



सत्यमेव जयते

ACCOUNTS AT A GLANCE

2017-18



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF TAMIL NADU



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FOR THE YEAR 2017-18

GOVERNMENT OF TAMIL NADU

PREFACE

This is the twentieth issue of our annual publication **“Accounts At A Glance”**.

The Annual Accounts (Finance Accounts and Appropriation Accounts) of the Government of Tamil Nadu are prepared under the directions of Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for being laid on the table of the Legislature of the State.

“Accounts At A Glance” provides a broad overview of Governmental activities, as reflected in Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. It has been our endeavour to rely on the figures in the certified Finance Accounts and Appropriation Accounts. In case of any doubt, the figures in the certified annual accounts should be referred to.

We look forward to the readers' views and suggestions that would help us in further improving the publication.



(D JAISANKAR)
ACCOUNTANT GENERAL
(ACCOUNTS & ENTITLEMENTS)

Place : **Chennai**
Date : **29.01.2019**

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CHAPTER 1

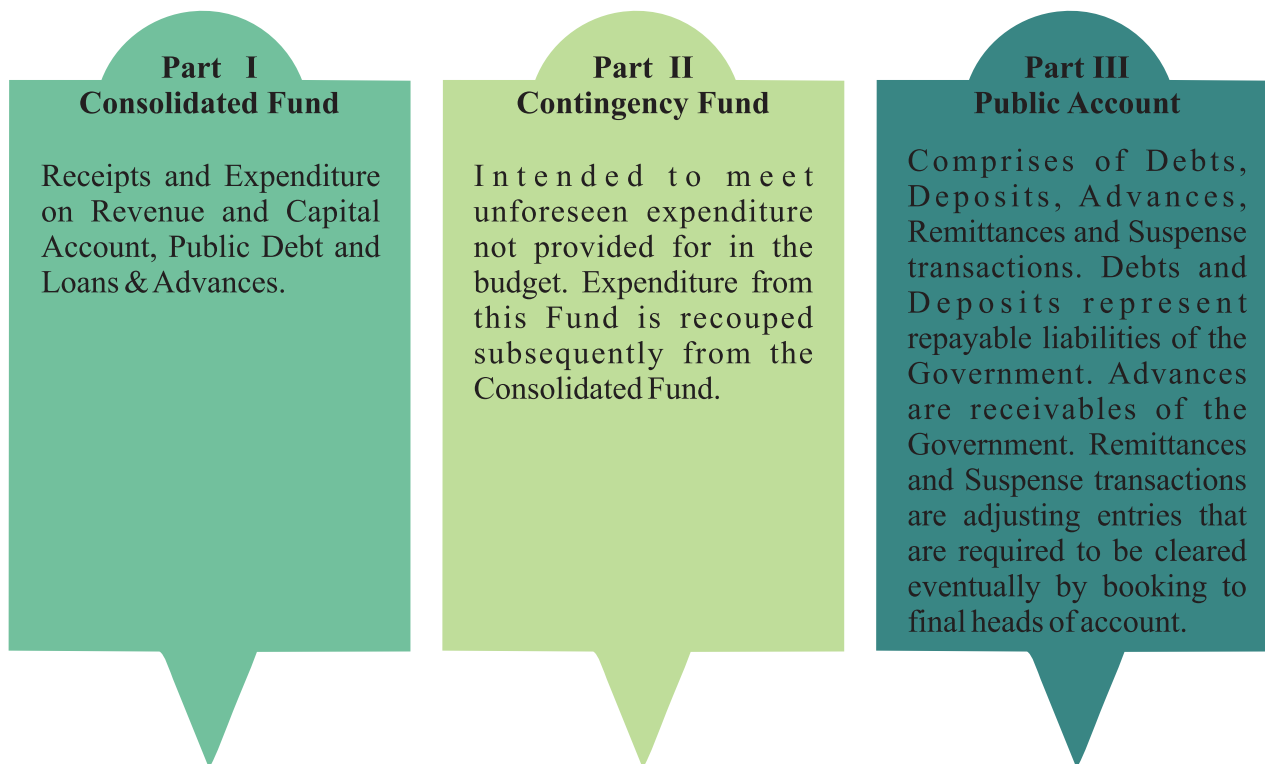
OVERVIEW

1.1. Introduction

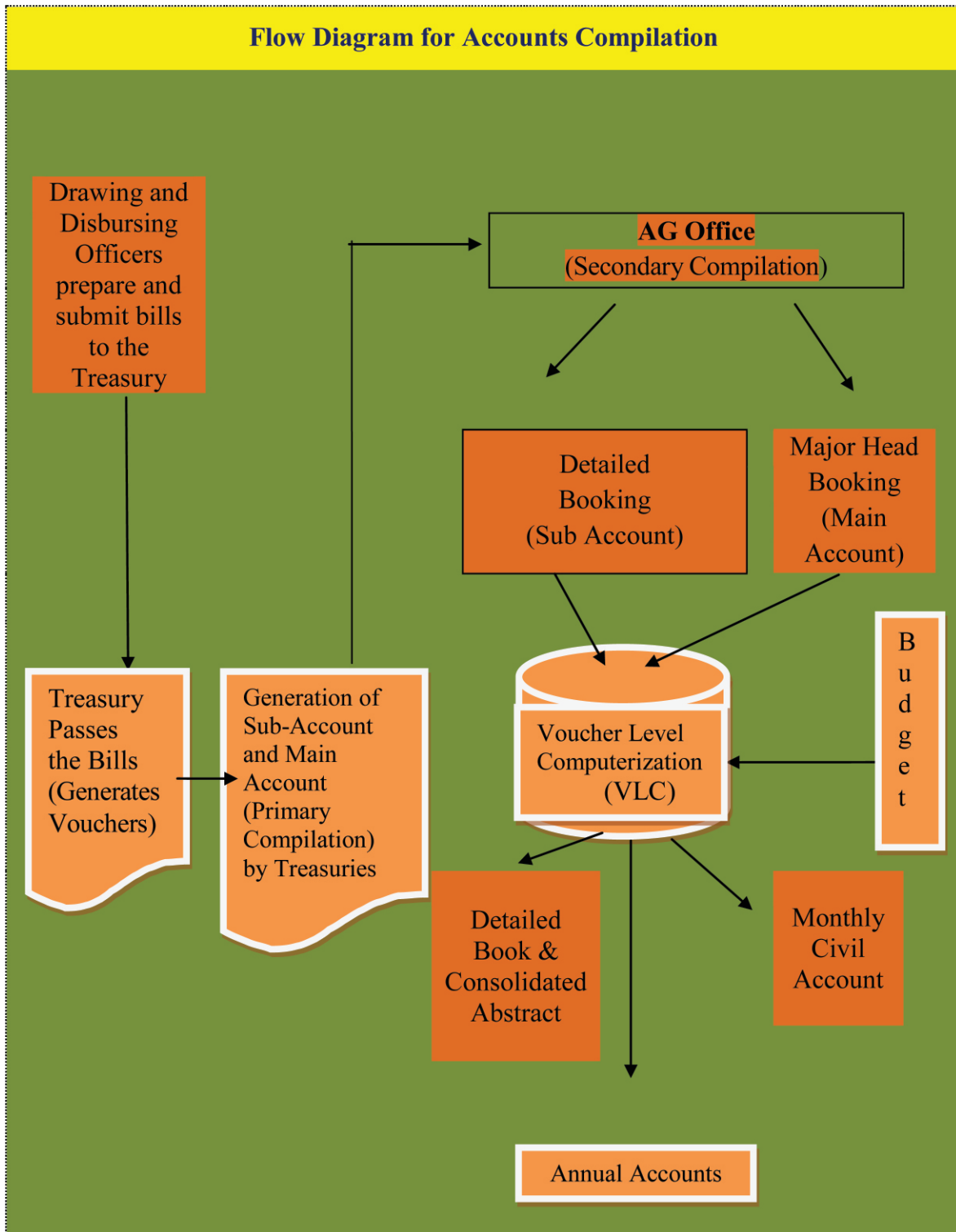
The Accountant General (Accounts and Entitlements), Tamil Nadu compiles the accounts of receipts and expenditure of the Government of Tamil Nadu. This compilation is based on initial accounts rendered by 32 District Treasuries, 09 Pay and Accounts Offices, 01 Pension Pay Office, Inter State transactions and advices of the Reserve Bank of India. The receipts and payments in respect of Public Works and Forest Divisions have been linked with treasuries since April 2016; hence, the accounts of Public Works and Forest Divisions have been compiled and rendered by treasuries. Following such compilation, the Accountant General (A&E) prepares the Finance Accounts and Appropriation Accounts annually, which are placed before the State Legislature after audit by the Principal Accountant General (General and Social Sector Audit) Tamil Nadu and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

1.2.1. Government Accounts are maintained in the following three parts:



1.2.2. Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of receipts & disbursements (revenue expenditure, capital expenditure, loans and advances and public debt), investments, guarantees, grants-in-aid and 'Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursements of the Government of Tamil Nadu as depicted in the Finance Accounts 2017-18 are given below:-

			(₹ in crore)
Receipts (Total: 1,94,594)	Revenue (Total: 1,46,280)	Tax Revenue	1,20,836
		Non-tax Revenue	10,764
		Grants-in-aid	14,680
	Capital (Total: 48,314)	Misc. Capital Receipts	2
		Recovery of Loans and Advances	8,472
		Borrowings and other Liabilities*	39,840
Disbursements (Total: 1,94,594)	Revenue		1,67,874
	Capital		20,203
	Loans and Advances		6,517

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

In spite of the Government of India decision to release all assistance under Centrally Sponsored Schemes/Additional Central Assistance to the State Government and not to implementing agencies, Government of India continued to release funds directly to the implementing agencies. During 2017-18, ₹11,643.65 crore was released which constitutes increase of 104.48 per cent over the amount released directly to implementing agencies in 2016-17. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts. Majority of direct transfers, during 2017-18, were made to MGNREGA (₹5,248.20 crore), MFL & SPIC (₹1,590.28 crore) and Chennai Metro Rail Corporation (₹1,181.06 crore).

1.3.2. Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts '*charged*' on the Consolidated Fund and '*voted*' by the State Legislature. There are 2 *charged* Appropriations and 54 voted Grants.

The Appropriation Act, 2017-18 had provisions for gross expenditure of ₹2,36,802 crore and reduction of expenditure (recoveries) of ₹1,469 crore. Against this, the actual gross expenditure was ₹2,08,622 crore and reduction of expenditure was ₹5,037 crore, resulting in under spending of ₹28,180 crore and under estimation of ₹3,568 crore on reduction of expenditure.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹3.25 crore) maintained with the RBI. During 2017-18, the Government of Tamil Nadu did not resort to OD facilities and WMA.

1.4.2. Funds Flow Statement

The State had a revenue deficit of ₹21,594 crore which represents 1.5 *per cent* of the Gross State Domestic Product (GSDP). The fiscal deficit of ₹39,840 crore worked out 2.79 *per cent* of the GSDP and 20.47 *per cent* of total expenditure. The fiscal deficit was met from Public Debt (₹45,722 crore) and net increase in Public Account (₹3,333 crore) and cash balance (₹224 crore). Around 80.28 *per cent* of the revenue receipts (₹1,46,280 crore) of the State Government was spent on committed expenditure (₹1,17,438 crore) like salaries (₹23,882 crore), interest payments (₹26,012 crore), pensions (₹21,132 crore), subsidies (₹15,230 crore), grants-in-aid (salary) (₹6,819 crore), social security and other pension (₹2,655 crore), wages (₹100 crore) and Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (₹668 crore) and Dearness Allowances (₹20,940 crore).

¹Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning Department, Government of India and as communicated by the Economic Adviser, O/o the Comptroller and Auditor General of India. GSDP - ₹14,27,074 crore.

Sources and Application of Funds

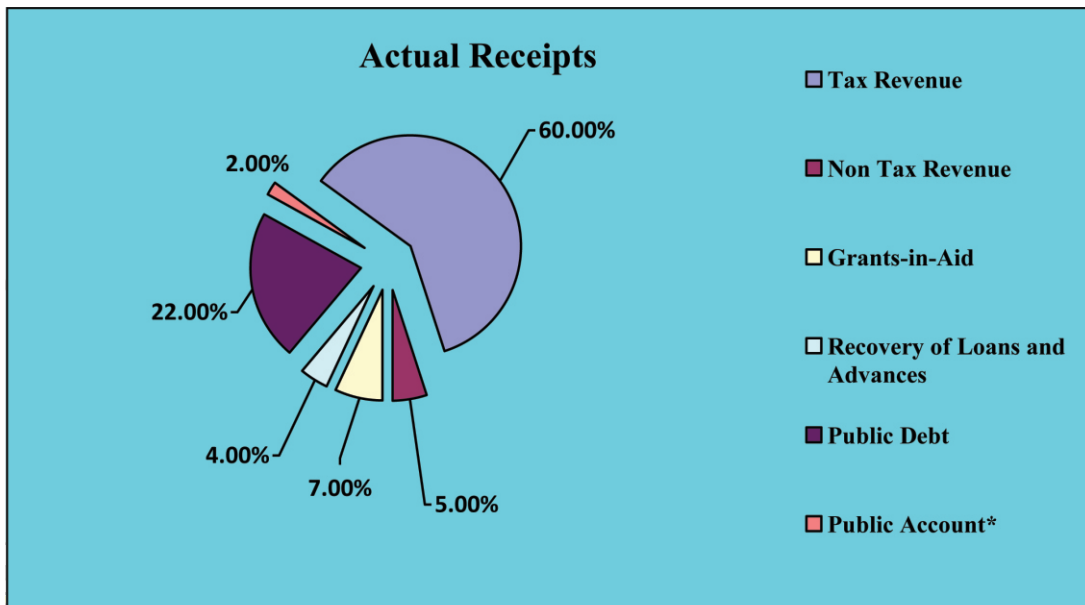
(₹ in crore)

	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2017	(-)289
	Revenue Receipts	1,46,280
	Capital Receipts	2
	Recovery of Loans and Advances	8,472
	Public Debt	45,722
SOURCES	Small Savings, Provident Fund and Others	8,390
	Reserve Funds	6,591
	Deposits Received	1,01,386
	Civil Advances Repaid	..
	Suspense Account*	4,45,222
	Remittances	(-)1
	Contingency Fund	..
	TOTAL	7,61,775

	PARTICULARS	AMOUNT
	Revenue Expenditure	1,67,874
	Capital Expenditure	20,203
	Loans Given	6,517
	Repayment of Public Debt	8,991
	Small Savings, Provident Fund and Others	6,056
APPLICATION	Reserve Funds	6,055
	Deposits Spent	97,862
	Civil Advances Given	..
	Suspense Account*	4,48,275
	Remittances	6
	Closing Cash Balance as on 31.03.2018	(-) 64
	TOTAL	7,61,775

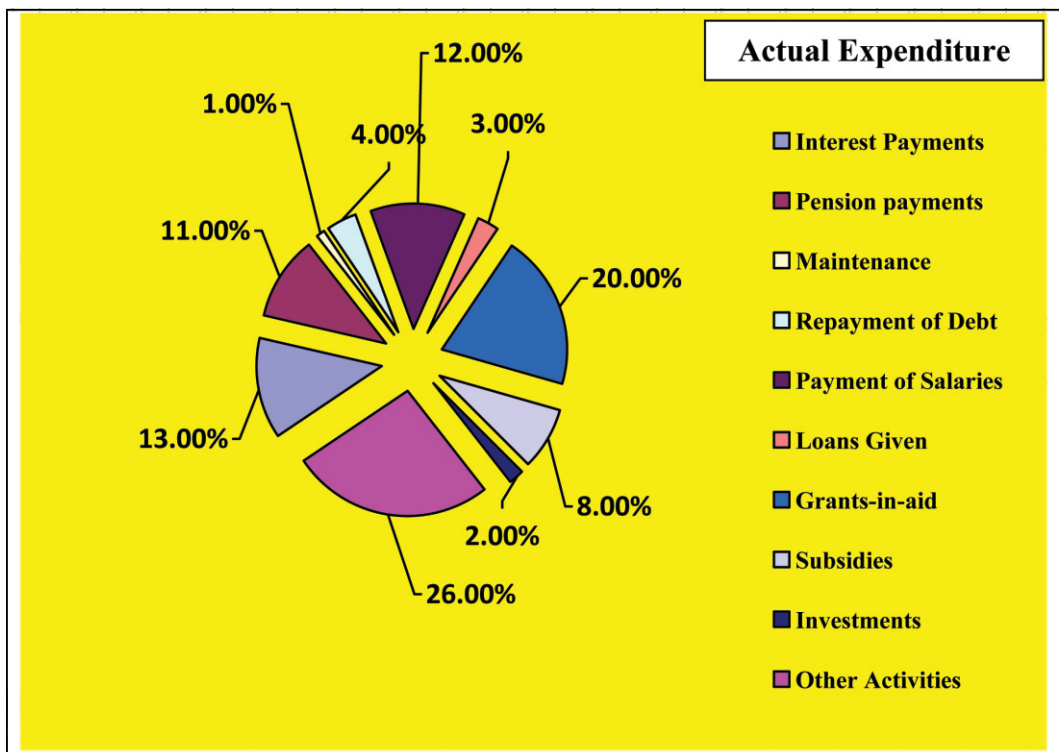
* The suspense account includes ₹3,09,887 crore invested in treasury bills and disbursement of departmental balances and permanent cash imprest which is shown on the "Application" side and ₹3,06,446 crore worth of treasury bills sold through the RBI (a process known as "re-discounting") and receipts in departmental balance and permanent cash imprest which is shown on the "Sources" side. The net of such investment (₹ 3,441 crore) supplements the closing cash balance of the State Government.

1.4.3. Where the Rupee came from :



* Public account (including cash balance) component above is taken as net.

1.4.4. Where the Rupee went :



1.5. Highlights of Accounts

		Budget Estimates (B.E) 2017-18	Actuals	Percentage of Actuals to B.E	Percentage of Actuals to GSDP [@]
		(₹ in crore)			
1.	Tax Revenue*	1,26,814	1,20,836	95.3	8.5
2.	Non-Tax Revenue	12,318	10,764	87.4	0.8
3.	Grants-in-aid and Contributions	20,230	14,680	72.6	1
4.	Revenue Receipts (1+2+3)	1,59,362	1,46,280	91.8	10.3
5.	Capital Receipts	. .	2	. .	. .
6.	Recoveries of Loans and Advances	5,283	8,472	160.4	0.6
7.	Net Borrowings and Other Liabilities	41,978	39,840	94.9	2.8
8.	Capital Receipts (5+6+7)	47,261	48,314	102.2	3.4
9.	Total Receipts (4+8)	2,06,624	1,94,594	94.2	13.6
10.	Expenditure on Revenue Account	1,75,293	1,67,874	95.8	11.8
11.	Expenditure on Capital Account	27,789	20,203	72.7	1.4
12.	Loans and Advances	3,541	6,517	184.0	0.5
13.	Total Expenditure (10+11+12)	2,06,623	1,94,594	94.2	13.6
14.	Revenue Deficit (-)/ Surplus (+) ** (4-10)	(-)15,930	(-)21,594	. .	. .
15.	Fiscal Deficit ** [13-(4+5+6)] = 7	(-)41,978	(-)39,840	. .	. .

[@] Broadly, sum of the products of all goods and services rendered by the State in monetary terms during a year before making any provision for Consumption of Fixed Capital is known as Gross State Domestic Product (₹14,27,074 crore).

* Includes share of net proceeds assigned to State received from the Government of India.

** The Revenue Deficit is the excess of revenue expenditure over revenue receipt. The Fiscal Deficit may be defined as the excess of revenue and capital expenditure (including loans and advance disbursed) over the revenue receipts, recoveries of loans and advances and other receipts.

1.6. What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Receipt and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence of Financial Management.
Revenue Deficit/ Surplus	Refers to the gap between Revenue Receipt and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/ Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the borrowings should be invested in capital projects.

The trend of Revenue Surplus in 2011-12 and 2012-13 turned to Revenue Deficit from 2013-14 onwards. The Revenue Deficit during 2017-18 has increased to ₹21,594 crore from ₹12,964 crore in 2016-17, registering an increase of 67 *per cent* over previous year. It would be pertinent to note that as per the Tamil Nadu Fiscal Responsibility Act 2003 as amended in 2015, the revenue deficit was to be completely wiped out by 2016-17. While this was not achieved, the TNFR Act was amended in 2016 which extends time up to March 2020 to wipe out revenue deficit completely. Notwithstanding this, continued trend of revenue deficit from 2013-14 onwards indicates lack of adequate budgetary discipline which would result in possible debt trap in the coming years.

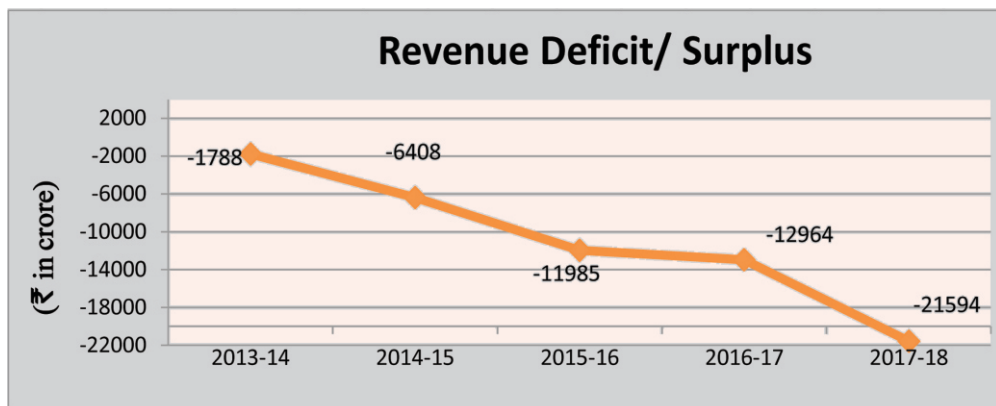
The Fiscal Deficit of the State during the year also increased to ₹39,840 crore from ₹33,356 crore in 2016-17 as shown in chart 1.6.2. This constituted 2.79 *per cent* of GSDP.

As per Tamil Nadu Fiscal Responsibility Act, 2003, the Government has committed to reduce the ratio of Fiscal Deficit to GSDP every year by 0.25 *per cent* to 0.30 *per cent* beginning from Financial Year 2002-03 with medium term goal of not being more than 3 *per cent* of Fiscal Deficit to GSDP to be attained by 31 March 2012 and adhere to it thereafter.

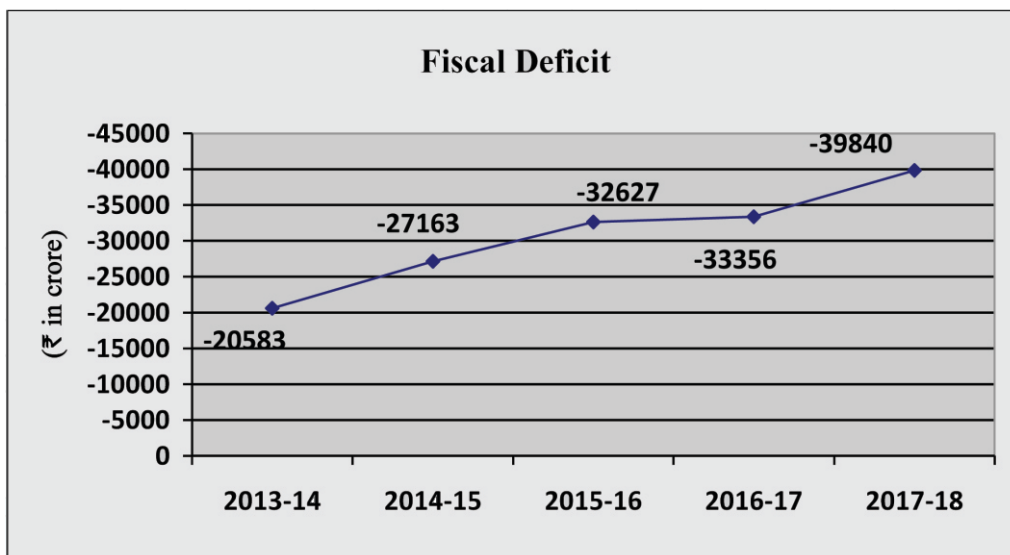
Fiscal deficit compared to GSDP for the years from 2013-14 to 2017-18 is indicated below :

Year	Percentage of Fiscal Deficit to GSDP as compared to previous year	Increase/Decrease
2013-14	From 2.2 to 2.4	(+) 0.2
2014-15	From 2.4 to 2.8	(+) 0.4
2015-16	From 2.8 to 2.7	(-) 0.1
2016-17	From 2.7 to 2.6	(-) 0.1
2017-18	From 2.6 to 2.8	(+) 0.2

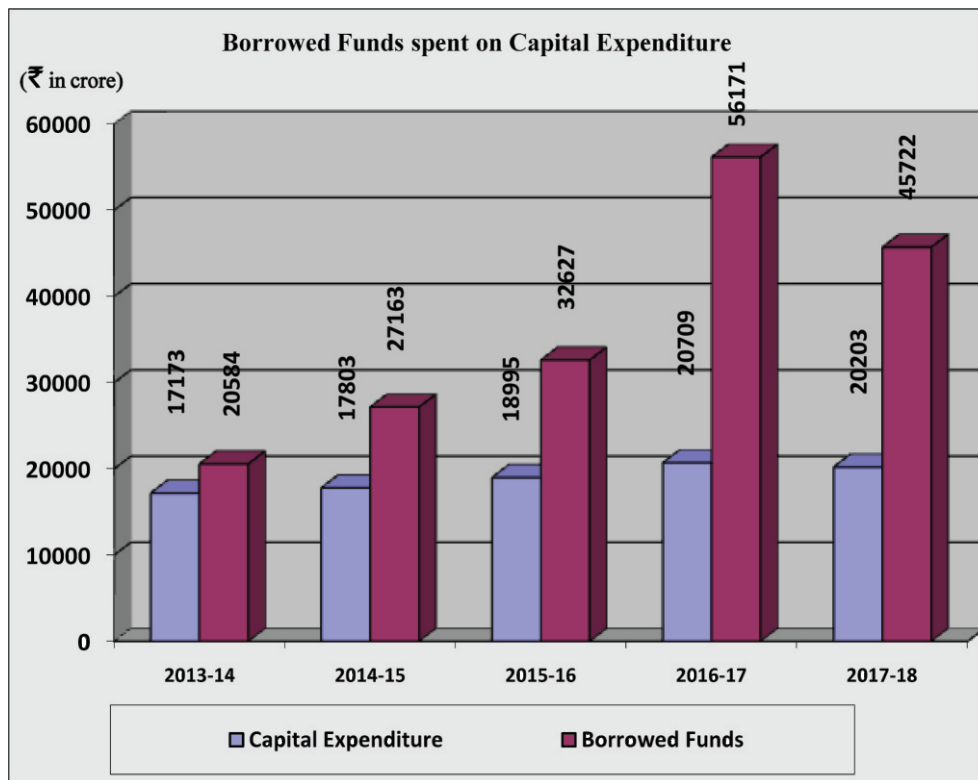
1.6.1.Trend of Revenue Deficit/ Surplus



1.6.2.Trend of Fiscal Deficit



1.6.3. Utilization of borrowed funds on Capital Expenditure



It is prudent to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest thereon. However, the State Government had incurred less expenditure on Capital account (₹20,203 crore) out of the borrowings of current year (₹45,722 crore) and remaining borrowings of ₹25,519 crore were mainly utilized to disburse loans and advances (₹6,517 crore) repayment of Public Debt (₹8,991 crore) and other revenue expenditure (₹10,011 crore).

CHAPTER 2

RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2017-18 were ₹1,94,594 crore.

2.2. Revenue Receipts

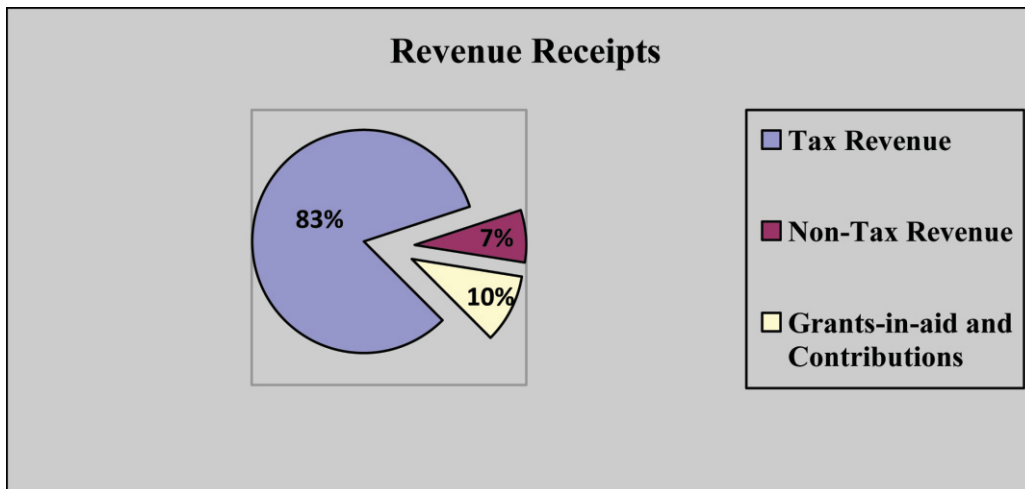
Tax Revenue	Comprises taxes collected and retained by the State and State's share of union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits, royalties etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government which includes 'External Grant Assistance' received from Foreign Governments and channelized through the Union Government. In turn, the State Government also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.

2.2.1. Revenue Receipt Components (2017-18)

(₹ in crore)

Components	Actuals	Percentage to Total Revenue Receipt
A. Tax Revenue *	1,20,836	82.61
Goods and Service Tax	27,708	18.94
Taxes on Income and Expenditure	15,305	10.46
Taxes on Property and Capital Transactions	9,355	6.40
Taxes on Commodities and Services	68,468	46.81
B. Non-Tax Revenue	10,764	7.35
Interest Receipts, Dividends and Profits	5,357	3.66
General Services	970	0.66
Social Services	2,768	1.89
Economic Services	1,669	1.14
C. Grants-in-aid and Contributions	14,680	10.04
Total - Revenue Receipts (A+B+C)	1,46,280	100.00

* Includes share of net proceeds assigned to State received from the Government of India.



2.2.2. Major contributors to Tax Revenue:-

(₹ in crore)

Components	Actuals	Percentage to GSDP
Taxes on Sales, Trade etc.	46,356	3.25
Corporation Tax	8,298	0.58
Taxes on Income other than Corporation Tax	7,007	0.49
State Excise	5,815	0.41
Service Tax	3,083	0.22
Union Excise Duties	2,859	0.20
Customs	2,735	0.19
Taxes on Vehicles	5,363	0.38
Stamps and Registration Fees	9,195	0.64

During the year, Net Tax Revenue was less than Budget Estimates by ₹5,978 crore. The major variations are as under:

(₹ in crore)

Where Actual Receipts was less than Budget Estimates		Where Actual Receipt was more than Budget Estimates	
Taxes on Vehicles	55	Corporation Tax	277
Other Taxes and duties on Commodities and Services	424	Stamps and Registration Fees	975
Taxes on Income other than Corporation Tax	6		
Taxes on Sales, Trade, etc.	27,603		
Union Excise Duties	1,143		

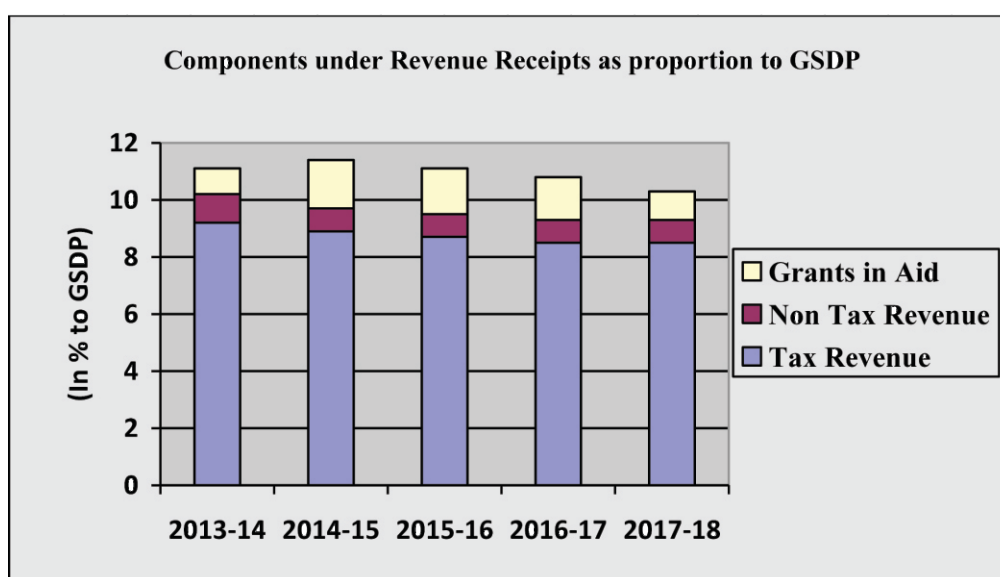
2.3. Trend of Receipts

(₹ in crore)

Receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenue	89,571 (9.2)	95,480 (8.9)	1,00,830 (8.7)	1,10,479 (8.5)	1,20,836 (8.5)
Non-Tax Revenue	9,343 (1.0)	8,351 (0.8)	8,918 (0.8)	9,914 (0.8)	10,764 (0.8)
Grants-in-aid	9,122 (0.9)	18,589 (1.7)	19,260 (1.6)	19,838 (1.5)	14,680 (1.0)
Total Revenue Receipt	1,08,036 (11.1)	1,22,420 (11.4)	1,29,008 (11.1)	1,40,231 (10.8)	1,46,280 (10.3)
GSDP	9,69,216	10,72,775	11,61,963	12,98,511	14,27,074

Note: Figures in parentheses represent *percentage* to GSDP.

During the year, the GSDP increased by 9.9 *per cent* and growth in total revenue collection was 4.3 *per cent* in comparison to previous year. The tax revenue increased by 9.4 *per cent*, Non Tax Revenue increased by 8.6 *per cent* and Grants-in-aid decreased by 26.0 *per cent* respectively in comparison to previous year.

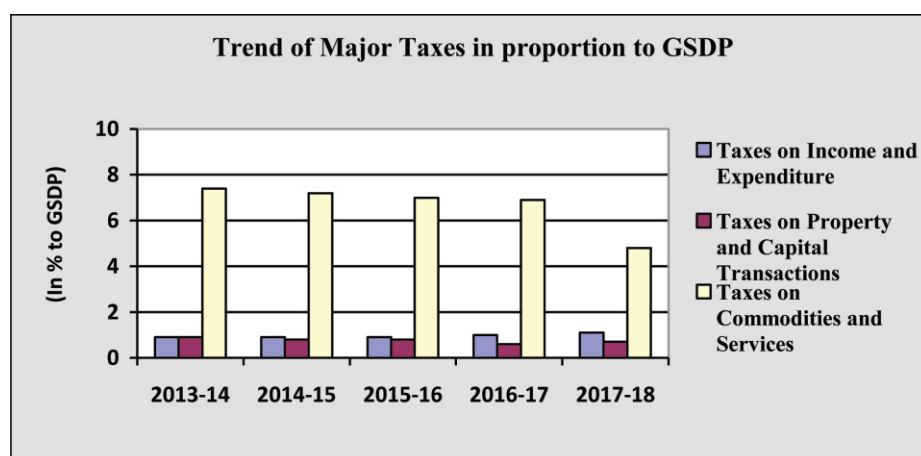


Sector-wise Tax Revenue

(₹ in crore)

Revenue	2013-14	2014-15	2015-16	2016-17	2017-18
Taxes on Income and Expenditure	8,840 (0.9)	10,071 (0.9)	10,783 (0.9)	13,327 (1.0)	15,305 (1.1)
Taxes on Property and Capital Transactions	8,550 (0.9)	8,559 (0.8)	8,989 (0.8)	7,418 (0.6)	9,355 (0.7)
Taxes on Commodities and Services	72,181 (7.4)	76,851 (7.2)	81,058 (7.0)	89,734 (6.9)	68,468 (4.8)
Total Tax Revenue	89,571 (9.2)	95,480 (8.9)	1,00,830 (8.7)	1,10,479 (8.5)	1,20,836 (8.5)
GSDP	9,69,216	10,72,775	11,61,963	12,98,511	14,27,074

Note: Figures in parentheses represent percentage to GSDP.



2.4. Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes	State's Own Tax Revenue	
			₹	Percentage to GSDP
2013-14	89,571	15,853	73,718	7.6
2014-15	95,480	16,824	78,656	7.3
2015-16	1,00,830	20,354	80,476	6.9
2016-17	1,10,479	24,538	85,941	6.6
2017-18	1,20,836	27,099	93,737	6.6

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	8,550	8,559	8,989	7,418	9,355
Expenditure on Collection	416	439	452	413	480
Efficiency of Tax Collection (in per cent)	4.9	5.1	5.0	5.6	5.1

B. Taxes on Commodities and Services

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Collection	72,181	76,851	81,058	89,734	68,468
Expenditure on Collection	422	481	479	552	615
Efficiency of Tax Collection (in per cent)	0.6	0.6	0.6	0.6	0.9

Taxes on commodities and services form a major chunk of tax revenue. While Tax collection efficiency in respect of Property and Capital Transactions has marginally increased during 2017-18, it decreased in respect of Taxes on Commodities and Services.

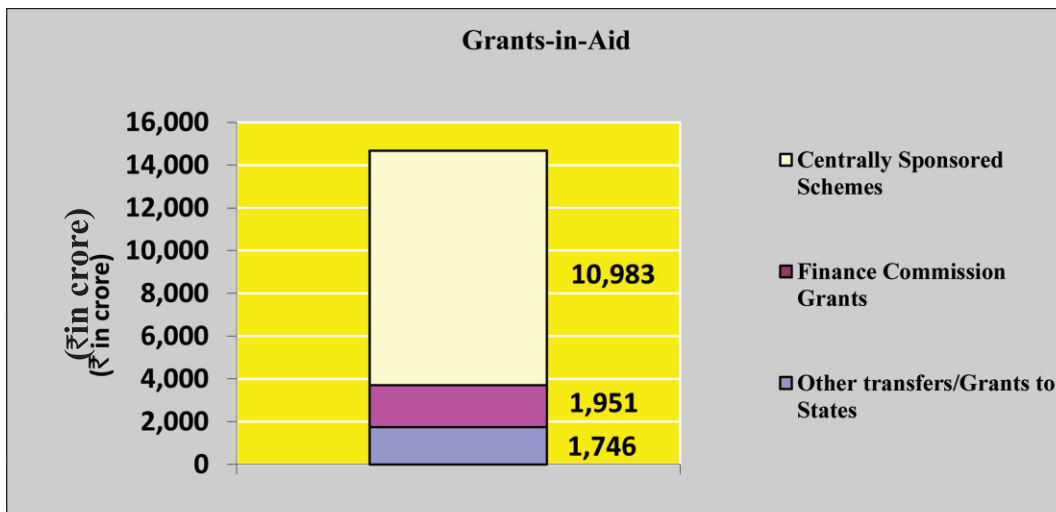
2.6. Trend in State's Share of Union Taxes during the past five years

(₹ in crore)

Major Head description	2013-14	2014-15	2015-16	2016-17	2017-18
Corporation Tax	5,332	5,875	6,380	7,863	8,298
Taxes on Income other than Corporation Tax	3,511	4,195	4,403	5,464	7,007
Taxes on Wealth	15	16	2	18	(-) 0.25
Customs	2,587	2,721	3,266	3,124	2,735
Union Excise Duties	1,827	1,536	2,749	4,120	2,859
Service Tax	2,583	2,480	3,535	3,949	3,083
Other Taxes and Duties on Commodities and Services	348	362	461	411	139
State's Share of Union Taxes	15,853	16,824	20,354	24,538	27,099
Total Tax Revenue	89,571	95,481	1,00,830	1,10,479	1,20,836
<i>Per cent of Union Taxes to Total Tax Revenue</i>	17.70	17.62	20.19	22.21	22.43

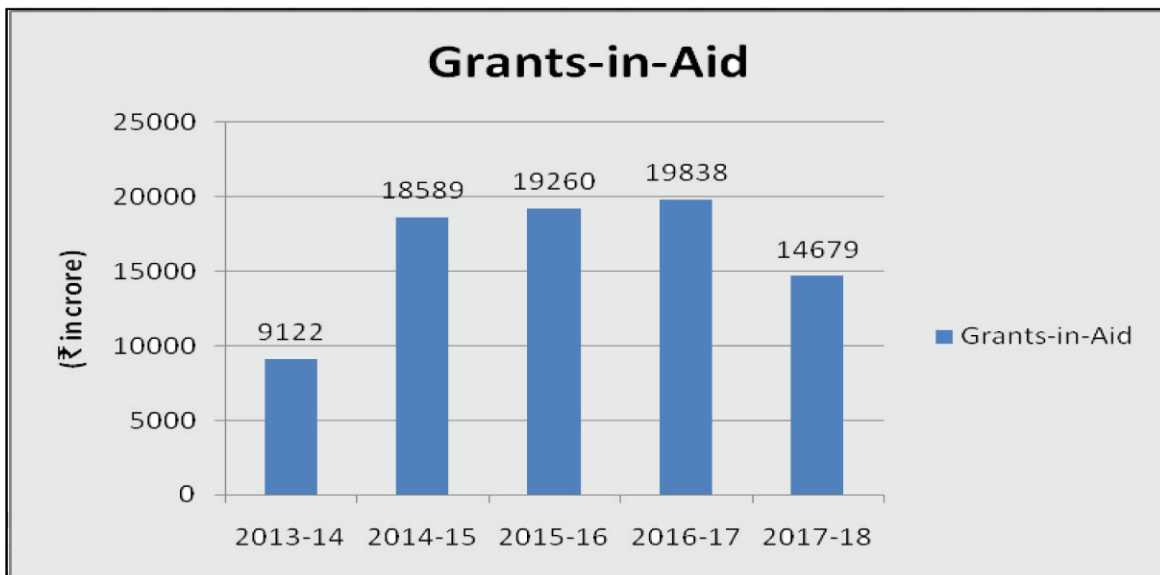
2.7. Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise grants for Centrally Sponsored Schemes approved by the NITI Aayog. Grants recommended by the Finance Commission and other transfers/Grants to states. During 2017-18 total receipts under Grants-in-aid were ₹14,680 crore as shown below:



2.7.1. Trend of Grants-in-Aid from Central Government

The Trend of grants in aid received from Central Government has decreased by ₹5,159 crore during 2017-18 to that of 2016-17.



2.8. Public Debt

Trend of Public Debt (net) over the past five years is as follows:

(₹in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Internal Debt	18,523	23,830	28,957	57,008	34,934
Central Loans	1,314	762	505	935	1,797
Total Public Debt	19,837	24,592	29,462	57,943	36,731

In 2017-18, 24 loans totaling ₹40,965 crore were raised at par at interest rates varying from 7.18 *per cent* to 8.43 *per cent*. Out of these loans, nineteen loans will redeem in 2027 and five will redeem in 2028.

CHAPTER 3

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the government. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

General Services	Includes Justice, Interest Payments, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health and Family Welfare, Water Supply, Welfare of SC, ST, OBC and Minorities, Social Security, Nutrition and Relief on account of Natural Calamities etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, Science and Technology etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹1,67,874 crore for 2017-18 fell short of budget estimates by ₹7,419 crore. The State Government had obtained supplementary grant of ₹9,718 crore (₹2,760 crore in January 2018 and ₹6,958 crore in March 2018) to meet increased expenditure on existing schemes as well on new services. However, actual expenditure was less than the original budget estimates.

The shortfall/ excess of revenue expenditure against budget estimates during the past five years is given below:

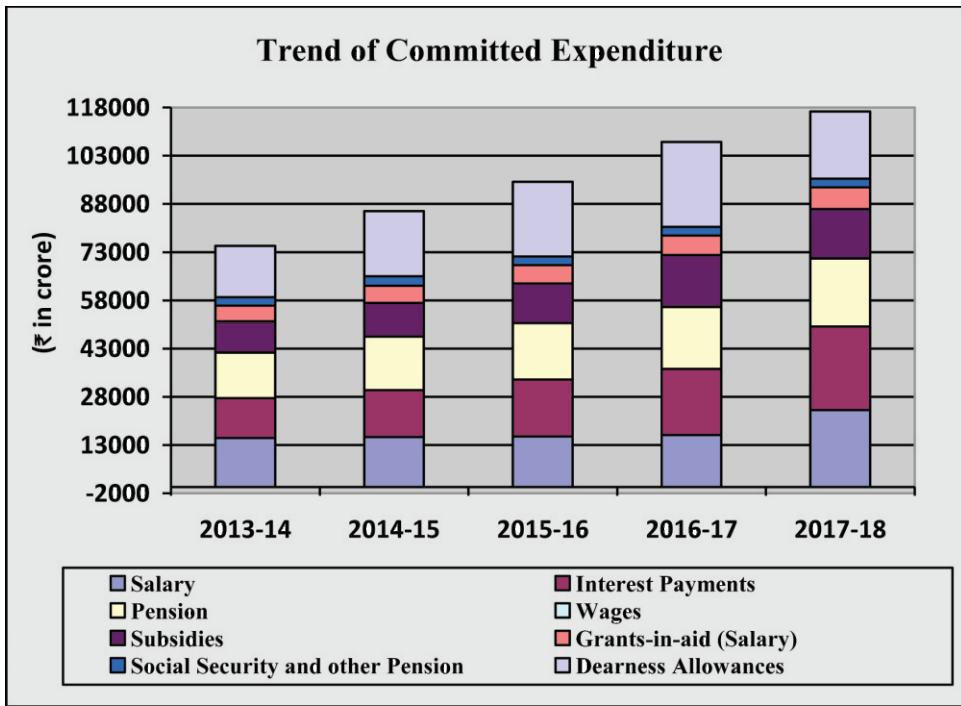
Description	(₹in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates	1,17,916	1,27,100	1,47,297	1,64,030	1,75,293
Actuals	1,09,825	1,28,828	1,40,993	1,53,195	1,67,874
Gap	8,091	(-) 1,728	6,304	10,835	7,419
Percentage of gap over BE	6.9	(-) 1.4	4.3	6.6	4.2

Around 69.96 *per cent* of the revenue expenditure was “committed” to Salaries (₹23,882 crore), Interest Payments (₹26,012 crore), Pensions (₹21,132 crore), Subsidies (₹15,230 crore), Grants-in-aid (Salary) (₹6,819 crore), Social Security and other Pensions (₹2,655 crore) Wages (₹100 crore) and Dearness Allowances (₹20,940 crore).

The position of committed and uncommitted revenue expenditure over the last five years is given below:

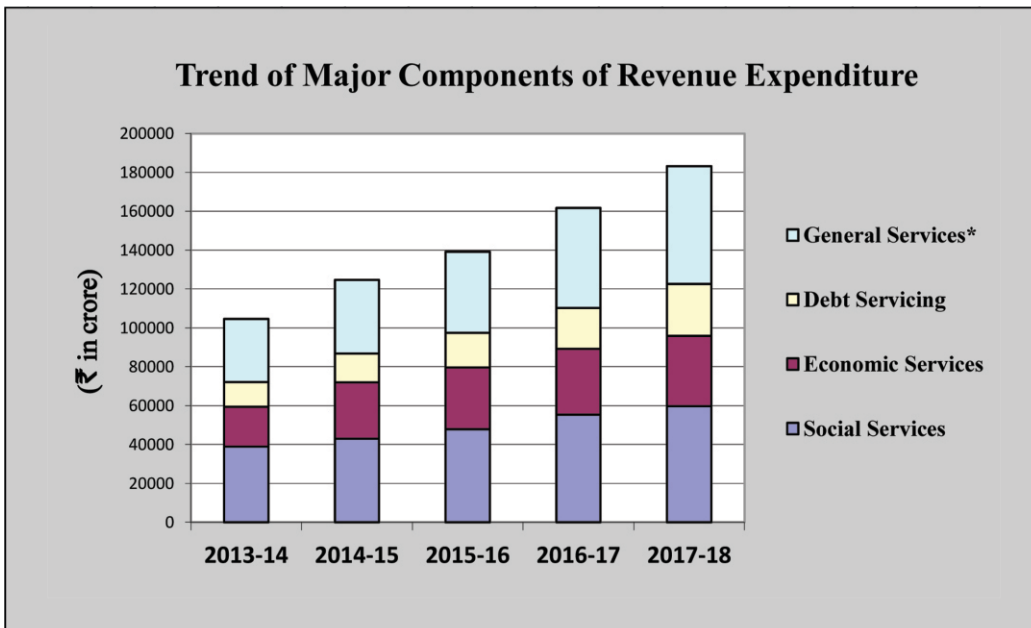
(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure	1,09,825	1,28,828	1,40,993	1,53,195	1,67,874
Revenue Receipts	1,08,036	1,22,420	1,29,008	1,40,231	1,46,280
Committed revenue expenditure	70,132	79,290	87,022	98,564	1,17,438
Uncommitted revenue expenditure	39,693	49,538	53,971	54,631	50,436
Committed Revenue expenditure to Revenue Receipts (In <i>Per cent</i>)	64.9	64.8	67.5	70.3	80.28
Committed Revenue expenditure to total Revenue Expenditure (In <i>Per cent</i>)	63.9	61.5	61.7	64.3	69.96



The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

3.2.1. Major Components of Revenue Expenditure (2013-2018)



*General Services excludes *MH 2049* (Interest Payments) and includes *MH 3604* (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

The expenditure increased in all sectors during the last five years.

3.2.2. Sectoral Distribution of Revenue Expenditure

Components	Amount (₹ in crore)	Percentage
A. Fiscal Services	1,104	0.6
Collection of Taxes on Property and Capital Transactions	480	0.2
Collection of Taxes on Commodities and Services	615	0.3
Other Fiscal Services	9	..
B. Organs of State	1,253	0.7
C. Interest Payments and Servicing of Debt	26,733	15.9
D. Administrative Services	8,724	5.0
E. Pensions and Miscellaneous General Services	22,638	13.4
F. Social Services	59,790	35.6
G. Economic Services	36,162	21.5
H. Grants-in-aid and Contributions	11,470	6.8
Total Expenditure (Revenue Account)	1,67,874	100.00

3.3. Capital Expenditure

Capital disbursements of ₹26,720 crore (inclusive of Loans and Advances ₹6,517 crore) for 2017-18, at 1.87 per cent of GSDP, fell short of budget estimates by ₹4,610 crore.

3.3.1. Sectoral Distribution of Capital Expenditure

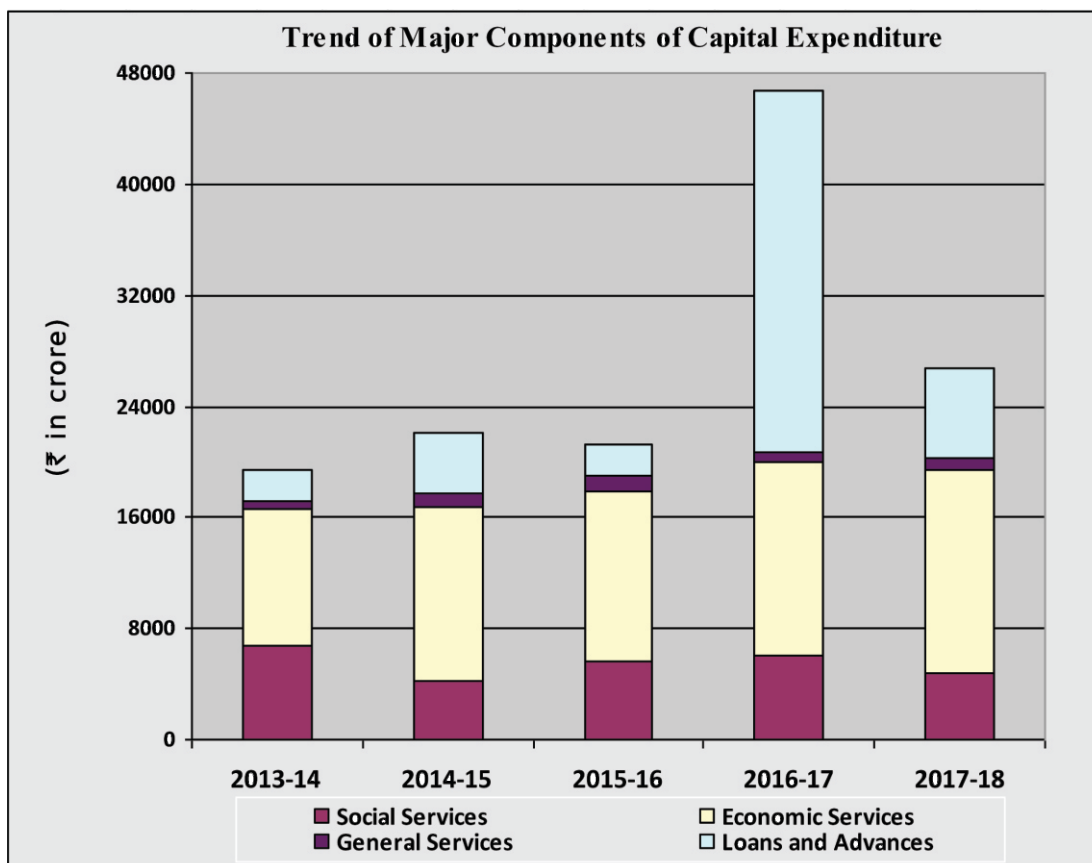
During 2017-18, the State Government has spent ₹872 crore on various water supply and sanitation schemes, ₹6,844 crore on construction of roads & bridges and ₹1,113 crore on various irrigation projects (₹1,070 crore on major and medium irrigation, ₹23 crore on minor irrigation and ₹20 crore on major irrigation). The Government has also invested ₹3,769 crore in various Company/ Corporations/ Co-operative Societies/ Banks etc during the year. The major portion of Government investment was in Tamil Nadu Generation Distribution Corporation Limited (TANGEDCO) to the tune of ₹782 crore, Chennai Metro Rail Limited ₹484 crore and Tamil Nadu State Transport (Kumbakonam) Limited ₹460 crore.

3.3.2. Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	602 (3.1)	1,064 (4.8)	1,054 (4.9)	751 (1.6)	847 (3.2)
Social Services	6,709 (34.6)	4,234 (19.1)	5,660 (26.5)	6,041 (12.9)	4,731 (17.7)
Economic Services	9,862 (50.8)	12,505 (56.5)	12,280 (57.6)	13,917 (29.8)	14,625 (54.7)
Loans and Advances	2,242 (11.5)	4,319 (19.5)	2,331 (10.9)	26,047 (55.7)	6,517 (24.4)
Total	19,415	22,122	21,325	46,756	26,720

Note: Figures in parentheses represent *percentage* to total capital expenditure.



3.4. State Fund Expenditure

Due to the merger of Non-plan/Plan schemes during 2017-18, the expenditure has been classified as State Fund Expenditure and Central Assistance Schemes.

State Fund expenditure during 2017-18 was ₹1,83,469 crore representing 94.3 *per cent* of total disbursements of ₹1,94,594 crore (₹1,67,874 crore under Revenue, ₹20,203 crore under Capital and ₹6,517 crore under Loans and Advances).

CHAPTER 4

APPROPRIATION ACCOUNTS

4.1. Summary of Appropriation Accounts

(₹ in crore)

Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Saving (-) Excess (+)	Surrender
Revenue						
Voted	1,50,725	8,560	1,59,285	1,45,599	(-)13,686	13,454
Charged	25,966	1,159	27,125	27,072	(-) 53	44
Capital						
Voted	27,857	3,365	31,222	20,246	(-) 10,976	11,021
Charged	3	199	202	197	(-) 5	4
Public Debt						
Charged	11,248	@	11,248	8,991	(-)2,257	2,257
Loans and Advances						
Voted	3,541	4,180	7,721	6,517	(-)1,204	1,249
Appropriation to Contingency Fund						
Voted	..	..	..	..	..	..
Total	2,19,340	17,463	2,36,803	2,08,622	28,181	28,029

@ only ₹11,000

4.2. Trends of Savings / Excess during the past five years

(₹ in crore)

Year	Saving (-)/ Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2013-14	(-) 14,303	(-) 7,704	(-) 2,982	(-) 1,027	(-) 26,016
2014-15	(-) 10,753	(-) 9,764	(-) 1,059	(-) 651	(-) 22,227
2015-16	(-) 12,274	(-) 7,821	(-) 951	(-) 1,579	(-) 22,625
2016-17	(-) 14,494	(-) 6,304	(-) 6	(-) 1,220	(-) 22,025
2017-18	(-)13,738	(-)10,981	(-)2,257	(-)1,204	(-)28,180

4.3. Significant savings in the approved grants

Savings in the approved grants indicates either non-implementation or delay in implementation of certain schemes / programmes.

Some grants with persistent savings are given below:

(₹ in crore)

Grant No.	Nomenclature	2013-14	2014-15	2015-16	2016-17	2017-18
01	State Legislature(Revenue)	8	4	4	6	12
02	Governor and Council of Ministers (Revenue)	2	6	8	7	3
04	Adi-draavidar and Tribal Welfare Department (Revenue)	1	1	17	2	152
05	Agriculture Department(Capital)	40	55	115	62	243
07	Fisheries Department (Revenue)	15	21	69	57	155
09	Backward Classes, Most Backward Classes & Minorities Welfare Department (Revenue)	99	116	159	190	353
11	Stamps and Registration Department (Revenue)	22	61	91	79	27
13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department) (Capital)	533	389	233	229	92
14	Energy Department (Revenue)	3,507	814	1,577	891	774
15	Environment(Environment and Forests Department) (Capital)	93	18	28	13	13
16	Finance Department (Revenue) Finance Department (Capital)	269 2,000	127 2,000	284 1,980	208 1,970	265 2,000
19	Health and Family Welfare Department (Revenue)	47	57	30	80	222
21	Highways and Minor Ports Department (Capital)	552	1,539	1,589	1,349	1,743
22	Police Department (Revenue)	47	13	31	42	502
25	Motor Vehicles Act – Administration (Home, Prohibition and Excise Department)(Revenue) (Capital)	82 52	44 16	93 6	22 4	23 2
29	Tourism, Art and Culture (Tourism, Culture and Religious Endowments Department) (Revenue)	33	8	8	7	6
32	Labour and Employment Department (Revenue)	76	175	218	142	68
33	Law Department (Revenue)	3	5	3	3	5
34	Municipal Administration and Water Supply Department (Capital)	329	923	1,370	557	2,941

35	Personnel and Administrative Reforms Department (Revenue)	5	4	10	15	6
38	Public Department (Revenue)	79	78	53	115	90
39	Buildings (Public Works Department) (Revenue)	17	18	53	21	19
40	Irrigation (Public Works Department) (Capital)	782	947	1,187	642	1,731
42	Rural Development and Panchayat Raj Department (Revenue)	1,371	1,861	981	5,650	3,849
44	Micro, Small and Medium Enterprises Department (Revenue)	79	102	37	18	107
	(Capital)	49	46	45	48	49
45	Social Welfare and Nutritious Meal Programme Department (Revenue)	618	308	264	333	266
54	Forests (Environment and Forests Department) (Revenue)	69	97	177	169	64
	(Capital)	40	70	61	44	18
TOTAL		10,919	9,923	10,781	12,975	15,800

From the table above it would be observed that there has been consistent under-utilization of grants during last five years and this has increased from ₹10,919 crore in 2013-14 to ₹15,800 crore during 2017-18. Persistent under-utilization of grants needs critical review for proper budgeting.

Notwithstanding above under utilization, even supplementary grants amounting ₹524.35 crore (0.31 per cent of total revenue expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year against original allocations. A few instances are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
03	Administration of Justice	Revenue	550.42	1.32	535.41
05	Agriculture Department	Revenue	5.00	2.68	3.96
10	Commercial Taxes Department	Revenue	19.47	1.41	16.16
19	Health and Family Welfare Department	Revenue	881.06	*	821.16
20	Higher Education Department	Revenue	215.67	2.21	206.19
22	Police Department	Revenue	2,930.70	468.29	2,676.60
23	Fire and Rescue Services Department	Revenue	47.92	10.34	38.75
24	Jails (Other than Sub-Jails)	Revenue	175.95	0.68	150.44
30	Stationery and Printing Department	Revenue	45.36	0.20	45.15

32	Labour and Employment Department	Revenue	150.73	3.86	135.67
35	Personnel and Administrative Reforms Department	Revenue	54.24	1.85	47.47
41	Revenue Department	Revenue	461.16	**	428.86
48	Transport Department	Revenue	62.35	***	52.91
49	Youth Welfare and Sports Development Department	Revenue	21.42	0.78	19.29
52	Department for the Welfare of Differently Abled Persons	Revenue	16.75	11.97	15.23
54	Forests (Environment and Forests Department)	Revenue	156.67	18.76	154.92
	TOTAL	Revenue	5,794.87	524.35	5,348.17

* ₹19,000/- only.

** ₹19,000/- only.

*** ₹8,000/- only.

CHAPTER 5

ASSETS AND LIABILITIES

5.1. Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/ purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

5.1.1 Investments and Returns

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹33,579 crore at the end of 2017-18. However, dividends received during the year was ₹153 crore (0.46 *per cent*) on investment. During 2017-18, investments increased by ₹3,769 crore (net) and income from dividend decreased by ₹32 crore. The major investment was made in Power Companies (₹782 crore).

5.1.2 Cash Balance and investment of Cash Balances

Cash Balance with RBI stood at ₹ (-) 289 crore on 31 March 2017 and further increased to ₹ (-) 64 crore at the end of March, 2018. The position of cash balance and investment of cash balance is as under:

(₹ in crore)

Component	As on 1 April 2017	As on 31 March 2018	Net increase(+)/ decrease(-)
Cash Balances	(-)289	(-)64	(+)225
Investments from cash balance (GoI Treasury Bills)	15,144	18,585	(+)3,441
Other cash balances	12	12	..
(a) Departmental Balances	4	4	..
(b) Permanent Cash imprest	8	8	..
Investment from earmarked fund balances	23,654	28,660	(+)5,006
(a) Guarantee Redemption Fund	199	225	(+)26
(b) Other Funds	23,455	28,435	(+)4,980
Interest realized*	522	564	(+)42

*It includes interest on investments out of Guarantee Redemption Fund.

5.1.3 Loans and Advances by the State Government

Total loans and advances made by the State Government during 2017-18 was ₹6,517 crore. During 2017-18, ₹8,472 crore has been received towards repayment of loans and advances, out of which major repayments relates to Electricity Schemes (₹5,097 crore), Loans for Road Transport (₹2,716 crore), Loans for Cement and Non-Metallic Mineral Industries (₹300 crore), Loans to Government servants (₹238 crore), Loans for Urban Development (₹40 crore), Loans for Transport Services (₹24 crore). Loans for Co-operatives (₹22 crore), Loans for Consumer Industries (₹17 crore), Loans for Water Supply and Sanitation (₹10 crore). Effective steps to recover the outstanding loans would help the Government's fiscal position.

Significant disbursement of Loans and Advances are as under:-

Major Heads	Amount (₹ in crore)	Purpose
6217. Loans for Urban Development	1,944	Loans to Chennai Metro Rail Corporation Limited (₹800 crore) and Loans to Tamil Nadu Urban Development Fund (₹1,144 crore)
6425. Loans for Co-operation	36	Loans to Co-operatives under Integrated Co-operative Development Programme – controlled by the Registrar of Co-operative Societies
6801. Loans for Power Projects	488	Intra State Transmission Scheme under Green Energy Corridor Project with Loan assistance from KfW (₹246 crore) Tamil Nadu Transmission System Improvement Project with Loan assistance from JICA-01-Loans to TANTRANSCO (₹242 crores)
6851. Loans for Village and Small Industries	71	Loan for Zero Liquid Discharge System at Tiruppur
6860. Loans for Consumer Industries	50	Soft loans to Industrial units under structured assistance package controlled by Industries Commissioner and Director of Industries and Commerce
7055. Loans for Road Transport	375	Short term loan for State Road Transport Undertakings

5.2. Debt and Liabilities

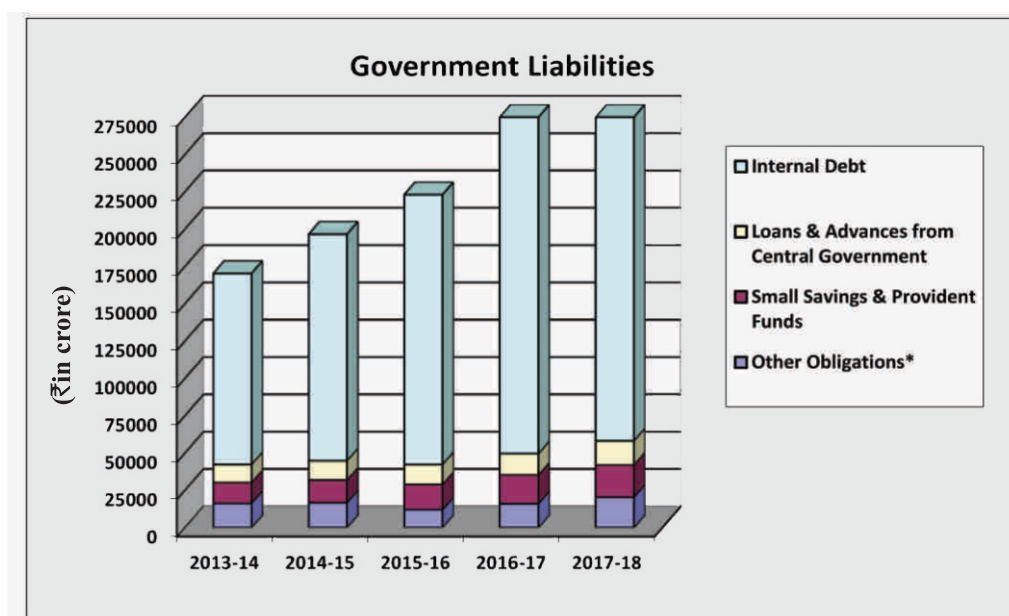
Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed from time to time by the State Legislature.

Details of Public Debt and other liabilities of the State Government are as under (Figures are progressive balances to end of the year):

(₹ in crore)

Year	Public Debt	Percentage to GSDP	Public Account*	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2013-14	1,40,042	14.4	26,639	2.7	1,66,681	17.2
2014-15	1,64,634	15.3	27,213	2.5	1,91,847	17.9
2015-16	1,94,096	16.7	28,934	2.5	2,23,030	19.2
2016-17	2,52,039	19.4	31,355	2.4	2,83,394	21.8
2017-18	2,88,769	20.24	37,749	2.6	3,26,518	22.9

*Excludes Advances, Suspense & Miscellaneous and Remittance balances.



* Other Obligations includes Reserve Funds and Deposits.

Public debt and other liabilities of the Government increased from 21.8 *per cent* of GSDP at the end of 2016-17 to 22.9 *per cent* of GSDP at the end of 2017-18. The Public Debt to GSDP ratio 20.2 *per cent* however, was within the FRBM target of 25.2 *per cent*.

5.3. Guarantees (Contingent Liabilities)

In addition to directly raising loans, State Governments also guarantee loans raised by Government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes. These guarantees are projected outside the State budget. The position of guarantees by the State Government for repayment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc., is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed	Guarantees outstanding at the end of year
2013-14	..	49,499
2014-15	2,841	53,698
2015-16	1,935	51,586
2016-17	9,128	29,145
2017-18	15,517	36,131

Note: Details are available in Statement No. 20 of Finance Accounts and these are based on information received from the State Government and from the respective institutions.

During 2017-18, the State Government received ₹20 crore towards the Guarantee Redemption Fund and out of total balance of ₹257 crore, ₹225 crore was invested.

CHAPTER 6 OTHER ITEMS

6.1. Financial assistance to local bodies and others

During the past five years, Grants-in-aid to local bodies etc., increased from ₹23,386 crore in 2013-14 to ₹40,631 crore in 2017-18. Grants to Zila Parishads, Panchayat Samitis and Municipalities (₹8,911 crore) represented 21.93 *per cent* of total grants given during the year. Details of Grants in aid released in last 5 years are as under:

(₹ in crore)

Year	Zila Parishads	Municipalities and Municipal Corporations	Gram Panchayats and Panchayat Samitis	Others	Total
2013-14	327	2,618	4,979	15,462	23,386
2014-15	342	3,108	5,560	23,913	32,923
2015-16	347	2,872	6,298	25,196	34,713
2016-17	377	3,617	7,222	28,181	39,397
2017-18	285	3,210	5,416	31,720	40,631

6.2. Goods and Service Tax

Advance Apportionment and Devolution of Un-apportioned Integrated Goods and Service Tax (IGST)

As per sanction orders issued by the Ministry of Finance, Government of India, an amount of ₹1,304 crore was received on account of advance apportionment of IGST and an amount of ₹2,735.56 crore was devolved to the State, on the basis of the recommendations of the Fourteenth Finance Commission.

6.3. State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF)

During the year 2017-18, the State Government transferred ₹748.00 crore to SDRF Account towards natural calamities (central share of ₹561.00 crore and State share of ₹187.00 crore). The short transfer of ₹1,447.99 crore to NDRF were transferred during 2017-18. In addition, an amount of ₹351.81 crore was also transferred from NDRF. Though the entire amounts have been accounted as spent, the Treasuries /PAOs have not enclosed any spent vouchers /supporting documents along with the monthly accounts to ensure the genuineness of the expenditure.

6.4. Transfer of funds to Personal Deposit (PD) Accounts

As per the provisions contained under Article 269 of Tamil Nadu Financial Code Volume I, the Government is authorized to open 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) authorizes the 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 Major Head 8443-00-106-AA and as final expenditure under the concerned service Major Heads relating to PD Accounts authorized to open the accounts by Accountant General (A&E) during the year. However, the details of expenditure incurred from the PD Accounts along with supporting vouchers are not received except the en-cashed PD cheques.

During 2017-18, authorisations were issued by Accountant General (A&E) for operation of 78 PD accounts amounting to ₹2,773.79 crore. 127 accounts (₹5,291.31 crore) inclusive of 73 PD accounts relating to previous year were closed at the end of March 2018 as given below:

(₹ in crore)

Opening Balance		Additions during the year		Closed during the year		Closing Balance as on 31 March 2018	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
73	2,547.57	78	2,773.79	127	5,291.31	24	30.05

The money kept outside the Consolidated Fund Account i.e., under Part-III Public Account will have an impact in maintaining the "Revenue Deficit/Surplus" as per Tamil Nadu Fiscal Responsibility Act, 2003. There were no inoperative PD accounts during the year.

6.5. Non-transfer of funds to Pension Fund Regulatory & Development Authority (PFRDA)

As per the provisions of Defined Contribution Pension Scheme (DCPS) introduced in April 2003, the total accumulation of the fund including interest thereon are to be transferred to Pension Fund Regulatory and Development Authority (PFRDA) or any other agency authorized for this purpose and to designate a Fund Manager. However, even after the lapse of more than 14 years, the Government of Tamil Nadu has not transferred these accumulations to the PFRDA by designating a Fund Manager. Instead, out of ₹23,392.42 crore accumulated in the Funds since inception, the State Government has invested ₹22,506.24 crore in 91 days Non-Competitive Treasury Bills and earned an interest of ₹1,324.62 crore (average interest 5.89 per cent) as against interest payment of ₹1,714.87 crore towards DCPS contributions.

6.6. Reconciliation of accounts

With a view to exercise effective control of expenditure by keeping it within the budget grants and to ensure accuracy of accounting, all Chief Controlling Officers (CCOs) are required to reconcile the receipts and expenditure recorded in their books every month during the financial year with the figures compiled by the Accountant General (A&E). Such reconciliation has been completed for receipts amounting to ₹1,45,682.00 crore representing 99.59 per cent of total Revenue Receipts of ₹1,46,279.76 crore and Expenditure of ₹1,85,792.97 crore representing 98.79 per cent of total expenditure of ₹1,88,076.83 crore

(Revenue expenditure ₹1,67,874 crore, Capital expenditure ₹20,203 crore).

6.7. Utilisation Certificates for Grants-in-Aid

While sanctioning grants to various bodies for specific purposes, the State Government stipulates that the Utilization Certificates (UCs) are to be forwarded to the Accountant General (A&E) within 18 months from the date of drawal of grants. It is however, observed that UCs amounting to ₹367.49 crore were outstanding beyond the stipulated period.

(₹in crore)

Year *	No. of UCs pending	Amount	Remarks
2015 – 16	1	14.61	Commissioner of Municipal Administration (3.98%)
2016 – 17	1	2.95	Directorate of Town & Country Planning, Chennai (0.80%)
2017 – 18	22	349.93	Tamil Nadu Slum Clearance Board (₹280.52 crore- 76.33%) Sports Development Authority of Tamil Nadu (₹9.10 crore-2.48%), Director of Technical Education (₹0.08 crore – 0.02%), Director of Rural Development (₹1.56 crore – 0.43%), Tamil Nadu Physical Education (₹0.96 crore – 0.26%), Director of Sugar (₹9.00 crore – 2.45%), Commissioner of Municipal Administration (₹48.55 crore – 13.21%), Director of Town and Country Planning (₹0.16 crore – 0.04%)
Total	24	367.49	
<ul style="list-style-type: none"> The year mentioned above relates to "Due Year" i.e., after 18 months of actual drawal. 			

Amount under non-receipt of Utilization Certificates has increased to ₹367.49 crore during 2017-18 compared to ₹211.43 crore in 2016-17.

6.8. Outstanding Temporary Advances

The Government of Tamil Nadu does not follow the system of drawal of Abstract Contingency (AC) bills in emergent situations followed by submission of Detailed Contingency (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, Volume I. Accordingly, it is mandate on the part of DDOs to submit adjustment bills within three months from the date of drawal of such advances. Treasuries/PAOs monitor the settlement of adjustment bills against the Temporary Advances drawn and to report to the Accountant General every quarter regarding the outstanding Temporary Advances. However, there were 791 nos. of outstanding Temporary Advances amounting to ₹261.90 crore remaining unadjusted as on 31 March 2018 as reported by the Commissioner of Treasuries and Accounts. The details, with year-wise break up of pendency are stated below :

Details of outstanding Temporary Advances as on 31 March 2018

<i>(₹in crore)</i>		
Period of pendency	No. of Items	Amount
More than 10 years	16	1.34
More than 5 years and less than 10 years	17	7.34
More than 1 year and less than 5 years	71	129.94
Less than 1 year	687	123.28
Total	791	261.90

Out of the total outstanding Temporary Advances amounting to ₹261.90 crore, the major departments which have not submitted settlement bills were Directorate of Integrated Child Development Scheme (36 TAs amounting to ₹82.30 crore (31.43%)), Social Welfare Department (19 TAs amounting to ₹20.55 crore (7.85%)), Registrar General, High Court (6 TAs amounting to ₹25.09 crore (9.58%)), Election Department (2 TAs amounting to ₹0.21 crore (0.08%)), Medical and Rural Health Services (4 TAs amounting to ₹0.86 crore (0.33%)), Revenue Administration (1 TA amounting to ₹0.82 crore (0.31%)), Animal Husbandry Department (2 TAs amounting to ₹0.40 crore (0.15%)) and School Education Department (3 TAs amounting to ₹0.11 crore (0.04%)). There were 687 TAs worth ₹123.28 crore (47.07%) outstanding relating to various departments which were drawn during 2017-18.

Amount under outstanding Temporary Advances has increased to ₹261.90 crore during 2017-18 compared to ₹183.86 crore in 2016-17.

Non-adjustment of outstanding advances beyond the stipulated time indicates lack of adequate financial controls and transparency in the management of the temporary advances.

6.9. Direct transfer of Central Scheme Funds to State implementing Agencies

In spite of Government of India's decision to release all assistance to Centrally Sponsored Schemes (CSSs)/Additional Central Assistance (ACA) to the State Government and not directly to the implementing agencies, funds were transferred directly to implementing agencies. As per the Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA), Government of India released ₹11,643.65 crore directly to the implementing agencies in Tamil Nadu during 2017-18. Compared to 2016-17, the direct transfer of funds to implementing agencies has increased by 104.48 *per cent* in 2017-18.

6.10. Return Payment under Electronic Clearance Services (Return ECS)

Credit balance under the Major Head '8670 Cheques and Bills' indicates the extent to which cheques issued but remain un-encashed at the end of the year. As on 31 March 2018, cheques amounting to ₹4,211.64 crore (Credit) remain un-encashed.

Similarly, payments made by Treasuries and PAOs through Electronic Clearance Services (ECS) amounting to ₹445.44 crore also remain un-credited to recipients' bank accounts mainly due to incorrect account numbers which do not match with the records of the Bank. In such cases, the concerned banks return the details of amounts not credited to the recipients to the Treasuries and PAOs, who are expected to take it to the concerned service Major Head under Part I where the amount was originally debited. However, as on 31 March 2018, an amount of ₹28.91 crore representing such return ECS amount was kept under Part III Public Accounts for want of original service head details overstating expenditure to that extent under the respective service major heads.

6.11. Rush of expenditure

As per Article 39 of Tamil Nadu Financial Code Volume I, all appropriations lapse at the close of the financial year. No attempt should be made to prevent the lapse of an appropriation by any undue rush of expenditure during March.

However, an amount of ₹9,266.65 crore (4.93 *per cent* of total expenditure of ₹1,88,076.83 crore) was booked under 418 sub heads during March 2018 though no expenditure was incurred till February 2018 during the year 2017-18. Details of such rush of expenditure during March 2018 are given below:

(₹in crore)

SL.No.	Category	No. of items	Amount
1	Above 1000 crore	1*	3,001.47
2	Between 501 crore and 1000 crore	1**	781.54
3	Between 101 crore and 500 crore	17***	3,358.52
4	Between 1 crore and 100 crore	126****	2,063.66
5	Below 1 crore	273*****	61.46
	Total	418	9,266.65

* Road Transport

** Energy Department

*** Education Department and Rural Department }

**** Agriculture Department } Mainly

***** Social Services and Education Departments }

6.12. Commitments on account of Incomplete Capital Works

During the year 2017-18, 56 projects costing more than ₹10 crore each were not completed. Out of total revised cost estimate of ₹610 crore, the progressive expenditure incurred on these projects up to 2017-18 was ₹4,429 crore. The commitment of the State government on these incomplete projects worked out to ₹9,189 crore.

6.13. Ujwal DISCOM Assurance Yojana (UDAY)

Under DISCOM Assurance Yojana (UDAY), a scheme for financial turnaround of Power Distribution Companies (DISCOM) was introduced by the Government of India in 2015 with an objective to improve the operational and financial efficiency of the state DISCOMs. The assistance to the extent of ₹22,815 crore was treated as 'Loan' by the State Government (GO.MS.No.12) Energy (C2) Department dated 06.03.2017. As per the instructions detailed in the GO,Ms.No. 8 Energy (C2) Department dated 10.02.2017, (i) the loan credited under MH-6003-106, is repayable by Government of Tamil Nadu after completion of six years from the year of receipt of loan assistance in 2016-17 (ii) Tamil Nadu State Government converted the interest free loan into grant i.e., one instalment (total 5 equal instalments) commencing from the year 2017-18 by appropriating funds for ₹4,563 crore and carried out the necessary adjustment debiting Grant for debt servicing under head 'MH-2801-80- 101-JH' and crediting the loan head MH-6801.

6.14. Non-receipt of vouchers & List of Payment for the expenditure booked in the accounts

As recorded in the Objection Book Register for the year 2017-18, it is observed that 1,686 vouchers valuing ₹497.16 crore were found wanting from the various accounts rendering units (Treasuries / PAOs) to the Accountant General (A&E) in support of the expenditure booked in the accounts. Though the concerned Treasuries / PAOs were reminded, the wanting vouchers have not been furnished to Accountant General (July 2018).

6.15. Revenue Budgetary Performance

In respect of 34 Revenue Major Heads, the actual revenue realized was ₹39,365.28 crore in comparison to budget estimate of ₹52,290.78 crore which was lower by ₹12,925.50 crore registering an average short realization of 24.72 per cent.



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