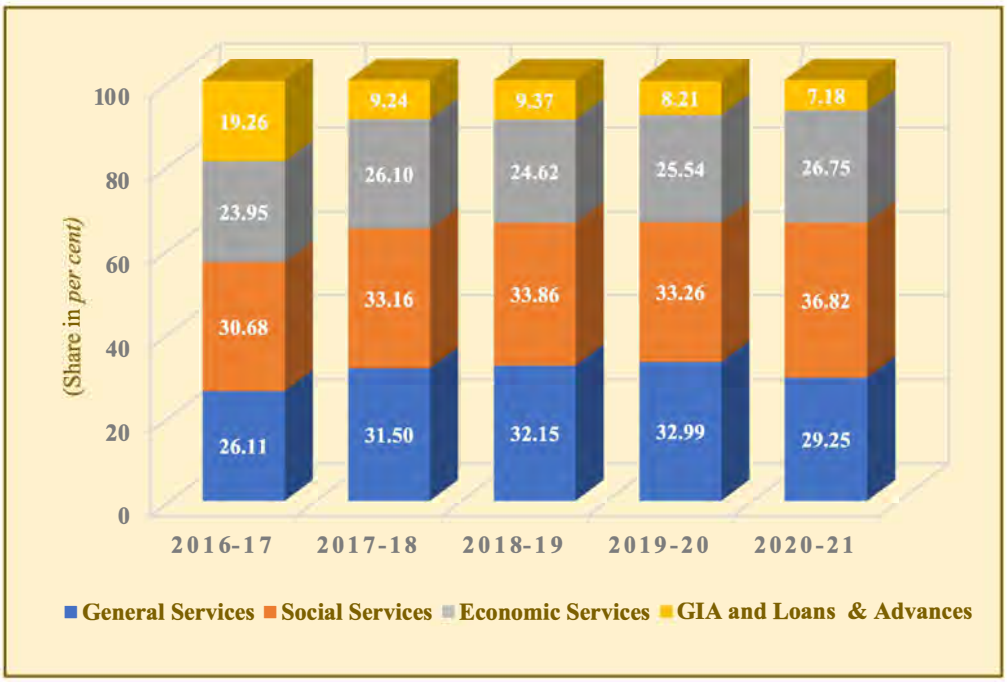
(* *Sum of revenue and capital expenditure under these services*)

Chart 2.8: Total Expenditure: Trends in share of its components



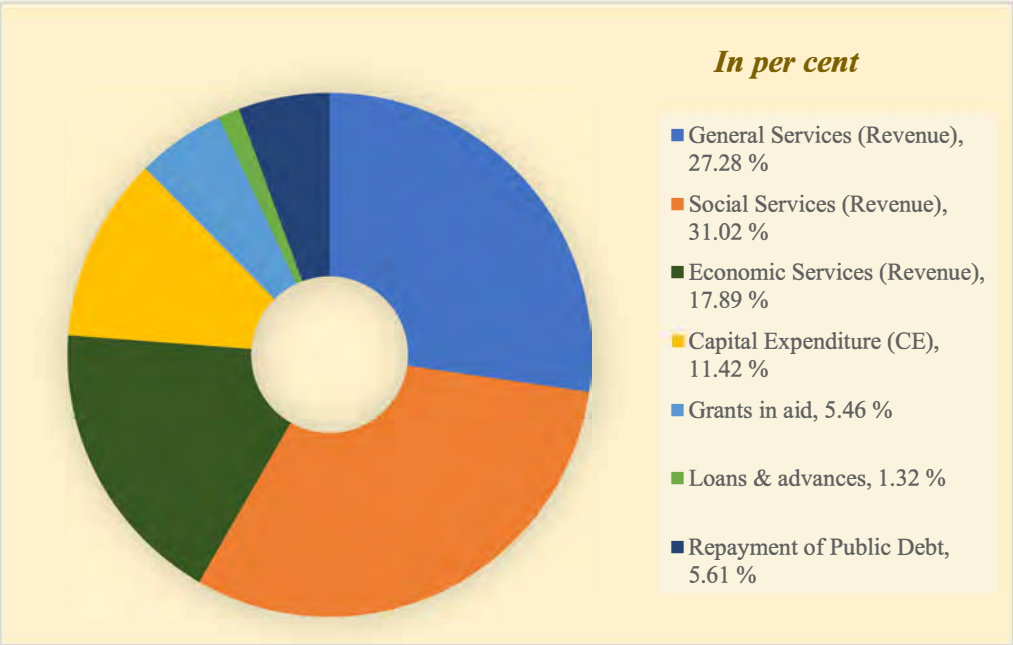
(*Source: Finance Accounts for the respective years*)

Chart 2.9: Total expenditure - Expenditure by activities



(*Source: Finance Accounts for the respective years*)

Chart 2.10: Composition of expenditure



(*Source: Finance Accounts*)

- Of the total expenditure of ₹ 2,73,304 crore during 2020-21, Revenue Expenditure (₹ 2,36,402 crore), Capital Expenditure (₹ 33,067 crore) and Loans and Advances (₹ 3,835 crore) accounted for 86.50 *per cent*, 12.10 *per cent* and 1.40 *per cent* respectively.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network.

Revenue Expenditure formed on an average 84.71 *per cent* (ranging from 76.62 *per cent* in 2016-17 to 86.50 *per cent* in 2020-21) of the total expenditure during the period 2016-21. Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period 2016-21 between 8.65 *per cent* in 2016-17 and 12.34 *per cent* in 2020-21. The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts are indicated in **Table 2.18** and the sectoral distribution of Revenue Expenditure pertaining to 2020-21 is given in **Chart 2.11.**

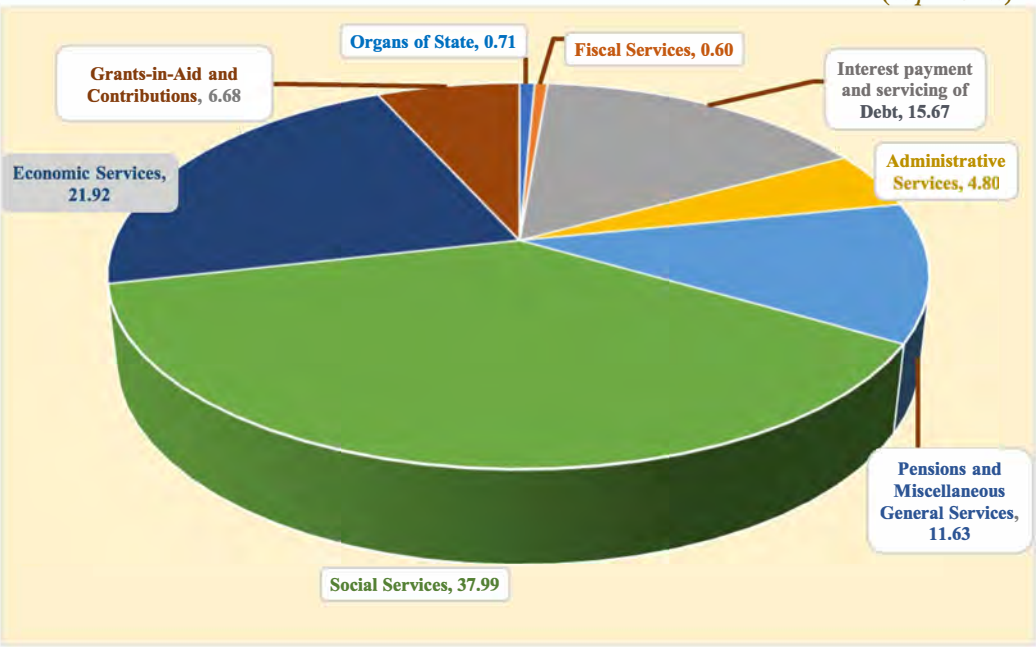
Table 2.18: Revenue Expenditure – Basic Parameters

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE) (₹ *in crore*)	1,99,951.25	1,94,593.86	2,27,989.47	2,40,088.56	2,73,304.66
Revenue Expenditure (RE) (₹ *in crore*)	1,53,195.26	1,67,874.00	1,97,200.60	2,10,434.73	2,36,402.18
Rate of Growth of RE *(per cent)*	*8.65*	*9.58*	*17.47*	*6.71*	*12.34*
Revenue Expenditure as percentage of TE	76.62	86.27	86.50	87.65	86.50
RE/GSDP *(per cent)*	*11.76*	*11.46*	*12.10*	*11.71*	*12.42*
RE as percentage of RR	*109.24*	*114.76*	*113.50*	*120.58*	*135.80*
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.81	0.77	1.55	0.65	2.10
Revenue Receipts (ratio)	0.99	2.22	0.93	14.91	(-) 47.46

(*Source: Finance Accounts for the respective years*)

Chart 2.11: Sector-wise distribution of revenue expenditure

(*in per cent*)



(*Source: Finance Accounts*)

- During 2020-21, the Revenue Expenditure witnessed an increase of ₹ 25,967.45 crore (12.34 *per cent*) over the previous year. This was mainly due to the increase of ₹ 20,074.81 crore towards Grants-in-Aid (Detailed Head 090) during the year. Also, as a percentage of GSDP the Revenue Expenditure increased from 11.71 *per cent* in 2019-20 to 12.42 *per cent* during the current year.
- Revenue Expenditure exceeded the assessment made in MTFP by ₹ 6,923 crore (3.02 *per cent*).

2.4.2.1 Major changes in Revenue Expenditure

Table 2.19 details significant variations under various Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year.

Table 2.19: Variation in Revenue Expenditure during 2020-21 compared to 2019-20

(*₹ in crore*)

Major Head	Description	2020-21	2019-20	Increase (+) / Decrease (-)
2245	Relief on account of Natural Calamities	12,021.70	859.31	11,162.39
2801	Power	16,475.11	8,728.44	7,746.67
2049	Interest Payments	36,496.92	31,980.19	4,516.73
2210	Medical and Public Health	11,184.85	8,877.49	2,307.36
2216	Housing	5,244.71	3,161.48	2,083.23
3456	Civil Supplies	9,775.37	8,516.55	1,258.82
2211	Family Welfare	3,681.94	2,634.09	1,047.85
2235	Social Security and Welfare	9,100.82	8,298.65	802.17
2236	Nutrition	3,329.25	4,109.17	(-) 779.92
2852	Industries	1,573.99	2,763.30	(-) 1,189.31
2071	Pensions and other Retirement Benefits	27,115.07	30,201.77	(-) 3,086.70

(*Source: Finance Accounts*)

- Revenue Expenditure towards (i) Relief on account of Natural Calamities was mainly due to the COVID-19 pandemic. During the year, GoTN received ₹ 1,020 crore from the Central Government towards relief measures relating to COVID-19 pandemic and incurred an expenditure of ₹ 10,871.04 crore under Major Heads 2071, 2075, 2210, 2211 and 2245, which included an expenditure of ₹ 9,967.60 crore spent under Heads of Account '2245-80-800-AJ' – Livelihood support to tackle COVID-19 lockdown – cash support to Rice family cardholders (₹ 7,902.69 crore) and '2245-80-800-AH' – Disaster preparedness / preventive measures to contain the outbreak of Covid-19 (₹ 2,064.91 crore) respectively **(Appendix 2.2)** (ii) Power mainly due to increase in the assistance to electricity boards by ₹ 7,748 crore and (iii) interest payments increased due to increased payment towards internal debt.
- The increase under the assistance to electricity boards was mainly due to the expenditure of ₹ 8,373.19 crore towards taking over future loss of TANGEDCO by State Government under UDAY Scheme.

2.4.2.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. It has first charge on Government resources. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector.

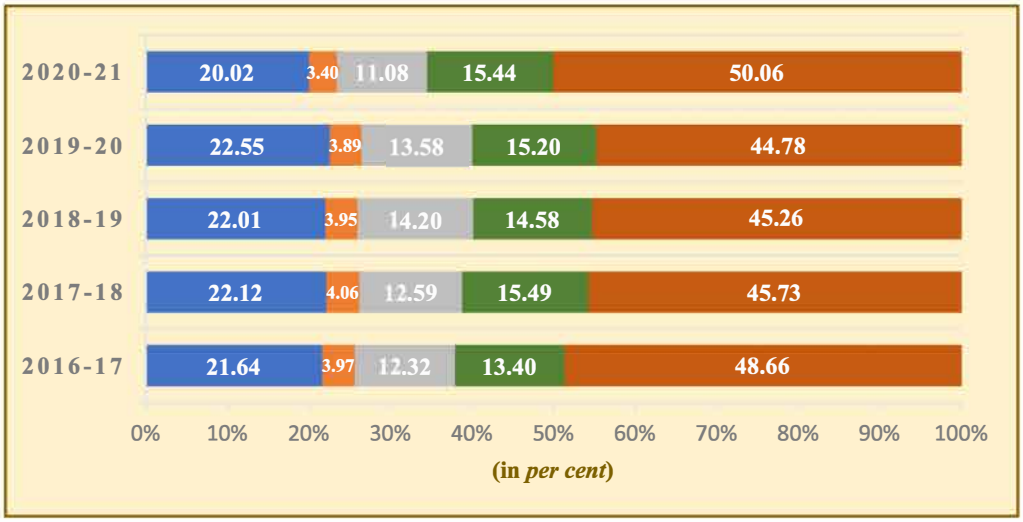
Table 2.20: Components of Committed Expenditure

(₹ *in crore*)

Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries & Wages	33,158	37,140	43,394	47,447	47,333
Salary grants	6,088	6,819	7,792	8,190	8,027
Expenditure on Pensions	18,879	21,132	27,993	28,577	26,204
Interest Payments	20,533	26,012	28,757	31,980	36,497
Total	**78,658**	**91,103**	**1,07,936**	**1,16,194**	**1,18,061**
As a *percentage* of Revenue Receipts (RR)					
Salaries & Wages	*23.65*	*25.39*	*24.98*	*27.19*	*27.19*
Salary grants	*4.34*	*4.66*	*4.48*	*4.69*	*4.61*
Expenditure on Pensions	*13.46*	*14.45*	*16.11*	*16.37*	*15.05*
Interest Payments	*14.64*	*17.78*	*16.55*	*18.32*	*20.97*
Total	***56.09***	***62.28***	***62.12***	***66.57***	***67.82***
As a *percentage* of Revenue Expenditure (RE)					
Salaries & Wages	*21.64*	*22.12*	*22.01*	*22.55*	*20.02*
Salary grants	*3.97*	*4.06*	*3.95*	*3.89*	*3.40*
Expenditure on Pensions	*12.32*	*12.59*	*14.20*	*13.58*	*11.08*
Interest Payments	*13.40*	*15.49*	*14.58*	*15.20*	*15.44*
Total	***51.33***	***54.26***	***54.74***	***55.22***	***49.94***

(*Source: Finance Accounts for the respective years*)

Chart 2.12: Share of Committed expenditure in total Revenue Expenditure



(*Source: Finance Accounts for the respective years*)

- Though the expenditure on pensions decreased marginally due to the enhancement of the age of retirement to 60 years[4], the committed

[4] Vide G.O. Ms. No. 29 dated 25 February 2021

expenditure (₹ 1,18,061 crore) increased by ₹ 1,867 crore due to the increase in interest payments by ₹ 4,517 crore.

- The expenditure on interest payments stood at 20.97 *per cent* of the total revenue receipts (₹ 1,74,076 crore) of the State during 2020-21, as against 18.32 *per cent* during 2019-20.

2.4.2.3 National Pension System

Government introduced the 'National Pension System' (NPS) applicable to all new entrants joining State Government Service on or after 2003. Under this system, employees contribute 10 *per cent* basic pay and dearness allowance, which is matched by the State Government and both employee's and employer's contribution are initially transferred to the Public Account (Major Head '8342-117- Defined Contributory Pension Scheme').

GoTN launched Defined Contributory Pension Scheme (DCPS) for its employees from 1 April 2003. DCPS accounts of individual Government employees[5] are maintained by Government Data Centre (GDC). Every year GDC calculates the interest due at the notified rates and credits the interest to the DCPS Account of individual Government employee.

The Central Government has enhanced the employer's contribution rate to 14 *per cent* with effect from 01/04/2019. The State Government is yet to enhance the employer's contribution in line with the Central Government. The State Government has the responsibility to deposit both employee's and employer's share with the designated authority i.e., National Securities Depository Limited (NSDL)/trustee bank for further investment as per the guidelines of NPS. On creation of National Pension System (NPS) architecture, Pension Fund Regulatory and Development Authority (PFRDA) repeatedly requested (2008 and 2009) GoTN to join NPS. GoTN declined (2010) to join NPS architecture and initially cited non-enactment of PFRDA Act by the Parliament, to justify its decision to continue with the existing system of retaining the Pension Fund money in Public Accounts of the State. The State Government, even after a lapse of 17 years from the inception of the New Pension Scheme *viz*., Defined Contributory Pension Scheme (DCPS), has not designated a Fund Manager.

The expenditure on Pension and other Retirement benefits during the year in respect of State Government employees recruited on or before 31 March 2003 was ₹ 27,115.07 crore which is 11.47 *per cent* of total Revenue Expenditure of ₹ 2,36,402.18 crore. Out of total amount of ₹ 44,641.12 crore accumulated in the Fund as of 31 March 2021, an amount of ₹ 25,510.00 crore was invested under "New Group Superannuation Scheme with Cash Accumulation Plan" with Life Insurance Corporation of India. Out of the balance amount of ₹ 19,131.12 crore, an amount of ₹ 16,290.58 crore stands invested in Treasury Bills as of 31 March 2021.

The interest on investment in LIC amounting to ₹ 2,759.13 crore (₹ 1,128.65 crore during 2019-20 and ₹ 1,630.48 crore during 2020-21) which has been reinvested in LIC though the related book adjustments have not been incorporated by the State Government.

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[5] Including employees of Local Bodies and aided educational institutions.

An amount of ₹ 2,732.99 crore was credited to the DCPS Fund as Interest by allocating provision under MH 2049 – Interest payments, by the State Government during the year.

During the year 2020-21, the Government earned an interest/average yield of 6.74 *per cent* (₹ 1,630.48 crore) and 3.24 *per cent* (₹ 376.26 crore) on investment of DCPS fund in LIC and in T-Bills respectively. However, the interest paid to individual account holders during the period was 7.10 *per cent* (₹ 2,732.99 crore), the rates being at par with the interest paid to GPF subscribers.

During the year 2020-21, the employees' and the Government's contributions towards DCPS were ₹ 2,719.20 crore and ₹ 2,722.20 crore respectively.

2.4.2.4 Subsidies

Subsidies are dispensed not only explicitly and booked under the object head 'subsidies', but also implicitly[6] by providing subsidised public service to the people. The subsidies extended during the period 2016-21, as a *per cent* of Revenue Receipts and Revenue Expenditure are detailed in the **Table 2.21** below:

Table 2.21: Expenditure on subsidies during 2016-21

	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies (*₹ in crore*)	16,092	15,230	18,922	20,144	25,110
Subsidies as a percentage of Revenue Receipts	*11.48*	*10.41*	*10.89*	*11.54*	*14.42*
Subsidies as a percentage of Revenue Expenditure	*10.50*	*9.07*	*9.60*	*9.57*	*10.62*

(*Source: Finance Accounts for the respective years*)

A list of schemes for which the State Government provided subsidy during 2016-21 are given in **Table 2.22** and **Table 2.23.**

Table 2.22: List of schemes for which subsidy was given by the State Government

(*₹ in crore*)

Name of the scheme	2016-17	2017-18	2018-19	2019-20	2020-21
Public Distribution System Support	5,500	6,000	7,989	8,363	9,604
Compensation to Tamil Nadu Electricity Board (TNEB) due to reduction in tariff to domestic consumers	4,271	3,623	3,076	3,367	3,518
Value Added Tax Refund Subsidy for promotion of Industries	1,600	1,600	2,000	2,560	1,290
Reimbursement of social cost on student concessions in bus fares	505	541	764	1,275	3,430
Free distribution of handloom clothes to the people below poverty line	472	484	468	484	479
Payment to TNEB on behalf of Powerloom weavers	386	387	343	336	384
Subsidy to farmers for Agricultural inputs	1,626	81	1	183	1
Other subsidies schemes	1,732	2,514	4,281	3,576	6,404
Total	**16,092**	**15,230**	**18,922**	**20,144**	**25,110**

(*Source: Finance Accounts for the respective years*)

[6] Subsidies which were not booked under the object head "11-Subsidies" under the relevant major head of account are "Implicit Subsidies".

Table 2.23: Major implicit subsidies given during 2016-21

Name of the scheme	Expenditure incurred (₹ *in crore*)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Free supply of grinders, mixies, fans, etc.	933	--	--	--	23
Marriage Assistance Scheme - Distribution of four gram gold coins for Thirumangalyam	721	718	739	709	832
Free supply of uniforms to school children	410	390	384	411	409
Free supply of bicycles to students studying in Standard XI and XII in Government/ Government aided Higher Secondary Schools	250	16	382	230	221
Free distribution of sheep/goat to the persons living below poverty line	29	194	193	193	192
Menstrual Hygiene Programme (Providing sanitary napkins free of cost to adolescent girls)	45	46	46	46	55
Free distribution of Milch cows to each family living below poverty line	14	48	47	47	51
Free distribution of laptops	511	641	144	1,372	17
Dr. Muthulakshmi Reddy Maternity Assistance Scheme	928	646	900	883	884
Chief Minister's Comprehensive Health Insurance Scheme	593	1,734	1,363	935	985
Livelihood Support to tackle COVID-19 lockdown - cash support to Rice family cardholders	--	--	--	--	7,903
Total	**4,434**	**4,433**	**4,198**	**4,826**	**11,572**

(*Source: Detailed Appropriation Accounts of the respective years*)

The total subsidies increased (46.90 *per cent*) to ₹ 36,682 crore from ₹ 24,970 crore. Explicit subsidies increased by 24.65 *per cent* during the year. The schemes under "other subsidies" (₹ 6,404 crore) include ₹ 1,881 crore expenditure under Central Assistance Schemes mainly towards Agricultural Sector and Fisheries.

Implicit subsidies in the form of marriage assistance, maternity assistance, free supply of laptop, uniform, etc., increased by ₹ 6,746 crore during 2020-21 over the previous year mainly due to the disbursement of cash to 'Rice family cardholders' to the tune of ₹ 7,903 crore to tackle the COVID-19 Lockdown, which was wrongly classified as Grants-in-aid instead of subsidies.

2.4.2.5 Recoveries under 'Minor Head – 911'

As per Paragraph 3.10 under General Directions of 'List of Major and Minor Heads of Account of Union and States' (LMMH) issued by the Controller General of Accounts (CGA), recoveries of overpayments pertaining to previous year(s) shall be recorded under distinct minor head 'Deduct- Recoveries of Overpayments' (code '911') below the concerned major/sub-major head 'without affecting the gross expenditure under the functional Major/Sub-Major Head in the Appropriation Accounts'.

During the year, an unspent amount of ₹ 577.67 crore relating to previous years was remitted into the Government account under the minor head "911 - Recoveries of overpayment". Out of 465 schemes, more than one crore remittances relating to previous years were made under 34 schemes (**Appendix 2.3**). This includes huge remittances under two schemes *viz*., "Incentive to Students to reduce drop out in Secondary Education level" (₹ 209.27 crore) and

"Interest Subsidy to Co-operative Institutions towards reduced interest for crop loans to the farmers" (₹ 137.80 crore). Amongst others, there was also remittance under a scheme "Provision of LPG gas connection and stove to poor families" (₹ 5.13 crore), the actual expenditure for which was incurred prior to 2011-12.

This indicates that the actual expenditure was not only inflated in the accounts during the year of drawl, but also inflated the revenue expenditure and revenue deficit to that extent during that period, apart from giving a wrong depiction of expenditure against these schemes.

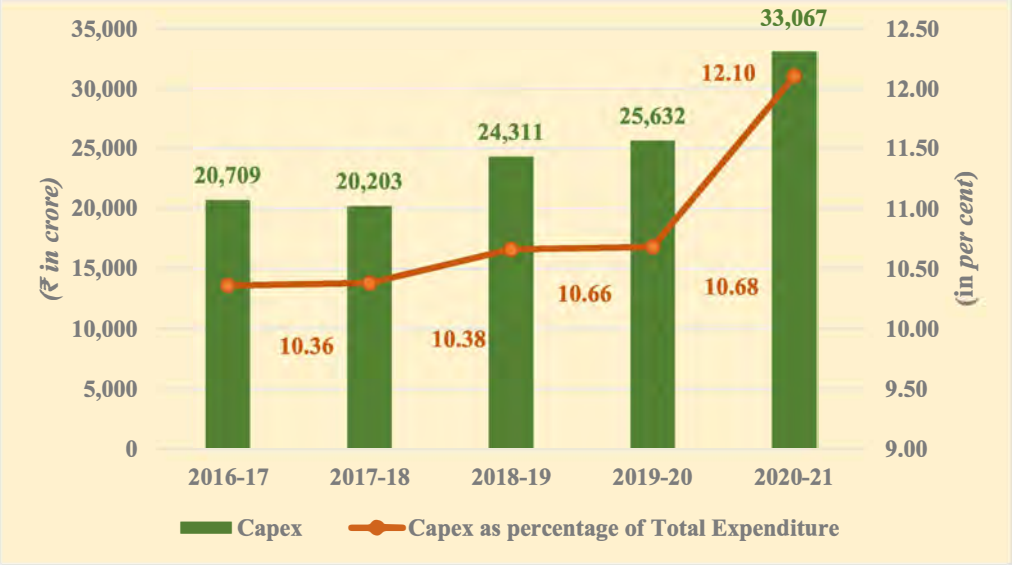
The matter was taken up in the Entry conference and it was assured by the Finance Department that necessary steps will be taken to ensure that drawls are restricted to the actual requirement.

2.4.3 Capital expenditure

Capital Expenditure (Capex) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings, etc. Capex is being met from budgetary support and extra budgetary resources/off budget. In recent times, the infrastructure requirements have increased manifold and Special Purpose Vehicles (SPV) have been set up to carry out bulk of Capex.

During the year, the Government incurred ₹ 33,067 crore towards Capex, which increased by ₹ 7,436 crore (29.01 *per cent)* over the previous year. As a percentage of Total Expenditure, the increase was 1.42 *per cent* over the previous year. The trend in Capital expenditure during the period 2016-21 is shown in the **Chart 2.13** below.

Chart 2.13: Capital expenditure in the State



(Source: Finance Accounts for the respective years)

2.4.3.1 Major changes in Capital Expenditure

The major changes in Capital expenditure during 2020-21 compared to 2019-20 is given in **Table 2.24** below.

Table 2.24: Major changes in Capital Expenditure

(*₹ in crore*)

Major Head	Description	2020-21	2019-20	Increase (+) / Decrease (-)
5054	Capital Outlay on Roads and Bridges	12,748.23	9,253.78	3,494.45
4700	Capital Outlay on Major Irrigation	3,405.42	529.34	2,876.08
4210	Capital Outlay on Medical and Public Health	2,293.87	462.63	1,831.24
4217	Capital Outlay on Urban Development	4,456.49	2,840.93	1,615.56
4215	Capital Outlay on Water Supply and Sanitation	2,624.83	1,414.48	1,210.35
4515	Capital Outlay on other Rural Development Programmes	1,319.32	1,863.15	(-) 543.83
4801	Capital Outlay on Power Projects	--	763.60	(-) 763.60
5465	Investments in General Financial and Trading Institutions	837.00	1,640.00	(-) 803.00
4701	Capital Outlay on Medium Irrigation	227.19	1,583.67	(-) 1,356.48

(*Source: Finance Accounts for the respective years*)

The increase under '5054 – Capital Outlay on Roads and Bridges' was mainly due to increased expenditure under sub major heads 'District & Other Roads' – ₹ 2,061 crore and 'State Highways' – ₹ 784 crore respectively in the minor head '337- Road Works'. The increase under '4700 – Capital Outlay on Major Irrigation Projects' was towards 'Other Expenditure' – ₹ 2,820 crore.

The increase under '4210 – Capital Outlay on Medical and Public Health' was mainly due to increase of expenditure of ₹ 1,772 crore under sub major head 'Medical Education, Training and Research' minor head 105 – Allopathy.

2.4.3.2 Quality of capital expenditure

In the post-Fiscal Responsibility and Budget Management framework, the State is expected to keep its fiscal deficit not only at low levels but also eliminate revenue deficit and meet its capital expenditure/investment (including loans and advances) requirements from its own sources of revenue. In addition, the State Government is required to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

Quality of investments in the companies, corporations and other bodies

As per Finance Accounts 2020-21, the State Government as of March 2021 had invested ₹ 41,578 crore in one Statutory Corporation, 58 Government Companies, three Joint Stock Companies and 9,156 various Co-operatives.

The details of investments made by the Government is given in **Table 2.25** below:

Table 2.25: Details of Investment made by the Government

Sl. No	Description	Number of entities	Investment at the end of the year (₹ in crore)
1	Tamil Nadu Warehousing Corporation	1	3.81
2	Government Companies	58	41,075.76
3	Joint Stock Companies	3	0.73
4	Co-operative Institutions	9,156	498.06
	Total	**9,218**	**41,578.36**

(*Source: Finance Accounts*)

The average rate of return on these investments was a meagre 0.45 *per cent* in the last five years (2016-17 to 2020-21) while the average rate of interest paid by the Government on its borrowings during the same period was 8.14 *per cent*.

The investments at the end of the year and the details of return on investment for the period 2016-21 is given in **Table 2.26.**

Table 2.26: Return on Investment

Investment/return/ cost of borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Investment at the end of the year (₹ in crore)	29,811	33,579	36,480	39,866	41,578
Borrowings at the end of the year (₹ in crore)	2,83,394	3,26,518	3,68,736	4,23,743	5,18,796
Return (₹ in crore)	185	153	135	160	174
Return (*per cent*)	*0.62*	*0.46*	*0.37*	*0.40*	*0.42*
Average rate of interest on Government Borrowings (*per cent*)	8.11	8.53	8.27	8.07	7.74
Difference between interest rate and return (*per cent*)	7.49	8.07	7.90	7.67	7.32
Difference between interest on Government borrowings and return on investment (₹ in crore) #	2,232.84	2,709.83	2,881.92	3,057.72	3,053.51

 # Investment at the end of the year X Difference between interest rate and return
(*Source: Finance Accounts of the respective years*)

During 2020-21, State Government invested ₹ 1,656.04 crore in six Government Companies.

Investments made in loss making companies

Capital expenditure in the companies, corporations and other bodies, which are loss making or where net worth is completely eroded is not sustainable. Investments made and loan given to Companies, Corporations and

Co-operatives, which are loss making and those where 'net worth' is completely eroded, affect quality of capital expenditure.

As of March 2021, the Government invested ₹ 6,565.30 crore in 21 loss making Companies / Corporations, out of which ₹ 419.04 crore was invested in four loss making Companies during the current year, whose net worth had eroded as on 31 March 2020 as given in **Table 2.27 below:**

Table 2.27: Investments made in loss making companies

(*₹ in crore*)

Sl. No	Company/ Corporation	Investment made during the year 2020-21	Cumulative investment as on 31 March 2021	Cumulative loss as on 31 March 2021 as reported by the entity	Net worth as on 31.03.2020
1	Metropolitan Transport Corporation (Chennai) Limited (1972-2021)	70.87	892.90	(-) 6,432.22	(-) 4,337.65
2	Tamil Nadu State Transport Corporation (Madurai) Limited (2010-2021)	25.17	879.69	(-) 5,451.33	(-) 3,668.65
3	Tamil Nadu State Transport Corporation (Tirunelveli) Limited (2010-2021)	44.51	656.37	(-) 5,031.26	(-) 3,645.29
4	State Express Transport Corporation Tamil Nadu Limited (1984-2021)	278.49	633.19	(-) 3,249.67	(-) 2,011.59
	Total	**419.04**	**3,062.15**	**(-) 20,164.48**	**(-) 13,663.18**

(*Source: Data collected from commercial audit wing and Finance Accounts*)

Investments made in companies which were loss making and those where net worth had eroded, affected the quality of capital expenditure.

Difference in figures of Government and PSUs

There were differences in respect of 54 companies / Corporations (**Appendix 2.4**) as reflected in Section 2 - Statement 19 of Finance Accounts. The major differences in investments made by the Government (as per Statement 16 of Finance Accounts) and PSUs were observed under (i) Tamil Nadu Power Finance and Infrastructure Development Corporation, (ii) Tamil Nadu Water Supply and Drainage Board (for desalination plant in Thiruvallur District), (iii) Tamil Nadu State Transport Corporation (Coimbatore) Limited and (iv) Chennai Metro Rail Limited. On being pointed out, in the Exit Conference, Government assured that appropriate action would be taken to reconcile the differences.

The Government and the PSUs should take concrete steps to reconcile the differences.

Quantum of loans disbursed and recovered during five years

In addition to the investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations.

Table 2.28 presents the outstanding loans and advances as on 31 March 2021 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.28: Outstanding loans and advances

(*₹ in crore*)

Quantum of loans disbursed and recovered	2016-17	2017-18	2018-19	2019-20	2020-21
Opening balance of outstanding loans	21,251	43,749	41,794	41,359	39,997
Amount advanced during the year	26,046	6,517	6,478	4,022	3,835
Amount recovered during the year	3,548	8,472	6,913	5,384	5,245
Closing balance of outstanding loans	43,749	41,794	41,359	39,997	38,587
Net addition	22,498	(-) 1,955	(-) 435	(-) 1,362	(-) 1,410
Interest received	1,372	1,484	2,703	4	346
Interest receipts as a percentage of outstanding Loans and Advances given by the Government *(per cent)*	*4.22*	*3.47*	*6.50*	*0.01*	*0.88*
Average rate of Interest paid on the outstanding borrowings of the Government *(per cent)*	*8.11*	*8.53*	*8.27*	*8.07*	*7.74*
Difference between the rate of interest paid and interest received *(per cent)*	*3.89*	*5.06*	*1.77*	*8.06*	*6.86*

(*Source: Finance Accounts for the respective years*)

Capital locked in incomplete projects

The department-wise information pertaining to projects remaining incomplete for a period of over five years is given in **Table 2.29.**

Table 2.29: List of incomplete projects aged more than five years

Sl. No	Name of the work	Estimated cost of work (₹ in lakh)	Date of sanction	Year of commence -ment	Physical progress of work done (in *per cent*)	Progressive expenditure upto 31/03/2021 (₹ in lakh)	Revised cost, if any (₹ in lakh) / Date of revision
	Chief Engineer (Highways) Projects						
1	Construction of ROB in lieu of Level crossing No. 36 at Railway Km 39/12-14 between Vandalur and Guduvanchery Railway Stations	3,450.00	13/11/2007	2013	90	2,738.78	--
2	Construction of ROB in lieu of existing LC No.21 Railway Km 47/14-16 between Kadambathur and Tiruvalangadu Railway Stations	1,490.00	11/10/2006	2015	93	2,249.49	2,574.00 11/04/2017
3	Construction of High level Bridge across Noyyal River Km 0/6 of Tiruppur Somanur to Chikkanna College Road	384.04	30/06/2009	2015	85	372.67	--
4	Construction of ROB in lieu of existing LC No. 80 at Railway Km 195/28-30 at Valaympet-Vaniyambadi Road	2,255.00	07/12/2011	2015	38	1,064.99	--
	Tamil Nadu Road Sector Project – II						
1	5054 CO on R&B –PC1602 for the work on Road Upgradation Road maintenance safety works Institutional Strengthening and Policy development and PC 6401 – Lands Acquisition of Land for TNRSP works under World Bank	4,87,200	19/09/2014	2014	98.60	3,07,837.38	--

(*Source: Finance Accounts*)

Failure to complete the projects in time leads to escalation of project costs and delays the accrual of the projects' benefits to the society at large. Delays also result in postponement of revenue realisation from the projects.

Capital expenditure transferred to Reserve Funds

Capital expenditure (₹ 33,067.65 crore) as reported in the Finance Accounts depicts the net figures after adjusting (deducting) the amount (₹ 136.54 crore) met from the reserve funds *viz*., State Innovation Fund.

Implementation of Ujwal Discom Assurance Yojana (UDAY)

The Ministry of Power, Government of India (GoI) had launched (November 2015) the Ujwal Discom Assurance Yojana (UDAY) Scheme for the financial turnaround of Power Distribution Companies (DISCOMs).

With an objective to improve the operational and financial efficiency of the State DISCOMs, a tripartite Memorandum of Undertaking (MoU) was executed between Ministry of Power (GoI), concerned State Government and State Power Distribution Companies. This scheme facilitated State Governments to take over 75 *per cent* of DISCOM's outstanding debt over a period of two years.

The Government of Tamil Nadu raised loans to the extent of ₹ 22,815.00 crore during February-March 2017 by issuing Non-Statutory Liquidity Ratio Bonds (Non-SLR) through RBI Nagpur.

The assistance to the extent of ₹ 22,815 crore was treated as 'Loan' by the State Government. Tamil Nadu State Government converted the interest free loan into grant (total 5 equal instalments) commencing from the year 2017-18 by appropriating funds for ₹ 4,563 crore and carried out necessary book adjustments. After converting the interest free loan into grant during 2017-18, 2018-19, 2019-20 and 2020-21, the outstanding loan yet to be adjusted is ₹ 4,563 crore.

As the loan of ₹ 4,563 crore outstanding as of 31 March 2021 (₹ 22,815 crore - (₹ 4,563 crore x 4)) under UDAY would ultimately be waived off by GoTN, as shown in **Table 2.30**, by converting the loans into grants during the next year, the entire sum was not an asset in its real sense, despite being depicted under loans and advances.

Table 2.30: Position Loan/ Grant under UDAY

(*₹ in crore*)

Year	Outstanding Interest free loan	Loan amount converted as Grant	Balance outstanding
2016-17	22,815	--	22,815
2017-18	22,815	4,563	18,252
2018-19	18,252	4,563	13,689
2019-20	13,689	4,563	9,126
2020-21	9,126	4,563	4,563

(*Source: Finance Accounts for the respective years*)

2.4.3.3 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the Government or Statutory entity and a private sector entity, to provide framework that enables them to work together to meet the rising demand of the public for infrastructure development.

Tamil Nadu Infrastructure Development Board (TNIDB), established under Tamil Nadu Infrastructure Development (TNID) Act 2012, is the nodal agency to coordinate the implementation of infrastructure projects in the State. The Board is to coordinate infrastructure development activities in the State and facilitate projects undertaken solely by Government institutions as well as projects undertaken through Public Private Partnerships.

The 24 x 7 water supply project in corporation of Coimbatore has been undertaken through PPP mode on the Build-Transfer-Operate (BTO) model as per Schedule II of TNID Act, 2012. The estimated cost of the ongoing projects and expenditure incurred are given in **Table 2.31.**

Table 2.31: Details of Estimated cost and Expenditure under PPP projects

(₹ in crore)

Sl. No	Sector	Ongoing Projects	Estimated cost	Expenditure incurred as on 30/09/2021
1	Road	Four laning Road – Gobi – Erode Section of SH-15 (The Project Highway – PPP 01)	Converted as EPC	
2		Four laning Road – Oddanchatram Dharapuram – Avinasipalayam Section of SH-37 (The Project State Highway – PPP 02)	642.00	459.38
3		Four laning and strengthening of Tirunelveli – Sengottai – Kollam SH-39 (The Project State Highway – PPP 03)	Converted as EPC	
	Total			

(*Source: Finance (Infrastructure Cell) Department, GoTN*)

Two of the three PPP projects have been converted as Engineering, Procurement and Construction (EPC) mode using World Bank approved bid documents in suitable number of packages under TNRSP-II and execute them utilizing the front loaded fund to be sanctioned by the World Bank and State's own fund, vide G.O (Ms) No. 159 dated 11 December 2020 issued by the Highways Department.

2.4.4 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Expenditure priority of the State with

regard to Health, Education and Capital expenditure are shown in **Table 2.32** below:

Table 2.32: Expenditure priorities

(in per cent)

Fiscal Priority of the State	AE/ GSDP	CE/AE	CE on Education/ AE	CE on Health/ AE
Tamil Nadu	14.36	13.50	0.21	0.92
Karnataka	13.46	21.45	0.49	0.94
Kerala	18.30	11.12	0.28	0.30

AE: Aggregate Expenditure, CE: Capital Expenditure, (Source: For GSDP : Central Statistics Office)

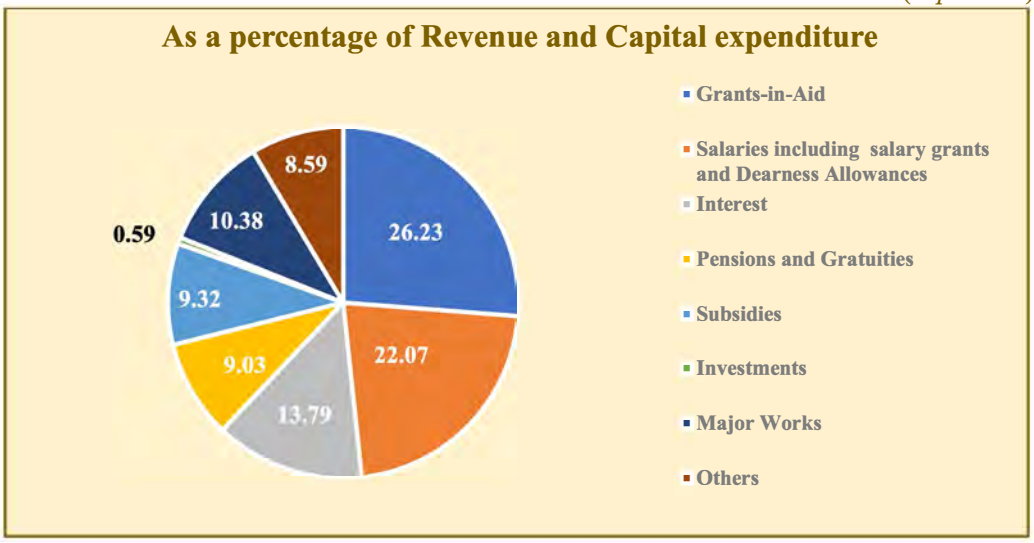
- The percentage of AE to GSDP was low as compared to Kerala but more than the state of Karnataka.
- The Capital expenditure on Education as a percentage of AE during the year was lower than the states of Karnataka and Kerala.
- The Capital expenditure on Health as a percentage of AE was higher than Kerala but lower than Karnataka.

2.4.5 Object head wise expenditure

The Object head wise expenditure during the year is depicted in **Chart 2.14** below.

Chart 2.14: Object head wise expenditure

(in per cent)



(Source: Finance Accounts)

- While 44.89 *per cent* of the total revenue and capital expenditure was incurred towards salaries & allowances, pensionary payments and interest commitments, investments during the year was a meagre 0.59 *per cent* and the expenditure on major works stood at 10.38 *per cent,* indicating that nearly half of the expenditure was towards committed expenditure.

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these accounts. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

The component-wise net balances in Public Account of the State is given in **Table 2.33** below.

Table 2.33: Component-wise net Public Account balances as of 31 March of the year

(*₹ in crore*)

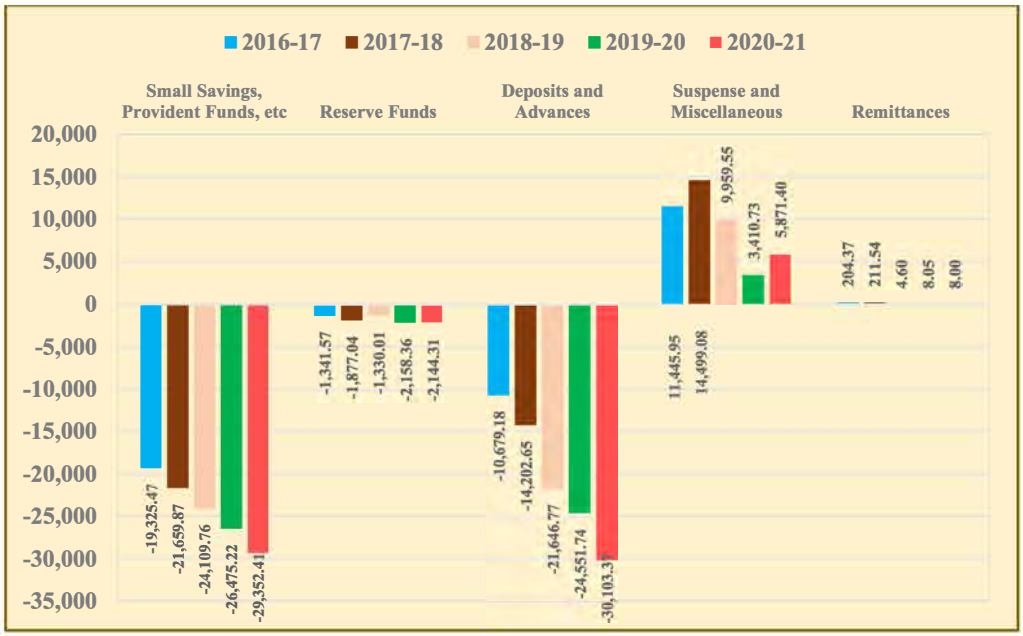
Sector	Sub-Sector	2016-17	2017-18	2018-19	2019-20	2020-21
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-) 19,325.47	(-) 21,659.87	(-) 24,109.76	(-) 26,475.22	(-) 29,352.41
J. Reserve Funds	(a) Reserve Funds bearing Interest	--	--	--	(-) 113.42	(-) 113.42
	(b) Reserve Funds not bearing Interest	(-) 1,341.57	(-) 1,877.04	(-) 1,330.01	(-) 2,044.94	(-) 2,030.89
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 2,581.33	(-) 4,128.42	(-) 8,008.32	(-) 9,323.98	(-) 8,014.50
	(b) Deposits not bearing Interest	(-) 8,106.84	(-) 10,083.23	(-) 13,646.16	(-) 15,235.43	(-) 22,096.51
	(c) Advances	8.99	9.00	7.71	7.67	7.64
L. Suspense and Miscellaneous	(b) Suspense	(-) 134.35	(-) 121.00	(-) 141.69	(-) 283.10	29.01
	(c) Other Accounts	11,579.06	14,618.84	10,100.00	3,692.59	5,841.15
	(d) Accounts with Governments of Foreign Countries	1.24	1.24	1.24	1.24	1.24
	(e) Miscellaneous	--	--	--	--	--
M. Remittances	(a) Money Orders, and other Remittances	197.20	199.04	(-) 0.50	(-) 0.51	(-) 0.48
	(b) Inter-Governmental Adjustment Account	7.17	12.50	5.10	8.56	8.48
Total		**(-) 19,695.90**	**(-) 23,028.94**	**(-) 37,122.39**	**(-) 49,766.54**	**(-) 55,720.69**

Note: +ve denotes debit balance and –ve denotes credit balances

(*Source: Finance Accounts for the respective years*)

Chart 2.15: Yearly changes in composition of Public Account balances

(*₹ in crore*)



(*Source: Finance Accounts for the respective years*)

- The public account liability of the Government increased from ₹ 49,766.54 crore in 2019-20 to ₹ 55,720.69 crore in 2020-21.

- The net increase in public account was mainly due to increase in small savings, provident funds, etc. (₹ 2,877 crore) and Deposits not bearing interest (₹ 6,861 crore) and decrease under Deposits bearing interest (₹ 1,309 crore) and Other Deposits under Suspense and Miscellaneous (₹ 2,148 crore).

- The major contributions to the public account were from (i) small savings, provident fund, etc. and (ii) deposits.

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

There are 30 Reserve Funds earmarked for specific purposes, out of which five Reserve Funds were inoperative from the year 2000 to 2020. The total accumulated balance as on 31 March 2021 under Reserve Funds was ₹ 10,232.68 crore (includes ₹ 113.42 crore in interest bearing Reserve Funds and ₹ 10,119.26 crore under non-interest bearing Reserve Funds). Some of the major Reserve Funds are discussed below.

2.5.2.1 Consolidated Sinking Fund

The State Governments have set up the Sinking Fund in line with the recommendations of the Twelfth Finance Commission (XII FC) for amortization of market borrowings as well as other loans and debt obligations. The fund is managed by the Reserve Bank of India

The State Government has created a Consolidated Sinking Fund (CSF) in 2005-06 for amortisation of Open Market Loans, Government of India Loans and Special Securities issued to National Small Savings Fund availed of by the State Government. The fund is managed by the Reserve Bank of India. As per the Notification in Tamil Nadu Gazette, the Government may contribute at the rate of 0.5 *per cent* of the outstanding liabilities as at the end of the previous year, to CSF. During the year, the State Government contributed ₹ 549.22 crore to the Fund (only the interest earned on investments), which works out to only 0.13 *per cent* of the outstanding liabilities of ₹ 4,23,742.76 crore as on 1 April 2020. Thus, there was a short contribution of ₹ 1,569.49 crore (₹ 2,118.71 crore minus ₹ 549.22 crore)

As on 31 March 2021, CSF had a balance of ₹ 7,488.17 crore, of which ₹ 7,179.67 crore was invested in GoI securities. The interest earned on the investments made during the year was ₹ 549.22 crore.

Due to the increased trend in the liabilities, the Government may initiate contributing the requisite amount as prescribed in the Act.

2.5.2.2 State Disaster Response Fund

Government of India replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of the Fund, the Centre and States are required to contribute to the Fund in a certain proportion. The contributions are to be transferred to the Public Account to Major Head – 8121. Expenditure during the year is incurred by operating Major Head – 2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal budgetary heads/ State Plan Funds, etc.

During the year 2020-21, the State Government transferred ₹ 1,360 crore to SDRF Account towards natural calamities (Central Share of ₹ 1,020.00 crore and State share of ₹ 340.00 crore).

The details of expenditure charged to SDRF is given below in **Table 2.34**.

Table 2.34: Details of expenditure charged to SDRF

(*₹ in crore*)

Major Head of Account	Minor Head of Account	Expenditure during 2020-21
2245- Relief on Account of Natural Calamities - 01- Drought.	101 - Gratuitous Relief	0.11
	102 - Drinking Water supply	4.29
	800 - Other Expenditure	0.02
	911 - Deduct-Recoveries of Overpayments	(-) 0.97
	Sub Total	**3.45**
2245- Relief on Account of Natural Calamities - 02- Floods, Cyclones etc.	101 - Gratuitous Relief	51.27
	104 – Supply of Fodder	0.04
	106 - Repairs and Restoration of Damaged Roads and Bridges	10.07
	111 - Ex-Gratia payment to bereaved families	6.00
	113 - Assistance for repairs / reconstruction of houses	43.70
	114 - Assistance to Farmers for purchase of Agricultural inputs	1,666.10
	117 - Assistance to Farmers for purchase of livestock	0.52
	118 - Assistance for repairs / replacement of damaged boats and equipment for fishing	2.31
	122 - Repairs and Restoration of Damaged Irrigation and Flood control works	21.60
	190 - Assistance to Public Sector and Other undertakings	12.96
	191 - Assistance to Municipal Corporations	10.15
	192 - Assistance to Municipalities / Municipal Councils	20.72
	193 - Assistance to Nagar Panchayats / Notified Area Committees or equivalent thereof	15.34
	800 - Other Expenditure	182.29
	911 - Deduct-Recoveries of Overpayments	(-) 0.74
	Sub Total	**2,042.70**
2245- Relief on Account of Natural Calamities - 80 - General	800 - Other Expenditure	9,969.91
	101- Centre for training in disaster preparedness	0.48
	102 - Management of Natural Disasters, Contingency plans in disaster prone areas	10.29
	103 - Assistance to State's from NDRF	0.20
	911 - Deduct-Recoveries of Overpayments	(-) 5.34
	Sub-Total	**9,975.54**
	Grand Total	**12,021.69**
05 - State Disaster Response Fund	**901- Deduct - Amount met from State Disaster Response Fund**	**(-) 1,360.00**

(*Source: Appropriation Accounts*)

The State Government spent ₹ 12,021.69 crore during the year, which includes ₹ 9,967.60 crore expenditure towards relief measures and preparedness relating to the COVID-19 pandemic, which was much more than the amount transferred to the fund (₹ 1,360 crore). Hence, the balance in the fund was 'Nil' as on 31 March 2021.

2.5.2.3 Guarantee Redemption Fund

State Government constituted 'Guarantee Redemption Fund' for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued. The State Government is required to contribute an amount equivalent to at least three *per cent* of the outstanding guarantees at the end of the second financial year preceding the current financial year as reflected in the books of accounts maintained by the Accountant General (A&E). The funds are invested by the RBI.

The Guarantee Redemption Fund (GRF) was constituted in March 2003 for meeting the expenditure incurred towards discharging the guarantees invoked and is administered by the Reserve Bank of India. As per the guidelines of the GRF scheme in Tamil Nadu, which was issued based on the advice of the Reserve Bank of India, the State Government is to contribute a minimum of one *per cent* of outstanding guarantees at the beginning of the year in the year of constitution of the Fund, and thereafter a minimum of 0.50 *per cent* every year to achieve a corpus of minimum of 3 to 5 *per cent* of the outstanding of the previous year.

As per the guidelines, the required Contribution amounts to ₹ 237.10 crore (0.50 *per cent* of outstanding guarantees of ₹ 47,420.34 crore as on 1 April 2020). During the year, the State Government contributed ₹ 91.84 crore. Thus, there was a short contribution of ₹ 145.26 crore to the fund during the year. The closing balance as on 31 March 2021 as ₹ 820.98 crore out of which ₹ 768.50 crore was invested in treasury bills. The gain on sale of securities during the year was ₹ 28.20 crore. No guarantees were invoked during 2020-21.

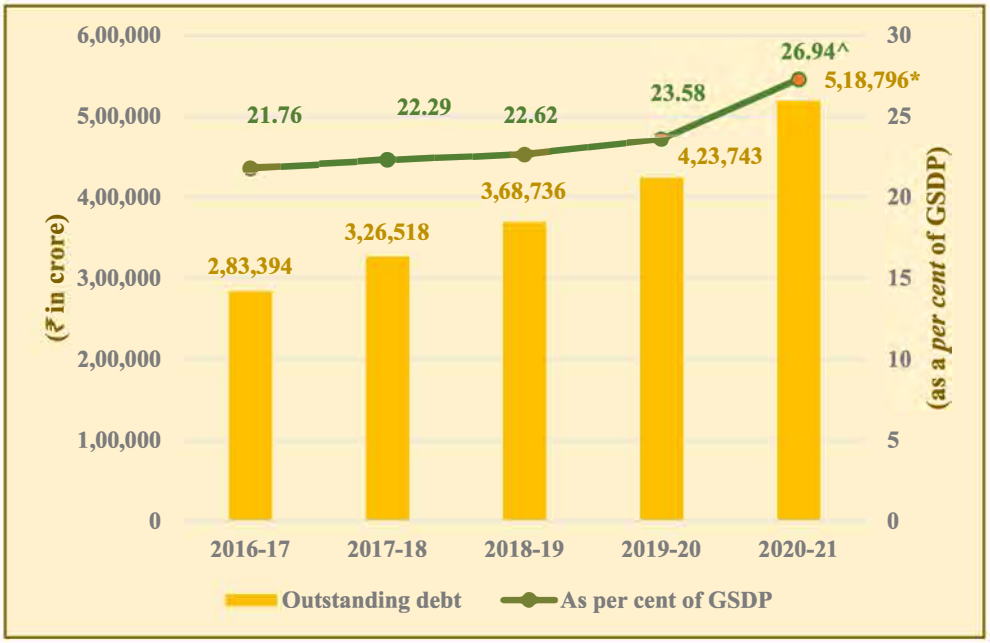
On being pointed out by Audit, Government replied that the Government was fully aware of its repayment liabilities and would honour its commitments through sustained fiscal efforts and at the same time the amortization arrangement would also be strengthened within the available fiscal space.

2.6 Debt management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

Trend analysis of outstanding debt (includes internal debt of the State Government, loans and advances from GoI and Public Account liabilities) and in terms of debt as a percentage of GSDP for the period 2016-17 to 2020-21 is given in **Chart 2.16.**

Chart 2.16: Trend of outstanding debt



(*Source: Finance Accounts for the respective years*)

* Effective outstanding debt would be ₹ 5,12,555 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

^ The back to back loan (₹ 6,241 crore) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

2.6.1 Debt profile: Components

Total debt of the State Government typically constitutes internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government and Public Account Liabilities. The component-wise debt trends is given in **Table 2.35** and breakup of outstanding debt at the end of 2020-21 is shown in **Chart 2.17**.

Table 2.35: Component wise debt trends

		2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Debt		**2,83,394**	**3,26,518**	**3,68,736**	**4,23,743**	**5,18,796**
Public Debt (₹ in crore)	*Internal Debt*	*2,37,701*	*2,72,634*	*3,04,350*	*3,52,625*	*4,29,748*
	Loans from GoI	*14,338*	*16,135*	*17,292*	*17,925*	*27,440**
Public Account Liabilities (₹ in crore)		*31,355*	*37,749*	*47,094*	*53,193*	*61,608*
Rate of growth of outstanding debt (*percentage*)		***27.07***	***15.22***	***12.93***	***14.92***	***22.43***
Debt/GSDP (*per cent*)		*21.76*	*22.29*	*22.62*	*23.58*	*26.94^*
Total Debt Receipts (₹ *in crore*)		1,52,903	1,62,088	1,63,335	1,87,208	2,44,197**
Total Debt Repayments (₹ *in crore*)		91,539	1,18,964	1,21,117	1,32,202	1,49,143

	2016-17	2017-18	2018-19	2019-20	2020-21
Total Debt Available (*₹ in crore*)	61,364	43,124	42,218	55,006	95,054**
Debt Repayments/Debt Receipts (*per cent*)	*59.87*	*73.39*	*74.15*	*70.62*	*61.07*

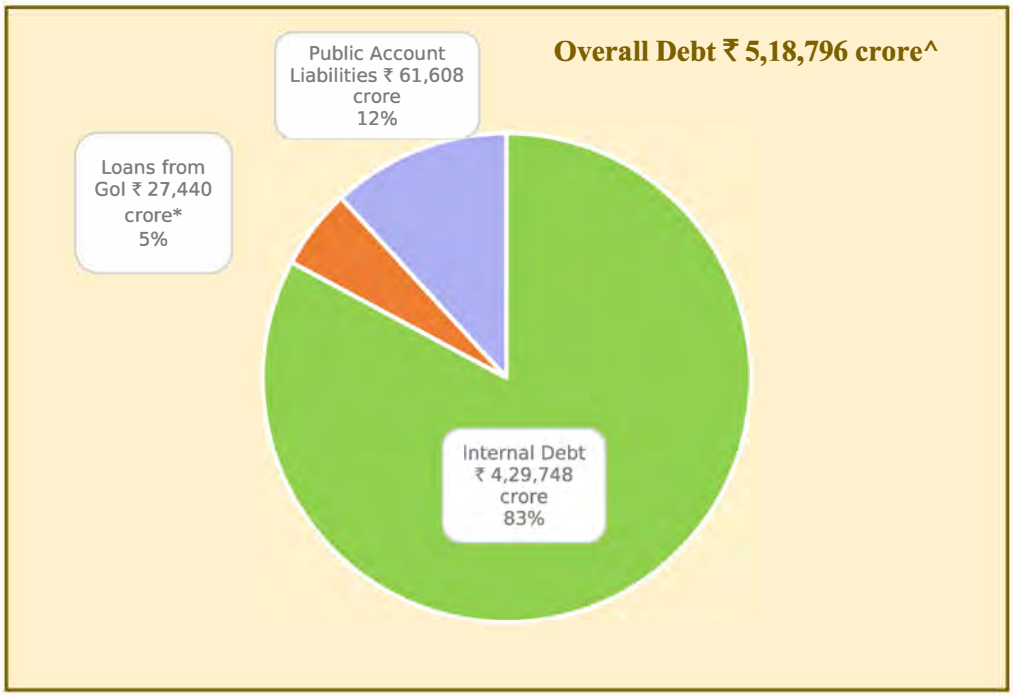
(*Source: Finance Accounts for the respective years*)

* Effective Loans from GoI would be ₹ 21,199 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

^ The back to back loan (₹ 6,241 crore) received from GoI in lieu of GST compensation has not been considered as Debt for working out the indicator.

** Effective Total Debt Receipts would be ₹ 2,37,956 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result, the effective total debt available would stand at ₹ 88,813 crore

Chart 2.17: Break up of Outstanding Debt at the end of the Financial Year 2020-21



(*Source: Finance Accounts*)

* Effective loans from GoI ₹ 21,119 crore; ^Effective Overall Debt ₹ 5,12,555 crore

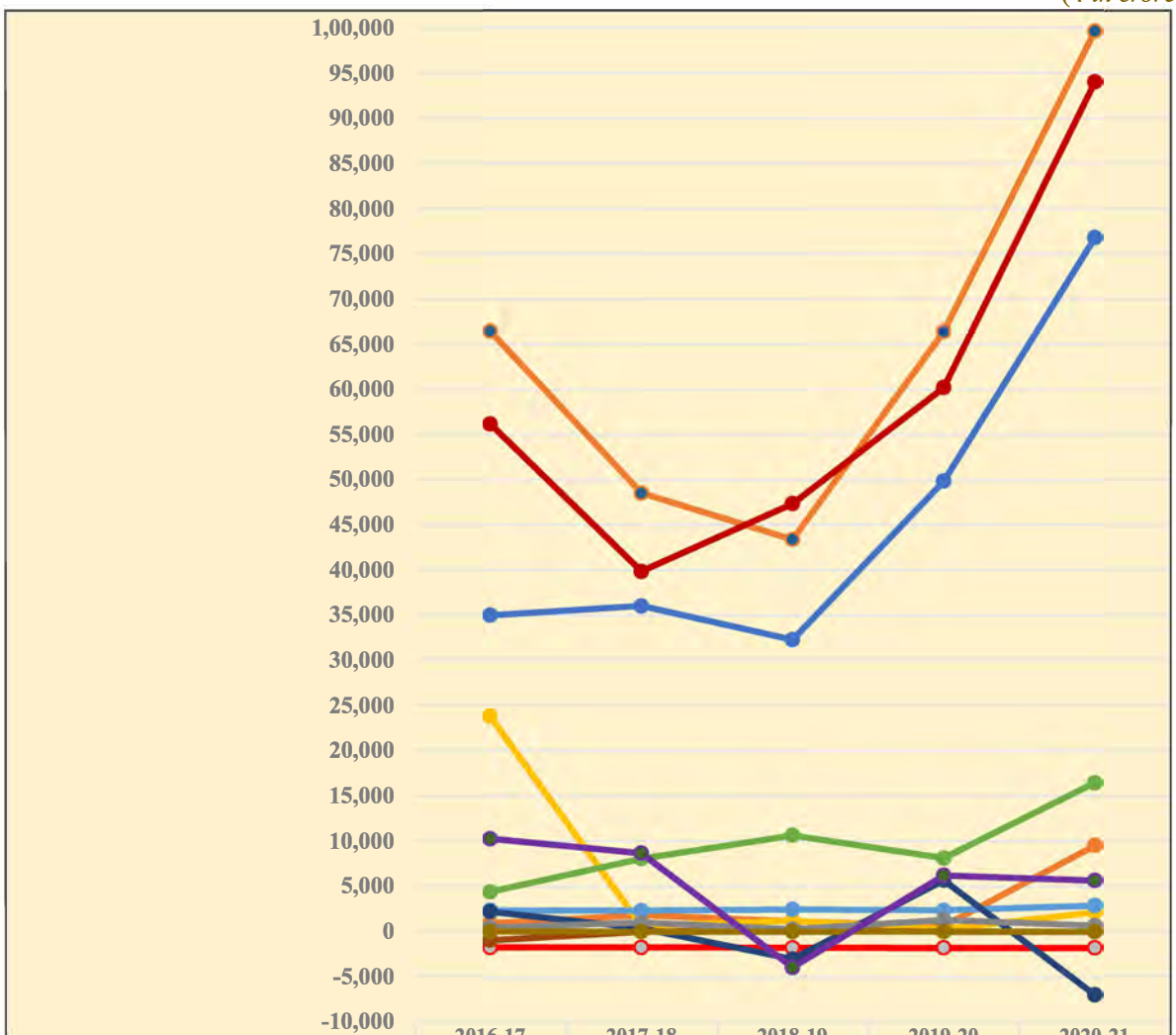
- The internal debt of the Government increased by 21.87 *per cent* from ₹ 3,52,625 crore at the end of 2019-20 to ₹ 4,29,748 crore at the end of 2020-21.

- During the year 2020-21, Open Market Loans were raised through the RBI by the State Government to the extent of ₹ 27,977 crore by re-issue of existing Government Securities which has resulted in allowing discount amount of ₹ 547.40 crore.

The component-wise debt trends and the repayments of internal debt *vis-à-vis* internal debt taken are shown below in **Charts 2.18 and 2.19**.

Chart 2.18: Component wise debt trends

(*₹ in crore*)



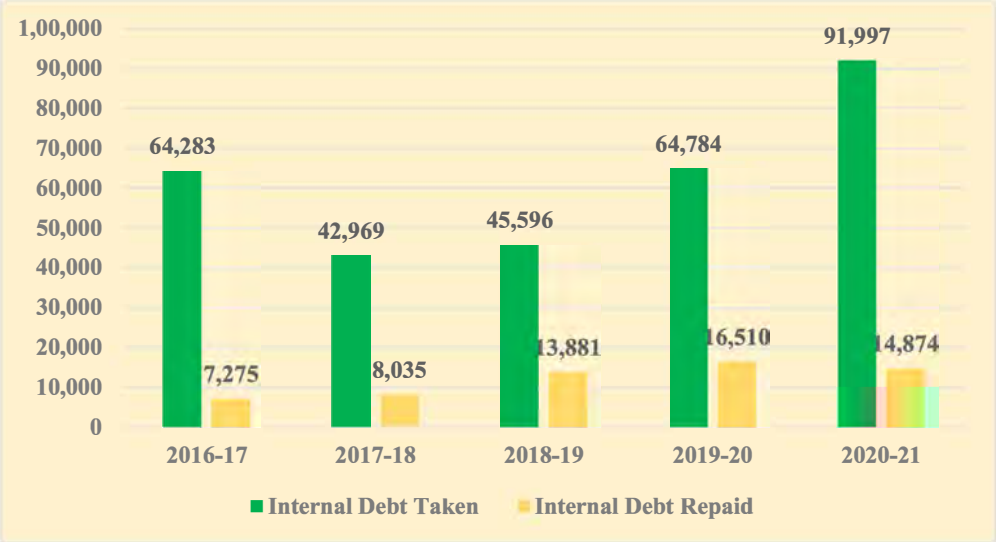
	2016-17	2017-18	2018-19	2019-20	2020-21
Market Borrowings	34,993	36,023	32,278	49,826	76,796
Loans from GOI	935	1,797	1,157	633	9,515
Special Securities issued to NSSF	-1,749	-1,749	-1,777	-1,803	-1,803
Loans from Financial Institutions	23,763	660	1,215	252	2,130
Small Savings, PF, etc.	2,355	2,334	2,450	2,365	2,877
Deposits and Advances	4,405	8,074	10,635	8,123	16,437
Suspense and Miscellaneous	2,213	388	-3,037	5,682	-6,981
Remittances	-948	-7	207	-3	0
Reserve Fund	443	991	253	1,293	656
Contingency Fund	19	0	0	10	0
Overall Deficit	66,429	48,511	43,381	66,378	99,627
Increase/Decrease in cash balance	10,259	8,671	-3,954	6,199	5,644
Gross Fiscal Deficit	56,170	39,840	47,335	60,179	93,983

(*Source: Finance Accounts for the respective years*)

Note: Effective Loans from GoI would be ₹ 3,274 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Chart 2.19: Internal debt taken *vis-à-vis* repaid

(*₹ in crore*)



(*Source: Finance Accounts for the respective years*)

The components of Fiscal deficit and the financing pattern of the deficit is shown in **Table 2.36** and Financing of fiscal deficit expressed through a water fall chart is shown in **Chart 2.20.**

Table 2.36: Components of fiscal deficit and its financing pattern

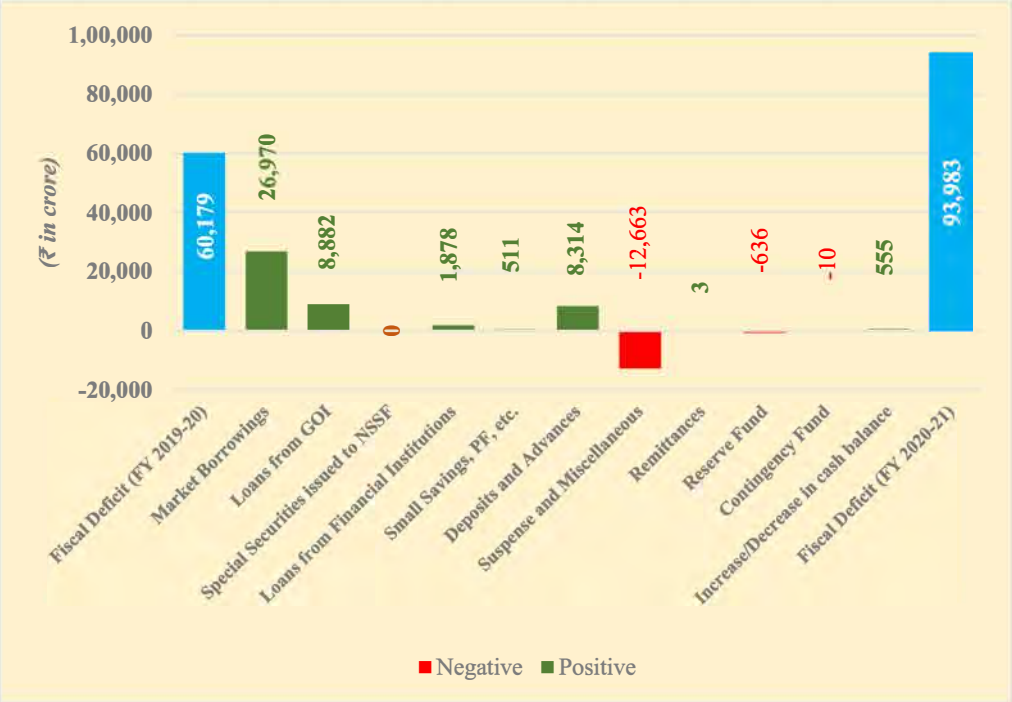
(*₹ in crore*)

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
Composition of Fiscal Deficit		**56,170**	**39,840**	**47,335**	**60,179**	**93,983**
1	Revenue Deficit	12,964	21,594	23,459	35,909	62,326
2	Net Capital Expenditure	20,708	20,201	24,311	25,632	33,067
3	Net Loans and Advances	22,498	(-) 1,955	(-) 435	(-) 1,362	(-) 1,410
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	34,993	36,023	32,278	49,826	76,796
2	Loans from GOI	935	1,797	1,157	633	9,515*
3	Special Securities issued to NSSF	(-) 1,749	(-) 1,749	(-) 1,777	(-) 1,803	(-) 1,803
4	Loans from Financial Institutions	23,763	660	1,215	252	2,130
5	Small Savings, PF, etc.	2,355	2,334	2,450	2,365	2,877
6	Deposits and Advances	4,405	8,074	10,635	8,123	16,437
7	Suspense and Miscellaneous	2,213	388	(-) 3,037	5,682	(-) 6,981
8	Remittances	(-) 948	(-) 7	207	(-) 3	--
9	Reserve Fund	443	991	253	1,293	656
10	Contingency Fund	19	--	--	10	--
11	**Overall Deficit**	**66,429**	**48,511**	**43,381**	**66,378**	**99,627**
12	Increase/Decrease in cash balance	10,259	8,671	(-) 3,954	6,199	5,644
13	**Gross Fiscal Deficit**	**56,170**	**39,840**	**47,335**	**60,179**	**93,983**

(*Source: Finance Accounts for the respective years*)

* Effective Loans from GoI would be ₹ 3,274 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Chart 2.20: Financing of fiscal deficit



(*Source: Finance Accounts*)

The details of receipts and disbursements financing the fiscal deficit component-wise is during the year is shown in **Table 2.37**.

Table 2.37: Receipts and Disbursements under components financing the fiscal deficit

(*₹ in crore*)

Sl. No	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	87,977	11,181	76,796
2	Loans from GOI	10,870	1,355	9,515*
3	Special Securities issued to NSSF	0	1,803	(-) 1,803
4	Loans from Financial Institutions	4,020	1,890	2,130
5	Small Savings, PF, etc.	8,997	6,120	2,877
6	Deposits and Advances	84,411	67,974	16,437
7	Suspense and Miscellaneous	2,39,769	2,46,750	(-) 6,981
8	Remittances	--	--	--
9	Reserve Fund	3,001	2,345	656
10	Contingency Fund	--	--	--
11	**Total / Overall Deficit**	**4,39,045**	**3,39,418**	**99,627**
12	Cash balance	55,073	49,429	5,644
13	**Total / Gross Fiscal Deficit**	**3,83,972**	**2,89,989**	**93,983**

(*Source: Finance Accounts*)

* Effective Loans from GoI would be ₹ 3,274 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

2.6.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. The details of debt and the debt repayment period is shown in **Table 2.38** and **Chart 2.21.**

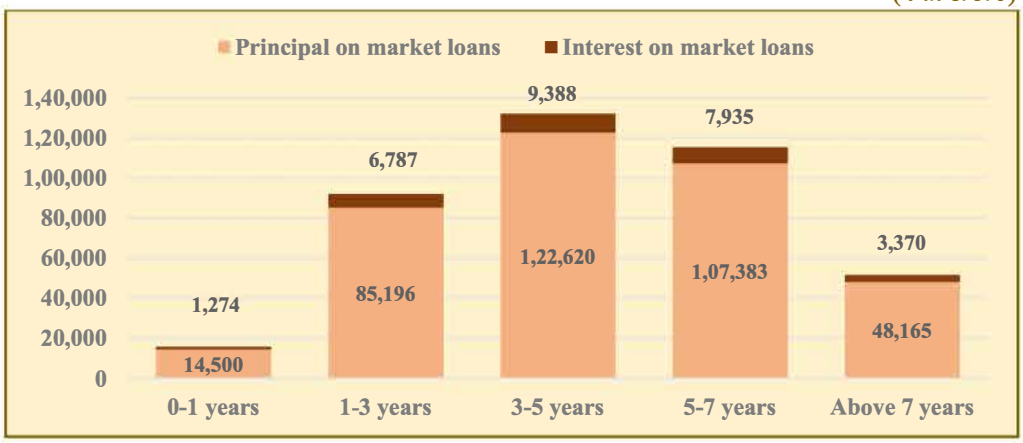
Table 2.38: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	*Percentage* (w.r.t. Public debt)
0 – 1	16,728	*3.66*
1 – 3	98,475	*21.54*
3 – 5	1,34,138	*29.34*
5 – 7	1,16,567	*25.49*
7 and above	52,571	*11.50*
Others[7]	38,709	*8.47*
Total	**4,57,188**	***100.00***

(*Source: Finance Accounts*)

Chart 2.21: Repayment Schedule of market loans

(*₹ in crore*)



(*Source: Finance Accounts*)

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt in the current and future years. DSA considers the feasibility of meeting debt related financial obligations during a period beginning with the present and is a crucial aspect for assessing the financial health of an economy. A high level of debt raises number of challenges. A high debt level is generally associated with higher borrowing requirements and therefore, a higher risk of rollover crisis (being unable to fulfil borrowing requirements or being able to do so at high interest rates).

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7 *Payment schedule of this amount is not being maintained by the Accountant General (A&E).*

The trends in debt sustainability indicators for the period 2016-17 to 2020-21 is shown below in **Table 2.39** and **Chart 2.22.**

Table 2.39: Trends in debt Sustainability indicators

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
(1)	(2)	(3)	(4)	(5)	(6)
Outstanding Public Debt* (₹ *in crore*)	2,52,039	2,88,769	3,21,642	3,70,550	4,57,188
Rate of Growth of Outstanding Public Debt (*per cent)*	*29.85*	*14.57*	*11.38*	*15.21*	*23.38*
GSDP (₹ *in crore*)	13,02,639	14,65,051	16,30,209	17,97,229	19,02,689
Rate of Growth of GSDP (*per cent)*	*10.72*	*12.47*	*11.27*	*10.25*	*5.87*
Public Debt*/GSDP (*per cent)*	*19.35*	*19.71*	*19.73*	*20.62*	*24.03*
Debt Maturity profile of repayment of State debt – including default history, if any					
Average Interest Rate of Outstanding Public Debt (*per cent)*	7.73	8.01	7.97	7.71	7.49
Percentage of Interest payment to Revenue Receipt	14.64	17.78	16.55	18.32	20.97
Percentage of Debt Repayment to Debt Receipt	12.40	19.66	31.43	26.76	15.78
Net Debt available to the State# (₹ *in crore*)	40,704	15,064	8,562	22,218	49,415
Net Debt available as *per cent* to Debt Receipts	61.54	32.95	17.86	33.27	51.14
Debt Stabilisation (Quantum spread$ + Primary Deficit) (₹ *in crore*)	(-) 29,816	(-) 2,662	(-) 8,782	(-) 20,161	(-) 65,410

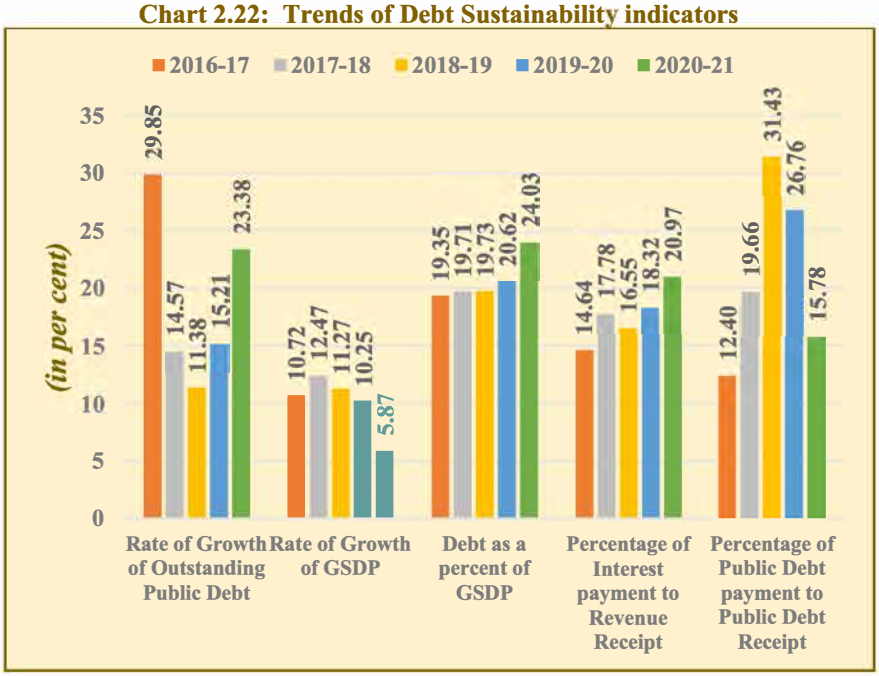
(*Source: Finance Accounts for the respective years*)

**Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government. Effective outstanding public debt during 2020-21 would be* ₹ 4,50,947 crore after excluding the back to back loan of ₹ 6,241 crore

#Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt and does not include back to back loan.

*$ Quantum Spread = {Previous year fiscal liability (Debt Stock) * Interest spread (GSDP growth rate – Average Interest paid)}/100*

Chart 2.22: Trends of Debt Sustainability indicators



(*Source: Finance Accounts for the respective years*)

Effective outstanding public debt would be ₹ 4,50,947 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission and therefore, the ratio of effective outstanding public debt to GSDP would be 23.70 *per cent*.

- A sustainable fiscal policy is one where the debt to GSDP ratio is stable or declining over a period of time. However, from the above it could be seen that the debt to GSDP ratio is on an increasing trend which means higher levels of debt which in turn leads to higher deficits.

- The ratio of interest payments to revenue receipts is on an increasing trend. If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with the State for developmental activities is curtailed.

- The decrease in percentage of debt repayment to debt receipt and increase in net debt available to the State during the year is mainly due to increase in debt receipts of the Government (₹ 36,093 crore).

2.7.1 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

The trends in the utilisation of borrowed funds during the period 2016-17 to 2020-21 is shown in **Table 2.40** and **Chart 2.23.**

Table 2.40: Utilisation of borrowed funds

(*₹ in crore*)

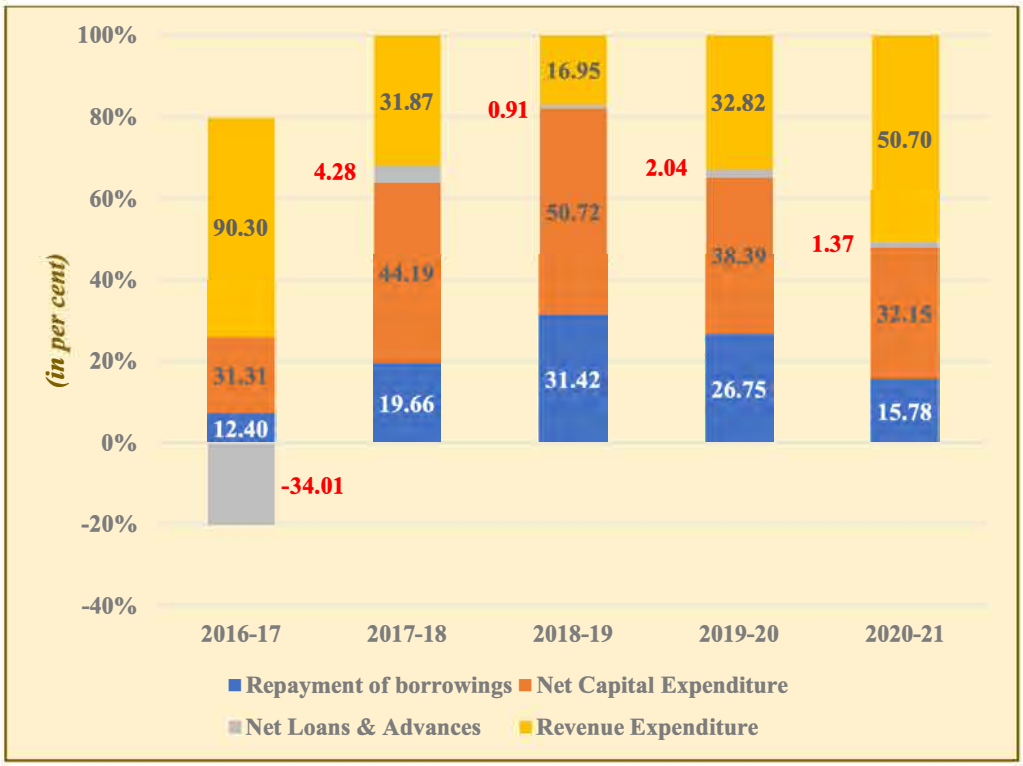
Year		2016-17	2017-18	2018-19	2019-20	2020-21
Total Borrowings (Public Debt)	**A**	66,143	45,722	47,936	66,774	1,02,867*
Repayment of earlier borrowings (Principal) (percentage)	**B**	8,200 *(12.40)*	8,991 *(19.66)*	15,064 *(31.43)*	17,866 *(26.76)*	16,229 *(15.78)*
Net capital expenditure (percentage)	**C**	20,709 *(31.31)*	20,203 *(44.19)*	24,311 *(50.72)*	25,632 *(38.39)*	33,067 *(32.15)*
Net loans and advances	**D**	(-) 22,498	1,955	435	1,362	1,410
Portion of Revenue expenditure met out of net available borrowings	**E = A-B-C-D**	59,732	14,573	8,126	21,914	52,161

(*Source: Finance Accounts for the respective years*)

* Effective total borrowings (public debt) would be ₹ 96,626 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹ 6,241 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

- 50.70 *per cent* of the borrowed funds was utilised for revenue expenditure.
- Borrowings have gone up during the year due to the marginal decrease (0.26 *per cent*) in revenue receipts, increase in revenue expenditure (12.34 *per cent*) and capital expenditure (29.01 *per cent*).

Chart 2.23: Trends of utilisation of borrowed funds



(*Source: Finance Accounts for the respective years*)

2.7.2 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The State Governments have come out with legislations or instructions with regard to cap on the guarantees.

As per Article 293 of the Constitution of India, limits for giving guarantees by the State Government have to be fixed by the State Legislature. Tamil Nadu Fiscal Responsibility Act 2003, prescribes a cap on total outstanding guarantees to 100 *per cent* of total Revenue Receipts of the preceding year and 10 *per cent* of Gross State Domestic Product (GSDP), whichever is lower and cap on risk weighted guarantees to 75 *per cent* of total Revenue Receipts of the preceding year and 7.5 *per cent* of GSDP, whichever is lower.

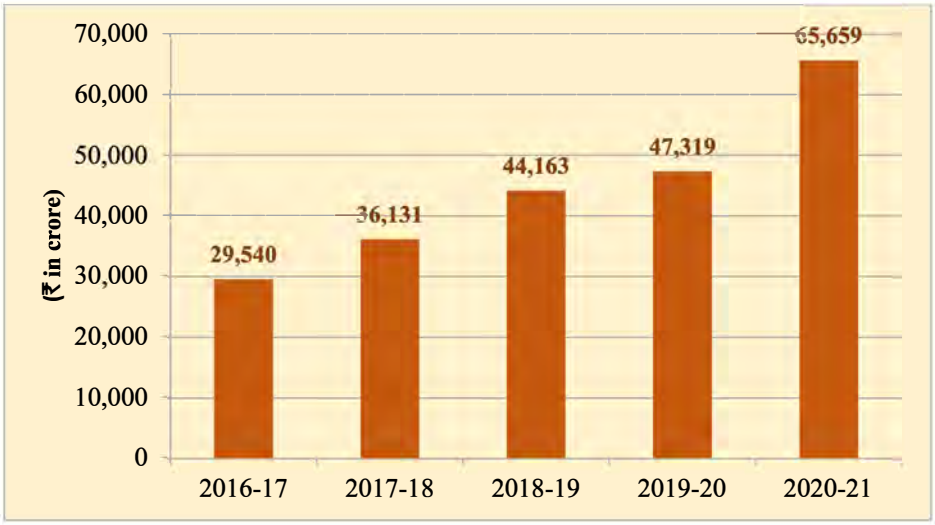
The total outstanding guarantees of the State Government were ₹ 65,659.45 crore as on 31 March 2021. This constituted 37.62 *per cent* of the total revenue receipts of 2019-20 (₹ 1,74,525.91 crore) and 3.45 *per cent* of the GSDP (₹ 19,02,689 crore at current prices). No guarantee was invoked during the year.

Further, as against the estimated receivable Guarantee Fees of ₹ 1,471.97 crore, Guarantee Fees received by the Government was ₹ 91.84 crore. Thus, there was a short collection of Guarantee Fees to the tune of ₹ 1,380.13 crore.

The ceiling applicable to the outstanding amount of guarantees including interest (Criteria) was to cap the total outstanding guarantee to 100 *per cent* of the total revenue receipt in the preceding year or 10 *per cent* of GSDP whichever is lower and to cap the risk weighted guarantees to 75 *per cent* of the total revenue receipts in the preceding year (or) at 7.5 *per cent* of GSDP, whichever is lower.

The details of outstanding amount of guarantees including interest for the period 2016-17 to 2020-21 is given below in **Chart 2.24.**

Chart 2.24: Guarantees given by the State Government



(*Source: Finance Accounts for the respective years*)

2.7.3 Management of Cash Balances

As per the agreement with the Reserve Bank of India, Tamil Nadu State has to maintain a minimum daily cash balance of ₹ 3.25 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for Ordinary Ways and Means Advances to the State Government is ₹ 3,218 crore with effect from 1 April 2020. The limit of Special ways and Means Advances is revised by the Bank from time to time. State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

The State Government maintained the minimum daily cash balance with the RBI during 2020-21 and no WMA/ SWMA/ OD was availed during the year.

The details of cash balance and their investments during the year 2020-21 is shown in **Table 2.41** below:

Table 2.41: Cash Balances and their investment

(*₹ in crore*)

	Opening balance on 1 April 2020	Closing balance on 31 March 2021
A. General Cash Balance		
Cash in treasuries	--	--
Deposits with Reserve Bank of India	923.33	(-) 467.24
Deposits with other Banks	--	--
Remittances in transit – Local	16.80	16.80
Total	**940.13**	**(-) 450.44**
Investments held in Cash Balance investment account	10,141.94	5,622.30
Total (A)	**11,082.07**	**5,171.86**
B. Other Cash Balances and Investments		
Cash with departmental officers *viz.*, Public Works, Forest Officers	4.16	4.16
Permanent advances for contingent expenditure with department officers	8.40	7.82
Investment in earmarked funds	38,334.06	49,888.96
Total (B)	**38,346.62**	**49,900.94**
Total (A + B)	**49,428.69**	**55,072.80**
Interest realized	**4,355.50**	**3,524.47**

(*Source: Finance Accounts*)

Cash Balances (and its investments) of the State Government at the end of the current year increased by ₹ 5,644 crore from ₹ 49,429 crore in 2019-20 to ₹ 55,073 crore in 2020-21. This was mainly due to increase in investment in earmarked funds by ₹ 11,555 crore from ₹ 38,334 crore in 2019-20 to ₹ 49,889 crore in 2020-21.

The State Government has earned an interest of ₹ 215 crore during 2020-21 from the investments made in GoI Securities and Treasury Bills. Out of the investment of ₹ 49,889 crore in earmarked funds, ₹ 7,179.67 crore was invested in the Consolidated Sinking Fund and ₹ 768.50 crore in Guarantee Redemption Fund at the end of the year.

The trends of cash balance investment account of the Government and market loans availed *vis-à-vis* the cash balances during the period 2016-17 to 2020-21 are shown in **Table 2.42** and **Chart 2.25** and the month wise movement of cash balances and net cash balance investments during the year is shown in **Chart 2.26**.

Table 2.42: Cash Balance Investment Account (Major Head-8673)

(*₹ in crore*)

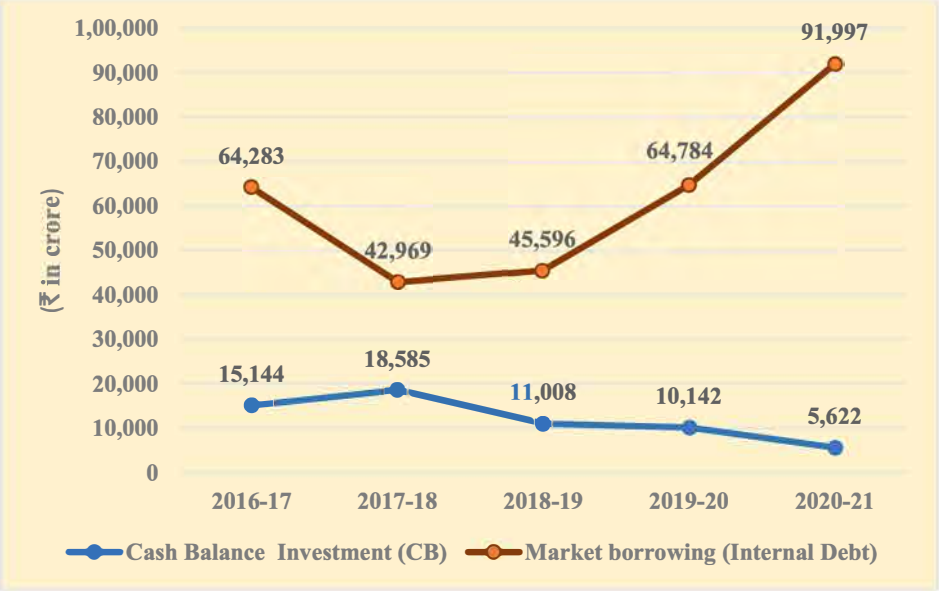
Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2016-17	9,415.86	15,144.29	5,728.43	521.57
2017-18	15,144.29	18,585.03	3,440.74	564.26
2018-19	18,585.03	11,008.09	(-) 7,576.94	729.20
2019-20	11,008.09	10,141.94	(-) 866.15	300.72
2020-21	10,141.94	5,622.30	(-) 4,519.64	214.51

(*Source: Finance Accounts for the respective years*)

The trend analysis of the cash balance investment of the State Government during 2016-21 revealed that investment increased significantly during 2017-18. However, the investment was on a reducing trend and stood at ₹ 5,622 crore at the end of the current year.

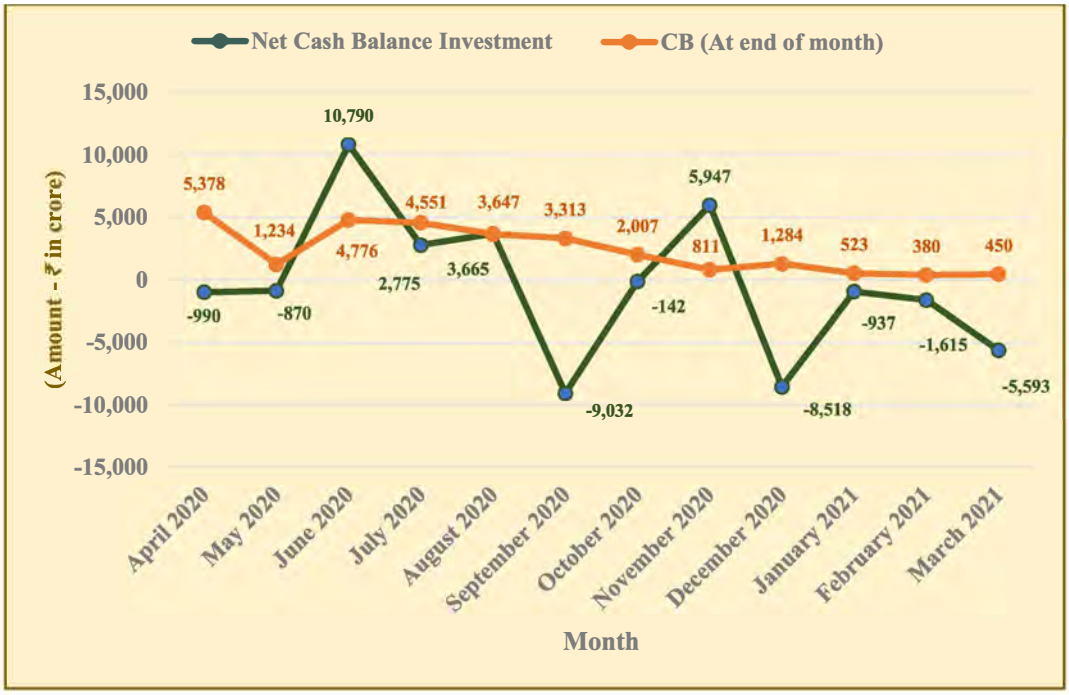
Chart 2.25 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2016-21. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

Chart 2.25: Market loans vis-à-vis Cash Balance



(*Source: Finance Accounts for the respective years*)

Chart 2.26: Month wise movement of Cash Balances and net cash balance investments during the year



(*Source: Finance Accounts*)

A positive 'net cash balance investment' denotes that during the month the Government had invested that amount in Treasury Bills (MH 8673) and a negative 'net cash balance investment' indicates that the Government has credited back into Government Account from the TB by way of Maturity or Discount during the month.

2.8 Conclusion and recommendations

State's Own Resources:

Own tax revenue: The annual growth rate of own tax revenue during 2020-21 was negative and stood at (-) 1.22 *per cent*.

Own tax revenue as a percentage of GSDP of the State during 2020-21 was 5.58.

Non-tax revenue: The non-tax revenue of the State decreased by ₹ 2,466 crore in 2020-21 over the previous year. As a proportion of the State's own resources, the non-tax revenue which stood at 10.71 *per cent* in 2019-20 decreased considerably to 8.94 *per cent* in 2020-21.

Thus, the decrease in the State's own resources led to the decrease in Revenue Receipts by 0.26 *per cent*.

State's performance in mobilization of resources: State's own tax revenue receipts and non-tax revenue receipts during 2020-21 fell considerably short of the target fixed under XV FC, Budget and MTFP. The State's own tax revenue and non-tax revenue were less by 24.81 *per cent* and 25.52 *per cent* respectively over projections made in MTFP

Recommendation: *The Government should take steps to collect the arrears of revenue and strengthen the machinery for detection of evasion of taxes.*

(Paragraphs 2.3.2.2 and 2.3.4)

Revenue expenditure: Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period 2016-21 between 8.65 *per cent* in 2016-17 to 12.34 *per cent* in 2020-21. During 2020-21, Revenue Expenditure witnessed an increase of ₹ 25,967 crore over the previous year, and as a percentage of GSDP increased from 11.71 *per cent* in 2019-20 to 12.42 *per cent* during the current year.

Capital expenditure increased by 29.01 *per cent* during the year. As a percentage of GSDP, Capital expenditure increased to 1.74 *per cent* during the current year as against 1.43 *per cent* during 2019-20. As of March 2021, the Government had invested ₹ 6,565.30 crore in loss making Companies / Corporations, of which ₹ 419.04 crore had invested during the current year.

Recommendation: *The State Government should rationalise its investments so as to maximise the return on investment.*

(Paragraphs 2.4.1 and 2.4.3)

National Pension System: The State Government, even after a lapse of 17 years from the inception of the New Pension Scheme *viz*., Defined Contributory Pension Scheme (DCPS), has not designated a Fund Manager.

During the year 2020-21, the employees' and the Government's contributions towards DCPS were ₹ 2,719.20 crore and ₹ 2,722.20 crore respectively.

The interest on investment in LIC amounting to ₹ 2,759.13 crore (₹ 1,128.65 crore during 2019-20 and ₹ 1,630.48 crore, during 2020-21) has been reinvested in LIC though the related book adjustments have not been incorporated by the State Government.

Recommendation: *The State Government should take immediate action to designate a Fund Manager.*

(Paragraph 2.4.2.3)

Short Contribution to Consolidated Sinking Fund: During the year, the State Government contributed ₹ 549.22 crore to the Fund, which works out to only 0.13 *per cent* rate against the rate of 0.5 *per cent* of the outstanding liabilities of ₹ 4,23,742.76 crore as on 1 April 2020 resulting in a short contribution of ₹ 1,569.49 crore (₹ 2,118.71 crore minus ₹ 549.22 crore).

Recommendation: *The State Government should ensure that the contributions to the fund as prescribed are made which would help in the repayment of public debt and act as a cushion for amortization of all liabilities and ensure good fiscal governance particularly since the State continues to reel under fiscal deficit since 2013-14 onwards.*

(Paragraph 2.5.2.1)

CHAPTER – 3

BUDGETARY MANAGEMENT

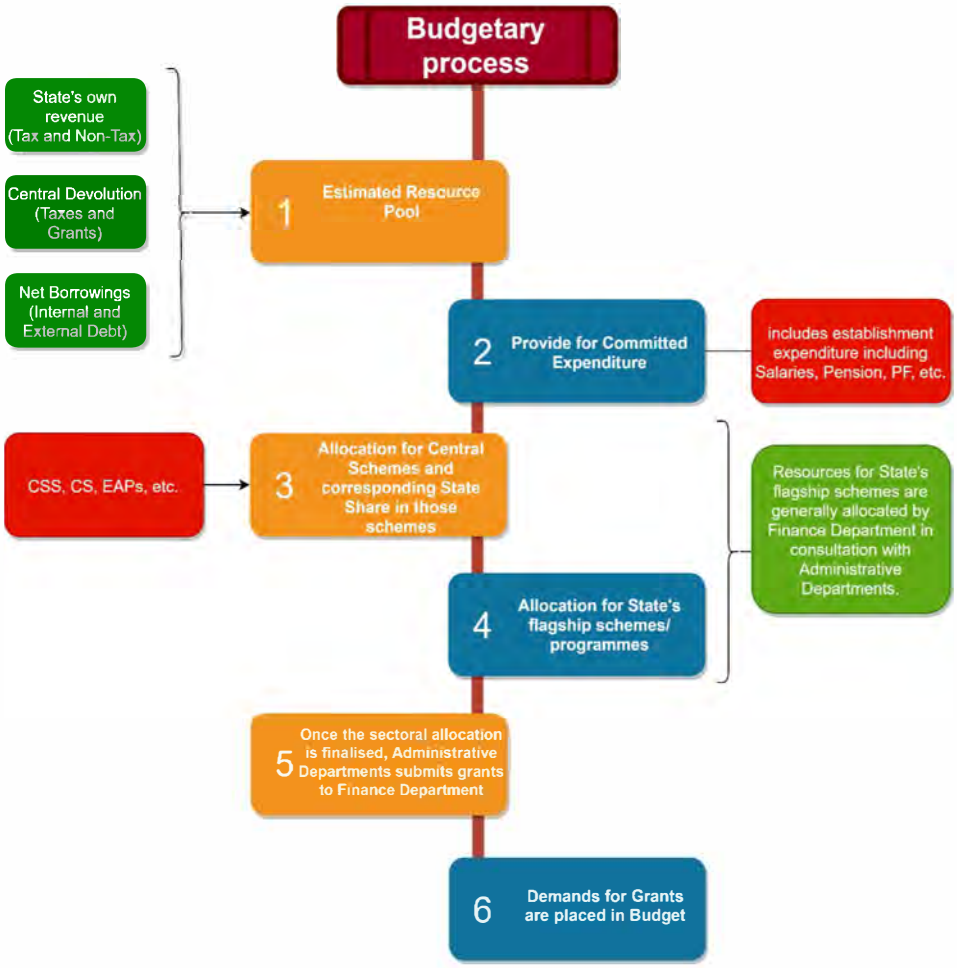
CHAPTER 3

BUDGETARY MANAGEMENT

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given at the end of the Appendices. The Budget process commences with the issue of the Budget Circular, normally in August each year, providing guidance to the Departments in framing their estimates for the next financial year. A typical budget preparation process in the State is given in the flow chart below:

Budgetary Process



CSS: Centrally Sponsored Schemes; CS: Central Schemes; EAP: Externally Aided Projects

The Finance Bill, Annual Financial Statement (Budget), and Demands for Grants are mandated by Articles 199, 202 and 203 of the Constitution of India respectively.

Article 202 of the Constitution of India requires laying of a statement of the estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before the House of the Legislature of the State. The Annual Financial Statement should show expenditure charged on consolidated fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

3.1.1 Summary of total provisions, actual disbursement and savings / excess during 2020-21

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged during the year 2020-21 is given below in **Table 3.1.**

Table 3.1: Summarised position of Budget

(*₹in crore*)

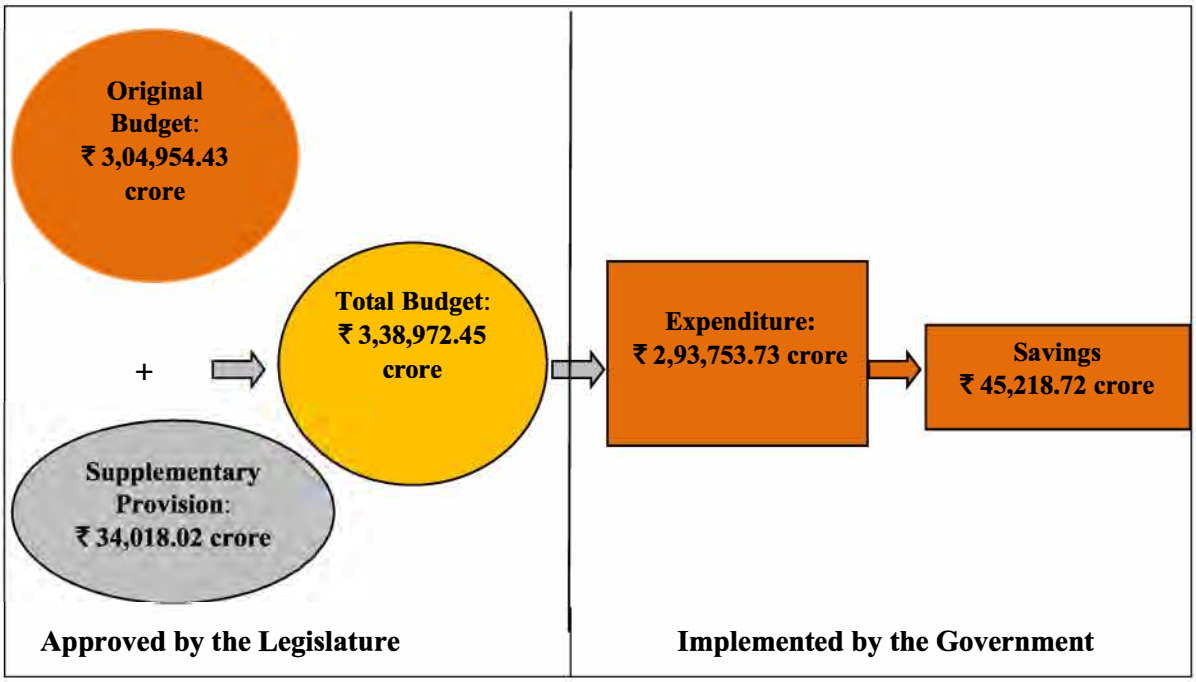
Total Budget Provision		Disbursements		Savings (-)		Excess (+)	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2,82,839	56,133	2,40,033	53,720	(-) 42,827	(-) 2,413	(+) 21	Nil

(*Source: Appropriation Accounts*)

The overall savings of ₹ 45,240 crore shown above, when offset by excess of ₹ 21 crore in certain grants/appropriations, works out to net savings of ₹ 45,219 crore.

The total amount approved by the State Legislature including the original and supplementary budgets, re-appropriations and expenditure during the year 2020-21 is depicted below in **Chart 3.1**.

Chart 3.1: Summary of Budget and Expenditure



3.1.2 Charged and Voted disbursements

The details of total voted and charged disbursement and savings/excess for the five-year period from 2016-17 to 2020-21 are given below in **Table 3.2.**

Table 3.2: Trend of Savings/Excess

(*₹ in crore*)

Year	Provisions		Disbursements		Net savings (-)	
	Voted	Charged	Voted	Charged	Voted	Charged
2016-17	2,04,058	29,609	1,82,208 (89)	29,434 (99)	(-) 21,850 (11)	(-) 176 (1)
2017-18	1,98,227	38,574	1,72,362 (87)	36,260 (94)	(-) 25,865 (13)	(-) 2,314 (6)
2018-19	2,21,168	46,825	2,03,324 (92)	44,846 (96)	(-) 17,844 (8)	(-) 1,980 (4)
2019-20	2,36,358	51,995	2,10,349 (89)	50,910 (98)	(-) 26,009 (11)	(-) 1,084 (2)
2020-21	2,82,839	56,133	2,40,033 (85)	53,720 (96)	(-) 42,806 (15)	(-) 2,413 (4)

Figures in parenthesis indicate per cent
(*Source: Appropriation Accounts for the respective years*)

The total utilisation of voted grants was 85 *per cent* of the provision during the current year, which was the lowest in the five year period 2016-21.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of voted[1] grants and charged[2] appropriations for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. The Appropriation Accounts thus facilitate understanding of utilisation of funds and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of Budgetary and Accounting Process

Article 202 of Constitution of India requires the laying of a statement of estimated receipts and expenditure of the State for that year, as the "Annual Financial Statement" before the House or Houses of the Legislature of the State. The annual financial statement should show expenditure charged on Consolidated Fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

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1 Amounts voted by the State Legislature in respect of demands for grants for specific purposes.

2 Amounts directly charged to the Consolidated Fund of the State, which are not subject to the vote of the State Legislature.

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with provisions of Article 204 of the Constitution of India. Supplementary or Additional Grant or Appropriation is provided during the course of a financial year in accordance with Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted amount.

3.3.1.1 Expenditure incurred without Final Modified Appropriation (FMA)

Expenditure on new scheme should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by supplementary grant or appropriation or an advance from the Contingency Fund of the State.

It was, however, noticed that in 27 cases, a total expenditure of ₹ 5.03 crore was incurred without FMA as detailed in **Appendix 3.1**.

3.3.1.2 Expenditure without provision in Original and Supplementary

Article 266 (3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Articles 204 and 205 of the Constitution of India are passed by the Legislature. It was, however, noticed that in 14 cases, a total expenditure of ₹ 6.08 crore, as detailed in **Table 3.3,** was incurred through re-appropriation[3] without the knowledge of the Legislature.

Table 3.3: Expenditure without Original and Supplementary provision

(*₹in lakh*)

Grant No.	Heads	Total Grant (Re-Appropriation)	Actual Expenditure
05	2402.00.789.JD	531.53	531.50
07	2405.00.121.AA	2.50	2.50
19	4210.01.800.JH	6.29	6.28
19	4210.03.200.JA	11.78	11.77
21	5054.01.337.JC	7.68	7.68
24	2056.00.001.AC	5.82	5.81
39	4059.01.051.LA	8.13	8.13
39	4210.01.051.SB	0.50	0.50
40	4700.05.800.AA	19.05	19.03
40	4702.00.800.PA	4.50	4.49
40	4711.01.103.KU	4.13	4.13
40	4711.01.103.KZ	1.92	1.92
54	4406.01.101.JF	2.00	2.00
54	4415.06.793.UA	1.95	1.95
	Total	**607.78**	**607.69**

(*Source: Appropriation Accounts*)

[3] Re-appropriation is the allocation/transfer of funds by competent authority, of savings from one unit of appropriation to another within the same grant/appropriation

3.3.2 Transfers not mandated by the Appropriation Act

The Appropriation Act, authorizes incurrence of expenditure under specified Grants, during the financial year. Hence, transfer of amounts from the Consolidated Fund of the State into Public Account heads or into bank accounts were scrutinised to ascertain if these transfers were authorized by the Appropriation Act. The findings are discussed below:

According to Para 178 of the Tamil Nadu Budget Manual, it is irregular to draw money from Government account without immediate requirement. However, during the audit of vouchers, it was noticed in the following instances that amount had been withdrawn and kept in the Bank Account/PD Account, to avoid surrender of funds, as detailed below:

(a) An amount of ₹ 47.40 crore (₹ 37.94 crore in the Original Budget Estimates and ₹ 9.46 crore in the Supplementary Estimates (March 2021)) was provided for the year 2020-21 under the Head of Account 4236-80-800-UB towards construction of Anganwadi Centres under restructured pattern of Integrated Child Development Service (ICDS) Scheme. Sanction for the upgradation and repair works in 1370 Anganwadi Centres in 32 Districts under the aforementioned Head of Account was issued only in February 2021.

The Director-cum-Mission Director, ICDS, Chennai informed the Government in February 2021 that since the upgradation works involves field inspection by the District Project Officers (DPO), prioritization of Centres by the District Collector/Greater Chennai Corporation, issue of in-principle sanction, preparation of estimates, Technical sanction and issuance of Administrative sanction by the District Collector/Greater Chennai Corporation etc., the expenditure could not be incurred before 31st March 2021.

Based on the request of the Director-cum-Mission Director, permission was granted to the concerned DPOs to draw the amount of ₹ 27.40 crore as Temporary Advances under Article 99 of the Tamil Nadu Financial Code and place it at the disposal of the respective District Collectors.

Further, ₹ 20 crore sanctioned towards the construction of new buildings to 1000 Anganwadi Centres, was drawn on 26 March 2021 and placed at the disposal of the Rural Development and Panchayat Raj Department and kept unutilized as of 07 September 2021.

Scrutiny of the vouchers revealed that the DPOs, had drawn the sum of ₹ 27.40 crore during the month of March 2021 and kept in their Bank accounts.

Further scrutiny of records at the office of the Director-cum-Mission Director, ICDS, Chennai revealed that, as of 30th June 2021, the upgradation and repair work had not started in respect of 1305 out of 1370 Anganwadi Centres, indicating that amount of ₹ 47.40 crore had been drawn without immediate need.

(b) An amount of ₹ 17.60 crore was provided in the original budget estimated 2020-21 under the Head of Account 2202-02-109-KT towards establishment of model schools in 88 Educational Districts (₹ 20.00 lakh for each school) for providing world class infrastructure facilities (approval given by School Education Department in December 2019). On scrutiny of vouchers/voucher data, it was noticed that the whole amount of ₹ 17.60 crore was drawn by the respective Chief Educational Officers only during March 2021 and transferred the same to the bank accounts of the Headmasters concerned.

Thus, the amount of ₹ 17.60 crore, which was available for expenditure, had been drawn without immediate need.

(c) An amount of ₹ 15 crore was provided for in the original budget estimates under the Head of Account 2225-01-277-KS towards 'Educational assistance to meritorious Adi-Dravidar/Tribal students studying in reputed schools'. Out of this amount an amount ₹ 4.06 crore was withdrawn through re-appropriation in March 2021, leaving an appropriation of ₹ 10.94 crore.

Sanctions were issued for the drawl of the aforementioned amounts in February 2021 (₹ 0.41 crore) and March 2021 (₹ 10.53 crore) and proceedings to draw the amounts were issued in the last week of March 2021. Scrutiny of vouchers revealed that out of the sanctioned amount of ₹ 10.16 crore on 30 March 2021, only an amount of ₹ 6.07 crore was drawn, leaving a balance of ₹ 4.09 crore savings which was not surrendered. Further scrutiny revealed that all the amounts were drawn on the penultimate/last day of the financial year, of which an amount of ₹ 1.25 crore drawn in three districts, viz. Tirunelveli (₹ 24.47 lakh), Salem (₹ 58.86 lakh) and Cuddalore (₹ 42.04 lakh) were credited to the Bank accounts of the respective District Adi-Dravidar and Tribal Welfare Officers.

Thus, the amount of ₹ 6.07 crore, which was drawn for expenditure at the fag end of the year, had been drawn without immediate need.

(d) Funds amounting to ₹ 400 crore was provided under the Head of Account 5053-02-102-AC towards payment of compensation to the land owners for acquisition of lands in Coimbatore District for the formation of the Extension of Runway at Coimbatore Airport. Out of provision ₹ 91.54 crore was withdrawn through the second re-appropriation, leaving an amount ₹ 308.46 crore as the final modified appropriation. Based on this, financial sanction was accorded for the drawl of ₹ 400 crore through five Government Orders (October 2020, January to March 2021).

Scrutiny of vouchers revealed that there were 47 vouchers drawn in this regard, out of which 37 were drawn only in March 2021 and three vouchers amounting to ₹ 72.88 crore was drawn on the last day of the financial year and kept in the bank account of the District Collector, Coimbatore. Further scrutiny revealed that out of the 37 vouchers

drawn in March, payments were made to the land owners in 34 vouchers.

Thus, the amount of ₹ 72.88 crore, which was drawn for expenditure at the fag end of the year, had been drawn without immediate need.

3.3.3 Misclassification of Expenditure

Misclassification of expenditures and receipts has a great impact on the integrity of the financial statements. Annual Financial Statement distinguishes expenditure on revenue account from other expenditure. Classification of expenditure of revenue nature as capital expenditure or vice-versa, results in overstatement/understatement of revenue expenditure and revenue deficit/surplus.

(i) Funds amounting to ₹ 4.28 crore were sanctioned towards provision of food and accommodation to Doctors, Staff Nurses and other health workers working in COVID isolation wards of Government institutions in Villupuram District (₹ 4.01 crore) and Chennai District (₹ 0.27 crore) under the Head of Account **2245-80-800-AH.** However, on scrutiny of vouchers, it was seen that the expenditure for the above was booked under the Head of Account **2210-06-001-AI** instead of **2245-80-800-AH** as provided in the sanction. Thus, the expenditure to the tune of ₹ 4.28 crore relating to Disaster preparedness/ preventive measure to contain COVID 19 (HoA: 2245-80-800-AH) was misclassified under the Head of Account 2210-06-001-AI which has resulted in understatement of expenditure relating to COVID 19 to that extent.

(ii) During 2020-21, an amount of ₹ 122.81 crore was released to Tamil Nadu State Agricultural Marketing Board (TNSAMB) towards Augmentation of marketing infrastructure in Regulated Markets with the NABARD loan assistance and the amount was booked under the Head of account – '4435-01-101-Construction of godown at Regulated markets'.

Scrutiny of records revealed that the assets (Godowns) created belongs to TNSAMB and not the Government. As the Government is only extending assistance to TNSAMB, the scheme should have been classified under Revenue Expenditure and treated it as grants in aid for creation of capital assets instead of Capital Expenditure. This misclassification has resulted in understatement of revenue deficit by ₹ 122.81 crore during the current year.

3.3.3.1 Incorrect booking of expenditure

There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure.

- During the year, capital expenditure of an amount of ₹ 10.88 crore was adjusted as 'Expenditure met from Reserve Fund' under revenue expenditure for transfer to 'State Infrastructure and Amenities Fund'

instead of booking it under capital expenditure. This misclassification has resulted in understatement of Revenue Deficit to that extent.

3.3.3.2 Non operation of prescribed heads

In terms of Article 150 of the Constitution of India, the accounting classification adopted by Union and State Government up to Minor Head level should follow the List of Major and Minor Heads (LMMH).

Correction Slip 650 to the LMMH was issued in September 2008 substituting the Major Head (2810 – 'Non-Conventional Sources of Energy' to 'New and Renewable Energy') and removing the existing Sub Major Heads under this Major Head.

The Government of Tamil Nadu, however, has not adopted the Correction Slip and has continued to maintain the Sub-Major-Heads as given in **Table 3.4**.

Table 3.4: Details of amount booked under unauthorised heads

(*₹ in crore*)

Grant No.	Head of account to be operated as per LMMH	Head of account adopted by State Government	Amount
14	2810.00.800	2810.02.800	100.92
42	2810.00.102	2810.01.102	1.07

(*Source: Detailed Appropriation Accounts*)

3.3.4 Unnecessary or excessive Supplementary grant

During 2020-21, against the original provision of ₹ 3,04,954.43 crore and supplementary provision of ₹ 34,018.02 crore, only an expenditure of ₹ 2,93,753.73 crore was incurred. There were variations between the total grant / appropriation and expenditure incurred, leading to a net savings of ₹ 45,218.72 crore under 54 revenue, 40 capital, 35 loan grants and 49 revenue, five capital and one loan appropriation. In view of the overall net savings, supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 786.10 crore in 34 cases in 18 grants proved unnecessary as the original provision was not exhausted as detailed in **Appendix 3.2**. There was an instance where the funds provided in the supplementary grants proved inadequate as discussed below in Para 3.3.4.1 below.

3.3.4.1 Inadequate Supplementary grants

In one case, the supplementary provision proved insufficient, leaving an aggregate uncovered excess expenditure as detailed in **Table 3.5.**

Table 3.5: Case where supplementary provision proved insufficient (excess expenditure more than ₹ 1 crore)

(*₹ in crore*)

Sl. No.	Grant number and Description	Original provision	Supple-mentary provision	Total provision	Actual expenditure	Excess expenditure
1	27 – Industries Department – **Loans (Voted)**	100.25	561.01	661.26	682.13	20.87
	Total	**100.25**	**561.01**	**661.26**	**682.13**	**20.87**

(*Source: Appropriation Accounts*)

On scrutiny of the above excess, it was noticed that based on the supplementary provisions made in March 2021, Government had sanctioned a sum of ₹ 190.73 crore towards Ways and Means Advance to 14 various Cooperative and Public sector sugar mills for the settlement of Bonus, Ex-gratia Bonus, State Advised Price and Fair Remunerative Price dues to staffs, employees.

The Ways and Means advances exceeded the provisions made in the budget by ₹ 20.87 crore to three cooperative sugar mills, viz., Ambur Co-operative Sugar Mill (₹ 7.12 crore), National Co-operative Sugar Mill (₹ 6.49 crore) and Tirupattur Co-operative Sugar Mill (₹ 7.26 crore). The reasons for the excess have not been furnished by the Government.

3.3.5 Unnecessary/excess/insufficient re-appropriation of funds

Apart from supplementary grant, re-appropriation can be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation.

However, considerable re-appropriation from one sub-head to another must always be avoided and the process of re-appropriation should not be merely used to rectify omissions and lack of foresight.

Audit scrutiny revealed that there were unnecessary / excess / insufficient re-appropriations made indicating inaccurate and unrealistic budgeting, thereby depriving funds for the other needy Schemes as detailed in **Table 3.6**.

Table 3.6: Injudicious re-appropriations made during 2020-21

Sl. No	Description	No. of HoA	Amount (₹ in crore)	Reference – Appendix No
1	Savings greater than ₹ 2 crore	74	1,849.39	3.3
2	Excess greater than ₹ 2 crore	67	799.63	3.3
3	Provision made in re-appropriation where expenditure within the original and supplementary provisions	46	375.20	3.4
4	Provision of more than ₹ 100 crore fully withdrawn through re-appropriation	20	6,490.73	3.5
5	Withdrawal of entire provision of interest liability (2049-60-101) on deposits under MH 8342	26	53.05	3.6

(Source: Detailed Appropriation Accounts)

- It was also noticed that in 24 cases as detailed in **Appendix 3.7**, though the entire provision was fully withdrawn by re-appropriations, expenditure of ₹ 4.90 crore was incurred under the schemes, indicating injudicious re-appropriations. The 24 cases included nine instances where only token provision was given and withdrawn, while the expenditure under these nine heads during the year was ₹ 76.70 lakh

- A further detailed scrutiny of all the re-appropriation orders issued by the Finance Department revealed that in respect of 12,090 out of 22,625 items (53.44 *per cent*), no valid reasons were given for additional provisions/withdrawal of provisions and only vague expressions such as 'actual requirement', 'lesser/higher requirement', 'based on actuals', etc., was given, which is in violation of paragraph 151 (ii) of the Tamil Nadu Budget Manual. This has been pointed out by Audit in the past. During the exit conference, the Government stated that the issue would be resolved with the implementation of IFHRMS.

Thus, the injudicious re-appropriations at various stages and incurring expenditure without provisions, clearly indicate the weak internal controls/monitoring mechanism at both the budget allocation levels and at the re-appropriation stage.

3.3.6 Unspent amount and surrendered appropriations and/or large savings / surrenders

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or slipshod estimating, it is not readily excusable. The golden rule for all the Estimating Officers should be to provide in the budget, everything that can be foreseen and to provide only as much as is necessary. No object is served by keeping back savings which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised. Surrenders are being made generally in the month of March, and a careful study of figures of the expenditure incurred and watch over previous month's expenditure should enable the Controlling Officer to fix upon his final requirements with a reasonable degree of exactness. No savings shall be held in reserve for possible future excesses.

The instances of huge savings and surrenders are discussed in the succeeding paragraphs.

3.3.6.1 Savings

Audit observed that in 48 cases there were savings of above ₹ 100 crore amounting to ₹ 43,564.29 crore across various grants as detailed in **Appendix 3.8.** The details of Grants/Appropriations, where provision is more than ₹ 10 crore, with Budget utilisation less than 50 *per cent* during the year is given in **Table 3.7**.

Table 3.7: Grants/ Appropriations greater than ₹ 10 crore where utilisation of budget was less than 50 *per cent*

(*₹in crore*)

Sl. No.	Grant Number and Description	Total provision	Expenditure	Percentage of utilisation
	Revenue			
1	*50 – Pension and Other Retirement Benefits (Charged)*	*16.10*	*6.94*	*43.14*
2	36 – Planning, Development and Special Initiatives Department (Voted)	319.73	107.25	*33.54*
3	53 – Department of Special Programme Implementation (Voted)	975.86	25.68	*2.63*
	Capital			
4	07 – Fisheries (Animal Husbandry, Dairying and Fisheries Department) (Voted)	671.71	320.78	*47.76*
5	13 – Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Voted)	361.40	10.41	*2.88*
6	15 – Environment (Environment and Forests Department) (Voted)	28.20	5.35	*18.99*
7	16 – Finance Department (Voted)	500.00	--	*0.00*
8	26 – Housing and Urban Development Department (Voted)	364.20	106.83	*29.33*
9	41 – Revenue and Disaster Management Department (Voted)	114.65	0.28	*0.25*
10	44 – Micro, Small and Medium Enterprises (Voted)	31.65	7.72	*24.38*
	Loans			
11	05 – Agriculture Department (Voted)	130.75	0.61	*0.47*
12	14 – Energy Department (Voted)	1,859.20	710.91	*38.24*
13	16 – Finance Department (Voted)	126.47	62.20	*49.19*
14	26 – Housing and Urban Development (Voted)	3,169.25	1,110.94	*35.05*
15	38 – Public Department (Voted)	17.41	3.64	*29.90*
16	54 – Forests (Environment and Forests Department) (Voted)	56.67	--	*0.00*

(*Source: Appropriation Accounts*)

The utilisation of less than 10 *per cent* of the provision made was towards provision of laptops (Grant No. 53), construction of godowns/food safety lab (Grant No. 13), transfer to Tamil Nadu Infrastructure Development fund (Grant No.16), Acquisition of land (Grant No.41),Ways and Means Advance (Grant No. 5) and conversion of Ways and Means Advance into long term loan (Grant No. 54). The reasons for poor utilisation have not been furnished by the respective Departments.

3.3.6.2 Surrenders

As per Paragraph 140 of the Tamil Nadu Budget Manual, the spending departments are required to surrender the grants/appropriations or a portion thereof to the Finance Department as and when savings are anticipated.

During the year, out of total savings of ₹ 45,218.72 crore, an amount of ₹ 44,064.87 crore only (₹ 21,952.28 crore during 27 February 2021 to 08 March 2021 and ₹ 22,112.59 crore on 31 March 2021) was surrendered.

Out of the ₹ 22,112.59 crore surrendered on the last day (31 March 2021), 110 cases amounting to ₹ 21,908.89 crore (**Appendix 3.9)** were in excess of over ₹ 10 crore indicating inadequate financial control and non-availability of funds for other development purposes since surrenders were made on the last days of the financial year.

- Under 24 grants and one appropriation, savings of more than rupees one crore (₹ 1,839.17 crore) was not surrendered fully as given in **Appendix 3.10**.
- In 20 Grants/Appropriation under Revenue, 16 Grants/ Appropriation under Capital and five Grants/Appropriation under Loans, surrenders were made more than savings as listed in **Appendix 3.11.**

3.3.6.3 Utilisation of Grants

The distribution of the number of grants / appropriations grouped by percentage of utilisation and total savings in each group is given in **Table 3.8** below:

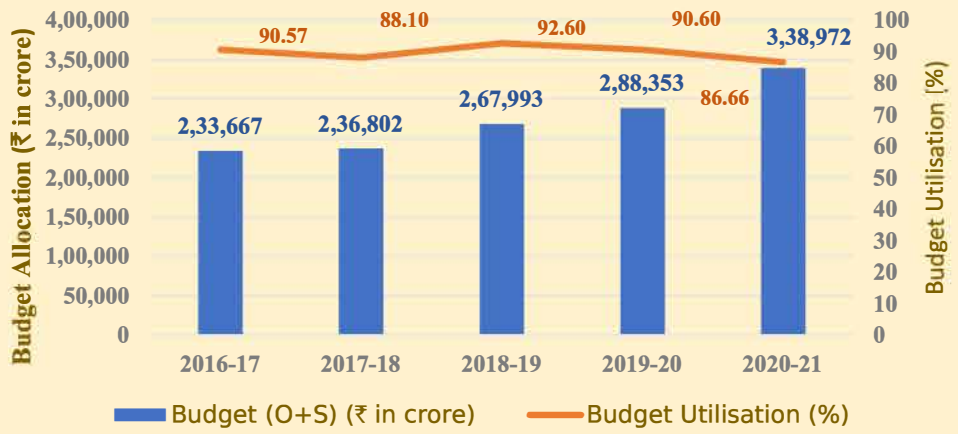
Table 3.8: Utilisation of Grants / Appropriations

Percentage utilisation	0-10	10-30	30-50	50-70	70-90	90-100
No of Grants	1	--	--	8	30	17
Saving (₹ in crore)	950.34	--	--	6,603.90	29,180.90	8,483.59

(Source: Appropriation Accounts)

The following **Chart 3.2** shows the Grant utilisation for the period from 2016-17 to 2020-21.

Chart 3.2: Grant Utilisation during 2016-17 to 2020-21



(*Source: Appropriation Accounts*)

The percentage of utilisation was 86.66 *per cent* during the current year which was the lowest in the five year period 2016-21.

3.3.6.4 Persistent Savings

Under 22 Grants/Appropriations, there were persistent savings of more than five *per cent* of the total grant during the last five years as indicated in **Appendix 3.12**. The percentage of savings under Revenue Section ranged from 5.53 to 81.79 and Capital Section ranged from 11.55 to 100 *per cent*.

As may be noted from the **Appendix 3.12**, there was a persistent savings of more than 98 *per cent* during all the past five years in Grant 16 - Finance Department. It was noticed that during the past five years, huge amounts provided were withdrawn through re-appropriation under the Head of Account: 4070-00-800-KF – Transfer to Tamil Nadu Infrastructure Development Fund (TNIDF) as shown below in **Table 3.9**.

Table: 3.9: Provision and re-appropriation under Tamil Nadu Infrastructure Development Fund

(*₹ in crore*)

Details	2016-17	2017-18	2018-19	2019-20	2020-21
Provision	2,000	2,000	500	500	500
Re-appropriation	(-) 1,970	(-) 2,000	(-) 499	(-) 498	(-) 500

(*Source: Appropriation Accounts for the respective years*)

It could be seen from the above table that the entire provisions were made consistently during all the five years in the original budget stage and withdrawn at the re-appropriation stage and that too without giving specific reasons for the same. On this being pointed out, Government replied (November 2021) that as many of the infrastructure projects were at a preliminary stage, the necessity for seeking financial assistance by the implementing agencies from TNIDF did not arise and the actual requirement could not be estimated accurately, hence, the budget allocations were surrendered.

This unrealistic estimation of the anticipated expenditure and poor control over expenditure continued despite a comment made in the C&AG's Audit report on the State Finances, Government of Tamil Nadu vide Para 2.3.1 for the year ended March 2017.

3.3.7 Excess expenditure and its regularisation

As per Article 205(1)(b) of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the above Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Committee on Public Accounts (PAC).

3.3.7.1 Excess over provisions during the year requiring regularisation

There was an excess disbursement of ₹ 20.87 crore over the voted Grant No. 27 (Industries Department) under Loans and advances section during the year 2020-21 which needs to be regularised.

Excess expenditure over the provisions for the year is not only in contravention of the provisions requiring Legislative sanction but also

indicative of bad planning which could be avoided by keeping track of expenditure progression with budget made for the purpose.

3.3.7.2 Regularisation of excess expenditure of previous years

Excess expenditure of ₹ 3,599.67 crore relating to 2012-20 was yet to be regularised as detailed below in **Table 3.10**.

Table 3.10: Regularisation of excess expenditure of previous years

(*₹ in crore*)

Year	Grant No. / Appropriation	Amount of excess required to be regularised	Status of regularisation
(1)	(2)	(3)	(4)
2012-13*	11, 48, 51, 53	733.29	Explanatory Notes received for all the grants.
2013-14*	09, 19, 40	38.42	Explanatory Notes have been received for all the three Grants and one Appropriation
2014-15	10, 16, 23,30, 32, 35, 36, 40, 43, 45	78.55	Explanatory Notes for five Grants (i.e., No. 16, 23, 40, 43 & 45) have not been received.
2015-16	19, 23, 30, 39, 47, 49	82.16	Explanatory Notes have been received for all the six Grants
2016-17	10, 12, 17, 21, 32, 39, 40	167.16	Explanatory Notes for two grants (Grant No. 39 and 40) have not been received.
2017-18	06, 10, 13, 19, 21, 24, 40, 41, 52	77.55	Explanatory Notes for three Grants (i.e., No. 19, 40 & 52) and three Appropriations (i.e., No. 06, 13 & 24) have not been received.
2018-19	10, 15, 27, 37, 40, 42, 43	1,480.54	Explanatory Notes for seven Grants (i.e., No. 10, 15, 27, 37, 40, 42 & 43) have not been received.
2019-20	13, 40, 41, 43, 48	942.00	Explanatory notes yet to be received.
	Total	**3,599.67**	

** Paras on excess expenditure for the year 2012-13 and 2013-14 have been discussed by PAC on 09-Dec-2020 and recommendations have been made vide 186th PAC Report/XV Assembly tabled in the Legislative Assembly on 26-Feb-2021. G.O regarding regularizing the excess expenditure is yet to be received in this office.*

(*Source: Appropriation Accounts*)

As seen from the table above, an excess disbursement of ₹ 3,599.67 crore pertaining to the years 2012-13 to 2019-20 is yet to be regularized by the State Legislature.

3.4 Effectiveness of budgetary and accounting process

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprives other departments of the funds which they could have utilized.

3.4.1 Budgetary projection and gap between expectations and actuals

Summarised position of actual expenditure *vis-à-vis* Budget (Original/Supplementary) provision during 2020-21 (Voted and Charged) is given below in **Table 3.11.**

Table 3.11: Position of actual expenditure *vis-à-vis* original/supplementary provisions

(₹ *in crore*)

Nature of expenditure	Original grant/ Appropriation	Supple-mentary grant/ Appro-priation	Total	Actual expenditure	Net Saving (-)	Amount surrendered	Amount surrendered on 31 March	Percentage of savings surren-dered
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=((7)/(6)) x 100
Voted								
I Revenue	2,04,581.40	29,365.01	2,33,946.41	2,02,915.57	(-) 31,030.84	(-) 30,629.38	(-) 14,344.73	98.71
II Capital	37,629.07	3,733.31	41,362.38	33,283.02	(-) 8,079.36	(-) 7,450.58	(-) 5,285.00	92.22
III Loans and Advances	6,725.19	805.12	7,530.31	3,834.83	(-) 3,695.48	(-) 3,706.61	(-) 2,441.19	100.30
Total Voted	**2,48,935.66**	**33,903.44**	**2,82,839.10**	**2,40,033.42**	**(-) 42,805.68**	**(-) 41,786.57**	**(-) 22,070.92**	
Charged								
IV Revenue	39,694.68	68.19	39,762.87	37,430.09	(-) 2,332.78	(-) 2,196.69	(-) 32.32	94.17
V Capital	19.61	46.38	65.99	61.64	(-) 4.35	(-) 4.36	(-) 4.36	100.23
VI Public Debt-Repayment	16,304.49	0.00	16,304.49	16,228.57	(-) 75.92	(-) 77.24	(-) 4.99	101.74
Total - Charged	**56,018.78**	**114.57**	**56,133.35**	**53,720.30**	**(-) 2,413.05**	**(-) 2,278.29**	**(-) 41.67**	
Appropriation to Contingency Fund (if any)	..	..	..	..	..	..	..	..
Grand Total	**3,04,954.44**	**34,018.01**	**3,38,972.45**	**2,93,753.72**	**(-) 45,218.72***	**(-) 44,064.86**	**(-) 22,112.59**	

* Difference of ₹ 0.01 crore due to rounding.

(*Source: Appropriation Accounts for the year 2020-21*)

In view of the overall savings of ₹ 45,218.72 crore (13.34 *per cent*), the entire supplementary provision of ₹ 34,018.02 crore proved unnecessary.

The whole amount of surrender of ₹ 44,064.87 crore was made in the months of February and March 2021. Out of this, an amount of ₹ 22,112.59 crore (50.18 *per cent*) was surrendered on the last day i.e., 31 March 2021 indicating improper budgeting.

Trends in expenditure during the past five years with reference to the Original Budget and Revised Estimate are as given below in **Table 3.12.**

Table: 3.12: Trend of savings/excess

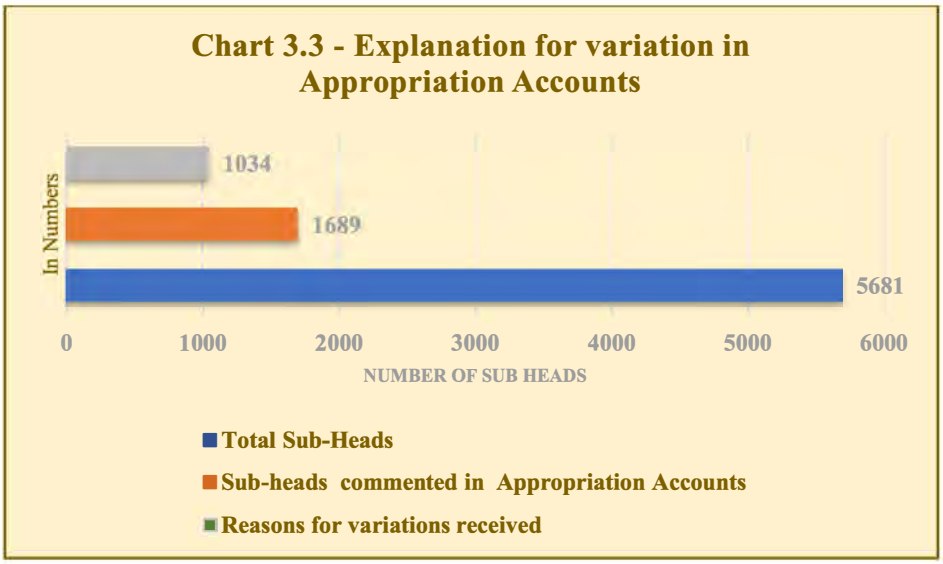
(₹ *in crore*)

	2016-17	2017-18	2018-19	2019-20	2020-21
Original budget	1,99,928.20	2,19,339.48	2,43,847.26	2,68,501.58	3,04,954.43
Supplementary budget	33,739.27	17,462.14	24,146.16	19,851.68	34,018.02
Revised Estimate (O+S)	2,33,667.47	2,36,801.62	2,67,993.42	2,88,353.26	3,38,972.45
Actual expenditure	2,11,641.78	2,08,622.18	2,48,170.03	2,61,259.86	2,93,753.73
Net savings	(-) 22,025.69	(-) 28,179.44	(-) 19,823.39	(-) 27,093.40	(-) 45,218.72
Percentage of savings	*9.43*	*11.90*	*7.40*	*9.40*	*13.34*

(*Source: Appropriation Accounts for the respective years*)

From the above table, it may be seen that though there was a significant improvement in the percentage of savings which had come down from 11.90 in 2017-18 to 7.40 *per cent* in 2018-19, the trend has been reversed from 2019-20 and stood at 13.34 *per cent* during the current year.

No reasons were received for the variations from the controlling officers for sub-heads as detailed in the **Chart – 3.3** given below:



(*Source: Details received from AG (A&E)*)

3.4.2 Rush of expenditure

Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

According to Article 39 of the Tamil Nadu Financial Code, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, an amount of ₹ 4,135.82 crore under 72 sub-heads for which provision was made in the original grant, as listed in **Appendix 3.13** was fully expended during the month of March 2021. Besides, in respect of three grants listed below in **Table 3.13**, 50 *per cent* of expenditure was incurred in the month of March 2021. Rush of expenditure at the end of the year shows poor expenditure control.

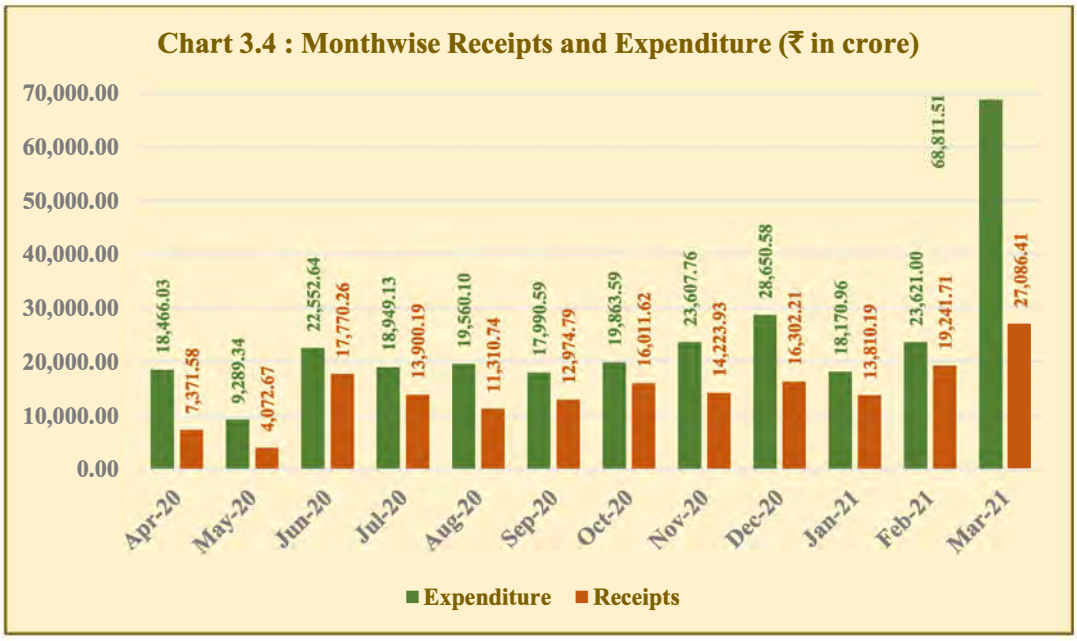
Table 3.13: Grants with more than 50 *per cent* of expenditure in March alone

(*₹ in crore*)

Sl. No.	Grant No.	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Expenditure in March	Expenditure in March as percentage of Total Expenditure
1.	26	Housing and Urban Development Department	16.52	239.31	1,303.90	2,741.32	4,301.06	2,590.32	60.23
2.	31	Information Technology Department	2.95	2.07	25.14	82.26	112.41	84.62	75.28
3.	49	Youth Welfare and Sports Development Department	10.08	9.56	20.48	117.98	158.10	102.65	64.93
Total							**4,571.57**	**2,777.59**	**60.76**

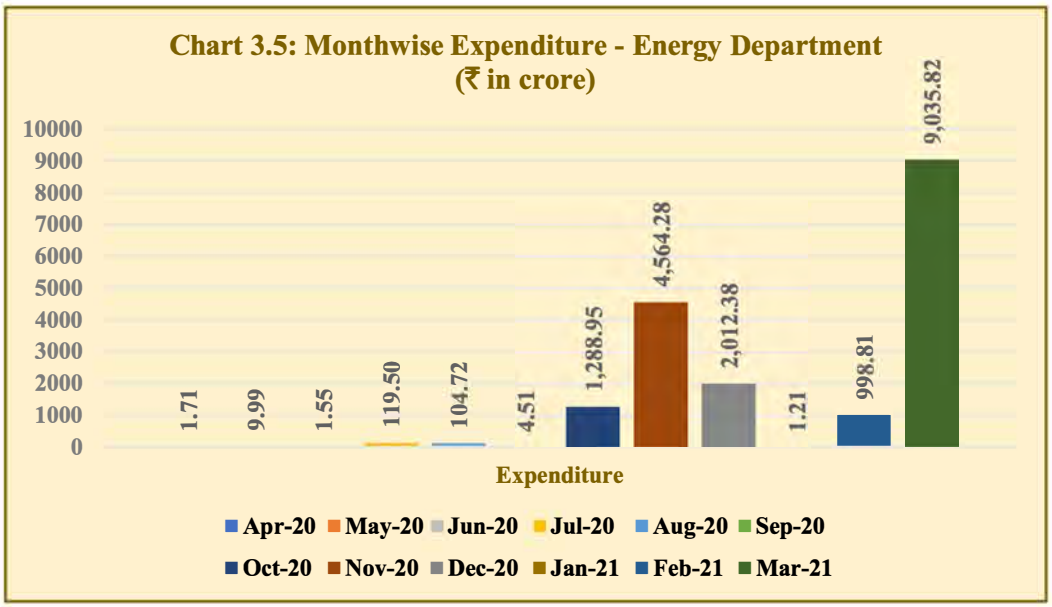
(*Source: Compilation from VLC data*)

The following **Chart 3.4** shows the monthly receipts and expenditure during 2020-21 is given below:



(*Source: Compilation from VLC data*)

The Energy Department expended 49.80 *per cent* of the total expenditure only in March 2021. The month wise details of expenditure by the Department is given in **Chart 3.5**.



(*Source: Compilation from VLC data*)

3.5 Advances from the Contingency Fund

The Contingency Fund (CF) of the State was established under the Tamil Nadu Contingency Fund Act, 1954 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 150 crore.

Details of sanctions accorded for drawal of CF advance and actually utilised are given in **Table 3.14** below.

Table 3.14: Details of Contingency Fund advances sanctioned

Year	Sanction of CFA		Utilisation of CFA		Percentage of utilisation	
	No.	Amount (₹*in crore*)	No.	Amount (₹*in crore*)	No.	Amount
2015-16	38	68.68	37	67.16	*97*	*98*
2016-17	22	31.02	19	27.93	*86*	*90*
2017-18	46	50.78	43	42.12	*93*	*83*
2018-19	35	64.15	33	46.95	*94*	*73*
2019-20	30	40.01	27	33.69	*90*	*84*
2020-21	20	55.10	16	31.61	*80*	*57*

(*Source: Government Orders*)

Details of CF orders issued during the year, and the amount of expenditure incurred as at the end of the year have been given in **Appendix 3.14**.

On further scrutiny of utilisation of CFA sanctions during the year, four CFA sanctions issued by Agriculture Department, Revenue & Disaster Management Department, Health & Family Welfare Department and School Education Department for ₹ 9,99.87 lakh were fully unutilised as detailed in **Table 3.15** below.

Table 3.15: Details of 100 *per cent* unutilised CF

Sl. No.	CFA No.	Grant No. and Department	Date of issue of CFA	Amount of CFA sanctioned (in ₹)	Reasons (CF sanctioned towards)
1	2	05 - Agriculture Department	04/05/2020	17,51,000	Formation of Office of the Deputy Director of Horticulture at newly created Tirupathur District
2	14	41 - Revenue & Disaster Management Department	03/12/2020	2,53,36,000	Inter linking of Cauvery-Vaigai-Gundar canal scheme-Recurring and non-recurring expenditure sanctioned towards newly creation of offices for acquisition of land in Pudukkottai, Tiruchirapalli and Karur districts.
3	17	19 - Health and Family Welfare Department	07/01/2021	6,30,00,000	Opening of Mini Clinics in both Rural and Urban areas to provide easy access for the people to the health facilities.
4	20	43 - School Education Department	17/02/2021	99,00,000	Padhna Likhna (KARPOM EZHUTHUVOM IYAKKAM)-New Adult Education Programme Implemented in all the districts of Tamil Nadu
		Total		**9,99,87,000**	

(*Source: Government orders*)

Besides, in the remaining sanction of ₹ 45.11 crore, only ₹ 31.61 crore (70 *per cent*) was spent.

Non-utilisation of the CF advances (fully/partially) indicated that amount was drawn without immediate need.

Government stated in the exit conference that appropriate controls on CF sanctions would be ensured. Besides, most of the budgetary issues had been adequately addressed in IFHRMS and would be greatly reduced from the current year.

3.6 Review of selected Grants

A review of budgetary procedure and control over expenditure was conducted in respect of 'Grant Number 34 – Municipal Administration and Water Supply Department' and 'Grant Number 40 – Irrigation (Public Works Department)'. Test check disclosed deficiencies in the budgetary process, as discussed in the succeeding paragraphs.

3.6.1 Grant Number 34 – Municipal Administration and Water Supply Department

The Municipal Administration and Water Supply Department is responsible for the development of urban areas in the State and ensuring provision of water supply to all the areas of the State. The department is also entrusted with the task of focusing its efforts towards growth oriented policies and infrastructure development for the sustained growth of the urban areas.

The Additional Chief Secretary to Government, Municipal Administration and Water Supply Department is the administrative head and is administering the Departments, *viz.,* Commissionerate of Municipal Administration, Directorate of Town Panchayats, Chennai Metropolitan Water Supply and Sewerage Board, Tamil Nadu Water Supply and Drainage Board etc.

3.6.1.1 Allocation and Expenditure

A summary of actual expenditure *vis-à-vis* original/supplementary provisions made during the year 2020-21 is given in **Table 3.16** below.

Table 3.16: Details of Budget Provision and Actual Expenditure under Grant No. 34

(*₹ in crore*)

	Nature of expenditure	Original	Supple-mentary	Total	Expenditure	Savings(-)/ Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	9,868.36	1,005.44	10,873.80	8,786.41	(-) 2,087.39	*19.20*	1,983.30
	II Capital	8,116.34	37.69	8,154.03	7,212.06	(-) 941.97	*11.55*	941.97
	III Loan	555.42	30.00	585.42	584.92	(-) 0.50	*0.09*	0.50
Total Voted (A)		**18,540.12**	**1,073.13**	**19,613.25**	**16,583.39**	**(-) 3,029.86**	**15.45**	**2,925.77**
Charged	IV Revenue	--*	--	--	--	--	--	--**
Total Charged (B)		--	--	--	--	--	--	--
Grand Total (A+B)		**18,540.12**	**1,073.13**	**19,613.25**	**16,583.39**	**(-) 3,029.86**	**15.45**	**2,925.77**

** ₹ 3,000 given as token provision* *** ₹ 3,000 surrendered*

(*Source: Appropriation Accounts for the year 2020-21*)

From **Table 3.16**, it may be seen that, as against an actual saving of ₹ 3,029.86 crore in the grant, only an amount of ₹ 2,925.77 crore was surrendered by way of re-appropriation. The overall savings was 15.45 *per cent* of the provision. Further scrutiny revealed that there were persistent savings in the Capital Section under the Grant as detailed in the succeeding paragraphs.

3.6.1.2 Persistent savings under Capital Sections

During 2020-21, there was a saving of 11.55 *per cent* in the Grant under Capital Section. During the five year period 2016-21, the Department had persistent savings ranging between 11.55 *per cent* and 50.68 *per cent* of the total grant as given in **Table 3.17** below.

Table 3.17: Year-wise allocation and savings

(₹ *in crore*)

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2016-17	4,622.13	4,065.19	(-) 556.94	(-) 556.94	*12.05*
2017-18	5,803.05	2,861.93	(-) 2,941.13	(-) 2,941.13	*50.68*
2018-19	6,343.97	5,054.28	(-) 1,289.69	(-) 1,216.99	*20.33*
2019-20	7,487.90	4,412.20	(-) 3,075.70	(-) 3,113.09	*41.08*
2020-21	8,154.03	7,212.06	(-) 941.97	(-) 941.97	*11.55*

(*Source: Appropriation Accounts for the respective years*)

Expenditure in capital nature is incurred for creation of capital assets. The persistent savings on capital heads indicates that Government did not give sufficient importance towards creation of capital assets and also shows lack of expenditure control.

3.6.1.3 Savings over Final Modified Grant

Scrutiny of records revealed that under the following Schemes there were huge savings at the end of the year even after withdrawal of amounts through re-appropriation as shown in **Table 3.18**.

Table 3.18: Savings over Final Modified Grant

(₹ *in lakh*)

Head of Account and Description	Total Provision	Re-appropriation	Final Modified Grant (FMG)	Expen-diture	Savings on FMG
2217-05-793-UB - Implementation of Swachh Bharat Mission in Town Panchayats	4,200.00	(-) 2,216.38	1,983.62	1,819.08	(-) 164.54
2217-80-800-PJ - Technical Assistance Grant to Project Development Grant Fund (PDGF) for implementation of Asian Development Bank (ADB) assisted Tamil Nadu Urban Flagship Investment	500.00	(-) 200.00	300.00	--	(-) 300.00
3604-00-191-AA - Grants to Municipal Corporation as per the recommendation of State Finance Commission - Controlled by Commissioner of Municipal Administration	1,61,171.18	(-) 25,361.23	1,35,809.95	1,25,409.94	(-) 10,400.01

(*Source: Appropriation Accounts*)

3.6.1.4 Withdrawal of entire provision through re-appropriation

In the following schemes shown below in **Table 3.19**, the entire amounts given through Original and Supplementary provisions were withdrawn through re-appropriation.

Table 3.19: Withdrawal of entire provision through re-appropriation

(₹ in lakh)

Sl. No.	Head of Account and Description	Provision (O+S)	Re-appropriation
1	2217.05.789.JC - Tamil Nadu Urban Livelihood Mission in Corporations / Municipalities	180.00	(-) 180.00
2	2217.05.796.JC - Tamil Nadu Urban Livelihood Mission in Corporations / Municipalities	34.40	(-) 34.40
3	2217.05.800.JT - Tamil Nadu Urban Livelihood Mission in Corporations / Municipalities	585.60	(-) 585.60
4	2217.05.800.KF - Grant to CMA for implementation of Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP)	5,545.00	(-) 5,545.00
5	2217.05.800.PC - Urban Sector Technical Assistance under TNSUDP	3,000.00	(-) 3,000.00
6	2217.80.001.JN - National Green Tribunal, Regional Monitoring Committee (Southern Region)	11.25	(-) 11.25
7	2217.80.800.PE - Technical Assistance Grants to KfW Grant Fund-II under Sustainable Municipal Infrastructure Financing in Tamil Nadu Phase-II Part-2 (SMIF-TN-II-2) Program	500.00	(-) 500.00
8	3604.00.200.BO - Special Grants to Tamil Nadu Institute of Urban Studies	500.00	(-) 500.00
9	4215.01.800.PB -- Hogenakkal Water Supply and Fluorosis Mitigation Project	131.00	(-) 131.00
10	4217.60.051.JT - Construction of integrated bus stand at Vellalore in Coimbatore Corporation	800.00	(-) 800.00
11	4217.60.800.AB - Share Capital assistance for Integrated Storm Water Drain in Kosasthalaiyar Basin	8,700.00	(-) 8,700.00
12	4217.60.800.JQ – One-time Special Fund for Basic Infrastructure Development in Urban Habitations	35,000.00	(-) 35,000.00
13	4217.60.800.PN - Capital Grants to Project Sustainability Grant Fund (PSGF) for implementation of Solar Development Sub-Project under the Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP) Tranche-I	600.00	(-) 600.00
14	7615.00.200.KD - Loans to Employees of Municipal Councils and Township Committees - controlled by the Commissioner of Municipal Administration	50.00	(-) 50.00
	Total	**55,637.25**	**(-) 55,637.25**

(Source: Detailed Appropriation Accounts)

Specific reasons for the withdrawal of the entire provision in the schemes above were not furnished.

3.6.1.5 Expenditure incurred in excess of Final Modified Grant (FMG) after huge re-appropriations

In the following schemes shown below in **Table 3.20**, expenditure has been incurred over and above the FMG after huge re-appropriations indicating lack of budgetary controls.

Table 3.20: Expenditure in excess of Final Modified Grant

(in ₹)

Sl. No.	Head of Account and Description	Total Provision (O+S)	Re-appropriation	Final Modified Grant (FMG)	Expenditure
1	2217.80.001.AC Commissioner of Municipal Administration	16,46,05,000	19,42,000	16,65,47,000	16,81,58,585
2	2217.80.001.AD Municipal Commissioners	7,81,29,000	21,71,000	8,03,00,000	9,03,25,266
3	2217.80.001.AM Institutional Finance, Monitoring and Evaluation Cell	2,21,28,000	(-) 2,43,000	2,18,85,000	2,33,30,190
4	2217.80.001.AO Tamil Nadu Local Bodies Ombudsman	1,09,31,000	(-) 67,60,000	41,71,000	52,48,757
5	2217.80.800.PI Technical Assistance to Project Development Grant Fund (PDGF) for implementation of Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP)	20,00,00,000	(-) 10,00,00,000	10,00,00,000	13,00,00,000
6	2251.00.090.AM Municipal Administration and Water Supply Department	12,35,15,000	(-) 2,06,83,000	10,28,32,000	10,32,65,069
7	2515.00.001.AI Directorate of Town Panchayats	3,78,08,000	(-) 65,42,000	3,12,66,000	3,12,76,172
8	3475.00.108.UC Support for setting up of Urban Self Employment and Urban Wage Employment Programme	2,28,67,000	(-) 55,99,000	1,72,68,000	1,87,93,225
	Total	**65,99,83,000**	**(-) 13,57,14,000**	**52,42,69,000**	**57,03,97,264**

(Source: Detailed Appropriation Accounts)

3.6.1.6 Non-materialisation of budget commitment

In the Budget Speech for the year 2020-21 announcements for various schemes/projects were made under Grant 34 – Municipal Administration. Details of funds committed for the test check cases, budget allotments, where the commitments made in the Assembly have not been implemented are given in **Table 3.21.**

Table 3.21: Details of Announcements made in the Assembly not implemented

Scheme for which announcement made	Provision made in the budget	Remarks
In 2020-21, the Government will launch a one-time special scheme for taking up essential basic infrastructure works with a total allocation of ₹ 500 crore. These works will be taken up and completed expeditiously under the direct oversight of State High Level Committee.	₹ 350 crore was provided in Original Estimate under HOA 4217-60-800-JQ. However an amount of ₹ 100 crore was withdrawn through re-appropriation. ₹ 250 crore in the FMA also was finally surrendered.	Though the announcement made in the Assembly was for ₹ 500 crore, only ₹ 350 crore was made in the budget, which too was entirely surrendered through re-appropriation. This indicates that the Scheme was not launched as announced in the Assembly.
The Greater Chennai Corporation has prepared a project for providing Integrated Storm Water Drain Network of 765 km in the extended areas in the Kosasthalaiyar river basin at a total cost of ₹ 2518 crore and posed it to Asian Development Bank for assistance. In anticipation of early approval, a provision of ₹ 350 crore has been made in the BE for 2020-21	₹ 87 crore was provided in the Original Estimate of 2020-21 under HOA 4217-60-800-AB. However the entire amount of ₹ 87 crore was withdrawn through re-appropriation.	Withdrawal of entire provision indicates improper budgeting and failure to launch the Scheme as envisaged in the announcement made in the Assembly.

(*Source: Budget Speech and Appropriation Accounts*)

Thus, the inaccurate assessments of the requirements on the policy pronouncements in the budget resulted in excess provision made being withdrawn at the re-appropriation stage which deprives the other departments / schemes in which the funds could have been utilized.

Thus, the injudicious re-appropriations at various stages and incurring expenditure without provisions, clearly indicate the weak internal controls/monitoring mechanism at both the budget allocation levels and at the re-appropriation stage

3.6.2 Grant No. 40 – Irrigation (Public Works Department)

Irrigation (Public Works Department) in Tamil Nadu is one of the oldest Service Departments of the Government, serving in the construction field and maintenance of Irrigation Structures for the past 153 years and the services include artificial recharge, better water management, restoration of water bodies, water users participation in the projects to derive maximum benefit, maximum irrigation efficiency, intra-linking of rivers for diversion of flood water and enhancing the storage capacity of water bodies to provide adequate water for irrigation, drinking and other purposes.

The Engineer-in-Chief, Water Resources Department monitors and co-ordinates the functions of 111 Chief Engineers and acts as the Technical Head of the Department.

3.6.2.1 Allocation and Expenditure

A summary of actual expenditure vis-à-vis original/supplementary provisions made during the year 2020-21 is given in **Table 3.22** below.

Table 3.22: Details of Budget Provision and Actual Expenditure under Grant No. 40

(*₹ in crore*)

	Nature of expenditure	Original	Supple-mentary	Total	Expendi-ture	Savings(-)/ Excess (+)	Percentage of savings	Amount surrendered
Voted	I Revenue	2,157.42	375.26	2,352.68	2,455.77	(-) 76.91	3.04	128.23
	II Capital	4,814.86	1,006.31	5,821.17	4,286.64	(-) 1,534.53	26.36	730.90
Total Voted (A)		6,972.28	1,381.57	8,353.85	6,742.41	(-) 1,611.44	19.29	859.13
Charged	III Revenue	--*	--	--	--	--	*100.00*	--**
	IV Capital	*19.61*	*32.34*	*51.95*	*47.61*	*(-) 4.34*	*8.35*	*4.36*
Total Charged (B)		*19.61*	*32.34*	*51.95*	*47.61*	*(-) 4.34*	*8.35*	*4.36*
Grand Total (A+B)		6,991.89	1,413.91	8,405.80	6,790.02	(-) 1,615.78	19.22	863.49

** ₹2,000 token provision ** ₹2,000 token provision surrendered*

(*Source: Appropriation Accounts for the year 2020-21*)

Though the ultimate saving in the Grant during the year was ₹ 863.49 crore, the amount surrendered was ₹ 859.13 crore only. The overall savings was 19.22 *per cent* of the provision. Further scrutiny revealed that there were persistent savings in the Capital Section under the Grant as detailed in the succeeding paragraphs.

3.6.2.2 Persistent Savings

It was seen from the Appropriation Accounts that there was persistent savings in the voted grant as well as charged appropriation under the Capital heads during the period 2016-17 to 2020-21 as detailed below in **Table 3.23 and Table 3.24** below.

Table 3.23: Persistent Savings under Capital Section (Voted)

(*₹ in crore*)

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2016-17	1,677.51	1,035.77	(-) 641.73	(-) 627.14	*38.26*
2017-18	2,973.02	1,242.46	(-) 1,730.56	(-) 1,729.48	*58.21*
2018-19	3,095.66	1,759.10	(-) 1,336.56	(-) 1,300.83	*43.18*
2019-20	3,855.42	2,340.54	(-) 1,514.88	(-) 1,170.69	*39.29*
2020-21	5,821.16	4,286.64	(-) 1,534.52	(-) 730.90	*26.36*

(*Source: Appropriation Accounts for the respective years*)

Table 3.24: Persistent Savings under Capital Section (Charged)

(*₹ in crore*)

Year	Total grant	Expenditure incurred	Saving	Amount surrendered	Percentage of saving
2016-17	4.21	3.42	(-) 0.79	(-) 0.16	*18.74*
2017-18	38.09	33.79	(-) 4.29	(-) 4.05	*11.27*
2018-19	70.53	58.50	(-) 12.02	(-) 11.00	*17.05*
2019-20	85.25	29.56	(-) 55.69	(-) 55.68	*65.32*
2020-21	51.95	47.61	(-) 4.34	(-) 4.36	*8.36*

(*Source: Appropriation Accounts for the respective years*)

Savings during the past five years ranged between 26.36 and 58.21 *per cent* in the voted grant and between 8.36 *per cent* and 65.32 *per cent* in the charged appropriation respectively.

3.6.2.3 Withdrawal of entire provision through re-appropriation

In the following schemes shown below in **Table 3.25**, the entire amounts given through Original and Supplementary provisions were withdrawn through re-appropriation.

Table 3.25: Withdrawal of entire provision through re-appropriation

(₹ in lakh)

Sl. No.	Head of Account	Description	Provision (O+S)	Re-appropriation
1	2700.80.006.AA	Preparation of Environmental impact Assessment report for Pennaiyar, Palar link in Vaniyampadi Taluk in Vellore District	42.82	(-) 42.82
2	2700.80.006.AD	Preparation of DPR, Rapid EIA, Tender Documents and Evaluation, Project Management Consultancy Service and Post Project Evaluation study for desilting of Vaigai, Pechipparai, Mettur, Amaravathy Reservoirs and Srivaikundam Anicut	511.57	(-) 511.57
3	2702.02.005.AD	Setting up of Documentation Mapping and Re-production Unit	54.64	(-) 54.64
4	4700.03.800.CB	Canals - NABARD Assistance	9,975	(-) 9,975
5	4700.03.800.PB	Dam and Appurtenant Works	585.02	(-) 585.02
6	4700.05.800.GA	Buildings	21.43	(-) 21.43
7	4700.05.800.PB	Dam and Appurtenant Works	1,297.74	(-) 1,297.74
8	4701.03.800.PB	Dam and Appurtenant Works	1,062.50	(-) 1,062.50
9	4702.00.101.AH	Paramikulam Aliyar Basin -Dam and Appurtenant Works- NABARD assistance	20.00	(-) 20.00
10	4702.00.101.PC	Paravanar Basin-Reservoirs	13.40	(-) 13.40
		Total	**13,584.12**	**(-) 13,584.12**

(Source: Appropriation Accounts)

3.6.2.4 Non-utilisation of funds provided under NABARD Schemes

Provision of ₹ 19.53 crore was made for the execution of Schemes under NABARD. However, an amount of ₹ 19.50 crore, was not utilised for the reasons mentioned as shown in **Table 3.26**.

Table 3.26: Non utilisation of funds provided under NABARD

(₹ in lakh)

Sl. No	Name of the scheme	Final Modified Appropriation (FMA)	Expen-diture	Savings	Reasons furnished for savings
1	4700-02-800-BB-41601-Desilting the VIDUR DAM	100.00	--	100.00	Tender to be called for
2	Improvements to the Nandan Channel from LS 12.40 Km to 37.88 Km in Gingee, Vikravandi and Viluppuram Taluks of Viluppuram District.	100.00	--	100.00	Tender to be called for
3	4700-02-800-41601-Diversion of surplus water of pennaiyar river	200.00	--	200.00	Tender to be called for
4	4700-02-800-CB-Diversion of flood water	500.00	--	500.00	Tender to be called for
5	4700-02-FB-Rehabilitation of Poovarasankuppam ANICUT	141.56	--	141.56	Agreement concluded. Work yet to start.

Sl. No	Name of the scheme	Final Modified Appropriation (FMA)	Expen-diture	Savings	Reasons furnished for savings
6	4700-03-AB-41601-Rebunding capacity Addition by deepening bund-maduranthakam	100.00	--	100.00	Tender to be called for
7	4700-03-800-FB-Construction of Anicut across Cheyyar River	100.00	--	100.00	Estimates pending for design
8	4702-00-101-41601-Construction of an Artificial Recharging Structure in Kiliyanur	150.00	3.40	146.60	Agreement concluded. Work just started.
9	2700-Major Irrigation - Preparation of DPR for study of Vaigai, pechipparai, MetturAmaravathy Reservoir	80.00	--	80.00	Bill not received from M/s WAPCOS
10	4700-02-800-41601-Construction of Artificial Recharge Structure in Thondaiyar River -Gingee Taluk	100.00	--	100.00	New work could not be taken up during the year.
11	4701-800-DA-41601(STP)-Short Term Plan for Restoration of Korattur Tank	282.00	--	282.00	Tender to be called for
12	4700-02-800-FA 41601-Restoration of Anicut	100.00	--	100.00	New work could not be taken up during the year.
	Total	**1,953.56**	**3.40**	**1,950.16**	

(Source: Surrender Statement furnished by the Department)

3.6.2.5 Unnecessary provision through re-appropriation

Though the expenditure was within the Original and Supplementary provision, unnecessary re-appropriation was made in respect of three Heads of Account to the tune of ₹ 57.07 crore as detailed in **Table 3.27**.

Table 3.27: Unnecessary provision through re-appropriation

(*₹ in lakh*)

Head of account and Nomenclature	Original provision	Supplementary provision	Total Provision	Re-Appropriation	Actual Expenditure
2215.01.101.AQ - Water Supply to Chennai City from Krishna River	630.52	0.01	630.53	60.24	412.48
2711.01.800.AC - Cauvery Delta System	88.56	11,657.87	11,746.43	5,602.81	0.00
4701.01.800.CB - Canals - NABARD Assistance	0.00	0.01	0.01	43.80	0.00
Total	**719.08**	**11,657.89**	**12,376.97**	**5,706.85**	**412.48**

(Source: Appropriation Accounts)

3.6.2.6 Consistent provision of funds in the budget and huge withdrawals through re-appropriation

Though, huge provisions were made in the original budget, during the past five years, under the Head of Account "2215.01.101.JN - Capital Grant to Andhra Pradesh for Krishna Water Supply Project", large sums were

withdrawn each year at the re-appropriation stage as shown below in **Table 3.28**

Table 3.28: Consistent withdrawal through re-appropriation

(*₹ in crore*)

Year	Provision	Re-appropriation	Actual Expenditure
2015-16	100	(-) 100	--
2016-17	100	(-) 50	50
2017-18	100	(-) 50	50
2018-19	100	(-) 75	25
2019-20	100	(-) 75	25
2020-21	100	(-) 50	50
Total	**600**	**(-) 400**	**200**

(Source: Appropriation Accounts)

The consistent surrender of funds each year has defeated the objective of the Scheme and indicates lack of budgetary control.

3.7 Conclusion and recommendations

Expenditure incurred without authority of law

In respect of 27 cases, a total expenditure of ₹ 5.03 crore was incurred without FMA. No provision was made either in the original or supplementary or at re-appropriation stage. In 14 cases, a total expenditure of ₹ 6.08 crore was incurred without appropriation by the Legislature either in the Original or Supplementary estimates.

Recommendation: *It should be ensured that expenditure should not be incurred without appropriation by the Legislature.*

(Paragraphs 3.3.1.1 and 3.3.1.2)

Unnecessary or excessive Supplementary grant/re-appropriations

Supplementary provisions of ₹ 50 lakh or more in each case aggregating ₹ 786.10 crore obtained in 34 cases, during the year 2020-21 proved unnecessary as the original provisions itself was not exhausted.

In respect of 49 Heads of Account, though an amount of ₹ 4,511 crore was available (Original and Supplementary), an additional amount of ₹ 375.44 crore was provided at re-appropriation stage which was unnecessary as the total expenditure in these cases were only ₹ 4,270.55 crore and well within the earlier provisions made.

In 24 cases, though the entire provision was fully withdrawn by re-appropriations, expenditure of ₹ 4.90 crore was incurred under the scheme, indicating injudicious re-appropriations.

In 20 cases across 12 Grants, an amount of ₹ 6,490.73 crore provided in original budget was fully withdrawn by re-appropriation during the year 2020-21. Withdrawal of the entire amount provided for not only indicates inaccurate budgeting, but also deprives the other departments of the funds required.

Recommendation: *Efforts should be made to avoid unnecessary supplementary provision/re-appropriations and the Controlling Officers are to*

be held responsible if supplementary appropriations in cases where recommended has been found unnecessary as per Rule 153(g) under Chapter IX of the Budget Manual.

(Paragraphs 3.3.4 & 3.3.5)

Unspent amount, surrendered appropriations and persistent savings

In 48 cases, there were savings of above ₹ 100 crore amounting to ₹ 43,564.29 crore across various grants.

Surrenders to the tune of ₹ 21,952.28 crore were made between 27 February 2021 and 08 March 2021 and ₹ 22,112.59 crore on 31 March 2021. Out of ₹ 22,112.59 crore surrendered on the last day (31 March 2021), 110 cases amounting to ₹ 21,908.89 crore were in excess of over ₹ 10 crore, indicating inadequate financial control.

Under 22 Grants/Appropriations there were persistent savings of more than five *per cent* of the total grant during the last five years. There was a persistent savings of more than 98 *per cent* during all the past five years in Grant 16 - Finance Department.

Recommendation: *An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the grant/appropriation are controlled and anticipated savings are identified and surrendered within the specified timeframe so that the funds can be utilised for other development purposes.*

(Paragraphs 3.3.6.1, 3.3.6.2 and 3.3.6.4)

Excess expenditure and its regularisation

During the year, excess disbursements over grants/appropriations were made for ₹ 20.87 crore. This expenditure needs to be regularised. Besides, excess expenditure of ₹ 3,599.67 crore relating to 2012-20 was yet to be regularised.

Recommendation: *Excess expenditure over grants approved by the legislature are in violation of the will of the Legislature. It, therefore, needs to be viewed seriously and regularised at the earliest and all the existing cases of excess expenditure need to be got regularised at the earliest.*

(Paragraphs 3.3.7.1 and 3.3.7.2)

Rush of expenditure

An amount of ₹ 4,135.82 crore under 72 sub-heads for which provision was made in the original grant and was available throughout the year was fully expended only during the month of March 2021 against the provisions of Article 39 of the Tamil Nadu Financial Code directing that rush of expenditure in the closing month of the financial year should be avoided.

Recommendation: *Expenditure at the fag end of the year to avoid lapsing of funds should clearly be avoided.*

(Paragraph 3.4.2)

CHAPTER – 4

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

CHAPTER 4

QUALITY OF ACCOUNTS & FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system and compliance with relevant rules and procedures contribute significantly to good governance. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational would assist the Government in meeting its basic stewardship responsibilities including strategic planning and decision-making.

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

4.1 Funds outside Consolidated Fund or Public Account of State

Article 266 (1) of the Constitution of India, provides that all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled the "Consolidated Fund of the State".

It has been observed in audit that funds meant to be credited to Consolidated Fund of the State has been kept outside as discussed below in paras 4.1.1 and 4.1.2.

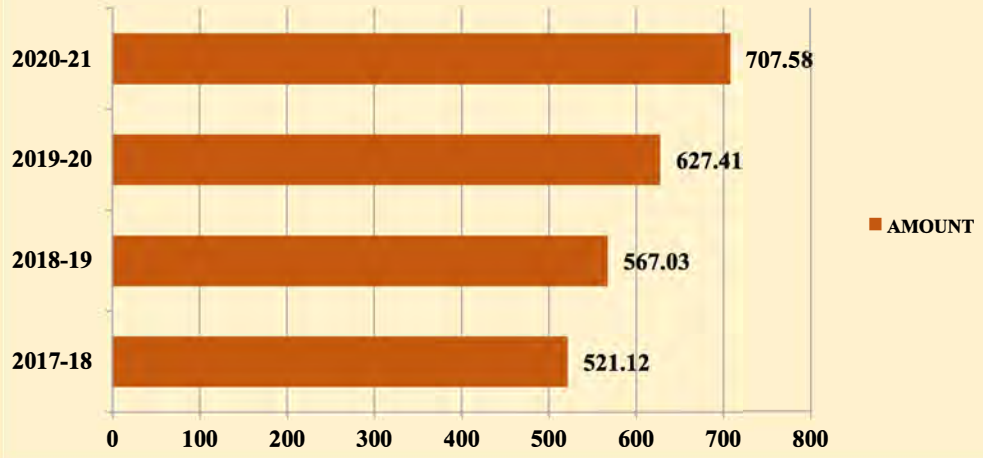
4.1.1 Building and Other Construction Workers' Welfare Cess

As per Section 3 (1) of the Building and Other Construction Workers' Welfare Cess Act, 1996, there shall be levied and collected a cess for the purposes of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, at such rate not exceeding two *per cent*, but not less than one *per cent* of the cost of construction incurred by an employer, as the Central Government may, by notification in the Official Gazette, from time to time specify. The proceeds of the cess collected shall be paid by the local authority or the State Government collecting the cess to the Board after deducting the cost of collection of such cess not exceeding one *per cent* of the amount collected.

It was however noticed that no directions have been issued by the Government for remitting the Labour Cess being collected by various authorities (local authorities like Corporations, Municipalities, Town Panchayats etc., State Government Administrations, firms, Companies, Corporations etc.) to be credited to the Consolidated Fund of the State. The amounts being collected are being directly credited to the bank account of the Board, by the authorities

collecting the cess. During the period 2017-18, 2018-19, 2019-20 and 2020-21 an amount of ₹ 521.12 crore, ₹ 567.03 crore, ₹ 627.41 crore and ₹ 707.58 crore respectively has been collected as per the annual accounts of TNCWWB. The collection of cess amount during the past four years are given below in **Chart 4.1** as bar chart.

Chart 4.1 : Collection of cess amount during the past four years (₹ in crore)



(*Source: Notes to Accounts*)

Transferring the labour cess directly to the bank account of the Board without bringing it into the Consolidated Fund of the State violates Article 266 (1) of the Constitution of India. Consequently, it is not ascertainable as to how much money was collected by the various authorities (local authorities like Corporations, Municipalities, Town Panchayats etc., State Government Administrations, firms, Companies, Corporations etc.) and how much money was actually transferred to the Board, in the absence of a specific Accounting Head for routing it through the Consolidated Fund of the State.

4.1.2 Tax on electricity (e-tax) kept outside consolidated fund of the state

Under the Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003, the electricity tax is charged on consumption or sale of electricity in the state of Tamil Nadu. The tax is levied on the last supply of electricity to the consumer and the liability arises when the electricity is supplied. The supplier is responsible for payment of the tax and for all returns.

An amount of ₹ 3,651.70 crore was collected for the years 2018-19 to 2020-21 as e-tax, out of which ₹ 1,112.30 crore collected during 2018-19 has been credited into the Government Account and the balance amount of ₹ 2,539.40 crore is yet to be transferred into the consolidated fund, the details of which are listed in **Table 4.1**

Table 4.1: Details of collection of e-tax and remittance into Government Account

(*₹ in crore*)

Year	Amount collected	Amount deposited into Government account	Amount yet to be credited
2018-19	1,283.51	1,112.30	171.21
2019-20	1,266.10	--	1,266.10
2020-21	1,102.09	--	1,102.09
Total	**3,651.70**	**1,112.30**	**2,539.40**

(*Source: Details furnished by O/o AG (Audit-II)*)

In the Exit Conference, Government stated that TNEB would be insisted to remit the e-tax collection into Government account without delay.

4.2 Off budget borrowings

The broader definition of total outstanding debt / liabilities include off-budget borrowings i.e., the borrowings by State Public Sector for which the principal and / or interest are serviced out of State budgets. However, as per TNFR Act, 2003 (amended from time to time and last amended in 2020), the total liabilities are defined as "the liabilities under the Consolidated Fund of the State and the Public Account of the State".

However, the borrowings made by the Corporations / Agencies for implementing various State Plan Programmes, for which the State Government has undertaken to repay the principal and interest are not captured in the Finance Accounts of the State. These borrowings add to the liabilities of the State indirectly.

During the year, an amount of ₹ 14,734.92 crore was borrowed by (i) Tamil Nadu Generation and Distribution Corporation (₹ 14,700.49 crore) and (ii) Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited (₹ 34.43 crore) for which repayment of principal and interest would be made through the budget in future. These off-Budget Borrowings did not form part of the outstanding debt liability of the Government reflected in the Finance Accounts.

4.3 Non-discharge of liability in respect of interest towards interest bearing deposits

The Government has a liability to provide and pay interest on the amounts in Interest-bearing Deposits under the Major Head (MH) 2049-60-101 (Interest on deposits) for discharging the liabilities under MH 8338 (Deposit of Local Funds) and MH 8342 (Other deposits).

During the year 2020-21, the interest payments made in the MH 2049-60-101 (Interest on deposits) for discharging the liabilities under MH 8338 and 8342 as per the Finance Accounts was ₹ 126.86 crore which worked out to 0.25 *per cent* of the deposits available under MH 8338 and MH 8342 (₹ 49,814.35 crore). Further, provisions made to the tune of ₹53.05 crore under the Heads of Account '2049-60-101' was entirely withdrawn by re-appropriation during

the year, thereby deferring the discharge of interest liabilities towards these deposits (details in **Appendix 3.6)**

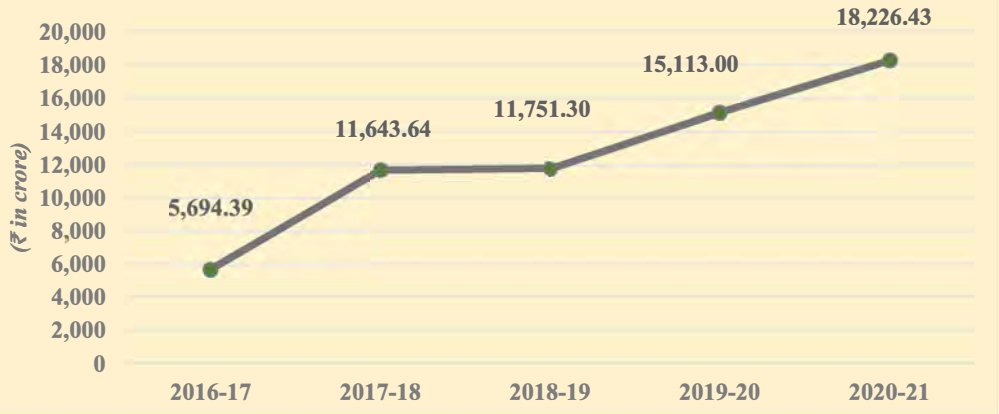
4.4 Funds transferred directly to State Implementing Agencies

Government of India (GoI) transfers substantial funds directly to State Implementing Agencies (SIAs) for implementation of various schemes and Programmes. The details of Funds transferred by Government of India directly to SIAs as per the Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA) is listed in Appendix VI of Volume-II of the Finance Accounts. Since these funds are not routed through the State Budget/State Treasury System, Finance Accounts do not capture the flow of these funds or the related expenditure.

During the year 2020-21, GoI transferred ₹ 18,226.43 crore directly to the SIAs implementing various Central Schemes / programmes.

The direct transfer of funds to implementing agencies has shown an increasing trend during the period 2016-21as given in **Chart 4.2**.

Chart 4.2: Direct transfer to implementing Agencies



(*Source: Finance Accounts*)

The details of agencies that received funds of more than ₹ 100 crore during the year 2020-21 are detailed in **Table 4.2**.

Table 4.2: List of Agencies which received funds of more than ₹ 100 crore directly from GoI

Sl. No	Schemes of Government of India	Implementing Agency	Amount released by GoI during 2020-21 (₹*in crore*)
1	Food subsidy for decentralised procurement of food grains under NFSA	Tamil Nadu Civil Supplies Corporation Limited (TNCSCL)	3,109.76
2	Payment for indigenous urea	Madras Fertilizers Limited (MFL) and SPIC	2,832.32
3	Pradhan Manthri Kissan Samman Nidhi	Department of Agriculture	2,604.33
4	Payment for Indigenous P and K Fertilizers	Various fertilisers Limited Companies	723.40
5	Scheme for Assistance to Sugar Mills for 2019-20 Season	Various Sugar mills	176.51
6	National AIDS and STD Control Programme	Tamil Nadu State AIDS Control Society (TNSACSPF)	112.51
7	Scheme for Assistance to Sugar Mills for 2018-19 Season	Various Sugar mills	109.05

(*Source: Finance Accounts*)

Further, as per GoI decision (08 July 2015), all assistance to Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) under various schemes would be released to the State Government and not directly to the Implementing Agencies[1] and hence, these funds would be routed through the State budget from the year 2015-16 onwards. However, in Tamil Nadu, the funds under Mahatma Gandhi National Rural Guarantee Programme, which is a Centrally Sponsored Scheme, was released directly to SIAs without routing it through the State budget since 2015-16.

4.5 Delay in furnishing of Utilisation Certificates

As per the instructions given in Chapter 16 of Manual Standing Orders (Accounts and Entitlements), Utilisation Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the authority that sanctioned it, by the end of June for the grant received upto March of the previous financial year.

It was however noticed that 32 UCs for ₹ 173.89 crore were outstanding as per the Finance Accounts 2020-21.The Department wise break-up of outstanding UCs is given in **Appendix 4.1** and the year-wise analysis of delays in submission of UCs is summarised in **Table 4.3.**

Table 4.3: Year wise break up of outstanding UCs

Year	No of UCs	Amount (₹ *in crore*)	Defaulting Departments
Upto 2018-19	5	38.34	*Directorate of Town and Country Planning (1 no. - ₹ 21.00 crore)* *Commissionerate of Industries and Commerce (2 nos. - ₹ 7.41 crore)* *Directorate of Rural Development and Panchayati Raj (1 no. - ₹ 9.56 crore)* *Directorate of Agriculture (1 no. - ₹ 0.37 crore)*
2019-20	10	97.11	*Directorate of Town and Country Planning (1 no. - ₹ 38.29 crore)* *Commissionerate of Municipal Administration (1 no. - ₹ 21.21 crore)* *Directorate of Employment and Training (3 nos.- ₹ 20.00 crore)* *Commissionerate of Industries and Commerce (1 no. - ₹ 1.35 crore)* *Directorate of Medical Education (1 no. - ₹ 6.24 crore)* *Universities (1 no. - ₹ 6.03 crore)* *Tamil Nadu Physical Education and Sports University (1 no. - ₹ 1.32 crore)* *Directorate of Agriculture (1 no. - ₹ 2.67 crore)*
2020-21	17	38.44	*Commissionerate of Industries and Commerce (3 nos. - ₹ 10.56 crore)* *Directorate of Rural Development and Panchayati Raj (2 nos. - ₹ 7.50 crore)* *Sports Development Authority of Tamil Nadu (5 nos. - ₹ 8.19 crore)* *Chennai Metropolitan Water Supply and Sewerage Board (1 no. - ₹ 6.27 crore)* *Tamil Nadu Physical Education and Sports University (3 nos. - ₹ 3.24 crore)* *Directorate of Agriculture (1 no. - ₹ 0.07 crore)* *Directorate of Town Panchayat (1 no. - ₹ 2.56 crore)* *Directorate of Fisheries (1 no. - ₹ 0.05 crore)*
Total	**32**	**173.89**	

(*Source: NTA of Finance Accounts*)

[1] State Implementing Agency includes any organisation/institution including non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State.

Non submission of UCs indicates the failure of the departmental officers to comply with the rules to ensure accountability. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure.

4.5.1 Recording of Grantee Institution as "Others"

The State Government sanctions Grants-in-Aid (GIA) to various bodies and authorities. It is essential that the Government provides the details and nature of the Grantee Institution to which it is providing funds in the interest of transparency of accounts.

As per Finance Accounts 2020-21 of GoTN, GIA constituted 28.86 *per cent* of the total expenditure of the State and during the year, out of the total GIA of ₹ 70,678 crore, an amount of ₹57,883 crore (81.89 *per cent*) was disbursed to grantee institutions of type 'Others', where 'Others' means various Government Departments excluding the GIA given to 'Local Bodies'.

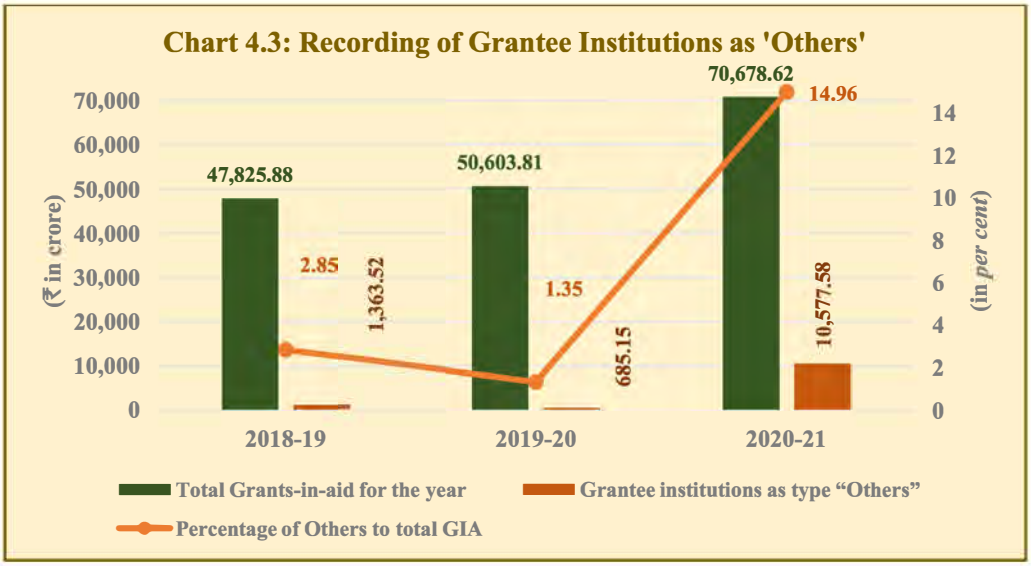
Out of the total GIA of ₹ 70,678.62 crore during 2020-21, ₹ 10,577.58 crore (14.96 *per cent*) was shown as disbursed to Grantee Institutions of type "Others" (detailed head code – 090, sub-detailed head code - 009). Further scrutiny revealed that GIA of an amount of ₹ 9,967.60 crore provided for COVID-19 relief for was also classified under "Others". This adversely affects the transparency of accounts and monitoring of UCs against these GIA. The trend of percentage of GIA from the year 2018-19 to 2020-21 under type "Others" to total GIA for the last three years is shown in **Table 4.4** and **Chart 4.3**

Table 4.4: Grants in Aid disbursed to Institutions of type "Others" during 2018-21

(*₹ in crore*)

Sl. No	Particulars	2018-19	2019-20	2020-21
1	Total Grants-in-aid for the year	47,825.88	50,603.81	70,678.62
2	Grantee institutions as type "Others" [Detailed Head – 090] as per Statement 10 of Finance Accounts (FA)	35,933.85	38,401.04	57,883.95
3	Grantee institutions as type "Others" – Sub - Detailed head – 09	13,63.52	685.15	10,577.58
4	Percentage of Others (Sub Detailed head – 09) to total GIA	*2.85*	*1.35*	*14.96*

(*Source: Finance Accounts*)



(*Source: Finance Accounts*)

4.6 Non-Adjustment of Temporary Advances

The Government of Tamil Nadu does not follow the system of drawal of Abstract Contingent (AC) bills followed by submission of Detailed Contingent (DC) bills, as is the practice in other States. Instead, the Drawing and Disbursing Officers (DDOs) have been empowered to draw Temporary Advances (TAs) under Article 99 of Tamil Nadu Financial Code and the advances should be adjusted by presenting detailed bills and vouchers as soon as possible.

It was noticed that there were 2,076 number of temporary advances amounting to ₹612.26 crore drawn by various Drawing and Disbursing Officers (DDOs) under Article 99 of Tamil Nadu Financial Code, Vol. I, which remained unadjusted as on 31 March 2021. The unadjusted amount includes those with a period of pendency for over 10 years. Out of the 2,076 temporary advances pending settlement amounting to ₹ 612.26 crore, 579 items amounting to ₹ 293.52 crore relate to advances remaining unsettled for more than one year.

These advances were to be settled within the stipulated period of 3 months from the date of drawal of advances. Out of the total outstanding Temporary Advances amounting to ₹ 612.26 crore, the major departments which have not submitted settlement bills were Social Welfare and Nutrition Department (48.62 *per cent*) and Social Welfare Department (14.57 *per cent*).

The issue of non-adjustment of temporary advance has been raised in the State Finance Audit Report regularly. However, the issue has not been addressed as number of temporary advances pending for adjustment increased from 1,752 to 2,076 and the unadjusted amount increased from ₹ 367.41 crore to ₹ 612.26 crore during 2020-21.

Age-wise analysis of the advances pending adjustment is given in **Table 4.5.**

Table 4.5: Age-wise analysis of advances pending

Sl. No	Pendency	Number of Advances	Amount (₹*in crore*)
1	More than 10 years	4	0.99
2	More than 5 years and less than 10 years	12	52.67
3	More than 1 year but less than 5 years	563	239.86
4	Less than one year	1497	318.74
Total		**2076**	**612.26**

(*Source: NTA of Finance Accounts*)

The pendency, involving substantial amounts, indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances. In these cases, there is no assurance that the expenditure has actually been incurred before the close of the respective financial years. Advances drawn and not accounted for increased the possibility of wastage /misappropriation /malfeasance, etc., of public money and unhealthy practices.

4.7 Personal Deposit Accounts

As per the provisions contained under Article 269 of Tamil Nadu Financial Code Volume - I, the Government is authorized to open Personal Deposit (PD) Accounts where money is deposited to be utilized for specific purposes. These PD Accounts are managed by designated Administrators on the basis of sanctions received from the State Government, the Accountant General (A&E) issues permissions for transfer of funds from the Consolidated Fund to the concerned PD Account under Part III – Public Account which is required to be closed at the end of the year.

These transfers are booked as receipts under the Head 8443-00-106-AA and as final expenditure under the concerned service Major Heads relating to PD Accounts permitted to be opened by Accountant General (A&E) during the year.

As of March 2020, 34 accounts amounting to ₹1,193.11 crore under the Major Head 8443 Civil Deposits, Minor Head 106 – AA – Personal Deposits were not closed. During 2020-21, an amount of ₹ 3,290.24 crore (79 accounts) was transferred to PD accounts out of the Consolidated Fund of the State. Out of the total 113 accounts (including the 34 accounts not closed during the previous year), 45 PD accounts amounting to ₹ 3,330.05 crore (including 34 accounts pertaining to the previous year) was closed, leaving a balance of ₹ 1,153.30 crore in 68 accounts as on 31 March 2021.

Though, there were no inoperative PD accounts during the year, non-closure of PD Accounts created by debiting service head led to depiction of inflated expenditure under the related service head. In the Exit Conference, Government stated that this issue would be looked into and monitored.

4.8 Indiscriminate use of Minor head '800'

Minor Head - 800 Other Expenditure / Other Receipts are intended to be operated only when appropriate heads have not been provided in the accounts. Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

During 2020-21, an expenditure amounting to ₹ 39,664.82 crore (14.72 *per cent* of the total expenditure of ₹ 2,69,469.83 crore) under the Revenue and Capital sections was classified under the minor head '800 - Other Expenditure'. Similarly, Revenue receipts aggregating ₹ 5,292.63 crore (3.04 *per cent* of the total Revenue receipt of ₹ 1,74,076.30 crore) were classified under minor head '800 - Other Receipts'.

Under Major head 4700-Capital Outlay on Major irrigation, an amount of ₹ 3,404.83 crore was booked under Minor head 800 as against a total expenditure of ₹ 3,405.42 crore (99.98%), in Major head 4217 – Capital Outlay on Urban Development, an amount of ₹ 4,444.33 crore was booked under Minor head 800 as against a total expenditure of ₹ 4,456.49 crore (99.73%) and in Major head 2245 - Relief of Natural Calamities, an amount of ₹ 10,152.21 crore was booked under Minor head 800 as against a total expenditure of ₹ 12,021.70 crore (84.45%).

Instances where 50 *per cent* or more and significant amount of receipts/expenditure booked under minor head '800' are detailed in **Appendices 4.2 and 4.3.**

Classification of such large amounts under the omnibus minor head '800 - Other Expenditure/Receipts' reflects lack of transparency in financial reporting.

4.9 Outstanding balances under Suspense and DDR heads

Annexure to Statement 21 of the Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, etc.

The head "8658-101-PAO-Suspense" is intended for settlement of transactions between the Accountant General and the various separate Pay and Accounts Officers (PAO). The transactions initially recorded under this head in the books of the AG are cleared on receipt of the Cheques/Demand Drafts from the Pay and Account Officers and on the issue of Cheque/Demand Draft in respect of amounts received in the State Treasuries on behalf of the Pay and Account Officers. Outstanding debit balance under this head would mean that payments have been made by the AG on behalf of a PAO, which were yet to be paid. The net debit balance under this head increased from ₹ 185.69 crore

in 2019-20 to ₹ 203.14 crore in 2020-21. The net debit balance had increased significantly by ₹ 18.11 crore under Central Pension Accounting Office. As the amount expended to the extent of ₹ 224.01 crore (Dr) has not been reimbursed to the State funds, the cash balance outstanding as on 31 March 2021 showed a decreased balance.

4.10 Non-reconciliation of Departmental figures

Controlling Officers of the Departments have to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts. As per Rules 124 and 127 of the Tamil Nadu Budget Manual, departmental accounts maintained by the Chief Controlling Officers (CCOs) and the progressive actuals, month by month are required to be reconciled with those entered in the books of the AG (A&E). As per Rule 128 of the Tamil Nadu Budget Manual, the CCO is required to send a reconciliation certificate to the AG(A&E) after necessary adjustments are made either in the accounts of the CCO or in the books of the AG(A&E).

It was however noticed that for the year 2020-21, out of 151/211 CCOs for receipts/expenditure in the State, only 103/165 CCOs had fully reconciled the figures respectively. A further trend analysis for the past three years revealed that the percentage of non-reconciliation has been on the increasing trend as detailed in **Table 4.6** below:

Table 4.6: Status of Non-Reconciliation of Receipts and Expenditure figures by CCOs

Year	Total No. of Controlling Officers	CCOs fully reconciled	CCOs not fully reconciled	% of Non-reconciliation
Receipts				
2016-17	151	65	86	56.95
2017-18	160	74	86	53.75
2018-19	153	78	75	49.02
2019-20	156	62	94	60.26
2020-21	151	103	48	31.79
Expenditure				
2016-17	210	100	110	52.38
2017-18	212	129	83	39.15
2018-19	214	134	80	37.38
2019-20	210	99	111	52.86
2020-21	211	165	46	21.80

(*Source: Data compiled by the Accountant General (A&E), Tamil Nadu*)

Further, due to the process of restructuring of loans during 2018-19, a number of adverse balances were created. As the awareness on restructuring of loan 2018-19 has reached the loanee entities only during 2020-21, the repayment of principal and payment of interest had been recorded under the old loan heads which, in turn, projected excess receipts under old heads and non-receipts under new heads. Hence, the details on arrears on repayment of principal and interest is yet to be reconciled.

Failure to exercise/adhere to the codal provisions and executive instructions in non-reconciliation not only results in misclassification and incorrect booking

of receipts and expenditure in the accounts, but also defeats the very objective of budgetary process.

4.11 Reconciliation of Cash balances

In terms of provisions of Section 20, 21 and 21 A of the Reserve Bank of India (RBI) Act, 1934, the RBI acts as a banker to both the Central and State Governments. The transactions on behalf of State Government are carried out at offices of RBI and its agency banks authorised to conduct Government Business on its behalf.

While the principal government deposit accounts of the State Governments are maintained at the Central Accounts Section (CAS) of RBI at Nagpur, the regional offices of RBI account for the State Government transactions reported by agency banks through link offices and report to CAS, Nagpur.

As per the Memorandum of Instructions (MoI) of the RBI on the Accounting and Reconciliation of the State Government transactions, the agency branch have to send the Receipt /Payments scrolls on a daily basis in the prescribed form to the concerned sub-treasury / treasury without delays. Also, the consolidated monthly statement of the agency banks prepared by the link banks are to be sent to the RBI which in turn should forward the monthly consolidated statement to the Accountant General.

In view of the above system in place, there should generally not be any difference between cash balance position as per the books of the Accountant General and CAS figures. Even if differences occur in the month wise balance, there should not be any difference between cash balance position at the closing of Annual accounts by April 25 of every year.

However, there was a sizeable net difference (₹ 472.94 crore) in the closing balance for the year 2020-21 between the cash balance as per books of accounts of the Accountant General and the cash balance as reported by the RBI. The details of differences in the Cash balance is given in **Table 4.7**.

Table 4.7: Differences in cash balances

Period	Debit difference		Credit difference	
	No. of items	₹ in Crore	No. of items	₹ in Crore
Upto 2015-16	566	1,270.54	685	1,273.04
2016-17	206	3,302.10	302	3,565.85
2017-18	224	507.39	241	342.66
2018-19	139	518.20	216	939.43
2019-20	115	294.04	188	891.68
2020-21	193	2,649.21	241	2,001.75
Total	**1,443**	**8,541.48**	**1,873**	**9,014.41**

(*Source: Notes to Accounts of respective years*)

Analysis of such occurrences for the last five years revealed that the differences in cash balances were on an increasing trend from 2017-18 to 2019-20 but has decreased during 2020-21 as shown in **Table 4.8** below.

Table 4.8: Trend of differences in cash balances

(₹ in crore)

Year	Cash balances as per books of AG (A&E)	Cash balances as reported by RBI	Difference
2016-17	305.55 (Cr.)	89.53 (Cr.)	395.08 (Cr.)
2017-18	81.18 (Cr.)	8.12 (Cr.)	89.30 (Cr.)
2018-19	459.88 (Cr.)	37.49 (Cr.)	497.37(Cr.)
2019-20	923.33 (Dr.)	2,067.49 (Cr.)	1,144.16 (Cr.)
2020-21	467.24 (Cr.)	5.70 (Cr.)	472.94 (Cr.)

(*Source: Statement 2 of Finance Accounts of the respective years*)

The difference is mainly due to non-reporting of receipts by the Banks to the Treasuries.

4.12 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. The Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). The extent of non-compliance with the standards by the Government of Tamil Nadu in its financial statements for the year 2020-21 is given in **Table 4.9.**

Table 4.9: Compliance with Accounting Standards

Sl. No	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1	IGAS-1: Guarantees given by the Government – Disclosure requirements	This standard requires the Government to disclose the amount of guarantees (class and sector-wise) given during the year in its financial statements.	Complied	--
2	IGAS-2: Accounting and Classification of Grants-in- Aid	Grants-in-Aid are to be classified as, revenue expenditure in the accounts, even if it involves creation of assets. Grant in aid given in kind is required to be disclosed.	Complied	--
3	IGAS-3: Loans and Advances made by Government	Disclosures on loans and advances made by the Government.	Partly complied. The GoTN has restructured old loans given by the Government during 2018-19. Though the Statement 7 & 18 of the Finance accounts on Loans and Advances given by the state Government have been prepared as per prescribed format of IGAS-3, the reconciliation of figures booked under the loan heads was not completed during 2020-21, subsequent to the restructuring of loans and advances given by the Government during the year 2018-19. Hence, details relating to the repayment of arrears of loan entities could not be included.	Disclosure requirements of Loans and Advances not met by the State Government

(*Source: NTA – Finance Accounts*)

4.13 Non-Submission of Accounts/Separate Audit Reports of Autonomous Bodies - Non entrustment of audit despite request

As per Section 19(3) of the CAG's DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a corporation established by law made by the legislature of the State or of the Union Territory, as the case may be, and where such request has been made, the CAG shall audit the accounts of such corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

Apart from Section 19, where the audit of the accounts of any 'body' or 'authority' has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority (Section 20).

Audit certificate is issued in case of above mentioned autonomous bodies and authorities provided CAG is the sole auditor. Thus, these bodies and authorities are required to prepare annual accounts and submit to AG (Audit) for audit. Apart from Audit certificate, on the completion of financial audit, the audit office issues separate audit report (SAR) that is part of the audit certificate on the accounts. These SARs are to be placed before the State legislature.

1) Certification/Compliance Audit of the Commissions of Protection of Child Rights was taken up by the field office (October – November 2020) based on the instructions received from Headquarters (April 2019). However, the Commission has failed to prepare the annual accounts in the mandated format from 2013 onwards. Thus, due to the non-compilation of annual accounts as prescribed by the C&AG, certification audit of annual accounts could not be carried out.

2) Scrutiny of records revealed that Jeevan Blood Bank and Research Centre (JBBRS) was granted ₹ 9 crore to collect, process, test type and to store 3000 cord blood donations over the period of three years to cure thalassemia and blood cancer disease patients in Tamil Nadu. The Secretary to Government, Finance Department has stated (July 2013) the JBBRS shall be open to Audit. The JBBRS is registered under "Public Charitable Trust", which is a private body not within the sole audit jurisdiction of C&AG.

   As per section 20(1) of the DPC Act, 1971 envisages that that President or the Governor of a State/administrator of a UT having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such bodies or authority on such terms and conditions as

may be agreed upon between him and concerned Government and shall have, for the purpose of such audit, right of access to the books and accounts of that body.

Based on the above the Secretary to Government was requested (March 2017) to facilitate the Audit. Despite requests from Audit, the Audit could not be taken up since the approval of the Governor has not yet been received.

4.14 Non-submission of details of grants/loans given to bodies and authorities - delay in submission of accounts

Section 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act) envisages audit of accounts of institutions receiving Government grants, subject to conditions stipulated based on the quantum of the grants received, etc. In order to identify the institutions which attract audit under the DPC Act, every year, the heads of department were required to furnish to Audit the information about the financial assistance given to various institutions, the purposes for which the assistance was granted and the total expenditure of these institutions/bodies.

The Annual Accounts of 198 institutions/bodies due upto 2020-21 were not received (August 2021) by Audit from the heads of department who released the financial assistance to them. The details are given in **Appendix 4.4** and their age-wise pendency is presented in **Table 4.10.**

Table 4.10: Age-wise analysis of arrears of Accounts of bodies/authorities

Sl. No.	Delay in number of years	No. of Institutions
1	Upto one year	13
2	More than one year and upto three years	68
3	More than three years and upto five years	55
4	Five years and above	62
	Total	**198**

(*Source: Data compiled from information furnished by Heads of Department*)

The major defaulters were educational institutions receiving Government grants for salaries, maintenance, etc. The delay in finalisation of accounts would hamper Audit in providing an assurance to the legislature that the grants were being utilised for the intended objective. In the Exit Conference, Government stated that instruction would be issued to the HoDs concerned to direct the institutions to submit their accounts within a fixed time limit for release of further grant.

4.15 Departmental Commercial Undertakings/Corporations/ Companies

According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may

be after such preparation, the Annual Report should be laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG.

Owing to the pandemic situation, the Registrar of Companies, Tamil Nadu, based on various representations received from the Companies/Industry bodies / Professional Institutes, pointing out that companies are finding it difficult to hold their AGM for the financial year ended on 31.03.2021 due to the difficulties faced in view of the Covid-19 Pandemic, has extended the timeline to hold the AGM by a period of two months from the due date (six months from the date of closing of the financial year) by which the AGM ought to have been held.

Due the delay in finalisation of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature.

4.16 Misappropriation, Losses and Thefts

Article 294 of the Tamil Nadu Financial Code stipulates 'that heads of office' should report all cases of defalcations or loss of public moneys, stores or other movable or immovable properties to the AG (A&E). Further, the Financial Code prescribes the principles and procedures to be followed for enforcing responsibility for losses and disposal of such cases.

As of 31 March 2021, 334 cases of misappropriation, shortages and theft involving a total amount of ₹ 14.65 crore, were pending disposal. The department-wise break-up of these are detailed in **Appendix 4.5**. The age-profile of the pending cases and the reasons for pendency are summarised in **Tables 4.11 and 4.12**.

Table 4.11: Age Profile and nature of cases

Range in years	Number of cases	Amount involved (₹*in lakh*)
0 - 5	5	201.36
6-10	6	46.37
11-15	29	389.05
16 - 20	33	269.36
21 and above	261	559.23
Total	**334**	**1,465.37**

(*Source: Information furnished by Heads of Department*)

Table 4.12: Reasons for pendency of the cases

Reasons for the pendency	Number of cases	Amount (₹ *in crore*)
Awaiting departmental and criminal investigation	156	6.63
Departmental action initiated but not finalised	113	4.67
Criminal proceedings finalised but recovery of the amount still pending	12	0.82
Awaiting orders for recovery or write off	36	0.69
Pending in Courts of law	17	1.83
Total	**334**	**14.65**

(*Source: Information received from Heads of Department*)

4.17 Follow up on State Finance Audit Report

The Public Accounts Committee had 12 sittings on SFAR from 2013-14 to 2020-21. As of August 2021, out of 168 paragraphs/reviews selected for discussion for the period 2008-09 to 2018-19 on the State Finance Audit Report of Tamil Nadu, 17 paragraphs/reviews have been discussed and 151 paragraphs/reviews are pending discussion.

4.18 Conclusion and recommendations

Transferring the labour cess directly to the bank account without bringing it into the Consolidated Fund of the State under the appropriate Head of Account violates Article 266 (1) of the Constitution of India. Consequently, it is not ascertainable as to how much money was collected by the Cess Assessment Officers in the absence of specific Accounting Head and how much money was transferred to the Board.

Recommendation: *The Government should issue directions for remitting the cess being collected into the Consolidated Fund of the State before routing it to the Board.*

(Paragraph 4.1.1)

Non submission of UCs (₹ 173.89 crore) indicates the failure of the departmental officers to comply with the rules to ensure accountability besides defeating the intended objective of providing these Grants. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure.

Recommendation: *The Finance Department should ensure that the administrative departments releasing grants collect UCs as per the time limits stipulated in the grant orders and to not release further grants to defaulting grantees.*

(Paragraph 4.5)

The non-adjustment of Temporary Advances involving substantial amounts (₹ 612.26 crore drawn and pending over a period of years) indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances.

Recommendation: *The Finance Department should ensure that all controlling officers adjust the temporary advances drawn in a time bound manner and the adjustment bills should not be kept pending beyond the prescribed period.*

(Paragraph 4.6)

(R. AMBALAVANAN)
Principal Accountant General
(Audit-I), Tamil Nadu

Chennai
The 24 March 2022

Countersigned

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi
The 28 March 2022

APPENDICES

Appendix 1.1
(Reference: Paragraph 1.1)

State Profile

A. General Data			
Sl. No.	**Particulars**		**Figures**
1	Area		1,30,058 sq.km.
2	Population		
	(a) As per 2011 Census		7.21 crore
	(b) in 2021		7.65 crore
3	(a) Density of Population (as per 2001 Census) (All India Density = 325 persons per sq.km)		480 persons per sq.km.
	(b) Density of Population (as per 2011 Census) (All India Density = 382 persons per sq.km)		555 persons per sq.km.
4	Population below poverty line* (BPL) (All India Average = 21.92 *per cent*)		11.28 *per cent*
5	Literacy** (as per 2011 Census) (All India Average = 73.00 *per cent*)		80.10 *per cent*
6	Infant mortality*** (per 1,000 live births) (All India Average (2019) = 30 per 1,000 live births)		15
7	Life Expectancy at birth**** (All India Average (2014-18) =69.40 years)		72.10
8	Gross State Domestic Product (GSDP) 2020-21 at current prices		₹ 19,02,689 crore
	Per capita GSDP CAGR (2011-12 to 2020-21)	Tamil Nadu	10.20 *per cent*
9	GSDP CAGR* (2011-12 to 2019-20)	Tamil Nadu	10.87 *per cent*
10	Population and Decadal Growth (2011 to 2021*****)	Tamil Nadu	5.66 *per cent*

B. Financial Data					
	Particulars				
	CAGR@	**2015-16 to 2018-19**		**2019-20 to 2020-21**	
		States other than North Eastern and Himalayan States	**Tamil Nadu**	**States other than North Eastern and Himalayan States**	**Tamil Nadu**
		(In *per cent*)			
a	of Revenue Receipts	11.85	10.43	-4.56	-0.26
b	of Own Tax Revenue	11.04	9.45	-4.43	-1.21
c	of Non Tax Revenue	10.88	16.77	-35.60	-19.13
d	of Total Expenditure	10.54	11.99	4.54	13.83
e	of Capital Expenditure	3.45	13.02	-2.36	29.01
f	of Revenue Expenditure on Education	8.91	9.66	-1.19	-0.27
g	of Revenue Expenditure on Health	13.51	14.83	14.51	29.14
h	of Revenue Expenditure on Salaries and Wages	10.33	12.27	2.27	-0.24
i	of Revenue Expenditure on Pension	15.32	17.54	6.02	-8.30

* Ministry of Statistics and Programme Implementation (MoSPI)
** Census 2011
*** SRS Bulletin 2019 (October 2021)
**** SRS based Abridged Life Tables 2014-18, Registrar General of India (September 2020)
***** Report of the Technical Group on Population Projections for India and States (2011-2036), Registrar General of India.
@ Compound Annual Growth Rate
(Source: Financial data is based on Finance Accounts of State Government)

Appendix 1.2
(Reference: Paragraph 1.4)

Part A: Structure and Form of Government Accounts	
Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.	
Part I:	**Consolidated Fund:** All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances forms the Consolidated Fund of the State.
Part II:	**Contingency Fund:** Legislature may by law establish a Contingency Fund which is in the nature of an imprest. The Fund is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the functional major head concerned in the Consolidated Fund of the State.
Part III:	**Public Account:** All other public moneys received by or on behalf of the Government are credited to the Public Account. The expenditure out of this account is not subject to the vote of the Legislature. In respect of the receipts into this account, Government acts as a banker or trustee. Transactions relating to Debt (other than Public Debt in Part I), Deposits, Advances, Reserve Funds, Remittances and Suspense form the Public Account.

Part B: Layout of Finance Accounts

Statement	Title	Layout
	Volume I	
Statement No.1	Statement of Financial Position	Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are valued at historical cost. The assets comprise Financial Assets and Physical Assets. The latter are shown against "(i) Capital Expenditure and (ii) Other Capital Expenditure" in this Statement.
Statement No.2	Statement of Receipts and Disbursements	This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, the Consolidated Fund, Contingency Fund and Public Account. Further, within the Consolidated Fund, receipts and expenditure on revenue and capital account are depicted distinctly.
Statement No.3	Statement of Receipts (Consolidated Fund)	This Statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
Statement No.4	Statement of Expenditure (Consolidated Fund)	This Statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).
Statement No. 5	Statement of Progressive Capital Expenditure	This Statement details progressive capital expenditure by functions, the aggregate of which is depicted in Statement 1.
Statement No.6	Statement of Borrowings and other Liabilities	Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the Government of India. Both these together form the public debt of the State Government. In addition, this summary statement depicts 'other liabilities' which are the balances under various sectors in the Public Account. In respect of the latter, the Government acts as a trustee or custodian of the funds, hence, these constitute liabilities of the Government. The Statement also contains an Explanatory Note, i.e. a note on the quantum of net interest charges met from Revenue Receipts.
Statement No.7	Statement of Loans and Advances given by the Government	The loans and advances given by the State Government are depicted in Statement 1 and recoveries, disbursements feature in Statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, details of which are maintained by the State Government departments.

Statement	Title	Layout
Statement No.8	Statement of Investments of the Government	The summarised position of Government investment in the share capital of different concerns is depicted in this statement for the current and previous year.
Statement No.9	Statement of Guarantees given by the Government	Sector wise summarised statement of Guarantees given by the State Government for repayment of Principal and interest on loans raised during the year and sums guaranteed outstanding as at the end of the year are presented in this Statement.
Statement No.10	Statement of Grants-in-aid given by the Government	This Statement has been presented grantee institutions group wise. It includes a note on grants given in kind also.
Statement No.11	Statement of Voted and Charged Expenditure	This Statement presents details of voted and charged expenditure of the Government.
Statement No.12	Statement on Sources and Application of funds for expenditure other than on Revenue Account	The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this Statement.
Statement No.13	Summary of balances under Consolidated Fund, Contingency Fund and Public Account	This statement assists in providing the accuracy of the accounts.
	Volume II	
Statement No.14	Detailed Statement of Revenue and Capital Receipts by minor heads	This Statement presents the revenue and capital receipts of the Government in detail.
Statement No.15	Detailed Statement of Revenue Expenditure by minor heads	This Statement presents the details of revenue expenditure of the Government in detail. A comparison with the figures for the previous year is available.
Statement No.16	Detailed Statement of Capital Expenditure by minor heads and sub heads	This Statement presents the details of capital expenditure of the Government in detail. A comparison with the figures for the previous year is available. Cumulative capital expenditure up to the end of the year is also depicted.
Statement No.17	Detailed Statement of Borrowings and other Liabilities	Details of borrowings (market loans raised by the Government and Loans, etc., from GoI) by minor heads, the maturity and repayment profile of all loans are provided in this statement. This is the detailed statement corresponding to Statement 6.
Statement No.18	Detailed Statement of Loans and Advances given by the Government	Details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc., are presented in this statement. This is the detailed statement corresponding to Statement 7.
Statement No.19	Detailed Statement of Investments of the Government	Details of the position of Government Investment in the share capital of different concerns are depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received, etc.
Statement No.20	Detailed Statement of Guarantees given by the Government	Guarantees given by the State Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this Statement.
Statement No.21	Detailed Statement on Contingency Fund and Public Account transactions	This Statement shows changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped, etc. It also depicts the transactions in Public Account in detail.
Statement No.22	Detailed Statement on Investments of Earmarked Funds	This Statement shows the details of investment out of Reserve Funds in Public Account.

Appendix 1.3
(Reference: Paragraph 1.4)

Part A: Methodology adopted for assessment of Fiscal Position

The norms/ceilings prescribed by the FFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the Government in the Tamil Nadu Fiscal Responsibility Act, 2003 and in other Statements required to be laid in the Legislature under the Act **(Part B** of this **Appendix)** are used to make qualitative assessment of the trends and patterns of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.
The definitions of some of the selected terms used in assessing the trends and patterns of fiscal aggregates are given below:

Terms	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount/Previous year Amount)-1] * 100
Development Expenditure	Social Services expenditure + Economic Services expenditure
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2] * 100
Interest receipts as percentage of outstanding Loans and Advances	Interest Received = [(Opening balance + Closing balance of Loans and Advances)/2] * 100
Revenue Surplus	Revenue Receipts- Revenue Expenditure
Fiscal Surplus	Revenue Receipts + Miscellaneous Capital Receipts - (Revenue Expenditure + Capital Expenditure + Net Loans and Advances)
Primary Surplus	Fiscal Surplus - Interest payments

Part B: The Tamil Nadu Fiscal Responsibility Act, 2003

The State Government enacted the Tamil Nadu Fiscal Responsibility Act, 2003 which was amended first to bring it in line with the requirements prescribed by the Twelfth Finance Commission followed by Thirteenth, Fourteenth and Fifteenth Finance Commissions to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The Act prescribed the following fiscal management targets:

(a)	Reduce the ratio of revenue deficit to revenue receipts every year by three to five *per cent* depending on the economic situation in that year beginning from financial year 2002-03 and eliminate revenue deficit by 2021-22 and adhere to it thereafter.
(b)	Maintain the ratio of fiscal deficit to GSDP as not more than three *per cent* by 31 March 2022 and adhere to it thereafter.
(bb)	Maintain the ratio of total outstanding debt to GSDP with medium term goal of not being more than 24.50 *per cent* during 2011-12; 24.80 *per cent* during 2012-13; 25.00 *per cent* during 2013-14; 25.20 *per cent* during 2014-15 and thereafter maintain such *per cent* as may be prescribed.
(c)	Cap outstanding guarantees within 100.00 *per cent* of revenue receipts of previous year or 10.00 *per cent* of GSDP, whichever is lower.

Appendix 2.1
(Reference: Paragraph 2.1)
Time series data on the State Government finances

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Part A. Receipts					
1 Revenue Receipts	**1,40,231 (36)**	**1,46,280 (37)**	**1,73,741 (38)**	**1,74,526 (34)**	**1,74,076 (28)**
(i) Own Tax Revenue	**85,941 (61)**	**93,737 (64)**	**1,05,534 (61)**	**1,07,462 (62)**	**1,06,153 (61)**
State Goods and Service Tax (SGST)	..	24,589 (26)	38,533 (37)	38,376 (36)	37,942 (36)
Taxes on Agricultural Income	..	..	..	..	..
Taxes on Sales, Trade, etc.	63,234 (74)	46,356 (49)	42,701 (40)	44,515 (41)	43,489 (41)
State Excise	6,248 (7)	5,815(6)	6,863 (7)	7,206 (7)	7,822 (7)
Taxes on Vehicles	4,854 (6)	5,363 (6)	5,573 (5)	5,675 (5)	4,561 (4)
Stamps and Registration fees	7,237 (8)	9,195 (10)	11,066 (10)	10,856 (10)	11,675 (11)
Land Revenue	153 (..)	152 (..)	178 (..)	258 (..)	211 (..)
Taxes on Goods and Passengers	2,551 (3)	900 (1)	3 (..)	11 (..)	2 (..)
Other Taxes	1,664 (2)	1,367 (2)	617 (1)	565 (1)	451 (..)
(ii) Non-Tax Revenue	**9,914 (7)**	**10,764 (7)**	**14,200 (8)**	**12,888 (7)**	**10,422 (6)**
(iii) State's share of Union taxes and duties	**24,538 (18)**	**27,100 (19)**	**30,639 (18)**	**26,393 (15)**	**24,924 (14)**
(iv) Grants-in-aid from Government of India	**19,838 (14)**	**14,679 (10)**	**23,368 (13)**	**27,783 (16)**	**32,577 (19)**
2 Miscellaneous Capital Receipts	**1 (..)**	**2 (..)**	**..**	**..**	**..**
3 Recoveries of Loans and Advances	**3,548 (1)**	**8,472 (2)**	**6,913 (1)**	**5,384 (1)**	**5,245 (1)**
4 Total Revenue and Non debt capital receipts (1+2+3)	**1,43,780**	**1,54,754**	**1,80,654**	**1,79,910**	**1,79,321**
5 Public Debt Receipts	**66,143 (17)**	**45,722 (12)**	**47,936 (10)**	**66,774 (13)**	**1,02,867[1] (17)**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	64,283	42,969	45,596	64,784	91,997
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..
Loans and Advances from Government of India	1,860	2,753	2,340	1,990	10,870[2]
6 Total Receipts in the Consolidated Fund (4+5)	**2,09,923**	**2,00,476**	**2,28,590**	**2,46,684**	**2,82,188**
7 Contingency Fund Receipts	**19**	**..**	**..**	**10**	**..**
8 Public Account Receipts	**1,81,475 (46)**	**1,95,989 (49)**	**2,34,439 (51)**	**2,61,483 (52)**	**3,36,178 (54)**
9 Total Receipts of the State (6+7+8)	**3,91,417**	**3,96,465**	**4,63,029**	**5,08,177**	**6,18,366**
Part B. Expenditure/Disbursement					
10 Revenue Expenditure	**1,53,195 (40)**	**1,67,874 (43)**	**1,97,200 (42)**	**2,10,435 (42)**	**2,36,402 (39)**
Plan	35,306 (23)	..	..	..	..
Non Plan	1,17,889 (77)	..	..	..	..
General Services (including interest payments)	51,452	60,451	72,450	78,138	78,993
Social Services	55,297	59,790	70,202	73,999	89,805
Economic Services	33,980	36,162	39,669	42,610	51,808
Grants-in-aid and contributions	12,466	11,471	14,879	15,688	15,796
11 Capital Expenditure	**20,709 (6)**	**20,203 (5)**	**24,311 (5)**	**25,632 (5)**	**33,067 (5)**
Plan	20,293 (98)	..	..	..	..
Non Plan	416 (2)	..	..	..	..
General Services	750	847	858	1,064	936
Social Services	6,041	4,731	6,996	5,860	10,831
Economic Services	13,918	14,625	16,457	18,708	21,300
12 Disbursement of Loans and Advances	**26,046 (7)**	**6,517 (2)**	**6,478 (1)**	**4,022 (1)**	**3,835 (1)**
13 Total (10+11+12)	**1,99,950**	**1,94,594**	**2,27,989**	**2,40,089**	**2,73,304**

Figures in brackets represent percentages (rounded) to total of each sub-heading

1 Effective Public Debt Receipts would be ₹96,626 crore as the Department of Expenditure, GoI decided that GST compensation *of ₹6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

2 Effective loans and advances would be ₹4,629 crore as the Department of Expenditure, GoI decided that GST compensation *of ₹6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
14 Repayments of Public Debt	**8,200 (2)**	**8,991 (2)**	**15,064 (3)**	**17,866 (3)**	**16,228 (3)**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	7,275	8,035	13,881	16,510	14,874
Net transactions under Ways and Means Advances and Overdraft	..	..	..	..	..
Loans and Advances from Government of India	925	956	1,183	1,356	1,354
15 Appropriation to Contingency Fund	**..**	**..**	**..**	**..**	**..**
16 Total disbursement out of Consolidated Fund (13+14+15)	**2,08,150**	**2,03,585**	**2,43,053**	**2,57,955**	**2,89,532**
17 Contingency Fund disbursements	**..**	**..**	**10**	**..**	**..**
18 Public Account disbursements	**1,73,007 (45)**	**1,84,209 (48)**	**2,23,930 (48)**	**2,44,023 (49)**	**3,23,189 (53)**
19 Total disbursement by the State (16+17+18)	**3,81,157**	**3,87,794**	**4,66,993**	**5,01,978**	**6,12,721**
Part C. Deficits/Surplus					
20 Revenue Deficit (1-10)	**12,964**	**21,594**	**23,459**	**35,909**	**62,326**
21 Fiscal Deficit (4-13)	**56,170**	**39,840**	**47,335**	**60,179**	**93,983**
22 Primary Deficit (21+23)	**35,637**	**13,828**	**18,578**	**28,199**	**57,486**
Part D. Other data					
23 Interest Payments (included in revenue expenditure)	**20,533**	**26,012**	**28,757**	**31,980**	**36,497**
24 Financial Assistance to Local Bodies, etc.,	**39,397**	**40,631**	**47,826**	**50,604**	**70,679**
25 Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	..	..	..	..	..
Overdraft availed (days)	..	..	..	..	..
26 Interest on Ways and Means Advances/Overdraft	**..**	**..**	**..**	**..**	**..**
27 Gross State Domestic Product (GSDP)	**13,02,639**	**14,65,051**	**16,30,209**	**17,97,229**	**19,02,689**
28 Outstanding Fiscal liabilities (year-end)	**2,83,394**	**3,26,518**	**3,68,736**	**4,23,743**	**5,18,796[3]**
29 Outstanding guarantees (year-end) (including interest)	**29,540**	**36,131**	**43,661**	**47,319**	**65,659**
30 Maximum amount guaranteed (year-end)	**9,128**	**15,517**	**83,140**	**4,669**	**44,656**
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
31 Own Tax revenue/GSDP	**6.60**	**6.40**	**6.47**	**5.98**	**5.58**
32 Own Non-Tax Revenue/GSDP	**0.76**	**0.73**	**0.87**	**0.72**	**0.55**
33 Central Transfers/GSDP	**1.88**	**1.85**	**1.88**	**1.47**	**1.31**
II Expenditure Management					
34 Total Expenditure/GSDP	**15.35**	**13.28**	**13.99**	**13.36**	**14.36**
35 Total Expenditure/Revenue Receipts	**142.59**	**133.03**	**131.22**	**137.57**	**157.00**
36 Revenue Expenditure/Total Expenditure	**76.62**	**86.27**	**86.50**	**87.65**	**86.50**
37 Revenue Expenditure on Social Services/Total Expenditure	**27.66**	**30.73**	**30.79**	**30.82**	**32.86**
38 Revenue Expenditure on Economic Services/Total Expenditure	**16.99**	**18.58**	**17.40**	**17.75**	**18.96**
39 Capital Expenditure/Total Expenditure	**10.36**	**10.38**	**10.66**	**10.68**	**12.10**
40 Capital Expenditure on Social and Economic Services/Total Expenditure	**9.98**	**9.95**	**10.29**	**10.23**	**11.76**
III Management of Fiscal Imbalances					
41 Revenue deficit/GSDP	**1.00**	**1.47**	**1.44**	**2.00**	**3.28**
42 Fiscal deficit/GSDP	**4.31**	**2.72**	**2.90**	**3.35**	**4.94**
43 Primary Deficit/GSDP	**2.74**	**0.94**	**1.14**	**1.57**	**3.02**
44 Revenue Deficit/Fiscal Deficit	**23.08**	**54.20**	**49.56**	**59.67**	**66.32**
IV Management of Fiscal Liabilities					
45 Fiscal Liabilities/GSDP	**21.76**	**22.29**	**22.62**	**23.58**	**26.94[4]**
46 Fiscal Liabilities/RR	**202.09**	**223.21**	**212.23**	**242.80**	**298.03**
47 Primary deficit vis-à-vis quantum spread	**(-) 612.21**	**(-) 123.84**	**(-) 189.65**	**(-)350.82**	**725.47**
48 Debt Redemption (Principal +Interest)/Total Debt Receipts	**38.46**	**67.05**	**82.14**	**66.73**	**45.89**
V Other Fiscal Health Indicators					
49 Return on Investment	**0.61**	**0.62**	**0.45**	**0.37**	**0.49**
50 Financial Assets/Liabilities	**0.84**	**0.83**	**0.79**	**0.76**	**0.66**

Explanatory Notes

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

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3 Effective outstanding fiscal liabilities would be *₹ 5,12,555 crore* as the Department of Expenditure, GoI decided that GST compensation *decided that GST compensation of ₹ 6,241 crore given to State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

4 The back to back loan (*₹ 6,241 crore*) *received from GoI in lieu o f GST compensation has not been considered as Debt for working out the indicator.*

Appendix 2.2
(Reference: Paragraph 2.4.2.1)

Expenditure incurred by the State Government with regard to COVID-19 Pandemic

Sl. No	Major Head – Description	Expenditure (₹ in crore)
1	2071-01-800-AO Corpus Fund for COVID-19 treatment in empaneled Hospitals under New Health Insurance Scheme for Pensioners / Family Pensioners	10.00
2	2075-00-800-JI Corpus Fund for COVID- 19 treatment in empaneled Hospitals under New Health Insurance Scheme for Employees	20.00
3	2210-01-110-MK COVID-19 Management in the Government Medical Institutions Management under the control of Directorate of Medical Education	76.43
4	2210-01-110-MJ COVID-19 Management in the Government Medical Institutions Management under the control of Directorate of Medical and Rural Health Services	17.35
5	2211-00-103-SI COVID-19 -Emergency Response and Health System preparedness (ERSP) under National Rural Health Mission	779.66
6	2245-80-800-AJ Livelihood Support to tackle COVID-19 lockdown – cash support to Rice family cardholders	7,902.69
7	2245-80-800-AH Disaster preparedness / preventive measures to contain the outbreak of Corona Virus (Covid-19)	2,064.91
	Total	**10,871.04**

(Source: Detailed Appropriation Accounts for the year 2020-21 & Finance Accounts)

Appendix 2.3
(Reference: Paragraph 2.4.2.5)
Recoveries of ₹ one crore and above under 'Minor Head – 911'

(in ₹)

Sl. No	Head of Account	Description	Recovery of Expenditure
1	2202.02.109.KJ	Incentive to Students to reduce drop out in Secondary Education level	2,09,27,47,000
2	2425.00.108.KD	Interest Subsidy to Co-operative Institutions towards reduced Interest for crop loans to the farmers	1,37,80,34,481
3	2230.00.800.JB	Grants to Tamil Nadu Skill Development Corporation	35,13,87,626
4	2202.02.108.AA	Examinations conducted by the Director of Government Examinations	20,34,44,492
5	3456.00.102.UA	End-to-End computerisation of Targeted Public Distribution System Operations	14,14,03,495
6	2202.01.108.JC	Supply of Text Books to Students	10,92,50,000
7	2202.02.106.JC	Supply of Text Books to Students	10,70,65,000
8	2401.00.108.LA	Production Incentive to Sugarcane Farmers	9,69,01,712
9	2235.02.101.NB	Mobility Assistance Appliance for persons affected by Muscular Dystrophy	8,93,23,000
10	2401.00.800.KL	Mission on sustainable Dry Land Farming	8,09,23,231
11	2235.60.200.KG	Dr.Muthulakshmi Reddy Maternity Assistance Scheme for the female members of Below Poverty Line families for delivery	7,87,59,424
12	2230.03.796.JB	Grants to Tamil Nadu Skill Development Corporation (Tribal Area Sub-Plan)	7,80,86,140
13	2851.00.102.MS	International Buyer - Seller Trade Meet	6,36,56,205
14	2245.80.800.AH	Disaster preparedness / preventive measures to contain the outbreak of Corona Virus (Covid-19)	5,33,59,417
15	2235.60.200.KP	Provision of LPG gas connection and stove to poor families.	5,12,60,519
16	2014.00.800.AJ	Constitution of State Legal Service Authority	4,71,76,965
17	2515.00.102.PA	Post Tsunami Sustainable Livelihoods Programme from International Fund for Agricultural Development (IFAD) Phase-II	4,64,17,616
18	2851.00.800.JB	Scheme for implementation of Unemployed Youth Employment Generation Programme	4,41,86,415
19	2225.01.277.AA	School Education	3,71,71,997
20	2852.80.800.JP	Global Investors Meet	3,01,86,406
21	2202.05.102.AG	Grants to Madurai Ulaga Tamil Sangam	2,81,82,412
22	2851.00.102.MF	New Entrepreneurship- cum-Enterprise Development Scheme	2,79,94,667
23	2405.00.103.JY	Special allowance to fishermen during Non-fishing period	2,42,74,556
24	2225.01.277.KM	Educational Concessions	2,39,76,348
25	2851.00.103.AB	Directorate of Handloom and Textiles	2,24,57,077
26	2225.01.277.SA	Educational Concessions	2,08,50,736
27	2405.00.800.UA	Relief Scheme for Tamil Nadu Marine Fishermen during Lean Months	2,06,09,467
28	2210.03.103.KS	Hospital on Wheels in Primary Health Centres	1,73,05,919
29	2210.06.800.UA	Grants to Tamil Nadu State Illness Assistance Society	1,37,03,837
30	2851.00.102.LZ	Capital subsidy to Micro , Small, Medium and Agro-based Industries	1,36,34,417
31	2075.00.800.GM	Personalised Official Conveyances Scheme	1,32,60,508
32	2202.02.001.AD	Foreign Educational Tour for best performing students	1,17,69,570
33	2236.02.102.UA	Feeding to poor children in the age group of 2 plus to 4 plus in Tamil Nadu	1,15,40,341
34	2015.00.109.AD	Elections to Urban Local Bodies	1,13,92,568
		Total	**5,44,16,93,564**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 2.4
(Reference: Paragraph 2.4.3.2)
'Differences in balances between Statement 16 and Statement 19'

(₹ in crore)

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2021 as per Statement 19	Investment at the end of 31 March 2021 as per Statement 16	Difference
1	4215-01-190 Share Capital Assistance to Tamil Nadu Water Supply and Drainage Board for Desalination Plant at Thoothukudi District	--	200.00	200.00
2	4215-01-190 Share Capital Assistance to Tamil Nadu Water Supply and Drainage Board for Desalination Plant at Ramanathapuram District	--	200.00	200.00
3	4215-01-190 Share Capital Assistance to Tamil Nadu Water Supply and Drainage Board for Desalinaton Plant at Thiruvallur District	--	20,174.70	20,174.70
4	4215-02-190 Share Capital assistance to New Tiruppur Area Development Corporation Limited	12,371.79	15,000.00	2,628.21
5	4217-60-190 Investments in Extension of Metro Rail Transport Service	--	20,467.00	20,467.00
6	4217-60-190 Investments in Railway Projects for MRTS - Phase II	--	8,380.00	8,380.00
7	4217-60-190 Investments in Chennai Rivers Restoration Trust	--	3,633.40	3,633.40
8	4217-60-190 Investments in Chennai Metro Rail Limited	2,69,800.00	2,98,309.27	28,509.27
9	4217-60-190 Investments in MASS RAPID Transport Service	--	2,973.00	2,973.00
10	4220-01-190 Investments in Tamil Nadu Film Development Corporation Limited	--	1,391.00	1,391.00
11	4225-01-190 Investments in Tamil Nadu Adi Dravidar Housing and Development Corporation	9,659.50	10,996.50	1,337.00
12	4225-03-190 Investment in National Minorities Development Finance Corporation Limited	--	300.00	300.00
13	4225-03-190 Investment in Tamil Nadu Minorities Economic Development Corporation Limited	205.01	305.00	99.99
14	4235-60-190 Investment in Tamil Nadu Ex-Servicemen Corporation	22.91	17.91	(-) 5.00
15	4401-00-190 Investments in Tamil Nadu State Farms Corporation Limited	--	155.13	155.13
16	4401-00-190Investments in Tamil Nadu Agro Industries Corporation Limited	--	453.13	453.13
17	4401-00-190Investments in Tamil Nadu Horticultural Producer's Cooperative Enterprises Limited	--	188.00	188.00
18	4403-00-190 Investments in Tamil Nadu Poultry Development Corporation Limited	--	109.80	109.80
19	4403-00-190 Investments in Tamil Nadu Meat Corporation Limited	--	60.50	60.50
20	4406-01-190Investments in Tamil Nadu Forest Plantation Corporation Limited	564.00	376.00	(-) 188.00
21	4407-03-190 Investments in Arasu Rubber Corporation Limited	130.70	845.00	714.30
22	4515-00-190 Investments in Dharmapuri District Development Corporation	--	15.00	15.00
23	4801-02-190 Assistance to Tamil Nadu Industrial Development Corporation for investment in Jayamkondan Lignite Power Corporation	--	500.00	500.00

(₹ in crore)

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2021 as per Statement 19	Investment at the end of 31 March 2021 as per Statement 16	Difference
24	4801-80-190 Investments in Tamil Nadu Power Finance and Infrastructure Development Corporation	3,76,700.00	5,000.00	(-) 3,71,700.00
25	4851-00-190 Investments in Tamil Nadu Small Industries Development Corporation Limited	2,514.00	870.00	(-) 1,644.00
26	4851-00-190 Investments in Coimbatore Industries Infrastructure Association	--	121.00	121.00
27	4853-01-190 Investments in Tamil Nadu Minerals Limited	1,573.89	1,339.00	(-) 234.89
28	4853-60-190 Investments in Tamil Nadu Graphite Limited	--	10.00	10.00
29	4854-01-190 Investments in Madras Cements Limited, Rajapalayam	--	7,400.00	7,400.00
30	4855-00-190 Investments in Fertilizers and Chemical Limited, Alwaye	--	25.69	25.69
31	4858-60-190 Investments in Southern Structurals Limited, Chennai	3,454.30	3,427.13	(-) 27.17
32	4859-01-190 Share Capital Assistance to Tamil Nadu Fibre Net Corporation	--	50.00	50.00
33	4860-01-190 Investments in Tamil Nadu Co-operative Modern Processing Service Unit	--	218.00	218.00
34	4860-03-190 Investments in Tamil Nadu Leather Development Corporation Limited	--	250.00	250.00
35	4860-04-190 Investments in Tamil Nadu Sugar Corporation Limited	7,997.15	7,959.15	(-) 38.00
36	4860-04-190 Investments in Tamil Nadu Sugarcane farm Corporation Limited	--	27.50	27.50
37	4860-04-190 Investments in Co- operative Sugar Mills	--	5,230.53	5,230.53
38	4860-04-190 Investments in Co- generation Plants in Sugar Mills Other Investments	--	135.00	135.00
39	4875-60-190 Investments in Tamil Nadu Cements Corporation Limited	11,131.80	3,741.80	(-) 7,390.00
40	4875-60-190 Investments in Tamil Nadu Steels Limited	--	392.00	392.00
41	4875-60-190 Tamil Nadu Industrial Investment Corporation	30,352.28	26,602.28	(-) 3,750.00
42	5055-00-190 Investments in Metropolitan Transport Corporation (Chennai) Limited, Chennai	89,290.15	86,006.39	(-) 3,283.76
43	5055-00-190 Investments in Tamil Nadu State Transport Development Finance Corporation Limited	1,60,763.01	1,15,557.01	(-) 45,206.00
44	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Villupuram) Limited	74,972.77	67,864.84	(-) 7,107.93
45	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Coimbatore) Limited	74,972.38	97,402.51	22,430.13
46	5055-00-190 Investments in Cheran Engineering Corporation Limited	--	25.00	25.00
47	5055-00-190 Investments in Tamil Nadu Goods Transport Corporation (Tamil Nadu) Limited, Chennai	--	26.66	26.66
48	5055-00-190 Investments in State Express Transport Corporation (Tamil Nadu) Limited, Chennai	63,318.37	59,206.22	(-) 4,112.15
49	5055-00-190 Investments in Cheran Transport Corporation Limited	--	25.00	25.00

(₹ in crore)

Sl. No	Head of Account / Investment in	Investment at the end of 31 March 2021 as per Statement 19	Investment at the end of 31 March 2021 as per Statement 16	Difference
50	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Tirunelveli) Limited	65,637.22	74,366.47	8,729.25
51	5452-80-190 Investments in Tamil Nadu Tourism Development Corporation Limited	1,042.74	892.74	(-) 150.00
52	5465-01-190 Investments in Regional Rural Banks	--	271.31	271.31
53	5055-00-190 Investments in Tamil Nadu State Transport Corporation (Madurai) Limited	87,968.41	85,451.55	(-) 2,516.86
54	4875-60-190 Investments in State Industries Promotion Corporation of Tamil Nadu Limited	11,417.51	5,791.25	(-) 5,626.26

(Source: Statement 19 of Finance Accounts)

Appendix 3.1
(Reference: Paragraph 3.3.1.1)

Expenditure incurred without Final Modified Appropriation

Sl. No.	Grant No.	Department	Head of Account	Description	Expenditure (in ₹)
	Revenue (Charged)				
1	*47*	*Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)*	*2250.00.103.AA*	*Contribution to Kanyakumari Devasthanam Fund - charged*	*3,00,00,000*
2	*56*	*Debt Charges*	*2049.60.101.ER*	*Interest on 60% Pay Commission Arrears to Tamil Nadu Government Servants*	*6,07,550*
	Revenue (Voted)				
3	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.KQ	Special coaching to students studying in Standard IX to XII in Adi Dravidar Welfare High Schools and Higher Secondary Schools	74,000
4			2225.02.277.KD	Boarding grant to Hostels run by Non-Governmental Organisation	6,60,441
5			2225.02.277.KE	Special coaching to students studying in Standard IX to XII in Government Tribal High Schools and Higher Secondary Schools	6,000
6	05	Agriculture Department	2401.00.793.SH	Integrated Farming in Coconut Holding for Productivity Improvement for Scheduled Caste Sub-Plan	15,569
7	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2225.03.277.KE	Pre-Matric Scholarships to Most Backward Classes	6,280
8			2235.60.200.AJ	Assistance to Muslim Gosha Women Aid Society	13,33,400
9	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	2205.00.101.AQ	Tiruchirappalli Kalai Kaviri College of Fine Arts	1,75,500
10	38	Public Department	2070.00.800.AS	Special Representative at New Delhi	3,27,397
11			2235.60.200.CS	Compensation payable to the victims of communal/caste clashes	22,000
12	40	Irrigation (Public Works Department)	2701.03.181.AA	Kuthirayar Reservoir System	10,346
13			2701.80.800.AL	Expenditure towards Sand Quarry operations	3,14,259
14	41	Revenue and Disaster Management Department	2053.00.094.FW	Establishment for the acquisition of lands for diversion of excess water from Ramanadhi Reservoir to Jambhunadhi in Alangulam Taluk, Tenkasi District	2,54,433
15	43	School Education Department	2202.02.800.AM	Special Coaching for Adi-Dravidar Students of Standards 9 to 10 and 11 to 12	6,500

Sl. No.	Grant No.	Department	Head of Account	Description	Expenditure (in ₹)
16	50	Pension and Other Retirement Benefits	2071.01.101.AQ	Payment and Pension to state chief information commissioners / State Information Commissioners who are not retired Government Officials.	11,59,601
17	51	Relief on account of Natural Calamities	2245.01.101.AB	Free Distribution of rice to families of small and marginal farmers and landless agricultural labourers	84,600
18			2245.01.101.AD	Cash relief to the families for the loss of clothing / utensils house hold goods due to natural calamities	6,86,100
19			2245.01.101.AF	Subsidy to farmers for Horticultural inputs	3,38,900
20			2245.01.102.AI	Grants to Town Panchayat for transportation and water supply in drought affected areas	5,000
21			2245.02.101.AG	Supply of food and clothing to persons affected in fire	8,200
22			2245.02.107.AA	Assistance for Repairs and Restoration of Damaged Government Office Buildings	36,68,100
23			2245.02.113.AA	Reconstruction of Houses	58,700
24			2245.80.800.AG	Establishing Video Conferencing System	54,45,900
25	52	Department for the Welfare of Differently Abled Persons	2235.02.101.NM	Corpus Fund for personal Assistance Services to Differently Abled with High Support Needs	18,00,000
	Capital (Voted)				
26	40	Irrigation (Public Works Department)	4701.03.800.PB	Dam and Appurtenant Works	4,00,317
27	41	Revenue and Disaster Management Department	4070.00.800.AY	Acquisition of lands for construction of buildings for Revenue and Disaster Management Department	28,17,551
Total					**5,02,86,644**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.2
(Reference: Paragraph 3.3.4)
Cases where Supplementary provision (₹ 50 lakh or more in each scheme) proved unnecessary

Sl. No.	Grant No	Head of Account	Nomenclature	Original provision	Actual Expenditure	Supple-mentary provision
						(₹ in lakh)
	(A) Revenue (Charged)					
1	03	*2014.00.102.AA*	*Judges and Registrars*	*21,106.61*	*20,315.40*	*4,747.32*
	(A) Revenue (Voted)					
2	03	2014.00.105.AB	Mofussil, Civil and Sessions Courts - Regular Establishments	47,022.74	43,711.86	991.21
3	38	2015.00.103.AA	Legislative Assembly Constituencies	12,726.28	11,990.48	725.93
4	38	2070.00.114.AB	Helicopter / Air craft for Emergency use	211.08	115.61	607.15
5	49	2204.00.102.AF	National Cadet Corps	5,574.19	3,490.20	58.25
6	49	2204.00.104.AN	Grants to Sports Development Authority of Tamil Nadu	3,166.62	2,921.94	57.64
7	49	2204.00.104.KR	Grants to Sports Development Authority of Tamil Nadu for conducting Sports Competitions	6,651.04	766.98	615.00
8	29	2205.00.103.AB	Repairs, Renovation and Maintenance of Monuments, etc., and Excavation of Archaeological Sites	1,037.13	822.93	137.51
9	19	2210.01.110.AB	Taluk Headquarters Hospitals	51,168.40	48,535.79	100.03
10	19	2210.01.110.AK	Government Stanley Hospital, Chennai	6,634.14	5,568.07	53.83
11	19	2210.01.110.AW	Improvements to Teaching Hospitals	26,437.46	16,745.42	800.02
12	19	2210.01.110.PG	Tamil Nadu Health System Reform Project	14,427.33	11,198.00	6,000.00
13	19	2210.02.104.AF	Siddha Wings in Districts, Taluk and Non-Taluk Hospitals, Allopathy Medical College Hospitals and Dispensaries	8,222.51	7,880.74	300.01
14	28	2220.60.106.AC	Scheme for Publicity and Information	2,618.10	2,436.77	519.27
15	51	2245.02.282.AA	Medical and Public Health Measures to Flood Affected Areas	0.02	--	199.99
16	47	2250.00.102.AF	District Establishment other than Temple Executive Officers	4,490.13	3,953.80	410.23
17	54	2406.01.800.AB	Forest Protection	6,234.51	5,857.15	721.97
18	05	2408.01.103.AB	Establishment of Mega Food Processing Park under NABARD (SFPF) Loan Assistance	8,427.67	1,361.97	2,899.00
19	40	2701.80.800.AA	Interest Charges	96,276.07	--	25,867.55
20	40	2711.01.800.AC	Cauvery Delta System	88.56	--	11,657.87
21	44	2851.00.102.MF	New Entrepreneurship- cum-Enterprise Development Scheme	9,126.00	8,206.23	9,126.00
22	44	2851.00.789.JA	New Entrepreneurship- cum-Enterprise Development Scheme	790.00	493.58	790.00

Sl. No.	Grant No	Head of Account	Nomenclature	(₹ in lakh)		
				Original provision	Actual Expenditure	Supple-mentary provision
23	44	2851.00.796.JD	New Entrepreneurship- cum-Enterprise Development Scheme	84.00	12.26	84.00
	(B) Capital (Voted)					
24	30	4058.00.103.JA	Government Central press, Chennai	70.65	57.72	189.73
25	39	4059.01.051.AL	Registration	2,322.01	2,159.74	750.81
26	39	4059.01.051.JJ	Public Works	5,339.28	2,491.51	500.01
27	39	4059.01.051.JN	Commercial Taxes	3,093.99	1,679.86	1,570.15
28	24	4070.00.800.KE	Construction of Buildings for Prison Department	1,123.25	913.45	117.55
29	43	4202.01.202.JG	Construction of School Buildings and Other Infrastructure Facilities with Loan assistance from NABARD under Rural Infrastructure Development Fund (RIDF)	21,600.00	14,420.28	4,197.23
30	20	4202.01.203.JB	Buildings - Executed by Technical Education Wing	17,070.48	8,752.06	1,200.02
31	32	4250.00.201.JF	Construction of Office Buildings for Commissionerate Labour	334.40	314.27	200.01
32	54	4406.01.070.JB	Construction of Buildings	2,402.22	1,555.62	1,153.92
33	54	4406.01.800.JZ	Implementation of Schemes in Forest Department with Loan Assistance from NABARD	625.67	551.35	210.98
34	54	4406.02.110.KA	Tackling of Human Animal Conflict	0.01	--	1,049.99
			Total	**3,86,502.55**	**2,29,281.04**	**78,610.18**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.3
(Reference: Paragraphs 3.3.5 and 3.6.2.3)
Excessive / insufficient re-appropriation of funds

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
		Savings occurred under the following			
1	01	State Legislature	2011.02.101.AB	(-) 209.16	(-) 1,487.99
2	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.AA	(-) 5,066.57	(-) 810.11
3	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.AE	(-) 8,313.94	(-) 401.30
4	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.KS	(-) 405.13	(-) 489.15
5	04	Adi(-) Dravidar and Tribal Welfare Department	2225.02.277.AA	(-) 2,484.13	(-) 265.38
6	04	Adi(-) Dravidar and Tribal Welfare Department	4225.01.277.JM	(-) 647.26	(-) 277.40
7	05	Agriculture Department	2401.00.001.AH	(-) 77.23	(-) 210.39
8	10	Commercial Taxes (Commercial Taxes and Registration Department)	2040.00.101.AA	501.67	(-) 351.51
9	10	Commercial Taxes (Commercial Taxes and Registration Department)	2040.00.101.AB	(-) 221.99	(-) 3,898.06
10	15	Environment (Environment and Forests Department)	5425.00.208.JC	(-) 2,114.00	(-) 209.00
11	16	Finance Department	7610.00.202.AH	(-) 1,725.43	(-) 314.41
12	19	Health and Family Welfare Department	2210.01.110.AC	(-) 349.15	(-) 377.43
13	19	Health and Family Welfare Department	2210.01.110.AO	(-) 489.04	(-) 526.21
14	19	Health and Family Welfare Department	2210.01.110.AW	(-) 9,327.84	(-) 1,164.22
15	19	Health and Family Welfare Department	2210.01.110.DN	1,161.16	(-) 1,181.91
16	19	Health and Family Welfare Department	2210.01.110.DO	(-) 103.00	(-) 522.77
17	19	Health and Family Welfare Department	2210.01.110.EA	(-) 93.80	(-) 351.84
18	19	Health and Family Welfare Department	2210.03.103.AH	(-) 1,340.62	(-) 658.76
19	19	Health and Family Welfare Department	2210.03.103.BI	(-) 6,921.17	(-) 1,956.82
20	19	Health and Family Welfare Department	2210.04.104.AA	(-) 711.29	(-) 350.93
21	19	Health and Family Welfare Department	2210.05.105.AL	1,497.97	(-) 710.85
22	19	Health and Family Welfare Department	2210.05.105.CA	851.65	(-) 305.53
23	19	Health and Family Welfare Department	2211.00.101.AA	270.34	(-) 204.60
24	19	Health and Family Welfare Department	2235.60.200.KG	(-) 4,921.02	(-) 426.17
25	19	Health and Family Welfare Department	2235.60.789.JC	(-) 1,288.67	(-) 800.93
26	19	Health and Family Welfare Department	4210.03.105.UC	(-) 5,864.66	(-) 235.76
27	20	Higher Education Department	2202.03.103.AA	2,124.24	(-) 2,449.52
28	20	Higher Education Department	2203.00.105.AA	(-) 14,247.06	(-) 1,286.74
29	21	Highways and Minor Ports Department	3054.80.001.AE	(-) 584.03	(-) 319.68
30	21	Highways and Minor Ports Department	5054.04.337.JU	787.16	(-) 359.37
31	21	Highways and Minor Ports Department	5054.80.800.JT	(-) 26,634.99	(-) 384.40
32	22	Police (Home, Prohibition and Excise Department)	2055.00.101.SA	129.86	(-) 347.36

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
33	22	Police (Home, Prohibition and Excise Department)	2055.00.104.AA	(-) 5,960.86	(-) 383.12
34	22	Police (Home, Prohibition and Excise Department)	2055.00.109.AA	(-) 17,536.30	(-) 4,975.56
35	22	Police (Home, Prohibition and Excise Department)	2055.00.113.AA	1,419.52	(-) 1,550.09
36	26	Housing and Urban Development Department	7610.00.201.BT	(-) 2,364.90	(-) 224.72
37	32	Labour and Employment Department	2210.01.102.AG	(-) 1,517.17	(-) 1,449.57
38	34	Municipal Administration and Water Supply Department	2217.80.800.PJ	(-) 200.00	(-) 300.00
39	34	Municipal Administration and Water Supply Department	3604.00.191.AA	(-) 25,361.23	(-) 10,400.01
40	38	Public Department	2015.00.102.AA	(-) 403.66	(-) 243.49
41	40	Irrigation (Public Works Department)	2215.01.101.AQ	60.24	(-) 278.29
42	40	Irrigation (Public Works Department)	2700.01.101.AA	(-) 137.30	(-) 233.87
43	40	Irrigation (Public Works Department)	2700.01.101.AY	18.13	(-) 281.49
44	40	Irrigation (Public Works Department)	2701.80.001.AC	(-) 384.18	(-) 210.21
45	40	Irrigation (Public Works Department)	2701.80.001.AF	(-) 5,136.28	(-) 420.14
46	40	Irrigation (Public Works Department)	2711.01.800.AC	5,602.81	(-) 17,349.24
47	40	Irrigation (Public Works Department)	4700.01.800.FA	(-) 8,732.56	(-) 2,473.72
48	40	Irrigation (Public Works Department)	4700.01.800.PA	(-) 11,449.81	(-) 831.83
49	40	Irrigation (Public Works Department)	4700.02.800.PA	(-) 3,068.77	(-) 687.33
50	40	Irrigation (Public Works Department)	4700.05.800.CA	(-) 9,949.98	(-) 56,573.23
51	40	Irrigation (Public Works Department)	4701.01.800.EB	734.32	(-) 723.51
52	40	Irrigation (Public Works Department)	4702.00.101.AC	5,534.01	(-) 474.62
53	41	Revenue and Disaster Management Department	2235.60.102.UA	(-) 8,580.01	(-) 2,587.51
54	41	Revenue and Disaster Management Department	2235.60.102.UC	265.68	(-) 298.37
55	41	Revenue and Disaster Management Department	2235.60.200.KX	(-) 2,986.75	(-) 246.99
56	41	Revenue and Disaster Management Department	2235.60.793.UA	(-) 3,183.23	(-) 402.12
57	43	School Education Department	2202.01.101.AC	(-) 82,185.55	(-) 405.85
58	43	School Education Department	2202.01.102.AD	(-) 28,278.80	(-) 1,039.68
59	43	School Education Department	2202.01.796.JB	(-) 19.45	(-) 600.00
60	45	Social Welfare and Nutritious Meal Programme Department	2236.02.101.JN	(-) 4,676.36	(-) 356.98
61	45	Social Welfare and Nutritious Meal Programme Department	2236.02.102.KL	(-) 3,156.58	(-) 956.77
62	50	Pension and Other Retirement Benefits	2071.01.111.AA	46.96	(-) 366.61
63	50	Pension and Other Retirement Benefits	2071.01.117.AA	10,136.24	(-) 17,016.94
64	50	Pension and Other Retirement Benefits	2071.01.117.AB	13,215.83	(-) 15,085.95
65	50	Pension and Other Retirement Benefits	2071.01.117.AC	(-) 1,122.26	(-) 5,534.74
66	50	Pension and Other Retirement Benefits	2071.01.117.AD	1,575.44	(-) 2,314.62
67	50	Pension and Other Retirement Benefits	2071.01.800.AO	1,249.98	(-) 250.00

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh) Re-appropriation	Final Excess (+) / Savings (-)
68	51	Relief on account of Natural Calamities	2245.02.106.AA	(-) 0.01	(-) 747.18
69	51	Relief on account of Natural Calamities	2245.02.282.AA	(-) 0.01	(-) 200.00
70	51	Relief on account of Natural Calamities	2245.02.800.BH	(-) 0.01	(-) 2,263.38
71	52	Department for the Welfare of Differently Abled Persons	2235.02.101.BD	366.37	(-) 334.81
72	*56*	*Debt Charges*	*2049.03.104.AA*	*(-) 9,320.00*	*(-) 5,554.57*
73	*56*	*Debt Charges*	*2049.03.117.AM*	*(-) 1,010.47*	*(-) 3,154.70*
74	*56*	*Debt Charges*	*2049.60.101.AE*	*999.99*	*(-) 1,520.63*
		Total - Savings			**(-) 1,84,938.94**
		Excess occurred under the following			
1	04	Adi-Dravidar and Tribal Welfare Department	2225.01.283.JA	(-) 158.43	361.37
2	05	Agriculture Department	2401.00.103.AN	135.06	266.62
3	05	Agriculture Department	2401.00.119.JX	1,425.60	462.36
4	05	Agriculture Department	2435.01.101.AC	(-) 799.22	245.31
5	14	Energy Department	6801.00.800.AI	(-) 29,592.00	4,849.70
6	16	Finance Department	7610.00.800.AJ	(-) 1,786.87	394.83
7	19	Health and Family Welfare Department	2210.01.110.AA	(-) 1,087.93	896.96
8	19	Health and Family Welfare Department	2210.01.110.AB	(-) 3,013.11	280.47
9	19	Health and Family Welfare Department	2210.01.110.AJ	(-) 3,123.45	529.34
10	19	Health and Family Welfare Department	2210.01.110.AK	(-) 1,384.28	264.38
11	19	Health and Family Welfare Department	2210.01.110.DG	433.76	268.53
12	19	Health and Family Welfare Department	2210.02.104.AF	(-) 1,203.13	561.35
13	19	Health and Family Welfare Department	2210.05.105.AA	(-) 305.72	400.53
14	19	Health and Family Welfare Department	2210.05.105.AF	25.00	290.06
15	19	Health and Family Welfare Department	2210.05.105.AH	16.19	205.58
16	19	Health and Family Welfare Department	2210.05.105.BI	496.45	210.44
17	19	Health and Family Welfare Department	2210.05.105.BJ	(-) 890.60	497.97
18	19	Health and Family Welfare Department	2210.05.105.BM	(-) 2,992.40	2,778.66
19	19	Health and Family Welfare Department	2210.05.105.BP	(-) 770.96	568.31
20	19	Health and Family Welfare Department	2210.06.001.AI	(-) 1,285.05	595.21
21	19	Health and Family Welfare Department	2210.06.101.AG	(-) 777.71	256.25
22	20	Higher Education Department	2202.03.001.AA	(-) 248.74	2,933.43
23	20	Higher Education Department	2202.03.103.AB	(-) 1,864.49	1,180.04
24	20	Higher Education Department	2202.03.104.AA	(-) 12,329.22	4,659.64
25	20	Higher Education Department	2203.00.105.AB	(-) 1,595.92	757.82
26	21	Highways and Minor Ports Department	3054.80.001.JV	32.86	440.58
27	21	Highways and Minor Ports Department	3054.80.001.JX	(-) 68.74	3,043.89
28	21	Highways and Minor Ports Department	5054.80.800.PC	(-) 28,216.07	272.48
29	22	Police (Home, Prohibition and Excise Department)	2055.00.001.AS	1,378.42	430.89
30	22	Police (Home, Prohibition and Excise Department)	2055.00.003.AA	(-) 2,797.20	553.33

Sl. No	Grant	Name of the Grant	Head of Account	(₹in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
31	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AA	(-) 601.46	291.69
32	22	Police (Home, Prohibition and Excise Department)	2055.00.101.AB	1,159.14	573.14
33	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AA	(-) 1,980.75	4,967.17
34	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AB	(-) 31,771.38	14,472.02
35	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AC	(-) 3,321.33	515.84
36	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AD	(-) 4,085.26	1,918.66
37	22	Police (Home, Prohibition and Excise Department)	2055.00.108.AM	(-) 485.01	639.74
38	24	Prisons (Home, Prohibition and Excise Department)	2056.00.101.AA	(-) 4,525.55	280.76
39	26	Housing and Urban Development Department	7610.00.201.BS	(-) 2,605.83	269.87
40	32	Labour and Employment Department	2210.01.102.AC	1,956.51	430.47
41	34	Municipal Administration and Water Supply Department	2217.80.800.PI	(-) 1,000.00	300.00
42	38	Public Department	2015.00.106.AA	(-) 1,644.67	690.79
43	40	Irrigation (Public Works Department)	2701.01.101.AE	(-) 26.61	207.66
44	40	Irrigation (Public Works Department)	2701.80.003.AA	(-) 267.28	255.45
45	40	Irrigation (Public Works Department)	4700.01.800.AA	1,353.86	1,385.80
46	40	Irrigation (Public Works Department)	4700.01.800.PC	(-) 19,406.15	2,465.68
47	40	Irrigation (Public Works Department)	4701.01.800.CA	6,228.82	536.85
48	40	Irrigation (Public Works Department)	4701.01.800.PA	(-) 3,213.27	323.99
49	40	Irrigation (Public Works Department)	4702.00.101.AQ	4,927.55	460.34
50	41	Revenue and Disaster Management Department	2029.00.102.AF	(-) 223.37	235.76
51	41	Revenue and Disaster Management Department	2029.00.102.AG	(-) 3,388.02	353.82
52	41	Revenue and Disaster Management Department	2053.00.094.AB	(-) 9,997.10	946.05
53	43	School Education Department	2202.01.800.JC	(-) 544.24	600.01
54	43	School Education Department	2202.02.105.UA	(-) 389.95	2,897.54
55	43	School Education Department	2202.02.105.UB	(-) 262.11	245.88
56	43	School Education Department	2202.02.110.AA	(-) 57,631.32	951.60
57	45	Social Welfare and Nutritious Meal Programme Department	2235.02.102.JX	(-) 5,628.99	373.08
58	45	Social Welfare and Nutritious Meal Programme Department	2236.02.102.UA	(-) 4,557.23	230.62
59	45	Social Welfare and Nutritious Meal Programme Department	2236.02.789.SC	(-) 971.09	602.27
60	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	2250.00.103.AA	(-) 300.00	300.00
61	48	Transport Department	5053.02.102.AC	2,652.08	9,153.78

Sl. No	Grant	Name of the Grant	Head of Account	(₹ in lakh)	
				Re-appropriation	Final Excess (+) / Savings (-)
62	50	Pension and Other Retirement Benefits	2071.01.101.AA	(-) 1,42,584.84	452.12
63	50	Pension and Other Retirement Benefits	2071.01.800.AL	105.82	257.53
64	51	Relief on account of Natural Calamities	2245.02.101.AF	(-) 0.01	783.09
65	51	Relief on account of Natural Calamities	2245.02.111.AB	(-) 0.01	246.26
66	*56*	*Debt Charges*	*2049.03.104.AJ*	*(-) 790.19*	*685.96*
67	*57*	*Public Debt-Repayment*	*6004.02.105.AA*	*26,327.83*	*205.07*
	Total – Excess				**79,962.69**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.4
(Reference: Paragraph 3.3.5)

Injudicious re-appropriations - Unnecessary provision by re-appropriation

(in ₹)

Sl. No.	Grant No	Head of Account	Provision (O+S)	Re-appropriation	Actual Expenditure
1	06	2403.00.105.AA	97,52,000	16,49,000	91,36,069
2	12	4425.00.107.JU	29,77,44,000	4,000	29,75,00,784
3	13	3456.00.797.UC	2,000	67,90,000	--
4	19	2210.01.110.DN	97,25,91,000	11,61,16,000	97,05,16,266
5	19	2210.02.200.AD	4,13,65,000	13,02,000	4,07,35,217
6	19	2210.03.796.JC	45,17,000	2,80,000	44,46,027
7	19	2210.05.103.AC	4,96,17,000	92,82,000	4,08,01,922
8	19	2210.05.105.KF	1,000	7,46,000	--
9	19	2210.05.200.JB	21,80,000	29,000	19,51,444
10	19	2210.06.003.AB	95,65,000	10,45,000	75,80,931
11	19	2210.06.107.AD	24,02,46,000	68,87,000	23,41,98,888
12	19	2211.00.003.SG	3,75,74,000	1,67,32,000	3,68,72,165
13	19	2211.00.104.AA	36,21,000	10,53,000	12,48,444
14	20	2202.03.103.AA	7,21,73,07,000	21,24,24,000	7,18,47,78,522
15	21	3054.01.001.AB	5,41,37,000	17,13,000	5,34,55,285
16	22	2055.00.101.SA	8,00,01,000	1,29,86,000	5,82,51,359
17	22	2055.00.113.AA	6,05,00,000	14,19,52,000	4,74,42,567
18	24	2056.00.797.AA	4,32,99,000	9,99,000	3,17,34,566
19	32	2059.01.053.DU	10,73,000	2,45,000	5,95,448
20	32	2225.80.101.AL	2,31,15,000	26,42,000	2,26,72,615
21	35	2052.00.092.AP	45,32,000	3,04,000	44,97,663
22	36	3451.00.101.JJ	24,33,000	14,64,000	20,91,038
23	40	2215.01.101.AQ	6,30,53,000	60,24,000	4,12,48,358
24	40	2700.80.001.AY	12,03,000	2,46,000	--
25	40	2711.01.800.AC	1,17,46,43,000	56,02,81,000	--
26	40	4701.01.800.CB	1,000	43,80,000	--
27	41	2053.00.094.FG	23,18,000	2,46,000	21,89,629
28	41	2070.00.800.PA	2,13,82,99,000	10,04,000	2,13,76,52,926
29	41	2235.60.102.UC	5,36,51,62,000	2,65,68,000	5,36,18,93,105
30	44	2851.00.102.BY	14,33,000	24,000	13,57,488
31	45	2235.02.106.AF	64,48,000	58,000	63,80,226
32	45	2235.02.106.AI	18,16,000	39,000	18,12,220
33	45	2235.02.106.AL	28,09,000	5,41,000	25,57,852
34	45	2235.02.106.KB	92,14,000	6,91,000	68,29,410
35	47	2250.00.102.AA	9,81,49,000	41,06,000	8,84,11,466
36	50	2071.01.107.AA	1,000	4,000	--
37	50	2071.01.107.AB	19,53,000	2,78,000	17,84,625
38	50	2071.01.111.AA	29,10,43,000	46,96,000	25,90,77,949
39	50	2071.01.117.AA	22,68,94,47,000	1,01,36,24,000	22,00,13,76,556
40	50	2071.01.117.AB	3,04,10,21,000	1,32,15,83,000	2,85,40,08,936

(in ₹)

Sl. No.	Grant No	Head of Account	Provision (O+S)	Re-appropriation	Actual Expenditure
41	50	2071.01.117.AD	24,59,90,000	15,75,44,000	17,20,71,530
42	51	2245.02.800.BO	8,20,32,000	1,000	7,74,27,212
43	52	2235.02.101.CE	3,79,25,000	48,75,000	3,12,83,389
44	54	2406.01.105.AB	63,69,000	95,000	62,92,650
45	54	2406.02.111.AA	15,46,14,000	84,67,000	14,84,31,206
46	56	2049.60.101.AE	50,50,01,000	9,99,99,000	45,29,36,654
		Total	**45,07,51,16,000**	**3,75,20,18,000**	**42,70,55,30,607**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.5
(Reference: Paragraph 3.3.5)
Provision more than ₹ 100 crore withdrawn by re-appropriation and with 'NIL' Expenditure

(₹ in crore)

Sl. No	Grant No	Head of Account	Description	Original	Supple-mentary	Re-appropriation	Actual Expen-diture
		A - Revenue - Voted					
1	05	2810.02.800.SA	New and Renewable Energy Scheme	201.34	--	(-) 201.34	--
2	26	2216.02.190.PB	Grants to TNSCB for implementation of ADB assisted Inclusive Resilient and Sustainable Housing for the Urban Poor	100.00	--	(-) 100.00	--
3	26	2217.05.190.JP	Grants to Chennai Metro Rail Limited as reimbursement of taxes / duties levied by the State	115.00	--	(-) 115.00	--
4	36	2515.00.101.AO	Chief Minister Rural Self Sufficiency Development Scheme	100.00	--	(-) 100.00	--
5	36	3475.00.797.JA	Amount Transferred to State Innovation Fund	100.00	--	(-) 100.00	--
6	41	2235.60.200.DR	Corpus Fund for New Comprehensive Accident cum Life Insurance Scheme implemented by CRA	150.00	--	(-) 150.00	--
7	53	2202.80.789.JE	Free Distribution of Laptop Computers to the Students under Special Component Plan	237.33	--	(-) 237.33	--
8	53	2202.80.800.JC	Free Distribution of Laptop Computers to the Students	702.48	--	(-) 702.48	--
		A - Revenue - Charged					
9	*56*	*2049.01.101.AB*	*Lumpsum provision for the New Loans to be floated during the current Financial Year*	*1,173.60*	--	*(-) 1,173.60*	--
10	*56*	*2049.01.101.AC*	*Lumpsum provision for the New Loans to be floated during next Financial Year*	*1,344.00*	--	*(-) 1,344.00*	--
		B - Capital - Voted					
11	14	4801.05.190.AA	Share Capital Assistance to TANTRANSCO for Chennai - Kanyakumari Industrial Corridor (CKIC) Project	450.00	--	(-) 450.00	--
12	16	4070.00.800.KF	Transfer to Tamil Nadu Infrastructure Development Fund	500.00	--	(-) 500.00	--
13	26	4216.02.190.AA	Equity Contribution to the Tamil Nadu Shelter Fund under Tamil Nadu Housing and Habitat Development Project	155.20	--	(-) 155.20	--
14	26	4217.60.190.JH	Share Capital Assistance to Chennai Metro Rail Limited	100.00	--	(-) 100.00	--
15	29	5452.01.101.LD	Tourism Promotion Project	100.00	--	(-) 100.00	--
16	34	4217.60.800.JQ	One time Special Fund for Basic Infrastructure Development in Urban Habitations	350.00	--	(-) 350.00	--
17	41	4216.03.102.AA	Acquisition of Lands for Provision of House Sites to the Encroachers at objectionable Poramboke	100.00	--	(-) 100.00	--
18	42	4515.00.103.JM	One time Special Grant Scheme for essential Basic Infrastructure work for Rural Habitation	118.50	--	(-) 118.50	--

(₹ in crore)

Sl.No	Grant No	Head of Account	Description	Original	Supple-mentary	Re-appropriation	Actual Expen-diture
		C - Loans - Voted					
19	05	6401.00.195.AD	Ways and Means Advances to Tamil Nadu Cooperative Marketing Federation Limited (TANFED)	130.00	--	(-) 130.00	--
		C - Loans - Charged					
20	*57*	*6004.02.800.AB*	*Pre 2004- 05 Central Loans consolidated in terms of recommendations of the 12th Finance Commission*	*263.28*	--	*(-) 263.28*	--
		Total		**6,490.73**	**--**	**(-) 6,490.73**	**--**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.6
(Reference: Paragraph 3.3.5 & 4.3)

Withdrawal of entire Provision towards interest liability under Major Head '8342'

(in ₹)

Sl. No	Head of Account	Nomenclature	Original	Supple-mentary	Re-appropriation	Final Modified Appropriation	Expenditure
1	2049.60.101.AL	Interest on Deposits of Tamil Nadu Transport Development Finance Corporation	30,00,00,000	1,000	(-) 30,00,01,000	--	--
2	2049.60.101.BG	Interest on the Deposits of State Agricultural Marketing Board	30,00,000	--	(-) 30,00,000	--	--
3	2049.60.101.BH	Interest on the Deposits of Vellore Market Committee	4,00,000	--	(-) 4,00,000	--	--
4	2049.60.101.BJ	Interest on the Deposits of Cuddalore Market Committee	2,00,000	--	(-) 2,00,000	--	--
5	2049.60.101.BK	Interest on the Deposits of Dharmapuri Market Committee	7,00,000	--	(-) 7,00,000	--	--
6	2049.60.101.BR	Interest on the Deposits of Ramanathapuram Market Committee	10,00,000	--	(-) 10,00,000	--	--
7	2049.60.101.BS	Interest on the Deposits of Tirunelveli Market Committee	10,00,000	--	(-) 10,00,000	--	--
8	2049.60.101.BT	Interest on the Deposits of Madurai Market Committee	32,00,000	--	(-) 32,00,000	--	--
9	2049.60.101.BU	Interest on the Deposits of Kancheepuram Market Committee	25,000	--	(-) 25,000	--	--
10	2049.60.101.CS	Interest on Deposits of Tamil Nadu Veterinary and Animal Sciences University	3,00,00,000	--	(-) 3,00,00,000	--	--
11	2049.60.101.CT	Interest on Deposits of Chennai University	2,00,00,000	--	(-) 2,00,00,000	--	--
12	2049.60.101.CU	Interest on Deposits of Annamalai University	50,00,000	1,000	(-) 50,01,000	--	--
13	2049.60.101.CV	Interest on Deposits of Madurai Kamarajar University	64,00,000	1,000	(-) 64,01,000	--	--
14	2049.60.101.CW	Interest on Deposits of Bharathiar University	95,60,000	--	(-) 95,60,000	--	--
15	2049.60.101.CY	Interest on Deposits of Alagappa University	71,70,000	--	(-) 71,70,000	--	--
16	2049.60.101.DC	Interest on Deposits of Tamil Nadu Agricultural University	7,20,00,000	1,000	(-) 7,20,01,000	--	--
17	2049.60.101.DU	Deposits of State Transport Corporation Employees' Post Retirement Benefit Fund	15,00,000	--	(-) 15,00,000	--	--
18	2049.60.101.DX	Interest on Deposits of Tamil Nadu Dr. M.G.R Medical University	40,00,000	1,000	(-) 40,01,000	--	--

(in ₹)

Sl. No	Head of Account	Nomenclature	Original	Supple-mentary	Re-appropriation	Final Modified Appropriation	Expenditure
19	2049.60.101.EE	Interest on deposits of Avinasilingam Institute for Home Science and Higher Education for Women (Deemed University)	*1,52,00,000*	*1,000*	*(-) 1,52,01,000*	--	--
20	2049.60.101.EI	Interest on deposits of Periyar University	*25,00,000*	*1,000*	*(-) 25,01,000*	--	--
21	2049.60.101.EJ	Interest on deposits of Villupuram Market Committee	*2,00,000*	--	*(-) 2,00,000*	--	--
22	2049.60.101.EL	Interest on Deposits of Dindigul Market Committee	*62,56,000*	*1,000*	*(-) 62,57,000*	--	--
23	2049.60.101.EP	Interest on Deposits of Thiruvallur University	*8,00,000*	--	*(-) 8,00,000*	--	--
24	2049.60.101.EQ	Interest on Deposits of Tamil Nadu Manual Workers' Social Security and Welfare Board	*4,00,000*	--	*(-) 4,00,000*	--	--
25	2049.60.101.EX	Interest on Deposit of Water and Sanitation Pooled Fund	*80,00,000*	--	*(-) 80,00,000*	--	--
26	2049.60.101.EY	Interest on Deposits of Tamil Nadu State Transport Corporation Employee's Pension Fund Trust	*3,20,00,000*	--	*(-) 3,20,00,000*	--	--
		Total	***53,05,11,000***	***8,000***	***(-) 53,05,19,000***	**--**	**--**

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.7
(Reference: Paragraph 3.3.5)

Injudicious re-appropriations - Unnecessary Withdrawals by re-appropriation

(In ₹)

Sl. No	Grant No	Name of the Grant	Head of Account*	Original Provision	Supple-mentary Provision	Re-appropriation	Actual Expenditure
1	04	Adi-Dravidar and Tribal Welfare Department	2225.01.277.KQ (V)	96,71,000	--	(-) 96,71,000	74,000
2	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.KD (V)	59,33,000	--	(-) 59,33,000	6,60,441
3	04	Adi-Dravidar and Tribal Welfare Department	2225.02.277.KE (V)	43,73,000	--	(-) 43,73,000	6,000
4	05	Agriculture Department	2401.00.793.SH (V)	33,25,000	--	(-) 33,25,000	15,569
5	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2225.03.277.KE (V)	86,97,000	--	(-) 86,97,000	6,280
6	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2235.60.200.AJ (V)	1,00,000	1,000	(-) 1,01,000	13,33,400
7	13	Food and Consumer Protection (Cooperation, Food and Consumer Protection Department)	4070.00.800.SW (V)	1,000	--	(-) 1,000	4,34,676
8	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	2205.00.101.AQ (V)	7,15,000	--	(-) 7,15,000	1,75,500
9	38	Public Department	2070.00.800.AS (V)	24,90,000	--	(-) 24,90,000	3,27,397
10	38	Public Department	2235.60.200.CS (V)	24,75,000	--	(-) 24,75,000	22,000
11	40	Irrigation (Public Works Department)	4701.03.800.PB (V)	10,62,50,000	--	(-) 10,62,50,000	4,00,317
12	41	Revenue and Disaster Management Department	4070.00.800.AY (V)	14,00,00,000	--	(-) 14,00,00,000	28,17,551
13	43	School Education Department	2202.02.800.AM (V)	81,50,000	--	(-) 81,50,000	6,500
14	*47*	*Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department*	*2250.00.103.AA (C)*	*3,00,00,000*	--	*(-) 3,00,00,000*	*3,00,00,000*
15	51	Relief on account of Natural Calamities	2245.01.101.AB (V)	2,000	--	(-) 2,000	84,600
16	51	Relief on account of Natural Calamities	2245.01.101.AD (V)	1,000	--	(-) 1,000	6,86,100
17	51	Relief on account of Natural Calamities	2245.01.101.AF (V)	1,000	--	(-) 1,000	3,38,900
18	51	Relief on account of Natural Calamities	2245.01.102.AI (V)	2,000	--	(-) 2,000	5,000
19	51	Relief on account of Natural Calamities	2245.02.101.AG (V)	2,000	--	(-) 2,000	8,200
20	51	Relief on account of Natural Calamities	2245.02.107.AA (V)	1,000	36,94,000	(-) 36,95,000	36,68,100
21	51	Relief on account of Natural Calamities	2245.02.113.AA (V)	1,000	--	(-) 1,000	58,700
22	51	Relief on account of Natural Calamities	2245.80.800.AG (V)	1,000	--	(-) 1,000	54,45,900
23	52	Department for the Welfare of Differently Abled Persons	2235.02.101.NM (V)	--	18,00,000	(-) 18,00,000	18,00,000
24	*56*	*Debt Charges*	*2049.60.101.ER (C)*	*1,000*	--	*(-) 1,000*	*6,07,550*
		Total		**32,21,92,000**	**54,95,000**	**(-) 32,76,87,000**	**4,89,82,681**

** V – Voted, C - Charged*

(Source: Detailed Appropriation Accounts for the year 2020-21)

Appendix 3.8
(Reference: Paragraph 3.3.6.1)
Grants in which savings more than ₹ 100 crore

(₹ in crore)

Sl. No	Grant No	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
	A – Revenue (Charged)						
1	*56*	*Debt Charges*	*39,271.47*	*0.01*	*39,271.48*	*37,041.77*	*(-) 2,229.71*
	A – Revenue (Charged) Total		**39,271.47**	**0.01**	**39,271.48**	**37,041.77**	**(-) 2,229.71**
	A – Revenue (Voted)						
2	03	Administration of Justice	1,130.44	14.33	1,144.77	1,011.01	(-) 133.76
3	04	Adi-Dravidar and Tribal Welfare Department	3,735.74	7.90	3,743.64	3,431.33	(-) 312.31
4	05	Agriculture Department	11,387.31	34.98	11,422.29	10,141.68	(-) 1,280.61
5	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	1,450.79	389.32	1,840.11	1,567.16	(-) 272.95
6	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	987.43	13.27	1,000.70	755.03	(-) 245.67
7	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	6,675.25	3,400.92	10,076.17	9,801.38	(-) 274.79
8	16	Finance Department	1,169.60	5.00	1,174.60	1,047.23	(-) 127.38
9	19	Health and Family Welfare Department	13,950.10	2,596.32	16,546.42	15,309.58	(-) 1,236.84
10	20	Higher Education Department	4,794.35	356.19	5,150.54	4,621.45	(-) 529.09
11	22	Police (Home, Prohibition and Excise Department)	8,437.99	9.33	8,447.32	7,735.04	(-) 712.28
12	26	Housing and Urban Development Department	4,655.74	32.20	4,687.94	3,140.78	(-) 1,547.16
13	27	Industries Department	2,716.53	7.50	2,724.03	1,543.71	(-) 1,180.33
14	32	Labour and Employment Department	1,573.11	0.01	1,573.12	1,346.89	(-) 226.23
15	34	Municipal Administration and Water Supply Department	9,868.36	1,005.44	10,873.80	8,786.41	(-) 2,087.38
16	36	Planning, Development and Special Initiatives Department	319.73	0.00	319.73	107.25	(-) 212.48
17	41	Revenue and Disaster Management Department	6,999.07	216.37	7,215.44	6,426.74	(-) 788.70
18	42	Rural Development and Panchayat Raj Department	19,679.26	1,110.56	20,789.82	16,316.00	(-) 4,473.81
19	43	School Education Department	33,956.75	0.99	33,957.74	30,226.31	(-) 3,731.44
20	44	Micro, Small and Medium Enterprises Department	575.72	100.00	675.72	515.92	(-) 159.80

(₹ in crore)

Sl. No	Grant No	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
21	45	Social Welfare and Nutritious Meal Programme Department	5,886.94	3.00	5,889.94	4,786.43	(-) 1,103.51
22	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	278.17	13.49	291.66	166.36	(-) 125.30
23	48	Transport Department	1,756.16	2,157.33	3,913.49	3,799.18	(-) 114.31
24	49	Youth Welfare and Sports Development Department	216.91	60.62	277.53	156.37	(-) 121.15
25	50	Pension and Other Retirement Benefits	35,142.74	0.00	35,142.74	27,171.99	(-) 7,970.75
26	53	Department of Special Programme Implementation	975.86	0.00	975.86	25.68	(-) 950.18
27	54	Forests (Environment and Forests Department)	434.94	137.24	572.18	471.28	(-) 100.90
	A – Revenue (Voted) Total		**1,78,754.99**	**11,672.31**	**1,90,427.30**	**1,60,408.19**	**(-) 30,019.11**
	B – Capital (Voted)						
28	04	Adi-Dravidar and Tribal Welfare Department	353.54	15.74	369.28	265.32	(-) 103.95
29	05	Agriculture Department	376.42	11.00	387.42	286.82	(-) 100.60
30	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	671.71	0.00	671.71	320.78	(-) 350.93
31	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	361.40	0.00	361.40	10.41	(-) 350.99
32	14	Energy Department	530.31	782.91	1,313.22	837.00	(-) 476.22
33	16	Finance Department	500.00	0.00	500.00	0.00	(-) 500.00
34	19	Health and Family Welfare Department	1,911.53	597.10	2,508.63	2,138.81	(-) 369.82
35	20	Higher Education Department	258.39	12.00	270.39	138.22	(-) 132.17
36	21	Highways and Minor Ports Department	14,277.55	0.01	14,277.56	12,870.24	(-) 1,407.32
37	22	Police (Home, Prohibition and Excise Department)	431.50	0.00	431.50	253.33	(-) 178.17
38	26	Housing and Urban Development Department	364.20	0.00	364.20	106.83	(-) 257.37
39	34	Municipal Administration and Water Supply Department	8,116.34	37.69	8,154.03	7,212.06	(-) 941.97
40	39	Buildings (Public Works Department)	1,214.61	192.59	1,407.20	1,262.88	(-) 144.32
41	40	Irrigation (Public Works Department)	4,814.86	1,006.31	5,821.17	4,286.64	(-) 1,534.53
42	41	Revenue and Disaster Management Department	114.01	0.64	114.65	0.28	(-) 114.37

(₹ in crore)

Sl. No	Grant No	Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
43	42	Rural Development and Panchayat Raj Department	1,906.23	0.00	1,906.23	1,272.58	(-) 633.65
44	43	School Education Department	224.68	110.42	335.10	189.51	(-) 145.59
	B – Capital (Voted) Total		**36,427.28**	**2,766.41**	**39,193.69**	**31,451.71**	**(-) 7,741.98**
C – Loan (Voted)							
45	05	Agriculture Department	130.75	0.00	130.75	0.61	(-) 130.14
46	14	Energy Department	1,859.20	0.00	1,859.20	710.91	(-) 1,148.29
47	26	Housing and Urban Development Department	3,169.25	0.00	3,169.25	1,110.94	(-) 2,058.31
48	48	Transport Department	768.10	0.00	768.10	531.35	(-) 236.75
	C – Loan (Voted) Total		**5,927.30**	**0.00**	**5,927.30**	**2,353.81**	**(-) 3,573.49**
	Grand Total		**2,60,381.04**	**14,438.73**	**2,74,819.77**	**2,31,255.48**	**(-) 43,564.29**

(Source: Appropriation Accounts for the year 2020-21)

Appendix 3.9
(Reference: Paragraph 3.3.6.2)

Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2021

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
Appropriations				
1	*03*	*2014*	*Administration of Justice*	*65.09*
Grants				
2	03	2014	Administration of Justice	129.98
3	04	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and other Minorities	207.68
4	04	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, other Backward Classes and Minorities	100.87
5	05	2401	Crop Husbandry	166.16
6	05	2402	Soil and Water Conservation	41.14
7	05	2435	Other Agricultural Programmes	39.60
8	05	4401	Capital Outlay on Crop Husbandry	77.88
9	05	4435	Capital Outlay on Other Agricultural Programmes	20.10
10	05	6401	Loans for Crop Husbandry	130.00
11	06	2403	Animal Husbandry	257.22
12	06	2415	Agricultural Research and Education	12.48
13	06	4403	Capital Outlay on Animal Husbandry	51.06
14	07	2216	Housing	10.00
15	07	2405	Fisheries	29.27
16	07	2415	Agricultural Research and Education	15.04
17	07	4405	Capital Outlay on Fisheries	159.74
18	09	2225	Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes	244.33
19	09	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	24.45
20	10	2052	Secretariat - General Services	10.64
21	11	2030	Stamps and Registration	67.50
22	12	2425	Co-operation	43.53
23	13	3456	Civil Supplies	45.93
24	13	4408	Capital Outlay on food, Storage and Warehousing	307.09
25	14	4801	Capital Outlay on Power Projects	476.21
26	14	6801	Loans for Power Projects	697.48
27	16	2052	Secretariat - General Services	16.14
28	16	2075	Miscellaneous General Services	60.95
29	16	4070	Capital Outlay on Other Administrative Services	10.00
30	16	5475	Capital Outlay on other General Economic Services	150.00
31	16	7610	Loans to Government Servants etc.	42.16
32	17	2851	Village and Small Industries	37.97
33	19	2210	Medical and Public Health	412.04
34	19	2211	Family Welfare	751.03
35	19	2235	Social Security and Welfare	64.22

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
36	19	4210	Capital Outlay on Medical and Public Health	352.09
37	19	4211	Capital Outlay on Family Welfare	35.11
38	20	2059	Public Works	36.85
39	20	2202	General Education	314.11
40	20	2203	Technical Education	230.37
41	20	4202	Capital Outlay on Education, Sports, Art and Culture	46.57
42	21	3054	Roads and Bridges	71.92
43	21	5054	Capital Outlay on Roads and Bridges	642.25
44	22	2055	Police	705.29
45	22	4055	Capital outlay on Police	35.09
46	23	2070	Other Administrative Services	41.47
47	24	2056	Jails	32.57
48	25	2041	Taxes on Vehicles	17.39
49	26	2216	Housing	116.20
50	26	2217	Urban Development	38.09
51	26	2251	Secretariat -Social Services	64.86
52	26	4217	Capital Outlay on Urban Development	50.00
53	26	6217	Loans for Urban Development	1,500.00
54	26	7610	Loans to Government Servants etc.,	26.76
55	28	2220	Information and Publicity	22.56
56	29	2205	Art and Culture	17.42
57	29	4202	Capital Outlay on Education, Sports, Art and Culture	22.89
58	29	5452	Capital Outlay on Tourism	11.45
59	31	2852	Industries	39.22
60	32	2210	Medical and Public Health	35.09
61	32	2230	Labour, Employment and Skill Development	44.71
62	32	4250	Capital Outlay on other Social Services	16.78
63	34	2217	Urban Development	293.85
64	34	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	662.79
65	34	4215	Capital Outlay on Water Supply and Sanitation	130.71
66	34	4217	Capital Outlay on Urban Development	811.26
67	36	2515	Other Rural Development Programmes	100.00
68	38	2015	Elections	35.16
69	38	2070	Other Administrative Services	12.69
70	38	7610	Loans to Government Servants etc.,	13.46
71	39	2059	Public Works	22.17
72	39	4059	Capital Outlay on Public Works	113.31
73	39	4210	Capital Outlay on Medical and Public Health	37.71
74	40	2215	Water Supply and Sanitation	25.86
75	40	2701	Medium Irrigation	87.08

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
76	40	4215	Capital Outlay on Water Supply and Sanitation	10.85
77	40	4700	Capital Outlay on Major Irrigation	507.57
78	40	4701	Capital Outlay on Medium Irrigation	87.46
79	40	4702	Capital Outlay on Minor Irrigation	104.95
80	40	4711	Capital Outlay on Flood Control projects	20.07
81	41	2029	Land Revenue	43.77
82	41	2053	District Administration	225.53
83	41	2235	Social Security and Welfare	463.54
84	41	4070	Capital Outlay on Other Administrative Services	14.00
85	41	4216	Capital Outlay on Housing	100.64
86	42	2015	Elections	23.60
87	42	2215	Water Supply and Sanitation	75.20
88	42	2501	Special Programmes for Rural Development	87.44
89	42	2505	Rural Employment	2,112.77
90	42	2515	Other Rural Development Programmes	118.47
91	42	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	1,804.01
92	42	4515	Capital Outlay on other Rural Development Programmes	362.25
93	43	2202	General Education	1,500.22
94	43	4202	Capital Outlay on Education, Sports, Art and Culture	145.53
95	44	2851	Village and Small Industries	48.80
96	45	2235	Social Security and Welfare	106.14
97	45	2236	Nutrition	349.09
98	47	2250	Other Social Services	126.42
99	48	2202	General Education	65.51
100	48	2235	Social Security and Welfare	12.35
101	48	3055	Road Transport	29.85
102	48	5053	Capital Outlay on Civil Aviation	137.79
103	48	7055	Loans for Road Transport	22.36
104	49	2204	Sports and Youth Services	119.35
105	50	2071	Pensions and other Retirement Benefits	351.32
106	52	2235	Social Security and Welfare	67.59
107	53	2202	General Education	626.92
108	54	2406	Forestry and Wild Life	40.09
109	54	3054	Roads and Bridges	56.13
110	54	4406	Capital Outlay on Forestry and Wild Life	53.17
			Grand Total	**21,908.89**

(Source: Re-appropriation orders)

Appendix 3.10
(Reference: Paragraph 3.3.6.2)
Cases where savings of ₹ one crore and above not surrendered

(₹ in crore)

Sl. No.	Grant Number	Name of Grant/Appropriation	Savings	Amount Surrend-ered	Savings which remained to be surrendered
I Appropriations					
		C - Loans			
1	*56*	*Debt Charges*	*2,229.71*	*2,091.96*	*137.75*
II Grants					
		A - Revenue			
2	01	State Legislature	18.73	3.93	14.80
3	04	Adi-Dravidar and Tribal Welfare Department	312.31	294.10	18.21
4	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	272.95	271.27	1.68
5	10	Commercial Taxes (Commercial Taxes and Registration Department)	43.96	1.08	42.88
6	12	Co-operation (Co-operation, Food and Consumer Protection Department)	47.06	45.21	1.85
7	16	Finance Department	127.38	125.31	2.07
8	19	Health and Family Welfare Department	1,236.84	1,229.72	7.12
9	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	64.22	63.22	1.00
10	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	29.08	17.46	11.62
11	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	26.93	25.72	1.21
12	32	Labour and Employment Department	226.23	214.39	11.84
13	34	Municipal Administration and Water Supply Department	2,087.38	1,983.30	104.08
14	39	Buildings (Public Works Department)	33.26	31.37	1.89
15	41	Revenue and Disaster Management Department	788.70	761.15	27.55
16	45	Social Welfare and Nutritious Meal Programme Department	1,103.51	1,100.01	3.50
17	48	Transport Department	114.31	112.71	1.60
18	49	Youth Welfare and Sports Development Department	121.15	119.78	1.37
19	50	Pension and Other Retirement Benefits	7,970.75	7,572.23	398.52
20	51	Relief on account of Natural Calamities	82.23	0.38	81.85
21	52	Department for the Welfare of Differently Abled Persons	76.71	67.59	9.12
22	54	Forests (Environment and Forests Department)	100.90	96.99	3.91
		B - Capital			
23	04	Adi-Dravidar and Tribal Welfare Department	103.95	100.87	3.08
24	15	Environment (Environment and Forests Department)	22.85	21.14	1.71
25	21	Highways and Minor Ports Department	1,407.31	1,320.45	86.86
26	40	Irrigation (Public Works Department)	1,534.52	730.90	803.62
		C - Loans			
27	48	Transport Department	236.75	234.94	1.81
28	54	Forests (Environment and Forests Department)	56.67	0.00	56.67
		Total	**20,476.35**	**18,637.18**	**1,839.17**

(Source: Appropriation Accounts for the year 2020-21)

Appendix 3.11
(Reference: Paragraph 3.3.6.2)
Surrender more than savings under the Grant/Appropriation

(₹ in lakh)

Sl. No	Grant	Name of Grant/Appropriation	Savings	Surrendered	Difference
		Revenue - Charged			
1	*01*	*State Legislature*	*22.05*	*32.59*	*10.54*
2	*02*	*Governor and Council of Ministers*	*241.26*	*246.20*	*4.94*
3	*03*	*Administration of Justice*	*6,508.04*	*6,509.45*	*1.41*
4	*22*	*Police (Home, Prohibition and Excise Department)*	*44.41*	*44.85*	*0.44*
5	*47*	*Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)*	*0.00*	*300.00*	*300.00*
		Revenue - Voted			
6	02	Governor and Council of Ministers	1,278.37	1,297.18	18.81
7	03	Administration of Justice	13,376.18	13,428.12	51.94
8	05	Agriculture Department	1,28,060.89	1,29,110.96	1,050.07
9	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	24,566.84	24,630.98	64.14
10	11	Stamps and Registration (Commercial Taxes and Registration Department)	6,958.84	6,998.14	39.30
11	14	Energy Department	99.70	100.98	1.28
12	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	3,832.29	3,893.30	61.01
13	20	Higher Education Department	52,909.07	58,564.95	5,655.88
14	21	Highways and Minor Ports Department	6,601.54	9,592.07	2,990.53
15	22	Police (Home, Prohibition and Excise Department)	71,228.49	87,963.10	16,734.61
16	24	Prisons (Home, Prohibition and Excise Department)	5,333.21	5,482.63	149.42
17	28	Information and Publicity (Tamil Development and Information Department)	2,248.60	2,326.41	77.81
18	37	Prohibition and Excise (Home, Prohibition and Excise Department)	2,636.96	2,693.71	56.75
19	38	Public Department	5,849.82	6,289.07	439.25
20	40	Irrigation (Public Works Department)	7,691.34	12,823.05	5,131.71
21	42	Rural Development and Panchayat Raj Department	4,47,381.31	4,47,653.78	272.47
22	43	School Education Department	3,73,144.25	3,75,216.12	2,071.87
23	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	12,529.93	12,649.68	119.75
24	53	Department of Special Programme Implementation	95,018.26	95,018.51	0.25

(₹ in lakh)

Sl. No	Grant	Name of Grant/Appropriation	Savings	Surrendered	Difference
		Capital - Charged			
25	*40*	*Irrigation (Public Works Department)*	*434.50*	*436.06*	*1.56*
		Capital - Voted			
26	05	Agriculture Department	10,059.79	10,060.03	0.24
27	06	Animal Husbandry (Animal Husbandry, Dairying and Fisheries Department)	5,070.21	5,106.10	35.89
28	07	Fisheries (Animal Husbandry, Dairying and Fisheries Department)	35,093.07	35,093.08	0.01
29	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	35,099.40	35,103.82	4.42
30	19	Health and Family Welfare Department	36,981.43	38,719.41	1,737.98
31	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	5,665.07	5,683.96	18.89
32	30	Stationery and Printing (Tamil Development and Information Department)	198.14	202.67	4.53
33	32	Labour and Employment Department	1,956.52	2,514.67	558.15
34	35	Personnel and Administrative Reforms Department	406.70	821.43	414.73
35	39	Buildings (Public Works Department)	14,431.86	28,941.54	14,509.68
36	41	Revenue and Disaster Management Department	11,436.44	11,464.60	28.16
37	44	Micro, Small and Medium Enterprises Department	2,393.30	2,398.45	5.15
38	48	Transport Department	5,343.18	14,679.13	9,335.95
39	52	Department for the Welfare of Differently Abled Persons	423.71	423.97	0.26
40	54	Forests (Environment and Forests Department)	5,368.41	5,485.19	116.78
		Loans - Charged			
41	*57*	*Public Debt-Repayment*	*7,591.82*	*7,723.89*	*132.07*
		Loans - Voted			
42	14	Energy Department	1,14,829.56	1,19,693.06	4,863.50
43	16	Finance Department	6,426.23	6,517.83	91.60
44	26	Housing and Urban Development Department	2,05,830.60	2,05,875.75	45.15
45	27	Industries Department	2,086.60	0.01	2,086.61
		Total	**17,70,514.99**	**18,39,810.48**	**69,295.49**

*(**Source:** Appropriation Accounts for the year 2020-21)*

Appendix 3.12
(Reference: Paragraph 3.3.6.4)

List of Grants having Persistent Savings during 2016-2021

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2016-17	2017-18	2018-19	2019-20	2020-21
	(A) Revenue – Voted					
1	02 - Governor and Council of Ministers	7.03 (17.04)	3.40 (9.61)	4.05 (9.31)	6.85 (15.07)	12.78 (27.14)
2	07 - Fisheries (Animal Husbandry, Dairying and Fisheries Department)	56.76 (12.95)	155.15 (21.62)	208.67 (28.40)	116.74 (19.35)	54.30 (9.54)
3	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	189.91 (20.19)	352.63 (36.64)	114.75 (11.20)	142.35 (14.80)	245.67 (24.55)
4	11 - Stamps and Registration (Commercial Taxes and Registration Department)	78.51 (25.67)	27.28 (9.18)	40.19 (12.42)	36.28 (9.74)	69.59 (17.12)
5	16 - Finance Department	207.63 (20.47)	265.48 (23.95)	319.77 (19.22)	461.56 (27.31)	127.38 (10.84)
6	25 - Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	22.05 (9.38)	23.17 (8.51)	66.62 (17.49)	54.65 (12.85)	29.08 (6.95)
7	35 - Personnel and Administrative Reforms Department	15.15 (16.24)	5.76 (5.73)	12.08 (10.11)	7.03 (5.53)	34.80 (23.59)
8	38 - Public Department	115.25 (15.39)	89.52 (18.88)	99.98 (18.65)	80.45 (8.53)	58.50 (9.29)
9	42 - Rural Development and Panchayat Raj Department	5,649.76 (27.86)	3,848.59 (25.26)	2,216.09 (12.83)	2,277.30 (13.51)	4,473.81 (21.52)
	(A) Revenue – Charged					
10	*01 - State Legislature*	*0.21 (54.33)*	*0.20 (21.81)*	*0.27 (37.56)*	*0.17 (28.38)*	*0.22 (38.18)*
11	*03 - Administration of Justice*	*78.71 (29.59)*	*27.82 (11.37)*	*52.35 (17.81)*	*71.26 (22.99)*	*65.08 (20.33)*
12	*19 - Health and Family Welfare Department*	*0.80 (54.28)*	*0.87 (45.37)*	*0.85 (59.67)*	*1.24 (81.79)*	*1.45 (53.56)*
13	*38 - Public Department*	*1.16 (59.20)*	*0.13 (27.80)*	*0.08 (21.20)*	*0.88 (25.68)*	*0.36 (70.29)*
	(B) Capital - Voted					
14	04 - Adi-Dravidar and Tribal Welfare Department	196.61 (75.29)	143.46 (62.64)	75.90 (50.43)	42.55 (31.75)	103.95 (28.15)
15	05 - Agriculture Department	61.55 (17.26)	242.91 (55.57)	113.29 (24.53)	160.65 (37.72)	100.60 (25.97)
16	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	76.17 (72.03)	4.17 (12.99)	4.85 (21.28)	5.91 (58.39)	24.45 (25.50)
17	13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	228.76 (45.60)	92.27 (32.16)	69.50 (32.36)	270.72 (55.96)	350.99 (97.12)
18	16 - Finance Department	1,970.00 (98.32)	2,000.00 (100)	768.90 (99.11)	768.41 (99.79)	500.00 (100)
19	21 - Highways and Minor Ports Department	1,348.84 (18.97)	1,743.31 (20.11)	1,990.87 (20.82)	2,865.26 (23.63)	1,407.31 (9.86)
20	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	34.37 (48.73)	28.73 (40.55)	33.33 (53.29)	137.29 (69.40)	56.65 (27.38)
21	34 - Municipal Administration and Water Supply Department	556.94 (12.05)	2,941.13 (50.68)	1,289.69 (20.33)	3,075.70 (41.08)	941.97 (11.55)

(₹ in crore)

Sl. No.	Name of the Grant	Amount of Savings				
		2016-17	2017-18	2018-19	2019-20	2020-21
22	40 - Irrigation (Public Works Department)	641.73 (38.26)	1,730.56 (58.21)	1,336.56 (43.18)	1,514.88 (39.29)	1,534.52 (26.36)
23	44 - Micro, Small and Medium Enterprises Department	47.69 (90.17)	48.99 (97.91)	45.94 (48.85)	44.20 (62.26)	23.93 (75.62)
	(C) Loan - Voted					
24	05 – Agriculture Department	150.16 (99.78)	130.02 (99.64)	130.00 (99.55)	130.54 (99.84)	130.14 (99.53)
25	15 –Environment (Environment and Forest Department)	18.19 (90.96)	19.30 (94.70)	20.00 (100)	20.00 (100)	1.05 (100)
26	22 - Police (Home, Prohibition and Excise Department)	26.22 (85.32)	3.26 (50.47)	5.00 (71.44)	3.61 (72.29)	1.69 (5.87)
27	38 - Public Department	15.14 (73.84)	13.97 (68.13)	15.96 (91.18)	3.91 (71.06)	13.77 (79.10)

(Figures in brackets indicate savings as a percentage of total provision)
(Source: Appropriation Accounts for the respective years)

Appendix 3.13
(Reference: Paragraph 3.4.2)
Rush of Expenditure

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2021 (₹ in crore)
1	04	2225.02.277.SD (V)	Development of Particularly Vulnerable Tribal Groups	5.51
2	04	2225.02.277.SE (V)	Pre Matric Scholarship for Scheduled Tribe students	3.90
3	04	2225.02.794.SA (V)	Welfare Schemes for Scheduled Tribes in Integrated Rural Development Project Blocks under Tribal Sub-Plan	3.90
4	04	2225.02.794.SE (V)	Implementation of Action Plan for Tribal Research Centre in Udhagamandalam	1.10
5	04	4225.01.277.JN (V)	Upgrading infrastructure facilities in the Schools of Adi-Dravidar and Tribal Welfare Department with loan assistance of NABARD under RIDF	55.65
6	05	2401.00.115.JJ (V)	Financing to Farmer Producer Companies for Mezzanine Capital assistance.	12.50
7	05	4435.01.101.JM (V)	Infrastructure facilities for Supply Chain Management for fruits, vegetables and other perishables with NABARD Assistance	18.11
8	05	4435.01.101.JO (V)	Augmentation of Infrastructure of Cold Storage with Loan Assistance of NABARD (RIDF)	19.00
9	07	2405.00.101.AI (V)	Enhancing Fish Diversity and Biomass in the sea near Pulicate lake - Scheme under State Innovation Fund.	1.07
10	17	2851.00.103.BD (V)	Handloom Support Programme	40.00
11	18	2851.00.105.AL.(V)	Rebate on Sale of Khadi Cloth to Khadi Board	4.00
12	18	2851.00.105.AO.(V)	Distribution of Shaila Wheel to Potters	4.08
13	18	2851.00.107.LE (V)	Assistance to Research and Publicity, Mass Disinfection, TANSILK, etc.	1.67
14	19	2210.01.110.AU (V)	Tuberculosis Control and Chemotherapy	1.07
15	19	2210.01.110.ME (V)	Mesenchymal Stem Cell Secretome for treatment of non-healing Ulcers - Scheme under State Innovation Fund	3.39
16	19	2210.05.200.JC (V)	Reimbursement of Tuition Fees for the First Generation Graduates	1.62
17	19	2210.80.793.UA (V)	National Mission on AYUSH under Special Component Plan for Scheduled Castes	2.93
18	19	2210.80.794.UA (V)	National Mission on AYUSH under Tribal Area Sub-Plan	1.63
19	19	2210.80.800.UB (V)	National Mission on AYUSH	2.26
20	19	4210.01.200.PA (V)	Civil Works towards Tamil Nadu Urban Health Care Project	22.27
21	20	2203.00.102.AA (V)	Anna University, Chennai	50.33
22	20	2203.00.112.AI (V)	Assistance to Post Graduate Students	3.51
23	21	5054.03.337.PA (V)	Bye-Pass at Kelambakkam and Tiruporur in Rajiv Gandhi Salai with JICA Assistance - TNIPP Phase-2	25.00
24	22	2059.01.053.CU (V)	Non Residential Buildings - Police Department - Administered by the Commissioner of Police, Chennai	1.05
25	26	6217.60.190.PL (V)	Loans for Phase II Metro Rail Corridors in Chennai Metropolitan Area with the assistance of Japan International Cooperation Agency (JICA)	500.00

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2021 (₹ in crore)
26	26	6217.60.190.PP (V)	State's Sub-ordinate debt for Chennai Metro Rail Project Phase-II	500.00
27	31	2852.07.101.JC (V)	Use - Artificial Intelligence in Governance	10.00
28	31	2852.07.800.JD (V)	Assistance to ELCOT towards Tamil Nadu State Wide Area Network	21.84
29	32	2230.01.103.AC (V)	Labour Welfare Fund - controlled by the Commissioner of Labour	4.04
30	33	2202.03.102.AM (V)	The Tamil Nadu Dr.Ambedkar Law University, Chennai	5.43
31	34	2215.01.190.AB (V)	Grant to TWAD Board towards Variable Cost and Annual Increase to three Combined Water Supply Schemes under New Tiruppur Area Development Corporation Limited	2.86
32	34	2217.05.793.UB (V)	Implementation of Swachh Bharat Mission in Town Panchayats	18.19
33	34	2217.05.794.UB (V)	Implementation of Swachh Bharat Mission in Town Panchayats	5.95
34	34	2217.05.800.UE (V)	Implementation of Swachh Bharat Mission in Town Panchayats	2.55
35	34	2217.80.800.PH (V)	Technical Assistance to World Bank assisted Tamil Nadu Sustainable Urban Development Project with TNUDF	15.00
36	34	4215.01.190.JA (V)	Share Capital Assistance to CMWSS Board for 150 MLD Desalination Plant at Nemmeli	201.75
37	34	4217.60.800.PF (V)	Capital Grant to Grant Fund I - German Development Bank (KfW) line of credit under Sustainable Municipal Infrastructure Financing (SMIF) in Tamil Nadu Phase II - Part I	7.59
38	34	4217.60.800.PH (V)	Capital Grant to TNUDF (GF-II) for Implementing World Bank Assisted Tamil Nadu Sustainable Urban Development Project (TNSUDP)	100.00
39	34	4217.60.800.PL (V)	Capital Grants to TNUDF for implementation of Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP)	50.00
40	34	6217.60.190.PI (V)	Loans to TNUDF for implementation of SMIF -TN-Phase -II Part I with the assistance of German Development Bank (KfW)	7.59
41	34	6217.60.190.PK (V)	Loans to TNUDF for Implementing World Bank Assisted Tamil Nadu Sustainable Urban Development Project (TNSUDP)	100.00
42	34	6217.60.190.PO (V)	Loans to TNUDF for implementation of Asian Development Bank assisted Tamil Nadu Urban Flagship Investment Programme (TNUFIP)	25.00
43	34	6217.60.190.PR (V)	Loans for construction for Integrated Storm Water Drain in Kosasthalaiyar basin with the assistance of ADB	250.00
44	42	2505.01.702.UM (V)	Pradhan Mantri Awaas Yojana (Gramin)	20.97
45	42	2505.01.793.UA (V)	Pradhan Mantri Awaas Yojana (Gramin) under Special Component Plan	30.93
46	42	3604.00.200.BP (V)	Capital Grant Fund for Rural Local Bodies	1,064.69
47	42	3604.00.200.BQ (V)	Pooled Fund Deficit - Rural Local Bodies	532.34
48	42	4515.00.103.UB (V)	Road / Bridge Works under PMGSY- II	80.55

Sl. No.	Grant No	Head of Account	Description	100% Expenditure during March 2021 (₹ in crore)
49	43	2202.01.789.JF (V)	Supply of bags and other learning materials to students in Government and Government Aided Schools	10.55
50	43	2202.01.800.BB (V)	Assistance to the students studying 1 - 8 std. of Government/Aided Schools where breadwinning father or mother dies in an accident or permanently incapacitated - Controlled by the Director of Elementary Education	3.00
51	43	2202.01.800.KG (V)	Supply of bags and other learning materials to students in Government and Government Aided Schools	32.73
52	43	2202.01.800.KN (V)	Free Supply of Woollen Sweaters to Students	1.19
53	43	2202.02.106.JC (V)	Supply of Text Books to Students	66.50
54	43	2202.02.109.KT (V)	Establishing Model School in Educational Districts	17.60
55	43	2202.02.789.JI (V)	Supply of bags and other learning materials to students in Government and Government Aided Schools	11.64
56	43	2202.02.796.JD (V)	Supply of bags and other learning materials to students in Government and Government Aided Schools	1.00
57	43	2202.02.800.AV (V)	Free Supply of Text Books, Note Books, Uniforms, School Bags, Footwear, Crayons, Colour Pencils, Geometry Boxes, Maps, Woollen Sweaters etc.,	5.00
58	43	2202.02.800.JP (V)	Assistance to the students studying 9 -12 std. of Government/Aided Schools where breadwinning father or mother dies in an accident or permanently incapacitated - Controlled by the Director of School Education	2.70
59	43	2202.02.800.JT (V)	Supply of bags and other learning materials to students in Government and Government Aided Schools	38.30
60	43	2225.01.789.JD (V)	Supply of Text Books under Special Component Plan under School Education	28.50
61	44	2851.00.102.MN (V)	Grants to Cluster of Tiny Industries	2.50
62	45	2235.02.103.BQ (V)	Scheme for Supply of Sewing Machines	1.26
63	45	2235.02.103.UE (V)	Implementation of Swadhar Greh Scheme under Social Welfare Department	4.79
64	45	2235.02.104.KP (V)	Integrated Complex of Special Homes for Senior Citizens and Destitute Children	6.36
65	45	2236.02.794.UA (V)	Tamil Nadu Integrated Child Development Services Scheme Phase-III under Tribal Sub-Plan	6.11
66	45	4236.80.800.UC (V)	Construction of Toilets to the Anganwadi Centres	1.08
67	47	2250.00.102.AK (V)	Grants to Hindus of Tamil Nadu performing pilgrimage to Manasarover and Mukthinath	1.94
68	48	3055.00.190.AH (V)	Grants to Accident Claim Settlement Fund	30.00
69	49	2204.00.104.AT (V)	Grants to Sports Development Authority of Tamil Nadu for maintenance of Sports Stadia	4.68
70	49	2204.00.104.KT (V)	Grants to Sports Development Authority of Tamil Nadu for Chief Minister's Awards and Trophies	4.14
71	51	2245.80.102.AD (V)	Tamil Nadu Disaster Response Force	10.15
72	52	2235.02.101.CQ (V)	Supply of Motorised Sewing Machines	1.28
		Total		**4,135.82**

(Source: Appropriation Accounts for the year 2020-21)

Appendix 3.14
(Reference: Paragraph 3.5)

Details of Contingency Fund Advances

Contingency Fund Order	Date of Issue of Government order	Head of Account	Provision as per CF order *(In ₹)*	Amount utilised out of CF as reported by AG (A&E) *(In ₹)*
1	G. O. Rt. No. 227 dated 04-05-2020	2235.02.200.AZ	1,51,44,000	1,51,44,000
2	G. O. Rt. No. 399 dated 21-07-2020	2401.00.119.JX	17,51,000	--
3	G. O. Rt. No. 400 dated 21-07-2020	2401.00.119.JX	18,93,000	7,02,264
4	G. O. Rt. No. 401 dated 21-07-2020	2401.00.119.JX	18,09,000	8,03,355
5	G. O. Rt. No. 402 dated 21-07-2020	2401.00.119.JX	20,26,000	7,00,000
6	G. O. Rt. No. 403 dated 21-07-2020	2401.00.119.JX	22,89,000	7,06,300
7	G. O. Rt. No. 518 dated 05-09-2020	2225.02.106.KD	99,23,000	99,23,000
8	G. O. Rt. No. 621 dated 15-10-2020	2217.80.001.AC	12,92,000	12,44,897
9	G. O. Rt. No. 634 dated 19-10-2020	2055.00.001.AA	82,00,000	71,89,549
10	G. O. Rt. No. 680 dated 02-11-2020	2070.00.800.AA	54,50,000	28,20,200
11	G. O. Rt. No. 718 dated 18-11-2020	2852.07.101.AM	4,39,00,000	4,39,00,000
12	G. O. Rt. No. 720 dated 19-11-2020	2235.02.102.KK	2,00,00,000	2,00,00,000
13	G. O. Rt. No. 731 dated 20-11-2020	2405.00.800.SH	7,20,40,000	7,20,40,000
14	G. O. Rt. No. 759 dated 03-12-2020	2053.00.094.FY	2,53,36,000	--
15	G. O. Rt. No. 844 dated 31-12-2020	2055.00.108.AM	50,00,000	50,00,000
16	G. O. Rt. No. 3 dated 06-01-2021	2055.00.101.SA	8,00,00,000	2,56,94,400
17	G. O. Rt. No. 4 dated 07-01-2021	2210.06.001.AP	6,30,00,000	--
18	G. O. Rt. No. 5 dated 07-01-2021	5053.02.102.AF	10,31,67,000	3,13,50,160
19	G. O. Rt. No. 37 dated 22-01-2021	2225.01.800.MA	7,89,22,000	7,89,22,000
20	G. O. Rt. No. 95 dated 17-02-2021	2202.04.200.UC	99,00,000	--
	Total		**55,10,42,000**	**31,61,40,125**

(Source: CFA Orders and Detailed Appropriation Accounts for the year 2020-21)

Appendix 4.1
(Reference: Paragraph 4.5)

List of outstanding Utilisation Certificates

Sl. No.	Name of the Department	Year of UC due	No. of UCs due	Amount (₹ *in crore*)
1	Directorate of Town and Country Planning	2018 - 19	1	21.00
2	Directorate of Town and Country Planning	2019 - 20	1	38.29
3	Commissionerate of Municipal Administration	2019 - 20	1	21.21
4	Directorate of Employment and Training	2019 - 20	3	20.00
5	Commissionerate of Industries and Commerce	2017-18	1	4.00
6	Commissionerate of Industries and Commerce	2018 – 19	1	3.41
7	Commissionerate of Industries and Commerce	2019 – 20	1	1.35
8	Commissionerate of Industries and Commerce	2020 - 21	3	10.56
9	Directorate of Rural Development and Panchayat	2018 - 19	1	9.56
10	Directorate of Rural Development and Panchayat	2020 - 21	2	7.50
11	Sports Development Authority of Tamil Nadu	2020 - 21	5	8.19
12	Chennai Metropolitan Water Supply and Sewerage Board	2020 – 21	1	6.27
13	Directorate of Medical Education	2019-20	1	6.24
14	Universities	2019 - 20	1	6.03
15	Tamil Nadu Physical Education & Sports University	2019 - 20	1	1.32
16	Tamil Nadu Physical Education & Sports University	2020 – 21	3	3.24
17	Directorate of Agriculture	2018 - 19	1	0.37
18	Directorate of Agriculture	2019 - 20	1	2.67
19	Directorate of Agriculture	2020 – 21	1	0.07
20	Directorate of Town Panchayat	2020 – 21	1	2.56
21	Directorate of Fisheries	2020 – 21	1	0.05
	Total		**32**	**173.89**

(Source: Notes to Accounts 2020-21)

Appendix 4.2
(Reference: Paragraph 4.8)
Expenditure under Minor Head '800 – Other expenditure'

(₹ in crore)

Sl. No.	Major Head	Expenditure under Minor Head '800' upto 03/2021	Total Expenditure upto 03/2021	Percentage
1	4701-Capital Outlay on Medium Irrigation	227.36	227.19	*100.07*
2	4875-Capital Outlay on Other Industries	26.22	26.22	*100.00*
3	4236-Capital Outlay on Nutrition	47.36	47.36	*100.00*
4	4070-Capital Outlay on Other Administrative Services	66.31	66.31	*100.00*
5	5475-Capital Outlay on other General Economic Services	48.39	48.39	*100.00*
6	4700-Capital Outlay on Major Irrigation	3,404.83	3,405.42	*99.98*
7	4217-Capital Outlay on Urban Development	4,444.33	4,456.49	*99.73*
8	2711-Flood Control and Drainage	157.72	158.24	*99.67*
9	2810-New and Renewable Energy	100.92	101.99	*98.95*
10	2852-Industries	1,443.19	1,573.99	*91.69*
11	2245-Relief on account of Natural Calamities	10,152.21	12,021.70	*84.45*
12	2075-Miscellaneous General Services	285.30	382.31	*74.63*
13	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	195.83	342.63	*57.15*
14	2217-Urban Development	706.03	1,245.46	*56.69*
	Total	**21,306.00**	**24,103.70**	***88.39***

(Source: Notes to Accounts 2020-21)

Appendix 4.3
(Reference: Paragraph 4.8)
Receipts under Minor Head '800 – Other receipts'

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head '800' upto 03/2021	Total Receipts upto 03/2021	Percentage
1	1456 - Civil Supplies	10.31	10	*103.10*
2	1055 - Road Transport	6.85	6.85	*100*
3	0211 - Family Welfare	177.59	177.59	*100*
4	0215 - Water Supply and Sanitation	0.25	0.25	*100*
5	1452 - Tourism	0.16	0.16	*100*
6	0217 - Urban Development	829.42	829.42	*100*
7	1056 - Inland Water Transport	0.33	0.33	*100*
8	1051 - Ports and Light Houses	3.63	3.63	*100*
9	0235 - Social Security and Welfare	91.42	91.43	*99.99*
10	1054 - Roads and Bridges	180.5	181.02	*99.71*
11	0515 - Other Rural Development Programmes	72.8	75.95	*95.85*
12	0250 - Other Social Services	55.21	59.71	*92.46*
13	0425 - Co-operation	26.82	31.84	*84.23*
14	0075 - Miscellaneous General Services	561.19	667.55	*84.07*
15	0435 - Other Agricultural Programmes	18.78	24.54	*76.53*
16	0029 - Land Revenue	161.04	211.19	*76.25*
17	0702 - Minor Irrigation	2.38	3.19	*74.61*
18	0701 - Major and Medium Irrigation	43.69	60.23	*72.54*
20	0403 - Animal Husbandry	9.5	13.26	*71.64*
21	0406 - Forestry and Wild Life	66.5	94.7	*70.22*
22	0059 - Public Works	10	17.57	*56.92*
23	0216 - Housing	107.04	205.35	*52.13*
	Total	**2,435.41**	**2,765.76**	***88.06***

(Source: Notes to Accounts 2020-21)

Appendix 4.4
(Reference: Paragraph 4.14)
List of bodies and authorities, the accounts of which had not been received as at the end of 2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
	Universities	
1	Alagappa University, Karaikudi – 623 003	2015-16, 2017-18, 2019-20, 2020-21
2	Anna University, Chennai – 600 025	2017-18 to 2020-21
3	Bharathiar University, Coimbatore – 641 046	2016-17, 2019-20, 2020-21
4	Bharathidasan University, Trichy	2015-16, 2017-18, 2018-19, 2019-20, 2020-21
5	Madurai Kamarajar University, Madurai	2016-17 to 2019-20, 2020-21
6	Manonmaniam Sundaranar University, Tirunelveli	2019-20, 2020-21
7	Mother Teresa Women's University, Kodaikanal – 624 102	2017-18, 2018-19, 2019-20, 2020-21
8	Shri. Chandrasekarendra Saraswathi Vishwa Vidyalaya, Chennai	2013-14 to 2019-20, 2020-21
9	Thiruvallur University, Fort Campus, Vellore – 632 004	2016-17 to 2019-20, 2020-21
10	University of Madras, Chennai – 600 005	2015-16, 2016-17, 2018-19, 2019-20, 2020-21
11	Tamil Nadu Open University, Guindy, Chennai – 600 025	2019-20, 2020-21
12	Annamalai University, Chidambaram	2017-18, 2018-19, 2019-20, 2020-21
13	Tamil University, Thanjavur	2018-19, 2019-20, 2020-21
14	Tamil Nadu Agriculture University, Coimbatore	2018-19, 2019-20, 2020-21
15	Tamil Nadu State Agriculture Marketing Board, Chennai	2010-11 to 2020-21
16	Tamil Nadu Horticulture Agency, Chennai	2020-21
17	Tamil Nadu Watershed Development Agency	2019-20, 2020-21
18	Director Irrigation Management Training Institute, Trichy	2020-21
19	Tamil Nadu Veterinary and Animal Sciences university, Chennai	2020-21
20	Tamil Nadu Livestock Development Agency, Chennai	2020-21
21	Tamil Nadu Fisheries University, Nagapattinam	2020-21
	Arts & Science Colleges	
22	D.D.G.D. Vaishnav College, Arumbakkam, Chennai 600 106	2018-19, 2019-20, 2020-21
23	A M Jain College, Meenambakkam, Chennai – 600 114	2017-18, 2018-19, 2019-20, 2020-21
24	A.V.V.M Sri Pushpam College, Poondi – 613 503, Thanjavur	2019-20, 2020-21
25	Aditanar College of Art's and Science, Tiruchendur – 628 216	2019-20, 2020-21
26	Arulmigu Palani Andaver College of Art's & Culture, Palani – 624 602	2016-17 to 2019-20, 2020-21
27	Arumugam Pillai Seethaiyammal College, Tirupattur – 623 211	2019-20, 2020-21
28	Auxilium College for Women, Vellore – 632 006	2010-11, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
29	Ayya nadir janaki Ammal College, Sivakasi – 626 123	2017-18, 2018-19, 2019-20, 2020-21
30	Bishop Herber College, Trichy – 620 017	2019-20, 2020-21
31	C B M College, Sakethapuri, Kovaipudur, Coimbatore – 641 042	2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21
32	C. Kandaswami Naidu College for Women, Cuddalore – 607 001	2013-14 to 2020-21
33	Chellammal Women's College, Chennai – 600 032	2017-18, 2019-20, 2020-21
34	Dwarka Doss Vaishanva College, Chennai	2018-19, 2019-20, 2020-21
35	Devanga Art's College, Aruppukottai – 626 101	2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21
36	Dharmamurthi .Rao Bahadur.Calavala .Cunnan.Chettys. Hindu College, Pattabiram, Chennai – 600 072	2019-20, 2020-21
37	E M G Kone Yadava Women's College, Madurai – 14	2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21
38	Emareld Heights College for Women, Uthagamandalam	2018-19, 2020-21
39	Erode Arts College, Erode – 608 009	2017-18, 2018-19, 2019-20, 2020-21
40	Ethiraj College for Women, Chennai – 600 005	2019-20, 2020-21
41	Fathima College, Madurai – 625 018	2017-18, 2018-19, 2019-20, 2020-21
42	G V G Visalakshi College for Women, Udumalpet – 642 128	2017-18, 2018-19, 2019-20, 2020-21
43	Ganesan Senthamil College, Melasivapuri, Pudukottai - 622 403	2005-06 to 2012-13, 2017-18, 2019-20
44	Gurunanak College, Guindy, Chennai – 600 032	2013-14, 2014-15, 2015-16, 2016-17, 2020-21
45	H.K.R. Howdia College, Uthamapalayam – 626 533	2018-19, 2019-20. 2020-21
46	Jamia Darussalam Arabic College, Oomerabad – 635 808	2005-06 to 2018-19, 2020-21
47	Justice Basheer Ahamed Syed Womens College, Teynampet	2014-15 to 2019-20, 2020-21
48	Kongunadu Arts and Science College, G N Mills P.O., Coimbatore – 29	2019-20, 2020-21
49	Lady Doak College, Madurai – 2	2015-16, 2017-18, 2019-20, 2020-21
50	Lakshmi College of Education, Gandhipuram Post – 624 302	2010-11, 2011-12, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21
51	Lakshmipuram College of Art's & Science, Neyyar – 629 802	2006-07 to 2018-19, 2020-21
52	Madras Christian College, Tambaram, East Tambaram – 14, Kancheepuram	2017-18 to 2019-20, 2020-21
53	Mannar Tirumalai Naicker College, Madurai	2018-19
54	Loyola College, Chennai	2018-19, 2019-20, 2020-21
55	Madras school of social work, Egmore Chennai	2017-18, 2018-19, 2019-20, 2020-21
56	Madura College, Madurai – 625 001	2018-19, 2019-20, 2020-21
57	Madurai Institute of Social Sciences, Alagar Koil Road, Madurai – 625 002	2006-07 to 2012-13, 2016-17 to 2019-20
58	Meenakshi College for Women, Chennai 600 024	2014-15 to 2019-20, 2020-21
59	M D T Hindu College, Tirunelveli	2015-16 to 2019-20, 2020-21
60	N V K S D College of Education, Tiruvattar – 629 191	2019-20, 2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
61	N.K.T. National College of Education, Dr.Besant Road, Chennai- 5	2020-21
62	Nadar Mahajana Sangam SVN College, Nagamalai, Madurai	2016-17 to 2019-20, 2020-21
63	Nallamuthu Gownder Mahalingam College, Pollachi – 642 001	2012-13 to 2019-20, 2020-21
64	Nesamony Memorial Christian College, Marthandam – 629 165	2016-17 to 2018-19
65	P S G College of Arts & Science Civil Aerodrome Post, Vidya Nagar, Coimbatore – 641 014	2019-20, 2020-21
66	Pachiyappa's College for Men, Kancheepuram – 631 503	2020-21
67	Pachiyappa's College for Women, Kancheepuram – 631 503	2019-20, 2020-21
68	Pioneer Kumaraswamy College, Nagercoil	2016-17 to 2019-20, 2020-21
69	PMT College, Melaneelithanallur, Tirunelveli	2014-15 to 2019-20, 2020-21
70	Poombuhar College, Malaiyur, Mayiladuthurai – 609 107	2005-06 to 2016-17, 2018-19, 2019-20, 2020-21
71	Pope's College, Sayarpuram – 628 251	2012-13, 2019-20, 2020-21
72	Rajah's College for Sanskrit & Tamil, Thiruvaiyaru – 613 204, Thanjavur	2010-11, 2011-12, 2012-13, 2016-17 to 2019-20, 2020-21
73	Rajapalayam Raju's College, Rajapalayam – 626 117	2018-19, 2019-20, 2020-21
74	Ramasamy Tamil College, Karaikudi – 623 001	2008-09 to 2019-20, 2020-21
75	S D N B Vaishnav for Women, Chromepet, Chennai – 600 044	2017-18, 2018-19, 2019-20, 2020-21
76	S T Hindu College, Nagercoil – 629 002	2017-18, 2019-20, 2020-21
77	Sadhakathullah Appa College, Tirunelveli – 627 001	2018-19, 2019-20, 2020-21
78	Saiva Banu Kshatriya College, Aruppukottai – 626 101	2014-15 to 2019-20, 2020-21
79	Sarah Taucker College, Palayamkottai, Tirunelveli – 627 007	2018-19, 2019-20, 2020-21
80	Saraswathi Narayanan College, Madurai – 625 022	2020-21
81	Scot Christian College, Nagercoil – 629 003	2019-20, 2020-21
82	Sacred Heart Arts College, Tirupattur	2019-20
83	SIVET College, Gowriwakkam	2019-20
84	Senthamil College, Tamil Sangam Salai, Madurai – 625 001	2006-07 to 2019-20, 2020-21
85	Sree Devikumari Women's College, Kuzhithurai – 629 163	2015-16, 2019-20, 2020-21
86	Sree Sevugan Annamalai College, Devakottai	2019-20, 2020-21
87	Sri K.V.S.S. Art's College, Tirupanandal, Thanjavur – 612 504	2015-16, 2016-17, 2020-21
88	Saurastra College, Pasumalai, Madurai	2019-20, 2020-21
89	Sri Parasakthi College for Women, Courtallam	2014-15 to 2017-18 to 2019-20, 2020-21
90	Sri Sarada College of Education, Fair Lands, Salem – 636 016	2018-19, 2019-20, 2020-21
91	Sri Satguru sangeetha Vidyalayam(College of Music) Ghokale Road, Madurai – 2	2013-14 to 2019-20, 2020-21
92	Sir Thyagaraja College, Old Washermanpet, Chennai – 600 021	2013-14 to 2019-20, 2020-21
93	Sri Sarada college of physical education, Salem	2019-20, 2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
94	Sri Ramaswami Naidu Memorial College, Virudhunagar	2018-19
95	Srimath Sivagnanabalaya Swamigal, Tamil Arts and Science College Mailam, Villupuram	2018-19
96	St. Ignatius College of Education, Palayamkottai	2019-20, 2020-21
97	St. Christopher's College of education, Vepery, Chennai – 600 007	2017-18 to 2019-20, 2020-21
98	St. John's College, Tirunelveli – 627 002	2005-06, 2006-07, 2015-16, 2016-17 to 2019-20, 2020-21
99	St. Judes College, Thoothoor – 629 176	2019-20, 2020-21
100	St. Mary's College, Turicorin – 628 001	2018-19, 2019-20, 2020-21
101	St. Xavier's College, Tirunelveli – 627 002	2018-19, 2019-20, 2020-21
102	St.Xaviers college of education, Palayamkottai	2018-19, 2019-20, 2020-21
103	Stella Maris College, Chennai – 600 086	2017-18 to 2019-20, 2020-21
104	T.B. Manickam Luthern College, Porayar – 609 107	2011-12 to 2019-20, 2020-21
105	Thavathiru Santhalinga Adigalar Arts & Science & Tamil College, Perur Post, Coimbatore – 10	2018-19, 2019-20, 2020-21
106	The American College, Madurai -625 002	2013-14 to 2019-20, 2020-21
107	The M D T Hindu College, Tirunelveli – 627 010	2015-16 to 2019-20, 2020-21
108	The Quaid-E-Milleth College for Men, Medavakkam, Chennai – 600 073	2020-21
109	The New College, Royapattah, chennai	2020-21
110	The S F R Women's College for Women, Sivakasi – 626 123	2018-19, 2019-20, 2020-21
111	Thiagarajar College of Preceptors, Madurai – 9	2018-19, 2019-20, 2020-21
112	Thiruvallur College, Pothigaiyadi, Papanasam – 627 425	2012-13 to 2019-20, 2020-21
113	Thyagaraja college, Madurai	2019-20, 2020-21
114	Tirunelveli Dakshinamara Nadar Sangam College, T. Kallikulam – 627 113	2014-15, 2015-16, 2019-20, 2020-21
115	Tranquebar Bishop Manickam College, Nagapattinam	2010-11 to 2019-20, 2020-21
116	Urumu Dhanalakshmi College, Trichy – 620 019	2013-14, 2014-15, 2015-16, 2016-17, 2019-20, 2020-21
117	V O C College of Education, Tuticorin – 628 002	2018-19, 2019-20, 2020-21
118	Vellalar College for Women, Erode – 638 006	2020-21
119	V O C College, Tuticorin	2018-19, 2020-21
120	VHNSN College, Virudhunagar – 626 001	2017-18 to 2019-20, 2020-21
121	Vivekananda College, Agasteeswaram -629 701	2018-19, 2019-20, 2020-21
122	Vivekananda College, Tiruvengdam West, Scholavandan railway Station	2018-19, 2019-20, 2020-21
123	Voorhees College, Vellore – 632 001	2015-16, 2020-21
124	Women's Christian College, Nagercoil – 629 001	2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21
125	Women's Christian College, Chennai	2018-19, 2019-20, 2020-21
126	Yadava College, Madurai – 14	2017-18 to 2019-20, 2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
127	YMCA college of physical education, Chennai	2015-16 to 2019-20, 2020-21
	Polytechnics	
128	Annamalai Polytechnic College, Chettinad – 632 102	2018-19, 2019-20, 2020-21
129	A.M.K. Technology Polytechnic College, Chennai-Bangalore Road, Sembarambakkam, Chennai – 602 103	2017-18 to 2019-20, 2020-21
130	Bhakthavachalam Polytechnic College, Kariapettai, kanchipuram – 631 552	2017-18 to 2019-20, 2020-21
131	CIT Sandwich Polytechnic College, Aerodrome Post, Coimbatore – 641 014	2016-17, 2019-20, 2020-21
132	P.T. Lee Chengalvaraya Naickar Polytechnic, Vepery, Chennai – 600 007	2012-13, 2017-18, 2018-19, 2019-20, 2020-21
133	GRG Polytechnic College for Women, Kuppepalayam, Sarcarsamkulam Post, Coimbatore – 641 107	2019-20, 2020-21
134	Murugappa Polytechnic College, Sathiyamurthy Nagar, Thirumullaivoil Village, Avadi, Chennai – 600 062	2019-20, 2020-21
135	EIT Polytechnic College, Kovindapadi, Erode	2016-17, 2020-21
136	Nachimuthu Polytechnic College, Mackinaickenpatty Post, Pollachi -642 003	2019-20, 2020-21
137	NPA Centenary Polytechnic College, Belvedeve, Kothagiri – 643 217	2019-20, 2020-21
138	Pattukottai Polytechnic College, Pattukkottai	2017-18 to 2019-20, 2020-21
139	PSN Ramasamy Ayyar Memorial Polytechnic College for Girls, P.B.No.349, Trichy – 620 002	2019-20, 2020-21
140	Periyar Centenary Girls Polytechnic College, Vallam – 613 403	2017-18 to 2019-20, 2020-21
141	PSG Polytechnic College, P.B.No.1611, Peelamedu, Coimbatore – 641 004	2016-17
142	Rajagopal Polytechnic College, Gandhi Nagar, Gudiyatham – 632 604	2018-19, 2020-21
143	Ramakrishna Mission Polytechnic College, 101, Sir P.S. Sivaswamy Salai,Mylapore, Chennai – 600 004	2016-17, 2019-20, 2020-21
144	Sri Ramakrishna Mission Vidyalaya Polytechnic College, Coimbatore – 641 020	2016-17, 2020-21
145	Seshasayee Institute of Technology, Trichy	2016-17, 2017-18, 2019-20, 2020-21
146	Sakthi Polytechnic College, Sakthinagar – 638 315	2019-20, 2020-21
147	SSM Polytechnic College, SSM Nagar, Valayakarnoor, Komarapalayam – 638 183	2019-20, 2020-21
148	Thiyagarajar Polytechnic College, Salem – 636 005	2017-18 to 2019-20, 2020-21
149	Vallivalam Desikar polytechnic, Nagapattinam – 611 001	2017-18 to 2019-20, 2020-21
150	A.D.J. Dharmambal Polytechnic College, Nagapattinam – 611 001	2019-20, 2020-21
151	Kamaraj Polytechnic College, Pazhavilai, Kanyakumari– 629 501	2016-17, 2017-18, 2018-19, 2019-20, 2020-21
152	Mohammed Sathak Polytechnic College, Chairman Sathak Salai, P.B.No.5, Kilakarai – 623 806	2018-19, 2019-20, 2020-21
153	PAC Ramasamy Raja Polytechnic College, Kumarasamy Raja Nagar P.O. Rajapalayam -626 108	2019-20, 2020-21
154	Rukmani Shanmugam Polytechnic College, Varichiyur, Madurai – 625 020	2010-11, 2011-12, 2012-13, 2018-19, 2019-20, 2020-21
155	Sankar Polytechnic College, Talaiyuthu R.S. Sankarnagar – 627 357	2012-13 to 2019-20, 2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
156	VSV Nadar Polytechnic College, Virudhunagar – 626 001	2015-16 to 2019-20, 2020-21
157	Ayya Nadar Janaki Ammal Polytechnic Collegefor women, Chinnakkamanpatti, Sivakasi East – 626 189	2017-18, 2019-20, 2020-21
158	Arulmigu Palaniandavar Polytechnic College, Palani – 624 601	2019-20, 2020-21
159	Sri Krishna Polytechnic College, Kovaipudur Coimbatore – 641102	2015-16 to 2019-20, 2020-21
	Others	
160	Director, Avinashilingam Educational Trust, Social Welfare, Coimbatore	2016-17 to 2020-21
161	Director, Kuppuswamy Shastri Research Institute, Royapettah, Chennai	2016--17 to 2020-21
162	Director, New Century Welfare Society, Social Welfare, Ambattur, Chennai	2016-17 to 2020-21
163	Director, Society for Community Organisation, Trichy	2014-15 to 2020-21
164	Director, Womens Indian Association, Chepauk, Chennai	2007-08 to 2020-21
165	Director, Womens Voluntary Service of Tamil Nadu, Chetpet, Chennai	2014-15 to 2020-21
166	Secretary, Avvai Home, Adyar, Chennai	2015-16 to 2020-21
167	Secretary, Tamil Nadu Basketball Association	2008-09 to 2020-21
168	Director, Kandaswamy Kandars Trust, Namakkal	2017-18 to 2020-21
169	Director Spastic Society of TamilNadu	2017-18 to 2020-21
170	Director, Stree Seva Mandir, Chennai	2017-18 to 2020-21
171	Secretary, Andhra Mahila Sabha	2017-18 to 2020-21
172	Director, Tamil Nadu Social Welfare Board	2018-19 to 2020-21
173	Tamil Nadu Health System Project	2005-06, 2007-08 and from 2016-17 to 2020-21
174	District Blindness Control Society, Salem	2015-16 to 2020-21
175	State TB Society	2005-06 to 2020-21
176	Cancer Institute (WIA) Adyar, Chennai	2019-20 & 2020-21
177	Voluntary Health Services	2017-18 to 2020-21
178	Schieffelin Institute of Health Research & Leprosy Centre	2016-17 to 2020-21
179	Jeevan Blood Bank and Research Centre	2017-18 to 2020-21
180	Headmaster, Little flower convent HSS for deaf, Chennai	2011-12 to 2020-21
181	Head Mistress, Little flower convent HSS for Blind, Chennai	2014-15 to 2020-21
182	Tamil Nadu Manual Workers' Welfare Board	2017-18, 2018-19, 2019-20 & 2020-21
183	Tamil Nadu Labour Welfare Board	2019-20 & 2020-21
184	Tamil Nadu Institute of Labour Studies	2019-20 & 2020-21
185	St Louis Institute for Deaf & Blind	2012-13 to 2020-21
186	Tamil Nadu Waqf Board	2013-14 to 2020-21
187	Zoo Authority of Tamil Nadu, Chennai	2020-21

Sl. No.	Name of the body/authority	Year for which accounts have not been received
188	Conservation Authority on Pallikaranai Marsh Land, Chennai	2018-19 and 2020-21
189	Tamil Nadu Bio-Diversity Conservation and Greening Project, Chennai	2020-21
190	District Forest Development Agency, Tiruvallur	2019-20, 2020-21
191	District Forest Development Agency, Pudukkottai	2016-17 to 2020-21
192	District Forest Development Agency, Harur	2016-17 to 2020-21
193	District Forest Development Agency, Madurai	2016-17 to 2020-21
194	District Forest Development Agency, Nagapattinam	2016-17 to 2020-21
195	District Forest Development Agency, Srivilliputhur	2016-17 to 2020-21
196	District Forest Development Agency, Theni	2016-17 to 2020-21
197	Tamil Nadu Pollution Control Board	2015-16 to 2020-21
198	CMWSSB	2019-20, 2020-21

(Source: Information furnished by Head of Departments)

Appendix 4.5
(Reference: Paragraph 4.16)
Department/category-wise details of loss to Government due to theft, shortage and misappropriation

Sl. No.	Name of the department	Theft		Shortage		Misappropriation		Total	
		Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)
1	Agriculture	3	1.17	69	145.85	17	222.19	89	369.21
2	Animal Husbandry	4	0.04	1	0.04	1	87.85	6	87.93
3	Higher Education	8	1.08	6	16.29	8	34.81	22	52.18
4	Commercial Tax	--	--	--	--	3	127.68	3	127.68
5	Co-operation	1	--	--	--	1	--	1	--
6	Election	--	--	1	0.22	--	--	1	0.22
7	Elementary Education	1	--	--	--	1	68.00	2	68.00
8	Energy	1	0.07	--	--	--	--	1	0.07
9	Finance	--	--	--	--	4	234.11	4	234.11
10	Forest	--	--	2	0.32	--	--	2	0.32
11	Health and Family Welfare	4	2.30	7	6.64	22	166.95	33	175.89
12	Highways	--	--	2	16.79	--	--	2	16.79
13	Home	1	0.97	1	--	6	22.54	8	23.51
14	Horticulture	--	--	4	9.73	1	1.14	5	10.87
15	Inspector of factories	1	--	--	--	1	1.43	2	1.43
16	Labour and Employment	2	1.18	--	--	4	5.69	6	6.87
17	Museum	--	--	--	--	1	14.57	1	14.57
18	Public Works	--	--	9	3.46	--	--	9	3.46
19	Rural Development and Panchayat Raj	--	--	3	3.13	1	7.16	4	10.29
20	Revenue	--	--	2	1.27	116	187.92	118	189.19
21	School Education	--	--	1	12.16	4	38.12	5	50.28
22	Sericulture	1	0.05	--	--	1	1.36	2	1.41
23	Social Welfare	--	--	--	--	5	2.32	5	2.32
24	Transport	1	1.97	--	--	1	12.80	2	14.77
25	Treasury	--	--	1	4.00	--	--	1	4.00
	Total	**28**	**8.83**	**109**	**219.90**	**197**	**1,236.64**	**334**	**1,465.37**

(Source: Information furnished by the Heads of Departments)

Glossary of terms and abbreviations used in the Report

Terms	Description
Accounts or actuals	**'Accounts' or 'actuals'** of a year - are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending on March 31st following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
Administrative approval	**'Administrative approval'** of a scheme, proposal or work - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
Annual financial statement	**'Annual financial statement'** – Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
Appropriation	**'Appropriation'** - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
Charged Expenditure	**'Charged Expenditure'** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
Consolidated Fund of India/ State	**'Consolidated Fund of India/State'** - All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
Contingency Fund	**'Contingency Fund'** is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
Controlling Officer (budget)	**'Controlling Officer (budget)'** - means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
Drawing and Disbursing Officer' (DDO)	**'Drawing and Disbursing Officer' (DDO)** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function.

Terms	Description
Excess Grant	**'Excess Grant'** – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
New Service	**'New Service'** – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
New Instrument of Service	**'New Instrument of Service'**- means relatively large expenditure arising out of important expansion of an existing activity.
Public Accounts	**'Public Accounts'**- means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
Re-appropriation	**'Re-appropriation'** - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
Revised Estimate	**'Revised Estimate'** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
Supplementary Demands for Grants	**'Supplementary Demands for Grants'**- means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash. a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State. b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section. c) **Token Supplementary** allows to utilize the savings within the same section of the grant.

Terms	Description
Major Head	**'Major Head'** - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
Sub-Major Head	**'Sub-Major Head'** - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
Minor Head	**'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
Sub-Head	**'Sub-Head'** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
Major Work	**'Major Work'** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
Minor Work	**'Minor Work'** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
Modified Grant or Appropriation	**'Modified Grant or Appropriation'** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
Supplementary or Additional Grant or Appropriation	**'Supplementary or Additional Grant or Appropriation'** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
Schedule of New Expenditure	**'Schedule of New Expenditure'** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
Token demand	**'Token demand'**- means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.
GSDP	**GSDP** is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
Buoyancy ratio	**Buoyancy ratio** indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*.

Terms	Description
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute **development expenditure**, while expenditure on General Services is treated as non-development expenditure.
Average interest rate	**Average interest rate** is defined as the percentage of interest payment made to average financial liabilities of the State during the year i.e. (sum of opening and closing balances of fiscal liabilities/2) x 100
Debt sustainability	**Debt sustainability** is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate - interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilise eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Sufficiency of Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Liability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.
Primary revenue deficit	Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.

Abbreviations	Full form
AC	Abstract Contingent
AFS	Annual Financial Statement
AG	Accountant General
AG(A&E)	Accountant General (Accounts & Entitlements)
AGM	Annual General Body Meeting
CAG	Comptroller and Auditor General of India
CAS	Central Accounting Section
CCO	Chief Controlling Officer
CE	Capital Expenditure
CF	Contingency Fund
CFA	Contingency Fund Advance
CGA	Controller General of Accounts
CSF	Consolidated Sinking Fund
CSS	Centrally Sponsored Schemes
DC	Detailed Contingent
DCPS	Defined Contributory Pension Scheme
DDO	Drawing and Disbursing Officer
DISCOMs	Distribution Companies
DPC Act	Duties, Powers and Conditions of Service Act
DPO	District Project Officer
DTO	District Treasury Officer
EPC	Engineering, Procurement and Construction
FC	Finance Commission
FD	Fiscal Deficit
FMA	Final Modified Appropriation
FMG	Final Modified Grant
FRBM	Fiscal Responsibility and Budget Management
GASAB	Government Accounting Standards Advisory Board
GCS	General Category States
GDC	Government Data Centre
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GoTN	Government of Tamil Nadu
GPF	General Provident Fund

Abbreviations	Full form
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Service Tax
HoA	Head of Account
ICDS	Integrated Child Development Scheme
IGAS	Indian Government Accounting Standards
IGST	Integrated Goods and Service Tax
JBBRS	Jeevan Blood Bank and Research Centre
LIC	Life Insurance Corporation
LMMH	List of Major and Minor Heads
LPG	Liquefied Petroleum Gas
MH	Major Head
MIS	Management Information System
MoI	Memorandum of Instructions
MoU	Memorandum of Understanding
MTFP	Medium Term Fiscal Plan
NABARD	National Bank for Agriculture and Rural Development
NPS	National Pension Scheme
NSDL	National Securities Depositories Limited
NSSF	National Small Saving Fund
OD	Over Draft
PAC	Public Accounts Committee
PAO	Pay and Accounts Officer
PD	Primary Deficit
PD Account	Personal Deposit Account
PFRDA	Pension Fund Regulatory and Development Authority
PPP	Public Private Partnership
PRI	Panchayati Raj Institutions
PSUs	Public Sector Undertakings
RBI	Reserve Bank of India
RD	Revenue Deficit
RE	Revenue Expenditure
RR	Revenue Receipts
SAR	Separate Audit Report
SDRF	State Disaster Response Fund

Abbreviations	Full form
SFAR	State Finance Audit Report
SGST	State Goods and Service Tax
SLR	Statutory Liquidity Ratio
SPV	Special Purpose Vehicles
SWMA	Special Ways and Means Advance
TA	Temporary Advance
TANGEDCO	Tamil Nadu Generation and Distribution Corporation
TE	Total Expenditure
TFC	Thirteenth Finance Commission
TNEB	Tamil Nadu Electricity Board
TNFR Act	Tamil Nadu Fiscal Responsibility Act
TNID	Tamil Nadu Infrastructure Development
TNIDB	Tamil Nadu Infrastructure Development Board
TNRSP	Tamil Nadu Road Sector Project
TNSAMB	Tamil Nadu State Agricultural Marketing Board
UDAY	Ujwal Discom Assurance Yojana
ULBs	Urban Local Bodies
UT	Union Territory
VAT	Value Added Tax
WMA	Ways and Means Advance

http://www.cag.gov.in/ag1/tamil-nadu/en